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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 black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 01-01-2012 , 2012, and ending 12-31-2012

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
COVENANT HEALTH SYSTEMS INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
100 AMES POND DRIVE NO 102

City or town, state or country, and ZIP + 4
TEWKSBURY, MA 01876

D Employer identification number
22-2484505

E Telephone number
(978) 654-6363

G Gross receipts $ 12,035,289

F Name and address of principal officer
JOHN AHLE
100 AMES POND DRIVE NO 102
TEWKSBURY, MA 01876

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ COVENANTHS ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1983

M State of legal domicile MA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
COVENANT HEALTH SYSTEMS IS A CATHOLIC HEALTH CARE SYSTEM SPONSORING HOSPITALS, NURSING HOMES, ASSISTED LIVING RESIDENCES AND OTHER HEALTH AND ELDER SERVICES THROUGHOUT NEW ENGLAND WE ARE COMMITTED TO THE HEALTH OF THE INDIVIDUALS AND COMMUNITIES WE SERVE, AND STRIVE TO OFFER A CONTINUUM OF HIGH QUALITY CARE PLEASE SEE OUR WEBSITE FOR THE 2011 COVENANT HEALTH SYSTEMS CORPORATE REPORT

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	13
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	30
6	Total number of volunteers (estimate if necessary)	**6**	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	257,899
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	256,899

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	0	0
	9 Program service revenue (Part VIII, line 2g)	8,863,977	9,174,090
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	268,580	2,813,759
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	47,448	47,440
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	9,180,005	12,035,289
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	22,745	1,108,914
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	6,638,084	5,924,328
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	2,211,855	3,561,046
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	8,872,684	10,594,288
	19 Revenue less expenses Subtract line 18 from line 12	307,321	1,441,001

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	95,239,972	81,724,378
	21 Total liabilities (Part X, line 26)	54,894,014	23,359,577
	22 Net assets or fund balances Subtract line 21 from line 20	40,345,958	58,364,801

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

****** | 2013-10-03
Signature of officer | Date

JOHN AHLE CHIEF FINANCIAL OFFICER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
WILLIAM G STEELE JR CPA				P00233103

Firm's name ▶ WILLIAM STEELE & ASSOCIATES PC | Firm's EIN ▶ 02-0383073

Firm's address ▶ 40 STARK STREET
MANCHESTER, NH 03101 | Phone no (603) 622-8881

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . . ☐

1 Briefly describe the organization's mission

COVENANT HEALTH SYSTEMS IS AN INNOVATIVE CATHOLIC HEALTH ORGANIZATION COMMITTED TO ADVANCING THE HEALING MINISTRY OF JESUS

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 $ 10,594,288 including grants of $ 1,108,914) (Revenue $ 9,694,939)

SPONSORING AND OPERATING A CATHOLIC HEALTH CARE SYSTEM CONSISTING OF HOSPITALS, NURSING HOMES, ASSISTED LIVING RESIDENCES AND OTHER HEALTH AND ELDER SERVICES, AND FURTHERING THE DELIVERY OF HEALTH AND HUMAN SERVICES CONSISTENT WITH THE TEACHINGS AND LAW OF THE ROMAN CATHOLIC CHURCH

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 10,594,288

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)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
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? *If "Yes," complete Schedule C, Part II*	4		No
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 Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
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? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
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? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
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? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
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? *If "Yes," complete Schedule D, Part VII*	11b	Yes	
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? *If "Yes," complete Schedule D, Part VIII*	11c		No
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? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
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)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
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? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
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? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
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**	Yes	
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 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
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**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) 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**		No
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**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
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**		No
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**		No
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**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
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**	Yes	
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**		No
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**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	22		
b	Enter the number of Forms W-2G included in 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		Yes	
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	30		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
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		Yes	
b	If "Yes," enter the name of the foreign country ▶ CJ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
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			No
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			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
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			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
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 and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the 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? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
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			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

Check if Schedule O contains a response to any question 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** 14			
	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 in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent **1b** 13			
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**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	Did the organization have members or stockholders?	**6**		No
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**	Yes	
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**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
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 in Schedule O*	**9**		No

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**	Yes	
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**	Yes	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in 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**	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	**12c**	Yes	
13	Did the organization have a written whistleblower policy?	**13**	Yes	
14	Did the organization have a written document retention and destruction policy?	**14**	Yes	
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**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	If "Yes" to line 15a or 15b, describe the process in 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**		No
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 ▶ MA , NY , WI

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (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 in Schedule O)

19 Describe in 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, physical address, and telephone number of the person who possesses the books and records of the organization

▶ JOHN ALHE CHIEF FINANCIAL OFFICER 100 AMES POND DRIVE TEWKSBURY, MA (978) 654-6363

Part VII **Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question 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 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 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or 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

