

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

**COMMITTEE DAY**

**AGENDA**

*September 12, 2013*  
*10:00 a.m.*

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

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

Jeffrey Kraut, Chair

**A. Adoption of the Ad Hoc Advisory Committee on Environmental and Construction Standard's Final Report and Recommendations**

**Exhibit #1**

Jeffrey Kraut, Chair

Robert Schmidt, Director, Certificate of Need Review Group  
Division of Health Facility Planning

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

**Continuing Care Retirement Community - Construction**

**Exhibit # 2**

1. 131304 C Peconic Landing at Southhold  
(Suffolk County)

**Upstate Request For Applications - Certified Home Health Agencies - Construction**

**Exhibit # 3**

- |    | <b><u>Number</u></b> | <b><u>Applicant/Facility</u></b> |
|----|----------------------|----------------------------------|
| 1. | 131186 C             | HCR<br>(Clinton County)          |
| 2. | 131187 C             | HCR<br>(Madison County)          |
| 3. | 131188 C             | HCR<br>(Schoharie County)        |

**Upstate Dear Administrator Letters – Long Term Home Health Care Program - Construction**

**Exhibit # 4**

1. 121267 C TLC Health Network-Lake Shore Hospital  
(Chautauqua County)

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

**Acute Care Services – Establish/Construct**

**Exhibit # 5**

<u>Number</u>	<u>Applicant/Facility</u>
1. 132025 E	White Plains Hospital Center (Westchester County)
2. 132026 E	Northern Westchester Hospital (Westchester County)
3. 132027 E	Lawrence Hospital Center (Westchester County)
4. 132028 E	Phelps Memorial Hospital (Westchester County)
5. 132088 E	St. Lawrence Health System, Inc. (St. Lawrence County)

**Ambulatory Surgery Centers - Establish/Construct**

**Exhibit # 6**

<u>Number</u>	<u>Applicant/Facility</u>
1. 121373 B	Lockport Ambulatory Surgery, LLC (Niagara County)
2. 131030 B	Bay Ridge Surgi-Center, LLC (Kings County)
3. 131308 B	Great South Bay Endoscopy Center, LLC (Suffolk County)

- 4. 132056 E Eye Surgery Center of Westchester  
(Westchester County)
- 5. 132057 E Queens Endoscopy ASC, LLC  
(Allegany County)

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

**Exhibit # 7**

<u>Number</u>	<u>Applicant/Facility</u>
1. 062287 E	SDTC – The Center for Discovery Incorporated (Sullivan County)
2. 131237 E	B&L Health, Inc. d/b/a Allhealth D&TC (Kings County)
3. 131258 B	AIDS Healthcare Foundation (Kings County)
4. 131329 E	Planned Parenthood of Central and Western New York, Inc. (Erie County)
5. 131341 E	PALA Community Care, LLC d/b/a PALA Community Care (Kings County)

**Dialysis Services- Establish/Construct**

**Exhibit # 8**

<u>Number</u>	<u>Applicant/Facility</u>
1. 132065 E	Plattsburgh Associates, LLC (Clinton County)

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

**Exhibit # 9**

<u>Number</u>	<u>Applicant/Facility</u>
1. 131107 E	JSSG Healthcare, LLC d/b/a Fiddlers Green Manor Rehabilitation and Nursing Center (Erie County)
2. 131120 E	Essex Operations Associates, LLC d/b/a Essex Center for Rehabilitation and Healthcare (Essex County)
3. 131193 E	Washington Operating Associates LLC d/b/a Washington Center for Rehabilitation and Healthcare (Washington County)
4. 131195 E	River Ridge Operating, LLC d/b/a River Ridge Living Center (Montgomery County)
5. 132079 E	Auburn Senior Services, Inc. (Cayuga County)
6. 132093 B	Auburn Senior Services, Inc. (Cayuga County)

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

**Exhibit # 10**

<u>Number</u>	<u>Applicant/Facility</u>
1. 131281 E	L. Woerner, Inc. d/b/a HCR (Washington County)

**C. Certificates**

**Certificate of Incorporation**

**Exhibit # 11**

<u>Applicant</u>
1. The Hazel Thomas Holder Lung Foundation, Inc.

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

**Exhibit # 12**

Applicant

1. The Foundation of St. Mary’s Hospital at Amsterdam, Inc.

**Certificate of Dissolution**

**Exhibit # 13**

Applicant

1. The Linden Foundation, Inc.

**D. Home Health Agency Licensures**

**Home Health Agency Licensures**

**Exhibit # 14**

<u>Number</u>	<u>Applicant/Facility</u>
2071-L	Home Life Health Care, LLC d/b/a Alvita Care (Kings, Bronx, Queens, Richmond, New York and Westchester Counties)
2001-L	Effective Home Care, LLC (Bronx, Richmond, Kings, Westchester, New York and Queens Counties)
2090-L	Merchant Care Services, Inc. d/b/a BrightStar of White Plains (Bronx and Westchester Counties)
1615-L	Universal Home Care Agency of New York, Inc. (Bronx, Westchester, Kings, New York and Queens Counties)
2242-L	Mount View Assisted Living, Inc. (Niagara County)

**II. COMMITTEE ON PUBLIC HEALTH**

Dr. Jo Ivey Boufford, Chair

**III. COMMITTEE ON HEALTH PLANNING**

Dr. John Rugge, Chair

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

**September 12, 2013  
Attachments**

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**Continuing Care Retirement Community - Construction**

**Exhibit # 2**

1. 131304 C Peconic Landing at Southhold  
(Suffolk County)

**Peconic Landing at Southold, Inc. and  
Peconic Landing Housing Association Cooperative, Inc.**

Consolidated Statements of Financial Position

	December 31,	
	2012	2011
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 1,159,355	\$ 1,711,094
Investments	7,370,061	5,375,065
Accounts receivable, net of allowance for doubtful accounts of \$50,000 in 2012 and 2011.	1,338,510	991,816
Assets limited as to use, current portion	162,502	163,247
Inventory	44,837	41,372
Prepaid expenses and other current assets	1,462,633	1,494,174
<b>Total Current Assets</b>	<b>11,537,898</b>	<b>9,776,768</b>
Assets limited as to use, net of current portion		
Indenture and trust agreements	2,257,757	2,258,502
Board designated accounts	1,266,981	969,575
Donor-restricted	704,732	467,857
NYS Article 46 requirement	6,461,516	6,220,195
<b>Total</b>	<b>10,690,986</b>	<b>9,916,129</b>
Less amounts required for current liabilities	162,502	163,247
<b>Total Assets Limited as to Use</b>	<b>10,528,484</b>	<b>9,752,882</b>
Property and equipment, net	72,266,435	75,121,516
Resident deposits and escrows	9,935,752	10,737,822
Deferred financing costs, net	869,170	926,222
Deferred marketing costs, net	1,001,146	1,299,094
	<b>\$ 106,138,885</b>	<b>\$ 107,614,304</b>
<b>LIABILITIES AND NET DEFICIT</b>		
Current Liabilities		
Current portion of long term debt	\$ 430,000	\$ 410,000
Accounts payable and accrued expenses	2,507,598	2,325,146
Accrued interest payable	138,717	140,255
<b>Total Current Liabilities</b>	<b>3,076,315</b>	<b>2,875,401</b>
Residents' deposits and escrow payable	9,245,378	10,277,436
Refundable deposits	106,708,155	104,091,191
Deferred revenue from health care reserve fees	4,140,847	4,414,804
Options and upgrade liability	1,250,026	1,398,955
Long term debt, less current portion	27,996,652	28,403,458
<b>Total Liabilities</b>	<b>152,417,373</b>	<b>151,461,245</b>
Net Asset (Deficit)		
Unrestricted	(46,942,218)	(44,278,577)
Temporarily restricted	663,730	431,636
<b>Total Net Deficit</b>	<b>(46,278,488)</b>	<b>(43,846,941)</b>
	<b>\$ 106,138,885</b>	<b>\$ 107,614,304</b>

**Peconic Landing at Southold, Inc. and  
Peconic Landing Housing Association Cooperative, Inc.**

Consolidated Statements of Operations and Changes in Net Deficit

	Year Ended December 31,	
	2012	2011
<b>UNRESTRICTED NET DEFICIT</b>		
Operating Revenue		
Revenue, Gains and Other Support		
Resident services	\$ 15,787,482	\$ 15,399,079
Health care services	3,985,686	3,859,873
Remarketing fee revenue	496,060	567,904
Total Revenue, Gains and Other Support	20,269,228	19,826,856
Investment income	951,369	820,550
Other revenue	654,210	614,714
Contributions	2,625	51,749
Net assets released from restrictions	500,551	356,643
Total Operating Revenue	22,377,983	21,670,512
Operating Expenses		
Health care	4,797,649	4,500,613
Dietary	3,242,160	3,157,129
Administration and general	5,974,472	5,331,331
Maintenance and security	2,759,291	3,074,496
Housekeeping and laundry	855,423	790,567
Depreciation and amortization	5,168,761	5,066,856
Interest	1,681,517	1,792,535
Interest on resale of units	859,817	889,540
Total Operating Expenses	25,339,090	24,603,067
Excess of Operating Expenses Over Operating Revenue	(2,961,107)	(2,932,555)
Non-operating Revenue		
Unrealized gain on investments	297,466	341,763
Loss on early extinguishment of debt	-	(6,250)
Total Non-operating Revenue	297,466	335,513
Change in Unrestricted Net Asset (Deficit)	(2,663,641)	(2,597,042)
Unrestricted net deficit, beginning of year	(44,278,577)	(41,681,535)
Unrestricted net deficit, end of year	(46,942,218)	(44,278,577)
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	732,645	750,351
Net assets released from restrictions	(500,551)	(356,643)
Change in Temporarily Restricted Net Assets	232,094	393,708
Temporarily restricted net assets, beginning of year	431,636	37,928
Temporarily restricted net assets, end of year	663,730	431,636
Change in Net Deficit	(2,431,547)	(2,203,334)
<b>NET DEFICIT</b>		
Beginning of year	(43,846,941)	(41,643,607)
End of year	\$ (46,278,488)	\$ (43,846,941)

**PECONIC LANDING AT SOUTHOLD, INC.  
PECONIC LANDING HOUSING ASSOCIATION COOPERATIVE, INC.  
AND BRECKNOCK HALL FOUNDATION, INC**

CONSOLIDATED BALANCE SHEET  
April 30, 2013



	April 30 2013	December 31 2012
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,068,147	\$ 1,159,355
Investments	5,607,458	7,370,061
Inventory	45,988	44,837
Prepaid Expenses and other current assets	1,243,954	1,462,633
Accounts Receivable, net of Allowance for doubtful Accounts of \$50,000 in 2013 and \$50,000 in 2012	1,585,980	1,338,511
Total Current Assets	9,551,527	11,375,397
<b>Assets Limited as to Use</b>		
Indenture and trust agreements	2,963,371	2,257,757
Board designated	1,264,256	1,266,981
Donor restricted	734,845	704,732
Resident & other escrow accounts	10,737,303	9,935,752
NYS Article 46 requirement	6,363,449	6,306,590
Accrued interest receivable	130,485	154,926
Total Assets Limited as to Use	22,193,709	20,626,738
<b>Property, Plant and Equipment, net</b>		
	71,231,719	72,266,434
<b>Other Assets</b>		
Deferred financing costs, net	850,152	869,169
Deferred marketing costs, net	901,820	1,001,146
Total Other Assets	1,751,972	1,870,315
<b>TOTAL ASSETS</b>	<b>\$ 104,728,927</b>	<b>\$ 106,138,884</b>
<b>LIABILITIES and NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 1,869,595	\$ 2,543,452
Current portion of long term debt	430,000	430,000
Accrued interest payable	693,585	138,717
Total Current Liabilities	2,993,180	3,112,169
<b>Other Liabilities</b>		
Resident deposits and escrow payable	9,678,070	9,801,421
Refundable deposits	105,997,802	106,116,261
Deferred revenue from healthcare reserve fees	3,901,802	4,140,847
Option and upgrade liability	1,250,027	1,250,026
Long term debt, less current portion	28,004,382	27,996,652
Total Liabilities	151,825,263	152,417,376
Net Asset (Deficit)	(47,096,336)	(46,278,492)
<b>TOTAL LIABILITIES AND NET ASSET DEFICIENCY</b>	<b>\$ 104,728,927</b>	<b>\$ 106,138,884</b>

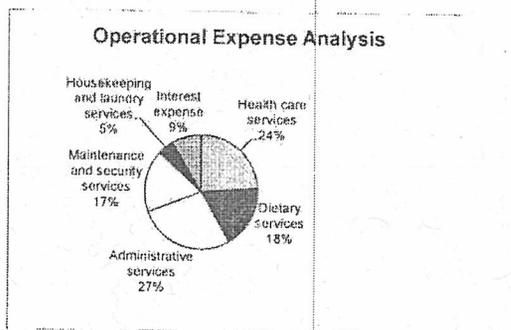
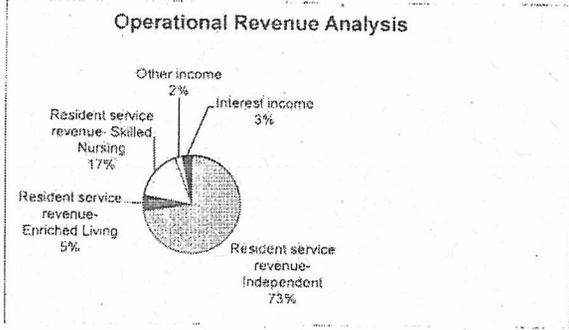
Project #131304  
BFA Attachment B (cont.)

**PECONIC LANDING AT SOUTHDOLD, INC.**  
**PECONIC LANDING HOUSING ASSOCIATION COOPERATIVE, INC.**  
**AND BRECKNOCK HALL FOUNDATION, INC.**  
STATEMENT OF OPERATION AND CHANGE IN NET ASSETS (DEFICIENCY)  
For the Four Months Ending April 30, 2013



Description	Month Ending				Year to Date			
	Actual	Budget	Favorable/ (Unfavorable)	%	Actual	Budget	Favorable/ (Unfavorable)	%
<b>Revenues, gains and other support:</b>								
Resident service revenue- Independent	\$1,263,499	\$1,269,068	(\$5,569)	0%	\$5,063,047	5,076,275	(\$13,228)	0%
Resident service revenue- Enriched Living	85,428	106,072	(20,644)	-19%	333,987	408,592	(74,605)	-18%
Resident service revenue- Skilled Nursing	289,415	229,829	59,586	26%	1,181,119	919,316	261,803	28%
Other income	42,233	94,989	(52,756)	-56%	300,211	379,956	(79,745)	-21%
Interest income	54,238	66,009	(11,771)	-18%	206,448	264,037	(57,589)	-22%
<b>Total revenues, gains and other support:</b>	<b>1,734,813</b>	<b>1,765,966</b>	<b>(31,153)</b>	<b>-2%</b>	<b>7,084,812</b>	<b>7,048,176</b>	<b>36,636</b>	<b>1%</b>
<b>Operating Expenses:</b>								
Health care services	385,413	433,650	48,237	11%	1,609,899	1,768,636	158,737	9%
Dietary services	289,816	276,119	(13,697)	-5%	1,177,419	1,121,786	(55,633)	-5%
Administrative services	443,616	496,398	42,782	9%	1,893,221	1,952,925	59,704	3%
Maintenance and security services	283,223	249,625	(33,598)	-13%	1,189,219	1,052,833	(136,386)	-13%
Housekeeping and laundry services	76,452	73,481	(2,971)	-4%	285,037	274,623	(10,414)	-4%
Interest expense	138,717	138,718	1	0%	554,868	554,870	2	0%
<b>Total Expenses</b>	<b>1,617,237</b>	<b>1,657,990</b>	<b>40,753</b>	<b>2%</b>	<b>6,709,663</b>	<b>6,725,673</b>	<b>16,010</b>	<b>0%</b>
<b>Net Income (Loss) before Resales</b>	<b>117,576</b>	<b>107,977</b>	<b>9,599</b>		<b>375,149</b>	<b>322,503</b>	<b>52,646</b>	
<b>NonOperating Revenue:</b>								
Donation Income	51,404		51,404		79,295		79,295	
Gain on Early Extinguishment of Debt	0		0		0		0	
Amortization of health care reserve fees	84,953	85,000	(47)		334,138	340,000	(5,862)	
Net Assets Released from Restriction	0		0		0		0	
<b>Total NonOperating Revenue</b>	<b>136,357</b>	<b>85,000</b>	<b>51,357</b>		<b>413,433</b>	<b>340,000</b>	<b>73,433</b>	
<b>NonOperating Expenses:</b>								
Loss on Resales					222,500		(222,500)	
Realized(Gain) Loss on Investments	11,237		(11,237)		(41,870)		41,870	
Unrealized(Gain) Loss on Investments	(157,324)		157,324		(297,500)		297,500	
Depreciation and amortization	420,695	425,041	4,346		1,714,410	1,698,064	(16,346)	
Fundraising Expense	1,616		(1,616)		8,886		(8,886)	
Net Assets Released from Restriction	0		0		0		0	
<b>Total NonOperating Expenses</b>	<b>276,224</b>	<b>425,041</b>	<b>148,817</b>		<b>1,606,426</b>	<b>1,698,064</b>	<b>91,638</b>	
<b>Net Income (Loss) Non Operating Activity</b>	<b>(139,867)</b>	<b>(340,041)</b>	<b>200,174</b>		<b>(1,192,993)</b>	<b>(1,358,064)</b>	<b>165,071</b>	
<b>Total changes in net assets (deficit)</b>	<b>(22,291)</b>	<b>(\$23,064)</b>	<b>\$209,773</b>		<b>(\$817,844)</b>	<b>(\$1,035,561)</b>	<b>\$217,717</b>	
Net assets (deficit) beginning of the year					(46,278,492)			
Net Assets (deficit) end of the year					(\$47,096,336)			

\*\*Note A



Note A: Schedule of Other Fine Dining Income

	YTD 2013	Budget	Variance
Market	12,956		
Café	5,879		
Employee Meals	8,114		
Catering	16,774		
<b>Total Other Revenue</b>	<b>43,723</b>	<b>23,333</b>	<b>20,390</b>
Expenses	1,177,419	1,121,786	(55,633)
<b>Total Variance</b>			<b>(35,243)</b>

**PECONIC LANDING AT SOUTHOLD, INC.  
PECONIC LANDING HOUSING ASSOCIATION COOPERATIVE, INC.  
AND BRECKNOCK HALL FOUNDATION, INC.**

STATEMENT OF CASH FLOW  
For the Four Months Ending April 30, 2013



	Y-T-D April 30, 2013	Y-T-D December 31, 2012
<b>Cash flows from operating activities:</b>		
Change in net assets (deficit)	\$ (817,844)	\$ (2,431,545)
Adjustments to reconcile change in net assets (Deficit) to net cash used by operating activities:		
Depreciation	1,588,346	4,790,569
Amortization of Deferred Marketing and Finance Fees and Bond Discount	126,064	378,192
Amortization of health care reserve fees	(359,045)	(1,073,958)
Forgiveness of Debt	-	-
Interest on Resales	222,500	859,817
(Increase) Decrease in:		
Inventory	(1,151)	(3,465)
Prepaid expenses and other assets	218,679	31,541
Accounts receivable and other receivables	(223,028)	(331,443)
Increase (decrease) in:		
Accounts payable and accrued expenses	(673,857)	184,317
Resident Deposits and Escrow Payable	(123,343)	(442,025)
Bond Interest Payable	554,868	(1,538)
Options Liability	1	(148,929)
Deferred revenue from health care reserve fees	120,000	800,000
Net cash provided and (used) by operating activities	<u>632,190</u>	<u>2,611,533</u>
<b>Cash flows from investing activities:</b>		
Purchase of Property, Plant and Equipment	(553,630)	(1,935,488)
<b>Net cash provided and (used) in investing activities</b>	<u>(553,630)</u>	<u>(1,935,488)</u>
<b>Cash flow from financing activities:</b>		
Increase in refundable deposits, net of refunds	(340,959)	1,165,253
Bond Payable Repayment	-	(410,000)
Net cash provided by financing activities	<u>(340,959)</u>	<u>755,253</u>
Increase (decrease) in cash and cash equivalents	(262,399)	1,431,298
Cash at beginning of period	29,001,228	27,569,930
Cash at end of period	<u>\$ 28,738,829</u>	<u>\$ 29,001,228</u>

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

**September 12, 2013  
Attachments**

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**Upstate Request For Applications - Certified Home Health Agencies - Exhibit # 3  
Construction**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	131186 C	HCR (Clinton County)
2.	131187 C	HCR (Madison County)
3.	131188 C	HCR (Schoharie County)

L. WOERNER, INC.  
d/b/a HCR  
BALANCE SHEETS  
December 31,

ASSETS	2011	2010
<b>Current assets:</b>		
Cash and cash equivalents	\$ 114,355	\$ 4,393,124
Accounts receivable, less allowance for doubtful accounts of \$331,000 (\$115,000 - 2010)	8,002,315	5,476,548
Prepaid expenses and other current assets	796,369	497,855
Total current assets	<u>8,913,029</u>	<u>10,367,527</u>
Property and equipment, net	2,124,334	1,417,008
Intangible asset	1,400,000	1,400,000
Total assets	<u>\$ 12,437,363</u>	<u>\$ 13,184,535</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Note payable - current portion	\$ 785,000	\$ 1,821,429
Demand notes payable	2,990,000	-
Accounts payable	1,810,080	997,720
Accrued expenses	2,398,972	2,272,014
Unearned revenue	502,979	362,101
Refundable advance	160,000	160,000
Due to third-party payors - current portion	3,516,416	830,000
Total current liabilities	<u>12,163,447</u>	<u>6,443,264</u>
<b>Long-term liabilities:</b>		
Security deposits	41,436	27,084
Note payable - net of current portion	-	786,000
Due to third-party payors	4,107,309	4,705,098
Total long-term liabilities	<u>4,148,745</u>	<u>5,517,182</u>
Total liabilities	16,312,192	11,960,446
<b>Stockholders' equity (deficit):</b>		
Common Stock - no par, 2,000,000 shares authorized and issued, 1,973,756 shares outstanding (1,981,832 - 2010), including 250,811 unallocated ESOP shares (543,208 - 2010)	93,500	93,500
Treasury stock, 28,244 at cost (18,168 - 2010)	(392,193)	(289,382)
Additional paid-in capital	920,867	604,371
Retained earnings (accumulated deficit)	(4,497,003)	1,499,104
Unearned ESOP shares	-	(683,504)
Total stockholders' equity (deficit)	<u>(3,874,829)</u>	<u>1,224,089</u>
Total liabilities and equity (deficit)	<u>\$ 12,437,363</u>	<u>\$ 13,184,535</u>

Project #131186  
BFA Attachment B (cont.)

L. WOERNER, INC.  
d/b/a HCR  
STATEMENTS OF OPERATIONS  
Years Ended December 31,

	2011	2010
Revenues:	\$ 42,063,636	\$ 43,216,205
Operating expenses:		
Payroll	30,717,641	28,749,789
Payroll taxes and employee benefits	5,843,503	5,080,421
Outside services	2,101,543	2,578,368
Travel	1,189,027	945,380
ESOP contributions	1,000,000	4,000,000
Bad debt expense	369,807	600,590
Utilities	733,059	502,953
Depreciation	715,657	542,827
Equipment rental, repairs and maintenance	605,882	382,607
Rent	563,866	405,972
Medical expenses	558,038	502,911
Training and recruitment	245,079	190,948
Office expense	427,613	406,064
Legal and accounting	312,825	289,865
Miscellaneous	160,899	187,668
Cash receipt assessment	145,588	165,237
Insurance	134,214	124,397
Interest	88,624	110,378
Real estate taxes	70,076	69,485
Dues and subscriptions	63,342	69,916
Total operating expenses	<u>46,046,081</u>	<u>45,905,766</u>
Operating loss	(3,982,445)	(2,689,561)
Non-recurring expenses	<u>(2,008,024)</u>	
Loss before taxes	(5,990,469)	(2,689,561)
Tax expense	<u>(5,638)</u>	<u>(4,545)</u>
Net loss	<u>\$ (5,996,107)</u>	<u>\$ (2,694,106)</u>

Exhibit H  
2012 Interim Financial Statements

L.Woerner, Inc. dba HCR  
Preliminary Balance Sheet  
December 31, 2012

<b>ASSETS:</b>	
Current Assets	
Cash	\$265,512
Accounts Receivable	8,645,774
Prepaid Expenses	<u>172,279</u>
Total Current Assets	9,083,565
Total Property, Plant & Equipment	1,666,485
Other Assets	
Intangibles and Security Deposits	<u>2,450,833</u>
<b>TOTAL ASSETS</b>	<b><u>\$13,200,883</u></b>
<b>Liabilities:</b>	
Current Liabilities	
Line of Credit Payable	\$4,790,000
Demand Notes Payable	1,500,000
Note Payable to Officer	\$750,000
Accounts Payable	1,006,042
Accrued Expenses	2,906,943
Unearned Revenue	2,204,109
Payor Settlements/Current	<u>3,044,597</u>
Total Current Liabilities	16,201,691
Other Liabilities	
Security Deposits- Patients	42,079
Payor Settlements/Long term	<u>2,697,821</u>
<b>TOTAL LIABILITIES</b>	<b>18,941,591</b>
<b>STOCKHOLDERS' EQUITY:</b>	
Common Stock	93,500
Additional Paid In Capital	911,332
Treasury Stock	472,506
Retained Earnings	<u>(7,218,047)</u>
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b><u>(5,740,708)</u></b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b><u>\$13,200,883</u></b>

Exhibit H  
2012 Interim Financial Statements

L. Woerner, Inc. d/b/a HCR  
Preliminary Profit/(Loss) Statement  
YTD December 2012

<i>Revenues</i>	\$42,397,525
<i>Direct Costs</i>	<u>26,781,175</u>
<i>Gross Margin</i>	15,616,350
<i>Indirect Costs</i>	
<i>Payroll and Related Expenses</i>	11,743,583
<i>Other Indirect Expenses</i>	<u>6,593,811</u>
<i>Total Indirect Expenses</i>	<u>18,337,394</u>
<i>Net Profit/(Loss)</i>	<u>(\$2,721,044)</u>

L. WOERNER, INC.  
d/b/a HCR  
BALANCE SHEETS  
December 31,

ASSETS	2011	2010
<b>Current assets:</b>		
Cash and cash equivalents	\$ 114,355	\$ 4,393,124
Accounts receivable, less allowance for doubtful accounts of \$331,000 (\$115,000 - 2010)	8,002,315	5,476,548
Prepaid expenses and other current assets	796,369	497,855
Total current assets	<u>8,913,029</u>	<u>10,367,527</u>
Property and equipment, net	2,124,334	1,417,008
Intangible asset	<u>1,400,000</u>	<u>1,400,000</u>
Total assets	<u>\$ 12,437,363</u>	<u>\$ 13,184,535</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Note payable - current portion	\$ 785,000	\$ 1,821,429
Demand notes payable	2,990,000	
Accounts payable	1,810,080	997,720
Accrued expenses	2,398,972	2,272,014
Unearned revenue	502,979	362,101
Refundable advance	160,000	160,000
Due to third-party payors - current portion	3,516,416	830,000
Total current liabilities	<u>12,163,447</u>	<u>6,443,264</u>
<b>Long-term liabilities:</b>		
Security deposits	41,436	27,084
Note payable - net of current portion		785,000
Due to third-party payors	4,107,309	4,705,098
Total long-term liabilities	<u>4,148,745</u>	<u>5,517,182</u>
Total liabilities	16,312,192	11,960,446
<b>Stockholders' equity (deficit):</b>		
Common Stock - no par, 2,000,000 shares authorized and issued, 1,973,756 shares outstanding (1,981,832 - 2010), including 250,811 unallocated ESOP shares (543,208 - 2010)	93,500	93,500
Treasury stock, 26,244 at cost (18,168 - 2010)	(392,193)	(289,382)
Additional paid-in capital	920,867	604,371
Retained earnings (accumulated deficit)	(4,497,003)	1,499,104
Unearned ESOP shares	-	(683,504)
Total stockholders' equity (deficit)	<u>(3,874,829)</u>	<u>1,224,089</u>
Total liabilities and equity (deficit)	<u>\$ 12,437,363</u>	<u>\$ 13,184,535</u>

L. WOERNER, INC.  
 d/b/a HCR  
 STATEMENTS OF OPERATIONS  
 Years Ended December 31,

	2011	2010
Revenues:	\$ 42,063,636	\$ 43,216,205
Operating expenses:		
Payroll	30,717,641	28,749,789
Payroll taxes and employee benefits	5,843,503	5,080,421
Outside services	2,101,543	2,578,368
Travel	1,189,027	945,380
ESOP contributions	1,000,000	4,000,000
Bad debt expense	369,807	600,590
Utilities	733,059	502,953
Depreciation	715,657	542,827
Equipment rental, repairs and maintenance	605,882	382,607
Rent	563,866	405,972
Medical expenses	558,036	502,911
Training and recruitment	245,079	190,948
Office expense	427,613	406,084
Legal and accounting	312,625	289,865
Miscellaneous	160,899	187,668
Cash receipt assessment	145,588	165,237
Insurance	134,214	124,397
Interest	88,624	110,378
Real estate taxes	70,076	69,485
Dues and subscriptions	63,342	69,916
Total operating expenses	<u>46,046,081</u>	<u>45,805,766</u>
Operating loss	(3,982,445)	(2,689,561)
Non-recurring expenses	<u>(2,008,024)</u>	<u>-</u>
Loss before taxes	(5,990,469)	(2,689,561)
Tax expense	<u>(5,638)</u>	<u>(4,545)</u>
Net loss	<u>\$ (5,996,107)</u>	<u>\$ (2,694,106)</u>

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L.Woerner, Inc. dba HCR  
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December 31, 2012

ASSETS:

Current Assets

Cash	\$265,512
Accounts Receivable	8,645,774
Prepaid Expenses	172,279

Total Current Assets 9,083,565

Total Property, Plant & Equipment 1,666,485

Other Assets

Intangibles and Security Deposits 2,450,833

TOTAL ASSETS \$13,200,883

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Current Liabilities

Line of Credit Payable	\$4,790,000
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Note Payable to Officer	\$750,000
Accounts Payable	1,006,042
Accrued Expenses	2,906,943
Unearned Revenue	2,204,109
Payor Settlements/Current	3,044,597

Total Current Liabilities 16,201,691

Other Liabilities

Security Deposits- Patients	42,079
Payor Settlements/Long term	2,697,821

TOTAL LIABILITIES 18,941,591

STOCKHOLDERS' EQUITY:

Common Stock	93,500
Additional Paid In Capital	911,332
Treasury Stock	472,506
Retained Earnings	(7,218,047)

TOTAL STOCKHOLDERS' EQUITY (5,740,708)

TOTAL LIABILITIES & STOCKHOLDERS' EQUITY \$13,200,883

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YTD December 2012

<i>Revenues</i>	<i>\$42,397,525</i>
<i>Direct Costs</i>	<i><u>26,781,175</u></i>
<i>Gross Margin</i>	<i>15,616,350</i>
<i>Indirect Costs</i>	
<i>Payroll and Related Expenses</i>	<i>11,743,583</i>
<i>Other Indirect Expenses</i>	<i><u>6,593,811</u></i>
<i>Total Indirect Expenses</i>	<i><u>18,337,394</u></i>
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December 31,

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Cash and cash equivalents	\$ 114,355	\$ 4,393,124
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<b>Current liabilities:</b>		
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Current Liabilities

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TOTAL LIABILITIES & STOCKHOLDERS' EQUITY \$13,200,883

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2012 Interim Financial Statements

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<i>Payroll and Related Expenses</i>	11,743,583
<i>Other Indirect Expenses</i>	<u>6,593,811</u>
<i>Total Indirect Expenses</i>	<u>18,337,394</u>
<i>Net Profit/(Loss)</i>	<u>(\$2,721,044)</u>

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

**September 12, 2013  
Attachment**

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**Upstate Dear Administrator Letters – Long Term Home Health Care  
Program - Construction**

**Exhibit # 4**

1. 121267 C                      TLC Health Network-Lake Shore Hospital  
(Chautauqua County)

TLC HEALTH NETWORK

**Combined Balance Sheets**

December 31,	2012	2011
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 2,041,904	\$ 2,133,481
Accounts receivable, net of estimated uncollectibles of \$825,000 and \$688,000	5,483,084	6,198,395
Grants and other receivables	1,623,281	2,236,984
Supplies	629,750	348,626
Prepaid expenses	467,687	371,281
	<u>10,245,706</u>	<u>11,288,767</u>
Property and equipment, net (Note 2)	17,098,817	13,080,466
Assets held by others	1,931,677	1,793,589
Other assets	133,303	132,838
	<u>\$ 29,409,503</u>	<u>\$ 26,295,660</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Short-term borrowings (Note 3)	\$ 162,070	\$ 812,541
Current portion of long-term debt (Note 4)	918,367	481,422
Accounts payable	3,851,283	4,883,915
Accrued payroll and related liabilities	1,769,573	1,898,437
Other accrued expenses	1,363,321	1,913,409
Estimated third-party payor settlements	1,397,722	1,307,989
	<u>9,462,336</u>	<u>11,297,713</u>
Long-term debt (Note 4)	253,840	1,185,317
<b>Net assets:</b>		
Unrestricted	16,955,650	11,213,041
Permanently restricted	2,737,677	2,599,589
	<u>19,693,327</u>	<u>13,812,630</u>
	<u>\$ 29,409,503</u>	<u>\$ 26,295,660</u>

TLC HEALTH NETWORK

**Combined Statements of Operations**

For the years ended December 31,

2012 2011

Revenue:

Patient service revenue (net of contractual allowances and discounts)	\$ 39,690,393	\$ 41,590,459
Less: provision for bad debts	(2,304,053)	(1,605,615)
Net patient service revenue	37,386,340	39,984,844
Other revenue	3,380,319	1,970,924
Total recurring revenue	40,766,659	41,955,768

Expenses:

Salaries and wages	19,945,458	20,431,418
Employee benefits	4,734,608	4,834,207
Purchased services	11,070,418	9,659,281
Supplies and other expenses	6,011,617	7,970,947
Medical malpractice costs	556,557	523,049
Depreciation	2,322,754	1,559,616
Interest	143,971	206,325
Total recurring expenses	44,785,383	45,184,843

**Loss from recurring operations**

(4,018,724) (3,229,075)

Nonrecurring activity (Note 1):

Flood related settlements	8,326,465	5,838,394
Flood related expenses	(1,542,971)	(624,453)
Total nonrecurring income, net	6,783,494	5,213,941

**Income from operations**

2,764,770 1,984,866

Other income:

Government grants - non-flood property and equipment related	2,699,677	2,082,417
Interest income	170,874	144,245
Donations and other, net	107,288	70,870
	2,977,839	2,297,532

**Excess of revenue over expenses**

\$ 5,742,609 \$ 4,282,398

RUN DATE: 07/09/13  
RUN TIME: 1421  
RUN USER: GEN.JMF

PAGE 1  
RUN: T-I RPT: T-P&L FMT: T-P&L

TLC HEALTH NETWORK  
Comparative Statement of Revenue & Expense, Budget Vs. Actual  
JUN 2013

	Actual JUN 2013	Budget JUN 2013	Variance	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>						
Gross Patient Revenue	4,536,618.74	5,427,005.00	(890,386)	30,746,675.01	32,930,491.00	(2,183,816)
Contractual Adjustments	1,783,170.70	2,117,950.00	334,779	12,849,640.79	12,850,907.00	1,266
Net Patient Revenue	2,753,448.04	3,309,055.00	(555,607)	17,897,034.22	20,079,584.00	(2,182,550)
Other Operating Revenue	180,914.90	115,479.00	65,436	805,200.05	692,874.00	112,326
Total Revenue	2,934,362.94	3,424,534.00	(490,171)	18,702,234.27	20,772,458.00	(2,070,224)
<b>EXPENSES</b>						
Salaries	1,453,230.91	1,655,901.00	202,670	9,473,002.72	9,903,166.00	428,163
Benefits	494,582.49	423,666.00	(70,917)	2,800,474.87	2,556,070.00	(244,405)
Supplies	351,206.66	357,813.00	6,606	2,174,006.99	2,171,460.00	(2,547)
Professional Fees	160,000.23	155,604.00	(4,396)	1,056,375.88	969,044.00	(87,332)
Purchased Services	399,091.85	395,868.00	(3,224)	3,122,103.43	2,503,182.00	(618,921)
Depreciation	227,663.35	222,793.00	(4,870)	1,365,995.59	1,336,758.00	(29,238)
Interest	5,006.96	8,600.00	3,593	42,357.19	51,600.00	9,243
Insurance	50,495.35	47,517.00	(2,978)	295,848.08	285,102.00	(10,746)
Other Expenses	466,474.49	457,792.00	(8,682.49)	2,726,337.43	2,732,496.00	6,158.57
Total Expenses	3,607,752.29	3,725,554.00	117,802	23,056,502.18	22,506,878.00	(549,624)
INCOME/(LOSS) FROM OPERATIONS	(673,389.35)	(301,020.00)	(372,369)	(4,354,267.91)	(1,734,420.00)	(2,619,848)
NON OPERATING REVENUE	(56,492.77)	13,628.00	(70,121)	1,652,537.56	85,088.00	1,567,450
EXCESS OF REV/(LOSS) OVER EXPENSE	(729,882.12)	(287,392.00)	(442,490)	(2,701,730.35)	(1,649,332.00)	(1,052,398)

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

**September 12, 2013  
Attachments**

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**Acute Care Services – Establish/Construct**

**Exhibit # 5**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	132025 E	White Plains Hospital Center (Westchester County)
2.	132026 E	Northern Westchester Hospital (Westchester County)
3.	132027 E	Lawrence Hospital Center (Westchester County)
4.	132028 E	Phelps Memorial Hospital (Westchester County)
5.	132088 E	St. Lawrence Health System, Inc. (St. Lawrence County)

**WHITE PLAINS HOSPITAL CENTER AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS  
AS OF DECEMBER 31, 2012 AND 2011**

	2012	2011
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 9,818,874	\$ 13,141,120
Assets limited or restricted as to use — current portion	22,301,067	21,017,362
Patient accounts receivable — less estimated uncollectibles of \$29,194,000 and \$30,805,000 in 2012 and 2011, respectively	42,892,000	33,566,494
Pledges receivable — current portion	1,746,258	2,426,075
Estimated insurance recoveries — current portion	1,572,000	1,321,000
Other receivables	880,850	751,766
Inventory	4,933,179	4,624,150
Prepaid expenses	3,354,038	2,292,401
Total current assets	87,498,266	79,140,368
<b>DEFERRED COMPENSATION ASSETS</b>	2,552,770	2,146,619
<b>PLEDGES RECEIVABLE — Net</b>	3,386,657	3,862,658
<b>ASSETS LIMITED OR RESTRICTED AS TO USE — Less current portion</b>	10,825,271	12,991,929
<b>ESTIMATED INSURANCE RECOVERIES — Less current portion</b>	10,521,000	8,843,000
<b>PROPERTY, PLANT, AND EQUIPMENT — Net</b>	121,909,285	115,239,172
<b>DEFERRED FINANCING COSTS — Net</b>	431,820	474,605
<b>TOTAL</b>	<u>\$237,125,069</u>	<u>\$222,698,351</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 27,168,921	\$ 24,102,751
Accrued salaries and vacation benefits	19,366,287	16,647,720
Current portion of long-term debt	3,500,113	3,383,269
Line of credit	1,000,000	
Accrued retirement contribution payable	6,977,959	6,245,106
Estimated liability for malpractice claims	1,572,000	1,321,000
Due to third-party payors	9,496,115	5,850,429
Other current liabilities	4,445,057	5,303,869
Total current liabilities	73,526,452	62,854,144
<b>ACCRUED PENSION LIABILITY</b>	47,277,432	46,869,592
<b>ESTIMATED LIABILITY FOR MALPRACTICE CLAIMS — Net of current portion</b>	10,521,000	9,233,890
<b>LONG-TERM DEBT — Net of current portion</b>	27,393,531	30,874,931
<b>DUE TO THIRD-PARTY PAYORS — Net of current portion</b>	4,000,000	4,000,000
<b>OTHER NONCURRENT LIABILITIES</b>	5,174,454	4,340,540
Total liabilities	167,892,869	158,173,097
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS:</b>		
Unrestricted	61,955,165	51,318,328
Temporarily restricted	5,212,241	11,142,132
Permanently restricted	2,064,794	2,064,794
Total net assets	69,232,200	64,525,254
<b>TOTAL</b>	<u>\$237,125,069</u>	<u>\$222,698,351</u>

**WHITE PLAINS HOSPITAL CENTER AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
<b>REVENUES:</b>		
Patient service revenue (net of contractual allowances and discounts)	\$ 339,557,271	\$ 309,908,924
Less provision for bad debts	<u>10,396,000</u>	<u>10,525,000</u>
Net patient service revenue	329,161,271	299,383,924
Other operating revenue	10,203,195	4,460,116
Net assets released from restrictions for operations	<u>1,960,287</u>	<u>2,416,427</u>
Total revenues	<u>341,324,753</u>	<u>306,260,467</u>
<b>EXPENSES:</b>		
Salaries	160,849,154	142,340,419
Employee benefits	37,746,184	34,078,240
Professional fees	9,538,120	9,054,951
Supplies and other	109,979,555	100,980,490
Depreciation and amortization	14,608,327	16,153,006
Interest	<u>1,421,044</u>	<u>1,525,110</u>
Total expenses	<u>334,142,384</u>	<u>304,132,216</u>
<b>INCOME FROM OPERATIONS</b>	7,182,369	2,128,251
<b>UNRESTRICTED CONTRIBUTIONS</b>	<u>1,758,319</u>	<u>1,921,771</u>
<b>REVENUES AND UNRESTRICTED CONTRIBUTIONS OVER EXPENSES</b>	8,940,688	4,050,022
<b>PENSION-RELATED ADJUSTMENTS</b>	(6,683,804)	(24,607,496)
<b>CHANGE IN UNREALIZED GAINS AND LOSSES ON INVESTMENTS</b>	525,477	(377,466)
<b>NET ASSETS RELEASED FROM RESTRICTIONS FOR CAPITAL ACQUISITIONS</b>	<u>7,854,506</u>	<u>2,751,656</u>
<b>INCREASE / (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<u>\$ 10,636,867</u>	<u>\$ (18,183,284)</u>

**WHITE PLAINS HOSPITAL CENTER  
 & SUBSIDIARY  
 BALANCE SHEETS  
 AS OF MAY 31, 2013 & DECEMBER 31, 2012**

<b>ASSETS</b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$8,234,037	\$9,818,874
Accounts receivable for services to patients, less estimated uncollectibles of 26,935,647 in 2013 and 29,194,189 in 2012	42,653,826	42,892,000
Estimated insurance recoveries - current portion	1,572,000	1,572,000
Other receivables	1,070,071	880,850
Inventories of drugs and supplies	5,523,525	4,933,179
Assets whose use is limited	22,839,328	24,047,325
Prepaid expenses	4,666,615	3,354,038
Total current assets	<u>86,559,402</u>	<u>87,498,266</u>
DEFERRED COMPENSATION ASSETS	<u>2,661,722</u>	<u>2,552,770</u>
ASSETS WHOSE USE IS LIMITED	<u>13,808,202</u>	<u>14,211,928</u>
ESTIMATED INSURANCE RECOVERIES - Less current portion	<u>10,521,000</u>	<u>10,521,000</u>
DEFERRED FINANCING COSTS	<u>414,515</u>	<u>431,820</u>
PROPERTY, PLANT AND EQUIPMENT	<u>122,003,826</u>	<u>121,909,285</u>
Total assets	<u><u>\$235,958,667</u></u>	<u><u>\$237,125,069</u></u>

**WHITE PLAINS HOSPITAL CENTER  
& SUBSIDIARY  
BALANCE SHEETS  
AS OF MAY 31, 2013 & DECEMBER 31, 2012**

Project #132025  
BFA Attachment B (cont.)

