



The MetroHealth System

Board of Trustees

Wednesday, August 23, 2023

3:00 - 5:00 pm

MetroHealth Brooklyn Heights Campus - Building B (Room B102) or via Zoom

Finance Committee

Regular Meeting

The MetroHealth System Board of Trustees

FINANCE COMMITTEE

DATE: Wednesday, August 23, 2023

TIME: 3:00-4:30 pm

PLACE: MetroHealth Brooklyn Heights Location
B102 / Via Zoom
<https://us02web.zoom.us/j/82877117816>

AGENDA

- I. **Approval of Minutes**
Finance Committee Meeting Minutes of April 26, 2023
Investment Subcommittee Meeting Minutes of April 26, 2023
- II. **Information Items**
 - A. Second Quarter 2023 Investment Performance - Adam Blake, Clearstead
 - B. Finance Committee Charter – Geoff Himes
 - C. Second Quarter 2023 Financial Results – Geoff Himes
- III. **Executive Session**
Return to Open Meeting
- IV. **Recommendation/Resolution Approvals**
 - A. Recommendation for the Approval of Financial and Operational Transformation and Optimization Project

The MetroHealth System Board of Trustees

INVESTMENT SUBCOMMITTEE MEETING

April 26, 2023

3:00 – 3:30 pm

MetroHealth Board Room K107 or Zoom <https://us02web.zoom.us/j/82877117816>

Meeting Minutes

Subcommittee John Moss-I¹, JB Silvers-R²

Members Present:

Other Trustees Present: Vanessa Whiting-R, Inajo Chappell-I, John Hairston-R, E. Harry Walker-I

Staff Present: Airica Steed-I, Nicholas Bernard-I, Richard Blinkhorn-I, Joe Frolik-I, Geoff Himes-I, Olusegun Ishmael-I, Julie Jacono-R, Julia Mason-I, Laura McBride-I, Christina Morales-R, Brad Schwartz-I, Regina Sawyer-R, William Lewis-R

Guests Present: Akram Boutros-R, Jasmine Boutros-I, Suzanne Aral-Boutros-I, Adam Blake-I (Clearstead), Gail Long-I

Mr. Moss called the meeting to order at 3:10 pm, in accordance with Section 339.02(K) of the Ohio Revised Code.

(The minutes are written in a format conforming to the printed meeting agenda for the convenience of correlation, recognizing that some of the items were discussed out of sequence.)

I. **Approval of Minutes**

The minutes of the January 25, 2023, Investment subcommittee meeting were approved as submitted.

II. **Information Items**

First Quarter 2023 Investment Performance – Adam Blake, Clearstead

¹ I – In-person

² R – Remote



The MetroHealth System Board of Trustees

Mr. Moss welcomed the Investment subcommittee, which is a subcommittee of the Finance committee. Mr. Blake, Senior Managing Director from Clearstead (the System's investment advisor) reviewed the Oversight Dashboard, which captures important activities required for appropriate investment portfolio management and subcommittee oversight.

Mr. Blake then provided the subcommittee with an economic and market update, and review of the investment portfolio's performance as of March 31, 2023. Mr. Blake also presented the reserve pool fixed income review, noting the investment characteristics and then discussed the fee review. Overall investment results for the first quarter of 2023 are positive. The net investment gain was \$13.9 million. There were no rebalancing recommendations brought forward and no excess cash was moved to investments during the quarter.

Finally, Mr. Blake provided a brief update on and review of the System's sustainable investing exposure, highlighting the Morningstar Sustainability Ratings.

Recommendation/Resolutions Approvals

A. No items at this time

There being no further business to bring before the subcommittee, the subcommittee meeting was adjourned at approximately 3:24 pm.

Geoff Himes
Interim Chief Financial Officer



The MetroHealth System Board of Trustees

FINANCE COMMITTEE

April 26, 2023

3:0-5:00 pm

The MetroHealth Board Room K107 or Zoom <https://us02web.zoom.us/j/82877117816>

Meeting Minutes

Committee John Moss-I¹, JB Silvers-R²

Members Present:

Other Trustees Present: Vanessa Whiting-R, Inajo Chappell-I, John Hairston-R, E. Harry Walker-I

Staff Present: Airica Steed-I, Nicholas Bernard-I, Dr. Richard Blinkhorn-I, Joe Frolik-I, Geoff Himes-I, Dr. Olusegun Ishmael-I, Ms. Julie Jacono-R, Julia Mason-I, Ms. Laura McBride-I, Ms. Christina Morales-R, Mr. Brad Schwartz-I, Mr. Nicholas Sukalac-R, Ms. Jacqueline Woolnough-I, Mr. Brian Kauffman-R, Mr. Jacob Gall-R, Dr. Regina Sawyer-R, Dr. William Lewis-R

Guests Present: Akram Boutros-R, Ms. Jasmine Boutros-I, Ms. Suzanne Aral-Boutros-I, Mr. Adam Blake-I (Clearstead), Ms. Gail Long-I

Mr. Moss called the meeting to order at 3:25 pm, in accordance with Section 339.02(K) of the Ohio Revised Code.

(The minutes are written in a format conforming to the printed meeting agenda for the convenience of correlation, recognizing that some of the items were discussed out of sequence.)

I. Approval of Minutes

The minutes of the January 25, 2023, Committee meeting were approved as submitted.

II. Information Items

A. First Quarter 2023 Financial Results – Geoff Himes

¹ I – In-person

² R – Remote



The MetroHealth System Board of Trustees

Mr. Himes began by providing an overview of the Unaudited Financial and Operational Results for the period ended March 31, 2023, compared to December 2022, highlighting significant items that represented a change or variance from the prior year.

Mr. Himes gave an update on the 2022 approved audit report. The report is being reviewed by the Federal Audit Clearinghouse, the Auditor of State's Office, and Cuyahoga County Fiscal Services as the last steps before finalization.

Mr. Himes gave a review of the operating statement from 2022 compared to the operating statement from 2019, or pre-pandemic. Mr. Himes shared that net patient service revenue was flat with the growth due to supplemental funding increases. Other revenue increased due to the continued growth in retail pharmacy operations. These gains were almost completely offset by significant expense increases driven by the workforce shortage crisis and inflation affecting supply cost increases.

Mr. Himes explained that the pandemic forced sustained growth in the cost to deliver care, especially in labor. Expanding supplemental programs significantly supported our annual operating results, and the Retail Pharmacy program has been a major success as an alternate revenue stream. The System is, accordingly, refocusing its efforts on "core" clinical operations.

Turning to the first quarter 2023 operating results compared to the prior year, Mr. Himes shared that net patient service revenue increased \$19.9 million or 7.2%, due to an increase in various volumes including discharges, outpatient visits, emergency visits and outpatient surgeries. Also, an increase in net patient service revenue is attributed to a shift back to in-person visits versus virtual compared to prior year. Other revenue increased \$7.8 million or 6.4%, due to the continued growth in retail pharmacy operations.

Mr. Himes gave an overview of the EBIDA for the three months ended March 31, 2023, was \$15.4 million, a decrease of \$25.8 million or 62.6% over the same period in 2022, which had an EBIDA of \$41.2 million. EBIDA decrease was primarily due to an increase in salaries, wages and benefits due to overtime, premium pay programs, contract labor and wage increases. The System recorded total operating expenses before interest, depreciation, and amortization of \$408.5 million for the



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three months ended March 31, 2023, as compared to \$355.0 million for the same period in 2022, an increase of \$53.5 million or 15.1%.

Dr. Olusegun Ishmael addressed labor expenses and staff retention. There has been a reduction in contract labor. Incentive pay has been moved from 3X to 2X and that change was addressed during a nursing townhall. In addition, there will be a move to an LPN model and partnership with LPN schools to attract additional staff. There is a focus on retention and recruitment with initiatives like the minority nursing fair, which will be held this summer on the MetroHealth campus. International recruitment and virtual nursing will also be utilized to maintain the mission and quality of care.

Mr. Himes discussed the statement of net position. As of March 31, 2023, total assets were \$2.56 billion, a decrease of \$34.7 million from the prior year-end. The change in assets was driven mainly by unrestricted cash and cash equivalents decreased \$52.3 million from prior year-end balances primarily due to capital purchases and timing. Investments increased \$15.6 million from prior year-end balances driven by improved market conditions. Restricted assets under bond indenture agreements decreased \$38.9 million from prior year-end balances due to bond fund draws and interest payments made during the period. Net capital assets increased \$26.7 million from prior year-end balances due to the ongoing campus transformation, with the opening of The Glick Center and the Behavioral Health Hospital in Cleveland Heights in 2022 as well as ongoing construction of the new outpatient building at main campus. Implementation of GASB Statement No. 96 SBITA resulted in net additional assets of \$12.9 million as compared to prior year-end. As of March 31, 2023, total liabilities were \$1.8 billion, a decrease of \$28.6 million from the prior year-end balance. Current liabilities were \$292.8 million, which represents a decrease of \$26.9 million from prior year-end balances. The decrease is largely attributable to the timing of payroll-related liabilities and franchise fees. Long-term liabilities were \$1.5 billion, which represents a decrease of \$1.7 million from prior year-end balances. The decrease is primarily related to the payment of long-term debt obligations, partially offset by an increase in paid vacation amounts owed as well as the implementation of GASB Statement No. 96 SBITA.

Ms. Christine Morales gave an overview of GASB Statement No. 96 Subscription-Based Information Technology Arrangements, which was implemented starting in



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2023. The right to use another party's IT software now results in the recognition of a subscription-based information technology arrangement (SBITA) liability and corresponding right-of-use asset on the Statement of Net Position.

Additionally, expense associated with SBITAs are now recognized as amortization and interest expense as compared to the prior year in which SBITA expense was recognized within the Purchased Services line of the Statement of Revenues, Expenses, and Changes in Net Position.

B. Capital Projects Review – Brad Schwartz

1. 2023 Spending Summary & Committee Structure

Mr. Schwartz discussed the 2023 Capital Budget. Capital expenditures are focused on new assets and other strategic projects, as well as replacement or major maintenance of existing assets. Routine/required capital projects are reviewed on a rolling basis to better coordinate resources for timely execution and to ensure appropriate allocation of resources. Minimum capital threshold is maintained at \$5,000 per item and a useful life of three years or more. Executive leadership must review (e.g., scope, business case, etc.) and approve each capital expenditure request. Capital Working Group also reviews the project for System impact and organizational readiness. The Capital Working Group includes project stakeholders: Nursing, IS, Facilities/Construction, Supply Chain, Finance, Clinical Engineering, and Compliance. Supply Chain reviews all capital projects and negotiates final pricing to ensure maximum discounts and savings are achieved. Mr. Schwartz also proposed some capital process enhancements with the final process being digitized. The Capital Committee will advise on prioritization, and is comprised of clinical, and non-clinical leaders, with the goal of designing, reviewing, and implementing a quantitative, standardized evaluation structure. The CEO, CFO, COO of Hospital Division, COO of Ambulatory Division, and Chief Clinical & Academic Officer will collaborate on approval. A three-year projection of capital needs is being developed. Anticipated capital needs will be captured during the annual budget process.

C. Semi-Annual Schedule of Charges Update – Jacqueline Woolnough

Ms. Woolnough spoke about changes and additions to the Charge Description Master (CDM). The CDM is a database that contains a comprehensive list of items



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that could produce a charge. Every clinical department that provides a service to a patient will have representation in the CDM. This data is then used to charge accurately for those services or products in accordance with regulations and payor requirements. A strategic pricing method is utilized as there is not a “one size fits all” approach. Each new charge undergoes thorough consideration before a final price is set. In 2022 1,984 items were added or changed in the CDM. Year to Date 2023, 29 items have been added or changed in the CDM. The bulk of CDM changes and additions are in the procedural category. For 2023 the changes and additions are mostly for new services or CPT code. The 1,948 changes and additions that were made to the CDM last year represent 9% of all charges in our CDM, based on a count of all charges within the global, professional, and technical/facility CDM files.

III. Recommendation/Resolutions Approvals

A. No items at this time

Mr. Moss stated that the matters to be considered next at this meeting involve discussions of hospital trade secrets as defined in ORC 1333.61.

Mr. Moss asked for a motion to recess into executive session to discuss these proprietary and trade secrets. Ms. Inajo Chappell made the motion, and Dr. Walker seconded. The Board held a roll call vote with all Trustees voting to approve the motion to go into executive session for the purpose stated by Mr. Moss.

Members of the public were excused. The Board went into executive session to discuss the identified matters at 4:45 pm.

Following the executive session, the meeting reconvened in open session at approximately 4:53 pm and welcomed back the public via Zoom and those members of the public who remained in-person.

Mr. Moss stated there was no further business to bring before the Committee, the meeting was adjourned at approximately 4:54 pm.

THE METROHEALTH SYSTEM

Geoff Himes,
Interim Chief Financial Officer





August 23, 2023

METROHEALTH SYSTEM INVESTMENT COMMITTEE MEETING



*1100 Superior Avenue East Suite 700
Cleveland, Ohio 44114
216.621.1090 | clearstead.com*

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1. Oversight Dashboard
2. Economic and Market Update
3. 6/30/2023 Performance Review
4. Strategic Asset Allocation Review

Appendix

Additional Performance Slides

Additional Economic Slides

OVERSIGHT DASHBOARD

Last Reviewed	
Investment Policy:	08/10/22
Strategic Asset Allocation:	08/23/23
Fee Review:	04/26/23

		4Q 22	1Q 23	2Q 23	3Q 23	Comments:
Strategic/ Administrative	Investment Policy Review				<input type="checkbox"/>	
	Sustainable Investing Guidelines					Further development in 2023
	Strategic Asset Allocation Review			✓		
	2024 Oversight Dashboard				<input type="checkbox"/>	
Portfolio	Reserve Pool Fixed Income Review		✓			
	Domestic Equity Review	✓				
	International Equity Review	✓				
Performance	Capital Markets Review	✓	✓	✓	<input type="checkbox"/>	
	Quarterly Performance Review	✓	✓	✓	<input type="checkbox"/>	
Other	Clearstead Firm Update	✓				
	Fee Review		✓			
	Sustainable Investing Exposure Review		✓			



ECONOMIC AND MARKET UPDATE

QUARTERLY THEMES

WHAT HAPPENED LAST QUARTER?

- Markets shifted attention from banking stress to Artificial Intelligence, boosting technology stocks
- “Magnificent Seven” were responsible for the bulk of the rally, while the rest of the market was flat
- Equities performed well during the quarter, led by developed markets, while EM stocks lagged
 - Quarter: S&P 500 +8.7%; MSCI EAFE +3.0%; MSCI Emerging Markets +0.9%
 - YTD: S&P 500 +16.9%; MSCI EAFE +11.7%; MSCI Emerging Markets +4.9%
- U.S. economy remained resilient in the first half of 2023, widening the runway for a potential soft-landing

LOOKING FORWARD:

- Recession timing expected to be pushed to 2024 with declining impact
 - Federal Reserve driven recessionary risks waning; Consensus expecting soft-landing scenario
 - Technical indicators appear strong with breakout from rangebound market in 2Q
- Corporate earnings to be a key indicator to watch as rally extends
 - Hinges on continued strength of U.S. labor market and consumer spending
- New paradigm shift – higher interest rates for longer; Consumers and businesses must adjust to interest costs
 - Highly levered business sectors will experience a gradual shake-out

Source: Clearstead, Federal Reserve, Bloomberg LP. As of 6/30/2023. Past performance is not an indicator of future results.

HEADWINDS AND TAILWINDS



TAILWINDS

- Market technicals have improved and are positive; more than the “magnificent seven”
- Housing showing life
- Corporate America working through higher rates
- Services still expanding; consumers still spending down savings



HEADWINDS

- Monetary policy uncertainty amid sticky inflation
- Potential drag from student loan payments resuming
- Labor markets holding up, but softening
- Manufacturing still in contraction, new orders declining

Image source: openai.com DALL-E

U.S. ECONOMIC PROJECTIONS

FEDERAL RESERVE BOARD MEMBERS & BANK PRESIDENTS

		2023	2024	2025	LONGER RUN*
GDP	June 2023	1.0%	1.1%	1.8%	1.8%
	March 2023	0.4%	1.2%	1.9%	1.8%
	December 2022	0.5%	1.6%	1.8%	1.8%
	September 2022	1.2%	1.7%	1.8%	1.8%
Unemployment Rate	June 2023	4.1%	4.5%	4.5%	4.0%
	March 2023	4.5%	4.6%	4.6%	4.0%
	December 2022	4.6%	4.6%	4.5%	4.0%
	September 2022	4.4%	4.4%	4.3%	4.0%
Core PCE Inflation	June 2023	3.9%	2.6%	2.2%	
	March 2023	3.6%	2.6%	2.1%	
	December 2022	3.5%	2.5%	2.1%	
	September 2022	3.1%	2.3%	2.1%	
Federal Funds Rate	June 2023	5.6%	4.6%	3.4%	2.5%
	March 2023	5.1%	4.3%	3.1%	2.5%
	December 2022	5.1%	4.1%	3.1%	2.5%
	September 2022	4.6%	3.9%	2.9%	2.5%
# of implied 25 bps rate changes year	June 2023	5	-4	-5	
	March 2023	3	-3	-5	
	December 2022	3	-4	-4	
	September 2022	1	-3	-4	

*Longer-run projections: The rates to which a policymaker expects the economy to converge over time – maybe in five or six years – in the absence of further shocks and under appropriate monetary policy.

Source: Clearstead, U.S. Federal Reserve.
Data as of 06/30/2023. Past performance is not an indicator of future results.



6/30/2023 PERFORMANCE REVIEW

TOTAL SYSTEM SNAPSHOT: 6/30/2023

	System	Select Assurance	Total
Clearstead Investment Reports	\$ 445,899,835	\$ 87,946,371	\$ 533,846,206
Cash on Hand (Primary Operating Accounts)	104,325,228	15,399,151	119,724,379
Other Investments (Premier shares, Recovery Resources, MHS Purchasing, MHS Care Innovation)	10,710,819	-	10,710,819
Total Cash & Unrestricted Investments	\$ 560,935,882	\$ 103,345,522	\$ 664,281,404

	Reserve Pool	Non Reserve Pool	Total
Clearstead System Report	\$ 230,692,447	\$ 215,207,388	\$ 445,899,835
Clearstead Select Assurance Report	-	87,946,371	87,946,371
System Cash Balance	104,325,228	-	104,325,228
Select Assurance Cash Balance	15,399,151	-	15,399,151
Other Investments	-	10,710,819	10,710,819
Total Cash & Unrestricted Investments	\$ 350,416,826	\$ 313,864,578	\$ 664,281,404

METROHEALTH: ATTRIBUTION OF MARKET VALUE CHANGE: 06/30/2023

		Starting Balance	Net Cash Flow	Net Investment Change	Ending Balance
2019	Reserve	\$346,390,927	(\$40,684,362)	\$10,486,231	\$316,192,796
	Non-Reserve	\$33,511,686	\$37,500,000	\$15,894,971	\$86,906,657
	Total	\$379,902,613	(\$3,184,362)	\$26,381,202	\$403,099,453
2020	Reserve	\$316,192,797	\$224,762,533	\$8,090,467	\$549,045,797
	Non-Reserve	\$86,906,657	\$0	\$15,698,611	\$102,605,268
	Total	\$403,099,454	\$224,762,533	\$23,789,078	\$651,651,065
2021	Reserve	\$549,045,797	(\$90,653,379)	(\$1,307,079)	\$457,085,339
	Non-Reserve	\$102,605,268	\$100,000,000	\$22,686,324	\$225,291,592
	Total	\$651,651,065	\$9,346,621	\$21,379,245	\$682,376,931
2022	Reserve	\$457,085,339	(\$122,436,356)	(\$7,645,744)	\$327,003,239
	Non-Reserve	\$225,291,592	\$0	(\$26,458,875)	\$198,832,717
	Total	\$682,376,931	(\$122,436,356)	(\$34,104,619)	\$525,835,956
1Q 2023	Reserve	\$327,003,239	(\$20,148,028)	\$4,786,450	\$311,641,661
	Non-Reserve	\$198,832,717	\$0	\$8,532,106	\$207,364,823
	Total	\$525,835,956	(\$20,148,028)	\$13,318,556	\$519,006,484
2Q 2023	Reserve	\$311,641,661	(\$81,085,399)	\$136,186	\$230,692,448 *
	Non-Reserve	\$207,364,822	\$0	\$7,842,565	\$215,207,387
	Total	\$519,006,483	(\$81,085,399)	\$7,978,751	\$445,899,835 **

*The Reserve Pool balance excludes approximately \$84.8 million in System operating cash.

** The overall balance does not include \$87.9 million of Captive investments and \$15.4 million of Captive operating cash.

SELECT ASSURANCE CAPTIVE: ATTRIBUTION OF MARKET VALUE CHANGE: 06/30/2023

	Starting Balance	Contributions	Withdrawals	Net Investment Change	Ending Balance
2019	\$16,501,370	\$10,750,000	(\$5,847)	\$3,695,567	\$30,941,090
2020	\$30,941,090	\$20,007,000	(\$9,488)	\$4,978,665	\$55,917,267
2021	\$55,917,267	\$20,000,000	(\$13,520)	\$5,324,796	\$81,228,543
2022	\$81,228,543	\$10,000,000	(\$17,920)	(\$9,329,858)	\$81,880,765
1Q 2023	\$81,880,765	\$0	(\$4,809)	\$3,543,122	\$85,419,078
2Q 2023	\$85,419,078	\$0	(\$4,903)	\$2,532,196	\$87,946,371 *

- The Investment Committee of the Captive has been given authority by the Captive Board to invest operating cash that is in excess of \$10 million within the guidelines of the investment policy

* Balance excludes operating cash, \$15.4 million

METROHEALTH: PERFORMANCE SUMMARY

	QTD (%)	YTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
Total Plan	1.6	4.2	4.7	0.0	1.9	-5.0	3.2	3.9	2.7	Aug- 18
Non-Reserve Long-Term Pool	6.9	14.5	17.8	-0.4	12.0	-19.2	21.9	18.0	8.7	Aug- 18
<i>Non-Reserve LT Pool Benchmark¹</i>	7.2	14.8	17.8	0.1	12.6	-18.5	21.9	18.8	9.3	
Total Equity	6.9	14.5	17.8	-0.4	12.0	-19.2	21.9	18.0	8.7	Aug- 18
Total Domestic Equity	7.7	15.1	18.2	1.1	13.3	-19.0	25.7	18.8	10.2	Aug- 18
<i>Russell 3000 Index</i>	8.4	16.2	19.0	1.2	13.9	-19.2	25.7	20.9	10.9	
<i>Russell 2000 Index</i>	5.2	8.1	12.3	-8.3	10.8	-20.4	14.8	20.0	3.9	
<i>S&P 500 Index</i>	8.7	16.9	19.6	3.4	14.6	-18.1	28.7	18.4	11.7	
Total International Equity	3.0	11.5	15.9	-6.9	6.0	-20.5	6.1	14.4	2.3	Aug- 18
<i>MSCI AC World ex USA (Net)</i>	2.4	9.5	12.7	-4.7	7.2	-16.0	7.8	10.7	3.1	
Total Fixed Income & Cash	1.1	2.1	3.0	1.5	1.0	1.0	0.0	0.3	1.2	Aug- 18
Non-Reserve Short-Term Pool	0.3	1.8	2.0	-0.4	-	-2.6	-	-	-0.3	May- 21
<i>Blmbg. U.S. Treasury: 1-3 Year</i>	-0.6	1.0	0.1	-1.7	-1.1	-3.8	-0.6	3.2	-1.6	
Reserve Pool	0.0	1.5	1.5	-0.2	-0.1	-1.6	-0.3	2.5	1.4	Aug- 18
<i>Blmbg. U.S. Treasury: 1-3 Year</i>	-0.6	1.0	0.1	-1.7	-1.1	-3.8	-0.6	3.2	0.9	
Total Fixed Income	0.0	1.5	1.5	-0.2	-0.1	-1.6	-0.3	2.5	1.4	Aug- 18

¹Russell 3000 Index: 80.00%, MSCI AC World ex USA (Net): 20.00%

PORTFOLIO SNAPSHOT & RECOMMENDATIONS: 08/09/2023

	Market Value as of 08/09/2023			New Allocation		Policy	
	\$	%	Change	\$	%	Target	Range
Non-Reserve LTP Pool	\$116,165	100.0%	\$0	\$116,165	100.0%	100.0%	
Domestic Equity	\$97,285	83.7%	\$250	\$97,535	84.0%	80%	0%-100%
Large Cap	\$78,977	68.0%	\$250	\$79,227	68.2%		
Vanguard Inst 500 Index	\$48,048	41.4%	\$250	\$48,298	41.6%		
Vanguard FTSE Social Index	\$8,710	7.5%		\$8,710	7.5%		
AQR Defensive Large Cap	\$7,475	6.4%		\$7,475	6.4%		
Harbor Capital Appreciation	\$7,953	6.8%	-\$500	\$7,453	6.4%		
DFA US Large Cap Value	\$6,791	5.8%	\$500	\$7,291	6.3%		
Mid Cap	\$9,243	8.0%	\$0	\$9,243	8.0%		
Vanguard Mid Cap Index	\$9,243	8.0%		\$9,243	8.0%		
Small Cap	\$9,065	7.8%	\$0	\$9,065	7.8%		
Harbor Small Growth	\$4,524	3.9%		\$4,524	3.9%		
Boston Partners Small Value	\$4,541	3.9%		\$4,541	3.9%		
International Equity	\$18,611	16.0%	\$0	\$18,611	16.0%	20%	0%-20%
Oppenheimer Int'l Gth	\$7,303	6.3%		\$7,303	6.3%		
Transamerica (TS&W) International	\$7,587	6.5%		\$7,587	6.5%		
Allspring Advtg Emerging Markets	\$3,721	3.2%		\$3,721	3.2%		
Cash	\$269	0.2%	-\$250	\$19	0.0%		
First American Government Fund	\$269	0.2%	-\$250	\$19	0.0%		
Non-Reserve STP Pool	\$100,374					0.0%	
Reserve Pool *	\$230,692					0.0%	
Combined System	\$447,231					0.0%	

*Reserve Pool as of 06/30/23, see slide 9

Portfolio Summary

1. Overall portfolio is within asset allocation ranges and compliant with the investment policy
2. Recommendations: Trim gains from Harbor Capital Appreciation, add to DFA US Large Cap Value, invest \$250,000 of accumulated cash
3. Estimated yield as of 6/30/2023: Non-Reserve STP: 6.0%, Total Reserve Pool: 5.0% (Compared to 0.05-1.0% at 6/30/2022)



STRATEGIC ASSET ALLOCATION REVIEW

HOLISTIC VIEW OF RISK



ORGANIZATION



STRATEGIC INVESTMENT APPROACH



INVESTMENT PORTFOLIO

LEVELS OF RISKS

ORGANIZATION	STRATEGIC INVESTMENT APPROACH	INVESTMENT PORTFOLIO
--------------	-------------------------------	----------------------

- Leadership
- Governance
- Investment Committee
- Reliance on Investment Assets
- Fundraising
- Operational health
- Debt

- Risk of not meeting return objective
- Current and effective IPS
- Strategic asset allocation
- Spending rule
- Discipline to approach
- Liquidity
- Cash management
- Rebalancing

- Standard deviation
- Correlation
- Beta
- Downside capture
- Maximum drawdown
- Tracking error, R²
- Tactical positioning
- Value at risk

CAPITAL MARKET ASSUMPTIONS

PURPOSE	ASSET CLASS	FORECASTED RETURN	FORECASTED VOLATILITY
Growth Assets	Global Equity	7.6%	18.3%
Growth Assets	U.S. Large / Mid Cap	7.2%	17.2%
Growth Assets	U.S. Small Cap	7.7%	19.6%
Growth Assets	Developed Int'l Large / Mid Cap	7.3%	18.2%
Growth Assets	Developed Int'l Small Cap	8.2%	22.5%
Growth Assets	Emerging Markets	10.0%	24.1%
Growth Assets	Private Equity	11.2%	23.8%
Liquidity & Income	Core Fixed Income	4.7%	5.0%
Liquidity & Income	High Yield	6.9%	10.4%
Liquidity & Income	Emerging Markets Debt	6.6%	10.8%
Liquidity & Income	Long Gov't/Credit	5.3%	8.5%
Liquidity & Income	Private Credit	9.2%	12.6%
Liquidity & Income	Cash	2.6%	1.5%
Diversifying Assets	Absolute Return	6.6%	8.3%
Diversifying Assets	Diversified Growth	7.1%	11.9%
Diversifying Assets	Private Real Assets	9.6%	18.3%

Growth Assets – Growth assets are intended to generate higher relative returns for the portfolio, providing real growth of the portfolio over time. It is assumed that growth assets carry risk in various forms. In the case of an asset pool with a defined spending policy, the growth bucket is intended to help maintain the purchasing power of the assets.

