

Extended to November 15, 2022

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2021Open to Public
Inspection

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.**A For the 2021 calendar year, or tax year beginning and ending**

| | | | |
|--|--|------------|---|
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | C Name of organization St. Joseph Hospital | | D Employer identification number 02-0222215 |
| | Doing business as | | E Telephone number (603) 882-3000 |
| | Number and street (or P.O. box if mail is not delivered to street address) | Room/suite | |
| | 172 Kinsley Street | | |
| | City or town, state or province, country, and ZIP or foreign postal code Nashua, NH 03061-2013 | | G Gross receipts \$ 274,296,257. |
| F Name and address of principal officer: John Jurczyk 172 Kinsley Street, Nashua, NH 03061-2013 | | | H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions H(c) Group exemption number ▶ |
| I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 J Website: ▶ stjosephhospital.com | | | |
| K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ | | | L Year of formation: 1943 M State of legal domicile: NH |

Part I Summary

| | | | |
|---|--|----------------------------------|---------------------|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: Healthcare services to anyone needing care. | | |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | | |
| | 3 Number of voting members of the governing body (Part VI, line 1a) | 3 | 13 |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 12 |
| | 5 Total number of individuals employed in calendar year 2021 (Part V, line 2a) | 5 | 1873 |
| | 6 Total number of volunteers (estimate if necessary) | 6 | 72 |
| | 7a Total unrelated business revenue from Part VIII, column (C), line 12 | 7a | 50,001. |
| b Net unrelated business taxable income from Form 990-T, Part I, line 11 | 7b | 0. | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | Prior Year | Current Year |
| | 9 Program service revenue (Part VIII, line 2g) | 25,627,494. | 1,509,890. |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 210,489,849. | 244,228,868. |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 7,206,655. | 30,319,380. |
| | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | -83,627. | -3,867,129. |
| Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 243,240,371. | 272,191,009. |
| | 14 Benefits paid to or for members (Part IX, column (A), line 4) | 99,824. | 81,782. |
| | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 0. | 0. |
| | 16a Professional fundraising fees (Part IX, column (A), line 11e) | 106,083,582. | 114,894,647. |
| | b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0. | 0. | 0. |
| | 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | 126,211,943. | 132,170,016. |
| | 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 232,395,349. | 247,146,445. |
| 19 Revenue less expenses. Subtract line 18 from line 12 | 10,845,022. | 25,044,564. | |
| Net Assets or Fund Balances | 20 Total assets (Part X, line 16) | Beginning of Current Year | End of Year |
| | 21 Total liabilities (Part X, line 26) | 311,096,199. | 290,885,778. |
| | 22 Net assets or fund balances. Subtract line 21 from line 20 | 163,212,512. | 135,893,355. |
| | | 147,883,687. | 154,992,423. |

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

| | | | |
|-------------------------------|---|---------------------------------|---|
| Sign Here | Signature of officer | | Date |
| | John Jurczyk, SVP and President | | |
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date |
| | Connor Smart | <i>Connor Smart</i> | 11/09/22 |
| | Firm's name ▶ Baker Newman & Noyes | Firm's EIN ▶ 01-0494526 | Check if self-employed <input type="checkbox"/> |
| | Firm's address ▶ 650 Elm Street, Suite 302 | Phone no. (603) 626-2200 | PTIN P02285543 |
| | Manchester, NH 03101 | | |

May the IRS discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission:

We are a Catholic health ministry, providing healing and care for the whole person, in service to all in our communities.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 42,108,891. including grants of \$ 0.) (Revenue \$ 64,800,203.)
Inpatient medical, surgical and rehabilitative services to anyone needing care in the greater Nashua area.

4b (Code:) (Expenses \$ 89,302,731. including grants of \$ 0.) (Revenue \$ 175,200,550.)
Outpatient services including surgery, radiology, laboratory, rehabilitative, cardiovascular, breast health, cardiac rehab, and mental health to anyone needing services in the greater Nashua area.

4c (Code:) (Expenses \$ 57,936,222. including grants of \$ 81,782.) (Revenue \$ 0.)
Each year St. Joseph Hospital provides millions of dollars worth of charity care and community services reflecting our healing mission and our values. St. Joseph Hospital follows the methodology recommended by the Catholic Health Association for calculating the cost of charity care and community benefits.

4d Other program services (Describe on Schedule O.)

(Expenses \$ 2,346,383. including grants of \$) (Revenue \$ 4,228,115.)

4e Total program service expenses ► 191,694,227.

Part IV Checklist of Required Schedules

| | Yes | No |
|---|--------------|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> | 1 X | |
| 2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? See instructions | 2 X | |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> | 3 | X |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> | 4 X | |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? <i>If "Yes," complete Schedule C, Part III</i> | 5 | X |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> | 6 | X |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> | 7 | X |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> | 8 | X |
| 9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> | 9 | X |
| 10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i> | 10 X | |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable. | | |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> | 11a X | |
| b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> | 11b X | |
| c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> | 11c X | |
| d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> | 11d | X |
| e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> | 11e X | |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> | 11f X | |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> | 12a | X |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> | 12b X | |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> | 13 | X |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? | 14a | X |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> | 14b | X |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> | 15 | X |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> | 16 | X |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I. See instructions</i> | 17 | X |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> | 18 X | |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> | 19 | X |
| 20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> | 20a X | |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | 20b X | |
| 21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> | 21 X | |

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|--|--------------|----|
| 22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III | 22 X | |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J | 23 X | |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a | 24a | X |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | 24b | |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | 24c | |
| d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | 24d | |
| 25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I | 25a | X |
| b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I | 25b | X |
| 26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part II | 26 | X |
| 27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? If "Yes," complete Schedule L, Part III | 27 | X |
| 28 Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions): | | |
| a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? If "Yes," complete Schedule L, Part IV | 28a | X |
| b A family member of any individual described in line 28a? If "Yes," complete Schedule L, Part IV | 28b | X |
| c A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? If "Yes," complete Schedule L, Part IV | 28c | X |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M | 29 | X |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M | 30 | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I | 31 | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II | 32 | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I | 33 X | |
| 34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1 | 34 X | |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | 35a X | |
| b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 | 35b | X |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 | 36 | X |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI | 37 | X |
| 38 Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19? | 38 X | |

Note: All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

| | Yes | No |
|---|---------------|----|
| 1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable | 1a 112 | |
| b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable | 1b 0 | |
| c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | 1c X | |

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

| | | Yes | No |
|--|----------------|-----|----|
| 2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return | 2a 1873 | | |
| b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? | 2b | X | |
| Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. See instructions. | | | |
| 3a Did the organization have unrelated business gross income of \$1,000 or more during the year? | 3a | X | |
| b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O | 3b | X | |
| 4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | 4a | | X |
| b If "Yes," enter the name of the foreign country ▶ | | | |
| See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). | | | |
| 5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | 5a | | X |
| b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5b | | X |
| c If "Yes" to line 5a or 5b, did the organization file Form 8886-T? | 5c | | |
| 6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? | 6a | | X |
| b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | 6b | | |
| 7 Organizations that may receive deductible contributions under section 170(c). | | | |
| a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | 7a | X | |
| b If "Yes," did the organization notify the donor of the value of the goods or services provided? | 7b | X | |
| c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | 7c | | X |
| d If "Yes," indicate the number of Forms 8282 filed during the year | 7d | | |
| e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | 7e | | X |
| f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 7f | | X |
| g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | 7g | | |
| h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | 7h | | |
| 8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? | 8 | | |
| 9 Sponsoring organizations maintaining donor advised funds. | | | |
| a Did the sponsoring organization make any taxable distributions under section 4966? | 9a | | |
| b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? | 9b | | |
| 10 Section 501(c)(7) organizations. Enter: | | | |
| a Initiation fees and capital contributions included on Part VIII, line 12 | 10a | | |
| b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | 10b | | |
| 11 Section 501(c)(12) organizations. Enter: | | | |
| a Gross income from members or shareholders | 11a | | |
| b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) | 11b | | |
| 12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | 12a | | |
| b If "Yes," enter the amount of tax-exempt interest received or accrued during the year | 12b | | |
| 13 Section 501(c)(29) qualified nonprofit health insurance issuers. | | | |
| a Is the organization licensed to issue qualified health plans in more than one state? | 13a | | |
| Note: See the instructions for additional information the organization must report on Schedule O. | | | |
| b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans | 13b | | |
| c Enter the amount of reserves on hand | 13c | | |
| 14a Did the organization receive any payments for indoor tanning services during the tax year? | 14a | | X |
| b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O | 14b | | |
| 15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? | 15 | | X |
| If "Yes," see the instructions and file Form 4720, Schedule N. | | | |
| 16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? | 16 | | X |
| If "Yes," complete Form 4720, Schedule O. | | | |
| 17 Section 501(c)(21) organizations. Did the trust, any disqualified person, or mine operator engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953? | 17 | | |
| If "Yes," complete Form 6069. | | | |

Part VI Governance, Management, and Disclosure. For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

☒**Section A. Governing Body and Management**

| | Yes | No |
|---|-----|----|
| 1a Enter the number of voting members of the governing body at the end of the tax year 1a 13 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O. | | |
| b Enter the number of voting members included on line 1a, above, who are independent 1b 12 | | |
| 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? 2 | | X |
| 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person? 3 | | X |
| 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? 4 | | X |
| 5 Did the organization become aware during the year of a significant diversion of the organization's assets? 5 | | X |
| 6 Did the organization have members or stockholders? 6 | X | |
| 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? 7a | X | |
| b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? 7b | X | |
| 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a The governing body? 8a | X | |
| b Each committee with authority to act on behalf of the governing body? 8b | X | |
| 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O 9 | | X |

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

| | Yes | No |
|--|-----|----|
| 10a Did the organization have local chapters, branches, or affiliates? 10a | | X |
| b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? 10b | | |
| 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? 11a | X | |
| b Describe on Schedule O the process, if any, used by the organization to review this Form 990. | | |
| 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 12a | X | |
| b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? 12b | X | |
| c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done 12c | X | |
| 13 Did the organization have a written whistleblower policy? 13 | X | |
| 14 Did the organization have a written document retention and destruction policy? 14 | X | |
| 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | | |
| a The organization's CEO, Executive Director, or top management official 15a | | X |
| b Other officers or key employees of the organization 15b | | X |
| If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions. | | |
| 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? 16a | | X |
| b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? 16b | | |

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► **NH**

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☒ Another's website ☒ Upon request ☐ Other (explain on Schedule O)

19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records ►
Richard Plamondon, VP Finance - (603) 882-3000
172 Kinsley Street, Nashua, NH 03061-2013

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See the instructions for the order in which to list the persons above.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC) | (E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|---|--|-----------------------|---------|--------------|------------------------------|--------|---|--|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) Stephen Grubbs CEO, Covenant Health, Inc. | 1.00 49.00 | | | X | | | | 0. | 909,317. | 36,190. |
| (2) Albert Tom Physician | 40.00 0.00 | | | | | X | | 832,770. | 0. | 34,254. |
| (3) Yong Hwa Lee Physician | 40.00 0.00 | | | | | X | | 554,249. | 0. | 22,845. |
| (4) John A. Jurczyk SVP & President | 38.00 2.00 | X | | X | | | | 0. | 540,887. | 35,065. |
| (5) Umer Syed Physician | 40.00 0.00 | | | | | X | | 551,007. | 0. | 7,036. |
| (6) Deepak Vatti Medical Director | 40.00 0.00 | | | | X | | | 485,346. | 0. | 32,358. |
| (7) Prasanna Gulur Physician | 40.00 0.00 | | | | | X | | 476,736. | 0. | 25,997. |
| (8) Michael Remar Physician | 40.00 0.00 | | | | | X | | 444,474. | 0. | 41,655. |
| (9) Alison Madden VP Medical Affairs | 40.00 0.00 | | | | X | | | 416,567. | 0. | 37,814. |
| (10) Richard Plamondon Treasurer / VP Finance | 38.00 2.00 | | | X | | | | 0. | 400,983. | 33,005. |
| (11) Maurice Arel Director | 1.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (12) Judith Dunbar Director | 1.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (13) Matthew Fossum Director | 1.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (14) Kevin Halloran Director | 1.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (15) Sean Howell Director | 1.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (16) Donnalee Lozeau Director | 1.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (17) Joseph J. Porcello Director | 1.00 0.00 | X | | | | | | 0. | 0. | 0. |

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC) | (E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|---|---|-----------------------|---------|--------------|------------------------------|--------|---|--|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (18) Daniel M. Weeks Director | 1.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (19) John Parolin Chair | 1.00 0.00 | X | | X | | | | 0. | 0. | 0. |
| (20) Louise Trottier Chair (end 6/21); Director | 1.00 0.00 | X | | X | | | | 0. | 0. | 0. |
| (21) Ralph Jenkins Vice Chair | 1.00 0.00 | X | | X | | | | 0. | 0. | 0. |
| (22) Arthur Urschel Secretary | 1.00 0.00 | X | | X | | | | 0. | 0. | 0. |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 1b Subtotal | | | | | | | | 3,761,149. | 1,851,187. | 306,219. |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | 0. | 0. | 0. |
| d Total (add lines 1b and 1c) | | | | | | | | 3,761,149. | 1,851,187. | 306,219. |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization

285

- 3** Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

| | Yes | No |
|---|-----|----|
| 3 | | X |
| 4 | X | |
| 5 | | X |

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

| (A) Name and business address | (B) Description of services | (C) Compensation |
|---|--------------------------------|---------------------|
| Medefis Inc. P.O. Box 5068, New York, NY 10087 | Locum and staffing | 2,356,862. |
| Hospital Medicine Associates LLC P.O. Box 634850, Cincinnati, OH 45263-4850 | Locum and staffing | 2,099,846. |
| Mayo Collaborative Service P.O. Box 9146, Minneapolis, MN 55480-9146 | Laboratory testing | 1,555,528. |
| Northeastern Surgical Specialist 520 8th Street NE, Hickory, NC 28601 | Surgical services | 1,456,357. |
| Harvey Construction Corp 10 Harvey Road, Bedford, NH 03110-6805 | Construction and renovation | 1,307,059. |
| 2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization | | 20 |

Form 990 (2021)

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

| | | | | (A) | (B) | (C) | (D) |
|---|---|--|--|--------------------|------------------------------------|----------------------------|--|
| | | | | Total revenue | Related or exempt function revenue | Unrelated business revenue | Revenue excluded from tax under sections 512 - 514 |
| Contributions, Gifts, Grants and Other Similar Amounts | 1 a | Federated campaigns | 1a | | | | |
| | b | Membership dues | 1b | | | | |
| | c | Fundraising events | 1c | 71,534. | | | |
| | d | Related organizations | 1d | 10,000. | | | |
| | e | Government grants (contributions) | 1e | 1,147,554. | | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above | 1f | 280,802. | | | |
| | g | Noncash contributions included in lines 1a-1f | 1g | \$ | | | |
| | h | Total. Add lines 1a-1f | | 1,509,890. | | | |
| Program Service Revenue | 2 a | Patient services | Business Code 622110 | 240,479,836. | 240,479,836. | | |
| | b | Tuition, education, and seminars | 611600 | 1,622,668. | 1,622,668. | | |
| | c | Other program fees | 622110 | 1,493,337. | 1,493,337. | | |
| | d | Cafeteria | 722514 | 522,780. | 522,780. | | |
| | e | Thrift/gift shop and boutique | 453220 | 110,247. | 110,247. | | |
| | f | All other program service revenue | | | | | |
| | g | Total. Add lines 2a-2f | | 244,228,868. | | | |
| | Other Revenue | 3 | Investment income (including dividends, interest, and other similar amounts) | | 2,812,882. | | |
| 4 | | Income from investment of tax-exempt bond proceeds | | | | | |
| 5 | | Royalties | | | | | |
| 6 a | | Gross rents | (i) Real 147,973. | | | | |
| b | | Less: rental expenses | 273,760. | | | | |
| c | | Rental income or (loss) | -125,787. | | | | |
| d | | Net rental income or (loss) | | -125,787. | | | -125,787. |
| 7 a | | Gross amount from sales of assets other than inventory | (i) Securities 29,242,149. | (ii) Other 85,000. | | | |
| b | | Less: cost or other basis and sales expenses | 1,820,651. | 0. | | | |
| c | | Gain or (loss) | 27,421,498. | 85,000. | | | |
| d | | Net gain or (loss) | | 27,506,498. | | | 27,506,498. |
| 8 a | | Gross income from fundraising events (not including \$ 71,534. of contributions reported on line 1c). See Part IV, line 18 | 10,633. | | | | |
| b | | Less: direct expenses | 10,837. | | | | |
| c | | Net income or (loss) from fundraising events | | -204. | | | -204. |
| 9 a | Gross income from gaming activities. See Part IV, line 19 | | | | | | |
| b | Less: direct expenses | | | | | | |
| c | Net income or (loss) from gaming activities | | | | | | |
| 10 a | Gross sales of inventory, less returns and allowances | | | | | | |
| b | Less: cost of goods sold | | | | | | |
| c | Net income or (loss) from sales of inventory | | | | | | |
| Miscellaneous Revenue | 11 a | Answering services | Business Code 517000 | 35,851. | | 35,851. | |
| | b | Housekeeping services | 812900 | 14,150. | | 14,150. | |
| | c | Loss on debt extinguishment | 525990 | -3,791,139. | | | -3,791,139. |
| | d | All other revenue | | | | | |
| | e | Total. Add lines 11a-11d | | -3,741,138. | | | |
| | 12 | Total revenue. See instructions | | 272,191,009. | 244,228,868. | 50,001. | 26,402,250. |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☒ X

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|--|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 | 31,560. | 31,560. | | |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22 | 50,222. | 50,222. | | |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 972,085. | 949,630. | 22,455. | |
| 6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 Other salaries and wages | 96,144,630. | 93,923,751. | 2,220,879. | |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | 1,526,887. | 1,491,617. | 35,270. | |
| 9 Other employee benefits | 9,645,567. | 9,422,761. | 222,806. | |
| 10 Payroll taxes | 6,605,478. | 6,429,054. | 176,424. | |
| 11 Fees for services (nonemployees): | | | | |
| a Management | 610,269. | | 610,269. | |
| b Legal | 98,368. | | 98,368. | |
| c Accounting | 80,095. | | 80,095. | |
| d Lobbying | | | | |
| e Professional fundraising services. See Part IV, line 17 | | | | |
| f Investment management fees | | | | |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.) | 35,231,797. | 17,943,285. | 17,288,512. | |
| 12 Advertising and promotion | 379,357. | 193,204. | 186,153. | |
| 13 Office expenses | 3,217,187. | 1,638,489. | 1,578,698. | |
| 14 Information technology | 661,214. | 336,751. | 324,463. | |
| 15 Royalties | | | | |
| 16 Occupancy | 4,288,556. | 2,184,129. | 2,104,427. | |
| 17 Travel | 357,863. | 182,257. | 175,606. | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | 155,522. | 79,206. | 76,316. | |
| 20 Interest | 2,810,989. | 2,810,989. | | |
| 21 Payments to affiliates | 24,334,843. | | 24,334,843. | |
| 22 Depreciation, depletion, and amortization | 5,010,186. | 5,010,186. | | |
| 23 Insurance | 4,600,543. | 2,343,021. | 2,257,522. | |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.) | | | | |
| a Patient-billed supplies | 26,304,361. | 26,304,361. | | |
| b Medicaid tax | 10,283,485. | 10,283,485. | | |
| c Provision for bad debts | 6,288,574. | 6,288,574. | | |
| d Repair/PM contracts | 3,741,133. | 1,905,331. | 1,835,802. | |
| e All other expenses | 3,715,674. | 1,892,364. | 1,823,310. | |
| 25 Total functional expenses. Add lines 1 through 24e | 247,146,445. | 191,694,227. | 55,452,218. | 0. |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. | | | | |

Check here ☐ if following SOP 98-2 (ASC 958-720)

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

| | | (A) Beginning of year | | (B) End of year |
|--|--|--------------------------|--------------|--------------------|
| Assets | 1 Cash - non-interest-bearing | 3,125,514. | 1 | 5,015,598. |
| | 2 Savings and temporary cash investments | 8,916,538. | 2 | 22,679,005. |
| | 3 Pledges and grants receivable, net | | 3 | |
| | 4 Accounts receivable, net | 41,274,435. | 4 | 30,241,920. |
| | 5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons | | 5 | |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) | | 6 | |
| | 7 Notes and loans receivable, net | 14,174,572. | 7 | 2,074,951. |
| | 8 Inventories for sale or use | 3,336,735. | 8 | 4,239,564. |
| | 9 Prepaid expenses and deferred charges | 1,107,387. | 9 | 999,163. |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 176,570,983. | | |
| | b Less: accumulated depreciation | 10b 116,413,748. | | |
| | | 60,862,690. | 10c | 60,157,235. |
| | 11 Investments - publicly traded securities | 16,471,372. | 11 | 4,742,565. |
| | 12 Investments - other securities. See Part IV, line 11 | 135,029,140. | 12 | 139,396,833. |
| | 13 Investments - program-related. See Part IV, line 11 | 18,314,876. | 13 | 18,260,757. |
| | 14 Intangible assets | | 14 | 2,200,188. |
| 15 Other assets. See Part IV, line 11 | 8,482,940. | 15 | 877,999. | |
| 16 Total assets. Add lines 1 through 15 (must equal line 33) | 311,096,199. | 16 | 290,885,778. | |
| Liabilities | 17 Accounts payable and accrued expenses | 30,151,973. | 17 | 26,306,961. |
| | 18 Grants payable | | 18 | |
| | 19 Deferred revenue | 117,296. | 19 | 0. |
| | 20 Tax-exempt bond liabilities | 83,232,648. | 20 | 0. |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | |
| | 22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | | 23 | |
| | 24 Unsecured notes and loans payable to unrelated third parties | | 24 | |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D | 49,710,595. | 25 | 109,586,394. |
| | 26 Total liabilities. Add lines 17 through 25 | 163,212,512. | 26 | 135,893,355. |
| Net Assets or Fund Balances | Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33. | | | |
| | 27 Net assets without donor restrictions | 145,789,809. | 27 | 152,759,584. |
| | 28 Net assets with donor restrictions | 2,093,878. | 28 | 2,232,839. |
| | Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33. | | | |
| | 29 Capital stock or trust principal, or current funds | | 29 | |
| | 30 Paid-in or capital surplus, or land, building, or equipment fund | | 30 | |
| | 31 Retained earnings, endowment, accumulated income, or other funds | | 31 | |
| | 32 Total net assets or fund balances | 147,883,687. | 32 | 154,992,423. |
| | 33 Total liabilities and net assets/fund balances | 311,096,199. | 33 | 290,885,778. |

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Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒

| | | | |
|-----------|--|-----------|--------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 272,191,009. |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 247,146,445. |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | 25,044,564. |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A)) | 4 | 147,883,687. |
| 5 | Net unrealized gains (losses) on investments | 5 | -13,877,538. |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain on Schedule O) | 9 | -4,058,290. |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B)) | 10 | 154,992,423. |

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☒

| | Yes | No |
|---|-----------|-------------------------------------|
| 1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O. | | |
| 2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | 2a | <input checked="" type="checkbox"/> |
| b Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | 2b | <input checked="" type="checkbox"/> |
| c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O. | 2c | <input checked="" type="checkbox"/> |
| 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____ | 3a | <input checked="" type="checkbox"/> |
| b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits _____ | 3b | <input checked="" type="checkbox"/> |

Form 990 (2021)

SCHEDULE A
(Form 990)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public
Inspection

Name of the organization

St. Joseph Hospital

Employer identification number

02-022215

Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990).)
- 3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box on lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
- f Enter the number of supported organizations _____
- g Provide the following information about the supported organization(s).

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1-10 above (see instructions)) | (iv) Is the organization listed in your governing document? | | (v) Amount of monetary support (see instructions) | (vi) Amount of other support (see instructions) |
|------------------------------------|----------|---|---|----|---|---|
| | | | Yes | No | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total | | | | | | |

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2017 | (b) 2018 | (c) 2019 | (d) 2020 | (e) 2021 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 4 Total. Add lines 1 through 3 | | | | | | |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) | | | | | | |
| 6 Public support. Subtract line 5 from line 4. | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2017 | (b) 2018 | (c) 2019 | (d) 2020 | (e) 2021 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 7 Amounts from line 4 | | | | | | |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources | | | | | | |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | | | | | | |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) | | | | | | |
| 11 Total support. Add lines 7 through 10 | | | | | | |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | |
| 13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here | | | | | | |

Section C. Computation of Public Support Percentage

| | | |
|---|----|---|
| 14 Public support percentage for 2021 (line 6, column (f), divided by line 11, column (f)) | 14 | % |
| 15 Public support percentage from 2020 Schedule A, Part II, line 14 | 15 | % |
| 16a 33 1/3% support test - 2021. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization | | |
| b 33 1/3% support test - 2020. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization | | |
| 17a 10% -facts-and-circumstances test - 2021. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization | | |
| b 10% -facts-and-circumstances test - 2020. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization | | |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions | | |

Schedule A (Form 990) 2021

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ► | (a) 2017 | (b) 2018 | (c) 2019 | (d) 2020 | (e) 2021 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose | | | | | | |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513 | | | | | | |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 6 Total. Add lines 1 through 5 | | | | | | |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons | | | | | | |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year | | | | | | |
| c Add lines 7a and 7b | | | | | | |
| 8 Public support. (Subtract line 7c from line 6.) | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ► | (a) 2017 | (b) 2018 | (c) 2019 | (d) 2020 | (e) 2021 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | | | | | | |

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

| | | |
|---|-----------|---|
| 15 Public support percentage for 2021 (line 8, column (f), divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2020 Schedule A, Part III, line 15 | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|---|-----------|---|
| 17 Investment income percentage for 2021 (line 10c, column (f), divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from 2020 Schedule A, Part III, line 17 | 18 | % |

19a 33 1/3% support tests - 2021. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

b 33 1/3% support tests - 2020. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

| | Yes | No |
|---|-----|----|
| 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain. | | |
| 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2). | | |
| 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer lines 3b and 3c below. | | |
| b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination. | | |
| c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use. | | |
| 4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below. | | |
| b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations. | | |
| c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes. | | |
| 5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI , including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document). | | |
| b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document? | | |
| c Substitutions only. Was the substitution the result of an event beyond the organization's control? | | |
| 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI . | | |
| 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990). | | |
| 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? If "Yes," complete Part I of Schedule L (Form 990). | | |
| 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI . | | |
| b Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI . | | |
| c Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI . | | |
| 10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer line 10b below. | | |
| b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.) | | |

Part IV Supporting Organizations (continued)

| | Yes | No |
|--|-----|----|
| 11 Has the organization accepted a gift or contribution from any of the following persons? | | |
| a A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization? | | |
| 11a | | |
| b A family member of a person described on line 11a above? | | |
| 11b | | |
| c A 35% controlled entity of a person described on line 11a or 11b above? If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI . | | |
| 11c | | |

Section B. Type I Supporting Organizations

| | Yes | No |
|---|-----|----|
| 1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year. | | |
| 1 | | |
| 2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization. | | |
| 2 | | |

Section C. Type II Supporting Organizations

| | Yes | No |
|--|-----|----|
| 1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s). | | |
| 1 | | |

Section D. All Type III Supporting Organizations

| | Yes | No |
|---|-----|----|
| 1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided? | | |
| 1 | | |
| 2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s). | | |
| 2 | | |
| 3 By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard. | | |
| 3 | | |

Section E. Type III Functionally Integrated Supporting Organizations

| | Yes | No |
|---|-----|----|
| 1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions). | | |
| a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below. | | |
| b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below. | | |
| c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions). | | |
| 2 Activities Test. Answer lines 2a and 2b below. | | |
| a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities. | | |
| 2a | | |
| b Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement. | | |
| 2b | | |
| 3 Parent of Supported Organizations. Answer lines 3a and 3b below. | | |
| a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? If "Yes" or "No" provide details in Part VI . | | |
| 3a | | |
| b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard. | | |
| 3b | | |

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1** ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in Part VI*). **See instructions.**
All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

| Section A - Adjusted Net Income | | (A) Prior Year | (B) Current Year (optional) |
|---|----------|----------------|-----------------------------|
| 1 Net short-term capital gain | 1 | | |
| 2 Recoveries of prior-year distributions | 2 | | |
| 3 Other gross income (see instructions) | 3 | | |
| 4 Add lines 1 through 3. | 4 | | |
| 5 Depreciation and depletion | 5 | | |
| 6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions) | 6 | | |
| 7 Other expenses (see instructions) | 7 | | |
| 8 Adjusted Net Income (subtract lines 5, 6, and 7 from line 4) | 8 | | |

| Section B - Minimum Asset Amount | | (A) Prior Year | (B) Current Year (optional) |
|--|-----------|----------------|-----------------------------|
| 1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year): | | | |
| a Average monthly value of securities | 1a | | |
| b Average monthly cash balances | 1b | | |
| c Fair market value of other non-exempt-use assets | 1c | | |
| d Total (add lines 1a, 1b, and 1c) | 1d | | |
| e Discount claimed for blockage or other factors (<i>explain in detail in Part VI</i>): | | | |
| 2 Acquisition indebtedness applicable to non-exempt-use assets | 2 | | |
| 3 Subtract line 2 from line 1d. | 3 | | |
| 4 Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions). | 4 | | |
| 5 Net value of non-exempt-use assets (subtract line 4 from line 3) | 5 | | |
| 6 Multiply line 5 by 0.035. | 6 | | |
| 7 Recoveries of prior-year distributions | 7 | | |
| 8 Minimum Asset Amount (add line 7 to line 6) | 8 | | |

| Section C - Distributable Amount | | | Current Year |
|--|----------|--|--------------|
| 1 Adjusted net income for prior year (from Section A, line 8, column A) | 1 | | |
| 2 Enter 0.85 of line 1. | 2 | | |
| 3 Minimum asset amount for prior year (from Section B, line 8, column A) | 3 | | |
| 4 Enter greater of line 2 or line 3. | 4 | | |
| 5 Income tax imposed in prior year | 5 | | |
| 6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions). | 6 | | |
| 7 <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions). | | | |

Schedule A (Form 990) 2021

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

| Section D - Distributions | | Current Year |
|--|-----------|--------------|
| 1 Amounts paid to supported organizations to accomplish exempt purposes | 1 | |
| 2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity | 2 | |
| 3 Administrative expenses paid to accomplish exempt purposes of supported organizations | 3 | |
| 4 Amounts paid to acquire exempt-use assets | 4 | |
| 5 Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>) | 5 | |
| 6 Other distributions (<i>describe in Part VI</i>). See instructions. | 6 | |
| 7 Total annual distributions. Add lines 1 through 6. | 7 | |
| 8 Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions. | 8 | |
| 9 Distributable amount for 2021 from Section C, line 6 | 9 | |
| 10 Line 8 amount divided by line 9 amount | 10 | |

| Section E - Distribution Allocations (see instructions) | (i) Excess Distributions | (ii) Underdistributions Pre-2021 | (iii) Distributable Amount for 2021 |
|--|-----------------------------|--|---|
| 1 Distributable amount for 2021 from Section C, line 6 | | | |
| 2 Underdistributions, if any, for years prior to 2021 (reasonable cause required - <i>explain in Part VI</i>). See instructions. | | | |
| 3 Excess distributions carryover, if any, to 2021 | | | |
| a From 2016 | | | |
| b From 2017 | | | |
| c From 2018 | | | |
| d From 2019 | | | |
| e From 2020 | | | |
| f Total of lines 3a through 3e | | | |
| g Applied to underdistributions of prior years | | | |
| h Applied to 2021 distributable amount | | | |
| i Carryover from 2016 not applied (see instructions) | | | |
| j Remainder. Subtract lines 3g, 3h, and 3i from line 3f. | | | |
| 4 Distributions for 2021 from Section D, line 7: \$ | | | |
| a Applied to underdistributions of prior years | | | |
| b Applied to 2021 distributable amount | | | |
| c Remainder. Subtract lines 4a and 4b from line 4. | | | |
| 5 Remaining underdistributions for years prior to 2021, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions. | | | |
| 6 Remaining underdistributions for 2021. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions. | | | |
| 7 Excess distributions carryover to 2022. Add lines 3j and 4c. | | | |
| 8 Breakdown of line 7: | | | |
| a Excess from 2017 | | | |
| b Excess from 2018 | | | |
| c Excess from 2019 | | | |
| d Excess from 2020 | | | |
| e Excess from 2021 | | | |

Schedule A (Form 990) 2021

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.
(See instructions.)

Schedule B
(Form 990)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**▶ Attach to Form 990 or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2021

Name of the organization

St. Joseph Hospital

Employer identification number

02-0222215

Organization type (check one):

Filers of:**Section:**

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990).

| | |
|----------------------------|--------------------------------|
| Name of organization | Employer identification number |
| St. Joseph Hospital | 02-0222215 |

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|------------|---|----------------------------|---|
| 1 | U.S. Department of Health and Human Services 200 Independence Avenue, S.W. Washington, DC 20201 | \$ 1,147,554. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 2 | DCU Digital Federal Credit Union P.O. Box 9130 Marlborough, MA 01752-9130 | \$ 50,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 3 | Theresa Romano P.O. Box 65 Nashua, NH 03061-0065 | \$ 27,500. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 4 | Arthur E. Urschel 44 Island Drive Merrimack, NH 03054-4123 | \$ 25,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 5 | Estate of Jeanne D. Keller 8 Milford Street Brookline, NH 03033 | \$ 15,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 6 | Raskob Foundation for Catholic Activities, Inc. P.O. Box 4019 Wilmington, DE 19807 | \$ 10,500. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |

| | |
|----------------------------|--------------------------------|
| Name of organization | Employer identification number |
| St. Joseph Hospital | 02-0222215 |

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|------------|--|----------------------------|---|
| 7 | Covenant Health, Inc. 100 Ames Pond Drive, Suite 102 Tewksbury, MA 01876 | \$ 10,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 8 | New Hampshire Charitable Foundation 37 Pleasant Street Concord, NH 03301 | \$ 10,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 9 | Demoulas Foundation 286 Chelmsford Street Chelmsford, MA 01824 | \$ 10,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 10 | Daniel O'Donnell 49 Cobbett Lane Hollis, NH 03049 | \$ 10,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 11 | Ensemble Health Partners 4605 Duke Drive Mason, OH 45040 | \$ 5,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 12 | Triangle Credit Union 30 Temple Street Nashua, NH 03060 | \$ 5,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |

Employer identification number

02-0222215

Part II

[illegible]

| | |
|----------------------------|--------------------------------|
| Name of organization | Employer identification number |
| St. Joseph Hospital | 02-0222215 |

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) ► \$ _____

Use duplicate copies of Part III if additional space is needed.

