

Cincinnati Children's Hospital Medical Center  
Unaudited Consolidated Balance Sheet  
Dollars in thousands

	As of Dec 31, 2022	As of Dec 31, 2021
Current Assets:		
Cash and cash equivalents	\$ 243,253	\$ 268,417
Marketable securities	1,282,328	1,383,190
Cash, cash equivalents and marketable securities	1,525,581	1,651,607
Patient receivables, net	573,827	546,414
Other receivables	154,681	126,286
Inventories and prepaid expenses	84,982	82,878
Total current assets	2,339,071	2,407,185
Assets Limited As To Use - Funds in trust	42,956	39,627
Property and Equipment, net of accumulated depreciation	1,477,104	1,453,823
Goodwill	6,866	7,725
Operating Lease Right-Of-Use Assets	16,838	17,236
Pension Benefit Asset	278,761	222,749
Other Long-Term Assets	76,808	61,286
Interest in Net Assets of Supporting Organizations	4,744,697	5,083,702
Total assets	<u>\$8,983,101</u>	<u>\$9,293,333</u>
Current Liabilities:		
Accounts payable and accrued expenses	\$ 448,126	\$ 456,921
Current portion of long-term debt and lease obligations	17,189	29,629
Commercial Paper	100,000	100,000
Long-term debt subject to remarketing, net	86,328	91,668
Total current liabilities	651,643	678,218
Self-Insurance Reserves	26,005	22,829
Long-Term Debt:		
Tax-exempt bonds payable	326,081	338,908
Taxable bonds payable	596,291	596,061
Finance lease obligations	45,801	50,148
Operating lease obligations	14,642	14,755
Other Long-Term Liabilities	14,181	22,090
Total liabilities	1,674,644	1,723,009
Commitments and Contingencies	-	-
Net Assets:		
Without donor restrictions	2,339,335	2,269,540
With donor restrictions	4,969,122	5,300,784
Total net assets	7,308,457	7,570,324
Total liabilities and net assets	<u>\$8,983,101</u>	<u>\$9,293,333</u>

Cincinnati Children's Hospital Medical Center  
Unaudited Consolidated Statements of Operations and Changes in Net Assets  
Dollars in thousands

	Six Mos Ended Dec 31, 2022	Six Mos Ended Dec 31, 2021
Operating Revenues, Gains and Other Support:		
Net patient service revenue	\$1,253,792	\$1,197,027
Net assets released from restriction used for operations-		
Grant revenue	119,211	105,825
Other restricted net assets used to support operations	67,007	65,231
Other revenue	110,890	87,906
Total operating revenues, gains and other support	<u>1,550,900</u>	<u>1,455,989</u>
Operating Expenses:		
Salaries	742,243	681,856
Employee benefits	172,184	172,655
Supplies, drugs and other	269,047	262,994
Purchased services	160,831	133,456
Depreciation	76,049	73,255
Utilities	11,161	10,334
Interest	18,259	13,578
Total operating expenses	<u>1,449,774</u>	<u>1,348,128</u>
Operating income	<u>101,126</u>	<u>107,861</u>
Nonoperating Gains:		
Net investment return	1,386	41,514
Net benefit gain other than service cost	22,398	13,242
Net nonoperating gains	<u>23,784</u>	<u>54,756</u>
Revenue and gains in excess of expenses and losses	<u>124,910</u>	<u>162,617</u>
Other Changes in Net Assets Without Donor Restrictions:		
Receipts from supporting organizations	1,678	2,243
Net assets released from restrictions used for purchase of property and equipment	1,006	5,988
Transfers to supporting organizations	(1,152)	(1,824)
Pension and post-retirement health liability adjustment (A)	<u>-</u>	<u>-</u>
Increase in net assets without donor restrictions	<u>\$ 126,442</u>	<u>\$ 169,024</u>

Cincinnati Children's Hospital Medical Center  
Unaudited Consolidated Statements of Operations and Changes in Net Assets (continued)  
Dollars in thousands

