



GraniteOne Health
Combined Financial Results

September 30, 2019



GraniteOne Health
Consolidated Financial Results
September 30, 2019

| <i>Table of Contents</i> | Page |
|--|-------------|
| GraniteOne Health Combined Year-to-Date Statement of Operations | 2 |
| GraniteOne Health Combining Year-to-Date Statement of Operations | 3 |
| GraniteOne Health Combined Quarter Statement of Operations | 4 |
| GraniteOne Health Combining Quarter Statement of Operations | 5 |
| CMC Healthcare System Statement of Operations | 6 |
| Huggins Hospital Statement of Operations | 7 |
| Monadnock Community Hospital Statement of Operations | 8 |
| GraniteOne Home Office Statement of Operations | 9 |
| GraniteOne Health Combined Balance Sheet | 10 |
| GraniteOne Health Combining Balance Sheet, September 30, 2019 | 11 |
| GraniteOne Health Combining Balance Sheet, September 30, 2018 | 12 |
| GraniteOne Health Combined Statement of Cash Flows | 13 |
| GraniteOne Health Key Metrics | 14 |

GraniteOne Health
Combined Statement of Operations
Year to Date Period Ended September 30, 2019

| | YEAR TO DATE | | | |
|--|-----------------------|----------------------|------------------------|----------------|
| | ACTUAL 09/30/2019 | BUDGET 09/30/2019 | VARIANCE | PERCENT |
| *excludes top-side entries | | | | |
| <u>PATIENT SERVICES REVENUE</u> | | | | |
| Inpatient Revenue | \$ 698,679,637 | \$ 777,287,005 | \$ (78,607,368) | -10.1% |
| Outpatient Revenue | 832,577,903 | 827,322,811 | 5,255,092 | 0.6% |
| Physician Revenue | 194,316,353 | 183,666,934 | 10,649,418 | 5.8% |
| TOTAL PATIENT SERVICES REVENUE | <u>1,725,573,893</u> | <u>1,788,276,751</u> | <u>(62,702,858)</u> | <u>-3.5%</u> |
| <u>REVENUE DEDUCTIONS</u> | | | | |
| Contractual Adjustments | 1,089,578,406 | 1,130,473,873 | (40,895,467) | -3.6% |
| DSH Funding | (29,953,604) | (28,412,741) | (1,540,863) | 5.4% |
| Charity Care | 25,459,923 | 27,835,088 | (2,375,165) | -8.5% |
| Bad Debt | 29,724,617 | 32,283,132 | (2,558,515) | -7.9% |
| TOTAL REVENUE DEDUCTIONS | <u>1,114,809,343</u> | <u>1,162,179,352</u> | <u>(47,370,010)</u> | <u>-4.1%</u> |
| NET PATIENT SERVICES REVENUES | <u>610,764,550</u> | <u>626,097,398</u> | <u>(15,332,848)</u> | <u>-2.4%</u> |
| Other Operating Revenues | 30,625,349 | 27,877,904 | 2,747,445 | 9.9% |
| NET OPERATING REVENUES | <u>641,389,899</u> | <u>653,975,302</u> | <u>(12,585,403)</u> | <u>-1.9%</u> |
| <u>OPERATING EXPENSES</u> | | | | |
| Salaries | 300,135,761 | 295,472,638 | 4,663,123 | 1.6% |
| Benefits | 68,758,723 | 66,049,727 | 2,708,997 | 4.1% |
| Physician Fees | 15,618,411 | 15,540,070 | 78,340 | 0.5% |
| Supplies | 123,368,351 | 126,120,945 | (2,752,594) | -2.2% |
| Other | 81,945,654 | 83,484,175 | (1,538,521) | -1.8% |
| Medicaid Enhancement Tax | 27,870,593 | 26,726,022 | 1,144,571 | 4.3% |
| Depreciation | 25,975,671 | 27,736,503 | (1,760,832) | -6.3% |
| Interest | 6,191,208 | 6,531,880 | (340,673) | -5.2% |
| TOTAL OPERATING EXPENSES | <u>649,864,372</u> | <u>647,661,960</u> | <u>2,202,411</u> | <u>0.3%</u> |
| GAIN/(LOSS) FROM OPERATIONS | <u>(8,474,473)</u> | <u>6,313,342</u> | <u>(14,787,815)</u> | <u>-234.2%</u> |
| Net Margin | -1.3% | 1.0% | -2.3% | -236.9% |
| TOTAL NON OPERATING REVENUES/EXPENSES | <u>2,882,750</u> | <u>3,139,726</u> | <u>(256,977)</u> | <u>-8.2%</u> |
| GAIN AFTER NON OPERATING REVENUES | <u>\$ (5,591,724)</u> | <u>\$ 9,453,068</u> | <u>\$ (15,044,791)</u> | <u>-159.2%</u> |

| Stats: | | |
|---|-------|-------|
| Allowances as a % of Gross | 63.1% | 63.2% |
| Charity as a % of Gross | 1.5% | 1.6% |
| Bad Debt as a % of Gross | 1.7% | 1.8% |
| Payment % (xDSH) | 33.7% | 33.4% |
| Salary and Benefits as a % of NPSR (xDSH) | 63.5% | 60.5% |
| Benefits as a % of Salaries | 22.9% | 22.4% |
| Operating Margin % | -1.3% | 1.0% |
| EBITDA % | 3.7% | 6.2% |

GraniteOne Health
Combining Statement of Operations including Topside Entries
Year to Date Period Ended September 30, 2019

