Trinity Health Reports Operating Revenue of $18.8 billion for FY2020; COVID-19 Pandemic Crisis Significantly Impacts System-Wide Results in FY20

Summary Highlights for the Fiscal Year Ended June 30, 2020

Trinity Health's results of operations were significantly impacted by the effects of the COVID-19 pandemic and shelter-in-place orders in most of the Corporation's markets beginning in mid-March and continuing through the end of fiscal 2020. Trinity Health reported operating revenue of $18.8 billion for fiscal year 2020 compared to operating revenue of $19.3 billion for the same period in the prior fiscal year, a decrease of $460 million, or 2.4 percent. The decrease is attributed to both the COVID-19 pandemic, as well as the membership transfer of Lourdes Health System ("Lourdes") on June 30, 2019. Excluding the impact of the divestiture of Lourdes, operating revenue growth on a same-ministry basis was $82.2 million, or 0.4 percent, in fiscal year 2020 compared to the same period in the prior year, which includes $644 million CARES Act Provider Relief Fund grants received in the fourth quarter of fiscal year 2020. In the last four months of fiscal year 2020 during the peak of the pandemic, net patient service revenue decreased $1.1 billion when compared to the same period of fiscal year 2019, excluding the impact of the divestiture of Lourdes.

Year-over-year same ministry volumes, as measured by case mix adjusted equivalent discharges ("CMAEDs"), decreased 6.1 percent for the year ended June 2020, and CMAEDs declined 22.8 percent during the four months March through June 2020. Surgical volumes declined 36.9 percent on a same-ministry basis during the four months March through June 2020 compared to 2019. However, after significant declines in volumes in April and May, the Corporation began to see solid volume recovery in June across many of its markets, with resumption of outpatient and elective services.

Results reflect operating income before other items of $74.7 million for fiscal year 2020 compared to $271.8 million in the prior fiscal year. The system's fiscal year 2020 operating margin before other items of 0.4 percent compared to the prior year of 1.4 percent, and operating cash flow margin before other items of 6.4 percent in fiscal year 2020 compared to the prior year of 7.1 percent. Excluding CARES Act Provider Relief Fund grants, operating margin was (3.1%) in fiscal year 2020.

Expenses for fiscal year 2020 decreased by $263.2 million, or 1.4 percent, to $18.8 billion. Excluding the impact of Lourdes, expense growth on a same-ministry basis was $311.1 million, or 1.7 percent. Same-ministry expense growth was driven by increases in purchased services and medical claims and to a lesser extent, $67.0 million of costs related to the system's strategic conversion to the Epic electronic health records platform in the Michigan Region. The COVID-19 pandemic also added $127.1 million of direct costs as of June 2020, primarily in labor, supplies and to a lesser extent, in purchased services. The Corporation took many steps to reduce both operating and capital spending in response to the COVID-19 pandemic, and the related reduction in patient volumes and revenue. More significant related actions began in April 2020, including reduced salaries for executives, implementing furloughs, reduced hours, and negotiating supplier concessions.

Other items incurred during fiscal year 2020 resulted in a net charge to operations of $419.4 million, including $212.9 million for severance and termination benefits related to plans announced to restructure, and re-size the...
Corporation and its Health Ministries, redesign work and reduce costs due to projected lower revenue during fiscal 2021 as a result of the COVID-19 pandemic. Also included were non-cash asset impairment charges of $202.7 million primarily related to certain facilities at five health ministries with continued adverse financial trends as well as impairments related to vacated lease space, part of re-sizing the Corporation as a result of the COVID-19 pandemic. The other items were incurred under a number of management initiatives designed to position the Corporation for financial recovery in the new fiscal year.

For fiscal year 2020, Trinity Health reported non-operating gains of $269.2 million compared to gains of $679.2 million for the same period in fiscal year 2019. Lower gains in fiscal year 2020 were primarily due to a reduction in investment earnings of $245.0 million, a decrease of equity in earnings of unconsolidated affiliates of $146.2 million, and a reduction in market value and cash payment of interest rate swaps of $25.8 million, all driven by global investment market conditions due to the COVID-19 pandemic. Deficiency of revenue over expenses for fiscal year 2020 totaled $75.5 million, compared to excess of revenue over expenses of $786.0 million in the prior fiscal year.