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---------------------|---|-----------------|--|
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |

SCHEDULE C
(Form 990)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2021

**Open to Public
Inspection**

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (See separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (See separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization

St. Joseph Hospital

Employer identification number

02-022215

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political campaign activity expenditures ▶ \$

3 Volunteer hours for political campaign activities

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527
exempt function activities ▶ \$

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL,
line 17b ▶ \$

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

| (a) Name | (b) Address | (c) EIN | (d) Amount paid from filing organization's funds. If none, enter -0-. | (e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-. |
|----------|-------------|---------|---|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990) 2021

LHA

132041 11-03-21

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

A Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ☐ if the filing organization checked box A and "limited control" provisions apply.

| Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) | | (a) Filing organization's totals | (b) Affiliated group totals | | | | | | | | | | | | |
|---|--|------------------------------------|-----------------------------|-------------------------------|---|--|---|--|--|---|-------------------|--------------|--|--|--|
| 1a Total lobbying expenditures to influence public opinion (grassroots lobbying) | | | | | | | | | | | | | | | |
| b Total lobbying expenditures to influence a legislative body (direct lobbying) | | | | | | | | | | | | | | | |
| c Total lobbying expenditures (add lines 1a and 1b) | | | | | | | | | | | | | | | |
| d Other exempt purpose expenditures | | | | | | | | | | | | | | | |
| e Total exempt purpose expenditures (add lines 1c and 1d) | | | | | | | | | | | | | | | |
| f Lobbying nontaxable amount. Enter the amount from the following table in both columns. | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table> | If the amount on line 1e, column (a) or (b) is: | The lobbying nontaxable amount is: | Not over \$500,000 | 20% of the amount on line 1e. | Over \$500,000 but not over \$1,000,000 | \$100,000 plus 15% of the excess over \$500,000. | Over \$1,000,000 but not over \$1,500,000 | \$175,000 plus 10% of the excess over \$1,000,000. | Over \$1,500,000 but not over \$17,000,000 | \$225,000 plus 5% of the excess over \$1,500,000. | Over \$17,000,000 | \$1,000,000. | | | |
| If the amount on line 1e, column (a) or (b) is: | The lobbying nontaxable amount is: | | | | | | | | | | | | | | |
| Not over \$500,000 | 20% of the amount on line 1e. | | | | | | | | | | | | | | |
| Over \$500,000 but not over \$1,000,000 | \$100,000 plus 15% of the excess over \$500,000. | | | | | | | | | | | | | | |
| Over \$1,000,000 but not over \$1,500,000 | \$175,000 plus 10% of the excess over \$1,000,000. | | | | | | | | | | | | | | |
| Over \$1,500,000 but not over \$17,000,000 | \$225,000 plus 5% of the excess over \$1,500,000. | | | | | | | | | | | | | | |
| Over \$17,000,000 | \$1,000,000. | | | | | | | | | | | | | | |
| g Grassroots nontaxable amount (enter 25% of line 1f) | | | | | | | | | | | | | | | |
| h Subtract line 1g from line 1a. If zero or less, enter -0- | | | | | | | | | | | | | | | |
| i Subtract line 1f from line 1c. If zero or less, enter -0- | | | | | | | | | | | | | | | |
| j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | | | | | | | | | | |

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.)

See the separate instructions for lines 2a through 2f.)

| Lobbying Expenditures During 4-Year Averaging Period | | | | | |
|---|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) | (a) 2018 | (b) 2019 | (c) 2020 | (d) 2021 | (e) Total |
| 2a Lobbying nontaxable amount | | | | | |
| b Lobbying ceiling amount (150% of line 2a, column(e)) | | | | | |
| c Total lobbying expenditures | | | | | |
| d Grassroots nontaxable amount | | | | | |
| e Grassroots ceiling amount (150% of line 2d, column (e)) | | | | | |
| f Grassroots lobbying expenditures | | | | | |

Schedule C (Form 990) 2021

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

| | (a) | | (b) |
|---|-----|----|---------|
| | Yes | No | Amount |
| 1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of: | | | |
| a Volunteers? | | X | |
| b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? | | X | |
| c Media advertisements? | | X | |
| d Mailings to members, legislators, or the public? | | X | |
| e Publications, or published or broadcast statements? | | X | |
| f Grants to other organizations for lobbying purposes? | X | | 20,568. |
| g Direct contact with legislators, their staffs, government officials, or a legislative body? | | X | |
| h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? | | X | |
| i Other activities? | | X | |
| j Total. Add lines 1c through 1i | | | 20,568. |
| 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? | | X | |
| b If "Yes," enter the amount of any tax incurred under section 4912 | | | |
| c If "Yes," enter the amount of any tax incurred by organization managers under section 4912 | | | |
| d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? | | | |

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

| | Yes | No |
|--|-----|----|
| 1 Were substantially all (90% or more) dues received nondeductible by members? | 1 | |
| 2 Did the organization make only in-house lobbying expenditures of \$2,000 or less? | 2 | |
| 3 Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year? | 3 | |

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

| | | |
|---|----|--|
| 1 Dues, assessments and similar amounts from members | 1 | |
| 2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid). | | |
| a Current year | 2a | |
| b Carryover from last year | 2b | |
| c Total | 2c | |
| 3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues | 3 | |
| 4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year? | 4 | |
| 5 Taxable amount of lobbying and political expenditures. See instructions | 5 | |

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (See instructions); and Part II-B, line 1. Also, complete this part for any additional information.

Part II-B, Line 1, Lobbying Activities:

St. Joseph's Hospital of Nashua is a member of the New Hampshire

Hospital Association (NHHA). A portion of the dues paid to the

association in the year ending December 31, 2021 were available for

lobbying expenditures on behalf of the Hospital in furtherance of their

exempt purposes. The amount reported on the Hospital's 2021 Form 990,

Part IV Supplemental Information *(continued)*

Schedule C, Part II-B, Line 1g represents the amount of dues paid by the Hospital that were available for lobbying purposes.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2021

Open to Public Inspection

Name of the organization

St. Joseph Hospital

Employer identification number

02-022215

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|------------------------------|------------------------------|
| 1 Total number at end of year | | |
| 2 Aggregate value of contributions to (during year) | | |
| 3 Aggregate value of grants from (during year) | | |
| 4 Aggregate value at end of year | | |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

| | |
|---|---|
| <input type="checkbox"/> Preservation of land for public use (for example, recreation or education) | <input type="checkbox"/> Preservation of a historically important land area |
| <input type="checkbox"/> Protection of natural habitat | <input type="checkbox"/> Preservation of a certified historic structure |
| <input type="checkbox"/> Preservation of open space | |

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

| | Held at the End of the Tax Year |
|--|---------------------------------|
| a Total number of conservation easements | 2a |
| b Total acreage restricted by conservation easements | 2b |
| c Number of conservation easements on a certified historic structure included in (a) | 2c |
| d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register | 2d |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2021

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):

a ☐ Public exhibition

d ☐ Loan or exchange program

b ☐ Scholarly research

e ☐ Other _____

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

| | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | 2,093,879. | 2,100,660. | 1,784,834. | 1,415,041. | 1,113,776. |
| b Contributions | 263,264. | 395,764. | 301,225. | 561,381. | 894,143. |
| c Net investment earnings, gains, and losses | 162,095. | 41,894. | 137,394. | -54,863. | 31,108. |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | 286,399. | 444,439. | 122,793. | 136,725. | 623,986. |
| f Administrative expenses | | | | | |
| g End of year balance | 2,232,839. | 2,093,879. | 2,100,660. | 1,784,834. | 1,415,041. |

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ☒ .0000 %

b Permanent endowment ☒ 53.2400 %

c Term endowment ☒ 46.7600 %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) Unrelated organizations

(ii) Related organizations

| | Yes | No |
|--------|-----|----|
| 3a(i) | | X |
| 3a(ii) | | X |
| 3b | | |

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? ☐

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | 3,748,748. | | 3,748,748. |
| b Buildings | | 111,588,393. | 66,392,788. | 45,195,605. |
| c Leasehold improvements | | 1,048,590. | 1,027,721. | 20,869. |
| d Equipment | | 59,336,841. | 48,993,239. | 10,343,602. |
| e Other | | 848,411. | | 848,411. |
| Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) | | | | 60,157,235. |

Schedule D (Form 990) 2021

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

| (a) Description of security or category (including name of security) | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|---|
| (1) Financial derivatives | | |
| (2) Closely held equity interests | 139,396,833. | End-of-Year Market Value |
| (3) Other | | |
| (A) | | |
| (B) | | |
| (C) | | |
| (D) | | |
| (E) | | |
| (F) | | |
| (G) | | |
| (H) | | |
| Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶ | 139,396,833. | |

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

| (a) Description of investment | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|---|
| (1) Investment in Corporate | | |
| (2) Services | 15,057,394. | Cost |
| (3) Investment in Souhegan | | |
| (4) Nursing | 1,030,252. | Cost |
| (5) Investment in Nashua | | |
| (6) Regional Cancer Center | 1,529,313. | Cost |
| (7) Investment in NH Imaging | 10,335. | Cost |
| (8) Investment in First | | |
| (9) Choice PHO | 633,463. | Cost |
| Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶ | 18,260,757. | |

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

| (a) Description | (b) Book value |
|---|----------------|
| (1) | |
| (2) | |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶ | |

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

| 1. (a) Description of liability | (b) Book value |
|---|----------------|
| (1) Federal income taxes | |
| (2) Due to affiliates | 74,242,186. |
| (3) Medicaid settlement obligations | 15,070,365. |
| (4) Deferred executive compensation | 653,485. |
| (5) Third party payor settlements | 6,579,554. |
| (6) Environmental liability | 6,249,669. |
| (7) Capital lease obligations | 2,773,311. |
| (8) Malpractice tail liability | 1,196,818. |
| (9) Loss in investment | 1,559,704. |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶ | 109,586,394. |

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII... ☒

Schedule D (Form 990) 2021

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

| | | | | |
|----------|--|-----------|-----------|--|
| 1 | Total revenue, gains, and other support per audited financial statements | | 1 | |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | | |
| a | Net unrealized gains (losses) on investments | 2a | | |
| b | Donated services and use of facilities | 2b | | |
| c | Recoveries of prior year grants | 2c | | |
| d | Other (Describe in Part XIII.) | 2d | | |
| e | Add lines 2a through 2d | | 2e | |
| 3 | Subtract line 2e from line 1 | | 3 | |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1: | | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | | |
| b | Other (Describe in Part XIII.) | 4b | | |
| c | Add lines 4a and 4b | | 4c | |
| 5 | Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.) | | 5 | |

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

| | | | | |
|----------|---|-----------|-----------|--|
| 1 | Total expenses and losses per audited financial statements | | 1 | |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | | | |
| a | Donated services and use of facilities | 2a | | |
| b | Prior year adjustments | 2b | | |
| c | Other losses | 2c | | |
| d | Other (Describe in Part XIII.) | 2d | | |
| e | Add lines 2a through 2d | | 2e | |
| 3 | Subtract line 2e from line 1 | | 3 | |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | | |
| b | Other (Describe in Part XIII.) | 4b | | |
| c | Add lines 4a and 4b | | 4c | |
| 5 | Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.) | | 5 | |

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part V, line 4:

Funds to be used to assist the needy through education and/or projects for the poor as determined and approved by the board.

Part X, Line 2:

Covenant and its member organizations are considered not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code, except as noted below.

St. Joseph Hospital Corporate Services, Inc., a wholly-owned subsidiary of Nashua, is a for-profit organization, which is subject to federal and

Part XIII Supplemental Information *(continued)*

state income taxes. St. Joseph Hospital Corporate Services, Inc. has net operating loss (NOL) carryforwards for tax purposes. The NOLs are not anticipated to be utilized so the amounts have been fully offset with a reserve.

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Under guidance issued by the Financial Accounting Standards Board, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based upon the technical merits of the position.

The System has evaluated the position taken on its filed tax returns. The System has concluded no uncertain income tax positions exist at December 31, 2021.

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes" on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

► Go to www.irs.gov/Form990 for instructions and the latest information.

2021

Open to Public Inspection

St. Joseph Hospital

02-0222215

Part I

Fundraising Activities. Complete if the organization answered "Yes" on Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

- a** ☐ Mail solicitations

- b** ☐ Internet and email solicitations

- c** ☐ Phone solicitations

- d** ☐ In-person solicitations

- e** ☐ Solicitation of non-government grants

- f** ☐ Solicitation of government grants

- g** ☐ Special fundraising events

- 2 a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes☐ No

- b** If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

| (i) Name and address of individual or entity (fundraiser) | (ii) Activity | (iii) Did fundraiser have custody or control of contributions? | | (iv) Gross receipts from activity | (v) Amount paid to (or retained by) fundraiser listed in col. (i) | (vi) Amount paid to (or retained by) organization |
|---|---------------|--|----|-----------------------------------|---|---|
| | | Yes | No | | | |
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| Total | | | | ▶ | | |

- 3** List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

| | | (a) Event #1 | (b) Event #2 | (c) Other events | (d) Total events (add col. (a) through col. (c)) |
|---|--|--------------------------------------|--------------|------------------------|--|
| | | Commit to Get Fit (event type) | (event type) | None (total number) | |
| Revenue | 1 Gross receipts | 82,167. | | | 82,167. |
| | 2 Less: Contributions | 71,534. | | | 71,534. |
| | 3 Gross income (line 1 minus line 2) | 10,633. | | | 10,633. |
| Direct Expenses | 4 Cash prizes | | | | |
| | 5 Noncash prizes | 1,675. | | | 1,675. |
| | 6 Rent/facility costs | 1,181. | | | 1,181. |
| | 7 Food and beverages | 350. | | | 350. |
| | 8 Entertainment | | | | |
| | 9 Other direct expenses | 7,631. | | | 7,631. |
| | 10 Direct expense summary. Add lines 4 through 9 in column (d) | | | | 10,837. |
| 11 Net income summary. Subtract line 10 from line 3, column (d) | | | | -204. | |

Part III Gaming. Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

| | | (a) Bingo | (b) Pull tabs/instant bingo/progressive bingo | (c) Other gaming | (d) Total gaming (add col. (a) through col. (c)) |
|--|-------------------------------|---|---|---|---|
| Revenue | 1 Gross revenue | | | | |
| Direct Expenses | 2 Cash prizes | | | | |
| | 3 Noncash prizes | | | | |
| | 4 Rent/facility costs | | | | |
| | 5 Other direct expenses | | | | |
| | 6 Volunteer labor | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | |
| 7 Direct expense summary. Add lines 2 through 5 in column (d) | | | | | |
| 8 Net gaming income summary. Subtract line 7 from line 1, column (d) | | | | | |

9 Enter the state(s) in which the organization conducts gaming activities: _____

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

- 11** Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13** Indicate the percentage of gaming activity conducted in:
- | | | |
|--------------------------------------|------------|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► _____

Address ► _____

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____

c If "Yes," enter name and address of the third party:

Name ► _____

Address ► _____

- 16** Gaming manager information:

Name ► _____

Gaming manager compensation ► \$ _____

Description of services provided ► _____

☐ Director/officer ☐ Employee ☐ Independent contractor

- 17** Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ _____

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions.

| | | |
|----------------|--|--|
| Part IV | | Supplemental Information <i>(continued)</i> |
|----------------|--|--|

[illegible]

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

- **Complete if the organization answered "Yes" on Form 990, Part IV, question 20.**
► **Attach to Form 990.**
► **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2021

**Open to Public
Inspection**

Name of the organization

St. Joseph Hospital

Employer identification number

02-0222215

Part I Financial Assistance and Certain Other Community Benefits at Cost

| | Yes | No |
|---|-------------------------------------|-------------------------------------|
| 1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a | <input checked="" type="checkbox"/> | |
| b If "Yes," was it a written policy? | <input checked="" type="checkbox"/> | |
| 2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities | | |
| 3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year. | | |
| a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ % | <input checked="" type="checkbox"/> | |
| b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ % | <input checked="" type="checkbox"/> | |
| c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care. | | |
| 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? | <input checked="" type="checkbox"/> | |
| 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? | <input checked="" type="checkbox"/> | |
| b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? | | <input checked="" type="checkbox"/> |
| c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? | | |
| 6a Did the organization prepare a community benefit report during the tax year? | <input checked="" type="checkbox"/> | |
| b If "Yes," did the organization make it available to the public? | <input checked="" type="checkbox"/> | |

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

| Financial Assistance and Means-Tested Government Programs | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|--|---|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| a Financial Assistance at cost (from Worksheet 1) | | 5,250 | 813,885. | | 813,885. | .34% |
| b Medicaid (from Worksheet 3, column a) | | 16,225 | 15,547,070. | 5,273,566. | 10,273,504. | 4.27% |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | | | | |
| d Total. Financial Assistance and Means-Tested Government Programs | | 21,475 | 16,360,955. | 5,273,566. | 11,087,389. | 4.61% |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | | | | | | |
| f Health professions education (from Worksheet 5) | | | | | | |
| g Subsidized health services (from Worksheet 6) | | | | | | |
| h Research (from Worksheet 7) | | | | | | |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | | 1,032,231. | | 1,032,231. | .43% |
| j Total. Other Benefits | | | 1,032,231. | | 1,032,231. | .43% |
| k Total. Add lines 7d and 7j | | 21,475 | 17,393,186. | 5,273,566. | 12,119,620. | 5.04% |

Part V Facility Information (continued)**Section B. Facility Policies and Practices**

(complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or letter of facility reporting group St. Joseph Hospital

Line number of hospital facility, or line numbers of hospital

facilities in a facility reporting group (from Part V, Section A): 1

| | Yes | No |
|---|------------|----------|
| Community Health Needs Assessment | | |
| 1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year? | 1 | X |
| 2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C | 2 | X |
| 3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 | 3 | X |
| If "Yes," indicate what the CHNA report describes (check all that apply): | | |
| a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility | | |
| b <input checked="" type="checkbox"/> Demographics of the community | | |
| c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | |
| d <input checked="" type="checkbox"/> How data was obtained | | |
| e <input checked="" type="checkbox"/> The significant health needs of the community | | |
| f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | |
| g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs | | |
| h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests | | |
| i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s) | | |
| j <input type="checkbox"/> Other (describe in Section C) | | |
| 4 Indicate the tax year the hospital facility last conducted a CHNA: <u>20 20</u> | | |
| 5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted | 5 | X |
| 6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C | 6a | X |
| b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C | 6b | X |
| 7 Did the hospital facility make its CHNA report widely available to the public? | 7 | X |
| If "Yes," indicate how the CHNA report was made widely available (check all that apply): | | |
| a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>See Part V, Section C</u> | | |
| b <input checked="" type="checkbox"/> Other website (list url): <u>See Part V, Section C</u> | | |
| c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility | | |
| d <input type="checkbox"/> Other (describe in Section C) | | |
| 8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 | 8 | X |
| 9 Indicate the tax year the hospital facility last adopted an implementation strategy: <u>20 19</u> | | |
| 10 Is the hospital facility's most recently adopted implementation strategy posted on a website? | 10 | X |
| a If "Yes," (list url): <u>See Part V, Section C</u> | | |
| b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? | 10b | |
| 11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed. | | |
| 12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? | 12a | X |
| b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? | 12b | |
| c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ | | |

Part V Facility Information (continued)**Financial Assistance Policy (FAP)**Name of hospital facility or letter of facility reporting group St. Joseph Hospital

| | Yes | No |
|---|-------------|----|
| Did the hospital facility have in place during the tax year a written financial assistance policy that: | | |
| 13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? | 13 X | |
| If "Yes," indicate the eligibility criteria explained in the FAP: | | |
| a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> % | | |
| b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C) | | |
| c <input type="checkbox"/> Asset level | | |
| d <input checked="" type="checkbox"/> Medical indigency | | |
| e <input type="checkbox"/> Insurance status | | |
| f <input checked="" type="checkbox"/> Underinsurance status | | |
| g <input checked="" type="checkbox"/> Residency | | |
| h <input type="checkbox"/> Other (describe in Section C) | | |
| 14 Explained the basis for calculating amounts charged to patients? | 14 X | |
| 15 Explained the method for applying for financial assistance? | 15 X | |
| If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply): | | |
| a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application | | |
| b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application | | |
| c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process | | |
| d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications | | |
| e <input type="checkbox"/> Other (describe in Section C) | | |
| 16 Was widely publicized within the community served by the hospital facility? | 16 X | |
| If "Yes," indicate how the hospital facility publicized the policy (check all that apply): | | |
| a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>See Part V, Section C</u> | | |
| b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>See Part V, Section C</u> | | |
| c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>See Part V, Section C</u> | | |
| d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention | | |
| h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP | | |
| i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations | | |
| j <input type="checkbox"/> Other (describe in Section C) | | |

Schedule H (Form 990) 2021

Part V Facility Information (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group St. Joseph Hospital

| | Yes | No | |
|---|-----------|----------|----------|
| 17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment? | 17 | X | |
| 18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP: | | | |
| a <input type="checkbox"/> Reporting to credit agency(ies) | | | |
| b <input type="checkbox"/> Selling an individual's debt to another party | | | |
| c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP | | | |
| d <input type="checkbox"/> Actions that require a legal or judicial process | | | |
| e <input type="checkbox"/> Other similar actions (describe in Section C) | | | |
| f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted | | | |
| 19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? | 19 | | X |
| If "Yes," check all actions in which the hospital facility or a third party engaged: | | | |
| a <input type="checkbox"/> Reporting to credit agency(ies) | | | |
| b <input type="checkbox"/> Selling an individual's debt to another party | | | |
| c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP | | | |
| d <input type="checkbox"/> Actions that require a legal or judicial process | | | |
| e <input type="checkbox"/> Other similar actions (describe in Section C) | | | |
| 20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply): | | | |
| a <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C) | | | |
| b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C) | | | |
| c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C) | | | |
| d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C) | | | |
| e <input type="checkbox"/> Other (describe in Section C) | | | |
| f <input type="checkbox"/> None of these efforts were made | | | |

Policy Relating to Emergency Medical Care

| | | | |
|---|-----------|----------|--|
| 21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? | 21 | X | |
| If "No," indicate why: | | | |
| a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions | | | |
| b <input type="checkbox"/> The hospital facility's policy was not in writing | | | |
| c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C) | | | |
| d <input type="checkbox"/> Other (describe in Section C) | | | |

Schedule H (Form 990) 2021

Part V Facility Information (continued)**Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**Name of hospital facility or letter of facility reporting group St. Joseph Hospital**22** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a** ☐ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b** ☒ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- c** ☐ The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- d** ☐ The hospital facility used a prospective Medicare or Medicaid method

23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Section C.

24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Section C.

| | Yes | No |
|-----------|-----|----------|
| | | |
| 23 | | X |
| | | |
| 24 | | X |
| | | |

Schedule H (Form 990) 2021

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

St. Joseph Hospital:

Part V, Section B, Line 5: St. Joseph Hospital worked with officials from the City of Nashua Division of Public Health and other members of the community, including local police and fire departments, school officials, ambulance service leaders, directors of community agencies, hospital leaders, physicians and area residents through focus groups to gather input for the community health needs assessment (CHNA).

The 2020 CHNA employed numerous research methods to gather input from the community, including online surveys, in-person interviews, and data analysis. The CHNA utilized these methods separately and decisively for each of its identified community health needs.

The City of Nashua Division of Public Health and Community Services (DPHCS) conducted a community-based survey in 2020 and invited Greater Nashua residents help determine what the biggest health priorities were in their communities, and to share their COVID-19 experiences.

Online surveys were distributed widely throughout the Greater Nashua community via social media, community networks, and physical posted flyers. The surveys were available in both English and Spanish. Specifically designed surveys were administered to evaluate each of the community's various health needs. For example, different surveys were used to gather community-data regarding substance abuse, access to care, mental and behavioral health, chronic disease, environmental health, and child and maternal health. Community input through these surveys allowed the

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

collaborative report to better evaluate unique health risks and concerns within various social groups and communities.

The research was originally designed as a series of in-person, focus group sessions to be held across the Greater Nashua region throughout the summer of 2020. Research design began in January, 2020, but when the COVID-19 pandemic called for social distancing, research design had to be adjusted to accommodate online data collection. With the switch to an online survey based design, research questions were modified from a semi-structured interview design to a survey design.

St. Joseph Hospital:

Part V, Section B, Line 6a: St. Joseph Hospital took part in the 2020 Greater Nashua Community Health Assessment for its most recent CHNA. This Assessment was conducted by the Nashua Department Division of Public Health and their Public Health Advisory Council partners. It is a product of the dedication and collaboration of over 33 organizations, programs, and City departments serving the GNPHR. A full list of the hospital facilities that participated in this Assessment can be found through the City of Nashua Community Health Assessment homepage at: <https://nashuanh.gov/560/Community-Health-Assessment>

St. Joseph Hospital:

Part V, Section B, Line 6b: St. Joseph Hospital took part in the 2020 Greater Nashua Community Health Assessment for its most recent CHNA. This

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Assessment was conducted by the Nashua Department Division of Public Health and their Public Health Advisory Council partners. It is a product of the dedication and collaboration of over 33 organizations, programs, and City departments serving the GNPHR. A full list of the facilities other than hospitals that participated in this Assessment can be found through the City of Nashua Community Health Assessment homepage at: <https://nashuanh.gov/560/Community-Health-Assessment>

St. Joseph Hospital:

Part V, Section B, Line 11: For the years covering 2018-2021, St. Joseph Hospital has committed to collaborating with numerous other healthcare and public service organizations in the Greater Nashua Community Health Improvement Plan (CHIP).

The 2018-2021 CHIP was informed by the analysis of data contained from the 2017 Greater Nashua Community Health Assessment (CHA), the third comprehensive CHA conducted for the region. The 2018-2021 CHIP was developed through a collaborative process conducted by DPHCS and the Greater Nashua Public Health Advisory Council (PHAC), which is the network of regional stakeholders supporting all public health efforts in the Greater Nashua Region. the 2018-2021 CHIP was released in March, 2019. Subsequent to this tax year, the 2022 CHIP was issued; The 2022 Greater Nashua CHIP is the fourth consecutive CHIP, based off the 2020 CHA. The Greater Nashua PHAC Executive Committee and CHIP Planning Team chose the following health priority areas for the CHIP 2022 based on the 2020 Greater Nashua CHA.

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

As part of the ongoing process of community health improvement, every three years the City of Nashua, DPHCS, in collaboration with more than 20 partner organizations within the Greater Nashua Public Health Region (GNPHR), conducts a comprehensive Community Health Assessment (CHA). The CHA is a process of identifying, collecting, analyzing and disseminating data and other information about the community's assets, strengths, resources, and needs to be able to provide community members information about the health concerns and needs of the community.

Through the evaluation of health data and issues identified in the CHA, the Greater Nashua CHIP process prioritizes health topics and creates an action plan to address those issues over the following three years. Community engagement is key to the CHIP process so that the resulting plan reflects not only the shared commitment to priority issues, but also considers the full community's assets, strengths, resources and needs for bringing about positive change. In order to maximize health impact and gain widespread support for improvement, Greater Nashua CHIP initiatives are carried out in coordination with state level partners whenever possible.

The top five public health priority issues, listed in the order determined by the Greater Nashua Public Health Advisory Council Executive Committee, include:

1. Behavioral Health (Suicide, Mental Health, and Substance Use)
2. Chronic Disease (Heart Disease/ Stroke, Diabetes, and Asthma)
3. Weight Management, Physical Activity, and Nutrition

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

4. Maternal and Child Health**5. Public Health Emergency Preparedness**

The Hospital, along with the other care providers included in the 2018-2021 CHIP, are addressing these needs through a coordinated effort to provide and improve upon the following: access to care; community resources; health and nutrition education and literacy; access to child care; access to medical transportation; access to mental and behavioral health resources; improved medical coverage; personal fitness and exercise; and professional training, education, and research for health and care providers.

The collaborative CHIP predicts that efforts to meet these goals and improve upon these services will address the most significant needs identified in the Greater Nashua Needs Assessment.

The 2020 Greater Nashua CHNA was also used to inform the 2021-2024 CHIP. Using evidence-based strategies, the 2021-2024 CHIP developed plans to address issues related to behavioral health, chronic diseases, communicable diseases, maternal and child health, and public health emergencies. While this Form 990, Schedule H is still reporting under the 2018-2021 CHIP, the 2021-2024 CHIP may be viewed at the following web address:

<https://insight.livestories.com/s/v2/chip-home-page/26fed3c4-c191-4988-9bf4-8af20eeaeb0a>

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Schedule H, Part V, Section B, Line 7:

Access to the Hospital's past and present CHNA reports can be found at the following web-address:

<https://www.nashuanh.gov/560/Community-Health-Assessment>

Additionally, the collaborative Greater Nashua CHA, to which St. Joseph Hospital proudly contributed, can be found at the following web-address:

[https://insight.livestories.com/s/v2/
community-health-assessment-home-page/
493790d2-caed-4265-9706-1d00800fdd9e/](https://insight.livestories.com/s/v2/community-health-assessment-home-page/493790d2-caed-4265-9706-1d00800fdd9e/)

Schedule H, Part V, Section B, Line 10:

The Hospital collaborated with the City of Nashua Division of Public Health to develop the Greater Nashua Community Health Improvement Plan (CHIP).

Both past and present copies of the Greater Nashua CHIP can be found through the City of Nashua website, at:

<https://www.nashuanh.gov/564/Community-Health-Improvement-Plan-CHIP>

Part V Facility Information (continued)**Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 12

| Name and address | Type of Facility (describe) |
|--|---|
| 1 Milford Urgent Care 442 Nashua Street Milford, NH 03055 | Urgent care, PT, OT, radiology, mammography, and physician services |
| 2 S. Nashua Radiology & Phy. Offices 172 Daniel Webster Highway Nashua, NH 03060 | Radiology and physician practice |
| 3 Nashua Pediatrics-Physician Practice 155 Kinsley Street Nashua, NH 03060 | Physician practice |
| 4 Amherst Street PT & OT 460 Amherst Street Nashua, NH 03060 | Physical and Occupational Therapy |
| 5 Family Medicine of Merrimack 4 Dobson Way Merrimack, NH 03054 | Physician practice |
| 6 Merrimack PT 382 Daniel Webster Highway Merrimack, NH 03054 | Physical therapy |
| 7 Hudson PT, OT and Radiology 208 Robinson Road Hudson, NH 03051 | Physical and Occupational Therapy, Radiology |
| 8 NE Boulevard PT & OT 75 Northeastern Boulevard Nashua, NH 03060 | Physical and Occupational Therapy |
| 9 Dartmouth Exit 8 PT & OT 2300 Southwood Drive Nashua, NH 03063 | Physical and Occupational Therapy |
| 10 Neurology - Physician Practice 171 Kinsley Street Nashua, NH 03060 | Physician practice |

Schedule H (Form 990) 2021

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Part I, Line 7:

Costing methodology is an overall cost-to-charge ratio based on operating expenses as a percent of gross revenue applied to the related gross charges. Line 7a is based on gross charges written off as charity care times the overall cost-to-charge ratio. Line 7b is based on gross charges of patients with a primary payor of Traditional Medicaid or Medicaid Manage Care times the overall cost-to-charge ratio. Line 7e uses various methods to aggregate costs including but not limited to - actual expenditures for staff, supplies, and hospital space usage by community groups and cash donations.

Part I, Line 7, Column (f):

The Bad Debt expense included on Form 990, Part IX, Line 25(A), but subtracted for purposes of calculating the percentage in this column is \$ 6,288,574.

Part II, Community Building Activities:

The Hospital maintains an open medical staff, representing over forty

Part VI Supplemental Information (Continuation)

different specialties and treats all patients regardless of their ability to pay. The board of directors is made up of community members with varied backgrounds and industries. The Hospital utilizes any surplus funds to further its mission by providing free and low cost healthcare services, educations offerings, free screenings, support groups, and works collaboratively with other healthcare agencies to meet the identified healthcare needs of our community. St. Joseph Hospital is a member of Covenant Health Inc. of Tewksbury, MA. It is the responsibility of the entire staff of St. Joseph Hospital to serve and promote the health of the greater Nashua community.

Additionally, St. Joseph Hospital strives to improve the health of its community through community-based partnerships and initiatives, some of which are detailed below:

The Greater Nashua Healthy Community Collaborative:

The Greater Nashua Healthy Community Collaborative is working to increase awareness and education about the importance of preventive medicine and health screenings, particularly for heart disease and peripheral vascular disease (PVD). Screening can help identify potential problems early, such as high cholesterol or high blood sugar (diabetes), so they can be treated before they become more serious and potentially lead to a heart attack, stroke or other traumatic event. The Collaborative has also helped to establish a prescription assistance program to help their clients to obtain prescription medications. Collaborative members include healthcare organizations, human service providers, and public agencies that come together on a regular basis to address needs that have been identified by the Community Health Assessment of Greater Nashua.

Part VI Supplemental Information (Continuation)

Screenings and Planning:

The Hospital frequently makes available free blood pressure screenings and free breast and cervical cancer screenings. The Hospital also provides access to advanced care plans that provide comfort and peace-of-mind for end of life care and transitions.

These efforts, combined with the Hospital's general operations and commitment to high-quality care, continually and significantly build and improve the communities which the Hospital serves.

Part III, Line 2:

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the system analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts, adjusted based on cost to charge ratio. The allowance for doubtful accounts is provided based on an analysis by management of the collectability of outstanding balances. Management considers the age of the outstanding balances and past collection efforts in determining the reserve for doubtful accounts. Accounts deemed uncollectible are charged off against the established reserve. Bad debts are reported as charged.

