

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____ ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan OWENSBORO HEALTH 403(B) SAFE HARBOR PLAN
1b	Three-digit plan number (PN) ▶ 004
1c	Effective date of plan 01/01/2014
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) OWENSBORO HEALTH, INC. 1201 PLEASANT VALLEY ROAD OWENSBORO, KY 42303
2b	Employer Identification Number (EIN) 61-1286361
2c	Plan Sponsor's telephone number 270-685-7715
2d	Business code (see instructions) 622000

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.			
Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.			
SIGN HERE	Filed with authorized/valid electronic signature.	07/15/2024	RUSS RANALLO
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 4499
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 3768 6a(2) 3596 6b 5 6c 783 6d 4384 6e 1 6f 4385 6g(1) 4497 6g(2) 4379 6h 130
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2F 2G 2L 2M 2S 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached _____
- (4) ☒ **C** (Service Provider Information)
- (5) ☐ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan OWENSBORO HEALTH 403(B) SAFE HARBOR PLAN	B Three-digit plan number (PN) ▶	004
C Plan sponsor's name as shown on line 2a of Form 5500 OWENSBORO HEALTH, INC.	D Employer Identification Number (EIN) 61-1286361	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND
06-1050034

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 37 50 64 65	NONE	285143	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan OWENSBORO HEALTH 403(B) SAFE HARBOR PLAN	B Three-digit plan number (PN) ►	004
C Plan sponsor's name as shown on line 2a of Form 5500 OWENSBORO HEALTH, INC.	D Employer Identification Number (EIN) 61-1286361	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	1454674	1700107
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	110147077	160579343
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	25459428	6930584

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	137061179	169210034
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	137061179	169210034

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	9739256	
(B) Participants	2a(1)(B)	15283403	
(C) Others (including rollovers)	2a(1)(C)	1655567	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B), (C), and line 2a(2)	2a(3)		26678226
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	77221	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	84088	
(F) Other	2b(1)(F)	490718	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		652027
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	2334314	
(D) Total dividends. Add lines 2b(2)(A) , (B), and (C)	2b(2)(D)		2334314
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		18817828
c Other income	2c		-4426
d Total income. Add all income amounts in column (b) and enter total	2d		48477969

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	16090899	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		16090899
f Corrective distributions (see instructions)	2f		2665
g Certain deemed distributions of participant loans (see instructions)	2g		191948
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)	285143	
(3) Recordkeeping fees.....	2i(3)		
(4) IQPA audit fees.....	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)	2275	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		287418
j Total expenses. Add all expense amounts in column (b) and enter total	2j		16572930

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		31905039
l Transfers of assets:			
(1) To this plan	2l(1)		243816
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **EBELHAR WHITEHEAD PLLC**

(2) EIN: **27-2616366**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		☒	
e Was this plan covered by a fidelity bond?	☒		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection.
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan OWENSBORO HEALTH 403(B) SAFE HARBOR PLAN		B Three-digit plan number (PN) ▶ 004
C Plan sponsor's name as shown on line 2a of Form 5500 OWENSBORO HEALTH, INC.		D Employer Identification Number (EIN) 61-1286361
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 22-1211670		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2023 v. 230707		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for: a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14a 14b 14c	
15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to: a The corresponding number for the plan year immediately preceding the current plan year b The corresponding number for the second preceding plan year	15a 15b	
16 Information with respect to any employers who withdrew from the plan during the preceding plan year: a Enter the number of employers who withdrew during the preceding plan year b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16a 16b	
17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐	
19 If the total number of participants is 1,000 or more, complete lines (a) and (b): a Enter the percentage of plan assets held as: Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____% High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____% b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets: ☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more	
20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20. a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box: ☐ Yes. ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date. ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date. ☐ No. Other. Provide explanation. _____	

Part VII	IRS Compliance Questions
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21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No 21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2). ☒ Design-based safe harbor method ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A	
22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter <u>09 / 21 / 2022</u> (MM/DD/YYYY) and the Opinion Letter serial number <u>J500956A</u> .	

Owensboro Health 403(b) Safe Harbor Plan

EIN 61-1286361 PN 004

Independent Auditors' Report and Financial Statements

December 31, 2023 and 2022

Owensboro Health 403(b) Safe Harbor Plan
December 31, 2023 and 2022

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Independent Auditors' Report

Plan Administrator
Owensboro Health 403(b) Safe Harbor Plan
Owensboro, Kentucky

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the accompanying financial statements of Owensboro Health 403(b) Safe Harbor Plan (Plan), an employee benefit plan subject to the *Employee Retirement Income Security Act of 1974* (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the Statements of Net Assets Available for Benefits, as of December 31, 2023 and 2022, and the related Statements of Changes in Net Assets Available for Benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution, or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution, or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution, as of December 31, 2023 and 2022, and for the years then ended, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed, as described in the Auditors' Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to, or derived from, the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America; and
- The information in the financial statements referred to above, related to assets held and certified to by a qualified institution, agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants to determine the benefits due, or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements, as a whole, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedule Required by ERISA

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year), as of December 31, 2023, is presented for purposes of additional analysis, and is not a required part of the financial statements, but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management, and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to, or derived from, the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with GAAS.

For information included in the supplemental schedule that agreed to, or is derived from, the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to, or derived from, the certified investment information, including the form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to, or is derived from, the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA; and
- The information in the supplemental schedule related to assets held and certified to by a qualified institution, agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Ebelha Whitehead, PLLC

July 3, 2024

Owensboro Health 403(b) Safe Harbor Plan
Statements of Net Assets Available for Benefits
December 31, 2023 and 2022

Assets

	2023	2022
Investments		
Investments, at fair value	\$ 160,579,343	\$ 110,147,077
Investments, at contract value	<u>6,930,584</u>	<u>25,459,428</u>
	167,509,927	135,606,505
Receivables		
Employer's contributions	3,364,662	3,180,660
Notes receivable from participants	<u>1,700,107</u>	<u>1,454,674</u>
	<u>5,064,769</u>	<u>4,635,334</u>
Net Assets Available for Benefits	<u><u>\$ 172,574,696</u></u>	<u><u>\$ 140,241,839</u></u>