The Corporation has a commercial paper program authorized for borrowings of up to $600 million and various general-purpose credit facilities of $1.0 billion. During March through June of fiscal year 2020, the credit facilities were fully drawn upon in the event of liquidity needs related to the COVID-19 pandemic. Furthermore, during April 2020, the Corporation requested and received $1.6 billion of cash advances from Medicare under the CARES Act, which were recorded as Medicare cash advances on the consolidated balance sheet as of June 30, 2020.

Known and unknown risks and uncertainties caused by the COVID-19 pandemic, are having, and will likely continue to have, a material impact on the Corporation’s business, financial condition, results of operations and cash flows. At this point, the Corporation cannot estimate the length or severity of the pandemic, which limits the Corporation’s ability to forecast the pandemic’s impact on the Corporation’s financial position, results of operations or cash flows.

Highlights for the year ended June 30, 2020, include:

- Total assets of $30.5 billion and net assets of $13.5 billion;
- Total operating revenue of $18.8 billion, a 0.4 percent increase over the same period in fiscal year 2019, excluding the impact of the Lourdes divestiture;
- Operating income before other items of $74.7 million, or 0.4 percent operating margin;
- Lines of credit draws of $1 billion to position the Corporation for potential liquidity needs;
- Medicare cash advances of $1.6 billion under the CARES Act;
- Unrestricted cash and investments of $11.9 billion; and
- Days cash on hand of 245 days compared to 180 days for the year ended June 30, 2019, including lines of credit draws and CARES Act Medicare cash advances, which added 54 days to days cash on hand at June 30, 2020.
Introduction to Management's Discussion & Analysis

Trinity Health Corporation, an Indiana nonprofit corporation headquartered in Livonia, Michigan, and its subsidiaries ("Trinity Health" or the "Corporation"), controls one of the largest health care systems in the United States.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Corporation to make assumptions, estimates and judgments that affect the amounts reported in the financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. The Corporation considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of its financial statements, including the following: recognition of net patient service revenue, which includes explicit and implicit price concessions; financial assistance; premium revenue; recorded values of investments, derivatives; goodwill; evaluation of long-lived assets for impairment; reserves for losses and expenses related to health care professional and general liabilities; and risks and assumptions for measurement of pension and retiree medical liabilities. Management relies on historical experience and other assumptions believed to be reasonable under the circumstances in making its judgments and estimates. Actual results could differ materially from those estimates.

Coronavirus Pandemic

In March 2020, the global COVID-19 pandemic began to significantly affect the Corporation’s patients, communities, employees and business operations. Patient volumes and the related revenue for most of the Corporation’s health care services were materially impacted from mid-March through June 30, 2020 and continue to be impacted subsequent to year-end. Various policies were implemented by federal, state and local governments in response to the COVID-19 pandemic that caused restrictions on nonessential medical services, travel bans, physical distancing and shelter-in-place orders. These policies forced the Corporation to reduce hours and temporarily close certain operations, as well as significantly reduce surgical procedures, outpatient diagnostic and treatment services, and physician patient visits. A significant reduction in emergency care visits was experienced as well. The Corporation’s response to the COVID-19 pandemic also required additional staff and supply resources. These circumstances had a material negative impact on operating results. In addition, even with appropriate protective measures, exposure to COVID-19 increases the risk that clinicians and others in the Corporation’s Health Ministries may contract the virus, which could further limit the ability to treat all patients who seek care. If more COVID-19 surges were to occur, some of the Corporation’s Health Ministries could experience workforce disruptions. Supply chain disruptions, including shortages, delays and significant price increases in medical supplies, pharmaceuticals and personal protective equipment, have impacted and are expected to continue to impact the Corporation’s operations. In addition, broad economic factors resulting from the COVID-19 pandemic, including increased continuing unemployment rates and reduced consumer spending, are impacting service mix, revenue mix and patient volumes.