Part III, Line 3:

Patients deemed eligible for financial assistance follow the Hospital's

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

financial assistance policies. Therefore, no bad debt expense related to patients eligible under the Hospital's financial assistance policy is included as a community benefit.

Part III, Line 4:

St. Joseph Hospital adopted the new accounting standards as issued by the FASB in May 2014, effective January 1, 2018, where the provision for bad debt is no longer presented as a separate line item and net patient service revenue is presented net of estimated implicit price concession revenue deductions. The adoption of the new standard did not have an impact on the recognition of revenues for any periods prior to adoption.

The adoption of this accounting standard is detailed in the Hospital's audited financial statements, pages 15-18, Footnote 3, Patient Service Revenues. The Hospital continues to operate under this adopted standard.

Part III, Line 8:

None were reported as a community benefit. Costing methodology is an overall cost-to-charge ratio based on operating expenses as a percent of gross revenue applied to the gross charges of patients with a primary payor of traditional Medicare or Medicare Advantage.

Part III, Line 9b:

Every statement sent to patients indicates that financial assistance is available and provides a phone number and email contact. All customer service personnel are attuned to asking patients if they need assistance. The financial assistance application is also available on-line by visiting the facility's website.

Part VI Supplemental Information (Continuation)

Part VI, Line 2:

St. Joseph Hospital worked with the City of Nashua Division of Public Health officials and other members of the community, including local police and fire departments, school officials, ambulance service leaders, directors of community agencies, hospital leaders, physicians and area residents through focus groups to gather input for the Community Health Needs Assessment (CHNA).

A Community Health Assessment (CHA) is a collaborative process that identifies key health needs and issues through systematic, comprehensive data collection and analysis. CHAs provide information on a variety of health topics and help identify resources which assist with policy formulation, program implementation, and evaluation. CHAs are also a crucial component of accreditation as they help measure how well a public health system is fulfilling the assurance function, one of the three fundamental purposes of public health. The Greater Nashua CHA is part of an ongoing comprehensive community health improvement process.

The purpose of the CHA is to identify vulnerable populations using comparable data within the Greater Nashua Public Health Region (GNPHR) and to subsequently identify trends in health issues, environmental health hazards, and social and economic factors that affect the different populations' health.

Collected and analyzed data will be used to identify priority issues within the Greater Nashua Region, and to develop strategies for further actions; these actions are outlined in the form of a Community Health

Part VI Supplemental Information (Continuation)

Improvement Plan (CHIP). The CHIP creates a foundation for a work plan to improve the health of the community over the course of three years' time.

One of the main objectives of the most recent Community Needs Assessment's research was to determine the biggest health concerns in the community in order to determine community health priorities. The research for this report indicated that most people in the Greater Nashua Region are concerned about behavioral health (including substance use, mental health, and suicide), affordable and accessible healthcare, and outbreaks of communicable disease (40%, 30%, and 26% of respondents, respectively). In regards to upcoming concerns for the next three years, most people are concerned about behavioral health (including substance use, mental health, and suicide), affordable and accessible healthcare, and outbreaks of communicable disease (38.6%, 36.1%, and 25.4% of respondents, respectively).

Part VI, Line 3:

Signage and brochures are at every point of registration, which explain the free-care and financial assistance policies. There are dedicated financial counselors who meet in person or over the telephone to provide guidance and support to patients and families who require financial assistance. Information can also be found on the hospital web site, As well as in the Hospital's community newsletters/quarterly publications. All customer service and registration personnel are trained to ask patients and families if they need financial assistance.

Free Care is available for patients who qualify. If a patient's or their family's income is 200% or less of the Federal Poverty Guidelines, the

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

patient may qualify for assistance for their self-pay balance. Patients may inquire about this program before arriving for care or at the time of registration or check-in. Patients may also inquire about Free Care after receiving their billing-statements.

Additionally, the Hospital makes available financial representatives to answer all billing and payment questions. Representatives are available to assist with questions regarding insurance benefits, hospital charges, payment options, and the applications for financial assistance.

Part VI, Line 4:

St. Joseph Hospital serves people of all ages, race, gender, religion, ethnicity regardless of their ability to pay. The Hospital's service area is all of New Hampshire.

For its 2021 tax year, the Hospital continued to refer and rely on the collaborative 2020 Community Health Assessment that was prepared and informed in association with the City of Nashua. The four geographies mentioned most often throughout this report are the City of Nashua, the Greater Nashua Public Health Region, Hillsborough County, and the State of New Hampshire (NH). Throughout the State of NH, there are 13 public health regions. The Greater Nashua Region is composed of the City of Nashua and its 12 surrounding towns which include Amherst, Brookline, Hollis, Hudson, Litchfield, Lyndeborough, Mason, Merrimack, Milford, Mont Vernon, Pelham, and Wilton.

As of 2019, the combined population of the Greater Nashua Region was estimated to be about 88,000 individuals. To gauge the demographics of

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

this region, the CHA used a variety of survey and online-polling tools. The majority of survey respondents were Nashua residents (73.6%), but the remaining 26% of respondents were distributed throughout the Greater Nashua region. About 18% of respondents identify within the constructs of racial or ethnic diversity, and the remaining 82% of participants identified as white or Caucasian. 27.1% of respondents were between the ages of 50 and 59; approximately 80% of all respondents were aged 59 or younger. The majority of respondents were at least partially college-educated, with approximately 85% of respondents having completed some college, or having completed an Associate's, Bachelor's, or Graduate degree.

Part VI, Line 5:

The Hospital maintains an open medical staff, representing over forty different specialties and treats all patients regardless of their ability to pay. The board of directors is made up of community members with varied backgrounds and industries. The Hospital utilizes any surplus funds to further its mission by providing free and low cost healthcare services, educations offerings, free screenings, support groups, and works collaboratively with other healthcare agencies to meet the identified healthcare needs of our community. It is the responsibility of the entire staff of St. Joseph Hospital to serve and promote the health of the greater Nashua community.

Additionally, St. Joseph Hospital provides a variety of programs and initiatives to improve the general wellbeing and to promote the health of its community. For example, the Hospital is proud to maintain the following community outreach programs:

Part VI Supplemental Information (Continuation)

- Community Health Education: the Hospital regularly hosts a wide variety of seminars and workshop activities to promote wellness and healthy living.

- Empty Cradle Support Group: a bereavement support-resource for families coping with the loss of a child.

- The Marguerite d'Youville Fund for the Poor: a Fund to provide medicine and medical care for the poor and uninsured members of its community.

- Palliative Care: a comprehensive support network for the terminally ill and community education regarding all aspects of "end of life" planning.

- School of Nursing and Scholarship Fund: academic instruction in the scientific, technical, spiritual, and social aspects of nursing, with training programs in several healthcare occupations. Scholarship support is provided to students based on financial need and desire to pursue a career in healthcare.

Part VI, Line 6:

St. Joseph Hospital of Nashua is a member and related organization to the Covenant Health System; Covenant Health Inc. is the sole corporate member of the Hospital.

Covenant Health is an innovative, Catholic regional health delivery network and a leader in values-based, not-for-profit health and elder care. Covenant consists of hospitals, skilled nursing and rehabilitation centers, assisted living residences, and community-based health and elder care organizations throughout New England.

Through its partnership and membership with Covenant Health, the Hospital is able to better navigate the increasingly complex and competitive

Part VI Supplemental Information (Continuation)

healthcare marketplace while improving its ability to offer high-quality patient service. Access to Covenant Health resources allows the Hospital to compete on cost and quality of care; to maintain financial strength while fulfilling its care-oriented missions; to enhance the skills of its staff and leadership; and to strengthen the Hospital's ability to serve its community. Through the Covenant Health System, the Hospital can access and utilize funds and resources that allow it to better serve its priority communities and their specific health care needs.

Additionally, the Hospital frequently and actively collaborates with the City of Nashua Division of Public Health and Community Services as well as other similarly geographically located institutions to enhance the quality and availability of care throughout New Hampshire.

Part VI, Line 7:

New Hampshire

Schedule H, Part V, Section B, Line 16a-c:

The Hospital's Financial Assistance Policy, Application for Financial Assistance and Free Care, and Plain Language Summary can be found online through the following webpage:

[https://www.stjosephhospital.com/patients-and-visitors/
financial-assist](https://www.stjosephhospital.com/patients-and-visitors/financial-assist)

The entire Financial Assistance Policy is available directly at the following webpage:

Part VI Supplemental Information (Continuation)

<https://stjosephhospital.com/wp-content/uploads/>

2022/02/Covenant-FAP.pdf

The Free Care Guidelines are available directly at the following
webpage:

<https://stjosephhospital.com/wp-content/uploads/>

2022/02/2022-Free-Care-Guidelines-Notice-SJN-landscape.pdf

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for the latest information.**

OMB No. 1545-0047

2021

**Open to Public
Inspection**

Name of the organization

St. Joseph Hospital

Employer identification number
02-0222215

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ **Yes** ☐ **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

| 1 (a) Name and address of organization or government | (b) EIN | (c) IRC section (if applicable) | (d) Amount of cash grant | (e) Amount of noncash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of noncash assistance | (h) Purpose of grant or assistance |
|---|----------------|--|---------------------------------|---|--|--|---|
| Roman Catholic Bishop of Manchester - 153 Ash Street - Manchester, NH 03104 | 02-6004670 | 501(c)(3) | 12,500. | 0. | | | General support and funding for the Bishop Assistance program |
| United Way of Greater Nashua 20 Broad Street, Suite 1 Nashua, NH 03064 | 02-6015642 | 501(c)(3) | 5,798. | 0. | | | General operating support |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table **2.**

3 Enter total number of other organizations listed in the line 1 table **0.**

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule I (Form 990) 2021

Part III **Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

| (a) Type of grant or assistance | (b) Number of recipients | (c) Amount of cash grant | (d) Amount of non-cash assistance | (e) Method of valuation (book, FMV, appraisal, other) | (f) Description of noncash assistance |
|---|--------------------------|--------------------------|-----------------------------------|---|---------------------------------------|
| Employee Emergency Assistance and Financial Support Funds | 68 | 25,158. | 0. | | |
| Prescription Assistance Program | 73 | 25,064. | 0. | | |
| | | | | | |
| | | | | | |
| | | | | | |

Part IV **Supplemental Information.** Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

Part I, Line 2:

All accounting is managed through Covenant Health's Accounts Payable (St. Joseph Hospital's (SJH) parent corporation) and SJH's Finance Department. Specific procedures and management protocols have been established for tracking grant awards. St. Joseph's has a Foundation which houses a Grants Associate that is overseen by Covenant Health's Director of Grants Administration. The Director's background over the last 30 years in the nonprofit sector has focused, in part, on financial management and grants contracts, reporting, and oversight. The Grants Associate is responsible

Part IV Supplemental Information

for building and maintaining the Foundations grants research, writing, and reporting program. St. Joseph's grants management systems are also monitored by St. Joseph's Executive Director of Philanthropy to ensure redundant mechanisms of oversight. St. Joseph's Finance Department monitors and maintains a list of all contracts through a contract database. The database provides designated individuals with access to the actual contract. Finance and the Foundation review all contracts to ensure that any payments or financial reporting requirements are met.

All grant expenditures are assigned to specific grants and require authorization from the departmental director requesting the expense, the Grants Associate or the Director of Grants Administration, and the Executive Director of Philanthropy.

Additionally, during 2020, the Organization created an Employee Emergency Assistance Program to solicit donor contributions and to provide financial assistance to employees who meet qualifications as needy or who are experiencing financial hardship. Generally, to be considered needy or experiencing financial hardship, an employee's prior year and projected current year household income must be below 200% of the federal poverty guideline and the employee must be experiencing housing instability, including imminent risk of homelessness.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public
Inspection

Name of the organization

St. Joseph Hospital

Employer identification number

02-022215

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|---|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees |
| <input checked="" type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|--|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment?

b Participate in or receive payment from a supplemental nonqualified retirement plan?

c Participate in or receive payment from an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

| | | |
|-----------|---|---|
| | | |
| 1b | X | |
| 2 | X | |
| | | |
| 4a | | X |
| 4b | | X |
| 4c | | X |
| | | |
| 5a | | X |
| 5b | | X |
| | | |
| 6a | | X |
| 6b | | X |
| | | |
| 7 | X | |
| 8 | | X |
| 9 | | |

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2021

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation in column (B) reported as deferred on prior Form 990 |
|--|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| (1) Stephen Grubbs CEO, Covenant Health, Inc. | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 851,411. | 30,924. | 26,982. | 8,700. | 27,490. | 945,507. | 0. |
| (2) Albert Tom Physician | (i) | 831,420. | 0. | 1,350. | 0. | 34,254. | 867,024. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (3) Yong Hwa Lee Physician | (i) | 550,788. | 0. | 3,461. | 8,486. | 14,359. | 577,094. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (4) John A. Jurczyk SVP & President | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 516,616. | 18,634. | 5,637. | 8,700. | 26,365. | 575,952. | 0. |
| (5) Umer Syed Physician | (i) | 550,201. | 0. | 806. | 2,875. | 4,161. | 558,043. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (6) Deepak Vatti Medical Director | (i) | 465,683. | 0. | 19,663. | 8,641. | 23,717. | 517,704. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (7) Prasanna Gulur Physician | (i) | 475,780. | 0. | 956. | 0. | 25,997. | 502,733. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (8) Michael Remar Physician | (i) | 440,063. | 0. | 4,411. | 7,847. | 33,808. | 486,129. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (9) Alison Madden VP Medical Affairs | (i) | 415,100. | 0. | 1,467. | 5,750. | 32,064. | 454,381. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (10) Richard Plamondon Treasurer / VP Finance | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 383,518. | 13,881. | 3,584. | 7,949. | 25,056. | 433,988. | 0. |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Part I, Line 1a:

Certain top executives of the Hospital may access a limited discretionary spending account with which to pursue and cover business-related expenditures that further that Hospital's mission and general operations.

Additionally, the Hospital pays membership dues to the Country Club of Nashua on behalf of its President and other top executives. Any meals, entertainment, or other personal expenses incurred by Hospital staff and executives through the use of the membership must be paid for by the applicable individuals; should the Hospital pay for such costs when paying for the Club's membership, the Hospital will request reimbursement from the relevant persons. The Hospital does not request reimbursement for the cost of the membership; the Club's facilities, conference rooms, and meeting spaces are used primarily for Hospital functions, meetings, and other operations, are the dues are considered to be a business expense incurred by the Hospital.

Part I, Line 3:

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

All compensation paid to the Hospital's SVP and President is established, reviewed, and approved by Covenant Health, the Hospital's sole corporate member. Covenant Health utilizes a compensation committee, independent compensation consultants, and compensation surveys and studies of similarly experienced executives employed by comparable organizations to determine a reasonable and appropriate compensation package for the Hospital's SVP and President. The compensation plan is subject to the approval of the Compensation Committee of Covenant Health's Board of Directors.

Part I, Line 7:

"Cash in" of earned time.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2021

Open to Public
Inspection

Name of the organization

St. Joseph Hospital

Employer identification number
02-0222215

Form 990, Part VI, Section A, line 6:

Covenant Health, Inc. is the sole member of St. Joseph Hospital.

Form 990, Part VI, Section A, line 7a:

As the sole member of St. Joseph Hospital, Covenant Health, Inc. retains the ability to elect and remove the Organization's board of directors with or without cause.

Form 990, Part VI, Section A, line 7b:

As the sole corporate member of the Organization, Covenant Health, Inc. has the following powers and rights over the Organization and its subsidiaries as outlined in the Organization's bylaws:

1. To approve any change in the written statements of philosophy and mission;
2. To amend and to repeal the organizing and governing documents;
3. To elect the Board of Directors or remove them with or without cause;
4. To appoint and remove the president;
5. To approve all plans of merger, consolidation, reorganization, dissolution, or the sale, lease assignment, or transfer of substantially all of the assets, or the purchase or acquisition of an interest in any corporation, partnership, joint venture, or other entity;
6. To approve the acquisition, sale, or encumbrance of any real estate valued in excess of an amount set by the Member in writing;
7. To approve the sale, assignment, or transfer of any equity interest or membership interest in any subsidiary;

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990) 2021

132211 11-11-21

Name of the organization

St. Joseph Hospital

Employer identification number

02-0222215

8. To approve any reclassification or other change of any capital stock or other equity security; and,

9. To approve the issuance of, or the creation of any obligation to issue, any equity security.

Form 990, Part VI, Section B, line 11b:

The Forms 990 are prepared by an independent tax accountant, and are then reviewed by the St. Joseph Hospital Finance Committee and board of directors prior to filing.

Form 990, Part VI, Section B, Line 12c:

Each year, St. Joseph Hospital conducts a survey of the board members and key management members to determine whether there are conflicts of interest (be they actual or potential). Board members and key employees have a continuing obligation to report any proposed transactions which may be perceived as a conflict of interest.

Form 990, Part VI, Section B, Line 15:

The compensation of officers and key employees is subject to the oversight and decisions of Covenant Health, a related entity and the sole member of the Center. Every two-to-three years the Compensation Committee of the Covenant Health board of directors engages an external consultant to provide competitive market data from various survey sources, which is used to develop recommendations for changes to the compensation program. Since 2003, the Compensation Committee has engaged a human resources consultant to conduct this analysis. Objectives of the analysis are to assess the compositeness of the total cash compensation levels of the senior leadership team, develop market based competitive salary ranges for all

Name of the organization

St. Joseph Hospital

Employer identification number

02-0222215

executive positions, and ensure that the annual incentive opportunities, if there are any, are competitive and reasonable.

Form 990, Part VI, Section C, Line 19:

The Hospital will make its corporate and governing documents and its financial available upon request.

Form 990, Part IX, Line 11g, Other Fees:

Purchased/contract services:

| | |
|---------------------------------|-------------|
| Program service expenses | 11,348,631. |
| Management and general expenses | 10,934,505. |
| Fundraising expenses | 0. |
| Total expenses | 22,283,136. |

Physician contract services:

| | |
|--|-------------|
| Program service expenses | 6,594,654. |
| Management and general expenses | 6,354,007. |
| Fundraising expenses | 0. |
| Total expenses | 12,948,661. |
| Total Other Fees on Form 990, Part IX, line 11g, Col A | 35,231,797. |

Form 990, Part XI, line 9, Changes in Net Assets:

| | |
|------------------------------------|-------------|
| Net long term pension adjustment | -3,832,837. |
| Transfers to affiliates | -225,453. |
| Total to Form 990, Part XI, Line 9 | -4,058,290. |

Form 990, Part XII, Line 2c:

The audit process has not changed from the previous year.

Name of the organization

St. Joseph Hospital

Employer identification number

02-022215

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.**

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2021

**Open to Public
Inspection**

Name of the organization

St. Joseph Hospital

Employer identification number

02-0222215

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

| (a) Name, address, and EIN (if applicable) of disregarded entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Total income | (e) End-of-year assets | (f) Direct controlling entity |
|--|-----------------------------|---|---------------------|---------------------------|-------------------------------------|
| SJH Surgicenter, LLC - 20-4181845 172 Kinsley Street Nashua, NH 03061-2013 | Inactive Outpatient Surgery | New Hampshire | 0. | 0. | St. Joseph Hospital |
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Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled entity? | |
|--|--|---|-------------------------------|---|--|--|----|
| | | | | | | Yes | No |
| Alternative Health Services - 01-0422885 360 Broadway Bangor, ME 04402 | Home health and hospice | Maine | 501(c)(3) | Line 10 | St. Joseph Healthcare Foundation | | X |
| CHS of Waltham, Inc. d/b/a Maristhill Nursing & Rehab Center - 04-3333609, 66 Newton Street, Waltham, MA 02453 | Nursing home and restorative facility | Massachusetts | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |
| CHS of Worcester, Inc. d/b/a St. Mary Care Center - 04-3419625, 39 Queen Street, Worcester, MA 01610 | Nursing home and restorative facility | Massachusetts | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |
| Community Clinical Services - 01-0409788 P.O. Box 7291 Lewiston, ME 04243 | Physician practice | Maine | 501(c)(3) | Line 10 | St. Mary's Health System | | X |

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2021

Part II Continuation of Identification of Related Tax-Exempt Organizations

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled organization? | |
|---|---|---|-------------------------------|---|--|--|----|
| | | | | | | Yes | No |
| Covenant Health Foundation, Inc. - 80-0199674, 100 Ames Pond Drive, Tewksbury, MA 01876 | Charitable foundation | Massachusetts | 501(c)(3) | Line 12a, I | Covenant Health, Inc. | | X |
| Covenant Health Investment Trust - 04-6835128, 420 Bedford Street, Lexington, MA 02420 | Investment trust | Massachusetts | 501(c)(3) | Line 12a, I | Covenant Health, Inc. | | X |
| Covenant Health, Inc. - 22-2484505 100 Ames Pond Drive Tewksbury, MA 01876 | Health care management and resource organization | Massachusetts | 501(c)(3) | Line 10 | N/A | | X |
| Fanny Allen Corporation, Inc. - 22-2495808 790 College Parkway Colchester, VT 05446 | Charitable foundation | Vermont | 501(c)(3) | Line 12a, I | Covenant Health, Inc. | | X |
| Fanny Allen Holdings, Inc. - 03-0181052 790 College Parkway Colchester, VT 05446 | Real estate holding company | Vermont | 501(c)(3) | Line 12a, I | Covenant Health, Inc. | | X |
| Helping Hands of St. Marguerite, Inc. - 80-0199674, 799 Concord Avenue, Cambridge, MA 02138 | Private home-care health services | Massachusetts | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |
| M & J Company - 22-2480150 360 Broadway Bangor, ME 04402 | Lease holding company | Maine | 501(c)(2) | | St. Joseph Healthcare Foundation | | X |
| Mary Immaculate Guild, Inc. - 46-3073987 172 Lawrence Street Lawrence, MA 01841 | Supporting grants and donations | Massachusetts | 501(c)(3) | Line 12a, I | Covenant Health, Inc. | | X |
| MI Adult Day Health Care Center, Inc. - 04-2921888, 189 Maple Street, Lawrence, MA 01841 | Adult day care services | Massachusetts | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |
| MI Management, Inc. - 04-2857794 172 Lawrence Street Lawrence, MA 01841 | Assisted living services | Massachusetts | 501(c)(3) | Line 12a, I | Covenant Health, Inc. | | X |
| MI Nursing Restorative Center, Inc. - 04-2104851, 172 Lawrence Street, Lawrence, MA 01841 | Nursing home and restorative facility | Massachusetts | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |
| MI Residential Community II, Inc. - 04-2679954, 189 Maple Street, Lawrence, MA 01841 | HUD low income housing | Massachusetts | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |

Part II Continuation of Identification of Related Tax-Exempt Organizations

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled organization? | |
|---|--|---|-------------------------------|---|--|--|----|
| | | | | | | Yes | No |
| MI Residential Community III, Inc. - 04-2186043, 189 Maple Street, Lawrence, MA 01841 | HUD low income housing | Massachusetts | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |
| MI Residential Community, Inc. - 04-2647207 189 Maple Street Lawrence, MA 01841 | HUD low income housing | Massachusetts | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |
| MI Transportation, Inc. - 04-2921889 189 Maple Street Lawrence, MA 01841 | Elderly transportation services | Massachusetts | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |
| Mount St. Rita Health Centre - 05-0342330 15 Sumner Brown Road Cumberland, RI 02864 | Nursing home | Rhode Island | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |
| Neighborhood Housing Initiative - 01-0539730 P.O. Box 7291 Lewiston, ME 04243 | Affordable housing services | Maine | 501(c)(3) | Line 10 | St. Mary's Health System | | X |
| Penacook Place, Inc. - 23-7090088 150 Water Street Haverhill, MA 01830 | Nursing home | Massachusetts | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |
| Souhegan Nursing Association - 02-0222795 24 North River Road Milford, NH 03055 | Home health and hospice | New Hampshire | 501(c)(3) | Line 10 | St. Joseph Hospital of Nashua, NH Inc. | X | |
| St Joseph Ambulatory Care, Inc. - 22-2480373 360 Broadway Bangor, ME 04402 | Physician practice | Maine | 501(c)(3) | Line 10 | St. Joseph Healthcare Foundation | | X |
| St. Andre Health Care - 01-0342399 407 Pool Street Biddeford, ME 04005 | Nursing home and restorative facility | Maine | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |
| St. Joseph Healthcare Foundation - 22-2480149, 360 Broadway, Bangor, ME 04402 | Healthcare foundation | Maine | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |
| St. Joseph Hospital - 01-0212435 360 Broadway Bangor, ME 04402 | Hospital and health care facility | Maine | 501(c)(3) | Line 3 | St. Joseph Healthcare Foundation | | X |
| St. Joseph Manor Health Care - 04-2565937 215 Thatcher Street Brockton, MA 02302 | Nursing home and restorative facility | Massachusetts | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |

Part II Continuation of Identification of Related Tax-Exempt Organizations

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled organization? | |
|--|--|---|-------------------------------|---|--|--|----|
| | | | | | | Yes | No |
| St. Mary's D'Youville Pavilion - 01-0211558 P.O. Box 7291 Lewiston, ME 04243 | Nursing home and restorative facility | Maine | 501(c)(3) | Line 10 | St. Mary's Health System | | X |
| St. Mary's Health system - 22-2504349 P.O. Box 7291 Lewiston, ME 04243 | Hospital and health care facility | Maine | 501(c)(3) | Line 12a, I | Covenant Health, Inc. | | X |
| St. Mary's Regional Medical Center - 01-0211551, P.O. Box 7291, Lewiston, ME 04243 | Hospital and health care facility | Maine | 501(c)(3) | Line 3 | St. Mary's Health System | | X |
| St. Mary's Residences - 22-2504356 P.O. Box 7291 Lewiston, ME 04243 | Low income housing | Maine | 501(c)(3) | Line 10 | St. Mary's Health System | | X |
| St. Mary's Villa Nursing Home, Inc. - 23-2057177, 675 St. Mary's Villa Road, Moscow, PA 18444 | Nursing home and restorative facility | Pennsylvania | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |
| The Surgicenter at St. Joseph Hospital, Inc. - 02-0222215, 172 Kinsley Street, Nashua, NH 03061 | Healthcare and surgery center | New Hampshire | 501(c)(3) | Line 10 | St. Joseph Hospital of Nashua, NH Inc. | X | |
| Youville Hospital and Rehabilitation Center, Inc. - 04-3239563, 1575 Cambridge Street, Cambridge, MA 02138 | Hospital and health care facility | Massachusetts | 501(c)(3) | Line 10 | Youville Lifecare, Inc. | | X |
| Youville House, Inc. - 04-3239593 1573 Cambridge Street Cambridge, MA 02138 | Assisted living services | Massachusetts | 501(c)(3) | Line 10 | Youville Lifecare, Inc. | | X |
| Youville Lifecare Inc. - 04-2103582 1575 Cambridge Street Cambridge, MA 02138 | Hospital and health care facility | Massachusetts | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |
| Youville Place - 04-3297834 10 Pelham Road Lexington, MA 02421 | Assisted living services | Massachusetts | 501(c)(3) | Line 10 | Covenant Health, Inc. | | X |
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Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Predominant income (related, unrelated, excluded from tax under sections 512-514) | (f) Share of total income | (g) Share of end-of-year assets | (h) Disproportionate allocations? | | (i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|--|-------------------------|--|-------------------------------------|---|---------------------------------|--|---|----|---|---|----|--------------------------------|
| | | | | | | | Yes | No | | Yes | No | |
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Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total income | (g) Share of end-of-year assets | (h) Percentage ownership | (i) Section 512(b)(13) controlled entity? | |
|--|------------------------------------|---|-------------------------------------|--|---------------------------------|--|--------------------------------|---|----|
| | | | | | | | | Yes | No |
| Campus Holding - 01-0406049 P.O. Box 7291 Lewiston, ME 04240 | Holding company | ME | N/A | C CORP | N/A | N/A | N/A | | X |
| Covenant Health Insurance LTD - 04-3360127 P.O. Box 69 Grand Cayman, CAYMAN ISLANDS KY1-1102 | Self-insurance company | Cayman Islands | N/A | C CORP | N/A | N/A | N/A | | X |
| First Choice PHO - 02-0461536 172 Kinsley Street Nashua, NH 03060 | Physician hospital organization | NH | St. Joseph Hospital of Nashua | C CORP | 45,226. | 694,627. | 50.00% | X | |
| GNM Corporation - 02-0400550 172 Kinsley Street Nashua, NH 03060 | Real estate holding company | NH | N/A | C CORP | N/A | N/A | N/A | | X |
| SJ Physicians Services - 02-0522234 172 Kinsley Street Nashua, NH 03060 | Physician practice | NH | N/A | C CORP | N/A | N/A | N/A | | X |

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

[illegible]

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

| | Yes | No |
|---|-----------|----|
| 1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV? | | |
| a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity | 1a | X |
| b Gift, grant, or capital contribution to related organization(s) | 1b | X |
| c Gift, grant, or capital contribution from related organization(s) | 1c | X |
| d Loans or loan guarantees to or for related organization(s) | 1d | X |
| e Loans or loan guarantees by related organization(s) | 1e | X |
| f Dividends from related organization(s) | 1f | X |
| g Sale of assets to related organization(s) | 1g | X |
| h Purchase of assets from related organization(s) | 1h | X |
| i Exchange of assets with related organization(s) | 1i | X |
| j Lease of facilities, equipment, or other assets to related organization(s) | 1j | X |
| k Lease of facilities, equipment, or other assets from related organization(s) | 1k | X |
| l Performance of services or membership or fundraising solicitations for related organization(s) | 1l | X |
| m Performance of services or membership or fundraising solicitations by related organization(s) | 1m | X |
| n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) | 1n | X |
| o Sharing of paid employees with related organization(s) | 1o | X |
| p Reimbursement paid to related organization(s) for expenses | 1p | X |
| q Reimbursement paid by related organization(s) for expenses | 1q | X |
| r Other transfer of cash or property to related organization(s) | 1r | X |
| s Other transfer of cash or property from related organization(s) | 1s | X |
| 2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds. | | |

| (a) Name of related organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|-------------------------------------|----------------------------------|------------------------|--|
| (1) St. Joseph Corporate Services | R | 80,000. | Cash |
| (2) Souhegan Nursing Association | R | 24,000. | Cash |
| (3) GNM Corporation | K | 1,201,000. | Cash |
| (4) SJ Physicians Services | P | 3,787,000. | Cash |
| (5) St. Joseph Corporate Services | E | 15,350,000. | Cash |
| (6) SJ Physicians Services | E | 6,120,000. | Cash |

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

Part IV, Identification of Related Organizations Taxable as Corp or Trust:

Name of Related Organization:

GNM Corporation

Direct Controlling Entity: St. Joseph Hospital Corporate Services

Name of Related Organization:

SJ Physicians Services

Direct Controlling Entity: St. Joseph Hospital Corporate Services

Form **8879-TE****IRS e-file Signature Authorization
for a Tax Exempt Entity**

OMB No. 1545-0047

For calendar year 2021, or fiscal year beginning _____, 2021, and ending _____, 20____

2021Department of the Treasury
Internal Revenue Service▶ **Do not send to the IRS. Keep for your records.**
▶ **Go to www.irs.gov/Form8879TE for the latest information.**

Name of filer

St. Joseph Hospital

EIN or SSN

02-0222215Name and title of officer or person subject to tax **John Jurczyk**
SVP and President**Part I Type of Return and Return Information**

Check the box for the return for which you are using this Form 8879-TE and enter the applicable amount, if any, from the return. Form 8038-CP and Form 5330 filers may enter dollars and cents. For all other forms, enter whole dollars only. If you check the box on line 1a, 2a, 3a, 4a, 5a, 6a, 7a, 8a, 9a, or 10a below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, 5b, 6b, 7b, 8b, 9b, or 10b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

| | | | |
|---------------------------------------|-------------------------------------|---|------------------|
| 1a Form 990 check here | <input type="checkbox"/> | b Total revenue, if any (Form 990, Part VIII, column (A), line 12) | 1b |
| 2a Form 990-EZ check here ... | <input type="checkbox"/> | b Total revenue, if any (Form 990-EZ, line 9) | 2b |
| 3a Form 1120-POL check here ▶ | <input type="checkbox"/> | b Total tax (Form 1120-POL, line 22) | 3b |
| 4a Form 990-PF check here ... | <input type="checkbox"/> | b Tax based on investment income (Form 990-PF, Part V, line 5) | 4b |
| 5a Form 8868 check here | <input type="checkbox"/> | b Balance due (Form 8868, line 3c) | 5b |
| 6a Form 990-T check here | <input checked="" type="checkbox"/> | b Total tax (Form 990-T, Part III, line 4) | 6b 0. |
| 7a Form 4720 check here | <input type="checkbox"/> | b Total tax (Form 4720, Part III, line 1) | 7b |
| 8a Form 5227 check here | <input type="checkbox"/> | b FMV of assets at end of tax year (Form 5227, Item D) | 8b |
| 9a Form 5330 check here | <input type="checkbox"/> | b Tax due (Form 5330, Part II, line 19) | 9b |
| 10a Form 8038-CP check here ▶ | <input type="checkbox"/> | b Amount of credit payment requested (Form 8038-CP, Part III, line 22) | 10b |

Part II Declaration and Signature Authorization of Officer or Person Subject to Tax

Under penalties of perjury, I declare that ☒ I am an officer of the above entity or ☐ I am a person subject to tax with respect to (name of entity) _____, (EIN) _____ and that I have examined a copy of the

2021 electronic return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the electronic return and, if applicable, the consent to electronic funds withdrawal.

PIN: check one box only

☒ I authorize **Baker Newman & Noyes** to enter my PIN **65432**
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the tax year 2021 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

☐ As an officer or person subject to tax with respect to the entity, I will enter my PIN as my signature on the tax year 2021 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Signature of officer or person subject to tax ▶

Date ▶

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

01102411953

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2021 electronically filed return indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ **Connor Smart**Date ▶ **11/09/22****ERO Must Retain This Form - See Instructions****Do Not Submit This Form to the IRS Unless Requested To Do So**

LHA For Privacy act and Paperwork Reduction Act Notice, see instructions.

