

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

**COMMITTEE DAY**

**AGENDA**

*November 21, 2013*  
*10:15 a.m.*

*Century House*  
*997 New Loudon Road (Route 9)*  
*Main Ball Room*  
*Latham*

**I. COMMITTEE ON CODES, REGULATIONS AND LEGISLATION**

**Exhibit #1**

Angel Gutiérrez, M.D., Chair

**For Emergency Adoption**

13-08 Amendment of Subpart 7-2 of Title 10 NYCRR - Children's Camps

**For Adoption**

13-02 Amendment of Part 405 of Title 10 NYCRR- Hospital Pediatric Care

13-13 Amendment to Section 12.3 of Title 10 NYCRR – Administration of Vitamin K to Newborn Infants

**For Information**

11-36 Amendment of Sections 700.2 and 717.3, Parts 793 and 794 of Title 10 NYCRR - Hospice Operational Rules

**For Discussion**

Part 405 of Title 10 NYCRR – Federal conditions of Participation Amendments

Building Codes

## **II. COMMITTEE ON ESTABLISHMENT AND PROJECT REVIEW**

Jeffrey Kraut, Chair

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

#### **Acute Care Services - Construction**

**Exhibit # 2**

1. 132009 C Hospital for Special Surgery  
(New York County)
2. 131326 C Memorial Hospital for Cancer and Allied Diseases  
(New York County)
3. 132037 C Memorial Hospital for Cancer and Allied Diseases  
(New York County)
4. 132077 C Memorial Hospital for Cancer and Allied Diseases  
(Suffolk County)

#### **Ambulatory Surgery Centers - Construction**

**Exhibit # 3**

1. 122206 C Griffiss Eye Surgery Center  
(Oneida County)

#### **Residential Health Care Facilities - Construction**

**Exhibit # 4**

- | <b><u>Number</u></b> | <b><u>Applicant/Facility</u></b>           |
|----------------------|--|
| 1. 122281 C          | Meadowbrook Healthcare<br>(Clinton County) |

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

#### **Acute Care Services – Establish/Construct**

**Exhibit # 5**

- | <b><u>Number</u></b> | <b><u>Applicant/Facility</u></b>                        |
|----------------------|---|
| 1. 132195 E          | Mount Sinai Hospitals Groups, Inc.<br>(New York County) |
| 2. 132204 E          | Mohawk Valley Health System<br>(Oneida County)          |

**Ambulatory Surgery Centers - Establish/Construct**

**Exhibit # 6**

<u>Number</u>	<u>Applicant/Facility</u>
1. 112086 B	1504 Richmond, LLC d/b/a Richmond Surgery Center (Richmond County)
2. 131069 E	Meadowbrook Endoscopy Center (Nassau County)
3. 131192 B	Abaco North, LLC d/b/a Manhattan Multi-Specialty Ambulatory Surgery Center (New York County)
4. 131296 B	Westmoreland ASC, LLC (Oneida County)
5. 132108 B	Niagara ASC, LLC d/b/a Ambulatory Surgery Center of Niagara (Niagara County)

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

**Exhibit # 7**

<u>Number</u>	<u>Applicant/Facility</u>
1. 132011 B	Parkmed NYC, LLC (New York County)

**Dialysis Services- Establish/Construct**

**Exhibit # 8**

<u>Number</u>	<u>Applicant/Facility</u>
1. 132034 B	Brooklyn United Methodist Church Continuum Services (Kings County)
2. 132067 B	Elizabethtown Center, LLC (Essex County)

**Hospice - Establish/Construct**

**Exhibit # 9**

<u>Number</u>	<u>Applicant/Facility</u>
1. 132063 E	Hospice of New York (Queens County)

**Residential Health Care Facilities - Establish/Construct****Exhibit # 10**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	131086 E	Autumn View Health Care Facility, LLC (Erie County)
2.	131087 E	Brookhaven Health Care Facility, LLC (Suffolk County)
3.	131088 E	Garden Gate Health Care Facility (Erie County)
4.	131089 E	Harris Hill Nursing Facility, LLC (Erie County)
5.	131090 E	North Gate Health Care Facility (Niagara County)
6.	131091 E	Seneca Health Care Center (Erie County)
7.	131125 E	Ruby Care, LLC d/b/a Emerald North Nursing and Rehabilitation Center (Erie County)
8.	131156 E	Opal Care, LLC d/b/a Emerald South Rehabilitation and Care Center (Erie County)
9.	131264 E	South Shore Rehabilitation, LLC d/b/a South Shore Rehabilitation and Nursing Center (Nassau County)
10.	132071 E	Steuben Operations Associates, LLC d/b/a Steuben Center for Rehabilitation and Healthcare (Steuben County)
11.	132113 E	SGRNC LLC d/b/a King David Nursing and Rehabilitation Center (Kings County)

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

**Exhibit # 11**

<u>Number</u>	<u>Applicant/Facility</u>
1. 132048 E	HCS Certified Home Care New York, Inc. d/b/a Girling Health Care of New York (Kings County)

**C. Certificates**

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

**Exhibit # 12**

<u>Applicant</u>
1. Addiction Research and Treatment Corporation
2. East Harlem Council for Human Services, Inc.

**D. Home Health Agency Licensures**

**Home Health Agency Licensures**

**Exhibit # 13**

<u>Number</u>	<u>Applicant/Facility</u>
2143 L	Access to Home Care Services, Inc. (Cayuga, Onondaga, Cortland, Seneca, Tompkins, Oswego, and Jefferson Counties)
2048 L	ACME Home Care, Inc. (Bronx, Kings, New York, Richmond, and Queens Counties)
2022 L	Big Apple Homecare Agency, Inc. (Kings, Richmond, Queens, Bronx, New York and Westchester Counties)
2117 L	Boomer Services Plus, Inc. d/b/a Comfort Keepers #786 (Nassau, Suffolk and Queens Counties)
2091 L	Elmy's Special Services, Inc. (Bronx, Richmond, Kings, Queens, Nassau and New York Counties)
2094 L	EP Home Care, LLC (Kings County)

- 2086 L Irene A. Manolias d/b/a Executive Home Health Care  
(Nassau and Suffolk Counties)
- 2035 L First Step Services, Inc.  
(Westchester and Bronx Counties)
- 2023 L Kings Homecare Agency, Inc.  
(Bronx, Kings, New York, Queens and Richmond  
Counties)
- 2054 L Lagora Health Services, Inc.  
(Kings, Nassau, Queens, Bronx, New York and  
Richmond Counties)
- 2363 L Livingston County Board of Supervisors d/b/a  
Livingston County Department of Health  
(Livingston County)
- 2041 L NEC Care, Inc. d/b/a Home Instead Senior Care  
(Saratoga, Warren, and Washington Counties)
- 2109 L Neighbors NY, Inc.  
(Warren, Washington, and Saratoga Counties)
- 2115 L NYC Pro Home Care, Inc.  
(New York, Bronx, Kings, Richmond, Queens and  
Nassau Counties)
- 1917 L Polo Care, Inc.  
(Bronx, Queens, Kings, Richmond, Nassau, and  
New York Counties)

- 2098 L RAMA Associates, LLC d/b/a Home Helpers and Direct Link of Amsterdam (Albany, Saratoga, Fulton, Schenectady, Montgomery and Schoharie Counties)
- 2040 L Simpson Solutions, LLC d/b/a All Care Living Assistance Services (Westchester, Rockland, Bronx, New York, Queens, Richmond and Kings Counties)
- 2111 L Berardino and Pfisterer, Inc. d/b/a Oxford Home Care Services (Oneida, Otsego and Herkimer Counties)
- 2032 L RJG Consultants, Inc. d/b/a Providence Home Care Services (New York, Bronx, Kings, Richmond, Queens and Nassau Counties)

### **III. COMMITTEE ON PUBLIC HEALTH**

Dr. Jo Ivey Boufford, Chair

### **IV. COMMITTEE ON HEALTH PLANNING**

**Exhibit # 14**

Dr. John Rugge, Chair

Memo – 709.3 Evaluation

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

**November 21, 2013**

**ATTACHMENTS**

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**Acute Care Services - Construction**

**Exhibit # 2**

1. 132009 C Hospital for Special Surgery  
(New York County)
2. 131326 C Memorial Hospital for Cancer and Allied Diseases  
(New York County)
3. 132037 C Memorial Hospital for Cancer and Allied Diseases  
(New York County)
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(Suffolk County)

New York Society for the Relief of  
the Ruptured and Crippled, Maintaining  
the Hospital for Special Surgery

Statements of Financial Position

	December 31	
	2012	2011
	<i>(In Thousands)</i>	
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 36,482	\$ 43,870
Receivables:		
Patient care, less allowance for doubtful accounts (2012 – \$6,200; 2011 – \$5,643)	70,570	66,672
Insurance claims receivable	18,897	16,188
Other	16,093	11,956
Total receivables	<u>105,560</u>	<u>94,816</u>
Investments	210,487	172,625
Inventories	6,776	4,897
Prepaid expenses and other current assets	4,993	3,697
Pledges receivable	11,099	8,917
Assets limited as to use	8,887	9,458
Due from affiliates – net	9,131	7,576
Total current assets	<u>393,415</u>	<u>345,856</u>
Insurance claims receivable, net of current portion	50,023	48,046
Other noncurrent assets	6,408	5,732
Due from affiliates – net	11,115	11,115
Pledges receivable	27,177	22,599
Deferred financing costs, less accumulated amortization (2012 – \$7,315; 2011 – \$6,643)	7,655	8,327
Assets limited as to use	47,263	45,253
Long-term investments	82,951	76,277
Interest in The Hospital for Special Surgery Fund, Inc.	19,868	13,662
Property, plant and equipment – net	389,722	363,279
Total assets	<u>\$ 1,034,697</u>	<u>\$ 940,146</u>

	December 31	
	2012	2011
	<i>(In Thousands)</i>	
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 57,450	\$ 57,864
Accrued salaries and related liabilities	12,661	11,962
Current portion of long-term debt	19,677	15,503
Due to third-party payors – net	7,872	3,500
Insurance claims liabilities	18,897	16,188
Other current liabilities	19,681	14,337
Total current liabilities	<u>136,238</u>	<u>119,354</u>
Long-term debt	222,817	221,103
Insurance claims liabilities, net of current portion	50,023	48,046
Other noncurrent liabilities, including accrued retirement benefits and due to third-party payors – net	140,582	128,793
Total liabilities	<u>549,660</u>	<u>517,296</u>
Commitments and contingencies		
Net assets:		
Unrestricted	254,129	218,843
Temporarily restricted:		
Specific purpose	42,404	35,722
Plant replacement and expansion	42,041	46,549
Research	44,790	28,865
Total temporarily restricted	<u>129,235</u>	<u>111,136</u>
Permanently restricted	101,673	92,871
Total net assets	<u>485,037</u>	<u>422,850</u>
Total liabilities and net assets	<u>\$ 1,034,697</u>	<u>\$ 940,146</u>

*See accompanying notes.*

**New York Society for the Relief of  
the Ruptured and Crippled, Maintaining  
the Hospital for Special Surgery**

**Statements of Operations**

	<b>Year Ended December 31</b>	
	<b>2012</b>	<b>2011</b>
	<i>(In Thousands)</i>	
<b>Operating revenue</b>		
Net patient service revenue	\$ 637,138	\$ 577,896
Other operating revenue	111,628	94,925
Net assets released from restrictions for operations	16,973	17,912
Total operating revenue	765,739	690,733
<b>Operating expenses</b>		
Salaries and wages	314,570	280,471
Employee benefits	100,181	81,814
Supplies and other	262,341	237,302
Interest expense	10,101	9,986
Depreciation and amortization	40,240	36,116
Bad debt expense	5,799	2,654
Total operating expenses	733,232	648,343
Operating income before research operations and change in unrestricted interest in The Hospital for Special Surgery Fund, Inc.	32,507	42,390
Research operations:		
Net assets released from restrictions for research operations	28,586	30,478
Operating expenses, including depreciation (2012 - \$2,107; 2011 - \$2,342)	33,331	33,443
Net research operations	(4,745)	(2,965)
Change in unrestricted interest in The Hospital for Special Surgery Fund, Inc.	6,206	3,177
Operating income	33,968	42,602
<b>Other changes in unrestricted net assets</b>		
Net assets released from restrictions for capital expenditures	11,310	4,370
Change in net unrealized gains and losses on investments	5,475	(609)
Net assets reclassification	462	(337)
Change in defined benefit pension and other postretirement plan liability to be recognized in future periods	(15,929)	(54,738)
Increase (decrease) in unrestricted net assets	\$ 35,286	\$ (8,712)

See accompanying notes.

New York Society for the Relief of  
the Ruptured and Crippled, Maintaining  
the Hospital for Special Surgery

Statements of Financial Position

	(Unaudited) March 31 2013	(Audited) December 31 2012
	<i>(In Thousands)</i>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 26,153	\$ 36,482
Receivables:		
Patient care, less allowance for doubtful accounts (2013 - \$6,811; 2012 - \$6,200)	76,200	70,570
Insurance claims receivable	18,897	18,897
Other	13,219	16,093
Total receivables	108,316	105,560
Investments	220,987	210,487
Inventories	6,551	6,776
Prepaid expenses and other current assets	9,863	4,993
Pledges receivable	10,566	11,099
Assets limited to use	1,694	8,887
Due from affiliates - net	7,386	9,131
Total current assets	391,516	393,415
Insurance claims receivable, net of current portion	50,023	50,023
Other noncurrent assets	6,853	6,408
Due from affiliates - net	11,115	11,115
Pledges receivable	26,161	27,177
Deferred financing costs, less accumulated amortization (2013 - \$7,478; 2012 - \$7,315)	7,492	7,655
Assets limited as to use	49,013	47,263
Long-term investments	83,567	82,051
Interest in The Hospital for Special Surgery Fund, Inc.	21,477	19,868
Property, plant and equipment - net	388,751	389,722
Total assets	\$ 1,035,968	\$ 1,034,697
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 51,724	\$ 57,450
Accrued salaries and related liabilities	18,060	12,661
Current portion of long-term debt	19,811	19,677
Due to third-party payors - net	4,073	7,872
Insurance claims liabilities	18,897	18,897
Other current liabilities	11,729	19,681
Total current liabilities	124,294	136,238
Long-term debt	217,816	222,817
Insurance claims liabilities, net of current portion	50,023	50,023
Other noncurrent liabilities, including due to third-party payors - net	147,864	140,582
Total liabilities	\$39,997	\$49,660
Net assets:		
Unrestricted	263,943	254,129
Temporarily restricted:		
Specific purpose	42,744	42,404
Plant replacement and expansion	39,733	42,041
Research	47,796	44,790
Total temporarily restricted	130,273	129,235
Permanently restricted	101,755	101,673
Total net assets	495,971	485,037
Total liabilities and net assets	\$ 1,035,968	\$ 1,034,697

See accompanying notes.

New York Society for the Relief of  
the Ruptured and Crippled, Maintaining  
the Hospital for Special Surgery

Statements of Operations

	(Unaudited)	
	Three Months Ended March 31	
	2013	2012
	<i>(In Thousands)</i>	
<b>Operating revenue</b>		
Net patient service revenue	\$ 163,722	\$ 156,285
Other operating revenue	27,949	26,014
Net assets released from restrictions for operations	4,157	4,181
<b>Total operating revenue</b>	<b>195,828</b>	<b>186,480</b>
<b>Operating expenses</b>		
Salaries and wages	82,311	75,010
Employee benefits	28,094	24,986
Supplies and other	67,672	65,596
Interest expense	2,509	2,569
Depreciation and amortization	11,427	10,168
Bad debt expense	1,367	1,225
<b>Total operating expenses</b>	<b>193,371</b>	<b>179,554</b>
Operating income before research operations and change in unrestricted interest in The Hospital for Special Surgery Fund, Inc.	2,457	6,926
Research operations:		
Net assets released from restrictions for research operations	6,902	6,848
Operating expenses, including depreciation (2013 - \$496; 2012 - \$490)	8,310	8,124
<b>Net research operations</b>	<b>(1,408)</b>	<b>(1,276)</b>
Change in unrestricted interest in The Hospital for Special Surgery Fund, Inc.	1,609	814
<b>Operating income</b>	<b>2,658</b>	<b>6,464</b>
<b>Other Changes in unrestricted net assets</b>		
Net assets released from restrictions for capital expenditures	2,864	2,256
Change in net unrealized gains and losses on investments	4,292	6,744
Net assets reclassification	-	429
<b>Increase in unrestricted net assets</b>	<b>\$ 9,814</b>	<b>\$ 15,893</b>

See accompanying notes.

Memorial Sloan-Kettering Cancer Center  
and Affiliated Corporations

Combined Balance Sheets

	December 31	
	2012	2011
	<i>(In Thousands)</i>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents ;	\$ 313,850	\$ 253,242
Short-term investments – at fair value ;	183,383	193,740
Accounts receivable, less allowance for doubtful accounts (2012 – \$89,879; 2011 – \$88,324)	426,469	442,091
Pledges, trusts and estates receivable	134,703	108,002
Other current assets	89,878	85,064
<b>Total current assets</b>	<b>1,148,283</b>	<b>1,082,139</b>
Noncurrent assets:		
Assets whose use is limited:		
Investments in marketable securities – at fair value:		
Construction, debt service and repair reserve funds	123,222	33,981
Captive insurance funds	41,092	33,006
Employee benefit funds	60,855	80,295
<b>Total investments in marketable securities whose use is limited</b>	<b>225,169</b>	<b>147,282</b>
Investments – at fair value	3,739,419	2,933,467
Investments in nonmarketable securities at cost	113,564	116,493
Property and equipment – net	2,221,313	2,147,383
Mortgages and other loans receivable	30,494	27,440
Pledges, trusts and estates receivable	276,107	298,247
Other noncurrent assets	41,259	37,554
<b>Total noncurrent assets</b>	<b>6,647,325</b>	<b>5,707,866</b>
<b>Total assets</b>	<b>\$ 7,795,608</b>	<b>\$ 6,790,005</b>
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable	\$ 252,763	\$ 206,050
Accrued expenses	231,162	231,652
Current portion of long-term debt and capital lease obligations	49,918	21,706
<b>Total current liabilities</b>	<b>533,843</b>	<b>459,408</b>
Noncurrent liabilities:		
Long-term debt and capital lease obligations, less current portion	2,103,310	1,490,007
Other noncurrent liabilities	925,403	899,428
<b>Total liabilities</b>	<b>3,562,556</b>	<b>2,848,843</b>
Commitments and contingencies		
Net assets:		
Unrestricted:		
Undesignated	3,022,730	2,732,302
Board-designated	252,127	301,654
<b>Total unrestricted</b>	<b>3,274,857</b>	<b>3,033,956</b>
Temporarily restricted	500,568	481,993
Permanently restricted	457,627	425,213
<b>Total net assets</b>	<b>4,233,052</b>	<b>3,941,162</b>
<b>Total liabilities and net assets</b>	<b>\$ 7,795,608</b>	<b>\$ 6,790,005</b>

Memorial Sloan-Kettering Cancer Center  
and Affiliated Corporations

Combined Statements of Unrestricted Activities

	Year Ended December 31	
	2012	2011
	<i>(In Thousands)</i>	
<b>Undesignated operating revenues</b>		
Hospital care and services	\$ 1,794,236	\$ 1,754,744
Medical practice	407,705	386,677
Grants and contracts	185,160	190,948
Contributions allocated to operations	144,497	130,791
Royalty income	78,350	77,510
Other income	51,167	48,351
Investment returns allocated to operations	75,877	104,699
Transfer of Board-designated annual royalty annuitization	51,709	46,417
Total operating revenues	<u>2,788,701</u>	<u>2,740,137</u>
<b>Operating expenses</b>		
Salaries and wages	1,054,531	986,337
Physicians' practice compensation	159,460	150,972
Employee fringe benefits	368,221	329,358
Purchased supplies and services	547,344	533,673
Pharmaceuticals	331,875	301,948
Depreciation and amortization	210,810	195,461
Provision for bad debts and regulatory assessments	17,541	18,285
Interest	54,894	57,098
Total expenses	<u>2,744,676</u>	<u>2,573,132</u>
Less fund raising expenses transferred to nonoperating income and expenses	(47,305)	(44,665)
Total operating expenses	<u>2,697,371</u>	<u>2,528,467</u>
Income from operations	<u>91,330</u>	<u>211,670</u>
<b>Nonoperating income and expenses, net</b>		
Contributions, net of fundraising expenses and amount allocated to operations	(63,548)	(47,102)
Net assets released from restrictions	96,716	65,378
Investment returns, net of allocation to operations and transfers to temporarily restricted net assets	208,286	(126,179)
Other nonoperating income and expenses, net	(38,000)	2,916
Total nonoperating income and expenses, net	<u>203,454</u>	<u>(104,987)</u>
Increase in unrestricted net assets before change in postretirement benefit obligation to be recognized in future periods and Board-designated activities	<u>294,784</u>	<u>106,683</u>
<b>Board-designated</b>		
Investment income and other additions	2,182	(590)
Transfer of annual royalty annuitization	(51,709)	(46,417)
Decrease in Board-designated	<u>(49,527)</u>	<u>(47,007)</u>
Increase in unrestricted net assets before change in postretirement benefit obligation to be recognized in future periods	245,257	59,676
Change in postretirement benefit obligation to be recognized in future periods	(4,356)	(110,250)
Increase (decrease) in total unrestricted net assets	<u>\$ 240,901</u>	<u>\$ (50,574)</u>

Memorial Hospital for Cancer and Allied Diseases (Op. Cert. #70202000H)  
Projected Statements of Changes to Unrestricted Net Assets  
For the years ended December 31,  
(\$000)

	2010 Act	2011 Act	2012 Act	2013 Budget	2014	2015	2016	2017	2018	2019	2020	2021
<b>PROJECTED STATEMENTS OF CHANGES TO UNRESTRICTED NET ASSETS</b>												
Unrestricted revenue, gains and other support:												
Hospital care and services	\$ 1,460,340	\$ 1,709,394	\$ 1,750,243	\$ 1,896,626	\$ 2,030,493	\$ 2,165,096	\$ 2,379,816	\$ 2,573,680	\$ 2,798,981	\$ 2,962,530	\$ 3,166,677	\$ 3,336,039
Medical Practice	355,609	386,677	407,705	417,212	437,887	458,514	502,720	539,993	582,809	613,799	649,734	676,874
Grant revenue	1,432	944	1,335	1,089	1,111	1,133	1,956	1,979	2,003	2,037	2,032	2,077
Contributions	16,155	20,067	33,016	23,666	44,769	46,111	47,495	48,970	50,388	51,899	53,456	55,060
Investment Income	7,922	1,747	4,570	29,107	27,503	13,837	5,449	5,722	6,008	6,188	6,374	6,565
Other Income	79,728	79,565	79,111	80,717	83,076	92,380	97,321	112,455	142,105	151,434	159,527	167,995
Net assets released from restrictions	20,635	9,764	17,732	28,852	30,295	31,810	33,401	35,071	36,825	37,930	39,068	40,240
<b>Total revenue, gains and other support</b>	<b>1,941,841</b>	<b>2,208,158</b>	<b>2,293,712</b>	<b>2,477,269</b>	<b>2,655,134</b>	<b>2,806,901</b>	<b>3,068,158</b>	<b>3,317,819</b>	<b>3,619,120</b>	<b>3,825,807</b>	<b>4,076,888</b>	<b>4,384,850</b>
Operating expenses:												
Salaries and wages	755,461	808,239	871,674	939,137	989,906	1,061,223	1,155,728	1,237,066	1,315,174	1,375,248	1,447,684	1,518,719
Fringe benefits	207,897	222,308	251,425	276,413	295,781	318,136	346,182	370,640	393,497	411,029	432,407	454,132
Pharmaceuticals	279,035	301,369	330,824	361,469	382,854	421,769	468,911	533,589	655,395	701,549	762,597	811,712
Purchased Supplies and Services	191,469	215,065	226,952	264,844	312,413	343,227	389,294	437,460	423,161	461,698	508,931	542,139
Allocated Costs from Affiliates	289,303	311,155	342,927	351,050	362,918	379,252	400,246	415,794	412,428	431,237	450,374	470,380
Insurance	23,978	24,387	20,444	19,514	20,588	22,434	24,426	25,864	29,161	30,606	31,946	33,345
Interest Expense	594	2,256	724	353	0	5,337	9,000	8,811	50,121	49,660	49,173	48,661
Depreciation and amortization	88,029	99,430	107,753	107,314	112,015	119,435	143,137	143,129	198,667	207,118	211,700	220,487
Bad Debts & Regulatory assessments	10,012	17,093	16,364	25,414	36,732	38,910	42,735	46,207	50,238	53,074	56,554	59,378
<b>Total operating expenses</b>	<b>1,845,778</b>	<b>2,001,502</b>	<b>2,169,087</b>	<b>2,345,508</b>	<b>2,513,207</b>	<b>2,709,722</b>	<b>2,979,661</b>	<b>3,208,560</b>	<b>3,527,862</b>	<b>3,721,218</b>	<b>3,951,366</b>	<b>4,186,952</b>
Nonoperating Postretirement Benefit Change	(40,881)	(45,115)	(25,671)									
<b>Increase in unrestricted net assets</b>	<b>\$ 55,182</b>	<b>\$ 161,541</b>	<b>\$ 98,954</b>	<b>\$ 131,761</b>	<b>\$ 141,927</b>	<b>\$ 97,179</b>	<b>\$ 88,497</b>	<b>\$ 109,259</b>	<b>\$ 91,257</b>	<b>\$ 104,589</b>	<b>\$ 125,522</b>	<b>\$ 125,898</b>

Memorial Hospital for Cancer and Allied Diseases (Op. Cert. #7020200H)  
Projected Statements of Changes in Net Assets  
For the years ended December 31,  
(\$000)

	2010 Act	2011 Act	2012 Act	2013 Budget	2014	2015	2016	2017	2018	2019	2020	2021
<b>PROJECTED STATEMENTS OF CHANGES IN NET ASSETS</b>												
Unrestricted net assets												
Excess of revenues over expenses	\$ 55,182	\$ 161,541	\$ 98,954	\$ 131,761	\$ 141,927	\$ 97,179	\$ 88,497	\$ 109,259	\$ 91,257	\$ 104,589	\$ 125,522	\$ 125,898
Increase in unrestricted net assets	55,182	161,541	98,954	131,761	141,927	97,179	88,497	109,259	91,257	104,589	125,522	125,898
Temporarily restricted net assets:												
Contributions	56,542	524	41,361	42,602	43,880	45,196	46,552	47,949	49,387	50,869	52,395	53,967
Income from investments	5,832	(1,656)	9,215	9,776	10,069	10,069	10,371	10,682	11,002	11,332	11,672	12,022
Net assets released from restrictions	(20,633)	(10,194)	(17,732)	(28,852)	(30,295)	(31,810)	(33,401)	(35,071)	(36,825)	(37,930)	(39,068)	(40,240)
Increase (decrease) in temporarily restricted net assets	41,739	(11,326)	32,844	23,241	23,651	23,455	23,522	23,560	23,564	24,271	24,999	25,749
Permanently restricted net assets:												
Gifts and contributions	8,614	15,985	4,400	9,956	10,255	10,563	10,880	11,206	11,542	11,888	12,245	12,612
Net realized and unrealized gains on investments	72	15	73	75	77	79	81	83	85	88	91	94
Increase in permanently restricted net assets	8,686	16,000	4,473	10,031	10,332	10,642	10,961	11,289	11,627	11,976	12,336	12,706
Change in net assets	105,607	166,215	136,271	165,033	175,620	131,276	122,980	144,108	126,448	140,836	162,857	164,353
Net assets, beginning of year	338,434	444,041	610,256	746,527	911,560	1,087,180	1,218,456	1,341,436	1,485,544	1,611,992	1,752,828	1,915,685
Net assets, end of year	\$ 444,041	\$ 610,256	\$ 746,527	\$ 911,560	\$ 1,087,180	\$ 1,218,456	\$ 1,341,436	\$ 1,485,544	\$ 1,611,992	\$ 1,752,828	\$ 1,915,685	\$ 2,080,038

Memorial Sloan Kettering 131326  
BFA Attachment C

	2012 Actual	2013 Budget	PROJECTED										
			2014	2015	2016	2017	2018	2019	2020	2021			
Days													
Medical/Surgical	132,186	129,133	126,962	127,342	136,899	139,970	144,086	148,293	152,205	152,205	152,205	152,205	152,205
ICU	5,700	5,568	5,475	5,491	5,903	6,036	6,213	6,395	6,563	6,563	6,563	6,563	6,563
Pediatric	11,463	11,218	11,029	11,062	11,893	12,159	12,517	12,882	13,223	13,223	13,223	13,223	13,223
PICU			1,498	1,528	1,558	1,589	1,621	1,654	1,688	1,688	1,688	1,688	1,688
	149,369	145,919	144,964	145,423	156,253	159,754	164,437	169,224	173,679	173,679	173,679	173,679	173,679

	2012 Actual	2013 Budget	PROJECTED										
			2014	2015	2016	2017	2018	2019	2020	2021			
Discharges													
Medical/Surgical	22,870	22,342	21,966	22,032	23,685	24,217	24,929	25,657	26,334	26,334	26,334	26,334	26,334
ICU	229	224	220	221	237	242	250	257	264	264	264	264	264
Pediatric	1,444	1,411	1,387	1,391	1,496	1,529	1,574	1,620	1,663	1,663	1,663	1,663	1,663
PICU			16	16	17	17	17	18	18	18	18	18	18
Total Discharges	24,543	23,976	23,589	23,660	25,435	26,005	26,770	27,551	28,278	28,278	28,278	28,278	28,278

	2012 Actual	2013 Budget	PROJECTED										
			2014	2015	2016	2017	2018	2019	2020	2021			
By Service													
Magnetic Resonance Imaging	35,369	34,044	37,080	39,483	44,164	47,072	50,638	52,331	53,711	53,711	55,008	55,008	55,008
Nuclear Medicine	26,760	25,791	27,843	28,888	30,377	32,207	33,849	34,313	34,570	34,570	34,668	34,668	34,668
Radiology Therapeutic	167,218	170,395	178,269	187,035	198,530	205,026	210,809	216,331	220,350	220,350	223,391	223,391	223,391
Radiology Diagnostic	273,096	270,972	285,195	301,598	326,509	349,851	376,609	382,186	387,655	387,655	392,047	392,047	392,047
Pharmaceutical Services (Chemo)	117,075	124,802	131,265	141,436	151,442	165,315	175,796	185,480	190,766	190,766	195,456	195,456	195,456
Primary Medical Care	463,546	485,796	501,750	530,249	565,892	609,909	654,868	681,884	701,796	701,796	724,328	724,328	724,328
Physical, Speech & Respiratory Therapies	26,381	27,647	27,711	28,681	29,685	30,425	31,748	32,249	32,843	32,843	33,683	33,683	33,683
Surgery, Ambulatory	61,686	64,450	75,317	77,953	83,933	87,901	91,371	94,930	97,893	97,893	100,895	100,895	100,895
Visits Per Year	1,171,131	1,203,897	1,264,430	1,335,324	1,430,532	1,527,705	1,625,688	1,679,703	1,719,582	1,719,582	1,759,476	1,759,476	1,759,476

Memorial Hospital for Cancer and Allied Diseases

Current Year		Total Expense	Average Cost Per Visit/Discharge
<b>Outpatient Assumptions:</b>			
Operating Expenses - Current Year	<u>Visits</u>	<u>Expenses</u>	Average Cost Per <u>visit</u>
Operating	1,171,131	\$1,021,911,934	\$872.59
Capital	<u>1,171,131</u>	<u>85,129,674</u>	<u>72.69</u>
Total	1,171,131	\$1,107,041,609	\$945.28
<b>Operating Expenses - First Year</b>			
Operating	1,625,688	\$2,040,152,811	\$1,254.95
Capital	<u>1,625,688</u>	<u>223,168,307</u>	<u>137.27</u>
Total	1,625,688	\$2,263,319,118	\$1,392.22
<b>Operating Expenses - Third Year</b>			
Operating	1,719,582	\$2,357,212,999	\$1,370.81
Capital	<u>1,719,582</u>	<u>234,812,040</u>	<u>138.44</u>
Total	1,719,582	\$2,591,825,039	\$1,507.24
<b>Inpatient Assumptions:</b>			
Operating Expenses - Current Year	<u>Discharges</u>	<u>Expenses</u>	<u>visit</u>
Operating	24,543	\$584,963,485	\$23,834.23
Capital	<u>24,543</u>	<u>52,298,624</u>	<u>2,130.90</u>
Total	24,543	\$637,262,109	\$25,965.13
<b>Operating Expenses - First Year</b>			
Operating	26,770	\$628,445,485	\$23,475.74
Capital	<u>26,770</u>	<u>53,078,624</u>	<u>1,982.77</u>
Total	26,770	\$681,524,109	\$25,458.50
<b>Operating Expenses - Third Year</b>			
Operating	28,278	\$662,014,485	\$23,410.94
Capital	<u>28,278</u>	<u>53,158,624</u>	<u>1,879.86</u>
Total	28,278	\$715,173,109	\$25,290.80
<b>Non-Reimbursable Costs*:</b>			
Operating Expenses - Current Year		<u>Expenses</u>	
Operating		\$417,083,679	
Capital		<u>7,699,603</u>	
Total		\$424,783,282	
<b>Operating Expenses - First Year</b>			
Operating		573,825,415	
Capital		<u>9,193,729</u>	
Total		\$583,019,144	
<b>Operating Expenses - Third Year</b>			
Operating		\$634,614,230	
Capital		<u>9,753,627</u>	
Total		\$644,367,857	
<b>Total Costs</b>			
Operating Expenses - Current Year			
Operating		\$2,023,959,098	
Capital		<u>145,127,902</u>	
Total		<u>\$2,169,087,000</u>	
<b>Operating Expenses - First Year</b>			
Operating		\$3,242,423,711	
Capital		<u>285,438,660</u>	
Total		<u>\$3,527,862,371</u>	
<b>Operating Expenses - Third Year</b>			
Operating		\$3,653,841,714	
Capital		<u>297,524,291</u>	
Total		<u>\$3,951,366,005</u>	

Notes:

First (2018) and Third Year (2020) are in trended dollars.

The allocation of expenses between inpatient and outpatient operations is based on the AHA stepdown per the 2012 NYSICR.

\*Non-Reimbursable Costs relate to costs that are either recovered on the cost report due to revenue sources available to fund the costs (i.e. special funds, medical record copy fees) or are non-Article 28 services such as medical practice revenue and retail pharmacy.

Memorial Sloan-Kettering Cancer Center  
and Affiliated Corporations

Combined Balance Sheets

	December 31	
	2012	2011
	<i>(In Thousands)</i>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 313,850	\$ 253,242
Short-term investments – at fair value	183,383	193,740
Accounts receivable, less allowance for doubtful accounts (2012 – \$89,879; 2011 – \$88,324)	426,469	442,091
Pledges, trusts and estates receivable	134,703	108,002
Other current assets	89,878	85,064
Total current assets	<u>1,148,283</u>	<u>1,082,139</u>
Noncurrent assets:		
Assets whose use is limited:		
Investments in marketable securities – at fair value:		
Construction, debt service and repair reserve funds	123,222	33,981
Captive insurance funds	41,092	33,006
Employee benefit funds	60,855	80,295
Total investments in marketable securities whose use is limited	<u>225,169</u>	<u>147,282</u>
Investments – at fair value	3,739,419	2,933,467
Investments in nonmarketable securities at cost	113,564	116,493
Property and equipment – net	2,221,313	2,147,383
Mortgages and other loans receivable	30,494	27,440
Pledges, trusts and estates receivable	276,107	298,247
Other noncurrent assets	41,259	37,554
Total noncurrent assets	<u>6,647,325</u>	<u>5,707,866</u>
Total assets	<u>\$ 7,795,608</u>	<u>\$ 6,790,005</u>
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable	\$ 252,763	\$ 206,050
Accrued expenses	231,162	231,652
Current portion of long-term debt and capital lease obligations	49,918	21,706
Total current liabilities	<u>533,843</u>	<u>459,408</u>
Noncurrent liabilities:		
Long-term debt and capital lease obligations, less current portion	2,103,310	1,490,007
Other noncurrent liabilities	925,403	899,428
Total liabilities	<u>3,562,556</u>	<u>2,848,843</u>
Commitments and contingencies		
Net assets:		
Unrestricted:		
Undesignated	3,022,730	2,732,302
Board-designated	252,127	301,654
Total unrestricted	<u>3,274,857</u>	<u>3,033,956</u>
Temporarily restricted	500,568	481,993
Permanently restricted	457,627	425,213
Total net assets	<u>4,233,052</u>	<u>3,941,162</u>
Total liabilities and net assets	<u>\$ 7,795,608</u>	<u>\$ 6,790,005</u>

Memorial Sloan-Kettering Cancer Center  
and Affiliated Corporations

Combined Statements of Unrestricted Activities

	Year Ended December 31	
	2012	2011
	<i>(In Thousands)</i>	
<b>Undesignated operating revenues</b>		
Hospital care and services	\$ 1,794,236	\$ 1,754,744
Medical practice	407,705	386,677
Grants and contracts	185,160	190,948
Contributions allocated to operations	144,497	130,791
Royalty income	78,350	77,510
Other income	51,167	48,351
Investment returns allocated to operations	75,877	104,699
Transfer of Board-designated annual royalty annuitization	51,709	46,417
Total operating revenues	<u>2,788,701</u>	<u>2,740,137</u>
<b>Operating expenses</b>		
Salaries and wages	1,054,531	986,337
Physicians' practice compensation	159,460	150,972
Employee fringe benefits	368,221	329,358
Purchased supplies and services	547,344	533,673
Pharmaceuticals	331,875	301,948
Depreciation and amortization	210,810	195,461
Provision for bad debts and regulatory assessments	17,541	18,285
Interest	54,894	57,098
Total expenses	<u>2,744,676</u>	<u>2,573,132</u>
Less fund raising expenses transferred to nonoperating income and expenses	(47,305)	(44,665)
Total operating expenses	<u>2,697,371</u>	<u>2,528,467</u>
Income from operations	<u>91,330</u>	<u>211,670</u>
<b>Nonoperating income and expenses, net</b>		
Contributions, net of fundraising expenses and amount allocated to operations	(63,548)	(47,102)
Net assets released from restrictions	96,716	65,378
Investment returns, net of allocation to operations and transfers to temporarily restricted net assets	208,286	(126,179)
Other nonoperating income and expenses, net	(38,000)	2,916
Total nonoperating income and expenses, net	<u>203,454</u>	<u>(104,987)</u>
Increase in unrestricted net assets before change in postretirement benefit obligation to be recognized in future periods and Board-designated activities	<u>294,784</u>	<u>106,683</u>
<b>Board-designated</b>		
Investment income and other additions	2,182	(590)
Transfer of annual royalty annuitization	(51,709)	(46,417)
Decrease in Board-designated	(49,527)	(47,007)
Increase in unrestricted net assets before change in postretirement benefit obligation to be recognized in future periods	245,257	59,676
Change in postretirement benefit obligation to be recognized in future periods	(4,356)	(110,250)
Increase (decrease) in total unrestricted net assets	<u>\$ 240,901</u>	<u>\$ (50,574)</u>

Current Year	Total Expense	Average Cost Per Procedure
<b>Assumptions:</b>		
<b>Operating Expenses - Current Patient Mix</b>	<b>Expenses</b>	<b>Average Cost Per Procedure</b>
Operating	\$86,647,462	\$22.23
Capital	3,429,339	0.88
<b>Total</b>	<b>\$90,076,801</b>	<b>\$23.11</b>
<b>Operating Expenses - First Year</b>	<b>\$127,464,462</b>	<b>\$28.71</b>
Operating	10,527,339	2.37
Capital	116,937,123	26.34
<b>Total</b>	<b>\$127,464,462</b>	<b>\$28.71</b>
<b>Operating Expenses - Third Year</b>	<b>\$130,923,462</b>	<b>\$27.89</b>
Operating	10,527,339	2.24
Capital	120,396,123	25.65
<b>Total</b>	<b>\$141,450,801</b>	<b>\$30.13</b>

This is for both inpatient and outpatient procedures as the lab covers both entities.