While nonessential medical services have resumed at the Corporation’s Health Ministries, it expects consolidated patient volumes and revenue will continue to be negatively impacted by the continuing presence of COVID-19 in its’ markets. The Corporation has taken and continues to take various actions to increase its liquidity and mitigate the impact on operations from the COVID-19 pandemic. To increase liquidity, the Corporation increased the amount available under, and has drawn upon, various revolving credit facilities and has significantly restricted new capital projects. Furthermore, the Corporation has taken steps to control spending and reallocate resources to support its hospitals and clinicians. These steps included implementing executive pay reductions; redeploying staff to different roles and locations across the system; implementing furloughs and schedule reductions; and negotiating supplier concessions, all of which began in April 2020. Additionally, a restructuring plan was announced in June 2020 to re-size the Corporation and its Health Ministries, redesign work and reduce costs due to projected lower revenue continuing during fiscal year 2021 as a result of the COVID-19 pandemic. The Corporation recorded significant grant revenue under the Coronavirus Aid, Relief and Economic
Security Act (the “CARES Act”) and the Paycheck Protection Program and Health Care Enhancement Act (“PPPHCE Act,” collectively the “Acts”) during the fourth quarter of fiscal year 2020, which helped to mitigate some of the negative financial impacts of the COVID-19 pandemic. Known and unknown risks and uncertainties caused by the COVID-19 pandemic, including those described above, are having, and will likely continue to have, a material impact on the Corporation’s business, financial condition, results of operations and cash flows. At this point, the Corporation cannot estimate the length or severity of the pandemic, which limits the Corporation’s ability to forecast the pandemic’s impact on the Corporation’s financial position, results of operations and cash flows. The impact to the Corporation’s financial position, results of operations and cash flows are heavily dependent on the Corporation’s ability to emerge from the pandemic by regaining patient volumes in each of the Health Ministries. The Corporation believes the actions it has taken, as supplemented by the various forms of government aid received, position Trinity Health to have liquidity adequate to fund essential services and make timely debt service payments during the COVID-19 pandemic.

The CARES Act authorized $100 billion in funding to hospitals and other health care providers to be distributed through the Public Health and Social Services Emergency Fund (“Provider Relief Funds”). Furthermore, the PPPHCE Act, enacted on April 24, 2020, provides an additional $75 billion in emergency appropriations to eligible providers for COVID-19 response including distributions to safety net hospitals to compensate for lost revenues and qualified expenses, loan forgiveness and capacity expansion. Payments from Provider Relief Funds are intended to compensate health care providers for lost revenues and qualified expenses incurred in response to the COVID-19 pandemic and are not required to be repaid; provided that the recipients attest to and comply with certain terms and conditions, including limitations on balance billing and not using Provider Relief Funds to reimburse expenses or losses that other sources are obligated to reimburse. The Corporation received $775 million in payments under the Acts as of June 30, 2020, of which, $131 million was recorded as deferred revenue in accounts payable and accrued expenses in the consolidated balance sheet. For the year ended June 30, 2020, the consolidated statement of operations and changes in net assets included $644 million of grants recognized in other revenue under the Acts. If unable to attest to or comply with current or future terms and conditions, the Corporation’s ability to retain some or all of the distributions received may be impacted.

Furthermore, during April 2020, the Corporation requested and received $1.6 billion of cash advances from accelerated Medicare payment requests under the CARES Act, which were recorded as Medicare cash advances on the consolidated balance sheet as of June 30, 2020.

Lastly, the CARES Act provides for deferred payment of the employer portion of social security taxes between March 27, 2020, and December 31, 2020, with 50% of the deferred amount due December 31, 2021, and the remaining 50% due December 31, 2022. The Corporation began deferring the employer portion of social security taxes in mid-April 2020, with $101.4 million recorded in salaries, wages and related liabilities on the consolidated balance sheet as of June 30, 2020.

