

PeaceHealth

Continuing Disclosure

Quarter Ending | September 30, 2026

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Peace Health

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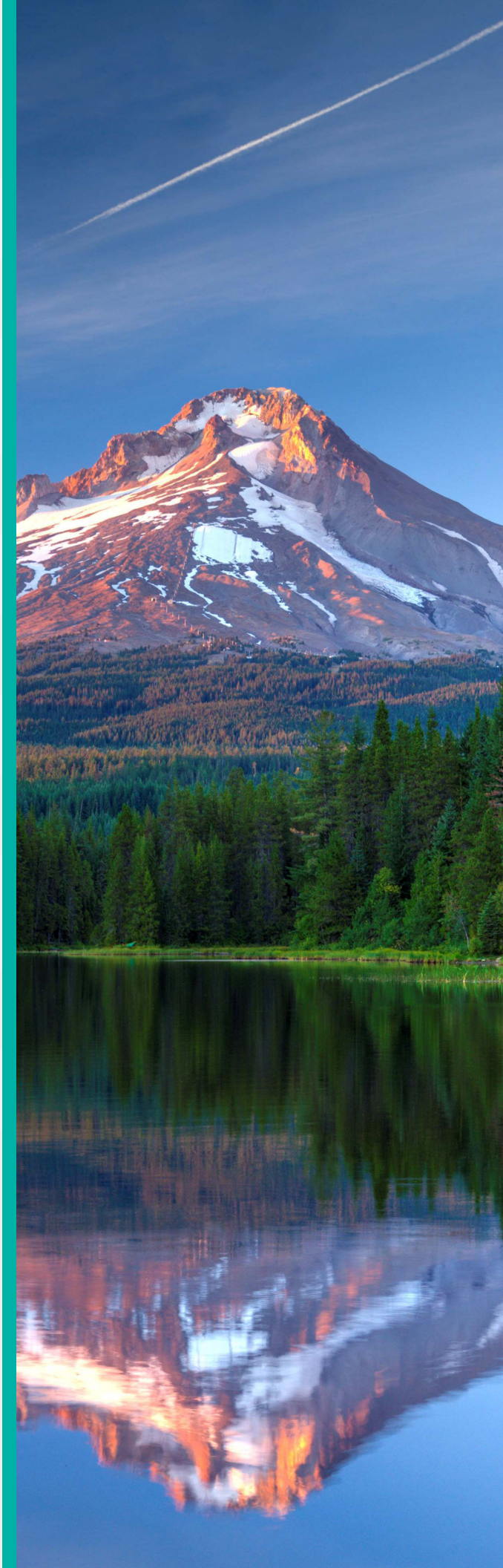

PeaceHealth

About PeaceHealth

PeaceHealth is a leading not-for-profit Catholic healthcare ministry serving communities throughout Washington, Oregon and Alaska. With approximately 16,000 caregivers, 3,200 physicians and clinicians, more than 160 clinics and nine medical centers, PeaceHealth delivers comprehensive care across a diverse geographic region while remaining committed to its Mission of carrying on the healing ministry of Jesus Christ.

Established in 1890 by the Sisters of St. Joseph of Peace, the organization has served the Pacific Northwest for more than 135 years. Their founding Charism of peace through social justice continues to guide PeaceHealth's approach to compassionate, person-centered care and community health.

As healthcare continues to evolve, PeaceHealth is executing a system-wide transformation focused on creating a fully integrated care delivery model that is Person-First, Value-Driven and Highly-Trusted. Through this work, the organization is strengthening its long-term sustainability, expanding its ability to meet community needs, and positioning itself to deliver exceptional care for generations to come.

National recognition in 2026 by Becker's Hospital Review as one of the country's top healthcare workplaces reflects the strength of the organization's culture, quality outcomes and commitment to excellence.

PeaceHealth caregivers, clinicians and leaders are working together to advance our Mission while building a stronger, more integrated healthcare system for the communities we serve.