| | <u>Granite One</u> | <u>CMC Healthcare System</u> | <u>Huggins Hospital</u> | <u>Monadnock Community Hospital</u> | <u>Eliminations</u> | <u>Topside Entries</u> | <u>Total System</u> |
|--|--------------------|------------------------------|-------------------------|-------------------------------------|---------------------|------------------------|-----------------------|
| <u>PATIENT SERVICES REVENUE</u> | | | | | | | |
| Inpatient Revenue | \$ - | \$ 660,798,023 | \$ 19,867,633 | \$ 18,013,981 | \$ - | \$ - | \$ 698,679,637 |
| Outpatient Revenue | - | 623,838,429 | 84,489,301 | 124,250,172 | - | - | 832,577,903 |
| Physician Revenue | - | 150,602,542 | 18,184,077 | 25,529,734 | - | - | 194,316,353 |
| TOTAL PATIENT SERVICES REVENUE | - | 1,435,238,994 | 122,541,012 | 167,793,887 | - | - | 1,725,573,893 |
| <u>REVENUE DEDUCTIONS</u> | | | | | | | |
| Contractual Adjustments | - | 947,110,052 | 61,941,031 | 80,527,323 | - | - | 1,089,578,406 |
| DSH Funding | - | (22,566,094) | (3,062,506) | (4,325,004) | - | - | (29,953,604) |
| Charity Care | - | 22,371,381 | 1,256,226 | 1,832,317 | - | - | 25,459,923 |
| Bad Debt | - | 21,644,644 | 3,120,778 | 4,959,195 | - | - | 29,724,617 |
| TOTAL REVENUE DEDUCTIONS | - | 968,559,982 | 63,255,529 | 82,993,831 | - | - | 1,114,809,343 |
| NET PATIENT SERVICES REVENUES | - | 466,679,012 | 59,285,482 | 84,800,056 | - | - | 610,764,550 |
| Other Operating Revenues | 3,423,954 | 21,610,586 | 6,715,374 | 5,985,615 | (7,110,180) | - | 30,625,349 |
| NET OPERATING REVENUES | 3,423,954 | 488,289,597 | 66,000,856 | 90,785,671 | (7,110,180) | - | 641,389,899 |
| <u>OPERATING EXPENSES</u> | | | | | | | |
| Salaries | 473,308 | 232,401,751 | 30,751,651 | 36,577,193 | (68,142) | - | 300,135,761 |
| Benefits | 33,795 | 52,245,208 | 6,644,603 | 9,835,117 | - | - | 68,758,723 |
| Physician Fees | - | 6,887,388 | 3,834,940 | 6,856,791 | (1,960,708) | - | 15,618,411 |
| Supplies | - | 102,157,147 | 5,890,941 | 15,320,263 | - | - | 123,368,351 |
| Other | 2,926,212 | 60,074,523 | 10,610,229 | 13,416,020 | (5,081,330) | - | 81,945,654 |
| Medicaid Enhancement Tax | - | 21,382,132 | 2,453,191 | 4,035,270 | - | - | 27,870,593 |
| Depreciation | - | 16,901,463 | 4,604,378 | 4,469,830 | - | 1,275,904 | 27,251,575 |
| Interest | - | 4,224,046 | 936,588 | 1,030,574 | - | - | 6,191,208 |
| TOTAL OPERATING EXPENSES | 3,433,315 | 496,273,659 | 65,726,521 | 91,541,057 | (7,110,180) | 1,275,904 | 651,140,275 |
| GAIN/(LOSS) FROM OPERATIONS | (9,360) | (7,984,062) | 274,335 | (755,386) | - | (1,275,904) | (9,750,377) |
| Net Margin | -0.3% | -1.6% | 0.4% | -0.8% | 0.0% | 100.0% | -1.5% |
| TOTAL NON OPERATING REVENUES/EXPENSES | - | 437,672 | 2,264,031 | 181,047 | - | - | 2,882,750 |
| GAIN AFTER NON OPERATING REVENUES | \$ (9,360) | \$ (7,546,390) | \$ 2,538,366 | \$ (574,339) | \$ - | \$ (1,275,904) | \$ (6,867,627) |

GraniteOne Health
Combined Statement of Operations
Quarter Ended September 30, 2019

| | Quarter Ended September 30, 2019 | | | |
|--|----------------------------------|----------------------|-----------------------|----------------|
| | ACTUAL 09/30/2019 | BUDGET 09/30/2019 | VARIANCE | PERCENT |
| *excludes top-side entries | | | | |
| <u>PATIENT SERVICES REVENUE</u> | | | | |
| Inpatient Revenue | \$ 177,375,929 | \$ 199,788,920 | \$ (22,412,990) | -11.2% |
| Outpatient Revenue | 208,261,601 | 214,780,090 | (6,518,490) | -3.0% |
| Physician Revenue | 48,902,112 | 49,238,291 | (336,180) | -0.7% |
| TOTAL PATIENT SERVICES REVENUE | 434,539,641 | 463,807,301 | (29,267,660) | -6.3% |
| <u>REVENUE DEDUCTIONS</u> | | | | |
| Contractual Adjustments | 274,545,058 | 294,407,544 | (19,862,486) | -6.7% |
| DSH Funding | (7,873,840) | (7,103,186) | (770,655) | 10.8% |
| Charity Care | 6,546,988 | 7,168,339 | (621,350) | -8.7% |
| Bad Debt | 6,442,129 | 8,234,071 | (1,791,942) | -21.8% |
| TOTAL REVENUE DEDUCTIONS | 279,660,335 | 302,706,768 | (23,046,433) | -7.6% |
| NET PATIENT SERVICES REVENUES | 154,879,306 | 161,100,533 | (6,221,227) | -3.9% |
| Other Operating Revenues | 7,167,848 | 6,698,570 | 469,278 | 7.0% |
| NET OPERATING REVENUES | 162,047,154 | 167,799,103 | (5,751,949) | -3.4% |
| <u>OPERATING EXPENSES</u> | | | | |
| Salaries | 75,550,518 | 75,025,216 | 525,302 | 0.7% |
| Benefits | 16,440,352 | 16,046,679 | 393,673 | 2.5% |
| Physician Fees | 4,413,678 | 3,915,323 | 498,355 | 12.7% |
| Supplies | 30,753,259 | 32,106,899 | (1,353,640) | -4.2% |
| Other | 20,645,759 | 21,444,211 | (798,452) | -3.7% |
| Medicaid Enhancement Tax | 7,709,662 | 6,681,506 | 1,028,157 | 15.4% |
| Depreciation | 6,284,007 | 6,975,660 | (691,654) | -9.9% |
| Interest | 1,374,437 | 1,631,173 | (256,736) | -15.7% |
| TOTAL OPERATING EXPENSES | 163,171,672 | 163,826,667 | (654,995) | -0.4% |
| GAIN/(LOSS) FROM OPERATIONS | (1,124,518) | 3,972,436 | (5,096,953) | -128.3% |
| Net Margin | -0.7% | 2.4% | -3.1% | -129.3% |
| TOTAL NON OPERATING REVENUES/EXPENSES | (2,766,740) | 717,853 | (3,484,592) | -485.4% |
| GAIN AFTER NON OPERATING REVENUES | \$ (3,891,257) | \$ 4,690,289 | \$ (8,581,546) | -183.0% |

| Stats: | | |
|---|-------|-------|
| Allowances as a % of Gross | 63.2% | 63.5% |
| Charity as a % of Gross | 1.5% | 1.5% |
| Bad Debt as a % of Gross | 1.5% | 1.8% |
| Payment % (xDSH) | 33.8% | 33.2% |
| Salary and Benefits as a % of NPSR (xDSH) | 62.6% | 59.1% |
| Benefits as a % of Salaries | 21.8% | 21.4% |
| Operating Margin % | -0.7% | 2.4% |
| EBITDA % | 4.0% | 7.5% |