Recent Developments

Adoption of Accounting Pronouncements

Effective July 1, 2019, the Corporation adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-02, “Leases (Topic 842)” using the modified retrospective transition approach as of the period of adoption. The consolidated financial statements for periods prior to July 1, 2019, were not modified for the application of the new lease accounting standard. Upon adoption of ASU No. 2016-02, the Corporation recorded $608.8 million of right-of-use assets and $653.7 million of liabilities associated with operating leases in the consolidated balance sheets. The Corporation also recognized a charge of $44.3 million as a cumulative effect adjustment to net assets without donor restrictions in the consolidated statements of operations and changes in net assets as a result of adopting the new standard.

Effective July 1, 2019, the Corporation adopted FASB ASU No. 2017-07, “Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost,” which amends the requirements related to the presentation of the components of net periodic benefit cost in the statements of operations for an entity's
sponsored defined benefit pension and other postretirement plans on a retrospective basis. For the year ended June 30, 2019, the Corporation reclassified $54.1 million of defined benefit pension and postretirement plan income from employee benefits expense to nonoperating income in the consolidated statements of operations and changes in net assets as a result of adopting the new standard.

Effective July 1, 2019, the Corporation adopted the FASB ASU No. 2016-18, "Restricted Cash," which adds and clarifies guidance in the presentation of changes in restricted cash on the statement of cash flows and requires restricted cash to be included with cash and cash equivalents in the statement of cash flows on a retrospective basis. The adoption of ASU No. 2016-18 changed the amounts presented as cash and cash equivalents in the statement of cash flows. As of June 30, 2019, the Corporation modified the cash flow statement to include restricted cash of $131.6 million under the new standard.

Membership Transfer Agreement Lourdes Health System ("Lourdes")
Effective June 30, 2019, Maxis Health System ("Maxis"), a wholly-controlled subsidiary of Trinity Health, transferred membership interests of Our Lady of Lourdes Health Care Services, Inc. (the Lourdes legal entity) from Maxis to Virtua Health, Inc. ("Virtua"). The transfer to Virtua included substantially all of the health care operations and certain assets and working capital of Lourdes effective as of June 30, 2019. Lourdes included Our Lady of Lourdes Medical Center (Camden, NJ) and Lourdes Medical Center of Burlington County (Willingboro, NJ) and their affiliated operations. Accordingly, the Corporation’s results of operations exclude Lourdes for the year ended June 30, 2019. As a result of the transaction, a loss on transfer of $57.4 million was recorded in the statement of operations and changes in net assets for the year-ended June 30, 2019. An additional loss of $3.7 million was recorded in the statement of operations and changes in net assets for the year ended June 30, 2020 related to the transfer of Lourdes.

For the year ended June 30, 2019, the Corporation’s consolidated statements of operations and changes in net assets included revenue of $542.4 million and deficiency of revenue over expenses of $90.6 million, related to the operations of and loss on sale of Lourdes.

Results from Operations
Operating Income or Loss Before Other Items
Results of operations were significantly impacted by the COVID-19 pandemic and shelter-in-place orders in most of the Corporation’s markets from mid-March through June of fiscal 2020. Reductions in net patient service revenue due to the COVID-19 pandemic were partially offset by the grants received through Provider Relief Fund tranches. The Corporation reported operating income before other items of $74.7 million for fiscal year 2020 compared to $271.8 million for the same period in fiscal year 2019. Operating margin before other items was 0.4% and 6.4%, respectively, for fiscal year 2020 compared to 1.4% and 7.1% for the same period in fiscal year 2019. Excluding Provider Relief Fund grants, operating margin before other items was (3.1%). On a same-ministry basis excluding Lourdes, the decrease in operating income before other items was $228.9 million, of which $137.9 million occurred in the last four months of the year and included $644 million of Provider Relief Fund grants. For the four months ended June 30, 2020, the Corporation reported operating income before other items of $4.6 million compared to $134.6 million for the same period in fiscal year 2019, inclusive of Provider Relief Fund grants. Margins for the four-month period and year ended June are shown in the tables below.

