

**STATE OF NEW YORK**  
**PUBLIC HEALTH AND HEALTH PLANNING COUNCIL**

**STANDING COMMITTEES**

**Tentative**  
***June 10, 2011***  
***9:30 a.m.***

***90 Church Street***  
***4<sup>th</sup> Floor, Room 4A & 4B***  
***New York City***

**I. COMMITTEE ON CODES, REGULATIONS AND LEGISLATION**  
**Addendum to be posted under separate distribution.**

**Exhibit #1**

**II. COMMITTEE ON PUBLIC HEALTH**

**III. COMMITTEE ON HEALTH PLANNING**

**IV. COMMITTEE ON ESTABLISHMENT AND PROJECT REVIEW**

**A. Applications for Construction of Health Care Facilities**

**Cardiac Services - Construction**

**Exhibit #2**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	102022 C	New York Methodist Hospital (Kings County)

**Acute Care Services - Construction**

**Exhibit #3**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	102417 C	Queens Hospital Center (Queens County)
2.	111257 C	University Hospital SUNY Health Science Center (Onondaga County)

**Ambulatory Surgery Center - Construction**

**Exhibit #4**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	102221 C	NYU Hospitals Center (New York County)
2.	102364 C	NYU Hospitals Center (New York County)

3. 101112 C Nathan Littauer Hospital Ambulatory Surgery Center  
(Fulton County)

**Hospice - Construction**

**Exhibit #5**

- | <u>Number</u> | <u>Applicant/Facility</u>                    |
|---------------|----------------------------------------------|
| 1. 102407 C   | Hospice of Orleans, Inc.<br>(Orleans County) |

**Residential Health Care Facilities - Construction**

**Exhibit #6**

- | <u>Number</u> | <u>Applicant/Facility</u>                                                                               |
|---------------|---------------------------------------------------------------------------------------------------------|
| 1. 101083 C   | Eger Health Care and Rehabilitation Center<br>(Richmond County)                                         |
| 2. 102316 C   | Hamilton Park Multicare, LLC d/b/a Hamilton Park Nursing<br>and Rehabilitation Center<br>(Kings County) |

**Transitional Care Units - Construction**

**Exhibit #7**

- |             |                                                                       |
|-------------|-----------------------------------------------------------------------|
| 1. 102365 T | Erie County Medical Center<br>(Erie County)                           |
| 2. 102366 T | South Nassau Communities Hospital<br>(Nassau County)                  |
| 3. 102367 T | St. Francis Hospital<br>(Nassau County)                               |
| 4. 102370 T | Good Samaritan Hospital of Suffern<br>(Rockland County)               |
| 5. 102371 T | Brookhaven Memorial Hospital Medical Center, Inc.<br>(Suffolk County) |
| 6. 102372 T | Glens Falls Hospital<br>(Warren County)                               |

- 7. 102373 T Northern Westchester Hospital  
(Westchester County)
- 8. 102374 T White Plains Hospital Center  
(Westchester County)

**Long Term Home Health Care Program - Construction**

**Exhibit #8**

<u>Number</u>	<u>Applicant/Facility</u>
1. 111177 C	Village Center for Care (Bronx County)

**B. Applications for Establishment and Construction of Health Care Facilities/Agencies**

**Acute Care Services – Establish/Construct**

**Exhibit #9**

<u>Number</u>	<u>Applicant/Facility</u>
1. 101153 E	New Island Hospital (Nassau County)
2. 102453 E	North Shore Long Island Jewish Health Care, Inc. (Nassau County)
3. 111074 E	Arnot Health, Inc. (Chemung County)

**Ambulatory Surgery Center - Establish/Construct**

**Exhibit #10**

<u>Number</u>	<u>Applicant/Facility</u>
1. 101134 B	Roosevelt SC, LLC (New York County)
2. 101159 E	Lattimore Road Surgicenter, Inc. d/b/a Lattimore Community Surgicenter (Monroe County)
3. 101160 E	West ASC, LLC d/b/a Camillus Surgery Center (Onondaga County)
4. 101167 B	West Side GI, LLC (New York County)
5. 111133 B	Heritage One Day Surgery, LLC (Onondaga County)

6. 111138 B Putnam GI, LLC d/b/a Putnam Endoscopy ASC, LLC  
(Putnam County)
7. 111194 B East Side Endoscopy  
(New York County)

**Diagnostic and Treatment Centers - Establish/Construct**

**Exhibit #11**

- | <u>Number</u> | <u>Applicant/Facility</u>                                                                              |
|---------------|--------------------------------------------------------------------------------------------------------|
| 1. 082140 E   | Ralph Lauren Center for Cancer Care and Prevention<br>(New York County)                                |
| 2. 092199 E   | East Coast Rehabilitation, Inc. d/b/a Columbus Center for Medical<br>Rehabilitation<br>(Queens County) |
| 3. 101103 B   | Queens Medical Pavilion, LLC<br>(Queens County)                                                        |
| 4. 102159 B   | Parcare Community Health Network<br>(Kings County)                                                     |
| 5. 102256 E   | South Brooklyn Medical Administrative Services, Inc.<br>(Kings County)                                 |
| 6. 102363 E   | HeartShare Wellness Ltd.<br>(Kings County)                                                             |

**Dialysis Services - Establish/Construct**

**Exhibit #12**

- | <u>Number</u> | <u>Applicant/Facility</u>                                  |
|---------------|------------------------------------------------------------|
| 1. 091040 B   | Palm Gardens Dialysis Center, LLC<br>(Kings County)        |
| 2. 092072 B   | Mohawk Valley Dialysis Center, Inc.<br>(Montgomery County) |
| 3. 092169 B   | Ditmas Park Dialysis Center, LLC<br>(Kings County)         |

**Hospice – Establish/Construct****Exhibit #13**

<u>Number</u>	<u>Applicant/Facility</u>
1. 082184 B	Visiting Nurse Service of New York Hospice Care (New York County)

**Residential Health Care Facilities - Establish/Construct****Exhibit #14**

<u>Number</u>	<u>Applicant/Facility</u>
1. 062433 B	Brooklyn-Queens Nursing Home (Kings County)
2. 092050 E	Woodbury Center for Health Care (Nassau County)
3. 092056 E	White Plains Center for Nursing Care, LLC (Westchester County)
4. 092156 E	Sprain Brook Manor Rehab, Inc. d/b/a Sprain Brook Manor Nursing Home (Westchester County)
5. 102048 E	Ozone Acquisitions, LLC d/b/a Central Island Healthcare (Nassau County)
6. 102234 E	Wedgewood Care Center, Inc. d/b/a Highfield Gardens Care Center of Great Neck (Nassau County)
7. 102346 E	KFG Operating Two, LLC d/b/a Bensonhurst Center for Rehabilitation and Healthcare (Kings County)
8. 111186 E	Autumn View Health Care Facility, LLC (Erie County)
9. 111188 E	Brookhaven Health Care Facility, LLC (Suffolk County)
10. 111189 E	Garden Gate Health Care Facility (Erie County)
11. 111190 E	Harris Hill Nursing Facility, LLC (Erie County)

- 12. 111191 E North Gate Health Care Facility  
(Niagara County)
- 13. 111192 E Seneca Health Care Center  
(Erie County)
- 14. 111248 E Morningstar Care Center, Inc. d/b/a Morningstar Residential Care Center  
(Oswego County)

**Certified Home Health Agencies – Establish/Construct**

**Exhibit #15**

<u>Number</u>	<u>Applicant/Facility</u>
1. 051081 E	Family Aides Certified Services of Nassau, Suffolk Incorporated d/b/a Family Care Certified Services of Nassau (Nassau County)
2. 101147 B	Litson Certified Care, Inc., d/b/a WILLCARE (Ulster County)
3. 101156 E	L. Woerner, Inc., d/b/a HCR (Orleans County)
4. 102080 E	Genesee Region Home Care Association d/b/a Lifetime Care (Cayuga County)
5. 102408 E	PTS of Westchester, Inc. (Westchester County)
6. 102409 E	Personal Touch Home Aides of New York, Inc. (Kings County)

**C. Certificates**

**Certificate of Amendment of the Certificate of Incorporation**

**Exhibit #16**

Applicant

- 1. UNITE HERE Health Center, Inc.
- 2. Medina Health Care Foundation, Inc.

**Certificate of Dissolution**

**Exhibit #17**

Applicant

- 1. Wartburg Diagnostic and Treatment Center, Inc.

**D. Home Health Agency Licensures**

**Home Health Agency Licensures**

**Exhibit #18**

<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1807L	Angels on Call Homecare, LLC (Dutchess, Rockland, Westchester, Orange, Sullivan, Bronx, Putman, and Ulster Counties)
1880L	ACS Home Care, LLC (Nassau, Queens, Suffolk, Westchester, Bronx, Kings, and New York Counties)
1866L	Bells Homecare, Inc. (Bronx, Queens, Kings, Richmond, Nassau, and New York Counties)
1955L	Centurion Enterprises, LLC (Westchester County)
1659L	Courtesy Care, LLC (Bronx, Richmond, Kings, Westchester, Queens and New York Counties)
1873L	Good Care Agency, Inc. (Bronx, Queens, Kings, Richmond, Nassau and New York Counties)
1857L	HHDL, Inc. d/b/a Home Helpers #58168 (Saratoga, Albany, Warren, Schenectady and Washington Counties)
1893L	Aquinas, LLC d/b/a Senior Helpers (New York, Richmond, Bronx, Westchester, Kings, and Queens Counties)
1890L	SIY Home Care, LLC (Kings, New York and Richmond Counties)
1888L	Senior Care HHA, Inc. (Nassau and Suffolk Counties)

- 1902L Silvervine Homecare Services  
(Bronx, Queens, Kings, Richmond, Nassau and  
New York Counties)
- 1927L Jodi Lee VanNostrand d/b/a Top Quality Home  
Care Agency  
(Fulton, Schenectady, Hamilton, Schoharie,  
Montgomery and Saratoga Counties)
- 1883L Balanced Home Care, LLC d/b/a Balanced Care  
Licensed Home Care Agency/Hudson Valley  
Assisted Living Program  
(Rockland and Orange Counties)
- 1963L Cortland County Health Department  
(Cortland County)
- 1970L Dutchess County Department of Health  
(Dutchess County)
- 1945L Schoharie County Department of Health  
(Schoharie County)
- 1913L A&B Enterprises of Long Island, Inc.  
(Nassau and Queens Counties)
- 1912L Allegiant Home Care, LLC  
(Bronx, Queens, Kings, Richmond, Nassau and  
New York Counties)
- 1842L Allpro Home and Health Care Services  
(Bronx, Richmond, Kings, Westchester, New York  
and Queens Counties)
- 1683L Coram Healthcare Corporation of Greater New  
York  
(See exhibit for counties served)
- 1843L Critical Care Nursing Agency, LLC d/b/a Akshar  
Nursing Agency  
(Nassau, Suffolk and Queens Counties)

- 1381L Cudley's Home Care Services, Inc.  
(Bronx, Queens, Kings, Richmond, Nassau and  
New York Counties)
- 1840L Heartland Homecare Agency, Inc.  
(Bronx, Richmond, Kings, Westchester, New York  
and Queens Counties)
- 1782L I & Y Senior Care, Inc.  
(Bronx, Richmond, Kings, Nassau, New York and  
Queens Counties)
- 1949L Personal Touch Home Care of Long Island, Inc.  
(Nassau, Suffolk and Queens Counties)
- 1950L Personal Touch Home Care of Westchester, Inc.  
(Putnam, Rockland, Westchester and Bronx  
Counties)
- 1951L Personal Touch Home Care, Inc.  
(Bronx, Richmond, Kings, New York, and Queens  
Counties)
- 1914L Premier Home Health Care Services, Inc.  
(Nassau, Suffolk and Queens Counties)
- 1915L Priority Home Care, Inc.  
(Bronx, Richmond, Kings, New York and Queens  
Counties)
- 1985L Sterling Glen Care at Home, LLC d/b/a Sterling  
Glen Care at Home  
(Nassau, Suffolk, Westchester and Queens  
Counties)
- 1960L Living Life Home Care, Inc. d/b/a Comfort  
Keepers #512  
(Westchester, Dutchess, Bronx and Putnam  
Counties)
- 1672L Bryan Skilled Home Care, Inc.  
(Nassau, Suffolk and Queens Counties)

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**State of New York  
Public Health and Health Planning Council**

**June 16, 2011**

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**ATTACHMENTS**

**Cardiac Services - Construction**

**Exhibit #2**

<u>Number</u>	<u>Applicant/Facility</u>
1. 102022 C	New York Methodist Hospital (Kings County)

**The New York Methodist Hospital  
Inpatient Cardiac Surgery Workload**

	Cases						Net Revenue					
	2005	2006	2007	2008	2009	2010	2005	2006	2007	2008	2009	2010
<b>PCI Utilization</b>												
Financial Class:												
Commercial FFS	40	41	37	56	41	36	\$ 927,388	\$ 943,073	\$ 889,972	\$ 1,350,654	\$ 975,853	\$ 788,782
Commercial HMO	249	269	243	273	306	308	3,528,071	3,920,139	3,647,369	4,927,485	6,278,748	7,025,650
Medicare FFS	460	481	462	580	470	515	9,651,845	10,354,781	9,640,038	12,026,693	9,547,750	10,366,782
Medicare HMO	173	223	211	270	251	319	3,496,085	4,634,615	5,283,330	5,155,922	4,667,611	6,312,010
Medicaid FFS	93	82	80	68	58	68	1,645,546	1,294,731	1,488,851	1,301,706	1,299,605	1,169,224
Medicaid HMO	91	114	138	176	179	243	985,307	1,214,721	1,564,968	2,028,342	2,322,277	3,338,831
Self Pay	7	3	11	18	10	11	195,762	95,995	442,408	223,579	95,942	272,849
Other	-	3	6	4	1	-	-	15,396	68,720	31,780	15,430	-
<b>Total</b>	<b>1,113</b>	<b>1,216</b>	<b>1,188</b>	<b>1,445</b>	<b>1,316</b>	<b>1,500</b>	<b>\$ 20,430,004</b>	<b>\$ 22,473,451</b>	<b>\$ 23,025,656</b>	<b>\$ 27,046,161</b>	<b>\$ 25,203,216</b>	<b>\$ 29,274,128</b>
<b>CT Utilization</b>												
Financial Class:												
Commercial FFS	3	5	9	6	6	8	\$ 171,957	\$ 333,130	\$ 1,047,269	\$ 443,344	\$ 441,737	\$ 523,795
Commercial HMO	32	37	37	39	28	30	1,279,566	1,557,066	1,652,132	2,247,545	1,678,792	2,275,576
Medicare FFS	82	70	67	52	56	65	4,678,199	3,905,418	3,812,866	3,193,904	3,876,783	4,191,692
Medicare HMO	35	42	38	31	38	43	1,660,954	2,201,266	2,070,892	1,755,572	2,584,940	2,506,926
Medicaid FFS	17	14	14	16	23	11	930,359	702,546	771,308	894,625	1,517,431	709,956
Medicaid HMO	21	22	20	21	33	23	750,013	633,931	572,968	1,012,352	1,385,351	1,000,619
Self Pay	1	-	2	2	-	-	125,216	-	173,327	67,011	-	-
Other	-	-	-	3	-	-	-	-	-	136,428	-	-
<b>Total</b>	<b>191</b>	<b>190</b>	<b>187</b>	<b>170</b>	<b>184</b>	<b>180</b>	<b>\$ 9,596,264</b>	<b>\$ 9,333,357</b>	<b>\$ 10,100,762</b>	<b>\$ 9,750,781</b>	<b>\$ 11,485,034</b>	<b>\$ 11,208,564</b>

## The New York Methodist Hospital

## Consolidated Statements of Financial Position

	December 31	
	2010	2009
	<i>(In Thousands)</i>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 51,773	\$ 41,443
Short-term investments	76,479	70,779
Accounts receivable:		
Patient care, less allowance for uncollectibles (2010 - \$25,846; 2009 - \$31,085)	64,079	56,811
Other - net	11,854	6,416
	<u>75,933</u>	<u>63,227</u>
Other current assets	12,186	12,439
Assets limited as to use - current portion (Note 3)	1,975	1,276
Total current assets	<u>218,346</u>	<u>189,164</u>
Assets limited as to use:		
Project fund	1,097	1,095
Debt service reserve	3,761	3,761
Debt service	1,975	1,276
Donor restricted	6,587	6,587
Investments held by captive insurance companies	75,505	47,099
Deferred employee compensation plan assets	6,330	5,396
	<u>95,255</u>	<u>65,214</u>
Less assets limited as to use - current portion	1,975	1,276
Assets limited as to use - noncurrent	<u>93,280</u>	<u>63,938</u>
Property, buildings and equipment - net	175,241	186,481
Investments in real estate - net	2,162	2,518
Other noncurrent assets	2,420	2,470
Total assets	<u>\$ 491,449</u>	<u>\$ 444,571</u>

	December 31	
	2010	2009
	<i>(In Thousands)</i>	
<b>Liabilities and net assets</b>		
Current liabilities:		
Current portion of long-term debt	\$ 3,942	\$ 2,804
Accounts payable and accrued expenses	33,491	32,189
Accrued salaries and related liabilities	38,772	31,590
Due to affiliates, net	1,389	1,927
Professional insurance liabilities – current	4,460	6,738
Other current liabilities	4,450	15,534
Total current liabilities	<u>86,504</u>	<u>90,782</u>
Long-term debt, less current portion	49,389	51,250
Accrued pension liability	18,907	29,183
Deferred employee compensation plan liabilities	6,330	5,396
Professional insurance liabilities – noncurrent	135,135	117,686
Other noncurrent liabilities	60,384	55,462
Total liabilities	<u>356,649</u>	<u>349,759</u>
Commitments and contingencies		
Net assets:		
Unrestricted	109,888	86,109
Temporarily restricted	18,325	2,116
Permanently restricted	6,587	6,587
Total net assets	<u>134,800</u>	<u>94,812</u>
Total liabilities and net assets	<u>\$ 491,449</u>	<u>\$ 444,571</u>

The New York Methodist Hospital  
Consolidated Statements of Operations

	Year Ended December 31	
	2010	2009
	<i>(In Thousands)</i>	
<b>Revenue, gains and other support</b>		
Net patient service revenue	\$ 602,649	\$ 541,301
Other revenue	35,851	36,656
Net assets released from restrictions	1,368	1,562
Total revenue, gains and other support	<u>639,868</u>	<u>579,519</u>
<b>Operating expenses</b>		
Salaries and wages	243,140	226,400
Employee benefits	68,751	59,154
Supplies and other expenses	278,853	266,356
Interest and amortization of deferred financing fees	2,813	3,093
Depreciation and amortization	22,946	23,137
Total operating expenses	<u>616,503</u>	<u>578,140</u>
Gain from operations	23,365	1,379
Medical resident tax refunds, net	4,294	-
Excess of revenue over expenses	<u>27,659</u>	<u>1,379</u>
<b>Other changes in unrestricted net assets</b>		
Change in unrealized gains and losses on investments other than trading securities	3,497	4,036
Net assets released from restrictions for purchases of property, buildings and equipment	416	527
Change in pension liability to be recognized in future periods	8,423	12,231
Other	(93)	-
Increase in unrestricted net assets before net asset reclassification	<u>39,902</u>	<u>18,173</u>
Reclassification of accumulated endowment earnings	(16,123)	-
Increase in unrestricted net assets	<u>\$ 23,779</u>	<u>\$ 18,173</u>

The New York Methodist Hospital  
Consolidated Statements of Financial Position

	December 31	
	2009	2008
	<i>(In Thousands)</i>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 41,443	\$ 40,798
Short-term investments	70,779	48,038
Accounts receivable:		
Patient care, less allowance for uncollectibles (2009 – \$31,085; 2008 – \$39,048)	56,811	56,548
Other – net	6,416	4,662
	<u>63,227</u>	<u>61,210</u>
Other current assets	12,439	12,308
Assets limited as to use – current portion	1,276	5,628
Total current assets	<u>189,164</u>	<u>167,982</u>
Assets limited as to use		
Project fund – 2004 bonds	1,095	1,094
Debt service reserve – 2004 bonds	3,761	3,761
Debt service – 1999 and 2004 bonds	1,276	4,318
Donor restricted	6,587	6,587
Investments held by captive insurance companies	47,099	40,023
Deferred employee compensation plan assets	5,396	3,894
	<u>65,214</u>	<u>59,677</u>
Less assets limited as to use – current portion	1,276	5,628
Assets limited as to use – noncurrent	<u>63,938</u>	<u>54,049</u>
Property, buildings and equipment -- net	186,481	198,384
Investments in real estate -- net	2,518	2,875
Other noncurrent assets	2,470	2,895
Total assets	<u>\$ 444,571</u>	<u>\$ 426,185</u>

Continued

	December 31	
	2009	2008
	<i>(In Thousands)</i>	
<b>Liabilities and net assets</b>		
Current liabilities:		
Current portion of long-term debt	\$ 2,804	\$ 8,153
Accounts payable and accrued expenses	32,189	30,090
Accrued salaries and related liabilities	31,590	27,909
Due to affiliates, net	1,927	2,988
Professional insurance liabilities – current	6,738	7,767
Other current liabilities	15,534	2,071
Total current liabilities	<u>90,782</u>	<u>78,978</u>
Long-term debt, less current portion	51,250	57,421
Accrued pension liability	29,183	46,268
Deferred employee compensation plan liabilities	5,396	3,894
Professional insurance liabilities – noncurrent	117,686	106,781
Other noncurrent liabilities	55,462	56,022
Total liabilities	<u>349,759</u>	<u>349,364</u>
Commitments and contingencies		
Net assets:		
Unrestricted	86,109	67,936
Temporarily restricted	2,116	2,298
Permanently restricted	6,587	6,587
Total net assets	<u>94,812</u>	<u>76,821</u>
Total liabilities and net assets	<u>\$ 444,571</u>	<u>\$ 426,185</u>

The New York Methodist Hospital  
Consolidated Statements of Operations

	Year Ended December 31	
	2009	2008
	<i>(In Thousands)</i>	
<b>Revenue, gains and other support</b>		
Net patient service revenue	\$ 541,301	\$ 531,154
Other revenue	36,656	8,057
Net assets released from restrictions	1,562	1,356
Total revenue, gains and other support	<u>579,519</u>	<u>540,567</u>
<b>Operating expenses</b>		
Salaries and wages	226,400	223,599
Employee benefits	59,154	56,660
Supplies and other expenses	266,356	268,202
Interest and amortization of deferred financing fees	3,093	3,180
Depreciation and amortization	23,137	24,477
Total operating expenses	<u>578,140</u>	<u>576,118</u>
Gain (loss) from operations	1,379	(35,551)
Professional liability insurance program premium revision	-	(2,392)
Excess (deficiency) of revenue over expenses	<u>1,379</u>	<u>(37,943)</u>
<b>Other changes in unrestricted net assets</b>		
Change in unrealized gains and losses on investments – other than trading securities	4,036	(8,145)
Net assets released from restrictions for purchases of property, buildings and equipment	527	596
Change in pension liability to be recognized in future periods	12,231	(38,728)
Increase (decrease) in unrestricted net assets	<u>\$ 18,173</u>	<u>\$ (84,220)</u>

Continued

The New York Methodist Hospital  
Consolidated Statements of Financial Position

	December 31	
	2007	2006
	<i>(In Thousands)</i>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 34,048	\$ 11,784
Short-term investments	46,517	51,550
Accounts receivable:		
Patient care, less allowance for uncollectibles (2007 – \$48,066; 2006 – \$45,799)	56,985	49,084
Third-party advances	–	6,360
Other – net	5,166	6,448
	62,151	61,892
Other current assets	11,392	11,417
Assets limited as to use – current portion	5,466	4,975
Total current assets	159,574	141,618
Long-term investments	17,455	16,927
Assets limited as to use		
Asset acquisition	–	1,027
Project fund – 2004 bonds	1,060	3,843
Debt service reserve – 2004 bonds	3,761	3,761
Debt service – 1999 and 2004 bonds	4,476	4,261
Donor restricted	6,587	6,587
Investments held by captive insurance companies	47,043	36,628
Deferred employee compensation plan assets and other	6,496	6,831
	69,423	62,938
Less assets limited as to use – current portion	5,466	4,975
Assets limited as to use – noncurrent	63,957	57,963
Property, buildings and equipment – net	203,018	204,035
Investments in real estate – net	3,232	3,590
Other noncurrent assets	2,218	4,666
Total assets	\$ 449,454	\$ 428,799

Continued

	December 31	
	2007	2006
	<i>(In Thousands)</i>	
<b>Liabilities and net assets</b>		
Current liabilities:		
Current portion of long-term debt	\$ 6,746	\$ 6,648
Current portion of accrued pension liability	-	11,000
Accounts payable and accrued expenses	30,557	29,551
Accrued salaries and related liabilities	26,799	23,686
Due to affiliates, net	2,479	2,036
Professional insurance liabilities – current	4,295	2,626
Other current liabilities	5,006	102
Total current liabilities	75,882	75,649
Long-term debt, less current portion	61,020	67,766
Accrued pension liability, less current portion	12,997	15,432
Deferred employee compensation plan liabilities	6,496	6,782
Professional insurance liabilities – noncurrent	77,306	39,277
Other noncurrent liabilities	55,827	64,143
Total liabilities	289,528	269,049
Commitments and contingencies		
Net assets:		
Unrestricted	152,156	151,436
Temporarily restricted	1,183	1,727
Permanently restricted	6,587	6,587
Total net assets	159,926	159,750
Total liabilities and net assets	\$ 449,454	\$ 428,799

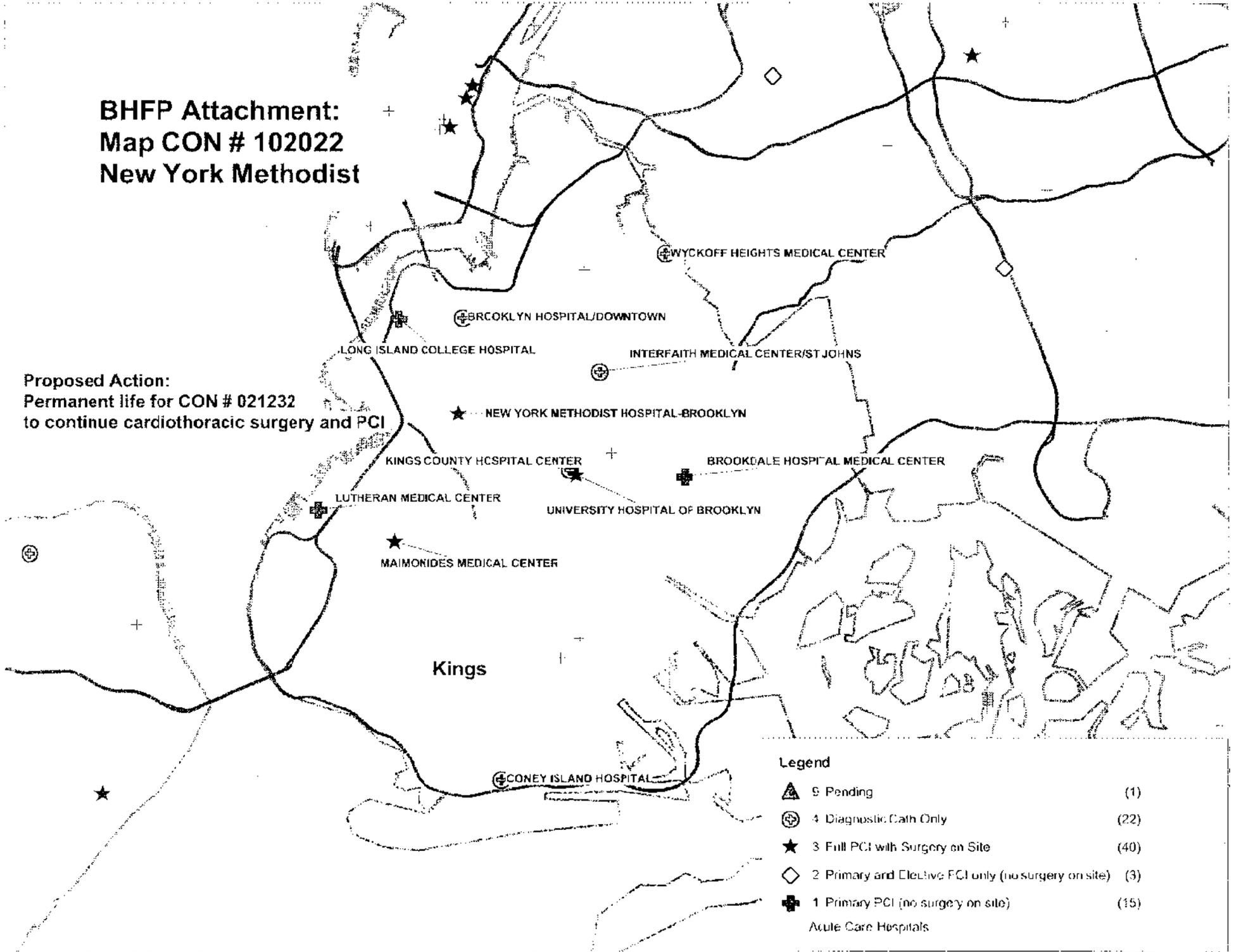
Continued

The New York Methodist Hospital  
Consolidated Statements of Operations

	Year Ended December 31	
	2007	2006
	<i>(In Thousands)</i>	
<b>Revenue, gains and other support</b>		
Net patient service revenue	\$ 511,333	\$ 473,110
Other revenue	38,101	37,465
Net assets released from restrictions	402	4,646
Total revenue, gains and other support	<u>549,836</u>	<u>515,221</u>
<b>Operating expenses</b>		
Salaries and wages	209,942	195,088
Employee benefits	55,870	54,215
Supplies and other expenses	239,350	224,066
Interest	3,061	4,055
Depreciation and amortization	22,975	22,150
Total operating expenses	<u>531,198</u>	<u>499,574</u>
Gain from operations	18,638	15,647
Professional liability insurance program premium revision	<u>(21,923)</u>	-
(Deficiency) excess of revenue over expenses	(3,285)	15,647
<b>Other changes in unrestricted net assets</b>		
Change in unrealized gains and losses on investments -- other than trading securities	(1,089)	2,028
Net assets released from restrictions for purchases of property, buildings and equipment	1,486	1,831
Change in additional minimum pension liability	7,648	4,913
Increase in unrestricted net assets before change in accounting principle	4,760	24,419
Change in accounting principle	<u>(4,040)</u>	-
Increase in unrestricted net assets	<u>\$ 720</u>	<u>\$ 24,419</u>

**BHFP Attachment:  
Map CON # 102022  
New York Methodist**

**Proposed Action:  
Permanent life for CON # 021232  
to continue cardiothoracic surgery and PCI**



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**State of New York  
Public Health and Health Planning Council**

**June 16, 2011**

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**ATTACHMENTS**

**Acute Care Services - Construction**

**Exhibit #3**

	<u>Number</u>	<u>Applicant/Facility</u>
1.	102417 C	Queens Hospital Center (Queens County)
2.	111257 C	University Hospital SUNY Health Science Center (Onondaga County)

**NEW YORK CITY HEALTH AND HOSPITALS CORPORATION**  
(A Component Unit of the City of New York)

Management's Discussion and Analysis

June 30, 2010 and 2009

Financial Analysis

Summary of Assets, Liabilities, and Net Assets (Deficit)

June 30, 2010, 2009, and 2008

(In thousands)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2010 - 2009 Percentage change</u>
<b>Assets:</b>				
Current assets	\$ 2,606,943	2,609,459	2,632,233	(0.1)%
Capital assets, net	2,810,720	2,667,792	2,545,633	5.4
Other assets	207,451	249,618	150,635	(16.9)
Total assets	\$ <u>5,625,114</u>	<u>5,526,869</u>	<u>5,328,501</u>	<u>1.8%</u>
<b>Liabilities:</b>				
Current liabilities	\$ 1,564,501	1,441,145	1,129,514	8.6%
Long-term debt, net	901,352	952,885	905,298	(5.4)
Postemployment benefits obligation, other than pension, net of current portion	3,688,635	3,182,574	2,927,039	15.9
Total liabilities	\$ <u>6,154,488</u>	<u>5,576,604</u>	<u>4,961,851</u>	<u>10.4%</u>
<b>Net assets (deficit):</b>				
Invested in capital assets, net of related debt	\$ 1,871,925	1,704,747	1,574,650	9.8%
Restricted	209,958	203,331	161,727	3.3
Unrestricted	(2,611,257)	(1,957,813)	(1,369,727)	33.4
Total net assets (deficit)	\$ <u>(529,374)</u>	<u>(49,735)</u>	<u>366,650</u>	<u>964.4%</u>

**NEW YORK CITY HEALTH AND HOSPITALS CORPORATION**  
(A Component Unit of the City of New York)

Management's Discussion and Analysis

June 30, 2010 and 2009

Financial Analysis

Summary of Revenues, Expenses, and Changes in Net Assets (Deficit)

Years ended June 30, 2010, 2009, and 2008

(In thousands)

	2010	2009	2008	2010 – 2009 Percentage change
Operating revenues:				
Net patient service revenue	\$ 4,778,845	4,730,872	4,875,931	1.0%
Appropriations from (remittances to) City of New York, net	287,048	82,460	(74,251)	248.1
Premium revenue	1,107,197	946,877	779,611	16.9
Grants revenue	220,152	240,194	279,024	(8.3)
Other revenue	47,323	36,530	36,961	29.5
Total operating revenues	<u>6,440,565</u>	<u>6,036,928</u>	<u>5,897,276</u>	<u>6.7</u>
Operating expenses:				
Personal services, fringes benefits, and employer payroll taxes	3,572,129	3,470,311	3,194,523	2.9
Other than personal services	1,837,224	1,746,420	1,647,965	5.2
Postemployment benefits, other than pension	602,623	332,933	428,213	81.0
Affiliation contracted services	825,375	771,958	738,031	6.9
Depreciation	253,419	240,834	224,915	5.2
Total operating expenses	<u>7,090,770</u>	<u>6,562,456</u>	<u>6,233,647</u>	<u>8.1</u>
Operating loss	<u>(650,205)</u>	<u>(525,528)</u>	<u>(336,371)</u>	<u>23.7</u>
Nonoperating expenses, net	<u>(91,922)</u>	<u>(91,493)</u>	<u>(61,963)</u>	<u>0.5</u>
Loss before other changes in net assets	<u>(742,127)</u>	<u>(617,021)</u>	<u>(398,334)</u>	<u>20.3</u>
Other changes in net assets capital contributions	<u>262,488</u>	<u>210,851</u>	<u>155,679</u>	<u>24.5</u>
Decrease in net assets	<u>(479,639)</u>	<u>(406,170)</u>	<u>(242,655)</u>	<u>18.1</u>
Net assets (deficit), beginning of year, as previously reported	<u>(49,735)</u>	<u>366,630</u>	<u>609,203</u>	<u>(113.6)</u>
Effect of adoption of accounting principle	<u>---</u>	<u>(10,215)</u>	<u>---</u>	<u>(100.0)</u>
Net assets, beginning of year, as restated	<u>(49,735)</u>	<u>356,415</u>	<u>609,203</u>	<u>(114.0)</u>
Net assets (deficit), end of year	<u>\$ (829,374)</u>	<u>(49,735)</u>	<u>366,630</u>	<u>964.4%</u>

Queens Hospital Center  
Detailed Budget Analysis

BFA Attachment B

NICU Unit

Current Year

	<u>Total Expense</u>		<u>Average Cost per Dischar</u>
Operating	\$14,130,239	523	\$27,017.67
Capital	0	523	\$0.00
Total	\$14,130,239	523	\$27,017.67

First Year Incremental Budgets

Operating	\$3,988,248	187	\$21,327.53
Capital	<u>266,200</u>	187	<u>\$1,423.53</u>
Total	\$4,254,448	187	\$22,751.06

Third Year Incremental Budgets

Operating	\$3,988,248	249	\$16,017.06
Capital	<u>266,200</u>	249	\$1,069.08
Total	\$4,254,448	249	\$17,086.14

Geriatrics Service

Current Year

	<u>Total Expense</u>		<u>Average Cost Per Visit</u>
Operating	\$1,145,596	3,884	\$294.95
Capital	0	3,884	\$0.00
Total	\$1,145,596	3,884	\$294.95

First Year Incremental Budgets

Operating	\$465,240	1,241	\$374.89
Capital	<u>133,000</u>	1,241	<u>\$107.17</u>
Total	\$598,240	1,241	\$482.06

Third Year Incremental Budgets

Operating	\$465,240	1,365	\$340.84
Capital	<u>133,000</u>	1,365	<u>\$97.44</u>
Total	\$598,240	1,365	\$438.27



**University Hospital of the State University  
of New York Upstate Medical University  
Balance Sheet  
December 31, 2010 and 2009**

	Draft - For Internal Purposes Only	
	2010	2009
<b>Assets</b>		
Cash	\$ 71,822,313	\$ 54,934,262
Accounts receivable	100,731,681	85,127,075
Other receivable	4,374,780	3,430,674
Inventory	4,016,843	4,016,843
Due from third party	13,705,711	23,710,353
Prepaid expenses and other	1,285,273	410,769
Due from affiliates	18,302,183	19,269,773
<b>Total current assets</b>	<b>214,238,784</b>	<b>190,899,749</b>
Other long term receivables	4,462,467	4,462,467
Limited use assets	18,064,404	11,732,387
Unexpended bond proceeds	16,789,507	16,789,507
Due from third party	-	-
Due from affiliates	73,008,687	73,008,687
Property and equipment, net	259,047,326	258,449,396
Other assets	3,161,016	3,209,204
<b>Total assets</b>	<b>\$ 588,772,191</b>	<b>\$ 558,551,397</b>
<b>Liabilities and Net Assets</b>		
Current debt maturities	\$ 24,377,327	\$ 21,371,846
Accounts payable	30,014,498	21,860,690
Accrued wages	17,127,843	14,892,468
Accrued compensating absences	27,340,733	26,640,731
Accrued expense	2,848,125	2,848,125
Accrued interest	9,472,014	2,624,789
Accrued professional liability	18,302,183	18,302,183
Advances from third-party payors	3,629,000	1,990,800
Due to affiliates	7,521,995	11,320,945
<b>Total current liabilities</b>	<b>140,633,718</b>	<b>121,852,577</b>
Long-term obligations, net of current maturities		
Estimated professional liability	73,008,687	73,008,687
Due to affiliates - STIP	13,808,304	18,683,107
Accrued employee benefits	15,980,894	13,713,950
Capital leases obligations	36,858,034	31,402,219
Long term debt	192,924,755	197,953,538
<b>Total liabilities</b>	<b>473,214,392</b>	<b>456,614,078</b>
<b>Net assets</b>		
Unrestricted	75,816,678	65,693,632
Invested in capital, net of related debt	4,887,210	7,721,793
Restricted for capital acquisitions	34,853,911	28,521,894
<b>Net assets</b>	<b>115,557,799</b>	<b>101,937,319</b>
<b>Total liabilities and net assets</b>	<b>\$ 588,772,191</b>	<b>\$ 558,551,397</b>

**University Hospital of the State University  
of New York Upstate Medical University  
Balance Sheet  
December 31, 2010 and 2009**

	Draft - For Internal Purposes Only	
	2010	2009
<b>Operating revenue</b>		
Net patient service revenue (net of provision for bad debts of \$ 48,188,554 and \$31,981,078, respectively)	\$ 438,898,068	\$ 387,196,738
Federal Social Security Act Disproportionate Hospital reve	92,081,861	102,983,557
Other Revenue	13,521,487	14,619,656
<b>Total Operating Revenue</b>	<b>544,501,416</b>	<b>504,799,951</b>
<b>Operating expenses</b>		
Salaries	234,664,681	212,854,824
Employee benefits	89,682,763	76,820,279
Supplies and other	225,008,935	202,935,480
Depreciation and amortization	22,237,470	18,730,035
Interest expense	171,042	100,543
Assessment	1,519,401	885,348
<b>Total Operating Expenses</b>	<b>573,284,292</b>	<b>512,326,509</b>
<b>Operating Loss</b>	<b>(28,782,876)</b>	<b>(7,526,558)</b>
<b>Non-Operating Revenue (Expense)</b>		
Appropriations from the State of New York	51,439,866	42,448,820
Interest expense on capital related debt	(9,150,757)	(6,843,222)
Interest income on cash accounts	114,247	1,215,700
<b>Total non-operating income, net</b>	<b>42,403,356</b>	<b>36,821,298</b>
<b>Revenues over expenses</b>	<b>13,620,480</b>	<b>29,294,740</b>
Capital transfers from the State University of New York		(7,889,474)
Contributions for Capital		2,550,000
<b>Increase in net assets</b>	<b>13,620,480</b>	<b>23,955,266</b>
Net assets at the beginning of year	101,937,319	77,982,053
<b>Net assets at end of year</b>	<b>\$ 115,557,799</b>	<b>\$ 101,937,319</b>

**University Hospital of the State University  
of New York Upstate Medical University  
Balance Sheets  
December 31, 2009 and 2008**

	2009	2008
<b>Assets</b>		
Cash	\$ 54,934,262	\$ 5,823,340
Accounts receivable, net of allowance for uncollectible accounts of \$145,343,562 and \$124,585,836, respectively	85,127,075	80,691,555
Other receivable, net	3,430,674	5,661,708
Inventory	4,016,843	4,040,824
Due from third party	23,710,353	46,417,358
Prepaid expenses and other	410,769	373,166
Due from affiliates	19,269,773	4,431,078
Total current assets	<u>190,899,749</u>	<u>147,439,029</u>
Other long term receivables, net	4,462,467	4,486,801
Limited use assets	11,732,387	15,265,938
Unexpended bond proceeds	16,789,507	24,440,418
Due from third party	-	9,402,160
Due from affiliates	73,008,687	104,126,991
Property and equipment, net	258,449,396	234,750,867
Other assets	3,209,204	2,910,509
Total assets	<u>\$ 558,551,397</u>	<u>\$ 542,822,713</u>
<b>Liabilities and Net Assets</b>		
<b>Current debt maturities</b>		
Current debt - STIP	\$ 4,944,447	\$ 4,944,447
Current debt - Capital Lease	11,861,743	9,651,598
Current debt - Bonds	4,565,656	2,854,976
Accounts payable	21,860,690	21,943,602
Accrued wages	14,892,468	13,497,074
Accrued compensating absences	26,640,731	24,584,857
Accrued expense	2,848,125	2,529,315
Accrued interest	2,624,789	2,123,355
Accrued professional liability	18,302,183	4,431,078
Advances from third-party payors	1,990,800	4,990,800
Due to affiliates	11,320,945	21,270,699
Total current liabilities	<u>121,852,577</u>	<u>112,821,801</u>
<b>Long-term obligations, net of current maturities</b>		
Estimated professional liability	73,008,687	104,126,991
Due to affiliates - STIP	18,683,107	25,939,184
Accrued employee benefits	13,713,950	12,365,665
Capital leases obligations	31,402,219	27,214,385
Long term debt	197,953,538	182,372,634
Total liabilities	<u>456,614,078</u>	<u>464,840,660</u>
<b>Net assets</b>		
Unrestricted	57,594,688	22,362,368
Invested in capital, net of related debt	15,820,737	15,913,329
Restricted for capital acquisitions	28,521,894	39,706,356
Net assets	<u>101,937,319</u>	<u>77,982,053</u>
Total liabilities and net assets	<u>\$ 558,551,397</u>	<u>\$ 542,822,713</u>

**University Hospital of the State University  
of New York Upstate Medical University**  
**Statements of Revenues and Expenses and Changes in Net Assets**  
**December 31, 2009 and 2008**

	2009	2008
<b>Operating revenue</b>		
Net patient service revenue (net of provision for bad debts of \$ 31,981,078 and \$56,430,611, respectively)	\$ 387,196,738	\$ 325,809,752
Federal Social Security Act Disproportionate Hospital revenue	102,983,557	62,946,005
Other Revenue	14,619,656	12,930,580
Total Operating Revenue	<u>504,799,951</u>	<u>401,686,337</u>
<b>Operating expenses</b>		
Salaries	212,854,824	199,209,954
Employee benefits	76,820,279	74,164,962
Supplies and other	202,935,480	213,872,710
Depreciation and amortization	18,730,035	18,459,245
Interest expense	100,543	883,377
Cash receipts assessment tax	885,348	-0-
Total Operating Expenses	<u>512,326,509</u>	<u>506,590,248</u>
Operating Loss	<u>(7,526,558)</u>	<u>(104,903,911)</u>
<b>Non-operating revenue (expense)</b>		
Appropriations from the State of New York	42,448,820	64,117,251
Interest expense on capital related debt	(6,843,222)	(5,313,265)
Interest income on cash accounts	1,215,700	681,629
Total non-operating income, net	<u>36,821,298</u>	<u>59,485,615</u>
Revenues over expenses (deficiency)	<u>29,294,740</u>	<u>(45,418,296)</u>
Capital transfers (to) from the State University of New York	(7,889,474)	11,594,906
Contributions for Capital	2,550,000	(4,094,010)
Transfer to the State University of New York	-0-	16,898,969
Increase (decrease) in net assets	<u>23,955,266</u>	<u>(21,018,431)</u>
Net assets at the beginning of year	77,982,053	99,000,484
Net assets at end of year	<u>\$ 101,937,319</u>	<u>\$ 77,982,053</u>

## COMMUNITY GENERAL HOSPITAL OF GREATER SYRACUSE

## Balance Sheets

December 31, 2009 and 2008

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and cash equivalents	\$ 4,596,963	3,886,526
Short-term investments	1,725,031	3,636,704
Accounts receivable	16,155,330	14,286,307
Grant receivable	25,827	2,078,500
Due from affiliates and related organizations	249,632	233,112
Inventories of drugs and supplies	1,566,548	1,285,959
Prepaid expenses	1,138,132	897,959
Assets limited as to use - required for current liabilities	<u>2,190,467</u>	<u>2,468,429</u>
Total current assets	<u>27,647,930</u>	<u>28,773,496</u>
Assets limited as to use, net of amount required for current liabilities	<u>9,229,331</u>	<u>11,307,921</u>
Due from affiliates and related organizations	2,839,653	2,261,153
Interest in net assets of Community General Foundation	1,798,717	2,281,328
Property and equipment, net	29,093,097	26,415,734
Other assets	177,960	227,932
Grant receivable	<u>5,250,819</u>	<u>7,600,000</u>
Total assets	\$ <u>76,037,507</u>	<u>78,867,564</u>

BFA Attachment C (cont.)

<u>Liabilities and Net Assets</u>	<u>2009</u>	<u>2008</u>
<b>Current liabilities:</b>		
Current portion of long-term debt	\$ 2,088,127	2,476,555
Accounts payable	11,763,771	9,434,844
Accrued salaries, wages and related withholdings	2,034,735	3,109,880
Accrued vacation payable	2,448,407	2,404,760
Accrued bond interest payable	213,299	232,343
Other accrued liabilities	325,454	351,010
Advances from third-party payors	1,201,000	1,201,000
Estimated third-party payor settlements	<u>2,452,276</u>	<u>3,248,113</u>
Total current liabilities	<u>22,527,069</u>	<u>22,458,505</u>
Long-term debt, net of current portion	8,870,832	10,958,959
Estimated self-insurance liability	2,916,363	2,960,100
Accrued postretirement benefit obligation	6,479,000	6,202,000
Accrued pension liability	<u>29,627,294</u>	<u>32,899,501</u>
Total liabilities	<u>70,420,558</u>	<u>75,479,065</u>
<b>Net assets (deficit):</b>		
Unrestricted	1,836,871	(6,709,256)
Temporarily restricted	3,269,169	9,586,846
Permanently restricted	<u>510,909</u>	<u>510,909</u>
Total net assets	<u>5,616,949</u>	<u>3,388,499</u>
<b>Commitments and contingencies</b>		
Total liabilities and net assets	<u>\$ 76,037,507</u>	<u>78,867,564</u>

## COMMUNITY GENERAL HOSPITAL OF GREATER SYRACUSE

## Statements of Operations

Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Net patient service revenue	\$ 116,702,768	111,914,894
Other operating revenue	5,301,838	6,893,782
Investment income	124,608	477,983
	<u>122,129,214</u>	<u>119,286,659</u>
<b>Expenses:</b>		
Salary and wages	48,733,748	48,381,885
Employee benefits	16,201,572	15,231,453
Professional and physician fees	7,541,205	6,763,289
Medical supplies and pharmaceuticals	23,704,374	22,083,462
Purchased services	10,463,554	10,179,610
Interest	686,143	658,006
Depreciation and amortization	4,612,661	4,446,471
Provision for bad debts	4,130,721	4,299,237
Other expenses	8,086,061	8,492,904
	<u>124,160,039</u>	<u>120,536,317</u>
Total expenses		
Deficiency of revenues over expenses	<u>\$ (2,030,825)</u>	<u>(1,249,658)</u>

COMMUNITY-GENERAL HOSPITAL OF GREATER SYRACUSE  
BALANCE SHEET  
2010

**DRAFT**  
12-31-10

	November	December	REF
<u>LIABILITIES, CAPITAL AND RESERVES</u>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 9,890,833	\$ 10,043,331	
Accrued Payroll	2,709,393	1,006,411	
Accrued Vacation	2,503,990	2,697,938	
Accrued Expenses	285,606	473,623	
Payroll Taxes Payable	-	549,038	
Other Deductions	640,460	631,428	
Third Party Liabilities	3,091,559	1,485,097	
Other Current Liabilities	7,009	6,886	
Third Party Deposits	2,201,000	2,201,000	
Bond Interest Payable	157,206	193,070	
Capital Leases - Current	704,440	1,000,035	
Bonds - Current	755,000	760,000	
	<b>22,946,496</b>	<b>21,047,857</b>	
Construction Retainage	-	-	
Capital Leases	1,563,905	5,912,097	
Long Term Debt - Bonds	5,905,000	5,900,000	
Provision for Post Retirement Benefits	6,847,778	5,020,000	
Estimated Self-Insurance Costs	2,118,154	1,804,544	
Deferred Pension Liabilities	29,469,255	33,175,362	
	<b>45,904,092</b>	<b>51,812,003</b>	
<b>Total Liabilities</b>	<b>68,850,588</b>	<b>72,859,860</b>	
<b>NET ASSETS</b>			
Transfer from General Hospital	418,202	418,202	
Donated Funds	17,781,021	17,781,021	
Employee Funds	75,529	34,571	
County of Onondaga	26,621	26,621	
Grant - Hill-Burton	2,069,529	2,069,529	
Earnings on Donated Fund	249,586	249,586	
Berger Funds	3,509,016	7,593,742	
Accumulated Other Comprehensive Income	(28,204,770)	(29,742,142)	
Excess of Income Over Expenses from			
January 1, 1963 Through December 31, 2009	7,131,456	3,633,855	
Excess Income Over Expenses - Current Year	(2,431,402)	(1,609,422)	
	<b>574,788</b>	<b>455,563</b>	
Temporarily Restricted	2,115,287	1,926,276	
Permanently Restricted	510,909	510,909	
	<b>572,051,572</b>	<b>575,752,608</b>	
<b>Total Liabilities and Net Assets</b>	<b>572,051,572</b>	<b>575,752,608</b>	

COMMUNITY GENERAL HOSPITAL  
INCOME AND EXPENSE STATEMENT  
For the Twelve Month Period Ending  
December 31, 2010

**DRAFT**

12-31-10

	2009	BUDGET 2010	ACTUAL 2010	PERCENT OF BUDGET	REF
<b>REVENUE</b>					
Acute Inpatient Care					
Medical/Surgical	\$113,509,049	\$117,932,893	\$105,325,171	89.3%	
Obstetrics	10,029,080	12,749,441	10,480,543	82.2%	
PM & R	9,875,310	11,180,389	10,174,948	91.0%	
Psychiatry	11,198,370	12,860,980	12,613,840	98.1%	
Total Acute IP Care	144,611,809	154,723,703	138,594,502	89.6%	
Sub Acute Care	0	0	0		
Outpatient Care					
Medical Observation	3,242,350	3,288,722	5,574,806	169.5%	
23 hr Surgery	16,907,794	18,147,121	20,974,020	115.6%	
Ambulatory Surgery	15,101,811	15,426,097	16,676,334	108.1%	
Referred Ambulatory	31,220,993	33,671,113	29,993,999	89.1%	
Emergency Department	22,631,173	25,551,489	25,074,880	98.1%	
Total Outpatient Care	89,104,121	96,084,542	98,294,039	102.3%	
Gross Patient Revenue	233,715,930	250,808,245	236,888,541	94.5%	
Adjustments & Allowances - IP	70,432,812	78,384,495	65,873,222	84.0%	
Adjustments & Allowances - OP	46,580,388	50,920,638	50,655,909	99.5%	
Total Adjustments & Allowances	117,013,200	129,305,133	116,529,132	90.1%	
Net Inpatient Revenue	74,178,997	76,339,208	72,721,280	95.3%	
Net Outpatient Revenue	42,523,733	45,163,904	47,638,130	105.5%	
Net Patient Revenue	116,702,730	121,503,112	120,359,409	99.1%	
Other Operating Income	4,526,505	4,578,127	4,581,308	100.1%	
Total Operating revenue	121,229,235	126,081,239	124,940,717	99.1%	
<b>OPERATING EXPENSES</b>					
Salary and Wages	48,733,746	50,433,744	49,651,970	98.4%	
Employee Benefits	16,201,573	16,959,401	16,432,557	96.9%	
Physician Fees	3,829,247	3,848,921	4,267,364	110.9%	
Professional Fees	3,686,129	2,797,181	4,007,711	143.3%	
Medical/Surgical Supplies	20,651,688	20,492,476	20,752,239	101.3%	
Drugs	3,052,855	3,121,452	2,677,291	85.8%	
Rent	1,475,510	1,289,134	1,213,517	94.1%	
Depreciation	4,612,660	4,677,383	4,893,501	104.6%	
Interest	686,142	560,999	561,764	100.1%	
Insurance	744,150	1,054,927	610,621	57.9%	
Purchased Services	10,463,466	11,170,537	11,040,198	98.8%	
Other Expenses	5,864,268	5,803,677	5,708,228	98.4%	
Bad Debt Expense	4,130,720	4,429,992	4,750,130	107.2%	
Total Operating Expenses	174,132,154	126,639,844	126,567,091	99.9%	
Net Operating Income	(2,902,919)	(558,605)	(1,626,374)	291.1%	
<b>NON-OPERATING</b>					
Loss on Disposal of Equipment	(2,068)	-	(8,318)	0.0%	
Reserve - Due from Affiliates	(34,709)	-	(59,059)	0.0%	
Berger Commission Related Expense	(25,828)	-	(60,802)	0.0%	
Contributions	-	-	-	0.0%	
Gain (Loss) - Equity Investments	934,695	612,000	831,555	135.9%	
Subtotal	(2,030,829)	53,395	(922,998)	-1728.6%	
Affiliation Expense	-	(633,052)	(686,424)	0.0%	
Hospital Gain or (Deficit)	(2,030,829)	(579,657)	(1,609,422)	277.7%	

COMMUNITY-GENERAL HOSPITAL OF GREATER SYRACUSE  
BALANCE SHEET  
2010

**DRAFT**

12-31-10

	November	December	REF
<u>ASSETS</u>			
<b>CURRENT ASSETS</b>			
Demand Deposits & Petty Cash	\$555,226	\$5,422,206	
Total Cash	555,226	5,422,206	
Short Term Investments	2,322,646		0
Patient Accounts Receivable	39,117,316	38,349,775	
Less: Contractual Allowances	(20,966,455)	(20,490,784)	
Net Accounts Receivable	18,150,861		17,858,991
Accounts Receivable - Other	228,739	238,036	
Inventory Supplies	1,467,738	1,551,036	
Prepaid Assets	1,302,897	1,165,388	
Other Current Assets	2,999,374		2,954,460
Due from Affiliates and Related Organizations	161,523		156,810
Assets whose Use is Limited - required for current liabilities	6,482,343		5,936,555
<b>Total Current Assets</b>	<b>30,671,973</b>	<b>32,329,022</b>	
Assets whose Use is Limited	14,659,707	11,700,488	
Less amounts that are required for current liabilities	6,482,343	5,936,555	
Non-current Assets whose Use is Limited	8,177,364	5,763,933	
Unamortized Bond Discount & Issuance Costs	138,910		136,092
<b>FIXED ASSETS</b>			
Land & Land Improvements	775,132	775,132	
Building	22,521,452	22,521,452	
Building Improvements	34,392,669	34,345,125	
Fixed Equipment	3,475,096	3,482,731	
Movable Equipment	43,202,879	43,788,861	
Minor Equipment	405,257	405,257	
Construction-in-progress	758,793	2,501,644	
Total Fixed Assets	105,531,278	107,820,202	
Accumulated Depreciation	(78,267,945)	(78,474,189)	
Net Fixed assets	27,263,333	29,346,013	
<b>OTHER ASSETS</b>			
Due from Affiliates and Related Organizations	3,173,796		3,094,977
Intangible Asset	0		2,469,659
LT Grant Receivable	593,383		175,727
Interest in Auxiliary Net Assets	228,143		195,304
Interest in CGF Net Assets	1,804,670		2,241,881
<b>Total Assets</b>	<b>\$72,051,572</b>	<b>\$75,752,608</b>	

**Upstate University Hospital  
Projected Balance Sheet**

As of June 30, 2011  
(\$000)

	<u>Upstate</u>	<u>CGH</u>	<u>Consolidated</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 46,941	\$ -	\$ 46,941
Short term investments	-	-	-
Patient accounts receivable, net of estimated uncollectibles	113,522	5,424	118,946
Other receivable, net	7,008	157	7,165
Inventory	4,458	1,551	6,009
Due from third party payors	57,943	-	57,943
Prepaid expenses	1,079	1,210	2,289
Due from affiliates	19,270	-	19,270
Total current assets	<u>250,221</u>	<u>8,342</u>	<u>258,563</u>
Assets limited as to use, held by trustee	22,117	-	22,117
Property, plant and equipment, net	27,760	32,062	278,822
Other long term receivables, net	-	2,645	2,645
Due from affiliates	9	3,095	76,104
Deferred financing costs	-	-	-
Other assets	3,116	-	3,116
Total assets	<u>\$ 595,223</u>	<u>\$ 46,144</u>	<u>\$ 641,367</u>
<b>LIABILITIES AND NET ASSETS</b>			
Current liabilities:			
Current debt - STIP of long-term obligations	\$ 7,300	\$ -	\$ 7,300
Current debt - Capital lease	10,829	-	10,829
Current debt - Bonds	5,846	-	5,846
Accounts payable	22,180	10,047	32,227
Accrued expenses	63,393	3,401	66,794
Due to affiliates	17,688	-	17,688
Due to third-party payors	40,397	1,377	41,774
Total current liabilities	<u>167,633</u>	<u>14,825</u>	<u>182,458</u>
Estimated professional liability	73,009	-	73,009
Due to affiliates - STIP	9,027	-	9,027
Accrued employee benefits	25,502	23,400	48,902
Capital lease obligations	20,573	7,919	28,492
Long-term debt	173,457	-	173,457
Total liabilities	469,201	46,144	515,345
Net assets:			
Unrestricted	85,261	-	85,261
Temporarily restricted	18,644	-	18,644
Permanently restricted	22,117	-	22,117
Total net assets	<u>126,022</u>	<u>-</u>	<u>126,022</u>
Total liabilities and net assets	<u>\$ 595,223</u>	<u>\$ 46,144</u>	<u>\$ 641,367</u>

### Inpatient Statistics

Inpatient Statistics	Upstate University Hospital					CGH Campus					Upstate University Hospital, Combined				
	2010	Projected				2010	Projected				2010	Projected			
		2011	2012	2013	2014		2011	2012	2013	2014		2011	2012	2013	2014
<b>Licensed Beds</b>															
Medical/Surgical*	355	355	355	355	355	228	228	228	228	228	583	583	583	583	583
Obstetrics	-	-	-	-	-	32	32	32	32	32	32	32	32	32	32
Psychiatric	24	24	24	24	24	26	26	26	26	26	50	50	50	50	50
PM&R	30	30	30	30	30	20	20	20	20	20	50	50	50	50	50
<b>Total</b>	<b>409</b>	<b>409</b>	<b>409</b>	<b>409</b>	<b>409</b>	<b>306</b>	<b>306</b>	<b>306</b>	<b>306</b>	<b>306</b>	<b>715</b>	<b>715</b>	<b>715</b>	<b>715</b>	<b>715</b>
<b>Admissions (Excl. NB)</b>															
Medical/Surgical*	18,145	18,754	18,754	18,754	18,754	5,639	5,707	6,196	7,196	8,196	23,784	24,461	24,950	25,950	26,950
Obstetrics	-	-	-	-	-	1,020	984	984	984	984	1,020	984	984	984	984
Psychiatric	924	884	884	884	884	837	888	888	888	888	1,761	1,772	1,772	1,772	1,772
PM&R	583	628	628	628	628	370	318	318	318	318	953	946	946	946	946
<b>Total</b>	<b>19,652</b>	<b>20,266</b>	<b>20,266</b>	<b>20,266</b>	<b>20,266</b>	<b>7,866</b>	<b>7,897</b>	<b>8,386</b>	<b>9,386</b>	<b>10,386</b>	<b>27,518</b>	<b>28,163</b>	<b>28,652</b>	<b>29,652</b>	<b>30,652</b>
<b>Patient Days (Excl. NB)</b>															
Medical/Surgical*	107,518	112,417	112,417	112,417	112,417	26,894	27,828	30,212	35,088	39,964	134,412	140,245	142,629	147,505	152,381
Obstetrics	-	-	-	-	-	2,696	2,664	2,664	2,664	2,664	2,696	2,664	2,664	2,664	2,664
Psychiatric	7,679	7,978	7,978	7,978	7,978	6,975	7,702	7,702	7,702	7,702	14,654	15,680	15,680	15,680	15,680
PM&R	8,971	10,054	10,054	10,054	10,054	5,024	4,718	4,718	4,718	4,718	13,995	14,772	14,772	14,772	14,772
<b>Total</b>	<b>124,168</b>	<b>130,449</b>	<b>130,449</b>	<b>130,449</b>	<b>130,449</b>	<b>41,589</b>	<b>42,912</b>	<b>45,296</b>	<b>50,172</b>	<b>55,048</b>	<b>165,757</b>	<b>173,361</b>	<b>175,745</b>	<b>180,621</b>	<b>185,497</b>

**Inpatient Statistics, continued**

Inpatient Statistics	Upstate University Hospital					CGH Campus					Upstate University Hospital, Combined				
	Projected					Projected					Projected				
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
<b>Length Of Stay</b>															
Medical/Surgical*	5.9	6.0	6.0	6.0	6.0	4.8	4.9	4.9	4.9	4.9	5.7	5.7	5.7	5.7	5.7
Obstetrics	-	-	-	-	-	2.6	2.7	2.7	2.7	2.7	2.6	2.7	2.7	2.7	2.7
Psychiatric	8.3	9.0	9.0	9.0	9.0	8.3	8.7	8.7	8.7	8.7	8.3	8.8	8.8	8.8	8.8
PM&R	15.4	16.0	16.0	16.0	16.0	13.6	14.8	14.8	14.8	14.8	14.7	15.6	15.6	15.6	15.6
<b>Average LOS</b>	<b>6.3</b>	<b>6.4</b>	<b>6.4</b>	<b>6.4</b>	<b>6.4</b>	<b>5.3</b>	<b>5.4</b>	<b>5.4</b>	<b>5.3</b>	<b>5.3</b>	<b>6.0</b>	<b>6.2</b>	<b>6.1</b>	<b>6.1</b>	<b>6.1</b>
<b>Average Daily Census</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical/Surgical*	294.6	308.0	308.0	308.0	308.0	73.7	76.2	82.8	96.1	109.5	368.3	384.2	390.8	404.1	417.5
Obstetrics	-	-	-	-	-	7.4	7.3	7.3	7.3	7.3	7.4	7.3	7.3	7.3	7.3
Psychiatric	21.0	21.9	21.9	21.9	21.9	19.1	21.1	21.1	21.1	21.1	40.1	43.0	43.0	43.0	43.0
PM&R	24.6	27.5	27.5	27.5	27.5	13.8	12.9	12.9	12.9	12.9	38.3	40.5	40.5	40.5	40.5
<b>Total</b>	<b>340.2</b>	<b>357.4</b>	<b>357.4</b>	<b>357.4</b>	<b>357.4</b>	<b>113.9</b>	<b>117.6</b>	<b>124.1</b>	<b>137.5</b>	<b>150.8</b>	<b>454.1</b>	<b>475.0</b>	<b>481.5</b>	<b>494.9</b>	<b>508.2</b>
Observation Cases	3,026	3,892	3,892	3,892	3,892	760	967	967	967	967	3,786	4,859	4,859	4,859	4,859
Inpatient Surgeries	6,634	6,741	6,741	6,741	6,741	2,780	2,581	2,581	2,581	2,581	9,414	9,322	9,322	9,322	9,322

## Outpatient Statistics and Other Key Performance Indicators

Outpatient Statistics	Upstate University Hospital					Community General Hospital					Upstate University Hospital, Combined				
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
<b>Emergency Department</b>															
Treated & Released	45,794	47,567	48,518	49,469	50,420	21,313	21,492	21,922	22,352	22,782	68,107	69,059	70,440	71,821	73,202
ED Admits	10,900	11,043	11,153	11,263	11,373	3,953	4,221	4,331	4,441	4,551	14,853	15,264	15,484	15,704	15,924
<b>Total ED</b>	56,694	58,610	59,671	60,732	61,793	25,266	25,713	26,253	26,793	27,333	83,000	84,323	85,924	87,525	89,126
<b>Outpatient Surgery</b>	5,638	5,729	5,844	5,959	6,074	2,608	2,699	2,814	2,929	3,044	8,246	8,428	8,638	8,849	9,118
<b>Clinic Visits</b>	20,214	21,086	21,958	22,830	23,702	9,714	10,586	11,458	12,330	13,202	30,928	32,672	34,420	36,168	37,916
<b>Referred Ambulatory</b>	24,064	24,887	25,759	26,631	27,503	11,382	12,254	13,126	14,000	14,872	35,746	37,590	39,438	41,286	43,134
<b>Other Statistics</b>															
<b>Medicare CMI</b>	1.59	1.69	1.79	1.89	1.99	1.59	1.69	1.79	1.89	1.99	1.59	1.69	1.79	1.89	1.99
<b>Total FTEs</b>	5,866	6,000	6,134	6,268	6,402	2,608	2,699	2,814	2,929	3,044	8,246	8,428	8,638	8,849	9,118
<b>FTE per AOB</b>	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02



May 8, 2011

Keith J. McCarthy, Acting Director  
Bureau of Project Management  
Div. of Health Facility Planning, NYSDOH  
433 River Street -- 6th Floor  
Troy, New York 12180

RE: Upstate Medical University Hospital  
CON #111257-C: acquire assets and real  
property of Community General Hospital

Dear Mr. McCarthy:

The Central New York Health Systems Agency has completed its review of the above referenced application and recommends approval with the following condition:

- That Upstate participates in a future-oriented planning process with CNYHSA. The framework for this planning process would focus on issues related to the Community General acquisition and its impact on service delivery and access to care, including:
  - Finalization of the proposed model of improved acute care services which integrates patient care-oriented teaching responsibilities with the voluntary community-based practice of medicine
  - Integration of the human and capital resources of Community General into the model of care
  - How the model will enhance or affect Upstate's regional teaching, clinical service, and patient care roles and its relationship with other acute care facilities in Central New York
  - the appropriate number, mix and distribution of beds and other services in the new two-campus configuration
  - the proposed affiliation of Upstate with Van Dyyn Home and Hospital and its potential for enhancing the area's "system of care"

The results of the planning process would be summarized in a report to the community within a time frame to be determined by all participants.

The vote for approval with condition by the CNYHSA Board of Directors was passed by a vote of 10 for, 0 against, and 0 abstentions. The major rationale for the conditional recommendation relates to the urgency to execute the Community General Hospital acquisition process while several service delivery and clinical design aspects of the proposal are still under development or not yet finalized.

**Central New York Health Systems Agency, Inc.**

5700 Commons Park Drive, East Syracuse, NY 13057 • Tel: (315) 472-8099 • Fax: (315) 472-8033 • e-mail: [cnyhsa@cnyhsa.com](mailto:cnyhsa@cnyhsa.com)

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**State of New York  
Public Health and Health Planning Council**

**June 16, 2011**

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**ATTACHMENTS**

**Ambulatory Surgery Center - Construction**

**Exhibit #4**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	102221 C	NYU Hospitals Center (New York County)
2.	102364 C	NYU Hospitals Center (New York County)
3.	101112 C	Nathan Littauer Hospital Ambulatory Surgery Center (Fulton County)

**NYU Hospitals Center  
Consolidated Balance Sheets  
December 31, 2009 and 2008**

(in Thousands)

	2009	2008
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 294,271	\$ 171,491
Marketable securities	4,350	19,772
Assets limited as to use	16,835	25,700
Patient accounts receivable, less allowances for uncollectibles (2009 - \$59,407; 2008 - \$49,352)	177,502	133,777
Contributions receivable	32,362	43,196
Insurance receivables - billed	27,298	24,198
Inventories	19,829	19,468
Other current assets	38,883	6,690
Total current assets	611,240	444,292
Marketable securities	16,944	21,167
Assets limited as to use	266,511	212,191
Contributions receivable	90,442	99,586
Deferred financing costs	10,892	11,997
Property, plant and equipment - net	594,695	485,600
Other assets	5,638	27,199
Total assets	<u>\$ 1,599,362</u>	<u>\$ 1,302,092</u>
<b>Liabilities and net assets</b>		
Current liabilities		
Current portion of long-term debt	\$ 41,322	\$ 19,663
Accounts payable and accrued expenses	108,656	98,359
Accrued salaries and related liabilities	33,059	28,907
Accrued interest payable	9,114	13,686
Current portion of accrued postretirement liabilities	1,869	1,937
Due to related organizations, net	78,692	9,213
Other current liabilities	35,866	43,224
Total current liabilities	308,578	214,989
Long-term debt, less current portion	461,899	457,454
Outstanding losses and loss adjustment expenses	178,845	151,237
Accrued pension liabilities	62,840	84,413
Accrued postretirement liabilities, less current portion	47,057	47,337
Other liabilities	121,032	54,053
Total liabilities	1,181,251	1,009,493
<b>Net assets</b>		
Unrestricted	254,246	127,704
Temporarily restricted	155,119	156,149
Permanently restricted	8,746	8,746
Total net assets	418,111	292,599
Total liabilities and net assets	<u>\$ 1,599,362</u>	<u>\$ 1,302,092</u>

**NYU Hospitals Center**  
**Consolidated Statements of Operations**  
**Years Ended December 31, 2009 and 2008**

(in thousands)

	<u>2009</u>	<u>2008</u>
<b>Operating revenue</b>		
Net patient service revenue	\$ 1,400,997	\$ 1,196,056
Grants and sponsored programs	3,446	2,503
Premiums earned	16,502	26,355
Contributions	4,946	11,416
Endowment distribution and return on short-term investments	11,306	(26,652)
Other revenue	23,150	29,334
Net assets released from restrictions for operating purposes	<u>11,746</u>	<u>8,000</u>
Total operating revenue	1,472,093	1,250,034
<b>Operating expenses</b>		
Salaries and wages	512,427	451,421
Employee benefits	157,973	138,705
Supplies and other	550,815	490,636
Depreciation and amortization	45,747	44,707
Interest	24,061	22,616
Patient care bad debt expense	<u>26,956</u>	<u>31,290</u>
Total operating expenses	1,318,009	1,209,375
Gain from operations	154,084	40,659
<b>Other items</b>		
Loss on disposals of property, plant and equipment	(3,520)	-
Investment return less endowment distribution, net	1,797	(10,251)
Mission based payment to NYUSoM	<u>(50,000)</u>	<u>-</u>
Excess of revenue over expenses	102,361	30,438
<b>Other changes in unrestricted net assets</b>		
Changes in pension and postretirement obligations	9,795	(45,125)
Change in fair value of instruments	-	(65)
Net assets released from restrictions for capital purposes	<u>14,386</u>	<u>4,240</u>
Net increase (decrease) in unrestricted net assets	<u>\$ 126,542</u>	<u>\$ (10,504)</u>

NYU Medical Center  
Project 092065

BFA Attachment B

			Average Cost Per Visit
<b>First Year Budgets</b>			
Operating	\$2,477,535	8,118	\$305.19
Capital	<u>\$201,293</u>	8,118	<u>\$24.80</u>
Total	\$2,678,828	8,118	\$329.99
<b>Third Year Budgets</b>			
Operating	\$3,205,930	10,021	\$319.92
Capital	<u>\$212,565</u>	10,021	<u>\$21.21</u>
Total	\$3,418,495	10,021	\$341.13

**BHFP Attachment:  
CON # 102221  
NYU Hospitals Centers**

New York Presbyterian Hospital - Allen Hospital

New York Presbyterian Hospital - Columbia Presbyterian Center

Harlem Hospital Center

St Lukes Roosevelt Hospital - St Lukes Hospital Division

Mount Sinai Hospital

Metropolitan Hospital Center

Lenox Hill Hospital

St Lukes Roosevelt Hospital Center - Roosevelt Hospital Division

Memorial Hospital for Cancer and Allied Diseases

New York Presbyterian Hospital - New York Weill Cornell Hospital for Special Surgery

Rockefeller University Hospital Coler-Goldwater Spec Hosp&Nurs Fac - Goldwater Hospital Site

Coler-Goldwater Specialty Hospital & Nursing Facility - Coler Hospital Site

NYU Hospitals Center

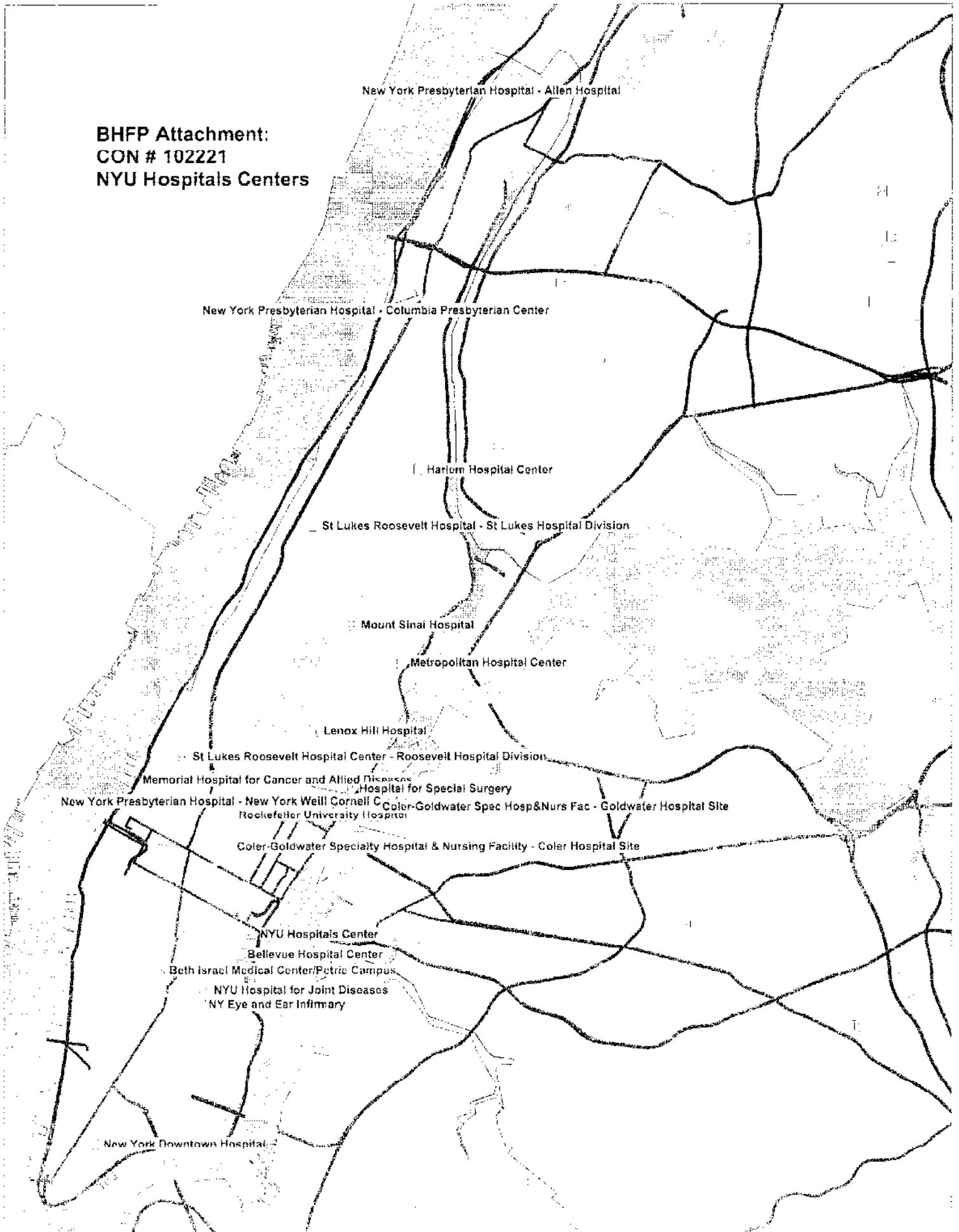
Bellevue Hospital Center

Beth Israel Medical Center/Petric Campus

NYU Hospital for Joint Diseases

NY Eye and Ear Infirmary

New York Downtown Hospital



**NYU Langone Medical Center**  
**Combined Balance Sheets**  
**August 31, 2010 and 2009**

(in Thousands)

	2010	2009
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 358,480	\$ 300,594
Marketable securities	56,111	129,706
Assets limited as to use	28,931	10,174
Assets limited as to use - Board designated	120,275	-
Patient accounts receivable, less allowances for uncollectibles (2010 - \$61,754, 2009 - \$58,242)	224,752	210,298
Contributions receivable - current	90,937	104,320
Other accounts receivables	32,394	29,723
Insurance receivables - billed	19,893	33,991
Inventories	21,975	19,297
Other current assets	49,484	52,305
Total current assets	1,003,232	889,508
Marketable securities	750,832	685,126
Assets limited as to use	279,580	238,947
Contributions receivable - long term	84,901	106,066
Other assets	40,020	63,554
Deferred financing costs	14,076	13,053
Property, plant and equipment - net	1,091,663	940,384
Total assets	\$ 3,264,304	\$ 2,942,638
<b>Liabilities and net assets</b>		
Current liabilities		
Current portion of long-term debt	\$ 26,323	\$ 24,227
Accounts payable and accrued expenses	219,359	193,094
Accrued salaries and related liabilities	87,847	72,737
Accrued interest payable	6,078	2,625
Current portion of accrued postretirement liabilities	1,879	1,896
Deferred revenue	54,091	43,184
Due to related organizations, net	28,551	53,321
Other current liabilities	40,730	39,127
Total current liabilities	464,858	430,211
Long-term debt, less current portion	714,249	704,040
Outstanding losses and loss adjustment expenses	196,941	162,280
Accrued pension liabilities	141,818	98,713
Accrued postretirement liabilities, less current portion	149,449	104,832
Due to related organizations, net	107,372	11,000
Other liabilities	170,553	154,441
Total liabilities	1,974,210	1,665,526
<b>Net assets</b>		
Unrestricted	736,621	739,624
Temporarily restricted	266,476	298,613
Permanently restricted	266,997	238,975
Total net assets	1,290,094	1,277,112
Total liabilities and net assets	\$ 3,264,304	\$ 2,942,638

**NYU Langone Medical Center**  
**Combined Statements of Operations**  
**Years Ended August 31, 2010 and 2009**

(in Thousands)

	<u>2010</u>	<u>2009</u>
<b>Operating revenue</b>		
Net patient service revenue	\$ 1,848,845	1,604,900
Hospital Affiliations	222,632	209,124
Grants and sponsored programs	238,189	203,122
Tuition	32,792	32,401
Premiums earned	31,069	25,756
Contributions	42,409	46,245
Endowment distribution and return on short-term investments	34,439	7,565
Other revenue	110,424	101,847
Net assets released from restrictions for operating purposes	59,574	33,163
Total operating revenue	<u>2,620,373</u>	<u>2,263,923</u>
<b>Operating expenses</b>		
Salaries and wages	1,148,173	1,071,087
Employee benefits	292,606	276,677
Supplies and other	872,622	736,154
Depreciation and amortization	98,326	86,067
Interest	40,779	39,038
Patient care bad debt expense	19,542	31,510
Total operating expenses	<u>2,472,048</u>	<u>2,240,533</u>
Gain from operations	148,325	23,390
<b>Other items</b>		
Loss on refinancing of debt	-	(4,245)
Loss on disposals of property, plant and equipment	(2,301)	(4,911)
Investment return less endowment distribution, net	35,746	(12,681)
Excess (deficiency) of revenue over expenses	181,770	(98,447)
<b>Other changes in unrestricted net assets</b>		
Changes in pension and postretirement obligations	(115,647)	(78,129)
Contributions for capital asset acquisitions	4,404	700
Net assets released from restrictions for capital purposes	17,184	9,757
Transfer of equity to University	(90,654)	-
Net decrease in unrestricted net assets	<u>\$ (3,003)</u>	<u>\$ (166,119)</u>

**New York Hospital Medical Center o BFA Attachment B  
Project 102364**

<u>Current Year</u>	<u>Cost</u>	<u>Visits</u>	<u>Average Cost Per Visit</u>
Operating	\$8,420,699	8,990	\$936.67
Capital	<u>\$256,435</u>	8,990	<u>\$28.52</u>
Total	\$8,677,134	8,990	\$965.20

**First Year Incremental Budgets**

Operating	\$8,779,205	23,524	\$373.20
Capital	<u>\$425,120</u>	23,524	<u>\$18.07</u>
Total	\$9,204,325	23,524	\$391.27

**Third Year Incremental Budgets**

Operating	\$8,988,939	25,406	\$353.81
Capital	<u>\$443,347</u>	25,406	<u>\$17.45</u>
Total	\$9,432,286	25,406	\$371.26

Project increase in year one and three is due to additional services being added to the clinic.