PeaceHealth

Our shared purpose and calling

OUR MISSION

We carry on the healing mission of Jesus Christ by promoting personal and community health, relieving pain and suffering, and treating each person in a loving and caring way.

OUR VISION

Every person receives safe, compassionate care; every time, every touch.

OUR VALUES

Respect

We respect the dignity and appreciate the worth of each person as demonstrated by our compassion, caring and acceptance of individual differences.

Collaboration

We value the involvement, cooperation and creativity of all who work together to promote the health of the community.

Stewardship

We choose to serve the community and hold ourselves accountable to exercise ethical and responsible stewardship in the allocation and utilization of human, financial and environmental resources.

Social Justice

We build and evaluate the structures of our organization and those of society to promote the just distribution of health care resources.

PeaceHealth

One PeaceHealth Serving Many Communities

A Lasting Commitment to the Pacific Northwest

Fast Facts

FISCAL YEAR 2026 (JULY 1, 2025 – JUNE 30, 2026)

- Caregivers | **16,403**
- Total Physicians and Clinicians | **3,381**
- Licensed Beds | **1,525**
- Inpatient Discharges | **301,365**
- Clinic Visits | **1,929,268**
- Babies Born | **7,751**
- Surgeries Performed | **50,417**
- ED Visits | **360,047**
- Community Benefit | **$323,820,770**
- Clinic Locations | **226**



Our Regions

Northwest Region

PeaceHealth St. Joseph Medical Center

BELLINGHAM, WASHINGTON

Service Area: Whatcom County
Level II Trauma Center
Sole Community Hospital
Licensed Beds: 255
CMS Rating FY25: 4-star
Leapfrog Safety Grade FY25: A
Clinics: Bellingham and Lynden

PeaceHealth Peace Island Medical Center

FRIDAY HARBOR, WASHINGTON

Service Area: San Juan Island, San Juan County
Critical Access Hospital
24-hour Emergency Room
Licensed Beds: 10
Clinic: Friday Harbor

PeaceHealth United General Medical Center

SEDRO-WOOLLEY, WASHINGTON

Service Area: Skagit County, Whatcom County
Critical Access Hospital
Level IV Trauma Center
Licensed Beds: 25
CMS Rating FY25: 4-star
Clinics: Sedro-Woolley, Burlington and Anacortes

PeaceHealth Ketchikan Medical Center

KETCHIKAN, ALASKA

Service Area: Ketchikan Gateway Borough
and Prince of Wales Island in southern Southeast Alaska
Critical Access Hospital
Licensed Beds: 25
Long-term Care Beds: 29
Clinics: Ketchikan and Craig



Vancouver Region

PeaceHealth St. John Medical Center

LONGVIEW, WASHINGTON

Service Area: Cowlitz County
Level III Trauma Center
Sole Community Hospital
Licensed Beds: 346
CMS Rating FY25: 3-star
Clinics: Longview and Woodland

PeaceHealth Southwest Medical Center

VANCOUVER, WASHINGTON

Service Area: Clark County
Level II Trauma Center
Licensed Beds: 450
CMS Rating FY25: 4-star
Clinics: Vancouver and Camas



Oregon Region

PeaceHealth Sacred Heart Medical Center at RiverBend

SPRINGFIELD, OREGON

Service Area: Lane County
Level II Trauma Center
Licensed Beds: 384
CMS Rating FY25: 4-star
Leapfrog Safety Grade FY25: A
Clinics: Springfield and Eugene

PeaceHealth Cottage Grove Community Medical Center

COTTAGE, OREGON

Service Area: Lane County
Critical Access Hospital
Licensed Beds: 14
Clinics: Cottage Grove, Creswell and Pleasant Hill

PeaceHealth Peace Harbor Medical Center

FLORENCE, OREGON

Service Area: Lane County
Critical Access Hospital
Level IV Trauma Center
Licensed Beds: 21
Clinic: Florence

Awards and Recognition

PeaceHealth has received the following awards and recognitions through 2026.

