

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

**COMMITTEE DAY**

**AGENDA**

*May 18, 2017*  
*10:00 a.m.*

*New York State Department of Health Offices at 90 Church Street, 4<sup>th</sup> Floor, Rooms 4A and 4B,  
NYC*

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

Gary Kalkut, M.D., Vice-Chair

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

**Acute Care Transplant Services – Construction**

**Exhibit # 1**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	162381 C	NYU Hospitals Center (New York County)
2.	171167 C	North Shore University Hospital (Nassau County)

**Acute Care Services – Construction**

**Exhibit # 2**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	162544 C	Memorial Hospital for Cancer and Allied Diseases (New York County)
2.	171047 C	Erie County Medical Center (Erie County)
3.	171075 C	Eastern Niagara Hospital (Niagara County)
4.	171267 C	F.F. Thompson Hospital (Ontario County)

**Residential Health Care Facilities – Construction**

**Exhibit # 3**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	171079 C	Victoria Home (Westchester County)

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

**Ambulatory Surgery Centers - Establish/Construct**

**Exhibit # 4**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	162556 E	Progressive Surgery Center, LLC (Suffolk County)
2.	171077 B	CMSC, LLC t/b/k/a CitiMed Surgery Center (Queens County)
3.	171198 B	Star Suites, LLC t/b/k/a Star Surgical Suites, LLC (Nassau County)
4.	162112 E	Hudson Valley Center for Digestive Health (Westchester County)
5.	171110 E	University Gastroenterology at the Philip Holtzapple Endoscopy Center (Onondaga County)

**Dialysis Services - Establish/Construct**

**Exhibit # 5**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	161355 B	Freedom Center of Newark, LLC d/b/a Fresenius Kidney Care – Newark (Wayne County)
2.	162601 B	The Rogosin Institute at Methodist Home for Nursing and Rehabilitation, LLC (Bronx County)
3.	171122 E	Freedom Center of Syosset, LLC (Nassau County)

**Hospice Services - Establish/Construct**

**Exhibit # 6**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	162451 E	Hospice Care in Westchester and Putnam, Inc. (Westchester County)

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

**Exhibit # 7**

	<u>Number</u>	<u>Applicant/Facility</u>
1.	162385 E	Yonkers Gardens, LLC d/b/a Yonkers Gardens Center for Nursing and Rehabilitation (Westchester County)
2.	171017 E	Massapequa Center d/b/a Massapequa Center Rehabilitation and Nursing (Suffolk County)

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

**Exhibit # 8**

	<u>Number</u>	<u>Applicant/Facility</u>
1.	162220 E	Prime Home Health Services, LLC (Dutchess County)
2.	162447 E	Visiting Nurse Association of Hudson Valley (Westchester County)
3.	171041 E	Shining Star Home Health Care (Kings County)

**C. Home Health Agency Licensures**

**Home Health Agency Licensures**

**Exhibit # 9**

**New LHCSAs**

2368 L	Friends & Family Home Care Services, LLC (New York, Bronx, Kings, Queens, Richmond and Westchester Counties)
2402 L	N and J Home Care, Inc. (Queens, Kings, Richmond, New York and Bronx Counties)
2410 L	Beth Hahesed Home Care Inc. (Kings, Queens, Bronx, New York, Richmond and Nassau Counties)
2417L	Manach LLC d/b/a Lach Home Care Services (Bronx and Westchester Counties)
2435L	St. Xavier Home Care Services, Inc. (Queens, Kings, New York, Bronx, Richmond and Nassau Counties)