Memorial Sloan-Kettering Cancer Center  
and Affiliated Corporations  
Combined Balance Sheets

	December 31	
	2012	2011
	<i>(In Thousands)</i>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 313,850	\$ 253,242
Short-term investments – at fair value	183,383	193,740
Accounts receivable, less allowance for doubtful accounts (2012 – \$89,879; 2011 – \$88,324)	426,469	442,091
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Total investments in marketable securities whose use is limited	<u>225,169</u>	<u>147,282</u>
Investments – at fair value	3,739,419	2,933,467
Investments in nonmarketable securities at cost	113,564	116,493
Property and equipment – net	2,221,313	2,147,383
Mortgages and other loans receivable	30,494	27,440
Pledges, trusts and estates receivable	276,107	298,247
Other noncurrent assets	41,259	37,554
Total noncurrent assets	<u>6,647,325</u>	<u>5,707,866</u>
Total assets	<u>\$ 7,795,608</u>	<u>\$ 6,790,005</u>
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable	\$ 252,763	\$ 206,050
Accrued expenses	231,162	231,652
Current portion of long-term debt and capital lease obligations	49,918	21,706
Total current liabilities	<u>533,843</u>	<u>459,408</u>
Noncurrent liabilities:		
Long-term debt and capital lease obligations, less current portion	2,103,310	1,490,007
Other noncurrent liabilities	925,403	899,428
Total liabilities	<u>3,562,556</u>	<u>2,848,843</u>
Commitments and contingencies		
Net assets:		
Unrestricted:		
Undesignated	3,022,730	2,732,302
Board-designated	252,127	301,654
Total unrestricted	<u>3,274,857</u>	<u>3,033,956</u>
Temporarily restricted	500,568	481,993
Permanently restricted	457,627	425,213
Total net assets	<u>4,233,052</u>	<u>3,941,162</u>
Total liabilities and net assets	<u>\$ 7,795,608</u>	<u>\$ 6,790,005</u>

Memorial Sloan-Kettering Cancer Center  
and Affiliated Corporations

Combined Statements of Unrestricted Activities

	Year Ended December 31	
	2012	2011
	<i>(In Thousands)</i>	
<b>Undesignated operating revenues</b>		
Hospital care and services	\$ 1,794,236	\$ 1,754,744
Medical practice	407,705	386,677
Grants and contracts	185,160	190,948
Contributions allocated to operations	144,497	130,791
Royalty income	78,350	77,510
Other income	51,167	48,351
Investment returns allocated to operations	75,877	104,699
Transfer of Board-designated annual royalty annuitization	51,709	46,417
Total operating revenues	<u>2,788,701</u>	<u>2,740,137</u>
<b>Operating expenses</b>		
Salaries and wages	1,054,531	986,337
Physicians' practice compensation	159,460	150,972
Employee fringe benefits	368,221	329,358
Purchased supplies and services	547,344	533,673
Pharmaceuticals	331,875	301,948
Depreciation and amortization	210,810	195,461
Provision for bad debts and regulatory assessments	17,541	18,285
Interest	54,894	57,098
Total expenses	<u>2,744,676</u>	<u>2,573,132</u>
Less fund raising expenses transferred to nonoperating income and expenses	(47,305)	(44,665)
Total operating expenses	<u>2,697,371</u>	<u>2,528,467</u>
Income from operations	<u>91,330</u>	<u>211,670</u>
<b>Nonoperating income and expenses, net</b>		
Contributions, net of fundraising expenses and amount allocated to operations	(63,548)	(47,102)
Net assets released from restrictions	96,716	65,378
Investment returns, net of allocation to operations and transfers to temporarily restricted net assets	208,286	(126,179)
Other nonoperating income and expenses, net	(38,000)	2,916
Total nonoperating income and expenses, net	<u>203,454</u>	<u>(104,987)</u>
Increase in unrestricted net assets before change in postretirement benefit obligation to be recognized in future periods and Board-designated activities	<u>294,784</u>	<u>106,683</u>
<b>Board-designated</b>		
Investment income and other additions	2,182	(590)
Transfer of annual royalty annuitization	(51,709)	(46,417)
Decrease in Board-designated	(49,527)	(47,007)
Increase in unrestricted net assets before change in postretirement benefit obligation to be recognized in future periods	245,257	59,676
Change in postretirement benefit obligation to be recognized in future periods	(4,356)	(110,250)
Increase (decrease) in total unrestricted net assets	<u>\$ 240,901</u>	<u>\$ (50,574)</u>

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

**November 21, 2013**

**ATTACHMENTS**

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**Ambulatory Surgery Centers - Construction**

**Exhibit # 3**

1. 122206 C      Griffiss Eye Surgery Center  
(Oneida County)

**GRIFFISS EC, LLC**  
**Balance Sheet**  
As of December 31, 2012

	Dec 31, 2012
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
100 · Cash - NBT	130,390.81
101 · NBT Medical Account	10.00
102 · Petty Cash	30.00
103 · Cash in Transit	55,723.75
<b>Total Checking/Savings</b>	186,224.56
<b>Accounts Receivable</b>	
<b>Accounts Receivable</b>	327,808.38
<b>Total Accounts Receivable</b>	327,808.38
<b>Other Current Assets</b>	
141 · Security Deposits	10,605.05
140 · Prepaid Expense	11,931.74
136.1 · Due From(Div Pay) RMH	45,402.58
136.2 · Due From(Div Pay) J.Costello	37,835.47
136.3 · Due From(Div Pay) P.Costello	22,701.29
136.4 · Due From(Div Pay) J.Femia	22,701.29
136.5 · Due From(Div Pay) A.Harris	22,701.29
<b>Total Other Current Assets</b>	173,878.71
<b>Total Current Assets</b>	687,911.65
<b>Fixed Assets</b>	
169 · Accumulated Amortization	5,246.00
152 · A/D Organizational Costs	-5,246.00
153 · Construction In Process	1,312,630.16
154 · A/D Construction In Process	-24,956.19
155 · Furniture & Equipment	621,544.79
156 · A/D Furniture and Equipment	-60,660.54
<b>Total Fixed Assets</b>	1,848,558.22
<b>Other Assets</b>	
190 · Intangibles	151,062.31
191 · Accum. Amortization	-26,400.80
<b>Total Other Assets</b>	124,661.51
<b>TOTAL ASSETS</b>	2,661,131.38
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	

**GRIFFISS EC, LLC**  
**Balance Sheet**  
As of December 31, 2012

	<u>Dec 31, 2012</u>
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	81,485.60
Total Accounts Payable	<u>81,485.60</u>
Other Current Liabilities	
208 · C/P N/P Alcon Laboratories	24,950.00
211 · Line of Credit	470,000.00
Total Other Current Liabilities	<u>494,950.00</u>
Total Current Liabilities	576,435.60
Long Term Liabilities	
210 · Loans Payable	1,546,779.28
Total Long Term Liabilities	<u>1,546,779.28</u>
Total Liabilities	2,123,214.88
Equity	
3100 · Rome Memorial Hospital	90,000.00
3200 · John J. Costello, Jr.	75,000.00
3300 · Pat Costello	45,000.00
3400 · Joseph F. Femia, M.D., P.C.	45,000.00
3500 · Alan D Harris MD	45,000.00
Net Income	237,916.50
Total Equity	<u>537,916.50</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>2,661,131.38</u></u>

**GRIFFISS EC, LLC**  
**Profit & Loss**  
January through December 2012  
TOTAL

Income	
Income	<u>1,789,986.73</u>
Total Income	1,789,986.73
Expense	
Personnel	394,348.00
601 · Advertising and Promotion	3,383.85
610 · Bank Fees	510.00
620 · Credentialing, Licenses	654.45
621 · Transcription Services	1,110.41
622 · Translation Services	250.00
625 · Dues and Subscriptions	5,053.15
630 · Licenses and Permits	4,034.00
645 · Interest Expense	90,223.62
660 · Medical Supplies	627,711.45
665 · Miscellaneous Expenses	1,668.25
670 · Office Supplies	14,227.27
675 · Postage	724.09
680 · Printer	945.76
Professional Fees	67,428.45
690 · Rent Expense	127,260.60
Repairs and Maintenance	34,920.76
700 · Telephone/Cable/Broadband	5,705.62
707 · Linen Rental	12,895.44
710 · Utilities	45,435.50
715 · Pest Control	936.37
720 · Waste Removal	7,584.41
725 · Building Security	991.61
750 · Depreciation Expense	85,616.73
755 · Amortization Expense	11,083.80
760 · NYS Filing Fees	25.00
765 · General Insurance	7,341.64
Total Expense	<u>1,552,070.23</u>
Net Income	<u>237,916.50</u>

**GRIFFISS EC, LLC**  
**Balance Sheet**  
 As of June 30, 2013  
 Jun 30, 13

**ASSETS**

Current Assets

Checking/Savings

100 · Cash - NBT	289,883.37
101 · NBT Medicaid Account	10.00
102 · Petty Cash	100.00
102.1 · Petty Cash - Billing Office	100.00
103 · Cash in Transit	7,492.87

Total Checking/Savings 297,586.24

Accounts Receivable

Accounts Receivable	273,452.77
---------------------	------------

Total Accounts Receivable 273,452.77

Other Current Assets

145 · Inventory	76,293.72
141 · Security Deposits Receivable	10,605.05
140 · Prepaid Expense	8,346.49
136 · Due from Rome Memorial Hospital	-1,440.00

Total Other Current Assets 93,805.26

Total Current Assets 664,844.27

Fixed Assets

151 · Leasehold Improvements	1,312,630.16
152 · A/D Leasehold Improvements	-39,292.38
153 · Construction In Progress	0.00
155 · Furniture & Equipment	625,939.43
156 · A/D Furniture and Equipment	-123,970.21

Total Fixed Assets 1,775,307.00

Other Assets

190 · Intangibles	151,062.31
191 · Accum Amortization	-31,942.70

Total Other Assets 119,119.61

**TOTAL ASSETS**

2,559,270.88

**LIABILITIES & EQUITY**

Liabilities

Current Liabilities

Accounts Payable	
20000 · Accounts Payable	31,689.24

Total Accounts Payable 31,689.24

**GRIFFISS EC, LLC**  
**Balance Sheet**  
As of June 30, 2013  
Jun 30, 13

<b>Other Current Liabilities</b>	
206 · Due to Rome Memorial Hospital	0.00
208 · N/P - Mohawk Hospital Equipment	0.00
208 · C/P N/P Alcon Laboratories	20,098.27
211 · Line of Credit	410,000.00
204 · Accrued Expenses	-14,100.00
24000 · Payroll Liabilities	176.00
136.1 · (Due From) Div Pay RMH	66,456.09
136.2 · (Due From) Div Pay J.Costello	55,380.54
136.3 · (Due From) Div Pay P.Costello	33,227.92
136.4 · (Due From) Div Pay J.Femia	33,227.92
136.5 · (Due From) Div Pay A.Harris	33,227.91
<b>Total Other Current Liabilities</b>	<u>637,694.65</u>
<b>Total Current Liabilities</b>	669,383.89
<b>Long Term Liabilities</b>	
210 · Loans Payable	1,446,789.86
<b>Total Long Term Liabilities</b>	<u>1,446,789.86</u>
<b>Total Liabilities</b>	2,116,173.75
<b>Equity</b>	
3100 · Rome Memorial Hospital	90,000.00
3200 · John J. Costello, Jr.	75,000.00
3300 · Pat Costello	45,000.00
3400 · Joseph F. Femia, M.D., P.C.	45,000.00
3500 · Alan D Harris MD	45,000.00
Net Income	143,097.13
<b>Total Equity</b>	<u>443,097.13</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u>2,559,270.88</u>

**GRIFFISS EC, LLC**  
**Profit & Loss**

	<u>Jan - Jun 13</u>
Income	
Income	1,023,677.59
Total Income	<u>1,023,677.59</u>
Gross Profit	1,023,677.59
Expense	
Personnel	241,915.94
601 · Advertising and Promotion	4,258.15
610 · Bank Fees	460.00
620 · Credentialing, Licenses	13.00
621 · Transcription Services	2,176.34
622 · Translation Services	100.00
625 · Dues and Subscriptions	2,638.35
630 · Licenses and Permits	0.00
645 · Interest Expense	43,280.73
650 · Meals and Entertainment	0
660 · Medical Supplies	308,126.49
665 · Miscellaneous Expenses	0.00
670 · Office Supplies	6,126.38
675 · Postage	119.70
680 · Printer	481.11
Professional Fees	52,316.81
690 · Rent Expense	63,630.30
Repairs and Maintenance	25,674.37
700 · Telephone/Cable/Broadband	2,554.49
707 · Linen Rental	6,574.90
710 · Utilities	22,110.23
715 · Pest Control	326.28
720 · Waste Removal	5,715.14
725 · Building Security	228.38
750 · Depreciation Expense	81,777.42
755 · Amortization Expense	5,541.90
760 · NYS Filing Fees	0.00
765 · General Insurance	4,054.05
799 · Non Deductible Expense	380.00
Total Expense	<u>880,580.46</u>
Net Income	<u>143,097.13</u>

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

**November 21, 2013**

**ATTACHMENT**

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**Residential Health Care Facilities - Construction**

**Exhibit # 4**

<u>Number</u>	<u>Applicant/Facility</u>
1. 122281 C	Meadowbrook Healthcare (Clinton County)

Project 122281  
Attachment B

Financial Summary

CGSR Inc.  
d/b/a Meadowbrook Healthcare

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$5,344,618	\$5,650,937	\$4,640,719
ASSETS - FIXED AND OTHER	1,611,719	1,720,360	1,496,288
LIABILITIES - CURRENT	2,356,731	2,496,137	4,354,623
LIABILITIES - LONG-TERM	<u>3,034,474</u>	<u>3,068,784</u>	<u>210,585</u>
EQUITY	\$1,565,132	\$1,806,376	\$1,571,799
<hr/>			
INCOME	\$18,405,693	\$18,311,925	\$17,657,348
EXPENSE	<u>17,896,937</u>	<u>18,074,348</u>	<u>17,197,096</u>
NET INCOME	\$508,756	\$237,577	\$460,252
<hr/>			
NUMBER OF BEDS	207	207	207
PERCENT OF OCCUPANCY (DAYS)	95.27%	96.22%	97.47%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	63.71%	62.34%	71.74%
MEDICARE	22.05%	24.07%	20.44%
PRIVATE/OTHER	14.25%	13.58%	7.82%
<hr/>			
Average Working Capital	\$2,142,928		
Average Net Assets	\$1,647,769		
Average Net Income (Loss)	\$402,195		
Average Occupancy	96.32%		

Project 122281  
Attachment C

Financial Summary

Cortlandt Healthcare LLC

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$2,535,709	\$2,480,854	\$2,288,779
ASSETS - FIXED AND OTHER	886,330	658,592	535,580
LIABILITIES - CURRENT	1,990,021	2,079,333	2,264,506
LIABILITIES - LONG-TERM	<u>793,326</u>	<u>210,471</u>	<u>92,072</u>
EQUITY	\$638,692	\$849,642	\$467,781
<hr/>			
INCOME	\$14,652,373	\$14,495,744	\$13,844,733
EXPENSE	<u>14,317,939</u>	<u>14,113,884</u>	<u>13,675,082</u>
NET INCOME on Operations	\$334,434	\$381,860	\$169,651
GAIN ON SALE of Nursing Home*	<u>\$3,954,616</u>		
Total Net Income	\$4,289,050		

\*Ref CON 131054

NUMBER OF BEDS	120	120	120
PERCENT OF OCCUPANCY (DAYS)	96.05%	94.11%	93.71%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	53.83%	57.38%	57.38%
MEDICARE	22.14%	21.82%	28.06%
PRIVATE/OTHER	24.03%	20.80%	14.56%

Average Working Capital	\$323,827
Average Net Assets	\$652,038
Average Net Income (Loss)	\$295,315
Average Occupancy	94.62%

**Financial Summary**

**South Shore NH, Inc.  
d/b/a South Shore Healthcare**

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$3,416,380	\$3,411,304	\$5,140,076
ASSETS - FIXED AND OTHER	2,371,638	2,079,430	343,345
LIABILITIES - CURRENT	1,719,492	1,872,173	5,309,826
LIABILITIES - LONG-TERM	<u>3,616,080</u>	<u>3,494,188</u>	<u>173,097</u>
EQUITY	\$452,446	\$124,373	\$498
<hr/>			
INCOME	\$3,517,009	\$14,048,184	\$13,694,706
EXPENSE	<u>3,210,952</u>	<u>14,171,653</u>	<u>13,450,667</u>
NET INCOME	\$306,057	(\$123,469)	\$244,039
<hr/>			
NUMBER OF BEDS	100	100	100
PERCENT OF OCCUPANCY (DAYS)	89.97%	90.18%	93.44%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	42.94%	41.93%	47.44%
MEDICARE	25.49%	42.37%	39.73%
PRIVATE/OTHER	31.57%	15.71%	12.83%
<hr/>			
Average Working Capital	\$1,022,090		
Average Net Assets	\$192,439		
Average Net Income (Loss)	\$142,209		
Average Occupancy	91.20%		

MEADOWBROOK REALTY GROUP, LLC

HUD PROJECT NO.: 014-22073

BALANCE SHEET  
December 31, 2012

<u>Account</u>	<u>ASSETS</u>		
	<b>CURRENT ASSETS:</b>		
1120	Cash - Operations	\$ 147,803	
1130	Tenant Receivable	210,766	
1200	Prepaid Expenses	137,976	
1100T	<b>Total Current Assets</b>		496,545
	<b>RESTRICTED DEPOSITS AND FUNDED RESERVES:</b>		
1310	Tax and Insurance Escrows	226,224	
1320	Replacement Reserve	498,236	
1330	Other Mortgage Reserves	11,091	
1300T	<b>Total Deposits</b>	<u>11,091</u>	735,551
	<b>FIXED ASSETS:</b>		
1410	Land	150,000	
1420	Buildings	8,078,957	
1440	Building Equipment (Portable)	1,422,071	
1480	Motor Vehicles	93,006	
1400T	<b>Total Fixed Assets</b>	<u>9,744,034</u>	
1495	Accumulated Depreciation	(5,294,673)	
1400N	<b>Net Fixed Assets</b>	<u>(5,294,673)</u>	4,449,361
1590	Intangible Assets (	43,335	
	Miscellaneous Other Assets:		
1590-010	Unamortized Mortgage Costs	229,496	
1590-020	Due from Meadowbrook Healthcare	2,670,904	
1500T	<b>Total Other Assets</b>	<u>2,670,904</u>	2,943,735
1000T	<b>TOTAL ASSETS</b>		<u>\$ 8,625,192</u>
	<b><u>LIABILITIES AND MEMBERS' DEFICIT</u></b>		
	<b>CURRENT LIABILITIES:</b>		
2170	Mortgage Payable - First Mortgage	\$ 317,375	
2131	Accrued Interest	49,815	
2122T	<b>Total Current Liabilities</b>	<u>49,815</u>	367,190
	<b>LONG-TERM LIABILITIES:</b>		
2320	Mortgage Payable - First Mortgage	13,552,223	
2300T	<b>Total Long-Term Liabilities</b>	<u>13,552,223</u>	13,919,413
2000T	<b>TOTAL LIABILITIES</b>		13,919,413
3130	Total Members' Deficit		(5,294,221)
2033T	<b>TOTAL LIABILITIES AND MEMBERS' DEFICIT</b>		<u>\$ 8,625,192</u>

MEADOWBROOK REALTY GROUP, LLC

HUD PROJECT NO.: 014-22073

STATEMENT OF INCOME AND CHANGES IN MEMBERS' DEFICIT  
For the Year Ended December, 31 2012

<u>Account No.</u>		
	<b>OPERATING INCOME</b>	
5120	Rental income	\$ 1,644,000
5440	Interest on Reserve	2,068
		<hr/>
	<b>TOTAL OPERATING INCOME</b>	1,646,068
	<b>OPERATING EXPENSES</b>	
6710	Real Estate Taxes	361,810
6720	Property Insurance	19,594
6790	Miscellaneous Taxes	1,500
6820	Interest on Mortgage Payable	603,832
6850	Mortgage Insurance Premium	71,877
6600	Depreciation	264,923
6610	Amortization	9,241
		<hr/>
	<b>TOTAL OPERATING EXPENSES</b>	1,332,777
	<b>NET INCOME</b>	313,291
	<b>MEMBERS' DEFICIT</b>	
	Balance, beginning of year	(5,328,019)
	<b>BALANCE, END OF YEAR</b>	<u><u>\$ (5,294,221)</u></u>

Total Principal Payments Required Under the Mortgage	<u><u>\$ 304,010</u></u>
Replacement Reserve Deposits Required by the Regulatory Agreement	<u><u>\$ 150,000</u></u>

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

**November 21, 2013**

**ATTACHMENT**

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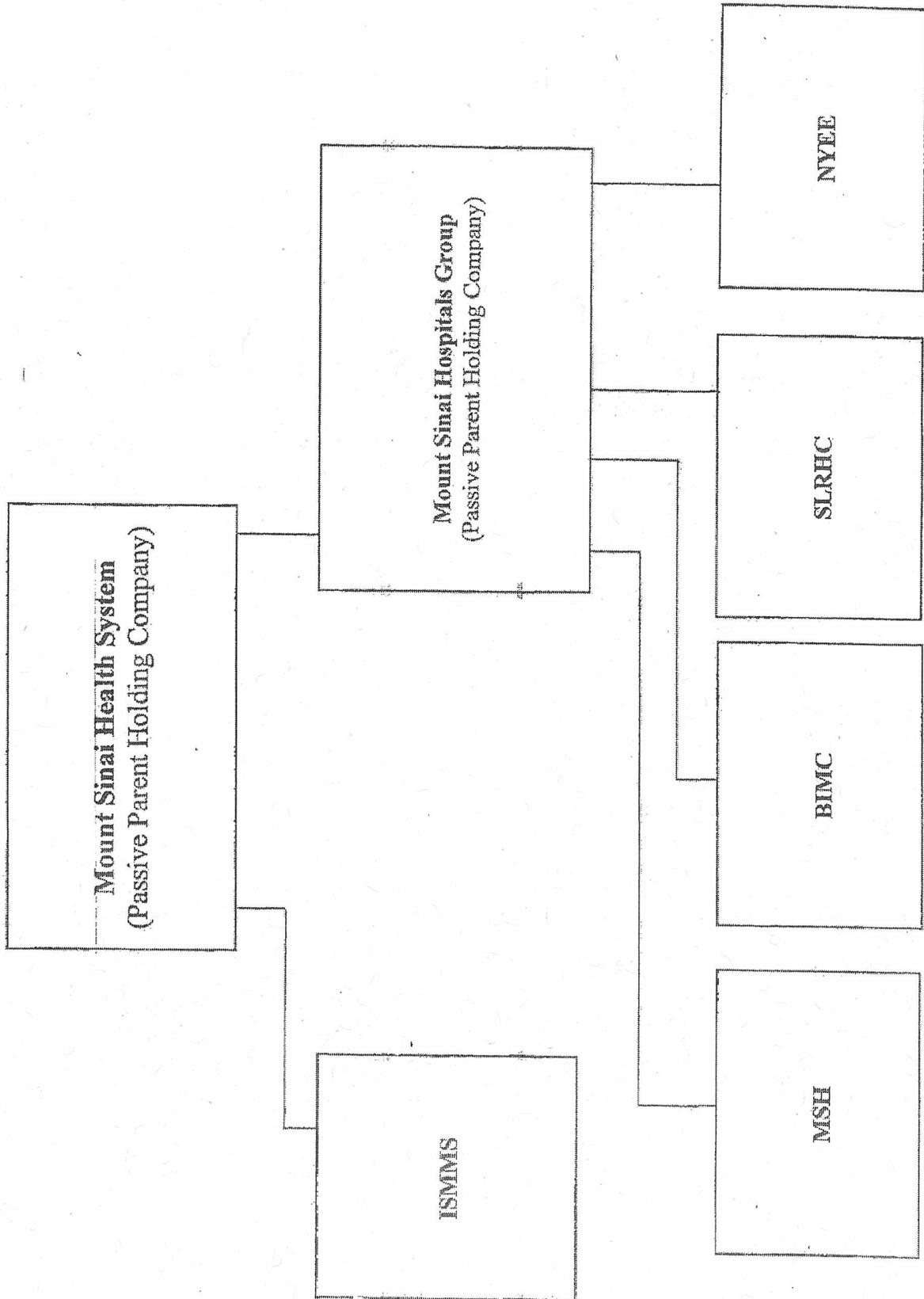
**Acute Care Services – Establish/Construct**

**Exhibit # 5**

<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1. 132195 E	Mount Sinai Hospitals Groups, Inc. (New York County)
2. 132204 E	Mohawk Valley Health System (Oneida County)

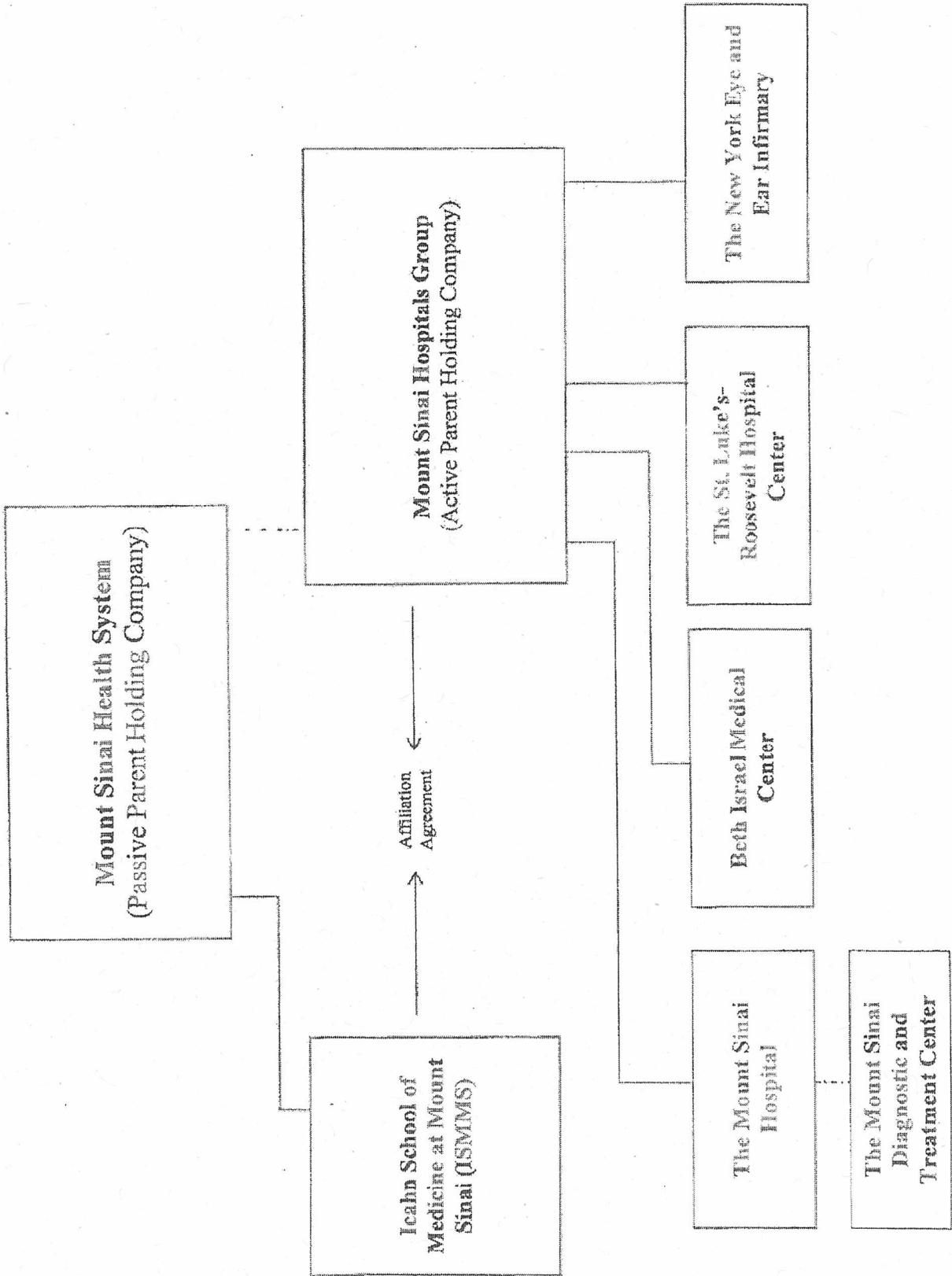
(BEFORE)

CORPORATE STRUCTURE\*



(AFTER)

CORPORATE STRUCTURE



The Mount Sinai Hospital  
Consolidated Statements of Financial Position

	December 31	
	2012	2011
	<i>(In Thousands)</i>	
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 354,476	\$ 235,991
Short-term investments	215,290	228,757
Total cash and cash equivalents and short-term investments	<u>569,766</u>	<u>464,748</u>
Patient accounts receivable, less allowances for doubtful accounts (2012 – \$55,881; 2011 – \$42,599)	216,597	202,020
Professional liabilities insurance recoveries receivable	33,424	32,741
Assets limited as to use	18,686	16,635
Due from related organizations, net	86,839	110,570
Inventories	25,802	20,911
Other current assets	<u>26,861</u>	<u>52,719</u>
Total current assets	977,975	900,344
Marketable securities, other investments and alternative investments	594,146	516,160
Assets limited as to use	52,518	113,230
Other assets	27,426	38,892
Deferred financing costs	8,583	9,558
Professional liabilities insurance recoveries receivables	189,405	185,530
Property, plant and equipment – net	553,216	477,442
Total assets	<u>\$ 2,403,269</u>	<u>\$ 2,241,156</u>

	December 31	
	2012	2011
	<i>(In Thousands)</i>	
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 125,420	\$ 121,063
Accrued salaries and related liabilities	83,053	76,006
Accrued interest payable	9,707	8,853
Accrued construction and capital asset liabilities	7,709	6,893
Current portion of long-term debt	37,803	19,772
Professional liabilities	33,424	32,741
Other current liabilities	20,763	17,437
Total current liabilities	<u>317,879</u>	<u>282,765</u>
Long-term debt, less current portion	388,168	427,685
Accrued postretirement benefits	18,620	17,582
Deferred gain on transfer of real estate	27,055	27,055
Professional liabilities, less estimated current portion	189,405	185,530
Other liabilities	368,851	374,095
Total liabilities	<u>1,309,978</u>	<u>1,314,712</u>
Commitments and contingencies		
Net assets:		
Unrestricted	932,896	763,860
Temporarily restricted	84,127	86,710
Permanently restricted	76,268	75,874
Total net assets	<u>1,093,291</u>	<u>926,444</u>
Total liabilities and net assets	<u>\$ 2,403,269</u>	<u>\$ 2,241,156</u>

The Mount Sinai Hospital  
 Consolidated Statements of Operations

	Year Ended December 31	
	2012	2011
	<i>(In Thousands)</i>	
<b>Operating revenue</b>		
Net patient service revenue	\$ 1,714,364	\$ 1,628,200
Provision for bad debts	(23,719)	(10,768)
Net patient service revenue, less provision for bad debts	1,690,645	1,617,432
Investment income and net realized gains on sales of securities	26,922	16,086
Contributions	416	294
Other revenue	30,903	25,561
Net assets released from restrictions for operations	23,858	23,662
Total operating revenue before other items	1,772,744	1,683,035
<b>Operating expenses</b>		
Salaries and wages	680,619	649,748
Employee benefits	206,923	193,287
Supplies and other	697,132	661,660
Depreciation	92,981	84,028
Interest and amortization	15,987	15,076
Total operating expenses before other items	1,693,642	1,603,799
Excess of operating revenue over operating expenses before other items	79,102	79,236

The Mount Sinai Hospital

Consolidated Statements of Operations (continued)

	Year Ended December 31	
	2012	2011
	<i>(In Thousands)</i>	
Excess of operating revenue over operating expenses before other items (from previous page)	\$ 79,102	\$ 79,236
<b>Other items</b>		
Net change in unrealized gains and losses on investments and change in value of alternative investments	27,249	(9,635)
Third-party reimbursement settlements	41,623	34,813
Net change in participation in captive insurance program	8,470	6,302
Medical residents FICA tax refund	21,916	278
Excess of revenue over expenses	<u>178,360</u>	<u>110,994</u>
<b>Other changes in unrestricted net assets</b>		
Transfers to affiliates	(16,098)	(11,138)
Distributions from MSMC Residential Realty, LLC	60	612
Transfers to the Icahn School of Medicine at Mount Sinai	(60)	(612)
Net assets released from restrictions for capital asset acquisitions	8,014	19,822
Change in postretirement liability to be recognized in future periods	(1,240)	225
Total other changes in unrestricted net assets	<u>(9,324)</u>	<u>8,909</u>
Net increase in unrestricted net assets	<u>\$ 169,036</u>	<u>\$ 119,903</u>

**Beth Israel Medical Center and Affiliates**  
**Consolidated Balance Sheets**  
**December 31, 2012 and 2011**

(in thousands of dollars)

	2012	2011
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 166,786	\$ 190,065
Marketable securities and other short-term investments	31,499	28,351
Receivables for patient care, less allowance for doubtful accounts of \$135,485 in 2012 and \$129,429 in 2011	204,263	204,098
Inventories	12,562	11,293
Prepaid expenses and other current assets	25,609	28,122
Due from affiliated organizations	2,574	2,259
Current portion of pledges receivable, net	3,822	4,721
Current portion of assets limited as to use	17,584	520
<b>Total current assets</b>	<u>464,699</u>	<u>469,429</u>
<b>Assets limited as to use</b>		
Long-term investments	19,010	16,816
Reinsurance receivables	300,712	283,091
Investments in captive insurance companies	83,883	60,852
Pledges receivable, net	3,312	3,656
Property, plant and equipment, net	450,493	464,515
Due from affiliated organizations	4,392	5,673
Deferred financing costs, net	4,400	5,089
Other assets	57,308	58,382
<b>Total assets</b>	<u>\$ 1,388,209</u>	<u>\$ 1,380,076</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 92,242	\$ 98,410
Accrued salaries and related liabilities	122,028	106,813
Current portion of long-term debt and capitalized leases	26,399	42,005
Other current liabilities	48,901	53,281
<b>Total current liabilities</b>	<u>289,570</u>	<u>300,509</u>
<b>Insured liabilities</b>		
Long-term debt and capitalized leases	300,712	283,091
Other noncurrent liabilities	175,332	237,643
<b>Total liabilities</b>	<u>923,091</u>	<u>977,303</u>
<b>Net assets</b>		
Unrestricted	429,262	362,720
Temporarily restricted	12,291	16,562
Permanently restricted	23,565	23,491
<b>Total net assets</b>	<u>465,118</u>	<u>402,773</u>
<b>Total liabilities and net assets</b>	<u>\$ 1,388,209</u>	<u>\$ 1,380,076</u>

**Beth Israel Medical Center and Affiliates**  
**Consolidated Statements of Operations**  
**Years Ended December 31, 2012 and 2011**

(in thousands of dollars)

	2012	2011
<b>Operating revenue</b>		
Net patient service revenue	\$ 1,126,499	\$ 1,143,581
Faculty practice revenue	182,497	192,907
Net assets released from restriction	7,470	8,140
Investment income	6,686	2,729
Other revenue	150,681	120,759
Total operating revenue	1,473,833	1,468,116
<b>Operating expenses</b>		
Salaries and wages	714,867	706,648
Employee benefits	200,803	191,691
Supplies and other expenses	456,772	454,443
Depreciation and amortization	71,151	71,146
Interest	10,032	13,952
Total operating expenses	1,453,625	1,437,880
Operating income before other items	20,208	30,236
Equity gain (loss) from investments in captive insurance companies	25,532	(9,410)
Operating gain	45,740	20,826
Gain on defeasance of note payable	14,429	.
Unrestricted contributions	6,995	6,219
Excess of revenue over expenses	67,164	27,045
Change in fair value of interest rate swap	(622)	(3,623)
Increase in unrestricted net assets	\$ 66,542	\$ 23,422

Beth Israel Medical Center  
 Consolidated Financial Statements  
 For the Year Ended December 31, 2012

**St. Luke's-Roosevelt Hospital Center and Affiliates**  
**Consolidated Balance Sheets**  
**December 31, 2012 and 2011**

(in thousands of dollars)

	2012	2011
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 75,650	\$ 44,786
Receivables for patient care, less allowance for doubtful accounts of \$139,955 in 2012 and \$135,706 in 2011	164,153	153,150
Grants, contracts and other receivables	10,866	9,955
Inventories	12,632	13,115
Prepaid expenses and other current assets	2,518	5,210
Current portion of assets limited as to use	56,130	41,946
Total current assets	<u>321,949</u>	<u>268,162</u>
Assets limited as to use	60,531	60,527
Long-term investments	35,627	32,712
Reinsurance receivables	182,516	162,699
Investments in captive insurance companies	12,730	14,670
Property, plant and equipment, net	353,371	371,147
Deferred financing costs, net	10,156	11,027
Other assets	32,695	32,049
Total assets	<u>\$ 1,009,575</u>	<u>\$ 952,993</u>
<b>Liabilities and Net Assets (Deficit)</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 80,744	\$ 71,560
Accrued salaries and related liabilities	113,847	92,718
Current portion of long-term debt and capitalized leases	21,031	20,724
Due to affiliated organizations	2,079	2,035
Due to third party payors	23,737	9,085
Other current liabilities	22,809	19,734
Total current liabilities	<u>264,247</u>	<u>215,856</u>
Due to affiliated organizations	4,392	5,673
Insured liabilities	182,516	162,699
Long-term debt and capitalized leases	416,885	435,378
Accrued pension and other postretirement medical benefits	67,693	60,763
Other noncurrent liabilities	214,193	213,990
Total liabilities	<u>1,149,926</u>	<u>1,094,359</u>
<b>Net assets (deficit)</b>		
Unrestricted (deficit)	(219,598)	(220,199)
Temporarily restricted	19,458	19,068
Permanently restricted	59,789	59,765
Total net assets (deficit)	<u>(140,351)</u>	<u>(141,366)</u>
Total liabilities and net assets (deficit)	<u>\$ 1,009,575</u>	<u>\$ 952,993</u>

**St. Luke's-Roosevelt Hospital Center and Affiliates**  
**Consolidated Statements of Operations**  
**Years Ended December 31, 2012 and 2011**

(in thousands of dollars)

	2012	2011
<b>Operating revenue</b>		
Net patient service revenue	\$ 905,171	\$ 898,343
Faculty practice revenue	134,310	145,269
Net assets released from restriction	5,842	8,681
Investment income	8,043	5,657
Other revenue	145,266	149,849
Total operating revenue	1,198,632	1,207,799
<b>Operating expenses</b>		
Salaries and wages	586,112	578,571
Employee benefits	154,472	149,929
Supplies, insurance and other expenses	369,068	381,077
Depreciation and amortization	51,765	52,056
Interest	27,636	28,795
Total operating expenses	1,189,053	1,190,428
Operating income	9,579	17,371
Unrestricted contributions	4,473	1,558
Excess of revenue over expenses	14,052	18,929
Change in fair value of interest rate swap	700	(6,351)
Change in pension and postretirement benefits	(14,151)	(6,668)
Increase in unrestricted net assets	\$ 601	\$ 5,910

Mount Sinai Hospital Center  
 Mount Sinai Financial Center  
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**The New York Eye and Ear Infirmary and Affiliates**  
**Consolidated Balance Sheets**  
**December 31, 2012 and 2011**

<i>(in thousands of dollars)</i>	2012	2011
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 22,600	\$ 29,542
Investments	26,661	15,082
Patient accounts receivable, less allowance for doubtful accounts of \$7,703 in 2012 and \$15,145 in 2011	16,723	13,445
Estimated third-party payor settlements	2,049	151
Supplies, prepaid expenses and other current assets	5,476	4,824
Total current assets	<u>73,509</u>	<u>63,044</u>
Investments, net of current portion	7,409	6,908
Reinsurance receivables	28,975	25,906
Property and equipment, net	57,907	53,671
Other assets	1,008	876
Total assets	<u>\$ 168,808</u>	<u>\$ 150,405</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 18,536	\$ 17,119
Accrued salaries and vacation accrual	4,713	3,838
Estimated third-party payor settlements	2,400	6,616
Total current liabilities	<u>25,649</u>	<u>27,573</u>
Insured liabilities	28,975	25,906
Accrued pension liability	39,843	34,993
Estimated third-party payor settlements	3,664	3,479
Other liabilities	2,729	2,665
Total liabilities	<u>100,860</u>	<u>94,616</u>
<b>Net assets</b>		
Unrestricted	50,150	38,889
Temporarily restricted	10,030	9,632
Permanently restricted	7,768	7,268
Total net assets	<u>67,948</u>	<u>55,789</u>
Total liabilities and net assets	<u>\$ 168,808</u>	<u>\$ 150,405</u>

Consolidated  
 Financial Statements  
 The New York Eye and Ear Infirmary  
 December 31, 2012

**The New York Eye and Ear Infirmary and Affiliates**  
**Consolidated Statements of Operations**  
**Years Ended December 31, 2012 and 2011**

*(in thousands of dollars)*

	2012	2011
<b>Revenue</b>		
Net patient service revenue	\$ 135,317	\$ 123,829
Other operating revenue	17,346	13,222
Investment income	3,093	160
Net assets released from restriction - operations	3,743	4,536
Total revenue	<u>159,499</u>	<u>141,747</u>
<b>Expenses</b>		
Salaries and wages	59,610	55,796
Employee benefits	19,910	17,385
Supplies and other expenses	55,606	49,457
Depreciation	7,216	6,672
Total expenses	<u>142,342</u>	<u>129,310</u>
Operating income	17,157	12,437
<b>Other income</b>		
Unrestricted contributions	755	285
Excess of revenue over expenses	17,912	12,722
Net assets released from restriction - capital and other	1,182	2,781
Pension related changes other than net periodic costs	(7,833)	(10,918)
Increase in unrestricted net assets	<u>\$ 11,261</u>	<u>\$ 4,585</u>



**MOHAWK VALLEY NETWORK, INC. AND SUBSIDIARIES**

**Consolidated Balance Sheets**

December 31, 2010 and 2009

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and cash equivalents	\$ 6,248,600	38,834,094
Assets limited as to use	4,885,772	3,792,563
Investments	62,723,915	22,325,842
Patient accounts receivable, net of reserve for doubtful accounts of \$8,203,423 in 2010 and \$7,461,037 in 2009	44,120,719	45,322,810
Pledges receivable, net of allowance for uncollectible pledges of \$17,000 in 2009	257,977	466,459
Other receivables	1,010,098	3,865,302
Inventories	5,346,833	5,622,527
Prepaid expenses and other current assets	2,884,602	2,747,377
Due from affiliate, net	645,983	992,692
Net investment in direct financing lease	547,116	547,116
Estimated third-party payor settlements, net	3,881,160	350,428
	<hr/>	<hr/>
Total current assets	132,552,775	124,867,210
Investment in affiliate	424,962	182,883
Investments	4,528,164	4,528,164
Assets limited as to use	9,553,747	9,743,910
Beneficial interest in charitable trusts	2,032,000	-
Residents' fund held in trust	86,804	100,550
Net investment in direct financing lease	3,543,238	3,779,935
Property and equipment, net	111,223,273	108,887,997
Unamortized debt issuance costs	1,749,665	2,008,787
Other assets	4,587,743	4,690,646
	<hr/>	<hr/>
Total assets	\$ <u>270,282,371</u>	<u>258,790,082</u>

