

**LEE MEMORIAL  
HEALTH SYSTEM**

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P.O. BOX 2218  
FT. MYERS, FLORIDA 33902

**CONTINUING DISCLOSURE CERTIFICATE**  
**2022 Annual Report**

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## INTRODUCTION

### Purpose of Annual Report

This Annual Report is being posted in compliance with certain Continuing Disclosure Agreements entered into by Lee Memorial Health System ("Lee Health") as the Issuer and Obligated Group Agent on Behalf of the Obligated Group and the respective Bond Trustee, for the benefit of the Holders and Beneficial Owners of the Bonds identified below:

1. \$42,000,000 original principal amount of Lee Memorial Health System Revenue Bonds 2010 Series A (Build America Bonds - Direct Payment) (the "Series 2010 Bonds").
2. \$421,410,000 Lee Memorial Health System Hospital Revenue and Revenue Refunding Bonds, 2019 Series A (the "Series 2019A Bonds").
3. \$50,315,000 Lee Memorial Health System Hospital Revenue Bonds, 2019 Series B (the "Series 2019B Bonds" and, collectively with the Series 2010 Bonds and the Series 2019A Bonds, the "Bonds").

### COVID-19 Information

Lee Health has chosen, but is not required to, provide updates relative to COVID-19. Impact to Lee Health's Fiscal Year 2022 financial performance is located in the Management Discussion and Analysis as well as Footnote 16 of the Audited Financial Statements for the Fiscal Year Ending September 30, 2022.

### Hurricane Ian Information

Lee Health has chosen, but is not required to, provide updates relative to Hurricane Ian. Impact to Lee Health's Fiscal Year 2022 financial performance is located in Footnote 17 of the Audited Financial Statements for the Fiscal Year Ending September 30, 2022.

### Implementation of GASB No. 87 Regarding the Treatment of Leases

In Fiscal Year 2022 Lee Health has accounted for GASB No. 87 regarding the treatment of leases for accounting purposes with the Fiscal Year beginning October 1, 2021.

GASB No. 87 requires a lessee to recognize a lease liability and an intangible right-to-use lease asset at the commencement of the lease term, with certain exceptions, and requires a lessor to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions. This change in accounting impacts both the Consolidated Basic Statement of Net Position and the Consolidated Basic Statement of Revenues, Expenses and Changes in Net Position due to recording the lease as a liability, removing the lease payments from operating expense and monthly amortization of the lease through depreciation and interest expense. As a result, a number of calculations are affected upon implementation of GASB No. 87, which have been notated in each impacted schedule.

### General Ledger Conversion

As of October 1, 2021, Lee Health implemented a new System-wide Enterprise Resource Planning (ERP) system, Infor, to replace the legacy system GEAC. While this did impact processes for Finance, Supply Chain and Accounts Payable, Lee Health does not anticipate the conversion to affect financial reporting, however, as with any change in financial operating systems, there may be a period of adjustment.

**LEE MEMORIAL HEALTH SYSTEM  
CONTINUING DISCLOSURE - 2022 ANNUAL REPORT  
OUTSTANDING DEBT OF THE SYSTEM**

The System had the following debt outstanding:

