

**CONTINUING DISCLOSURE QUARTERLY REPORT  
Covenant Health Obligated Group**

**Quarter Ended September 30, 2020**

**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, Senior Vice-President/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>
07/01/2020	57586DBU6
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>
07/01/2020	644614TP4
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>
07/01/2020	644614UV9
07/01/2021	644614UW7
07/01/2022	644614UX5
07/01/2023	644614UY3
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>
7/1/2020	57584QAH9
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>
7/1/2020	64461PAH5
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 September 30, 2020**

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 SEPTEMBER 30, 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 and year-to-date periods ended September 30, 2020 and 2019 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, 2019, which are included with the Continuing Disclosure Annual Report for the year ended December 31, 2019.

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

Net patient service revenue of the Obligated Group for the quarter ended September 30, 2020 was \$70.6 million, a decrease of \$4.5 million (6%) when compared to net patient service revenue of the Obligated Group for the same period in 2019 due to COVID-related reductions in services. Total revenue of the Obligated Group for the quarter ended September 30, 2020 was \$90.3 million, representing an increase of \$3.9 million (4%) from the same period in 2019. Inpatient volume at St. Joseph Nashua for the September 30, 2020 quarter decreased by 333 inpatient

discharges (27%) when compared with the same quarter in 2019, and outpatient encounters decreased by 6,870 (9%) when comparing the September 30, 2020 and 2019 quarters. Reduction in inpatient and outpatient volume at St. Joseph Nashua has resulted from government mandates for residents to shelter in place and for health care providers to cease performance of elective procedures.

Expenses for the Obligated Group for the quarter ended September 30, 2020 were \$84.0 million, a decrease of \$3.4 million (4%) as compared with expenses of the Obligated Group for the same period in 2019. Salaries and wages for the quarter ended September 30, 2020 were \$38.4 million, a decrease of \$3.8 million (9%) as compared with the same period in 2019. Employee benefits for the quarter ended September 30, 2020 were \$7.4 million, a decrease of \$0.4 million (5%) as compared with the same period in 2019. Supplies and other expenses including provider taxes for the quarter ended September 30, 2020 increased by \$0.4 million (1%) as compared with the same period in 2019.

Third quarter 2020 expenses at St. Joseph's were less than the third quarter of 2019 by \$0.8 million, mostly as the result of lower salaries and benefits of \$1.0 million and lower supplies expenses of \$0.6 million, partially offset by higher other expenses of \$0.8 million.

The Obligated Group generated income from operations of \$6.3 million for the quarter ended September 30, 2020 (representing 7% of total revenue), as compared with an operating loss of \$1.0 million (representing 1% of total revenue) for the same period in 2019.

Non-operating gains of the Obligated Group for the quarter ended September 30, 2020 were \$9.4 million, compared with a non-operating loss of \$3.9 million for the same period in 2019. Non-operating gains for the quarter ended September 30, 2020 were driven by an increase in unrealized investment gains as compared with the third quarter of 2019. The excess of revenue over expense of the Obligated Group for the quarter ended September 30, 2020 was \$15.6 million, representing a favorable variance of \$20.5 million as compared with the same period in 2019.

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 318 days for the quarter ended September 30, 2020 as compared with 266 days for the quarter ended September 30, 2019. 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 2.8 for the quarter ended September 30, 2020, as compared with (11.1) for the quarter ended September 30, 2019. Debt service as a percentage of revenue was 4.5% for the quarter ended September 30, 2020 as compared with 4.0% for the quarter ended September 30, 2019. Debt to capitalization for the Obligated Group was 35.7% at September 30, 2020 as compared with 35.9% at September 30, 2019.

St. Joseph Nashua has a frozen defined benefit plan, which was underfunded as of September 30, 2020 and September 30, 2019 in the amount of \$5.8 million and \$6.4 million, respectively. Effective September 2, 2007, plan participation was frozen. St. Joseph Nashua provided pension contributions in the third quarter of 2020 and 2019 of \$0.6 million and \$0.6 million, respectively. Market returns net of lump sum payments made to beneficiaries accounted for the decrease in the unfunded pension liability from \$6.4 million to \$5.8 million at St. Joseph Nashua between September 30, 2019 and September 30, 2020.

