

# CONTINUING DISCLOSURE QUARTERLY REPORT

## Covenant Health Obligated Group

Quarter Ended March 31, 2021

### Name, Address and Telephone Number of Obligated Person:

Covenant Health Obligated Group  
c/o Covenant Health, Inc.  
100 Ames Pond Drive, Suite 102  
Tewksbury, MA 01876  
978-312-4305  
Contact person: Stephen W. Forney, Chief Financial Officer

### Bonds to Which Report Relates:

\$12,940,000 Original Issued amount  
Massachusetts Health and Educational Facility Authority  
Healthcare System Revenue Bonds,  
Covenant Health Systems Obligated Group Issue,  
Series 2007A

<u>MATURITY</u>	<u>CUSIP NO.</u>
07/01/2022	57586DAQ6
07/01/2026	57586DAU7
07/01/2030	57586DAY9
07/01/2037	57586DBF9

\$11,890,000 Original issued amount  
Massachusetts Health and Educational Facility Authority  
Healthcare System Revenue Bonds,  
Covenant Health Systems Obligated Group Issue,  
Series 2007B

<u>MATURITY</u>	<u>CUSIP NO.</u>
07/01/2021	57586DBV4
07/01/2022	57586DBW2
07/01/2025	57586DBX0
07/01/2028	57586DBY8
07/01/2031	57586DBZ5

\$17,030,000 Original issued amount

New Hampshire Health and Education Facility Authority  
Healthcare System Revenue Bonds,  
Covenant Health Systems Obligated Group Issue,  
Series 2007A

<u>MATURITY</u>	<u>CUSIP NO.</u>
07/01/2024	644614TT6
07/01/2027	644614TW9
07/01/2031	644614UA5
07/01/2037	644614UG2

\$36,650,000 Original issued amount

New Hampshire Health and Education Facility Authority  
Healthcare System Revenue Bonds,  
Covenant Health Systems Obligated Group Issue,  
Series 2007B

<u>MATURITY</u>	<u>CUSIP NO.</u>
07/01/2021	644614UW7
07/01/2022	644614UX5
07/01/2023	644614UT3
07/01/2024	644614UZ0
07/01/2025	644614VA4
07/01/2028	644614VB2
07/01/2031	644614VC0

\$12,365,000 Original issued amount

Massachusetts Health and Educational Facility Authority  
Healthcare System Revenue Bonds,  
Covenant Health Systems Obligated Group Issue,  
Series 2012

<u>MATURITY</u>	<u>CUSIP NO.</u>
7/1/2021	57584QAJ5
7/1/2022	57584QAK2
7/1/2023	57584QAL0
7/1/2024	57584QAM8
7/1/2025	57584QAN6
7/1/2026	57584QAP1
7/1/2027	57584QAQ9
7/1/2031	57584QAR7
7/1/2042	57584QAS5

\$27,000,000 Original issued amount

New Hampshire Health and Education Facility Authority  
Healthcare System Revenue Bonds,  
Covenant Health Systems Obligated Group Issue,  
Series 2012

<u>MATURITY</u>	<u>CUSIP NO.</u>
7/1/2021	64461PAJ1
7/1/2022	64461PAK8
7/1/2023	64461PAL6
7/1/2024	64461PAM4
7/1/2025	64461PAN2
7/1/2026	64461PAP7
7/1/2027	64461PAQ5
7/1/2032	64461PAR3
7/1/2042	64461PAS1

\$16,900,000 Original issued amount

New Hampshire Health and Education Facility Authority  
Healthcare System Revenue Bonds,  
Covenant Health Systems Obligated Group Issue, Series 2014  
Direct Placement with TD Bank

\$2,530,707 Original issued amount

Massachusetts Health and Educational Facility Authority  
Healthcare System Revenue Bonds,  
Covenant Health Systems Obligated Group Issue, Series 2017  
Direct Placement with Siemens AG

\$7,960,000 Original issued amount

New Hampshire Health and Education Facility Authority  
Healthcare System Revenue Bonds,  
Covenant Health Systems Obligated Group Issue, Series 2017  
Direct Placement with Siemens AG