**Outstanding Debt of The System**

|  | <b>Principal<br/>Balance<br/>Outstanding</b> | <b>Final<br/>Maturity</b> | <b>Subject to<br/>Tender/Put<br/>Right of<br/>Holder</b> | <b>Secured<br/>By<br/>Master<br/>Indenture</b> |
|--|--|---------------------------|--|--|
| <b>Fixed Rate Debt - Publicly Offered</b>    |  |                           |  |  |
| Series 2019A-1 Bonds                         | \$321,575,000                                | 2049                      | Not applicable   | Yes  |
| Series 2019A-2 Bonds                         | 71,335,000                                   | 2033                      | Mandatory - 4/1/2026                                     | Yes  |
| Series 2010A Bonds                           | 42,000,000                                   | 2027                      | Not applicable   | Yes  |
| <b>Fixed Rate Debt - Direct Loans</b>        |  |                           |  |  |
| 2022 TD Bank loan                            | 75,000,000                                   | 2052                      | Mandatory - 4/12/2037                                    | Yes  |
| 2022 JPMC loan                               | 75,000,000                                   | 2052                      | Mandatory - 4/12/2037                                    | Yes  |
| 2020 TD Bank loan                            | 97,300,000                                   | 2050                      | Mandatory - 6/25/2035                                    | Yes  |
| 2020 JPMC loan                               | 43,333,333                                   | 2032                      | Not applicable   | Yes  |
| 2015 BANA loan                               | 30,390,000                                   | 2024                      | Not applicable   | Yes  |
| Total fixed rate debt                        | <u>\$755,933,333</u>                         |                           |  |  |
| <b>Variable Rate Debt – Publicly Offered</b> |  |                           |  |  |
| 2019B Bonds                                  | \$50,315,000                                 | 2049                      | Optional – 5 bus. days’ notice                           | Yes  |
| <b>Other Long-Term Debt</b>                  |  |                           |  |  |
| 2019 GCMC-SNU lease                          | 17,771,256                                   | 2039                      | Not applicable   | No   |
| 2020 Pine Island/Bass Rd loan                | 6,197,770                                    | 2024                      | Not applicable   | No   |
| 2018 Medical office loan                     | 2,058,333                                    | 2023                      | Not applicable   | No   |
| 2016 BAPCC lease (loan)                      | 2,810,051                                    | 2023                      | Not applicable   | No   |
| 2015 BAPCC lease (loan)                      | 16,044,358                                   | 2025                      | Not applicable   | No   |
| 2009 CB South lease                          | 28,054,765                                   | 2034                      | Not applicable   | No   |
| 2008 CB North lease                          | 20,743,542                                   | 2033                      | Not applicable   | No   |
| Other Financed leases <sup>(1)</sup>         | 98,868,573                                   | 2056                      | Not applicable   | No   |
| Total other                                  | <u>\$192,548,649</u>                         |                           |  |  |
| <b>Total Debt</b>                            | <u><b>\$998,796,982</b></u>                  |                           |  |  |

Note (1): In Fiscal Year 2022 this schedule accounts for GASB No. 87 treatment of leases. See the introduction of this Annual Report for a discussion of GASB No. 87.

**LEE MEMORIAL HEALTH SYSTEM  
CONTINUING DISCLOSURE - 2022 ANNUAL REPORT  
HISTORICAL UTILIZATION**

The following table contains information about historical utilization of facilities and services of the System and

**Utilization Statistics for the System and its Affiliates**

|   | <b>Fiscal Year Ended September 30,</b> |             |             |
|---|--|-------------|-------------|
|   | <b>2020</b>                            | <b>2021</b> | <b>2022</b> |
| <b>Utilization</b>                            |  |             |             |
| Licensed Beds <sup>(1)</sup>                  | 1,924                                  | 1,976       | 1,976       |
| Staffed Beds <sup>(1)</sup>                   | 1,786                                  | 1,840       | 1,867       |
| Admissions                                    | 78,697                                 | 82,620      | 82,244      |
| Patient Days                                  | 445,190                                | 485,638     | 517,865     |
| Average Length of Stay                        | 5.66                                   | 5.88        | 6.30        |
| Average Daily Census                          | 1,216                                  | 1,331       | 1,419       |
| Occupancy <sup>(2)</sup>                      | 68.1%                                  | 72.3%       | 76.0%       |
| Observation Days                              | 56,855                                 | 64,882      | 79,857      |
| Emergency Department Visits                   | 270,071                                | 300,493     | 319,300     |
| Deliveries                                    | 6,869                                  | 7,113       | 7,594       |
| Inpatient Surgery Cases                       | 18,875                                 | 18,453      | 18,695      |
| Outpatient Surgery Cases                      | 29,155                                 | 32,296      | 35,430      |
| Total Surgery Cases                           | 48,030                                 | 50,749      | 54,125      |
| Outpatient Center Procedures                  | 836,105                                | 1,003,929   | 1,026,598   |
| System Provider Visits <sup>(3)</sup>         | 1,102,930                              | 1,437,352   | 1,496,255   |
| Hospital Based Physician Visits               | 452,088                                | 540,178     | 630,755     |
| Home Health Visits                            | 67,891                                 | 62,399      | 57,596      |
| Trauma Services District                      | 13,749                                 | 15,724      | 18,248      |
| Outpatient Revenue % to Total                 | 48%                                    | 49%         | 51%         |
| Base Rate <sup>(4)</sup>                      | 5,615                                  | 5,685       | 5,812       |
| Medicare Case Mix Index <sup>(4)</sup>        | 1.76                                   | 1.83        | 1.81        |
| Blend <sup>(4)</sup>                          | 9,882                                  | 10,404      | 10,520      |
| Overall Case Mix Index                        | 1.66                                   | 1.73        | 1.73        |
| <b>Patient Revenue Sources <sup>(5)</sup></b> |  |             |             |
| Medicare                                      | 52.2%                                  | 51.3%       | 52.0%       |
| Medicaid                                      | 12.6%                                  | 13.4%       | 13.2%       |
| Commercial <sup>(6)</sup>                     | 23.8%                                  | 24.7%       | 24.0%       |
| Other <sup>(7)</sup>                          | 11.4%                                  | 10.6%       | 10.8%       |
| Total   | 100%                                   | 100%        | 100%        |