PeaceHealth Ketchikan Medical Center

- 2020-2024 American Nurses Credentialing Center Pathways to Excellence designation.
- 2023 CMS recognition for being one of the cleanest hospitals in the country
    - CMS's Patient survey (HCAHPS)-Hospital database listed hospital ratings based on the Hospital Consumer Assessment of Healthcare Providers and Systems surveys
- 2025 Alaska Hospital & Healthcare Association Innovation in Patient Safety & Quality Award
- 2025 Newsweek America's Best In-State Hospitals 2025
- 2025 American College of Surgeons

PeaceHealth St. Joseph Medical Center

- 2023-2025 Centers for Medicare and Medicaid Services 4-star overall rating (out of 5) on overall clinical performance.
- 'A' rating Leapfrog Hospital Grades for overall quality and safety annually for the past 11 years.
- Blue Distinction Center of Excellence, Blue Cross, Blue Shield Association
- Named an America's Best Maternity Hospital 2024 by Newsweek Magazine
- 2024 Health-grades America's 100 Best Hospitals for Coronary Intervention Award for superior clinical outcomes in coronary intervention procedures (angioplasty with stent)
- 2024 Health-grades America's 100 Best Hospitals for Gastrointestinal Care Award for superior clinical outcomes in colorectal surgeries, gallbladder removal, upper gastrointestinal surgery, and treating bowel obstruction, gastrointestinal bleeds, and pancreatitis
- 2024 Health-grades America's 100 Best Hospitals for Gastrointestinal Surgery Award for superior clinical outcomes in bowel obstruction treatment, colorectal surgeries, gallbladder removal, and upper gastrointestinal surgery
- 2024 Health-grades Stroke Care Excellence Award for superior clinical outcomes in the care and treatment of stroke
- 2025 Mended Hearts National Hospital of the Year
- 2025 LifeCenter Northwest Organ Donation Process Excellence Award
- 2025 LifeCenter Northwest Tissue Donation Referral Achievement Award
- 2025 Newsweek America's Best Maternity Hospitals
- 2025 American College of Surgeons Surgery Quality Improvement Program Accreditation
- 2025 American College of Surgeons Trauma Quality Improvement Program Accreditation
- 2025 American College of Surgeons Commission on Cancer Comprehensive Community Cancer Program Accreditation
- 2025 American Heart Association Get With The Guidelines: Gold Plus Achievement



PeaceHealth Peace Island Medical Center

- 2023 Press Ganey Guardian of Excellence Award for patient experience in the Emergency Department.
- 2023 Press Ganey Human Experience Pinnacle of Excellence Award for demonstrating excellence for a minimum of three consecutive years in patient experience in the Emergency Department and Infusion/ Chemotherapy Services
- American Institute of Architects Healthcare Design Award Recipient for the best healthcare building design
- American College of Radiology gold seal of accreditation in mammography
- 2025 Press Ganey Human Experience Awards Pinnacle of Excellence award for patient experience in the Emergency Department.

PeaceHealth United General Medical Center

- 2025 Centers for Medicare and Medicaid Services 4-star overall rating (out of 5) on overall clinical performance.
- Accreditation from the Commission on Accreditation of Rehabilitation Facilities for the Acute Rehabilitation Center
- Accreditation in Radiation Oncology by the American College of Radiology (ACR) and American College of Surgeons Commission on Cancer accredited cancer program since 1975
- 2025 American Heart Association Get With The Guidelines Rural Stroke Bronze Award
- 2025 American Heart Association Get With The Guidelines: Gold Plus Achievement
- 2025 American College of Surgeons Commission on Cancer Community Cancer Program Accreditation