**Period to Which Report Relates:**

Quarter ended March 31, 2021

This Continuing Disclosure Report (this “Report”) is provided on behalf of the Covenant Health Obligated Group (the “Obligated Group”) by Covenant Health, Inc. (“Covenant”), as Obligated Group Agent. The Obligated Group consists of Covenant and the organizations listed on **Exhibit A** attached hereto. The Obligated Group does not include all the organizations controlled by Covenant. Covenant has excluded from the Obligated Group certain of its sponsored controlled organizations based upon regulatory and tax-exempt financing requirements in the jurisdictions in which they operate. The organizations that are directly or indirectly controlled by Covenant (including those within the Obligated

Group) are referred to as “Controlled Organizations,” and Covenant and all its Controlled Organizations are referred to collectively as the “Consolidated Group.” **The following discussion contains reference to certain organizations that are not members of the Obligated Group; such organizations that are not members of the Obligated Group have no obligation with respect to the Bonds or under the Master Indenture and none of the assets or revenues of such organizations are available to make payments of principal or interest on the Bonds or the Notes.**

This Report is being filed with the Municipal Securities Rulemaking Board (the “Board”) pursuant to Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (the “Rule”) and is pursuant to the Continuing Disclosure Agreement pertaining to certain Bonds which were issued concurrently with the formation of the Obligated Group.

THIS REPORT IS INTENDED SOLELY TO PROVIDE CERTAIN LIMITED FINANCIAL AND OPERATING DATA IN ACCORDANCE WITH UNDERTAKINGS OF COVENANT AND THE OBLIGATED GROUP UNDER THE RULE (THE “UNDERTAKING”) AND DOES NOT CONSTITUTE A REISSUANCE OF ANY OFFICIAL STATEMENT RELATING TO THE BONDS OR A SUPPLEMENT OR AMENDMENT TO ANY SUCH OFFICIAL STATEMENT.

THIS REPORT CONTAINS CERTAIN FINANCIAL, OPERATING AND OTHER DATA AS OF MARCH 31, 2020. COVENANT AND THE OBLIGATED GROUP HAVE UNDERTAKEN NO RESPONSIBILITY TO UPDATE ANY ELEMENTS OF THAT DATA SINCE THAT DATE OR TO UPDATE THIS REPORT AND DISCLAIM ANY OBLIGATION TO UPDATE THIS REPORT OR TO FILE ANY REPORTS OR OTHER INFORMATION WITH THE BOARD OR ANY OTHER PERSON EXCEPT AS SPECIFICALLY REQUIRED BY THE UNDERTAKING.

This Report may contain certain “forward-looking statements” which involve known and unknown risks and uncertainties inherent in the operation of healthcare facilities. All statements other than statements of historical information provided herein may be forward-looking statements. Without limiting the foregoing, the words “believes,” “estimates,” “anticipates,” “plans,” “intends,” “scheduled,” “expects” and similar expressions are intended to identify forward-looking statements. Factors that could cause actual results to differ materially from those reflected in the forward-looking statements include, but are not limited to, competition from other healthcare facilities, federal and state regulation of healthcare providers, and reimbursement policies of state and federal governments and managed care organizations. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis, judgment, belief or expectation only as of the date hereof. Covenant and the Obligated Group undertake no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

## SUMMARY FINANCIAL INFORMATION

### Summary Statement of Operations of Obligated Group

Attached hereto as **Exhibit B** is a Summary Statement of Operations of the Obligated Group for the quarters ended March 31, 2021 and 2020, which was derived by management from unaudited internal financial statements. The unaudited financial statements include all adjustments, consisting of normal recurring accruals, which Covenant considers necessary for a fair presentation of the results of operations for these periods. The Summary Statement of Operations should be read in conjunction with the notes to the Consolidated Financial Statements of the Consolidated Group for the year ended December 31, 2020, which are included with the Continuing Disclosure Annual Report for the year ended December 31, 2020.