<b>LIABILITIES AND NET ASSETS</b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$26,997,953	\$27,168,921
Accrued salaries and vacation benefits	17,642,759	19,366,287
Notes payable	6,600,000	1,000,000
Current portion of accrued pension liability	6,462,041	6,977,959
Estimated liability for malpractice claims	1,572,000	1,572,000
Current installment of long-term debt	3,440,994	3,500,113
Other liabilities	3,227,478	4,445,057
Due to third-party payors	10,019,561	9,496,115
Total current liabilities	<u>75,962,786</u>	<u>73,526,452</u>
ACCRUED PENSION LIABILITY (excluding current portion)	<u>45,448,726</u>	<u>47,277,432</u>
SELF-INSURANCE FUND LIABILITY	<u>10,521,000</u>	<u>10,521,000</u>
LONG-TERM DEBT - Excluding current installments	<u>25,955,739</u>	<u>27,393,531</u>
DUE TO THIRD PARTY PAYORS - Net of current portion	<u>4,000,000</u>	<u>4,000,000</u>
OTHER NONCURRENT LIABILITIES	<u>5,592,894</u>	<u>5,174,454</u>
Total liabilities	<u>167,481,145</u>	<u>167,892,869</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS:</b>		
Unrestricted	63,436,860	61,955,165
Temporarily restricted	2,985,868	5,212,241
Permanently restricted	2,064,784	2,064,794
Total net assets	<u>68,487,522</u>	<u>69,232,200</u>
Total liabilities and net assets	<u>\$235,968,667</u>	<u>\$237,125,069</u>

WHITE PLAINS HOSPITAL CENTER  
& SUBSIDIARY

STATEMENT OF OPERATIONS

FOR THE FIVE MONTHS ENDED MAY 31, 2013

	MONTH TO DATE			YEAR TO DATE			% VARIANCE
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	
<b>REVENUE:</b>							
NET PATIENT REVENUE	\$29,807,550	\$30,093,187	(\$285,637)	\$143,656,364	\$145,539,690	(\$1,883,226)	-1.29%
PROVISION FOR BAD DEBTS	(860,000)	(866,680)	26,680	(4,344,000)	(4,392,640)	48,640	-1.11%
OTHER OPERATING REVENUE	1,313,996	1,015,366	298,628	5,581,077	5,070,568	510,509	10.07%
INCOME FROM INVESTMENTS	57,723	58,353	(610)	280,647	291,665	(11,018)	-3.78%
NET ASSETS RELEASED FROM RESTRICTION	87,753	87,753	0	734,217	734,217	0	0.00%
<b>TOTAL OPERATING REVENUE</b>	<b>30,407,022</b>	<b>30,367,981</b>	<b>39,061</b>	<b>145,909,305</b>	<b>147,243,200</b>	<b>(1,334,895)</b>	<b>-0.91%</b>
<b>EXPENSES:</b>							
SALARIES AND WAGES	14,514,269	14,314,303	(199,966)	70,523,615	70,416,169	(107,646)	-0.15%
SALARY EQUIVALENT & FEES	878,922	735,274	(143,648)	3,973,054	3,576,358	(396,708)	-11.09%
FRINGE BENEFITS	3,338,184	3,302,502	(35,682)	16,274,596	16,312,501	37,905	0.23%
PHARMACEUTICALS	1,257,788	1,059,304	(198,484)	4,937,927	4,579,185	(358,742)	-7.83%
OTHER MEDICAL SUPPLIES	3,350,659	3,500,066	149,407	16,023,657	15,773,508	249,861	1.58%
INSURANCE	886,124	884,423	(1,701)	4,405,863	4,404,265	(1,618)	-0.04%
PURCHASED SERVICES	2,198,653	2,228,743	25,090	9,899,320	10,413,173	513,853	4.89%
OTHER SUPPLIES & EXPENSES	2,479,490	2,543,322	63,832	12,846,259	12,702,285	(143,974)	-1.13%
NET ASSETS RELEASED FROM RESTRICTION	87,753	87,753	0	734,217	734,217	0	0.00%
DEPRECIATION EXPENSE	1,375,000	1,375,000	0	7,075,000	7,075,000	0	0.00%
INTEREST EXPENSE	105,233	101,735	(3,498)	620,741	614,846	(5,895)	-0.96%
<b>TOTAL OPERATING EXPENSES</b>	<b>30,472,075</b>	<b>30,127,425</b>	<b>(344,650)</b>	<b>146,934,595</b>	<b>146,934,595</b>	<b>257,025</b>	<b>0.20%</b>
<b>TOTAL INCOME/(LOSS) FROM OPERATIONS</b>	<b>(65,053)</b>	<b>240,556</b>	<b>(305,599)</b>	<b>(406,174)</b>	<b>641,695</b>	<b>(1,047,869)</b>	<b>-163.30%</b>
UNRESTRICTED CONTRIBUTIONS	210,623	81,413	129,210	410,535	548,244	(137,709)	-25.12%
<b>NET SURPLUS/(LOSS)</b>	<b>\$145,570</b>	<b>\$321,969</b>	<b>(\$176,399)</b>	<b>\$4,261</b>	<b>\$1,189,939</b>	<b>(\$1,185,678)</b>	<b>-99.63%</b>

**NORTHERN WESTCHESTER HOSPITAL ASSOCIATION AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS  
AS OF DECEMBER 31, 2012 AND 2011**

	2012	2011
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 8,771,572	\$ 5,912,968
Patient accounts receivable — less estimated uncollectibles of \$4,970,000 and \$4,458,000 in 2012 and 2011, respectively	26,483,618	29,013,337
Estimated insurance recoveries	3,500,000	5,500,000
Other receivables	935,229	1,954,290
Inventory	3,779,389	3,563,692
Prepaid expenses	1,604,602	1,519,373
Current portion of assets whose use is limited	6,145,356	7,034,910
Total current assets	51,219,766	54,498,570
ASSETS WHOSE USE IS LIMITED — Net of current portion	29,547,072	23,140,694
PROPERTY, PLANT, AND EQUIPMENT — Net	149,732,346	137,498,708
GOODWILL AND INTANGIBLE ASSET — Net	2,269,914	2,352,414
DEFERRED FINANCING COSTS — Net	1,514,336	1,611,550
OTHER ASSETS	881,826	862,871
<b>TOTAL</b>	<b>\$235,165,260</b>	<b>\$219,964,807</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 34,067,885	\$ 35,400,746
Accrued salaries and other related benefits	7,791,367	8,009,871
Due to third-party payors	2,177,001	2,479,247
Current portion of long-term debt	4,821,356	4,729,979
Estimated insurance claims payable	3,500,000	5,500,000
Current portion of estimated liability for self-insurance	3,941,000	3,849,000
Total current liabilities	56,298,609	59,968,843
LONG-TERM DEBT — Net of current portion	29,497,434	27,579,175
ESTIMATED LIABILITY FOR SELF-INSURANCE — Net of current portion	10,351,401	11,438,000
ACCRUED PENSION LIABILITY	38,482,555	27,511,148
DUE TO THIRD-PARTY PAYORS — Net of current portion	2,000,000	2,000,000
OTHER LIABILITIES	3,963,998	3,743,042
Total liabilities	140,593,997	132,240,208
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS:</b>		
Unrestricted	77,079,660	78,854,287
Temporarily restricted	9,473,134	866,843
Permanently restricted	8,018,469	8,003,469
Total net assets	94,571,263	87,724,599
<b>TOTAL</b>	<b>\$235,165,260</b>	<b>\$219,964,807</b>

**NORTHERN WESTCHESTER HOSPITAL ASSOCIATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
<b>REVENUES:</b>		
Net patient service revenue (after contractual allowances and discounts)	\$243,850,060	\$234,833,535
Provision for bad debts	(4,421,216)	(4,400,004)
Net patient service revenue, net of provision for bad debts	239,428,844	230,433,531
Other operating revenue	7,362,729	6,623,925
Net assets released from restrictions — operations	1,045,913	897,093
<b>Total revenues</b>	<b>247,837,486</b>	<b>237,954,549</b>
<b>EXPENSES:</b>		
Salaries	100,832,506	94,202,610
Employee benefits	30,654,622	26,108,715
Supplies and other	95,093,363	92,468,674
Depreciation and amortization	13,078,538	11,541,883
Interest	948,943	853,599
<b>Total expenses</b>	<b>240,607,972</b>	<b>225,175,481</b>
<b>INCOME FROM OPERATIONS</b>	<b>7,229,514</b>	<b>12,779,068</b>
<b>NONOPERATING ITEMS:</b>		
Unrestricted contributions and legacies	126,797	100,302
Equity earnings (losses) on limited liability partnerships and corporations and other investment income — net	545,488	(1,016,611)
Fundraising activities	(562,458)	808,890
<b>Total nonoperating items</b>	<b>109,827</b>	<b>(107,419)</b>
<b>EXCESS OF REVENUES AND NONOPERATING ITEMS OVER EXPENSES</b>	<b>7,339,341</b>	<b>12,671,649</b>
<b>OTHER CHANGES IN UNRESTRICTED NET ASSETS:</b>		
Net assets released from restrictions for capital purposes	285,000	1,198,628
Pension-related adjustments	(9,398,968)	(15,584,119)
<b>DECREASE IN UNRESTRICTED NET ASSETS</b>	<b>\$ (1,774,627)</b>	<b>\$ (1,713,842)</b>

Northern Westchester Hospital  
Balance Sheet  
June 30, 2013

ASSETS	Current Month	December 2012	Change
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 4,506,530	\$ 8,293,741	\$ (3,787,211)
Patient accounts receivable (net)	27,568,175	22,168,134	5,400,041
Other receivables	6,527,081	9,571,757	(3,044,676)
Inventories	3,770,064	3,779,389	(9,325)
Prepaid expenses	1,459,704	1,411,236	48,468
Total current assets	<u>43,831,554</u>	<u>45,224,256</u>	<u>(1,392,703)</u>
<b>Assets Whose Use is Limited:</b>			
Permanently Restricted Assets	909,625	909,625	-
Malpractice Trust Funds	10,091,125	9,000,554	1,090,571
Construction Funds	2,411,290	2,411,064	226
Workers Compensation/Flex Spending Accounts	150,000	150,000	-
Pension	1,122,177	1,092,525	29,652
Total assets whose use is limited	<u>14,684,217</u>	<u>13,563,767</u>	<u>1,120,449</u>
Property, Plant, and Equipment	329,652,784	323,346,134	6,306,650
Less accumulated depreciation	<u>(185,675,298)</u>	<u>(178,947,300)</u>	<u>(6,727,998)</u>
	<u>143,977,487</u>	<u>144,398,835</u>	<u>(421,348)</u>
Investment in Group Practice	<u>675,679</u>	<u>716,929</u>	<u>(41,250)</u>
Other Assets	<u>3,659,276</u>	<u>3,805,879</u>	<u>(146,603)</u>
Total Assets	<u>\$ 206,828,213</u>	<u>\$ 207,709,666</u>	<u>\$ (881,453)</u>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 15,941,580	\$ 19,276,160	\$ (3,334,580)
Accrued salaries	7,236,671	7,539,728	(303,057)
Accrued expenses and other liabilities	10,048,949	12,272,309	(2,223,360)
Current installments - bonds	1,270,000	1,270,000	-
Current installments - leases	302,823	414,667	(111,844)
Due to third-party payors	4,338,540	4,177,001	161,539
Total current liabilities	<u>39,138,563</u>	<u>44,949,865</u>	<u>(5,811,302)</u>
<b>Long-Term Debt:</b>			
Bonds payable	31,847,924	30,199,515	1,648,409
Capital leases payable	2,181,008	2,434,609	(253,601)
Total long-term debt	<u>34,028,932</u>	<u>32,634,124</u>	<u>1,394,808</u>
Estimated Liability for Malpractice	<u>11,634,983</u>	<u>11,581,401</u>	<u>53,582</u>
Estimated Liability Workers' Compensation	<u>2,711,000</u>	<u>2,711,000</u>	<u>-</u>
Pension and Other Long-Term Liabilities	<u>42,019,217</u>	<u>41,463,285</u>	<u>555,932</u>
<b>Net Assets:</b>			
Unrestricted	76,236,945	73,205,441	3,031,504
Temporarily restricted	148,949	254,925	(105,976)
Permanently restricted	909,625	909,625	-
Total net assets	<u>77,295,519</u>	<u>74,369,991</u>	<u>2,925,528</u>
Total Liabilities and Net Assets	<u>\$ 206,828,213</u>	<u>\$ 207,709,666</u>	<u>\$ (881,453)</u>

Northern Westchester Hospital  
Statements of Operations  
June 30, 2013

	<u>Current Month</u>			<u>Year-to-Date</u>			<u>2012</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	
<b>Revenue:</b>							
Net Revenue - Acute Inpatients	\$ 9,603,625	\$ 9,768,871	\$ (165,246)	\$ 53,977,655	\$ 57,112,253	\$ (3,134,598)	\$ 57,896,893
Net Revenue - Behavioral Health	453,789	456,752	(2,963)	2,435,329	2,714,853	(279,524)	2,447,011
Net Revenue - Outpatients	10,817,562	11,273,137	(455,577)	65,023,930	64,493,793	530,137	61,367,390
<b>Total net patient service revenue</b>	<b>20,874,976</b>	<b>21,498,760</b>	<b>(623,786)</b>	<b>121,436,914</b>	<b>124,320,899</b>	<b>(2,883,985)</b>	<b>121,711,294</b>
Provision for bad debts	(352,500)	(352,500)	-	(2,115,000)	(2,115,000)	-	(2,299,998)
<b>Net patient revenue after bad debts</b>	<b>20,522,476</b>	<b>21,146,260</b>	<b>(623,786)</b>	<b>119,321,914</b>	<b>122,205,899</b>	<b>(2,883,985)</b>	<b>119,411,296</b>
Other - operating revenue	220,943	392,583	(171,640)	1,424,473	2,355,500	(931,027)	1,537,766
Net assets released from restriction	30,375	50,000	(19,625)	205,959	300,000	(94,041)	370,895
	<u>251,318</u>	<u>442,583</u>	<u>(191,265)</u>	<u>1,630,432</u>	<u>2,655,500</u>	<u>(1,025,068)</u>	<u>1,908,661</u>
<b>Total Revenue</b>	<b>20,773,794</b>	<b>21,588,843</b>	<b>(815,049)</b>	<b>120,952,346</b>	<b>124,861,399</b>	<b>(3,909,053)</b>	<b>121,319,957</b>
<b>Expenses:</b>							
Salaries	7,875,262	8,038,176	162,914	47,666,158	48,489,409	823,251	48,473,607
Supplies and expenses	6,218,381	6,534,294	315,913	36,502,356	38,386,938	1,884,582	36,727,800
Restricted Expenses	30,375	50,000	19,625	205,959	300,000	94,041	370,895
Utilities	349,558	352,786	3,228	2,102,399	2,117,036	14,637	2,025,023
Professional fees	1,276,047	1,257,124	(18,923)	7,401,440	7,437,913	36,473	7,797,623
Employee benefits	2,739,287	2,812,321	73,034	17,133,553	17,093,486	(40,067)	14,635,280
Depreciation	1,133,333	1,133,333	-	6,799,998	6,799,998	-	6,199,992
Interest	112,092	111,842	(250)	674,337	671,050	(3,287)	554,208
<b>Total Expenses</b>	<b>19,734,335</b>	<b>20,289,876</b>	<b>555,541</b>	<b>118,486,200</b>	<b>121,295,830</b>	<b>2,809,630</b>	<b>116,784,428</b>
<b>Operating Income/(Loss)</b>	<b>1,039,459</b>	<b>1,298,967</b>	<b>(259,508)</b>	<b>2,466,146</b>	<b>3,565,569</b>	<b>(1,099,423)</b>	<b>4,535,527</b>
<b>Non-Operating Gains (net):</b>							
Legacies and Contributions	7,875	-	7,875	32,198	-	32,198	68,984
Income from investments	112	-	112	6,387	-	6,387	1,395
Other Non Operating	-	-	-	-	-	-	-
Investment gain/(loss)	-	-	-	-	-	-	-
<b>Total Non-Operating Gains</b>	<b>7,987</b>	<b>-</b>	<b>7,987</b>	<b>38,585</b>	<b>-</b>	<b>38,585</b>	<b>70,379</b>
<b>Excess/(Deficiency) of Revenue Over Expenses</b>	<b>\$ 1,047,446</b>	<b>\$ 1,298,967</b>	<b>\$ (251,521)</b>	<b>\$ 2,504,731</b>	<b>\$ 3,565,569</b>	<b>\$ (1,060,838)</b>	<b>\$ 4,605,906</b>

**LAWRENCE HOSPITAL CENTER AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS  
AS OF DECEMBER 31, 2012 AND 2011**

ASSETS	2012	2011
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 36,736,673	\$ 28,011,589
Patient accounts receivable — less estimated uncollectibles of \$15,010,000 and \$12,700,000, respectively	27,216,648	23,716,800
Inventory	2,263,587	2,171,802
Prepaid expenses and other assets	2,064,265	2,134,997
Assets limited or restricted as to use — current portion	1,667,464	1,711,886
Total current assets	69,948,637	57,747,074
ASSETS LIMITED OR RESTRICTED AS TO USE — Net of current portion	57,531,347	53,038,347
PROPERTY, PLANT, AND EQUIPMENT — Net	69,457,162	69,370,447
ESTIMATED INSURANCE RECOVERIES	12,823,959	9,529,583
DEFERRED FINANCING COSTS — Net	282,491	310,856
<b>TOTAL</b>	<b><u>\$210,043,596</u></b>	<b><u>\$189,996,307</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 5,782,105	\$ 6,024,044
Accrued salaries and related benefits	10,590,758	9,353,999
Accrued expenses and other liabilities	6,473,321	5,839,400
Current portion of estimated settlements with third-party payors	4,306,742	5,112,126
Current portion of long-term debt	1,115,000	1,170,000
Total current liabilities	28,267,926	27,499,569
ESTIMATED PROFESSIONAL LIABILITY CLAIMS PAYABLE	16,480,959	13,338,583
ACCRUED RETIREMENT BENEFITS	72,443,819	67,123,446
ESTIMATED SETTLEMENTS WITH THIRD-PARTY PAYORS — Net of current portion	4,747,929	4,618,986
LONG-TERM DEBT — Net of current portion	12,052,266	13,150,598
OTHER LONG-TERM LIABILITIES	10,412,133	9,005,304
Total liabilities	144,405,032	134,736,486
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS:</b>		
Unrestricted	48,012,837	37,713,676
Temporarily restricted	12,941,158	12,861,576
Permanently restricted	4,684,569	4,684,569
Total net assets	65,638,564	55,259,821
<b>TOTAL</b>	<b><u>\$210,043,596</u></b>	<b><u>\$189,996,307</u></b>

**LAWRENCE HOSPITAL CENTER AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
<b>REVENUES:</b>		
Net patient service revenue (after contractual allowances and discounts)	\$222,700,204	\$207,200,741
Provision for bad debts	<u>10,484,986</u>	<u>9,956,049</u>
Net patient service revenue — net of provision for bad debts	212,215,218	197,244,692
Other operating revenue	5,472,105	2,392,806
Net assets released from restrictions — operations	<u>503,318</u>	<u>655,388</u>
Total revenues	<u>218,190,641</u>	<u>200,292,886</u>
<b>EXPENSES:</b>		
Salaries	96,639,234	89,471,183
Employee benefits	29,746,908	23,539,162
Supplies and other	71,600,234	66,605,160
Depreciation	7,982,690	7,866,774
Interest	<u>713,004</u>	<u>760,834</u>
Total expenses	<u>206,682,070</u>	<u>188,243,113</u>
<b>INCOME FROM OPERATIONS</b>	<u>11,508,571</u>	<u>12,049,773</u>
<b>NONOPERATING ITEMS:</b>		
Investment income	769,276	599,702
Net realized gains on assets limited or restricted as to use	84,366	778,965
Contributions and legacies	<u>1,105,458</u>	<u>1,016,232</u>
Total nonoperating items	<u>1,959,100</u>	<u>2,394,899</u>
<b>EXCESS OF REVENUES AND NONOPERATING ITEMS OVER EXPENSES</b>	13,467,671	14,444,672
<b>PENSION-RELATED ADJUSTMENTS</b>	(5,381,400)	(33,289,768)
<b>CHANGE IN UNREALIZED GAINS AND LOSSES ON INVESTMENTS</b>	<u>2,212,890</u>	<u>(1,313,738)</u>
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<u>\$ 10,299,161</u>	<u>\$ (20,158,834)</u>

LAWRENCE HOSPITAL CENTER

STATEMENT OF FINANCIAL POSITION

	MAY 31 2013	DECEMBER 2012	VARIANCE	MAY 2012
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 29,338,120	\$ 31,890,241	\$ (2,552,121)	\$ 27,558,12
Patient Accounts Receivable, Less Estimated Uncollectible (2013-\$ 14,908,000 2012-\$14,915,000)	20,603,852	21,463,179	(859,327)	17,899,14
Prepaid Expense and Other Current Assets	7,644,595	4,480,622	3,163,973	8,190,65
Inventories of Materials and Supplies	2,065,881	2,263,587	(197,706)	2,270,14
Current Assets Whose Use is Limited	318,477	1,667,464	(1,348,987)	344,25
<b>Total Current Assets</b>	<b>59,970,925</b>	<b>61,765,093</b>	<b>(1,794,168)</b>	<b>56,262,31.</b>
<b>Other Assets:</b>				
Assets Whose Use is Limited	53,703,787	51,502,656	2,201,131	48,733,06
Property, Plant and Equipment (Net of Accumulated Depreciation)	65,913,639	67,095,558	(1,181,919)	67,115,00
Estimated Insurance Recoveries	12,823,959	12,823,959	-	9,529,58
Deferred Financing Costs and Other Assets	270,756	282,491	(11,735)	299,07
<b>Total Assets</b>	<b>\$ 192,683,066</b>	<b>\$ 193,469,757</b>	<b>\$ (786,691)</b>	<b>\$ 181,939,047</b>
<b>Liabilities and Net Assets:</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 3,360,369	\$ 4,023,811	\$ (663,442)	\$ 3,531,863
Accrued Salaries and PTO	8,170,352	8,733,715	(563,363)	7,659,219
Accrued Expenses and Other Liabilities	5,317,108	5,841,233	(524,125)	8,721,826
Due To Third Party Payors-Current	4,440,088	4,146,103	293,985	4,936,199
Current installments of long term debt	1,087,188	1,115,000	(27,812)	1,215,000
<b>Total Current Liabilities</b>	<b>22,375,105</b>	<b>23,859,862</b>	<b>(1,484,757)</b>	<b>26,064,107</b>
<b>Other Liabilities:</b>				
Long term debt-excluding current installments	10,989,162	12,052,266	(1,063,104)	12,059,187
Due To Third Party Payors-Long Term	4,454,540	4,747,929	(293,389)	4,496,224
Other Liabilities-Long Term	10,621,250	10,292,300	328,950	9,087,532
Accrued Retirement Benefits	70,623,997	72,443,819	(1,819,822)	63,377,955
Estimated Professional Liability Claims Payable	16,480,959	16,480,959	-	13,400,250
<b>Total Liabilities</b>	<b>135,545,013</b>	<b>139,877,135</b>	<b>(4,332,122)</b>	<b>128,485,255</b>
<b>Net Assets:</b>				
Unrestricted	39,330,398	36,141,054	3,189,344	35,999,296
Temporarily Restricted	13,296,925	12,940,838	356,087	12,943,766
Permanently Restricted	4,510,730	4,510,730	-	4,510,730
<b>Total Net Assets</b>	<b>57,138,053</b>	<b>53,592,622</b>	<b>3,545,431</b>	<b>53,453,792</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 192,683,066</b>	<b>\$ 193,469,757</b>	<b>\$ (786,691)</b>	<b>\$ 181,939,047</b>

LAWRENCE HOSPITAL CENTER  
PROFIT AND LOSS STATEMENT AS OF MAY 31, 2013

	CURRENT MONTH			YEAR-TO-DATE			FISCAL YEAR Y-T-D	FISCAL YEAR 2013 Y-T
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE		
<b>PATIENT SERVICE REVENUE</b>								
INPATIENT - MEDICARE	\$ 2,954,057	\$ 2,923,356	\$ 30,701	\$ 14,199,093	\$ 14,566,538	\$ (367,445)	\$ 14,450,115	
INPATIENT - 3rd PARTY RETRO SETTLEMENT - OTHER	7,146,854	7,062,467	138,387	34,986,636	34,994,057	592,579	1,698,522	30,778,113
OUTPATIENT	8,362,581	8,472,618	(110,037)	39,480,633	41,804,527	(1,823,894)	39,276,482	
<b>TOTAL PATIENT SERVICE REVENUE</b>	<b>18,463,492</b>	<b>18,404,441</b>	<b>59,051</b>	<b>88,666,362</b>	<b>90,365,122</b>	<b>(1,598,760)</b>	<b>86,203,232</b>	
<b>OTHER OPERATING REVENUE</b>								
OTHER REVENUE	157,043	203,007	(45,964)	888,994	1,012,727	(123,733)	1,071,043	
MEANINGFUL USE	266,323	278,000	(11,677)	266,323	278,000	(11,677)	2,743,263	
ASSETS RELEASED-(OPERATIONS)	651	4,765	(4,114)	14,631	23,210	(8,579)	205,162	
<b>TOTAL OTHER OPERATING REVENUE</b>	<b>424,017</b>	<b>485,772</b>	<b>(61,755)</b>	<b>1,169,948</b>	<b>1,313,937</b>	<b>(143,989)</b>	<b>4,019,468</b>	
<b>TOTAL OPERATING REVENUE</b>	<b>18,887,509</b>	<b>18,890,213</b>	<b>(2,704)</b>	<b>89,836,310</b>	<b>91,679,059</b>	<b>(1,742,749)</b>	<b>90,222,700</b>	
<b>OPERATING EXPENSES</b>								
SALARIES & NURSE AGENCY FEES	7,298,608	7,330,356	31,748	35,787,391	36,393,991	606,600	33,782,667	
SUPPLIES	2,338,058	2,293,311	(44,747)	11,863,533	11,363,482	(500,051)	10,212,127	
OTHER NON-SALARY EXPENSE	3,126,880	3,274,723	147,843	14,626,062	16,106,000	1,479,938	13,321,816	
3rd PARTY RETRO SETTLEMENT	-	-	-	-	-	-	434,631	
INSURANCE	530,197	521,709	(8,488)	2,612,678	2,608,545	(4,133)	2,455,496	
EMPLOYEE BENEFITS	1,327,497	1,346,009	18,512	6,479,275	6,742,288	263,013	6,107,552	
PENSION	1,104,714	1,104,714	-	5,708,676	5,708,426	(250)	5,206,085	
DEPRECIATION	658,398	658,398	-	3,291,990	3,291,990	-	3,251,739	
INTEREST	56,179	56,179	-	273,645	273,645	-	296,111	
LMA SUPPORT	679,452	679,452	-	3,309,589	3,308,589	-	2,552,709	
PROVISION FOR BAD DEBT	920,222	920,222	-	4,413,255	4,513,255	100,000	4,772,847	
<b>TOTAL OPERATING EXPENSES</b>	<b>18,040,245</b>	<b>18,185,073</b>	<b>144,828</b>	<b>88,366,094</b>	<b>90,311,211</b>	<b>1,945,117</b>	<b>82,393,780</b>	
<b>CURRENT OPERATING INCOME (LOSS)</b>	<b>\$47,304</b>	<b>705,140</b>	<b>142,164</b>	<b>1,470,216</b>	<b>1,267,848</b>	<b>202,368</b>	<b>7,828,920</b>	
<b>NON-OPERATING REVENUE</b>								
UNRESTRICTED GIFTS & BEQUESTS	31,615	31,905	(2,290)	90,683	155,150	(74,467)	87,151	
INVESTMENT INCOME	12,888	54,342	(41,454)	104,380	254,698	(160,318)	(27,277)	
REALIZED GAIN/(LOSS) ON INVESTMENTS	-	654	(654)	9,784	3,184	6,600	2,516	
<b>TOTAL NON-OPERATING REVENUE</b>	<b>44,503</b>	<b>86,901</b>	<b>(44,398)</b>	<b>204,847</b>	<b>413,032</b>	<b>(228,185)</b>	<b>216,944</b>	
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<b>891,807</b>	<b>794,041</b>	<b>97,766</b>	<b>1,675,063</b>	<b>1,700,880</b>	<b>(25,817)</b>	<b>8,045,864</b>	
UNREALIZED GAIN (LOSSES)	44,267	-	44,267	1,514,281	-	1,514,281	315,825	
<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	<b>\$ 936,074</b>	<b>\$ 794,041</b>	<b>\$ 142,033</b>	<b>\$ 3,189,544</b>	<b>\$ 1,700,880</b>	<b>\$ 1,488,464</b>	<b>\$ 8,361,689</b>	
<b>ADJUSTED PATIENT DAYS</b>								
MEDICARE CASE MIX	1.32	1.26	0.06	1.24	1.26	(0.02)	1.27	
NON-MEDICARE CASE MIX	1.04	0.98	0.06	1.00	0.98	0.02	1.00	
<b>ADJUSTED DISCHARGES</b>								
MEDICARE DISCHARGES	340	343	(3)	1,697	1,692	5	1,670	
NON-MEDICARE DISCHARGES	775	738	37	3,844	3,636	214	3,636	
<b>TOTAL DISCHARGES</b>	<b>1,115</b>	<b>1,081</b>	<b>34</b>	<b>5,541</b>	<b>5,322</b>	<b>219</b>	<b>5,306</b>	
<b>ADJUSTED DISCHARGES</b>	<b>2,038</b>	<b>2,003</b>	<b>35</b>	<b>9,989</b>	<b>9,812</b>	<b>177</b>	<b>9,747</b>	
<b>ADJUSTED PATIENT DAYS</b>								
MEDICARE PATIENT DAYS	2,350	2,023	327	11,543	9,989	1,563	10,284	
NON-MEDICARE PATIENT DAYS	3,165	2,675	490	15,609	13,964	1,645	14,036	
<b>TOTAL PATIENT DAYS</b>	<b>5,515</b>	<b>4,698</b>	<b>817</b>	<b>27,152</b>	<b>23,944</b>	<b>3,208</b>	<b>24,320</b>	
<b>ADJUSTED VISITS</b>								
ASU VISITS	452	412	40	2,012	2,085	(73)	2,114	
E/R VISITS	3,771	3,627	151	18,181	17,117	1,064	17,269	
<b>ADJUSTED AVERAGE LENGTH OF STAY</b>								
AVERAGE LENGTH OF STAY-MEDICARE	6.9	5.9	(1.0)	6.8	5.9	(0.9)	6.2	
AVERAGE LENGTH OF STAY-NON-MEDICARE	4.1	3.6	(0.5)	4.1	3.8	(0.3)	3.9	
<b>TOTAL PRODUCTIVE FULL TIME EQUIVALENTS</b>	<b>1,027.1</b>	<b>1,019.3</b>	<b>(7.8)</b>	<b>1,007.6</b>	<b>1,015.2</b>	<b>7.6</b>	<b>967.5</b>	
<b>TOTAL FULL TIME EQUIVALENTS</b>	<b>1,169.4</b>	<b>1,173.3</b>	<b>3.9</b>	<b>1,152.6</b>	<b>1,168.7</b>	<b>16.0</b>	<b>1,109.4</b>	

**PHELPS MEMORIAL HOSPITAL ASSOCIATION  
d/b/a PHELPS MEMORIAL HOSPITAL CENTER**

Consolidated Balance Sheets

December 31, 2012 and 2011

(Dollars in thousands)

Assets	2012	2011
Current assets:		
Cash and cash equivalents	\$ 29,207	30,981
Investments	4,443	3,993
Patients' accounts receivable, less allowance for doubtful accounts of \$2,604 and \$3,612 in 2012 and 2011, respectively	23,365	25,198
Assets limited or restricted as to use	646	623
Other current assets	3,711	3,672
Total current assets	61,372	64,467
Assets limited or restricted as to use		
Pledges receivable, net	10,081	9,523
Property, plant, and equipment, net	541	433
Deferred financing costs, net	103,037	102,713
Insurance recoveries	640	677
Other assets, net	8,340	9,430
Total assets	\$ 189,533	187,383
<b>Liabilities, Minority Interest, and Net Assets</b>		
Current liabilities:		
Current installments of long-term debt	\$ 1,213	1,772
Accounts payable and accrued expenses	15,637	15,153
Accrued payroll and related expenses	11,142	10,331
Current installments of estimated third-party retroactive payables, net	1,416	2,091
Total current liabilities	29,408	29,347
Estimated third-party retroactive payables, net of current portion	4,620	9,783
Long-term debt, net of current portion	25,762	28,500
Insurance liabilities	8,790	10,180
Other liabilities	3,792	3,427
Total liabilities	72,372	81,237
Commitments and contingencies		
Net assets:		
Unrestricted	111,572	101,231
Temporarily restricted	3,665	3,002
Permanently restricted	1,924	1,913
Total net assets	117,161	106,146
Total liabilities and net assets	\$ 189,533	187,383

**PIHELPS MEMORIAL HOSPITAL ASSOCIATION  
 d/b/a PIHELPS MEMORIAL HOSPITAL CENTER**

Consolidated Statements of Operations  
 Years ended December 31, 2012 and 2011  
 (Dollars in thousands)

	<u>2012</u>	<u>2011</u>
Revenues and other support:		
Patient service revenues, net of contractual allowances and discounts	\$ 204,406	196,535
Provision for bad debts, net	(1,048)	(1,119)
Net patient service revenues less provision for bad debts	203,358	195,416
Rental income	2,173	2,154
Other revenue	9,770	5,327
Net assets released from restrictions	351	361
Total revenues and other support	<u>215,652</u>	<u>203,258</u>
Expenses:		
Salaries and wages	105,427	96,523
Employee benefits	26,608	26,180
Supplies and other	63,853	60,773
Depreciation and amortization	10,906	10,769
Interest	1,317	1,456
Total expenses	<u>208,111</u>	<u>195,701</u>
Income from operations	7,541	7,557
Nonoperating gains, net	1,126	1,329
Excess of revenues and other support over expenses	8,667	8,886
Other changes in unrestricted net assets:		
Change in net unrealized gains on other-than-trading securities	615	122
Contributions for capital acquisitions	1,085	—
Distributions to partners	(205)	(198)
Net assets released from restrictions for purchase of equipment	179	210
Increase in unrestricted net assets	<u>\$ 10,341</u>	<u>9,020</u>