For the year ended June 30, 2020, year-over-year same-ministry volumes, as measured by case mix adjusted equivalent discharges ("CMAEDs"), decreased 6.1%, emergency room visits decreased 9.5%, and surgical volumes declined 12.9%. For the four months ended June 30, 2020, same-ministry volumes, as measured by CMAEDs, decreased 22.8%, emergency room visits decreased 29.5%, and surgical volumes declined 36.9%. However, after significant declines in volumes in April and May, the Corporation began to see solid volume recovery in June across many of its markets, with resumption of outpatient and elective services.
Revenue
Total operating revenue of $18.8 billion decreased $460.2 million, or 2.4%, for fiscal year 2020 compared to the same period in fiscal year 2019. The decrease is attributed to both the membership transfer of Lourdes as well as the COVID-19 pandemic, partially offset by Provider Relief Fund grants. Excluding the results of Lourdes in fiscal year 2019, total operating revenue increased $82.2 million, or 0.4% over the prior fiscal year. Excluding the impact of Lourdes, net patient service revenue declined $658.7 million during the year ended June 2020 due primarily to the following: (i) $1.1 billion from volume declines, partially offset by (ii) $305.8 million from payment rate increases, (iii) $163.6 million from improvements in case mix, and (iv) $36.2 million from improvements in payer mix. The decrease in net patient service revenue was partially offset by $644 million of Provider Relief Fund grants recognized in other operating revenue. In the last four months of fiscal year 2020, excluding the impact of Lourdes, net patient service revenue decreased $1.1 billion compared to fiscal year 2019.

Expenses
Total operating expenses of $18.8 billion decreased $263.2 million, or 1.4% for fiscal year 2020 compared to the same period in fiscal year 2019. Excluding the results of Lourdes from fiscal year 2019, operating expenses increased $311.1 million, or 1.7%, as compared to fiscal year 2019. The Corporation has taken steps to reduce both operating and capital spending in response to the COVID-19 pandemic and related reduction in patient volumes and revenue. Executive compensation was reduced, which lowered expenses by $69.6 million. Many other actions, including, staffing furloughs, reduced hours, and negotiating supplier concessions, began in April 2020. On a same-ministry basis, the increase in operating expenses for the year ended June 2020 was due primarily to the following: (i) purchased services and medical claims of $212.4 million, mainly due to outsourced medical professional fees, software and maintenance data services, consulting and billing services and (ii) $67.0 million of costs related to the system’s strategic conversion to the Epic electronic health records platform in the Michigan Region. The COVID-19 pandemic added $127.1 million of direct costs as of June 2020, primarily in labor, supplies and to a lesser extent in purchased services. In the last four months ended June 30, 2020, expenses decreased on a same ministry basis by $356.2 million or 5.7%, primarily related to lower labor expenses of $247.0 million, due to the actions taken to reduce costs.
**Other Items**

Fiscal year 2020 operating loss of $344.7 million declined compared to operating income in fiscal year 2019 of $106.8 million as the Corporation undertook a number of management initiatives designed to position the Corporation for financial recovery in the new fiscal year. For the year ended June 30, 2020, other items of $419.4 million include $212.9 million of restructuring costs for severance and termination benefits related to restructuring, and re-sizing the Corporation and its Health Ministries, redesigning work and reducing costs due to projected lower revenue during fiscal 2021 as a result of the COVID-19 pandemic. Fiscal year 2020 other items also included noncash asset impairment charges of $202.7 million, of which $113.5 million were incurred primarily for certain facilities of five Health Ministries, as well as $69.1 million related to physician practice and office space leases. Total impairments were comprised of $145.0 million of property and equipment, $44.4 million of right-of-use lease assets and $13.3 million of goodwill and other assets.

For the fiscal year ended June 30, 2019, other items of $165.0 million included $82.4 million of restructuring costs related to the Corporation’s decision to consolidate and restructure staffing in revenue cycle billing services, voluntary severance programs and information technology staffing changes due to the Corporation’s decision to transition away from some technologies, a $57.4 million loss on transfer of Lourdes, and $25.2 million of non-cash asset impairment charges.