GraniteOne Health
Combining Statement of Operations including Topside Entries
Quarter Ended September 30, 2019

| | <u>Granite One</u> | <u>CMC Healthcare System</u> | <u>Huggins Hospital</u> | <u>Monadnock Community Hospital</u> | <u>Eliminations</u> | <u>Topside Entries</u> | <u>Total System</u> |
|--|--------------------|------------------------------|-------------------------|-------------------------------------|---------------------|------------------------|-----------------------|
| <u>PATIENT SERVICES REVENUE</u> | | | | | | | |
| Inpatient Revenue | \$ - | \$ 167,465,696 | \$ 5,415,606 | \$ 4,494,627 | \$ - | \$ - | \$ 177,375,929 |
| Outpatient Revenue | - | 152,576,621 | 24,203,380 | 31,481,599 | - | - | 208,261,601 |
| Physician Revenue | - | 38,272,683 | 4,331,423 | 6,298,005 | - | - | 48,902,112 |
| TOTAL PATIENT SERVICES REVENUE | - | 358,315,001 | 33,950,409 | 42,274,232 | - | - | 434,539,641 |
| <u>REVENUE DEDUCTIONS</u> | | | | | | | |
| Contractual Adjustments | - | 237,459,791 | 17,046,210 | 20,039,057 | - | - | 274,545,058 |
| DSH Funding | - | (6,167,583) | (625,006) | (1,081,251) | - | - | (7,873,840) |
| Charity Care | - | 5,680,190 | 323,669 | 543,129 | - | - | 6,546,988 |
| Bad Debt | - | 4,694,887 | 671,124 | 1,076,118 | - | - | 6,442,129 |
| TOTAL REVENUE DEDUCTIONS | - | 241,667,286 | 17,415,996 | 20,577,053 | - | - | 279,660,335 |
| NET PATIENT SERVICES REVENUES | - | 116,647,715 | 16,534,412 | 21,697,179 | - | - | 154,879,306 |
| Other Operating Revenues | 2,949,272 | 4,603,072 | 2,054,527 | 1,433,020 | (3,872,043) | - | 7,167,848 |
| NET OPERATING REVENUES | 2,949,272 | 121,250,787 | 18,588,939 | 23,130,199 | (3,872,043) | - | 162,047,154 |
| <u>OPERATING EXPENSES</u> | | | | | | | |
| Salaries | 90,482 | 58,286,682 | 7,921,312 | 9,269,077 | (17,036) | - | 75,550,518 |
| Benefits | 5,131 | 12,634,743 | 1,651,883 | 2,148,594 | - | - | 16,440,352 |
| Physician Fees | - | 2,218,731 | 982,483 | 1,680,239 | (467,776) | - | 4,413,678 |
| Supplies | - | 25,070,296 | 1,768,317 | 3,914,646 | - | - | 30,753,259 |
| Other | 2,863,019 | 14,364,412 | 3,157,261 | 3,648,299 | (3,387,232) | - | 20,645,759 |
| Medicaid Enhancement Tax | - | 6,074,262 | 613,298 | 1,022,103 | - | - | 7,709,662 |
| Depreciation | - | 4,114,582 | 1,037,534 | 1,131,890 | - | 313,912 | 6,597,918 |
| Interest | - | 925,057 | 218,324 | 231,057 | - | - | 1,374,437 |
| TOTAL OPERATING EXPENSES | 2,958,632 | 123,688,765 | 17,350,413 | 23,045,905 | (3,872,043) | 313,912 | 163,485,583 |
| GAIN/(LOSS) FROM OPERATIONS | (9,360) | (2,437,978) | 1,238,527 | 84,294 | - | (313,912) | (1,438,429) |
| Net Margin | -0.3% | -2.0% | 6.7% | 0.4% | 0.0% | 100.0% | -0.9% |
| TOTAL NON OPERATING REVENUES/EXPENSES | - | (1,543,635) | (345,994) | (877,111) | - | - | (2,766,740) |
| GAIN AFTER NON OPERATING REVENUES | \$ (9,360) | \$ (3,981,613) | \$ 892,533 | \$ (792,816) | \$ - | \$ (313,912) | \$ (4,205,169) |