PHILIP'S MEMORIAL HOSPITAL  
STATEMENT OF REVENUES & EXPENSES  
FOR THE PERIOD ENDED APRIL 30, 2013  
(000'S) OMITTED

CURRENT MONTH

YEAR-TO-DATE

	ACTUAL	BUDGET	VARIANCE FAVORABLE/ UNFAVORABLE	ACTUAL LAST YEAR	ACTUAL LAST YEAR	VARIANCE FAVORABLE/ UNFAVORABLE
OPERATING REVENUE:						
NET PATIENT SERVICE REVENUE	\$18,379	\$19,532	(\$1,203)	\$17,462	\$17,462	
OTHER OPERATING REVENUE	753	664	89	638	638	
NET ASSETS RELEASED FROM RESTRICTION	42	16	26	30	30	
TOTAL REVENUE	19,174	20,212	(\$1,069)	18,140	18,140	
OPERATING EXPENSES:						
SALARIES & WAGES	\$9,218	\$9,757	(\$539)	\$9,509	\$9,509	
FRINGE BENEFITS	2,293	2,474	181	2,400	2,400	
FEES	283	313	30	284	284	
SUPPLIES AND EXPENSES	4,822	3,294	472	4,504	4,504	
INSURANCE	519	767	251	578	578	
PROVISION FOR BAD DEBTS	81	333	14	460	460	
INTEREST	957	78	(10)	94	94	
DEPRECIATION	18,608	947	(10)	887	887	
TOTAL OPERATING EXPENSES	35,508	19,998	1,474	17,296	17,296	
EXCESS (DEFICIENCY) FROM OPERATIONS BEFORE ADJUSTMENTS	635	249	386	368	368	
PRIOR PERIOD ADJUSTMENTS						
EXCESS (DEFICIENCY) FROM OPERATIONS AFTER ADJUSTMENTS	635	249	386	344	344	
NON-OPERATING REVENUE:						
INVESTMENT INCOME	524	\$14	\$20	\$15	\$15	
OTHER	150	85	67	5	5	
DONATIONS	5164	\$97	\$67	\$20	\$20	
TOTAL NON-OPERATING REVENUES	6138	348	673	364	364	
EXCESS (DEFICIENCY) AFTER NON-OPERATING REVENUES	1,273	597	676	708	708	
OTHER CHANGES IN UNRESTRICTED NET ASSETS NET ASSETS RELEASED FOR CAPITAL:						
SPECIFIC PURPOSE FUND						
CAPITAL CAMPAIGN						
TRANSFER FROM PHILIP'S COMMUNITY CORP.						
DONATIONS - IN KIND						
UNREALIZED GAIN (LOSS) FROM PORTFOLIO						
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$1,003	\$346	\$657	\$608	\$608	
Specific Purpose Fund Donations	54		54	30	30	

PHILIPS MEMORIAL HOSPITAL  
BALANCE SHEET  
1000's OMITTED  
GENERAL FUNDS

LIABILITIES AND NET ASSETS

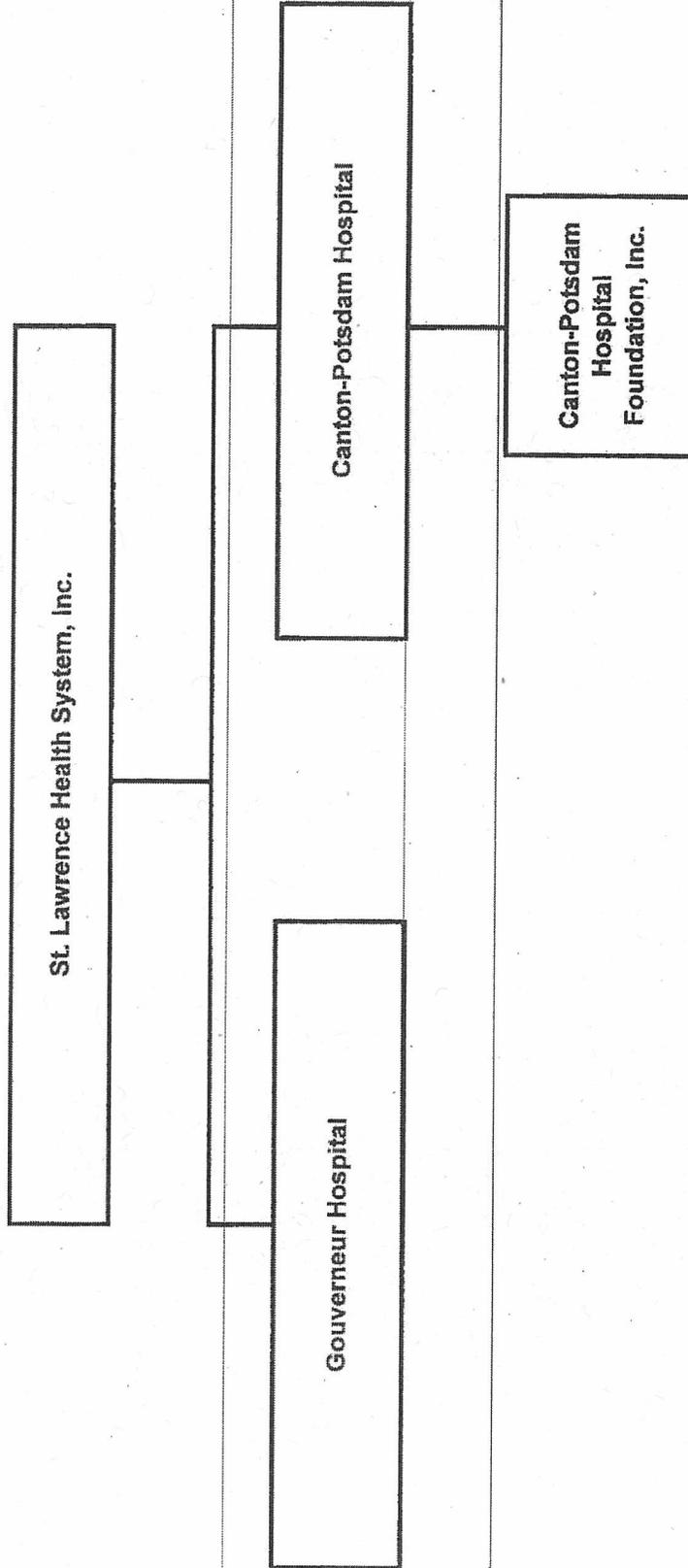
ASSETS

	Unaudited APRIL 30, 2013	Unaudited DECEMBER 31, 2012
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
CASH & TEMPORARY INVESTMENTS	\$26,105	\$28,051
MUTUAL FUNDS & HAVENS INVESTMENT	4,295	4,403
PATIENT RECEIVABLES, LESS ALLOWANCES		
FOR UNCOLLECTIBLES - \$2,788 AND - \$21,604	24,362	23,225
OTHER RECEIVABLES	2,203	2,317
INVENTORIES AT COST	2,177	2,101
PREPAID EXPENSES	2,548	1,557
DUE TO/FROM ENDOWMENT FUND	511	460
<b>TOTAL CURRENT ASSETS</b>	<b>62,891</b>	<b>62,054</b>
<b>BOARD DESIGNATED FUNDS:</b>		
BARRACO	433	404
HOSPICE ENDOWMENT	730	580
ENDOWMENT SPENDING	322	302
<b>TOTAL</b>	<b>1,485</b>	<b>1,386</b>
<b>OTHER ASSETS</b>		
LONG TERM INVESTMENTS	8,340	8,340
ASSETS WHOSE USE IS LIMITED	6,973	7,343
	4,405	3,833
<b>NET FIXED ASSETS</b>	<b>97,961</b>	<b>99,147</b>
<b>TOTAL ASSETS</b>	<b>\$162,143</b>	<b>\$162,093</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
CURRENT PORTION OF LONG TERM DEBT	\$1,681	\$1,681
ACCOUNTS PAYABLE	5,898	10,847
ACCRUED PAYROLL	4,479	7,026
ACCRUED VACATION	4,775	4,116
ACCURED EXPENSES	6,182	5,261
ESTIMATED THIRD PARTY RETRO PAYABLE	683	683
DUE TO/FROM SPECIFIC PURPOSE FUND	216	10
<b>TOTAL CURRENT LIABILITIES</b>	<b>27,462</b>	<b>29,624</b>
<b>ESTIMATED THIRD PARTY RETRO PAYABLE LT</b>	<b>5,360</b>	<b>5,353</b>
<b>LONG-TERM DEBT, NET OF CURRENT PORTION</b>	<b>21,686</b>	<b>21,772</b>
<b>ESTIMATED MALPRACTICE LIABILITY</b>	<b>8,790</b>	<b>8,790</b>
<b>OTHER LIABILITIES</b>	<b>3,987</b>	<b>3,792</b>
<b>TOTAL LIABILITIES</b>	<b>67,305</b>	<b>69,331</b>
<b>UNRESTRICTED NET ASSETS</b>	<b>114,838</b>	<b>112,762</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$162,143</b>	<b>\$162,093</b>
<b>SPECIFIC PURPOSE FUNDS</b>		
<b>NET ASSETS</b>		
TOTAL SPECIFIC PURPOSE FUND	\$3,596	\$3,605
<b>ENDOWMENT FUNDS</b>		
MUTUAL FUNDS & HAVENS INVESTMENT	\$2,585	2,864
<b>TOTAL ENDOWMENT FUNDS</b>	<b>\$2,585</b>	<b>2,864</b>
<b>NET ASSETS</b>	<b>114,838</b>	<b>112,762</b>

ST. LAWRENCE HEALTH SYSTEM, INC.

ORGANIZATIONAL CHART / ARTICLE 28 NETWORK STATEMENT

St. Lawrence Health System, Inc. ("SLHS") is a proposed not-for-profit health care organization. SLHS is submitting this Establishment-Only Certificate of Need ("CON") Application to seek approval to become the active parent and co-operator of Canton-Potsdam Hospital ("CPH") and Gouverneur Hospital ("GH"). CPH is an existing Article 28 facility. Through this CON Application, GH, a proposed not-for-profit health care organization, to become the established operator of Edward John Noble Hospital of Gouverneur, New York, an existing Primary Care Hospital-Critical Access Hospital. SLHS will be the sole member of the Hospitals upon completion of the project.



Gouverneur Hospital  
Year 1 Monthly Cash Flow

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Year 1 Total
Total Cash Income	\$ 1,140,296	\$ 1,029,945	\$ 1,140,296	\$ 1,109,512	\$ 1,140,296	\$ 1,103,512	\$ 1,140,296	\$ 1,140,296	\$ 1,103,512	\$ 1,140,296	\$ 1,103,512	\$ 1,140,296	\$ 13,426,666
Operating Expenses	\$ 518,020	\$ 467,889	\$ 518,020	\$ 501,310	\$ 518,020	\$ 501,310	\$ 518,020	\$ 518,020	\$ 501,310	\$ 518,020	\$ 501,310	\$ 518,020	\$ 6,099,268
SALARY & WAGES	\$ 223,528	\$ 201,896	\$ 223,528	\$ 216,317	\$ 223,528	\$ 216,317	\$ 223,528	\$ 223,528	\$ 216,317	\$ 223,528	\$ 216,317	\$ 223,528	\$ 2,631,856
EMPLOYEE BENEFITS	\$ 125,181	\$ 113,067	\$ 125,181	\$ 121,143	\$ 125,181	\$ 121,143	\$ 125,181	\$ 125,181	\$ 121,143	\$ 125,181	\$ 121,143	\$ 125,181	\$ 1,473,910
PROFESSIONAL FEES	\$ 63,703	\$ 57,538	\$ 63,703	\$ 61,648	\$ 63,703	\$ 61,648	\$ 63,703	\$ 63,703	\$ 61,648	\$ 63,703	\$ 61,648	\$ 63,703	\$ 750,046
MEDICAL & SURGICAL SUPPLIES	\$ 98,823	\$ 89,259	\$ 98,823	\$ 95,635	\$ 98,823	\$ 95,635	\$ 98,823	\$ 98,823	\$ 95,635	\$ 98,823	\$ 95,635	\$ 98,823	\$ 1,163,560
OTHER SUPPLIES & EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COST SOLD TO NURSING HOME	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UTILITIES	\$ 33,527	\$ 30,283	\$ 33,527	\$ 32,446	\$ 33,527	\$ 32,446	\$ 33,527	\$ 33,527	\$ 32,446	\$ 33,527	\$ 32,446	\$ 33,527	\$ 394,759
INSURANCE	\$ 18,159	\$ 16,402	\$ 18,159	\$ 17,573	\$ 18,159	\$ 17,573	\$ 18,159	\$ 18,159	\$ 17,573	\$ 18,159	\$ 17,573	\$ 18,159	\$ 213,809
INTEREST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LONG TERM DEBT	\$ 33,973	\$ 30,685	\$ 33,973	\$ 32,877	\$ 33,973	\$ 32,877	\$ 33,973	\$ 33,973	\$ 32,877	\$ 33,973	\$ 32,877	\$ 33,973	\$ 400,000
NYS ASSESSMENT	\$ 2,551	\$ 2,305	\$ 2,551	\$ 2,469	\$ 2,551	\$ 2,469	\$ 2,551	\$ 2,551	\$ 2,469	\$ 2,551	\$ 2,469	\$ 2,551	\$ 30,041
DEPRECIATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PHYSICIAN RECRUITMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PHYSICIAN PRIVATE PRACTICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CRITICAL VENDOR PAYMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Outlay	\$ 1,117,465	\$ 1,009,323	\$ 1,117,465	\$ 1,081,418	\$ 1,117,465	\$ 1,081,418	\$ 1,117,465	\$ 1,117,465	\$ 1,081,418	\$ 1,117,465	\$ 1,081,418	\$ 1,117,465	\$ 13,157,248
CASH SHORTFALL	\$ 22,831	\$ 20,622	\$ 22,831	\$ 22,095	\$ 22,831	\$ 22,095	\$ 22,831	\$ 22,831	\$ 22,095	\$ 22,831	\$ 22,095	\$ 22,831	\$ 268,818
Non Operating CASH	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTEREST INCOME	\$ 870.04	\$ 785.84	\$ 870.04	\$ 841.98	\$ 870.04	\$ 841.98	\$ 870.04	\$ 870.04	\$ 841.98	\$ 870.04	\$ 841.98	\$ 870.04	\$ 10,244.04
Gain/Loss Sale of Sec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UNRESTRICTED GIFTS	\$ 2,713.61	\$ 2,451.00	\$ 2,713.61	\$ 2,626.07	\$ 2,713.61	\$ 2,626.07	\$ 2,713.61	\$ 2,713.61	\$ 2,626.07	\$ 2,713.61	\$ 2,626.07	\$ 2,713.61	\$ 31,950.53
Net Assets Released	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET ASSETS RELEASED FROM RESTRICTION	\$ 3,425.41	\$ 3,093.92	\$ 3,425.41	\$ 3,314.92	\$ 3,425.41	\$ 3,314.92	\$ 3,425.41	\$ 3,425.41	\$ 3,314.92	\$ 3,425.41	\$ 3,314.92	\$ 3,425.41	\$ 40,331.49
OTHER	\$ 6,157.20	\$ 5,561.34	\$ 6,157.20	\$ 5,958.58	\$ 6,157.20	\$ 5,958.58	\$ 6,157.20	\$ 6,157.20	\$ 5,958.58	\$ 6,157.20	\$ 5,958.58	\$ 6,157.20	\$ 72,495.02
NON OPERATING CASH	\$ 13,166.26	\$ 11,892.10	\$ 13,166.26	\$ 12,741.54	\$ 13,166.26	\$ 12,741.54	\$ 13,166.26	\$ 13,166.26	\$ 12,741.54	\$ 13,166.26	\$ 12,741.54	\$ 13,166.26	\$ 155,022.07
OVERALL CASH SHORTFALL	\$ 35,997.37	\$ 32,513.75	\$ 35,997.37	\$ 34,836.16	\$ 35,997.37	\$ 34,836.16	\$ 35,997.37	\$ 35,997.37	\$ 34,836.16	\$ 35,997.37	\$ 34,836.16	\$ 35,997.37	\$ 423,839.98

Revenue & Expense Tracking

	EINH-G			Gouverneur Hospital		
	2012 Actual	2013 Budget	CON YR 1 - 2014	CON YR 2 - 2015	CON YR 3 - 2016	
Net Operating Revenue	\$ 16,885,964.00	\$ 11,834,133.48	\$ 13,426,066.06	\$ 14,045,184.28	\$ 14,454,302.50	
Total Operating Expenses	\$ 19,171,458.00	\$ 16,503,933.17	\$ 14,687,819.30	\$ 14,068,069.30	\$ 13,876,069.30	
Gain/Loss from Operations	\$ (2,285,494.00)	\$ (4,669,799.69)	\$ (1,261,753.24)	\$ (22,885.02)	\$ 578,233.21	
Impact of Unemployment		\$	\$ 438,750.00	\$	\$	
Net of Unemployment		\$	\$ (823,003)	\$ (22,885)	\$ 578,233	

	2013 Budget WO KNH	Year 1 EINH WO KNH	Year 2 EINH WO KNH	Year 3 EINH WO KNH
Total Cash Income	\$ 11,834,133	\$ 13,426,066	\$ 14,045,184	\$ 14,454,303
Total Cash Outlay	\$ 15,815,639	\$ 13,157,248	\$ 12,537,498	\$ 12,345,498
Cash Gain/(Shortfall)	\$ (3,981,505)	\$ 268,818	\$ 1,507,686	\$ 2,108,804

Notes:

	2013 Budget	Year 1 EINH	Year 2 EINH	Year 3 EINH
Revenue Growth				
OBCYN - Lovier/Holly	\$ -	\$ 203,400	\$ 305,100	\$ 406,800
IP Growth	\$ -	\$ 116,000	\$ 232,000	\$ 349,000
FQHC Midlevel Impact	\$ -	\$ 210,000	\$ 420,000	\$ 420,000
ED Growth	\$ -	\$ 91,250	\$ 182,500	\$ 273,750
Eyes/Scopes	\$ 120,000	\$ 340,000	\$ 440,000	\$ 540,000
T-System	\$ 270,000	\$ 540,000	\$ 540,000	\$ 540,000
CAH Impact	\$ 600,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Lab	\$ 218,000	\$ 432,000	\$ 432,000	\$ 432,000
Charge Master	\$ 101,000	\$ 200,000	\$ 200,000	\$ 200,000
340B	\$ 78,000	\$ 156,000	\$ 156,000	\$ 156,000
FQHC Rent	\$ 31,847	\$ 126,000	\$ 126,000	\$ 126,000
<b>Total</b>	<b>\$ 1,438,847</b>	<b>\$ 3,614,650</b>	<b>\$ 4,233,600</b>	<b>\$ 4,643,550</b>

	2013 Budget	Year 1 EINH	Year 2 EINH	Year 3 EINH
Expense Adjustments				
Restructuring Fees	\$ 296,000.00	\$ -	\$ -	\$ -
CPH Management Fees	\$ 280,000.00	\$ 480,000.00	\$ 480,000.00	\$ 480,000.00
Lab Ref. Expense	\$ 109,000.00	\$ 216,000.00	\$ 216,000.00	\$ 216,000.00
Debt Restructuring	\$ 934,000.00	\$ -	\$ -	\$ -
ED Coverage	\$ -	\$ 182,500.00	\$ 182,500.00	\$ 182,500.00
Legal Fees	\$ 127,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
<b>Total</b>	<b>\$ 1,746,000.00</b>	<b>\$ 928,500.00</b>	<b>\$ 928,500.00</b>	<b>\$ 928,500.00</b>

Gouverneur Hospital  
Summary Income Statement

	EINH-G		Gouverneur Hospital	
	2012 Actuals Audited	2013 Revised Budget	CON YR 1 - 2014	CON YR 2 - 2015
Patient Services Rev				
ACUTE				
EMERGENCY DEPARTMENT	\$ 4,532,589	\$ 4,787,744	\$ 5,051,762	\$ 5,315,781
REFERRED AMBULATORY	\$ 9,381,991	\$ 10,286,991	\$ 10,651,991	\$ 11,016,991
AMBULATORY SURGERY	\$ 8,073,804	\$ 10,141,545	\$ 10,945,945	\$ 11,149,345
OBSERVATION SERVICE	\$ 456,073	\$ 1,021,073	\$ 1,221,073	\$ 1,421,073
CLINICS	\$ 1,064,246	\$ 1,063,007	\$ 1,063,007	\$ 1,063,007
SKILLED NURSING FACILITY	\$ 466,210	\$ 421,965	\$ 421,965	\$ 421,965
Total Patient Serv Rev	\$ 15,992,408	\$ 23,974,912	\$ 29,353,743	\$ 30,386,162
ALLOWANCES INPATIENT	\$ 1,087,994	\$ 540,003	\$ 687,854	\$ 835,704
ALLOWANCES OUTPATIENT	\$ 11,349,362	\$ 13,587,953	\$ 14,453,403	\$ 14,828,853
PROVISION FOR DOUBTFUL ACCTS	\$ 679,796	\$ 679,796	\$ 679,796	\$ 679,796
DEDUCTIONS FROM REVENUE	\$ -	\$ -	\$ -	\$ -
PROVISION FOR DOUBTFUL ACCTS	\$ -	\$ -	\$ -	\$ -
Net Patient Revenue	\$ 15,462,766	\$ 19,857,760	\$ 19,915,571	\$ 19,943,408
OTHER OPERATING REVENUE	\$ 1,463,873	\$ 338,341	\$ 510,495	\$ 510,495
PHYSICIAN PRIVATE PRACTICE REVENUE	\$ -	\$ 636,033	\$ -	\$ -
Net Operating Revenue	\$ 16,616,639	\$ 11,894,133	\$ 14,045,184	\$ 14,454,303
Operating Expenses				
SALARY & WAGES	\$ 8,080,658	\$ 7,135,116	\$ 6,059,268	\$ 6,059,268
EMPLOYEE BENEFITS	\$ 3,365,459	\$ 2,990,289	\$ 2,631,856	\$ 2,631,856
PROFESSIONAL FEES	\$ 656,079	\$ 1,421,952	\$ 1,473,910	\$ 1,473,910
MEDICAL & SURGICAL SUPPLIES	\$ 2,487,967	\$ 626,852	\$ 750,046	\$ 750,046
OTHER SUPPLIES & EXPENSES	\$ -	\$ 1,825,764	\$ 1,163,560	\$ 1,163,560
COST SOLD TO NURSING HOME	\$ -	\$ (1,364,040)	\$ -	\$ -
UTILITIES	\$ 395,511	\$ 410,147	\$ 394,759	\$ 394,759
INSURANCE	\$ 223,986	\$ 213,809	\$ 213,809	\$ 213,809
INTEREST	\$ 713,486	\$ 804,191	\$ 132,218	\$ 132,218
NY'S ASSESSMENT	\$ 53,282	\$ 30,041	\$ 30,041	\$ 30,041
DEPRECIATION	\$ 1,428,921	\$ 1,798,353	\$ 1,798,353	\$ 1,798,353
PHYSICIAN RECRUITMENT	\$ -	\$ -	\$ -	\$ -
PHYSICIAN PRIVATE PRACTICE	\$ 1,766,379	\$ 611,459	\$ -	\$ -
TOTAL OPERATING EXPENSES	\$ 19,171,728	\$ 16,503,933	\$ 14,887,819	\$ 13,876,069
GAIN LOSS FROM OPS	\$ (2,555,089)	\$ (4,609,800)	\$ (1,261,753)	\$ (22,885)
Write off of KNH Receivable	\$ 2,233,638	\$ -	\$ -	\$ -
Deficiency Operating Deficiency	\$ (4,788,717)	\$ -	\$ -	\$ -
Non Operating Revenue	\$ 37,980	\$ -	\$ -	\$ -
Investment Income	\$ -	\$ 10,244	\$ -	\$ 10,244
INTEREST INCOME	\$ 2,159	\$ -	\$ -	\$ -
Gain/Loss Sale of Sec	\$ 115,841	\$ 31,951	\$ 31,951	\$ 31,951
UNRESTRICTED GIFTS	\$ 115,494	\$ -	\$ -	\$ -
Net Assets Released	\$ 462,504	\$ 40,331	\$ 40,331	\$ 40,331
NET ASSETS RELEASED FROM RESTRICTION	\$ -	\$ 72,496	\$ 72,496	\$ 72,496
OTHER	\$ -	\$ 155,022	\$ 155,022	\$ 155,022
Total Non-Operating Revenue	\$ 733,968	\$ (4,514,778)	\$ (1,106,731)	\$ 733,255
EXCESS REVENUE OVER EXPENSES	\$ (4,054,739)	\$ -	\$ 132,137	\$ -



Liabilities and Net Assets	2012	2011
Current liabilities:		
Accounts payable	\$ 5,721,437	5,804,551
Accrued expenses:		
Salaries and wages	1,151,326	1,385,557
Accrued benefit time	2,826,615	2,824,900
Other	1,244,361	911,790
Estimated third-party settlements	3,715,241	2,855,141
Current maturities of long-term liabilities	2,119,147	2,059,201
Total current liabilities	<u>16,778,127</u>	<u>15,841,140</u>
Long-term liabilities:		
Bonds and mortgage loan payable	17,560,444	18,582,037
Term loans payable	595,805	729,229
Interest rate swap	2,078,371	1,992,161
Capital lease obligations	3,084,623	3,843,939
Accrued pension obligation	9,671,840	9,160,371
Asset retirement obligations	622,758	580,044
	<u>33,613,841</u>	<u>34,887,781</u>
Less portion classified as current	2,119,147	2,059,201
	<u>31,494,694</u>	<u>32,828,580</u>
Net assets:		
Unrestricted	33,352,558	27,904,668
Temporarily restricted	1,152,203	1,977,028
Permanently restricted	719,758	719,758
Total net assets	<u>35,224,519</u>	<u>30,601,454</u>
Total liabilities and net assets	<u>\$ 83,497,340</u>	<u>79,271,174</u>

**CANTON-POTSDAM HOSPITAL**  
 Statements of Operations and Changes in Net Assets  
 Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Unrestricted revenue, gains, and other support:		
Patient service revenue, net of contractual adjustments and discounts	\$ 99,680,462	91,856,399
Less provision for bad debts	5,912,873	5,442,774
Net patient service revenue	93,767,589	86,413,625
Other revenue	6,087,807	2,653,836
Total revenue, gains, and other support	<u>99,855,396</u>	<u>89,067,461</u>
Expenses:		
Salaries and wages	45,277,196	41,563,025
Employee benefits	11,517,041	10,372,055
Supplies and other expenses	32,474,392	30,441,179
Depreciation and amortization	5,425,390	4,422,568
Interest	1,074,170	764,186
Total expenses	<u>95,768,189</u>	<u>87,563,013</u>
Income from operations	<u>4,087,207</u>	<u>1,504,448</u>
Nonoperating gains (losses):		
Gifts and bequests	40,106	28,998
Change in fair value of interest rate swap	(86,210)	(594,076)
Income (loss) on long-term investments:		
Unrestricted endowment income	25,295	28,674
Net realized gain (losses) on investments	13,836	(2,466)
Total nonoperating losses, net	<u>(6,973)</u>	<u>(538,870)</u>
Excess of revenue over expenses	<u>\$ 4,080,234</u>	<u>965,578</u>

Canton Postdam St. Livor  
REV: CFA 01 REV: 2011 LA

DATE: 07/18/13 @ 1001  
USER: FIN.REVISA

AS OF JUN. 2013		AS OF JUN. 2013		BALANCE DEC. 31, 2011	
PERIOD CHANGE	PERIOD CHANGE	PERIOD CHANGE	PERIOD CHANGE	PERIOD CHANGE	PERIOD CHANGE
<b>ASSETS</b>					
<b>CURRENT:</b>					
CASH (NO DESIGNATED)	10,622,545	10,299,570	322,976	0	11,813,359
SHORT TERM INVESTMENTS	756,930	756,930	(477,251)	0	756,911
ACCOUNTS RECEIVABLE	36,240,992	39,670,500	(3,429,508)	0	291,668
ALLOWANCE FOR CONTRACTUAL ADJ.	(21,868,576)	(23,031,283)	1,162,707	0	40,070,889
ALLOWANCE FOR UNCOLLECTIBLES	(5,154,486)	(7,833,244)	2,678,758	0	(19,908,320)
OTHER RECEIVABLES	2,659,000	2,565,627	93,373	0	(7,973,172)
INVENTORY	1,280,217	1,311,957	(31,740)	0	2,231,425
PREPAID EXPENSES	1,250,150	1,382,735	(132,585)	0	2,270,114
DEFERRED EXPENSES	6,000	5,000	1,000	0	1,242,567
<b>TOTAL CURRENT ASSETS</b>	<b>25,792,771</b>	<b>25,306,241</b>	<b>486,530</b>	<b>0</b>	<b>29,301,440</b>
<b>OTHER ASSETS:</b>					
DEFERRED FINANCING COSTS	183,290	188,338	(5,048)	0	213,577
INTEREST IN CPFR	12,238,295	12,238,295	0	0	12,238,295
INTEREST IN CHRG	262,673	262,673	0	0	200,001
INTEREST IN CEHA	112,500	112,500	0	0	0
EMPLOYMENT FUND	824,913	926,080	(101,167)	0	819,477
UNREALIZED G/L ENDOW	40,131	47,868	(7,737)	0	26,257
<b>TOTAL OTHER ASSETS</b>	<b>13,661,801</b>	<b>13,675,753</b>	<b>(13,952)</b>	<b>0</b>	<b>13,497,607</b>
<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>					
LAND AND LAND IMPROVEMENTS	3,309,578	3,309,578	0	0	3,309,578
BUILDINGS	34,200,968	34,200,968	0	0	34,200,968
FIXED EQUIPMENT	8,841,738	8,841,738	0	0	8,841,738
MAJOR MOVABLE EQUIPMENT	25,480,353	25,480,353	0	0	25,480,353
CURRENT YEAR CAPITAL ACQUIS	3,351,160	2,969,728	382,433	0	407,190
MINOR MOVABLE EQUIP	5,681,622	5,681,622	0	0	5,681,622
CAPITAL LEASES	5,774,145	5,774,145	0	0	5,774,145
SOFTWARE	6,572,984	6,572,984	0	0	6,572,984
LEASEHOLD IMPROVEMENTS	6,976,629	6,976,629	0	0	6,976,629
<b>TOTAL PROPERTY, PLANT, &amp; EQUIPMENT</b>	<b>100,189,177</b>	<b>99,806,744</b>	<b>382,433</b>	<b>0</b>	<b>97,248,206</b>
<b>ACCUMULATED DEPRECIATION</b>	<b>(60,058,672)</b>	<b>(59,556,712)</b>	<b>(501,960)</b>	<b>0</b>	<b>(57,046,912)</b>
<b>NET PROPERTY, PLANT, &amp; EQUIPMENT</b>	<b>40,130,505</b>	<b>40,250,032</b>	<b>(119,527)</b>	<b>0</b>	<b>40,198,294</b>
<b>TOTAL ASSETS</b>	<b>79,585,077</b>	<b>79,232,025</b>	<b>353,051</b>	<b>0</b>	<b>83,497,340</b>

CANTON POSTDAM HOSPITAL  
BALANCE SHEET  
PERIOD ENDED  
06/30/13

Canton Postdam GL "Iave"  
RON: CFE 01 RET: 2011 1A

DATE: 07/18/13 @ 10:01  
USER: FIV.BRDR

CANTON POSTDAM HOSPITAL PERIOD ENDED 06/30/13		CANTON POSTDAM HOSPITAL PERIOD ENDED 06/30/13	
AS OF JUN 2011	PERIOD END MAY 2012	AS OF JUN 2013	PERIOD END MAY 2013
CHANGE	CHANGE	CHANGE	CHANGE
4,405,583	(413,212)	4,405,583	3,892,371
5,208,342	(355,922)	6,647,751	6,291,630
1,563,566	64,580	1,116,023	1,180,603
754,105	62,713	381,523	444,235
325,042	27,139	163,993	191,132
1,040,000	85,000	530,000	615,000
2,715,241	512,639	3,669,186	4,881,825
125,000	(12,692)	99,750	87,058
<u>18,328,233</u>	<u>(29,756)</u>	<u>17,013,809</u>	<u>16,984,053</u>
2,330,519	0	2,330,519	2,330,519
2,225,901	0	2,225,901	2,225,901
14,375,306	0	14,375,306	14,375,306
<u>19,931,725</u>	<u>0</u>	<u>18,931,725</u>	<u>18,931,725</u>
4,921	599	4,921	5,520
10,318,702	356,882	10,318,702	10,675,583
<u>10,318,702</u>	<u>356,882</u>	<u>10,318,702</u>	<u>10,675,583</u>
29,425,340	0	29,425,340	29,425,340
40,131	7,737	40,131	47,868
719,738	0	719,738	719,738
132,365	(35,793)	132,365	95,571
368,673	(22,869)	368,673	345,804
2,629,654	629,851	2,629,654	1,999,803
<u>33,315,920</u>	<u>(60,776)</u>	<u>33,315,920</u>	<u>32,635,145</u>
79,585,077	(353,051)	79,585,077	79,232,026
<u>83,497,340</u>	<u>(353,051)</u>	<u>79,585,077</u>	<u>79,232,026</u>

CANTON POSTDAM HOSPITAL PERIOD ENDED 06/30/13		CANTON POSTDAM HOSPITAL PERIOD ENDED 06/30/13	
AS OF JUN 2011	PERIOD END MAY 2012	AS OF JUN 2013	PERIOD END MAY 2013
CHANGE	CHANGE	CHANGE	CHANGE
5,596,437		4,405,583	3,892,371
5,208,342		6,647,751	6,291,630
1,563,566		1,116,023	1,180,603
754,105		381,523	444,235
325,042		163,993	191,132
1,040,000		530,000	615,000
2,715,241		3,669,186	4,881,825
125,000		99,750	87,058
<u>18,328,233</u>		<u>17,013,809</u>	<u>16,984,053</u>
2,330,519		2,330,519	2,330,519
2,225,901		2,225,901	2,225,901
14,565,306		14,375,306	14,375,306
<u>19,121,725</u>		<u>18,931,725</u>	<u>18,931,725</u>
4,974		4,921	5,520
10,812,969		10,318,702	10,675,583
<u>10,812,969</u>		<u>10,318,702</u>	<u>10,675,583</u>
34,131,644		29,425,340	29,425,340
26,257		40,131	47,868
719,738		719,738	719,738
91,395		132,365	95,571
255,466		368,673	345,804
0		2,629,654	1,999,803
<u>35,224,519</u>		<u>33,315,920</u>	<u>32,635,145</u>
83,497,340		79,585,077	79,232,026
<u>83,497,340</u>		<u>79,585,077</u>	<u>79,232,026</u>

Canton Postdam GL \*Live\*  
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USER: FIN.BRMA

CANTON POSTDAM HOSPITAL COMPARATIVE STATEMENT OF REVENUE AND EXPENSES JAN 2011 - JUN 2011		YEAR-TO-DATE ACTUAL		YEAR-TO-DATE BUDGET		VARIANCE & VARIANCE	
<b>OPERATING REVENUE:</b>							
PATIENT SERVICE REVENUE:							
INPATIENT REVENUE	347,887	7	30,348,966	29,989,994	358,972	1	
OUTPATIENT REVENUE	129,910	1	82,270,983	81,532,587	838,396	1	
	\$ 477,797	30	\$ 112,619,950	\$ 111,522,581	\$ 1,197,369	10	
GROSS REVENUE FROM PATIENTS		(2)	59,944,320	60,127,040	182,720	0	
TOTAL REVENUE DEDUCTIONS	(191,568)	0.40	53.3%	54.0%			0.70
REVENUE DEDUCTION %							
NET PATIENT SERVICE REVENUE	\$ 286,228	43	\$ 52,875,630	\$ 51,395,541	\$ 1,380,089	32	
OTHER OPERATING REVENUE	68,924	21	3,350,718	3,232,489	128,229	4	
TOTAL OPERATING REVENUE	\$ 355,153	40	\$ 55,336,347	\$ 54,628,030	\$ 1,508,317	33	
<b>OPERATING EXPENSES:</b>							
SALARIES AND WAGES	(138,639)	(4)	24,175,805	23,300,430	(875,375)	(4)	
FRINGE BENEFITS	(20,590)	(2)	6,426,001	6,337,357	(88,644)	(1)	
MEDICAL SUPPLIES	(29,518)	(3)	5,986,850	5,637,231	(349,619)	(6)	
NON MEDICAL SUPPLIES	1,489	1	741,279	762,386	21,107	3	
UTILITIES	2,436	2	746,323	693,975	(52,348)	(8)	
FURNISHED SERVICES	(32,138)	(5)	4,342,738	4,208,189	(134,540)	(3)	
PROFESSIONAL FEES	(98,411)	(24)	2,569,072	2,506,277	(62,795)	(3)	
DEPRECIATION EXPENSE	0	0	3,042,048	3,042,048	0	0	
INSURANCE EXPENSE	(757)	(6)	72,834	70,999	(1,835)	(3)	
MAINTENANCE EXPENSE	2,637	4	403,468	440,368	37,400	9	
INTEREST EXPENSE	10,434	12	484,097	533,449	49,352	9	
OTHER OPERATING EXPENSE	(23,692)	(8)	1,931,429	1,863,961	(67,468)	(4)	
RENTAL EXPENSE	13	0	259,362	252,970	(6,392)	0	
NET CASH RECEIPTS ASSESSMENT	922	3	207,086	197,720	(9,366)	(5)	
BAD DEBTS	214,116	52	2,456,819	2,574,809	117,991	5	
	\$ (111,730)	(11)	\$ 53,839,210	\$ 52,422,678	\$ (1,416,532)	(31)	
TOTAL OPERATING EXPENSES							
NET OPERATING INCOME (LOSS)	\$ 243,423	398	\$ 2,097,137	\$ 2,005,352	\$ 91,785	5	
NON-OPERATING INCOME	358,730	10,844	532,517	19,850	512,667	2,583	
NET INCOME (LOSS)	\$ 602,153	3,174	\$ 2,629,654	\$ 2,025,202	\$ 604,452	30	

# DRAFT - For Discussion Purposes Only

## EDWARD JOHN NOBLE HOSPITAL OF GOUVERNEUR, NEW YORK

### Statements of Operations

Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Unrestricted revenues, gains and other support:		
Patient service revenue (net of contractual allowances and discounts)	\$ 15,992,408	17,252,566
Provision for bad debts	<u>(829,642)</u>	<u>(1,242,838)</u>
Net patient service revenue less provision for bad debts	15,162,766	16,009,728
Other operating revenue	1,453,873	1,787,722
Unrestricted contributions	115,841	11,983
Net assets released from restrictions used for operations	115,494	144,771
Investment income	<u>37,990</u>	<u>32,434</u>
Total revenues, gains and other support	<u>16,885,964</u>	<u>17,986,638</u>
Expenses:		
Salaries and wages	8,080,658	8,315,344
Employee benefits	3,365,459	3,505,316
Professional fees	656,079	776,360
Supplies and other expenses	2,487,967	2,921,306
Utilities	395,511	395,183
Interest	713,486	110,488
Provision for bad debts - Gouverneur Nursing Home Company, Inc.	2,233,628	-
Physician recruitment and practice expenses	1,766,379	1,988,461
Depreciation and amortization	1,428,921	1,066,629
Insurance	223,986	199,669
New York State Gross Receipts Assessment	<u>53,282</u>	<u>61,496</u>
Total expenses	<u>21,405,356</u>	<u>19,340,252</u>
Deficiency of revenues over expenses	(4,519,392)	(1,353,614)
Change in net unrealized gains and losses on investments	2,159	1,580
Net assets released from restrictions used for capital purposes	462,504	867,343
Transfer to Gouverneur Nursing Home Company, Inc.	<u>-</u>	<u>(215,000)</u>
Decrease in unrestricted net assets	<u>\$ (4,054,729)</u>	<u>(699,691)</u>

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EDWARD JOHN NOBLE HOSPITAL  
 BALANCE SHEET  
 FOR THE MONTH ENDING: 06/30/13

	This Year 06/30/13	Last Year 06/30/12	Last Month 05/31/13
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
CASH & CASH EQUIVALENTS	144,047.46	(38,890.17)	142,764.34
SHORT TERM INVESTMENTS	29,801.70	27,642.00	29,801.70
NET PATIENT ACCTS RECEIVABLE	1,590,047.57	2,154,547.41	1,731,025.17
ACCRUED INTEREST AND OTHER	83,454.31	1,368,891.48	78,289.35
PHYSICIANS - NET	4,851.46	18,590.93	3,924.71
INVENTORIES	403,749.79	351,126.21	401,431.89
PREPAID EXPENSES OTHER ASSETS	964,693.18	1,020,208.53	1,062,565.71
GOVERNEUR NURSING CO INC	2,283,674.96	2,119,030.94	2,191,505.33
<b>TOTAL CURRENT ASSETS</b>	<b>5,504,320.43</b>	<b>7,021,147.33</b>	<b>5,641,308.20</b>
<b>OTHER ASSETS</b>			
ASSETS LIMITED AS TO USE	1,152,062.10	1,462,683.42	1,008,021.44
PLEDGES	151,000.00	152,835.55	151,000.00
LONG TERM INVESTMENTS	802,562.25	885,505.17	802,436.94
NET PLANT PROPERTY EQUIPMENT	13,823,301.76	14,061,223.64	13,831,100.15
DEFERRED EXPENSE	.00	.00	.00
FUNDS HELD IN TRUST BY OTHERS	776,811.32	759,253.74	786,104.99
<b>TOTAL OTHER ASSETS</b>	<b>16,705,737.43</b>	<b>17,321,501.52</b>	<b>16,578,663.52</b>
<b>TOTAL ASSETS</b>	<b>22,210,057.86</b>	<b>24,342,648.85</b>	<b>22,219,971.72</b>

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EDWARD JOHN NOBLE HOSPITAL  
 BALANCE SHEET  
 FOR THE MONTH ENDING: 06/30/13

	This Year 06/30/13	Last Year 06/30/12	Last Month 05/31/13
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
ACCOUNTS PAYABLE	2,568,717.84	3,203,611.27	2,692,113.55
ACCRUED SALARIES TAXES BEN	322,929.74	398,361.56	299,180.27
CAPITAL LEASES CURRENT PORTION	400,997.76	303,822.31	400,997.76
LT DEBT CURRENT PORTION	135,000.00	135,453.08	135,000.00
NOTES PAYABLE - LINE OF CREDIT	400,000.00	475,000.00	400,000.00
ADVANCE FROM THIRD-PARTY PAYOR	95,000.00	95,000.00	95,000.00
ACCRUED INTEREST & OTHER EXPS	4,141,370.29	714,191.94	3,410,181.13
DUE TO THIRD-PARTY PAYORS	608,564.96	1,061,641.76	568,727.38
<b>TOTAL CURRENT LIABILITIES</b>	<b>8,672,580.59</b>	<b>6,387,081.92</b>	<b>8,001,200.09</b>
<b>LONG TERM DEBT</b>			
LONGTERM DEBT NET CURRENT PORT	10,845,000.28	10,979,547.20	10,845,000.28
CAPITAL LEASE NET CURRENT PORT	1,363,166.18	564,565.08	1,372,001.23
<b>TOTAL LONG TERM DEBT</b>	<b>12,208,166.46</b>	<b>11,544,112.28</b>	<b>12,217,001.51</b>
<b>NET ASSETS</b>			
UNRESTRICTED NET ASSETS	2,194,705.72	4,234,686.60	2,194,705.72
TEMP RESTRICTED NET ASSETS	123,278.03	206,428.64	143,278.03
PERM RESTRICTED NET ASSETS	1,701,898.27	1,684,340.69	1,711,191.94
<b>NET INCOME (LOSS)</b>	<b>(2,690,571.21)</b>	<b>285,998.72</b>	<b>(2,047,405.57)</b>
<b>TOTAL NET ASSETS</b>	<b>1,329,310.81</b>	<b>6,411,454.65</b>	<b>2,001,770.12</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>22,210,057.86</b>	<b>24,342,648.85</b>	<b>22,219,971.72</b>

Balance Sheet for Gouverneur Hospital at 1/1/2014

**Assets:**

EJ Noble Accounts Receivable - Net	\$1,500,000	
Property, Plant and Equipment (Net)	\$12,039,731	
<b>Total Assets</b>		<b>\$13,539,731</b>

**Liabilities and Net Assets:**

Fund Balance	\$ 13,539,731	
<b>Total Liabilities and Net Assets</b>		<b>\$ 13,539,731</b>

Note - Property Plant and Equipment are computed at projected 12/31/13 values less accumulated depreciation to reflect values to be used by Medicaid per Reimbursement regulations.