- 2455L Long Island Home Care Services, Inc.  
(Suffolk, Nassau and Queens Counties)
- 2472 L Phoenix's United Agency Inc. d/b/a Sar One Staffing  
Agency  
(Bronx, New York, Kings, Queens, Richmond and  
Westchester Counties)
- 2478 L Millennium Children Home Care, LLC  
(Saratoga, Albany, Dutchess and Columbia Counties)
- 2500 L Serenity Care Agency, LLC  
(Queens, New York, Kings, Bronx, Richmond and  
Nassau Counties)
- 2507 L Hyman's Homecare Agency, LLC  
(Nassau, Suffolk and Queens Counties)
- 2529 L Igvara Home Care Services, LLC d/b/a Comfort Keepers  
(Nassau and Suffolk Counties)
- 2544 L One Stop Home Care Agency, LLC  
(Queens County)
- 2549 L Expert Home Care, Inc.  
(Bronx, Kings, New York, Queens and Richmond  
Counties)
- 2555 L Photuris Home Care Inc.  
(Bronx and New York Counties)
- 2559 L Royal Home Care  
(Fulton, Montgomery, Hamilton, Saratoga, Warren,  
Herkimer and Schoharie Counties)
- 2561 L Always An Angel Licensed Homecare, LLC d/b/a  
Always An Angel Licensed Homecare  
(Putnam, Westchester, Rockland, Dutchess, Orange and  
Bronx Counties)
- 2563 L CitiCare, LLC  
(Kings, New York, Bronx, Queens, Richmond and  
Nassau Counties)
- 2575 L L.A.M. Care, Inc. d/b/a Comfort Keepers  
(Bronx, Kings, New York, Queens and Richmond  
Counties)
- 2578 L Divinity Care at Home, Inc.  
(Bronx, Kings, New York, Queens, Richmond and  
Westchester Counties)

- 2579 L Nancy Marie Taylor d/b/a Taylors Tender Care Home Health Service  
(Essex and Clinton Counties)
- 2584 L Rosetta Care, Inc.  
(Bronx, Kings, New York, Richmond and Queens Counties)
- 2602 L Covenant Home Health Care Services Inc.  
(Queens, Kings, Bronx, New York, Richmond and Nassau Counties)
- 2614 L Triple J and A Corporation d/b/a Right at Home South Shore Long Island  
(Nassau and Suffolk Counties)
- 2632 L GSNY Home Care Services, Inc.  
(Bronx, Kings, New York, Queens, Richmond, and Westchester Counties)
- 151286 ABJ Home Care Inc.  
(Queens, Bronx, New York, Kings, Richmond and Nassau Counties)
- 151306 Caring Family Home Care Inc.  
(Rockland, Orange, Putnam, Westchester and Bronx Counties)
- 151318 Brooklyn Care LLC d/b/a ComForCare  
(Kings, Queens, New York, Bronx, Richmond and Nassau Counties)
- 151346 Enriched Home Care Agency, Inc.  
(Bronx, Kings, New York, Queens, Richmond and Nassau Counties)
- 152037 Family and Child Service of Schenectady, Inc.  
(Schenectady, Albany, Saratoga, Schoharie, Rensselaer, Warren, Montgomery, Fulton and Columbia Counties)
- 152087 LI Home Care Services, Inc. d/b/a SeniCare Plus  
(Nassau, Suffolk and Queens Counties)
- 152088 B-Well Home Care Agency, Inc.  
(Richmond, Bronx, New York, Kings and Queens Counties)
- 152097 Healthy Life Home Care, Inc.  
(Kings, Queens, Bronx, New York, Richmond and Westchester Counties)

- 152102 Rehoboth Elderly Care and Companionship LLC  
(Nassau, Suffolk and Queens Counties)
- 161135 Buffalo Homecare Inc.  
(Cattaraugus, Chautauqua, Erie, Genesee, Niagara and  
Wyoming Counties)
- 162108 Specialty Pharmacy Nursing Network, Inc.  
(Albany, Columbia, Fulton, Montgomery, Rensselaer,  
Saratoga, Schenectady, Schoharie, Warren and  
Washington Counties)

**Changes of Ownership**

<u>Number</u>	<u>Applicant/Facility</u>
2072 L	American Outcomes Management LP (New York County)
162459	VNA Home Health Services, Inc. (Putnam and Westchester Counties)
162492	Smile Homecare Agency, Inc. (Kings, Queens, Bronx, Richmond, New York and Nassau Counties)
162603	ProLife Home Care, Inc. (Kings, Queens, Bronx, New York, Richmond and Nassau Counties)
171120	The W Group at Catskill, LLC d/b/a Home Sweet Home on the Hudson (Greene County)
171133	The W Group at Hudson, LLC d/b/a Home Sweet Home of Athens (Greene County)

**D. Certificates**

**Exhibit # 10**

**Certificate of Dissolution**

Applicant

Glens Falls Hospital Guild, Inc.

Mount Loretto Nursing Home, Inc.

Resurrection Nursing Home, Inc.