Liquidity & Income – Income oriented assets are included with the primary objective of generating income. Credit quality tends to be the major driver of investment income, as well as risk. Secondary objectives for income investments may include preservation of capital, volatility mitigation, diversification and in some cases growth.

Diversifying Assets – Diversifying assets are intended to achieve returns like growth and/or income assets over time but with less correlation to those assets. The primary purposes of these strategies are for diversification and growth and/or income.

STRATEGIC ASSET ALLOCATION REVIEW: FORWARD LOOKING ANALYSIS (10-YEAR FORECAST)

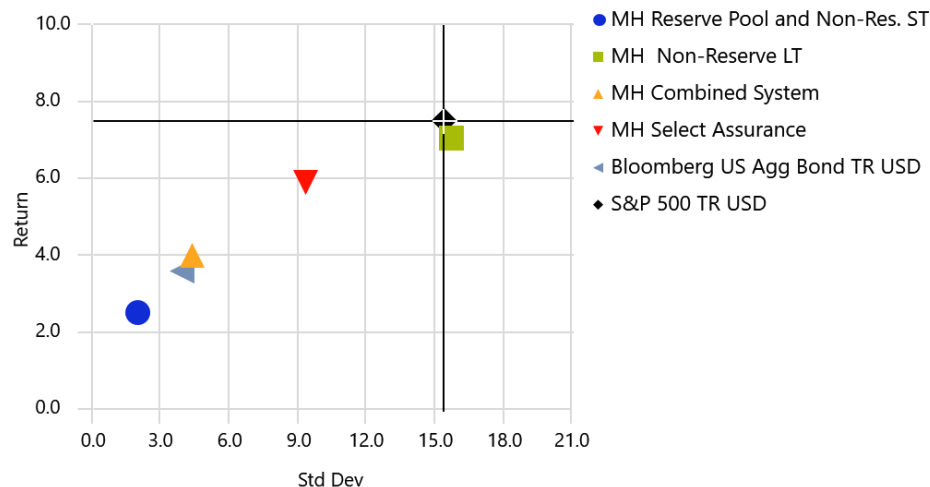
6/30/2023	\$231 million	\$100 million	\$116 million	\$447 million	\$88 million
	51.7%	22.4%	25.9%	100.0%	
	Reserve Pool	Non-Reserve Pool ST	Non-Reserve Pool LT (Policy Range)	Combined System* (Policy Range)	Select Assurance (Policy Range)
U.S. Equity	0%	0%	80% (0%-100%)	16% (0%-30%)	40% (0%-50%)
International Equity	0%	0%	20% (0%-20%)	4% (0%-10%)	15% (0%-20%)
Alternative Investments	0%	0%	0%	0%	15% (0%-20%)
Fixed Income & Cash	100%	100%	0%	80% (60%-100%)	30% (0%-70%)
Total	100%	100%	100%	100%	100%
10-Yr Forecasted Return	3.7%	3.7%	7.4%	4.7%	6.8%
10-Yr Forecasted Volatility	2.6%	2.6%	17.9%	6.5%	10.9%

*Combined System excludes the Select Assurance Captive

STRATEGIC ASSET ALLOCATION REVIEW: LONG-TERM STATISTICS (BACK TESTED)

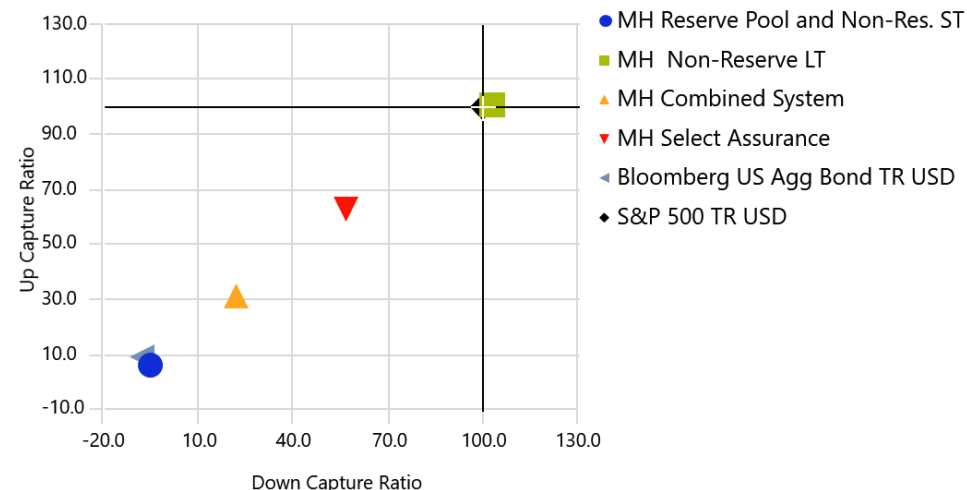
Risk / Return

Time Period: Since Common Inception (2/1/2001) to 6/30/2023



Upside / Downside

Time Period: Since Common Inception (2/1/2001) to 6/30/2023



Performance

Time Period: Since Common Inception (2/1/2001) to 6/30/2023

	Return	Std Dev	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio	Alpha	Beta	R2
MH Reserve Pool and Non-Res. ST	2.52%	2.02%	0.52	6.53%	-5.15%	0.99%	0.01	0.54%
MH Non-Reserve LT	7.03%	15.74%	0.35	100.43%	102.92%	-0.44%	1.01	98.13%
MH Combined System	4.02%	4.43%	0.58	31.31%	22.39%	0.72%	0.27	86.44%
MH Select Assurance	5.88%	9.35%	0.47	62.83%	56.97%	0.56%	0.60	96.14%
Bloomberg US Agg Bond TR USD	3.60%	3.97%	0.54	9.39%	-7.15%	2.02%	0.02	0.60%
S&P 500 TR USD	7.47%	15.39%	0.39	100.00%	100.00%	0.00%	1.00	100.00%

Takeaways

1. The historical returns of the Reserve and Non-Reserve Short-Term Pools were higher than future expectations.
2. The MetroHealth Combined System portfolio is conservative with a 0.27 historical beta to the S&P 500; and lower when accounting for cash

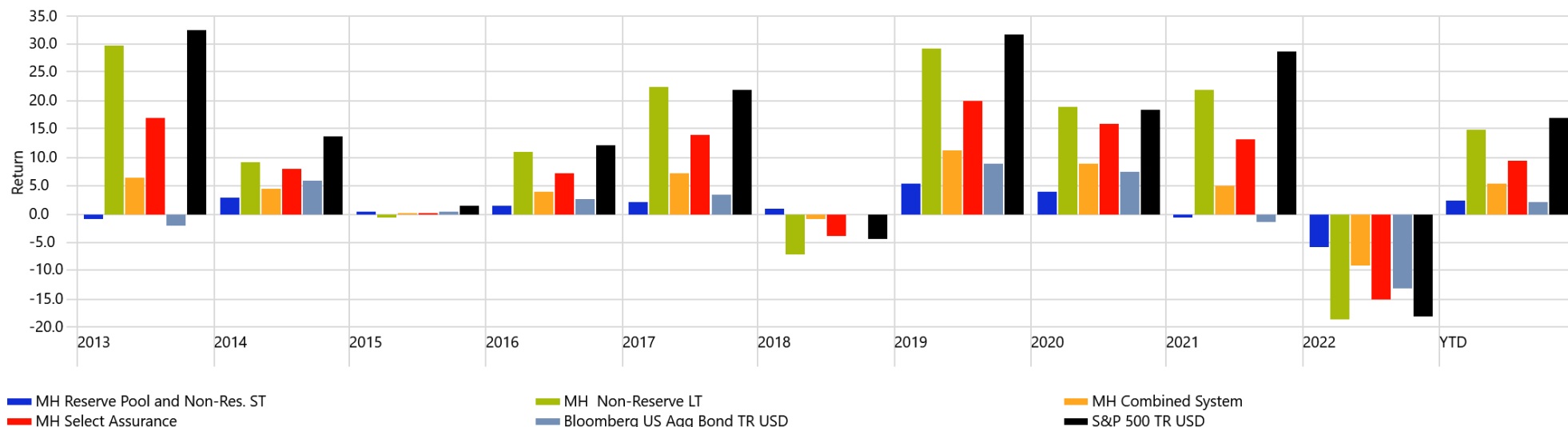
Source: Morningstar Direct

Past returns are no indication of future results



STRATEGIC ASSET ALLOCATION REVIEW: CALENDAR YEAR RETURNS (BACK TESTED)

Calendar Year Return



Calendar Year Return

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD
MH Reserve Pool and Non-Res. ST	-0.99	2.97	0.30	1.47	2.17	0.92	5.43	3.99	-0.73	-5.91	2.22
MH Non-Reserve LT	29.81	9.16	-0.75	11.08	22.33	-7.04	29.08	18.81	21.94	-18.52	14.83
MH Combined System	6.49	4.60	0.15	3.94	7.15	-0.92	11.35	8.94	4.91	-9.12	5.44
MH Select Assurance	16.86	7.91	0.10	7.12	14.04	-3.83	20.02	15.95	13.12	-15.03	9.44
Bloomberg US Agg Bond TR USD	-2.02	5.97	0.55	2.65	3.54	0.01	8.72	7.51	-1.54	-13.01	2.09
S&P 500 TR USD	32.39	13.69	1.38	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	16.89

Takeaways

1. While the Non-Reserve Long-Term Pool shows performance volatility year-to-year, the System Combined portfolio is far more muted.

Source: Morningstar Direct

Past returns are no indication of future results



STRATEGIC ASSET ALLOCATION REVIEW: PORTFOLIO SENSITIVITY ANALYSIS (MH COMBINED PORTFOLIO)

MetroHealth Q1 2020 Example

U.S. Stocks:	-21%
Int'l Stocks:	-23%
Short-Term Bonds:	+2%
MetroHealth Portfolio:	-3%

Data Inputs

Beginning Value:	\$446,000,000
Portfolio Beta (S&P 500):	0.27
Fixed Income Duration:	1.3

Portfolio Return (%) - 1 Year Estimate

		Equity Return						
		25%	15%	5%	0%	-5%	-15%	-25%
Rate Change	-1.0%	11.4%	8.7%	6.0%	4.7%	3.3%	0.6%	-2.1%
	-0.5%	10.9%	8.2%	5.5%	4.2%	2.8%	0.1%	-2.6%
	0.0%	10.5%	7.8%	5.1%	3.7%	2.4%	-0.4%	-3.1%
	1.0%	9.5%	6.8%	4.1%	2.7%	1.4%	-1.3%	-4.0%
	2.0%	8.5%	5.8%	3.1%	1.8%	0.4%	-2.3%	-5.0%

Portfolio Return (\$ in '000) - 1 Year Estimate

		Equity Return						
		25%	15%	5%	0%	-5%	-15%	-25%
Rate Change	-1.0%	\$50,898	\$38,856	\$26,814	\$20,793	\$14,772	\$2,730	-\$9,312
	-0.5%	\$48,752	\$36,710	\$24,668	\$18,647	\$12,626	\$584	-\$11,458
	0.0%	\$46,607	\$34,565	\$22,523	\$16,502	\$10,481	-\$1,561	-\$13,603
	1.0%	\$42,316	\$30,274	\$18,232	\$12,211	\$6,190	-\$5,852	-\$17,894
	2.0%	\$38,026	\$25,984	\$13,942	\$7,921	\$1,900	-\$10,142	-\$22,184

Portfolio Market Value (\$ in '000) - 1 Year Estimate

		Equity Return						
		25%	15%	5%	0%	-5%	-15%	-25%
Rate Change	-1.0%	\$496,898	\$484,856	\$472,814	\$466,793	\$460,772	\$448,730	\$436,688
	-0.5%	\$494,752	\$482,710	\$470,668	\$464,647	\$458,626	\$446,584	\$434,542
	0.0%	\$492,607	\$480,565	\$468,523	\$462,502	\$456,481	\$444,439	\$432,397
	1.0%	\$488,316	\$476,274	\$464,232	\$458,211	\$452,190	\$440,148	\$428,106
	2.0%	\$484,026	\$471,984	\$459,942	\$453,921	\$447,900	\$435,858	\$423,816



APPENDIX

METROHEALTH: EXECUTIVE SUMMARY

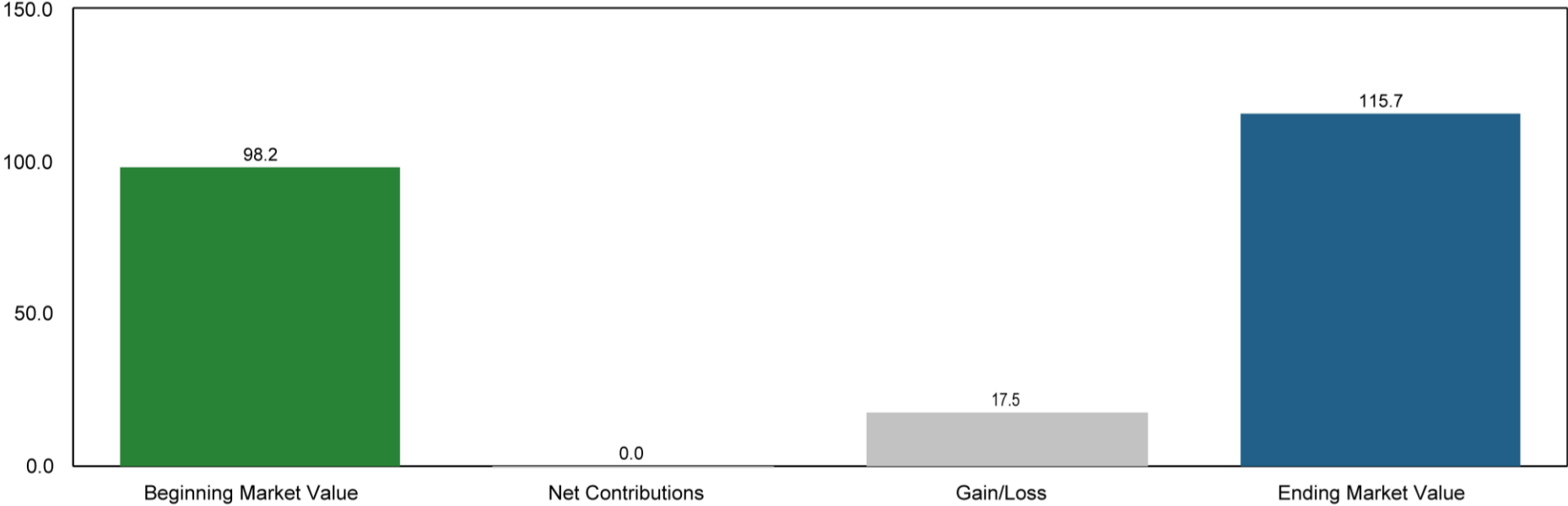
	Market Value 04/01/2023	Market Value 06/30/2023	% of Portfolio	2nd Quarter 2023 (%)	YTD (%)
Total Plan	\$519,006,483	\$445,899,836	100.0	1.6	4.2
Non-Reserve Long-Term Pool	\$108,152,513	\$115,653,282	25.9	6.9	14.5
<i>Non-Reserve LT Pool Benchmark¹</i>				7.2	14.8
Total Equity	\$107,888,236	\$115,386,075	25.9	6.9	14.5
Total Domestic Equity	\$89,761,985	\$96,711,832	21.7	7.7	15.1
<i>Russell 3000 Index</i>				8.4	16.2
Total International Equity	\$18,126,251	\$18,674,243	4.2	3.0	11.5
<i>MSCI AC World ex USA (Net)</i>				2.4	9.5
Total Fixed Income & Cash	\$264,277	\$267,207	0.1	1.1	2.1
Non-Reserve Short-Term Pool	\$99,212,309	\$99,554,106	22.3	0.3	1.8
<i>Blmbg. U.S. Treasury: 1-3 Year</i>				-0.6	1.0
Reserve Pool	\$311,641,661	\$230,692,448	51.7	0.0	1.5
<i>Blmbg. U.S. Treasury: 1-3 Year</i>				-0.6	1.0

¹Russell 3000 Index: 80.00%, MSCI AC World ex USA (Net): 20.00%

METROHEALTH: ATTRIBUTION OF MARKET VALUE CHANGE: NON-RESERVE LONG-TERM POOL

	Q3-2022	Q4-2022	Q1-2023	Q2-2023	One Year
Non-Reserve Long-Term Pool					
Beginning Market Value	\$98,179,501	\$92,834,052	\$101,034,784	\$108,152,513	\$98,179,501
Contributions	-	-	-	-	-
Distributions	-	-	-	-	-
Net Cash Flows	-	-	-	-	-
Net Investment Change	-\$5,345,449	\$8,200,732	\$7,117,728	\$7,500,769	\$17,473,781
Ending Market Value	\$92,834,052	\$101,034,784	\$108,152,513	\$115,653,282	\$115,653,282
Change \$	-\$5,345,449	\$8,200,732	\$7,117,728	\$7,500,769	\$17,473,781

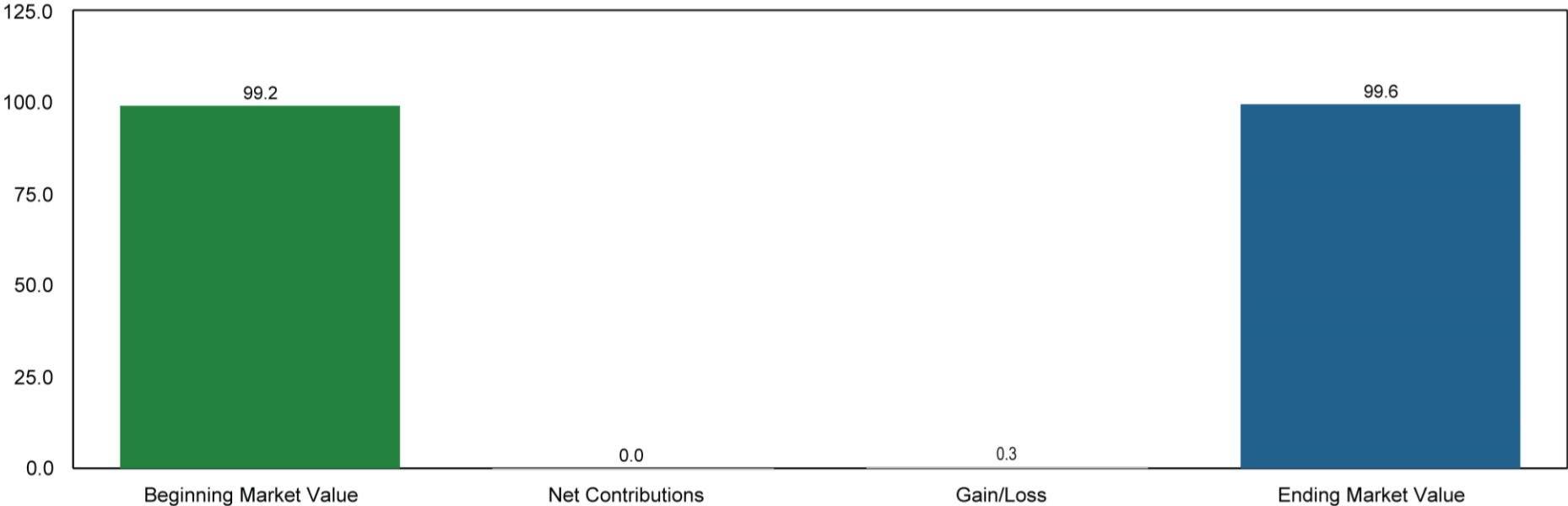
Change in Market Value - 1 Year



METROHEALTH: ATTRIBUTION OF MARKET VALUE CHANGE: NON-RESERVE POOL SHORT-TERM POOL

	Q3-2022	Q4-2022	Q1-2023	Q2-2023	One Year
Non-Reserve Short-Term Pool					
Beginning Market Value	\$97,452,421	\$96,826,645	\$97,797,931	\$99,212,309	\$97,452,421
Contributions	-	-	-	-	-
Distributions	-	-	-	-	-
Net Cash Flows	-	-	-	-	-
Net Investment Change	-\$625,776	\$971,287	\$1,414,378	\$341,796	\$2,101,685
Ending Market Value	\$96,826,645	\$97,797,931	\$99,212,309	\$99,554,106	\$99,554,106
Change \$	-\$625,776	\$971,287	\$1,414,378	\$341,796	\$2,101,685

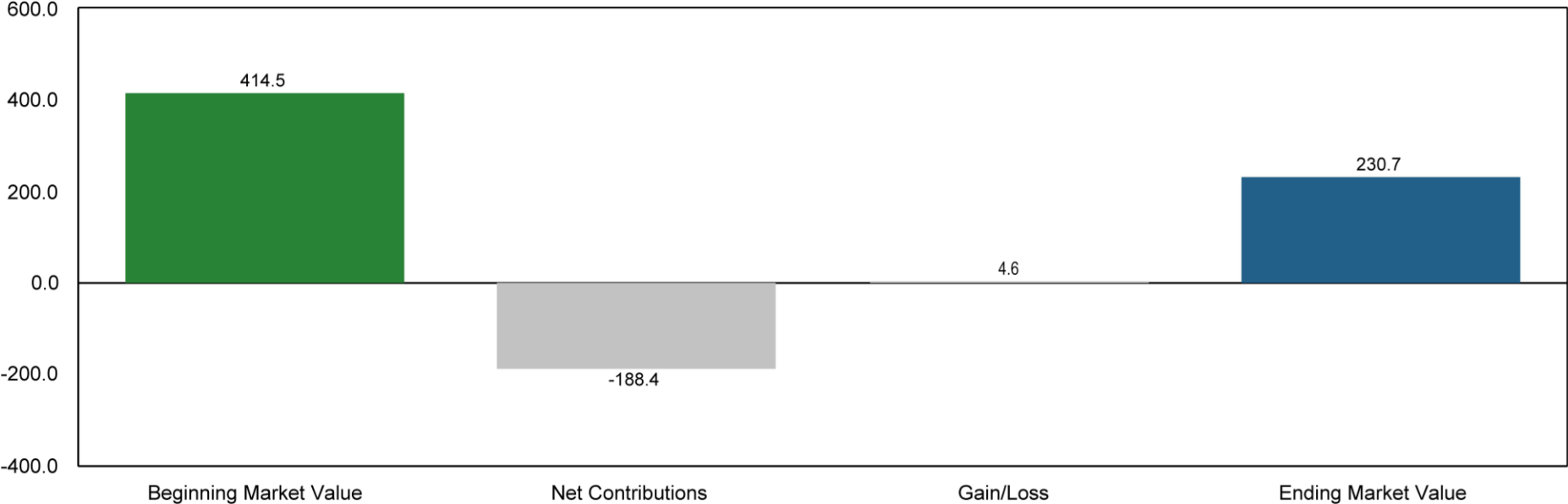
Change in Market Value - 1 Quarter



METROHEALTH: ATTRIBUTION OF MARKET VALUE CHANGE: RESERVE POOL

	Q3-2022	Q4-2022	Q1-2023	Q2-2023	One Year
Reserve Pool					
Beginning Market Value	\$414,457,566	\$374,515,684	\$327,003,239	\$311,641,661	\$414,457,566
Contributions	\$93,000,000	-	\$5,504	\$25,064,708	\$118,070,212
Distributions	-\$130,046,583	-\$50,106,667	-\$20,153,532	-\$106,150,107	-\$306,456,889
Net Cash Flows	-\$37,046,583	-\$50,106,667	-\$20,148,028	-\$81,085,399	-\$188,386,677
Net Investment Change	-\$2,895,299	\$2,594,222	\$4,786,450	\$136,186	\$4,621,559
Ending Market Value	\$374,515,684	\$327,003,239	\$311,641,661	\$230,692,448	\$230,692,448
Change \$	-\$39,941,882	-\$47,512,445	-\$15,361,578	-\$80,949,213	-\$183,765,118