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

**September 12, 2013  
Attachments**

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**Ambulatory Surgery Centers - Establish/Construct**

**Exhibit # 6**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	121373 B	Lockport Ambulatory Surgery, LLC (Niagara County)
2.	131030 B	Bay Ridge Surgi-Center, LLC (Kings County)
3.	131308 B	Great South Bay Endoscopy Center, LLC (Suffolk County)
4.	132056 E	Eye Surgery Center of Westchester (Westchester County)
5.	132057 E	Queens Endoscopy ASC, LLC (Allegany County)

Lockport Ambulatory Surgery, PC  
Forecasted Balance Sheet

ASSETS

CURRENT ASSETS	\$	88,658
EQUIPMENT AND FURNITURE		300,000
		<hr/>
TOTAL ASSETS	\$	388,658

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES	\$	57,780
Current Portion of Long-Term Debt		
LONG-TERM DEBT – Net of Current Portion		178,110
MEMBER'S EQUITY		152,768
		<hr/>
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$	388,658



131030 Bay Ridge Surgi Center, LLC

Net Worth

Mehrdad Hedayatnia, M.D.  
as of 8/15/2013

ASSETS

Cash	\$3,000,000
Accounts Receivable	\$1,000,000
Real Estate	\$3,500,000
Cash Value of Life Insurance	\$1,000,000

TOTAL ASSETS \$8,500,000

LIABILITIES

Mortgages Payable	\$1,260,000
Federal and State Income Taxes Payable	\$600,000

TOTAL LIABILITIES \$1,860,000

NET WORTH \$6,640,000

BAY RIDGE SURGI-CENTER, LLC

ESTABLISH A MULTI-SPECIALTY AMBULATORY SURGERY CENTER

PRO FORMA BALANCE SHEET

ASSETS

Cash \$376,889

TOTAL ASSETS \$376,889

LIABILITIES AND MEMBERS EQUITY

LIABILITIES

Working Capital Loan \$188,444

TOTAL LIABILITIES \$188,444

MEMBERS EQUITY \$188,444

TOTAL LIABILITIES AND  
MEMBERS EQUITY \$376,889

**Balance Sheet**

	<u>Opening</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
<b>ASSETS</b>				
Current Assets:				
Cash and Investments.....	\$216,411	\$836,376	\$1,894,626	\$3,119,782
A/R less Contract Allow.....	0	490,000	514,500	540,225
Total Current Assets.....	<u>216,411</u>	<u>1,326,376</u>	<u>2,409,126</u>	<u>3,660,007</u>
Property, Plant and Equipment.....				
Equipment and leasehold improvements	617,366	617,366	650,000	670,000
Less: Depreciation		-69,773	-139,546	-209,319
	<u>617,366</u>	<u>547,593</u>	<u>510,454</u>	<u>460,681</u>
Other Assets				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS.....</b>	<b><u>\$833,777</u></b>	<b><u>\$1,873,969</u></b>	<b><u>\$2,919,580</u></b>	<b><u>\$4,120,688</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities:				
Accounts payable	\$12,000	30,000	32,000	34,000
Current portion of LT Debt	-	103,990	110,404	117,213
Total Current Liabilities	<u>12,000</u>	<u>133,990</u>	<u>142,404</u>	<u>187,715</u>
Long Term Debt (net of current)				
Construction Equipment Loan	553,000	449,010	338,606	221,393
Total Liabilities	<u>565,000</u>	<u>583,000</u>	<u>481,010</u>	<u>409,108</u>
Members Equity	268,777	1,290,969	2,438,570	3,711,580
	<u>833,777</u>	<u>1,873,969</u>	<u>2,919,580</u>	<u>4,120,688</u>

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Cash Basis

DIGESTIVE DISEASE DIAGNOSTIC & TREATMENT CENTER, LLC

Project #131300  
BFA Attachment C

**Balance Sheet**  
As of January 1, 2013  
Dec 31, 12

ASSETS

Current Assets

Checking/Savings

10299 - TD Bank  
10300 - Checking 425-5861308 274.99  
Total 10299 - TD Bank 274.99

23300 - Petty Cash 2,042.44  
10000 - Chase  
10100 - Checking-5559 338,160.88  
Total 10000 - Chase 338,160.88

Total Checking/Savings 340,478.31

Total Current Assets 340,478.31

Fixed Assets

12000 - Fixed Assets

12165 - Pure Materials-Booster Pump Kit  
12166 - Booster Pump Kit A/D -336.80  
12165 - Pure Materials-Booster Pump Kit - Other 3,368.00  
Total 12165 - Pure Materials-Booster Pump Kit 3,031.20

12144 - Medical Software

12540 - ProVation 24,552.47  
12500 - Caris Diagnostics  
12550 - Caris Diagnostics A/D -34,486.86  
12500 - Caris Diagnostics - Other 120,704.00  
Total 12500 - Caris Diagnostics 86,217.14

Total 12144 - Medical Software 110,769.61

12145 - Office Improvements

12146 - Office Improvements A/D -407.57  
12145 - Office Improvements - Other 10,045.66  
Total 12145 - Office Improvements 9,638.09

12140 - Medical Equipment

13570 - ProMed 1,500.00  
12600 - Endochoice  
12650 - Endochoice A/D -8,511.29  
12600 - Endochoice - Other 36,579.00  
Total 12600 - Endochoice 28,067.71

12700 - Henry Schein

12750 - HenrySchein A/D -19,959.90  
12700 - Henry Schein - Other 69,859.65  
Total 12700 - Henry Schein 49,899.75

12800 - Mar Cor Purification

DIGESTIVE DISEASE DIAGNOSTIC & TREATMENT CENTER, LLC

Balance Sheet

As of January 1, 2013

Dec 31, 12

Project #131308  
BFA Attachment C (co

12850 · Mar Cor Purification A/D	-2,884.80
12800 · Mar Cor Purification - Other	10,096.79
Total 12800 · Mar Cor Purification	7,211.99
12900 · Minntech	
12950 · Minntech A/D	-9,785.14
12900 · Minntech - Other	61,729.91
Total 12900 · Minntech	51,944.77
13000 · Olympus America Inc	
13100 · Olympus America Inc A/D	-35,610.52
13000 · Olympus America Inc - Other	124,636.83
Total 13000 · Olympus America Inc	89,026.31
13150 · Surgical Connections Inc	
13200 · Surgical Connections Inc A/D	-5,379.17
13150 · Surgical Connections Inc - Other	18,827.11
Total 13150 · Surgical Connections Inc	13,447.94
13250 · Cardiac Equipment Services Inc	
13300 · Cardiac Equipment Services A/D	-1,214.43
13250 · Cardiac Equipment Services Inc - Other	6,391.00
Total 13250 · Cardiac Equipment Services Inc	5,176.57
13550 · Medical Equipment-ZG	
13600 · Medical Equipment-ZG A/D	-11,428.58
13550 · Medical Equipment-ZG - Other	40,000.00
Total 13550 · Medical Equipment-ZG	28,571.42
Total 12140 · Medical Equipment	274,846.46
12100 · Architect Fees	
12150 · Architect Fees A/A	-12,757.15
12100 · Architect Fees - Other	23,964.54
Total 12100 · Architect Fees	11,207.39
12200 · Computer Equipment	
12250 · Computer Equipment A/D	-24,200.71
12200 · Computer Equipment - Other	60,501.77
Total 12200 · Computer Equipment	36,301.06
12300 · Digital Telephone System	
12350 · Digital Telephone System A/D	-2,273.91
12300 · Digital Telephone System - Other	7,958.70
Total 12300 · Digital Telephone System	5,684.79
12400 · Furniture	
12450 · Furniture A/D	-5,378.81
12400 · Furniture - Other	18,825.82
Total 12400 · Furniture	13,447.01

DIGESTIVE DISEASE DIAGNOSTIC & TREATMENT CENTER, LLC

Balance Sheet

As of January 1, 2013  
Dec 31, 12

Project #131308  
BFA Attachment C (cont.)

13350 · Organization Cost	
13400 · Organization Cost A/A	-1,187.40
13350 · Organization Cost - Other	2,633.50
Total 13350 · Organization Cost	<u>1,446.10</u>
16550 · George Percy McGown	
16650 · George Percy McGown A/D	-226.98
16550 · George Percy McGown - Other	794.42
Total 16550 · George Percy McGown	<u>567.44</u>
Total 12000 · Fixed Assets	<u>466,939.15</u>
Total Fixed Assets	466,939.15
Other Assets	
18750 · Prepaid Expenses	
18752 · Prepaid Rent	0.00
18751 · Prepaid UBT Taxes	4,000.00
Total 18750 · Prepaid Expenses	<u>4,000.00</u>
Total Other Assets	<u>4,000.00</u>
TOTAL ASSETS	<u>811,417.46</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	
Arch Insurance	319.75
Oxford	-2,550.80
Miraca Life Sciences Inc	5,411.35
Pure Materials Inc	0.00
Cardiac Equipment Services, Inc	0.00
Caris Diagnostics	0.00
Skyview Realty LLC	-0.01
Zurich	0.00
Total 20000 · Accounts Payable	<u>3,180.29</u>
Total Accounts Payable	3,180.29
Other Current Liabilities	
16000 · Loans & Line of Credit	
16351 · TD Bank LOC 11346429001	0.00
16150 · Lease Draw Loan#5002	0.02
16250 · Marina Diagnostic LLP	2,357.06
16350 · Oleg Gurnik	7,000.00
Total 16000 · Loans & Line of Credit	<u>9,357.08</u>

DIGESTIVE DISEASE DIAGNOSTIC & TREATMENT CENTER, LLC

**Balance Sheet**  
As of January 1, 2013  
Dec 31, 12

Project #131308  
BFA Attachment C (cont.)

Total Other Current Liabilities	9,357.08
<b>Total Current Liabilities</b>	<b>12,537.37</b>
<b>Long Term Liabilities</b>	
16400 · Loan - TD Bank LOC 11346429001	343,927.20
<b>Total Long Term Liabilities</b>	<b>343,927.20</b>
<b>Total Liabilities</b>	<b>356,464.57</b>
<b>Equity</b>	
30187 · Igor Grosman	-144,000.00
30186 · Beth Israel Ambulatory Service	-218,000.00
30185 · J. Weissbluth	-283,400.00
30150 · Partner's 1 Eq. - Oleg Gutnik	
30151 · Contributions	45,500.00
30152 · Draws	-1,301,680.00
<b>Total 30150 · Partner's 1 Eq. - Oleg Gutnik</b>	<b>-1,256,180.00</b>
30155 · Partner's 2 Eq. - Zhanna Gutnik	
30156 · Contributions	4,500.00
30157 · Draws	-256,770.00
<b>Total 30155 · Partner's 2 Eq. - Zhanna Gutnik</b>	<b>-252,270.00</b>
30160 · Partner's 3 Eq. - Jordan Fowler	
30161 · Contributions	10,000.00
30162 · Draws	-242,910.00
<b>Total 30160 · Partner's 3 Eq. - Jordan Fowler</b>	<b>-232,910.00</b>
30165 · Partner's 4 Eq. - LJ Ottaviano	
30166 · Contributions	45,000.00
30167 · Draws	-137,385.00
<b>Total 30165 · Partner's 4 Eq. - LJ Ottaviano</b>	<b>-92,385.00</b>
30170 · Partner's 5 Eq. - Dr. Danny Chu	
30171 · Contributions	45,000.00
30172 · Draws	-137,385.00
<b>Total 30170 · Partner's 5 Eq. - Dr. Danny Chu</b>	<b>-92,385.00</b>
30175 · Partner's 6 Eq. - Dr. Mark Chu	
30176 · Contributions	45,000.00
30177 · Draws	-137,385.00
<b>Total 30175 · Partner's 6 Eq. - Dr. Mark Chu</b>	<b>-92,385.00</b>
30180 · Partner's 7 Eq. - A. Shapsis	
30181 · Contributions	45,000.00
30182 · Draws	-176,085.00
<b>Total 30180 · Partner's 7 Eq. - A. Shapsis</b>	<b>-131,085.00</b>

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Cash Basis

DIGESTIVE DISEASE DIAGNOSTIC & TREATMENT CENTER, LLC

**Balance Sheet**

As of January 1, 2013  
Dec 31, 12

Project #131308  
BFA Attachment C (cont.)

32000 - Retained Earnings	801,628.81
Net Income	<u>2,448,324.08</u>
Total Equity	<u>454,952.89</u>
TOTAL LIABILITIES & EQUITY	<u><u>811,417.46</u></u>

DIGESTIVE DISEASE DIAGNOSTIC & TREATMENT CENTER, LLC

Profit & Loss

January 2010 through January 2013

Project #131308

BFA Attachment C (cont.)

Ordinary Income/Expense	<u>Jan - Dec 12</u>
Income	
Total Income	4,424,917
Expense	
67300 · Other Compensation	
67400 · Jay Weissbluth	139,997
Total 67300 · Other Compensation	<u>139,997</u>
67500 · Patient Parking Services	2,100
68505 · Software Maintenance	-
68550 · Meals & Entertainment	
68551 · Meals	250
Total 68550 · Meals & Entertainment	<u>250</u>
67650 · Maintenance	
67251 · Condo Maintenance	855
Total 67650 · Maintenance	<u>855</u>
19650 · Office Parties	3,504
19750 · Credit Cards Charges	
19758 · Interest Charge	-
19755 · Late Fee	-
Total 19750 · Credit Cards Charges	<u>-</u>
19805 · Gifts	250
67255 · Office Improvements	1,760
65000 · Donations	150
64000 · Inspections	2,252
66400 · Payroll Expenses	
66500 · ADP Fees	3,171
Total 66400 · Payroll Expenses	<u>3,171</u>
62050 · Conferences	-
19100 · Billing Services	980
19200 · Books	103
19600 · Equipment Lease	4,057
19700 · Equipment Rental	53,222
19900 · Licenses & Permits	20,887
22000 · Medical Waste	2,912
23000 · Office Expense	
23100 · General	1,287
23150 · Shredding	427
Total 23000 · Office Expense	<u>1,714</u>
23400 · Postage and Delivery	2,202
23500 · Professional Services	
23800 · Medical Software Maintenance	13,992
23790 · Management Fees	119,878
23780 · Plumbing	5,200
23770 · Lithotripsy Procedure	23,040
23756 · Anesthesia Services	18,800
23560 · Billing	67,972
23760 · Translations	-
23550 · Accounting	87,569
23600 · Architect Fees	-

DIGESTIVE DISEASE DIAGNOSTIC & TREATMENT CENTER, LLC

Profit & Loss

January 2010 through January 2013

Project #131308  
BFA Attachment C (cont.)

	<u>Jan - Dec 12</u>
23650 · Consulting	90,161
23700 · IT Services / Data Security	19,147
23750 · Legal	9,283
23500 · Professional Services - Other	175
<b>Total 23500 · Professional Services</b>	<b>455,216</b>
18000 · Payroll & Benefits	
18455 · Irina Sabov	-
18454 · Sanjida Afrin	-
18452 · GI Technicians	
18302 · Carlisa Delpecho	363
18304 · Clodolfo Escodero	22,552
18445 · Geraldine Utate	10,588
18310 · Olena Ostapenko	23,503
18250 · Szilvia Rosa	-
18440 · Yevgeniya Lapitskaya	-
18449 · Judene T Morris	420
18301 · Etienne Consolacion	-
18303 · Janine Dolgel	-
18447 · Anthony Kulberg	4,050
<b>Total 18452 · GI Technicians</b>	<b>61,475</b>
18451 · Nursing Staff Costs	
18444 · Ana Tegadze	58,150
18397 · Elien Torchinsky	65,000
18398 · Linda Villany	-
18100 · Mary Clair Haul	-
18200 · Svetlana Nahum	95,000
18150 · Valentyna Mino	-
18309 · Ying Ying Wu	18,452
18305 · Yan Lin	-
<b>Total 18451 · Nursing Staff Costs</b>	<b>236,602</b>
18450 · Administrative	
18300 · Kerina Sadkovets	55,192
18443 · Keri Smith	-
18306 · Sin Seng Phong	-
18442 · Michelle Sheldon	23,025
18446 · Michelle Man	13,288
<b>Total 18450 · Administrative</b>	<b>91,505</b>
<b>Total 18000 · Payroll &amp; Benefits</b>	<b>389,582</b>
26000 · Sanitation	2,548
27000 · Securities Expense	
27100 · Fire Safety Systems & Alarm	4,757
<b>Total 27000 · Securities Expense</b>	<b>4,757</b>
28000 · Supplies	
28100 · Medical	121,165
28150 · Office	5,927
<b>Total 28000 · Supplies</b>	<b>127,092</b>
15000 · Outside Services	
Anesthesia Services	66,500
15100 · Contract Labor	
15551 · Petrone Associates LLC	-

DIGESTIVE DISEASE DIAGNOSTIC & TREATMENT CENTER, LLC

Profit & Loss

January 2010 through January 2013

Project #131308  
BFA Attachment C (cont.)

	<u>Jan - Dec 12</u>
15150 · Patricia A. Gil	-
15200 · Diane E. Donnelly	-
15250 · Clodulfo Escudero	-
15300 · Ellen Torchinsky	-
15350 · Seng P. Sin	-
15400 · Yan Lin	-
15450 · Marcia Benton	-
15500 · Ath Chan	-
15550 · Catherine du Toit	4,248
Total 15100 · Contract Labor	<u>4,248</u>
Total 15000 · Outside Services	70,748
60000 · Advertising and Promotion	1,100
60200 · Automobile Expense	
60350 · Parking	-
Total 60200 · Automobile Expense	<u>-</u>
60400 · Service Charges	
60500 · Bank Service Charges	
60560 · Chase Lock Box	4,148
60570 · Service Charges	553
Total 60500 · Bank Service Charges	<u>4,701</u>
60550 · Credit Card Processing Charges	57
Total 60400 · Service Charges	<u>4,758</u>
61700 · Computer and Internet Expenses	-
62000 · Continuing Education	924
62500 · Dues and Subscriptions	6,890
63300 · Insurance Expense	
63850 · Professional Liability	34,261
63350 · Disability	174
63450 · Health	24,193
63550 · Liability	-
63650 · Worker's Compensation	13,731
Total 63300 · Insurance Expense	<u>72,358</u>
63600 · Laboratory Fees	-
67200 · Repairs	
67250 · Equipment Repairs	11,185
Total 67200 · Repairs	<u>11,185</u>
68100 · Telephone Expense	
68150 · Cable/Internet	1,281
68200 · Telephone	9,860
Total 68100 · Telephone Expense	<u>11,140</u>
68400 · Travel Expense	
68450 · Travel	378
68650 · Patient's Transportation	-
Total 68400 · Travel Expense	<u>378</u>
68600 · Utilities	
68700 · Gas & Electric	28,115
68750 · Water	1,446
Total 68600 · Utilities	<u>29,561</u>

DIGESTIVE DISEASE DIAGNOSTIC & TREATMENT CENTER, LLC

Profit & Loss  
January 2010 through January 2013

Project #131308  
BFA Attachment C (cont.)

	<u>Jan - Dec 12</u>
19300 · Cleaning Expense	
19350 · Janitorial Expense	25,432
19400 · Laundry	13,326
Total 19300 · Cleaning Expense	<u>38,758</u>
67100 · Rent Expense	415,229
Total Expense	<u>1,882,589</u>
Net Ordinary Income	2,542,328
Other Income/Expense	
Other Income	
70510 · Income Adjustment	-
70500 · Other Income	
70501 · Culinary Academy of New York	9,000
70500 · Other Income - Other	-
Total 70500 · Other Income	<u>9,000</u>
Total Other Income	9,000
Other Expense	
81000 · Unapplied Expenses	-
61200 · Taxes - Payroll	
66200 · MCTMT TAX	265
66250 · SUI	2,790
66150 · FUTA	450
66100 · FICA/Medicare	29,821
Total 61200 · Taxes - Payroll	<u>33,327</u>
28200 · Taxes	
28350 · Property	191
28300 · State	1,794
28250 · Local	49,500
Total 28200 · Taxes	<u>51,485</u>
62450 · Amortization Expense	-
62400 · Depreciation Expense	-
63400 · Interest Expense	
63749 · Chase LOC #5002	
63751 · TD Bank LOC 11346429001	14,492
63800 · Loan Interest	-
63750 · Line of Credit Interest #5001	-
Total 63400 · Interest Expense	<u>14,492</u>
80000 · Other Expenses	3,700
Total Other Expense	<u>103,004</u>
Net Other Income	<u>(94,004)</u>
Net Income	<u>2,448,324</u>

Manhattan Endoscopy Center, LLC and Affiliate  
Consolidated Balance Sheet  
December 31, 2012

Assets	
<b>Current assets</b>	
Cash	\$ 1,376,866
Accounts receivable, net	5,112,440
Due from landlord	206,116
Prepaid expenses and other current assets	189,061
<b>Total current assets</b>	<u>6,884,483</u>
<b>Property and equipment, net</b>	<u>4,011,349</u>
<b>Other assets</b>	
Restricted cash	374,313
Intangible asset, net	12,377
<b>Total other assets</b>	<u>386,690</u>
<b>Total assets</b>	<u><u>\$ 11,282,522</u></u>
<b>Liabilities and Members' Equity</b>	
<b>Current liabilities</b>	
Bank line of credit	\$ 1,088,988
Facility capital lease, current portion	748,124
Capital leases payable, current portion	71,417
Accounts payable and accrued expenses	484,998
Income tax payable	644,456
Deferred tax liabilities	192,000
<b>Total current liabilities</b>	<u>3,229,983</u>
<b>Long-term liabilities</b>	
Facility capital lease, net of current portion	2,780,015
Capital leases payable, net of current portion	74,043
Deferred rent payable	806,871
Deferred lease incentives	648,440
Deferred tax liabilities	50,000
<b>Total long-term liabilities</b>	<u>4,359,369</u>
<b>Total liabilities</b>	<u>7,589,352</u>
<b>Members' equity</b>	
Manhattan Endoscopy Center, LLC members' equity	2,594,332
Noncontrolling interest in variable interest entity	1,098,838
<b>Total members' equity</b>	<u>3,693,170</u>
<b>Total liabilities and members' equity</b>	<u><u>\$ 11,282,522</u></u>

Manhattan Endoscopy Center, LLC and Affiliate  
Consolidated Statement of Income and Members' Equity  
For the Year Ended December 31, 2012

<b>Revenues, net</b>	
Facility service revenue (net of contractual adjustments)	\$ 17,771,802
Anesthesia revenue (net of contractual adjustments)	12,059,111
Provision for bad debts	<u>(100,092)</u>
<b>Net revenues</b>	<u>29,730,821</u>
<b>Operating expenses</b>	
Compensation and related costs	4,638,770
Medical supplies, waste and linens	1,012,640
Occupancy	1,007,270
Administrative	2,024,364
Financial	225,872
Depreciation and amortization	<u>617,800</u>
<b>Total operating expenses</b>	<u>9,526,716</u>
<b>Income before provision for income taxes</b>	20,204,105
<b>Provision for income taxes</b>	<u>751,456</u>
<b>Net income including noncontrolling interest in variable interest entity</b>	19,452,649
<b>Less: Net income attributable to the noncontrolling interest in variable interest entity</b>	<u>4,952,225</u>
<b>Net income attributable to Manhattan Endoscopy Center LLC</b>	<u><u>\$ 14,500,424</u></u>

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**WEST SIDE GI, LLC**  
**BALANCE SHEET**

	<u>December 31,</u> <u>2012</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Patient services receivable, net	\$ 4,348,193
Medical supplies	45,000
Prepaid expenses	47,394
Total current assets	<u>4,440,587</u>
<b>Property and Equipment, net</b>	<b>4,609,844</b>
<b>Security Deposit</b>	<b>286,756</b>
Total assets	<u><u>\$ 9,337,187</u></u>
<b>LIABILITIES AND MEMBER'S EQUITY</b>	
<b>Current Liabilities</b>	
Borrowings on bank line of credit	\$ 1,050,000
Cash overdraft	46,366
Current installments of long-term debt	1,098,666
Accounts payable and accrued expenses	266,267
Other liabilities	740,938
Total current liabilities	<u>3,202,237</u>
<b>Long-term debt</b>	<b>2,982,377</b>
Total liabilities	<u>6,184,614</u>
<b>Members' equity</b>	<b>3,152,573</b>
Members' equity	<u>3,152,573</u>
Total members' equity	<u>3,152,573</u>
Total liabilities and members' equity	<u><u>\$ 9,337,187</u></u>

**WEST SIDE GI, LLC**  
**STATEMENT OF INCOME**

	Year Ended December 31, 2012
<b>REVENUES</b>	
Net patient service revenue	\$ 8,063,234
Other revenue	229
Total revenues	<u>8,063,463</u>
<b>OPERATING EXPENSES</b>	
Salaries and benefits	1,453,081
Supplies and other	329,930
Office expenses	273,256
Insurance	43,330
Depreciation	286,446
Professional fees	548,180
Repairs and maintenance	20,672
Rent	414,484
Total expenses	<u>3,369,379</u>
<b>OPERATING INCOME</b>	<u>4,694,084</u>
<b>NON-OPERATING EXPENSE</b>	
Interest	124,106
Miscellaneous expense	3,176
Total non-operating expense	<u>127,282</u>
<b>NET INCOME</b>	<u>\$ 4,566,802</u>

**Eye Surg. Cntr of Westchester - New**

Balance Sheet  
March 31, 2013

Unaudited	03/31/13	03/30/12	03/31/11
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash	\$10,209	\$75,979	\$46,623
Accounts Receivable (Net of Reserves)	599,472	888,272	752,186
Prepaid Medical Supplies	128,241	115,235	104,114
Prepaid Expenses	72,312	25,032	29,222
<b>Total Current Assets</b>	<b>811,235</b>	<b>1,104,519</b>	<b>992,145</b>
<b>Fixed Assets:</b>			
Property & Equipment (Net of Dep'n)	662,925	762,200	886,706
	862,925	762,200	886,706
<b>Other Assets:</b>			
Security Deposits & Other Assets	9,138	20,778	9,138
Pre-Opening Expenses (Net of Amortization)	0	0	(0)
	9,138	20,778	9,137
	\$1,483,297	\$1,887,496	\$1,887,989
<b>LIABILITIES AND MEMBER'S EQUITY</b>			
<b>Current Liabilities:</b>			
Accounts Payable & Accrued Liabilities	\$497,342	\$547,764	\$601,881
<b>Total Current Liabilities</b>	<b>497,342</b>	<b>547,764</b>	<b>601,881</b>
<b>Long Term Liabilities:</b>			
Long Term Debt:			
	116,275	226,288	362,042
	116,275	226,288	362,042
<b>Member's Equity:</b>			
Paid-In Equity	171,219	171,219	171,219
Retained Earnings	698,460	942,225	752,847
<b>Total Member's Equity</b>	<b>869,679</b>	<b>1,113,444</b>	<b>924,066</b>
	\$1,483,297	\$1,887,496	\$1,887,989

**Eye Surg. Cntr of Westchester - New**

Income Statement

For The 3 Months Ended March 31, 2013

Unqualified Revenue:	Current Year to Date	Percent of Revenue	Last Year Year to Date	Percent of Revenue	Difference in Period Amount	YTD Avg Month	2012 Avg Month	2012 Annual
Facility Fees	1,250,375	100.0%	1,308,359	100.0%	(107,983)	400,125	432,868	5,194,633
<b>Direct Expenses:</b>								
Medical & Operating Room Supplies	241,588	20.1%	205,809	15.7%	35,778	80,529	85,772	1,029,269
Intra Ocular Lenses - Standard	99,072	8.3%	54,941	4.2%	44,131	33,024	32,996	385,957
Intra Ocular Lenses - Premium	51,052	4.3%	77,176	5.9%	(26,124)	17,017	28,307	339,689
Transportation	53,540	4.5%	42,883	3.3%	10,656	17,847	15,738	188,865
Laser cards	6,050	0.5%	5,010	0.4%	1,040	2,017	1,498	17,980
Bad Debt Expense	25,266	2.2%	30,070	2.3%	(3,803)	8,755	6,959	83,514
Total Direct Expenses	477,567	39.8%	415,889	31.8%	61,678	159,189	171,272	2,055,264
Gross Profit	722,807	60.2%	892,469	68.2%	(169,661)	240,935	261,514	3,139,370
<b>Operating Expenses:</b>								
Salaries & Benefits	357,271	29.8%	326,166	24.9%	31,105	119,090	121,166	1,453,988
Rent & R/E Taxes	46,078	3.8%	50,037	3.8%	(3,958)	15,360	14,724	176,685
Interest Expense	2,588	0.2%	4,589	0.4%	(2,021)	856	426	5,110
Insurance	11,636	1.0%	13,440	1.0%	(1,804)	3,879	3,952	47,421
Office Expenses	14,512	1.2%	19,697	1.5%	(5,186)	4,837	7,919	95,033
Credit Card Processing Charges	2,082	0.2%	3,143	0.2%	(1,061)	684	929	11,152
Data Processing & Payroll Services	19,972	1.7%	19,643	1.5%	329	6,657	6,457	77,482
Professional Fees	26,590	2.2%	15,396	1.2%	11,194	8,860	9,561	114,735
Building & Equipment Maintenance	27,289	2.3%	30,143	2.3%	(2,853)	9,096	12,053	144,635
Instrumentation	14,704	1.2%	10,194	0.8%	4,510	4,901	2,759	33,103
Patient Nourishment	9,896	0.8%	12,044	0.9%	(2,148)	3,299	4,326	51,908
Utilities Including Telephone	7,114	0.6%	7,253	0.6%	(139)	2,371	2,577	30,929
Travel & Entertainment	3,077	0.3%	5,002	0.4%	(1,925)	1,292	1,393	16,718
Total Operating Expenses	543,579	45.3%	516,747	39.5%	26,832	181,193	188,242	2,258,900
Income (Loss) From Operations	179,229	14.9%	375,722	28.7%	(196,493)	59,743	73,373	880,470
Depreciation & Amortization	(40,838)	-3.4%	(64,986)	-5.0%	24,147	(13,613)	(13,613)	(163,356)
Interest & Other Income (Expense)	0	0.0%	0	0.0%	-	0	(171)	(2,053)
Management Fees	(33,750)	-2.8%	(33,750)	-2.6%	-	(11,250)	(11,250)	(135,000)
Income (Loss) Before Income Taxes	104,640	8.7%	276,996	21.2%	(172,346)	34,880	48,338	580,062
State & Local Income Taxes	0	0.0%	0	0.0%	-	0	375	4,500
Net Income (Loss)	104,640	8.7%	276,996	21.2%	(172,346)	34,880	47,963	575,562

# Eye Surg. Cntr of Westchester

Balance Sheet  
December 31, 2012

Unaudited	12/31/12	12/31/11	12/31/10
<b><u>ASSETS</u></b>			
Current Assets:			
Cash	(\$3,226)	\$77,010	\$67,909
Accounts Receivable (Net of Reserves)	695,558	692,707	624,734
Prepaid Medical Supplies	114,924	99,527	159,524
Prepaid Expenses	40,782	14,778	23,072
Total Current Assets	848,038	884,023	875,239
Fixed Assets:			
Property & Equipment (Net of Dep'n)	696,223	822,052	990,192
	696,223	822,052	990,192
Other Assets:			
Security Deposits & Other Assets	9,138	20,778	9,138
Pre-Opening Expenses (Net of Amortization)	0	0	(0)
	9,138	20,778	9,137
	\$1,553,399	\$1,726,852	\$1,874,568
<b><u>LIABILITIES AND MEMBER'S EQUITY</u></b>			
Current Liabilities:			
Accounts Payable & Accrued Liabilities	\$505,440	\$503,651	\$618,659
Total Current Liabilities	505,440	503,651	618,659
Long Term Liabilities:			
Long Term Debt	130,404	257,552	411,080
	130,404	257,552	411,080
Member's Equity:			
Paid-In Equity	171,219	171,219	171,219
Retained Earnings	746,337	794,431	673,610
Total Member's Equity	917,556	965,650	844,829
	\$1,553,399	\$1,726,852	\$1,874,568

# Eye Surg. Cntr of Westchester

## Income Statement

For The Year Ended December 31, 2012

Unaudited Revenue:	Current Year to Date	Percent of Revenue	Last Year Year to Date	Percent of Revenue	Difference in Periods	%
Facility Fees	5,194,633	100.0%	4,940,143	100.0%	254,491	5.2%
<b>Direct Expenses:</b>						
Medical & Operating Room Supplies	1,029,269	19.8%	942,206	19.1%	(87,063)	-9.2%
Intra Ocular Lenses - Standard	395,957	7.6%	340,520	6.9%	(55,437)	-16.3%
Intra Ocular Lenses - Premium	339,689	6.5%	347,900	7.0%	8,211	2.4%
Transportation	188,855	3.6%	142,620	2.9%	(46,236)	-32.4%
Laser cards	17,980	0.3%	14,655	0.3%	(3,325)	-22.7%
Bad Debt Expense	83,514	1.6%	106,713	2.2%	23,199	21.7%
<b>Total Direct Expenses</b>	<b>2,055,264</b>	<b>39.6%</b>	<b>1,894,614</b>	<b>38.4%</b>	<b>(160,650)</b>	<b>-8.5%</b>
<b>Gross Profit</b>	<b>3,139,370</b>	<b>60.4%</b>	<b>3,045,529</b>	<b>61.6%</b>	<b>93,841</b>	<b>3.1%</b>
<b>Operating Expenses:</b>						
Salaries & Benefits	1,453,988	28.0%	1,323,885	26.8%	(130,103)	-9.8%
Rent & R/E Taxes	176,685	3.4%	171,029	3.5%	(5,657)	-3.3%
Advertising & Marketing	0	0.0%	396	0.0%	396	100.0%
Interest Expense	5,110	0.1%	39,929	0.8%	34,819	87.2%
Insurance	47,421	0.9%	60,186	1.2%	12,765	21.2%
Depreciation & Amortization	163,356	3.1%	160,439	3.2%	(2,917)	-1.8%
Office Expenses	95,033	1.8%	68,746	1.4%	(26,287)	-38.2%
Credit Card Processing Charges	11,152	0.2%	8,490	0.2%	(2,662)	-31.4%
Data Processing & Payroll Services	77,482	1.5%	85,387	1.7%	7,905	9.3%
Professional Fees	114,735	2.2%	83,650	1.7%	(31,085)	-37.2%
Building & Equipment Maintenance	144,635	2.8%	142,510	2.9%	(2,126)	-1.5%
Instrumentation	33,103	0.6%	52,731	1.1%	19,628	37.2%
Patient Nourishment	51,908	1.0%	43,103	0.9%	(8,804)	-20.4%
Utilities Including Telephone	30,929	0.6%	32,076	0.6%	1,146	3.6%
Travel & Entertainment	16,718	0.3%	17,160	0.3%	442	2.6%
<b>Total Operating Expenses</b>	<b>2,422,255</b>	<b>46.6%</b>	<b>2,289,714</b>	<b>46.3%</b>	<b>(132,541)</b>	<b>-5.8%</b>
<b>Income (Loss) From Operations</b>	<b>717,115</b>	<b>13.8%</b>	<b>755,815</b>	<b>15.3%</b>	<b>(38,700)</b>	<b>-5.1%</b>
Interest & Other Income (Expense)	(2,053)	0.0%	7,046	0.1%	(9,099)	-129.1%
Management Fees	(135,000)	-2.6%	(135,000)	-2.7%	0	0.0%
<b>Income (Loss) Before Income Taxes</b>	<b>580,062</b>	<b>11.2%</b>	<b>627,861</b>	<b>12.7%</b>	<b>(47,799)</b>	<b>-7.6%</b>
State & Local Income Taxes	4,500	0.1%	3,050	0.1%	(1,450)	-47.5%
<b>Net Income (Loss)</b>	<b>575,562</b>	<b>11.1%</b>	<b>624,811</b>	<b>12.6%</b>	<b>(49,249)</b>	<b>-7.9%</b>

# Eye Surg. Cntr of Westchester

Balance Sheet  
December 31, 2012

Unaudited	12/31/12	12/31/11	12/31/10
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash	(\$3,226)*	\$77,010	\$67,909
Accounts Receivable (Net of Reserves)	695,558	692,707	624,734
Prepaid Medical Supplies	114,924	99,527	159,524
Prepaid Expenses	40,782	14,778	23,072
<b>Total Current Assets</b>	<b>848,038</b>	<b>884,023</b>	<b>875,239</b>
<b>Fixed Assets:</b>			
Property & Equipment (Net of Dep'n)	696,223	822,052	990,192
	696,223	822,052	990,192
<b>Other Assets:</b>			
Security Deposits & Other Assets	9,138	20,778	9,138
Pre-Opening Expenses (Net of Amortization)	0	0	(0)
	9,138	20,778	9,137
	\$1,553,399	\$1,726,852	\$1,874,568
<b>LIABILITIES AND MEMBER'S EQUITY</b>			
<b>Current Liabilities:</b>			
Accounts Payable & Accrued Liabilities	\$505,440	\$503,651	\$618,659
<b>Total Current Liabilities</b>	<b>505,440</b>	<b>503,651</b>	<b>618,659</b>
<b>Long Term Liabilities:</b>			
Long Term Debt	130,404	257,552	411,080
	130,404	257,552	411,080
<b>Member's Equity:</b>			
Paid-In Equity	171,219	171,219	171,219
Retained Earnings	746,337	794,431	673,610
<b>Total Member's Equity</b>	<b>917,556</b>	<b>965,650</b>	<b>844,829</b>
	\$1,553,399	\$1,726,852	\$1,874,568

\* INCLUDES APPROXIMATELY \$60,000 IN CHECKS CUT AT YEAR END AND MAILED BEGINNING OF 2013.  
IF CASH BASIS USED FOR REPORTING INSTEAD OF ACCRUAL BASIS, CASH BALANCE WOULD SHOW POSITIVE.