Note (1): An additional 216 beds opened at Gulf Coast Medical Center April 2, 2020. An additional 52 beds at Lee Memorial Health System - licensed December 23, 2020, placed in service January 27, 2021. Staffed beds for 2020 and 2021 are based on the number of beds in service.

Note (2): Occupancy calculated based on staffed beds.

Note (3): System Provider Visits includes physician primary care visits and walk-in center visits. System Provider Visits for Trauma Services District volumes for Fiscal Year 2021 and 2022 were restated in FY 2022 due to change in measurement, Lee Health utilizes a patient encounter method which differs from the Evaluation and Management method.

Note (4): Medicare is federal health insurance program primarily for the elderly. The Medicare Program reimburses Lee Memorial Health System on a prospective payment system, providing a fixed rate per injury or illness according to a particular diagnosis related procedure code. The actual payment is based upon a "base" payment rate adjusted by a case mix index ("CMI"). Lee Memorial Health System receives a disproportionate share in addition to the base rate payment rate due to the number of SSI recipients in Lee Memorial Health System patient days. The Board has developed extensive internal systems to monitor medical staff utilization and costs.

Note (5): Percentages calculated based on gross revenues.

Note (6): Combines commercial insurance and HMO/PPO.

Note (7): Includes worker's compensation, other governmental contracts, charity/uncompensated care and other.

**LEE MEMORIAL HEALTH SYSTEM  
CONTINUING DISCLOSURE - 2022 ANNUAL REPORT  
FINANCIAL DATA**

The following two statements contain financial data for the System and its affiliates. The financial data for fiscal years 2020 through 2022 was derived from and reference is made to the System's audited financial statements (inclusive of notes therein) for a more complete discussion. This financial data includes the accounts of the System and all of its affiliates that are consolidated for financial reporting purposes under generally accepted accounting principles.

**Consolidated Basic Statements of Net Position**

(dollars in thousands)