<u>Liabilities and Net Assets</u>	<u>2010</u>	<u>2009</u>
<b>Current liabilities:</b>		
Line of credit	\$ 4,200,000	2,230,000
Current portion of long-term debt	9,573,405	6,150,466
Current portion of capital lease obligations	4,549,596	3,756,113
Accounts payable and accrued expenses	13,117,715	16,016,208
Accrued payroll, payroll taxes and benefits	10,173,224	9,646,740
Current portion of estimated self-insured liabilities	1,619,652	1,786,802
Other current liabilities	854,298	921,089
	<u>44,087,890</u>	<u>40,507,418</u>
<b>Total current liabilities</b>		
<b>Long-term debt, net of current portion:</b>		
Notes payable	21,364,424	11,642,070
Mortgages payable	15,438,899	16,040,571
Civic facility revenue bonds	31,476,571	36,541,481
Capital lease obligations	9,449,700	8,744,253
	<u>77,729,594</u>	<u>72,968,375</u>
<b>Total long-term debt, net of current portion</b>		
Estimated self-insured liabilities, net of current portion	4,279,166	4,148,690
Unrealized loss on interest rate swaps	3,967,565	3,157,747
Residents' funds held in trust	86,804	100,550
Other liabilities	10,107,976	10,826,651
	<u>140,258,995</u>	<u>131,709,431</u>
<b>Total liabilities</b>		
<b>Net assets:</b>		
Unrestricted	120,818,931	120,054,717
Temporarily restricted	4,676,281	2,497,770
Permanently restricted	4,528,164	4,528,164
	<u>130,023,376</u>	<u>127,080,651</u>
<b>Total net assets</b>		
<b>Commitments and contingencies :</b>		
<b>Total liabilities and net assets</b>	<u>\$ 270,282,371</u>	<u>258,790,082</u>

**MOHAWK VALLEY NETWORK, INC. AND SUBSIDIARIES**

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

**Years ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>Unrestricted revenues, gains and other support:</b>		
Net patient service revenue	\$ 301,433,867	290,235,392
Premium revenue	7,951,934	7,465,134
Other revenue	6,482,832	8,406,188
Investment income, net of fees	1,623,996	378,039
	<u>317,492,629</u>	<u>306,484,753</u>
<b>Total unrestricted revenues, gains and other support</b>		
<b>Expenses:</b>		
Salaries and wages	135,346,876	128,971,519
Employee benefits	35,477,580	35,656,568
Supplies and other	118,843,409	112,403,771
Depreciation and amortization	16,374,413	15,134,535
Interest	4,767,313	4,921,614
Provision for bad debts	8,730,134	9,334,775
New York State gross receipts taxes	1,005,287	1,356,407
Loss (gain) on disposal of property and equipment	(7,500)	324,614
	<u>320,537,512</u>	<u>308,103,803</u>
<b>Total expenses</b>		
<b>Net loss from continuing operations</b>	<u>(3,044,883)</u>	<u>(1,619,050)</u>
<b>Discontinued operations:</b>		
Gain (loss) on operations of discontinued components	(238,567)	1,384,720
Gain on sale of discontinued components	1,106,682	30,761,534
	<u>868,115</u>	<u>32,146,254</u>
<b>Gain on discontinued operations</b>		
<b>Excess (deficiency) of revenues over expenses</b>	<u>\$ (2,176,768)</u>	<u>30,527,204</u>

MOHAWK VALLEY NETWORK, INC. 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	\$ 4,957,148	3,282,222
Assets limited as to use	365,153	384,829
Investments	65,378,129	53,271,796
Patient accounts receivable, net of reserve for doubtful accounts of \$10,705,466 in 2012 and \$8,807,842 in 2011	47,343,149	45,044,954
Pledges receivable	135,446	130,702
Inventories	5,694,209	5,245,890
Prepaid expenses and other current assets	18,775,281	13,836,110
Due from affiliates, net	1,077,770	437,072
Net investment in direct financing lease	547,116	547,116
Estimated third-party payor settlements, net	9,567,612	8,459,560
Total current assets	153,841,013	130,640,251
Investment in affiliates	137,248	129,203
Investments	4,528,164	4,528,164
Other receivables	4,871,330	15,089,675
Beneficial interest in charitable trusts	1,247,000	2,005,000
Residents' funds held in trust	90,429	72,091
Net investment in direct financing lease	3,013,803	3,288,328
Property and equipment, net	115,602,518	108,024,829
Unamortized debt issuance costs	472,689	498,240
Other assets	30,651,737	24,947,260
Total assets	\$ <u>314,455,931</u>	<u>289,223,041</u>

<u>Liabilities and Net Assets</u>	<u>2012</u>	<u>2011</u>
Current liabilities:		
Bank overdraft	\$ -	158,431
Short-term borrowings	3,000,000	-
Revolving note payable	12,678,000	3,959,000
Current portion of long-term debt	3,597,989	4,582,967
Current portion of capital lease obligations	4,035,695	3,534,395
Accounts payable and accrued expenses	15,791,249	13,926,917
Accrued payroll, payroll taxes and benefits	13,921,345	12,562,609
Current portion of estimated self-insured liabilities	2,068,674	1,904,703
Other current liabilities	<u>12,196,681</u>	<u>10,070,520</u>
Total current liabilities	<u>67,289,633</u>	<u>50,699,542</u>
Long-term debt, net of current portion:		
Notes payable	8,824,057	17,339,959
Civic facility revenue bonds	16,845,000	17,355,000
Capital lease obligations	<u>7,779,365</u>	<u>8,209,973</u>
Total long-term debt, net of current portion	<u>33,448,422</u>	<u>42,904,932</u>
Estimated self-insured liabilities, net of current portion	2,927,462	3,584,985
Unrealized loss on interest rate swaps	6,144,832	6,299,513
Residents' funds held in trust	90,429	72,091
Other liabilities	<u>40,029,086</u>	<u>34,809,192</u>
Total liabilities	<u>149,929,864</u>	<u>138,370,255</u>
Net assets:		
Unrestricted	156,188,035	130,299,021
Temporarily restricted	3,809,868	16,025,601
Permanently restricted	<u>4,528,164</u>	<u>4,528,164</u>
Total net assets	<u>164,526,067</u>	<u>150,852,786</u>
Commitments and contingencies		
Total liabilities and net assets	<u>\$ 314,455,931</u>	<u>289,223,041</u>

**MOHAWK VALLEY NETWORK, INC. 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:		
Patient service revenue (net of contractual allowances and discounts)	\$ 303,554,077	301,227,950
Provision for bad debts	<u>(9,163,250)</u>	<u>(9,246,568)</u>
Net patient service revenue less provision for bad debts	294,390,827	291,981,382
Premium revenue	7,867,172	7,675,173
Other revenue	9,690,504	10,989,959
Investment income, net of fees	<u>2,468,870</u>	<u>674,328</u>
Total unrestricted revenues, gains and other support	<u>314,417,373</u>	<u>311,320,842</u>
Expenses:		
Salaries and wages	142,930,466	136,726,899
Employee benefits	32,573,500	34,510,465
Supplies and other	117,559,766	114,366,102
Depreciation and amortization	18,071,785	17,560,722
Interest	2,695,700	4,795,783
New York State gross receipts taxes	1,926,098	1,813,279
Loss on extinguishment of debt	<u>62,626</u>	<u>871,935</u>
Total expenses	<u>315,819,941</u>	<u>310,645,185</u>
Net income (loss) from continuing operations	<u>(1,402,568)</u>	<u>675,657</u>
Discontinued operations	<u>2,354,183</u>	<u>(235,825)</u>
Excess of revenues over expenses	<u>\$ 951,615</u>	<u>439,832</u>

Consolidated Mohawk Valley Network  
Balance Sheet

	August 2013	July 2013	December 2012
ASSETS			
CURRENT ASSETS:			
Cash and Cash equivalents	\$1,411,701	\$795,819	\$2,465,569
Investments	75,506,152	76,440,253	68,490,245
Patients Account Rec. Net	41,218,860	45,506,912	46,674,505
Other Receivables	13,102,673	13,180,231	20,778,751
Inventory	5,856,905	5,953,761	5,746,634
Prepaid & Other Asset	3,834,465	4,174,891	3,212,662
Net Inv. in Phys Office Bldg	547,116	547,116	547,116
Due from Third Party	9,984,379	10,978,838	10,356,135
Due from Affiliates	939,764	932,323	965,158
<b>Total Current Assets</b>	<b>\$152,402,015</b>	<b>\$158,510,144</b>	<b>\$159,236,775</b>
Investment in VHA	\$50,483	\$50,483	\$50,483
Investment in Foundation	0	0	0
Investment in Paraffin	0	0	0
Investment in SLM Office Bldg	0	0	0
Investment in MVEC	367,331	357,210	296,892
Net Inv in Phy Office Building	2,819,147	2,844,008	3,013,803
Assets limited as to use	668,485	687,538	692,272
Investments	4,750,274	4,804,305	5,201,937
Property and Equipment, net	121,890,023	122,175,816	119,383,556
Unamortized Debt Issuance	457,010	459,478	476,753
Other Assets	29,692,885	29,646,476	29,419,894
<b>Total Assets</b>	<b>\$313,097,653</b>	<b>\$319,535,458</b>	<b>\$317,772,365</b>

Consolidated Mohawk Valley Network  
Balance Sheet

	August 2013	July 2013	December 2012
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Short Term Borrowings	\$10,926,060	\$14,647,060	\$15,678,000
Current long-term debt	4,415,322	4,411,554	3,522,617
Capital lease obligations-curr	4,478,379	4,556,250	4,286,831
Self-insured Liabilities-current	5,389,690	5,501,729	4,598,820
Accrued Interest Payable	77,120	76,425	78,977
Accounts Payable	12,937,464	13,168,974	15,780,108
Accrued Payroll, Taxes	11,793,116	11,797,782	12,127,750
Other Current Liabilities	11,270,991	11,226,799	11,315,093
<b>Total Current Liabilities</b>	<b>\$61,288,142</b>	<b>\$65,386,573</b>	<b>\$67,388,196</b>
<b>Long Term Debt, Net of Current Portion</b>			
Notes Payable	\$12,917,592	\$13,263,077	\$11,747,512
Civic Facility Revenue Bonds	16,300,000	16,300,000	16,845,000
Capital Lease Obligations	10,333,384	10,199,217	7,779,367
Other Liability	46,634,225	46,571,004	46,689,623
Estimated self-insured Liabilities, net	\$2,396,941	\$2,442,671	\$2,797,592
<b>Total Liabilities</b>	<b>\$149,870,284</b>	<b>\$154,162,542</b>	<b>\$153,247,290</b>
<b>Net Assets</b>			
Unrestricted	\$155,657,610	\$157,803,156	\$156,192,543
Temporarily Restricted	3,041,594	3,041,594	3,804,368
Permanently Restricted	4,528,164	4,528,164	4,528,164
<b>Total Net Assets</b>	<b>\$163,227,368</b>	<b>\$165,372,914</b>	<b>\$164,525,075</b>
<b>Total Liability and Net Assets</b>	<b>\$313,097,652</b>	<b>\$319,535,456</b>	<b>\$317,772,365</b>

MVN System  
Consolidated Financial Statements  
Period Ended August 31, 2013  
Income Statement

	August Actual		August Budget		August 2012
Unrestricted revenues, gain and other support:					
Net Patient Revenue	\$203,182,822	(3.79)%	\$215,883,751	2.22 %	\$211,193,628
Other Revenue	10,693,308	1.73	10,726,781	2.04	10,511,996
<b>Total unrestricted revenues gains and other support</b>	<b>\$213,876,130</b>	<b>(3.53)%</b>	<b>\$226,610,532</b>	<b>2.21 %</b>	<b>\$221,705,624</b>
Expenses:					
Salaries and Wages	\$87,305,097		\$88,255,228		\$86,088,004
Physicians Salaries	8,886,679		9,035,450		8,177,796
Purchase Service Employees	139,473		157,866		266,410
Employee Benefits	25,927,402		26,277,838		25,676,445
Medical Supplies	17,310,911		18,039,735		17,517,590
Non-Medical Supplies	2,931,696		3,087,077		3,050,394
Purchased Services	23,155,041		24,344,319		24,788,567
Utilities	2,986,642		3,094,425		2,875,025
Drugs	10,536,439		11,963,086		12,950,769
Other Expenses	17,728,685		18,336,411		16,993,305
Depreciation/Amortization	12,916,413		12,836,295		12,041,691
Taxes	1,428,509		1,460,323		1,440,206
Interest Expense	1,713,318		1,575,575		1,908,358
Bad Debt Expense	6,351,226		6,526,846		6,200,182
<b>Total Expenses</b>	<b>\$219,317,531</b>		<b>\$224,990,474</b>		<b>\$219,974,742</b>
<b>Income from Operations</b>	<b>\$(5,441,401)</b>		<b>\$1,620,058</b>		<b>\$1,730,882</b>
Non-Operating Revenue	\$1,670,819		\$0		\$7,727,164
Income (Loss) from Foundati	0		0		0
Investment Income	4,234,901		1,727,420		4,993,064
Gain/Loss on Sale/Disposal	35,142		0		(154,363)
<b>Increase in Unrestricted Net Assets</b>	<b>\$499,461</b>		<b>\$3,347,478</b>		<b>\$14,296,747</b>

**FAXTON-ST. LUKE'S HEALTHCARE AND CONSOLIDATED SUBSIDIARIES**

Consolidated Balance Sheets

December 31, 2010 and 2009

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and cash equivalents	\$ 2,229,739	35,711,410
Assets limited as to use	4,494,491	3,452,108
Investments	57,388,822	17,473,296
Patient accounts receivable, net of reserve for doubtful accounts of \$7,784,057 in 2010 and \$7,197,470 in 2009	40,499,957	40,777,987
Other receivables	969,146	3,832,674
Inventories	5,346,833	5,549,066
Prepaid expenses and other current assets	2,673,053	2,511,920
Due from affiliates, net	1,984,133	2,376,421
Net investment in direct financing lease	547,116	547,116
Estimated third-party payor settlements, net	3,193,208	-
Total current assets	119,326,498	112,231,998
Interest in Faxton-St. Luke's Healthcare Foundation	8,964,355	6,600,436
Investment in affiliates	424,962	182,883
Due from affiliates, net	1,035,468	1,817,792
Assets limited as to use	5,108,055	5,144,858
Investments	4,528,164	4,528,164
Net investment in direct financing lease	3,543,238	3,779,935
Property and equipment, net	100,423,564	96,851,893
Unamortized debt issuance costs	1,078,724	1,294,268
Other assets	4,299,471	4,393,381
Total assets	\$ <u>248,732,499</u>	<u>236,825,608</u>

<u>Liabilities and Net Assets</u>	<u>2010</u>	<u>2009</u>
Current liabilities:		
Line of credit	\$ 4,200,000	2,030,000
Current portion of long-term debt	8,971,732	5,583,224
Current portion of capital lease obligations	4,549,596	3,756,113
Accounts payable and accrued expenses	11,316,870	14,365,982
Accrued payroll, payroll taxes and benefits	9,238,638	8,686,379
Current portion of estimated self-insured liabilities	1,402,213	1,546,323
Other current liabilities	843,831	912,963
Estimated third-party payor settlements, net	-	439,981
Total current liabilities	<u>40,522,880</u>	<u>37,320,965</u>
Long-term debt, net of current portion:		
Notes payable	21,364,424	11,642,070
Civic facility revenue bonds	31,476,571	36,541,481
Capital lease obligations	9,449,700	8,744,253
Total long-term debt, net of current portion	<u>62,290,695</u>	<u>56,927,804</u>
Other liabilities	9,854,184	10,609,474
Unrealized loss on interest rate swaps	3,967,565	3,157,747
Estimated self-insured liabilities, net of current portion	3,555,155	3,440,304
Total liabilities	<u>120,190,479</u>	<u>111,456,294</u>
Net assets:		
Unrestricted	119,443,075	118,348,880
Temporarily restricted	4,570,781	2,492,270
Permanently restricted	4,528,164	4,528,164
Total net assets	<u>128,542,020</u>	<u>125,369,314</u>
Commitments and contingencies		
Total liabilities and net assets	<u>\$ 248,732,499</u>	<u>236,825,608</u>

**FAXTON-ST. LUKE'S HEALTHCARE AND CONSOLIDATED SUBSIDIARIES**

Consolidated Statements of Operations and Changes in Net Assets

Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Unrestricted revenues, gains and other support:		
Net patient service revenue	\$ 273,350,392	261,722,350
Other revenue	4,881,215	6,950,804
Investment income, net of fees	1,446,121	316,834
Contributions	457,954	551,780
Net assets released from restrictions used for operations	-	565
	<hr/>	<hr/>
Total unrestricted revenues, gains and other support	280,135,682	269,542,333
	<hr/>	<hr/>
Expenses:		
Salaries and wages	116,108,425	110,584,124
Employee benefits	31,015,344	31,223,419
Supplies and other	107,504,708	101,116,207
Depreciation and amortization	14,777,786	13,348,634
Provision for bad debts	8,589,774	9,259,582
Interest	3,803,042	3,918,905
Loss (gain) on disposal of property and equipment	(7,500)	326,246
NYS gross receipts taxes	969,204	671,614
	<hr/>	<hr/>
Total expenses	282,760,783	270,448,731
	<hr/>	<hr/>
Net loss from continuing operations	(2,625,101)	(906,398)
	<hr/>	<hr/>
Discontinued operations:		
Gain on operations of discontinued component	-	1,707,633
Gain on sale of discontinued component	791,987	30,761,534
	<hr/>	<hr/>
Gain on discontinued operations	791,987	32,469,167
	<hr/>	<hr/>
Excess (deficiency) of revenues over expenses	\$ (1,833,114)	31,562,769
	<hr/>	<hr/>

**FAXTON-ST. LUKE'S HEALTHCARE**

Balance Sheets

December 31, 2012 and 2011

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents	\$ 2,910,193	1,120,275
Investments	59,774,878	48,103,626
Patient accounts receivable, net of reserve for charity care and doubtful accounts of \$10,375,721 in 2012 and \$8,382,207 in 2011	43,268,140	40,666,564
Inventories	5,680,655	5,231,856
Prepaid expenses and other current assets	18,012,307	13,042,408
Due from affiliates, net	2,304,477	1,316,822
Net investment in direct financing lease	547,116	547,116
Estimated third-party payor settlements, net	<u>8,816,308</u>	<u>7,977,712</u>
Total current assets	141,314,074	118,006,379
Interest in Faxton-St. Luke's Healthcare Foundation	6,567,674	7,229,709
Investment in affiliates	137,248	129,203
Due from affiliates, net	423,965	300,000
Investments	4,528,164	4,528,164
Net investment in direct financing lease	3,013,803	3,288,328
Property and equipment, net	93,838,604	96,624,341
Unamortized debt issuance costs	472,689	498,240
Other assets	<u>26,416,499</u>	<u>21,902,974</u>
 Total assets	 <u>\$ 276,712,720</u>	 <u>252,507,338</u>

<u>Liabilities and Net Assets</u>	<u>2012</u>	<u>2011</u>
Current liabilities:		
Revolving note payable	\$ 12,678,000	3,959,000
Current portion of long-term debt	3,597,989	4,582,967
Current portion of capital lease obligations	4,035,695	3,534,395
Accounts payable and accrued expenses	14,160,693	12,364,645
Accrued payroll, payroll taxes and benefits	12,675,359	11,539,608
Current portion of estimated self-insured liabilities	1,732,116	1,671,472
Other current liabilities	<u>10,916,859</u>	<u>8,902,002</u>
Total current liabilities	<u>59,796,711</u>	<u>46,554,089</u>
Long-term debt, net of current portion:		
Notes payable	8,824,057	17,339,959
Civic facility revenue bonds	16,845,000	17,355,000
Capital lease obligations	<u>7,779,365</u>	<u>8,209,973</u>
Total long-term debt, net of current portion	<u>33,448,422</u>	<u>42,904,932</u>
Other liabilities	35,792,783	31,757,765
Unrealized loss on interest rate swaps	6,144,832	6,299,513
Estimated self-insured liabilities, net of current portion	<u>2,670,011</u>	<u>3,071,196</u>
Total liabilities	<u>137,852,759</u>	<u>130,587,495</u>
Net assets:		
Unrestricted	131,290,203	113,859,059
Temporarily restricted	3,041,594	3,532,620
Permanently restricted	<u>4,528,164</u>	<u>4,528,164</u>
Total net assets	<u>138,859,961</u>	<u>121,919,843</u>
Commitments and contingencies		
Total liabilities and net assets	<u>\$ 276,712,720</u>	<u>252,507,338</u>

**FAXTON-ST. LUKE'S HEALTHCARE**

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:		
Patient service revenue (net of contractual allowances and discounts)	\$ 278,712,198	273,563,145
Provision for bad debts	<u>(8,931,406)</u>	<u>(8,987,088)</u>
Net patient service revenue less provision for bad debts	269,780,792	264,576,057
Other revenue	7,564,835	9,263,962
Investment income, net of fees	2,161,051	603,919
Contributions	<u>1,533,659</u>	<u>557,986</u>
Total unrestricted revenues, gains and other support	<u>281,040,337</u>	<u>275,001,924</u>
Expenses:		
Salaries and wages	124,489,479	117,781,430
Employee benefits	27,225,072	28,481,707
Supplies and other	107,135,317	103,635,185
Depreciation and amortization	16,596,968	16,049,757
Interest	2,695,394	3,943,250
Loss on extinguishment of debt	-	871,935
NYS gross receipts taxes	<u>1,133,677</u>	<u>995,149</u>
Total expenses	<u>279,275,907</u>	<u>271,758,413</u>
Net income from continuing operations	1,764,430	3,243,511
Discontinued operations	<u>2,354,183</u>	<u>(235,825)</u>
Excess of revenues over expenses	<u>\$ 4,118,613</u>	<u>3,007,686</u>

FAXTON-ST. LUKE'S HEALTHCARE AND SUBSIDIARIES

Consolidated Balance Sheets  
AUDIT FORMAT

As of August 31, 2013

<u>Assets</u>	<u>8/31/2013</u>	<u>12/31/2012</u>
Current assets:		
Cash and cash equivalents	\$ 5,585,519	2,910,193
Investments	62,971,282	59,774,878
Patient accounts receivable, net of reserve for doubtful accounts of \$7,982,207 in 2011 and \$7,784,057 in 2010	37,314,258	43,268,140
Inventories	5,784,439	5,680,657
Prepaid expenses and other current assets	15,964,823	18,012,308
Due from affiliates, net	1,220,459	2,304,477
Net investment in direct financing lease	547,116	547,116
Estimated third-party payor settlements, net	8,586,948	8,816,309
	<hr/>	<hr/>
Total current assets	137,974,845	141,314,077
Interest in Faxton-St. Luke's Healthcare Foundation	6,630,234	6,567,673
Investment in affiliates	180,236	137,248
Due from affiliates, net	393,188	423,965
Investments	4,528,164	4,528,164
Net investment in direct financing lease	2,819,147	3,013,803
Property and equipment, net	96,701,131	93,838,605
Unamortized debt issuance costs	455,656	472,689
Other assets	26,759,930	26,416,496
	<hr/>	<hr/>
Total assets	\$ <u>276,442,530</u>	<u>276,712,720</u>

<u>Liabilities and Net Assets</u>	<u>8/31/2013</u>	<u>12/31/2012</u>
Current liabilities:		
Revolving note payable	\$ 10,497,000	12,678,000
Current portion of long-term debt	4,490,694	3,597,989
Current portion of capital lease obligations	4,227,243	4,035,695
Accounts payable	11,551,629	14,160,692
Accrued payroll, payroll taxes and benefits	12,592,688	12,675,358
Current portion of estimated self-insured liabilities	1,592,688	1,732,116
Other current liabilities	10,836,824	10,916,858
Estimated third-party payor settlements, net	-	-
	<u>55,788,766</u>	<u>59,796,709</u>
Total current liabilities		
Long-term debt, net of current portion:		
Notes payable	10,090,383	8,824,055
Civic facility revenue bonds	16,300,000	16,845,000
Capital lease obligations	10,333,384	7,779,367
	<u>36,723,767</u>	<u>33,448,422</u>
Total long-term debt, net of current portion		
Other Liabilities	35,857,146	35,792,783
Unrealized loss on interest rate swaps	6,144,832	6,144,832
Estimated self-insured liabilities, net of current portion	2,250,239	2,670,011
	<u>136,764,751</u>	<u>137,852,757</u>
Total liabilities		
Net assets:		
Unrestricted	132,108,021	131,290,205
Temporarily restricted	3,041,593	3,041,593
Permanently restricted	4,528,164	4,528,164
	<u>139,677,778</u>	<u>139,860,062</u>
Commitments and contingencies		
Total liabilities and net assets	<u>\$ 276,442,530</u>	<u>276,712,720</u>

**FAXTON-ST. LUKE'S HEALTHCARE AND SUBSIDIARIES**

Consolidated Statements of Operations and Changes in Net Assets  
AUDIT FORMAT

As of August 31, 2013

	<u>8/31/2013</u>	<u>8/31/2012</u>
Unrestricted revenues, gains and other support:		
Net patient service revenue	\$ 182,898,775	191,337,124
Provision for bad debts	<u>(6,238,225)</u>	<u>(6,119,052)</u>
Net patient service revenue less provision for bad debts	176,660,550	185,218,072
Other revenue	5,039,932	5,224,764
Investment income, net of fees	1,068,220	1,412,516
Other Contributions	498,383	152,484
Net assets released from restrictions used for operations	<u>-</u>	<u>-</u>
Total unrestricted revenues, gains and other support	<u>183,267,084</u>	<u>192,007,836</u>
Expenses:		
Salaries and wages	83,339,856	81,578,185
Employee benefits	22,160,654	22,001,767
Supplies and other	66,916,830	70,772,655
Depreciation and amortization	11,515,756	11,009,371
Interest	1,603,594	1,810,072
Loss on Debt Extinguishment	-	32,000
NYS gross receipts taxes	<u>762,265</u>	<u>778,743</u>
Total expenses	<u>186,298,955</u>	<u>187,982,793</u>
Net Income from continuing operations	<u>(3,031,870)</u>	<u>4,025,043</u>
Gain (loss) on sale of discontinued component	<u>2</u>	<u>-</u>
Gain on discontinued operations	<u>2</u>	<u>-</u>
Excess of revenues over expenses	<u>\$ (3,031,868)</u>	<u>4,025,043</u>

**ST. ELIZABETH MEDICAL CENTER**

Balance Sheets

December 31, 2010 and 2009

Assets	<u>2010</u>	<u>2009</u>
<b>Current:</b>		
Cash and cash equivalents	\$ 6,221,349	6,271,861
Current portion of assets whose use is limited	389,468	388,455
Investments	16,917,068	20,593,455
Patient accounts receivable, net of allowance for doubtful accounts of \$4,072,000 in 2010 and \$4,478,000 in 2009	22,615,059	23,971,266
Other receivables, net	305,964	560,497
Inventories of drugs and supplies	5,811,795	5,597,940
Prepaid expenses	<u>523,888</u>	<u>493,919</u>
Total current assets	52,784,591	57,877,393
<b>Assets whose use is limited:</b>		
Under bond indenture agreements	2,728,069	2,672,643
Restricted by donors	467,425	579,389
Property, plant, and equipment, net of accumulated depreciation and amortization	74,898,945	67,186,109
Interest in net assets of St. Elizabeth Medical Center Foundation, Inc.	1,696,048	1,839,425
Other assets	<u>1,107,787</u>	<u>1,196,229</u>
Total assets	<u>\$ 133,682,865</u>	<u>131,351,188</u>
<b>Liabilities and Net Assets</b>		
<b>Current:</b>		
Current installments of note payable	\$ 744,013	—
Current installments of long-term debt	1,365,000	1,295,000
Current installments of obligations under capital leases	619,667	632,634
Current installments of loans payable to Motherhouse	130,726	130,726
Accounts payable	17,450,027	17,761,335
Accrued expenses	5,259,188	4,874,154
Liabilities to third-party payors	<u>9,329,783</u>	<u>11,427,173</u>
Total current liabilities	34,898,404	36,121,022
Accrued pension liability	36,865,674	35,938,659
Long-term note payable, excluding current installments	3,855,987	—
Long-term debt, excluding current installments	33,962,411	35,151,608
Obligations under capital leases, excluding current installments	1,696,746	2,273,354
Loans payable to Motherhouse, excluding current installments	<u>1,699,437</u>	<u>1,830,163</u>
Total liabilities	<u>112,978,659</u>	<u>111,314,806</u>
<b>Net assets:</b>		
Unrestricted	19,793,513	18,772,238
Temporarily restricted	533,779	887,830
Permanently restricted	<u>376,914</u>	<u>376,314</u>
Total net assets	<u>20,704,206</u>	<u>20,036,382</u>
Total liabilities and net assets	<u>\$ 133,682,865</u>	<u>131,351,188</u>

See accompanying notes to financial statements.

**ST. ELIZABETH MEDICAL CENTER**  
Statements of Operations and Changes in Net Assets  
Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Unrestricted revenue:		
Net patient service revenue	\$ 197,921,236	199,113,192
Other operating revenue	5,219,430	4,708,874
Unrestricted contributions	317,631	228,106
Investment income	944,351	894,163
Net assets released from restrictions for operations	32,345	23,616
Total unrestricted revenue, gains, and other support	<u>204,434,993</u>	<u>204,967,951</u>
Expenses:		
Salaries and wages	92,668,262	88,402,306
Professional fees	9,275,896	8,713,580
Employee benefits	24,314,379	22,263,856
Supplies and expenses	58,656,581	60,020,177
Utilities	2,734,748	2,436,372
Depreciation and amortization	8,350,717	8,161,091
Provision for doubtful accounts	7,574,782	7,276,636
Interest	1,916,191	1,953,752
Total expenses	<u>205,491,556</u>	<u>199,227,770</u>
(Deficiency) excess of revenue over expenses	(1,056,563)	5,740,181
Net unrealized gain on other than trading securities	232,889	261,831
Pension related changes other than net periodic pension cost	(260,324)	(827,954)
Increase in interest in net assets of St. Elizabeth Medical Center Foundation, Inc.	14,652	25,853
Net assets released from restrictions for capital purchases	2,090,621	975,958
Increase in unrestricted net assets	<u>1,021,275</u>	<u>6,175,869</u>
Temporarily restricted net assets:		
Contributions	2,089,440	979,969
Interest income on permanently restricted assets	16,876	17,146
Decrease in interest in net assets of St. Elizabeth Medical Center Foundation, Inc.	(337,401)	(385,327)
Net assets released from restrictions	(2,122,966)	(999,574)
Decrease in temporarily restricted net assets	<u>(354,051)</u>	<u>(387,786)</u>
Increase in permanently restricted net assets – contributions	600	1,000
Change in net assets	667,824	5,789,083
Net assets at beginning of year	20,036,382	14,247,299
Net assets at end of year	<u>\$ 20,704,206</u>	<u>20,036,382</u>

See accompanying notes to financial statements.

**ST. ELIZABETH MEDICAL CENTER**  
**CONSOLIDATED BALANCE SHEETS**  
**December 31,**

<b>ASSETS</b>	<b>2012</b>	<b>2011</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 4,807,954	\$ 4,712,210
Current portion of assets whose use is limited	1,392,578	301,845
Investments	11,982,270	15,196,359
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$4,950,000 (\$4,580,000 - 2011)	26,381,233	25,899,198
Other receivables, net	9,827,255	1,927,746
Inventories of drugs and supplies	4,826,746	5,806,080
Prepaid expenses	610,984	500,747
<b>Total current assets</b>	<b>59,829,020</b>	<b>54,344,185</b>
Assets whose use is limited:		
Under bond indenture agreements	2,900,595	2,925,833
Restricted by donors	1,372,360	1,127,155
Property, plant and equipment, net	77,015,017	77,593,266
Other assets	1,050,193	1,019,346
<b>Total assets</b>	<b>\$ 142,167,185</b>	<b>\$ 137,009,785</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Current installments of notes payable	\$ 965,014	\$ 917,379
Current installments of long-term debt	1,505,000	1,430,000
Current installments of obligations under capital lease	354,369	846,017
Current installments of loans payable to Motherhouse	130,726	130,726
Current installments of accrued pension liability	3,000,000	2,951,000
Line of Credit	1,000,000	-
Accounts payable	15,617,448	16,956,884
Accrued expenses	9,462,220	6,388,188
Liabilities to third-party payors, net	7,440,231	9,039,200
<b>Total current liabilities</b>	<b>39,475,008</b>	<b>38,659,394</b>
Accrued pension liability	64,445,152	53,428,388
Long-term notes payable	2,637,487	3,602,501
Long-term debt	31,847,676	32,932,544
Obligations under capital leases	1,450,864	1,827,291
Loans payable to Motherhouse	1,437,986	1,568,712
Other liabilities	369,287	100,000
<b>Total liabilities</b>	<b>141,663,460</b>	<b>132,118,830</b>
<b>Net assets</b>		
Unrestricted	(7,755,197)	3,783,143
Temporarily restricted	7,345,598	504,322
Permanently restricted	913,324	603,490
<b>Total net assets</b>	<b>503,725</b>	<b>4,890,955</b>
<b>Total liabilities and net assets</b>	<b>\$ 142,167,185</b>	<b>\$ 137,009,785</b>

ST. ELIZABETH MEDICAL CENTER

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS  
For the Years Ended December 31,

	2012	2011
<b>Unrestricted revenue and other support:</b>		
Net patient service revenue (net of provision for bad debts of approximately \$8,332,000 in 2012 and \$8,502,000 in 2011)	\$ 189,765,421	\$ 191,357,274
Other revenue	5,369,342	5,234,728
Net assets released from restrictions used for operations	14,200	16,380
<b>Total unrestricted revenue and other support</b>	<b>195,148,963</b>	<b>196,608,382</b>
<b>Operating expenses:</b>		
Salaries and wages	97,002,635	92,094,103
Professional fees	9,269,385	9,646,195
Employee benefits	24,281,211	24,772,920
Supplies and expenses	55,987,759	56,308,858
Utilities expense	2,111,046	2,647,913
Depreciation and amortization	9,298,307	8,974,315
Interest	1,962,428	2,038,145
<b>Total operating expenses</b>	<b>199,912,771</b>	<b>196,482,449</b>
<b>(Loss) income from operations</b>	<b>(4,763,808)</b>	<b>125,933</b>
<b>Other (expense) income:</b>		
Unrestricted contributions	1,729,551	189,979
Investment income	908,442	954,228
(Loss) gain on disposal of asset	(234,818)	747,445
	<b>2,403,175</b>	<b>1,891,652</b>
<b>(Deficiency) excess of unrestricted revenue and other support over expenses</b>	<b>(2,360,633)</b>	<b>2,017,585</b>
Net unrealized loss on other than trading securities	(343,433)	(379,472)
Pension related changes other than net periodic pension cost	(9,302,546)	(18,716,883)
Net assets released from restriction	468,272	1,068,400
<b>Decrease in unrestricted net assets</b>	<b>(11,538,340)</b>	<b>(16,010,370)</b>
<b>Temporarily restricted net assets:</b>		
HEAL 21 grant funds	6,685,000	-
Contributions	627,472	1,038,555
Interest income on permanently restricted assets	11,276	16,768
Net assets released from restriction	(482,472)	(1,084,780)
<b>Increase (decrease) in temporarily restricted net assets</b>	<b>6,841,276</b>	<b>(29,457)</b>
<b>Permanently restricted net assets:</b>		
Contributions	309,834	226,576
<b>Increase in permanently restricted net assets</b>	<b>309,834</b>	<b>226,576</b>
<b>Decrease in net assets</b>	<b>(4,387,230)</b>	<b>(15,813,251)</b>
<b>Net assets at beginning of year</b>	<b>4,890,955</b>	<b>20,704,206</b>
<b>Net assets at end of year</b>	<b>\$ 503,725</b>	<b>\$ 4,890,955</b>

St. Elizabeth Medical Center  
 Strategic Planning Forecast  
 Balance Sheet

Project #132204  
 BFA Attachment G

	<u>YTD AUG</u>
	<u>2013</u>
<b>Current Assets:</b>	
Cash and Cash Equivalents	\$4,311,456
Assets limited as to use	\$887,792
Investments	\$11,352,749
Patient Accounts Receivable - Net	26,521,821
Other Receivables	\$5,966,481
Inventories	\$3,942,444
Prepaid Expenses & other current assets	\$1,295,515
<b>Total Current Assets</b>	<b>\$54,278,258</b>
Investment in MVEC	\$367,500
Assets limited as to use	\$3,684,371
Investments	\$106,990
Property and equipment, net	\$75,862,608
Unamortized Debt Issuance Costs	\$871,945
<b>Total Assets</b>	<b><u>\$135,171,672</u></b>
<b>Liabilities and Net Assets</b>	
<b>Current Liabilities:</b>	
Notes Payable	\$0
Current Portion of Long-Term Debt	\$2,138,876
Accounts Payable	\$15,613,181
Accrued Payroll, Payroll Taxes and Benefits	\$7,071,941
Accrued Interest Payable	\$309,644
Accrued Pension Liability	\$2,960,500
Other Current Liabilities	\$13,138,294
<b>Total Current Liabilities</b>	<b><u>\$41,232,436</u></b>
<b>Long-Term Debt, Excluding Current Installments:</b>	
Civic Facility Revenue Bonds	\$27,486,640
Capital Lease Obligations	\$1,276,061
Capital Long-Term Debt Mortgage	\$822,013
Other long term liabilities-Srs	\$1,350,836
Other Liabilities	\$250,000
Unearned revenue	
Pension Liability	\$65,826,843
<b>Total Liabilities</b>	<b><u>\$138,244,829</u></b>
<b>Net Assets:</b>	
Unrestricted	(\$4,637,667)
Temporarily Restricted	\$651,086
Permanently Restricted	\$913,424
<b>Total Net Assets</b>	<b><u>(\$3,073,157)</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$135,171,672</u></b>

**St. Elizabeth Medical Center  
Strategic Planning Forecast  
Statements of Revenue and Expenses**

	<u>YTD Aug 2013</u>
Unrestricted Revenues	
Gross Patient Revenue Less Deductions	\$131,137,431
Less Bad Debt	\$5,650,460
Net Patient Service Revenue	125,486,971
Other Revenue	\$3,948,418
<b>Total revenues, gains and other support</b>	<u>\$129,435,389</u>
Operating Expenses:	
Salaries and wages	\$64,231,754
Employee benefits	\$17,309,408
Supplies and other	\$44,647,137
Interest expense	\$1,081,827
Provision for depreciation and amortization	<u>\$6,649,526</u>
<b>Total Expenses</b>	<u>\$133,919,652</u>
<b>Excess of Revenue over Expenses</b>	<b>(\$4,484,263)</b>
Nonoperating Revenue:	
Investment Income	\$328,266
Other nonoperating revenue	\$56,421
(Loss) Gain on disposal of asset	<u>\$0</u>
<b>Total Nonoperating Revenue:</b>	<u>\$384,687</u>
<b>Increase in Net Assets</b>	<u><u><b>(\$4,099,576)</b></u></u>

ST. LUKE'S HOME RESIDENTIAL HEALTH CARE FACILITY, INC.

