

STATE OF NEW YORK
PUBLIC HEALTH AND HEALTH PLANNING COUNCIL

COMMITTEE DAY

AGENDA

March 27, 2014
10:00 a.m.

Empire State Plaza
Concourse Level, Meeting Room 6
Albany

I. COMMITTEE ON PUBLIC HEALTH

Jo Ivey Boufford, M.D., Chair

II. COMMITTEE ON CODES, REGULATIONS AND LEGISLATION

Angel Gutiérrez, M.D., Chair

Exhibit # 1

For Emergency Adoption

3-08 Amendment of Subpart 7-2 of Title 10 NYCRR (Children's Camps)

For Information

10-15 Amendment of Section 400.18 of Title 10 NYCRR (Statewide Planning and Research Cooperative System (SPARCS))

For Discussion

Repeal of Part 407 and Amendment to Section 405.1 of Title 10 NYCRR (Critical Access Hospitals)

III. COMMITTEE ON ESTABLISHMENT AND PROJECT REVIEW

Michael S. Fassler, EPRC Member

A. Applications for Construction of Health Care Facilities

Acute Care Services - Construction

Exhibit # 2

<u>Number</u>	<u>Applicant/Facility</u>
1. 132313 C	Women and Children's Hospital of Buffalo (Erie County)

2. 141092 C Westchester Medical Center
(Dutchess County)

Ambulatory Surgery Centers - Construction

Exhibit # 3

<u>Number</u>	<u>Applicant/Facility</u>
1. 132362 C	New York Presbyterian Hospital Weill Cornell Medical Center (New York County)

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

Acute Care Services – Establish/Construct

Exhibit # 4

<u>Number</u>	<u>Applicant/Facility</u>
1. 132370 E	NYP Community Services, Inc. (Westchester County)
2. 141018 E	RU System (Monroe County)

Ambulatory Surgery Centers - Establish/Construct

Exhibit # 5

<u>Number</u>	<u>Applicant/Facility</u>
1. 131347 B	Southtowns Ambulatory Surgery Center, LLC (Erie County)
2. 132281 B	Northern GI Endoscopy Center (Warren County)
3. 132346 B	Northway SPC, LLC d/b/a The Northway Surgery and Pain Center (Saratoga County)

Diagnostic and Treatment Centers - Establish/Construct

Exhibit # 6

<u>Number</u>	<u>Applicant/Facility</u>
1. 132132 B	NewRad51, Inc. (New York County)
2. 132252 B	Cornerstone Urgent Care Center (Monroe County)

3. 132345 E Castle Hill Medical Center of New York Inc.
(Bronx County)
To Be Distributed Under Separate Cover

Dialysis Services- Establish/Construct

Exhibit # 7

- | <u>Number</u> | <u>Applicant/Facility</u> |
|---------------|--|
| 1. 132191 B | HPLD Partners, LLC d/b/a Liberty Dialysis – Hyde Park
(Dutchess County) |
| 2. 141001 B | Genesis Services LLC d/b/a Genesis Renal Care
(Queens County) |

Residential Health Care Facilities - Establish/Construct

Exhibit # 8

- | <u>Number</u> | <u>Applicant/Facility</u> |
|---------------|---|
| 1. 132135 E | Jewish Senior Life
(Monroe County) |
| 2. 132226 E | ORNC, LLC d/b/a Chestnut Park Rehabilitation and Nursing Center
(Otsego County) |
| 3. 132227 E | RRNC, LLC d/b/a Colonial Park Rehabilitation and Nursing Center
(Oneida County) |
| 4. 132228 E | CRNC, LLC d/b/a Cortland Park Rehabilitation and Nursing Center
(Cortland County) |
| 5. 132229 E | HRNC, LLC d/b/a Highland Park Rehabilitation and Nursing Center
(Allegany County) |
| 6. 132231 E | JBRNC, LLC d/b/a Hudson Park Rehabilitation and Nursing Center
(Albany County) |
| 7. 132260 E | RSRNC, LLC d/b/a Riverside Center for Rehabilitation and Nursing
(Rensselaer County) |
| 8. 132261 E | CSRNC, LLC d/b/a Capstone Center for Rehabilitation and Nursing
(Montgomery County) |

- 9. 132316 E Hendon Garden Center LLC d/b/a Hendon Garden Nursing and Rehabilitation Center (Queens County)
To Be Distributed Under Separate Cover
- 10. 132334 B NCRNC, LLC d/b/a Northeast Center for Rehabilitation and Brain Injury (Ulster County)

Certified Home Health Agencies – Establish/Construct

Exhibit # 9

- | <u>Number</u> | <u>Applicant/Facility</u> |
|---------------|--|
| 1. 132193 E | Visiting Nurse Association of Western New York, Inc. (Livingston County) |
| 2. 132236 E | Visiting Nurse Association of Long Island, Inc. (Nassau County)
To Be Distributed Under Separate Cover |
| 3. 141100 E | Westchester Medical Center (Dutchess County) |

C. Certificates

Certificate of Incorporation

Exhibit # 10

Applicant

- 1. Hope for Haven, Inc.

D. Home Health Agency Licensures

Home Health Agency Licensures

Exhibit # 11

- | <u>Number</u> | <u>Applicant/Facility</u> |
|---------------|--|
| 2144 L | A Caring Hand Services, Inc. (Bronx, Kings, New York, Queens, Richmond and Westchester Counties) |

- 2129 L Ameristar Homecare Services, LLC
(Bronx, Kings, New York, Queens and Richmond
Counties)
- 2119 L Caring Hearts Home Care Services, LLC
(Bronx, Kings, New York and Queens Counties)
- 2146 L Nightingale Home Care Network, Inc.
(Bronx, Kings, Nassau, New York, Queens and
Richmond Counties)
- 2397 L Otsego County d/b/a Otsego Manor Licensed Home
Care Service Agency
(Otsego County)
- 2142 L Privatus Care Solutions, Inc.
(Bronx, Kings, New York, Queens, Richmond and
Westchester Counties)
- 2137 L RBRC of Albany, LLC d/b/a Visiting Angels
(Albany, Columbia, Greene, Montgomery, Rensselaer,
Saratoga, Schenectady and Schoharie Counties)
- 2165 L Caring Touch of NY, LLC
(Bronx, Kings, Nassau, New York, Queens, and
Richmond Counties)
- 2325 L Advanced Care Inc.
(Nassau County)

KALEIDA HEALTH
Consolidated Balance Sheets
December 31, 2012 and 2011
(Dollars in thousands)

Assets	2012	2011
Current assets:		
Cash and cash equivalents	\$ 54,877	41,267
Investments	128,906	139,260
Accounts receivable:		
Patient, less estimated allowance for doubtful accounts of \$32,228 in 2012 and \$32,161 in 2011	147,593	152,348
Other	24,183	10,030
Inventories	20,492	20,563
Prepaid expenses and other current assets	11,298	11,752
Total current assets	387,349	375,220
Assets limited as to use		
Designated under debt agreements	41,989	42,476
Designated under self-insurance programs	129,189	123,920
Board designated and donor restricted	95,090	85,974
Other	2,005	1,187
	268,273	253,557
Property and equipment, less accumulated depreciation and amortization	502,735	477,556
Receivable for insurance recoveries	8,908	9,078
Grants receivable	3,400	19,307
Deferred financing costs, net	11,139	12,209
Other	13,749	7,186
Total assets	\$ 1,195,553	1,154,113

Liabilities and Net Assets	2012	2011
Current liabilities:		
Accounts payable and other accrued expenses	\$ 72,121	95,273
Accrued payroll and related expenses	56,837	54,888
Line of credit	—	10,000
Estimated third-party payor settlements	7,854	23,288
Current portion of long-term debt	22,437	18,223
Other current liabilities	5,668	9,122
Total current liabilities	<u>164,917</u>	<u>210,794</u>
Long-term debt, less current portion	311,609	276,245
Construction costs payable	951	13,290
Estimated self-insurance reserves	180,896	168,328
Asset retirement obligations	13,621	13,030
Pension and postretirement obligations	267,936	264,767
Other long-term liabilities	8,414	13,235
Total liabilities	<u>783,427</u>	<u>748,895</u>
Total liabilities	<u>948,344</u>	<u>959,689</u>
Commitments		
Net assets:		
Unrestricted:		
Available for operations	419,265	354,770
Provision for future benefit costs	(262,592)	(263,414)
Total unrestricted	<u>156,673</u>	<u>91,356</u>
Temporarily restricted	75,136	87,668
Permanently restricted	15,400	15,400
Total net assets	<u>247,209</u>	<u>194,424</u>
Total liabilities and net assets	<u>\$ 1,195,553</u>	<u>1,154,113</u>

KALEIDA HEALTH

Consolidated Statements of Operations and Changes in Net Assets

Years ended December 31, 2012 and 2011

(Dollars in thousands)

	<u>2012</u>	<u>2011</u>
Operating revenue:		
Patient service revenue, net of contractual allowances and discounts	\$ 1,201,731	1,178,419
Less: Provision for bad debts	<u>22,270</u>	<u>18,739</u>
Net patient service revenue	1,179,461	1,159,680
Other operating revenue	36,355	18,944
Net assets released from restrictions for operations	<u>6,162</u>	<u>5,747</u>
Total operating revenue	<u>1,221,978</u>	<u>1,184,371</u>
Operating expenses:		
Salaries and benefits	695,294	689,218
Purchased services and other	217,150	223,007
Medical and nonmedical supplies	209,257	222,993
Depreciation and amortization	69,093	58,664
Interest	<u>15,574</u>	<u>10,551</u>
Total operating expenses	<u>1,206,368</u>	<u>1,204,433</u>
Income (loss) from operations	<u>15,610</u>	<u>(20,062)</u>
Other income (losses):		
Investment income	15,481	1,707
Net realized gains on sales of investments	4,175	12,469
Net change in unrealized gains and losses on investments	7,580	(13,629)
Restructuring charges, loss on impairment and disposal of assets	<u>—</u>	<u>(7,453)</u>
Total other income (losses), net	<u>27,236</u>	<u>(6,906)</u>
Excess (deficiency) of revenue over expenses	<u>\$ 42,846</u>	<u>(26,968)</u>

The Women and Children's Hospital of Buffalo Foundation

Consolidated Balance Sheet

December 31, 2012

	Consolidated 12/31/2012	Consolidated 12/31/2011
ASSETS		
Current Assets:		
Cash	\$ 1,409,896	\$ 1,673,476
Investments	49,096,654	45,964,024
Prepaid Expenses	100,463	70,922
Due from Affiliates	277,232	-
Other	463,078	21,176
Total current assets	51,347,323	47,729,598
Donor Restricted and Board Designated Assets:		
Cash	7,885,604	6,572,881
Investments	14,145,018	13,191,418
	22,030,622	19,764,299
Property, Plant & Equipment, Net	498	1,096
Note Receivable Affiliate	5,000,000	-
Pledges receivable, net	699,627	918,492
TOTAL ASSETS	\$ 79,078,070	\$ 68,413,485

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts Payable & Accrued Expenses	\$ 176,620	\$ 158,567
Due to Affiliates	-	156,796
Total current liabilities	176,620	315,363
Net Assets:		
Unrestricted	61,321,423	52,680,636
Temporarily Restricted	14,379,289	12,216,748
Permanently Restricted	3,200,738	3,200,738
Total Net Assets	78,901,450	68,098,122
TOTAL LIABILITIES & NET ASSETS	\$ 79,078,070	\$ 68,413,485

The Women and Children's Hospital of Buffalo Foundation

Consolidated Statement of Operations

For The Year Ended December 31, 2012

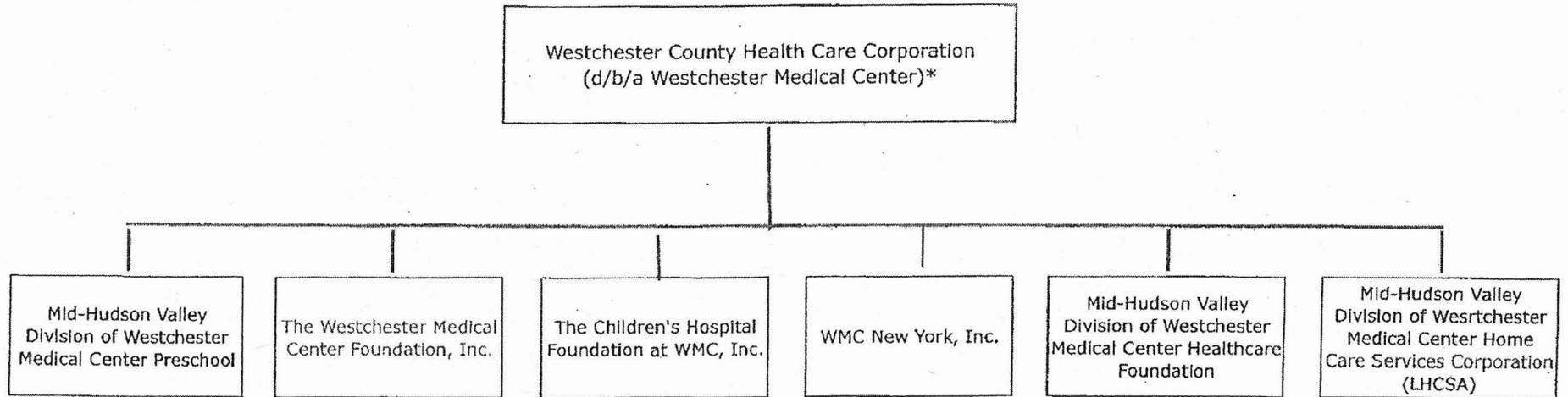
	2012			12/31/2011
	ACTUAL	BUDGET	VARIANCE	
Revenue				
Unrestricted Contributions	\$ 4,269,138	\$ 2,000,000	\$ 2,269,138	\$ 2,016,217
Other Operating Revenue	-	-	-	-
Total Support Revenue and Gains	4,269,138	2,000,000	2,269,138	2,016,217
Net Assets Released From Restrictions	1,991,730	-	1,991,730	1,224,054
Total Operating Revenue	6,260,868	2,000,000	4,260,868	3,240,271
Expenses				
Salaries and Wages	451,451	451,088	(363)	495,574
Employee Benefits	148,511	153,430	4,919	178,063
Purchased Services	377,307	228,268	(149,039)	250,930
Non Medical Supplies	8,830	8,800	(30)	8,213
Other Expenses	385,573	376,137	(9,436)	344,407
Utilities	8,126	5,100	(3,026)	-
Depreciation	598	598	-	3,508
Total Operating Expenses	1,380,396	1,223,421	(156,975)	1,280,695
Net Assets Released From Restrictions	1,991,730	-	(1,991,730)	1,224,054
Total Expenses	3,372,126	1,223,421	(2,148,705)	2,504,749
Net Operating Gain (Loss)	\$ 2,888,742	\$ 776,579	\$ 2,112,163	\$ 735,522
Investment Income				
Interest & Dividend Income	2,897,357	782,792	2,114,565	735,150
Net Realized Gains (Losses)	1,310,210	-	1,310,210	2,906,778
Net Unrealized Gains (Losses)	2,197,365	-	2,197,365	(3,321,474)
Non Operating Gains (Losses)	6,404,932	782,792	5,622,140	320,454
Transfers to Affiliates for Donated Capital	(652,887)	-	(652,887)	(267,950)
Net Surplus (Deficit)	\$ 8,640,787	\$ 1,559,371	\$ 7,081,416	\$ 788,026

Project 132313
Attachment C

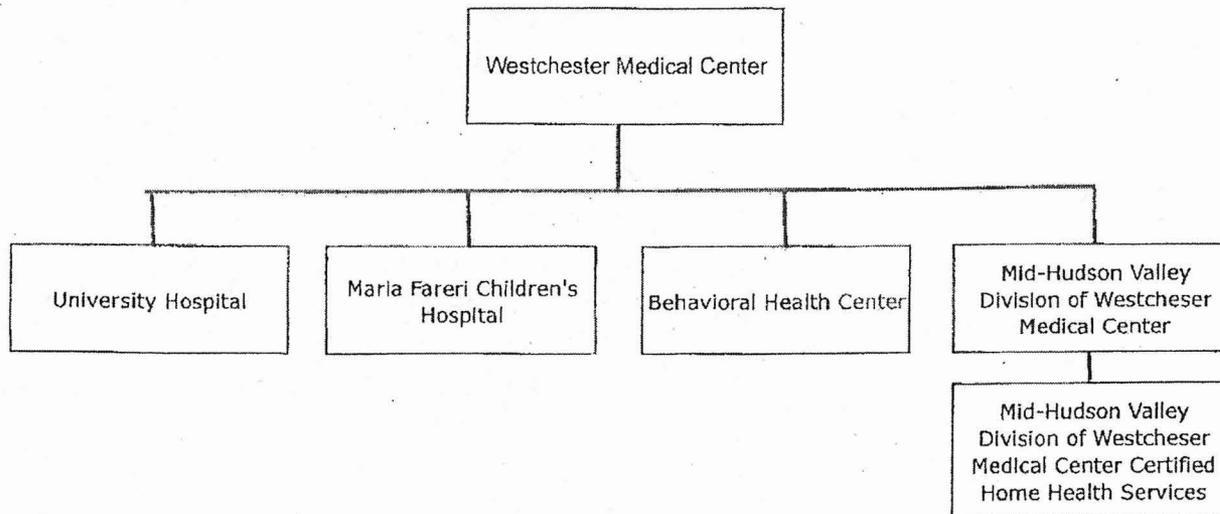
Women and Children's Hospital of Buffalo

	Total Expense	Discharges	Average Cost Per <u>Dicharges</u>
<u>Inpatient</u>			
Operating Expenses - Current			
Operating	\$698,269,727	62,376	\$11,194.53
Capital	<u>\$60,849,943</u>	62,376	<u>\$975.53</u>
Total	\$759,119,670		\$12,170.06
First Year Budgets			
Operating	\$6,100,139	65,017	\$93.82
Capital	<u>\$14,714,295</u>	65,017	<u>\$226.31</u>
Total	\$20,814,434		\$320.14
Third Year Budgets			
Operating	\$538,520	64,320	\$8.37
Capital	<u>\$14,084,549</u>	64,320	<u>\$218.98</u>
Total	\$14,623,069		\$227.35
<u>Outpatient</u>			
Operating Expenses - Current			
Operating	\$427,002,273	785,515	\$543.60
Capital	<u>\$37,050,057</u>	785,515	<u>\$47.17</u>
Total	\$464,052,330		\$590.76
Operating Expenses - First Year			
Operating	\$2,600,833	787,409	\$3.30
Capital	<u>\$6,273,533</u>	787,409	<u>\$7.97</u>
Total	\$8,874,366		\$11.27
Operating Expenses - Third Year			
Operating	\$237,289	786,514	\$0.30
Capital	<u>\$6,206,094</u>	786,514	<u>\$7.89</u>
Total	\$6,443,383		\$8.19

Organizational Chart
After Change in Ownership



*Westchester County Health Care Corporation (d/b/a Westchester Medical Center) will be comprised of the following divisions upon the acquisition of SFH: University Hospital, Maria Fareri Children's Hospital, Behavioral Health Center and the Mid-Hudson Valley Division of Westchester Medical Center. The CHHA will be a hospital department of the Mid-Hudson Valley Division of Westchester Medical Center. The organizational chart of the divisions is as follows:



Westchester County Health Care Corporation
Statements of Net Position
December 31, 2013 and 2012

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	2013	2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 204,420,734	\$ 190,851,694
Patient accounts receivable, net	127,674,680	115,519,295
Investments	593,329	591,532
Assets restricted as to use, required for current liabilities	24,090,325	23,681,335
Other current assets	33,972,120	28,555,365
Total current assets	390,751,188	359,199,221
Assets restricted as to use, net	158,294,119	160,247,807
Capital assets, net	318,117,153	304,807,732
Other assets, net	5,444,633	20,560,506
Total assets	872,607,093	844,815,266
Liabilities		
Current liabilities:		
Current portion of long-term debt	18,650,555	15,909,310
Accounts payable and accrued expenses	76,469,754	74,759,978
Accrued salaries and related withholdings	70,034,344	61,357,771
Current portion of estimated liability to third-party payors	7,265,154	7,321,740
Current portion of post retirement health insurance liability	12,164,000	11,614,000
Current portion of estimated self-insurance liability	26,550,000	26,990,000
Current portion of other liabilities	7,069,114	5,515,236
Total current liabilities	218,202,921	203,468,035
Long-term debt, net	435,395,581	441,751,530
Estimated liability to third-party payors, net	47,751,236	27,025,109
Estimated post retirement health insurance liability, net	61,555,000	59,899,000
Estimated self-insurance liability, net	90,046,615	89,394,951
Other liabilities, net	34,078,235	28,618,068
Total liabilities	887,029,588	850,156,693
Commitments and contingencies		
Net Position		
Restricted		
Expendable for capital acquisitions	2,717,305	1,758,330
Expendable for specific operating activities	5,665,000	5,347,770
Total restricted	8,382,305	7,106,100
Unrestricted		
Invested in capital assets, net of related debt	4,732,192	11,355,821
Unrestricted	(27,536,992)	(23,803,348)
Total unrestricted	(22,804,800)	(12,447,527)
Total net position	\$ (14,422,495)	\$ (5,341,427)

Westchester County Health Care Corporation
 Statements of Revenues, Expenses and Changes in Net Position
 Years Ended December 31, 2013 and 2012



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	2013	2012
Operating revenues		
Net patient service revenue (net of provision for bad debts of \$41,894,325 and \$47,570,755 in 2013 and 2012, respectively)	\$ 895,371,943	\$ 867,780,675
Other revenue	23,416,354	25,652,393
Total operating revenues	<u>918,788,297</u>	<u>893,433,068</u>
Operating expenses		
Salaries and benefits	473,770,961	488,827,468
Supplies and other expenses	361,063,299	326,173,658
Professional liability	13,714,339	15,029,291
Depreciation and amortization	44,105,277	44,521,147
Total operating expenses	<u>892,653,876</u>	<u>874,551,564</u>
Operating income	26,134,421	18,881,504
Nonoperating activities		
Interest income	3,756,526	4,788,206
Interest expense	<u>(23,621,278)</u>	<u>(23,443,422)</u>
Increase in net position	6,269,669	226,288
Net position		
Beginning of year	(20,692,164)	(5,567,715)
End of year	<u>\$ (14,422,495)</u>	<u>\$ (5,341,427)</u>

HASTINGS HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
For the years ended December 31, 2012 and 2011

ASSETS	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,027,126	\$ 9,566,432
Assets limited or restricted as to use	2,054,743	1,992,632
Investments	7,307,946	6,952,651
Patient accounts receivable, net allowance for doubtful accounts of approximately \$ _____ and \$7,700,000 in 2012 and 2011, respectively	17,193,285	19,690,505
Estimated third-party payor receivables	2,198,739	2,282,843
Other receivables, net	4,012,719	4,374,583
Inventory	2,570,703	2,463,767
Prepaid expenses and other assets	3,431,780	1,509,301
Assets held for sale	2,225,000	2,502,489
Total current assets	48,022,041	51,335,203
Assets limited or restricted as to use, net of current portion	12,354,717	14,005,548
Property, plant, and equipment, net	90,950,597	86,642,645
Estimated third-party payor receivables, net of current portion	1,527,795	849,000
Other assets, net	4,276,404	4,177,817
Total assets	<u>\$ 157,131,554</u>	<u>\$ 157,010,213</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt and capital lease obligations	\$ 6,103,463	\$ 3,498,305
Accounts payable and accrued expenses	21,378,004	21,019,301
Accrued salaries and related withholdings	7,231,737	7,329,866
Liabilities held for sale	2,198,873	2,419,482
Estimated third-party payor liabilities	2,729,523	2,035,474
Total current liabilities	39,641,600	36,302,428
Long-term debt and capital lease obligations, net of current portion	81,243,633	80,089,555
Estimated third-party payor liabilities, net of current portion	5,005,956	3,302,943
Other liabilities	7,063,993	6,049,594
Accrued postretirement benefits	2,454,699	2,002,932
Total liabilities	135,409,881	127,747,452
NET ASSETS		
Unrestricted	15,936,834	23,545,188
Non-controlling interest	-	100,735
Total unrestricted net assets	15,936,834	23,645,923
Temporarily restricted	4,868,137	4,549,941
Permanently restricted	916,702	1,066,897
Total net assets	21,721,673	29,262,761
Total liabilities and net assets	<u>\$ 157,131,554</u>	<u>\$ 157,010,213</u>

HASTINGS HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Consolidated Statements of Operation
For the years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
UNRESTRICTED REVENUES:		
Net patient service revenue	\$ 143,962,747	\$ 144,172,216
Less: Provision for bad debts	(15,987,240)	(11,058,224)
Net patient service revenue less provision for bad debts	127,975,507	133,113,992
Other revenue	21,527,308	20,608,310
Net assets released from restrictions for operations	79,137	116,414
Total revenues	<u>149,581,952</u>	<u>153,838,716</u>
EXPENSES		
Salaries	75,092,965	73,423,232
Fringe benefits	13,922,081	14,245,027
Supplies	24,789,607	23,688,380
Purchased services	13,134,256	14,057,222
Professional fees	6,240,045	4,812,032
Utilities	2,091,613	1,992,482
Insurance	2,461,446	2,220,053
Interest	6,885,583	7,007,249
Rent and other	4,617,308	4,559,494
Depreciation and amortization	9,492,730	6,839,745
Total expenses	<u>158,727,634</u>	<u>152,844,916</u>
Income from operations	<u>(9,145,682)</u>	<u>993,800</u>
NONOPERATING ACTIVITIES		
Investment return, net	763,011	1,358,441
Other (losses) gains, net	-	(608,697)
Total gains from nonoperating activities, net	<u>763,011</u>	<u>749,744</u>
(Deficiency of) excess of revenues over expenses	(8,382,671)	1,743,544
Deficiency (excess of revenue) attributable to non-controlling interest	<u>155,525</u>	<u>(7,659)</u>
(Deficiency) excess of revenues over expenses attributable to the System	<u>(8,227,146)</u>	<u>1,735,885</u>
OTHER CHANGES IN UNRESTRICTED NET ASSETS		
Changes in net unrealized gains and losses on other-than-trading securities	(135,112)	(1,193,124)
Changes in non-controlling interest	(100,735)	7,659
Distributions to shareholders	-	(4,000)
Contributions of the purchase of property, plant, and equipment	144,777	45,622
Net assets released from restrictions for purchase of property, plant and equipment	1,040,130	2,436,474
Postretirement-related changes other than net periodic benefit cost	(431,003)	(229,448)
Increase in unrestricted net assets	<u>\$ (7,709,089)</u>	<u>\$ 2,799,068</u>

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**HASTINGS HEALTH SYSTEMS, INC.
AND SUBSIDIARIES**

Consolidated Balance Sheets

December 31, 2013 and December 31, 2012

Assets	12/31/2013	12/31/2012
Current assets:		
Cash and cash equivalents	\$ 6,743,633	7,027,126
Investments	-	7,307,946
Patient accounts receivable, net allowance for doubtful accounts of approximately \$19,480,000 and \$12,500,000	18,521,070	17,193,285
Estimated third-party payor receivables	1,089,722	2,198,739
Other receivables, net	4,450,981	4,012,719
Inventory	2,669,341	2,570,703
Prepaid expenses and other assets	4,548,952	3,431,780
Assets held for sale, net	-	2,225,000
Assets limited or restricted as to use, current portion	863,494	2,054,743
Total current assets	38,887,193	48,022,041
Property, plant, and equipment, net	88,874,245	90,950,597
Assets limited or restricted as to use, net of current portion	6,146,249	12,354,717
Estimated third-party payor receivables, net of current portion	247,000	4,276,404
Other assets, net	4,271,543	1,527,795
Total assets	\$ 138,426,230	157,131,554
Liabilities and Net Assets		
Liabilities not subject to compromise		
Debtor in possession financing obligations	\$ 1,769,521	-
Long-term debt and capital lease obligations	-	87,347,096
Accounts payable and accrued expenses	2,541,859	21,378,005
Accrued salaries and related withholdings	2,678,767	7,231,737
Liabilities held for sale	-	2,198,873
Estimated third-party payor liabilities	6,996,962	7,735,479
Other liabilities	-	7,063,993
Accrued postretirement benefits	-	2,454,699
Total liabilities not subject to compromise	13,987,109	135,409,882
Total liabilities subject to compromise	120,728,232	-
Total liabilities	134,715,341	135,409,882
Net assets:		
Unrestricted	(2,315,140)	15,936,834
Non-controlling interest	-	-
Total unrestricted net assets	(2,315,140)	15,936,834
Temporarily restricted	4,868,435	4,868,136
Permanently restricted	1,157,594	916,702
Total net assets	3,710,889	21,721,673
Total liabilities and net assets	\$ 138,426,230	157,131,554

 **DRAFT**

HASTINGS HEALTH SYSTEMS, INC.
AND SUBSIDIARIES
Consolidated Statements of Operations
Twelve months ended December 31, 2013 and 2012