	Six Mos Ended Dec 31, 2022	Six Mos Ended Dec 31, 2021
Net Assets With Donor Restrictions:		
Contributions and investment income-		
Grant receipts	\$ 119,419	\$ 106,352
Gifts, contributions, and other income	78,626	69,352
	<u>198,045</u>	<u>175,704</u>
Net assets released from restriction-		
Grant expenditures	(119,211)	(105,825)
Net assets with donor restrictions used to support operations	(67,007)	(65,231)
Net assets with donor restrictions used for purchase of property and equipment	(1,006)	(5,988)
	<u>(187,224)</u>	<u>(177,044)</u>
Change in interest in net assets of supporting organizations	281,906	538,032
Increase in net assets with donor restrictions	<u>292,727</u>	<u>536,692</u>
Increase in Net Assets	419,169	705,716
Net Assets, beginning of period	6,889,288	6,864,608
Net Assets, end of period	<u>\$7,308,457</u>	<u>\$7,570,324</u>

Cincinnati Children's Hospital Medical Center  
Unaudited Consolidated Statements of Cash Flows  
Dollars in thousands

	Six Mos Ended Dec 31, 2022	Six Mos Ended Dec 31, 2021
Cash Flows from Operating Activities:		
Increase in net assets	\$419,169	\$705,716
Adjustments to reconcile increase in net assets to net cash provided by operating activities-		
Depreciation and amortization	75,797	72,905
Loss on disposal of property and equipment	54	623
Impairment of land	-	562
Proceeds from the sale of donated securities	153	438
Receipts from supporting organizations	(1,678)	(2,243)
Contributions to supporting organizations	1,152	1,824
Contributions restricted for purchase of property and equipment	(1,006)	(5,988)
Gain in interest in net assets of supporting organizations	(281,906)	(538,032)
Unrealized and realized losses (gains) on marketable securities, net	18,617	(18,670)
Gain on interest rate swap	(2,729)	(1,611)
Increase in receivables	(74,818)	(24,840)
Increase in inventories and prepaid expenses and other assets	(6,324)	(21,471)
Decrease (increase) in pension benefit asset	2,282	(51,040)
(Decrease) increase in accounts payable and accrued expenses	(15,986)	29,480
Decrease in operating lease obligations	(1,378)	(1,337)
Decrease in self-insurance reserves and other long-term liabilities	(4,575)	(30,630)
Net cash provided by operating activities	126,824	115,686
Cash Flows from Investing Activities:		
Expenditures for property and equipment	(122,491)	(105,177)
Purchases of marketable securities	(471,487)	(620,599)
Sales and maturities of marketable securities	429,597	608,557
Cash withdrawn from funds in trust	3,998	1,568
Cash invested in funds in trust	(5,867)	(4,298)
Net cash used in investing activities	(166,250)	(119,949)
Cash Flows from Financing Activities:		
Repayment of bonds, notes payable, and finance lease obligations	(3,402)	(2,943)
Contributions restricted for purchase of property and equipment	1,006	5,988
Receipts from supporting organizations	1,678	2,243
Contributions to supporting organizations	(1,152)	(1,824)
Net cash (used in) provided by financing activities	(1,870)	3,464
Net decrease in cash, cash equivalents, and restricted cash	(41,296)	(799)
Cash, Cash Equivalents, and Restricted Cash, beginning of period	302,346	282,902
Cash, Cash Equivalents, and Restricted Cash, end of period	\$ 261,050	\$ 282,103
Supplemental Disclosure of Non-Cash Investing Activities:		
Capital expenditures in accounts payable and accrued expenses	\$ 18,227	\$ 46,842
Acquisition of property through finance leases	\$ -	\$ 1,983
Acquisition of property through operating leases	\$ 934	\$ 2,124

- (A) Pension and post-retirement health liability is actuarially determined annually. As such, on an interim basis, all related expense and contributions are recorded in the liability accounts. At June 30, upon completion of the actuarial report, the required adjustment is recorded.