|   | <b>Fiscal Year Ended September 30,</b> |                     |                     |
|---|--|---------------------|---------------------|
|   | <b>2020</b>                            | <b>2021</b>         | <b>2022</b>         |
| <b>Assets</b>   |  |                     |                     |
| <b>Current assets</b>   |  |                     |                     |
| Cash and cash equivalents   | \$ 228,916                             | \$ 170,289          | \$ 102,009          |
| Restricted cash and cash equivalents  | 33,646                                 | 37,664              | 44,534              |
| Short-term investments  | 1,201,742                              | 1,471,069           | 1,403,501           |
| Assets whose use is restricted  | 1,943                                  | 1,499               | 1,435               |
| Patient accounts receivable, net of allowance for estimated uncollectibles of \$127,465 in 2022 and \$131,579 in 2021 | 226,521                                | 308,299             | 319,347             |
| Inventories   | 37,675                                 | 41,307              | 44,795              |
| Other current assets <sup>(1)</sup>   | 43,798                                 | 51,201              | 64,116              |
| Total current assets  | <u>1,774,241</u>                       | <u>2,081,328</u>    | <u>1,979,737</u>    |
| <b>Noncurrent assets</b>  |  |                     |                     |
| Assets whose use is restricted  | 12,294                                 | 14,257              | 12,410              |
| Capital assets, net <sup>(1)</sup>  | 1,323,478                              | 1,412,352           | 1,456,334           |
| Other assets, net <sup>(1)</sup>  | 35,579                                 | 45,695              | 56,725              |
| Total assets  | <u>3,145,592</u>                       | <u>3,553,632</u>    | <u>3,505,206</u>    |
| <b>Deferred outflows of resources</b>   |  |                     |                     |
| Deferred loss on debt refunding   | 871                                    | 622                 | 373                 |
| Deferred outflows on pension and post-employment benefit plan   | 5,286                                  | 8,496               | 9,005               |
| Excess consideration provided for acquisition   | 108,238                                | 104,622             | 102,069             |
| Total deferred outflows of resources  | <u>114,395</u>                         | <u>113,740</u>      | <u>111,447</u>      |
| <b>Liabilities</b>  |  |                     |                     |
| <b>Current liabilities</b>  |  |                     |                     |
| Accounts payable  | 93,819                                 | 84,817              | 90,237              |
| Accrued expenses  |  |                     |                     |
| Employee compensation   | 62,766                                 | 61,524              | 58,637              |
| Interest <sup>(1)</sup>   | 12,847                                 | 12,622              | 13,579              |
| Other   | 80,599                                 | 67,725              | 72,497              |
| Medicare advance payments   | 162,574                                | 127,391             | 1,886               |
| Current installments of long-term debt <sup>(1)</sup>   | 44,731                                 | 56,200              | 60,914              |
| Estimated third-party payor settlements   | 25,007                                 | 58,041              | 9,541               |
| Total current liabilities   | <u>482,343</u>                         | <u>468,320</u>      | <u>307,291</u>      |
| <b>Noncurrent liabilities</b>   |  |                     |                     |
| Long-term debt, excluding current installments <sup>(1)</sup>   | 863,442                                | 877,028             | 986,026             |
| Pension and post-employment benefit plan liabilities  | 70,570                                 | 71,529              | 78,317              |
| Other liabilities   | 52,212                                 | 58,879              | 64,907              |
| Total liabilities   | <u>1,468,567</u>                       | <u>1,475,756</u>    | <u>1,436,541</u>    |
| <b>Deferred inflows of resources</b>  |  |                     |                     |
| Deferred gain on debt refunding   | 3,277                                  | 3,047               | 2,817               |
| Deferred inflows on pension   | 1,277                                  | 2,869               | 362                 |
| Deferred inflows on leases <sup>(1)</sup>   | -                                      | 12,236              | 10,612              |
| Deferred inflows on split interest agreements   | 299                                    | 391                 | -                   |
| Total deferred inflows of resources   | <u>4,853</u>                           | <u>18,543</u>       | <u>13,791</u>       |
| <b>Net position</b>   |  |                     |                     |
| <b>Restricted for</b>   |  |                     |                     |
| Nonexpendable   | 8,669                                  | 9,132               | 8,964               |
| Expendable  | 43,365                                 | 49,420              | 50,751              |
| Net investment in capital assets  | 415,307                                | 478,971             | 409,394             |
| Unrestricted  | 1,319,226                              | 1,635,550           | 1,697,212           |
| Total net position  | <u>\$ 1,786,567</u>                    | <u>\$ 2,173,073</u> | <u>\$ 2,166,321</u> |

Note (1): In Fiscal Year 2022 this schedule accounts for GASB No. 87 treatment of leases. See the introduction of this Annual Report for a discussion of GASB No. 87.