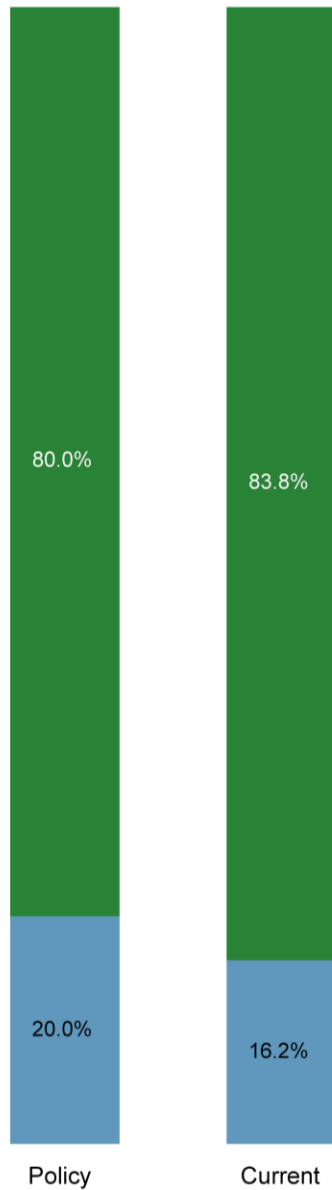
Change in Market Value - 1 Year



METROHEALTH: SCHEDULE OF ASSETS

	Ticker	Account Type	Market Value 06/30/2023	% of Portfolio
Total Plan			\$445,899,836	100.0
Non-Reserve Long-Term Pool			\$115,653,282	25.9
Total Equity			\$115,386,075	25.9
Total Domestic Equity			\$96,711,832	21.7
Vanguard Institutional Index	VINIX	US Stock Large Cap Core	\$47,804,617	10.7
Vanguard FTSE Social Index I	VFTNX	US Stock Large Cap Growth	\$8,703,768	2.0
AQR Large Cap Defensive Style Instl	AUEIX	US Stock Large Cap Core	\$7,463,905	1.7
Harbor Capital Apprec. Instl	HACAX	US Stock Large Cap Growth	\$7,988,095	1.8
DFA U.S. Lg Cap Value Instl	DFLVX	US Stock Large Cap Value	\$6,602,657	1.5
Vanguard Mid Cap Index Adm	VIMAX	US Stock Mid Cap Core	\$9,192,915	2.1
Harbor Small Cap Growth Instl	HASGX	US Stock Small Cap Growth	\$4,627,682	1.0
Boston Partners Sm Cap Value II I	BPSIX	US Stock Small Cap Value	\$4,328,192	1.0
Total International Equity			\$18,674,243	4.2
Invesco Oppenheimer Int'l Growth R6	OIGIX	Non-US Stock Developed	\$7,393,447	1.7
Transamerica International Equity I	TSWIX	Non-US Stock Developed	\$7,590,341	1.7
Allspring Emerging Mkts Equity Instl	EMGNX	Non-US Stock Emerging	\$3,690,455	0.8
Total Fixed Income & Cash			\$267,207	0.1
First American Govt Obligations Y	FGVXX	Cash	\$267,207	0.1
Non-Reserve Short-Term Pool			\$99,554,106	22.3
Vanguard Ultra-Short-Term Bond Adm	VUSFX	US Fixed Income Short Term	\$50,822,974	11.4
Lord Abbett Short Duration Income F3	LOLDX	US Fixed Income Short Term	\$48,731,132	10.9
Reserve Pool			\$230,692,448	51.7
Total Fixed Income			\$230,692,448	51.7
US Bank Investment Account		US Fixed Income	\$156,583,061	35.1
Fifth-Third Managed		US Fixed Income	\$40,024,368	9.0
Key Bank Money Market		Cash	\$33,824,755	7.6
PNC Money Market		US Fixed Income	\$260,263	0.1

METROHEALTH: ASSET ALLOCATION COMPLIANCE: NON-RESERVE POOL



	Current	Policy	Difference	Policy Range	Within Range
Total Domestic Equity	83.8	80.0	3.8	0.0 - 100.0	Yes
Total International Equity	16.2	20.0	-3.8	0.0 - 20.0	Yes
Total Equity	100.0	100.0	0.0		

METROHEALTH: PERFORMANCE REPORT CARD

	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
Total Plan	100.0	1.6	4.2	4.7	0.0	1.9	2.7	-	-	-5.0	3.2	3.9	2.7	Aug-18
Non-Reserve Long-Term Pool	25.9	6.9	14.5	17.8	-0.4	12.0	-	-	-	-19.2	21.9	18.0	8.7	Aug-18
<i>Non-Reserve LT Pool Benchmark</i>		7.2	14.8	17.8	0.1	12.6	-	-	-	-18.5	21.9	18.8	9.3	
Total Equity	25.9	6.9	14.5	17.8	-0.4	12.0	-	-	-	-19.2	21.9	18.0	8.7	Aug-18
Total Domestic Equity	21.7	7.7	15.1	18.2	1.1	13.3	-	-	-	-19.0	25.7	18.8	10.2	Aug-18
<i>Russell 3000 Index</i>		8.4	16.2	19.0	1.2	13.9	11.4	12.9	12.3	-19.2	25.7	20.9	10.9	
Vanguard Institutional Index	10.7	8.7	16.9	19.5	3.4	14.6	12.3	13.4	12.8	-18.1	28.7	18.4	11.7	Aug-18
<i>S&P 500 Index</i>		8.7	16.9	19.6	3.4	14.6	12.3	13.4	12.9	-18.1	28.7	18.4	11.7	
Vanguard FTSE Social Index I	2.0	9.9	20.6	20.3	1.1	13.2	12.4	14.1	13.3	-24.2	27.8	22.7	-0.3	Aug-21
<i>S&P 500 Index</i>		8.7	16.9	19.6	3.4	14.6	12.3	13.4	12.9	-18.1	28.7	18.4	0.7	
AQR Large Cap Defensive Style Instl	1.7	2.9	4.8	10.6	0.2	9.5	9.5	10.8	12.0	-13.8	23.5	13.1	8.9	Aug-18
<i>MSCI USA Minimum Volatility Index</i>		2.6	4.0	8.0	2.2	8.9	9.1	9.2	10.9	-9.2	21.0	5.8	8.5	
Harbor Capital Apprec. Instl	1.8	15.7	36.9	32.4	-5.2	8.7	12.6	16.5	15.3	-37.7	15.6	54.4	12.6	Aug-18
<i>Russell 1000 Growth Index</i>		12.8	29.0	27.1	1.6	13.7	15.1	16.9	15.7	-29.1	27.6	38.5	14.7	
DFA U.S. Lg Cap Value Instl	1.5	3.2	3.7	11.5	1.8	16.0	7.1	9.4	9.4	-5.8	28.1	-0.6	6.3	Aug-18
<i>Russell 1000 Value Index</i>		4.1	5.1	11.5	1.9	14.3	8.1	8.9	9.2	-7.5	25.2	2.8	7.4	
Vanguard Mid Cap Index Adm	2.1	4.8	8.8	13.7	-2.3	12.0	8.6	10.3	10.4	-18.7	24.5	18.2	8.2	Aug-18
<i>Vanguard Mid Cap Index Benchmark</i>		4.8	8.8	13.7	-2.3	12.0	8.6	10.3	10.5	-18.7	24.5	18.2	8.2	
Harbor Small Cap Growth Instl	1.0	6.9	15.2	19.1	-5.6	9.0	8.9	12.6	10.9	-25.5	9.8	38.4	8.5	Aug-18
<i>Russell 2000 Growth Index</i>		7.1	13.6	18.5	-11.2	6.1	4.2	9.3	8.8	-26.4	2.8	34.6	3.9	
Boston Partners Sm Cap Value II I	1.0	2.7	5.1	8.3	-3.1	17.0	4.5	7.8	7.7	-11.5	25.8	1.6	-1.6	Dec-21
<i>Russell 2000 Value Index</i>		3.2	2.5	6.0	-5.8	15.4	3.5	7.7	7.3	-14.5	28.3	4.6	-5.6	
Total International Equity	4.2	3.0	11.5	15.9	-6.9	6.0	-	-	-	-20.5	6.1	14.4	2.3	Aug-18
<i>MSCI AC World ex USA (Net)</i>		2.4	9.5	12.7	-4.7	7.2	3.5	6.3	4.7	-16.0	7.8	10.7	3.1	
Invesco Oppenheimer Int'l Growth R6	1.7	4.4	15.7	21.2	-6.5	5.9	4.3	6.3	5.5	-27.0	11.0	22.4	4.0	Aug-18
<i>MSCI AC World ex USA (Net)</i>		2.4	9.5	12.7	-4.7	7.2	3.5	6.3	4.7	-16.0	7.8	10.7	3.1	
Transamerica International Equity I	1.7	2.4	10.5	16.7	-1.6	9.9	3.7	6.2	5.1	-14.1	13.2	6.8	3.3	Aug-18
<i>MSCI EAFE (Net)</i>		3.0	11.7	18.8	-1.2	8.9	4.4	6.9	5.4	-14.5	11.3	7.8	3.9	
Allspring Emerging Mkts Equity Instl	0.8	1.5	6.1	5.4	-16.3	-1.1	0.8	4.4	2.7	-19.5	-11.9	21.3	-4.1	Nov-20
<i>MSCI Emerging Markets (Net)</i>		0.9	4.9	1.7	-12.8	2.3	0.9	4.9	3.0	-20.1	-2.5	18.3	-1.6	
Total Fixed Income & Cash	0.1	1.1	2.1	3.0	1.5	1.0	-	-	-	1.0	0.0	0.3	1.2	Aug-18
First American Govt Obligations Y	0.1	1.1	2.1	3.4	1.7	1.1	1.3	1.1	0.7	1.3	0.0	0.3	1.3	Aug-18
<i>90 Day U.S. Treasury Bill</i>		1.2	2.3	3.6	1.9	1.3	1.6	1.4	1.0	1.5	0.0	0.7	1.5	

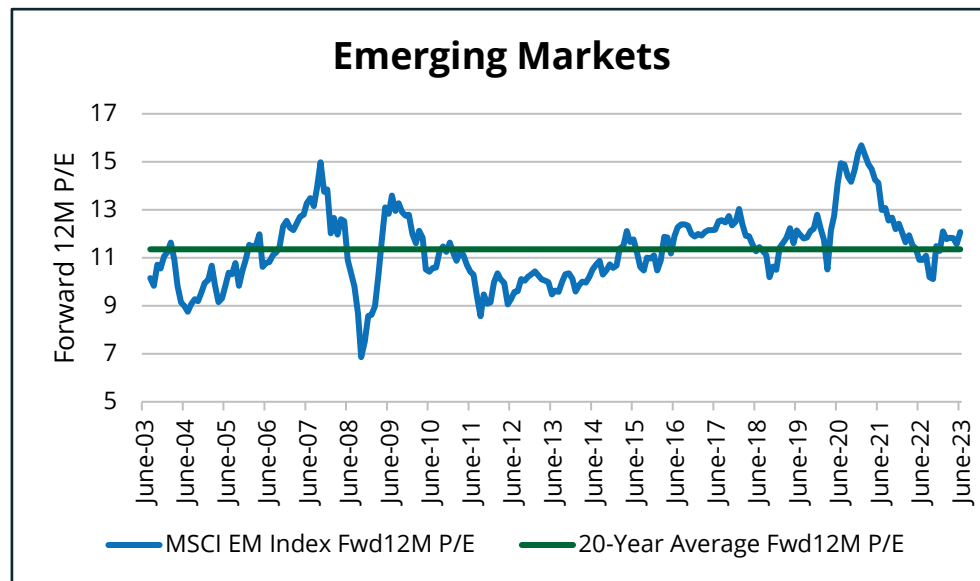
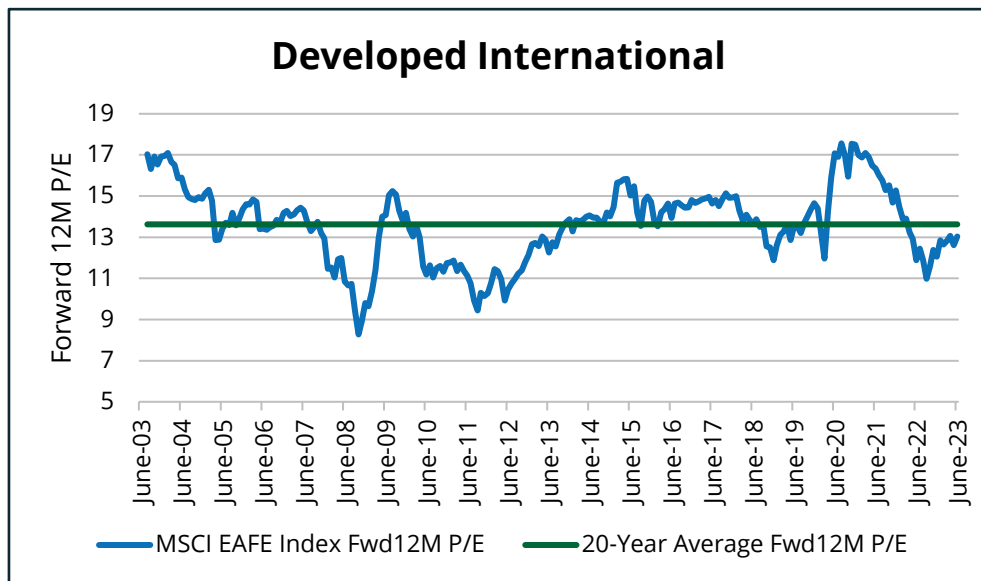
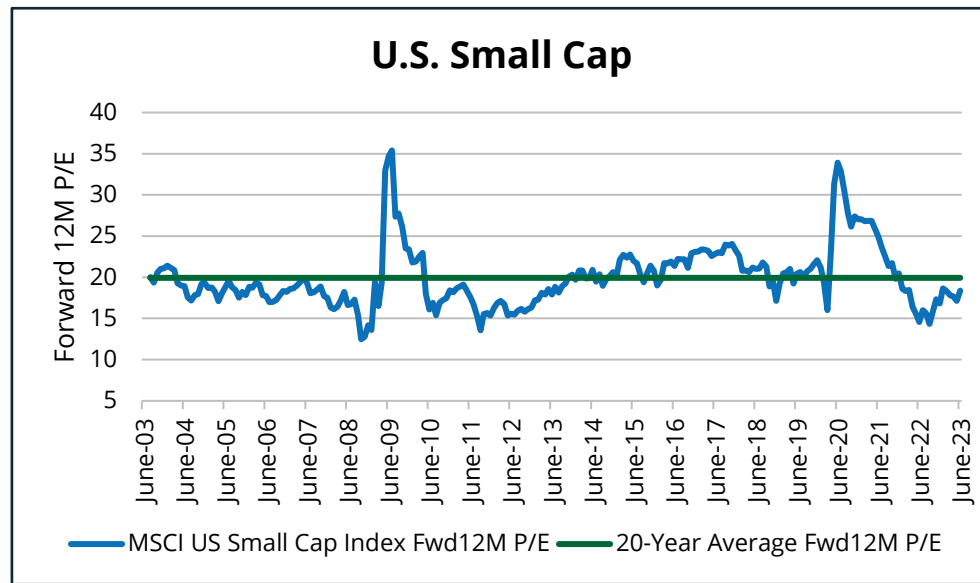
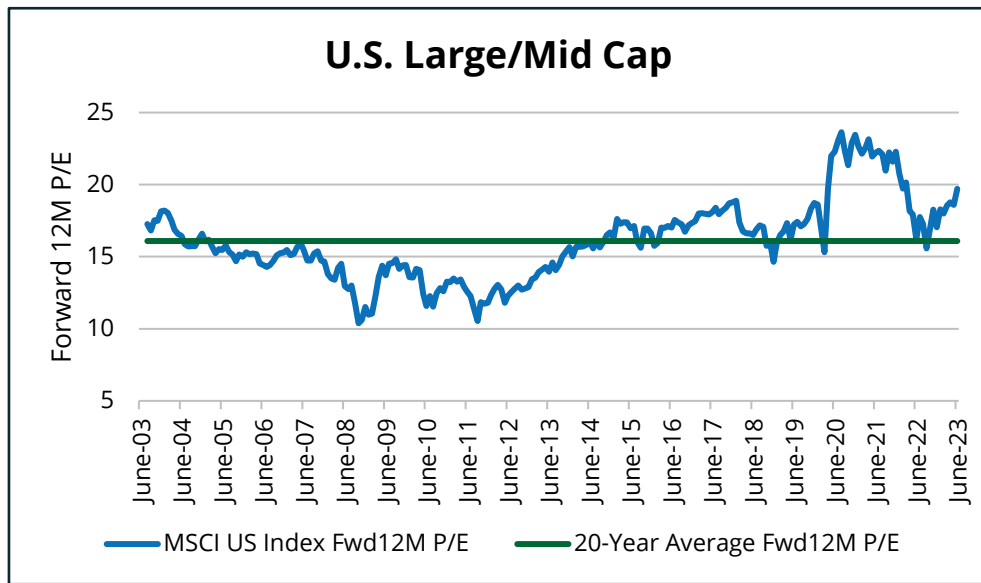
METROHEALTH: PERFORMANCE REPORT CARD

	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
Non-Reserve Short-Term Pool	22.3	0.3	1.8	2.0	-0.4	-	-	-	-	-2.6	-	-	-0.3	May-21
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		-0.6	1.0	0.1	-1.7	-1.1	0.9	0.6	0.8	-3.8	-0.6	3.2	-1.6	
Vanguard Ultra-Short-Term Bond Adm	11.4	0.8	2.1	2.9	0.8	0.9	1.7	1.6	-	-0.4	0.2	2.1	0.8	May-21
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		-0.6	1.0	0.1	-1.7	-1.1	0.9	0.6	0.8	-3.8	-0.6	3.2	-1.6	
Lord Abbett Short Duration Income F3	10.9	-0.1	1.5	1.4	-1.5	0.4	1.6	1.7	1.9	-4.5	1.2	3.2	-1.2	May-21
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		-0.6	1.0	0.1	-1.7	-1.1	0.9	0.6	0.8	-3.8	-0.6	3.2	-1.6	
Reserve Pool	51.7	0.0	1.5	1.5	-0.2	-0.1	-	-	-	-1.6	-0.3	2.5	1.4	Aug-18
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		-0.6	1.0	0.1	-1.7	-1.1	0.9	0.6	0.8	-3.8	-0.6	3.2	0.9	
Total Fixed Income	51.7	0.0	1.5	1.5	-0.2	-0.1	-	-	-	-1.6	-0.3	2.5	1.4	Aug-18
US Bank Investment Account	35.1	-0.1	1.5	0.8	-1.2	-0.8	-	-	-	-3.5	-0.4	2.9	1.1	Aug-18
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		-0.6	1.0	0.1	-1.7	-1.1	0.9	0.6	0.8	-3.8	-0.6	3.2	0.9	
Fifth-Third Managed	9.0	-0.6	1.2	0.1	-2.2	-1.5	-	-	-	-4.8	-1.1	4.3	1.0	Aug-18
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		-0.6	1.0	0.1	-1.7	-1.1	0.9	0.6	0.8	-3.8	-0.6	3.2	0.9	
Key Bank Money Market	7.6	0.8	1.3	1.4	0.7	-	-	-	-	0.1	0.0	-	0.5	Oct-20
<i>90 Day U.S. Treasury Bill</i>		1.2	2.3	3.6	1.9	1.3	1.6	1.4	1.0	1.5	0.0	0.7	1.4	
PNC Money Market	0.1	1.2	2.3	3.7	1.9	1.3	-	-	-	1.5	0.0	0.4	1.4	Aug-18

METROHEALTH: TIME-WEIGHTED AND MONEY-WEIGHTED RETURNS

	Q2-2023 (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Time Weighted	1.62	4.19	4.72	1.93	2.66	-	2.66
Money Weighted	1.57	4.18	4.42	1.63	2.33	-	2.33

GLOBAL EQUITY VALUATIONS



Source: Bloomberg as of 06/30/2023. Average taken over full index history. MSCI USA- 1994 - Current; MSCI USA Small- 1994 - Current; MSCI EAFE- 2003 - Current; MSCI ACWI ex USA- 2003 - Current; MSCI ACWI ex USA Small- 1994 - Current; MSCI EM- 2003.

GLOBAL INFLATION

GLOBAL HEADLINE CPI

	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Dev. Markets																												
US	1.7	2.6	4.2	5.0	5.4	5.4	5.3	5.4	6.2	6.8	7.0	7.5	7.9	8.5	8.3	8.6	9.1	8.5	8.3	8.2	7.7	7.1	6.5	6.4	6.0	5.0	4.9	4.0
EU	0.9	1.3	1.6	2.0	1.9	2.2	3.0	3.4	4.1	4.9	5.0	5.1	5.9	7.5	7.5	8.1	8.6	8.9	9.1	10.0	10.7	10.0	9.2	8.5	8.5	6.9	7.0	6.1
Japan	-0.5	-0.4	-1.1	-0.8	-0.5	-0.3	-0.4	0.2	0.1	0.6	0.8	0.5	0.9	1.2	2.5	2.5	2.4	2.6	3.0	3.0	3.7	3.8	4.0	4.3	3.3	3.2	3.5	3.5
UK	0.4	0.7	1.5	2.1	2.5	2.0	3.2	3.1	4.2	5.1	5.4	5.5	6.2	7.0	9.0	9.1	9.4	10.1	9.9	10.1	11.1	10.7	10.5	10.1	10.4	10.1	8.7	8.7
Canada	1.1	2.2	3.4	3.6	3.1	3.7	4.1	4.4	4.7	4.7	4.8	5.1	5.7	6.7	6.8	7.7	8.1	7.6	7.0	6.9	6.9	6.8	6.3	5.9	5.2	4.3	4.4	4.4
Australia	0.9	1.1	1.1	1.1	3.8	3.8	3.8	3.0	3.0	3.0	3.5	3.5	3.5	5.1	5.1	5.1	6.1	6.1	6.1	7.3	7.3	7.3	7.8	7.8	7.8	7.0	7.0	7.0
Switzerland	-0.5	-0.2	0.3	0.6	0.6	0.7	0.9	0.9	1.2	1.5	1.5	1.6	2.2	2.4	2.5	2.9	3.4	3.4	7.3	7.2	7.2	7.2	7.2	7.2	3.4	2.9	2.6	2.2
Norway	3.3	3.1	3.0	2.7	2.9	3.0	3.4	4.1	3.5	5.1	5.3	3.2	3.7	4.5	5.4	5.7	6.3	6.8	6.5	6.9	7.5	6.5	5.9	7.0	6.3	6.5	6.4	6.7
Sweden	1.4	1.7	2.2	1.8	1.3	1.4	2.1	2.5	2.8	3.3	3.9	3.7	4.3	6.0	6.4	7.3	8.7	8.5	8.9	10.8	10.9	11.5	12.3	11.7	12.0	10.6	10.5	9.7
Asia																												
China	-0.2	0.4	0.9	1.3	1.1	1.0	0.8	0.7	1.5	2.3	1.5	0.9	0.9	1.5	2.1	2.1	2.5	2.7	2.5	2.8	2.1	1.6	1.8	2.1	1.0	0.7	0.1	0.2
India	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.4	4.5	4.8	5.6	5.8	5.0	5.4	6.3	7.0	6.2	5.8	5.9	6.5	6.1	5.4	5.8	6.2	6.2	5.8	5.1	5.1
Indonesia	1.4	1.4	1.4	1.7	1.3	1.5	1.6	1.6	1.7	1.7	1.9	2.2	2.1	2.6	3.5	3.6	4.4	4.9	4.7	6.0	5.7	5.4	5.5	5.3	5.5	5.0	4.3	4.0
Malaysia	0.1	1.7	4.7	4.4	3.4	2.2	2.0	2.2	2.9	3.3	3.2	2.3	2.2	2.2	2.3	2.8	3.4	4.4	4.7	4.5	4.0	4.0	3.8	3.7	3.7	3.4	3.3	3.3
S Korea	1.4	1.9	2.5	2.6	2.4	2.6	2.6	2.4	3.2	3.8	3.7	3.6	3.7	4.1	4.8	5.4	6.0	6.3	5.7	5.6	5.7	5.0	5.0	5.2	4.8	4.2	3.7	3.3
Taiwan	1.4	1.2	2.1	2.5	1.8	1.9	2.3	2.6	2.6	2.9	2.6	2.8	2.3	3.3	3.4	3.4	3.6	3.4	2.7	2.8	2.7	2.4	2.7	3.1	2.4	2.4	2.4	2.0
Latin America																												
Brazil	5.2	6.1	6.8	8.1	8.4	9.0	9.7	10.3	10.7	10.7	10.1	10.4	10.5	11.3	12.1	11.7	11.9	10.1	8.7	7.2	6.5	5.9	5.8	5.8	5.6	4.7	4.2	3.9
Chile	2.8	2.9	3.3	3.6	3.8	4.5	4.8	5.3	6.0	6.7	7.2	7.7	7.8	9.4	10.5	11.5	12.5	13.1	14.1	13.7	12.8	13.3	12.8	12.3	11.9	11.1	9.9	8.7
Colombia	1.6	1.5	2.0	3.3	3.6	4.0	4.4	4.5	4.6	5.3	5.6	6.9	8.0	8.5	9.2	9.1	9.7	10.2	10.8	11.4	12.2	12.5	13.1	13.3	13.3	13.3	12.8	12.4
Mexico	3.8	4.7	6.1	5.9	5.9	5.8	5.6	6.0	6.2	7.4	7.4	7.1	7.3	7.5	7.7	7.7	8.0	8.2	8.7	8.7	8.4	7.8	7.8	7.9	7.6	6.9	6.3	5.8

Inflation has started to ease in select markets but remains uncomfortably high in most countries.

- Only China and Taiwan have seen negligible rises in inflation
- The U.S., Brazil, and most of Europe have started to see declines in inflation

Bloomberg Inflation Monitor as of 06/30/2023.