PeaceHealth St. John Medical Center

- 2024 and 2025 Centers for Medicare and Medicaid Services 3-star overall rating (out of 5) on overall clinical performance.
- 2025 Foundation for Health Care Quality Percutaneous Cardiac Intervention Award
- 2024 Health-grades Joint Replacement Excellence Award for superior outcomes in knee and hip replacement
- 2025 American Heart Association's Get With The Guidelines: Gold Plus Achievement
- 2025 American College of Surgeons Commission on Cancer Community Cancer Program Accreditation
- 2025 American College of Surgeons Surgery Quality Improvement Program Accreditation
- 2026 Forbes Top Hospitals



PeaceHealth Southwest Medical Center

- 2023-2025 Centers for Medicare and Medicaid Services 4-star overall rating (out of 5) on overall clinical performance.
- 2022-2025 'A' rating Leapfrog Hospital Grades for overall quality and safety
- 2024 Health-grades America's 50 Best Hospitals for Outpatient Orthopedic Surgery Award for superior clinical outcomes in outpatient back and neck surgery, rotator cuff surgery, total hip replacement and total knee replacement
- 2025 Fully accredited by the American College of Surgeons Commission on Cancer (CoC) with the maximum number of commendations and the only center in Clark County that uses integrated IGRT/CBCT for treatment, resulting in recognition as a center of excellence for Accelerated Partial Breast Irradiation
- 2024 Cranial Neurosurgery Excellence Award for superior clinical outcomes in cranial neurosurgery

- 2024 Health-grades Joint Replacement Excellence Award for superior outcomes in knee and hip replacement
- 2025 American Heart Association's Get With The Guidelines: Gold Plus Achievement
- 2025 Clark County Green Business Green Awards – Seeds of Sustainability Award
- 2025 American College of Surgeons Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program (MBSAQIP) Accreditation
- 2025 American College of Surgeons Surgery Quality Improvement Program Accreditation
- 2025 American College of Surgeons Trauma Quality Improvement Program Accreditation

PeaceHealth Oregon

- 2025 Portland Business Journal Oregon's Healthiest Employer - 4th

PeaceHealth Sacred Heart Medical Center at RiverBend

- DNV accredited Trauma Level II regional referral center
- 2026 Forbes Five Star rating, one of only 781 hospitals in the nation to earn top rating
- 2024-2026 Centers for Medicare and Medicaid Services 4-star overall rating (out of 5) on overall clinical performance.
- 2022-2026 'A' rating from Leapfrog Hospital Grades for overall quality and safety and 2022 Top Hospital Award
- 2026 American College of Cardiology HeartCARE Center, national distinction of excellence
- 2022-26 Health-grades America's 100 Best Hospitals for Spine Surgery Award for superior clinical outcomes in back and neck surgeries and spinal fusion procedures
- 2026 Health-grades America's Pulmonary Care Excellence Award for superior clinical outcomes in treating chronic obstructive pulmonary disease (COPD) and pneumonia.
- 2025-26 Outpatient Prostate Care Excellence Award for superior clinical outcomes in outpatient benign prostatic hyperplasia treatments
- 2025-26 American Heart Association's 2023 Get With The Guidelines: Gold Plus Quality Achievement Award for high standard of stroke care
- 2025-26 Det Norske Veritas (DNV) Comprehensive Stroke Center
- 2026 U.S. News and World Report – 4th best hospital in Oregon
- 2025 U.S. News and World Report – 3rd Best Hospital in Oregon
- 2025-26 American College of Surgeons Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program (MBSAQIP) Accreditation
- 2025-26 American College of Surgeons Trauma Verification, Review, and Consultation Accreditation
- 2025-26 American College of Surgeons National Surgery and Pediatric Surgery Quality Improvement Program Accreditation
- 2024 Health-grades Patient Safety Award for excellence in patient safety by preventing infections, medical errors and other preventable complications
- Cardiac Care Outcomes Assessment Program (COAP) award for Percutaneous Cardiac Intervention from the Foundation for Health Care Quality
- 2024 Health-grades America's 50 Best Hospitals for Outpatient Joint Replacement Award for superior clinical outcomes in outpatient total hip replacement and outpatient total knee replacement