**LEE MEMORIAL HEALTH SYSTEM  
CONTINUING DISCLOSURE - 2022 ANNUAL REPORT  
FINANCIAL DATA (cont'd)**

**Consolidated Basic Statements of Revenues, Expenses and Changes in Net Position**  
(dollars in thousands)

|   | <b>Fiscal Year Ended September 30,</b> |                     |                     |
|---|--|---------------------|---------------------|
|   | <b>2020</b>                            | <b>2021</b>         | <b>2022</b>         |
| <b>Operating revenues</b>   |  |                     |                     |
| Net patient service revenue   | \$ 1,956,992                           | \$ 2,296,033        | \$ 2,538,467        |
| Captiation revenue  | 33,813                                 | 54,498              | 79,994              |
| Other revenue   | 72,426                                 | 120,761             | 182,952             |
| Total operating revenues <sup>(1)</sup>                                   | <u>2,063,231</u>                       | <u>2,471,292</u>    | <u>2,801,413</u>    |
| <b>Operating expenses</b>   |  |                     |                     |
| Salaries, wages and benefits  | 1,144,341                              | 1,230,212           | 1,525,027           |
| Supplies and other services <sup>(2)</sup>                                | 532,636                                | 657,691             | 711,577             |
| Purchased services  | 222,872                                | 226,042             | 259,657             |
| Depreciation and amortization <sup>(2)</sup>                              | 131,207                                | 138,376             | 115,458             |
| Total operating expenses <sup>(1)</sup>                                   | <u>2,031,056</u>                       | <u>2,252,321</u>    | <u>2,611,719</u>    |
| Operating income  | <u>32,175</u>                          | <u>218,971</u>      | <u>189,694</u>      |
| <b>Nonoperating items</b>   |  |                     |                     |
| Interest expense <sup>(2)</sup>   | (29,531)                               | (29,547)            | (32,272)            |
| Investment income, including realized and unrealized gains on investments | 75,659                                 | 170,982             | (200,380)           |
| Contributions and grants  | 10,916                                 | 4,113               | 3,098               |
| Investment activity on restricted nonexpendable investments               | (932)                                  | 2,063               | (1,635)             |
| Loss on sale of capital assets  | (5,232)                                | (513)               | 10,706              |
| Federal and state appropriations  | 61,218                                 | 20,146              | 15,005              |
| Other   | (15,254)                               | 291                 | 12,511              |
| Total nonoperating income (loss)  | <u>96,844</u>                          | <u>167,535</u>      | <u>(192,967)</u>    |
| <b>Excess (Deficit) of Revenues and Income Over Expenses</b>              | <u>129,019</u>                         | <u>386,506</u>      | <u>(3,273)</u>      |
| <b>Other changes in net position:</b>                                     |  |                     |                     |
| Distribution to minority interests  | -                                      | -                   | (3,479)             |
| Increase (decrease) in net position                                       | <u>129,019</u>                         | <u>386,506</u>      | <u>(6,752)</u>      |
| <b>Net position</b>   |  |                     |                     |
| Beginning of year, as reported  | <u>1,657,548</u>                       | <u>1,786,567</u>    | <u>2,173,073</u>    |
| End of year   | <u>\$ 1,786,567</u>                    | <u>\$ 2,173,073</u> | <u>\$ 2,166,321</u> |

Note (1): For fiscal year 2022, total operating revenues and total expenses contributed to the System by the non-obligated group members were \$196,800,000 and \$206,015,000, respectively.

Note (2): In Fiscal Year 2022 this schedule accounts for GASB No. 87 treatment of leases.  
See the introduction of this Annual Report for a discussion of GASB No. 87.

**LEE MEMORIAL HEALTH SYSTEM  
CONTINUING DISCLOSURE - 2022 ANNUAL REPORT  
DEBT SERVICE COVERAGE RATIO**

The table below contains the System's debt service coverage ratio for the fiscal years 2020 through 2022. Income available for debt service includes the accounts of the System and all of its affiliates that are consolidated for financial reporting purposes under generally accepted accounting principles.