Balance Sheets

December 31, 2010 and 2009

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and cash equivalents	\$ 205,085	294,198
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$333,000 in 2010 and \$173,000 in 2009	2,457,993	2,843,023
Prepaid expenses and other assets	124,996	115,332
Estimated third-party payor settlements, net	886,306	1,012,460
Total current assets	<u>3,674,380</u>	<u>4,265,013</u>
Residents' funds held in trust	<u>86,804</u>	<u>100,550</u>
Assets limited as to use:		
Operating escrows	71,510	65,494
Reserve for replacement	1,079,779	1,256,532
Debt service reserve	3,179,808	3,171,865
Residual receipts	105,424	105,161
	<u>4,436,521</u>	<u>4,599,052</u>
Property and equipment, net	7,905,766	8,576,046
Debt issuance costs, net	<u>670,941</u>	<u>714,519</u>
Total assets	<u>\$ 16,774,412</u>	<u>18,255,180</u>

<u>Liabilities and Net Deficit</u>	<u>2010</u>	<u>2009</u>
Current liabilities:		
Current maturities of long-term debt	\$ 601,673	567,242
Accounts payable, vacation and accrued expenses	989,750	1,008,318
Accrued payroll and payroll taxes	254,521	256,936
Current portion of self insurance liability	84,863	215,380
Due to affiliated entities, net	989,673	1,004,274
Other liabilities	45,872	44,404
	<u>2,966,352</u>	<u>3,096,554</u>
Total current liabilities		
Residents' funds held in trust	86,804	100,550
Long-term portion of self insurance liability	724,011	708,386
Long-term debt, net of current maturities	15,438,899	16,040,571
Other liabilities	161,695	131,288
	<u>19,377,761</u>	<u>20,077,349</u>
Total liabilities		
Net deficit:		
Unrestricted	<u>(2,603,349)</u>	<u>(1,822,169)</u>
Total net deficit	<u>(2,603,349)</u>	<u>(1,822,169)</u>
Contingent liabilities		
Total liabilities and net deficit	<u>\$ 16,774,412</u>	<u>18,255,180</u>

**ST. LUKE'S HOME RESIDENTIAL HEALTH CARE FACILITY, INC.**

Statements of Operations and Changes in Net Deficit

Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Unrestricted net deficit:		
Revenues, gains and other support:		
Net patient service revenue	\$ 19,472,789	20,971,413
Investment income	11,336	11,170
Other revenue	386,707	552,925
	<u>19,870,832</u>	<u>21,535,508</u>
Total revenues, gains and other support		
Expenses:		
Salaries and wages	10,351,414	10,421,183
Fringe benefits	2,784,281	2,665,468
Supplies and other expenses	5,238,891	5,289,596
Depreciation and amortization	1,195,805	1,442,846
Interest	963,121	995,741
New York State gross receipts tax	-	663,057
Provision for bad debts	118,500	9,973
	<u>20,652,012</u>	<u>21,487,864</u>
Total expenses		
Excess (deficiency) of revenue over expenses and change in net deficit	(781,180)	47,644
Net deficit at beginning of year	<u>(1,822,169)</u>	<u>(1,869,813)</u>
Net deficit at end of year	<u>\$ (2,603,349)</u>	<u>(1,822,169)</u>

**ST. LUKE'S HOME RESIDENTIAL HEALTH CARE FACILITY, INC.**

Balance Sheets

December 31, 2012 and 2011

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Current assets:		
Cash	\$ 97,164	-
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$291,000 in 2012 and \$379,000 in 2011	2,883,264	3,000,833
Prepaid expenses and other assets	461,389	444,371
Due from affiliated entities, net	3,642,554	2,631,088
Estimated third-party payor settlements, net	<u>760,116</u>	<u>510,552</u>
Total current assets	7,844,487	6,586,844
Long-term portion of due from affiliated entities, net	762,774	12,468,581
Property and equipment, net	19,473,108	8,740,794
Residents' funds held in trust	90,429	72,091
Other assets	<u>3,092,699</u>	<u>2,174,501</u>
Total assets	<u>\$ 31,263,497</u>	<u>30,042,811</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Bank overdraft	-	158,431
Short-term borrowings	3,000,000	-
Accounts payable and accrued expenses	862,412	546,183
Accrued payroll, payroll taxes and benefits	472,498	545,938
Self insurance liability	265,869	355,366
Other liabilities	<u>893,941</u>	<u>642,023</u>
Total current liabilities	5,494,720	2,247,941
Residents' funds held in trust	90,429	72,091
Long-term portion of self insurance liability	241,599	497,937
Other liabilities	<u>3,332,634</u>	<u>2,410,712</u>
Total liabilities	<u>9,159,382</u>	<u>5,228,681</u>
Net assets:		
Unrestricted	21,341,341	12,345,549
Temporarily restricted	<u>762,774</u>	<u>12,468,581</u>
Total net assets	<u>22,104,115</u>	<u>24,814,130</u>
Contingent liabilities		
Total liabilities and net assets	<u>\$ 31,263,497</u>	<u>30,042,811</u>

**ST. LUKE'S HOME RESIDENTIAL HEALTH CARE FACILITY, INC.**

Statements of Operations and Changes in Net Assets

Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Unrestricted net assets:		
Revenues, gains and other support:		
Net patient service revenue	\$ 16,488,697	18,686,563
Other revenue	870,653	334,366
Contributions from HEAL grant	-	782,657
	<hr/>	<hr/>
Total revenues, gains and other support	17,359,350	19,803,586
	<hr/>	<hr/>
Expenses:		
Salaries and wages	9,716,227	9,954,504
Fringe benefits	3,130,372	3,653,323
Supplies and other expenses	4,679,433	5,207,507
Depreciation and amortization	1,063,091	1,108,503
Interest	-	852,516
New York State gross receipts tax	750,257	776,464
Provision for bad debts	210,440	192,042
	<hr/>	<hr/>
Total expenses	19,549,820	21,744,859
	<hr/>	<hr/>
Deficiency of revenues, gains and other support over expenses	(2,190,470)	(1,941,273)
Contributions from HEAL grant	-	18,078,270
Net assets released from restrictions used for purchase of property and equipment	11,705,807	-
Contributions to affiliates	(516,197)	(73,820)
Loss on extinguishment of long-term debt	-	(1,256,348)
Contribution of property	-	142,069
Other	(3,348)	-
	<hr/>	<hr/>
Increase in unrestricted restricted net assets	8,995,792	14,948,898
	<hr/>	<hr/>
Temporarily restricted net assets:		
Contributions from HEAL grant	-	12,468,581
Net assets released from restrictions used for purchase of property and equipment	(11,705,807)	-
	<hr/>	<hr/>
Increase (decrease) in temporarily restricted net assets	(11,705,807)	12,468,581
	<hr/>	<hr/>
Change in net assets	(2,710,015)	27,417,479
Net assets (deficit) at beginning of year	24,814,130	(2,603,349)
	<hr/>	<hr/>
Net assets at end of year	\$ 22,104,115	24,814,130
	<hr/>	<hr/>

Project #132204  
BFA Attachment I

St Luke's Home RHC  
Balance Sheet

	August 2013	July 2013	December 2012
ASSETS			
CURRENT ASSETS:			
Cash and Cash equivalents	\$93,585	\$53,011	\$97,164
Investments	0	0	0
Patients Account Rec. Net	3,355,531	3,227,653	2,883,264
Other Receivables	342,606	339,606	342,939
Inventory	59,137	63,765	52,423
Prepaid & Other Asset	49,988	68,529	66,027
Net Inv. in Phys Office Bldg	0	0	0
Due from Third Party	756,619	776,797	760,116
Due from Affiliates	300,891	352,601	4,405,327
Total Current Assets	<u>\$4,958,357</u>	<u>\$4,881,962</u>	<u>\$8,607,260</u>
Investment in VHA	\$0	\$0	\$0
Investment in Foundation	0	0	0
Investment in Paraffin	0	0	0
Investment in SLM Office Bldg	0	0	0
Investment in MVEC	0	0	0
Net Inv in Phy Office Building	0	0	0
Assets limited as to use	72,378	85,504	90,429
Investments	0	0	0
Property and Equipment, net	19,373,484	19,444,374	19,473,108
Unamortized Debt Issuance	0	0	0
Other Assets	3,092,699	3,092,699	3,092,699
Total Assets	<u><u>\$27,496,918</u></u>	<u><u>\$27,504,539</u></u>	<u><u>\$31,263,496</u></u>

St Luke's Home RHC  
Balance Sheet

	August 2013	July 2013	December 2012
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Short Term Borrowings	\$279,060	\$279,060	\$3,000,000
Current long-term debt	0	0	0
Capital lease obligations-curr	0	0	0
Self-insured Liabilities-current	1,129,777	1,084,191	820,204
Accrued Interest Payable	0	0	0
Accounts Payable	631,709	628,591	931,342
Accrued Payroll, Taxes	623,827	563,462	472,498
Other Current Liabilities	365,115	362,381	361,105
<b>Total Current Liabilities</b>	<b>\$3,029,488</b>	<b>\$2,917,685</b>	<b>\$5,585,149</b>
<b>Long Term Debt, Net of Current Portion</b>			
Notes Payable	\$0	\$0	\$0
Civic Facility Revenue Bonds	0	0	0
Capital Lease Obligations	0	0	0
Other Liability	3,339,439	3,339,439	3,332,634
Estimated self-insured Liabilities, net	\$259,135	\$257,038	\$241,599
<b>Total Liabilities</b>	<b>\$6,628,062</b>	<b>\$6,514,162</b>	<b>\$9,159,382</b>
<b>Net Assets</b>			
Unrestricted	\$20,868,857	\$20,990,377	\$21,341,341
Temporarily Restricted	0	0	762,774
Permanently Restricted	0	0	0
<b>Total Net Assets</b>	<b>\$20,868,857</b>	<b>\$20,990,377</b>	<b>\$22,104,115</b>
<b>Total Liability and Net Assets</b>	<b>\$27,496,919</b>	<b>\$27,504,539</b>	<b>\$31,263,497</b>

Project #132204  
BFA Attachment I (cont.)

St Luke's Home RHC  
Period Ended August 31, 2013  
Income Statement

	August Actual		August Budget		August 2012
Unrestricted revenues, gain and other support:					
Net Patient Revenue	\$11,580,745	5.69 %	\$11,448,935	4.49 %	\$10,957,346
Other Revenue	778,407	62.63	941,742	96.76	478,627
Total unrestricted revenues gains and other support	<u>\$12,359,152</u>	<u>8.07 %</u>	<u>\$12,390,677</u>	<u>8.35 %</u>	<u>\$11,435,973</u>
Expenses:					
Salaries and Wages	\$6,663,391		\$6,602,438		\$6,463,093
Physicians Salaries	0		0		0
Purchase Service Employees	0		3,866		3,871
Employee Benefits	2,157,681		2,226,290		2,100,461
Medical Supplies	229,520		286,048		284,344
Non-Medical Supplies	363,488		356,673		351,866
Purchased Services	699,979		758,652		847,323
Utilities	295,471		314,028		225,986
Drugs	334,281		389,729		375,008
Other Expenses	1,070,976		965,539		932,698
Depreciation/Amortization	1,032,734		1,096,701		641,149
Taxes	451,041		451,718		409,510
Interest Expense	0		0		0
Bad Debt Expense	100,001		100,001		66,667
Total Expenses	<u>\$13,398,563</u>		<u>\$13,551,683</u>		<u>\$12,701,976</u>
Income from Operations	<u>\$(1,039,411)</u>		<u>\$(1,161,006)</u>		<u>\$(1,266,003)</u>
Non-Operating Revenue	\$568,240		\$0		\$7,575,242
Income (Loss) from Foundati	0		0		24,097
Investment Income	0		0		0
Gain/Loss on Sale/Disposal	(1,313)		0		0
Increase in Unrestricted Net Assets	<u>\$(472,484)</u>		<u>\$(1,161,006)</u>		<u>\$6,333,336</u>

VISITING NURSE ASSOCIATION OF UTICA AND ONEIDA COUNTY, INC.

Balance Sheets

December 31, 2010 and 2009

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and cash equivalents	\$ 947,285	460,143
Certificates of deposit	100,685	-
Patient accounts receivable, net of allowance for doubtful accounts of \$22,661 in 2010 and \$26,439 in 2009	1,029,046	1,121,600
Due from affiliated entities, net	15,468	-
Prepaid expenses	72,819	104,292
Total current assets	<u>2,165,303</u>	<u>1,686,035</u>
Property and equipment, net	<u>1,582,961</u>	<u>1,820,202</u>
Total assets	<u>\$ 3,748,264</u>	<u>3,506,237</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Short-term borrowings	-	200,000
Accounts payable	102,797	75,349
Accrued salaries, wages and related costs	617,001	572,767
Due to affiliated entities, net	-	124,208
Due to third-party payor	198,354	222,051
Total current liabilities	<u>918,152</u>	<u>1,194,375</u>
Other liabilities	<u>92,097</u>	<u>85,889</u>
Total liabilities	<u>1,010,249</u>	<u>1,280,264</u>
Net assets:		
Unrestricted	2,632,515	2,220,473
Temporarily restricted	105,500	5,500
Total net assets	<u>2,738,015</u>	<u>2,225,973</u>
Commitment		
Total liabilities and net assets	<u>\$ 3,748,264</u>	<u>3,506,237</u>

VISITING NURSE ASSOCIATION OF UTICA AND ONEIDA COUNTY, INC.

Statements of Operations and Changes in Net Assets

Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Unrestricted revenues, gains and other support:		
Net patient service revenue	\$ 9,918,449	8,932,057
Other revenue	58,998	27,442
	<u>9,977,447</u>	<u>8,959,499</u>
Total unrestricted revenues, gains and other support		
Expenses:		
Salaries and wages	6,382,767	6,141,763
Contract services	414,493	636,703
Employee benefits	1,244,192	1,275,916
Transportation	407,007	433,474
Supplies and other expenses	186,014	150,914
Occupancy	84,219	85,741
Office and general	845,598	756,266
Interest	1,115	6,437
	<u>9,565,405</u>	<u>9,487,214</u>
Total expenses		
Operating income (loss) and increase (decrease) in unrestricted net assets	<u>412,042</u>	<u>(527,715)</u>
Temporarily restricted net assets:		
Restricted grant	<u>100,000</u>	<u>-</u>
Increase in temporarily restricted net assets	<u>100,000</u>	<u>-</u>
Increase (decrease) in net assets	512,042	(527,715)
Net assets at beginning of year	<u>2,225,973</u>	<u>2,753,688</u>
Net assets at end of year	<u>\$ 2,738,015</u>	<u>2,225,973</u>

**VISITING NURSE ASSOCIATION OF UTICA AND ONEIDA COUNTY, INC.**

Balance Sheets

December 31, 2012 and 2011

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents	\$ 146,665	261,416
Certificates of deposit	102,028	101,652
Patient accounts receivable, net of allowance for doubtful accounts of \$36,453 in 2012 and \$46,894 in 2011	1,170,101	1,294,948
Due from affiliated entities, net	54,924	38,529
Due from third-party payor	-	39,489
Prepaid expenses and other assets	<u>182,435</u>	<u>177,327</u>
Total current assets	1,656,153	1,913,361
Property and equipment, net	1,173,458	1,490,018
Other assets	<u>689,624</u>	<u>504,343</u>
Total assets	<u>\$ 3,519,235</u>	<u>3,907,722</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	102,761	111,893
Accrued payroll, payroll taxes and benefits	641,775	608,296
Self insurance liability	39,681	96,253
Due to third-party payor	25,889	-
Other liabilities	<u>183,043</u>	<u>82,211</u>
Total current liabilities	993,149	898,653
Due to affiliated entities, net	323,965	-
Other liabilities	<u>740,294</u>	<u>566,007</u>
Total liabilities	<u>2,057,408</u>	<u>1,464,660</u>
Net assets:		
Unrestricted	1,456,327	2,418,662
Temporarily restricted	<u>5,500</u>	<u>24,400</u>
Total net assets	<u>1,461,827</u>	<u>2,443,062</u>
Commitments and contingencies		
Total liabilities and net assets	<u>\$ 3,519,235</u>	<u>3,907,722</u>

**VISITING NURSE ASSOCIATION OF UTICA AND ONEIDA COUNTY, INC.**

**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	\$ 9,204,813	9,954,355
Other revenue	48,252	59,214
Net assets released from restrictions used for operations	<u>18,900</u>	<u>-</u>
Total unrestricted revenues, gains and other support	<u>9,271,965</u>	<u>10,013,569</u>
Expenses:		
Salaries and wages	6,509,344	6,599,147
Contract services	624,355	494,961
Employee benefits	1,620,481	1,411,461
Transportation	465,540	484,322
Supplies and other expenses	196,959	202,571
Occupancy	72,033	78,093
Office and general	746,327	811,787
Loss on disposal of equipment	<u>62,626</u>	<u>-</u>
Total expenses	<u>10,297,665</u>	<u>10,082,342</u>
Deficiency of revenues over expenses	(1,025,700)	(68,773)
Grant received for purchase of property and equipment	63,365	73,820
Net assets released from restrictions used for purchase of property and equipment	-	81,100
Equity transfer to Mohawk Valley Network, Inc.	<u>-</u>	<u>(300,000)</u>
Decrease in unrestricted net assets	<u>(962,335)</u>	<u>(213,853)</u>
Temporarily restricted net assets:		
Net assets released from restrictions used for operations	(18,900)	-
Net assets released from restrictions used for purchase of property and equipment	<u>-</u>	<u>(81,100)</u>
Decrease in temporarily restricted net assets	<u>(18,900)</u>	<u>(81,100)</u>
Decrease in net assets	(981,235)	(294,953)
Net assets at beginning of year	<u>2,443,062</u>	<u>2,738,015</u>
Net assets at end of year	<u>\$ 1,461,827</u>	<u>2,443,062</u>

Visiting Nurses Association  
Balance Sheet

	August 2013	July 2013	December 2012
ASSETS			
CURRENT ASSETS:			
Cash and Cash equivalents	\$43,065	\$(36,500)	\$112,968
Investments	0	0	102,028
Patients Account Rec. Net	1,096,283	1,001,161	1,170,100
Other Receivables	77,598	77,598	87,081
Inventory	0	0	0
Prepaid & Other Asset	50,540	64,536	87,519
Net Inv. in Phys Office Bldg	0	0	0
Due from Third Party	(26,954)	(39,643)	(25,889)
Due from Affiliates	(345,776)	(301,680)	(269,041)
Total Current Assets	<u>\$894,756</u>	<u>\$765,472</u>	<u>\$1,264,766</u>
Investment in VHA	\$0	\$0	\$0
Investment in Foundation	0	0	0
Investment in Paraffin	0	0	0
Investment in SLM Office Bldg	0	0	0
Investment in MVEC	0	0	0
Net Inv in Phy Office Building	0	0	0
Assets limited as to use	33,697	33,697	33,697
Investments	0	0	0
Property and Equipment, net	1,029,657	1,051,064	1,173,459
Unamortized Debt Issuance	0	0	0
Other Assets	521,843	521,843	521,843
Total Assets	<u>\$2,479,953</u> =====	<u>\$2,372,076</u> =====	<u>\$2,993,765</u> =====

Visiting Nurses Association  
Balance Sheet

	August 2013	July 2013	December 2012
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Short Term Borrowings	\$150,000	\$0	\$0
Current long-term debt	0	0	0
Capital lease obligations-curr	0	0	0
Self-insured Liabilities-current	203,588	191,846	132,677
Accrued Interest Payable	0	0	0
Accounts Payable	35,323	72,627	89,756
Accrued Payroll, Taxes	533,032	481,077	497,378
Other Current Liabilities	97,413	95,246	95,216
<b>Total Current Liabilities</b>	<b>\$1,019,356</b>	<b>\$840,796</b>	<b>\$815,027</b>
<b>Long Term Debt, Net of Current Portion</b>			
Notes Payable	\$0	\$0	\$0
Civic Facility Revenue Bonds	0	0	0
Capital Lease Obligations	0	0	0
Other Liability	679,655	679,655	716,910
Estimated self-insured Liabilities, net	\$0	\$0	\$0
<b>Total Liabilities</b>	<b>\$1,699,011</b>	<b>\$1,520,451</b>	<b>\$1,531,937</b>
<b>Net Assets</b>			
Unrestricted	\$780,942	\$851,624	\$1,461,828
Temporarily Restricted	0	0	0
Permanently Restricted	0	0	0
<b>Total Net Assets</b>	<b>\$780,942</b>	<b>\$851,624</b>	<b>\$1,461,828</b>
<b>Total Liability and Net Assets</b>	<b>\$2,479,953</b>	<b>\$2,372,075</b>	<b>\$2,993,765</b>

Project #132204  
BFA Attachmetn K (cont.)

Visiting Nurses Association  
Period Ended August 31, 2013  
Income Statement

	August Actual		August Budget		August 2012
Unrestricted revenues, gain and other support:					
Net Patient Revenue	\$5,647,472	(8.39)%	\$6,470,303	4.96 %	\$6,164,517
Other Revenue	28,760	(62.48)	30,195	(60.61)	76,653
Total unrestricted revenues gains and other support	<u>\$5,676,232</u>	<u>(9.05)%</u>	<u>\$6,500,498</u>	<u>4.16 %</u>	<u>\$6,241,170</u>
Expenses:					
Salaries and Wages	\$4,145,480		\$4,682,088		\$4,337,838
Physicians Salaries	0		0		0
Purchase Service Employees	26,953		0		6,255
Employee Benefits	1,032,868		1,098,741		1,020,256
Medical Supplies	88,387		109,023		110,007
Non-Medical Supplies	26,378		37,771		34,853
Purchased Services	325,982		385,317		474,004
Utilities	14,335		4,000		20,381
Drugs	0		800		1,133
Other Expenses	542,164		607,661		515,851
Depreciation/Amortization	188,684		166,156		208,987
Taxes	24,754		29,348		29,348
Interest Expense	718		0		0
Bad Debt Expense	10,391		10,392		10,391
Total Expenses	<u>\$6,427,094</u>		<u>\$7,131,297</u>		<u>\$6,769,304</u>
Income from Operations	<u>\$(750,862)</u>		<u>\$(630,799)</u>		<u>\$(528,134)</u>
Non-Operating Revenue	\$70,516		\$0		\$63,642
Income (Loss) from Foundati	0		0		0
Investment Income	0		0		0
Gain/Loss on Sale/Disposal	(539)		0		0
Increase in Unrestricted Net Assets	<u>\$(680,885)</u>		<u>\$(630,799)</u>		<u>\$(464,492)</u>

Project #132204  
BFA Attachment L

Mohawk Valley Home Care  
Balance Sheet

	August 2013	July 2012	December 2011
ASSETS			
CURRENT ASSETS:			
Cash and Cash equivalents	\$44,434	\$16,493	\$(1,131)
Investments	0	0	0
Patients Account Rec. Net	33,525	48,450	0
Other Receivables	2,596	2,596	2,596
Inventory	13,328	12,953	13,554
Prepaid & Other Asset	6,506	6,503	3,734
Net Inv. in Phys Office Bldg	0	0	0
Due from Third Party	0	0	0
Due from Affiliates	(11,877)	(7,054)	18,503
<b>Total Current Assets</b>	<u>\$88,512</u>	<u>\$79,941</u>	<u>\$37,256</u>
Investment in VHA	\$0	\$0	\$0
Investment in Foundation	0	0	0
Investment in Paraffin	0	0	0
Investment in SLM Office Bldg	0	0	0
Investment in MVEC	0	0	0
Net Inv in Phy Office Building	0	0	0
Assets limited as to use	0	0	0
Investments	0	0	0
Property and Equipment, net	8,869	8,949	0
Unamortized Debt Issuance	0	0	0
Other Assets	15,852	15,852	15,852
<b>Total Assets</b>	<u>\$113,233</u>	<u>\$104,742</u>	<u>\$53,108</u>

Project #132204  
 BFA Attachment L (cont.)

Mohawk Valley Home Care  
 Balance Sheet

	August 2013	July 2012	December 2011
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Short Term Borrowings	\$0	\$0	\$0
Current long-term debt	0	0	0
Capital lease obligations-curr	0	0	0
Self-insured Liabilities-current	31,247	28,998	15,354
Accrued Interest Payable	0	0	0
Accounts Payable	1,127	1,127	1,284
Accrued Payroll, Taxes	32,266	28,403	20,168
Other Current Liabilities	2,596	2,596	2,596
<b>Total Current Liabilities</b>	<b>\$67,236</b>	<b>\$61,124</b>	<b>\$39,402</b>
<b>Long Term Debt, Net of Current Portion</b>			
Notes Payable	\$0	\$0	\$0
Civic Facility Revenue Bonds	0	0	0
Capital Lease Obligations	0	0	0
Other Liability	15,852	15,852	15,852
Estimated self-insured Liabilities, net	\$0	\$0	\$0
<b>Total Liabilities</b>	<b>\$83,088</b>	<b>\$76,976</b>	<b>\$55,254</b>
<b>Net Assets</b>			
Unrestricted	\$30,145	\$27,766	\$(2,146)
Temporarily Restricted	0	0	0
Permanently Restricted	0	0	0
<b>Total Net Assets</b>	<b>\$30,145</b>	<b>\$27,766</b>	<b>\$(2,146)</b>
<b>Total Liability and Net Assets</b>	<b>\$113,233</b>	<b>\$104,742</b>	<b>\$53,108</b>

Mohawk Valley Home Care  
Period Ended August 31, 2013  
Income Statement

	August Actual		August Budget		August 2012
Unrestricted revenues, gain and other support:					
Net Patient Revenue	\$345,021	38.19 %	\$299,850	20.10 %	\$249,675
Other Revenue	83	97.68	0	(0.00)	42
Total unrestricted revenues gains and other support	<u>\$345,104</u>	<u>38.20 %</u>	<u>\$299,850</u>	<u>20.08 %</u>	<u>\$249,717</u>
Expenses:					
Salaries and Wages	\$225,786		\$216,520		\$167,575
Physicians Salaries	0		0		0
Purchase Service Employees	0		0		0
Employee Benefits	76,539		80,756		65,768
Medical Supplies	0		0		0
Non-Medical Supplies	795		938		133
Purchased Services	(16,863)		(38,280)		(22,836)
Utilities	0		0		0
Drugs	0		0		0
Other Expenses	36,016		31,136		22,530
Depreciation/Amortization	320		0		0
Taxes	0		0		0
Interest Expense	0		0		0
Bad Debt Expense	(40)		0		1,424
Total Expenses	<u>\$322,553</u>		<u>\$291,070</u>		<u>\$234,594</u>
Income from Operations	<u>\$22,551</u>		<u>\$8,780</u>		<u>\$15,123</u>
Non-Operating Revenue	\$9,741		\$0		\$0
Income (Loss) from Foundati	0		0		0
Investment Income	0		0		0
Gain/Loss on Sale/Disposal	0		0		0
Increase in Unrestricted Net Assets	<u>=====</u> \$32,292		<u>=====</u> \$8,780		<u>=====</u> \$15,123

Mohawk Valley Health Systems  
Pro forma Balance Sheet  
Day 1

<b>Current Assets</b>		<b>Current Liabilities</b>	
Cash and Cash Equivalents	\$3,478,492	Line of credit	\$16,647,060
Assets limited as to use	\$912,249	Current portion of Long term debt	\$5,759,653
Investments	\$85,781,991	Current portion of Capital Lease Obligations	\$4,556,250
Patients Accounts Receivable-Net	\$71,132,925	Accounts Payable	\$28,942,595
Other Receivables	\$16,715,575	Accrued Payroll, Payroll Taxes and Benefits	\$18,202,292
Inventories	\$10,925,308	Current Portion of Self-Insurance Liability	\$5,501,729
Prepaid Expenses & other current assets	\$4,816,424	Accrued Interest payable	\$199,240
Due from affiliated Entities	\$932,323	Other Current Liabilities	\$14,187,299
Net Investment in direct financing lease	\$547,116	Revolving note payable	\$6,758,654
Due from third party payors	\$10,978,838	Accrued Pension Liability	\$0
<b>Total Current Assets</b>	<b>\$206,221,241</b>	<b>Total Current Liabilities</b>	<b>\$100,754,772</b>
Investment in foundation	\$0	Long Term Debt, Excluding Current Installments:	
Investment in affiliates	\$50,483	Notes Payable	\$13,263,077
Investment in SLN Office Building	\$0	Civic Facility Revenue Bonds	\$16,300,000
Investment in MVEC	\$724,710	Capital Lease Obligations	\$37,235,770
Investment in Paraffin	\$0	Other long term liabilities	\$47,686,042
Resident Funds Held in trust	\$5,023,643	Estimated self insurance liabilities, net of current	\$3,264,684
Investments	\$4,910,499	Residents funds held in trust	\$1,307,260
Net Investment in direct financing lease	\$2,844,008	Unrealized loss on interest rate swaps	\$398,830
Property and equipment, net	\$196,719,354	Capital Long Term Debt Mortgage	\$0
Unamortized debt issuance costs	\$1,479,671	Pension Liability	\$49,445,152
Other Receivables	\$0	<b>Total Long Term Liabilities</b>	<b>\$168,900,815</b>
Other Assets	\$29,646,476	<b>Total Liabilities</b>	<b>\$269,655,587</b>
Beneficial Interest in Charitable trust	\$0	<b>Net Assets:</b>	
<b>Total Long term assets</b>	<b>\$241,398,844</b>	Unrestricted	\$168,835,818
<b>Total Assets</b>	<b>\$447,620,085</b>	Temporarily restricted	\$3,687,192
		Permanently Restricted	\$5,441,488
		<b>Total Net Assets</b>	<b>\$177,964,498</b>
		<b>Total Liabilities and Net Assets</b>	<b>\$447,620,085</b>

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

**November 21, 2013**

**ATTACHMENTS**

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**Ambulatory Surgery Centers - Establish/Construct**

**Exhibit # 6**

	<u>Number</u>	<u>Applicant/Facility</u>
1.	112086 B	1504 Richmond, LLC d/b/a Richmond Surgery Center (Richmond County)
2.	131069 E	Meadowbrook Endoscopy Center (Nassau County)
3.	131192 B	Abaco North, LLC d/b/a Manhattan Multi-Specialty Ambulatory Surgery Center (New York County)
4.	131296 B	Westmoreland ASC, LLC (Oneida County)
5.	132108 B	Niagara ASC, LLC d/b/a Ambulatory Surgery Center of Niagara (Niagara County)

BFA Attachment B

Pro Forma Balance Sheet of  
Richmond Surgery Center

ASSETS

Working Capital	\$169,152
Diagnostic and Treatment Center	<u>100,000</u>
Total Assets	\$269,152

LIABILITIES

Mortgage	\$90,000
Working capital Loans	<u>84,576</u>
Total Liabilities	\$174,576

Shareholders' Equity	<u><u>\$94,576</u></u>
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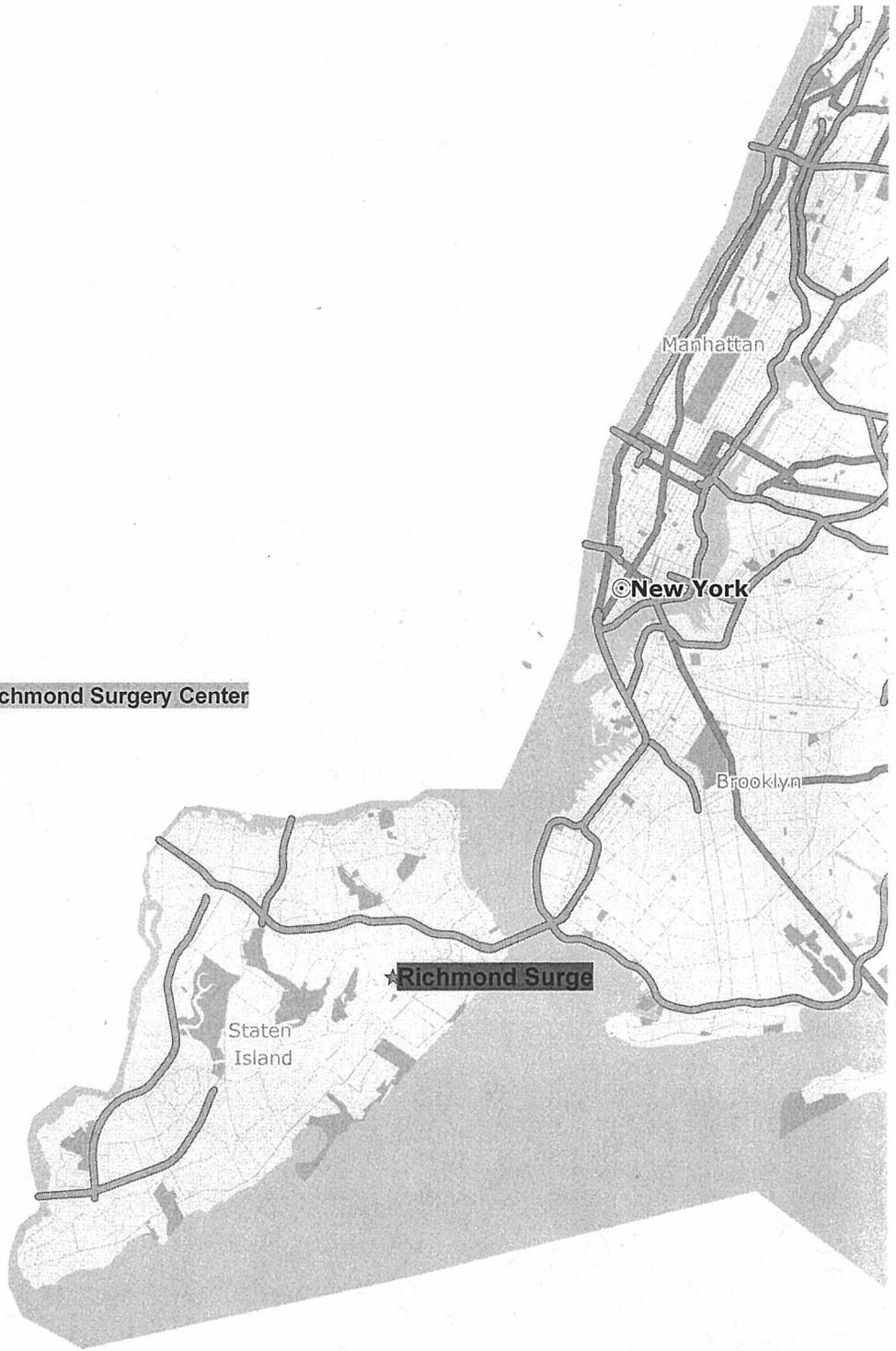
**BFA Attachment C  
Project 112086**

**Richmond Surgery Center, LLC**

<b>Current Year</b>	<b>Visits</b>	<b>Total Expense</b>	<b>Average Cost Per Visit</b>
<b>Operating Expenses - First Year</b>			
Operating	1,980	\$1,562,995	\$789.39
Capital	<u>1,980</u>	<u>108,000</u>	<u>54.55</u>
<b>Total</b>	1,980	\$1,670,995	\$843.94
<b>Operating Expenses - Third Year</b>			
Operating	2,183	\$1,750,376	\$801.82
Capital	<u>2,183</u>	<u>108,000</u>	<u>49.47</u>
<b>Total</b>	2,183	\$1,858,376	\$851.29

**Assumptions:**

**Project 112086 Richmond Surgery Center**



★ **Richmond Surge**

Staten  
Island

© **New York**

Manhattan

Brooklyn

**GASTRO OPERATING COMPANY, LLC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2011**

ASSETS

Current assets:

Cash and cash equivalents	\$ 390,258
Accounts receivable, net of allowance for doubtful accounts of \$296,663	782,029
Inventory	25,775
Prepaid expenses	34,174
Due from related parties	43,590

Total current assets 1,275,826

Fixed assets, net of accumulated depreciation  
and amortization 1,768,887

Deferred costs, net of accumulated amortization  
of \$5,370 7,180

Security deposits 53,426

\$ 3,105,319

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:

Accounts payable and accrued expenses	\$ 105,232
Accrued payroll and benefits	39,336
Due to related parties	32,574
Capital leases payable - current portion	189,015
Notes payable - current portion	533,267
Due to third party payors	27,505
Accrued pension cost	262,191
Accrued 401(k) payable	62,389
Deferred rent payable	272,260

Total current liabilities 1,523,769

Capital leases payable - non-current portion 42,521

Notes payable - non-current portion 791,667

Total liabilities 2,357,957

Members' equity 747,362

\$ 3,105,319

**GASTRO OPERATING COMPANY, LLC.**  
**STATEMENT OF OPERATIONS**  
**FOR YEAR ENDED DECEMBER 31, 2011**

Revenue:	
Net patient service revenue	\$ 5,539,130
Recovery of bad debt	79,543
Interest income	3,184
Total revenue	<u>5,621,857</u>
Operating expenses:	
Salaries, taxes and benefits	976,427
Pension expense	698,123
Medical supplies	311,926
Professional services	627,840
Rent and occupancy expenses	362,079
Depreciation and amortization	397,899
Office supplies and expenses	136,384
401(k) plan expense	19,388
Interest expense	66,205
Insurance	73,771
Travel, meals and entertainment	15,310
Repairs and maintenance	60,019
Contributions	3,000
Dues and subscriptions	3,874
Education and training	7,790
Filing fees	2,194
Patient transportation	18,005
Postage	10,044
Miscellaneous	9,131
Total operating expenses	<u>3,799,409</u>
Net income	<u>\$ 1,822,448</u>

**GASTRO OPERATING COMPANY, LLC.  
STATEMENT OF CHANGES IN MEMBERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Balance at December 31, 2010	\$ 774,183
Net income	1,822,448
Members' withdrawals	<u>(1,849,269)</u>
Balance at December 31, 2011	<u>\$ 747,362</u>

**GASTRO OPERATING COMPANY, L.L.C.**  
**BALANCE SHEET**  
**DECEMBER 31, 2012**

**ASSETS**

Current assets	
Cash and cash equivalents	\$ 201,300
Accounts receivable, net of allowance for doubtful accounts of \$353,863	703,297
Inventory	19,353
Prepaid expenses	30,839
Due from related parties	65,326
Total current assets	<u>1,020,115</u>
Property and equipment, net of accumulated depreciation of \$1,609,723	1,401,668
Deferred costs, net of accumulated amortization of \$7,017	5,533
Security deposits	<u>53,426</u>
Total assets	<u>\$ 2,480,742</u>

**LIABILITIES AND MEMBERS' EQUITY**

Current liabilities	
Accounts payable and accrued expenses	\$ 131,067
Accrued payroll and benefits	42,252
Members' withdrawals payable	4,400
Capital leases payable, current	48,692
Notes payable, current	521,429
Due to third party payors	36,227
Accrued pension cost	351,957
Accrued profit sharing contributions	59,090
Total current liabilities	<u>1,195,114</u>
Notes payable, net of current portion	522,116
Deferred rent payable	<u>272,199</u>
Total liabilities	1,989,429
Members' equity	<u>491,313</u>
Total liabilities and members' equity	<u>\$ 2,480,742</u>

**GASTRO OPERATING COMPANY, LLC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

Revenue	
Net patient service revenue	<u>\$ 6,288,473</u>
Operating expenses	
Salaries, taxes and benefits	1,101,499
Pension expense	1,129,721
Medical supplies	355,340
Professional services	409,826
Rent and occupancy expenses	346,241
Depreciation and amortization	385,457
Office supplies and expenses	158,231
Pension administration	29,997
Insurance	70,162
Repairs and maintenance	58,048
Bad debt allowance	57,200
Patient transportation	22,690
Postage	12,724
Travel, meals and entertainment	10,950
Bank and credit card fees	10,140
LLC filing fees	6,000
Dues and subscriptions	1,387
Education and training	4,279
Filing fees	1,925
Miscellaneous	1,676
Total operating expenses	<u>4,173,493</u>
Income from operations	<u>2,114,980</u>
Other income (expenses)	
Proceeds from legal settlement	672,000
Interest income	276
Interest expense	<u>(73,474)</u>
Total other income (expenses)	<u>598,802</u>
Net income	<u><u>\$ 2,713,782</u></u>

**GASTRO OPERATING COMPANY, LLC.**  
**STATEMENT OF CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

Balance at December 31, 2011, as presented	\$ 747,362
Prior period adjustment	<u>33,655</u>
Balance at December 31, 2011, as restated	781,017
Net income	2,713,782
Members' withdrawals	<u>(3,003,486)</u>
Balance at December 31, 2012	<u>\$ 491,313</u>

ABACO NORTH LLC d/b/a MANHATTAN MULTISPECIALTY AMBULATORY SURGERY CENTER

ESTABLISH A MULTISPECIALTY FREESTANDING AMBULATORY SURGERY CENTER

PRO FORMA BALANCE SHEET

ASSETS

Cash \$431,517

TOTAL ASSETS \$431,517

LIABILITIES AND MEMBERS EQUITY

LIABILITIES

Working Capital Loan \$215,758

TOTAL LIABILITIES \$215,758

MEMBERS EQUITY \$215,758

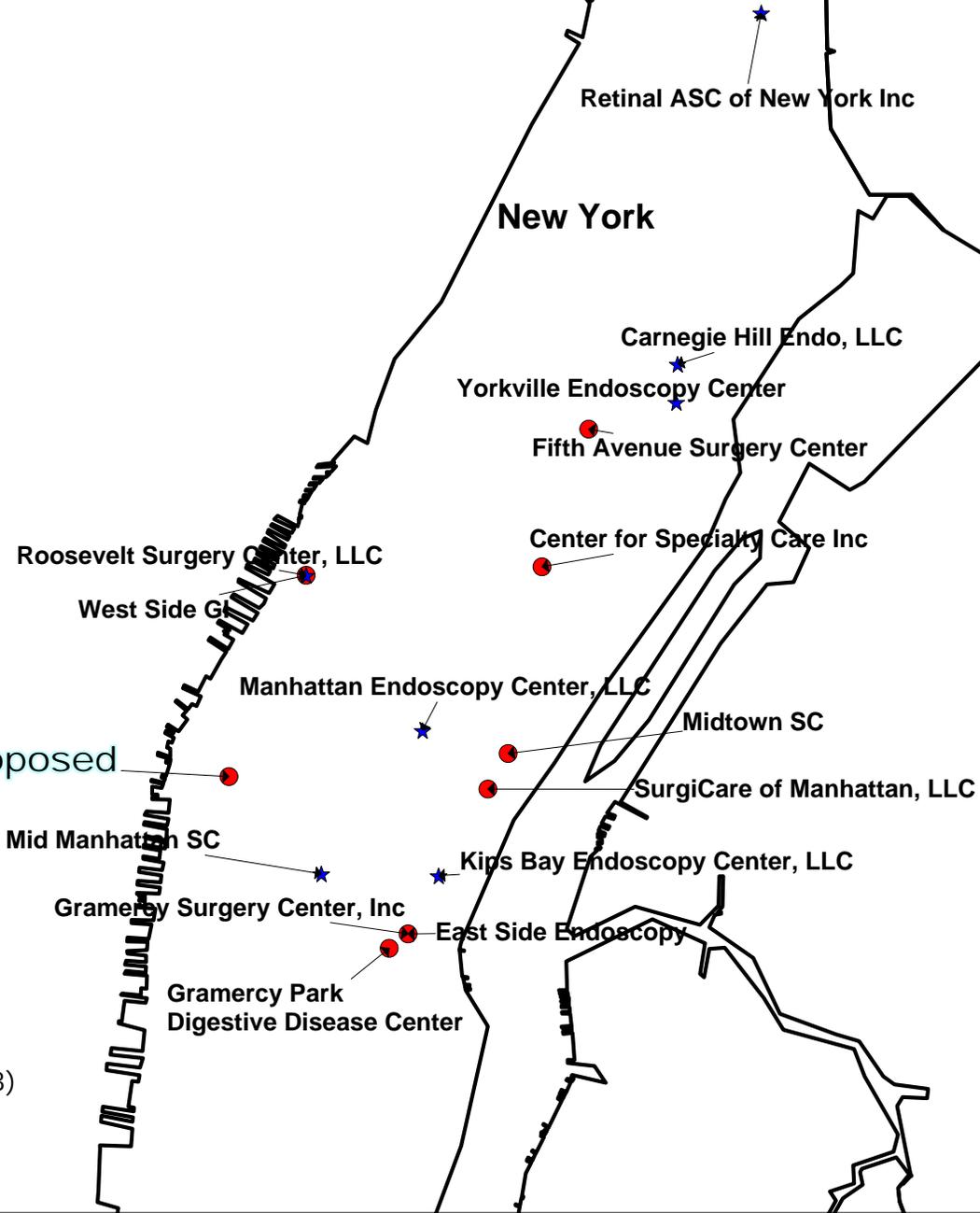
TOTAL LIABILITIES AND  
MEMBERS EQUITY \$431,517

BHFP Attachment Map:  
CON # 131192  
Abaco North, LLC

Abaco North, LLC-Proposed

Legend

- Multi-Specialty ASC (8)
- ★ Single-Specialty ASC (8)



ONEIDA HEALTH SYSTEMS, INC.  
d/b/a  
ONEIDA HEALTHCARE CENTER

Consolidated Balance Sheets

December 31, 2012 .