**Nonoperating Items**

The Corporation reported gains in nonoperating items of $269.2 million for fiscal year 2020 compared to $679.2 million for the same period in fiscal year 2019. Income in the fiscal year 2020 was lower, primarily due to a reduction in investment earnings of $245.0 million, a decrease of equity in earnings of unconsolidated affiliates of $146.2 million, and a reduction in market value and cash payments of interest rate swaps of $25.8 million, all driven by global investment market conditions due to the COVID-19 pandemic. The reduction in the fiscal year 2020 also included a $32.5 million noncash loss from the early extinguishment of debt.

**Deficiency or Excess of Revenue over Expenses**

Deficiency of revenue over expenses for fiscal year 2020 was $75.5 million compared to an excess of revenue over expenses of $786.0 million for the same period in fiscal year 2019. The decrease in fiscal 2020 was primarily due to a decline in operating income driven by a significant reduction in net patient service revenue occurring during the last four months of the fiscal year as a result of the COVID-19 pandemic, partially offset by Provider Relief Fund grant revenue and lower operating expenses. The reduction was also the result of increased restructuring costs and asset impairment charges and declines in nonoperating investment earnings.

**Balance Sheet**

Total assets of $30.5 billion increased $3.5 billion, or 12.9% as of June 30, 2020, compared to June 30, 2019. The increase in assets included $1.6 billion of Medicare cash advances. Assets also increased $1 billion from proceeds of line of credit facilities drawn in the last four months of the fiscal year and $300 million from proceeds of debt issuances in December 2019. The increase in assets also included the recognition of operating lease right-of-use lease assets of $608.8 million as a result of the adoption of ASU No. 2016-02. The financial statements for periods prior to July 1, 2019 were not modified for the application of this standard as the Corporation elected the modified retrospective transition approach. These increases were partially offset by a reduction in patient accounts receivable and asset impairment charges. Total assets include unrestricted cash and investments of $11.9 billion or 245 days of cash on hand. For the fiscal year 2020, days cash on hand increased 56 days related to funds received from lines of credit draws, Medicare cash advances and $101.4 from deferred payment of the employer portion of social security taxes under the CARES Act. Net days in accounts receivable increased by 4.6 days to 47.3 days as of June 30, 2020 compared to the same period in the prior fiscal year. The increase was driven by a slow-down in payments from large payers, changes in regulatory and coding requirements for COVID-19-related cases resulting in delayed billing of claims, and continued stabilization efforts from the Epic electronic health records platform implementation in Michigan.

Total liabilities of $16.9 billion increased $3.8 billion, or 28.8%, primarily due to $1.6 billion of Medicare cash advances, $1.0 billion from line of credit draws to
position the Corporation for potential liquidity needs as a result of the COVID-19 pandemic and volatile investment markets, and recognition of $653.7 million of operating lease liabilities under ASU No. 2016-02. Additional increases include $300 million from the proceeds of debt issuances and increases in salaries, wages and related liabilities stemming from restructuring cost accruals and deferred payment of the employer portion of social security taxes under the CARES Act, partially offset by reductions in accrued executive compensation expense. Debt to capitalization as of June 30, 2020 increased to a ratio of 37.0% from 35.4% compared to June 30, 2019. Including strategies implemented to ensure liquidity (lines of credit draws and Medicare advance) debt to capitalization was 40%.

