EXHIBIT 3

CAMPION HEALTH & WELLNESS, INC. - FACTOR 4 ATTACHMENTS

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CAMPION HEALTH & WELLNESS, INC.

PROJECTED FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

YEARS ENDING
DECEMBER 31, 2020 THROUGH 2024

CAMPION HEALTH & WELLNESS, INC.
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YEARS ENDING DECEMBER 31, 2020 THROUGH 2024

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Campion Health and Wellness, Inc.
Weston, Massachusetts

Management is responsible for the accompanying projected financial statements of Campion Health and Wellness, Inc. (the Company), which comprise the projected statements of financial position as of December 31, 2020, 2021, 2022, 2023 and 2024, and the related projected statements of activities, changes in net assets, and cash flows for the projected years ending December 31, 2020, 2021, 2022, 2023, and 2024, and the related summary of significant assumptions and accounting policies in accordance with the guidelines for presentation of a financial projection established by the American Institute of Certified Public Accountants (AICPA) (the Projection). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the projected financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these projected financial statements or the assumptions.

Furthermore, even if the Company can complete the construction of the Project (as defined in the summaries of significant assumptions and accounting policies) at the costs and timeline presented hereafter and is able to achieve the operating assumptions, collectively, the "Hypothetical Assumptions", there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying Projection, and this report, are intended solely for the information and use of management, officers and members of the Company, and the Massachusetts Department of Public Health Determination of Need Program (DPH-DoN) in its review of the Determination of Need application under regulation 105 CMR 100.210 (4) (a) and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
November 9, 2020

CAMPION HEALTH & WELLNESS, INC.
PROJECTED STATEMENTS OF FINANCIAL POSITION
UNDER THE HYPOTHETICAL ASSUMPTIONS DESCRIBED IN NOTE 1
DECEMBER 31, 2020 THROUGH 2024
(000S OMITTED)

	2020	2021	2022	2023	2024
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	$ 366	$ 153	$ 313	$ 434	$ 533
Accounts Receivable - Residents	850	891	937	984	1,032
Prepaid Expenses and Other	62	62	62	62	62
Total Current Assets	1,278	1,106	1,312	1,480	1,627
PROPERTY AND EQUIPMENT					
Leasehold Improvements	2,595	2,595	6,209	6,209	6,259
Equipment and Furnishings	1,132	1,132	1,257	1,257	1,307
Motor Vehicles	57	57	57	57	57
Construction in Progress	753	3,739	-	-	-
Total	4,537	7,523	7,523	7,523	7,623
Less: Accumulated Depreciation	2,574	2,681	2,979	3,283	3,593
Property and Equipment, Net	1,963	4,842	4,544	4,240	4,030
Total Assets	$ 3,241	$ 5,948	$ 5,856	$ 5,720	$ 5,657
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable	$ 648	$ 665	$ 683	$ 701	$ 719
Accrued Expenses	360	360	360	360	360
Deferred Federal and State Relief Grant Revenue	199	-	-	-	-
Due to Related Party	32	32	32	32	32
Total Current Liabilities	1,239	1,057	1,075	1,093	1,111
NET ASSETS					
Without Donor Restrictions	2,002	4,891	4,781	4,627	4,546
Total Liabilities and Net Assets	$ 3,241	$ 5,948	$ 5,856	$ 5,720	$ 5,657

See Summary of Significant Assumptions and Accounting Policies and Independent Accountants' Compilation Report.

CAMPION HEALTH & WELLNESS, INC.
PROJECTED STATEMENTS OF ACTIVITIES
UNDER THE HYPOTHETICAL ASSUMPTIONS DESCRIBED IN NOTE 1
YEARS ENDING DECEMBER 31, 2020 THROUGH 2024
(000S OMITTED)

	2020	2021	2022	2023	2024
NET ASSETS WITHOUT DONOR RESTRICTIONS					
REVENUE AND OTHER SUPPORT					
Private	$ 1,882	$ 1,975	$ 2,386	$ 2,433	$ 2,487
Medicaid	1,288	1,456	2,291	2,336	2,390
Medicare Part A	269	274	279	285	291
Rest Home Medicaid	572	582	594	606	619
Rest Home Private	409	466	478	490	503
Part B and Therapy Ancillaries	866	884	995	1,015	1,035
Contractual Adjustment	(170)	(173)	(177)	(180)	(184)
Province Contribution and Subsidy	2,667	2,495	2,401	2,401	2,400
Federal and State Relief Grant Revenue	257	199	-	-	-
Total Revenue and Other Support	8,040	8,158	9,247	9,386	9,541
OPERATING EXPENSES					
Administrative and Indirect Program Expenses	1,895	1,933	1,987	2,027	2,067
Plant Operations	306	308	300	306	312
Property	323	323	323	323	323
Dietary	1,078	1,093	1,170	1,194	1,218
Laundry	55	50	27	28	28
Housekeeping	492	495	482	491	501
Nursing	2,645	2,687	3,494	3,564	3,635
Nursing Support	326	303	221	226	230
Social Services	37	37	53	54	55
Recreation	223	228	232	237	242
Ancillaries	565	576	653	666	679
Rest Home Expenses	113	115	117	120	122
Depreciation	105	107	298	304	310
Total Operating Expenses	8,163	8,255	9,357	9,540	9,722
LOSS FROM OPERATIONS	(123)	(97)	(110)	(154)	(181)
OTHER NONOPERATING INCOME					
Contributions - Construction in Progress and Property and Equipment	357	2,986	-	-	100
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	$ 234	$ 2,889	$ (110)	$ (154)	$ (81)

See Summary of Significant Assumptions and Accounting Policies and Independent Accountants' Compilation Report.