Owensboro Health 403(b) Safe Harbor Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Investment Income		
Net appreciation (depreciation) in fair value of investments	\$ 15,656,040	\$ (28,653,375)
Capital gain distributions	3,161,788	3,100,216
Interest	567,939	346,425
Dividends	<u>2,334,314</u>	<u>2,093,429</u>
Net investment income (loss)	<u>21,720,081</u>	<u>(23,113,305)</u>
Interest Income on Notes Receivable From Participants	<u>84,088</u>	<u>58,008</u>
Contributions		
Employer	9,923,258	9,552,019
Participants'	15,283,403	14,566,844
Rollovers	<u>1,655,567</u>	<u>2,029,029</u>
Total contributions	<u>26,862,228</u>	<u>26,147,892</u>
Other Income (Loss)	<u>(4,426)</u>	<u>(2,562)</u>
Total additions	<u>48,661,971</u>	<u>3,090,033</u>
Deductions		
Benefits paid to participants	16,285,512	8,484,611
Administrative expenses	285,143	252,644
Other	<u>2,275</u>	<u>-</u>
Total deductions	<u>16,572,930</u>	<u>8,737,255</u>
Net Increase (Decrease)	32,089,041	(5,647,222)
Transfer from Owensboro Health 403(b) Match Plan	243,816	295,950
Net Assets Available for Benefits, Beginning of Year	<u>140,241,839</u>	<u>145,593,111</u>
Net Assets Available for Benefits, End of Year	<u><u>\$ 172,574,696</u></u>	<u><u>\$ 140,241,839</u></u>

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Note 1: Description of the Plan

The following description of the Owensboro Health 403(b) Safe Harbor Plan (Plan) provides only general information. Participants should refer to the Plan document and *Summary Plan Description* for a more complete description of the Plan's provisions, which are available from the Plan administrator.

General

The Plan is a defined contribution plan sponsored by Owensboro Health, Inc. (Company) for the benefit of all existing medical group employees and all new hires after January 1, 2014. The following related employers have adopted the Plan: Owensboro Health Medical Group, Inc.; Owensboro Health Foundation, Inc.; The Health Network of Western Kentucky, LLC; Owensboro Health Clinically Integrated Network, LLC; One Health Solutions, LLC; OH Muhlenberg, LLC; Twin Lakes Medical Foundation, Inc.; and Grayson County Hospital Foundation, Inc., as predecessor employers for vesting and eligibility purposes. The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA). Prudential Bank & Trust, F.S.B. and Empower Trust Company, LLC, its successor effective April 1, 2023 (collectively Empower), serves as Plan custodian, and Empower Annuity Insurance Company of America (EAIC), serves as Plan recordkeeper.

Contributions

The Plan permits eligible employees, through a salary deferral election, to have the Company make annual contributions of up to 100% of eligible compensation. Employee rollover, Roth, and catch-up contributions are also permitted.

The Company will automatically withhold a percentage of employees' salary each pay period, as set forth in the table below, based on how many Plan years have passed since the employee was first subject to automatic enrollment, and contribute that amount to the Plan as a pre-tax elective deferral. Employees may enter a salary reduction agreement at any time to select an alternative deferral amount or to elect not to defer in the Plan. Employees may opt out of automatic deferrals within 90 days of their first automatic deferral.

Plan Year(s) of Automatic Deferral	Automatic Deferral Percentage
1	3%
2	3%
3	4%
4	5%
5 or more	6%

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

The Company makes matching contributions of 100% of employees' salary deferral amounts, not exceeding 1% of employees' compensation, plus 50% of employees' salary deferral amounts in excess of 1%, but not in excess of 6% of employees' compensation. Contributions are subject to certain limitations. The Company also makes a nonelective contribution of 1.5% of employees' compensation for all eligible employees employed at the end of the Plan year.

Participant Investment Account Options

Investment account options available include various funds. Each participant has the option of directing his or her contributions into any of the separate investment accounts and may change the allocation daily.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution, and Plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions and safe harbor contributions, other than Qualified Automatic Contribution Arrangement (QACA) safe harbor contributions, plus earnings thereon. Vesting in the Company's QACA safe harbor contribution portion of their accounts, plus earnings thereon, is based on years of continuous service. A participant is fully vested after two years of elapsed time. The nonvested balance is forfeited upon termination of service. Forfeitures are used to reduce future Company contributions and Plan expenses.

Payment of Benefits

Upon termination of service, an employee may elect to receive either a lump-sum amount equal to the value of his or her account, or certain installment or annuity options.

Forfeited Accounts

In 2023 and 2022, \$474,685 and \$333,892, respectively, in forfeitures and related earnings were used to reduce employer contributions.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Participant Loans

The Plan document includes provisions authorizing loans from the Plan to active eligible participants. Loans are made to any eligible participant demonstrating a qualifying need. The minimum amount of a loan shall be \$1,000. The maximum amount of a participant's loan is determined by the available loan balance, restricted to the lesser of \$50,000 or 50% of the participant's vested account balance. All loans are covered by demand notes and are repayable over a period not to exceed five years (except for loans for the purchase of a principal residence). Interest on the loans is prime plus 1%.

Plan Termination

The Company has the right under the Plan to discontinue its contributions at any time, and to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

Reclassifications

Certain reclassifications to the 2022 amounts have been made to conform to the 2023 financial statements. These reclassifications had no effect on net decrease in net assets available for benefits for 2022.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Valuation of Investments and Income Recognition

Quoted market prices, if available, are used to value investments. Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year-end. The Plan invests in the Prudential Principal Preservation Separate Account (PPSA), an insurance product offered through a group annuity contract with EAIC, which has no maturity date. The investment in the group annuity contract is valued at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract value of the fully benefit-responsive investment contracts represents contributions plus earnings, less participant withdrawals and administrative expenses. The contract value of the PPSA approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Plan Tax Status

The Plan operates under a 403(b)-volume submitter plan (VSP) document sponsored by The Prudential Insurance Company of America. The VSP has received an Internal Revenue Service (IRS) Advisory Letter, in which the IRS stated the form of the Plan is acceptable under the Internal Revenue Code (IRC) Section 403(b). The Plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC, therefore, not subject to tax.

With a few exceptions, the Plan is no longer subject to U.S. federal, state, local, or non-U.S. income tax examinations by tax authorities for years before 2020.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued, but unpaid, interest. Related fees are recorded as administrative expenses, and are expensed as incurred. No allowance for credit losses has been recorded, as of December 31, 2023 and 2022. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Administrative Expenses

Administrative expenses may be paid by the Company or the Plan at the Company's discretion.