## Management's Discussion of Recent Financial Performance of Obligated Group

Net patient service revenue of the Obligated Group for the quarter ended March 31, 2021 was \$76.5 million, an increase of \$2.2 million (3%) when compared to net patient service revenue of the Obligated Group for the same period in 2020. Total revenue of the Obligated Group for the quarter ended March 31, 2021 was \$88.8 million, representing an increase of \$2.6 million (3%) from the same period in 2020. Inpatient discharge volume at St. Joseph Nashua for the March 31, 2021 quarter decreased by 76 inpatient discharges (6%) when compared with the same quarter in 2020; however, outpatient encounters increased by 6,620 (9%) when comparing the March 31, 2021 and 2020 quarters.

Expenses for the Obligated Group for the quarter ended March 31, 2021 were \$90.3 million, an increase of \$0.2 million (0.3%) when compared to expenses of the Obligated Group for the same period in 2020. Salaries and wages for the quarter ended March 31, 2021 were \$40.1 million, a decrease of \$0.6 million (1%) when compared with the same period in 2020. Employee benefits for the quarter ended March 31, 2021 were \$7.2 million, a decrease of \$1.1 million (13%) when compared with the same period in 2020. Supplies and other expenses including provider taxes for the quarter ended March 31, 2021 increased by \$2.0 million (6%) as compared with the same period in 2020. Much of the 2021 first quarter's increase in supplies and other expenses is the result of increases in contracted physician and nursing services, implants, reference laboratory, and billing fees. The Obligated Group generated a loss from operations of \$1.5 million for the quarter ended March 31, 2021 (representing -2% of total revenue), compared with operating loss of \$3.8 million (representing -4% of total revenue) for the same period in 2020.

Combined non-operating gains of the Obligated Group for the quarter ended March 31, 2021 were \$7.2 million, compared with a non-operating losses of \$51.4 million for the same period in 2020. Non-operating gains for the quarter ended March 31, 2021 were driven by unrealized investment gains as compared with the first quarter of 2020. The revenue over expense of the Obligated Group for the quarter ended March 31, 2021 was \$5.7 million, representing a favorable variance of 60.9 million as compared with the same period in 2020.

Liquidity for the Obligated Group as measured by unrestricted days' cash on hand, calculated using a standard industry method (unrestricted cash and investments divided by operating expense less depreciation, divided by the number of days in the period) rather than the method prescribed by the Master Trust Indenture, was 349 days for the quarter ended March 31, 2021 as compared with 228 days for the quarter ended March 31, 2020. The debt service coverage ratio for the Obligated Group, calculated using a standard industry method (excess of revenues over expenses plus depreciation, amortization, interest and unrealized (gains) or losses divided by interest expense plus estimated debt principal payments for the period in question) rather than the method prescribed by the Master Trust Indenture, was 1.2 for the quarter ended March 31, 2021, as compared with 1.9 for the quarter ended March 31, 2020. Debt service as a percentage of revenue was 4.6% for the quarter ended March 31, 2021 as compared with 4.8% for the quarter ended March 31, 2020. Debt to capitalization for the Obligated Group was 31.9% at March 31, 2021 as compared with 38.9% at March 31, 2020.

St. Joseph Nashua has a defined benefit plan, which was frozen September 2, 2007. The underfunded pension liability was \$0.8 million and \$4.2 million as of March 31, 2021 and March 31, 2020, respectively. Market returns net of lump sum payments made to beneficiaries accounted for the decrease in the unfunded pension liability of \$3.4 million at St. Joseph Nashua between March 31, 2020 and March 31, 2021.

## Management's Discussion of Recent Financial Performance of Consolidated Group

*The Consolidated Group includes several organizations that are not members of the Obligated Group (such organizations that are members of the Consolidated Group but not members of the Obligated Group are referred to as "Non-Obligated Group Members"). The Non-Obligated Group Members have no obligation with respect to the Bonds or under the Master Indenture and none of the assets or revenues of the Non-Obligated Group Members are available to make payments of principal or interest on the Bonds.*

Net patient service revenue of the Consolidated Group was \$178.3 million for the quarter ended March 31, 2021, an increase of \$12.3 million (7%) as compared with net patient service revenue of the Consolidated Group for the same period in 2020. The primary drivers for the increase in net patient service revenues were due to favorable variances in payment on account factors, increases in O.R. Cases, Clinical Lab, Pharmacy, Cath Lab, and improvement in Medicare Case Mix Index, partially offset by shortfalls in hospital discharges, Emergency Department visits, skilled nursing facility resident days, and Endoscopy cases. Total revenue of the Consolidated Group for the quarter ended March 31, 2021 was \$188.0 million, representing an increase of \$13.7 million (8%) from the same period in 2020.