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GLOBAL ECONOMY

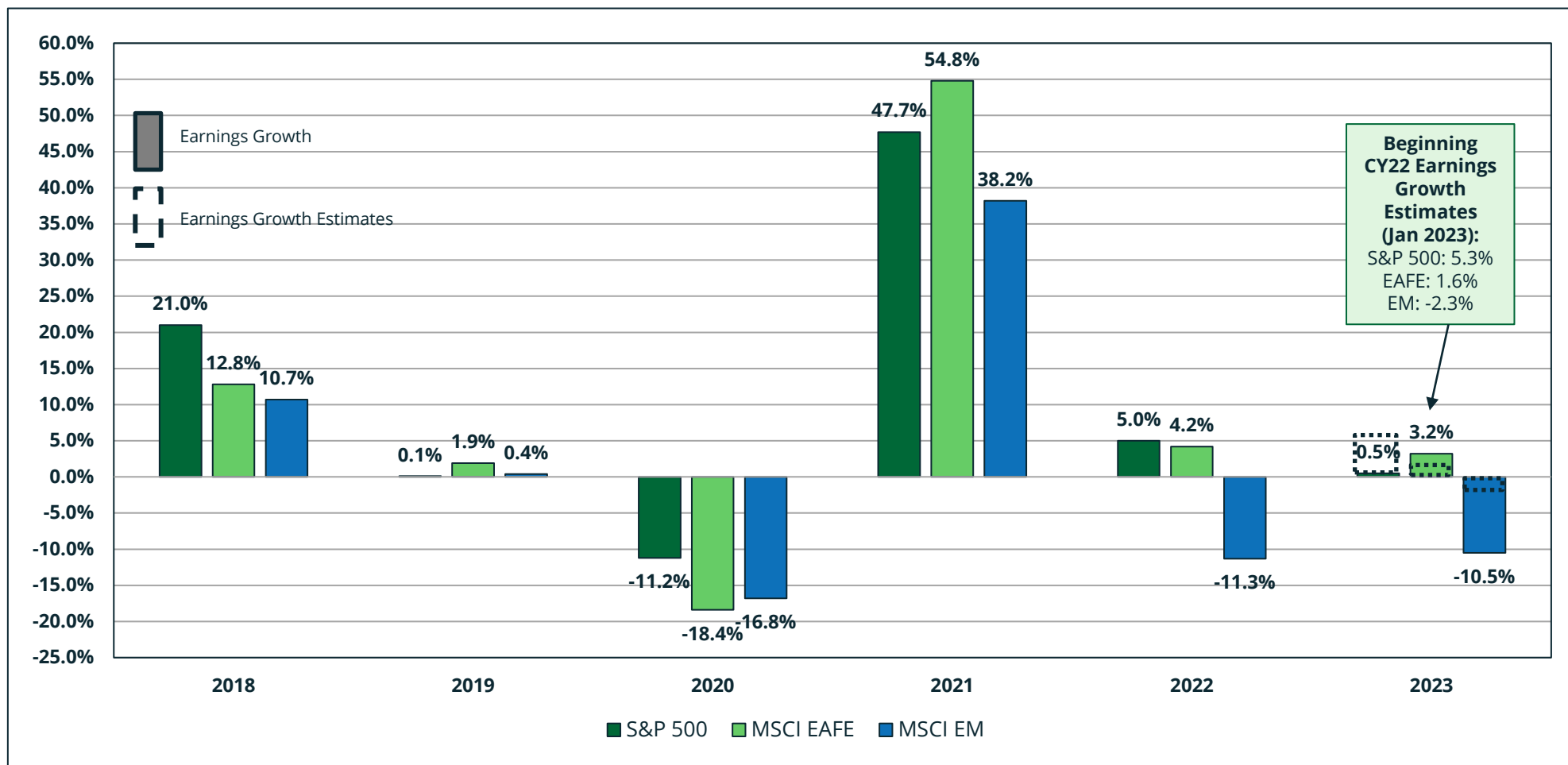
		Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	12M Trend
Global	Mfg	51.1	50.3	49.8	49.4	48.8	48.7	49.1	49.9	49.6	49.6	49.6	48.8	
	Serv	51.1	49.2	50.0	49.2	48.0	48.0	50.1	52.6	54.4	55.4	55.5	54.0	
US	Mfg	52.2	51.5	52.0	50.4	47.7	46.2	46.9	47.3	49.2	50.2	48.4	46.3	
	Serv	47.3	43.7	49.3	47.8	46.2	44.7	46.8	50.6	52.6	53.6	54.9	54.4	
Eurozone	Mfg	49.8	49.6	48.4	46.4	47.1	47.8	48.8	48.5	47.3	45.8	44.8	43.4	
	Serv	51.2	49.8	48.8	48.6	48.5	49.8	50.8	52.7	55.0	56.2	55.1	52.0	
UK	Mfg	52.1	47.3	48.4	46.2	46.5	45.3	47.0	49.3	47.9	47.8	47.1	46.5	
	Serv	52.6	50.9	50.0	48.8	48.8	49.9	48.7	53.5	52.9	55.9	55.2	53.7	
Japan	Mfg	52.1	51.5	50.8	50.7	49.0	48.9	48.9	47.7	49.2	49.5	50.6	49.8	
	Serv	50.3	49.5	52.2	53.2	50.3	51.1	52.3	54.0	55.0	55.4	55.9	54.0	
China	Mfg	50.4	49.5	48.1	49.2	49.4	49.0	49.2	51.6	50.0	49.5	50.9	50.5	
	Serv	55.5	55.0	49.3	48.4	46.7	48.0	52.9	55.0	57.8	56.4	57.1	53.9	
India	Mfg	56.4	56.2	55.1	55.3	55.7	57.8	55.4	55.3	56.4	57.2	58.7	57.8	
	Serv	55.5	57.2	54.3	55.1	56.4	58.5	57.2	59.4	57.8	62.0	61.2	58.5	
S. Korea	Mfg	49.8	47.6	47.3	48.2	49.0	48.2	48.5	48.5	47.6	48.1	48.4	47.8	

Global manufacturing and service PMIs have diverged in many major economies in Q2-2023.

- Manufacturing PMIs are still signaling contracting economic activity, while services PMIs are showing a mild economic expansion
- European and US manufacturing PMIs are consistent with a mild contraction in the manufacturing sector and slowing global trade
- China's services PMI been robust since it re-opened post-COVID, but shows signs of softening

Source: Bloomberg, Markit/HIS.
Data as of 06/30/2023.

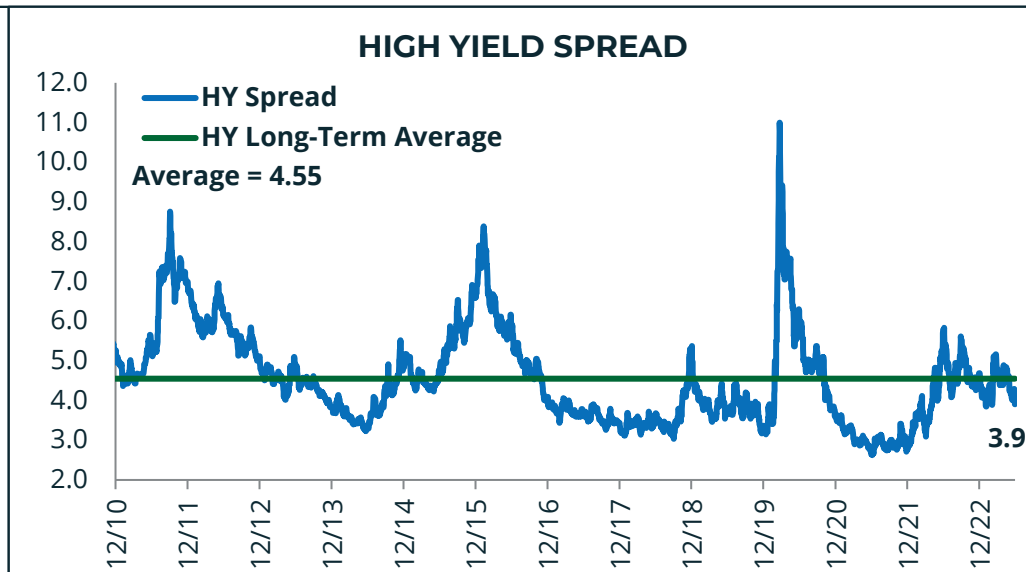
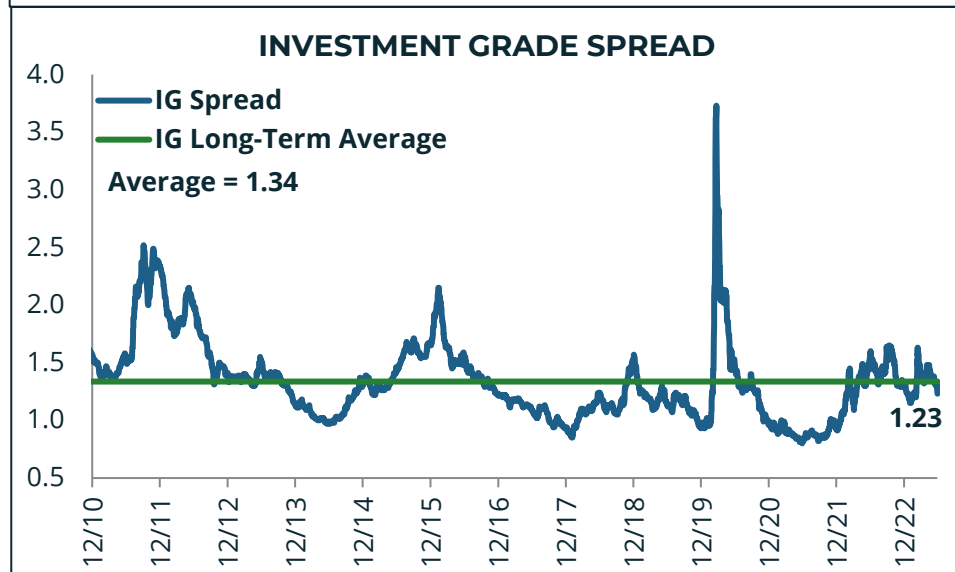
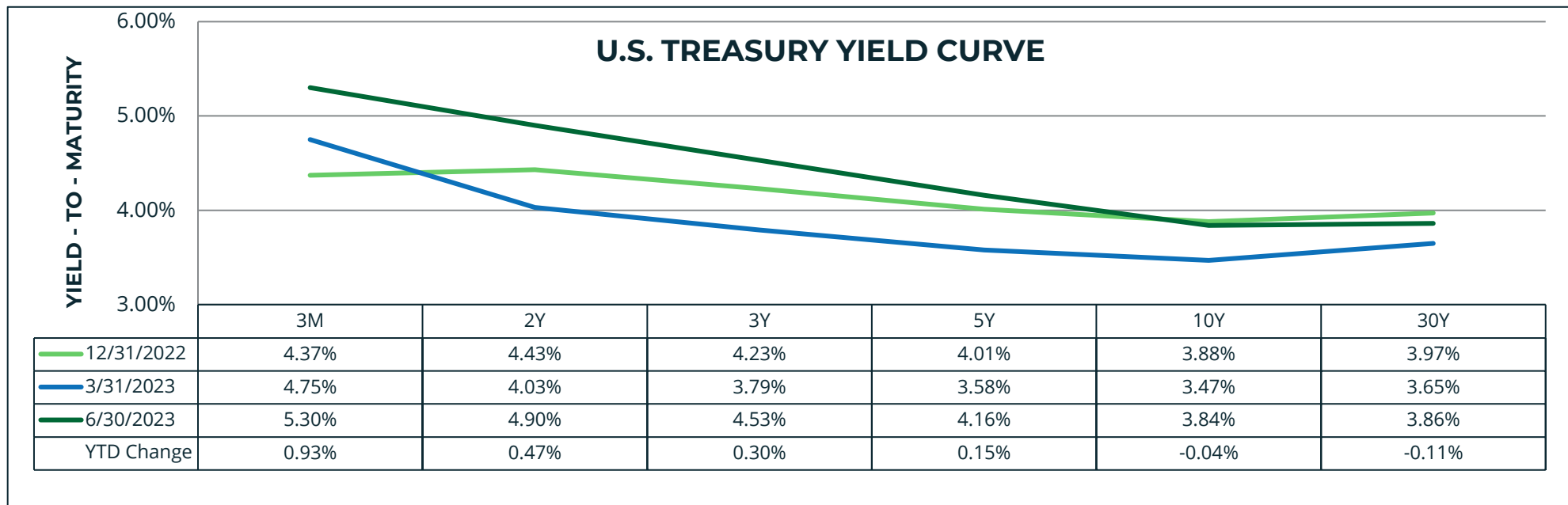
GLOBAL EARNINGS OUTLOOK



- Earnings expectations have been revised lower as analysts downgrade their expectations
- Expectations for EM markets have eroded the most in the face of heightened energy costs, global monetary tightening, and the slowdown in the Chinese economy (CY2022 EM earnings ex Russia would be approximately -3%)

Source: Bloomberg, FactSet, Goldman Sachs.
 Data as of 6/30/2023.

YIELD CURVE AND CREDIT SPREADS



Source: Bloomberg. Data as of 6/30/2023. Past performance is not an indicator of future results.

CAPITAL MARKET ASSUMPTIONS

PURPOSE	ASSET CLASS	PROXY INDEX	RETURN METHODOLOGY
Growth Assets	<i>U.S. Large Cap</i>	Russell 1000	Div. Yield + LT EPS Growth + Valuation Change
	<i>U.S. Small/Mid Cap</i>	Russell 2000	Div. Yield + LT EPS Growth + Valuation Change
	<i>Developed Int'l Large / Mid</i>	MSCI EAFE	Div. Yield + LT EPS Growth + Valuation Change
	<i>Developed Int'l Small Cap</i>	MSCI EAFE Small Cap	Div. Yield + LT EPS Growth + Valuation Change
	<i>Emerging Markets</i>	MSCI EM	Div. Yield + LT EPS Growth + Valuation Change
	<i>Private Equity</i>	Cambridge PE	Public US Large/Mid Cap Equity + 4%
Income & Liquidity	<i>Core Fixed Income</i>	Barclays US Aggregate	Yield-to-Worst
	<i>High Yield</i>	Barclays US High Yield	10-Year Yield + Option Adjusted Spread – Credit Loss
	<i>EM Debt</i>	JP Morgan EMBI	10-Year Yield + Option Adjusted Spread – Credit Loss
	<i>Government/Credit</i>	US Long Gov't/Credit	Yield-to-Worst
	<i>Private Credit</i>	Cliffwater Direct Lending	Yield-to-Worst – Credit Loss
	<i>Cash</i>	US Treasury 1-3 Month	Equivalent to expected inflation
Diversifying Assets	<i>Hedge Funds – Absolute Return</i>	HFRI Relative Value	Short-term Risk Free Rate + 4.0%
	<i>Hedge Funds – Diversified Growth</i>	HFRI Equity Hedge	(0.5 x US Large/Mid Cap Equity) + 3.5%
	<i>Private Real Assets</i>	NCREIF Property Index	Public REIT Div. Yield + Public REIT LT EPS Growth
	<i>Private Real Estate (Value-Add)</i>	NCREIF Property Index	Private Real Assets + 2.0%

DEFINITIONS AND DISCLOSURES

Information provided is general in nature, is provided for informational purposes only, and should not be construed as investment advice. Any views expressed are based upon the data available at the time the information was produced and are subject to change at any time based on market or other conditions. Clearstead disclaims any liability for any direct or incidental loss incurred by applying any of the information in this presentation. All investment decisions must be evaluated as to whether it is consistent with their investment objectives, risk tolerance, and financial situation.

Past performance is no guarantee of future results. Investing involves risk, including risk of loss. Diversification does not ensure a profit or guarantee against loss.

All indices are unmanaged and performance of the indices includes reinvestment of dividends and interest income, unless otherwise noted. An investment cannot be made in any index.

Although bonds generally present less short-term risk and volatility than stocks, bonds do contain interest rate risk (as interest rates rise, bond prices usually fall and vice versa) and the risk of default, or the risk that an issuer will be unable to make income or principal payments. Additionally, bonds and short-term investments entail greater inflation risk, or the risk that the return of an investment will not keep up with increases in the prices of goods and services, than stocks.

Lower-quality debt securities generally offer higher yields, but also involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Any fixed income security sold or redeemed prior to maturity may be subject to loss.

The municipal market is volatile and can be significantly affected by adverse tax, legislative, or political changes and by the financial condition of the issuers of municipal securities. Interest rate increases can cause the price of a debt security to decrease. A portion of the dividends you receive may be subject to federal, state, or local income tax or may be subject to the federal alternative minimum tax. Generally, tax-exempt municipal securities are not appropriate holdings for tax advantaged accounts such as IRAs and 401(k)s.

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets. The securities of smaller, less well-known companies can be more volatile than those of larger companies. Growth stocks can perform differently from the market as a whole and other types of stocks and can be more volatile than other types of stocks. Value stocks can perform differently than other types of stocks and can continue to be undervalued by the market for long periods of time.

The commodities industry can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions.

Changes in real estate values or economic conditions can have a positive or negative effect on issuers in the real estate industry, which may affect your investment.

Index Definitions:

The **S&P 500 Index** is a broad-based market index, comprised of 500 large-cap companies, generally considered representative of the stock market as a whole. The **S&P 400 Index** is an unmanaged index considered representative of mid-sized U.S. companies. The **S&P 600 Index** is a market-value weighted index that consists of 600 small-cap U.S. stocks chosen for market size, liquidity and industry group representation.

The **Russell 1000 Value Index**, **Russell 1000 Index** and **Russell 1000 Growth Index** are indices that measure the performance of large-capitalization value stocks, large-capitalization stocks and large-capitalization growth stocks, respectively. The **Russell 2000 Value Index**, **Russell 2000 Index** and **Russell 2000 Growth Index** are indices that measure the performance of small-capitalization value stocks, small-capitalization stocks and small-capitalization growth stocks, respectively. The **Russell Midcap Value Index**, **Russell Midcap Index** and **Russell Midcap Growth Index** are indices that measure the performance of mid-capitalization value stocks, mid-capitalization stocks and mid-capitalization growth stocks, respectively. The **Russell 2500 Value Index**, **Russell 2500 Index** and **Russell 2500 Growth Index** measure the performance of small to mid-cap value stocks, small to mid-cap stocks and small to mid-cap growth stocks, respectively, commonly referred to as "smid" cap. The **Russell 3000 Value Index**, **Russell 3000 Index** and **Russell 3000 Growth Index** measure the performance of the 3,000 largest U.S. value stocks, 3,000 largest U.S. stocks and 3,000 largest U.S. growth stocks, respectively, based on total market capitalization.

The **Wilshire 5000 Index** represents the broadest index for the U.S. equity market, measuring the performance of all U.S. equity securities with readily available price data. The **Wilshire Micro Cap Index** is a market capitalization-weighted index comprised of all stocks in the Wilshire 5000 Index below the 2,501st rank.

The **MSCI EAFE (Europe, Australasia, Far East) Index** is designed to measure developed market equity performance, excluding the U.S. and Canada. The **MSCI Emerging Markets (EM) Index** is designed to measure global emerging market equity performance. The **MSCI World Index** is designed to measure global developed market equity performance. The **MSCI World Index Ex-U.S. Index** is designed to measure the equity market performance of developed markets and excludes the U.S. The **MSCI Europe Index** is an unmanaged index considered representative of developed European countries. The **MSCI Japan Index** is an unmanaged index considered representative of stocks of Japan. The **MSCI Pacific ex. Japan Index** is an unmanaged index considered representative of stocks of Asia Pacific countries excluding Japan.

The **U.S. 10-Year Treasury Yield** is generally considered to be a barometer for long-term interest rates.

Merrill Lynch 91-day T-bill index includes U.S. Treasury bills with a remaining maturity from 1 up to 3 months.

The **Barclays Capital® (BC) U.S. Treasury Index** is designed to cover public obligations of the U.S. Treasury with a remaining maturity of one year or more. The **BC Aggregate Bond Index** is an unmanaged, market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The **BC U.S. Credit Bond Index** is designed to cover publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements; bonds must be SEC-registered to qualify. The **BC U.S. Agency Index** is designed to cover publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government. The **BC CMBS Index** is designed to mirror commercial mortgage-backed securities of investment-grade quality (Baa3/BBB-/BBB- or above) using Moody's, S&P, and Fitch respectively, with maturity of at least one year. The **BC MBS Index** covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARMs) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The **BC U.S. Municipal Bond Index** covers the U.S. dollar-denominated, long-term tax-exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The **BC TIPS Index** is an unmanaged market index made up of U.S. Treasury Inflation Linked Index securities. The **BC U.S. Government Bond Index** is a market value-weighted index of U.S. Government fixed-rate debt issues with maturities of one year or more. The **BC ABS Index** is a market value-weighted index that covers fixed-rate asset-backed securities with average lives greater than or equal to one year and that are part of a public deal; the index covers the following collateral types: credit cards, autos, home equity loans, stranded-cost utility (rate-reduction bonds), and manufactured housing. The **BC Global Aggregate Index** is composed of three sub-indices; the U.S. Aggregate Index, Pan-European Aggregate Index, and the Asian-Pacific Aggregate Index. In aggregate the index is created to be a broad-based measure of the performance of investment grade fixed rate debt on a global scale. The **BC US Corporate Long Aa Index** is an unmanaged index representing public obligations of the U.S. corporate and specified foreign debentures and secured notes with a remaining maturity of 10 years or more. The **BC U.S. Corporate High-Yield Index** measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. The **BC Intermediate Corporate Index** includes dollar-denominated debt from U.S. and non-U.S. industrial, utility, and financial institutions issuers with a duration of 1-10 years. The **BC U.S. Treasury Long Index** is an unmanaged index representing public obligations of the U.S. Treasury with a remaining maturity of one year or more. The **BC U.S. Government 10 Year Treasury Index** measures the performance of U.S. Treasury securities that have a remaining maturity of less than 10 years. The **BC BAA Corporate Index** measures the performance of the taxable Baa rated fixed-rate U.S. dollar-denominated corporate bond market. The **BC Global Treasury ex US Index** includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade or higher. The **BC Emerging Market Bond Index** is an unmanaged index that total returns for external-currency-denominated debt instruments of the emerging markets. The **BC U.S. Securitized Bond Index** is a composite of asset-backed securities, collateralized mortgage-backed securities (ERISA-eligible) and fixed rate mortgage-backed securities. The **BC Quality Distribution AAA, B, and CC-D Indices** measure the respective credit qualities of U.S. corporate and specified foreign debentures and secured notes. The **BC Universal Index** represents the union of the U.S. Aggregate Index, the U.S. High Yield Corporate Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index, and the non-ERISA portion of the CMBS Index. The **BC 1-3 Year Government Credit Index** is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to three years. The **BC Long-term Government Index** is an unmanaged index reflecting performance of the long-term government bond market. The **BC Intermediate Aggregate Index** measures the performance of intermediate-term investment grade bonds. The **BC Intermediate 1-3 Year Government/Credit Index** measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

The **Bank of America ML U.S. High Yield Index** tracks the performance of below investment grade US Dollar Denominated corporate bonds publicly issued in the US market. Qualifying bonds have at least one year remaining term to maturity, are fixed coupon schedule and minimum outstanding of \$100 million.

DEFINITIONS AND DISCLOSURES

The **HFRI Funds of Funds Index (HFRI FOF)** is an equal weighted index designed to measure the performance of hedge fund of fund managers. The more than 800 multi-strategy constituents are required to have at least \$50 million in assets under management and a trading track record spanning at least 12 months. The index includes both on and offshore funds and all returns are reported in USD

The **NCREIF Property Index (NPI)** represents quarterly time series composite total rate of return measure of a very large pool of individual commercial real estate properties acquired in the private market. The index represents apartments, hotels, industrial properties, office buildings and retail properties which are at least 60% occupied and owned or controlled, at least in part by tax-exempt institutional investors or its designated agent. In addition these properties that are included must be investment grade, non-agricultural and income producing and all development projects are excluded. Constituents included in the NPI be valued at least quarterly, either internally or externally, using standard commercial real estate appraisal methodology. Each property must be independently appraised a minimum of once every three years.

The **FTSE NAREIT All REITs Index** is a market capitalization-weighted index that is designed to measure the performance of all tax-qualified Real Estate Investment Trusts (REITs) that are listed on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ National Market List.

The **Dow Jones U.S. Select Real Estate Securities Index** is a float-adjusted market capitalization-weighted index of publicly traded real estate securities such as real estate investment trusts (REITs) and real estate operating companies (REOCs).

The **Cambridge PE Index** is a representation of returns for over 70% of the total dollars raised by U.S. leveraged buyout, subordinated debt and special situation managers from 1986 to December 2007. Returns are calculated based on the pooled time weighted return and are net of all fees. These pooled means represent the end to end rate of return calculated on the aggregate of all cash flows and market values reported by the general partners of the underlying constituents in the quarterly and annual reports.

The **University of Michigan Consumer Sentiment Index** is a consumer confidence index published monthly by the University of Michigan and Thomson Reuters. The index is normalized to have a value of 100 in December 1964.

VIX - The CBOE Volatility Index (VIX) is based on the prices of eight S&P 500 index put and call options.

Gold - represented by the dollar spot price of one troy ounce

WTI Crude - West Texas Intermediate is a grade of crude oil used as a benchmark in oil pricing.

The **Affordability Index** measures of a population's ability to afford to purchase a particular item, such as a house, indexed to the population's income

The **Homeownership %** is computed by dividing the number of owner-occupied housing units by the number of occupied housing units or households.

HFRI Emerging Markets: Asia ex-Japan, Global Index, Latin America Index, Russia/Eastern Europe Index: The constituents of the HFRI Emerging Markets Indices are selected according to their Regional Investment Focus only. There is no Investment Strategy criteria for inclusion in these indices. Funds classified as Emerging Markets have a regional investment focus in one of the following geographic areas: Asia ex-Japan, Russia/Eastern Europe, Latin America, Africa or the Middle East. **HFRI EH: Energy/Basic Materials** strategies which employ investment processes designed to identify opportunities in securities in specific niche areas of the market in which the Manager maintains a level of expertise which exceeds that of a market generalist. **HFRI EH: Equity Market Neutral** strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. **HFRI EH: Quantitative Directional** strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. **HFRI EH: Short-Biased** strategies employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying overvalued companies. **HFRI EH: Technology/Healthcare** strategies employ investment processes designed to identify opportunities in securities in specific niche areas of the market in which the Manager maintain a level of expertise which exceeds that of a market generalist in identifying opportunities in companies engaged in all development, production and application of technology, biotechnology and as related to production of pharmaceuticals and healthcare industry. **HFRI ED: Distressed Restructuring** strategies which employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings. **HFRI ED: Merger Arbitrage** strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction. **HFRI ED: Private Issue/Regulation D** strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are primarily private and illiquid in nature. **HFRI Macro: Systematic Diversified** strategies have investment processes typically as function of mathematical, algorithmic and technical models, with little or no influence of individuals over the portfolio positioning. **HFRI RV: Fixed Income - Asset Backed** includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a fixed income instrument backed physical collateral or other financial obligations (loans, credit cards) other than those of a specific corporation. **HFRI RV: Fixed Income - Convertible Arbitrage** includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a convertible fixed income instrument. **HFRI RV: Fixed Income - Corporate** includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a corporate fixed income instrument. **HFRI RV: Multi-Strategies** employ an investment thesis is predicated on realization of a spread between related yield instruments in which one or multiple components of the spread contains a fixed income, derivative, equity, real estate, MLP or combination of these or other instruments. **HFRI RV: Yield Alternatives Index** strategies employ an investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread contains a derivative, equity, real estate, MLP or combination of these or other instruments. Strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager.