Mount Saint Ursula Speech Center

**Certificate of Amendment of Articles of Organization**

Applicant

LI Replacement, LLC

**Restated Certificate of Incorporation**

Applicant

NYU Hospitals Center

**Certificate of Assumed Name**

Applicant

NYU Langone Hospital for Orthopedics

NYU Langone Hospital-Brooklyn

NYU Langone Health-Cobble Hill

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

Applicant

At Home Care, Inc.

Aurelia Osborn Fox Memorial Hospital Society

Bassett Hospital of Schoharie County

Friends of Bassett, Inc.

Little Falls Hospital

O'Connor Hospital

The Mary Imogene Bassett Hospital

Tri Town Regional Healthcare

Valley Health Services, Inc.

Valley Residential Services, Inc.

**II. JOINT COMMITTEE ON HEALTH PLANNING AND PUBLIC HEALTH**

Jo Ivey Boufford, M.D., Chair of the Public Health Committee

John Ruge, M.D., Chair of the Health Planning Committee

**III. HEALTH PLANNING COMMITTEE**

John Rugge, M.D., Chair of the Health Planning Committee

**Request for Stroke Center Designation**

**Exhibit #11**

Applicant

Woman's Christian Association Hospital

**NYU Hospitals Center  
Consolidated Balance Sheets  
August 31, 2015 and 2014**

<i>(in thousands)</i>	2015	2014
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 109,739	\$ 323,459
Marketable securities	3,710	3,731
Assets limited as to use	12,557	40,796
Assets limited as to use - board designated	100,223	55,512
Patient accounts receivable, less allowances for uncollectable (2015 – \$81,456 and 2014 – \$79,552)	314,627	303,479
Contributions receivable	82,728	67,904
Insurance receivables - billed	50,557	42,405
Due from related organizations, net	4,931	-
Inventories	33,421	32,193
Disaster recovery receivable	43,572	23,402
Other current assets	55,089	61,134
Total current assets	<u>811,154</u>	<u>954,015</u>
Marketable securities, less current portion	22,913	24,087
Assets limited as to use, less current portion	356,567	378,737
Assets limited as to use - board designated, less current portion	591,220	456,501
Contributions receivable, less current portion	74,916	106,171
Other assets	18,406	18,609
Disaster recovery receivable, less current portion	63,199	106,336
Property, plant and equipment, net	<u>2,271,892</u>	<u>1,958,347</u>
Total assets	<u>\$ 4,210,267</u>	<u>\$ 4,002,803</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Current portion of long-term debt	\$ 42,612	\$ 36,363
Accounts payable and accrued expenses	146,244	176,425
Accounts payable and accrued expenses - disaster-related	8,265	42,166
Accrued salaries and related liabilities	49,945	46,840
Accrued interest payable	11,332	9,754
Current portion of accrued postretirement liabilities	2,045	1,916
Deferred revenue - disaster recovery	16,278	64,886
Deferred revenue - other	31,479	23,709
Due to related organizations, net	-	2,269
Other current liabilities	56,366	44,841
Total current liabilities	<u>382,566</u>	<u>449,169</u>
Long-term debt, less current portion	1,479,592	1,390,680
Outstanding losses and loss adjustment expenses	278,452	233,239
Accrued pension liabilities	130,385	96,594
Accrued postretirement liabilities, less current portion	72,773	72,646
Other liabilities	155,494	199,640
Total liabilities	<u>2,479,262</u>	<u>2,441,968</u>
<b>Net assets</b>		
Unrestricted	1,281,036	1,031,365
Temporarily restricted	456,924	516,425
Permanently restricted	13,045	13,045
Total net assets	<u>1,731,005</u>	<u>1,560,835</u>
Total liabilities and net assets	<u>\$ 4,210,267</u>	<u>\$ 4,002,803</u>