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ 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 dotted 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)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(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) DAVID LINCOLN CEO,PRESIDENT & DIRECTOR	40 00	X		X				1,237,012	0	50,250
(2) H WILLIAM ADAMS III DIRECTOR	2 00	X						0	0	0
(3) JOYCE L AREL DIRECTOR, CHAIR	3 00	X		X				0	0	0
(4) PATRICA A CAHILL DIRECTOR	2 00	X						0	0	0
(5) JOHN A ISAACSON DIRECTOR, VICE CHAIR	2 00	X		X				0	0	0
(6) SR JUNE KETTERER SGM DIRECTOR	2 00	X						0	0	0
(7) THOMAS L KELLY DIRECTOR	2 00	X						0	0	0
(8) LOUISE TROTTIER DIRECTOR	2 00	X						0	0	0
(9) AISHA BONNY DIRECTOR	2 00	X						0	0	0
(10) JAMES F LOFTUS IV DIRECTOR	2 00	X						0	0	0
(11) JOHN M PALLONE DIRECTOR	2 00	X						0	0	0
(12) RICHARD J STATUTO DIRECTOR	2 00	X						0	0	0
(13) JOHN D OLIVERIO DIRECTOR	2 00	X						0	0	0
(14) JOHN AHLE TREASURER & CFO	40 00			X				491,296	0	161,726
(15) SUSAN MCDONOUGH VP OF STRATEGY	40 00				X			490,522	0	39,501
(16) KENNETH FERRON VP - ELDER SERVICES OPERATIONS	40 00				X			389,749	0	99,855
(17) ANNE BERGER VP - QUALITY IMPROVEMENT & SAFETY	40 00				X			203,817	0	4,489

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 dotted 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)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(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) DAVID FRASER VP - HUMAN RESOURCES	40 00				X			287,912	0	19,621
(19) NANCY MULVIHILL VP - CORPORATE COMM	40 00				X			190,173	0	35,646
(20) MARY SCHAEFER DIRECTOR RISK MANAGEMENT	40 00					X		141,717	0	30,277
(21) PAUL ERCOLINI DIR OF FINANCE LONG TERM CARE	40 00					X		164,149	0	32,910
(22) LOUISE CLOUGH DIR CLINICAL & ADMIN	40 00					X		147,912	0	8,516
(23) JOSEPH O'CONNELL CORPORATE CONTROLLER	40 00					X		150,206	0	9,417
(24) RAY MILLIARD SNF ADMINISTRATOR	40 00					X		110,779	0	28,604
(25) THOMAS LUCAS FORMER VP-FINANCE (RETIRED 3/12)	40 00						X	148,897	0	11,943
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								4,154,141	0	532,755

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 ▶16

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**	Yes	
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*	**4**	Yes	
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*	**5**		No

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
CATHOLIC HEALTHCARE AUDIT NETWORK 231 SOUTH BMISTON AVENUE STE 300 CLAYTON MO 63105	INTERNAL AUDIT	667,772
ECLIPSYS CORPORATION THREE RAVINIA DRIVE ATLANTA GA 30346	ACCOUNTING SOFTWARE	363,490
CONGREGATION OF ST BRIGID 37 CEDARWOOD AVENUE WALTHAM MA 02453	RELIGIOUS	326,435
ARCHSTONE LAW GROUP 245 WINTER STREET STE 400 WALTHAM MA 024518709	LEGAL	201,404
MORGAN KEEGAN 630 FIFTH AVE STE 2950 NEW YORK NY 10111	FINANCIAL ADVISORS	176,982

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 ▶8

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII . . . . . ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations . . . 1d				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total.** Add lines 1a-1f . . . . . ▶				
Program Service Revenue		Business Code				
	2a	MEMBERSHIP AND OTHER F 900099	8,916,191	8,916,191		
	b	K-1 ORDINARY INCOME 561000	257,899		257,899	
	c					
	d					
	e					
	f	All other program service revenue				
	g	**Total.** Add lines 2a–2f . . . . . ▶	9,174,090			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶	731,308	731,308		
	4	Income from investment of tax-exempt bond proceeds . . ▶				
	5	Royalties . . . . . ▶				
		(i) Real / (ii) Personal				
	6a	Gross rents				
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss) . . . . . ▶				
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory: 2,078,725 / 3,726				
	b	Less cost or other basis and sales expenses: 0 / 0				
	c	Gain or (loss): 2,078,725 / 3,726				
	d	Net gain or (loss) . . . . . ▶	2,082,451			2,082,451
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from fundraising events . . ▶				
	9a	Gross income from gaming activities See Part IV, line 19 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from gaming activities . . ▶				
	10a	Gross sales of inventory, less returns and allowances . a				
	b	Less cost of goods sold . . b				
	c	Net income or (loss) from sales of inventory . . ▶				
		Miscellaneous Revenue / Business Code				
	11a	CHANGE - CSV INSURANCE 900099	47,440	47,440		
	b					
	c					
	d	All other revenue				
	e	**Total.** Add lines 11a–11d . . . . . ▶	47,440			
	12	**Total revenue.** See Instructions . . . . . ▶	12,035,289	9,694,939	257,899	2,082,451

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 to any question in this Part IX . . . . . ☐

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 governments and organizations in the United States See Part IV, line 21	1,108,914	1,108,914		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	3,484,022	3,484,022		
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	1,605,743	1,605,743		
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	152,701	152,701		
9 Other employee benefits	424,791	424,791		
10 Payroll taxes	257,071	257,071		
11 Fees for services (non-employees)				
a Management				
b Legal	272,163	272,163		
c Accounting	90,708	90,708		
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 Schedule O)				
12 Advertising and promotion	50,796	50,796		
13 Office expenses	32,177	32,177		
14 Information technology				
15 Royalties . .				
16 Occupancy	327,026	327,026		
17 Travel	444,202	444,202		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	737,386	737,386		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	-279,107	-279,107		
23 Insurance	13,284	13,284		
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a PURCHASED SERVICES	969,156	969,156		
b LOSS ON BOND REFUNDING	574,215	574,215		
c UNRELATED BUS INC TAXES	139,138	139,138		
d PLANNING FEES	94,746	94,746		
e All other expenses	95,156	95,156		
25 **Total functional expenses.** Add lines 1 through 24e	10,594,288	10,594,288	0	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 Sheet

