

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 MEMORIAL HEALTH SYSTEM EMPLOYEE PENSION PLAN
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 12/15/1967
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) MEMORIAL HEALTH SYSTEM 701 NORTH FIRST STREET SPRINGFIELD, IL 62781-0001
2b	Employer Identification Number (EIN) 37-1110690
2c	Plan Sponsor's telephone number 217-788-3922
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.	10/10/2024	KOREY A. DAVIS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/10/2024	KOREY A. DAVIS
	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 4508
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) 1475 6a(2) 0 6b 0 6c 0 6d 0 6e 0 6f 0 6g(1) 6g(2) 6h 0
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:

1A 1I 3H

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 MEMORIAL HEALTH SYSTEM EMPLOYEE PENSION PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 MEMORIAL HEALTH SYSTEM	D Employer Identification Number (EIN) 37-1110690

Part I

Service Provider Information (see instructions)

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).....

No

Yes

☒
- 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

(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)

MERCER

13-2834414

(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?
17	CONSULTANT	1029287	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PNC BANK, NATIONAL ASSOCIATION

25-1211909

(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?
19 21 28	TRUSTEE/CUSTODIAN/INVEST	558506	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

MCDERMOTT WILL & EMERY

36-1453176

(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?
29	LEGAL COUNSEL	33844	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
(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
(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:	SIKICH LLP	b EIN:	36-3168081
c Position:			
d Address:	1415 W. DIEHL ROAD NAPERVILLE, IL 60563	e Telephone:	877-279-1900

Explanation: EFFECTIVE AS OF APRIL 30, 2024, SIKICH LLP REORGANIZED AND TRANSFERRED ITS ATTEST PRACTICE TO SIKICH CPA LLC, A VIRGINIA LIMITED LIABILITY COMPANY.

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 MEMORIAL HEALTH SYSTEM EMPLOYEE PENSION PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 MEMORIAL HEALTH SYSTEM		
		D Employer Identification Number (EIN) 37-1110690

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)	3698617	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	59997735	0
(2) U.S. Government securities	1c(2)	62714921	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)	277842320	0
(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)		
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

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	404253593	0
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	1643342	0
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	1643342	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	402610251	0

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)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2930452	
(B) U.S. Government securities	2b(1)(B)	284424	
(C) Corporate debt instruments	2b(1)(C)	3562886	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		6777762
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	2998367	
(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)		
c Other income	2c		25609
d Total income. Add all income amounts in column (b) and enter total	2d		9801738

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	122504058	
(2) To insurance carriers for the provision of benefits.....	2e(2)	274015901	
(3) Other	2e(3)	303976	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		396823935
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)	0	
(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)	50	
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)	288512	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		288562
j Total expenses. Add all expense amounts in column (b) and enter total	2j		397112497

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-387310759
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		15299492

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: **SIKICH CPA LLC**

(2) EIN: **54-1172176**

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 0.

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)
MEMORIAL HEALTH SYSTEM DEFINED CONTRIBUTION RETIREMENT SAVINGS PLAN	37-1110690	002

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 509060.

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 MEMORIAL HEALTH SYSTEM EMPLOYEE PENSION PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 MEMORIAL HEALTH SYSTEM	D Employer Identification Number (EIN) 37-1110690

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	
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): 25-1211909 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	1555

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)? If the plan is a defined benefit plan, go to line 8.	☐ Yes ☒ No ☐ N/A
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)

14a

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)

14b

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)

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

15a

b The corresponding number for the second preceding plan year

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

16a

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

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

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

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 ____/____/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.



MEMORIAL HEALTH SYSTEM EMPLOYEE PENSION PLAN

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**For the Years Ended December 31, 2023 and 2022
(In Liquidation)**

The lower half of the cover features a complex, abstract geometric pattern. It consists of numerous overlapping, semi-transparent planes and polygons in various shades of gray, creating a sense of depth and architectural structure. The pattern is most dense on the left and right sides, with a more open, grid-like structure in the center.

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**MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
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INDEPENDENT AUDITOR'S REPORT

To the Benefits Administrative Committee of
Memorial Health System d/b/a Memorial Health

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2023 Financial Statements

We have performed an audit of the financial statements of Memorial Health System Employee Pension Plan (the 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 statement of net assets available for benefits as of December 31, 2023 (in liquidation), and the related statement of changes in net assets available for benefits (in liquidation) for the year then ended, and the related notes to the financial statements (2023 financial statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2023 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 Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2023, stating that the certified investment information, as described in Note 5 to the financial statements, is complete and accurate.

Opinion on the 2023 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2023 Financial Statements section:

- The amounts and disclosures in the accompanying 2023 financial statements, 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.

- The information in the accompanying financial statements related to assets held by 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 on the 2023 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2023 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 audit. 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 2023 Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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.

Auditor's Responsibilities for the Audit of the 2023 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2023 Financial Statements 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 auditor's 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.

Our audit 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 2023 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 2023 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.

Other Matters

2023 Supplemental Schedule Required by ERISA

The supplemental schedule of reportable transactions for the year ended 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 Department of Labor'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 its form and content, is presented in conformity with the Department of Labor'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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

- The information in the supplemental schedule related to assets held by 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).

Auditor's Report on the 2022 Financial Statements

Sikich LLP performed an audit of the 2022 financial statements of Memorial Health System Employee Pension Plan. Effective as of April 30, 2024, Sikich LLP reorganized and transferred its attest practice to Sikich CPA LLC, a Virginia limited liability company. In accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to assets held for investment of the Plan that were certified by a qualified institution. Sikich LLP's report dated October 12, 2023 indicated that (a) the amounts and disclosures in the 2022 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the 2022 financial statements related to assets held by 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). Sikich LLP's report also indicated that the form and content of the 2022 supplemental schedules, other than the information in the 2022 supplemental schedules that agreed to or is derived from the certified investment information, were presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2022 supplemental schedules related to assets held by 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 determines meets the requirements of ERISA Section 103(a)(3)(C). The 2022 report also included an emphasis of matter paragraph related to the termination of the Plan effective June 30, 2022 and change in basis of accounting from the ongoing basis used in presenting the 2021 financial statements to the liquidation basis used in presenting the 2022 financial statements. The opinion was not modified with respect to this matter.

Sikich CPA LLC

St. Louis, Missouri
September 23, 2024

FINANCIAL STATEMENTS

**MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN**

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS - IN LIQUIDATION

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Investments at fair value	\$ -	\$ 400,554,976
Receivables		
Accrued investment income	-	<u>3,698,617</u>
Total assets	-	404,253,593
LIABILITIES		
Accrued expenses	-	<u>1,643,342</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ -</u>	<u>\$ 402,610,251</u>

See accompanying notes to financial statements.

**MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - IN LIQUIDATION

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO		
Investment income		
Net appreciation in fair value of investments	\$ 2,998,367	\$ -
Interest	6,777,762	14,623,905
Other income	25,609	16,814
	<u>9,801,738</u>	<u>14,640,719</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Net depreciation in fair value of investments	-	121,854,545
Benefits paid to participants	122,808,034	22,361,365
Purchase of annuity contract	274,015,901	-
Administrative expenses	288,562	3,496,825
	<u>397,112,497</u>	<u>147,712,735</u>
NET DECREASE	(387,310,759)	(133,072,016)
Transfer out to qualified plan (see Note 3)	(15,299,492)	-
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>402,610,251</u>	<u>535,682,267</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u>\$ -</u>	<u>\$ 402,610,251</u>

See accompanying notes to financial statements.

**MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022, in liquidation

1. DESCRIPTION OF PLAN

The following description of Memorial Health System Employee Pension Plan (the Plan) provides only general information. Participants should refer to the plan document for a complete description of the Plan's provisions.

General

The Plan is a defined benefit, noncontributory pension plan sponsored by Memorial Health System d/b/a Memorial Health (MH) and covers substantially all employees of MH and affiliated companies. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective June 30, 2022, the Plan was amended to terminate the Plan. See Note 3.

The following provisions were in effect prior to the termination of the Plan.

Eligibility

Effective December 31, 2011, the Plan became frozen and no new participants were allowed to enter the Plan and no additional pension accruals were credited as of this date. Prior to the Plan freeze, employees became participants on the first day of the month following completion of one year of service and attainment of age 21.

Pension Benefits

Under the terms of the Plan, the annual benefit a participant is entitled to upon attaining normal retirement date is the sum of the following:

- .0125 multiplied by the participant's highest average earnings up to the average taxable wage base multiplied by benefit service up to 25 years, plus
- .0175 multiplied by the participant's highest average earnings in excess of the average taxable wage base multiplied by benefit service up to 25 years, plus
- .005 multiplied by the participant's highest average earnings up to the average taxable wage base multiplied by benefit service in excess of 25 years, but not in excess of 35 years, if any, plus

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

1. DESCRIPTION OF PLAN (Continued)

Pension Benefits (Continued)

- .0075 multiplied by the participant's highest average earnings in excess of the average taxable wage base multiplied by benefit service in excess of 25 years, but not in excess to 35 years, if any, plus
- .005 multiplied by the participant's highest average earnings multiplied by benefit service in excess of 35 years, if any.

The average taxable wage base is the average of the Social Security maximum taxable wage bases for the 35-year period immediately preceding a participant's termination of employment. In no event will the average taxable wage base exceed one-third of the Social Security maximum taxable wage base in effect during the year of termination. The normal retirement date, for those who were hired prior to age 60, is defined as the first day of the month coincident with or following a participant's 65th birthday. For those who are hired on or after the participant's 60th birthday, the normal retirement date is defined as the first day of the month coincident with or following the participant's attainment of age 65 and five years of vesting service. The highest average earnings means total W-2 earnings over the highest five consecutive calendar years during the last ten years preceding retirement or termination, divided by five. Reductions to the monthly benefit, as computed above, of 5% for each of the first 60 months and 4% for each of the next 60 months preceding normal retirement are made for early retirement available at age 55 for employees who have completed at least five years of service. Benefit payments commence at the participant's actual retirement date. A participant is 100% vested upon completion of five years of service. The Plan provides for payment to participants of normal retirement benefits and early retirement benefits in the form of a single-life annuity or, if married, in the form of a 50% joint and survivor annuity.

Disability Benefits

Participants disabled prior to the normal retirement date are not eligible for pension benefits while receiving payments under MH's long-term disability program. Prior to the Plan being frozen, such participants were credited with years of benefit and vesting service during the course of disability until the occurrence of the normal retirement date, the participant's death, the date of recovery from the disabled condition, or the date of expiration of benefits under the long-term disability program.

Death Benefits

The Plan also provides a death benefit to the spouse of an active participant who has completed five years of continuous service, and this benefit is determined as follows:

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

1. DESCRIPTION OF PLAN (Continued)

Death Benefits (Continued)

- A participant dies after attaining age 55 but prior to his normal retirement date; the death benefit is a 50% joint and survivor annuity based upon normal retirement benefits reduced by the early retirement provisions of the Plan and assuming that the participant had retired on the day before death.
- A participant dies before attaining age 55; the death benefit is an amount equal to the participant's accrued benefit as if the participant had terminated employment on the date of death. The death benefit is paid in the form of a 50% joint and survivor annuity.
- A participant dies after the normal retirement date but prior to commencement of retirement benefits; the death benefit is the value of the participant's normal retirement benefit.
- A participant dies subsequent to commencement of retirement benefits; the death benefit is that available, if any, under the arrangement pursuant to which the participant's normal retirement benefit was being paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid by MH and are excluded from these financial statements. The Plan pays certain investment advisory, actuarial, and plan administration fees from plan assets. Certain investment-related expenses are included in net appreciation (depreciation) in fair value of investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Associated with the termination of the Plan, as discussed in Note 3, the Plan has prepared its 2023 and 2022 financial statements on the liquidation basis of accounting. Under the liquidation basis of accounting, assets are measured to reflect the amount of expected consideration from liquidation and liabilities are measured in accordance with accounting principles generally accepted in the United States of America (US GAAP) that otherwise applies to such liabilities.

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America (US GAAP) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is 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. See Note 8 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and 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.

Payment of Benefits

Benefit payments are recorded upon distribution.

Plan Administration

Administration of the Plan is under the control of the Benefits Administrative Committee of MH, except for management of the trust fund, which is the responsibility of the trustee, PNC Institutional Investments. The trustee receives, invests, and holds plan assets, and disburses benefits to retirees.

Funding Policy

MH's funding policy is to make quarterly contributions to the Plan as determined by the Plan's independent actuary. No employee contributions are permitted. No contributions were required for 2023 or 2022 to comply with the minimum funding requirements of ERISA.

Subsequent Events

Subsequent events are events or transactions that occur after year end but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at year end, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at year end but arose after that date (that is, nonrecognized subsequent events).

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events (Continued)

The Plan has evaluated subsequent events through September 23, 2024, which was the date that these financial statements were available for issuance and determined that there were no significant nonrecognized subsequent events through that date.