CMC Healthcare System
Statement of Operations
Quarter Ended September 30, 2019

| | Quarter Ended September 30, 2019 | | | | | | |
|--|----------------------------------|----------------------|-----------------------|----------------|---------------------------|---------------------------|-----------------------|
| | ACTUAL 09/30/2019 | BUDGET 09/30/2019 | VARIANCE | PERCENT | YEAR TO DATE ACTUAL | YEAR TO DATE BUDGET | PRIOR YEAR to DATE |
| <u>PATIENT SERVICES REVENUE</u> | | | | | | | |
| Inpatient Revenue | \$ 167,465,696 | \$ 189,273,697 | \$ (21,808,001) | -11.5% | \$ 660,798,023 | \$ 736,213,771 | \$ 655,589,615 |
| Outpatient Revenue | 152,576,621 | 160,201,001 | (7,624,379) | -4.8% | 623,838,429 | 620,382,859 | 551,384,308 |
| Physician Revenue | 38,272,683 | 38,365,403 | (92,720) | -0.2% | 150,602,542 | 139,461,601 | 134,078,021 |
| TOTAL PATIENT SERVICES REVENUE | 358,315,001 | 387,840,100 | (29,525,100) | -7.6% | 1,435,238,994 | 1,496,058,232 | 1,341,051,943 |
| <u>REVENUE DEDUCTIONS</u> | | | | | | | |
| Contractual Adjustments | 237,459,791 | 256,660,180 | (19,200,389) | -7.5% | 947,110,052 | 986,641,907 | 867,148,509 |
| DSH Funding | (6,167,583) | (5,209,436) | (958,147) | 18.4% | (22,566,094) | (20,837,741) | (17,993,289) |
| Charity Care | 5,680,190 | 6,296,701 | (616,511) | -9.8% | 22,371,381 | 24,509,459 | 21,393,063 |
| Bad Debt | 4,694,887 | 5,917,354 | (1,222,467) | -20.7% | 21,644,644 | 23,432,483 | 20,334,251 |
| TOTAL REVENUE DEDUCTIONS | 241,667,286 | 263,664,800 | (21,997,514) | -8.3% | 968,559,982 | 1,013,746,107 | 890,882,535 |
| NET PATIENT SERVICES REVENUES | 116,647,715 | 124,175,301 | (7,527,585) | -6.1% | 466,679,012 | 482,312,125 | 450,169,408 |
| Other Operating Revenues | 4,603,072 | 4,852,701 | (249,629) | -5.1% | 21,610,586 | 20,336,652 | 19,454,680 |
| NET OPERATING REVENUES | 121,250,787 | 129,028,001 | (7,777,214) | -6.0% | 488,289,597 | 502,648,776 | 469,624,089 |
| <u>OPERATING EXPENSES</u> | | | | | | | |
| Salaries | 58,286,682 | 58,152,144 | 134,538 | 0.2% | 232,401,751 | 228,673,527 | 220,027,650 |
| Benefits | 12,634,743 | 12,354,626 | 280,117 | 2.3% | 52,245,208 | 50,336,517 | 46,785,621 |
| Physician Fees | 2,218,731 | 1,919,805 | 298,926 | 15.6% | 6,887,388 | 7,683,651 | 5,988,418 |
| Supplies | 25,070,296 | 26,908,670 | (1,838,374) | -6.8% | 102,157,147 | 105,218,797 | 96,203,697 |
| Other | 14,364,412 | 15,999,836 | (1,635,423) | -10.2% | 60,074,523 | 62,472,052 | 58,098,095 |
| Medicaid Enhancement Tax | 6,074,262 | 5,170,440 | 903,822 | 17.5% | 21,382,132 | 20,681,760 | 19,968,497 |
| Depreciation | 4,114,582 | 4,557,797 | (443,215) | -9.7% | 16,901,463 | 18,202,554 | 16,136,983 |
| Interest | 925,057 | 1,100,247 | (175,190) | -15.9% | 4,224,046 | 4,401,862 | 4,368,765 |
| TOTAL OPERATING EXPENSES | 123,688,765 | 126,163,565 | (2,474,800) | -2.0% | 496,273,659 | 497,670,720 | 467,577,726 |
| GAIN/(LOSS) FROM OPERATIONS | (2,437,978) | 2,864,436 | (5,302,414) | -185.1% | (7,984,062) | 4,978,056 | 2,046,363 |
| Net Margin | -2.0% | 2.2% | -4.2% | -190.6% | -1.6% | 1.0% | 0.4% |
| TOTAL NON OPERATING REVENUES/EXPENSES | (1,543,635) | 229,793 | (1,773,428) | -771.8% | 437,672 | 1,055,002 | 4,492,198 |
| GAIN AFTER NON OPERATING REVENUES | \$ (3,981,613) | \$ 3,094,229 | \$ (7,075,843) | -228.7% | \$ (7,546,390) | \$ 6,033,058 | \$ 6,538,561 |

| Stats: | | | | | | | |
|---|-------|-------|--|--|-------|-------|--|
| Allowances as a % of Gross | 66.3% | 66.2% | | | 66.0% | 65.9% | |
| Charity as a % of Gross | 1.6% | 1.6% | | | 1.6% | 1.6% | |
| Bad Debt as a % of Gross | 1.3% | 1.5% | | | 1.5% | 1.6% | |
| Payment % (xDSH) | 30.8% | 30.7% | | | 30.9% | 30.8% | |
| Salary and Benefits as a % of NPSR (xDSH) | 64.2% | 59.3% | | | 64.1% | 60.5% | |
| Benefits as a % of Salaries | 21.7% | 21.2% | | | 22.5% | 22.0% | |
| Operating Margin % | -2.0% | 2.2% | | | -1.6% | 1.0% | |
| EBITDA % | 2.1% | 6.6% | | | 2.7% | 5.5% | |