Check if Schedule O contains a response to any question in this Part X . . . . . ☑

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	1,447,034	1	380,130
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	588,139	4	5,322,914
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	244,881	9	339,150
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D — 10a: 830,469			
	b	Less accumulated depreciation — 10b: 730,566	138,807	10c	99,903
	11	Investments—publicly traded securities		11	
	12	Investments—other securities See Part IV, line 11	44,935,977	12	56,867,200
	13	Investments—program-related See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	47,885,134	15	18,715,081
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	95,239,972	16	81,724,378
Liabilities	17	Accounts payable and accrued expenses	3,199,443	17	1,186,115
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	30,658,698	20	4,508,292
	21	Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		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	21,035,873	25	17,665,170
	26	**Total liabilities.** Add lines 17 through 25	54,894,014	26	23,359,577
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	39,836,447	27	57,832,333
	28	Temporarily restricted net assets	509,511	28	532,468
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	40,345,958	33	58,364,801
	34	Total liabilities and net assets/fund balances	95,239,972	34	81,724,378

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	12,035,289
2	Total expenses (must equal Part IX, column (A), line 25)	2	10,594,288
3	Revenue less expenses Subtract line 2 from line 1	3	1,441,001
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	40,345,958
5	Net unrealized gains (losses) on investments	5	10,006,116
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 in Schedule O)	9	6,571,726
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	58,364,801

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	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 ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	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 ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
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?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
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		No
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 in Schedule O and describe any steps taken to undergo such audits	3b		

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SCHEDULE A (Form 990 or 990EZ)

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.** ▶ **See separate instructions.**

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
COVENANT HEALTH SYSTEMS INC

Employer identification number
22-2484505

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 11, 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)

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 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)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ 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 that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	**11g(i)**		
(ii) A family member of a person described in (i) above?	**11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1 - 9 above or IRC section **(see instructions))**	**(iv)** Is the organization in col **(i)** listed in your governing document?		**(v)** Did you notify the organization in col **(i)** of your support?		**(vi)** Is the organization in col **(i)** organized in the U S ?		**(vii)** Amount of monetary support
			Yes	**No**	**Yes**	**No**	**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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) **12**

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2011 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2012.** 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—2011.** 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—2012.** 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 IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2011.** 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 IV 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 ▶☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	503,000	7,000				510,000
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	7,661,167	8,003,118	7,484,454	8,515,485	8,916,191	40,580,415
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	8,164,167	8,010,118	7,484,454	8,515,485	8,916,191	41,090,415
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
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						0
c Add lines 7a and 7b						0
8 **Public support** (Subtract line 7c from line 6)						41,090,415

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6	8,164,167	8,010,118	7,484,454	8,515,485	8,916,191	41,090,415
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	853,500	977,662	843,626	268,580	731,308	3,674,676
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	853,500	977,662	843,626	268,580	731,308	3,674,676
11 Net income from unrelated business activities not included in 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 IV)	-65,618	37,473	72,601	47,448	47,440	139,344
13 **Total support.** (Add lines 9, 10c, 11, and 12)	8,952,049	9,025,253	8,400,681	8,831,513	9,694,939	44,904,435

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

Section C. Computation of Public Support Percentage

15	Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	91 510 %
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	90 860 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	8 180 %
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	8 940 %

19a **33 1/3% support tests—2012.** 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—2011.** 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 **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
COVENANT HEALTH SYSTEMS INC

Employer identification number
22-2484505

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate 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? ☐ Yes ☐ 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? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ 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 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 8/17/06, 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, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, 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" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (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 SFAS 116 (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) Revenues included in 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 SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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 are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

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" to 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? ☐ Yes ☐ No

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

Part V Endowment Funds. Complete if the organization answered "Yes" to 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	509,511	500,271	465,881	396,185	
b	Contributions					500,000
c	Net investment earnings, gains, and losses	22,957	9,240	34,390	69,696	-103,815
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	532,468	509,511	500,271	465,881	396,185

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶ 100 000 %

The percentages in 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

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

Part VI Land, Buildings, and Equipment. 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				
b Buildings				
c Leasehold improvements		20,494	5,661	14,833
d Equipment		809,975	724,905	85,070
e Other				
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				99,903

Part VII Investments—Other Securities. 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		
(3) Other		
(A) INVESTMENTS	56,867,200	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	56,867,200	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) FUNDS HELD BY TRUSTEE	1,774,159
(2) OTHER ASSETS	813,479
(3) DUE FROM AFFILIATES	5,074,986
(4) GAAP ACQUISITION ADJUSTMENT	11,052,457
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	18,715,081

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
DUE TO AFFILILATES	15,981,624
OTHER VARIOUS LIABILITIES	1,683,546
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	17,665,170

2. Fin 48 (ASC 740) Footnote 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 FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☑

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

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 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

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

Complete this part to 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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	FUNDS TO BE USED TO ASSIST THE NEEDY THROUGH EDUCATON AND/OR PROJECTS FOR THE POOR AS DETERMINED BY THE VICE PRESIDENT OF MISSION AND APPROVED BY THE PRESIDENT OF COVENANT HEALTH SYSTEMS
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X, LINE 2	INCLUDED IN THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS IS THE FOLLOWING "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 THE SYSTEM HAS EVALUATED THE POSITIONS TAKEN ON ITS FILED TAX RETURNS, AND HAS CONCLUDED NO UNCERTAIN INCOME TAX POSITIONS EXIST AT DECEMBER 31, 2012 "

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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," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
COVENANT HEALTH SYSTEMS INC

Employer identification number
22-2484505

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 Governments and Organizations in the United States.