Expenses for the Consolidated Group for the quarter ended March 31, 2021 were \$192.5 million, an increase of \$3.6 million (2%) from the same period in 2020. Salaries and wages increased by \$0.9 million (1%). Supplies and other expenses increased by \$3.0 million (4%) as compared with the same period in 2020 due to increases in contracted physician and nursing services, implants, reference laboratory, and billing fees.

The Consolidated Group generated an operating loss of \$4.5 million (representing -2% of total revenue) for the quarter ended March 31, 2021, as compared with an operating loss of \$14.5 million (representing -8% of total revenue) for the same period in 2020.

Non-operating gains of the Consolidated Group for the quarter ended March 31, 2021 were \$3.8 million, a favorable variance of \$73.5 million as compared with the same period in 2020. The favorable variance in non-operating income (losses) during the quarter ended March 31, 2021 was driven by unrealized investment gains as compared with the first quarter of 2020.

The excess of revenue over expense of the Consolidated Group for the quarter ended March 31, 2021 was \$3.8 million as compared with a deficiency of revenue over expenses \$69.7 million in for the March 31, 2020 quarter, an unfavorable variance of \$73.5 million.

Liquidity for the Consolidated Group as measured by unrestricted days' cash on hand was 225 days as of March 31, 2021, as compared with 160 days as of March 31, 2020. The increase in days' cash on hand was attributable to an increase in unrestricted cash and investments from March 31, 2020 to March 31, 2021. Debt service coverage for the Consolidated Group was 0.8 for the quarter ended March 31, 2021 as compared with to 0.5 for the quarter ended March 31, 2020. Debt service as a percentage of revenue was 3.5% for the quarter ended March 31, 2021 compared to 3.7% for the quarter ended March 31, 2020. Debt to capitalization for the Consolidated Group was 33.0% as of March 31, 2021 as compared with 39.0% as of March 31, 2020.

Both St. Joseph Nashua and St. Joseph Bangor have frozen defined benefit plans. The St. Joseph Nashua Defined Benefit Pension Plan is discussed above in the narrative pertaining to the Obligated Group. St. Joseph Bangor's defined benefit plan was frozen for new participants effective as of January 1, 2004. The unfunded pension liability of the Consolidated Group decreased from \$5.0 million as of March 31, 2020 to \$0.8 million as of March 31, 2021. This decrease was principally due to favorable market returns of

equity and other marketable securities occurring between the two periods. The unfunded pension liability of St. Joseph Bangor's defined benefit plan improved from \$(0.8) million as of March 31, 2020 to fully funded as of March 31, 2021.

Attached hereto as **Exhibit C** is a comparison of the financial performance of the Consolidated Group to the Obligated Group for the quarters ended March 31, 2021 and March 31, 2020, which was derived by management from unaudited internal financial statements.

#### **HISTORICAL UTILIZATION OF SERVICES**

The table attached hereto as **Exhibit D-1** summarizes the utilization of services at the Obligated Group's acute hospital (St. Joseph Nashua) and nursing homes (MI Nursing, Maristhill and St. Mary) for the quarters ended March 31, 2021 and 2020. The table attached hereto as **Exhibit D-2** summarizes the utilization of services at all Non-Obligated Group Members for such periods.

#### **THIRD PARTY PAYMENT**

##### **Obligated Group Payor Mix**

The table attached hereto as **Exhibit E-1** summarizes the percentage of net patient service revenue of the Obligated Group's acute hospital (St. Joseph Nashua) and nursing homes (MI Nursing, Maristhill and St. Mary) by source of payment for the quarters ended March 31, 2021 and 2020. The table attached hereto as **Exhibit E-2** summarizes the percentage of net patient service revenue for certain Non-Obligated Group members and for all nursing homes in the Consolidated Group for such periods.