<u>Assets</u>	<u>2012</u>
Current assets:	
Cash and cash equivalents	\$ 2,842,896
Short-term investments	3,303,928
Patient accounts receivable, net of allowance for doubtful accounts of \$8,105,323 in 2012 and \$7,397,970 in 2011	11,582,358
Prepaid expenses and other current assets	3,977,208
Total current assets	<u>21,706,390</u>
Pledges receivable, net	295,819
Assets limited as to use	29,804,139
Property and equipment, net	46,513,578
Other assets	1,975,398
Advances to Oneida Health Care Corporation	766,595
Interest in net assets of Oneida Healthcare Foundation, Inc.	1,635,290
Unamortized debt issuance costs	1,644,804
	<u>\$ 104,342,013</u>
<u>Liabilities and Net Assets</u>	
Current liabilities:	
Current portion of long-term debt	1,978,814
Accounts payable	2,522,397
Accrued expenses and other liabilities	6,524,033
Retirement plan obligations	237,905
Estimated third-party payor settlements and advances	3,354,409
Total current liabilities	<u>14,617,558</u>
Long-term debt, net of current portion	29,364,239
Retirement plan obligations, net of current portion	19,409,336
Term note - City of Oneida	1,105,582
Other liabilities	3,032,489
Total liabilities	<u>67,529,204</u>
Net assets:	
Unrestricted	36,617,051
Temporarily restricted	129,483
Permanently restricted	66,275
Total net assets	<u>36,812,809</u>
Commitments and contingencies	
	<u>\$ 104,342,013</u>

ONEIDA HEALTH SYSTEMS, INC.  
 d/b/a  
 ONEIDA HEALTHCARE CENTER

Consolidated Statements of Operations and Changes in Net Assets  
 Years ended December 31, 2012

	<u>2012</u>
Unrestricted revenues, gains and other support:	
Net patient service revenue (net of contractual allowances and discounts)	\$ 87,005,105
Provisions for bad debts	(7,560,700)
Net patient service revenue less provision for bad debts	<u>79,444,405</u>
Investment income	1,511,748
Other revenue	1,421,630
Total revenue, gains and other support	<u>82,377,783</u>
Expenses:	
Salaries and wages	38,292,384
Fringe benefits	11,754,683
Supplies and other expenses	26,602,876
Depreciation and amortization	6,066,317
Interest	1,693,289
New York State gross receipts assessment	481,507
Total expenses	<u>84,891,056</u>
Excess (deficiency) of revenues over expenses	<u>(2,513,273)</u>
Forgiveness of term note	368,532
Change in net unrealized gains and losses on investments	823,975
Change in interest in unrestricted net assets of Foundation	738,440
Grants and contributions for capital acquisitions	37,000
Net assets released from restriction for capital acquisition	265,660
Retirement plan obligation changes other than net periodic benefit cost	(1,973,592)
Cumulative effect of change in accounting principle	-
Decrease in unrestricted net assets	<u>(2,253,258)</u>
Temporarily restricted net assets:	
Grants and donations	267,518
Change in interest in temporarily restricted net assets of Foundation	85,660
Net assets released from restriction	(265,660)
Increase (decrease) in temporarily restricted net assets	<u>87,518</u>
Decrease in net assets	<u>(2,165,740)</u>
Net assets at beginning of year	<u>38,978,549</u>
Net assets at end of year	<u>\$ 36,812,809</u>

Oneida Healthcare  
June 30, 2013

Assets		
General Funds	6/30/13	Audited 12/31/12
<b>Current Assets:</b>		
Cash and cash equivalents	\$1,474,607	\$2,085,476
Short term investments	\$3,921,074	\$4,061,348
Patient receivable, net of doubtful accounts	11,298,983	11,582,356
Inventories	1,012,076	1,143,161
Prepaid expenses and other assets	3,365,520	2,847,049
<b>Total current assets</b>	<b>21,072,259</b>	<b>21,719,390</b>
<b>Assets whose use is limited:</b>		
Cash and cash equivalents	26,019,239	26,376,083
Escrows and Bond Proceeds	2,953,831	3,308,958
<b>Total Assets Whose Use is Limited</b>	<b>28,973,069</b>	<b>29,685,041</b>
Pledges Receivable, net	295,819	295,819
Gross Property Plant & Equipment	109,420,204	107,197,927
Accum Deprec Property Plant & Equipment	(63,884,870)	(60,684,350)
<b>Net Property Plant &amp; Equipment</b>	<b>45,535,334</b>	<b>46,513,577</b>
<b>Other Assets</b>		
Charitable Gift Annuity	1,896,700	1,910,152
Advances to Oneida Health Care Corp.	122,494	124,244
Interest in net assets of OHC Foundation	800,264	766,595
Unamortized debt issuance costs, net	1,635,290	1,635,290
	1,586,064	1,644,804
<b>Total General Funds</b>	<b>\$101,917,293</b>	<b>\$104,294,910</b>

Oneida Healthcare  
June 30, 2013

*Liabilities and Fund Balances*

General Funds	6/30/13	Audited 12/31/12
<b>Current liabilities:</b>		
<b>Current Maturities of long term Debt:</b>		
Capital lease obligations - Equipment	547,723	537,779
Capital lease obligations - Mortgage	665,000	630,000
Mortgage bonds payable	802,115	778,951
Accounts Payable	1,498,757	2,522,397
Accrued Payroll, vacation pay, taxes and other liabilities	5,296,706	5,791,730
Retirement plan obligations	237,905	237,905
Estimated third party settlements	3,806,082	3,354,409
<b>Total current liabilities</b>	<b>12,854,287</b>	<b>13,853,171</b>
<b>Long term debt, net of current maturities</b>		
Capital lease obligations - Equipment	1,018,328	1,294,698
Capital lease obligations - Mortgage	5,045,792	5,410,375
Mortgage bonds payable	21,924,195	22,691,250
	27,988,315	29,396,323
<b>Other Liability</b>		
Accrued pension benefits	2,820,701	2,985,390
Accrued postretirement benefits	15,328,493	15,802,643
Term Note - City of Oneida	4,651,117	4,338,997
	921,316	1,105,582
<b>Total Liabilities</b>	<b>64,564,229</b>	<b>67,482,107</b>
<b>Net Assets:</b>		
Unrestricted	37,107,305	36,617,045
Additional minimum pension liability	0	0
<b>Unrestricted Net Assets</b>	<b>37,107,305</b>	<b>36,617,045</b>
Temporarily Restricted	127,118	127,118
Permanently Restricted	66,275	66,275
Temporarily Restricted-Grant Revenue	52,365	2,365
Temporarily Restricted-Caring Campaign	0	0
<b>Total Net Assets</b>	<b>37,353,064</b>	<b>36,812,804</b>
<b>Total Liabilities and Net Assets</b>	<b>\$101,917,293</b>	<b>\$104,294,910</b>

Oneida Healthcare Center  
Comparative Financial Statement

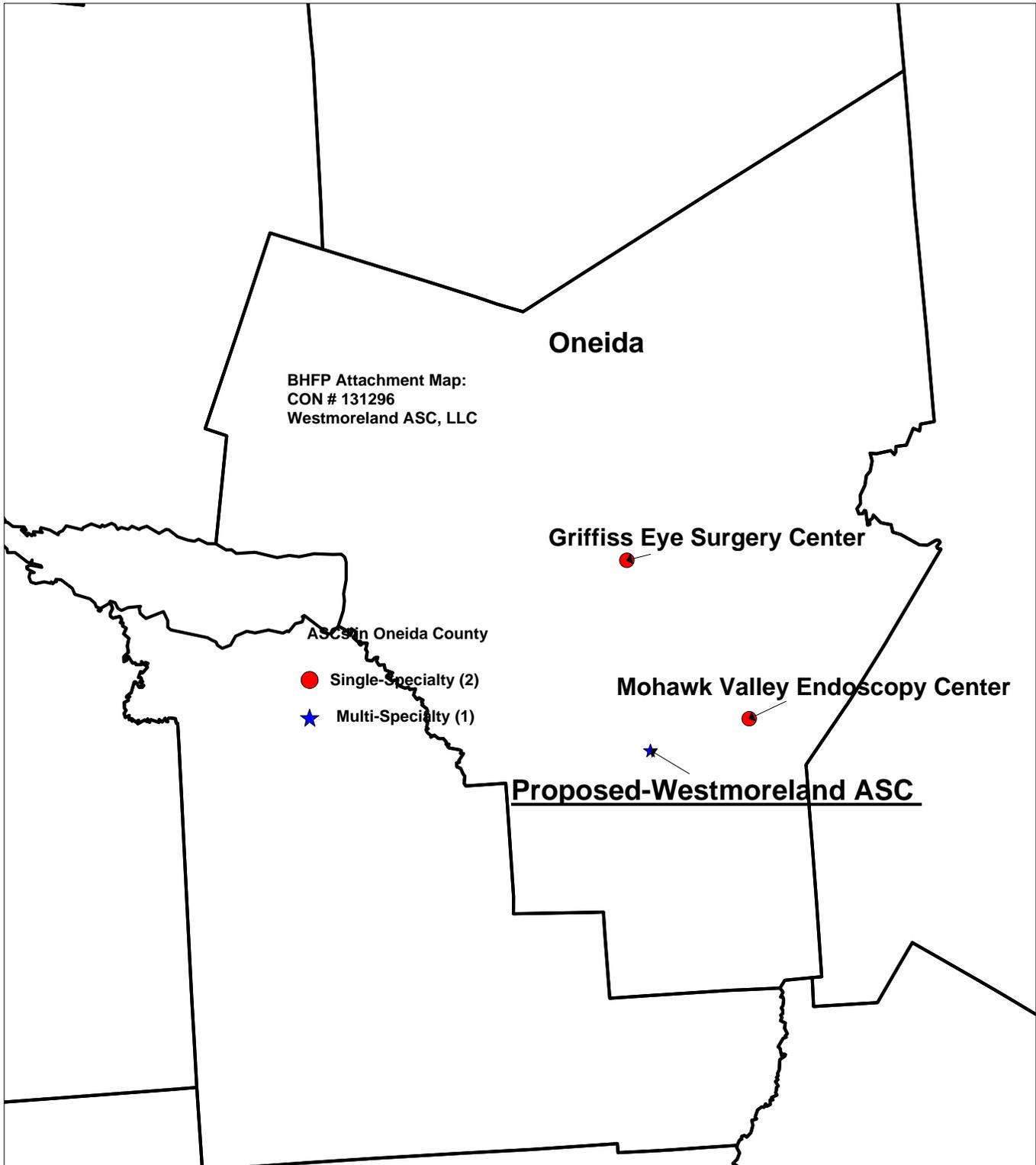
	MONTH TO DATE			YEAR TO DATE		
	06/13 ACT	06/13 BUD	06/12 ACT	06/13 ACT	06/13 BUD	06/12 ACT
Inpatient Net Revenue	1,567,529	1,757,791	1,797,311	9,304,235	9,896,275	9,719,508
Outpatient Net Revenue	4,044,969	4,252,115	4,248,961	24,160,325	25,185,159	24,247,180
E.C.F. Net Revenue	1,084,539	1,089,915	1,165,156	6,126,699	6,574,538	7,013,618
OMP Services	478,669	675,804	474,121	3,181,389	3,516,129	2,900,571
Other Deductions	(207,885)	(282,071)	(321,298)	(1,396,138)	(1,586,888)	(1,702,421)
Bad Debt	(355,318)	(355,317)	(346,725)	(2,131,908)	(2,131,905)	(2,080,350)
NYS Assess / PY Adjust	(1,139)	0	15,198	253,937	0	3,992
<b>Total Net Patient Revenue</b>	<b>6,611,363</b>	<b>7,138,237</b>	<b>7,032,724</b>	<b>39,498,539</b>	<b>41,453,208</b>	<b>40,102,098</b>
Other Operating Revenue	213,088	176,373	84,296	1,074,285	1,059,301	622,335
Grant Revenue	1,223	10,417	-	3,090	62,500	2,787
<b>Total Net Revenue</b>	<b>6,825,674</b>	<b>7,325,026</b>	<b>7,117,020</b>	<b>40,575,915</b>	<b>42,575,009</b>	<b>40,727,220</b>
<b>Operating Expenses:</b>						
Salaries & Wages	3,389,771 51%	3,413,756 48%	3,417,630 49%	19,392,358 49%	19,639,905 47%	19,578,705 49%
Other Employee Benefits	997,888 15%	1,089,315 15%	1,116,594 16%	6,182,218 16%	6,417,113 15%	6,160,188 15%
Supplies	254,962 4%	286,027 4%	174,961 2%	1,586,020 4%	1,725,698 4%	1,980,152 5%
Purchased Services	702,785 11%	776,943 11%	883,945 13%	4,595,543 12%	4,687,555 11%	4,678,681 12%
Repairs and Maintenance	173,368 3%	171,047 2%	172,089 2%	1,093,395 3%	1,026,280 2%	1,108,315 3%
Cost of Goods Sold	351,605 5%	452,213 6%	727,397 10%	2,478,457 6%	2,645,438 6%	2,643,776 7%
Raw Food	72,812 1%	68,404 1%	79,355 1%	383,614 1%	382,009 1%	420,740 1%
Utilities	96,445 1%	130,574 2%	109,691 2%	756,158 2%	754,852 2%	685,396 2%
Insurance	116,426 2%	133,268 2%	106,525 2%	711,507 2%	768,396 2%	673,448 2%
Other	113,063 2%	104,063 1%	106,465 2%	545,684 1%	627,847 2%	676,744 2%
Depreciation	543,210 8%	543,208 8%	481,423 7%	3,259,260 8%	3,259,247 8%	2,808,538 7%
Interest	136,670 2%	136,661 2%	149,129 2%	830,973 2%	827,898 2%	908,562 2%
New York State Assessment	24,885 0%	29,826 0%	30,296 0%	149,616 0%	173,766 0%	173,562 0%
<b>Total Operating Expenses</b>	<b>6,973,890 105%</b>	<b>7,335,304 103%</b>	<b>7,555,499 107%</b>	<b>41,964,803 106%</b>	<b>42,936,002 104%</b>	<b>42,496,808 106%</b>
Inc. or (Loss) from Operations	(148,216) -2%	(10,279) 0%	(438,480) -6%	(1,388,889) -4%	(360,993) -1%	(1,769,588) -4%
Non Operating Income	54,899 1%	92,144 1%	68,811 1%	901,387 2%	552,866 1%	460,522 1%
<b>Net Income or (Loss)</b>	<b>(93,317) -1%</b>	<b>81,866 1%</b>	<b>(369,669) -5%</b>	<b>(487,502) -1%</b>	<b>191,873 0%</b>	<b>(1,309,067) -3%</b>
Adjusted Net Income or (Loss)	(93,317) -1%	81,866 1%	(369,669) -5%	(487,502) -1%	191,873 0%	(1,309,067) -3%

Westmoreland ASC

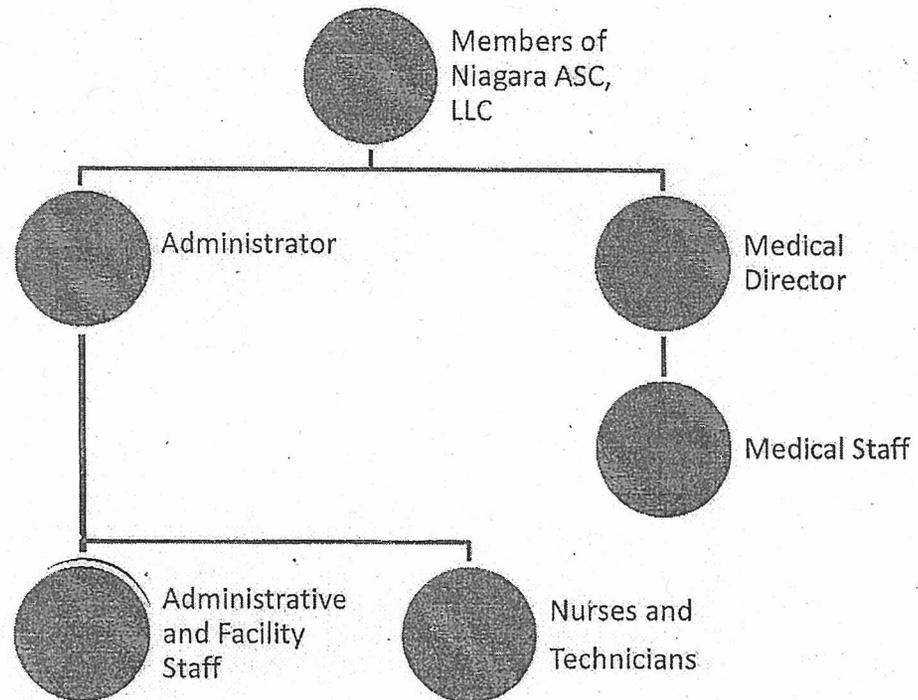
*Pro-Forma Balance Sheet*

Beginning of  
Year One  
January 2015

<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash Balances	\$	753,824
Accounts Receivable - Net	\$	-
<b>TOTAL CURRENT ASSETS</b>	\$	753,824
<b>OTHER ASSETS</b>		
Equipment	\$	1,533,064
New Program Assets (CON fees, consulting, etc.)	\$	251,752
<b>TOTAL OTHER ASSETS</b>	\$	1,784,815
<b>TOTAL ASSETS</b>	\$	2,538,639
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
<b>TOTAL CURRENT LIABILITIES</b>	\$	-
<b>LONG-TERM LIABILITIES</b>		
Bank Loan for Equipment	\$	1,550,000
Working Capital Loan	\$	375,000
<b>TOTAL LONG-TERM LIABILITIES</b>	\$	1,925,000
<b>TOTAL LIABILITIES</b>	\$	1,925,000
<b>LLC CAPITAL</b>	\$	613,639
<b>TOTAL LIABILITIES AND LLC CAPITAL</b>	\$	2,538,639



**NIAGARA ASC, LLC**  
**D/B/A AMBULATORY SURGERY CENTER OF NIAGARA**  
*Organizational Chart*



## ATTACHMENT 8

## NIAGARA ASC, LLC

*OPENING DAY PROFORMA BALANCE SHEET***ASSETS****CURRENT ASSETS**

Cash Balances	\$300,829
Accounts Receivable – Net	\$ -0-
<b>Total Current Assets</b>	<b>\$300,829</b>

**PROPERTY**

Facility Improvements	\$1,491,996
Equipment (net of depreciation)	\$ 656,000
<b>Total Property</b>	<b>\$2,147,996</b>

**INTANGIBLE ASSETS**

Project Start-Up Costs and Application Fees	\$ 199,569
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<b>TOTAL ASSETS</b>	<b>\$2,648,394</b>
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**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>	<b>\$ -0-</b>
----------------------------	---------------

**LONG-TERM LIABILITES**

Project Loan	\$1,485,000
Equipment Loan	\$ 529,760
Working Capital Loan	\$ 150,000
<b>Total Long-Term Liabilities</b>	<b>\$2,164,760</b>

<b>TOTAL LIABILITIES</b>	<b>\$2,164,760</b>
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<b>LLC CAPITAL</b>	<b>\$ 483,634</b>
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<b>TOTAL LIABILITIES AND LLC CAPITAL</b>	<b>\$2,648,394</b>
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BHFP Attachment Map  
CON # 132108  
Niagara ASC, LLC  
d/b/a ASC of Niagara

**PROPOSED-Niagara ASC (M)**

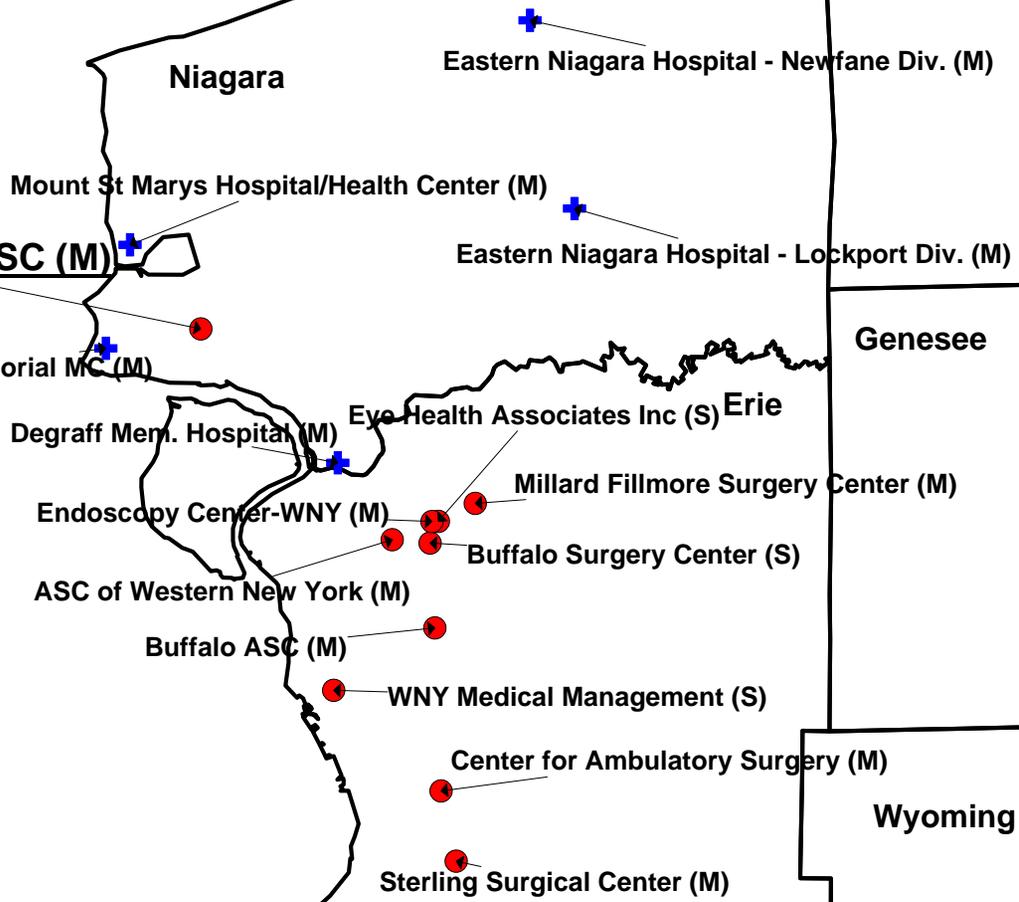
**Ambulatory Surgery Services  
Niagara and Erie Counties**

● D&TC (10)

⊕ Hospital (5)

M: Multi-Specialty

S: Single-Specialty



Orleans

Niagara

Genesee

Erie

Wyoming

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

**November 21, 2013**

**ATTACHMENTS**

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

**Exhibit # 7**

<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1. 132011 B	Parkmed NYC, LLC (New York County)

**Parkmed NYC D&TC**

***Pro-Forma Balance Sheet***

	<u>Beginning of Year One January 2014</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash Balances	\$ 909,211
Accounts Receivable - Net	\$ -
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 909,211</b>
<b>OTHER ASSETS</b>	
Equipment (net of depreciation)	\$ 318,017
Renovation	\$ 100,000
<b>TOTAL OTHER ASSETS</b>	<b>\$ 418,017</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,327,228</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
	\$ -
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ -</b>
<b>LONG-TERM LIABILITIES</b>	
	\$ -
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$ -</b>
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>
<b>LLC CAPITAL</b>	<b>\$ 1,327,228</b>
<b>TOTAL LIABILITIES AND LLC CAPITAL</b>	<b>\$ 1,327,228</b>

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

**November 21, 2013**

**ATTACHMENTS**

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**Dialysis Services- Establish/Construct**

**Exhibit # 8**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	132034 B	Brooklyn United Methodist Church Continuum Services (Kings County)
2.	132067 B	Elizabethtown Center, LLC (Essex County)

Brooklyn United Methodist Church Home

Balance Sheets  
December 31,

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$ 1,192,185	\$ 753,722
Investments	4,150,668	3,740,675
Assets limited as to use, current portion	345,000	325,000
Accounts receivable, net	2,265,283	1,994,596
Prepaid expenses and other assets	<u>110,793</u>	<u>78,922</u>
Total Current Assets	8,063,929	6,892,915
Investments, endowment fund	571,116	571,116
Assets limited as to use, net of current portion	1,440,479	1,460,479
Due from third-party payors	2,400,000	2,400,000
Property, plant and equipment, net	<u>3,832,341</u>	<u>4,249,324</u>
	<u>\$ 16,307,865</u>	<u>\$ 15,573,834</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Mortgage payable, current portion	\$ 345,000	\$ 325,000
Accounts payable and accrued expenses	1,813,973	2,275,948
Capital lease payable, current portion	40,698	41,121
Due to third-party payors, current portion	1,611,501	570,749
Funds held for residents	<u>201,916</u>	<u>196,033</u>
Total Current Liabilities	4,013,088	3,408,851
Mortgage payable, net of current portion	4,115,000	4,460,000
Due to third-party payors, net of current portion	447,484	602,501
Capital lease payable	27,504	68,641
Accrued pension benefits	<u>1,065,766</u>	<u>856,115</u>
Total Liabilities	<u>9,668,842</u>	<u>9,396,108</u>
Net Assets		
Unrestricted	5,994,148	5,570,300
Temporarily restricted	73,759	36,310
Permanently restricted - endowment	<u>571,116</u>	<u>571,116</u>
Total Net Assets	<u>6,639,023</u>	<u>6,177,726</u>
	<u>\$ 16,307,865</u>	<u>\$ 15,573,834</u>

**Brooklyn United Methodist Church Home**  
Statements of Operations and Changes in Net Assets  
Years Ended December 31,

	<u>2012</u>	<u>2011</u>
<b>UNRESTRICTED NET ASSETS</b>		
Operating revenue		
Skilled nursing	\$ 11,509,827	\$ 11,179,940
Adult day health care	2,165,536	3,058,111
Other revenue	12,185	18,190
Net assets released from restrictions	26,996	89,546
Total Operating Revenue	<u>13,714,544</u>	<u>14,345,787</u>
Operating expenses		
Salaries and wages	5,930,131	6,637,414
Payroll taxes and employee benefits	2,440,125	2,525,647
Supplies and other expenses	3,628,520	3,710,066
Depreciation and amortization	461,250	441,041
New York State cash assessment	843,524	727,965
Interest and penalties	200,510	332,742
Provision for bad debts	185,000	115,250
Total Operating Expenses	<u>13,689,060</u>	<u>14,490,125</u>
Gain (Loss) From Operations	<u>25,484</u>	<u>(144,338)</u>
Nonoperating Revenue (Loss)		
Contributions and grants	96,557	110,245
Investment income (loss)	451,060	(170,654)
Total Nonoperating Revenue (Loss)	<u>547,617</u>	<u>(60,409)</u>
Change in Unrestricted Net Assets	<u>573,101</u>	<u>(204,747)</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	5,500	23,000
Investment income	58,945	-
Net assets released from restrictions	(26,996)	(89,546)
Change in Temporarily Restricted Net Assets	<u>37,449</u>	<u>(66,546)</u>
Change in Net Assets Before Other Changes	610,550	(271,293)
Pension liability adjustment	(149,253)	(22,057)
Change in Net Assets	461,297	(293,350)
<b>NET ASSETS</b>		
Beginning of year	<u>6,177,726</u>	<u>6,471,076</u>
End of year	<u>\$ 6,639,023</u>	<u>\$ 6,177,726</u>

**BROOKLYN UNITED METHODIST CHURCH CONTINUUM SERVICES, INC.**

**PRO FORMA BALANCE SHEET**

**ASSETS**

Cash	\$399,337
Capitalized Project Costs	\$1,619,401
Equipment	\$305,999
<b>TOTAL ASSETS</b>	<b><u>\$2,324,737</u></b>

**LIABILITIES AND NET ASSETS**

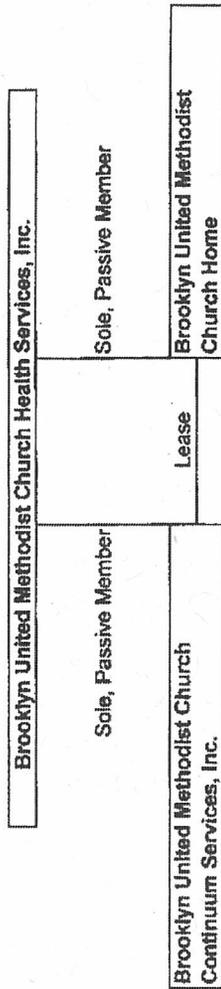
**LIABILITIES**

Capital Loan	\$0
<b>TOTAL LIABILITIES</b>	<b>\$0</b>
<b>NET ASSETS</b>	<b><u>\$2,324,737</u></b>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$2,324,737</u></b>
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BROOKLYN UNITED METHODIST CHURCH CONTINUUM SERVICES, INC.

ORGANIZATIONAL CHART



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>		
Current assets:		
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
Total current assets	102,767	104,586
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
Total assets	\$ 782,909	\$ 722,548
<b>Liabilities and Equity</b>		
Current liabilities:		
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
Total current liabilities	68,424	62,335
Long-term debt, less current portion	257,943	249,240
Capital lease obligations, less current portion	129	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
Equity:		
Common stock, no par value, 1,000 shares authorized, issued and outstanding at December 31, 2012 and 2011		
Additional paid-in capital	188,945	189,106
Receivable from shareholders	(285)	(761)
Retained earnings	20,779	1,352
Total American Renal Holdings Inc. equity	209,439	189,699
Noncontrolling interests not subject to put provisions	164,619	154,076
Total equity	374,058	343,775
Total liabilities and equity	\$ 782,909	\$ 722,548

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	\$ 424,910	\$ 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)

	June 30, 2013 (Unaudited)	December 31, 2012
<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	547,666	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	15,450	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
<b>Commitments and contingencies</b>		
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	(503)	(185)
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	(9,943)	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

CON# 132067  
BFA Attachment D

Pro Forma Balance Sheet

ASSETS

Cash	\$157,020
Net Property, Plant & Equipment	116,724
Net Intangible Assets	<u>278,413</u>
TOTAL ASSETS	\$552,157

LIABILITIES

Facility Loan	<u>\$181,874</u>
TOTAL LIABILITIES	\$181,874

NET ASSETS	\$370,283
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**New York State Department of Health  
Public Health and Health Planning Council  
Committee Day**

**November 21, 2013**

**ATTACHMENTS**

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**Hospice - Establish/Construct**

**Exhibit # 9**

<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1. 132063 E	Hospice of New York (Queens County)

## HOSPICE OF NEW YORK LLC

Project #132063  
BFA Attachment B

## Balance Sheet

July 31, 2013

## Pro forma after Sale of Ownership Interest

ASSETS	Jul 31, 13	Cash out	Cash in	Cash in/out	Bal Sheet after
		To the Estate	Fr Michael	Fr/to Brad	the sale
<b>Current Assets</b>					
<b>Checking/Savings</b>					
Cash in Business Savings	737,051.76				737,051.76
Cash in Checking Acct	4,900,189.05	(1,000,000.00)	250,000.00	0.00	4,150,189.05
Cash - Difference Card	8,795.63				8,795.63
Petty Cash	200.00				200.00
<b>Total Checking/Savings</b>	<u>5,646,236.44</u>	<u>(1,000,000.00)</u>	<u>250,000.00</u>	<u>0.00</u>	<u>4,896,236.44</u>
<b>Other Current Assets</b>					
<b>Receivables</b>					
Accounts Receivable	5,609,361.64				5,609,361.64
Allowance for Doubtful Accounts	(278,442.05)				(278,442.05)
<b>Total Receivables</b>	<u>5,330,919.59</u>				<u>5,330,919.59</u>
Loan to Members	420,237.50				420,237.50
Prepaid Expenses	26,529.30			750,000.00	1,170,237.50
Prepaid Insurance	93,479.61				26,529.30
<b>Total Other Current Assets</b>	<u>5,871,166.00</u>		<u>0.00</u>	<u>750,000.00</u>	<u>6,621,166.00</u>
<b>Total Current Assets</b>	<u>11,517,402.44</u>	<u>(1,000,000.00)</u>	<u>250,000.00</u>	<u>750,000.00</u>	<u>11,517,402.44</u>
<b>Fixed Assets</b>					
Furniture & Equipment	1,865,640.24				1,865,640.24
Leasehold Improvements	783,780.65				783,780.65
Accumulated Depreciation	(965,433.58)				(965,433.58)
<b>Total Fixed Assets</b>	<u>1,683,987.31</u>				<u>1,683,987.31</u>
<b>Other Assets</b>					
Deposits	63,544.22				63,544.22
<b>Total Other Assets</b>	<u>63,544.22</u>				<u>63,544.22</u>
<b>TOTAL ASSETS</b>	<u>13,264,933.97</u>	<u>(1,000,000.00)</u>	<u>250,000.00</u>	<u>750,000.00</u>	<u>13,264,933.97</u>
<b>LIABILITIES &amp; EQUITY</b>					
<b>Liabilities</b>					
<b>Current Liabilities</b>					
<b>Other Current Liabilities</b>					
Accrued Wages	487,797.02				487,797.02
Accounts Payable	1,023,233.24				1,023,233.24
Due to Nursing Home	3,736,600.53				3,736,600.53
Accrued Expenses	1,222,010.72				1,222,010.72
Accrued Vacation Liability	762,922.67				762,922.67
<b>Total Other Current Liabilities</b>	<u>7,232,564.18</u>				<u>7,232,564.18</u>
<b>Total Current Liabilities</b>	<u>7,232,564.18</u>				<u>7,232,564.18</u>
<b>Total Liabilities</b>	<u>7,232,564.18</u>				<u>7,232,564.18</u>
<b>Equity</b>					
Members' Capital	5,916,902.51	(1,000,000.00)	250,000.00	750,000.00	5,916,902.51
Distributions	(1,025,160.00)				(1,025,160.00)
Net Income	1,140,627.28				1,140,627.28
<b>Total Equity</b>	<u>6,032,369.79</u>	<u>(1,000,000.00)</u>	<u>250,000.00</u>	<u>750,000.00</u>	<u>6,032,369.79</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u>13,264,933.97</u>	<u>(1,000,000.00)</u>	<u>250,000.00</u>	<u>750,000.00</u>	<u>13,264,933.97</u>

HOSPICE OF NEW YORK, L.L.C  
BALANCE SHEETS  
DECEMBER 31, 2012 AND 2011

ASSETS

CURRENT ASSETS:	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 4,991,345	\$ 3,113,952
Patient receivables, net	6,797,471	5,255,451
City income tax overpayment	-	26,457
Loan to member	17,131	71,900
Prepaid expenses	<u>134,925</u>	<u>126,523</u>
Total Current Assets	<u>11,940,872</u>	<u>8,594,283</u>
 PROPERTY AND EQUIPMENT:		
Furniture and equipment	1,812,414	1,554,305
Leasehold improvements	<u>783,781</u>	<u>681,266</u>
	2,596,195	2,235,571
Less: Accumulated depreciation	<u>1,049,107</u>	<u>839,939</u>
Property and Equipment, Net	<u>1,547,088</u>	<u>1,395,632</u>
Deposits	<u>63,544</u>	<u>63,544</u>
 TOTAL ASSETS	 <u>\$ 13,551,504</u>	 <u>\$ 10,053,459</u>

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$ 1,811,501	\$ 1,088,776
Accrued expenses and withheld items	5,953,009	5,022,442
City income tax payable	<u>34,928</u>	<u>-</u>
Total Current Liabilities	<u>7,799,438</u>	<u>6,111,218</u>
 COMMITMENTS AND CONTINGENCIES (Notes 7 and 8)		
MEMBERS' EQUITY	<u>5,752,066</u>	<u>3,942,241</u>
 TOTAL LIABILITIES AND MEMBERS' EQUITY	 <u>\$ 13,551,504</u>	 <u>\$ 10,053,459</u>

HOSPICE OF NEW YORK, L.L.C.  
 STATEMENTS OF INCOME AND MEMBERS' EQUITY  
 YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
NET PATIENT SERVICE REVENUE	\$ 43,752,236	\$ 33,784,431
COST OF REVENUE	<u>39,144,185</u>	<u>30,470,011</u>
GROSS INCOME	4,608,051	3,314,420
GENERAL AND ADMINISTRATIVE EXPENSES	<u>2,012,082</u>	<u>1,781,817</u>
OPERATING INCOME	2,595,969	1,532,603
OTHER EXPENSE (INCOME):		
Loss on disposal of equipment	362	-
Interest expense	179	138
Donation income	(10,126)	(1,113)
Interest income	<u>(2,362)</u>	<u>(999)</u>
INCOME BEFORE CITY INCOME TAXES	2,607,916	1,534,577
PROVISION FOR CITY INCOME TAXES	<u>93,488</u>	<u>58,543</u>
NET INCOME	2,514,428	1,476,034
MEMBERS' EQUITY, BEGINNING	3,942,241	3,508,473
DISTRIBUTIONS	<u>(704,603)</u>	<u>(1,042,266)</u>
MEMBERS' EQUITY, ENDING	<u>\$ 5,752,066</u>	<u>\$ 3,942,241</u>

HOSPICE OF NEW YORK, LLC

Balance Sheet

As of July 31, 2013

	<u>Jul 31, 13</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Cash in Business Savings	737,051.76
Cash in Checking Acct	4,900,189.05
Cash - Difference Card	8,795.63
Petty Cash	200.00
Total Checking/Savings	<u>5,646,236.44</u>
Other Current Assets	
Receivables	
Accounts Receivable	5,609,361.64
Allowance for Doubtful Accounts	(278,442.05)
Total Receivables	<u>5,330,919.59</u>
Loan to Members	420,237.50
Prepaid Expenses	26,529.30
Prepaid Insurance	93,479.61
Total Other Current Assets	<u>5,871,166.00</u>
Total Current Assets	11,517,402.44
Fixed Assets	
Furniture & Equipment	1,865,640.24
Leasehold Improvements	783,780.65
Accumulated Depreciation	(965,433.58)
Total Fixed Assets	<u>1,683,987.31</u>
Other Assets	
Deposits	63,544.22
Total Other Assets	<u>63,544.22</u>
<b>TOTAL ASSETS</b>	<u><u>13,264,933.97</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Accrued Wages	487,797.02
Accounts Payable	1,023,233.24
Due to Nursing Home	3,736,600.53
Accrued Expenses	1,222,010.72
Accrued Vacation Liability	762,922.67
Total Other Current Liabilities	<u>7,232,564.18</u>
Total Current Liabilities	<u>7,232,564.18</u>
Total Liabilities	7,232,564.18
Equity	
Members' Capital	5,916,902.51
Distributions	(1,025,160.00)
Net Income	1,140,627.28
Total Equity	<u>6,032,369.79</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>13,264,933.97</u></u>

HOSPICE OF NEW YORK, LLC  
 Budget vs Actual - Homecare Program  
 July 31, 2013

Ordinary Income/Expense	Jul 13	Budget	\$ Over Budget
Income			
Hospice Income			
Per Diem Income			
Revenue - Medicare			
Routine Home Care	1,134,319.38		
Routine Home Care w/ Aids	6,722.65		
Continuous Care	22,647.96		
General Inpatient	647,652.40		
Inpatient Respite	939.95		
Total Revenue - Medicare	1,812,282.34		
Revenue - Medicaid			
Routine Home Care	132,976.27		
Routine Home Care w/ Aids	93,122.63		
Continuous Care	10,500.03		
General Inpatient	244,229.33		
General Inpatient w/ Aids	35,007.88		
Total Revenue - Medicaid	515,836.14		
Revenue - Insurance/PP			
Routine Home Care	9,450.10		
Continuous Care	8,437.56		
General Inpatient	33,736.61		
Total Revenue - Insurance/PP	51,624.27		
Per Diem Income - Other	0.00	2,087,917.00	(2,087,917.00)
Total Per Diem Income	2,379,742.75	2,087,917.00	291,825.75
2% Medicare Sequestration	(37,028.13)	0.00	(37,028.13)
Per Diem Income after sequestration	2,342,714.62	2,087,917.00	254,797.62
Physician Services	31,922.93	95,426.00	(63,503.07)
R & B Income			
Medicaid R & B Income	776,163.07	1,044,580.00	(268,416.93)
Medicaid R & B 5% Allowance	(41,119.55)	(52,229.00)	11,109.45
Total R & B Income	735,043.52	992,351.00	(257,307.48)
Total Hospice Income	3,109,681.07	3,175,694.00	(66,012.93)
Total Income	3,109,681.07	3,175,694.00	(66,012.93)
Cost of Goods Sold			
Doctor Fee Reimbursement	11,256.18	47,713.00	(36,456.82)
Inpatient General	770,693.78	644,490.00	126,203.78
Inpatient Respite	680.00	692.00	(12.00)
Nursing Home R&B Reimbursement			
Medicaid R & B Reimbursement	776,163.07	1,044,580.00	(268,416.93)
Total Nursing Home R&B Reimbursement	776,163.07	1,044,580.00	(268,416.93)