Form **8879-TE** (2021)

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

OMB No. 1545-0047

2021Department of the Treasury
Internal Revenue Service

For calendar year 2021 or other tax year beginning _____, and ending _____

▶ Go to www.irs.gov/Form990T for instructions and the latest information.
▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).Open to Public Inspection for
501(c)(3) Organizations Only

| | | | |
|---|----------------------|---|---|
| A <input type="checkbox"/> Check box if address changed. | Print or Type | Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) | D Employer identification number |
| B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a) <input type="checkbox"/> 529A | | St. Joseph Hospital | 02-0222215 |
| | | Number, street, and room or suite no. If a P.O. box, see instructions. 172 Kinsley Street | E Group exemption number (see instructions) |
| | | City or town, state or province, country, and ZIP or foreign postal code Nashua, NH 03061-2013 | F <input type="checkbox"/> Check box if an amended return. |
| | | C Book value of all assets at end of year 290,885,778. | |

G Check organization type ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust

H Check if filing only to ☐ Claim credit from Form 8941 ☐ Claim a refund shown on Form 2439

I Check if a 501(c)(3) organization filing a consolidated return with a 501(c)(2) titleholding corporation ☐

J Enter the number of attached Schedules A (Form 990-T) 2

K During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ☒ Yes ☐ No
If "Yes," enter the name and identifying number of the parent corporation. ▶ Covenant Health, Inc. 22-2484505

L The books are in care of ▶ Richard Plamondon, VP Finance Telephone number ▶ (603) 882-3000

Part I Total Unrelated Business Taxable Income

| | | |
|---|-----------|--------|
| 1 Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions) | 1 | 0. |
| 2 Reserved | 2 | |
| 3 Add lines 1 and 2 | 3 | |
| 4 Charitable contributions (see instructions for limitation rules) | 4 | 0. |
| 5 Total unrelated business taxable income before net operating losses. Subtract line 4 from line 3 | 5 | |
| 6 Deduction for net operating loss. See instructions | 6 | 0. |
| 7 Total of unrelated business taxable income before specific deduction and section 199A deduction. Subtract line 6 from line 5 | 7 | |
| 8 Specific deduction (generally \$1,000, but see instructions for exceptions) | 8 | 1,000. |
| 9 Trusts. Section 199A deduction. See instructions | 9 | |
| 10 Total deductions. Add lines 8 and 9 | 10 | 1,000. |
| 11 Unrelated business taxable income. Subtract line 10 from line 7. If line 10 is greater than line 7, enter zero | 11 | 0. |

Part II Tax Computation

| | | |
|---|----------|----|
| 1 Organizations taxable as corporations. Multiply Part I, line 11 by 21% (0.21) | 1 | 0. |
| 2 Trusts taxable at trust rates. See instructions for tax computation. Income tax on the amount on Part I, line 11 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) | 2 | |
| 3 Proxy tax. See instructions | 3 | |
| 4 Other tax amounts. See instructions | 4 | |
| 5 Alternative minimum tax (trusts only) | 5 | |
| 6 Tax on noncompliant facility income. See instructions | 6 | |
| 7 Total. Add lines 3 through 6 to line 1 or 2, whichever applies | 7 | 0. |

LHA For Paperwork Reduction Act Notice, see instructions.

Form 990-T (2021)

Part III Tax and Payments

| | | | | |
|-----------|--|-----------|--|----|
| 1a | Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) | 1a | | |
| b | Other credits (see instructions) | 1b | | |
| c | General business credit. Attach Form 3800 (see instructions) | 1c | | |
| d | Credit for prior year minimum tax (attach Form 8801 or 8827) | 1d | | |
| e | Total credits. Add lines 1a through 1d | 1e | | |
| 2 | Subtract line 1e from Part II, line 7 | 2 | | 0. |
| 3 | Other amounts due. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach statement) | 3 | | |
| 4 | Total tax. Add lines 2 and 3 (see instructions). <input type="checkbox"/> Check if includes tax previously deferred under section 1294. Enter tax amount here | 4 | | 0. |
| 5 | Current net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 4 | 5 | | 0. |
| 6a | Payments: A 2020 overpayment credited to 2021 | 6a | | |
| b | 2021 estimated tax payments. Check if section 643(g) election applies <input type="checkbox"/> | 6b | | |
| c | Tax deposited with Form 8868 | 6c | | |
| d | Foreign organizations: Tax paid or withheld at source (see instructions) | 6d | | |
| e | Backup withholding (see instructions) | 6e | | |
| f | Credit for small employer health insurance premiums (attach Form 8941) | 6f | | |
| g | Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total | 6g | | |
| 7 | Total payments. Add lines 6a through 6g | 7 | | |
| 8 | Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/> | 8 | | |
| 9 | Tax due. If line 7 is smaller than the total of lines 4, 5, and 8, enter amount owed | 9 | | |
| 10 | Overpayment. If line 7 is larger than the total of lines 4, 5, and 8, enter amount overpaid | 10 | | |
| 11 | Enter the amount of line 10 you want: Credited to 2022 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/> | 11 | | |

Part IV Statements Regarding Certain Activities and Other Information (see instructions)

| | | | |
|-----------|--|-----------------------------------|----|
| 1 | At any time during the 2021 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here | Yes | No |
| | | | X |
| 2 | During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file. | | X |
| 3 | Enter the amount of tax-exempt interest received or accrued during the tax year \$ | | |
| 4 | Enter available pre-2018 NOL carryovers here \$ 148,832. Do not include any post-2017 NOL carryover shown on Schedule A (Form 990-T). Don't reduce the NOL carryover shown here by any deduction reported on Part I, line 4. | | |
| 5 | Post-2017 NOL carryovers. Enter available Business Activity Code and post-2017 NOL carryovers. Don't reduce the amounts shown below by any NOL claimed on any Schedule A, Part II, line 17 for the tax year. See instructions. | | |
| | Business Activity Code | Available post-2017 NOL carryover | |
| | 560000 | \$ 3,059. | |
| | 510000 | \$ 183,371. | |
| 6a | Did the organization change its method of accounting? (see instructions) | | X |
| b | If 6a is "Yes," has the organization described the change on Form 990, 990-EZ, 990-PF, or Form 1128? If "No," explain in Part V | | |

Part V Supplemental Information

Provide the explanation required by Part IV, line 6b. Also, provide any other additional information. See instructions.

| | | | | |
|-------------------------------|--|----------------------|----------------------------|---|
| Sign Here | Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. | | | |
| | Signature of officer | Date | SVP and President Title | |
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed |
| | Connor Smart | <i>Connor Smart</i> | 11/09/22 | PTIN |
| | Firm's name | Baker Newman & Noyes | | Firm's EIN |
| | 650 Elm Street, Suite 302 | 01-0494526 | | |
| | Firm's address | Manchester, NH 03101 | | Phone no. (603) 626-2200 |

| |
|---|
| May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
|---|

| | | | |
|------------|--|-----------|---|
| Form 990-T | Parent Corporation's Name and Identifying Number | Statement | 1 |
|------------|--|-----------|---|

| | |
|-----------------------|----------------|
| Corporation's Name | Identifying No |
| Covenant Health, Inc. | 22-2484505 |

| | | | |
|------------|---------------------------------------|-----------|---|
| Form 990-T | Pre-2018 Net Operating Loss Deduction | Statement | 2 |
|------------|---------------------------------------|-----------|---|

| Tax Year | Loss Sustained | Loss Previously Applied | Loss Remaining | Available This Year |
|-----------------------------------|----------------|-------------------------|----------------|---------------------|
| 12/31/13 | 9,171. | 2,268. | 6,903. | 6,903. |
| 12/31/14 | 15,542. | 0. | 15,542. | 15,542. |
| 12/31/15 | 14,312. | 0. | 14,312. | 14,312. |
| 12/31/16 | 21,586. | 0. | 21,586. | 21,586. |
| 12/31/17 | 90,489. | 0. | 90,489. | 90,489. |
| NOL Carryover Available This Year | | | 148,832. | 148,832. |

SCHEDULE A
(Form 990-T)

Department of the Treasury
Internal Revenue Service

Unrelated Business Taxable Income
From an Unrelated Trade or Business

▶ Go to www.irs.gov/Form990T for instructions and the latest information.
▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

1
OMB No. 1545-0047

2021

Open to Public Inspection for
501(c)(3) Organizations Only

| | |
|--|---|
| A Name of the organization St. Joseph Hospital | B Employer identification number 02-022215 |
| C Unrelated business activity code (see instructions) ▶ 560000 | D Sequence: 1 of 2 |

E Describe the unrelated trade or business ▶ **Environmental and waste services**

| Part I Unrelated Trade or Business Income | | (A) Income | (B) Expenses | (C) Net |
|--|----------------|----------------|--------------|----------------|
| 1 a Gross receipts or sales | 14,150. | | | |
| b Less returns and allowances | | 14,150. | | |
| c Balance ▶ | | | | |
| 2 Cost of goods sold (Part III, line 8) | | | | |
| 3 Gross profit. Subtract line 2 from line 1c | | 14,150. | | 14,150. |
| 4 a Capital gain net income (attach Sch D (Form 1041 or Form 1120)). See instructions | | | | |
| b Net gain (loss) (Form 4797) (attach Form 4797). See instructions | | | | |
| c Capital loss deduction for trusts | | | | |
| 5 Income (loss) from a partnership or an S corporation (attach statement) | | | | |
| 6 Rent income (Part IV) | | | | |
| 7 Unrelated debt-financed income (Part V) | | | | |
| 8 Interest, annuities, royalties, and rents from a controlled organization (Part VI) | | | | |
| 9 Investment income of section 501(c)(7), (9), or (17) organizations (Part VII) | | | | |
| 10 Exploited exempt activity income (Part VIII) | | | | |
| 11 Advertising income (Part IX) | | | | |
| 12 Other income (see instructions; attach statement) | | | | |
| 13 Total. Combine lines 3 through 12 | | 14,150. | | 14,150. |

Part II Deductions Not Taken Elsewhere See instructions for limitations on deductions. Deductions must be directly connected with the unrelated business income

| | | |
|--|-----------|----------------|
| 1 Compensation of officers, directors, and trustees (Part X) | 1 | |
| 2 Salaries and wages | 2 | 6,597. |
| 3 Repairs and maintenance | 3 | |
| 4 Bad debts | 4 | |
| 5 Interest (attach statement). See instructions | 5 | |
| 6 Taxes and licenses | 6 | |
| 7 Depreciation (attach Form 4562). See instructions | 7 | |
| 8 Less depreciation claimed in Part III and elsewhere on return | 8a | |
| 9 Depletion | 9 | |
| 10 Contributions to deferred compensation plans | 10 | |
| 11 Employee benefit programs | 11 | 1,328. |
| 12 Excess exempt expenses (Part VIII) | 12 | |
| 13 Excess readership costs (Part IX) | 13 | |
| 14 Other deductions (attach statement) See Statement 3 | 14 | 13,768. |
| 15 Total deductions. Add lines 1 through 14 | 15 | 21,693. |
| 16 Unrelated business income before net operating loss deduction. Subtract line 15 from Part I, line 13, column (C) | 16 | -7,543. |
| 17 Deduction for net operating loss. See instructions | 17 | 0. |
| 18 Unrelated business taxable income. Subtract line 17 from line 16 | 18 | -7,543. |



LHA For Paperwork Reduction Act Notice, see instructions.

Schedule A (Form 990-T) 2021




Part III Cost of Goods SoldEnter method of inventory valuation 

| | | | |
|---|--|---|--|
| 1 | Inventory at beginning of year | 1 | |
| 2 | Purchases | 2 | |
| 3 | Cost of labor | 3 | |
| 4 | Additional section 263A costs (attach statement) | 4 | |
| 5 | Other costs (attach statement) | 5 | |
| 6 | Total. Add lines 1 through 5 | 6 | |
| 7 | Inventory at end of year | 7 | |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and in Part I, line 2 | 8 | |
| 9 | Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

Part IV Rent Income (From Real Property and Personal Property Leased with Real Property)

| | | | | | |
|---|--|---|---|---|---|
| 1 | Description of property (property street address, city, state, ZIP code). Check if a dual-use. See instructions. | | | | |
| A | <input type="checkbox"/> | | | | |
| B | <input type="checkbox"/> | | | | |
| C | <input type="checkbox"/> | | | | |
| D | <input type="checkbox"/> | | | | |
| 2 | Rent received or accrued | A | B | C | D |
| a | From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%) | | | | |
| b | From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income) | | | | |
| c | Total rents received or accrued by property. Add lines 2a and 2b, columns A through D | | | | |
| 3 | Total rents received or accrued. Add line 2c columns A through D. Enter here and on Part I, line 6, column (A)  0. | | | | |
| 4 | Deductions directly connected with the income in lines 2(a) and 2(b) (attach statement) | | | | |
| 5 | Total deductions. Add line 4 columns A through D. Enter here and on Part I, line 6, column (B)  0. | | | | |

Part V Unrelated Debt-Financed Income (see instructions)

| | | | | | |
|----|--|---|---|---|---|
| 1 | Description of debt-financed property (street address, city, state, ZIP code). Check if a dual-use. See instructions. | | | | |
| A | <input type="checkbox"/> | | | | |
| B | <input type="checkbox"/> | | | | |
| C | <input type="checkbox"/> | | | | |
| D | <input type="checkbox"/> | | | | |
| 2 | Gross income from or allocable to debt-financed property | A | B | C | D |
| 3 | Deductions directly connected with or allocable to debt-financed property | | | | |
| a | Straight line depreciation (attach statement) | | | | |
| b | Other deductions (attach statement) | | | | |
| c | Total deductions (add lines 3a and 3b, columns A through D) | | | | |
| 4 | Amount of average acquisition debt on or allocable to debt-financed property (attach statement) | | | | |
| 5 | Average adjusted basis of or allocable to debt-financed property (attach statement) | | | | |
| 6 | Divide line 4 by line 5 | % | % | % | % |
| 7 | Gross income reportable. Multiply line 2 by line 6 | | | | |
| 8 | Total gross income (add line 7, columns A through D). Enter here and on Part I, line 7, column (A)  0. | | | | |
| 9 | Allocable deductions. Multiply line 3c by line 6 | | | | |
| 10 | Total allocable deductions. Add line 9, columns A through D. Enter here and on Part I, line 7, column (B)  0. | | | | |
| 11 | Total dividends-received deductions included in line 10  0. | | | | |

Part VI Interest, Annuities, Royalties, and Rents from Controlled Organizations (see instructions)

| 1. Name of controlled organization | 2. Employer identification number | Exempt Controlled Organizations | | | |
|------------------------------------|-----------------------------------|---|-------------------------------------|---|--|
| | | 3. Net unrelated income (loss) (see instructions) | 4. Total of specified payments made | 5. Part of column 4 that is included in the controlling organization's gross income | 6. Deductions directly connected with income in column 5 |
| (1) | | | | | |
| (2) | | | | | |
| (3) | | | | | |
| (4) | | | | | |

Nonexempt Controlled Organizations

| 7. Taxable Income | 8. Net unrelated income (loss) (see instructions) | 9. Total of specified payments made | 10. Part of column 9 that is included in the controlling organization's gross income | 11. Deductions directly connected with income in column 10 |
|-------------------|---|-------------------------------------|--|--|
| (1) | | | | |
| (2) | | | | |
| (3) | | | | |
| (4) | | | | |

| | | | | |
|---------------------|--|--|--|--|
| | | | Add columns 5 and 10. Enter here and on Part I, line 8, column (A) | Add columns 6 and 11. Enter here and on Part I, line 8, column (B) |
| Totals | | | 0. | 0. |

Part VII Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

| 1. Description of income | 2. Amount of income | 3. Deductions directly connected (attach statement) | 4. Set-asides (attach statement) | 5. Total deductions and set-asides (add cols 3 and 4) |
|--------------------------|---------------------|---|----------------------------------|---|
| (1) | | | | |
| (2) | | | | |
| (3) | | | | |
| (4) | | | | |
| | | Add amounts in column 2. Enter here and on Part I, line 9, column (A) | | Add amounts in column 5. Enter here and on Part I, line 9, column (B) |
| Totals | | 0. | | 0. |

Part VIII Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

| | | | |
|---|--|---|--|
| 1 | Description of exploited activity: | | |
| 2 | Gross unrelated business income from trade or business. Enter here and on Part I, line 10, column (A) | 2 | |
| 3 | Expenses directly connected with production of unrelated business income. Enter here and on Part I, line 10, column (B) | 3 | |
| 4 | Net income (loss) from unrelated trade or business. Subtract line 3 from line 2. If a gain, complete lines 5 through 7 | 4 | |
| 5 | Gross income from activity that is not unrelated business income | 5 | |
| 6 | Expenses attributable to income entered on line 5 | 6 | |
| 7 | Excess exempt expenses. Subtract line 5 from line 6, but do not enter more than the amount on line 4. Enter here and on Part II, line 12 | 7 | |

Schedule A (Form 990-T) 2021

1 Name(s) of periodical(s). Check box if reporting two or more periodicals on a consolidated basis.

| | |
|----------|--|
| A | |
| B | |
| C | |
| D | |

Enter amounts for each periodical listed above in the corresponding column.

| | A | B | C | D |
|--|---|---|---|----|
| 2 Gross advertising income | | | | |
| Add columns A through D. Enter here and on Part I, line 11, column (A) | | | | 0. |

a

| | | | | | |
|--|--|--|--|--|----|
| 3 Direct advertising costs by periodical | | | | | |
| a Add columns A through D. Enter here and on Part I, line 11, column (B) | | | | | 0. |

4

| | | | | |
|--|--|--|--|--|
| <p>2. For any column in line 4 showing a gain, complete lines 5 through 8. For any column in line 4 showing a loss or zero, do not complete lines 5 through 7, and enter zero on line 8.</p> | | | | |
|--|--|--|--|--|

| | | | | | |
|---|------------------|--|--|--|--|
| 5 | Readership costs | | | | |
|---|------------------|--|--|--|--|

| | | | | | |
|----------|--------------------|--|--|--|--|
| 6 | Circulation income | | | | |
|----------|--------------------|--|--|--|--|

| | | | | | | |
|---|--|--|--|--|--|--|
| 7 Excess readership costs. If line 6 is less than line 5, subtract line 6 from line 5. If line 5 is less than line 6, enter zero | | | | | | |
|---|--|--|--|--|--|--|

| | | | | |
|---|--|--|--|--|
| 8 Excess readership costs allowed as a deduction. For each column showing a gain on line 4, enter the lesser of line 4 or line 7 | | | | |
|---|--|--|--|--|

a Add line 8, columns A through D. Enter the greater of the line 8a, columns total or zero here and on
Part II, line 13 **0.**

| 1. Name | 2. Title | 3. Percentage of time devoted to business | 4. Compensation attributable to unrelated business |
|---------|----------|---|--|
| (1) | | % | |
| (2) | | % | |
| (3) | | % | |
| (4) | | % | |

Total. Enter here and on Part II, line 1 0.

[illegible]

| Form 990-T (A) | Other Deductions | Statement | 3 |
|---------------------------------------|------------------|-----------|---|
| Description | | Amount | |
| Supplies | | 10,152. | |
| Overhead allocation | | 3,616. | |
| Total to Schedule A, Part II, line 14 | | 13,768. | |

| 990-T Sch A | | Post-2017 Net Operating Loss Deduction | | Statement | 4 |
|-----------------------------------|----------------|--|----------------|---------------------|---|
| Tax Year | Loss Sustained | Loss Previously Applied | Loss Remaining | Available This Year | |
| 12/31/18 | 3,059. | 0. | 3,059. | 3,059. | |
| NOL Carryover Available This Year | | | 3,059. | 3,059. | |

**SCHEDULE A
(Form 990-T)**Department of the Treasury
Internal Revenue Service**Unrelated Business Taxable Income
From an Unrelated Trade or Business**

OMB No. 1545-0047

2021▶ Go to www.irs.gov/Form990T for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for
501(c)(3) Organizations Only

| | |
|---|---|
| A Name of the organization <div style="text-align: center; font-size: 1.2em;">St. Joseph Hospital</div> | B Employer identification number <div style="text-align: center; font-size: 1.2em;">02-022215</div> |
| C Unrelated business activity code (see instructions) ▶ 510000 | D Sequence: 2 of 2 |

E Describe the unrelated trade or business ▶ Telecommunications


| Part I Unrelated Trade or Business Income | (A) Income | (B) Expenses | (C) Net |
|--|-------------------|--------------|---------|
| 1 a Gross receipts or sales 35,851. | | | |
| b Less returns and allowances c Balance ▶ | 1c 35,851. | | |
| 2 Cost of goods sold (Part III, line 8) | 2 | | |
| 3 Gross profit. Subtract line 2 from line 1c | 3 35,851. | | 35,851. |
| 4 a Capital gain net income (attach Sch D (Form 1041 or Form 1120)). See instructions | 4a | | |
| b Net gain (loss) (Form 4797) (attach Form 4797). See instructions | 4b | | |
| c Capital loss deduction for trusts | 4c | | |
| 5 Income (loss) from a partnership or an S corporation (attach statement) | 5 | | |
| 6 Rent income (Part IV) | 6 | | |
| 7 Unrelated debt-financed income (Part V) | 7 | | |
| 8 Interest, annuities, royalties, and rents from a controlled organization (Part VI) | 8 | | |
| 9 Investment income of section 501(c)(7), (9), or (17) organizations (Part VII) | 9 | | |
| 10 Exploited exempt activity income (Part VIII) | 10 | | |
| 11 Advertising income (Part IX) | 11 | | |
| 12 Other income (see instructions; attach statement) | 12 | | |
| 13 Total. Combine lines 3 through 12 | 13 35,851. | | 35,851. |

Part II Deductions Not Taken Elsewhere See instructions for limitations on deductions. Deductions must be directly connected with the unrelated business income

| | | |
|--|-----------|-----------|
| 1 Compensation of officers, directors, and trustees (Part X) | 1 | |
| 2 Salaries and wages | 2 | 71,843. |
| 3 Repairs and maintenance | 3 | 2,949. |
| 4 Bad debts | 4 | |
| 5 Interest (attach statement). See instructions | 5 | |
| 6 Taxes and licenses | 6 | |
| 7 Depreciation (attach Form 4562). See instructions | 7 | |
| 8 Less depreciation claimed in Part III and elsewhere on return | 8a | |
| 9 Depletion | 9 | |
| 10 Contributions to deferred compensation plans | 10 | |
| 11 Employee benefit programs | 11 | 14,462. |
| 12 Excess exempt expenses (Part VIII) | 12 | |
| 13 Excess readership costs (Part IX) | 13 | |
| 14 Other deductions (attach statement) See Statement 5 | 14 | 53,956. |
| 15 Total deductions. Add lines 1 through 14 | 15 | 143,210. |
| 16 Unrelated business income before net operating loss deduction. Subtract line 15 from Part I, line 13, column (C) | 16 | -107,359. |
| 17 Deduction for net operating loss. See instructions | 17 | 0. |
| 18 Unrelated business taxable income. Subtract line 17 from line 16 | 18 | -107,359. |

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule A (Form 990-T) 2021

Part III Cost of Goods SoldEnter method of inventory valuation 

| | | | |
|---|--|---|--|
| 1 | Inventory at beginning of year | 1 | |
| 2 | Purchases | 2 | |
| 3 | Cost of labor | 3 | |
| 4 | Additional section 263A costs (attach statement) | 4 | |
| 5 | Other costs (attach statement) | 5 | |
| 6 | Total. Add lines 1 through 5 | 6 | |
| 7 | Inventory at end of year | 7 | |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and in Part I, line 2 | 8 | |
| 9 | Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

Part IV Rent Income (From Real Property and Personal Property Leased with Real Property)



1 Description of property (property street address, city, state, ZIP code). Check if a dual-use. See instructions.

A ☐ _____

B ☐ _____

C ☐ _____

D ☐ _____

| | A | B | C | D |
|---|----|---|---|---|
| 2 Rent received or accrued | | | | |
| a From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%) | | | | |
| b From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income) | | | | |
| c Total rents received or accrued by property. Add lines 2a and 2b, columns A through D | | | | |
| 3 Total rents received or accrued. Add line 2c columns A through D. Enter here and on Part I, line 6, column (A)  | 0. | | | |
| 4 Deductions directly connected with the income in lines 2(a) and 2(b) (attach statement) | | | | |
| 5 Total deductions. Add line 4 columns A through D. Enter here and on Part I, line 6, column (B)  | 0. | | | |

Part V Unrelated Debt-Financed Income (see instructions)




1 Description of debt-financed property (street address, city, state, ZIP code). Check if a dual-use. See instructions.

A ☐ _____

B ☐ _____

C ☐ _____

D ☐ _____

| | A | B | C | D |
|---|----|---|---|---|
| 2 Gross income from or allocable to debt-financed property | | | | |
| 3 Deductions directly connected with or allocable to debt-financed property | | | | |
| a Straight line depreciation (attach statement) | | | | |
| b Other deductions (attach statement) | | | | |
| c Total deductions (add lines 3a and 3b, columns A through D) | | | | |
| 4 Amount of average acquisition debt on or allocable to debt-financed property (attach statement) | | | | |
| 5 Average adjusted basis of or allocable to debt-financed property (attach statement) | | | | |
| 6 Divide line 4 by line 5 | % | % | % | % |
| 7 Gross income reportable. Multiply line 2 by line 6 | | | | |
| 8 Total gross income (add line 7, columns A through D). Enter here and on Part I, line 7, column (A)  | 0. | | | |
| 9 Allocable deductions. Multiply line 3c by line 6 | | | | |
| 10 Total allocable deductions. Add line 9, columns A through D. Enter here and on Part I, line 7, column (B)  | 0. | | | |
| 11 Total dividends-received deductions included in line 10  | 0. | | | |

Part VI Interest, Annuities, Royalties, and Rents from Controlled Organizations (see instructions)

| 1. Name of controlled organization | | 2. Employer identification number | Exempt Controlled Organizations | | | 6. Deductions directly connected with income in column 5 |
|------------------------------------|--|-----------------------------------|---|-------------------------------------|---|--|
| | | | 3. Net unrelated income (loss) (see instructions) | 4. Total of specified payments made | 5. Part of column 4 that is included in the controlling organization's gross income | |
| (1) | | | | | | |
| (2) | | | | | | |
| (3) | | | | | | |
| (4) | | | | | | |

| Nonexempt Controlled Organizations | | | | |
|------------------------------------|---|-------------------------------------|--|--|
| 7. Taxable Income | 8. Net unrelated income (loss) (see instructions) | 9. Total of specified payments made | 10. Part of column 9 that is included in the controlling organization's gross income | 11. Deductions directly connected with income in column 10 |
| (1) | | | | |
| (2) | | | | |
| (3) | | | | |
| (4) | | | | |
| | | | Add columns 5 and 10. Enter here and on Part I, line 8, column (A) | Add columns 6 and 11. Enter here and on Part I, line 8, column (B) |
| Totals | | | 0. | 0. |

Part VII Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

| 1. Description of income | 2. Amount of income | 3. Deductions directly connected (attach statement) | 4. Set-asides (attach statement) | 5. Total deductions and set-asides (add cols 3 and 4) |
|--------------------------|---|---|----------------------------------|---|
| (1) | | | | |
| (2) | | | | |
| (3) | | | | |
| (4) | | | | |
| | Add amounts in column 2. Enter here and on Part I, line 9, column (A) | | | Add amounts in column 5. Enter here and on Part I, line 9, column (B) |
| Totals | 0. | | | 0. |

Part VIII Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

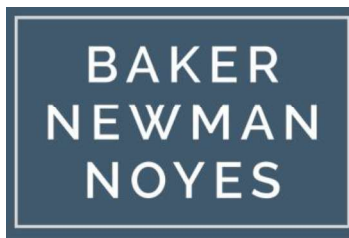
| | | | |
|---|--|---|--|
| 1 | Description of exploited activity: _____ | | |
| 2 | Gross unrelated business income from trade or business. Enter here and on Part I, line 10, column (A) | 2 | |
| 3 | Expenses directly connected with production of unrelated business income. Enter here and on Part I, line 10, column (B) | 3 | |
| 4 | Net income (loss) from unrelated trade or business. Subtract line 3 from line 2. If a gain, complete lines 5 through 7 | 4 | |
| 5 | Gross income from activity that is not unrelated business income | 5 | |
| 6 | Expenses attributable to income entered on line 5 | 6 | |
| 7 | Excess exempt expenses. Subtract line 5 from line 6, but do not enter more than the amount on line 4. Enter here and on Part II, line 12 | 7 | |

Schedule A (Form 990-T) 2021

| Form 990-T (A) | Other Deductions | Statement | 5 |
|---------------------------------------|------------------|-----------|---|
| Description | | Amount | |
| Occupancy costs | | 30,088. | |
| Overhead allocation | | 23,868. | |
| Total to Schedule A, Part II, line 14 | | 53,956. | |

| 990-T Sch A | | Post-2017 Net Operating Loss Deduction | | Statement | 6 |
|-----------------------------------|----------------|--|----------------|---------------------|---|
| Tax Year | Loss Sustained | Loss Previously Applied | Loss Remaining | Available This Year | |
| 12/31/19 | 85,886. | 0. | 85,886. | 85,886. | |
| 12/31/20 | 97,485. | 0. | 97,485. | 97,485. | |
| NOL Carryover Available This Year | | | 183,371. | 183,371. | |

Electronic Filing PDF Attachment



Covenant Health, Inc. and Subsidiaries

**Audited Consolidated Financial Statements
and Additional Information**

*Years Ended December 31, 2021 and 2020
With Independent Auditors' Report*

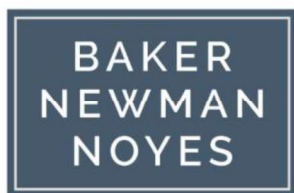
COVENANT HEALTH, INC. AND SUBSIDIARIES

Audited Consolidated Financial Statements and Additional Information

Years Ended December 31, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Covenant Health, Inc.

Opinion

We have audited the consolidated financial statements of Covenant Health, Inc. and Subsidiaries (the System), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, based on our audits and the reports of the other auditors, the accompanying financial statements present fairly, in all material respects, the financial position of the System as of December 31, 2021 and 2020, and the results of their operations and changes in net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Covenant Health Insurance, Ltd. and MI Residential Community, Inc., wholly-owned subsidiaries, whose statements reflect total assets constituting 9% and 8% of consolidated total assets at December 31, 2021 and 2020, respectively, and total revenues constituting 2% and 1% of consolidated total revenues for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a period of one year from the issuance of the financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Ernst W. Nason; Nason LHC

Boston, Massachusetts
April 29, 2022

COVENANT HEALTH, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2021 and 2020

(In thousands)

ASSETS

| | <u>2021</u> | <u>2020</u> |
|---|--------------------|--------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 57,455 | \$ 66,617 |
| Patient accounts receivable (note 3) | 84,335 | 75,614 |
| Investments (note 4) | 8,245 | 6,123 |
| Inventories | 11,285 | 9,195 |
| Prepaid expenses and other current assets | 18,817 | 33,579 |
| Current portion of assets whose use is limited or restricted (note 4) | <u>1,219</u> | <u>13,226</u> |
| Total current assets | 181,356 | 204,354 |
| Assets whose use is limited or restricted (note 4): | | |
| Funds held by trustees, less current portion | 3,341 | 11,685 |
| Deferred compensation | 13,586 | 13,205 |
| Board-designated funds and other long-term investments | 395,935 | 368,368 |
| Replacement reserve | 7,441 | 5,730 |
| Donor-restricted funds | <u>56,193</u> | <u>48,725</u> |
| Total assets whose use is limited or restricted | 476,496 | 447,713 |
| Other assets: | | |
| Other assets | 800 | 1,082 |
| Investments in joint ventures (note 8) | <u>6,538</u> | <u>7,053</u> |
| Total other assets | 7,338 | 8,135 |
| Property, plant and equipment (note 5): | | |
| Land and improvements | 20,160 | 21,219 |
| Buildings and improvements | 430,165 | 428,910 |
| Equipment | 251,617 | 273,818 |
| Construction in progress | 11,095 | 20,443 |
| Right of use assets | <u>10,157</u> | <u>10,964</u> |
| | 723,194 | 755,354 |
| Less accumulated depreciation | (395,182) | (432,116) |
| Less accumulated depreciation – right of use assets | <u>(3,261)</u> | <u>(2,183)</u> |
| Total property, plant and equipment | <u>324,751</u> | <u>321,055</u> |
| Total assets | \$ <u>989,941</u> | \$ <u>981,257</u> |

LIABILITIES AND NET ASSETS

| | <u>2021</u> | <u>2020</u> |
|--|--------------------|--------------------|
| Current liabilities: | | |
| Accounts payable | \$ 22,087 | \$ 20,206 |
| Accrued expenses and other liabilities | 62,338 | 56,723 |
| Estimated third-party payor settlements (note 3) | (15) | 10,879 |
| Other current liabilities (note 2) | 39,373 | 28,655 |
| Current portion of lease liability | 2,729 | 2,454 |
| Current portion of long-term debt (note 5) | <u>935</u> | <u>14,425</u> |
| Total current liabilities | 127,447 | 133,342 |
| Long-term debt, less current portion (note 5) | 234,612 | 214,606 |
| Long-term lease liability, less current portion | 6,706 | 6,326 |
| Defined benefit pension obligation (note 6) | 52 | (52) |
| Other liabilities (note 2) | 26,393 | 60,250 |
| Professional liability loss reserves (note 2) | <u>32,109</u> | <u>31,059</u> |
| Total liabilities | 427,319 | 445,531 |
| Net assets: | | |
| Without donor restrictions | 501,941 | 474,611 |
| With donor restrictions (note 7) | <u>60,681</u> | <u>61,115</u> |
| Total net assets | 562,622 | 535,726 |
| | | |
| Total liabilities and net assets | <u>\$ 989,941</u> | <u>\$ 981,257</u> |

See accompanying notes.