Note 3: Information Certified by Plan Recordkeeper and Custodian

Certain information related to investments and notes receivable from participants was disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and notes receivable from participants held at December 31, 2023 and 2022. Net appreciation (depreciation) in fair value of investments, interest and dividends, and interest income on notes receivable from participants for the years ended December 31, 2023 and 2022, was obtained by management, and agreed to, or derived from, information certified as complete and accurate by the Plan custodian, Prudential Bank & Trust, FSB for plan activity occurring through March 31, 2023, and Empower Trust Company, LLC for activity thereafter, with the exception of information on PPSA, which was certified solely by EAIC, the Plan recordkeeper.

Note 4: Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee association, or relatives of such persons. The Plan has a number of service providers. Such providers are parties-in-interest under ERISA.

Certain Prudential investments were managed by the Plan custodian prior to its acquisition by EAIC on April 1, 2022. PPSA is managed by EAIC. Fees paid by the Plan to these entities for administrative services amounted to \$285,143 and \$250,969 for the years ended December 31, 2023 and 2022, respectively. The Company provides certain administrative services at no cost to the Plan.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Note 5: Fair Value of Plan Assets

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy, which requires a plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities;
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level 3** Unobservable inputs that are supported by little or no market activity, and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis, and recognized in the accompanying Statement of Net Assets Available for Benefits, as well as the general classification of such assets pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. Level 1 investments include mutual funds. If quoted market prices are not available, fair values are estimated by using pricing models, quoted prices of investments with similar characteristics, or discounted cash flows.

In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy. The Plan holds no investments that are classified within Level 2 or Level 3 of the hierarchy.

Mutual Funds

Mutual funds are classified within Level 1 of the valuation hierarchy and valued at the daily closing price, as reported by the fund.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

The following table presents the fair value measurements of assets recognized in the accompanying Statements of Net Assets Available for Benefits measured at fair value on a recurring basis, and the level within the fair value hierarchy in which the fair value measurements fall at December 31:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Value			
Assets in the Fair Value Hierarchy				
Mutual funds				
2023	<u>\$ 160,579,343</u>	<u>\$ 160,579,343</u>	<u>\$ -</u>	<u>\$ -</u>
2022	<u>\$ 110,147,077</u>	<u>\$ 110,147,077</u>	<u>\$ -</u>	<u>\$ -</u>

Note 6: Group Annuity Insurance Contract

At December 31, 2023 and 2022, the Plan held an investment in the PPSA, a group annuity insurance product of EAIC. The contract value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and fees. The Plan owns a promise from EAIC to pay interest at crediting rates that are announced in advance, and guaranteed for a specified period of time, as outlined in the contract. Interest is credited by using a single interest rate that applied to all contributions made to the product, regardless of the timing of those contributions. The fair value of the PPSA approximates the contract value, which totaled \$6,930,584 and \$25,459,428 at December 31, 2023 and 2022, respectively.

Amounts withdrawn from the PPSA may not be transferred to a competing fund, as defined by the PPSA, for 90 days after withdrawal. Transfers may be deferred if total distributions from the PPSA, during the calendar year, exceed 25% of the Plan's PPSA balance, as of January 1.

There are no events that would limit the ability of the Plan to transact, at contract value, either paid immediately, or depending upon the rate environment and cash flow levels, over time. There are no events that allow the issuer to terminate the contract and require the Plan sponsor to settle at an amount different from contract value.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Effective November 24, 2023, the contract will no longer accept contributions or transfers. On November 22, 2023, 707,902 shares, with a value of \$20,673,364, were redeemed. The remainder of the contract is to be paid out within three years.

Note 7: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits, per the financial statements, at December 31, to Form 5500:

	2023	2022
Net assets available for benefits per the financial statements	\$ 172,574,696	\$ 140,241,839
Contributions receivable not reflected in Form 5500	(3,364,662)	(3,180,660)
Net assets available for benefits per Form 5500	<u>\$ 169,210,034</u>	<u>\$ 137,061,179</u>

The following is a reconciliation of changes in net assets available for benefits, per the financial statements, for the years ended December 31, to Form 5500:

	2023	2022
Net increase (decrease) in net assets available for benefits per the financial statements	\$ 32,332,857	\$ (5,351,272)
Change in contributions receivables not reflected in Form 5500	(184,002)	(286,306)
Net increase (decrease) in net assets available for benefits per Form 5500	<u>\$ 32,148,855</u>	<u>\$ (5,637,578)</u>

Note 8: Risks, Concentrations, and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible changes in the values of investment securities will occur in the near term, and such changes could materially affect the participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Significant Concentrations

At December 31, Plan investments are concentrated, as follows:

	2023	2022
American Funds EuroPacific Growth Fund-Class R-6	17%	17%
T. Rowe Price Institutional Large Cap Core Growth Fund	15%	13%
Prudential Principal Preservation Separate Account	*	19%
PGIM Total Return Bond Fund-Class R6	26%	10%
Vanguard Equity-Income Fund Admiral Shares	13%	14%

* Under threshold

Note 9: Subsequent Events

Subsequent events have been evaluated through July 3, 2024, which is the date the financial statements were available to be issued.

Supplemental Schedule

Owensboro Health 403(b) Safe Harbor Plan

EIN 61-1286361 PN 004

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2023

(a)	(b) Identity of Issuer	(c) Description of Investment (shares)	(e) Current Value
Mutual Funds			
	American Funds EuroPacific Growth Fund-Class R-6	516,467	\$ 28,250,739
	Artisan Small Cap Fund Institutional Shares	176,868	5,895,011
	T. Rowe Price Institutional Large Cap Core Growth Fund	405,706	24,318,012
	Janus Henderson Enterprise Fund Class N	57,218	7,607,157
	Brandywine Global Opportunities Bond Fund Class IS	48,078	450,975
	DFA US Targeted Value Portfolio Institutional Class	215,844	6,883,271
	PGIM Global Real Estate Fund-Class R6	67,944	1,302,486
	PGIM Total Return Bond Fund-Class R6	3,562,856	42,968,046
	Vanguard Equity-Income Fund Admiral Shares	252,078	21,242,633
	Vanguard Federal Money Market Inv	3,804,411	3,804,411
	Vanguard Total Bond Market Index Fund Admiral Shares	197,028	1,913,144
	Vanguard Total Stock Market Index Fund Institutional Shares	71,682	8,279,958
	Vanguard Inflation-Protected Securities Fund Institutional Shares	38,613	362,191
	Vanguard Total International Stock Index Fund Institutional Shares	12,315	1,533,216
	Allspring Special Mid Cap Value Fund-Class R6	125,366	5,768,093
			<u>160,579,343</u>
	Group Annuity Contract - Prudential Principal		
*	Preservation Separate Account	236,755	<u>6,930,584</u>
			167,509,927
Participant Loans			
Participant Plan notes:			
Interest rates -			
4.25% - 9.50%			
through			
November 2043			
			<u>1,700,107</u>
			<u>\$ 169,210,034</u>