BIFIP Attachment Map:  
CON # 102364  
Queens County: Selected Ambulatory Surgery Centers



NATHAN LYTTAUER HOSPITAL AND NURSING HOME

BALANCE SHEET

	10/31/10	09/30/10	10/31/09	LIABILITIES AND FUND BALANCE	10/31/10	09/30/10	10/31/09
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
CASH AND CASH EQUIVALENTS	\$4,607,419	\$4,768,547	\$1,523,076	NOTE PAYABLE TO BANK	-	-	-
INVESTMENTS (current cost \$7,325,222)	7,136,268	7,329,044	9,560,561	ACCOUNTS PAYABLE AND ACCRUED EXPENSES	2,797,492	2,541,918	2,726,732
PATIENT ACCOUNTS RECEIVABLE LESS: ESTIMATED UNCOLLECTIBLES (RESERVE FOR UNCOLLECTIBLES of \$2,125,485 in October 2010 and \$2,504,243 in 2009)	10,597,888	9,916,803	10,534,929	ACCRUED SALARIES, WAGES, AND RELATED ITEMS	3,237,430	3,606,340	3,060,882
INVENTORIES	468,657	476,660	441,589	ACCRUED INTEREST PAYABLE	178,291	149,343	179,899
PREPAID EXPENSES AND OTHER CURRENT ASSETS	553,863	1,182,973	735,194	ESTIMATED THIRD PARTY SETTLEMENTS, CURRENT	1,046,735	1,122,722	959,460
CURRENT PORTION OF ASSETS WHOSE USE IS LIMITED	150,968	139,372	154,758	CURRENT PORTION OF LONG-TERM DEBT: BONDS PAYABLE	370,000	370,000	350,000
				CAPITAL LEASES	1,112,715	1,112,715	947,999
<b>TOTAL CURRENT ASSETS</b>	<b>23,914,963</b>	<b>23,513,418</b>	<b>22,955,047</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>8,742,672</b>	<b>8,803,024</b>	<b>8,224,972</b>
ASSETS WHOSE USE IS LIMITED (current cost \$5,658,637) LESS CURRENT PORTION	5,273,338 150,868	6,088,180 139,372	6,548,502 154,788	ESTIMATED THIRD PARTY SETTLEMENTS	-	-	148,000
	6,122,470	5,948,817	6,393,714	ACCRUED PENSION OBLIGATION, LONG-TERM	5,272,712	5,358,250	6,098,284
INTEREST IN NET ASSETS OF NLH FOUNDATION	1,464,813	1,714,813	3,404,305	LONG-TERM DEBT: BONDS PAYABLE	4,981,242	4,980,643	5,344,046
LONG TERM INVESTMENTS (current cost \$299,453)	282,787	273,513	242,344	OTHER LONG-TERM LIABILITIES	3,664,219	3,735,483	3,067,231
					8,645,451	8,716,126	9,311,277
OTHER ASSETS: UNAMORTIZED FINANCING EXPENSES	250,385	282,910	310,685	OTHER LONG-TERM LIABILITIES	1,649,572	1,585,694	1,518,290
DEFERRED CHARGES, NET	197,897	218,239	350,372	NET ASSETS:			
OTHER ASSETS	1,742,605	1,702,245	1,344,610	UNRESTRICTED	26,561,200	28,343,823	23,660,293
	2,220,947	2,203,394	2,215,667	TEMPORARILY RESTRICTED	6,305,496	3,981,813	4,086,737
PROPERTY, PLANT AND EQUIP LESS ACCUM. DEPR. & AMORTIZATION	23,385,191	23,430,457	17,823,181	PERMANENTLY RESTRICTED	282,500	282,500	282,500
CONSTRUCTION IN PROGRESS	85,442	86,822	335,095	<b>TOTAL NET ASSETS</b>	<b>33,170,196</b>	<b>32,608,136</b>	<b>28,038,530</b>
<b>TOTAL ASSETS</b>	<b>\$57,480,613</b>	<b>\$57,171,234</b>	<b>\$53,319,353</b>	<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$57,480,613</b>	<b>\$57,171,234</b>	<b>\$53,319,353</b>

STATEMENT OF REVENUES AND EXPENSES  
OCTOBER 2019  
NATHAN LITTAUER HOSPITAL AND NURSING HOME

MONTH					YEAR TO DATE						
PRIOR \$	ACTUAL \$	BUDGET \$	VARIANCE		PRIOR \$	ACTUAL \$	BUDGET \$	VARIANCE			
			BUDGET \$	%				\$	%	\$	%
NET PATIENT REVENUES:											
1,887,650	1,911,919	1,932,858	(20,949)	(1)	18,334,816	18,570,068	18,431,651	236,152	1	139,917	1
813,505	869,178	895,662	(35,524)	(4)	8,453,172	8,423,980	8,686,064	(5,192)	-	(262,084)	(3)
797,517	1,004,839	882,036	122,803	14	7,571,149	8,858,666	8,163,827	1,250,517	17	694,829	9
1,940,187	1,984,421	2,083,013	(98,592)	(5)	18,829,814	26,091,243	19,480,162	1,261,478	7	611,081	3
1,134,259	1,261,351	1,357,582	(95,731)	(7)	9,846,335	10,635,262	11,862,126	768,927	8	(1,225,864)	(10)
836,272	609,857	583,593	26,264	5	5,684,928	5,905,286	5,704,830	211,358	4	201,456	4
7,119,390	7,632,215	7,734,244	(102,029)	(1)	68,030,214	72,486,405	72,328,070	3,756,191	5	158,335	-
178,539	197,930	171,723	26,207	15	1,627,653	1,549,293	1,667,400	212,340	13	182,593	11
7,298,929	7,830,145	7,905,967	(75,822)	(1)	70,367,867	74,336,398	73,995,471	1,968,531	6	340,928	-
OPERATING EXPENSES:											
3,487,828	3,604,655	3,685,266	(80,610)	(2)	33,680,974	35,494,197	36,192,742	1,813,223	5	(508,545)	(2)
891,828	945,451	955,304	9,857	1	8,701,529	9,417,579	9,244,541	716,250	8	173,631	2
1,905,458	2,065,556	1,838,691	227,275	12	17,330,479	19,031,426	18,129,923	1,700,247	10	201,503	5
413,569	479,610	448,971	30,039	7	4,102,113	4,460,560	4,489,711	358,442	9	(29,151)	(1)
33,017	46,897	59,232	(3,635)	(7)	473,577	490,150	502,320	16,573	3	(12,170)	(2)
295,040	274,461	309,731	(35,270)	(11)	2,869,010	2,970,833	3,097,511	151,323	6	(126,682)	(5)
45,705	60,883	52,617	8,216	16	532,945	520,802	522,647	(12,143)	(2)	(1,845)	-
7,089,455	7,497,374	7,341,502	155,872	2	67,630,632	72,385,547	72,179,406	4,754,913	7	225,141	-
169,474	332,771	564,465	(231,694)	(41)	2,737,235	1,960,851	1,815,064	(786,184)	(29)	134,787	7
(43,859)	187,569	1,723	185,827	10,785	800,343	373,834	128,914	(426,514)	(53)	241,920	190
165,615	529,321	565,188	(45,867)	(8)	3,537,585	2,314,685	1,944,978	(1,212,598)	(34)	379,707	23

## NATHAN LITTAUER HOSPITAL ASSOCIATION

## Balance Sheets

December 31, 2009 and 2008

Assets	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and cash equivalents	\$ 2,000,119	1,209,242
Investments	10,502,247	6,295,786
Patient accounts receivable, less estimated uncollectibles of \$2,384,000 in 2009 and \$2,263,000 in 2008	9,237,020	9,340,117
Inventories	478,460	455,385
Prepaid expenses and other current assets	1,092,858	967,159
Current portion of assets whose use is limited	<u>45,684</u>	<u>50,694</u>
Total current assets	<u>23,356,388</u>	<u>18,318,383</u>
Assets whose use is limited	6,571,957	5,924,654
Less portion classified as current	<u>45,684</u>	<u>50,694</u>
	<u>6,526,273</u>	<u>5,873,960</u>
Interest in net assets of Nathan Littauer Foundation	2,034,813	3,404,305
Other assets:		
Unamortized financing expenses, net	305,635	335,935
Deferred charges, net	357,150	533,071
Other assets	<u>1,564,958</u>	<u>1,381,109</u>
	<u>2,227,743</u>	<u>2,250,115</u>
Property and equipment, less accumulated depreciation and amortization	19,177,082	18,565,389
 Total assets	 <u>\$ 53,322,299</u>	 <u>48,412,152</u>

Liabilities and Net Assets	<u>2009</u>	<u>2008</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 3,899,574	2,172,431
Accrued salaries, wages, and related items	3,590,273	3,349,352
Accrued interest payable	59,838	64,739
Estimated third-party settlements	582,800	692,000
Current portion of long-term debt	<u>1,388,057</u>	<u>1,281,264</u>
Total current liabilities	<u>9,520,542</u>	<u>7,559,786</u>
Accrued pension obligation	4,918,930	5,669,594
Long-term debt		
Bonds payable	5,345,246	5,688,049
Capital lease obligations	<u>4,710,693</u>	<u>5,588,973</u>
	10,055,939	11,277,022
Less portion classified as current liabilities	<u>1,388,057</u>	<u>1,281,264</u>
	<u>8,667,882</u>	<u>9,995,758</u>
Other long-term liabilities	1,356,843	1,323,557
Commitments and contingencies		
Net assets:		
Unrestricted	26,073,789	19,536,652
Temporarily restricted	2,501,813	4,044,305
Permanently restricted	<u>282,500</u>	<u>282,500</u>
Total net assets	<u>28,858,102</u>	<u>23,863,457</u>
Total liabilities and net assets	<u>\$ 55,322,299</u>	<u>48,412,152</u>

## NATHAN LITTAUER HOSPITAL ASSOCIATION

## Statements of Operations and Changes in Net Assets

Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating revenue:		
Net patient service revenue	\$ 82,021,540	75,463,035
Other operating revenue	2,198,481	2,282,940
Total operating revenue	<u>84,220,021</u>	<u>77,745,975</u>
Operating expenses:		
Salaries and wages	40,706,383	38,019,378
Employee benefits	10,420,947	8,682,184
Supplies and other	21,054,482	19,925,776
Provision for bad debts	4,750,428	4,649,484
Depreciation and amortization	3,389,263	3,241,851
Interest	628,574	670,050
New York State assessment	533,079	345,182
Total operating expenses	<u>81,481,156</u>	<u>75,533,905</u>
Operating margin	<u>2,738,865</u>	<u>2,212,070</u>
Nonoperating revenue (losses):		
Gifts and bequests	215,333	217,652
Net investment (losses) income	(501,564)	138,159
Gain on disposal of assets	500	26,641
Net change in unrealized gains and losses on trading securities	1,688,034	(1,436,797)
Total nonoperating revenue (losses), net	<u>1,402,303</u>	<u>(1,054,345)</u>
Excess of revenue over expenses	<u>\$ 4,141,168</u>	<u>1,157,725</u>

BHFP Attachment Map:  
CON # 101112  
Fulton and Montgomery Counties Hospitals

WARREN

HERKIMER

FULTON

SARATOGA

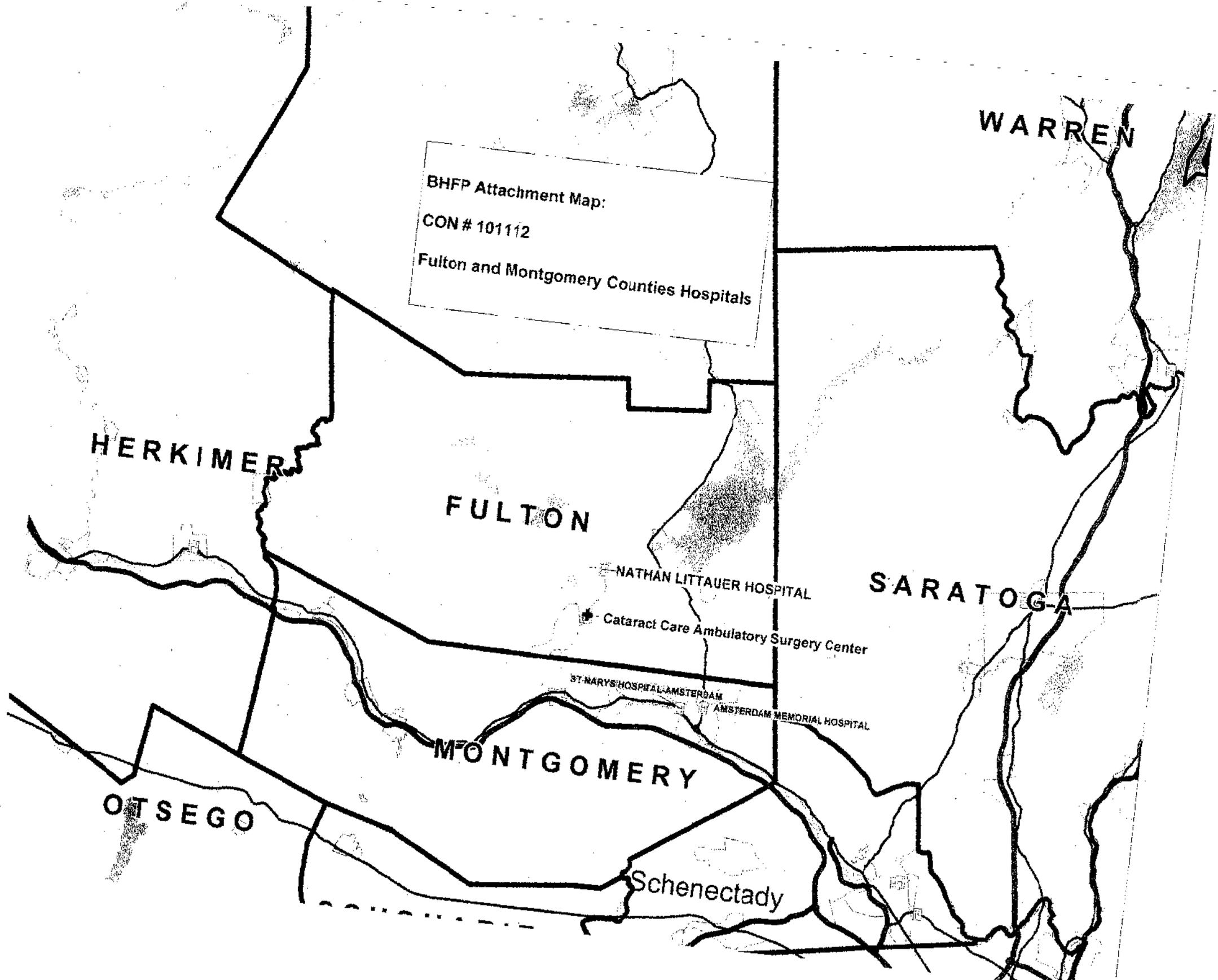
NATHAN LITTAUER HOSPITAL  
Cataract Care Ambulatory Surgery Center

ST. MARY'S HOSPITAL-AMSTERDAM  
AMSTERDAM MEMORIAL HOSPITAL

MONTGOMERY

OTSEGO

Schenectady



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**State of New York  
Public Health and Health Planning Council**

**June 16, 2011**

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**ATTACHMENTS**

**Hospice - Construction**

**Exhibit #5**

<u>Number</u>	<u>Applicant/Facility</u>
1. 102407 C	Hospice of Orleans, Inc. (Orleans County)

**HOSPICE OF ORLEANS, INC.****BALANCE SHEET****DECEMBER 31, 2009**

(With Comparative Totals for 2008)

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and equivalents	\$ 721,529	\$ 406,984
Accounts receivable	335,462	311,160
Current portion of pledges receivable	53,210	-
Prepaid expenses	<u>8,049</u>	<u>8,039</u>
Total current assets	1,118,250	726,183
INVESTMENTS	916,688	930,421
PLEDGES RECEIVABLE, net	74,200	-
PROPERTY AND EQUIPMENT, net	229,120	214,941
CASH SURRENDER VALUE OF LIFE INSURANCE	<u>109,620</u>	<u>98,829</u>
Total assets	<u>\$ 2,447,878</u>	<u>\$ 1,970,374</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 45,585	\$ 43,815
Accrued expenses	5,467	4,186
Deferred compensation	<u>109,620</u>	<u>98,829</u>
Total current liabilities	<u>160,672</u>	<u>146,830</u>
<b>NET ASSETS:</b>		
Unrestricted:		
Board Designated	188,897	188,897
Undesignated	<u>1,937,385</u>	<u>1,614,647</u>
Total unrestricted	2,126,282	1,803,544
Temporarily restricted	<u>160,924</u>	<u>20,000</u>
Total net assets	<u>2,287,206</u>	<u>1,823,544</u>
Total liabilities and net assets	<u>\$ 2,447,878</u>	<u>\$ 1,970,374</u>

**HOSPICE OF ORLEANS, INC.**
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
 (With Comparative Totals for 2008)

	2009			2008
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>				
Insurance reimbursement	\$ 848,230	\$ -	\$ 848,230	\$ 754,209
Contributions	18,462	134,485	152,947	21,956
Investment income (loss), net	130,457	-	130,457	(242,659)
Special events	53,502	-	53,502	43,781
Memorials and bequests	53,166	675	53,841	268,340
Grants	12,631	5,764	18,395	1,000
United Way	11,794	-	11,794	11,408
Membership	3,845	-	3,845	4,810
Miscellaneous	10,354	-	10,354	1,132
<b>Total support and revenue</b>	<b>1,142,441</b>	<b>140,924</b>	<b>1,283,365</b>	<b>863,975</b>
<b>EXPENSES:</b>				
Program services	643,543	-	643,543	571,762
Management and general	101,324	-	101,324	92,103
Fundraising	74,836	-	74,836	61,307
<b>Total expenses</b>	<b>819,703</b>	<b>-</b>	<b>819,703</b>	<b>725,172</b>
<b>CHANGE IN NET ASSETS</b>	<b>322,738</b>	<b>140,924</b>	<b>463,662</b>	<b>138,803</b>
<b>NET ASSETS - beginning of year</b>	<b>1,803,544</b>	<b>20,000</b>	<b>1,823,544</b>	<b>1,684,591</b>
<b>NET ASSETS - end of year</b>	<b>\$ 2,126,282</b>	<b>\$ 160,924</b>	<b>\$ 2,287,206</b>	<b>\$ 1,823,394</b>

**HOSPICE OF ORLEANS, INC.****BALANCE SHEET****DECEMBER 31, 2010**

(With Comparative Totals for 2009)

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and equivalents	\$ 954,823	\$ 721,529
Accounts receivable, net	257,657	335,462
Current portion of pledges receivable	65,674	53,210
Prepaid expenses and other current assets	<u>16,249</u>	<u>8,049</u>
Total current assets	1,294,403	1,118,250
INVESTMENTS	1,067,566	916,688
PLEDGES RECEIVABLE, net	44,704	74,200
PROPERTY AND EQUIPMENT, net	259,086	229,120
CASH SURRENDER VALUE OF LIFE INSURANCE	<u>119,723</u>	<u>109,620</u>
Total assets	<u>\$ 2,785,482</u>	<u>\$ 2,447,878</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 46,294	\$ 45,585
Accrued expenses	7,322	5,467
Deferred compensation	<u>119,723</u>	<u>109,620</u>
Total current liabilities	<u>173,339</u>	<u>160,672</u>
NET ASSETS:		
Unrestricted -		
Board designated	188,897	188,897
Undesignated	<u>2,189,586</u>	<u>1,937,385</u>
Total unrestricted	2,378,483	2,126,282
Temporarily restricted	<u>233,660</u>	<u>160,924</u>
Total net assets	<u>2,612,143</u>	<u>2,287,206</u>
Total liabilities and net assets	<u>\$ 2,785,482</u>	<u>\$ 2,447,878</u>

**HOSPICE OF ORLEANS, INC.****STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(With Comparative Totals for 2009)**

	2010			2009
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>				
Insurance reimbursement	\$ 778,986	\$ -	\$ 778,986	\$ 848,230
Contributions	44,104	78,481	122,585	152,947
Investment income, net	109,042	-	109,042	130,457
Special events	68,528	-	68,528	53,502
Memorials and bequests	53,379	300	53,679	53,841
Grants	12,047	20,125	32,172	18,395
United Way	14,519	-	14,519	11,794
Membership	4,650	-	4,650	3,845
Miscellaneous	127	-	127	10,354
Net assets released from restrictions	26,170	(26,170)	-	-
Total support and revenue	<u>1,111,552</u>	<u>72,736</u>	<u>1,184,288</u>	<u>1,283,365</u>
<b>EXPENSES:</b>				
Program services	644,302	-	644,302	643,543
Management and general	122,101	-	122,101	101,324
Fundraising	92,948	-	92,948	74,836
Total expenses	<u>859,351</u>	<u>-</u>	<u>859,351</u>	<u>819,703</u>
<b>CHANGE IN NET ASSETS</b>	<u>252,201</u>	<u>72,736</u>	<u>324,937</u>	<u>463,662</u>
<b>NET ASSETS - beginning of year</b>	<u>2,126,282</u>	<u>160,924</u>	<u>2,287,206</u>	<u>1,823,544</u>
<b>NET ASSETS - end of year</b>	<u>\$ 2,378,483</u>	<u>\$ 233,660</u>	<u>\$ 2,612,143</u>	<u>\$ 2,287,206</u>

## HOSPICE OF ORLEANS, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2010

(With Comparative Totals for 2009)

	2010				2009
	Program Services	Management and General	Fundraising	Total	Total
EXPENSES:					
Salaries and wages	\$ 222,545	\$ 74,430	\$ 71,123	\$ 368,098	\$ 345,745
Payroll taxes and employee benefits	32,354	10,821	10,340	53,515	42,303
	254,899	85,251	81,463	421,613	388,048
Patient expenses	272,013	-	-	272,013	203,471
Professional fees	9,910	15,102	-	25,012	17,129
Travel	20,466	232	-	20,698	19,439
Office supplies	17,397	117	-	17,514	16,463
Depreciation	9,416	1,734	1,239	12,389	10,666
Grant expenses	12,047	-	-	12,047	12,631
Postage	5,525	4,452	-	9,977	6,008
Repairs and maintenance	8,871	703	-	9,574	12,010
Special events	-	-	8,819	8,819	10,669
Public relations	8,279	-	-	8,279	13,071
Training and education	5,378	2,310	-	7,688	2,887
Investment fees	-	6,457	-	6,457	5,333
Bad debt	6,123	-	-	6,123	79,705
Insurance	3,949	728	520	5,197	4,781
Utilities	3,249	598	427	4,274	6,667
Telephone	2,602	479	342	3,423	4,070
Volunteer programs	2,647	-	-	2,647	3,204
Dues and subscriptions	120	1,964	-	2,084	2,131
Meetings	-	594	-	594	381
Miscellaneous	1,411	1,380	138	2,929	939
	<u>\$ 644,302</u>	<u>\$ 122,101</u>	<u>\$ 92,948</u>	<u>\$ 859,351</u>	<u>\$ 819,703</u>

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**State of New York  
Public Health and Health Planning Council**

**June 16, 2011**

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**ATTACHMENTS**

**Residential Health Care Facilities - Construction**

**Exhibit #6**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	101083 C	Eger Health Care and Rehabilitation Center (Richmond County)
2.	102316 C	Hamilton Park Multicare, LLC d/b/a Hamilton Park Nursing and Rehabilitation Center (Kings County)

Financial Summary

BFA Attachment A

Eger Health Care and Rehabilitation Center

FISCAL PERIOD ENDED

	<u>2009</u>	<u>2008</u>	<u>2007</u>
ASSETS - CURRENT	\$11,453,284	\$10,118,515	\$9,352,864
ASSETS - FIXED AND OTHER	18,420,788	19,675,108	22,326,097
LIABILITIES - CURRENT	8,559,973	8,642,713	8,086,085
LIABILITIES - LONG-TERM	11,324,067	11,498,801	13,366,646
EQUITY	\$9,990,032	\$9,652,109	\$10,226,230
<hr/>			
INCOME	\$43,459,904	\$41,402,568	\$41,194,030
EXPENSE	43,937,111	42,400,932	41,375,418
EXCESS OF OPERATING REVENUES OVER EXPENSES	(\$477,207)	(\$998,364)	(\$181,388)
<hr/>			
DEPRECIATION	\$1,911,314	\$1,879,429	\$1,898,290
<hr/>			
NUMBER OF BEDS	378	378	378
PERCENT OF OCCUPANCY (DAYS)	98.49%	98.63%	99.34%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	70.97%	69.11%	71.05%
MEDICARE	10.52%	10.40%	7.38%
PRIVATE/OTHER	18.51%	20.49%	21.57%
<hr/>			
MEDICAID RATE BREAKDOWN:			
	<u>2010</u>		
OPERATING	\$248.05		
CAPITAL	19.15		
TOTAL	\$267.20		

**EGER HEALTH CARE and REHABILITATION CENTER  
BALANCE SHEET**

	<b>10/31/2010</b>	<b>12/31/2009</b>
<b>ASSETS</b>		
Current Assets		
Cash	\$1,547,098	\$887,995
Cash Patient Trust Fund	\$141,921	\$186,427
Accounts Receivable	\$8,352,757	\$8,864,400
Inventories	\$158,152	\$153,427
Deferred Interest	\$119,000	\$119,000
Prepaid Expenses	\$402,475	\$835,608
Due From EHH	(\$4,811)	\$220,000
Due From ELHS & EGER CARE	\$237,339	\$186,427
Total Current Assets	<u>\$10,959,931</u>	<u>\$11,453,284</u>
Limited Use Assets		
Cash and Cash Equivalents	\$1,956,069	\$1,822,344
Escrow Deposit	\$4,331,270	\$4,263,529
Total Limited Use Assets	<u>\$6,287,338</u>	<u>\$6,085,873</u>
Fixed assets (net of accumulated depreciation)		
	<u>\$10,040,276</u>	<u>\$11,246,955</u>
Other Assets		
Due From EHH	\$0	\$775,600
Deferred Interest	\$240,879	\$312,360
Total Assets	<u>\$27,522,424</u>	<u>\$29,874,072</u>
<b>LIABILITIES and NET ASSETS</b>		
Current Assets		
Accts Payable and Accrued Expenses	\$2,978,716	\$2,450,128
Accrued Payroll & Related Liabilities	\$1,294,077	\$1,110,045
Due to The Eger Foundation	(\$1,993)	\$184,391
Due to Third-Party Payors	\$1,643,676	\$1,796,000
Mortgages Payable	\$1,651,981	\$1,651,981
Loans Payable	\$688,350	\$1,181,001
Patient Funds Held in Trust	\$141,921	\$186,427
Total Current Liabilities	<u>\$8,396,727</u>	<u>\$8,559,973</u>
Long-Term Liabilities		
Mortgages Payable	\$9,460,760	\$10,830,467
Loan Payable	\$44,176	\$493,610
Total Long Term Liabilities	<u>\$9,504,926</u>	<u>\$11,324,067</u>
Total Liabilities	<u>\$17,901,653</u>	<u>\$19,884,040</u>
Net Asset	<u>\$9,620,771</u>	<u>\$9,990,032</u>
Total Liabilities & Net Assets	<u>\$27,522,424</u>	<u>\$29,874,072</u>

**EGER HEALTH CARE AND REHABILITATION CENTER  
STATEMENT OF ACTIVITIES**

	<b>ACTUAL 10/31/2010</b>	<b>BUDGET 10/31/2010</b>	<b>VARIANCE</b>
<b>OPERATING REVENUES</b>			
Net Patient Service Revenues	\$35,044,066	\$35,804,391	(\$760,336)
Other Operation Revenues	\$402,469	\$441,095	(\$38,627)
<b>Total Operation Revenues</b>	<b>\$35,446,524</b>	<b>\$36,245,486</b>	<b>(\$798,963)</b>
<b>Direct Patient Care</b>			
Nursing Services	\$10,377,079	\$10,449,209	\$72,129
Medical Services	\$137,139	\$148,748	\$11,609
Dental Clinic	\$57,079	\$62,192	\$5,112
Radiology	\$81,263	\$66,630	(\$14,633)
Central Supply	\$278,613	\$353,811	\$75,198
Pharmacy	\$659,454	\$664,317	\$4,863
Social Services	\$295,761	\$294,087	(\$1,675)
Pastoral Care	\$151,078	\$110,006	(\$41,072)
Recreational Therapy	\$254,213	\$265,518	\$11,305
Physical Therapy	\$887,011	\$985,533	\$118,522
Occupational Therapy	\$506,828	\$610,067	\$103,239
Speech Therapy	\$67,772	\$69,754	\$1,982
Medical Records	\$140,993	\$140,945	(\$48)
Social Day Care	\$78,910	\$82,530	\$3,620
<b>Total Direct Patient Care</b>	<b>\$13,953,194</b>	<b>\$14,303,344</b>	<b>\$350,151</b>
<b>Environmental Services</b>			
Plant Operations	\$2,008,003	\$2,022,813	\$14,810
Public Safety	\$177,894	\$199,281	\$21,388
Food Services	\$3,263,677	\$3,376,606	\$112,929
Housekeeping	\$1,267,840	\$1,193,876	(\$73,964)
Laundry	\$889,443	\$990,395	\$100,952
<b>Total Environmental Serv</b>	<b>\$7,606,856</b>	<b>\$7,782,971</b>	<b>\$176,114</b>
<b>Departmental Expenses</b>			
Executive	\$525,384	\$509,402	(\$15,981)
Communications	\$143,379	\$178,206	\$34,828
Case Management	\$376,050	\$374,878	(\$1,174)
Fiscal Services	\$835,707	\$846,140	\$10,433
Human Resources	\$205,059	\$215,862	\$10,803
Manage Information Systems	\$116,335	\$140,463	\$33,118
Purchasing and Receiving	\$54,734	\$48,395	(\$6,339)
Volunteers	\$49,273	\$46,655	(\$2,609)
<b>Total Department Expenses</b>	<b>\$2,305,921</b>	<b>\$2,368,999</b>	<b>\$63,078</b>



Financial Summary

BFA Attachment B

Hamilton Park Nursing and Rehabilitation Center

FISCAL PERIOD ENDED

9/1/2009 to 12/31/2009

ASSETS - CURRENT	\$4,307,163
ASSETS - FIXED AND OTHER	2,149,872
LIABILITIES - CURRENT	6,858,051
LIABILITIES - LONG-TERM	22,367
EQUITY	(\$423,383)
<hr/>	
INCOME	\$9,824,905
EXPENSE	10,248,288
NET INCOME	(\$423,383)
<hr/>	
OPERATOR/RELATIVE SALARIES	\$59,736
<hr/>	
NUMBER OF BEDS	150
PERCENT OF OCCUPANCY (DAYS)	99.49%
<hr/>	
PERCENT OCCUPANCY (DAYS):	
MEDICAID	76.88%
MEDICARE	11.00%
PRIVATE/OTHER	12.12%
<hr/>	
MEDICAID RATE BREAKDOWN:	
OPERATING	\$255.01
CAPITAL	<u>47.98</u>
TOTAL	\$302.99

**Financial Summary**  
**BFA Attachment C**

**Hamilton Park Nursing and Rehab**

**FISCAL PERIOD ENDED**

**2010**

<b>ASSETS - CURRENT</b>	<b>\$5,420,863</b>
<b>ASSETS - FIXED AND OTHER</b>	<b>733,302</b>
<b>LIABILITIES - CURRENT</b>	<b>5,435,323</b>
<b>LIABILITIES - LONG-TERM</b>	<b>168,493</b>
<b>EQUITY</b>	<b>\$550,349</b>

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<b>INCOME</b>	<b>\$18,039,684</b>
<b>EXPENSE</b>	<b>17,067,264</b>
<b>NET INCOME</b>	<b>\$972,420</b>

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<b>OPERATOR/RELATIVE SALARIES</b>	<b>\$0</b>
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<b>NUMBER OF BEDS</b>	<b>150</b>
<b>PERCENT OF OCCUPANCY (DAYS)</b>	<b>96.8%</b>

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<b>PERCENT OCCUPANCY (DAYS):</b>	
<b>MEDICAID</b>	<b>76.42%</b>
<b>MEDICARE</b>	<b>13.10%</b>
<b>PRIVATE/OTHER</b>	<b>10.48%</b>

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<b>MEDICAID RATE:</b>	<u><b>2010</b></u>
<b>OPERATING</b>	<b>\$253.35</b>
<b>CAPITAL</b>	<b>0.00</b>
<b>TOTAL</b>	<b>\$253.35</b>

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**State of New York  
Public Health and Health Planning Council**

**June 16, 2011**

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**ATTACHMENTS**

**Transitional Care Units - Construction**

**Exhibit #7**

1. 102365 T Erie County Medical Center  
(Erie County)
2. 102366 T South Nassau Communities Hospital  
(Nassau County)
3. 102367 T St. Francis Hospital  
(Nassau County)
4. 102370 T Good Samaritan Hospital of Suffern  
(Rockland County)
5. 102371 T Brookhaven Memorial Hospital Medical Center, Inc.  
(Suffolk County)
6. 102372 T Glens Falls Hospital  
(Warren County)
7. 102373 T Northern Westchester Hospital  
(Westchester County)
8. 102374 T White Plains Hospital Center  
(Westchester County)

## ERIE COUNTY MEDICAL CENTER CORPORATION

## STATEMENTS OF NET ASSETS

December 31,  
(000's omitted)

ASSETS	2009	2008
Current assets:		
Cash and cash equivalents	\$ 46,884	\$ 57,464
Investments	40,712	68,001
Assets whose use is limited	24,329	20,639
Patient accounts receivable, net of provision for bad debt of \$22,117 in 2009 and \$23,269 in 2008	43,516	44,432
Due from Erie County	1,427	1,864
Capital appropriations due from Erie County	1,048	1,451
Other receivables, net	38,135	20,134
Inventories	3,387	4,192
Prepays and other	1,410	1,669
Total current assets	<u>200,848</u>	<u>219,846</u>
Non-current assets:		
Other receivables	-	13,346
Other assets, net	385	384
Assets whose use is limited	95,249	40,759
Capital assets, net	78,007	73,845
Deferred financing costs, net	2,546	2,649
Total non-current assets	<u>176,187</u>	<u>130,983</u>
Total assets	<u>\$ 377,035</u>	<u>\$ 350,829</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 19,496	\$ 19,905
Due to Erie County	2,686	5,310
Accrued salaries, wages and payroll taxes	8,153	12,926
Accrued vacation, sick pay and retirement benefits	8,586	18,475
Accrued other liabilities	7,887	11,351
Deferred revenue	18,083	-
Current portion of long-term debt	2,155	2,070
Interest payable	915	929
Estimated third-party payor settlements	18,749	17,732
Total current liabilities	<u>86,710</u>	<u>88,698</u>
Long-term liabilities:		
Long-term debt, net of current portion	97,150	99,305
Self-insured obligations	86,590	45,343
Total long-term liabilities	<u>183,740</u>	<u>144,648</u>
Total liabilities	<u>270,450</u>	<u>233,346</u>
Net assets:		
Invested in capital assets, net of related debt	(2,869)	(7,030)
Restricted:		
For debt service	10,120	10,112
Expendable for capital	1,048	14,795
Unrestricted	98,286	99,606
Total net assets	<u>106,585</u>	<u>117,483</u>
Total liabilities and net assets	<u>\$ 377,035</u>	<u>\$ 350,829</u>

## ERIE COUNTY MEDICAL CENTER CORPORATION

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**For the Years Ended December 31,**  
**(000's omitted)**

	<u>2009</u>	<u>2008</u>
Operating revenue:		
Net patient service revenue	\$ 356,640	\$ 352,357
Intergovernmental transfer revenue – net	34,378	42,102
Other operating revenue	<u>20,993</u>	<u>16,487</u>
Total operating revenue	<u>412,011</u>	<u>410,946</u>
Operating expenses:		
Salaries, wages and fringe benefits	242,077	216,076
Other professional and temporary services	71,581	66,011
Supplies	59,279	54,789
Utilities and telephone	7,240	10,875
Other operating expenses	12,287	9,939
Services purchased from Erie County	1,292	1,521
Provision for bad debts	21,100	19,630
Depreciation and amortization	13,135	12,513
Interest expense	<u>5,715</u>	<u>5,562</u>
Total operating expenses	<u>433,706</u>	<u>396,716</u>
Operating (loss) income	<u>(21,695)</u>	<u>14,230</u>
Non-operating revenue (expense):		
Investment income (loss)	10,080	(7,706)
Erie County contribution – operations	<u>-</u>	<u>5,562</u>
Net non-operating revenue (expense)	<u>10,080</u>	<u>(2,144)</u>
(Deficiency) excess of revenue over expenses before contributions	(11,615)	12,086
Capital contributions	<u>717</u>	<u>1,696</u>
Change in net assets	(10,898)	13,782
Net assets – beginning of year	<u>117,483</u>	<u>103,701</u>
Net assets – end of year	\$ <u>106,585</u>	\$ <u>117,483</u>

## Erie County Medical Center Corporation

## Balance Sheet

December 31, 2010 and December 31, 2009

(Dollars in Thousands)

	December 31, 2010	Audited December 31, 2009	Change from Prior Year End
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 15,907	\$ 46,189	\$ (30,282)
Investments <i>Accumulated Funds</i>	68,800	40,712	28,088
Patient receivables, net	43,202	39,364	3,838
Prepaid expenses, inventories and other receivables	54,603	45,407	9,196
<b>Total Current Assets</b>	<b>182,512</b>	<b>171,672</b>	<b>10,840</b>
Assets Whose Use is Limited:			
Designated under Self-Insurance Programs	42,500	32,650	9,850
Designated under Debt Agreements	10,294	10,120	174
Designated by Board	48,829	54,806	(5,977)
Restricted	24,940	22,002	2,938
	126,563	119,578	6,985
Property and equipment, net	93,505	78,007	15,498
Deferred financing costs	2,442	2,546	(104)
Other assets	1,345	1,080	265
<b>Total Assets</b>	<b>\$ 406,367</b>	<b>\$ 372,883</b>	<b>\$ 33,484</b>
<b>LIABILITIES AND NET ASSETS</b>			
Current Liabilities:			
Current portion of long-term debt	\$ 2,250	\$ 2,155	\$ 95
Accounts payable	22,722	19,496	3,226
Accrued salaries and benefits	16,701	16,739	(38)
Other accrued expenses	32,197	25,419	6,778
Estimated third party payer settlements	24,651	18,749	5,902
<b>Total Current Liabilities</b>	<b>98,521</b>	<b>82,558</b>	<b>15,963</b>
Long-term debt	94,900	97,150	(2,250)
Estimated Self Insurance Reserves	38,850	30,000	8,850
Other liabilities	74,979	56,590	18,389
<b>Total Liabilities</b>	<b>307,250</b>	<b>266,298</b>	<b>40,952</b>
<b>Net assets</b>			
Unrestricted net assets	53,951	98,286	(44,335)
Temporarily restricted net assets	45,166	8,299	36,867
<b>Total Net Assets</b>	<b>99,117</b>	<b>106,585</b>	<b>(7,468)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 406,367</b>	<b>\$ 372,883</b>	<b>\$ 33,484</b>

## Erie County Medical Center Corporation

## Statement of Operations

Twelve months ended December 31, 2010

(Dollars in Thousands)

	Actual	Budget	Variance	Prior Year
<b>Operating Revenue:</b>				
Patient Revenue				
Inpatient Services	\$ 498,100	\$ 499,691	\$ (1,591)	\$ 519,167
Outpatient Services	260,292	236,834	23,458	240,077
Gross Patient Revenue	758,392	736,525	21,867	759,244
Less:				
Contractual Allowances	(385,304)	(363,408)	(21,896)	(395,701)
Charity Care	(9,612)	(6,547)	(3,065)	(6,903)
Total Contractual Allowances & Charity Care	(394,916)	(369,955)	(24,961)	(402,604)
Net Patient Revenue	363,476	366,570	(3,094)	356,640
Other Operating Revenue	71,721	64,356	7,365	55,372
Total Operating Revenue	435,197	430,926	4,271	412,012
<b>Operating Expenses:</b>				
Salaries / Wages / Contract Labor	148,599	146,708	(1,891)	147,404
Employee Benefits	85,578	94,132	8,554	94,613
Physician Fees	41,031	38,960	(2,071)	38,354
Purchased Services	32,929	33,102	173	33,228
Supplies	58,643	54,115	(4,528)	59,278
Other Expenses	7,453	7,562	109	8,439
Utilities	7,946	9,447	1,501	7,240
Insurance	7,313	4,689	(2,624)	5,140
Depreciation & Amortization	14,105	14,022	(83)	13,135
Interest	5,478	5,476	(2)	5,715
Provision for Bad Debts	24,694	22,050	(2,544)	21,100
Total Operating Expenses	433,669	430,263	(3,406)	433,706
Income (Loss) from Operations	1,528	663	865	(21,694)
Non Operating Gains (Losses)				
County Reimbursement	(5,744)	-	(5,744)	-
Interest and Dividends	4,028	-	4,028	2,301
Gain (Loss) on Disposal of Property & Equipment	(650)	-	(650)	-
Unrealized Gains (Losses)	3,258	5,110	(1,852)	7,760
Non Operating Gains (Losses), Net	892	5,110	(4,218)	10,081
Excess of (Deficiency) of Revenue Over Expenses	\$ 2,420	\$ 5,773	\$ (3,353)	\$ (11,613)

BFA Attachment C

Detailed Budget  
Eric County Medical Center CON#102365

YEAR ONE

	<u>Expenses</u>	<u>Patient Days</u>	<u>Cost Per Patient Day</u>
Operating	\$702,451	3,800	\$184.86
Capital	\$109,808	3,800	\$28.90
Total Year One Expenses	\$812,259	3,800	\$213.75

YEAR THREE

	<u>Expenses</u>	<u>Patient Days</u>	<u>Cost Per Patient Day</u>
Operating	\$935,429	7,300	\$128.14
Capital	\$109,808	7,300	\$15.04
Total Year Three Expenses	\$1,045,237	7,300	\$143.18

South Nassau Communities Hospital  
and Subsidiaries

Consolidated Statements of Financial Position

	December 31	
	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,163,304	\$ 13,511,993
Investments	88,036,266	67,719,493
Current portion of assets whose use is limited		
	8,435,000	9,410,000
Patient receivables, less allowance for uncollectibles of \$23,860,000 in 2009 and \$19,655,000 in 2008		
	44,063,036	44,555,089
Other current assets	10,667,280	8,818,466
Total current assets	165,364,886	144,015,043
Assets whose use is limited	37,563,163	33,875,210
Long-term investments	1,958,812	1,433,452
Other long-term assets	3,120,307	3,556,849
Property and equipment, net	202,702,435	210,103,923
Total assets	\$ 410,709,603	\$ 392,984,477

## BFA Attachment A (cont.)

	December 31	
	2009	2008
<b>Liabilities and net assets</b>		
<b>Current liabilities:</b>		
Lines of credit	\$ 9,000,000	\$ 30,000,000
Accounts payable	17,524,372	19,249,807
Accrued expenses	20,565,977	23,892,124
Accrued payroll and vacation	12,900,813	13,032,508
Current portion of long-term debt	6,123,723	5,879,591
Current portion of accrued postretirement benefits other than pension	279,000	259,000
Current portion of estimated professional and general liabilities	5,070,000	6,190,000
Other current liabilities	14,330,000	7,650,000
<b>Total current liabilities</b>	<b>85,793,885</b>	<b>106,153,030</b>
Long-term debt, net of current portion	90,022,236	96,142,613
Accrued pension payable	48,276,523	48,913,836
Accrued postretirement benefits other than pension, net of current portion	5,495,900	5,270,000
Estimated professional and general liabilities, net of current portion	28,530,000	24,560,000
Other liabilities	3,325,023	3,174,852
<b>Total liabilities</b>	<b>261,442,667</b>	<b>284,214,331</b>
<b>Commitments and contingencies</b>		
<b>Net assets:</b>		
Unrestricted	147,308,124	107,336,694
Temporarily restricted	930,736	405,376
Permanently restricted	1,028,076	1,028,076
<b>Total net assets</b>	<b>149,266,936</b>	<b>108,770,146</b>
<b>Total liabilities and net assets</b>	<b>\$ 410,709,603</b>	<b>\$ 392,984,477</b>

South Nassau Communities Hospital  
and Subsidiaries

Consolidated Statements of Activities

	Year Ended December 31	
	2009	2008
<b>Operating revenue</b>		
Net patient service revenue	\$ 349,528,915	\$ 320,640,461
Other revenue	16,153,037	2,822,034
Total operating revenue	<u>365,681,952</u>	<u>323,462,495</u>
<b>Operating expenses</b>		
Nursing services	115,699,593	111,211,876
Other professional services	88,855,314	82,865,408
Facilities services	19,825,307	20,675,352
Administrative and general services	28,065,362	27,054,140
Employee benefits	42,516,381	34,926,943
Insurance	7,366,830	7,435,708
Provision for bad debts	15,210,438	13,244,784
Interest expense	5,931,790	6,179,794
Provision for depreciation and amortization	19,820,550	18,781,157
Total operating expenses	<u>343,291,565</u>	<u>322,375,162</u>
Operating income	22,390,387	1,087,333
Nonoperating gains (losses):		
Net investment gain (loss)	14,317,890	(39,986,318)
Unrestricted contributions and bequests (less fund raising expenses of \$787,974 in 2009 and \$776,139 in 2008)	430,687	521,675
Excess (deficiency) of revenue and gains (losses) over expenses	37,138,964	(38,377,310)
Net assets released from restrictions for capital asset acquisitions	271,100	1,068,530
Pension and postretirement liability adjustments	2,561,366	(32,671,720)
Increase (decrease) in unrestricted net assets	<u>\$ 39,971,430</u>	<u>\$ (69,980,500)</u>

BFA Attachment B

South Nassau Communities Hospital  
and Subsidiaries

Combined Statements of Financial Position

	December 2010	November 2010	December 2009
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 22,438,831	\$ 19,465,859	\$ 14,163,304
Investments	161,749,895	96,104,950	88,036,266
Current portion of assets whose use is limited	3,620,000	8,515,300	8,435,000
Patient receivables, less, allowance for uncollectibles of \$25,491,000 in 2010 and \$23,860,000 in 2009	45,285,838	49,914,366	44,053,035
Other current assets	9,773,130	8,768,168	10,667,280
<b>Total current assets</b>	<b>188,868,494</b>	<b>182,888,343</b>	<b>165,364,885</b>
<b>Assets whose use is limited</b>			
Long-term investments	39,698,508	39,277,571	37,563,163
Series 2001 Bond deferred financing fees, net	1,986,741	1,949,442	1,958,812
Series 2003 Bond deferred financing fees, net	1,153,651	1,162,237	1,258,662
Series 2003 Bond deferred financing fees, net	1,367,278	1,378,762	1,604,969
Series 2003 Bond discount	515,842	521,179	568,890
Other Assets	385,549	386,636	358,656
Property and equipment, at cost, net of depreciation	209,351,432	207,261,743	202,702,435
<b>Total Assets</b>	<b>\$ 440,038,406</b>	<b>\$ 434,828,103</b>	<b>\$ 411,278,493</b>
<b>Liabilities and Net Assets</b>			
<b>Current liabilities</b>			
Line of credit payable	\$ -	\$ -	\$ 2,000,000
Accounts payable	13,461,920	11,803,176	17,524,372
Accrued expenses	20,905,951	24,932,576	18,412,161
Accrued construction payable	4,101,773	2,103,582	2,153,769
Accrued payroll and vacation	14,507,461	15,838,502	12,900,513
Current portion of bonds payable	3,545,000	3,545,000	3,565,000
Current portion - TELP	1,964,931	1,561,976	2,563,723
Current portion - IDA	205,000	195,000	195,000
Current portion of accrued postretirement benefits other than pension	282,000	279,000	279,000
Current portion of estimated professional and general liabilities	5,075,000	5,070,000	5,070,000
Estimated retroactive net payable to third parties	16,420,000	17,000,000	14,330,000
<b>Total current liabilities</b>	<b>81,419,036</b>	<b>82,028,812</b>	<b>83,793,395</b>
Series 2001 Bond Payable, net of current portion	32,305,000	32,305,000	34,115,000
Series 2003 Bond Payable, net of current portion	49,455,000	49,465,000	51,190,000
IDA Bonds Payable, net of current portion	4,050,000	4,265,000	4,265,000
TELP Financing, net of current portion	5,787,738	6,532,479	435,177
Series 2001 Bond premium	538,991	540,987	534,999
Asset Retirement Obligation	3,482,297	3,459,191	3,325,023
Accrued pension payable, net of current portion	41,762,669	42,911,759	48,273,523
Accrued postretirement benefits other than pension, net of current portion	4,586,000	4,763,000	5,495,000
Estimated professional and general liabilities	30,871,000	30,872,000	25,633,050
<b>Total liabilities</b>	<b>254,265,751</b>	<b>257,143,228</b>	<b>262,011,557</b>
<b>Net assets</b>			
Unrestricted	187,096,803	175,735,493	147,508,124
Temporarily restricted	958,685	521,366	930,738
Permanently restricted	1,023,076	1,028,076	1,026,076
<b>Total net assets</b>	<b>189,072,744</b>	<b>177,684,875</b>	<b>149,266,936</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 443,338,495</b>	<b>\$ 434,828,103</b>	<b>\$ 411,278,493</b>

BFA Attachment B (cont.)

SOUTH NASSAU COMMUNITIES HOSPITAL  
and Subsidiaries  
COMPARATIVE STATEMENTS OF REVENUE AND EXPENSE

December 31, 2010

MONTH			YEAR TO DATE			
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE	FROM YEAR
<b>REVENUE</b>						
\$ 31,787,818	\$ 30,762,000	\$ (1,025,818)	\$ 373,000,774	\$ 369,773,135	\$ (3,227,639)	\$ 349,528,616
429,652	528,658	100,004	3,058,580	3,561,235	223,200	4,071,018
32,357,470	31,233,342	(1,124,128)	377,059,354	373,334,370	(3,724,984)	353,599,634
<b>EXPENSES</b>						
3,936,309	6,653,201	(2,716,892)	60,217,358	79,855,408	(19,638,050)	71,573,209
4,544,043	4,764,602	(220,559)	37,135,447	51,345,359	(14,209,912)	47,575,139
811,155	799,607	11,548	5,317,981	6,675,038	(1,357,057)	5,602,646
1,545,326	1,697,116	(151,790)	16,763,974	18,368,246	(1,604,272)	18,925,521
13,040,461	13,539,486	(499,025)	189,286,256	192,535,046	(3,248,790)	185,624,483
3,607,502	3,089,754	517,748	45,375,570	42,986,803	2,388,767	40,112,325
4,035,494	3,351,247	684,247	47,252,864	43,978,037	3,274,827	41,277,176
1,110,611	1,388,238	(277,627)	13,342,346	11,708,540	1,633,806	11,922,761
1,950,116	885,760	1,064,356	12,611,951	11,235,359	1,376,592	10,045,516
19,112,822	10,663,545	8,449,277	118,733,716	102,429,862	16,303,854	102,771,838
4,093,743	3,891,132	202,611	47,805,950	46,863,505	942,445	42,618,387
603,382	1,425,048	(821,666)	6,864,552	7,005,724	(141,172)	7,358,830
68,365	95,750	(27,385)	1,180,505	1,198,751	(18,246)	1,090,266
1,127,400	874,303	253,097	13,332,561	8,492,750	4,839,811	15,210,438
506,334	464,157	42,177	3,201,410	2,711,049	490,361	5,021,760
1,702,725	1,702,749	(24)	20,049,427	18,861,436	1,187,991	18,620,520
32,116,378	30,747,355	1,369,023	372,479,559	367,336,099	5,143,460	345,321,335
102,162	658,972	(556,810)	2,489,590	16,416,733	(13,927,143)	10,375,960
193,034	1,872,500	(1,679,466)	2,410,097	4,602,172	(2,192,075)	6,150,220
526,781	454,155	72,626	6,202,621	5,711,538	491,083	5,921,750
720,174	2,325,073	(1,604,899)	6,829,418	12,605,715	(5,776,297)	12,002,010
923,357	2,891,655	(1,968,298)	10,002,111	20,420,443	(10,418,332)	22,300,582
<b>NON-OPERATING INCOME</b>						
28,100	316,895	(288,795)	1,308,000	989,291	318,709	420,817
-	(34,858)	34,858	-	60,077	60,077	174,909
-	(72,302)	72,302	-	(19,256)	19,256	(5,412,225)
81,218	4,980,057	(4,898,839)	995,316	7,549,624	(6,554,308)	13,625,208
42,219	4,002,000	(3,959,781)	340,510	7,646,740	(7,306,230)	14,017,850
-	-	-	-	1,500,000	1,500,000	-
917,804	3,181,940	(2,264,136)	12,668,136	26,446,760	(13,778,624)	97,135,964
<b>OTHER CHANGES IN NET ASSETS</b>						
20,653	1,666,723	(1,646,070)	349,066	1,233,020	(883,954)	271,100
-	2,082,600	(2,082,600)	-	2,082,600	2,082,600	2,061,300
-	-	-	-	-	-	-
\$ 252,517	\$ 11,360,560	\$ (11,108,043)	\$ 12,668,136	\$ 26,727,879	\$ (14,059,743)	\$ 13,971,470

**ST. FRANCIS HOSPITAL**  
(Parent Only)

Consolidated Balance Sheets

December 31, 2009 and 2008

(In thousands)

Assets	2009	2008
Current assets:		
Cash and cash equivalents	\$ 33,079	14,753
Investments	141,840	102,508
Assets limited or restricted as to use	20,588	8,110
Patient accounts receivable, less allowance for uncollectible accounts of \$5,607 in 2009 and \$7,702 in 2008	44,558	43,507
Other receivables	882	1,583
Inventories	5,990	5,850
Prepaid expenses and other	2,175	1,759
Current portion of due from related parties, net	9,114	11,108
Total current assets	258,226	189,178
Assets limited or restricted as to use:		
Board designated and other	5,759	5,069
Funded depreciation	166,379	150,981
Trustee held and other agreements	16,929	4,942
Bond indenture agreements	15,902	16,288
Total assets limited or restricted as to use	204,969	177,280
Less assets limited or restricted as to use and required for current liabilities	20,588	8,110
	184,381	169,170
Due from related parties, net of current portion	403	4,116
Due from affiliates	654	1,015
Other assets, net	21,229	2,750
Deferred financing costs, net	2,860	3,073
Property and equipment, net	249,205	245,948
Total assets	\$ 716,958	615,250

**ST. FRANCIS HOSPITAL**  
(Parent Only)

Consolidated Balance Sheets

December 31, 2009 and 2008

(In thousands)

Liabilities and Net Assets	2009	2008
Current liabilities:		
Current portion of long-term debt	\$ 17,766	3,640
Accounts payable and accrued expenses	37,426	35,469
Accrued salaries, related withholdings, and benefits	19,723	19,029
Current portion of other self-insured liabilities	4,613	4,257
Current portion of estimated third-party payor and other liabilities, net	9,387	7,786
Current portion of estimated malpractice liabilities	1,657	1,467
Total current liabilities	90,572	71,648
Noncurrent liabilities:		
Long-term debt, net of current portion	136,513	131,016
Estimated third-party payor settlements and other liabilities, net of current portion	16,455	10,831
Other self-insured liabilities, net of current portion	7,904	6,583
Estimated malpractice liabilities, net of current portion	5,661	3,309
Other long-term liabilities	10,855	9,514
Total liabilities	267,960	232,901
Commitments and contingencies		
Net assets:		
Unrestricted	446,263	379,779
Temporarily restricted	2,735	2,570
Total net assets	448,998	382,349
Total liabilities and net assets	\$ 716,958	615,250

**ST. FRANCIS HOSPITAL**  
(Parent Only)

Consolidated Statements of Operations

Years ended December 31, 2009 and 2008

(In thousands)

	2009	2008
Unrestricted revenues, gains, and other support:		
Net patient service revenue	\$ 435,763	390,630
Other revenue	13,571	11,443
Net assets released from restrictions used for operations	184	228
Total revenues, gains, and other support	<u>449,518</u>	<u>402,301</u>
Expenses:		
Salaries	186,511	158,339
Employee benefits	47,303	40,240
Supplies and other expenses	122,752	111,711
Insurance	8,960	2,891
Depreciation and amortization	24,871	18,391
Interest	7,446	5,263
Provision for bad debts, net	1,809	1,535
Finance and technology services	17,730	18,998
CHS corporate office allocation	2,033	2,654
Total expenses	<u>419,415</u>	<u>360,022</u>
Operating income	30,103	42,279
Nonoperating gains (losses):		
Investment income, net	9,719	4,251
Change in unrealized gains (losses) on trading investments, net	26,861	(17,863)
Excess of revenues, gains, and other support over expenses	66,683	28,667
Other changes in unrestricted net assets:		
Postretirement benefit plan changes other than net periodic benefit cost	(687)	—
Net assets released from restrictions for purchases of property and equipment	10	—
Forgiveness of related party receivables	—	(156,084)
Reversal of reserve for amounts due from related parties	—	153,451
Net deficiency assumed	—	(2,257)
Transfer to Mercy Medical Center	(5,000)	—
Transfer to CHS Services, Inc.	(2,820)	(2,856)
Transfer to Catholic Health Services of Long Island	(1,307)	(1,141)
Transfer from St. Francis Research and Educational Corporation	1,017	790
Transfer from St. Francis Hospital Foundation	8,588	10,861
Increase in unrestricted net assets	<u>\$ 66,484</u>	<u>31,431</u>

ST. FRANCIS HOSPITAL

Comparative Balance Sheets  
( \$ in thousands)

<u>ASSETS</u>	<u>12/31/10</u>	<u>12/31/09</u>	<u>LIABILITIES AND NET ASSETS</u>	<u>12/31/10</u>	<u>12/31/09</u>
<b>Current assets:</b>			<b>Current liabilities:</b>		
Cash and cash equivalents	\$14,812	\$31,429	Accounts payable and accrued expenses	\$39,649	\$43,606
Investments	194,340	141,840	Accrued salaries and vacation benefits	21,403	18,678
Accounts receivable, less allowance for uncollectible accounts ( 2010 - \$4,445 ; 2009 \$ 3,936 )	56,547	44,257	Current installments of long-term debt	6,245	3,657
Other receivables	70	617	Accrued interest payable	3,284	3,377
Inventories	7,003	5,989	Current portion of accrued third-party payable, net	14,439	11,498
Prepaid expenses and other current assets	1,608	1,790	Current portion of estimated malpractice liabilities	1,548	1,657
Current portion of assets whose use is limited	8,159	8,067	Current portion of other self-insured liabilities	928	3,079
Due from related parties, net-current	13,317	10,741			
<b>Total current assets</b>	<u>295,856</u>	<u>244,730</u>	<b>Total current liabilities</b>	<u>87,496</u>	<u>85,552</u>
<b>Assets whose use is limited:</b>			<b>Noncurrent liabilities:</b>		
By board for malpractice fund	6,196	5,759	Long-term debt, less current installments	130,116	127,322
Designated for capita expenditures	168,191	166,379	Accrued third-party payable, net, less current portion	14,508	16,455
By indenture agreement - held by trustee	19,920	19,753	Estimated malpractice liability	5,636	5,661
			Other Non - Current liabilities	24,837	18,203
	<u>194,307</u>	<u>191,891</u>	<b>Total noncurrent liabilities</b>	<u>175,097</u>	<u>167,642</u>
<b>Less assets whose use is limited and required for current liabilities</b>	<u>(8,159)</u>	<u>(8,067)</u>	<b>Net assets:</b>		
<b>Total assets whose use is limited</b>	<u>186,148</u>	<u>183,824</u>	Unrestricted	505,043	446,264
			Temporarily restricted by donors	2,786	2,735
Due from related parties, non-current	7,007	22,087	<b>Total net assets</b>	<u>507,829</u>	<u>448,999</u>
Due from affiliates, non-current	1,610	1,056			
Other assets, non-current	19,678	628			
Deferred financing costs, net of current portion	2,666	2,860			
Property and equipment, net	257,457	247,008			
<b>Total assets</b>	<u>\$770,422</u>	<u>\$702,193</u>	<b>Total liabilities and net assets</b>	<u>\$770,422</u>	<u>\$702,193</u>
			<u>Total cash &amp; investments :</u>	<u>12/31/10</u>	<u>12/31/09</u>
			Cost	\$360,515	\$337,975
			Market Value	403,459	365,160

ST. FRANCIS HOSPITAL

Comparative Statement of Revenue and Expenses  
(\$ in thousands)

Month of December				
2010			2009	
2010 Actual	2010 Budget	Budget Variances	2009 Actual	Increase/ (Decrease)
\$39,414	\$36,486	\$2,928	\$39,357	\$57
1,147	1,096	51	1,121	26
<u>40,561</u>	<u>37,582</u>	<u>2,979</u>	<u>40,478</u>	<u>83</u>
17,145	15,748	(1,397)	15,214	1,931
7,784	4,139	(3,645)	6,749	1,035
9,748	10,573	825	10,155	(407)
109	700	809	427	(536)
359	1,966	1,607	1,754	(1,395)
573	573	-	800	(227)
1,197	171	(1,026)	393	804
834	1,535	651	1,142	(258)
821	322	(1,143)	(1,274)	453
<u>36,760</u>	<u>35,727</u>	<u>(1,034)</u>	<u>35,360</u>	<u>(400)</u>
3,801	1,855	1,945	5,118	(1,317)
1,980	527	1,453	1,862	98
7,120	-	7,120	(1,993)	9,113
<u>12,901</u>	<u>2,382</u>	<u>10,518</u>	<u>5,007</u>	<u>7,894</u>
15	-	15	-	15
(1,737)	-	(1,737)	(687)	(1,050)
(2,285)	(285)	(2,000)	(5,000)	2,715
1,535	1,148	385	1,018	515
72	204	(132)	35	37
2,199	(512)	2,811	(245)	2,434
(816)	(19)	(797)	(1,094)	278
(475)	(185)	(290)	(1,354)	879
<u>\$11,407</u>	<u>\$2,433</u>	<u>\$8,973</u>	<u>(\$2,310)</u>	<u>\$11,717</u>

For the Twelve Months Ended December 31					
2010			2009		
2010 Actual	2010 Budget	Budget Variances	2009 Actual	Increase/ (Decrease)	
<b>Operating revenue :</b>					
Revenue from patients	\$447,016	\$431,584	\$45,432	\$421,209	\$25,807
Other operating revenue	14,383	12,695	1,688	13,366	1,017
<b>Total operating revenue</b>	<b>461,399</b>	<b>444,279</b>	<b>(17,120)</b>	<b>434,575</b>	<b>26,824</b>
<b>Operating expenses :</b>					
Salaries	184,226	181,727	(2,499)	171,307	12,919
Fringe benefits	50,473	46,459	(4,014)	45,364	5,109
Supplies and other expenses	125,039	127,123	2,084	119,095	5,944
Insurance	7,997	8,486	489	8,395	(398)
Depreciation	71,932	73,142	1,210	21,906	36
Interest	6,960	6,969	9	7,347	(387)
Provision for bad debts	3,226	2,000	(1,226)	1,899	1,417
Finance and technology services	17,766	18,416	651	17,730	36
Allocated from CHSLI	2,719	3,862	1,143	2,033	686
<b>Total operating expenses</b>	<b>420,338</b>	<b>418,185</b>	<b>(2,154)</b>	<b>394,986</b>	<b>25,352</b>
<b>Net operating income</b>	<b>11,061</b>	<b>26,094</b>	<b>14,966</b>	<b>39,589</b>	<b>1,472</b>
<b>Investment income</b>	<b>12,724</b>	<b>6,200</b>	<b>6,524</b>	<b>9,719</b>	<b>3,005</b>
<b>Chge. in net unrealized gains/(loss) on trading invest.</b>	<b>14,784</b>	<b>-</b>	<b>14,784</b>	<b>26,861</b>	<b>(12,077)</b>
<b>Net income</b>	<b>38,569</b>	<b>32,294</b>	<b>36,274</b>	<b>76,169</b>	<b>(7,600)</b>
<b>Add: Net assets released from restrictions for capital expenditures</b>	<b>31</b>	<b>-</b>	<b>31</b>	<b>10</b>	<b>21</b>
<b>Transfer (to)/from &amp; Other Changes :</b>					
<b>Change in Net Assets - Defined Benefits Plan</b>	<b>(1,737)</b>	<b>(1,737)</b>	<b>(687)</b>	<b>(1,050)</b>	
Mercy Medical Center	(5,423)	(3,423)	(2,000)	(5,000)	(423)
Research & Educational Corp.	1,533	1,148	385	1,018	515
St. Francis Hospital Foundation	11,849	2,442	9,407	8,588	3,261
CHS Service, Inc.	(4,533)	(7,343)	2,810	(2,820)	(1,713)
Catholic Health Services of Long Island	(1,004)	(226)	(775)	(1,307)	306
<b>Consolidated performance on affiliated PC's</b>	<b>(10,507)</b>	<b>(9,803)</b>	<b>(1,099)</b>	<b>(9,487)</b>	<b>(1,020)</b>
<b>Increase/(Decrease) in unrestricted net assets</b>	<b>\$58,781</b>	<b>\$15,484</b>	<b>\$43,296</b>	<b>\$66,484</b>	<b>(\$7,703)</b>

## BON SECOURS CHARITY HEALTH SYSTEM, INC.

## Consolidated Balance Sheets

December 31, 2009 and 2008

Assets	2009	2008
Current assets:		
Cash and cash equivalents	\$ 4,888,092	6,550,577
Accounts receivable, net:		
Patient and third-party payors	52,032,875	51,159,178
Others	263,315	810,491
Total accounts receivable, net	52,296,190	51,969,669
Investments	1,401,734	1,053,480
Inventories	6,422,676	7,651,935
Prepaid expenses and other current assets	4,564,427	9,107,662
Total current assets	69,573,119	76,333,323
Assets limited or restricted as to use	22,716,206	21,420,176
Property, plant, and equipment, net	116,018,033	116,784,762
Other assets, net	3,454,939	4,519,845
Total assets	\$ <u>216,762,297</u>	<u>219,058,106</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 5,635,836	5,749,926
Accrued salaries, wages, and benefits	27,258,086	24,586,580
Other accrued expenses	13,964,603	19,476,567
Total current liabilities	46,858,525	49,813,073
Other long-term liabilities	20,781,248	22,058,363
Due to affiliate, net	127,307,950	122,755,682
Total liabilities	194,947,723	194,627,118
Net assets:		
Unrestricted	15,689,702	18,849,754
Temporarily restricted	5,501,425	4,951,787
Permanently restricted	623,447	623,447
Total net assets	21,814,574	24,430,988
Total liabilities and net assets	\$ <u>216,762,297</u>	<u>219,058,106</u>

## BON SECOURS CHARITY HEALTH SYSTEM, INC.

Consolidated Statements of Operations and  
Changes in Net Assets

Years ended December 31, 2009 and 2008

	2009	2008
Revenues:		
Not patient service revenue	\$ 429,229,141	423,558,447
Other revenue	2,050,297	4,953,143
Net assets released from restrictions for operations	169,310	452,992
Total revenues	<u>431,448,748</u>	<u>428,964,582</u>
Expenses:		
Salaries, wages, and benefits	221,829,336	220,093,156
Supplies	62,597,295	63,616,405
Purchased services and other	99,271,192	102,414,706
Provision for bad debts, net	25,335,468	36,198,920
Depreciation and amortization	16,211,208	14,595,093
Interest	10,057,655	10,156,552
Total expenses	<u>435,302,154</u>	<u>447,074,832</u>
Loss from operations	<u>(3,853,406)</u>	<u>(18,110,250)</u>
Nonoperating income (loss), net:		
Investment income (loss)	1,382,608	(1,080,354)
Other gains and losses, net	(149,647)	(575,450)
Nonoperating income (loss), net	<u>1,232,961</u>	<u>(1,655,804)</u>
Deficiency of revenues over expenses	<u>(2,620,445)</u>	<u>(19,766,054)</u>
Other changes in net assets:		
Transfers to affiliate	(100,000)	(250,000)
Net assets released from restrictions for purchase of property, plant, and equipment	317,825	740,874
Grant for capital expenditures	(857,877)	1,730,545
Pension-related changes other than net periodic benefit cost	100,445	(1,131,733)
Transfer of pension obligation to affiliate	—	2,560,257
Decrease in unrestricted net assets	<u>(3,160,052)</u>	<u>(16,016,111)</u>
Temporarily restricted net assets:		
Contributions	1,030,773	1,180,903
Released from restrictions for operations	(169,310)	(452,992)
Released from restrictions for purchase of property, plant, and equipment	(317,825)	(740,874)
Increase (decrease) in temporarily restricted net assets	<u>543,638</u>	<u>(12,963)</u>
Decrease in net assets	<u>(2,616,414)</u>	<u>(16,029,074)</u>
Net assets at beginning of year	<u>24,430,988</u>	<u>40,460,062</u>
Net assets at end of year	<u>\$ 21,814,574</u>	<u>24,430,988</u>



BON SECOURS HEALTH SYSTEM

BFA Attachment B

**BS NY CHARITY HEALTH SYSTEM**

**Consolidated Balance Sheet**

For the Period Ending: December 31, 2010

	Current Month 12/31/2010	Prior Month 11/30/2010	Prior Year 12/31/2009	Audited 08/31/2010
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	\$ 2,778,434	\$ 2,867,115	\$ 5,659,377	\$ 3,261,705
Accounts Receivable, Net:				
Gross Patient & 3rd Party Pay	195,084,903	198,365,760	185,490,786	179,349,425
Allowances	(138,618,838)	(141,457,882)	(133,457,911)	(125,757,146)
Other Pat & 3rd Party Payor	-	-	-	-
Other Net	490,721	159,624	263,316	63,902
<b>Net Accounts Receivable</b>	<b>56,956,986</b>	<b>57,067,501</b>	<b>52,296,190</b>	<b>53,666,181</b>
Investments Limited As to Use	-	-	-	-
Inventories	6,460,181	6,529,991	6,422,075	6,298,053
Assets Held for Sale	-	-	-	-
Assets Held in Trust for Others	25,795	26,153	-	-
Prepaid Expenses	1,968,905	2,326,586	2,269,931	1,996,062
Other Current Assets	197,785	196,315	200,600	196,078
Due From Affiliates	-	-	-	-
<b>Total Current Assets</b>	<b>68,388,087</b>	<b>69,013,661</b>	<b>67,048,773</b>	<b>65,418,110</b>
Inv Ltd to Use, less CP				
Board Designated Funds	17,940,959	17,826,305	18,019,601	18,147,154
Other:				
Self Insurance Funds	244,370	244,370	243,984	244,370
Bond Funds	-	-	-	-
Restricted Funds	4,723,797	4,705,701	4,844,248	5,407,362
Other Funds	-	87,258	-	-
Property Plant & Equip	110,484,810	109,355,861	108,018,333	110,681,082
Due From Affiliates, LT	-	-	-	-
Deferred Fin Costs & Other LT Assets	10,966,661	8,379,182	8,454,338	10,909,773
<b>Total Assets</b>	<b>\$ 212,780,684</b>	<b>\$ 209,594,338</b>	<b>\$ 214,629,577</b>	<b>\$ 210,807,850</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Current portion of LTD	\$ 659,246	\$ 323,034	\$ 247,233	\$ 301,051
Accounts Payable	5,131,597	5,377,733	5,635,905	14,116,019
Accr Salaries, Wages & Benefits	24,741,243	23,114,090	27,268,085	27,322,018
Other Accrued Expenses	17,470,539	15,682,813	13,094,087	12,729,111
Due to Affiliates	87,177	87,177	6,624,392	87,177
<b>Total Current Liabilities</b>	<b>48,289,802</b>	<b>47,584,847</b>	<b>52,859,701</b>	<b>54,557,376</b>
Long Tem Debt, Net CPLTD	82,252,806	81,136,022	81,500,308	81,284,769
Minimum Pension Liability	-	-	-	-
Due to Affiliates, LT	74,950,864	71,305,834	60,829,522	68,283,899
Other I.T.I. & Deferred Credits	14,800,574	16,128,254	19,557,545	16,581,958
<b>Total Liabilities</b>	<b>220,294,047</b>	<b>216,215,007</b>	<b>204,747,076</b>	<b>210,707,999</b>
<b>NET ASSETS:</b>				
Unrestricted - System	(12,757,834)	(11,799,465)	3,976,523	(5,856,663)
Unrestricted - Noncontrolling Interest	-	-	-	-
<b>Total Unrestricted Net Assets</b>	<b>(12,757,834)</b>	<b>(11,799,465)</b>	<b>3,976,523</b>	<b>(5,856,663)</b>
Restricted Net Assets	5,244,471	5,178,796	5,905,930	5,956,515
<b>Total Net Assets</b>	<b>(7,513,363)</b>	<b>(6,620,669)</b>	<b>9,882,502</b>	<b>99,852</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 212,780,684</b>	<b>\$ 209,594,338</b>	<b>\$ 214,629,577</b>	<b>\$ 210,807,851</b>



SONOMA COUNTY HEALTH SYSTEM

SONOMA COUNTY HEALTH SYSTEM  
Total Facility

Statement of Revenue & Expense  
For the Period Ending: December 31, 2010  
Actual to Budget Var with Last Fiscal Year Actual

	MONTH - TO - DATE						
	OCT ACTUAL	NOV ACTUAL	DEC ACTUAL	DEC BUDGET	MTD VAR	MTB VAR %	LY MTD
<b>REVENUE :</b>							
INPATIENT SERVICE REVENUE	\$ 75,472	58,824	70,719	71,432	9,272	11.58%	80,620
OUTPATIENT SERVICE REVENUE	80,277	90,252	93,083	83,222	10,555	12.58%	83,327
GROSS PATIENT SERVICE REVENUE	155,751	149,076	163,802	154,654	18,937	12.24%	163,947
<b>DEDUCTIONS FROM REVENUE :</b>							
LESS: CONTRACTUALS	123,828	118,325	126,854	107,591	(18,663)	(17.56%)	121,182
CHARITY CARE	4,717	5,287	6,129	5,716	(420)	(7.35%)	6,761
OTHER DEDUCTIONS	1,915	2,128	3,841	3,172	(667)	(21.59%)	1,432
TOTAL DEDUCTIONS	129,552	125,740	136,824	116,479	(20,052)	(17.16%)	129,435
NET PATIENT SERVICE REVENUE	26,199	23,336	26,978	37,778	(1,115)	(2.95%)	34,512
OTHER OPERATING REVENUE	250	254	515	330	234	69.27%	(73)
TOTAL OPERATING REVENUE	26,449	23,590	27,493	38,108	(861)	(2.24%)	34,439
<b>OPERATING EXPENSES :</b>							
SALARIES & WAGES	14,427	12,572	14,498	15,091	503	3.35%	14,511
FRINGE BENEFITS	1,975	1,245	1,317	1,898	521	11.26%	3,779
CONTRACTED LABOR	280	975	1,015	1,300	(12)	(1.23%)	1,080
PURCHASED SERVICES	2,500	4,210	1,157	3,716	(481)	(12.95%)	3,721
CORPORATE DUES	859	440	628	-	-	-	534
SUPPLIES	4,792	4,876	4,410	5,090	182	3.59%	5,146
PHYSICIAN FEES	1,160	1,108	1,057	1,167	(203)	(17.29%)	1,484
RENTS, UTILITIES & OTHER	5,136	3,057	3,237	3,102	(199)	(4.37%)	2,996
PROVISION FOR B/D DEBT	1,430	506	1,053	2,018	655	32.96%	(345)
DEPRECIATION	1,253	1,271	1,332	1,588	264	16.88%	1,364
TOTAL OPERATING EXPENSES	36,307	24,422	30,215	38,192	1,265	3.58%	34,910
INCOME FROM OPERATIONS BEFORE INTEREST	(1,162)	(1,718)	482	(22)	484	(2,171.03%)	(411)
INTEREST	629	629	1,180	570	(492)	(73.48%)	802
INCOME FROM OPERATIONS	(2,052)	(2,347)	1,094	(692)	(5)	1.20%	(1,213)
OPERATING GRIDA	(10)	(348)	1,783	1,544	229	14.23%	1,413
<b>NON OPERATING GAINS (LOSSES) :</b>							
MELLON INVESTMENT INCOME	83	12	113	11	102	931.07%	48
INVESTMENT INCOME	16	(60)	57	49	8	15.65%	420
OTHER NON-OPERATING INCOME	177	(47)	572	129	433	312.44%	77
NON OPERATING EXPENSES	249	61	125	-	(190)	-	104
NON OPERATING GAINS/LOSSES	28	(157)	606	109	407	204.83%	391
NET INCOME BEFORE MINORITY INTEREST	(1,904)	(2,504)	1,694	(683)	397	(80.82%)	(822)
MINORITY INTEREST	-	-	-	-	-	-	-
EXCESS / DEFICIT OF REVENUES OVER EXPENSES	\$ (1,994)	(2,538)	(96)	(493)	399	(80.82%)	(822)
<b>FUND BALANCE, ROLL FORWARD (TOTAL FACILITY) :</b>							
UNRESTRICTED NET ASSETS BEGINNING OF PERIOD	\$ (1,287)	(2,387)	(5,159)	-	-	-	(1,287)
EXCESS / DEFICIT OF REVENUES OVER EXPENSES	(1,994)	(2,538)	(96)	-	-	-	(622)
OTHER CHANGES IN UNRESTRICTED NET ASSETS	437	(521)	(604)	-	-	-	(604)
TOTAL CHANGE IN UNRESTRICTED NET ASSETS	(1,857)	(3,446)	(656)	-	-	-	(1,292)
UNRESTRICTED NET ASSETS END OF PERIOD	\$ (2,887)	(5,943)	(5,815)	-	-	-	(2,614)

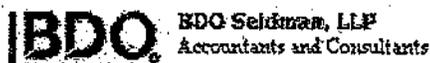
	YEAR - TO - DATE				
	DEC ACTUAL	DEC BUDGET	YTD VAR	YTD VAR %	LY YTD
<b>REVENUE :</b>					
INPATIENT SERVICE REVENUE	295,349	276,351	18,998	6.87%	310,754
OUTPATIENT SERVICE REVENUE	365,528	332,592	32,937	10.00%	329,269
GROSS PATIENT SERVICE REVENUE	660,898	608,953	54,145	8.92%	645,258
<b>DEDUCTIONS FROM REVENUE :</b>					
LESS: CONTRACTUALS	469,344	431,200	(37,144)	(13.22%)	477,423
CHARITY CARE	22,141	23,245	105	0.47%	22,469
OTHER DEDUCTIONS	9,915	5,271	(544)	(5.39%)	5,911
TOTAL DEDUCTIONS	501,400	463,717	(37,684)	(12.42%)	506,723
NET PATIENT SERVICE REVENUE	159,497	143,137	(16,440)	(10.40%)	138,535
OTHER OPERATING REVENUE	1,330	1,527	(197)	(12.92%)	360
TOTAL OPERATING REVENUE	141,027	144,664	(3,637)	(2.51%)	140,355
<b>OPERATING EXPENSES :</b>					
SALARIES & WAGES	56,306	55,290	(1,026)	(1.86%)	57,076
FRINGE BENEFITS	18,820	18,141	1,321	7.28%	15,913
CONTRACTED LABOR	3,936	3,966	32	0.81%	3,605
PURCHASED SERVICES	15,897	14,626	(1,271)	(8.40%)	12,537
CORPORATE DUES	2,637	2,637	-	-	2,636
SUPPLIES	19,491	19,481	(10)	(0.10%)	19,951
PHYSICIAN FEES	4,701	4,630	(71)	(1.54%)	5,017
RENTS, UTILITIES & OTHER	12,219	13,061	842	6.89%	11,356
PROVISION FOR B/D DEBT	5,456	7,856	1,400	17.85%	4,271
DEPRECIATION	5,377	5,599	222	3.97%	5,186
TOTAL OPERATING EXPENSES	143,800	145,284	1,484	1.04%	140,017
INCOME FROM OPERATIONS BEFORE INTEREST	(2,772)	(600)	(2,173)	352.44%	378
INTEREST	3,140	2,680	(460)	(17.18%)	2,194
INCOME FROM OPERATIONS	(5,912)	(3,279)	(2,633)	80.90%	(2,813)
OPERATING GRIDA	2,604	5,000	(2,395)	(47.91%)	6,364
<b>NON OPERATING GAINS (LOSSES) :</b>					
MELLON INVESTMENT INCOME	357	44	(343)	784.55%	215
INVESTMENT INCOME	16	197	(178)	(90.66%)	423
OTHER NON-OPERATING INCOME	716	555	(162)	28.17%	1,384
NON OPERATING EXPENSES	501	(501)	-	-	389
NON OPERATING GAINS/LOSSES	620	796	(175)	(22.02%)	1,641
NET INCOME BEFORE MINORITY INTEREST	(5,292)	(2,483)	(2,809)	113.05%	(1,172)
MINORITY INTEREST	-	-	-	-	-
EXCESS / DEFICIT OF REVENUES OVER EXPENSES	\$ (5,293)	(2,484)	(2,809)	113.05%	(1,172)
<b>FUND BALANCE, ROLL FORWARD (TOTAL FACILITY) :</b>					
UNRESTRICTED NET ASSETS BEGINNING OF PERIOD	\$ (1,287)	(2,387)	(5,159)	-	-
EXCESS / DEFICIT OF REVENUES OVER EXPENSES	(5,293)	(2,484)	(2,809)	-	-
OTHER CHANGES IN UNRESTRICTED NET ASSETS	(1,608)	(521)	(604)	-	-
TOTAL CHANGE IN UNRESTRICTED NET ASSETS	(6,901)	(3,401)	(3,500)	-	-
UNRESTRICTED NET ASSETS END OF PERIOD	\$ (8,901)	(5,901)	(3,000)	-	-

31A Attachment B (cont.)

# Brookhaven Memorial Hospital Medical Center

## Balance Sheets

<i>December 31,</i>	2009	2008
<b>Assets</b>		
<b>Current:</b>		
Cash and cash equivalents	\$ 18,988,395	\$ 15,846,497
Accounts receivable, less allowance for uncollectible accounts of \$25,723,000 in 2009 and \$20,577,000 in 2008	35,676,183	37,053,921
Other receivables	8,112,735	9,104,379
Inventories	3,960,102	3,462,936
Assets limited or restricted as to use, current portion	779,422	651,528
Prepaid expenses and other current assets	1,909,962	1,756,981
<b>Total current assets</b>	<b>69,426,799</b>	<b>67,876,242</b>
Assets limited or restricted as to use, net of current portion	3,167,789	4,393,446
<b>Property, plant and equipment, net</b>	<b>66,342,492</b>	<b>63,975,179</b>
Intangible assets, net	199,999	216,667
Interest in unrestricted net assets of BMH Foundation	7,126,262	5,639,825
Interest in temporarily restricted net assets of BMH Foundation	20,202,070	20,041,276
Deferred financing fees, net	673,380	683,733
Deferred asset-bestos abatement, net	193,653	205,044
Long-term receivable	-	143,123
	<b>\$167,332,444</b>	<b>\$163,174,535</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 27,982,291	\$ 30,405,418
Accrued salaries and benefits	13,767,618	14,002,493
Current portion of bonds payable	525,000	500,000
Current portion of notes payable	3,141,849	3,287,583
Current installments of obligations under capital equipment leases	2,795,361	2,844,919
Revolving loan payable	-	8,567,060
Current portion of accrued pension costs	10,144,115	7,912,882
Current portion of estimated malpractice liability	2,850,000	2,562,500
Current portion of interest rate swap	661,120	632,116
Current portion of settlement with U.S. Department of Justice	294,263	-
Due to third-party payors, net	2,250,182	229,354
<b>Total current liabilities</b>	<b>64,411,799</b>	<b>70,944,325</b>
Bonds payable, net of discount and current portion	18,500,000	19,025,000
Notes payable, net of current portion	1,715,265	1,486,220
Revolving loan payable, net of current portion	8,567,060	-
Obligations under capital leases, net of current portion	2,932,322	5,727,683
Accrued pension costs, net of current portion	17,207,256	28,025,655
Estimated malpractice liability, net of current portion	20,670,001	17,673,970
Settlement with U.S. Department of Justice	2,623,689	-
Other liabilities	2,486,516	4,975,447
<b>Total liabilities</b>	<b>139,113,908</b>	<b>147,858,300</b>
<b>Commitments and contingencies</b>		
<b>Net assets:</b>		
Unrestricted	4,069,256	(8,379,888)
Temporarily restricted	20,955,936	20,843,141
Permanently restricted	3,193,344	2,852,982
<b>Total net assets</b>	<b>28,218,536</b>	<b>15,316,235</b>
	<b>\$167,332,444</b>	<b>\$163,174,535</b>



BDO Seidman, LLP  
Accountants and Consultants

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## Independent Auditors' Report

The Board of Directors  
Brookhaven Memorial Hospital Medical Center  
Patchogue, New York

We have audited the accompanying balance sheets of Brookhaven Memorial Hospital Medical Center (the "Hospital") as of December 31, 2009 and 2008, and the related statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brookhaven Memorial Hospital Medical Center as of December 31, 2009 and 2008, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*BDO Seidman, LLP*

March 23, 2010

## Brookhaven Memorial Hospital Medical Center

### Statements of Operations (Unrestricted)

<i>Year ended December 31,</i>	2009	2008
<b>Unrestricted revenues, gains and other support:</b>		
Net patient service revenue	\$282,256,319	\$272,507,062
Other revenue	17,838,080	18,458,765
Medicare settlement with U.S. Department of Justice	(2,917,952)	-
Net assets released from restrictions for operations	810,817	1,463,062
Investment income, net	251,007	274,078
<b>Total unrestricted revenues, gains and other support</b>	<b>298,238,271</b>	<b>292,702,967</b>
<b>Expenses:</b>		
Salaries and fees	171,004,025	159,955,005
Supplies and other	71,408,884	71,338,284
Insurance	9,342,900	8,168,152
Depreciation, amortization and rent	10,040,318	9,748,847
Interest	1,863,422	2,025,729
Provision for uncollectibles, net	34,258,956	38,510,861
Provision for non-patient uncollectibles	2,934,250	2,679,511
<b>Total expenses</b>	<b>300,852,755</b>	<b>292,426,389</b>
(Deficiency) excess of unrestricted revenues, gains and other support over expenses before change in valuation of interest rate swap agreement	(2,614,484)	276,578
<b>Change in valuation of interest rate swap agreement</b>	<b>2,401,377</b>	<b>(3,262,217)</b>
<b>Deficiency of unrestricted revenues, gains and other support over expenses</b>	<b>(213,107)</b>	<b>(2,985,639)</b>
<b>Other changes:</b>		
Change in minimum pension liability	10,810,769	(23,549,448)
Change in unrestricted net assets of BMH Foundation	1,486,437	(1,099,719)
Grants for capital expenditures	353,692	550,000
Net assets released from restrictions for capital expenditures	11,353	335,115
<b>Increase (decrease) in unrestricted net assets</b>	<b>\$ 12,449,144</b>	<b>\$ (26,749,691)</b>

BROOKHAVEN MEMORIAL HOSPITAL MEDICAL CENTER  
BALANCE SHEET

	<u>DECEMBER 31,</u>	<u>DECEMBER 31,</u>		<u>DECEMBER 31,</u>	<u>DECEMBER 31,</u>
	<u>2010</u>	<u>2009</u>		<u>2010</u>	<u>2009</u>
<u>Current Assets</u>			<u>Current Liabilities</u>		
Cash & Cash Equivalents	\$ 14,637,555	\$ 18,988,393	A/P & Accrued Expenses	\$ 28,311,667	\$ 27,982,292
Accounts Receivable (net)	34,712,278	35,676,183	Accrued Salaries & Payroll Taxes	5,784,494	4,853,066
Health Center Receivable	2,635,980	3,699,646	Accrued Benefits Payable	8,253,552	8,846,801
Due from Physicians Practices (Note 8)	425,765	290,775	Sick Pay Bonus Accrual	9,938	9,854
Other Receivables	4,262,177	4,122,315	Self Insured Health Benefit Reserve	48,523	57,897
Due from Third Parties (Note 1)	1,448,353	-	Due To Third Parties (Note 1)	-	2,250,182
Inventories	3,561,663	3,960,102	Current Portion of Est. Malpractice Liability (Note 2)	2,000,000	2,850,000
Prepaid Expenses & Deposits	1,730,917	1,909,962	Current Installment-Capital Leases (Note 3)	2,236,228	2,795,361
Current Portion by Donors for Specific Purposes	<u>778,466</u>	<u>779,422</u>	Current Installment-Loans (Note 4)	2,860,822	3,141,848
<b>Total Current Assets</b>	<u><b>64,193,154</b></u>	<u><b>69,426,798</b></u>	Current Installment-Bonds (Note 6)	555,000	525,000
			Current Portion Pension-Defined Contribution	6,210,386	6,921,115
			Current Portion Pension-Defined Benefit	3,533,812	3,223,000
			Current Portion Valuation of Swap	663,855	661,120
<u>Assets Whose Use is Limited or Restricted</u>			Amounts Due to U.S. Department of Justice (Note 10)	<u>302,814</u>	<u>294,262</u>
By Donors for Specific Purposes	668,011	542,443	<b>Total Current Liabilities</b>	<u><b>60,771,091</b></u>	<u><b>64,411,798</b></u>
By Donor for use in future periods -unconditional promise to give	<u>2,870,155</u>	<u>2,625,346</u>	<u>Long-Term Liabilities</u>		
<b>Total Assets Whose Use is Limited or Restricted</b>	<u><b>3,538,166</b></u>	<u><b>3,167,789</b></u>	Asbestos Abatement	1,476,284	1,449,023
			Estimated Malpractice Liability (Note 2)	23,550,374	20,670,001
<u>Intangible Assets</u>	<u>183,331</u>	<u>199,999</u>	Capital Lease Obligations (Note 3)	696,094	2,932,322
Issuance Costs - Long Term Debt	<u>598,289</u>	<u>673,380</u>	Leases (Note 4)	1,050,216	1,715,265
Deferred Asset - Asbestos Abatement	<u>182,262</u>	<u>193,653</u>	TD Bank Loan (Note 5)	8,567,060	8,567,060
			Bonds (Net of Discount) (Note 6)	17,945,000	18,500,000
			Pension-Defined Benefit	6,318,025	17,207,256
			Valuation of Swap	1,702,458	1,037,547
			Amounts Due to U.S. Department of Justice (Note 10)	<u>2,320,875</u>	<u>2,623,690</u>
			<b>Total Long-Term Liabilities</b>	<u><b>63,626,386</b></u>	<u><b>74,702,164</b></u>
<u>Net Assets of BMH Foundation</u>			<u>Net Assets</u>		
Temporarily Restricted	19,309,484	20,202,070	Unrestricted	16,521,873	4,069,199
Unrestricted	<u>10,247,332</u>	<u>7,126,262</u>	Temporarily Restricted by Donors	20,204,061	20,955,937
<b>Total Net Assets of BMH Foundation</b>	<u><b>29,556,816</b></u>	<u><b>27,328,332</b></u>	Permanently Restricted by Donors	<u>3,422,055</u>	<u>3,193,344</u>
Property, Plant & Equip. (Note 7)	<u>66,293,448</u>	<u>66,342,491</u>	<b>Total Net Assets</b>	<u><b>40,147,989</b></u>	<u><b>28,218,480</b></u>
<b>TOTAL ASSETS</b>	<u><b>\$ 164,545,466</b></u>	<u><b>\$ 167,332,442</b></u>	<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u><b>\$ 164,545,466</b></u>	<u><b>\$ 167,332,442</b></u>

BIA Attachment B

BROOKHAVEN MEMORIAL HOSPITAL MEDICAL CENTER  
STATEMENT OF OPERATIONS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31ST

	<u>YEAR-TO-DATE</u>		
	<u>2010</u>	<u>REVISED BUDGET</u>	<u>2009</u>
<b><u>OPERATING REVENUE</u></b>			
Inpatient Revenue net of Allowances, Bad Debt and Charity Care	\$ 161,754,057	\$ 164,205,366	\$ 151,237,432
Outpatient Revenue net of Allowances, Bad Debt and Charity Care	86,201,855	84,900,325	88,241,917
Prior Year Appeal	-	-	982,264
Medicare Settlement with U.S. Department of Justice	-	-	(2,917,952)
Gross Receipts Tax	(831,402)	(1,650,302)	(618,410)
<b>Net Patient Revenue</b>	<b>\$ 247,124,520</b>	<b>\$ 247,455,389</b>	<b>\$ 236,925,251</b>
Professional Component Revenue	6,033,386	5,009,489	6,154,101
<b>Total Patient Revenue</b>	<b>\$ 253,157,906</b>	<b>\$ 252,464,878</b>	<b>\$ 243,079,352</b>
Health Center Revenue	13,517,846	14,293,304	14,690,330
Other Operating Revenue	4,242,770	3,653,337	3,857,759
Contribution Revenue	110,564	364	110,809
Investment Income	227,465	249,433	251,007
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 271,326,751</b>	<b>\$ 270,862,196</b>	<b>\$ 263,979,317</b>
<b><u>OPERATING EXPENSES</u></b>			
Salaries	\$ 117,234,474	\$ 117,064,764	\$ 117,359,477
Employee Benefits	41,047,982	41,509,735	39,631,615
MTA Tax	399,245	408,191	381,040
Medical & Surgical Supplies	29,352,572	28,995,350	28,554,155
Professional Fees	13,907,331	11,289,238	12,355,753
Purchased Services	19,695,428	17,500,331	17,858,415
Telephone & Utilities	3,675,938	4,018,012	3,558,091
Other Supplies & Expenses	11,631,744	12,538,380	11,271,654
Insurance	7,793,554	9,843,766	9,311,081
Interest	1,796,799	1,930,358	1,863,421
Depreciation, Amortization & Rent	10,929,923	11,726,449	10,040,318
Health Center Expenses	13,300,331	13,937,505	14,408,779
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 270,675,321</b>	<b>\$ 270,851,377</b>	<b>\$ 266,593,799</b>
<b>EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE VALUATION SWAP</b>	<b>\$ 651,430</b>	<b>\$ 10,619</b>	<b>\$ (2,614,482)</b>
Change in Valuation Swap	(667,646)	-	2,401,377
<b>EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES AFTER VALUATION SWAP</b>	<b>\$ (16,216)</b>	<b>\$ 10,619</b>	<b>\$ (213,105)</b>
<b><u>OTHER CHANGES</u></b>			
Change in Unrestricted Net Assets			
BMH Foundation	\$ 3,121,070	-	\$ 1,486,437
Minimum Pension Liability	9,030,884	-	10,810,769
Net Assets Released From Restriction For			
Capital Expenditures	52,342	-	11,353
Capital Grant	353,737	-	353,692
Interest Expense Medicare Settlement with U.S. Department of Justice	(89,242)	-	-
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<b>\$ 12,452,675</b>	<b>\$ 10,619</b>	<b>\$ 12,449,146</b>

BFA Attachment B (cont.)

## GLEN FALLS HOSPITAL

## Balance Sheets

December 31, 2009 and 2008

Assets	2009	2008
Current assets:		
Cash and cash equivalents	\$ 16,398,561	1,204,068
Short-term investments	7,630,604	356,401
Patient accounts receivable, less estimated uncollectibles of \$12,607,000 and \$12,540,000 in 2009 and 2008, respectively	28,236,987	59,662,572
Other receivables	1,482,439	1,618,620
Inventories	1,550,093	1,546,273
Prepaid expenses and other current assets	1,137,453	642,402
Total current assets	<u>57,636,237</u>	<u>67,970,336</u>
Assets whose use is limited:		
By board resolution	36,600,127	31,886,621
By contracts for deferred compensation	4,506,012	3,453,061
By professional liability trust agreement	906,920	1,937,277
By bond indentures	4,689,070	4,160,412
By design and grant restrictions	1,247,208	1,684,736
	<u>50,819,337</u>	<u>42,719,377</u>
Interest in net assets of Glens Falls Hospital Foundation	1,681,744	1,898,523
Other assets	928,170	1,167,816
Deferred financing expenses, net of accumulated amortization	7,267,176	7,548,995
Property and equipment, less accumulated depreciation and amortization	96,650,982	102,238,160
Total assets	<u>\$ 215,580,946</u>	<u>207,417,705</u>

## EFA Attachment A (cont.)

<b>Liabilities and Net Assets</b>	<b>2009</b>	<b>2008</b>
Current liabilities:		
Accounts payable and accrued expenses	\$ 24,753,815	23,707,245
Accrued salaries, wages, and related items	11,464,115	13,114,255
Estimated third-party settlements	5,976,000	3,032,000
Current portion of long-term debt	3,337,212	3,641,315
Total current liabilities	<u>45,531,142</u>	<u>43,294,855</u>
Other long-term liabilities:		
Deferred compensation payable	3,671,700	2,453,061
Self-insured liability reserve	4,291,000	4,464,000
Accrued benefit obligations	872,856	933,811
Estimated third-party settlements	1,000,000	1,000,000
Asset retirement obligations	500,000	608,000
	<u>10,425,556</u>	<u>9,458,872</u>
Long-term debt, net of current portion	<u>72,245,726</u>	<u>75,497,630</u>
Net assets:		
Unrestricted	82,552,570	75,588,099
Temporarily restricted	3,128,280	2,076,537
Permanently restricted	1,506,672	1,506,672
	<u>87,187,522</u>	<u>79,171,358</u>
Total liabilities and net assets	<u>\$ 215,359,946</u>	<u>207,417,705</u>

**GLENS FALLS HOSPITAL**

Statements of Operations and Changes in Net Assets

Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenue, gains, and other support:		
Net patient service revenue	\$ 269,720,523	254,372,992
Other operating revenue	15,328,759	17,504,545
Net assets released from restrictions	290,126	285,684
Total revenue, gains, and other support:	<u>285,339,413</u>	<u>272,264,221</u>
Expenses:		
Salaries and wages	126,773,454	128,888,391
Employee benefits	29,153,984	27,492,565
Pharmaceuticals	24,307,890	22,928,389
Medical supplies	15,494,455	15,357,734
Supplies and other	53,321,350	50,345,101
Depreciation and amortization	11,762,885	12,512,818
Provision for bad debts	21,623,321	15,834,872
Interest	3,928,088	4,255,532
New York State assessment	733,642	—
Total expenses	<u>287,099,069</u>	<u>277,915,382</u>
Operating loss	<u>(1,759,656)</u>	<u>(5,651,161)</u>
Nonoperating gains (losses):		
Net investment income (loss)	7,032,291	(10,312,785)
Gain on disposal of assets	19,521	49,073
Total nonoperating revenue (expense), net	<u>7,051,812</u>	<u>(10,263,712)</u>
Excess (deficiency) of revenue over expenses	<u>5,292,156</u>	<u>(15,914,873)</u>

SEA Attachment B

GLENS FALLS HOSPITAL

Balance Sheet

December 31, 2019

\$000's

	Line	December 31 2019 (Unaudited)	December 31 2019 (Audited)	December 31 2018 (Audited)
	No.			
<b>Assets</b>				
<u>Current assets:</u>				
Cash and cash equivalents	1	\$6,081	\$16,899	\$9,294
Short-term investment	2	15,925	7,630	350
Accounts receivable:				
Patient care	3	38,143	40,944	52,163
Less estimate of uncollectibles	4	(8,695)	(12,607)	(12,640)
Other receivables	5	1,108	1,482	1,519
	6	30,556	29,819	41,682
Inventories	7	1,534	1,550	1,546
Prepaid expenses	8	1,156	1,135	502
<b>Total current assets</b>	9	<b>55,562</b>	<b>57,636</b>	<b>51,914</b>
<u>Assets whose use is limited:</u>				
By board resolution	10	43,613	38,690	31,884
By contracts for deferred compensation	11	5,255	4,566	2,453
By professional liability trust agreement	12	1,722	927	937
By temporarily restricted assets	13	616	441	178
By permanently restricted assets	14	1,507	1,507	1,507
By bond indenture	15	8,502	4,589	8,761
	16	61,223	50,820	42,720
Interest in net assets of Glens Falls Hospital Foundation	17	2,315	2,687	1,898
Other assets	18	1,214	928	1,104
Deferred financing expenses, net of accumulated amortization	19	6,988	7,768	3,347
Property & equipment, less accumulated depreciation/amort.	20	91,552	96,651	102,315
<b>Total assets</b>	21	<b>\$218,844</b>	<b>\$215,390</b>	<b>\$222,419</b>
<b>Liabilities and Net Assets</b>				
<u>Current liabilities:</u>				
Note payable to bank	22	\$0	\$0	\$0
Accounts payable	23	13,402	21,819	20,684
Accrued expenses	24	2,307	2,935	3,016
Accrued salaries, wages, and related items	25	4,638	4,805	6,777
Accrued vacation	26	7,364	6,659	6,333
Estimated third-party settlements	27	7,754	5,976	3,031
Current portion of long-term debt	28	3,193	3,332	2,441
<b>Total current liabilities</b>	29	<b>36,458</b>	<b>45,531</b>	<b>43,292</b>
<u>Other long-term liabilities:</u>				
Accrued benefit obligations	30	751	873	934
Deferred compensation payable	31	4,240	3,672	2,453
Self-insured liability reserves	32	5,398	4,291	4,464
Asset retirement obligation	33	590	590	608
Estimated third-party settlements	34	1,000	1,000	1,000
	35	11,979	10,426	6,459
Long-term debt, net of current portion	36	69,081	72,246	75,495
<u>Net assets:</u>				
Unrestricted	37	94,688	82,553	75,568
Temporarily restricted	38	2,931	3,128	1,075
Permanently restricted	39	1,507	1,507	1,502
<b>Total net assets</b>	40	<b>99,126</b>	<b>\$7,187</b>	<b>79,170</b>
<b>Total liabilities and net assets</b>	41	<b>\$218,844</b>	<b>\$215,390</b>	<b>\$202,418</b>

BFA Attachment B (cont.)

GLENS FALLS HOSPITAL

Statements of Operations and Changes in Net Assets

December 31, 2010

\$000's

<u>Current Month</u>					<u>Year to Date</u>		
2010	2010	2009	Line		2010	2010	2009
<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>No.</u>		<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<u>Revenue, gains and other support:</u>							
\$9,505	\$0,954	\$9,308	1	Net inpatient service revenue	\$122,747	\$121,800	\$113,071
<u>13,993</u>	<u>12,420</u>	<u>10,354</u>	2	Net outpatient service revenue	<u>158,169</u>	<u>161,311</u>	<u>151,651</u>
22,598	22,574	20,722	3	Total net patient service revenue	280,916	283,576	269,722
1,623	966	1,468	4	Other operating revenue	13,720	13,072	15,329
59	3	22	5	Net assets released from restrictions	<u>260</u>	<u>370</u>	<u>229</u>
24,280	23,571	21,717	6	Total revenue, gains, and other support	294,896	297,018	283,341
<u>Expenses:</u>							
11,521	11,330	10,390	7	Salaries and wages	133,260	134,131	126,773
3,232	2,601	2,923	8	Employee benefits	33,016	31,412	29,104
6,800	5,539	6,417	9	Supplies and other	72,839	68,001	68,816
2,331	2,102	1,899	10	Pharmaceuticals	26,289	25,834	24,508
865	1,098	768	11	Depreciation and amortization	12,711	13,177	11,763
(263)	1,231	1,345	12	Provision for bad debts	8,958	15,836	19,624
280	308	361	13	Interest	3,653	3,814	3,928
85	120	85	14	Net S. Assessment	<u>956</u>	<u>2,163</u>	<u>738</u>
24,851	24,381	24,036	15	Total expenses	291,712	294,378	283,101
(571)	(810)	(3,271)	16	Operating margin	3,184	2,940	(1,760)
<u>Nonoperating gains (losses):</u>							
1,042	36	124	17	Investment income	1,204	310	798
0	2	8	18	Gain (loss) on disposal of assets	<u>111</u>	<u>23</u>	<u>20</u>
1,042	28	132	19	Total nonoperating revenue (expense), net	1,315	333	818
<u>5471</u>	<u>(782)</u>	<u>(2,829)</u>	20	Excess (deficiency) of revenue over expenses	<u>\$4,499</u>	<u>3,273</u>	<u>(942)</u>

## NORTHERN WESTCHESTER HOSPITAL ASSOCIATION AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2009 AND 2008

	2009	2008
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,841,136	\$ 793,067
Patient accounts receivable --- less estimated uncollectibles of \$3,107,000 and \$2,742,000 in 2009 and 2008, respectively	20,835,782	19,458,391
Other receivables	2,102,601	2,179,082
Inventory	2,915,840	3,029,989
Prepaid expenses	1,439,442	2,090,062
Current portion of assets whose use is limited	<u>4,726,000</u>	<u>1,975,000</u>
Total current assets	33,860,801	29,525,591
ASSETS WHOSE USE IS LIMITED --- Net of current portion	48,443,445	32,349,162
PROPERTY, PLANT, AND EQUIPMENT --- Net	102,768,037	96,166,947
INTANGIBLE --- Net	964,429	1,046,929
DEFERRED FINANCING COSTS --- Net	1,805,978	976,116
OTHER ASSETS	<u>610,702</u>	<u>1,141,304</u>
<b>TOTAL</b>	<u><b>\$ 188,453,392</b></u>	<u><b>\$ 161,206,049</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 31,541,014	\$ 23,881,872
Accrued salaries and other related benefits	5,632,490	5,020,112
Due to third-party payors	2,553,622	2,732,500
Current portion of long-term debt	4,140,676	715,676
Current portion of estimated liability for self-insurance	<u>1,566,000</u>	<u>1,340,000</u>
Total current liabilities	45,433,802	33,690,160
LONG-TERM DEBT --- Net of current portion	28,019,333	15,153,286
ESTIMATED LIABILITY FOR SELF-INSURANCE	10,837,299	13,662,145
ACCRUED PENSION LIABILITY	15,338,148	19,379,848
OTHER LIABILITIES	<u>1,366,100</u>	<u>640,500</u>
Total liabilities	<u>100,994,682</u>	<u>82,525,939</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 12)</b>		
<b>NET ASSETS:</b>		
Unrestricted	62,525,550	48,175,119
Temporarily restricted	17,689,290	23,223,970
Permanently restricted	<u>7,243,870</u>	<u>7,181,021</u>
Total net assets	<u>87,458,710</u>	<u>78,680,110</u>
<b>TOTAL</b>	<u><b>\$ 188,453,392</b></u>	<u><b>\$ 161,206,049</b></u>

See notes to consolidated financial statements.

**NORTHERN WESTCHESTER HOSPITAL ASSOCIATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
<b>REVENUES:</b>		
Net patient service revenue	\$ 191,838,112	\$ 177,869,015
Other operating revenue	5,300,332	4,618,566
Net assets released from restrictions — operations	<u>573,127</u>	<u>647,715</u>
Total revenues	<u>197,711,571</u>	<u>183,135,296</u>
<b>EXPENSES:</b>		
Salaries	74,046,875	70,876,791
Employee benefits	19,071,489	20,228,003
Supplies and other	82,408,719	74,240,906
Depreciation and amortization	10,824,164	9,880,145
Provision for bad debts	3,965,005	3,500,000
Interest	<u>612,258</u>	<u>443,726</u>
Total expenses	<u>190,928,510</u>	<u>179,169,571</u>
<b>INCOME FROM OPERATIONS</b>	<u>6,783,061</u>	<u>3,965,725</u>
<b>NONOPERATING ITEMS:</b>		
Unrestricted contributions and legacies	1,744,324	773,418
Equity earnings (losses) on limited liability partnerships and corporations and other investment income — net	6,393	(2,580,499)
Nonoperating expenses	<u>(1,054,042)</u>	<u>(1,467,880)</u>
Total nonoperating items	<u>696,675</u>	<u>(3,274,961)</u>
<b>EXCESS OF REVENUES AND NONOPERATING ITEMS OVER EXPENSES</b>	<u>7,479,736</u>	<u>690,764</u>
<b>OTHER CHANGES IN UNRESTRICTED NET ASSETS:</b>		
Net assets released from restrictions for capital purposes	8,399,656	2,852,859
Transfers	(1,313)	-
Pension-related adjustments	<u>(1,527,648)</u>	<u>(11,689,769)</u>
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<u>\$ 14,350,431</u>	<u>\$ (8,146,146)</u>

See notes to consolidated financial statements.