The **Consumer Price Index (CPI)** is an inflationary indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation. The CPI is published monthly. Unless otherwise noted, the CPI figure is as of the date this report is created.

The **Credit Suisse Leveraged Loan Index** is a market value-weighted index designed to represent the investable universe of the U.S. dollar-denominated leveraged loan market.

The **Dow Jones-UBS Commodity Index** measures the performance of the commodities market. It consists of exchange-traded futures contracts on physical commodities that are weighted to account for the economic significance and market liquidity of each commodity.

Purpose

The finance committee will assist the board in oversight of all significant financial matters affecting the hospital/system (and its affiliates when appropriate), including recommendations for setting financial policy; evaluating financial performance and adequacy of financial reporting; reviewing financial matters, and undertaking financial planning and analysis, including recommending establishment of capital and operating targets. It will also ensure that appropriate policies and procedures are in place to safeguard and preserve the assets of the health system and to ensure financial health. The finance committee will also have an investment subcommittee.

Responsibilities

In fulfilling its charge, the finance committee is responsible for the following activities and functions:

- Receive, review, and make recommendations to the board regarding the annual operating and capital budgets and all other fiscal budgetary matters affecting the hospital/system and its subsidiary corporations, when appropriate.
- Monitor financial performance against targets established by the board related to liquidity ratios, profitability, activity, and debt, and recommend corrective action in response to under-performance.
- Advise the board on the financing of any long-range plans (e.g., debt strategy).
- Review financial feasibility of and recommend approval of major capital expenditures outside the annual capital budget.
- Review financial feasibility of major purchased service expenditures including physician arrangements.
- Advise the board on capital financing strategies.
- Advise the board concerning acquisition, construction, utilization, and divestiture of real property/facilities/information technology.
- Oversee the financial plans and results of joint ventures, acquisitions, and other strategic arrangements of the hospital/system and its subsidiaries. Continuous monitoring of results of strategic initiatives against their approved proforma or forecast.
- Oversee managed care and other payment contracting, pricing, and revenue management.
- Review System quality metrics including publicly reported metrics with financial risk or penalty.
- Through an investment subcommittee, oversee the organization's investment portfolio and policies and annually review and approve the investment policy.
- Periodically perform a committee self-assessment; review the committee charter and advance recommendations for any changes to the board for approval.

Composition

The finance committee and its investment subcommittee will consist of at least three board members, one of whom will be the board treasurer. Chair of the Finance Committee will also be a member of the Compensation Committee.

The CFO staffs this committee.

Recommended skills and competencies:

- Financial management and planning
- Operating budget development
- Long-range capital plan development
- Financial analysis
- Bond ratings and rating agencies' methodologies
- Healthcare markets and payment/reimbursement systems
- Business valuation and risk assessment
- Mergers and acquisitions: drivers, process, implications
- Investment portfolio management

Meeting Schedule:

Quarterly or as needed.



MetroHealth

Unaudited Financial and Operational Results For the Period Ended June 30, 2023

Finance Committee
August 23, 2023

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Management's Discussion and Analysis
Unaudited Financial and Operational Results
For the Period Ended June 30, 2023

GASB PRONOUNCEMENTS

- GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* has been implemented starting in 2023. The right to use another party's IT software now results in the recognition of a subscription-based information technology arrangement (SBITA) liability and corresponding right-of-use asset on the Statement of Net Position. Additionally, expense associated with SBITAs are now recognized as amortization and interest expense as compared to the prior year in which SBITA expense was recognized within the Purchased Services line of the Statement of Revenues, Expenses, and Changes in Net Position.

EARNINGS BEFORE INTEREST, DEPRECIATION & AMORTIZATION (EBIDA) & OPERATING LOSS

- EBIDA for the six months ended June 30, 2023, was \$52.9 million, a decrease of \$25.5 million or 32.5% over the same period in 2022, which had an EBIDA of \$78.4 million.
- EBIDA decrease was primarily due to an increase in Salaries, wages and benefits due to overtime, premium pay programs, contract labor and wage increases.
- Operating loss was \$24.0 million for the six months ended June 30, 2023, compared with operating income of \$23.0 million in the same period of 2022, a decrease of \$47.0 million.

NON-OPERATING REVENUES/EXPENSES & NET INCOME

- Net investment income for the six months ended June 30, 2023, was \$27.5 million, compared with net investment loss of \$49.7 million in the same period of 2022, an increase of \$77.2 million due largely to market improvement
- Net income for the six months ended June 30, 2023, was \$2.5 million, compared with net loss of \$27.1 million in the same period of 2022, an increase of \$29.6 million due to improved investment gains.

REVENUE

- Total operating revenues for the six months ended June 30, 2023, was \$873.7 million, compared to \$785.5 million in the same period of 2022, an increase of \$88.2 million or 11.2%.
- Net patient service revenue increased \$47.0 million or 8.4%, due to:
 - An increase in various volumes including discharges (especially driven by the opening of the Behavioral Health Hospital), outpatient visits, emergency visits and outpatient surgeries.
 - The increase in net patient service revenue is also attributed to a shift back to in-person visits versus virtual compared to prior year.
- Other revenue increased \$41.3 million or 18.1%, mainly due to the continued growth in retail pharmacy operations.
- For the six months ended June 30, 2023, the System experienced a moderate improvement in payor mix as compared to the same period in 2022:
 - Medicare percentage decreased 0.3%
 - Commercial percentage increased 0.6%
 - Medicaid percentage decreased 0.4%
 - Self-pay percentage decreased 0.5%
- Inpatient case mix index (CMI), a value used to measure patient acuity and the related resource consumption, for the six months ended June 30, 2023, was 1.73, which remained consistent with the same period in 2022. Medicare CMI was 1.93, a decrease of 0.3% compared to the same period in 2022, while Medicaid CMI was 1.60, which remained consistent with the same period in 2022.

EXPENSES

- The System recorded total operating expenses before interest, depreciation, and amortization of \$820.8 million for the six months ended June 30, 2023, as compared to \$707.0 million for the same period in 2022, an increase of \$113.8 million or 16.1%.
- The increase in operating expenses was primarily driven by:
 - Salaries, wages, and benefits due to overtime, premium pay programs, contract labor and wage and FTE increases, including the associated benefits and employee health plan costs – \$66.0 million.
 - Pharmaceutical costs related to the continued growth in retail pharmacy operations – \$29.4 million.

EXPENSES (Continued)

- Medical and non-medical supplies related increased surgical volumes and supplies for new hospitals (Glick Center and Behavioral Health Hospital) - \$7.0 million.
- Purchased services due to data center backup/recovery solutions, support provided to affiliates and ongoing transformation operations - \$6.1 million
- Plant operations due to expanded life flight operations and increased utility costs – \$3.3 million.

NET POSITION

- As of June 30, 2023, total assets were \$2.5 billion, a decrease of \$57.2 million from the prior year-end. The change in assets was driven mainly by the following:
 - Unrestricted cash and cash equivalents decreased \$21.8 million from prior year-end balances primarily due to capital purchases and timing of supplier payments.
 - Investments decreased \$25.5 million from prior year-end balances driven by investment disbursements.
 - Restricted assets under bond indenture agreements decreased \$34.8 million from prior year-end balances due to bond fund draws and interest payments made during the period.
 - Net capital assets increased \$31.8 million from prior year-end balances due to ongoing campus transformation with the opening of The Glick Center and the Behavioral Health Hospital in Cleveland Heights in 2022 as well as ongoing construction of the new outpatient building at main campus.
 - Implementation of GASB Statement No. 96 *SBITA*, which resulted in net additional assets of \$15.0 million as compared to prior year-end.
- As of June 30, 2023, total liabilities were \$1.8 billion, a decrease of \$59.5 million from the prior year-end balance.
 - Current liabilities were \$260.5 million which represents a decrease of \$59.2 million from prior year-end balances. The decrease is largely attributable to the timing of payments to suppliers.
 - Long-term liabilities were \$1.5 billion which represents a decrease of \$0.4 million from prior year-end balances. The decrease is primarily related to the payment of long-term debt obligations, partially offset by an increase in general liabilities and paid vacation amounts owed as well as the implementation of GASB Statement No. 96 *SBITA*.

OPERS ACTUARIAL ADJUSTMENT FOR PENSION (GASB Statement No. 68) AND OTHER POSTEMPLOYMENT BENEFITS (GASB Statement No. 75)

- The GASB Statement No. 68 and GASB Statement No. 75 adjustments are recorded on an annual basis using the results from the OPERS actuary reports.
- In Ohio, employer contributions to the State’s cost-sharing multi-employer retirement systems are established by statute. These contributions are payable to the retirement systems one month in arrears and constitute the full legal claim on the System for pension and other postemployment benefits (OPEB) funding.
- Although the liabilities recognized under GASB Statement No. 68 and GASB Statement No. 75 meet the GASB definition of a liability in its conceptual framework for accounting standards, in Ohio there is no legal means to enforce the underfunded liability of the pension system as against the public employer. Additionally, there are no cash flows associated with the recognition of net pension and net OPEB liabilities, deferrals, and expenses beyond the requirement to make statutory contributions.
- To gain a clearer understanding of the System’s actual financial condition, Net Position, adjusted for the impact of GASB Statement No. 68 (Pensions) and No. 75 (OPEB), by adding the net pension and net OPEB liabilities and deferred inflows related to pensions and OPEB and subtracting the net pension asset and deferred outflows related to pensions and OPEB, is presented in Table 1 below.

Table 1 – Net Position

	<u>6/30/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Net position (deficit):			
Net position (deficit), as reported in the Statement of Net Position	\$ 423,296	\$ 420,778	\$ 231,266
Plus:			
Net pension liability	304,075	304,075	496,483
Deferred inflows related to pensions	377,142	377,142	219,912
Deferred inflows related to OPEB	130,430	130,430	208,263
Less:			
Net pension asset	(23,316)	(23,316)	(16,855)
Net OPEB asset	(124,584)	(124,584)	(68,093)
Deferred outflows related to pensions	(157,086)	(157,086)	(84,496)
Deferred outflows related to OPEB	(6,536)	(6,536)	(40,941)
Total net position, excluding pension and OPEB related amounts	\$ 923,421	\$ 920,903	\$ 945,539



STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE PERIOD ENDED JUNE 30, 2023
(Dollars in Thousands)
Internal Format

	Unaudited			
	SIX MONTHS ENDED JUNE 30			
	2023	2022	\$ Variance	% Variance
Operating Revenues				
Net patient service revenue	\$ 604,582	\$ 557,624	\$ 46,958	8.4%
Other revenue ¹	269,151	227,863	41,288	18.1%
Total operating revenues	873,733	785,487	88,246	11.2%
Operating Expenses				
Salaries and wages	422,064	367,126	54,938	15.0%
OPERS contributions	51,546	44,945	6,601	14.7%
Other employee benefits	48,839	44,362	4,477	10.1%
Purchased services	60,840	54,773	6,067	11.1%
Medical supplies	56,141	50,954	5,187	10.2%
Pharmaceuticals	114,400	84,974	29,426	34.6%
Plant operations	19,700	16,398	3,302	20.1%
Non-medical supplies	8,295	6,456	1,839	28.5%
Other expenses	38,960	37,061	1,899	5.1%
Total operating expenses before interest, depreciation and amortization	820,785	707,049	113,736	16.1%
Operating income before interest, depreciation and amortization	52,948	78,438	(25,490)	(32.5%)
Depreciation and amortization	48,732	27,844	20,888	75.0%
Interest expense ¹	28,239	27,621	618	2.2%
Operating (loss) income	(24,023)	22,973	(46,996)	(204.6%)
Non-Operating Revenues (Expenses)				
Net investment income (loss)	27,467	(49,662)	77,129	155.3%
Other non-operating expense	(926)	(460)	(466)	(101.3%)
Noncapital grants and donations	2,246	1,525	721	47.3%
Grant expenses and support	(2,246)	(1,525)	(721)	(47.3%)
Total non-operating revenues (expenses)	26,541	(50,122)	76,663	153.0%
Income (loss) before OPERS actuarial adjustments	2,518	(27,149)	29,667	109.3%
OPERS actuarial adjustments ²	-	-	-	0.0%
Change in net position	2,518	(27,149)	29,667	109.3%
Total net position - beginning of period	420,778	231,266	189,512	81.9%
Total net position - end of period	\$ 423,296	\$ 204,117	219,179	107.4%

1 - County Funding, Interest Expense, Research Indirect Revenue, Build America Bond Revenue, Capital Grants and Gifts, and Contribution Revenue are classified as operating activity internally, and non-operating in the audited financial statements.

2 - The GASB Statement No. 68 & GASB Statement No. 75 actuarial pension and OPEB adjustments are recorded on an annual basis using the results from the OPERS actuary reports. This requirement creates an accounting liability rather than a legal liability. In Ohio, there are no legal means to enforce the unfunded liability of the pension and OPEB system against the public employer.



STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE PERIOD ENDED JUNE 30, 2023
(Dollars in Thousands)
Internal Format

	Unaudited SIX MONTHS ENDED JUNE 30			
	Actual	Target	\$ Variance	% Variance
Operating Revenues				
Net patient service revenue	\$ 604,582	\$ 599,988	\$ 4,594	0.8%
Other revenue ¹	269,151	220,132	49,019	22.3%
Total operating revenues	873,733	820,120	53,613	6.5%
Operating Expenses				
Salaries and wages	422,064	393,702	28,362	7.2%
OPERS contributions	51,546	49,956	1,590	3.2%
Other employee benefits	48,839	45,650	3,189	7.0%
Purchased services	60,840	56,929	3,911	6.9%
Medical supplies	56,141	49,514	6,627	13.4%
Pharmaceuticals	114,400	94,332	20,068	21.3%
Plant operations	19,700	19,468	232	1.2%
Non-medical supplies	8,295	6,842	1,453	21.2%
Other expenses	38,960	36,472	2,488	6.8%
Total operating expenses before interest, depreciation and amortization	820,785	752,865	67,920	9.0%
Operating income before interest, depreciation and amortization	52,948	67,255	(14,307)	(21.3%)
Depreciation and amortization	48,732	45,450	3,282	7.2%
Interest expense ¹	28,239	27,899	340	1.2%
Operating loss	(24,023)	(6,094)	(17,929)	(294.2%)
Non-Operating Revenues (Expenses)				
Net investment income (loss)	27,467	10,321	17,146	166%
Other non-operating expense	(926)	-	(926)	(100.0%)
Noncapital grants and donations	2,246	1,525	721	47%
Grant expenses and support	(2,246)	(1,659)	(587)	-35%
Total non-operating revenues (expenses)	26,541	10,187	16,354	161%
Income before OPERS actuarial adjustments	2,518	4,093	(1,575)	(38.5%)
OPERS actuarial adjustments ²	-	-	-	0.0%
Change in net position	2,518	4,093	(1,575)	(38.5%)
Total net position - beginning of period	420,778	420,778	-	0.0%
Total net position - end of period	\$ 423,296	\$ 424,871	(1,575)	(0.4%)

1 - County Funding, Interest Expense, Research Indirect Revenue, Build America Bond Revenue, Capital Grants and Gifts, and Contribution Revenue are classified as operating activity internally, and non-operating in the audited financial statements.

2 - The GASB Statement No. 68 & GASB Statement No. 75 actuarial pension and OPEB adjustments are recorded on an annual basis using the results from the OPERS actuary reports. This requirement creates an accounting liability rather than a legal liability. In Ohio, there are no legal means to enforce the unfunded liability of the pension and OPEB system against the public employer.



STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE PERIOD ENDED JUNE 30, 2023
(Dollars in Thousands)
Internal Format

	Unaudited THREE MONTHS ENDED JUNE 30			
	2023	2022	\$ Variance	% Variance
Operating Revenues				
Net patient service revenue	\$ 309,105	\$ 282,088	\$ 27,017	9.6%
Other revenue ¹	140,734	107,200	33,534	31.3%
Total operating revenues	449,839	389,288	60,551	15.6%
Operating Expenses				
Salaries and wages	209,828	180,692	29,136	16.1%
OPERS contributions	26,077	21,313	4,764	22.4%
Other employee benefits	25,300	21,705	3,595	16.6%
Purchased services	31,130	27,214	3,916	14.4%
Medical supplies	28,467	26,697	1,770	6.6%
Pharmaceuticals	58,157	45,029	13,128	29.2%
Plant operations	9,689	7,965	1,724	21.6%
Non-medical supplies	4,202	3,260	942	28.9%
Other expenses	19,434	18,176	1,258	6.9%
Total operating expenses before interest, depreciation and amortization	412,284	352,051	60,233	17.1%
Operating income before interest, depreciation and amortization	37,555	37,237	318	0.9%
Depreciation and amortization	24,398	14,130	10,268	72.7%
Interest expense ¹	14,119	13,812	307	2.2%
Operating (loss) income	(962)	9,295	(10,257)	(110.3%)
Non-Operating Revenues (Expenses)				
Net investment income (loss)	9,952	(27,120)	37,072	136.7%
Other non-operating (expense) revenue	(563)	58	(621)	(1,070.7%)
Noncapital grants and donations	1,205	815	390	47.9%
Grant expenses and support	(1,205)	(815)	(390)	(47.9%)
Total non-operating revenues (expenses)	9,389	(27,062)	36,451	134.7%
Income (loss) before OPERS actuarial adjustments	8,427	(17,767)	26,194	147.4%
OPERS actuarial adjustments ²	-	-	-	0.0%
Change in net position	8,427	(17,767)	26,194	147.4%
Total net position - beginning of period	414,869	221,884	192,985	87.0%
Total net position - end of period	\$ 423,296	\$ 204,117	219,179	107.4%

1 - County Funding, Interest Expense, Research Indirect Revenue, Build America Bond Revenue, Capital Grants and Gifts, and Contribution Revenue are classified as operating activity internally, and non-operating in the audited financial statements.

2 - The GASB Statement No. 68 & GASB Statement No. 75 actuarial pension and OPEB adjustments are recorded on an annual basis using the results from the OPERS actuary reports. This requirement creates an accounting liability rather than a legal liability. In Ohio, there are no legal means to enforce the unfunded liability of the pension and OPEB system against the public employer.



STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE PERIOD ENDED JUNE 30, 2023
(Dollars in Thousands)
Internal Format

	Unaudited			
	THREE MONTHS ENDED JUNE 30			
	Actual	Target	\$ Variance	% Variance
Operating Revenues				
Net patient service revenue	\$ 309,105	\$ 303,603	\$ 5,502	1.8%
Other revenue ¹	140,734	113,965	26,769	23.5%
Total operating revenues	449,839	417,568	32,271	7.7%
Operating Expenses				
Salaries and wages	209,828	195,521	14,307	7.3%
OPERS contributions	26,077	25,202	875	3.5%
Other employee benefits	25,300	22,852	2,448	10.7%
Purchased services	31,130	28,911	2,219	7.7%
Medical supplies	28,467	24,908	3,559	14.3%
Pharmaceuticals	58,157	48,745	9,412	19.3%
Plant operations	9,689	10,010	(321)	(3.2%)
Non-medical supplies	4,202	3,545	657	18.5%
Other expenses	19,434	18,310	1,124	6.1%
Total operating expenses before interest, depreciation and amortization	412,284	378,004	34,280	9.1%
Operating income before interest, depreciation and amortization	37,555	39,564	(2,009)	(5.1%)
Depreciation and amortization	24,398	22,685	1,713	7.6%
Interest expense ¹	14,119	13,928	191	1.4%
Operating (loss) income	(962)	2,951	(3,913)	(132.6%)
Non-Operating Revenues (Expenses)				
Net investment income (loss)	9,952	5,124	4,828	94.2%
Other non-operating (expense) revenue	(563)	-	(563)	(100.0%)
Noncapital grants and donations	1,205	815	390	47.9%
Grant expenses and support	(1,205)	(770)	(435)	(56.5%)
Total non-operating revenues (expenses)	9,389	5,169	4,220	81.6%
Income before OPERS actuarial adjustments	8,427	8,120	307	3.8%
OPERS actuarial adjustments ²	-	-	-	0.0%
Change in net position	8,427	8,120	307	3.8%
Total net position - beginning of period	414,869	414,869	-	0.0%
Total net position - end of period	\$ 423,296	\$ 422,989	307	0.1%

1 - County Funding, Interest Expense, Research Indirect Revenue, Build America Bond Revenue, Capital Grants and Gifts, and Contribution Revenue are classified as operating activity internally, and non-operating in the audited financial statements.

2 - The GASB Statement No. 68 & GASB Statement No. 75 actuarial pension and OPEB adjustments are recorded on an annual basis using the results from the OPERS actuary reports. This requirement creates an accounting liability rather than a legal liability. In Ohio, there are no legal means to enforce the unfunded liability of the pension and OPEB system against the public employer.

**STATEMENTS OF NET POSITION
FOR THE PERIOD ENDED JUNE 30, 2023
(Dollars in Thousands)**

Assets	Unaudited 6/30/23	Audited 12/31/22	Liabilities	Unaudited 6/30/23	Audited 12/31/22
Current Assets:			Current Liabilities:		
Cash and cash equivalents	\$ 154,522	\$ 176,315	Accounts payable	\$ 105,645	\$ 140,102
Accounts receivable	177,500	164,423	Accrued payroll and related liabilities	58,159	74,617
Allowance for uncollectible accounts	(28,423)	(25,078)	Contribution payable to the Public Employees Retirement System	7,909	15,924
Net accounts receivable	149,077	139,345	Accrued interest payable	20,796	21,062
Other receivables	84,429	120,832	General and professional liabilities	12,890	12,890
Supplies	29,193	28,807	Estimated amounts due to third-party payors	1,115	1,115
Prepaid expenses	21,047	10,604	Accrued vacation and sick leave	9,124	9,116
Total current assets	438,268	475,903	Line of credit	1,393	892
Noncurrent Assets:			Lease liability	6,736	6,919
Investments	509,759	535,266	Subscription liability	5,732	-
Restricted Assets:			Current installments of long-term debt	11,621	11,051
Cash and cash equivalents	5,476	5,377	Other current liabilities	19,424	26,030
Special purpose investments	2,078	2,022	Total current liabilities	260,544	319,718
Under bond indenture agreements	60,244	95,089	Long-Term Liabilities, less current installments:		
	67,798	102,488	General and professional liabilities	33,119	31,753
Capital Assets:			Estimated amounts due to third-party payors	3,434	3,273
Land and construction in progress	376,514	318,195	Accrued vacation and sick leave	56,767	51,242
Land improvements	13,989	13,989	Other long-term liabilities	602	810
Buildings and fixed equipment	1,367,416	1,362,724	Net pension liability ¹	304,075	304,075
Equipment	278,504	291,103	Lease liability	69,249	70,111
	2,036,423	1,986,011	Subscription liability	5,990	-
Accumulated depreciation	(798,637)	(779,981)	Long-term debt	1,025,922	1,038,251
	1,237,786	1,206,030	Total long-term liabilities	1,499,158	1,499,515
Right-of-use assets:			Total liabilities	1,759,702	1,819,233
Lease assets, net	86,503	88,527	Deferred Inflows of Resources		
Subscription assets, net	15,007	-	Deferred inflows related to pensions ¹	377,142	377,142
	101,510	88,527	Deferred inflows related to OPEB ¹	130,430	130,430
Other Assets:			Deferred inflows related to leases	7,900	8,217
Net pension asset ¹	23,316	23,316	Total deferred inflows of resources	515,472	515,789
Net OPEB asset ¹	124,584	124,584	Net Position (Deficit)		
Equity interest in joint ventures	7,742	9,469	Net investment in capital assets	246,123	214,491
Other assets	22,790	25,181	Restricted, debt service payments	29,741	38,083
	178,432	182,550	Restricted, capital asset use	2,250	2,250
Total assets	2,533,553	2,590,764	Restricted, program activities	5,843	5,692
Deferred Outflows of Resources			Restricted, nonspendable	1,550	1,550
Deferred outflows related to pensions ¹	157,086	157,086	Unrestricted	137,789	158,712
Deferred outflows related to OPEB ¹	6,536	6,536	Total net position	\$ 423,296	\$ 420,778
Deferred amounts on debt refundings	1,295	1,414			
Total deferred outflows of resources	164,917	165,036			

1 - See Management's Discussion and Analysis.