PeaceHealth Cottage Grove Community Medical Center

- Recognized for overall excellence in multiple categories by the National Organization of State Office of Rural Health
- 2025 Press Ganey Human Experience Award Guardian of Excellence award for patient experience with Infusion Services

PeaceHealth Peace Harbor Medical Center

- 2026 CMS 5 Star overall rating (highest possible)
- DNV accredited critical access hospital
- Recognized for innovative Antimicrobial Stewardship Program that ensures patients receive the right antibiotic at the right dose at the right time for the right duration



Management's Discussion

The financial results of the Obligated Group discussed below reflect the performance of the Networks and PeaceHealth Medical Group.

	Three months ended September 30,	
	2026	2025
Financial Performance		
Operating EBITDA	$ 79,992	$ 26,706
Margin	7.3%	2.7%
Income from Operations before Non-Recurring	$ 12,380	$ (38,677)
	$ 13,922	$ 12,862
Income from Operations before Non-Recurring	$ 26,302	$ (25,815)
Margin	2.4%	-2.6%
Excess of Revenues over Expenses	$ 25,748	$ 42,139
Margin	2.3%	4.3%
Balance Sheet Ratios		
Days Cash on Hand	227	226
Net Days in Accounts Receivable	43	44
Cash to Long-Term Debt	138%	223%
Long-Term Debt to Capitalization	42.6%	31.6%
Operations		
Total Discharges	19,427	18,034
Total Inpatient Days	87,719	82,924
Total Average Length of Stay	4.52	4.60
Surgery Cases		
Inpatient	4,471	4,091
Outpatient	8,194	8,086
Outpatient - ASC	481	---
Emergency Room Visits	95,953	90,638
Worked RVU's	1,252,041	1,189,100

Financial Performance

Total revenues for the Obligated Group, as of the three months ending September 30, 2026, were approximately $1.10 billion compared to $0.98 billion for the same period last year. Net patient service revenues increased by 12.8% compared to the prior year. Discharges increased by 7.7%, patient days were up 5.8%, and average length of stay went from 4.60 days to 4.52 days from the same period last year. Emergency room visits increased 5.9%, total surgeries increased by 8.0% and clinic worked RVUs increased by 5.3% from the same period last year.

Recurring operating income before interest, taxes, depreciation, and amortization (Operating EBITDA) generated $80 million compared to $26.7 million in the prior year.

Excess of revenues over expenses was $25.8 million for the three months ended September 30, 2026, compared to a gain of $42.1 million for the same period last year. Investment gains were $1.3 million compared to $85.8 million in prior year. The investment portfolio allocations are aligned with policy targets.

The change in market value of interest rate swaps, net of cash payments on such swaps, was a positive impact of $15.9 million compared to a negative impact of $1.5 million in the prior year. The change in valuation of interest rate swaps is largely determined by the changes in market yields for similar maturity, and PeaceHealth has the intent and ability to continue to hold these swaps that are hedges for its variable rate debt exposures.

Volumes

The chart below shows discharges, patient days, length of stay, total surgeries, emergency visits, clinic visits and clinic worked RVUs by network for the three months ended September 30, 2026, and 2025.