CAMPION HEALTH & WELLNESS, INC.
PROJECTED STATEMENTS OF CHANGES IN NET ASSETS
UNDER THE HYPOTHETICAL ASSUMPTIONS DESCRIBED IN NOTE 1
YEARS ENDING DECEMBER 31, 2020 THROUGH 2024
(000S OMITTED)

	2020	2021	2022	2023	2024
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	$ 234	$ 2,889	$ (110)	$ (154)	$ (81)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	-	-	-	-	-
TOTAL CHANGE IN NET ASSETS	234	2,889	(110)	(154)	(81)
Net Assets - Beginning of Year	1,768	2,002	4,891	4,781	4,627
NET ASSETS - END OF YEAR	$ 2,002	$ 4,891	$ 4,781	$ 4,627	$ 4,546

See Summary of Significant Assumptions and Accounting Policies and Independent Accountants' Compilation Report.

CAMPION HEALTH & WELLNESS, INC.
PROJECTED STATEMENTS OF CASH FLOWS
UNDER THE HYPOTHETICAL ASSUMPTIONS DESCRIBED IN NOTE 1
YEARS ENDING DECEMBER 31, 2020 THROUGH 2024
(000S OMITTED)

	2020	2021	2022	2023	2024
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in Net Assets	$ 234	$ 2,889	$ (110)	$ (154)	$ (81)
Adjustments to Reconcile Change in Net Assets to					
Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization	105	107	298	304	310
Contributions Used for Construction in Progress and					
Property and Equipment	(357)	(2,986)	-	-	(100)
(Increase) Decrease in Assets:					
Accounts Receivable	(161)	(41)	(46)	(47)	(48)
Prepaid Expenses and Other	11	-	-	-	-
Increase (Decrease) in Liabilities:					
Accounts Payable	18	17	18	18	18
Accrued Expenses	5	-	-	-	-
Deferred Federal and State Relief Grant Revenue	199	(199)	-	-	-
Net Cash Provided (Used) by Operating Activities	54	(213)	160	121	99
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property and Equipment	(3)	-	-	-	(100)
Purchases of Construction in Progress	(357)	(2,986)	-	-	-
Net Cash Used by Investing Activities	(360)	(2,986)	-	-	(100)
CASH FLOWS FROM FINANCING ACTIVITIES					
Contributions Provided for Construction in Progress and					
Property and Equipment	357	2,986	-	-	100
Advances (to) from Related Parties, Net	(22)	-	-	-	-
Net Cash Provided by Financing Activities	335	2,986	-	-	100
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29	(213)	160	121	99
Cash and Cash Equivalents- Beginning of Year	337	366	153	313	434
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 366	$ 153	$ 313	$ 434	$ 533
SUPPLEMENTAL DISCLOSURES OF NONCASH					
INVESTING TRANSACTIONS					
Net Change in Property and Equipment	$ (866)	$ -	$ (3,739)	$ -	$ (100)
Add: Construction in Progress Placed in Service	863	-	3,739	-	-
Cash Paid for Property and Equipment	$ (3)	$ -	$ -	$ -	$ (100)
Net Change in Construction in Progress	$ 506	$ (2,986)	$ 3,739	$ -	$ -
Construction In Progress Placed in Service	(863)	-	(3,739)	-	-
Cash Paid for Construction in Progress	$ (357)	$ (2,986)	$ -	$ -	$ -

See Summary of Significant Assumptions and Accounting Policies and Independent Accountants' Compilation Report.

NOTE 1 BASIS OF PRESENTATION AND NATURE AND LIMITATIONS OF PROJECTIONS

Basis of Presentation

The financial projection (the Projection) presents, to the best of the knowledge and belief of management (Management) of Campion Health and Wellness, Inc. (the Applicant, or the Company), the expected financial position as of December 31, 2020 through 2024, and the expected results of operations and cash flows for the years ending December 31, 2020 through 2024 (the “Projection Period”).

A projection although similar to a forecast, is a presentation of prospective financial information that is subject to one or more hypothetical assumptions. Management has included several assumptions that are considered to be hypothetical assumptions as defined by the American Institute of Certified Public Accountants’ *Guide for Prospective Financial Information*.

Management’s hypothetical assumptions (the “Hypothetical Assumptions”) are as follows:

- The Applicant is able to develop, market, construct, and complete the proposed substantial renovation and obtain approval from the Department of Public Health to upgrade the classification of 12 Level IV rest home beds to Level II skilled nursing beds (the “Project”, as defined more fully hereinafter).

- The Applicant is able to obtain all regulatory approvals for construction of its Project.

- The Applicant is able to obtain continued financial support from the USA Northeast Province of the Society of Jesus (Society of Jesus) consistent with the plans presented in this Summary of Significant Projection Assumptions and Accounting Policies.

- The Applicant is able to achieve the occupancy, payer mix, and average rates detailed in Note 3. If this is not achieved it may significantly impact the Projection results.

- The Applicant is able to maintain its projected operating structure and limit the additional expenses associated with operating the facility under the completed Project model to the scenario as outlined in Note 3.

- The Applicant is able to complete the Project within the cost structure presented in this Summary of Significant Projection Assumptions and Accounting Policies of total Project costs of approximately $3,739,000.