*Party-in-Interest

Owensboro Health 403(b) Safe Harbor Plan

EIN 61-1286361 PN 004

Independent Auditors' Report and Financial Statements

December 31, 2023 and 2022

Owensboro Health 403(b) Safe Harbor Plan
December 31, 2023 and 2022

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Independent Auditors' Report

Plan Administrator
Owensboro Health 403(b) Safe Harbor Plan
Owensboro, Kentucky

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the accompanying financial statements of Owensboro Health 403(b) Safe Harbor Plan (Plan), an employee benefit plan subject to the *Employee Retirement Income Security Act of 1974* (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the Statements of Net Assets Available for Benefits, as of December 31, 2023 and 2022, and the related Statements of Changes in Net Assets Available for Benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution, or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution, or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution, as of December 31, 2023 and 2022, and for the years then ended, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed, as described in the Auditors' Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to, or derived from, the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America; and
- The information in the financial statements referred to above, related to assets held and certified to by a qualified institution, agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants to determine the benefits due, or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements, as a whole, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedule Required by ERISA

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year), as of December 31, 2023, is presented for purposes of additional analysis, and is not a required part of the financial statements, but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management, and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to, or derived from, the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with GAAS.

For information included in the supplemental schedule that agreed to, or is derived from, the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to, or derived from, the certified investment information, including the form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to, or is derived from, the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA; and
- The information in the supplemental schedule related to assets held and certified to by a qualified institution, agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Ebelha Whitehead, PLLC

July 3, 2024

Owensboro Health 403(b) Safe Harbor Plan
Statements of Net Assets Available for Benefits
December 31, 2023 and 2022

Assets

	2023	2022
Investments		
Investments, at fair value	\$ 160,579,343	\$ 110,147,077
Investments, at contract value	<u>6,930,584</u>	<u>25,459,428</u>
	167,509,927	135,606,505
Receivables		
Employer's contributions	3,364,662	3,180,660
Notes receivable from participants	<u>1,700,107</u>	<u>1,454,674</u>
	<u>5,064,769</u>	<u>4,635,334</u>
Net Assets Available for Benefits	<u><u>\$ 172,574,696</u></u>	<u><u>\$ 140,241,839</u></u>

Owensboro Health 403(b) Safe Harbor Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Investment Income		
Net appreciation (depreciation) in fair value of investments	\$ 15,656,040	\$ (28,653,375)
Capital gain distributions	3,161,788	3,100,216
Interest	567,939	346,425
Dividends	<u>2,334,314</u>	<u>2,093,429</u>
Net investment income (loss)	<u>21,720,081</u>	<u>(23,113,305)</u>
Interest Income on Notes Receivable From Participants	<u>84,088</u>	<u>58,008</u>
Contributions		
Employer	9,923,258	9,552,019
Participants'	15,283,403	14,566,844
Rollovers	<u>1,655,567</u>	<u>2,029,029</u>
Total contributions	<u>26,862,228</u>	<u>26,147,892</u>
Other Income (Loss)	<u>(4,426)</u>	<u>(2,562)</u>
Total additions	<u>48,661,971</u>	<u>3,090,033</u>
Deductions		
Benefits paid to participants	16,285,512	8,484,611
Administrative expenses	285,143	252,644
Other	<u>2,275</u>	<u>-</u>
Total deductions	<u>16,572,930</u>	<u>8,737,255</u>
Net Increase (Decrease)	32,089,041	(5,647,222)
Transfer from Owensboro Health 403(b) Match Plan	243,816	295,950
Net Assets Available for Benefits, Beginning of Year	<u>140,241,839</u>	<u>145,593,111</u>
Net Assets Available for Benefits, End of Year	<u><u>\$ 172,574,696</u></u>	<u><u>\$ 140,241,839</u></u>

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Note 1: Description of the Plan

The following description of the Owensboro Health 403(b) Safe Harbor Plan (Plan) provides only general information. Participants should refer to the Plan document and *Summary Plan Description* for a more complete description of the Plan's provisions, which are available from the Plan administrator.

General

The Plan is a defined contribution plan sponsored by Owensboro Health, Inc. (Company) for the benefit of all existing medical group employees and all new hires after January 1, 2014. The following related employers have adopted the Plan: Owensboro Health Medical Group, Inc.; Owensboro Health Foundation, Inc.; The Health Network of Western Kentucky, LLC; Owensboro Health Clinically Integrated Network, LLC; One Health Solutions, LLC; OH Muhlenberg, LLC; Twin Lakes Medical Foundation, Inc.; and Grayson County Hospital Foundation, Inc., as predecessor employers for vesting and eligibility purposes. The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA). Prudential Bank & Trust, F.S.B. and Empower Trust Company, LLC, its successor effective April 1, 2023 (collectively Empower), serves as Plan custodian, and Empower Annuity Insurance Company of America (EAIC), serves as Plan recordkeeper.

Contributions

The Plan permits eligible employees, through a salary deferral election, to have the Company make annual contributions of up to 100% of eligible compensation. Employee rollover, Roth, and catch-up contributions are also permitted.

The Company will automatically withhold a percentage of employees' salary each pay period, as set forth in the table below, based on how many Plan years have passed since the employee was first subject to automatic enrollment, and contribute that amount to the Plan as a pre-tax elective deferral. Employees may enter a salary reduction agreement at any time to select an alternative deferral amount or to elect not to defer in the Plan. Employees may opt out of automatic deferrals within 90 days of their first automatic deferral.

Plan Year(s) of Automatic Deferral	Automatic Deferral Percentage
1	3%
2	3%
3	4%
4	5%
5 or more	6%

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

The Company makes matching contributions of 100% of employees' salary deferral amounts, not exceeding 1% of employees' compensation, plus 50% of employees' salary deferral amounts in excess of 1%, but not in excess of 6% of employees' compensation. Contributions are subject to certain limitations. The Company also makes a nonelective contribution of 1.5% of employees' compensation for all eligible employees employed at the end of the Plan year.