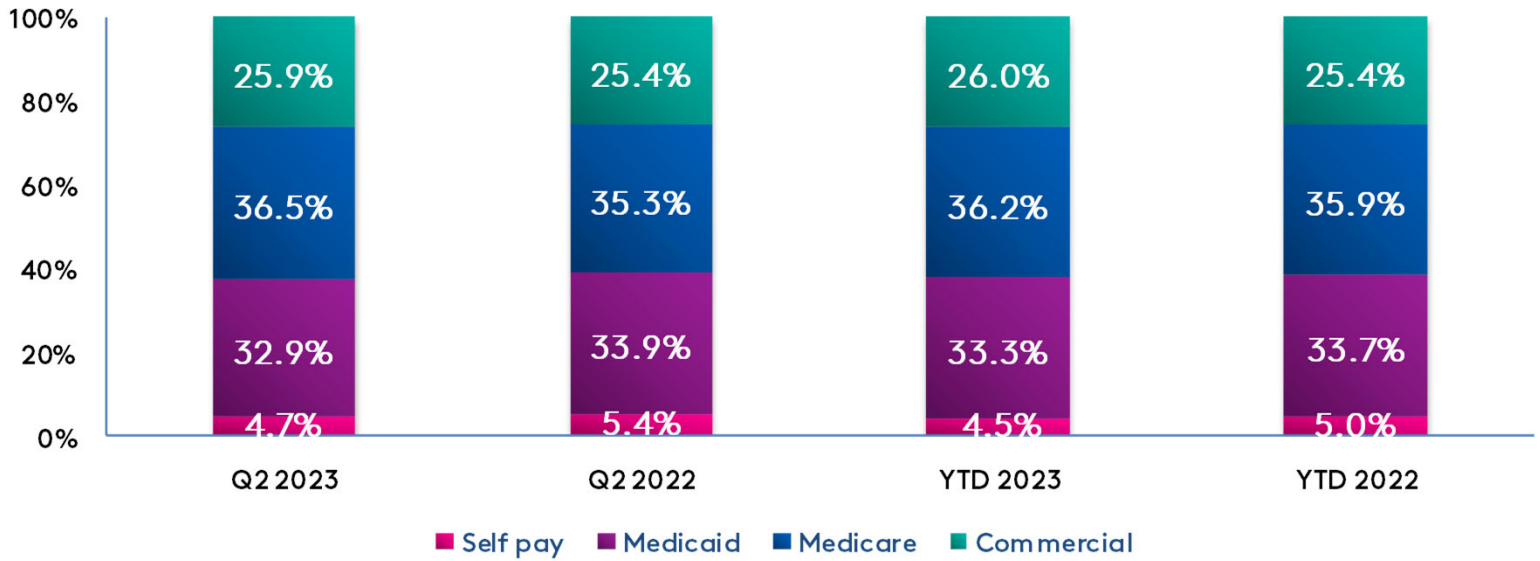
STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2023
(Dollars in Thousands)

	Unaudited		Unaudited	
	THREE MONTHS ENDED JUNE 30	THREE MONTHS ENDED JUNE 30	SIX MONTHS ENDED JUNE 30	SIX MONTHS ENDED JUNE 30
	2023	2022	2023	2022
Cash Flows From Operating Activities				
Patient service revenue	\$ 320,010	\$ 287,904	\$ 630,800	\$ 565,354
Advance payments	-	(18,601)	-	(31,679)
Other operating cash receipts	132,420	116,137	254,072	209,831
Payments to suppliers	(170,241)	(121,616)	(332,213)	(246,421)
Payments for compensation and benefits	(261,162)	(224,510)	(541,009)	(489,569)
Net cash flows provided by operating activities	21,027	39,314	11,650	7,516
Cash Flows From Noncapital Financing Activities				
County funding	8,100	8,100	16,200	18,900
Restricted grants, donations and other	2,845	2,020	4,545	3,697
Specific purpose funds expenses	(1,205)	(815)	(2,246)	(1,526)
Payments for joint venture equity interests	(906)	(732)	(1,802)	(1,280)
Principal payments on long-term debt	-	-	(1,779)	-
Interest payments on long-term debt	-	-	(4,022)	(4,022)
Interest payments on revolving line of credit	(22)	(14)	(40)	(25)
Net cash flows provided by noncapital financing activities	9,312	8,765	11,356	15,950
Cash Flows From Capital and Related Financing Activities				
Capital grants and gifts	487	-	855	81
Acquisitions and construction	(42,631)	(79,182)	(95,645)	(125,887)
Proceeds from sale of assets	-	-	-	2
Principal payments on long-term debt	(51)	(48)	(9,168)	(96)
Principal payments on leases and subscriptions	(3,877)	(7,992)	(6,287)	(9,648)
Interest payments on long-term debt	(7)	(8)	(23,589)	(23,594)
Interest payments on leases and subscriptions	(638)	(385)	(1,263)	(601)
Build America Bond receipts	-	-	2,045	1,018
Net cash flows used in capital and related financing activities	(46,717)	(87,615)	(133,052)	(158,725)
Cash Flows From Investing Activities				
Payments for investment purchases and reinvestments	(53,016)	(51,614)	(140,935)	(79,750)
Proceeds from investment sales and maturities	96,643	91,181	221,313	157,933
Interest received	3,303	1,814	7,974	7,503
Net cash flows provided by investing activities	46,930	41,381	88,352	85,686
Net increase (decrease) in cash and cash equivalents	30,552	1,845	(21,694)	(49,573)
Cash and cash equivalents				
Beginning	129,446	249,838	181,692	301,256
Ending	\$ 159,998	\$ 251,683	\$ 159,998	\$ 251,683
Reconciliation of Operating Income (Loss) to Net Cash Flows Provided by Operating Activities				
Operating income (loss)	\$ 2,838	\$ 12,308	\$ (15,425)	\$ 30,162
Adjustments to reconcile operating income (loss) to net cash flows provided by operating activities				
Depreciation and amortization	24,398	14,130	48,732	27,844
Provision for bad debts	19,613	16,906	37,523	34,103
Changes in assets, deferred outflows, liabilities and deferred inflows:				
Patient accounts receivable	(23,814)	(14,276)	(47,255)	(28,013)
Other assets	24,726	23,892	21,653	3,823
Self-insurance liabilities	1,117	1,716	1,365	2,361
Advance payments	-	(18,601)	-	(31,679)
Accounts payable and other liabilities	(27,587)	4,501	(40,559)	(27,672)
Net cash flows provided by operating activities	\$ 21,027	\$ 39,314	\$ 11,650	\$ 7,516

Payor Mix

(based on gross patient revenue)

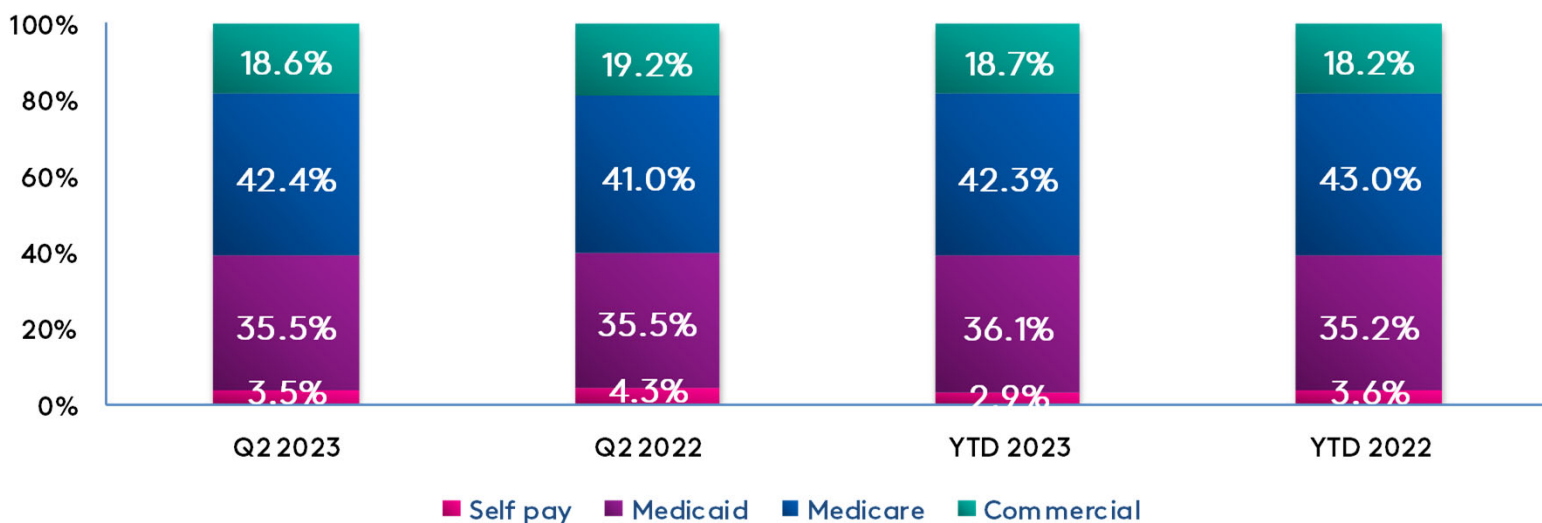
Total Payor Mix



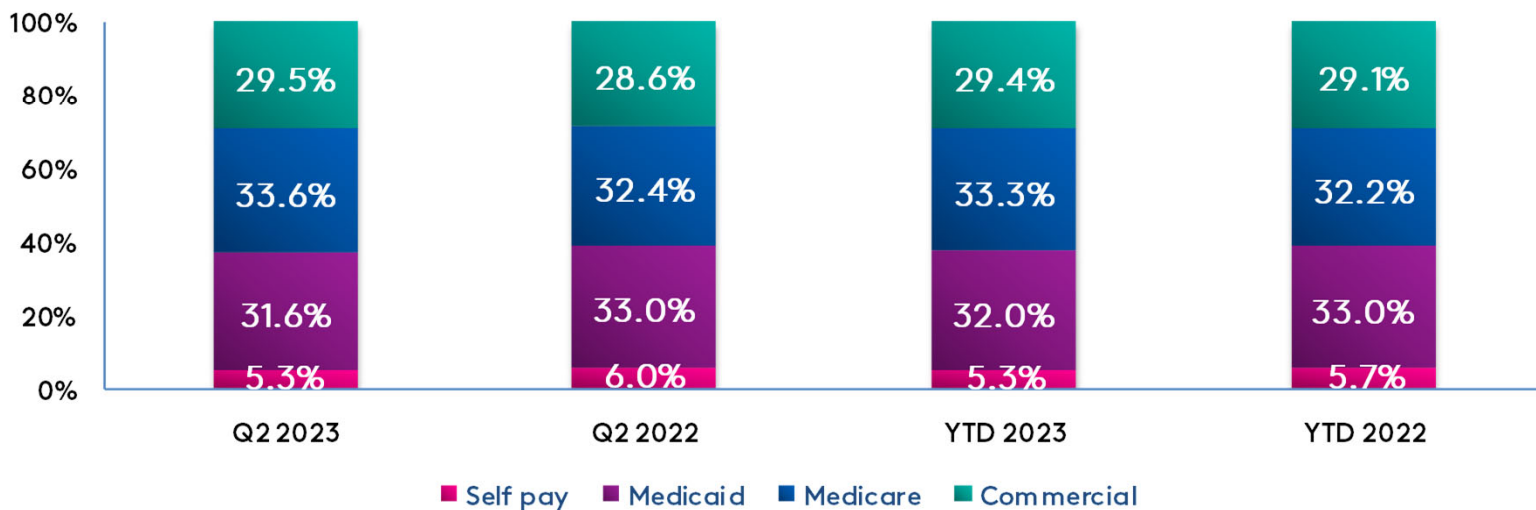
Payor Mix

(based on gross patient revenue)

Inpatient Payor Mix

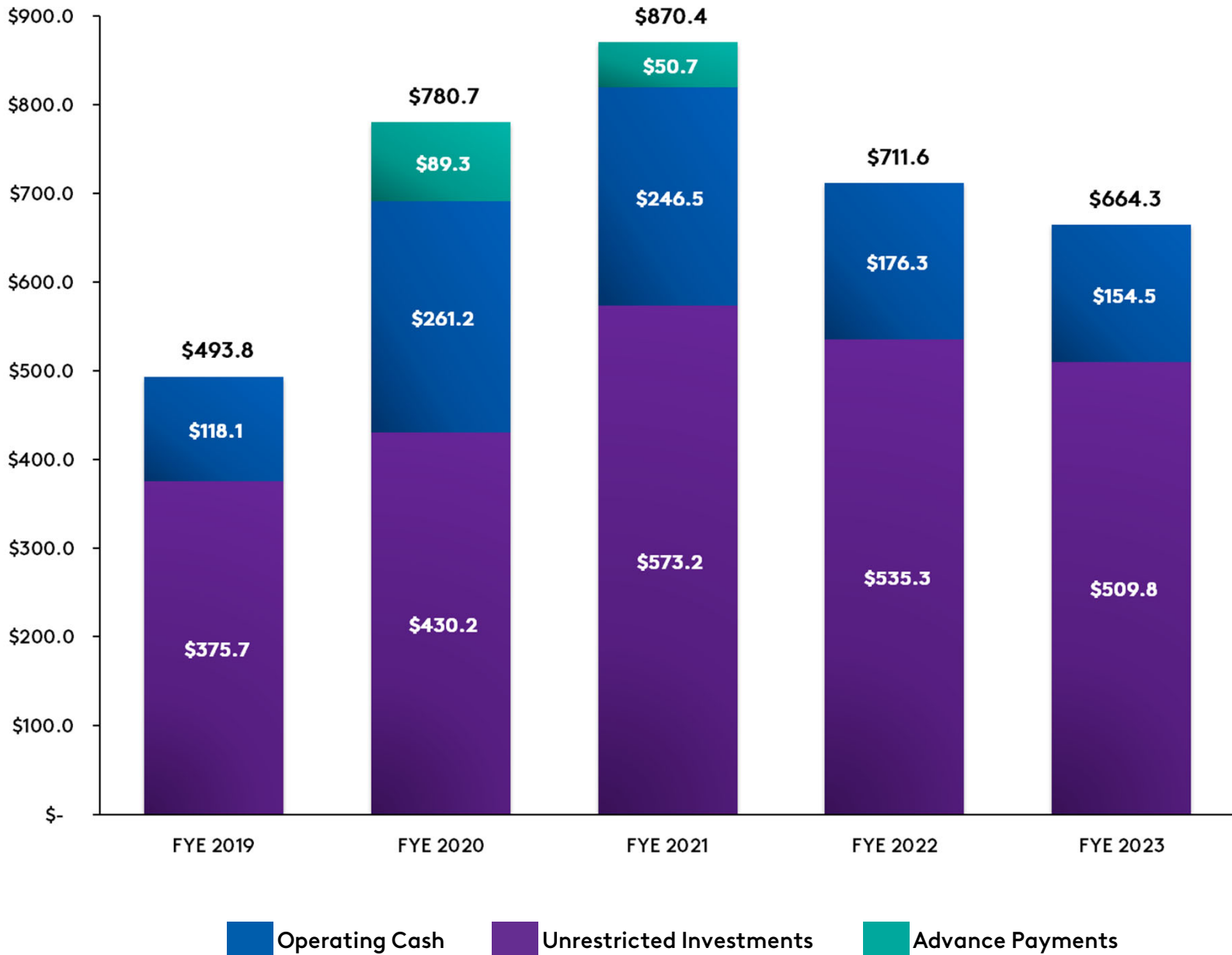


Outpatient Payor Mix



Unrestricted Cash & Investments

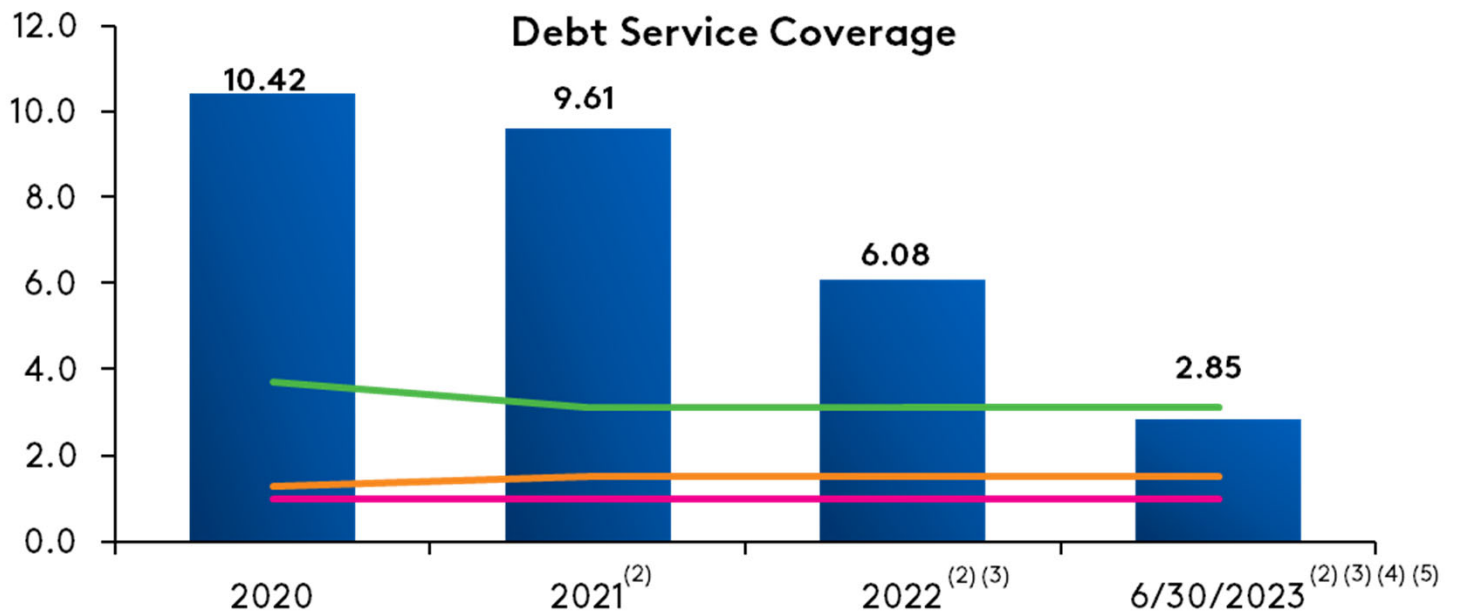
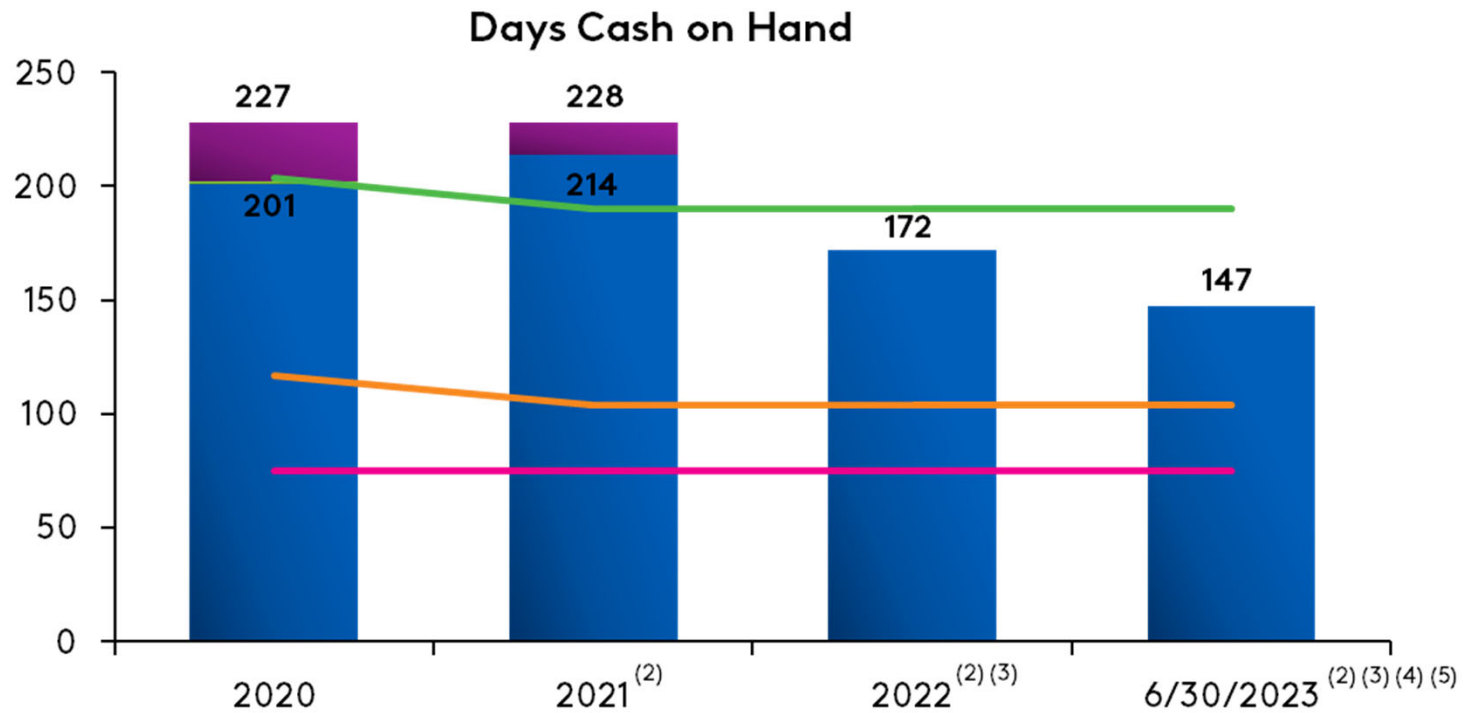
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Notes:

- The 12/31/2020 & 12/31/2021 balances include \$89.3M and \$50.7M, respectively, in advanced payments from CMS and commercial payors. These advanced payments were repaid as of 12/31/2022.

Covenant Compliance



◆ Requirement ◆ Moody's⁽¹⁾ ◆ S&P⁽¹⁾
■ MetroHealth Results ■ Advance Payments

(1) 'BBB/Baa2' Healthcare System Medians
 (2) Calculations exclude the impact of GASB Statement No. 89
 (3) Calculations exclude the impact of GASB Statement No. 87
 (4) Calculations exclude the impact of GASB Statement No. 96
 (5) Trailing Twelve Months

Credit Rating Strength Diagnostic Tool

Trailing Twelve Months Ended June 2023

June 2023 MetroHealth Metrics vs. Rating Agency Medians (BBB Rating)

	MetroHealth Value	Moody's		S&P	
		Benchmark Medians	Variance	Benchmark Medians	Variance
(1) Operating Margins	-1.93%	-0.30%	-544.96%	-1.40%	-38.21%
(1) Excess Margins	0.35%	1.80%	-80.32%	-0.40%	188.55%
(1) Operating EBITDA Margins	5.21%	6.00%	-13.16%	3.60%	44.74%
(1) Cash Flow as % of Total Liabilities	5.14%	N/A	N/A	3.00%	71.41%
(1) Return on Assets	0.24%	1.30%	-81.34%	N/A	N/A
Maximum Annual Debt Service Coverage	1.53	3.20	-52.26%	1.50	1.85%
Cash on Hand (Days)	147.07	189.80	-22.51%	104.30	41.01%
Cushion ratio	10.39	20.70	-49.83%	13.80	-24.74%
Cash-to-Debt	64.02%	175.50%	-63.52%	89.60%	-28.55%
Account Receivable (days)	45.06	47.90	-5.93%	48.70	-7.48%
(1) EBITDA Debt Service Coverage	2.85	3.10	-8.14%	N/A	N/A
Capital Spending Ratio (x)	3.41	0.80	326.09%	N/A	N/A
Capital Expenditures as % of Depreciation Expense	340.87%	N/A	N/A	164.40%	107.34%
Debt-to-capitalization	50.71%	33.10%	53.20%	53.20%	-4.68%
(1) Debt-to-Cash Flow (x)	11.78	4.10	187.25%	N/A	N/A
Average Age of Plant (Years)	9.47	13.50	-29.86%	11.50	-17.66%

- (1) The GASB Statement No. 68 & GASB Statement No. 75 adjustments, recorded on an annual basis using the results from the OPERS actuary reports, is excluded as there are no cash flows associated with the recognition of net pension and net OPEB liabilities, deferrals and expenses.

Capital Budget Summary

(\$ in Thousands)

Through June 30, 2023						
	Approved	Spent	Committed	Allocated	Balance \$	Balance %
2022	40,000	10,628	11,269	10,220	7,883	19.7%
2023	30,000	2,865	2,295	6,143	18,697	62.3%
Total	\$ 70,000	\$ 13,493	\$ 13,564	\$ 16,363	\$ 26,580	37.9%
		19.3%	19.4%	23.4%	38.0%	

	Approved	Spent	Committed	Allocated	Balance \$	Balance %
Routine/Strategic	27,000	2,684	2,141	5,974	16,201	60.0%
Contingency	2,000	60	30	32	1,878	93.9%
Minor	1,000	121	124	137	618	61.8%
2023	\$ 30,000	\$ 2,865	\$ 2,295	\$ 6,143	\$ 18,697	62.3%

Definitions:

- Spent - Expense already incurred
- Committed - Purchase Order issued or Requisition submitted but expense not incurred
- Allocated - Project approved/pending but no Purchase Orders issued yet, and no expense incurred.