**EYE SURGERY CENTER OF WESTCHESTER, INC.**

**PRO FORMA BALANCE SHEET**

**ASSETS**

Cash	\$415,209
Accounts Receivable	\$599,472
Prepaid Medical Supplies	\$129,241
Prepaid Expenses	\$72,312
Property/Equipment (Net of Depreciation)	\$662,925
Other Assets	\$9,138

**TOTAL ASSETS** \$1,888,297

**LIABILITIES AND SHAREHOLDER EQUITY**

**LIABILITIES**

Accounts Payable/Accrued Liabilities	\$497,342
Long Term Liabilities	\$116,275

**TOTAL LIABILITIES** \$613,617

**SHAREHOLDER EQUITY**

Paid-In Equity	\$576,219
Retained Earnings	\$698,460

**TOTAL SHAREHOLDER EQUITY** \$869,679

**TOTAL LIABILITIES & SHAREHOLDER EQUITY** \$1,888,297

**\*Note: Under the assumption that this project will be approved, Cash and Paid-In Equity include the \$405,000 that will be paid to the applicant by Anthony Pisacano, M.D. and Michael Pisacano, M.D. (\$202,500 each), as provided in the Subscription Agreements that are included under the Schedule 3 Attachment.**

**QEASC LLC**  
**Balance Sheet**  
**As of July 31, 2013**

Jul 31, 13

**ASSETS**

**Current Assets**

**Checking/Savings**

100.00 · Cash

100.01 · Chase Operating - Checking 3615 91,721.10

100.00 · Cash - Other 146.99

Total 100.00 · Cash 91,868.09

Total Checking/Savings 91,868.09

**Other Current Assets**

210.00 · Prepaid Expenses and OCA

210.01 · Prepaid Service Agreements 16,970.89

210.02 · Prepaid Insurance 5,388.95

Total 210.00 · Prepaid Expenses and OCA 22,359.84

230.00 · Due from Affiliates 10,000.00

290.00 · Security Deposits Assets

290.01 · Security Deposit - Rent 64,166.67

Total 290.00 · Security Deposits Assets 64,166.67

Total Other Current Assets 96,526.51

Total Current Assets 188,394.60

**Fixed Assets**

300.00 · Prop & Equmnt, Net Eqmnt

300.02 · Furniture and Equipment 438,194.48

300.03 · Medical Equipment 299,342.34

300.04 · IT Setup 193,906.73

Total 300.00 · Prop & Equmnt, Net Eqmnt 931,443.55

310.00 · Leasehold Improvements

310.01 · Construction 1,923,926.41

310.02 · Architect's Fees 175,568.96

310.03 · Designer 53,791.93

Total 310.00 · Leasehold Improvements 2,153,287.30

320.00 · Software cost 217,410.17

330.00 · Accumulated Amort & Depreciaton

330.01 · Accumulated Dep - Equipment -23,292.84

330.02 · Accumulated Amort-Leasehold Imp -59,086.70

330.03 · Accumulated Dep - Software -4,305.00

330.04 · Accumulated Dep - Pre-opening -182,372.19

Total 330.00 · Accumulated Amort & Depreciaton -269,056.73

Total Fixed Assets 3,033,084.29

**Other Assets**

350.00 · Developmental Stage Expenses

350.01 · Pre-opening expenses 260,797.36

350.02 · Consulting 308,540.51

350.03 · Legal 93,945.62

350.04 · Startup Costs 52,763.23

350.00 · Developmental Stage Expenses - Other 13,442.04

**QEASC LLC**  
**Balance Sheet**  
 As of July 31, 2013

	<u>Jul 31, 13</u>
Total 350.00 · Developmental Stage Expenses	729,488.76
Total Other Assets	729,488.76
<b>TOTAL ASSETS</b>	<u><b>3,950,967.65</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
400.00 · Accounts Payable	182,166.39
Total Accounts Payable	<u>182,166.39</u>
Credit Cards	
401.00 · Credit Card	
401.01 · Chase Ink -8440	2,906.42
401.02 · Chase Overdraft Cr Card-5068	-536.59
401.00 · Credit Card - Other	400.00
Total 401.00 · Credit Card	<u>2,769.83</u>
Total Credit Cards	2,769.83
Other Current Liabilities	
403.00 · Other Current Liabilities	
403.01 · Current Liability to Chase	1,199,900.00
403.02 · Current Portion of Construction	350,000.00
403.03 · Deferred Rent Expense	93,819.46
Total 403.00 · Other Current Liabilities	<u>1,643,719.46</u>
Total Other Current Liabilities	<u>1,643,719.46</u>
Total Current Liabilities	<u>1,828,655.68</u>
<b>Long Term Liabilities</b>	
410.00 · Lines of Credit	
410.01 · Constr - Line of Credit_90004	1,811,597.90
410.02 · Equip - Line of Credit_90005	993,481.77
410.04 · Soft Cost -Line of Credit_90007	150,000.00
410.00 · Lines of Credit - Other	-0.68
Total 410.00 · Lines of Credit	<u>2,955,078.99</u>
Total Long Term Liabilities	<u>2,955,078.99</u>
Total Liabilities	<u>4,783,734.67</u>
<b>Equity</b>	
460.00 · Member's Equity	
Total 460.00 · Member's Equity	325,918.00
490.00 · Retained Earnings	-64,975.37
Net Income	-1,093,709.65
Total Equity	<u>-832,767.02</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>3,950,967.65</b></u>

Queens Endoscopy ASC Internal Income Statement - Accrual Basis

(\$ Thousands, except case data)

	Apr-13	May-13	Jun-13	Jul-13	Total	% Of Revenue	% Of Expenses
Cases	255	978	1,195	745	3,173		
Facility Revenue per Case	\$ 671	\$ 700	\$ 810	\$ 790			
Anesthesia Revenue per Case	584	515	515	484			
Facility Revenue	171	685	967	588	1,824		
Anesthesia Revenue	149	503	615	361	1,267		
<b>Total Revenue</b>	<b>\$ 320</b>	<b>\$ 1,188</b>	<b>\$ 1,583</b>	<b>\$ 949</b>	<b>\$ 3,091</b>	<b>100.0%</b>	
Cost of Goods Sold	73	72	87	87	232	7.5%	16.0%
Total Payroll and Benefits	1	154	151	151	306	9.9%	21.1%
Anesthesia Expense	-	159	144	144	303	9.8%	20.9%
Occupancy	38	43	68	68	149	4.8%	10.3%
Revenue Cycle Management	5	36	42	42	83	2.7%	5.7%
General and Administrative	16	40	39	39	95	3.1%	6.5%
Professional Fees	7	57	36	36	100	3.2%	6.9%
<b>Total Operating Expense</b>	<b>141</b>	<b>561</b>	<b>568</b>	<b>568</b>	<b>1,269</b>	<b>41.1%</b>	<b>87.4%</b>
<b>Operating Profit</b>	<b>179</b>	<b>628</b>	<b>1,015</b>	<b>381</b>	<b>1,822</b>	<b>58.9%</b>	
Interest and Leasing Expense	20	23	27	27	70	2.3%	4.8%
Taxes	7	25	41	41	113	3.7%	7.8%
<b>Net Income</b>	<b>\$ 152</b>	<b>\$ 580</b>	<b>\$ 948</b>	<b>\$ 314</b>	<b>\$ 1,708</b>	<b>55.3%</b>	
Operating Profit Margin	55.9%	52.8%	64.1%	40.2%	58.9%		
Net Income Margin	47.4%	48.8%	59.9%	33.1%	55.3%		

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

**September 12, 2013  
Attachments**

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

**Exhibit # 7**

<u>Number</u>	<u>Applicant/Facility</u>
1. 062287 E	SDTC – The Center for Discover Incorporated (Sullivan County)
2. 131237 E	B&L Health, Inc. d/b/a Allhealth D&TC (Kings County)
3. 131258 B	AIDS Healthcare Foundation (Kings County)
4. 131329 E	Planned Parenthood of Central and Western New York, Inc. (Erie County)
5. 131341 E	PALA Community Care, LLC d/b/a PALA Community Care (Kings County)

# THE CENTER FOR DISCOVERY AND AFFILIATES

## Consolidated Statements of Financial Position

<i>December 31,</i>	2011	2010
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 8,716,487	\$ 3,794,737
Restricted cash	86,198	1,083,834
Accounts receivable, net	13,147,461	12,497,692
Pledges receivable, net	564,247	692,528
Prepaid expenses and other current assets	420,024	571,924
Investments	8,497,348	9,068,744
Investments - restricted	-	873,265
Total Current Assets	<u>31,431,765</u>	<u>28,582,724</u>
Pledges Receivable, net	982,905	912,624
Property, Plant and Equipment, net	76,290,950	78,517,161
Other Assets, net	8,016,465	7,596,056
Unfunded Bonds Receivable	225,462	338,193
Total Assets	<u>\$ 116,947,547</u>	<u>\$ 115,946,758</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Lines of credit	\$ 8,350,000	\$ 8,000,000
Accounts payable	1,231,031	1,530,916
Accrued liabilities	10,616,919	12,962,440
Unearned revenue	35,962	28,572
Current portion of long-term debt	5,695,802	5,365,711
Total Current Liabilities	<u>25,929,714</u>	<u>27,887,639</u>
Long-Term Debt	67,968,347	68,235,700
Deferred Revenue	3,322,288	717,860
Deferred Compensation	344,018	304,806
Interest Rate Swap Agreement	799,230	-
Total Liabilities	<u>98,363,597</u>	<u>97,146,005</u>
Commitments and Contingencies		
Net Assets:		
Unrestricted	12,789,319	13,242,766
Temporarily restricted	1,723,922	550,439
Permanently restricted	4,070,709	5,007,548
Total Net Assets	<u>18,583,950</u>	<u>18,800,753</u>
Total Liabilities and Net Assets	<u>\$ 116,947,547</u>	<u>\$ 115,946,758</u>

# THE CENTER FOR DISCOVERY AND AFFILIATES

## Consolidated Statement of Activities and Changes in Net Assets

Year Ended December 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues, Gains and Other Support:</b>				
Education program	\$20,321,743	\$ -	\$ -	\$ 20,321,743
Clinic services	2,863,463	-	-	2,863,463
Residential services and case management	58,019,810	-	-	58,019,810
Vocational farm and day habilitation	2,568,546	-	-	2,568,546
Daycare, café and other	2,509,630	-	-	2,509,630
Grants from governmental agencies	691,492	-	-	691,492
Investment income	489,663	-	-	489,663
Special events	1,347,051	-	-	1,347,051
Less direct expenses of special events	(253,724)	-	-	(253,724)
HUD subsidy	47,832	-	-	47,832
Service revenue	425,413	-	-	425,413
Contributions	1,321,143	243,819	204,903	1,769,865
Net assets released from restrictions	212,078	(212,078)	-	-
Redesignation of donor restriction	-	1,141,742	(1,141,742)	-
<b>Total Revenues, Gains and Other Support</b>	<b>90,564,140</b>	<b>1,173,483</b>	<b>(936,839)</b>	<b>90,800,784</b>
<b>Expenses:</b>				
<b>Program services:</b>				
Educational program	19,326,940	-	-	19,326,940
Clinic services	3,307,024	-	-	3,307,024
Residential services and case management	52,794,263	-	-	52,794,263
Vocational farm and day habilitation	2,458,943	-	-	2,458,943
Daycare, café and other	2,457,290	-	-	2,457,290
Expenses covered by fundraised dollars	806,344	-	-	806,344
Grants from governmental agencies	489,066	-	-	489,066
<b>Total program services</b>	<b>81,639,870</b>	<b>-</b>	<b>-</b>	<b>81,639,870</b>
<b>Supporting services:</b>				
Administrative expenses	7,153,513	-	-	7,153,513
Fundraising	1,046,863	-	-	1,046,863
<b>Total supporting services</b>	<b>8,200,376</b>	<b>-</b>	<b>-</b>	<b>8,200,376</b>
<b>Total Expenses</b>	<b>89,840,246</b>	<b>-</b>	<b>-</b>	<b>89,840,246</b>
<b>Changes in Net Assets before Insurance Proceeds,</b>				
Amortization Expense Due to Extinguishment of Debt and Unrealized Loss on Interest Rate Swap	723,894	1,173,483	(936,839)	960,538
Insurance Proceeds	23,371	-	-	23,371
Amortization Expense Due to Extinguishment of Debt	(401,482)	-	-	(401,482)
Unrealized Loss on Interest Rate Swap	(799,230)	-	-	(799,230)
<b>Changes in Net Assets after Insurance Proceeds,</b>				
Amortization Expense Due to Extinguishment of Debt and Unrealized Loss on Interest Rate Swap	(453,447)	1,173,483	(936,839)	(216,803)
Net Assets, beginning of year	13,242,766	550,439	5,007,548	18,800,753
<b>Net Assets, end of year</b>	<b>\$12,789,319</b>	<b>\$ 1,723,922</b>	<b>\$ 4,070,709</b>	<b>\$ 18,583,950</b>

# THE CENTER FOR DISCOVERY AND AFFILIATES

## Consolidated Statements of Financial Position

<i>December 31,</i>	2010	2009
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 3,794,737	\$ 6,057,284
Restricted cash	1,083,834	1,061,051
Accounts receivable, net	12,497,692	13,283,434
Pledges receivable, net	692,528	1,222,603
Prepaid expenses and other current assets	571,924	729,207
Investments	9,068,744	9,670,877
Investments - restricted	873,265	4,367,384
<b>Total Current Assets</b>	<b>28,582,724</b>	<b>36,391,840</b>
Pledges Receivable, net	912,624	804,655
Property, Plant and Equipment, net	78,517,161	71,010,059
Other Assets, net	7,596,056	7,906,857
Unfunded Bonds Receivable	338,193	338,193
<b>Total Assets</b>	<b>\$ 115,946,758</b>	<b>\$ 116,451,604</b>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Lines of credit	\$ 8,000,000	\$ 9,200,000
Accounts payable	1,530,916	948,726
Accrued liabilities	12,962,440	12,415,055
Unearned revenue	28,572	62,038
Current portion of long-term debt	5,365,711	5,115,065
<b>Total Current Liabilities</b>	<b>27,887,639</b>	<b>27,740,884</b>
Long-Term Debt	68,235,700	72,737,881
Deferred Revenue	717,860	253,472
Deferred Compensation	304,806	226,056
<b>Total Liabilities</b>	<b>97,146,005</b>	<b>100,958,293</b>
Commitments and Contingencies		
Net Assets:		
Unrestricted	13,242,766	8,079,518
Temporarily restricted	550,439	2,694,386
Permanently restricted	5,007,548	4,719,407
<b>Total Net Assets</b>	<b>18,800,753</b>	<b>15,493,311</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 115,946,758</b>	<b>\$ 116,451,604</b>

# THE CENTER FOR DISCOVERY AND AFFILIATES

## Consolidated Statement of Activities and Changes In Net Assets

*Year Ended December 31, 2010*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues, Gains and Other Support:</b>				
Education program	\$18,992,133	\$ -	\$ -	\$18,992,133
Clinic services	2,427,982	-	-	2,427,982
Residential services and case management	56,808,788	-	-	56,808,788
Day habilitation	2,814,320	-	-	2,814,320
Daycare, café and other	2,494,669	-	-	2,494,669
Grants from governmental agencies	1,073,722	-	-	1,073,722
Interest income	293,818	-	-	293,818
Investment income	615,561	-	-	615,561
Special events	1,544,601	-	-	1,544,601
Less direct expenses of special events	(245,025)	-	-	(245,025)
HUD subsidy	50,607	-	-	50,607
Service revenue	411,067	-	-	411,067
Contributions	797,357	75,802	288,141	1,161,300
Net assets released from restrictions	2,219,749	(2,219,749)	-	-
<b>Total Revenues, Gains and Other Support</b>	<b>90,299,349</b>	<b>(2,143,947)</b>	<b>288,141</b>	<b>88,443,543</b>
<b>Expenses:</b>				
<b>Program services:</b>				
Educational program	17,052,551	-	-	17,052,551
Clinic services	2,953,407	-	-	2,953,407
Residential services and case management	51,780,532	-	-	51,780,532
Day habilitation	2,456,981	-	-	2,456,981
Daycare, café and other	2,848,524	-	-	2,848,524
Expenses covered by fundraised dollars	431,519	-	-	431,519
Grants from governmental agencies	650,793	-	-	650,793
<b>Total Program Services</b>	<b>78,174,307</b>	<b>-</b>	<b>-</b>	<b>78,174,307</b>
<b>Supporting services:</b>				
Administrative expenses	6,620,587	-	-	6,620,587
Fundraising	1,135,834	-	-	1,135,834
<b>Total Supporting Services</b>	<b>7,756,421</b>	<b>-</b>	<b>-</b>	<b>7,756,421</b>
<b>Total Expenses</b>	<b>85,930,728</b>	<b>-</b>	<b>-</b>	<b>85,930,728</b>
<b>Changes in Net Assets before Non-Operating Activity</b>	<b>4,368,621</b>	<b>(2,143,947)</b>	<b>288,141</b>	<b>2,512,815</b>
<b>Non-Operating Activity:</b>				
Insurance proceeds	794,627	-	-	794,627
<b>Changes in Net Assets after Non-Operating Activity</b>	<b>5,163,248</b>	<b>(2,143,947)</b>	<b>288,141</b>	<b>3,307,442</b>
Net Assets, beginning of year	8,079,518	2,694,386	4,719,407	15,493,311
<b>Net Assets, end of year</b>	<b>\$13,242,766</b>	<b>\$ 550,439</b>	<b>\$5,007,548</b>	<b>\$18,800,753</b>

**THE CENTER FOR DISCOVERY  
AND AFFILIATES**

**Consolidated Statement of Activities and Changes In Net Assets**

*Year Ended December 31, 2009*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues, Gains and Other Support:</b>				
Education program	\$ 17,203,828	\$ -	\$ -	\$17,203,828
Clinic services	2,197,653	-	-	2,197,653
Residential services and case management	50,023,000	-	-	50,023,000
Day habilitation	2,714,894	-	-	2,714,894
Daycare, café and other	2,710,657	-	-	2,710,657
Grants from governmental agencies	382,998	-	-	382,998
Interest income	375,510	-	-	375,510
Investment income	1,601,752	-	-	1,601,752
Special events	1,104,714	-	-	1,104,714
Less direct expenses of special events	(59,200)	-	-	(59,200)
HUD subsidy	55,268	-	-	55,268
Service revenue	300,108	-	-	300,108
Contributions	1,084,219	38,356	259,309	1,381,884
Net assets released from restrictions	6,858	(6,858)	-	-
<b>Total Revenues, Gains and Other Support</b>	<b>79,702,259</b>	<b>31,498</b>	<b>259,309</b>	<b>79,993,066</b>
<b>Expenses:</b>				
<b>Program services:</b>				
Educational program	16,949,930	-	-	16,949,930
Clinic services	2,532,650	-	-	2,532,650
Residential services and case management	45,408,503	-	-	45,408,503
Day habilitation	2,468,589	-	-	2,468,589
Daycare, café and other	2,688,051	-	-	2,688,051
Grants from governmental agencies	397,376	-	-	397,376
<b>Total Program Services</b>	<b>70,445,099</b>	<b>-</b>	<b>-</b>	<b>70,445,099</b>
<b>Supporting services:</b>				
Administrative expenses	7,353,134	-	-	7,353,134
Fundraising	829,421	-	-	829,421
<b>Total Supporting Services</b>	<b>8,182,555</b>	<b>-</b>	<b>-</b>	<b>8,182,555</b>
<b>Total Expenses</b>	<b>78,627,654</b>	<b>-</b>	<b>-</b>	<b>78,627,654</b>
<b>Changes in Net Assets before Non-Operating Activity</b>	<b>1,074,605</b>	<b>31,498</b>	<b>259,309</b>	<b>1,365,412</b>
<b>Non-Operating Activity:</b>				
Insurance proceeds	2,696,089	-	-	2,696,089
Casualty loss	(2,517,123)	-	-	(2,517,123)
<b>Changes in Net Assets after Non-Operating Activity</b>	<b>1,253,571</b>	<b>31,498</b>	<b>259,309</b>	<b>1,544,378</b>
Net Assets, beginning of year	6,825,947	2,662,888	4,460,098	13,948,933
<b>Net Assets, end of year</b>	<b>\$ 8,079,518</b>	<b>\$2,694,386</b>	<b>\$4,719,407</b>	<b>\$15,493,311</b>

# DRAFT

Project #062287  
BFA Attachment B

## THE CENTER FOR DISCOVERY AND AFFILIATES

### Consolidated Statements of Financial Position

December 31,	2012	2011
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 6,209,631	\$ 8,716,487
Restricted cash	706,768	86,198
Accounts receivable, net	12,233,019	13,147,461
Pledges receivable, net	566,692	564,247
Prepaid expenses and other current assets	1,157,731	420,024
Investments	9,221,618	8,497,348
Investments - restricted	13,244	-
Total Current Assets	30,108,703	31,431,765
Pledges Receivable, net	453,694	982,905
Property, Plant and Equipment, net	76,276,005	76,290,950
Other Assets, net	7,647,772	8,016,465
Unfunded Bonds Receivable	112,731	225,462
Total Assets	\$ 114,598,905	\$ 116,947,547
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Lines of credit	\$ 8,350,000	\$ 8,350,000
Accounts payable	1,380,542	1,231,031
Accrued liabilities	14,050,641	10,616,919
Unearned revenue	328	35,962
Current portion of long-term debt	5,818,877	5,695,802
Total Current Liabilities	29,600,388	25,929,714
Long-Term Debt	63,830,213	67,968,347
Deferred Revenue	-	3,322,288
Deferred Compensation	408,805	344,018
Interest Rate Swap Agreement	2,071,899	799,230
Total Liabilities	95,911,305	98,363,597
Commitments and Contingencies		
Net Assets:		
Unrestricted	12,211,137	12,789,319
Temporarily restricted	2,290,529	1,723,922
Permanently restricted	4,185,934	4,070,709
Total Net Assets	18,687,600	18,583,950
Total Liabilities and Net Assets	\$ 114,598,905	\$ 116,947,547

# DRAFT

Project #062287  
BFA Attachment B (cont.)

## THE CENTER FOR DISCOVERY AND AFFILIATES

### Consolidated Statement of Activities and Changes in Net Assets

Year Ended December 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues, Gains and Other Support:</b>				
Education program	\$ 21,894,256	\$ -	\$ -	\$ 21,894,256
Clinic services	3,171,487	-	-	3,171,487
Residential services and case management	57,505,290	-	-	57,505,290
Vocational farm and day habilitation	2,287,494	-	-	2,287,494
Daycare, café and other	2,658,015	-	-	2,658,015
Grants from governmental agencies	460,224	-	-	460,224
Investment income	221,027	-	-	221,027
Special events	2,096,974	-	-	2,096,974
Less direct expenses of special events	(327,202)	-	-	(327,202)
HUD subsidy	49,476	-	-	49,476
Service revenue	330,080	-	-	330,080
Contributions	1,801,891	617,782	115,225	2,534,898
Net assets released from restrictions	51,175	(51,175)	-	-
<b>Total Revenues, Gains and Other Support</b>	<b>92,200,187</b>	<b>566,607</b>	<b>115,225</b>	<b>92,882,019</b>
<b>Expenses:</b>				
<b>Program services:</b>				
Educational program	20,236,115	-	-	20,236,115
Clinic services	3,064,732	-	-	3,064,732
Residential services and case management	52,964,378	-	-	52,964,378
Vocational farm and day habilitation	2,495,620	-	-	2,495,620
Daycare, café and other	2,657,606	-	-	2,657,606
Expenses covered by fundraised dollars	1,033,033	-	-	1,033,033
Grants from governmental agencies	497,694	-	-	497,694
<b>Total program services</b>	<b>82,949,178</b>	<b>-</b>	<b>-</b>	<b>82,949,178</b>
<b>Supporting services:</b>				
Administrative expenses	7,254,989	-	-	7,254,989
Fundraising	1,301,533	-	-	1,301,533
<b>Total supporting services</b>	<b>8,556,522</b>	<b>-</b>	<b>-</b>	<b>8,556,522</b>
<b>Total Expenses</b>	<b>91,505,700</b>	<b>-</b>	<b>-</b>	<b>91,505,700</b>
<b>Changes in Net Assets before</b>				
Unrealized Loss on Interest Rate Swap	694,487	566,607	115,225	1,376,319
Unrealized Loss on Interest Rate Swap	(1,272,669)	-	-	(1,272,669)
<b>Changes in Net Assets after</b>				
Unrealized Loss on Interest Rate Swap	(578,182)	566,607	115,225	103,650
Net Assets, beginning of year	12,789,319	1,723,922	4,070,709	18,583,950
<b>Net Assets, end of year</b>	<b>\$ 12,211,137</b>	<b>\$ 2,290,529</b>	<b>\$ 4,185,934</b>	<b>\$ 18,687,600</b>



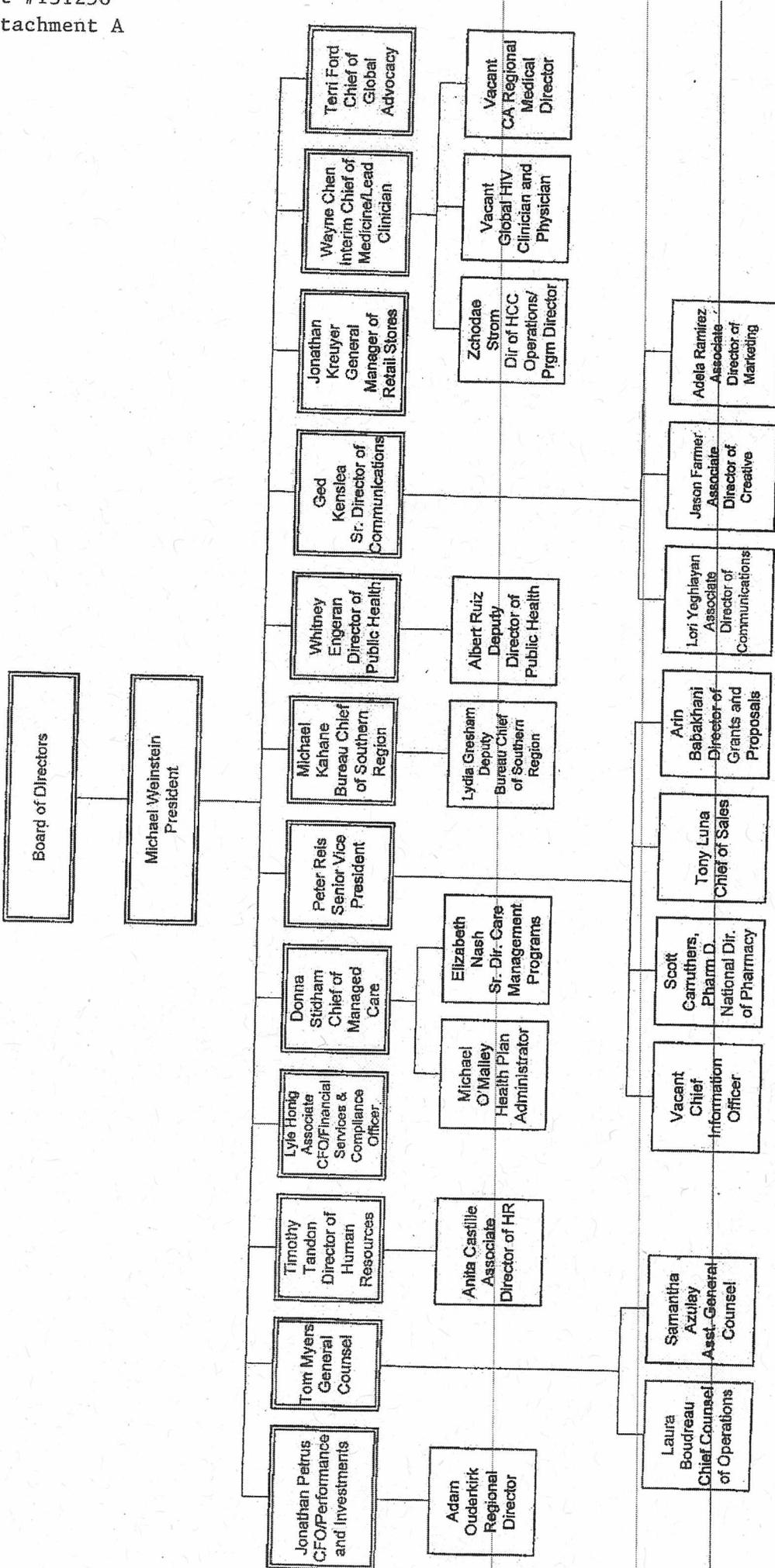
Project 131237

Attachment B

1100 Coney Island Ave Brooklyn, N.Y. 11230 Tel: 718-434-2100 Fax: 929-210-8227

	<b>Total</b>
<b><u>ASSETS</u></b>	
Current Assets	
Cash	\$446,109
Accounts Receivable	\$450,000
Prepaid Expenses	\$23,750
 Total Current Assets	 \$919,859
 Other Assets	
Security Deposits	\$12,500
Fix Assets	\$25,000
Goodwill	\$626,750
 TOTAL ASSETS	 <u>\$1,584,109</u>
 <b><u>LIABILITIES AND MEMBERS'S EQUITY</u></b>	
Accounts Payable	\$95,000
Accrued Expenses	\$18,000
 Total Current Liabilities	 \$113,000
 Long Term Liabilities	
  MEMBER'S EQUITY	
 TOTAL MEMBER'S EQUITY	 \$1,471,109
 TOTAL LIABILITIES AND MEMBER'S EQUITY	 <u>\$1,584,109</u>

AIDS Healthcare Foundation  
Organizational Chart (Domestic)



**AIDS Healthcare Foundation  
Consolidated Balance Sheets**

		<u>December 31</u>
		<u>2012</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$	24,872,920
Assets limited as to use		4,760,240
Pharmacy revenue receivable, net of allowance for doubtful accounts of \$12,370,207 and \$3,573,038 at December 31, 2012 and 2011, respectively		34,762,842
Premium revenue receivable, net of allowance for doubtful accounts of \$976,569 at December 31, 2012 and 2011		6,001,977
Grant revenue receivable, net of allowance for doubtful accounts of \$125,783 and \$0 at December 31, 2012 and 2011, respectively		3,776,521
Accounts receivable, net of allowance for doubtful accounts of \$3,476,547 and \$1,702,758 at December 31, 2012 and 2011, respectively		1,928,041
Contributions receivable, due within one year		23,963
Inventories		17,036,738
Investments		2,016,100
Prepaid expenses and other current assets		33,484,055
<b>Total current assets</b>		<u>128,663,397</u>
Assets limited as to use, net of current portion		1,870,063
Contributions receivable, net of current portion		-
Long-term premium revenue receivable, net of allowance for doubtful accounts of \$3,434,252 at December 31, 2012 and 2011		2,897,948
Property and equipment, net		47,672,008
Debt issuance costs, net of accumulated amortization of \$454,527 and \$417,399 at December 31, 2012 and 2011, respectively		312,000
Investments		15,799,527
Intangibles, deposits and other assets		21,374,271
<b>Total assets</b>	\$	<u>218,589,214</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$	41,282,172
Accrued expenses		12,932,005
Accrued interest payable		27,589
Claims payable		4,243,881
Current portion of long-term debt		2,381,436
<b>Total current liabilities</b>		<u>60,867,083</u>
Deferred rent		11,583
Long-term debt, net of current portion		32,738,752
<b>Total liabilities</b>		<u>93,617,418</u>
<b>Net assets</b>		
Unrestricted		124,511,026
Temporarily restricted		460,770
<b>Total net assets</b>		<u>124,971,796</u>
<b>Total liabilities and net assets</b>	\$	<u>218,589,214</u>

**AIDS Healthcare Foundation**

**Consolidated Statements of Operations and Changes in Net Assets**

	<b>Years ended December 31</b>
	<b>2012</b>
<b>Unrestricted revenues, gains, and other support</b>	
Pharmacy revenue	\$ 372,107,391
Premium revenue	105,808,791
Grant revenue	18,959,159
Net patient service revenue	3,220,872
Contributions	
Cash	1,088,487
Inherent contribution from a business acquisition	538,714
In-kind, thrift store	11,178,507
In-kind, other	-
Other	1,469,935
<b>Total unrestricted revenues, gains, and other support before net assets released from restrictions for operations</b>	<b>514,371,856</b>
Net assets released from restrictions for operations	715,476
<b>Total unrestricted revenues, gains and other support</b>	<b>515,087,332</b>
<b>Expenses</b>	
Salaries and benefits	77,870,150
Medical services, supplies and drugs	328,121,918
Cost of sales, thrift stores	71,845
Rent	8,070,226
Depreciation and amortization	5,253,889
Interest expense	585,406
Provision for bad debts	11,973,909
Insurance	1,396,969
Professional services	12,877,131
Charitable contributions	1,681,538
Other expenses	37,552,172
<b>Total expenses</b>	<b>485,455,153</b>
<b>Change in unrestricted net assets</b>	<b>29,632,179</b>
<b>Temporarily restricted net assets</b>	
Contributions	362,355
Net assets released from restrictions for operations	(715,476)
<b>Change in temporarily restricted net assets</b>	<b>(353,121)</b>
<b>Change in net assets</b>	<b>29,279,058</b>
Net assets, beginning of year	95,692,738
Net assets, end of year	<b>\$ 124,971,796</b>

AIDS HEALTHCARE FOUNDATION  
CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION  
As of May 31, 2013  
UNAUDITED

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
CASH AND CASH EQUIVALENTS	\$ 14,514,068
ASSETS LIMITED AS TO USE	4,967,620
PHARMACY REVENUE RECEIVABLE, NET OF ALLOWANCE	42,325,368
PREMIUM REVENUE RECEIVABLE, NET OF ALLOWANCE	2,000,954
GRANTS REVENUE RECEIVABLE, NET OF ALLOWANCE	6,344,295
ACCOUNTS RECEIVABLE, NET OF ALLOWANCE	3,204,803
CONTRIBUTIONS RECEIVABLE	10,245
INVENTORY	19,596,436
INVESTMENTS	8,800,425
PREPAID EXPENSE/OTHER ASSET	30,172,631
INVESTMENT IN AFFILIATED ENTITY	6,078,770
INTERCOMPANY	812,389
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 138,828,003</b>
ASSETS LIMITED AS TO USE	\$ -
CONTRIBUTIONS RECEIVABLE	-
LONG-TERM PREMIUM REVENUE RECEIVABLE, NET OF ALLOWANCE	2,897,948
PROPERTY, PLANT & EQUIPMENT	57,424,470
DEBT ISSUANCE COSTS	296,530
INVESTMENTS	13,523,851
DEPOSITS AND OTHER ASSETS	1,020,335
INTANGIBLES	20,367,421
<b>TOTAL LT ASSETS</b>	<b>\$ 95,530,555</b>
<b>TOTAL ASSETS</b>	<b>\$ 234,358,557</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
ACCOUNTS PAYABLE	\$ 44,622,067
ACCRUED EXPENSES	12,530,063
ACCRUED INTEREST PAYABLE	14,136
CLAIMS PAYABLE	2,708,050
CURRENT PORTION OF LONG-TERM DEBT	2,391,852
LINE OF CREDIT - WELLS FARGO	0
INTERCOMPANY	(211,673)
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 62,054,495</b>
LINE OF CREDIT, NET OF CURRENT PORTION	\$ -
DEFERRED RENT	786,974
DEFERRED REVENUE	2,037,109
L/T DEBT, NET CURRENT PORTION	32,709,824
<b>TOTAL LIABILITIES</b>	<b>\$ 97,588,402</b>
<b>NET ASSETS:</b>	
UNRESTRICTED	\$ 136,540,181
TEMPORARILY RESTRICTED NET ASSETS	229,975
<b>TOTAL NET ASSETS</b>	<b>\$ 136,770,156</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 234,358,557</b>