Summary Statistics	Columbia Network		Northwest Network		Oregon Network		PeaceHealth	
	2026	2025	2026	2025	2026	2025	2026	2025
Discharges	7,154	6,769	4,903	4,571	7,370	6,694	19,427	18,034
Patient Days	31,473	30,415	21,352	20,589	34,894	31,920	87,719	82,924
Length of Stay	4.4	4.5	4.4	4.5	4.7	4.8	4.5	4.6
Total Surgeries	4,176	3,958	3,786	3,325	5,184	4,894	13,146	12,177
Emergency Visits	38,817	36,053	27,927	26,329	29,209	28,256	95,953	90,638
Clinic Visits	151,247	139,890	127,013	124,094	153,754	146,462	432,014	410,446
Clinic Work RVU's	466,909	430,862	346,226	339,144	438,906	419,094	1,252,041	1,189,100

Sources of Gross Patient Service Revenue

The Corporation's major sources of patient service revenue are from the Federal Medicare program, state welfare agencies (including Medicaid) in Washington, Oregon and Alaska, various Blue Cross and Blue Shield programs in Washington, Oregon and Alaska, health maintenance organizations and other managed care providers, and commercial insurers. Under the Medicare program and some state welfare agency programs, determination of certain amounts due to the hospitals or payable by these welfare agency programs are subject to audit of cost reports by the responsible agencies. The Corporation believes adequate provision has been made in its financial statements for any adjustments that may result from the settlement of its cost reports. As the following table indicates, the sources of the Corporation's gross patient service revenues have been relatively stable compared to prior year.

	Twelve month's ended September 30,	
Payor	**2026**	**2025**
Medicare	52.8%	53.4%
Medicaid	18.2%	18.5%
Commercial and Other	27.4%	26.6%
Self Pay	1.6%	1.5%
Total	100%	100%

Financial Position

Given PeaceHealth's current cash position and degree of financial leverage, PeaceHealth is well positioned to make the investments in health care that are deemed necessary and prudent to serve its communities and still fulfill its stewardship responsibilities to all its stakeholders, including its credit providers.

The following table shows the days cash on hand of the Obligated Group as of September 30, 2026, and 2025.

(000's Omitted)				
		2026		**2025**
Cash and Cash Equivalents	$	150,502	$	113,441
Short-Term Investments		964,955		905,829
Board Designated Cash Investments		1,436,742		1,360,818
Less Amounts Restricted to Use		(334)		(40)
Total Cash and Investments	$	2,551,865	$	2,380,049
Total Expenses	$	1,070,863	$	1,003,884
Less: Depreciation and Amortization of Other Assets		(35,126)		(34,959)
	$	1,035,737	$	968,925
Number of Days		92		92
Days Cash on Hand		227		226

The following table shows the debt service coverage ratio of the Obligated Group as of the twelve months ended September 30, 2026, and 2025.

(000's Omitted)				
		2026		**2025**
Income Available for Debt Service				
- Excess Revenue over Expenses	$	177,826	$	51,539
- Depreciation and Amortization		139,066		135,618
- Change in Value of Interest Rate Swaps		(25,415)		(11,408)
- Change in Unrealized (Gain) Loss on Investments		(107,427)		(74,817)
- Interest and Amortization of Deferred Fin Cost		77,342		73,539
- Extraordinary Loss		72,549		41,168
Total	$	333,939	$	215,638
Historical Annual Debt Service Requirement		$75,304		$71,499
Historical Annual Debt Service Coverage Ratio		4.43		3.02
Maximum Annual Debt Service Requirement		$142,128		$123,570
Maximum Annual Debt Service Coverage Ratio		2.35		1.75

The following table shows the debt service coverage ratio of the Obligated Group as of the twelve months ended September 30, 2026, and 2025 using the optional three-year average for realized investment gains.