Participant Investment Account Options

Investment account options available include various funds. Each participant has the option of directing his or her contributions into any of the separate investment accounts and may change the allocation daily.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution, and Plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions and safe harbor contributions, other than Qualified Automatic Contribution Arrangement (QACA) safe harbor contributions, plus earnings thereon. Vesting in the Company's QACA safe harbor contribution portion of their accounts, plus earnings thereon, is based on years of continuous service. A participant is fully vested after two years of elapsed time. The nonvested balance is forfeited upon termination of service. Forfeitures are used to reduce future Company contributions and Plan expenses.

Payment of Benefits

Upon termination of service, an employee may elect to receive either a lump-sum amount equal to the value of his or her account, or certain installment or annuity options.

Forfeited Accounts

In 2023 and 2022, \$474,685 and \$333,892, respectively, in forfeitures and related earnings were used to reduce employer contributions.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Participant Loans

The Plan document includes provisions authorizing loans from the Plan to active eligible participants. Loans are made to any eligible participant demonstrating a qualifying need. The minimum amount of a loan shall be \$1,000. The maximum amount of a participant's loan is determined by the available loan balance, restricted to the lesser of \$50,000 or 50% of the participant's vested account balance. All loans are covered by demand notes and are repayable over a period not to exceed five years (except for loans for the purchase of a principal residence). Interest on the loans is prime plus 1%.

Plan Termination

The Company has the right under the Plan to discontinue its contributions at any time, and to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

Reclassifications

Certain reclassifications to the 2022 amounts have been made to conform to the 2023 financial statements. These reclassifications had no effect on net decrease in net assets available for benefits for 2022.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Valuation of Investments and Income Recognition

Quoted market prices, if available, are used to value investments. Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year-end. The Plan invests in the Prudential Principal Preservation Separate Account (PPSA), an insurance product offered through a group annuity contract with EAIC, which has no maturity date. The investment in the group annuity contract is valued at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract value of the fully benefit-responsive investment contracts represents contributions plus earnings, less participant withdrawals and administrative expenses. The contract value of the PPSA approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Plan Tax Status

The Plan operates under a 403(b)-volume submitter plan (VSP) document sponsored by The Prudential Insurance Company of America. The VSP has received an Internal Revenue Service (IRS) Advisory Letter, in which the IRS stated the form of the Plan is acceptable under the Internal Revenue Code (IRC) Section 403(b). The Plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC, therefore, not subject to tax.

With a few exceptions, the Plan is no longer subject to U.S. federal, state, local, or non-U.S. income tax examinations by tax authorities for years before 2020.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued, but unpaid, interest. Related fees are recorded as administrative expenses, and are expensed as incurred. No allowance for credit losses has been recorded, as of December 31, 2023 and 2022. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Administrative Expenses

Administrative expenses may be paid by the Company or the Plan at the Company's discretion.

Note 3: Information Certified by Plan Recordkeeper and Custodian

Certain information related to investments and notes receivable from participants was disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and notes receivable from participants held at December 31, 2023 and 2022. Net appreciation (depreciation) in fair value of investments, interest and dividends, and interest income on notes receivable from participants for the years ended December 31, 2023 and 2022, was obtained by management, and agreed to, or derived from, information certified as complete and accurate by the Plan custodian, Prudential Bank & Trust, FSB for plan activity occurring through March 31, 2023, and Empower Trust Company, LLC for activity thereafter, with the exception of information on PPSA, which was certified solely by EAIC, the Plan recordkeeper.

Note 4: Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee association, or relatives of such persons. The Plan has a number of service providers. Such providers are parties-in-interest under ERISA.

Certain Prudential investments were managed by the Plan custodian prior to its acquisition by EAIC on April 1, 2022. PPSA is managed by EAIC. Fees paid by the Plan to these entities for administrative services amounted to \$285,143 and \$250,969 for the years ended December 31, 2023 and 2022, respectively. The Company provides certain administrative services at no cost to the Plan.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Note 5: Fair Value of Plan Assets

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy, which requires a plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities;
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level 3** Unobservable inputs that are supported by little or no market activity, and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis, and recognized in the accompanying Statement of Net Assets Available for Benefits, as well as the general classification of such assets pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. Level 1 investments include mutual funds. If quoted market prices are not available, fair values are estimated by using pricing models, quoted prices of investments with similar characteristics, or discounted cash flows.

In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy. The Plan holds no investments that are classified within Level 2 or Level 3 of the hierarchy.

Mutual Funds

Mutual funds are classified within Level 1 of the valuation hierarchy and valued at the daily closing price, as reported by the fund.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

The following table presents the fair value measurements of assets recognized in the accompanying Statements of Net Assets Available for Benefits measured at fair value on a recurring basis, and the level within the fair value hierarchy in which the fair value measurements fall at December 31:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Value			
Assets in the Fair Value Hierarchy				
Mutual funds				
2023	<u>\$ 160,579,343</u>	<u>\$ 160,579,343</u>	<u>\$ -</u>	<u>\$ -</u>
2022	<u>\$ 110,147,077</u>	<u>\$ 110,147,077</u>	<u>\$ -</u>	<u>\$ -</u>

Note 6: Group Annuity Insurance Contract

At December 31, 2023 and 2022, the Plan held an investment in the PPSA, a group annuity insurance product of EAIC. The contract value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and fees. The Plan owns a promise from EAIC to pay interest at crediting rates that are announced in advance, and guaranteed for a specified period of time, as outlined in the contract. Interest is credited by using a single interest rate that applied to all contributions made to the product, regardless of the timing of those contributions. The fair value of the PPSA approximates the contract value, which totaled \$6,930,584 and \$25,459,428 at December 31, 2023 and 2022, respectively.

Amounts withdrawn from the PPSA may not be transferred to a competing fund, as defined by the PPSA, for 90 days after withdrawal. Transfers may be deferred if total distributions from the PPSA, during the calendar year, exceed 25% of the Plan's PPSA balance, as of January 1.

There are no events that would limit the ability of the Plan to transact, at contract value, either paid immediately, or depending upon the rate environment and cash flow levels, over time. There are no events that allow the issuer to terminate the contract and require the Plan sponsor to settle at an amount different from contract value.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Effective November 24, 2023, the contract will no longer accept contributions or transfers. On November 22, 2023, 707,902 shares, with a value of \$20,673,364, were redeemed. The remainder of the contract is to be paid out within three years.