AIDS HEALTHCARE FOUNDATION  
 CONSOLIDATED  
 STATEMENT OF ACTIVITIES  
 As of 5/31/2013  
 UNAUDITED

UNRESTRICTED REVENUE, GAINS AND OTHER SUPPORT

PHARMACY REVENUE	\$ 253,468,515
PREMIUM REVENUE	41,833,423
GRANT REVENUE	8,330,089
NET PATIENT SERVICE REVENUE	1,418,198
CONTRIBUTIONS	
CASH	716,831
IN-KIND THRIFT STORES	4,761,565
IN-KIND OTHER	120,282
OTHER INCOME	1,154,468
NET ASSETS RELEASED FROM RESTRICTIONS FOR OPERATIONS	30,656
INTERCOMPANY REVENUE	6,946,281
	<u>                    </u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	\$ 318,782,307

EXPENSES

SALARIES AND BENEFITS	\$ 40,813,012
MEDICAL SUPPLIES AND DRUGS	35,472,400
COST OF SALES	192,655,794
RENT	3,952,931
DEPRECIATION AND AMORTIZATION	3,115,668
INTEREST EXPENSE	532,468
PROVISION FOR BAD DEBT	1,503,588
INSURANCE	732,903
PROFESSIONAL SERVICES	3,271,062
CHARITABLE CONTRIBUTIONS	848,561
OTHER EXPENSES	17,169,934
INTERCOMPANY EXPENSES	6,946,281
	<u>                    </u>
TOTAL EXPENSES	\$ 307,014,803

    INCREASE IN UNRESTRICTED NET ASSETS \$ 11,767,704

TEMPORARILY RESTRICTED NET ASSETS:

CONTRIBUTIONS	\$ -
NET ASSETS RELEASED FROM RESTRICTIONS	\$ 30,656
	<u>                    </u>

    INCREASE IN TEMPORARILY RESTRICTED NET ASSETS \$ 30,656

    CHANGE IN NET ASSETS \$ 11,798,360

NET ASSETS, BEGINNING OF YEAR \$ 124,971,796

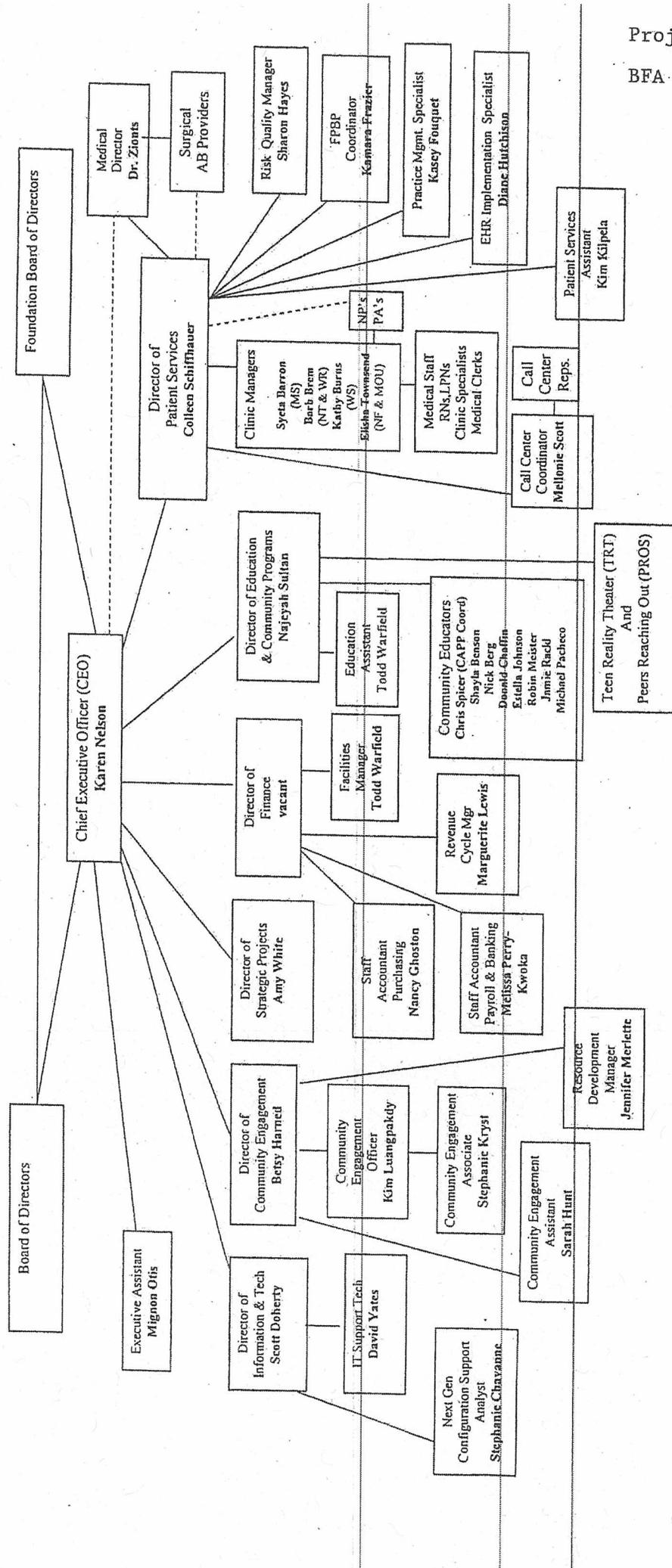
NET ASSETS, END OF YEAR \$ 136,770,156

AIDS HEALTHCARE FOUNDATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As of start of operations

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
CASH AND CASH EQUIVALENTS	\$14,514,066
ASSETS LIMITED AS TO USE	\$4,967,620
PHARMACY REVENUE RECEIVABLE, NET OF ALLOWANCE	\$42,325,368
PREMIUM REVENUE RECEIVABLE, NET OF ALLOWANCE	\$2,000,954
GRANTS REVENUE RECEIVABLE, NET OF ALLOWANCE	\$6,344,295
ACCOUNTS RECEIVABLE, NET OF ALLOWANCE	\$3,204,803
CONTRIBUTIONS RECEIVABLE	\$10,245
INVENTORY	\$19,596,436
INVESTMENTS	\$8,800,425
PREPAID EXPENSE/OTHER ASSET	\$30,172,631
INVESTMENT IN AFFILIATED ENTITY	\$6,078,770
INTERCOMPANY	\$812,389
<b>TOTAL CURRENT ASSETS</b>	<b><u>\$138,828,002</u></b>
ASSETS LIMITED AS TO USE	\$0
CONTRIBUTIONS RECEIVABLE	\$0
LONG-TERM PREMIUM REVENUE RECEIVABLE, NET OF ALLOWANCE	\$2,897,948
PROPERTY, PLANT & EQUIPMENT	\$57,424,470
DEBT ISSUANCE COSTS	\$296,530
INVESTMENTS	\$13,523,851
DEPOSITS AND OTHER ASSETS	\$1,020,335
INTANGIBLES	\$20,367,421
ARTICLE 28 DIAGNOSTIC & TREATMENT CENTER	<u>\$838,325</u>
<b>TOTAL LT ASSETS</b>	<b><u>\$96,368,880</u></b>
<b>TOTAL ASSETS</b>	<b><u><u>\$235,196,882</u></u></b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
ACCOUNTS PAYABLE	\$44,622,067
ACCRUED EXPENSES	\$12,530,063
ACCRUED INTEREST PAYABLE	\$14,136
CLAIMS PAYABLE	\$2,708,050
CURRENT PORTION OF LONG-TERM DEBT	\$2,391,852
LINE OF CREDIT - WELLS FARGO	\$0
INTERCOMPANY	<u>-\$211,673</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>\$62,054,495</u></b>
LINE OF CREDIT, NET OF CURRENT PORTION	\$0
DEFERRED RENT - MOM'S	\$786,974
DEFERRED REVENUE	\$2,037,109
L/T DEBT, NET CURRENT PORTION	<u>\$32,709,824</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$97,588,402</u></b>
<b>NET ASSETS</b>	
UNRESTRICTED	\$137,378,505
TEMPORARILY RESTRICTED NET ASSETS	<u>\$229,975</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$137,608,480</u></b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u><u>\$235,196,882</u></u></b>

Planned Parenthood of Central and Western New York, Inc.

Organizational Chart



Project #131329  
BFA Attachment A

**Outsourced Functions**  
HR—managed by CEO  
Billing—managed by PPRSR

Pro Forma Balance Sheet - Opening Day  
 Planned Parenthood of Central and Western New York  
 (New Establishment)

	2013 PPCWNY
ASSETS	
Current Assets	
Cash and cash equivalents	\$930,258
Program Service Fees Receivable (net)	\$2,102,051
Contributions Receivable	\$346,062
Government Grants Receivable	\$1,283,671
Other Receivables	\$73,983
Inventory and Prepays	<u>\$379,830</u>
	\$5,115,855
Investments	\$3,149,061
Limited Use Investments	\$1,891,043
Property and Equipment (net)	\$3,399,102
Contributions Receivable - noncurrent	\$118,143
Interest in PIF and CRUTS	<u>\$942,745</u>
	\$9,500,094
 TOTAL ASSETS	 <u>\$14,615,949</u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable and Accrued Expenses	\$1,480,712
Line of Credit	\$1,205,000
Deferred Revenue	\$537,266
Current Portion of Long Term Debt	<u>\$82,146</u>
	\$3,305,124
Mortgages Payable (net)	\$608,969
 TOTAL LIABILITIES	 \$3,914,093
 Net Assets	 <u>\$10,701,856</u>
	 <u>\$14,615,949</u>

PLANNED PARENTHOOD OF THE ROCHESTER/SYRACUSE REGION, INC. AND AFFILIATE

CONSOLIDATED BALANCE SHEET  
DECEMBER 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
				2012
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 255,767	\$ 139,501	\$ -	\$ 395,268
Program service fees receivable, net of allowance for doubtful accounts of approximately \$506,000 in 2012 and \$356,000 in 2011	1,710,742	-	-	1,710,742
Grants receivable	542,510	-	-	542,510
United Way receivable	-	97,588	-	97,588
Due from third-party payer	-	-	-	-
Inventory, prepaid expenses, and other assets	235,128	-	-	235,128
Total current assets	2,744,147	237,089	-	2,981,236
<b>INVESTMENTS</b>				
LIMITED USE INVESTMENTS	1,160,842	-	1,470,425	2,631,267
PROPERTY AND EQUIPMENT, net	1,891,043	-	-	1,891,043
INTEREST IN POOLED INCOME FUND	2,165,263	-	-	2,165,263
INTEREST IN CHARITABLE REMAINDER TRUSTS	-	125,107	-	125,107
	-	294,588	-	294,588
	\$ 7,961,295	\$ 656,784	\$ 1,470,425	\$ 10,088,504
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES:</b>				
Line-of-credit	\$ 1,205,000	\$ -	\$ -	\$ 1,205,000
Current portion of mortgages payable	48,687	-	-	48,687
Accounts payable and accrued expenses	1,060,019	-	-	1,060,019
Deferred revenue	44,951	-	-	44,951
Total current liabilities	2,358,657	-	-	2,358,657
MORTGAGES PAYABLE, net of current portion	385,908	-	-	385,908
Total liabilities	2,744,565	-	-	2,744,565
NET ASSETS	5,216,730	656,784	1,470,425	7,343,939
	\$ 7,961,295	\$ 656,784	\$ 1,470,425	\$ 10,088,504

Project #131329

BFA Attachment C

PLANNED PARENTHOOD OF THE ROCHESTER/SYRACUSE REGION, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>PUBLIC SUPPORT AND REVENUE:</b>				
Grants	\$ 3,807,396	\$ -	\$ -	\$ 3,807,396
Third-party reimbursement -				
Medicaid	4,010,242	-	-	4,010,242
Medicare	112,560	-	-	112,560
Other	2,078,281	-	-	2,078,281
Client service fees	598,943	-	-	598,943
Annual campaign contributions	482,960	-	-	482,960
United Way	-	279,605	-	279,605
Special events	74,780	-	-	74,780
Other contributions and bequests	60,223	363,146	5,000	428,369
Other	44,649	-	-	44,649
Net assets released from restriction for operating purposes	475,340	(475,340)	-	-
Total public support and revenue	11,745,374	167,411	5,000	11,917,785
<b>EXPENSES:</b>				
Program services	9,960,808	-	-	9,960,808
Management and general	1,430,417	-	-	1,430,417
Fundraising	422,898	-	-	422,898
Total expenses	11,814,123	-	-	11,814,123
CHANGE IN NET ASSETS FROM OPERATIONS	(68,749)	167,411	5,000	103,662
<b>NONOPERATING REVENUE:</b>				
Gain (loss) on investments, net	458,667	-	-	458,667
Interest and dividend income	76,402	-	-	76,402
Change in value of split interest agreements	-	21,030	-	21,030
Total nonoperating revenue	535,089	21,030	-	556,119
CHANGE IN NET ASSETS BEFORE PRIOR YEARS' REVENUE (EXPENSE)	466,340	188,441	5,000	659,781
PRIOR YEARS' REVENUE (EXPENSE), net	-	-	-	-
CHANGE IN NET ASSETS	466,340	188,441	5,000	659,781
NET ASSETS - beginning of year	4,750,390	468,343	1,465,425	6,684,158
NET ASSETS - end of year	\$ 5,216,730	\$ 656,784	\$ 1,470,425	\$ 7,343,939

Project # 131329

BFA Attachment 6 (cont.)

**PLANNED PARENTHOOD**  
OF THE ROCHESTER/SYRACUSE REGION, INC.

BALANCE SHEET  
MAY 31, 2013

	(\$000)	
	May	December 31, 2012
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash & Cash Equivalents	\$ 84	\$ 395
Accounts Receivable Program Service Fees: Program service fees, net of allowance for doubtful accounts of approximately \$654 at May 31, 2013 and \$668 at December 31, 2012	1,389	1,711
Accounts Receivable - Other	21	51
Grant Receivables	1,024	543
United Way Receivable	93	98
Inventory, prepaid expenses, and other assets	351	184
<b>Total current assets</b>	<b>2,962</b>	<b>2,982</b>
<b>INVESTMENTS</b>		
PROPERTY & EQUIPMENT, net	4,950	4,522
INTEREST IN POOLED INCOME FUND	2,086	2,165
INTEREST IN CHARITABLE REMAINDER TRUSTS	125	125
	295	295
	10,418	10,089
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Line-of-credit	685	1,205
Current portion of mortgages payable	50	45
Accounts payable and accrued expenses	915	1,061
Deferred revenue	798	45
<b>Total current liabilities</b>	<b>2,448</b>	<b>2,356</b>
<b>MORTGAGES PAYABLE, net of current portion</b>	<b>365</b>	<b>390</b>
<b>Total liabilities</b>	<b>2,813</b>	<b>2,746</b>
<b>NET ASSETS</b>	<b>7,480</b>	<b>7,343</b>
	10,293	10,089

PLANNED PARENTHOOD OF THE ROCHESTER / SYRACUSE REGION, INC.  
 CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
 FOR THE MONTH ENDED 05/31/2013

(\$000)

The Month of May

January - May 2013

Budget 2013

Favorable / (Unfav.) to Budget

Favorable / (Unfav.) to Prior YR

Favorable / (Unfav.) to Prior YR

	Current		Favorable / (Unfav.) to Budget		Prior Year		Favorable / (Unfav.) to Budget		Prior YR		2013 Full Year Budget		Remaining in 2013 to Match Budget	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Year Budget	Amount	Amount	80%
<b>Revenues</b>														
<b>Health Center Services</b>														
21	31	(10)	34	(13)										
165	284	(119)	177	(12)										
8	13	(5)	5	3										
351	307	44	279	72										
127	0	127	174	(47)										
672	635	37	669	3										
<b>Government grants</b>														
302	272	30	288	14										
34	36	(2)	35	(1)										
0	0	0	0	0										
1	18	(17)	0	1										
337	326	11	323	14										
<b>Private Support</b>														
20	45	(25)	33	(13)										
20	8	12	0	20										
23	13	10	26	(3)										
0	0	0	1	(1)										
5	1	4	4	1										
0	34	(34)	4	(4)										
0	0	0	0	0										
68	101	(33)	68	0										
1	3	(2)	4	(3)										
1,078	1,065	13	1,064	14										
<b>Expenses</b>														
<b>Salary &amp; Benefit Expense</b>														
535	535	0	524	(11)										
121	107	(14)	107	(14)										
7	2	(5)	0	(7)										
663	644	(19)	631	(32)										
<b>Salaries</b>														
<b>Benefits</b>														
<b>Temporary Help</b>														
<b>Salary &amp; Benefit Expense</b>														
2,475	2,508	33	2,414	(61)										
571	555	(16)	487	(84)										
12	8	(4)	28	16										
3,058	3,071	13	2,929	(129)										
<b>Other</b>														
8	89	(81)	0	8										
1,588	1,628	(40)	1,466	122										
<b>Government grants</b>														
151	240	(89)	141	10										
20	42	(22)	0	20										
109	66	43	127	(18)										
2	0	2	3	(1)										
10	4	6	24	(14)										
3	84	(81)	10	(7)										
20	0	20	0	20										
315	436	(121)	305	10										
17	10	7	33	(16)										
4,783	5,056	(273)	4,735	48										
<b>Request &amp; Endowment</b>														
<b>Private Support</b>														
<b>Other Revenue</b>														
<b>Total Revenues</b>														
<b>Expenses</b>														
<b>Salary &amp; Benefit Expense</b>														
<b>Salaries</b>														
<b>Benefits</b>														
<b>Temporary Help</b>														
<b>Salary &amp; Benefit Expense</b>														
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17	10	7	33	(16)										
4,783	5,056	(273)	4,735											



The Month of May

January - May 2013

Budget 2013

Current		Favorable / (Unfav.) to Budget		Favorable / (Unfav.) to Prior YR		2013 Full Year Budget		Remaining in 2013 to Match Budget	
YTD	Budget	Amount	Percent	Prior YTD	Amount	Percent	Year Budget	Amount	80%
5,074	5,180	106	2.05%	4,841	(233)	-4.8%	12,416	7,342	59%
(281)	(124)	(157)	134.68%	(106)	(185)	174.5%	0	0	

Current Actual	Current Budget	Favorable / (Unfav.) to Budget	Prior Year Actual	Favorable / (Unfav.) to Prior YR
1,077	1,063	(14)	1,095	18

1	2	(1)	(31)	32
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Gain(loss) from Operations

Non operating revenue / (expense)

Investments

23	0	23	(245)	268	Prior Year Adjustment (OMIG)	0	0	0
3	0	3	2	1	Net Gain (Loss) on Investments	410	0	410
26	0	26	(243)	269	Interest & Dividends	18	0	18
0	0	0	0	0	Investments	428	0	428
26	0	26	(243)	269	Other	0	0	0
					Total Non operating activity	428	0	428

\$27	\$2	\$25	(\$274)	\$301	Change in net assets	\$137	(\$124)	\$261	-210.48%	\$68	101.5%	\$0
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\$1,104	\$1,065	\$821	Total revenue	\$5,211	\$5,056	-\$4,909
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1,077	1,063	1,095	Total expense	5,074	5,180	4,841
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\$27	\$2	(\$274)	Change in net assets	\$137	(\$124)	\$68
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			Change in Net Assets	\$137		
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			Total Revenue	\$5,211		
--	--	--	---------------	---------	--	--

Net Margin 2.63%

FOOTNOTE: Certain line items have been reclassified from prior year in order to be consistent with current year's classifications. These reclassifications do not have an impact on the bottom line.

PLANNED PARENTHOOD OF WESTERN NEW YORK, INC.

**Combined Balance Sheets**

December 31,

2012

**Assets**

**Current assets:**

Cash

\$ 534,990

Patient receivables, net of estimated uncollectibles  
of \$403,000 and \$598,000

128,309

Contributions receivable

248,474

Grants receivable

741,161

Other receivables

73,983

Inventory

93,467

Prepaid expenses and other assets

51,235

Estimated third-party payor settlements

263,000

2,134,619

Contributions receivable - noncurrent

118,143

Investments

517,794

Property and equipment, net

1,233,839

Charitable remainder annuity trust

523,050

\$ 4,527,445

**Liabilities and Net Assets**

**Current liabilities:**

Current portion of long-term debt

\$ 33,459

Accounts payable and accrued expenses

238,325

Accrued wages and related benefits

182,369

Deferred revenue

492,315

Estimated third-party payor settlements

-

946,468

Long-term debt

223,061

**Net assets:**

Unrestricted

2,419,400

Temporarily restricted

890,427

Permanently restricted

48,089

3,357,916

\$ 4,527,445

PLANNED PARENTHOOD OF WESTERN NEW YORK, INC.

**Combined Statements of Activities**

For the years ended December 31,

2012

**Unrestricted net assets:**

Revenue:

Patient service fees (net of contractual allowances and discounts)	\$ 2,621,608
Less: provision for bad debts	(156,893)
Net patient service fees less provision for bad debts	<u>2,464,715</u>
Grants from governmental agencies	3,063,526
Grants from governmental agencies - equipment related	-
Contributions and foundation grants	167,399
Investment earnings	53,553
Miscellaneous	119,779
Total revenue	<u>5,868,972</u>
Net assets released from restrictions	244,159
Total revenue and other support	<u>6,113,131</u>

Expenses:

Program services:

Patient services	3,964,290
Educational services	635,488
Marketing and community relations	195,873
Supporting services	1,069,155
Fundraising	312,389
Total expenses	<u>6,177,195</u>

**Change in unrestricted net assets**

(64,064)

**Temporarily restricted net assets:**

Contributions	337,668
Net assets released from restrictions	<u>(244,159)</u>

**Change in temporarily restricted net assets**

93,509

Change in net assets

29,445

Net assets - beginning

3,328,471

Net assets - ending

\$ 3,357,916

# PLANNED PARENTHOOD

OF WESTERN NEW YORK, INC.

## BALANCE SHEET

JUNE 30, 2013

(with Comparative Totals for December 31, 2012)

	(\$000)	(\$000)
	June	December 31, 2012
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash & Cash Equivalents	\$ 225	\$ 535
Accounts Receivable Program Service Fees:		
Program service fees, net of allowance for doubtful accounts of approximately \$403 at June 30, 2013 and \$403 at December 31, 2012	309	128
Contributions Receivable	136	248
Grant Receivables	1,434	741
Accounts Receivable - Other	47	74
Inventory, prepaid expenses, and other assets	158	145
Estimated 3rd Party payor settlements	263	263
<b>Total current assets</b>	<b>2,572</b>	<b>2,134</b>
<b>INVESTMENTS</b>	162	162
<b>PROPERTY &amp; EQUIPMENT, net</b>	1,168	1,234
<b>CONTRIBUTIONS RECEIVABLE - Noncurrent</b>		118
<b>INTEREST IN CHARITABLE REMAINDER TRUSTS</b>	523	523
	<u>\$ 4,425</u>	<u>\$ 4,171</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of mortgages payable	\$ 33	\$ 34
Accounts payable and accrued expenses	202	238
Accrued wages and related benefits	307	182
Deferred revenue	924	492
<b>Total current liabilities</b>	<b>1,466</b>	<b>946</b>
<b>MORTGAGES PAYABLE, net of current portion</b>	207	223
<b>Total liabilities</b>	<b>1,673</b>	<b>1,169</b>
<b>NET ASSETS</b>	<u>2,752</u>	<u>3,002</u>
	<u>\$ 4,425</u>	<u>\$ 4,171</u>

**Planned Parenthood of Western New York**  
**Consolidated Statement of Activities and Changes in Net Assets**  
**For the Six Months Ended June 30, 2013**  
**(000's)**

	YTD Actual	YTD Budget	Fav/(Unfav) Variance
<b>Revenue</b>			
Government Grants	\$1,733	\$1,518	\$215
Service Revenue	\$1,377	\$1,401	(\$24)
Private Fundraising	\$86	\$250	(\$164)
Other	\$0	\$5	(\$5)
Private Grants (Restricted)	<u>\$0</u>	<u>\$79</u>	<u>(\$79)</u>
<b>TOTAL REVENUE</b>	<b>\$3,196</b>	<b>\$3,253</b>	<b>(\$57)</b>
<b>Expenses</b>			
Salaries	\$1,582	\$1,602	\$20
Fringe Benefits	\$394	\$387	(\$7)
Supplies	\$327	\$269	(\$58)
Occupancy	\$349	\$268	(\$81)
Dues & Membership	\$84	\$89	\$5
Capital Purchases	\$43	\$211	\$168
Admin/General Operating	\$661	\$602	(\$59)
Other	<u>\$6</u>	<u>\$43</u>	<u>\$37</u>
<b>TOTAL EXPENSES</b>	<b>\$3,446</b>	<b>\$3,471</b>	<b>\$25</b>
 Gain/(Loss) from Operations	 <u>(\$250)</u>	 <u>(\$218)</u>	 <u>(\$32)</u>

**PALA COMMUNITY CARE LLC**

**PRO FORMA BALANCE SHEET**

**ASSETS**

Working Capital	\$497,101
Accounts Receivable (Net of Acquisition)	\$0
Goodwill	\$750,000
Inventories	\$0
Prepaid Expenses	\$0
<b>TOTAL ASSETS</b>	<b><u>\$1,247,101</u></b>

**LIABILITIES AND EQUITY**

**LIABILITIES**

Acquisition Loan	\$0
Working Capital Loan	\$200,000
<b>TOTAL LIABILITIES</b>	<b><u>\$200,000</u></b>

**MEMBER EQUITY** \$1,047,101

**TOTAL LIABILITIES AND  
MEMBER EQUITY** \$1,247,101

**NY UNITED HEALTHCARE LTD**  
**Balance Sheet**  
As of December 31, 2012

	<u>Dec 31, 12</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Chase #3375	18,711.17
Chase Savings #4680	0.01
HSBC #8415	<u>5,850.60</u>
Total Checking/Savings	24,561.78
Other Current Assets	
Due from related entity	65,133.00
Prepaid expenses	
NYS Taxes	<u>2,750.00</u>
Total Prepaid expenses	<u>2,750.00</u>
Total Other Current Assets	<u>67,883.00</u>
Total Current Assets	92,444.78
Fixed Assets	
Accumulated Depreciation	-798,428.00
Conditioner	16,000.00
Furniture and Equipment	1,086,359.00
Medical Equipment	<u>6,250.00</u>
Total Fixed Assets	610,481.00
Other Assets	
Security Deposits Asset	<u>28,038.00</u>
Total Other Assets	<u>28,038.00</u>
<b>TOTAL ASSETS</b>	<u><u>430,963.78</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Credit Cards	
Amex #7-91001	24,323.28
Citibank #1177	<u>1,648.09</u>
Total Credit Cards	25,971.37
Other Current Liabilities	
Accounts payable	81,238.00
Accrued Payroll Tax Liabilities	7,720.78
Due to related entity	44,999.67
HSBC -Line of Credit -8973	74,682.10

Loan -Healing Touch	<u>7,229.84</u>
Total Other Current Liabilities	<u>215,880.39</u>
Total Current Liabilities	241,851.76
Long Term Liabilities	
Due to shareholders	<u>96,293.75</u>
Total Long Term Liabilities	<u>96,293.75</u>
Total Liabilities	338,145.51
Equity	
Capital Stock	3,000.00
Contributions	60,716.26
Distribution	
Aleksandr Livshits -2351, 0867	-8,000.00
Distribution - Other	<u>-21,693.59</u>
Total Distribution	-29,693.59
Opening Balance Equity	112,830.57
Retained Earnings	-157,205.14
Net Income	<u>103,069.77</u>
Total Equity	<u>92,818.27</u>
TOTAL LIABILITIES & EQUITY	<u>430,963.78</u>

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**NY UNITED HEALTHCARE LTD**  
**Profit & Loss**  
 January through December 2012

	<u>Jan - Dec 12</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Fee for Service Income	<u>2,802,127.13</u>
<b>Total Income</b>	<u>2,802,127.13</u>
<b>Expense</b>	
<b>Administrative Supplies</b>	
Business Gift & Bonus	<u>956.94</u>
<b>Total Administrative Supplies</b>	<u>956.94</u>
Advertising & Promotion	43,731.00
Automobile Expense	19,815.28
Billing Expense	97.29
Community Awareness	30,692.15
Credit card charges	10,325.42
Dental Supplies	31,173.67
Dues and subscriptions	373.60
Employee Benefits	
Life and Disability Insurance	2,902.80
Employee Benefits - Other	<u>4,503.89</u>
<b>Total Employee Benefits</b>	<u>7,406.69</u>
<b>Insurance Expense</b>	
General Liability Insurance	
Worker's Compensation	2,918.47
General Liability Insurance - Other	<u>15,498.70</u>
<b>Total General Liability Insurance</b>	<u>18,417.17</u>
Medical Liability Insurance	
Malpractice Insurance	27,802.50
Medical Liability Insurance - Other	<u>24,092.61</u>
<b>Total Medical Liability Insurance</b>	<u>51,895.11</u>
Insurance Expense - Other	<u>72,022.69</u>
<b>Total Insurance Expense</b>	<u>142,334.97</u>
Interest Expense	8,702.78
Laboratory Fees	
Dental Lab	<u>5,454.00</u>
<b>Total Laboratory Fees</b>	<u>5,454.00</u>
Laundry & Cleaning expenses	
Extermination	495.39
Laundry & Cleaning expenses - Other	<u>3,037.19</u>

Total Laundry & Cleaning expenses	3,532.58
Management Fee	0.00
Meals and Business Meeting	22,027.35
Medical contracted services	
Companies	
AN Medical NY PLLC	25,555.00
Cesare Saponeri Medical PLLC	43,738.00
Faculty Group Practice	42,333.39
Grinberg Porcelain Studio	320.00
Hollywood Smile Dental	442.00
Joe Morris and Sons	1,317.36
Katya Co, Inc	9,900.00
MBF Rehab PT/OT PLLC	3,000.00
Medical Transcription Services	7,975.00
Preferred Health Resources	21,258.18
Pro Lux Plus	3,300.00
Quality Healthcare Consultants	2,500.00
Sam V Dental Lab	375.00
Therm Con	4,150.00
Zimmer Healthcare Services Grou	8,105.20
Companies - Other	115.00
Total Companies	59,984.11
Individuals	
A. Kosovoy	178.00
Boris M Chusid MD	4,122.00
Erik Ikhizov	500.00
Estela Luna	1,095.93
Krystyna Bruma	110.00
Mamirov Karman	6,648.20
Shager Mira	8,545.00
Spyropoulos Vasilios	11,934.00
Individuals	33,133.13
Medical contracted services - Other	62.01
Total Medical Contracted services	203,179.25
Medical Supplies	37,597.34
Miscellaneous Expense	1,335.90
Office Expenses	
Bank Service Charges	754.50
Computer expenses	6,067.61
Licences & Permits	144.00
Professional Development	34.95
Recycling	535.68
Small Medical Equipment	4,133.25
Office Expenses - Other	13,461.41
Total Office Expenses	25,131.40

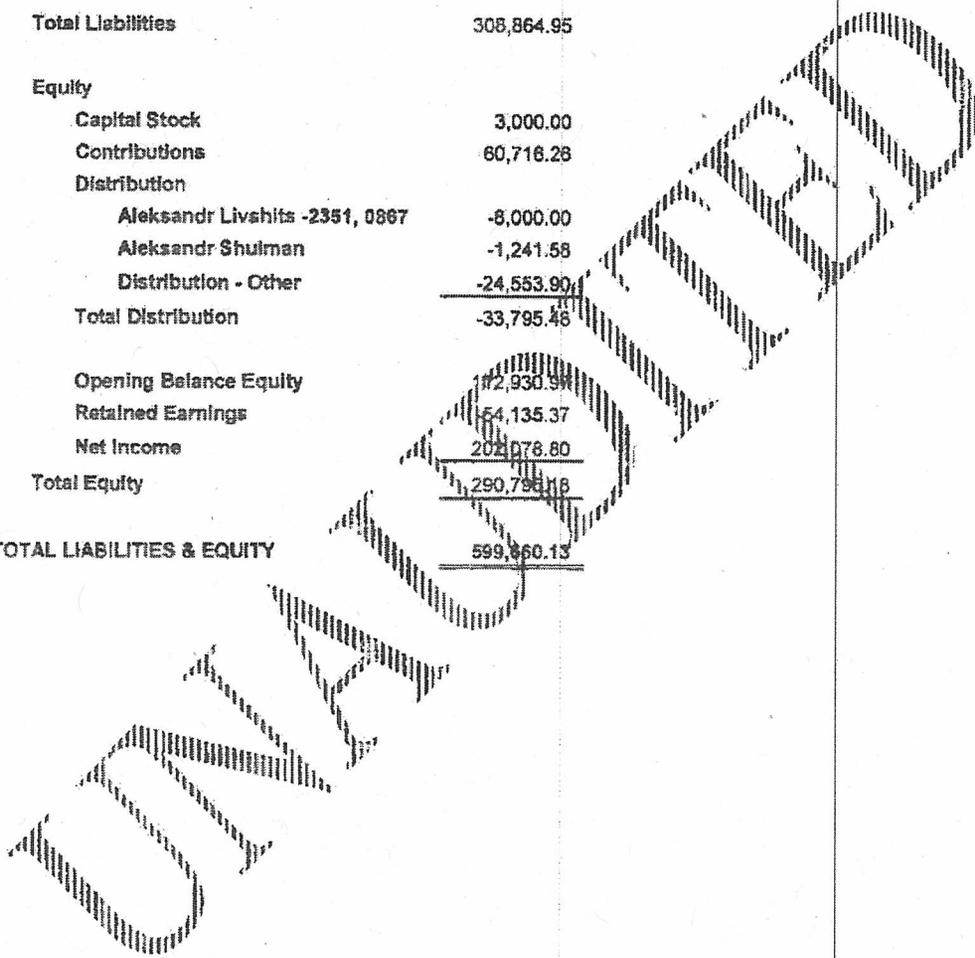
Patient transportation	38,250.00
<b>Payroll Expenses</b>	
Abramova Yana	2,302.96
Barakayev Albert	35,139.48
Bibolova Karina	3,280.37
Chernobayeva Zoya	31,963.27
Chernyavska Mariya	24,108.52
Dekhovich Lyudmila	8,756.62
Dudka Lana	20,370.90
Ginberg Katrina	7,406.03
Golub Raisa	8,761.22
Gornak Laura	5,320.67
Gorodetskaya Tetyana	25,747.64
Janjgava Nana	5,811.55
Kazaryan Sirush	14,631.09
Kharitonova Anna	10,420.24
Korbut Ivan	12,043.63
Krivoshey Izabella	26,327.41
Livshits Aleksandr	42,636.36
Luna Estela	1,034.76
Mesamed Inna	4,975.72
Moustafaeva Elvissa	89,800.06
Nodjanosh Mekola	7,849.17
Noskina Tatyana	21,537.09
Oklander Raisa	59,007.53
Panojn Elena	817.82
Plotkin Aleksandr	82,561.72
Pruchansky Irina	105,818.86
Rozina Natalya	30,140.07
Ruvinyva Diana	7,698.21
Sheref Mira	54,481.73
Shtelmakher Michelle	20,593.41
Shulman Anna	450.23
Shulman Aleksandr	53,119.93
Shulman Elina	95,865.21
Shulman Michele	0.00
Tsuy Emma	22,710.33
Vavilin Inessa	3,557.86
Vengauz Lyudmila	27,987.52
Payroll Expenses - Other	377,555.56
<b>Total Payroll Expenses</b>	<b>1,304,199.50</b>
<b>Payroll Taxes</b>	
Federal	81,334.19
FUTA	3,110.36
MTA	3,703.41
State	9,241.46
Payroll Taxes - Other	0.00
<b>Total Payroll Taxes</b>	<b>97,389.42</b>

Postage and Delivery	3,203.28
Professional Fees	
Accounting	26,975.00
Consultant	6,020.00
Legal	<u>123,250.00</u>
Total Professional Fees	156,245.00
Rent Expense	
Leasing	10,704.56
Rent Expense - Other	<u>390,446.43</u>
Total Rent Expense	401,150.99
Repairs and Maintenance	10,563.54
Security	3,859.01
State Revenue Assessment	1,809.00
Taxes	
NYC Corporate	<u>16,233.72</u>
Taxes - Other	<u>5,319.69</u>
Total Taxes	21,553.43
Telephone Expense	
Internet Expenses	693.90
Telephone Expense - Other	<u>11,194.08</u>
Total Telephone Expense	11,887.98
Travel Expense	8,292.11
Utilities	<u>38,345.79</u>
Total Expense	<u>2,699,057.36</u>
Net Ordinary Income	<u>103,069.77</u>
Net Income	<u>103,069.77</u>

**NY UNITED HEALTHCARE LTD**  
**Balance Sheet**  
**As of June 30, 2013**

	<u>Jun 30, 13</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Chase #3375	183,303.30
Chase Savings #4680	0.01
HSBC #8415	<u>9,954.82</u>
<b>Total Checking/Savings</b>	<b>193,258.13</b>
<b>Other Current Assets</b>	
Due from related entity	65,133.00
Prepaid expenses	
NYS Taxes	<u>2,750.00</u>
<b>Total Prepaid expenses</b>	<u>2,750.00</u>
<b>Total Other Current Assets</b>	<u>67,883.00</u>
<b>Total Current Assets</b>	<b>261,141.13</b>
<b>Fixed Assets</b>	
Accumulated Depreciation	798,128.00
Conditioner	6,000.00
Furniture and Equipment	1,086,369.00
Medical Equipment	<u>6,250.00</u>
<b>Total Fixed Assets</b>	<u>1,810,481.00</u>
<b>Other Assets</b>	
Security Deposits Asset	<u>28,038.00</u>
<b>Total Other Assets</b>	<u>28,038.00</u>
<b>TOTAL ASSETS</b>	<b><u>599,660.13</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Credit Cards</b>	
Amex -51000	138.50
Amex #7-81001	15,108.73
Chase -6885	<u>-17.41</u>
<b>Total Credit Cards</b>	<u>15,229.82</u>
<b>Other Current Liabilities</b>	
Accounts payable	81,238.00
Due to related entity	44,999.67