	Twelve Months Ended	
	12/31/13	12/31/12
Unrestricted revenues and other support:		
Net patient service revenue	\$ 134,248,908	143,962,747
Provision for bad debts, net	(4,804,110)	(15,987,240)
Other revenue	21,250,856	21,527,304
Net assets released from restrictions for operations	171,577	79,137
Total revenues and other support	<u>150,867,231</u>	<u>149,581,948</u>
Expenses:		
Salaries	80,061,593	75,092,965
Fringe benefits	15,198,412	13,922,081
Supplies	24,724,720	25,130,483
Purchased services	13,869,493	12,793,376
Professional fees	10,765,107	6,240,045
Utilities	2,304,887	2,091,613
Insurance	2,756,639	2,461,446
Interest	7,253,733	6,885,583
Rent and other	4,811,828	4,617,308
Depreciation and amortization	8,077,026	9,492,730
Total expenses	<u>169,823,438</u>	<u>158,727,630</u>
(Loss)/ Income from operations	<u>(18,956,207)</u>	<u>(9,145,682)</u>
Nonoperating gains (losses), net	(133,990)	763,011
(Deficiency)/ Excess of revenues over expenses	(19,090,197)	(8,382,671)
Excess of revenue attributable to non-controlling interest	-	155,525
(Deficiency)/ Excess of revenues over expenses attributable to the System	(19,090,197)	(8,227,146)
Other changes in unrestricted net assets:		
Changes in net unrealized gains on other-than-trading securities	(638,770)	(135,112)
Changes in non-controlling interest	335,076	(100,735)
Net assets released from restrictions for purchase of property, plant and equipment	712,315	1,040,130
Net assets transferred	243,511	-
Postretirement related changes other than net periodic benefit cost	-	(451,003)
Contributions of the purchase of property, plant, and equipment	186,091	144,777
(Decrease)/ Increase in unrestricted net assets	<u>\$ (13,251,974)</u>	<u>(7,709,089)</u>

NEW YORK-PRESBYTERIAN HOSPITAL
Statement of Financial Position
As of November 30, 2013 and December 31, 2012

UNAUDITED

<u>Assets</u>	<u>November 30, 2013</u>	<u>Liabilities and net assets</u>	<u>November 30, 2013</u>
Current assets:		Current liabilities:	
Cash and cash equivalents	\$ 219,821	Long-term debt - current portion	\$ 108,432
Short-term investments	879,133	Accounts payable and accrued expenses	342,531
Total cash, cash equivalents & short-term investments	<u>1,098,954</u>	Accrued salaries and related liabilities	207,229
Patient accounts receivable, net	513,327	Pension and postretirement liabilities - current portion	11,384
Other current assets	72,631	Other current liabilities	108,077
Assets limited as to use - current portion	27,861	Professional liabilities - current portion	59,675
Beneficial interest in net assets held by related organizations - current portion	69,796	Due to related organizations	5,748
Professional liabilities insurance recoveries receivables - current portion	59,675		
Due from related organizations	-		
Total current assets	<u>1,842,244</u>	Total current liabilities	<u>843,076</u>
Assets whose use is limited:		Professional liabilities	330,198
Under debt agreements	641,168	Postretirement benefit liabilities	28,079
Capital acquisition under lease agreement	142		
Donor - Restricted	153	Accrued pension liability	74,978
The Blackwell Foundation	1,806		
Board designated depreciation fund	825,985	Other long-term liabilities	273,530
Board designated-self-insurance fund	15,145		
Total assets whose use is limited	<u>1,484,399</u>	Deferred revenue	6,035
Other non-current assets	34,714	Long-term obligations, less current portion	<u>1,074,533</u>
Property, plant and equipment, net	2,158,581	Total liabilities	<u>2,630,429</u>
Professional liabilities insurance recoveries receivables	165,791	Net assets:	
Assets held by related organization		Unrestricted	2,985,503
Investments, less current portion	1,139,621	Temporarily restricted - held by related	1,469,999
Pledges receivable	504,397	Permanently restricted - held by related	243,816
Total assets held by related organization	<u>1,644,018</u>	Total net assets	<u>4,699,318</u>
Total assets	<u>\$ 7,329,747</u>	Total liabilities and net assets	<u>\$ 7,329,747</u>

NEW YORK-PRESBYTERIAN HOSPITAL
STATEMENT OF CHANGES IN UNRESTRICTED NET ASSETS
November 30, 2013
(IN THOUSANDS)

	<u>YTD Actual</u>
<u>REVENUE</u>	
Net inpatient revenue	\$2,823,661
Net outpatient revenue	830,328
Provision for bad debts	(49,620)
Net patient service revenue less provision for bad debts	3,604,369
Other revenue	176,773
Total revenue	<u>3,781,142</u>
<u>EXPENSES</u>	
Salaries and benefits	2,235,022
Supplies and other expenses	1,077,176
Depreciation and amortization	232,578
Interest	34,925
Leases and rentals	52,154
Total expenses	<u>3,631,855</u>
 OPERATING INCOME (LOSS)	 149,287
 HIRSA Grant - 2001 World Trade Center loss	 -
 Prior years settlements and other items	 58,018
 ADJUSTED OPERATING INCOME (LOSS)	 <u>207,305</u>
 Investment Income	 142,145
 NET GAIN (LOSS) BEFORE ACCRUAL OF NET FICA REFUND	 <u>349,450</u>
 Accrual of net FICA tax refund	 -
 NET GAIN (LOSS)	 <u>349,450</u>
<u>OTHER CHANGES IN UNRESTRICTED NET ASSETS</u>	
Change in additional minimum pension liability	122,936
Fixed assets transfer from Royal Charter Properties, Inc.	3,191
Contributions from New York-Presbyterian Fund, Inc. for the purchase of fixed assets	60,751
 INCREASE / (DECREASE) IN UNRESTRICTED NET ASSETS	 <u>\$536,328</u>

The New York and Presbyterian Hospital

Statements of Financial Position

	December 31	
	2012	2011
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash, cash equivalents and short-term investments		
Cash and cash equivalents	\$ 173,938	\$ 226,882
Short-term investments	770,773	517,666
Total cash, cash equivalents and short-term investments	<u>944,711</u>	<u>744,548</u>
Patient accounts receivable, less allowance for uncollectibles (2012 – \$210,835; 2011 – \$215,668)	443,941	394,840
Other current assets	61,062	57,003
Assets limited as to use – current portion	21,816	22,075
Due from related organizations – net	4,658	–
Professional liabilities insurance recoveries receivable – current portion <i>(No)</i>	53,729	48,393
Beneficial interest in net assets held by related organizations – current portion	61,615	59,089
Total current assets	<u>1,591,532</u>	<u>1,325,948</u>
Assets limited as to use – noncurrent		
Funded depreciation	710,604	597,012
Capital acquisition under lease agreements	142	438
Mortgage reserve funds under loan agreements	134,377	138,892
Total assets limited as to use – noncurrent	<u>845,123</u>	<u>736,342</u>
Property, buildings and equipment – net	1,800,619	1,794,501
Other noncurrent assets – net	31,338	81,444
Professional liabilities insurance recoveries receivable – noncurrent	153,692	150,133
Beneficial interest in net assets held by related organizations – noncurrent	1,401,209	1,270,558
Total assets	<u>\$ 5,823,513</u>	<u>\$ 5,358,926</u>

	December 31	
	2012	2011
	<i>(In Thousands)</i>	
Liabilities and net assets		
Current liabilities:		
Long-term debt – current portion	\$ 91,760	\$ 84,113
Accounts payable and accrued expenses	289,977	253,636
Accrued salaries and related liabilities	202,380	186,439
Due to related organizations – net	–	2,247
Pension and postretirement benefit liabilities – current portion	11,384	11,822
Professional liabilities – current portion	53,729	48,393
Other current liabilities	101,165	119,641
Total current liabilities	<u>750,395</u>	<u>706,291</u>
Long-term debt	619,277	696,303
Professional liabilities	286,028	282,847
Pension liability	201,419	253,459
Postretirement benefit liability	27,901	30,963
Deferred revenue	4,813	6,094
Other noncurrent liabilities	244,280	155,190
Total liabilities	<u>2,134,113</u>	<u>2,131,147</u>
Commitments and contingencies		
Net assets:		
Unrestricted	2,226,576	1,898,132
Temporarily restricted – held by related organizations	1,234,020	1,116,955
Permanently restricted – held by related organizations	228,804	212,692
Total net assets	<u>3,689,400</u>	<u>3,227,779</u>
Total liabilities and net assets	<u><u>\$ 5,823,513</u></u> <u>\$ 5,358,926</u>	

The New York and Presbyterian Hospital

Statements of Operations

	Year Ended December 31	
	2012	2011
	<i>(In Thousands)</i>	
Operating revenues		
Net patient service revenue	\$ 3,670,801	\$ 3,452,618
Provision for bad debts	<u>(43,635)</u>	<u>(41,635)</u>
Net patient service revenue, less provision for bad debts	3,627,166	3,410,983
Other revenue	<u>220,459</u>	<u>226,202</u>
Total operating revenue	3,847,625	3,637,185
Operating expenses		
Salaries and wages	1,756,107	1,668,635
Employee benefits	487,031	448,031
Supplies and other expenses	1,119,106	1,062,860
Interest and amortization of deferred financing fees, including loss on extinguishment of debt	<u>55,949</u>	<u>50,099</u>
Depreciation and amortization	<u>234,808</u>	<u>227,510</u>
Total operating expenses	3,653,001	3,457,135
Operating income	194,624	180,050
Investment return	<u>99,394</u>	<u>(11,850)</u>
Excess of revenues over expenses before net medical resident tax refund and prior year reimbursement settlement	294,018	168,200
Net medical resident tax refund	4,180	540
Prior year reimbursement settlement	<u>27,714</u>	<u>-</u>
Excess of revenues over expenses	325,912	168,740
Other changes in unrestricted net assets:		
Distributions from New York-Presbyterian Fund, Inc. for the purchase of fixed assets	47,280	53,582
Change in pension and postretirement benefit liabilities to be recognized in future periods	<u>(44,748)</u>	<u>(118,281)</u>
Change in unrestricted net assets	<u>\$ 328,444</u>	<u>\$ 104,041</u>

The New York and Presbyterian Hospital

Statements of Financial Position

	December 31	
	2012	2011
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash, cash equivalents and short-term investments :		
Cash and cash equivalents	\$ 173,938	\$ 226,882
Short-term investments	770,773	517,666
Total cash, cash equivalents and short-term investments	<u>944,711</u>	<u>744,548</u>
Patient accounts receivable, less allowance for uncollectibles (2012 – \$210,835; 2011 – \$215,668)	443,941	394,840
Other current assets	61,062	57,003
Assets limited as to use – current portion :	21,816	22,075
Due from related organizations – net :	4,658	–
Professional liabilities insurance recoveries receivable – current portion	53,729	48,393
Beneficial interest in net assets held by related organizations – current portion :	61,615	59,089
Total current assets	<u>1,591,532</u>	<u>1,325,948</u>
Assets limited as to use – noncurrent		
Funded depreciation	710,604	597,012
Capital acquisition under lease agreements	142	438
Mortgage reserve funds under loan agreements	134,377	138,892
Total assets limited as to use – noncurrent	<u>845,123</u>	<u>736,342</u>
Property, buildings and equipment – net	1,800,619	1,794,501
Other noncurrent assets – net	31,338	81,444
Professional liabilities insurance recoveries receivable – noncurrent (<i>Note 8</i>)	153,692	150,133
Beneficial interest in net assets held by related organizations – noncurrent	1,401,209	1,270,558
Total assets	<u>\$ 5,823,513</u>	<u>\$ 5,358,926</u>

	December 31	
	2012	2011
	<i>(In Thousands)</i>	
Liabilities and net assets		
Current liabilities:		
Long-term debt – current portion	\$ 91,760	\$ 84,113
Accounts payable and accrued expenses	289,977	253,636
Accrued salaries and related liabilities	202,380	186,439
Due to related organizations - net	-	2,247
Pension and postretirement benefit liabilities -- current portion	11,384	11,822
Professional liabilities -- current portion	53,729	48,393
Other current liabilities	101,165	119,641
Total current liabilities	<u>750,395</u>	<u>706,291</u>
Long-term debt	619,277	696,303
Professional liabilities	286,028	282,847
Pension liability	201,419	253,459
Postretirement benefit liability	27,901	30,963
Deferred revenue	4,813	6,094
Other noncurrent liabilities	244,280	155,190
Total liabilities	<u>2,134,113</u>	<u>2,131,147</u>
Commitments and contingencies		
Net assets:		
Unrestricted	2,226,576	1,898,132
Temporarily restricted – held by related organizations	1,234,020	1,116,955
Permanently restricted – held by related organizations	228,804	212,692
Total net assets	<u>3,689,400</u>	<u>3,227,779</u>
Total liabilities and net assets	<u>\$ 5,823,513</u>	<u>\$ 5,358,926</u>

The New York and Presbyterian Hospital

Statements of Operations

	Year Ended December 31	
	2012	2011
	<i>(In Thousands)</i>	
Operating revenues		
Net patient service revenue	\$ 3,670,801	\$ 3,452,618
Provision for bad debts	(43,635)	(41,635)
Net patient service revenue, less provision for bad debts	3,627,166	3,410,983
Other revenue	220,459	226,202
Total operating revenues	<u>3,847,625</u>	<u>3,637,185</u>
Operating expenses		
Salaries and wages	1,756,107	1,668,635
Employee benefits	487,031	448,031
Supplies and other expenses	1,119,106	1,062,860
Interest and amortization of deferred financing fees, including loss on extinguishment of debt	55,949	50,099
Depreciation and amortization	234,808	227,510
Total operating expenses	<u>3,653,001</u>	<u>3,457,135</u>
Operating income	194,624	180,050
Investment return	99,394	(11,850)
Excess of revenues over expenses before net medical resident tax refund and prior year reimbursement settlement	294,018	168,200
Net medical resident tax refund	4,180	540
Prior year reimbursement settlement	27,714	--
Excess of revenues over expenses	<u>325,912</u>	<u>168,740</u>
Other changes in unrestricted net assets:		
Distributions from New York-Presbyterian Fund, Inc. for the purchase of fixed assets	47,280	53,582
Change in pension and postretirement benefit liabilities to be recognized in future periods	(44,748)	(118,281)
Change in unrestricted net assets	<u>\$ 328,444</u>	<u>\$ 104,041</u>

LAWRENCE HOSPITAL CENTER AND SUBSIDIARIES

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

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

LAWRENCE HOSPITAL CENTER AND SUBSIDIARIES

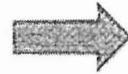
**CONSOLIDATED STATEMENTS OF OPERATIONS
 FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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

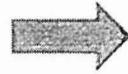
NYP Community Services, Inc.

Governance

Passive Parent



Active Parent
Power and Authority

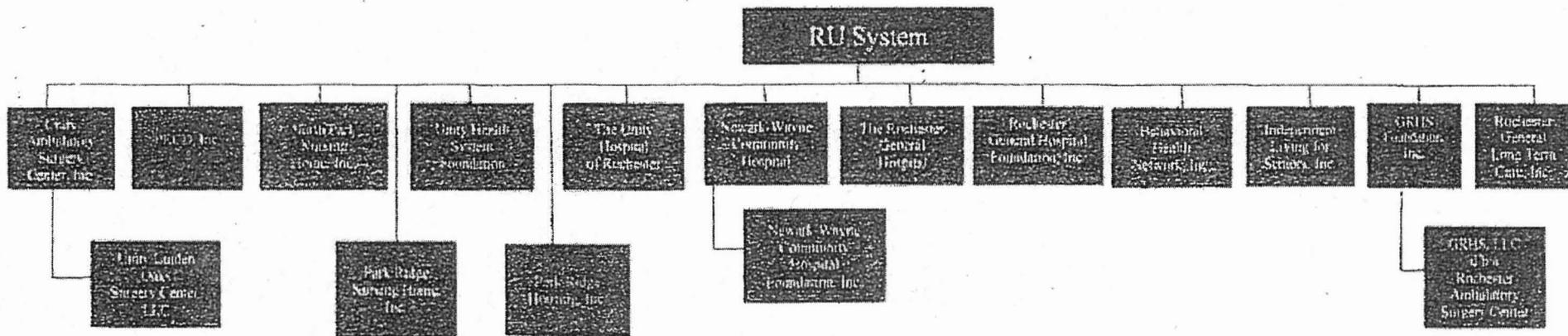


The New York and
Presbyterian Hospital

NYP Community
Services, Inc.

Lawrence Hospital Center

Post-Restructuring



Note: This chart is meant to highlight the changes affecting licensed entities due to the proposed restructuring of the UHS and RGHS Systems. Thus, certain unlicensed corporate entities within the unified Systems have been omitted
1/9/14

{H2203735.1}

Rochester General Health System and Affiliates

Consolidated Balance Sheets

	December 31	
	2012	2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 56,353,383	\$ 57,259,004
Investments	10,199,032	9,138,167
Current portion of assets whose use is limited	756,641	1,192,113
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$26,038,000 in 2012 and \$23,669,000 in 2011	66,015,872	85,306,375
Estimated third-party payor receivables	8,050,540	5,055,898
Pledges receivable, net	4,903,548	4,065,180
Inventories	5,104,128	4,260,490
Prepaid expenses and other	18,221,232	13,401,090
Total current assets	<u>169,604,376</u>	<u>179,678,317</u>
Assets whose use is limited:		
Funds held by bond trustees	16,108,350	19,969,200
Board designated funds	188,424,779	165,985,371
Assets held for self-insurance programs	92,847,954	81,494,747
Escrow fund	1,449,176	1,417,604
Donor restricted	26,169,279	23,360,470
Tax-exempt financing fund – capital acquisitions	–	23,636,404
Deferred compensation	1,727,591	1,518,651
	<u>326,727,129</u>	<u>317,382,447</u>
Property and equipment - net	336,252,571	268,237,797
Other assets	31,970,191	24,876,878
Total assets	<u>\$ 864,554,267</u>	<u>\$ 790,175,439</u>

	December 31	
	2012	2011
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 28,633,237	\$ 30,348,132
Accrued salaries, vacations, and payroll taxes	45,073,411	42,101,055
Accrued expenses and other	26,064,901	27,466,494
Accrued interest payable	487,035	440,963
Current portion of postretirement benefits	633,419	664,619
Estimated third-party payor payables	33,613,398	33,781,798
Current portion of long-term debt	12,606,383	13,237,387
Total current liabilities	<u>147,111,784</u>	<u>148,040,448</u>
Long-term liabilities:		
Long-term debt, less current portion	144,072,325	130,406,706
Accrued pension	170,264,876	170,352,842
Accrued postretirement benefits, less current portion	12,505,299	11,589,817
Accrued insured and self-insured liabilities	105,773,718	96,067,951
Estimated third-party payor payables	73,523,433	71,628,379
Deferred compensation	1,727,591	1,518,651
Other	617,642	498,485
Total liabilities	<u>655,596,668</u>	<u>630,103,279</u>
Net assets:		
Unrestricted	173,976,110	126,409,234
Temporarily restricted	26,472,053	25,154,783
Permanently restricted	8,509,436	8,508,143
Total net assets	<u>208,957,599</u>	<u>160,072,160</u>
Total liabilities and net assets	<u>\$ 864,554,267</u>	<u>\$ 790,175,439</u>

Rochester General Health System and Affiliates

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended December 31	
	2012	2011
Unrestricted revenues, gains, and other support		
Patient service revenue, net of contractual allowances and discounts	\$ 841,245,330	\$ 799,312,521
Provision for bad debts	(25,011,965)	(19,129,190)
Net patient service revenue, less provision for bad debts	816,233,365	780,183,331
Capitation fees	31,753,724	26,852,886
Other revenue, gains and other support	37,221,859	29,495,519
Net assets released from restrictions for operations	2,472,613	2,332,897
Total unrestricted revenues, gains, and other support	887,681,561	838,864,633
Expenses		
Salaries and wages	429,388,504	402,310,169
Employee benefits	89,232,715	82,178,228
Professional fees	15,884,402	15,660,994
Purchased services and supplies	276,339,263	258,196,453
Depreciation and amortization	39,840,304	31,653,461
Malpractice and workers' compensation expense	11,551,826	18,633,536
Other expenses	7,905,785	6,278,190
Total expenses	870,142,799	814,911,031
Income from operations	17,538,762	23,953,602
Non-operating:		
Other non-operating gain (loss), net	53,482	(42,045)
Investment income, net	6,715,742	9,183,190
	6,769,224	9,141,145
Excess of revenues over expenses	24,307,986	33,094,747

Rochester General Health System
Statement of Financial Position
September 30, 2013

Assets	TOTAL	RGH	Newark	Corp	GRHSF	HH	IES	RMHC	Hudson Housing
Current Assets:									
Cash and cash equivalents	\$64,742,880	\$39,457,260	\$13,357,935	\$1,019,891	\$999,850	\$2,500	\$9,838,233	(\$114,321)	\$181,532
Custodial assets	342,513	0	83,136	0	0	246,125	13,251	0	0
Investments	20,228,635	10,334,807	9,893,828	0	0	0	0	0	0
Patient accounts receivable allowance for doubtful accounts	97,643,266 (28,522,870)	76,573,335 (21,257,500)	13,796,297 (5,642,531)	0	637,380 (30,000)	4,398,997 (934,758)	1,467,962 (600,901)	769,295 (57,181)	0
Net patient accounts receivable	69,120,396	55,315,835	8,153,767	0	607,380	3,464,239	867,061	712,114	0
Pledges Receivable	0								
Due from affiliates	4,036,453	17,959,821	4,716,035	592,049	(8,818,074)	(7,869,650)	(2,184,994)	(330,008)	(28,725)
Inventories	4,544,455	2,987,427	1,354,224	0	0	175,205	24,351	3,248	0
Prepaid expenses and other	28,871,379	24,373,203	1,549,740	333,158	665,051	595,333	1,209,830	142,036	3,028
Total Current Assets	191,886,710	150,428,352	39,108,665	1,945,098	(6,545,794)	(3,386,248)	9,767,733	413,070	155,835
Assets whose use is limited:									
Real Estate Investment/Funded Deprec.	15,000,000	15,000,000	0	0	0	0	0	0	0
Funds held by bond trustees	40,539,136	36,584,397	3,954,739	0	0	0	0	0	0
Board designated	177,813,627	171,566,723	0	2,590,397	0	0	3,656,507	0	0
Deferred compensation	1,727,591	1,727,591	0	0	0	0	0	0	0
	235,080,353	224,878,711	3,954,739	2,590,397	0	0	3,656,507	0	0
Property and equipment - net	360,821,562	265,301,915	30,724,119	0	44,812,264	15,235,474	2,302,507	775,539	1,669,744
Other assets:									
Beneficial interest Foundations	42,344,027	34,762,830	7,581,196	0	0	0	0	0	0
Other	70,714,413	45,853,646	17,518,476	201,489	2,212,382	1,606,929	3,174,403	147,087	0
	113,058,440	80,616,477	25,099,672	201,489	2,212,382	1,606,929	3,174,403	147,087	0
Total assets	\$900,847,065	\$721,225,454	\$98,887,195	\$4,736,984	\$40,478,852	\$13,456,155	\$18,901,150	\$1,335,696	\$1,825,579
Liabilities and Net Assets:									
Current liabilities:									
Accounts payable	\$28,679,652	\$25,579,431	\$2,486,233	\$2,273	\$311,130	\$199,947	\$77,368	\$23,271	\$0
Accrued salaries and payroll taxes	36,104,147	26,356,432	3,002,788	5,465,328	0	(255,053)	1,121,865	412,786	0
Accrued expenses	44,542,730	34,651,244	2,612,791	1,479,575	490,430	2,061,021	3,131,107	20,455	96,107
Custodial liability	339,041	0	83,136	0	0	246,125	9,779	0	0
Accrued interest payable	1,666,284	1,545,798	18,704	0	101,782	0	0	0	0
Estimated third-party payables	105,672,412	82,961,618	13,800,258	0	0	2,537,073	4,191,612	2,181,851	0
Current portion of long term debt	6,862,970	5,611,249	0	0	1,251,721	0	0	0	0
Total current liabilities	223,867,235	176,705,771	22,003,910	6,947,176	2,155,064	4,789,114	8,531,732	2,638,364	96,107
Long term liabilities:									
Long term debt, less current portion	200,046,734	151,982,224	16,790,000	0	27,916,509	0	0	0	3,358,000
Accrued pension	167,364,629	(4,380,121)	480,994	170,843,223	0	9,756	369,777	41,000	0
Accrued postretirement benefit	12,761,431	236,169	0	12,505,299	0	0	6,728	13,235	0
Accrued self insured liabilities	64,673,738	36,343,937	21,649,459	(2,778,665)	0	5,987,542	2,511,034	960,430	0
Deferred compensation	2,131,841	1,727,591	0	404,250	0	0	0	0	0
Deferred revenue	1,223,734	0	0	0	0	0	0	1,223,734	0
Other	253,752	0	0	0	0	0	0	253,752	0
Total LT liabilities	448,435,858	185,909,800	38,920,453	180,974,107	27,916,509	5,997,298	2,887,539	2,492,151	3,358,000
Net assets:									
Unrestricted	167,024,503	302,543,075	31,642,151	(183,063,832)	8,913,344	5,705,153	5,863,990	(3,006,691)	(1,572,687)
Temporarily restricted	27,808,650	25,238,456	2,570,195	0	0	0	0	0	0
Permanently restricted	8,509,762	8,107,447	402,315	0	0	0	0	0	0
Year to date net income	25,181,056	22,720,905	3,348,171	(120,467)	1,493,935	(3,035,410)	1,617,889	(788,128)	(55,840)
Total net assets	228,523,972	358,609,883	37,962,832	(183,184,299)	10,407,279	2,669,743	7,481,880	(3,794,819)	(1,628,528)
Total liabilities and net assets	900,847,065	\$721,225,454	\$98,887,195	\$4,736,984	\$40,478,852	\$13,456,155	\$18,901,150	\$1,335,696	\$1,825,579

Rochester General Health System
Statement of Operations
For the Nine Months Ending September 30, 2013
(In Thousands)

Rochester General Health System - Operating Affiliates

	September			Year to Date			Prior Year	
	Actual	Budget	Variance	Actual	Budget	Variance	Actual Month	Actual YTD
Revenue:								
Inpatient	\$30,630,888	\$31,005,962	(\$375,074)	\$281,963,134	\$284,108,610	(\$2,145,476)	\$28,975,487	\$285,486,840
Outpatient	36,228,753	36,143,893	84,860	331,464,806	327,409,281	4,055,524	30,460,225	285,050,739
Medical Groups	5,158,948	4,773,204	385,744	46,639,466	44,105,217	2,534,249	4,791,343	42,302,709
Mental Health	1,091,177	1,229,635	(138,459)	11,347,382	11,866,904	(519,522)	1,287,052	9,905,441
Skilled Nursing Facility	3,719,222	3,792,990	(73,768)	34,055,990	34,312,095	(256,105)	3,834,214	34,189,743
ILS	3,362,255	3,401,871	(39,616)	28,923,117	29,338,623	(415,506)	3,189,447	22,521,318
Net Patient Revenue	80,191,242	80,347,555	(156,313)	734,393,894	731,140,729	3,253,165	72,537,769	679,456,789
Other Revenue	3,972,418	3,885,382	87,036	36,586,791	35,593,446	993,345	2,901,733	26,637,400
Total Revenue	84,163,660	84,232,937	(69,278)	770,980,685	766,734,176	4,246,509	75,439,502	706,094,189
Operating Expenses:								
Salaries and Wages	37,488,453	36,961,621	(526,832)	335,601,933	336,365,794	763,861	34,576,318	317,917,656
Employee Benefits	7,251,536	7,600,130	348,594	76,557,165	77,638,568	1,081,403	7,703,472	72,772,261
Physician Fees	2,423,955	2,538,246	114,291	22,193,702	22,348,279	154,577	1,167,249	10,530,079
Professional Fees - ILS Medical	981,055	830,137	(150,918)	6,959,550	6,519,876	(439,674)	766,986	5,723,988
Professional Fees	5,803,411	5,844,755	41,344	52,061,806	50,948,276	(1,113,530)	4,788,496	47,428,408
Utilities, Insur., License and Fees	4,615,925	4,529,408	(86,517)	39,577,971	40,299,015	721,044	4,077,342	35,986,657
Supplies and Other	16,703,011	16,707,256	4,244	148,430,423	146,976,177	(1,454,246)	14,952,264	137,209,796
Depreciation and Amortization	3,545,180	3,530,031	(15,149)	30,762,741	31,214,771	452,030	3,241,261	29,345,143
Provision for Bad Debts	3,531,456	3,786,480	255,024	32,624,973	32,750,318	125,345	3,333,929	29,775,602
Interest Expense	583,463	655,099	71,636	5,187,974	5,352,164	164,189	469,926	3,612,208
Total Expenses	82,927,447	82,983,162	55,715	749,958,237	750,413,237	455,000	75,077,243	690,301,798
Income (loss) from operations	1,236,213	1,249,775	(13,562)	21,022,448	16,320,939	4,701,509	362,259	15,792,391
	1.5%	1.5%		2.7%	2.1%			
Prior Year Settlement	3,036,370	0	3,036,370	3,036,370	0	3,036,370		
Income (loss) from operations	4,272,583	1,249,775	3,022,808	24,058,818	16,320,939	7,737,879	362,259	15,792,391
Nonoperating:								
Other losses								
Campus Operations	1,625	(8,469)	10,094	(49,501)	(76,220)	26,719	(2,486)	(41,709)
Investment income	254,506	608,283	(353,777)	1,171,738	5,535,379	(4,363,641)	628,031	6,175,187
	256,131	599,814	(343,683)	1,122,237	5,459,159	(4,336,922)	625,545	6,133,478
Revenue Over (Under) Expense	\$4,528,714	\$1,849,589	\$2,679,125	\$25,181,055	\$21,780,098	\$3,400,957	\$987,804	\$21,925,870

Project #141018
BFA Attachment C (cont.)