**NYU Hospitals Center**  
**Consolidated Statements of Operations**  
**Years Ended August 31, 2015 and 2014**

<i>(in thousands)</i>	2015	2014
<b>Operating revenue</b>		
Net patient service revenue, less provision for bad debts (2015 - \$11,348, 2014 - \$11,611)	\$ 2,453,875	\$ 2,039,503
Premiums earned	47,203	39,356
Contributions	4,930	6,190
Endowment distribution and return on short-term investments	17,606	21,194
Commercial insurance recoveries	-	9,232
Disaster recovery reimbursement	5,669	97,098
Other revenue	99,837	110,836
Net assets released from restrictions for operating purposes	7,929	23,044
Total operating revenue	<u>2,637,049</u>	<u>2,346,453</u>
<b>Operating expenses</b>		
Salaries and wages	795,591	736,018
Employee benefits	281,434	257,451
Supplies and other	1,149,037	971,323
Depreciation and amortization	113,519	98,565
Interest	62,588	46,166
Disaster related activities	6,003	22,139
Total operating expenses	<u>2,408,172</u>	<u>2,131,662</u>
Gain from operations	228,877	214,791
<b>Other items</b>		
(Loss) gain on impairments or disposals of property, plant and equipment	(43)	2,771
Loss on extinguishment	(27,074)	-
Disaster recovery reimbursement for capital	31,042	73,374
Grants for capital assets acquisitions	50	140
Investment return (less than) in excess of endowment distribution, net	(8,278)	8,023
Mission based payment to NYUSoM	(50,000)	(30,000)
Excess of revenue over expenses	<u>174,574</u>	<u>269,099</u>
<b>Other changes in unrestricted net assets</b>		
Changes in pension and postretirement obligations	(21,323)	(22,854)
Net assets released from restrictions for capital purposes	7,332	15,040
Net assets released from restrictions for hazard mitigation	69,088	12,000
Net increase in unrestricted net assets	<u>\$ 229,671</u>	<u>\$ 273,285</u>

**NYU Hospitals Center**  
**Consolidated Balance Sheet**  
**August 31, 2016**

(in thousands)

2016

**Assets**

Current assets

Cash and cash equivalents	\$ 174,414
Marketable securities	3,790
Assets limited as to use	6,141
Assets limited as to use - board designated	20,001
Patient accounts receivable, less allowances for uncollectable (2016 – \$109,341)	478,671
Contributions receivable	30,724
Insurance receivables - billed	60,907
Inventories	48,158
Other current assets	86,776

Total current assets	909,582
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Marketable securities, less current portion	22,664
Assets limited as to use, less current portion	489,421
Assets limited as to use - board designated, less current portion	770,874
Contributions receivable, less current portion	98,624
Other assets	110,782
Due from related organizations	9,500
Disaster recovery receivable	44,681
Property, plant and equipment, net	2,867,965

Total assets	\$ 5,324,093
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**Liabilities and Net Assets**

Current liabilities

Current portion of long-term debt	\$ 50,584
Accounts payable and accrued expenses	209,116
Accrued salaries and related liabilities	128,262
Accrued interest payable	10,897
Current portion of accrued postretirement liabilities	1,956
Deferred revenue - disaster recovery	84,430
Deferred revenue - other	59,057
Due to related organizations	25,086
Other current liabilities	41,811

Total current liabilities	611,199
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Long-term debt, less current portion	1,620,123
Outstanding losses and loss adjustment expenses	386,903
Accrued pension liabilities	360,540
Accrued postretirement liabilities, less current portion	77,548
Other liabilities	222,460

Total liabilities	3,278,773
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Net assets

Unrestricted	1,645,814
Temporarily restricted	386,458
Permanently restricted	13,048

Total net assets	2,045,320
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Total liabilities and net assets	\$ 5,324,093
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**NYU Hospitals Center**  
**Consolidated Statement of Operations**  
**Year Ended August 31, 2016**

CON #162381  
BFA Attachment B (continued)

<i>(in thousands)</i>	<b>2016</b>
<b>Operating revenue</b>	
Net patient service revenue (less provision for bad debts of \$35,157)	\$ 3,322,215
Premiums earned	65,864
Contributions	5,456
Endowment distribution and return on short-term investments	36,269
Disaster recovery reimbursement	3,215
Other revenue	135,577
Net assets released from restrictions for operating purposes	13,525
Total operating revenue	<u>3,582,121</u>
<b>Operating expenses</b>	
Salaries and wages	1,131,480
Employee benefits	412,094
Supplies and other	1,555,335
Depreciation and amortization	145,121
Interest	59,701
Total operating expenses	<u>3,303,731</u>
Gain from operations	278,390
<b>Other items</b>	
Gain on disposals of property, plant and equipment	236
Loss on extinguishment	(25,512)
Disaster recovery reimbursement for capital	2,435
Investment return in excess of endowment distribution, net	23,105
Mission based payment to NYUSoM	(50,000)
Excess of revenue over expenses	<u>228,654</u>
<b>Other changes in unrestricted net assets</b>	
Changes in pension and postretirement obligations	(111,162)
Equity transfers from related organizations, net	13,137
Net assets released from restrictions for capital purposes	7,756
Net assets released from restrictions for hazard mitigation	70,130
Net increase in unrestricted net assets	<u>\$ 208,515</u>