HSBC -Line of Credit -8973	63,873.87
Loan -Healing Touch	<u>7,229.84</u>
Total Other Current Liabilities	<u>197,341.38</u>
Total Current Liabilities	212,571.20
Long Term Liabilities	
Due to shareholders	<u>96,293.75</u>
Total Long Term Liabilities	<u>96,293.75</u>
Total Liabilities	308,864.95
Equity	
Capital Stock	3,000.00
Contributions	60,718.28
Distribution	
Aleksandr Livshits -2351, 0867	-8,000.00
Aleksandr Shulman	-1,241.58
Distribution - Other	<u>-24,553.90</u>
Total Distribution	<u>-33,795.48</u>
Opening Balance Equity	<u>172,930.94</u>
Retained Earnings	<u>54,135.37</u>
Net Income	<u>202,078.80</u>
Total Equity	<u>290,799.18</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>599,660.13</b></u>



**NY UNITED HEALTHCARE LTD**  
**Profit & Loss**  
 January through June 2013

	<u>Jan - Jun 13</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Fee for Service Income	<u>1,514,554.69</u>
<b>Total Income</b>	<u>1,514,554.69</u>
<b>Expense</b>	
<b>Administrative Supplies</b>	
Business Gift & Bonus	554.76
<b>Total Administrative Supplies</b>	<u>554.76</u>
Advertising & Promotion	22,650.00
Automobile Expense	8,298.01
Cash	100.00
Community Awareness	18,650.00
Credit card charges	2,447.54
Dental Supplies	18,427.15
<b>Insurance Expense</b>	
General Liability Insurance	
Worker's Compensation	5,058.54
General Liability Insurance - Other	2,707.94
<b>Total General Liability Insurance</b>	<u>7,766.48</u>
Medical Liability Insurance	
Malpractice Insurance	5,472.00
Medical Liability Insurance - Other	10,599.37
<b>Total Medical Liability Insurance</b>	<u>16,071.37</u>
Insurance Expense - Other	21,121.53
<b>Total Insurance Expense</b>	<u>44,959.38</u>
Interest Expense	-497.61
Laboratory Fees	
Dental Lab	4,105.00
<b>Total Laboratory Fees</b>	<u>4,105.00</u>
<b>Laundry &amp; Cleaning expenses</b>	
Extermination	495.39
Laundry & Cleaning expenses - Other	902.50
<b>Total Laundry &amp; Cleaning expenses</b>	<u>1,397.89</u>
Meals and Business Meeting	3,118.93
Medical contracted services Companies	

AN Medical NY PLLC	6,149.50
Cesare Saponeri Medical PLLC	17,282.00
Faculty Group Practice	37,046.91
Katya Co, Inc	4,650.00
Medical Transcription Services	3,950.00
Naxx Technology Corp.	1,050.00
Preferred Health Resources	7,942.50
Sam V Dental Lab	350.00
United Healthcare Comm.	69.91
Companies - Other	2,990.00
<b>Total Companies</b>	<b>81,460.82</b>
<b>Individuals</b>	
Boris M Chusid MD	4,322.00
Gurfmul Gary	280.00
Irina Pruchansky	300.00
Katrina Ginberg	167.27
Mamirov Karmen	5,215.00
<b>Total Individuals</b>	<b>10,459.27</b>
<b>Total Medical contracted services</b>	<b>91,960.09</b>
Medical Supplies	17,559.81
Miscellaneous Expense	10,588.75
<b>Office Expenses</b>	
Bank Service Charges	460.45
Computer expenses	1,357.20
Licences & Permits	634.86
Printing and Reproduction	412.85
Recycling	167.92
Small Medical Equipment	950.65
Office Expenses - Other	9,584.08
<b>Total Office Expenses</b>	<b>13,778.01</b>
Patient Transportation	22,125.00
<b>Payroll Expenses</b>	
Angela Kilmney	2,536.52
Barakayev Albert	17,968.51
Biblova Karina	1,884.84
Chernobayeva Zoya	18,121.60
Chernyavska Mariya	12,453.28
Dudka Lana	11,478.98
Ginberg Katrina	1,758.34
Gorodetskaya Tetyana	12,685.42
Granaturova Irina	10,504.13
Janjgava Nana	8,043.08
Kazaryan Sirush	818.67
Kharitonova Anna	3,890.34
Korbut Ivan	6,623.99
Krivoshay Izabella	13,324.36

Livshits Aleksandr	22,843.30
Luna Estela	6,140.87
Mesamed Inna	2,560.35
Moustafaeva Elvissa	21,056.01
Noskina Tatyana	10,482.93
Oklander Raisa	25,256.87
Plotkin Aleksandr	41,362.62
Pruchansky Irina	53,493.80
Rozina Natalya	15,950.71
Ruvinoza Diana	9,815.21
Sherer Mira	17,837.27
Shnayder Luiza	3,104.37
Shtelmakher Michelle	7,727.18
Shulman Aleksandr	28,416.80
Shulman Elina	45,513.49
Tsoy Emma	11,955.51
Vayngauz Lyudmila	14,349.83
<b>Total Payroll Expenses</b>	<b>459,859.08</b>
<b>Payroll Taxes</b>	
Federal	86,980.65
FUTA	983.49
MTA	375.38
State	65,914.30
<b>Total Payroll Taxes</b>	<b>144,212.32</b>
Postage and Delivery	1,518.51
<b>Professional Fees</b>	
Accounting	28,640.00
Consultant	1,020.00
Consulting	4,216.00
Legal	22,562.50
<b>Total Professional Fees</b>	<b>56,438.50</b>
Rent Expense	
Leasing	10,483.65
Rent Expense - Other	212,970.78
<b>Total Rent Expense</b>	<b>223,454.43</b>
Repairs and Maintenance	4,789.56
Sanitation	838.32
Security	7,022.05
State Revenue Assessment	1,467.00
<b>Taxes</b>	
NYC Corporate	7,000.00
<b>Total Taxes</b>	<b>7,000.00</b>
Telephone Expense	
Internet Expenses	174.75
Telephone Expense - Other	10,759.11

Total Telephone Expense	10,933.86
Transportation	925.00
Travel Expense	4,977.17
Utilities	<u>18,322.86</u>
Total Expense	<u>1,312,475.89</u>
Net Ordinary Income	<u>202,078.80</u>
Net Income	<u>202,078.80</u>

UNAPPORTIONED

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

**September 12, 2013  
Attachment**

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**Dialysis Services- Establish/Construct**

**Exhibit # 8**

<u>Number</u>	<u>Applicant/Facility</u>
1. 132065 E	Plattsburgh Associates, LLC (Clinton County)

AMERICAN RENAL HOLDINGS INC. AND SUBSIDIARIES  
Consolidated Balance Sheets  
As of December 31, 2012 and 2011  
(in thousands, except share and per share data)

	2012	2011
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 26,322	\$ 32,136
Accounts receivable, less allowance for doubtful accounts of \$3,985 and \$4,084 at December 31, 2012 and 2011, respectively	60,019	56,027
Inventories	2,820	2,210
Prepaid expenses and other current assets	8,307	4,620
Income tax receivable		1,322
Deferred tax asset	5,299	8,271
<b>Total current assets</b>	<b>102,767</b>	<b>104,586</b>
Property and equipment, net	91,026	72,416
Deferred financing costs, net	3,932	4,351
Intangible assets, net	34,480	35,416
Other long-term assets	3,238	1,734
Goodwill	547,466	504,045
<b>Total assets</b>	<b>\$ 782,909</b>	<b>\$ 722,548</b>
<b>Liabilities and Equity</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 18,972	\$ 17,059
Accrued compensation and benefits	13,493	11,425
Accrued expenses and other current liabilities	31,542	28,946
Amount due to sellers	675	2,192
Current portion of long-term debt	3,644	2,662
Current portion of capital lease obligations	98	51
<b>Total current liabilities</b>	<b>68,424</b>	<b>62,335</b>
Long-term debt, less current portion	257,943	249,240
Capital lease obligations, less current portion	120	111
Other long-term liabilities	4,213	3,362
Deferred tax liabilities	16,935	16,233
Commitments and contingencies (notes K and P)		
Noncontrolling interests subject to put provisions	61,207	47,492
<b>Equity:</b>		
Common stock, no par value, 1,000 shares authorized, issued and outstanding at December 31, 2012 and 2011		
Additional paid-in capital	188,945	189,108
Receivable from shareholders	(285)	(761)
Retained earnings	20,779	1,352
<b>Total American Renal Holdings Inc. equity</b>	<b>209,439</b>	<b>189,699</b>
Noncontrolling interests not subject to put provisions	164,619	154,076
<b>Total equity</b>	<b>374,058</b>	<b>343,775</b>
<b>Total liabilities and equity</b>	<b>\$ 782,909</b>	<b>\$ 722,548</b>

AMERICAN RENAL HOLDINGS INC. AND SUBSIDIARIES  
 Consolidated Statements of Income  
 Years ended December 31, 2012 and 2011  
 (in thousands)

	2012	2011
Patient service operating revenues	\$ 424,010	\$ 360,081
Provision for uncollectible accounts	2,543	4,178
Net patient service operating revenues	<u>421,467</u>	<u>355,903</u>
Operating expenses:		
Patient care costs	244,973	217,036
General and administrative	45,783	39,309
Merger related costs	=	272
Depreciation and amortization	20,991	17,865
Total operating expenses	<u>311,747</u>	<u>274,482</u>
Operating income	109,720	81,421
Interest expense, net	(23,711)	(23,196)
Income before income taxes	86,009	58,225
Income tax expense	15,774	9,580
Net income	70,235	48,645
Less: Net income attributable to noncontrolling interests	<u>(50,808)</u>	<u>(37,530)</u>
Net income attributable to American Renal Holdings Inc:	<u>\$ 19,427</u>	<u>\$ 11,115</u>

**AMERICAN RENAL HOLDINGS INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
**(In thousands, except for share data)**

	<u>June 30, 2013</u> (Unaudited)	<u>December 31, 2012</u>
<b>Assets</b>		
<b>Current assets:</b>		
Cash .....	\$ 39,449	\$ 26,322
Accounts receivable, less allowance for doubtful accounts of \$3,604 and \$3,985 at June 30, 2013 and December 31, 2012, respectively .....	61,094	60,019
Inventories .....	2,537	2,820
Prepaid expenses and other current assets .....	10,136	8,307
Deferred tax assets .....	2,658	5,299
<b>Total current assets .....</b>	<b>115,874</b>	<b>102,767</b>
Property and equipment, net .....	92,868	91,026
Deferred financing costs, net .....	2,766	3,932
Intangible assets, net .....	32,230	34,480
Other long-term assets .....	8,095	3,238
Goodwill .....	547,466	547,466
<b>Total assets .....</b>	<b>\$ 799,299</b>	<b>\$ 782,909</b>
<b>Liabilities and Equity</b>		
<b>Current liabilities:</b>		
Accounts payable .....	\$ 19,342	\$ 18,972
Accrued compensation and benefits .....	15,430	13,493
Accrued expenses and other current liabilities .....	30,022	31,542
Amount due to sellers .....	675	675
Current portion of long-term debt .....	10,570	3,644
Current portion of capital lease obligations .....	55	98
<b>Total current liabilities .....</b>	<b>76,114</b>	<b>68,424</b>
Long-term debt, less current portion .....	640,068	257,943
Capital lease obligations, less current portion .....	34	129
Other long-term liabilities .....	4,976	4,213
Deferred tax liabilities .....	7,088	16,935
Commitments and contingencies .....		
Noncontrolling interests subject to put provisions .....	71,327	61,207
<b>Equity:</b>		
Common stock, no par value, 1,000 shares authorized, issued and outstanding as June 30, 2013 and December 31, 2012 .....	—	—
Additional paid-in capital .....	11,109	188,945
Receivable from noncontrolling interest holders .....	(303)	(285)
Accumulated (deficit) earnings .....	(178,149)	20,779
Accumulated other comprehensive income, net of tax .....	1,483	—
<b>Total American Renal Holdings Inc. (deficit) equity .....</b>	<b>(166,060)</b>	<b>209,439</b>
Noncontrolling interests not subject to put provisions .....	165,752	164,619
<b>Total (deficit) equity .....</b>	<b>(308)</b>	<b>374,058</b>
<b>Total liabilities and (deficit) equity .....</b>	<b>\$ 799,299</b>	<b>\$ 782,909</b>

**AMERICAN RENAL HOLDINGS INC. AND SUBSIDIARIES**  
**Unaudited Consolidated Statements of Operations**  
**(In thousands)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Patient service operating revenues .....	\$ 122,654	\$ 101,872	\$ 239,135	\$ 199,036
(Provision for) recoveries of uncollectible accounts .....	(860)	9	(1,632)	(878)
Net patient service operating revenues .....	121,794	101,881	237,503	198,158
Operating expenses:				
Patient care costs .....	68,421	58,793	138,915	116,872
General and administrative .....	14,784	11,433	44,534	21,846
Transaction-related costs .....	31	—	533	—
Depreciation and amortization .....	5,752	5,040	11,450	9,818
Total operating expenses .....	88,988	75,266	195,432	148,536
Operating income .....	32,806	26,615	42,071	49,622
Interest expense, net .....	(10,087)	(5,926)	(16,585)	(11,795)
Loss on early extinguishment of debt .....	—	—	(21,503)	—
Income before income taxes .....	22,719	20,689	3,983	37,827
Income tax expense (benefit) .....	2,366	3,361	(9,945)	6,030
Net income .....	20,353	17,328	13,928	31,797
Less: Net income attributable to noncontrolling interests .....	(16,025)	(12,126)	(29,858)	(22,755)
Net income (loss) attributable to American Renal Holdings Inc. ....	\$ 4,328	\$ 5,202	\$ (15,930)	\$ 9,042

**Plattsburgh Associates, LLC  
 Pro Forma Balance Sheet**

		<u>Day 1</u>	
<b>Assets</b>			
Current Assets			
(1)	Cash		\$50,000
(2)	Net Patient Accounts Receivable		\$0
(3)	Inventory		\$0
(4)	Prepaid Expenses		\$0
(5)	Construction Pending Financing		\$0
(6)	Other Current Assets		\$0
(7)	<b>Total Current Assets</b>	\$	<b>50,000</b>
(8)	Net Property, Plant & Equipment		\$447,430
(9)	Net Intangible Assets		\$2,196,846
(10)	Other Assets		\$0
(11)	<b>Total Assets</b>	\$	<b>2,694,276</b>
<b>Liabilities &amp; Equity</b>			
Liabilities			
(12)	Accounts Payable		\$0
(13)	Other Current Liabilities		\$0
(14)	Accrued Expenses		\$0
(15)	Due to ARA		\$0
Long and Short Term Debt			
(16)	Corporate		\$0
(17)	Facility		\$2,155,421
(18)	<b>Total Liabilities</b>	\$	<b>2,155,421</b>
Equity			
(19)	Stock		\$0
(20)	Equity - ARA (facility)		\$274,816
(21)	Equity - Partner 1		\$196,682
(22)	Equity - Partner 2		\$67,357
(23)	Distributions - ARA		\$0
(24)	Distributions - Partner 1		\$0
(25)	Distributions - Partner 2		\$0
(26)	Retained Earnings		\$0
(27)	<b>Net Equity</b>		<b>\$538,855</b>
(28)	<b>Total Liabilities &amp; Equity</b>	\$	<b>2,694,276</b>

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

**September 12, 2013  
Attachments**

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

**Exhibit # 9**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	131107 E	JSSG Healthcare, LLC d/b/a Fiddlers Green Manor Rehabilitation and Nursing Center (Erie County)
2.	131120 E	Essex Operations Associates, LLC d/b/a Essex Center for Rehabilitation and Healthcare (Essex County)
3.	131193 E	Washington Operating Associates LLC d/b/a Washington Center for Rehabilitation and Healthcare (Washington County)
4.	131195-E	River Ridge Operating, LLC d/b/a River Ridge Living Center (Montgomery County)
5.	132079 E	Auburn Senior Services, Inc. (Cayuga County)
6.	132093 B	Auburn Senior Services, Inc. (Cayuga County)

**JSSG HEALTHCARE, LLC**  
**Doing Business As**  
**FIDDLERS GREEN MANOR REHABILITATION AND NURSING CENTER**

**PRO FORMA BALANCE SHEET**

**ASSETS**

Working Capital	\$0
Accounts Receivable (Net of Acquisition)	\$1,223,672
Goodwill	\$545,000
Inventories	\$0
Prepaid Expenses	\$0
<b>TOTAL ASSETS</b>	<b>\$1,768,672</b>

**LIABILITIES AND EQUITY**

**LIABILITIES**

Acquisition Loan	\$436,000
Working Capital Loan	\$0
<b>TOTAL LIABILITIES</b>	<b>\$436,000</b>

**MEMBER EQUITY** \$1,332,672

**TOTAL LIABILITIES AND  
MEMBER EQUITY** **\$1,768,672**

Project 131107  
Attachment D

Financial Summary

Hart Associates of Springville, Inc  
d/b/a Fiddlers Green Manor Nursing Home

FISCAL PERIOD ENDED	<u>10/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$1,793,996	\$1,731,908	\$1,265,863
ASSETS - FIXED AND OTHER	317,961	259,438	277,580
LIABILITIES - CURRENT	4,192,920	3,995,905	3,800,060
LIABILITIES - LONG-TERM	<u>97,540</u>	<u>69,899</u>	<u>76,443</u>
EQUITY	(\$2,178,503)	(\$2,074,458)	(\$2,333,060)
<hr/>			
INCOME	\$4,140,355	\$5,404,538	\$4,593,306
EXPENSE	<u>4,204,582</u>	<u>5,110,659</u>	<u>4,876,182</u>
NET INCOME	(\$64,227)	\$293,879	(\$282,876)
<hr/>			
NUMBER OF BEDS	82	82	82
PERCENT OF OCCUPANCY (DAYS)	94.94%	96.33%	93.69%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	73.73%	74.54%	76.87%
MEDICARE	9.52%	9.36%	8.16%
PRIVATE/OTHER	16.75%	16.10%	14.96%
<hr/>			
Average Working Capital	(\$2,399,039)		
Average Net Assets	(\$2,195,340)		
Average Net Income (Loss)	(\$17,741)		
Average Occupancy	94.99%		

Project 131107  
Attachment E

Financial Summary

North Sea Associates, LLC  
d/b/a The Hamptons Center for Rehabilitation and Nursing

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$12,545,917	\$10,189,700	\$11,706,515
ASSETS - FIXED AND OTHER	2,562,205	2,902,335	3,062,481
LIABILITIES - CURRENT	10,218,933	15,792,437	18,211,046
LIABILITIES - LONG-TERM	<u>10,112,208</u>	<u>10,102,662</u>	<u>10,009,970</u>
EQUITY	(\$5,223,019)	(\$12,803,064)	(\$13,452,020)
INCOME	\$40,474,213	\$33,665,899	\$38,136,256
EXPENSE	<u>32,313,168</u>	<u>32,798,943</u>	<u>34,224,338</u>
NET INCOME	\$8,161,045	\$866,956	\$3,911,918
NUMBER OF BEDS	280	280	280
PERCENT OF OCCUPANCY (DAYS)	94.49%	93.10%	94.55%
PERCENT OCCUPANCY (DAYS):			
MEDICAID	74.34%	75.99%	78.36%
MEDICARE	17.08%	15.50%	14.62%
PRIVATE/OTHER	8.58%	8.51%	7.02%
Current Working Capital	\$2,326,984		
Average Net Assets	(\$10,492,701)		
Average Net Income (Loss)	\$4,313,306		
Average Occupancy	94.05%		

Financial Summary

Amerifalls, LLC  
Niagara Rehabilitation and Nursing Center

257 Days

FISCAL PERIOD ENDED	<u>12/31/2012</u>
ASSETS - CURRENT	\$1,825,549
ASSETS - FIXED AND OTHER	460,256
LIABILITIES - CURRENT	1,047,329
LIABILITIES - LONG-TERM	<u>133,125</u>
EQUITY	\$1,105,351
<hr/>	
INCOME	\$10,244,318
EXPENSE	<u>10,035,775</u>
NET INCOME	\$208,543

NUMBER OF BEDS	160
PERCENT OF OCCUPANCY (DAYS)	95.64%

PERCENT OCCUPANCY (DAYS):	
MEDICAID	86.44%
MEDICARE	10.73%
PRIVATE/OTHER	2.83%

Average Working Capital	\$778,220
Average Net Assets	\$1,105,351
Average Net Income (Loss)	\$208,543
Average Occupancy	95.64%

## Horace Nye Home

	<u>2012</u>	<u>2011</u>	<u>2010</u>
ASSETS-CURRENT	\$2,569,563	\$1,955,459	\$2,003,173
ASSETS-FIXED AND OTHER	6,517,641	1,181,107	1,329,267
LIABILITIES-CURRENT	2,639,926	1,836,040	5,448,340
LIABILITIES-LONG TERM	8,488,668	6,478,023	4,952,250
EQUITY	(\$2,041,390)	(\$5,177,497)	(\$7,068,150)
INCOME	\$10,825,336	\$10,266,320	\$5,911,617
EXPENSE	<u>12,921,163</u>	<u>12,138,755</u>	<u>11,465,021</u>
NET INCOME	(\$2,095,827)	(\$1,872,435)	(\$5,553,404)
NUMBER OF BEDS	100	100	100
PERCENT OF OCCUPANCY	97.10%	97.80%	98.24%
PERCENT OCCUPANCY			
MEDICAID	82.53%	81.87%	84.58%
MEDICARE	3.97%	2.69%	2.92%
PRIVATE/OTHER	13.50%	15.44%	12.50%

CON#131120

BFA Attachment C  
Net Worth Statement of Landlord

Daryl Hagler  
3/31/2013  
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ASSETS  
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Cash	\$9,350,200
Marketable Securities	3,047,643
Partnership Interests	119,395,000
Loans Receivable	1,475,000
Other	<u>1,365,000</u>
TOTAL ASSETS	\$134,632,843

LIABILITIES  
-----

Real Estate Mortgages	<u>\$83,296,000</u>
TOTAL LIABILITIES	\$83,296,000

NET WORTH	\$51,336,843
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CON#131120

BFA Attachment D  
Pro Forma Balance Sheet

ASSETS

Working Capital	\$1,449,096
Goodwill	2,025,000
Resident Funds	<u>77,053</u>
TOTAL ASSETS	\$3,551,149

LIABILITIES

Acquisition Loan	\$1,620,000
Working Capital Loan	724,548
Resident Funds	<u>77,053</u>
TOTAL LIABILITIES	\$2,421,601

NET ASSETS	\$1,129,548
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CON#131120

BFA Attachment E

Dutchess Center for Rehabilitation

	<u>Through 9/30/2012</u>	<u>2011</u>	<u>2010</u>
ASSETS-CURRENT	\$2,849,483	\$2,745,368	\$2,560,144
ASSETS-FIXED AND OTHER	7,049,729	6,790,704	6,940,464
LIABILITIES-CURRENT	3,883,990	4,156,100	4,094,458
LIABILITIES-LONG TERM	4,336,125	4,108,591	3,908,329
EQUITY	1,679,097	1,271,381	1,497,821
INCOME	\$8,606,771	\$11,949,982	\$11,047,321
EXPENSE	<u>8,083,859</u>	<u>10,875,881</u>	<u>10,327,576</u>
NET INCOME	\$522,912	\$1,074,101	\$719,745
NUMBER OF BEDS	122	122	122
PERCENT OF OCCUPANCY	94.45%	95.59%	95.71%
PERCENT OCCUPANCY			
MEDICAID	76.40%	79.47%	79.18%
MEDICARE	15.10%	16.38%	14.16%
PRIVATE/OTHER	8.50%	4.15%	6.16%

CON#131120

BFA Attachment F

Queens Center of Rehab

	<u>Through 9/30/2012</u>	<u>2011</u>	<u>2010</u>
ASSETS-CURRENT	\$4,253,020	\$4,869,649	\$4,557,320
ASSETS-FIXED AND OTHER	15,206,974	13,986,342	14,321,261
LIABILITIES-CURRENT	7,007,134	7,330,023	5,626,101
LIABILITIES-LONG TERM	8,196,392	8,699,469	9,457,373
EQUITY	\$4,256,468	\$2,826,499	\$3,795,107
INCOME	\$16,467,173	\$21,718,072	\$21,772,890
EXPENSE	<u>15,766,579</u>	<u>21,144,109</u>	<u>21,023,576</u>
NET INCOME	\$700,594	\$573,963	\$749,314
NUMBER OF BEDS	179	179	179
PERCENT OF OCCUPANCY	94.78%	94.79%	95.47%
PERCENT OCCUPANCY			
MEDICAID	61.40%	63.93%	62.37%
MEDICARE	16.70%	29.80%	24.22%
PRIVATE/OTHER	21.90%	6.27%	13.41%

CON#131120

BFA Attachment G

Brooklyn Center for Rehab

	<u>Through 9/30/2012</u>	<u>2011</u>	<u>2010</u>
ASSETS-CURRENT	\$8,730,987	\$13,156,081	\$7,832,828
ASSETS-FIXED AND OTHER	9,628,048	9,803,175	9,874,742
LIABILITIES-CURRENT	3,182,445	10,696,386	7,509,884
LIABILITIES-LONG TERM	7,461,957	7,592,117	8,063,432
EQUITY	\$7,714,633	\$4,670,753	\$2,134,254
INCOME	\$18,351,760	\$24,671,172	\$21,642,381
EXPENSE	<u>14,725,122</u>	<u>21,042,900</u>	<u>20,193,034</u>
NET INCOME	\$3,626,638	\$3,628,272	\$1,449,347
NUMBER OF BEDS	215	215	215
PERCENT OF OCCUPANCY	96.69%	97.25%	96.83%
PERCENT OCCUPANCY			
MEDICAID	80.70%	81.32%	86.80%
MEDICARE	15.10%	16.05%	10.11%
PRIVATE/OTHER	4.20%	2.63%	3.09%

CON#131120

BFA Attachment H

Williamsbridge Manor

	<u>Through 9/30/2012</u>	<u>2011</u>	<u>2010</u>
ASSETS-CURRENT	\$2,159,033	\$2,426,546	\$1,817,854
ASSETS-FIXED AND OTHER	1,736,696	2,123,875	2,295,783
LIABILITIES-CURRENT	1,584,548	2,569,777	1,707,701
LIABILITIES-LONG TERM	1,975,072	1,968,878	2,104,478
EQUITY	\$336,109	\$11,766	\$301,458
INCOME	\$5,569,541	\$7,507,990	\$7,971,179
EXPENSE	<u>5,237,192</u>	<u>7,316,472</u>	<u>7,878,867</u>
NET INCOME	\$332,349	\$191,518	\$92,312
NUMBER OF BEDS	77	77	77
PERCENT OF OCCUPANCY	93.48%	95.77%	95.42%
PERCENT OCCUPANCY			
MEDICAID	83.50%	88.72%	86.47%
MEDICARE	11.20%	8.86%	11.67%
PRIVATE/OTHER	5.30%	2.42%	1.86%

CON#131120

BFA Attachment I

Bronx Center for Rehabilitation

	<u>Through 9/30/2012</u>	<u>2011</u>	<u>2010</u>
ASSETS-CURRENT	\$5,233,070	\$6,256,098	\$6,263,004
ASSETS-FIXED AND OTHER	12,566,200	12,735,436	9,702,027
LIABILITIES-CURRENT	7,251,643	7,998,973	5,820,823
LIABILITIES-LONG TERM	5,516,756	6,532,393	6,130,265
EQUITY	\$5,030,871	\$4,460,168	\$4,013,943
INCOME	\$18,457,011	\$24,502,663	\$22,779,108
EXPENSE	<u>16,989,466</u>	<u>23,176,178</u>	<u>21,703,744</u>
NET INCOME	\$1,467,545	\$1,326,485	\$1,075,364
NUMBER OF BEDS	200	200	200
PERCENT OF OCCUPANCY	97.43%	98.52%	98.13%
PERCENT OCCUPANCY			
MEDICAID	81.00%	84.45%	84.75%
MEDICARE	14.10%	14.00%	12.58%
PRIVATE/OTHER	4.90%	1.55%	2.67%

CON#131120

BFA Attachment J

University Nursing Home

	<u>Through 9/30/2012</u>	<u>2011</u>	<u>2010</u>
ASSETS-CURRENT	\$1,291,506	\$1,089,358	\$1,204,602
ASSETS-FIXED AND OTHER	3,048,680	3,345,220	3,215,546
LIABILITIES-CURRENT	2,794,770	1,431,433	1,435,395
LIABILITIES-LONG TERM	627,964	607,499	587,089
EQUITY	\$917,452	\$2,395,646	\$2,397,664
INCOME	\$2,980,015	\$4,570,280	\$4,104,016
EXPENSE	<u>2,958,209</u>	<u>3,990,872</u>	<u>3,915,054</u>
NET INCOME	\$21,806	\$579,408	\$188,962
NUMBER OF BEDS	46	46	46
PERCENT OF OCCUPANCY	94.98%	96.03%	97.58%
PERCENT OCCUPANCY			
MEDICAID	86.40%	87.04%	88.60%
MEDICARE	7.00%	9.38%	7.17%
PRIVATE/OTHER	6.60%	3.58%	4.23%

CON#131193

BFA Attachment B

Pleasant Valley

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
ASSETS- CURRENT	\$7,535,416	\$6,713,189	\$8,595,762	\$6,031,204
ASSETS- FIXED AND OTHER	4,332,024	3,913,087	4,445,321	4,722,410
LIABILITIES- CURRENT	3,131,915	1,641,305	2,072,855	1,653,440
LIABILITIES- LONG TERM	7,729,061	7,418,150	6,758,261	5,316,021
EQUITY	\$1,006,464	\$1,566,821	\$4,209,967	\$3,784,153
INCOME	\$8,276,957	\$9,431,667	\$10,317,780	\$10,460,686
EXPENSE	<u>11,662,215</u>	<u>13,371,545</u>	<u>13,438,773</u>	<u>12,224,143</u>
NET INCOME	(\$3,385,258)	(\$3,939,878)	(\$3,120,993)	(\$1,763,457)
NUMBER OF BEDS	122	122	122	122
PERCENT OF OCCUPANCY (DAYS)	86.35%	88.13%	91.91%	96.33%
PERCENT OCCUPANCY (DAYS)				
MEDICAID	84.27%	81.81%	76.68%	82.58%
MEDICARE	6.26%	6.78%	5.25%	4.73%
PRIVATE	9.47%	11.41%	18.07%	12.69%
MEDICAID RATE BREAKDOWN:	<u>2013</u>			
OPERATING	\$143.45			
CAPITAL	<u>11.61</u>			
TOTAL	\$155.06			

CON#131193

BFA Attachment D

Pro Forma Balance Sheet

ASSETS

Cash	\$1,500,982
Goodwill	1,220,000
Resident Funds	<u>105,604</u>
TOTAL ASSETS	\$2,826,586

LIABILITIES

Acquisition Loan	\$976,000
Working Capital Loan	750,496
Resident Funds	<u>105,604</u>
TOTAL LIABILITIES	\$1,832,100

NET ASSETS	\$994,486
------------	-----------

## Dutchess Center for Rehabilitation

	<u>Through 9/30/2012</u>	<u>2011</u>	<u>2010</u>
ASSETS-CURRENT	\$2,849,483	\$2,745,368	\$2,560,144
ASSETS-FIXED AND OTHER	7,049,729	6,790,704	6,940,464
LIABILITIES-CURRENT	3,883,990	4,156,100	4,094,458
LIABILITIES-LONG TERM	4,336,125	4,108,591	3,908,329
EQUITY	1,679,097	1,271,381	1,497,821
INCOME	\$8,606,771	\$11,949,982	\$11,047,321
EXPENSE	<u>8,083,859</u>	<u>10,875,881</u>	<u>10,327,576</u>
NET INCOME	\$522,912	\$1,074,101	\$719,745
NUMBER OF BEDS	122	122	122
PERCENT OF OCCUPANCY	94.45%	95.59%	95.71%
PERCENT OCCUPANCY			
MEDICAID	76.40%	79.47%	79.18%
MEDICARE	15.10%	16.38%	14.16%
PRIVATE/OTHER	8.50%	4.15%	6.16%

CON#131193

BFA Attachment F

Queens Center of Rehab

	<u>Through 9/30/2012</u>	<u>2011</u>	<u>2010</u>
ASSETS-CURRENT	\$4,253,020	\$4,869,649	\$4,557,320
ASSETS-FIXED AND OTHER	15,206,974	13,986,342	14,321,261
LIABILITIES-CURRENT	7,007,134	7,330,023	5,626,101
LIABILITIES-LONG TERM	8,196,392	8,699,469	9,457,373
EQUITY	\$4,256,468	\$2,826,499	\$3,795,107
INCOME	\$16,467,173	\$21,718,072	\$21,772,890
EXPENSE	<u>15,766,579</u>	<u>21,144,109</u>	<u>21,023,576</u>
NET INCOME	\$700,594	\$573,963	\$749,314
NUMBER OF BEDS	179	179	179
PERCENT OF OCCUPANCY	94.78%	94.79%	95.47%
PERCENT OCCUPANCY			
MEDICAID	61.40%	63.93%	62.37%
MEDICARE	16.70%	29.80%	24.22%
PRIVATE/OTHER	21.90%	6.27%	13.41%

## Brooklyn Center for Rehab

	<u>Through 9/30/2012</u>	<u>2011</u>	<u>2010</u>
ASSETS-CURRENT	\$8,730,987	\$13,156,081	\$7,832,828
ASSETS-FIXED AND OTHER	9,628,048	9,803,175	9,874,742
LIABILITIES-CURRENT	3,182,445	10,696,386	7,509,884
LIABILITIES-LONG TERM	7,461,957	7,592,117	8,063,432
EQUITY	\$7,714,633	\$4,670,753	\$2,134,254
INCOME	\$18,351,760	\$24,671,172	\$21,642,381
EXPENSE	<u>14,725,122</u>	<u>21,042,900</u>	<u>20,193,034</u>
NET INCOME	\$3,626,638	\$3,628,272	\$1,449,347
NUMBER OF BEDS	215	215	215
PERCENT OF OCCUPANCY	96.69%	97.25%	96.83%
PERCENT OCCUPANCY			
MEDICAID	80.70%	81.32%	86.80%
MEDICARE	15.10%	16.05%	10.11%
PRIVATE/OTHER	4.20%	2.63%	3.09%

CON#131193

BFA Attachment H

Williamsbridge Manor

	<u>Through 9/30/2012</u>	<u>2011</u>	<u>2010</u>
ASSETS-CURRENT	\$2,159,033	\$2,426,546	\$1,817,854
ASSETS-FIXED AND OTHER	1,736,696	2,123,875	2,295,783
LIABILITIES-CURRENT	1,584,548	2,569,777	1,707,701
LIABILITIES-LONG TERM	1,975,072	1,968,878	2,104,478
EQUITY	\$336,109	\$11,766	\$301,458
INCOME	\$5,569,541	\$7,507,990	\$7,971,179
EXPENSE	<u>5,237,192</u>	<u>7,316,472</u>	<u>7,878,867</u>
NET INCOME	\$332,349	\$191,518	\$92,312
NUMBER OF BEDS	77	77	77
PERCENT OF OCCUPANCY	93.48%	95.77%	95.42%
PERCENT OCCUPANCY			
MEDICAID	83.50%	88.72%	86.47%
MEDICARE	11.20%	8.86%	11.67%
PRIVATE/OTHER	5.30%	2.42%	1.86%

## Bronx Center for Rehabilitation

	<u>Through 9/30/2012</u>	<u>2011</u>	<u>2010</u>
ASSETS-CURRENT	\$5,233,070	\$6,256,098	\$6,263,004
ASSETS-FIXED AND OTHER	12,566,200	12,735,436	9,702,027
LIABILITIES-CURRENT	7,251,643	7,998,973	5,820,823
LIABILITIES-LONG TERM	5,516,756	6,532,393	6,130,265
EQUITY	\$5,030,871	\$4,460,168	\$4,013,943
INCOME	\$18,457,011	\$24,502,663	\$22,779,108
EXPENSE	<u>16,989,466</u>	<u>23,176,178</u>	<u>21,703,744</u>
NET INCOME	\$1,467,545	\$1,326,485	\$1,075,364
NUMBER OF BEDS	200	200	200
PERCENT OF OCCUPANCY	97.43%	98.52%	98.13%
PERCENT OCCUPANCY			
MEDICAID	81.00%	84.45%	84.75%
MEDICARE	14.10%	14.00%	12.58%
PRIVATE/OTHER	4.90%	1.55%	2.67%

## University Nursing Home

	<u>Through 9/30/2012</u>	<u>2011</u>	<u>2010</u>
ASSETS-CURRENT	\$1,291,506	\$1,089,358	\$1,204,602
ASSETS-FIXED AND OTHER	3,048,680	3,345,220	3,215,546
LIABILITIES-CURRENT	2,794,770	1,431,433	1,435,395
LIABILITIES-LONG TERM	627,964	607,499	587,089
EQUITY	\$917,452	\$2,395,646	\$2,397,664
INCOME	\$2,980,015	\$4,570,280	\$4,104,016
EXPENSE	<u>2,958,209</u>	<u>3,990,872</u>	<u>3,915,054</u>
NET INCOME	\$21,806	\$579,408	\$188,962
NUMBER OF BEDS	46	46	46
PERCENT OF OCCUPANCY	94.98%	96.03%	97.58%
PERCENT OCCUPANCY			
MEDICAID	86.40%	87.04%	88.60%
MEDICARE	7.00%	9.38%	7.17%
PRIVATE/OTHER	6.60%	3.58%	4.23%

RIVER RIDGE OPERATING LLC  
Doing Business As  
RIVER RIDGE LIVING CENTER

PRO FORMA BALANCE SHEET

ASSETS

Working Capital	\$1,582,220
Goodwill	\$1,800,000
Resident Funds	\$34,567
<b>TOTAL ASSETS</b>	<b>\$3,416,787</b>

LIABILITIES AND EQUITY

LIABILITIES

Acquisition Loan	\$1,440,000
Working Capital Loan	\$791,110
Resident Funds	\$34,567
<b>TOTAL LIABILITIES</b>	<b>\$2,265,677</b>

<b>MEMBER EQUITY</b>	<b>\$1,151,110</b>
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<b>TOTAL LIABILITIES AND MEMBER EQUITY</b>	<b>\$3,416,787</b>
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Project 131195  
Attachment C

**Financial Summary**

**River Ridge Living Center, LLC**

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$2,085,960	\$1,735,439	\$1,869,277
ASSETS - FIXED AND OTHER	1,640,574	1,746,807	1,844,632
LIABILITIES - CURRENT	647,777	2,827,949	3,578,566
LIABILITIES - LONG-TERM	<u>2,305,730</u>	<u>82,599</u>	<u>155,295</u>
EQUITY	\$773,027	\$571,698	(\$19,952)
<hr/>			
INCOME	\$9,742,998	\$10,683,971	\$9,232,943
EXPENSE	<u>9,519,669</u>	<u>10,070,321</u>	<u>9,104,022</u>
NET INCOME	\$223,329	\$613,650	\$128,921
<hr/>			
NUMBER OF BEDS	120	120	120
PERCENT OF OCCUPANCY (DAYS)	93.12%	96.29%	96.09%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	68.80%	68.05%	65.58%
MEDICARE	13.23%	13.29%	13.60%
PRIVATE/OTHER	17.96%	18.66%	20.82%
<hr/>			
Current Working Capital	\$1,438,183		
Average Net Assets	\$441,591		
Average Net Income (Loss)	\$321,967		
Average Occupancy	95.17%		