**Debt Service Coverage Ratio**

(dollars in thousands)

|   | <b>Fiscal Year Ended September 30</b> |                |                |
|---|---------------------------------------|----------------|----------------|
|   | <b>2020</b>                           | <b>2021</b>    | <b>2022</b>    |
| <b>Debt Service Coverage Ratio <sup>(1)</sup></b> |                                       |                |                |
| Excess of revenues over expenses                  | 129,019                               | 386,506        | (3,273)        |
| Add (subtract):                                   |                                       |                |                |
| Interest Expense                                  | 29,531                                | 29,547         | 32,272         |
| Depreciation and amortization                     | 131,207                               | 138,376        | 115,458        |
| Unrealized loss (gain) on investments             | (43,944)                              | (111,738)      | 305,350        |
| Contributions and grants <sup>(2)</sup>           | (4,291)                               | (5,283)        | (6,042)        |
| Interest earnings on restricted funds             | 932                                   | (2,063)        | 1,635          |
| Loss (gain) on sale of capital assets             | 5,232                                 | 513            | (10,706)       |
| Income available for debt service                 | <u>247,686</u>                        | <u>435,858</u> | <u>434,694</u> |
| Maximum annual debt service <sup>(3)</sup>        | 98,935                                | 98,935         | 98,935         |
| Debt service coverage ratio (MADS) <sup>(4)</sup> | 2.50x                                 | 4.41x          | 4.39x          |
| Actual annual debt service <sup>(5)</sup>         | 70,741                                | 74,278         | 88,472         |
| Historical annual debt service coverage ratio     | 3.50x                                 | 5.87x          | 4.91x          |

Note (1): The calculation is consistent with definition of the "Long Term Debt Service Coverage Ratio" in the Master Indenture, which is a non-GAAP measure. The interest rate on the Series 2019B Bonds (currently in R-FLOATS Mode) was calculated at 0.62% (the historical weighted 12 month average). The 5% coupon rate was used for the Series 2019A-2 Bonds (currently in Term Rate Mode) through maturity. Previous quarterly reports disclosed and used an estimated rate for both the Series 2019B Bonds and for the 2019A-2 Bonds after the mandatory tender date.

Note (2): Grants and contributions are calculated using the sum of gifts, grants, bequests, contributions and donations unrestricted as to their use received in the prior three fiscal years divided by three.

Note (3): Maximum annual debt service in fiscal year 2023.

Note (4): Income available for debt service divided by maximum annual debt service.

Note (5): Actual annual debt service calculated based on interest paid in fiscal year.

Note (6): In Fiscal Year 2022 this schedule accounts for GASB No. 87 treatment of leases. See the introduction of this Annual Report for a discussion of GASB No. 87.



**LEE MEMORIAL HEALTH SYSTEM  
CONTINUING DISCLOSURE - 2022 ANNUAL REPORT  
LONG TERM DEBT TO CAPITAL**

(dollars in thousands)

|                                      | <b><u>For the twelve months<br/>ended September 30, 2022</u></b> |
|--------------------------------------|--|
| <b>LONG TERM DEBT</b>                | 1,046,940  |
| <b>UNRESTRICTED FUND BALANCE</b>     | <u>2,106,606</u>   |
|                                      | 3,153,546  |
| <br><b>LONG TERM DEBT</b>            | <br>1,046,940  |
| <br><b>LONG TERM DEBT TO CAPITAL</b> | <br>33.20%   |

Note 1: This ratio is calculated using the consolidated System including Cape Memorial Hospital, all sub-agencies and non-obligated group members.

Note 2: This information is required under the terms of one or more loan agreements with private lenders. It is included herein on a voluntary basis for bondholders for informational purposes only and may be omitted from future reports without notice.

Note 3: In Fiscal Year 2022 this schedule accounts for GASB No. 87 treatment of leases. See the introduction of this Annual Report for a discussion of GASB No. 87.