NOTE 1 BASIS OF PRESENTATION AND NATURE AND LIMITATIONS OF PROJECTIONS (CONTINUED)

Basis of Presentation (Continued)

Accordingly, the Projection reflects Management's judgement as of November 9, 2020 the date of the Projection, of the expected conditions and its expected course of action assuming the Hypothetical Assumptions. The assumptions disclosed herein, while not all-inclusive, are the assumptions which Management believes are significant to the Projection. The prospective results may not be achieved. Furthermore, even if the Hypothetical Assumptions were to occur, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

NOTE 2 NATURE OF THE ORGANIZATION AND PROJECT DESCRIPTION

Nature of the Organization

Campion Health and Wellness, Inc., is a nonprofit organization that operates a 34-bed skilled nursing home and a 36-bed rest home located in Weston, Massachusetts. The Applicant was founded in 1977 by the USA Northeast Province of the Society of Jesus (Society of Jesus), a religious order of the Roman Catholic Church, to offer Jesuit priests, brothers and scholastics five levels of holistic, integrated care in a dynamic apostolic community setting: independent living, sub-acute independent living assistance, rehabilitation, assisted living, skilled nursing care including palliative care hospice.

The Applicant receives a province subsidy from the Society of Jesus each year in an amount necessary to offset the excess of budgeted expenses over revenues from operations and funding for capital expenditures. The Society of Jesus intends to continue this support as long as it is necessary to sustain the Applicant.

Project Description

The Applicant is submitting a request for a Notice of Determination of Need ("DoN") for a substantial capital expenditure in connection with planned renovations to the property located at 319 Concord Road, Weston, Massachusetts (the "Facility") and to seek approval to upgrade the classification of 12 Level IV rest home beds to 12 Level II skilled nursing beds. The Applicant proposes to renovate the third floor, which currently consists of 18 level IV beds which would be converted to a 12-bed level II skilled nursing unit and a 6-bed level IV residential care unit. The proposed project will be a gut renovation of the North wing of the third floor to allow for a skilled nursing unit with 12 private rooms with dedicated accessible bathrooms and showers and all required support spaces. The remaining part of this unit will be renovated as necessary to provide six single level IV rooms and all required support space. The proposed project will also include updated HVAC and mechanicals for the third floor.

Construction is expected to begin during 2021 and is anticipated to be completed by the end of 2021. The Projection presentation reflects the Project assets being placed in service by January 1, 2022. The total Project costs assumed in the Projections are approximately $3,739,000.

NOTE 3 MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES AND EXPENSES

Projected revenue consists of revenue from operating the skilled nursing and residential care facilities. Management's baseline projected revenue and expenses for 2020 were derived from interim financial data for the period ending June 30, 2020, and Management's historical experience of operating the Facility. This information was utilized to project and establish a baseline for the year ending 2020. Future years were projected utilizing assumptions for rate increases and operating expenses, and any known changes for operating the renovated Facility during the Projection Period.

Additionally, for the year ending 2020 and the first eight months of 2021 Management incorporated estimated temporary impacts of COVID-19. In March of 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Specific to the Company, COVID-19 is impacting various parts of its 2020 operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of health care personnel, additional wages. The projection assumes COVID-19 expense impact through August of 2021. Any material changes in the terms of the length and magnitude of the additional expenditures due to COVID-19 compared to the assumptions would impact the results of the Projection.

The following tables summarize the 2019 and projected baseline payer mix and per diems:

	2019 Payer Mix	Per Diem
SNF Private	15%	$ 450
SNF Medicare	5%	488
SNF Medicaid	36%	175
RH Private	13%	97
RH Medicaid	31%	153
Total	100%	

	2020-2021 Projected Payer Mix	2022-2024 Projected Payer Mix	2020 Per Diem	2021 Per Diem	2022 Per Diem	2023 Per Diem	2024 Per Diem
SNF Private	21%	20%	$ 475	$ 500	$ 510	$ 520	$ 530
SNF Medicare	2%	2%	611	624	636	649	662
SNF Medicaid	35%	44%	191	216	221	225	229
RH Private	12%	10%	175	200	205	210	215
RH Medicaid	30%	24%	101	103	105	107	110
Total	100%	100%					

NOTE 3 MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES AND EXPENSES (CONTINUED)

The following tables summarize the historical and projected occupancy at December 31:

	2016	2017	2018	2019
Occupancy %	67%	76%	79%	75%

Based on Active Beds

	2020	2021	2022	2023	2024
Projected Occupancy %	75%	75%	92%	92%	92%
Projected Total Days	19,142	19,090	23,470	23,470	23,534

Management calculated the baseline revenues for the year ending December 31, 2020, utilizing current reimbursement and economic conditions, and current nursing home regulations.

Management estimated the COVID-19 impact on revenue for 2020 based on various indicators and changes in operations. The Projection assumes the Applicant received approximately $174,000 in supplemental Medicaid payments from the Commonwealth of Massachusetts Executive Office of Health and Human Services (EOHHS). Additionally, the Projection assumes the Applicant received approximately $282,000 in CARES Act Provider Relief Fund (PRF) stimulus payments from the U.S. Department of Health and Human Services (HHS). The Projection assumes $257,000 of the above is expended and recognized in 2020 and the remaining $199,000 is expended and recognized in 2021.

During the construction of the Project, Management assumed an occupancy rate of approximately 75% for all of 2020 and 2021. In the subsequent years of the Projection Period (years ending December 31, 2022-2024), occupancy is assumed to be approximately 92%.