3. PLAN TERMINATION

Pursuant to the Plan's amendment to terminate, the Plan has implemented a plan for the liquidation of Plan assets. The net assets of the Plan were allocated, as prescribed by ERISA and its related regulations, generally to provide benefits in the order indicated:

- (a) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.
- (b) Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. government agency) up to the applicable limitations (discussed below).
- (c) All other vested benefits (that is, vested benefits not insured by the PBGC).
- (d) All nonvested benefits.

The actuarial present value of accumulated plan benefits was adjusted to the participants' total benefit liabilities due to the Plan's termination, which converted the actuarial present value of accumulated plan benefits to the liquidation basis. This was calculated by Milliman, a consultant, to complete Form 6088 filed with the Plan's application to terminate on July 1, 2023.

The Plan's amendment to terminate designates a special lump sum annuity starting window which governs the method of liquidating plan assets. The timing and duration of such special lump sum annuity starting window established by the MH and ran from March 17, 2023, through May 19, 2023. Any participant whose benefit had not commenced as of the special lump sum window and whose benefit did not exceed \$5,000 received their benefit as a lump sum payment. Active employees could take a lump sum distribution and roll it over into the Memorial Health System Defined Contribution Retirement Savings Plan, a separate plan sponsored by the MH. All other participants were eligible to elect to receive their accrued benefit under the Plan in the form of a lump sum. Payments to participants during the special lump sum window were \$107,706,059.

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

3. PLAN TERMINATION (Continued)

On June 29, 2023, the Plan purchased a group annuity contract that transferred the benefit obligations of 2,837 participants and beneficiaries (Transferred Participants). Transferred Participants included those receiving monthly annuity payments prior to the special lump sum window and those who did not elect to receive a lump sum payment. As part of the purchase of the group annuity contract, Plan benefit obligations and related annuity administration services for Transferred Participants were irrevocably assumed and guaranteed by the insurance company effective as of September 1, 2023. The Plan paid \$274,015,901 to the insurance company in connection with this contract. There will be no change to pension benefits for Transferred Participants.

In December 2023 the final administrative tasks were completed and remaining Plan assets of \$15,299,492 were liquidated and transferred to the Memorial Health System Defined Contribution Retirement Savings Plan.

4. ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those estimated future periodic payments, including lump sum distributions, which are attributable under the Plan's provisions to the service rendered by participants to the valuation date. Accumulated plan benefits include benefits expected to be paid to retired, terminated vested participants or their beneficiaries and active participants or their beneficiaries. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent that they are deemed attributable to a participant's service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, termination, or retirement) between the valuation date and the expected date of payment. As the Plan is terminating, no valuation was performed as of January 1, 2023.

As all Plan benefits were paid in 2023, the accumulated plan benefits as of January 1, 2023, are based substantially on the subsequent distributions from the Plan. These distributions include the monthly annuities prior to the settlement of the Plan as well as the distributions arising from lump sum payments for participants and the annuity payment purchases for participants who elected or were already enrolled for annuity payments. See Note 3.

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CERTIFICATION OF FINANCIAL INFORMATION

The following financial data included in the accompanying financial statements as of for the years ended December 31, 2023 and 2022 and supplemental schedule of reportable transactions for the year ended December 31, 2023, has been certified as complete and accurate by PNC Bank, National Association, a qualified institution, and has not been audited by the independent auditors for the Plan; investments at fair value, interest, other income, accrued investment income and net appreciation (depreciation) in fair value of investments.

6. TAX STATUS

The Internal Revenue Service (IRS) has determined and informed MH by letter dated September 21, 2017, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC.

MH filed with the IRS for a determination letter on the termination of the Plan. The IRS has determined and informed Plan management by letter dated March 13, 2023, that the termination of the Plan does not affect its qualifications for federal tax purposes. Accordingly, no provisions for income taxes have been included in the financial statements.

US GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

7. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks.

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

8. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under Topic 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- a. Quoted prices for similar assets or liabilities in active markets,
- b. Quoted prices for identical or similar assets or liabilities in inactive markets,
- c. Inputs other than quoted prices that are observable for the asset or liability,
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full-term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value as of December 31, 2022. There have been no changes in the methodologies used at December 31, 2022. There were no investments as of December 31, 2023.

Money market funds: Valued at the closing price reported on the active market on which the individual securities are traded.

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

8. FAIR VALUE MEASUREMENTS (Continued)

U.S. Treasury and Corporate obligations: The fair values of U.S. Treasury obligations are based upon unadjusted market prices and are classified within Level 1. The fair value of corporate obligations are generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, reported trades, bids, offers and credit spreads. Accordingly, the fair value of government and corporate obligations are classified within Level 2.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022.

Description	Assets at Fair Value as of December 31, 2022				Total
	Level 1	Level 2	Level 3		
Money market funds	\$ 59,997,735	\$ -	\$ -	\$ -	\$ 59,997,735
U.S. Treasury obligations	62,714,921	-	-	-	62,714,921
Corporate obligations	-	277,842,320	-	-	277,842,320
TOTAL	\$ 122,712,656	\$ 277,842,320	\$ -	\$ -	\$ 400,554,976

9. PARTY-IN-INTEREST TRANSACTIONS

Fees paid by the Plan for investment management services were included as a reduction of the return earned on each fund. Certain investment advisory, actuarial, and administration fees were paid by the Plan or by MH. These transactions qualify as party-in-interest. Employees of MH provide administrative services to the Plan for which no fees are charged.

SUPPLEMENTAL SCHEDULE

**MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN**

SCHEDULE OF REPORTABLE TRANSACTIONS
FORM 5500, SCHEDULE H, LINE 4j
TRANSACTIONS INVOLVING MORE THAN 5% OF THE BEGINNING PLAN ASSETS

EIN: 37-1110690 Plan: #001

For the Year Ended December 31, 2023

(a) Identity of Party Involved	(b) Description of Assets	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain (Loss)
<u>Category (i) - Individual transaction in excess of 5% of plan assets</u>								
	FEDERATED HERMES GOVERNMENT OBLIGATION PREMIUM SHARES #117	\$ 52,979,144	\$ -	\$ -	\$ -	\$ 52,979,144	\$ 52,979,144	\$ -
	FEDERATED HERMES GOVERNMENT OBLIGATION PREMIUM SHARES #117	22,056,540	-	-	-	22,056,540	22,056,540	-
	FEDERATED HERMES GOVERNMENT OBLIGATION PREMIUM SHARES #117	108,926,367	-	-	-	108,926,367	108,926,367	-
<u>Category (iii) - Series of transactions in excess of 5% of plan assets</u>								
	FEDERATED HERMES GOVERNMENT OBLIGATION PREMIUM SHARES #117	\$ 78,827,839	\$ 138,825,570	\$ -	\$ -	\$ 138,825,570	\$ 217,653,409	\$ -



MEMORIAL HEALTH SYSTEM EMPLOYEE PENSION PLAN

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**For the Years Ended December 31, 2023 and 2022
(In Liquidation)**

The lower half of the cover features a complex, abstract background of overlapping, semi-transparent geometric shapes, primarily triangles and polygons, in shades of gray and white, creating a sense of depth and architectural structure.