Market Volumes

Volume % Change: May 2023 YTD compared to May 2022 YTD

System	Total Disch (Less New)	Newborns	ED Admits	ED Visits	Obs	Inpatient Surg	Outpatient Surg	Phys Rehab	Psych-Chem
<i>Market (Cuyahoga Hosps)</i>	4.1%	4.2%	2.2%	3.7%	6.2%	4.6%	8.4%	8.1%	-21.0%
MetroHealth	3.0%	8.3%	2.0%	8.2%	8.2%	3.9%	12.2%	20.1%	135.0%
CCHS	9.8%	2.4%	10.0%	11.1%	11.5%	8.9%	13.1%	-17.4%	5.9%
UHHS	0.4%	5.4%	-3.6%	-0.3%	4.4%	2.2%	10.2%	-3.5%	-61.3%
St. Vincent Charity	-100.0%		-100.0%	-100.0%	-100.0%	-100.0%	-100.0%		-100.0%
Hospital	Total Disch (Less New)	Newborns	ED Admits	ED Visits	Obs	Inpatient Surg	Outpatient Surg	Phys Rehab	Psych-Chem
MetroHealth*	3.0%	8.3%	2.0%	8.2%	8.2%	3.9%	12.2%	20.1%	135.0%
CCHS Cleveland Clinic*	10.4%		8.2%	11.8%	20.9%	9.4%	9.1%	-17.4%	
CCHS Euclid	12.8%		22.9%	15.3%	5.6%	-9.4%	-0.8%		-10.4%
CCHS Fairview	2.9%	0.3%	4.5%	5.2%	2.6%	14.0%	32.1%		-7.9%
CCHS Hillcrest	11.4%	5.1%	9.2%	7.1%	8.9%	7.8%	10.5%		
CCHS Lutheran	24.7%		22.5%	17.2%	24.8%	20.7%	21.6%		18.0%
CCHS Marymount	5.5%		7.7%	16.4%	18.3%	0.3%	18.0%		2.1%
CCHS South Pointe	16.5%		18.0%	15.1%	35.9%	2.7%	14.8%		
UH Ahuja	7.2%		13.3%	22.7%	35.0%	-0.3%	18.2%		
UH (LHS) Beachwood	144.0%		288.2%	143.7%	-14.3%	110.2%	2.8%		
UH Bedford - closed August	-100.0%		-100.0%	-100.0%	-100.0%	-100.0%	-100.0%		
UH Cleveland*	-0.9%	4.7%	-12.9%	9.3%	-4.5%	-1.1%	19.6%		-100.0%
UH Parma	-1.3%		2.2%	7.8%	31.0%	-4.8%	28.5%	-12.2%	-100.0%
UH Richmond Hts - closed August	-100.0%		-100.0%	-100.0%	-100.0%	-100.0%	-100.0%		
UH Southwest General	7.7%	8.6%	9.7%	13.3%	14.0%	17.3%	3.5%	10.4%	-13.2%
UH St. John Medical Center	6.3%		8.6%	16.8%	-0.6%	9.4%	16.6%		
St. Vincent Charity - closed in Nov. 2022	-100.0%		-100.0%	-100.0%	-100.0%	-100.0%	-100.0%		-100.0%

Data Source: Center for Health Affairs (CHA)

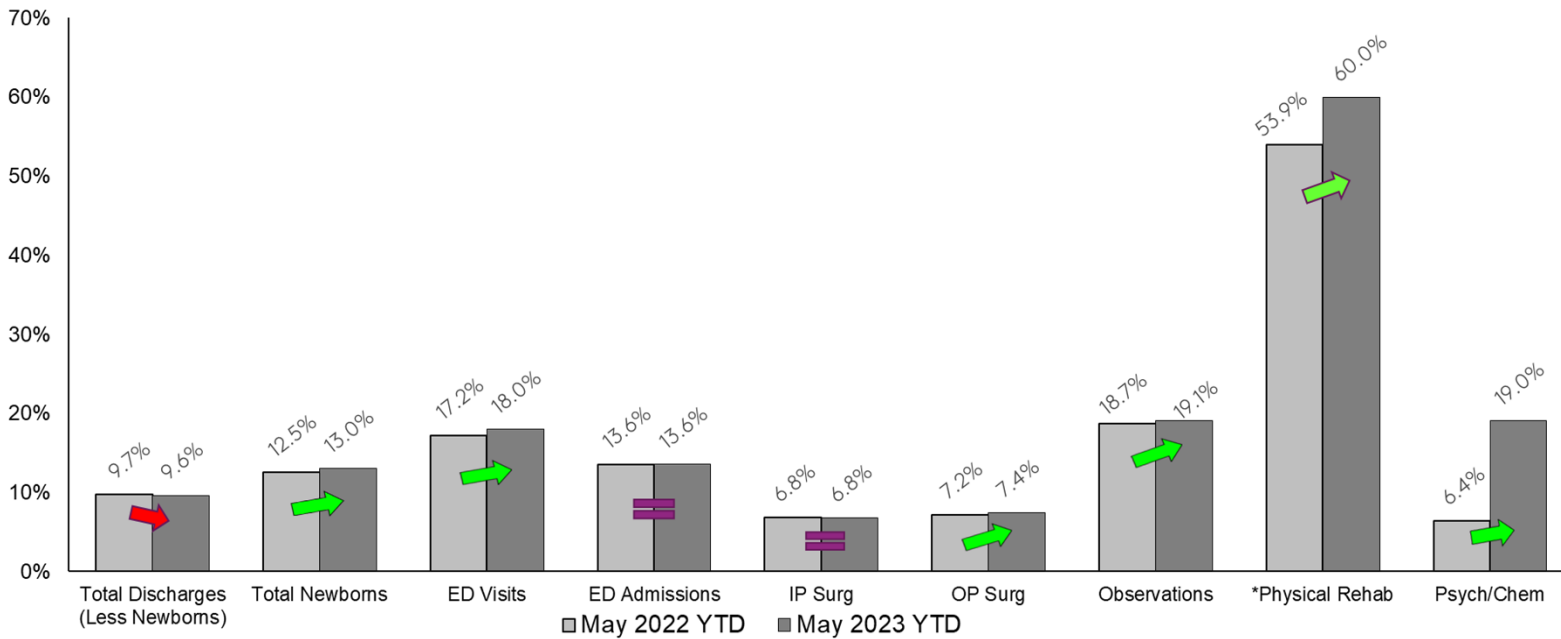
Key	Increasing and outperforming the market
	Decreasing but outperforming the market
	Increasing but underperforming the market
	Decreasing worse than the market

Notes:

- UH Parma Psych unit closed in 2022, and UH Main is not reporting Psych volumes at this time.
- The Rehab column does not capture the full market. Some Rehab hospitals do not report to CHA due to their joint venture status. CC Cleveland Clinic Rehab is CC Children's Rehab.
- CCHS Lakewood FSED is reported here under CC Main Campus, UH Broadview Hts FSED volumes are reported under UH Main.
- MetroHealth ED Visits, ED Admits & Observations include volume from Brecksville, Cleveland Hts & Parma. Total Discharges includes Main Campus, Cleveland Hts & Parma volumes
- UH Parma Psych unit closed in 2022, and UH Main is not reporting Psych volumes at this time.
- Volume % change numbers often fluctuate wildly in the early portion of the year as there are only 2 months of data displayed at this time.

MetroHealth Market Share

MetroHealth's current YTD market share compared to the market share of the same period in the previous year



1. MetroHealth total Discharges, ED Visits, ED Admits, and Observations include volume from Brecksville, Cleveland Hts, and Parma where applicable.
2. Not all rehab facilities report to CHA, which may increase MetroHealth's share.
3. Physical Rehab and Pysch/Chem based on relatively low volumes.

A decorative graphic in the top right corner of the page, consisting of numerous circles of various sizes and colors. The colors include shades of orange, red, pink, purple, blue, teal, and green. The circles are arranged in a pattern that suggests movement or a trail, with some larger circles and many smaller ones.

Appendix

Quarterly and Year-to-Date Operating Performance - Volumes

Three Months Ended June 30, 2023					Six Months Ended June 30, 2023				
Actual	Target	Var %	Prior Yr	Var %	Actual	Target	Var %	Prior Yr	Var %
4,794	5,331	(10.1%)	4,925	(2.6%)	9,538	10,723	(11.1%)	9,751	(2.2%)
478	577	(17.0%)	564	(15.2%)	1,048	1,233	(15.0%)	1,063	(1.4%)
473	621	(23.8%)	178	165.7%	790	1,127	(29.9%)	337	134.4%
208	168	23.7%	167	24.6%	370	346	7.0%	349	6.0%
4	0	0.0%	0	0.0%	10	0	0.0%	1	900.0%
5,958	6,697	(11.0%)	5,834	2.1%	11,756	13,428	(12.5%)	11,501	2.2%
2,937	2,670	10.0%	2,818	4.2%	5,767	5,272	9.4%	5,275	9.3%
8,895	9,367	(5.0%)	8,652	2.8%	17,523	18,700	(6.3%)	16,776	4.5%
310	349	(11.0%)	301	2.9%	318	363	(12.5%)	319	(0.3%)
10	10	(3.5%)	12	(15.6%)	12	11	5.2%	12	(1.9%)
39	53	(26.1%)	16	151.9%	36	49	(25.5%)	16	132.1%
36	33	7.8%	36	0.5%	36	36	2.0%	38	(4.6%)
0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
395	445	(11.3%)	364	8.5%	403	459	(12.3%)	385	4.7%
5.89	5.95	1.1%	5.57	(5.7%)	6.04	6.14	1.6%	5.92	(2.0%)
1.89	1.62	(16.3%)	1.90	0.5%	2.06	1.66	(23.8%)	2.07	0.5%
7.56	7.80	3.0%	7.97	5.2%	8.33	7.84	(6.3%)	8.42	1.0%
15.66	17.97	12.9%	19.41	19.3%	17.73	18.60	4.7%	19.69	10.0%
1.00	0.00	0.0%	0.00	0.0%	1.70	0.00	0.0%	4.00	57.5%
1.90	1.92	(0.6%)	1.89	0.8%	1.93	1.92	0.9%	1.94	(0.3%)
1.59	1.62	(1.9%)	1.56	1.7%	1.60	1.62	(1.6%)	1.60	(0.0%)
1.66	1.64	1.2%	1.59	4.1%	1.66	1.64	1.6%	1.64	1.3%
1.71	1.73	(0.9%)	1.68	1.9%	1.73	1.73	(0.0%)	1.73	(0.2%)

Quarterly and Year-to-Date Operating Performance - Volumes

Three Months Ended June 30, 2023					Six Months Ended June 30, 2023				
Actual	Target	Var %	Prior Yr	Var %	Actual	Target	Var %	Prior Yr	Var %
580	738	(21.4%)	669	(13.3%)					
460,102	0	0.0%	333,224	38.1%					
236	233	1.3%	229	3.1%					
253	217	16.8%	0	0.0%					
255	307	(17.1%)	329	(22.5%)					
536	476	12.6%	555	(3.4%)					
72,100	73,440	(1.8%)	74,804	(3.6%)					
207,059	195,080	6.1%	182,098	13.7%					
48,332	61,365	(21.2%)	57,204	(15.5%)					
327,491	329,885	(0.7%)	314,106	4.3%					
18,576	19,450	(4.5%)	18,609	(0.2%)					
17,150	16,786	2.2%	15,882	8.0%					
35,726	36,236	(1.4%)	34,491	3.6%					
1,298	1,307	(0.7%)	1,262	2.9%					
14	20	(30.0%)	22	(36.4%)					
1,645	1,503	9.4%	1,450	13.4%					
2,605	2,320	12.3%	2,361	10.3%					
5,562	5,150	8.0%	5,095	9.2%					
7,473	7,638	2.2%	6,895	(8.4%)					
209	189	(10.6%)	199	(5.4%)					
101	123	18.4%	105	3.8%					
7,783	7,951	2.1%	7,198	(8.1%)					
					Other Key Volumes				
					Deliveries				
					1,245	1,462	(14.9%)	1,266	(1.7%)
					Prescriptions Filled				
					859,570	0	0.0%	618,022	39.1%
					Life Flight - Helicopter Metro				
					354	404	(12.3%)	354	0.0%
					Life Flight - Helicopter ProMedica				
					399	376	6.2%	0	0.0%
					Life Flight - Ground				
					527	663	(20.5%)	580	(9.1%)
					Life Flight - Internal MHS Transfers				
					1,077	952	13.2%	1,065	1.1%
					OP Visit Volumes				
					Main Campus				
					143,625	145,430	(1.2%)	146,500	(2.0%)
					Other MH Sites				
					414,919	385,912	7.5%	346,183	19.9%
					Telehealth				
					104,136	126,248	(17.5%)	130,928	(20.5%)
					662,680	657,590	0.8%	623,611	6.3%
					Emergency Visits				
					Main Campus				
					35,853	37,007	(3.1%)	34,523	3.9%
					Other MH Sites				
					33,394	32,104	4.0%	29,688	12.5%
					69,247	69,112	0.2%	64,211	7.8%
					Surgical Volumes				
					Main Campus Inpatient				
					2,555	2,580	(1.0%)	2,495	2.4%
					Parma Health Inpatient				
					31	39	(20.5%)	46	(32.6%)
					Main Campus Outpatient				
					3,204	2,995	7.0%	2,894	10.7%
					Other MH Sites OP Surgery				
					5,170	4,620	11.9%	4,530	14.1%
					10,960	10,234	7.1%	9,965	10.0%
					Regular FTE's				
					7,396	7,596	2.6%	6,863	(7.8%)
					Overtime FTE's				
					225	196	(14.6%)	227	0.9%
					Recovery Resource FTE's				
					104	123	16.0%	101	(2.6%)
					7,724	7,915	2.4%	7,191	(7.4%)



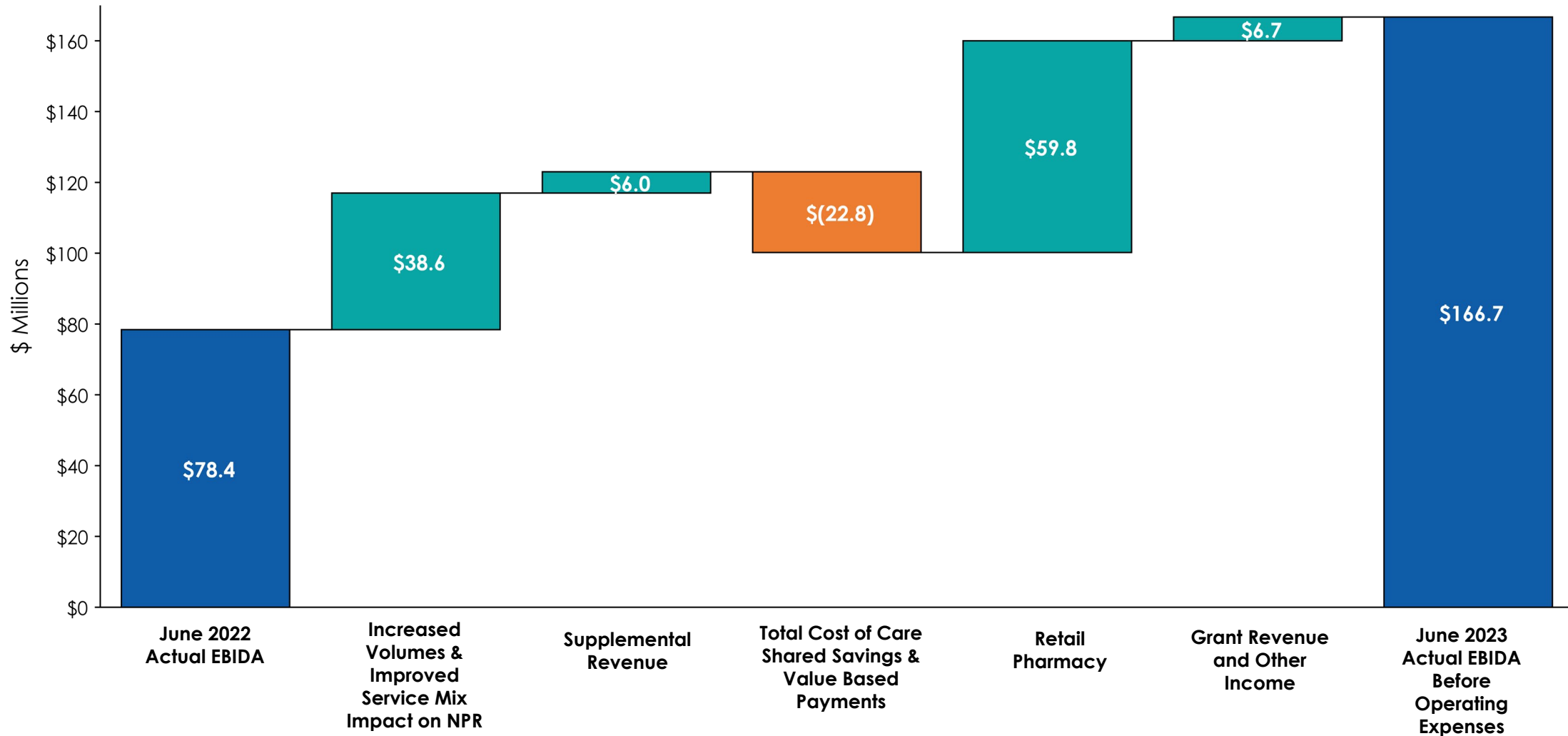
MetroHealth

Q2 2023 Unaudited Financial and Operation Results Supplemental Waterfall Charts

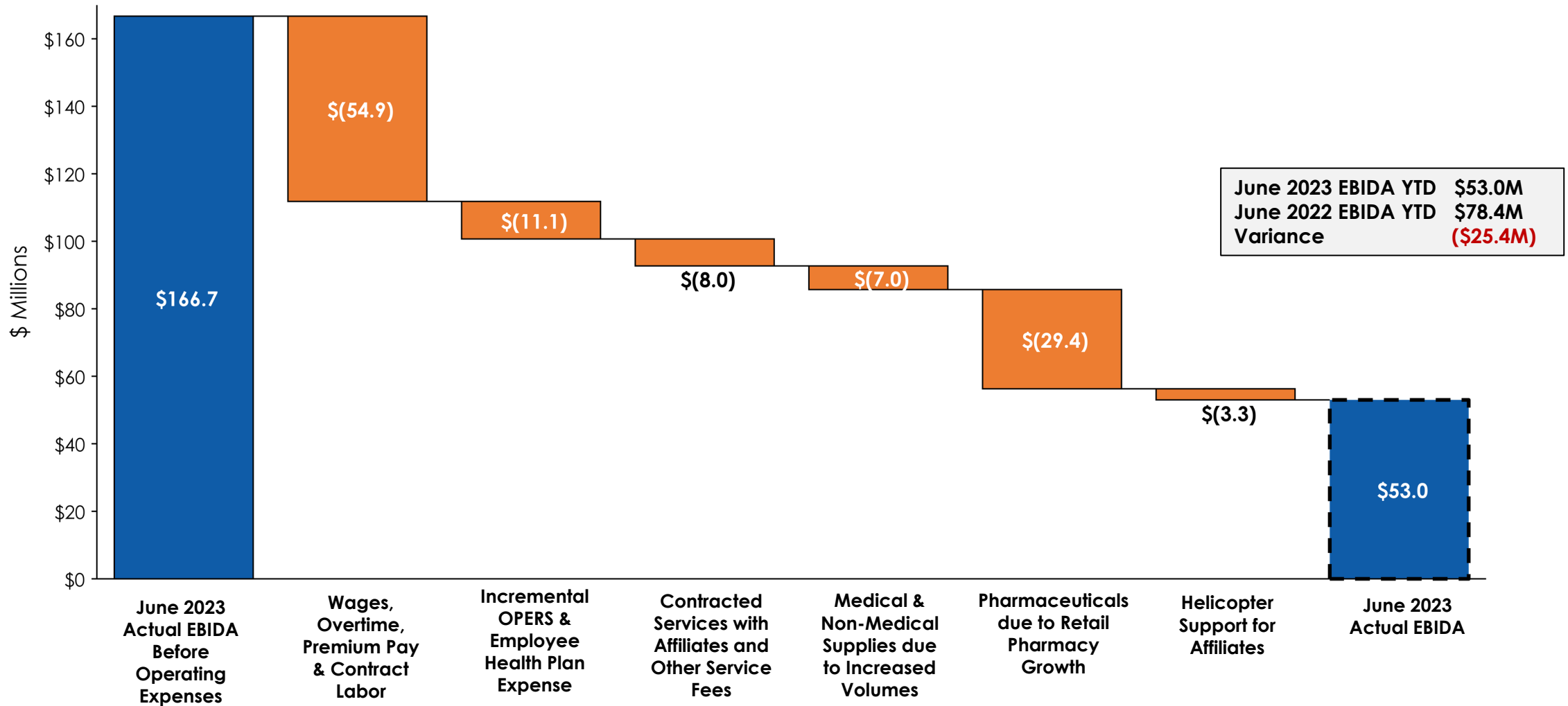
Finance Committee

August 23, 2023

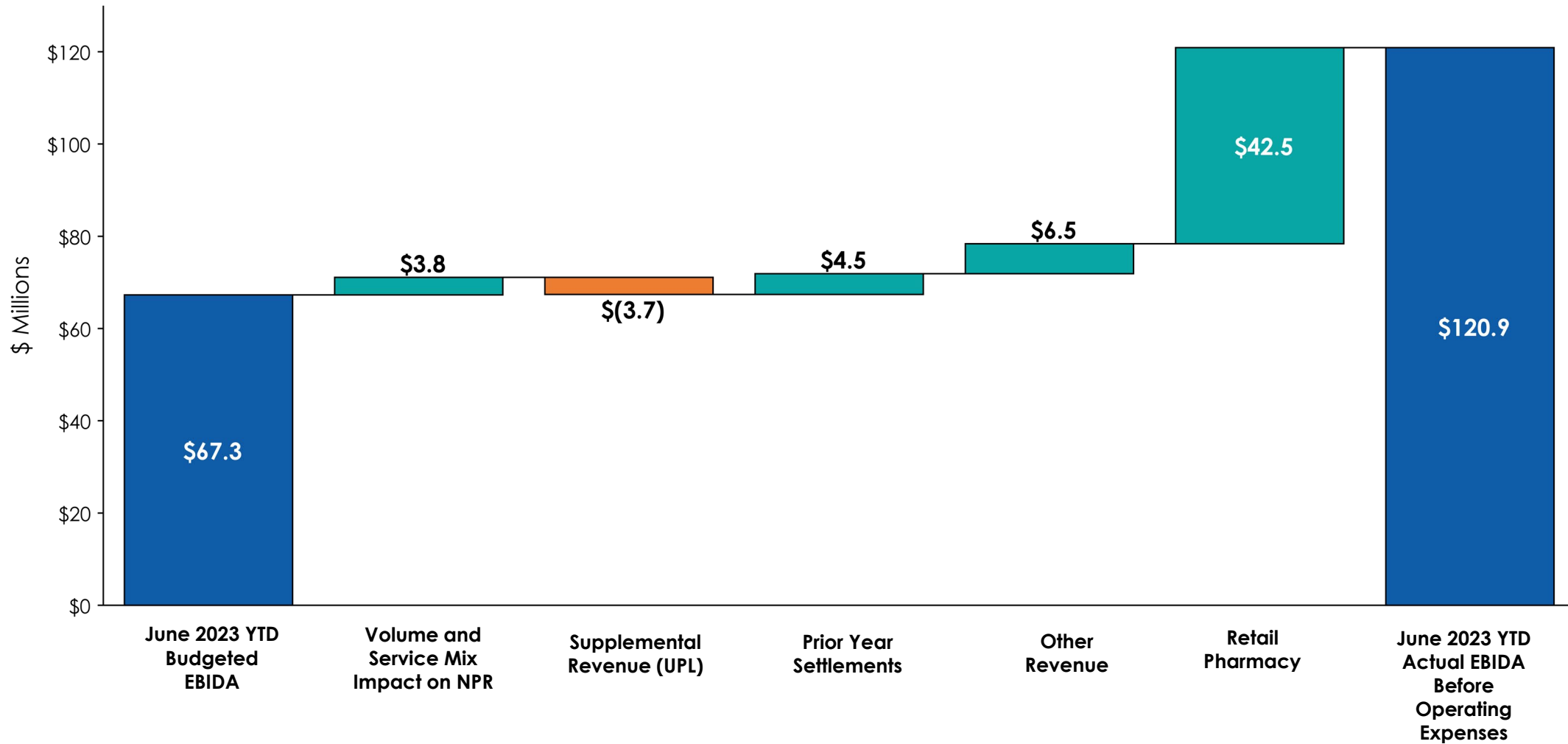
June 2023 YTD compared to June 2022 YTD Financial Results (Represents change/variance from Actual)



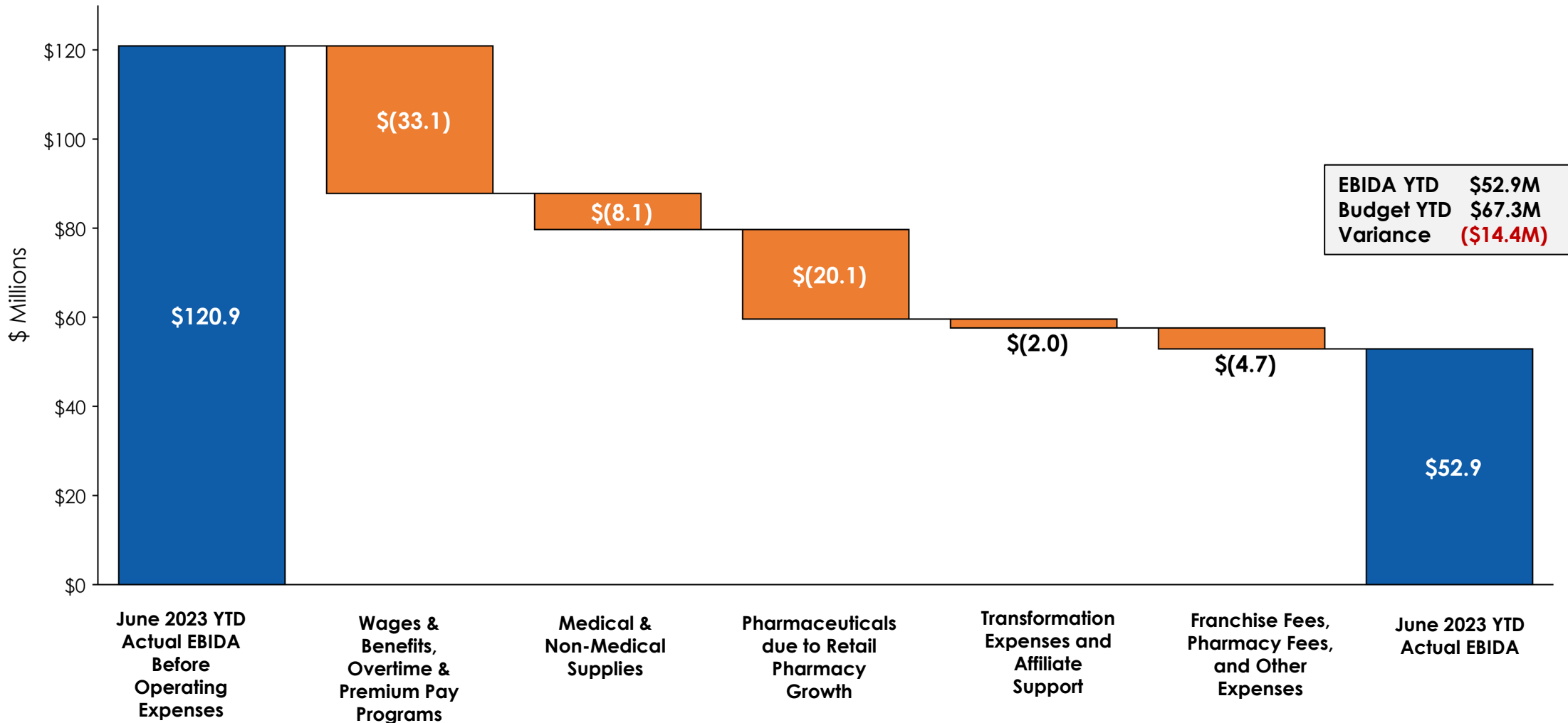
June 2023 YTD compared to June 2022 YTD Financial Results (Represents change/variance from Actual)