As of July 1, 2020, there was an increase in the skilled nursing Private rate from $450/day to $500/day as well as an increase in the rest home Private rate from $150/day to $200/day. Management has assumed an approximate 2% rate increase for the skilled nursing and rest home Private rates for the years ending December 31, 2022, 2023, and 2024. Medicare, skilled nursing Medicaid, and rest home Medicaid rates calculated for the baseline revenues for the year ending December 31, 2020 were derived from interim financial data for the period ending June 30, 2020. Management assumes a 2% rate increase for Medicare and rest home Medicaid rates, per year, for the remainder of the Projection Period. For the year ending 2021, the skilled nursing Medicaid rate includes a dollar increase based on the newly adopted Medicaid rates from the state of approximately $26 per day. Management assumes a 2% rate increase for skilled nursing Medicaid rates, per year, for the remainder of the Projection Period. Certain components of the $26 Medicaid add-on are based on various quality and other factors. Management has assumed that they will maintain the current criteria which has afforded them this add-on throughout the projection period. If they were unable to achieve this, it may significantly impact the results of the Projection.

NOTE 3 MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES AND EXPENSES (CONTINUED)

The projection assumes an average daily census of 52 for the years ending December 31, 2020 and 2021. Thereafter, the projected average daily census is 64 for the years ending 2022 through 2024.

Other Revenue Items

Other revenue items include Medicare Part B services and Society of Jesus operating subsidy contributions and reimbursement for capital expenditures.

The projection assumes Medicare Part B services increase by approximately $94,000 starting in the year ending December 31, 2022. Except as noted above, these are assumed to increase based on the consumption of services and for general inflation assumed to be approximately 2% annually during the Projection Period.

The Company receives operating subsidy contributions and reimbursement for capital expenditures from the USA Northeast Province of the Society of Jesus. The operating subsidy contributions are assumed to fluctuate based on excess of budgeted expenses over revenues from operations. Since there is a significant increase in the Medicaid reimbursement rate for the skilled nursing facility starting in 2021, it is assumed the operating subsidy will have a corresponding decrease for the remainder of the Projection Period. The reimbursement for capital expenditures is assumed to offset the capital costs related to the Project and any other necessary capital projects.

Operating Expenses

Operating expenses have been projected to be recognized during the month incurred. Management's baseline projected expenses for the year ending 2020 were derived from interim financial data of the facility operations for the June 30, 2020 period and Management's historical experience of operating the facility. This information was utilized to project and establish a baseline for the year ending December 31, 2020. Management adjusted the projection for additional COVID-19 expenditures in 2020 and 2021. The additional expenditures related to increased staffing and wages, personal protective equipment, testing, infection control measures and other expenses were approximately $257,000 in 2020 and $199,000 in 2021. In subsequent years, in general, operating expenses are projected to increase 2% annually throughout the projection period excluding property rent and any COVID-19 adjustments noted above. Property rent is assumed to stay consistent throughout the Projection Period at approximately $323,000 per year. The specific basis for inflationary increases in major expense categories were formulated by Management and are discussed below.

Salaries and Related Taxes and Benefits

A full time equivalent employee ("FTE") is assumed to represent 2,080 hours of time paid annually. Salaries were assumed to increase 2% annually during the Projection Period excluding any COVID-19 expenditures and additional staffing upon completion of the Project as noted below.

NOTE 3 MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES AND EXPENSES (CONTINUED)

Salaries and Related Taxes and Benefits

Employee benefits such as federal and state payroll taxes, health insurance, workers compensation, pension costs, and other miscellaneous benefits for the entire Facility were assumed to approximate 23% of wages during the Projection Period. COVID-19 related bonus expenditures totaling approximately $16,000 were included in the projection in 2020. Additionally, upon completion of the Project, additional staffing was required to appropriately staff the renovated unit. Consequently, for 2022 additional salaries, related payroll taxes, insurance, and benefits totaling approximately $779,000 were included in the Projection.

Administration

Management has projected non salary costs of general and administrative services to include accounting and legal fees, computer expenses, human resources, professional fees, telephone and internet service, and other miscellaneous costs associated with administrative services. These costs are anticipated to increase 2% annually throughout the Projection Period for inflation. Additionally, volume increases of approximately $15,000 in 2022 are included in the Projection upon completion of the Project.

Dietary

Non salary cost of dining services relate to the projected costs for providing food services to the residents, including raw food, dietary supplies, and other such costs. Management assumes that these costs would vary with occupancy levels. Additionally, these costs are anticipated to increase at 2% annually throughout the Projection Period for inflation, excluding any COVID-19 related increases noted below. COVID-19 related dietary expenditures totaling approximately $29,000 and $23,000 were included in the projection in 2020 and 2021, respectively.

Additionally, volume increases of approximately $79,000 in 2022 are included in the Projection upon completion of the Project.

Plant Operations, Housekeeping, & Laundry and Linen

Non salary related costs of plant, housekeeping, and laundry and linen operations are projected to include the cost of service contracts, repairs, supplies and other miscellaneous costs associated with providing these services. In addition, these costs are anticipated to increase at 2% annually throughout the Projection Period for inflation, excluding any COVID-19 related increases noted below. Additionally COVID-19 increases of approximately $75,000 and $60,000 in 2020 and 2021, respectively, are included in the projection.

Rent

Rent is projected based upon the terms of the related party lease agreement with Campion Center, Inc. The land and building lease has been structured for one-year periods with automatic renewal. Management assumes that these costs will remain constant throughout the projection period based on the most recent amended lease terms, which requires annual minimum lease payments of approximately $323,000.

NOTE 3 MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES AND EXPENSES (CONTINUED)

Utilities

Utilities are included under the caption Plant on the Projected Statement of Activities. Non salary related utility costs are projected to include the cost of gas and oil, electricity, water, and sewer services, and trash removal. In addition, these costs are anticipated to increase at 2% annually throughout the Projection Period for inflation.