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**MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
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INDEPENDENT AUDITOR'S REPORT

To the Benefits Administrative Committee of
Memorial Health System d/b/a Memorial Health

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2023 Financial Statements

We have performed an audit of the financial statements of Memorial Health System Employee Pension Plan (the 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 statement of net assets available for benefits as of December 31, 2023 (in liquidation), and the related statement of changes in net assets available for benefits (in liquidation) for the year then ended, and the related notes to the financial statements (2023 financial statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2023 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 Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2023, stating that the certified investment information, as described in Note 5 to the financial statements, is complete and accurate.

Opinion on the 2023 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2023 Financial Statements section:

- The amounts and disclosures in the accompanying 2023 financial statements, 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.

- The information in the accompanying financial statements related to assets held by 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 on the 2023 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2023 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 audit. 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 2023 Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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.

Auditor's Responsibilities for the Audit of the 2023 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2023 Financial Statements 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 auditor's 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.

Our audit 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 2023 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 2023 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.

Other Matters

2023 Supplemental Schedule Required by ERISA

The supplemental schedule of reportable transactions for the year ended 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 Department of Labor'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 its form and content, is presented in conformity with the Department of Labor'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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

- The information in the supplemental schedule related to assets held by 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).

Auditor's Report on the 2022 Financial Statements

Sikich LLP performed an audit of the 2022 financial statements of Memorial Health System Employee Pension Plan. Effective as of April 30, 2024, Sikich LLP reorganized and transferred its attest practice to Sikich CPA LLC, a Virginia limited liability company. In accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to assets held for investment of the Plan that were certified by a qualified institution. Sikich LLP's report dated October 12, 2023 indicated that (a) the amounts and disclosures in the 2022 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the 2022 financial statements related to assets held by 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). Sikich LLP's report also indicated that the form and content of the 2022 supplemental schedules, other than the information in the 2022 supplemental schedules that agreed to or is derived from the certified investment information, were presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2022 supplemental schedules related to assets held by 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 determines meets the requirements of ERISA Section 103(a)(3)(C). The 2022 report also included an emphasis of matter paragraph related to the termination of the Plan effective June 30, 2022 and change in basis of accounting from the ongoing basis used in presenting the 2021 financial statements to the liquidation basis used in presenting the 2022 financial statements. The opinion was not modified with respect to this matter.

Sikich CPA LLC

St. Louis, Missouri
September 23, 2024

FINANCIAL STATEMENTS

**MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN**

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS - IN LIQUIDATION

December 31, 2023 and 2022

	2023	2022
ASSETS		
Investments at fair value	\$ -	\$ 400,554,976
Receivables		
Accrued investment income	-	3,698,617
Total assets	-	404,253,593
LIABILITIES		
Accrued expenses	-	1,643,342
NET ASSETS AVAILABLE FOR BENEFITS	\$ -	\$ 402,610,251

See accompanying notes to financial statements.

**MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - IN LIQUIDATION

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO		
Investment income		
Net appreciation in fair value of investments	\$ 2,998,367	\$ -
Interest	6,777,762	14,623,905
Other income	25,609	16,814
	<u>9,801,738</u>	<u>14,640,719</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Net depreciation in fair value of investments	-	121,854,545
Benefits paid to participants	122,808,034	22,361,365
Purchase of annuity contract	274,015,901	-
Administrative expenses	288,562	3,496,825
	<u>397,112,497</u>	<u>147,712,735</u>
NET DECREASE	(387,310,759)	(133,072,016)
Transfer out to qualified plan (see Note 3)	(15,299,492)	-
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>402,610,251</u>	<u>535,682,267</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u>\$ -</u>	<u>\$ 402,610,251</u>

See accompanying notes to financial statements.

**MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022, in liquidation

1. DESCRIPTION OF PLAN

The following description of Memorial Health System Employee Pension Plan (the Plan) provides only general information. Participants should refer to the plan document for a complete description of the Plan's provisions.

General

The Plan is a defined benefit, noncontributory pension plan sponsored by Memorial Health System d/b/a Memorial Health (MH) and covers substantially all employees of MH and affiliated companies. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective June 30, 2022, the Plan was amended to terminate the Plan. See Note 3.

The following provisions were in effect prior to the termination of the Plan.

Eligibility

Effective December 31, 2011, the Plan became frozen and no new participants were allowed to enter the Plan and no additional pension accruals were credited as of this date. Prior to the Plan freeze, employees became participants on the first day of the month following completion of one year of service and attainment of age 21.

Pension Benefits

Under the terms of the Plan, the annual benefit a participant is entitled to upon attaining normal retirement date is the sum of the following:

- .0125 multiplied by the participant's highest average earnings up to the average taxable wage base multiplied by benefit service up to 25 years, plus
- .0175 multiplied by the participant's highest average earnings in excess of the average taxable wage base multiplied by benefit service up to 25 years, plus
- .005 multiplied by the participant's highest average earnings up to the average taxable wage base multiplied by benefit service in excess of 25 years, but not in excess of 35 years, if any, plus

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

1. DESCRIPTION OF PLAN (Continued)

Pension Benefits (Continued)

- .0075 multiplied by the participant's highest average earnings in excess of the average taxable wage base multiplied by benefit service in excess of 25 years, but not in excess to 35 years, if any, plus
- .005 multiplied by the participant's highest average earnings multiplied by benefit service in excess of 35 years, if any.

The average taxable wage base is the average of the Social Security maximum taxable wage bases for the 35-year period immediately preceding a participant's termination of employment. In no event will the average taxable wage base exceed one-third of the Social Security maximum taxable wage base in effect during the year of termination. The normal retirement date, for those who were hired prior to age 60, is defined as the first day of the month coincident with or following a participant's 65th birthday. For those who are hired on or after the participant's 60th birthday, the normal retirement date is defined as the first day of the month coincident with or following the participant's attainment of age 65 and five years of vesting service. The highest average earnings means total W-2 earnings over the highest five consecutive calendar years during the last ten years preceding retirement or termination, divided by five. Reductions to the monthly benefit, as computed above, of 5% for each of the first 60 months and 4% for each of the next 60 months preceding normal retirement are made for early retirement available at age 55 for employees who have completed at least five years of service. Benefit payments commence at the participant's actual retirement date. A participant is 100% vested upon completion of five years of service. The Plan provides for payment to participants of normal retirement benefits and early retirement benefits in the form of a single-life annuity or, if married, in the form of a 50% joint and survivor annuity.