## 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 \$165.1 million for the quarter ended September 30, 2020, a decrease of \$7.3 million (4%) as compared with net patient service revenue of the Consolidated Group for the same period in 2019. The primary drivers for the decrease in net patient service revenues were lower acute care inpatient and outpatient volumes of 15% and 7%, respectively. Total revenue of the Consolidated Group for the quarter ended September 30, 2020 was \$184.2 million, representing an increase of \$5.2 million (3%) from the same period in 2019.

Expenses for the Consolidated Group for the quarter ended September 30, 2020 were \$175.8 million, a decrease of \$4.3 million (2%) from the same period in 2019. Salaries and benefits decreased by \$5.9 million (6%) due to a decrease of 850 FTEs (17%), with more significant decreases in support staff and less significant decreases in clinical staff. Supplies and other expenses increased by \$1.6 million (3%) as compared with the same period in 2019 due to an increase in purchased services associated with revenue cycle management services.

The Consolidated Group generated operating income of \$8.3 million (representing 4.5% of total revenue) for the quarter ended September 30, 2020, as compared with an operating loss of \$1.2 million (representing 0.7% of total revenue) for the same period in 2019.

Non-operating income of the Consolidated Group for the quarter ended September 30, 2020 was \$11.1 million, a favorable variance of \$14.3 million as compared with the same period in 2019. The favorable variance in non-operating income during the quarter ended September 30, 2020 was driven by unrealized investment gains as compared with the third quarter of 2019.

The excess of revenue over expense of the Consolidated Group for the quarter ended September 30, 2020 was \$19.5 million as compared with a deficit of (\$4.3) million for the September 30, 2019 quarter, a favorable variance of \$23.8 million.

Liquidity for the Consolidated Group as measured by unrestricted days' cash on hand was 220 days as of September 30, 2020, as compared with 182 days as of September 30, 2019. The increase in days' cash on hand was attributable to COVID-related advance payments of \$58.0 million received in 2020 and payroll tax deferrals of \$18.4 million. Debt service coverage for the Consolidated Group was 2.5 for the quarter ended September 30, 2020 as compared with 1.4 for the quarter ended September 30, 2019. Debt service as a percentage of revenue was 3.8% for the quarter ended September 30, 2020 as compared with 3.1% for the quarter ended September 30, 2019. Debt to capitalization for the Consolidated Group was 36.2% as of September 30, 2020 as compared with 35.8% as of September 30, 2019.

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 increased from \$7.5 million as of September 30, 2019 to \$8.5 million as of September 30, 2020. This increase was principally due to unfavorable market returns of equity and other marketable securities occurring between the two periods. The unfunded status of St. Joseph Bangor's

defined benefit plan increased from \$1.1 million as of September 30, 2019 to \$2.7 million as of September 30, 2020.

Attached hereto as **Exhibit C** is a comparison of the financial performance of the Consolidated Group to the Obligated Group for the quarters and year-to-date periods ended September 30, 2020 and September 30, 2019, 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 and year-to-date periods ended September 30, 2020 and 2019. 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 and year-to-date periods ended September 30, 2020 and 2019. 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 September 30, 2020, December 31, 2019, and September 30, 2019.

Attached hereto as **Exhibit G** is the Consolidated Group statement of changes in net assets for the quarters and year-to-date periods ended September 30, 2020 and 2019.

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 and year-to-date periods ended September 30, 2020 and 2019.

Date: 08/10/2020 COVENANT HEALTH, INC.

By:   
\_\_\_\_\_

Stephen W. Forney, Senior Vice-President/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")