Unity Health System, Inc. and Subsidiaries

Consolidated Balance Sheets

	December 31,	
	2012	2011
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 36,170	\$ 35,865
Current portion of assets limited as to use	71,151	78,895
Accounts receivable, less allowance for uncollectible accounts (2012, \$11,640 ; 2011, \$11,885)	57,799	53,294
Other current assets	17,419	15,705
Total current assets	<u>182,539</u>	<u>183,759</u>
Assets limited as to use:		
Under bond indenture and mortgage agreements	100,940	142,817
Under regulatory agreements	4,386	15,431
Under regulations for workers' compensation	1,750	1,775
By Board designation for capital projects	1,370	1,272
By Board designation for professional liability	5,129	6,684
By Board designation for deferred compensation	11,000	10,071
Restricted by donor	15,400	15,174
Total assets limited as to use	<u>139,975</u>	<u>193,224</u>
Amounts classified as current	(71,151)	(78,895)
Assets limited as to use, less current portion	<u>68,824</u>	<u>114,329</u>
Property and equipment, net	328,263	264,822
Other assets:		
Deferred financing costs, net	12,100	12,797
Goodwill	27,919	19,938
Intangible asset	-	108
Other	3,190	1,765
Total other assets	<u>43,209</u>	<u>34,608</u>
Total assets	<u>\$ 622,835</u>	<u>\$ 597,518</u>

Unity Health System, Inc. and Subsidiaries
Consolidated Balance Sheets (Continued)

	December 31,	
	2012	2011
	<i>(In Thousands)</i>	
Liabilities and Net Assets		
Current liabilities:		
Current maturities of long-term debt	\$ 4,133	\$ 6,231
Current portion of obligations under capital leases	2,928	2,029
Accrued liabilities, including accounts payable	74,543	72,610
Estimated third-party payor settlements, net	9,781	17,937
Total current liabilities	<u>91,385</u>	<u>98,807</u>
Noncurrent liabilities:		
Long-term debt, net of current portion	323,228	323,801
Obligations under capital leases, net of current portion	27,982	24,785
Interest rate swap contracts	4,281	3,771
Accrued pension liability	65,526	51,626
Deferred compensation	10,574	8,337
Other	6,550	5,514
Total noncurrent liabilities	<u>438,141</u>	<u>417,834</u>
Net assets:		
Unrestricted	76,345	63,877
Temporarily restricted	8,898	9,154
Permanently restricted	6,429	5,915
Total net assets of Unity Health System, Inc.	<u>91,672</u>	<u>78,946</u>
Noncontrolling interest in net assets of subsidiaries	1,637	1,931
Total net assets	<u>93,309</u>	<u>80,877</u>
Total liabilities and net assets	<u>\$ 622,835</u>	<u>\$ 597,518</u>

Unity Health System, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Years Ended December 31,	
	2012	2011
	<i>(In Thousands)</i>	
Operating revenues		
Net patient service revenue before bad debts	\$ 493,641	\$ 479,723
Less - bad debts	(11,933)	(11,853)
Net patient service revenue	481,708	467,870
Other revenue	55,250	45,025
Total operating revenues	<u>536,958</u>	<u>512,895</u>
Operating expenses		
Salaries and wages	247,643	237,133
Employee benefits	61,007	54,018
Professional fees	33,598	33,226
Supplies	102,078	100,226
Insurance	4,162	4,310
Interest and fees	9,853	12,056
Depreciation and amortization	20,649	19,745
Occupancy	20,009	18,040
Other	18,072	14,191
Total operating expenses	<u>517,071</u>	<u>492,945</u>
Income from operations	19,887	19,950
Nonoperating gains (losses)		
Investment income	168	181
Noncontrolling interest in net losses of subsidiaries	294	341
Other	(5,207)	(5,121)
Total nonoperating losses, net	<u>(4,745)</u>	<u>(4,599)</u>
Excess of revenues over expenses before adjustment of financing costs	15,142	15,351
Write-off of deferred financing costs	-	(878)
Excess of revenues over expenses	<u>\$ 15,142</u>	<u>\$ 14,473</u>

Unaudited

Unity Health System, Inc. and Subsidiaries
Details of Consolidated Balance Sheet

September 30, 2013
(In Thousands)

	Unity Health System, Inc.	Unity Health Care Group	Unity Homeing Group	FRH, Inc. and Subdivisions	Park Ridge Child Care Center, Inc.	Unity Health System Foundation	Total Prior to Eliminations	Eliminations	2013 Consolidated
Assets									
Current assets:									
Cash and cash equivalents	\$ -	\$ 25,849	\$ 5,692	\$ 8,932	\$ 26	\$ 169	\$ 38,668	\$ -	\$ 38,668
Current portion of assets limited as to use	-	36,453	-	-	-	-	36,453	-	36,453
Accounts receivable, net	-	54,134	79	14,295	-	-	68,808	-	68,808
Other current assets	399	13,381	532	4,845	181	31	19,569	-	19,569
Total current assets	399	130,817	4,303	28,372	207	200	163,698	-	163,698
Assets limited as to use:									
Under bond indenture and mortgage agreements	428	64,707	4,413	-	-	-	69,548	-	69,548
Under regulatory agreements	-	-	650	-	-	-	650	-	650
Under regulations for workers' compensation	-	3,308	-	-	-	-	3,308	-	3,308
By Board designation for capital projects	-	1,335	-	-	-	-	1,335	-	1,335
By Board designation for professional liability	-	6,423	-	-	-	-	6,423	-	6,423
By Board designation for deferred compensation	-	10,537	-	1,168	-	-	12,005	-	12,005
Restricted by donor	-	-	-	-	-	17,463	17,463	-	17,463
Total assets limited as to use	428	86,609	5,063	1,168	-	17,463	110,731	-	110,731
Amounts classified as current	-	(36,453)	-	-	-	-	(36,453)	-	(36,453)
Assets limited as to use, less current portion	428	50,156	5,063	1,168	-	17,463	74,278	-	74,278
Property and equipment:									
Land and improvements	-	5,795	3,624	213	63	191	7,887	-	7,887
Buildings and equipment	22,233	288,360	48,871	29,938	1,548	876	391,826	-	391,826
Construction-in-progress	669	145,206	20,497	-	-	-	166,372	-	166,372
Accumulated depreciation	(22,982)	(457,362)	(72,992)	(30,151)	(1,611)	(1,867)	(566,005)	-	(566,005)
Total property and equipment, net	(3,612)	(176,674)	(23,899)	(17,062)	(955)	(839)	(231,941)	-	(231,941)
	18,290	268,888	49,803	13,889	1,056	528	544,744	-	544,744
Other assets:									
Due (to) from affiliates	1,065	(699)	(43)	(930)	(230)	434	(290)	-	(290)
Deferred financing costs, net	-	9,984	1,564	-	-	-	11,348	-	11,348
Intangible asset	-	-	-	23,515	-	-	23,515	-	23,515
Other	39,516	8,154	167	2,054	-	-	49,891	(39,517)	10,374
Total other assets	40,581	17,639	1,489	24,611	(230)	434	84,464	(39,517)	44,947
Total assets	\$ 69,638	\$ 453,783	\$ 68,748	\$ 67,248	\$ 1,833	\$ 18,423	\$ 668,933	\$ -	\$ 687,457

Unity Health System, Inc. and Subsidiaries

Details of Consolidated Statement of Operations and Changes in Unrestricted Net Assets

For the Period Ended September 30, 2013

(In Thousands)

	Unity Health System, Inc.	Unity Health Care Group	Unity Housing Group	PRER, Inc. and Subsidiaries	Park Ridge Child Care Center, Inc.	Unity Health System Foundation	Total Prior to Eliminations	Eliminations	2013 Consolidated
Operating revenues	\$ -	\$ 333,343	\$ 9,728	\$ 62,414	\$ -	\$ -	\$ 405,485	\$ -	\$ 405,485
Net patient service revenues before bad debt	-	7,286	1	273	-	-	7,525	-	7,525
Less bad debt	-	(336,093)	(9,726)	(65,141)	-	-	(400,960)	-	(400,960)
Net patient service revenue	5,048	5,226	246	4,757	1,945	2,812	23,144	(11,706)	11,438
Other revenue	5,048	335,329	9,972	65,898	1,045	2,812	424,164	(11,706)	412,458
Total operating revenues	1,013	161,716	3,328	21,755	714	604	185,436	-	185,436
Operating expenses	338	41,364	844	5,437	177	144	48,294	-	48,294
Salaries and wages	359	22,479	159	-	-	8	23,005	-	23,005
Employee benefits	4	48,216	572	25,586	19	491	74,898	-	74,898
Professional fees	-	-	30	-	-	1	31	-	31
Supplies	1,892	4,291	1,796	-	-	6	7,985	(349)	7,636
Insurance	834	13,317	1,488	1,147	50	18	18,854	-	18,854
Interest and fees	981	36,121	1,728	7,089	128	1,531	47,571	(11,267)	36,304
Depreciation and amortization	5,437	339,477	9,946	60,934	1,087	2,800	416,671	(11,706)	404,965
Other	(378)	4,852	26	8,964	(42)	12	13,433	-	13,433
Total operating expenses	1,013	4,266	346	5,995	(42)	12	10,196	-	10,196
Income from operations	(378)	4,266	346	5,995	(42)	12	10,196	-	10,196
Nonoperating gains (losses)	-	-	107	-	-	-	107	-	107
Investment income	-	-	213	-	-	-	213	-	213
Noncontrolling interest in net losses of combined subsidiaries	-	-	-	(3,969)	-	-	(2,957)	-	(2,957)
Other	-	12	-	(2,969)	-	-	(2,957)	-	(2,957)
Total nonoperating gains (losses)	(378)	12	320	(2,969)	-	-	(2,637)	-	(2,637)
Excess of revenues over expenses before adjustment of financing costs	(378)	4,864	346	5,995	(42)	12	10,796	-	10,796
Write-off deferred financing costs	-	(596)	-	-	-	-	(596)	-	(596)
Excess of revenues over expenses	(378)	4,266	346	5,995	(42)	12	10,196	-	10,196
Other changes in unrestricted net assets	-	1,748	386	-	-	-	2,134	-	2,134
Donations for capital acquisitions	-	(382)	-	-	-	(60)	(342)	-	(342)
Change in fair value of investments	-	-	-	(38)	-	-	(38)	-	(38)
Change in funded status of pension and postretirement plans	-	160	1,463	-	-	-	1,623	-	1,623
Change in fair value of interest rate swaps	-	-	(548)	1,378	-	-	830	-	830
Change in noncontrolling interest	(1)	-	-	-	-	-	(1)	-	(1)
Other	(380)	5,871	1,647	(7,243)	(43)	(44)	14,386	-	14,386
Change in unrestricted net assets	(380)	45,294	(5,337)	39,384	674	2,203	117,596	(13,217)	104,379
Unrestricted net assets at beginning of year	34,908	31,146	(3,289)	44,727	632	2,409	131,882	(8,431)	125,451
Unrestricted net assets at end of year	34,528	76,440	(8,626)	84,111	1,306	4,612	249,278	(21,648)	232,080

Southtowns Venture, LLC
MEMBERSHIP INTEREST TABLE

June 2013

Member	Number of Units	\$ Contribution	Percentage Ownership
KH Venture Services 726 Exchange Street, Suite 522 Buffalo, NY 14210	808	\$1,156,902.48	50.5%
Shirley Anain, MD	36	\$51,545.16	2.25%
Marc J Anders, MD	36	\$51,545.16	2.25%
Geoffrey A Bernas, MD	36	\$51,545.16	2.25%
Les Bisson	36	\$51,545.16	2.25%
Lindsey Clark	36	\$51,545.16	2.25%
Mark Doerr	36	\$51,545.16	2.25%
Kenneth H Eckhert III, MD	36	\$51,545.16	2.25%
Marc Fineberg	36	\$51,545.16	2.25%
Edward T Fitzpatrick, DPM	36	\$51,545.16	2.25%
Robert Galpin	36	\$51,545.16	2.25%
Jennifer Gurske	36	\$51,545.16	2.25%
Chris Hamill	36	\$51,545.16	2.25%
Josh Jones	36	\$51,545.16	2.25%
Stephen Novelli	36	\$51,545.16	2.25%
Daniel J Patterson, DO	36	\$51,545.16	2.25%
Sridhar Rachala	36	\$51,545.16	2.25%
Michael A Ruah, MD	36	\$51,545.16	2.25%
Anthony R Ricottone, MD	36	\$51,545.16	2.25%
Peter J Riznyk, DPM	36	\$51,545.16	2.25%
Phillip J Seereiter, Jr., MD	36	\$51,545.16	2.25%
Robert J Smolinski, MD	36	\$51,545.16	2.25%
William Wind	36	\$51,545.16	2.25%
TOTAL	1,600	\$2,290,896	100%

KALEIDA HEALTH
 Consolidated Balance Sheets
 December 31, 2012
 (Dollars in thousands)

Assets	<u>2012</u>
Current assets:	
Cash and cash equivalents	\$ 54,877
Investments	128,906
Accounts receivable:	
Patient, less estimated allowance for doubtful accounts of \$32,228 in 2012	147,593
Other	24,183
Inventories	20,492
Prepaid expenses and other current assets	<u>11,298</u>
Total current assets	<u>387,349</u>
Assets limited as to use:	
Designated under debt agreements	41,989
Designated under self-insurance programs	129,189
Board designated and donor restricted	95,090
Other	<u>2,005</u>
	<u>268,273</u>
Property and equipment, less accumulated depreciation and amortization	502,735
Receivable for insurance recoveries	8,908
Grants receivable	3,400
Deferred financing costs, net	11,139
Other	13,749
	<u>1,195,553</u>
Total assets	<u>\$ 1,195,553</u>

Liabilities and Net Assets	<u>2012</u>
Current liabilities:	
Accounts payable and other accrued expenses	\$ 72,121
Accrued payroll and related expenses	56,837
Line of credit	—
Estimated third-party payor settlements	7,854
Current portion of long-term debt	22,437
Other current liabilities	5,668
Total current liabilities	<u>164,917</u>
Long-term debt, less current portion	311,609
Construction costs payable	951
Estimated self-insurance reserves	180,896
Asset retirement obligations	13,621
Pension and postretirement obligations	267,936
Other long-term liabilities	8,414
	<u>783,427</u>
Total liabilities	<u>948,344</u>
Commitments	
Net assets:	
Unrestricted:	
Available for operations	419,265
Provision for future benefit costs	(262,592)
Total unrestricted	<u>156,673</u>
Temporarily restricted	75,136
Permanently restricted	15,400
Total net assets	<u>247,209</u>
Total liabilities and net assets	<u>\$ 1,195,553</u>

KALEIDA HEALTH

Consolidated Statements of Operations and Changes in Net Assets

Years ended December 31, 2012

(Dollars in thousands)

	<u>2012</u>
Operating revenue:	
Patient service revenue, net of contractual allowances and discounts	\$ 1,201,731
Less: Provision for bad debts	<u>22,270</u>
Net patient service revenue	1,179,461
Other operating revenue	36,355
Net assets released from restrictions for operations	<u>6,162</u>
Total operating revenue	<u>1,221,978</u>
Operating expenses:	
Salaries and benefits	695,294
Purchased services and other	217,150
Medical and nonmedical supplies	209,257
Depreciation and amortization	69,093
Interest	<u>15,574</u>
Total operating expenses	<u>1,206,368</u>
Income (loss) from operations	<u>15,610</u>
Other income (losses):	
Investment income	15,481
Net realized gains on sales of investments	4,175
Net change in unrealized gains and losses on investments	7,580
Restructuring charges, loss on impairment and disposal of assets	<u>—</u>
Total other income (losses), net	<u>27,236</u>
Excess (deficiency) of revenue over expenses	<u>\$ 42,846</u>

Kaleida Health

Combined Balance Sheet

(Dollars in Thousands)

	November 30, 2013	December 31, 2012	Change from Prior Year End
Assets			
Current assets:			
Cash and cash equivalents	\$ 44,437	\$ 54,877	\$ (10,440)
Current investments	156,696	128,906	27,790
Accounts receivable:			
Patient	161,780	147,593	14,187
Other	24,409	24,183	226
Inventories	23,516	20,492	3,024
Prepaid expenses and other current assets	14,699	11,298	3,401
Total Current Assets	425,537	387,349	38,188
Assets whose use is limited:			
Designated under Self-Insurance Programs	124,761	129,189	(4,428)
Designated under Debt Agreements	35,722	41,989	(6,267)
Board Designated and Donor Restricted	105,562	95,090	10,472
Other	1,929	2,005	(76)
	<u>267,974</u>	<u>268,273</u>	<u>(299)</u>
Property and equipment, net	468,864	502,735	(33,871)
Receivable for insurance recoveries	2,558	8,908	(6,350)
Grant Receivable	3,400	3,400	-
Deferred financing costs	10,230	11,139	(909)
Other assets	11,758	13,749	(1,991)
	<u>1,190,321</u>	<u>1,195,553</u>	<u>(5,232)</u>
Total Assets	\$ 1,190,321	\$ 1,195,553	\$ (5,232)
Liabilities and net assets			
Current portion of long-term debt	\$ 20,080	\$ 22,437	\$ (2,357)
Accounts payable	81,630	72,121	9,509
Accrued payroll and related expenses	55,849	56,837	(988)
Estimated third-party payor settlements	(2,712)	7,854	(10,566)
Other current liabilities	7,886	5,668	2,218
Total Current Liabilities	162,733	164,917	(2,184)
Long-term debt	292,455	311,609	(19,154)
Construction costs payable	-	951	(951)
Estimated Self Insurance Reserves	175,359	180,896	(5,537)
Asset retirement obligations	12,990	13,621	(631)
Pension and postretirement obligations	276,978	267,936	9,042
Other long-term liabilities	21,225	8,414	12,811
	<u>779,007</u>	<u>783,427</u>	<u>(4,420)</u>
Total Liabilities	941,740	948,344	(6,604)
Net assets			
Unrestricted:			
Available for operations	414,951	419,265	(4,314)
Provision for future benefit costs	(262,592)	(262,592)	-
	<u>152,359</u>	<u>156,673</u>	<u>(4,314)</u>
Temporarily restricted	80,822	75,136	5,686
Permanently restricted	15,400	15,400	-
Total Net Assets	248,581	247,209	1,372
Total Liabilities and Net Assets	\$ 1,190,321	\$ 1,195,553	\$ (5,232)

Kaleida Health

Consolidated Statement of Operations Year-To-Date November 30, 2013

(Dollars in Thousands)

	Actual	Budget	Variance	Prior Year
Operating Revenues				
Patient Revenue				
Inpatient Services	\$ 1,537,777	\$ 1,406,967	\$ 130,810	\$ 1,528,521
Outpatient Services	932,066	923,146	8,920	866,625
Gross Patient Revenue	<u>2,469,843</u>	<u>2,330,113</u>	139,730	2,395,146
Less:				
Contractual Allowances	1,305,213	1,174,796	(130,417)	1,278,545
Bad Debt & Charity Care	34,273	34,067	(206)	33,958
Total Care Discounts	<u>1,339,486</u>	<u>1,208,863</u>	(130,623)	1,312,503
Net Patient Revenue	<u>1,130,357</u>	<u>1,121,250</u>	9,107	1,082,643
Operating Investment Interest & Dividend Income	1,516	2,028	(512)	1,584
Other Operating Revenue	32,925	30,887	2,038	26,955
Total Operating Revenue	<u>1,164,798</u>	<u>1,154,165</u>	10,633	1,111,182
Operating Expenses				
Salary/Wages/Contract Labor	507,735	475,109	(32,625)	471,805
Employee Benefits	172,941	182,483	9,542	159,902
Physician Fees	82,824	79,226	(3,597)	75,342
Purchased Services	47,257	41,052	(6,206)	42,786
Med & Non-Med Supplies	210,816	186,694	(24,121)	193,584
Other Expenses	53,508	53,790	283	52,193
Utilities	10,864	11,110	247	9,362
Insurance Expense	16,810	21,581	4,771	21,603
Depreciation & Amortization	64,494	66,711	2,217	63,473
Interest	14,619	15,054	435	13,956
Total Operating Expenses	<u>1,181,866</u>	<u>1,132,811</u>	(49,055)	1,104,010
Income (Loss) from Operations	<u>\$ (17,068)</u>	<u>\$ 21,354</u>	<u>\$ (38,422)</u>	<u>\$ 7,172</u>
Strategic Investments	0	0	-	(469)
Income (Loss) from Operations After Strategic Investments	<u>(17,068)</u>	<u>21,354</u>	<u>(38,422)</u>	<u>6,703</u>
Non Operating Gains (Losses)				
Minority Interest	(909)	(1,008)	99	(926)
Interest and Dividends	2,068	3,582	(1,514)	1,885
Realized Gains (Losses)	3,463	7,579	(4,116)	4,082
Unrealized Gains (Losses)	7,380	-	7,380	20,080
Non Operating Gains (Losses), Net	<u>12,002</u>	<u>10,153</u>	<u>1,849</u>	<u>25,122</u>
Excess of Revenues Over Expenses	<u>\$ (5,066)</u>	<u>\$ 31,507</u>	<u>\$ (36,573)</u>	<u>\$ 31,825</u>

OPENING DAY BALANCE SHEET

Southtowns

ASSETS**Current Assets**

Cash in Bank	\$ 1,082,805
Inventory	187,378
Prepaid Expenses	8,370
Other	-
Total Current Assets	\$ 1,278,553

working capital for sources and uses
30 days med surg
One month utilities

Fixed Assets

Property plant and equipment	\$ 2,290,896
Depreciation	139,545
Total Fixed Assets	\$ 2,430,441

Equipment to outfit 4 room facility
From Pro Forma

Other Assets

Specify	\$ -
Specify	-
Total Other Assets	\$ -

Total Assets	\$ 3,708,994
---------------------	---------------------

LIABILITIES & NET WORTH**Current Liabilities**

Accounts Payable	\$ 77,005
Taxes Payable	16,146
Notes Payable (<i>due within 12 months</i>)	133,151
Current Portion Long-term Debt	396,550
Other current liabilities (<i>specify</i>)	-
Total Current Liabilities	\$ 622,852

.5 of 25 days AP
Payroll taxes for 1 month
Payroll and benefits (less taxes) for one month
year 1 capital financed principal

Long-term Liabilities

Bank Loans Payable (<i>greater than 12 months</i>)	\$ 2,177,400
Less: Short-term Portion	(396,550)
Notes Payable to Stockholders	-
Other long-term debt (<i>specify</i>)	-
Total Long-term Liabilities	\$ 1,780,850

Capital financed (principal and interest)

Total Liabilities	\$ 2,403,702
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Owners' Equity (Net Worth)	\$ 1,305,292
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Total Liabilities & Net Worth	\$ 3,708,994
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**BHFP Attachment Map
CON# 131347
Southtowns ASC**

**D&TCs and Hospitals
Erie and Chautauqua Counties**

● **D&TCs (10)**

★ **Hospitals (10)**

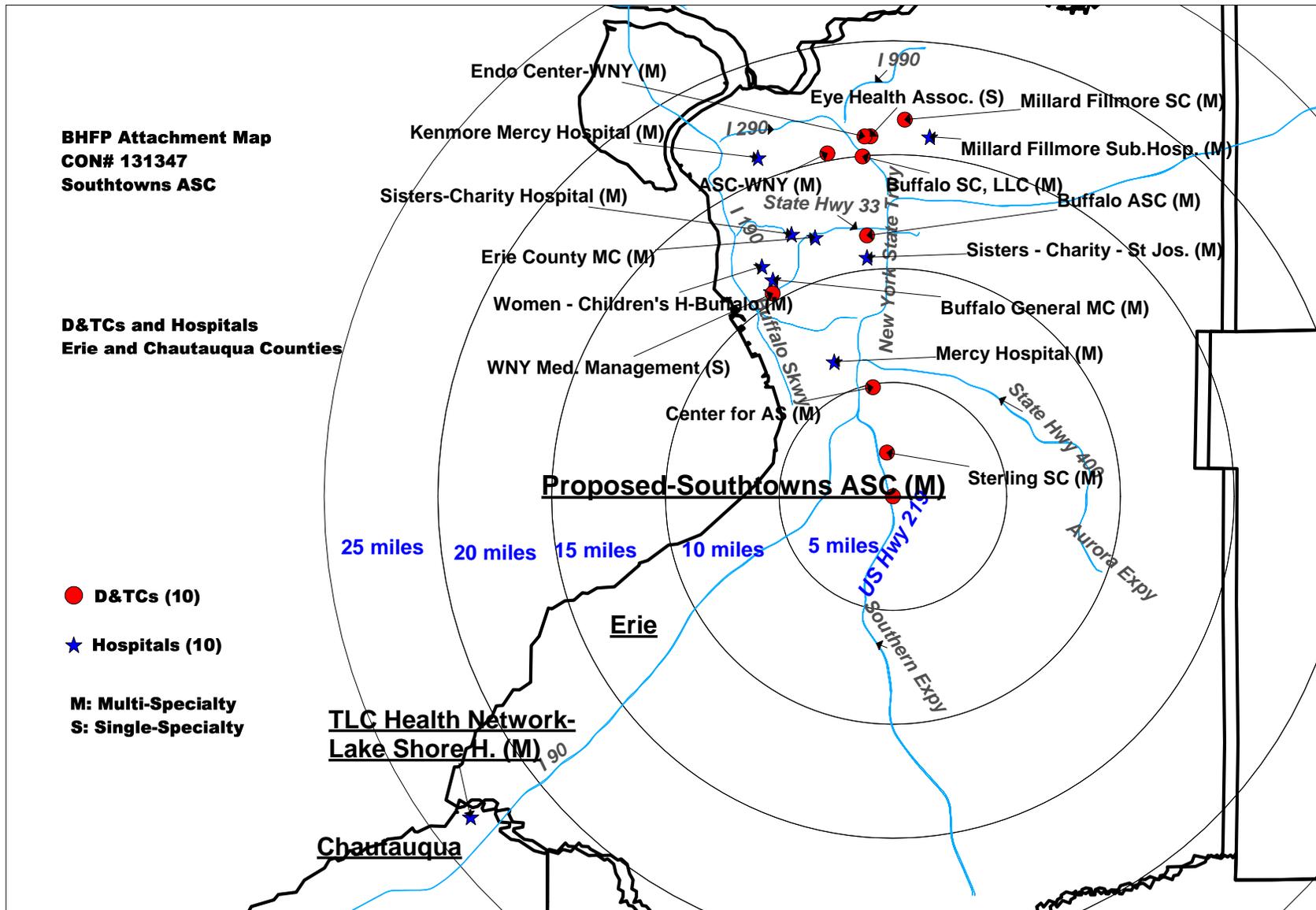
**M: Multi-Specialty
S: Single-Specialty**

**TLC Health Network-
Lake Shore H. (M)**

Chautauqua

Proposed-Southtowns ASC (M)

Erie



NORTHERN EC, LLC

OPENING DAY PROFORMA BALANCE SHEET

ASSETS

CURRENT ASSETS

Cash Balances	\$212,606
Accounts Receivable-Net	<u>\$0</u>
Total Current Assets	\$212,606

PROPERTY

Facility Improvements	\$0
Equipment (net of depreciation)	<u>\$245,966</u>
Total Property	\$245,966

INTANGIBLE ASSETS

Project Start-Up Costs and Application Fees	\$55,000
---	----------

TOTAL ASSETS

\$513,572

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

\$0

LONG-TERM LIABILITIES

Equipment Loan	\$245,966
Working Capital Loan	\$90,000

Total Long- Term Liabilities	\$335,966
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TOTAL LIABILITIES