## Northwell Health, Inc.

**Consolidated Statements of Financial Position**  
**September 30, 2016 and December 31, 2015 (In Thousands)**

	(Unaudited) September 30, 2016	(Audited) December 31, 2015
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 365,447	\$ 432,829
Marketable securities and other investments	2,112,635	1,844,892
Accounts receivable for services to patients, net of allowance for doubtful accounts	995,200	876,130
Accounts receivable for physician activities, net	120,430	111,902
Assets limited as to use, current portion	128,513	101,683
Pledges receivable, current portion	34,088	35,097
Insurance claims receivable, current portion	67,729	71,068
Other current assets	240,219	207,968
Total current assets	<u>4,064,261</u>	<u>3,681,569</u>
Assets limited as to use, net of current portion	1,954,821	1,508,032
Pledges receivable, net of current portion	88,050	91,090
Property, plant and equipment, net	4,539,601	4,315,166
Insurance claims receivable, net of current portion	266,925	278,530
Other assets	337,281	264,340
Total assets	<u>\$ 11,250,939</u>	<u>\$ 10,138,727</u>
<b>Liabilities and net assets</b>		
Current liabilities:		
Short-term borrowings	\$ 110,218	\$ 110,218
Accounts payable and accrued expenses	925,025	733,653
Accrued salaries and related benefits	631,630	625,383
Current portion of capital lease obligations	4,880	3,138
Current portion of long-term debt	56,778	55,613
Current portion of insurance claims liability	67,729	71,068
Current portion of malpractice and other insurance liabilities	102,999	101,720
Current portion of third-party payer structured liabilities	1,663	4,346
Current portion of estimated payable to third-party payers	288,708	235,768
Total current liabilities	<u>2,189,630</u>	<u>1,940,907</u>
Accrued retirement benefits, net of current portion	832,685	782,972
Capital lease obligations, net of current portion	174,469	171,888
Long-term debt, net of current portion	2,689,411	2,199,401
Insurance claims liability, net of current portion	266,925	278,530
Malpractice and other insurance liabilities, net of current portion	938,661	881,794
Third-party payer structured liabilities, net of current portion	4,529	8,303
Other long-term liabilities	600,519	635,892
Total liabilities	<u>7,696,829</u>	<u>6,899,687</u>
Commitments and contingencies		
Net assets:		
Unrestricted	3,021,957	2,710,921
Temporarily restricted	362,200	363,573
Permanently restricted	169,953	164,546
Total net assets	<u>3,554,110</u>	<u>3,239,040</u>
Total liabilities and net assets	<u>\$ 11,250,939</u>	<u>\$ 10,138,727</u>