Complete if the organization answered "Yes" to 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.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) FELICIAN SISTERS OF NORTH AMERICA INC 871 MERCER ROAD BEAVER FALLS,PA 15010	27-1282473	501(C)(3)	1,088,634				SUPPORT FOR MINISTRY
(2) ROMAN DIOCESE OF SCRANTON 300 WYOMING AVENUE SCRANTON,PA 18503	24-0798640	501(C)(3)	5,000				CHRISTMAS DRIVE TO ASSIST POOR AND NEEDY

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to 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 non-cash assistance

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 GRANTS ARE MADE BASED ON THE REQUESTING ORGANIZATION'S MISSION, ITS NEED AND ITS ABILITY TO USE THE FUNDS IN ACCORDANCE WITH THE GRANT REQUEST ALL GRANTS ARE APPROVED BY THE BOARD OF DIRECTORS

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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" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
COVENANT HEALTH SYSTEMS INC

Employer identification number
22-2484505

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☑ Travel for companions	☐ Payments for business use of personal residence		
	☑ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in 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	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the filing 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			
	☑ Compensation committee	☑ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in 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?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in 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?	**6a**	Yes	
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured 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	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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 in 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 are not 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 compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported as deferred in prior Form 990
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

Complete this part to 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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	$5,793 OF COMPANION TRAVEL COSTS WAS PROVIDED FOR SOME BUSINESS TRIPS DURING 2012
	PART I, LINE 4B	THE ORGANIZATION MAINTAINS A SUPPLEMENTAL EXECUTIVE RETIREMENT PROGRAM FOR CERTAIN EXECUTIVES UNDER WHICH THE ORGANIZATION MAKES A CONTRIBUTION TO A GRANTOR TRUST FOR THE BENEFIT OF THE EXECUTIVE THAT IS INTENDED TO PROVIDE A SPECIFIED LEVEL OF RETIREMENT BENEFITS AT RETIREMENT AGE COMMENSURATE WITH RETIREMENT BENEFITS PROVIDED TO EXECUTIVES IN COMPARABLE POSITIONS BY SIMILARLY SITUATED ORGANIZATIONS AMOUNTS CONTRIBUTED TO THE GRANTOR TRUST ARE HELD FOR THE BENEFIT OF THE EXECUTIVE UNTIL HE OR SHE REACHES AGE 60, AT WHICH TIME THEY ARE RELEASED TO THE EXECUTIVE THE FULL AMOUNT PAID INTO THE GRANTOR TRUST IS TAXABLE TO THE EXECUTIVE WHEN SO PAID, AND IS INCLUDED IN THE EXECUTIVE'S REPORTED COMPENSATION CONTRIBUTIONS MADE DURING 2012 ARE AS FOLLOWS $303,617 WAS CONTRIBUTED TO THE GRANTOR TRUST FOR THE BENEFIT OF DAVID LINCOLN, AND $98,156 WAS CONTRIBUTED TO THE GRANTOR TRUST FOR THE BENEFIT OF SUSAN MCDONOUGH AMOUNTS INCLUDED IN B(II) OF SCHEDULE J FOR HIGHEST COMPENSATED EMPLOYEES
	PART I, LINE 6	THE ORGANIZATION MAINTAINS AN INCENTIVE COMPENSATION PLAN FOR EXECUTIVES THAT IS ADMINISTERED BY THE ORGANIZATION'S COMPENSATION COMMITTEE THE PLAN PROVIDES EXECUTIVES WITH THE OPPORTUNITY TO EARN REASONABLE INCENTIVE COMPENSATION BASED ON THE PERFORMANCE OF THE ORGANIZATION AND THE PERFORMANCE OF THE INDIVIDUAL EXECUTIVE, AS MEASURED AGAINST GOALS THAT ARE SET AT THE BEGINNING OF THE YEAR THE ENTITLEMENT TO AWARDS FOR A PARTICULAR YEAR IS NOT DETERMINED UNTIL EARLY THE FOLLOWING YEAR DURING 2012 $719,882 WAS PAID AS INCENTIVE COMPENSATION AWARDS TO EMPLOYEES WHICH WAS ACCRUED AS DEFERRED INCENTIVE COMPENSATION UNDER THIS PLAN FROM 2011 AMOUNT ARE INCLUDED IN (B)(II) OF SCHEDULE J FOR HIGHEST COMPENSATED EMPLOYEES

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 22-2484505
Name: COVENANT HEALTH SYSTEMS INC