\$335,966

LLC CAPITAL

\$177,606

TOTAL LIABILITIES AND LLC CAPITAL

\$513,572

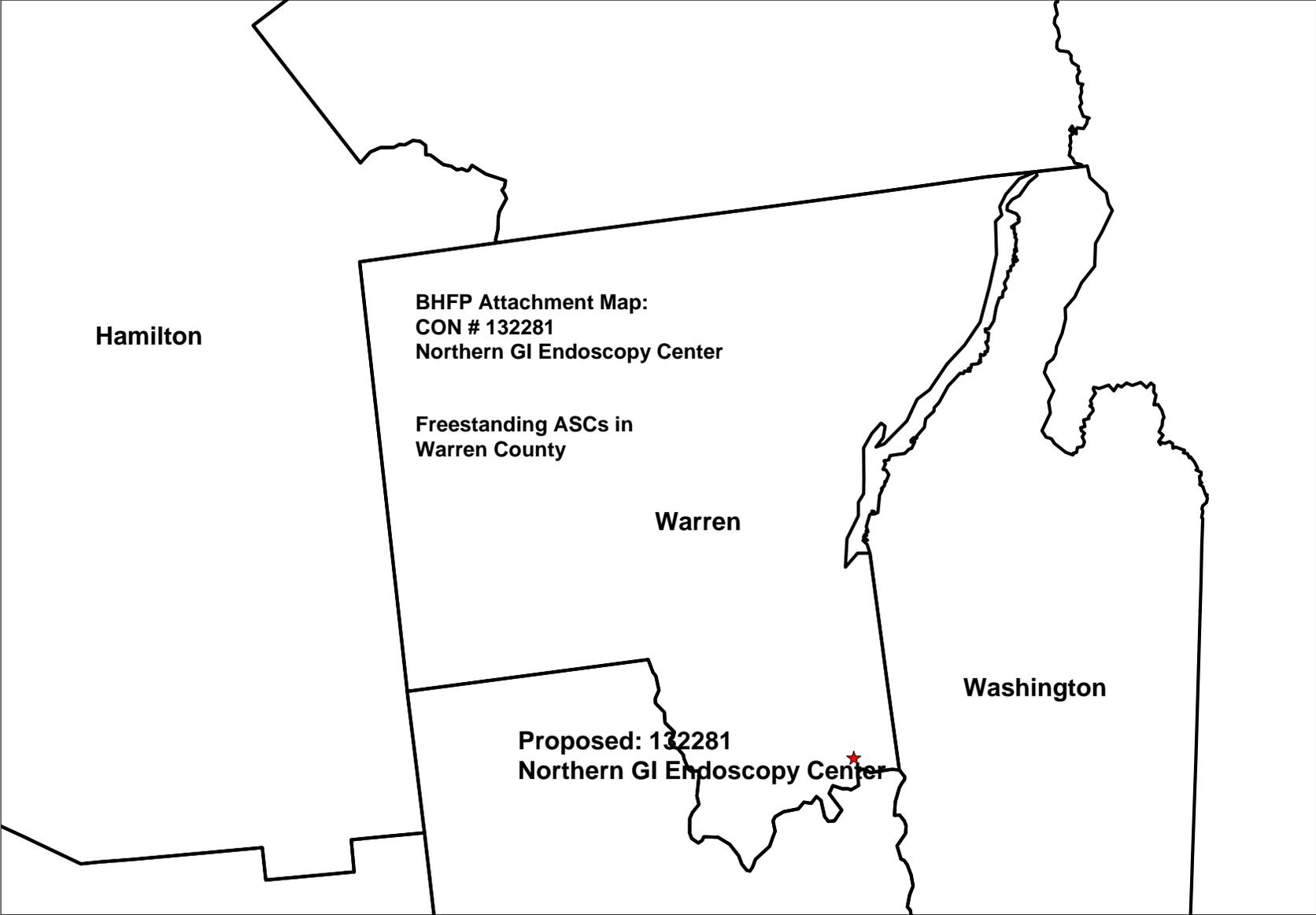
Utilization by Payer in Year 1

Payer Mix	<u>Year 1</u>	<u>Year 3</u>
Commercial	79%	72%
Medicare (incl.managed care)	14%	19%
Medicaid (incl.managed care)	5%	7%
Charity	2%	2%

Visit Volume by Payer	<u>Year 1</u>	<u>Year 3</u>
Commercial	2,370	2,370
Medicare (incl.managed care)	420	633
Medicaid (incl.managed care)	150	231
Charity	<u>60</u>	<u>66</u>
	3,000	3,300

Revenue/Visit	<u>Year 1</u>	<u>Year 3</u>
Commercial	\$789	\$789
Medicare (incl.managed care)	\$321	\$321
Medicaid (incl.managed care)	\$290	\$290
Charity	\$0	\$0

Total Revenue by Payer	<u>Year 1</u>	<u>Year 3</u>
Commercial	\$1,869,930	\$1,869,930
Medicare (incl.managed care)	\$134,820	\$203,193
Medicaid (incl.managed care)	\$43,500	\$66,990
Charity	<u>\$0</u>	<u>\$0</u>
	\$2,048,250	\$2,140,113



BFA Attachment C

Pro Forma Balance Sheet of
Northway SPC, LLC

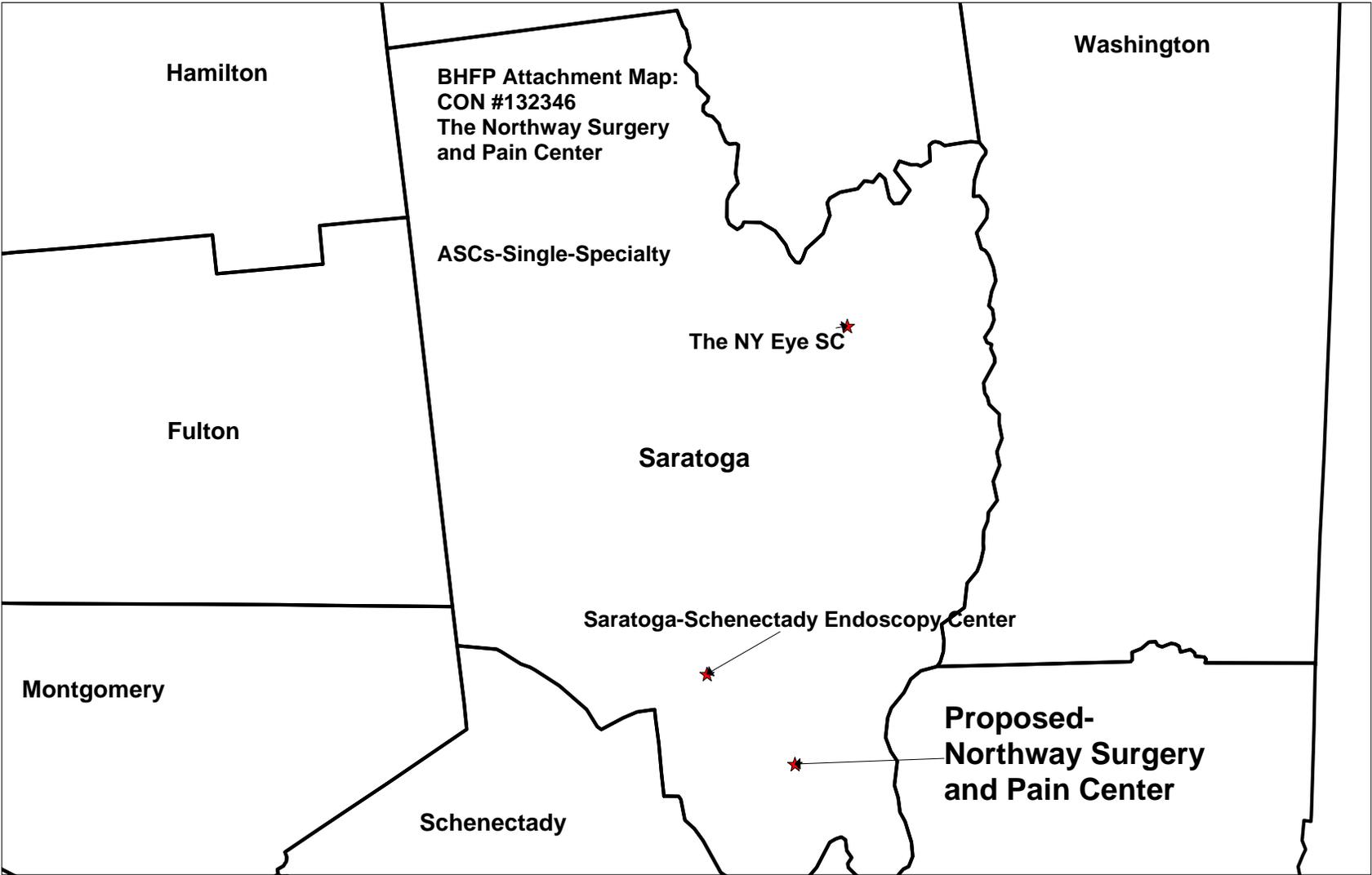
ASSETS

Cash	\$594,010
Equipment	<u>972,308</u>
Total Assets	\$1,566,318

LIABILITIES

Bank Equipment Loan	\$880,000
Working capital Loans	<u>269,010</u>
Total Liabilities	\$1,149,010

Members' Equity	<u><u>\$417,308</u></u>
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NEW YORK-PRESBYTERIAN FUND, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2013 AND DECEMBER 31, 2012
(In Thousands)

	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
ASSETS		
Cash and cash equivalents	\$ 116,644	\$ 95,443
Investments	1,580,819	1,368,819
Pledges receivable-net	486,007	359,984
Investment in insurance company	147,239	110,530
Receivable from insurance captive	39,624	26,300
Due from related organizations	17,900	13,665
Investment in real estate	1,156	1,284
Leasehold improvements and equipment	-	-
Other assets	2,499	3,691
Beneficial interest in perpetual trusts and other split interest agreements	67,587	60,387
	<hr/>	<hr/>
TOTAL ASSETS	\$ 2,459,475	\$ 2,040,103
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts Payable	\$ 10	\$ 268
Commercial paper agreement	19,869	21,869
Liability to annuitants and other	5,931	4,579
	<hr/>	<hr/>
Total Liabilities	25,810	26,716
 Net assets:		
Unrestricted	714,607	582,258
Temporarily restricted	1,507,968	1,234,020
Permanently restricted	211,090	197,109
	<hr/>	<hr/>
Total Net Assets	2,433,665	2,013,387
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 2,459,475	\$ 2,040,103

NEW YORK-PRESBYTERIAN FUND, INC.
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
TWELVE MONTHS ENDED DECEMBER 31, 2013
(IN THOUSANDS)

	Temporarily Restricted				Total Temporarily Restricted	Permanently Restricted	Total Net Assets 2013
	Unrestricted	Plant Replacement	Specific Purposes	Endowment Earnings			
Net assets at January 1, 2013	\$ 582,258	\$ 574,237	\$ 462,576	\$ 197,207	\$ 1,234,020	\$ 197,109	\$ 2,013,387
Revenue							
Gifts, bequests and similar items	13,032	194,792	96,178	-	290,970	2,727	306,729
Investment Income	70,645	61,984	43,778	29,215	134,977	4,544	210,166
Change in equity investment in insurance company	23,224	-	-	-	-	-	23,224
Premium revenue	101,711	-	-	-	-	-	101,711
Other Revenue	19,295	-	1	-	1	-	19,296
Net assets released from restrictions for administrative and Fund raising	17,626	(7,073)	(5,697)	(4,856)	(17,626)	-	-
Net assets released from restrictions for program expenditures	68,676	(1,114)	(67,454)	(108)	(68,676)	-	-
Total revenue	314,209	248,589	66,806	24,251	339,646	7,271	661,126
Expenses							
Administrative and fund raising	25,013	-	-	-	-	-	25,013
Expenditures for donor-specified purposes	93,112	-	-	-	-	-	93,112
Other expenses	1,980	-	-	-	-	-	1,980
Insurance expenses	62,373	-	-	-	-	-	62,373
Total expenses	182,478	-	-	-	-	-	182,478
Excess of income over expenses	131,731	248,589	66,806	24,251	339,646	7,271	478,648
Net assets released for distribution to Hospital for purchase of fixed assets	78,403	(74,759)	(3,617)	(27)	(78,403)	-	-
Distributions (to) from:							
New York Presbyterian Hospital-Capital Purchases-Unrestricted	618	-	-	-	-	-	618
New York Presbyterian Hospital-Capital Purchases-Restricted	(78,403)	-	-	-	-	-	(78,403)
New York Presbyterian Community Health Plan	-	-	-	-	-	-	-
Total distributions	(77,785)	-	-	-	-	-	(77,785)
Net assets of LMH, transferred from Hospital as of July 1, 2013	-	847	11,858	-	12,705	6,710	19,415
Change in net assets	132,349	174,677	75,047	24,224	273,948	13,981	420,278
Net assets at end of period	\$ 714,607	\$ 748,914	\$ 537,623	\$ 221,431	\$ 1,507,968	\$ 211,090	\$ 2,433,665

New York-Presbyterian Fund, Inc.

Consolidated Statement of Changes in Net Assets

Year Ended December 31, 2012

	Temporarily Restricted					Permanently Restricted	Total Net Assets
	Unrestricted	Plant Replacement	Specific Purposes	Endowment Earnings	Total Temporarily Restricted		
Net assets at January 1, 2012	\$ 484,988	\$ 500,233	\$ 423,212	\$ 193,510	\$ 1,116,955	\$ 182,619	\$ 1,784,562
Revenue, gains and other support							
Gifts, bequests and similar items	8,742	85,301	77,548	-	162,849	11,559	183,150
Investment income	46,013	39,077	31,699	8,929	79,705	2,931	128,649
Equity in income of insurance companies	11,481	-	-	-	-	-	11,481
Insurance premium revenue	92,274	-	-	-	-	-	92,274
Other revenue	9,269	-	-	-	-	-	9,269
Net assets released from restrictions for administrative and fundraising costs	15,821	(6,090)	(5,152)	(4,579)	(15,821)	-	-
Net assets released from restrictions for program expenditures	61,615	(559)	(60,459)	(597)	(61,615)	-	-
Total revenue, gains and other support	245,215	117,729	43,636	3,753	165,118	14,490	424,823
Expenses							
Administrative and fundraising	21,927	-	-	-	-	-	21,927
Program expenditures	69,880	-	-	-	-	-	69,880
Other	10,243	-	-	-	-	-	10,243
Insurance premium expenses	63,939	-	-	-	-	-	63,939
Total expenses	165,989	-	-	-	-	-	165,989
Excess of revenue, gains and other support over expenses	79,226	117,729	43,636	3,753	165,118	14,490	258,834
Net assets released from restrictions for distribution to The New York and Presbyterian Hospital for the purchase of fixed assets	48,053	(43,725)	(4,272)	(56)	(48,053)	-	-
Distributions (to) from related organizations							
The New York and Presbyterian Hospital for the purchase of fixed assets - temporarily restricted	(47,280)	-	-	-	-	-	(47,280)
Distribution from liquidation of New York-Presbyterian Community Health Plan, Inc.	17,271	-	-	-	-	-	17,271
Total distributions (to) from related organizations	(30,009)	-	-	-	-	-	(30,009)
Changes in net assets	97,270	74,004	39,364	3,697	117,065	14,490	228,825
Net assets at December 31, 2012	\$ 582,258	\$ 574,237	\$ 462,576	\$ 197,207	\$ 1,234,020	\$ 197,109	\$ 2,013,387

The Trustees of Columbia University in the City of New York
Consolidated Balance Sheets
At June 30, 2013 and 2012
(in thousands of dollars)

	June 2013	June 2012
Assets		
Cash and cash equivalents	\$783,733	\$434,635
Accounts receivable, net:		
Government agencies	144,618	119,189
Patient receivables	72,604	71,770
Other	232,120	193,869
Investment income receivable, net	2,830	2,130
Receivable for securities sold	32,572	32,942
Cash and securities held in trust by others	2,850	88,092
Pledges receivable, net	833,726	920,195
Student loans receivable, net	97,775	93,313
Collateral for securities loaned	3,057	30,536
Investments, at fair value	8,190,902	7,591,982
Institutional real estate	828,990	815,379
Land, buildings, and equipment, net	3,068,544	2,906,411
Other assets	204,700	194,366
Net assets held by CPMC Fund, Inc.	66,555	78,914
Interest in perpetual trusts held by others	163,366	153,168
Total assets	\$14,728,942	\$13,726,891
Liabilities		
Accounts payable and accrued expenses	\$270,740	\$232,340
Liabilities for securities purchased	37,565	10,026
Securities loan agreement payable	3,057	30,536
Prepaid tuition and other deferred credits	50,084	47,281
Deferred revenue and unamortized bond premium	109,178	106,939
Refundable advances	96,447	85,820
Capital lease obligations	120,427	114,421
Conditional asset retirement obligations	106,290	106,282
Accrued employee benefit liabilities	196,026	229,928
Federal student loan funds	79,603	79,603
Actuarial liability for split-interest agreements	44,410	41,444
Bonds and notes payable	1,478,896	1,535,900
Other long-term liabilities	435,522	454,320
Total liabilities	3,028,245	3,074,840
Net assets		
Unrestricted	5,105,563	4,661,233
Temporarily restricted	4,057,273	3,685,376
Permanently restricted	2,537,861	2,305,442
Total net assets	11,700,697	10,652,051
Total liabilities and net assets	\$14,728,942	\$13,726,891

The Trustees of Columbia University in the City of New York
Consolidated Statements of Activities
For the Year Ended June 30, 2013, with Comparative 2012 Totals
(in thousands of dollars)

	Unrestricted	Temporarily Restricted	Permanently Restricted	June 2013	June 2012
Operating activities					
Revenues and support					
Tuition and fees	\$1,141,491			\$1,141,491	\$1,084,801
Less financial aid grants	(315,262)			(315,262)	(298,949)
Net tuition and fees	826,229			826,229	785,852
Government grants and contracts:					
Direct	605,211			605,211	658,384
Indirect	195,807			195,807	199,203
Private gifts, grants and contracts:					
Direct	223,129	\$173,168		396,297	431,657
Indirect	20,786			20,786	16,916
Revenue from other educational and research activities	208,738			208,738	216,477
Patient care revenue	886,691			886,691	855,283
Investment income and gains utilized	324,716	138,893		463,609	421,185
Sales and services of auxiliary enterprises	133,962			133,962	122,227
Other sources	1,356			1,356	5,089
Net assets released from restrictions	259,278	(259,278)			
Total operating revenues and support	3,685,903	52,783		3,738,686	3,712,273
Expenses					
Instruction and educational administration	1,278,363			1,278,363	1,250,456
Research	566,920			566,920	578,151
Patient care expense	747,032			747,032	730,413
Library	62,221			62,221	61,700
Operation and maintenance of plant	217,397			217,397	224,633
Institutional support	226,077			226,077	203,067
Auxiliary enterprises	107,028			107,028	101,915
Depreciation expense	182,013			182,013	191,470
Interest expense	47,386			47,386	57,117
Other	25,580			25,580	26,139
Total expenses	3,460,017			3,460,017	3,425,061
Change in net assets from operating activities	225,886	52,783		278,669	287,212
Nonoperating activities					
Endowment gifts			\$210,670	210,670	114,793
Current year realized and unrealized capital gains (losses)	338,274	520,561	2,941	861,776	(30,479)
Endowment appreciation utilized	(122,417)	(231,919)		(354,336)	(302,469)
Change in net assets held by CPMC Fund, Inc.	(4,922)	(4,717)	(2,720)	(12,359)	(10,946)
Change in funds held by others in perpetuity			10,198	10,198	(8,088)
Present value adjustment to split-interest agreements	2,531	(6,527)	(478)	(4,474)	2,907
Changes in pension and post retirement obligations	45,028			45,028	(56,415)
Other	3,887	6,866	2,721	13,474	(6,770)
Reclassification	(43,937)	34,850	9,087		
Change in net assets from nonoperating activities	218,444	319,114	232,419	769,977	(297,467)
Change in net assets	444,330	371,897	232,419	1,048,646	(10,255)
Net assets at beginning of year	4,661,233	3,685,376	2,305,442	10,652,051	10,662,306
Net assets at end of period	\$5,105,563	\$4,057,273	\$2,537,861	\$11,700,697	\$10,652,051

Project 132132
BFA Attachment C

Pro Forma Balance Sheet of
NewRad 51, Inc

ASSETS

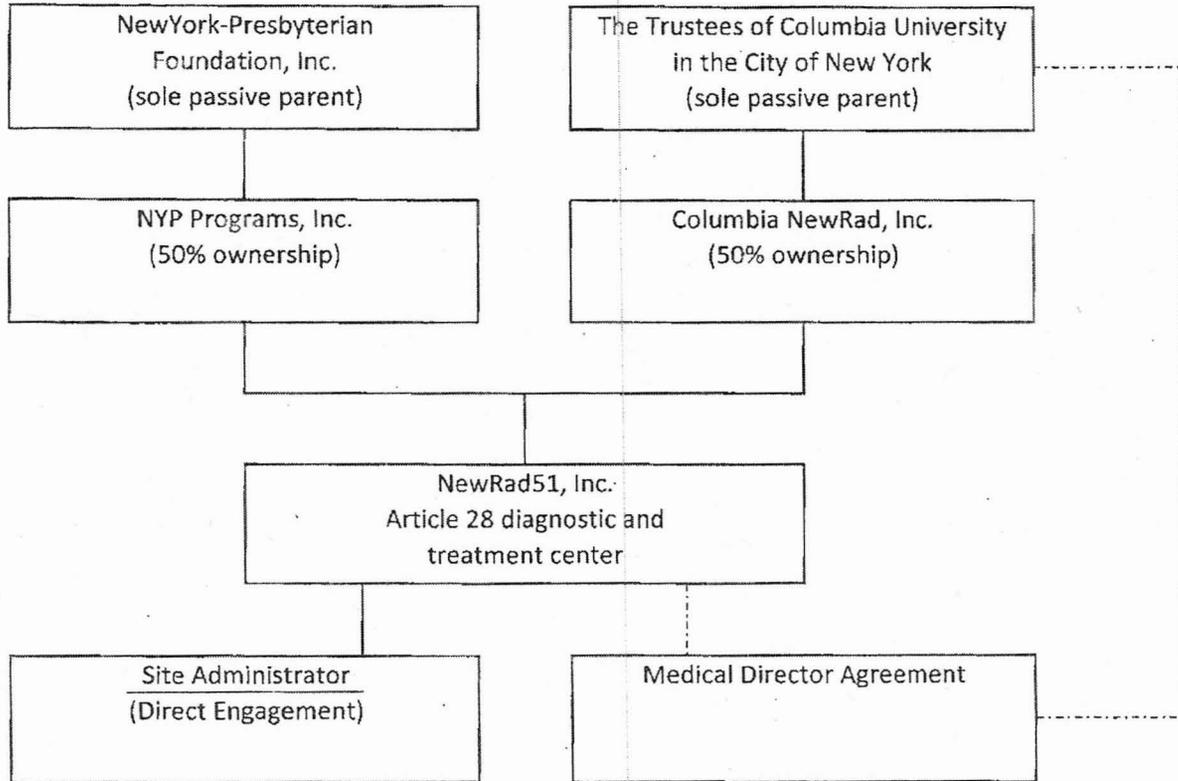
Working Capital \$6,538,304
Leasehold Improvements 11,540,411
Total Assets \$18,078,715

LIABILITIES

Due to NYPF Interest Loan \$3,482,000
Due to NYPF Subvention 5,557,358
Due to Columbia Interest Loan 3,482,000
Due to Columbia Subvention 5,557,357
Total Liabilities \$18,078,715

Shareholders' Equity \$0

Organizational Chart

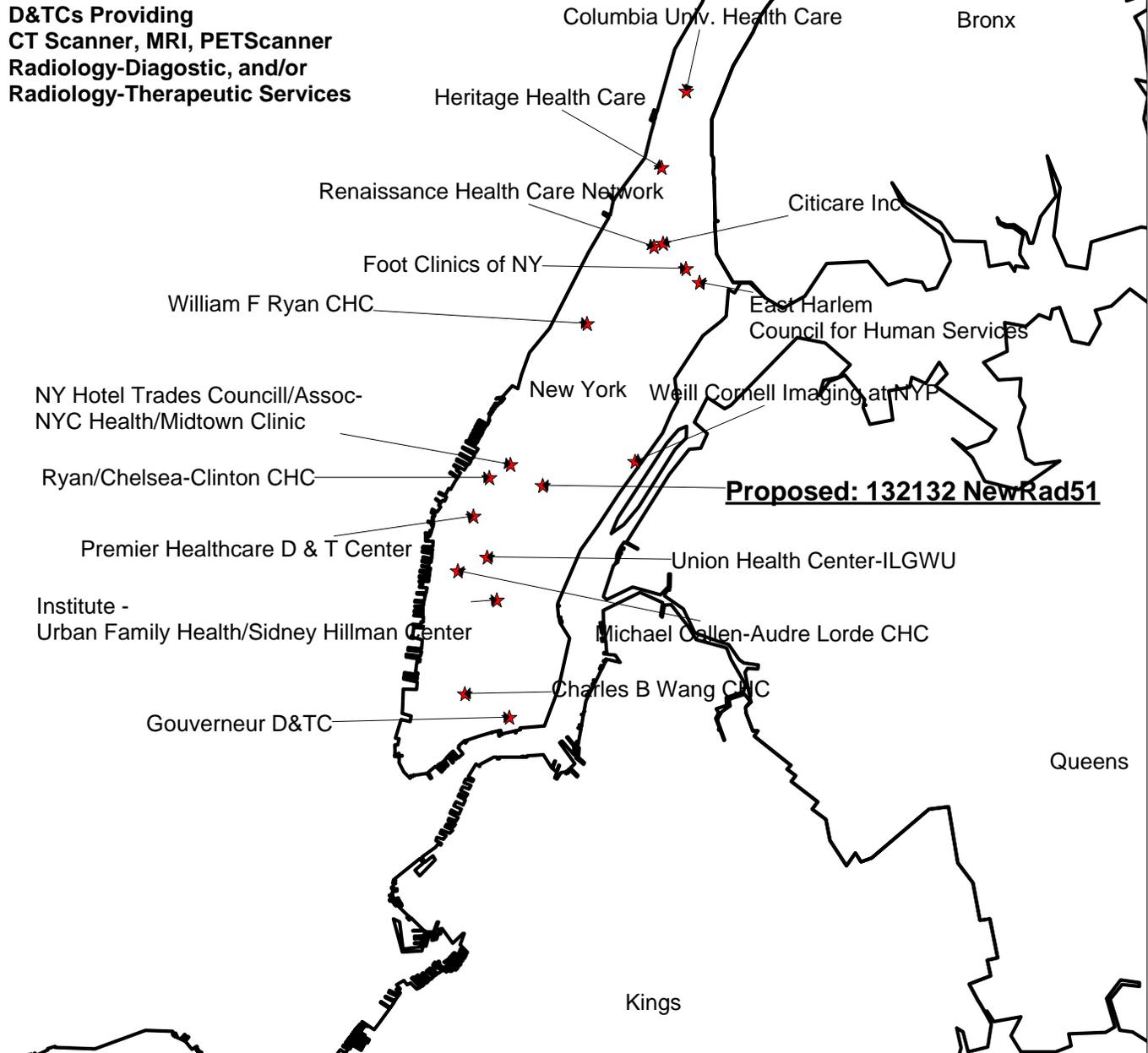


The passive sole member of NYP Programs, Inc. will be NewYork-Presbyterian Foundation, Inc., a New York not-for-profit corporation.

The passive sole member of Columbia NewRad, Inc. will be The Trustees of Columbia University in the City of New York, a New York corporation formed by special act of the New York State Legislature.