**Children's Hospital Medical Center Utilization of Patient Care Services**  
**Six Months Ended December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
Inpatient Statistics:		
Registered Beds, including residential	762	762
Beds in Service, including residential	735	700
Admissions (including short stay):		
Medical Admissions	13,770	12,959
Surgical Admissions	3,015	3,154
Total Admissions	16,785	16,113
Patient Days (including short stay)	95,584	91,855
Average Length of Stay	5.7	5.7
Occupancy Rate (in service)	70.7%	71.3%
Outpatient Statistics:		
Clinical Visits	597,159	583,788
Telehealth Visits	52,594	59,620
Primary Care Visits	48,513	43,329
Emergency Visits	51,189	50,916
Test Referral Visits	53,267	83,679
Total Visits	802,722	821,332
Surgical Statistics:		
Inpatient Cases	3,015	3,154
Outpatient Cases	14,818	13,740
Total Cases	17,833	16,894
Surgical Hours	23,592	23,849
Home Health Visits	6,735	6,714
Gross Payer Mix:		
Commercial Insurers	1%	1%
Managed Care	44%	44%
Government (HMO and third party)	49%	49%
International	2%	2%
Specialty contracts	3%	3%
Self-Pay	1%	1%
	100%	100%

# Cincinnati Children's Hospital Medical Center: Liquidity Worksheet

## Summary as of December 31, 2022

### ASSETS (Gross) \$ in Thousands

#### Daily Liquidity

Money Market Funds (Moody's rated Aaa)	\$	43,534
Checking & Deposit Accounts (P-1 Rated Bank)	\$	201,949
Overnight Repurchase Agreements (Collateralized by Treasuries; P-1 Counterparty)	\$	-
US Treasuries & Aaa-rated Agencies (< 2 year maturity)	\$	60,380
US Treasuries & Aaa-rated Agencies (2-10 year maturity)	\$	165,146
US Treasuries & Aaa-rated Agencies (> 10 year maturity)	\$	34,646
<i>Subtotal Daily Liquidity (Cash &amp; Securities)</i>	\$	505,653

\$100 Million General Purpose Line of Credit \$ 100,000

**Subtotal Daily Liquidity \$ 605,653**

#### Weekly Liquidity

Publicly Traded Fixed Income Securities (Aa3 or higher)	\$	53,268
Other Investment Grade Publicly Traded Fixed Income Holdings	\$	714,328
Exchange Traded Equities	\$	248,717
<b>Subtotal Weekly Liquidity</b>	<b>\$</b>	<b>1,016,313</b>

**TOTAL DAILY & WEEKLY LIQUIDITY \$ 1,621,967**

### LIABILITIES (Self-Liquidity Debt Shorter 13 Months & CP) \$ in Thousands

#### VRDB Bonds

VRDBs in daily mode	\$	-
VRDBs in weekly mode	\$	86,770
<i>Subtotal of VRDBs</i>	\$	86,770

#### Taxable Commercial Paper (Including VRDBs in CP mode)

Taxable CP	\$	100,000
CP Currently Outstanding		
<i>Subtotal of CP</i>	\$	100,000

**TOTAL LIABILITIES \$ 186,770**

## CHIEF FINANCIAL OFFICER'S CERTIFICATE

The undersigned hereby certifies that, to the best of his knowledge, for the period ended December 31, 2022, the Obligated Group (Children's Hospital Medical Center and Convalescent Hospital for Children) is in compliance with the terms and conditions enumerated in the Master Trust Indenture, Supplemental Indenture Number Twenty-Six, Supplemental Indenture Number Twenty-Eight, Supplemental Indenture Number Twenty-Nine, Supplemental Indenture Number Thirty-Four, Supplemental Indenture Number Thirty-Five, Supplemental Indenture Number Thirty-Six, Supplemental Indenture Number Thirty-Seven, Supplemental Indenture Number Thirty-Eight, Supplemental Indenture Number Thirty-Nine, and Amended and Restated Sublease, and their various related documents pertaining to the County of Hamilton, Ohio, Series 2014S, Series 2018Z, Series 2018AA and Series 2019CC and to the County of Butler, Ohio, Hospital Facilities Revenue Bonds Series 2016X.

A handwritten signature in blue ink, appearing to read 'Paul Jenny', is written over a horizontal line.

Paul Jenny  
Senior Vice President, Chief Financial Officer

January 8, 2023