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
DAVID LINCOLN	(I)	686,804	526,681	23,527	10,000	40,250	1,287,262	223,064
	(II)	0	0	0	0	0	0	0
JOHN AHLE	(I)	327,760	118,124	45,412	130,000	31,726	653,022	118,124
	(II)	0	0	0	0	0	0	0
SUSAN MCDONOUGH	(I)	272,806	190,969	26,747	10,000	29,501	530,023	92,813
	(II)	0	0	0	0	0	0	0
KENNETH FERRON	(I)	248,748	92,139	48,862	72,605	27,250	489,604	92,139
	(II)	0	0	0	0	0	0	0
ANNE BERGER	(I)	182,800	0	21,017	1,338	3,151	208,306	0
	(II)	0	0	0	0	0	0	0
DAVID FRASER	(I)	195,067	67,359	25,486	8,776	10,845	307,533	67,359
	(II)	0	0	0	0	0	0	0
NANCY MULVIHILL	(I)	127,811	47,152	15,210	5,967	29,679	225,819	47,152
	(II)	0	0	0	0	0	0	0
MARY SCHAEFER	(I)	139,614	0	2,103	4,338	25,939	171,994	0
	(II)	0	0	0	0	0	0	0
PAUL ERCOLINI	(I)	140,093	0	24,056	6,669	26,241	197,059	0
	(II)	0	0	0	0	0	0	0
LOUISE CLOUGH	(I)	123,487	0	24,425	5,851	2,665	156,428	0
	(II)	0	0	0	0	0	0	0
JOSEPH O'CONNELL	(I)	132,538	0	17,668	6,001	3,416	159,623	0
	(II)	0	0	0	0	0	0	0
THOMAS LUCAS	(I)	28,024	79,231	41,642	2,098	9,845	160,840	79,231
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
COVENANT HEALTH SYSTEMS INC

Employer identification number
22-2484505

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	MA HEALTH & EDUCATION AUTHORITY	04-2456011	57586DBF9	10-30-2007	24,646,225	YOUVILLE PLACE ACQUISITION & REFUNDING PRIOR ISSUES	X			X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased	11,605,000			
3	Total proceeds of issue	1,198,863			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	11,226,315			
7	Issuance costs from proceeds	383,111			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	11,505,784			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2008			

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?	X							
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X						

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 00000%		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 00000%		%		%		%	
6	Total of lines 4 and 5	0 00000%		%		%		%	
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?		X						

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X						
b	Exception to rebate?		X						
c	No rebate due?		X						
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?		X						

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?		X						

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

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 to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
COVENANT HEALTH SYSTEMS INC

Employer identification number
22-2484505

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	THE DIRECTORS OF THE ORGANIZATION ARE ELECTED BY THE MEMBERS OF COVENANT HEALTH SYSTEMS, A PUBLIC JURIDIC PERSON OF PONTIFICAL RIGHT UNDER THE LAWS OF THE ROMAN CATHOLIC CHURCH (THE "CHS PUBLIC JURIDIC PERSON")
	FORM 990, PART VI, SECTION A, LINE 7B	ANY CHANGE IN THE WRITTEN STATEMENTS OF PHILOSOPHY OR MISSION OF THE ORGANIZATION MUST BE APPROVED BY THE CHS PUBLIC JURIDIC PERSON BEFORE SUCH CHANGE BECOMES EFFECTIVE
	FORM 990, PART VI, SECTION B, LINE 11	THE 990 RETURN IS PRESENTED TO THE BOARD OF DIRECTORS THEY REVIEW IT PRIOR TO SUBMISSION
	FORM 990, PART VI, SECTION B, LINE 12C	THE ORGANIZATION HAS A FULL-TIME DESIGNATED ORGANIZATIONAL INTEGRITY OFFICER THAT MONITORS OPERATIONS TO DETECT AND/OR RESOLVE CONFLICT OF INTEREST ISSUES
	FORM 990, PART VI, SECTION B, LINE 15	EVERY TWO TO THREE YEARS THE COMPENSATION COMMITTEE OF THE COVENANT HEALTH SYSTEMS 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 MERCER HUMAN RESOURCES CONSULTING TO CONDUCT THIS ANALYSIS THE SPECIFIC OBJECTIVES OF THIS ANALYSIS ARE TO - ASSESS THE COMPETITIVENESS OF THE CURRENT TOTAL CASH COMPENSATION LEVELS FOR THE SENIOR LEADERSHIP TEAM - DEVELOP MARKET BASED COMPETITIVE SALARY RANGES FOR ALL EXECUTIVE POSITIONS - ENSURE THAT THE ANNUAL INCENTIVE OPPORTUNITIES, IF THERE ARE ANY, ARE COMPETITIVE AND REASONABLE
	FORM 990, PART VI, SECTION C, LINE 19	POLICIES AND GOVERNING DOCUMENTS ARE AVAILABLE AT THE HOME OFFICE UPON REQUEST
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	INTERCOMPANY TRANSFERS 6,573,769 INVESTMENT GAINS TEMPORARILY RESTRICTED NET ASSETS 22,957 NON-DEDUCTIBLE DONATION -25,000
	FORM 990-STATEMENT PURSUANT TO REGULATION SECTION 1 351-3 (A)	THIS STATEMENT IS PURSUANT TO REGULATION SECTION 1 351-3(A) BY COVENANT HEALTH SYSTEM, INC (EIN 22-2484505), A SIGNIFICANT TRANSFEROR ON VARIOUS DATES DURING 2012, COVENANT HEALTH SYSTEMS, INC (EIN 22-2484505) TRANSFERRED THE FOLLOWING PROPERTY TO COVENANT HEALTH SYSTEM INSURANCE LTD (EIN 04-3360127) CASH- FAIR MARKET VALUE AND ADJUSTED TAX BASIS EQUAL TO $6,569,045 NO PRIVATE LETTER RULING WAS RECEIVED IN CONNECTION WITH THE SECTION 351 EXCHANGE