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



<b>Covenant Health Obligated Group</b>				
<b>Summary Statement of Operations</b>				<b>EXHIBIT B</b>
<b>for the Quarters and Year-to-Date Periods Ended September 30, 2020 and 2019</b>				
(\$ in 000s)				
	<u>Quarter Ended September 30,</u>		<u>Year- to- Date September 30,</u>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>				
Net patient service revenue	\$ 70,595	\$ 75,099	\$ 205,126	\$ 227,911
Other	19,497	11,237	44,531	39,029
Net Assets release from restrictions	179	59	547	262
<b>Total Revenue</b>	<b>90,271</b>	<b>86,395</b>	<b>250,204</b>	<b>267,202</b>
<b>Expenses</b>				
Salaries and wages	38,382	42,150	117,434	127,010
Employee benefits	7,369	7,727	22,144	25,720
Supplies and other expenses	32,048	31,681	99,581	98,228
Interest expense	1,809	1,731	5,307	5,455
Depreciation and amortization	4,379	4,130	13,507	12,912
<b>Total Expenses</b>	<b>83,987</b>	<b>87,419</b>	<b>257,973</b>	<b>269,325</b>
Income from operations	6,284	(1,024)	(7,769)	(2,123)
Non - operating gains ( losses ) , net *	9,363	(3,852)	(17,128)	21,235
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 15,647</b>	<b>\$ (4,876)</b>	<b>\$ (24,897)</b>	<b>\$ 19,112</b>
* 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, Inc.								EXHIBIT C
for the quarters and year-to-date periods ended September 30, 2020 and 2019 (\$ in 000s)								
Key Statistics								
	Consolidated Group				Obligated Group			
	Quarter Ended	Year-to-Date	Quarter Ended	Year-to-Date	Quarter Ended	Year-to-Date	Quarter Ended	Year-to-Date
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Statements of operations</b>								
Net Patient Service Revenue	\$165,110	\$172,418	\$457,835	\$513,769	\$70,595	\$75,099	\$205,126	\$227,911
Total Revenue	\$184,158	178,950	511,802	535,033	\$90,271	86,395	250,204	267,202
Total Expenses	\$175,839	180,185	533,334	544,596	\$83,987	87,419	257,973	269,325
Income (Loss) from Operations	8,319	(1,235)	(21,532)	(9,563)	6,284	(1,024)	(7,769)	(2,123)
Non-Operating Gains (Losses), Net *	\$11,162	(3,091)	(18,772)	22,518	\$9,363	(3,852)	(17,128)	21,235
Excess (Deficiency) of Revenue over Expenses	19,481	(4,326)	(40,304)	12,955	15,647	(4,876)	(24,897)	19,112
Interest Expense	\$2,538	2,590	7,671	8,099	\$1,809	1,731	5,307	5,455
Depreciation and Amortization	\$7,424	7,128	22,806	22,607	\$4,379	4,130	13,507	12,912
Net unrealized gains (losses) on investments	\$12,050	(2,548)	(26,214)	10,144	\$10,483	39,703	(21,790)	7,430
<b>Debt Service</b>								
Income Available for Debt Service ***	17,393	7,940	16,387	33,517	11,352	(38,718)	15,707	30,049
Estimated Debt Service for Period **	7,003	5,558	21,065	17,002	4,075	3,482	12,106	10,707
Estimated Debt Service as a % of Total Rev.	3.8%	3.1%	4.1%	3.2%	4.5%	4.0%	4.8%	4.0%
<b>Balance Sheet</b>								
Unrestricted Cash and Investments	407,328	346,249	407,328	346,249	278,254	243,477	278,254	243,477
Total Assets	928,359	886,328	928,359	886,328	590,435	566,468	590,435	566,468
Current Portion of Long-Term Debt	15,483	30,172	15,483	30,172	8,787	7,015	8,787	7,015
Long - Term Debt	223,297	209,882	223,297	209,882	162,875	167,583	162,875	167,583
Net Assets without Restrictions	\$420,292	\$ 430,480	\$420,292	\$430,480	\$309,798	\$311,476	\$309,798	\$311,476
<b>Profitability</b>								
Operating margin ( % )	4.5%	-0.7%	-4.2%	-1.8%	7.0%	-1.2%	-3.1%	-0.8%
Excess Margin ( % )	10.6%	-2.4%	-7.9%	2.4%	17.3%	-5.6%	-10.0%	7.2%
<b>Liquidity</b>								
Days Cash on Hand	220	182	219	181	318	266	312	259
<b>Leverage</b>								
Debt Service Coverage ( x )	2.5	1.4	0.8	2.0	2.8	-11.1	1.3	2.8
Debt to Capitalization ( % )	36.2%	35.8%	36.2%	35.8%	35.7%	35.9%	35.7%	35.9%
Debt Service/Revenue ( % )	3.8%	3.1%	4.1%	3.2%	4.5%	4.0%	4.8%	4.0%
* Obligated Group amount includes equity loss on investment in St. Joseph Hospital Corporate Services, Inc.								
** Estimated debt service for the quarters and year-to-date periods ended June 30, 2020 and 2019 is based upon one quarter and one half of the current portion of long-term debt as of Dec. 31, 2019 or 2018, respectively.								
*** 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 Non-Obligated Group Members				EXHIBIT D - 2	
Key Hospital and Nursing Home Utilization Statistics					
for the Quarters and Year-to-Date Periods Ended September 30, 2020 and 2019					
	Quarter Ended September 30		Year-to-Date September 30		
	2020	2019	2020	2019	
<b>ST. MARY'S REGIONAL MEDICAL CENTER excluding d'Youville Pavilion *</b>					
Licensed Beds	233	233	233	233	
Admissions	877	1,626	3,712	4,725	
Patient Days	5,225	6,806	19,538	21,150	
ALOS ( days )	6.0	4.2	5.3	4.5	
Outpatient Encounters	71,096	112,344	192,745	233,837	
Average Daily Census	57	74	71	77	
FTES	972	1,272	1,113	1,270	
<b>ST. JOSEPH HOSPITAL OF BANGOR, ME *</b>					
Licensed Beds	112	112	112	112	
Admissions	841	1,021	2,409	3,004	
Patient Days	3,808	4,425	10,660	13,273	
ALOS ( days )	4.5	4.3	4.4	4.4	
Outpatient Encounters	55,654	56,739	149,361	164,597	
Average Daily Census	41	48	39	49	
FTES	788	912	777	912	
<b>ST. ANDRE *</b>					
Licensed Beds (In Service)	96	96	96	96	
Patient Days	7,030	7,340	21,123	21,910	
Average Daily Census	76	80	77	80	
Occupancy Rate	80%	83%	80%	84%	
FTES	85	86	87	86	
<b>d'YOUVILLE PAVILION (a division of St. Mary's Regional Medical Center) *</b>					
Licensed Beds (In Service)	210	210	210	210	
Patient Days	17,145	17,466	49,637	52,558	
Average Daily Census	186	190	181	193	
Occupancy Rate	89%	90%	86%	92%	
FTES	123	134	133	138	
<b>ST. MARY'S VILLA *</b>					
Licensed Beds (In Service)	112	112	112	112	
Patient Days	7,036	9,287	23,950	27,286	
Average Daily Census	76	101	87	100	
Occupancy Rate	68%	90%	78%	89%	
FTES	111	132	119	128	
* Not a member of the Obligated Group					