#### **ADDITIONAL INFORMATION**

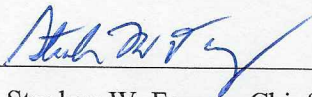
Attached hereto as **Exhibit F** is the Consolidated Group balance sheet as of March 31, 2021 and 2020.

Attached hereto as **Exhibit G** is the Consolidated Group statement of changes in net assets for the quarters ended March 31, 2021 and 2020.

Attached hereto as **Exhibit H** is the reconciliation of the operating margin for the Obligated Group to the operating margin for the Consolidated Group for the quarters ended March 31, 2021 and 2020.

Date: May 10, 2021

COVENANT HEALTH, INC.

By:   
\_\_\_\_\_  
Stephen W. Forney, Chief Financial Officer



## Exhibit A

### Members of the Obligated Group

The Obligated Group consists of Covenant and the following organizations, each of which is directly or indirectly controlled by Covenant:

- St. Joseph Hospital of Nashua, NH, Inc. (“St. Joseph Nashua”)
- The Surgi Center at St. Joseph Hospital, Inc. (“SurgiCenter”)\*
- Souhegan Nursing Association, Inc. (“Souhegan”)\*
- MI Nursing/Restorative Center, Inc. (“MI Nursing”)
- MI Adult Day Health Center, Inc. (“MI Adult Day Health”)
- MI Management Inc. (“MI Management”)
- MI Transportation, Inc. (“MI Transportation”)
- Youville Lifecare, Inc. (“Youville Lifecare”)\*
- Youville Hospital and Rehabilitation Center, Inc. (“Youville Hospital”)\*
- The Youville House, Inc. (“Youville House”)
- CHS of Waltham, Inc. (d.b.a. Maristhill Nursing and Rehabilitation Center) (“Maristhill”)
- CHS of Worcester, Inc. (d.b.a. St. Mary Health Care Center) (“St. Mary”)
- Fanny Allen Corporation
- Youville Place, Inc. (“Youville Place”)
- Mount St. Rita Health Centre (“Mount St. Rita”)#
- St. Joseph Manor Health Care, Inc. (“St. Joseph Manor”)# and
- Penacook Place, Inc. (“Penacook Place”)#

# - Added to the Obligated Group during the February 2017.

\* Youville Lifecare, Youville Hospital, SurgiCenter and Souhegan have discontinued their operations.

**Covenant Health Obligated Group**  
**Summary Statement of Operations**  
**For the Quarters Ended March 31, 2021 and 2020**  
**(\$ in thousands)**

	<u>Quarter Ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
<b>Revenue</b>		
Net patient service revenue	\$76,467	\$74,308
Other	11,730	11,630
Net Assets release from restrictions	584	270
	<hr/>	<hr/>
Total Revenue	88,781	86,208
<b>Expenses</b>		
Salaries and wages	40,081	40,638
Employee benefits	7,225	8,347
Supplies and other expenses	36,713	34,754
Interest expense	1,732	1,755
Depreciation and amortization	4,514	4,541
	<hr/>	<hr/>
Total Expenses	90,265	90,035
Income from operations	(1,484)	(3,827)
Non - operating gains ( losses ) , net *	7,193	(51,362)
	<hr/>	<hr/>
Excess (deficiency) of revenue over expenses	<u>\$ 5,709</u>	<u>\$ (55,189)</u>

\* Includes unrealized gains (losses) on investment and equity loss on investment in St. Joseph Hospital Corporate Services, Inc., which is not a member of the Obligated Group.

