

EXHIBIT A-1

Avera.org

Compliance Certificate

This Compliance Certificate is furnished to:

(i) BMO Harris Bank National Association ("*BMO Harris*"), pursuant to that Term Loan Agreement dated as of June 29, 2015, as amended, restated, supplemented or otherwise modified from time to time (the "*BMO Term Loan Agreement*") between BMO Harris and Avera Health, a South Dakota nonprofit corporation (together with its successors, the "*Borrower*");

(ii) U.S. Bank National Association ("*U.S. Bank*"), pursuant to (1) those Term Loan Agreements dated as of May 1, 2012, February 19, 2016, June 28, 2017, and May 31, 2019, each as amended, restated, supplemented or otherwise modified from time to time (the "*U.S. Bank Term Loan Agreements*"), between U.S. Bank and the Borrower and (2) that certain Reimbursement Agreement dated as of May 29, 2019, as amended, restated, supplemented or otherwise modified from time to time (the "*Reimbursement Agreement*") between Caravan Health ACO 41 LLC, an affiliate of the Borrower, and U.S. Bank; and

(iii) JPMorgan Chase Bank, N.A. (the "*Bondholder Representative*" and, together with BMO Harris and U.S. Bank, the "*Lenders*") on behalf of DNT Asset Trust ("*DNT*") pursuant to that certain Continuing Covenants Agreement dated as of November 1, 2022 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "*Continuing Covenant Agreements*" and, together with the BMO Term Loan Agreement, the U.S. Bank Term Loan Agreements and the Reimbursement Agreement, the "*Agreements*"), among DNT, the Bondholder Representative and the Borrower, as the Obligated Group Agent on behalf of itself and each other Obligated Group Member. Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreements.

I hereby certify that I am the chief financial officer of the Obligated Group Agent, and that, as such, I am authorized to execute and deliver this Compliance Certificate to the Lenders, on the behalf of the Obligated Group Agent, and that:

1. Attached hereto are the quarter-end unaudited financial statements for the fiscal quarter ended as of March 31, 2023, which includes a balance sheet as of the end of such fiscal quarter and related statements of operations and changes in net assets for such fiscal quarter.

2. I have reviewed and am familiar with the terms of the Agreements and have made, or have caused to be made under my supervision, a review of the activities of the Obligated Group during the accounting period covered by the attached financial statements.

3. A review of the activities of the Obligated Group during such fiscal period has been made under my supervision for the purpose of determining whether during such fiscal period the Obligated Group has complied with all of the terms, provisions, and conditions of the Master Indenture and the Agreements.


4. To the best of my knowledge during such fiscal period, the Obligated Group has performed and observed each covenant and condition of the Agreements and Bond Documents applicable to it, and no Default or Event of Default has occurred and is continuing.

5. The ratings currently assigned to the long-term unenhanced Parity Debt of the Obligated Group are "AA-" in the case of S&P and "A1" in the case of Moody's.

Delivery of an executed counterpart of a signature page of this Compliance Certificate by fax transmission or other electronic mail transmission (e.g., ".pdf" or ".tif") shall be effective as delivery of a manually executed counterpart of this Compliance Certificate.

The foregoing certifications, together with the financial statements delivered with this Compliance Certificate in support hereof, are made and delivered this 25th day of April, 2023.

Avera Health, individually and as
Obligated Group Agent

By: 

Name: Julie Lautt

Title: Chief Financial Officer



Avera Health
Statement of Operations
9 Months Ended March 31, 2023

	Obligated Group*	Non-Obligated Group**	Eliminations and Reclassifications	Consolidated
Revenue				
Net patient and resident service revenue	\$ 1,819,509,129	\$ -	\$ (99,803,853)	\$ 1,719,705,276
Other revenue	189,921,087	257,313,940	(21,031,495)	426,203,532
Total revenues, gains, and other support	2,009,430,216	257,313,940	(120,835,348)	2,145,908,808
Expenses				
Salaries, wages and benefits	1,154,476,547	17,426,616	(14,367,870)	1,157,535,293
Supplies	449,642,299	60,308	-	449,702,607
Other expenses	301,086,209	252,032,521	(104,538,983)	448,579,747
Interest	17,592,872	-	-	17,592,872
Depreciation and amortization	84,431,765	1,317,332	-	85,749,097
Total expenses	2,007,229,692	270,836,777	(118,906,853)	2,159,159,616
Operating Income (Loss)	2,200,524	(13,522,837)	(1,928,495)	(13,250,808)
Other Income (Losses)				
Investment income	10,187,267	2,176,326	-	12,363,593
Unrealized gain (loss) from investments	55,123,891	20,383	-	55,144,274
Other non-operating, net	(25,291,102)	898,565	-	(24,392,537)
Change in fair value of interest rate swaps not designated as hedges	1,413,422	-	-	1,413,422
Reclassification of accumulated losses on interest rate swaps	(259,659)	-	-	(259,659)
Revenues in Excess of (Less Than) Expenses	43,374,343	(10,427,563)	(1,928,495)	31,018,285
Other changes in net assets	10,604,723	-	-	10,604,723
Increase (Decrease) in unrestricted net assets	<u>\$ 53,979,066</u>	<u>\$ (10,427,563)</u>	<u>\$ (1,928,495)</u>	<u>\$ 41,623,008</u>

* Includes: Avera McKennan, Avera St. Lukes's, Avera Sacred Heart, Avera Queen of Peace, Avera Marshall, Avera St. Mary's, Avera Health, Avera Holy Family, Avera St. Anthony's, Avera St. Benedict, and Avera at Home