Covenant Health Obligated Group				EXHIBIT E - 1	
Payor Mix					
Quarters and Year-to-Date Periods Ended September 30, 2020 and 2019					
	Quarter Ended September 30		Year-to-Date September 30		
	2020	2019	2020	2019	
<b>Sources of Net Revenue</b>					
<b>St. Joseph Hospital of Nashua, NH</b>					
Medicare	47%	48%	48%	48%	
Medicaid	7%	8%	8%	8%	
Commercial & Managed Care	41%	41%	39%	42%	
Self Pay	5%	2%	5%	2%	
Total	100%	100%	100%	100%	
<b>Nursing Homes</b>					
Medicaid	82%	81%	80%	82%	
Medicare	6%	8%	9%	7%	
Private Pay	9%	9%	8%	8%	
Other	3%	2%	3%	3%	
Total	100%	100%	100%	100%	

Covenant Health Consolidated Group				EXHIBIT E - 2	
Payor Mix					
Quarters and Year-to-Date Periods Ended September 30, 2020 and 2019					
	Quarter Ended September 30		Year-to-Date September 30		
	2020	2019	2020	2019	
<b>St. MARY'S REGIONAL MEDICAL CENTER *</b>					
Medicare	45%	45%	44%	45%	
Medicaid	22%	21%	23%	19%	
Commercial & Managed Care	26%	30%	27%	31%	
Self Pay	7%	4%	6%	5%	
Total	100%	100%	100%	100%	
<b>St. Joseph Hospital of Bangor, ME *</b>					
Medicare	54%	54%	53%	54%	
Medicaid	14%	13%	15%	12%	
Commercial & Managed Care	27%	30%	28%	31%	
Self Pay	5%	3%	4%	3%	
Total	100%	100%	100%	100%	
<b>Nursing Homes Consolidated Group **</b>					
Medicaid	76%	77%	76%	77%	
Medicare	10%	9%	11%	10%	
Private Pay	12%	11%	11%	11%	
Other	2%	3%	2%	3%	
Total	100%	100%	100%	100%	
* Not a member of the Obligated Group					
** All nursing homes					