COVENANT HEALTH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
AND CHANGES IN NET ASSETS

Years Ended December 31, 2021 and 2020
(In thousands)

| | <u>2021</u> | <u>2020</u> |
|--|--------------------|--------------------|
| Operating revenue: | | |
| Patient service revenue (note 3) | \$722,328 | \$618,685 |
| Other revenue (note 2) | 60,553 | 96,775 |
| Net assets released from restrictions for operations | <u>1,031</u> | <u>3,275</u> |
| Total operating revenue | 783,912 | 718,735 |
| Operating expenses (note 11): | | |
| Salaries and wages | 359,513 | 334,891 |
| Employee benefits (notes 2 and 6) | 69,348 | 64,848 |
| Supplies | 94,424 | 77,045 |
| Other expenses | 213,675 | 185,943 |
| Interest | 9,454 | 10,053 |
| Provider tax (note 3) | 22,305 | 21,906 |
| Depreciation and amortization | <u>25,497</u> | <u>30,146</u> |
| Total operating expenses | <u>794,216</u> | <u>724,832</u> |
| Loss from operations | (10,304) | (6,097) |
| Net periodic pension cost (note 6) | (601) | (489) |
| Nonoperating gains, net (notes 4 and 8) | <u>33,065</u> | <u>13,962</u> |
| Excess of revenue over expenses | \$ <u>22,160</u> | \$ <u>7,376</u> |

Continued next page.

COVENANT HEALTH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
AND CHANGES IN NET ASSETS (CONTINUED)

Years Ended December 31, 2021 and 2020
(In thousands)

| | Without Donor Restrictions | With Donor Restrictions | Total Net Assets |
|---|----------------------------------|-------------------------------|---------------------|
| Balances at January 1, 2020 | \$465,958 | \$59,455 | \$525,413 |
| Excess of revenue over expenses | 7,376 | — | 7,376 |
| Net change in unrealized losses on investments (note 4) | — | (594) | (594) |
| Restricted contributions and investment income | — | 7,765 | 7,765 |
| Net assets released from restrictions | 934 | (4,209) | (3,275) |
| Adjustment to defined benefit pension obligation (note 6) | 343 | — | 343 |
| Change in fair value of beneficial interest in perpetual trusts | <u>—</u> | <u>(1,302)</u> | <u>(1,302)</u> |
| | <u>8,653</u> | <u>1,660</u> | <u>10,313</u> |
| Balances at December 31, 2020 | 474,611 | 61,115 | 535,726 |
| Excess of revenue over expenses | 22,160 | — | 22,160 |
| Net change in unrealized gains on investments (note 4) | — | 337 | 337 |
| Restricted contributions and investment income | — | 6,935 | 6,935 |
| Net assets released from restrictions | 7,201 | (8,232) | (1,031) |
| Adjustment to defined benefit pension obligation (note 6) | (2,031) | — | (2,031) |
| Change in fair value of beneficial interest in perpetual trusts | <u>—</u> | <u>526</u> | <u>526</u> |
| | <u>27,330</u> | <u>(434)</u> | <u>26,896</u> |
| Balances at December 31, 2021 | <u>\$501,941</u> | <u>\$60,681</u> | <u>\$562,622</u> |

See accompanying notes.

COVENANT HEALTH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2021 and 2020
(In thousands)

| | <u>2021</u> | <u>2020</u> |
|--|--------------------|--------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 26,896 | \$ 10,313 |
| Adjustments to reconcile change in net assets to cash (used) provided by operating activities: | | |
| Net realized and unrealized gains on investments | (31,973) | (4,143) |
| Net gain from joint ventures | 515 | (161) |
| Gain on acquisition | (5,080) | — |
| Restricted contributions and investment income | (6,935) | (7,765) |
| Depreciation and amortization | 25,497 | 30,146 |
| Adjustment to defined benefit pension obligation | 2,031 | (343) |
| Gain on sale of property, plant and equipment | (1,535) | 86 |
| Loss on debt refinance | 10,951 | — |
| Changes in operating assets and liabilities: | | |
| Patient accounts receivable | (8,356) | 18,484 |
| Inventories, prepaid expenses and other current assets | 12,755 | (21,628) |
| Other assets | (1,645) | (2,002) |
| Accounts payable, accrued expenses and other liabilities | (15,391) | 65,171 |
| Estimated third-party payor settlements, net | (11,036) | (1,948) |
| Professional liability loss reserves | <u>1,050</u> | <u>(4,498)</u> |
| Net cash (used) provided by operating activities | (2,256) | 81,712 |
| Cash flows from investing activities: | | |
| Purchases of investments and assets whose use is limited or restricted | 593,430 | (76,360) |
| Sales of investments and assets whose use is limited or restricted | (579,315) | 38,649 |
| Purchases of property, plant and equipment | <u>(24,176)</u> | <u>(22,311)</u> |
| Net cash used by investing activities | (10,061) | (60,022) |
| Cash flows from financing activities: | | |
| Payments on long-term debt and lease obligations | (230,820) | (23,910) |
| Proceeds from issuance of long-term debt | 225,000 | 7,061 |
| Amounts paid to refinance | 2,040 | — |
| Restricted contributions and investment income | <u>6,935</u> | <u>7,765</u> |
| Net cash provided (used) by financing activities | <u>3,155</u> | <u>(9,084)</u> |
| (Decrease) increase in cash and cash equivalents | (9,162) | 12,606 |
| Cash and cash equivalents, beginning of year | <u>66,617</u> | <u>54,011</u> |
| Cash and cash equivalents, end of year | \$ <u>57,455</u> | \$ <u>66,617</u> |
| Supplemental disclosure: | | |
| Cash paid for interest | \$ <u>12,418</u> | \$ <u>10,964</u> |

See accompanying notes.

COVENANT HEALTH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

1. Organization

Covenant Health, Inc. (Covenant) is organized to coordinate the corporate, administrative, clinical and service strengths and potentials of its member organizations. Covenant functions as the parent company to its member organizations which include St. Joseph Hospital of Nashua NH, Inc. (Nashua, NH), St. Mary's Health System (Lewiston, ME), St. Joseph Healthcare Foundation (Bangor, ME), Youville House, St. Andre Health Care Facility, Mary Immaculate Health Care Services, Inc., Fanny Allen Corporation, Fanny Allen Holdings, St. Joseph Manor Health Care, Inc., CHS of Waltham, Inc. d/b/a Maristhill, CHS of Worcester, Inc. d/b/a St. Mary Health Care Center, St. Mary's Villa Nursing Home, Inc. (St. Mary's Villa), Covenant Health Insurance Ltd. (CHIL), Covenant Health Foundation, Covenant Health Master Trust (previously named Providentia Prima Trust), Mount St. Rita Health Centre, Penacook Place, Inc., Youville Place and Bangor Nursing and Rehabilitation Center, Inc. All member organizations are providers of health care services except CHIL, which is licensed to write professional and general liability insurance for the other member organizations; Fanny Allen Corporation (foundation with activities in Vermont); Fanny Allen Holdings (real estate in Vermont); and Covenant Health Master Trust, which is a unitized investment trust. Covenant and its member organizations, and their various related entities are collectively referred to herein as the "System." The System provides acute, long-term and other health care services to patients and residents in New England and Pennsylvania.

In 2021, Covenant entered into an affiliation agreement (the Agreement) with a health system. Under the terms of the Agreement, the health system will join Covenant subject to certain conditions and required actions as well as required legal and regulatory approvals. The health system has approximately \$100 million in total assets and annual patient service revenue of \$127 million. Covenant anticipates the transaction to be completed in 2022, however, until all required actions have been completed and legal and regulatory approvals have been obtained, there can be no certainty that the transaction will ultimately be finalized.

2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of the System include the accounts of Covenant and its member organizations. Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates are made in the areas of accounts receivable, fair value of financial instruments, estimated third-party payor settlements, professional liability loss reserves and self-insurance reserves.

COVENANT HEALTH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

2. Significant Accounting Policies (Continued)

Concentration of Credit Risk

Financial instruments which subject the System to credit risk consist of cash and cash equivalents, accounts receivable, investments and estimated third-party payor settlements. At December 31, 2021 and 2020, the System had cash balances in several financial institutions that exceeded federal depository insurance limits. The System has not experienced any losses in such accounts and it believes it is not exposed to any significant risk. The risk with respect to cash equivalents is minimized by the System's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. Accounts receivable represent receivables from patients and third-party payors for services provided by the System. Patient accounts receivable from the Medicare and Medicaid programs comprised approximately 39% and 49% of receivables for the years ended December 31, 2021 and 2020, respectively. The System's investments consist of diversified investments and, while subject to market risk, are not subject to concentrations in any sector. Estimated third-party payor settlements are primarily comprised of amounts due to state and federal agencies as well as commercial insurers. The System does not expect any credit losses from net recorded amounts. Revenue from the Medicare and Medicaid programs accounted for approximately 52% and 57%, respectively, of the System's patient service revenue for the years ended December 31, 2021 and 2020, and revenue from Anthem accounted for approximately 19% and 13%, respectively, of patient service revenue for 2021 and 2020.

Income Taxes

Covenant and its member organizations are considered not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code, except as noted below.

St. Joseph Hospital Corporate Services, Inc., a wholly-owned subsidiary of Nashua, is a for-profit organization, which is subject to federal and state income taxes. St. Joseph Hospital Corporate Services, Inc. has net operating loss (NOL) carryforwards for tax purposes. The NOLs are not anticipated to be utilized so the amounts have been fully offset with a reserve.

CHIL, a wholly-owned subsidiary, is domiciled in the Cayman Islands. No income taxes are levied in the Cayman Islands and CHIL has been granted an exemption for any taxes that might be introduced. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Under guidance issued by the Financial Accounting Standards Board, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based upon the technical merits of the position.

The System has evaluated the position taken on its filed tax returns. The System has concluded no uncertain income tax positions exist at December 31, 2021.

COVENANT HEALTH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

2. Significant Accounting Policies (Continued)

Net Assets With Donor Restrictions

Gifts are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified as net assets without donor restrictions and reported in the statement of operations as either net assets released from restrictions for operations (for noncapital-related items) or net assets released from restrictions for property, plant and equipment (for capital-related items). Some net assets with donor restrictions have been restricted by donors to be maintained by the System in perpetuity.

Statement of Operations

Transactions deemed by management to be ongoing, major or central to the provision of the services offered by the System are reported as operating revenue and operating expenses. Other transactions, which primarily include certain types of investment income and unrestricted contributions, are reported as nonoperating gains (losses).

Management has determined that the net result of the CHIL insurance operations should be reported in the consolidated nonoperating portion of the consolidated statements of operations and the actuarially determined premium paid by the insured (member organization) should remain as an operating expense. The operating results of Covenant Health Master Trust are the net result of investment operations and are reported in the nonoperating section of the consolidated statements of operations. The operations of Fanny Allen Corporation and Fanny Allen Holdings have been included in nonoperating gains (losses) on the consolidated statements of operations.

Excess of Revenue Over Expenses

The consolidated statements of operations include excess of revenue over expenses. Changes in net assets without donor restrictions which are excluded from excess of revenue over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purpose of acquiring such assets) and pension obligation adjustments.

Patient Service Revenue

Patient service revenue is reported at the estimated realizable amounts from patients, third-party payors and others for services rendered, including any estimated adjustments under reimbursement agreements with third-party payors due to audits, reviews or investigations. Adjustments are recorded as changes in estimates when final settlements are determined. Changes in estimated settlements from third-party payors and other changes from prior years resulted in a net increase of \$2,631 and \$4,209 to patient service revenue for the years ended December 31, 2021 and 2020, respectively.

COVENANT HEALTH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

2. Significant Accounting Policies (Continued)

Charity Care

The System has a formal charity care policy under which patient care is provided to patients who meet certain criteria without charge or at amounts less than its established rates. The System does not pursue collection of amounts determined to qualify as charity care, therefore, they are not reported as revenue.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid instruments which have a maturity of three months or less when purchased.

Beneficial Interest in Perpetual Trust

The System is the beneficiary of several trust funds administered by trustees or other third parties. Trusts, wherein the System has an irrevocable right to receive the income earned on the trust assets in perpetuity, are recorded as net assets with donor restrictions at the fair value of the trust at the date of receipt and are included in donor-restricted funds in the consolidated balance sheet. Income distributions from the trusts are reported as investment income that increase net assets without donor restrictions, unless restricted by the donor. Annual changes in market value of the trusts are recorded as increases or decreases to net assets with donor restrictions.

Inventories

Inventories of pharmaceuticals and medical supplies are carried at the lower of cost (determined primarily by the first-in, first-out method) or net realizable value.

Property, Plant and Equipment

Property, plant and equipment is stated at cost, or if donated or acquired, at fair market value at time of donation or acquisition, less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. The provision for depreciation is determined by the straight-line method at rates intended to amortize the cost of related assets over their estimated useful lives.

The System reviews its long-lived assets when events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. Upon determination that an impairment has occurred, these assets are reduced to fair value. No such impairment losses have been recognized to date. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less the cost to dispose.

In 2021, the System engaged an independent third party to assist in evaluating the useful lives of certain property, plant and equipment as of January 1, 2021. The impact of changes to estimated useful lives for the System has been reported as a change in accounting estimate on a prospective basis to more accurately reflect estimated asset lives based on use. As a result of this change in estimate, depreciation expense was reduced by approximately \$5,300 in 2021.

COVENANT HEALTH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

2. Significant Accounting Policies (Continued)

Gifts of long-lived assets such as property or equipment are reported as contributions without donor restrictions and are excluded from the excess of revenue over expenses unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as contributions with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Conditional Asset Retirement Obligations

The System recognizes a liability for the cost of conditional obligations if the fair value can be reasonably estimated. When the liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations.

Financing Costs/Original Issue Discount

Costs associated with debt issuance and any original issue discount or premium related to the System's debt are being amortized by the interest method over the repayment period of the debt and classified net within outstanding debt balances.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include certain assets set aside by the Board of Directors to provide for the future replacement of property, plant and equipment and certain internal designations by members of the System. These assets are reported as Board-designated funds and other long-term investments. Donor-restricted funds include amounts donated for endowments and other special purpose funds.

Investments and Investment Income

Investments in equity securities with readily determinable market values and all investments in debt securities are recorded at fair market value. At December 31, 2021 and 2020, the System held interests in certain funds that do not have a readily determinable fair market value and are valued by investment advisors based upon net asset value (NAV). Interests in such investments are generally recorded at fair market value based on the System's ownership share and rights of the investments.

COVENANT HEALTH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

2. Significant Accounting Policies (Continued)

The valuation of the investments that do not have a readily determinable market value is estimated by management based on fair values (NAV) provided by external investment managers. The System reviews and evaluates the valuations provided by the investment managers and believes that these valuations are a reasonable estimate of fair value at December 31, 2021 and 2020, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed and such differences could be material. The amount of gain or loss associated with these investments is reflected in the accompanying consolidated financial statements based on information provided by the management of the fund.

Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the excess of revenue over expenses unless the income or loss is restricted by donor or law. Realized gains or losses on the sale of investment securities are determined by the specific identification method.

Investment income on investments without donor restrictions is reported as nonoperating gains. Investment income on investments with donor restrictions is reported as nonoperating gains unless specifically restricted by the donor or state law, in which case it is reported as an increase in net assets with donor restrictions.

Market Volatility

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the value of the investment will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheet and statement of operations and changes in net assets.

Donor-Restricted Gifts

Unconditional promises to give that are expected to be collected within one year are recorded at estimated net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value at the date the promise is received based on the present value of their estimated future cash flows. The discount on those amounts is computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue.

Conditional promises to give and indications of intentions to give are not recognized until the related conditions have been met. The gifts are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations as net assets released from restrictions.

COVENANT HEALTH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

2. Significant Accounting Policies (Continued)

Professional Liability Loss Contingencies

CHIL is a wholly-owned captive insurance company incorporated and based in the Cayman Islands for the purpose of providing professional and general liability insurance. The System maintains insurance of its professional risks on a claims made basis and general liability risks on an occurrence basis through CHIL.

Estimated liability costs, as calculated by the System's consulting actuaries, consist of specific reserves to cover the estimated liability resulting from medical or general liability incidents or potential claims which have been reported, as well as a provision for claims incurred but not reported. Estimated malpractice liabilities include estimates of future trends in loss severity and frequency and other factors that could vary as the claims are ultimately settled. Although it is not possible to measure the degree of variability inherent in such estimates, management believes the reserves for claims are adequate. These estimates are periodically reviewed, and necessary adjustments are reflected in the consolidated statements of operations in the year the need for such adjustments becomes known. Management is unaware of any claims that would cause the ultimate expense for medical malpractice risks to vary materially from the amounts provided.

A significant portion of the System's workers' compensation exposure is covered by an industry trust. All claims are paid and settled through the trust and the System has no significant exposure for claims covered by the trust.

At December 31, 2021, there were no known malpractice claims outstanding which, in the opinion of management, will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which require loss accrual. The System intends to renew coverage on a claims made basis and anticipates that such coverage will be available.

Self-Insurance Reserves

Certain members of the System are self-insured for workers' compensation. These costs are accounted for on an accrual basis to include estimates of future payments on claims incurred.

Retirement Plans

The System's members sponsor several defined contribution retirement plans which cover substantially all employees who have met certain eligibility requirements of the respective plans. Contributions to the defined contribution plans are discretionary and are based upon certain percentages of eligible income. Expenses related to the defined contribution plans were \$5,588 and \$3,972 for 2021 and 2020, respectively. In addition, Nashua and Bangor have frozen defined benefit pension plans. See Note 6 for further information on the defined benefit plans. The System maintains a supplemental executive retirement plan (SERP) for certain executives. There were no expenses related to the SERP for the years ended December 31, 2021 or 2020.

COVENANT HEALTH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

2. Significant Accounting Policies (Continued)

Deferred Compensation

The System has recorded its obligations under deferred compensation agreements with certain employees of \$12,776 and \$12,096 at December 31, 2021 and 2020, respectively, which are included in other liabilities on the balance sheet. Assets of \$13,586 and \$13,205 at December 31, 2021 and 2020, respectively, related to these obligations are segregated and included in assets whose use is limited or restricted on the balance sheet.

Reclassifications

Certain 2020 amounts have been reclassified to permit comparison with the 2021 consolidated financial statements presentation format.

COVID-19 Pandemic, CARES Act and Other Relief Funding

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19, a disease caused by the novel coronavirus, a pandemic. This disease continues to spread throughout the United States and other parts of the world. The COVID-19 pandemic has significantly affected employees, patients, systems, communities and business operations, as well as the U.S. economy and financial markets.

In 2020, the federal government and certain state governments provided financial assistance to healthcare systems as a result of the COVID-19 pandemic. During the year ended December 31, 2020, the System received \$52.3 million of accelerated Medicare payments. Payments under the Medicare Accelerated and Advanced Payment program are advances that must be repaid. During 2021, the System repaid approximately \$17.1 million and, based on repayment guidelines, approximately \$35.2 million was recorded as a short-term liability as of December 31, 2021. As of December 31, 2020, \$19.0 million was recorded as a short-term liability and \$33.3 million as a long-term liability.

In addition, the System received \$24.9 million and \$63.1 million in 2021 and 2020, respectively, in relief funds and grants from federal and state sources that is not required to be repaid, subject to use towards eligible expenses and lost revenue incurred as a result of the COVID-19 pandemic. The majority of the federal and state funds received is related to the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) Provider Relief Funds (PRF payments). The System has recognized \$24.9 million and \$63.1 million in 2021 and 2020, respectively, in relief funding as revenue which is classified as other revenue on the consolidated statements of operations.

The CARES Act also provides for a deferral of payments of the employer portion of payroll tax incurred during the pandemic, allowing half of such payroll taxes to be deferred until December 2021, and the remaining half until December 2022. At December 31, 2021 approximately \$4.9 million in deferred payroll taxes was recorded as an other current liability. At December 30, 2020, the System deferred \$11.2 million of payroll taxes, which were recorded within other current and long-term liabilities in the accompanying 2020 consolidated balance sheets.

COVENANT HEALTH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

2. Significant Accounting Policies (Continued)

Subsequent Events

Events occurring after the balance sheet date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. Management has evaluated subsequent events through April 29, 2022 which is the date the consolidated financial statements were available to be issued.

3. Patient Service Revenue

Revenue generally relates to contracts with third-party payors representing patients in which the System's performance obligations are to provide health care services to patients. Revenues are recorded during the period obligations to provide health care services are satisfied. Performance obligations for inpatient services are generally satisfied over a period of days. Performance obligations for outpatient services are generally satisfied over a period of less than one day. The contractual relationships with patients, in most cases, also involve a third-party payor (Medicare, Medicaid, managed care health plans and commercial insurance companies, including plans offered through the health insurance exchanges) and the transaction prices for the services provided are dependent upon the terms provided by Medicare and Medicaid or negotiated with managed care health plans and commercial insurance companies, the third-party payors. The payment arrangements with third-party payors for the services provided to related patients typically specify payments at amounts less than standard charges. Medicare generally pays for inpatient and outpatient services at prospectively determined rates based on clinical, diagnostic and other factors. Services provided to patients having Medicaid coverage are generally paid at prospectively determined rates per discharge or per identified service. Agreements with commercial insurance carriers, managed care and preferred provider organizations generally provide for payments based upon predetermined rates per diagnosis, per diem rates or discounted fee-for-service rates. Management continually reviews the revenue recognition process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals.

Revenue is based upon estimated amounts that the System expects to be entitled to receive from patients and third-party payors. Revenue under managed care and commercial insurance plans is based upon the payment terms specified in the related contractual agreements. Revenues related to uninsured patients and uninsured copayment and deductible amounts for patients who have health care coverage may have discounts applied (uninsured discounts and contractual discounts) and the recorded revenue is based primarily on historical collection experience.

COVENANT HEALTH, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020

(In thousands)

3. Patient Service Revenue (Continued)

Revenue from third-party payors and private pay/self-pay is summarized as follows at December 31:

| | <u>2021</u> | <u>2020</u> |
|---------------------------------|------------------|------------------|
| Medicare | \$217,458 | \$205,803 |
| Medicaid | 134,008 | 136,250 |
| Commercial | 327,479 | 235,853 |
| Patients (private pay/self pay) | <u>43,383</u> | <u>40,779</u> |
| | <u>\$722,328</u> | <u>\$618,685</u> |

The collection of outstanding receivables for Medicare, Medicaid, managed care payors, other third-party payors and patients is the System's primary source of operating cash and is critical to operating performance. The primary collection risks relate to uninsured patient accounts, including patient accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but patient responsibility amounts (deductibles and copayments) remain outstanding. Implicit price concessions relate primarily to amounts due directly from patients. Estimated implicit price concessions are recorded for all uninsured accounts, regardless of the aging of those accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed. The estimates for implicit price concessions are based upon management's assessment of historical writeoffs and expected net collections, business and economic conditions, trends in federal, state and private employer health care coverage and other collection indicators. Management relies on the results of detailed reviews of historical writeoffs and collections at facilities that represent a majority of the System's revenues and accounts receivable as a primary source of information in estimating the collectability of accounts receivable.

The consolidated balance sheets include amounts due from the State of Maine under the MaineCare program. The amounts recorded from the State have been determined based upon applicable regulations and the System expects that these amounts will ultimately be paid in full. The amount represents payment based on interim cost reports and is an estimate pending final settlement. Due to the complex nature of such regulations, there is at least a reasonable possibility that recorded estimates will change by a material amount.

Under the State of New Hampshire's tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.40% of patient service revenue, with certain exclusions for the years ended December 31, 2021 and 2020. The amount of tax incurred by Nashua for fiscal 2021 and 2020 was \$10,283 and \$9,814, respectively.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding (DSH) retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. DSH payments from the State are recorded within patient service revenue and amounted to \$4,850 in 2021 and \$6,186 in 2020.

COVENANT HEALTH, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020

(In thousands)

3. Patient Service Revenue (Continued)

The Centers for Medicare and Medicaid Services (CMS) has completed audits of the State's program and the disproportionate share payments made by the State in 2011 and 2012, the first years that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. The System has recorded reserves to address any potential exposure based on the audit results to date.

The estimated third-party payor settlements reflected on the balance sheet represent the estimated net amounts to be received or paid under reimbursement contracts with CMS, Medicaid and any commercial payors with settlement provisions. Settlements have been issued through 2018 for Medicare and through 2019 for Medicaid for Bangor. Settlements have been issued through 2018 for Medicare and through 2017 for Medicaid for Nashua. Medicare has been settled through 2018, and Medicaid settled through 2019 for Lewiston.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The System believes that it is substantially in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing specific to the System. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in patient service revenue in the year that such amounts become known.

Community Benefits

The System does not pursue collection of amounts determined to qualify as charity care; therefore, they are not reported as revenue. The System determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. Under this methodology, the estimated costs of caring for charity care patients for the years ended December 31, 2021 and 2020 were \$9,710 and \$7,895, respectively.

As part of the System's charitable mission, its member organizations also provide services which primarily benefit the medically under-served in their communities. The System prepares an annual report utilizing the methodology contained in the Catholic Health Association's Guide to Planning and Reporting Community Benefit. The net unsponsored costs of charity care including clinics, unreimbursed Medicaid cost, outreach programs and community health education programs provided by the System for the years ended December 31, 2021 and 2020 were \$100,875 and \$115,254, respectively.

COVENANT HEALTH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

4. Investments

Investments, which are reported at fair value, consist of the following at December 31:

| | <u>2021</u> | <u>2020</u> |
|---|------------------|------------------|
| Investments | \$ 8,245 | \$ 6,123 |
| Assets whose use is limited, restricted or board designated | 477,715 | 460,939 |
| Less pledges receivable | <u>(1,089)</u> | <u>(6,684)</u> |
| Total investments | <u>\$484,871</u> | <u>\$460,378</u> |

Fair Value Measurements

Financial assets carried at fair value are classified and disclosed in one of the following three categories:

Level 1 – Assets classified as Level 1 represent items that are traded in active exchange markets and for which valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities. Assets classified as Level 1 include cash and cash equivalents, marketable equity securities, mutual funds, accrued interest, and other.

Level 2 – Valuations for assets traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities. Assets classified as Level 2 include U.S. Government securities, corporate bonds and cash surrender value of life insurance policies.

Level 3 – Valuations for assets that are derived from other valuation methodologies not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions in determining the fair value assigned to such assets. Assets classified as Level 3 include beneficial interests in perpetual and other trusts.

In determining the appropriate levels, the System performs a detailed analysis of the valuation methodology of the assets. At each reporting period, all assets for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Investments which do not have a readily determinable market value and which are valued based upon NAV are not evaluated based upon the above criteria for purposes of the following disclosure and have been excluded from the leveling tables.

COVENANT HEALTH, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

4. Investments (Continued)

The following presents the balances of assets measured at fair value on a recurring basis at December 31:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|------------------|-----------------|-----------------|------------------|
| 2021: | | | | |
| Cash and cash equivalents | \$ 41,450 | \$ — | \$ — | \$ 41,450 |
| U.S. Government securities | — | 15,955 | — | 15,955 |
| Corporate bonds | — | 20,430 | — | 20,430 |
| Marketable equity securities | 110,971 | — | — | 110,971 |
| Mutual funds: | | | | |
| Fixed income funds | 123,346 | — | — | 123,346 |
| Domestic equity funds | 111,847 | — | — | 111,847 |
| International equity funds | 3,147 | — | — | 3,147 |
| Accrued interest and other | 282 | — | — | 282 |
| Beneficial interest in perpetual and other trusts | — | — | 6,256 | 6,256 |
| Cash surrender value of life insurance policies | — | 5,234 | — | 5,234 |
| | <u>\$391,043</u> | <u>\$41,619</u> | <u>\$ 6,256</u> | 438,918 |
| Investments valued at NAV not classified by level: | | | | |
| Fixed income | | | | 36,287 |
| Real assets | | | | 9,666 |
| | | | | <u>45,953</u> |
| | | | | <u>\$484,871</u> |
| 2020: | | | | |
| Cash and cash equivalents | \$ 28,248 | \$ — | \$ — | \$ 28,248 |
| U.S. Government securities | — | 8,528 | — | 8,528 |
| Corporate bonds | — | 4,204 | — | 4,204 |
| Asset back securities | — | 15 | — | 15 |
| Marketable equity securities | 8,643 | — | — | 8,643 |
| Mutual funds: | | | | |
| Equity funds | 102,676 | — | — | 102,676 |
| Fixed income funds | 174,317 | — | — | 174,317 |
| International equity funds | 63,633 | — | — | 63,633 |
| Accrued interest and other | 1,703 | — | — | 1,703 |
| Beneficial interest in perpetual and other trusts | — | — | 3,998 | 3,998 |
| Cash surrender value of life insurance policies | — | 8,609 | — | 8,609 |
| | <u>\$379,220</u> | <u>\$21,356</u> | <u>\$ 3,998</u> | 404,574 |
| Investments valued at NAV not classified by level: | | | | |
| International emerging equity | | | | 23,221 |
| Fixed income | | | | 10,236 |
| Global balances | | | | 14,350 |
| Real assets | | | | 7,997 |
| | | | | <u>55,804</u> |
| | | | | <u>\$460,378</u> |

COVENANT HEALTH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

4. Investments (Continued)

The alternative investments are subject to certain redemption terms based upon NAV. Amounts may be redeemed monthly with notification periods ranging from 5 – 15 days. There are no commitments to purchase additional units.

Investment Strategies

International Emerging Equity

The purpose of international emerging equity funds is to provide increased return potential and to reduce overall volatility of the portfolio through greater diversification. These investments can be made either in the form of direct investment, partnerships, fund-of-funds or with an investment manager. These assets require a longer investment horizon.

Fixed Income Investments

The purpose of the fixed income allocation is to provide a hedge against deflation, to increase current income relative to an all-equity fund, and to reduce overall volatility of the fund. The purpose of including fixed income assets such as, but not limited to, inflation-linked bonds, global and high yield securities in the portfolio is to enhance the overall risk-return characteristics of the fund.

Global Balances

The purpose of the global balances allocation is to provide an attractive long-term real return potential while improving portfolio diversification, reducing portfolio volatility and adding an explicit inflation buffer. The strategy emphasizes diversifying investments including emerging market bonds and stocks, alternative investments, and inflation-related assets that offer attractive long term return potential with lower correlation to mainstream markets and greater responsiveness to rising inflation.

Real Assets

Real assets include investments in liquid instruments, such as inflation-linked bonds, master limited partnership income funds and commodity futures. Investments are made in financial assets which are related to or strongly influenced by the value of one or more underlying tangible assets. The purpose of the real asset allocation is to provide a source of growth in an inflationary environment when other investments may underperform.

COVENANT HEALTH, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020

(In thousands)

4. Investments (Continued)

The principal components of total investment return for the years ended December 31 include:

| | <u>2021</u> | <u>2020</u> |
|--|------------------|------------------|
| Investment income: | | |
| Interest and dividends | \$ 6,251 | \$ 9,642 |
| Net realized gains on sales of securities | 60,799 | 5,191 |
| Net unrealized losses on investments | <u>(28,826)</u> | <u>(1,048)</u> |
| Net realized and unrealized gains on investments | <u>31,973</u> | <u>4,143</u> |
| Investment income and losses | <u>\$ 38,224</u> | <u>\$ 13,785</u> |

All unrestricted investment income and (losses) gains including unrealized (losses) gains are included as part of nonoperating gains.

5. Lines of Credit, Long-Term Debt and Lease Liability

The System maintains a line of credit totaling \$5,000, which had no outstanding balances at December 31, 2021 and 2020.