**Covenant Health**  
**Key Statistics**  
**Quarters Ended March 31, 2021 and 2020**  
(\$ in thousands)

	<u>Consolidated Group</u>		<u>Obligated Group</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Statements of operations</b>				
Net Patient Service Revenue	\$178,348	\$166,003	\$76,467	\$74,308
Total Revenue	187,991	174,325	88,781	86,208
Total Expenses	192,505	188,858	90,265	90,035
Income (Loss) from Operations	(4,514)	(14,533)	(1,484)	(3,827)
Non-Operating Income (Expenses), Net *	8,327	(55,125)	7,193	(51,362)
Excess (Deficiency) of Revenue over Expenses	3,813	(69,658)	5,709	(55,189)
Interest Expense	2,435	2,552	1,732	1,755
Depreciation and Amortization	7,503	7,680	4,514	4,541
Net unrealized gains (losses) on investments	8,559	(62,354)	7,192	(56,863)
<b>Debt Service</b>				
Income Available for Debt Service ***	5,192	2,928	4,763	7,970
Estimated Debt Service for Period **	6,655	6,403	4,066	4,125
<b>Balance Sheet</b>				
Net Unrestricted Cash and Investments	457,109	318,199	328,636	214,434
Total Assets	1,005,181	864,347	647,387	539,770
Short - Term Debt (Includes Current Portion of LT)	16,132	15,402	8,946	9,480
Long - Term Debt	219,626	236,218	160,139	168,762
Net Assets without Restrictions	\$478,983	\$393,777	\$361,679	\$280,232
<b>Profitability</b>				
Operating margin ( % )	-2.4%	-8.3%	-1.7%	-4.4%
Excess Margin ( % )	2.0%	-40.0%	6.4%	-64.0%
<b>Liquidity</b>				
Days Cash on Hand	225	160	349	228
<b>Leverage</b>				
Debt Service Coverage ( x )	0.8	0.5	1.2	1.9
Debt to Capitalization ( % )	33.0%	39.0%	31.9%	38.9%
Debt Service/Revenue ( % )	3.5%	3.7%	4.6%	4.8%

\* Obligated Group amount includes equity loss on investment in St. Joseph Hospital Corporate Services, Inc.

\*\* Estimated debt service for the quarter based upon a quarter of the current portion of long-term debt at Dec. 31 , 2020 or 2019, as appropriate.

\*\*\* Income Available for Debt Service is the excess of revenues over expenses plus interest and depreciation, minus unrealized gains (losses).  
The Master Trust Indenture Agreement requires a different methodology measured annually.

**Covenant Health Obligated Group**  
**Key Hospital and Nursing Home Utilization Statistics**  
**Quarters Ended March 31, 2021 and 2020**

	<u>Quarter Ended March 31</u>	
	<u>2021</u>	<u>2020</u>
<b>St. Joseph Hospital of Nashua, NH</b>		
Licensed Beds	208	208
Admissions	1,145	1,221
Patient Days	6,966	5,840
ALOS ( days )	5.1	4.8
Outpatient Encounters	79,177	72,557
Average Daily Census	77	64
FTES	1,126	1,089
<b>MI Nursing</b>		
Licensed Beds (In Service)	231	231
Patient Days	11,375	20,074
Average Daily Census	126	221
Occupancy Rate	55%	95%
FTES	186	215
<b>Maristhill</b>		
Licensed Beds (In Service)	104	104
Patient Days	6,698	8,749
Average Daily Census	74	96
Occupancy Rate	71%	92%
FTES	75	83
<b>St. Mary (Worcester, MA)</b>		
Licensed Beds (In Service)	124	124
Patient Days	8,437	11,102
Average Daily Census	93	122
Occupancy Rate	75%	98%
FTES	78	90
<b>ST. JOSEPH MANOR</b>		
Licensed Beds (In Service)	118	118
Patient Days	6,820	9,669
Average Daily Census	75	106
Occupancy Rate	64%	90%
FTES	73	92
<b>MOUNT ST. RITA</b>		
Licensed Beds (In Service)	98	98
Patient Days	6,399	8,392
Average Daily Census	70	92
Occupancy Rate	72%	94%
FTES	68	79
<b>Penacook Place</b>		
Licensed Beds (In Service)	144	144
Patient Days	7,493	10,456
Average Daily Census	82	115
Occupancy Rate	57%	80%
FTES	89	127

**Covenant Health Non-Obligated Group Members  
Key Hospital and Nursing Home Utilization Statistics  
Quarters Ended March 31, 2021 and 2020**