Huggins Hospital
Statement of Operations
Quarter Ended September 30, 2019

Quarter Ended September 30, 2019

| | ACTUAL 09/30/2019 | BUDGET 09/30/2019 | VARIANCE | PERCENT | YEAR TO DATE ACTUAL | YEAR TO DATE BUDGET | PRIOR YEAR to DATE |
|--|----------------------|----------------------|---------------------|----------------|---------------------------|---------------------------|-----------------------|
| PATIENT SERVICES REVENUE | | | | | | | |
| Inpatient Revenue | \$ 5,415,606 | \$ 5,500,656 | \$ (85,051) | -1.5% | \$ 19,867,633 | \$ 21,169,383 | \$ 20,142,508 |
| Outpatient Revenue | 24,203,380 | 23,059,710 | 1,143,670 | 5.0% | 84,489,301 | 79,770,701 | 78,459,711 |
| Physician Revenue | 4,331,423 | 4,542,966 | (211,543) | -4.7% | 18,184,077 | 18,166,155 | 17,538,566 |
| TOTAL PATIENT SERVICES REVENUE | 33,950,409 | 33,103,332 | 847,077 | 2.6% | 122,541,012 | 119,106,240 | 116,140,785 |
| REVENUE DEDUCTIONS | | | | | | | |
| Contractual Adjustments | 17,046,210 | 16,755,820 | 290,390 | 1.7% | 61,941,031 | 58,892,919 | 57,153,925 |
| DSH Funding | (625,006) | (812,500) | 187,494 | -23.1% | (3,062,506) | (3,250,000) | (2,821,039) |
| Charity Care | 323,669 | 412,136 | (88,467) | -21.5% | 1,256,226 | 1,482,873 | 1,234,956 |
| Bad Debt | 671,124 | 1,075,858 | (404,735) | -37.6% | 3,120,778 | 3,870,953 | 3,376,782 |
| TOTAL REVENUE DEDUCTIONS | 17,415,996 | 17,431,315 | (15,319) | -0.1% | 63,255,529 | 60,996,745 | 58,944,624 |
| NET PATIENT SERVICES REVENUES | 16,534,412 | 15,672,017 | 862,395 | 5.5% | 59,285,482 | 58,109,495 | 57,196,161 |
| Other Operating Revenues | 2,054,527 | 1,144,471 | 910,056 | 79.5% | 6,715,374 | 4,756,216 | 5,501,940 |
| NET OPERATING REVENUES | 18,588,939 | 16,816,487 | 1,772,452 | 10.5% | 66,000,856 | 62,865,710 | 62,698,101 |
| OPERATING EXPENSES | | | | | | | |
| Salaries | 7,921,312 | 7,345,636 | 575,676 | 7.8% | 30,751,651 | 29,294,736 | 27,791,973 |
| Benefits | 1,651,883 | 1,636,938 | 14,945 | 0.9% | 6,644,603 | 6,547,750 | 6,941,221 |
| Physician Fees | 982,483 | 847,207 | 135,276 | 16.0% | 3,834,940 | 3,313,476 | 3,997,199 |
| Supplies | 1,768,317 | 1,385,327 | 382,990 | 27.6% | 5,890,941 | 5,542,309 | 5,201,365 |
| Other | 3,157,261 | 2,397,748 | 759,513 | 31.7% | 10,610,229 | 9,518,629 | 9,004,533 |
| Medicaid Enhancement Tax | 613,298 | 562,500 | 50,798 | 9.0% | 2,453,191 | 2,250,000 | 2,251,983 |
| Depreciation | 1,037,534 | 1,243,217 | (205,683) | -16.5% | 4,604,378 | 4,835,364 | 4,694,001 |
| Interest | 218,324 | 268,124 | (49,800) | -18.6% | 936,588 | 1,072,494 | 658,801 |
| TOTAL OPERATING EXPENSES | 17,350,413 | 15,686,697 | 1,663,716 | 10.6% | 65,726,521 | 62,374,759 | 60,541,076 |
| GAIN/(LOSS) FROM OPERATIONS | 1,238,527 | 1,129,791 | 108,736 | 9.6% | 274,335 | 490,952 | 2,157,025 |
| Net Margin | 6.7% | 6.7% | -0.1% | -0.8% | 0.4% | 0.8% | 3.4% |
| TOTAL NON OPERATING REVENUES/EXPENSES | (345,994) | 385,075 | (731,069) | -189.9% | 2,264,031 | 1,601,696 | 4,999,197 |
| GAIN AFTER NON OPERATING REVENUES | \$ 892,533 | \$ 1,514,866 | \$ (622,333) | -41.1% | \$ 2,538,366 | \$ 2,092,648 | \$ 7,156,222 |

| Stats: | | | | |
|---|-------|-------|--|-------|
| Allowances as a % of Gross | 50.2% | 50.6% | | 50.5% |
| Charity as a % of Gross | 1.0% | 1.2% | | 49.4% |
| Bad Debt as a % of Gross | 2.0% | 3.3% | | 1.0% |
| Payment % (xDSH) | 46.9% | 44.9% | | 1.2% |
| Salary and Benefits as a % of NPSR (xDSH) | 60.2% | 60.4% | | 2.5% |
| Benefits as a % of Salaries | 20.9% | 22.3% | | 3.3% |
| Operating Margin % | 6.7% | 6.7% | | 45.9% |
| EBITDA % | 13.4% | 15.7% | | 46.1% |
| | | | | 66.5% |
| | | | | 65.3% |
| | | | | 21.6% |
| | | | | 22.4% |
| | | | | 0.4% |
| | | | | 0.8% |
| | | | | 8.8% |
| | | | | 10.2% |

Monadnock Community Hospital
Statement of Operations
Quarter Ended September 30, 2019

| | Quarter Ended September 30, 2019 | | | | | | |
|--|----------------------------------|----------------------|---------------------|-----------------|---------------------------|---------------------------|-----------------------|
| | ACTUAL 09/30/2019 | BUDGET 09/30/2019 | VARIANCE | PERCENT | YEAR TO DATE ACTUAL | YEAR TO DATE BUDGET | PRIOR YEAR to DATE |
| <u>PATIENT SERVICES REVENUE</u> | | | | | | | |
| Inpatient Revenue | \$ 4,494,627 | \$ 5,014,566 | \$ (519,939) | -10.4% | \$ 18,013,981 | \$ 19,903,851 | \$ 18,920,314 |
| Outpatient Revenue | 31,481,599 | 31,519,380 | (37,781) | -0.1% | 124,250,172 | 127,169,250 | 118,737,478 |
| Physician Revenue | 6,298,005 | 6,329,923 | (31,917) | -0.5% | 25,529,734 | 26,039,178 | 24,273,173 |
| TOTAL PATIENT SERVICES REVENUE | 42,274,232 | 42,863,869 | (589,637) | -1.4% | 167,793,887 | 173,112,279 | 161,930,965 |
| <u>REVENUE DEDUCTIONS</u> | | | | | | | |
| Contractual Adjustments | 20,039,057 | 20,991,543 | (952,487) | -4.5% | 80,527,323 | 84,939,047 | 77,370,036 |
| DSH Funding | (1,081,251) | (1,081,250) | (1) | 0.0% | (4,325,004) | (4,325,000) | (4,100,348) |
| Charity Care | 543,129 | 459,502 | 83,628 | 18.2% | 1,832,317 | 1,842,757 | 1,733,553 |
| Bad Debt | 1,076,118 | 1,240,858 | (164,740) | -13.3% | 4,959,195 | 4,979,696 | 4,966,098 |
| TOTAL REVENUE DEDUCTIONS | 20,577,053 | 21,610,653 | (1,033,600) | -4.8% | 82,993,831 | 87,436,500 | 79,969,339 |
| NET PATIENT SERVICES REVENUES | 21,697,179 | 21,253,216 | 443,963 | 2.1% | 84,800,056 | 85,675,779 | 81,961,627 |
| Other Operating Revenues | 1,433,020 | 1,663,935 | (230,915) | -13.9% | 5,985,615 | 6,639,901 | 6,373,842 |
| NET OPERATING REVENUES | 23,130,199 | 22,917,151 | 213,048 | 0.9% | 90,785,671 | 92,315,680 | 88,335,469 |
| <u>OPERATING EXPENSES</u> | | | | | | | |
| Salaries | 9,269,077 | 9,453,176 | (184,100) | -1.9% | 36,577,193 | 37,207,347 | 35,935,055 |
| Benefits | 2,148,594 | 2,045,336 | 103,258 | 5.0% | 9,835,117 | 9,126,339 | 8,463,509 |
| Physician Fees | 1,680,239 | 1,682,476 | (2,237) | -0.1% | 6,856,791 | 6,753,215 | 6,731,489 |
| Supplies | 3,914,646 | 3,812,777 | 101,869 | 2.7% | 15,320,263 | 15,359,339 | 14,384,304 |
| Other | 3,648,299 | 3,559,163 | 89,136 | 2.5% | 13,416,020 | 13,474,736 | 13,411,016 |
| Medicaid Enhancement Tax | 1,022,103 | 948,566 | 73,538 | 7.8% | 4,035,270 | 3,794,262 | 3,613,664 |
| Depreciation | 1,131,890 | 1,174,646 | (42,756) | -3.6% | 4,469,830 | 4,698,585 | 4,388,427 |
| Interest | 231,057 | 262,802 | (31,746) | -12.1% | 1,030,574 | 1,057,524 | 1,078,377 |
| TOTAL OPERATING EXPENSES | 23,045,905 | 22,938,942 | 106,963 | 0.5% | 91,541,057 | 91,471,346 | 88,005,842 |
| GAIN/(LOSS) FROM OPERATIONS | 84,294 | (21,791) | 106,085 | -486.8% | (755,386) | 844,334 | 329,626 |
| Net Margin | 0.4% | -0.1% | 0.5% | -483.3% | -0.8% | 0.9% | 0.4% |
| TOTAL NON OPERATING REVENUES/EXPENSES | (877,111) | 102,985 | (980,095) | -951.7% | 181,047 | 483,027 | 6,580,737 |
| GAIN AFTER NON OPERATING REVENUES | \$ (792,816) | \$ 81,194 | \$ (874,010) | -1076.4% | \$ (574,339) | \$ 1,327,361 | \$ 6,910,363 |