Project 131195  
Attachment D

Financial Summary

Eastchester Rehabilitation and Health Care Center, LLC

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$6,619,767	\$5,619,019	\$5,639,600
ASSETS - FIXED AND OTHER	11,737,076	12,066,567	11,302,448
LIABILITIES - CURRENT	8,849,456	9,792,847	9,635,972
LIABILITIES - LONG-TERM	<u>104,238</u>	<u>125,919</u>	<u>191,860</u>
EQUITY	\$9,403,149	\$7,766,820	\$7,114,216
<hr/>			
INCOME	\$22,680,791	\$22,842,754	\$21,577,869
EXPENSE	<u>20,984,459</u>	<u>21,962,532</u>	<u>21,272,667</u>
NET INCOME	\$1,696,332	\$880,222	\$305,202
<hr/>			
NUMBER OF BEDS	200	200	200
PERCENT OF OCCUPANCY (DAYS)	96.03%	93.86%	94.00%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	80.60%	82.88%	85.37%
MEDICARE	9.52%	10.56%	12.48%
PRIVATE/OTHER	9.88%	6.56%	2.15%
<hr/>			
Average Working Capital	(\$3,466,630)		
Average Net Assets	\$8,094,728		
Average Net Income (Loss)	\$960,585		
Average Occupancy	94.63%		

Project 131195  
Attachment E

Financial Summary

Golden Gate Rehabilitation and Health Care Center, LLC

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$4,754,324	\$5,625,242	\$5,059,522
ASSETS - FIXED AND OTHER	12,093,509	12,319,188	12,770,478
LIABILITIES - CURRENT	4,071,014	5,679,944	5,557,736
LIABILITIES - LONG-TERM	<u>572,097</u>	<u>189,677</u>	<u>758,146</u>
EQUITY	\$12,204,722	\$12,074,809	\$11,514,118
<hr/>			
INCOME	\$24,430,095	\$26,946,642	\$24,101,969
EXPENSE	<u>24,300,184</u>	<u>26,385,954</u>	<u>23,221,076</u>
NET INCOME	\$129,911	\$560,688	\$880,893
<hr/>			
NUMBER OF BEDS	238	238	238
PERCENT OF OCCUPANCY (DAYS)	97.13%	96.19%	96.19%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	85.06%	82.81%	82.81%
MEDICARE	5.39%	8.23%	8.23%
PRIVATE/OTHER	9.55%	8.96%	8.96%
<hr/>			
Average Working Capital	\$43,465		
Average Net Assets	\$11,931,216		
Average Net Income (Loss)	\$1,571,492		
Average Occupancy	96.50%		

Project 131195  
Attachment F

Financial Summary

Nassau Operating Company, LLC  
d/b/a Nassau Extended Care Facility

FISCAL PERIOD ENDED	<u>11/30/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$8,813,117	\$10,803,865	\$11,110,836
ASSETS - FIXED AND OTHER	18,404,871	15,257,570	15,297,781
LIABILITIES - CURRENT	6,670,109	6,007,823	6,336,774
LIABILITIES - LONG-TERM	<u>6,090,908</u>	<u>6,521,087</u>	<u>6,967,910</u>
EQUITY	\$14,456,971	\$13,532,525	\$13,103,933
<hr/>			
INCOME	\$28,485,725	\$31,838,896	\$31,945,892
EXPENSE	<u>27,410,279</u>	<u>31,410,304</u>	<u>31,628,885</u>
NET INCOME	\$1,075,446	\$428,592	\$317,007
<hr/>			
NUMBER OF BEDS	280	280	280
PERCENT OF OCCUPANCY (DAYS)	92.67%	92.48%	92.48%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	77.28%	76.11%	76.11%
MEDICARE	10.43%	13.90%	13.90%
PRIVATE/OTHER	12.29%	9.99%	9.99%
<hr/>			
Average Working Capital	\$3,904,371		
Average Net Assets	\$13,697,810		
Average Net Income (Loss)	\$607,015		
Average Occupancy	92.54%		

Project 131195  
Attachment G

Financial Summary

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

FISCAL PERIOD ENDED	<u>11/30/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$6,642,470	\$8,186,439	\$8,705,717
ASSETS - FIXED AND OTHER	15,597,481	13,452,742	13,504,855
LIABILITIES - CURRENT	5,456,111	5,491,119	5,195,019
LIABILITIES - LONG-TERM	<u>6,123,002</u>	<u>6,570,804</u>	<u>6,847,125</u>
EQUITY	\$10,660,838	\$9,577,258	\$10,168,428
<hr/>			
INCOME	\$24,369,936	\$26,172,207	\$25,872,102
EXPENSE	<u>23,427,513</u>	<u>26,763,377</u>	<u>25,861,931</u>
NET INCOME	\$942,423	(\$591,170)	\$10,171
<hr/>			
NUMBER OF BEDS	240	240	240
PERCENT OF OCCUPANCY (DAYS)	94.41%	92.49%	92.49%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	77.41%	76.11%	76.11%
MEDICARE	13.25%	14.68%	14.68%
PRIVATE/OTHER	9.34%	9.21%	9.21%
<hr/>			
Average Working Capital	\$2,464,126		
Average Net Assets	\$10,135,508		
Average Net Income (Loss)	\$361,424		
Average Occupancy	93.13%		

Project 131195  
Attachment H

Financial Summary

Throgs Neck Operating Company, LLC  
d/b/a Throgs Neck Extended Care Facility

FISCAL PERIOD ENDED	<u>11/30/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$4,250,251	\$4,498,917	\$4,222,731
ASSETS - FIXED AND OTHER	10,814,097	10,523,759	10,458,625
LIABILITIES - CURRENT	5,504,018	5,673,977	5,063,207
LIABILITIES - LONG-TERM	<u>4,558,849</u>	<u>5,184,522</u>	<u>5,507,867</u>
EQUITY	\$5,001,481	\$4,164,177	\$4,110,282
<hr/>			
INCOME	\$20,797,688	\$22,245,967	\$22,326,114
EXPENSE	<u>19,209,882</u>	<u>22,192,071</u>	<u>22,166,725</u>
NET INCOME	\$1,587,806	\$53,896	\$159,389
<hr/>			
NUMBER OF BEDS	205	205	205
PERCENT OF OCCUPANCY (DAYS)	97.26%	94.13%	96.93%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	78.97%	79.57%	78.09%
MEDICARE	10.33%	10.41%	11.95%
PRIVATE/OTHER	10.70%	10.02%	9.96%
<hr/>			
Average Working Capital	(\$1,089,768)		
Average Net Assets	\$4,425,313		
Average Net Income (Loss)	\$600,364		
Average Occupancy	96.11%		

Project 131195  
Attachment I

Financial Summary

Townhouse Operating Company, LLC  
d/b/a Townhouse Center For Rehabilitation & Nursing

FISCAL PERIOD ENDED	<u>10/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$9,059,491	\$7,686,006	\$8,264,226
ASSETS - FIXED AND OTHER	12,989,885	12,938,708	12,730,577
LIABILITIES - CURRENT	7,478,216	6,310,183	6,194,200
LIABILITIES - LONG-TERM	<u>10,246,988</u>	<u>10,236,392</u>	<u>10,484,329</u>
EQUITY	\$4,324,172	\$4,078,139	\$4,316,274
<hr/>			
INCOME	\$26,960,649	\$33,597,464	\$33,114,409
EXPENSE	<u>26,714,616</u>	<u>33,835,599</u>	<u>32,818,036</u>
NET INCOME	\$246,033	(\$238,135)	\$296,373
<hr/>			
NUMBER OF BEDS	280	280	280
PERCENT OF OCCUPANCY (DAYS)	95.02%	94.98%	96.18%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	71.32%	70.28%	71.89%
MEDICARE	8.29%	12.91%	13.27%
PRIVATE/OTHER	20.39%	16.81%	14.85%
<hr/>			
Average Working Capital	\$1,675,708		
Average Net Assets	\$4,239,528		
Average Net Income (Loss)	\$101,424		
Average Occupancy	95.39%		

**Financial Summary**

**White Plains Center for Nursing Care, LLC  
d/b/a White Plains Center for Nursing**

FISCAL PERIOD ENDED	<u>11/30/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$1,698,595	\$1,839,920	\$1,524,423
ASSETS - FIXED AND OTHER	4,971,290	4,828,316	4,895,902
LIABILITIES - CURRENT	2,435,493	2,458,789	4,398,742
LIABILITIES - LONG-TERM	<u>317,023</u>	<u>269,980</u>	<u>3,782,080</u>
EQUITY	\$3,917,369	\$3,939,467	(\$1,760,497)
<hr/>			
INCOME	\$9,278,184	\$10,781,524	\$9,978,198
EXPENSE	<u>8,590,283</u>	<u>9,358,904</u>	<u>9,882,880</u>
NET INCOME	\$687,901	\$1,422,620	\$95,318
<hr/>			
NUMBER OF BEDS	88	88	88
PERCENT OF OCCUPANCY (DAYS)	89.31%	92.33%	94.96%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	69.61%	71.07%	75.34%
MEDICARE	23.76%	19.50%	15.12%
PRIVATE/OTHER	6.63%	9.42%	9.54%
<hr/>			
Current Working Capital	(\$736,898)		
Average Net Assets	\$2,032,113		
Average Net Income (Loss)	\$735,280		
Average Occupancy	92.20%		

**Financial Summary**

**North Sea Associates, LLC  
d/b/a The Hamptons Center for Rehabilitation and Nursing**

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$12,545,917	\$10,189,700	\$11,706,515
ASSETS - FIXED AND OTHER	2,562,205	2,902,335	3,062,481
LIABILITIES - CURRENT	10,218,933	15,792,437	18,211,046
LIABILITIES - LONG-TERM	<u>10,112,208</u>	<u>10,102,662</u>	<u>10,009,970</u>
EQUITY	(\$5,223,019)	(\$12,803,064)	(\$13,452,020)
<hr/>			
INCOME	\$40,474,213	\$33,665,899	\$38,136,256
EXPENSE	<u>32,313,168</u>	<u>32,798,843</u>	<u>34,224,338</u>
NET INCOME	\$8,161,045	\$867,056	\$3,911,918
<hr/>			
NUMBER OF BEDS	280	280	280
PERCENT OF OCCUPANCY (DAYS)	94.49%	93.10%	94.55%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	74.34%	75.99%	78.36%
MEDICARE	17.08%	15.50%	14.62%
PRIVATE/OTHER	8.58%	8.51%	7.02%
<hr/>			
Current Working Capital	\$2,326,984		
Average Net Assets	(\$10,492,701)		
Average Net Income (Loss)	\$4,313,340		
Average Occupancy	94.05%		

Project 131195  
Attachment L

**Financial Summary**

**Rockville Operating, LLC**  
**d/b/a The Brand Pavilion for Rehab and Nursing at Rockville Center**

Started 08/06/2012

FISCAL PERIOD ENDED	<u>11/30/2012</u>
ASSETS - CURRENT	\$3,237,004
ASSETS - FIXED AND OTHER	8,508,618
LIABILITIES - CURRENT	5,209,257
LIABILITIES - LONG-TERM	<u>155,482</u>
EQUITY	\$6,380,883

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INCOME	\$5,586,984
EXPENSE	<u>5,258,389</u>
NET INCOME	\$328,595

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NUMBER OF BEDS	158
PERCENT OF OCCUPANCY (DAYS)	96.72%

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PERCENT OCCUPANCY (DAYS):	
MEDICAID	75.53%
MEDICARE	14.55%
PRIVATE/OTHER	9.92%

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Current Working Capital	(\$1,972,253)
Current Average Net Assets	\$6,380,883
Current Net Income (Loss)	\$328,595
Current Occupancy	96.72%

CON#132079

BFA Attachment A

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>CURRENT ASSETS</b>	\$4,867,140	\$4,428,526	\$3,666,225
<b>FIXED ASSETS</b>	1,000,148	955,759	947,163
<b>CURRENT LIABILITIES</b>	1,097,126	446,770	426,778
<b>LONG TERM LIABILITIES</b>	3,118,929	2,261,668	1,682,610
<b>NET ASSETS</b>	\$1,651,233	\$2,675,847	\$2,504,000
<b>REVENUES</b>	\$7,350,272	\$7,971,234	\$7,074,033
<b>EXPENSES</b>	<u>8,381,506</u>	<u>7,804,648</u>	<u>7,530,935</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	(\$1,031,234)	\$166,586	(\$456,902)
<b>NUMBER OF BEDS</b>	80	80	80
<b>UTILIZATION:</b>			
<b>MEDICAID</b>	75.00%	74.54%	70.68%
<b>MEDICARE</b>	11.22%	10.88%	9.79%
<b>PRIVATE PAY</b>	13.78%	14.58%	19.53%
<b>OCCUPANCY</b>	95.72%	94.67%	95.40%

**Cayuga County Nursing Home  
Financial Position**

	<b>Month ended June 30, 2013</b>
<b>ASSETS</b>	
Cash & Investments	1,902,176
Accounts Receivable	2,076,506
Other Current Assets	140,646
Total Current Assets	<u>4,119,328</u>
Property, Plant & Equipment, Net.	899,107
Cash Held For Residents	37,487
Total Long Term Assets	<u>37,487</u>
Total Assets	<u><u>5,055,922</u></u>
<b>LIABILITIES &amp; NET POSITION</b>	
Trade Payables & Accrued Expenses	3,087,439
Total Current Liabilities	<u>3,087,439</u>
Cash Held for Residents	36,526
Total Long Term Liabilities	<u>36,526</u>
Net Position	1,651,233
Net Income (Loss)	280,724
Total Net Position	<u>1,931,957</u>
Total Liabilities & Net Position	<u><u>5,055,922</u></u>

**Cayuga County Nursing Home  
Income Statement**

	Month Ended June 30, 2013	Year to Date June 30, 2013
Resident Revenue	608,685	3,291,769
Other non operating revenue	151	1,773
<b>Total Revenue</b>	<b>608,836</b>	<b>3,293,542</b>
Salaries / Wages	229,171	1,274,921
Employee Benefits	80,427	565,696
Purchased Services	41,876	639,713
Supplies and other expenses	52,977	407,634
Utilities	4,954	48,098
Depreciation	64,514	64,514
Bad Debts	-	12,242
<b>Total Expenses</b>	<b>473,919</b>	<b>3,012,818</b>
<b>Net Income (Loss)</b>	<b>134,917</b>	<b>280,724</b>

Mercy Health and Rehabilitation

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>CURRENT ASSETS</b>	<b>\$3,230,614</b>	<b>\$3,104,995</b>	<b>\$3,419,068</b>
<b>FIXED ASSETS</b>	<b>1,327,725</b>	<b>1,548,461</b>	<b>1,927,155</b>
<b>CURRENT LIABILITIES</b>	<b>9,043,073</b>	<b>7,517,184</b>	<b>4,156,841</b>
<b>LONG TERM LIABILITIES</b>	<b>1,513,353</b>	<b>1,120,554</b>	<b>4,210,437</b>
<b>NET ASSETS</b>	<b>(\$5,998,087)</b>	<b>(\$3,984,282)</b>	<b>(\$3,021,055)</b>
<b>REVENUES</b>	<b>\$14,943,557</b>	<b>\$15,785,254</b>	<b>\$16,353,540</b>
<b>EXPENSES</b>	<b>16,803,053</b>	<b>16,653,789</b>	<b>17,047,994</b>
<b>NET INCOME</b>	<b>(\$1,859,496)</b>	<b>(\$868,535)</b>	<b>(\$694,454)</b>
<b>OCCUPANCY</b>	<b>86.00%</b>	<b>86.54%</b>	<b>85.82%</b>
<b>UTILIZATION:</b>			
<b>MEDICAID</b>	<b>75.00%</b>	<b>74.36%</b>	<b>76.20%</b>
<b>MEDICARE</b>	<b>11.00%</b>	<b>11.28%</b>	<b>12.05%</b>
<b>PRIVATE PAY</b>	<b>14.00%</b>	<b>14.36%</b>	<b>11.75%</b>

CON#132093

Cayuga County Nursing Home

BFA Attachment B

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>CURRENT ASSETS</b>	\$4,867,140	\$4,428,526	\$3,666,225
<b>FIXED ASSETS</b>	1,000,148	955,759	947,163
<b>CURRENT LIABILITIES</b>	1,097,126	446,770	426,778
<b>LONG TERM LIABILITIES</b>	3,118,929	2,261,668	1,682,610
<b>NET ASSETS</b>	\$1,651,233	\$2,675,847	\$2,504,000
<b>REVENUES</b>	\$7,350,272	\$7,971,234	\$7,074,033
<b>EXPENSES</b>	<u>8,381,506</u>	<u>7,804,648</u>	<u>7,530,935</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	(\$1,031,234)	\$166,586	(\$456,902)
<b>NUMBER OF BEDS</b>	80	80	80
<b>UTILIZATION:</b>			
<b>MEDICAID</b>	75.00%	74.54%	70.68%
<b>MEDICARE</b>	11.22%	10.88%	9.79%
<b>PRIVATE PAY</b>	13.78%	14.58%	19.53%
<b>OCCUPANCY</b>	95.72%	94.67%	95.40%

Balance Sheet

December 31, 2012

Assets

Current assets:

Cash	\$ 15,333,714
Assets limited as to use - current portion	1,026,577
Patient accounts receivable, less allowance for doubtful accounts of approximately \$ _____ and \$ _____ in 2012 and 2011, respectively	12,832,341
Due from affiliates, net	2,418
Due from third party, net	308,043
Other receivables	1,790,828
Inventories	362,227
Capital lease receivable, current	-
Current portion of net investment in direct financing lease	459,292
Prepaid expenses, grant receivable and other assets	<u>1,362,542</u>

Total current assets 33,477,982

Investment in affiliate	1,863,922
Capital lease receivable, long-term	-
Net investment in direct financing lease, net of current portion	-
Assets limited as to use	12,008,536
Tenant security deposits and assets held for residents	1,088,477
Cash and cash equivalents-restricted and board designated	252,278
Other receivables, long-term	1,119,048
Other assets	695,219
Property and equipment, net	70,738,913
Deferred financing charges, net of accumulated amortization of \$ _____ and \$ _____ in 2012 and 2011	1,969,030
Grant receivable	6,391,401
Due from affiliates, net of current portion	<u>-</u>

Total assets \$ 129,604,806

Liabilities and Net Assets

Current liabilities:

Current portion of long-term debt	4,463,414
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Current portion of capital lease payable	-
Accounts payable and accrued expenses	8,994,278
Accrued payroll, vacation and payroll taxes	5,869,670
New York State gross receipts assessment	243,911
Estimated third party payor settlements, net	1,126,766
Accrued interest	523,661
Refundable deposits	32,700
Current portion of asset retirement obligation	448,584
Advance payments from tenants	505,931
Deferred revenue	11,464
Other liabilities	563,301
Due to affiliates	25,577
<b>Total current liabilities</b>	<b><u>22,809,257</u></b>

Long-term liabilities:

Estimated third party payor settlements, net	7,028,841
Long-term debt, less current portion	64,065,210
Capital lease obligations, net of current portion	-
Assets held for residents	1,088,477
Asset retirement obligations, less current portion	200,889
Accrued interest	504,347
Due to affiliate, long term	-
Other long-term liabilities	6,507,936

**Total liabilities** **102,204,957**

Net Assets:

Unrestricted	13,799,000
Temporarily restricted	13,483,754
Permanently restricted	117,095

**Total Net Assets** **27,399,849**

**Total liabilities and net assets** **\$ 129,604,806**

See accompanying notes to financial statements.



Statements of Operations and Changes in Net Assets

Year Ended December 31, 2012

	<u>2012</u>
Revenue, gains and other support:	
Net patient service revenues	\$ 108,100,039
Food and food service, catering, and dietary consulting revenue	12,269,934
Rental and program income	17,723,741
Interest income on capital lease	188,270
Net assets released from restrictions for operations	130,989
Other operating revenue	868,676
Management Assessment	18,000
Managing Agent fees	138,636
Contributions/Contributions from Affiliate	(57,750)
Grant revenue	<u>245,776</u>
Total revenue, gains and other support	<u>139,626,311</u>
Expenses:	
Salaries and wages	52,891,336
Employee benefits	19,838,752
Supplies and other expenses	33,784,333
Professional fees and other purchased services	10,402,457
New York State gross receipts assessment	3,102,466
Interest expense	5,409,405
Provision for bad debts	1,586,145
Depreciation and amortization	<u>6,659,411</u>
Total expenses	<u>133,674,305</u>
Income (loss) from operations	<u>5,952,006</u>
Nonoperating gains (losses):	
Investment income	26,456
Other revenue	<u>2,673,584</u>
Total nonoperating gains (losses), net	<u>2,700,040</u>
Excess (deficiency) of revenues over expenses	8,652,046
Change in net unrealized gains and losses on investments on other than trading securities	17,963

**ST. JOSEPH'S HOSPITAL HEALTH CENTER AND SUBSIDIARIES**

Consolidated Balance Sheets

December 31, 2012 and 2011

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents	\$ 17,615,649	29,267,260
Investments	79,744,502	52,457,579
Patient accounts receivable, net of allowance for charity care and doubtful accounts of approximately \$42,000,000 and \$41,000,000 in 2012 and 2011, respectively	100,222,456	82,221,830
Other receivables	9,114,897	13,710,528
Inventories	5,756,325	5,683,431
Prepaid expenses	6,266,850	4,577,412
Assets limited as to use	2,765,000	3,008,404
Estimated third-party payor settlements	456,137	5,693,372
	<hr/>	<hr/>
Total current assets	221,941,816	196,619,816
Property and equipment, net	257,746,726	207,626,985
Assets limited as to use	87,790,526	31,141,336
Unamortized debt issuance costs	5,544,870	2,498,719
Other assets	16,999,526	13,451,449
Investment in interest rate cap	390,792	904,327
Equity interest in net assets of St. Joseph's Hospital Health Center Foundation, Inc.	21,687,371	22,171,207
Goodwill	26,571,519	26,571,519
	<hr/>	<hr/>
	\$ 638,673,146	500,985,358
	<hr/>	<hr/>

<u>Liabilities and Net Assets</u>	<u>2012</u>	<u>2011</u>
Current liabilities:		
Short-term borrowings	\$ 7,751,113	9,737,576
Current portion of long-term debt	11,267,095	10,253,592
Accounts payable	44,342,728	40,590,774
Accrued expenses and other liabilities	<u>48,040,632</u>	<u>38,692,898</u>
Total current liabilities	111,401,568	99,274,840
Long-term debt, net	238,842,190	122,789,774
Accrued postretirement benefits	20,697,421	21,234,177
Accrued pension benefits	27,850,488	30,358,033
Due to St. Joseph's Health Center Properties, Inc.	128,613	9,209,182
Other liabilities	<u>19,222,942</u>	<u>15,730,741</u>
Total liabilities	<u>418,143,222</u>	<u>298,596,747</u>
Net assets:		
Unrestricted:		
St. Joseph's Hospital Health Center	203,275,031	187,703,965
Noncontrolling interest in SJLS, LLC	<u>1,209,308</u>	<u>1,358,705</u>
Total unrestricted net assets	204,484,339	189,062,670
Temporarily restricted	12,929,525	10,215,367
Permanently restricted	<u>3,116,060</u>	<u>3,110,574</u>
Total net assets	<u>220,529,924</u>	<u>202,388,611</u>
Commitments and contingent liabilities		
	<u>\$ 638,673,146</u>	<u>500,985,358</u>

**ST. JOSEPH'S HOSPITAL HEALTH CENTER AND SUBSIDIARIES**

Consolidated Statements of Operations and Changes in Net Assets

Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Unrestricted revenues, gains and other support:		
Net patient service revenue (net of contractual allowances and discounts)	\$ 573,845,241	515,700,742
Provision for bad debt	<u>(6,178,042)</u>	<u>(6,975,548)</u>
Net patient service revenue less provision for bad debts	567,667,199	508,725,194
Other revenue	<u>18,354,566</u>	<u>14,748,889</u>
Total revenues, gains and other support	<u>586,021,765</u>	<u>523,474,083</u>
Expenses:		
Salaries and wages	260,846,835	236,831,429
Fringe benefits	61,049,099	57,324,369
Supplies and other expenses	227,433,484	201,931,453
Depreciation and amortization	21,258,049	17,204,911
Interest incurred and expensed	4,721,758	2,654,197
New York State gross receipts tax	<u>1,911,122</u>	<u>1,553,628</u>
Total expenses	<u>577,220,347</u>	<u>517,499,987</u>
Income from operations	8,801,418	5,974,096
Nonoperating revenue:		
Investment income	1,483,778	2,384,727
Change in fair value of interest rate cap	(513,535)	(785,673)
Change in equity of unrestricted net assets of St. Joseph's Hospital Health Center Foundation, Inc.	(1,244,458)	104,714
Equity in earnings of investees	<u>2,548,465</u>	<u>1,899,762</u>
Excess of revenues over expenses	11,075,668	9,577,626
Net income attributable to noncontrolling interest in SJLS, LLC	<u>(1,922,063)</u>	<u>(2,203,983)</u>
Excess of revenues over expenses - St. Joseph's Hospital Health Center and Subsidiaries	<u>\$ 9,153,605</u>	<u>7,373,643</u>

CON#132093  
BFA Attachment E

Pro Forma Balance Sheet

ASSETS:

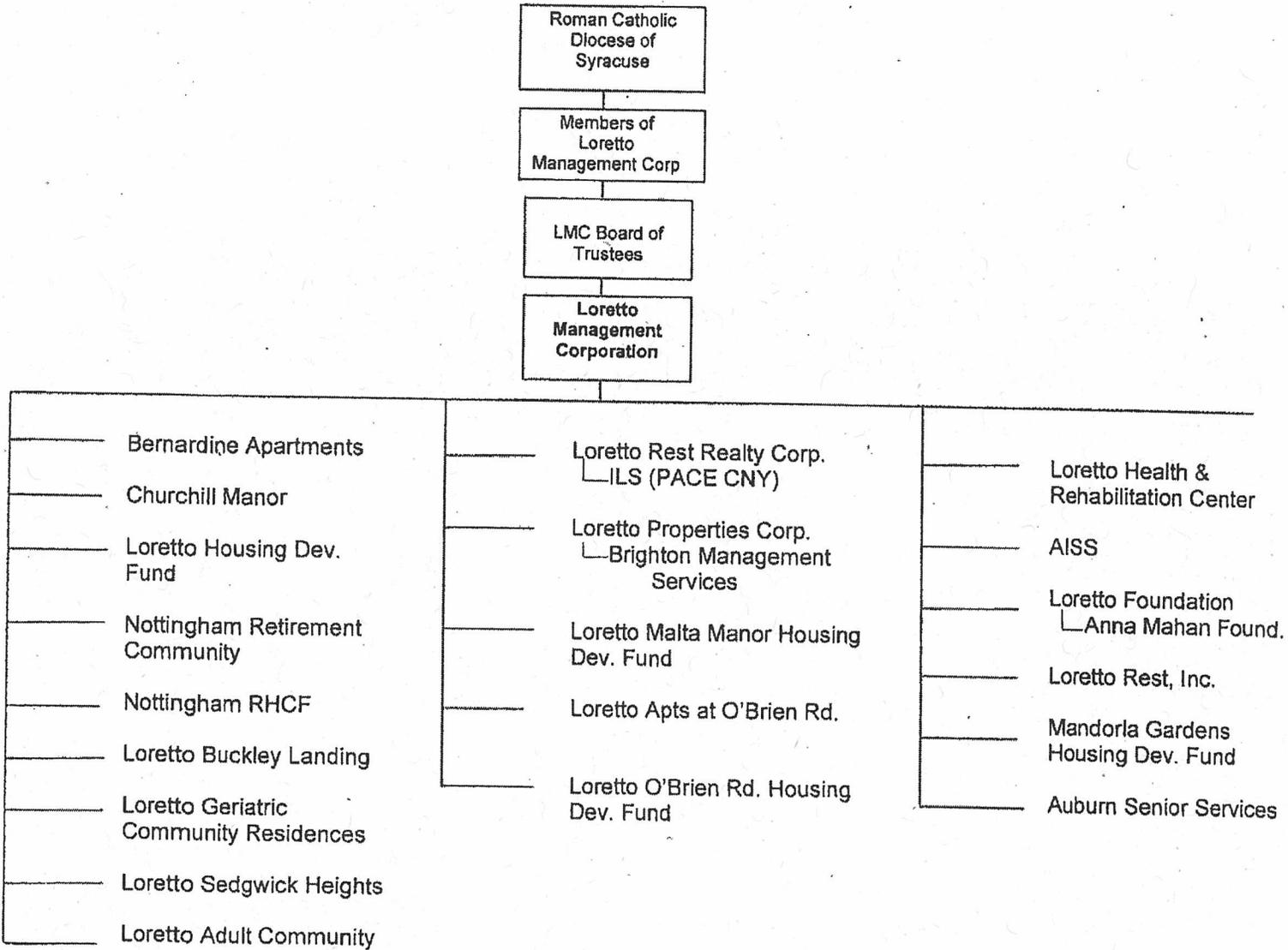
Cash	\$4,636,592
Cash- Heal Proceeds	14,927,607
Accounts Receivable	2,092,176
Prepaid Expenses	158,000
Construction	22,361,440
Net Property, Plant and Equipment	821,905
Resident Funds Held in Trust	<u>145,130</u>
TOTAL ASSETS	\$45,142,850

LIABILITIES:

Accounts Payable	\$4,413,170
Mortgage Payable	22,361,440
St. Francis Loan	104,775
Liability for Pension Benefits	1,336,033
Resident Funds held in trust	145,130
Working Capital Loan	<u>2,000,000</u>
TOTAL LIABILITIES	\$30,360,548

NET ASSETS	\$14,782,302
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## LORETTO ORGANIZATIONAL STRUCTURE



**NOTE:** Loretto Management Corporation will serve as Active Parent of Auburn Senior Services. Loretto Management Corporation **does not** serve as Active Parent of any of the other entities.

Mercy Proforma (2013-08-08)a

	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	TOTAL
<b>CASH - BEG OF PERIOD</b>	4,636,592	4,585,163	4,533,734	4,482,305	4,430,876	4,379,446	4,328,017	4,276,588	4,225,159	4,173,730	4,122,301	4,070,872	4,019,443
<b>CASH RECEIPTS</b>													
<b>COLLECTION OF AVR:</b>													
Patient Revenue	2,080,403	2,080,403	2,080,403	2,080,403	2,080,403	2,080,403	2,080,403	2,080,403	2,080,403	2,080,403	2,080,403	2,080,403	24,964,858
Adult Day Care	82,310	82,310	82,310	82,310	82,310	82,310	82,310	82,310	82,310	82,310	82,310	82,310	987,714
Transportation	37,464	37,464	37,464	37,464	37,464	37,464	37,464	37,464	37,464	37,464	37,464	37,464	449,572
Other	29,432	29,432	29,432	29,432	29,432	29,432	29,432	29,432	29,432	29,432	29,432	29,432	353,188
<b>TOTAL CASH RECEIPTS</b>	<b>2,229,609</b>	<b>26,755,312</b>											
<b>CASH DISBURSEMENTS</b>													
Direct Expenses	1,091,305	1,091,305	1,091,305	1,091,305	1,091,305	1,091,305	1,091,305	1,091,305	1,091,305	1,091,305	1,091,305	1,091,305	13,095,661
Indirect Expenses	778,173	778,173	778,173	778,173	778,173	778,173	778,173	778,173	778,173	778,173	778,173	778,173	9,338,075
Non-Comparables:													
Utilities	35,181	35,181	35,181	35,181	35,181	35,181	35,181	35,181	35,181	35,181	35,181	35,181	422,174
Medical Staff Services	12,945	12,945	12,945	12,945	12,945	12,945	12,945	12,945	12,945	12,945	12,945	12,945	155,339
Dental	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	19,284
Other	9,794	9,794	9,794	9,794	9,794	9,794	9,794	9,794	9,794	9,794	9,794	9,794	117,530
<b>Total Non-Comparables:</b>	<b>59,527</b>	<b>714,327</b>											
Property:													
Rentals	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	22,219
Revolver Repayment	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	2,000,000
Interest	105,153	105,153	105,153	105,153	105,153	105,153	105,153	105,153	105,153	105,153	105,153	105,153	1,261,842
Principal on Debt	31,654	31,654	31,654	31,654	31,654	31,654	31,654	31,654	31,654	31,654	31,654	31,654	379,851
Property Insurance	2,653	2,653	2,653	2,653	2,653	2,653	2,653	2,653	2,653	2,653	2,653	2,653	31,836
Total Property	<b>307,979</b>	<b>3,695,747</b>											
Adult Day Care	44,054	44,054	44,054	44,054	44,054	44,054	44,054	44,054	44,054	44,054	44,054	44,054	528,651
<b>TOTAL CASH DISB.</b>	<b>2,281,038</b>	<b>27,372,461</b>											
<b>CASH - INC (DEC)</b>	<b>(51,429)</b>	<b>(617,149)</b>											
<b>CASH - END OF PERIOD</b>	<b>\$4,585,163</b>	<b>\$4,533,734</b>	<b>\$4,482,305</b>	<b>\$4,430,876</b>	<b>\$4,379,446</b>	<b>\$4,328,017</b>	<b>\$4,276,588</b>	<b>\$4,225,159</b>	<b>\$4,173,730</b>	<b>\$4,122,301</b>	<b>\$4,070,872</b>	<b>\$4,019,443</b>	

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

**September 12, 2013  
Attachment**

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

**Exhibit # 10**

<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1. 131281 E	L. Woerner, Inc. d/b/a HCR (Washington County)

L. WOERNER, INC.  
d/b/a HCR  
BALANCE SHEETS  
December 31,

ASSETS	2011	2010
<b>Current assets:</b>		
Cash and cash equivalents	\$ 114,355	\$ 4,393,124
Accounts receivable, less allowance for doubtful accounts of \$331,000 (\$115,000 - 2010)	8,002,315	5,476,548
Prepaid expenses and other current assets	796,359	497,856
Total current assets	<u>8,913,029</u>	<u>10,367,527</u>
Property and equipment, net	2,124,334	1,417,008
Intangible asset	1,400,000	1,400,000
Total assets	<u>\$ 12,437,363</u>	<u>\$ 13,184,536</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Note payable - current portion	\$ 785,000	\$ 1,821,429
Demand notes payable	2,990,000	-
Accounts payable	1,810,080	997,720
Accrued expenses	2,398,972	2,272,014
Unearned revenue	502,979	362,101
Refundable advance	160,000	160,000
Due to third-party payors - current portion	3,516,416	830,000
Total current liabilities	<u>12,163,447</u>	<u>6,443,264</u>
<b>Long-term liabilities:</b>		
Security deposits	41,436	27,084
Note payable - net of current portion	-	785,000
Due to third-party payors	4,107,309	4,705,098
Total long-term liabilities	<u>4,148,745</u>	<u>5,517,182</u>
Total liabilities	<u>16,312,192</u>	<u>11,960,446</u>
<b>Stockholders' equity (deficit):</b>		
Common Stock - no par, 2,000,000 shares authorized and issued, 1,973,756 shares outstanding (1,981,832 - 2010), including 250,811 unallocated ESOP shares (543,208 - 2010)	93,500	93,500
Treasury stock, 26,244 at cost (18,168 - 2010)	(392,193)	(289,382)
Additional paid-in capital	920,867	604,371
Retained earnings (accumulated deficit)	(4,497,003)	1,499,104
Unearned ESOP shares	-	(683,504)
Total stockholders' equity (deficit)	<u>(3,874,829)</u>	<u>1,224,089</u>
Total liabilities and equity (deficit)	<u>\$ 12,437,363</u>	<u>\$ 13,184,536</u>

L. WOERNER, INC.  
d/b/a HCR  
STATEMENTS OF OPERATIONS  
Years Ended December 31,

	2011	2010
Revenues:	\$ 42,063,636	\$ 43,216,206
Operating expenses:		
Payroll	30,717,641	28,749,789
Payroll taxes and employee benefits	5,843,503	5,080,421
Outside services	2,101,543	2,578,368
Travel	1,189,027	945,380
ESOP contributions	1,000,000	4,000,000
Bad debt expense	369,807	600,590
Utilities	733,059	502,953
Depreciation	715,657	542,827
Equipment rental, repairs and maintenance	605,882	382,807
Rent	563,866	405,972
Medical expenses	558,036	502,911
Training and recruitment	245,079	190,948
Office expense	427,613	406,064
Legal and accounting	312,625	289,855
Miscellaneous	160,899	187,668
Cash receipt assessment	145,588	165,237
Insurance	134,214	124,397
Interest	88,824	110,378
Real estate taxes	70,076	69,485
Dues and subscriptions	63,342	69,916
Total operating expenses	<u>46,046,081</u>	<u>45,905,766</u>
Operating loss	(3,982,445)	(2,689,561)
Non-recurring expenses	(2,008,024)	-
Loss before taxes	(5,990,469)	(2,689,561)
Tax expense	(5,638)	(4,545)
Net loss	<u>\$ (5,996,107)</u>	<u>\$ (2,694,106)</u>

2012 Interim Financial Statements

L.Woerner, Inc. dba HCR  
Preliminary Balance Sheet  
December 31, 2012

ASSETS:

Current Assets

Cash	\$265,512
Accounts Receivable	8,645,774
Prepaid Expenses	<u>172,279</u>

Total Current Assets 9,083,565

Total Property, Plant & Equipment 1,666,485

Other Assets

Intangibles and Security Deposits 2,450,833

TOTAL ASSETS \$13,200,883

Liabilities:

Current Liabilities

Line of Credit Payable	\$4,790,000
Demand Notes Payable	1,500,000
Note Payable to Officer	\$750,000
Accounts Payable	1,006,042
Accrued Expenses	2,906,943
Unearned Revenue	2,204,109
Payor Settlements/Current	<u>3,044,597</u>

Total Current Liabilities 16,201,691

Other Liabilities

Security Deposits- Patients 42,079  
Payor Settlements/Long term 2,697,821

TOTAL LIABILITIES 18,941,591

STOCKHOLDERS' EQUITY:

Common Stock	93,500
Additional Paid In Capital	911,332
Treasury Stock	472,506
Retained Earnings	<u>(7,218,047)</u>

TOTAL STOCKHOLDERS' EQUITY (5,740,708)

TOTAL LIABILITIES & STOCKHOLDERS' EQUITY \$13,200,883

2012 Interim Financial Statements

L. Woerner, Inc. d/b/a HCR  
Preliminary Profit/(Loss) Statement  
YTD December 2012

<i>Revenues</i>	\$42,397,525
<i>Direct Costs</i>	<u>26,781,175</u>
<i>Gross Margin</i>	15,616,350
<i>Indirect Costs</i>	
<i>Payroll and Related Expenses</i>	11,743,583
<i>Other Indirect Expenses</i>	<u>6,593,811</u>
<i>Total Indirect Expenses</i>	<u>18,337,394</u>
<i>Net Profit/(Loss)</i>	<u>(\$2,721,044)</u>