Nursing Support, Rest Home, Social Services, Recreation, & Ancillaries

Non salary related health service costs are projected based upon Management's estimate of the cost of nursing supplies, ancillary supplies, consultants, and other miscellaneous costs associated with providing health care services. Management assumes that these costs would vary with changes in occupancy levels. These costs are anticipated to increase 2% annually throughout the Projection Period, excluding any COVID-19 increases noted below. Additionally COVID-19 increases (including salaries) of approximately $153,000 and $115,000 in 2020 and 2021, respectively, are included in the projection.

Additionally, volume increases of approximately $85,000 in 2022 are included in the Projection upon completion of the Project.

Depreciation

Property and equipment are projected to be depreciated over the estimated useful lives by the straight-line method.

Operating Assets and Liabilities

The accompanying Projection assume an increase of 2% of revenue to the accounts receivable balance in the baseline projection year ending December 31, 2020 and .50% throughout the subsequent years of the Projection Period. Accounts payable is assumed to be 20% of total operating expenses net of depreciation and any non-operating expenditures (projected accounts payable) in each of the Projection years. Additionally, the accounts payable balance is projected to increase by 1% throughout the Projection Period. Excess cash flow generated is assumed to increase operating cash except as noted elsewhere. Additionally, in the projected year ending December 31, 2024 $100,000 is assumed to be utilized for the purchase of property and equipment.

All other items, if any, were assumed to be constant during the Projection Period.

NOTE 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company maintains its accounting and financial records according to the accrual basis of accounting.

Estimates

The preparation of projected financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the projected financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all money market accounts and short-term debt securities purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use are not considered cash and cash equivalents for purposes of the projected statement of cash flows.

Accounts Receivable

The Company provides an allowance for uncollectible accounts based on the allowance method using management's judgment. Residents are not required to provide collateral for services rendered. Payment for services is required within 30 days of receipt of invoice or as the claim is submitted for third-party payors. Accounts that are past due for more than 90 days are individually analyzed for collectability. In addition, an allowance is estimated for other accounts based on historical experience and projection of trends. The Company determines delinquent accounts based on individual facts and circumstances. Historically, interest has not been charged on accounts deemed to be delinquent.

Property and Equipment

Property and equipment are recorded at cost. Capitalization is required for depreciable assets that have at the time of acquisition, a historical cost or donated value of at least $1,500. Donated property is recorded at its estimated fair value at the date of receipt. Gifts of long-lived assets are reported as assets without donor restrictions unless explicit donor stipulations specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulation about how long those assets must be maintained, expiration of donor restrictions are reported when the donated or acquired long-lived assets are placed into service. Depreciation is computed using the straight-line method over the estimated useful life of the assets. The Company reviews its fixed assets for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable.

NOTE 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell. No impairment losses were recorded in the Projection.

The useful lives of property and equipment for purposes of computing depreciation are:

Leasehold Improvements	20 Years
Equipment and Furnishings	10 Years
Motor Vehicle	5 Years

Construction in Progress

Depreciation on construction in progress costs has been deferred until the projects have been constructed. When the planned projects are constructed, the construction in progress costs are capitalized and depreciated over the life of the project.

Due to Related Parties

The Company has a related party payable of approximately $32,000 with no fixed repayment terms. It is assumed the balance will remain constant throughout the projection period.

Federal and State Relief Grant Revenue

During 2020, the Company received Federal and State grants to provide funding to respond to the COVID-19 pandemic as follows:

Federal Grants – The Company received payments from the CARES Act Provider Relief Fund (PRF), which is administered by the U.S. Department of Health and Human Services (HHS). The PRF payments have terms and conditions that the Company is required to follow and these funds are subject to reporting requirements and audit. The PRF payments are subject to potential recoupment by HHS if it is determined that the funds were not spent in accordance with the terms and conditions. Management believes the amounts have been recognized appropriately as of the date of this report.

State 10% and 15% Add-on Grants for Resident Care Facilities – The Company received add-on payments from the Commonwealth of Massachusetts Executive Office of Health and Human Services (EOHHS) which amounted to approximately 10% of their Medicaid rest home rate effective for dates of service on or after March 10, 2020 and another add-on which amounted to approximately 15% of their Medicaid rest home rate effective for the months of May and June 2020. The add-on payments received do not have any conditions or restrictions on how or when they are to be spent. Management believes the amounts have been recognized appropriately as of the date of this report.

NOTE 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal and State Relief Grant Revenue (Continued)

State 10% Add-on Grant for Nursing Facilities – The Company received payments from the Commonwealth of Massachusetts Executive Office of Health and Human Services (EOHHS) which amounted to approximately 10% of Medicaid patient service revenue for the months of April through June 2020. The add-on payments received do not have any conditions or restrictions on how or when they are to be spent. Management believes the amounts have been recognized appropriately as of the date of this report

State 50% Add-on Grant – The Company received payments from EOHHS which amounted to approximately 50% of Medicaid patient service revenue for the months of May and June 2020. The add-on payments are subject to restrictions on the time period and types of expenses that these payments can be spent on. The Company's spending of these payments is subject to reporting requirements and audit. The add-on payments are subject to potential recoupment by EOHHS if it is determined that the funds were not spent in accordance with the restrictions. Management believes the amounts have been recognized appropriately as of the date of this report

Overall, the Company received PRF payments and add-on payments in the amount of approximately $456,000 and recognized revenues in the amount of $257,000 during 2020. The revenues recognized are included in Federal and State Relief Grant Revenue on the statements of activities. The remaining balance of $199,000 is included in deferred revenue on the statements of financial position at the end of 2020 and then recognized into revenue in 2021.

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Company and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. Designated amounts represent those revenues that the board has set aside for a particular purpose.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purposes for which the resources was restricted has been fulfilled, or both.