### Statement of Cash Flows
The cash flow statement reflects the adoption of ASU No. 2016-18, "Restricted Cash," for both fiscal year 2019 and 2020. Cash, cash equivalents and restricted cash increased $1.7 billion during the year ended June 30, 2020. Operating activities provided $2.6 billion of cash, which included $1.6 billion of Medicare cash advances. Investing activities used $2.1 billion of cash including $1.2 billion for net purchases of investments and $951 million for purchases of property and equipment. Financing activities provided $1.2 billion of cash, including $1.0 billion of drawdowns on both short-term and long-term lines of credit.
TRINITY HEALTH  
Liquidity Reporting  
June 30, 2020  

($ in millions)  
(unaudited)

**ASSETS**

**Daily Liquidity**
Money Market Funds (Moody's rated Aaa) $ 44  
Checking and Deposit Accounts (at P-1 rated bank) 1,093  
Repurchase Agreements -  
U.S. Treasuries & Aaa-rated Agencies -  
Dedicated Bank Lines 900  
**Subtotal Daily Liquidity (Cash & Securities)** $ 2,037

Undrawn Portion of $600M Taxable Commercial Paper Program 500  
**Subtotal Daily Liquidity Including Taxable Commercial Paper Program** $ 2,537

**Weekly Liquidity**
Exchange Traded Equity $ 3,170  
Publicly Traded Fixed Income Securities Rated at least Aa3 and Bond Funds 2,015  
Equity Funds 837  
Other 409  
**Subtotal Weekly Liquidity** 6,431  

**TOTAL DAILY AND WEEKLY LIQUIDITY** $ 8,968

**Longer-Term Liquidity**
Funds, vehicles, investments that allow withdrawals with less than one-month notice 2,880  
Funds, vehicles, investments that allow withdrawals with one-month notice or longer 2,339  
**Total Longer-Term Liquidity** $ 5,219

**LIABILITIES (Self-liquidity Variable Rate Demand Bonds & Commercial Paper)**

**Weekly Put Bonds**
VRDO Bonds (7-day) $ 205

**Long-Mode Put Bonds**
VRDO Bonds (Commercial Paper Mode) 160

**Taxable Commercial Paper Outstanding** 100  
**TOTAL SELF-LIQUIDITY DEBT AND COMMERCIAL PAPER** $ 465

**Ratio of Daily and Weekly Liquidity to Self-Liquidity Debt and Commercial Paper** 19.27
### Financial Indicators

#### Liquidity Ratios (at June 30)

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<thead>
<tr>
<th></th>
<th>June 30, 2020</th>
<th>June 30, 2019</th>
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<tbody>
<tr>
<td>Days Cash on Hand</td>
<td>245</td>
<td>180</td>
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<tr>
<td>Days in Accounts Receivable, Net</td>
<td>47.3</td>
<td>42.7</td>
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#### Leverage Ratios (at June 30)

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<tr>
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<th>June 30, 2019</th>
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<tbody>
<tr>
<td>Debt to Capitalization</td>
<td>40%</td>
<td>35%</td>
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<tr>
<td>Cash to Debt</td>
<td>143%</td>
<td>126%</td>
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#### Profitability Ratios (For the Year Ended June 30)

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<thead>
<tr>
<th></th>
<th>June 30, 2020</th>
<th>June 30, 2019</th>
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<tbody>
<tr>
<td>Operating Margin before Other Items</td>
<td>0.4%</td>
<td>1.4%</td>
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<tr>
<td>Operating Cash Flow Margin before Other Items</td>
<td>6.4%</td>
<td>7.1%</td>
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#### Statistical Indicators (For the Year Ended June 30)

Rounded to nearest thousand

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2020</th>
<th>June 30, 2019</th>
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<tbody>
<tr>
<td>Discharges</td>
<td>524,000</td>
<td>588,000</td>
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<tr>
<td>Patient Days</td>
<td>2,466,000</td>
<td>2,731,000</td>
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<td>Outpatient Visits</td>
<td>18,593,000</td>
<td>21,110,000</td>
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<tr>
<td>Emergency Room Visits</td>
<td>2,032,000</td>
<td>2,354,000</td>
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<tr>
<td>Observation Cases</td>
<td>130,000</td>
<td>144,000</td>
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<tr>
<td><strong>Continuing Care</strong></td>
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<td>Home Health Admissions</td>
<td>86,000</td>
<td>94,000</td>
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<tr>
<td>Long-term Care Patient Days</td>
<td>797,000</td>
<td>952,000</td>
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