<b>Covenant Health, Inc. and Subsidiaries - Consolidated</b>			<b>EXHIBIT F</b>
<b>Consolidated Balance Sheet</b>			
<b>as of September 30, 2020</b>			
	<b>9/30/2020</b>	<b>12/31/2019</b>	<b>9/30/2019</b>
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 80,697	\$ 54,011	\$ 42,360
Accounts Receivable, net	88,245	94,098	95,754
Pledges Receivable - Current Portion	6,113	7,283	
Short-term investments	1,066	1,286	34,164
Inventories	5,657	5,588	5,278
Prepaid expenses and other assets	16,545	15,558	14,534
Current portion asset whose use is limited or restricted	2,928	6,313	4,724
<b>Total Current Assets</b>	<b>201,251</b>	<b>184,137</b>	<b>196,814</b>
<b>Assets Whose Use is Limited or Restricted:</b>			
Funds held by trustees, less current portion	11,814	24,080	24,036
Deferred compensation	13,290	13,415	13,239
Board designated & long term investments	325,565	326,839	269,725
Replacement reserve	5,895	5,409	5,087
Donor Restricted & other resident funds	45,455	35,973	40,370
<b>Total Assets Whose Use is Limited or Restricted</b>	<b>402,019</b>	<b>405,716</b>	<b>352,457</b>
<b>Other Assets:</b>			
Notes receivable and other assets	1,358	1,078	10,904
Pledges Receivable - LT	755	4,610	
Investments in joint ventures	6,966	6,892	7,324
<b>Total Other Assets</b>	<b>9,079</b>	<b>12,580</b>	<b>18,228</b>
<b>Property, Plant &amp; Equipment:</b>			
Land and improvements	21,285	24,124	28,980
Buildings and improvements	446,163	439,796	449,180
Equipment	288,561	288,602	288,393
Construction in progress	13,668	11,138	12,167
Accumulated Depreciation	(461,572)	(444,123)	(454,348)
Right of Use Assets	10,766	10,547	
Accum. Amort. - ROU Assets	(2,131)	(1,108)	
<b>Total Property, Plant &amp; Equipment</b>	<b>316,740</b>	<b>328,976</b>	<b>324,372</b>
<b>Total Assets</b>	<b>\$ 929,089</b>	<b>\$ 931,409</b>	<b>\$ 891,871</b>

Covenant Health, Inc. and Subsidiaries - Consolidated		EXHIBIT F, continued		
Consolidated Balance Sheet				
as of September 30, 2020				
		9/30/2020	12/31/2019	9/30/2019
<b>Liabilities and Net Assets:</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$	15,868	\$ 35,728	\$ 14,252
Accrued expenses		57,202	41,786	54,780
Due to third party payors		11,762	12,827	17,158
Other current liabilities		66,696	2,534	9,538
Current portion of notes payable		1,671	-	
Current portion of long-term debt		12,345	15,199	30,082
Current portion of capital lease obligations		1,467	2,659	90
<b>Total Current Liabilities</b>		167,011	110,733	125,900
Long-term debt, less current portion		216,125	230,104	209,861
Capital lease obligation - LT portion		7,172	6,698	22
Due to affiliates - LT portion		-	-	
Other liabilities and residents funds		21,458	20,615	22,839
Defined benefit pension obligation		8,487	2,289	7,453
Professional liability loss reserves		30,476	35,557	38,978
<b>Total Long-Term Liabilities</b>		283,718	295,263	279,153
<b>Net Assets:</b>				
Without Donor Restrictions		420,292	465,958	430,480
With Donor Restrictions		58,068	59,455	56,338
<b>Total Net Assets</b>		478,360	525,413	486,818
<b>Total Liabilities and Net Assets</b>		<b>\$ 929,089</b>	<b>\$ 931,409</b>	<b>\$ 891,871</b>