Long-Term Debt

Long-term debt at December 31 consists of the following:

| | <u>2021</u> | <u>2020</u> |
|--|-------------|----------------------|
| In August 2021, Covenant on behalf of the Obligated Group, privately placed \$225,000 of notes (2021 Notes). The proceeds of the 2021 Notes were used to refinance all of the System's publicly traded municipal bonds, certain privately placed bonds and a taxable loan. The 2021 Notes were issued in two tranches. The first tranche in the amount of \$125,000 matures in 2041 and bears interest at 3.47%. The second tranche of \$100,000 matures in 2051 and bears interest at 4.48% | \$225,000 | \$ — |
| In June 2020, the Maine Health and Higher Educational Facilities Authority (MHHEFA) issued tax-exempt revenue bonds (Series 2020A) and loaned \$3,753 of the proceeds to St. Mary's Regional Medical Center (SMRMC). The proceeds were used to refund the Series 2010B Bonds. The bonds are secured by substantially all the assets of SMRMC and a moral obligation pledge by the State of Maine. The bonds bear interest at 4% and mature in varying annual amounts to 2031 | — | 3,753 ⁽¹⁾ |
| In June 2020, MHHEFA issued tax-exempt revenue bonds (Series 2020A) and loaned \$3,308 of the proceeds to St. Joseph Hospital Bangor (SJHB). The proceeds were used to refund the Series 2010B Bonds. The bonds are secured by substantially all the assets of SJHB and a moral obligation pledge by the State of Maine. The bonds bear interest at 4% and mature in varying annual amounts to 2026 | — | 3,308 ⁽¹⁾ |

COVENANT HEALTH, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020

(In thousands)

5. Lines of Credit, Long-Term Debt and Lease Liability (Continued)

Long-Term Debt (continued)

| | <u>2021</u> | <u>2020</u> |
|---|-------------|-------------------------|
| In June 2020, Community Clinical Services, Inc. obtained \$1,671 from TD Bank, which is eligible for forgiveness under the CARES Act. The debt bears interest at 1% and matures in 2022 | \$ — | \$ 1,671 ⁽¹⁾ |
| In December 2017, MHHEFA issued tax-exempt revenue bonds (Series 2017B) and loaned \$4,420 to SMRMC. The bonds are secured by substantially all the assets of SMRMC and a moral obligation pledge by the State of Maine. The bonds bear interest at 3.5% to 5% and mature in varying amounts to 2037 | — | 4,150 ⁽¹⁾ |
| In March 2017, MHHEFA, the New Hampshire Health and Education Facilities Authority (NHHEFA) and the Massachusetts Development Finance Authority (MDFA) issued four series of bonds and loaned approximately \$20 million of the proceeds to the Obligated Group. MHHEFA issued the Series 2017A bonds (SJHB) in the amount of \$3,400 and the Series 2017B bonds (SMRMC) in the amount of \$6,000. NHHEFA issued the Series 2017-NH bonds in the amount of \$7,960 and MDFA issued the Series 2017-MA bonds in the amount of \$2,500. The bonds are secured under the Master Trust Indenture. The bonds bear interest at approximately 3.6% and mature in varying amounts to 2047 | — | 19,860 ⁽¹⁾ |
| In March 2017, the Obligated Group entered into a taxable loan agreement for \$55 million to fund certain capital projects. The loan bears interest at a fixed rate of approximately 3.7% with interest only payments through March 2019. The loan is secured under the Master Trust Indenture. Monthly payments of principal and interest of approximately \$420,000 are to be made through April 2027 | — | 49,630 ⁽¹⁾ |
| In July 2014, NHHEFA issued tax-exempt bonds (Series 2014) and loaned \$16,900 to the Obligated Group. Proceeds borrowed were used to refinance the NHHEFA 2004 bonds. The bonds are secured under the Master Trust Indenture. The bonds bear interest at 2.54% and mature in varying annual amounts to 2034 | — | 12,660 ⁽¹⁾ |
| In July 2014, MHHEFA issued tax-exempt revenue bonds (Series 2014A) and loaned \$6,929 to SMRMC and \$1,834 to St. Mary's d'Youville Pavilion (d'Youville Pavilion). The bonds are collateralized by substantially all the assets of SMRMC and d'Youville Pavilion and a moral obligation pledge by the State of Maine. The bonds bear interest at rates ranging from 3% to 5% and mature in varying annual amounts to 2023 | — | 921 ⁽¹⁾ |
| In 2013, the Scranton-Lackawanna Health and Welfare Authority issued two series of tax-exempt revenue notes and loaned \$2,740 to St. Mary's Villa. The 2013A note was in the amount of \$685 and matured in 2020. The Series 2013B note in the amount of \$2,055 matures in 2029. Both notes bear interest at 3.25% | — | 1,237 ⁽¹⁾ |
| In October 2012, MHHEFA issued tax-exempt revenue bonds (Series 2012) and loaned \$13,490 of the proceeds to SJHB. The bonds are guaranteed with an obligation issued pursuant to the Master Trust Indenture. The bonds bear interest at 3.43% and mature in varying annual amounts to 2032 | — | 9,255 ⁽¹⁾ |

COVENANT HEALTH, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

5. Lines of Credit, Long-Term Debt and Lease Liability (Continued)

Long-Term Debt (continued)

| | <u>2021</u> | <u>2020</u> |
|---|------------------|--------------------------|
| In June 2012, MHHEFA issued tax-exempt revenue bonds (Series 2012) and loaned \$19,270 to SMRMC. The bonds are guaranteed with an obligation pursuant to the Master Trust Indenture. The bonds bear interest at 3.42% and mature in varying annual amounts to 2036 | \$ — | \$ 16,465 ⁽¹⁾ |
| In June 2012, the Massachusetts Health and Educational Facilities Authority (MHEFA) and NHHEFA issued tax-exempt bonds and loaned \$39,365 to the Obligated Group. The bonds are secured under the Master Trust Indenture. The bonds bear interest at rates ranging from 3% to 5% and mature in varying annual amounts to 2042 | — | 36,815 ⁽¹⁾ |
| In 2012, MHHEFA issued tax-exempt revenue bonds (Series 2012) and loaned \$1,780 of the proceeds to SJHB. The 2012 bond indenture required the establishment of a debt service reserve fund in the amount of \$195 held by a trustee. The bonds are secured by substantially all the assets of SJHB and a moral obligation pledge by the State of Maine. The bonds bear interest at rates ranging from 2.5% to 5% and mature in varying annual amounts to 2027 | — | 865 ⁽¹⁾ |
| In October 2007, MHEFA issued Series 2007A bonds in the amount of \$12,940 and Series 2007B bonds in the amount of \$11,890, and NHHEFA issued Series 2007A bonds in the amount of \$17,030 and Series 2007B bonds in the amount of \$36,650. MHEFA and NHHEFA loaned the aggregate proceeds of approximately \$78,510 to the Obligated Group. The 2007 Bond indenture require the establishment of a debt service reserve fund to be held in trust, which amounted to approximately \$886 at December 31, 2021 and 2020. The amount is included in the consolidated balance sheet as funds held by trustees. The bonds are secured under the Master Trust Indenture. The bonds bear interest at rates ranging from 4.5% to 5% and mature in varying annual amounts to 2037 | — | 56,635 ⁽¹⁾ |
| St. Mary's Residences has a mortgage payable to Maine State Housing Authority with an interest rate of 7.5%. The mortgage matures in July 2023 and is collateralized by real property | 1,857 | 2,008 |
| MI Residential Communities, Inc. has a mortgage payable to the Department of Housing and Urban Development and Midland Loans Services, Inc., collateralized by their real property. The note bears interest at 4.05% through March 2053 | 7,050 | 7,392 |
| Additional mortgages payable to various financial institutions are held primarily at St. Joseph Manor and M&J | <u>3,652</u> | <u>2,512</u> |
| | 237,559 | 229,137 |
| Unamortized original issue premium | — | 1,803 |
| Deferred financing costs | <u>(2,012)</u> | <u>(1,909)</u> |
| | 235,547 | 229,031 |
| Less current portion | <u>(935)</u> | <u>(14,425)</u> |
| | <u>\$234,612</u> | <u>\$214,606</u> |

COVENANT HEALTH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

5. Lines of Credit, Long-Term Debt and Lease Liability (Continued)

Debt Refinance

In August 2021, Covenant, on behalf of the Obligated Group, privately placed \$225,000 of notes (2021 Notes). The proceeds of the 2021 Notes were used to refinance all of Covenant's publicly traded municipal bonds, certain privately placed bonds and a taxable loan. The 2021 Notes were issued in two tranches. The first tranche in the amount of \$125,000 matures in 2041 and bears interest at 3.47%, interest only payments are due semi annually through 2026. The second tranche of \$100,000 matures in 2051 and bears interest at 4.48%, interest only payments are due semi annually through 2026. Principal and interest payments ranging from \$10,904 to \$12,335 commence in 2027 for both tranches and call for amortization over 20 years. In conjunction with the refinancing, the System realized a loss of \$10,591, which is recorded as part of nonoperating gains on the consolidated statement of operations.

Obligated Group

Covenant and certain member organizations are collectively referred to as the "Obligated Group" or as "Members," and each individually is sometimes referred to herein as a "Member." The Obligated Group is established pursuant to a Master Indenture of Trust, dated August 31, 2021, as supplemented to date (the Master Indenture), between the Obligated Group and U.S. Bank National Association, as successor master trustee (the Master Trustee). Each Member of the Obligated Group is jointly and severally liable for obligations issued pursuant to, and outstanding under, the Master Indenture (Obligations).

Each Obligated Group Member has granted a security interest in its gross receivables for the benefit of the Master Trustee to secure Obligations issued pursuant to the Master Indenture. In addition, each of St. Joseph Hospital of Nashua, N.H. (Nashua), St. Mary's Regional Medical Center (Lewiston) and St. Joseph Hospital (Bangor) has granted a mortgage on its hospital facility in favor of the Master Trustee to secure Obligations issued pursuant to the Master Indenture.

The Master Indenture contains restrictive covenants, including maintenance of a debt ratio, liquidity covenant, limitations on the amount of any additional borrowings, and limitations on the disposal or transfer of assets. The Obligated Group has complied with such financial covenants and restrictions at December 31, 2021.

(1) Amount paid in full during 2021 as part of the debt refinancing.

Maturities on long-term debt liability for the five years ending December 31 and thereafter are as follows:

| | |
|------------|------------------|
| 2022 | \$ 935 |
| 2023 | 2,279 |
| 2024 | 537 |
| 2025 | 534 |
| 2026 | 320 |
| Thereafter | <u>230,942</u> |
| | <u>\$235,547</u> |

COVENANT HEALTH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

5. Lines of Credit, Long-Term Debt and Lease Liability (Continued)

Lease Liability

In 2019, the System adopted ASU 2016-02, *Leases*. The System recorded the cost of right-of-use assets in the amount of \$10,157 and \$10,964 as of December 31, 2021 and 2020, respectively. The cost of these assets has been included with property, plant and equipment. Amortization expense for assets under lease liability was \$1,329 and \$1,075 for the years ended December 31, 2021 and 2020, respectively, and has been included with depreciation expense in the accompanying consolidated financial statements. Accumulated amortization associated with the lease totaled \$3,261 and \$2,183 as of December 31, 2021 and 2020, respectively.

Lease obligations at December 31 consist of the following:

| | <u>2021</u> | <u>2020</u> |
|---|-----------------|-----------------|
| Total of future lease payments | \$ 10,088 | \$ 9,631 |
| Amounts representing interest | <u>(653)</u> | <u>(851)</u> |
| Present value of minimum lease payments | 9,435 | 8,780 |
| Less current portion | <u>(2,729)</u> | <u>(2,454)</u> |
| | <u>\$ 6,706</u> | <u>\$ 6,326</u> |

A summary of the future lease payments under lease liabilities is as follows at December 31, 2021:

| | |
|------------|------------------|
| 2022 | \$ 3,001 |
| 2023 | 2,703 |
| 2024 | 2,272 |
| 2025 | 1,343 |
| 2026 | 703 |
| Thereafter | <u>66</u> |
| | <u>\$ 10,088</u> |

The System paid interest in the amount of \$12,418 in 2021 and \$10,336 in 2020.

6. Defined Benefit Pension Plan

The System maintains two noncontributory defined benefit plans in Nashua and Bangor. The total accumulated benefit obligation, plan assets and funded status is summarized below as of December 31:

| | <u>2021</u> | <u>2020</u> |
|--------------------------------------|----------------|---------------|
| Accumulated benefit obligation (ABO) | \$ 50,741 | \$ 49,824 |
| Plan assets | <u>50,689</u> | <u>49,876</u> |
| Funded status | <u>\$ (52)</u> | <u>\$ 52</u> |

COVENANT HEALTH, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

6. Defined Benefit Pension Plan (Continued)

In 2021, the financial markets experienced significant volatility which affected both the investment markets which would affect the plans' assets as well as the debt markets which would impact the calculation of the ABO.

Nashua

Nashua maintains a noncontributory defined benefit plan. The measurement date is December 31. Effective June 2, 2007, plan participation was frozen. Benefit service and plan compensation have been frozen effective December 31, 2007.

Net periodic pension cost includes the following components for the years ended December 31:

| | <u>2021</u> | <u>2020</u> |
|---|-----------------|-----------------|
| Interest cost on projected benefit obligation | \$ 732 | \$ 869 |
| Expected return on plan assets | (1,307) | (1,822) |
| Amortization of loss | 1,285 | 910 |
| Recognition of settlement | <u>720</u> | <u>1,113</u> |
| Net periodic pension expense | <u>\$ 1,430</u> | <u>\$ 1,070</u> |

The following table sets forth the plan's benefit obligation, funded status and amounts recognized in the consolidated financial statements at December 31:

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|-----------------|
| Accumulated benefit obligation | <u>\$30,779</u> | <u>\$28,796</u> |
| Changes in projected benefit obligations: | | |
| Projected benefit obligations, beginning of period | \$28,796 | \$29,401 |
| Benefits paid | (572) | (610) |
| Interest cost | 732 | 869 |
| Impact of assumption changes | (494) | 1,154 |
| Experience loss | 4,131 | 664 |
| Settlement amount | <u>(1,814)</u> | <u>(2,682)</u> |
| Projected benefit obligations, end of period | 30,779 | 28,796 |
| Changes in plan assets: | | |
| Fair value of plan assets, beginning of period | 28,848 | 27,906 |
| Actual return on plan assets | 762 | 2,597 |
| Employer contributions | 2,400 | 2,400 |
| Benefits paid and other | (572) | (610) |
| Settlement amount | <u>(1,912)</u> | <u>(3,445)</u> |
| Fair value of plan assets, end of period | <u>29,526</u> | <u>28,848</u> |
| Funded status | <u>\$ (1,253)</u> | <u>\$ 52</u> |

COVENANT HEALTH, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020

(In thousands)

6. Defined Benefit Pension Plan (Continued)

The weighted average assumptions used in accounting for the defined benefit pension plan are as follows as of and for the years ended December 31:

| | <u>2021</u> | <u>2020</u> |
|---|-------------|-------------|
| Discount rate used to determine net periodic pension cost | 2.52% | 3.22% |
| Discount rate used to determine benefit obligation | 2.83 | 2.52 |
| Expected long-term rate of return on plan assets | 5.00 | 7.00 |
| Rate of increase in future compensation levels | N/A | N/A |

The following is a summary of the allocation of plan assets for the years ended December 31:

| | <u>2021</u> | <u>2020</u> |
|---|-----------------|-----------------|
| Cash and cash equivalents | \$ 1,195 | \$ 282 |
| Debt securities and fixed income mutual funds | 25,084 | — |
| Equity funds | <u>3,247</u> | <u>28,566</u> |
| | <u>\$29,526</u> | <u>\$28,848</u> |

All pension assets are considered to be Level 1 assets (as defined in Note 4).

In selecting the expected long-term rate of return on assets, Nashua considered the average rate of earnings expected on the funds invested or to be invested to provide for the benefits of this plan. This includes considering the trusts' asset allocation and the expected returns likely to be earned over the life of the plan. This basis is consistent with the prior year.

Nashua and affiliates anticipate making contributions totaling \$2,400 to its defined benefit pension plan in 2022.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid during the period ended December 31:

| | |
|-------------------|----------|
| 2022 | \$ 3,353 |
| 2023 | 1,915 |
| 2024 | 2,326 |
| 2025 | 1,456 |
| 2026 | 2,095 |
| 2027 through 2031 | 8,319 |

COVENANT HEALTH, INC. AND SUBSIDIARIES
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6. Defined Benefit Pension Plan (Continued)

Bangor

Bangor maintains a noncontributory defined benefit plan. The measurement date is December 31. Effective January 1, 2004, plan participation was frozen. In 2011, Bangor elected to freeze the plan for purposes of benefit services and plan compensation effective June 30, 2012.

Net periodic pension cost includes the following components for the years ended December 31:

| | <u>2021</u> | <u>2020</u> |
|---|-----------------|-----------------|
| Interest cost on projected benefit obligation | \$ 516 | \$ 627 |
| Expected return on plan assets | <u>(1,345)</u> | <u>(1,208)</u> |
| Net periodic pension cost | \$ <u>(829)</u> | \$ <u>(581)</u> |

The following table sets forth the plan's benefit obligation, funded status and amounts recognized in the consolidated financial statements at December 31:

| | <u>2021</u> | <u>2020</u> |
|--|------------------|------------------|
| Accumulated benefit obligation | \$ <u>19,962</u> | \$ <u>21,028</u> |
| Changes in projected benefit obligations: | | |
| Projected benefit obligations, beginning of period | \$21,028 | \$ 19,915 |
| Interest cost | 516 | 627 |
| Benefits paid and other | (932) | (1,042) |
| Experience (loss) gain | <u>(650)</u> | <u>1,528</u> |
| Projected benefit obligations, end of period | 19,962 | 21,028 |
| Changes in plan assets: | | |
| Fair value of plan assets, beginning of period | 21,028 | 19,121 |
| Actual return on plan assets | 1,067 | 2,949 |
| Benefits paid | <u>(932)</u> | <u>(1,042)</u> |
| Fair value of plan assets, end of period | <u>21,163</u> | <u>21,028</u> |
| Funded status | \$ <u>1,201</u> | \$ <u>—</u> |

COVENANT HEALTH, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(In thousands)

6. Defined Benefit Pension Plan (Continued)

The weighted average assumptions used in accounting for the defined benefit pension plan are as follows as of and for the years ended December 31:

| | <u>2021</u> | <u>2020</u> |
|---|-------------|-------------|
| Discount rate used to determine net periodic pension cost | 2.52% | 3.22% |
| Discount rate used to determine benefit obligation | 2.83 | 2.52 |
| Expected long-term rate of return on plan assets | 6.50 | 6.50 |
| Rate of increase in future compensation levels | N/A | N/A |

The following is a summary of the allocation of plan assets for the years ended December 31:

| | <u>2021</u> | <u>2020</u> |
|--------------------|-----------------|-----------------|
| Mutual funds: | | |
| Equity funds | \$ — | \$11,878 |
| Fixed income funds | <u>21,163</u> | <u>9,150</u> |
| | <u>\$21,163</u> | <u>\$21,028</u> |

All pension assets are considered to be Level 1 assets (as defined in Note 4).

The target allocation percentage for investments is designed to meet the expected return on plan assets. The plan trustee evaluates its target allocation periodically in relation to market performance and overall market conditions. The plan does not allow for the purchase of derivatives and the overall goal is to provide for adequate investment growth, along with contributions, to provide adequate funding to meet plan obligations on a current and projected basis.

Bangor and affiliates do not expect to make contributions to its defined benefit pension plan during the year ended December 31, 2022.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid during the period ended December 31:

| | |
|-------------------|----------|
| 2022 | \$ 1,173 |
| 2023 | 1,170 |
| 2024 | 1,190 |
| 2025 | 1,187 |
| 2026 | 1,213 |
| 2027 through 2031 | 5,878 |

COVENANT HEALTH, INC. AND SUBSIDIARIES

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7. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31:

| | <u>2021</u> | <u>2020</u> |
|--|-----------------|-----------------|
| Purpose restriction: | | |
| Health care services | \$ 3,693 | \$ 3,090 |
| Equipment and capital improvements | 9,127 | 15,302 |
| Education and scholarships | 428 | 523 |
| Employee emergency assistance | 129 | 112 |
| Designated for certain communities | <u>694</u> | <u>1,423</u> |
| | 14,071 | 20,450 |
| Perpetual in nature: | | |
| Investments, gains and income from which is donor restricted | 30,968 | 26,539 |
| Investments, gains and income from which is released to net assets without donor restrictions | 9,286 | 8,296 |
| Beneficial interest in perpetual trust | <u>6,356</u> | <u>5,830</u> |
| | <u>46,610</u> | <u>40,665</u> |
| Total net assets with donor restrictions | <u>\$60,681</u> | <u>\$61,115</u> |

Net assets with donor restrictions are managed in accordance with donor intent and are invested in various portfolios.

8. Investments in Joint Ventures

The System has ownership interests in joint ventures. All of the investments are accounted for under the equity method of accounting. The more significant investments in joint ventures are as follows:

The System has an interest in United Ambulance Services which has operations in Lewiston and Auburn, Maine. The investment has a carrying value at December 31, 2021 and 2020 of \$2,485 and \$2,466, respectively.

The System has an ownership interest in Nashua Regional Cancer Center. The investment has a carrying value of \$1,529 and \$2,127 at December 31, 2021 and 2020, respectively.

The System entered into a joint venture in 2021 with MaineHealth to provide expanded patient medical services in Lewiston. Under the terms of the joint venture, MaineHealth and the System will share in the costs of providing the services. The cost sharing of the joint venture is settled prospectively.

COVENANT HEALTH, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020

(In thousands)

9. Financial Assets and Liquidity Resources

As of December 31, 2021, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, consisted of the following:

| | |
|-----------------------------|------------------|
| Cash and cash equivalents | \$ 57,455 |
| Short-term investments | 8,245 |
| Patient accounts receivable | <u>84,335</u> |
| | <u>\$150,035</u> |

To manage liquidity, the System maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents and short-term investments include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the System. In addition, the System has board-designated assets without donor restrictions that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of December 31, 2021, the balance of liquid investments in board-designated assets was \$395,935.

The System also has a \$5 million line of credit available to support future operations. See Note 5 for information about the System's line.

10. St. Mary's Villa

St. Mary's Villa has certain regulatory disclosure requirements. The following information has been included to meet those regulatory disclosure requirements and applies specifically to St. Mary's Villa:

Entrance Fees

Fees paid by a resident upon entering into a continuing care contract are refundable and amortized to income using the straight-line method over a period of five years. There was one (1) CCRC resident at December 31, 2021 and one (1) CCRC resident at December 31, 2020. There were no fees received or amounts refunded in 2021 or 2020.

St. Mary's Villa has not and will not accept any entrance fee under any continuing care agreement until the date of admission and this practice will continue into the future. St. Mary's Villa Disclosure Statements and Admissions Agreements reflect this practice. It is management's understanding that this practice exempts St. Mary's Villa's CCRC from maintaining a formal escrow agreement with an appointed escrow agent or other manner of security as described in 40 P.S. § 3212.

COVENANT HEALTH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

10. St. Mary's Villa (Continued)

Obligation to Provide Future Services

The CCRC annually calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. At December 31, 2021 and 2020, the calculated net cost did not exceed the deferred revenue from advance fees and no liability was required to be recorded.

Statutory Liquid Reserves

The *Continuing Care Provider Registration and Disclosure Act* requires a working capital reserve equivalent to the greater of the total debt service payments of any loan or long-term financing due during the next twelve months or 10% of the projected annual expenses of the facility, exclusive of depreciation and amortization. The reserve is computed on the proportional share of debt service or operating expenses that are applicable to resident agreements.

Statutory liquid reserves are calculated as follows at December 31:

| | <u>2021</u> | <u>2020</u> |
|--|--------------------|--------------------|
| Principal and interest payments due within the next twelve months | \$ 480 | \$ 668 |
| Percent of residents subject to agreements | <u>2.30%</u> | <u>2.02%</u> |
| Reserve calculated | \$ <u>11</u> | \$ <u>14</u> |
| Projected operating expenses, excluding depreciation and amortization | \$13,353 | \$12,522 |
| Percent of residents subject to agreements | <u>2.30%</u> | <u>2.02%</u> |
| | 307 | 253 |
| Percent of residents subject to agreements | <u>2.30%</u> | <u>2.02%</u> |
| Reserve calculated | \$ <u>7</u> | \$ <u>5</u> |
| Minimum reserve required (greater of above)* | \$ <u>11</u> | \$ <u>14</u> |
| CCRC residents | 1 | 1 |
| Total beds | 64 ^(a) | 64 ^(a) |
| Average occupancy | 68% ^(b) | 77% ^(b) |
| Average beds (a)*(b) | 44 | 49 |
| Percentage of residents subject to agreements (CCRC residents / average beds) | 2.30% | 2.02% |

* The Villa records amounts required to satisfy reserve requirements above in funds held by trustee which totaled \$25 and \$14 at December 31, 2021 and 2020, respectively.

COVENANT HEALTH, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020
(In thousands)

11. Functional Expenses

The System provides acute and long-term health care services. Expenses related to providing these services are as follows for the years ended December 31:

| | <u>Health Services</u> | <u>General and Administrative</u> | <u>Total</u> |
|-------------------------------|----------------------------|---------------------------------------|------------------|
| <u>2021</u> | | | |
| Salaries and wages | \$349,132 | \$ 10,381 | \$359,513 |
| Employee benefits | 67,680 | 1,668 | 69,348 |
| Supplies | 94,424 | — | 94,424 |
| Other expenses | 86,278 | 127,397 | 213,675 |
| Interest | 9,454 | — | 9,454 |
| Provider tax | 22,305 | — | 22,305 |
| Depreciation and amortization | <u>25,497</u> | <u>—</u> | <u>25,497</u> |
| | <u>\$654,770</u> | <u>\$139,446</u> | <u>\$794,216</u> |
| <u>2020</u> | | | |
| Salaries and wages | \$321,323 | \$ 13,568 | \$334,891 |
| Employee benefits | 62,690 | 2,158 | 64,848 |
| Supplies | 77,045 | — | 77,045 |
| Other expenses | 93,856 | 92,087 | 185,943 |
| Interest | 10,053 | — | 10,053 |
| Provider tax | 21,906 | — | 21,906 |
| Depreciation and amortization | <u>30,146</u> | <u>—</u> | <u>30,146</u> |
| | <u>\$617,019</u> | <u>\$107,813</u> | <u>\$724,832</u> |

The consolidated financial statements report certain expense categories that are attributable to more than one healthcare service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Supporting activities that are not directly identifiable with one or more healthcare programs are classified as general and administrative. If it is impossible or impractical to make a direct identification, allocation of the expenses were made according to management's estimates. Employee benefits were allocated in accordance with the ratio of salaries and wages of the functional classes. Specifically identifiable costs are assigned to the function which they are identified to.

12. Acquisition of Bangor Nursing and Rehab Center, Inc.

In 2021, the System acquired Bangor Nursing and Rehab Center, Inc. (BNF). As of the acquisition date, the market value of BNF total assets was \$6,089.

In 2021, subsequent to the acquisition date of December 1, 2021, BNF reported patient revenue of \$403.

The net assets of BNF were recognized as a contribution as part of nonoperating gains in 2021 and the contribution was approximately \$5,000.

COVENANT HEALTH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020
(In thousands)

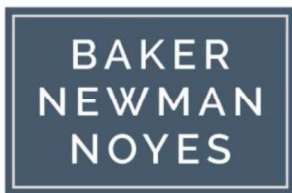
13. Commitments and Contingencies

Litigation

On occasion the System is subject to various potential legal claims that may arise in the normal course of business. The System intends to vigorously defend against any such claims that may arise. In the opinion of management, no claims have been asserted against the System which, either individually or in the aggregate, are considered to be material or will be in excess of its insurance coverage.

Regulatory

The health care industry is subject to numerous laws and regulations of federal, state and local governments. Recently, government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Compliance with such laws and regulations are subject to government review and interpretations as well as potential regulatory actions. Management believes that the System is in substantial compliance with current laws and regulations and is not aware of any material potential regulatory issues.



INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

The Board of Directors
Covenant Health, Inc.

We have audited the consolidated financial statements of Covenant Health, Inc. and Subsidiaries (the System) as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink, appearing to read "Baker Newman Noyes LLC".

Boston, Massachusetts
April 29, 2022

Covenant Health, Inc.
Consolidating Balance Sheet
December 31, 2021
(In thousands)

| | St. Joseph Hospital of Nashua, NH, Inc.* | St. Mary's Health System* | St. Joseph Healthcare Foundation* | St. Joseph Valuation Co. | Covenant Health, Inc. | Mary Immaculate* | (Marist Hill) CHS of Waltham Inc. | St. Joseph Manor Health Care, Inc. | (St. Mary) CHS of Worcester, Inc. | Mount St. Rita Health Centre | Mount St. Rita Valuation Co. | Penacook Place, Inc. | Penacook Valuation | Elimi- nations | ** Total Obligated Group |
|--|---|---------------------------------|---|--------------------------------|-----------------------------|---------------------|--|---|--|---------------------------------------|---------------------------------------|----------------------------|-----------------------|-------------------|-----------------------------------|
| Assets | | | | | | | | | | | | | | | |
| Current assets: | | | | | | | | | | | | | | | |
| Cash and cash equivalents | \$ 5,016 | \$ 3,597 | \$ 1,829 | \$ — | \$ — | \$ 3,167 | \$ 357 | \$ 803 | \$ 844 | \$ 466 | \$ — | \$ 482 | \$ — | \$ — | \$ 37,520 |
| Accounts receivable, net | 29,705 | 25,953 | 16,172 | — | — | 1,679 | 1,304 | 1,359 | 977 | 213 | — | 2,636 | — | — | 79,998 |
| Investments | — | 3,306 | 2,143 | — | — | — | — | — | — | — | — | — | — | — | 5,449 |
| Inventories | 4,240 | 2,521 | 4,120 | — | — | 44 | 1 | 14 | — | — | — | 54 | — | — | 10,994 |
| Prepaid expenses and other current assets | 1,536 | 1,236 | 1,619 | — | 5,383 | 266 | 16 | (18) | 31 | 13 | — | 57 | — | — | 10,139 |
| Current portion of assets whose use is limited or restricted | — | 1 | — | — | — | 1 | 22 | 141 | 36 | 151 | — | 84 | — | — | 436 |
| Current portion of due from affiliates | 190 | 23,271 | 3,051 | — | 17,674 | 553 | — | — | — | — | — | — | — | (17,780) | 436 |
| Total current assets | 40,687 | 59,885 | 28,934 | — | 44,016 | 5,710 | 1,700 | 2,299 | 1,888 | 843 | — | 3,313 | — | (17,780) | 26,959 |
| Assets whose use is limited or restricted: | | | | | | | | | | | | | | | |
| Funds held by trustees, less current portion | — | — | — | — | 1,151 | — | — | — | — | — | — | — | — | — | 1,151 |
| Deferred compensation | 653 | — | — | — | — | — | — | — | — | — | — | — | — | — | 653 |
| Board designated funds and other long-term investments | 164,586 | 5,163 | 11,329 | — | 38,662 | 52,058 | 1,356 | 1,646 | — | 1,454 | — | 1 | — | — | 276,255 |
| Replacement reserve | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Donor-restricted funds | 2,233 | 5,940 | 3,022 | — | — | 48 | 47 | 49 | 93 | 48 | — | 116 | — | — | 11,596 |
| Total assets whose use is limited or restricted | 167,472 | 11,103 | 14,351 | — | 39,813 | 52,106 | 1,403 | 1,695 | 93 | 1,502 | — | 117 | — | — | 289,655 |
| Other assets: | | | | | | | | | | | | | | | |
| Due from affiliates, less current portion | 16,122 | — | — | — | 45,033 | (2) | 7 | 107 | 25 | — | — | 216 | — | — | 61,508 |
| Investments in joint ventures | 2,075 | — | 118 | — | 143,050 | — | — | — | — | — | — | — | — | (125,038) | 20,205 |
| Total other assets | 20,370 | 2,485 | 301 | (247) | 5 | — | — | — | — | — | — | — | — | — | 4,717 |
| Property, plant and equipment: | | | | | | | | | | | | | | | |
| Land and improvements | 3,749 | 2,831 | 2,070 | — | — | 641 | 490 | 269 | 485 | 529 | — | 31 | — | — | 11,095 |
| Buildings and improvements | 112,637 | 80,062 | 51,381 | 11,935 | 42 | 13,930 | 8,438 | 4,534 | 3,527 | 8,141 | 3,222 | 7,670 | 1,517 | — | 307,036 |
| Equipment | 59,337 | 38,959 | 40,673 | — | 89,450 | 2,499 | 3,222 | 647 | 767 | 1,347 | — | 2,562 | — | — | 239,463 |
| Construction in progress | 848 | 7,615 | 514 | — | 1,050 | 373 | 7 | 265 | 20 | 62 | — | — | — | — | 10,754 |
| Right of use assets | 4,256 | 3,754 | 154 | — | 1,405 | — | — | — | — | — | — | — | — | — | 9,569 |
| Less accumulated depreciation | 180,827 | 133,221 | 94,792 | 11,935 | 91,947 | 17,443 | 12,157 | 5,715 | 4,799 | 10,079 | 3,222 | 10,263 | 1,517 | — | 577,917 |
| Less accumulated depreciation — right of use assets | (116,414) | (69,118) | (65,371) | 1,461 | (23,293) | (11,584) | (7,113) | (2,862) | (2,581) | (6,749) | 380 | (8,017) | 145 | — | (311,116) |
| Total property, plant and equipment | (2,056) | (82) | (72) | — | (799) | — | — | — | — | — | — | — | — | — | (3,009) |
| Total assets | 62,357 | 64,021 | 29,349 | 13,396 | 67,855 | 5,859 | 5,044 | 2,853 | 2,218 | 3,330 | 3,602 | 2,246 | 1,662 | — | 263,792 |
| | \$ 290,886 | \$ 137,494 | \$ 73,053 | \$ 13,149 | \$ 339,772 | \$ 63,673 | \$ 8,154 | \$ 6,954 | \$ 4,224 | \$ 5,675 | \$ 3,602 | \$ 5,892 | \$ 1,662 | \$ (142,818) | \$ 811,372 |

* Certain entities included in St. Joseph Hospital of Nashua, NH, Inc., St. Mary's Health System, St. Joseph Healthcare Foundation and Mary Immaculate are not included in the Obligated Group.