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

**November 21, 2013**

**ATTACHMENT**

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

**Exhibit # 10**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	131086 E	Autumn View Health Care Facility, LLC (Erie County)
2.	131087 E	Brookhaven Health Care Facility, LLC (Suffolk County)
3.	131088 E	Garden Gate Health Care Facility (Erie County)
4.	131089 E	Harris Hill Nursing Facility, LLC (Erie County)
5.	131090 E	North Gate Health Care Facility (Niagara County)
6.	131091 E	Seneca Health Care Center (Erie County)
7.	131125 E	Ruby Care, LLC d/b/a Emerald North Nursing and Rehabilitation Center (Erie County)
8.	131156 E	Opal Care, LLC d/b/a Emerald South Rehabilitation and Care Center (Erie County)
9.	131264 E	South Shore Rehabilitation, LLC d/b/a South Shore Rehabilitation and Nursing Center (Nassau County)

10. 132071 E Steuben Operations Associates, LLC  
d/b/a Steuben Center for Rehabilitation  
and Healthcare  
(Steuben County)
11. 132113 E SGRNC LLC d/b/a King David Nursing  
and Rehabilitation Center  
(Kings County)

**AUTUMN VIEW HEALTH CARE FACILITY, LLC**  
**BALANCE SHEETS**  
**December 31, 2012 and 2011**

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
Current assets:		
Cash	\$ 5,658	\$ 6,403
Cash – restricted	94,057	84,955
Accounts receivable – trade	2,155,394	2,287,889
Due from affiliates	3,135,426	632,109
Due from Medicaid	390,385	-
Miscellaneous receivables	73,786	68,736
Inventory	9,398	9,465
Deposits – restricted	139,335	94,478
Prepaid expenses	<u>90,503</u>	<u>143,890</u>
Total current assets	6,093,942	3,327,925
Property and equipment:		
Building and improvements	67,217	82,305
Furniture and equipment	1,822,582	1,721,760
Automobile	<u>42,584</u>	<u>42,584</u>
	1,932,383	1,846,649
Less: accumulated depreciation	<u>(1,515,027)</u>	<u>(1,319,760)</u>
Net property and equipment	417,356	526,889
Other assets:		
Cash – restricted	-	1,541,119
Marketable securities – restricted	1,126,350	1,102,107
Deposits – restricted	169,274	172,500
Deposits – restricted, insurance	139,472	42,261
Goodwill	<u>910,000</u>	<u>910,000</u>
Net other assets	<u>2,345,096</u>	<u>3,767,987</u>
Total assets	<u>\$ 8,856,394</u>	<u>\$ 7,622,801</u>

<u>LIABILITIES AND EQUITY</u>	<u>2012</u>	<u>2011</u>
Current liabilities:		
Bank overdraft	\$ 41,377	\$ 67,990
Accounts payable	425,472	557,186
Accrued payroll and expenses	457,121	419,293
Accrued workers compensation	201,318	-
Patient escrow	94,057	84,955
Deferred revenues	296,614	102,529
Due to Medicaid	-	<u>598,823</u>
Total liabilities	1,515,959	1,830,776
Equity	<u>7,340,435</u>	<u>5,792,025</u>
Total liabilities and equity	<u>\$ 8,856,394</u>	<u>\$ 7,622,801</u>

**AUTUMN VIEW HEALTH CARE FACILITY, LLC**  
**STATEMENTS OF OPERATIONS**  
**For the Years Ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Revenue:		
Net patient revenues	\$ 23,769,904	\$ 23,287,279
Other income	<u>156,171</u>	<u>119,386</u>
Total revenue	23,926,075	23,406,665
Expenses:		
Salaries and wages	10,460,537	10,374,704
Administrative and general	5,071,480	4,868,655
Dietary	530,747	514,732
Laundry and linen	180,956	162,603
Housekeeping	110,361	97,470
Maintenance and plant operations	359,305	391,814
Property expenditures:		
Rent	2,757,038	2,549,864
Real estate taxes	252,896	215,223
Depreciation	195,267	478,348
Professional care	1,356,580	1,387,187
Interest expense	-	680,843
Amortization	<u>-</u>	<u>412,197</u>
Total expenses	<u>21,275,167</u>	<u>22,133,640</u>
Income from operations	2,650,908	1,273,025
Earn-out income	1,785,715	-
Interest income	17,032	18,773
Gain on investments	23	-
Unrealized gain on investments	1,990	2,189
Gain/(loss) on sale of assets	<u>(66)</u>	<u>715,907</u>
Net income	\$ <u>4,455,602</u>	\$ <u>2,009,894</u>

Autumn View HCF  
Pro Forma Balance Sheet

	<u>Assets</u>
<b>Current Assets:</b>	
Cash	\$ 2,932,116
Accounts Receivable	\$ 1,698,034
Prepaid Expenses & Misc. Receivables	\$ 186,530
Inventory	\$ 9,465
<b>Total Current Assets</b>	<u>\$ 4,826,145</u>
<b>Restricted Assets:</b>	
Marketable Securities	\$ 1,125,949
Landlord Impound - RE Taxes	\$ 319,699
Landlord Capex Reserve	\$ 190,576
Restricted Acct - Collateral for Workers Comp	\$ 96,597
<b>Total Restricted Assets</b>	<u>\$ 1,732,821</u>
<b>Property, Plant, and Equipment</b>	
Land	\$ -
Building Improvements	\$ 53,894
Movable Equipment	\$ 1,841,548
	<u>\$ 1,895,442</u>
Less: Accumulated Depreciation	\$ (1,459,260)
<b>Total Property, Plant, and Equipment</b>	<u>\$ 436,182</u>
<b>Other Assets:</b>	
Goodwill	\$ 910,000
Loans Receivable - Related Party	\$ -
Misc. Receivable - Related Party	\$ -
<b>Total Other Assets</b>	<u>\$ 910,000</u>
<b>Total Assets</b>	<u><u>\$ 7,905,148</u></u>
	<b><u>Liabilities and Members' Equity</u></b>
<b>Current Liabilities:</b>	
Accounts Payable	\$ 696,193
Accrued Expenses Payable	\$ 593,791
<b>Total Current Liabilities</b>	<u>\$ 1,289,984</u>
<b>Long-term Liabilities:</b>	
Loan Payable - Related Party	\$ -
Lease Payable - Copier	\$ -
<b>Total Long-term Liabilities</b>	<u>\$ -</u>
<b>Total Liabilities</b>	\$ 1,289,984
<b>Members' Equity</b>	<u>\$ 6,615,164</u>
<b>Total Liabilities and Members' Equity</b>	<u><u>\$ 7,905,148</u></u>

The McGuire Group  
YTD thru 11/30/2012

	AVHCF	BHCF	GGHCF	HHNF	NGHCF	SHCC	Total
Net Profit (Loss)	\$4,512,915	\$199,302	\$2,567,891	\$3,947,291	\$2,694,423	\$2,352,759	\$16,274,581
Gain on Sale of Real Property -	(\$1,785,714)	\$0	(\$1,428,571)	(\$1,490,684)	(\$1,552,795)	(\$1,242,236)	(\$7,500,000)
Interest +	\$0	\$124	\$418	\$0	\$0	\$0	\$542
Investment Income / Interest -	(\$19,529)	(\$10,225)	(\$7,044)	(\$9,711)	(\$5,658)	(\$6,700)	(\$59,067)
Prior Year Adjustments + / -	(\$82,263)	\$44,387	\$20,096	\$24,757	\$351,336	\$24,297	\$382,610
Depreciation & Amortization +	\$170,500	\$143,000	\$111,100	\$158,400	\$145,200	\$123,200	\$851,400
Rent +	\$2,527,272	\$1,519,980	\$1,262,415	\$1,927,629	\$1,092,454	\$830,720	\$9,160,470 A
Cap-Ex (\$798.25/book) - (eff. 2/1/12)	(\$167,852)	(\$116,766)	(\$134,281)	(\$140,120)	(\$145,959)	(\$116,766)	(\$821,744)
EBITDAR-X	\$5,155,329	\$1,779,802	\$2,392,024	\$4,417,562	\$2,578,801	\$1,965,274	\$18,288,792
Rent & Interest Expense -	\$2,518,383	\$1,521,864	\$1,255,840	\$1,920,212	\$1,084,846	\$824,711	\$9,125,856 B
EBITDA-X	\$2,636,946	\$257,938	\$1,136,184	\$2,497,350	\$1,493,955	\$1,140,563	\$9,162,936
Lease Coverage Ratio	2.05	1.17	1.90	2.30	2.38	2.38	2.00

NOTES:

A - Rent expense as booked. Monthly Ventas rent expense booked was based on annual rent for 2012 divided by 12 months.

B - For this line rent was adjusted to actual rent payments for the noted period.

Autumn Woods RHCF

	2012
	1/1 - 11/30
Income	\$2,517,850
Income Tax Expense	0
Friendship Associates - Insurance	(226,417)
Interest Income	(768)
Depreciation & Amortization	247,500
Prior Year Rate Adjustments	(38)
Prior Year Workers Compensation	(21,974)
Rent	1,860,079
Cap - Ex (\$798.25 / Bed)	<u>(241,471)</u>
EBITDAR - X	\$4,134,761
Rent & Interest Expense ( \$157,787 / month )	\$1,735,657
Lease Coverage Ratio	2.38

**Autumn Woods RHCF  
Sale/Leaseback Cost Savings**

	<u>AWRHCF</u>
Annual Rent after Sale/Leaseback	\$1,906,064
Annual Rent before Sale/Leaseback	<u>\$2,038,591</u>
Rent Decrease	(\$132,527)
Estimated Annual Depreciation on Building Improvements & Equipment Eliminated after Sale/Leaseback	(\$190,000)
Estimated Insurance Cost To Be Incurred By Autumn Woods after Sale/Leaseback Previously Incurred by Related Real Estate Entity (Friendship Associates)	<u>\$247,000</u>
<b>Sale/Leaseback Cost Savings</b>	<u><u>(\$75,527)</u></u>

## Autumn Woods Residential Health Care Facility, LLC

**Balance Sheet**  
**December 31, 2012**

### Assets

#### Current Assets

Cash	\$	1,033,344
Accounts receivable - Net		2,670,902
Agency settlements receivable		99,214
Due from affiliate		200,478
Other current assets:		
Prepaid expenses and other current assets		214,580
Lease prepayments		203,362
Property tax impound		183,718

Total current assets 4,605,598

Property and Equipment - Net 338,224

#### Noncurrent Lease Deposits and Reserves

Lease deposit		1,950,000
Replacement reserve		67,955

Total assets \$ 6,961,777

### Liabilities and Members' Equity

#### Current Liabilities

Accounts payable	\$	1,319,845
Agency settlements payable		404,907
Accrued liabilities and other		845,366

Total current liabilities 2,570,118

Members' Equity 4,391,659

Total liabilities and members' equity \$ 6,961,777

## **Autumn Woods Residential Health Care Facility, LLC**

### **Statement of Operations Year Ended December 31, 2012**

<b>Operating Revenue</b>	
Net service revenue	\$ 23,264,934
Other operating revenue	85,157
Total operating revenue	<u>23,350,091</u>
<b>Operating Expenses</b>	
Nursing	6,832,781
Ancillary services	1,906,079
Dietary	1,666,260
Laundry and housekeeping	951,700
Plant operation	3,436,504
Employee welfare	2,242,723
Administrative	2,786,074
Provision for bad debts	640,825
Depreciation and amortization	244,800
Total operating expenses	<u>20,707,746</u>
<b>Operating Income</b>	2,642,345
<b>Other Revenue</b>	
Interest income	1,407
Gain on sale of assets	10,173,819
Total other revenue	<u>10,175,226</u>
<b>Net Income</b>	<u><u>\$ 12,817,571</u></u>

**BROOKHAVEN HEALTH CARE FACILITY, LLC**  
**BALANCE SHEETS**  
**December 31, 2012 and 2011**

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
Current assets:		
Cash	\$ 6,420	\$ 425,303
Cash - restricted	73,228	77,139
Accounts receivable, net	2,703,270	2,899,883
Due from affiliate	1,715,263	953,025
Miscellaneous receivables	138,250	157,696
Due from Medicaid	422,308	95,964
Inventory	5,371	4,683
Deposits - restricted	180,105	200,849
Prepaid expenses and deposits	846,958	655,314
Total current assets	<u>6,091,173</u>	<u>5,469,856</u>
Property and equipment		
Leasehold improvements	316,826	136,281
Furniture and equipment	1,210,416	1,085,050
Automobile	<u>20,535</u>	<u>15,285</u>
	1,547,777	1,236,616
Less: accumulated depreciation	<u>(1,010,011)</u>	<u>(821,814)</u>
Net property and equipment	537,766	414,802
Non-current assets:		
Cash - restricted	-	952,745
Marketable securities - restricted	695,375	681,646
Deposits - restricted	42,002	120,000
Deposits - restricted, insurance	198,469	57,354
Goodwill	<u>130,423</u>	<u>130,423</u>
Total non-current assets	<u>1,066,269</u>	<u>1,942,168</u>
Total assets	<u>\$ 7,695,208</u>	<u>\$ 7,826,826</u>

**BROOKHAVEN HEALTH CARE FACILITY, LLC**  
**BALANCE SHEETS**  
**December 31, 2012 and 2011**

<u>LIABILITIES AND MEMBERS' EQUITY</u>	<u>2012</u>	<u>2011</u>
Current liabilities:		
Bank overdraft	\$ 127,051	\$ 158,238
Accounts payable	589,492	633,545
Accrued payroll and expenses	812,456	638,946
Patient escrow	73,228	77,139
Deferred revenues	<u>192,616</u>	<u>251,458</u>
Total liabilities	1,794,843	1,759,326
Members' equity	<u>5,900,365</u>	<u>6,067,500</u>
Total liabilities and members' equity	<u>\$ 7,695,208</u>	<u>\$ 7,826,826</u>

**BROOKHAVEN HEALTH CARE FACILITY, LLC**  
**STATEMENTS OF OPERATIONS**  
**For the Years Ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Revenue:		
Net patient revenues	\$ 24,075,674	\$ 26,376,307
Other income	<u>78,455</u>	<u>80,138</u>
Total revenue	24,154,129	26,456,445
Expenses:		
Salaries and wages	12,537,823	11,697,771
Administrative and general	6,407,136	5,922,323
Dietary	475,014	479,739
Laundry and linen	163,381	162,386
Housekeeping	124,526	126,309
Maintenance and plant operations	440,648	458,396
Property expenditures:		
Rent	1,660,483	1,575,698
Real estate taxes	212,445	206,460
Depreciation	193,840	183,840
Interest	124	-
Professional care	<u>1,914,083</u>	<u>2,778,474</u>
Total expenses	<u>24,129,503</u>	<u>23,591,396</u>
Income from operations	24,626	2,865,049
Interest and dividends	9,448	6,975
Gain on investments	15	-
Unrealized gain on investments	461	1,506
Gain on sale of assets	<u>(1,687)</u>	<u>105,088</u>
Net income	<u>\$ 32,863</u>	<u>\$ 2,978,618</u>

**Brookhaven HCF  
Pro Forma Balance Sheet**

	<u>Assets</u>
<b>Current Assets:</b>	
Cash	\$ 2,108,464
Accounts Receivable	\$ 2,810,116
Prepaid Expenses & Misc. Receivables	\$ 1,099,656
Inventory	\$ 4,683
<b>Total Current Assets</b>	<u>\$ 6,022,919</u>
<b>Restricted Assets:</b>	
Marketable Securities	\$ 695,297
Landlord Impound - RE Taxes	\$ 226,646
Landlord Capex Reserve	\$ 36,869
Restricted Acct - Collateral for Workers Comp	\$ 131,094
<b>Total Restricted Assets</b>	<u>\$ 1,089,906</u>
<b>Property, Plant, and Equipment</b>	
Land	\$ -
Building Improvements	\$ 144,865
Movable Equipment	\$ 1,194,834
	<u>\$ 1,339,699</u>
Less: Accumulated Depreciation	\$ (938,814)
<b>Total Property, Plant, and Equipment</b>	<u>\$ 400,885</u>
<b>Other Assets:</b>	
Goodwill	\$ 130,423
Loans Receivable - Related Party	\$ -
Misc. Receivable - Related Party	\$ 130,972
<b>Total Other Assets</b>	<u>\$ 261,395</u>
<b>Total Assets</b>	<u><u>\$ 7,775,105</u></u>
	<b><u>Liabilities and Members' Equity</u></b>
<b>Current Liabilities:</b>	
Accounts Payable	\$ 477,058
Accrued Expenses Payable	\$ 1,059,811
<b>Total Current Liabilities</b>	<u>\$ 1,536,869</u>
<b>Long-term Liabilities:</b>	
Loan Payable - Related Party	\$ -
Lease Payable - Copier	\$ -
<b>Total Long-term Liabilities</b>	<u>\$ -</u>
<b>Total Liabilities</b>	\$ 1,536,869
<b>Members' Equity</b>	<u>\$ 6,238,236</u>
<b>Total Liabilities and Members' Equity</b>	<u><u>\$ 7,775,105</u></u>

The McGuire Group  
YTD thru 11/30/2012

	AVHCF	BHCF	GGHCF	HHNF	NGHCF	SHCC	Total
Net Profit (Loss)	\$4,512,915	\$199,302	\$2,567,891	\$3,947,291	\$2,694,423	\$2,352,759	\$16,274,581
Gain on Sale of Real Property -	(\$1,785,714)	\$0	(\$1,428,571)	(\$1,490,684)	(\$1,552,795)	(\$1,242,236)	(\$7,500,000)
Interest +	\$0	\$124	\$418	\$0	\$0	\$0	\$542
Investment Income / Interest -	(\$19,529)	(\$10,225)	(\$7,044)	(\$9,711)	(\$5,858)	(\$6,700)	(\$59,067)
Prior Year Adjustments + / -	(\$82,263)	\$44,387	\$20,096	\$24,757	\$351,336	\$24,297	\$382,610
Depreciation & Amortization +	\$170,500	\$143,000	\$111,100	\$158,400	\$145,200	\$123,200	\$851,400
Rent +	\$2,527,272	\$1,519,980	\$1,262,415	\$1,927,629	\$1,092,454	\$830,720	\$9,150,470 A
Cap-Ex (\$798,250) - (eff. 2/1/12)	(\$167,852)	(\$116,766)	(\$134,281)	(\$140,120)	(\$145,959)	(\$116,766)	(\$821,744)
EBITDAR-X	\$5,155,329	\$1,779,802	\$2,392,024	\$4,417,562	\$2,578,801	\$1,965,274	\$18,288,792
Rent & Interest Expense -	\$2,518,383	\$1,521,864	\$1,255,840	\$1,920,212	\$1,084,846	\$824,711	\$9,125,856 B
EBITDA-X	\$2,636,946	\$257,938	\$1,136,184	\$2,497,350	\$1,493,955	\$1,140,563	\$9,162,936
Lease Coverage Ratio	2.05	1.17	1.90	2.30	2.38	2.38	2.00

NOTES:

A - Rent expense as booked. Monthly Ventas rent expense booked was based on annual rent for 2012 divided by 12 months.

B - For this line rent was adjusted to actual rent payments for the noted period.

Autumn Woods RHCF

	2012
	<u>1/1 - 11/30</u>
Income	\$2,517,850
Income Tax Expense	0
Friendship Associates - Insurance	(226,417)
Interest Income	(768)
Depreciation & Amortization	247,500
Prior Year Rate Adjustments	(38)
Prior Year Workers Compensation	(21,974)
Rent	1,860,079
Cap - Ex (\$798.25 / Bed)	<u>(241,471)</u>
EBITDAR - X	\$4,134,761
Rent & Interest Expense ( \$157,787 / month )	\$1,735,657
Lease Coverage Ratio	2.38

**Autumn Woods RHCF  
Sale/Leaseback Cost Savings**

	<u>AWRHCF</u>
Annual Rent after Sale/Leaseback	\$1,906,064
Annual Rent before Sale/Leaseback	<u>\$2,038,591</u>
Rent Decrease	(\$132,527)
 Estimated Annual Depreciation on Building Improvements & Equipment Eliminated after Sale/Leaseback	 (\$190,000)
 Estimated Insurance Cost To Be Incurred By Autumn Woods after Sale/Leaseback Previously Incurred by Related Real Estate Entity (Friendship Associates)	 <u>\$247,000</u>
 <b>Sale/Leaseback Cost Savings</b>	 <u><u>(\$75,527)</u></u>

## Autumn Woods Residential Health Care Facility, LLC

**Balance Sheet**  
**December 31, 2012**

### Assets

#### Current Assets

Cash	\$	1,033,344
Accounts receivable - Net		2,670,902
Agency settlements receivable		99,214
Due from affiliate		200,478
Other current assets:		
Prepaid expenses and other current assets		214,580
Lease prepayments		203,362
Property tax impound		183,718

Total current assets 4,605,598

#### Property and Equipment - Net

338,224

#### Noncurrent Lease Deposits and Reserves

Lease deposit		1,950,000
Replacement reserve		67,955

Total assets \$ 6,961,777

### Liabilities and Members' Equity

#### Current Liabilities

Accounts payable	\$	1,319,845
Agency settlements payable		404,907
Accrued liabilities and other		845,366

Total current liabilities 2,570,118

#### Members' Equity

4,391,659

Total liabilities and members' equity \$ 6,961,777

## **Autumn Woods Residential Health Care Facility, LLC**

### **Statement of Operations Year Ended December 31, 2012**

<b>Operating Revenue</b>	
Net service revenue	\$ 23,264,934
Other operating revenue	85,157
Total operating revenue	<u>23,350,091</u>
<b>Operating Expenses</b>	
Nursing	6,832,781
Ancillary services	1,906,079
Dietary	1,666,260
Laundry and housekeeping	951,700
Plant operation	3,436,504
Employee welfare	2,242,723
Administrative	2,786,074
Provision for bad debts	640,825
Depreciation and amortization	244,800
Total operating expenses	<u>20,707,746</u>
<b>Operating Income</b>	2,642,345
<b>Other Revenue</b>	
Interest income	1,407
Gain on sale of assets	10,173,819
Total other revenue	<u>10,175,226</u>
<b>Net Income</b>	<u>\$ 12,817,571</u>

**GARDEN GATE HEALTH CARE FACILITY, LLC**  
**BALANCE SHEETS**  
**December 31, 2012 and 2011**

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
Current assets:		
Cash	\$ 5,050	\$ 6,251
Cash – restricted	26,338	31,792
Accounts receivable	1,932,148	1,960,638
Due from affiliates	2,103,455	935,467
Miscellaneous receivables	77,294	59,975
Inventories	10,733	10,875
Deposits - restricted	162,532	231,132
Prepaid expenses	<u>529,666</u>	<u>414,177</u>
Total current assets	4,847,216	3,650,307
Property and equipment:		
Building improvements	250,216	204,521
Furniture and equipment	1,537,050	1,456,120
Automobile	<u>66,899</u>	<u>66,899</u>
	1,854,165	1,727,540
Less: accumulated depreciation	<u>(1,444,186)</u>	<u>(1,310,019)</u>
Net property and equipment	409,979	417,521
Non-current assets:		
Cash – restricted	-	731,070
Marketable securities - restricted	544,238	523,228
Deposits - restricted	128,143	138,000
Deposits - restricted, insurance	116,492	36,226
Bed addition/Goodwill	<u>325,000</u>	<u>325,000</u>
Net other assets	<u>1,113,873</u>	<u>1,753,524</u>
Total assets	<u>\$ 6,371,068</u>	<u>\$ 5,821,352</u>

<u>LIABILITIES AND EQUITY</u>	<u>2012</u>	<u>2011</u>
Current liabilities:		
Bank overdraft	\$ 46,249	\$ 51,563
Accounts payable	392,372	436,476
Accrued payroll and expenses	361,783	340,934
Patient escrow	26,338	31,792
Due to Medicaid	182,206	739,272
Deferred revenue	174,985	132,072
Equipment lease	942	3,123
Total current liabilities	<u>1,184,875</u>	<u>1,735,232</u>
Long-term liabilities:		
Equipment lease	<u>-</u>	<u>1,248</u>
Total liabilities	1,184,875	1,736,480
Members' equity	<u>5,186,193</u>	<u>4,084,872</u>
Total liabilities and members' equity	<u>\$ 6,371,068</u>	<u>\$ 5,821,352</u>

**GARDEN GATE HEALTH CARE FACILITY, LLC**  
**STATEMENTS OF OPERATIONS**  
**For the Years Ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Revenue:		
Net patient revenues	\$ 17,847,288	\$ 18,924,810
Other	<u>173,215</u>	<u>155,513</u>
Total revenue	18,020,503	19,080,323
Expenses:		
Salaries and wages	8,763,650	8,771,010
Administrative and general	4,027,009	3,712,527
Dietary	407,448	419,855
Laundry and linen	159,814	139,612
Housekeeping	90,503	90,492
Maintenance and plant operations	352,611	417,561
Property expenditures:		
Rent	1,377,184	1,254,480
Real estate taxes	239,439	243,183
Depreciation	134,167	256,964
Professional care	1,202,146	1,322,180
Amortization	-	153,158
Interest expense	<u>433</u>	<u>282,012</u>
Total expenses	<u>16,754,404</u>	<u>17,063,034</u>
Operating income	1,266,099	2,017,289
Earn-out income	1,428,571	-
Interest and dividends	6,496	4,565
Realized gain on investments	10	-
Unrealized gain on investments	197	1,403
Gain/(loss) on sale of assets	<u>(50)</u>	<u>358,236</u>
Net income	<u>\$ 2,701,323</u>	<u>\$ 2,381,493</u>

Garden Gate HCF  
Pro Forma Balance Sheet

	<u>Assets</u>
<b>Current Assets:</b>	
Cash	\$ 1,343,427
Accounts Receivable	\$ 1,459,246
Prepaid Expenses & Misc. Receivables	\$ 391,123
Inventory	\$ 10,875
<b>Total Current Assets</b>	<b>\$ 3,204,671</b>
<b>Restricted Assets:</b>	
Marketable Securities	\$ 544,352
Landlord Impound - RE Taxes	\$ 341,057
Landlord Capex Reserve	\$ 98,391
Restricted Acct - Collateral for Workers Comp	\$ 82,804
<b>Total Restricted Assets</b>	<b>\$ 1,066,604</b>
<b>Property, Plant, and Equipment</b>	
Land	\$ -
Building Improvements	\$ 181,404
Movable Equipment	\$ 1,581,292
	\$ 1,762,696
Less: Accumulated Depreciation	\$ (1,400,919)
<b>Total Property, Plant, and Equipment</b>	<b>\$ 361,777</b>
<b>Other Assets:</b>	
Goodwill	\$ 325,000
Loans Receivable - Related Party	\$ -
Misc. Receivable - Related Party	\$ -
<b>Total Other Assets</b>	<b>\$ 325,000</b>
<b>Total Assets</b>	<b>\$ 4,958,052</b>
	<b><u>Liabilities and Members'</u></b>
	<b><u>Equity</u></b>
<b>Current Liabilities:</b>	
Accounts Payable	\$ 556,019
Accrued Expenses Payable	\$ 436,281
<b>Total Current Liabilities</b>	<b>\$ 992,300</b>
<b>Long-term Liabilities:</b>	
Loan Payable - Related Party	\$ -
Lease Payable - Copier	\$ 1,848
<b>Total Long-term Liabilities</b>	<b>\$ 1,848</b>
<b>Total Liabilities</b>	<b>\$ 994,148</b>
<b>Members' Equity</b>	<b>\$ 3,963,904</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 4,958,052</b>

The McGuire Group  
YTD thru 11/30/2012

	AVHCF	BHCF	GGHCF	HHNF	NGHCF	SHCC	Total
Net Profit (Loss)	\$4,512,915	\$199,302	\$2,567,891	\$3,947,291	\$2,694,423	\$2,352,759	\$16,274,581
Gain on Sale of Real Property -	(\$1,785,714)	\$0	(\$1,428,571)	(\$1,490,684)	(\$1,552,795)	(\$1,242,236)	(\$7,500,000)
Interest +	\$0	\$124	\$418	\$0	\$0	\$0	\$542
Investment Income / Interest -	(\$19,529)	(\$10,225)	(\$7,044)	(\$9,711)	(\$5,858)	(\$6,700)	(\$59,067)
Prior Year Adjustments + / -	(\$82,263)	\$44,387	\$20,096	\$24,757	\$351,336	\$24,297	\$382,610
Depreciation & Amortization +	\$170,500	\$143,000	\$111,100	\$158,400	\$145,200	\$123,200	\$851,400
Rent +	\$2,527,272	\$1,519,980	\$1,262,415	\$1,927,629	\$1,092,454	\$830,720	\$9,150,470 A
Cap-Ex (\$798.25/bed) - (eff 2/1/12)	(\$167,852)	(\$116,766)	(\$134,281)	(\$140,120)	(\$145,959)	(\$116,766)	(\$821,744)
EBITDAR-X	\$5,155,329	\$1,779,802	\$2,392,024	\$4,417,562	\$2,578,801	\$1,965,274	\$18,288,792
Rent & Interest Expense -	\$2,518,383	\$1,521,864	\$1,255,840	\$1,920,212	\$1,084,846	\$824,711	\$9,125,856 B
EBITDA-X	\$2,636,946	\$257,938	\$1,136,184	\$2,497,350	\$1,493,955	\$1,140,563	\$9,162,936
Lease Coverage Ratio	2.05	1.17	1.90	2.30	2.38	2.38	2.00

NOTES:

A - Rent expense as booked. Monthly Ventas rent expense booked was based on annual rent for 2012 divided by 12 months.

B - For this line rent was adjusted to actual rent payments for the noted period.

Autumn Woods RHCF

	<u>2012</u>
	<u>1/1 - 11/30</u>
Income	\$2,517,850
Income Tax Expense	0
Friendship Associates - Insurance	(226,417)
Interest Income	(768)
Depreciation & Amortization	247,500
Prior Year Rate Adjustments	(38)
Prior Year Workers Compensation	(21,974)
Rent	1,860,079
Cap - Ex (\$798.25 / Bed)	<u>(241,471)</u>
EBITDAR - X	\$4,134,761
Rent & Interest Expense ( \$157,787 / month )	\$1,735,657
Lease Coverage Ratio	2.38

**Autumn Woods RHCF  
Sale/Leaseback Cost Savings**

	<u>AWRHCF</u>
Annual Rent after Sale/Leaseback	\$1,906,064
Annual Rent before Sale/Leaseback	<u>\$2,038,591</u>
Rent Decrease	(\$132,527)
Estimated Annual Depreciation on Building Improvements & Equipment Eliminated after Sale/Leaseback	(\$190,000)
Estimated Insurance Cost To Be Incurred By Autumn Woods after Sale/Leaseback Previously Incurred by Related Real Estate Entity (Friendship Associates)	<u>\$247,000</u>
<b>Sale/Leaseback Cost Savings</b>	<u><u>(\$75,527)</u></u>

## **Autumn Woods Residential Health Care Facility, LLC**

**Balance Sheet**  
**December 31, 2012**

### **Assets**

#### **Current Assets**

Cash	\$	1,033,344
Accounts receivable - Net		2,670,902
Agency settlements receivable		99,214
Due from affiliate		200,478
Other current assets:		
Prepaid expenses and other current assets		214,580
Lease prepayments		203,362
Property tax impound		183,718

Total current assets 4,605,598

**Property and Equipment - Net** 338,224

#### **Noncurrent Lease Deposits and Reserves**

Lease deposit		1,950,000
Replacement reserve		67,955

Total assets **\$ 6,961,777**

### **Liabilities and Members' Equity**

#### **Current Liabilities**

Accounts payable	\$	1,319,845
Agency settlements payable		404,907
Accrued liabilities and other		845,366

Total current liabilities 2,570,118

#### **Members' Equity**

4,391,659

Total liabilities and members' equity **\$ 6,961,777**

## **Autumn Woods Residential Health Care Facility, LLC**

### **Statement of Operations Year Ended December 31, 2012**

<b>Operating Revenue</b>	
Net service revenue	\$ 23,264,934
Other operating revenue	85,157
Total operating revenue	<u>23,350,091</u>
<b>Operating Expenses</b>	
Nursing	6,832,781
Ancillary services	1,906,079
Dietary	1,666,260
Laundry and housekeeping	951,700
Plant operation	3,436,504
Employee welfare	2,242,723
Administrative	2,786,074
Provision for bad debts	640,825
Depreciation and amortization	244,800
Total operating expenses	<u>20,707,746</u>
<b>Operating Income</b>	2,642,345
<b>Other Revenue</b>	
Interest income	1,407
Gain on sale of assets	10,173,819
Total other revenue	<u>10,175,226</u>
<b>Net Income</b>	<u><u>\$ 12,817,571</u></u>

**HARRIS HILL NURSING FACILITY, LLC**  
**BALANCE SHEETS**  
**December 31, 2012 and 2011**

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
Current assets:		
Cash	\$ 6,603	\$ 52,766
Cash - restricted	60,279	81,456
Accounts receivable - trade, net	1,838,636	1,764,484
Due from Medicaid	468,084	80,788
Due from affiliate	6,575,536	4,386,607
Miscellaneous receivables	49,098	34,180
Inventories	12,547	11,154
Deposits - restricted	165,476	122,105
Prepaid expenses and deposits	<u>102,331</u>	<u>93,396</u>
Total current assets	9,278,590	6,626,936
Property and equipment:		
Buildings and improvements	106,614	84,389
Furniture and equipment	3,272,913	3,177,282
Automobile	<u>51,047</u>	<u>51,047</u>
	3,430,574	3,312,718
Less: accumulated depreciation	<u>(2,581,267)</u>	<u>(2,414,349)</u>
Net property and equipment	849,307	898,369
Other assets:		
Cash - restricted	-	1,172,654
Marketable securities - restricted	855,943	838,173
Deposits - restricted	222,631	144,000
Deposits - restricted, insurance	116,492	36,226
Goodwill	<u>390,000</u>	<u>390,000</u>
Net other assets	<u>1,585,066</u>	<u>2,581,053</u>
Total assets	\$ <u>11,712,963</u>	\$ <u>10,106,358</u>

<u>LIABILITIES AND MEMBERS' EQUITY</u>	<u>2012</u>	<u>2011</u>
Current liabilities:		
Bank overdraft	\$ 184,627	\$ 45,636
Accounts payable	348,527	474,183
Accrued payroll and expenses	344,121	315,528
Accrued workers compensation insurance	23,503	386,945
Deferred revenue	361,125	308,576
Patient escrow	<u>60,279</u>	<u>81,456</u>
Total liabilities	1,322,182	1,612,324
Members' equity	<u>10,390,781</u>	<u>8,494,034</u>
Total liabilities and members' equity	<u>\$ 11,712,963</u>	<u>\$ 10,106,358</u>

**HARRIS HILL NURSING FACILITY, LLC**  
**STATEMENTS OF OPERATIONS**  
**For the Years Ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Revenue:		
Net patient revenues	\$ 19,036,075	\$ 23,030,566
Other	<u>121,699</u>	<u>134,884</u>
Total revenue	19,157,774	23,165,450
Expenses:		
Salaries and wages	8,668,279	8,422,913
Administrative and general	3,010,430	4,627,736
Dietary	456,120	459,534
Laundry and linen	126,955	135,352
Housekeeping	89,675	85,865
Maintenance and plant operations	338,008	394,268
Miscellaneous interest	-	4,334
Property expenditures:		
Rent	2,102,867	1,939,495
Mortgage insurance	-	668
Mortgage interest	-	633,742
Real estate taxes	280,085	246,825
Depreciation	166,918	167,991
Professional care	821,547	801,165
Amortization	<u>-</u>	<u>313,719</u>
Total expenses	<u>16,060,884</u>	<u>18,233,607</u>
Income from operations	3,096,890	4,931,843
Earn-out income	1,490,683	-
Interest	9,749	6,963
Gain on investments	21	-
Unrealized gain/(loss) on investments	(548)	945
Gain on sale of assets	<u>(53)</u>	<u>12,712,844</u>
Net income	<u>\$ 4,596,742</u>	<u>\$ 17,652,595</u>

Harris Hill NF  
Pro Forma Balance Sheet

	<u>Assets</u>
<b>Current Assets:</b>	
Cash	\$ 5,759,777
Accounts Receivable	\$ 1,936,392
Prepaid Expenses & Misc. Receivables	\$ 124,639
Inventory	\$ 11,154
<b>Total Current Assets</b>	<u>\$ 7,831,962</u>
<b>Restricted Assets:</b>	
Marketable Securities	\$ 855,608
Landlord Impound - RE Taxes	\$ 228,660
Landlord Capex Reserve	\$ 186,677
Restricted Acct - Collateral for Workers Comp	\$ 82,804
<b>Total Restricted Assets</b>	<u>\$ 1,353,749</u>
<b>Property, Plant, and Equipment</b>	
Land	\$ -
Building Improvements	\$ 87,479
Movable Equipment	\$ 3,291,588
	<u>\$ 3,379,067</u>
Less: Accumulated Depreciation	\$ (2,543,949)
<b>Total Property, Plant, and Equipment</b>	<u>\$ 835,118</u>
<b>Other Assets:</b>	
Goodwill	\$ 390,000
Loans Receivable - Related Party	\$ -
Misc. Receivable - Related Party	\$ -
<b>Total Other Assets</b>	<u>\$ 390,000</u>
<b>Total Assets</b>	<u><u>\$ 10,410,829</u></u>
	<u><b>Liabilities and Members' Equity</b></u>
<b>Current Liabilities:</b>	
Accounts Payable	\$ 489,160
Accrued Expenses Payable	\$ 890,786
<b>Total Current Liabilities</b>	<u>\$ 1,379,946</u>
<b>Long-term Liabilities:</b>	
Loan Payable - Related Party	\$ -
Lease Payable - Copier	\$ -
<b>Total Long-term Liabilities</b>	<u>\$ -</u>
<b>Total Liabilities</b>	\$ 1,379,946
<b>Members' Equity</b>	<u>\$ 9,030,883</u>
<b>Total Liabilities and Members' Equity</b>	<u><u>\$ 10,410,829</u></u>

The McGuire Group  
YTD thru 11/30/2012

	AVHCF	BHCF	GGHCF	HHNF	NGHCF	SHCC	Total
Net Profit (Loss)	\$4,512,915	\$199,302	\$2,567,891	\$3,947,291	\$2,694,423	\$2,352,759	\$16,274,581
Gain on Sale of Real Property -	(\$1,785,714)	\$0	(\$1,428,571)	(\$1,490,684)	(\$1,552,795)	(\$1,242,236)	(\$7,500,000)
Interest +	\$0	\$124	\$418	\$0	\$0	\$0	\$542
Investment Income / Interest -	(\$19,529)	(\$10,225)	(\$7,044)	(\$9,711)	(\$5,858)	(\$6,700)	(\$59,067)
Prior Year Adjustments + / -	(\$82,263)	\$44,387	\$20,096	\$24,757	\$351,336	\$24,297	\$382,610
Depreciation & Amortization +	\$170,500	\$143,000	\$111,100	\$158,400	\$145,200	\$123,200	\$851,400
Rent +	\$2,527,272	\$1,519,980	\$1,262,415	\$1,927,629	\$1,092,454	\$830,720	\$9,160,470 A
Cap-Ex (\$798,255,000) - (eff. 2/1/12)	(\$167,852)	(\$116,766)	(\$134,281)	(\$140,120)	(\$145,959)	(\$116,766)	(\$821,744)
EBITDAR-X	\$5,155,329	\$1,779,802	\$2,392,024	\$4,417,562	\$2,578,801	\$1,965,274	\$18,288,792
Rent & Interest Expense -	\$2,518,383	\$1,521,864	\$1,255,840	\$1,920,212	\$1,084,846	\$824,711	\$9,125,856 B
EBITDA-X	\$2,636,946	\$257,938	\$1,136,184	\$2,497,350	\$1,493,955	\$1,140,563	\$9,162,936
Lease Coverage Ratio	2.05	1.17	1.90	2.30	2.38	2.38	2.00

NOTES:

A - Rent expense as booked. Monthly Ventas rent expense booked was based on annual rent for 2012 divided by 12 months.

B - For this line rent was adjusted to actual rent payments for the noted period.