Unconditional promises to give cash and other assets are accrued at estimated fair market value at the date each promise is received. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

NOTE 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measure of Operations

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions based on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in in the consolidated statement of activities as Net Assets Released from Restrictions Used for Operations. The measure of operations excludes contribution income for property and equipment.

Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are directly allocated to program or support services whenever possible. Other shared expenses are allocated based on a reasonable basis consistently applied. The expenses that are allocated include depreciation and occupancy, which are allocated on a square footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

Promotional Advertising

Promotional advertising costs are expensed as incurred.

Income Taxes

The Company has been granted exempt status relative to federal and state corporate income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and applicable state codes. The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. The Company believes that all of the tax positions it has taken are sustainable upon examination by taxing authorities.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases, pertaining to recording of leases. While the standard will not be effective for the Company until the year ending December 31, 2022, the standard can be early adopted. Early adoption has not been exercised. Implementation of the new standard can result in changes to the reporting and disclosure of leases. Management is in the process of evaluating the impact on the Company. The Projection does not reflect the impact of implementation of ASU 2016-02, as Management does not believe it can be determined based on its current leasing arrangements, which is a related party lease that automatically renews for an additional one-year period, in perpetuity. If circumstances change and the impact of the implementation of ASU 2016-02 can be determined, it could significantly impact the results of the Projection.

NOTE 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Patient Services Revenues

Patient service revenue is reported at the amount that reflects the consideration to which the Company expects to be entitled in exchange for providing patient care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Company bills the residents and third-party payors several days after the end of the month that services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Company. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Company believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in our facility receiving nursing services. The Company measures the performance obligation from admission into the facility to the point when it is no longer required to provide services to that resident, which is generally at the time of discharge.

The Company determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Company's policy, and/or implicit price concessions provided to residents. The Company determines its estimates of contractual adjustments based on contractual agreements, its policy(ies), and historical experience. The Company determines its estimate of implicit price concessions based on its historical collection experience.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicaid – Standard Payments to Nursing Facilities

The Company receives reimbursement from the Commonwealth of Massachusetts under a standard rate of reimbursement payment system for the care and services rendered to publicly-aided patients pursuant to regulations promulgated by the Center for Health Information and Analysis. Under the regulations, current year rates are a combination of actual base year costs blended with industry standards adjusted for inflation. The base year costs are subject to audit and could result in a retroactive rate adjustment for the current year.

NOTE 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Patient Services Revenues (Continued)

Medicaid – Standard Payments to Nursing Facilities (Continued)

In addition, effective October 1, 2020 the Medicaid payment regulations were updated substantially to incorporate certain add-ons for various quality measures. The update resulted in a substantial increase in the average Medicaid rate for the Applicant of approximately $26. The Projection reflects the updated rate beginning in 2021 through the remainder of the Projection Period. The Applicant needs to maintain certain quality measures and occupancy levels to continue to receive the add-on at the levels noted above. If they are unable to achieve the quality measures and occupancy levels, it would significantly impact the Projection results.

Medicare – Prospective Payment System

The PPS program mandates the implementation of fee schedules for SNF therapy services to residents not in a covered Part A stay and to nonresidents who receive outpatient rehabilitation services from the SNF (Part B Services). The Centers for Medicare and Medicaid Services (CMS) imposed a limit for both physical therapy (including speech therapy) and occupational therapy services. An exception may be granted to the limit if the patient meets certain criteria. Program is administered by the Centers for Medicare and Medicaid Services (CMS).

Effective October 1, 2019, the Medicare Reimbursement System underwent a significant change in methodology and implemented a patient driven payment model (PDPM). Under PDPM, therapy minutes are removed as the primary basis for payment and instead uses the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variable adjustment factors that change reimbursement rates during a resident’s length of stay.

Other

Payment agreements with certain commercial insurance carriers provide for payment using prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Company’s compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Company. In addition, the contracts the Company has with commercial payors also provide for retroactive audit and review of claims.

NOTE 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Patient Services Revenues (Continued)

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing resident care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Company's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were assumed not significant for the projected years ending December 31, 2020 through 2024.

Generally residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Company estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to resident service revenue in the period of the change.

Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were assumed to not be considered material for the projected years ending December 31, 2020 through 2024. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

The Company has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors: payors, service line, method of reimbursement, and timing of when revenue is recognized.

For the projected years ending December 31, 2020, 2021, 2022, 2023, and 2024, the Company recognized revenue of approximately $5,116,000, $5,464,000, $6,846,000, $6,985,000, and $7,141,000, respectively, from goods and services that transfer to the resident over a period of time.

CLA (CliftonLarsonAllen LLP)
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Quincy, MA 02169
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November 11, 2020

Ms. Lara Szent-Gyorgyi, Director
Determination of Need Program
Department of Public Health
250 Washington Street, 6th Floor
Boston, MA 02108

RE: Determination of Need Application – Campion Health & Wellness, Inc.

Dear Ms. Szent-Gyorgyi,

The accompanying report is included as relevant additional financial information to assist the department in rendering a decision regarding the proposed construction project of Campion Health & Wellness, Inc. (the "Company"). The report is intended solely for the information and use of management and members of the Company, and the Massachusetts Department of Public Health Determination of Need Program in its review of the Company's Determination of Need application under regulation 100.210 (4) a. It is not intended to be and should not be used by anyone other than these specified parties.

Please contact me should you have any questions or need further information.

Sincerely,
CLA (CliftonLarsonAllen)

Mark Cummings

Mark Cummings, CPA
Principal
617-984-8100
mark.cummings@CLAconnect.com

CAMPION HEALTH & WELLNESS, INC.