** Total of Obligated Group carried forward to next page.

| Covenant Health, Inc. Consolidating Balance Sheet December 31, 2021 (in thousands) | | St. Mary's Villa Nursing Home, Inc. | St. Andre Health Care Facility | Youville Place | Youville House | MI Residential Community Inc. | Bangor Nursing and Rehab Center, Inc. | Bangor Nursing and Rehab Center, Inc. Valuation | St. Joseph Hospital of Nashua, NH, Inc. Affiliates | St. Mary's Health System Affiliates | St. Joseph Healthcare Foundation Affiliates | Covenant Health Foundation | Fanny Allen Corporation | Fanny Allen Holdings | Covenant Health Insurance LTD | Covenant Health Master Trust | Eliminations | System Consolidated |
|---|--|--|---|-------------------|-------------------|--|--|---|--|--|--|----------------------------------|-------------------------------|----------------------------|--|---------------------------------------|--------------|------------------------|
| Assets | | | | | | | | | | | | | | | | | | |
| Current assets: | | | | | | | | | | | | | | | | | | |
| Cash and cash equivalents | | \$ 2,531 | \$ 2,411 | \$ 1,090 | \$ 1,515 | \$ 1,718 | \$ 145 | \$ — | \$ 1,142 | \$ 3,640 | \$ 2,829 | \$ 33 | \$ 94 | \$ 48 | \$ 2,739 | \$ — | \$ — | \$ 57,455 |
| Patient accounts receivable | | 844 | 1,182 | 82 | 77 | 111 | 365 | — | — | 599 | 1,069 | — | — | 8 | — | — | — | 84,335 |
| Inventories | | — | — | — | — | — | 1,002 | — | — | 155 | 1,639 | — | — | — | — | — | — | 8,245 |
| Prepaid expense and other current assets | | 16 | — | — | — | — | 45 | — | — | 19 | 211 | — | — | — | — | — | — | 11,285 |
| Current portion of assets whose use is limited or restricted | | 52 | 43 | 76 | 111 | 131 | 38 | — | 136 | 441 | 240 | — | — | — | 7,410 | — | — | 18,817 |
| Current portion of due from affiliates | | 661 | 54 | 68 | — | — | — | — | — | — | — | — | — | — | — | — | — | 1,219 |
| Total current assets | | 4,099 | 3,690 | 1,324 | 1,769 | 1,960 | 1,595 | — | 7,399 | 6,888 | 6,024 | 43 | 94 | 56 | 10,149 | — | (35,229) | 181,356 |
| Assets whose use is limited or restricted: | | | | | | | | | | | | | | | | | | |
| Funds held by trustees, less current portion | | 26 | — | — | — | 498 | 38 | — | — | 1,628 | — | — | — | — | — | — | — | 3,341 |
| Deferred compensation | | — | — | — | — | — | — | — | 12,933 | — | — | — | — | — | — | — | — | 13,586 |
| Board designated funds and other long-term investments | | 16,014 | 898 | 5,684 | 18,657 | — | — | — | 1,027 | 780 | — | — | 9,679 | 3,222 | 63,719 | 352,820 | (352,820) | 395,935 |
| Replacement reserve | | — | — | — | — | 6,875 | — | — | — | 566 | — | — | — | — | — | — | — | 7,441 |
| Donor-restricted funds | | 13 | 3.6 | 488 | 4,554 | 81 | — | — | 718 | 1,936 | 3,839 | 30,792 | 1,860 | — | — | — | 280 | 56,193 |
| Total assets whose use is limited or restricted | | 16,053 | 934 | 6,172 | 23,211 | 7,454 | 38 | — | 14,678 | 4,910 | 3,839 | 30,792 | 11,539 | 3,222 | 63,719 | 352,820 | (352,540) | 476,496 |
| Other assets: | | | | | | | | | | | | | | | | | | |
| Due from affiliates, less current portion | | 57 | — | 26 | 7 | — | — | — | 15,360 | 229 | — | — | — | — | — | — | (76,387) | 800 |
| Investments in joint ventures | | — | — | — | — | — | — | — | — | 555 | 53 | — | — | — | — | — | (20,205) | — |
| Total other assets | | 57 | — | 26 | 7 | — | — | — | 16,572 | 784 | 53 | — | — | — | — | — | (96,591) | 7,338 |
| Property, plant and equipment | | | | | | | | | | | | | | | | | | |
| Land and improvements | | 299 | 424 | 750 | — | 106 | 51 | — | 1,615 | 2,217 | 2,887 | — | — | 716 | — | — | — | 20,160 |
| Buildings and improvements | | 16,407 | 2,112 | 16,067 | 17,785 | 31,939 | 5,216 | 2,751 | 11,863 | 9,636 | 8,029 | — | — | 1,324 | — | — | — | 430,165 |
| Equipment | | 4,542 | 1,070 | 518 | 416 | 1,396 | 1,307 | 104 | 105 | 971 | 1,268 | — | — | 457 | — | — | — | 251,617 |
| Construction in progress | | 175 | 78 | — | — | — | — | — | — | 13 | 75 | — | — | — | — | — | — | 11,095 |
| Right of use asset | | — | — | — | — | — | — | — | 588 | — | — | — | — | — | — | — | — | 10,157 |
| Less accumulated depreciation | | 21,423 | 3,684 | 17,335 | 18,201 | 33,441 | 6,574 | 2,855 | 14,171 | 12,837 | 12,259 | — | — | 2,497 | — | — | — | 723,194 |
| Less accumulated depreciation — right of use assets | | (12,980) | (1,710) | (7,045) | (8,272) | (25,801) | (5,348) | (8) | (6,130) | (7,173) | (8,350) | — | — | (1,249) | — | — | — | (395,182) |
| Total property, plant and equipment | | 8,443 | 1,974 | 10,290 | 9,929 | 7,640 | 1,226 | 2,847 | 7,789 | 5,664 | 3,909 | — | — | — | — | — | — | 324,751 |
| Total assets | | \$ 28,652 | \$ 6,598 | \$ 17,812 | \$ 34,916 | \$ 17,054 | \$ 2,859 | \$ 2,847 | \$ 46,438 | \$ 18,246 | \$ 13,825 | \$ 30,835 | \$ 11,633 | \$ 4,526 | \$ 73,868 | \$ 352,820 | \$ (484,360) | \$ 989,941 |

Covenant Health, Inc.
Consolidating Balance Sheet
December 31, 2021
(In thousands)

Liabilities and Net Assets

Current liabilities:

Accounts payable
Accrued expenses and other liabilities
Estimated third-party payor settlements
Other current liabilities
Current portion of due to affiliates
Current portion of lease liability
Current portion of long-term debt
Total current liabilities

Long-term debt, less current portion

Long-term lease liability, less current portion

Due to affiliates, less current portion

Defined benefit pension obligation

Other liabilities

Professional liability loss reserves

Total liabilities

Net assets:

Without donor restriction
With donor restriction
Total net assets

Total liabilities and net assets

| St. Joseph Hospital of Nashua, NH, Inc.* | St. Mary's Health System* | St. Joseph Healthcare Foundation* | St. Joseph Valuation Co. | Covenant Health, Inc. | Mary Immaculate* | (Marist Hill) CHS of Walham Inc. | St. Joseph Manor Health Care, Inc. | (St. Mary) CHS of Worcester, Inc. | Mount St. Rita Health Centre | Mount St. Rita Valuation Co. | Penacook Place, Inc. | Penacook Valuation | Elimi- nations | ** Total Obligated Group |
|---|---------------------------------|---|--------------------------------|-----------------------------|---------------------|---|---|--|---------------------------------------|---------------------------------------|----------------------------|-----------------------|-------------------|-----------------------------------|
| \$ 6,169 | \$ 6,068 | \$ 4,254 | \$ — | \$ 1,104 | \$ 445 | \$ 552 | \$ 178 | \$ 281 | \$ 75 | \$ — | \$ 1,226 | \$ — | \$ 63 | \$ 20,415 |
| 20,138 | 14,456 | 8,590 | — | 11,826 | 1,091 | 655 | 272 | 359 | 520 | — | 595 | — | — | 58,502 |
| 6,580 | (2,751) | (5,660) | — | — | 30 | 136 | 271 | 209 | (101) | — | 290 | — | — | (996) |
| 16,148 | 11,138 | 10,465 | — | 4 | 111 | 2 | (38) | 52 | — | — | 130 | — | — | 38,012 |
| 6,659 | 16,687 | 2,843 | — | 148 | 317 | — | — | — | — | — | — | — | (17,843) | 8,811 |
| 780 | 1,005 | 496 | — | 358 | — | — | 183 | — | — | — | — | — | — | 2,639 |
| — | 368 | — | — | — | — | — | — | — | — | — | — | — | — | 551 |
| 56,474 | 46,971 | 20,288 | — | 13,440 | 1,994 | 1,345 | 866 | 901 | 494 | — | 2,241 | — | (17,780) | 127,934 |
| — | — | — | — | 222,988 | — | — | 697 | — | — | — | — | — | — | 223,685 |
| 1,993 | 2,671 | 1,547 | — | 249 | — | — | — | — | — | — | — | — | — | 6,460 |
| 67,583 | 33,583 | 14,934 | — | 120 | — | 6,373 | — | — | — | — | 2,445 | — | (125,038) | — |
| 1,253 | — | (961) | — | — | — | — | — | — | — | — | — | — | — | 292 |
| 7,393 | 580 | 368 | — | — | 565 | 336 | 48 | 98 | 48 | — | 182 | — | — | 9,618 |
| 1,197 | — | 1,247 | — | — | 89 | 32 | 43 | 45 | 104 | — | 44 | — | — | 2,801 |
| 135,893 | 83,805 | 38,123 | — | 236,797 | 2,648 | 8,086 | 1,654 | 1,044 | 646 | — | 4,912 | — | (142,818) | 370,790 |
| 152,760 | 47,843 | 31,789 | 13,149 | 102,717 | 61,022 | 46 | 5,160 | 3,158 | 4,878 | 3,602 | 896 | 1,662 | — | 428,682 |
| 2,233 | 5,846 | 3,141 | — | 258 | 3 | 22 | 140 | 22 | 151 | — | 84 | — | — | 11,900 |
| 154,993 | 53,689 | 34,930 | 13,149 | 102,975 | 61,025 | 68 | 5,300 | 3,180 | 5,029 | 3,602 | 980 | 1,662 | — | 440,582 |
| \$ 290,886 | \$ 137,494 | \$ 73,053 | \$ 13,149 | \$ 339,772 | \$ 63,673 | \$ 8,154 | \$ 6,954 | \$ 4,224 | \$ 5,675 | \$ 3,602 | \$ 5,892 | \$ 1,662 | \$ (142,818) | \$ 811,372 |

* Certain entities included in St. Joseph Hospital of Nashua, NH, Inc., St. Mary's Health System, St. Joseph Healthcare Foundation and Mary Immaculate are not included in the Obligated Group.

** Total of Obligated Group carried forward to next page.

| Covenant Health, Inc. Consolidating Balance Sheet December 31, 2021 (In thousands) | | St. Mary's Villa Nursing Home, Inc. | St. Andre Health Care Facility | Yourville Place | Youville House | MI Residential Community Inc. | Bangor Nursing and Rehab Center, Inc. | Bangor Nursing and Rehab Center, Inc. Valuation | St. Joseph Hospital of Nashua, NH, Inc. Affiliates | St. Mary's Health System Affiliates | St. Joseph Healthcare Foundation Affiliates | Covenant Health Foundation | Fanny Allen Corporation | Fanny Allen Holdings | Covenant Health Insurance LTD | Covenant Health Trust | Eliminations | System Consolidated |
|---|--|--|---|--------------------|-------------------|--|--|---|--|--|--|----------------------------------|-------------------------------|----------------------------|--|-----------------------------|--------------|------------------------|
| Liabilities and Net Assets | | | | | | | | | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | | | | | | | | | |
| Accounts payable | | \$ 191 | \$ 183 | \$ 66 | \$ 122 | \$ 8 | \$ 238 | \$ — | \$ 20 | \$ 62 | \$ 782 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 22,087 |
| Accrued expenses and other liabilities | | 1,068 | 345 | 400 | 385 | 85 | 42 | — | 260 | 842 | 460 | — | — | — | 35 | — | (86) | 62,338 |
| Estimated third-party payor settlements | | 4 | 1,119 | — | — | — | (142) | — | — | — | — | — | — | — | — | — | — | (15) |
| Other current liabilities | | 204 | — | 28 | 10 | 51 | — | — | 5 | 184 | 619 | — | — | — | 260 | — | — | 39,373 |
| Current portion of due to affiliates | | 75 | — | 66 | 8 | 236 | — | — | — | 23,033 | 3,031 | — | — | — | — | — | (35,260) | — |
| Current portion of lease liability | | — | — | — | — | — | — | — | 90 | — | — | — | — | — | — | — | — | 2,729 |
| Current portion of long-term debt | | 125 | — | — | — | 118 | — | — | — | 111 | 30 | — | — | — | — | — | — | 935 |
| Total current liabilities | | 1,667 | 1,647 | 560 | 525 | 498 | 138 | — | 375 | 24,232 | 4,922 | — | — | — | 295 | — | (35,346) | 127,447 |
| Long-term debt, less current portion | | 2,075 | — | — | — | 6,932 | — | — | — | 1,746 | 174 | — | — | — | — | — | — | 234,612 |
| Long-term lease liability, less current portion | | — | — | — | — | — | — | — | 246 | — | — | — | — | — | — | — | — | 6,706 |
| Due to affiliates, less current portion | | 1,825 | — | 8,214 | 8,655 | — | — | — | — | 1,114 | — | — | — | — | — | — | (19,808) | — |
| Defined benefit pension obligation | | — | — | — | — | — | — | — | — | — | (240) | — | — | — | — | — | — | 52 |
| Other liabilities | | 327 | 154 | 407 | 359 | 81 | — | — | 12,123 | 284 | — | — | — | 20 | 3,020 | — | — | 26,393 |
| Professional liability loss reserves | | 57 | 49 | 32 | 28 | — | — | — | 1,501 | 2,038 | — | — | — | — | 25,603 | — | — | 32,109 |
| Total liabilities | | 5,951 | 1,850 | 9,213 | 9,567 | 7,511 | 138 | — | 14,245 | 29,414 | 4,856 | — | — | 20 | 28,918 | — | (55,154) | 427,319 |
| Net assets: | | | | | | | | | | | | | | | | | | |
| Without donor restriction | | 22,146 | 4,694 | 8,518 | 21,322 | 3,496 | 2,721 | 2,847 | 31,475 | (11,990) | 5,180 | 7 | 9,773 | 4,506 | 44,950 | 352,820 | (429,206) | 501,941 |
| With donor restriction | | 555 | 54 | 81 | 4,027 | 6,047 | — | — | 718 | 822 | 3,789 | 30,828 | 1,860 | — | — | — | — | 60,681 |
| Total net assets | | 22,701 | 4,748 | 8,599 | 25,349 | 9,543 | 2,721 | 2,847 | 32,193 | (11,168) | 8,969 | 30,835 | 11,633 | 4,506 | 44,950 | 352,820 | (429,206) | 562,622 |
| Total liabilities and net assets | | \$ 28,652 | \$ 6,598 | \$ 17,812 | \$ 34,916 | \$ 17,054 | \$ 2,859 | \$ 2,847 | \$ 46,438 | \$ 18,246 | \$ 13,825 | \$ 30,835 | \$ 11,633 | \$ 4,526 | \$ 73,868 | \$ 352,820 | \$ (484,360) | \$ 989,941 |

**Covenant Health, Inc.
Consolidating Statement of Operations
December 31, 2021
(In thousands)**

| | St. Joseph Hospital of Nashua, NH, Inc.** | St. Mary's Health System* | St. Joseph Healthcare Foundation* | St. Joseph Valuation Co. | Covenant Health, Inc. | Mary Immaculate* | (Marist Hill) CHS of Walham Inc. | St. Joseph Manor Health Care, Inc. | (St. Mary) CHS of Worcester, Inc. | Mount St. Rita Health Centre | Mount St. Rita Valuation Co. | Penacook Place, Inc. | Penacook Valuation | Elimi- nations | ** Total Obligated Group |
|--|--|---------------------------------|---|--------------------------------|-----------------------------|---------------------|---|---|--|---------------------------------------|---------------------------------------|----------------------------|-----------------------|-------------------|-----------------------------------|
| Operating revenue: | | | | | | | | | | | | | | | |
| Patient service revenue | \$ 232,725 | \$ 212,159 | \$ 164,459 | \$ — | \$ — | \$ 16,496 | \$ 8,390 | \$ 8,383 | \$ 9,771 | \$ 7,803 | \$ — | \$ 11,558 | \$ — | \$ — | \$ 671,744 |
| Other revenue | 6,457 | 27,290 | 9,504 | — | 70,101 | 1,578 | 277 | 392 | 706 | 430 | — | 623 | — | (73,322) | 44,036 |
| Net assets released from restrictions for operations | 207 | 503 | 143 | — | 245 | 211 | 5 | 141 | 24 | 17 | — | 50 | — | — | 1,546 |
| Total operating revenue | 239,389 | 239,952 | 174,106 | — | 70,346 | 18,285 | 8,672 | 8,916 | 10,501 | 8,250 | — | 12,231 | — | (73,322) | 717,326 |
| Operating expenses: | | | | | | | | | | | | | | | |
| Salaries and wages | 97,047 | 94,230 | 71,068 | — | 30,786 | 9,956 | 4,566 | 4,191 | 4,798 | 4,078 | — | 5,553 | — | — | 326,273 |
| Employee benefits | 17,848 | 20,597 | 14,058 | — | 4,432 | 1,909 | 946 | 726 | 829 | 955 | — | 1,087 | — | — | 63,387 |
| Supplies | 27,766 | 28,607 | 26,019 | — | 18 | 1,822 | 916 | 1,344 | 1,156 | 681 | — | 1,699 | — | — | 90,028 |
| Other expenses | 79,958 | 94,986 | 57,480 | — | 26,872 | 6,169 | 2,211 | 2,700 | 3,347 | 2,300 | — | 4,014 | — | (73,322) | 206,715 |
| Interest | 2,811 | 1,368 | 601 | (27) | 2,761 | — | 308 | 33 | — | 97 | — | — | — | — | 7,952 |
| Provider tax | 10,283 | 4,941 | 3,159 | — | — | 99 | 517 | 523 | 784 | 431 | — | 662 | — | — | 21,399 |
| Depreciation | 5,010 | 3,930 | 2,160 | 263 | 7,505 | 745 | 390 | 224 | 200 | 249 | 25 | 254 | 64 | — | 20,979 |
| Total operating expenses | 240,723 | 248,659 | 174,545 | 236 | 72,374 | 20,700 | 9,814 | 9,741 | 11,114 | 8,694 | 25 | 13,366 | 64 | (73,322) | 736,733 |
| Income (loss) from operations | (1,334) | (8,707) | (439) | (236) | (2,028) | (2,415) | (1,142) | (825) | (613) | (444) | (25) | (1,135) | (64) | — | (19,407) |
| Net periodic pension cost | (1,430) | — | 663 | — | — | — | — | — | — | — | — | — | — | — | (767) |
| Nonoperating gains (losses), net: | | | | | | | | | | | | | | | |
| Dividend and interest income | 2,813 | 105 | 497 | — | 451 | 727 | 22 | 20 | — | 18 | — | — | — | — | 4,653 |
| Realized gain (loss) from investments | 27,421 | 1,115 | 2,359 | — | 8,741 | 10,421 | 238 | 127 | — | 164 | — | — | — | — | 50,586 |
| Unrealized gain (loss) from investments | (14,039) | (1,302) | (1,288) | — | 6,943 | (5,314) | (88) | 46 | — | (88) | — | (8) | — | — | (15,138) |
| Gain (loss) on sale of assets | 85 | 1,546 | (11) | — | — | — | — | — | — | — | — | — | — | — | 1,620 |
| Other nonoperating income | 202 | (258) | — | — | 19 | (4) | — | — | — | — | 10 | — | — | — | (31) |
| Other nonoperating expense | (408) | (372) | (323) | — | — | (10) | — | — | — | — | — | — | — | — | (1,113) |
| Loss on early extinguishment of debt | (3,791) | (984) | (261) | 89 | (5,929) | 9 | (60) | — | — | — | — | 31 | — | — | (10,896) |
| Total nonoperating gains (losses), net | 12,283 | (150) | 973 | 89 | 10,225 | 5,829 | 112 | 193 | — | 94 | 10 | 23 | — | — | 29,681 |
| Excess (deficiency) of revenue over expenses | 9,519 | (8,857) | 1,197 | (147) | 8,197 | 3,414 | (1,030) | (632) | (613) | (350) | (15) | (1,112) | (64) | — | 9,507 |
| Other changes in net assets without donor restriction: | | | | | | | | | | | | | | | |
| Net assets released from restrictions for property, plant and equipment | 79 | 4,209 | 2,913 | — | — | — | — | — | — | — | — | — | — | — | 7,201 |
| Adjustment to defined benefit pension obligation | (2,403) | — | 298 | — | — | — | — | — | — | — | — | — | — | — | (2,105) |
| Transfer among affiliates | (225) | — | — | — | (637) | — | — | 118 | — | — | — | 1,003 | — | — | 259 |
| Increase (decrease) in net assets without donor restriction | \$ 6,970 | \$ (4,648) | \$ 4,408 | \$ (147) | \$ 7,560 | \$ 3,414 | \$ (1,030) | \$ (514) | \$ (613) | \$ (350) | \$ (15) | \$ (109) | \$ (64) | \$ — | \$ 14,862 |

* Certain entities included in St. Joseph Hospital of Nashua, NH, Inc., St. Mary's Health System, St. Joseph Healthcare Foundation and Mary Immaculate are not included in the Obligated Group.

** Total of Obligated Group carried forward to next page.

| Covenant Health, Inc. Consolidating Statement of Operations December 31, 2021 (In thousands) | | St. Mary's Vila Nursing Home, Inc. | St. Andre Health Care Facility | Youville Place | Youville House | MI Residential Community Inc. | Bangor Nursing and Rehab Center, Inc. | Bangor Nursing and Rehab Center, Inc. Valuation | St. Joseph Hospital of Nashua, NH, Inc. Affiliates | St. Mary's Health System Affiliates | St. Joseph Healthcare Foundation Affiliates | Covenant Health Foundation | Fanny Allen Corporation | Fanny Allen Holdings | Covenant Health Insurance LTD | Covenant Health Master Trust | Eliminations | System Consolidated |
|---|----|---|---|-------------------|-------------------|--|--|---|--|--|--|----------------------------------|-------------------------------|----------------------------|--|---------------------------------------|--------------|------------------------|
| Operating revenue: | | | | | | | | | | | | | | | | | | |
| Patient service revenue | \$ | 11,299 | \$ 9,941 | \$ 6,582 | \$ 5,838 | \$ — | \$ 403 | \$ — | \$ — | \$ 10,087 | \$ 6,434 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 722,328 |
| Other revenue | | 259 | 788 | 300 | 234 | 4,741 | — | — | 5,299 | 10,176 | 2,652 | — | — | — | 8,295 | — | (16,227) | 60,553 |
| Net assets released from restrictions for operations | | — | 4 | 12 | 169 | — | — | — | — | 232 | 25 | (1,063) | 106 | — | — | — | — | 1,031 |
| Total operating revenue | | 11,558 | 10,733 | 6,894 | 6,241 | 4,741 | 403 | — | 5,299 | 20,495 | 9,111 | (1,063) | 106 | — | 8,295 | — | (16,227) | 783,912 |
| Operating expenses: | | | | | | | | | | | | | | | | | | |
| Salaries and wages | | 6,795 | 5,202 | 3,075 | 2,696 | 597 | 132 | — | 3,294 | 7,949 | 3,500 | — | — | — | — | — | — | 359,513 |
| Employee benefits | | 1,456 | 1,038 | 651 | 525 | 118 | 35 | — | 721 | 3,078 | 744 | — | — | — | — | — | (2,405) | 69,348 |
| Supplies | | 785 | 1,080 | — | — | — | — | — | — | 247 | 2,643 | — | — | — | — | — | (359) | 94,424 |
| Other expenses | | 2,730 | 2,052 | 1,897 | 1,709 | 1,653 | 320 | — | 689 | 7,033 | 2,340 | — | — | — | — | — | (13,463) | 213,675 |
| Interest | | 204 | 2 | 438 | 387 | 304 | — | — | 13 | 147 | 7 | — | — | — | — | — | — | 9,454 |
| Provider tax | | 300 | 606 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 22,305 |
| Depreciation | | 701 | 221 | 633 | 583 | 1,029 | 19 | 8 | 466 | 514 | 344 | — | — | — | — | — | — | 25,497 |
| Total operating expenses | | 12,971 | 10,201 | 6,694 | 5,900 | 3,701 | 506 | 8 | 5,183 | 18,968 | 9,578 | — | — | — | — | — | (16,227) | 794,216 |
| Income (loss) from operations | | (1,413) | 532 | 200 | 341 | 1,040 | (103) | (8) | 116 | 1,527 | (467) | (1,063) | 106 | — | 8,295 | — | — | (10,304) |
| Net periodic pension cost | | — | — | — | — | — | — | — | — | — | 166 | — | — | — | — | — | — | (601) |
| Nonoperating gains (losses), net: | | | | | | | | | | | | | | | | | | |
| Dividend and interest income | | 218 | 11 | 58 | 329 | — | — | — | 387 | 23 | 67 | — | 131 | 25 | 686 | 5,102 | (5,439) | 6,251 |
| Realized gain (loss) from investments | | 3,275 | 163 | 852 | 3,373 | — | — | — | — | — | 11 | — | 2,010 | 566 | (37) | 63,114 | (63,114) | 60,799 |
| Unrealized gain (loss) from investments | | (1,193) | (79) | (434) | (2,254) | — | — | — | 166 | (35) | (75) | — | (1,010) | (417) | 1,849 | (33,085) | 22,542 | (29,163) |
| Gain (loss) on sale of assets | | — | — | — | — | — | — | — | — | (85) | — | — | — | — | — | — | — | 1,535 |
| Other nonoperating income | | — | — | — | — | — | 2,824 | 2,855 | — | (4) | 27 | — | — | 1,052 | (250) | — | (174) | 6,549 |
| Other nonoperating expense | | — | — | — | — | (10) | — | — | 150 | (1) | (5) | (19) | (307) | (400) | (250) | — | — | (1,955) |
| Loss on early extinguishment of debt | | — | (3) | (104) | 52 | — | — | — | — | — | — | — | — | — | — | — | — | (10,951) |
| Total nonoperating gains (losses), net | | 2,300 | 92 | 372 | 1,500 | (10) | 2,824 | 2,855 | 703 | (102) | 25 | (19) | 824 | 826 | 2,248 | 35,131 | (46,185) | 33,065 |
| Excess (deficiency) of revenue over expenses | | 887 | 624 | 572 | 1,841 | 1,030 | 2,721 | 2,847 | 819 | 1,425 | (276) | (1,082) | 930 | 826 | 10,543 | 35,131 | (46,185) | 22,160 |
| Other changes in net assets without donor restriction: | | | | | | | | | | | | | | | | | | |
| Net assets released from restrictions for property, plant and equipment | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 7,201 |
| Adjustment to defined benefit pension obligation | | — | — | — | — | — | — | — | — | — | 74 | — | — | — | — | — | — | (2,031) |
| Transfer among affiliates | | — | — | — | — | — | — | — | (269) | — | — | 10 | 200 | (200) | — | (9,774) | 9,774 | — |
| Increase (decrease) in net assets without donor restriction | | \$ 887 | \$ 624 | \$ 572 | \$ 1,841 | \$ 1,030 | \$ 2,721 | \$ 2,847 | \$ 550 | \$ 1,425 | \$ (202) | \$ (1,072) | \$ 1,130 | \$ 626 | \$ 10,543 | \$ 25,357 | \$ (36,411) | \$ 27,330 |

St. Joseph Hospital of Nashua, NH
Consolidating Balance Sheet
December 31, 2021
(In thousands)

| Assets | St. Joseph Hospital of Nashua, NH | Souhegan Home and Hospice Care, Inc. | St. Joseph Hospital Corporate Services, Inc. | GNM Corp. | SJ Physician Services | Hospital Corporate Services, Inc. Eliminations | Hospital Obligated Group Eliminations | Hospital Nonobligated Group Eliminations | St. Joseph Hospital Consolidated |
|--|---|---|---|--------------|-----------------------------|---|--|---|--|
| Current assets: | | | | | | | | | |
| Cash and cash equivalents | \$ 5,016 | \$ 1 | \$ 389 | \$ 614 | \$ 139 | \$ — | \$ — | \$ — | \$ 6,159 |
| Accounts receivable, net | 29,705 | — | — | — | — | — | — | — | 29,705 |
| Current portion of pledges receivable | — | — | — | — | — | — | — | — | — |
| Investments | — | — | — | — | — | — | — | — | — |
| Inventories | 4,240 | — | — | — | — | — | — | — | 4,240 |
| Prepaid expenses and other current assets | 1,536 | — | — | 36 | 100 | — | — | — | 1,672 |
| Current portion of assets whose use is limited or restricted | — | — | — | — | — | — | — | — | — |
| Current portion of due from affiliates | 190 | — | — | 1 | 6,120 | — | — | (6,120) | 191 |
| Total current assets | 40,687 | 1 | 389 | 651 | 6,359 | — | — | (6,120) | 41,967 |
| Assets whose use is limited or restricted: | | | | | | | | | |
| Funds held by trustees, less current portion | — | — | — | — | — | — | — | — | — |
| Deferred compensation | 653 | — | 495 | — | 12,439 | — | — | — | 13,587 |
| Board designated funds and other long-term investments | 164,586 | 1,027 | — | — | — | — | — | — | 165,613 |
| Replacement reserve | — | — | — | — | — | — | — | — | — |
| Donor restricted funds | 2,233 | 718 | — | — | — | — | — | — | 2,951 |
| Total assets whose use is limited or restricted | 167,472 | 1,745 | 495 | — | 12,439 | — | — | — | 182,151 |
| Other assets: | | | | | | | | | |
| Pledges receivable, less current portion | — | — | — | — | — | — | — | — | — |
| Other assets | 16,122 | — | 15,350 | 10 | — | (15,350) | (1,030) | (15,057) | 45 |
| Due from affiliates, less current portion | 2,075 | — | — | — | — | — | — | — | 2,075 |
| Investments in joint ventures | 2,173 | — | — | — | 1,212 | — | — | — | 3,385 |
| Total other assets | 20,370 | — | 15,350 | 10 | 1,212 | (15,350) | (1,030) | (15,057) | 5,505 |
| Property, plant and equipment | | | | | | | | | |
| Land and improvements | 3,749 | — | — | 1,615 | — | — | — | — | 5,364 |
| Buildings and improvements | 112,637 | 40 | — | 11,823 | — | — | — | — | 124,500 |
| Equipment | 59,337 | 15 | — | 90 | — | — | — | — | 59,442 |
| Construction in progress | 848 | — | — | — | — | — | — | — | 848 |
| Right of use assets | 4,256 | — | — | 588 | — | — | — | — | 4,844 |
| | 180,827 | 55 | — | 14,116 | — | — | — | — | 194,998 |
| | (116,414) | (53) | — | (6,078) | — | — | — | — | (122,545) |
| Less accumulated depreciation | | | | | | | | | |
| Less accumulated depreciation – right of use assets | (2,056) | — | — | (252) | — | — | — | — | (2,308) |
| Total property, plant and equipment | 62,357 | 2 | — | 7,786 | — | — | — | — | 70,145 |
| Total assets | \$ 290,886 | \$ 1,748 | \$ 16,234 | \$ 8,447 | \$ 20,010 | \$ (15,350) | \$ (1,030) | \$ (21,177) | \$ 299,768 |

St. Joseph Hospital of Nashua, NH
Consolidating Balance Sheet
December 31, 2021
(In thousands)

Liabilities and Net Assets

| | St. Joseph Hospital of Nashua, NH | Souhegan Home and Hospice Care, Inc. | St. Joseph Hospital Corporate Services, Inc. | GNM Corp. | SJ Physician Services | Hospital Corporate Services, Inc. Eliminations | Hospital Obligated Group Eliminations | Hospital Nonobligated Group Eliminations | St. Joseph Hospital Consolidated |
|---|---|---|---|--------------|-----------------------------|---|--|---|--|
| Current liabilities: | | | | | | | | | |
| Accounts payable | \$ 6,169 | \$ - | \$ 13 | \$ 7 | \$ - | \$ - | \$ - | \$ - | \$ 6,189 |
| Accrued expenses and other liabilities | 20,138 | - | 69 | 14 | 177 | - | - | - | 20,398 |
| Estimated third-party payor settlements | 6,580 | - | - | - | - | - | - | - | 6,580 |
| Other current liabilities | 16,148 | - | - | 5 | - | - | - | - | 16,153 |
| Current portion of due to affiliates | 6,659 | - | - | - | - | - | - | (6,120) | 539 |
| Current portion of lease liability | 780 | - | - | 90 | - | - | - | - | 870 |
| Current portion of long-term debt | - | - | - | - | - | - | - | - | - |
| Total current liabilities | 56,474 | - | 82 | 116 | 177 | - | - | (6,120) | 50,729 |
| Long-term debt, less current portion | - | - | - | - | - | - | - | - | - |
| Long-term lease liability, less current portion | 1,993 | - | - | 246 | - | - | - | - | 2,239 |
| Due to affiliates, less current portion | 67,583 | - | - | - | - | - | - | - | 67,583 |
| Defined benefit pension obligation | 1,253 | - | - | - | - | - | - | - | 1,253 |
| Other liabilities | 7,393 | - | 308 | - | 11,814 | - | - | - | 19,515 |
| Professional liability loss reserves | 1,197 | - | - | - | 1,501 | - | - | - | 2,698 |
| Total liabilities | 135,893 | - | 390 | 362 | 13,492 | - | - | (6,120) | 144,017 |
| Net assets: | | | | | | | | | |
| Without donor restriction | 152,760 | 1,030 | 15,844 | 8,085 | 6,518 | (15,350) | (1,030) | (15,057) | 152,800 |
| With donor restriction | 2,233 | 718 | - | - | - | - | - | - | 2,951 |
| Total net assets | 154,993 | 1,748 | 15,844 | 8,085 | 6,518 | (15,350) | (1,030) | (15,057) | 155,751 |
| Total liabilities and net assets | \$ 290,886 | \$ 1,748 | \$ 16,234 | \$ 8,447 | \$ 20,010 | \$ (15,350) | \$ (1,030) | \$ (21,177) | \$ 299,768 |