## Northwell Health, Inc.

**Consolidated Statements of Operations**  
**For the Nine Months Ended September 30, 2016 and 2015 (In Thousands)**

	(Unaudited) <b>2016</b>	(Unaudited) <b>2015</b>
Operating revenue:		
Net patient service revenue	\$ 5,610,533	\$ 5,098,327
Physician practice revenue	941,165	816,140
Provision for bad debts	(92,784)	(80,818)
Total patient revenue, net of provision for bad debts	<u>6,458,914</u>	<u>5,833,649</u>
Other operating revenue	388,188	331,429
Net health insurance premium revenue	395,432	154,578
Net assets released from restrictions used for operations	42,297	46,269
Total operating revenue	<u>7,284,831</u>	<u>6,365,925</u>
Operating expenses:		
Salaries	3,485,376	3,179,225
Employee benefits	900,473	823,157
Supplies and expenses	2,424,781	1,911,595
Depreciation and amortization	307,901	292,142
Interest	82,216	78,242
Total operating expenses	<u>7,200,747</u>	<u>6,284,361</u>
Excess of operating revenue over operating expenses	84,084	81,564
Non-operating gains and losses:		
Investment income	41,536	39,273
Change in net unrealized gains and losses and change in value of equity method investments	134,041	(115,136)
Change in fair value of interest rate swap agreements designated as derivative instruments	190	565
Loss on refunding and redemption of long-term debt	-	(56,975)
Contributions received in the acquisitions of Peconic Bay Medical Center (2016), Phelps Memorial Hospital (2015) and Northern Westchester Hospital (2015)	36,343	259,807
Gain from acquired interest in Optum360	-	115,600
Other non-operating gains and losses	(9,198)	(5,486)
Total non-operating gains and losses	<u>202,912</u>	<u>237,648</u>
Excess of revenue and gains and losses over expenses	286,996	319,212
Net assets released from restrictions for capital asset acquisitions	28,221	5,055
Change in fair value of interest rate swap agreements designated as cash flow hedges	13	610
Recovery of fair value of endowment corpus	609	-
Other changes in net assets	(4,803)	(2,360)
Increase in unrestricted net assets	<u>\$ 311,036</u>	<u>\$ 322,517</u>

Memorial Sloan Kettering Cancer Center  
and Affiliated Corporations

Combined Balance Sheets

	<b>December 31</b>	
	<b>2016</b>	<b>2015</b>
	<i>(In Thousands)</i>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 698,872	\$ 422,330
Short-term investments – at fair value	177,868	242,956
Accounts receivable, less allowance for doubtful accounts (2016 – \$31,569; 2015 – \$37,987)	499,284	613,285
Pledges, trusts and estates receivable	183,185	173,069
Other current assets	112,086	100,304
Total current assets	1,671,295	1,551,944
Noncurrent assets:		
Assets whose use is limited:		
Investments in marketable securities – at fair value:		
Construction, debt service and repair reserve funds	63,843	56,224
Captive insurance funds	57,672	52,589
Employee benefit funds	74,464	74,160
Total investments in marketable securities whose use is limited	195,979	182,973
Investments – at fair value	3,140,818	3,284,853
Investments internally designated for major capital projects	1,037,988	1,012,953
Investments in nonmarketable securities	35,573	79,500
Property and equipment – net	3,359,348	3,013,202
Mortgages and other loans receivable	32,709	30,538
Pledges, trusts and estates receivable	367,503	375,998
Other noncurrent assets	50,279	60,060
Total noncurrent assets	8,220,197	8,040,077
Total assets	\$ 9,891,492	\$ 9,592,021
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable	\$ 430,739	\$ 389,834
Accrued expenses	298,619	287,229
Current portion of long-term debt	71,247	47,185
Total current liabilities	800,605	724,248
Noncurrent liabilities:		
Long-term debt, less current portion	2,544,709	2,476,950
Other noncurrent liabilities	815,201	856,860
Total liabilities	4,160,515	4,058,058
Net assets:		
Unrestricted:		
Undesignated	4,170,504	4,020,547
Board-designated	175,803	174,335
Total unrestricted	4,346,307	4,194,882
Temporarily restricted	757,725	734,851
Permanently restricted	626,945	604,230
Total net assets	5,730,977	5,533,963
Total liabilities and net assets	\$ 9,891,492	\$ 9,592,021