	<b>Quarter Ended March 31</b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
<b>ST. MARY'S REGIONAL MEDICAL CENTER excluding d'Youville Pavilion *</b>		
Licensed Beds	233	233
Admissions	1,168	1,517
Patient Days	6,830	7,966
ALOS ( days )	5.8	5.3
Outpatient Encounters	79,441	86,733
Average Daily Census	75	88
FTES	995	899
<b>ST. JOSEPH HOSPITAL OF BANGOR, ME *</b>		
Licensed Beds	112	112
Admissions	778	976
Patient Days	4,268	4,097
ALOS ( days )	5.5	4.2
Outpatient Encounters	60,693	51,524
Average Daily Census	47	45
FTES	827	812
<b>ST. ANDRE *</b>		
Licensed Beds (In Service)	96	96
Patient Days	6,330	7,215
Average Daily Census	70	79
Occupancy Rate	72%	83%
FTES	87	87
<b>d'YOUVILLE PAVILION (a division of St. Mary's Regional Medical Center) *</b>		
Licensed Beds (In Service)	210	210
Patient Days	15,327	16,826
Average Daily Census	168	185
Occupancy Rate	80%	88%
FTES	103	149
<b>ST. MARY'S VILLA *</b>		
Licensed Beds (In Service)	112	112
Patient Days	6,268	9,312
Average Daily Census	69	102
Occupancy Rate	61%	91%
FTES	105	131

\* Not a member of the Obligated Group

**Covenant Health Obligated Group  
Payor Mix  
Quarters Ended March 31, 2021 and 2020**

	<u>Quarter Ended March 31</u>	
	<u>2021</u>	<u>2020</u>
<b>Sources of Net Revenue</b>		
<b>St. Joseph Hospital of Nashua, NH</b>		
Medicare	45%	47%
Medicaid	9%	8%
Commercial & Managed Care	44%	42%
Self Pay	2%	2%
Total	<u>100%</u>	<u>100%</u>
<b>Nursing Homes</b>		
Medicare	10%	7%
Medicaid	76%	82%
Private Pay and Other	14%	11%
Total	<u>100%</u>	<u>100%</u>

**Covenant Health Consolidated Group  
Payor Mix  
Quarters Ended March 31, 2021 and 2020**

	<u>Quarter Ended March 31</u>	
	<u>2021</u>	<u>2020</u>
<b>St. MARY'S REGIONAL MEDICAL CENTER *</b>		
Medicare	46%	43%
Medicaid	22%	23%
Commercial & Managed Care	28%	29%
Self Pay	4%	5%
Total	<u>100%</u>	<u>100%</u>
<b>St. Joseph Hospital of Bangor, ME *</b>		
Medicare	49%	52%
Medicaid	16%	14%
Commercial & Managed Care	33%	31%
Self Pay	2%	3%
Total	<u>100%</u>	<u>100%</u>
<b>Nursing Homes Consolidated Group **</b>		
Medicare	10%	8%
Medicaid	78%	79%
Private Pay	12%	13%
Total	<u>100%</u>	<u>100%</u>

