

**ANNUAL COMPLIANCE REPORT  
Covenant Health Obligated Group**

**Annual Compliance Report for the Fiscal Year  
Ended December 31, 2022**

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

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

**Notes to Which Report Relates:**

\$125,000,000 Original Issued amount  
Covenant Health Obligated Group, Series 2021-1

<u>MATURITY</u>	<u>CUSIP NO.</u>
07/01/2041	22285@AA6

\$100,000,000 Original issued amount  
Covenant Health Obligated Group, Series 2021-1

<u>MATURITY</u>	<u>CUSIP NO.</u>
07/01/2051	22285FAA4

**Period to which Report Relates: Fiscal Year ended December 31, 2022**

This Annual Compliance Report (this "Report") is provided on behalf of the Covenant Health, Inc. and its Subsidiaries ("Covenant").

THIS REPORT IS INTENDED SOLELY TO PROVIDE CERTAIN LIMITED FINANCIAL DATA IN ACCORDANCE WITH UNDERTAKINGS OF COVENANT AND DOES NOT CONSTITUTE A REISSUANCE OF ANY OFFERING DOCUMENT OR OFFICIAL STATEMENT RELATING TO ANY OUTSTANDING NOTES OR BONDS OR A SUPPLEMENT OR AMENDMENT TO ANY SUCH OFFERING DOCUMENT OR OFFICIAL STATEMENT.

THIS REPORT CONTAINS CERTAIN FINANCIAL DATA AS OF DECEMBER 31, 2022. COVENANT HAS UNDERTAKEN NO RESPONSIBILITY TO UPDATE ANY ELEMENTS OF THAT DATA SINCE THAT DATE OR TO UPDATE THIS REPORT AND DISCLAIM ANY OBLIGATION TO UPDATE THIS REPORT OR TO FILE ANY REPORTS OR OTHER INFORMATION WITH ANY OTHER PERSON EXCEPT AS SPECIFICALLY REQUIRED BY THE UNDERTAKING.

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

**FINANCIAL METRICS**

Select consolidated financial metrics for Covenant for the fiscal years ended December 31, 2022 and 2021 is attached as **Exhibit A**.

**FINANCIAL STATEMENTS**

The Audited Consolidated Financial Statements for Covenant are posted contemporaneously with this annual compliance report as a separate file.

Date: May 26, 2023

COVENANT HEALTH, INC.

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

Stephen W. Forney, Senior Vice-President/Chief Financial Officer

## Coventant Health, Inc. and Subsidiaries

## Select Consolidated Financial Metrics

	Consolidated FYE	
	12/31/2022	12/31/2021
Excess of Revenue Over Expenses	\$ (141,695)	\$ 22,160
Unrealized Investment Losses (Gains)	61,931	28,826
Interest Expense	9,656	9,454
Depreciation Expense	27,095	25,497
Income Available for Debt Service	<u>\$ (43,013)</u>	<u>\$ 85,937</u>
Income Available for Debt Service - Annualized	<u>\$ (43,013)</u>	<u>\$ 85,937</u>
Debt Service:		
Current Portion of LTD as of 12/31/21 and 20	\$ 3,664	\$ 16,879
Annualized Interest Payments	9,656	9,454
Total Debt Service - Annual	<u>\$ 13,320</u>	<u>\$ 26,333</u>
Debt Service Coverage	<u>(3.2)</u>	<u>4.4</u>
Cash and Short-Term Investments	\$ 55,549	\$ 65,700
Board-Designated Investments	259,309	395,935
Total Unrestricted Cash and Investments	<u>\$ 314,858</u>	<u>\$ 461,635</u>
Cash Expenses	<u>\$ 849,793</u>	<u>\$ 768,719</u>
Days in Period	365	365
Daily Cash Expenses	<u>\$ 2,328</u>	<u>\$ 2,106</u>
Days Cash on Hand - Unrestricted	<u>135</u>	<u>219</u>
Long-Term Debt	\$ 238,683	\$ 241,318
Net Assets w/o Donor Restr	361,131	501,941
LTD to Capital	<u>40%</u>	<u>32%</u>
Net Assets w/o Donor Restr	\$ 361,131	\$ 501,941
Net Assets w/ Donor Restr	61,471	60,681
Total Net Assets	<u>\$ 422,602</u>	<u>\$ 562,622</u>
Cash and Short-Term Investments	55,549	65,700
Board-Designated Investments	259,309	395,935
Restricted Investments	64,967	63,634
	<u>\$ 379,825</u>	<u>\$ 525,269</u>
Cash Expenses	<u>849,793</u>	<u>768,719</u>
Days in Period	365	365
Daily Cash Expenses	<u>\$ 2,328</u>	<u>\$ 2,106</u>
Days Cash on Hand - Unrestricted & Unrestricted	<u>163</u>	<u>249</u>