**Northern Westchester Hospital**  
**Balance Sheet**  
**December 31, 2010**

<u>ASSETS</u>	<u>Current Month</u>	<u>December 2009</u>	<u>Change</u>
<b>Current Assets:</b>			
Cash and cash equivalents	4,830,053	2,379,047	2,451,006
Patient accounts receivable (net)	22,622,324	18,642,782	3,979,542
Other receivables	4,304,829	4,275,982	28,847
Inventories	3,357,261	2,915,840	441,421
Prepaid expenses	1,145,568	1,380,575	(235,007)
<b>Total current assets</b>	<b><u>36,260,036</u></b>	<b><u>29,594,226</u></b>	<b><u>6,665,810</u></b>
<b>Assets Whose Use is Limited:</b>			
Permanently Restricted Assets	909,625	909,625	-
Malpractice Trust Funds	8,291,303	8,216,848	74,455
Construction Funds	6,125,454	16,147,849	(10,022,395)
Workers Compensation/Flex Spending Accounts	150,000	150,000	-
Pension	719,564	616,353	103,211
<b>Total assets whose use is limited</b>	<b><u>16,195,946</u></b>	<b><u>26,040,675</u></b>	<b><u>(9,844,729)</u></b>
<b>Property, Plant, and Equipment</b>	<b>275,174,221</b>	<b>242,067,023</b>	<b>33,107,198</b>
Less accumulated depreciation	<u>(155,616,029)</u>	<u>(145,426,855)</u>	<u>(10,189,174)</u>
	<b><u>119,558,192</u></b>	<b><u>96,640,168</u></b>	<b><u>22,918,024</u></b>
<b>Investment in Group Practice</b>	<b><u>881,929</u></b>	<b><u>964,429</u></b>	<b><u>(82,500)</u></b>
<b>Other Assets</b>	<b><u>7,924,098</u></b>	<b><u>5,405,551</u></b>	<b><u>2,518,547</u></b>
<b>Total Assets</b>	<b><u>\$ 180,820,200</u></b>	<b><u>\$ 158,645,049</u></b>	<b><u>\$ 22,175,150</u></b>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 18,284,812	\$ 16,696,681	\$ 1,588,131
Accrued salaries	6,642,869	5,632,490	1,010,379
Accrued expenses and other liabilities	6,821,107	11,065,180	(4,244,073)
Current installments - bonds	1,230,000	660,000	570,000
Due to third-party payors	3,948,415	2,553,622	1,394,793
<b>Total current liabilities</b>	<b><u>36,927,203</u></b>	<b><u>36,607,973</u></b>	<b><u>319,230</u></b>
<b>Long-Term Debt:</b>			
Bonds payable	28,720,000	29,950,000	(1,230,000)
Capital leases payable	3,911,351	-	3,911,351
<b>Total long-term debt</b>	<b><u>32,631,351</u></b>	<b><u>29,950,000</u></b>	<b><u>2,681,351</u></b>
<b>Estimated Liability for Malpractice</b>	<b><u>9,981,592</u></b>	<b><u>10,375,299</u></b>	<b><u>(393,707)</u></b>
<b>Estimated Liability Workers' Compensation</b>	<b><u>2,366,000</u></b>	<b><u>2,028,000</u></b>	<b><u>338,000</u></b>
<b>Pension and Other Long-Term Liabilities</b>	<b><u>20,609,051</u></b>	<b><u>16,074,248</u></b>	<b><u>4,534,803</u></b>
<b>Net Assets:</b>			
Unrestricted	76,723,836	61,066,514	15,657,322
Temporarily restricted	671,542	1,633,387	(961,845)
Permanently restricted	909,625	909,625	-
<b>Total net assets</b>	<b><u>78,305,004</u></b>	<b><u>63,609,526</u></b>	<b><u>14,695,478</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 180,820,200</u></b>	<b><u>\$ 158,645,049</u></b>	<b><u>\$ 22,175,150</u></b>

**Northern Westchester Hospital**  
**Statements of Operations**  
**December 31, 2010**

	<u>Year-to-Date</u>		<u>Variance</u>	<u>2009</u>
	<u>Actual</u>	<u>Budget</u>		
<b>Revenue:</b>				
Net Revenue - Acute Inpatients	\$ 96,679,191	\$ 94,175,000	\$ 2,504,191	\$ 89,006,093
Net Revenue - Behavioral Health	4,415,771	3,876,000	539,771	3,523,264
Net Revenue - Outpatients	<u>103,042,019</u>	<u>107,080,000</u>	<u>(4,037,981)</u>	<u>99,308,755</u>
<b>Total net patient service revenue</b>	<b><u>204,136,980</u></b>	<b><u>205,131,000</u></b>	<b><u>(994,020)</u></b>	<b><u>191,838,112</u></b>
Other - operating revenue	3,259,267	2,975,000	284,267	2,723,981
Net assets released from restriction	<u>767,100</u>	<u>600,000</u>	<u>167,100</u>	<u>573,128</u>
	<u>4,026,367</u>	<u>3,575,000</u>	<u>451,367</u>	<u>3,297,109</u>
<b>Total Revenue</b>	<b><u>208,163,348</u></b>	<b><u>208,706,000</u></b>	<b><u>(542,652)</u></b>	<b><u>195,135,221</u></b>
<b>Expenses:</b>				
Salaries	80,974,381	80,689,000	(285,381)	74,046,875
Supplies and expenses	60,071,682	60,855,000	783,318	57,011,511
Restricted Expenses	767,100	600,000	(167,100)	573,128
Utilities	3,530,316	4,263,000	732,684	4,594,942
Professional fees	17,257,909	17,419,000	161,091	17,618,757
Employee benefits	22,293,507	21,924,000	(369,507)	19,071,489
Depreciation	10,333,174	10,412,000	78,826	10,367,869
Interest	538,487	600,000	61,513	559,974
Provision for bad debts	<u>3,847,580</u>	<u>4,000,000</u>	<u>152,420</u>	<u>3,965,005</u>
<b>Total Expenses</b>	<b><u>199,614,136</u></b>	<b><u>200,762,000</u></b>	<b><u>1,147,864</u></b>	<b><u>187,809,550</u></b>
<b>Operating Income/(Loss)</b>	<b><u>8,549,212</u></b>	<b><u>7,944,000</u></b>	<b><u>605,212</u></b>	<b><u>7,325,671</u></b>
<b>Non-Operating Gains (net):</b>				
Legacies and Contributions	201,388	-	201,388	1,109,055
Income from investments	14,122	-	14,122	21,315
Other Non Operating	21,559	-	21,559	-
Investment gain/(loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,754</u>
<b>Total Non-Operating Gains</b>	<b><u>237,069</u></b>	<b><u>-</u></b>	<b><u>237,069</u></b>	<b><u>1,170,124</u></b>
<b>Excess/(Deficiency) of Revenue Over Expenses</b>	<b><u>\$ 8,786,281</u></b>	<b><u>\$ 7,944,000</u></b>	<b><u>\$ 842,281</u></b>	<b><u>\$ 8,495,795</u></b>

## WHITE PLAINS HOSPITAL CENTER AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2009 AND 2008

	2009	2008
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 6,026,085	\$ 1,315,148
Assets limited or restricted as to use — current portion	11,949,861	9,260,926
Patient accounts receivable — less estimated uncollectibles of \$29,042,000 and \$28,533,000, respectively	29,836,479	36,467,035
Pledges receivable — current portion	2,363,944	6,270,771
Other receivables	1,157,116	1,263,487
Inventory	4,291,298	3,652,471
Prepaid expenses	1,814,975	1,825,606
Total current assets	57,439,758	60,055,444
DEFERRED COMPENSATION ASSETS	1,760,796	1,366,989
PLEDGES RECEIVABLE	810,000	1,867,796
ASSETS LIMITED OR RESTRICTED AS TO USE	15,819,001	17,562,709
PROPERTY, PLANT, AND EQUIPMENT — Net	127,817,799	121,107,867
DEFERRED FINANCING COSTS — Net	561,149	603,934
<b>TOTAL</b>	<b>\$ 204,208,503</b>	<b>\$ 202,564,739</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 23,439,809	\$ 24,463,433
Accrued salaries and vacation benefits	12,682,873	10,868,315
Current portion of long-term debt	3,982,548	4,582,832
Note payable	1,400,000	5,400,000
Accrued retirement contribution payable	5,550,000	5,312,000
Due to third-party payors	5,488,375	1,403,636
Other current liabilities	3,857,051	2,305,547
Total current liabilities	56,400,656	54,335,763
ACCRUED PENSION LIABILITY	26,247,595	34,022,741
ESTIMATED LIABILITY FOR MALPRACTICE CLAIMS	1,100,000	1,100,000
LONG-TERM DEBT — Net of current portion	37,609,057	39,141,104
OTHER NONCURRENT LIABILITIES	3,433,235	3,310,381
Total liabilities	124,790,543	131,909,989
COMMITMENTS AND CONTINGENCIES (Note 14)		
<b>NET ASSETS:</b>		
Unrestricted	70,621,433	54,119,343
Temporarily restricted	6,731,733	14,470,613
Permanently restricted	2,064,794	2,064,794
Total net assets	79,417,960	70,654,750
<b>TOTAL</b>	<b>\$ 204,208,503</b>	<b>\$ 202,564,739</b>

See notes to consolidated financial statements.

## WHITE PLAINS HOSPITAL CENTER AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
<b>REVENUES:</b>		
Net patient service revenue	\$261,610,049	\$248,880,092
Other operating revenue	4,651,864	4,630,144
Net assets released from restrictions for operations	2,023,904	1,758,485
Other-than-temporary impairment loss on investments		(1,556,268)
	<u>268,285,817</u>	<u>253,712,453</u>
<b>EXPENSES:</b>		
Salaries	119,920,958	116,952,028
Employee benefits	27,980,720	24,098,450
Professional fees	7,145,920	7,315,093
Supplies and other	87,586,279	83,345,267
Provision for bad debts	9,608,985	9,338,209
Depreciation and amortization	15,098,624	13,069,262
Interest	1,761,569	1,835,182
	<u>269,103,055</u>	<u>255,953,491</u>
<b>LOSS FROM OPERATIONS</b>	(817,238)	(2,241,038)
<b>UNRESTRICTED CONTRIBUTIONS</b>	<u>3,173,102</u>	<u>2,181,537</u>
<b>REVENUES AND UNRESTRICTED CONTRIBUTIONS OVER (LESS THAN) EXPENSES</b>	2,355,864	(59,501)
<b>PENSION-RELATED ADJUSTMENTS</b>	4,123,686	(36,876,869)
<b>CHANGE IN UNREALIZED GAINS AND LOSSES ON INVESTMENTS</b>	1,735,191	(1,755,899)
<b>NET ASSETS RELEASED FROM RESTRICTIONS FOR CAPITAL ACQUISITIONS</b>	<u>8,287,349</u>	<u>11,759,855</u>
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<u>\$ 16,502,090</u>	<u>\$ (26,932,414)</u>

See notes to consolidated financial statements.

**WHITE PLAINS HOSPITAL CENTER  
& SUBSIDIARY**

BFA Attachment B

**BALANCE SHEETS**

**AS OF DECEMBER 31, 2010 & DECEMBER 31, 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$11,938,168	\$6,026,085
Accounts receivable for services to patients, less estimated uncollectibles of 29,622,703 in 2010 and 29,042,046 in 2009	31,231,175	29,836,479
Other receivables	1,968,665	1,157,116
Inventories of drugs and supplies	3,236,213	4,291,298
Assets whose use is limited	15,231,161	14,313,805
Prepaid expenses	1,992,439	1,814,975
Total current assets	<u>65,597,821</u>	<u>57,439,758</u>
<b>DEFERRED COMPENSATION ASSETS</b>	<u>2,085,946</u>	<u>1,760,796</u>
<b>ASSETS WHOSE USE IS LIMITED</b>	<u>17,796,553</u>	<u>15,529,001</u>
<b>SELF INSURANCE FUND ASSETS</b>	<u>900,000</u>	<u>1,100,000</u>
<b>DEFERRED FINANCING COSTS</b>	<u>519,618</u>	<u>561,149</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>	<u>120,747,391</u>	<u>127,817,799</u>
Total assets	<u>\$207,647,329</u>	<u>\$204,208,503</u>

**WHITE PLAINS HOSPITAL CENTER  
& SUBSIDIARY  
BALANCE SHEETS  
AS OF DECEMBER 31, 2010 & DECEMBER 31, 2009**

<b>LIABILITIES AND NET ASSETS</b>	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$21,015,381	\$23,439,809
Accrued salaries and vacation benefits	13,674,859	12,682,873
Notes payable	0	1,400,000
Current portion of accrued pension liability	5,689,867	5,550,000
Current installment of long-term debt	4,036,934	3,982,548
Other liabilities	4,317,426	3,857,051
Due to third-party payors	<u>5,833,819</u>	<u>5,488,375</u>
Total current liabilities	<u>54,568,286</u>	<u>56,400,656</u>
ACCRUED PENSION LIABILITY (excluding current portion)	<u>20,905,602</u>	<u>26,247,595</u>
SELF-INSURANCE FUND LIABILITY	<u>900,000</u>	<u>1,100,000</u>
LONG-TERM DEBT - Excluding current installments	<u>33,874,642</u>	<u>37,609,057</u>
OTHER NONCURRENT LIABILITIES	<u>4,396,405</u>	<u>3,433,235</u>
Total liabilities	<u>114,444,935</u>	<u>124,790,543</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS:</b>		
Unrestricted	81,081,629	70,621,433
Temporarily restricted	10,055,971	6,731,733
Permanently restricted	<u>2,064,794</u>	<u>2,064,794</u>
Total net assets	<u>93,202,394</u>	<u>79,417,960</u>
Total liabilities and net assets	<u>\$207,647,329</u>	<u>\$204,208,503</u>

WHITE PLAINS HOSPITAL CENTER  
& SUBSIDIARY  
STATEMENT OF OPERATIONS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010

	MONTH TO DATE			YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	% VARIANCE
<b>REVENUE:</b>							
NET PATIENT REVENUE	\$23,429,787	\$23,411,458	\$18,331	\$269,076,774	\$266,135,000	\$941,774	0.35%
OTHER OPERATING REVENUE	746,337	657,501	88,836	9,854,793	8,830,000	964,793	10.85%
INCOME FROM INVESTMENTS	310,071	75,000	235,071	918,686	990,000	16,686	2.08%
NET ASSETS RELEASED FROM RESTRICTION	143,025	143,025	0	1,490,432	1,490,432	0	0.00%
<b>TOTAL OPERATING REVENUE</b>	<b>24,629,220</b>	<b>24,286,982</b>	<b>342,238</b>	<b>281,340,685</b>	<b>278,415,432</b>	<b>1,925,253</b>	<b>0.69%</b>
<b>EXPENSES:</b>							
SALARIES AND WAGES	11,042,722	10,946,799	(95,923)	127,020,404	125,991,275	(1,029,129)	-0.82%
SALARY EQUIVALENT & FEES	605,483	581,102	(24,381)	7,496,613	6,673,225	(823,388)	-12.34%
FRINGE BENEFITS	2,749,800	2,659,167	(90,643)	30,729,647	30,694,000	(35,647)	-0.12%
PHARMACEUTICALS	742,437	782,085	39,648	8,887,345	8,131,000	(756,345)	-9.30%
OTHER MEDICAL SUPPLIES	2,502,831	2,520,260	17,379	27,698,156	27,916,835	218,679	0.78%
INSURANCE	374,997	417,001	42,004	7,176,688	7,264,000	27,312	0.38%
UTILITIES	582,359	574,801	(7,558)	6,114,314	6,317,100	202,786	3.21%
PURCHASED SERVICES	1,271,688	1,211,796	(59,892)	13,909,033	14,569,028	659,995	4.53%
OTHER SUPPLIES & EXPENSES	1,871,691	1,992,461	120,570	23,198,114	23,148,537	(49,577)	-0.21%
NET ASSETS RELEASED FROM RESTRICTION	143,025	143,025	0	1,490,432	1,490,432	0	0.00%
DEPRECIATION EXPENSE	1,762,813	1,450,000	(312,813)	15,512,813	15,260,000	(312,813)	-2.06%
INTEREST EXPENSE	128,573	139,767	11,194	1,629,949	1,750,000	120,051	6.86%
PROVISION FOR UNCOLLECTIBLES	864,690	648,338	(15,662)	10,183,000	9,895,000	(268,000)	-2.91%
<b>TOTAL OPERATING EXPENSES</b>	<b>24,642,469</b>	<b>24,266,592</b>	<b>(375,877)</b>	<b>281,046,508</b>	<b>278,980,432</b>	<b>(2,066,076)</b>	<b>-0.74%</b>
<b>TOTAL INCOME FROM OPERATIONS</b>	<b>(13,249)</b>	<b>20,390</b>	<b>(33,639)</b>	<b>294,177</b>	<b>435,000</b>	<b>(140,823)</b>	<b>-32.37%</b>
<b>NET INCOME (LOSS) CARDIAC CATHERIZATION LAB</b>	<b>83,273</b>	<b>40,908</b>	<b>42,365</b>	<b>726,754</b>	<b>115,000</b>	<b>611,754</b>	<b>531.96%</b>
<b>NET INCOME FROM OPERATIONS</b>	<b>70,024</b>	<b>61,298</b>	<b>8,726</b>	<b>1,020,931</b>	<b>550,000</b>	<b>470,931</b>	<b>85.62%</b>
UNRESTRICTED BEQUESTS	500,600	0	500,000	1,350,000	300,000	1,050,000	350.00%
UNRESTRICTED CONTRIBUTIONS	650,068	835,449	(185,381)	1,658,806	1,500,000	158,806	10.59%
<b>NET SURPLUS BEFORE HOMECARE TRANSACTION</b>	<b>\$1,220,092</b>	<b>\$896,747</b>	<b>\$323,345</b>	<b>\$4,029,737</b>	<b>\$2,350,000</b>	<b>\$1,679,737</b>	<b>71.48%</b>
<b>GAIN FROM HOMECARE TRANSACTION</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,044,063</b>	<b>0</b>	<b>5,044,063</b>	<b>100.00%</b>
<b>NET SURPLUS</b>	<b>\$1,220,092</b>	<b>\$896,747</b>	<b>323,345</b>	<b>\$9,073,800</b>	<b>\$2,350,000</b>	<b>6,723,800</b>	<b>286.12%</b>

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**State of New York  
Public Health and Health Planning Council**

**June 16, 2011**

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**ATTACHMENTS**

**Long Term Home Health Care Program - Construction**

**Exhibit #8**

<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1. 111177 C	Village Center for Care (Bronx County)

## VILLAGE CENTER FOR CARE

## BALANCE SHEET

DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,485,176	\$ 580,070
Resident funds held in trust	392,551	305,859
Investments	19,212,610	10,594,483
Accounts receivable - net	15,044,378	16,349,931
Grants receivable	287,538	224,585
Contributions receivable	15,000	
Interest receivable	58,650	55,274
Prepaid expenses	763,703	780,995
Security deposits and other assets	191,495	211,035
	<u>37,451,101</u>	<u>29,102,232</u>
Total current assets		
Limited use assets		
Cash, cash equivalents and investments - escrow fund	24,122,362	36,980,297
Fixed assets - net	34,246,072	26,219,509
Beneficial interest in real property	1,300,000	1,300,000
	<u>35,546,072</u>	<u>27,519,509</u>
Total assets	<u>\$ 97,119,535</u>	<u>\$ 93,602,038</u>

VILLAGE CENTER FOR CARE

BALANCE SHEET

DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 6,629,120	\$ 5,637,239
Accrued wages payable and related liabilities	1,820,242	1,667,747
Pension liability payable	179,130	208,280
Advances from funding sources	345,953	215,953
Estimated liabilities due to third parties	9,628,493	7,242,045
Loans payable	394,946	703,097
Resident funds held in trust	392,551	305,859
Deferred revenue	36,035	
Due to related entities	<u>6,062,713</u>	<u>11,261,904</u>
Total current liabilities	<u>25,489,183</u>	<u>27,242,124</u>
Long-term liabilities		
Loans payable	44,021,991	43,712,639
Pension liability payable	<u>1,596,580</u>	<u>1,764,430</u>
Total long-term liabilities	<u>45,618,571</u>	<u>45,477,069</u>
Other liabilities		
Swap liability	<u>1,115,994</u>	<u>2,708,417</u>
Total liabilities	<u>72,223,748</u>	<u>75,427,610</u>
Net assets		
Unrestricted	24,406,664	12,680,377
Temporarily restricted	<u>489,123</u>	<u>5,494,051</u>
Total net assets	<u>24,895,787</u>	<u>18,174,428</u>
Total liabilities and net assets	<u>\$ 97,119,535</u>	<u>\$ 93,602,038</u>

VILLAGE CENTER FOR CARE

STATEMENT OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Operating revenues						
Skilled nursing facility						
Net resident revenues	\$ 23,228,874		\$ 23,228,874	\$ 23,297,698		\$ 23,297,698
Grant revenues	821,813		821,813	612,398		612,398
Prior period revenues	565,573		565,573	685,542		685,542
Total skilled nursing facility	24,616,260		24,616,260	24,595,638		24,595,638
Day treatment centers						
Net client fees	5,733,817		5,733,817	6,098,397		6,098,397
Grant revenues	44,040		44,040	256,248		256,248
Total day treatment centers	5,777,857		5,777,857	6,354,645		6,354,645
Certified home health care agency						
Net client revenues	41,951,144		41,951,144	39,032,221		39,032,221
Grant revenues	359,996		359,996	368,851		368,851
Prior period revenues	2,134,262		2,134,262	1,892,959		1,892,959
Total certified home health care agency	44,445,402		44,445,402	41,294,031		41,294,031
Case management						
Net client fees	2,315,191		2,315,191	1,981,312		1,981,312
Grant revenues	956,830		956,830	781,745		781,745
Total case management	3,272,021		3,272,021	2,763,057		2,763,057
Long-term home health care program						
Net client fees	7,497,599		7,497,599	6,968,604		6,968,604
Prior period revenues	840,399		840,399	(27,865)		(27,865)
Total long-term home health care program	8,338,098		8,338,098	6,940,739		6,940,739
Total operating revenues	86,449,538		86,449,638	81,948,010		81,948,010

BPA ATTACHMENT A (CONT.)

VILLAGE CENTER FOR CARE

STATEMENT OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Operating expenses						
Medical and related functions	\$ 11,480,502		\$ 11,480,502	\$ 10,854,067		\$ 10,854,067
Service departments	3,421,363		3,421,363	3,594,514		3,594,514
Certified home health care agency	37,195,595		37,195,595	36,806,795		36,806,795
Day treatment centers	5,159,719		5,159,719	5,270,766		5,270,766
Case management	2,543,343		2,543,343	2,381,661		2,381,661
Long term home health care	6,895,743		6,895,743	5,858,308		5,858,308
Administrative and general	4,592,394		4,592,394	4,962,548		4,962,548
Payroll taxes and employee benefits	7,422,270		7,422,270	8,608,765		8,608,765
Depreciation and amortization	1,840,631		1,840,631	1,356,087		1,356,087
New York State revenue assessment	1,304,436		1,304,436	1,140,199		1,140,199
Interest	269,459		269,459	343,385		343,385
Bad debt expense	523,860		523,860	1,836,567		1,836,567
Total operating expenses	82,649,225		82,649,225	83,023,622		83,023,622
Operating gain (loss)	3,890,413		3,890,413	(1,075,612)		(1,075,612)
Nonoperating revenues and expenses						
Contributions	54,215		54,215	71,330		71,330
Investment income	1,189,488		1,189,488	(837,078)		(837,078)
Other revenues	84,820		84,820	257,546		257,546
Net assets released from restrictions (Note 10)	5,004,928	\$ (5,004,928)				
Total nonoperating revenues and expenses	6,333,451	(5,004,928)	1,328,523	(508,202)		(508,202)
Change in net assets before other changes	10,133,864	(5,004,928)	5,128,936	(1,583,814)		(1,583,814)
Gain (loss) on swap agreement	1,592,423		1,592,423	(2,708,417)		(2,708,417)
Change in net assets	11,726,287	(5,004,928)	6,721,359	(4,292,231)		(4,292,231)
Net assets - beginning of year	12,680,377	5,494,051	18,174,428	16,972,608	\$ 5,494,051	22,466,659
Net assets - end of year	\$ 24,406,664	\$ 489,123	\$ 24,895,787	\$ 12,680,377	\$ 5,494,051	\$ 18,174,428

**BALANCE SHEET**  
As of December 31, 2010 and 2009

ASSETS	Dec-10 Unaudited	Dec-09 Audited
Cash	\$ 1,383,248	\$ 1,485,176
Investments	8,795,518	19,212,610
Resident Trust	153,182	392,551
Patient Revenue A/R (net of allowance for bad debt)	9,808,650	15,044,378
Fixed assets (net of accumulated depreciation and amortization)	69,601,061	34,246,072
Prepaid expenses, security deposits and other current assets	988,799	1,013,848
Grants & Contributions Receivable	575,002	302,538
Limited Use Funds	16,115,538	24,122,062
Beneficial interest in real property	1,500,000	1,500,000
<b>Total Assets</b>	<b>\$ 102,622,295</b>	<b>\$ 97,119,535</b>
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>Liabilities</b>		
Accounts Payable & Accrued Expenses	\$ 7,571,525	\$ 6,629,130
Accrue salaries and wages	1,831,130	1,820,042
Due to Third Party	8,515,454	9,628,403
Loans & Pension Payable - current portion	419,117	574,076
Resident Trust	153,182	392,551
Advances from Funding Sources	133,050	345,053
Deferred Revenue	-	36,035
Advances from Sale of Nursing Facility	3,743,874	-
Swap Liability	1,140,063	1,115,094
Mortgage, Pension and Loans Payable - long term	45,236,537	45,616,571
Intercompany Payable	4,462,331	6,062,713
<b>Total Liabilities</b>	<b>77,663,754</b>	<b>72,223,748</b>
<b>Net Assets</b>	<b>24,958,544</b>	<b>24,895,787</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 102,622,295</b>	<b>\$ 97,119,535</b>

## VILLAGE CENTER FOR CARE

### STATEMENT OF REVENUE & EXPENSES For the years ended December 31, 2010 and 2009

	2010 Unaudited		2009 Audited
<b>Revenue</b>			
Skilled nursing facility	\$ 18,773,636	*	\$ 24,616,260
Day treatment centers	6,866,513		5,777,857
Certified home health agency	43,150,091		44,445,402
Case management	4,188,555		3,272,021
Long-term home health care program	8,799,426		8,338,098
Contributions	31,165		54,215
Investment and other income	285,628		1,274,308
Total revenue	<b>82,095,014</b>		<b>87,778,161</b>
<b>Expenses</b>			
Program expenses	69,588,922		69,411,540
Administrative and general	9,256,486		9,299,299
Depreciation and amortization	1,237,214		1,840,631
Interest	209,908		269,459
New York State revenue assessment	1,098,595		1,304,436
Bad debt	607,863		523,860
Total expenses	<b>81,998,988</b>		<b>82,649,225</b>
<b>Excess of Revenue before other changes</b>	96,026		5,128,936
Gain (loss) on swap agreement	(33,269)		1,597,423
<b>Excess of Revenue</b>	<b>\$ 62,757</b>		<b>\$ 6,726,359</b>

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**State of New York  
Public Health and Health Planning Council**

**June 16, 2011**

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**ATTACHMENTS**

**Acute Care Services – Establish/Construct**

**Exhibit #9**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	101153 E	New Island Hospital (Nassau County)
2.	102453 E	North Shore Long Island Jewish Health Care, Inc. (Nassau County)
3.	111074 E	Arnot Health, Inc. (Chemung County)

## NEW ISLAND HOSPITAL

## Balance Sheets

December 31, 2009 and 2008

Assets	2009	2008
Current assets:		
Cash and cash equivalents	\$ 3,344,205	4,050,581
Patient accounts receivable, less allowance for uncollectible accounts of \$7,580,000 in 2009 and \$8,414,000 in 2008	11,031,081	10,229,284
Inventories	1,438,030	1,524,519
Estimated third-party payor receivables, net	580,586	523,176
Prepaid expenses and other	949,537	985,852
Total current assets	<u>17,343,439</u>	<u>17,313,412</u>
Assets limited or restricted as to use:		
Board designated and donor restricted	553,927	661,986
Under terms of debt agreement	2,089,233	2,076,346
Debt service reserve fund	320,980	319,000
Total assets limited or restricted as to use	<u>2,964,140</u>	<u>3,057,332</u>
Property and equipment, net	36,862,789	36,587,244
Other assets	635,656	467,097
Total assets	<u>\$ 57,806,024</u>	<u>\$ 57,425,085</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Current portion of long-term debt	\$ 1,487,246	1,132,054
Revolving credit facility	3,751,935	3,844,514
Accounts payable and accrued expenses	10,308,030	11,038,801
Accrued salaries, related withholdings and benefits	4,029,048	3,575,969
Estimated third-party payor liabilities, net	586,776	832,447
Total current liabilities	<u>20,163,035</u>	<u>20,423,785</u>
Long-term debt, net of current portion	11,952,018	11,949,050
Subordinated notes payable to former sponsors	6,009,940	5,944,888
Estimated malpractice liabilities	2,347,188	2,201,717
Total liabilities	<u>40,472,181</u>	<u>40,519,440</u>
Commitments and contingencies		
Net assets:		
Unrestricted	17,222,144	16,905,636
Temporarily restricted	111,699	—
Total net assets	<u>17,333,843</u>	<u>16,905,636</u>
Total liabilities and net assets	<u>\$ 57,806,024</u>	<u>\$ 57,425,085</u>

See accompanying notes to financial statements.

## NEW ISLAND HOSPITAL

## Statements of Operations and Changes in Net Assets

Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Unrestricted revenues, gains, and other support:		
Net patient service revenue	\$ 98,037,165	96,225,173
Contributions	86,658	52,624
Other revenue	3,390,323	2,389,837
Total revenues, gains, and other support	<u>101,514,146</u>	<u>98,668,634</u>
Expenses:		
Salaries	42,737,248	39,903,100
Employee benefits	13,399,802	12,304,319
Supplies and other expenses	32,026,122	33,329,280
Provision for bad debts, net	4,690,990	4,289,407
Insurance	3,275,687	3,074,582
Depreciation and amortization	3,323,531	2,927,638
Interest	1,974,048	1,646,379
Total expenses	<u>101,427,428</u>	<u>97,474,705</u>
Excess of revenues, gains, and other support over expenses	86,718	1,193,929
Other changes in unrestricted net assets:		
Contributions for capital expenditures	229,790	514,210
Increase in unrestricted net assets	316,508	1,708,139
Temporarily restricted net assets:		
Restricted contributions	111,699	---
Increase in temporarily restricted net assets	111,699	---
Increase in net assets	428,207	1,708,139
Net assets, beginning of year	<u>16,905,636</u>	<u>15,197,497</u>
Net assets, end of year	<u>\$ 17,333,843</u>	<u>16,905,636</u>

See accompanying notes to financial statements.

S T. JOSEPH  
H O S P I T A L

BALANCE SHEETS

<u>ASSETS</u>	November 30, 2010	December 31, 2009	<u>LIABILITIES AND NET ASSETS</u>	November 30, 2010	December 31, 2009
<b>CURRENT ASSETS:</b>			<b>CURRENT LIABILITIES:</b>		
Cash	\$ 13,561	\$ 3,736	Accounts Payable and Accrued Expenses	\$ 9,025	\$ 10,368
Board Designated	2,207	7,889			
Accounts Receivable (Less allowance for uncollectibles of \$4,736 (2010) and \$7,680 (2009))	9,219	11,051	Accrued Salaries and Fringe Benefits	4,016	4,029
Due from Third-Party Payers	-	581	Due to Cap Source	3,920	3,752
Inventory	1,483	1,438	Due to Third-Party Payers	1,733	587
Prepaid expenses and other receivables	1,164	949	Current portion of long term debt	1,702	1,487
			Due to related parties	7,869	-
<b>TOTAL CURRENT ASSETS</b>	<u>27,025</u>	<u>19,874</u>	<b>TOTAL CURRENT LIABILITIES</b>	<u>28,284</u>	<u>20,164</u>
<b>ASSETS WHOSE USE IS LIMITED:</b>			<b>MEDICAL MALPRACTICE LIABILITY</b>	2,530	2,347
Restricted for Future Use	270	112	<b>DUE TO CHS / WSN</b>	6,010	6,010
State Service Reserve Fund	322	321	<b>LONG TERM DEBT - net</b>	<u>10,982</u>	<u>11,952</u>
<b>TOTAL ASSETS WHOSE USE IS LIMITED</b>	<u>592</u>	<u>433</u>	<b>TOTAL LIABILITIES</b>	<u>47,857</u>	<u>40,472</u>
<b>PROPERTY AND EQUIPMENT - net</b>	<u>35,134</u>	<u>36,863</u>	<b>NET ASSETS:</b>		
			Unrestricted net assets	15,550	17,222
<b>OTHER ASSETS</b>	<u>636</u>	<u>636</u>	Restricted net assets	270	112
<b>TOTAL ASSETS</b>	<u>\$ 68,677</u>	<u>\$ 57,806</u>	<b>TOTAL NET ASSETS</b>	<u>15,820</u>	<u>17,334</u>
			<b>TOTAL NET ASSETS AND LIABILITIES</b>	<u>\$ 63,677</u>	<u>\$ 57,806</u>

**ST. JOSEPH  
HOSPITAL**

**COMPARATIVE STATEMENTS OF  
REVENUE AND EXPENSE**

2019 ACTUAL	2019 BUDGET		2019 ACTUAL	2019 ACTUAL	2019 ACTUAL	YEAR-TO-DATE		
	BUDGET	VARIANCE				BUDGET	VARIANCE	ACTUAL
<b>REVENUE:</b>								
6,540	7,387	807	6,540	6,540	NET PATIENT REVENUE (Type 2)	\$ 98,593	\$ 98,944	\$ 351
218	200	18	218	218	Other Revenue (Type 3)	1,682	1,612	70
8,758	7,587	1,171	8,758	8,758	TOTAL OPERATING REVENUE	90,275	100,556	10,281
<b>EXPENSES:</b>								
1,028	1,070	42	1,028	1,028	Salaries & Wages	39,776	39,946	170
1,151	1,157	6	1,151	1,151	Employee Benefits (Type 1)	11,170	11,164	6
131	409	278	131	131	Fees (Type 4)	5,903	4,706	1,197
2,149	3,249	1,100	2,149	2,149	Supplies, Contract Services (Type 5)	14,155	25,615	11,460
482	50	432	482	482	Provision for Bad Debt	4,807	4,704	103
203	200	3	203	203	Insurance (Type 6)	3,621	3,184	437
154	100	54	154	154	Interest	1,763	1,671	92
280	24	256	280	280	Depreciation and Amortization (Type 4)	3,246	1,177	2,069
5,637	6,111	474	5,637	5,637	TOTAL OPERATING EXPENSES	94,585	107,517	12,932
1,121	1,150	29	1,121	1,121	GAIN (LOSS) FROM OPERATIONS	5,690	9,039	3,349
7	4	3	7	7	NON-OPERATING REVENUE:	32	46	14
7	4	3	7	7	GRANTS, FEDERAL CONTRIBUTIONS	32	46	14
7	4	3	7	7	NON-OPERATING INCOME (LOSS) (GAINS) (LOSSES)	32	46	14
1,128	1,154	26	1,128	1,128	NET INCOME (LOSS):	5,722	9,085	3,363
1,128	1,154	26	1,128	1,128	Net Assets Statement Adjustments: Capital	147	-	147
1,128	1,154	26	1,128	1,128	Change in current payment	(4,000)	-	4,000
1,128	1,154	26	1,128	1,128	Provision for Uncollectible Accounts (Type 2) (Type 3)	28	38	10
1,128	1,154	26	1,128	1,128	NET INCREASE (DECREASE) IN NET ASSETS	(1,073)	350	1,423
<b>EBITDA ADJUSTMENTS:</b>								
127	117	10	127	127	DEPRECIATION	3,246	1,177	2,069
25	21	4	25	25	GOVERNMENT TAXES	115	121	6
25	21	4	25	25	DEFERRED AMORTIZATION TAX ON	1,085	1,177	92
157	139	18	157	157	EBITDA	4,513	3,475	1,038
157	139	18	157	157	EBITDA ADJUSTMENTS	6,705	4,145	2,560

S. J. JOSEPH  
HOSPITAL  
STATEMENT OF CASH FLOWS  
PERIOD ENDED NOVEMBER 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	(1,514)
Adjustments to reconcile net increase in net assets from results provided by operating activities:	
Depreciation	5,098
Amortization of intangibles	4,861
Equity transfer from Spaulding	-
Other Assets Financing Costs	-
Contribution for property and equipment	(310)
Changes in asset and liability accounts:	
Accounts receivable	(3,039)
Inventory	(45)
Due to/from related parties - net	7,869
Prepaid expenses and other receivables	(215)
Accounts payable and accrued expenses	(1,283)
Accrued salaries and related liabilities	6
Due to/from third-party payers - net	1,727
Medical malpractice liability	333
Net cash provided by operating activities	<u>11,543</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(1,530)
Settlement of Debt Service Reserve Fund - Board Designated	<u>(262)</u>
Net cash used in investing activities	<u>(1,792)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Equity transfer from Spaulding	-
Loan to CHS - MBN	-
Change in Line of Credit	168
Contributions for property and equipment	310
Cap Excess Financing	(970)
Principal payments on Debt	<u>(71)</u>
Net cash provided by financing activities	<u>(273)</u>
NET DECREASE IN CASH	9,578
CASH, DECEMBER 31, 2009	<u>3,786</u>
CASH, NOVEMBER 30, 2010	<u>13,361</u>

## CATHOLIC HEALTH SERVICES OF LONG ISLAND

## Consolidated Balance Sheets

December 31, 2009 and 2008

(In thousands)

Assets	2009	2008
Current assets:		
Cash and cash equivalents	\$ 152,000	78,102
Investments	239,753	184,159
Assets limited or restricted as to use	34,246	20,903
Patient accounts receivable, less allowance for uncollectible accounts of \$64,992 in 2009 and \$65,167 in 2008	172,288	175,314
Contributions receivable, net	6,203	5,046
Other receivables	21,296	21,409
Inventories	16,876	15,323
Prepaid expenses and other	15,398	14,281
Current portion of due from affiliates	87	8,952
Total current assets	<u>658,147</u>	<u>523,489</u>
Assets limited or restricted as to use:		
Board designated and other	69,690	48,801
Restricted funds	30,661	27,366
Funded depreciation	175,180	159,316
Trustee held and other agreements	20,210	8,620
Bond indenture agreements	87,637	88,102
Regulated assets	18,195	9,084
Total assets limited or restricted as to use	<u>401,573</u>	<u>341,229</u>
Less assets limited or restricted as to use and required for current liabilities	34,246	20,903
	<u>367,327</u>	<u>320,326</u>
Due from affiliates, net of current portion	1,308	2,064
Contributions receivable, net of current portion	5,913	8,506
Long-term investments	227	482
Other assets, net	36,298	17,027
Deferred financing costs, net	8,935	9,474
Property and equipment, net	699,680	687,555
Total assets	<u>\$ 1,777,835</u>	<u>1,568,923</u>

## BFA Attachment C (cont.)

Liabilities and Net Assets	2009	2008
Current liabilities:		
Short-term debt	\$ 23,021	23,021
Current portion of long-term debt	40,168	30,836
Accounts payable and accrued expenses	130,634	120,377
Accrued salaries, related withholdings, and benefits	91,878	88,401
Current portion of other self-insured liabilities	25,008	24,066
Current portion of estimated third party payor and other liabilities, net	58,308	38,751
Current portion of estimated malpractice liabilities	5,819	7,079
Deferred revenue and advances	2,234	2,619
Other liabilities	1,499	4,918
Total current liabilities	<u>378,569</u>	<u>340,068</u>
Long-term debt, net of current portion	449,785	461,712
Estimated third-party payor and other liabilities, net of current portion	60,037	65,012
Other self-insured liabilities, net of current portion	73,013	53,099
Estimated malpractice liabilities, net of current portion	85,362	61,951
Other long-term liabilities	32,095	25,659
Total liabilities	<u>1,078,861</u>	<u>1,007,501</u>
Commitments and contingencies		
Net assets:		
Unrestricted	653,346	518,017
Temporarily restricted	41,584	39,371
Permanently restricted	4,044	4,034
Total net assets	<u>698,974</u>	<u>561,422</u>
Total liabilities and net assets	<u>\$ 1,777,835</u>	<u>1,568,923</u>

## CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidated Statements of Operations

Years ended December 31, 2009 and 2008

(In thousands)

	2009	2008
Unrestricted revenues, gains, and other support:		
Net patient service revenue	\$ 1,677,512	1,504,461
Investment income, net	16,111	8,507
Contributions	3,715	3,870
Other revenue	112,205	139,786
Net assets released from restrictions used for operations	1,028	1,907
Total revenues, gains, and other support	<u>1,810,571</u>	<u>1,658,531</u>
Expenses:		
Salaries	844,587	784,840
Employee benefits	269,846	229,976
Supplies and other expenses	462,374	440,956
Insurance	51,599	39,995
Depreciation and amortization	57,607	64,572
Interest	25,381	26,721
Provision for bad debts, net	23,551	18,705
Total expenses	<u>1,744,945</u>	<u>1,608,365</u>
Excess of revenues, gains, and other support over expenses before nonoperating gains (losses)	65,626	52,766
Nonoperating gains (losses):		
Change in unrealized gains (losses) on trading investments, net	41,408	(35,310)
Excess of revenues, gains, and other support over expenses	107,034	17,456
Other changes in unrestricted net assets:		
Postretirement benefit plan changes other than net periodic benefit cost	(888)	---
Net assets released from restrictions used for purchases of property and equipment	9,306	14,035
Net assets (deficiency) assumed	13,568	(2,257)
Recovery of related party reserve	797	---
Contributions for purchases of property and equipment	215	---
Grant income for purchases of property and equipment	5,297	3,398
Increase in unrestricted net assets	<u>\$ 135,329</u>	<u>32,632</u>

Catholic Health Services of Long Island

Consolidated Balance Sheets

(In thousands)

ASSETS	11/30/10	12/31/09	LIABILITIES AND NET ASSETS	11/30/10	12/31/09
Current assets:			Current liabilities		
Cash and cash equivalents	122,766	150,976	Short-term debt	29,941	23,021
Investments	313,416	240,174	Accounts payable and accrued expenses	139,357	129,075
Accounts receivable, less allowance for uncollectible	208,393	172,197	Accrued salaries and vacation benefits	115,838	91,881
Other receivables	24,870	26,280	Current installments of long-term debt	30,003	42,329
Inventories	17,521	16,376	Other self-insured liabilities	35,114	24,422
Prepaid expenses and other current assets	13,548	15,426	Estimated malpractice liabilities	6,633	6,853
Current portion of assets whose use is limited	42,550	34,246	Third-party payable and deferred revenue	55,222	60,542
Due from affiliates - current portion	301	62	Due to affiliates - current portion	68	—
	<u>743,665</u>	<u>656,237</u>	Total current liabilities	<u>412,175</u>	<u>378,123</u>
Assets whose use is limited:			Noncurrent liabilities:		
Depreciation fund	172,205	175,180	Long-term debt less current installments	440,334	447,554
Board designated fund and other	114,651	77,536	Accrued third-party payable, net of current portion	61,162	60,037
Trustee held and restricted funds	30,684	66,604	Estimated malpractice liability	88,197	85,362
By indenture agreement	85,902	87,636	Other liabilities	110,167	104,350
Total assets whose use is limited	<u>403,442</u>	<u>406,956</u>	Total noncurrent liabilities	<u>699,860</u>	<u>697,305</u>
Assets whose use is limited and required for current liabilities	<u>(42,550)</u>	<u>(31,246)</u>			
	<u>360,892</u>	<u>372,710</u>			
Due from affiliates	1,822	1,018	Net assets:		
Other receivables	7,023	5,913	Unrestricted	762,548	654,718
Long-term investments	300	—	Temporarily restricted	35,791	41,584
Other investments	597	526	Permanently restricted	4,051	4,044
Other assets	36,065	30,795	Total net assets	<u>802,390</u>	<u>700,346</u>
Deferred financing costs, net of current portion	8,412	8,934			
Property and equipment, net	<u>755,629</u>	<u>699,539</u>	Total liabilities and net assets	<u>1,914,425</u>	<u>1,775,772</u>
Total assets	<u>1,914,425</u>	<u>1,775,772</u>			

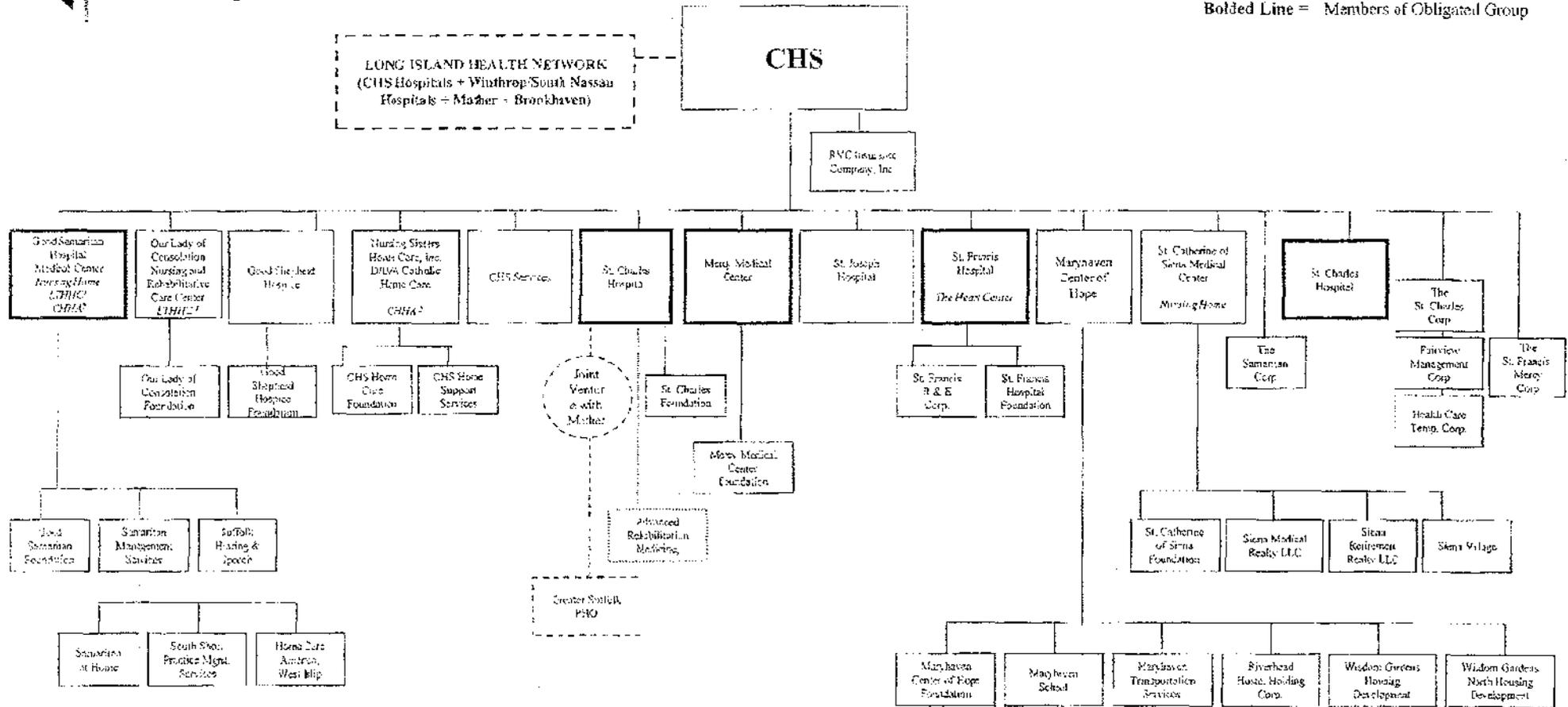
Catholic Health Services of Long Island  
Consolidated Statements of Operations  
*(In thousands)*

Month ended November				Eleven months ended November			
2010				2010			
2010 Actual	2010 Budget	Budget Variance	2009 Actual	2010 Actual	2010 Budget	Budget Variance	2009 Actual
152,049	144,250	7,799	140,219	1,626,754	1,558,803	17,951	1,457,041
11,535	14,471	54	13,477	160,434	160,911	(477)	139,928
<u>166,584</u>	<u>158,721</u>	<u>7,853</u>	<u>143,696</u>	<u>1,777,188</u>	<u>1,719,714</u>	<u>17,474</u>	<u>1,596,969</u>
30,140	75,306	(4,834)	69,087	336,626	832,534	(4,092)	747,399
23,477	24,584	1,107	26,444	270,166	272,656	2,490	239,508
43,839	41,953	(1,886)	34,316	458,213	468,027	9,814	407,161
4,294	4,195	(99)	4,099	37,421	46,250	8,829	41,824
5,563	6,087	124	4,996	65,707	67,504	797	61,325
2,029	2,476	447	1,989	23,045	26,851	3,808	22,921
3,065	2,344	(721)	2,211	27,585	26,248	(1,337)	20,431
<u>167,808</u>	<u>156,945</u>	<u>(5,863)</u>	<u>143,142</u>	<u>1,719,762</u>	<u>1,740,070</u>	<u>20,308</u>	<u>1,540,469</u>
3,776	1,776	2,000	554	57,426	19,644	37,782	56,500
168	(209)	377	(2,394)	(7,527)	(9,230)	1,703	(1,180)
<u>3,944</u>	<u>1,567</u>	<u>2,377</u>	<u>(1,750)</u>	<u>49,899</u>	<u>10,414</u>	<u>39,485</u>	<u>55,320</u>
2,947	—	2,947	18	8,102	—	8,102	(58)
(241)	(205)	(36)	(235)	(1,416)	(1,778)	362	(1,329)
(463)	(527)	64	(434)	(5,064)	(5,311)	247	(5,482)
(4,153)	4	(4,156)	8,489	8,492	46	8,446	42,974
(3,000)	—	(3,000)	—	(3,000)	—	(3,000)	—
1,937	1,161	826	1,966	19,852	10,881	8,971	13,574
<u>1,022</u>	<u>2,000</u>	<u>(978)</u>	<u>8,064</u>	<u>76,865</u>	<u>14,252</u>	<u>62,613</u>	<u>104,999</u>
(3)	991	(994)	1,331	13,743	10,965	2,778	12,232
—	—	—	—	—	—	—	14,428
—	24	(24)	—	—	(20)	20	—
<u>1,019</u>	<u>3,015</u>	<u>(1,996)</u>	<u>9,395</u>	<u>90,608</u>	<u>25,197</u>	<u>65,411</u>	<u>131,659</u>



# CATHOLIC HEALTH SERVICES of Long Island

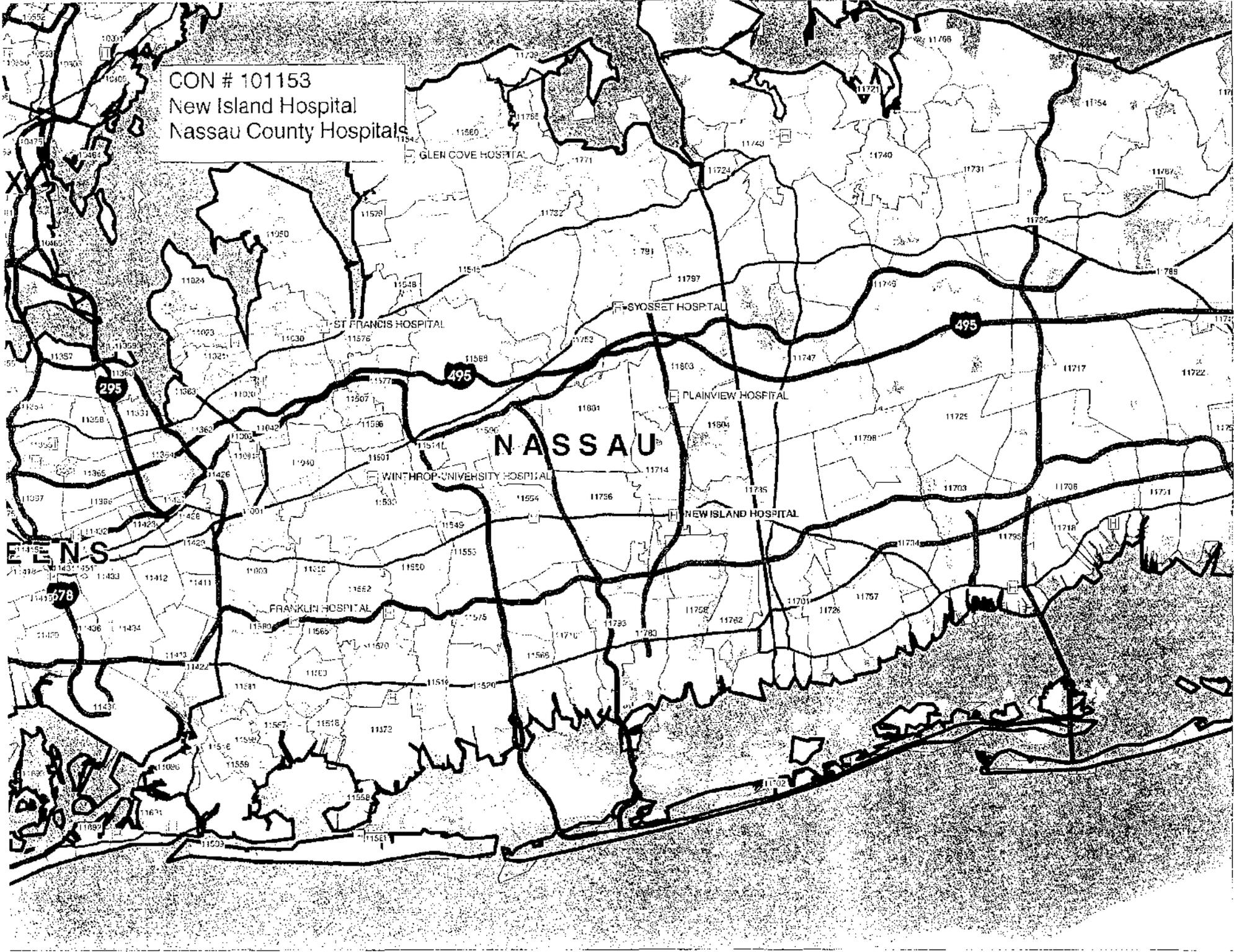
**KEY:** Dashed Line = Joint Venture Relationship  
 Solid Line = Direct Control by CHS  
 Dotted Line = Captive Medical Group  
 Bolded Line = Members of Obligated Group



BIA Attachment E

**NOTES:**  
 1- LTHHC = Long Term Home Health Care  
 2- CHHA = Certified Home Health Agency

CON # 101153  
New Island Hospital  
Nassau County Hospitals



Not-for-Profit Corporation

# Current Organization Chart North Shore-Long Island Jewish Health System, Inc.

February 8, 2011

Division

North Shore – Long Island Jewish Health System, Inc.

North Shore – Long Island Jewish Health Care, Inc.

Staten Island University Hospital

Hospice Care Network

## Obligated Group

Glen Cove Hospital

North Shore University Hospital

North Shore University Hospital - Stern Ctr for Extended Care & Rehab

Forest Hills Hospital

Plainview Hospital

Long Island Jewish Medical Center

Lenox Hill Hospital

Southside Hospital

Franklin Hospital

Huntington Hospital

Syosset Hospital

North Shore CHHA

Cohen Children's Medical Center

The Zucker Hillside Hospital

Long Island Jewish Hospital

Long Island Jewish CHHA

Orzac Ctr for Extended Care & Rehab

Franklin Hospital CHHA

Franklin Hospital LTHCP

Not-for-Profit Corporation

# Proposed Organization Chart North Shore-Long Island Jewish Health System, Inc.

February 8, 2011

Division

North Shore – Long Island Jewish Health System, Inc.

Hospice Care Network

North Shore – Long Island Jewish Health Care, Inc.

## Obligated Group

Staten Island University Hospital

Glen Cove Hospital

North Shore University Hospital

North Shore University Hospital Stern Ctr for Extended Care & Rehab

Forest Hills Hospital

Plainview Hospital

Long Island Jewish Medical Center

Lenox Hill Hospital

Southside Hospital

Franklin Hospital

Huntington Hospital

Syosset Hospital

North Shore CHHA

Cohen Children's Medical Center

The Zucker Hillside Hospital

Long Island Jewish Hospital

Long Island Jewish CHHA

Orzac Ctr for Extended Care & Rehab

Franklin Hospital CHHA

Franklin Hospital LTHHCP

BFA Attachment A (cont.)

# Summary of Matched Maturity Refunding Results NS-LIJ Obligated Group Debt

	Franklin 1998	Franklin 2002	Southside 1998	Southside 2002	SIUH 1998	SIUH 2001	SIUH 2002	Huntington 2002B, C	Lenox Hill 2001	NSLIJ OG IDA 2001A	Total
<b>Refunded Bonds</b>											
Par Amount	\$7,930,000	\$7,660,000	\$33,765,000	\$13,570,000	\$16,330,000	\$27,650,000	\$14,550,000	\$33,960,000	\$126,360,000	\$2,615,000	\$284,390,000
Average Coupon	6.38%	7.75%	5.05%	7.75%	5.00%	6.38%	6.45%	5.90%	5.51%	6.25%	
<b>Refunding Bonds</b>											
Par Amount	\$7,915,000	\$8,845,000	\$34,070,000	\$17,045,000	\$8,585,000	\$30,905,000	\$17,465,000	\$39,590,000	\$133,320,000	\$2,730,000	\$300,470,000
Average Coupon	2.93%	3.75%	4.22%	3.78%	2.73%	4.39%	4.58%	4.68%	4.50%	3.59%	
All-in-TC	3.45%	4.08%	4.48%	4.08%	3.35%	4.60%	4.76%	4.84%	4.79%	3.93%	
Average Life	4.10	6.39	7.91	7.07	3.23	9.54	11.11	12.95	10.92	6.09	
Initial Net Savings	\$976,268	\$720,982	\$1,767,776	\$7,374,009	\$5,183,333	\$2,661,389	\$661,197	\$2,627,092	\$7,216,209	\$26,560	\$17,258,061
Net PV Savings @ 4.00%	\$804,320	\$1,233,206	\$1,189,257	\$3,209,449	\$2,240,322	\$897,607	\$381,670	\$2,416,115	\$3,923,008	\$271,907	\$13,224,725
% Savings of Refunded Bonds	10.15%	16.14%	5.30%	26.14%	13.13%	9.64%	4.55%	7.10%	2.95%	1.04%	4.65%

BFA Attachment B

North Shore-Long Island Jewish Health System, Inc.

Combining Statement of Financial Position - Obligated Group Only

December 31, 2009  
(In Thousands)

	Total Obligated Group	Eliminations	North Shore University Hospital	Long Island Jewish Medical Center	Glenn Cove Hospital	Plainview Hospital	Forest Hills Hospital	North Shore University Hospital Stern Family Center for Extended Care and Rehabilitation
<b>Assets</b>								
<b>Current assets:</b>								
Cash and cash equivalents	\$ 151,025	\$ -	\$ 136,516	\$ 53,729	\$ 75	\$ 26	\$ 80	\$ 599
Marketable securities and other investments	612,053	-	355,640	204,705	51,748	-	-	-
Accounts receivable for services to patients - hospital and nursing facilities, net of allowance for doubtful accounts	269,600	-	112,571	116,356	7,015	9,017	19,814	4,827
Accounts receivable for physician practice services, net	39,735	-	31,122	8,613	-	-	-	-
Assets limited as to use, current portion	54,415	-	35,656	11,340	2,739	1,338	2,692	840
Other current assets	67,450	-	35,068	24,342	3,293	2,919	1,677	151
<b>Total current assets</b>	<b>1,234,518</b>	<b>-</b>	<b>706,583</b>	<b>419,085</b>	<b>64,870</b>	<b>13,300</b>	<b>24,263</b>	<b>6,417</b>
Due from affiliates, net	69,687	(12,761)	12,500	13,225	29,777	14,224	-	17,222
Assets limited as to use, net of current portion	561,758	-	129,402	406,366	9,981	1,050	1,055	13,914
Property, plant and equipment, net	1,081,820	-	380,435	557,378	52,346	34,425	50,256	6,980
Other assets	64,530	-	13,331	49,122	406	566	887	218
<b>Total assets</b>	<b>\$ 3,012,323</b>	<b>\$ (12,761)</b>	<b>\$ 1,242,251</b>	<b>\$ 1,445,176</b>	<b>\$ 157,380</b>	<b>\$ 63,565</b>	<b>\$ 76,461</b>	<b>\$ 40,251</b>
<b>Liabilities and net assets</b>								
<b>Current liabilities:</b>								
Short-term borrowings	\$ 26,778	\$ -	\$ 16,257	\$ 7,481	\$ 3,040	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	200,612	-	83,585	82,270	12,006	1,340	9,825	1,586
Accrued salaries and related benefits	192,937	-	85,708	70,455	10,859	0,527	12,819	2,569
Current portion of capital lease obligations	1,607	-	1,359	48	-	-	-	-
Current portion of long-term debt	27,481	-	14,636	6,055	2,570	1,117	2,352	751
Current portion of estimated payable to third party payers	199,254	-	93,292	68,782	7,522	9,842	15,723	4,803
<b>Total current liabilities</b>	<b>649,379</b>	<b>-</b>	<b>295,037</b>	<b>235,091</b>	<b>35,997</b>	<b>32,826</b>	<b>40,719</b>	<b>9,709</b>
Due to affiliates, net	-	(12,761)	-	-	-	-	12,761	-
Accrued retirement benefits, net of current portion	209,670	-	120,930	64,037	9,257	11,880	749	2,837
Capital lease obligations, net of current portion	21,255	-	6,908	14,347	-	-	-	-
Long-term debt, net of current portion	942,924	-	268,873	593,797	15,175	22,030	34,247	8,802
Malpractice insurance liabilities	168,762	-	66,921	78,083	6,549	5,340	11,869	-
Other long-term liabilities	145,957	-	58,330	69,024	9,366	8,421	8,750	1,066
<b>Total liabilities</b>	<b>2,337,647</b>	<b>(12,761)</b>	<b>816,999</b>	<b>1,045,379</b>	<b>76,324</b>	<b>80,497</b>	<b>09,095</b>	<b>22,414</b>
<b>Net assets:</b>								
Unrestricted	657,035	-	351,118	271,896	67,076	(12,327)	(32,809)	17,079
Temporarily restricted	189,269	-	56,990	119,543	11,348	395	175	758
Permanently restricted	28,154	-	17,144	8,358	2,612	-	-	-
<b>Total net assets (deficit)</b>	<b>874,376</b>	<b>-</b>	<b>425,252</b>	<b>399,797</b>	<b>81,056</b>	<b>(15,932)</b>	<b>(32,634)</b>	<b>17,837</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,012,323</b>	<b>\$ (12,761)</b>	<b>\$ 1,242,251</b>	<b>\$ 1,445,176</b>	<b>\$ 157,380</b>	<b>\$ 63,565</b>	<b>\$ 76,461</b>	<b>\$ 40,251</b>

North Shore-Long Island Jewish Health System, Inc.

Combining Statement of Operations – Obligated Group Only

Year Ended December 31, 2009  
(In Thousands)

	Total Obligated Group	Eliminations	North Shore University Hospital	Long Island Jewish Medical Center	Olen Cove Hospital	Plainview Hospital	Forest Hills Hospital	North Shore University Hospital Stern Family Center for Extended Care and Rehabilitation
<b>Operating revenue:</b>								
Net patient service revenue – hospital and nursing facilities	\$ 2,792,111	\$ (921)	\$ 1,248,123	\$ 1,014,936	\$ 156,160	\$ 162,073	\$ 175,859	\$ 31,881
Physician practice revenue	382,092	–	204,719	143,868	15,074	10,463	7,968	–
Other operating revenue	57,103	(20,482)	50,606	26,533	2,949	2,016	1,057	4,424
Net assets released from restrictions used for operations	21,950	–	11,213	10,277	–	–	–	–
<b>Total operating revenue</b>	<b>3,253,256</b>	<b>(21,403)</b>	<b>1,514,661</b>	<b>1,196,074</b>	<b>174,183</b>	<b>174,552</b>	<b>184,884</b>	<b>36,305</b>
<b>Operating expenses:</b>								
Salaries	1,547,731	(7,745)	683,452	582,716	87,311	84,894	84,597	20,506
Employee benefits	430,247	–	188,776	157,131	26,668	26,271	25,474	5,927
Supplies and expenses	1,013,787	(23,658)	488,134	371,630	54,304	57,913	59,127	6,137
Bad debt expense	58,358	–	33,354	15,043	4,545	1,696	3,506	214
Depreciation and amortization	105,078	–	49,054	39,228	5,941	4,162	5,683	1,000
Interest	37,592	–	15,972	16,553	1,196	1,273	2,033	555
<b>Total operating expenses</b>	<b>3,182,793</b>	<b>(31,403)</b>	<b>1,460,742</b>	<b>1,187,321</b>	<b>180,165</b>	<b>176,209</b>	<b>160,420</b>	<b>34,339</b>
<b>Excess (deficiency) of operating revenue over operating expenses</b>	<b>70,463</b>	<b>–</b>	<b>53,919</b>	<b>13,753</b>	<b>(5,982)</b>	<b>(1,657)</b>	<b>8,464</b>	<b>1,966</b>
<b>Non-operating gains and losses:</b>								
Investment income	36,362	–	12,222	20,430	2,861	70	153	656
Change in net unrealized gains and losses	74,152	–	50,864	16,528	6,939	(13)	(23)	(153)
Change in fair value of interest rate swap agreements designated as derivative instruments	10,542	–	3,259	7,283	–	–	–	–
Gain on refinancing and refunding of long-term debt	19,899	–	8,157	8,194	471	1,104	1,404	520
Other non-operating gains and losses	349	–	14	300	–	35	–	–
<b>Total non-operating gains and losses</b>	<b>141,305</b>	<b>–</b>	<b>74,576</b>	<b>52,765</b>	<b>10,271</b>	<b>1,196</b>	<b>1,534</b>	<b>1,023</b>
<b>Excess (deficiency) of revenue and gains and losses over expenses</b>	<b>211,768</b>	<b>–</b>	<b>128,495</b>	<b>66,518</b>	<b>4,289</b>	<b>(461)</b>	<b>9,998</b>	<b>2,989</b>
Net assets released from restrictions for capital assets acquisitions	13,587	–	6,169	6,758	160	560	–	–
Change in fair value of interest rate swap agreements designated as cash flow hedges	7,512	–	2,704	4,808	–	–	–	–
Change in fair value of endowment assets	2,798	–	1,942	449	407	–	–	–
Transfers to affiliates	(8,957)	–	(5,415)	(3,522)	–	–	–	–
Pension and other postretirement liability adjustments	20,272	–	6,066	8,601	2,086	2,778	86	655
Increase in unrestricted net assets	\$ 247,000	\$ –	\$ 139,961	\$ 83,552	\$ 6,942	\$ 2,817	\$ 10,084	\$ 3,644

BPA Attachment C (cont.)

North Shore-Long Island Jewish Health System, Inc.

Combining Statement of Financial Position - Obligated Group Only

December 31, 2008  
(In Thousands)

	Total Obligated Group	Eliminations	North Shore University Hospital	Long Island Jewish Medical Center	Glen Cove Hospital	Plainview Hospital	Forest Hills Hospital	North Shore University Hospital Stern Family Center for Extended Care and Rehabilitation
<b>Assets</b>								
<b>Current assets:</b>								
Cash and cash equivalents	\$ 178,900	\$ -	\$ 89,154	\$ 89,231	\$ 54	\$ 10	\$ 157	\$ 324
Marketable securities and other investments	433,271	-	299,540	90,500	43,141	-	-	-
Accounts receivable for services to patients - hospital and nursing facilities, net of allowance for doubtful accounts	262,476	-	116,526	107,423	10,200	12,391	15,949	4,987
Accounts receivable for physician practice services, net	30,894	-	24,723	6,171	-	-	-	-
Assets limited as to use, current portion	92,812	-	48,515	37,022	2,619	1,276	2,576	804
Other current assets	61,178	-	28,648	23,437	3,883	-	2,062	256
<b>Total current assets</b>	<b>1,059,531</b>	<b>-</b>	<b>607,106</b>	<b>348,844</b>	<b>59,897</b>	<b>14,569</b>	<b>20,744</b>	<b>6,371</b>
Due from affiliates, net	78,916	(29,177)	31,896	35,664	28,904	1,728	-	9,504
Assets limited as to use, net of current portion	232,992	-	74,910	134,240	7,746	278	1,275	13,543
Property, plant and equipment, net	1,063,457	-	396,707	518,238	55,825	36,916	50,500	7,171
Other assets	38,502	-	13,085	23,729	463	515	889	211
<b>Total assets</b>	<b>\$ 2,475,698</b>	<b>\$ (29,177)</b>	<b>\$ 1,123,704</b>	<b>\$ 1,060,112</b>	<b>\$ 152,845</b>	<b>\$ 54,006</b>	<b>\$ 73,408</b>	<b>\$ 36,800</b>
<b>Liabilities and net assets</b>								
<b>Current liabilities:</b>								
Short-term borrowings	\$ 136,767	\$ -	\$ 51,157	\$ 81,610	\$ 4,000	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	204,587	-	87,719	80,973	13,692	11,016	9,545	1,642
Accrued salaries and related benefits	185,562	-	84,492	66,916	10,507	5,930	12,231	2,486
Current portion of capital lease obligations	1,300	-	1,227	73	-	-	-	-
Current portion of long-term debt	27,394	-	14,951	5,964	2,438	1,071	2,250	720
Current portion of estimated payable to third party payers	148,845	-	80,268	40,159	7,767	7,969	8,844	3,838
<b>Total current liabilities</b>	<b>704,455</b>	<b>-</b>	<b>319,814</b>	<b>275,655</b>	<b>38,404</b>	<b>28,986</b>	<b>32,870</b>	<b>8,686</b>
Due to affiliates, net	-	(29,177)	-	-	-	-	29,177	-
Accrued retirement benefits, net of current portion	237,928	-	125,233	81,242	10,775	15,948	447	3,383
Capital lease obligations, net of current portion	24,076	-	6,681	14,395	-	-	-	-
Long-term debt, net of current portion	533,834	-	285,089	260,102	17,957	23,650	37,255	9,781
Malpractice insurance liabilities	121,212	-	46,890	56,973	4,393	4,743	8,213	-
Other long-term liabilities	143,292	-	62,525	58,567	9,219	4,312	8,164	905
<b>Total liabilities</b>	<b>1,361,297</b>	<b>(29,177)</b>	<b>845,952</b>	<b>747,374</b>	<b>80,748</b>	<b>77,639</b>	<b>116,126</b>	<b>72,755</b>
<b>Net assets (deficiency):</b>								
Unrestricted	410,033	-	211,157	188,344	60,134	(20,144)	(62,893)	13,435
Temporarily restricted	176,394	-	49,890	116,016	9,172	511	175	610
Permanently restricted	27,874	-	16,925	8,358	2,591	-	-	-
<b>Total net assets (deficiency)</b>	<b>614,301</b>	<b>-</b>	<b>277,972</b>	<b>312,738</b>	<b>72,897</b>	<b>(19,633)</b>	<b>(62,718)</b>	<b>14,045</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,475,698</b>	<b>\$ (29,177)</b>	<b>\$ 1,123,704</b>	<b>\$ 1,060,112</b>	<b>\$ 152,845</b>	<b>\$ 54,006</b>	<b>\$ 73,408</b>	<b>\$ 36,800</b>

The combining schedule is presented for supplementary informational purposes. Due to the effects of intercompany transactions, which are eliminated in combination, the schedule is not intended to present the financial position or results of operations of the individual entities.

BFA Attachment C (cont.)

North Shore-Long Island Jewish Health System, Inc.

Consolidating Statement of Operations – Obligated Group Only

Year Ended December 31, 2008  
(In Thousands)

	Total Obligated Group	Eliminations	North Shore University Hospital	Long Island Jewish Medical Center	Glen Cove Hospital	Plainview Hospital	Forest Hills Hospital	North Shore University Hospital Stern Family Center for Extended Care and Rehabilitation
<b>Operating revenue:</b>								
Net patient service revenue – hospital and nursing facilities	\$ 2,608,519	\$ (1,362)	\$ 1,175,521	\$ 948,410	\$ 144,994	\$ 156,414	\$ 54,225	\$ 30,407
Physician practice revenue	329,768	–	170,055	130,917	15,096	8,312	5,388	–
Other operating revenue	51,486	(24,665)	39,723	22,666	6,347	1,635	1,392	4,408
Net assets released from restrictions used for operations	44,953	–	25,271	19,649	–	–	–	33
<b>Total operating revenue</b>	<b>3,334,726</b>	<b>(26,027)</b>	<b>1,410,570</b>	<b>1,121,622</b>	<b>166,347</b>	<b>166,361</b>	<b>61,005</b>	<b>34,848</b>
<b>Operating expenses:</b>								
Salaries	1,412,324	(5,398)	631,068	535,750	79,206	79,952	70,513	20,193
Employee benefits	481,114	–	161,604	144,571	22,547	23,721	23,299	5,177
Supplies and expenses	1,019,564	(23,629)	480,431	375,581	59,300	53,861	59,865	6,455
Bad debt expense	54,129	–	31,521	13,979	4,084	1,677	2,662	206
Depreciation and amortization	102,688	–	49,047	36,742	5,390	4,418	3,657	1,254
Interest	34,053	–	16,225	12,869	1,013	1,280	2,095	571
<b>Total operating expenses</b>	<b>3,003,869</b>	<b>(26,027)</b>	<b>1,369,953</b>	<b>1,120,532</b>	<b>171,435</b>	<b>169,909</b>	<b>154,091</b>	<b>34,036</b>
<b>Excess (deficiency) of operating revenue over operating expenses</b>	<b>330,857</b>	<b>–</b>	<b>40,617</b>	<b>1,091</b>	<b>(5,088)</b>	<b>(1,548)</b>	<b>(1,086)</b>	<b>812</b>
<b>Non-operating gains and losses:</b>								
Contributions, net of fundraising activities	493	–	43	(9)	–	13	–	444
Investment (losses) income	(10,669)	–	7,368	(22,301)	2,045	113	182	1,984
Change in net unrealized gains and losses	(165,049)	–	(66,395)	(26,712)	(9,297)	12	22	(2,679)
Change in fair value of interest rate swap agreements designated as derivative instruments	(14,436)	–	(7,218)	(7,218)	–	–	–	–
<b>Total non-operating gains and losses</b>	<b>(122,661)</b>	<b>–</b>	<b>(66,262)</b>	<b>(56,240)</b>	<b>(7,252)</b>	<b>140</b>	<b>204</b>	<b>(251)</b>
<b>(Deficiency) excess of revenue and gains and losses over expenses</b>	<b>(98,804)</b>	<b>–</b>	<b>(25,645)</b>	<b>(55,150)</b>	<b>(12,340)</b>	<b>(3,408)</b>	<b>(2,882)</b>	<b>561</b>
Net assets released from restrictions for capital asset acquisitions	8,080	–	(717)	2,710	6,081	–	–	6
Change in fair value of interest rate swap agreements designated as cash flow hedges	(14,484)	–	(5,714)	(9,270)	–	–	–	–
Change in fair value of endowment assets	(3,933)	–	(2,146)	(1,012)	(775)	–	–	–
Transfers to affiliates and reserves for borrowings by affiliates	(11,784)	–	(15,309)	3,525	–	–	–	–
Pension and other postretirement liability adjustments	(134,808)	–	(56,699)	(51,551)	(9,436)	(13,967)	(392)	(2,963)
<b>Decrease in unrestricted net assets</b>	<b>\$ (255,733)</b>	<b>\$ –</b>	<b>\$ (105,570)</b>	<b>\$ (110,546)</b>	<b>\$ (16,470)</b>	<b>\$ (17,375)</b>	<b>\$ (3,274)</b>	<b>\$ (2,396)</b>

The continuing schedules are presented for supplementary informational purposes. Due to the effects of intercompany transactions, which are eliminated in combination, the schedules are not intended to present the financial position or results of operations of the individual entities.

BFA Attachment C (cont.)

**LENOX HILL HOSPITAL AND SUBSIDIARIES**

Consolidated Balance Sheets

December 31, 2009 and 2008

(In thousands)

Assets	2009	2008
Current assets:		
Cash and cash equivalents	\$ 98,326	83,445
Assets limited or restricted as to use	4,756	2,673
Investments	17,922	15,669
Patients' accounts receivable, net of allowance for doubtful accounts of \$53,902 in 2009 and \$50,894 in 2008	72,427	78,414
Inventories	15,185	13,033
Estimated retroactive receivables due from third-party payors, net	7,857	6,836
Prepaid expenses and other current assets	15,389	12,571
Total current assets	231,862	212,641
Noncurrent assets:		
Assets limited or restricted as to use, net of current portion	51,510	49,986
Pledges receivable, net	2,180	4,213
Investments	65,579	61,080
Property, buildings, and equipment, net (notes 7, 8, and 9)	282,968	292,165
Estimated retroactive receivables due from third-party payors, net	269	2,972
Other assets, net	2,148	2,807
Bond issuance costs, net	1,373	1,495
Total assets	\$ 637,889	627,359

Liabilities and Net Assets	2009	2008
Current liabilities:		
Borrowing under lines of credit	\$ 20,000	20,574
Current portion of long-term debt	4,274	7,597
Current portion of workers' compensation self-insurance liability	1,756	1,806
Current portion of professional self-insurance liability	3,000	867
Current portion of estimated retroactive payables	10,529	8,937
Accrued salaries and related liabilities	21,355	21,994
Accounts payable and accrued expenses	76,212	74,540
Total current liabilities	<u>137,126</u>	<u>136,315</u>
Borrowing under lines of credit	---	8,572
Long-term debt, net of current portion	160,682	141,283
Workers' compensation self-insurance liability	5,076	4,662
Professional self-insurance liability, net of current portion	66,947	66,506
Estimated retroactive payables, net of current portion	21,084	19,361
Accrued pension liability, net of current portion	131,025	129,700
Total liabilities	<u>521,940</u>	<u>506,459</u>
Commitments and contingencies		
Net assets:		
Unrestricted	49,607	51,382
Temporarily restricted	45,419	49,260
Permanently restricted	20,923	20,258
Total net assets	<u>115,949</u>	<u>120,900</u>
Total liabilities and net assets	<u>\$ 637,889</u>	<u>627,359</u>

## LENOX HILL HOSPITAL AND SUBSIDIARIES

## Consolidated Statements of Operations

Years ended December 31, 2009 and 2008

(In thousands)

	<u>2009</u>	<u>2008</u>
Unrestricted revenue and other support:		
Net patient service revenue	\$ 598,692	554,922
Capitation revenue	43,743	52,425
Other revenue, net	14,216	38,642
Investment return, net	6,246	(9,559)
Contributions	2,817	6,292
Net assets released from restrictions	8,587	5,284
Total unrestricted revenue and other support	<u>674,301</u>	<u>648,006</u>
Expenses:		
Salaries	268,982	258,150
Fringe benefits	77,630	64,201
Supplies and other	233,112	228,725
Cost related to capitated revenue	41,946	48,805
Depreciation	35,577	37,738
Provision for bad debts, net	16,196	15,381
Interest	8,922	9,379
Total expenses	<u>682,365</u>	<u>662,379</u>
Deficiency of revenue over expenses	(8,064)	(14,373)
Other changes:		
Net assets released from restrictions for capital purposes	1,521	308
Pension-related changes other than net periodic pension cost	4,768	(102,029)
Grant received for capital expenditures and long-term debt	—	10,545
Net deficiency assumed	—	(18,480)
Decrease in unrestricted net assets	<u>\$ (1,775)</u>	<u>(124,029)</u>

## Lenox Hill Hospital and Subsidiaries

**Consolidated Statements of Operations**  
**For the Nine Months Ended September 30, 2010 and 2009 (In Thousands)**

	(Unaudited)	
	2010	2009
Operating revenue:		
Net patient service revenue	\$439,701	\$412,049
Physician practice revenue	38,325	31,611
Capitation revenue	32,426	38,364
Other operating revenue	8,549	10,419
Net assets released from restrictions used for operations	5,062	6,766
Total operating revenue	<u>524,063</u>	<u>499,209</u>
Operating expenses:		
Salaries	216,107	206,251
Employee benefits	64,153	51,615
Supplies and expenses	216,059	213,899
Bad debt expense	11,613	12,114
Depreciation and amortization	25,133	26,418
Interest	6,835	6,937
Total operating expenses	<u>539,900</u>	<u>517,234</u>
Deficiency of operating revenue over operating expenses	(15,837)	(18,025)
Non-operating gains and losses:		
Investment income	1,597	(1,332)
Change in net unrealized gains and losses	1,834	6,263
Other non-operating gains and losses	3,517	930
Total non-operating gains and losses	<u>6,948</u>	<u>5,861</u>
Deficiency of revenue and gains and losses over expenses	(8,889)	(12,164)
Net assets released from restrictions for capital asset acquisitions	<u>2,372</u>	<u>166</u>
Decrease in unrestricted net assets	<u>(\$6,517)</u>	<u>(\$11,998)</u>

North Shore-Long Island Jewish Health System, Inc.

Consolidating Statement of Financial Position

December 31, 2009  
(In Thousands)

	North Shore-Long Island Jewish Health System, Inc.	Eliminations	Parent and Other	North Shore-Long Island Jewish Obligated Group	Honington Hospital Association	Franklin Hospital	Southside Hospital and Affiliates	S.I.V.H. Systems, Inc. and Subsidiaries	Hospice Care Network, Inc.	The Feinstein Institute for Medical Research	Real Estate Companies	North Shore-Long Island Jewish Health System Foundation, Inc.	North Shore-Long Island Jewish Health System Laboratories	North Shore Health Enterprises, Inc. (Combined)	Insurance Companies (Combined)
<b>Assets</b>															
<b>Current assets</b>															
Cash and cash equivalents	\$ 345,830	\$ -	\$ 15	\$ 191,025	\$ 17,254	\$ 6	\$ 382	\$ 40,742	\$ 0,261	\$ -	\$ 295	\$ 37,382	\$ -	\$ 1	\$ 32,466
Marketable securities and other investments	744,815	(12,269)	-	612,059	80,224	-	1,926	51,706	7,277	39	-	-	-	-	3,750
Accounts receivable for services to patients, net of allowances for doubtful accounts	411,612	-	323	265,666	27,111	18,029	25,319	81,548	4,672	-	-	-	8,619	5,695	-
Accounts receivable for physician activities, net	44,397	-	-	29,255	-	1,676	2,554	-	-	-	-	-	-	-	-
Assets limited to a trust, current portion	74,356	-	-	54,695	2,441	1,316	7,119	12,845	1,182	-	-	-	-	-	-
Prepaid expenses, current portion	37,121	-	-	-	-	-	-	1,182	17	-	-	35,922	-	-	-
Other current assets	119,928	(3,000)	2,856	67,459	6,322	2,000	13,167	19,424	238	7,752	916	32	1,804	636	81
Total current assets	1,808,938	(15,269)	3,099	1,254,518	133,952	23,022	47,437	227,447	18,365	7,791	1,211	73,336	10,503	6,352	36,287
Due from affiliates	-	(127,866)	-	69,687	-	-	-	-	-	-	-	-	-	628	123,571
Assets limited as to use, net of current portion	627,583	(116,337)	-	561,769	21,838	2,749	13,209	44,989	1,672	56,697	-	50,710	-	-	20,348
Receivables, net of current portion	89,446	-	-	840	840	-	-	1,738	9	-	-	86,821	-	-	-
Property, plant, and equipment, net	1,797,094	-	(48,944)	1,881,879	100,322	37,343	91,057	226,094	1,676	62,570	21,656	514	4,073	719	-
Other assets	101,338	(71,428)	-	64,550	1,026	354	2,122	6,473	227	-	472	-	-	-	35,958
Total assets	\$ 4,403,591	\$ (426,851)	\$ 212,373	\$ 3,012,323	\$ 258,918	\$ 64,275	\$ 151,826	\$ 506,741	\$ 21,989	\$ 127,058	\$ 23,319	\$ 211,761	\$ 15,176	\$ 7,699	\$ 216,174
<b>Liabilities and net assets (deficit)</b>															
<b>Current liabilities:</b>															
Short-term borrowings	\$ 27,258	\$ -	\$ -	\$ 26,778	\$ -	\$ 489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	364,933	-	43,212	206,612	14,263	17,672	16,706	33,326	2,997	4,868	3,131	450	8,114	2,178	243
Accrued salaries and related benefits	216,461	-	44,869	192,577	18,527	11,981	15,366	24,732	1,709	4,693	150	827	3,893	695	-
Current portion of capital lease obligations	4,342	(67)	1,462	1,697	-	-	-	1,340	-	-	-	-	-	-	-
Current portion of long-term debt	49,592	(860)	-	27,891	1,096	1,129	2,329	16,059	-	-	316	-	-	-	-
Current portion of unfunded insurance liabilities	11,700	-	-	-	-	-	-	-	-	-	-	-	-	-	31,769
Current portion of third party payor structured liabilities	6,458	-	-	-	-	-	-	6,458	-	-	-	-	-	-	-
Current portion of estimated payable to third party payors	250,734	-	-	199,264	9,794	9,159	19,229	14,066	-	-	-	-	-	-	2
Total current liabilities	1,065,497	(867)	49,543	649,579	45,255	35,385	53,721	135,911	5,706	9,561	3,606	1,277	13,097	3,075	31,943
Due to affiliates	-	(152,714)	26,328	-	562	46,764	49,132	644	-	46,665	7,854	2,684	5,071	-	-
Accrued retirement benefits, net of current portion	323,674	-	4,357	209,679	74,820	1,894	39,767	2,823	-	-	-	-	-	-	-
Capital lease obligations, net of current portion	81,193	(20,066)	76,610	-	-	-	-	2,592	-	-	-	-	-	-	-
Long-term debt, net of current portion	1,276,559	(11,480)	-	942,921	21,269	15,589	30,669	136,383	-	-	1,824	-	-	-	-
Unfunded insurance liabilities, net of current portion	757,772	(123,571)	-	168,762	5,639	8,446	11,799	27,745	-	-	-	-	-	-	168,651
Third party payor structured liabilities, net of current portion	40,596	-	-	-	-	-	-	40,990	-	-	-	-	-	-	-
Over long-term liabilities	217,472	(2,999)	1,437	145,957	19,992	7,916	17,569	33,166	616	126	255	2,209	152	-	-
Total liabilities	3,172,552	(334,518)	308,071	2,137,947	178,531	115,995	213,494	371,156	6,312	56,352	12,751	6,170	17,230	3,075	200,594
<b>Net assets (deficit):</b>															
Unrestricted	898,329	77,245	4,702	632,033	60,261	(53,799)	(65,472)	124,356	15,955	13,373	10,568	29,779	(2,054)	4,624	15,580
Temporarily restricted	238,606	(134,319)	-	189,289	4,576	7,666	6,204	9,745	1,344	14,435	-	135,746	-	-	-
Permanently restricted	95,214	(15,127)	-	28,134	5,538	13	-	1,484	378	32,898	-	40,896	-	-	-
Total net assets (deficit)	1,230,749	(22,199)	4,702	849,456	70,375	(51,220)	(59,268)	135,585	17,677	28,706	10,568	105,211	(2,054)	4,624	15,580
Total liabilities and net assets (deficit)	\$ 4,403,591	\$ (426,851)	\$ 212,373	\$ 3,012,323	\$ 258,918	\$ 64,275	\$ 151,826	\$ 506,741	\$ 21,989	\$ 127,058	\$ 23,319	\$ 211,761	\$ 15,176	\$ 7,699	\$ 216,174

The consolidating schedules are presented for supplementary informational purposes. Due to the effects of intercompany transactions, which are eliminated in consolidation the schedules are not intended to present the financial position or results of operations of the individual entities.

North Shore-Long Island Jewish Health System, Inc.

Consolidating Statement of Operations

Year Ended December 31, 2009

(In Thousands)

	North Shore- Long Island Jewish Health System, Inc. Total	Eliminations	Parent and Other	North Shore- Long Island Jewish Organized Group	Huntington Hospital Association	Franklin Hospital	Southside Hospital and Affiliates	S.L.U.H. Systems, Inc. and Subsidiaries	Esopice Care Network, Inc.	The Feinstein Institute for Medical Research	Real Estate Companies	North Shore- Long Island Jewish Health System Foundation, Inc.	North Shore- Long Island Jewish Health System Laboratories	North Shore Health System Enterprises, Inc. (Combined)	Insurance Companies (Combined)
<b>Operating revenue</b>															
Net patient service revenue	\$ 4,200,826	\$ (8,724)	\$ --	\$ 1,792,111	\$ 250,318	\$ 181,682	\$ 246,241	\$ 666,814	\$ 40,446	\$ 959	\$ --	\$ --	\$ --	\$ 30,979	\$ --
Physician practice revenue	432,612	--	--	382,092	17,877	8,520	14,845	9,276	--	--	--	--	--	--	--
Other operating revenue	209,062	(498,838)	359,304	57,103	4,798	2,462	16,277	25,943	--	36,150	25,324	--	85,324	548	77,507
Net assets released from restrictions used for operations	42,860	--	--	21,950	517	--	6	788	665	18,934	--	--	--	--	--
<b>Total operating revenue</b>	<b>4,885,360</b>	<b>(267,362)</b>	<b>359,304</b>	<b>3,253,256</b>	<b>273,510</b>	<b>192,666</b>	<b>277,369</b>	<b>700,821</b>	<b>41,111</b>	<b>76,043</b>	<b>25,324</b>	<b>--</b>	<b>85,324</b>	<b>11,527</b>	<b>77,507</b>
<b>Operating expenses</b>															
Salaries	2,345,667	(111,012)	142,617	1,537,731	118,021	97,415	130,061	337,352	16,052	36,872	1,189	--	29,301	16,068	--
Employee benefits	682,511	(26,614)	36,590	430,247	47,345	26,417	45,209	64,777	3,735	11,271	380	--	8,545	3,989	--
Supplies and expenses	1,448,167	(343,527)	143,988	1,013,787	78,974	78,974	65,965	210,923	20,742	32,722	21,880	--	39,946	12,644	77,151
Bad debt expense	77,025	(9,848)	--	58,358	7,329	5,875	8,066	6,670	--	--	--	--	--	580	(3)
Depreciation and amortization	189,608	--	29,327	105,078	11,389	4,074	10,658	20,710	651	4,671	1,730	--	1,163	157	--
Interest	59,891	(1,769)	5,909	37,502	2,377	1,250	3,078	11,362	--	--	72	--	--	--	--
<b>Total operating expenses</b>	<b>4,805,869</b>	<b>(495,670)</b>	<b>358,431</b>	<b>4,182,793</b>	<b>265,493</b>	<b>194,934</b>	<b>273,404</b>	<b>681,834</b>	<b>40,790</b>	<b>85,536</b>	<b>25,251</b>	<b>--</b>	<b>79,535</b>	<b>32,855</b>	<b>77,151</b>
<b>Excess (deficiency) of operating revenue over operating expenses</b>	<b>83,331</b>	<b>(12,492)</b>	<b>873</b>	<b>70,463</b>	<b>8,017</b>	<b>(2,268)</b>	<b>4,965</b>	<b>18,987</b>	<b>521</b>	<b>(9,493)</b>	<b>73</b>	<b>--</b>	<b>5,789</b>	<b>(1,328)</b>	<b>356</b>
<b>Non-operating gains and losses</b>															
Investment income	48,546	--	--	36,362	7,280	119	481	2,082	91	132	--	617	--	--	1,382
Change in net unrealized gains and losses	76,702	--	--	74,162	1,537	(17)	259	321	455	(49)	--	(126)	--	--	(240)
Change in fair value of interest rate swap agreements designated as derivative instruments	12,832	--	--	10,542	--	--	--	2,290	--	--	--	--	--	--	--
Gain on refinancing and refunding of long-term debt	19,890	--	--	19,890	--	--	--	--	--	--	--	--	--	--	--
Other non-operating gains and losses	(1,411)	868	--	749	155	3	83	--	1,339	--	--	(3,908)	--	--	--
<b>Total non-operating gains and losses</b>	<b>156,559</b>	<b>868</b>	<b>--</b>	<b>141,305</b>	<b>9,372</b>	<b>105</b>	<b>823</b>	<b>4,693</b>	<b>1,585</b>	<b>83</b>	<b>--</b>	<b>(3,417)</b>	<b>--</b>	<b>--</b>	<b>1,142</b>
<b>Excess (deficiency) of revenue and gains and losses over expenses</b>	<b>239,890</b>	<b>(11,624)</b>	<b>873</b>	<b>211,768</b>	<b>17,447</b>	<b>(2,163)</b>	<b>4,788</b>	<b>23,680</b>	<b>1,916</b>	<b>(9,410)</b>	<b>73</b>	<b>(3,417)</b>	<b>5,789</b>	<b>(1,528)</b>	<b>1,498</b>
<b>Net assets released from restrictions for capital asset acquisitions</b>	<b>29,536</b>	<b>(50)</b>	<b>--</b>	<b>13,587</b>	<b>1,094</b>	<b>39</b>	<b>49</b>	<b>11,206</b>	<b>234</b>	<b>3,377</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Change in fair value of interest rate swap agreements designated as cash flow hedges	7,512	--	--	7,512	--	--	--	--	--	--	--	--	--	--	--
Change in fair value of endowment assets	8,881	--	--	2,798	--	--	--	--	--	3,645	--	2,438	--	--	--
Transfers (to) from affiliates	--	9,373	(5,539)	(8,937)	--	--	--	--	--	5,125	(218)	--	(1,697)	1,681	--
Debit and other post-retirement liability adjustments	79,875	--	(583)	20,272	27,299	462	31,665	210	--	--	--	--	--	--	--
<b>Increase (decrease) in unrestricted net assets</b>	<b>\$ 365,694</b>	<b>\$ (2,101)</b>	<b>\$ (5,169)</b>	<b>\$ 247,066</b>	<b>\$ 46,340</b>	<b>\$ (1,662)</b>	<b>\$ 36,502</b>	<b>\$ 35,696</b>	<b>\$ 2,150</b>	<b>\$ 2,747</b>	<b>\$ (145)</b>	<b>\$ (399)</b>	<b>\$ 4,092</b>	<b>\$ 355</b>	<b>\$ 1,498</b>

The consolidating schedules are presented for supplementary informational purposes. Due to the effects of intercompany transactions, which are eliminated in consolidation, the schedules are not intended to present the financial position or results of operations of the individual entities.

North Shore-Long Island Jewish Health System, Inc.