\* Not a member of the Obligated Group

\*\* All nursing homes

## EXHIBIT F

**COVENANT HEALTH, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
As of March 31, 2021 and 2020  
(in thousands)

	<u>As of</u> <u>3/31/2021</u>	<u>As of</u> <u>3/31/2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
CASH AND CASH EQUIVALENTS	\$63,131	\$49,975
ACCOUNTS RECEIVABLE, NET	91,318	98,100
SHORT TERM INVESTMENTS	10,070	1,020
INVENTORIES	9,330	5,470
PREPAID EXPENSES AND OTHER CURRENT ASSETS	29,082	22,794
CURRENT PORTION OF ASSETS WHOSE USE IS LIMITED OR RESTRICTED	7,323	6,008
RECEIVABLE FROM THIRD PARTY PAYERS	2,019	-
DUE FROM AFFILIATE	-	-
<b>TOTAL CURRENT ASSETS</b>	<u>212,273</u>	<u>183,367</u>
<b>ASSETS WHOSE USE IS LIMITED OR RESTRICTED, LESS CURRENT PORTION:</b>		
FUNDS HELD BY TRUSTEES, LESS CURRENT PORTION	11,725	22,368
DONOR RESTRICTED AND OTHER	47,683	29,913
BOARD DESIGNATED FUNDS AND LONG TERM INVESTMENTS	383,908	267,204
REPLACEMENT RESERVE	7,740	6,092
DEFERRED COMPENSATION	12,957	13,007
	<u>464,013</u>	<u>338,584</u>
<b>OTHER ASSETS:</b>		
JOINT VENTURES, NOTES RECEIVABLE AND OTHER ASSETS	8,709	14,614
	<u>8,709</u>	<u>14,614</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>	700,693	780,356
<b>LESS ALLOWANCE FOR DEPRECIATION</b>	<u>380,507</u>	<u>452,574</u>
	<u>320,186</u>	<u>327,782</u>
<b>TOTAL ASSETS</b>	<u><u>1,005,181</u></u>	<u><u>864,347</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$86,267	\$76,037
AMOUNTS PAYABLE TO THIRD PARTY PAYERS	10,929	12,978
OTHER CURRENT LIABILITIES	35,756	10,653
CURRENT PORTION OF LONG-TERM DEBT	16,132	15,402
<b>TOTAL CURRENT LIABILITIES</b>	<u>149,084</u>	<u>115,070</u>
<b>OTHER LIABILITIES</b>	62,936	25,325
<b>PROFESSIONAL LOSS RESERVES</b>	34,277	37,762
<b>LONG-TERM DEBT, LESS CURRENT PORTION</b>	219,626	236,218
<b>NET ASSETS</b>		
WITHOUT DONOR RESTRICTIONS	478,983	393,777
WITH DONOR RESTRICTIONS	60,275	56,195
	<u>539,258</u>	<u>449,972</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$1,005,181</u></u>	<u><u>\$864,347</u></u>

**COVENANT HEALTH CONSOLIDATED GROUP**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the Periods Ended March 31, 2021 and 2020  
(\$ in thousands)

	<b>Quarter Ended March 31</b>	
	<u><b>2021</b></u>	<u><b>2020</b></u>
<b>UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT:</b>		
NET PATIENT SERVICE REVENUE	\$178,348	\$166,003
OTHER	8,629	7,860
NET ASSETS RELEASED FROM RESTRICTIONS	1,014	462
<b>TOTAL REVENUE</b>	<u>187,991</u>	<u>174,325</u>
<b>EXPENSES:</b>		
SALARIES AND WAGES	87,245	86,325
EMPLOYEE BENEFITS	17,800	17,779
SUPPLIES AND OTHER EXPENSES	77,522	74,522
DEPRECIATION AND AMORTIZATION	7,503	7,680
INTEREST EXPENSE	2,435	2,552
<b>TOTAL EXPENSES</b>	<u>192,505</u>	<u>188,858</u>
<b>INCOME ( LOSS ) FROM OPERATIONS</b>	(4,514)	(14,533)
<b>NON-OPERATING GAINS (LOSSES), NET</b>	<u>8,327</u>	<u>(55,125)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	3,813	(69,658)
<b>ADJUSTMENT TO DEFINED BENEFIT PENSION OBLIGATION</b>	<u>(752)</u>	<u>(2,523)</u>
<b>INCREASE ( DECREASE ) IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	3,061	(72,181)
<b>INCREASE ( DECREASE ) IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>1,311</u>	<u>(3,260)</u>
<b>TOTAL CHANGE IN NET ASSETS</b>	<u><u>\$4,372</u></u>	<u><u>(\$75,441)</u></u>



**Covenant Health**  
**Operating Margin Reconciliation**  
**Quarters Ended March 31, 2021 and 2020**  
*(\$ in thousands)*

	<b>Quarter Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
<b>Obligated Group Operating Margin</b>	<b>(\$1,484)</b>	<b>(3,827)</b>
St. Mary's Health System	(1,427)	(8,257)
St. Joseph's Heathcare of Bangor, ME	(1,239)	(2,673)
St. Joseph Hospital Corporate Services, Inc.	(4)	3
Mary Immaculate Residential Community, Inc.	93	155
SNF Not in Obligated Group		
- St. Andre Health Care Facility	15	143
- St. Mary's Villa	(541)	96
Valuation company related to acquisition of St. Joseph of Bangor, ME	(57)	(28)
CHIL and Covenant Health Foundation	130	(145)
<b>System Consolidated Operating Margin</b>	<b>(\$4,514)</b>	<b>(\$14,533)</b>