BENCHMARKING MANAGEMENT'S

PROJECTED FINANCIAL ANALYSIS

FOR THE PROJECTED YEARS ENDING

DECEMBER 31, 2020 THROUGH DECEMBER 31, 2024

PROCESS OVERVIEW

Management's Projections

CliftonLarsonAllen LLP (CLA) was requested by the management of Campion Health & Wellness, Inc. to read the financial projections prepared by Campion Health & Wellness, Inc. ("Management" or "Campion") for the projected years ending December 31, 2020 through 2024 and benchmark the stabilized year of Management's projection.

We have not compiled or examined any of the financial data utilized in the benchmarking analyses and express no assurance of any kind on it. Furthermore, even if the assumptions disclosed herein were to materialize, there will be differences between projected and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. These analyses are intended for the internal use of Management and the Massachusetts Department of Health Determination of Need Program (DoN) and are not intended to be and should not be used or relied on by anyone other than these specified parties.

BENCHMARK AND COST ANALYSIS

Campion Health & Wellness, Inc., was founded by the USA Northeast Province of the Society of Jesus (the "Jesuits"), a religious order of the Roman Catholic Church, to offer Jesuit priests, brothers and scholastics care. Because of the uniqueness of their patient population and their operational philosophy, benchmarking Campion against other Providers would not show comparable providers with the same operational strategy. Therefore, the benchmarking report for Campion will examine their operations prior to construction and compare those results to the projections set forth by management. Medicare and Medicaid cost report data was used for this review for years 2016, 2017, 2018, and 2019 and then projected out to 2024 from 2019 with an applied 2% revenue inflation factor and 2% expense inflation factor. Additionally, significant increases in the Medicaid rates beginning in 2021, impact of COVID 19 expenditures beginning in 2020, and cost increases as a result of the completed project were incorporated into the 2024 projection year.

MANAGEMENT'S PROJECTIONS

Occupancy/Payer Mix/Revenue per Patient Day

Projected revenue consists of revenue from operating the skilled nursing facility and rest home. Management's baseline projected revenue for the first year of the projection, 2020, was derived from interim financial data for the current period, management's historical experience of operating the Facility, and current reimbursement and nursing home regulations. This information and the estimated impact of COVID-19 on operations, was utilized to project and establish a baseline for the projection; 2020. Future years were projected utilizing assumptions for rate increases and operating expenses, and any known changes for operating the renovated facility during the Projection Period.

Historical Operations

Occupancy

Over the course of the last several years Campion's occupancy has been lower than industry averages. The projected 2020 occupancy is based upon 70 beds. The low occupancy levels and the needs of their patient panel in the future, were key factors in determining to move forward with the proposed project.

Historical Average Occupancy
December 31,

	2016	2017	2018	2019	2020*
Occupancy %	67.00%	76.00%	79.00%	75.00%	75.00%

*Projected

Historical Average Occupancy*
December 31,

	2016	2017	2018	2019	2020**
SNF Private	11.00%	12.00%	10.00%	15.00%	21.00%
SNF Medicare	4.00%	3.00%	4.00%	5.00%	2.00%
SNF Medicaid	48.00%	41.00%	40.00%	36.00%	35.00%
RH Private	19.00%	21.00%	19.00%	13.00%	12.00%
RH Medicaid	18.00%	23.00%	27.00%	31.00%	30.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

* Massachusetts' Medicaid Cost Report Data

** Projected

Projected Operations

The following table summarizes Campion's 2019 data compared to 2024 projected data for beds and occupancy, payer mix and revenue per patient day. Campion's occupancy increases in 2024 with the conversion of the 12 beds from Rest Home beds to Skilled Nursing Facility beds. The payer mix remains relatively similar in 2024 as it did in 2019. In 2019 Medicare patients comprised 5% of the mix which is historically higher than normal for this provider. To be consistent with the historical payer mix, the 2024 mix was reduced to 2%.

Projected Operations (Continued)

	2019	2024
Occupancy		
Occupancy %	75.00%	92.00%
Total SNF/NH Days	19,266	23,534
SNF Payor Mix (% of Days)		
Medicare FFS	5.00%	2.00%
Medicaid	67.00%	68.00%
Other	28.00%	30.00%
Revenue per Patient Day		
Medicare FFS	$488	$662
Other	$186	$260

Projected Average Occupancy
December 31,

	2020	2021	2022	2023	2024
Occupancy %	75.00%	75.00%	92.00%	92.00%	92.00%
Total Days	19,142	19,090	23,470	23,470	23,534

Observations:

- Campion's occupancy percentage increases greatly from 2019 to 2024. This project allows the Applicant to convert twelve beds from Rest Home Level IV beds to Skilled Nursing Facility beds. Over the years, because of the needs of their patient panel the Level IV beds have been difficult to fill. Reviewing the needs of their patient panel, revealed that additional skilled beds were needed. Thus, the Applicant projects a higher occupancy upon completion of the renovation.
- The occupancy projection from 2022 through 2024 is consistent at 92%.

<u>EXPENSES</u>

Operating expenses have been projected to be recognized during the month incurred. Management's baseline projected expenses for the first year of the projection (2020) were derived from actual financial data of the facility for the current period, and Management's historical experience of operating the facility. This information and the estimated impact of COVID-19 on operations, was utilized to project and establish a baseline for the projection; 2020. The specific basis for inflationary increases in major expense categories were formulated by Management.