Consolidating Statement of Financial Position

December 31, 2008  
(In Thousands)

	North Shore- Long Island Jewish Health System, Inc.		North Shore- Long Island Jewish Obligated Group	Huntington Hospital Association	Frazzini Hospital	Southside Hospital and Allieds	S.I.U.H. Systems, Inc. and Subsidiaries	Hospice Care Network, Inc.	The Feinstein Institute for Medical Research	Real Estate Companies	North Shore- Long Island Jewish Health System Foundation, Inc.	North Shore- Long Island Jewish Health System Laboratories	North Shore Health System Enterprises, Inc. (Corahard)	Insurance Companies	
	Total	Eliminations													
<b>Assets</b>															
<b>Current assets:</b>															
Cash and cash equivalents	\$ 299,004	\$ -	\$ 951	\$ 178,900	\$ 15,325	\$ 91	\$ 2,241	\$ 37,339	\$ 4,213	\$ -	\$ 594	\$ 41,104	\$ -	\$ 1	\$ 20,112
Marketable securities and other investments	548,058	(9,000)	-	433,771	51,627	-	1,680	51,186	6,034	-	-	11,252	-	-	-
Accounts receivable (net of allowance for doubtful accounts)	414,487	-	11	262,476	26,496	20,469	24,902	62,638	5,965	-	-	5,069	3,498	-	
Accounts receivable for physician activities, net	34,053	-	-	20,894	-	1,194	1,365	-	-	-	-	-	-	-	
Assets limited as to non-current portion	1,18,836	-	-	92,812	2,302	1,242	3,022	11,343	-	-	-	-	-	-	
Prepaid receivable, current portion	22,706	-	-	-	-	-	-	1,422	12	-	31,256	-	-	-	
Other current assets	181,538	(3,090)	1,529	61,178	6,064	1,976	5,702	17,105	185	1,061	67	688	666	4,906	
Total current assets	1,346,286	(12,606)	1,432	1,059,551	97,917	24,990	39,518	180,063	16,400	1,155	1,711	86,779	5,757	6,165	25,138
Due from affiliates	-	(181,892)	-	78,916	-	-	-	-	-	-	-	-	-	145	(104,891)
Assets limited as to use, net of current portion	291,932	(157,653)	-	232,952	10,526	2,728	17,058	62,784	1,529	58,620	-	18,132	-	-	20,112
Pledges, receivable, net of current portion	92,889	-	-	-	1,651	-	1,378	2	-	-	-	95,448	-	-	-
Property, plant, and equipment, net	1,240,419	-	(13,453)	1,055,152	101,677	39,142	97,708	209,655	1,994	66,114	20,227	583	4,391	159	-
Other assets	78,768	(39,445)	51,193	28,562	5,584	591	2,100	6,421	217	402	-	-	-	34,572	
Total assets	\$ 3,747,214	\$ (402,973)	\$ 19,295	\$ 3,475,938	\$ 226,367	\$ 67,851	\$ 151,424	\$ 465,713	\$ 20,137	\$ 121,891	\$ 22,540	\$ 200,952	\$ 49,147	\$ 2,069	\$ 184,603
<b>Liabilities and net assets (deficiency)</b>															
<b>Current liabilities:</b>															
Short-term borrowings	\$ 136,467	\$ -	\$ -	\$ 136,467	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	294,405	(31,201)	4,243	304,987	15,664	13,146	20,470	51,092	3,972	12,350	2,417	318	2,045	2,008	37,503
Accrued salaries and related benefits	207,541	-	36,473	151,627	15,514	12,226	14,503	30,844	8,848	4,622	137	491	1,809	792	-
Current portion of capital lease obligations	3,615	(107)	786	1,566	-	-	-	296	1,045	-	-	-	-	-	-
Current portion of long-term debt	98,526	(408)	-	27,894	2,971	1,050	2,190	14,598	-	-	316	-	-	-	-
Current portion of malpractice insurance liabilities	51,765	-	-	-	-	-	-	-	-	-	-	-	-	-	31,795
Current portion of third party payer structural liabilities	6,208	-	-	-	-	-	-	6,208	-	-	-	-	-	-	-
Current portion of assumed payable to third party payers	167,251	-	-	148,143	4,342	3,786	959	4,564	-	-	-	-	-	-	-
Total current liabilities	1,384,636	(31,802)	36,411	704,455	29,701	30,208	36,858	104,751	5,820	16,332	3,270	769	13,854	2,800	68,714
Due to affiliates	-	(181,601)	17,976	-	2,226	53,766	77,147	1,429	40,674	6,372	143	1,936	-	-	-
Accrued retirement benefits, net of current portion	401,042	-	2,453	237,028	94,375	3,797	60,694	2,692	-	-	-	-	-	-	-
Capital lease obligations, net of current portion	46,734	(10,133)	78,249	21,076	-	-	71	1,261	-	-	-	-	-	-	-
Long-term debt, net of current portion	289,565	(8,000)	-	635,134	44,355	16,710	32,955	148,777	-	1,500	-	-	-	-	-
Malpractice insurance liabilities, net of current portion	196,644	(13,126)	-	121,112	3,725	7,498	4,767	17,255	-	-	-	-	-	-	191,253
Third party payer structural liabilities, net of current portion	46,591	-	-	-	-	-	-	46,591	-	-	-	-	-	-	-
Other long-term liabilities	202,114	(2,900)	111	143,297	9,137	6,471	5,659	32,521	616	376	185	1,104	203	-	-
Total liabilities	2,489,359	(52,225)	152,204	1,861,757	193,299	117,966	248,591	359,227	6,436	57,422	11,827	2,916	14,295	2,800	170,527
<b>Net assets (deficiency):</b>															
Lia extended	522,155	25,324	970	410,123	23,021	(52,137)	(101,974)	89,260	14,405	10,626	10,712	20,258	(6,146)	4,269	14,092
Temporarily restricted	237,886	(114,835)	-	176,304	4,001	2,015	4,867	15,242	1,518	24,845	-	126,301	-	-	-
Permanently restricted	92,855	(18,257)	-	27,874	1,548	15	4,484	378	378	32,898	-	-	-	-	-
Total net assets (deficiency):	858,858	(107,748)	970	614,301	27,570	(50,109)	(92,107)	106,486	15,701	68,469	10,713	158,936	(6,146)	4,269	14,092
Total liabilities and net assets (deficiency)	\$ 3,747,214	\$ (402,973)	\$ 19,295	\$ 3,475,938	\$ 226,367	\$ 67,851	\$ 151,424	\$ 465,713	\$ 20,137	\$ 121,891	\$ 22,540	\$ 200,952	\$ 49,147	\$ 2,069	\$ 184,603

The consolidating schedules are presented for supplementary informational purposes. Due to the effects of intercompany transactions, which are eliminated in consolidation, the schedules are not intended to present the financial position or results of operations of the individual entities.

North Shore-Long Island Jewish Health System, Inc.

Consolidating Statement of Operations

Year Ended December 31, 2008  
(In Thousands)

	North Shore- Long Island Jewish Health System, Inc. Total	Elimination	Parent and Other	North Shore- Long Island Jewish Obligated Group	Huntington Hospital Association	Franklin Hospital	Southside Hospital and ADJHS	S.I.M.H. Systems, Inc. and Subsidiaries	Iturza Care Network, Inc.	The Feinstein Institute for Medical Research	Real Estate Companies	North Shore- Long Island Jewish Health System Foundation, Inc.	North Shore- Long Island Jewish Health System Laboratories	North Shore Health System Enterprises, Inc. (Combined)	Insurance Companies
<b>Operating revenue</b>															
Net patient service revenue	\$ 5,916,475	\$ (8,752)	\$ --	\$ 2,608,519	\$ 234,267	\$ 171,344	\$ 212,811	\$ 626,048	\$ 39,908	\$ 761	\$ --	\$ --	\$ --	\$ 30,289	\$ --
Physician practice revenue	304,321	--	--	329,838	15,549	3,499	10,652	13,009	--	--	--	--	--	--	--
Other operating revenue	1,9,035	(194,192)	327,654	51,486	5,614	866	15,197	17,453	--	34,861	24,353	--	85,256	455	86,848
Net assets released from restrictions used for operations	60,653	--	--	44,933	384	2	13	345	128	14,696	--	--	--	--	--
<b>Total operating revenue</b>	<b>4,319,184</b>	<b>(194,192)</b>	<b>327,654</b>	<b>3,034,710</b>	<b>245,109</b>	<b>179,843</b>	<b>237,894</b>	<b>657,397</b>	<b>40,136</b>	<b>49,248</b>	<b>24,353</b>	<b>--</b>	<b>85,256</b>	<b>10,564</b>	<b>86,848</b>
<b>Operating expenses</b>															
Salaries	2,149,458	(111,256)	129,644	1,412,334	152,901	82,566	119,197	310,970	15,835	25,687	992	--	36,265	14,968	--
Employee benefits	537,355	(24,283)	27,417	581,111	32,182	24,074	35,979	86,294	2,079	5,066	321	--	8,988	4,187	--
Supplies and expenses	1,451,286	(211,669)	141,511	1,019,544	78,494	66,508	83,120	242,713	15,790	21,971	21,353	--	39,265	14,174	79,711
Bad debt expense	73,150	(4,697)	--	54,179	6,444	4,079	10,490	4,694	225	--	--	--	304	(8)	--
Depreciation and amortization	177,250	--	21,813	162,678	10,694	4,570	11,489	19,754	607	2,709	1,534	--	1,051	163	--
Interest	51,243	(1,900)	6,113	34,013	2,625	3,210	3,452	11,494	--	--	166	--	--	--	--
<b>Total operating expenses</b>	<b>4,192,223</b>	<b>(491,115)</b>	<b>326,672</b>	<b>3,003,819</b>	<b>243,758</b>	<b>183,637</b>	<b>207,727</b>	<b>645,859</b>	<b>19,486</b>	<b>37,833</b>	<b>24,402</b>	<b>--</b>	<b>86,073</b>	<b>14,116</b>	<b>79,711</b>
<b>Excess (deficiency) of operating revenue over operating expenses</b>	<b>2,166</b>	<b>(11,029)</b>	<b>982</b>	<b>30,891</b>	<b>1,756</b>	<b>(3,694)</b>	<b>(5,833)</b>	<b>12,438</b>	<b>650</b>	<b>(8,585)</b>	<b>(49)</b>	<b>--</b>	<b>3,183</b>	<b>(3,652)</b>	<b>7,137</b>
<b>Non-operating gains and losses</b>															
Contributions, net of fund-raising activities	2,899	(1,423)	--	483	312	4	1,454	--	1,262	--	--	(192)	--	--	--
Investment (losses) income	16,939	(1,701)	26	(10,661)	358	221	505	5,852	377	401	--	(4,076)	--	--	4,085
Change in net unrealized gains and losses	(122,125)	--	--	(105,649)	(6,169)	(318)	(421)	(694)	(611)	(2,394)	--	(1,981)	--	--	(497)
Change in fair value of interest rate swap agreements designated as derivative instruments	(16,672)	--	--	(14,425)	--	--	--	(2,236)	--	--	--	--	--	--	--
Gain (loss) on sale of property, plant, and equipment	346	--	--	(28)	--	--	--	--	--	--	374	--	--	--	--
<b>Total non-operating gains and losses</b>	<b>(111,311)</b>	<b>(1,519)</b>	<b>31</b>	<b>(129,661)</b>	<b>(5,837)</b>	<b>(83)</b>	<b>1,532</b>	<b>2,122</b>	<b>878</b>	<b>(1,993)</b>	<b>374</b>	<b>(11,250)</b>	<b>--</b>	<b>--</b>	<b>464</b>
<b>(Deficiency) excess of revenue and gains and losses over expenses</b>	<b>(108,645)</b>	<b>(11,572)</b>	<b>1,013</b>	<b>(98,800)</b>	<b>(4,781)</b>	<b>(3,777)</b>	<b>(4,295)</b>	<b>13,560</b>	<b>1,528</b>	<b>(10,578)</b>	<b>525</b>	<b>(10,250)</b>	<b>3,183</b>	<b>(3,652)</b>	<b>7,226</b>
<b>Net assets released from restrictions for capital asset acquisitions</b>	<b>23,768</b>	<b>(450)</b>	<b>--</b>	<b>8,039</b>	<b>716</b>	<b>31</b>	<b>50</b>	<b>549</b>	<b>250</b>	<b>13,882</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Change in fair value of interest rate swap agreements designated as cash flow hedges	(14,464)	--	--	(14,484)	--	--	--	--	--	--	--	--	--	--	--
Change in fair value of non-current assets	(10,172)	--	--	(1,951)	--	--	--	--	--	(3,645)	--	(2,597)	--	--	--
Transfer (to) from affiliates and reserves for borrowing by affiliates	--	7,289	(5,204)	(11,784)	--	--	--	--	--	4,140	--	--	--	5,519	--
Pension and other postretirement liability adjustments	(122,251)	--	(11)	(34,108)	(54,997)	(2,449)	(28,620)	(1,385)	--	--	--	--	--	--	--
(Decrease) increase in unrestricted net assets	<b>\$ (181,491)</b>	<b>\$ (4,733)</b>	<b>\$ (4,184)</b>	<b>\$ (255,732)</b>	<b>\$ (58,562)</b>	<b>\$ (6,195)</b>	<b>\$ (52,475)</b>	<b>\$ 12,720</b>	<b>\$ 1,728</b>	<b>\$ 3,799</b>	<b>\$ 525</b>	<b>\$ (12,847)</b>	<b>\$ 3,183</b>	<b>\$ 1,067</b>	<b>\$ 7,216</b>

The consolidating schedules are presented for supplementary informational purposes. Due to the effects of intercompany transactions, which are eliminated in consolidation, the schedules are not intended to present the financial position or results of operations of the individual entities.

Consolidating Statement of Financial Position - UNADDED  
September 2010  
(In thousands)

North Shore - Long Island Jewish Health System, Inc. Total	Eliminations	Parent and Other	North Shore - Long Island Jewish Obligated Group	Huntington Hospital Association	Franklin Hospital Medical Center	Southside Hospital and Affiliates	S.I.U.H. Systems, Inc. and Subsidiaries	Lenox Hill Hospital and Subsidiaries	Hospice Care Network, Inc.	The Feinstein Institute for Medical Research	Real Estate Companies	North Shore - Jewish Health System Foundation, Inc.	North Shore - Jewish Health System Laboratories	North Shore Health System Enterprises, Inc. (Combined)	Insurance Companies (Combined)	
<b>Assets</b>																
Current assets:																
Cash and cash equivalents	\$20,174	\$ -	\$21	\$222,078	\$20,433	\$1,374	\$335	\$90,521	\$101,471	\$8,463	\$ -	\$360	\$49,006	\$ -	\$1	\$26,040
Marketable securities and other investments	\$90,412	(12,222)	-	\$54,586	\$6,223	-	2,050	\$0,534	\$6,576	\$4,430	43	-	-	2	-	\$2,699
Accounts receivable, net of allowance for doubtful accounts	516,821	-	16	242,549	213,923	16,740	22,520	81,406	62,573	4,790	-	-	-	(35)	7,464	4,754
Accounts receivable for physician activities, net	75,236	-	-	44,186	-	1,997	2,607	-	6,080	-	-	-	-	-	-	-
Accounts receivable for other services, net	125,290	-	-	155,629	2,575	1,594	3,515	2,417	8,736	-	-	-	-	-	-	-
Prepaid insurance, current portion	45,819	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current assets	149,755	(3,620)	9,444	61,236	4,216	2,814	6,319	16,615	12,434	230	14	-	35,824	-	-	
Total current assets	2,343,812	(10,209)	9,631	1,431,259	147,840	24,519	38,166	215,516	277,890	19,941	8,917	547	85,309	8,667	5,455	43,299
Due from affiliates:																
Accounts receivable, net of current portion	659,222	(24,633)	-	63,262	-	-	-	-	-	-	-	-	-	-	704	12,367
Prepaid insurance, net of current portion	115,354	(49,756)	-	84,610	25,250	2,835	14,722	4,224	62,649	1,247	-	-	52,658	-	-	41,635
Property, plant and equipment, net	2,156,728	-	167,150	1,173,894	102,521	14,521	48,480	225,023	205,504	2,546	66,303	24,294	549	6,287	393	-
Other assets	127,586	(25,622)	66,827	85,740	3,209	895	2,206	6,012	3,419	721	-	490	-	-	-	26,214
Total assets	55,793,223	(5,672,611)	\$243,601	13,302,728	\$272,481	\$66,776	\$142,924	\$434,483	\$611,240	\$24,090	\$11,515	\$22,331	\$250,262	\$13,054	\$6,754	\$13,055
<b>Liabilities and net assets</b>																
Current liabilities:																
Accounts payable	\$15,540	\$ -	\$ -	\$15,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Accounts payable and accrued expenses	405,581	151	\$3,843	217,611	15,711	13,313	20,066	45,613	22,560	1,584	7,310	1,544	323	8,244	3,107	1,450
Accrued salaries and related benefits	367,636	-	41,254	205,371	17,324	14,024	18,126	35,163	20,367	1,291	4,173	135	416	3,639	865	-
Current portion of capital lease obligations	5,463	(67)	1,462	1,398	-	-	-	1,851	418	-	-	-	-	-	-	-
Current portion of long-term debt	46,631	(400)	-	26,942	2,340	1,120	2,395	10,328	3,579	-	-	316	-	-	-	-
Current portion of multi-employer insurance liability	34,700	-	-	-	-	-	-	-	3,000	-	-	-	-	-	-	31,700
Current portion of third-party payer assumed liabilities	6,459	-	-	-	-	-	-	6,459	-	-	-	-	-	-	-	-
Current portion of estimated payable to third-party payers	242,234	-	-	242,561	8,325	18,234	22,365	31,506	9,276	-	-	-	-	-	17	-
Total current liabilities	2,177,282	(366)	95,211	714,228	43,680	46,668	67,982	130,925	109,493	4,677	11,683	1,995	739	12,180	2,989	33,150
Due to affiliates:																
Accounts receivable, net of current portion	451,934	(80,372)	62,544	-	2,490	34,073	9,986	3,368	516	24	50,828	4,544	6,038	3,997	-	-
Capital lease obligations, net of current portion	25,217	20,066	25,429	20,222	-	-	-	5,669	-	-	-	-	-	-	-	-
Long-term debt, net of current portion	2,211,464	(1,800)	-	935,298	41,220	15,405	49,030	127,793	153,884	-	789	-	-	-	-	-
Multi-employer insurance liability, net of current portion	434,097	(20,566)	-	233,217	2,991	16,809	16,098	32,221	73,129	-	-	-	-	(10)	-	180,309
Third-party payer assumed liabilities, net of current portion	35,843	-	-	-	-	-	-	38,865	-	-	-	-	-	-	-	-
Other due to affiliates	263,155	(2,993)	1,438	157,210	14,925	7,525	12,581	38,225	35,246	562	134	224	2,454	114	-	-
Total liabilities	3,601,015	(36,072)	758,433	2,299,236	123,543	118,997	195,728	374,454	\$63,544	5,263	67,645	11,697	9,234	16,281	3,989	213,459
Net assets:																
Unrestricted	1,097,145	70,995	4,135	770,574	\$3,172	(64,340)	(59,457)	148,306	43,090	16,310	13,679	10,729	27,672	(1,227)	3,265	19,396
Temporarily restricted	319,196	(86,941)	-	244,709	5,202	2,106	6,643	9,739	41,224	2,339	22,102	-	172,283	-	-	-
Permanently restricted	217,812	(5,237)	-	28,626	5,259	13	1,484	22,025	378	-	-	-	41,076	-	-	-
Total net assets	1,634,153	(91,173)	4,135	1,043,909	\$13,639	(52,221)	(51,814)	180,070	107,296	18,827	68,810	10,729	241,031	(1,227)	3,265	19,396
Total liabilities and net assets	55,793,223	(5,672,611)	\$243,601	13,302,728	\$272,481	\$66,776	\$142,924	\$434,483	\$611,240	\$24,090	\$11,515	\$22,331	\$250,262	\$13,054	\$6,754	\$13,055

North Shore-Long Island Jewish Health System, Inc.

Consolidating Statement of Operations- UNAUDITED  
Year ended September 30, 2010  
(in thousands)

	North Shore- Long Island Jewish Health System, Inc.		North Shore- Long Island Jewish Obligated Group	Huntington Hospital Association	Franklin Hospital	Southside Hospital and Affiliates	S.I.U.H Systems, Inc. and Subsidiaries	Lenox Hill Hospital and Subsidiaries	Hospice Care Network, Inc.	The Feinstein Institute for Medical Research	Real Estate Companies	North Shore - Long Island Jewish Health System Foundation, Inc.	North Shore- Long Island Jewish Health System Laboratories	North Shore Health System Enterprises, Inc. (Combined)	Insurance Companies	
	Total	Eliminations	Parent and Other													
Operating revenue																
Net patient service revenue	\$1,504,032	(\$5,562)	\$-	\$2,181,954	\$194,295	\$136,083	\$155,974	\$524,843	\$222,440	\$30,950	\$505	\$-	\$-	\$-	\$22,565	\$-
Physician practice revenue	358,569	(2)	-	304,456	14,327	8,127	12,500	-	19,381	-	-	-	-	-	-	-
Other operating revenue	125,426	(459,389)	302,530	50,440	4,284	2,080	10,923	11,699	20,041	470	41,195	20,319	-	154,180	386	26,264
Net assets released from restrictions used for operations	26,168	-	-	16,169	762	-	7	692	2,633	-	16,405	-	-	-	-	-
Total operating revenue	4,054,315	(462,954)	302,530	2,552,989	213,168	146,290	219,494	537,234	264,395	31,430	58,105	20,319	-	154,180	72,951	26,264
Operating expenses																
Salaries	1,918,784	(65,815)	107,971	1,174,122	92,377	67,274	100,384	271,241	109,614	11,597	29,947	850	-	25,407	12,414	-
Employee benefits	544,799	(23,249)	26,066	242,250	31,756	20,665	35,721	55,519	33,835	2,440	8,967	273	-	7,078	3,472	-
Supplies and expenses	1,234,047	(339,085)	135,666	793,892	62,825	50,263	61,779	154,878	108,834	15,290	22,750	17,538	-	114,662	7,736	27,043
Bad debt expense	75,610	(6,148)	-	55,954	4,663	3,575	6,299	4,637	5,749	50	-	-	-	445	1	-
Depreciation and amortization	163,274	-	26,408	80,954	9,125	3,213	7,477	17,424	11,811	491	3,571	1,454	-	1,139	187	-
Interest	15,814	(1,321)	4,235	26,855	1,717	902	2,416	7,540	3,346	-	22	-	-	-	-	-
Total operating expenses	3,582,333	(654,848)	300,447	2,474,031	202,463	146,892	214,076	511,239	273,227	29,874	65,231	20,137	-	148,731	23,810	27,043
Excess (deficiency) of operating revenue over operating expenses before other operating items	101,982	(10,006)	2,083	78,958	10,705	(602)	5,328	25,995	(8,812)	1,556	(7,126)	182	-	5,449	(859)	(779)
Non-Operating gains:																
Investment income	19,736	-	-	14,594	2,283	41	482	1,070	732	117	22	-	177	-	-	248
Change in net unrealized gains and losses	36,460	-	-	36,643	748	15	94	390	(213)	75	21	-	126	-	-	(1,453)
Change in fair value of interest rate swap agreement designated as derivative instruments	(16,052)	-	-	(13,330)	-	-	-	-	-	-	-	-	-	-	-	-
Other non operating gains and losses	2,534	604	-	128	80	5	111	-	3,418	603	-	(2,455)	-	-	-	-
Total Non-Operating Gain	42,648	604	-	38,032	3,111	61	687	(1,889)	3,917	795	43	-	(2,152)	-	-	(1,205)
Excess (deficiency) of revenue and gains over expenses	144,630	(9,402)	2,083	117,000	13,816	(541)	5,015	24,106	(4,895)	2,355	(7,083)	182	(2,152)	5,449	(859)	(1,984)
Net assets released from restrictions for capital asset acquisitions and other	5,681	5	-	4,583	-	-	-	344	1,009	-	3,710	-	-	-	-	-
Change in fair value of interest rate swap agreement designated as cash flow hedge	(2,733)	-	-	(2,733)	-	-	-	-	-	-	-	-	-	-	-	-
Change in value of endowment assets	320	-	-	275	-	-	-	-	-	-	-	-	45	-	-	-
Transfer (to) from affiliates and reserves for borrowings by affiliates	112	3,219	(2,250)	(6,084)	-	-	-	-	-	3,870	(21)	-	-	(4,622)	-	6,000
Contribution of net assets	46,946	-	-	-	-	-	-	46,946	-	-	-	-	-	-	-	-
Increase (decrease) in unrestricted net assets	\$198,755	(\$6,238)	(\$167)	\$113,041	\$13,816	(\$541)	\$4,015	\$24,450	\$43,090	\$2,355	\$497	\$161	(\$2,107)	\$827	(\$859)	\$4,016

BPA Attachment F (cont)

North Shore-Long Island Jewish Obligated Group

Combining Statement of Financial Position - UNAUDITED  
September 30, 2010 (In Thousands)  
(Unaudited)

	Total Obligated Group	Eliminations	North Shore University Hospital	Long Island Jewish Medical Center	Glen Cove Hospital	Plainview Hospital	Forest Hills Hospital	North Shore University Hospital Stern Family Center for Extended Care and Rehabilitation
<b>Assets</b>								
<b>Current assets:</b>								
Cash and cash equivalents	\$272,073	\$ -	\$140,974	\$79,642	\$5	\$993	\$143	\$16
Marketable securities and other investments	652,986	-	382,884	215,025	55,077	-	-	-
Accounts receivable for services to patients, net of allowance for doubtful accounts	292,595	-	124,525	130,611	5,649	10,285	14,372	7,153
Accounts receivable for physician activities, net	44,186	-	36,116	8,070	-	-	-	-
Assets limited as to use, current portion	155,633	-	132,235	14,904	2,930	1,567	3,069	928
Other current assets	64,256	-	33,367	24,515	2,895	1,667	1,680	115
<b>Total current assets</b>	<b>1,431,729</b>	<b>-</b>	<b>850,098</b>	<b>473,067</b>	<b>66,556</b>	<b>14,532</b>	<b>19,264</b>	<b>8,212</b>
Due from affiliates, net	61,562	(21,025)	8,337	2,380	37,157	24,735	-	9,978
Assets limited as to use, net of current portion	549,813	-	111,729	410,861	7,976	1,803	2,680	14,764
Property, plant and equipment, net	1,173,894	-	385,908	646,423	49,684	33,108	49,874	8,897
Other assets	85,790	-	31,010	52,796	353	580	846	205
<b>Total assets</b>	<b>\$3,302,788</b>	<b>(\$21,025)</b>	<b>\$1,387,082</b>	<b>\$1,585,527</b>	<b>\$161,726</b>	<b>\$74,758</b>	<b>\$72,664</b>	<b>\$42,056</b>
<b>Liabilities and net assets</b>								
<b>Current liabilities:</b>								
Short-term borrowings	\$15,540	\$ -	\$11,900	\$3,640	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	217,011	-	99,038	81,317	12,685	11,748	9,242	2,980
Accrued salaries and related benefits	205,351	-	96,031	71,737	11,412	9,159	14,544	1,868
Current portion of capital lease obligations	1,788	-	1,740	48	-	-	-	-
Current portion of long-term debt	26,982	-	14,136	6,055	2,570	1,117	2,353	751
Current portion of estimated payable to third party payers	247,561	-	116,039	82,793	7,554	17,813	18,352	5,010
<b>Total current liabilities</b>	<b>714,233</b>	<b>-</b>	<b>339,484</b>	<b>245,590</b>	<b>34,222</b>	<b>39,837</b>	<b>44,451</b>	<b>10,609</b>
Due to affiliates	-	(21,025)	-	-	-	-	21,025	-
Accrued retirement benefits, net of current portion	196,587	-	96,834	71,078	10,636	13,735	1,056	3,248
Capital lease obligations, net of current portion	20,222	-	5,911	14,311	-	-	-	-
Long-term debt, net of current portion	935,293	-	265,893	589,268	15,143	22,015	34,173	8,801
Malpractice insurance liabilities, net of current portion	233,917	-	98,904	102,724	9,219	6,780	16,250	-
Other long-term liabilities	159,104	-	56,173	75,278	9,400	8,429	8,757	1,067
<b>Total liabilities</b>	<b>2,259,356</b>	<b>(21,025)</b>	<b>863,199</b>	<b>1,068,249</b>	<b>78,620</b>	<b>90,796</b>	<b>125,792</b>	<b>23,725</b>
<b>Commitments and contingencies</b>								
<b>Net assets:</b>								
Unrestricted	770,074	-	451,169	299,779	71,308	(16,451)	(53,303)	17,572
Temporarily restricted	244,702	-	55,052	179,141	9,162	413	175	759
Permanently restricted	28,656	-	17,662	8,358	2,636	-	-	-
<b>Total net assets</b>	<b>1,043,432</b>	<b>-</b>	<b>523,883</b>	<b>487,278</b>	<b>83,106</b>	<b>(16,038)</b>	<b>(53,128)</b>	<b>18,331</b>
<b>Total liabilities and net assets</b>	<b>\$3,302,788</b>	<b>(\$21,025)</b>	<b>\$1,387,082</b>	<b>\$1,585,527</b>	<b>\$161,726</b>	<b>\$74,758</b>	<b>\$72,664</b>	<b>\$42,056</b>

North Shore-Long Island Jewish Obligated Group

Combining Statement of Operations - UNAUDITED  
September 30, 2010 (In Thousands)  
(Unaudited)

	Total Obligated Group	Eliminations	North Shore University Hospital	Long Island Jewish Medical Center	Glen Cove Hospital	Plainview Hospital	Forest Hills Hospital	North Shore University Hospital Stern Family Center for Extended Care and Rehabilitation
Operating revenue:								
Net patient service revenue	\$2,181,954	\$ -	\$941,555	\$827,802	\$120,176	\$125,629	\$141,671	\$25,121
Physician practice revenue	304,436	-	157,491	117,662	12,592	9,073	7,618	-
Other operating revenue	50,440	(34,162)	55,482	24,614	2,312	1,068	729	397
Net assets released from restrictions used for operations	16,169	-	9,727	6,442	-	-	-	-
Total operating revenue	2,552,999	(34,162)	1,164,255	976,520	135,080	135,770	150,018	25,518
Operating expenses:								
Salaries	1,174,122	(14,449)	518,537	457,414	66,780	64,198	66,764	14,878
Employee benefits	342,250	-	144,920	129,565	19,301	22,019	21,805	4,640
Supplies and expenses	793,892	(19,713)	372,522	310,718	39,317	42,495	43,730	4,823
Bad debt expense	55,854	-	33,015	13,318	3,785	1,983	3,685	168
Depreciation and amortization	80,954	-	37,951	29,969	4,422	3,340	4,615	657
Interest	26,859	-	12,206	11,006	801	961	1,508	377
Total operating expenses	2,474,031	(34,162)	1,119,151	951,990	134,406	134,996	142,107	25,543
Excess (deficiency) of operating revenue over operating expenses	78,968	-	45,104	24,530	674	774	7,911	(25)
Non-operating gains and losses:								
Investment income	14,594	-	8,070	4,888	1,071	59	111	395
Change in net unrealized gains and losses	36,643	-	23,481	10,605	2,440	(2)	(4)	-
Change in fair value of interest rate swap agreements designated as derivative instruments	(13,333)	-	-	(13,333)	-	-	-	-
Gain on refinancing and refunding of long-term debt	-	-	-	-	-	-	-	-
Other non-operating gains and losses	128	-	82	1	-	45	-	-
Total non-operating gains and losses	38,032	-	31,633	2,161	3,511	102	107	518
Excess of revenue and gains over expenses	117,000	-	76,737	26,691	4,185	876	8,018	483
Net assets released from restrictions for capital asset acquisitions and other	4,583	-	651	603	52	-	3,271	-
Change in fair value of interest rate swap agreements designated as cash flow hedges	(2,733)	-	(984)	(1,749)	-	-	-	-
Change in fair value of endowment assets	275	-	195	85	(5)	-	-	-
Transfers to affiliates and reserves for borrowings by affiliates	(6,084)	-	23,452	2,247	-	-	(31,783)	-
Increase (decrease) in unrestricted net assets	\$113,041	-	\$100,051	\$27,883	\$4,232	\$976	(\$20,494)	\$483

BFA Attachment G (cont.)

**ARNOT OGDEN MEDICAL CENTER AND AFFILIATES****CONSOLIDATED AND COMBINED BALANCE SHEET  
DECEMBER 31, 2009**

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**ASSETS****CURRENT ASSETS:**

Cash and cash equivalents	\$ 16,810,264
Current portion of marketable securities	5,000,000
Accounts receivable, net	35,669,121
Current portion of notes and other receivables	828,609
Inventories	2,306,780
Current portion of assets limited as to use	1,359,879
Prepaid expenses and other current assets	<u>2,555,379</u>

Total current assets 64,530,032

**NONCURRENT ASSETS:**

Marketable securities, net of current portion	45,131,694
Assets limited as to use, net of current portion	28,832,808
Notes and other receivables, net of current portion	147,850
Property, plant and equipment, net	97,405,838
Deferred financing costs, net	888,827
Other noncurrent assets	2,564,776
Interest in net assets of charitable remainder trusts	<u>2,398,630</u>

177,370,422

Total assets \$ 241,900,454

## ARNOT OGDEN MEDICAL CENTER AND AFFILIATES

## CONSOLIDATED AND COMBINED BALANCE SHEET

DECEMBER 31, 2009

(Continued)

## LIABILITIES AND NET ASSETS

## CURRENT LIABILITIES:

Line-of-credit	\$ 1,150,000
Accounts payable and accrued liabilities	18,507,336
Current portion of long-term debt	1,820,922
Current portion of capital lease obligations	941,974
Current portion of estimated third-party settlements payable	8,223,738
Other current liabilities	<u>220,111</u>

Total current liabilities 30,864,081

## LONG-TERM LIABILITIES:

Long-term debt, net of current portion	35,458,515
Capital lease obligations, net of current portion	3,527,023
Self-insurance reserves	7,189,215
Estimated third-party settlements payable, net of current portion	1,199,712
Accrued pension liability	13,431,169
Other long-term liabilities	<u>2,081,519</u>

62,887,153

Total liabilities 93,751,234

## NET ASSETS:

Unrestricted	138,790,212
Temporarily restricted	6,928,762
Permanently restricted	<u>2,430,246</u>

Total net assets 148,149,220

Total liabilities and net assets \$ 241,900,454

**ARNOT OGDEN MEDICAL CENTER AND AFFILIATES****CONSOLIDATED AND COMBINED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2009****UNRESTRICTED REVENUES AND OTHER SUPPORT:**

Net patient service revenue	\$ 268,114,027
Other operating revenue	<u>9,517,495</u>

Total operating revenue	<u>277,631,522</u>
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**OPERATING EXPENSES:**

Nursing and other professional services	172,701,851
General services	12,757,568
Fiscal and administrative	67,417,444
Provision for bad debts	<u>15,639,903</u>

Total operating expenses	<u>268,516,766</u>
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Income from operations	<u>9,114,756</u>
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**OTHER INCOME (EXPENSE):**

Investment income and other	1,462,162
Net realized losses on investments	(669,722)
Investment management fees	<u>(225,667)</u>

Total other income	<u>566,773</u>
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Excess of revenue over expenses	<u>\$ 9,681,529</u>
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ARNOT OGDEN MEDICAL CENTER AND AFFILIATES

CONSOLIDATING AND COMBINING STATEMENTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Arnot Ogdien Medical Center	Ivy Street Development Corp.	Arnot Ogdien Medical Center Foundation, Inc.	722 West Water Street	Falck Foundation	AOMC Auxiliary	Ira Davenport Memorial Hospital	Eliminating, Consolidating and Combining Entries	Consolidated and Combined
<b>UNRESTRICTED REVENUES AND OTHER SUPPORT:</b>									
Net patient service revenue	\$ 244,233,729	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,980,298	\$ -	\$ 268,114,027
Other operating revenue	6,334,229	1,668,387	88,570	88,301	-	479,173	2,100,521	(1,240,286)	9,517,495
Total operating revenue	<u>250,567,958</u>	<u>1,668,387</u>	<u>88,570</u>	<u>88,301</u>	<u>-</u>	<u>479,173</u>	<u>25,980,819</u>	<u>(1,240,286)</u>	<u>277,631,522</u>
<b>OPERATING EXPENSES:</b>									
Nursing and other professional services	158,011,593	694,393	69,791	-	-	48,408	13,945,287	(67,811)	172,701,351
General services	10,634,195	-	-	-	-	-	2,123,373	-	12,757,568
Fiscal and administrative	59,906,677	999,131	92,352	93,810	17,066	218,735	7,285,336	(1,198,063)	67,417,444
Provision for bad debts	13,555,724	7,784	-	-	-	-	1,778,395	-	15,639,903
Total operating expenses	<u>242,410,179</u>	<u>1,701,306</u>	<u>162,143</u>	<u>93,810</u>	<u>17,066</u>	<u>267,143</u>	<u>25,131,391</u>	<u>(1,266,274)</u>	<u>268,516,766</u>
Income (loss) from operations	<u>8,157,779</u>	<u>(32,921)</u>	<u>(73,573)</u>	<u>(5,909)</u>	<u>(17,066)</u>	<u>212,030</u>	<u>849,428</u>	<u>25,888</u>	<u>9,114,756</u>
<b>OTHER INCOME (EXPENSE):</b>									
Investment income and other	1,312,150	(2,328)	222,719	1,310	4,110	1,635	6,786	(84,220)	1,482,162
Net realized losses on the sale of investments	(447,790)	-	(220,194)	-	(156)	(1,582)	-	-	(669,722)
Investment management fees	(225,667)	-	-	-	-	-	-	-	(225,667)
Total other income	<u>638,693</u>	<u>(2,328)</u>	<u>2,525</u>	<u>1,310</u>	<u>3,954</u>	<u>53</u>	<u>6,786</u>	<u>(84,220)</u>	<u>566,773</u>
Excess of revenue over expenses	<u>\$ 8,796,472</u>	<u>\$ (35,249)</u>	<u>\$ (71,048)</u>	<u>\$ (5,599)</u>	<u>\$ (13,112)</u>	<u>\$ 212,083</u>	<u>\$ 856,214</u>	<u>\$ (58,232)</u>	<u>\$ 9,681,529</u>

## ST. JOSEPH'S HOSPITAL AND SUBSIDIARY

## Consolidated Balance Sheets

December 31, 2009 and 2008

<u>Assets</u>	<u>2009</u>	<u>2008</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,012,394	717,249
Investments	103,535	116,088
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$3,563,000 for 2009 and \$1,672,000 for 2008	8,935,905	9,869,828
Pledges receivables, current portion	3,687	6,454
Notes receivable - St. Joseph's Health System, current portion	10,484	49,492
Other receivables, net of allowance for doubtful accounts of approximately \$28,000 in 2009 and \$25,000 in 2008	283,409	251,771
Due from affiliates	221,438	325,102
Inventories	1,457,143	1,719,560
Prepaid expenses and other current assets	407,394	436,229
	<hr/>	<hr/>
Total current assets	12,435,389	13,491,773
Assets limited as to use	7,801,389	5,363,940
Pledges receivables, net of current portion	186,062	262,870
Notes receivable - St. Joseph's Health System, net of current portion	178,298	1,132,111
Long-term portion of due from affiliates	774,867	1,997,601
Beneficial interest in charitable remainder trust	330,753	344,018
Long-term investments	217,480	217,480
Property and equipment, net	18,275,487	20,172,838
Unamortized debt issuance costs	193,411	242,412
	<hr/>	<hr/>
Total assets	\$ <u>40,393,131</u>	<u>43,225,043</u>

<u>Liabilities and Net Assets (Deficit)</u>	<u>2009</u>	<u>2008</u>
<b>Current liabilities:</b>		
Current portion of long-term debt	\$ 234,966	436,450
Accounts payable and accrued liabilities	6,872,907	7,872,714
Salaries, wages and related liabilities	1,610,939	2,127,564
Estimated third-party payor settlements	<u>1,520,943</u>	<u>1,196,065</u>
Total current liabilities	10,239,755	11,632,793
Long-term debt, net of current portion	16,397,582	17,105,093
Accrued pension liability	7,512,701	8,383,068
Postretirement benefit liability	991,555	5,201,094
Estimated liability for self-insured workers' compensation claims	<u>3,403,330</u>	<u>1,988,659</u>
Total liabilities	<u>38,544,923</u>	<u>44,310,707</u>
<b>Net assets (deficit):</b>		
Unrestricted	332,597	(2,588,083)
Temporarily restricted	1,349,826	1,336,634
Permanently restricted	<u>165,785</u>	<u>165,785</u>
Total net assets (deficit)	<u>1,848,208</u>	<u>(1,085,664)</u>
Commitments and contingencies (notes 10 and 12)		
Total liabilities and net assets (deficit)	<u>\$ 40,393,131</u>	<u>43,225,043</u>

**ST. JOSEPH'S HOSPITAL AND SUBSIDIARY**

## Consolidated Statements of Operations and Changes in Net Assets (Deficit)

Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Unrestricted revenues, gains and other support:		
Net patient service revenue	\$ 64,126,743	62,413,835
Contributions	321,175	201,251
Rental income	305,583	303,258
Other revenue	2,035,830	2,113,256
Net assets released from restriction used for operations	108,499	101,058
	<u>66,897,830</u>	<u>65,132,658</u>
Expenses:		
Salaries and wages	28,963,533	31,342,040
Fringe benefits	10,214,674	9,405,683
Supplies and other	11,898,294	12,653,957
Purchased services	6,067,223	7,004,645
Medical and other professional fees	4,575,473	3,593,019
Fundraising	45,269	61,094
Contributions	72,981	36,815
Depreciation and amortization	2,407,052	2,440,217
Interest	1,388,679	1,247,937
Provision for bad debts	4,929,460	4,760,220
New York State gross receipts assessments	404,335	309,861
Gain on postretirement plan curtailment	(3,600,193)	-
	<u>67,366,780</u>	<u>72,855,488</u>
Total expenses		
	<u>(468,950)</u>	<u>(7,722,830)</u>
Loss from operations		
Other loss:		
Investment loss	(82,181)	(465,538)
	<u>(82,181)</u>	<u>(465,538)</u>
Deficiency of revenues over expenses	\$ <u>(551,131)</u>	<u>(8,188,368)</u>

## ST. JOSEPH'S HOSPITAL AND SUBSIDIARY

## Consolidated Statements of Operations and Changes in Net Assets (Deficit), Continued

Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Unrestricted net assets:		
Deficiency of revenues over expenses	\$ (551,131)	(8,188,368)
Grants for capital acquisitions	44,495	41,009
Net change in unrealized losses on investments	713,965	(1,139,063)
Transfer of building from St. Joseph's Health System	475,000	-
Pension and post-retirement related changes other than net periodic benefit cost	<u>2,238,351</u>	<u>(4,398,241)</u>
Increase (decrease) in unrestricted net assets	<u>2,920,680</u>	<u>(13,684,663)</u>
Temporarily restricted net assets:		
Restricted contributions	122,245	89,936
Endowment income	2,241	2,273
Interest and dividend income	10,470	22,779
Change in value of beneficial interest in charitable remainder trust	(13,265)	(121,844)
Net assets released from restriction used for operations	<u>(108,499)</u>	<u>(96,574)</u>
Increase (decrease) in temporarily restricted net assets	<u>13,192</u>	<u>(103,430)</u>
Permanently restricted net assets:		
Other	<u>-</u>	<u>(4,484)</u>
Decrease in permanently restricted net assets	<u>-</u>	<u>(4,484)</u>
Increase (decrease) in net assets	<u>2,933,872</u>	<u>(13,792,577)</u>
Net assets (deficit) at beginning of year	<u>(1,085,664)</u>	<u>12,706,913</u>
Net assets (deficit) at end of year	<u>\$ 1,848,208</u>	<u>(1,085,664)</u>

ARNOT OGDEN MEDICAL CENTER AND SUBSIDIARY  
 COMBINED BALANCE SHEET  
DECEMBER 2010

<u>ASSETS</u>	<u>12/31/10</u>	<u>12/31/09</u>	<u>LIABILITIES</u>	<u>12/31/10</u>	<u>12/31/09</u>
Current assets:			Current liabilities:		
Cash and cash equivalents	8,115,221	16,156,358	Current portion of long-term debt	763,670	1,475,512
Assets whose use is limited -			Current portion of capital lease obligation	503,005	692,179
current portion	2,181,517	1,359,879	Accounts payable and accrued liabilities	8,494,376	7,637,360
Notes & other receivables	4,564,584	1,026,582	Accrued payroll and related liabilities	10,594,508	9,379,385
Short-term investments	5,000,000	5,000,000	Accrued estimated reimbursement payable, net	3,475,320	7,284,799
Accounts receivable, net	33,510,677	32,033,869			
Inventories	2,554,144	1,773,449	Total current liabilities	23,827,879	26,469,236
Prepaid expenses	1,921,254	2,189,555			
			Self-insurance reserve	7,990,811	7,189,215
Total current assets	57,847,397	59,539,692	Long-term debt, net of current	30,902,151	32,189,270
Assets whose use is limited,			Capital lease obligation, net of current	2,917,723	3,420,728
net of current portion			Accrued Est. Reimb to Third Parties	1,199,825	1,199,712
Depreciation	10,251,754	9,164,317	Accrued Pension Cost	16,409,659	13,246,903
Self-insurance	16,875,659	14,520,361	Other Long Term Liabilities	2,461,498	2,056,518
Bond Payment Fund	2,422,462	3,326,388			
Investments			TOTAL LIABILITIES	85,709,546	85,771,582
Long-term	43,871,056	39,979,242	Net Assets:		
Restricted endowment	2,300,000	2,300,000	Net assets/unrestricted	139,236,770	130,919,441
Notes receivable, net	10,815	149,773	Net assets/temporarily restricted	4,168,732	3,916,052
Property, plant and equipment, net	94,458,518	90,509,472	Net assets/permanently restricted	2,300,000	2,300,000
Prepaid Pension asset	0	0			
Other non-current assets	3,377,387	3,414,130	TOTAL NET ASSETS	145,705,502	137,135,493
<b>TOTAL ASSETS</b>	<b><u>231,415,048</u></b>	<b><u>222,907,075</u></b>	<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u>231,415,048</u></b>	<b><u>222,907,075</u></b>

## ARNOT OGDEN MEDICAL CENTER

### Combined Statement of Operations

For the year ended December 31

<u>Operating Revenue</u>	Budget	2010	Var %	2009
Inpatient Revenue	\$107,155,745	\$102,495,175	-4%	\$103,433,166
Outpatient Revenue	\$110,539,939	\$113,549,289	3%	\$102,424,529
Arnot Medical Services	\$45,265,647	\$43,840,856	-3%	\$38,376,035
Other Revenue	\$8,911,241	\$7,751,100	-13%	\$7,416,966
Total Net Revenue	<u>\$271,872,572</u>	<u>\$267,636,420</u>	<u>-2%</u>	<u>\$251,650,696</u>
<u>Operating Expenses</u>	\$0			\$0
Salary & Wages	\$123,469,285	\$122,495,917	-1%	\$109,831,517
Fringe Benefits	\$36,380,316	\$35,925,690	-1%	\$31,158,089
Drugs & Supplies	\$42,412,097	\$45,076,654	6%	\$41,573,417
Purchased Services	\$24,829,112	\$25,784,291	4%	\$25,019,740
Bad Debts	\$15,332,377	\$13,164,967	-14%	\$13,863,615
Depreciation & Amortization	\$13,170,947	\$11,657,848	-11%	\$11,711,090
Interest Expense	\$1,793,525	\$1,531,308	-12%	\$1,874,921
Other Expenses	\$10,516,194	\$10,049,438	-4%	\$8,352,984
Total Expenses	<u>\$267,903,853</u>	<u>\$265,736,112</u>	<u>-1%</u>	<u>\$243,385,373</u>
Total Operating Income	<u>\$3,968,719</u>	<u>\$1,900,308</u>	<u>-52%</u>	<u>\$8,265,323</u>
Non-Operating Income	<u>\$2,389,677</u>	<u>\$5,101,807</u>	<u>113%</u>	<u>\$559,988</u>
Excess of Revenue over Expense	<u>\$6,358,396</u>	<u>\$7,002,115</u>	<u>10%</u>	<u>\$8,825,311</u>

ST. JOSEPH'S HOSPITAL  
ELMIRA, NEW YORK

BALANCE SHEET  
Dec-10

ASSETS	DECEMBER 2010	DECEMBER 2009	LIABILITIES AND FUND BALANCE	DECEMBER 2010	DECEMBER 2009
CURRENT:			LIABILITIES AND NET ASSETS		
CASH	464,218	876,896	CURRENT LIABILITIES		
MARKETABLE SECURITIES	111,806	103,535	ACCOUNTS PAYABLE AND ACCRUED EXPENSES	7,799,349	6,818,961
PATIENT RECEIVABLES	12,496,835	12,493,016	SALARIES, WAGES AND RELATED LIABILITIES	1,654,780	1,546,683
LESS ALLOWANCE BAD DEBT	(2,186,649)	(3,563,499)	PAYABLE TO THIRD PARTY PROVIDERS	1,406,159	1,520,945
NET RECEIVABLES	10,310,185	8,934,517	CURRENT PORTION LONG TERM DEBT	4,925,000	-
OTHER RECEIVABLES	326,401	495,037	CURRENT INSTALL CAPITAL LEASES	134,322	140,462
INVENTORIES	1,324,839	1,429,117	TOTAL CURRENT LIABILITIES	15,919,610	10,027,051
PRE-PAID EXPENSES & DEPOSITS	784,398	317,576			
DUE FROM FOUNDATION - CURRENT	-	-	NON CURRENT LIABILITIES:		
TOTAL CURRENT ASSETS	12,821,848	12,155,680	LONG TERM DEBT BONDS	10,465,000	15,390,000
ASSETS LIMITED AS TO USE:			LONG TERM DEBT FOUNDATION	424,523	711,193
PLEGGED - LETTERS OF CREDIT	1,100,236	1,031,150	LONG TERM - CAPITAL LEASES	313,124	125,285
USRF	2,417,635	2,767,926	ACCRUED POST RETIREMENT BENEFITS	24,805	991,555
UNDER HEALTH INSURANCE FUNDING	714,004	1,132,269	ACCRUED PENSION LIABILITY	7,512,700	7,512,791
BOARD OF DIRECTORS	1,385,150	2,361,918	ESTIMATED SELF-INSURANCE COSTS	-	-
TOTAL ASSETS LIMITED TO USE	5,617,026	7,293,263	OTHER NON CURRENT LIABILITY	3,922,398	3,403,330
PROPERTY, PLANT AND EQUIPMENT			TOTAL NON CURRENT LIABILITIES	22,662,550	28,133,974
LAND AND IMPROVEMENTS	2,736,069	2,893,816			
BUILDINGS	21,389,411	21,477,803	NET ASSETS:		
EQUIPMENT	76,642,088	74,829,753	UNRESTRICTED NET ASSETS	(3,082,690)	(865,567)
ACCUMULATED DEPRECIATION	(84,519,178)	(82,334,586)	TEMPORARILY RESTRICTED NET ASSETS	15,242	10,242
CONSTRUCTION IN PROGRESS	16,248,392	16,835,786	PERMANENTLY RESTRICTED NET ASSETS	32,900	32,900
TOTAL PROPERTY AND EQUIPMENT	16,390,599	16,835,786	TOTAL NET ASSETS	(3,034,548)	(822,425)
OTHER ASSETS					
DUE FROM FOUNDATION - NON CURRENT	-	-			
INTEREST IN NET ASSETS OF FOUNDATION	-	-			
NOTES RECEIVABLE - SJPS	-	-			
OTHER NON CURRENT ASSETS	718,139	1,052,871			
TOTAL OTHER ASSETS	718,139	1,052,871			
TOTAL ASSETS	35,547,612	37,333,600	TOTAL LIABILITIES & NET ASSETS	35,547,612	37,338,600

ST. JOSEPH'S HOSPITAL  
RESULTS OF OPERATIONS

Dec-10

	MTD ACTUAL 2010	MTD BUDGET 2010	FAVORABLE (UNFAVORABLE)	%	YTD ACTUAL 2010	YTD BUDGET 2010	FAVORABLE (UNFAVORABLE)	%
NET PATIENT REVENUE	5,576,156	5,864,673	(288,517)	-4.9%	64,933,332	68,399,219	(3,465,887)	-5.1%
OTHER OPERATING REVENUE	152,976	245,345	(112,369)	-45.8%	2,266,515	1,751,209	515,306	29.4%
INVESTMENT INCOME	13,768	5,967	7,801	130.7%	76,682	71,601	5,081	7.1%
<b>TOTAL REVENUE</b>	<b>5,722,900</b>	<b>6,115,985</b>	<b>(393,085)</b>	<b>-6.4%</b>	<b>67,276,529</b>	<b>70,222,029</b>	<b>(2,945,500)</b>	<b>-4.2%</b>
<b>OPERATING EXPENSES:</b>								
SALARIES & WAGES	2,513,418	2,424,145	(89,273)	-3.7%	28,836,266	28,441,443	(394,822)	-1.4%
NON-LABOR EXPENSES	2,881,166	2,899,860	(11,506)	-0.4%	32,702,722	33,746,007	1,043,285	3.1%
INTEREST	142,824	74,111	(68,713)	-92.7%	1,069,991	875,634	(194,357)	-22.2%
BAD DEBT EXPENSE	649,500	385,500	(263,000)	-77.4%	5,029,535	4,314,535	(715,000)	-16.6%
DEPRECIATION	197,434	181,573	(15,861)	-8.7%	2,252,501	2,289,476	36,975	1.6%
<b>TOTAL OPERATING EXPENSES</b>	<b>6,383,342</b>	<b>5,914,989</b>	<b>(468,353)</b>	<b>-7.9%</b>	<b>69,891,014</b>	<b>69,667,095</b>	<b>(223,919)</b>	<b>-0.3%</b>
<b>(LOSS) INCOME FROM OPERATIONS</b>	<b>(660,442)</b>	<b>200,996</b>	<b>(861,438)</b>	<b>-428.6%</b>	<b>(2,614,485)</b>	<b>564,934</b>	<b>(3,169,419)</b>	<b>-571.1%</b>
<b>NON-OPERATING GAINS:</b>								
INVESTMENT INCOME	7,880	12,752	(4,872)	-38.2%	88,870	153,030	(64,160)	-41.9%
GAIN (LOSS) ON INVESTMENTS	2,188	0	2,188	100.0%	1,295	0	1,299	100.0%
OTHER GAINS & LOSSES	0	0	0	0.0%	0	0	0	0.0%
	<b>10,068</b>	<b>12,752</b>	<b>(2,683)</b>	<b>-21.0%</b>	<b>90,165</b>	<b>153,030</b>	<b>(62,865)</b>	<b>-41.1%</b>
<b>EXCESS OF REVENUES AND GAINS OVER EXPENSES</b>	<b>(650,373)</b>	<b>213,748</b>	<b>(864,121)</b>	<b>-404.3%</b>	<b>(2,524,319)</b>	<b>707,964</b>	<b>(3,232,283)</b>	<b>-456.6%</b>
<b>BEGINNING UNRESTRICTED NET ASSETS</b>					<b>(965,567)</b>			
EXCESS OF REVENUES AND GAINS OVER EXPENSES					<b>(2,524,319)</b>			
UNREALIZED GAINS (LOSSES) ON INVESTMENTS					158,006			
FOUNDATION CAPITAL DONATION RECEIVED					293,052			
HRA CLAIMS					<b>(113,867)</b>			
<b>ENDING UNRESTRICTED NET ASSETS</b>					<b>(3,082,690)</b>			

31A Attachment D (cont.)

IRA DAVENPORT MEMORIAL HOSPITAL, INC.

Consolidated Statement of Operations

December 31, 2010

Month - To - Date					Year - To - Date					
Budget	Actual	Var	2009	Var		Budget	Actual	Var	2009	Var
2,083,315	1,571,548	-25%	2,042,803	-23%	1	24,529,319	22,155,818	-10%	24,242,544	-9%
161,715	260,278	61%	286,426	-9%	2	1,904,050	2,485,102	31%	2,149,220	16%
<u>2,245,030</u>	<u>1,831,826</u>	<u>-18%</u>	<u>2,329,229</u>	<u>-21%</u>	3	<u>26,433,369</u>	<u>24,640,920</u>	<u>-7%</u>	<u>26,391,764</u>	<u>-7%</u>
947,757	890,314	-6%	929,939	-4%	4	11,159,078	11,061,771	-1%	10,888,763	2%
248,214	216,970	-13%	201,310	8%	5	2,942,486	2,758,438	-6%	2,860,364	-4%
238,776	415,967	74%	210,547	98%	6	2,811,328	2,808,669	0%	2,687,768	4%
86,792	94,000	8%	95,804	-2%	7	1,021,898	1,023,264	0%	1,084,011	-6%
140,141	378,673	170%	263,963	43%	8	1,650,047	1,884,403	14%	1,776,395	6%
26,606	28,495	7%	35,760	-20%	9	313,266	354,499	13%	416,446	-15%
546,153	661,893	21%	529,412	25%	10	6,430,422	6,178,832	-4%	5,779,890	7%
<u>2,234,439</u>	<u>2,686,312</u>	<u>20%</u>	<u>2,266,735</u>	<u>19%</u>	11	<u>26,328,525</u>	<u>26,069,876</u>	<u>-1%</u>	<u>25,493,637</u>	<u>2%</u>
10,591	-854,486	-8168%	62,494	-1467%	12	104,844	-1,428,956	-1463%	898,127	-259%
0	110,382	-	352,829	-69%	13	0	485,746	-	937,193	-48%
<u>\$10,591</u>	<u>-\$744,104</u>	<u>-7126%</u>	<u>\$415,323</u>	<u>-279%</u>	14	<u>\$104,844</u>	<u>-\$943,210</u>	<u>-1000%</u>	<u>\$1,835,320</u>	<u>-151%</u>

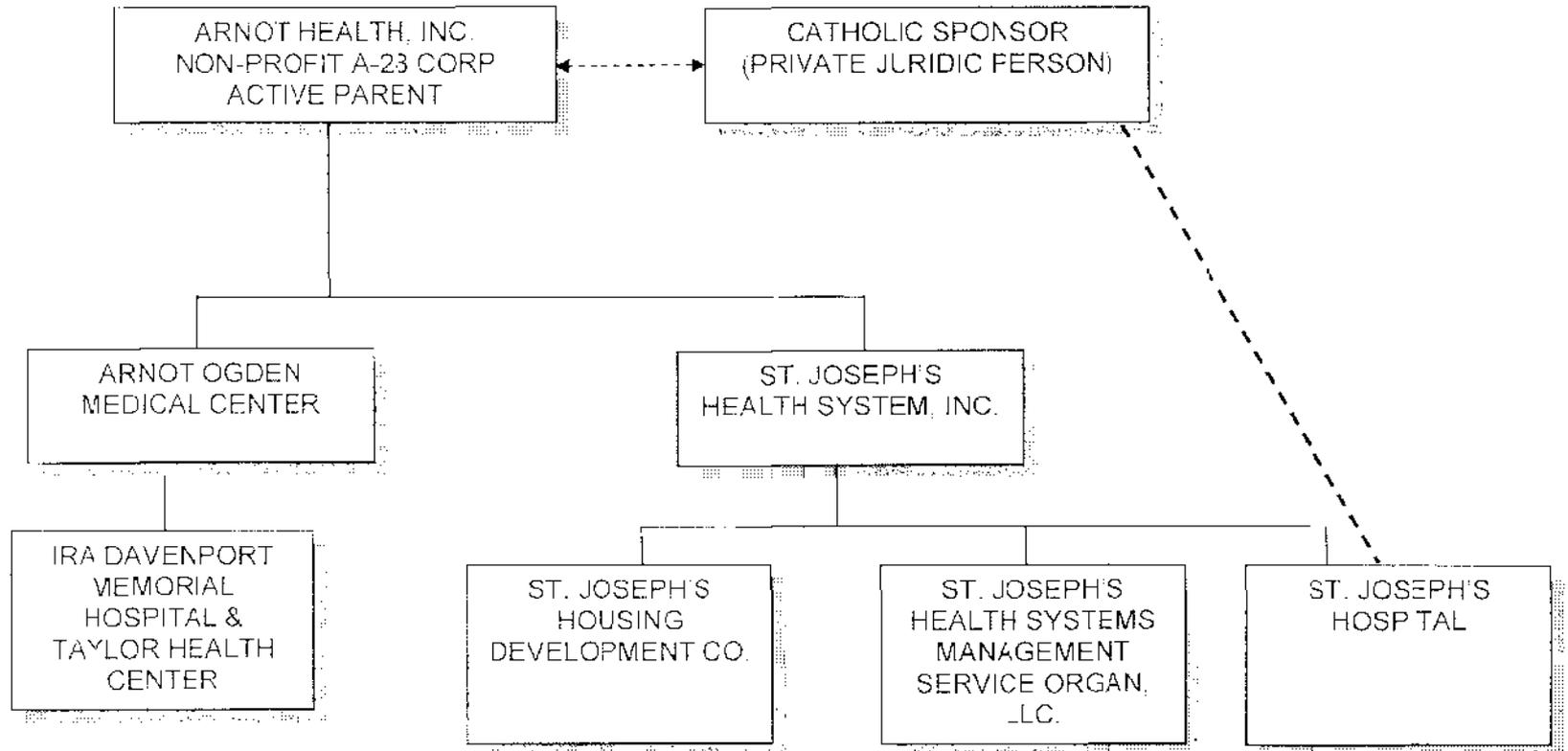
**IRA DAVENPORT MEMORIAL HOSPITAL, INC.**

Consolidated Balance Sheet

12/31/10	11/30/10	var
829,474	1,031,828	(202,354)
3,629,760	3,475,221	154,539
198,349	162,744	35,605
342,703	523,667	(180,964)
147,270	177,874	(30,604)
<u>5,147,556</u>	<u>5,371,334</u>	<u>(223,778)</u>
3,056,426	2,969,613	86,813
1,635,435	1,739,879	(104,444)
2,548,778	2,443,210	105,568
7,133,340	6,889,691	243,649
0	0	0
<u>\$19,521,535</u>	<u>\$19,413,727</u>	<u>\$107,808</u>
1,150,000	1,150,000	0
451,705	466,672	(14,967)
1,291,179	1,319,773	(28,594)
1,116,577	1,085,734	30,843
1,333,333	975,424	357,909
<u>5,342,794</u>	<u>4,997,603</u>	<u>345,191</u>
2,903,721	2,933,553	(29,832)
184,266	184,266	0
<u>8,430,781</u>	<u>8,115,422</u>	<u>315,359</u>
<u>11,090,754</u>	<u>11,298,305</u>	<u>(207,551)</u>
11,090,754	11,298,305	(207,551)
<u>\$19,521,535</u>	<u>\$19,413,727</u>	<u>\$107,808</u>

ASSETS	12/31/10	12/31/09	var
Current assets:			
Cash and cash equivalents	829,474	653,905	175,569
Accounts receivable, net	3,629,760	3,635,252	(5,492)
Notes & other receivables	198,349	39,312	159,037
Inventories	342,703	533,331	(190,628)
Prepaid expenses	147,270	326,511	(179,241)
Total Current Assets	<u>5,147,556</u>	<u>5,188,311</u>	<u>(40,755)</u>
Investments	3,056,426	2,852,452	203,974
Taylor Escrow Fund	1,635,435	1,818,042	(182,607)
Charitable Trust Interest	2,548,778	2,398,630	150,148
Property, plant and equipment	7,133,340	6,896,366	236,974
Other non-current assets	0	39,473	(39,473)
<b>Total Assets</b>	<u>\$19,521,535</u>	<u>\$19,193,274</u>	<u>\$328,261</u>
<b>LIABILITIES</b>			
Current liabilities:			
Letter of Credit	1,150,000	1,150,000	0
Current portion of LT debt	451,705	595,204	(143,499)
Accounts payable	1,291,179	1,515,592	(224,413)
Accrued payroll and other	1,116,577	420,007	696,570
Reimbursement payable, net	1,333,333	938,939	394,394
Total Current Liabilities	<u>5,342,794</u>	<u>4,619,742</u>	<u>723,052</u>
Long-term debt, net of current	2,903,721	3,375,540	(471,819)
Accrued Pension Cost	184,266	184,266	0
<b>Total Liabilities</b>	<u>8,430,781</u>	<u>8,179,548</u>	<u>251,233</u>
<b>NET ASSETS</b>			
All Net Assets	11,090,754	11,013,726	77,028
<b>Total Net Assets</b>	<u>11,090,754</u>	<u>11,013,726</u>	<u>77,028</u>
<b>Total Liabilities &amp; Net Assets</b>	<u>\$19,521,535</u>	<u>\$19,193,274</u>	<u>\$328,261</u>

ARNOT HEALTH, INC. ORGANIZATIONAL CHART



# ARNOT HEALTH, INC.

## Balance Sheet

Year ended Dec. 31, 2010  
In Thousands

	AOMC (system)	IDMH (system)	StJH (system)	2011 HEAL 11&19	Combined
<b>Assets</b>					
Cash	\$8,115	\$829	\$1,135	\$900	\$10,979
Marketable Securities	\$5,000	\$0	\$533		\$5,533
AR	\$33,511	\$3,630	\$10,981	-\$2,500	\$45,622
Other current assets	\$11,221	\$688	\$2,489		\$14,398
Total Current Assets	\$57,847	\$5,147	\$15,138	-\$1,600	\$76,532
Investments	\$43,871	\$3,056	\$1,385		\$48,312
Investments Restricted	\$2,300	\$0	\$4,232		\$6,532
PP&E (net)	\$94,459	\$7,133	\$22,763	\$3,100	\$127,455
All Other LT Assets	\$32,938	\$4,185	\$336		\$37,459
Total Assets	<u>\$231,415</u>	<u>\$19,521</u>	<u>\$43,854</u>	<u>\$1,500</u>	<u>\$296,290</u>
<b>Liabilities</b>					
AP & Accrued expenses	\$19,089	\$2,408	\$10,110		\$31,607
Current portion of LT debt	\$1,264	\$1,602	\$5,852	-\$5,600	\$3,118
All other Current Liabilities	\$3,475	\$1,333	\$1,406		\$6,214
Total Current Liabilities	\$23,828	\$5,343	\$17,368	-\$5,600	\$40,939
Long Term Debt	\$33,820	\$2,903	\$15,637	-\$15,000	\$37,360
Accrued pension Cost	\$16,410	\$184	\$7,538		\$24,132
All other LT Liabilities	\$11,652	\$0	\$3,927		\$15,579
Total Liabilities	\$85,710	\$8,430	\$44,470	-\$20,600	\$118,010
<b>Net Assets</b>					
All Net Assets	\$145,705	\$11,091	-\$616	\$22,100	\$178,280
<b>Total Liab. &amp; Net Assets</b>	<u>\$231,415</u>	<u>\$19,521</u>	<u>\$43,854</u>	<u>\$1,500</u>	<u>\$296,290</u>

ST. JOSEPH'S HOSPITAL  
HEAL NY PHASE 19  
CONTRACT BUDGET  
04/07/11

SUPPORTING DOCUMENTATION FOR APPENDIX  
OUTLINING PAYMENT OF LEGACY DEBT

	<u>CURRENT OUTSTANDING DEBT</u>	<u>DEBT TO BE PAID WITH HEAL NY \$</u>	<u>REMAINING BALANCE</u>
<u>ST. JOSEPH'S HOSPITAL</u>			
IDA BONDS - 1999A	\$5,620,000	\$5,620,000	\$0
IDA BONDS - 1999B	4,860,000	4,860,000	0
IDA BONDS - 1999C	4,910,000	4,910,000	0
SUB-TOTAL - ST. JOSEPH'S	<u>15,390,000</u>	<u>15,390,000</u>	<u>0</u>
<u>ARNOT OGDEN MED. CTR.</u>			
BANK OF AMERICA	2,348,122	2,348,122	0
PANTHEON CAPITAL	201,354	201,354	0
CHEMUNG CANAL TRUST CO.	2,000,000	885,524	1,114,476
SUB-TOTAL - ARNOT OGDEN	<u>4,549,476</u>	<u>3,435,000</u>	<u>1,114,476</u>
TOTAL	\$19,939,476	\$18,825,000	\$1,114,476
LEGAL FEES		65,000	
CONSULTING FEES		110,000	
TOTAL HEAL 19 GRANT		\$19,000,000	

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**State of New York  
Public Health and Health Planning Council**

**June 16, 2011**

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**ATTACHMENTS**

**Ambulatory Surgery Center - Establish/Construct**

**Exhibit #10**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	101134 B	Roosevelt SC, LLC (New York County)
2.	101159 E	Lattimore Road Surgicenter, Inc. d/b/a Lattimore Community Surgicenter (Monroe County)
3.	101160 E	West ASC, LLC d/b/a Camillus Surgery Center (Onondaga County)
4.	101167 B	West Side GI, LLC (New York County)
5.	111133 B	Heritage One Day Surgery, LLC (Onondaga County)
6.	111138 B	Putnam GI, LLC d/b/a Putnam Endoscopy ASC, LLC (Putnam County)
7.	111194 B	East Side Endoscopy (New York County)

**Both Israel Medical Center and Affiliates**  
**Consolidated Balance Sheets**  
**December 31, 2009 and 2008**

<i>(in thousands of dollars)</i>	2009	2008
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 101,196	\$ 60,166
Marketable securities	25,056	20,146
Receivables for patient care, less allowance for doubtful accounts of \$88,616 in 2009 and \$92,580 in 2008	178,161	182,278
Inventories	8,838	8,734
Prepaid expenses and other current assets	28,089	20,994
Due from affiliated organizations	1,363	1,670
Current portion of pledges receivable, net	5,466	3,802
Current portion of assets limited as to use	5,386	15,442
<b>Total current assets</b>	<b>353,553</b>	<b>313,232</b>
Assets limited as to use	30,876	41,136
Long-term investments	13,385	11,716
Deferred employee compensation plan assets	1,599	1,610
Investments in captive insurance companies	55,236	33,632
Pledges receivable, net	5,062	5,841
Property, plant and equipment, net	479,400	482,239
Due from affiliated organizations	7,537	25,526
Deferred financing costs, net	6,032	6,317
Other assets	15,770	16,723
<b>Total assets</b>	<b>\$ 968,450</b>	<b>\$ 937,972</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 78,484	\$ 87,232
Accrued salaries and related liabilities	113,240	104,672
Current portion of long-term debt and capitalized leases	36,272	37,938
Other current liabilities	33,048	60,850
<b>Total current liabilities</b>	<b>261,044</b>	<b>290,692</b>
Long-term debt and capitalized leases	226,302	206,303
Deferred employee compensation	1,599	1,610
Other noncurrent liabilities	129,739	122,803
<b>Total liabilities</b>	<b>618,684</b>	<b>621,498</b>
<b>Commitments and contingencies</b>		
<b>Net assets</b>		
Unrestricted	304,488	269,794
Temporarily restricted	23,508	27,789
Permanently restricted	21,770	18,891
<b>Total net assets</b>	<b>349,766</b>	<b>316,474</b>
<b>Total liabilities and net assets</b>	<b>\$ 968,450</b>	<b>\$ 937,972</b>

**Beth Israel Medical Center and Affiliates**  
**Consolidated Statements of Operations**  
**Years Ended December 31, 2009 and 2008**

<i>(in thousands of dollars)</i>	2009	2008
<b>Operating revenue</b>		
Net patient service revenue	\$ 1,008,568	\$ 1,008,669
Faculty practice revenue	178,618	180,482
Net assets released from restriction	8,957	7,757
Investment income (loss)	7,921	(9,048)
Other revenue	100,305	93,635
Total operating revenue	<u>1,304,369</u>	<u>1,281,495</u>
<b>Operating expenses</b>		
Salaries and wages	623,334	599,112
Employee benefits	152,264	139,307
Supplies and other expenses	401,843	410,588
Depreciation and amortization	72,281	65,288
Provision for bad debts	31,818	45,704
Interest	11,263	15,620
Total operating expenses	<u>1,292,803</u>	<u>1,275,619</u>
Operating income before other items	11,566	5,876
Gain (loss) from investments in captive insurance companies under the equity method	29,744	(72,263)
Operating gain (loss)	41,310	(66,387)
Unrestricted contributions	7,930	6,697
Excess (deficiency) of revenue over expenses	49,240	(59,690)
Change in fair value of interest rate swap	1,038	-
Equity transfer to affiliate	(15,584)	-
Increase (decrease) in unrestricted net assets	<u>\$ 34,694</u>	<u>\$ (59,690)</u>

**Beth Israel Medical Center and Affiliates**  
**Consolidated Statements of Changes in Net Assets**  
**Years Ended December 31, 2009 and 2008**

<i>(in thousands of dollars)</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Net assets at December 31, 2007</b>	<b>\$ 329,484</b>	<b>\$ 29,976</b>	<b>\$ 17,729</b>	<b>\$ 377,189</b>
<b>Change in net assets</b>				
Deficiency of revenue over expenses	(59,690)			(59,690)
Gifts, grants, bequests and other items		5,570	1,162	6,732
Net assets released from restriction		(7,757)		(7,757)
Change in net assets before cumulative effect of adoption of fair value option	(59,690)	(2,187)	1,162	(60,715)
Net Cumulative effect of adoption of fair value option (Note 1)	-			-
<b>Total change in net assets</b>	<b>(59,690)</b>	<b>(2,187)</b>	<b>1,162</b>	<b>(60,715)</b>
<b>Net assets at December 31, 2008</b>	<b>269,794</b>	<b>27,789</b>	<b>18,891</b>	<b>316,474</b>
<b>Change in net assets</b>				
Excess of revenue over expenses	49,240			49,240
Change in fair value of interest rate swap	1,038			1,038
Equity transfer to affiliate	(15,584)			(15,584)
Gifts, grants, bequests and other items		4,676	2,879	7,555
Net assets released from restriction		(8,957)		(8,957)
<b>Total change in net assets</b>	<b>34,694</b>	<b>(4,281)</b>	<b>2,879</b>	<b>33,292</b>
<b>Net assets at December 31, 2009</b>	<b>\$ 304,488</b>	<b>\$ 23,508</b>	<b>\$ 21,770</b>	<b>\$ 349,766</b>

**ROOSEVELT SC, LLC****PRO FORMA BALANCE SHEET****ASSETS**

Project Start-Up/Leasehold Improvements	\$6,802,435
Moveable Equipment and Telecommunications	\$2,643,601
Working Capital Cash	\$1,149,640
<b>TOTAL ASSETS</b>	<b>\$10,595,676</b>

**LIABILITIES AND MEMBER EQUITY****LIABILITIES**

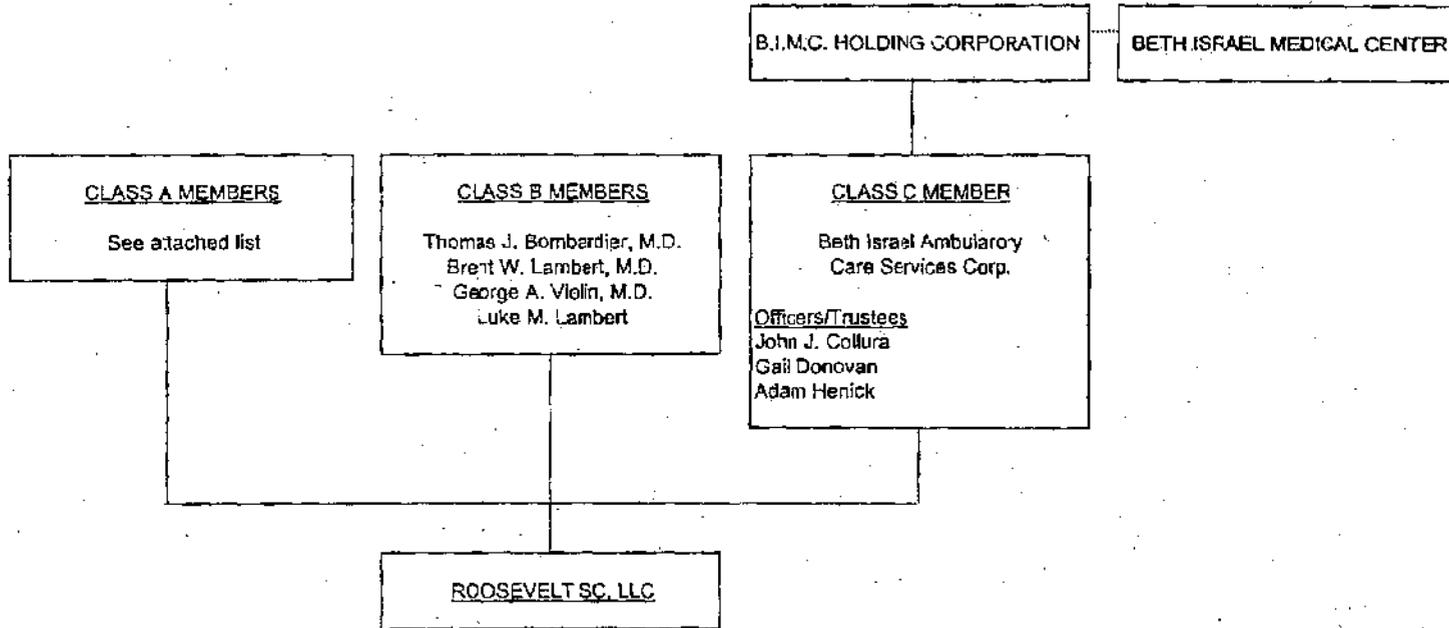
Renovation Loan	\$7,600,000
<b>TOTAL LIABILITIES</b>	<b>\$7,600,000</b>

**MEMBER EQUITY** \$2,995,676

**TOTAL LIABILITIES AND  
MEMBER EQUITY** \$10,595,676

ROOSEVELT SC, LLC

Organizational Chart  
and  
List of Members



Class A Managers

See Attached List

Class B Manager

Thomas J. Bombardier, M.D.

Class C Managers

Tim Day  
Adam Henick

**Syracuse ASC, LLC**  
**Balance Sheets**  
**December 31, 2009 and 2008**

<b>ASSETS</b>		
	<b>2009</b>	<b>2008</b>
	<b>(Audited)</b>	<b>(Unaudited)</b>
<b>Current assets:</b>		
Cash	\$ 207,426	\$ 519,431
Due from related entity	385,667	586,393
Accounts receivable, net	912,000	612,378
Inventory	119,424	130,704
Prepaid expenses	8,872	15,852
 Total current assets	 \$ 1,633,389	 \$ 1,864,758

**LIABILITIES AND MEMBERS' EQUITY**

<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 403,399	\$ 355,135
Deferred deposit	-	116,292
 Total current liabilities	 403,399	 471,427
 Members' equity	 1,229,990	 1,393,331
 Total liabilities and members' equity	 \$ 1,633,389	 \$ 1,864,758

**Syracuse ASC, LLC**  
**Statements of Income**  
**Years Ended December 31, 2009 and 2008**

	2009 <u>(Audited)</u>	2008 <u>(Unaudited)</u>
Net patient service revenue	\$ 9,289,862	\$ 7,729,217
Operating expenses:		
Accounting	24,967	14,138
Bad debt expense	18,174	26,140
Bank and credit card charges	10,352	8,171
Contact labor	19,719	4,167
Employee Benefit	(811)	811
Insurance	70,344	62,166
Licenses, permits, and fees	4,025	9
Management fee	1,890,941	1,580,533
Maintenance	-	1,333
Medical supplies and lab fees	2,018,005	1,823,721
Medical waste disposal	4,446	3,249
Miscellaneous	19	78
Payroll - administrative staff	310,495	232,652
Payroll - management	104,861	107,354
Payroll - medical staff	1,167,675	971,538
Payroll processing	3,915	4,418
Payroll taxes	114,775	99,536
401(k) plan contributions	31,692	27,869
Rent	240,721	192,962
Supplies	6,953	5,591
Taxes - other	130,412	114,325
Total operating expenses	<u>6,171,680</u>	<u>5,280,761</u>
Income from operations	<u>3,118,182</u>	<u>2,448,456</u>
Other income (expenses):		
Interest expense	-	(19)
Interest income	419	651
Other income	5,507	-
Total other income (expense)	<u>5,926</u>	<u>632</u>
Net income	<u>\$ 3,124,108</u>	<u>\$ 2,449,088</u>

**Syracuse ASC, LLC**  
**Statements of Changes in Members' Equity**  
**Years Ended December 31, 2009 (Audited) and 2008 (Unaudited)**

	Class A Members											Total Class A Members	Class B Members			Total Class B Members	Total All Members
	John F. Griffin, MD	Robert K. Dwyer, MD	Lawrence C. Stewart, MD	George O. Tennycky, MD	Robert Weinstein, MD	Thomas A. Bersani, MD	Arthur F. Cofa, MD	John B. Stron, MD	Mark Safraz, MD	Martin Schreffler, MD	Stephen Spitzer, MD		Thomas J. Bombardier, MD	Brent Lambert, MD	George A. Violin, MD		
Balance - 12/31/07	\$ 128,494	\$ -	\$ 128,496	\$ (18,624)	\$ 138,495	\$ 221,817	\$ 234,447	\$ 205,711	\$ -	\$ -	\$ -	\$ 938,837	\$ 37,336	\$ 37,336	\$ 37,335	\$ 112,007	\$ 1,050,844
Capital contribution									119,521	119,521	119,521	358,563	21,091	21,091	21,091	63,272	421,835
Net income	390,661	-	390,661	390,661	310,661	163,937	129,523	100,115	39,769	39,769	39,769	2,081,726	122,454	122,454	122,454	367,362	2,449,088
Member withdrawals	(405,712)	-	(405,712)	(405,712)	(435,712)	(175,485)	(134,305)	(164,390)	(37,641)	(37,048)	(37,048)	(2,149,173)	(126,421)	(126,421)	(126,421)	(379,263)	(2,528,436)
Balance - 12/31/08	113,443	-	113,445	(25,675)	113,445	217,269	229,464	199,336	122,142	122,242	122,242	1,229,953	54,460	54,460	54,459	163,378	1,393,331
Capital contribution		116,292										116,292	6,841	6,841	6,842	20,574	136,816
Net income	483,831	51,505	483,831	483,831	443,831	211,443	160,055	124,539	57,949	57,949	57,949	2,655,493	156,205	156,205	156,205	468,615	3,124,108
Member withdrawals	(529,558)	(59,304)	(529,658)	(529,658)	(529,658)	(230,492)	(175,335)	(176,179)	(63,558)	(63,558)	(63,558)	(2,910,626)	(171,213)	(171,213)	(171,213)	(513,639)	(3,424,265)
Balance - 12/31/09	\$ 67,616	\$ 108,493	\$ 67,618	\$ (69,502)	\$ 57,518	\$ 197,310	\$ 214,164	\$ 187,196	\$ 116,631	\$ 116,633	\$ 116,633	\$ 1,091,112	\$ 46,293	\$ 46,293	\$ 46,293	\$ 138,878	\$ 1,229,990

BPA Attachment E (cont.)

**Melville Surgery Center, LLC**  
*Balance Sheets*  
*December 31,*  
*)*

	2009	2008
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 96,498	\$ -
Accounts receivable, net of allowance for contractual adjustments and uncollectible accounts: 2009 - \$5,520,000; 2008 - \$4,674,000	899,427	893,800
Prepaid expenses	27,299	57,051
Supplies	158,387	266,699
<b>Total Current Assets</b>	<b>1,181,611</b>	<b>1,217,550</b>
<b>Equipment and Improvements</b>		
Equipment	1,464,314	1,144,495
Furniture and fixtures	57,614	87,238
Leasehold improvements	1,385,162	1,143,582
<b>Total</b>	<b>2,907,090</b>	<b>2,375,315</b>
Accumulated depreciation	(739,793)	(354,056)
<b>Net Equipment and Improvements</b>	<b>2,167,297</b>	<b>2,021,259</b>
<b>Other Assets</b>		
Loan costs, net of accumulated amortization: 2009 - \$2,689; 2008 - \$1,767	15,757	16,679
Certificate of need	150,000	150,000
Security deposits	35,184	35,184
<b>Total Other Assets</b>	<b>200,941</b>	<b>201,863</b>
<b>Total Assets</b>	<b>\$ 3,549,849</b>	<b>\$ 3,440,672</b>

	2009	2008
<b>Liabilities and Members' Equity</b>		
<b>Current Liabilities</b>		
Line of credit	\$ 100,517	\$ -
Current portion of long-term debt	633,553	457,036
Bank overdraft	-	134,490
Accounts payable	141,235	43,182
Accrued expenses	24,960	19,624
<b>Total Current Liabilities</b>	<b>900,265</b>	<b>654,332</b>
<b>Long-Term Debt, Net of Current Portion</b>	<b>1,673,077</b>	<b>1,931,883</b>
<b>Commitments and Contingencies (Note E)</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>2,573,342</b>	<b>2,586,215</b>
<b>Members' Equity</b>	<b>976,507</b>	<b>854,457</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 3,549,849</b>	<b>\$ 3,440,672</b>

**Melville Surgery Center, LLC**  
*Statements of Operations and Members' Equity*  
*For the Years Ended December 31,*

	2009	2008
<b>Net Patient Service Revenue</b>	\$ 9,156,574	\$ 7,154,639
<b>Operating Expenses</b>	5,732,197	4,026,217
<b>Income from Operations</b>	3,424,377	3,128,422
<b>Other Income (Expense)</b>		
Interest expense	(89,772)	(108,720)
Interest income	-	3,891
Loss on sale of assets	(52,922)	-
Other income	-	2,500
<b>Total Other Expense</b>	(142,694)	(102,329)
<b>Net Income</b>	3,281,683	3,026,093
Members' equity, beginning of year	854,457	615,500
Members' contributions	258,432	44,898
Members' distributions	(3,418,065)	(2,832,034)
<b>Members' Equity, End of Year</b>	\$ 976,507	\$ 854,457

**ESTABLISHMENT CHECKLIST FOR AMBULATORY CARE SITE**

APPLICATION: CON 101134-B Roosevelt Surgery Center, LLC

NATURE OF APPLICATION:

XX

PRIMARY CARE  
SPECIALTY  
Multi-Specialty

Colonoscopy

AUSPICE:

XX

NON PROFIT  
PROPRIETARY  
PUBLIC  
- Limited Liability Company

AFFILIATIONS: None

UNIT COST:

YEAR ONE

YEAR THREE

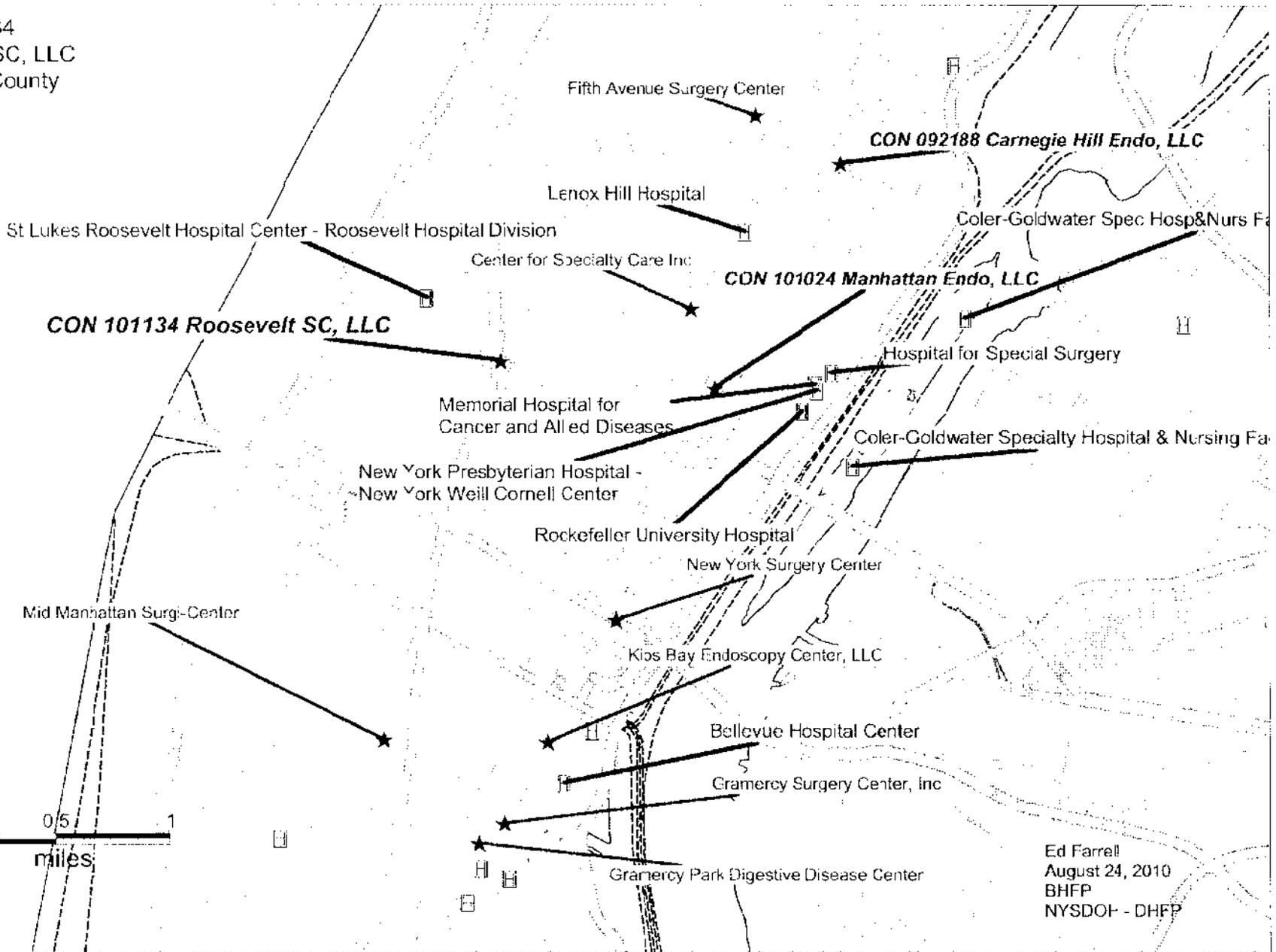
OPERATING	\$ 693.26	\$ 686.21
CAPITAL	\$ 412.80	\$ 380.41
TOTAL	\$1,106.06	\$ 1,066.62

PAYOR SOURCE:

YEAR ONE

MEDICAID-FFS	2.0%
MEDICAID-MC	3.0%
MEDICARE-FFS	25.0%
MEDICARE-MC	2.0%
COMMERCIAL-FFS	15.0%
COMMERCIAL-MC	50.0%
PRIVATE PAY	1.0%
CHARITY	2.0%

CON 101134  
Roosevelt SC, LLC  
New York County



Ed Farrell  
August 24, 2010  
BHFP  
NYSDOH - DHFP

**LATTIMORE COMMUNITY SURGICENTER, INC.**  
**Balance Sheets**  
**December 31, 2009 and 2008**

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	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 157,030	\$ 309,936
Patient accounts receivable - net	163,277	455,139
Prepaid expenses and other current assets	32,905	39,175
Deferred income taxes	-	83,030
Refundable income taxes	2,155	-
Total current assets	<u>355,367</u>	<u>887,280</u>
<b>Property and Equipment - Net</b>	<u>509,572</u>	<u>553,726</u>
<b>Other Asset</b>		
Deferred income taxes	-	54,867
Other receivable, net of allowance of \$0 for 2009 and \$117,835 for 2008	117,835	-
Total other assets	<u>117,835</u>	<u>54,867</u>
<b>Total Assets</b>	<u>\$ 982,774</u>	<u>\$ 1,495,873</u>

**LATTIMORE COMMUNITY SURGICENTER, INC.**  
**Balance Sheets**  
**December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Line of credit	\$ 113,530	\$ -
Capital lease obligations - current portion	-	7,259
Notes payable - related party - current portion	37,898	12,441
Accounts payable	209,380	219,558
Accrued expenses	89,283	149,509
Advances from third-party providers	-	121,334
<b>Total current liabilities</b>	<u>450,091</u>	<u>510,101</u>
<b>Long-Term Liabilities</b>		
Notes payable - related party - net of current portion		38,397
Due to affiliate	<u>413,792</u>	<u>374,754</u>
<b>Total long-term liabilities</b>	<u>413,792</u>	<u>413,151</u>
<b>Total Liabilities</b>	<u>863,883</u>	<u>923,252</u>
<b>Stockholders' Equity</b>		
Common stock, \$1 par value, 13,400 shares authorized, issued and outstanding	13,400	13,400
Additional paid-in capital	186,600	186,600
Retained earnings (deficit)	<u>(81,109)</u>	<u>372,621</u>
<b>Total stockholders' equity</b>	<u>118,891</u>	<u>572,621</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 982,774</u>	<u>\$ 1,495,873</u>

**LATTIMORE COMMUNITY SURGICENTER, INC.**  
**Statements of Operations and Retained Earnings (Deficit)**  
**For the Years Ended December 31, 2009 and 2008**

	<u>2009</u>	<u>%</u>	<u>2008</u>	<u>%</u>
<b>Revenues - Net</b>	\$ <u>4,268,106</u>	<u>100.0</u>	\$ <u>5,785,172</u>	<u>100.0</u>
<b>Operating Expenses</b>				
Administrative fees	1,209,979	28.3	1,355,947	23.4
Bad debt expense	3,097	0.1	33,486	0.6
Contracted services	180,132	4.2	168,595	2.9
Depreciation	142,760	3.3	134,261	2.3
Employee benefits	122,744	2.9	127,190	2.2
Equipment rental and maintenance	132,901	3.1	138,231	2.4
Occupancy	313,687	7.3	391,235	6.8
Other operating expense	198,696	4.7	161,772	2.8
Payroll taxes	118,628	2.8	138,927	2.4
Professional fees	81,710	2.0	67,464	1.2
Salaries and wages	887,080	20.8	1,284,180	22.2
Supplies	<u>1,351,235</u>	<u>31.7</u>	<u>1,944,031</u>	<u>33.6</u>
Total operating expenses	<u>4,745,649</u>	<u>111.2</u>	<u>5,945,319</u>	<u>102.8</u>
<b>Loss from Operations</b>	<u>(477,543)</u>	<u>(11.2)</u>	<u>(160,147)</u>	<u>(2.8)</u>
<b>Other Income (Expense)</b>				
Interest expense	(5,481)	(0.1)	(5,339)	(0.1)
Interest income	77,246	1.8	4,843	0.1
Gain on sale of equipment	-	-	1,889	-
Miscellaneous expense	(33,761)	(0.8)	(15,748)	(0.3)
Miscellaneous income	7,371	0.2	8,658	0.1
Recovery (reserve) - litigation receivable	<u>117,835</u>	<u>2.8</u>	<u>(117,835)</u>	<u>(2.0)</u>
Total other income (expense)	<u>163,210</u>	<u>3.9</u>	<u>(123,532)</u>	<u>(2.2)</u>
<b>Loss Before Provision (Credit) for Income Taxes</b>	<u>(314,333)</u>	<u>(7.3)</u>	<u>(283,679)</u>	<u>(5.0)</u>
<b>Provision (Credit) for Income Taxes</b>	<u>139,397</u>	<u>3.3</u>	<u>(80,959)</u>	<u>(1.4)</u>
<b>Net Loss</b>	<u>(453,730)</u>	<u>(10.6)</u>	<u>(202,720)</u>	<u>(3.6)</u>
<b>Retained Earnings - Beginning</b>	<u>372,621</u>		<u>575,341</u>	
<b>Retained Earnings (Deficit) - Ending</b>	\$ <u>(81,109)</u>		\$ <u>372,621</u>	

**Lattimore Community Surgicenter**  
**Balance Sheet**  
As of December 31, 2010

	Dec 31, 10
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1101 - Cash-Payroll, Key Bank	33,133.70
1111 - Cash-Corporate, Key Bank	52,092.03
1150 - Petty Cash	1,757.14
<b>Total Checking/Savings</b>	87,582.87
<b>Accounts Receivable</b>	
1205 - Accounts Receivable	277,853.97
1209 - Reserve for Litigation Receivab	-117,835.24
<b>Total Accounts Receivable</b>	160,018.73
<b>Other Current Assets</b>	
1220 - Receivable-LSO, LLC	-205,780.14
1225 - Flood Account	117,835.24
1227 - RGH Liability, Due to Lattimore	21,466.39
1720 - Prepaid Expenses	13,229.73
1725 - Prepaid AAR Expenses	356,431.73
1750 - Prepaid Insurance	43,225.93
<b>Total Other Current Assets</b>	346,398.88
<b>Total Current Assets</b>	593,950.48
<b>Fixed Assets</b>	
<b>Furniture and Fixtures</b>	
1470 - Original Cost	51,508.25
1600 - Depreciation	-57,178.46
<b>Total Furniture and Fixtures</b>	4,029.80
<b>Leasehold Improvements</b>	
1550 - Original Cost	243,102.04
1650 - Depreciation	-159,314.46
<b>Total Leasehold Improvements</b>	83,787.59
<b>Medical Equipment</b>	
1520 - Original Cost	2,398,000.35
1620 - Depreciation	-1,873,847.22
<b>Total Medical Equipment</b>	524,153.17
<b>Office Equipment</b>	
1500 - Original Cost	239,004.75
1610 - Depreciation	-210,537.41
<b>Total Office Equipment</b>	28,467.34
1630 - 2002 Depreciation	-138,000.00
<b>Total Fixed Assets</b>	502,437.90
<b>Other Assets</b>	
1206 - Patient Receivable-Holding	-147,598.35
1210 - Allowance-Bad Debts	-20,000.00
<b>Total Other Assets</b>	-167,598.35
<b>TOTAL ASSETS</b>	928,532.03
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2050 - Accounts Payable	156,000.91
<b>Total Accounts Payable</b>	156,000.91
<b>Credit Cards</b>	
1 - American Express	2,660.43
<b>Total Credit Cards</b>	2,660.43

**Iattimore Community Surgicenter**  
**Balance Sheet**  
As of December 31, 2010

	Dec 31, 10
<b>Other Current Liabilities</b>	
2100 · Accrued Payroll	28,284.74
2102 · LSO Accrual	0.04
2103 · RGH/AAR Line of Credit	250,000.00
2106 · Accrued Owner Salaries	279,999.96
2110 · Accrued Vacation	39,958.73
2130 · Accrued Fees/Emp.oyee Benefits	19,352.64
2135 · Accrued Income Taxes	-2,155.00
2290 · HCRA to State	2,500.33
2330 · Disability & Life Ins-Employees	-313.33
2340 · Flexible Spending Account	1,275.30
2350 · Pension Withholdings	0.03
2400 · Suspense	333.36
<b>Total Other Current Liabilities</b>	<b>618,250.40</b>
<b>Total Current Liabilities</b>	<b>776,911.74</b>
<b>Long Term Liabilities</b>	
2250.10 · Notes Payable	37,897.80
2320.10 · Note Payable · Adj	-37,897.80
2596 · Capital Lease Obligation-Key Ba	11,427.49
2597 · Capital Lease Obligation Key 2	12,926.51
2598 · Line of Credit - Equipment	144,648.00
2599 · Line of Credit - Operating	200,000.00
<b>Total Long Term Liabilities</b>	<b>369,002.00</b>
<b>Total Liabilities</b>	<b>1,145,913.74</b>
<b>Equity</b>	
2770 · Common Stock-Pichichero	6,800.00
2771 · Common Stock-Scibetta	3,300.00
2773 · Common Stock-Riegler	3,300.00
2780 · Add'l PIC-Pichichero	51,200.00
2781 · Add'l PIC- Scibetta	29,700.00
2783 · Add'l PPI Riegler	29,700.00
2785 · Add'l PIC	56,000.00
2800 · Retained Earnings	-198,944.43
Net Income	-218,437.28
<b>Total Equity</b>	<b>-217,381.71</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>928,532.03</b>