(000's Omitted)	2026	2025
Income Available for Debt Service		
- Excess Revenue over Expenses	$ 177,826	$ 51,539
- Depreciation and Amortization	139,066	135,618
- Change in Value of Interest Rate Swaps	(25,415)	(11,408)
- Prior Fiscal Year Three Year Average Gain (Loss) on Investments	96,381	75,788
- Realized (Gain) Loss on Investments	(70,997)	(115,383)
- Change in Unrealized (Gain) Loss on Investments	(107,427)	(74,817)
- Interest and Amortization of Deferred Fin Cost	77,342	73,539
- Extraordinary Loss	72,549	41,168
Total	**$ 359,323**	**$ 176,042**
Historical Annual Debt Service Requirement	$75,304	$71,499
Historical Annual Debt Service Coverage Ratio	4.77	2.46
Maximum Annual Debt Service Requirement	$142,128	$123,570
Maximum Annual Debt Service Coverage Ratio	2.53	1.42

The following table shows the percentage of long-term debt to capitalization and total debt to capitalization of the Obligated Group as of September 30, 2026, and 2025.

(000's Omitted)	2026	2025
Long-Term Debt		
Master Indenture Debt	$ 1,831,944	$ 1,399,254
Other Debt	13,888	455,673
Subtotal	1,845,832	1,854,927
Less: Current Portion of Debt	(7,819)	(787,804)
Net Long-Term Debt	1,838,013	1,067,123
Net Assets	2,491,176	2,314,873
Total Capitalization	$ 4,329,189	$ 3,381,996
Percent of Net Long-Term Debt to Total Capitalization	42.5%	31.6%
Percent of Total Debt to Total Capitalization	42.6%	44.5%

Summary Financial Statements

Summary unaudited statements of operations for the PeaceHealth Obligated Group (of which PeaceHealth Networks and PeaceHealth are the only Members) for the twelve months ending **September 30, 2026, and 2025** and **summary balance sheets as of September 30, 2026, and June 30, 2026,** are presented below.

The net assets of the Obligated Group as of September 30, 2026, and June 30, 2026, accounted for 100% of the Corporation's consolidated net assets.

PeaceHealth

PeaceHealth Obligated Group Balance Sheets - Unaudited
As of September 30, 2026 and June 30, 2026 (000's)

	September 30, 2026	June 30, 2026
Assets		
Cash and Cash Equivalents	$ 150,502	$ 144,862
Short-Term Investments	964,955	965,101
Net Patient Accounts Receivable	498,774	484,399
Other Receivables	213,097	218,479
Other Current Assets	99,661	177,173
Assets whose use is limited that are required for current liabilities	78	77
Total Current Assets	1,927,067	1,990,091
Investments	1,436,664	1,426,003
Investments in affiliates and joint ventures and other	187,786	184,145
Total Assets Limited as to Use	1,624,450	1,610,148
Less Current Portion	(78)	(77)
Net Assets Limited as to Use	1,624,372	1,610,071
Property, Plant & Equipment	3,691,475	3,655,432
Less: Accumalated Depreciation	(2,393,048)	(2,362,482)
Net Property, Plant & Equipment	1,298,427	1,292,950
Operating Lease Right of Use Assets	104,391	107,549
Other Assets	257,011	256,588
Total Assets	**$ 5,211,268**	**$ 5,257,249**
Liabilities and Net Assets		
Current Maturity of Long-Term Debt	$ 7,819	$ 6,195
Accounts Payable	261,072	228,500
Accrued Payroll, Taxes, and Benefits	235,668	268,956
Accrued Interest Payable	27,120	9,817
Other Current Liabilities	24,247	93,468
Operating Lease Liabilities, Current Portion	16,218	15,938
Short-Term Debt	---	---
Third Party Payables	9,423	10,839
Total Current Liabilities	581,567	633,712
Long-Term Operating Lease Liabilities, Net of Current Portion	92,018	95,282
Total Long-Term Debt	1,845,832	1,845,188
Less: Current Portion	(7,819)	(6,195)
Net Long-Term Debt	1,838,013	1,838,993
Other Liabilities	208,494	221,075
Total Liabilities	2,720,092	2,789,062
Total Net Assets	2,491,176	2,468,187
Total Liabilities and Net Assets	**$ 5,211,268**	**$ 5,257,249**

PeaceHealth Obligated Group | Statements of Operations - Unaudited
For the Three Months Ended September 30, 2026 and 2025 (000's)