Note 7: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits, per the financial statements, at December 31, to Form 5500:

	2023	2022
Net assets available for benefits per the financial statements	\$ 172,574,696	\$ 140,241,839
Contributions receivable not reflected in Form 5500	(3,364,662)	(3,180,660)
Net assets available for benefits per Form 5500	<u>\$ 169,210,034</u>	<u>\$ 137,061,179</u>

The following is a reconciliation of changes in net assets available for benefits, per the financial statements, for the years ended December 31, to Form 5500:

	2023	2022
Net increase (decrease) in net assets available for benefits per the financial statements	\$ 32,332,857	\$ (5,351,272)
Change in contributions receivables not reflected in Form 5500	(184,002)	(286,306)
Net increase (decrease) in net assets available for benefits per Form 5500	<u>\$ 32,148,855</u>	<u>\$ (5,637,578)</u>

Note 8: Risks, Concentrations, and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible changes in the values of investment securities will occur in the near term, and such changes could materially affect the participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Significant Concentrations

At December 31, Plan investments are concentrated, as follows:

	2023	2022
American Funds EuroPacific Growth Fund-Class R-6	17%	17%
T. Rowe Price Institutional Large Cap Core Growth Fund	15%	13%
Prudential Principal Preservation Separate Account	*	19%
PGIM Total Return Bond Fund-Class R6	26%	10%
Vanguard Equity-Income Fund Admiral Shares	13%	14%

* Under threshold

Note 9: Subsequent Events

Subsequent events have been evaluated through July 3, 2024, which is the date the financial statements were available to be issued.

Supplemental Schedule

Owensboro Health 403(b) Safe Harbor Plan

EIN 61-1286361 PN 004

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2023

(a)	(b) Identity of Issuer	(c) Description of Investment (shares)	(e) Current Value
	Mutual Funds		
	American Funds EuroPacific Growth Fund-Class R-6	516,467	\$ 28,250,739
	Artisan Small Cap Fund Institutional Shares	176,868	5,895,011
	T. Rowe Price Institutional Large Cap Core Growth Fund	405,706	24,318,012
	Janus Henderson Enterprise Fund Class N	57,218	7,607,157
	Brandywine Global Opportunities Bond Fund Class IS	48,078	450,975
	DFA US Targeted Value Portfolio Institutional Class	215,844	6,883,271
	PGIM Global Real Estate Fund-Class R6	67,944	1,302,486
	PGIM Total Return Bond Fund-Class R6	3,562,856	42,968,046
	Vanguard Equity-Income Fund Admiral Shares	252,078	21,242,633
	Vanguard Federal Money Market Inv	3,804,411	3,804,411
	Vanguard Total Bond Market Index Fund Admiral Shares	197,028	1,913,144
	Vanguard Total Stock Market Index Fund Institutional Shares	71,682	8,279,958
	Vanguard Inflation-Protected Securities Fund Institutional Shares	38,613	362,191
	Vanguard Total International Stock Index Fund Institutional Shares	12,315	1,533,216
	Allspring Special Mid Cap Value Fund-Class R6	125,366	5,768,093
			<u>160,579,343</u>
	Group Annuity Contract - Prudential Principal		
*	Preservation Separate Account	236,755	<u>6,930,584</u>
			167,509,927
*	Participant Loans	Participant Plan notes:	
		Interest rates -	
		4.25% - 9.50%	
		through	
		November 2043	<u>1,700,107</u>
			<u>\$ 169,210,034</u>

*Party-in-Interest

Owensboro Health 403(b) Safe Harbor Plan

EIN 61-1286361 PN 004

Independent Auditors' Report and Financial Statements

December 31, 2023 and 2022

Owensboro Health 403(b) Safe Harbor Plan
December 31, 2023 and 2022

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Independent Auditors' Report

Plan Administrator
Owensboro Health 403(b) Safe Harbor Plan
Owensboro, Kentucky

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the accompanying financial statements of Owensboro Health 403(b) Safe Harbor Plan (Plan), an employee benefit plan subject to the *Employee Retirement Income Security Act of 1974* (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the Statements of Net Assets Available for Benefits, as of December 31, 2023 and 2022, and the related Statements of Changes in Net Assets Available for Benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution, or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution, or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution, as of December 31, 2023 and 2022, and for the years then ended, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed, as described in the Auditors' Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to, or derived from, the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America; and
- The information in the financial statements referred to above, related to assets held and certified to by a qualified institution, agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants to determine the benefits due, or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements, as a whole, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedule Required by ERISA

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year), as of December 31, 2023, is presented for purposes of additional analysis, and is not a required part of the financial statements, but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management, and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to, or derived from, the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with GAAS.

For information included in the supplemental schedule that agreed to, or is derived from, the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to, or derived from, the certified investment information, including the form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to, or is derived from, the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA; and
- The information in the supplemental schedule related to assets held and certified to by a qualified institution, agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Ebelha Whitehead, PLLC

July 3, 2024

Owensboro Health 403(b) Safe Harbor Plan
Statements of Net Assets Available for Benefits
December 31, 2023 and 2022

Assets

	2023	2022
Investments		
Investments, at fair value	\$ 160,579,343	\$ 110,147,077
Investments, at contract value	<u>6,930,584</u>	<u>25,459,428</u>
	167,509,927	135,606,505
Receivables		
Employer's contributions	3,364,662	3,180,660
Notes receivable from participants	<u>1,700,107</u>	<u>1,454,674</u>
	<u>5,064,769</u>	<u>4,635,334</u>
Net Assets Available for Benefits	<u><u>\$ 172,574,696</u></u>	<u><u>\$ 140,241,839</u></u>

Owensboro Health 403(b) Safe Harbor Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Investment Income		
Net appreciation (depreciation) in fair value of investments	\$ 15,656,040	\$ (28,653,375)
Capital gain distributions	3,161,788	3,100,216
Interest	567,939	346,425
Dividends	<u>2,334,314</u>	<u>2,093,429</u>
Net investment income (loss)	<u>21,720,081</u>	<u>(23,113,305)</u>
Interest Income on Notes Receivable From Participants	<u>84,088</u>	<u>58,008</u>
Contributions		
Employer	9,923,258	9,552,019
Participants'	15,283,403	14,566,844
Rollovers	<u>1,655,567</u>	<u>2,029,029</u>
Total contributions	<u>26,862,228</u>	<u>26,147,892</u>
Other Income (Loss)	<u>(4,426)</u>	<u>(2,562)</u>
Total additions	<u>48,661,971</u>	<u>3,090,033</u>
Deductions		
Benefits paid to participants	16,285,512	8,484,611
Administrative expenses	285,143	252,644
Other	<u>2,275</u>	<u>-</u>
Total deductions	<u>16,572,930</u>	<u>8,737,255</u>
Net Increase (Decrease)	32,089,041	(5,647,222)
Transfer from Owensboro Health 403(b) Match Plan	243,816	295,950
Net Assets Available for Benefits, Beginning of Year	<u>140,241,839</u>	<u>145,593,111</u>
Net Assets Available for Benefits, End of Year	<u><u>\$ 172,574,696</u></u>	<u><u>\$ 140,241,839</u></u>

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Note 1: Description of the Plan

The following description of the Owensboro Health 403(b) Safe Harbor Plan (Plan) provides only general information. Participants should refer to the Plan document and *Summary Plan Description* for a more complete description of the Plan's provisions, which are available from the Plan administrator.