**Lattimore Community Surgicenter**  
**Profit & Loss**  
 January through December 2010

	Jan - Dec 10
<b>Income</b>	
3200 - C/A-Surgery-BC	-1,531,400.34
3210 - C/A-Surgery-PC	-752,973.22
3220 - C/A-Surgery-MCO	-18,210.36
3230 - C/A-Surgery-MCR	-339,005.84
3250 - C/A-Surgery-CO	-466,507.82
3360 - C/A-Minor MCR	-3,855.24
3500 - Miscellaneous Income	609.38
3560 - Interest Income	25.30
3600 - Surgery Revenue	7,027,083.42
3800 - Minor Revenue	356,511.25
<b>Total Income</b>	<b>4,242,675.53</b>
<b>Expense</b>	
<b>Office</b>	
5250 - Office Supplies	23,349.52
5258 - Database Services	857.75
5370 - Security System	703.78
5440 - Extermination	465.12
5455 - Cleaning Services	1,357.99
5460 - Janitorial Supplies	5,493.79
5465 - Storage Services	2,138.84
5500 - Rent Expense	296,116.25
5540 - Telephone Service	15,203.24
5600 - Legal Expenses	2,465.70
5830 - Payroll Service Expense	5,874.50
5650 - Accounting	6,000.00
6150 - Postage Expense	10,553.37
6165 - Courier Fees	944.09
6170 - Memberships	6,072.60
6175 - Bank Fees	3,029.73
6180 - Books and Periodicals	3,114.11
<b>Total Office</b>	<b>389,820.38</b>
4060 - Collection Fees	422.70
4200 - Bad Debt Expense	10,212.26
4205 - Charity Care	619.00
5000 - Payroll Expense	
5010 - Salaries-Administration	154,602.27
5020 - Salaries-Clerical	264,053.51
5025 - Overtime-Clerical	3,809.26
5030 - Salaries-Nursing Staff	774,238.58
5035 - Overtime-Nursing	50,285.68
5040 - Salaries-Technical Employees	137,023.36
5045 - Overtime-Technical	7,701.39
5050 - Salaries-Officers	249,999.96
5060 - Board Attendance Fees	30,000.00
5065 - LSO Board Attendance Fees	24,500.00
5140 - FICA Expense	99,675.28
5150 - NY Disability Insurance Expense	571.87
5160 - Federal Unemployment Taxes	2,875.46
5180 - State Unemployment Expenses	15,002.74
<b>Total 5000 - Payroll Expense</b>	<b>1,815,341.35</b>

**Lattimore Community Surgicenter**  
**Profit & Loss**  
 January through December 2010

	Jan - Dec 10
5105 · Flood Expense Account	14,607.74
5110 · Pension Expense	29,191.26
5120 · Health Care Benefits	114,890.27
5200 · Medical Supplies	591,837.25
5210 · Drug Supplies	54,931.58
5220 · Prosthetics/implants	288,989.84
5230 · Medical Gases	7,252.84
5260 · Freight Charges	12,939.47
5300 · Equipment Lease Payments	23,031.14
5315 · LSO Equipment Charges	2,400.00
5320 · Maintenance Expense	20,522.95
5350 · Minor Equipment-Medical	46,911.92
5358 · Minor Equipment- Office	1,152.41
5360 · Service Contracts Expense	139,286.00
5400 · Laundry Service	34,597.76
5424 · Pharmacy Consultant	927.22
5430 · Hazardous Waste Disposal	1,418.49
5470 · Contract Employee Services	53,631.13
5620 · Consulting Services	500,000.04
5640 · Director/Chief Fees	13,750.03
5700 · Insurance-Malpractice	54,694.22
5720 · Workers Compensation	13,231.94
5750 · Insurance-Property	8,010.60
5780 · Insurance-Life	12,297.30
5800 · Interest Expense-General	13,951.27
5900 · Education Expense	10,132.61
6000 · Depreciation Expense	138,000.00
6100 · Miscellaneous Expense	15,651.62
6105 · Marketing	209.52
6110 · Donations	100.00
6120 · Staff Travel	3,059.03
6130 · Staff Travel-Meals	180.00
6140 · Advertising Expense	3,997.40
6190 · Food and Beverages	12,265.91
6200 · Staff Recreation	300.00
8100 · Profit/Loss on Sale of Assets	121.50
8555 · Income Taxes-NYS	0.00
8560 · Sales Taxes	395.34
8585 · Employee Recognition	3,730.60
<b>Total Expense</b>	<b>4,461,013.61</b>
<b>Net income</b>	<b>-218,437.28</b>

## Rochester General Health System

## Consolidated Balance Sheets

	December 31	
	2009	2008
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 47,962,218	\$ 42,579,535
Investments	9,104,708	7,847,612
Current portion of assets whose use is limited	2,908,775	1,823,963
Patient accounts receivable, net of allowance for doubtful accounts of \$20,904,902 in 2009 and \$26,824,000 in 2008	70,649,877	51,685,059
Estimated third-party receivables	5,446,324	1,246,478
Pledges receivable, net of allowance for doubtful accounts of \$100,000 for 2009 and 2008	2,292,035	4,494,148
Inventories	3,298,936	3,308,580
Prepaid expenses and other	14,337,860	17,097,315
Total current assets	<u>156,000,733</u>	<u>130,082,690</u>
Assets whose use is limited:		
Funds held by bond trustees	30,422,483	46,274,731
Board designated	130,404,336	81,265,281
Assets held for self-insurance programs	57,918,231	48,456,384
Escrow fund	1,302,866	1,273,823
Donor restricted	24,474,061	21,511,048
Deferred compensation	1,366,295	1,058,319
	<u>245,888,272</u>	<u>199,839,586</u>
Property and equipment	197,664,135	179,930,523
Other assets:		
Other	16,582,707	10,355,259
	<u>16,582,707</u>	<u>10,355,259</u>
Total assets	<u>\$ 616,135,847</u>	<u>\$ 520,208,058</u>

	December 31	
	2009	2008
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable	\$ 27,845,138	\$ 34,294,713
Accrued salaries, vacations, and payroll taxes	35,688,312	28,708,605
Accrued expenses and other	26,115,585	24,673,389
Accrued interest payable	655,921	662,866
Current portion of postretirement benefit	764,709	691,010
Estimated third-party payables	36,704,368	7,565,359
Current portion of long-term debt	7,140,216	6,344,606
Total current liabilities	<u>134,914,249</u>	<u>102,940,548</u>
Long-term liabilities:		
Long-term debt, less current portion	78,336,653	85,341,436
Accrued pension	134,623,746	133,406,338
Accrued postretirement benefit, less current portion	9,766,480	9,483,725
Accrued self-insured liabilities	71,744,120	69,039,078
Estimated third-party payables	51,975,675	38,860,680
Deferred compensation	1,366,295	1,058,319
Other	529,475	370,779
	<u>348,342,444</u>	<u>337,560,355</u>
Net assets:		
Unrestricted	98,566,392	50,650,041
Temporarily restricted	25,897,269	20,646,817
Permanently restricted	8,415,493	8,410,297
Total net assets	<u>132,879,154</u>	<u>79,707,155</u>
Total liabilities and net assets	<u>\$ 616,135,847</u>	<u>\$ 520,208,058</u>

## Rochester General Health System

## Consolidated Statements of Operations and Changes in Net Assets

	Year Ended December 31	
	2009	2008
<b>Unrestricted revenues, gains, and other support</b>		
Net patient service revenue	\$ 707,545,814	\$ 673,818,084
Capitation fees	25,900,697	25,327,472
Other revenue	21,614,341	14,410,214
Net assets released from restrictions for operations	2,160,874	2,183,353
Total unrestricted revenues, gains, and other support	<u>757,221,726</u>	<u>715,739,123</u>
<b>Expenses</b>		
Salaries and wages	357,959,714	340,399,917
Employee benefits	79,707,774	58,490,087
Professional fees	13,138,386	13,732,306
Purchased services and supplies	219,441,851	215,777,560
Depreciation and amortization	27,474,821	25,708,704
Provision for bad debts	23,934,127	34,385,017
Malpractice and workers' compensation expense	9,762,632	11,973,688
Other expenses	6,124,944	5,195,732
Total expenses	<u>737,544,249</u>	<u>705,663,011</u>
Income from operations	19,677,477	10,076,112
Nonoperating:		
Other nonoperating gain (loss), net	5,905	(183)
Investment gain (loss), net	8,753,105	(20,436,024)
	<u>8,759,010</u>	<u>(20,436,207)</u>
Excess (deficiency) of revenues over expenses	28,436,487	(10,360,095)

## Rochester General Health System

## Consolidated Statements of Operations and Changes in Net Assets (continued)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at December 31, 2007	\$ 138,583,792	\$ 33,439,809	\$ 8,379,779	\$ 180,403,380
Deficiency of revenues over expenses	(10,360,095)	--	--	(10,360,095)
Net unrealized losses on				
Investments	(10,488,126)	(2,027,680)	--	(12,515,806)
Pension adjustments	(75,812,656)	--	--	(75,812,656)
Net assets released from restrictions for:				
Operations	--	(2,183,353)	--	(2,183,353)
Capital	8,428,819	(8,428,819)	--	--
Restricted contributions	--	5,337,049	30,518	5,367,567
Investment losses	--	(5,983,725)	--	(5,983,725)
Grants	--	493,536	--	493,536
Other	298,307	--	--	298,307
(Decrease) increase in net assets	(87,933,751)	(12,792,992)	50,518	(100,696,225)
Balance at December 31, 2008	50,650,041	20,646,817	8,410,297	79,707,155
Excess of revenues over expenses	28,436,487	--	--	28,436,487
Net unrealized gains on				
Investments	11,926,824	2,236,368	--	14,163,192
Pension adjustments	4,197,884	--	--	4,197,884
Net assets released from restrictions for:				
Operations	--	(2,160,874)	--	(2,160,874)
Capital	1,747,394	(1,747,394)	--	--
Contributions for long lived assets	39,213	--	--	39,213
Net assets released from restrictions				
for grants	604,036	(604,036)	--	--
Restricted contributions	--	5,502,860	5,196	5,508,056
Investment gains	--	1,370,595	--	1,370,595
Grants	711,046	637,532	--	1,348,578
Other	253,467	15,461	--	268,868
Increase in net assets	47,916,351	5,250,452	5,196	53,171,999
Balance at December 31, 2009	\$ 98,566,392	\$ 25,897,269	\$ 8,415,493	\$ 132,879,154

BFA Attachment D

Rochester General Health System  
Statement of Financial Position  
December 31, 2010

	December 2010	December 2009	December 2009	Variance Vs. Prior YR December	
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$29,878,825	\$24,805,338	\$24,805,338	\$5,073,487	\$5,073,487
Custodial assets	327,874	331,875	331,875	(4,000)	(4,000)
Investments	3,308,455	9,104,708	9,104,708	(596,253)	(526,253)
Current portion assets, use is limited	4,784,501	1,273,926	1,273,926	3,510,575	3,510,575
Patient accounts receivable	95,987,054	91,432,190	91,432,190	4,554,864	4,554,864
allowance for doubtful accounts	(21,451,503)	(20,782,313)	(20,782,313)	(669,191)	(669,191)
Net patient accounts receivable	74,535,551	70,649,877	70,649,877	3,885,673	3,885,673
Due from affiliates	3,264,979	1,202,398	1,202,398	2,032,581	2,032,581
Inventories	3,337,574	3,322,262	3,322,262	15,312	15,312
Prepaid expenses and other	17,078,476	13,803,385	13,803,385	3,275,091	3,275,091
<b>Total Current Assets</b>	<b>141,685,935</b>	<b>124,993,769</b>	<b>124,993,769</b>	<b>16,692,166</b>	<b>16,692,166</b>
<b>Assets whose use is limited:</b>					
Funding Commitments	62,000,000	45,000,000	45,000,000	17,000,000	17,000,000
Funds held by bond trustees	14,892,602	31,557,332	31,557,332	(16,664,730)	(16,664,730)
Board designated	109,523,155	94,929,604	94,929,604	14,593,551	14,593,551
Deferred compensation	1,577,353	1,365,295	1,365,295	211,058	211,058
	187,993,110	172,852,231	172,852,231	15,139,879	15,139,879
Property and equipment - net	217,616,367	197,125,284	197,125,284	20,491,023	20,491,023
<b>Other assets:</b>					
Estimated third party receivables					
Beneficial interest Foundations	41,890,282	37,207,811	37,207,811	4,682,471	4,682,471
Other	8,538,651	10,224,818	10,224,818	(1,686,167)	(1,686,167)
	50,428,933	47,432,629	47,432,629	2,996,305	2,996,305
<b>Total assets</b>	<b>\$397,774,285</b>	<b>\$542,404,912</b>	<b>\$542,404,912</b>	<b>\$55,369,372</b>	<b>\$55,369,372</b>
<b>Liabilities and Net Assets:</b>					
<b>Current liabilities:</b>					
Accounts payable	\$26,957,516	\$26,841,456	\$26,841,456	\$116,053	\$116,053
Accrued salaries and payroll taxes	\$34,455,582	\$37,292,551	\$37,292,551	(2,837,969)	(2,837,969)
Accrued expenses	\$26,971,893	\$24,246,232	\$24,246,232	2,725,661	2,725,661
Custodial liability	\$327,574	\$331,875	\$331,875	(4,000)	(4,000)
Accrued interest payable	\$3,808,566	\$655,921	\$655,921	3,152,645	3,152,645
Estimated third-party payables	\$83,949,579	\$79,764,676	\$79,764,676	4,184,902	4,184,902
Current portion of long term debt	\$6,896,394	\$7,140,216	\$7,140,216	(333,822)	(333,822)
<b>Total current liabilities</b>	<b>187,581,297</b>	<b>176,272,927</b>	<b>176,272,927</b>	<b>11,308,370</b>	<b>(11,308,370)</b>
<b>Long term liabilities:</b>					
Long term debt, less current portion	80,761,462	73,636,652	73,636,652	7,124,809	7,124,809
Due to affiliate, less current portion				0	0
Accrued pension	142,607,040	134,623,746	134,623,746	7,983,294	7,983,294
Accrued postretirement benefit	6,645,317	10,531,188	10,531,188	(114,728)	(114,728)
Accrued self insured liabilities	11,540,574	14,656,213	14,656,213	(3,115,638)	(3,115,638)
Deferral compensation	1,747,767	1,488,472	1,488,472	259,295	259,295
Deferred revenue	210,980	526,609	526,609	(190,371)	(190,371)
Other	253,752	264,735	264,735	(10,983)	(10,983)
<b>Total liabilities</b>	<b>404,794,851</b>	<b>416,898,543</b>	<b>416,898,543</b>	<b>(12,103,692)</b>	<b>(12,103,692)</b>
<b>Net assets:</b>					
Unrestricted	121,597,772	65,965,908	65,965,906	55,631,866	55,631,866
Temporarily restricted	27,846,298	24,866,357	24,866,357	2,979,941	2,979,941
Permanently restricted	8,444,112	8,360,865	8,360,865	83,247	83,247
Year to date net income	25,088,213	27,510,241	27,510,241	(2,422,028)	(2,422,028)
<b>Total net assets</b>	<b>182,976,395</b>	<b>126,703,371</b>	<b>126,703,369</b>	<b>56,273,026</b>	<b>56,273,026</b>
<b>Total liabilities and net assets</b>	<b>\$397,774,285</b>	<b>\$542,404,912</b>	<b>\$542,404,912</b>	<b>\$55,369,372</b>	<b>\$55,369,372</b>

Rochester General Health System  
 Statement of Operations  
 For the Twelve Months Ending December 31, 2010  
 (In Thousands)

Rochester General Health System - Operating Affiliates

	December			Year to Date			Prior Year	
	Actual	Budget	Variance	Actual	Budget	Variance	Actual Month	Actual YTD
<b>Revenue:</b>								
Inpatient	533,892,685	\$32,360,768	\$1,831,921	\$349,851,079	\$348,633,063	\$1,218,016	\$17,421,952	\$334,158,502
Outpatient	25,586,831	25,581,817	5,014	313,713,220	315,005,654	8,707,566	21,307,016	276,668,716
Medical Groups	4,185,220	4,356,337	(171,117)	52,036,713	55,624,675	(3,587,961)	4,149,199	49,379,927
Mental Health	623,906	569,202	54,694	7,157,740	7,091,085	66,675	611,547	7,761,727
Skilled Nursing Facility	4,316,588	3,762,149	556,439	45,073,568	44,138,212	935,356	3,820,537	44,296,602
FLS	2,123,628	2,261,714	(138,086)	25,618,524	26,372,804	(754,280)	2,394,378	25,808,905
Net Patient Revenue	70,730,952	68,591,987	2,138,965	793,460,844	786,855,473	6,595,371	49,714,627	738,074,379
Other Revenue	2,959,516	3,317,911	(358,395)	33,479,261	33,400,534	78,728	4,558,565	37,852,964
Total Revenue	73,690,468	71,909,898	1,780,570	826,940,105	820,266,006	6,674,099	54,273,192	770,927,343
<b>Operating Expenses:</b>								
Salaries and Wages	33,243,558	33,214,154	(29,403)	372,395,787	372,095,601	(300,187)	34,812,224	358,587,415
Employee Benefits	3,851,296	4,308,070	456,775	86,266,446	83,481,609	2,215,163	6,541,603	85,434,827
Physician Fees	1,171,604	1,369,745	198,141	12,376,427	13,339,443	963,016	506,057	11,545,945
Professional Fees	7,543,132	7,004,069	(539,063)	55,384,009	53,665,720	(1,718,289)	3,781,383	46,035,176
Utilities, Insur., License and Fees	2,419,481	4,176,764	1,757,283	40,905,907	42,973,816	2,067,909	(718,993)	38,260,119
Supplies and Other	14,509,404	13,934,523	(574,881)	168,757,274	165,234,167	(3,523,108)	10,333,756	154,039,836
Depreciation and Amortization	2,419,628	2,156,586	36,958	29,553,353	30,105,008	551,655	2,003,466	27,457,295
Provision for Bad Debts	4,178,804	4,251,472	72,667	37,571,745	37,654,994	83,249	(8,366,692)	23,934,128
Interest Expense	558,640	513,653	(45,007)	4,006,201	4,007,217	1,016	879,173	4,273,871
Total Expenses	69,895,546	71,229,016	1,333,470	807,217,148	807,557,574	340,426	49,331,977	749,568,511
Income (loss) from operations	3,794,922	680,882	3,114,040	19,722,957	12,708,432	7,014,524	4,941,215	21,358,732
Operating Margin	5.1%	0.9%		2.4%	1.5%		9.1%	2.8%
<b>Nonoperating:</b>								
Campus Operations	(16,806)	(3,265)	(9,541)	(107,957)	(92,979)	(14,978)	(5,296)	(83,760)
Investment Income	1,760,571	1,395,097	285,474	5,473,241	2,282,729	3,190,512	2,936,012	6,235,268
	1,763,764	1,487,832	275,933	5,365,284	2,189,750	3,175,534	2,900,716	6,151,508
Revenue Over (Under) Expense	\$5,558,686	\$2,168,714	\$3,389,973	\$25,088,241	\$14,898,183	\$10,190,058	\$7,841,930	\$27,510,241

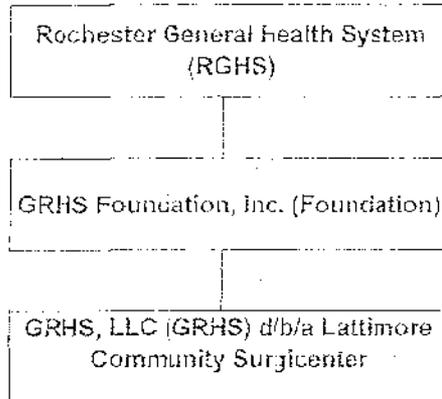
BPA Attachment D (cont.)

BFA Attachment E

LATIMORE COMMUNITY SURGICENTER  
 CHANGE OF OWNERSHIP OF EXISTING FASB  
 PRO FORMA BALANCE SHEET

	Great W LUMBER COMMUNITY SURGICENTER
<b>ASSETS</b>	
<u>Current Assets</u>	
Cash	\$1,081,540
Accounts Receivable	\$433,600
Supplies and Other Current Assets	\$225,600
<u>Total Current Assets</u>	<u>\$1,812,436</u>
<u>Fixed Assets</u>	
Land	
Building	
Furniture, Fixtures and Equipment - Net	\$307,560
<u>Total Fixed Assets</u>	<u>\$307,560</u>
<u>TOTAL ASSETS</u>	<u>\$2,119,996</u>
 <u>LIABILITIES AND NET EQUITY</u>	
<u>LIABILITIES</u>	
<u>Current Liabilities</u>	
Accounts Payable	\$470,430
<u>Total Current Liabilities</u>	<u>\$470,430</u>
<u>TOTAL LIABILITIES</u>	<u>\$470,430</u>
 MEMBER EQUITY	 \$1,647,557
<u>TOTAL LIABILITIES AND MEMBER EQUITY</u>	<u>\$2,119,996</u>

GRHS, LLC D/B/A LATTIMORE COMMUNITY SURGICENTER  
ORGANIZATIONAL CHART



\* Rochester General Health System is a large, not-for-profit health care system based in Rochester, NY, organized under the "passive parent" holding company model in accordance with the provisions of Article 28 of the Public Health Law.

\* Foundation is a subsidiary of Rochester General Health System.

\* System is the sole member and passive parent of Foundation.

\* The sole member of GRHS, LLC is GRHS Foundation, Inc.

\* GRHS is a "single member LLC with its single member being "Foundation".

\* GRHS will *function* as a not-for-profit entity with its single member being GRHS Foundation, Inc., a New York not-for-profit corporation.



**WEST ASC, LLC**  
***PROFORMA BALANCE SHEET***

	<u>As of first day after change in ownership</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash Balances	\$ 528,065
<b>OTHER ASSETS</b>	
Personal property (furniture, fixtures and equipment)	\$ 250,000
Goodwill, leasehold improvements and intangible assets	\$1,150,000
Prepaid supplies <sup>1</sup>	\$ 100,000
<b>TOTAL OTHER ASSETS</b>	<b>\$1,500,000</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,028,065</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
	\$ -
<b>LONG-TERM LIABILITIES</b>	
Bank acquisition term loan	\$1,147,860
Bank working capital loan	\$ 225,000
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$1,372,860</b>
<b>TOTAL LIABILITIES</b>	<b>\$1,372,860</b>
<b>LLC CAPITAL</b>	<b>\$ 655,205</b>
<b>TOTAL LIABILITIES AND LLC CAPITAL</b>	<b>\$ 2,028,065</b>

<sup>1</sup> As part of the Asset Purchase Agreement the purchase price for the assets will be increased by the value of Seller's inventory of supplies and inventory which will be transferred to West ASC, LLC at closing. The parties estimate that the value of such supplies will be \$100,000.

HOLDINGS, LLC  
 (A LIMITED LIABILITY COMPANY)  
 BALANCE SHEETS  
 DECEMBER 31, 2009 AND 2008

	2009	(as restated) 2008
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 273,018	\$ 80
Current patient receivables - net	1,915,917	1,887,617
Inventories	511,072	501,105
Prepaid expenses and other current assets	79,571	136,112
Total current assets	<u>2,779,578</u>	<u>2,524,914</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Leasehold improvements	2,935,380	2,921,392
Equipment	5,999,586	5,742,923
Total	<u>8,934,966</u>	<u>8,664,315</u>
Less accumulated depreciation	<u>(6,563,682)</u>	<u>(6,290,559)</u>
Property and equipment - net	<u>2,371,284</u>	<u>2,373,756</u>
PATIENT RECEIVABLES - net of current portion	<u>434,900</u>	<u>669,135</u>
<b>TOTAL</b>	<u>\$ 5,585,762</u>	<u>\$ 5,567,805</u>

	2009	(as restated) 2008
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 1,071,558	\$ 1,268,615
Refunds payable	488,571	535,363
Wages and payroll taxes	26,319	52,590
Accrued compensated absences	95,776	111,872
Other accrued expenses	3,034	5,828
Revolving demand note	480,401	150,000
Current portion of note payable	170,714	161,590
Current portion of capital leases payable	230,954	129,199
Total current liabilities	<u>2,567,327</u>	<u>2,415,057</u>
<b>LONG-TERM LIABILITIES:</b>		
Note payable - net of current portion	370,865	541,579
Capital leases payable - net of current portion	469,058	468,185
Total long-term liabilities	<u>839,923</u>	<u>1,009,764</u>
Total liabilities	3,407,250	3,424,821
<b>MEMBERS' EQUITY</b>	<u>2,178,512</u>	<u>2,142,984</u>
<b>TOTAL</b>	<u>\$ 5,585,762</u>	<u>\$ 5,567,805</u>

HOLDINGS, LLC  
(A LIMITED LIABILITY COMPANY)  
STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
REVENUES:		
Surgical facility fees - net	\$ 9,404,987	\$ 10,464,563
Anesthesia professional fees	1,539,409	1,659,090
Total revenues	<u>11,044,396</u>	<u>12,123,653</u>
OPERATING EXPENSES:		
Patient care	6,153,416	6,874,460
Occupancy	1,060,458	1,087,258
General and administrative	3,627,875	3,859,534
Depreciation	315,073	389,273
Total operating expenses	<u>11,156,824</u>	<u>12,210,525</u>
LOSS FROM OPERATIONS	<u>(112,428)</u>	<u>(86,872)</u>
OTHER INCOME (EXPENSE):		
Interest expense	(103,366)	(101,061)
Miscellaneous income	251,322	88,859
Other income (expense) - net	<u>147,956</u>	<u>(12,202)</u>
NET INCOME (LOSS)	<u>35,528</u>	<u>(99,074)</u>
MEMBERS' EQUITY - BEGINNING OF YEAR	<u>2,142,984</u>	<u>2,582,033</u>
DISTRIBUTIONS TO MEMBERS	<u>-</u>	<u>(339,975)</u>
MEMBERS' EQUITY - END OF YEAR	<u>\$ 2,178,512</u>	<u>\$ 2,142,984</u>

## 3FA Attachment C (cont.)

Holdings, i.LLC D/B/A Harrison Center Outpatient Surgery  
 Statement of Assets, Liabilities and Equity  
 10/31/10

ASSETS	10/31/2010
CURRENT ASSETS	Total
Cash	11,787
Patient Receivables-net of reserve	1,911,984
Inventory	482,081
Prepaid Expenses	0,915
<b>TOTAL CURRENT ASSETS</b>	<u>2,412,767</u>
PROPERTY AND EQUIPMENT	
Leasehold Improvement	2,935,380
Medical Equipment	6,183,150
	<u>9,118,530</u>
Less accumulated depreciation	6,863,415
<b>PROPERTY AND EQUIPMENT - NET</b>	<u>2,255,115</u>
	<u>4,667,882</u>
CURRENT LIABILITIES	
Accounts payable	917,234
Refunds Payable-net of Reserve	476,635
Intrepid Lane Anesthesia payable	105,810
Payroll accrual	95,645
Vacation and other accruals	555,401
Line of credit	200,000
Excelsus advance payable	
<b>TOTAL CURRENT LIABILITIES</b>	<u>2,350,725</u>
LONG-TERM LIABILITIES	
Notes Payable	399,950
Financed Leasing Liabilities	617,170
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>1,017,120</u>
MEMBER'S EQUITY	2,124,034
Net Income/(Loss)	(324,007)
<b>TOTAL MEMBER'S EQUITY</b>	<u>1,800,027</u>
	<u>4,667,882</u>

BFA Attachment C (cont.)

HOLDINGS, LLC  
 STATEMENT OF INCOME AND EXPENSE  
 for the period ended 10/31/10

YTD  
 2010

<b>REVENUE:</b>	
Cases	4,653
<b>Operating Revenue</b>	
Surgical Facility Fees	10,306,031
Less: Fee Discounts	(4,306,734)
<b>Total Operating Revenue</b>	<u>6,059,297</u>
<b>Miscellaneous Revenue:</b>	
Net Anesthesia Income (Loss)	(488,797)
Interest Income	22,454
Miscellaneous Income	17,379
<b>Total Miscellaneous Revenue</b>	<u>(446,964)</u>
<b>TOTAL REVENUE</b>	<u>5,642,333</u>
<b>EXPENSES:</b>	
<b>MEDICAL OPERATING EXPENSES:</b>	
Drugs	169,769
Medical Supplies	1,169,516
Medical Supplies - Implants	439,530
Medical Waste Handling	8,529
Small Medical Equipment	13,290
Patient Nourishment	6,791
Laundry	45,301
Steamer Supplies	29,026
<b>TOTAL MEDICAL OPERATING EXP</b>	<u>1,675,854</u>
<b>PAYROLL/EMPLOYEE BENEFITS</b>	
Salaries	2,322,466
Payroll Taxes	195,946
Medical/Dental Insurance	133,434
401K Employer Contributions	48,590
Employee Parking	13,615
Profit Sharing Contribution	0
Employee Health Maintenance	847
<b>TOTAL PAYROLL/BENEFIT EXPENSES</b>	<u>2,708,938</u>
<b>OPERATING EXPENSES</b>	
Rent	567,012
Rent Escalation	195,036
Janitorial Services	50,846

BFA Attachment C (cont.)

HOLDINGS, LLC  
 STATEMENT OF INCOME AND EXPENSE  
 for the period ended 10/31/10

	YTD <u>2010</u>
Utilities	46,772
Telephone	20,943
Outside/Temporary Services	58,588
Equipment Rental	114,536
Equipment Repair/Maintenance	51,702
Equipment Service Contracts	141,255
Building Repairs/Maintenance	671
<b>TOTAL OPERATING EXPENSES</b>	<u>1,253,397</u>
<b>ADMINISTRATIVE EXPENSES</b>	
Legal Fees	43,945
Consulting Fees	0
Accounting Fees	37,755
Insurance	64,640
Office Supplies/Forms/Expense	21,182
Computer Processing Services	19,045
Postage	15,196
Computer/Transcription Services	32,935
Benefit Plan Admin Fees	0
Bank/Credit Card Fees	3,044
NYS Filing Fee	3,060
NYS Sales Tax	2,875
Advertising/Promotion	6,125
Medical Records Storage	2,300
Medical Records/Pharmacy Consultant	2,324
Physician Credentialing	2,095
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<u>262,463</u>
<b>MISCELLANEOUS EXPENSES</b>	
Reference Material	152
Duo/Prof Cert Fees	7,357
Subscriptions	0
Recruitment	1,310
Travel/Seminar Expense	6,305
Ed of Mgr fees	9,000
Entertainment	109
Misc/GA/Social	2,056
Charitable Contributions	1,300
<b>TOTAL MISCELLANEOUS EXPENSES</b>	<u>27,269</u>
<b>TOTAL EXPENSES</b>	<u>1,128,862</u>
<b>INCOME/LOSS BEFORE DEPRECIATION</b>	<u>(463,549)</u>

BFA Attachment C (cont.)

HOLDINGS, LLC  
STATEMENT OF INCOME AND EXPENSE  
for the period ended 10/31/10

YTD  
2010

Less: Interest Expense	(79,128)
Less: Deprec. & Amortization	(252,334)
NET INCOME/LOSS	<u>182,010</u>

**ESTABLISHMENT CHECKLIST FOR AMBULATORY CARE SITES**

APPLICATION: CON 101160-E West ASC, LLC (Onondaga County)

NATURE OF APPLICATION:        PRIMARY CARE  
  XX   MULTI-SPECIALTY

AUSPICE:        NON PROFIT  
  XX   PROPRIETARY  
       PUBLIC

AFFILIATIONS: None

UNIT COST:	<u>YEAR ONE</u>	<u>YEAR THREE</u>
OPERATING	\$ 935.06	\$937.15
CAPITAL	<u>\$ 159.37</u>	<u>\$147.51</u>
TOTAL	\$1,094.43	\$1,084.66

PAYOR SOURCE: YEAR ONE AND YEAR THREE

MEDICARE-FFS	10.5%
MEDICAID-FFS	2.0%
COMMERCIAL-Managed Care	2.0%
COMMERCIAL-FFS	77.5%
PRIVATE PAY	6.0%
CHARITY CARE	2.0%

BHFP Attachment: Map:  
CON # 101160  
Selected Onondaga County  
Ambulatory Surgery Centers.

Digestive Disease Center of Central New York, LLC

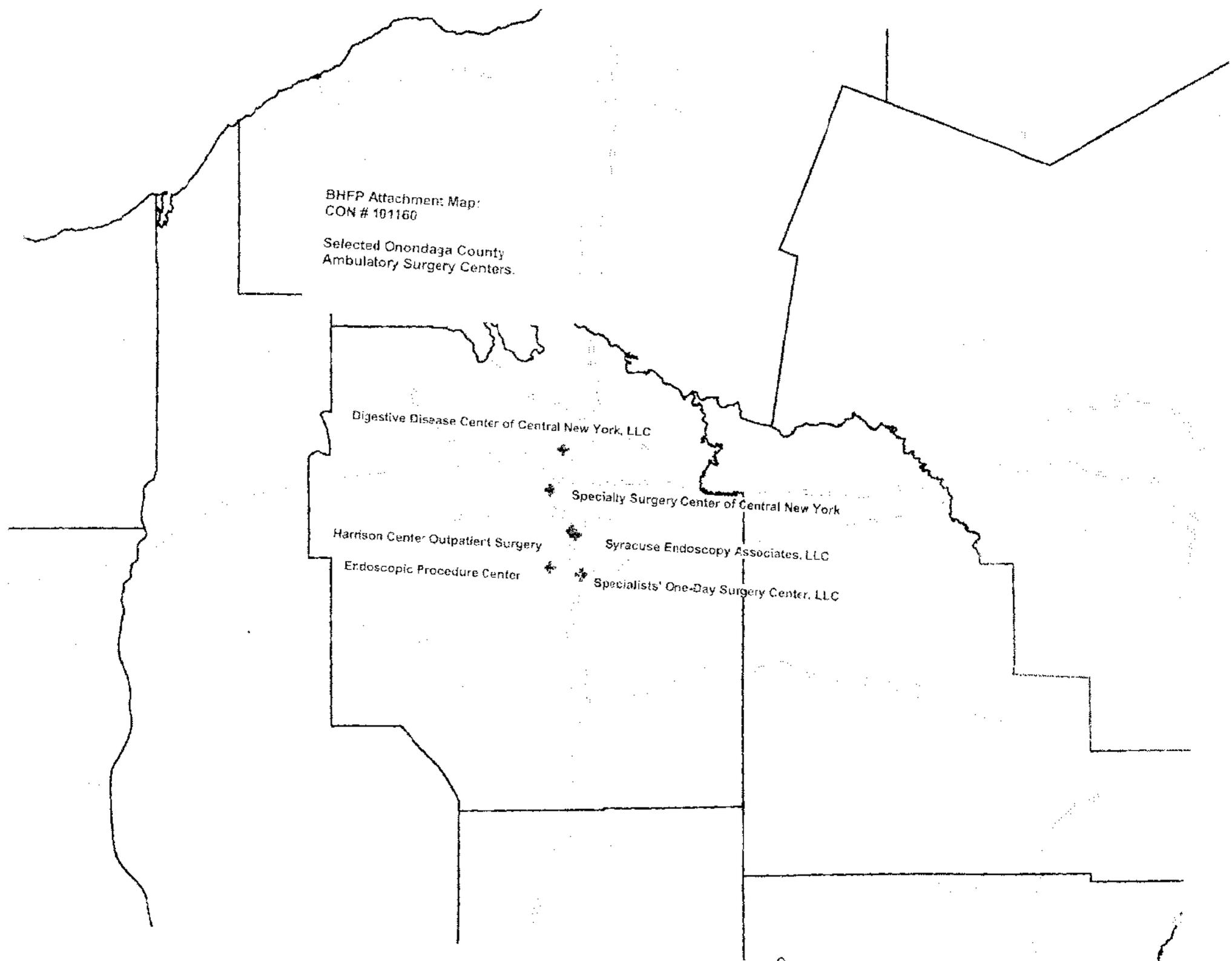
Specialty Surgery Center of Central New York

Harrison Center Outpatient Surgery

Syracuse Endoscopy Associates, LLC

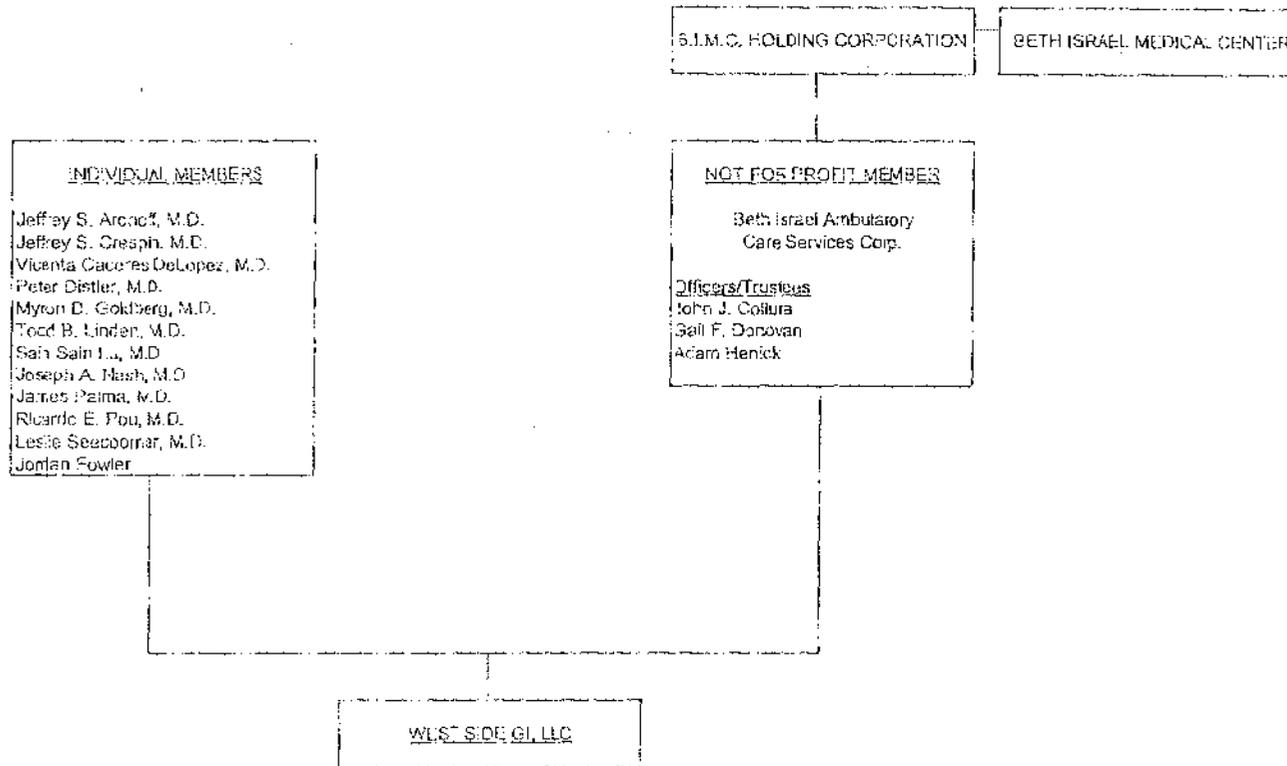
Endoscopic Procedure Center

Specialists' One-Day Surgery Center, LLC



WEST SIDE GI, LLC

Organizational Chart  
and  
List of Members



Individual Member Managers

- Peter Distler, M.D.
- Myron D. Goldberg, M.D.
- Joseph A. Nash, M.D.
- James Palma, M.D.
- Ricardo E. Pou, M.D.
- Leslie F. Seccoornar, M.D.

BIACSC Representative Manager

- Adam Henick

WEST SIDE GI, LLC

PRO FORMA BALANCE SHEET

ASSETS

Project Start-Up/Leasehold Improvements	\$2,995,119
Moveable Equipment and Telecommunications	\$1,505,035
Working Capital Cash	\$912,621
<b>TOTAL ASSETS</b>	<b>\$5,412,775</b>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Renovation Loan	\$4,000,000
Working Capital Loan	\$400,000
<b>TOTAL LIABILITIES</b>	<b>\$4,400,000</b>

MEMBERS' EQUITY \$1,012,775

**TOTAL LIABILITIES AND  
MEMBERS' EQUITY \$5,412,775**

BETH ISRAEL AMBULATORY SERVICES CORPORATION  
 Comparative Balance Sheet  
 As of December 31, 2009

	Unaudited 12/31/09	Audited 12/31/08	Change
<b>Current Assets</b>			
Receivables for patient care, net	\$ 228,978	\$ 163,202	\$ 65,776
Inventory	48,305	46,278	1,927
Total current assets	<u>277,283</u>	<u>209,580</u>	67,703
Property, plant and equipment, net	206,425	229,730	(23,305)
Goodwill, net	-	1,706,544	(1,706,544)
Total assets	<u>483,708</u>	<u>2,145,854</u>	<u>(1,662,146)</u>
<b>Current Liabilities</b>			
Accrued expenses	133,665	103,580	30,025
Accrued salaries	31,553	24,419	7,134
Total current liabilities	<u>165,158</u>	<u>127,999</u>	37,159
Due to affiliated organizations	4,783,090	4,901,486	(118,396)
Total liabilities	<u>4,948,248</u>	<u>5,029,485</u>	(81,237)
Unrestricted net assets	(4,464,540)	(2,883,631)	(1,580,909)
Total liabilities and net assets	<u>\$ 483,708</u>	<u>\$ 2,145,854</u>	<u>(1,662,146)</u>

**BETH ISRAEL AMBULATORY SERVICES CORPORATION**  
**Statement of Operations**  
**For the Year Ended December 31, 2009 and 2008**

	Actual		
	2009	2008	Variance
<b>Revenue:</b>			
Net patient service revenue	\$ 2,059,604	\$ 1,763,861	\$ 295,743
Bad debt expense	(91,070)	(418,897)	327,827
<b>Net patient revenue</b>	<b>1,968,534</b>	<b>1,344,964</b>	<b>623,570</b>
<b>Expenses:</b>			
Salaries and wages	753,011	684,778	(68,233)
Employee benefits	256,568	251,945	(4,623)
Supplies and other expenses	810,014	997,085	187,071
Depreciation	23,305	23,647	342
Amortization	262,548	262,547	(1)
<b>Total operating expenses</b>	<b>2,105,446</b>	<b>2,220,002</b>	<b>114,556</b>
<b>Gain/(Loss) before extraordinary items</b>	<b>(136,912)</b>	<b>(875,038)</b>	<b>738,126</b>
<b>Extraordinary Item:</b>			
Goodwill impairment	1,443,997	-	(1,443,997)
<b>Decrease in unrestricted net assets</b>	<b>\$ (1,580,909)</b>	<b>\$ (875,038)</b>	<b>\$ (705,871)</b>

**BETH ISRAEL AMBULATORY SERVICES CORPORATION**

**Comparative Balance Sheet**

As of September 30, 2010

	<u>09/30/10</u>	<u>12/31/09</u>	<u>Change</u>
<b>Current Assets</b>			
Receivables for patient care, net	\$ -	\$ 228,978	\$ (228,978)
Inventory	48,305	48,305	-
<b>Total current assets</b>	<b>48,305</b>	<b>277,283</b>	<b>(\$228,978)</b>
Property, plant and equipment, net	190,432	206,425	(15,993)
Other Assets	362,500	-	362,500
<b>Total assets</b>	<b>\$ 601,237</b>	<b>\$ 483,708</b>	<b>\$ 117,529</b>
<b>Current Liabilities</b>			
Accrued expenses	35,927	\$ 133,605	(97,678)
Accrued salaries	31,553	31,553	-
<b>Total current liabilities</b>	<b>67,480</b>	<b>165,158</b>	<b>(97,678)</b>
Due to affiliated organizations	5,164,160	4,783,090	381,070
<b>Total liabilities</b>	<b>5,231,640</b>	<b>4,948,248</b>	<b>283,392</b>
Unrestricted net deficit	(4,630,403)	(4,464,540)	(165,863)
<b>Total liabilities and net deficit</b>	<b>601,237</b>	<b>\$ 483,708</b>	<b>\$ 117,529</b>

BETH ISRAEL AMBLATORY SERVICES CORPORATION

Statement of Operations

For the Nine months ended September 30, 2010

	Year-to-Date		
	Actual	Budget	Variance
<b>Revenue:</b>			
Patient service revenue	\$ 523,045	\$ 867,055	\$ (344,010)
Bad debt expense	(28,052)	(82,894)	54,842
Net patient service revenue	494,993	784,161	(289,168)
Other Revenue/Income from equity investments	257,955		257,955
Net patient revenue	752,948	784,161	(31,213)
<b>Expenses:</b>			
Salaries and wages	388,010	192,683	(195,327)
Employee benefits	144,909	62,217	(82,692)
Supplies and other expenses	369,901	241,347	(128,554)
Depreciation	15,993	15,993	-
Amortization	-	196,911	196,911
Total operating expenses	918,813	709,151	(209,662)
Decrease in unrestricted net assets	\$ (165,865)	\$ 75,010	\$ (240,875)

*Note: Surgicenter budget is only through March 2010 due to anticipated finalization of sale.*

**Beth Israel Medical Center and Affiliates**  
**Consolidated Balance Sheets**  
**December 31, 2009 and 2008**

<i>(in thousands of dollars)</i>	2009	2008
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 101,196	\$ 60,166
Marketable securities	25,056	20,146
Receivables for patient care, less allowance for doubtful accounts of \$88,616 in 2009 and \$92,580 in 2008	178,161	182,278
Inventories	8,836	8,734
Prepaid expenses and other current assets	28,089	20,994
Due from affiliated organizations	1,363	1,670
Current portion of pledges receivable, net	5,466	3,802
Current portion of assets limited as to use	5,386	15,112
Total current assets	<u>353,553</u>	<u>313,232</u>
Assets limited as to use	30,876	41,136
Long-term investments	13,305	11,716
Deferred employee compensation plan assets	1,599	1,610
Investments in captive insurance companies	55,236	33,632
Pledges receivable, net	5,062	5,841
Property, plant and equipment, net	479,400	482,239
Due from affiliated organizations	7,537	25,526
Deferred financing costs, net	6,032	6,317
Other assets	15,770	15,723
Total assets	<u>\$ 968,450</u>	<u>\$ 937,972</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 78,484	\$ 87,232
Accrued salaries and related liabilities	113,240	104,672
Current portion of long-term debt and capitalized leases	36,272	37,938
Other current liabilities	33,048	60,850
Total current liabilities	<u>261,044</u>	<u>290,692</u>
Long-term debt and capitalized leases	226,302	206,393
Deferred employee compensation	1,599	1,610
Other noncurrent liabilities	129,739	122,803
Total liabilities	<u>618,684</u>	<u>621,498</u>
Commitments and contingencies		
Net assets		
Unrestricted	304,488	269,794
Temporarily restricted	23,508	27,729
Permanently restricted	21,770	18,891
Total net assets	<u>349,766</u>	<u>316,474</u>
Total liabilities and net assets	<u>\$ 968,450</u>	<u>\$ 937,972</u>

**Beth Israel Medical Center and Affiliates**  
**Consolidated Statements of Operations**  
**Years Ended December 31, 2009 and 2008**

<i>(in thousands of dollars)</i>	2009	2008
<b>Operating revenue</b>		
Net patient service revenue	\$ 1,008,568	\$ 1,008,669
Faculty practice revenue	178,618	180,482
Net assets released from restriction	8,957	7,757
Investment income (loss)	7,921	(9,048)
Other revenue	100,305	93,635
Total operating revenue	<u>1,304,369</u>	<u>1,281,495</u>
<b>Operating expenses</b>		
Salaries and wages	623,334	599,112
Employee benefits	152,264	139,307
Supplies and other expenses	401,843	410,588
Depreciation and amortization	72,281	65,288
Provision for bad debts	31,818	45,704
Interest	11,263	15,620
Total operating expenses	<u>1,292,803</u>	<u>1,275,619</u>
Operating income before other items	11,566	5,876
Gain (loss) from investments in captive insurance companies under the equity method	29,744	(72,263)
Operating gain (loss)	41,310	(66,387)
Unrestricted contributions	7,930	6,697
Excess (deficiency) of revenue over expenses	<u>49,240</u>	<u>(59,690)</u>
Change in fair value of interest rate swap	1,038	-
Equity transfer to affiliate	(15,584)	-
Increase (decrease) in unrestricted net assets	<u>\$ 34,694</u>	<u>\$ (59,690)</u>

# Beth Israel Medical Center

Balance Sheet (Unaudited)

December 31, 2010

(\$000's)

ASSETS	December 10, Unaudited	Dec-09 Audited	Increase (Decrease)	LIABILITIES AND NET ASSETS	December 10, Unaudited	Dec-09 Audited	Increase (Decrease)
<b>CURRENT ASSETS:</b>				<b>CURRENT LIABILITIES</b>			
Cash and cash equivalents	\$ 160,775	\$ 151,196	\$ 9,579	Accounts payable and accrued expenses	\$ 97,849	\$ 78,884	\$ 19,265
Marketable securities	21,312	25,036	456	Accrued salaries and related liabilities	114,300	113,240	1,060
Receivables for patient care, less allowances for doubtful accounts	200,314	178,161	22,153	Current portion of long-term debt and capital leases	37,938	36,272	1,666
Inventories, prepaid expenses & other current assets	32,273	35,925	(4,652)	Other current liabilities	17,362	33,048	(15,486)
Due from affiliated organizations, current portion	1,625	1,363	262				
Current portion of pledges receivable, net	5,466	5,466	-				
Current portion of assets limited as to use	5,386	5,386	-				
<b>TOTAL CURRENT ASSETS</b>	<b>431,351</b>	<b>353,555</b>	<b>77,796</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>267,949</b>	<b>261,044</b>	<b>6,905</b>
LONG-TERM INVESTMENTS	15,145	13,325	2,700	LONG-TERM DEBT-Less Current Portion	290,261	226,302	63,959
ASSETS LIMITED AS TO USE:				DEFERRED EMPLOYEE COMPENSATION	599	1,599	(1,000)
As required by debt financing arrangements	12,575	30,876	(18,303)	OTHER NONCURRENT LIABILITIES	144,743	129,739	15,004
Deferred employee compensation plan assets	599	1,599	(1,000)				
PROPERTY, PLANT AND EQUIPMENT, net	497,700	479,403	18,297	<b>NET ASSETS:</b>			
DUE FROM AFFILIATED ORGANIZATIONS	5,711	7,537	(1,826)	UNRESTRICTED	341,596	304,488	37,108
DEFERRED FINANCING COSTS	5,320	6,032	(712)	TEMPORARILY RESTRICTED	23,503	23,503	-
PLEDGES RECEIVABLE, net	4,905	5,062	(157)	PERMANENTLY RESTRICTED	21,951	21,770	181
OTHER ASSETS	91,501	71,064	20,437	<b>TOTAL NET ASSETS</b>	<b>387,255</b>	<b>249,766</b>	<b>137,489</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,070,307</b>	<b>\$ 968,450</b>	<b>\$ 102,357</b>	<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,070,307</b>	<b>\$ 968,450</b>	<b>\$ 102,357</b>

BFA Attachment E (cont.)

# Beth Israel Medical Center

Consolidated Operating Statement (Unaudited)  
December 31, 2010

(\$000's)

	CURRENT MONTH			PRIOR YEAR 12/31/2009 ACTUAL	YEAR TO DATE			PRIOR YEAR 12/31/2009 ACTUAL
	ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE	
Operating Revenues:								
Inpatient	\$ 62,593	\$ 61,176	\$ 1,417	\$ 63,558	\$ 758,425	\$ 728,936	\$ 29,489	\$ 712,374
Outpatient	27,948	23,625	4,323	23,485	310,725	277,663	33,062	261,520
Other Revenues	22,540	11,263	11,277	10,427	151,375	131,453	19,922	134,852
<b>Total Operating Revenues</b>	<b>113,081</b>	<b>96,064</b>	<b>17,017</b>	<b>97,470</b>	<b>1,220,525</b>	<b>1,138,052</b>	<b>82,473</b>	<b>1,098,746</b>
Operating Expenses:								
Salaries & Wages	50,038	41,819	(8,219)	44,188	511,148	484,252	(26,896)	477,754
Fringe Benefits	14,569	13,618	(951)	12,025	173,082	168,768	(4,314)	150,333
Supplies & Other Expenses	36,203	23,770	(9,433)	26,129	368,790	331,587	(37,203)	327,046
Depreciation and Amortization	3,248	5,938	2,690	5,497	71,077	71,267	250	65,964
Interest	1,356	1,433	77	1,263	14,502	16,488	1,986	13,160
<b>Operating Expenses Before G &amp; A and Central Administration</b>	<b>105,414</b>	<b>86,578</b>	<b>(15,836)</b>	<b>89,102</b>	<b>1,138,539</b>	<b>1,072,362</b>	<b>(66,177)</b>	<b>1,034,257</b>
Net Operating Surplus/(Deficit) Before General and Administrative & Central Administration	7,667	9,486	1,819	8,368	81,986	65,690	16,296	64,489
<b>Total General and Administrative and Central Administration Expenses</b>	<b>6,063</b>	<b>5,375</b>	<b>312</b>	<b>6,299</b>	<b>59,765</b>	<b>61,435</b>	<b>1,672</b>	<b>59,014</b>
<b>Net Operating Surplus/(Deficit) Before GAAP Adjustments</b>	<b>1,604</b>	<b>111</b>	<b>1,493</b>	<b>2,069</b>	<b>22,223</b>	<b>4,255</b>	<b>17,968</b>	<b>5,475</b>
GAAP Adjustments:								
Changes in Equity Investment	5,255	-	5,255	8,801	7,366	-	7,366	26,805
Unrealized Gains / (Losses)	354	-	354	1,854	(396)	-	(396)	9,498
FASB 115/117 and Other Non Hospital Entities (1)	(759)	-	(759)	2,870	593	-	593	3,198
Non Recurring Items	-	-	-	-	1,857	-	1,857	-
Unrestricted Contributions	-	-	-	13	1,449	-	1,449	1,537
<b>Net Surplus/ (Deficit)</b>	<b>\$ 6,454</b>	<b>\$ 111</b>	<b>\$ 6,343</b>	<b>\$ 15,607</b>	<b>\$ 33,102</b>	<b>\$ 4,255</b>	<b>\$ 28,347</b>	<b>\$ 46,505</b>

(1) FASB 115/117 represents the net activities of certain special funds which are not included in the operating budget.

**ESTABLISHMENT CHECKLIST FOR AMBULATORY CARE SITES**

APPLICATION: CON 101167-B West Side GI, LLC (New York County)

NATURE OF APPLICATION: XX PRIMARY CARE  
SPECIALTY  
-Endoscopy

AUSPICE: XX NON PROFIT  
PROPRIETARY  
PUBLIC

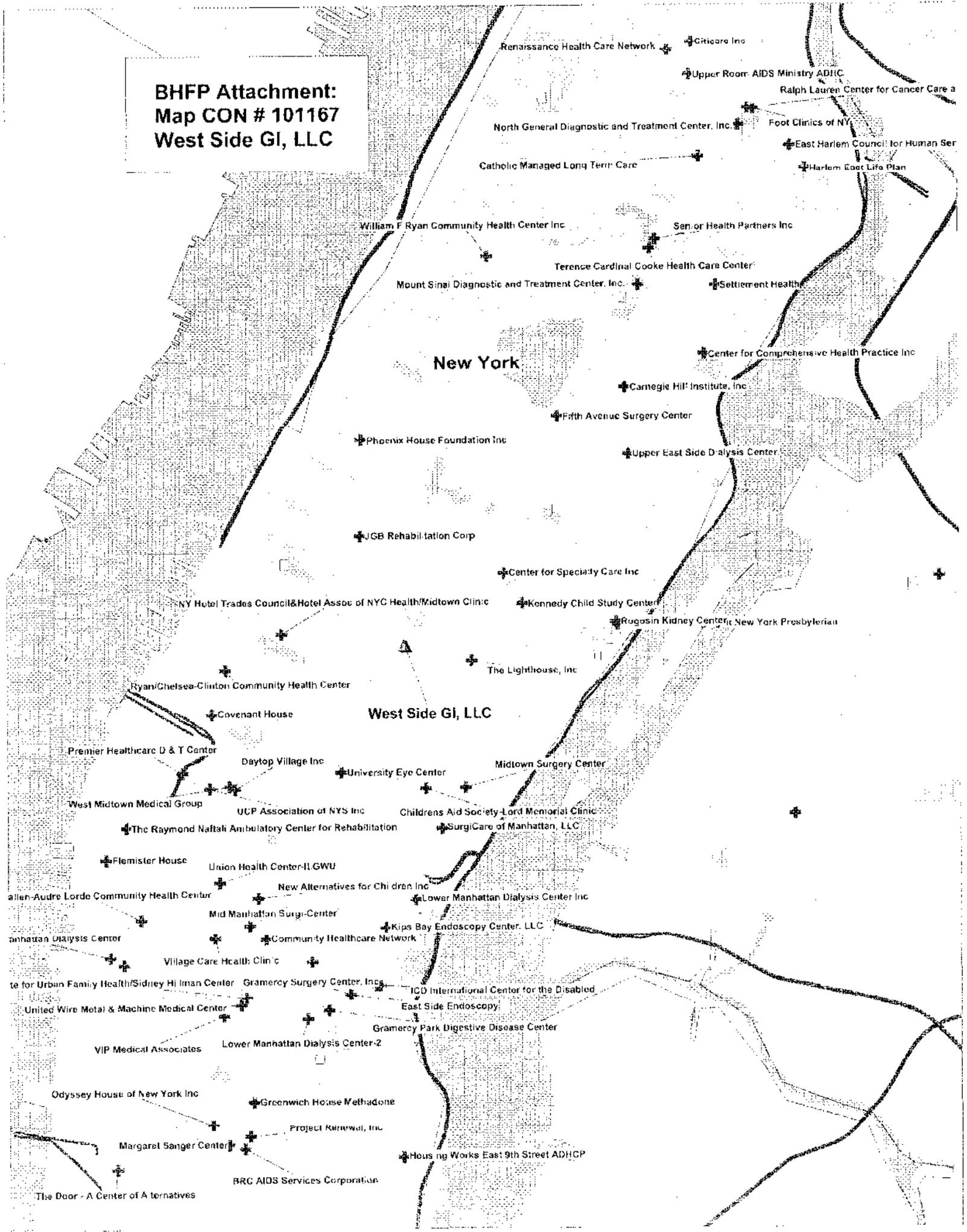
AFFILIATIONS: St. Luke's Roosevelt Hospital

UNIT COST:	<u>YEAR ONE</u>	<u>YEAR THREE</u>
OPERATING	\$319.80	\$312.91
CAPITAL	<u>\$ 79.57</u>	<u>\$ 67.14</u>
TOTAL	\$399.37	\$380.05

PAYOR SOURCE:

	<u>FIRST YEAR</u>	<u>THIRD YEAR</u>
Commercial Insurance-Fee-For-Service	10.0%	9.8%
Commercial Insurance-Managed Care	62.0%	62.2%
Medicare Fee-For-Service	19.0%	18.9%
Medicare Managed Care	1.0%	1.1%
Medicaid Fee-For-Service	0.5%	0.4%
Medicaid Managed Care	2.5%	2.6%
Self Pay	3.0%	3.0%
Charity Care	2.0%	2.0%

**BHFP Attachment:  
Map CON # 101167  
West Side GI, LLC**



New York

West Side GI, LLC

The Door - A Center of Alternatives

BRC AIDS Services Corporation

Housing Works East 9th Street ADHCP

Project Renewal, Inc.

Greenwich House Methadone

Odyssey House of New York Inc

VIP Medical Associates

Lower Manhattan Dialysis Center-2

Gramercy Park Digestive Disease Center

East Side Endoscopy

ICD International Center for the Disabled

United Wire Metal & Machine Medical Center

Gramercy Surgery Center, Inc.

Center for Urban Family Health/Sidney Hillman Center

Village Care Health Clinic

Community Healthcare Network

Kips Bay Endoscopy Center, LLC

Manhattan Dialysis Center

Mid Manhattan Surgi-Center

Lower Manhattan Dialysis Center Inc

Allen-Audre Lorde Community Health Center

New Alternatives for Children Inc

SurgiCare of Manhattan, LLC

Flemister House

Union Health Center-ILGWU

Childrens Aid Society Lord Memorial Clinic

The Raymond Nattali Ambulatory Center for Rehabilitation

UCP Association of NYS Inc

Daytop Village Inc

Midtown Surgery Center

West Midtown Medical Group

University Eye Center

Premier Healthcare D & T Center

Covenant House

Ryan/Chelsea-Clinton Community Health Center

The Lighthouse, Inc

NY Hotel Trades Council & Hotel Assoc of NYC Health/Midtown Clinic

Kennedy Child Study Center

Rugosin Kidney Center, New York Presbyterian

JGB Rehabilitation Corp

Center for Specialty Care Inc

Upper East Side Dialysis Center

Phoenix House Foundation Inc

Fifth Avenue Surgery Center

Carnegie Hill Institute, Inc

Center for Comprehensive Health Practice Inc

Mount Sinai Diagnostic and Treatment Center, Inc.

Settlement Health

Terence Cardinal Cooke Health Care Center

Senior Health Partners Inc

William F Ryan Community Health Center Inc

Catholic Managed Long Term Care

Harlem East Life Plan

East Harlem Council for Human Ser

Foot Clinics of NY

North General Diagnostic and Treatment Center, Inc.

Ralph Lauren Center for Cancer Care a

Upper Room AIDS Ministry ADHC

Renaissance Health Care Network

Citicare Inc

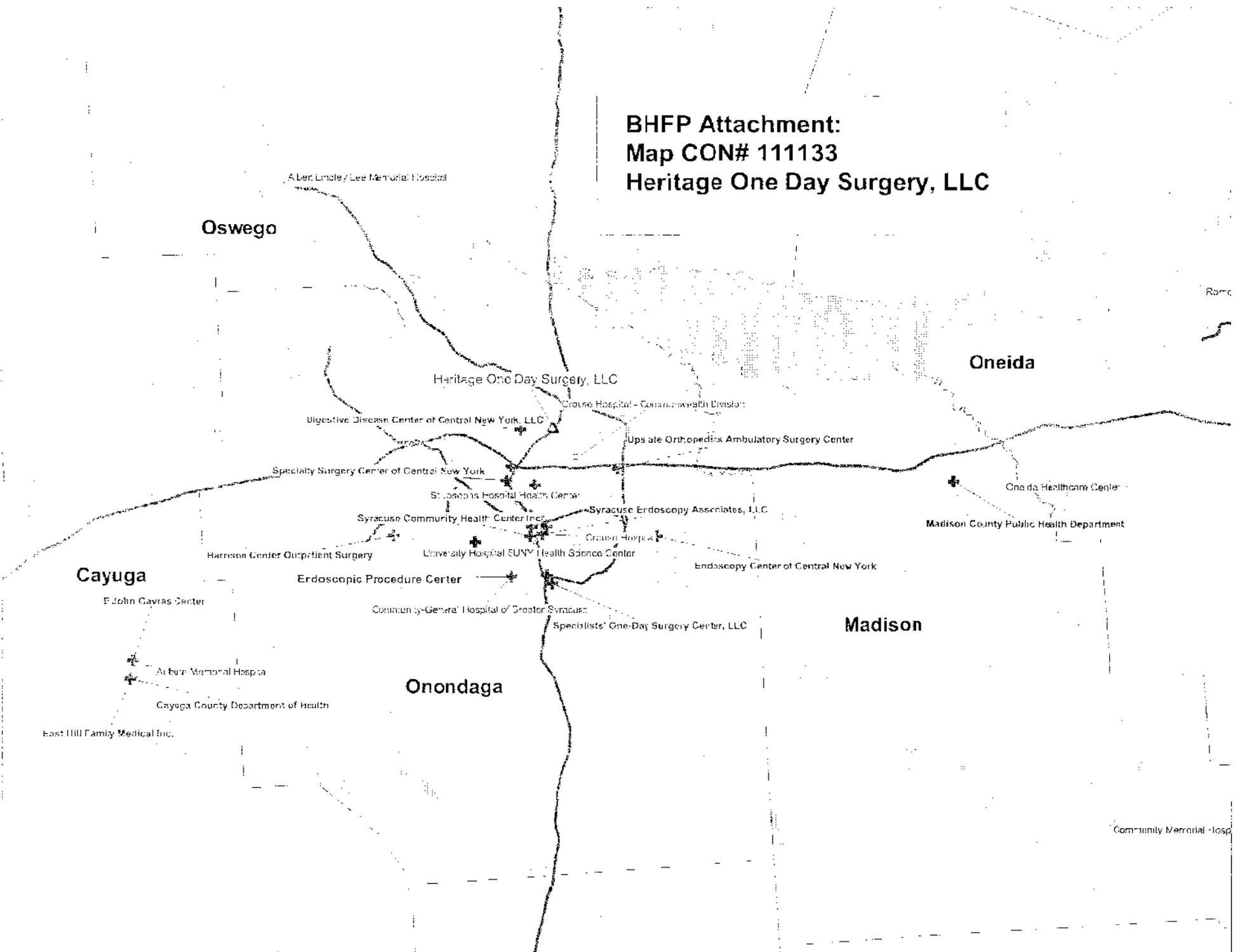
## Heritage One Day Surgery

*Pro-Forma Balance Sheet**Revised April 2011*

	<u>Beginning of Year One January 2012</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash Balances	\$ 622,088
Accounts Receivable - Net	\$ -
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 622,088</b>
<b>OTHER ASSETS</b>	
New Program Assets (CON fees, consulting, etc.)	\$ 54,980
Facility Improvements	\$ 1,655,648
Equipment	\$ 664,318
<b>TOTAL OTHER ASSETS</b>	<b>\$ 2,374,946</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,997,034</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
	\$ -
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ -</b>
<b>LONG-TERM LIABILITIES</b>	
Working Capital Loan	\$ 311,045
Equipment Lease	\$ 578,477
Bank Loan for Construction/Renovation	\$ 1,558,974
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$ 2,448,496</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 2,448,496</b>
<b>LLC CAPITAL</b>	<b>\$ 548,538</b>
<b>TOTAL LIABILITIES AND LLC CAPITAL</b>	<b>\$ 2,997,034</b>



**BHFP Attachment:  
Map CON# 111133  
Heritage One Day Surgery, LLC**



Pro Forma Balance Sheet Of  
Putnam Endoscopy, ASC, LLC

ASSETS

Cash	\$231,338
Moveable Equipment	137,858
Leasehold Improvements	<u>733,153</u>
TOTAL ASSETS	\$1,102,349

LIABILITIES

Bank Loan	\$700,000
Working Capital Loan	<u>115,669</u>
TOTAL LIABILITIES	\$815,669
NET ASSETS	\$286,680

**BFA Attachment C  
ESTABLISHMENT CHECKLIST FOR AMBULATORY CARE SITES**

APPLICATION: 111138-B  
Putnam GI, LLC

NATURE OF APPLICATION:            PRIMARY CARE  
  X           SPECIALTY  
IF SPECIALTY – TYPE: Amb Surg

AUSPICE:            NON PROFIT  
          X           PROPRIETARY  
           PUBLIC

AFFILIATIONS: NA

UNIT COST:	<u>YEAR ONE</u>	<u>YEAR THREE</u>
OPERATING	\$514.41	\$509.84
CAPITAL	<u>65.02</u>	<u>57.16</u>
TOTAL	\$579.43	\$567.00

PAYOR SOURCE:	<u>YEAR ONE</u>	<u>YEAR THREE</u>
MEDICAID-M/C	3.00%	3.18%
MEDICAID-FFS	2.00%	1.79%
MEDICARE-MC	3.00%	3.39%
MEDICARE-FFS	16.00%	15.60%
COMMERCIAL FFS	18.00%	17.60%
COMMERCIAL MC	55.00%	55.43%
CHARITY CARE	2.00%	2.03%
OTHER	1.00%	.98%

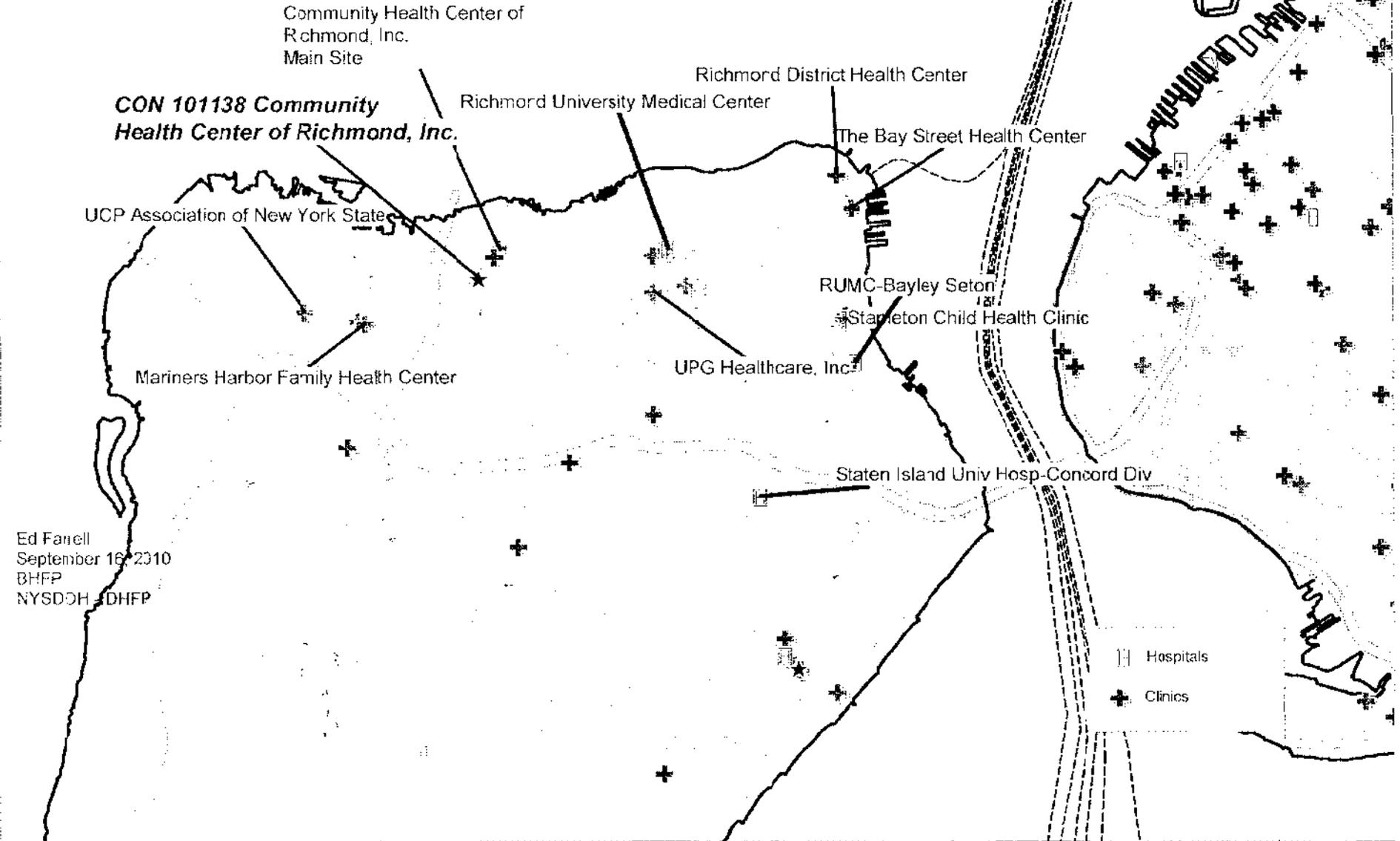
YEAR ONE  
-----

	<u>Expenses</u>	<u>Procedures</u>	<u>Cost Per Procedure</u>
Operating	\$1,234,573	2,400	\$514.41
Capital	<u>156,051</u>	2,400	<u>65.02</u>
Total Expenses	\$1,390,624	2,400	\$579.43

YEAR THREE  
-----

	<u>Expenses</u>	<u>Procedures</u>	<u>Cost Per Procedure</u>
Operating	\$1,248,091	2,448	\$509.84
Capital	<u>139,939</u>	2,448	<u>57.16</u>
Total Expenses	\$1,388,030	2,448	\$567.00

CON 101138  
Community Health Center of Richmond  
Richmond County



**EAST SIDE ENDOSCOPY LLC****BALANCE SHEET**

March 31, 2011

UNAUDITED

**ASSETS**

Cash	1,339,319
Accounts Receivables (Net)	2,155,712
Due (To)/From Related Parties	(60,926)
Due (To)/From Anesthesia Group	216,445
Prepaid Expenses and Short Term Deposits	<u>36,978</u>
Total Current Assets	3,687,528
Property and Equipment	3,750,303
Accumulated Depreciation	<u>(545,322)</u>
Net Property and Equipment	3,204,981
Other Assets	<u>150,000</u>
Total Assets	<u>7,042,509</u>

**LIABILITIES AND MEMBERS' EQUITY**

Accounts Payable and Accrued Expenses	221,813
Current Portion of Capital Lease Obligation	167,471
Current Portion of Notes Payable - Other	<u>518,230</u>
Total Current Liabilities	907,514
Capital Lease Obligation, Net of Current Portions	528,966
Notes Payable, Net of Current Portions	2,506,904
Accrued Rent & Other Obligations	<u>906,638</u>
Total Liabilities	4,850,022
Members' Equity	
Members' Capital	1,123,560
Beginning Retained Earnings (Loss)	165,639
Partner's Distributions	(1,548,586)
Net Income (Loss)	<u>2,451,873</u>
Total Members' Equity	<u>2,192,487</u>
Total Liabilities and Members' Equity	<u>7,042,509</u>

**EAST SIDE ENDOSCOPY LLC**  
**STATEMENT OF OPERATIONS - COMBINED**  
For the Three Months Ending March 31, 2011  
*UNAUDITED*

	PTD January 2011	PTD February 2011	PTD March 2011	YTD 2011
<b>INCOME</b>				
Gross Charges	2,947,100	3,415,555	3,931,560	10,294,215
Estimated Contractual Adjustment	(2,007,547)	(2,363,440)	(2,731,716)	(7,102,702)
Net Charges	939,553	1,052,115	1,199,844	3,191,513
Net Anesthesia Income	111,424	192,729	165,483	469,636
Other Income	31	(163)	58	(54)
Net Revenues	<u>1,051,028</u>	<u>1,244,681</u>	<u>1,365,385</u>	<u>3,661,095</u>
<b>OPERATING EXPENSES</b>				
Salary and Wages	114,894	117,393	145,728	378,013
Payroll Taxes	13,045	12,756	10,714	36,515
Employee Benefits - Insurance	9,148	7,533	7,638	24,319
Employee Benefits - 401K Match & PSP	3,297	3,396	3,278	9,970
Accounting and Consulting Fees	1,042	14,064	5,195	20,301
Bank and Collection Fees	8,220	(1,428)	3,881	10,673
Billing Service Fees	34,230	39,732	45,696	119,658
Depreciation	39,293	39,460	39,775	118,519
Drugs and Medications	8,062	2,105	671	10,838
Equipment Rental	329	299	327	956
Insurance	3,771	3,850	3,856	11,476
Legal Fees	0	24,618	3,860	28,478
Management Fees	10,400	10,400	10,400	31,200
Marketing	82	0	0	82
Medical Director Fees	12,500	12,500	12,500	37,500
Medical Supplies	26,906	31,040	25,709	83,745
Medical Waste Disposal	525	477	477	1,479
Office Supplies & Misc Expenses	5,748	3,808	2,778	12,334
Postage	56	41	56	153
Rent and Utilities	41,754	40,977	41,484	124,215
Repairs, Maintenance and Cleaning	16,723	9,907	23,071	49,701
Seminars and Conferences	1,398	0	170	1,568
Taxes and Licenses	2,000	0	5,315	7,315
Telephone	1,186	1,213	1,191	3,591
Travel and Entertainment	3,406	3,623	4,132	11,160
Uniforms and Laundry	3,700	3,515	3,860	11,075
Total Operating Expenses	<u>361,715</u>	<u>381,270</u>	<u>401,650</u>	<u>1,144,834</u>
Operating Income (loss) before interest	689,313	863,411	963,535	2,516,261
Interest Income	0	1,004	331	1,335
Interest Expense	(22,223)	(21,908)	(21,592)	(65,723)
Net Interest	<u>(22,223)</u>	<u>(20,904)</u>	<u>(21,261)</u>	<u>(64,388)</u>
Operating Income (loss) before other losses	667,090	842,507	942,274	2,451,873
Income (loss)	<u>667,090</u>	<u>842,507</u>	<u>942,274</u>	<u>2,451,873</u>
EBITDA	<u>726,606</u>	<u>902,861</u>	<u>1,003,310</u>	<u>2,634,780</u>

**East Side Endoscopy, LLC  
Project 111194**

**BFA Attachment C**

			<b>Average Cost Per Procedure</b>
<b>First Year Budgets</b>			
Operating	\$1,104,014	5,078	\$217.41
Capital	<u>\$408,320</u>	5,078	<u>\$80.41</u>
Total	\$1,512,334	5,078	\$297.82
<b>Third Year Budgets</b>			
Operating	\$1,390,122	6,087	\$228.38
Capital	<u>\$421,644</u>	6,087	<u>\$69.27</u>
Total	\$1,811,766	6,087	\$297.65

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**State of New York  
Public Health and Health Planning Council**

**June 16, 2011**

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**ATTACHMENTS**

**Diagnostic and Treatment Centers - Establish/Construct**

**Exhibit #11**

<u>Number</u>	<u>Applicant/Facility</u>
1. 082140 E	Ralph Lauren Center for Cancer Care and Prevention (New York County)
2. 092199 E	East Coast Rehabilitation, Inc. d/b/a Columbus Center for Medical Rehabilitation (Queens County)
3. 101103 B	Queens Medical Pavilion, LLC (Queens County)
4. 102159 B	Parcare Community Health Network (Kings County)
5. 102256 E	South Brooklyn Medical Administrative Services, Inc. (Kings County)
6. 102363 E	HeartShare Wellness Ltd. (Kings County)

**Ralph Lauren Center for Cancer Care and Prevention  
Comprehensive Balance Sheet - Actual vs. Budget  
Year to Date December 31, 2010**

<u>ASSETS</u>	<u>2010 Actual</u>
<u>Current Assets:</u>	
Cash and Cash Equivalents	\$ 1,726,851
Net Patient Account Receivable	245,973
Grants Receivable	503,747
Other Receivables	-
Prepaid Expenses	193,284
Total Current Assets	<u>\$ 2,669,853</u>
Fixed Assets, at Cost	
Net of Accumulated Depreciation	<u>\$ 3,258,168</u>
Total Assets:	<u>\$ 5,928,023</u>
<u>LIABILITIES and NET ASSETS</u>	
<u>Current Liabilities:</u>	
Accounts Payable	\$ 175,630
Third Party Adjustments	300,000
Accrued Expenses	660,971
Deferred Revenue	69,915
Due to Foundations	-
Total Current Liabilities	<u>\$ 1,206,517</u>
Subvention Agreement	<u>\$ -</u>
Total Liabilities	<u>\$ 1,206,517</u>
Net Assets:	<u>\$ 4,721,504</u>
Total Liabilities and Net Assets	<u>\$ 5,928,022</u>
	\$ 0
<i>Note: (1) Cash Balance Includes:</i>	
Unrestricted	\$ 601,255
Temporarily Restricted	925,596
Permentaly Restricted	200,000
Total Cash	<u>\$ 1,726,851</u>

**Ralph Lauren Center for Cancer Care and Prevention**  
**Total Profit and Loss - Actual vs. Budget**  
**Year to Date December 31, 2010**

		2010
		Total
		Actual
<b><u>Revenue and Other Support:</u></b>		
Patient Service Revenue(PSR)	\$	2,283,290
Grant - PSR	\$	931,171
PNI Tuition Revenue	\$	62,450
MSKCC Contributions	\$	1,899,600
POLO/RALPHLAUREN	\$	-
Released From Restriction	\$	1,567,384
Philanthropy	\$	1,409,359
Subvention Release	\$	-
ARIA/EMR - Grant	\$	-
Administrative Fee	\$	68,336
Realized Def. Rev - Salaries	\$	98,989
Interest and Other Income	\$	124,639
<b>Total Revenue and Other Support</b>	<b>\$</b>	<b><u>8,445,219</u></b>
 <b><u>Expenses:</u></b>		
Salary and Employee Benefits	\$	4,383,188
Contract Labor	\$	95,525
Contracted Services	\$	66,017
Patient Related	\$	1,655,490
Charity	\$	896,670
Rent and Utilities	\$	506,339
Repairs & Maintenance	\$	144,407
Administrative Expenses	\$	509,001
Insurance	\$	309,237
I.T. Services/Consulting	\$	181,493
Marketing Expenses	\$	11,068
Professional/Legal	\$	581,789
Bad Debts	\$	358,595
Depreciation	\$	859,296
<b>Total Expenses</b>	<b>\$</b>	<b><u>10,558,115</u></b>
<b>Operating Surplus/(Deficit)</b>	<b>\$</b>	<b><u>(2,112,896)</u></b>

**Ralph Lauren Center for Cancer Care and Prevention**  
**Statement of Financial Position**  
**December 31, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 900,539	\$ 2,076,188	\$ 1,800,000	\$ 4,776,727
Accounts receivable, net of allowance for doubtful accounts of \$858,790	368,377			368,377
Grants receivable	240,235	633,000		873,235
Pledges receivable		100,000		100,000
Prepaid expenses	48,062			48,062
Total current assets	<u>1,557,213</u>	<u>2,809,188</u>	<u>1,800,000</u>	<u>6,166,401</u>
Pledges receivable, net of current portion		184,947		184,947
Other assets	138,569			138,569
Fixed assets, at cost, net of accumulated depreciation and amortization	<u>4,086,304</u>			<u>4,086,304</u>
Total assets	<u>\$ 5,782,086</u>	<u>\$ 2,994,135</u>	<u>\$ 1,800,000</u>	<u>\$ 10,576,221</u>
<b>Liabilities and net assets</b>				
Current liabilities				
Accounts payable and accrued expenses	\$ 433,626			\$ 433,626
Accrued payroll and employee benefits	272,299			272,299
Due to third party payor	300,000			300,000
Due to foundations	949,128			949,128
Deferred revenue	180,344			180,344
Deferred rent, current portion	15,977			15,977
Total current liabilities	<u>2,151,374</u>			<u>2,151,374</u>
Deferred rent, net of current portion	23,061			23,061
Commitments				
Net assets	<u>3,607,651</u>	<u>\$ 2,994,135</u>	<u>\$ 1,800,000</u>	<u>8,401,786</u>
Total liabilities and net assets	<u>\$ 5,782,086</u>	<u>\$ 2,994,135</u>	<u>\$ 1,800,000</u>	<u>\$ 10,576,221</u>

**Ralph Lauren Center for Cancer Care and Prevention**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended December 31, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Revenue</b>				
Net patient service revenue	\$ 3,594,934			\$ 3,594,934
Medicaid pass-through	16,442			16,442
Total revenue	<u>3,611,376</u>			<u>3,611,376</u>
<b>Expenses</b>				
Program services	7,205,346			7,205,346
Management and general	2,564,468			2,564,468
Total expenses	<u>9,769,814</u>			<u>9,769,814</u>
<b>Change in net assets before support and other income</b>	<u>(6,158,438)</u>			<u>(6,158,438)</u>
<b>Support and other income</b>				
Grants	42,802	\$ 368,808		411,610
Contributions	804,122	-		804,122
Interest income	130,717			130,717
Other income	632,900			632,900
Subvention release	2,000,000			2,000,000
Release from restrictions	2,114,317	(2,114,317)		-
Total support	<u>5,724,858</u>	<u>(1,745,509)</u>		<u>3,979,349</u>
<b>Transfers</b>	<u>400,000</u>		\$ (400,000)	
<b>Change in net assets</b>	(33,580)	(1,745,509)	(400,000)	(2,179,089)
<b>Net assets</b>				
Beginning	3,641,231	4,739,644	2,200,000	10,580,875
Ending	<u>\$ 3,607,651</u>	<u>\$ 2,994,135</u>	<u>\$ 1,800,000</u>	<u>\$ 8,401,786</u>

**Ralph Lauren Center for Cancer Care and Prevention**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2009**

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	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
<b>Expenses</b>			
Salaries and fringe	\$ 3,568,974	\$ 1,128,403	\$ 4,697,377
Contract labor	68,733	91,248	159,981
Patient related	1,437,377		1,437,377
Rent and utilities	366,629	193,187	559,816
Repairs and maintenance	97,249	62,715	159,964
Administrative		295,716	295,716
Insurance	181,798	151,646	333,444
Computer services	74,382	153,351	227,733
Professional services		293,036	293,036
Marketing		85,188	85,188
Bad debts	761,052		761,052
Depreciation and amortization	649,152	109,978	759,130
	<u>\$ 7,205,346</u>	<u>\$ 2,564,468</u>	<u>\$ 9,769,814</u>

**Ralph Lauren Center for Cancer Care and Prevention**  
**Statement of Financial Position**  
**December 31, 2008**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 2,838,156	\$ 3,641,409	\$ 2,200,000	\$ 8,679,565
Accounts receivable, net of allowance for doubtful accounts of \$99,481	574,605			574,605
Medicaid pass-through receivable	30,166			30,166
Grants receivable	649,200	726,115		1,375,315
Pledges receivable		100,000		100,000
Prepaid expenses	111,085			111,085
<b>Total current assets</b>	<b>4,203,212</b>	<b>4,467,524</b>	<b>2,200,000</b>	<b>10,870,736</b>
Pledges receivable, net of current portion		272,120		272,120
Other assets	136,301			136,301
Fixed assets, at cost, net of accumulated depreciation and amortization	4,564,447			4,564,447
<b>Total assets</b>	<b>\$ 8,903,960</b>	<b>\$ 4,739,644</b>	<b>\$ 2,200,000</b>	<b>\$ 15,843,604</b>
<b>Liabilities and net assets</b>				
Current liabilities				
Accounts payable and accrued expenses	\$ 324,738			\$ 324,738
Accrued payroll and employee benefits	379,038			379,038
Due to third party payor	300,000			300,000
Due to foundations	925,000			925,000
Deferred revenue	1,279,356			1,279,356
Deferred rent, current portion	15,559			15,559
<b>Total current liabilities</b>	<b>3,223,691</b>			<b>3,223,691</b>
Subvention agreement	2,000,000			2,000,000
Deferred rent, net of current portion	39,038			39,038
Commitments				
<b>Net assets</b>	<b>3,641,231</b>	<b>\$ 4,739,644</b>	<b>\$ 2,200,000</b>	<b>10,580,875</b>
<b>Total liabilities and net assets</b>	<b>\$ 8,903,960</b>	<b>\$ 4,739,644</b>	<b>\$ 2,200,000</b>	<b>\$ 15,843,604</b>

**Ralph Lauren Center for Cancer Care and Prevention**  
**Statement of Activities and Change in Net Assets**  
**Year Ended December 31, 2008**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenue</b>				
Net patient service revenue	\$ 2,826,307			\$ 2,826,307
Medicaid pass-through	189,395			189,395
Total revenue	<u>3,015,702</u>			<u>3,015,702</u>
<b>Expenses</b>				
Program services	7,281,054			7,281,054
Management and general	3,079,365			3,079,365
Total expenses	<u>10,360,419</u>			<u>10,360,419</u>
<b>Change in net assets before support and other income</b>	<u>(7,344,717)</u>			<u>(7,344,717)</u>
<b>Support and other income</b>				
Grants	774,717	\$ 610,042		1,384,759
Contributions	112,751	439,104	\$ 209,244	761,099
Interest income	245,417			245,417
Other income	70,901			70,901
Release from restrictions	5,093,274	(5,093,274)		
Total support	<u>6,297,060</u>	<u>(4,044,128)</u>	<u>209,244</u>	<u>2,462,176</u>
<b>Transfers</b>	<u>1,072,844</u>		<u>(1,072,844)</u>	
<b>Change in net assets</b>	25,187	(4,044,128)	(863,600)	(4,882,541)
<b>Net assets</b>				
Beginning	3,616,044	8,783,772	3,063,600	15,463,416
Ending	<u>\$ 3,641,231</u>	<u>\$ 4,739,644</u>	<u>\$ 2,200,000</u>	<u>\$ 10,580,875</u>

**Ralph Lauren Center for Cancer Care and Prevention**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2008**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
<b>Expenses</b>			
Salaries and fringe	\$ 3,555,127	\$ 1,077,147	\$ 4,632,274
Contract labor	196,297	41,251	237,548
Patient related	1,649,636		1,649,636
Rent and utilities	436,614	109,700	546,314
Repairs and maintenance	100,472	25,175	125,647
Administrative		614,403	614,403
Insurance	280,569	57,594	338,163
Computer services	172,919	103,221	276,140
Professional services		170,293	170,293
Consulting		765,293	765,293
Marketing	176,152	47,818	223,970
Bad debts	80,494		80,494
Depreciation and amortization	632,774	67,470	700,244
	<u>\$ 7,281,054</u>	<u>\$ 3,079,365</u>	<u>\$ 10,360,419</u>

**Ralph Lauren Center for Cancer Care and Prevention**  
**Statement of Financial Position**  
**December 31, 2007**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 2,117,738	\$ 6,124,520	\$ 2,863,600	\$ 11,105,858
Accounts receivable, net of allowance for doubtful accounts of \$112,399	632,900			632,900
Medicaid pass-through receivable	1,124,315			1,124,315
Grants receivable		1,688,750	200,000	1,888,750
Pledges receivable		100,000		100,000
Prepaid expenses	25,289			25,289
Total current assets	<u>3,900,242</u>	<u>7,913,270</u>	<u>3,063,600</u>	<u>14,877,112</u>
Grants receivable, net of current portion		514,561		514,561
Pledges receivable, net of current portion		355,941		355,941
Other assets	102,223			102,223
Fixed assets, at cost, net of accumulated depreciation and amortization	<u>4,058,512</u>			<u>4,058,512</u>
Total assets	<u>\$ 8,060,977</u>	<u>\$ 8,783,772</u>	<u>\$ 3,063,600</u>	<u>\$ 19,908,349</u>
<b>Liabilities and net assets</b>				
Current liabilities				
Accounts payable and accrued expenses	\$ 1,080,486			\$ 1,080,486
Accrued payroll and employee benefits	366,537			366,537
Due to third party payor	300,000			300,000
Deferred revenue	630,156			630,156
Deferred rent, current portion	13,157			13,157
Total current liabilities	<u>2,390,336</u>			<u>2,390,336</u>
Subvention agreement	2,000,000			2,000,000
Deferred rent, net of current portion	54,597			54,597
Commitments				
Net assets	<u>3,616,044</u>	<u>\$ 8,783,772</u>	<u>\$ 3,063,600</u>	<u>15,463,416</u>
Total liabilities and net assets	<u>\$ 8,060,977</u>	<u>\$ 8,783,772</u>	<u>\$ 3,063,600</u>	<u>\$ 19,908,349</u>

**Ralph Lauren Center for Cancer Care and Prevention**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended December 31, 2007**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenue</b>				
Net patient service revenue	\$ 2,207,525			\$ 2,207,525
Medicaid pass-through	1,086,000			1,086,000
Total revenue	<u>3,293,525</u>			<u>3,293,525</u>
<b>Expenses</b>				
Program services	5,229,308			5,229,308
Management and general	1,631,003			1,631,003
Total expenses	<u>6,860,311</u>			<u>6,860,311</u>
<b>Change in net assets before support and other income</b>	<u>(3,566,786)</u>			<u>(3,566,786)</u>
<b>Support and other income</b>				
Grants	416,710	\$ 5,661,634	\$ 200,000	6,278,344
Contributions	39,044	685,881	863,600	1,588,525
Interest income	187,992	139,967		327,959
Other income	38,733			38,733
Subvention release	1,000,000			1,000,000
Release from restrictions	1,630,234	(1,630,234)		
Total support	<u>3,312,713</u>	<u>4,857,248</u>	<u>1,063,600</u>	<u>9,233,561</u>
<b>Change in net assets</b>	<u>(254,073)</u>	4,857,248	1,063,600	5,666,775
<b>Net assets</b>				
Beginning	<u>3,870,117</u>	<u>3,926,524</u>	<u>2,000,000</u>	<u>9,796,641</u>
Ending	<u>\$ 3,616,044</u>	<u>\$ 8,783,772</u>	<u>\$ 3,063,600</u>	<u>\$ 15,463,416</u>

**Ralph Lauren Center for Cancer Care and Prevention**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2007**

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	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
<b>Expenses</b>			
Salaries and fringe	\$ 2,224,653	\$ 1,018,256	\$ 3,242,909
Contract labor	363,805	56,534	420,339
Rent and utilities	378,366	79,165	457,531
Patient related	1,267,513		1,267,513
Insurance	273,299	27,391	300,690
Administrative expenses	296,308	382,419	678,727
Bad debts	44,343		44,343
Depreciation and amortization	381,021	67,238	448,259
	<u>\$ 5,229,308</u>	<u>\$ 1,631,003</u>	<u>\$ 6,860,311</u>

## EAST COAST REHABILITATION, INC.

( A Corporation )

BALANCE SHEET

December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	(\$7,315)	\$12,875
Accounts Receivable	569,886	447,998
Employee Loan	2,800	0
TOTAL CURRENT ASSETS	565,371	460,873
MAJOR MOVEABLE EQUIPMENT	846,105	1,012,127
ORGANIZATIONAL COSTS	250,002	336,601
SECURITY DEPOSIT	21,000	0
TOTAL ASSETS	<u>\$1,682,478</u>	<u>\$1,809,601</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accrued Expenses	\$48,272	\$23,818
Accrued Vacation	13,662	15,183
Line of Credit	400,000	400,000
Due To Related Parties	650,513	0
Shareholder Loans	2,267,706	2,277,417
TOTAL CURRENT LIABILITIES	3,380,153	2,717,418
TOTAL LIABILITIES	<u>3,380,153</u>	<u>2,717,418</u>
STOCKHOLDERS' EQUITY		
Capital Stock	1,000	1,000
Retained Earnings	(1,698,675)	(908,817)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$1,682,478</u>	<u>\$1,809,601</u>

## EAST COAST REHABILITATION, INC.

( A Corporation )

STATEMENT OF INCOME AND RETAINED EARNINGS

Years Ended December 31, 2006 and 2005

	2006	2005
<b>REVENUE:</b>		
Patient Fees	\$868,152	\$447,998
Other Revenue	<u>2,360</u>	<u>1,456</u>
<b>TOTAL REVENUE</b>	<u>870,512</u>	<u>449,454</u>
<b>OPERATING EXPENSES</b>		
Salaries	601,396	435,122
Employee Benefits	84,256	62,066
Property Costs	407,567	395,862
Administrative & General	271,702	192,173
Medical Expenses	<u>295,509</u>	<u>215,635</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>1,660,370</u>	<u>1,300,858</u>
<b>NET INCOME (LOSS)</b>	(789,858)	(851,404)
<b>RETAINED EARNINGS</b>		
Beginning Balance	(908,817)	(57,413)
<b>END OF YEAR BALANCE</b>	<u>(\$1,698,675)</u>	<u>(\$908,817)</u>