**BHFP Attachment Map:
CON # 132132
NewRad51**

**D&TCs Providing
CT Scanner, MRI, PETScanner
Radiology-Diagnostic, and/or
Radiology-Therapeutic Services**



BFA Attachment B
Project 132252

Pro Forma Balance Sheet of
Cornerstone Urgent Care Center, LLC

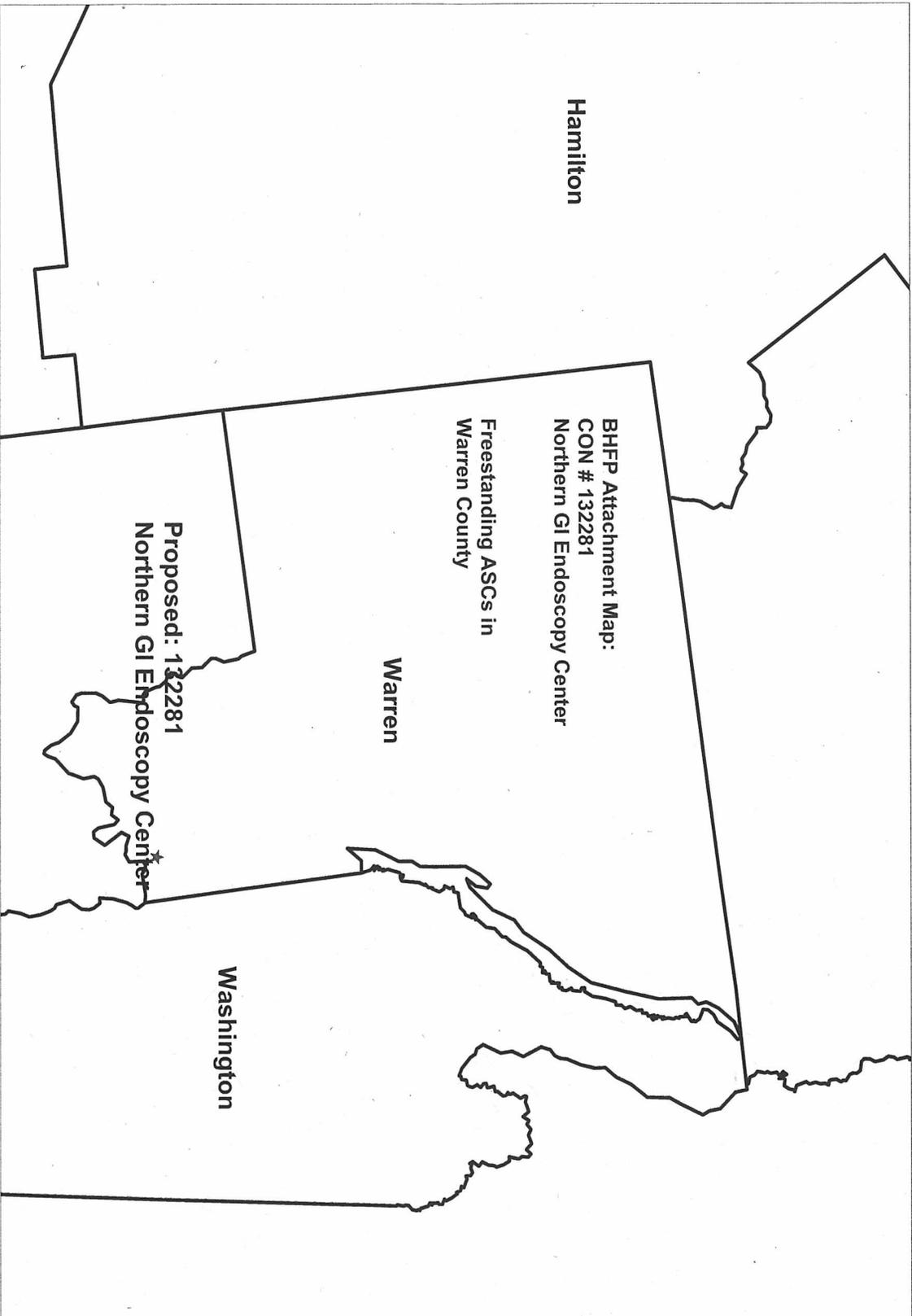
ASSETS

D&TC Capital	\$338,307
Cash	<u>261,799</u>
Total Assets	\$600,106

LIABILITIES

Total Liabilities	<u>\$0</u>
-------------------	------------

Shareholders' Equity	<u><u>\$600,106</u></u>
----------------------	-------------------------



Hamilton

BHP Attachment Map:
CON # 132281
Northern GI Endoscopy Center

Warren

Proposed: 132281
Northern GI Endoscopy Center

Washington

132345
Castle Hill Medical Center of New York, Inc.
(Bronx County)

To be distributed under separate cover

New York Dialysis Services, Inc.
Special Purpose Consolidated Balance Sheet
December 31, 2013

****UNCERTIFIED / ESTIMATED****

Assets

Current Assets

Cash	28,256
Accounts Receivable	27,118,208
Inventory	2,827,446
Other Current Assets	3,548,927
Total Current Assets	33,522,837

Net Fixed Assets 12,261,993

Net Intangible assets (129,827,791)

Total Assets (84,042,962)

Liabilities

Current Liabilities

Accounts Payable	20,135,138
Other Current Liabilities	-
Total Current Liabilities	20,135,138

Total Long term Debt
Net of Current Maturities -

Total Liabilities 20,135,138

Shareholder's Equity

Common Stock	200
Amount in Excess of Par	7,487,599
Retained Earnings/ (Accumulated Deficit)	(111,665,898)
Total Shareholders Equity	(104,178,099)

Total Liability & Equity (84,042,962)

NYDS

Special Purpose Consolidated Statement of Operations

Year ended Dec 31, 2013

Unaudited

Net Revenue (Less Bad Debt) Healthcare Services	211,515,235
Expenses	
<i>Cost of Healthcare services</i>	160,680,137
<i>General and administrative expenses</i>	16,438,502
<i>Management Fee</i>	4,542,372
<i>Provision of doubtful accounts</i>	23,931,097
<i>Interest expense with affiliate</i>	14,198
Total Expenses	<u>205,606,306</u>
Net Income/ (loss) before income taxes	<u>5,908,929</u>
Provision for income taxes	-
Net income/ (loss)	<u>5,908,929</u>

New York Dialysis Services, Inc.
Special Purpose Consolidated Balance Sheet
December 31, 2012

****UNCERTIFIED / ESTIMATED****

Assets

Current Assets	
Cash	157,330
Accounts Receivable	39,164,648
Inventory	3,263,682
Other Current Assets	3,500,733
Total Current Assets	46,086,393
Net Fixed Assets	12,220,155
Net Intangible assets	(155,540,561)
Total Assets	(97,234,013)

Liabilities

Current Liabilities	
Accounts Payable	17,408,166
Other Current Liabilities	-
Total Current Liabilities	17,408,166
Total Long term Debt	-
Net of Current Maturities	-
Total Liabilities	17,408,166

Shareholder's Equity

Common Stock	200
Amount in Excess of Par	7,487,599
Retained Earnings/ (Accumulated Deficit)	(122,129,978)
Total Shareholders Equity	(114,642,179)
Total Liability & Equity	(97,234,013)

checks -

NYDS

Special-Purpose Consolidated Statement of Operations

Year Ended December 31, 2012

Unaudited

Net Revenues (<i>Less Bad Debt</i>)	
Healthcare services	217,926,234.56
Expenses	
Cost of healthcare services	164,214,226.71
General and administrative expenses	17,497,578.09
Management fee	9,829,444.20
Provision for doubtful accounts	15,325,952.96
Interest expense with affiliate	116,792.33
Total expenses	<u>206,983,994.29</u>
Net Income / (loss) before income taxes	10,942,240.27
Provision for income taxes	-
Net Income / (Loss)	10,942,240.27

Liberty Dialysis - Hyde Park
Day One Pro Forma Balance Sheet

Assets

Current Assets

Cash-Operating	446,416
Due from Others	0
Fixed Assets, net of Accumulated Depreciation	1,650,000

Total Assets 2,096,416

Liabilities and Members' Equity

Liabilities - Debt for Improvements and Equipment	1,485,000
Liabilities - Working Capital Line	223,208
Total Liabilities	1,708,208

Members' Equity

Members' Capital - Contributed Project Equity	165,000
Members' Capital - Contributed working Capital	223,208

Total Owners' Equity 388,208

Total Liabilities & Owners' Equity 2,096,416

**FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES**

Consolidated Balance Sheets

September 30, 2013 (Unaudited) and December 31, 2012

(Dollars in thousands)

Assets	2013	2012
Current assets:		
Cash and cash equivalents	\$ 269,749	341,071
Trade accounts receivable, less allowances of \$238,019 in 2013 and \$250,124 in 2012	1,312,995	1,361,637
Receivables from affiliates	757,906	2,796,809
Inventories	385,525	428,620
Deferred income taxes	227,526	242,996
Other current assets	557,009	535,444
Total current assets	<u>3,510,710</u>	<u>5,706,577</u>
Property, plant and equipment, net	1,630,515	1,568,231
Other assets:		
Goodwill	9,893,714	9,850,023
Other intangible assets, net	485,329	524,578
Investment in equity method investees	48,355	45,619
Other assets and deferred charges	391,947	146,481
Total other assets	<u>10,819,345</u>	<u>10,566,701</u>
Total assets	<u>\$ 15,960,570</u>	<u>17,841,509</u>
Liabilities and Equity		
Current liabilities:		
Short-term borrowings	\$ 14,983	23,804
Current portion of long-term debt and capital lease obligations	200,458	101,078
Current portion of mandatorily redeemable preferred securities	—	665,500
Accounts payable	292,225	373,768
Accrued liabilities	1,091,836	998,525
Accrued special charge for legal matters	115,458	115,555
Accounts payable to affiliates	13,023	52,134
Accrued income taxes	248,580	150,659
Total current liabilities	<u>1,976,563</u>	<u>2,481,023</u>
Long-term debt	2,601,792	2,728,162
Noncurrent borrowings from affiliates	2,082,222	2,030,126
Capital lease obligations	11,075	1,376
Deferred income taxes	611,872	612,965
Other liabilities	436,213	518,426
Total liabilities	<u>7,719,737</u>	<u>8,372,078</u>
Noncontrolling interests subject to put provisions	610,272	511,707
Equity:		
Preferred stock, \$1 par value	1,450,747	2,550,956
Common stock, \$1 par value	90,000	90,000
Treasury stock	(717,103)	—
Additional paid-in capital	1,791,249	1,861,059
Retained earnings	4,918,565	4,357,296
Accumulated other comprehensive loss	(111,109)	(120,540)
Total Fresenius Medical Care Holdings Inc. equity	<u>7,422,349</u>	<u>8,738,771</u>
Noncontrolling interests not subject to put provisions	208,212	218,953
Total equity	<u>7,630,561</u>	<u>8,957,724</u>
Total liabilities and equity	<u>\$ 15,960,570</u>	<u>17,841,509</u>

See accompanying notes to consolidated financial statements.

**FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES**

Consolidated Statements of Operations

For the three and nine months ended September 30, 2013 and 2012

(Unaudited)

(Dollars in thousands)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Net revenues:				
Health care services	\$ 2,275,270	2,097,264	\$ 6,622,761	6,158,930
Less: Patient service bad debt provision	73,590	69,503	205,137	206,665
Net health care services	2,201,680	2,027,761	6,417,624	5,952,265
Medical supplies	190,785	183,730	553,688	545,799
	<u>2,392,465</u>	<u>2,211,491</u>	<u>6,971,312</u>	<u>6,498,064</u>
Expenses:				
Cost of health care services	1,449,177	1,294,205	4,203,028	3,814,056
Cost of medical supplies	138,346	134,403	412,551	400,400
General and administrative expenses	280,718	248,924	867,902	878,646
Depreciation and amortization	97,103	90,261	281,924	262,215
Research and development	14,054	8,974	36,076	28,710
Equity investment income	1,337	1,342	4,831	5,006
Gain on sale of dialysis clinics	18	(13)	7,359	33,926
Interest expense, net, and related financing costs (including \$29,387 and \$33,694 for the three months and \$86,674 and \$102,336 for the nine months, respectively, of interest with affiliates)	46,521	46,141	140,235	128,889
Investment gain	—	—	—	(139,600)
	<u>2,027,274</u>	<u>1,824,237</u>	<u>5,953,906</u>	<u>5,412,248</u>
Income before income taxes	365,191	387,254	1,017,406	1,085,816
Provision for income taxes	131,009	129,882	358,698	350,948
Net income	234,182	257,372	658,708	734,868
Less net income attributable to noncontrolling interests	31,604	34,714	97,558	97,391
Net income attributable to Fresenius Medical Care Holdings, Inc.	<u>\$ 202,578</u>	<u>222,658</u>	<u>\$ 561,150</u>	<u>637,477</u>

See accompanying notes to consolidated financial statements.

**FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES**

Consolidated Balance Sheets

December 31, 2012 and 2011

(Dollars in thousands)

Assets	2012	2011
Current assets:		
Cash and cash equivalents	\$ 341,071	204,142
Trade accounts receivable, less allowances of \$250,124 in 2012 and \$222,524 in 2011	1,361,637	1,188,700
Receivables from affiliates	2,796,809	1,403,646
Inventories	428,620	409,831
Deferred income taxes	242,996	233,272
Other current assets	535,444	580,058
Total current assets	5,706,577	4,019,649
Property, plant and equipment, net	1,568,231	1,397,813
Other assets:		
Goodwill	9,850,023	7,677,810
Other intangible assets, net	524,578	497,678
Investment in equity method investees	45,619	85,542
Other assets and deferred charges	146,481	140,798
Total other assets	10,566,701	8,401,828
Total assets	\$ 17,841,509	13,819,290
Liabilities and Equity		
Current liabilities:		
Short-term borrowings	\$ 23,804	17,445
Current portion of long-term debt and capital lease obligations	101,078	1,148,034
Current portion of mandatorily redeemable preferred securities	665,500	—
Accounts payable	373,768	309,345
Accrued liabilities	998,525	862,567
Accrued special charge for legal matters	115,555	115,694
Accounts payable to affiliates	52,134	1,218
Accrued income taxes	150,659	120,539
Total current liabilities	2,481,023	2,574,842
Long-term debt and capital lease obligations	2,729,538	975,374
Noncurrent borrowings from affiliates	2,030,126	416,133
Long-term mandatorily redeemable preferred securities	—	665,500
Deferred income taxes	612,965	533,487
Other liabilities	518,426	286,000
Total liabilities	8,372,078	5,451,336
Noncontrolling interests subject to put provisions	511,707	404,015
Equity:		
Preferred stock, \$1 par value	2,550,956	2,524,622
Common stock, \$1 par value	90,000	90,000
Additional paid-in capital	1,861,059	1,840,621
Retained earnings	4,357,296	3,510,634
Accumulated other comprehensive loss	(120,540)	(104,624)
Total Fresenius Medical Care Holdings Inc. equity	8,738,771	7,861,253
Noncontrolling interests not subject to put provisions	218,953	102,686
Total equity	8,957,724	7,963,939
Total liabilities and equity	\$ 17,841,509	13,819,290

**FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES**

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

	<u>2012</u>	<u>2011</u>
Net revenues:		
Health care services	\$ 8,434,059	7,271,998
Less: Patient service bad debt provision	280,365	224,545
Net health care services	<u>8,153,694</u>	<u>7,047,453</u>
Medical supplies	731,707	753,386
	<u>8,885,401</u>	<u>7,800,839</u>
Expenses:		
Cost of health care services	5,038,830	4,404,513
Cost of medical supplies	677,269	739,911
General and administrative expenses	1,269,856	1,075,639
Depreciation and amortization	353,012	304,778
Research and development	38,256	37,782
Equity investment income	(7,900)	(5,055)
Interest expense, net, and related financing costs (including \$131,118 and \$115,779 of interest with affiliates, respectively)	181,356	134,630
Investment gain	(139,600)	—
	<u>7,411,079</u>	<u>6,692,198</u>
Income before income taxes	1,474,322	1,108,641
Provision for income taxes	487,565	410,291
Net income	<u>986,757</u>	<u>698,350</u>
Less net income attributable to noncontrolling interests	<u>140,232</u>	<u>97,204</u>
Net income attributable to Fresenius Medical Care Holdings, Inc.	<u>\$ 846,525</u>	<u>601,146</u>

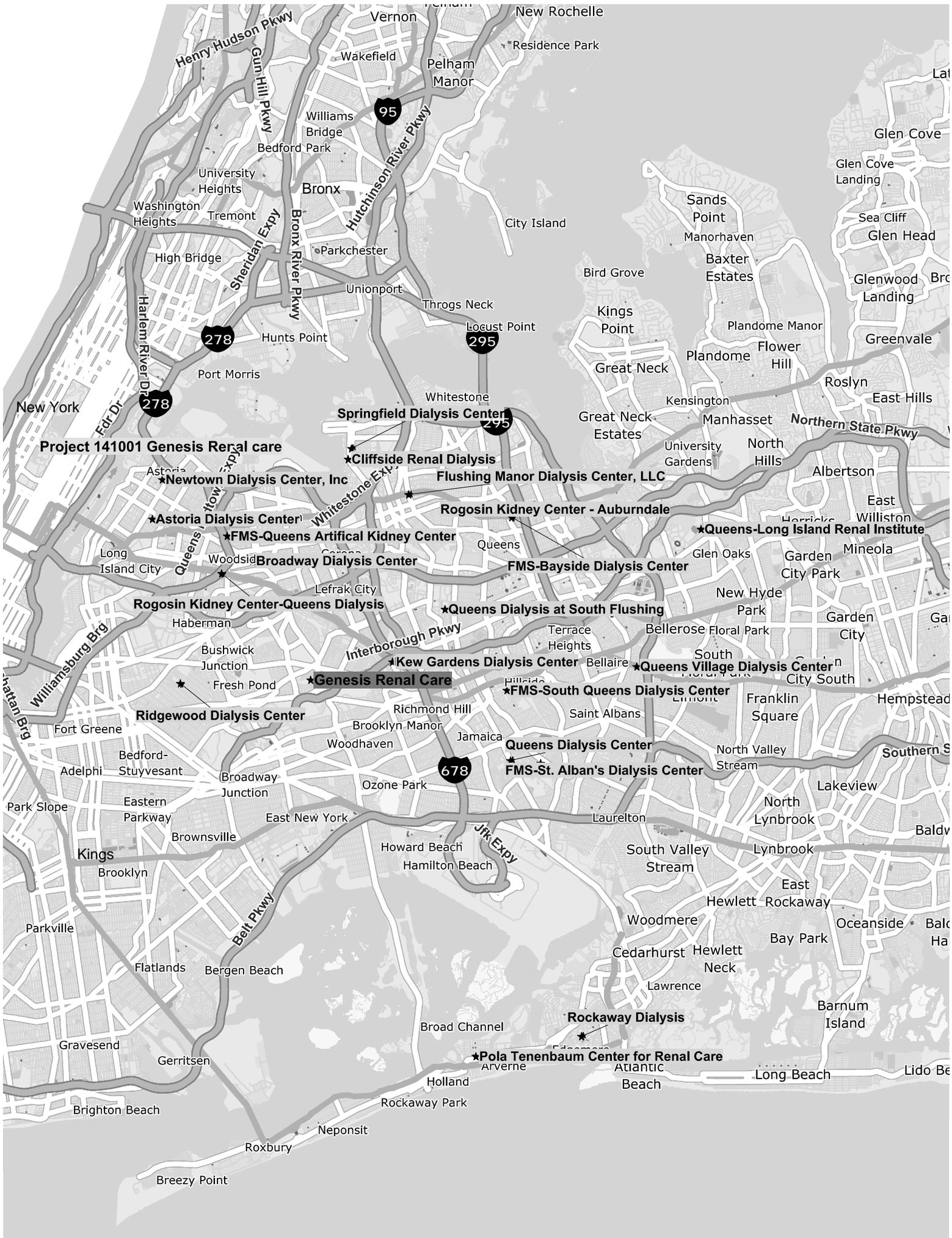
GENESIS RENAL CARE

ESTABLISH AND CONSTRUCT 24-STATION DIALYSIS CENTER

PRO FORMA BALANCE SHEET

<u>ASSETS</u>	<u>Proposed D&TC</u>
Cash	\$801,603
Equipment	\$652,477
Leasehold Improvements	<u>\$3,054,179</u>
TOTAL ASSETS	\$4,508,260
<u>LIABILITIES AND MEMBER EQUITY</u>	
<u>LIABILITIES</u>	
Capital Financing	\$3,335,991
Working Capital Loan	<u>\$400,802</u>
TOTAL LIABILITIES	\$3,736,793
MEMBER EQUITY	<u>\$771,467</u>
TOTAL LIABILITIES AND MEMBER EQUITY	\$4,508,260

Note: The applicant is a recently formed entity that has minimal assets and liabilities.



Project 141001 Genesis Renal care

★ **Newtown Dialysis Center, Inc**

★ **Astoria Dialysis Center**

★ **FMS-Queens Artificial Kidney Center**

★ **Broadway Dialysis Center**

Rogosin Kidney Center-Queens Dialysis

★ **Ridgewood Dialysis Center**

★ **Genesis Renal Care**

★ **Springfield Dialysis Center**

★ **Cliffside Renal Dialysis**

★ **Flushing Manor Dialysis Center, LLC**

★ **Rogosin Kidney Center - Auburndale**

★ **FMS-Bayside Dialysis Center**

★ **Queens Dialysis at South Flushing**

★ **Kew Gardens Dialysis Center**

★ **FMS-South Queens Dialysis Center**

★ **Queens Dialysis Center**

★ **FMS-St. Alban's Dialysis Center**

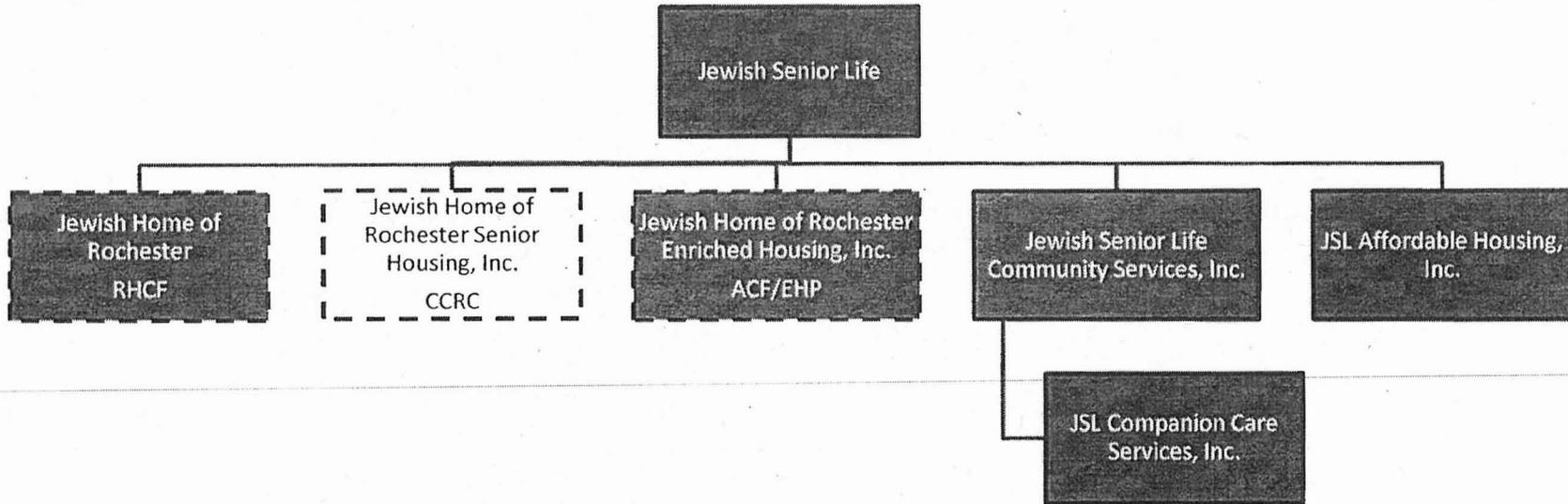
★ **Queens Village Dialysis Center**

★ **Queens-Long Island Renal Institute**

★ **Rockaway Dialysis**

★ **Pola Tenenbaum Center for Renal Care**

JEWISH SENIOR LIFE ORGANIZATIONAL CHART



KEY:

RHCF = Residential Health Care Facility
 CCRC = Continuing Care Retirement Community
 EHP = Enriched Housing Program

 Proposed Members of Obligated Group

 To have Jewish Senior Life as DOH Approved Active Parent

JEWISH SENIOR LIFE

BALANCE SHEETS
December 31,

ASSETS	<u>2012</u>	<u>2011</u>
Current assets:		
Cash	\$ 1,709	\$ 10,753
Due from Jewish Home Foundation, Inc.	-	49,163
Due from Jewish Senior Life Community Services, Inc.	80,665	-
Prepaid expenses	20,989	26,813
Total current assets	<u>103,363</u>	<u>86,729</u>
Investment in land	871,630	871,630
Construction in progress	-	189,082
	<u>\$ 974,993</u>	<u>\$ 1,147,441</u>
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 16,099	\$ 23,493
Due to Jewish Home of Rochester	127,795	53,670
Total current liabilities	<u>143,894</u>	<u>77,163</u>
Net assets:		
Unrestricted net assets	<u>831,099</u>	<u>1,070,278</u>
	<u>\$ 974,993</u>	<u>\$ 1,147,441</u>

JEWISH SENIOR LIFE

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
 Years Ended December 31,

	<u>2012</u>	<u>2011</u>
Revenue:		
Contributions - related parties	\$ 303,520	\$ 316,235
Gifts	-	190,321
	<u>303,520</u>	<u>506,556</u>
Operating expenses:		
Program expenses	172,875	213,584
Administrative expenses	165,713	95,050
Payroll and benefits	-	16,870
Purchased service - related organization	-	1,097
	<u>338,588</u>	<u>326,601</u>
Operating (loss) income	(35,068)	179,955
Nonoperating expense		
Other expenses	<u>(15,029)</u>	<u>(20,248)</u>
Income (loss) from operations and nonoperating expense	(50,097)	159,707
Transfer of assets to related party	<u>(189,082)</u>	-
Change in net assets	(239,179)	159,707
Net assets - beginning of year	<u>1,070,278</u>	<u>910,571</u>
Net assets - end of year	\$ <u>831,099</u>	\$ <u>1,070,278</u>

JEWISH HOME OF ROCHESTER

BALANCE SHEETS
December 31,

ASSETS	2012	2011
Current assets:		
Cash and cash equivalents	\$ 1,718,885	\$ 1,305,566
Investments	143,845	219,034
Resident accounts receivable, net	7,102,482	7,361,248
Due from related parties	720,942	249,635
Supplies on hand	61,151	52,391
Prepaid expenses and other receivables	261,714	221,679
Total current assets	<u>10,009,019</u>	<u>9,409,553</u>
Contribution receivable	4,797,663	4,277,446
Resident funds and security deposits	169,792	180,625
Estimated amounts due from third-party payors - net	731,493	-
Assets limited as to use	2,063,871	4,867,231
Land, buildings and equipment, net	26,074,917	27,792,664
Other assets:		
Deferred financing costs, net	970,831	1,061,845
Other assets	355,288	334,653
	<u>1,326,119</u>	<u>1,396,498</u>
	<u>\$ 45,172,874</u>	<u>\$ 47,924,017</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Line of credit	\$ 700,000	\$ 600,000
Accounts payable and accrued expenses	1,913,414	3,346,129
Accrued payroll, vacation and related withholdings	2,159,998	2,012,720
Accrued pension and postretirement benefit costs	881,000	1,828,327
Estimated amounts due to third-party payors - net	-	188,184
Deferred revenue	146,428	116,667
Current portion of long-term debt	789,626	739,028
Total current liabilities	<u>6,590,466</u>	<u>8,831,055</u>
Resident funds and security deposits	169,792	180,625
Estimated amounts due to third-party payors - net	-	1,028,000
Accrued pension and postretirement benefit costs	4,961,103	5,581,796
Deferred compensation payable	63,875	56,395
Long-term debt	11,938,928	12,764,683
Net assets:		
Unrestricted:		
Operating	14,551,069	10,397,120
Limited use	2,063,871	4,867,231
Total unrestricted net assets	<u>16,614,940</u>	<u>15,264,351</u>
Temporarily restricted	1,774,615	1,476,398
Permanently restricted	3,059,155	2,740,714
Total net assets	<u>21,448,710</u>	<u>19,481,463</u>
	<u>\$ 45,172,874</u>	<u>\$ 47,924,017</u>

JEWISH HOME OF ROCHESTER

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

	2012				2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating revenue:								
Resident services	\$ 42,578,384	\$ -	\$ -	\$ 42,578,384	\$ 41,437,392	\$ -	\$ -	\$ 41,437,392
Other revenues	1,086,678	-	-	1,086,678	890,682	-	-	890,682
Net assets released from restrictions	66,115	(66,115)	-	-	75,641	(74,745)	(896)	-
Total operating revenue	43,731,177	(66,115)	-	43,665,062	42,403,715	(74,745)	(896)	42,328,074
Operating expenses:								
Professional care of residents	18,159,366	-	-	18,159,366	18,637,924	-	-	18,637,924
Administrative	4,477,993	-	-	4,477,993	4,661,422	-	-	4,661,422
Service departments	6,342,044	-	-	6,342,044	6,658,701	-	-	6,658,701
Non-departmental	10,995,488	-	-	10,995,488	9,581,866	-	-	9,581,866
Outpatient services	1,253,149	-	-	1,253,149	1,228,863	-	-	1,228,863
Depreciation and amortization	2,817,929	-	-	2,817,929	2,736,894	-	-	2,736,894
Interest	880,502	-	-	880,502	910,095	-	-	910,095
	44,926,471	-	-	44,926,471	44,415,765	-	-	44,415,765
Operating loss	(1,195,294)	(66,115)	-	(1,261,409)	(2,012,050)	(74,745)	(896)	(2,087,691)
Nonoperating revenue, gain and losses:								
Investment income (loss)	16,348	223,625	(36,517)	203,456	11,117	192,681	(25)	203,773
Auxiliary expense, net	(81,340)	-	-	(81,340)	(76,440)	-	-	(76,440)
Contributions	1,148,684	140,707	354,958	1,644,349	1,020,396	701,906	1,977,652	3,699,954
	1,083,692	364,332	318,441	1,766,465	955,073	894,587	1,977,627	3,825,287
Income (loss) from operations and nonoperating revenue	(111,602)	298,217	318,441	505,056	(1,058,977)	819,842	1,976,731	1,737,596
Adjustment to minimum pension liability and post retirement benefit costs	1,462,191	-	-	1,462,191	(3,733,875)	-	-	(3,733,875)
Change in net assets	1,350,589	298,217	318,441	1,967,247	(4,792,852)	819,842	1,976,731	(1,996,279)
Net assets - beginning of year	15,264,351	1,476,398	2,740,714	19,481,463	20,057,203	656,556	763,983	21,477,742
Net assets - end of year	<u>\$ 16,614,940</u>	<u>\$ 1,774,615</u>	<u>\$ 3,059,155</u>	<u>\$ 21,448,710</u>	<u>\$ 15,264,351</u>	<u>\$ 1,476,398</u>	<u>\$ 2,740,714</u>	<u>\$ 19,481,463</u>