Disability Benefits

Participants disabled prior to the normal retirement date are not eligible for pension benefits while receiving payments under MH's long-term disability program. Prior to the Plan being frozen, such participants were credited with years of benefit and vesting service during the course of disability until the occurrence of the normal retirement date, the participant's death, the date of recovery from the disabled condition, or the date of expiration of benefits under the long-term disability program.

Death Benefits

The Plan also provides a death benefit to the spouse of an active participant who has completed five years of continuous service, and this benefit is determined as follows:

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

1. DESCRIPTION OF PLAN (Continued)

Death Benefits (Continued)

- A participant dies after attaining age 55 but prior to his normal retirement date; the death benefit is a 50% joint and survivor annuity based upon normal retirement benefits reduced by the early retirement provisions of the Plan and assuming that the participant had retired on the day before death.
- A participant dies before attaining age 55; the death benefit is an amount equal to the participant's accrued benefit as if the participant had terminated employment on the date of death. The death benefit is paid in the form of a 50% joint and survivor annuity.
- A participant dies after the normal retirement date but prior to commencement of retirement benefits; the death benefit is the value of the participant's normal retirement benefit.
- A participant dies subsequent to commencement of retirement benefits; the death benefit is that available, if any, under the arrangement pursuant to which the participant's normal retirement benefit was being paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid by MH and are excluded from these financial statements. The Plan pays certain investment advisory, actuarial, and plan administration fees from plan assets. Certain investment-related expenses are included in net appreciation (depreciation) in fair value of investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Associated with the termination of the Plan, as discussed in Note 3, the Plan has prepared its 2023 and 2022 financial statements on the liquidation basis of accounting. Under the liquidation basis of accounting, assets are measured to reflect the amount of expected consideration from liquidation and liabilities are measured in accordance with accounting principles generally accepted in the United States of America (US GAAP) that otherwise applies to such liabilities.

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America (US GAAP) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is 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. See Note 8 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and 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.

Payment of Benefits

Benefit payments are recorded upon distribution.

Plan Administration

Administration of the Plan is under the control of the Benefits Administrative Committee of MH, except for management of the trust fund, which is the responsibility of the trustee, PNC Institutional Investments. The trustee receives, invests, and holds plan assets, and disburses benefits to retirees.

Funding Policy

MH's funding policy is to make quarterly contributions to the Plan as determined by the Plan's independent actuary. No employee contributions are permitted. No contributions were required for 2023 or 2022 to comply with the minimum funding requirements of ERISA.

Subsequent Events

Subsequent events are events or transactions that occur after year end but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at year end, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at year end but arose after that date (that is, nonrecognized subsequent events).

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events (Continued)

The Plan has evaluated subsequent events through September 23, 2024, which was the date that these financial statements were available for issuance and determined that there were no significant nonrecognized subsequent events through that date.

3. PLAN TERMINATION

Pursuant to the Plan's amendment to terminate, the Plan has implemented a plan for the liquidation of Plan assets. The net assets of the Plan were allocated, as prescribed by ERISA and its related regulations, generally to provide benefits in the order indicated:

- (a) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.
- (b) Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. government agency) up to the applicable limitations (discussed below).
- (c) All other vested benefits (that is, vested benefits not insured by the PBGC).
- (d) All nonvested benefits.

The actuarial present value of accumulated plan benefits was adjusted to the participants' total benefit liabilities due to the Plan's termination, which converted the actuarial present value of accumulated plan benefits to the liquidation basis. This was calculated by Milliman, a consultant, to complete Form 6088 filed with the Plan's application to terminate on July 1, 2023.

The Plan's amendment to terminate designates a special lump sum annuity starting window which governs the method of liquidating plan assets. The timing and duration of such special lump sum annuity starting window established by the MH and ran from March 17, 2023, through May 19, 2023. Any participant whose benefit had not commenced as of the special lump sum window and whose benefit did not exceed \$5,000 received their benefit as a lump sum payment. Active employees could take a lump sum distribution and roll it over into the Memorial Health System Defined Contribution Retirement Savings Plan, a separate plan sponsored by the MH. All other participants were eligible to elect to receive their accrued benefit under the Plan in the form of a lump sum. Payments to participants during the special lump sum window were \$107,706,059.

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

3. PLAN TERMINATION (Continued)

On June 29, 2023, the Plan purchased a group annuity contract that transferred the benefit obligations of 2,837 participants and beneficiaries (Transferred Participants). Transferred Participants included those receiving monthly annuity payments prior to the special lump sum window and those who did not elect to receive a lump sum payment. As part of the purchase of the group annuity contract, Plan benefit obligations and related annuity administration services for Transferred Participants were irrevocably assumed and guaranteed by the insurance company effective as of September 1, 2023. The Plan paid \$274,015,901 to the insurance company in connection with this contract. There will be no change to pension benefits for Transferred Participants.

In December 2023 the final administrative tasks were completed and remaining Plan assets of \$15,299,492 were liquidated and transferred to the Memorial Health System Defined Contribution Retirement Savings Plan.

4. ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those estimated future periodic payments, including lump sum distributions, which are attributable under the Plan's provisions to the service rendered by participants to the valuation date. Accumulated plan benefits include benefits expected to be paid to retired, terminated vested participants or their beneficiaries and active participants or their beneficiaries. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent that they are deemed attributable to a participant's service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, termination, or retirement) between the valuation date and the expected date of payment. As the Plan is terminating, no valuation was performed as of January 1, 2023.

As all Plan benefits were paid in 2023, the accumulated plan benefits as of January 1, 2023, are based substantially on the subsequent distributions from the Plan. These distributions include the monthly annuities prior to the settlement of the Plan as well as the distributions arising from lump sum payments for participants and the annuity payment purchases for participants who elected or were already enrolled for annuity payments. See Note 3.

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CERTIFICATION OF FINANCIAL INFORMATION

The following financial data included in the accompanying financial statements as of for the years ended December 31, 2023 and 2022 and supplemental schedule of reportable transactions for the year ended December 31, 2023, has been certified as complete and accurate by PNC Bank, National Association, a qualified institution, and has not been audited by the independent auditors for the Plan; investments at fair value, interest, other income, accrued investment income and net appreciation (depreciation) in fair value of investments.