**EAST COAST REHABILITATION, INC.**  
( A Corporation )

BALANCE SHEETS

December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents (Overdraft)	\$ 47,278	\$ (46,151)
Accounts Receivable (Less Allowance for Doubtful Accounts of \$35,220 and \$221,675, respectively)	669,182	332,015
Employee Loan	<u>14,400</u>	<u>8,800</u>
<b>TOTAL CURRENT ASSETS</b>	<u>730,860</u>	<u>294,664</u>
<b>MAJOR MOVEABLE EQUIPMENT - NET</b>	<u>557,371</u>	<u>735,719</u>
<b>ORGANIZATIONAL COSTS - NET</b>	<u>76,804</u>	<u>163,494</u>
<b>TOTAL ASSETS</b>	<u>\$1,365,535</u>	<u>\$1,193,787</u>
<u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
<b>CURRENT LIABILITIES</b>		
Accrued Expenses	\$ 35,820	\$ 50,050
Accrued Vacation	21,731	20,524
Line of Credit	400,000	400,000
Due to Related Parties	650,513	650,513
Shareholder Loans	<u>2,490,829</u>	<u>2,246,706</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>3,598,893</u>	<u>3,368,493</u>
<b>TOTAL LIABILITIES</b>	<u>3,598,893</u>	<u>3,368,493</u>
<b>STOCKHOLDERS' DEFICIT</b>		
Capital Stock	1,000	1,000
Retained Deficit	<u>(2,234,358)</u>	<u>(2,174,706)</u>
<b>TOTAL STOCKHOLDERS' DEFICIT</b>	<u>(2,233,358)</u>	<u>(2,174,706)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<u>\$1,365,535</u>	<u>\$1,193,787</u>

**EAST COAST REHABILITATION, INC.**  
( A Corporation )

STATEMENTS OF INCOME AND RETAINED DEFICIT

For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<b>REVENUE</b>		
Patient Fees	\$ <u>2,384,180</u>	\$ <u>1,858,792</u>
 <b>TOTAL REVENUE</b>	 <u>2,384,180</u>	 <u>1,858,792</u>
 <b>OPERATING EXPENSES</b>		
Salaries	1,130,495	912,156
Employee Benefits	139,303	108,073
Property Costs	436,925	425,753
Administrative and General	346,076	397,144
Medical Expenses	<u>390,033</u>	<u>402,697</u>
 <b>TOTAL OPERATING EXPENSES</b>	 <u>2,442,832</u>	 <u>2,245,823</u>
 <b>NET LOSS</b>	 (58,652)	 (377,031)
 <b>RETAINED DEFICIT - BEGINNING OF YEAR</b>	 (2,075,706)	 (1,698,675)
 <b>SHAREHOLDER'S DRAW</b>	 <u>(100,000)</u>	 <u>(100,000)</u>
 <b>RETAINED DEFICIT - END OF YEAR</b>	 <u>\$ (2,234,358)</u>	 <u>\$ (2,175,706)</u>

**EAST COAST REHABILITATION, INC.**  
( A Corporation )

**BALANCE SHEETS**

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u><b>ASSETS</b></u>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents (Overdraft)	\$ (23,611)	\$ 47,278
Accounts Receivable (Less Allowance for Doubtful Accounts of \$49,467 and \$35,220, respectively)	939,864	669,182
Employee Loans	<u>-</u>	<u>14,400</u>
<b>TOTAL CURRENT ASSETS</b>	<u>916,253</u>	<u>730,860</u>
<b>LEASEHOLD IMPROVEMENTS AND EQUIPMENT - NET</b>	<u>381,922</u>	<u>557,871</u>
<b>ORGANIZATIONAL COSTS - NET</b>	<u>-</u>	<u>76,804</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,298,175</u>	<u>\$ 1,365,535</u>
<u><b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b></u>		
<b>CURRENT LIABILITIES</b>		
Accrued Expenses	\$ 36,119	\$ 35,820
Accrued Vacation	14,419	21,731
Due to Related Parties	650,513	650,513
Shareholder Loans	<u>3,191,693</u>	<u>2,890,829</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>3,892,744</u>	<u>3,598,893</u>
<b>TOTAL LIABILITIES</b>	<u>3,892,744</u>	<u>3,598,893</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>SHAREHOLDERS' DEFICIT</b>		
Capital Stock	1,000	1,000
Retained Deficit	<u>(2,594,569)</u>	<u>(2,234,558)</u>
<b>TOTAL SHAREHOLDERS' DEFICIT</b>	<u>(2,594,569)</u>	<u>(2,233,558)</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT</b>	<u>\$ 1,298,175</u>	<u>\$ 1,365,535</u>

EAST COAST REHABILITATION, INC.  
( A Corporation )

STATEMENTS OF INCOME AND RETAINED DEFICIT

For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
REVENUES		
Patient Fees	\$ 2,224,939	\$ 2,384,180
 TOTAL REVENUES	 <u>2,224,939</u>	 <u>2,384,180</u>
OPERATING EXPENSES		
Salaries	1,231,722	1,130,495
Employee Benefits	193,745	139,303
Property Costs	470,598	436,925
Administrative and General	333,379	346,076
Medical Expenses	<u>356,706</u>	<u>390,003</u>
 TOTAL OPERATING EXPENSES	 <u>2,586,150</u>	 <u>2,442,802</u>
NET LOSS	(361,211)	(58,652)
RETAINED DEFICIT - BEGINNING OF YEAR	<u>(2,234,358)</u>	<u>(2,175,706)</u>
RETAINED DEFICIT - END OF YEAR	<u>\$ (2,595,569)</u>	<u>\$ (2,234,358)</u>

**EAST COAST REHABILITATION INC**  
**BALANCE SHEET**  
**December 31, 2010**

**ASSETS**

**CURRENT ASSETS**

Cash and Equivalents	\$195,026
Accounts Receivable less Allowance for Doubtful Accounts	<u>969,892</u>

<b>TOTAL CURRENT ASSETS</b>	<b>1,164,918</b>
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**MAJOR MOVEABLE EQUIPMENT**

Less: Accumulated Depreciation	<u>327,129</u>
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<b>TOTAL ASSETS</b>	<b><u>\$1,492,047</u></b>
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**LIABILITIES AND STOCKHOLDERS' EQUITY**

**CURRENT LIABILITIES**

Accrued Expenses	\$28,761
Accrued Vacations	24,811
Due from Related Parties	650,513
Shareholder Loans	<u>3,024,172</u>

<b>TOTAL CURRENT LIABILITIES</b>	<b><u>3,728,257</u></b>
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<b>TOTAL LIABILITIES</b>	<b><u>3,728,257</u></b>
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**STOCKHOLDERS' EQUITY**

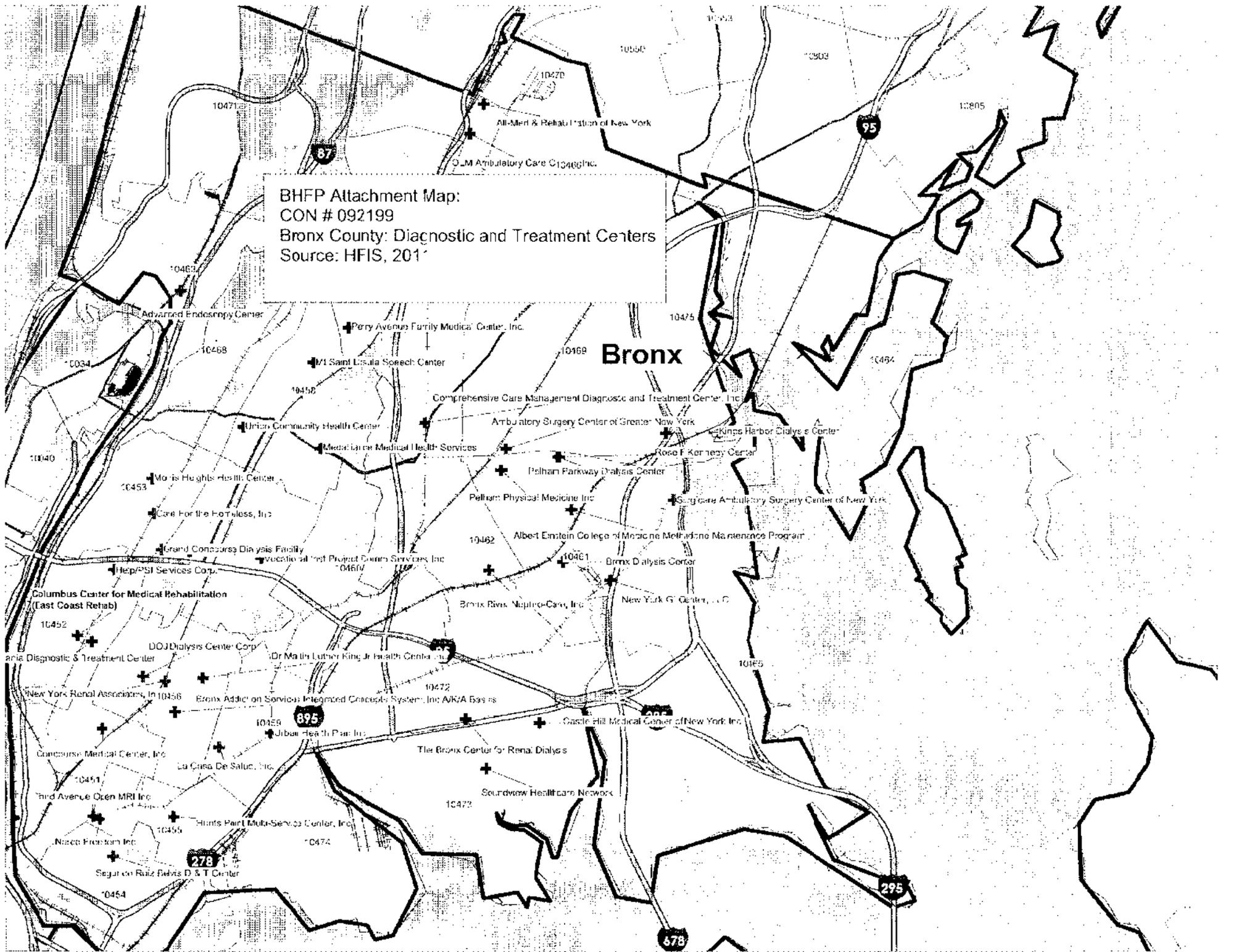
Capital Stock	1,000
Retained Earnings	<u>(2,237,210)</u>

<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>\$1,492,047</u></b>
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**EAST COAST REHABILITATION INC.**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**For Year Ended December 31, 2010**

<b>REVENUES</b>	
Patient Fees	\$3,183,588
<b>TOTAL REVENUES</b>	<u>3,183,588</u>
<b>OPERATING EXPENSES</b>	
Salaries	1,337,965
Employee Benefits	245,796
Property Costs	326,331
Administrative & General	474,774
Medical Costs	440,363
<b>TOTAL OPERATING EXPENSES</b>	<u>2,825,229</u>
<b>NET INCOME (LOSS)</b>	<b>358,359</b>
<b>RETAINED EARNINGS</b>	
Beginning Balance	<u>(2,595,569)</u>
Shareholders Dividends	<u>0</u>
<b>ENDING BALANCE</b>	<u>(\$2,237,210)</u>
<b>EBIDA</b>	<b>\$497,721</b>

BHFP Attachment Map:  
CON # 092199  
Bronx County: Diagnostic and Treatment Centers  
Source: HFIS, 2011



Queens Medical PavillionPro Forma Balance Sheet

ASSETS	
Cash	\$615,098
Leasold Improvements	\$133,620
Moveable Equipment	\$157,500
TOTAL ASSETS	\$906,218
LIABILITIES AND MEMBERS' EQUITY	
Permanent Mortgage	\$218,340
Working Capital Loan	\$307,549
TOTAL LIABILITIES	\$525,889
TOTAL MEMBERS EQUITY	\$380,329
TOTAL LIABILITIES & MEMBERS EQUITY	\$906,218

**ESTABLISHMENT CHECKLIST FOR AMBULATORY CARE SITES**

APPLICATION: 101103-E Queens Medical Pavilion, LLC

NATURE OF APPLICATION:  X  PRIMARY CARE  
  SPECIALTY  
 IF SPECIALTY – TYPE:  
 Therapeutic Radiology

AUSPICE:   NON PROFIT  
 X  PROPRIETARY  
 Limited Liability Company  
  PUBLIC

AFFILIATIONS:

UNIT COST:	<u>YEAR ONE</u>	<u>YEAR THREE</u>
OPERATING	\$167.36	\$149.06
CAPITAL	21.17	9.53
TOTAL	\$188.53	\$158.59

PAYOR SOURCE:

	Year 1	Year 3
MEDICAID Fee For Service	10%	5%
MEDICAID Managed Care	9%	15%
MEDICARE	35%	35%
COMMERCIAL	36%	36%
PRIVATE PAY	8%	7%
CHARITY CARE	2%	2%

Project 102159

BFA Attachment B

Pro Forma Balance Sheet of  
ParCare Community Health Network

ASSETS

Cash	\$436,612
Equipment	1,200,000
Other Fixed Assets	<u>22,625</u>
TOTAL ASSETS	<u>\$1,659,237</u>

LIABILITIES

Current Liabilities	\$0
Long Term Liabilities	
Capital Loan - Bank	\$20,362
Working Capital Loan	<u>189,324</u>
TOTAL LIABILITIES	<u>\$209,686</u>

Net Assets	<u><u>\$1,449,551</u></u>
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**ParCare Community Health Network  
Project 102159**

**BFA Attachment D**

**First Year Budgets**

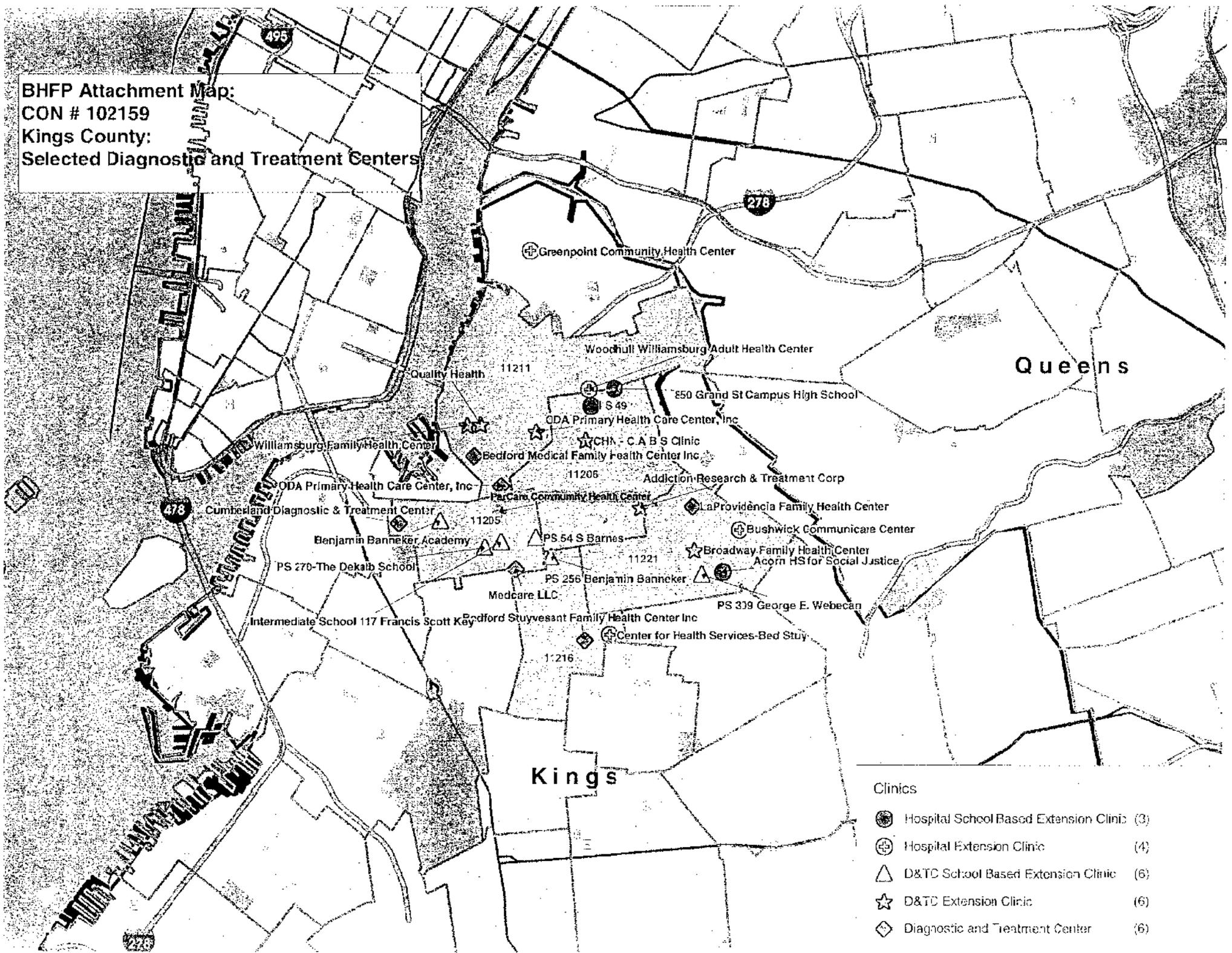
**Average Cost  
Per Visit**

Operating	\$2,257,190	34,109	\$66.18
Capital	<u>\$239,496</u>	34,109	<u>\$7.02</u>
Total	\$2,496,686	34,109	\$73.20

**Third Year Budgets**

Operating	\$2,378,214	35,836	\$66.36
Capital	<u>\$241,460</u>	35,836	<u>\$6.74</u>
Total	\$2,619,674	35,836	\$73.10

**BHFP Attachment Map:  
CON # 102159  
Kings County:  
Selected Diagnostic and Treatment Centers**



- Clinics**
- Hospital School Based Extension Clinic (3)
  - ⊕ Hospital Extension Clinic (4)
  - △ D&TC School Based Extension Clinic (6)
  - ☆ D&TC Extension Clinic (6)
  - ◇ Diagnostic and Treatment Center (6)

**South Brooklyn Medical Administrative Services, Inc**  
**Balance Sheet**  
 As of December 31, 2006

	Dec 31, 06
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
FIRST CHICAGO	155,724.28
CHASE	78,391.76
CASH ON HAND	187,451.09
<b>Total Checking/Savings</b>	421,567.16
<b>Total Current Assets</b>	421,567.16
<b>Fixed Assets</b>	
FURNITURE	104,080.22
EQUIPMENT	130,262.02
IMPROVEMENTS	662,082.37
ACCUM DEPRECIATION	-450,010.67
<b>Total Fixed Assets</b>	846,393.74
<b>TOTAL ASSETS</b>	<b>1,067,960.90</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Other Current Liabilities	
OFFICER LOAN	41,500.00
<b>Total Other Current Liabilities</b>	41,500.00
<b>Total Current Liabilities</b>	41,500.00
<b>Total Liabilities</b>	41,500.00
<b>Equity</b>	
DISTRIBUTIONS	-52,155.42
COMMON STOCK	1,000.00
Retained Earnings	-37,374.96
Net Income	1,114,991.28
<b>Total Equity</b>	1,026,430.90
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,067,960.90</b>

**SOUTH BROOKLYN MEDICAL ADMINISTRATIVE SERVICES, INC.**  
**INCOME STATEMENT**  
 January through December 2008

	Jan - Dec 08
Ordinary Income/Expense	
Income	
MEDICAID FEES	3,504,202.68
PATIENT FEES	102,023.00
Total Income	3,606,231.68
Gross Profit	3,606,231.68
Expense	
ACCREDITATION FEE	3,800.00
ADVERTISING	1,864.00
AUTO & TRAVEL	2,291.49
BANK CHARGES	174.70
CHRISTMAS EXPENSE	1,616.25
CLEAN & SANIT	7,548.00
COMPUTER BILLING SERVICES	27,766.40
CONSULTING	50,071.47
DEPRECIATION	83,240.00
DRUGS	103,007.81
DUES & SUB	348.80
ELECTRIC	22,732.63
EMPLOYEE WELFARE	5,738.16
ENTERTAINMENT	9,410.00
FUEL	1,525.85
HOSPITALIZATION	64,010.60
INSPECTION FEES	1,100.00
INSURANCE	
BUSINESS INSURANCE	72,017.17
DISABILITY INSURANCE	69.49
Total INSURANCE	72,718.66
LAB FEES	68,000.00
LICENSES & PERMITS	861.50
MEDICAL SUPPLY	21,551.08
MESSINGER	3,178.56
OFFICE EXPENSE	13,057.47
OUTSIDE MEDICAL SERVICES	338.90
PAYROLL SERVICE	7,777.68
PROF. FEES	11,900.00
PROMOTION	311.08
REGISTRY FEES	2,648.72
RENT	90,000.00
REPAIRS & MAINT	30,033.07
SALARIES	1,450,161.74
SECURITY	48,350.08
STATY & PRINT	2,675.94
TAXES	
FICA	97,880.06
FUI	1,834.72
SUI	5,328.12
NYC CORP TAX	78,519.90
REAL ESTATE TAX	43,231.14
Total TAXES	226,794.06
TELEPHONE	17,696.30
UNION	36,855.59
WATER & SEWER	956.43
Total Expense	2,491,240.40
Net Ordinary Income	1,114,991.28
Net Income	1,114,991.28

## SOUTH BROOKLYN MEDICAL ADMINISTRATIVE SERVICES, INC.

## BALANCE SHEETS

## ASSETS

	December 31,	
	2008	2007
<b>Current assets:</b>		
Cash in bank	\$ 145,419	\$ 155,091
Accounts receivable	284,650	248,610
Inventory	4,054	25,078
Prepaid expenses	36,446	52,176
Total current assets	<u>470,569</u>	<u>480,955</u>
<b>Fixed assets:</b>		
Equipment, furniture, fixtures and leasehold improvements - net of accumulated depreciation and amortization	<u>542,544</u>	<u>593,650</u>
<b>Total assets</b>	<b><u>\$ 1,013,113</u></b>	<b><u>\$ 1,074,605</u></b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 40,437	\$ 94,429
Income taxes payable	21,200	31,025
Deferred taxes payable	22,237	16,944
Total current liabilities	<u>83,874</u>	<u>142,398</u>
<b>Other liability:</b>		
Deferred rent	<u>12,250</u>	<u>8,949</u>
Total liabilities	96,124	151,347
<b>Shareholders' equity:</b>		
Capital stock	1,000	1,000
Retained earnings	<u>915,989</u>	<u>922,258</u>
Total shareholders' equity	<u>916,989</u>	<u>923,258</u>
<b>Total liabilities and shareholders' equity</b>	<b><u>\$ 1,013,113</u></b>	<b><u>\$ 1,074,605</u></b>

## SOUTH BROOKLYN MEDICAL ADMINISTRATIVE SERVICES, INC.

## STATEMENTS OF INCOME AND RETAINED EARNINGS

FOR THE YEARS ENDED DECEMBER 31,

	2008	% of Patient Service Revenue	2007	% of Patient Service Revenue
Patient service revenue	\$ 3,445,448	100.00	\$ 3,565,409	100.00
Operating expenses	<u>2,565,026</u>	<u>74.45</u>	<u>2,535,724</u>	<u>71.10</u>
Operating income	880,422	<u>25.55</u>	1,029,685	<u>28.90</u>
Other income:				
Interest	<u>2,623</u>		<u>-0-</u>	
Net income before taxes	883,055		1,029,685	
Provision for taxes:				
Current taxes	64,531		119,221	
Deferred taxes	5,293		16,944	
Total provision for taxes	<u>69,824</u>		<u>136,165</u>	
Net income	813,231		893,520	
Retained earnings – beginning of year	922,258		1,099,738	
Less: Distributions to shareholders	<u>(819,500)</u>		<u>(1,071,000)</u>	
Retained earnings – end of year	\$ <u>915,989</u>		\$ <u>922,258</u>	

## SOUTH BROOKLYN MEDICAL ADMINISTRATIVE SERVICES, INC.

## BALANCE SHEETS

## ASSETS

	December 31,	
	2009	2008
<b>Current assets:</b>		
Cash in bank	\$ 134,133	\$ 145,419
Accounts receivable	217,304	284,650
Inventory	18,910	4,054
Prepaid expenses	<u>36,136</u>	<u>36,446</u>
Total current assets	404,483	470,569
<b>Fixed assets:</b>		
Equipment, furniture, fixtures and leasehold improvements - net of accumulated depreciation and amortization	<u>492,602</u>	<u>542,544</u>
<b>Total assets</b>	<u>\$ 897,085</u>	<u>\$ 1,013,113</u>

## LIABILITIES AND SHAREHOLDERS' EQUITY

<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 62,539	\$ 40,437
Income taxes payable	10,800	21,200
Deferred rent	9,622	
Deferred taxes payable	<u>16,584</u>	<u>22,237</u>
Total current liabilities	99,545	83,874
<b>Other liability:</b>		
Deferred rent	<u>-0-</u>	<u>12,250</u>
Total liabilities	99,545	96,124
<b>Shareholders' equity:</b>		
Capital stock	1,000	1,000
Retained earnings	<u>796,540</u>	<u>915,989</u>
Total shareholders' equity	<u>797,540</u>	<u>916,989</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 897,085</u>	<u>\$ 1,013,113</u>

## SOUTH BROOKLYN MEDICAL ADMINISTRATIVE SERVICES, INC.

## STATEMENTS OF INCOME AND RETAINED EARNINGS

FOR THE YEARS ENDED DECEMBER 31,

	2009	% of Patient Service Revenue	2008	% of Patient Service Revenue
Patient service revenue	\$ 3,309,577	100.00	\$ 3,445,448	100.00
Operating expenses	<u>2,528,572</u>	<u>76.38</u>	<u>2,565,026</u>	<u>74.45</u>
Operating income	781,005	<u>23.62</u>	880,422	<u>25.55</u>
Other income:				
Interest	<u>431</u>		<u>2,633</u>	
Net income before taxes	781,436		883,055	
Provision for (reduction in) taxes:				
Current taxes	71,540		64,531	
Deferred taxes	<u>(5,655)</u>		<u>5,293</u>	
Total provision for taxes	<u>65,885</u>		<u>69,824</u>	
Net income	715,551		813,231	
Retained earnings – beginning of year	915,989		922,258	
Less: Distributions to shareholders	<u>(835,000)</u>		<u>(819,500)</u>	
Retained earnings – end of year	<u>\$ 796,540</u>		<u>\$ 915,989</u>	

**South Brooklyn Medical Administrative Services, Inc**  
**Balance Sheet**

As of October 31, 2010

	Oct 31, 10
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
FIRST CHICAGO	97,121.53
CHASE	94,432.20
<b>Total Checking/Savings</b>	<b>191,553.73</b>
<b>Total Current Assets</b>	<b>191,553.73</b>
<b>Fixed Assets</b>	
FURNITURE	104,060.22
EQUIPMENT	143,771.89
IMPROVEMENTS	352,082.37
ACCUM DEPRECIATION	-617,311.87
<b>Total Fixed Assets</b>	<b>482,602.60</b>
<b>TOTAL ASSETS</b>	<b>684,156.33</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Equity</b>	
DISTRIBUTIONS	-3,315,500.00
COMMON STOCK	1,000.00
Retained Earnings	3,572,917.06
Net Income	425,738.37
<b>Total Equity</b>	<b>684,156.33</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>684,156.33</b>

**SOUTH BROOKLYN MEDICAL ADMINISTRATIVE SERVICES, INC.**  
**INCOME STATEMENT**  
 January through October 2010

	Jan - Oct 10
Ordinary Income/Expense	
Income	
MEDICAID FEES	2,394,216.82
PATIENT FEES	102,880.00
Total Income	2,497,096.82
Gross Profit	2,497,096.82
Expense	
AUTO & TRAVEL	3,551.93
BANK CHARGES	-8.00
CLEAN & SANIT	5,500.44
COMPUTER BILLING SERVICES	16,029.75
CONSULTING	20,293.50
DRUGS	85,597.65
EDUCATION & SEMINARS	171.00
ELECTRIC	22,594.73
ENTERTAINMENT	2,865.00
HOSPITALIZATION	34,191.15
INSPECTION FEES	1,050.00
INSURANCE	
BUSINESS INSURANCE	25,833.14
MALPRACTICE INSURANCE	41,487.00
HEALTH INSURANCE	14,241.70
DISABILITY INSURANCE	298.80
Total INSURANCE	82,860.64
LAB FEES	9,181.89
LICENSES & PERMITS	2,716.07
MEDICAL SUPPLY	19,732.83
MESSINGER	3,830.82
OFFICE EXPENSE	35,153.65
PAYROLL SERVICE	6,885.94
PROF. FEES	37,082.58
REGISTRY FEES	6,854.36
RENT	127,914.87
REPAIRS & MAINT	18,999.78
SALARIES	1,269,439.61
SECURITY	49,609.08
STATY & PRINT	1,555.84
TAXES	
NYC METRO TAX	3,887.79
FICA	58,853.26
FUI	1,344.02
SUI	2,051.00
NYC CORP TAX	60,861.14
NYS FRANCHISE	1,000.00
REAL ESTATE TAX	46,780.45
Total TAXES	202,385.65
TELEPHONE	11,702.65
UNION	53,246.49
WATER & SEWER	898.92
Total Expense	2,071,365.84
Net Ordinary Income	425,729.78
Other Income/Expense	
Other Income	
INTEREST INCOME	8.59
Total Other Income	8.59
Net Other Income	8.59
Net Income	425,738.37

**HEARTSHARE WELLNESS, LTD.****BALANCE SHEET****JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 104,280	\$ 89,081
Accounts receivable (net of allowance for doubtful accounts of \$412,567 and \$407,216 in 2009 )	745,991	438,966
Prepaid expenses	24,484	1,493
Other current assets	<u>18,729</u>	<u>18,729</u>
Total current assets	893,484	548,269
Fixed assets	<u>363,284</u>	<u>430,162</u>
Total assets	<u>\$ 1,256,768</u>	<u>\$ 978,431</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 146,209	\$ 127,617
Accrued salaries and vacations payable	100,384	89,813
Due to HeartShare Human Services of New York	109,163	152,212
Note payable	21,113	19,690
Line of credit (	400,000	600,000
Reserve for Contingency )	422,808	
Due to New York State :	<u>85,415</u>	
Total current liabilities	1,285,092	989,332
Long-term liabilities		
Note payable	<u>185,559</u>	<u>206,672</u>
Total liabilities	1,470,651	1,196,004
Net assets (deficit) - unrestricted (	<u>(213,883)</u>	<u>(217,573)</u>
Total liabilities and net assets	<u>\$ 1,256,768</u>	<u>\$ 978,431</u>

HEARTSHARE WELLNESS, LTD.

STATEMENT OF ACTIVITIES

YEARS ENDED JUNE 30, 2010 AND 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues and other support						
Medicaid and Medicare	\$ 2,809,965		\$ 2,809,965	\$ 2,729,571		\$ 2,729,571
Contributions	2,247		2,247	4,050		4,050
Grant income	30,000		30,000	30,000		30,000
Other revenues	103,429		103,429	113,493		113,493
Net assets released from restrictions				32,000	\$ (32,000)	
Total revenues and other support	<u>2,945,641</u>		<u>2,945,641</u>	<u>2,909,114</u>	<u>(32,000)</u>	<u>2,877,114</u>
Expenses						
Program service						
Clinical services	2,119,471		2,119,471	1,880,678		1,880,678
Supporting service						
Management and general	822,480		822,480	723,051		723,051
Total expenses	<u>2,941,951</u>		<u>2,941,951</u>	<u>2,603,729</u>		<u>2,603,729</u>
Change in unrestricted net assets	3,690		3,690	305,385	(32,000)	273,385
Net assets (deficit) - beginning of year	<u>(217,573)</u>		<u>(217,573)</u>	<u>(522,958)</u>	<u>32,000</u>	<u>(490,958)</u>
Net assets (deficit) - end of year	<u>\$ (213,883)</u>	<u>\$ -</u>	<u>\$ (213,883)</u>	<u>\$ (217,573)</u>	<u>\$ -</u>	<u>\$ (217,573)</u>

## HEARTSHARE WELLNESS, LTD.

## BALANCE SHEET

JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 89,081	\$ 55,900
Accounts receivable (net of allowance for doubtful accounts of \$407,216 in 2009 and \$360,992 in 2008)	438,966	620,442
Prepaid expenses	1,493	
Other current assets	<u>18,729</u>	<u>18,729</u>
Total current assets	548,269	695,071
Fixed assets	<u>430,162</u>	<u>490,756</u>
Total assets	<u>\$ 978,431</u>	<u>\$ 1,185,827</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 127,617	\$ 141,751
Accrued salaries and vacations payable	89,813	80,136
Due to HeartShare Human Services of New York	152,212	30,590
Notes payable	19,690	29,538
Line of credit (	600,000	1,100,000
Due to New York State		<u>81,066</u>
Total current liabilities	989,332	1,463,081
Notes payable	<u>206,672</u>	<u>213,704</u>
Total liabilities	<u>1,196,004</u>	<u>1,676,785</u>
Net assets (deficit):		
Unrestricted	(217,573)	(522,958)
Temporarily restricted		<u>32,000</u>
Total net assets	<u>(217,573)</u>	<u>(490,958)</u>
Total liabilities and net assets	<u>\$ 978,431</u>	<u>\$ 1,185,827</u>

HEARTSHARE WELLNESS, LTD.

STATEMENT OF ACTIVITIES

YEARS ENDED JUNE 30, 2008

	2008		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues			
Medicaid and Medicare	\$ 2,676,424		\$ 2,676,424
Contributions	6,575	\$ 32,000	38,575
Grant income	103,848		103,848
Other revenues	29,602		29,602
Total revenues	<u>2,816,449</u>	<u>32,000</u>	<u>2,848,449</u>
Expenses (Exhibit B)			
Program service			
Clinical services	1,703,519		1,703,519
Supporting service			
Management and general	674,092		674,092
Total expenses	<u>2,377,611</u>		<u>2,377,611</u>
Change in unrestricted net assets (Exhibit D)	438,838	32,000	470,838
Net assets (deficit) - beginning of year	<u>(961,796)</u>		<u>(961,796)</u>
Net assets (deficit) - end of year (Exhibit C)	<u>\$ (522,958)</u>	<u>\$ 32,000</u>	<u>\$ (490,958)</u>

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**State of New York  
Public Health and Health Planning Council**

**June 16, 2011**

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**ATTACHMENTS**

**Dialysis Services - Establish/Construct**

**Exhibit #12**

	<u>Number</u>	<u>Applicant/Facility</u>
1.	091040 B	Palm Gardens Dialysis Center, LLC (Kings County)
2.	092072 B	Mohawk Valley Dialysis Center, Inc. (Montgomery County)
3.	092169 B	Ditmas Park Dialysis Center, LLC (Kings County)

Project 091040

BFA Attachment B

Pro Forma Balance Sheet of  
Palm Gardens Dialysis Center, LLC

ASSETS

Cash	\$354,468
Equipment	329,241
Other Fixed Assets	<u>2,691,941</u>
TOTAL ASSETS	\$3,375,650

LIABILITIES

Long Term Liabilities	<u>\$2,668,148</u>
TOTAL LIABILITIES	\$2,668,148

MEMBER EQUITY	<u><u>\$707,502</u></u>
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Palm Gardens Dialysis Center, LLC  
Project 091040

BFA Attachment C

			Average Cost Per Visit
<b>First Year Incremental Budgets</b>			
Operating	\$1,264,598	6,048	\$209.09
Capital	<u>\$500,403</u>	6,048	<u>\$82.74</u>
Total	\$1,765,001	6,048	\$291.83
<b>Third Year Incremental Budgets</b>			
Operating	\$1,657,675	7,488	\$221.38
Capital	<u>\$469,133</u>	7,488	<u>\$62.65</u>
Total	\$2,126,808	7,488	\$284.03

**Attachment D  
ESTABLISHMENT CHECKLIST FOR AMBULATORY CARE SITES**

APPLICATION: Palm Gardens Dialysis Center, LLC (091040)

NATURE OF APPLICATION:  PRIMARY CARE  
 SPECIALTY  
 IF SPECIALTY -- TYPE: Dialysis

AUSPICE:  NON PROFIT  
 PROPRIETARY  
 Limited Liability Company  
 PUBLIC

UNIT COST:	<u>YEAR ONE</u>	<u>YEAR THREE</u>
Outpatient:		
OPERATING	\$1,264,598	\$1,657,675
CAPITAL	<u>500,403</u>	<u>469,133</u>
TOTAL	\$1,765,001	\$2,126,808
 Cost Per Treatment	 \$291.83	 \$ 284.03

PAYOR SOURCE:

Outpatient

Medicaid Fee-for-Service	2%
Medicare Fee-for-Service	65%
Commercial Fee-for-Service	33%

## Net Worth

Mohawk Valley Dialysis Center, LLC

Alexander

Name

Zimmerman

Soo G. Lee

08/20/1008/20/10ASSETS

Cash	\$157,050	\$100,753
Stocks and Bonds	296,124	4,896
Accounts Receivable	25,000	15,000
Notes Receivable		7,000
Real Estate	275,000	128,000
Mortgages Owned		
Cash Value of Life Insurance		
Health Facility Interests		
Business Interests		
Pension Assets	1,275,507	
Other		
<b>TOTAL ASSETS</b>	<b>\$2,028,681</b>	<b>\$255,649</b>

LIABILITIES

Notes Payable		21,242
Accounts Payable		
Mortgages Payable		\$77,189
Federal and State Income Taxes Payable		
Other Accrued Taxes and Interest Payable		
Installment Contracts Payable		
Contingent Health Care Liabilities		
<b>TOTAL LIABILITIES</b>	<b>\$0</b>	<b>\$98,431</b>

NET WORTH\$2,028,681\$157,218

## AMERICAN RENAL HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets  
 December 31, 2009 and 2008

	2009	2008
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 29,179,040	\$ 29,181,575
Accounts receivable, less allowance of \$8,165,000 and \$7,833,000 at December 31, 2009 and 2008, respectively	45,654,363	38,978,885
Inventories	2,293,660	1,977,663
Prepaid expenses and other current assets	2,365,668	6,029,565
Deferred tax assets	4,845,114	3,802,775
Total current assets	<u>84,337,845</u>	<u>79,970,463</u>
Property and equipment, net	59,405,386	54,819,339
Deferred financing costs, net	1,044,003	1,877,916
Amortizable intangible assets, net	1,417,989	1,056,224
Other long-term assets	4,053,608	3,596,252
Goodwill	<u>24,198,011</u>	<u>15,761,796</u>
 Total assets	 <u>\$ 174,456,842</u>	 <u>\$ 157,081,990</u>

AMERICAN RENAL HOLDINGS, INC. AND SUBSIDIARIES  
 Consolidated Balance Sheets - Continued  
 December 31, 2009 and 2008

	2009	2008
<b>Liabilities and Deficit</b>		
Current liabilities:		
Accounts payable	\$ 18,159,231	\$ 17,644,284
Accrued compensation and benefits	7,170,102	7,262,362
Accrued expenses and other current liabilities	15,646,137	11,233,723
Current portion of long-term debt	14,308,680	11,555,560
Current portion of capital lease obligations	334,210	630,079
Total current liabilities	<u>55,618,360</u>	<u>48,326,008</u>
Long-term debt, less current portion	64,260,650	76,136,517
Capital lease obligations, less current portion	214,325	292,790
Other long-term liabilities	7,664,718	7,569,870
Deferred tax liabilities	4,547,780	3,613,238
Series X mandatorily redeemable preferred stock, 43,000 shares authorized; 40,500 shares issued and outstanding at December 31, 2009 and 2008	62,798,981	54,729,695
Commitments and contingencies (note P)		
Noncontrolling interests subject to put provisions	38,430,763	34,880,757
Deficit:		
Series A convertible preferred stock, which accrue dividends at 10%, \$.001 par value, 7,300,000 shares authorized, issued and outstanding (liquidation value of \$74,322,000 at December 31, 2009)	7,300	7,300
Series B convertible preferred stock, \$.001 par value, 10,700,000 shares authorized; 2,675,000 shares issued and outstanding (liquidation value of \$18,524,000 at December 31, 2009)	2,675	2,675
Common stock, \$.0005 par value, 39,982,000 shares authorized; 1,330,250 and 1,062,500 shares issued and 1,083,350 and 873,600 shares outstanding at December 31, 2009 and 2008, respectively	665	531
Additional paid in capital	23,703,716	27,394,659
Accumulated deficit	(97,788,090)	(102,924,690)
Treasury stock, at cost, 246,900 and 188,900 common shares held at December 31, 2009 and 2008, respectively	(1,064,648)	(790,888)
Total American Renal Holdings, Inc. deficit	<u>(75,138,382)</u>	<u>(76,310,413)</u>
Noncontrolling interests not subject to put provisions	16,059,647	7,843,328
Total deficit	<u>(59,078,735)</u>	<u>(68,466,885)</u>
Total liabilities and deficit	<u>\$ 174,456,842</u>	<u>\$ 157,081,990</u>

## AMERICAN RENAL HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Statements of Income

For the years ended December 31, 2009 and 2008

	2009	2008
Net operating revenues	\$ 262,988,785	\$ 217,777,472
Operating expenses:		
Patient care costs	170,468,875	141,596,809
General and administrative	24,041,244	18,675,459
Stock-based compensation expense	1,135,281	1,481,792
Depreciation and amortization	12,127,475	9,778,124
Provision for uncollectible accounts	3,216,098	4,834,194
Total operating expenses	<u>210,988,973</u>	<u>176,366,378</u>
Operating income	51,999,812	41,411,094
Interest expense, net	<u>(14,948,008)</u>	<u>(13,728,516)</u>
Income before income taxes	37,051,804	27,682,578
Income tax expense	<u>9,524,068</u>	<u>6,860,486</u>
Net income	27,527,736	20,822,092
Less: Net income attributable to noncontrolling interests	<u>(22,391,136)</u>	<u>(17,179,239)</u>
Net income attributable to American Renal Holdings, Inc.	<u>\$ 5,136,600</u>	<u>\$ 3,642,853</u>

## AMERICAN RENAL HOLDINGS INC. AND SUBSIDIARIES

Consolidated Balance Sheets  
(in thousands, except share and per share data)

	Successor September 30, 2010 (Unaudited)	Predecessor December 31, 2009
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 27,579	\$ 29,179
Accounts receivable, less allowance of \$10,398 and \$8,165 at September 30, 2010 and December 31, 2009, respectively	45,987	45,654
Inventories	1,977	2,294
Prepaid expenses and other current assets	3,830	2,366
Income tax receivable	10,303	—
Deferred tax assets	4,043	4,845
Total current assets	93,719	84,338
Property and equipment, net	56,631	59,405
Deferred financing costs, net	4,993	1,044
Intangible assets, net	39,112	1,418
Deferred tax asset	3,625	—
Other long-term assets	2,043	3,319
Goodwill	503,360	24,198
Total assets	<u>\$ 703,483</u>	<u>\$ 173,722</u>
<b>Liabilities and Equity (Deficit)</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 18,150	\$ 18,158
Accrued compensation and benefits	10,116	7,170
Accrued expenses and other current liabilities	19,371	15,646
Amount due to sellers	13,928	—
Current portion of long-term debt	2,863	14,309
Current portion of capital lease obligations	47	334
Total current liabilities	64,475	55,617
Long-term debt, less current portion	247,484	64,261
Capital lease obligations, less current portion	175	214
Other long-term liabilities	2,468	7,664
Deferred tax liabilities	16,968	4,548
Series X mandatorily redeemable preferred stock, 43,000 shares authorized at December 31, 2009; 40,500 shares issued and outstanding at December 31, 2009	—	62,799
Commitments and contingencies (note J)		
Noncontrolling interests subject to put provisions	42,739	38,431
<b>Equity (Deficit)</b>		
Series A convertible preferred stock, which accrue dividends at 10%, \$.001 par value, 7,300,000 shares authorized, issued and outstanding at December 31, 2009 and no shares issued or outstanding at September 30, 2010 (liquidation value of \$74,322 at December 31, 2009)	—	7
Series B convertible preferred stock, \$.001 par value, 10,700,000 shares authorized; 2,675,000 shares issued and outstanding at December 31, 2009 and no shares issued or outstanding at September 30, 2010 (liquidation value of \$18,524 at December 31, 2009)	—	3
Common stock, \$.0005 par value, 39,982,000 shares authorized at December 31, 2009; 1,330,250 shares issued and 1,083,350 shares outstanding at December 31, 2009 and 1,000 shares authorized, issued and outstanding at September 30, 2010	—	1
Notes receivable from stockholders	—	(735)
Additional paid-in capital	188,833	23,704
Accumulated deficit	(14,292)	(97,784)
Treasury stock, at cost, 246,900 common shares held at December 31, 2009 and no shares held at September 30, 2010	—	(1,065)
Total American Renal Holdings Inc. equity (deficit)	174,541	(75,869)
Noncontrolling interests not subject to put provisions	154,633	16,057
Total equity (deficit)	<u>329,174</u>	<u>(59,812)</u>
Total liabilities and equity (deficit)	<u>\$ 703,483</u>	<u>\$ 173,722</u>

## AMERICAN RENAL HOLDINGS INC. AND SUBSIDIARIES

Unaudited Consolidated Statements of Operations  
(in thousands)

	Successor		Predecessor		
	Three months Ended September 30, 2010	May 8 through September 30, 2010	January 1 through May 7, 2010	Nine months Ended September 30, 2009	Three months Ended September 30, 2009
Net operating revenues .....	\$ 77,231	\$120,833	\$102,094	\$ 193,109	\$68,084
Operating expenses:					
Patient care costs .....	49,321	78,335	66,042	125,098	44,061
General and administrative.....	8,001	14,991	10,016	17,423	6,393
Merger and transaction-related costs.....	152	14,839	7,378	—	—
Depreciation and amortization .....	4,085	6,434	4,429	8,816	2,814
Provision for (recoveries of) uncollectible accounts .....	371	1,021	(334)	3,184	1,016
Total operating expenses .....	61,930	115,620	87,531	154,521	54,284
Operating income.....	15,301	5,213	14,563	38,588	13,800
Interest expense, net.....	(5,885)	(9,205)	(5,717)	(11,212)	(3,755)
Income (loss) before income taxes.....	9,416	(3,992)	8,846	27,376	10,045
Income tax expense (benefit).....	977	(649)	2,264	7,036	2,582
Net income (loss).....	8,439	(3,343)	6,582	20,340	7,463
Less: Net income attributable to noncontrolling interests .....	(6,907)	(10,949)	(9,266)	(15,823)	(5,756)
Net income (loss) attributable to American Renal Holdings Inc.....	\$ 1,532	\$ (14,292)	\$ (2,684)	\$ 4,517	\$ 1,707

**AMERICAN RENAL HOLDINGS INC. AND SUBSIDIARIES**  
**Unaudited Consolidated Statements of Changes in Equity (Deficit)**  
**For the predecessor period from December 31, 2009 to May 7, 2010 and**  
**for the successor period from May 8, 2010 to September 30, 2010**  
**(in thousands, except share data)**

	Total American Renal Holdings Inc. Equity (Deficit)													Non-controlling interests net subject to put provisions
	Non-controlling interests subject to put provisions	Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Common Stock		Note Receivable from Stockholders	Treasury Stock		Additional Paid-in Capital	Accumulated Deficit	Total	
		Shares	Amount	Shares	Amount	Shares	Par Value		Shares	Cost				
Balance at December 31, 2009.....	\$ 38,431	7,300,000	\$ 7	2,675,000	\$ 3	1,330,250	\$ 1	\$ (735)	\$ 246,900	\$ (1,065)	\$ 23,704	\$ (97,784)	\$ (75,869)	\$ 16,057
Net income (loss).....	1,942	—	—	—	—	—	—	—	—	—	—	(2,684)	(2,684)	7,324
Issuance of common stock.....	—	—	—	—	—	128,490	—	—	—	—	7	—	7	—
Purchase of common stock for treasury.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Tax benefits from stock awards exercised.....	—	—	—	—	—	—	—	—	—	—	9,140	—	9,140	—
Stock-based compensation expense.....	—	—	—	—	—	—	—	—	—	—	219	—	219	—
Distributions to noncontrolling interests.....	(2,487)	—	—	—	—	—	—	—	—	—	—	—	—	(8,907)
Contributions from noncontrolling interests.....	128	—	—	—	—	—	—	—	—	—	—	—	—	520
Sales of noncontrolling interests.....	—	—	—	—	—	—	—	—	—	—	(250)	—	(250)	626
Purchases of noncontrolling interests.....	(1,183)	—	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value of noncontrolling interests.....	5,386	—	—	—	—	—	—	—	—	—	(5,386)	—	(5,386)	—
Balance at May 7, 2010.....	\$ 42,217	7,300,000	\$ 7	2,675,000	\$ 3	1,658,740	\$ 1	(735)	\$ 246,900	\$ (1,065)	\$ 27,434	\$ (100,468)	\$ (74,823)	\$ 15,620

**AMERICAN RENAL HOLDINGS INC. AND SUBSIDIARIES**

**Unaudited Consolidated Statements of Changes in Equity (Deficit)—(Continued)**  
**For the predecessor period from December 31, 2009 to May 7, 2010 and**  
**for the successor period from May 8, 2010 to September 30, 2010**  
**(in thousands, except share data)**

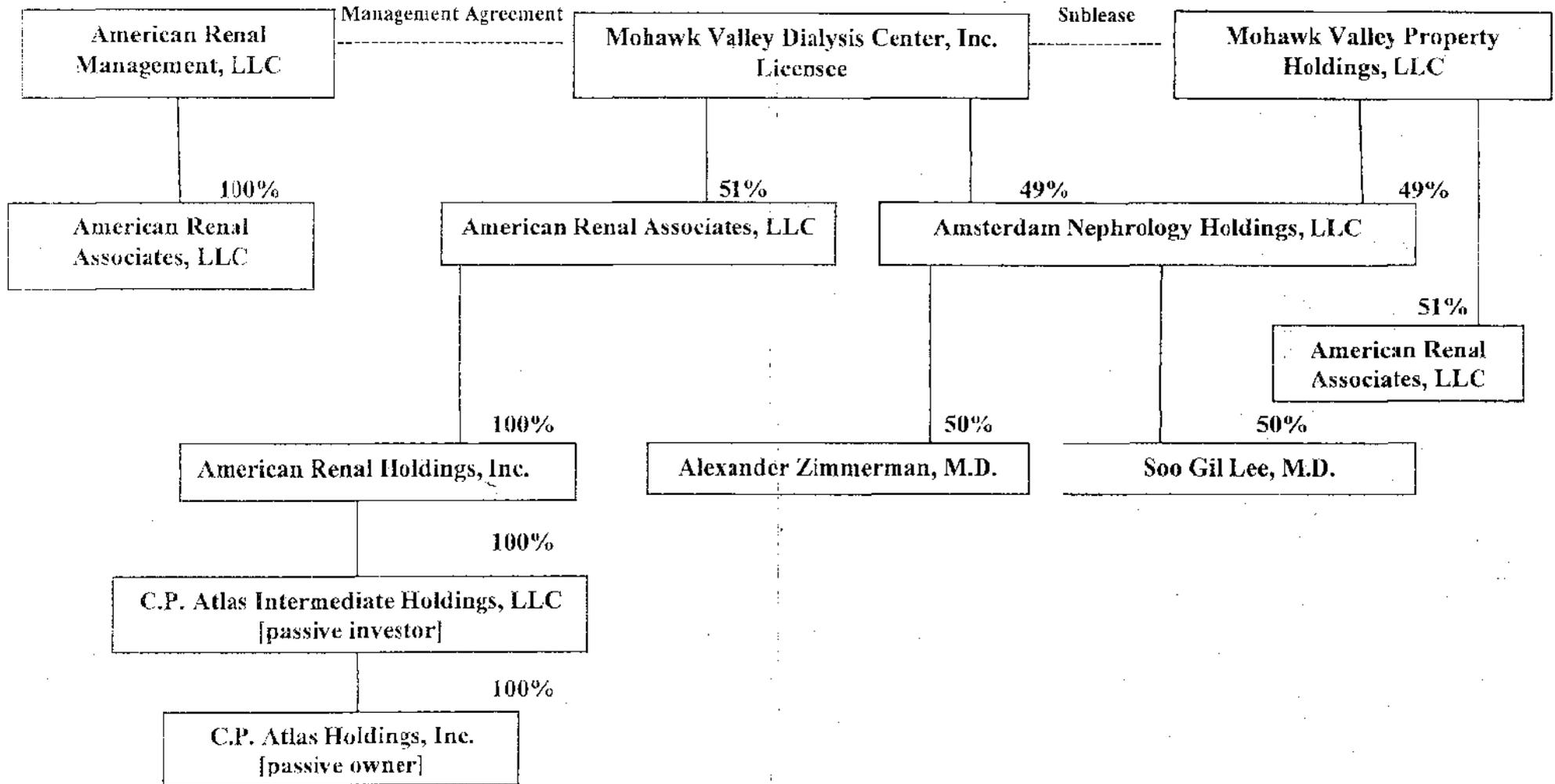
**Total American Renal Holdings Inc. Equity (Deficit)**

	Non-controlling interests subject to put provisions	Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Common Stock		Note Receivable from Stockholders	Treasury Stock		Additional Paid-in Capital	Accumulated Deficit	Total	Non-controlling interests not subject to put provisions
		Shares	Amount	Shares	Amount	Shares	Par Value		Shares	Cost				
Successor Entity Acquisition transaction.....	—	(7,300,000)	(7)	(2,675,000)	(3)	(1,658,740)	(1)	735	(246,900)	1,065	(27,434)	100,468	74,823	141,182
Successor Entity Opening Equity.....	\$42,217	—	\$—	—	\$—	—	\$—	—	\$—	\$—	\$—	\$—	\$—	156,302
Capital contribution.....	—	—	—	—	—	1,000	—	—	—	—	186,433	—	186,433	—
Net income (loss).....	2,768	—	—	—	—	—	—	—	—	—	—	(14,292)	(14,292)	8,181
Stock-based compensation.....	—	—	—	—	—	—	—	—	—	—	544	—	544	—
Parent capital costs.....	—	—	—	—	—	—	—	—	—	—	(137)	—	(137)	—
Distributions to noncontrolling interests.....	(2,407)	—	—	—	—	—	—	—	—	—	—	—	—	(7,527)
Contributions from noncontrolling interests.....	362	—	—	—	—	—	—	—	—	—	—	—	—	1,564
Sales of noncontrolling interests.....	28	—	—	—	—	—	—	—	—	—	93	—	93	—
Purchases of noncontrolling interests.....	(229)	—	—	—	—	—	—	—	—	—	1,900	—	1,900	(4,387)
<b>Balance at September 30, 2010</b>	<b>\$42,739</b>	<b>—</b>	<b>\$—</b>	<b>—</b>	<b>\$—</b>	<b>1,000</b>	<b>\$—</b>	<b>—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$ 188,833</b>	<b>\$ (14,292)</b>	<b>\$ 174,541</b>	<b>\$154,633</b>

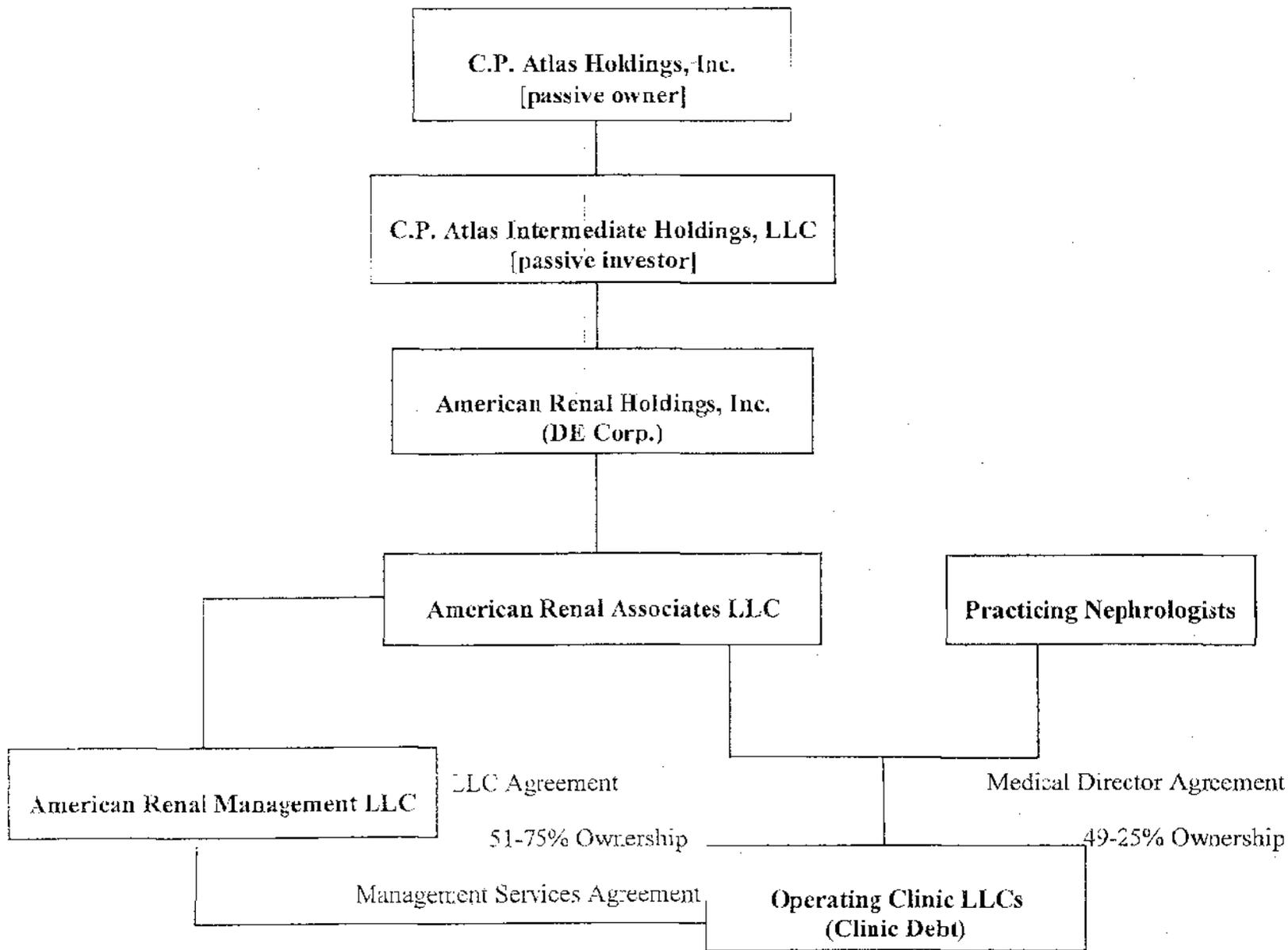
Mohawk Valley Dialysis Center, Inc  
 Mohawk Valley Property Holdings, LLC  
 Pro Forma Balance Sheet

Assets	Mohawk Valley Dialysis Center, Inc Opening Day	Mohawk Valley Property Holdings, LLC Opening Day	Total Opening Day
<u>Current Assets</u>			
Cash	\$1,627,394	\$0	\$1,627,394
Net Patient Accounts Receivable			
Inventory	12,500		12,500
Prepaid Expenses			
Construction Pending Financing			
Other Current Assets			
Total Current Assets	\$1,639,894	\$0	\$1,639,894
Net Property, Plant & Equipment		\$1,133,500	\$1,133,500
Net Intangible Assets			
Other Assets	10,000		10,000
Total Assets	\$1,649,894	\$1,133,500	\$2,783,394
<u>Liabilities &amp; Equity</u>			
<u>Liabilities</u>			
Accounts Payable	\$10,000	\$1,133,500	\$1,143,500
Other Current Liabilities			
Accrued Expenses			
Due to ARA	210,681		210,681
Long and Short Term Debt			
Corporate			
Facility	1,106,679	0	1,106,679
Total Liabilities	\$1,327,360	\$1,133,500	\$2,460,860
<u>Equity</u>			
Equity-ARA	\$164,492		\$164,492
Equity-Partners	158,042		158,042
Distributions-ARA			
Distribution-Partners			
Retained Earnings			
Net Equity	\$322,534	\$0	\$322,534
Total Liabilities & Equity	\$1,649,894	\$1,133,500	\$2,783,394

**ORGANIZATIONAL CHART  
PROPOSED MOHAWK VALLEY DIALYSIS CENTER  
AMSTERDAM, NEW YORK**



BFA Attachment E



**BFA Attachment G**

**ESTABLISHMENT CHECKLIST FOR DIAGNOSTIC AND TREATMENT CENTER**

APPLICATION: CON 092072-B Mohawk Valley Dialysis Center, Inc.

NATURE OF APPLICATION:        PRIMARY CARE  
      X       SPECIALTY  
       IF SPECIALTY – TYPE:  
Chronic Renal Dialysis

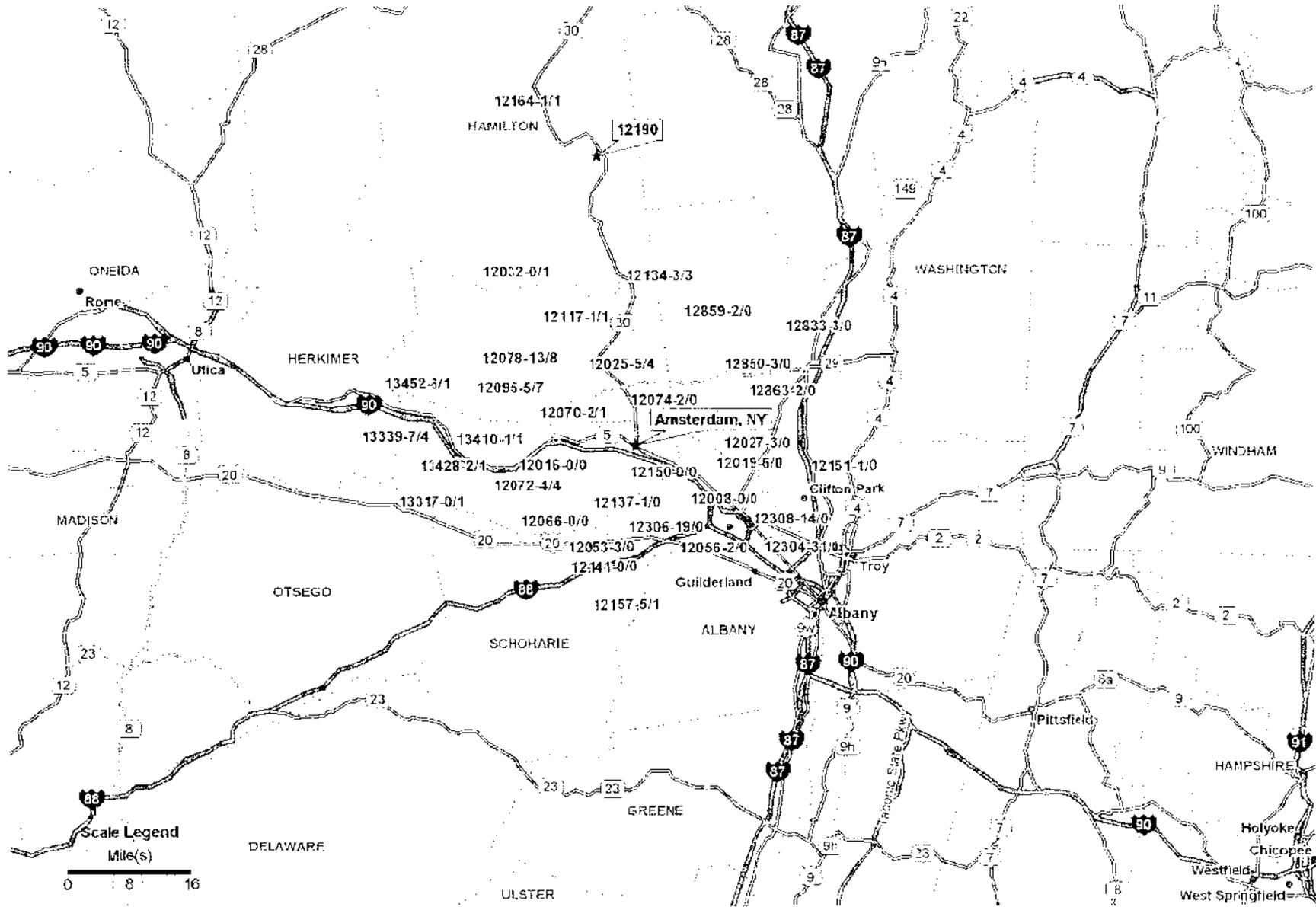
AUSPICE:        NON PROFIT  
      X       PROPRIETARY  
       PUBLIC

AFFILIATIONS:

UNIT COST:	<u>YEAR ONE</u>	<u>YEAR THREE</u>
OPERATING	\$283.47	\$266.74
CAPITAL	<u>74.97</u>	<u>38.12</u>
TOTAL	\$358.44	\$304.86

PAYOR SOURCE:	<u>YEAR ONE &amp; YEAR THREE</u>
MEDICARE-FFS	20.90%
COMMERCIAL	79.10%

# Amsterdam NY - Network as of 3-09



Printed from BusinessMAP by ESRI.

	Net Worth
	<u>Ditmas Park Dialysis Center, LLC</u>
	Sandor
Name	Oberlander
	<u>11/22/10</u>
<b><u>ASSETS</u></b>	
Cash	\$741,465
Stocks and Bonds	1,099,858
Receivable Secured Loans	8,033,844
Notes Receivable	
Real Estate	30,065,000
Mortgages Owned	
Cash Value of Life Insurance	3,721,641
Health Facility Interests	
Business Interests	
Pension Assets	1,178,875
Other	<u>213,000</u>
<b>TOTAL ASSETS</b>	<b>\$45,053,683</b>
<b><u>LIABILITIES</u></b>	
Notes Payable	
Accounts Payable	621,100
Mortgages Payable	\$9,271,731
Federal and State Income Taxes Payable	
Other Accrued Taxes and Interest Payable	
Installment Contracts Payable	
Contingent Health Care Liabilities	
<b>TOTAL LIABILITIES</b>	<b>\$9,892,831</b>
<b><u>NET WORTH</u></b>	<b><u>\$35,160,852</u></b>

DITMAS PARK DIALYSIS CENTER, LLC

PRO FORMA BALANCE SHEET

ASSETS

Working Capital Cash	\$522,720
Equipment and Telecommunications	\$658,419
<b>TOTAL ASSETS</b>	<b>\$1,181,139</b>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES

Working Capital Loan	\$250,000
Equipment Loan	\$592,570
<b>TOTAL LIABILITIES</b>	<b>\$842,570</b>

MEMBER'S EQUITY \$338,569

TOTAL LIABILITIES AND  
MEMBER'S EQUITY \$1,181,139



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**State of New York  
Public Health and Health Planning Council**

**June 16, 2011**

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**ATTACHMENTS**

**Hospice – Establish/Construct**

**Exhibit #13**

<u>Number</u>	<u>Applicant/Facility</u>
1. 082184 B	Visiting Nurse Service of New York Hospice Care (New York County)

**VISITING NURSE SERVICE OF NEW YORK  
AND SUBSIDIARIES**

Consolidated Balance Sheets

December 31, 2009 and 2008

(Dollars in thousands)

Assets	2009	2008
Current assets:		
Cash and cash equivalents	\$ 120,107	37,185
Patient accounts receivable, less allowance for doubtful accounts of \$8,081 in 2009 and \$7,879 in 2008	64,699	69,110
Capitation premiums and patient surplus receivables, net of estimated uncollectibles of \$1,701 in 2009 and \$1,272 in 2008	2,368	26,658
Estimated third-party receivables	18,925	30,304
Investments	12,953	15,879
Prepaid expenses and other current assets	5,073	5,601
Grants receivable	10,245	11,594
Total current assets	234,370	196,331
Investments	806,358	679,300
Assets limited as to use	25,317	20,238
Plant and equipment, net	40,413	32,969
Goodwill, net	14,622	18,862
Total assets	\$ 1,121,080	947,700
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 135,494	132,839
Accrued medical claims	25,476	20,920
Estimated third-party payables	45,612	3,538
Deferred revenue	2,159	4,075
Total current liabilities	208,741	161,372
Estimated third-party payables, net of current portion	45,132	45,132
Other noncurrent liabilities	23,097	23,971
Accrued pension obligation	40,786	62,590
Total liabilities	317,756	293,065
Commitments and contingencies		
Net assets:		
Unrestricted	794,192	645,827
Temporarily restricted	1,748	2,014
Permanently restricted	7,384	6,794
Total net assets	803,324	654,635
Total liabilities and net assets	\$ 1,121,080	947,700

**VISITING NURSE SERVICE OF NEW YORK  
AND SUBSIDIARIES**

Consolidated Statements of Operations and  
Changes in Net Assets

Years ended December 31, 2009 and 2008

(Dollars in thousands)

	<u>2009</u>	<u>2008</u>
Operating revenue:		
Net patient service revenue	\$ 673,056	690,378
Capitated premiums	412,263	333,715
Grants and other	34,841	36,995
Net assets released from restrictions	4,076	904
Total operating revenue	<u>1,124,236</u>	<u>1,061,992</u>
Operating expenses:		
Salaries	498,997	483,852
Fringe benefits	122,592	113,516
Contract services	360,719	342,215
Rent, supplies and other	113,298	115,947
Depreciation and amortization	15,717	15,232
Provision for bad debts	7,674	7,031
Total operating expenses	<u>1,118,997</u>	<u>1,077,793</u>
Income (loss) from operations	<u>5,239</u>	<u>(15,801)</u>
Nonoperating income (losses):		
Contributions	772	4,514
Investment income (losses)	29,264	(4,404)
Net realized (losses) gains on sales of investments	(37,986)	18,574
Change in net unrealized gains and losses on investments	146,364	(295,553)
Total nonoperating income (losses), net	<u>138,414</u>	<u>(276,869)</u>
Excess (deficiency) of revenue over expenses	<u>\$ 143,653</u>	<u>(292,670)</u>

**VISITING NURSE SERVICE OF NEW YORK  
AND SUBSIDIARIES**

BFA Attachment B

Consolidating Balance Sheet

November 30, 2010

(Dollars in thousands)

Assets	<u>Nov-10</u>
<b>Current assets:</b>	
Cash and cash equivalents	\$ 38,518
Patient accounts receivable, net of estimated uncollectibles	68,870
Capitation premiums receivable	38,589
Third-party receivables	15,208
Investments	3,938
Prepaid expenses and other current assets	6,147
Loan receivable from affiliates, net	498
Grants receivable	12,729
Total current assets	<u>184,496</u>
Investment in affiliate	
Investments	919,901
Assets limited as to use	29,546
Property, plant, and equipment, net	45,314
Goodwill, net	57,166
Total assets	<u>\$ 1,236,423</u>
<b>Liabilities and Net Assets</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued expenses	\$ 151,472
Accrued medical claims	39,552
Third-party payables, net	42,777
Deferred revenue	3,280
Total current liabilities	<u>237,081</u>
Third-party payables, net of current portion	47,433
Other noncurrent liabilities	22,183
Accrued pension cost, net	45,207
Total liabilities	<u>351,903</u>
<b>Net assets:</b>	
Unrestricted - board-designated	874,333
Temporarily restricted	2,678
Permanently restricted	7,509
Total net assets	<u>884,520</u>
Total liabilities and net assets	<u>\$ 1,236,423</u>

**VISITING NURSE SERVICE OF NEW YORK  
AND SUBSIDIARIES**

BFA Attachment B (cont.)

Consolidated Statements of Operations

Years ended November 30, 2010

('000's Omitted)

		<u>Nov-10</u>
Revenue and other support:		
Net patient service revenue	\$	607,957
Capitated Medicaid premiums		447,511
Grants and other		30,640
Net assets released from restrictions		2,572
		<u>1,088,680</u>
Total revenue and other support		
Expenses:		
Salaries		473,275
Fringe benefits		120,932
Contract services		357,580
Rent, supplies and other		111,987
Depreciation and amortization		13,973
Provision for bad debts, net		7,946
		<u>1,085,693</u>
Total operating expenses		
Income from operations		2,987
Nonoperating income (expense):		
Contributions		487
Investment income		6,580
Net realized gains on sale of investments		19,774
Unrealized losses on other-than-temporary decline in value of investment securities		50,286
		<u>77,127</u>
Total nonoperating income, net		
Excess of revenue and other support over expenses		80,114

## Other changes:

Change in unrealized gains on investments other than trading securities net

Change in minimum pension liability

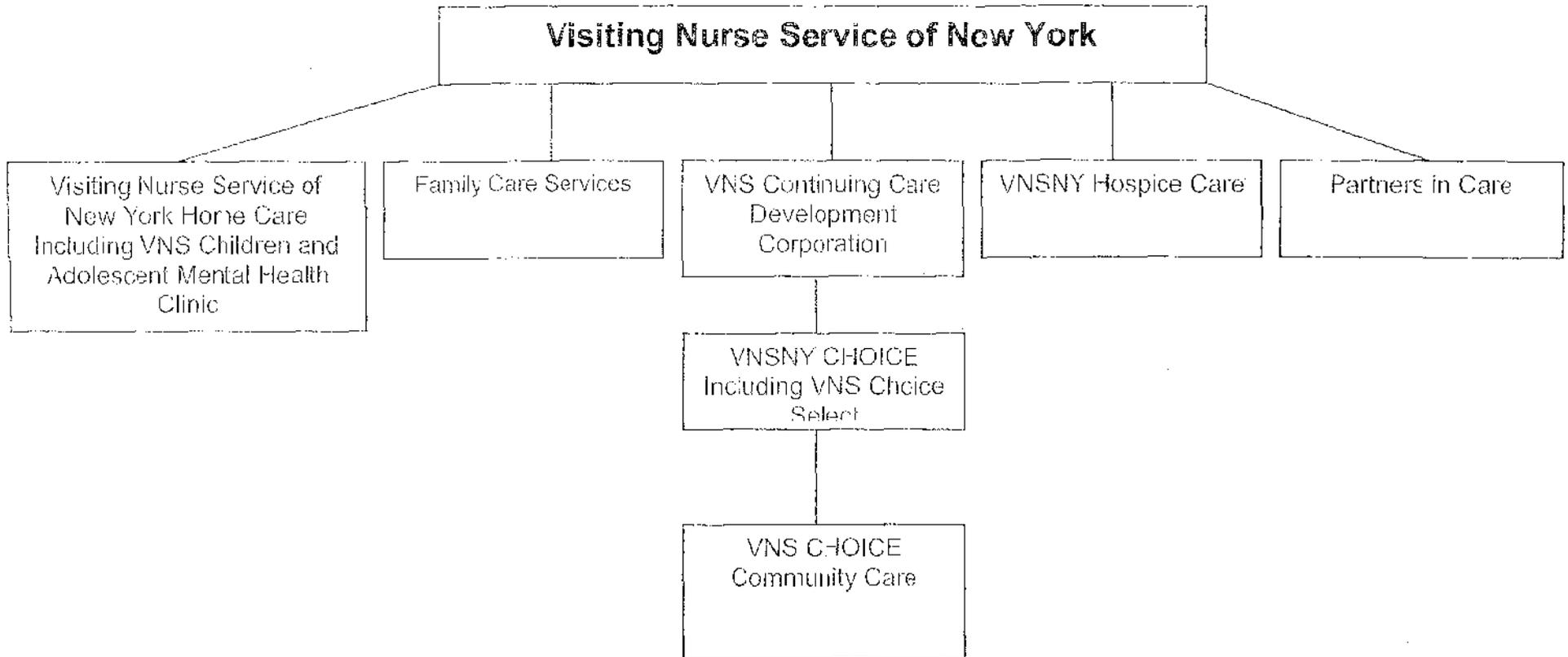
Equity transfer to affiliate

Other

Increase in unrestricted net assets - board designated

\$ 80,114

***VNSNY Family of Organizations***



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**State of New York  
Public Health and Health Planning Council**

**June 16, 2011**

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**ATTACHMENTS**

**Residential Health Care Facilities - Establish/Construct**

**Exhibit #14**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	062433 B	Brooklyn-Queens Nursing Home (Kings County)
2.	092050 E	Woodbury Center for Health Care (Nassau County)
3.	092056 E	White Plains Center for Nursing Care, LLC (Westchester County)
4.	092156 E	Sprain Brook Manor Rehab, Inc. d/b/a Sprain Brook Manor Nursing Home (Westchester County)
5.	102048 E	Ozone Acquisitions, LLC d/b/a Central Island Healthcare (Nassau County)
6.	102234 E	Wedgewood Care Center, Inc. d/b/a Highfield Gardens Care Center of Great Neck (Nassau County)
7.	102346 E	KFG Operating Two, LLC d/b/a Bensonhurst Center for Rehabilitation and Healthcare (Kings County)
8.	111186 E	Autumn View Health Care Facility, LLC (Erie County)

9. 111188 E Brookhaven Health Care Facility, LLC  
(Suffolk County)
10. 111189 E Garden Gate Health Care Facility  
(Erie County)
11. 111190 E Harris Hill Nursing Facility, LLC  
(Erie County)
12. 111191 E North Gate Health Care Facility  
(Niagara County)
13. 111192 E Seneca Health Care Center  
(Erie County)
14. 111248 E Morningstar Care Center, Inc. d/b/a Morningstar Residential Care  
Center  
(Oswego County)

**Financial Summary**

**BFA Attachment B**

**Brooklyn Queens Nursing Home**

**FISCAL PERIOD ENDED**

	<u>2010 Internals</u>	<u>2009</u>	<u>2008</u>
ASSETS - CURRENT	\$3,358,936	\$2,861,068	\$3,459,790
ASSETS - FIXED AND OTHER	521,036	621,139	701,649
LIABILITIES - CURRENT	1,976,628	3,329,466	3,091,770
LIABILITIES - LONG-TERM	1,739,868	609,012	1,888,956
EQUITY	\$163,476	(\$456,271)	(\$819,287)
<hr/>			
INCOME	\$12,354,709	\$12,034,605	\$10,734,676
EXPENSE	11,401,330	11,671,589	11,559,847
NET INCOME	\$953,379	\$363,016	(\$825,171)
<hr/>			
NUMBER OF BEDS	140	140	140
PERCENT OF OCCUPANCY (DAYS)	93.09%	92.66%	94.01%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	90.25%	89.89%	90.23%
MEDICARE	9.15%	9.76%	9.54%
PRIVATE/OTHER	0.60%	0.35%	0.23%
<hr/>			
MEDICAID RATE BREAKDOWN:			
	<u>2010</u>	<u>2009</u>	
OPERATING	\$186.75	\$218.54	
CAPITAL	<u>6.40</u>	<u>7.48</u>	
TOTAL	\$193.15	\$226.02	

## WOODBURY CENTER FOR HEALTH CARE

(A Partnership)

BALANCE SHEET

January 1, 2011

ASSETS**CURRENT ASSETS**

Cash	\$ 135,600
Patient accounts receivable, net of an allowance for doubtful accounts of \$113,000 in 2007.	1,751,500
Inventory	26,800
Prepaid expenses	79,900
Deposits	17,400

**TOTAL CURRENT ASSETS**

2,011,200

## PATIENT FUND

53,000

## PROPERTY AND EQUIPMENT at cost, less

accumulated depreciation

208,800

**TOTAL ASSETS**\$ 2,273,000LIABILITIES AND PARTNERS' EQUITY**CURRENT LIABILITIES**

Accounts payable	\$ 270,500
Accrued payroll and taxes payable	550,200
Other accrued expenses	605,000
Payable to third party and private payors	169,900
Loan Payable	142,900

**TOTAL CURRENT LIABILITIES**

1,738,500

## PATIENT FUND

46,500

## CONTINGENCIES

**TOTAL LIABILITIES**

1,785,000

## PARTNERS' EQUITY

488,000

**TOTAL LIABILITIES AND PARTNERS' EQUITY**\$ 2,273,000

**WOODBURY CENTER FOR HEALTH CARE**  
**OPERATING PROJECTION**

For the Years Ending December 31, 2011 and 2013

	<u>2011</u>	<u>2013</u>
<b>OPERATING INCOME</b>		
Private	\$ 2,101,500	\$ 2,101,500
Other	570,900	570,900
Medicare	2,966,000	2,966,000
Medicaid	7,253,900	7,253,900
Ancillary	50,400	50,400
Other Income	90,900	90,400
	<u>13,033,600</u>	<u>13,033,100</u>
<b>TOTAL OPERATING INCOME</b>		
<b>OPERATING EXPENSES</b>		
<b>NON-REVENUE SUPPORT SERVICES</b>		
<b>INDIRECT COSTS:</b>		
Administrative services	1,237,700	1,237,700
Fiscal services	308,300	308,300
Plant, operations and maintenance	781,800	781,800
Patient food services	1,426,100	1,426,100
Housekeeping services	606,600	606,600
Laundry services	264,200	264,200
Medical care services	36,900	36,900
	<u>4,661,600</u>	<u>4,661,600</u>
<b>TOTAL INDIRECT COSTS</b>		
<b>DIRECT COSTS</b>		
Nursing administration	885,600	885,600
Leisure time activities	269,800	269,800
Social services and admitting	344,500	344,500
	<u>1,499,900</u>	<u>1,499,900</u>
<b>TOTAL DIRECT COSTS NON-REVENUE</b>		
<b>REVENUE SUPPORT SERVICES</b>		
Ancillary Service Centers	1,551,100	1,551,100
Program Service Centers	4,056,600	4,056,600
	<u>7,107,600</u>	<u>7,107,600</u>
<b>TOTAL DIRECT COSTS</b>		
<b>PROPERTY COSTS</b>	403,000	399,400
	<u>12,172,200</u>	<u>12,168,600</u>
<b>TOTAL OPERATING COSTS</b>		
<b>NET INCOME BEFORE ASSESSMENT</b>	861,400	864,500
<b>ASSESSMENT</b>	(600,700)	(600,700)
	<u>\$ 260,700</u>	<u>\$ 263,800</u>
<b>NET INCOME AFTER ASSESSMENT</b>		
<b>NET FEASIBLE INCOME</b>	\$ 260,700	\$ 263,800
<b>CASH BALANCE OPENING</b>	136,600	424,300
<b>Plus: Depreciation</b>	28,000	24,400
	<u>\$ 424,300</u>	<u>\$ 712,500</u>
<b>CASH ENDING</b>		

## Financial Summary-

Woodhury Center for Health Care

	FISCAL PERIOD ENDED		
	<u>12/31/09</u>	<u>12/31/08</u>	<u>12/31/07</u>
ASSETS - CURRENT	\$2,011,204	\$2,380,893	\$2,229,060
ASSETS - FIXED AND OTHER	261,782	222,087	180,900
LIABILITIES - CURRENT	1,738,584	1,937,370	1,751,417
LIABILITIES - LONG-TERM	<u>46,549</u>	<u>41,848</u>	<u>35,402</u>
EQUITY	487,053	623,762	623,141
<hr/>			
INCOME	\$12,164,331	\$13,159,496	\$12,060,399
EXPENSE	<u>12,300,240</u>	<u>13,158,875</u>	<u>12,058,943</u>
NET INCOME	(135,909)	621	1,456
<hr/>			
OPERATOR/RELATIVE SALARIES	\$124,401	\$126,003	\$120,990
<hr/>			
NUMBER OF BEDS	123	123	123
PERCENT OF OCCUPANCY (DAYS)	91.6%	95.9%	96.4%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	68.5%	62.6%	67.0%
MEDICARE	13.1%	16.7%	17.4%
PRIVATE/OTHER	18.4%	20.7%	15.6%
<hr/>			
MEDICAID RATE BREAKDOWN.	<u>2010</u>	<u>2009</u>	<u>2008</u>
OPERATING	\$232.88	\$232.88	\$218.17
CAPITAL	<u>10.23</u>	<u>10.77</u>	<u>11.08</u>
TOTAL	\$243.11	\$243.65	\$229.25

## WOODBURY CENTER FOR HEALTHCARE

(A Partnership)

BALANCE SHEET  
September 30, 2010ASSETS**CURRENT ASSETS**Patient accounts receivable, net of an allowance for  
doubtful accounts of \$113,000.

\$ 2,112,083

Inventory

26,755

Prepaid expenses

57,607

**TOTAL CURRENT ASSETS**2,196,445

PATIENT FUND (Note 2)

43,282

PROPERTY AND EQUIPMENT at cost, less  
accumulated depreciation (Note 3)223,543**TOTAL ASSETS**\$ 2,463,270LIABILITIES AND PARTNERS' EQUITY**CURRENT LIABILITIES**

Notes Payable (Note 6)

\$ 184,917

Accounts payable

512,082

Accrued payroll and taxes payable

725,046

Other accrued expenses

592,849

Payable to third party and private payors (Note 4)

280,095**TOTAL CURRENT LIABILITIES**2,294,989

PATIENT FUND (Note 2)

48,722

CONTINGENCIES

-

**TOTAL LIABILITIES**2,343,711

PARTNERS' EQUITY

119,559

**TOTAL LIABILITIES AND PARTNERS' EQUITY**\$ 2,463,270

BFA Attachment C (cont.)  
**WOODBURY CENTER FOR HEALTHCARE**  
 (A Partnership)

**STATEMENT OF INCOME AND PARTNERS' EQUITY**  
 Nine Months Ended September 30, 2010

	One Month Ended September 30, 2010		Nine Months Ended September 30, 2010	
	Amount	Per Day	Amount	Per Day
<b>REVENUE</b>				
Routine and ancillary income	\$ 942,720	\$ 281.66	\$ 8,776,497	\$ 293.31
Other operating income	7,246	2.16	107,020	3.58
<b>TOTAL REVENUE</b>	<b>949,966</b>	<b>283.82</b>	<b>8,883,517</b>	<b>296.89</b>
<b>EXPENSES</b>				
Administrative services	91,918	27.46	831,135	27.78
Fiscal services	27,134	8.11	227,692	7.61
Plant, operations and maintenance	91,398	27.31	875,112	29.24
Patient food services	108,114	32.30	991,709	33.15
Housekeeping services	44,236	13.22	448,077	14.98
Laundry services	23,138	6.91	184,674	6.17
Nursing administration	77,529	23.17	659,535	22.05
Medical care services	3,000	0.90	27,000	0.90
Leisure time activities	24,989	7.46	204,912	6.86
Social services and admitting	34,237	10.23	261,806	8.75
Ancillary service centers	131,655	39.34	1,188,770	39.72
Program service centers	301,807	90.17	3,018,267	100.87
Medicaid assessment	35,002	10.46	333,122	11.13
<b>TOTAL EXPENSES</b>	<b>994,157</b>	<b>297.04</b>	<b>9,251,811</b>	<b>309.20</b>
<b>NET LOSS</b>	<b>\$ (44,191)</b>	<b>\$ (13.22)</b>	<b>(368,294)</b>	<b>\$ (12.31)</b>
<b>PARTNERS' EQUITY</b>				
Balance, beginning of period			487,853	
<b>BALANCE, END OF PERIOD</b>			<b>\$ 119,559</b>	

## Financial Summary-

## White Oak Nursing Home

	FISCAL PERIOD ENDED		
	<u>12/31/09</u>	<u>12/31/08</u>	<u>12/31/07</u>
ASSETS - CURRENT	\$2,868,035	\$2,492,721	\$2,225,962
ASSETS - FIXED AND OTHER	1,133,667	872,686	747,266
LIABILITIES - CURRENT	2,038,199	2,111,715	2,391,368
LIABILITIES - LONG-TERM	<u>801,294</u>	<u>302,512</u>	<u>181,125</u>
EQUITY	1,162,209	951,180	400,735
<hr/>			
INCOME	\$17,984,517	\$17,643,046	\$16,733,671
EXPENSE	<u>17,383,488</u>	<u>16,551,601</u>	<u>16,204,097</u>
NET INCOME	601,029	1,091,445	529,574
<hr/>			
OPERATOR/RELATIVE SALARIES	\$516,200	\$511,800	\$365,200
<hr/>			
NUMBER OF BEDS	200	200	200
PERCENT OF OCCUPANCY (DAYS)	99.0%	99.3%	99.5%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	78.5%	79.3%	79.0%
MEDICARE	7.9%	8.3%	9.9%
PRIVATE/OTHER	13.6%	12.4%	11.1%
<hr/>			
MEDICAID RATE BREAKDOWN:			
	<u>2010</u>	<u>2009</u>	<u>2008</u>
OPERATING	\$187.72	\$187.72	
CAPITAL	<u>9.88</u>	<u>10.48</u>	
TOTAL	\$197.60	\$198.20	\$0.00

Member  
Jeffrey White

% Interests  
51%

**ESTABLISHMENT CHECKLIST FOR NURSING HOMES**

APPLICATION: 092050-E Woodbury Center for Health Care (Nassau County)

NATURE OF PROPOSAL: Change in 76% membership interest.

EFFECT ON OPERATIONAL OWNERSHIP: Change in 76% membership interest with one new member.