General

The Plan is a defined contribution plan sponsored by Owensboro Health, Inc. (Company) for the benefit of all existing medical group employees and all new hires after January 1, 2014. The following related employers have adopted the Plan: Owensboro Health Medical Group, Inc.; Owensboro Health Foundation, Inc.; The Health Network of Western Kentucky, LLC; Owensboro Health Clinically Integrated Network, LLC; One Health Solutions, LLC; OH Muhlenberg, LLC; Twin Lakes Medical Foundation, Inc.; and Grayson County Hospital Foundation, Inc., as predecessor employers for vesting and eligibility purposes. The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA). Prudential Bank & Trust, F.S.B. and Empower Trust Company, LLC, its successor effective April 1, 2023 (collectively Empower), serves as Plan custodian, and Empower Annuity Insurance Company of America (EAIC), serves as Plan recordkeeper.

Contributions

The Plan permits eligible employees, through a salary deferral election, to have the Company make annual contributions of up to 100% of eligible compensation. Employee rollover, Roth, and catch-up contributions are also permitted.

The Company will automatically withhold a percentage of employees' salary each pay period, as set forth in the table below, based on how many Plan years have passed since the employee was first subject to automatic enrollment, and contribute that amount to the Plan as a pre-tax elective deferral. Employees may enter a salary reduction agreement at any time to select an alternative deferral amount or to elect not to defer in the Plan. Employees may opt out of automatic deferrals within 90 days of their first automatic deferral.

Plan Year(s) of Automatic Deferral	Automatic Deferral Percentage
1	3%
2	3%
3	4%
4	5%
5 or more	6%

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

The Company makes matching contributions of 100% of employees' salary deferral amounts, not exceeding 1% of employees' compensation, plus 50% of employees' salary deferral amounts in excess of 1%, but not in excess of 6% of employees' compensation. Contributions are subject to certain limitations. The Company also makes a nonelective contribution of 1.5% of employees' compensation for all eligible employees employed at the end of the Plan year.

Participant Investment Account Options

Investment account options available include various funds. Each participant has the option of directing his or her contributions into any of the separate investment accounts and may change the allocation daily.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution, and Plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions and safe harbor contributions, other than Qualified Automatic Contribution Arrangement (QACA) safe harbor contributions, plus earnings thereon. Vesting in the Company's QACA safe harbor contribution portion of their accounts, plus earnings thereon, is based on years of continuous service. A participant is fully vested after two years of elapsed time. The nonvested balance is forfeited upon termination of service. Forfeitures are used to reduce future Company contributions and Plan expenses.

Payment of Benefits

Upon termination of service, an employee may elect to receive either a lump-sum amount equal to the value of his or her account, or certain installment or annuity options.

Forfeited Accounts

In 2023 and 2022, \$474,685 and \$333,892, respectively, in forfeitures and related earnings were used to reduce employer contributions.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Participant Loans

The Plan document includes provisions authorizing loans from the Plan to active eligible participants. Loans are made to any eligible participant demonstrating a qualifying need. The minimum amount of a loan shall be \$1,000. The maximum amount of a participant's loan is determined by the available loan balance, restricted to the lesser of \$50,000 or 50% of the participant's vested account balance. All loans are covered by demand notes and are repayable over a period not to exceed five years (except for loans for the purchase of a principal residence). Interest on the loans is prime plus 1%.

Plan Termination

The Company has the right under the Plan to discontinue its contributions at any time, and to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

Reclassifications

Certain reclassifications to the 2022 amounts have been made to conform to the 2023 financial statements. These reclassifications had no effect on net decrease in net assets available for benefits for 2022.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Valuation of Investments and Income Recognition

Quoted market prices, if available, are used to value investments. Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year-end. The Plan invests in the Prudential Principal Preservation Separate Account (PPSA), an insurance product offered through a group annuity contract with EAIC, which has no maturity date. The investment in the group annuity contract is valued at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract value of the fully benefit-responsive investment contracts represents contributions plus earnings, less participant withdrawals and administrative expenses. The contract value of the PPSA approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Plan Tax Status

The Plan operates under a 403(b)-volume submitter plan (VSP) document sponsored by The Prudential Insurance Company of America. The VSP has received an Internal Revenue Service (IRS) Advisory Letter, in which the IRS stated the form of the Plan is acceptable under the Internal Revenue Code (IRC) Section 403(b). The Plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC, therefore, not subject to tax.

With a few exceptions, the Plan is no longer subject to U.S. federal, state, local, or non-U.S. income tax examinations by tax authorities for years before 2020.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued, but unpaid, interest. Related fees are recorded as administrative expenses, and are expensed as incurred. No allowance for credit losses has been recorded, as of December 31, 2023 and 2022. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Administrative Expenses

Administrative expenses may be paid by the Company or the Plan at the Company's discretion.

Note 3: Information Certified by Plan Recordkeeper and Custodian

Certain information related to investments and notes receivable from participants was disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and notes receivable from participants held at December 31, 2023 and 2022. Net appreciation (depreciation) in fair value of investments, interest and dividends, and interest income on notes receivable from participants for the years ended December 31, 2023 and 2022, was obtained by management, and agreed to, or derived from, information certified as complete and accurate by the Plan custodian, Prudential Bank & Trust, FSB for plan activity occurring through March 31, 2023, and Empower Trust Company, LLC for activity thereafter, with the exception of information on PPSA, which was certified solely by EAIC, the Plan recordkeeper.

Note 4: Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee association, or relatives of such persons. The Plan has a number of service providers. Such providers are parties-in-interest under ERISA.