Historical Operations

The Following table summarizes the historical cost per patient day by department and compares it to the inflated costs for 2024 and the costs that are in the projection for 2024:

	Historical Costs				Inflated	Projection
	2017	2018	2019	Inflation Adjustment	2024	2024
Costs per Patient Day*						
Administration	$82	$81	$89	2.0%	$98	$88
Plant	$23	$20	$24	2.0%	$26	$13
Dietary	$46	$43	$44	2.0%	$49	$52
Laundry	$6	$4	$4	2.0%	$4	$1
Housekeeping	$16	$13	$14	2.0%	$15	$21
Nursing	$119	$115	$120	2.0%	$132	$165
Social Services	$1	$2	$2	2.0%	$2	$2
Other General Services	$27	$29	$38	2.0%	$42	$39
Total Costs	$320	$307	$335		$368	$381

*Historical Costs Medicare Cost Report Data for Expenses and Census (June 30th Report Date)
Property Cost are excluded

Observations:

- Campion's historical cost structure stays relatively consistent with a slight decrease in 2018 which reverted back to levels consistent with 2017 plus inflation in 2019.
- Due to increased costs upon completion of the proposed project, the inflated 2024 costs are slightly below the 2024 per patient day numbers that are in the projection.
- The majority of the increased costs can primarily be attributed to the additional nursing staff required to appropriately staff the renovated unit. Additionally, increased dietary and housekeeping costs are due to the additional volume of patients. All other departments remain fairly consistent or decrease.

<u>KEY FINANCIAL RATIOS</u>

In performing this analysis both Medicare and Medicaid cost report data maintained by CMS and the Massachusetts Center for Health Information and Analysis (CHIA) was utilized. The ratios below are a common tool used by financial institutions and the health care industry to evaluate the operations of a health care entity.

Earnings before Interest, Depreciation and Amortization (EBIDA) Margin:

EBIDA is a measure of a company's operating performance. Essentially, it's a way to evaluate a company's performance without having to factor in financing decisions, accounting decisions or tax environments. EBIDA Margin can be a meaningful gauge of a provider's ability to contain costs, it offers a clearer reflection of operations by stripping out expenses that can obscure how the company is really performing. The EBIDA margin is calculated by dividing EBIDA by total revenue.

Earnings before Interest, Depreciation and Amortization (EBIDA) Margin (Continued):

The greater a company's EBIDA Margin, the lower the company's operating expenses in relation to total revenue. EBIDA margin eliminates the non-operating profitability and cash flow and is important in measuring performance across a single industry with companies of different size and tax situations.

The following chart shows the provider's projected EBIDA Margin against the Provider's historical 2019 EBIDA Margin.

	2019*	**2024**
EBIDA	-1.60%	1.35%

* June 30, 2019 Medicare Report

Observations

- Campion's EBIDA is projected to increase from 2019 to the last projected year of 2024.
- The above is consistent with management's intention to operate with a similar structure and maintain performance levels consistent or slightly improved from prior years, thus not impacting care of the patient panel.

Operating and Capital Budgets

In Benchmarking management's projected financial analysis, we analyzed and considered Campion's past and present operating and capital budgets. The past and present operating budgets are consistent with the results contained in management's projected financial analysis as indicated by the tables presented previously in the report. Additionally, as evidenced by the tables presented previously and subsequently in this report, management has no significant plans at this time to materially alter the operating structure or impact the care of the patient panel.

Campion does not maintain formal capital budgets. However, except for the first year following construction, a review of past and present capital expenditures indicates that Campion intends to invest in the built environment of the residents as they did in the years prior to renovations.

	2017	2018	2019	Planned 2024
Capital Expenditures	$ 167,000	$ 106,000	$ 239,000	$ 100,000

Balance Sheets

In benchmarking management's projected financial analysis, we analyzed Campion's balance sheet from 2019 and compared it to the final year of the projection, 2024.

Days Cash on Hand

We analyzed Campion's days cash on hand ratio for 2019 and compared it to the final projection year, 2024. The days cash on hand ratio is a liquidity ratio that indicates an entity's ability to satisfy its current operating expenses with the current cash available.

	2019*	2024
Days Cash on Hand	17	21

* December 31, 2019 Massachusetts Medicaid Report

Working Capital Ratio

Is a measure of liquidity, meaning the business's ability to meet its payment obligations as they fall due. Working capital is the money used to cover all of a company's short-term expenses, including inventory, payments on short-term debt, and day-to-day expenses-called operating expenses.

	2019*	2024
Working Capital Ratio	1.06	1.46

* December 31, 2019 Massachusetts Medicaid Report

- Generally, a working capital ratio of less than one is an indicator of potential future liquidity problems.
- As noted above, both of Campion's liquidity ratios are projected to slightly improve upon completion of the proposed project.
- The above liquidity ratios have historically been accepted in the industry as an indicator of operational performance and financial health. As indicated above, Campion's Key Performance Indicators (KPIs) before and upon completion of the proposed project are consistent and have not materially changed. This is also consistent with management's plans to operate the facility similarly to the past and present without any material alterations in operations or impact in care.

JESUITS
USA East

Ad Maiorem Dei Gloriam

July 16, 2020

Sandra K. Graham
Sr. VP & CFO
Campion Center, Inc.
Campion Health & Wellness, Inc.
319 Concord Road
Weston, MA 02493

Re: Province support to Campion Center, Inc. and Campion Health & Wellness, Inc.

Dear Sandra:

This letter confirms:

1. The Province is committed to fund the project to convert 12 Level IV rest home beds to 12 skilled nursing beds.
2. The Province is committed to subsidizing Campion operations at levels similar to the past subsidy.

Sincerely,

Richard A. McGowan, S.J.

Richard A. McGowan, S.J.
Treasurer
USA Northeast & Maryland Provinces
of the Society of Jesus