EFFECT ON REAL ESTATE OWNERSHIP: N/A

FIXED ASSET PURCHASE PRICE: N/A

FIXED ASSET MEDICAID VALUE: N/A

CAPITAL REIMBURSEMENT:

- Arms Length Lease
- Historic Cost Method
- Shortfall; Average Annual Amount

BUSINESS PURCHASE PRICE: \$241,000

## Financial Summary

## White Plains Center for Nursing

	FISCAL PERIOD ENDED			
	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
ASSETS - CURRENT	\$1,238,212	\$1,449,063	\$1,490,267	\$1,243,042
ASSETS - FIXED AND OTHER	5,032,462	4,975,693	4,863,132	4,328,703
LIABILITIES - CURRENT	4,016,147	7,475,442	7,416,380	2,117,576
LIABILITIES - LONG-TERM	<u>4,110,337</u>	<u>1,594,979</u>	<u>1,340,059</u>	<u>4,729,432</u>
EQUITY	(\$1,855,810)	(\$2,645,665)	(\$2,403,040)	(\$1,275,263)
<b>INCOME</b>	<b>\$10,852,833</b>	<b>\$8,797,253</b>	<b>\$7,491,153</b>	<b>\$7,034,832</b>
<b>EXPENSE</b>	<b><u>10,062,981</u></b>	<b><u>9,045,876</u></b>	<b><u>8,612,929</u></b>	<b><u>8,270,440</u></b>
<b>NET INCOME</b>	<b>\$789,852</b>	<b>(\$248,623)</b>	<b>(\$1,121,776)</b>	<b>(\$1,235,614)</b>
<b>DEPRECIATION</b>	<b>\$79,386</b>	<b>\$61,815</b>	<b>\$44,991</b>	<b>\$43,267</b>
<b>NUMBER OF BEDS</b>	<b>88</b>	<b>88</b>	<b>88</b>	<b>88</b>
<b>PERCENT OF OCCUPANCY (DAYS)</b>	<b>95.82%</b>	<b>96.88%</b>	<b>93.70%</b>	<b>93.62%</b>
<b>PERCENT OCCUPANCY (DAYS):</b>				
MEDICAID	74.84%	75.46%	82.22%	76.57%
MEDICARE	17.22%	17.80%	14.81%	18.70%
PRIVATE/OTHER	7.94%	6.75%	2.97%	4.73%
<b>MEDICAID RATE BREAKDOWN:</b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	
OPERATING	\$266.15	\$266.15	\$217.04	
CAPITAL	<u>\$0.50</u>	<u>\$0.69</u>	<u>\$27.10</u>	
TOTAL	\$266.65	\$266.84	\$244.14	

## Financial Summary

Avalon Gardens

	<u>FISCAL PERIOD ENDED</u>			
	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
ASSETS - CURRENT	\$13,278,739	\$14,258,136	\$15,199,203	\$10,422,843
ASSETS - FIXED AND OTHER	10,753,482	10,817,314	10,996,172	11,267,206
LIABILITIES - CURRENT	18,602,940	21,377,355	23,271,860	18,890,675
LIABILITIES - LONG-TERM	<u>436,941</u>	<u>635,029</u>	<u>1,218,237</u>	<u>1,540,395</u>
EQUITY	\$4,892,340	\$3,063,066	\$1,705,278	\$1,258,979
INCOME	\$42,171,474	\$38,336,722	\$36,807,742	\$36,415,854
EXPENSE	<u>40,242,200</u>	<u>\$36,980,934</u>	<u>\$36,361,443</u>	\$36,709,743
NET INCOME	\$1,929,274	\$1,357,788	\$446,299	(\$1,293,889)
DEPRECIATION	\$303,329	\$291,734	\$284,473	\$251,043
NUMBER OF BEDS	353	353	353	353
PERCENT OF OCCUPANCY (DAYS)	97.8%	90.6%	91.1%	90.9%
PERCENT OCCUPANCY (DAYS):				
MEDICAID	86.21%	87.26%	86.8%	87.8%
MEDICARE	7.50%	7.84%	7.2%	7.9%
PRIVATE/OTHER	4.29%	4.88%	6.0%	4.3%
<u>MEDICAID RATE BREAKDOWN:</u>	2010	2009	2008	
OPERATING	\$289.74	\$289.74	\$290.10	
CAPITAL	<u>\$6.16</u>	<u>\$2.28</u>	<u>\$23.05</u>	
TOTAL	\$289.90	\$286.02	\$253.21	
<u>Per</u>				
OPERATING	\$519.44	\$514.24		
CAPITAL	<u>\$12.45</u>	<u>\$9.28</u>		
TOTAL	\$531.89	\$523.52		

## Financial Summary

## Brookhaven Rehab and Health Care Center, LLC

## FISCAL PERIOD ENDED:

	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
ASSETS - CURRENT	\$5,488,360	\$5,718,012	\$7,193,256	\$5,052,362
ASSETS - FIXED AND OTHER	4,926,918	5,028,390	5,501,873	5,438,965
LIABILITIES - CURRENT	4,884,865	6,220,517	7,150,873	7,507,942
LIABILITIES - LONG-TERM	<u>750,291</u>	<u>801,314</u>	<u>1,230,695</u>	<u>1,539,976</u>
EQUITY	\$4,780,122	\$3,724,571	\$4,313,561	\$1,443,409
<hr/>				
INCOME	\$28,020,901	\$27,739,060	\$28,264,207	\$25,925,361
EXPENSE	<u>25,915,351</u>	<u>26,426,420</u>	<u>24,898,161</u>	<u>25,574,224</u>
NET INCOME	\$2,105,550	\$1,312,640	\$3,366,046	\$351,137
<hr/>				
DEPRECIATION	\$441,664	\$500,575	\$563,513	\$597,043
<hr/>				
NUMBER OF BEDS	298	298	298	298
PERCENT OF OCCUPANCY (DAYS)	97.45%	98.15%	96.90%	92.90%
<hr/>				
PERCENT OCCUPANCY (DAYS):				
MEDICAID	87.76%	87.04%	85.37%	86.84%
MEDICARE	7.79%	7.97%	10.03%	8.09%
PRIVATE/OTHER	4.45%	4.99%	4.60%	5.07%
<hr/>				
MEDICAID RATE BREAKDOWN:	2010	2009	2008	
OPERATING	\$208.27	208.27	207.11	
CAPITAL	\$6.73	11.55	\$27.32	
TOTAL	\$215.00	219.82	234.43	

## Financial Summary-Eastchester Rehab and Health Care Center

	<u>FISCAL PERIOD ENDED</u>			
	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
ASSETS - CURRENT	\$5,596,567	\$6,548,764	\$8,392,469	\$6,090,720
ASSETS - FIXED AND OTHER	11,480,543	11,387,666	11,477,587	11,090,654
LIABILITIES - CURRENT	5,079,528	10,675,593	7,887,509	10,972,881
LIABILITIES - LONG-TERM	<u>4,540,685</u>	<u>370,775</u>	<u>4,749,625</u>	<u>223,679</u>
EQUITY	\$7,456,897	\$6,890,062	\$7,232,022	\$5,984,814
<hr/>				
INCOME	\$21,987,877	\$21,958,425	\$21,360,192	\$20,793,403
EXPENSE	<u>20,951,146</u>	<u>21,455,287</u>	<u>20,112,084</u>	<u>19,729,131</u>
NET INCOME	\$1,036,731	\$503,138	\$1,248,108	\$1,064,272
<hr/>				
DEPRECIATION	\$166,473	\$178,680	\$155,905	\$101,177
<hr/>				
NUMBER OF BEDS	200	200	200	200
PERCENT OF OCCUPANCY (DAYS)	96.41%	95.42%	95.64%	93.95%
<hr/>				
<u>PERCENT OCCUPANCY (DAYS):</u>				
MEDICAID	87.26%	87.38	85.86%	84.05%
MEDICARE	11.48%	6.71	10.45%	10.82%
PRIVATE/OTHER	1.26%	5.91	3.69%	5.13%
<hr/>				
MEDICAID RATE BREAKDOWN:				
	2010	2009	2008	
OPERATING	\$233.87	\$233.87	\$229.60	
CAPITAL	<u>(\$6.36)</u>	<u>(\$6.65)</u>	<u>\$16.21</u>	
TOTAL	\$227.51	\$227.22	\$245.81	
<hr/>				
Van				
OPERATING	\$649.41	\$649.41	\$664.33	
CAPITAL	\$10.04	<u>\$8.10</u>	<u>\$49.71</u>	
TOTAL	\$659.45	\$657.51	\$714.04	

**Financial Summary**  
Woodmere Rehab and Health Care Center

	FISCAL PERIOD ENDED			
	<u>12/31/09</u>	<u>12/31/08</u>	<u>12/31/07</u>	<u>12/31/06</u>
ASSETS - CURRENT	\$9,542,103	\$9,754,481	\$8,307,434	\$6,268,965
ASSETS - FIXED AND OTHER	9,312,660	8,720,602	9,082,641	9,378,119
LIABILITIES - CURRENT	7,484,824	7,544,213	7,826,746	9,290,350
LIABILITIES - LONG-TERM	<u>2,736,388</u>	<u>2,957,999</u>	<u>3,019,225</u>	<u>1,040,922</u>
EQUITY	\$8,633,551	\$7,972,871	\$6,544,104	\$5,315,812
<hr/>				
INCOME	\$39,680,997	\$39,506,393	\$33,574,461	\$30,828,189
EXPENSE	<u>38,173,008</u>	<u>36,177,623</u>	<u>32,346,170</u>	<u>31,884,072</u>
NET INCOME	\$1,507,989	\$3,328,770	\$1,228,291	(\$1,055,883)
<hr/>				
DEPRECIATION	\$466,279	\$466,682	\$520,208	\$577,881
<hr/>				
NUMBER OF BEDS	336	336	336	336
PERCENT OF OCCUPANCY (DAYS)	95.5%	91.7%	90.1%	85.2%
<hr/>				
PERCENT OCCUPANCY (DAYS):				
MEDICAID	72.9%	69.5%	69.7%	69.9%
MEDICARE	21.5%	22.9%	21.7%	21.3%
PRIVATE/OTHER	5.6%	7.6%	8.6%	8.8%
<hr/>				
<hr/>				
MEDICAID RATE BREAKDOWN:				
	2010	2009	2008	
OPERATING	\$255.42	\$255.42	\$221.59	
CAPITAL	<u>\$4.58</u>	<u>-\$9.10</u>	<u>\$22.49</u>	
TOTAL	\$260.00	\$246.32	\$244.08	
Vent	2010	2009	2008	
OPERATING	\$610.85	\$610.85	\$623.00	
CAPITAL	<u>\$94.37</u>	<u>\$53.32</u>	<u>\$61.41</u>	
TOTAL	\$705.22	\$664.17	\$684.41	

## Financial Summary

## Golden Gate Rehabilitation and Health Care Center, LLC

	FISCAL PERIOD ENDED			
	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
ASSETS - CURRENT	\$4,798,953	\$3,752,124	\$3,703,341	\$3,251,314
ASSETS - FIXED AND OTHER	12,986,641	12,817,685	13,004,277	13,227,598
LIABILITIES - CURRENT	5,639,849	5,089,732	5,647,393	5,257,810
LIABILITIES - LONG-TERM	<u>1,512,516</u>	<u>1,233,809</u>	<u>1,813,097</u>	<u>2,502,327</u>
EQUITY	\$10,633,229	\$10,246,268	\$9,247,128	\$8,718,775
<hr/>				
INCOME	\$23,404,069	\$23,925,968	\$21,528,660	\$21,520,505
EXPENSE	<u>23,017,108</u>	<u>22,926,829</u>	<u>21,331,425</u>	<u>21,578,130</u>
NET INCOME	\$386,961	\$999,139	\$197,235	(\$57,625)
<hr/>				
DEPRECIATION	\$420,399	\$375,183	\$367,092	\$358,389
<hr/>				
NUMBER OF BEDS	238	238	238	238
PERCENT OF OCCUPANCY (DAYS)	92.97%	94.01%	95.2%	92.9%
<hr/>				
PERCENT OCCUPANCY (DAYS):				
MEDICAID	82.06%	81.22%	78.0%	79.0%
MEDICARE	13.27%	10.51%	14.4%	14.9%
PRIVATE/OTHER	4.67%	8.27%	7.0%	5.5%
<hr/>				
MEDICAID RATE BREAKDOWN:				
	2010	2009	2008	
OPERATING	\$267.25	\$267.25	\$226.55	
CAPITAL	<u>\$5.19</u>	<u>\$10.93</u>	<u>\$31.36</u>	
Total	\$272.44	\$278.18	\$257.91	

**Financial Summary**  
**Nassau Extended Care Facility**

	FISCAL PERIOD ENDED			
	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
ASSETS - CURRENT	\$8,872,863	\$9,956,878	\$7,438,626	\$7,945,673
ASSETS - FIXED AND OTHER	16,027,120	14,497,907	14,904,709	12,370,406
LIABILITIES - CURRENT	4,725,367	5,426,493	5,079,401	4,286,499
LIABILITIES - LONG-TERM	<u>7,387,690</u>	<u>7,788,087</u>	<u>8,162,120</u>	<u>8,496,099</u>
EQUITY	\$12,786,926	\$11,240,205	9,101,814	7,533,481
<hr/>				
INCOME	\$33,906,046	\$33,159,574	\$29,362,607	\$28,610,268
EXPENSE	<u>32,359,325</u>	<u>30,933,683</u>	<u>27,881,774</u>	<u>27,258,857</u>
NET INCOME	\$1,546,721	\$2,225,891	\$1,480,833	\$1,351,411
<hr/>				
DEPRECIATION	\$71,312	\$71,312	\$48,354	\$26,577
<hr/>				
NUMBER OF BEDS	280	280	280	280
PERCENT OF OCCUPANCY (DAYS)	94.96%	96.23%	95.52%	94.87%
<hr/>				
PERCENT OCCUPANCY (DAYS):				
MEDICAID	74.50%	76.83%	80.41%	82.66%
MEDICARE	15.66%	14.89%	14.85%	13.66%
PRIVATE/OTHER	9.84%	8.27%	4.74%	3.68%
<hr/>				
<b>MEDICAID RATE BREAKDOWN:</b>				
	<u>2010</u>	<u>2009</u>	2008	
OPERATING	239.34	221.59	216.81	
CAPITAL	<u>9.90</u>	46.34	<u>55.25</u>	
TOTAL	249.24	267.93	272.06	

## Financial Summary

## Bayview Nursing and Rehabilitation Center, LLC

	FISCAL PERIOD ENDED			
	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
ASSETS - CURRENT	\$3,849,524	\$3,740,009	\$4,271,325	\$3,582,473
ASSETS - FIXED AND OTHER	6,481,206	6,564,414	6,733,653	6,951,801
LIABILITIES - CURRENT	4,214,338	4,050,953	4,545,704	3,543,473
LIABILITIES - LONG-TERM	<u>3,504,380</u>	<u>4,097,566</u>	<u>4,379,519</u>	<u>4,690,346</u>
EQUITY	\$2,612,012	\$2,155,904	\$2,079,755	\$2,300,455
<hr/>				
INCOME	\$18,186,850	\$17,839,331	\$16,873,402	\$16,839,993
EXPENSE	<u>17,080,742</u>	<u>17,269,182</u>	<u>16,838,107</u>	<u>16,222,246</u>
NET INCOME	\$1,106,108	\$570,149	\$305,295	\$617,747
<hr/>				
DEPRECIATION	\$252,076	\$259,398	\$246,282	\$212,599
<hr/>				
NUMBER OF BEDS	185	185	185	185
PERCENT OF OCCUPANCY (DAYS)	97.17%	96.30%	91.4%	95.1%
<hr/>				
PERCENT OCCUPANCY (DAYS):				
MEDICAID	88.99%	91.11%	86.4%	90.1%
MEDICARE	8.19%	7.00%	11.6%	8.5%
PRIVATE/OTHER	2.82%	1.89%	2.0%	1.4%
<hr/>				
MEDICAID RATE BREAKDOWN:	<u>2010</u>	<u>2009</u>	<u>2008</u>	
OPERATING	\$249.20	\$249.20	\$231.75	
CAPITAL	<u>\$2.48</u>	<u>\$3.89</u>	<u>\$23.64</u>	
TOTAL	\$251.68	\$253.09	<u>\$255.39</u>	

BFA Attachment J

Financial Summary  
West Lawrence Care Center, LLC

FISCAL PERIOD ENDED

	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
ASSETS - CURRENT	\$2,876,188	\$2,387,571	\$3,664,454	\$2,763,036
ASSETS - FIXED AND OTHER	4,061,144	4,067,307	4,104,304	3,314,001
LIABILITIES - CURRENT	2,868,406	2,967,536	3,636,297	3,562,595
LIABILITIES - LONG-TERM	<u>1,016,813</u>	<u>1,175,187</u>	<u>1,644,836</u>	<u>1,153,888</u>
EQUITY	\$3,052,113	\$2,312,155	\$2,487,625	\$1,360,554
<hr/>				
INCOME	\$21,680,456	\$20,796,727	\$20,171,414	\$20,832,445
EXPENSE	<u>19,290,498</u>	<u>18,996,187</u>	<u>18,194,225</u>	<u>18,121,974</u>
NET INCOME	\$2,389,958	\$1,800,540	\$1,977,189	\$2,710,471
<hr/>				
DEPRECIATION	\$212,031	\$214,621	\$162,850	\$114,807
<hr/>				
NUMBER OF BEDS	215	215	215	215
PERCENT OF OCCUPANCY (DAYS)	98.67%	98.51%	97.91%	96.75%
<hr/>				
PERCENT OCCUPANCY (DAYS):				
MEDICAID	91.51%	86.98%	86.35%	86.19%
MEDICARE	7.96%	9.31%	10.44%	11.63%
PRIVATE/OTHER	0.54%	3.71%	3.21%	2.18%
<hr/>				
MEDICAID RATE BREAKDOWN:	2010	2009	<u>2008</u>	
OPERATING	220.41	\$220.41	\$225.48	
CAPITAL	6.24	\$6.80	\$15.40	
TOTAL	\$226.65	\$227.21	\$240.88	

## Financial Summary

## Split Rock Rehabilitation and Health Care Center, LLC

	<u>FISCAL PERIOD ENDED</u>		
	<u>12/31/2008</u>	<u>12/31/07</u>	<u>12/31/06</u>
ASSETS - CURRENT	\$5,884,811	\$7,247,324	\$7,010,442
ASSETS - FIXED AND OTHER	14,551,722	14,680,691	14,818,865
LIABILITIES - CURRENT	9,641,441	11,214,161	13,754,519
LIABILITIES - LONG-TERM	<u>7,043,424</u>	<u>8,668,964</u>	<u>5,793,453</u>
EQUITY	\$3,751,668	\$2,044,890	\$2,281,335
<hr/>			
INCOME	\$27,679,201	\$25,993,270	\$25,757,420
EXPENSE	<u>25,972,423</u>	<u>26,231,420</u>	<u>26,654,935</u>
NET INCOME	\$1,706,778	(\$238,150)	(\$897,515)
<hr/>			
DEPRECIATION	\$181,426	\$220,507	\$210,077
<hr/>			
NUMBER OF BEDS	240	240	240
PERCENT OF OCCUPANCY (DAYS)	95.31%	95.3%	90.9%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	90.16%	90.0%	87.6%
MEDICARE	5.05%	6.2%	10.4%
PRIVATE/OTHER	4.79%	2.9%	2.0%
<hr/>			
MEDICAID RATE BREAKDOWN:	2010	<u>2009</u>	<u>2008</u>
OPERATING	248.77	\$248.77	230.4
CAPITAL	<u>5.37</u>	<u>7.09</u>	<u>16.42</u>
TOTAL	254.14	\$255.86	\$246.82

None of the applicants had ownership interest in the facility after 2008

## Park Avenue Operating Co. LLC d/b/a Park Avenue Extended Care Facility

## Financial Summary

## Park Avenue Extended Care Facility

FISCAL PERIOD ENDED	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
ASSETS - CURRENT	\$7,407,046	\$7,198,373	\$9,169,593	\$7,354,291
ASSETS - FIXED AND OTHER	14,083,106	14,418,390	10,692,680	10,528,183
LIABILITIES - CURRENT	3,986,804	4,430,048	4,416,698	5,637,753
LIABILITIES - LONG-TERM	<u>7,345,091</u>	<u>7,771,859</u>	<u>8,716,500</u>	<u>7,669,256</u>
EQUITY	\$10,158,257	\$9,414,856	\$6,729,075	\$4,575,465
INCOME	\$27,963,018	\$29,248,621	\$26,122,503	\$23,042,912
EXPENSE	<u>27,219,617</u>	<u>26,475,340</u>	<u>24,306,390</u>	<u>22,925,179</u>
NET INCOME	\$743,401	\$2,773,281	\$1,816,113	\$117,733
DEPRECIATION	\$127,962	\$71,834	\$40,803	\$18,408
NUMBER OF BEDS	240	240	240	240
PERCENT OF OCCUPANCY (DAYS)	97.12%	98.30%	97.92%	95.26%
PERCENT OCCUPANCY (DAYS):				
MEDICAID	74.52%	77.50%	77.25%	77.30%
MEDICARE	14.48%	13.62%	12.43%	16.03%
PRIVATE/OTHER	11.00%	8.88%	10.32%	6.68%
MEDICAID RATE BREAKDOWN:		2010	<u>2009</u>	<u>2008</u>
OPERATING		\$248.77	\$248.77	\$223.24
CAPITAL		<u>\$3.64</u>	<u>\$5.34</u>	<u>\$37.45</u>
TOTAL		\$252.41	\$254.11	\$260.69

**Financial Summary**  
**Throgs Neck Extended Care**

	FISCAL PERIOD ENDED			
	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
ASSETS - CURRENT	\$3,236,664	\$4,440,269	\$3,631,502	\$4,413,396
ASSETS - FIXED AND OTHER	11,091,066	9,507,689	10,527,114	10,211,093
LIABILITIES - CURRENT	4,416,366	4,494,319	4,858,779	5,166,835
LIABILITIES - LONG-TERM	<u>5,960,472</u>	<u>6,049,131</u>	<u>6,346,947</u>	<u>6,455,890</u>
EQUITY	\$3,950,892	\$3,404,508	\$2,952,890	\$3,001,764
<hr/>				
INCOME	\$22,843,164	\$22,903,974	\$21,061,647	\$20,269,530
EXPENSE	<u>22,296,778</u>	<u>22,394,853</u>	<u>19,973,021</u>	<u>19,970,042</u>
NET INCOME	\$546,386	\$509,121	\$1,088,626	\$299,488
<hr/>				
DEPRECIATION	599,248	\$85,896	\$73,809	\$55,032
<hr/>				
NUMBER OF BEDS	205	205	205	205
PERCENT OF OCCUPANCY (DAYS)	96.81%	98.43%	94.38%	94.95%
<hr/>				
PERCENT OCCUPANCY (DAYS):				
MEDICAID	74.10%	74.94%	72.69%	75.25%
MEDICARE	13.85%	16.85%	18.73%	13.90%
PRIVATE/OTHER	12.05%	8.21%	8.58%	10.84%
<hr/>				
MEDICAID RATE BREAKDOWN:				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	
OPERATING	\$247.40	\$247.40	\$236.12	
CAPITAL	<u>\$7.17</u>	<u>\$8.55</u>	<u>\$38.99</u>	
TOTAL	\$254.57	\$255.95	\$275.11	

**Financial Summary**  
**Townhouse Extended Care Facility**

	FISCAL PERIOD ENDED			
	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
ASSETS - CURRENT	\$7,614,750	\$5,133,913	\$6,394,845	\$5,318,827
ASSETS - FIXED AND OTHER	12,525,853	14,913,771	12,185,437	12,081,712
LIABILITIES - CURRENT	5,426,254	9,808,721	7,210,777	7,794,202
LIABILITIES - LONG-TERM	<u>10,694,448</u>	<u>6,906,527</u>	<u>7,529,739</u>	<u>6,845,281</u>
EQUITY	\$4,019,901	\$3,332,436	\$3,839,766	\$2,761,056
<b>INCOME</b>	<b>\$34,045,641</b>	<b>\$32,925,683</b>	<b>\$32,365,444</b>	<b>\$30,388,158</b>
<b>EXPENSE</b>	<b><u>33,358,176</u></b>	<b><u>33,345,513</u></b>	<b><u>31,374,234</u></b>	<b><u>30,009,673</u></b>
<b>NET INCOME</b>	<b>\$687,465</b>	<b>(\$419,830)</b>	<b>\$991,210</b>	<b>\$378,485</b>
<b>DEPRECIATION</b>	<b>\$130,063</b>	<b>\$86,527</b>	<b>\$55,975</b>	<b>\$37,264</b>
<b>NUMBER OF BEDS</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>280</b>
<b>PERCENT OF OCCUPANCY (DAYS)</b>	<b>95.18%</b>	<b>96.49%</b>	<b>96.53%</b>	<b>95.27%</b>
<b>PERCENT OCCUPANCY (DAYS):</b>				
MEDICAID	68.91%	71.93%	73.70%	74.29%
MEDICAID	15.39%	12.32%	13.75%	16.65%
PRIVATE/OTHER	15.70%	15.75%	12.56%	9.06%
<b>MEDICAID RATE BREAKDOWN:</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	
OPERATING	\$254.31	\$254.31	\$222.68	
CAPITAL	<u>\$17.49</u>	<u>\$15.71</u>	<u>\$50.66</u>	
TOTAL	\$271.80	\$270.02	\$273.34	
<b>Vent</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	
OPERATING	\$554.26	\$554.26	\$539.85	
CAPITAL	<u>\$22.26</u>	<u>\$20.89</u>	<u>\$40.95</u>	
TOTAL	\$576.52	\$575.15	\$580.80	

**ESTABLISHMENT CHECKLIST FOR NURSING HOMES**

APPLICATION: 092056 White Plains Center for Nursing Care, LLC d/b/a White Plains Center for Nursing Care

NATURE OF PROPOSAL: Transfer 23% of the ownership interest

EFFECT ON OPERATIONAL OWNERSHIP: Proposed assignees  
Esther Farkovitz 12%, Moshe Sirkis 4%, Motel Sirkis 3%, Yosef Kaufman 1.5%,  
Alan Chopp 1%, Mayer Fischl 1%, David Dachs .5%

EFFECT ON REAL ESTATE OWNERSHIP: N/A

FIXED ASSET PURCHASE PRICE: N/A

FIXED ASSET MEDICAID VALUE: N/A

CAPITAL REIMBURSEMENT: N/A

Capitalized Lease  
Historic Cost Method  
Shortfall; Average Annual Amount  
\$

BUSINESS PURCHASE PRICE: \$874,000 (\$38,000 per share)

## Financial Summary

BFA Attachment B

Sprain Brook Manor Nursing Home

### FISCAL PERIOD ENDED

	<u>2009</u>	<u>2008</u>	<u>2007</u>
ASSETS - CURRENT	\$2,137,522	\$1,369,126	\$1,804,131
ASSETS - FIXED AND OTHER	1,653,667	685,508	511,962
LIABILITIES - CURRENT	4,858,778	4,720,069	4,959,167
LIABILITIES - LONG-TERM	2,495,255	1,436,360	24,406
EQUITY	(\$3,562,844)	(\$4,101,795)	(\$2,667,480)
<hr/>			
INCOME	\$9,939,186	\$9,665,292	\$9,047,153
EXPENSE	9,488,041	11,121,849	10,642,483
NET INCOME	\$451,145	(\$1,456,557)	(\$1,595,330)
<hr/>			
OPERATOR/RELATIVE SALARIES	\$0	\$0	\$0
<hr/>			
NUMBER OF BEDS	121	121	121
PERCENT OF OCCUPANCY (DAYS)	84.24%	77.90%	72.92%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	67.98%	64.23%	54.57%
MEDICARE	13.70%	15.35%	19.43%
PRIVATE/OTHER	18.32%	20.42%	26.00%
<hr/>			
MEDICAID RATE BREAKDOWN:	2010	2009	2008
OPERATING	\$187.34	\$147.00	\$178.62
CAPITAL	20.23	<u>18.64</u>	<u>15.79</u>
TOTAL	\$187.57	\$165.64	\$194.41

Pro Forma Balance Sheet Of  
Sprain Brook Manor Rehab, LLC

## ASSETS

Cash	\$1,713,726
Goodwill	<u>7,800,000</u>
TOTAL ASSETS	\$9,513,726

## LIABILITIES

Mortgage	\$4,300,000
Working Capital Loan	<u>856,863</u>
TOTAL LIABILITIES	\$5,156,863

MEMBERS EQUITY	\$4,356,863
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**BFA Attachment D**  
**ESTABLISHMENT CHECKLIST FOR NURSING HOMES**

APPLICATION: CON# 092156  
Sprain Brook Manor Nursing Home

NATURE OF PROPOSAL: Change in ownership of Sprain Brook Manor Nursing Home

EFFECT ON OPERATIONAL OWNERSHIP: The proposed members are as follows: Lazar Strulovitch (58.621%); Allen Stein (27.586%) and Leopold Schwimmer (13.793%).

EFFECT ON REAL ESTATE OWNERSHIP: NA

FIXED ASSET PURCHASE PRICE: NA

FIXED ASSET MEDICAID VALUE: NA

CAPITAL REIMBURSEMENT:

\_\_\_\_\_ XXArms Length Lease  
Historic Cost Method  
Shortfall: Average Annual Amount

BUSINESS PURCHASE PRICE: \$7,800,000

Financial Summary-Central Island Healthcare  
Attachment B

	FISCAL PERIOD ENDED		
	<u>12/31/07</u>	<u>12/31/08</u>	<u>12/31/09</u>
ASSETS - CURRENT	\$6,844,981	\$7,054,359	\$6,821,913
ASSETS - FIXED AND OTHER	4,664,093	4,043,387	4,687,071
LIABILITIES - CURRENT	4,115,714	4,684,960	2,964,677
LIABILITIES - LONG-TERM	<u>2,367,693</u>	<u>2,220,079</u>	<u>3,518,730</u>
EQUITY	\$5,025,667	\$2,663,012	\$5,025,577
<hr/>			
INCOME	\$26,757,744	\$25,871,091	\$26,670,482
EXPENSE	<u>24,423,661</u>	<u>24,137,891</u>	<u>24,423,661</u>
NET INCOME	\$2,334,083	\$1,733,200	\$2,246,821
<hr/>			
OPERATOR/RELATIVE SALARIES	\$16,112	\$16,377	\$146,994
<hr/>			
NUMBER OF BEDS	202	202	202
PERCENT OF OCCUPANCY (DAYS)	90.0%	94.4%	91.8%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	45.6%	46.9%	46.6%
MEDICARE	44.9%	43.1%	45.6%
PRIVATE/OTHER	9.5%	10.0%	7.8%
<hr/>			
MEDICAID RATE BREAKDOWN:			
	<u>2008</u>	<u>2009</u>	<u>2010</u>
OPERATING	\$231.22	\$228.22	\$220.52
CAPITAL	<u>21.23</u>	<u>22.70</u>	<u>31.61</u>
TOTAL	\$252.45	\$250.92	252.13

Financial Summary-East Neck Nursing and Rehabilitation Center  
Attachment C

	FISCAL PERIOD ENDED		
	<u>12/31/07</u>	<u>12/31/08</u>	<u>12/31/09</u>
ASSETS - CURRENT	\$6,773,197	\$7,848,201	\$11,216,518
ASSETS - FIXED AND OTHER	10,245,833	10,238,920	10,228,974
LIABILITIES - CURRENT	4,210,669	4,666,480	7,430,519
LIABILITIES - LONG-TERM	<u>9,696,157</u>	<u>10,757,629</u>	<u>10,058,304</u>
EQUITY	\$3,112,204	\$2,663,012	\$3,956,669
<hr/>			
INCOME	\$34,821,050	\$36,448,330	\$35,372,051
EXPENSE	<u>34,069,722</u>	<u>36,571,915</u>	<u>34,552,120</u>
NET INCOME	\$751,328	(\$123,585)	\$819,931
<hr/>			
OPERATOR/RELATIVE SALARIES	\$618,798	\$675,012	\$687,993
<hr/>			
NUMBER OF BEDS	300	300	300
PERCENT OF OCCUPANCY (DAYS)	95.7%	96.4%	95.7%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	69.1%	69.5%	67.9%
MEDICARE	24.2%	25.4%	25.9%
PRIVATE/OTHER	6.7%	5.1%	6.2%
<hr/>			
MEDICAID RATE BREAKDOWN:			
	<u>2008</u>	<u>2009</u>	<u>2010</u>
OPERATING	\$231.22	\$240.09	\$240.09
CAPITAL	<u>21.23</u>	<u>22.64</u>	<u>22.90</u>
TOTAL	\$252.45	\$262.73	\$262.99

Financial Summary-Forest Hills Care Center  
Attachment D

Forest Hills Care Center

	FISCAL PERIOD ENDED		
	<u>12/31/07</u>	<u>12/31/08</u>	<u>12/31/09</u>
ASSETS - CURRENT	\$2,114,912	\$2,380,265	\$2,450,185
ASSETS - FIXED AND OTHER	3,105,353	3,151,488	3,284,619
LIABILITIES - CURRENT	1,461,382	1,555,819	2,120,808
LIABILITIES - LONG-TERM	<u>379,552</u>	<u>229,554</u>	<u>56,162</u>
EQUITY	\$3,679,331	\$3,746,380	\$3,565,834
<hr/>			
INCOME	\$9,734,359	\$10,081,367	\$10,581,272
EXPENSE	<u>9,053,921</u>	<u>9,564,320</u>	<u>10,441,819</u>
NET INCOME	\$680,438	\$517,047	\$139,453
<hr/>			
OPERATOR/RELATIVE SALARIES	\$115,686	\$126,212	\$126,212
<hr/>			
NUMBER OF BEDS	100	100	100
PERCENT OF OCCUPANCY (DAYS)	91.8%	90.7%	90.7%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	66.8%	67.8%	68.9%
MEDICARE	17.5%	16.9%	24.9%
PRIVATE/OTHER	15.7%	15.4%	6.2%
<hr/>			
MEDICAID RATE BREAKDOWN:			
	<u>2008</u>	<u>2009</u>	<u>2010</u>
OPERATING	\$231.22	\$230.84	\$228.22
CAPITAL	<u>21.23</u>	<u>15.72</u>	<u>24.25</u>
TOTAL	\$252.45	\$246.56	252.47

## Financial Summary

## Wedgewood Care Center, Inc d/b/a Highfield Gardens Care Center of Great Neck

FISCAL PERIOD ENDED	Internal			
	<u>9/30/2010</u>	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>
ASSETS - CURRENT	\$3,589,605	\$3,518,678	\$3,872,133	\$4,359,991
ASSETS - FIXED AND OTHER	4,407,557	4,775,185	4,269,396	4,907,800
LIABILITIES - CURRENT	4,001,167	4,145,650	4,879,554	2,619,565
LIABILITIES - LONG-TERM	<u>(278,613)</u>	<u>1,372,242</u>	<u>1,176,690</u>	<u>6,424,565</u>
EQUITY	\$4,274,608	\$2,775,971	\$2,085,285	\$223,661
INCOME	\$17,590,581	\$23,580,143	\$21,642,710	\$20,657,133
EXPENSE	<u>16,092,197</u>	<u>21,623,457</u>	<u>20,808,649</u>	<u>19,846,132</u>
NET INCOME	<u>\$1,498,384</u>	<u>\$1,956,686</u>	<u>\$834,061</u>	<u>\$811,001</u>
OPERATOR/RELATIVE SALARIES		\$0	\$0	\$187,531
NUMBER OF BEDS	200	200	200	200
PERCENT OF OCCUPANCY (DAYS)	91.27%	93.34%	90.78%	91.67%
PERCENT OCCUPANCY (DAYS):				
MEDICAID	73.27%	74.91%	72.02%	74.46%
MEDICARE	16.06%	20.54%	15.61%	14.72%
PRIVATE/OTHER	10.67%	4.55%	12.38%	10.82%
MEDICAID RATE BREAKDOWN:		<u>2010</u>	<u>2009</u>	<u>2008</u>
OPERATING		\$224.02	\$223.94	\$0.00
CAPITAL		<u>27.14</u>	<u>30.75</u>	<u>0.00</u>
TOTAL		\$251.16	\$254.69	\$0.00

**ESTABLISHMENT CHECKLIST FOR NURSING HOMES**

APPLICATION: 102234-E Wedgewood Care Center, Inc., d/b/a Highfield Gardens Care Center of Great (Nassau County).

NATURE OF PROPOSAL: Transfer 10 shares of Wedgewood Care Center, Inc., stock from Robert Bleier (father) to Jonathan Bleier (Son)

EFFECT ON OPERATIONAL OWNERSHIP: 5% transfer of membership interest. Robert Bleier ownership interest in Wedgewood Care Center, Inc., dropped from 62% to 57%, and his son, Jonathan Bleier, ownership interest increased from 9% to 14%.

EFFECT ON REAL ESTATE OWNERSHIP: N/A

FIXED ASSET MEDICAID VALUE: N/A

CAPITAL REIMBURSEMENT:

Capitalized Lease  
 Historic Cost Method

SALE PRICE of 10 SHARES of STOCK:

Operations            \$210,096

BFA Attachment B

Pro Forma Balance Sheet Of  
KFG Operating Two, LLC

ASSETS:	
Cash	\$3,064,000
Prepaid Expenses	180,561
Inventory	128,024
Nursing Home (Goodwill)	<u>10,691,415</u>
TOTAL ASSETS	\$14,064,000
LIABILITIES:	
Mortgage	\$8,800,000
Working Capital Loan	<u>1,532,000</u>
TOTAL LIABILITIES	\$10,332,000
MEMBERS EQUITY	\$3,732,000

Pro Forma Balance Sheet Of  
KFG Land Two, LLC

ASSETS:	
Nursing Home- Building/Equipment	\$6,262,500
TOTAL ASSETS	\$6,262,500
LIABILITIES:	
Mortgage	\$5,010,000
TOTAL LIABILITIES	\$5,010,000
MEMBER EQUITY	\$1,252,500

## Financial Summary

BFA Attachment C

Holy Family Home

### FISCAL PERIOD ENDED

	<u>2009</u>	<u>2008</u>	<u>2007</u>
ASSETS - CURRENT	\$5,507,593	\$6,821,989	\$7,956,503
ASSETS - FIXED AND OTHER	5,821,049	6,298,306	5,823,654
LIABILITIES - CURRENT	8,954,004	7,417,256	9,276,816
LIABILITIES - LONG-TERM	500,000	500,000	1,502,908
EQUITY	\$1,874,638	\$5,203,039	\$3,000,433
<hr/>			
INCOME	\$17,582,239	\$19,600,625	\$18,913,537
EXPENSE	20,526,479	19,286,568	19,123,172
NET INCOME	(\$2,944,240)	\$314,057	(\$209,635)
<hr/>			
NUMBER OF BEDS	200	200	200
PERCENT OF OCCUPANCY (DAYS)	98.03%	98.21%	98.89%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	79.17%	80.60%	85.32%
MEDICARE	9.54%	8.99%	6.93%
PRIVATE/OTHER	11.29%	11.31%	7.75%
<hr/>			
MEDICAID RATE BREAKDOWN:			
	<u>2010</u>		
OPERATING	\$205.61		
CAPITAL	<u>5.62</u>		
TOTAL	\$211.23		

**ST JEROME'S HEALTH SERVICES CORPORATION**  
**Balance Sheets**  
**October 31, 2010 and December 31, 2009**

<b>Assets</b>	<u>October 31, 2010</u>	<u>December 31, 2009</u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 4,087,503	\$ 1,632,452
Resident Accounts Receivable, Net	3,535,715	3,694,580
Other Current Assets	308,585	180,561
Total current assets	<u>7,931,803</u>	<u>5,507,593</u>
Assets limited as to use or restricted, net of current portion	268,006	2,438,719
Property, plant and equipment, net	<u>3,085,898</u>	<u>3,382,330</u>
Total assets	<u>\$ 11,285,706</u>	<u>\$ 11,328,642</u>
<b>Liabilities and Net Assets (Deficit)</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 802,764	\$ 1,758,797
Accrued salaries, vacation and related benefits	193,961	539,128
Other current liabilities (3rd Party)	-	757,962
Due to affiliates	-	4,889,267
Total Current Liabilities	<u>996,724</u>	<u>7,945,155</u>
Other noncurrent liabilities	<u>-</u>	<u>500,000</u>
<b>Liabilities Subject to Compromise</b>		
Accounts payable and accrued expenses	1,146,338	-
Accrued salaries, vacation and related benefits	373,948	-
Other Liabilities (3rd party)	2,048,151	-
Due to affiliates Subvention Loan	-	-
Due to affiliates	7,364,629	-
Total liabilities subject to compromise	<u>10,933,066</u>	<u>-</u>
Total liabilities	<u>11,929,790</u>	<u>8,445,155</u>
<b>Net assets (deficit) :</b>		
Unrestricted	(698,773)	2,831,024
Temporarily restricted	54,689	52,464
Total net assets (deficit)	<u>(644,084)</u>	<u>2,883,488</u>
Total liabilities and net assets (deficit)	<u>\$ 11,285,700</u>	<u>\$ 11,328,642</u>

SVCMC  
 Holy Family Home  
 October 31, 2010

BFA Attachment D (cont.)

	10/31/10			10/31/10		
	Actual MTD	Budget MTD	Variance MTD	Actual YTD	Budget YTD	Variance YTD
Net Patient Revenue	1,440,654	1,461,488	\$ (20,834)	\$ 14,251,724	\$ 14,397,476	\$ (145,752)
Provision for Bad Debts	(33,000)	(33,009)	9	(448,303)	(323,697)	(122,606)
Corporate Other Income	-	-	-	-	-	-
Pool Revenue	-	-	-	-	-	-
Other Revenue	207	1,699	(1,492)	12,008	16,658	(4,649)
<b>Total</b>	<b>1,407,861</b>	<b>1,430,178</b>	<b>\$ (22,317)</b>	<b>\$ 13,817,430</b>	<b>\$ 14,090,437</b>	<b>\$ (273,007)</b>
<b>Operating Expenses</b>						
Salaries	846,887	840,404	\$ (6,483)	\$ 8,359,576	\$ 8,293,894	\$ (65,682)
Fringes	301,264	330,820	29,555	3,065,281	3,311,182	245,901
Supplies & Other	367,552	327,006	(40,546)	3,245,151	3,214,783	(30,368)
Insurance	19,693	22,763	3,071	192,453	223,226	30,773
<b>Total</b>	<b>1,535,396</b>	<b>1,520,992</b>	<b>\$ (14,404)</b>	<b>\$ 14,862,461</b>	<b>\$ 15,043,085</b>	<b>\$ 180,624</b>
<b>Contribution Margin</b>	<b>(127,535)</b>	<b>(90,814)</b>	<b>\$ (36,721)</b>	<b>\$ (1,045,031)</b>	<b>\$ (952,648)</b>	<b>\$ (92,383)</b>
Corporated Allocated Expense	43,386	109,492	\$ 66,106	\$ 737,938	\$ 1,074,548	\$ 336,610
<b>EBIDA</b>	<b>(170,921)</b>	<b>(200,306)</b>	<b>\$ 29,385</b>	<b>\$ (1,782,970)</b>	<b>\$ (2,027,196)</b>	<b>\$ 244,226</b>
Interest	21	-	(21)	664	-	(664)
Depreciation	42,476	42,476	-	419,201	416,543	(2,657)
<b>Total</b>	<b>42,497</b>	<b>42,476</b>	<b>\$ (21)</b>	<b>\$ 419,865</b>	<b>\$ 416,543</b>	<b>\$ (3,321)</b>
<b>Operating Gain (Loss)</b>	<b>(213,419)</b>	<b>(242,783)</b>	<b>\$ 29,364</b>	<b>\$ (2,202,834)</b>	<b>\$ (2,443,739)</b>	<b>\$ 240,905</b>
Restructuring Expense	(153,597)	-	(153,597)	(1,332,182)	-	(1,332,182)
Other Changes	737	-	(737)	\$ 5,219	-	(5,219)
<b>Gain (Loss)</b>	<b>\$ (366,279)</b>	<b>\$ (242,783)</b>	<b>\$ (124,970)</b>	<b>\$ (3,529,797)</b>	<b>\$ (2,443,739)</b>	<b>\$ (1,098,495)</b>
Agency	52,966	15,113		366,930	148,200	
Overtime	16,638			200,994		
Fringe Benefit Rate to Salary (Corrected)	37.9%	40.1%		38.4%	40.6%	

**Financial Summary**  
**Smithtown Center For Rehabilitation and Nursing Care**

	FISCAL PERIOD ENDED		
	<u>12/31/09</u>	<u>12/31/08</u>	<u>12/31/07</u>
ASSETS - CURRENT	\$2,527,843	\$3,307,866	\$3,501,289
ASSETS - FIXED AND OTHER	3,126,118	3,257,285	2,807,635
LIABILITIES - CURRENT	2,427,594	2,920,237	3,781,654
LIABILITIES - LONG-TERM	1,602,068	1,839,439	935,602
EQUITY	\$1,624,299	\$1,805,475	\$1,591,668
<hr/>			
INCOME	\$20,826,463	\$21,242,264	\$20,982,315
EXPENSE	17,435,485	16,946,457	16,613,462
NET INCOME	\$3,390,978	\$4,295,807	\$4,368,853
<hr/>			
OPERATOR/RELATIVE SALARIES	\$0	\$0	\$0
<hr/>			
NUMBER OF BEDS	162	162	162
PERCENT OF OCCUPANCY (DAYS)	91.88%	98.44%	95.44%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	60.81%	62.38%	60.39%
MEDICARE	33.64%	22.53%	24.00%
PRIVATE/OTHER	5.55%	15.09%	15.62%

Ownership interest of proposed owner

<u>Name</u>	<u>Percent Ownership</u>
Charles-Edouard Gros	50%

**BFA Attachment F**  
**ESTABLISHMENT CHECKLIST FOR NURSING HOMES**

APPLICATION: CON# 102346

Bensonhurst Center for Rehabilitation & Healthcare

NATURE OF PROPOSAL: Propose change in ownership of Holy Family Home, a 200 bed RHCF located in Kings County.

EFFECT ON OPERATIONAL OWNERSHIP: Going from a not-for-profit to a limited liability company with the following members: Yaakov Klein 40%, Charles-Edouard Gros 30%, Bernard Fuchs 25% and Eli Lieber 5%.

EFFECT ON REAL ESTATE OWNERSHIP: Going from a not-for-profit to a limited liability company with the following members: Yaakov Klein 40%, Charles-Edouard Gros 30%, Bernard Fuchs 25% and Eli Lieber 5%.

FIXED ASSET PURCHASE PRICE: \$6,262,500

CAPITAL REIMBURSEMENT:

Arms Length Lease  
X  Historic Cost Method  
Shortfall; Average Annual Amount

BUSINESS PURCHASE PRICE: \$11,000,000

## Financial Summary-

## Autumn View Health Care Facility

	FISCAL PERIOD ENDED		
	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
ASSETS - CURRENT	\$3,890,124	\$3,885,257	\$2,690,681
ASSETS - FIXED AND OTHER	10,002,152	6,883,175	5,873,504
LIABILITIES - CURRENT	9,176,158	2,488,658	1,397,102
LIABILITIES - LONG-TERM	89,296	3,653,394	3,827,230
EQUITY	\$4,626,822	\$4,626,380	\$3,339,853
<hr/>			
INCOME	\$18,460,918	\$17,463,261	\$17,769,920
EXPENSE	<u>17,253,476</u>	<u>15,867,658</u>	<u>15,799,825</u>
NET INCOME	\$1,207,442	\$1,595,603	\$1,970,095
<hr/>			
OPERATOR/RELATIVE SALARIES	\$94,125	\$93,053	\$93,588
<hr/>			
NUMBER OF BEDS	230	230	230
PERCENT OF OCCUPANCY (DAYS)	95.0%	97.2%	97.6%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	55.1%	55.8%	54.3%
MEDICARE	24.2%	26.1%	24.2%
PRIVATE/OTHER	20.7%	18.1%	21.5%
<hr/>			
MEDICAID RATE BREAKDOWN:			
	<u>2010</u>	<u>2009</u>	<u>2008</u>
OPERATING	\$146.84	\$147.07	\$163.00
CAPITAL	<u>17.96</u>	<u>17.98</u>	<u>22.69</u>
TOTAL	\$164.80	\$165.05	\$185.69

BFA Attachment B

Autumn View H.C.F., LLC  
Pro Forma Balance Sheet

Assets	
Current Assets	
Cash	
Cash Collateral Account	2,635,000
Operating Account - Checking	378,662
Payroll Account - Checking	3,510
Petty Cash - Administration	500
Petty Cash - Activities	500
Petty Cash - Dietary	200
Petty Cash - Patient Spending	500
Petty Cash - Resident Spending	100
Petty Cash - Meals	20
Total Cash	<u>3,010,992</u>
Accounts Receivable	
Inpatients Receivable	2,579,548
Medicaid Co-Insurance Payable	(75)
Total Accounts Receivable	<u>2,579,472</u>
Inventory	
Inventory - Dietary	<u>10,736</u>
Total Inventory	10,736
Prepaid Expenses	
Prepaid Insurance	64,073
Prepaid Rent	-
Prepaid Real Estate Taxes	(6,820)
Prepaid Expenses	-
Prepaid Expenses - Movable Equipment	0
Total Prepaid Expenses	<u>57,253</u>
Total Current Assets	<u>5,668,454</u>
Property, Plant and Equipment	
Fixed Assets - Movable Equipment	1,565,482
Moveable Equip- Cap Labor	28,451
Fixed Assets - Automobile	35,041
Building Improvements	-
Total Property, Plant and Equipment	<u>1,628,974</u>
Accumulated Depreciation	
Acc Depr - Movable Equipment	(1,372,350)
Acc Depr - Automobile	(31,486)
Acc Depr - Building Improvements	-
Total Accumulated Depreciation	<u>(1,403,836)</u>
Other Assets	
Misc Receivable	0
Loan Receivable NEL	64,670
Loan Receivable - Employee	1,110
Loan Receivable-Related Party	-
Loan Receivable- Related Party	-
Capitalized Interest	-
Financing Costs- Expansion	-
Financing Fees Bed Acquisition Loan	-
Acc Amrt - Interest	-
Acc Amrt- Financing Costs Expansion	-
Acc Amrt-Financing Fees Bed Acquisition Loan	-
Goodwill	910,000
Financing Costs Expansion Phase II	-
Patient Escrow Bank Checking Account	76,916
Nurse Aide Training Reimbursement	27,945
Employee Work Share Program	102
TMG Trust - Initial Cash Funding	14,330
Total Other Assets	<u>1,095,074</u>
Total Assets	<u>6,986,666</u>

BFA Attachment B (cont.)

Autumn View H.C.F., LLC  
Pro Forma Balance Sheet

Liabilities and Equity	
Current Liabilities	
Accounts Payable	653,179
Accrued Payroll	263,885
Accrued Vacation, Sick and Holiday	200,777
Sales Tax Payable	83
Accrued Expenses	<u>115,572</u>
Total Accounts Payable	1,233,495
Other Current Liabilities	
Federal Withholding Tax Payable	12,399
Federal SS Tax Payable	10,643
NYS Withholding Tax Payable	5,123
Estimated Medicaid Liability	-
Patient Spending Payable	75,916
Suspense	<u>(12,533)</u>
Total Other Current Liabilities	<u>92,549</u>
Total Current Liabilities	1,326,046
Long-Term Debt	
Loan Payable - Bed Addition	-
Lease Payable - Copier	2,172
Construction Loan Payable	-
Construction Loan Payable-Expansion Phase II	-
Total Long-Term Debt	<u>2,172</u>
Total Liabilities	1,328,218
Total Equity	<u>5,658,449</u>
Total Liabilities and Equity	<u>6,986,667</u>

**McGuire Group-Sale/Lease back from Master Lease Agreement**

Nursing Home	<u>Autumn View</u> <u>CON 111186</u>	<u>Brookhaven</u> <u>CON 111188</u>	<u>Garden Gate</u> <u>CON 111189</u>	<u>Harris Hill</u> <u>CON 111190</u>	<u>North Gate</u> <u>CON 111191</u>	<u>Seneca</u> <u>CON 111192</u>	<u>Totals</u>
Current Year Revenues	\$18,190,069	\$22,263,515	\$16,407,462	\$16,941,156	\$16,351,688	\$12,166,109	\$102,320,029
1st yr. incremental Rev.	<u>\$390,752</u>	<u>\$1,318,129</u>	<u>\$686,413</u>	<u>\$649,222</u>	<u>\$1,197,288</u>	<u>\$1,000,496</u>	<u>\$5,242,300</u>
Total first yr. Revenues	\$18,580,861	\$23,581,644	\$17,093,875	\$17,590,378	\$17,548,976	\$13,166,605	\$107,562,329
Current Year Expenses	\$17,484,747	\$22,062,714	\$16,327,875	\$14,968,554	\$16,546,027	\$12,124,358	\$99,514,275
1st yr. incremental Exp.	<u>\$853,574</u>	<u>(\$478,737)</u>	<u>(\$177,557)</u>	<u>\$891,092</u>	<u>(\$60,699)</u>	<u>(\$26,567)</u>	<u>\$1,001,106</u>
Total first yr. Expenses	\$18,338,321	\$21,583,977	\$16,150,318	\$15,859,646	\$16,485,328	\$12,097,791	\$100,515,381
1st year Net profit(loss)	\$242,530	\$1,997,667	\$943,557	\$1,730,732	\$1,063,648	\$1,068,814	\$7,046,948

Notes: Budget includes 2011-2012 Medicaid Rate reductions, pending July 2010 CMI change and 1.2% increase in assessment rate.  
 Budget reflects Sale/Lease back, pay-off debt, depr. gone due to sale of bldg. and savings on Medical/Surgical supplies.  
 1st and 3rd year budgets are the same.

\*Autumn View added 42 RHCf beds in July of 2010 and revenue not reflected in estimation on sch. 13. and sch. 18.

**ESTABLISHMENT CHECKLIST FOR NURSING HOMES**

APPLICATION: 111186-E Autumn View Health Care Facility (Erie County)

NATURE OF PROPOSAL: Co-obligator Master Lease Agreement

EFFECT ON OPERATIONAL OWNERSHIP: N/A

EFFECT ON REAL ESTATE OWNERSHIP: Property ownership will change from Autumn View Manor Partnership to Nationwide Health Properties, Inc.

BUSINESS PURCHASE PRICE: N/A

FIXED ASSET PURCHASE PRICE: \$27,807,979

FIXED ASSET MEDICAID VALUE: N/A

CAPITAL REIMBURSEMENT:

Arms Length Lease  
 Historic Cost Method  
 Shortfall; Average Annual Amount

MEDICAID RATE REBASING:

Yes. If yes, annual impact.  
 No

## Financial Summary-

## Brookhaven Health Care Facility

	FISCAL PERIOD ENDED		
	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
ASSETS - CURRENT	\$5,356,275	\$5,068,219	\$4,757,345
ASSETS - FIXED AND OTHER	1,122,315	1,148,344	1,078,627
LIABILITIES - CURRENT	2,300,354	2,155,059	1,891,127
LIABILITIES - LONG-TERM	<u>94,893</u>	<u>118,411</u>	<u>84,211</u>
EQUITY	\$4,083,343	\$3,943,093	\$3,860,634
<hr/>			
INCOME	\$22,464,840	\$22,215,602	\$22,735,161
EXPENSE	<u>22,324,590</u>	<u>21,381,143</u>	<u>20,839,370</u>
NET INCOME	\$140,250	\$834,459	\$1,895,791
<hr/>			
OPERATOR/RELATIVE SALARIES	\$15,090	\$14,785	\$74,013
<hr/>			
NUMBER OF BEDS	160	160	160
PERCENT OF OCCUPANCY (DAYS)	99.5%	98.8%	98.3%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	57.8%	56.5%	53.4%
MEDICARE	31.4%	31.6%	33.5%
PRIVATE/OTHER	10.8%	11.9%	13.1%
<hr/>			
MEDICAID RATE BREAKDOWN:	<u>2010</u>	<u>2009</u>	<u>2008</u>
OPERATING	\$231.30	\$231.41	\$237.00
CAPITAL	<u>23.50</u>	<u>23.40</u>	<u>23.65</u>
TOTAL	\$254.80	\$254.81	\$260.65

BFA Attachment B

Brockhaven Health Care Facility, LLC  
Pro Forma Balance Sheet

<b>Assets</b>	
<b>Current Assets</b>	
<b>Cash</b>	
Cash Collateral Account	1,028,000
Operating Account - Checking	(101,569)
Payroll Account - Checking	2,770
Certificate of Deposit	5,908
Petty Cash - Administration	800
Petty Cash - Activities	900
Petty Cash - RN Screener	400
Patient Escrow - Checking	79,298
Petty Cash - Patient Spending	1,000
Petty Cash - Meals	<u>20</u>
Total Cash	1,618,626
<b>Accounts Receivable</b>	
Inpatients Receivable	3,939,790
AVR - WFR Grant	<u>4,691</u>
Total Accounts Receivable	3,944,479
<b>Inventory</b>	
Inventory - Dietary	<u>6,397</u>
Total Inventory	6,397
<b>Prepaid Expenses</b>	
Prepaid Insurance	(125,809)
Prepaid Real Estate Taxes	-
Prepaid Expenses	<u>-</u>
Total Prepaid Expenses	(125,809)
Total Current Assets	5,443,594
<b>Property, Plant and Equipment</b>	
Fixed Assets - Movable Equipment	887,989
Movable Equip- Cap Labor	28,451
Fixed Assets - Automobile	32,139
Building improvements	<u>-</u>
Total Property, Plant and Equipment	948,579
Accumulated Depreciation	
Acc Depr - Movable Equipment	(743,602)
Acc Depr - Automobile	(19,295)
Acc Depr - Building Improvements	<u>-</u>
Total Accumulated Depreciation	(762,897)
<b>Intangible Assets</b>	
Deferred Pre-Opening Costs	<u>-</u>
Total Intangible Assets	-
<b>Other Assets</b>	
Misc Receivable	-
Loan Receivable NEL	7,568
Loan Receivable - Employee	4,534
Goodwill	130,423
Escrow - Various	-
Acc Amrt - Pre-Opening Costs	-
Misc Receivable-SMM	106,401
Resident Security Dep Esc	28,841
AVR - From Postage	(30)
Nurse Aide Training Reimbursement	2,380
Employee Work Shoe Program	216
TMG Trust - Initial Cash Funding	<u>17,466</u>
Total Other Assets	295,875
Total Assets	<u>5,924,851</u>

BFA Attachment B (cont.)

Brookhaven Health Care Facility, LLC  
Pro Forma Balance Sheet

Liabilities and Equity	
Current Liabilities	
Accounts Payable	
Accounts Payable	1,187,697
Accrued Payroll	627,824
Accrued Vacation, Sick and Holiday	258,916
Sales Tax Payable	187
Accrued Expenses	<u>137,601</u>
Total Accounts Payable	2,212,224
Other Current Liabilities	
Estimated Medicaid Liability	-
Patient Spending Payable	79,299
Res Security Dep Payable	26,641
Suspense	913
Life Insurance Payables	<u>2,410</u>
Total Other Current Liabilities	<u>109,261</u>
Total Current Liabilities	<u>2,321,486</u>
Total Liabilities	2,321,486
Total Equity	<u>3,603,365</u>
Total Liabilities and Equity	<u>5,924,851</u>

**McGuire Group-Sale/Lease back from Master Lease Agreement**

Nursing Home	<u>Autumn View</u> CON 111186	<u>Brookhaven</u> CON 111188	<u>Garden Gate</u> CON 111189	<u>Harris Hill</u> CON 111190	<u>North Gate</u> CON 111191	<u>Seneca</u> CON 111192	<u>Totals</u>
Current Year Revenues	\$18,190,099	\$22,263,515	\$16,407,462	\$16,941,156	\$16,351,688	\$12,136,109	\$102,320,029
1st yr. incremental Rev.	<u>\$390,752</u>	<u>\$1,318,129</u>	<u>\$686,413</u>	<u>\$649,222</u>	<u>\$1,197,288</u>	<u>\$1,000,496</u>	<u>\$5,242,300</u>
Total first yr. Revenues	\$18,580,851	\$23,581,644	\$17,093,875	\$17,590,378	\$17,548,976	\$13,136,605	\$107,562,329
Current Year Expenses	\$17,484,747	\$22,062,714	\$16,327,875	\$14,968,554	\$16,546,027	\$12,124,358	\$99,514,275
1st yr. incremental Exp.	<u>\$853,574</u>	<u>(\$478,737)</u>	<u>(\$177,557)</u>	<u>\$891,092</u>	<u>(\$60,699)</u>	<u>(\$26,567)</u>	<u>\$1,001,106</u>
Total first yr. Expenses	\$18,338,321	\$21,583,977	\$16,150,318	\$15,859,646	\$16,485,328	\$12,097,791	\$100,515,381
1st year Net profit(loss)	\$242,530	\$1,997,667	\$943,557	\$1,730,732	\$1,063,648	\$1,038,814	\$7,046,948

Notes: Budget includes 2011-2012 Medicaid Rate reductions, pending July 2010 CMI change and 1.2% increase in assessment rate.  
 Budget reflects Sale/Lease back, pay-off debt, depr. gone due to sale of bldg. and savings on Medical/Surgical supplies.  
 1st and 3rd year budgets are the same.

\*Autumn View added 42 RHCF beds in July of 2010 and revenue not reflected in estimation on sch. 13. and sch. 18.

**ESTABLISHMENT CHECKLIST FOR NURSING HOMES**

APPLICATION: 111188-E Brookhaven Health Care Facility (Suffolk County)

NATURE OF PROPOSAL: Co-obligator Master Lease Agreement

EFFECT ON OPERATIONAL OWNERSHIP: N/A

EFFECT ON REAL ESTATE OWNERSHIP: Property ownership will change from Brookhaven Partnership to Nationwide Health Properties, Inc.

BUSINESS PURCHASE PRICE: N/A

FIXED ASSET PURCHASE PRICE: \$17,184,038

FIXED ASSET MEDICAID VALUE: N/A

CAPITAL REIMBURSEMENT:

- Arms Length Lease
- Historic Cost Method
- Shortfall; Average Annual Amount

MEDICAID RATE REBASING:

- Yes. If yes, annual impact.
- No

## Financial Summary-

## Garden Gate Health Care Facility

	FISCAL PERIOD ENDED		
	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
ASSETS - CURRENT	\$4,051,594	\$3,635,122	\$2,496,115
ASSETS - FIXED AND OTHER	5,036,305	5,474,498	5,727,885
LIABILITIES - CURRENT	4,611,337	2,248,575	1,282,443
LIABILITIES - LONG-TERM	<u>50,987</u>	<u>2,250,017</u>	<u>2,503,606</u>
EQUITY	\$4,425,575	\$4,611,028	\$4,437,951
<hr/>			
INCOME	\$16,482,916	\$17,004,360	\$18,186,572
EXPENSE	<u>15,711,883</u>	<u>16,487,525</u>	<u>16,354,037</u>
NET INCOME	\$771,033	\$516,835	\$1,832,535
<hr/>			
OPERATOR/RELATIVE SALARIES	\$94,125	\$93,053	\$93,482
<hr/>			
NUMBER OF BEDS	184	184	184
PERCENT OF OCCUPANCY (DAYS)	98.7%	98.1%	97.1%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	65.9%	63.6%	57.3%
MEDICARE	20.9%	22.6%	25.5%
PRIVATE/OTHER	13.2%	13.8%	17.2%
<hr/>			
MEDICAID RATE BREAKDOWN:			
	<u>2010</u>	<u>2009</u>	<u>2008</u>
OPERATING	\$142.79	\$143.04	\$176.42
CAPITAL	<u>25.07</u>	<u>23.78</u>	<u>26.38</u>
TOTAL	\$167.86	\$166.82	\$202.80

## BFA Attachment B

Garden Gate H.C.F., LLC  
Pro Forma Balance Sheet

## Assets

## Current Assets

## Cash

Cash Collateral Account	1,276,000
Operating Account - Checking	756,905
Payroll Account - Checking	3,500
Petty Cash - Administration	500
Petty Cash - Activities	500
Petty Cash - Dietary	50
Patient Escrow - Checking	42,486
Petty Cash - Patient Spending	<u>500</u>
Total Cash	2,080,421

## Accounts Receivable

Inpatients Receivable	2,622,465
Medicaid Co-Insurance Payable	<u>(52)</u>
Total Accounts Receivable	2,622,413

## Inventory

Inventory - Dietary	<u>13,775</u>
Total Inventory	13,775

## Prepaid Expenses

Prepaid Insurance	24,696
Prepaid Real Estate Taxes	61,271
Prepaid Expenses	<u>0</u>
Total Prepaid Expenses	85,970

Total Current Assets 4,802,576

## Property, Plant and Equipment

Fixed Assets - Movable Equipment	1,343,368
Moveable Equip- Cap Labor	28,451
Fixed Assets - Automobile	61,924
Building Improvements	<u>-</u>
Total Property, Plant and Equipment	1,433,742

## Accumulated Depreciation

Acc Depr - Movable Equipment	(1,427,391)
Acc Depr - Automobile	(58,910)
Acc Depr - Building Improvements	<u>-</u>
Total Accumulated Depreciation	(1,486,301)

## Other Assets

Misc Receivable	-
Loan Receivable NEI	33,238
Loan Receivable - Employee	3,513
Capitalized Interest	-
Capitalized Land	-
Financing Costs - Expansion	-
Acc Amrt - Interest	-
Acc Amrt - Financing Costs- Expansion	-
Goodwill	325,000
Misc Receivable - Other	25,985
Resident Security Dep Esc	3,686
AVR - From Postage	75
Nurse Aide Training Reimbursement	20,183
Employee Work Shoe Program	146
Movie Pass Receivable	247
Employee Back Support	56
TMG Trust - Initial Cash Funding	<u>14,495</u>
Total Other Assets	431,604

Total Assets 5,201,625

BFA Attachment B (cont.)

Garden Gate H.C.F., LLC  
Pro Forma Balance Sheet

Liabilities and Equity	
Current Liabilities	
Accounts Payable	
Accounts Payable	661,292
Accrued Payroll	210,689
Accrued Vacation, Sick and Holiday	159,024
Accrued Expenses	<u>131,750</u>
Total Accounts Payable	1,162,755
Other Current Liabilities	
Federal Withholding Tax Payable	9,031
Federal SS Tax Payable	9,012
NYS Withholding Tax Payable	4,316
Estimated Medicaid Liability	-
Lease Payable - Copier	7,543
Security Deposit - Rental Property	415
Patient Spending Payable	42,469
Res Security Dep Payable	8,686
Suspense	1,361
Life Insurance Payables	<u>653</u>
Total Other Current Liabilities	<u>64,033</u>
Total Current Liabilities	1,246,788
Long-Term Debt	
Loan Payable-Related Party	-
Construction Loan Payable	-
Total Long-Term Debt	<u>-</u>
Total Liabilities	1,246,788
Total Equity	<u>3,954,835</u>
Total Liabilities and Equity	<u>5,201,623</u>

**McGuire Group-Sale/Lease back from Master Lease Agreement**

Nursing Home	<u>Autumn View</u> CON 111186	<u>Brookhaven</u> CON 111188	<u>Garden Gate</u> CON 111189	<u>Harris Hill</u> CON 111190	<u>North Gate</u> CON 111191	<u>Seneca</u> CON 111192	<u>Totals</u>
Current Year Revenues	\$18,190,099	\$22,263,515	\$16,407,462	\$16,941,156	\$16,351,688	\$12,166,109	\$102,320,029
1st yr. incremental Rev.	<u>\$390,752</u>	<u>\$1,318,129</u>	<u>\$686,413</u>	<u>\$649,222</u>	<u>\$1,197,288</u>	<u>\$1,000,496</u>	<u>\$5,242,300</u>
Total first yr. Revenues	\$18,580,851	\$23,581,644	\$17,093,875	\$17,590,378	\$17,548,976	\$13,166,605	\$107,562,329
Current Year Expenses	\$17,484,747	\$22,062,714	\$16,327,875	\$14,968,554	\$16,546,027	\$12,124,358	\$99,514,275
1st yr. incremental Exp.	<u>\$853,574</u>	<u>(\$478,737)</u>	<u>(\$177,557)</u>	<u>\$891,092</u>	<u>(\$60,699)</u>	<u>(\$26,567)</u>	<u>\$1,001,106</u>
Total first yr. Expenses	\$18,338,321	\$21,583,977	\$16,150,318	\$15,859,646	\$16,485,328	\$12,097,791	\$100,515,381
1st year Net profit(loss)	\$242,530	\$1,997,667	\$943,557	\$1,730,732	\$1,063,648	\$1,068,814	\$7,046,948

Notes: Budget includes 2011-2012 Medicaid Rate reductions, pending July 2010 CMI change and 1.2% increase in assessment rate.

Budget reflects Sale/Lease back, pay-off debt, depr. gone due to sale of bldg. and savings on Medical/Surgical supplies.

1st and 3rd year budgets are the same.

\*Autumn View added 42 RHCf beds in July of 2010 and revenue not reflected in estimation on sch. 13. and sch. 18.

**ESTABLISHMENT CHECKLIST FOR NURSING HOMES**

APPLICATION: 111189-E Garden Gate Health Care Facility (Erie County)

NATURE OF PROPOSAL: Co-obligator Master Lease Agreement

EFFECT ON OPERATIONAL OWNERSHIP: N/A

EFFECT ON REAL ESTATE OWNERSHIP: Property ownership will change from Garden Gate Manor Partnership to Nationwide Health Properties, Inc.

BUSINESS PURCHASE PRICE: N/A

FIXED ASSET PURCHASE PRICE: \$13,457,516

FIXED ASSET MEDICAID VALUE: N/A

CAPITAL REIMBURSEMENT:

- Arms Length Lease
- Historic Cost Method
- Shortfall; Average Annual Amount

MEDICAID RATE REBASING:

- Yes. If yes, annual impact.
- No

## Financial Summary-

## Harris Hill Nursing Facility

	FISCAL PERIOD ENDED		
	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
ASSETS - CURRENT	\$3,011,333	\$2,703,912	\$2,203,841
ASSETS - FIXED AND OTHER	10,388,908	10,823,348	11,253,940
LIABILITIES - CURRENT	8,029,015	2,173,229	1,902,589
LIABILITIES - LONG-TERM	<u>87,599</u>	<u>7,245,173</u>	<u>8,019,332</u>
EQUITY	\$5,283,627	\$4,108,858	\$3,535,860
<hr/>			
INCOME	\$17,027,302	\$16,956,749	\$16,951,048
EXPENSE	<u>15,367,372</u>	<u>15,513,753</u>	<u>15,301,840</u>
NET INCOME	\$1,659,930	\$1,442,996	\$1,649,208
<hr/>			
OPERATOR/RELATIVE SALARIES	\$141,876	\$140,129	\$136,506
<hr/>			
NUMBER OF BEDS	192	192	192
PERCENT OF OCCUPANCY (DAYS)	99.2%	97.4%	97.9%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	66.4%	62.7%	58.8%
MEDICARE	12.7%	16.8%	15.9%
PRIVATE/OTHER	20.9%	20.5%	25.3%
<hr/>			
MEDICAID RATE BREAKDOWN:	<u>2010</u>	<u>2009</u>	<u>2008</u>
OPERATING	\$140.91	\$141.06	\$146.07
CAPITAL	<u>28.24</u>	<u>28.34</u>	<u>29.01</u>
TOTAL	\$169.15	\$169.40	\$175.08

BFA Attachment B

Harris Hill Nursing Facility, LLC  
Pro Forma Balance Sheet

Assets

Current Assets

Cash

Cash Collateral Account	2,005,000
Operating Account - Checking	532,280
Payroll Account - Checking	3,590
Petty Cash - Administration	600
Petty Cash - Activities	500
Petty Cash - Care Unit Admn	275
Petty Cash - Dietary	50
Patient Escrow - Checking	64,143
Petty Cash - Patient Spending	500
Petty Cash - Meals	20
Resident Security Dep Esc	<u>27,876</u>
Total Cash:	2,664,745

Accounts Receivable

Inpatients Receivable	1,836,148
Medicaid Co-Insurance Payable	(81)
AR - WFR Grant	<u>1,104</u>
Total Accounts Receivable	1,837,191

Inventory

Inventory - Dietary	<u>15,418</u>
Total Inventory	15,418

Prepaid Expenses

Prepaid Insurance	(152,009)
Prepaid Real Estate Taxes	-
Prepaid Expenses	<u>-</u>
Total Prepaid Expenses	(152,009)

Total Current Assets

4,365,345

Property, Plant and Equipment

Building	-
Fixed Assets - Movable Equipment	3,055,643
Moveable Equip- Cap Labor	28,451
Fixed Assets - Automobile	44,046
Building Improvements	<u>-</u>
Total Property, Plant and Equipment	3,128,740

Accumulated Depreciation

Acc Depr - Building	-
Acc Depr - Movable Equipment	(2,713,409)
Acc Depr - Automobile	(26,156)
Acc Depr - Building Improvements	<u>-</u>
Total Accumulated Depreciation	(2,739,567)

Other Assets

Misc Receivable	-
Loan Receivable NCL	33,599
Organization Costs	7,465
Acc Amrt - Organization Costs	(7,371)
Goodwill	390,000
Escrow - Various	-
Reserve for Replacement Escrow	-
NEL Payback	(4,386)
Nurse Aide Training Reimbursement	26,269
Employee Work Shoe Program	805
TMO Trust - Initial Cash Funding	<u>13,780</u>
Total Other Assets	457,511

Total Assets

5,213,029

BFA Attachment B (cont.)

Harris Hill Nursing Facility, LLC  
Pro Forma Balance Sheet

Liabilities and Equity	
Current Liabilities	
Accounts Payable	
Accounts Payable	548,603
Accrued Payroll	202,341
Accrued Vacation, Sick and Holiday	117,929
Sales Tax Payable	43
Accrued Expenses	100,098
Accrued Mortgage Interest	-
Total Accounts Payable	<u>969,012</u>
Other Current Liabilities	
Federal Withholding Tax Payable	7,419
Federal SS Tax Payable	8,815
NYS Withholding Tax Payable	3,948
Medicaid Reimbursement	-
Estimated Medicaid Liability	-
Lease Payable - Copier	0
Patient Spending Payable	64,143
Res Security Dep Payable	19,161
Suspense	1,042
Life Insurance Payables	(42)
Earned Income Credit	(26)
Total Other Current Liabilities	<u>104,460</u>
Total Current Liabilities	1,073,473
Long-Term Debt	
Mortgage Payable	-
Loan Payable - Addition	-
Loan Payable- Related Party	-
Construction Loan Payable	-
Total Long-Term Debt	<u>-</u>
Total Liabilities	1,073,473
Total Equity	<u>4,139,556</u>
Total Liabilities and Equity	<u>5,213,029</u>

**McGuire Group-Sale/Lease back from Master Lease Agreement**

Nursing Home	<u>Autumn View</u> CON 111186	<u>Brookhaven</u> CON 111188	<u>Garden Gate</u> CON 111189	<u>Harris Hill</u> CON 111190	<u>North Gate</u> CON 111191	<u>Seneca</u> CON 111192	<u>Totals</u>
Current Year Revenues	\$13,190,099	\$22,263,515	\$16,407,462	\$16,941,156	\$16,351,688	\$12,166,109	\$102,320,029
1st yr. incremental Rev.	<u>\$390,752</u>	<u>\$1,318,129</u>	<u>\$686,413</u>	<u>\$649,222</u>	<u>\$1,197,288</u>	<u>\$1,000,496</u>	<u>\$5,242,300</u>
Total first yr. Revenues	\$13,580,851	\$23,581,644	\$17,093,875	\$17,590,378	\$17,548,976	\$13,166,605	\$107,562,329
Current Year Expenses	\$17,484,747	\$22,062,714	\$16,327,875	\$14,968,554	\$16,546,027	\$12,124,358	\$99,514,275
1st yr. incremental Exp.	<u>\$853,574</u>	<u>(\$478,737)</u>	<u>(\$177,557)</u>	<u>\$891,092</u>	<u>(\$60,699)</u>	<u>(\$26,567)</u>	<u>\$1,001,106</u>
Total first yr. Expenses	\$13,338,321	\$21,583,977	\$16,150,318	\$15,859,646	\$16,485,328	\$12,097,791	\$100,515,381
1st year Net profit(loss)	\$242,530	\$1,997,667	\$943,557	\$1,730,732	\$1,063,648	\$1,068,814	\$7,046,948

Notes: Budget includes 2011-2012 Medicaid Rate reductions, pending July 2010 CMI change and 1.2% increase in assessment rate.  
 Budget reflects Sale/Lease back, pay-off debt, depr. gone due to sale of bldg. and savings on Medical/Surgical supplies.  
 1st and 3rd year budgets are the same.

\*Autumn View added 42 RHC/F beds in July of 2010 and revenue not reflected in estimation on sch. 13. and sch. 18.

**ESTABLISHMENT CHECKLIST FOR NURSING HOMES**

APPLICATION: 111190-E Harris Hill Nursing Facility (Erie County)

NATURE OF PROPOSAL: Co-obligator Master Lease Agreement

EFFECT ON OPERATIONAL OWNERSHIP: N/A

EFFECT ON REAL ESTATE OWNERSHIP: Property ownership will change from Harris Hill Nursing facility, LLC to Nationwide Health Properties, Inc.

BUSINESS PURCHASE PRICE: N/A

FIXED ASSET PURCHASE PRICE: \$21,151,496

FIXED ASSET MEDICAID VALUE: N/A

CAPITAL REIMBURSEMENT:

- Arms Length Lease
- Historic Cost Method
- Shortfall; Average Annual Amount

MEDICAID RATE REBASING:

- Yes. If yes, annual impact.
- No

## Financial Summary-

North Gate Health Care Facility, LLC

	FISCAL PERIOD ENDED		
	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
ASSETS - CURRENT	\$1,913,637	\$1,969,331	\$1,964,339
ASSETS - FIXED AND OTHER	2,254,726	2,554,583	2,550,032
LIABILITIES - CURRENT	1,801,759	1,925,439	1,780,956
LIABILITIES - LONG-TERM	<u>77,286</u>	<u>120,898</u>	<u>101,530</u>
EQUITY	\$2,289,318	\$2,477,577	\$2,631,885
<hr/>			
INCOME	\$16,401,131	\$16,287,482	\$17,122,722
EXPENSE	<u>16,841,390</u>	<u>16,442,790</u>	<u>16,372,196</u>
NET INCOME	(\$440,259)	(\$155,308)	\$750,526
<hr/>			
OPERATOR/RELATIVE SALARIES	\$60,362	\$140,129	\$136,506
<hr/>			
NUMBER OF BEDS	200	200	200
PERCENT OF OCCUPANCY (DAYS)	98.2%	97.5%	97.5%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	69.0%	70.6%	63.9%
MEDICARE	13.9%	14.6%	15.9%
PRIVATE/OTHER	17.1%	14.8%	20.2%
<hr/>			
MEDICAID RATE BREAKDOWN:	<u>2010</u>	<u>2009</u>	<u>2008</u>
OPERATING	\$142.68	\$142.87	\$159.48
CAPITAL	<u>15.20</u>	<u>14.41</u>	<u>14.93</u>
TOTAL	\$157.88	\$157.28	\$174.41

BFA Attachment B

North Gate H.C.F., LLC  
Pro Forma Balance Sheet

Assets

Current Assets

Cash	
Cash Collateral Account	1,107,000
Operating Account - Checking	(29,996)
Payroll Account - Checking	3,500
Petty Cash - Administration	500
Petty Cash - Activities	300
Petty Cash - Care Unit Admn	225
Petty Cash - Dietary	50
Patient Escrow - Checking	111,775
Petty Cash - Patient Spending	500
Petty Cash- Resident Spending	100
Petty Cash - Meats	50
Total Cash	<u>1,194,004</u>

Accounts Receivable

Inpatients Receivable	1,782,228
Medicaid Co-insurance Payable	(293)
Total Accounts Receivable	<u>1,781,934</u>

Inventory

Inventory - Dietary	13,560
Total Inventory	<u>13,560</u>

Prepaid Expenses

Prepaid Insurance	451
Prepaid Real Estate Taxes	31,709
Prepaid Expenses	-
Total Prepaid Expenses	<u>32,160</u>

Total Current Assets 3,021,658

Property, Plant and Equipment

Fixed Assets - Movable Equipment	1,073,633
Moveable Equip- Cap Labor	28,450
Fixed Assets - Automobile	81,716
Building Improvements	-
Total Property, Plant and Equipment	<u>1,183,799</u>

Accumulated Depreciation

Acc Depr - Movable Equipment	(1,043,623)
Acc Depr - Automobile	(60,624)
Acc Depr - Building Improvements	-
Total Accumulated Depreciation	<u>(1,104,248)</u>

Other Assets

Misc Receivable	-
Loan Receivable NEL	20,451
Loan Receivable - Employee	2,473
Goodwill	215,330
Resident Security Dep Esc	(1)
Nurse Aide Training Reimbursement	20,813
Employee Work Shoe Program	86
Movie Pass Receivable	190
Employee Book Support	43
TMG Trust - Initial Cash Funding	15,540
Total Other Assets	<u>274,924</u>

Total Assets 3,376,135

BFA Attachment B (cont.)

North Gate H.C.F., LLC  
 Pro Forma Balance Sheet

Liabilities and Equity	
Current Liabilities	
Accounts Payable	
Accounts Payable	598,208
Accrued Payroll	237,004
Accrued Vacation, Sick and Holiday	138,177
Sales Tax Payable	16
Accrued Expenses	<u>104,751</u>
Total Accounts Payable	1,078,156
Other Current Liabilities	
Federal Withholding Tax Payable	9,425
Federal SS Tax Payable	9,719
NYS Withholding Tax Payable	4,623
Estimated Medicaid Liability	-
Patient Spending Payable	111,775
Suspense	4,760
United Fund Payable	25
Life Insurance Payables	129
Earned Income Credit	(35)
TMG Pharmacy Withholding	(315)
TMG Uniform Withholding	<u>315</u>
Total Other Current Liabilities	140,421
Total Current Liabilities	<u>1,218,577</u>
Total Liabilities	1,218,577
Total Equity	<u>2,157,556</u>
Total Liabilities and Equity	<u>3,376,133</u>

**McGuire Group-Sale/Lease back from Master Lease Agreement**

Nursing Home	<u>Autumn View</u> <u>CON 111186</u>	<u>Brookhaven</u> <u>CON 111188</u>	<u>Garden Gate</u> <u>CON 111189</u>	<u>Harris Hill</u> <u>CON 111190</u>	<u>North Gate</u> <u>CON 111191</u>	<u>Seneca</u> <u>CON 111192</u>	<u>Totals</u>
Current Year Revenues	\$18,190,099	\$22,263,515	\$16,407,462	\$16,941,156	\$16,351,688	\$12,166,109	\$102,320,029
1st yr. incremental Rev.	<u>\$390,752</u>	<u>\$ 318,129</u>	<u>\$686,413</u>	<u>\$649,222</u>	<u>\$1,197,288</u>	<u>\$1,000,496</u>	<u>\$5,242,300</u>
Total first yr. Revenues	\$18,580,851	\$23,581,644	\$17,093,875	\$17,590,378	\$17,548,976	\$13,166,605	\$107,562,329
Current Year Expenses	\$17,484,747	\$22,062,714	\$16,327,875	\$14,968,554	\$16,546,027	\$12,124,358	\$99,514,275
1st yr. incremental Exp.	<u>\$853,574</u>	<u>(\$478,737)</u>	<u>(\$177,557)</u>	<u>\$891,092</u>	<u>(\$60,699)</u>	<u>(\$26,567)</u>	<u>\$1,001,106</u>
Total first yr. Expenses	\$18,338,321	\$21,583,977	\$16,150,318	\$15,859,646	\$16,485,328	\$12,097,791	\$100,515,381
1st year Net profit(loss)	\$242,530	\$1,997,667	\$943,557	\$1,730,732	\$1,063,648	\$1,068,814	\$7,046,948

Notes: Budget includes 2011-2012 Medicaid Rate reductions, pending July 2010 CMI change and 1.2% increase in assessment rate.

Budget reflects Sale/Lease back, pay-off debt, depr. gone due to sale of bldg. and savings on Medical/Surgical supplies.

1st and 3rd year budgets are the same.

\*Autumn View added 42 RHCf beds in July of 2010 and revenue not reflected in estimation on sch. 13. and sch. 18.

**ESTABLISHMENT CHECKLIST FOR NURSING HOMES**

APPLICATION: 111191-E North Gate Health Care Facility (Niagara County)

NATURE OF PROPOSAL: Co-obligator Master Lease Agreement

EFFECT ON OPERATIONAL OWNERSHIP: N/A

EFFECT ON REAL ESTATE OWNERSHIP: Property ownership will change from North Gate Manor Partnership to Nationwide Health Properties, Inc.

BUSINESS PURCHASE PRICE: N/A

FIXED ASSET PURCHASE PRICE: \$11,678,576

FIXED ASSET MEDICAID VALUE: N/A

CAPITAL REIMBURSEMENT:

- Arms Length Lease
- Historic Cost Method
- Shortfall; Average Annual Amount

MEDICAID RATE REBASING:

- Yes. If yes, annual impact.
- No

## Financial Summary-

Seneca Health Care Center

	FISCAL PERIOD ENDED		
	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
ASSETS - CURRENT	\$2,131,483	\$1,820,750	\$1,974,711
ASSETS - FIXED AND OTHER	2,413,454	2,223,254	2,155,737
LIABILITIES - CURRENT	2,712,771	2,305,420	2,184,166
LIABILITIES - LONG-TERM	<u>160,629</u>	<u>150,393</u>	<u>142,512</u>
EQUITY	\$1,671,537	\$1,588,191	\$1,803,770
<hr/>			
INCOME	\$12,220,819	\$12,199,311	\$12,309,785
EXPENSE	<u>12,137,473</u>	<u>12,414,890</u>	<u>12,126,918</u>
NET INCOME	83,346	(215,579)	182,867
<hr/>			
OPERATOR/RELATIVE SALARIES	\$160,672	\$44,354	\$44,821
<hr/>			
NUMBER OF BEDS	160	160	160
PERCENT OF OCCUPANCY (DAYS)	98.1%	98.9%	97.7%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	79.1%	78.2%	74.3%
MEDICARE	10.0%	10.5%	14.4%
PRIVATE/OTHER	10.9%	11.3%	11.3%
<hr/>			
MEDICAID RATE BREAKDOWN:			
	<u>2010</u>	<u>2009</u>	<u>2008</u>
OPERATING	\$147.45	\$147.63	\$155.77
CAPITAL	<u>13.22</u>	<u>13.29</u>	<u>12.73</u>
TOTAL	\$160.67	\$160.92	\$168.50

BFA Attachment B

Seneca Health Care Center, LLC  
Pro Forma Balance Sheet

Assets

Current Assets

Cash

Cash Collateral Account	841,000
Operating Account - Checking	(17,462)
Payroll Account - Checking	3,501
Petty Cash - Administration	500
Petty Cash - Activities	300
Petty Cash - Dietary	50
Patient Escrow - Checking	105,812
Petty Cash - Patient Spending	300
Petty Cash - Resident Spending	100
Petty Cash - Meals	26
Total Cash	<u>934,126</u>

Accounts Receivable

Inpatients Receivable	1,080,282
Medicaid Co-Insurance Payable	(26)
Total Accounts Receivable	<u>1,080,256</u>

Inventory

Inventory - Dietary	<u>13,603</u>
Total Inventory	<u>13,603</u>

Prepaid Expenses

Prepaid Insurance	492,050
Prepaid Real Estate Taxes	56,536
Prepaid Expenses	-
Prepaid Expenses - Movable Equipment	-
Total Prepaid Expenses	<u>548,586</u>

Property, Plant and Equipment

Fixed Assets - Movable Equipment	1,007,516
Movable Equip- Cap Labor	28,451
Fixed Assets - Automobile	25,064
Building Improvements	-
Total Property, Plant and Equipment	<u>1,061,030</u>
Accumulated Depreciation	
Acc Depr - Movable Equipment	(605,650)
Acc Depr - Automobile	(15,360)
Acc Depr - Building Improvements	-
Total Accumulated Depreciation	<u>(921,020)</u>

Other Assets

Misc Receivable	-
Loan Receivable NFL	16,637
Loan Receivable - Employee	2,951
Mortgage Refinancing Costs	-
Acc Amrt - Mortgage Refinancing Costs	-
Goodwill	690,881
Resident Security Dep Esc	46,213
A/R - From Postage	20
Nurse Aide Training Reimbursement	15,732
Employee Work Shoe Program	(5)
Movie Pass Receivable	117
TMG Trust - Initial Cash Funding	<u>14,660</u>
Total Other Assets	<u>787,253</u>

Total Assets	<u><u>3,503,836</u></u>
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## BFA Attachment B (cont.)

Seneca Health Care Center, LLC  
Pro Forma Balance Sheet

Liabilities and Equity	
Current Liabilities	
Accounts Payable	
Accounts Payable	433,579
Accrued Payroll	170,689
Accrued Vacation, Sick and Holiday	113,677
Accrued Expenses	<u>99,792</u>
Total Accounts Payable	817,737
Other Current Liabilities	
Federal Withholding Tax Payable	8,134
Federal SS Tax Payable	7,236
NYS Withholding Tax Payable	3,586
Union Dental Family Withholding	3
Estimated Medicaid Liability	-
Patient Spending Payable	105,812
Res Security Dep Payable	36,463
Suspense	32,503
Life Insurance Payables	(31)
Uniform Rental Withholding	(2)
Mass Transp Passes Withholding	<u>40</u>
Total Other Current Liabilities	193,745
Total Current Liabilities	<u>1,011,482</u>
Total Liabilities	1,011,482
Total Equity	<u>2,492,354</u>
Total Liabilities and Equity	<u>3,503,836</u>

**McGuire Group-Sale/Lease back from Master Lease Agreement**

Nursing Home	<u>Autumn View</u> <u>CON 111186</u>	<u>Brookhaven</u> <u>CON 111188</u>	<u>Garden Gate</u> <u>CON 111189</u>	<u>Harris Hill</u> <u>CON 111190</u>	<u>North Gate</u> <u>CON 111191</u>	<u>Seneca</u> <u>CON 111192</u>	<u>Totals</u>
Current Year Revenues	\$18,190,099	\$22,263,515	\$16,407,462	\$16,941,156	\$16,351,688	\$12,166,109	\$102,320,029
1st yr. incremental Rev.	<u>\$390,752</u>	<u>\$1,318,129</u>	<u>\$686,413</u>	<u>\$649,222</u>	<u>\$1,197,288</u>	<u>\$1,000,496</u>	<u>\$5,242,300</u>
Total first yr. Revenues	\$18,580,851	\$23,581,644	\$17,093,875	\$17,590,378	\$17,548,976	\$13,166,605	\$107,562,329
Current Year Expenses	\$17,484,747	\$22,062,714	\$16,327,875	\$14,968,554	\$16,546,027	\$12,124,358	\$99,514,275
1st yr. incremental Exp.	<u>\$853,574</u>	<u>(\$478,737)</u>	<u>(\$177,557)</u>	<u>\$891,092</u>	<u>(\$60,699)</u>	<u>(\$26,567)</u>	<u>\$1,001,106</u>
Total first yr. Expenses	\$18,338,321	\$21,583,977	\$16,150,318	\$15,859,646	\$16,485,328	\$12,097,791	\$100,515,381
1st year Net profit(loss)	\$242,530	\$1,997,667	\$943,557	\$1,730,732	\$1,063,648	\$1,068,814	\$7,046,948

Notes: Budget includes 2011-2012 Medicaid Rate reductions, pending July 2010 CMI change and 1.2% increase in assessment rate.

Budget reflects Sale/Lease back, pay-off debt, depr. gone due to sale of bldg. and savings on Medical/Surgical supplies.

1st and 3rd year budgets are the same.

\*Autumn View added 42 RHCF beds in July of 2010 and revenue not reflected in estimation on sch. 13. and sch. 18.

**ESTABLISHMENT CHECKLIST FOR NURSING HOMES**

APPLICATION: 111192-E Seneca Health Care Center (Erie County)

NATURE OF PROPOSAL: Co-obligator Master Lease Agreement

EFFECT ON OPERATIONAL OWNERSHIP: N/A

EFFECT ON REAL ESTATE OWNERSHIP: Property ownership will change from McGuire Manor, Inc. to Nationwide Health Properties, Inc.

BUSINESS PURCHASE PRICE: N/A

FIXED ASSET PURCHASE PRICE: \$8,872,711

FIXED ASSET MEDICAID VALUE: N/A

CAPITAL REIMBURSEMENT:

- Arms Length Lease
- Historic Cost Method
- Shortfall; Average Annual Amount

MEDICAID RATE REBASING:

- Yes. If yes, annual impact.
- No

## Financial Summary

### Sunrise Nursing Home

#### FISCAL PERIOD ENDED

	<u>12/31/2010</u> Un-Audited	<u>12/31/2009</u>	<u>12/31/2008</u>
ASSETS - CURRENT	\$1,886,704	\$1,613,290	\$1,381,813
ASSETS - FIXED AND OTHER	347,158	430,912	464,575
LIABILITIES - CURRENT	3,437,047	3,808,176	4,299,493
LIABILITIES - LONG-TERM	383,393	389,788	35,611
EQUITY	(1,586,578)	(\$2,153,762)	(\$2,488,716)
<hr/>			
INCOME	\$7,353,106	\$6,679,255	\$6,098,286
EXPENSE	6,785,922	6,344,301	6,752,579
NET INCOME	\$567,184	\$334,954	(\$654,293)
<hr/>			
OPERATOR/RELATIVE SALARIES	\$0	\$47,147	\$0
<hr/>			
NUMBER OF BEDS	120	120	120
PERCENT OF OCCUPANCY (DAYS)	93.98	93.98%	86.53%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	77.84	80.77%	81.16%
MEDICARE	14.94	10.26%	11.72%
PRIVATE/OTHER	7.22	8.97%	7.12%

#### MEDICAID RATE BREAKDOWN:

	<u>2010</u>
OPERATING	\$131.11
CAPITAL	<u>10.12</u>
TOTAL	\$141.23

BFA Attachment C

Pro Forma Balance Sheet of  
Morning Care Center, Inc.

ASSETS

Cash	\$200,000
Accounts Receivable	1,091,000
Inventories	\$30,000
Leasehold Improvements	\$97,700
Non-Moveable Equipment	\$4,200
Moveable Equipment	\$115,600
Goodwill	<u>\$2,534,200</u>
	\$4,072,700

LIABILITIES

Accounts Payable	\$500,400
Notes Payable Asco Healthcare, LLC	301,700
Note Payable Sunrise Nursing Home, Inc.	<u>\$3,270,600</u>
Total Liabilities Assumed	\$4,072,700

Shareholders' Equity	<u>                    \$0</u>
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**Attachment D**  
**ESTABLISHMENT CHECKLIST FOR NURSING HOMES**

APPLICATION: Morningstar Care Center, Inc (Oswego County)

NATURE OF PROPOSAL: Change in operating membership  
Sellers: (Joseph Castaldo 100%)

EFFECT ON OPERATIONAL OWNERSHIP: Change in 100% stock ownership  
Buyer: (Joseph Murabito 100%)

EFFECT ON REAL ESTATE OWNERSHIP: No change ownership

FIXED ASSET PURCHASE PRICE: N/A

FIXED ASSET MEDICAID VALUE: N/A

CAPITAL REIMBURSEMENT: N/A

Arms Length Lease  
X \_\_\_\_\_ Historic Cost Method  
Shortfall; Average Annual Amount

BUSINESS PURCHASE PRICE: \$1,440,000

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**State of New York  
Public Health and Health Planning Council**

**June 16, 2011**

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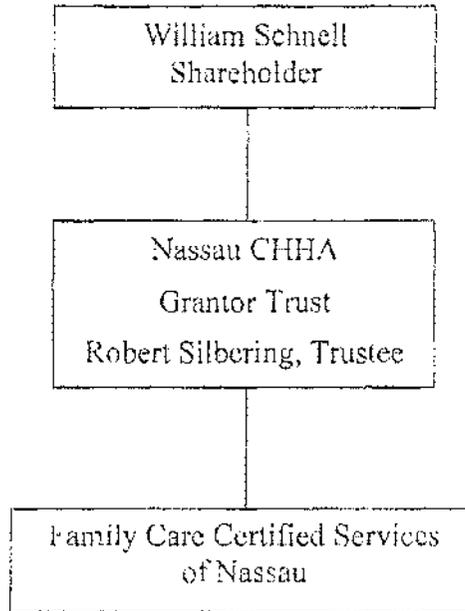
**ATTACHMENTS**

**Certified Home Health Agencies – Establish/Construct**

**Exhibit #15**

<u>Number</u>	<u>Applicant/Facility</u>
1. 051081 E	Family Aides Certified Services of Nassau, Suffolk Incorporated d/b/a Family Care Certified Services of Nassau (Nassau County)
2. 101147 B	Litson Certified Care, Inc., d/b/a WILLCARE (Ulster County)
3. 101156 E	L. Woerner, Inc., d/b/a HCR (Orleans County)
4. 102080 E	Genesee Region Home Care Association d/b/a Lifetime Care (Cayuga County)
5. 102408 E	PTS of Westchester, Inc. (Westchester County)
6. 102409 E	Personal Touch Home Aides of New York, Inc. (Kings County)

Family Aides Certified Services of Nassau  
d/b/a Family Care Certified Services of Nassau



\* Under William Schnell, shareholder, there are other Trusts with Robert Silbering as Trustee. They are Brooklyn CHHA Grantor Trust, Family Aides Grantor Trust, Metrocare Grantor Trust and Metrocare gives Grantor Trust.