Autumn Woods RHCF

	2012
	1/1 - 11/30
Income	\$2,517,850
Income Tax Expense	0
Friendship Associates - Insurance	(226,417)
Interest Income	(768)
Depreciation & Amortization	247,500
Prior Year Rate Adjustments	(38)
Prior Year Workers Compensation	(21,974)
Rent	1,860,079
Cap - Ex (\$798.25 / Bed)	<u>(241,471)</u>
EBITDAR - X	\$4,134,761
Rent & Interest Expense ( \$157,787 / month )	\$1,735,657
Lease Coverage Ratio	2.38

**Autumn Woods RHC  
Sale/Leaseback Cost Savings**

	<u>AWRHC</u>
Annual Rent after Sale/Leaseback	\$1,906,064
Annual Rent before Sale/Leaseback	<u>\$2,038,591</u>
Rent Decrease	(\$132,527)
Estimated Annual Depreciation on Building Improvements & Equipment Eliminated after Sale/Leaseback	(\$190,000)
Estimated Insurance Cost To Be Incurred By Autumn Woods after Sale/Leaseback Previously Incurred by Related Real Estate Entity (Friendship Associates)	<u>\$247,000</u>
<b>Sale/Leaseback Cost Savings</b>	<u><u>(\$75,527)</u></u>

## **Autumn Woods Residential Health Care Facility, LLC**

**Balance Sheet**  
**December 31, 2012**

### **Assets**

#### **Current Assets**

Cash	\$	1,033,344
Accounts receivable - Net		2,670,902
Agency settlements receivable		99,214
Due from affiliate		200,478
Other current assets:		
Prepaid expenses and other current assets		214,580
Lease prepayments		203,362
Property tax impound		183,718

Total current assets 4,605,598

**Property and Equipment - Net** 338,224

#### **Noncurrent Lease Deposits and Reserves**

Lease deposit		1,950,000
Replacement reserve		67,955

Total assets \$ 6,961,777

### **Liabilities and Members' Equity**

#### **Current Liabilities**

Accounts payable	\$	1,319,845
Agency settlements payable		404,907
Accrued liabilities and other		845,366

Total current liabilities 2,570,118

**Members' Equity** 4,391,659

Total liabilities and members' equity \$ 6,961,777

## **Autumn Woods Residential Health Care Facility, LLC**

### **Statement of Operations Year Ended December 31, 2012**

<b>Operating Revenue</b>	
Net service revenue	\$ 23,264,934
Other operating revenue	85,157
Total operating revenue	<u>23,350,091</u>
<b>Operating Expenses</b>	
Nursing	6,832,781
Ancillary services	1,906,079
Dietary	1,666,260
Laundry and housekeeping	951,700
Plant operation	3,436,504
Employee welfare	2,242,723
Administrative	2,786,074
Provision for bad debts	640,825
Depreciation and amortization	244,800
Total operating expenses	<u>20,707,746</u>
<b>Operating Income</b>	2,642,345
<b>Other Revenue</b>	
Interest income	1,407
Gain on sale of assets	10,173,819
Total other revenue	<u>10,175,226</u>
<b>Net Income</b>	<u><u>\$ 12,817,571</u></u>

NORTH GATE HEALTH CARE FACILITY, LLC  
BALANCE SHEETS  
December 31, 2012 and 2011

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
Current assets:		
Cash	\$ 15,716	\$ 29,231
Cash - restricted	67,944	73,444
Accounts receivable - trade	1,714,318	1,505,919
Due from affiliate	2,043,604	1,371,976
Miscellaneous receivables	40,746	35,240
Inventories	9,748	10,478
Deposits - restricted	126,642	107,283
Prepaid expenses and deposits	<u>131,023</u>	<u>279,606</u>
Total current assets	4,149,741	3,413,177
Property and equipment:		
Leasehold improvements	455,945	136,940
Furniture and equipment	1,370,939	1,244,922
Automobile	<u>68,749</u>	<u>68,749</u>
	1,895,633	1,450,611
Less: accumulated depreciation	<u>(1,265,781)</u>	<u>(1,055,434)</u>
Net property and equipment	629,852	395,177
Non-current assets:		
Cash - restricted	-	647,446
Marketable securities - restricted	473,126	463,014
Deposits - restricted	72,485	150,000
Deposits - restricted, insurance	136,409	42,261
Goodwill	<u>215,330</u>	<u>215,330</u>
Total non-current assets	<u>897,350</u>	<u>1,518,051</u>
Total assets	\$ <u>5,676,943</u>	\$ <u>5,326,405</u>

<u>LIABILITIES AND MEMBERS' EQUITY</u>	<u>2012</u>	<u>2011</u>
Current liabilities:		
Bank overdraft	\$ 69,431	\$ 74,810
Accounts payable	360,363	443,155
Accrued payroll and expenses	382,423	336,649
Patient escrow	67,944	73,444
Accrued workers' compensation insurance	74,451	-
Deferred revenues	194,181	190,338
Due to Medicaid	<u>169,070</u>	<u>469,114</u>
Total liabilities	1,317,863	1,587,510
Members' equity	<u>4,359,080</u>	<u>3,738,895</u>
Total liabilities and members' equity	<u>\$ 5,676,943</u>	<u>\$ 5,326,405</u>

**NORTH GATE HEALTH CARE FACILITY, LLC**  
**STATEMENTS OF OPERATIONS**  
**For the Years Ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Revenue:		
Net patient revenues	\$ 17,926,719	\$ 19,362,113
Other	<u>96,737</u>	<u>102,165</u>
Total revenue	18,023,456	19,464,278
Expenses:		
Salaries and wages	8,999,873	8,983,975
Administrative and general	4,842,514	4,361,740
Dietary	482,749	482,152
Laundry and linen	148,948	148,619
Housekeeping	93,857	89,498
Maintenance and plant operations	345,666	399,596
Property expenditures:		
Rent	1,191,761	1,070,872
Real estate taxes	204,162	197,141
Depreciation	211,223	232,120
Interest	-	13
Professional care	<u>741,768</u>	<u>781,978</u>
Total expenses	<u>17,262,521</u>	<u>16,747,704</u>
Operating income	760,935	2,716,574
Other income and expenses		
Earn-out income	1,552,795	-
Interest income	5,892	5,362
Realized gain on investments	10	-
Unrealized gain/(loss) on investments	(277)	828
Gain on sale of assets	<u>820</u>	<u>227,559</u>
Net income	<u>\$ 2,320,175</u>	<u>\$ 2,950,323</u>

North Gate HCF  
Pro Forma Balance Sheet

	<u>Assets</u>
<b>Current Assets:</b>	
Cash	\$ 1,357,014
Accounts Receivable	\$ 1,267,049
Prepaid Expenses & Misc. Receivables	\$ 694,318
Inventory	\$ 10,478
<b>Total Current Assets</b>	<u>\$ 3,328,859</u>
<b>Restricted Assets:</b>	
Marketable Securities	\$ 472,669
Landlord Impound - RE Taxes	\$ 276,196
Landlord Capex Reserve	\$ 55,718
Restricted Acct - Collateral for Workers Comp	\$ 96,597
<b>Total Restricted Assets</b>	<u>\$ 901,180</u>
<b>Property, Plant, and Equipment</b>	
Land	\$ -
Building Improvements	\$ 145,386
Movable Equipment	\$ 1,409,457
	<u>\$ 1,554,843</u>
Less: Accumulated Depreciation	\$ (1,174,234)
<b>Total Property, Plant, and Equipment</b>	<u>\$ 380,609</u>
<b>Other Assets:</b>	
Goodwill	\$ 215,330
Loans Receivable - Related Party	\$ -
Misc. Receivable - Related Party	\$ -
<b>Total Other Assets</b>	<u>\$ 215,330</u>
<b>Total Assets</b>	<u><u>\$ 4,825,978</u></u>
	<u><b>Liabilities and Members' Equity</b></u>
<b>Current Liabilities:</b>	
Accounts Payable	\$ 465,766
Accrued Expenses Payable	\$ 492,768
<b>Total Current Liabilities</b>	<u>\$ 958,534</u>
<b>Long-term Liabilities:</b>	
Loan Payable - Related Party	\$ -
Lease Payable - Copier	\$ -
<b>Total Long-term Liabilities</b>	<u>\$ -</u>
<b>Total Liabilities</b>	\$ 958,534
<b>Members' Equity</b>	<u>\$ 3,867,444</u>
<b>Total Liabilities and Members' Equity</b>	<u><u>\$ 4,825,978</u></u>

The McGuire Group  
YTD thru 11/30/2012

	AVHCF	BHCF	GGHCF	HHNF	NGHCF	SHCC	Total
Net Profit (Loss)	\$4,512,915	\$199,302	\$2,567,891	\$3,947,291	\$2,694,423	\$2,352,759	\$16,274,581
Gain on Sale of Real Property -	(\$1,785,714)	\$0	(\$1,428,571)	(\$1,490,684)	(\$1,552,795)	(\$1,242,236)	(\$7,500,000)
Interest +	\$0	\$124	\$418	\$0	\$0	\$0	\$542
Investment Income / Interest -	(\$19,529)	(\$10,225)	(\$7,044)	(\$9,711)	(\$5,858)	(\$6,700)	(\$59,067)
Prior Year Adjustments +/-	(\$82,263)	\$44,387	\$20,096	\$24,757	\$351,336	\$24,297	\$382,610
Depreciation & Amortization +	\$170,500	\$143,000	\$111,100	\$158,400	\$145,200	\$123,200	\$851,400
Rent +	\$2,527,272	\$1,519,980	\$1,262,415	\$1,927,629	\$1,092,454	\$830,720	\$9,150,470 A
Cap-Ex (\$798.25/bd) - (eff. 2/1/12)	(\$167,852)	(\$116,766)	(\$134,281)	(\$140,120)	(\$145,959)	(\$116,766)	(\$821,744)
EBITDAR-X	\$5,155,329	\$1,779,802	\$2,392,024	\$4,417,562	\$2,578,801	\$1,965,274	\$18,288,792
Rent & Interest Expense -	\$2,518,383	\$1,521,864	\$1,255,840	\$1,920,212	\$1,084,846	\$824,711	\$9,125,856 B
EBITDA-X	\$2,636,946	\$257,938	\$1,136,184	\$2,497,350	\$1,493,955	\$1,140,563	\$9,162,936
Lease Coverage Ratio	2.05	1.17	1.90	2.30	2.38	2.38	2.00

NOTES:

A - Rent expense as booked. Monthly Ventas rent expense booked was based on annual rent for 2012 divided by 12 months.

B - For this line rent was adjusted to actual rent payments for the noted period.

Autumn Woods RHCF

	2012
	1/1 - 11/30
Income	\$2,517,850
Income Tax Expense	0
Friendship Associates - Insurance	(226,417)
Interest Income	(768)
Depreciation & Amortization	247,500
Prior Year Rate Adjustments	(38)
Prior Year Workers Compensation	(21,974)
Rent	1,860,079
Cap - Ex (\$798.25 / Bed)	<u>(241,471)</u>
EBITDAR - X	\$4,134,761
Rent & Interest Expense ( \$157,787 / month )	\$1,735,657
Lease Coverage Ratio	2.38

**Autumn Woods RHCF  
Sale/Leaseback Cost Savings**

	<u>AWRHCF</u>
Annual Rent after Sale/Leaseback	\$1,906,064
Annual Rent before Sale/Leaseback	<u>\$2,038,591</u>
Rent Decrease	(\$132,527)
Estimated Annual Depreciation on Building Improvements & Equipment Eliminated after Sale/Leaseback	(\$190,000)
Estimated Insurance Cost To Be Incurred By Autumn Woods after Sale/Leaseback Previously Incurred by Related Real Estate Entity (Friendship Associates)	<u>\$247,000</u>
<b>Sale/Leaseback Cost Savings</b>	<u><u>(\$75,527)</u></u>

## **Autumn Woods Residential Health Care Facility, LLC**

**Balance Sheet**  
**December 31, 2012**

### **Assets**

#### **Current Assets**

Cash	\$	1,033,344
Accounts receivable - Net		2,670,902
Agency settlements receivable		99,214
Due from affiliate		200,478
Other current assets:		
Prepaid expenses and other current assets		214,580
Lease prepayments		203,362
Property tax impound		183,718

Total current assets 4,605,598

#### **Property and Equipment - Net**

338,224

#### **Noncurrent Lease Deposits and Reserves**

Lease deposit		1,950,000
Replacement reserve		67,955

Total assets \$ 6,961,777

### **Liabilities and Members' Equity**

#### **Current Liabilities**

Accounts payable	\$	1,319,845
Agency settlements payable		404,907
Accrued liabilities and other		845,366

Total current liabilities 2,570,118

#### **Members' Equity**

4,391,659

Total liabilities and members' equity \$ 6,961,777

## **Autumn Woods Residential Health Care Facility, LLC**

### **Statement of Operations Year Ended December 31, 2012**

#### **Operating Revenue**

Net service revenue	\$ 23,264,934
Other operating revenue	85,157
Total operating revenue	<u>23,350,091</u>

#### **Operating Expenses**

Nursing	6,832,781
Ancillary services	1,906,079
Dietary	1,666,260
Laundry and housekeeping	951,700
Plant operation	3,436,504
Employee welfare	2,242,723
Administrative	2,786,074
Provision for bad debts	640,825
Depreciation and amortization	244,800
Total operating expenses	<u>20,707,746</u>

#### **Operating Income**

2,642,345

#### **Other Revenue**

Interest income	1,407
Gain on sale of assets	10,173,819
Total other revenue	<u>10,175,226</u>

#### **Net Income**

\$ 12,817,571

SENECA HEALTH CARE CENTER, LLC  
BALANCE SHEETS  
December 31, 2012 and 2011

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
Current assets:		
Cash	\$ 6,275	\$ 4,644
Cash - restricted	97,363	117,853
Accounts receivable - trade	1,428,923	1,534,033
Due from affiliate	1,696,100	1,216,951
Miscellaneous receivables	50,981	33,665
Due from Medicaid	198,616	-
Inventories	8,458	7,665
Deposits - restricted	153,323	136,912
Prepaid expenses and deposits	<u>236,993</u>	<u>316,880</u>
Total current assets	3,877,032	3,368,603
Property and equipment:		
Leasehold improvements	296,560	160,813
Moveable equipment	<u>1,264,366</u>	<u>1,157,414</u>
	1,560,926	1,318,227
Less: accumulated depreciation	<u>(1,048,973)</u>	<u>(895,972)</u>
Net property and equipment	511,953	422,255
Non-current assets:		
Cash - restricted	-	491,872
Marketable securities - restricted	360,259	352,983
Deposits - restricted	67,729	195,000
Deposits - restricted, insurance	96,564	30,188
Goodwill	<u>690,881</u>	<u>690,881</u>
Total non-current assets	<u>1,215,433</u>	<u>1,760,924</u>
Total assets	<u>\$ 5,604,418</u>	<u>\$ 5,551,782</u>

	<u>2012</u>	<u>2011</u>
<b><u>LIABILITIES AND MEMBERS' EQUITY</u></b>		
Current liabilities:		
Bank overdraft	\$ 51,237	\$ 44,283
Accounts payable	264,542	349,068
Accrued payroll and expenses	281,936	240,651
Patient deposits	97,363	117,853
Deferred revenues	125,886	185,672
Due to Medicaid	<u>-</u>	<u>232,571</u>
Total liabilities	820,964	1,170,098
Members' equity	<u>4,783,454</u>	<u>4,381,684</u>
Total liabilities and members' equity	<u>\$ 5,604,418</u>	<u>\$ 5,551,782</u>

**SENECA HEALTH CARE CENTER, LLC**  
**STATEMENTS OF OPERATIONS**  
**For the Years Ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Revenue:		
Net patient revenues	\$ 13,719,372	\$ 14,789,299
Other	<u>103,494</u>	<u>89,122</u>
Total revenue	13,822,866	14,878,421
Expenses:		
Salaries and wages	6,882,631	6,851,157
Administrative and general	3,482,696	3,459,481
Dietary	375,547	388,582
Laundry and linen	112,069	111,100
Housekeeping	72,470	68,639
Maintenance and plant operations	313,566	333,242
Property expenditures:		
Rent	906,237	813,588
Real estate taxes	209,741	206,026
Depreciation	153,001	212,413
Professional care	561,818	594,658
Interest expense	<u>-</u>	<u>12</u>
Total expenses	<u>13,069,776</u>	<u>13,038,898</u>
Income from operations	753,090	1,839,523
Earn-out income	1,242,236	-
Interest and dividends	5,120	2,838
Gain on investments	8	-
Unrealized gain of investments	1,358	2,046
Gain/(loss) on sale of assets	<u>(44)</u>	<u>185,486</u>
Net income	<u>\$ 2,001,768</u>	<u>\$ 2,029,893</u>

Seneca HCC  
Pro Forma Balance Sheet

	<u>Assets</u>
<b>Current Assets:</b>	
Cash	\$ 1,498,071
Accounts Receivable	\$ 1,449,320
Prepaid Expenses & Misc. Receivables	\$ 341,342
Inventory	\$ 7,665
<b>Total Current Assets</b>	<u>\$ 3,296,398</u>
<b>Restricted Assets:</b>	
Marketable Securities	\$ 360,054
Landlord Impound - RE Taxes	\$ 306,663
Landlord Capex Reserve	\$ 46,038
Restricted Acct - Collateral for Workers Comp	\$ 69,002
<b>Total Restricted Assets</b>	<u>\$ 781,757</u>
<b>Property, Plant, and Equipment</b>	
Land	\$ -
Building Improvements	\$ 266,795
Movable Equipment	\$ 1,245,547
	<u>\$ 1,512,342</u>
Less: Accumulated Depreciation	\$ (996,772)
<b>Total Property, Plant, and Equipment</b>	<u>\$ 515,570</u>
<b>Other Assets:</b>	
Goodwill	\$ 690,881
Loans Receivable - Related Party	\$ -
Misc. Receivable - Related Party	\$ -
<b>Total Other Assets</b>	<u>\$ 690,881</u>
<b>Total Assets</b>	<u><u>\$ 5,284,606</u></u>
	<u><b>Liabilities and Members' Equity</b></u>
<b>Current Liabilities:</b>	
Accounts Payable	\$ 357,948
Accrued Expenses Payable	\$ 436,339
<b>Total Current Liabilities</b>	<u>\$ 794,287</u>
<b>Long-term Liabilities:</b>	
Loan Payable - Related Party	\$ -
Lease Payable - Copier	\$ -
<b>Total Long-term Liabilities</b>	<u>\$ -</u>
<b>Total Liabilities</b>	\$ 794,287
<b>Members' Equity</b>	<u>\$ 4,490,319</u>
<b>Total Liabilities and Members' Equity</b>	<u><u>\$ 5,284,606</u></u>

The McGuire Group  
YTD thru 11/30/2012

	AVHCF	BHCF	GGHCF	HHNF	NGHCF	SHCC	Total
Net Profit (Loss)	\$4,512,915	\$199,302	\$2,567,891	\$3,947,291	\$2,694,423	\$2,352,759	\$16,274,581
Gain on Sale of Real Property -	(\$1,785,714)	\$0	(\$1,428,571)	(\$1,490,684)	(\$1,552,795)	(\$1,242,236)	(\$7,500,000)
Interest +	\$0	\$124	\$418	\$0	\$0	\$0	\$542
Investment Income / Interest -	(\$19,529)	(\$10,225)	(\$7,044)	(\$9,711)	(\$5,858)	(\$6,700)	(\$59,067)
Prior Year Adjustments +/-	(\$82,263)	\$44,387	\$20,096	\$24,757	\$351,336	\$24,297	\$382,610
Depreciation & Amortization +	\$170,500	\$143,000	\$111,100	\$158,400	\$145,200	\$123,200	\$851,400
Rent +	\$2,527,272	\$1,519,980	\$1,262,415	\$1,927,629	\$1,092,454	\$830,720	\$9,150,470 A
Cap-Ex (\$798.25/book) - (eff. 2/1/12)	(\$167,852)	(\$116,766)	(\$134,281)	(\$140,120)	(\$145,959)	(\$116,766)	(\$821,744)
EBITDAR-X	\$5,155,329	\$1,779,802	\$2,392,024	\$4,417,562	\$2,578,801	\$1,965,274	\$18,288,792
Rent & Interest Expense -	\$2,518,383	\$1,521,864	\$1,255,840	\$1,920,212	\$1,084,846	\$824,711	\$9,125,856 B
EBITDA-X	\$2,636,946	\$257,938	\$1,136,184	\$2,497,350	\$1,493,955	\$1,140,563	\$9,162,936
Lease Coverage Ratio	2.05	1.17	1.90	2.30	2.38	2.38	2.00

NOTES:

A - Rent expense as booked. Monthly Venlas rent expense booked was based on annual rent for 2012 divided by 12 months.

B - For this line rent was adjusted to actual rent payments for the noted period.

Autumn Woods RHCF

	2012
	<u>1/1 - 11/30</u>
Income	\$2,517,850
Income Tax Expense	0
Friendship Associates - Insurance	(226,417)
Interest Income	(768)
Depreciation & Amortization	247,500
Prior Year Rate Adjustments	(38)
Prior Year Workers Compensation	(21,974)
Rent	1,860,079
Cap - Ex (\$798.25 / Bed)	<u>(241,471)</u>
EBITDAR - X	\$4,134,761
Rent & Interest Expense ( \$157,787 / month )	\$1,735,657
Lease Coverage Ratio	2.38

**Autumn Woods RHCF  
Sale/Leaseback Cost Savings**

	<u>AWRHCF</u>
Annual Rent after Sale/Leaseback	\$1,906,064
Annual Rent before Sale/Leaseback	<u>\$2,038,591</u>
Rent Decrease	(\$132,527)
Estimated Annual Depreciation on Building Improvements & Equipment Eliminated after Sale/Leaseback	(\$190,000)
Estimated Insurance Cost To Be Incurred By Autumn Woods after Sale/Leaseback Previously Incurred by Related Real Estate Entity (Friendship Associates)	<u>\$247,000</u>
<b>Sale/Leaseback Cost Savings</b>	<u><u>(\$75,527)</u></u>

## **Autumn Woods Residential Health Care Facility, LLC**

**Balance Sheet**  
**December 31, 2012**

### **Assets**

#### **Current Assets**

Cash	\$	1,033,344
Accounts receivable - Net		2,670,902
Agency settlements receivable		99,214
Due from affiliate		200,478
Other current assets:		
Prepaid expenses and other current assets		214,580
Lease prepayments		203,362
Property tax impound		183,718

Total current assets 4,605,598

Property and Equipment - Net 338,224

#### **Noncurrent Lease Deposits and Reserves**

Lease deposit		1,950,000
Replacement reserve		67,955

Total assets \$ 6,961,777

### **Liabilities and Members' Equity**

#### **Current Liabilities**

Accounts payable	\$	1,319,845
Agency settlements payable		404,907
Accrued liabilities and other		845,366

Total current liabilities 2,570,118

Members' Equity 4,391,659

Total liabilities and members' equity \$ 6,961,777

## **Autumn Woods Residential Health Care Facility, LLC**

### **Statement of Operations Year Ended December 31, 2012**

<b>Operating Revenue</b>	
Net service revenue	\$ 23,264,934
Other operating revenue	85,157
Total operating revenue	<u>23,350,091</u>
<b>Operating Expenses</b>	
Nursing	6,832,781
Ancillary services	1,906,079
Dietary	1,666,260
Laundry and housekeeping	951,700
Plant operation	3,436,504
Employee welfare	2,242,723
Administrative	2,786,074
Provision for bad debts	640,825
Depreciation and amortization	244,800
Total operating expenses	<u>20,707,746</u>
<b>Operating Income</b>	2,642,345
<b>Other Revenue</b>	
Interest income	1,407
Gain on sale of assets	10,173,819
Total other revenue	<u>10,175,226</u>
<b>Net Income</b>	<u>\$ 12,817,571</u>

CON#131125  
BFA Attachment B

Harbour Health Multicare Center for Living

	7/27/2012 through 12/31/2012	2011	2010
<b>CURRENT ASSETS</b>	\$380,046	\$604,603	\$1,415,221
<b>FIXED ASSETS</b>	173,233	1,133,527	9,491,145
<b>CURRENT LIABILITIES</b>	987,347	4,051,312	4,980,524
<b>LONG TERM LIABILITIES</b>	235,004	693,935	7,926,228
<b>NET ASSETS</b>	(\$669,072)	(\$3,007,117)	(\$2,000,386)
<b>REVENUES</b>	\$2,090,176	\$6,222,698	\$16,741,715
<b>EXPENSES</b>	2,759,248	6,321,655	17,108,988
<b>NET INCOME</b>	(\$669,072)	(\$98,957)	(\$367,273)
<b>NUMBER OF BEDS</b>	95	95	95
<b>OCCUPANCY</b>	95.60%	95.98%	97.51%
<b>MEDICAID</b>	88.76%	87.92%	86.81%
<b>MEDICARE</b>	3.30%	9.07%	8.73%
<b>PRIVATE</b>	7.94%	3.01%	4.46%

CON#131125  
BFA Attachment C

Pro Forma Balance Sheet

ASSETS

Cash	\$901,578
Accounts Receivable	800,000
Prepaid Expenses	50,000
Inventory	20,000
Goodwill	1,250,000
Resident Funds	<u>70,000</u>
TOTAL ASSETS	\$3,091,578

LIABILITIES

Accounts Payable	\$900,000
Accrued Payroll Taxes	11,000
Purchase Money Note	500,000
Accrued Employee Benefits	275,000
Resident Funds	<u>70,000</u>
TOTAL LIABILITIES	\$1,756,000

NET ASSETS	\$1,335,578
------------	-------------

Harbour Health Multicare Center for Living  
Balance Sheets

	September 30, 2013	August 31, 2013	December 31, 2012
<b>Assets</b>			
<b>Current Assets</b>			
Cash on Hand	78,435	67,974	(95,008)
Temporary Investments	0	0	0
Accounts Receivable	982,032	1,009,279	399,802
Intercompany	(591,238)	(551,156)	(3,278)
Inventory	7,958	7,958	7,958
Prepaid Insurance	(62,301)	(45,659)	21,870
<b>Total Current Assets</b>	<b>413,728</b>	<b>487,471</b>	<b>386,102</b>
<b>Fixed Assets</b>			
Land	0	0	0
Building & Improvements	0	0	0
Furniture & Equipment	16,500	16,500	0
<b>Total Fixed Assets</b>	<b>16,500</b>	<b>16,500</b>	<b>0</b>
Less: Accumulated Depreciation	917	458	0
<b>Net Fixed Assets</b>	<b>15,583</b>	<b>16,042</b>	<b>0</b>
<b>Other Assets (Net of Amortization)</b>	<b>(74,427)</b>	<b>(75,999)</b>	<b>88,230</b>
<b>Total Assets</b>	<b>354,894</b>	<b>427,513</b>	<b>446,331</b>
<b>Liabilities &amp; Shareholders' Equity</b>			
<b>Current Liabilities</b>			
Accounts Payable	1,338,493	1,430,022	922,523
Accrued Payroll & Payroll Taxes	118,759	112,415	147,419
Accrued Property Taxes	0	0	0
Other Accrued Expenses	133,193	132,235	99,139
<b>Total Current Liabilities</b>	<b>1,590,445</b>	<b>1,674,663</b>	<b>1,069,080</b>
<b>Long Term Liabilities</b>			
Notes Payable	0	0	0
Other Notes Payable	(514,409)	(507,319)	48,324
Deferred Income	0	0	0
<b>Total Long-Term Liabilities</b>	<b>(514,409)</b>	<b>(507,319)</b>	<b>48,324</b>
<b>Total Liabilities</b>	<b>1,076,036</b>	<b>1,167,344</b>	<b>1,115,404</b>
<b>Equity</b>			
Common Stock	0	0	0
Additional Paid in Capital	0	0	0
Treasury Stock	0	0	0
Retained Earnings	(699,673)	(699,673)	0
Less: Dividend Distributions	0	0	0
Owner Draw/Distributions/Transfers	0	0	0
Add: Current Year Earnings	(52,026)	(70,229)	(659,973)
<b>Total Equity</b>	<b>(721,169)</b>	<b>(738,862)</b>	<b>(660,973)</b>
<b>Total Liabilities &amp; Equity</b>	<b>354,894</b>	<b>427,513</b>	<b>446,331</b>

Harbour Health Multicare Center for Living  
A 95 Licensed Bed Nursing Facility Located in Buffalo, New York  
Summary Statement of Income  
Actual Compared to Budget  
For the Month and Nine Months Ended September 30, 2013

Revenues	Current Month-To-Date		Current Year-To-Date		Percentage Change
	Actual	Budget	Actual	Budget	
Phone	31,859	46,800	446,521	20,650	302.61%
Medical	319,264	335,071	3,078,133	29,990	0.00%
Medicare	0	0	0	0	0.00%
Medicaid	111,674	107,104	974,645	(227,455)	305.52%
Special Services	16,226	24,178	130,024	399,301	169.11%
Other Revenue	(19,714)	(26,712)	(51,553)	(51,553)	-20.22%
<b>Total Operating Revenue</b>	<b>448,265</b>	<b>487,434</b>	<b>4,232,921</b>	<b>4,435,649</b>	<b>3.01%</b>
<b>Expenses</b>					
Routine Nursing Expenses	571	211,415	39,695	1,923,875	81.35%
Nursing Administration Expenses	186,095	14,540	1,776,769	132,287	(55.91)%
Training Expenses	0	20	900	1,068	1.74%
Physician/Pharmacy Expenses	2,742	3,759	27,769	842	3.47%
Restorative Expenses	26,702	30,781	75,352	253,669	208.11%
Part A Expenses	9,114	8,178	62,115	74,424	12.30%
Part B Expenses	1,181	0	17,134	0	0.00%
Part C Expenses	8,328	0	69,691	0	0.00%
Other Ancillary Expenses	13,247	18,344	166,932	0	0.00%
Activity Expenses	9,107	1,112	175,129	12,836	(8.82)%
Social Services Expenses	3,333	2,424	29,849	16,385	1.82%
Medical Records Expenses	4,223	2,997	27,415	27,181	0.00%
Special Services Expenses	0	0	422	0	0.00%
Religious Expenses	0	0	0	0	0.00%
Beauty/Barber Expenses	0	0	0	0	0.00%
Dietary Expenses	57,668	61,548	521,207	560,082	38.82%
Enrichment Services Expenses	0	0	0	0	0.00%
Laundry Expenses	6,708	18,126	146,364	164,951	18.58%
Housekeeping Expenses	15,170	17,159	217,890	156,138	(11.83)%
Plant Operation/Maintenance Expenses	25,330	37,899	306,494	344,879	12.74%
General & Administrative Expenses	52,380	103,884	685,265	945,347	230.05%
Interest Expense	3,261	3,269	22,869	23,748	6.77%
Depreciation Expense	466	0	917	0	0.00%
Income & Use Tax Expense	0	0	0	0	0.00%
<b>Total Operating Expenses</b>	<b>429,640</b>	<b>542,960</b>	<b>4,305,092</b>	<b>4,843,667</b>	<b>13.00%</b>
<b>Operating Net Income</b>	<b>18,649</b>	<b>(55,526)</b>	<b>(82,171)</b>	<b>(608,018)</b>	<b>(456.17)%</b>
Other Revenues	0	11	2	161	(98)%
Other Expenses	0	0	0	0	0.00%
<b>Non-Operating Net Income</b>	<b>0</b>	<b>11</b>	<b>2</b>	<b>161</b>	<b>(98)%</b>
<b>Net Income</b>	<b>18,649</b>	<b>(65,615)</b>	<b>(82,173)</b>	<b>(608,169)</b>	<b>(456.07)%</b>

CON#131125  
BFA Attachment E

West Lawrence Care Center

	<u>2012</u>	<u>2011</u>	<u>2010</u>
CURRENT ASSETS	\$3,134,788	\$2,554,235	\$2,666,986
FIXED ASSETS	3,472,237	3,653,194	3,796,580
CURRENT LIABILITIES	5,238,273	3,959,608	2,905,285
LONG TERM LIABILITIES	260,803	538,119	707,480
NET ASSETS	\$1,107,949	\$1,709,702	\$2,850,801
REVENUES	\$18,807,177	\$18,662,299	\$20,539,821
EXPENSES	19,408,926	19,403,398	19,441,129
NET INCOME	(\$601,749)	(\$741,099)	1,098,692
NUMBER OF BEDS	215	215	215
OCCUPANCY	97.78%	92.16%	98.40%
MEDICAID	87.78%	91.44%	92.68%
MEDICARE	5.65%	7.17%	6.22%
PRIVATE PAY	6.57%	1.39%	1.10%

<b>HAWTHORN PROFORMA BALANCE SHEET</b>	
	<b>Day 1</b>
<b>ASSETS:</b>	
Cash	1,100,000
Accounts Receivable	1,000,000
Prepaid Expenses	50,000
Inventory	20,000
Goodwill	1,500,000
Resident Funds	88,000
<b>TOTAL ASSETS</b>	<b>3,758,000</b>
<b>LIABILITIES:</b>	
Accounts payable	1,000,000
Accrued Payroll Taxes	12,000
Purchase Money Note	500,000
Accrued Employee Benefits & Payroll	300,000
Resident Funds	88,000
<b>TOTAL LIABILITIES</b>	<b>1,900,000</b>
<b>EQUITY:</b>	
Members Equity	1,858,000
<b>TOTAL EQUITY</b>	<b>1,858,000</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,758,000</b>

## Financial Summary

### Hawthorne Health Multicare Center for Living

	FISCAL PERIOD ENDED			
	<i>draft</i> <u>9/30/13</u>	<u>*12/31/12</u>	<u>12/31/11</u>	<u>12/31/10</u>
ASSETS - CURRENT	\$460,188	\$380,906	\$910,257	\$683,803
ASSETS - FIXED AND OTHER	272,096	417,401	1,233,752	1,262,416
LIABILITIES - CURRENT	1,868,060	1,401,311	8,033,431	\$7,450,803
LIABILITIES - LONG-TERM	(482,159)	56,174	0	0
NET ASSETS	(653,617)	(659,178)	(5,889,422)	(5,504,584)
<hr/>				
INCOME	\$5,297,504	\$2,887,240	\$7,451,495	\$7,318,067
EXPENSE	5,291,942	3,546,418	7,836,436	7,969,197
NET INCOME	5,562	(659,178)	(384,941)	(651,130)
<hr/>				
NUMBER OF BEDS	122	122	122	122
PERCENT OF OCCUPANCY (DAYS)	84.79%	82.70%	86.88%	88.22%
<hr/>				
PERCENT OCCUPANCY (DAYS):				
MEDICAID	85.12%	84.74%	83.58%	78.75%
MEDICARE	7.30%	2.95%	12.60%	14.92%
PRIVATE/OTHER	7.58%	12.31%	3.83%	6.33%
<hr/>				
MEDICAID RATE BREAKDOWN:				
		<u>2013</u>	<u>2012</u>	<u>2011</u>
OPERATING		141.89	\$142.84	135.51
CAPITAL		<u>4.08</u>	<u>4.49</u>	<u>6.6</u>
TOTAL		\$145.97	\$147.33	\$142.11

\*Receivership as of July 27, 2012

## Financial Summary

West Lawrence Care Center, LLC

	FISCAL PERIOD ENDED		
	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/10</u>
ASSETS - CURRENT	\$3,134,788	\$2,554,235	\$2,666,986
ASSETS - FIXED AND OTHER	3,472,237	3,653,194	3,796,580
LIABILITIES - CURRENT	5,238,273	3,959,608	\$2,905,285
LIABILITIES - LONG-TERM	260,803	538,119	707,480
EQUITY	1,107,949	1,709,702	2,850,801
<hr/>			
INCOME	\$18,807,177	\$18,662,299	\$20,539,821
EXPENSE	19,408,926	19,403,398	19,441,129
NET INCOME	(\$601,749)	(\$741,099)	\$1,098,692
<hr/>			
NUMBER OF BEDS	215	215	215
PERCENT OF OCCUPANCY (DAYS)	97.78%	92.16%	98.40%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	87.78%	91.44%	92.68%
MEDICARE	5.65%	7.17%	6.22%
PRIVATE/OTHER	6.57%	1.39%	1.10%
<hr/>			
MEDICAID RATE BREAKDOWN:			
	<u>2013</u>	<u>2012</u>	<u>2011</u>
OPERATING	\$196.93	\$198.81	\$194.91
CAPITAL	<u>11.65</u>	<u>10.81</u>	<u>16.58</u>
TOTAL	\$208.58	\$209.62	\$211.49
<hr/>			
Proposed members with ownership interest	Ownership interest		
Judy Landa	30.00%		

**131156 Opal Care, LLC  
Sensitized Budget**

Year One	Budgeted Revenue	Patient days	Rate	2011 % occupancy	Adjusted Patient Days	Sensitized Revenues	Year One Expenses	Gain
Medicaid	\$4,699,015	32,407	\$145.00	83.6%	33,575	\$4,868,364		
Medicare	\$1,629,825	3,505	\$465.00	12.6%	5,062	\$2,353,619		
Private/Comm	\$1,361,483	<u>4,259</u>	\$319.67	3.8%	1,539	\$491,831		
<b>Total Revenue</b>	<b>\$7,690,323</b>	<b>40,171</b>				<b>\$7,713,814</b>	<b>\$6,611,479</b>	<b>\$1,102,335</b>
<b>Year Three</b>	<b>Budgeted Revenue</b>	<b>Patient days</b>	<b>Rate</b>	<b>2011 % occupancy</b>	<b>Adjusted Patient Days</b>	<b>Sensitized Revenues</b>	<b>Year Three Expenses</b>	<b>Gain</b>
Medicaid	\$4,861,050	32,407	\$150.00	83.6%	34,458	\$5,168,737		
Medicare	\$2,039,425	4,205	\$485.00	12.6%	5,193	\$2,518,832		
Private/Comm	\$1,463,588	4,606	\$317.76	3.8%	1,566	\$497,697		
<b>Total</b>	<b>\$8,364,063</b>	<b>41,218</b>				<b>\$8,185,267</b>	<b>\$6,874,487</b>	<b>\$1,310,780</b>

**SOUTH SHORE REHABILITATION, LLC**  
d/b/a  
**SOUTH SHORE REHABILITATION AND NURSING CENTER**  
and  
**SOUTH SHORE NURSING REALTY, LLC**  
**BALANCE SHEET**  
**January 1, 2014**

**ASSETS**

	<u>South Shore Rehabilitation, LLC</u>	<u>South Shore Nursing Realty, LLC</u>	<u>Total</u>
<b>Current Assets</b>			
Cash & Cash Equivalents	\$ 2,651,000	\$ 250,000	\$ 2,901,000
Inventory	26,168	-	26,168
Prepaid expenses and other assets	97,984	104,281	202,265
<b>Total Current Assets</b>	<b>2,775,152</b>	<b>354,281</b>	<b>3,129,433</b>
<b>Non Current Assets</b>			
Goodwill	-	5,492,532	5,492,532
Resident Funds	15,955	-	15,955
Fixed Assets - Net	572,911	903,187	1,476,098
<b>Total Non Current Assets</b>	<b>588,866</b>	<b>6,395,719</b>	<b>6,984,585</b>
<b>Total Assets</b>	<b>\$ 3,364,018</b>	<b>\$ 6,750,000</b>	<b>\$ 10,114,018</b>

**LIABILITIES AND MEMBERS' EQUITY**

<b>Liabilities</b>			
Accrued payroll	\$ 435,417	\$ -	\$ 435,417
Accrued Expenses	26,917	-	26,917
Current Portion - Second Mortgage Loan	127,345	-	127,345
Current Portion - Mortgage Payable	-	163,586	163,586
<b>Total current liabilities</b>	<b>589,679</b>	<b>163,586</b>	<b>753,265</b>
<b>Long term liabilities</b>			
Mortgage Payable - less current portion	-	6,336,414	6,336,414
Second Mortgage Loan - less current portion	1,372,655	-	1,372,655
Patient Funds	15,955	-	15,955
<b>Total long-term liabilities</b>	<b>1,388,610</b>	<b>6,336,414</b>	<b>7,725,024</b>
<b>Total liabilities</b>	<b>1,978,289</b>	<b>6,500,000</b>	<b>8,478,289</b>
Members' Equity	1,385,729	250,000	1,635,729
<b>Total liabilities and members' equity</b>	<b>\$ 3,364,018</b>	<b>\$ 6,750,000</b>	<b>\$ 10,114,018</b>

Project # 131264-E

## Financial Summary- South Shore Healthcare

	<u>FISCAL PERIOD ENDED</u>		
	<u>draft</u> <u>6/30/13</u>	<u>12/31/12</u>	<u>12/31/11</u>
ASSETS - CURRENT	\$3,223,404	\$3,888,647	\$4,641,640
ASSETS - FIXED AND OTHER	2,345,111	3,544,138	3,757,938
LIABILITIES - CURRENT	1,278,846	1,812,974	2,012,971
LIABILITIES - LONG-TERM	<u>4,254,660</u>	<u>6,714,065</u>	<u>6,277,233</u>
EQUITY	\$35,009	(\$1,094,254)	\$109,374
<hr/>			
INCOME	\$7,277,582	\$13,256,118	\$14,048,810
EXPENSE	<u>\$7,064,937</u>	<u>13,277,934</u>	<u>14,204,315</u>
NET INCOME	\$212,645	(\$21,816)	(\$155,505)
<hr/>			
NUMBER OF BEDS	100	100	100
PERCENT OF OCCUPANCY (DAYS)	90.00%	90.00%	90.20%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	43.9%	42.9%	41.9%
MEDICARE	28.9%	43.1%	42.4%
PRIVATE/OTHER	27.2%	14.0%	15.7%
<hr/>			
MEDICAID RATE BREAKDOWN:			
	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>RHCF</u>			
OPERATING	\$199.82	\$204.37	\$201.56
CAPITAL	<u>14.51</u>	<u>14.08</u>	<u>20.35</u>
TOTAL	\$214.33	\$218.45	\$221.91
<hr/>			
<u>VENT</u>			
OPERATING	\$472.29	\$480.36	\$389.21
CAPITAL	<u>11.50</u>	<u>9.88</u>	<u>14.05</u>
TOTAL	\$483.79	\$490.24	\$403.26

**Proposed Members Affiliated Nursing Homes-CON 131264-South Shore Rehabilitation**

<b><u>Little Neck Nursing Home</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	
Current Assets	\$3,208,400	\$3,505,124	
Fixed Assets	<u>3,431,941</u>	<u>3,174,800</u>	
Total Assets	\$6,640,341	\$6,679,924	
Current Liabilities	6,218,839	3,519,751	
Long Term Liabilities	<u>533,500</u>	<u>3,024,231</u>	
Total Liabilities	\$6,752,339	\$6,543,982	
Working Capital Position	(\$3,010,439)	(\$14,627)	
Net Assets	(\$111,998)	\$135,942	
Operating Revenues	11,374,859	10,049,249	
Operating Expenses	<u>11,624,562</u>	<u>11,317,151</u>	
Operating Net Income	(\$249,703)	(\$1,267,902)	
<b><u>Nassau Extended Care</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Current Assets	\$9,182,360	\$7,502,010	\$8,954,923
Fixed Assets	<u>18,039,496</u>	<u>18,559,425</u>	<u>17,453,694</u>
Total Assets	\$27,221,856	\$26,061,435	\$26,408,617
Current Liabilities	6,953,687	6,007,823	6,336,774
Long Term Liabilities	<u>5,783,758</u>	<u>6,521,087</u>	<u>6,967,910</u>
Total Liabilities	\$12,737,445	\$12,528,910	\$13,304,684
Working Capital Position	\$2,228,673	\$1,494,187	\$2,618,149
Net Assets	\$14,484,411	\$13,532,525	\$13,103,933
Operating Revenues	31,357,570	31,838,896	31,945,892
Operating Expenses	<u>30,254,684</u>	<u>31,410,304</u>	<u>31,628,885</u>
Operating Net Income	\$1,102,886	\$428,592	\$317,007
<b><u>Park Avenue Facility</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Current Assets	\$6,534,276	\$6,406,660	\$7,705,175
Fixed Assets	<u>15,693,338</u>	<u>15,232,521</u>	<u>14,505,397</u>
Total Assets	\$22,227,614	\$21,639,181	\$22,210,572
Current Liabilities	5,828,963	\$5,098,963	\$5,195,019
Long Term Liabilities	<u>5,852,462</u>	<u>6,570,804</u>	<u>6,847,125</u>
Total Liabilities	\$11,681,425	\$11,669,767	\$12,042,144
Net Assets	\$10,546,189	\$9,969,414	\$10,168,428
Working Capital Position	\$705,313	\$1,307,697	\$2,510,156
Operating Revenues	\$26,820,883	\$26,172,207	\$25,872,102
Operating Expenses	<u>25,993,108</u>	<u>26,371,221</u>	<u>25,861,931</u>
Operating Net Income	\$827,775	(\$199,014)	\$10,171