6. TAX STATUS

The Internal Revenue Service (IRS) has determined and informed MH by letter dated September 21, 2017, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC.

MH filed with the IRS for a determination letter on the termination of the Plan. The IRS has determined and informed Plan management by letter dated March 13, 2023, that the termination of the Plan does not affect its qualifications for federal tax purposes. Accordingly, no provisions for income taxes have been included in the financial statements.

US GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

7. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks.

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

8. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under Topic 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- a. Quoted prices for similar assets or liabilities in active markets,
- b. Quoted prices for identical or similar assets or liabilities in inactive markets,
- c. Inputs other than quoted prices that are observable for the asset or liability,
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full-term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value as of December 31, 2022. There have been no changes in the methodologies used at December 31, 2022. There were no investments as of December 31, 2023.

Money market funds: Valued at the closing price reported on the active market on which the individual securities are traded.

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

8. FAIR VALUE MEASUREMENTS (Continued)

U.S. Treasury and Corporate obligations: The fair values of U.S. Treasury obligations are based upon unadjusted market prices and are classified within Level 1. The fair value of corporate obligations are generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, reported trades, bids, offers and credit spreads. Accordingly, the fair value of government and corporate obligations are classified within Level 2.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022.

Description	Assets at Fair Value as of December 31, 2022				Total
	Level 1	Level 2	Level 3		
Money market funds	\$ 59,997,735	\$ -	\$ -	\$ -	\$ 59,997,735
U.S. Treasury obligations	62,714,921	-	-	-	62,714,921
Corporate obligations	-	277,842,320	-	-	277,842,320
TOTAL	\$ 122,712,656	\$ 277,842,320	\$ -	\$ -	\$ 400,554,976

9. PARTY-IN-INTEREST TRANSACTIONS

Fees paid by the Plan for investment management services were included as a reduction of the return earned on each fund. Certain investment advisory, actuarial, and administration fees were paid by the Plan or by MH. These transactions qualify as party-in-interest. Employees of MH provide administrative services to the Plan for which no fees are charged.

SUPPLEMENTAL SCHEDULE

**MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN**

SCHEDULE OF REPORTABLE TRANSACTIONS
FORM 5500, SCHEDULE H, LINE 4j
TRANSACTIONS INVOLVING MORE THAN 5% OF THE BEGINNING PLAN ASSETS

EIN: 37-1110690 Plan: #001

For the Year Ended December 31, 2023

(a) Identity of Party Involved	(b) Description of Assets	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain (Loss)
<u>Category (i) - Individual transaction in excess of 5% of plan assets</u>								
	FEDERATED HERMES GOVERNMENT OBLIGATION PREMIUM SHARES #117	\$ 52,979,144	\$ -	\$ -	\$ -	\$ 52,979,144	\$ 52,979,144	\$ -
	FEDERATED HERMES GOVERNMENT OBLIGATION PREMIUM SHARES #117	22,056,540	-	-	-	22,056,540	22,056,540	-
	FEDERATED HERMES GOVERNMENT OBLIGATION PREMIUM SHARES #117	108,926,367	-	-	-	108,926,367	108,926,367	-
<u>Category (iii) - Series of transactions in excess of 5% of plan assets</u>								
	FEDERATED HERMES GOVERNMENT OBLIGATION PREMIUM SHARES #117	\$ 78,827,839	\$ 138,825,570	\$ -	\$ -	\$ 138,825,570	\$ 217,653,409	\$ -



MEMORIAL HEALTH SYSTEM EMPLOYEE PENSION PLAN

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**For the Years Ended December 31, 2023 and 2022
(In Liquidation)**

The lower half of the cover features a complex, abstract background of overlapping, semi-transparent geometric shapes, primarily triangles and polygons, in shades of gray and white, creating a sense of depth and architectural structure.

SIKICH.COM

**MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
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INDEPENDENT AUDITOR'S REPORT

To the Benefits Administrative Committee of
Memorial Health System d/b/a Memorial Health

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2023 Financial Statements

We have performed an audit of the financial statements of Memorial Health System Employee Pension Plan (the 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 statement of net assets available for benefits as of December 31, 2023 (in liquidation), and the related statement of changes in net assets available for benefits (in liquidation) for the year then ended, and the related notes to the financial statements (2023 financial statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2023 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 Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2023, stating that the certified investment information, as described in Note 5 to the financial statements, is complete and accurate.

Opinion on the 2023 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2023 Financial Statements section:

- The amounts and disclosures in the accompanying 2023 financial statements, 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.

- The information in the accompanying financial statements related to assets held by 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 on the 2023 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2023 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 audit. 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 2023 Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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.

Auditor's Responsibilities for the Audit of the 2023 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2023 Financial Statements 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 auditor's 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.

Our audit 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 2023 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 2023 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.

Other Matters

2023 Supplemental Schedule Required by ERISA

The supplemental schedule of reportable transactions for the year ended 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 Department of Labor'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 its form and content, is presented in conformity with the Department of Labor'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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

- The information in the supplemental schedule related to assets held by 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).

Auditor's Report on the 2022 Financial Statements

Sikich LLP performed an audit of the 2022 financial statements of Memorial Health System Employee Pension Plan. Effective as of April 30, 2024, Sikich LLP reorganized and transferred its attest practice to Sikich CPA LLC, a Virginia limited liability company. In accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to assets held for investment of the Plan that were certified by a qualified institution. Sikich LLP's report dated October 12, 2023 indicated that (a) the amounts and disclosures in the 2022 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the 2022 financial statements related to assets held by 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). Sikich LLP's report also indicated that the form and content of the 2022 supplemental schedules, other than the information in the 2022 supplemental schedules that agreed to or is derived from the certified investment information, were presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2022 supplemental schedules related to assets held by 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 determines meets the requirements of ERISA Section 103(a)(3)(C). The 2022 report also included an emphasis of matter paragraph related to the termination of the Plan effective June 30, 2022 and change in basis of accounting from the ongoing basis used in presenting the 2021 financial statements to the liquidation basis used in presenting the 2022 financial statements. The opinion was not modified with respect to this matter.

Sikich CPA LLC

St. Louis, Missouri
September 23, 2024

FINANCIAL STATEMENTS

**MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN**

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS - IN LIQUIDATION

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Investments at fair value	\$ -	\$ 400,554,976
Receivables		
Accrued investment income	-	<u>3,698,617</u>
Total assets	-	404,253,593
LIABILITIES		
Accrued expenses	-	<u>1,643,342</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ -</u>	<u>\$ 402,610,251</u>

See accompanying notes to financial statements.

**MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - IN LIQUIDATION

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO		
Investment income		
Net appreciation in fair value of investments	\$ 2,998,367	\$ -
Interest	6,777,762	14,623,905
Other income	25,609	16,814
	<u>9,801,738</u>	<u>14,640,719</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Net depreciation in fair value of investments	-	121,854,545
Benefits paid to participants	122,808,034	22,361,365
Purchase of annuity contract	274,015,901	-
Administrative expenses	288,562	3,496,825
	<u>397,112,497</u>	<u>147,712,735</u>
NET DECREASE	(387,310,759)	(133,072,016)
Transfer out to qualified plan (see Note 3)	(15,299,492)	-
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>402,610,251</u>	<u>535,682,267</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u>\$ -</u>	<u>\$ 402,610,251</u>

See accompanying notes to financial statements.

**MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022, in liquidation

1. DESCRIPTION OF PLAN

The following description of Memorial Health System Employee Pension Plan (the Plan) provides only general information. Participants should refer to the plan document for a complete description of the Plan's provisions.

General

The Plan is a defined benefit, noncontributory pension plan sponsored by Memorial Health System d/b/a Memorial Health (MH) and covers substantially all employees of MH and affiliated companies. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective June 30, 2022, the Plan was amended to terminate the Plan. See Note 3.

The following provisions were in effect prior to the termination of the Plan.

Eligibility

Effective December 31, 2011, the Plan became frozen and no new participants were allowed to enter the Plan and no additional pension accruals were credited as of this date. Prior to the Plan freeze, employees became participants on the first day of the month following completion of one year of service and attainment of age 21.

Pension Benefits

Under the terms of the Plan, the annual benefit a participant is entitled to upon attaining normal retirement date is the sum of the following:

- .0125 multiplied by the participant's highest average earnings up to the average taxable wage base multiplied by benefit service up to 25 years, plus
- .0175 multiplied by the participant's highest average earnings in excess of the average taxable wage base multiplied by benefit service up to 25 years, plus
- .005 multiplied by the participant's highest average earnings up to the average taxable wage base multiplied by benefit service in excess of 25 years, but not in excess of 35 years, if any, plus

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

1. DESCRIPTION OF PLAN (Continued)

Pension Benefits (Continued)

- .0075 multiplied by the participant's highest average earnings in excess of the average taxable wage base multiplied by benefit service in excess of 25 years, but not in excess to 35 years, if any, plus
- .005 multiplied by the participant's highest average earnings multiplied by benefit service in excess of 35 years, if any.

The average taxable wage base is the average of the Social Security maximum taxable wage bases for the 35-year period immediately preceding a participant's termination of employment. In no event will the average taxable wage base exceed one-third of the Social Security maximum taxable wage base in effect during the year of termination. The normal retirement date, for those who were hired prior to age 60, is defined as the first day of the month coincident with or following a participant's 65th birthday. For those who are hired on or after the participant's 60th birthday, the normal retirement date is defined as the first day of the month coincident with or following the participant's attainment of age 65 and five years of vesting service. The highest average earnings means total W-2 earnings over the highest five consecutive calendar years during the last ten years preceding retirement or termination, divided by five. Reductions to the monthly benefit, as computed above, of 5% for each of the first 60 months and 4% for each of the next 60 months preceding normal retirement are made for early retirement available at age 55 for employees who have completed at least five years of service. Benefit payments commence at the participant's actual retirement date. A participant is 100% vested upon completion of five years of service. The Plan provides for payment to participants of normal retirement benefits and early retirement benefits in the form of a single-life annuity or, if married, in the form of a 50% joint and survivor annuity.

Disability Benefits

Participants disabled prior to the normal retirement date are not eligible for pension benefits while receiving payments under MH's long-term disability program. Prior to the Plan being frozen, such participants were credited with years of benefit and vesting service during the course of disability until the occurrence of the normal retirement date, the participant's death, the date of recovery from the disabled condition, or the date of expiration of benefits under the long-term disability program.

Death Benefits

The Plan also provides a death benefit to the spouse of an active participant who has completed five years of continuous service, and this benefit is determined as follows:

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

1. DESCRIPTION OF PLAN (Continued)

Death Benefits (Continued)

- A participant dies after attaining age 55 but prior to his normal retirement date; the death benefit is a 50% joint and survivor annuity based upon normal retirement benefits reduced by the early retirement provisions of the Plan and assuming that the participant had retired on the day before death.
- A participant dies before attaining age 55; the death benefit is an amount equal to the participant's accrued benefit as if the participant had terminated employment on the date of death. The death benefit is paid in the form of a 50% joint and survivor annuity.
- A participant dies after the normal retirement date but prior to commencement of retirement benefits; the death benefit is the value of the participant's normal retirement benefit.
- A participant dies subsequent to commencement of retirement benefits; the death benefit is that available, if any, under the arrangement pursuant to which the participant's normal retirement benefit was being paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid by MH and are excluded from these financial statements. The Plan pays certain investment advisory, actuarial, and plan administration fees from plan assets. Certain investment-related expenses are included in net appreciation (depreciation) in fair value of investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Associated with the termination of the Plan, as discussed in Note 3, the Plan has prepared its 2023 and 2022 financial statements on the liquidation basis of accounting. Under the liquidation basis of accounting, assets are measured to reflect the amount of expected consideration from liquidation and liabilities are measured in accordance with accounting principles generally accepted in the United States of America (US GAAP) that otherwise applies to such liabilities.

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America (US GAAP) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is 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. See Note 8 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and 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.

Payment of Benefits

Benefit payments are recorded upon distribution.

Plan Administration

Administration of the Plan is under the control of the Benefits Administrative Committee of MH, except for management of the trust fund, which is the responsibility of the trustee, PNC Institutional Investments. The trustee receives, invests, and holds plan assets, and disburses benefits to retirees.

Funding Policy

MH's funding policy is to make quarterly contributions to the Plan as determined by the Plan's independent actuary. No employee contributions are permitted. No contributions were required for 2023 or 2022 to comply with the minimum funding requirements of ERISA.

Subsequent Events

Subsequent events are events or transactions that occur after year end but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at year end, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at year end but arose after that date (that is, nonrecognized subsequent events).

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events (Continued)

The Plan has evaluated subsequent events through September 23, 2024, which was the date that these financial statements were available for issuance and determined that there were no significant nonrecognized subsequent events through that date.

3. PLAN TERMINATION

Pursuant to the Plan's amendment to terminate, the Plan has implemented a plan for the liquidation of Plan assets. The net assets of the Plan were allocated, as prescribed by ERISA and its related regulations, generally to provide benefits in the order indicated:

- (a) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.
- (b) Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. government agency) up to the applicable limitations (discussed below).
- (c) All other vested benefits (that is, vested benefits not insured by the PBGC).
- (d) All nonvested benefits.