JEWISH HOME OF ROCHESTER SENIOR HOUSING, INC.
d/b/a THE SUMMIT AT BRIGHTON AND RELATED PARTY

COMBINED BALANCE SHEETS
December 31,

ASSETS	2012	2011 (As Restated)
Current assets:		
Cash	\$ 446,406	\$ 59,129
Resident accounts receivable	25,761	71,516
Due from Jewish Home Foundation, Inc.	10,313	2,941
Prepaid expenses and other receivables	14,008	58,108
Total current assets	<u>496,488</u>	<u>191,694</u>
Contribution receivable	35,069	31,233
Resident funds and security deposits	214,779	207,814
Assets limited as to use	3,678,538	6,346,375
Land, buildings and equipment, net	15,922,046	15,510,803
Deferred financing costs, net	1,036,238	1,166,650
	<u>\$ 21,383,158</u>	<u>\$ 23,454,569</u>
LIABILITIES AND NET ASSET DEFICIENCY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,622,268	\$ 2,152,190
Accrued payroll, vacation and related withholdings	163,522	173,265
Deferred revenue	11,111	33,334
Current portion of long-term debt	230,000	220,000
Current portion of refundable deposits	1,751,189	1,868,913
Due to Jewish Home of Rochester, Inc.	562,555	195,965
Total current liabilities	<u>4,340,645</u>	<u>4,643,667</u>
Resident funds and security deposits	214,779	207,814
Due to Jewish Home Foundation, Inc.	2,270,464	3,246,464
Long-term debt	8,295,000	8,525,000
Long-term portion of refundable deposits	15,336,882	16,413,320
Deferred revenue from advance fees	880,452	925,574
Net assets (deficiency):		
Unrestricted:		
Operating	(13,668,671)	(16,884,878)
Limited use	3,678,538	6,346,375
Total unrestricted net asset deficiency	<u>(9,990,133)</u>	<u>(10,538,503)</u>
Temporarily restricted	35,069	31,233
Total net asset deficiency	<u>(9,955,064)</u>	<u>(10,507,270)</u>
	<u>\$ 21,383,158</u>	<u>\$ 23,454,569</u>

JEWISH HOME OF ROCHESTER SENIOR HOUSING, INC.
d/b/a THE SUMMIT AT BRIGHTON AND RELATED PARTY

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended December 31,

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted (As Restated)	Total
Operating revenue:						
Resident services	\$ 6,682,575	\$ -	\$ 6,682,575	\$ 6,967,108	\$ -	\$ 6,967,108
Other revenues	123,685	-	123,685	113,500	-	113,500
Net assets released from restrictions	222	(222)	-	588	(588)	-
Total operating revenue	<u>6,806,482</u>	<u>(222)</u>	<u>6,806,260</u>	<u>7,081,196</u>	<u>(588)</u>	<u>7,080,608</u>
Operating expenses:						
Professional care of residents	957,737	-	957,737	947,410	-	947,410
Administrative	1,398,562	-	1,398,562	971,013	-	971,013
Service departments	2,612,826	-	2,612,826	2,582,836	-	2,582,836
Non-departmental	681,746	-	681,746	674,417	-	674,417
Depreciation and amortization	1,176,087	-	1,176,087	1,115,105	-	1,115,105
Purchased service - related organization	1,558,855	-	1,558,855	1,936,262	-	1,936,262
Interest	465,100	-	465,100	475,725	-	475,725
Total operating expenses	<u>8,850,913</u>	<u>-</u>	<u>8,850,913</u>	<u>8,702,768</u>	<u>-</u>	<u>8,702,768</u>
Operating loss	(2,044,431)	(222)	(2,044,653)	(1,621,572)	(588)	(1,622,160)
Nonoperating revenue, gain and losses:						
Investment (loss) income	25,273	-	25,273	(9,829)	54	(9,775)
Contributions	1,591,750	4,058	1,595,808	16,600	6,767	23,367
Other	(222)	-	(222)	103,543	-	103,543
Total nonoperating revenue, gains and losses	<u>1,616,801</u>	<u>4,058</u>	<u>1,620,859</u>	<u>110,314</u>	<u>6,821</u>	<u>117,135</u>
Income (loss) from operations and nonoperating revenue	(427,630)	3,836	(423,794)	(1,511,258)	6,233	(1,505,025)
Forgiveness of related party debt	976,000	-	976,000	976,019	-	976,019
Reclassification of net assets	-	-	-	(25,000)	25,000	-
Change in net assets	548,370	3,836	552,206	(560,239)	31,233	(529,006)
Net asset deficiency - beginning of year	(10,538,503)	31,233	(10,507,270)	(9,978,264)	-	(9,978,264)
Net asset deficiency - end of year	<u>\$ (9,990,133)</u>	<u>\$ 35,069</u>	<u>\$ (9,955,064)</u>	<u>\$ (10,538,503)</u>	<u>\$ 31,233</u>	<u>\$ (10,507,270)</u>

JEWISH SENIOR LIFE COMMUNITY SERVICES, INC.
(A DEVELOPMENT STAGE COMPANY)

BALANCE SHEET
December 31, 2012

ASSETS

Current assets:

Cash	\$	16,825
Due from JSL Companion Services, Inc.		6,909
Total current assets		<u>23,734</u>
Investment in related party		30,000
Land		95,494
Construction in progress		1,189,271
Loan receivable - related party		<u>120,000</u>
	\$	<u>1,458,499</u>

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$	28,474
Due to Jewish Senior Life		80,665
Due to Jewish Home of Rochester		30,438
Due to Jewish Home Foundation, Inc.		150,000
Total current liabilities		<u>289,577</u>

Net assets:

Unrestricted net assets		<u>1,168,922</u>
	\$	<u>1,458,499</u>

JEWISH SENIOR LIFE COMMUNITY SERVICES, INC.
(A DEVELOPMENT STAGE COMPANY)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2012

Revenue:	
Contributions	\$ 1,002,226
Expenses:	
Payroll and benefits	15,895
Program expenses	4,717
Administrative expenses	1,296
Utilities	478
	<u>22,386</u>
Operating income	979,840
Transfer of assets from related party	<u>189,082</u>
Change in net assets	1,168,922
Net assets - beginning	<u>-</u>
Net assets - ending	<u>\$ 1,168,922</u>

ORNC, LLC
Doing Business As
CHESTNUT PARK REHABILITATION AND NURSING CENTER

PRO FORMA BALANCE SHEET

ASSETS

	<u>As of 12/31/2012</u>	<u>Per CON</u>	<u>Proposed</u>
Cash	\$330,886	\$0	\$330,886
Working Capital	\$0	\$193,553	\$193,553
Accounts Receivable (Net of Acquisition)	\$338,764	\$0	\$338,764
Goodwill	\$0	\$0	\$0
Inventories	\$13,713	\$0	\$13,713
Prepaid Expenses	\$47,028	\$0	\$47,028
Exchanges	\$61,593	\$0	\$61,593
Loans Receivable	\$679,027	\$0	\$679,027
Due from Prior Owner	\$570,919	\$0	\$570,919
Fixed Assets	\$228,884	\$0	\$228,884
Patient's Funds & Deposits	\$169,007	\$0	\$169,007
TOTAL ASSETS	\$2,439,821	\$193,553	\$2,633,374

LIABILITIES AND EQUITY

LIABILITIES

Accounts Payable	\$311,885	\$0	\$311,885
P/R & Taxes Payable	\$147,686	\$0	\$147,686
Due to Third Parties	\$953,608	\$0	\$953,608
Working Capital Loan	\$0	\$96,776	\$96,776
Resident Funds	\$143,526	\$0	\$143,526
TOTAL LIABILITIES	\$1,556,705	\$96,776	\$1,653,481

MEMBER EQUITY	\$883,116	\$96,776	\$979,892
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TOTAL LIABILITIES AND MEMBER EQUITY	\$2,439,821	\$193,553	\$2,633,374
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330 Chestnut Street, LLC (Realty Entity)

PRO FORMA BALANCE SHEET

ASSETS

	<u>As of 12/31/2013</u>	<u>Per CON</u>	<u>Proposed*</u>
<u>Current Assets</u>			
Checking/Savings	\$3,513	\$0	\$3,513
<u>Fixed Assets</u>			
Building/Land (Net of Depreciation)	\$0	\$1,602,221	\$1,602,221
Other Assets	\$218,695	\$0	\$218,695
TOTAL ASSETS	<u>\$222,208</u>	<u>\$1,602,221</u>	<u>\$1,824,429</u>

LIABILITIES AND EQUITY

LIABILITIES

Current Liabilities	\$848	\$0	\$848
Long Term Liabilities - Mortgage Payable	\$218,695	\$1,333,333	\$1,552,028
TOTAL LIABILITIES	<u>\$219,543</u>	<u>\$1,333,333</u>	<u>\$1,552,876</u>
MEMBER EQUITY	<u>\$2,665</u>	<u>\$268,888</u>	<u>\$271,553</u>
TOTAL LIABILITIES AND MEMBER EQUITY	<u>\$222,208</u>	<u>\$1,602,221</u>	<u>\$1,824,429</u>

*: As of Day 1 subsequent to the ownership change.

Financial Summary
ORNC, LLC d/b/a Chestnut Park rehabilitation and Nursing Center

	FISCAL PERIOD ENDED
	<u>12/31/2012</u>
ASSETS - CURRENT	\$2,041,930
ASSETS - FIXED AND OTHER	397,891
LIABILITIES - CURRENT	523,387
LIABILITIES - LONG-TERM	1,033,318
EQUITY	\$883,116
<hr/>	
INCOME	\$5,958,845
EXPENSE	5,320,370
NET INCOME	\$638,475
<hr/>	
NUMBER OF BEDS	80
PERCENT OF OCCUPANCY (DAYS)	95.23%
<hr/>	
PERCENT OCCUPANCY (DAYS):	
MEDICAID	60.01%
MEDICARE	10.76%
PRIVATE/OTHER	29.24%
<hr/>	
Average Working Capital	\$1,518,543
Average Net Assets	\$883,116
Average Net Income/(Loss)	\$638,475

Financial Summary

Bridgewater Center for Rehabilitation and Nursing, LLC

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$6,448,875	\$8,310,681	\$4,011,898
ASSETS - FIXED AND OTHER	1,243,881	1,211,285	1,199,725
LIABILITIES - CURRENT	6,872,498	7,815,194	3,414,870
LIABILITIES - LONG-TERM	<u>819,057</u>	<u>1,295,578</u>	<u>823,410</u>
EQUITY	\$1,201	\$411,194	\$973,343
<hr/>			
INCOME	\$28,137,280	\$28,248,215	\$21,812,881
EXPENSE	<u>27,582,261</u>	<u>28,153,750</u>	<u>21,596,994</u>
NET INCOME	\$555,019	\$94,465	\$215,887
<hr/>			
NUMBER OF BEDS	356	338	331
PERCENT OF OCCUPANCY (DAYS)	95.05%	90.56%	89.15%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	76.40%	80.27%	79.52%
MEDICARE	13.35%	13.09%	12.05%
PRIVATE/OTHER	10.25%	6.64%	8.43%
<hr/>			
Average Working Capital	\$222,964		
Average Net Assets	\$461,913		
Average Net Income (Loss)	\$288,457		
Average Occupancy	91.59%		

Financial Summary

Pine Valley Center, LLC
d/b/a Pine Valley Center for Rehabilitation and Nursing

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$7,177,969	\$12,963,294	\$8,775,205
ASSETS - FIXED AND OTHER	9,685,382	3,451,618	3,701,351
LIABILITIES - CURRENT	4,636,948	5,515,451	4,869,070
LIABILITIES - LONG-TERM	<u>9,501,714</u>	<u>8,615,206</u>	<u>4,813,451</u>
EQUITY	\$2,724,689	\$2,284,255	\$2,794,035
<hr/>			
INCOME	\$18,196,097	\$17,548,035	\$18,403,809
EXPENSE	<u>17,970,741</u>	<u>17,974,882</u>	<u>16,897,729</u>
NET INCOME	\$225,356	(\$426,847)	\$1,506,080
<hr/>			
NUMBER OF BEDS	200	200	200
PERCENT OF OCCUPANCY (DAYS)	91.53%	92.52%	92.65%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	82.02%	83.15%	82.55%
MEDICARE	10.94%	10.38%	9.64%
PRIVATE/OTHER	7.04%	6.46%	7.82%
<hr/>			
Average Working Capital	\$4,631,666		
Average Net Assets	\$2,600,993		
Average Net Income (Loss)	\$434,863		
Average Occupancy	92.23%		

Financial Summary

CPRN, LLC
d/b/a Central Park Rehabilitation and Nursing Center

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$4,082,016	\$6,422,889	\$4,215,485
ASSETS - FIXED AND OTHER	646,949	656,168	183,809
LIABILITIES - CURRENT	1,943,757	4,304,506	1,755,000
LIABILITIES - LONG-TERM	<u>2,770,008</u>	<u>2,757,482</u>	<u>2,800,345</u>
EQUITY	\$15,200	\$17,069	(\$156,051)
<hr/>			
INCOME	\$14,204,493	\$16,690,633	\$13,628,144
EXPENSE	<u>13,912,344</u>	<u>16,347,691</u>	<u>13,401,334</u>
NET INCOME	\$292,149	\$342,942	\$226,810
<hr/>			
NUMBER OF BEDS	160	160	160
PERCENT OF OCCUPANCY (DAYS)	96.76%	96.62%	97.23%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	80.09%	76.75%	75.27%
MEDICARE	13.04%	15.12%	17.71%
PRIVATE/OTHER	6.87%	8.13%	7.02%
<hr/>			
Average Working Capital	\$2,239,042		
Average Net Assets	(\$41,261)		
Average Net Income (Loss)	\$287,300		
Average Occupancy	96.87%		

RRNC, LLC
Doing Business As
COLONIAL PARK REHABILITATION AND NURSING CENTER

PRO FORMA BALANCE SHEET

<u>ASSETS</u>	<u>As of 12/31/2012</u>	<u>Per CON</u>	<u>Proposed</u>
Cash	\$197,001	\$0	\$197,001
Accounts Receivable (Net)	\$1,326,442	\$0	\$1,326,442
Inventories	\$16,503	\$0	\$16,503
Working Capital	\$0	\$0	\$0
Prepaid Expenses	\$36,176	\$0	\$36,176
Goodwill	\$0	\$0	\$0
Fixed Assets	\$390,181	\$0	\$390,181
Resident Funds & Deposits	\$19,885	\$0	\$19,885
TOTAL ASSETS	\$1,986,188	\$0	\$1,986,188

LIABILITIES AND EQUITY

<u>LIABILITIES</u>			
Accounts Payable	\$393,908	\$0	\$393,908
P/R & Taxes Payable	\$172,924	\$0	\$172,924
Due to Prior Owner	\$790,975	\$0	\$790,975
Due to Third Parties	\$512,323	\$0	\$512,323
Acquisition Loans	\$0	\$0	\$0
Working Capital Loan	\$0	\$0	\$0
Resident Funds	\$15,589	\$0	\$15,589
TOTAL LIABILITIES	\$1,885,719	\$0	\$1,885,719

MEMBER EQUITY	\$100,469	\$0	\$100,469
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TOTAL LIABILITIES AND MEMBER EQUITY	\$1,986,188	\$0	\$1,986,188
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950 Floyd Avenue, LLC (Realty Entity)

PRO FORMA BALANCE SHEET

ASSETS

	<u>As of 12/31/2013</u>	<u>Per CON</u>	<u>Proposed*</u>
<u>Current Assets</u>			
Checking/Savings	\$1	\$0	\$1
<u>Fixed Assets</u>			
Building/Land (Net of Depreciation)	\$0	\$1,602,221	\$1,602,221
Other Assets	\$218,999	\$0	\$218,999
TOTAL ASSETS	<u>\$219,000</u>	<u>\$1,602,221</u>	<u>\$1,821,221</u>

LIABILITIES AND EQUITY

LIABILITIES

Current Liabilities	\$0	\$0	\$0
Long Term Liabilities - Mortgage Payable	\$218,695	\$1,333,333	\$1,552,028
TOTAL LIABILITIES	<u>\$218,695</u>	<u>\$1,333,333</u>	<u>\$1,552,028</u>

MEMBER EQUITY

MEMBER EQUITY	<u>\$305</u>	<u>\$268,888</u>	<u>\$269,193</u>
TOTAL LIABILITIES AND MEMBER EQUITY	<u>\$219,000</u>	<u>\$1,602,221</u>	<u>\$1,821,221</u>

*: As of Day 1 subsequent to the Ownership Change.

Financial Summary
RRNC, LLC d/b/a Colonial Park Rehabilitation and Nursing Center

	FISCAL PERIOD ENDED
	<u>12/31/2012</u>
ASSETS - CURRENT	\$1,576,122
ASSETS - FIXED AND OTHER	410,066
LIABILITIES - CURRENT	1,805,728
LIABILITIES - LONG-TERM	79,991
EQUITY	\$100,469
<hr/>	
INCOME	\$5,426,428
EXPENSE	5,507,935
NET INCOME	(\$81,507)
<hr/>	
NUMBER OF BEDS	80
PERCENT OF OCCUPANCY (DAYS)	93.71%
<hr/>	
PERCENT OCCUPANCY (DAYS):	
MEDICAID	79.14%
MEDICARE	9.37%
PRIVATE/OTHER	11.50%
<hr/>	
Average Working Capital	-\$229,606
Average Net Assets	\$100,469
Average Net Income/(Loss)	-\$81,507

Financial Summary

Bridgewater Center for Rehabilitation and Nursing, LLC

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$6,448,875	\$8,310,681	\$4,011,898
ASSETS - FIXED AND OTHER	1,243,881	1,211,285	1,199,725
LIABILITIES - CURRENT	6,872,498	7,815,194	3,414,870
LIABILITIES - LONG-TERM	<u>819,057</u>	<u>1,295,578</u>	<u>823,410</u>
EQUITY	\$1,201	\$411,194	\$973,343
<hr/>			
INCOME	\$28,137,280	\$28,248,215	\$21,812,881
EXPENSE	<u>27,582,261</u>	<u>28,153,750</u>	<u>21,596,994</u>
NET INCOME	\$555,019	\$94,465	\$215,887
<hr/>			
NUMBER OF BEDS	356	338	331
PERCENT OF OCCUPANCY (DAYS)	95.05%	90.56%	89.15%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	76.40%	80.27%	79.52%
MEDICARE	13.35%	13.09%	12.05%
PRIVATE/OTHER	10.25%	6.64%	8.43%
<hr/>			
Average Working Capital	\$222,964		
Average Net Assets	\$461,913		
Average Net Income (Loss)	\$288,457		
Average Occupancy	91.59%		

Financial Summary

Pine Valley Center, LLC
d/b/a Pine Valley Center for Rehabilitation and Nursing

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$7,177,969	\$12,963,294	\$8,775,205
ASSETS - FIXED AND OTHER	9,685,382	3,451,618	3,701,351
LIABILITIES - CURRENT	4,636,948	5,515,451	4,869,070
LIABILITIES - LONG-TERM	<u>9,501,714</u>	<u>8,615,206</u>	<u>4,813,451</u>
EQUITY	\$2,724,689	\$2,284,255	\$2,794,035
<hr/>			
INCOME	\$18,196,097	\$17,548,035	\$18,403,809
EXPENSE	<u>17,970,741</u>	<u>17,974,882</u>	<u>16,897,729</u>
NET INCOME	\$225,356	(\$426,847)	\$1,506,080
<hr/>			
NUMBER OF BEDS	200	200	200
PERCENT OF OCCUPANCY (DAYS)	91.53%	92.52%	92.65%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	82.02%	83.15%	82.55%
MEDICARE	10.94%	10.38%	9.64%
PRIVATE/OTHER	7.04%	6.46%	7.82%
<hr/>			
Average Working Capital	\$4,631,666		
Average Net Assets	\$2,600,993		
Average Net Income (Loss)	\$434,863		
Average Occupancy	92.23%		

Financial Summary

CPRN, LLC
d/b/a Central Park Rehabilitation and Nursing Center

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$4,082,016	\$6,422,889	\$4,215,485
ASSETS - FIXED AND OTHER	646,949	656,168	183,809
LIABILITIES - CURRENT	1,943,757	4,304,506	1,755,000
LIABILITIES - LONG-TERM	<u>2,770,008</u>	<u>2,757,482</u>	<u>2,800,345</u>
EQUITY	\$15,200	\$17,069	(\$156,051)
<hr/>			
INCOME	\$14,204,493	\$16,690,633	\$13,628,144
EXPENSE	<u>13,912,344</u>	<u>16,347,691</u>	<u>13,401,334</u>
NET INCOME	\$292,149	\$342,942	\$226,810
<hr/>			
NUMBER OF BEDS	160	160	160
PERCENT OF OCCUPANCY (DAYS)	96.76%	96.62%	97.23%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	80.09%	76.75%	75.27%
MEDICARE	13.04%	15.12%	17.71%
PRIVATE/OTHER	6.87%	8.13%	7.02%
<hr/>			
Average Working Capital	\$2,239,042		
Average Net Assets	(\$41,261)		
Average Net Income (Loss)	\$287,300		
Average Occupancy	96.87%		

CRNC, LLC
Doing Business As
CORTLAND PARK REHABILITATION AND NURSING CENTER

PRO FORMA BALANCE SHEET

<u>ASSETS</u>	<u>As of 12/31/2012</u>	<u>Per CON</u>	<u>Proposed</u>
Cash	\$673,829	\$0	\$673,829
Accounts Receivable (Net)	\$1,562,986	\$0	\$1,562,986
Due From Related Parties	\$1,004,654	\$0	\$1,004,654
Working Capital	\$0	\$0	\$0
Goodwill	\$0	\$0	\$0
Inventories	\$5,011	\$0	\$5,011
Prepaid Expenses	\$62,611	\$0	\$62,611
Resident Funds	\$135,967	\$0	\$135,967
Fixed Assets	\$526,391	\$0	\$526,391
TOTAL ASSETS	\$3,971,449	\$0	\$3,971,449

LIABILITIES AND EQUITY

<u>LIABILITIES</u>			
Accounts Payable	\$772,836	\$0	\$772,836
P/R & Taxes Payable	\$218,444	\$0	\$218,444
Due to Third Parties	\$548,885	\$0	\$548,885
Due to Prior Owner	\$1,462,770	\$0	\$1,462,770
Acquisition Loans	\$0	\$0	\$0
Working Capital Loan	\$0	\$0	\$0
Resident Funds	\$72,414	\$0	\$72,414
TOTAL LIABILITIES	\$3,075,349	\$0	\$3,075,349
MEMBER EQUITY	\$896,100	\$0	\$896,100
TOTAL LIABILITIES AND MEMBER EQUITY	\$3,971,449	\$0	\$3,971,449

193 Clinton Avenue, LLC (Realty Entity)

PRO FORMA BALANCE SHEET

ASSETS

	<u>As of 12/31/2013</u>	<u>Per CON</u>	<u>Proposed*</u>
<u>Current Assets</u>			
Checking/Savings	\$1	\$0	\$1
<u>Fixed Assets</u>			
Building/Land (Net of Depreciation)	\$0	\$2,403,334	\$2,403,334
Other Assets	\$329,183	\$0	\$329,183
TOTAL ASSETS	<u>\$329,184</u>	<u>\$2,403,334</u>	<u>\$2,732,518</u>

LIABILITIES AND EQUITY

LIABILITIES

Current Liabilities	\$1,141	\$0	\$1,141
Long Term Liabilities - Mortgage Payable	\$328,042	\$2,000,000	\$2,328,042
TOTAL LIABILITIES	<u>\$329,183</u>	<u>\$2,000,000</u>	<u>\$2,329,183</u>
MEMBER EQUITY	<u>\$1</u>	<u>\$403,334</u>	<u>\$403,335</u>
TOTAL LIABILITIES AND MEMBER EQUITY	<u>\$329,184</u>	<u>\$2,403,334</u>	<u>\$2,732,518</u>

*: As of Day 1 subsequent to the Ownership Change.

Financial Summary
CRNC, LLC d/b/a Cortland Park Rehabilitation and Nursing Center

	FISCAL PERIOD ENDED
	<u>12/31/2012</u>
ASSETS - CURRENT	\$3,328,426
ASSETS - FIXED AND OTHER	643,023
LIABILITIES - CURRENT	2,461,357
LIABILITIES - LONG-TERM	613,992
EQUITY	\$896,100
<hr/>	
INCOME	\$8,815,681
EXPENSE	8,041,437
NET INCOME	\$774,244
<hr/>	
NUMBER OF BEDS	120
PERCENT OF OCCUPANCY (DAYS)	95.66%
<hr/>	
PERCENT OCCUPANCY (DAYS):	
MEDICAID	70.40%
MEDICARE	11.37%
PRIVATE/OTHER	18.22%
<hr/>	
Average Working Capital	\$867,069
Average Net Assets	\$896,100
Average Net Income/(Loss)	\$774,244

Financial Summary

Bridgewater Center for Rehabilitation and Nursing, LLC

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$6,448,875	\$8,310,681	\$4,011,898
ASSETS - FIXED AND OTHER	1,243,881	1,211,285	1,199,725
LIABILITIES - CURRENT	6,872,498	7,815,194	3,414,870
LIABILITIES - LONG-TERM	<u>819,057</u>	<u>1,295,578</u>	<u>823,410</u>
EQUITY	\$1,201	\$411,194	\$973,343
<hr/>			
INCOME	\$28,137,280	\$28,248,215	\$21,812,881
EXPENSE	<u>27,582,261</u>	<u>28,153,750</u>	<u>21,596,994</u>
NET INCOME	\$555,019	\$94,465	\$215,887
<hr/>			
NUMBER OF BEDS	356	338	331
PERCENT OF OCCUPANCY (DAYS)	95.05%	90.56%	89.15%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	76.40%	80.27%	79.52%
MEDICARE	13.35%	13.09%	12.05%
PRIVATE/OTHER	10.25%	6.64%	8.43%
<hr/>			
Average Working Capital	\$222,964		
Average Net Assets	\$461,913		
Average Net Income (Loss)	\$288,457		
Average Occupancy	91.59%		

Financial Summary

Pine Valley Center, LLC
d/b/a Pine Valley Center for Rehabilitation and Nursing

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$7,177,969	\$12,963,294	\$8,775,205
ASSETS - FIXED AND OTHER	9,685,382	3,451,618	3,701,351
LIABILITIES - CURRENT	4,636,948	5,515,451	4,869,070
LIABILITIES - LONG-TERM	<u>9,501,714</u>	<u>8,615,206</u>	<u>4,813,451</u>
EQUITY	\$2,724,689	\$2,284,255	\$2,794,035
<hr/>			
INCOME	\$18,196,097	\$17,548,035	\$18,403,809
EXPENSE	<u>17,970,741</u>	<u>17,974,882</u>	<u>16,897,729</u>
NET INCOME	\$225,356	(\$426,847)	\$1,506,080
<hr/>			
NUMBER OF BEDS	200	200	200
PERCENT OF OCCUPANCY (DAYS)	91.53%	92.52%	92.65%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	82.02%	83.15%	82.55%
MEDICARE	10.94%	10.38%	9.64%
PRIVATE/OTHER	7.04%	6.46%	7.82%
<hr/>			
Average Working Capital	\$4,631,666		
Average Net Assets	\$2,600,993		
Average Net Income (Loss)	\$434,863		
Average Occupancy	92.23%		

HRNC, LLC
Doing Business As
HIGHLAND PARK REHABILITATION AND NURSING CENTER

PRO FORMA BALANCE SHEET

<u>ASSETS</u>	<u>As of 12/31/2012</u>	<u>Per CON</u>	<u>Proposed</u>
Cash	\$230,748	\$0	\$230,748
Accounts Receivable (Net)	\$831,106	\$0	\$831,106
Inventory	\$19,468	\$0	\$19,468
Working Capital	\$0	\$0	\$0
Goodwill	\$0	\$0	\$0
Due From Prior Owner	\$369,011	\$0	\$369,011
Due From Third Parties	\$20,000	\$0	\$20,000
Fixed Assets	\$340,424	\$0	\$340,424
Prepaid Expenses	\$82,384	\$0	\$82,384
Resident Funds	\$30,508	\$0	\$30,508
TOTAL ASSETS	\$1,923,649	\$0	\$1,923,649
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$514,254	\$0	\$514,254
P/R & Taxes Payable	\$172,217	\$0	\$172,217
Due to Third Parties	\$1,321,027	\$0	\$1,321,027
Acquisition Loans	\$0	\$0	\$0
Working Capital Loan	\$0	\$0	\$0
Resident Funds	\$24,367	\$0	\$24,367
TOTAL LIABILITIES	\$2,031,865	\$0	\$2,031,865
MEMBER EQUITY*	(\$108,216)	\$0	(\$108,216)
TOTAL LIABILITIES AND MEMBER EQUITY	\$1,923,649	\$0	\$1,923,649

* In keeping with recent discussions with the Department, any negative equity may be funded by members' personal funds.