| | | | | | | | |
|---|-------|-------|--|--|-------|-------|--|
| Stats: | | | | | | | |
| Allowances as a % of Gross | 47.4% | 49.0% | | | 48.0% | 49.1% | |
| Charity as a % of Gross | 1.3% | 1.1% | | | 1.1% | 1.1% | |
| Bad Debt as a % of Gross | 2.5% | 2.9% | | | 3.0% | 2.9% | |
| Payment % (xDSH) | 48.8% | 47.1% | | | 48.0% | 47.0% | |
| Salary and Benefits as a % of NPSR (xDSH) | 55.4% | 57.0% | | | 57.7% | 57.0% | |
| Benefits as a % of Salaries | 23.2% | 21.6% | | | 26.9% | 24.5% | |
| Operating Margin % | 0.4% | -0.1% | | | -0.8% | 0.9% | |
| EBITDA % | 6.3% | 6.2% | | | 5.2% | 7.1% | |

GraniteOne
Statement of Operations
Quarter Ended September 30, 2019

| | Quarter Ended September 30, 2019 | | | | | | |
|--|----------------------------------|----------------------|-------------------|----------------|---------------------------|---------------------------|-----------------------|
| | ACTUAL 09/30/2019 | BUDGET 09/30/2019 | VARIANCE | PERCENT | YEAR TO DATE ACTUAL | YEAR TO DATE BUDGET | PRIOR YEAR TO DATE |
| <u>PATIENT SERVICES REVENUE</u> | | | | | | | |
| Inpatient Revenue | \$ - | \$ - | \$ - | 0.0% | \$ - | \$ - | \$ - |
| Outpatient Revenue | - | - | - | 0.0% | - | - | - |
| Physician Revenue | - | - | - | 0.0% | - | - | - |
| TOTAL PATIENT SERVICES REVENUE | - | - | - | 0.0% | - | - | - |
| <u>REVENUE DEDUCTIONS</u> | | | | | | | |
| Contractual Adjustments | - | - | - | 0.0% | - | - | - |
| DSH Funding | - | - | - | 0.0% | - | - | - |
| Charity Care | - | - | - | 0.0% | - | - | - |
| Bad Debt | - | - | - | 0.0% | - | - | - |
| TOTAL REVENUE DEDUCTIONS | - | - | - | 0.0% | - | - | - |
| NET PATIENT SERVICES REVENUES | - | - | - | 0.0% | - | - | - |
| Other Operating Revenues | 2,949,272 | 108,694 | 2,840,578 | 2613.4% | 3,423,954 | 503,681 | 462,927 |
| NET OPERATING REVENUES | 2,949,272 | 108,694 | 2,840,578 | 2613.4% | 3,423,954 | 503,681 | 462,927 |
| <u>OPERATING EXPENSES</u> | | | | | | | |
| Salaries | 90,482 | 91,293 | (811) | -0.9% | 473,308 | 365,164 | 342,739 |
| Benefits | 5,131 | 9,779 | (4,648) | -47.5% | 33,795 | 39,120 | 32,898 |
| Physician Fees | - | - | - | 0.0% | - | - | - |
| Supplies | - | 125 | (125) | -100.0% | - | 500 | 305 |
| Other | 2,863,019 | 7,497 | 2,855,522 | 38090.4% | 2,926,212 | 98,897 | 74,985 |
| Medicaid Enhancement Tax | - | - | - | 0.0% | - | - | - |
| Depreciation | - | - | - | 0.0% | - | - | - |
| Interest | - | - | - | 0.0% | - | - | - |
| TOTAL OPERATING EXPENSES | 2,958,632 | 108,694 | 2,849,938 | 2622.0% | 3,433,315 | 503,681 | 450,927 |
| GAIN/(LOSS) FROM OPERATIONS | (9,360) | - | (9,360) | 100.0% | (9,360) | 0 | 12,000 |
| Net Margin | -0.3% | 0.0% | -0.3% | 100.0% | -0.3% | 0.0% | 2.6% |
| TOTAL NON OPERATING REVENUES/EXPENSES | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 |
| GAIN AFTER NON OPERATING REVENUES | \$ (9,360) | \$ - | \$ (9,360) | 100.0% | \$ (9,360) | \$ 0 | \$ 12,000 |