St. Joseph Hospital of Nashua, NH
Consolidating Statement of Operations
December 31, 2021
(In thousands)

| | St. Joseph Hospital of Nashua, NH | Souhegan Home and Hospice Care, Inc. | St. Joseph Hospital Corporate Services, Inc. | GNM Corp. | SJ Physician Services | Hospital Corporate Services, Inc. Eliminations | Hospital Obligated Group Eliminations | Hospital Nonobligated Group Eliminations | St. Joseph Hospital Consolidated |
|--|---|---|---|--------------|-----------------------------|---|--|---|--|
| Operating revenue: | | | | | | | | | |
| Patient service revenue | \$ 232,725 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 232,725 |
| Other revenue | 6,457 | - | - | 1,201 | 4,099 | - | - | (4,988) | 6,769 |
| Net assets released from restrictions for operations | 207 | - | - | - | - | - | - | - | 207 |
| Total operating revenue | 239,389 | - | - | 1,201 | 4,099 | - | - | (4,988) | 239,701 |
| Operating expenses: | | | | | | | | | |
| Salaries and wages | 97,047 | - | - | - | 3,294 | - | - | - | 100,341 |
| Employee benefits | 17,848 | - | - | - | 721 | - | - | - | 18,569 |
| Supplies and other | 27,766 | - | - | - | - | - | - | - | 27,766 |
| Other expenses | 79,958 | - | - | 606 | 84 | - | - | (4,988) | 75,660 |
| Interest | 2,811 | - | - | 13 | - | - | - | - | 2,824 |
| Provider tax | 10,283 | - | - | - | - | - | - | - | 10,283 |
| Depreciation | 5,010 | - | - | 466 | - | - | - | - | 5,476 |
| Total operating expenses | 240,723 | - | - | 1,085 | 4,099 | - | - | (4,988) | 240,919 |
| Income (loss) from operations | (1,334) | - | - | 116 | - | - | - | - | (1,218) |
| Net periodic pension cost | (1,430) | - | - | - | - | - | - | - | (1,430) |
| Nonoperating gains (losses), net: | | | | | | | | | |
| Dividend and interest income | 2,813 | - | - | - | 387 | - | - | (337) | 2,863 |
| Realized gain (loss) from investments | 27,421 | - | - | - | - | - | - | - | 27,421 |
| Unrealized gain (loss) from investments | (14,039) | - | 29 | - | 136 | - | - | - | (13,874) |
| Gain (loss) on sale of assets | 85 | - | - | - | - | - | (174) | - | 85 |
| Other nonoperating income | 202 | - | - | - | - | - | - | - | 28 |
| Other nonoperating expense | (408) | 150 | - | - | - | - | - | - | (258) |
| Loss on early extinguishment of debt | (3,791) | - | - | - | - | - | - | - | (3,791) |
| Total nonoperating gains (losses), net | 12,283 | 150 | 29 | - | 523 | - | (174) | (337) | 12,474 |
| Excess of revenue over expenses | 9,519 | 150 | 29 | 116 | 523 | - | (174) | (337) | 9,826 |
| Other changes in net asset without donor restriction: | | | | | | | | | |
| Net assets released from restrictions | 79 | - | - | - | - | - | - | - | 79 |
| Adjustment to defined benefit pension obligation | (2,403) | - | - | - | - | - | - | - | (2,403) |
| Transfer among affiliates | (225) | 24 | 80 | - | (373) | - | - | - | (494) |
| Increase (decrease) in net assets without donor restriction | \$ 6,970 | \$ 174 | \$ 109 | \$ 116 | \$ 150 | \$ - | \$ (174) | \$ (337) | \$ 7,008 |

**St. Mary's Health System
Consolidating Balance Sheet
December 31, 2021
(In thousands)**

| Assets | St. Mary's Regional Medical Center | St. Mary's Health System | St. Mary's Residences | Community Clinical Services, Inc. | St. Mary's Regional Medical Center Eliminations | St. Mary's Health System Consolidated |
|--|---|--------------------------------|--------------------------|--|---|--|
| | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 3,597 | \$ 2 | \$ 1,692 | \$ 1,946 | \$ - | \$ 7,237 |
| Accounts receivable, net | 25,953 | (7) | - | 606 | - | 26,552 |
| Current portion of pledges receivable | - | - | - | - | - | - |
| Investments | 3,306 | - | 155 | - | - | 3,461 |
| Inventories | 2,521 | - | - | 19 | - | 2,540 |
| Prepaid expenses and other current assets | 1,236 | 272 | 29 | 140 | - | 1,677 |
| Current portion of assets whose use is limited or restricted | 1 | - | - | - | - | 1 |
| Current portion of due from affiliates | 23,271 | 1,828 | 153 | 53 | (24,841) | 464 |
| Total current assets | 59,885 | 2,095 | 2,029 | 2,764 | (24,841) | 41,932 |
| Assets whose use is limited or restricted: | | | | | | |
| Funds held by trustees, less current portion | - | 1,628 | - | - | - | 1,628 |
| Deferred compensation | - | - | - | - | - | - |
| Board designated funds and other long-term investments | 5,163 | 727 | 9 | 44 | - | 5,943 |
| Replacement reserve | - | - | 566 | - | - | 566 |
| Donor restricted funds | 5,940 | 1,877 | 14 | 45 | 280 | 8,156 |
| Total assets whose use is limited or restricted | 11,103 | 4,232 | 589 | 89 | 280 | 16,293 |
| Other assets: | | | | | | |
| Pledges receivable, less current portion | - | - | - | - | - | - |
| Other assets | - | 114 | 115 | - | - | 229 |
| Due from affiliates, less current portion | - | - | - | - | - | - |
| Investments in joint ventures | 2,485 | 555 | - | - | - | 3,040 |
| Total other assets | 2,485 | 669 | 115 | - | - | 3,269 |
| Property, plant and equipment | | | | | | |
| Land and improvements | 2,831 | 2,137 | 81 | - | - | 5,049 |
| Buildings and improvements | 80,062 | 7,042 | 2,539 | 55 | - | 89,698 |
| Equipment | 38,959 | 297 | 504 | 170 | - | 39,930 |
| Construction in progress | 7,615 | - | 13 | - | - | 7,628 |
| Right of use assets | 3,754 | - | - | - | - | 3,754 |
| | 133,221 | 9,476 | 3,137 | 225 | - | 146,059 |
| Less accumulated depreciation | (69,118) | (4,640) | (2,381) | (152) | - | (76,291) |
| Less accumulated depreciation -- right of use assets | (82) | - | - | - | - | (82) |
| Total property, plant and equipment | 64,021 | 4,836 | 756 | 73 | - | 69,686 |
| Total assets | \$ 137,494 | \$ 11,832 | \$ 3,489 | \$ 2,926 | \$ (24,561) | \$ 131,180 |

St. Mary's Health System
Consolidating Balance Sheets
December 31, 2021
(In thousands)

Liabilities and Net Assets

Current liabilities:

Accounts payable
Accrued expenses and other liabilities
Estimated third-party payor settlements
Other current liabilities
Current portion of due to affiliates
Current portion of lease liability
Current portion of long-term debt
Total current liabilities

Long-term debt, less current portion

Long-term lease liability, less current portion

Due to affiliates, less current portion

Defined benefit pension obligation

Other liabilities

Professional liability loss reserves

Total liabilities

Net assets:

Without donor restriction

With donor restriction

Total net assets

Total liabilities and net assets

| | St. Mary's Regional Medical Center | St. Mary's Health System | St. Mary's Residences | Community Clinical Services, Inc. | St. Mary's Regional Medical Center Eliminations | St. Mary's Health System Consolidated |
|------------|---|--------------------------------|--------------------------|--|---|--|
| \$ | 6,068 | \$ 5 | \$ 22 | \$ 35 | \$ — | \$ 6,130 |
| 14,456 | 129 | 10 | 705 | — | — | 15,300 |
| (2,751) | — | — | — | — | — | (2,751) |
| 11,138 | 2 | 53 | 129 | — | — | 11,322 |
| 16,687 | 22,688 | 211 | 134 | — | (24,841) | 14,879 |
| 1,005 | — | — | — | — | — | 1,005 |
| 368 | — | 111 | — | — | — | 479 |
| 46,971 | 22,824 | 407 | 1,003 | — | (24,841) | 46,364 |
| — | (34) | 1,779 | — | — | — | 1,745 |
| 2,671 | — | — | — | — | — | 2,671 |
| 33,583 | 1,114 | — | — | — | 280 | 34,977 |
| — | — | — | — | — | — | — |
| 580 | 270 | 14 | — | — | — | 864 |
| — | 2,038 | — | — | — | — | 2,038 |
| 83,805 | 26,212 | 2,200 | 1,003 | — | (24,561) | 88,659 |
| 47,843 | (15,142) | 1,275 | 1,878 | — | — | 35,854 |
| 5,846 | 762 | 14 | 45 | — | — | 6,667 |
| 53,689 | (14,380) | 1,289 | 1,923 | — | — | 42,521 |
| \$ 137,494 | \$ 11,832 | \$ 3,489 | \$ 2,926 | \$ (24,561) | \$ | \$ 131,180 |

St. Mary's Health System
Consolidating Statement of Operations
December 31, 2021
(In thousands)

| | St. Mary's Regional Medical Center | St. Mary's Health System | St. Mary's Residences | Community Clinical Services, Inc. | St. Mary's Regional Medical Center Eliminations | St. Mary's Health System Consolidated |
|--|---|--------------------------------|--------------------------|--|---|--|
| Operating revenue: | | | | | | |
| Patient service revenue | \$ 212,159 | \$ 13 | \$ — | \$ 10,074 | \$ — | \$ 222,246 |
| Other revenue | 27,290 | 3,701 | 1,854 | 4,622 | (7,942) | 29,525 |
| Net assets released from restrictions for operations | 503 | — | 1 | 231 | — | 735 |
| Total operating revenue | 239,952 | 3,714 | 1,855 | 14,927 | (7,942) | 252,506 |
| Operating expenses: | | | | | | |
| Salaries and wages | 94,230 | 1,069 | — | 6,880 | — | 102,179 |
| Employee benefits | 20,597 | 1,309 | — | 1,769 | (2,406) | 21,269 |
| Supplies and other | 28,607 | 90 | — | 157 | (359) | 28,495 |
| Other expenses | 94,986 | 701 | 1,171 | 5,160 | (5,177) | 96,841 |
| Interest | 1,368 | — | 147 | — | — | 1,515 |
| Provider tax | 4,941 | — | — | — | — | 4,941 |
| Depreciation | 3,930 | 371 | 126 | 17 | — | 4,444 |
| Total operating expenses | 248,659 | 3,540 | 1,444 | 13,983 | (7,942) | 259,684 |
| Income (loss) from operations | (8,707) | 174 | 411 | 944 | — | (7,178) |
| Net periodic pension cost | — | — | — | — | — | — |
| Nonoperating gains (losses), net: | | | | | | |
| Dividend and interest income | 105 | 22 | — | 1 | — | 128 |
| Realized gain (loss) from investments | 1,115 | — | — | — | — | 1,115 |
| Unrealized gain (loss) from investments | (1,302) | (34) | — | (1) | — | (1,337) |
| Gain (loss) on sale of assets | 1,546 | (85) | — | — | — | 1,461 |
| Other nonoperating income | (258) | (4) | — | — | — | (262) |
| Other nonoperating expense | (372) | (1) | — | — | — | (373) |
| Loss on early extinguishment of debt | (984) | — | — | — | — | (984) |
| Total nonoperating gains (losses), net | (150) | (102) | — | — | — | (252) |
| Excess of revenue over expenses | (8,857) | 72 | 411 | 944 | — | (7,430) |
| Other changes in net asset without donor restriction: | | | | | | |
| Net assets released from restrictions | 4,209 | — | — | — | — | 4,209 |
| Adjustment to defined benefit pension obligation | — | — | — | — | — | — |
| Transfer among affiliates | — | — | — | — | — | — |
| Increase (decrease) in net assets without donor restriction | \$ (4,648) | \$ 72 | \$ 411 | \$ 944 | \$ — | \$ (3,221) |

St. Joseph Healthcare Foundation
Consolidating Balance Sheet
December 31, 2021
(In thousands)

| Assets | St. Joseph Hospital | St. Joseph Health Care | M&J Company | Ambulatory Care, Inc. | Alternative Health Services | Nonobligated Eliminations | Internal Consolidation | Valuation Co. | Consolidated |
|--|----------------------------|-------------------------------|------------------------|------------------------------|------------------------------------|----------------------------------|-------------------------------|----------------------|---------------------|
| Current assets: | | | | | | | | | |
| Cash and cash equivalents | \$ 1,829 | \$ 545 | \$ 2,231 | \$ 20 | \$ 33 | \$ - | \$ 4,658 | \$ - | \$ 4,658 |
| Accounts receivable, net | 16,172 | - | - | 447 | 622 | - | 17,241 | - | 17,241 |
| Current portion of pledges receivable | - | - | - | - | - | - | - | - | - |
| Investments | 2,143 | 809 | - | 830 | - | - | 3,782 | - | 3,782 |
| Inventories | 4,120 | - | 2 | 209 | - | - | 4,331 | - | 4,331 |
| Prepaid expenses and other current assets | 1,619 | - | 31 | 199 | 9 | - | 1,858 | - | 1,858 |
| Current portion of assets whose use is limited or restricted | - | - | - | - | - | - | - | - | - |
| Current portion of due from affiliates | 3,051 | 6 | - | 1 | 29 | (3,037) | 50 | - | 50 |
| Total current assets | 28,934 | 1,360 | 2,264 | 1,706 | 693 | (3,037) | 31,920 | - | 31,920 |
| Assets whose use is limited or restricted: | | | | | | | | | |
| Funds held by trustees, less current portion | - | - | - | - | - | - | - | - | - |
| Deferred compensation | - | - | - | - | - | - | - | - | - |
| Board designated funds and other long-term investments | 11,329 | - | - | - | - | - | 11,329 | - | 11,329 |
| Replacement reserve | - | - | - | - | - | - | - | - | - |
| Donor restricted funds | 3,022 | 3,839 | - | - | - | - | 6,861 | - | 6,861 |
| Total assets whose use is limited or restricted | 14,351 | 3,839 | - | - | - | - | 18,190 | - | 18,190 |
| Other assets: | | | | | | | | | |
| Pledges receivable, less current portion | - | - | - | - | - | - | - | - | - |
| Other assets | - | - | - | - | - | - | - | - | - |
| Due from affiliates, less current portion | 118 | - | - | - | - | - | 118 | - | 118 |
| Investments in joint ventures | 301 | 53 | - | - | - | 1 | 355 | - | 355 |
| Total other assets | 419 | 53 | - | - | - | 1 | 473 | - | 473 |
| Property, plant and equipment | | | | | | | | | |
| Land and improvements | 2,070 | 80 | 2,807 | - | - | - | 4,957 | - | 4,957 |
| Buildings and improvements | 51,381 | - | 8,029 | - | - | - | 59,410 | - | 59,410 |
| Equipment | 40,673 | - | 385 | 759 | 124 | - | 41,941 | - | 41,941 |
| Construction in progress | 514 | - | 75 | - | - | - | 589 | - | 589 |
| Right of use assets | 154 | - | - | - | - | - | 154 | - | 154 |
| | 94,792 | 80 | 11,296 | 759 | 124 | - | 107,051 | - | 107,051 |
| Less accumulated depreciation | (65,371) | - | (7,496) | (731) | (124) | - | (73,722) | - | (73,722) |
| Less accumulated depreciation – right of use assets | (72) | - | - | - | - | - | (72) | - | (72) |
| Total property, plant and equipment | 29,349 | 80 | 3,800 | 28 | - | - | 33,257 | - | 33,257 |
| Total assets | \$ 73,053 | \$ 5,332 | \$ 6,064 | \$ 1,734 | \$ 693 | \$ (3,036) | \$ 83,840 | \$ - | \$ 83,840 |

St. Joseph Healthcare Foundation
Consolidating Balance Sheet
December 31, 2021
(In thousands)

Liabilities and Net Assets

| Current liabilities: | St. Joseph Hospital | St. Joseph Health Care | M&J Company | Ambulatory Care, Inc. | Alternative Health Services | Nonobligated Eliminations | Internal Consol- idation | Valuation Co. | Consolidated |
|---|------------------------|------------------------------|----------------|-----------------------------|-----------------------------------|------------------------------|--------------------------------|------------------|--------------|
| Accounts payable | \$ 4,254 | \$ 1 | \$ 64 | \$ 615 | \$ 102 | \$ - | \$ 5,036 | \$ - | \$ 5,036 |
| Accrued expenses and other liabilities | 8,590 | 216 | 1 | 44 | 197 | - | 9,048 | 1 | 9,049 |
| Estimated third-party payor settlements | (5,660) | - | - | - | - | - | (5,660) | - | (5,660) |
| Other current liabilities | 10,465 | - | - | - | 619 | - | 11,084 | - | 11,084 |
| Current portion of due to affiliates | 2,843 | 204 | - | 2,012 | 814 | (3,037) | 2,836 | - | 2,836 |
| Current portion of lease liability | 496 | - | - | - | - | - | 496 | - | 496 |
| Current portion of long-term debt | - | - | 30 | - | - | - | 30 | - | 30 |
| Total current liabilities | 20,988 | 421 | 95 | 2,671 | 1,732 | (3,037) | 22,870 | 1 | 22,871 |
| Long-term debt, less current portion | - | - | 174 | - | - | - | 174 | - | 174 |
| Long-term lease liability, less current portion | 1,547 | - | - | - | - | - | 1,547 | - | 1,547 |
| Due to affiliates, less current portion | 14,934 | - | - | - | - | - | 14,934 | - | 14,934 |
| Defined benefit pension obligation | (961) | (240) | - | - | - | - | (1,201) | - | (1,201) |
| Other liabilities | 368 | - | - | - | - | - | 368 | - | 368 |
| Professional liability loss reserves | 1,247 | - | - | - | - | - | 1,247 | - | 1,247 |
| Total liabilities | 38,123 | 181 | 269 | 2,671 | 1,732 | (3,037) | 39,939 | 1 | 39,940 |
| Net assets: | | | | | | | | | |
| Without donor restriction | 31,789 | 1,362 | 5,795 | (937) | (1,040) | 1 | 36,970 | (1) | 36,969 |
| With donor restriction | 3,141 | 3,789 | - | - | 1 | - | 6,931 | - | 6,931 |
| Total net assets | 34,930 | 5,151 | 5,795 | (937) | (1,039) | 1 | 43,901 | (1) | 43,900 |
| Total liabilities and net assets | 73,053 | 5,332 | 6,064 | 1,734 | 693 | (3,036) | 83,840 | \$ - | \$ 83,840 |

St. Joseph Healthcare Foundation
Consolidating Statement of Operations
December 31, 2021
(In thousands)

| | St. Joseph Hospital | St. Joseph Health Care | M&J Company | Ambulatory Care, Inc. | Alternative Health Services | Nonobligated Eliminations | Internal Consol- idation | Valuation Co. | Consolidated |
|--|------------------------|------------------------------|----------------|-----------------------------|-----------------------------------|------------------------------|--------------------------------|------------------|--------------|
| Operating revenue: | | | | | | | | | |
| Patient service revenue | \$ 164,459 | \$ - | \$ - | \$ 2,352 | \$ 4,081 | \$ - | \$ 170,892 | \$ - | \$ 170,892 |
| Other revenue | 9,504 | - | 884 | 1,712 | 56 | (1,710) | 10,446 | - | 10,446 |
| Net assets released from restrictions for operations | 143 | - | - | - | 24 | - | 167 | - | 167 |
| Total operating revenue | 174,106 | - | 884 | 4,064 | 4,161 | (1,710) | 181,505 | - | 181,505 |
| Operating expenses: | | | | | | | | | |
| Salaries and wages | 71,068 | - | - | 1,400 | 2,099 | - | 74,567 | - | 74,567 |
| Employee benefits | 14,058 | - | - | 304 | 440 | - | 14,802 | - | 14,802 |
| Supplies and other | 26,019 | - | - | 2,500 | 143 | - | 28,662 | - | 28,662 |
| Other expenses | 57,480 | 2 | 325 | 256 | 1,756 | (1,710) | 58,109 | - | 58,109 |
| Interest | 601 | - | 7 | - | - | - | 608 | - | 608 |
| Provider tax | 3,159 | - | - | - | - | - | 3,159 | - | 3,159 |
| Depreciation | 2,160 | - | 328 | 16 | - | - | 2,504 | - | 2,504 |
| Total operating expenses | 174,545 | 2 | 660 | 4,476 | 4,438 | (1,710) | 182,411 | - | 182,411 |
| Income (loss) from operations | (439) | (2) | 224 | (412) | (277) | - | (906) | - | (906) |
| Net periodic pension cost | 663 | 166 | - | - | - | - | 829 | - | 829 |
| Nonoperating gains (losses), net: | | | | | | | | | |
| Dividend and interest income | 497 | 53 | - | 14 | - | - | 564 | - | 564 |
| Realized gain (loss) from investments | 2,359 | 8 | - | 3 | - | - | 2,370 | - | 2,370 |
| Unrealized gain (loss) from investments | (1,288) | (55) | - | (20) | - | - | (1,363) | - | (1,363) |
| Gain (loss) on sale of assets | (11) | - | - | - | - | - | (11) | - | (11) |
| Other nonoperating income | - | 27 | - | - | - | - | 27 | - | 27 |
| Other nonoperating expense | (323) | (5) | - | - | - | - | (328) | - | (328) |
| Loss on early extinguishment of debt | (261) | - | - | - | - | - | (261) | - | (261) |
| Total nonoperating gains (losses), net | 973 | 28 | - | (3) | - | - | 998 | - | 998 |
| Excess of revenue over expenses | 1,197 | 192 | 224 | (415) | (277) | - | 921 | - | 921 |
| Other changes in net asset without donor restriction: | | | | | | | | | |
| Net assets released from restrictions | 2,913 | - | - | - | - | - | 2,913 | - | 2,913 |
| Adjustment to defined benefit pension obligation | 298 | 74 | - | - | - | - | 372 | - | 372 |
| Transfer among affiliates | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in net assets without donor restriction | \$ 4,408 | \$ 266 | \$ 224 | \$ (415) | \$ (277) | \$ - | \$ 4,206 | \$ - | \$ 4,206 |

Mary Immaculate Health Care Services, Inc.
Consolidating Balance Sheet
December 31, 2021
(In thousands)

| Assets | Mary Immaculate Nursing | Mary Immaculate Adult Care | Mary Immaculate Management | Mary Immaculate Trans-portion | Mary Immaculate Guild | Mary Immaculate Eliminations | Mary Immaculate Total Obligated |
|--|--------------------------------|-----------------------------------|-----------------------------------|--------------------------------------|------------------------------|-------------------------------------|--|
| Current assets: | | | | | | | |
| Cash and cash equivalents | \$ 1,288 | \$ 443 | \$ 922 | \$ 514 | \$ - | \$ - | \$ 3,167 |
| Accounts receivable, net | 1,591 | - | 86 | 2 | - | - | 1,679 |
| Current portion of pledges receivable | - | - | - | - | - | - | - |
| Investments | - | - | - | - | - | - | - |
| Inventories | 44 | - | - | - | - | - | 44 |
| Prepaid expenses and other current assets | 266 | - | - | - | - | - | 266 |
| Current portion of assets whose use is limited or restricted | 1 | - | - | - | - | - | 1 |
| Current portion of due from affiliates | 553 | - | - | - | - | - | 553 |
| Total current assets | 3,743 | 443 | 1,008 | 516 | - | - | 5,710 |
| Assets whose use is limited or restricted: | | | | | | | |
| Funds held by trustees, less current portion | - | - | - | - | - | - | - |
| Deferred compensation | - | - | - | - | - | - | - |
| Board designated funds and other long-term investments | 35,903 | 4,414 | 6,695 | 5,046 | - | - | 52,058 |
| Replacement reserve | - | - | - | - | - | - | - |
| Donor restricted funds | 45 | - | 3 | - | - | - | 48 |
| Total assets whose use is limited or restricted | 35,948 | 4,414 | 6,698 | 5,046 | - | - | 52,106 |
| Other assets: | | | | | | | |
| Pledges receivable, less current portion | - | - | - | - | - | - | - |
| Other assets | - | - | - | (2) | - | - | (2) |
| Due from affiliates, less current portion | - | - | - | - | - | - | - |
| Investments in joint ventures | - | - | - | - | - | - | - |
| Total other assets | - | - | - | (2) | - | - | (2) |
| Property, plant and equipment | | | | | | | |
| Land and improvements | 641 | - | - | - | - | - | 641 |
| Buildings and improvements | 13,376 | 240 | 314 | - | - | - | 13,930 |
| Equipment | 1,871 | 221 | 238 | 169 | - | - | 2,499 |
| Construction in progress | 195 | - | 178 | - | - | - | 373 |
| Right of use assets | - | - | - | - | - | - | - |
| | 16,083 | 461 | 730 | 169 | - | - | 17,443 |
| | (11,008) | (329) | (200) | (47) | - | - | (11,584) |
| Less accumulated depreciation | - | - | - | - | - | - | - |
| Less accumulated depreciation - right of use assets | - | - | - | - | - | - | - |
| Total property, plant and equipment | 5,075 | 132 | 530 | 122 | - | - | 5,859 |
| Total assets | \$ 44,766 | \$ 4,989 | \$ 8,236 | \$ 5,682 | \$ - | \$ - | \$ 63,673 |

Mary Immaculate Health Care Services, Inc.
Consolidating Balance Sheet
December 31, 2021
(In thousands)

Liabilities and Net Assets

Current liabilities:

Accounts payable
Accrued expenses and other liabilities
Estimated third-party payor settlements
Other current liabilities
Current portion of due to affiliates
Current portion of lease liability
Current portion of long-term debt
Total current liabilities

Long-term debt, less current portion

Long-term lease liability, less current portion

Due to affiliates, less current portion

Defined benefit pension obligation

Other liabilities

Professional liability loss reserves

Total liabilities

Net assets:

Without donor restriction

With donor restriction

Total net assets

Total liabilities and net assets

| | Mary Immaculate Nursing | Mary Immaculate Adult Care | Mary Immaculate Management | Mary Immaculate Trans- portation | Mary Immaculate Guild | Mary Immaculate Elimina- tions | Mary Immaculate Total Obligated |
|-----------|-------------------------------|-------------------------------------|----------------------------------|---|-----------------------------|---|--|
| \$ | 439 | \$ | \$ | 2 | \$ | \$ | 445 |
| 1,005 | — | — | 80 | 6 | — | — | 1,091 |
| 30 | — | — | — | — | — | — | 30 |
| 111 | — | — | — | — | — | — | 111 |
| — | — | — | 251 | 66 | — | — | 317 |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| 1,585 | — | — | 335 | 74 | — | — | 1,994 |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| 562 | — | — | 3 | — | — | — | 565 |
| 89 | — | — | — | — | — | — | 89 |
| 2,236 | — | — | 338 | 74 | — | — | 2,648 |
| 42,527 | 4,989 | 7,898 | 5,608 | — | — | — | 61,022 |
| 3 | — | — | — | — | — | — | 3 |
| 42,530 | 4,989 | 7,898 | 5,608 | — | — | — | 61,025 |
| \$ 44,766 | \$ 4,989 | \$ 8,236 | \$ 5,682 | \$ | \$ | \$ | \$ 63,673 |

Mary Immaculate Health Care Services, Inc.
Consolidating Statement of Operations
December 31, 2021
(In thousands)

| | Mary Immaculate Nursing | Mary Immaculate Adult Care | Mary Immaculate Management | Mary Immaculate Trans- portation | Mary Immaculate Guild | Mary Immaculate Elimina- tions | Mary Immaculate Total Obligated |
|--|-------------------------------|-------------------------------------|----------------------------------|---|-----------------------------|---|--|
| Operating revenue: | | | | | | | |
| Patient service revenue | 14,318 | 92 | 2,057 | 29 | - | - | \$ 16,496 |
| Other revenue | 737 | 4 | 805 | 32 | - | - | 1,578 |
| Net assets released from restrictions for operations | 211 | - | - | - | - | - | 211 |
| Total operating revenue | 15,266 | 96 | 2,862 | 61 | - | - | 18,285 |
| Operating expenses: | | | | | | | |
| Salaries and wages | 8,054 | - | 1,826 | 76 | - | - | 9,956 |
| Employee benefits | 1,582 | - | 303 | 24 | - | - | 1,909 |
| Supplies and other | 1,822 | - | - | - | - | - | 1,822 |
| Other expenses | 5,051 | 11 | 1,015 | 92 | - | - | 6,169 |
| Interest | - | - | - | - | - | - | - |
| Provider tax | 99 | - | - | - | - | - | 99 |
| Depreciation | 657 | 15 | 37 | 36 | - | - | 745 |
| Total operating expenses | 17,265 | 26 | 3,181 | 228 | - | - | 20,700 |
| Income (loss) from operations | (1,999) | 70 | (319) | (167) | - | - | (2,415) |
| Net periodic pension cost | - | - | - | - | - | - | - |
| Nonoperating gains (losses), net: | | | | | | | |
| Dividend and interest income | 499 | 62 | 94 | 72 | - | - | 727 |
| Realized gain (loss) from investments | 7,331 | 864 | 1,285 | 941 | - | - | 10,421 |
| Unrealized gain (loss) from investments | (3,722) | (443) | (662) | (487) | - | - | (5,314) |
| Gain (loss) on sale of assets | - | - | - | - | - | - | - |
| Other nonoperating income | (4) | - | - | - | - | - | (4) |
| Other nonoperating expense | (10) | - | - | - | - | - | (10) |
| Loss on early extinguishment of debt | 9 | - | - | - | - | - | 9 |
| Total nonoperating gains (losses), net | 4,103 | 483 | 717 | 526 | - | - | 5,829 |
| Excess of revenue over expenses | 2,104 | 553 | 398 | 359 | - | - | 3,414 |
| Other changes in net asset without donor restriction: | | | | | | | |
| Net assets released from restrictions | - | - | - | - | - | - | - |
| Adjustment to defined benefit pension obligation | - | - | - | - | - | - | - |
| Transfer among affiliates | - | - | - | - | - | - | - |
| Increase (decrease) in net assets without donor restriction | \$ 2,104 | \$ 553 | \$ 398 | \$ 359 | \$ - | \$ - | \$ 3,414 |

St. Mary's Villa Nursing Home, Inc.
Consolidating Balance Sheet
December 31, 2021
(In thousands)

| | Primary Care | Skilled Nursing Facility | St. Mary's Villa Nursing Home, Inc. Consolidated |
|--|-----------------|--------------------------------|--|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 2,055 | \$ 476 | \$ 2,531 |
| Accounts receivable, net | 295 | 549 | 844 |
| Current portion of pledges receivable | — | — | — |
| Investments | — | — | — |
| Inventories | — | 16 | 16 |
| Prepaid expenses and other current assets | (26) | 78 | 52 |
| Current portion of assets whose use is limited or restricted | 348 | 313 | 661 |
| Current portion of due from affiliates | (27) | 22 | (5) |
| Total current assets | 2,645 | 1,454 | 4,099 |
| Assets whose use is limited or restricted: | | | |
| Funds held by trustees, less current portion | 26 | — | 26 |
| Deferred compensation | — | — | — |
| Board designated funds and other long-term investments | 5,852 | 10,162 | 16,014 |
| Replacement reserve | — | — | — |
| Donor restricted funds | — | 13 | 13 |
| Total assets whose use is limited or restricted | 5,878 | 10,175 | 16,053 |
| Other assets: | | | |
| Pledges receivable, less current portion | — | — | — |
| Other assets | — | 57 | 57 |
| Due from affiliates, less current portion | — | — | — |
| Investments in joint ventures | — | — | — |
| Total other assets | — | 57 | 57 |
| Property, plant and equipment | | | |
| Land and improvements | 219 | 80 | 299 |
| Buildings and improvements | 5,806 | 10,601 | 16,407 |
| Equipment | 980 | 3,562 | 4,542 |
| Construction in progress | — | 175 | 175 |
| Right of use assets | — | — | — |
| | 7,005 | 14,418 | 21,423 |
| Less accumulated depreciation | (4,167) | (8,813) | (12,980) |
| Less accumulated depreciation – right of use assets | — | — | — |
| Total property, plant and equipment | 2,838 | 5,605 | 8,443 |
| Total assets | \$ 11,361 | \$ 17,291 | \$ 28,652 |

St. Mary's Villa Nursing Home, Inc.
Consolidating Balance Sheet
December 31, 2021
(In thousands)

Liabilities and Net Assets

Current liabilities:

Accounts payable \$ 122 \$ 69 \$ 191
Accrued expenses and other liabilities 190 878 1,068
Estimated third-party payor settlements 4 4
Other current liabilities 204 — 204
Current portion of due to affiliates 14 61 75
Current portion of lease liability — — —
Current portion of long-term debt — 125 125
Total current liabilities 530 1,137 1,667

Long-term debt, less current portion 988 1,087 2,075

Long-term lease liability, less current portion — — —

Due to affiliates, less current portion — — 1,825

Defined benefit pension obligation — — —

Other liabilities — 327 327

Professional liability loss reserves 8 49 57

Total liabilities 1,526 4,425 5,951

Net assets:

Without donor restriction 9,489 12,657 22,146

With donor restriction 346 209 555

Total net assets 9,835 12,866 22,701

Total liabilities and net assets \$ 11,361 \$ 17,291 \$ 28,652

Primary Care Skilled Nursing Facility St. Mary's Villa Nursing Home, Inc. Consolidated

St. Mary's Villa Nursing Home, Inc.
Consolidating Statement of Operations
December 31, 2021
(In thousands)

| | Primary Care | Skilled Nursing Facility | St. Mary's Villa Nursing Home, Inc. Consolidated |
|--|-----------------|--------------------------------|--|
| Operating revenue: | | | |
| Patient service revenue | \$ 2,412 | \$ 8,887 | \$ 11,299 |
| Other revenue | 58 | 201 | 259 |
| Net assets released from restrictions for operations | — | — | — |
| Total operating revenue | 2,470 | 9,088 | 11,558 |
| Operating expenses: | | | |
| Salaries and wages | 1,392 | 5,403 | 6,795 |
| Employee benefits | 159 | 1,297 | 1,456 |
| Supplies and other | — | 785 | 785 |
| Other expenses | 699 | 2,031 | 2,730 |
| Interest | 39 | 165 | 204 |
| Provider tax | — | 300 | 300 |
| Depreciation | 123 | 578 | 701 |
| Total operating expenses | 2,412 | 10,559 | 12,971 |
| Income (loss) from operations | 58 | (1,471) | (1,413) |
| Net periodic pension cost | — | — | — |
| Nonoperating gains (losses), net: | | | |
| Dividend and interest income | 83 | 135 | 218 |
| Realized gain (loss) from investments | 1,190 | 2,085 | 3,275 |
| Unrealized gain (loss) from investments | (440) | (753) | (1,193) |
| Gain (loss) on sale of assets | — | — | — |
| Other nonoperating income | — | — | — |
| Other nonoperating expense | — | — | — |
| Loss on early extinguishment of debt | — | — | — |
| Total nonoperating gains (losses), net | 833 | 1,467 | 2,300 |
| Excess of revenue over expenses | 891 | (4) | 887 |
| Other changes in net asset without donor restriction: | | | |
| Net assets released from restrictions | — | — | — |
| Adjustment to defined benefit pension obligation | — | — | — |
| Transfer among affiliates | — | — | — |
| Increase (decrease) in net assets without donor restriction | \$ 891 | \$ (4) | \$ 887 |