Project No. 132229

160 Seneca Street, LLC (Realty Entity)

PRO FORMA BALANCE SHEET

ASSETS

	<u>As of 12/31/2013</u>	<u>Per CON</u>	<u>Proposed*</u>
<u>Current Assets</u>			
Due From Others	\$1,685	\$0	\$1,685
<u>Fixed Assets</u>			
Building/Land (Net of Depreciation)	\$0	\$1,602,221	\$1,602,221
Other Assets	\$218,695	\$0	\$218,695
TOTAL ASSETS	\$220,380	\$1,602,221	\$1,822,601

LIABILITIES AND EQUITY

LIABILITIES

Current Liabilities	\$0	\$0	\$0
Long Term Liabilities - Mortgage Payable	\$218,695	\$1,333,333	\$1,552,028
TOTAL LIABILITIES	\$218,695	\$1,333,333	\$1,552,028
MEMBER EQUITY	\$1,685	\$268,888	\$270,573
TOTAL LIABILITIES AND MEMBER EQUITY	\$220,380	\$1,602,221	\$1,822,601

*: As of Day 1 subsequent to the Ownership Change.

Financial Summary
HRNC, LLC d/b/a Highland Park rehabilitation and Nursing Center

	FISCAL PERIOD ENDED
	<u>12/31/2012</u>
ASSETS - CURRENT	\$1,552,717
ASSETS - FIXED AND OTHER	370,932
LIABILITIES - CURRENT	938,405
LIABILITIES - LONG-TERM	1,093,460
EQUITY	(\$108,216)
<hr/>	
INCOME	\$5,615,684
EXPENSE	5,720,683
NET INCOME	(\$104,999)
<hr/>	
NUMBER OF BEDS	80
PERCENT OF OCCUPANCY (DAYS)	96.39%
<hr/>	
PERCENT OCCUPANCY (DAYS):	
MEDICAID	66.88%
MEDICARE	8.79%
PRIVATE/OTHER	24.32%
<hr/>	
Average Working Capital	\$614,312
Average Net Assets	-\$108,216
Average Net Income/(Loss)	-\$104,999

Financial Summary

Bridgewater Center for Rehabilitation and Nursing, LLC

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$6,448,875	\$8,310,681	\$4,011,898
ASSETS - FIXED AND OTHER	1,243,881	1,211,285	1,199,725
LIABILITIES - CURRENT	6,872,498	7,815,194	3,414,870
LIABILITIES - LONG-TERM	<u>819,057</u>	<u>1,295,578</u>	<u>823,410</u>
EQUITY	\$1,201	\$411,194	\$973,343
<hr/>			
INCOME	\$28,137,280	\$28,248,215	\$21,812,881
EXPENSE	<u>27,582,261</u>	<u>28,153,750</u>	<u>21,596,994</u>
NET INCOME	\$555,019	\$94,465	\$215,887
<hr/>			
NUMBER OF BEDS	356	338	331
PERCENT OF OCCUPANCY (DAYS)	95.05%	90.56%	89.15%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	76.40%	80.27%	79.52%
MEDICARE	13.35%	13.09%	12.05%
PRIVATE/OTHER	10.25%	6.64%	8.43%
<hr/>			
Average Working Capital	\$222,964		
Average Net Assets	\$461,913		
Average Net Income (Loss)	\$288,457		
Average Occupancy	91.59%		

Financial Summary

Pine Valley Center, LLC
d/b/a Pine Valley Center for Rehabilitation and Nursing

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$7,177,969	\$12,963,294	\$8,775,205
ASSETS - FIXED AND OTHER	9,685,382	3,451,618	3,701,351
LIABILITIES - CURRENT	4,636,948	5,515,451	4,869,070
LIABILITIES - LONG-TERM	<u>9,501,714</u>	<u>8,615,206</u>	<u>4,813,451</u>
EQUITY	\$2,724,689	\$2,284,255	\$2,794,035
<hr/>			
INCOME	\$18,196,097	\$17,548,035	\$18,403,809
EXPENSE	<u>17,970,741</u>	<u>17,974,882</u>	<u>16,897,729</u>
NET INCOME	\$225,356	(\$426,847)	\$1,506,080
<hr/>			
NUMBER OF BEDS	200	200	200
PERCENT OF OCCUPANCY (DAYS)	91.53%	92.52%	92.65%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	82.02%	83.15%	82.55%
MEDICARE	10.94%	10.38%	9.64%
PRIVATE/OTHER	7.04%	6.46%	7.82%
<hr/>			
Average Working Capital	\$4,631,666		
Average Net Assets	\$2,600,993		
Average Net Income (Loss)	\$434,863		
Average Occupancy	92.23%		

Financial Summary

CPRN, LLC
d/b/a Central Park Rehabilitation and Nursing Center

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$4,082,016	\$6,422,889	\$4,215,485
ASSETS - FIXED AND OTHER	646,949	656,168	183,809
LIABILITIES - CURRENT	1,943,757	4,304,506	1,755,000
LIABILITIES - LONG-TERM	<u>2,770,008</u>	<u>2,757,482</u>	<u>2,800,345</u>
EQUITY	\$15,200	\$17,069	(\$156,051)
<hr/>			
INCOME	\$14,204,493	\$16,690,633	\$13,628,144
EXPENSE	<u>13,912,344</u>	<u>16,347,691</u>	<u>13,401,334</u>
NET INCOME	\$292,149	\$342,942	\$226,810
<hr/>			
NUMBER OF BEDS	160	160	160
PERCENT OF OCCUPANCY (DAYS)	96.76%	96.62%	97.23%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	80.09%	76.75%	75.27%
MEDICARE	13.04%	15.12%	17.71%
PRIVATE/OTHER	6.87%	8.13%	7.02%
<hr/>			
Average Working Capital	\$2,239,042		
Average Net Assets	(\$41,261)		
Average Net Income (Loss)	\$287,300		
Average Occupancy	96.87%		

JBRNC, LLCDoing Business AsHUDSON PARK REHABILITATION AND NURSING CENTERPRO FORMA BALANCE SHEET

<u>ASSETS</u>	<u>As of 12/31/2012</u>	<u>Per CON</u>	<u>Proposed</u>
Cash	\$430,054	\$0	\$430,054
Accounts Receivable (Net)	\$1,773,669	\$0	\$1,773,669
Inventories	\$28,162	\$0	\$28,162
Working Capital	\$0	\$121,907	\$121,907
Goodwill	\$0	\$0	\$0
Fixed Assets	\$511,336	\$0	\$511,336
Prepaid Expenses	\$73,551	\$0	\$73,551
Resident Funds	\$302,612	\$0	\$302,612
TOTAL ASSETS	\$3,119,384	\$121,907	\$3,241,291

LIABILITIES AND EQUITYLIABILITIES

Accounts Payable	\$1,156,690	\$0	\$1,156,690
P/R & Taxes Payable	\$349,877	\$0	\$349,877
Due to Third Parties	\$2,114,628	\$0	\$2,114,628
Due to prior Owner	\$30,234	\$0	\$30,234
Acquisition Loans	\$0	\$0	\$0
Working Capital Loan	\$0	\$60,953	\$60,953
Resident Funds	\$244,016	\$0	\$244,016
TOTAL LIABILITIES	\$3,895,445	\$60,953	\$3,956,398

MEMBER EQUITY*	(\$776,061)	\$60,954	(\$715,107)
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**TOTAL LIABILITIES AND
MEMBER EQUITY**

\$3,119,384	\$121,907	\$3,241,291
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* In keeping with recent discussions with the Department, any negative equity may be funded/met with personal funds.

Financial Summary
AHNN, LLC d/b/a Julie Blair Nursing and Rehabilitation Center

	FISCAL PERIOD ENDED
	<u>12/31/2012</u>
ASSETS - CURRENT	\$2,347,025
ASSETS - FIXED AND OTHER	772,359
LIABILITIES - CURRENT	2,634,705
LIABILITIES - LONG-TERM	1,260,740
EQUITY	(\$776,061)
<hr/>	
INCOME	\$13,019,107
EXPENSE	13,837,679
NET INCOME	(\$818,572)
<hr/>	
NUMBER OF BEDS	200
PERCENT OF OCCUPANCY (DAYS)	90.26%
<hr/>	
PERCENT OCCUPANCY (DAYS):	
MEDICAID	86.12%
MEDICARE	8.95%
PRIVATE/OTHER	4.93%
<hr/>	
Average Working Capital	-\$287,680
Average Net Assets	-\$776,061
Average Net Income/(Loss)	-\$818,572

Project 132231
Attachment D

Financial Summary

Bridgewater Center for Rehabilitation and Nursing, LLC

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$6,448,875	\$8,310,681	\$4,011,898
ASSETS - FIXED AND OTHER	1,243,881	1,211,285	1,199,725
LIABILITIES - CURRENT	6,872,498	7,815,194	3,414,870
LIABILITIES - LONG-TERM	<u>819,057</u>	<u>1,295,578</u>	<u>823,410</u>
EQUITY	\$1,201	\$411,194	\$973,343
<hr/>			
INCOME	\$28,137,280	\$28,248,215	\$21,812,881
EXPENSE	<u>27,582,261</u>	<u>28,153,750</u>	<u>21,596,994</u>
NET INCOME	\$555,019	\$94,465	\$215,887
<hr/>			
NUMBER OF BEDS	356	338	331
PERCENT OF OCCUPANCY (DAYS)	95.05%	90.56%	89.15%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	76.40%	80.27%	79.52%
MEDICARE	13.35%	13.09%	12.05%
PRIVATE/OTHER	10.25%	6.64%	8.43%
<hr/>			
Average Working Capital	\$222,964		
Average Net Assets	\$461,913		
Average Net Income (Loss)	\$288,457		
Average Occupancy	91.59%		

Project 132231
Attachment E

Financial Summary

Pine Valley Center, LLC
d/b/a Pine Valley Center for Rehabilitation and Nursing

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$7,177,969	\$12,963,294	\$8,775,205
ASSETS - FIXED AND OTHER	9,685,382	3,451,618	3,701,351
LIABILITIES - CURRENT	4,636,948	5,515,451	4,869,070
LIABILITIES - LONG-TERM	<u>9,501,714</u>	<u>8,615,206</u>	<u>4,813,451</u>
EQUITY	\$2,724,689	\$2,284,255	\$2,794,035
<hr/>			
INCOME	\$18,196,097	\$17,548,035	\$18,403,809
EXPENSE	<u>17,970,741</u>	<u>17,974,882</u>	<u>16,897,729</u>
NET INCOME	\$225,356	(\$426,847)	\$1,506,080
<hr/>			
NUMBER OF BEDS	200	200	200
PERCENT OF OCCUPANCY (DAYS)	91.53%	92.52%	92.65%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	82.02%	83.15%	82.55%
MEDICARE	10.94%	10.38%	9.64%
PRIVATE/OTHER	7.04%	6.46%	7.82%
<hr/>			
Average Working Capital	\$4,631,666		
Average Net Assets	\$2,600,993		
Average Net Income (Loss)	\$434,863		
Average Occupancy	92.23%		

Project 132231
Attachment F

Financial Summary

CPRN, LLC
d/b/a Central Park Rehabilitation and Nursing Center

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$4,082,016	\$6,422,889	\$4,215,485
ASSETS - FIXED AND OTHER	646,949	656,168	183,809
LIABILITIES - CURRENT	1,943,757	4,304,506	1,755,000
LIABILITIES - LONG-TERM	<u>2,770,008</u>	<u>2,757,482</u>	<u>2,800,345</u>
EQUITY	\$15,200	\$17,069	(\$156,051)
<hr/>			
INCOME	\$14,204,493	\$16,690,633	\$13,628,144
EXPENSE	<u>13,912,344</u>	<u>16,347,691</u>	<u>13,401,334</u>
NET INCOME	\$292,149	\$342,942	\$226,810
<hr/>			
NUMBER OF BEDS	160	160	160
PERCENT OF OCCUPANCY (DAYS)	96.76%	96.62%	97.23%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	80.09%	76.75%	75.27%
MEDICARE	13.04%	15.12%	17.71%
PRIVATE/OTHER	6.87%	8.13%	7.02%
<hr/>			
Average Working Capital	\$2,239,042		
Average Net Assets	(\$41,261)		
Average Net Income (Loss)	\$287,300		
Average Occupancy	96.87%		

RSRNC, LLC
Doing Business As
RIVERSIDE CENTER FOR REHABILITATION AND NURSING

PRO FORMA BALANCE SHEET

<u>ASSETS</u>	<u>As of 12/31/2012</u>	<u>Per CON</u>	<u>Proposed</u>
Cash	\$202,874	\$0	\$202,874
Accounts Receivable (Net)	\$1,179,091	\$0	\$1,179,091
Due From Related Parties	\$258,781	\$0	\$258,781
Working Capital	\$0	\$0	\$0
Goodwill	\$0	\$0	\$0
Fixed Assets	\$41,529	\$0	\$41,529
Prepaid Expenses	\$36,516	\$0	\$36,516
Resident Funds	\$33,618	\$0	\$33,618
TOTAL ASSETS	\$1,752,409	\$0	\$1,752,409

LIABILITIES AND EQUITY

<u>LIABILITIES</u>			
Accounts Payable	\$525,752	\$0	\$525,752
P/R & Taxes Payable	\$335,118	\$0	\$335,118
Due to Prior Owner	\$438,021	\$0	\$438,021
Acquisition Loans	\$0	\$0	\$0
Working Capital Loan	\$0	\$0	\$0
Resident Funds	\$12,789	\$0	\$12,789
TOTAL LIABILITIES	\$1,311,680	\$0	\$1,311,680
MEMBER EQUITY	\$440,729	\$0	\$440,729
TOTAL LIABILITIES AND MEMBER EQUITY	\$1,752,409	\$0	\$1,752,409

PROJECT NO. 132260

90 N. MAIN STREET, LLC (REALTY ENTITY)

PRO FORMA BALANCE SHEET

ASSETS

	<u>Per CON</u>
Cash/Checking	\$0
Fixed Assets	<u>\$3,000,000</u>
TOTAL ASSETS	<u>\$3,000,000</u>

LIABILITIES AND EQUITY

LIABILITIES

Current Liabilities	\$0
Long Term Liabilities	<u>\$2,700,000</u>
TOTAL LIABILITIES	<u>\$2,700,000</u>

MEMBER EQUITY	<u>\$300,000</u>
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TOTAL LIABILITIES AND MEMBER EQUITY	<u>\$3,000,000</u>
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Financial Summary
RSRNC, LLC d/b/a Riverside Center for Rehabilitation and Nursing

FISCAL PERIOD ENDED

3/12/2012-12/31/2012

ASSETS - CURRENT	\$1,684,070
ASSETS - FIXED AND OTHER	68,339
LIABILITIES - CURRENT	1,298,891
LIABILITIES - LONG-TERM	12,789
EQUITY	\$440,729
<hr/>	
INCOME	\$5,101,714
EXPENSE	4,660,985
NET INCOME	\$440,729
<hr/>	

NUMBER OF BEDS	80
PERCENT OF OCCUPANCY (DAYS)	93.00%
<hr/>	

PERCENT OCCUPANCY (DAYS):	
MEDICAID	75.12%
MEDICARE	8.55%
PRIVATE/OTHER	16.33%
<hr/>	

Average Working Capital	\$385,179
Average Net Assets	\$440,729
Average Net Income/(Loss)	\$440,729

* Patient day information is for the full Year 1/1/2012-12/31/2012

Financial Summary

Bridgewater Center for Rehabilitation and Nursing, LLC

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$6,448,875	\$8,310,681	\$4,011,898
ASSETS - FIXED AND OTHER	1,243,881	1,211,285	1,199,725
LIABILITIES - CURRENT	6,872,498	7,815,194	3,414,870
LIABILITIES - LONG-TERM	<u>819,057</u>	<u>1,295,578</u>	<u>823,410</u>
EQUITY	\$1,201	\$411,194	\$973,343
<hr/>			
INCOME	\$28,137,280	\$28,248,215	\$21,812,881
EXPENSE	<u>27,582,261</u>	<u>28,153,750</u>	<u>21,596,994</u>
NET INCOME	\$555,019	\$94,465	\$215,887
<hr/>			
NUMBER OF BEDS	356	338	331
PERCENT OF OCCUPANCY (DAYS)	95.05%	90.56%	89.15%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	76.40%	80.27%	79.52%
MEDICARE	13.35%	13.09%	12.05%
PRIVATE/OTHER	10.25%	6.64%	8.43%
<hr/>			
Average Working Capital	\$222,964		
Average Net Assets	\$461,913		
Average Net Income (Loss)	\$288,457		
Average Occupancy	91.59%		

Financial Summary

Pine Valley Center, LLC
 d/b/a Pine Valley Center for Rehabilitation and Nursing

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$7,177,969	\$12,963,294	\$8,775,205
ASSETS - FIXED AND OTHER	9,685,382	3,451,618	3,701,351
LIABILITIES - CURRENT	4,636,948	5,515,451	4,869,070
LIABILITIES - LONG-TERM	<u>9,501,714</u>	<u>8,615,206</u>	<u>4,813,451</u>
EQUITY	\$2,724,689	\$2,284,255	\$2,794,035
INCOME	\$18,196,097	\$17,548,035	\$18,403,809
EXPENSE	<u>17,970,741</u>	<u>17,974,882</u>	<u>16,897,729</u>
NET INCOME	\$225,356	(\$426,847)	\$1,506,080
NUMBER OF BEDS	200	200	200
PERCENT OF OCCUPANCY (DAYS)	91.53%	92.52%	92.65%
PERCENT OCCUPANCY (DAYS):			
MEDICAID	82.02%	83.15%	82.55%
MEDICARE	10.94%	10.38%	9.64%
PRIVATE/OTHER	7.04%	6.46%	7.82%
Average Working Capital	\$4,631,666		
Average Net Assets	\$2,600,993		
Average Net Income (Loss)	\$434,863		
Average Occupancy	92.23%		

Financial Summary

CPRN, LLC
d/b/a Central Park Rehabilitation and Nursing Center

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$4,082,016	\$6,422,889	\$4,215,485
ASSETS - FIXED AND OTHER	646,949	656,168	183,809
LIABILITIES - CURRENT	1,943,757	4,304,506	1,755,000
LIABILITIES - LONG-TERM	<u>2,770,008</u>	<u>2,757,482</u>	<u>2,800,345</u>
EQUITY	\$15,200	\$17,069	(\$156,051)
<hr/>			
INCOME	\$14,204,493	\$16,690,633	\$13,628,144
EXPENSE	<u>13,912,344</u>	<u>16,347,691</u>	<u>13,401,334</u>
NET INCOME	\$292,149	\$342,942	\$226,810
<hr/>			
NUMBER OF BEDS	160	160	160
PERCENT OF OCCUPANCY (DAYS)	96.76%	96.62%	97.23%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	80.09%	76.75%	75.27%
MEDICARE	13.04%	15.12%	17.71%
PRIVATE/OTHER	6.87%	8.13%	7.02%
<hr/>			
Average Working Capital	\$2,239,042		
Average Net Assets	(\$41,261)		
Average Net Income (Loss)	\$287,300		
Average Occupancy	96.87%		

CSRNC, LLC
Doing Business As
CAPSTONE CENTER FOR REHABILITATION AND NURSING

PRO FORMA BALANCE SHEET

<u>ASSETS</u>	<u>As of 12/31/2012</u>	<u>Per CON</u>	<u>Proposed</u>
Cash	\$57,580	\$0	\$57,580
Accounts Receivable (Net)	\$2,507,166	\$0	\$2,507,166
Working Capital	\$0	\$0	\$0
Goodwill	\$0	\$0	\$0
Due From Prior Owner	\$375,047	\$0	\$375,047
Fixed Assets	\$96,365	\$0	\$96,365
Prepaid Expenses	\$90,980	\$0	\$90,980
Resident Funds	\$79,883	\$0	\$79,883
TOTAL ASSETS	\$3,207,021	\$0	\$3,207,021

LIABILITIES AND EQUITY

LIABILITIES

Accounts Payable	\$1,275,089	\$0	\$1,275,089
P/R & Taxes Payable	\$305,409	\$0	\$305,409
Due to Prior Owner	\$793,788	\$0	\$793,788
Due to Related Parties	\$1,058,781	\$0	\$1,058,781
Acquisition Loans	\$0	\$0	\$0
Working Capital Loan	\$0	\$0	\$0
Resident Funds	\$52,154	\$0	\$52,154
TOTAL LIABILITIES	\$3,485,221	\$0	\$3,485,221

MEMBER EQUITY*	(\$278,200)	\$0	(\$278,200)
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**TOTAL LIABILITIES AND
MEMBER EQUITY**

\$3,207,021	\$0	\$3,207,021
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*In keeping with recent discussions with the Department, any negative equity may be funded/met by the members' personal funds.

PROJECT NO. 132261

302 SWART HILL ROAD, LLC (REALTY ENTITY)

PRO FORMA BALANCE SHEET

ASSETS

	<u>Per CON</u>
Cash/Checking	\$0
Fixed Assets	\$1,000,000
TOTAL ASSETS	<u>\$1,000,000</u>

LIABILITIES AND EQUITY

LIABILITIES

Current Liabilities	\$0
Long Term Liabilities	\$900,000
TOTAL LIABILITIES	<u>\$900,000</u>

MEMBER EQUITY	<u>\$100,000</u>
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TOTAL LIABILITIES AND MEMBER EQUITY	<u>\$1,000,000</u>
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Financial Summary
CSRNC, LLC d/b/a Capstone Center

FISCAL PERIOD ENDED

3/12/2012-12/31/2012

ASSETS - CURRENT	\$3,031,957
ASSETS - FIXED AND OTHER	175,064
LIABILITIES - CURRENT	3,433,067
LIABILITIES - LONG-TERM	52,154
EQUITY	(\$278,200)
<hr/>	
INCOME	\$6,236,441
EXPENSE	6,514,641
NET INCOME	(\$278,200)
<hr/>	

NUMBER OF BEDS	120
PERCENT OF OCCUPANCY (DAYS)	71.27%

<hr/>	
PERCENT OCCUPANCY (DAYS):	
MEDICAID	76.29%
MEDICARE	14.61%
PRIVATE/OTHER	9.10%
<hr/>	

Average Working Capital	(\$401,110)
Average Net Assets	(\$278,200)
Average Net Income/(Loss)	(\$278,200)

* patient days are for 1/1/2012-12/31/2012

Financial Summary

Bridgewater Center for Rehabilitation and Nursing, LLC

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$6,448,875	\$8,310,681	\$4,011,898
ASSETS - FIXED AND OTHER	1,243,881	1,211,285	1,199,725
LIABILITIES - CURRENT	6,872,498	7,815,194	3,414,870
LIABILITIES - LONG-TERM	<u>819,057</u>	<u>1,295,578</u>	<u>823,410</u>
EQUITY	\$1,201	\$411,194	\$973,343
<hr/>			
INCOME	\$28,137,280	\$28,248,215	\$21,812,881
EXPENSE	<u>27,582,261</u>	<u>28,153,750</u>	<u>21,596,994</u>
NET INCOME	\$555,019	\$94,465	\$215,887
<hr/>			
NUMBER OF BEDS	356	338	331
PERCENT OF OCCUPANCY (DAYS)	95.05%	90.56%	89.15%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	76.40%	80.27%	79.52%
MEDICARE	13.35%	13.09%	12.05%
PRIVATE/OTHER	10.25%	6.64%	8.43%
<hr/>			
Average Working Capital	\$222,964		
Average Net Assets	\$461,913		
Average Net Income (Loss)	\$288,457		
Average Occupancy	91.59%		

Financial Summary

Pine Valley Center, LLC
d/b/a Pine Valley Center for Rehabilitation and Nursing

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$7,177,969	\$12,963,294	\$8,775,205
ASSETS - FIXED AND OTHER	9,685,382	3,451,618	3,701,351
LIABILITIES - CURRENT	4,636,948	5,515,451	4,869,070
LIABILITIES - LONG-TERM	<u>9,501,714</u>	<u>8,615,206</u>	<u>4,813,451</u>
EQUITY	\$2,724,689	\$2,284,255	\$2,794,035
<hr/>			
INCOME	\$18,196,097	\$17,548,035	\$18,403,809
EXPENSE	<u>17,970,741</u>	<u>17,974,882</u>	<u>16,897,729</u>
NET INCOME	\$225,356	(\$426,847)	\$1,506,080
<hr/>			
NUMBER OF BEDS	200	200	200
PERCENT OF OCCUPANCY (DAYS)	91.53%	92.52%	92.65%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	82.02%	83.15%	82.55%
MEDICARE	10.94%	10.38%	9.64%
PRIVATE/OTHER	7.04%	6.46%	7.82%
<hr/>			
Average Working Capital	\$4,631,666		
Average Net Assets	\$2,600,993		
Average Net Income (Loss)	\$434,863		
Average Occupancy	92.23%		

Financial Summary

CPRN, LLC
 d/b/a Central Park Rehabilitation and Nursing Center

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$4,082,016	\$6,422,889	\$4,215,485
ASSETS - FIXED AND OTHER	646,949	656,168	183,809
LIABILITIES - CURRENT	1,943,757	4,304,506	1,755,000
LIABILITIES - LONG-TERM	<u>2,770,008</u>	<u>2,757,482</u>	<u>2,800,345</u>
EQUITY	\$15,200	\$17,069	(\$156,051)
<hr/>			
INCOME	\$14,204,493	\$16,690,633	\$13,628,144
EXPENSE	<u>13,912,344</u>	<u>16,347,691</u>	<u>13,401,334</u>
NET INCOME	\$292,149	\$342,942	\$226,810
<hr/>			
NUMBER OF BEDS	160	160	160
PERCENT OF OCCUPANCY (DAYS)	96.76%	96.62%	97.23%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	80.09%	76.75%	75.27%
MEDICARE	13.04%	15.12%	17.71%
PRIVATE/OTHER	6.87%	8.13%	7.02%
<hr/>			
Average Working Capital	\$2,239,042		
Average Net Assets	(\$41,261)		
Average Net Income (Loss)	\$287,300		
Average Occupancy	96.87%		

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Hendon Garden Center, LLC d/b/a Hendon Garden Nursing
and Rehabilitation Center
(Queens County)

To be distributed under separate cover

NCRNC, LLC
Doing Business As
NORTHEAST CENTER FOR REHABILITATION AND BRAIN INJURY

PRO FORMA BALANCE SHEET

<u>ASSETS</u>	<u>Proposed</u>
Cash and Cash Equivalents	\$715,205
Accounts Receivable (Net)	\$4,870,337
Prepaid Expenses and Other Current Assets	\$2,285,652
Total Current Assets	\$7,851,194
Property and Equipment (Net)	\$823,900
Residents Funds Held In Trust	\$199,705
Working Capital/VAP	\$20,640,321
Total Other Assets	\$20,840,026
TOTAL ASSETS	\$29,515,120
<u>LIABILITIES AND EQUITY</u>	
<u>LIABILITIES</u>	
Due to Third-Party Payers	\$23,581,261
Due to Related Parties	\$0
Residents Funds Held In Trust	\$199,705
Total Long-Term Liabilities	\$23,780,966
TOTAL LIABILITIES	\$23,780,966
MEMBER EQUITY	\$5,734,154
TOTAL LIABILITIES AND MEMBER EQUITY	\$29,515,120

Financial Summary
KRNH, Inc d/b/a Northeast Center for Special Care

	FISCAL PERIOD ENDED
	<u>12/31/2012</u>
ASSETS - CURRENT	\$5,802,187
ASSETS - FIXED AND OTHER	669,256
LIABILITIES - CURRENT	20,712,250
LIABILITIES - LONG-TERM	34,144,307
EQUITY	(\$48,385,114)
<hr/>	
INCOME	\$37,292,192
EXPENSE	33,205,296
NET INCOME	\$4,086,896
<hr/>	
NUMBER OF BEDS	280
PERCENT OF OCCUPANCY (DAYS)	93.18%
<hr/>	
PERCENT OCCUPANCY (DAYS):	
MEDICAID	91.49%
MEDICARE	4.72%
PRIVATE/OTHER	3.79%
<hr/>	
Average Working Capital	-\$14,910,063
Average Net Assets	-\$48,385,114
Average Net Income/(Loss)	\$4,086,896