Covenant Health, Inc. and Subsidiaries - Consolidated					EXHIBIT G
Statement of Changes in Net Assets					
for the quarters and year-to-date periods ended September 30, 2020 and 2019					
(\$ in 000s)					
	Quarter Ended September 30, 2020	Quarter Ended September 30, 2019	Year-to-Date Period Ended September 30, 2020	Year-to-Date Period Ended September 30, 2019	
<b>Operating Revenue:</b>					
Net patient service revenue	\$ 165,110	\$ 172,418	\$ 457,835	\$ 513,769	
Other operating revenue	18,411	6,442	52,427	20,625	
Net assets released from restrictions	637	90	1,540	639	
<b>Total Operating Revenue</b>	<b>184,158</b>	<b>178,950</b>	<b>511,802</b>	<b>535,033</b>	
<b>Operating Expenses:</b>					
Salaries and Wages	82,228	87,969	248,261	262,765	
Employee Benefits	16,127	16,332	48,765	52,176	
Supplies	20,126	20,778	58,063	62,060	
Other Expenses	42,178	39,881	131,190	120,509	
Interest	2,538	2,590	7,671	8,099	
Depreciation and Amortization	7,424	7,128	22,806	22,607	
Provider Tax	5,218	5,507	16,578	16,380	
<b>Total Operating Expenses</b>	<b>175,839</b>	<b>180,185</b>	<b>533,334</b>	<b>544,596</b>	
<b>Income (Loss) from Operations</b>	<b>8,319</b>	<b>(1,235)</b>	<b>(21,532)</b>	<b>(9,563)</b>	
<b>Non-Operating Income (Expense):</b>					
Dividend & Interest Income	604	2,341	5,239	8,180	
Realized Gain (Loss) from Investments	(1,026)	(199)	4,625	11,675	
Unrealized Gain (Loss) from Investments	12,050	(2,548)	(26,214)	10,144	
Gain (Loss) on Sale of Assets	1	-	23		
Other Non-Operating Income	284	-	924		
Other Non-Operating Expense	4	(2,077)	(1,060)	(5,657)	
Net Periodic Pension Cost, Net of Service Cost	(755)	(608)	(2,309)	(1,824)	
<b>Non-Operating Income (Expense)</b>	<b>11,162</b>	<b>(3,091)</b>	<b>(18,772)</b>	<b>22,518</b>	
<b>Excess of Revenue Over Expenses</b>	<b>19,481</b>	<b>(4,326)</b>	<b>(40,304)</b>	<b>12,955</b>	
Net Assets Released from Restrictions - Non-Operating	50	-	392		
Adjustments to Defined Benefit Pension Obligation	(304)	1,419	(5,754)	4,256	
Transfer among affiliates	-	(665)	-	550	
<b>Increase (Decrease) in Net Assets w/o Donor Restr.</b>	<b>\$ 19,227</b>	<b>\$ (3,573)</b>	<b>\$ (45,666)</b>	<b>\$ 17,761</b>	
Increase (Decrease) in Net Assets with Donor Restrictions	(6,483)	458	(1,387)	1,863	
<b>Total Change in Net Assets</b>	<b>\$ 12,744</b>	<b>\$ (3,115)</b>	<b>\$ (47,053)</b>	<b>\$ 19,624</b>	



Covenant Health, Inc.				Exhibit H
Operating Margin Reconciliation				
for the Quarters and Year-to-Date Periods Ended September 30, 2020 and 2019				
(\$ in 000s)				
	Quarter Ended September 30, 2020	Quarter Ended September 30, 2019	Year-to-Date Period Ended September 30, 2020	Year-to-Date Period Ended September 30, 2019
Obligated Group Operating Margin	\$6,284	\$ (1,024)	(7,769)	(2,123)
St. Mary's Health System	(2,038)	(24)	(8,761)	(6,241)
St. Joseph's Heathcare of Bangor, ME	3,940	(697)	(5,917)	(2,527)
St. Joseph Hospital Corporate Services, Inc.	33	19	62	36
Mary Immaculate Residential Community, Inc.	81	137	412	481
St. Andre Health Care Facility	36	142	404	436
St. Mary's Villa	15	367	403	697
Valuation company related to acquisition of St. Joseph, Bangor.	(28)	(12)	(85)	(37)
CHIL and Eliminations	(4)	(142)	(281)	(284)
<b>System Consolidated Operating Margin</b>	<b>\$8,319</b>	<b>(\$1,235)</b>	<b>(\$21,532)</b>	<b>(\$9,563)</b>