	FY 2027	FY 2026
Operating Revenue:		
Net Patient Revenue	$ 1,059,272	$ 938,822
Other Operating Revenue	37,894	39,247
Total Operating Revenue	1,097,166	978,069
Operating Expenses:		
Salaries, Wages and Contract Labor	506,230	485,978
Payroll Taxes and Benefits	100,737	99,066
Professional Fees	36,312	29,604
Medical Supplies	102,557	88,629
Drugs and Pharmaceuticals	82,592	65,858
Other Supplies	4,685	7,787
Purchased Services	106,102	96,459
Travel and Education	2,726	2,466
Insurance	5,874	8,851
Other Expenses	69,359	66,666
Operating Expenses (Before ITDA)	1,017,174	951,363
Operating EBITDA	79,992	26,706
Interest	18,563	17,562
Depreciation and Amortization	35,051	34,888
Accretion	75	71
Total ITDA	53,690	52,521
Income (loss) from Recurring Opeations	26,302	(25,815)
Nonrecurring Operating Loss	(13,922)	(12,862)
Income (loss) from Operations	12,380	(38,677)
Non-Operating Income:		
Other Non-Operating Revenue/Expense	(3,839)	(3,419)
Investment Income	16,530	34,372
Unrealized Gain (Loss) on Investments	(15,192)	51,340
Change in Valuation of Interest Rate Swaps	15,869	(1,477)
Gain (Loss) on Sale of Assets	---	---
Total Non-Operating	13,368	80,816
Excess of Revenue Over Expenses	$ 25,748	$ 42,139
Other Changes in Net Assets	(4,012)	(10,745)
Change in Unrestricted Net Assets	**$ 21,736**	**$ 31,394**

PeaceHealth Obligated Group | Statements of Cash Flows - Unaudited
For the Three Months Ended September 30, 2026 and 2025 (000's)

	FY 2027	FY 2026
Cash flows from operating activities:		
Change in assets	$ 22,989	$ 40,638
Adjustments:		
Depreciation and amortization	35,051	34,888
Net realized gains	(5,509)	(23,104)
Net change in unrealized (gains) losses on investments	15,192	(51,340)
Loss (gain) on asset impairment	---	---
Loss (gain) on sale of assets	169	---
Decrease (increase) in interest in Foundations	1,022	(9,571)
Change in fair market value of swap	(17,190)	606
Restricted contributions	(1,085)	(49)
Equity earnings on investments and other changes net of joint venture distributions	2,786	(348)
Change in certain assets and liabilities		
Patient accounts receivable, net	(14,396)	(15,522)
Other accounts receivable	60,051	58,616
Other assets	(90)	(60)
Other nonrecurrent assets	(1,445)	1,315
Accounts payable	32,574	(32,133)
Accrued liabilities	(33,287)	(28,399)
Estimated contractual liabilitiesAccrued interest	(1,416)	4,584
Accrued interest	17,303	9,388
Other current liabilities	(68,943)	(44,715)
Professional liability and Other	5,282	10,158
Cash provided (used) by other operation activity	49,058	(45,047)
Cash flows from investing activities activities:		
Acquisition of PP&E	(40,699)	(35,294)
Proceeds from sale of alternative investments	64,428	15,939
Proceeds from sale of assets	3	---
Purchases of alternative investments	(9,556)	(4,130)
Sales and maturities of investments (net)	(58,564)	(15,072)
Net cash used in investing activites	(44,388)	(38,557)
Cash flows from financing activities:		
Repayment of long-term debt	(133)	(1,038)
Proceeds from new financing	---	---
Proceeds from restricted contributions	1,085	49
Net cash provided by financing activities	952	(989)
Net increase (decrease) in cash	5,621	(84,593)
Cash, beginning of period	**144,881**	**198,034**
Cash, end of period	**$ 150,502**	**$ 113,441**