Financial Summary

Bridgewater Center for Rehabilitation and Nursing, LLC

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$6,448,875	\$8,310,681	\$4,011,898
ASSETS - FIXED AND OTHER	1,243,881	1,211,285	1,199,725
LIABILITIES - CURRENT	6,872,498	7,815,194	3,414,870
LIABILITIES - LONG-TERM	<u>819,057</u>	<u>1,295,578</u>	<u>823,410</u>
EQUITY	\$1,201	\$411,194	\$973,343
INCOME	\$28,137,280	\$28,248,215	\$21,812,881
EXPENSE	<u>27,582,261</u>	<u>28,153,750</u>	<u>21,596,994</u>
NET INCOME	\$555,019	\$94,465	\$215,887
NUMBER OF BEDS	356	338	331
PERCENT OF OCCUPANCY (DAYS)	95.05%	90.56%	89.15%
PERCENT OCCUPANCY (DAYS):			
MEDICAID	76.40%	80.27%	79.52%
MEDICARE	13.35%	13.09%	12.05%
PRIVATE/OTHER	10.25%	6.64%	8.43%
Average Working Capital	\$222,964		
Average Net Assets	\$461,913		
Average Net Income (Loss)	\$288,457		
Average Occupancy	91.59%		

Financial Summary

Pine Valley Center, LLC
d/b/a Pine Valley Center for Rehabilitation and Nursing

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$7,177,969	\$12,963,294	\$8,775,205
ASSETS - FIXED AND OTHER	9,685,382	3,451,618	3,701,351
LIABILITIES - CURRENT	4,636,948	5,515,451	4,869,070
LIABILITIES - LONG-TERM	<u>9,501,714</u>	<u>8,615,206</u>	<u>4,813,451</u>
EQUITY	\$2,724,689	\$2,284,255	\$2,794,035
<hr/>			
INCOME	\$18,196,097	\$17,548,035	\$18,403,809
EXPENSE	<u>17,970,741</u>	<u>17,974,882</u>	<u>16,897,729</u>
NET INCOME	\$225,356	(\$426,847)	\$1,506,080
<hr/>			
NUMBER OF BEDS	200	200	200
PERCENT OF OCCUPANCY (DAYS)	91.53%	92.52%	92.65%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	82.02%	83.15%	82.55%
MEDICARE	10.94%	10.38%	9.64%
PRIVATE/OTHER	7.04%	6.46%	7.82%
<hr/>			
Average Working Capital	\$4,631,666		
Average Net Assets	\$2,600,993		
Average Net Income (Loss)	\$434,863		
Average Occupancy	92.23%		

Financial Summary

CPRN, LLC
d/b/a Central Park Rehabilitation and Nursing Center

FISCAL PERIOD ENDED	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
ASSETS - CURRENT	\$4,082,016	\$6,422,889	\$4,215,485
ASSETS - FIXED AND OTHER	646,949	656,168	183,809
LIABILITIES - CURRENT	1,943,757	4,304,506	1,755,000
LIABILITIES - LONG-TERM	<u>2,770,008</u>	<u>2,757,482</u>	<u>2,800,345</u>
EQUITY	\$15,200	\$17,069	(\$156,051)
<hr/>			
INCOME	\$14,204,493	\$16,690,633	\$13,628,144
EXPENSE	<u>13,912,344</u>	<u>16,347,691</u>	<u>13,401,334</u>
NET INCOME	\$292,149	\$342,942	\$226,810
<hr/>			
NUMBER OF BEDS	160	160	160
PERCENT OF OCCUPANCY (DAYS)	96.76%	96.62%	97.23%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	80.09%	76.75%	75.27%
MEDICARE	13.04%	15.12%	17.71%
PRIVATE/OTHER	6.87%	8.13%	7.02%
<hr/>			
Average Working Capital	\$2,239,042		
Average Net Assets	(\$41,261)		
Average Net Income (Loss)	\$287,300		
Average Occupancy	96.87%		

KALEIDA HEALTH HOME CARE AFFILIATES

Consolidated Balance Sheets

December 31, 2012 and 2011

(Dollars in thousands)

Assets	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents	\$ 24,699	16,890
Investments	40,581	32,245
Accounts receivable, less estimated allowance for uncollectible accounts of approximately \$2,533 in 2012 and \$2,106 in 2011	14,080	13,859
Other receivables, net	1,004	837
Estimated third-party payor settlements	133	520
Inventories	565	621
Prepaid expenses and other current assets	538	520
Assets held for sale	—	1,208
Total current assets	<u>81,600</u>	<u>66,700</u>
Assets limited as to use:		
Designated under self-insurance programs	<u>5,474</u>	<u>4,552</u>
Property and equipment:		
Moveable equipment	5,894	5,652
Leasehold improvements	1,543	513
Computer software	<u>3,417</u>	<u>3,038</u>
Total property and equipment	10,854	9,203
Less accumulated depreciation and amortization	<u>8,248</u>	<u>7,368</u>
Property and equipment, net	<u>2,606</u>	<u>1,835</u>
Other assets	<u>904</u>	<u>100</u>
Total assets	<u>\$ 90,584</u>	<u>73,187</u>
Liabilities and Net Assets		
Current liabilities:		
Accrued compensation and payroll taxes	\$ 6,206	4,777
Accounts payable and accrued expenses	1,765	1,389
Estimated third-party payor settlements	960	1,202
Amounts due to affiliate	<u>428</u>	<u>120</u>
Total current liabilities	9,359	7,488
Estimated self-insurance reserves	5,474	4,440
Unrestricted net assets	<u>75,751</u>	<u>61,259</u>
Total liabilities and net assets	<u>\$ 90,584</u>	<u>73,187</u>

KALEIDA HEALTH HOME CARE AFFILIATES
Consolidated Statements of Operations and Changes in Net Assets
Years ended December 31, 2012 and 2011
(Dollars in thousands)

	2012	2011
Operating revenue:		
Patient service revenue, net of contractual allowances and discounts	\$ 81,149	76,769
Less: Provision for bad debts	869	1,494
Net patient service revenue	80,280	75,275
Other operating revenue	522	106
Total operating revenue	80,802	75,381
Operating expenses:		
Salaries	41,601	38,726
Purchased services, supplies, and other	17,139	17,553
Employee benefits	12,231	11,395
Depreciation and amortization	994	1,254
Total operating expenses	71,965	68,928
Income from operations	8,837	6,453
Other income (losses)		
Investment income	2,001	145
Net realized gains on sales of investments	998	1,994
Net change in unrealized gains and losses on investments	1,687	(2,361)
Gain on sale of respiratory therapy assets	969	—
Total other income (losses), net	5,655	(222)
Excess of revenue over expenses	14,492	6,231
Net assets, beginning of year	61,259	55,028
Net assets, end of year	\$ 75,751	61,259

Kaleida Health/HomeCare Affiliates
Consolidating Balance Sheet
Year to Date September 30, 2013

ASSETS	VNA of WNY Inc.	VNA Home Care Services	ELIMINATIONS	COMBINED
Current Assets				
Cash	\$ 7,209,208	\$ 6,343,316	\$ -	\$ 13,552,524
Unrestricted General Cash Investment	13,079,361	50,220,211	-	63,299,572
Patient Accounts Receivable, Net	10,117,714	2,510,448	-	12,628,162
Other Receivables	223,359	328,906	84,851	467,414
Inventories	32,946	129,250	-	162,196
Prepaid Expenses/Other	298,523	17,722	-	316,245
Due from third party payors	112,569	-	-	112,569
Current portion of Self Insurance	-	-	-	-
Total Current Assets	<u>31,073,680</u>	<u>59,549,853</u>	<u>84,851</u>	<u>90,538,682</u>
Assets Limited as to Use				
Designated Under Self Insured Programs		5,581,399	-	5,581,399
Designated Under Debt Agreements			-	-
Board Designated and Donor Restricted			-	-
Other			-	-
Plant, Property & Equipment, Net	2,372,189	624,438	-	2,996,627
Other	1,306,000		-	1,306,000
TOTAL ASSETS	<u>\$ 34,751,869</u>	<u>\$ 65,755,690</u>	<u>\$ 84,851</u>	<u>\$ 100,422,708</u>
LIABILITIES & NET ASSETS				
Current Liabilities				
Notes Payable	\$ -	\$ -	\$ -	-
Accounts Payable	1,238,410	658,687	-	1,897,097
Accrued Payroll & Expenses	5,355,448	424,288	-	5,779,736
Due to third party payors	542,590	381,024	-	923,614
Current Portion of L. T. Debt & Leases			-	-
Current Portion of Self Insurance			-	-
Other Liabilities	324,395	270,752	84,851	510,296
Total Current Liabilities	<u>7,460,843</u>	<u>1,734,751</u>	<u>84,851</u>	<u>9,110,743</u>
Long Term Debt				
Mortgages, less current portion	-	-	-	-
Other, less current portion	-	-	-	-
Current Leases, less current portion	-	-	-	-
Estimated Self-Insurance Reserves	4,243,910	1,595,884	-	5,839,794
Deferred Credit	-	-	-	-
Other Long Term Liabilities	-	-	-	-
Net Assets				
Unrestricted Net Assets	23,047,116	62,425,055	-	85,472,171
Permanently Restricted	-	-	-	-
Total Net Assets	<u>23,047,116</u>	<u>62,425,055</u>	<u>-</u>	<u>85,472,171</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 34,751,869</u>	<u>\$ 65,755,690</u>	<u>\$ 84,851</u>	<u>\$ 100,422,708</u>

KALEIDA Health/HomeCare Division
 Combined Statements of Revenues and Expenses
 For the Period Ended September 30, 2013

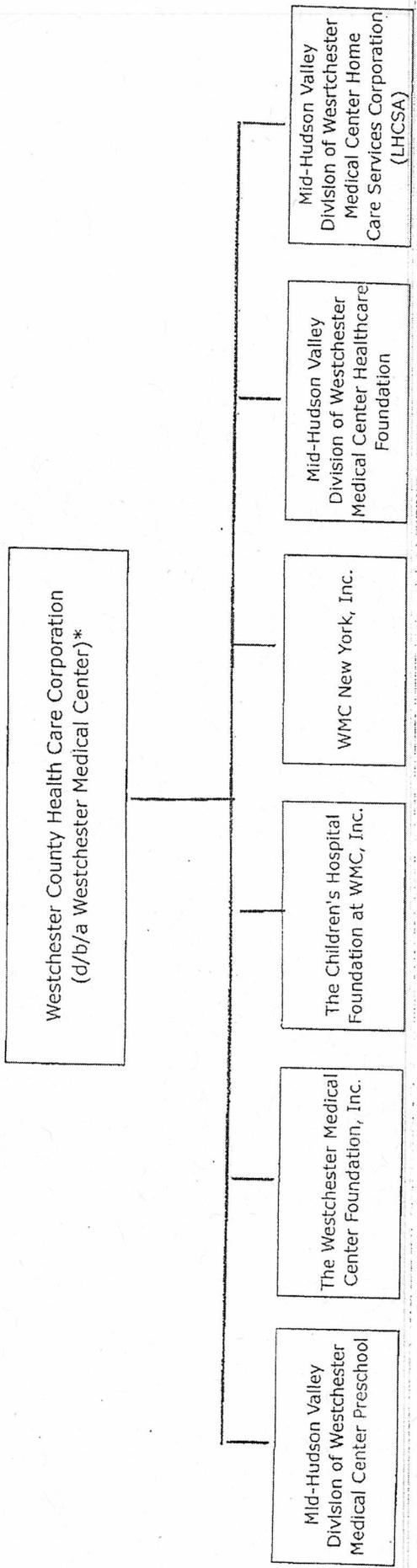
	Year To Date Actual				Year To Date Budget			
	VNA	HCS	Elim	Total	VNA	HCS	Elim	Total
OPERATING REVENUE:								
Gross Patient Revenue	\$57,492,639	\$17,420,409	\$1,574,131	\$73,338,917	\$55,100,398	\$17,231,157	\$1,532,671	\$70,798,884
Less:								
Contractual Allowances	\$5,269,576	\$122,947		\$5,392,523	\$4,949,610	\$120,250		\$5,069,860
Charity Care	\$575,898	\$80,167		656,065	570,176	80,167		650,343
Total Cont Allow and CC	\$5,845,474	\$203,114	\$0	\$6,048,588	\$5,519,786	\$200,417	\$0	\$5,720,203
Net Patient Revenue	\$51,647,165	\$17,217,295	\$1,574,131	\$67,290,329	\$49,580,612	\$17,030,740	\$1,532,671	\$65,078,681
OTHER REVENUE:								
Interest and Dividends	\$30,906	\$184,308		\$215,214	\$22,439	\$186,987		\$209,426
Interest-Self Insured		\$13,059		\$13,059		\$17,950		\$17,950
Gain/Loss Self Insured		\$98,138		\$98,138		\$18,695		\$18,695
Gain/Loss on Investment	\$33,123	\$223,219		\$256,342	\$112,194	\$747,940		\$860,134
Other Revenue	\$326,431	\$10,714		337,145	\$6,128	\$11,870		17,998
Net Revenue	\$52,037,625	\$17,746,733	\$1,574,131	\$68,210,227	\$49,721,373	\$18,014,182	\$1,532,671	\$66,202,884
Operating Expenses								
Salaries	\$29,919,704	\$4,267,405		\$34,187,109	\$29,321,009	\$4,269,729		\$33,590,738
Benefits	\$8,432,691	\$1,339,879		9,772,570	\$8,608,458	\$1,419,453		10,027,911
Materials and Supplies	\$692,579	\$5,554,035		6,246,614	\$675,998	\$5,632,504		6,308,502
Contracted Services	\$2,433,283	\$45,237	1,574,131	904,389	\$2,302,938	\$20,641	1,532,671	790,908
Purchased Services	\$1,275,496	\$592,466		1,867,962	\$1,224,352	\$580,874		1,805,226
Physician Fees	\$13,459	\$0		13,459	\$11,220	\$0		11,220
Utilities	\$357,766	\$59,681		417,447	\$378,243	\$74,955		453,198
Transportation	\$1,439,409	\$398,501		1,837,910	\$1,357,871	\$389,352		1,747,223
Other	\$527,772	\$154,032		681,804	\$577,630	\$195,524		773,154
Insurance	\$610,805	\$126,222		737,027	\$577,109	\$124,972		702,081
Bad Debt	\$357,571	\$332,309		689,880	\$355,003	\$329,923		684,926
Dep/Amort	\$581,132	\$284,155		865,287	\$517,773	\$389,306		907,079
Lease	\$1,173,655	\$158,966		1,332,621	\$1,224,854	\$168,578		1,393,432
Total Operating Exp	\$47,815,322	\$13,312,888	\$1,574,131	\$59,554,079	\$47,132,458	\$13,595,811	\$1,532,671	\$59,195,598
Oper Surplus/ Deficit	\$4,222,303	\$4,433,845	\$0	\$8,656,148	\$2,588,915	\$4,418,371	\$0	\$7,007,286

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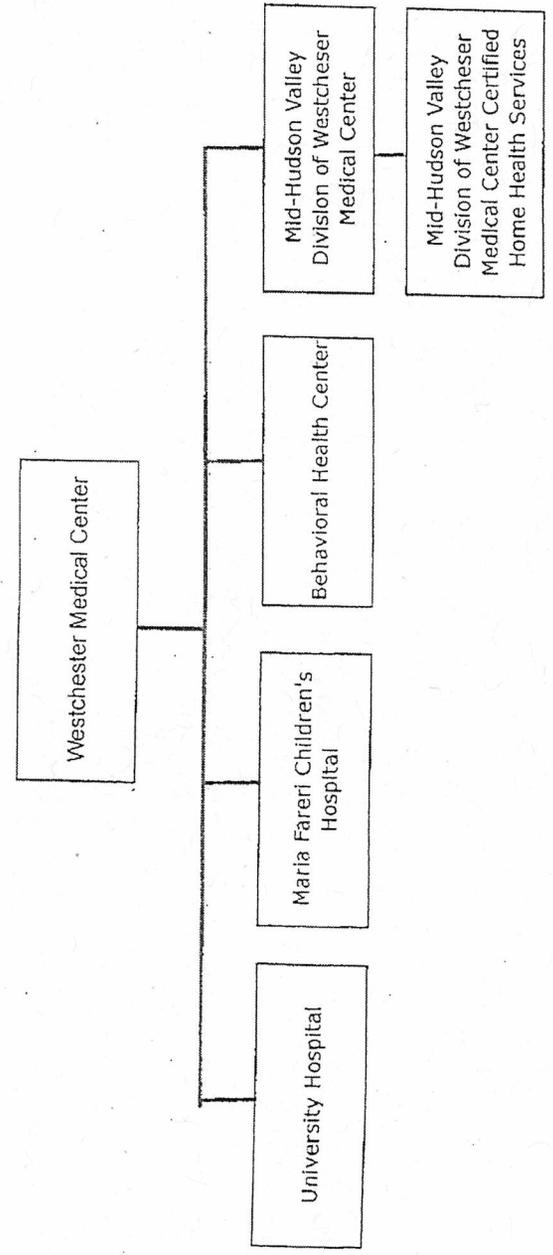
Visiting Nurse Association of Western New York, Inc.
(Livingston County)

To be distributed under separate cover

Organizational Chart
 After Change in Ownership



*Westchester County Health Care Corporation (d/b/a Westchester Medical Center) will be comprised of the following divisions upon the acquisition of SFH: University Hospital, Maria Fareri Children's Hospital, Behavioral Health Center and the Mid-Hudson Valley Division of Westchester Medical Center. The CHHA will be a hospital department of the Mid-Hudson Valley Division of Westchester Medical Center. The organizational chart of the divisions is as follows:



Westchester County Health Care Corporation
Statements of Net Position
December 31, 2013 and 2012

 **DRAFT**

	2013	2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 204,420,734	\$ 190,851,694
Patient accounts receivable, net	127,674,680	115,519,295
Investments	593,329	591,532
Assets restricted as to use, required for current liabilities	24,090,325	23,681,335
Other current assets	33,972,120	28,555,365
Total current assets	390,751,188	359,199,221
Assets restricted as to use, net	158,294,119	160,247,807
Capital assets, net	318,117,153	301,807,732
Other assets, net	5,444,633	20,560,506
Total assets	872,607,093	844,815,266
Liabilities		
Current liabilities:		
Current portion of long-term debt	18,650,555	15,909,310
Accounts payable and accrued expenses	76,469,754	74,759,978
Accrued salaries and related withholdings	70,034,344	61,357,771
Current portion of estimated liability to third-party payors	7,265,154	7,321,740
Current portion of post retirement health insurance liability	12,164,000	11,614,000
Current portion of estimated self-insurance liability	26,550,000	26,990,000
Current portion of other liabilities	7,069,114	5,515,236
Total current liabilities	218,202,921	203,468,035
Long-term debt, net	435,395,581	441,751,530
Estimated liability to third-party payors, net	47,751,236	27,025,109
Estimated post retirement health insurance liability, net	61,555,000	59,899,000
Estimated self-insurance liability, net	90,046,615	89,394,951
Other liabilities, net	34,078,235	28,618,068
Total liabilities	887,029,588	850,156,693
Commitments and contingencies		
Net Position		
Restricted		
Expendable for capital acquisitions	2,717,305	1,758,330
Expendable for specific operating activities	5,665,000	5,347,770
Total restricted	8,382,305	7,106,100
Unrestricted		
Invested in capital assets, net of related debt	4,732,192	11,355,821
Unrestricted	(27,536,992)	(23,803,348)
Total unrestricted	(22,804,800)	(12,447,527)
Total net position	\$ (14,422,495)	\$ (5,341,427)

Westchester County Health Care Corporation
 Statements of Revenues, Expenses and Changes in Net Position
 Years Ended December 31, 2013 and 2012

 **DRAFT**

	2013	2012
Operating revenues		
Net patient service revenue (net of provision for bad debts of \$41,894,325 and \$47,570,755 in 2013 and 2012, respectively)	\$ 895,371,943	\$ 867,780,675
Other revenue	23,416,354	25,652,393
Total operating revenues	<u>918,788,297</u>	<u>893,433,068</u>
Operating expenses		
Salaries and benefits	473,770,961	488,827,468
Supplies and other expenses	361,063,299	326,173,658
Professional liability	13,714,339	15,029,291
Depreciation and amortization	44,105,277	44,521,147
Total operating expenses	<u>892,653,876</u>	<u>874,551,564</u>
Operating income	26,134,421	18,881,504
Nonoperating activities		
Interest income	3,756,526	4,788,206
Interest expense	(23,621,278)	(23,443,422)
Increase in net position	<u>6,269,669</u>	<u>226,288</u>
Net position		
Beginning of year	(20,692,164)	(5,567,715)
End of year	<u>\$ (14,422,495)</u>	<u>\$ (5,341,427)</u>

HASTINGS HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
For the years ended December 31, 2012 and 2011

ASSETS	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,027,126	\$ 9,566,432
Assets limited or restricted as to use	2,054,743	1,992,632
Investments	7,307,946	6,952,651
Patient accounts receivable, net allowance for doubtful accounts of approximately \$ _____ and \$7,700,000 in 2012 and 2011, respectively	17,193,285	19,690,505
Estimated third-party payor receivables	2,198,739	2,282,843
Other receivables, net	4,012,719	4,374,583
Inventory	2,570,703	2,463,767
Prepaid expenses and other assets	3,431,780	1,509,301
Assets held for sale	2,225,000	2,502,489
Total current assets	48,022,041	51,335,203
Assets limited or restricted as to use, net of current portion	12,354,717	14,005,548
Property, plant, and equipment, net	90,950,597	86,642,645
Estimated third-party payor receivables, net of current portion	1,527,795	849,000
Other assets, net	4,276,404	4,177,817
Total assets	\$ 157,131,554	\$ 157,010,213
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt and capital lease obligations	\$ 6,103,463	\$ 3,498,305
Accounts payable and accrued expenses	21,378,004	21,019,301
Accrued salaries and related withholdings	7,231,737	7,329,866
Liabilities held for sale	2,198,873	2,419,482
Estimated third-party payor liabilities	2,729,523	2,035,474
Total current liabilities	39,641,600	36,302,428
Long-term debt and capital lease obligations, net of current portion	81,243,633	80,089,555
Estimated third-party payor liabilities, net of current portion	5,005,956	3,302,943
Other liabilities	7,063,993	6,049,594
Accrued postretirement benefits	2,454,699	2,002,932
Total liabilities	135,409,881	127,747,452
NET ASSETS		
Unrestricted	15,936,834	23,545,188
Non-controlling interest		100,735
Total unrestricted net assets	15,936,834	23,645,923
Temporarily restricted	4,868,137	4,549,941
Permanently restricted	916,702	1,066,897
Total net assets	21,721,673	29,262,761
Total liabilities and net assets	\$ 157,131,554	\$ 157,010,213

HASTINGS HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Consolidated Statements of Operation
For the years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
UNRESTRICTED REVENUES:		
Net patient service revenue	\$ 143,962,747	\$ 144,172,216
Less: Provision for bad debts	(15,987,240)	(11,058,224)
Net patient service revenue less provision for bad debts	127,975,507	133,113,992
Other revenue	21,527,308	20,608,310
Net assets released from restrictions for operations	79,137	116,414
Total revenues	<u>149,581,952</u>	<u>153,838,716</u>
EXPENSES		
Salaries	75,092,965	73,423,232
Fringe benefits	13,922,081	14,245,027
Supplies	24,789,607	23,688,380
Purchased services	13,134,256	14,057,222
Professional fees	6,240,045	4,812,032
Utilities	2,091,613	1,992,482
Insurance	2,461,446	2,220,053
Interest	6,885,383	7,007,249
Rent and other	4,617,308	4,559,494
Depreciation and amortization	9,492,730	6,839,745
Total expenses	<u>158,727,634</u>	<u>152,844,916</u>
Income from operations	<u>(9,145,682)</u>	<u>993,800</u>
NONOPERATING ACTIVITIES		
Investment return, net	763,011	1,358,441
Other (losses) gains, net	-	(608,697)
Total gains from nonoperating activities, net	<u>763,011</u>	<u>749,744</u>
(Deficiency of) excess of revenues over expenses	<u>(8,382,671)</u>	<u>1,743,544</u>
Deficiency (excess of revenue) attributable to non-controlling interest	155,525	(7,659)
(Deficiency) excess of revenues over expenses attributable to the System	<u>(8,227,146)</u>	<u>1,735,885</u>
OTHER CHANGES IN UNRESTRICTED NET ASSETS		
Changes in net unrealized gains and losses on other-than-trading securities	(135,112)	(1,193,124)
Changes in non-controlling interest	(100,735)	7,659
Distributions to shareholders	-	(4,000)
Contributions of the purchase of property, plant, and equipment	144,777	45,622
Net assets released from restrictions for purchase of property, plant and equipment	1,040,130	2,436,474
Postretirement-related changes other than net periodic benefit cost	(431,003)	(229,448)
Increase in unrestricted net assets	<u>\$ (7,709,039)</u>	<u>\$ 2,799,068</u>

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**HASTINGS HEALTH SYSTEMS, INC.
AND SUBSIDIARIES**

Consolidated Balance Sheets
December 31, 2013 and December 31, 2012

Assets	<u>12/31/2013</u>	<u>12/31/2012</u>
Current assets:		
Cash and cash equivalents	\$ 6,743,633	7,027,126
Investments	-	7,307,946
Patient accounts receivable, net allowance for doubtful accounts of approximately \$19,480,000 and \$12,500,000	18,521,070	17,193,285
Estimated third-party payor receivables	1,089,722	2,198,739
Other receivables, net	4,450,981	4,012,719
Inventory	2,669,341	2,570,703
Prepaid expenses and other assets	4,548,952	3,431,780
Assets held for sale, net	-	2,225,000
Assets limited or restricted as to use, current portion	863,494	2,054,743
Total current assets	<u>38,887,193</u>	<u>48,022,041</u>
Property, plant, and equipment, net	88,874,245	90,950,597
Assets limited or restricted as to use, net of current portion	6,146,249	12,354,717
Estimated third-party payor receivables, net of current portion	247,000	4,276,404
Other assets, net	4,271,543	1,527,795
Total assets	<u>\$ 138,426,230</u>	<u>157,131,554</u>
Liabilities and Net Assets		
Liabilities not subject to compromise		
Debtor in possession financing obligations	\$ 1,769,521	-
Long-term debt and capital lease obligations	-	87,347,096
Accounts payable and accrued expenses	2,541,859	21,378,005
Accrued salaries and related withholdings	2,678,767	7,231,737
Liabilities held for sale	-	2,198,873
Estimated third-party payor liabilities	6,996,962	7,735,479
Other liabilities	-	7,063,993
Accrued postretirement benefits	-	2,454,699
Total liabilities not subject to compromise	<u>13,987,109</u>	<u>135,409,882</u>
Total liabilities subject to compromise	120,728,232	-
Total liabilities	<u>134,715,341</u>	<u>135,409,882</u>
Net assets:		
Unrestricted	(2,315,140)	15,936,834
Non-controlling interest	-	-
Total unrestricted net assets	<u>(2,315,140)</u>	<u>15,936,834</u>
Temporarily restricted	4,868,435	4,868,136
Permanently restricted	1,157,594	916,702
Total net assets	<u>3,710,889</u>	<u>21,721,673</u>
Total liabilities and net assets	<u>\$ 138,426,230</u>	<u>157,131,554</u>

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HASTINGS HEALTH SYSTEMS, INC.
AND SUBSIDIARIES
Consolidated Statements of Operations
Twelve months ended December 31, 2013 and 2012

	Twelve Months Ended	
	12/31/13	12/31/12
Unrestricted revenues and other support:		
Net patient service revenue	\$ 134,248,908	143,962,747
Provision for bad debts, net	(4,804,110)	(15,987,240)
Other revenue	21,250,856	21,527,304
Net assets released from restrictions for operations	171,577	79,137
Total revenues and other support	<u>150,867,231</u>	<u>149,581,948</u>
Expenses:		
Salaries	80,061,593	75,092,965
Fringe benefits	15,198,412	13,922,081
Supplies	24,724,720	25,130,483
Purchased services	13,869,493	12,793,376
Professional fees	10,765,107	6,240,045
Utilities	2,304,887	2,091,613
Insurance	2,756,639	2,461,446
Interest	7,253,733	6,885,583
Rent and other	4,811,828	4,617,308
Depreciation and amortization	8,077,026	9,492,730
Total expenses	<u>169,823,438</u>	<u>158,727,030</u>
(Loss)/ Income from operations	<u>(18,956,207)</u>	<u>(9,145,682)</u>
Nonoperating gains (losses), net	(133,990)	763,011
(Deficiency)/ Excess of revenues over expenses	<u>(19,090,197)</u>	<u>(8,382,671)</u>
Excess of revenue attributable to non-controlling interest	-	155,525
(Deficiency)/ Excess of revenues over expenses attributable to the System	<u>(19,090,197)</u>	<u>(8,227,146)</u>
Other changes in unrestricted net assets:		
Changes in net unrealized gains on other-than-trading securities	(638,770)	(135,112)
Changes in non-controlling interest	335,076	(109,735)
Net assets released from restrictions for purchase of property, plant and equipment	712,315	1,040,130
Net assets transferred	243,511	-
Postretirement related changes other than net periodic benefit cost	-	(431,003)
Contributions of the purchase of property, plant, and equipment	186,391	144,777
(Decrease)/ Increase in unrestricted net assets	<u>\$ (18,251,574)</u>	<u>(7,768,089)</u>