The actuarial present value of accumulated plan benefits was adjusted to the participants' total benefit liabilities due to the Plan's termination, which converted the actuarial present value of accumulated plan benefits to the liquidation basis. This was calculated by Milliman, a consultant, to complete Form 6088 filed with the Plan's application to terminate on July 1, 2023.

The Plan's amendment to terminate designates a special lump sum annuity starting window which governs the method of liquidating plan assets. The timing and duration of such special lump sum annuity starting window established by the MH and ran from March 17, 2023, through May 19, 2023. Any participant whose benefit had not commenced as of the special lump sum window and whose benefit did not exceed \$5,000 received their benefit as a lump sum payment. Active employees could take a lump sum distribution and roll it over into the Memorial Health System Defined Contribution Retirement Savings Plan, a separate plan sponsored by the MH. All other participants were eligible to elect to receive their accrued benefit under the Plan in the form of a lump sum. Payments to participants during the special lump sum window were \$107,706,059.

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

3. PLAN TERMINATION (Continued)

On June 29, 2023, the Plan purchased a group annuity contract that transferred the benefit obligations of 2,837 participants and beneficiaries (Transferred Participants). Transferred Participants included those receiving monthly annuity payments prior to the special lump sum window and those who did not elect to receive a lump sum payment. As part of the purchase of the group annuity contract, Plan benefit obligations and related annuity administration services for Transferred Participants were irrevocably assumed and guaranteed by the insurance company effective as of September 1, 2023. The Plan paid \$274,015,901 to the insurance company in connection with this contract. There will be no change to pension benefits for Transferred Participants.

In December 2023 the final administrative tasks were completed and remaining Plan assets of \$15,299,492 were liquidated and transferred to the Memorial Health System Defined Contribution Retirement Savings Plan.

4. ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those estimated future periodic payments, including lump sum distributions, which are attributable under the Plan's provisions to the service rendered by participants to the valuation date. Accumulated plan benefits include benefits expected to be paid to retired, terminated vested participants or their beneficiaries and active participants or their beneficiaries. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent that they are deemed attributable to a participant's service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, termination, or retirement) between the valuation date and the expected date of payment. As the Plan is terminating, no valuation was performed as of January 1, 2023.

As all Plan benefits were paid in 2023, the accumulated plan benefits as of January 1, 2023, are based substantially on the subsequent distributions from the Plan. These distributions include the monthly annuities prior to the settlement of the Plan as well as the distributions arising from lump sum payments for participants and the annuity payment purchases for participants who elected or were already enrolled for annuity payments. See Note 3.

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CERTIFICATION OF FINANCIAL INFORMATION

The following financial data included in the accompanying financial statements as of for the years ended December 31, 2023 and 2022 and supplemental schedule of reportable transactions for the year ended December 31, 2023, has been certified as complete and accurate by PNC Bank, National Association, a qualified institution, and has not been audited by the independent auditors for the Plan; investments at fair value, interest, other income, accrued investment income and net appreciation (depreciation) in fair value of investments.

6. TAX STATUS

The Internal Revenue Service (IRS) has determined and informed MH by letter dated September 21, 2017, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC.

MH filed with the IRS for a determination letter on the termination of the Plan. The IRS has determined and informed Plan management by letter dated March 13, 2023, that the termination of the Plan does not affect its qualifications for federal tax purposes. Accordingly, no provisions for income taxes have been included in the financial statements.

US GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

7. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks.

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

8. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under Topic 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- a. Quoted prices for similar assets or liabilities in active markets,
- b. Quoted prices for identical or similar assets or liabilities in inactive markets,
- c. Inputs other than quoted prices that are observable for the asset or liability,
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full-term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value as of December 31, 2022. There have been no changes in the methodologies used at December 31, 2022. There were no investments as of December 31, 2023.

Money market funds: Valued at the closing price reported on the active market on which the individual securities are traded.

MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

8. FAIR VALUE MEASUREMENTS (Continued)

U.S. Treasury and Corporate obligations: The fair values of U.S. Treasury obligations are based upon unadjusted market prices and are classified within Level 1. The fair value of corporate obligations are generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, reported trades, bids, offers and credit spreads. Accordingly, the fair value of government and corporate obligations are classified within Level 2.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022.

Description	Assets at Fair Value as of December 31, 2022				Total
	Level 1	Level 2	Level 3		
Money market funds	\$ 59,997,735	\$ -	\$ -	\$ -	\$ 59,997,735
U.S. Treasury obligations	62,714,921	-	-	-	62,714,921
Corporate obligations	-	277,842,320	-	-	277,842,320
TOTAL	\$ 122,712,656	\$ 277,842,320	\$ -	\$ -	\$ 400,554,976

9. PARTY-IN-INTEREST TRANSACTIONS

Fees paid by the Plan for investment management services were included as a reduction of the return earned on each fund. Certain investment advisory, actuarial, and administration fees were paid by the Plan or by MH. These transactions qualify as party-in-interest. Employees of MH provide administrative services to the Plan for which no fees are charged.

SUPPLEMENTAL SCHEDULE

**MEMORIAL HEALTH SYSTEM
EMPLOYEE PENSION PLAN**

SCHEDULE OF REPORTABLE TRANSACTIONS
FORM 5500, SCHEDULE H, LINE 4j
TRANSACTIONS INVOLVING MORE THAN 5% OF THE BEGINNING PLAN ASSETS

EIN: 37-1110690 Plan: #001

For the Year Ended December 31, 2023

(a) Identity of Party Involved	(b) Description of Assets	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain (Loss)
<u>Category (i) - Individual transaction in excess of 5% of plan assets</u>								
	FEDERATED HERMES GOVERNMENT OBLIGATION PREMIUM SHARES #117	\$ 52,979,144	\$ -	\$ -	\$ -	\$ 52,979,144	\$ 52,979,144	\$ -
	FEDERATED HERMES GOVERNMENT OBLIGATION PREMIUM SHARES #117	22,056,540	-	-	-	22,056,540	22,056,540	-
	FEDERATED HERMES GOVERNMENT OBLIGATION PREMIUM SHARES #117	108,926,367	-	-	-	108,926,367	108,926,367	-
<u>Category (iii) - Series of transactions in excess of 5% of plan assets</u>								
	FEDERATED HERMES GOVERNMENT OBLIGATION PREMIUM SHARES #117	\$ 78,827,839	\$ 138,825,570	\$ -	\$ -	\$ 138,825,570	\$ 217,653,409	\$ -