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
COVENANT HEALTH SYSTEMS INC

Employer identification number
22-2484505

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to 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

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to 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	(g) No
See Additional Data Table							

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to 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) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to 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	(i) No
(1) COVENANT HEALTH SYSTEMS INSURANCE LTD 720 WEST BAY ROAD GEORGETOWN CJ 04-3360127	INSURANCE COMPANY	CJ	CHS	C	9,168,708	38,094,000	100 000 %		No
(2) CAMPUS HOLDING PO BOX 7291 LEWISTON, ME 04240 01-0406049	HOLDING COMPANY	ME	ST MARY'S HEALTH SYSTEM	C			100 000 %		No
(3) ST JOSEPH CORPORATE SERVICES INC 172 KINSLEY STREET NASHUA, NH 03060 02-0405197	HOLDING COMPANY	NH	ST JOSEPH'S HOSPITAL OF NASHUA NH INC	C	-11,551,152	23,183,981	100 000 %		No
(4) STRAUSS INCORPORATED 360 BROADWAY BANGOR, ME 04402 01-0391369		ME	ST JOSEPH HEALTHCARE FOUNDATION	C	37	5,094	100 000 %		No

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to 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 orgranization 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		No
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e	Yes	
f Dividends from related organization(s)	1f	Yes	
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o		No
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q		No
r Other transfer of cash or property to related organization(s)	1r	Yes	
s Other transfer of cash or property from related organization(s)	1s	Yes	

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 other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to 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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate 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		Yes	No	

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation

Additional Data Return to Form

Software ID:
Software Version:
EIN: 22-2484505
Name: COVENANT HEALTH SYSTEMS INC

Form 990, Schedule R, Part II - 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 501(c)(3))	(f) Direct Controlling Entity	g Section 512 (b)(13) controlled organization
YOUVILLE LIFECARE INC 1575 CAMBRIDGE STREET CAMBRIDGE, MA 02138 04-2103582	HOSPITAL	MA	501(C)3	509(A)(3)	CHS	Yes
ST JOSEPH MANOR HEALTH CARE 215 THATCHER STREET BROCKTON, MA 02302 04-2565937	NURSING HOME	MA	501(C)3	509(A)(1)	CHS	Yes
ST MARY'S HEALTH SYSTEM PO BOX 7291 LEWISTON, ME 04243 22-2504349	HOSPITAL	ME	501(C)3	509(A)(3)	CHS	Yes
ST JOSEPH'S HOSPITAL OF NASHUANH INC 172 KINSLEY STREET NASHUA, NH 03061 02-0222215	HOSPITAL	NH	501(C)3	509(A)(1)	CHS	Yes
YOUVILLE PLACE 10 PELHAM ROAD LEXINGTON, MA 02421 04-3297834	ASSISTED LIVING	MA	501(C)3	509(A)(2)	CHS	Yes
ST MARY'S VILLA NURSING HOME INC 675 ST MARYS VILLA ROAD MOSCOW, PA 18444 23-2057177	NURSING HOME	PA	501(C)3	509(A)(2)	CHS	Yes
CHS OF WALTHAM INC DBA MARISTHILL NURING & REHABILIATION CENTER 66 NEWTON STREET WALTHAM, MA 02453 04-3333609	NURSING HOME	MA	501(C)3	509(A)(2)	CHS	Yes
CHS OF WORCESTER INC DBA ST MARY CARE CENTER 39 QUEEN STREET WORCHESTER, MA 01610 04-3419625	NURSING HOME	MA	501(C)3	509(A)(2)	CHS	Yes
FANNY ALLEN HOLDINGS INC 790 COLLEGE PARKWAY COLCHESTER, VT 05446 03-0181052	FOUNDATION	VT	501(C)3	509(A)(2)	CHS	Yes
ST ANDRE HEALTH CARE 407 POOL STREET BIDDEFORD, ME 04005 01-0342399	NURSING HOME	ME	501(C)3	509(A)(2)	CHS	Yes
MI NURSING RESTORATIVE CENTER INC 172 LAWRENCE STREET LAWRENCE, MA 01841 04-2104851	NURSING HOME	MA	501(C)3	509(A)(2)	CHS	Yes
HELPING HANDS OF ST MARGUERITE INC 799 CONCORD AVENUE CAMBRIDGE, MA 02138 80-0199674	PRIVATE HOME-CARE	MA	501(C)3	509(A)(2)	CHS	Yes
PROVIDENTIA PRIMA TRUST 420 BEDFORD STREET LEXINGTON, MA 02420 04-6835128	INVESTMENT TRUST	MA	501(C)3	509(A)(3)	CHS	Yes
FANNY ALLEN CORPORATION INC 790 COLLEGE PARKWAY COLCHESTER, VT 05446 22-2495808	FOUNDATION	VT	501(C)3	509(A)(2)	FANNY ALLEN HOLDING INC	Yes
YOUVILLE HOUSE INC 1573 CAMBRIDGE STREET CAMBRIDGE, MA 02138 04-3239593	ASSISTED LIVING	MA	501(C)3	509(A)(3)	YOUVILLE LIFECARE INC	Yes
YOUVILLE HOSPITAL AND REHABILITATION CENTER INC 1575 CAMBRIDGE STREET CAMBRIDGE, MA 02138 04-3239563	HOSPITAL	MA	501(C)3	509(A)(1)	YOUVILLE LIFECARE INC	Yes
ST MARY'S REGIONAL MEDICAL CENTER PO BOX 7291 LEWISTON, ME 04243 01-0211551	HOSPITAL	ME	501(C)3	509(A)(1)	ST MARY'S HEALTH SYSTEM	Yes
COMMUNITY CLINICAL SERVICES PO BOX 7291 LEWISTON, ME 04243 01-0409788	PHYSICIAN PRATICE	ME	501(C)3	509(A)(2)	ST MARY'S HEALTH SYSTEM	Yes
ST MARY'S D'YOUVILLE PAVILION PO BOX 7291 LEWISTON, ME 04243 01-0211558	NURSING HOME	ME	501(C)3	509(A)(2)	ST MARY'S HEALTH SYSTEM	Yes
ST MARY'S RESIDENCES PO BOX 7291 LEWISTON, ME 04243 22-2504356	LOW INCOME HOUSING	ME	501(C)3	509(A)(2)	ST MARY'S HEALTH SYSTEM	Yes