** Includes: Avera Health Plans, DakotaCare, Avera Property Insurance, and Accounts Management Inc



**Avera Health
Balance Sheet
March 31, 2023**

	Obligated Group*	Non-Obligated Group**	Eliminations and Reclassifications	Consolidated
Assets				
Current Assets				
Cash and cash equivalents	58,514,214	42,119,678	-	100,633,892
Assets limited as to use				
Under indenture and contractual agreements	1,832	-	-	1,832
Designated reserves	-	30,762,894	-	30,762,894
Receivables				
Patients and residents	304,487,082	-	(17,814,608)	286,672,474
Other	87,041,924	14,732,199	-	101,774,123
Supplies	70,260,745	-	-	70,260,745
Prepaid expenses and other	39,893,487	1,444,909	-	41,338,396
Total current assets	560,199,284	89,059,680	(17,814,608)	631,444,356
Assets Limited as to Use				
Under indenture and contractual agreements	52,278,679	-	-	52,278,679
Designated reserves	1,294,876,188	24,412,634	-	1,319,288,822
Total noncurrent assets limited as to use	1,347,154,867	24,412,634	-	1,371,567,501
Property and Equipment, Net	1,058,482,103	8,383,013	-	1,066,865,116
Other Assets	371,392,089	(211,519)	4,171,018	375,351,588
Total Assets	3,337,228,343	121,643,808	(13,643,590)	3,445,228,561
Liabilities and Net Assets				
Current Liabilities				
Current maturities of long-term debt	18,298,423	-	-	18,298,423
Other	264,240,605	63,305,613	(15,403,338)	312,142,880
Total current liabilities	282,539,028	63,305,613	(15,403,338)	330,441,303
Noncurrent Liabilities				
Long-term debt, less unamortized premiums, discounts, and debt issuance costs	615,915,665	-	-	615,915,665
Other	247,260,394	37,914	3,688,242	250,986,550
Total noncurrent liabilities	863,176,059	37,914	3,688,242	866,902,215
Net Assets				
Without donor restrictions				
Undesignated	2,097,968,496	58,146,293	(1,928,494)	2,154,186,295
Noncontrolling interest	24,026,965	153,988	-	24,180,953
Total without donor restrictions	2,121,995,461	58,300,281	(1,928,494)	2,178,367,248
With donor restrictions				
	69,517,795	-	-	69,517,795
Total net assets	2,191,513,256	58,300,281	(1,928,494)	2,247,885,043
Total Liabilities and Net Assets	3,337,228,343	121,643,808	(13,643,590)	3,445,228,561

* Includes: Avera McKennan, Avera St. Lukes's, Avera Sacred Heart, Avera Queen of Peace, Avera Marshall, Avera St. Mary's, Avera Health, Avera Holy Family, Avera St. Anthony's, Avera St. Benedict, and Avera at Home

** Includes: Avera Health Plans, DakotaCare, Avera Property Insurance, and Accounts Management Inc



Avera Health
Changes in Fund Balance
9 Months Ended March 31, 2023

	Obligated Group*	Non-Obligated Group**	Eliminations and Reclassifications	Consolidated
Balance at Fiscal Year End June 30, 2022 ***	2,157,294,010	54,486,753	-	2,211,780,763
Net Income (Loss) including unrealized gains	53,979,066	(10,427,563)	(1,928,495)	41,623,008
Transfer to related parties	-	-	-	-
Other	(19,759,820)	14,241,091	1	(5,518,728)
Balance at Fiscal Period Ended March 31, 2023	<u>2,191,513,256</u>	<u>58,300,281</u>	<u>(1,928,494)</u>	<u>2,247,885,043</u>

* Includes: Avera McKennan, Avera St. Lukes's, Avera Sacred Heart, Avera Queen of Peace, Avera Marshall, Avera St. Mary's, Avera Health, Avera Holy Family, Avera St. Anthony's, Avera St. Benedict, and Avera at Home

** Includes: Avera Health Plans, DakotaCare, Avera Property Insurance, and Accounts Management Inc

*** Audited



Utilization
Year-To-Date
9 Months Ended March 2023

	<u>Obligated Group*</u>
Admissions (Excluding Newborns)	32,051
Acute Patient Days (less Newborns & Swing Bed)	156,724
Average Length of Stay	5.0
Average Daily Census	588
Occupancy (Staffed Beds)	73%
Number of Births	3,412
Inpatient Surgical Procedures	7,933
Outpatient Surgical Procedures	38,680
Other Outpatient Procedures	717,868
Emergency Room Visits	80,760
Clinic Visits	1,249,045
Long Term Care Patient Days	218,753
Long Term Care Occupancy (staffed)	83.2%
Swingbed Days	6,991

Source: Obligated Group Internal Reports

*Includes statistics from the Obligated Sponsored, Owned and Leased operations of the members of the Obligated Group including:

Avera Marshall, Avera McKennan, Avera Queen of Peace, Avera Sacred Heart, Avera St. Luke's
Avera Heart Hospital of South Dakota, Avera Flandreau Hospital, Avera Dells Area Hospital
Avera Gregory Hospital, Milbank Area Hospital Avera, Avera Hand County Memorial Hospital
Avera Creighton, Avera Weskota, Avera De Smet, Avera St. Mary's, Avera Gettysburg,
Avera Merrill Pioneer Hospital, Avera Holy Family, Avera St. Anthony's, Avera St. Benedict
Avera Tyler, Avera Granite Falls