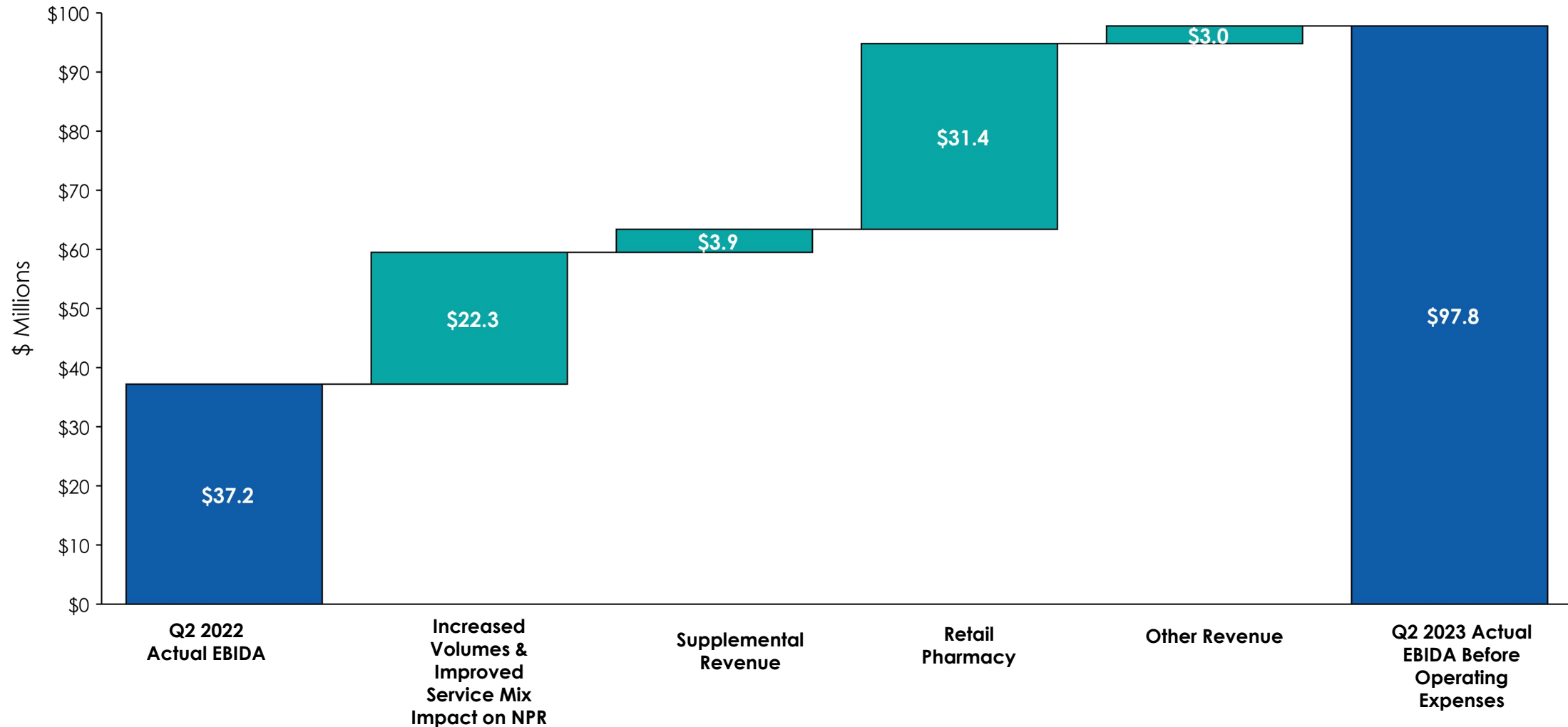
June 2023 YTD Financial Results Compared to Budget (Represents change/variance from Budget)



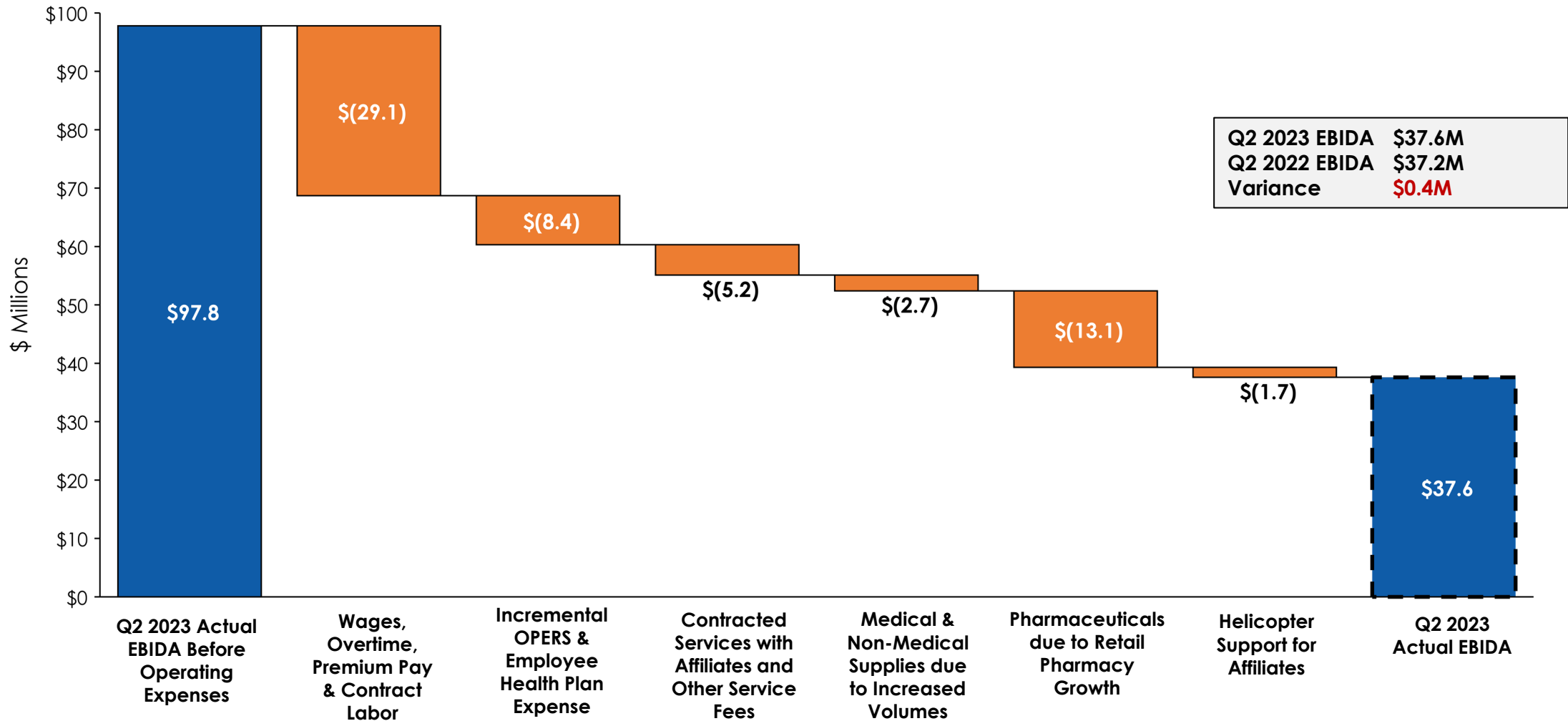
June 2023 YTD Financial Results Compared to Budget (Represents change/variance from Budget)



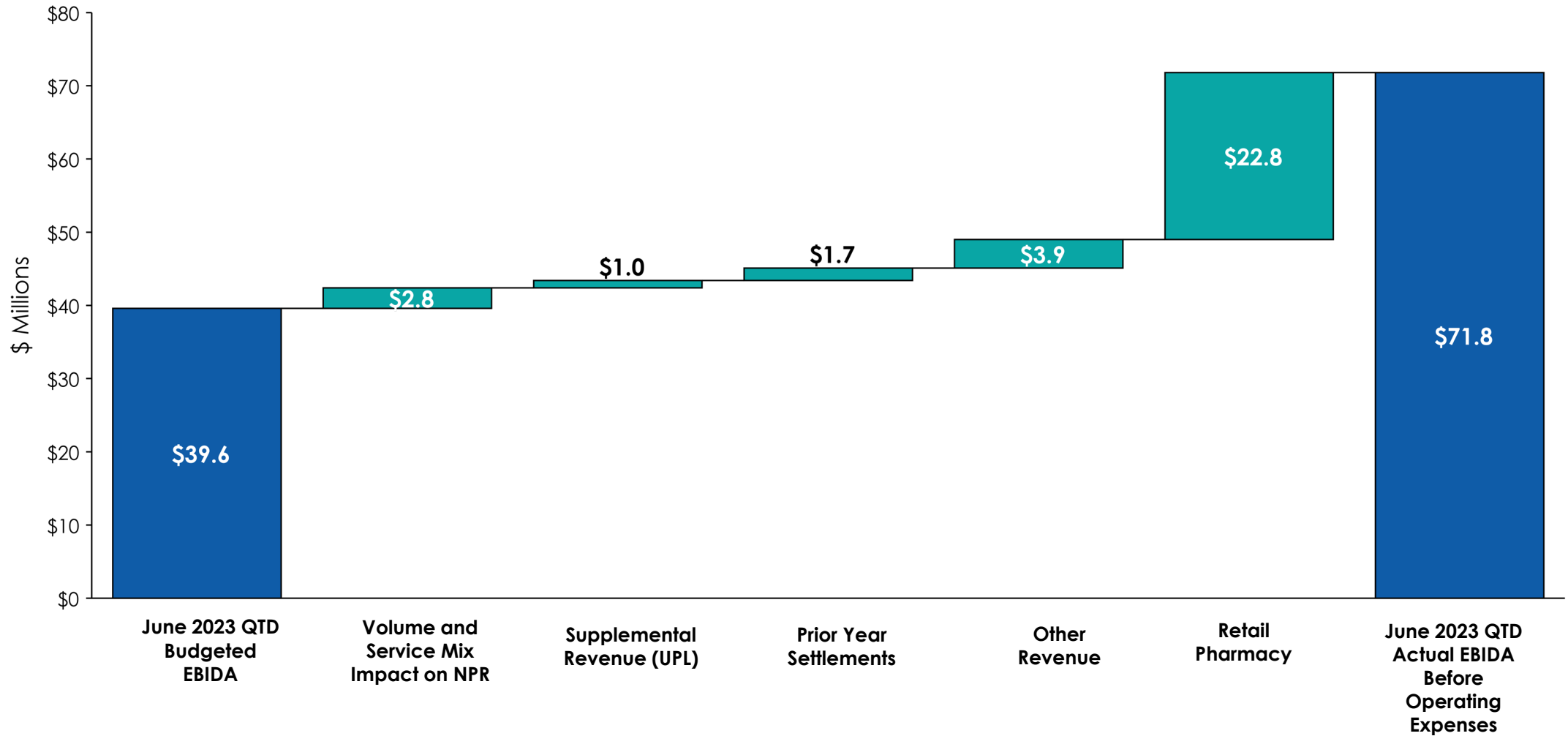
Q2 2023 compared to Q2 2022 Financial Results (Represents change/variance from Actual)



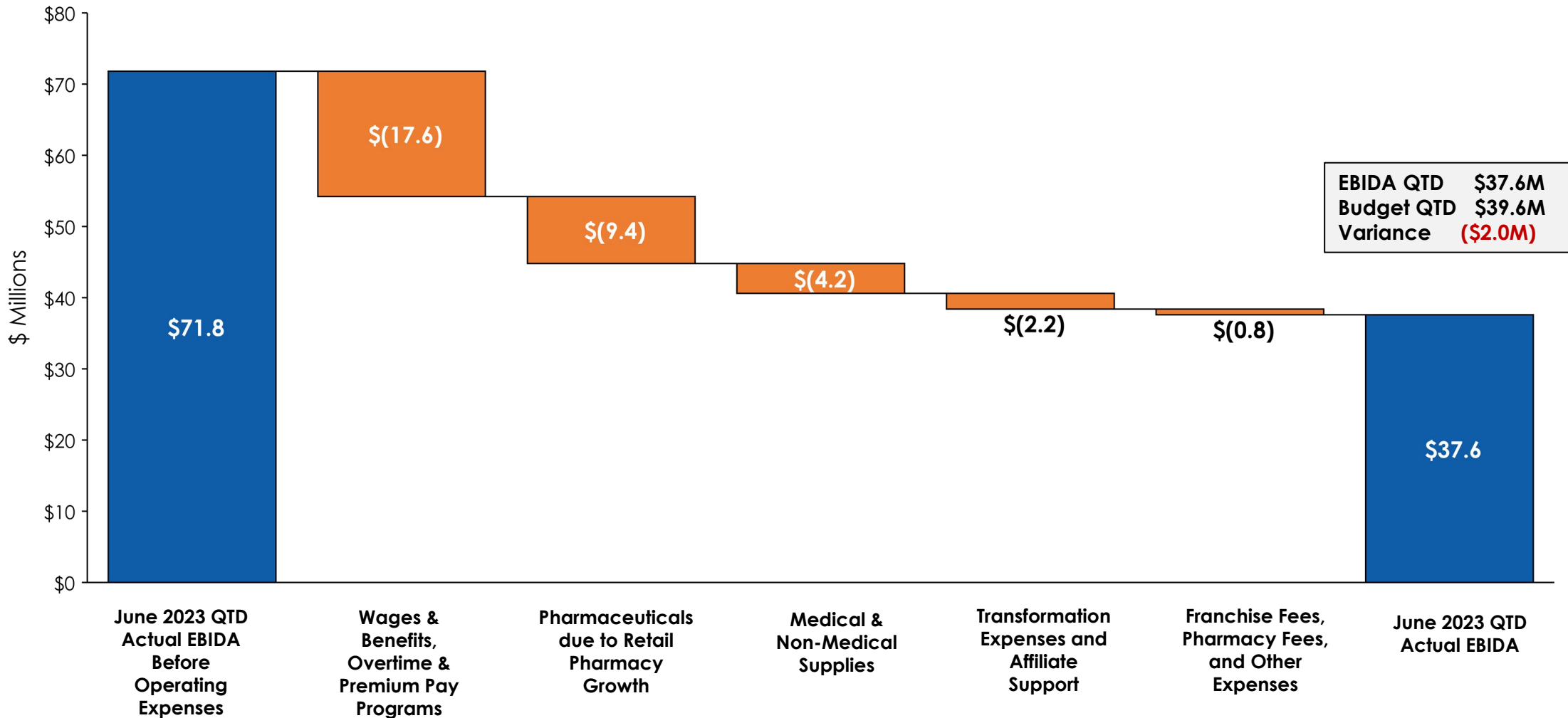
Q2 2023 compared to Q2 2022 Financial Results (Represents change/variance from Actual)



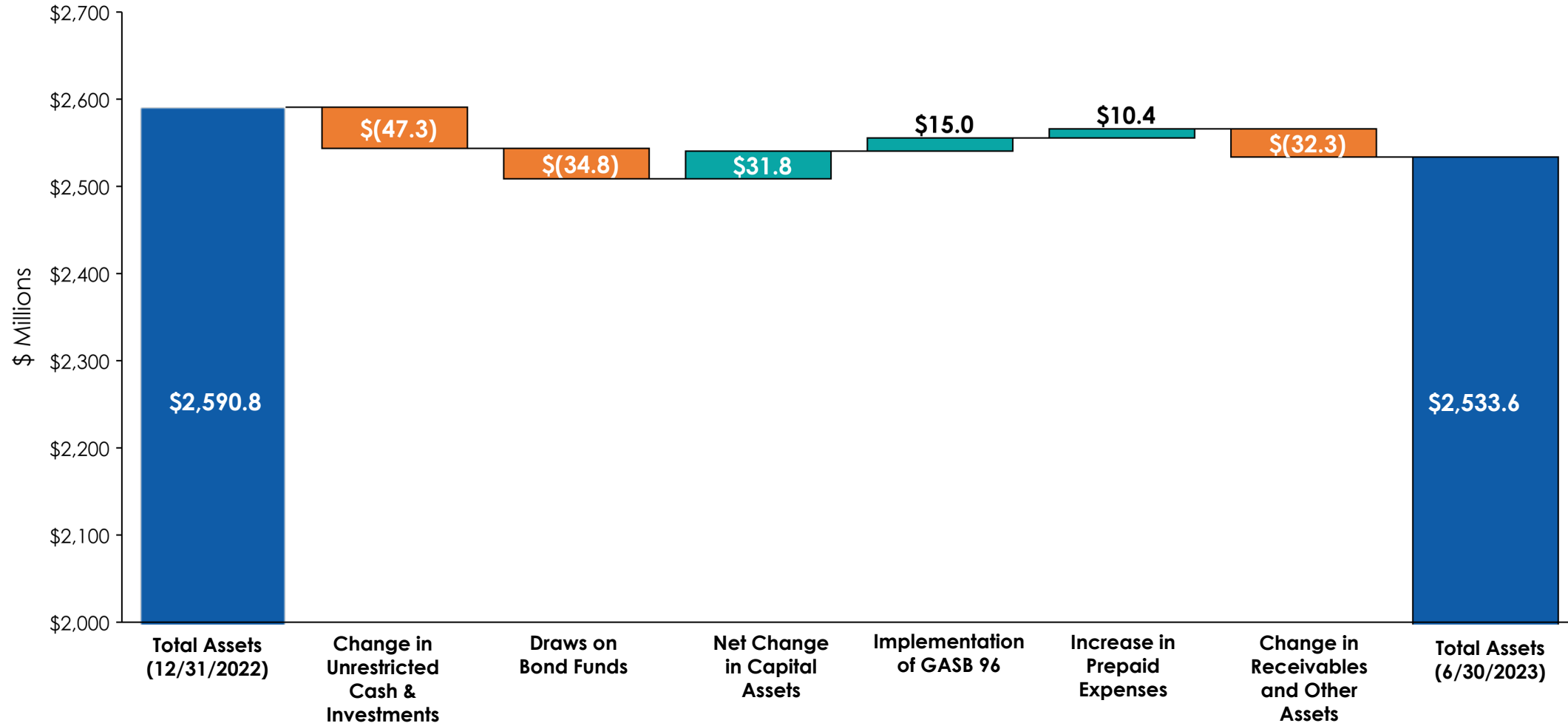
Q2 2023 Financial Results Compared to Budget (Represents change/variance from Budget)



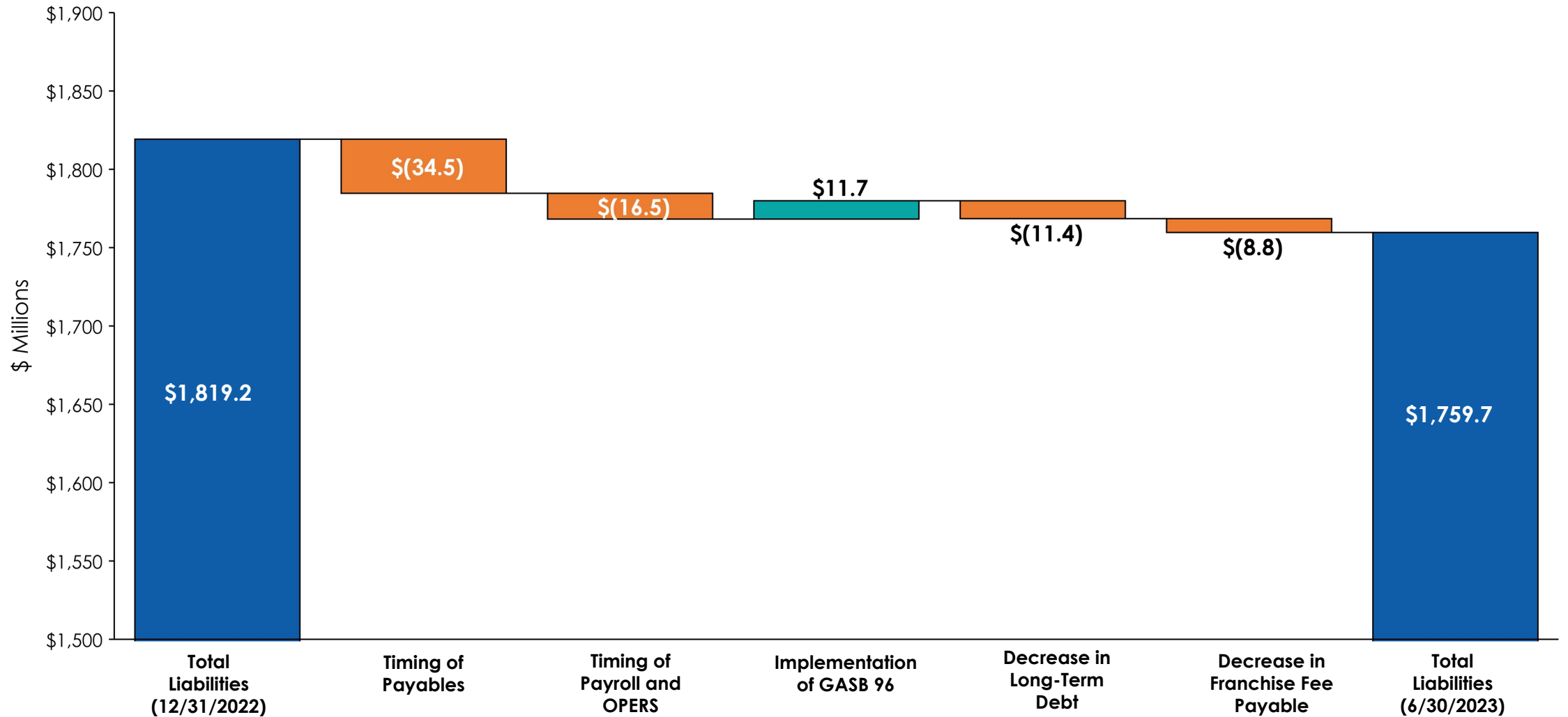
Q2 2023 Financial Results Compared to Budget (Represents change/variance from Budget)



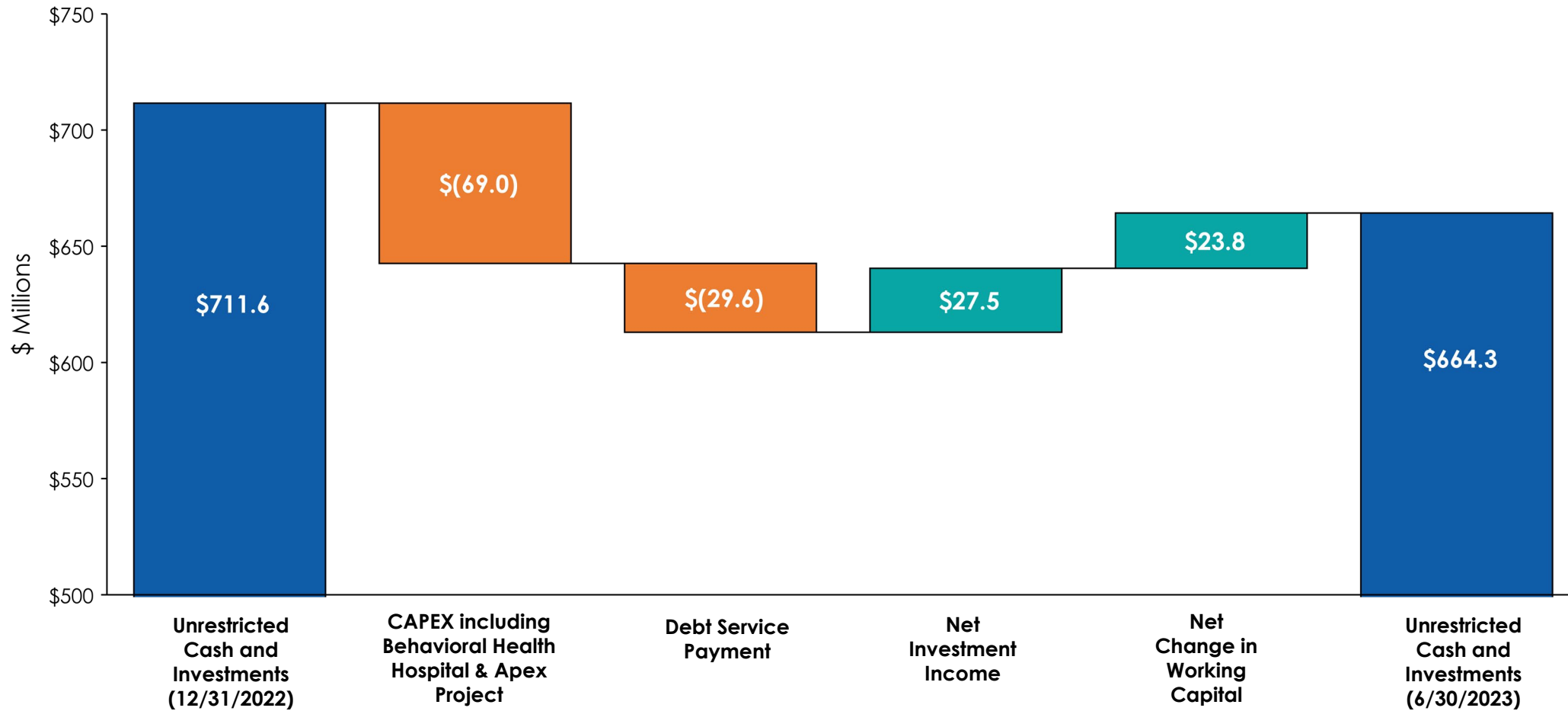
June 30, 2023 Assets compared to December 31, 2022



June 30, 2023 Liabilities compared to December 31, 2022



June 30, 2023 Unrestricted Cash and Investments compared to December 31, 2022



**RECOMMENDATION OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER
OF THE METROHEALTH SYSTEM
FOR FINANCIAL AND OPERATIONAL TRANSFORMATION AND
OPTIMIZATION PROJECT**

Recommendation

The President and Chief Executive Officer recommends that the Board of Trustees of The MetroHealth System approve the engagement of a third-party firm to assist MetroHealth in completing a financial and operational transformation optimization project more fully described in Attachment A hereto, for costs not to exceed the amounts shown.

Background

Healthcare systems continue to face significant financial and operational strains largely attributable to the COVID-19 pandemic and workforce/labor shortage. This engagement is expected to result in meaningful operating margin improvement for MetroHealth.

Approval of Financial and Operational Transformation and Optimization Project

RESOLUTION XXXXX

WHEREAS, the Board of Trustees of The MetroHealth System has been presented a recommendation for the engagement of a third-party firm to assist MetroHealth in completing a financial and operational transformation and optimization project as more fully described in Attachment A hereto, and

WHEREAS, the Finance Committee of the Board has reviewed this recommendation and now recommends its approval.

NOW, THEREFORE, BE IT RESOLVED, the Board of Trustees of The MetroHealth System hereby approves the engagement of a third-party firm to assist MetroHealth in completing a financial and operational transformation and optimization project as listed in Attachment A, for costs not to exceed the amounts shown.

BE IT FURTHER RESOLVED, the President and Chief Executive Officer or her designees are hereby authorized to take necessary actions, including the negotiation and execution of agreements and other documents consistent with this resolution.

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE:

August 2023

CONFIDENTIAL: THIS DOCUMENT CONTAINS TRADE SECRETS AND INFORMATION THAT IS CONFIDENTIAL AND PROPRIETARY PROPERTY OF THE METROHEALTH SYSTEM AND MAY NOT BE COPIED, PUBLISHED OR DISCLOSED TO OTHERS WITHOUT THE EXPRESS WRITTEN AUTHORIZATION OF AN AUTHORIZED OFFICER OF METROHEALTH. THIS DOCUMENT MUST BE KEPT ONLY IN CONFIDENTIAL FILES WHEN NOT IN USE.

ATTACHMENT A