Form 990, Schedule R, Part II - 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 501(c)(3))	(f) Direct Controlling Entity	g Section 512 (b)(13) controlled organization
NEIGHBORHOOD HOUSING INITIATIVE PO BOX 7291 LEWISTON, ME 04243 01-0539730	AFFORDABLE HOUSING	ME	501(C) 3	509(A)(2)	ST MARY'S HEALTH SYSTEM	Yes
SOUHEGAN NURSING ASSOCIATION 24 NORTH RIVER ROAD MILFORD, NH 03055 02-0222795	HOME HEATH & HOSPICE	NH	501(C) 3	509(A)(1)	ST JOSEPH HOSPITAL OF NASHUA NH INC	Yes
THE SURGICENTER AT ST JOSEPH HOSPITAL INC 172 KINSLEY STREET NASHUA, NH 03061 02-0222215	HEALTHCARE	NH	501(C) 3	509(A)(1)	ST JOSEPH HOSPITAL OF NASHUA NH INC	Yes
DH FAMILY MEDICINE OF NASHUA 172 KINSLEY STREET NASHUA, NH 03061 20-8404257	PHYSICIAN SERVICES	NH	501(C) 3	509(A)(2)	ST JOSEPH HOSPITAL OF NASHUA NH INC	Yes
MI MANAGEMENT INC 172 LAWRENCE STREET LAWRENCE, MA 01841 04-2857794	ASSISTED LIVING	MA	501(C) 3	509(A)(3)	CHS	Yes
MI ADULT DAY HEALTH CARE CENTER INC 189 MAPLE STREET LAWRENCE, MA 01841 04-2921888	ADULT DAY CARE	MA	501(C) 3	509(A)(2)	CHS	Yes
MI RESIDENTIAL COMMUNITY INC 189 MAPLE STREET LAWRENCE, MA 01841 04-2647207	HUD LOW INCOME HOUSING	MA	501(C) 3	509(A)(2)	CHS	Yes
MI RESIDENTIAL COMMUNITY II INC 189 MAPLE STREET LAWRENCE, MA 01841 04-2679954	HUD LOW INCOME HOUSING	MA	501(C) 3	509(A)(2)	CHS	Yes
MI RESIDENTIAL COMMUNITY III INC 189 MAPLE STREET LAWRENCE, MA 01841 04-2186043	HUD LOW INCOME HOUSING	MA	501(C) 3	509(A)(2)	CHS	Yes
MI TRANSPORTATION INC 189 MAPLE STREET LAWRENCE, MA 01841 04-2921889	ELDERLY TRANSPORTATION SERVICE	MA	501(C) 3	509(A)(2)	CHS	Yes
ST JOSEPH HEALTHCARE FOUNDATION 360 BROADWAY BANGOR, ME 04402 22-2480149	HEALTHCARE FOUNDATION	ME	501(C) 3	509(A)(3)	CHS	Yes
ST JOSEPH HOSPITAL 360 BROADWAY BANGOR, ME 04402 01-0212435	HOSPITAL	ME	501(C) 3	509(A)(1)	ST JOSEPH HEALTHCARE FOUNDATION	Yes
M & J COMPANY 360 BROADWAY BANGOR, ME 04402 22-2480150	LEASE HOLDING COMPANY	ME	501(C) 2		ST JOSEPH HEALTHCARE FOUNDATION	Yes
ST JOSEPH AMBULATORY CARE INC 360 BROADWAY BANGOR, ME 04402 22-2480373	PHYSICIAN PRATICE	ME	501(C) 3	509(A)(3)	ST JOSEPH HEALTHCARE FOUNDATION	Yes
ATERNATIVE HEALTH SERVICES 360 BROADWAY BANGOR, ME 04402 01-0422885	HOME HEALTH AND HOSPICE	ME	501(C) 3	509(A)(1)	ST JOSEPH HEALTHCARE FOUNDATION	Yes