Certain Prudential investments were managed by the Plan custodian prior to its acquisition by EAIC on April 1, 2022. PPSA is managed by EAIC. Fees paid by the Plan to these entities for administrative services amounted to \$285,143 and \$250,969 for the years ended December 31, 2023 and 2022, respectively. The Company provides certain administrative services at no cost to the Plan.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Note 5: Fair Value of Plan Assets

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy, which requires a plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities;
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level 3** Unobservable inputs that are supported by little or no market activity, and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis, and recognized in the accompanying Statement of Net Assets Available for Benefits, as well as the general classification of such assets pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. Level 1 investments include mutual funds. If quoted market prices are not available, fair values are estimated by using pricing models, quoted prices of investments with similar characteristics, or discounted cash flows.

In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy. The Plan holds no investments that are classified within Level 2 or Level 3 of the hierarchy.

Mutual Funds

Mutual funds are classified within Level 1 of the valuation hierarchy and valued at the daily closing price, as reported by the fund.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

The following table presents the fair value measurements of assets recognized in the accompanying Statements of Net Assets Available for Benefits measured at fair value on a recurring basis, and the level within the fair value hierarchy in which the fair value measurements fall at December 31:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Value			
Assets in the Fair Value Hierarchy				
Mutual funds				
2023	<u>\$ 160,579,343</u>	<u>\$ 160,579,343</u>	<u>\$ -</u>	<u>\$ -</u>
2022	<u>\$ 110,147,077</u>	<u>\$ 110,147,077</u>	<u>\$ -</u>	<u>\$ -</u>

Note 6: Group Annuity Insurance Contract

At December 31, 2023 and 2022, the Plan held an investment in the PPSA, a group annuity insurance product of EAIC. The contract value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and fees. The Plan owns a promise from EAIC to pay interest at crediting rates that are announced in advance, and guaranteed for a specified period of time, as outlined in the contract. Interest is credited by using a single interest rate that applied to all contributions made to the product, regardless of the timing of those contributions. The fair value of the PPSA approximates the contract value, which totaled \$6,930,584 and \$25,459,428 at December 31, 2023 and 2022, respectively.

Amounts withdrawn from the PPSA may not be transferred to a competing fund, as defined by the PPSA, for 90 days after withdrawal. Transfers may be deferred if total distributions from the PPSA, during the calendar year, exceed 25% of the Plan's PPSA balance, as of January 1.

There are no events that would limit the ability of the Plan to transact, at contract value, either paid immediately, or depending upon the rate environment and cash flow levels, over time. There are no events that allow the issuer to terminate the contract and require the Plan sponsor to settle at an amount different from contract value.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Effective November 24, 2023, the contract will no longer accept contributions or transfers. On November 22, 2023, 707,902 shares, with a value of \$20,673,364, were redeemed. The remainder of the contract is to be paid out within three years.

Note 7: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits, per the financial statements, at December 31, to Form 5500:

	2023	2022
Net assets available for benefits per the financial statements	\$ 172,574,696	\$ 140,241,839
Contributions receivable not reflected in Form 5500	(3,364,662)	(3,180,660)
Net assets available for benefits per Form 5500	<u>\$ 169,210,034</u>	<u>\$ 137,061,179</u>

The following is a reconciliation of changes in net assets available for benefits, per the financial statements, for the years ended December 31, to Form 5500:

	2023	2022
Net increase (decrease) in net assets available for benefits per the financial statements	\$ 32,332,857	\$ (5,351,272)
Change in contributions receivables not reflected in Form 5500	(184,002)	(286,306)
Net increase (decrease) in net assets available for benefits per Form 5500	<u>\$ 32,148,855</u>	<u>\$ (5,637,578)</u>

Note 8: Risks, Concentrations, and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible changes in the values of investment securities will occur in the near term, and such changes could materially affect the participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

Owensboro Health 403(b) Safe Harbor Plan

Notes to Financial Statements

December 31, 2023 and 2022

Significant Concentrations

At December 31, Plan investments are concentrated, as follows:

	2023	2022
American Funds EuroPacific Growth Fund-Class R-6	17%	17%
T. Rowe Price Institutional Large Cap Core Growth Fund	15%	13%
Prudential Principal Preservation Separate Account	*	19%
PGIM Total Return Bond Fund-Class R6	26%	10%
Vanguard Equity-Income Fund Admiral Shares	13%	14%

* Under threshold

Note 9: Subsequent Events

Subsequent events have been evaluated through July 3, 2024, which is the date the financial statements were available to be issued.

Supplemental Schedule

Owensboro Health 403(b) Safe Harbor Plan

EIN 61-1286361 PN 004

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2023

(a)	(b) Identity of Issuer	(c) Description of Investment (shares)	(e) Current Value
Mutual Funds			
	American Funds EuroPacific Growth Fund-Class R-6	516,467	\$ 28,250,739
	Artisan Small Cap Fund Institutional Shares	176,868	5,895,011
	T. Rowe Price Institutional Large Cap Core Growth Fund	405,706	24,318,012
	Janus Henderson Enterprise Fund Class N	57,218	7,607,157
	Brandywine Global Opportunities Bond Fund Class IS	48,078	450,975
	DFA US Targeted Value Portfolio Institutional Class	215,844	6,883,271
	PGIM Global Real Estate Fund-Class R6	67,944	1,302,486
	PGIM Total Return Bond Fund-Class R6	3,562,856	42,968,046
	Vanguard Equity-Income Fund Admiral Shares	252,078	21,242,633
	Vanguard Federal Money Market Inv	3,804,411	3,804,411
	Vanguard Total Bond Market Index Fund Admiral Shares	197,028	1,913,144
	Vanguard Total Stock Market Index Fund Institutional Shares	71,682	8,279,958
	Vanguard Inflation-Protected Securities Fund Institutional Shares	38,613	362,191
	Vanguard Total International Stock Index Fund Institutional Shares	12,315	1,533,216
	Allspring Special Mid Cap Value Fund-Class R6	125,366	5,768,093
			<u>160,579,343</u>
	Group Annuity Contract - Prudential Principal		
*	Preservation Separate Account	236,755	<u>6,930,584</u>
			167,509,927
Participant Loans			
Participant Plan notes:			
Interest rates -			
4.25% - 9.50%			
through			
November 2043			
			<u>1,700,107</u>
			<u>\$ 169,210,034</u>

*Party-in-Interest