**LEE MEMORIAL HEALTH SYSTEM  
CONTINUING DISCLOSURE - 2022 ANNUAL REPORT  
DAYS OF UNRESTRICTED CASH ON HAND**

(dollars in thousands)

|  | <b>For the twelve months ended<br/>September 30, 2022</b> |
|--|---|
| <b>UNRESTRICTED LIQUID FUNDS (from balance sheet categories)</b> |   |
| Cash & Cash Equivalents  | 102,009   |
| Operating Fund Investments                                       | 1,403,501   |
|  | <u>1,505,510</u>  |
| <b>ROLLING 12 OPERATING EXPENSES</b>                             |   |
| Total Operating Expenses <sup>(1)</sup>                          | 2,643,991   |
| Subtract Depreciation & Amortization Expenses                    | 115,458   |
|  | <u>2,528,533</u>  |
| <b>PER DAY</b>   | 6,927   |
| <b>DAYS OF UNRESTRICTED CASH ON HAND <sup>(2)</sup></b>          | <u>217.32</u>   |

Note 1: Bad Debt and Interest Expenses are excluded from Total Operating Expenses in Audit. Bad Debt Expense is reported as a deduction from Revenue. Interest expense is added back to Total Operating Expenses for this calculation.

Note 2: This ratio is calculated using the consolidated System including Cape Memorial Hospital, all sub-agencies and non-obligated group members.

Note 3: This information is required under the terms of one or more loan agreements with private lenders. It is included herein on a voluntary basis for bondholders for informational purposes only and may be omitted from future reports without notice.

Note 4: In Fiscal Year 2022 this schedule accounts for GASB No. 87 treatment of leases. See the introduction of this Annual Report for a discussion of GASB No. 87.

**LEE MEMORIAL HEALTH SYSTEM  
CONTINUING DISCLOSURE - 2022 ANNUAL REPORT  
UNRESTRICTED CASH & INVESTMENTS**

(dollars in thousands)

|  | <b>For the twelve months ended<br/>September 30, 2022</b> |                  |
|--|---|------------------|
| CASH & CASH EQUIVALENTS                  | <b>\$</b>   | <b>102,009</b>   |
| OPERATING FUNDS INVESTMENTS              | <b>\$</b>   | <b>1,403,501</b> |
| <b>UNRESTRICTED CASH AND INVESTMENTS</b> | <b>\$</b>   | <b>1,505,510</b> |

Note 1: This value is calculated using the consolidated System including Cape Memorial Hospital, all sub-agencies and non-obligated group members.

Note 2: No investment of the rated portfolio shall be rated less than BBB by S&P or Baa2 by Moody's.

Note 3: This information is required under the terms of one or more loan agreements with private lenders. It is included herein on a voluntary basis for bondholders for informational purposes only and may be omitted from future reports without notice.

**LEE MEMORIAL HEALTH SYSTEM  
CONTINUING DISCLOSURE - 2022 ANNUAL REPORT  
TOP TEN ADMITTERS**

**Medical Staff**

As of September 30, 2022, the Medical Staff of Lee Health consisted of 1,073 medical staff members, of whom 964 had Associate or Active status with admitting privileges. Of those with admitting privileges, 89.8% are board certified.

For the twelve months ended September 30, 2022, the ten most active members of the medical staff of Lee Health accounted for 14.0% of admissions, as can be seen in the table below.

**LEE HEALTH  
TOP 10 ADMITTERS**

| <u>SPECIALTY</u>                 | <u>PERCENT OF<br/>ADMISSIONS</u> |
|----------------------------------|----------------------------------|
| Internal Medicine                | 3.8%                             |
| Internal Medicine                | 1.9%                             |
| Pediatrics                       | 1.1%                             |
| Pulmonary Medicine               | 1.1%                             |
| Pediatrics                       | 1.1%                             |
| Pediatrics                       | 1.0%                             |
| Pediatrics                       | 1.0%                             |
| Pediatric Critical Care Medicine | 1.0%                             |
| Pediatrics                       | 1.0%                             |
| Internal Medicine                | 1.0%                             |
|                                  | <hr/>                            |
| TOTAL                            | 14.0%                            |

**LEE MEMORIAL HEALTH SYSTEM  
CONTINUING DISCLOSURE - 2022 ANNUAL REPORT  
EMPLOYEES**

**Employees**

For twelve months ended September 30, 2022, the System had an average of 13,722 full-time equivalent employees. Included in this total are 3,993 registered nurses and 206 licensed practical nurses. No employee group is currently represented by a collective bargaining unit.