**GraniteOne Health
Combined Balance Sheet
as of September 30, 2019**

*includes topside entries

| <u>ASSETS</u> | <u>9/30/2019</u> | <u>9/30/2018</u> |
|--|------------------------------|------------------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 80,371,807 | \$ 83,291,447 |
| Short-term investments | 4,021,269 | 29,009,261 |
| Patient accounts receivable, net | 97,402,015 | 72,236,800 |
| Inventories | 6,500,329 | 5,504,820 |
| Prepays and other current assets | 17,672,274 | 13,370,854 |
| Intercompany Receivable | (30,545) | (0) |
| Total current assets | 205,937,149 | 203,413,181 |
| Assets limited as to use | 302,762,207 | 310,832,600 |
| Property, plant and equipment, net | 225,578,957 | 217,904,312 |
| Intangible assets and other | 22,386,636 | 24,079,733 |
| Total assets | <u>\$ 756,664,949</u> | <u>\$ 756,229,826</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current liabilities: | | |
| Current portion of long-term debt | \$ 5,554,275 | \$ 5,682,746 |
| Accounts payable and accrued expenses | 50,813,101 | 38,177,981 |
| Accrued salaries, wages, and benefits | 27,352,923 | 26,642,222 |
| Estimated settlements to third-party payors | 54,930,934 | 55,518,292 |
| Total current liabilities | 138,651,233 | 126,021,241 |
| Accrued pension and other liabilities, net current portion | 178,511,799 | 127,894,103 |
| Long-term debt, excluding current portion | 164,948,564 | 166,670,850 |
| Total liabilities | 482,111,595 | 420,586,194 |
| Net assets: | | |
| Without Donor Restrictions | 230,635,586 | 292,449,261 |
| With Donor Restrictions | 43,917,767 | 43,194,372 |
| Total net assets | 274,553,353 | 335,643,632 |
| Total liabilities and net assets | <u>\$ 756,664,949</u> | <u>\$ 756,229,826</u> |

**GraniteOne Health
Combining Balance Sheet
September 30, 2019**

| ASSETS | GraniteOne | CMC Healthcare System | Huggins Hospital | Monadnock Community Hospital | Eliminations | Topside Entries | Total |
|--|---------------------|----------------------------------|-----------------------------|---|-----------------------|------------------------|-----------------------|
| Current assets: | | | | | | | |
| Cash and cash equivalents | \$ (13,988) | \$ 56,249,490 | \$ 10,694,022 | \$ 13,442,284 | \$ - | \$ - | \$ 80,371,807 |
| Short-term investments | - | 4,021,269 | - | - | - | - | 4,021,269 |
| Patient accounts receivable, net | - | 79,322,644 | 9,011,570 | 9,067,802 | - | - | 97,402,015 |
| Inventories | - | 4,600,802 | 573,385 | 1,326,142 | - | - | 6,500,329 |
| Prepays and other current assets | 2,951,154 | 14,198,222 | 1,947,492 | 1,844,328 | (3,268,924) | - | 17,672,274 |
| Intercompany Receivable | - | - | 700,000 | - | (730,545) | - | (30,545) |
| Total current assets | 2,937,166 | 158,392,428 | 22,926,470 | 25,680,555 | (3,999,469) | - | 205,937,149 |
| Assets limited as to use | - | 167,020,035 | 61,912,398 | 73,829,774 | - | - | 302,762,207 |
| Property, plant and equipment, net | - | 143,112,337 | 45,988,502 | 37,239,464 | - | (761,346) | 225,578,957 |
| Intangible assets and other | - | 18,600,615 | 1,248,266 | 217,754 | - | 2,320,000 | 22,386,636 |
| Total assets | \$ 2,937,166 | \$ 487,125,414 | \$ 132,075,637 | \$ 136,967,547 | \$ (3,999,469) | \$ 1,558,654 | \$ 756,664,949 |
| LIABILITIES AND NET ASSETS | | | | | | | |
| Current liabilities: | | | | | | | |
| Current portion of long-term debt | \$ - | \$ 4,158,079 | \$ 618,470 | \$ 777,725 | \$ - | \$ - | \$ 5,554,275 |
| Accounts payable and accrued expenses | 2,959,776 | 38,985,902 | 4,630,610 | 7,505,736 | (3,268,924) | - | 50,813,101 |
| Accrued salaries, wages, and benefits | - | 22,973,479 | 2,386,134 | 1,993,309 | - | - | 27,352,923 |
| Estimated settlements to third-party payors | - | 11,456,467 | 23,849,120 | 19,625,347 | - | - | 54,930,934 |
| Intercompany payable | - | - | 730,545 | - | (730,545) | - | (0) |
| Total current liabilities | 2,959,776 | 77,573,927 | 32,214,879 | 29,902,118 | (3,999,469) | - | 138,651,233 |
| Accrued pension and other liabilities, net current portion | - | 172,049,836 | 3,193,584 | 3,268,379 | - | - | 178,511,799 |
| Long-term debt, excluding current portion | - | 121,883,751 | 19,514,216 | 23,550,597 | - | - | 164,948,564 |
| Total liabilities | 2,959,776 | 371,507,514 | 54,922,679 | 56,721,095 | (3,999,469) | - | 482,111,595 |
| Net assets: | | | | | | | |
| Without Donor Restrictions | (22,610) | 104,373,010 | 58,187,961 | 66,538,572 | - | 1,558,654 | 230,635,586 |
| With Donor Restrictions | - | 11,244,890 | 18,964,997 | 13,707,880 | - | - | 43,917,767 |
| Total net assets | (22,610) | 115,617,900 | 77,152,958 | 80,246,452 | - | 1,558,654 | 274,553,353 |
| Total liabilities and net assets | \$ 2,937,166 | \$ 487,125,414 | \$ 132,075,636 | \$ 136,967,547 | \$ (3,999,469) | \$ 1,558,654 | \$ 756,664,949 |