--> **Form 990, Schedule R, Part V - Transactions With Related Organizations**

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
LOAN FROM - ST JOSEPH HOSPITAL OF NASHUA	E	15,981,624	ACCRUAL
LOAN TO ST ANDRE'S HEALTH CARE	D	71,146	ACCRUAL
LOAN TO ST MARY'S HEALTH SYSTEM	D	3,187,313	ACCRUAL
LOAN TO ST JOSEPH HEALTH CARE	D	1,095,639	ACCRUAL
LOAN TO ST JOSEPH HOSPITAL	D	606,105	ACCRUAL
LOAN TO YOUVILLE HOUSE INC	D	193,050	ACCRUAL
INVESTMENTS HELD BY PROVIDENTIA PRIMA TRUST	R	37,295,219	ACCRUAL
INTER-COMPANY TRANSFERS - ST JOSEPH HOSPITAL OF NASHUA	B	578,374	ACCRUAL
INTER-COMPANY TRANSFERS - HELPING HANDS OF ST MARGUERITE INC	B	20,000	ACCRUAL
INTER-COMPANY TRANSFERS - CHS OF WALTHAM INC	B	73,450	ACCRUAL
INTER-COMPANY TRANSFERS - YOUVILLE HOUSE INC	B	2,335,715	ACCRUAL
INTER-COMPANY TRANSFERS - ST ANDRE HEALTH CARE	B	418,428	ACCRUAL
INTER-COMPANY TRANSFERS - YOUVILLE HOSPITAL AND REHABILITATION CTR	C	10,000,000	ACCRUAL
MEMBERSHIP FEE - MARISTHILL NURSING & REHABILIATION CENTER	S	176,680	ACCRUAL
MEMBERSHIP FEE - ST JOSEPH HOSPITAL OF NASHUA	S	2,719,728	ACCRUAL
MEMBERSHIP FEE - MARY IMMACULATE NURSING RESTORATIVE	S	404,108	ACCRUAL
MEMBERSHIP FEE - FANNY ALLEN CORPORATION	S	252,567	ACCRUAL
MEMBERSHIP FEE - YOUVILLE PLACE	S	61,896	ACCRUAL
MEMBERSHIP FEE - ST MARY CARE CENTER	S	148,216	ACCRUAL
MEMBERSHIP FEE - ST MARY'S HEALTH SYSTEM	S	2,151,024	ACCRUAL
MEMBERSHIP FEE - COVENANT HEALTH SYSTEM INSURANCE LTD	S	86,520	ACCRUAL
MEMBERSHIP FEE - ST JOSEPH MANOR HEALTH CARE	S	190,600	ACCRUAL
MEMBERSHIP FEE - ST ANDRE HEALTH CARE	S	148,224	ACCRUAL
MEMBERSHIP FEE - ST MARY'S VILLA	S	137,040	ACCRUAL
MEMBERSHIP FEE - YOUVILLE HOUSE	S	63,636	ACCRUAL

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
MEMBERSHIP FEE - ST JOSEPH HOSPITAL OF BANGOR	S	985,158	ACCRUAL
MEMBERSHIP FEE - HELPING HANDS	S	3,381	ACCRUAL
COVENANT HEALTH SYSTEM INSURANCE LTD	S	5,000,000	ACCRUAL

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TY 2012 Earnings and Profits Other Adjustments Statement

Name: COVENANT HEALTH SYSTEMS INC

EIN: 22-2484505

Description	Amount
RECLASSIFY CAPITAL CONTRIBUTIONS	-6,569,045
OTHER ACCOUNTING ADJUSTMENTS	-2,226,965

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TY 2012 Itemized Other Current Liabilities Schedule

Name: COVENANT HEALTH SYSTEMS INC

EIN: 22-2484505

Corporation Name	Corporation EIN	Description	Beginning Amount	Ending Amount
COVENANT HEALTH SYSTEM INSURANCE LTD	04-3360127	DEFERRED PREMIUMS	30,614	20,409
		UNEARNED PREMIUMS	43,637	44,360
		LOSSES PAYABLE	20,034	2,589
		DIVIDEND PAYABLE		5,000,000

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TY 2012 Itemized Other Current Assets Schedule

Name: COVENANT HEALTH SYSTEMS INC

EIN: 22-2484505

Corporation Name	Corporation EIN	Other Current Assets Description	Beginning Amount	Ending Amount
COVENANT HEALTH SYSTEM INSURANCE LTD	04-3360127	REINSURANCE RECOVERABLE	7,090,541	2,123,572
		DEFERRED REINSURANCE PREMIUMS	40,782	41,458

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TY 2012 Other Deductions Schedule

Name: COVENANT HEALTH SYSTEMS INC

EIN: 22-2484505

Description	Foreign Amount (should only be used when attached to 5471 Schedule C Line 16)	Amount
UNDERWRITING EXP, NET OF RECOVERIES		-925,746
GENERAL AND ADMINISTRATIVE		443,354

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TY 2012 Itemized Other Investments Schedule

Name: COVENANT HEALTH SYSTEMS INC

EIN: 22-2484505

Corporation Name	Corporation EIN	Other Investments Description	Beginning Amount	Ending Amount
COVENANT HEALTH SYSTEM INSURANCE LTD	04-3360127	INVESTMENTS	22,281,022	33,197,373

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TY 2012 Itemized Other Liabilities Schedule

Name: COVENANT HEALTH SYSTEMS INC

EIN: 22-2484505

Corporation Name	Corporation EIN	Other Liabilities Description	Beginning Amount	Ending Amount
COVENANT HEALTH SYSTEM INSURANCE LTD	04-3360127	PROVISION FOR UNPAID CLAIMS	22,869,741	14,947,679

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TY 2012 Other Income Statement

Name: COVENANT HEALTH SYSTEMS INC

EIN: 22-2484505

Description	Foreign Amount	Amount
REALIZED CAPITAL LOSSES		-12,139
UNREALIZED CAPITAL GAINS		2,139,146