**Proposed Members Affiliated Nursing Homes-CON 131264-South Shore Rehabilitation**

<b><u>Throgs Neck</u></b>	<b><u>2012 draft</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Current Assets	\$4,019,543	\$3,694,355	\$3,527,193
Fixed Assets	<u>10,717,202</u>	<u>11,459,630</u>	<u>11,273,132</u>
Total Assets	\$14,736,745	\$15,153,985	\$14,800,325
Current Liabilities	5,281,573	5,805,286	5,182,176
Long Term Liabilities	<u>4,635,335</u>	<u>5,184,522</u>	<u>5,507,867</u>
Total Liabilities	\$9,916,908	\$10,989,808	\$10,690,043
Net Assets	\$4,819,837	\$4,164,177	\$4,110,282
Working Capital Position	(\$1,262,030)	(\$2,110,931)	(\$1,654,983)
Operating Revenues	22,723,772	22,083,569	22,301,778
Operating Expenses	<u>21,317,610</u>	<u>22,192,071</u>	<u>22,166,725</u>
Operating Net Income	\$1,406,162	(\$108,502)	\$135,053

<b><u>Townhouse Extended Care</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Current Assets	\$9,305,901	\$7,686,006	\$8,264,226
Fixed Assets	<u>13,009,041</u>	<u>12,938,708</u>	<u>12,730,577</u>
Total Assets	\$22,314,942	\$20,624,714	\$20,994,803
Current Liabilities	8,317,288	6,310,183	6,194,200
Long Term Liabilities	<u>10,214,720</u>	<u>10,236,392</u>	<u>10,484,329</u>
Total Liabilities	\$18,532,008	\$16,546,575	\$16,678,529
Net Assets	\$3,782,934	\$4,078,139	\$4,316,274
Working Capital Position	\$988,613	\$1,375,823	\$2,070,026
Operating Revenues	32,345,384	33,597,464	33,035,848
Operating Expenses	<u>32,640,589</u>	<u>33,835,599</u>	<u>32,739,475</u>
Operating Net Income	(\$295,205)	(\$238,135)	\$296,373

<b><u>Park Gardens Rehabilitation</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Current Assets	\$2,994,716	\$3,161,215	\$3,534,141
Fixed Assets	<u>5,625,540</u>	<u>6,277,705</u>	<u>6,491,691</u>
Total Assets	\$8,620,256	\$9,438,920	\$10,025,832
Current Liabilities	5,638,703	6,103,726	6,525,745
Long Term Liabilities	<u>2,212,192</u>	<u>2,537,018</u>	<u>2,953,628</u>
Total Liabilities	\$7,850,895	\$8,640,744	\$9,479,373
Net Assets	\$769,361	\$798,176	\$546,459
Working Capital Position	(\$2,643,987)	(\$2,942,511)	(\$2,991,604)
Operating Revenues	22,480,891	22,823,555	22,144,342
Operating Expenses	<u>22,469,881</u>	<u>22,905,978</u>	<u>22,094,503</u>
Operating Net Income	\$11,010	(\$82,423)	\$49,839

**Proposed Members Affiliated Nursing Homes-CON 131264-South Shore Rehabilitation****Siverlake Specialized Rehab**

	<u>draft 2012</u>	<u>2011</u>
Current Assets	\$4,887,708	\$5,940,370
Fixed Assets	<u>5,099,616</u>	<u>4,937,847</u>
Total Assets	\$9,987,324	\$10,878,217
Current Liabilities	9,847,877	10,694,585
Long Term Liabilities	<u>899,401</u>	<u>1,294,549</u>
Total Liabilities	\$10,747,278	\$11,989,134
Net Assets	(\$759,954)	(\$1,110,917)
Working Capital Position	(\$4,960,169)	(\$4,754,215)
Operating Revenues	27,577,818	26,816,800
Operating Expenses	<u>27,775,474</u>	<u>27,525,314</u>
Operating Net Income	(\$197,656)	(\$708,514)

**Dumont Center for Rehab**

	<u>2012</u>	<u>2011</u>
Current Assets	\$4,248,123	\$3,976,223
Fixed Assets	<u>3,402,210</u>	<u>3,525,324</u>
Total Assets	\$7,650,333	\$7,501,547
Current Liabilities	4,248,376	5,198,409
Long Term Liabilities	<u>38,811</u>	<u>330,592</u>
Total Liabilities	\$4,287,187	\$5,529,001
Net Assets	\$3,363,146	\$1,972,546
Working Capital Position	(\$253)	(\$1,222,186)
Operating Revenues	22,408,088	22,409,466
Operating Expenses	<u>20,185,119</u>	<u>20,330,469</u>
Operating Net Income	\$2,222,969	\$2,078,997

South Shore-CON 131264

Budget Sensitivity

<u>Payer</u>	<u>Utilization as of 6/30/13</u>	<u>Revised Budgeted Days</u>	<u>Per Diem</u>	<u>Revised Revenues</u>
Medicaid	0.3970	13,001	235.55	\$3,062,282
Medicare	0.2890	9,464	607.66	5,750,823
Other	0.2031	6,651	471.67	3,137,037
Private Pay	<u>0.0689</u>	<u>2,256</u>	402.93	909,118
Vent	0.9580	31,372		\$12,859,260
Other Income	0.0420	1,375	505.00	694,375
Total Revenues based on current utilization				<u>124,200</u>
Total Revenues as budgetd for first year				\$13,677,835
Increase in Budgeted Revenues				<u>13,601,673</u>
				\$76,162

Facility	Kenneth Rozenberg	Jeremy Strauss	Jeffrey Sicklick
Boro Park Center	97.0%	2.0%	1.0%
Bronx Center	50.0%		
Brooklyn Center	50.0%	5.0%	
Bushwick Center	56.0%	10.0%	2.0%
Chittenango Center	62.0%	24.0%	10.0%
Daughters of Jacob - RECEIVERSHIP	100.0%		
Dutchess Center	60.0%	30.0%	10.0%
Corning Center	50.0%	25.0%	5.0%
Fulton Center	62.0%	25.0%	3.0%
Holliswood	70.0%	7.5%	2.5%
Queens Center	48.0%	5.0%	2.0%
Richmond Center	60.0%	5.0%	3.0%
Rome Center	62.0%	24.0%	10.0%
University	95.0%		
Waterfront	60.0%	30.0%	10.0%
Williamsbridge	95.0%		

**STEBEN OPERATIONS ASSOCIATES, LLC**  
**Doing Business As**  
**STEBEN CENTER FOR REHABILITATION AND HEALTHCARE**

**PRO FORMA BALANCE SHEET**

**ASSETS**

Working Capital	\$1,890,535
Goodwill	\$6,987,500
Resident Funds	\$44,390
<b>TOTAL ASSETS</b>	<b><u>\$8,922,425</u></b>

**LIABILITIES AND EQUITY**

**LIABILITIES**

Acquisition Loans	\$6,288,750
Working Capital Loan	\$945,267
Resident Funds	\$44,390
<b>TOTAL LIABILITIES</b>	<b><u>\$7,278,407</u></b>

<b>MEMBER EQUITY</b>	<b><u>\$2,020,268</u></b>
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<b>TOTAL LIABILITIES AND MEMBER EQUITY</b>	<b><u>\$9,298,674</u></b>
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Steuben County Infirmary

Year	Current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities	Total Operating Expenses	Total Operating Revenue	Operating Margin	Net Assets	Total Revenue	Total Expenses	Net Income	Operating Margin	Debt to Capitalization				
2009	5,451,038	24,113,506	2,054,285	17,274,592	19,328,877	9,568,886	12,270,426	737,340	-1,964,400	3,396,753	4,784,629	10,305,026	12,270,426	-1,964,400	-19.05%	-28.24%	47	41.74%
2010	3,535,349	21,370,952	3,473,396	16,412,541	19,885,937	9,637,909	13,366,169	428,647	-3,299,613	61,953	1,485,015	10,066,556	13,366,169	-3,299,613	-32.70%	-38.68%		43.44%
2011	2,848,514	19,840,520	3,341,748	16,162,565	19,504,313	9,523,622	14,441,600	3,769,169	-1,148,809	-483,234	336,207	13,292,791	14,441,600	-1,148,809	-8.64%	-51.64%		44.89%

**STEBEN COUNTY HEALTH CARE FACILITY**  
 (An Enterprise Fund of the County of Steuben, New York)

**BALANCE SHEETS**  
**DECEMBER 31, 2012**

	<u>2012</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Resident accounts receivable, net	\$ 3,795,938
Intergovernmental transfer receivable	1,592,169
Other receivables	68,857
Inventory	35,547
Prepaid expenses	-
Total current assets	<u>5,492,511</u>
<b>NONCURRENT ASSETS:</b>	
Resident funds held in trust	35,697
Amounts due from third-party payors, net	754,152
Capital assets, net	<u>16,070,804</u>
Total noncurrent assets	<u>16,860,653</u>
Total assets	<u>\$ 22,353,164</u>
<b>LIABILITIES AND NET POSITION</b>	
<b>CURRENT LIABILITIES:</b>	
Cash overdraft - due to county	\$ 6,234,285
Current portion of bonds payable	865,700
Accounts payable and accrued expenses	614,333
Current portion of accrued compensated absences	471,750
Accrued workers compensation payable	662,976
Current portion of accrued postemployment benefit obligation	427,771
Accrued interest payable	<u>225,610</u>
Total current liabilities	<u>9,502,425</u>
<b>NONCURRENT LIABILITIES:</b>	
Bonds payable, net of current portion	13,738,400
Resident funds held in trust	35,697
Accrued postemployment benefit obligation, net of current portion	1,384,992
Estimated arbitrage liability	73,287
Unearned revenue	150,000
Accrued compensated absences, net of current portion	-
Total noncurrent liabilities	<u>15,382,376</u>
Total liabilities	<u>24,884,801</u>
<b>NET POSITION:</b>	
Invested in capital assets, net of related debt and interest	1,241,094
Unrestricted	<u>(3,772,731)</u>
Total net position	<u>(2,531,637)</u>
Total liabilities and net position	<u>\$ 22,353,164</u>

**STEBEN COUNTY HEALTH CARE FACILITY**  
**(An Enterprise Fund of the County of Steuben, New York)**

**STATEMENTS OF REVENUE, EXPENSES AND CHANGE IN NET POSITION**  
**FOR THE YEARS ENDED DECEMBER 31, 2012**

	<u>2012</u>
<b>OPERATING REVENUES:</b>	
Net resident service revenue	\$ 9,144,441
Intergovernmental transfer payments	1,592,169
Outpatient service revenue	54,875
Adjustment of prior years' revenue, net	189,262
Other operating revenue	<u>129,656</u>
Total operating revenues	<u>11,110,403</u>
<b>OPERATING EXPENSES:</b>	
Salaries and wages	5,759,122
Employee benefits	3,622,735
Supplies and other	2,315,680
Depreciation and amortization	848,213
Indirect county costs	431,280
Provision for doubtful accounts	653,753
New York State assessment	<u>360,942</u>
Total operating expenses	<u>13,991,725</u>
Operating loss	<u>(2,881,322)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Interest expense	(622,375)
Adjustment of prior years' expense, net	246,601
Interest income	<u>-</u>
Total nonoperating expenses	<u>(375,774)</u>
LOSS BEFORE COUNTY SUBSIDIES	(3,257,096)
COUNTY SUBSIDIES OF INDIRECT COSTS	<u>431,280</u>
CHANGE IN NET POSITION	(2,825,816)
NET POSITION - beginning of year	<u>294,179</u>
NET POSITION - end of year	<u>\$ (2,531,637)</u>

**Steuben Operations Associates, LLC**

Project # 132071-E

**Mortgage Table**

BFA Attachment F

Principal	\$6,288,750
Rate	5.26%
Years	20
Payment	\$42,412
Annual Pmt.	\$508,938

Years	Interest	Amortization	Ending Balance	Total Payment
			\$6,288,750	
1	\$326,430	\$182,508	\$6,106,242	\$508,938
2	316,595	192,343	5,913,899	508,938
3	306,230	202,708	5,711,191	508,938
4	295,307	213,631	5,497,560	508,938
5	283,795	225,143	5,272,417	508,938
6	271,663	237,275	5,035,142	508,938
7	258,877	250,061	4,785,081	508,938
8	245,402	263,536	4,521,545	508,938
9	231,201	277,737	4,243,808	508,938
10	216,235	292,704	<b><u>3,951,104</u></b>	508,938
11	200,462	308,476	3,642,627	508,938
12	183,839	325,099	3,317,528	508,938
13	166,320	342,618	2,974,910	508,938
14	147,858	361,080	2,613,830	508,938
15	128,400	380,538	2,233,292	508,938
16	107,894	401,044	1,832,248	508,938
17	86,283	422,655	1,409,593	508,938
18	63,508	445,430	964,163	508,938
19	39,505	469,433	494,729	508,938
20	14,209	494,729	0	508,938

Steuben County Infirmary-CON 132071

<u>Budget Sensitivity</u>	<u>Utilization as of 9/25/13</u>	<u>Revised Budgeted Days</u>	<u>Per Diem</u>	<u>Revised Revenues</u>
Pavor				
Medicaid	0.78	29,862	221.03	\$6,600,292
Medicare	0.10	3,828	534.12	2,044,825
Private Pay	<u>0.12</u>	<u>4,594</u>	515.12	<u>2,366,502</u>
	1.00	38,284		\$11,011,619
Assessment Revenues				<u>482,772</u>
Total Revenues based on current utilization				\$11,494,391
Total Revenues as budgetd for first year				<u>11,677,467</u>
Decrease in Budgeted Revenues				(\$183,076)

**CON 132071-Steuben County Infirmary****Bronx Center for Rehab**

	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Current Assets	\$5,392,431	\$6,256,098	\$6,263,004
Fixed Assets	<u>14,634,445</u>	<u>12,735,436</u>	<u>9,702,027</u>
Total Assets	\$20,026,876	\$18,991,534	\$15,965,031
Current Liabilities	9,046,826	7,998,973	5,820,823
Long Term Liabilities	<u>6,363,162</u>	<u>6,532,393</u>	<u>6,130,265</u>
Total Liabilities	15,409,988	14,531,366	11,951,088
Net Assets	\$4,616,888	\$4,460,168	\$4,013,943
Working Capital Position	(\$3,654,395)	(\$276,295)	\$132,739
Operating Revenues	\$24,772,862	\$24,502,663	\$22,779,108
Operating Expenses	<u>23,726,611</u>	<u>23,176,178</u>	<u>21,703,744</u>
Operating Net Income	\$1,046,251	\$1,326,485	\$1,075,364

**Brooklyn Center**

	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Current Assets	\$11,293,652	\$13,156,081	\$7,832,828
Fixed Assets	<u>9,939,545</u>	<u>9,803,175</u>	<u>9,874,742</u>
Total Assets	\$21,233,197	\$22,959,256	\$17,707,570
Current Liabilities	9,876,330	10,696,386	7,509,884
Long Term Liabilities	<u>7,217,288</u>	<u>7,592,117</u>	<u>8,063,432</u>
Total Liabilities	17,093,618	18,288,503	15,573,316
Net Assets	\$4,139,579	\$4,670,753	\$2,134,254
Working Capital Position	\$4,076,364	\$5,563,964	(\$230,604)
Operating Revenues	\$24,020,879	\$24,671,172	\$21,642,381
Operating Expenses	<u>22,274,805</u>	<u>21,042,900</u>	<u>20,193,034</u>
Operating Net Income	\$1,746,074	\$3,628,272	\$1,449,347

**Dutchess Center for Rehab**

	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Current Assets	\$3,182,448	\$2,745,368	\$2,560,144
Fixed Assets	<u>6,745,494</u>	<u>6,790,704</u>	<u>6,940,464</u>
Total Assets	\$9,927,942	\$9,536,072	\$9,500,608
Current Liabilities	4,789,691	4,156,100	4,094,458
Long Term Liabilities	<u>4,227,461</u>	<u>4,108,591</u>	<u>3,908,329</u>
Total Liabilities	9,017,152	8,264,691	8,002,787
Net Assets	910,790	1,271,381	1,497,821
Working Capital Position	(\$1,045,013)	(\$1,363,223)	(\$1,348,185)
Operating Revenues	\$11,224,776	\$11,949,982	\$11,047,321
Operating Expenses	<u>\$10,952,097</u>	<u>10,875,881</u>	<u>10,327,576</u>
Operating Net Income	\$272,679	\$1,074,101	\$719,745

**CON 132071-Steuben County Infirmary**

<u>Queens Center for Rehab</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Current Assets	\$3,955,870	\$4,869,649	\$4,557,320
Fixed Assets	<u>15,051,123</u>	<u>13,986,342</u>	<u>14,321,261</u>
Total Assets	\$19,006,993	\$18,855,991	\$18,878,581
Current Liabilities	7,335,873	7,330,023	5,626,101
Long Term Liabilities	<u>8,576,164</u>	<u>8,699,469</u>	<u>9,457,373</u>
Total Liabilities	15,912,037	16,029,492	15,083,474
Net Assets	\$3,094,956	\$2,826,499	\$3,795,107
Working Capital Position	(\$4,620,294)	(\$3,829,820)	(\$4,900,053)
Operating Revenues	\$21,937,707	\$21,718,072	\$21,772,890
Operating Expenses	<u>21,378,098</u>	<u>21,144,109</u>	<u>21,023,576</u>
Operating Net Income	\$559,609	\$573,963	\$749,314

<u>University Nursing Home</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Current Assets	\$1,155,486	\$1,089,358	\$1,204,602
Fixed Assets	<u>3,574,727</u>	<u>3,345,220</u>	<u>3,215,546</u>
Total Assets	\$4,730,213	\$4,434,578	\$4,420,148
Current Liabilities	3,098,814	1,431,433	1,435,395
Long Term Liabilities	<u>618,699</u>	<u>607,499</u>	<u>587,089</u>
Total Liabilities	3,717,513	2,038,932	2,022,484
Net Assets	\$1,012,700	\$2,395,646	\$2,397,664
Working Capital Position	\$536,787	\$481,859	\$617,513
Operating Revenues	\$4,162,776	\$4,570,280	\$4,104,016
Operating Expenses	<u>4,045,722</u>	<u>3,990,872</u>	<u>3,915,054</u>
Operating Net Income	\$117,054	\$579,408	\$188,962

<u>Williamsbridge Manor</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Current Assets	\$3,613,489	\$2,426,546	\$1,817,854
Fixed Assets	<u>2,067,949</u>	<u>2,123,875</u>	<u>2,295,783</u>
Total Assets	\$5,681,438	\$4,550,421	\$4,113,637
Current Liabilities	3,389,917	2,569,777	1,707,701
Long Term Liabilities	<u>1,969,870</u>	<u>1,968,878</u>	<u>2,104,478</u>
Total Liabilities	5,359,787	4,538,655	3,812,179
Net Assets	\$321,651	\$11,766	\$301,458
Working Capital Position	\$1,643,619	\$457,668	(\$286,624)
Operating Revenues	\$7,594,760	\$7,507,990	\$7,971,179
Operating Expenses	<u>7,197,505</u>	<u>7,316,472</u>	<u>7,878,867</u>
Operating Net Income	\$397,255	\$191,518	\$92,312

**CON 132071-Steuben County Infirmary**

<u>Bushwick Center for Rehab</u>	<u>2012</u>
Current Assets	\$6,886,728
Fixed Assets	<u>23,116,997</u>
Total Assets	\$30,003,725
Current Liabilities	15,488,253
Long Term Liabilities	<u>11,909,717</u>
Total Liabilities	\$27,397,970
Net Assets	\$2,605,755
Working Capital Position	(\$8,601,525)
Operating Revenues	\$28,164,499
Operating Expenses	<u>27,582,741</u>
Operating Net Income	\$581,758

<u>Rome Center for Rehab</u>	<u>2012</u>
Current Assets	\$3,635,862
Fixed Assets	<u>2,841,577</u>
Total Assets	\$6,477,439
Current Liabilities	3,963,324
Long Term Liabilities	<u>863,839</u>
Total Liabilities	\$4,827,163
Net Assets	\$1,650,276
Working Capital Position	(\$327,462)
Operating Revenues	\$12,921,227
Operating Expenses	<u>12,685,756</u>
Operating Net Income	\$235,471

<u>Chittenango Center for Rehab</u>	<u>2012</u>
Current Assets	\$1,645,383
Fixed Assets	<u>1,226,850</u>
Total Assets	\$2,872,233
Current Liabilities	2,280,785
Long Term Liabilities	<u>306,980</u>
Total Liabilities	\$2,587,765
Net Assets	\$284,468
Working Capital Position	(\$635,402)
Operating Revenues	\$6,843,639
Operating Expenses	<u>6,910,905</u>
Operating Net Income	(\$67,266)

**CON 132071-Steuben County Infirmary****Boro Park Center for Rehab****2012**

Current Assets	\$14,874,266
Fixed Assets	<u>53,756,408</u>
Total Assets	\$68,630,674
Current Liabilities	18,768,440
Long Term Liabilities	<u>38,305,181</u>
Total Liabilities	\$57,073,621
Net Assets	\$11,557,053
Working Capital Position	(\$3,894,174)
Operating Revenues	\$54,943,769
Operating Expenses	<u>52,575,737</u>
Operating Net Income	\$2,368,032

CON#132113  
BFA Attachment B

Sephardic Home For The Aged

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Current Assets	\$39,184,722	\$39,400,422	\$38,529,803
Fixed Assets	10,893,754	11,003,227	12,024,314
Current Liabilities	6,362,779	6,328,227	7,233,313
Long Term Liabilities	0	0	0
Net Assets	\$43,715,697	\$44,075,422	\$43,320,804
Revenues	\$35,927,217	\$36,478,336	\$33,928,898
Expenses	36,286,942	35,723,718	36,018,264
Excess Revenues	(\$359,725)	\$754,618	(\$2,089,366)
Number of Beds	271	271	271
Occupancy	96.56%	96.57%	96.46%
Medicaid	75.40%	80.62%	81.96%
Medicare	12.90%	14.60%	15.11%
Private Pay	11.70%	4.78%	2.93%

CON#132113  
BFA Attachment C

**ASSETS**

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Cash	\$6,315,172
Goodwill	<u>6,000,000</u>
<b>TOTAL ASSETS</b>	<b>\$12,315,172</b>

**LIABILITIES**

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Bank Loan	\$5,400,000
Working Capital Loan	<u>400,000</u>
<b>TOTAL LIABILITIES</b>	<b>\$5,800,000</b>

<b>NET ASSETS</b>	<b>\$6,515,172</b>
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<b>SEPHARDIC SKILLED NURSING AND REHAB CENTER</b>	
<b>Balance Sheet as of June 30, 2013</b>	
<b>Assets</b>	
<b>Current Assets</b>	
	<b>June 30, 2013</b>
Cash & Investments	\$32,847,223
Accounts Receivable	5,553,809
Prepaid expenses and other receivables	167,026
Due from Sephardic Geriatric Foundation of New York, Inc.	621,185
<b>Total Current Assets</b>	<b>\$39,189,243</b>
<b>Other Assets</b>	
Fixed Assets - net	10,460,445
<b>Total Other Assets</b>	<b>\$10,460,445</b>
<b>Total Assets</b>	<b>\$49,649,688</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
	<b>June 30, 2013</b>
Accrued payroll, benefits and payroll taxes	\$1,388,778
Accounts payable and accrued expenses	3,626,131
Due to third parties	909,240
Resident safekeeping funds	566,894
<b>Total Liabilities</b>	<b>\$6,491,043</b>
<b>Net Assets</b>	
Unrestricted	
Operating	\$17,753,171
Board designated	\$22,822,577
<b>Total unrestricted net assets</b>	<b>\$40,575,748</b>
Temporarily restricted	\$1,002,354
Permanently restricted	1,580,543
<b>Total Net Assets</b>	<b>\$43,158,645</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$49,649,688</b>

<b>SEPHARDIC SKILLED NURSING AND REHAB CENTER</b>		
<b>STATEMENT OF REVENUE AND EXPENSES</b>		
<b>FOR THE SIX MONTHS ENDED JUNE 30, 2013</b>		
		<b>JAN-JUNE ACTUAL</b>
<b>OPERATING REVENUE</b>		
Medicaid		9,996,162
Medicare-Part A		4,305,216
ISNP/Healthfirst		518,624
Medicare- Part B		158,841
Private		687,140
Insurance/HMO		1,081,575
Subtotal Inpatient Revenue		16,747,558
Adult Day Care		923,953
Other Revenue		41,983
<b>TOTAL OPERATING REVENUE</b>		<b>17,713,494</b>
<b>OPERATING EXPENSES</b>		
Salaries and Wages		7,845,814
Fringe Benefits		3,796,593
Supplies and Expenses		1,989,553
Fees (Professional, Agencies, Physicians, etc)		3,464,752
Enhanced Programs (Medical, Auxiliary Aides, Alzheimers, Rabbi)		485,323
Capital Expenses		306,690
<b>TOTAL OPERATING EXPENSES</b>		<b>17,888,725</b>
Operating Surplus (or Deficit)		(175,231)
Investment Income		80,083
<b>Net Surplus (or Deficit)</b>		<b>(95,148)</b>

CON#132113  
BFA Attachment E

### Hamilton Park Nursing and Rehabilitation Center

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Current Assets	\$3,838,755	\$4,073,856	\$5,114,681
Fixed Assets	4,530,022	3,103,461	1,665,338
Current Liabilities	5,477,034	5,415,218	6,673,904
Long Term Liabilities	373,618	13,831	22,676
Net Assets	\$2,518,125	\$1,748,268	\$83,439
Revenues	\$21,775,103	\$19,746,534	\$33,177,951
Expenses	20,855,245	18,081,705	32,671,129
Excess Revenues	\$919,858	\$1,664,829	\$506,822
Number of Beds	150	150	150
Occupancy	97.00%	95.25%	96.98%
Medicaid	72.00%	71.39%	75.84%
Medicare	18.00%	21.90%	14.23%
Private Pay	10.00%	6.72%	9.93%

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

**November 21, 2013**

**ATTACHMENT**

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

**Exhibit # 11**

<u>Number</u>	<u>Applicant/Facility</u>
1. 132048 E	HCS Certified Home Care New York, Inc. d/b/a Girling Health Care of New York (Kings County)

**GIRLING HEALTH CARE OF NEW YORK, INC.**

**BALANCE SHEET**  
As of December 31, 2012

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<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Accounts receivable, net	\$ 3,761,734
Prepaid income taxes	<u>469,382</u>
Total Current Assets	4,231,116
Due from Affiliate	330,654
Property and Equipment, net	66,509
Intangible Assets, net	2,052,809
Deferred income taxes	4,689,631
Other - Deposits	<u>22,244</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 11,392,763</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
<b>CURRENT LIABILITIES</b>	
Cash overdraft	\$ 23,373
Accounts payable and accrued expenses	3,163,802
Due to third-party payers	5,318,337
Deferred tax liability - current	444,301
Deferred revenue	962
Total Current Liabilities	<u>8,950,775</u>
Total Liabilities	<u>8,950,775</u>
<b>STOCKHOLDER'S EQUITY</b>	
Common stock	-
Retained earnings	<u>2,441,988</u>
Total Stockholder's Equity	<u>2,441,988</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>\$ 11,392,763</u></b>

**GIRLING HEALTH CARE OF NEW YORK, INC.**

**STATEMENT OF INCOME AND RETAINED EARNINGS**  
For the Year Ended December 31, 2012

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<b>NET PATIENT SERVICE REVENUE</b>	<b>\$ 25,159,810</b>
<b>EXPENSES</b>	
Contracted services	10,864,096
Salaries and related benefits	6,212,704
Management fees	4,772,580
Supplies and other	1,060,783
Professional services	250,960
Bad debt	249,857
Depreciation	20,305
Total Expenses	<u>23,431,285</u>
Income from Operations	<u>1,728,525</u>
<b>OTHER (EXPENSE) INCOME</b>	
Other expense	(46,734)
Interest expense	(269,121)
Interest income	21
Net Other Expense	<u>(315,834)</u>
Income before Provision for Income Taxes	1,412,691
Provision for Income Taxes	<u>781,226</u>
<b>NET INCOME</b>	<b>631,465</b>
RETAINED EARNINGS, Beginning of Year, as restated	<u>1,810,523</u>
<b>RETAINED EARNINGS, END OF YEAR</b>	<b>\$ 2,441,988</b>

**GIRLING HEALTH CARE OF NEW YORK, INC.**  
**BALANCE SHEETS**  
**December 31, 2011 and 2010**

ASSETS	<u>2011</u>	<u>2010</u>
<b>CURRENT ASSETS</b>		
Accounts receivable	\$ 6,500,203	\$ 12,224,533
Prepaid income taxes	1,850,454	-
Deferred income taxes	<u>403,482</u>	<u>508,323</u>
<b>Total Current Assets</b>	8,754,139	12,732,856
DUE FROM AFFILIATE	17,664,750	13,262,851
FURNITURE, EQUIPMENT AND IMPROVEMENTS	62,894	80,919
<b>OTHER</b>		
Deposits	<u>65,968</u>	<u>65,968</u>
<b>Total Assets</b>	<u>\$ 26,547,751</u>	<u>\$ 26,142,594</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Cash overdraft	\$ 730,134	\$ 1,430,934
Accounts payable	940,745	2,538,681
Income tax payable	-	1,182,194
Accrued expenses	3,280,692	4,608,407
Note payable - Other	1,250,000	-
Due to third-party payers	10,632,528	5,764,897
Deferred revenue	<u>258,187</u>	<u>461,690</u>
<b>Total Current Liabilities</b>	17,092,286	15,986,803
DEFERRED INCOME TAXES	<u>1,744,812</u>	<u>1,324,956</u>
<b>Total Liabilities</b>	<u>18,837,098</u>	<u>17,311,759</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock	-	-
Retained earnings	<u>7,710,653</u>	<u>8,830,835</u>
<b>Total Stockholders' Equity</b>	<u>7,710,653</u>	<u>8,830,835</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 26,547,751</u>	<u>\$ 26,142,594</u>

**GIRLING HEALTH CARE OF NEW YORK, INC.**  
**STATEMENTS OF INCOME AND RETAINED EARNINGS**  
**Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
NET PATIENT SERVICE REVENUE	\$ 52,951,976	\$ 73,014,933
EXPENSES		
Contract services	30,959,613	38,454,390
Salaries and benefits	13,968,748	19,468,181
Supplies and other	8,189,146	8,418,393
Provision for uncollectible accounts	1,244,301	1,987,754
Professional services	496,305	645,063
Depreciation	24,644	32,254
	<u>54,882,757</u>	<u>69,006,035</u>
Income (Loss) from Operations	<u>(1,930,781)</u>	<u>4,008,898</u>
OTHER INCOME (EXPENSE)		
Franchise tax	(46,304)	(57,886)
Interest expense	-	(7,354)
Interest income	527	199
	<u>(45,777)</u>	<u>(65,041)</u>
INCOME BEFORE PROVISION FOR INCOME TAXES	(1,976,558)	3,943,857
PROVISION FOR INCOME TAXES	<u>(856,376)</u>	<u>1,726,666</u>
Net Income (Loss)	(1,120,182)	2,217,191
RETAINED EARNINGS, Beginning	<u>8,830,835</u>	<u>6,513,644</u>
RETAINED EARNINGS, Ending	<u>\$ 7,710,653</u>	<u>\$ 8,830,835</u>

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09/20/13  
Accrual Basis

**HCS Certified Home Care  
Balance Sheet  
As of June 30, 2013**

	<u>Jun 30, 13</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1005 · Chase Operating - Harden	-15,830.71
1000 · JP Morgan Chase-Operating #7605	598,270.67
1020 · JP Morgan Chase-Payroll #8868	-5,027.55
<b>Total Checking/Savings</b>	<u>577,612.41</u>
<b>Accounts Receivable</b>	
1100 · Accounts Receivable	
1109 · A/R - Self/Priv. Pay Girling DB	8,862.38
1113 · A/R Commercial Girling DB	284,410.00
1112 · A/R Medicare Girling DB	582,112.86
1111 · A/R Medicaid Girling DB	1,586,847.11
1102 · Accounts Receivable - MCARE HDN	545,228.93
1108 · Accounts Receivable - Priv. HDN	-11,465.10
1103 · A/R - Commercial HDN	362,873.82
1101 · Accounts Receivable - MCAID HDN	3,276,184.66
1100 · Accounts Receivable - Other	26,758.59
<b>Total 1100 · Accounts Receivable</b>	<u>6,661,793.25</u>
<b>Total Accounts Receivable</b>	6,661,793.25
<b>Other Current Assets</b>	
1330 · Deferred Tax Asset - Current	199,311.00
1910 · Due from HCS LHCSA	5,300.00
Escrow Account/Harden	1,000,000.00
1900 · Due from Related Party	-16,933.00
1120 · Prepaid Expenses	-1,500.00
1200 · Employee Advances	500.00
1115 · Allowance for Doubtful Accounts	-717,907.00
<b>Total Other Current Assets</b>	<u>468,771.00</u>
<b>Total Current Assets</b>	7,708,176.66
<b>Fixed Assets</b>	
1590 · Accumulated Depreciation	-137,259.62
1505 · Office Equipment	203,769.24
<b>Total Fixed Assets</b>	<u>66,509.62</u>
<b>Other Assets</b>	
1335 · Deferred Tax Asset - Non Curren	3,743,460.00
1425 · Accum Amourtiziation - Cstmr Rel	-2,293,222.00
1430 · Certifications and Licenses	174,730.00
1420 · Customer Relationships	2,293,222.00
1410 · Trade Names	1,877,879.00
1310 · Security Deposit	22,244.44
1300 · Loans Receivable	5,000.00
<b>Total Other Assets</b>	<u>5,823,313.44</u>
<b>TOTAL ASSETS</b>	<u><u>13,597,999.72</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 · Accounts Payable - Trade	3,256,287.84
<b>Total Accounts Payable</b>	<u>3,256,287.84</u>
<b>Credit Cards</b>	
1 · Chase Corp Card	61,883.49
<b>Total Credit Cards</b>	<u>61,883.49</u>

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 Accrual Basis

**HCS Certified Home Care  
 Balance Sheet  
 As of June 30, 2013**

	<u>Jun 30, 13</u>
<b>Other Current Liabilities</b>	
2165 · Accrued Expenses - Other	1,678,585.00
2135 · Unclaimed Property	3,570.37
2050 · Accounts Payable - Other	1,953,797.00
2500 · Deferred Revenue	
2502 · Deferred Revenue - Medicare	9,219.51
2501 · Deferred Revenue - Medicaid	101,968.95
<b>Total 2500 · Deferred Revenue</b>	<u>111,188.46</u>
2410 · Accrued Salaries Payable	145,358.63
2200 · Due to HCS Certified Home Care	1,114,557.60
2900 · Due to Related Party	
2902 · Intra company transactions	14,900,665.59
2901 · Intercompany Transactions	-16,520,416.69
<b>Total 2900 · Due to Related Party</b>	<u>-1,619,751.10</u>
2450 · Payroll Taxes Payable	86,857.57
2400 · Payroll Liability	
2430 · Accrued Vacation Payable	28,673.45
2420 · Unclaimed Wages Payable	1,096.76
<b>Total 2400 · Payroll Liability</b>	<u>29,770.21</u>
2100 · Loans Payable	5,939.00
<b>Total Other Current Liabilities</b>	<u>3,509,872.74</u>
<b>Total Current Liabilities</b>	6,828,044.07
<b>Long Term Liabilities</b>	
2125 · Other Payable	4,675,382.31
<b>Total Long Term Liabilities</b>	<u>4,675,382.31</u>
<b>Total Liabilities</b>	11,503,426.38
<b>Equity</b>	
8000 · Partner's Equity	
8300 · Simon Shemia Draw	-48,427.16
8200 · Agnes Shemia Draw	-200,000.00
8100 · Jeffrey Shemia Draw	-346,218.00
<b>Total 8000 · Partner's Equity</b>	<u>-594,645.16</u>
32000 · *Retained Earnings	-1,556,450.42
3200 · Retained Earnings	1,234,638.01
3010 · Capital Stock	1,000,000.00
Net Income	2,011,030.91
<b>Total Equity</b>	<u>2,094,573.34</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>13,597,999.72</u></u>

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Accrual Basis

**HCS Certified Home Care  
Profit & Loss  
January through June 2013**

	Jan - Jun 13
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
4400 - Other Contractual	69,619.59
4250 - Private Pay	9,110.38
4200 - Private Insurance	344,403.25
4100 - Medicaid	6,728,603.56
4000 - Medicare	1,633,504.09
<b>Total Income</b>	<b>8,785,240.87</b>
<b>Gross Profit</b>	<b>8,785,240.87</b>
<b>Expense</b>	
6920 - Payroll Processing Char	3,554.88
7300 - Medical Supplies Expense	21,871.29
66000 - Payroll Expenses	
66005 - Payroll Service Fee	392.42
<b>Total 66000 - Payroll Expenses</b>	<b>392.42</b>
7400 - IT Expenses	
7450 - IT Services and Consulting	9,340.00
7430 - Software Expense	96,507.69
7420 - Software License Expense	8,291.53
7410 - Equipment Expense	8,094.13
7400 - IT Expenses - Other	1,807.33
<b>Total 7400 - IT Expenses</b>	<b>124,040.68</b>
6046 - HHA VENDOR EXPENSE	4,658,614.55
6930 - Bank Charges	29.05
6870 - Permits & Regulations	250.00
6860 - Professional Fees	
6864 - Other	1,700.00
6863 - Consulting	92,175.10
6862 - Legal	10,290.00
6861 - Accounting	50,232.00
6860 - Professional Fees - Other	7,427.45
<b>Total 6860 - Professional Fees</b>	<b>161,824.55</b>
6500 - Charity	1,800.00
6790 - Taxes	
6793 - State Taxes	3,000.00
6791 - City Taxes	100,025.00
<b>Total 6790 - Taxes</b>	<b>103,025.00</b>
6780 - Employee Relations	4,455.51
6770 - Employee Recruitment	114,374.00
6760 - Office Supplies and Printing	40,130.66
6750 - Travel & Entertainment	115,576.08
6740 - Rent	83,400.22
6730 - Equipment Rental	5,588.55
6720 - Postage	8,452.22
6710 - Advertising	1,000.00
6660 - Communications	1,421.36
6650 - Answering Service	2,245.88
6640 - Telephone	1,929.67
6590 - Insurance	
6630 - Medical Insurance	59,383.68
6615 - Insurance Costs	795.80
6610 - Risk Managment/WC - Insurance	12,934.25
6590 - Insurance - Other	4,319.31
<b>Total 6590 - Insurance</b>	<b>77,433.04</b>
6680 - Utility Costs	11,777.84
6570 - Repairs & Maintenance	20,502.92

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Accrual Basis

**HCS Certified Home Care  
Profit & Loss  
January through June 2013**

	Jan - Jun 13
6160 · Payroll Taxes	
6161 · FICA	196,058.93
6162 · FUTA	4,831.32
6163 · MTA Tax	8,957.15
6164 · Unemployment Tax	37,277.12
<b>Total 6160 · Payroll Taxes</b>	<b>246,924.52</b>
6110 · Bonus - Performance Based	4,200.00
8060 · Contract Services	
6051 · SKILLED SERVICES VENDOR	21,700.00
<b>Total 8060 · Contract Services</b>	<b>21,700.00</b>
6000 · Salary	2,799,844.54
<b>Total Expense</b>	<b>8,636,459.43</b>
<b>Net Ordinary Income</b>	<b>148,781.44</b>
<b>Other Income/Expense</b>	
Other Expense	
7200 · Tax Expense	25.00
<b>Total Other Expense</b>	<b>25.00</b>
<b>Net Other Income</b>	<b>-25.00</b>
<b>Net Income</b>	<b>148,756.44</b>

**HCS CERTIFIED HOME CARE NY, INC.**  
**DOING BUSINESS AS**  
**GIRLING HEALTH CARE OF NEW YORK**

**CHHA**

**PRO FORMA BALANCE SHEET**

**ASSETS**

Working Capital	\$2,255,792
Good Will	\$2,100,000
<b>TOTAL ASSETS</b>	<b><u><u>\$4,355,792</u></u></b>

**LIABILITIES AND SHAREHOLDER EQUITY**

**LIABILITIES**

Working Capital Loan	\$0
<b>TOTAL LIABILITIES</b>	<b><u><u>\$0</u></u></b>

<b>SHAREHOLDER EQUITY</b>	<b><u><u>\$4,355,792</u></u></b>
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<b>TOTAL LIABILITIES AND SHAREHOLDER EQUITY</b>	<b><u><u>\$4,355,792</u></u></b>
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