**GraniteOne Health
Combining Balance Sheet
September 30, 2018**

| ASSETS | GraniteOne | CMC Healthcare System | Huggins Hospital | Monadnock Community Hospital | Eliminations | Topside Entries | Total |
|--|-------------------|------------------------------|-------------------------|-------------------------------------|---------------------|------------------------|-----------------------|
| Current assets: | | | | | | | |
| Cash and cash equivalents | \$ 175,529 | \$ 61,849,319 | \$ 8,994,916 | \$ 12,271,684 | \$ - | \$ - | \$ 83,291,447 |
| Short-term investments | - | 29,009,261 | - | - | - | - | 29,009,261 |
| Patient accounts receivable, net | - | 55,326,984 | 7,436,597 | 9,473,219 | - | - | 72,236,800 |
| Inventories | - | 3,583,229 | 511,591 | 1,410,000 | - | - | 5,504,820 |
| Prepays and other current assets | 137,401 | 10,343,777 | 1,571,784 | 1,808,025 | (490,133) | - | 13,370,854 |
| Intercompany Receivable | - | 321,180 | - | - | (321,180) | - | (0) |
| Total current assets | 312,930 | 160,433,748 | 18,514,888 | 24,962,928 | (811,313) | - | 203,413,181 |
| Assets limited as to use | - | 181,786,599 | 61,522,972 | 67,523,029 | - | - | 310,832,600 |
| Property, plant and equipment, net | - | 134,597,893 | 45,861,471 | 37,250,390 | - | 194,557 | 217,904,312 |
| Intangible assets and other | - | 17,581,549 | 3,423,266 | 434,918 | - | 2,640,000 | 24,079,733 |
| Total assets | \$ 312,930 | \$ 494,399,790 | \$ 129,322,597 | \$ 130,171,265 | \$ (811,313) | \$ 2,834,557 | \$ 756,229,826 |
| LIABILITIES AND NET ASSETS | | | | | | | |
| Current liabilities: | | | | | | | |
| Current portion of long-term debt | \$ - | \$ 4,365,199 | \$ 600,064 | \$ 717,483 | \$ - | \$ - | \$ 5,682,746 |
| Accounts payable and accrued expenses | 5,000 | 30,789,153 | 1,241,034 | 6,632,927 | (490,133) | - | 38,177,981 |
| Accrued salaries, wages, and benefits | - | 22,673,489 | 2,011,756 | 1,956,977 | - | - | 26,642,222 |
| Estimated settlements to third-party payors | - | 14,643,104 | 23,046,702 | 17,828,486 | - | - | 55,518,292 |
| Intercompany payable | 321,180 | - | - | - | (321,180) | - | (0) |
| Total current liabilities | 326,180 | 72,470,945 | 26,899,556 | 27,135,873 | (811,313) | - | 126,021,241 |
| Accrued pension and other liabilities, net current portion | - | 122,463,230 | 4,013,679 | 1,417,194 | - | - | 127,894,103 |
| Long-term debt, excluding current portion | - | 122,913,718 | 20,052,442 | 23,704,690 | - | - | 166,670,850 |
| Total liabilities | 326,180 | 317,847,893 | 50,965,677 | 52,257,757 | (811,313) | - | 420,586,194 |
| Net assets: | | | | | | | |
| Without Donor Restrictions | (13,250) | 166,125,080 | 59,006,409 | 64,496,464 | - | 2,834,557 | 292,449,261 |
| With Donor Restrictions | - | 10,426,817 | 19,350,511 | 13,417,044 | - | - | 43,194,372 |
| Total net assets | (13,250) | 176,551,897 | 78,356,920 | 77,913,508 | - | 2,834,557 | 335,643,632 |
| Total liabilities and net assets | \$ 312,930 | \$ 494,399,790 | \$ 129,322,597 | \$ 130,171,265 | \$ (811,313) | \$ 2,834,557 | \$ 756,229,826 |

GraniteOne Health
Statement of Cash Flows
Twelve Month Period ended September 30, 2019

| | September 2019 |
|--|-----------------------|
| Change In Net Assets | \$ (61,090,280) |
| Cash Flow from Operations: | |
| Depreciation/Amortization | 25,459,730 |
| Accrued Salaries, Wages and Related Exps | 710,700 |
| Patient Accounts Receivable, Net | (25,165,215) |
| Inventories | (995,509) |
| Other Current Assets | (4,270,875) |
| Accounts Payable and Accrued Expenses | 12,635,119 |
| Due to 3rd Party Payors | (587,355) |
| Pension and Insurance Obligations | (973,351) |
| Intangible Assets and Other | 1,693,098 |
| Accrued Pension and Other Liabilities, Net | 50,617,696 |
| Net Cash Flow from Operations | <u>(1,966,242)</u> |
| Cash Flow from Investing: | |
| Capital Expenditures | <u>(33,134,376)</u> |
| Net Cash Flow from Investing | (33,134,376) |
| Cash Flow from Financing: | |
| Current Portion of Long Term Debt | (128,471) |
| Funds Held by Trustee | 17,814,699 |
| Long Term Debt, Net of Current Portion | <u>(1,722,286)</u> |
| Net Cash Flow from Financing | 15,963,942 |
| Net Cash Flow for Fiscal Year 2019 | \$ (19,136,676) |
| Beginning Cash Balance, October 1, 2018 | \$ 368,613,796 |
| Ending Cash Balance, September 30, 2019 | \$ 349,477,120 |

GraniteOne Health
Key Metrics
September 30, 2019

| | Moody's A3 | Moody's Baa1 | S&P A- | Combined YTD 19 | Budget FY19 | Combined FY18 |
|--|-----------------------|-------------------------|-----------------------|----------------------------|------------------------|--------------------------|
| Days Cash on Hand | 201.30 | 172.00 | 233.10 | 199.68 | 208.12 | 216.11 |
| Net Days revenue in A/R | 47.60 | 47.30 | 45.40 | 60.96 | 42.25 | 46.71 |
| Days in Accounts Payable | 58.30 | 58.70 | N/A | 48.98 | 49.29 | 42.88 |
| Cash to Comprehensive Debt | 1.09 | 0.93 | N/A | 2.02 | 2.38 | 2.03 |
| Operating Margin - before Topside Adjustments | 1.50% | 0.00% | 2.00% | -1.32% | 0.93% | 0.74% |
| Operating Margin - after Topside Adjustments | 1.50% | 0.00% | 2.00% | -1.52% | 0.93% | 0.37% |
| EBITDA Margin - after Topside Adjustment | 7.70% | 6.10% | 10.50% | 3.69% | 6.14% | 5.33% |
| Capital Expenditure % of Depreciation Expense | 120.00% | 100.00% | 108.30% | 121.59% | 206.84% | 167.38% |
| Current Ratio | 1.90 | 2.10 | N/A | 1.49 | 1.63 | 1.61 |