## FAMILY AIDES CERTIFIED SERVICES OF NASSAU/SUFFOLK, INC.

Balance Sheets  
December 31, 2009 and 2008

	<u>Assets</u>	
	<u>2009</u>	<u>2008</u>
Current assets		
Cash	\$ 3,614,981	\$ 2,150,245
Accounts receivable, net of allowance for doubtful accounts of \$3,793,822 and \$3,338,299, respectfully	3,094,843	3,761,732
Loan receivable	860,000	860,000
Prepaid expenses	55,451	9,963
Loans and exchanges	<u>12,820</u>	<u>-</u>
Total current assets	<u>7,638,095</u>	<u>6,781,940</u>
Property and equipment, net	<u>22,968</u>	<u>29,598</u>
Other assets		
Notes receivable from affiliates	2,601,535	2,475,000
Due from shareholder	-	-
Other assets	<u>350,000</u>	<u>277,500</u>
Total other assets	<u>2,951,535</u>	<u>2,752,500</u>
Total assets	<u>\$ 10,612,598</u>	<u>\$ 9,564,038</u>
<b><u>Liabilities and Stockholder's Equity</u></b>		
Current liabilities		
Accounts payable	\$ 1,321,173	\$ 974,247
Accrued expenses	189,365	152,592
Due to affiliate	259,530	248,074
Due to third party payors	707,851	-
Loans and exchanges	<u>-</u>	<u>83,007</u>
Total current liabilities	<u>2,477,919</u>	<u>1,457,920</u>
Other liabilities		
Deferred recruitment and retention	<u>924,846</u>	<u>708,256</u>
Total other liabilities	<u>924,846</u>	<u>708,256</u>
Total liabilities	<u>3,402,765</u>	<u>2,166,176</u>
Commitments and contingencies		
Stockholder's equity		
Common stock, no par value, authorized 200 shares: issued and outstanding 102 shares	10,000	10,000
Retained earnings	<u>7,199,833</u>	<u>7,387,862</u>
Total stockholder's equity	<u>7,209,833</u>	<u>7,397,862</u>
Total liabilities and stockholder's equity	<u>\$ 10,612,598</u>	<u>\$ 9,564,038</u>

## FAMILY AIDES CERTIFIED SERVICES OF NASSAU/SUFFOLK, INC.

Statements of Income and Retained Earnings  
for the years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues		
Net patient service revenue	\$ 10,944,576	\$ 10,545,405
Management fees	400,000	400,000
Interest income	109,779	58,600
Other revenue	10,482	12,687
Total revenues	<u>11,464,837</u>	<u>11,016,692</u>
Direct costs		
Salaries	3,510,987	3,308,440
Contracted services	4,252,088	4,165,514
Payroll taxes and employee benefits	770,008	481,631
Waivered expenses	234,243	187,339
Medical supplies	56,112	63,361
Mileage	40,734	28,444
Recruitment and advertising	11,351	20,388
Other direct costs	80,343	103,870
Total direct costs	<u>8,955,866</u>	<u>8,358,987</u>
Gross profit	<u>2,508,971</u>	<u>2,657,705</u>
General and administrative expenses		
Salaries	441,260	775,272
Contracted services	-	15,274
Payroll taxes and employee benefits	17,566	52,913
Professional fees	370,306	370,587
Rent and utilities	218,674	102,194
Telephone	79,143	63,435
Office expenses	98,876	63,573
Repairs and maintenance	46,434	48,762
Equipment rental	39,055	34,177
Bad debts	537,899	811,068
Computer service	41,556	30,633
Postage and messenger	44,875	36,564
Nonbillable medical supplies	12,599	15,594
Depreciation	16,808	16,026
Health assessment tax	28,406	-
Home office expense	118,385	-
Other	82,158	104,515
Total general and administrative expenses	<u>2,194,000</u>	<u>2,540,587</u>
Income before provision for income taxes	314,971	117,118
Provision for income taxes	<u>3,000</u>	<u>3,000</u>
Net income	311,971	114,118
Retained earnings, beginning of year	7,387,862	7,573,744
Distributions	<u>(500,000)</u>	<u>(300,000)</u>
Retained earnings, end of year	<u>\$ 7,199,833</u>	<u>\$ 7,387,862</u>

BFA Attachment C  
**Fam Care Nassau**  
**Balance Sheet**

June 2010  
 ASSETS

Current Assets:

Cash	\$2,320,548
Escrow	373,250
Accounts Receivable	4,070,546
Reserves - C.A.	(181,709)
Reserve for Doubtful Accounts	(2,990)
Reserve for Doubtful Accounts - LT	(7,248)
Reserve - Datahr	(3,975,799)
Accounts Receivable - Datahr	3,115,799
Accounts Receivable - Recruit&Retention	77,264
Accounts Receivable - Recruit&Reten - LT	284,794
Accounts Receivable - AQ&E/RT&R	8,895
Accounts Receivable - AQ&E/RT&R - LT	88,651
Accounts Receivable - Base/R&R	(8,758)
Accounts Receivable - Base/R&R - LT	(203,658)
Prepaid Expenses	63,509

TOTAL Current Assets	\$6,023,093
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Fixed Assets:

Fixed Assets	18,520
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TOTAL Fixed Assets	18,520
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Other Assets:

Loans & Exchanges	47,882
Due from Datahr	860,000
Due from Family Aides	(1,353,139)
Due from Givers	945,000
Due from Metrocare Home Services	40,000

TOTAL Other Assets	599,743
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TOTAL ASSETS	\$6,581,356
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LIABILITIES

Current Liabilities:

Accounts Payable	\$159,114
Accounts Payable - LT	351,507
Accounts Payable - WC Retention	330,251
Due to Medicaid- Surplus/Medicare	1,851
Due to Medicaid - Surplus/Medicare - LT	51,917
Due to Third Party - TPL Audit	34,852
Due to Third Party - TPL Audit	408,096
Due to Medicaid	28,659
Due to New York City	393,112

# Fam Care Nassau

## Balance Sheet

June 2010

TOTAL Current Liabilities		\$1,761,358
Other Liabilities:		
Deferred Recruitment & Retention	111,995	
Deferred Recruitment & Retention - LT	596,261	
Deferred Revenue - AQ&E/RT&R	(4,767)	
Deferred Revenue - AQ&E/RT&R - LT	248,358	
Deferred Compensation	16,232	
Deferred Taxes	(8)	
Accrued P/R & Taxes	199,413	
TOTAL Other Liabilities		1,167,484
TOTAL LIABILITIES		2,928,843
	<b>EQUITY</b>	
Equity	(990,000)	
Retained Earnings	4,275,740	
Year-to-Date Earnings	366,773	
TOTAL EQUITY		3,652,513
TOTAL LIABILITIES & EQUITY		\$6,581,356

BFA Attachment C (cont.)  
**Fam Care Nassau**  
**Income Statement**

6 Months Ended  
 June 30, 2010

<b>Income</b>		
Sales	\$8,899,511	148.7%
Prior Period Revenue	(2,830,726)	-47.3%
Retro Rate Adjustment	(5,541)	-0.1%
Retro Rate Adjustment - LT	(164,747)	-2.8%
Recruit & Retention - LT	121	0.0%
Revenue - RT&R	17,676	0.3%
Revenue - RT&R	7,650	0.1%
Contractual Allowance	(184,116)	-3.1%
Datahr Management Fee	200,000	3.3%
Misc Income	561	0.0%
Interest Income	41,106	0.7%
Misc Overpayments	2,000	0.0%
<hr/>		
<b>TOTAL Income</b>	<b>5,983,426</b>	<b>100.0%</b>
<hr/>		
<b>Cost of Goods Sold</b>		
Direct Salaries	1,917,381	32.0%
Direct Payroll Taxes	160,846	2.7%
Direct Payroll Benefits	130,041	2.2%
Direct Labor 1099 & Agencies	2,244,703	37.5%
Other Direct Expenses	54,693	0.9%
Billable Medical Supplies - Medicare	24,800	0.4%
Billable Medical Supplies- Medicare - LT	648	0.0%
<hr/>		
<b>TOTAL Cost of Goods Sold</b>	<b>4,533,111</b>	<b>75.8%</b>
<hr/>		
<b>***** GROSS PROFIT</b>	<b>1,450,384</b>	<b>24.2%</b>
<hr/>		
<b>Expenses</b>		
Indirect Salaries	203,081	3.4%
Indirect Taxes	7,664	0.1%
Indirect Payroll Benefits	1,724	0.0%
Mileage - Administrative	363	0.0%
Mileage - Administrative - LT	390	0.0%
Mileage - Clerical	966	0.0%
Mileage - Clerical - LT	1,040	0.0%
Non Billable Medical Supplies	3,773	0.1%
Non Billable Medical Supplies - LT	4,059	0.1%
Rents & Utilities	64,462	1.1%
Rents & Utilities - LT	14,419	0.2%
Telephone	21,615	0.4%
Telephone - LT	22,280	0.4%
Answering Service	1,444	0.0%
Answering Service - LT	1,552	0.0%

## Fam Care Nassau Income Statement

6 Months Ended  
June 30, 2010

Office & General	24,897	0.4%
Office & General - LT	26,775	0.4%
Minor Office Equipment	443	0.0%
Minor Office Equipment - LT	477	0.0%
In Service Training	240	0.0%
Professional Fees - Legal	21,637	0.4%
Professional Fees - Legal - LT	23,270	0.4%
Professional Fees - Trustee	23,081	0.4%
Professional Fees - Trustee - LT	24,822	0.4%
Professional Fees - Consulting	21,321	0.4%
Professional Fees - Consulting - LT	23,917	0.4%
Repairs & Maintenance	9,508	0.2%
Repairs & Maintenance - LT	10,455	0.2%
Interest Expense	99	0.0%
Interest Expense - LT	107	0.0%
Insurance	10,017	0.2%
Insurance - LT	14,835	0.2%
Equipment Rental/Leasing	5,355	0.1%
Equipment Rental/Leasing - LT	5,758	0.1%
Waivered PERS Expense - LT	30,279	0.5%
Waivered Community Expense - LT	72,570	1.2%
Waivered Transportation Expense - LT	33,503	0.6%
Waivered Housing Expense - LT	629	0.0%
Postage	9,456	0.2%
Postage - LT	10,168	0.2%
Dues & Subscriptions	38	0.0%
Dues & Subscriptions - LT	40	0.0%
Computer Services	13,026	0.2%
Computer Services - LT	17,173	0.3%
Bank Charges	650	0.0%
Bank Charges - LT	699	0.0%
Business Promotions	230	0.0%
Business Promotions - LT	246	0.0%
Depreciation	4,449	0.1%
Bad Debt Expense	220,679	3.7%
<b>TOTAL Expenses</b>	<b>1,009,680</b>	<b>16.9%</b>
<b>***** OPERATING PROFIT</b>	<b>440,704</b>	<b>7.4%</b>
<b>Other Income &amp; Expenses</b>		
Home Office Expense	(22,026)	-0.4%
Home Office Expense - LT	(22,551)	-0.4%
Prior Period Expense	(6,936)	-0.1%
NYS Corp. Tax	(1,500)	0.0%

# Fam Care Nassau

## Income Statement

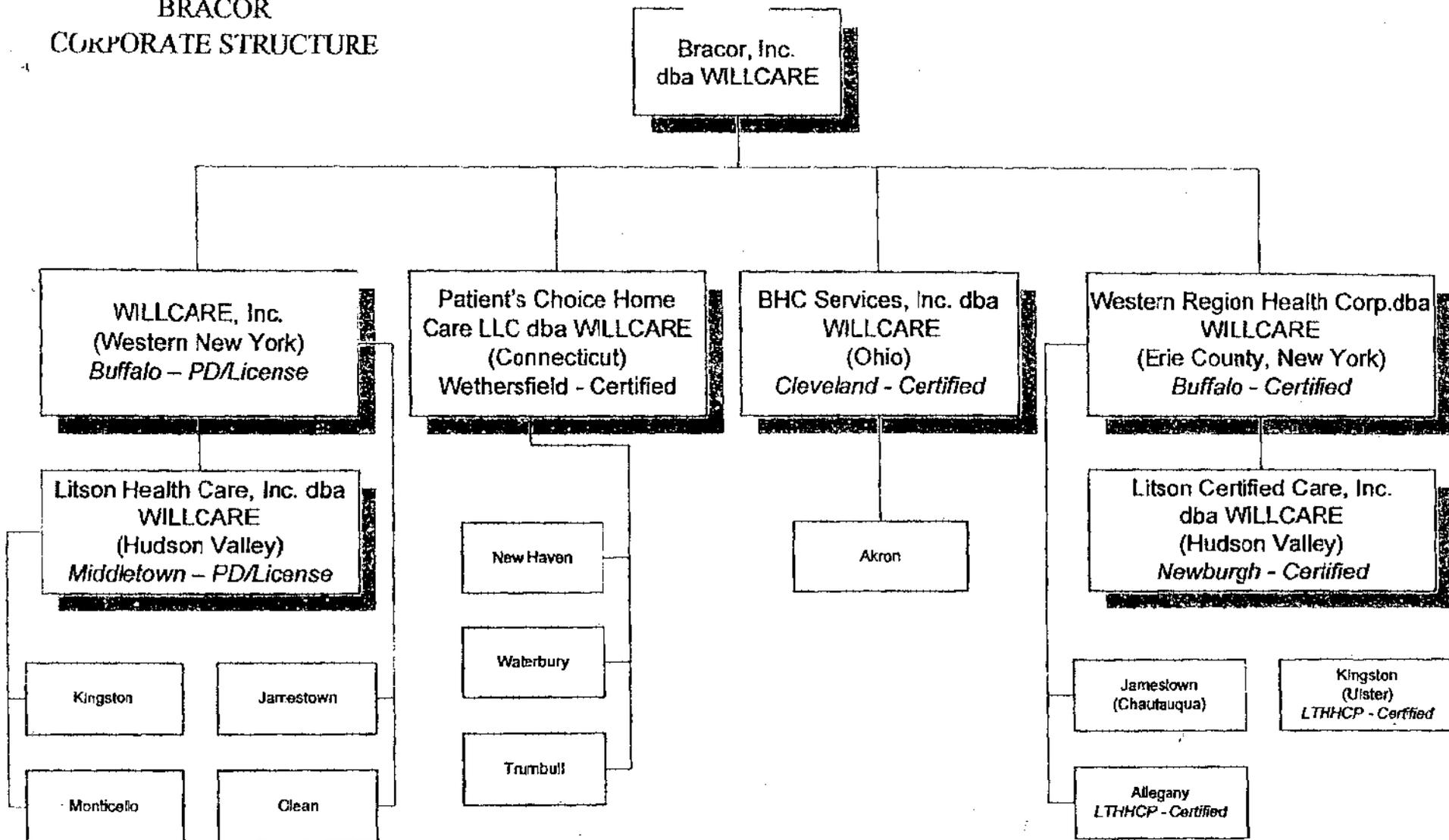
6 Months Ended  
June 30, 2010

Health Assessment Tax	(12,258)	-0.2%
Health Assessment Tax - LT	(8,660)	-0.1%
TOTAL Other Income & Expenses	(73,931)	-1.2%
***** PROFIT BEFORE TAXES	366,773	6.1%
***** NET PROFIT	\$366,773	6.1%

BFA Attachment D

CONSOLIDATED BALANCE SHEET	Fam Care Nassau Balance Sheet	Datahr Home Health Care Balance Sheet	Subtotal Balance Sheet	Eliminations Balance Sheet	Consolidated Balance Sheet
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash	2,320,548	442,305	2,762,853		2,762,853
Escrow	373,250		373,250		373,250
Accounts Receivable	4,070,545	258,458	4,328,999		4,328,999
Reserves - C.A.	(181,709)	12,607	(169,102)		(169,102)
Reserve for Doubtful Accounts	(2,990)	(8,954)	(11,944)		(11,944)
Reserve for Doubtful Accounts - LT	(7,248)		(7,248)		(7,248)
Reserve - Datahr	(3,973,799)		(3,973,799)	3,973,799	-
Accounts Receivable - Datahr	3,115,799		3,115,799	(3,115,799)	-
Accounts Receivable - Recruit&Retention	77,264	31,172	108,436		108,436
Accounts Receivable - Recruit&Retention - LT	284,794		284,794		284,794
Accounts Receivable - AQ&E/RT&R	8,895	5,527	14,522		14,522
Accounts Receivable - AQ&E/RT&R - LT	88,651		88,651		88,651
Accounts Receivable - Base/R&R	(8,759)	17,432	8,674		8,674
Accounts Receivable - Base/R&R - LT	(203,658)		(203,658)		(203,658)
Prepaid Expenses	63,509		63,509		63,509
<b>TOTAL Current Assets</b>	<b>6,023,094</b>	<b>758,942</b>	<b>6,781,736</b>	<b>860,000</b>	<b>7,641,736</b>
<b>Fixed Assets:</b>					
Fixed Assets	18,520		18,520		18,520
<b>TOTAL Fixed Assets</b>	<b>18,520</b>		<b>18,520</b>		<b>18,520</b>
<b>Other Assets:</b>					
Security Deposits - Tenant		6,555	6,555		6,555
Loans & Exchanges	47,882	7,091	54,973		54,973
Due from Datahr	850,000		850,000	(850,000)	-
Due from Family Aides	(1,353,139)		(1,353,139)		(1,353,139)
Due from Givers	945,000		945,000		945,000
Due from Metrocare Home Services	40,000		40,000		40,000
<b>TOTAL Other Assets</b>	<b>539,743</b>	<b>13,646</b>	<b>553,389</b>	<b>(850,000)</b>	<b>(506,611)</b>
<b>TOTAL ASSETS</b>	<b>6,581,357</b>	<b>772,588</b>	<b>7,355,645</b>		<b>7,355,645</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	159,114	5,898	165,012		165,012
Accounts Payable - Fam Care Nassau		3,115,799	3,115,799	(3,115,799)	-
Accounts Payable - LT	351,507		351,507		351,507
Accounts Payable - WC Retention	330,251		330,251		330,251
Due to Medicaid - Surplus/Medicare	1,851		1,851		1,851
Due to Medicaid - Surplus/Medicare - LT	51,917		51,917		51,917
Due to Third Party - TPL Audit	34,852		34,852		34,852
Due to Third Party - TPL Audit	408,036	130,221	538,317		538,317
Due to Medicaid	28,650	29,564	58,213		58,213
Due to Nassau		850,000	850,000		850,000
Due to New York City	395,112		395,112		395,112
<b>TOTAL Current Liabilities</b>	<b>1,761,359</b>	<b>4,141,482</b>	<b>5,902,841</b>	<b>(3,115,799)</b>	<b>2,787,042</b>
<b>Other Liabilities:</b>					
Deferred Recruitment & Retention	111,995	46,432	158,427		158,427
Deferred Recruitment & Retention - LT	595,261		595,261		595,261
Deferred Revenue - AQ&E/RT&R	(4,767)		(4,767)		(4,767)
Deferred Revenue - AQ&E/RT&R - LT	248,359		248,359		248,359
Deferred Compensation	16,232		16,232		16,232
Deferred Taxes	(8)	1	(7)		(7)
Accrued P/R & Taxes	189,413	21,056	210,469		210,469
<b>TOTAL Other Liabilities</b>	<b>1,167,484</b>	<b>67,489</b>	<b>1,234,973</b>		<b>1,234,973</b>
<b>TOTAL LIABILITIES</b>	<b>2,928,843</b>	<b>4,208,971</b>	<b>7,137,814</b>	<b>(3,115,799)</b>	<b>4,022,015</b>
<b>EQUITY</b>					
Equity	(890,000)	(3,107,194)	(4,097,194)		(4,097,194)
Retained Earnings	4,275,740	(329,488)	3,946,252	3,115,799	7,062,051
Year-to-Date Earnings	366,723		366,723		366,723
<b>TOTAL EQUITY</b>	<b>3,652,513</b>	<b>(3,436,682)</b>	<b>215,881</b>	<b>3,115,799</b>	<b>3,331,630</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>6,581,356</b>	<b>772,289</b>	<b>7,355,645</b>		<b>7,355,645</b>

BRACOR  
CORPORATE STRUCTURE



BFA Attachment A

**BRACOR, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**December 31,**

ASSETS	2009	2008
<b>Current assets:</b>		
Cash	\$ 248,107	\$ 391,069
Accounts receivable, less allowance for doubtful accounts of approximately \$310,000 (\$495,000 - 2008)	12,044,427	8,515,823
Deposits	74,449	49,753
Due from third-party payors	12,857	118,786
Prepaid expenses and other current assets	736,968	160,479
Deferred tax asset	393,561	172,312
Total current assets	<u>13,510,369</u>	<u>9,408,222</u>
<b>Property and equipment, net</b>	1,612,756	1,102,842
<b>Other assets:</b>		
Intangible assets, net	4,479,000	2,580,000
Goodwill	30,584,827	24,330,336
Deferred financing fees, net	569,139	582,638
	<u>35,632,966</u>	<u>27,492,974</u>
<b>Total assets</b>	<u>\$ 50,756,091</u>	<u>\$ 38,004,038</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Demand note payable	\$ 3,995,419	\$ 1,059,028
Accounts payable and accrued expenses	1,791,559	2,111,825
Accrued payroll	2,657,567	1,998,781
Accrued payroll taxes and benefits	925,878	917,913
Due to third-party payors	2,331,072	236,850
Stock purchase agreement adjustment	-	1,871,692
Current portion of capital lease obligations	369,553	213,414
Current portion of long-term debt	2,261,698	1,250,000
Current portion of subordinated debt	450,000	-
Total current liabilities	<u>14,782,746</u>	<u>9,659,503</u>
<b>Capital lease obligations</b>	185,041	555,107
<b>Long-term debt</b>	15,258,886	18,250,000
<b>Subordinated debt, net of discount of \$107,647</b>	3,893,124	-
<b>Deferred tax liability</b>	1,178,948	1,174,781
<b>Stockholders' equity:</b>		
Preferred stock, 474,030 shares issued and outstanding (396,000 - 2008)	4,740	3,960
Common stock, 11,970 shares issued and outstanding (10,000 - 2008)	120	100
Additional paid-in-capital	11,410,286	7,443,004
Retained earnings	4,042,200	917,583
Total stockholders' equity	<u>15,457,346</u>	<u>8,364,847</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 50,756,091</u>	<u>\$ 38,004,038</u>

## BRACOR, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

	Year ended December 31, 2009	Period July 18 - December 31, 2008
<b>Revenues:</b>		
Net service revenue	\$ 63,548,993	\$ 23,467,119
Management fees	38,000	35,904
	<u>63,586,993</u>	<u>23,503,023</u>
<b>Operating expenses:</b>		
Operating, general and administrative expenses	56,975,647	20,746,753
Depreciation and amortization	1,102,409	320,380
	<u>58,078,056</u>	<u>21,067,133</u>
<b>Income from operations</b>	<b>5,508,937</b>	<b>2,435,890</b>
<b>Other income (expense):</b>		
Other revenue	103,149	8,253
Interest expense	(1,498,580)	(624,552)
	<u>(1,395,431)</u>	<u>(616,299)</u>
<b>Income before tax provision</b>	<b>4,113,506</b>	<b>1,810,591</b>
<b>Provision for income taxes</b>	<b>(988,889)</b>	<b>(902,008)</b>
<b>Net income</b>	<b>\$ 3,124,617</b>	<b>\$ 917,583</b>

## BRACOR, INC. AND SUBSIDIARIES

## CONSOLIDATING BALANCE SHEET

December 31, 2009

ASSETS	Bracor, Inc.	BHC Services, Inc.	Willcare, Inc. and Subsidiary	Western Region Health Corp. and Subsidiary	Patient's Choice Homecare, Inc.	Eliminations	Consolidated
<b>Current assets:</b>							
Cash	\$ 9,949	\$ 77,358	\$ 135,130	\$ 10,620	\$ 15,000	\$ -	\$ 248,107
Accounts receivable, less allowance for doubtful accounts of approximately \$310,000	(966,020)	1,767,867	2,783,505	6,233,833	2,263,802	(38,560)	12,044,427
Deposits	9,953	10,504	14,434	25,938	13,560	-	74,449
Due from third-party payors	-	-	12,857	-	-	-	12,857
Due from affiliates	-	2,881,502	7,075,820	11,416,245	516,407	(21,869,774)	-
Investment in affiliates	22,599,733	-	-	-	-	(22,599,733)	-
Prepaid expenses and other current assets	38,345	9,749	197,540	460,047	31,287	-	736,968
Deferred tax asset	393,561	-	-	-	-	-	393,561
Total current assets	22,085,521	4,726,980	10,219,136	18,146,683	2,840,056	(44,508,067)	13,510,369
<b>Property and equipment, net</b>	809,001	59,945	82,845	397,367	253,598	-	1,612,755
<b>Other assets:</b>							
Intangible assets, net	3,732,000	-	-	747,000	-	-	4,479,000
Goodwill	30,584,827	-	-	-	-	-	30,584,827
Deferred financing fees, net	569,139	-	-	-	-	-	569,139
	34,885,966	-	-	747,000	-	-	35,632,966
<b>Total assets</b>	<b>\$ 57,780,488</b>	<b>\$ 4,786,925</b>	<b>\$ 10,312,041</b>	<b>\$ 19,291,050</b>	<b>\$ 3,093,654</b>	<b>\$ (44,508,067)</b>	<b>\$ 50,756,091</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>							
<b>Current liabilities:</b>							
Demand note payable	\$ 3,995,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,995,419
Accounts payable and accrued expenses	1,546,739	(8,983)	10,635	42,630	240,028	(38,560)	1,791,559
Accrued payroll	255,285	270,679	383,291	1,115,993	332,319	-	2,657,567
Accrued payroll taxes and benefits	155,931	286,274	168,659	249,451	65,563	-	925,877
Due to third-party payors	-	-	416,934	1,235,124	679,014	-	2,331,072
Due to affiliates	21,869,774	-	-	-	-	(21,869,774)	-
Current portion of capital lease obligations	357,563	-	-	11,990	-	-	369,553
Current portion of long-term debt	2,178,365	-	-	83,333	-	-	2,261,698
Current portion of subordinated debt	450,000	-	-	-	-	-	450,000
Total current liabilities	30,809,076	646,890	979,589	2,738,521	1,616,924	(21,908,334)	14,782,746
<b>Capital lease obligations</b>	185,041	-	-	-	-	-	185,041
<b>Long-term debt</b>	15,092,219	-	-	166,667	-	-	15,258,886
<b>Subordinated debt, net of discount of \$107,347</b>	3,893,124	-	-	-	-	-	3,893,124
<b>Deferred tax liability</b>	1,178,948	-	-	-	-	-	1,178,948
<b>Stockholders' equity:</b>							
Preferred stock, 474,030 shares issued and outstanding	4,740	-	-	-	-	-	4,740
Common stock, 11,370 shares issued and outstanding	120	50,010	75,012	5,000	-	(130,022)	120
Additional paid-in-capital	10,801,338	-	-	608,948	-	-	11,410,286
(Accumulated deficit) retained earnings	(4,184,116)	4,189,925	9,257,460	15,771,914	1,476,730	(22,469,711)	4,042,200
Total stockholders' equity	6,622,080	4,239,935	9,332,472	16,385,862	1,476,730	(22,599,733)	15,457,346
<b>Total liabilities and stockholders' equity</b>	<b>\$ 57,780,488</b>	<b>\$ 4,786,925</b>	<b>\$ 10,312,041</b>	<b>\$ 19,291,050</b>	<b>\$ 3,093,654</b>	<b>\$ (44,508,067)</b>	<b>\$ 50,756,091</b>

**BRACOR, INC. AND SUBSIDIARIES**  
**CONSOLIDATING BALANCE SHEET**  
December 31, 2008

ASSETS	Bracor, Inc.	BHC Services, Inc.	Willcare, Inc. and Subsidiary	Western Region Health Corp. and Subsidiary	Eliminations	Consolidated
<b>Current assets:</b>						
Cash	\$ 82,026	\$ 142,713	\$ 139,654	\$ 26,676	\$ -	\$ 391,069
Accounts receivable less allowance for doubtful accounts of approximately \$495,000	(113,121)	1,706,664	2,327,328	4,623,279	(28,327)	8,515,823
Deposits	-	10,504	14,494	24,755	-	49,753
Due from third-party payors	-	-	68,743	50,043	-	118,786
Due from affiliates	-	2,506,249	6,811,953	6,628,860	(15,947,062)	-
Investment in affiliates	12,429,241	-	-	-	(12,429,241)	-
Prepaid expenses and other current assets	15,222	28,658	25,455	90,944	-	160,479
Deferred tax asset	172,312	-	-	-	-	172,312
<b>Total current assets</b>	<b>12,585,630</b>	<b>4,394,988</b>	<b>9,387,627</b>	<b>11,444,557</b>	<b>(28,404,630)</b>	<b>9,408,222</b>
<b>Property and equipment, net</b>	<b>692,147</b>	<b>65,149</b>	<b>12,000</b>	<b>333,546</b>	<b>-</b>	<b>1,102,842</b>
<b>Other assets:</b>						
Intangible assets, net	2,580,000	-	-	-	-	2,580,000
Goodwill	24,330,336	-	-	-	-	24,330,336
Deferred financing fees, net	582,638	-	-	-	-	582,638
	<u>27,492,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,492,974</u>
<b>Total assets</b>	<b>\$ 40,770,831</b>	<b>\$ 4,460,137</b>	<b>\$ 9,399,627</b>	<b>\$ 11,778,103</b>	<b>\$ (28,404,630)</b>	<b>\$ 38,004,038</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)</b>						
<b>Current liabilities:</b>						
Demand note payable	\$ 1,059,028	\$ -	\$ -	\$ -	\$ -	\$ 1,059,028
Accounts payable and accrued expenses	2,110,431	(997)	4,918	25,740	(28,327)	2,111,825
Accrued payroll	263,782	349,749	376,982	1,008,268	-	1,998,781
Accrued payroll taxes and benefits	27,550	321,131	229,511	339,711	-	917,913
Due to third-party payors	-	-	196,800	40,050	-	236,850
Due to affiliates	15,947,062	-	-	-	(15,947,062)	-
Stock purchase agreement adjustment	1,871,692	-	-	-	-	1,371,692
Current portion of capital lease obligations	150,007	-	-	63,407	-	213,414
Current portion of long-term debt	1,250,000	-	-	-	-	1,250,000
<b>Total current liabilities</b>	<b>22,679,622</b>	<b>669,883</b>	<b>808,211</b>	<b>1,477,176</b>	<b>(15,975,389)</b>	<b>9,959,503</b>
Capital lease obligations	542,604	-	-	12,503	-	555,107
Long-term debt	18,250,000	-	-	-	-	18,250,000
Deferred tax liability	1,174,781	-	-	-	-	1,174,781
<b>Stockholders' equity (deficiency):</b>						
Preferred stock, 396,000 shares issued and outstanding	3,960	-	-	-	-	3,960
Common stock, 10,000 shares issued and outstanding	100	50,010	75,012	5,000	(130,022)	100
Additional paid-in capital	243,195	3,741,164	8,036,130	7,721,734	(12,299,219)	7,443,004
(Accumulated deficit) retained earnings	(2,123,431)	(920)	480,274	2,561,690	-	917,583
<b>Total stockholders' equity (deficiency)</b>	<b>(1,876,216)</b>	<b>3,790,254</b>	<b>8,591,416</b>	<b>10,288,424</b>	<b>(12,429,241)</b>	<b>8,364,647</b>
<b>Total liabilities and stockholders' equity (deficiency)</b>	<b>\$ 40,770,831</b>	<b>\$ 4,460,137</b>	<b>\$ 9,399,627</b>	<b>\$ 11,778,103</b>	<b>\$ (28,404,630)</b>	<b>\$ 38,004,038</b>

BFA Attachment B (cont.)

**BRACOR, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF OPERATIONS**  
For the Year Ended December 31, 2009

	Bracor, Inc.	BHC Services, Inc.	Willcare, Inc. and Subsidiary	Western Region Health Corp. and Subsidiary	Patient's Choice Homecare, Inc.	Eliminations	Consolidated
<b>Revenues:</b>							
Net service revenue	\$ -	\$ 9,779,183	\$ 13,475,955	\$ 32,541,281	\$ 8,257,420	\$ (514,746)	\$ 63,548,993
Management fees	3,339,568	-	-	25,000	-	(3,326,668)	38,000
	<u>3,339,568</u>	<u>9,779,183</u>	<u>13,475,955</u>	<u>32,566,281</u>	<u>8,257,420</u>	<u>(3,841,414)</u>	<u>63,586,993</u>
<b>Operating expenses:</b>							
Operating, general and administrative expenses	5,193,363	9,299,973	12,693,094	26,244,352	7,365,679	(3,841,414)	56,975,647
Depreciation and amortization	776,391	31,550	20,464	177,006	97,298	-	1,102,409
	<u>5,970,354</u>	<u>9,331,523</u>	<u>12,713,558</u>	<u>26,421,358</u>	<u>7,462,977</u>	<u>(3,841,414)</u>	<u>58,078,056</u>
<b>Income (loss) from operations</b>	<b>(2,630,386)</b>	<b>447,660</b>	<b>762,297</b>	<b>6,144,923</b>	<b>784,443</b>	<b>-</b>	<b>5,508,937</b>
<b>Other income (expense):</b>							
Other revenue	60,826	2,243	4,843	35,237	-	-	103,149
Interest expense	(1,461,444)	(221)	(6,795)	(30,120)	-	-	(1,498,580)
	<u>(1,400,618)</u>	<u>2,022</u>	<u>(1,952)</u>	<u>5,117</u>	<u>-</u>	<u>-</u>	<u>(1,395,431)</u>
<b>Income (loss) before tax provision</b>	<b>(4,031,004)</b>	<b>449,682</b>	<b>760,345</b>	<b>6,150,040</b>	<b>784,443</b>	<b>-</b>	<b>4,113,506</b>
<b>Provision for income taxes</b>	<b>(902,002)</b>	<b>-</b>	<b>(19,288)</b>	<b>(52,599)</b>	<b>(15,000)</b>	<b>-</b>	<b>(988,889)</b>
<b>Net income (loss)</b>	<b>\$ (4,933,006)</b>	<b>\$ 449,682</b>	<b>\$ 741,057</b>	<b>\$ 6,097,441</b>	<b>\$ 769,443</b>	<b>\$ -</b>	<b>\$ 3,124,617</b>

BFA Attachment B (cont.)

BRACOR, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF OPERATIONS  
For the Period July 18 - December 31, 2008

	Bracor, Inc.	BHC Services, Inc.	Willcare, Inc. and Subsidiary	Western Region Health Corp. and Subsidiary	Eliminations	Consolidated
<b>Revenues:</b>						
Net service revenue	\$ -	\$ 4,533,240	\$ 6,160,026	\$ 13,126,656	\$ (352,803)	\$ 23,467,119
Management fees	1,447,739	-	-	30,000	(1,441,835)	35,904
	<u>1,447,739</u>	<u>4,533,240</u>	<u>6,160,026</u>	<u>13,156,656</u>	<u>(1,794,638)</u>	<u>23,503,023</u>
<b>Operating expenses:</b>						
Operating, general and administrative expenses	1,355,695	4,507,339	5,673,904	10,504,453	(1,794,638)	20,746,753
Depreciation and amortization	212,335	18,051	5,320	86,674	-	320,380
	<u>2,068,030</u>	<u>4,523,390</u>	<u>5,679,224</u>	<u>10,591,127</u>	<u>(1,794,638)</u>	<u>21,087,133</u>
<b>Income (loss) from operations</b>	(520,291)	9,850	480,802	2,565,529	-	2,435,890
<b>Other income (expense):</b>						
Other revenue	1,516	(82)	1,123	5,696	-	8,253
Interest expense	(313,217)	(149)	(1,651)	(9,535)	-	(624,552)
	<u>(311,701)</u>	<u>(231)</u>	<u>(528)</u>	<u>(3,839)</u>	<u>-</u>	<u>(616,299)</u>
<b>Income (loss) before tax provision</b>	(1,231,992)	9,619	480,274	2,561,690	-	1,819,591
<b>Provision for income taxes</b>	(391,469)	(10,539)	-	-	-	(902,008)
<b>Net income (loss)</b>	<u>\$ (2,123,461)</u>	<u>\$ (920)</u>	<u>\$ 480,274</u>	<u>\$ 2,561,690</u>	<u>\$ -</u>	<u>\$ 917,583</u>

# WILLCARE

## EBITDA

For the Month, YTD and Budget Ended October 31, 2010

	<u>Month</u> <i>Adjusted</i>		<u>YTD</u>		<u>Budget</u>	
Total Revenue	\$ 6,603,779		\$ 64,762,055		\$ 63,421,618	
Direct Expense	<u>3,144,089</u>	47.61%	<u>30,792,271</u>	47.55%	<u>30,669,169</u>	48.36%
Gross Earnings	<u>\$ 3,459,690</u>	52.39%	<u>\$ 33,969,784</u>	52.45%	<u>\$ 32,752,449</u>	51.64%
Operating Expense	<u>2,663,566</u>	40.33%	<u>25,531,279</u>	39.42%	<u>25,234,150</u>	39.79%
EBITDA	<u>\$ 796,124</u>	12.06%	<u>\$ 8,438,505</u>	13.03%	<u>\$ 7,518,299</u>	11.85%

# DRAFT

**BRACOR, INC. AND SUBSIDIARIES**  
**CONSOLIDATING BALANCE SHEET**  
**December 31, 2010**

These financial statements are presented as if the bank has waived the debt covenant violations described in Notes to the financial statements. If the bank does not waive those violations, the bank debt will be classified as a current liability subject to payment on demand. In those circumstances, there may be substantial doubt about the Company's ability to continue as a going concern.

ASSETS	Bracor, Inc.	BHC Services, Inc.	Willcare, Inc. and Subsidiary	Western Health Corp. and Subsidiary	Patient's Choice Homecare, Inc.	Eliminations	Consolidated
<b>REPRESENTATIVE AND PRELIMINARY - SUBJECT TO REVISION</b>							
<b>Current assets:</b>							
Cash	\$ 13,696	\$ 4,284	\$ 10,889	\$ 193,825	\$ 11,355	\$ -	\$ 234,049
Accounts receivable, less allowance for doubtful accounts of approximately \$396,000	11,847	1,777,014	3,129,455	7,698,032	3,261,721	(58,906)	15,819,163
Deposits	3,500	17,157	15,844	24,755	13,560	-	74,816
Due from third-party payors	-	-	523,778	300,000	-	-	823,778
Due from affiliates	-	2,762,117	8,955,159	18,974,461	3,068,138	(33,759,875)	-
Investment in affiliates	27,072,497	-	-	-	-	(27,072,497)	-
Prepaid expenses and other current assets	20,662	7,156	94,607	358,770	21,975	-	503,170
Deferred tax asset	830,270	-	-	-	-	-	830,270
<b>Total current assets</b>	<b>27,952,472</b>	<b>4,567,728</b>	<b>12,729,732</b>	<b>27,549,843</b>	<b>6,376,749</b>	<b>(60,891,278)</b>	<b>18,285,246</b>
<b>Property and equipment, net</b>	<b>610,887</b>	<b>72,873</b>	<b>67,360</b>	<b>279,597</b>	<b>154,131</b>	<b>-</b>	<b>1,184,868</b>
<b>Other assets:</b>							
Intangible assets, net	3,332,000	-	-	747,000	-	-	4,079,000
Goodwill	30,584,827	-	-	-	-	-	30,584,827
Deferred financing fees, net	446,919	-	-	-	-	-	446,919
	<u>34,363,746</u>	<u>-</u>	<u>-</u>	<u>747,000</u>	<u>-</u>	<u>-</u>	<u>35,110,746</u>
<b>Total assets</b>	<b>\$ 62,927,105</b>	<b>\$ 4,640,601</b>	<b>\$ 12,797,112</b>	<b>\$ 28,576,440</b>	<b>\$ 6,530,880</b>	<b>\$ (60,891,278)</b>	<b>\$ 54,580,860</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>							
<b>Current liabilities:</b>							
Demand note payable	\$ 2,772,242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,772,242
Accounts payable and accrued expenses	1,723,975	(5,984)	(73,482)	(122,183)	245,455	(58,906)	1,708,875
Accrued payroll	715,054	200,751	476,370	1,235,951	661,838	-	3,289,964
Accrued payroll taxes and benefits	337,985	265,772	700,619	773,547	140,459	-	2,218,382
Deferred revenue	-	23,000	-	875,401	614,557	-	1,512,958
Due to third-party payors	-	-	429,802	2,418,717	1,081,013	-	3,929,532
Due to affiliates	33,759,874	-	-	-	-	(33,759,874)	-
Current portion of capital lease obligations	224,966	-	-	-	-	-	224,966
Current portion of long term debt	2,691,780	-	-	-	-	-	2,691,780
Current portion of subordinated debt	450,000	-	-	-	-	-	450,000
<b>Total current liabilities</b>	<b>42,675,876</b>	<b>483,539</b>	<b>1,533,369</b>	<b>5,181,433</b>	<b>2,743,322</b>	<b>(33,818,780)</b>	<b>18,798,699</b>
<b>Capital lease obligations</b>	<b>236,464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236,464</b>
<b>Long-term debt</b>	<b>12,080,033</b>	<b>-</b>	<b>-</b>	<b>166,667</b>	<b>-</b>	<b>-</b>	<b>12,246,700</b>
<b>Subordinated debt, net of discount of \$86,470</b>	<b>3,464,301</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,464,301</b>
<b>Deferred tax liability</b>	<b>1,219,966</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,219,966</b>
<b>Stockholders' equity:</b>							
Preferred stock, 474,030 shares issued and outstanding	4,740	-	-	-	-	-	4,740
Common stock, 11,370 shares issued and outstanding	120	50,010	75,012	5,000	-	(130,022)	120
Additional paid-in-capital	10,801,338	-	-	608,948	-	-	11,410,286
(Accumulated deficit) retained earnings	(7,555,733)	4,107,052	11,188,791	22,614,392	3,787,558	(26,942,476)	7,199,584
<b>Total stockholders' equity</b>	<b>3,250,465</b>	<b>4,157,062</b>	<b>11,263,803</b>	<b>23,228,340</b>	<b>3,787,558</b>	<b>(27,072,498)</b>	<b>18,614,730</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 62,927,105</b>	<b>\$ 4,640,601</b>	<b>\$ 12,797,112</b>	<b>\$ 28,576,440</b>	<b>\$ 6,530,880</b>	<b>\$ (60,891,278)</b>	<b>\$ 54,580,860</b>

## BRACOR, INC. AND SUBSIDIARIES

## CONSOLIDATING STATEMENT OF OPERATIONS

For the Year Ended December 31, 2010

	Bracor, Inc.	BHC Services, Inc.	Willcare, Inc. and Subsidiary	Western Region Health Corp. and Subsidiary	Patient's Choice Homecare, Inc.	Eliminations	Consolidated
<b>Revenues:</b>							
Net service revenue	\$ -	\$ 8,922,290	\$ 18,772,305	\$ 35,563,377	\$ 16,014,392	\$ (605,527)	\$ 78,665,837
Management fees	5,901,139	-	-	-	-	(5,888,139)	13,000
	<u>5,901,139</u>	<u>8,922,290</u>	<u>18,772,305</u>	<u>35,563,377</u>	<u>16,014,392</u>	<u>(6,493,666)</u>	<u>78,679,837</u>
<b>Operating expenses:</b>							
Operating, general and administrative expenses	8,952,437	8,977,238	16,812,109	28,878,502	13,582,192	(6,493,666)	70,708,812
Depreciation and amortization	940,186	27,651	31,622	164,983	126,452	-	1,290,894
	<u>9,892,623</u>	<u>9,004,889</u>	<u>16,843,731</u>	<u>29,043,485</u>	<u>13,708,644</u>	<u>(6,493,666)</u>	<u>71,999,705</u>
Income (loss) from operations	(3,991,484)	(82,599)	1,928,574	6,519,892	2,305,748	-	6,683,131
<b>Other income (expense):</b>							
Other revenue	5,726	(272)	2,755	334,862	5,082	-	349,153
Interest expense	(1,582,659)	-	-	(12,271)	-	-	(1,594,930)
	<u>(1,576,933)</u>	<u>(272)</u>	<u>2,755</u>	<u>322,591</u>	<u>5,082</u>	<u>-</u>	<u>(1,245,177)</u>
Income (loss) before tax provision	(5,567,317)	(82,871)	1,931,329	6,842,483	2,310,830	-	5,433,954
Provision for income taxes	(2,278,570)	-	-	-	-	-	(2,278,570)
Net income (loss)	<u>\$ (7,844,387)</u>	<u>\$ (82,871)</u>	<u>\$ 1,931,329</u>	<u>\$ 6,842,483</u>	<u>\$ 2,310,830</u>	<u>\$ -</u>	<u>\$ 3,157,384</u>

**DRAFT**  
 PRELIMINARY  
 DISCUSSION AND INTERNAL PURPOSES  
 SUBJECT TO REVISION

These financial statements are presented as if the bank has waived the debt covenant violations described in Notes to the financial statements. If the bank does not waive those violations, the bank debt will be classified as a current liability subject to payment on demand. In those circumstances, there may be substantial doubt about the Company's ability to continue as a going concern.

**WILLCARE**  
**Litson Certified Care, Inc.**  
**LTHHCP**  
**Ulster County, NY**

<b>Balance Sheet</b>	<u>Dec 31, 2009</u>	<u>Oct 31, 2010</u>	<u>Ulster Co LTHHCP</u>	<u>June 1, 2011</u> Proforma
<b>Assets</b>				
Current Assets				
A/R	\$ 2,994,282	\$ 3,560,656		\$ 3,900,000
PPD Exp	313,914	240,670		300,000
Inter Co Investment	13,469,160	16,868,462	1,400,000	19,768,462
Other	30,449	30,712		31,811
sum	<u>\$ 16,807,805</u>	<u>\$ 20,700,500</u>	<u>\$ 1,400,000</u>	<u>\$ 24,000,273</u>
Other Assets				
Fixed	219,455	154,590		110,030
Total	<u>\$ 17,027,260</u>	<u>\$ 20,855,090</u>	<u>\$ 1,400,000</u>	<u>\$ 24,110,273</u>
<b>Liabilities</b>				
Current Liabilities				
A/P	\$ 135,593	164,673		150,000
Accrd PR	690,187	591,800		600,000
Accrd PR Taxes	28,484	33,375		40,000
Due To Payers	853,004	1,609,129		1,960,000
Other	8,162	(4,160)		-
sum	<u>\$ 1,715,430</u>	<u>\$ 2,394,817</u>	<u>\$ -</u>	<u>\$ 2,750,000</u>
Common Stock	14,100	14,100		14,100
Retained Earnings	15,297,730	18,446,173	1,400,000	21,346,173
Total	<u>\$ 17,027,260</u>	<u>\$ 20,855,090</u>	<u>\$ 1,400,000</u>	<u>\$ 24,110,273</u>

**ESTABLISHMENT CHECKLIST FOR LONG TERM HOME HEALTH CARE PROGRAMS**

APPLICATION: 101147-B Willcare Long Term Home Health Care Program (Ulster County)

NATURE OF PROPOSAL: Seeks approval to purchase 75 LTHHCP slots from Ulster County Department of Health.

EFFECT ON OPERATIONAL OWNERSHIP: None.

EFFECT ON REAL ESTATE OWNERSHIP: None.

FIXED ASSET PURCHASE PRICE: N/A

FIXED ASSET MEDICAID VALUE: N/A

BUSINESS PURCHASE PRICE: \$1,400,000

**L. WOERNER, INC.**  
**D/B/A HCR**  
**Balance Sheets**  
**December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 467,648	\$ 1,251
Accounts receivable - net of allowance for doubtful accounts of \$137,323 and \$133,863, respectively	6,539,949	6,230,223
Prepaid expenses and other current assets	622,243	311,814
<b>Total current assets</b>	<u>7,629,840</u>	<u>6,543,288</u>
<b>Property and Equipment - Net</b>	<u>1,442,080</u>	<u>1,088,293</u>
<b>Total Assets</b>	<u>\$ 9,071,920</u>	<u>\$ 7,631,581</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>Current Liabilities</b>		
Line of credit	\$ -	\$ 931,377
Note payable - current portion	1,821,429	1,821,429
Accounts payable	160,340	302,431
Accrued expenses	2,128,931	1,468,353
Unearned revenue	339,714	319,845
Refundable advance	160,000	200,000
Due to third party payors	1,675,667	103,076
<b>Total current liabilities</b>	<u>6,276,081</u>	<u>5,146,511</u>
<b>Long-Term Liabilities</b>		
Security deposits	42,131	17,196
Note payable - net of current portion	2,606,429	8,827,857
<b>Total long-term liabilities</b>	<u>2,648,560</u>	<u>8,845,053</u>
<b>Total Liabilities</b>	<u>8,924,641</u>	<u>13,991,564</u>
<b>Stockholders' Equity (Deficit)</b>		
Common stock - no par, 2,000,000 shares authorized and issued, 1,994,402 and 2,000,000 shares outstanding (includes 708,978 and 966,835 unallocated ESOP shares, respectively)	93,500	93,500
Treasury stock (5,598 and 0 shares - at cost)	(76,875)	-
Additional paid-in capital	858,354	857,014
Retained earnings	4,193,210	1,596,517
Unearned ESOP shares	(4,920,910)	(8,907,014)
<b>Total stockholders' equity (deficit)</b>	<u>147,279</u>	<u>(6,359,983)</u>
<b>Total Liabilities and Stockholders' Equity (Deficit)</b>	<u>\$ 9,071,920</u>	<u>\$ 7,631,581</u>

**L. WOERNER, INC.**  
**D/B/A HCR**  
**Statements of Operations**  
**For the Years Ended December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>Revenues</b>	<b>\$ 43,368,491</b>	<b>\$ 36,184,257</b>
<b>Operating Expenses</b>		
Payroll	25,619,916	21,562,845
Payroll taxes and employee benefits	4,275,972	3,384,296
ESOP contributions	4,000,000	3,813,000
Outside services	2,535,705	1,890,766
Office expense	796,846	559,721
Travel	761,042	648,782
Depreciation	392,806	319,445
Rent	364,510	364,927
Utilities	361,281	338,990
Equipment rental, repairs and maintenance	338,551	304,404
Bad debt expense	313,334	261,392
Interest	221,711	361,742
Legal and accounting	216,116	214,667
Miscellaneous	198,135	96,719
Training and recruitment	122,728	70,295
Insurance	117,938	131,594
Real estate taxes	67,904	86,481
Dues and subscriptions	59,661	42,484
<b>Total operating expenses</b>	<b><u>40,764,156</u></b>	<b><u>34,552,550</u></b>
<b>Income from Operations</b>	<b>2,604,335</b>	<b>1,631,707</b>
<b>Provision for Taxes</b>	<b><u>7,642</u></b>	<b><u>2,502</u></b>
<b>Net Income</b>	<b><u>\$ 2,596,693</u></b>	<b><u>\$ 1,629,205</u></b>

L.Woerner, Inc. dba HCR  
Preliminary Balance Sheet  
December 31, 2010  
Exhibit D

<b>ASSETS:</b>	
<b>Current Assets</b>	
Cash	4,393,124
Accounts Receivable	5,453,547
Prepaid Expenses	<u>209,324</u>
Total Current Assets	10,055,995
<b>Property, Plant &amp; Equipment</b>	
Equipment	929,871
Software	259,850
Leasehold Improvements	<u>227,285</u>
Total Property, Plant & Equipment	1,417,007
<b>Other Assets</b>	
Intangibles and Security Deposits	<u>1,688,531</u>
<b>TOTAL ASSETS</b>	<u><u>13,161,532</u></u>
<b>Liabilities:</b>	
<b>Current Liabilities</b>	
Line of Credit Payable	0
Libor Term Note/Current	1,821,429
Accounts Payable	1,157,720
Accrued Expenses	278,738
Accrued Payroll & Fringes	1,817,203
Unearned Revenue	362,625
Reserve for Payor Settlements	<u>4,183,565</u>
Total Current Liabilities	9,621,278
<b>Other Liabilities</b>	
Libor Term Note/Long Term	785,000
Security Deposits- Patients	<u>27,084</u>
<b>TOTAL LIABILITIES</b>	10,433,362
<b>STOCKHOLDERS' EQUITY:</b>	
Common Stock	93,500
Unearned ESOP Shares	(937,487)
Additional Paid In Capital	858,354
Treasury Stock	(289,382)
Retained Earnings	<u>3,003,186</u>
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<u>2,728,170</u>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<u><u>13,161,532</u></u>

L. Woerner, Inc. d/b/a HCR  
Preliminary Profit/(Loss) Statement  
YTD December 2010  
Exhibit C

<i>Revenues</i>	\$44,543,289
<i>Direct Costs</i>	<u>27,333,715</u>
<i>Gross Margin</i>	\$17,209,574
<i>Indirect Costs</i>	
<i>Payroll and Related Expenses</i>	\$9,377,479
<i>Other Indirect Expenses</i>	<u>9,022,118</u>
<i>Total Indirect Expenses</i>	<u>\$18,399,597</u>
<i>Net Profit/(Loss)</i>	<u>(\$1,190,023)</u>

**4010 - OC Health Dept**  
**2009 Revenue and Expenditure Report #10 CHHA**

	January 01,2008 To <u>December 31,2008</u>	January 01,2009 To <u>December 31,2009</u>
<b>REVENUES</b>		
A1602 Medicare	\$ 399,261.26	\$ 496,574.93
A1603 Medicaid	174,257.36	67,067.83
A1604 Self Pay	10,705.13	16,027.53
A1605 Other 3rd Party Ins	<u>390,591.87</u>	<u>476,434.65</u>
<b>Total REVENUE</b>	<b>\$ 974,815.62</b>	<b>\$ 1,056,104.94</b>
<b>EXPENDITURES</b>		
100 TOTAL Salaries	\$ 461,659.15	\$ 471,951.28
101 TOTAL Overtime	35,239.46	21,858.89
102 TOTAL Comp Time	2,270.03	4,659.64
103 TOTAL Beeper	9,324.00	9,420.00
104 TOTAL Annual Leave	38,992.97	45,450.88
105 TOTAL Sick Leave	29,051.46	19,798.52
106 TOTAL Funeral Leave	785.02	1,515.10
109 TOTAL Non-Working Holi	0.00	14,733.11
116 TOTAL Workman's Comp	0.00	514.22
118 TOTAL Breas: Cancer Sc	351.77	403.39
222 TOTAL Leased Computers	269.04	1,027.48
250 TOTAL Other Equipment	376.46	756.00
401 TOTAL Cell Phones/Page	263.81	366.74
408 TOTAL Therapy Services	138,400.00	172,160.00
411 TOTAL Office Supplies	1,632.53	1,926.91
415 TOTAL Clothing Allowan	2,100.00	2,211.30
418 TOTAL Miscellaneous	192.20	2,575.29
421 TOTAL Telephone	1,626.91	1,718.05
431 TOTAL Insurance	5,943.82	5,885.49
434 TOTAL Advertising	135.32	0.00
441 TOTAL Printing	313.00	602.78
452 TOTAL Per Serv Contrac	10,026.33	947.20
456 TOTAL Computer Service	11,728.03	15,279.03
458 TOTAL Bks/Periodic/Man	518.05	488.70
460 TOTAL Training & Educa	960.69	2,202.00
461 TOTAL Postage	0.00	6.78
462 TOTAL Travel/Mileage	39,454.45	42,283.08
463 TOTAL Travel/Expenses	70.90	935.52
464 TOTAL Subscrip/News/Ma	125.96	0.00
466 TOTAL Consultant	14,425.00	12,695.00
474 TOTAL Home Health Aide	4,052.78	104.11
489 TOTAL Nursing Supplies	17,669.20	24,484.90
860 Health Insurance	<u>0.00</u>	<u>148,103.35</u>

4010 - OC Health Dept  
 2009 Revenue and Expenditure Report #10 CHHA

	January 01,2008 To <u>December 31,2008</u>	January 01,2009 To <u>December 31,2009</u>
Total EXPENDITURES	\$ <u>827,956.34</u>	\$ <u>1,027,062.74</u>
Total EXCESS OF REVENUE OVER EXP	\$ <u>146,859.28</u>	\$ <u>29,042.20</u>
AMOUNT OUT OF BALANCE	\$ <u>146,859.28</u>	\$ <u>29,042.20</u>
PROFIT (LOSS)	\$ <u>146,859.28</u> =====	\$ <u>29,042.20</u> =====

**CON#101156-E**

**L.Woerner, Inc. d/b/a HCR**

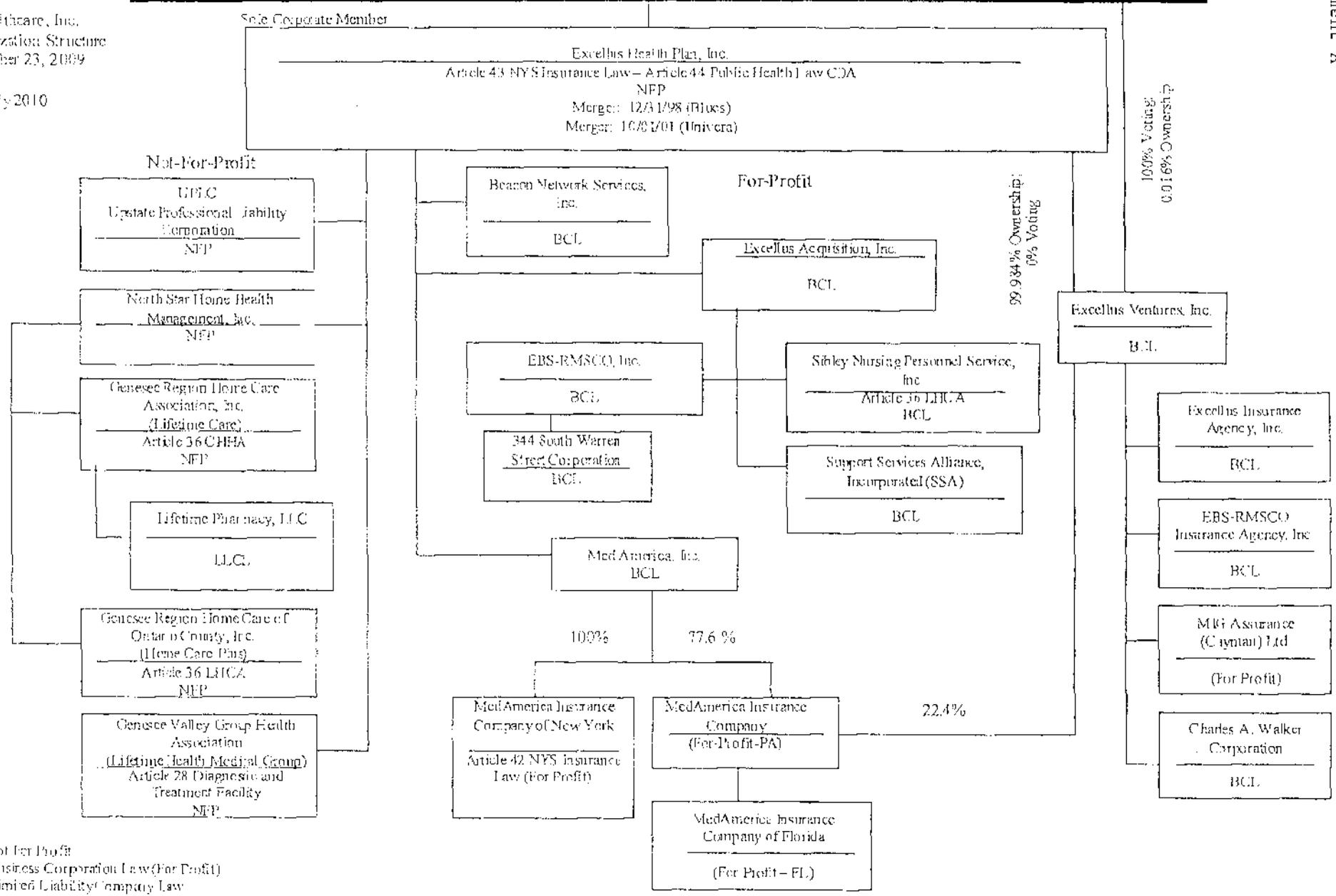
NATURE OF PROPOSAL: Purchase and become the operator of the Orleans County Department of Health's Article 36 Certified Home Health Agency.

EFFECT ON REAL ESTATE OWNERSHIP: NA

BUSINESS PURCHASE PRICE: \$500,000

**LifeTime Healthcare**  
 Not-For-Profit Taxable Holding Company formed under the Not-For-Profit Corporation Law

LifeTime Healthcare, Inc.  
 Local Organization Structure  
 as of December 23, 2009  
 Reviewed July 2010



NFP = Not For Profit  
 TCL = Business Corporation Law (For Profit)  
 LLC = Limited Liability Company Law  
 CHEHA = Certified Home Health Agency  
 LHCA = License Home Care Agencies  
 Ownership/Control is 100% except as otherwise indicated

STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2008  
(Dollar amounts in thousands)

	2008
<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 5,333
Assets limited as to use	160
Accounts receivable — net of allowance for estimated uncollectible accounts of \$150	9,574
Due from Genesee Region Home Care of Ontario County, Inc	6,023
Due from Sibley Nursing Personnel, Inc.	1,436
Due from MedAmerica Insurance Company of New York	77
Pledges receivable	111
Prepaid expenses and other current assets	<u>268</u>
Total current assets	<u>22,982</u>
<b>ASSETS LIMITED AS TO USE:</b>	
Board designated for hospice activities	5,103
Held by trustees	<u>1,181</u>
	4,284
Less amount required to meet current obligations	<u>160</u>
	<u>4,124</u>
PROPERTY AND EQUIPMENT — Net	6,336
PLEDGES RECEIVABLE — Net	58
GOODWILL — Net	<u>3,403</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 36,903</u></b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 6,036
Unearned revenue	573
Accrued expenses	6,103
Due to Excellus Health Plan, Inc.	270
Current maturities — due to Excellus Health Plan, Inc. for pension obligation	120
Current maturities of long term debt	260
Third-party allowance	1,253
Defined contribution pension obligation	<u>1,140</u>
Total current liabilities	17,755
LONG-TERM DEBT — Net of current maturities	1,062
DUE TO EXCELLUS HEALTH PLAN, INC. FOR PENSION OBLIGATION — Net of current maturities	<u>1,417</u>
Total liabilities	20,234
UNRESTRICTED NET ASSETS	<u>16,669</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 36,903</u></b>

## GENESEE REGION HOME CARE ASSOCIATION, INC.

### STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2008

(Dollar amounts in thousands)

REVENUE, GAINS, AND SUPPORT:	
Net service revenue	\$ 66,443
Contributions	460
Interest and dividends	296
Net loss on investments	<u>(808)</u>
Total revenue, gains, and support	<u>66,991</u>
EXPENSES:	
Salaries and benefits	36,139
Purchased health services	21,117
Office expenses	3,887
Occupancy	1,796
Mileage reimbursement	1,240
Depreciation and amortization	1,332
Bad debt expense	<u>264</u>
Total expenses	<u>65,775</u>
REVENUES OVER EXPENSES	616
NET UNREALIZED LOSS ON INVESTMENTS	<u>(490)</u>
INCREASE IN UNRESTRICTED NET ASSETS	126
NET ASSETS — Beginning of year	<u>16,543</u>
NET ASSETS — End of year	<u>\$ 16,669</u>

## STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2009

(Dollar amounts in thousands)

	2009
<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 4,942
Assets limited as to use	160
Accounts receivable — net of allowance for estimated uncollectible accounts of \$150	9,305
Investments	3,973
Due from Genesee Region Home Care of Ontario County, Inc.	7,162
Due from Sibley Nursing Personnel, Inc.	1,532
Due from L'Ortime Pharmacy, LLC	1,347
Due from MedAmerica Insurance Company of New York	8
Pledges receivable	50
Prepaid expenses and other current assets	<u>354</u>
Total current assets	<u>28,833</u>
<b>ASSETS LIMITED AS TO USE:</b>	
Board designated for hospice activities	3,555
Held by trustees	<u>1,184</u>
	4,739
Less amount required to meet current obligations	<u>160</u>
	<u>4,579</u>
PROPERTY AND EQUIPMENT — Net	6,067
PLEDGES RECEIVABLE — Net	27
GOODWILL — Net	<u>3,309</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 42,815</u></b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 7,424
Unearned revenue	644
Accrued expenses	8,335
Due to Excellus Health Plan, Inc.	291
Current maturities — due to Excellus Health Plan, Inc. for pension obligation	120
Current maturities of long-term debt	260
Third-party allowance	1,751
Defined contribution pension obligation	<u>1,200</u>
Total current liabilities	20,026
LONG-TERM DEBT — Net of current maturities	802
DUE TO EXCELLUS HEALTH PLAN, INC. FOR PENSION OBLIGATION — Net of current maturities	<u>1,297</u>
Total liabilities	22,124
UNRESTRICTED NET ASSETS	<u>20,691</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 42,815</u></b>

**GENESEE REGION HOME CARE ASSOCIATION, INC.**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

(Dollar amounts in thousands)

**REVENUE, GAINS, AND SUPPORT:**

Net service revenue	\$ 70,614
Contributions	405
Interest and dividends	98
Net gain on investments	<u>498</u>
Total revenue, gains, and support	<u>71,615</u>

**EXPENSES:**

Salaries and benefits	38,727
Purchased health services	20,268
Office expenses	4,246
Occupancy	1,878
Mileage reimbursement	1,358
Depreciation and amortization	907
Bad debt expense	294
Income tax expense	<u>34</u>
Total expenses	<u>67,712</u>

REVENUES OVER EXPENSES 3,903

NET UNREALIZED GAIN ON INVESTMENTS 119

INCREASE IN UNRESTRICTED NET ASSETS 4,022

NET ASSETS -- Beginning of year 16,669

NET ASSETS -- End of year \$ 20,691

Combined BS  
 after Mercer

**CURRENT ASSETS:**

Cash & cash equivalents	3,484,000
Assets limited as to use	160,000
Accounts Receivable, net	9,447,000
Investments	3,973,000
Due from Sibley Nursing Personnel, Inc.	1,532,000
Due from MedAmerica	8,000
Pledges receivable	27,000
Prepaid expenses & other current assets	646,000
Total current assets	<u>19,277,000</u>

Assets limited as to use	4,670,000
Property & equipment, net	6,309,000
Goodwill, net	<u>5,248,000</u>

Total assets \$ 35,413,000

**CURRENT LIABILITIES**

Accounts payable	7,490,000
Unearned revenue	644,000
Accrued expenses	5,046,000
Due to Excellus Health Plan, Inc. (EHP)	301,000
Current maturities - due to EHP for pension	120,000
Current maturities of long-term debt	260,000
Third party allowance	1,251,000
Defined contribution pension obligation	700,000
Total current liabilities	<u>15,812,000</u>

Long-term debt, net of current maturities	542,000
Long-term accounts payable for workers' compensation	3,389,000
Due to EHP for pension, net of current	<u>1,177,000</u>
Total liabilities	<u>20,920,000</u>

Unrestricted net assets 14,493,000

Total liabilities and net assets \$ 35,413,000

Genesee Region Home Care Association, Inc.  
Statement of Position  
As of December 31, 2010

**ASSETS****CURRENT ASSETS:**

Cash and cash equivalents	\$ 1,183
Assets limited as to use	160
Accounts receivable	9,028
Investments	3,143
Due from Sibley Nursing Personnel, Inc.	3,278
Due from MedAmerica of New York	8
Due from Ontario County	328
Due from Cayuga County	530
Due from Genesee Region Home Care of Ontario County, Inc.	7,589
Due from Lifetime Pharmacy, LLC.	1,255
Pledges receivable	229
Prepaid expenses and other current assets	581
Total current assets	<u>27,312</u>

**ASSETS LIMITED AS TO USE:**

Board designated for hospice	4,226
Held by trustees	1,184
	<u>5,410</u>
Less amount required to meet current obligations	160
	<u>5,250</u>

PROPERTY AND EQUIPMENT - net	6,043
PLEDGES RECEIVABLE - net	343
GOODWILL - net	<u>3,309</u>

TOTAL ASSETS \$ 42,257

**LIABILITIES AND NET ASSETS****CURRENT LIABILITIES:**

Accounts Payable	5,227
Unearned Revenue	673
Accrued Expenses	8,920
Due to Genesee Region Home Care Association, Inc.	-
Due to Excellus Health Plan, Inc.	(235)
Current maturities - due to EHP for pension	120
Current maturities of long-term debt	347
Third-party allowance	2,110
Defined contribution pension obligation	500
Total current liabilities	<u>17,662</u>

LONG-TERM DEBT - Net of current maturities	455
DUE TO EHP FOR PENSION - Not of current maturities	<u>1,177</u>

Total liabilities 19,294

NET ASSETS & PARTNERSHIP CAPITAL 22,963

NET ASSETS - end of year \$ 42,257

Genesee Region Home Care Association, Inc.  
 Consolidated Statement of Activities and Changes in Net Assets  
 For the Year ended December 31, 2010

## REVENUES, GAINS &amp; SUPPORT:

Net service revenue	\$ 72,683
Contributions	335
Interest and dividends	197
Net gain (loss) on investments	<u>452</u>
Total revenue, gains & support	73,667

## EXPENSES:

Salaries & benefits	43,258
Purchased health services	19,449
Office expenses	4,689
Occupancy	2,107
Mileage reimbursement	1,306
Depreciation and amortization	783
Bad debt expense	228
Pharmacy costs	-
Income tax expense	<u>20</u>
Total expenses	<u>71,840</u>

REVENUES OVER (UNDER) EXPENSES 1,827

INCREASE IN TEMPORARILY RESTRICTED NET ASSETS 788

INCREASE (DECREASE) IN NET ASSETS 2,615

NET ASSETS - beginning of year 20,348

NET ASSETS - end of year \$ 22,963

102408 - E PTS of Westchester, Inc

Ownership percentages of  
Personal Touch Home Aides of New York, Inc.

Ownership percentages after  
share exchange agreement  
PT Intermediate Holding, Inc.

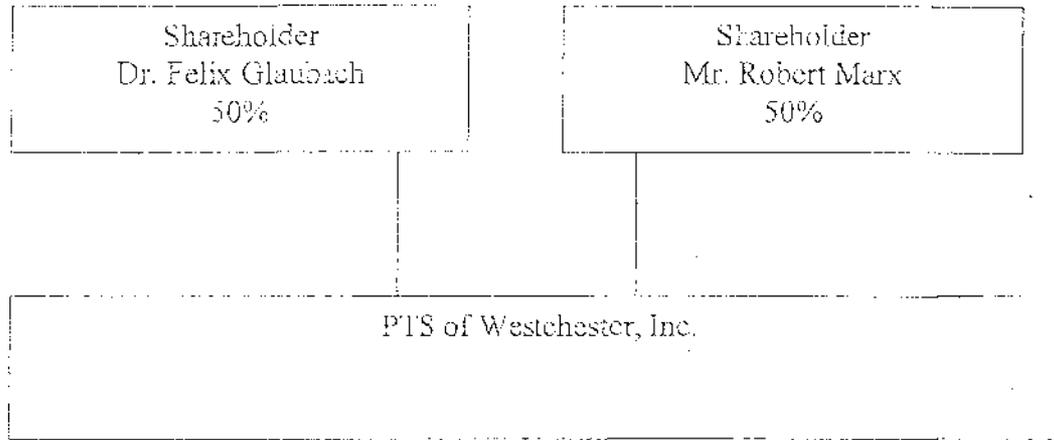
After merger of PT Merging Corp.  
and PT Intermediate Holding Inc.  
Personal Touch Holding Corp.

After DOH Approval  
Personal Touch Holding Corp.

	Percentage	Shares	Percentage	Shares	Percentage	Shares	Percentage	Shares
Dr. Felix Glaubach	50%	50	2.55%	25.503467	25.20%	5,274,000	18.35%	5,505,000
Robert Marx	50%	50	2.55%	25.503467	25.20%	5,274,000	18.35%	5,505,000
Irving Bauer	0	0	8.96%	89.648551	0.40%	88,000	3.00%	900,000
Ernest Rubinstein	0	0	3.60%	35.991906	0.30%	64,000	1.30%	390,000
Miriam Glaubach	0	0	2.53%	25.289008	0.00%	0	6.50%	1,950,000
Glaubach Family Trust	0	0	1.32%	13.248554	0.00%	0	0.40%	120,000
Glaubach KY-Ohio Family Trust	0	0	7.29%	72.867049	0.00%	0	2.20%	660,000
Frances Marx	0	0	2.53%	25.289008	0.00%	0	6.50%	1,950,000
Marx Family Trust	0	0	8.61%	86.115603	0.00%	0	2.60%	780,000
Giza Schechtman	0	0	10.60%	105.988435	0.00%	0	3.20%	960,000
Bauer Family Trust	0	0	6.96%	69.554910	0.00%	0	2.10%	630,000
David Sifkin	0	0	4.50%	45.000042	4.50%	942,407	4.50%	1,349,999
Jalena Capital Corporation	0	0	0	0	0.00%	1	0.00%	1
Personal Touch Home Care	0	0	0	0	44.40%	9,300,000	31.00%	9,300,000
Employee Stock Ownership Trust								
	100%	100	100.00%	1000.000000	100.00%	20,942,408	100.00%	30,000,000

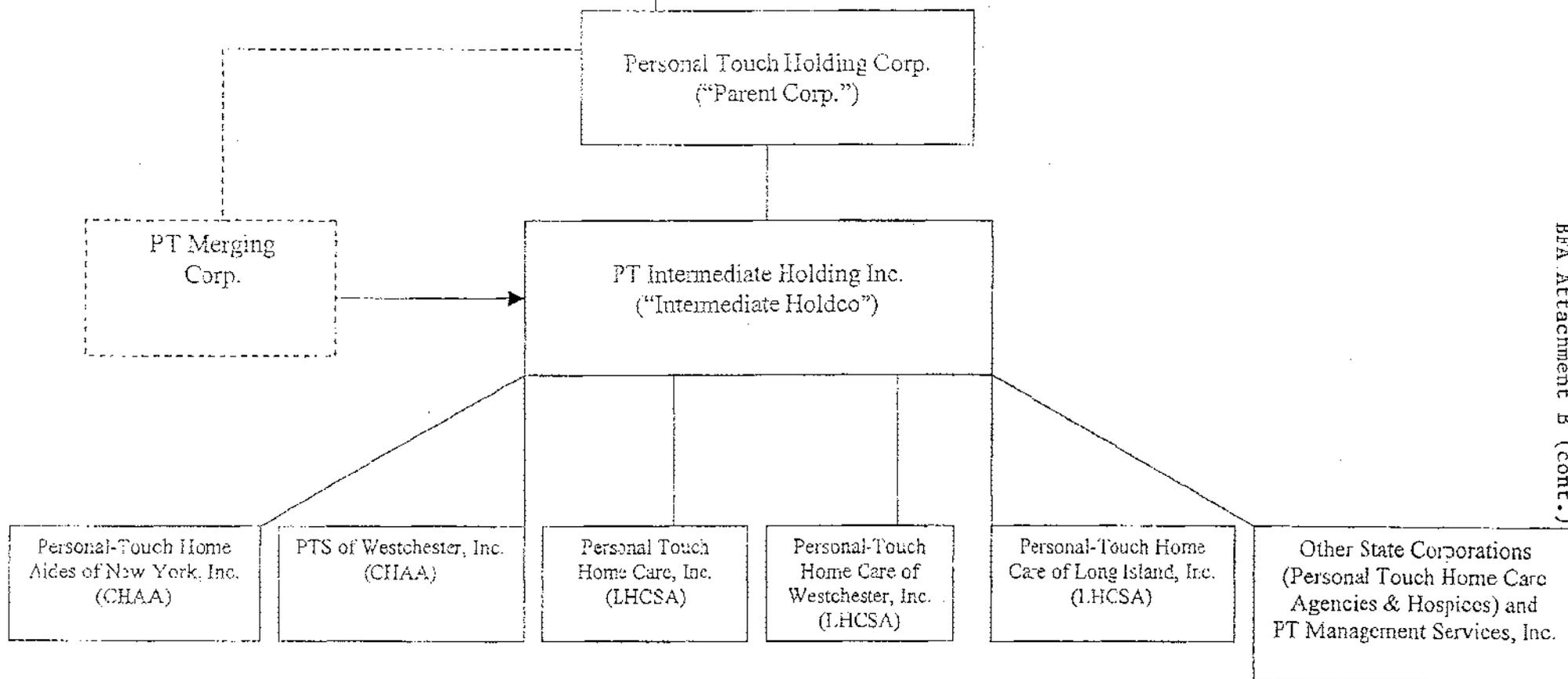
The additional people are included because they have ownership in the cut of state corporations that will also become subsidiaries of Personal Touch Holding Corp.

Organizational Chart – Before Ownership Transfer -



Organizational Structure Following  
Consummation of ESOP

Ownership - Former Shareholders of NY Corporations and Other State Corporations (64.5%)  
ESOP (31%) and David Slifkin (4.5%)



BFA Attachment B (cont.)

\* David Slifkin is the COO and CFO of Personal Touch.

102408 - PTS of Westchester, Inc

## LENDING FACILITIES

### Revolving Credit Notes

<u>Facility</u>	<u>Amount</u>	<u>Term</u>	<u>Interest Rate</u>
HealthCare Finance Group	\$1,000,000	5 years	Three month Libor (.31 as of March 8, 2011) plus 4.5%
JPMorgan Chase	\$13,000,000	5 years	Three month Libor (.31 as of March 8, 2011) plus 4.5%
Brown Bothers Harriman & Co.	\$6,000,000	5 years	Three month Libor (.31 as of March 8, 2011) plus 4.5%

### Term Notes

HealthCare Finance Group	\$11,000,000	5 years	Three month Libor (.31 as of March 8, 2011) plus 3.5%
JPMorgan Chase	\$5,000,000	5 years	Three month Libor (.31 as of March 8, 2011) plus 3.5%
Stearns Bank	\$10,000,000	5 years	Three month Libor (.31 as of March 8, 2011) plus 3.5%
Brown Bothers Harriman & Co.	\$4,000,000	5 years	Three month Libor (.31 as of March 8, 2011) plus 3.5%

### Seller Subordinated Notes

Felix Glaubach	\$5,000,000	4 years	14%
Robert Marx	\$5,000,000	4 years	14%

**Personal-Touch Home Care and Affiliates**  
**Combined Balance Sheets**  
**December 31, 2009 and 2008**

(in thousands, except share data)

	2009	2008
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 5,086	\$ 1,143
Accounts receivable, net of allowance for doubtful accounts of \$2,616 in 2009 and \$2,430 in 2008	44,858	63,604
Other current assets	3,123	1,561
<b>Total current assets</b>	<b>53,067</b>	<b>56,398</b>
Property and equipment, net	2,032	2,302
Goodwill and intangible assets, net	2,059	2,159
Other assets	1,770	215
<b>Total assets</b>	<b>\$ 58,928</b>	<b>\$ 61,074</b>
<b>Liabilities and Stockholders' Deficit</b>		
<b>Current liabilities</b>		
Notes payable	\$ -	\$ 473
Borrowings on revolving credit facility	4,319	20,796
Accounts payable and accrued expenses	27,132	5,604
Accrued payroll and related expenses	9,770	12,924
Due to third-party payors, net	11,146	17,425
<b>Total current liabilities</b>	<b>52,367</b>	<b>57,222</b>
<b>Long-Term liabilities</b>		
Notes payable to stockholders	74,883	63,238
<b>Total liabilities</b>	<b>127,250</b>	<b>120,460</b>
<b>Commitments and contingencies (Note 7)</b>		
<b>Stockholders' deficit</b>		
Common stock, stated at par or stated values, ranging from \$ .10 to \$200 per share; 15,500 shares authorized; 2,740 shares issued; 2,730 shares outstanding	116	116
Additional paid-in capital	15,073	15,073
Treasury stock, at cost, 10 shares	(132)	(132)
Accumulated deficit	(83,379)	(74,443)
<b>Total stockholders' deficit</b>	<b>(68,322)</b>	<b>(59,386)</b>
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 58,928</b>	<b>\$ 61,074</b>

**Personal-Touch Home Care and Affiliates**  
**Combined Statements of Operations**  
**For the Years Ended December 31, 2009 and 2008**

*(in thousands)*

	2009	2008
Net revenues	\$ 308,943	\$ 277,772
Cost of revenues	224,785	200,417
Gross profit	<u>84,158</u>	<u>77,355</u>
Selling, general and administrative expenses	65,626	62,898
Depreciation and amortization expense	992	950
Provision for bad debts	1,503	1,430
Income from operations	<u>16,037</u>	<u>12,077</u>
Interest expense	304	1,102
Income from continuing operations before provision for state and local income taxes	15,733	10,975
Provision for state and local income taxes	1,171	470
Income from continuing operations	<u>14,562</u>	<u>10,505</u>
Loss from discontinued operations, net	274	1,055
Net income	<u>\$ 14,288</u>	<u>\$ 9,450</u>

## PERSONAL-TOUCH HOME CARE AND AFFILIATES

## Combined Balance Sheets

September 30, 2010 and December 31, 2009

(000's omitted except share data)

Assets	<u>September 30, 2010</u>	<u>December 31, 2009</u>
Current assets:		
Cash and cash equivalents	\$ 14,818	5,086
Accounts receivable, net of allowance for doubtful accounts of \$2,616 in 2010 and 2009	50,089	44,858
Other current assets	<u>3,276</u>	<u>3,123</u>
Total current assets	68,183	53,067
Property and equipment, net	2,043	2,032
Goodwill and intangible assets	2,017	2,059
Other assets	<u>1,770</u>	<u>1,770</u>
Total assets	<u>\$ 74,013</u>	<u>58,928</u>
<b>Liabilities and Stockholders' Deficit</b>		
Current liabilities:		
Current maturities of long-term debt	\$ 320	—
Revolving credit facility	—	4,319
Accounts payable and accrued expenses	25,713	27,132
Accrued payroll and related expenses	13,717	9,770
Due to third-party payers	<u>17,403</u>	<u>11,146</u>
Total current liabilities	57,153	52,367
Long-term liabilities		
Notes payable to stockholders	—	74,883
Total liabilities	<u>57,153</u>	<u>127,250</u>
Stockholders' deficit:		
Common stock, stated at par or stated values, ranging from \$0.10 to \$200 per share. Authorized 15,500 shares	116	116
Additional paid-in capital	89,956	15,073
Treasury stock, at cost	(132)	(132)
Accumulated deficit	<u>(73,080)</u>	<u>(83,379)</u>
Total stockholders' deficit	16,860	(68,322)
Total liabilities and stockholders' deficit	<u>\$ 74,013</u>	<u>58,928</u>

## PERSONAL-TOUCH HOME CARE AND AFFILIATES

## Combined Statements of Operations

(000's omitted)

	Nine Months Ended	
	<u>September 30, 2010</u>	
Net revenues	\$	264,582
Cost of revenues		<u>190,479</u>
Gross profit		74,103
Selling, general, and administrative expenses		53,729
Depreciation and amortization expense		673
Provision for bad debts		<u>777</u>
Income from operations		18,924
Interest Expense		<u>91</u>
Income before provision for state and local income taxes		18,833
Provision for state and local income taxes		<u>-- 905</u>
Income from continuing operations		17,928
Income/(Loss) from discontinued operations		<u>257</u>
Net Income	\$	<u><u>18,185</u></u>

**PTS of Westchester, Inc.**  
**Balance Sheet**  
**For the Year December 31, 2009**

(in thousands)

**Assets**

## Current assets

Cash and cash equivalents	\$	701
Accounts receivable, net of allowance for doubtful accounts of \$2		538
Other current assets		1

Total current assets		<u>1,240</u>
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Property and equipment, net		26
Other assets		10

Total assets	\$	<u><u>1,276</u></u>
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**Liabilities and Stockholders' Equity**

## Current liabilities

Accounts payable and accrued expenses	\$	62
Accrued payroll and related expenses		78
Due to third-party payers		4

Total current liabilities		<u>144</u>
---------------------------	--	------------

## Stockholders' equity:

Additional paid-in capital		430
Retained Earnings		702

Total stockholders' equity		<u>1,132</u>
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Total liabilities and stockholders' equity	\$	<u><u>1,276</u></u>
--------------------------------------------	----	---------------------

**PTS of Westchester, Inc.**  
**Statement of Operations**  
**For the Year December 31, 2009**

(in thousands)

Net revenues	\$	2,273
Cost of revenues		986
		<hr/>
Gross profit		1,287
Selling, general, and administrative expenses		763
Depreciation and amortization expense		13
Provision for bad debts		14
		<hr/>
Income from operations		497
Interest Expense		<hr/>
Income from continuing operations before provision for state and local income taxes		497
Provision for state and local income taxes		1
		<hr/>
Net Income	\$	<u>496</u>

**PTS of Westchester, Inc.**  
**Balance Sheet**  
**For the Year December 31, 2010**

(in thousands except share data)

<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 1,004
Accounts receivable, net of allowance for doubtful accounts of \$2	686
Other current assets	3
Total current assets	1,593
Property and equipment, net	34
Other assets	10
Total assets	\$ 1,637
<b>Liabilities and Stockholders' Equity</b>	
Current liabilities	
Accounts payable and accrued expenses	\$ 53
Accrued payroll and related expenses	93
Due to third-party payers	14
Total current liabilities	160
Stockholders' equity:	
Additional paid-in capital	430
Treasury stock, at cost	—
Retained Earnings	1,047
Total stockholders' equity	1,477
Total liabilities and stockholders' equity	\$ 1,637

**PTS of Westchester, Inc.**  
**Statement of Operations**  
**For the Year December 31, 2010**

(in thousands except share data)

Net revenues	\$	2,821
Cost of revenues		<u>1,285</u>
Gross profit		1,536
Selling, general, and administrative expenses		908
Depreciation and amortization expense		13
Provision for bad debts		<u>5</u>
Income from operations		610
Interest Expense		<u>—</u>
Income from continuing operations before provision for state and local income taxes		610
Provision for state and local income taxes		<u>1</u>
Net Income	\$	<u><u>609</u></u>

102409 - E Personal Touch Home Aides of New York, Inc.

Ownership percentages of  
Personal Touch Home Aides of New York, Inc.

Ownership percentages after  
share exchange agreement  
PT Intermediate Holding, Inc.

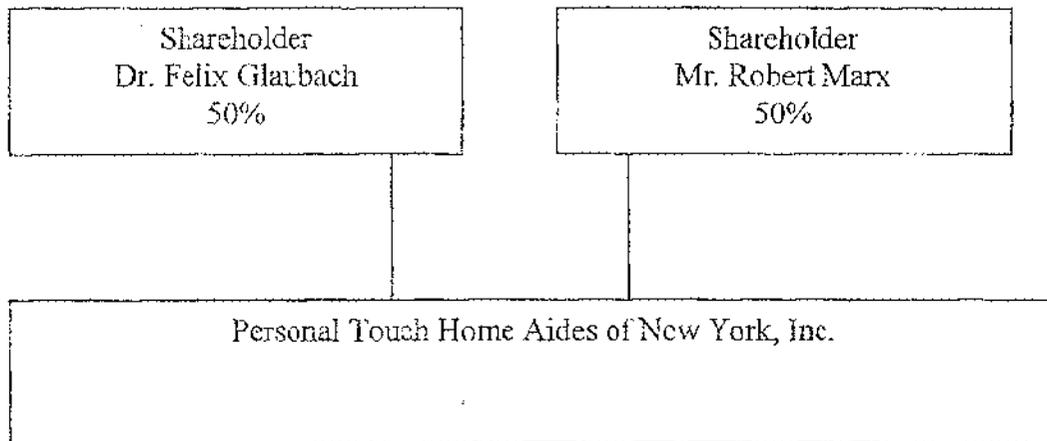
After merger of PT Merging Corp.  
and PT Intermediate Holding Inc.  
Personal Touch Holding Corp.

After DOH Approval  
Personal Touch Holding Corp.

	Percentage	Shares	Percentage	Shares	Percentage	Shares	Percentage	Shares
Dr. Felix Glaubach	50%	50	2.55%	25,503,467	25.20%	5,274,000	18.35%	5,505,000
Robert Marx	50%	50	2.55%	25,503,467	25.20%	5,274,000	18.35%	5,505,000
Irving Bauer	0	0	8.96%	89,648,551	0.40%	88,000	3.00%	900,000
Ernest Rubinstein	0	0	3.60%	35,991,906	0.30%	64,000	1.30%	390,000
Miriam Glaubach	0	0	21.53%	215,289,008	0.00%	0	6.50%	1,950,000
Glaubach Family Trust	0	0	1.32%	13,248,554	0.00%	0	0.40%	120,000
Glaubach KY-Ohio Family Trust	0	0	7.29%	72,867,049	0.00%	0	2.20%	660,000
Frances Marx	0	0	21.53%	215,289,008	0.00%	0	6.50%	1,950,000
Marx Family Trust	0	0	8.61%	86,115,603	0.00%	0	2.60%	780,000
Giza Schechtman	0	0	10.60%	105,988,435	0.00%	0	3.20%	960,000
Bauer Family Trust	0	0	6.96%	69,554,910	0.00%	0	2.10%	630,000
David Sirkin	0	0	4.50%	45,000,042	4.50%	942,407	4.50%	1,349,999
Jalena Capital Corporation	0	0	0	0	0.00%	1	0.00%	1
Personal Touch Home Care Employee Stock Ownership Trust	0	0	0	0	44.40%	9,300,000	31.00%	9,300,000
	100%	100	100.00%	1000,000,000	100.00%	20,942,408	100.00%	30,000,000

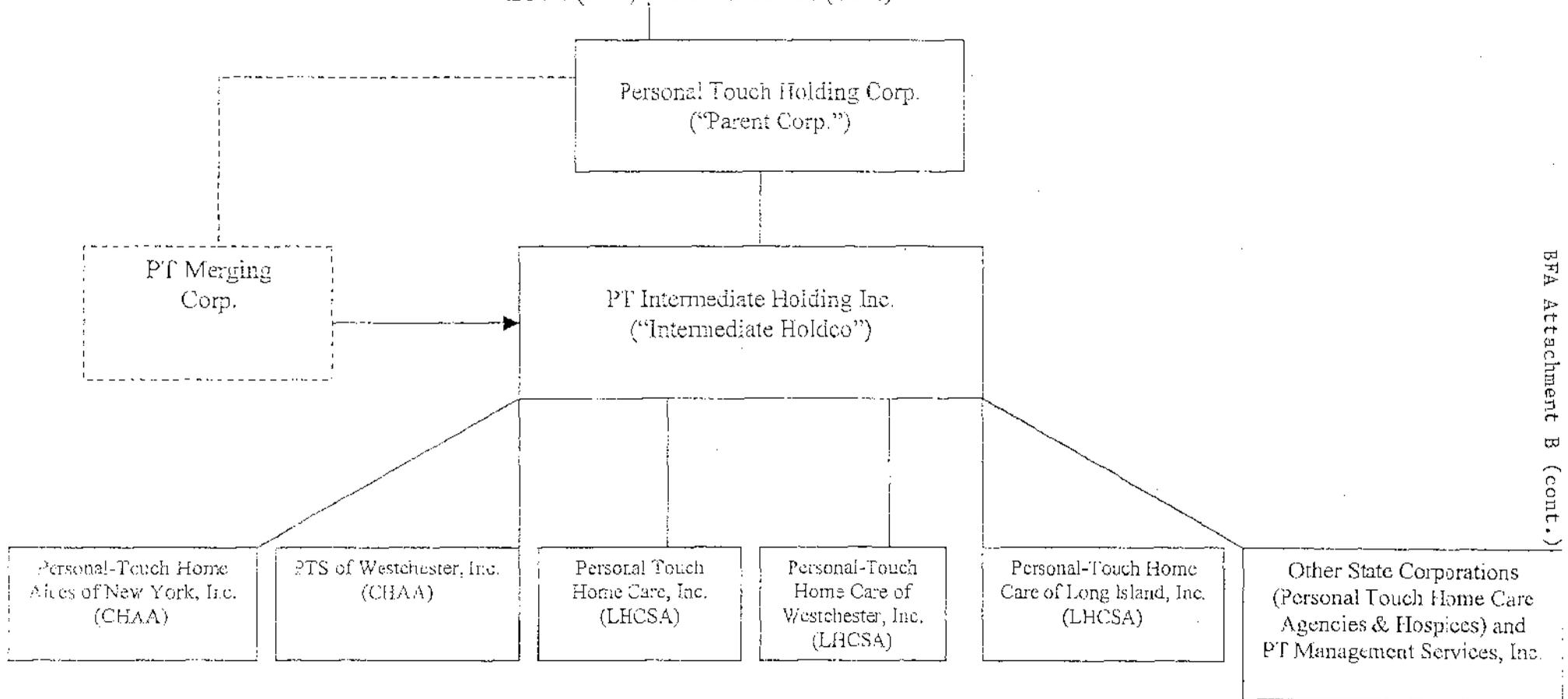
The additional people are included because they have ownership in the out of state corporations that will also become subsidiaries of Personal Touch Holding Corp.

Organizational Chart – Before Owaership Transfer -



Organizational Structure Following  
Consummation of ESOP

Ownership -- Former Shareholders of NY Corporations and Other State Corporations (64.5%)  
ESOT (31%) and David Slifkin (4.5%)\*



BFA Attachment B (cont.)

\* David Slifkin is the COO and CFO of Personal Touch.

1024C9 - E Personal Touch Home Aides of New York, Inc.

## LENDING FACILITIES

### Revolving Credit Notes

<u>Facility</u>	<u>Amount</u>	<u>Term</u>	<u>Interest Rate</u>
HealthCare Finance Group	\$1,000,000	5 years	Three month Libor (.31 as of March 8, 2011) plus 4.5%
JPMorgan Chase	\$13,000,000	5 years	Three month Libor (.31 as of March 8, 2011) plus 4.5%
Brown Bothers Harriman & Co.	\$6,000,000	5 years	Three month Libor (.31 as of March 8, 2011) plus 4.5%

### Term Notes

HealthCare Finance Group	\$11,000,000	5 years	Three month Libor (.31 as of March 8, 2011) plus 3.5%
JPMorgan Chase	\$5,000,000	5 years	Three month Libor (.31 as of March 8, 2011) plus 3.5%
Stearns Bank	\$10,000,000	5 years	Three month Libor (.31 as of March 8, 2011) plus 3.5%
Brown Bothers Harriman & Co.	\$4,000,000	5 years	Three month Libor (.31 as of March 8, 2011) plus 3.5%

### Seller Subordinated Notes

Felix Glaubach	\$5,000,000	4 years	14%
Robert Marx	\$5,000,000	4 years	14%

**Personal-Touch Home Care and Affiliates**  
**Combined Balance Sheets**  
**December 31, 2009 and 2008**

(in thousands, except share data)

	2009	2008
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 5,086	\$ 1,143
Accounts receivable, net of allowance for doubtful accounts of \$2,616 in 2009 and \$2,430 in 2008	44,858	53,694
Other current assets	3,123	1,561
<b>Total current assets</b>	<b>53,067</b>	<b>56,398</b>
Property and equipment, net	2,032	2,302
Goodwill and intangible assets, net	2,059	2,159
Other assets	1,770	215
<b>Total assets</b>	<b>\$ 58,928</b>	<b>\$ 61,074</b>
<b>Liabilities and Stockholders' Deficit</b>		
<b>Current liabilities</b>		
Notes payable	\$ -	\$ 473
Borrowings on revolving credit facility	4,319	20,796
Accounts payable and accrued expenses	27,132	5,604
Accrued payroll and related expenses	9,770	12,924
Due to third-party payors, net	11,146	17,425
<b>Total current liabilities</b>	<b>52,267</b>	<b>57,222</b>
<b>Long-Term liabilities</b>		
Notes payable to stockholders	74,883	63,238
<b>Total liabilities</b>	<b>127,250</b>	<b>120,460</b>
<b>Commitments and contingencies (Note 7)</b>		
<b>Stockholders' deficit</b>		
Common stock, stated at par or stated values, ranging from \$.10 to \$200 per share; 15,500 shares authorized; 2,740 shares issued; 2,730 shares outstanding	116	116
Additional paid-in capital	15,073	15,073
Treasury stock, at cost, 10 shares	(132)	(132)
Accumulated deficit	(83,379)	(74,443)
<b>Total stockholders' deficit</b>	<b>(68,322)</b>	<b>(59,386)</b>
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 58,928</b>	<b>\$ 61,074</b>

**Personal-Touch Home Care and Affiliates**  
**Combined Statements of Operations**  
**For the Years Ended December 31, 2009 and 2008**

(in thousands)

	2009	2008
Net revenues	\$ 308,943	\$ 277,772
Cost of revenues	224,785	200,417
Gross profit	<u>84,158</u>	<u>77,355</u>
Selling, general and administrative expenses	65,626	62,898
Depreciation and amortization expense	992	950
Provision for bad debts	1,503	1,430
Income from operations	<u>16,037</u>	<u>12,077</u>
Interest expense	304	1,102
Income from continuing operations before provision for state and local income taxes	15,733	10,975
Provision for state and local income taxes	1,171	470
Income from continuing operations	<u>14,562</u>	<u>10,505</u>
Loss from discontinued operations, net	274	1,055
Net income	<u>\$ 14,288</u>	<u>\$ 9,450</u>

## PERSONAL-TOUCH HOME CARE AND AFFILIATES

## Combined Balance Sheets

September 30, 2010 and December 31, 2009

(000's omitted except share data)

Assets	September 30, 2010	December 31, 2009
Current assets:		
Cash and cash equivalents	\$ 14,818	5,086
Accounts receivable, net of allowance for doubtful accounts of \$2,616 in 2010 and 2009	50,089	44,858
Other current assets	3,276	3,123
<b>Total current assets</b>	<b>68,183</b>	<b>53,067</b>
Property and equipment, net	2,043	2,032
Goodwill and intangible assets	2,017	2,059
Other assets	1,770	1,770
<b>Total assets</b>	<b>\$ 74,013</b>	<b>58,928</b>
<b>Liabilities and Stockholders' Deficit</b>		
Current liabilities:		
Current maturities of long-term debt	\$ 320	—
Revolving credit facility	—	4,319
Accounts payable and accrued expenses	25,713	27,132
Accrued payroll and related expenses	13,717	9,770
Due to third party payers	17,403	11,146
<b>Total current liabilities</b>	<b>57,153</b>	<b>52,367</b>
Long-term liabilities		
Notes payable to stockholders	—	74,883
<b>Total liabilities</b>	<b>57,153</b>	<b>127,250</b>
Stockholders' deficit:		
Common stock, stated at par or stated values, ranging from \$.10 to \$200 per share. Authorized 15,500 shares	116	116
Additional paid-in capital	89,956	15,073
Treasury stock, at cost	(132)	(132)
Accumulated deficit	(73,080)	(83,379)
<b>Total stockholders' deficit</b>	<b>16,860</b>	<b>(68,322)</b>
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 74,013</b>	<b>58,928</b>

**PERSONAL-TOUCH HOME CARE AND AFFILIATES**

## Combined Statements of Operations

(000's omitted)

	<b>Nine Months Ended</b>	
	<b>September 30, 2010</b>	
Net revenues	\$	264,582
Cost of revenues		190,479
		<hr/>
Gross profit		74,103
Selling, general, and administrative expenses		53,729
Depreciation and amortization expense		673
Provision for bad debts		777
		<hr/>
Income from operations		18,924
Interest Expense		91
		<hr/>
Income before provision for state and local income taxes		18,833
Provision for state and local income taxes		905
		<hr/>
Income from continuing operations		17,928
Income/(Loss) from discontinued operations		257
		<hr/>
Net Income	\$	<u>18,185</u>

**Personal-Touch Home Aides of New York, Inc.**  
**Balance Sheet**  
**For the Year December 31, 2009**

(in thousands)

**Assets**

## Current assets

Cash and cash equivalents	\$	11,817
Accounts receivable, net of allowance for doubtful accounts of \$324		20,519
Other current assets		450

Total current assets		32,786
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Property and equipment, net

83

Other assets

—

Total assets	\$	32,869
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**Liabilities and Stockholders' Equity**

## Current liabilities

Accounts payable and accrued expenses	\$	10,648
Accrued payroll and related expenses		466
Due to third-party payers		4,188

Total current liabilities		15,302
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## Stockholders' equity:

Additional paid-in capital		1,500
Retained Earnings		16,067

Total stockholders' equity		17,567
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Total liabilities and stockholders' equity	\$	32,869
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**Personal-Touch Home Aides of New York, Inc.****Statement of Operations  
For the Year December 31, 2009**

(in thousands)

Net revenues	\$	78,879
Cost of revenues		<u>61,818</u>
Gross profit		17,061
Selling, general, and administrative expenses		9,979
Depreciation and amortization expense		64
Provision for bad debts		<u>188</u>
Income from operations		6,830
Interest income		<u>(1)</u>
Income from continuing operations before provision for state and local income taxes		6,831
Provision for state and local income taxes		<u>353</u>
Net Income	\$	<u><u>6,478</u></u>

**Personal-Touch Home Aides of New York, Inc.**  
**Balance Sheet**  
**For the Year December 31, 2010**

(in thousands except share data)

**Assets****Current assets**

Cash and cash equivalents	\$	13,823
Accounts receivable, net of allowance for doubtful accounts of \$324		24,102
Other current assets		888
Total current assets		38,813

Property and equipment, net

112

Other assets

—

Total assets	\$	38,925
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**Liabilities and Stockholders' Equity****Current liabilities**

Accounts payable and accrued expenses	\$	8,661
Accrued payroll and related expenses		472
Due to affiliates		(0)
Due to third-party payers		6,979
Total current liabilities		16,113

**Stockholders' equity:**

Additional paid-in capital		1,500
Treasury stock, at cost		—
Retained Earnings		21,312
Total stockholders' equity		22,812
Total liabilities and stockholders' equity	\$	38,925

**Personal-Touch Home Aides of New York, Inc.****Statement of Operations  
For the Year December 31, 2010**

(in thousands except share data)

Net revenues	\$	108,813
Cost of revenues		<u>84,933</u>
Gross profit		23,880
Selling, general, and administrative expenses		16,497
Depreciation and amortization expense		44
Provision for bad debts		<u>680</u>
Income from operations		6,859
Interest Expense		<u>(0)</u>
Income from continuing operations before provision for state and local income taxes		6,859
Provision for state and local income taxes		<u>433</u>
Net Income	\$	<u><u>6,226</u></u>