Memorial Sloan Kettering Cancer Center  
and Affiliated Corporations

Combined Statements of Unrestricted Activities

	<b>Year Ended December 31</b>	
	<b>2016</b>	<b>2015</b>
	<i>(In Thousands)</i>	
<b>Undesignated operating revenues</b>		
Hospital care and services	\$ 2,564,674	\$ 2,309,175
Medical practice	529,787	500,638
Grants and contracts	257,893	234,402
Contributions	161,245	137,538
Net assets released from restrictions	86,850	129,528
Royalty income	167,731	197,885
Other income	75,203	66,032
Investment returns allocated to operations	136,979	90,648
Transfer of Board-designated annual royalty annuitization	-	9,639
Total operating revenues	<u>3,980,362</u>	<u>3,675,485</u>
<b>Operating expenses</b>		
Salaries and wages	1,476,943	1,340,706
Physicians' practice compensation	202,012	189,395
Employee fringe benefits	458,454	457,287
Purchased supplies and services	761,167	713,409
Pharmaceuticals	550,597	459,058
Depreciation and amortization	263,964	232,866
Provision for bad debts and regulatory assessments	40,331	64,194
Interest	48,724	49,401
Total operating expenses	<u>3,802,192</u>	<u>3,506,316</u>
Income from operations	<u>178,170</u>	<u>169,169</u>
<b>Nonoperating income and expenses, net</b>		
Net assets released from restrictions for capital purposes	22,001	22,605
Investment returns, net of allocation to operations and transfers to temporarily restricted net assets	29,713	(84,170)
Other nonoperating income and expenses, net	(49,705)	(94,747)
Total nonoperating income and expenses, net	<u>2,009</u>	<u>(156,312)</u>
Increase in unrestricted net assets before change in postretirement benefit obligation to be recognized in future periods and Board-designated activities	<u>180,179</u>	<u>12,857</u>
<b>Board-designated</b>		
Investment income (loss) and other additions	1,468	(506)
Transfer of annual royalty annuitization	-	(9,639)
Increase (decrease) in Board-designated	<u>1,468</u>	<u>(10,145)</u>
Increase in unrestricted net assets before change in postretirement benefit obligation to be recognized in future periods	181,647	2,712
Change in postretirement benefit obligation to be recognized in future periods	(30,222)	179,087
Increase in total unrestricted net assets	<u>\$ 151,425</u>	<u>\$ 181,799</u>

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Statements of Net Position  
December 31, 2016 and 2015  
(Dollars in Thousands)**

	2016	2015
<b>Assets and Deferred Outflows</b>		
Current assets:		
Cash and cash equivalents	\$ 15,389	\$ 29,682
Investments	19,814	11,331
Assets whose use is limited	23,849	37,179
Patient accounts receivable, net	67,374	67,835
Other receivables	68,982	56,900
Supplies, prepaids and other	16,010	7,275
<b>Total current assets</b>	<b>211,418</b>	<b>210,202</b>
Assets whose use is limited	82,448	87,743
Capital assets, net	259,577	279,812
Other assets, net	34,891	36,467
<b>Total assets</b>	<b>588,334</b>	<b>614,224</b>
Deferred outflows of resources:		
Pensions	125,771	4,960
Other	1,037	1,224
<b>Total deferred outflows of resources</b>	<b>126,808</b>	<b>6,184</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 715,142</b>	<b>\$ 620,408</b>
<b>Liabilities, Deferred Inflows and Net Position</b>		
Current liabilities:		
Current portion of long-term debt	\$ 18,811	\$ 10,619
Accounts payable	32,001	44,651
Accrued salaries, wages and employee benefits	20,017	19,188
Accrued other liabilities	30,203	39,498
Unearned revenue	5,087	13,691
Estimated third-party payor settlements	5,124	2,777
<b>Total current liabilities</b>	<b>111,243</b>	<b>130,424</b>
Long-term debt, net	155,172	165,883
Net pension liability	116,006	24,112
Self-insured obligations	190,141	172,688
Other	3,474	3,289
<b>Total liabilities</b>	<b>576,036</b>	<b>496,396</b>
Deferred inflows of resources - pensions	20,603	4,122
<b>Net Position</b>		
Net investment in capital assets	94,747	107,223
Restricted:		
Nonexpendable	-	-
Expendable	18,411	32,258
Unrestricted	5,345	(19,591)
<b>Total net position</b>	<b>118,503</b>	<b>119,890</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 715,142</b>	<b>\$ 620,408</b>

**Erie County Medical Center Corporation  
(A Component Unit of the County of Erie)**

**Statements of Revenues, Expenses and Changes in Net Position  
Years Ended December 31, 2016 and 2015  
(Dollars in Thousands)**

	2016	2015
<b>Operating revenues:</b>		
Net patient service revenue, net of provision for bad debts of \$10,590 and \$10,565 at 2016 and 2015, respectively	\$ 489,931	\$ 467,748
Disproportionate share revenue	71,500	59,237
Delivery System Reform Incentive Payment (DSRIP) grants	23,966	4,499
Other operating revenue	31,149	21,590
<b>Total operating revenues</b>	<b>616,546</b>	<b>553,074</b>
<b>Operating expenses:</b>		
Payroll, employee benefits and contract labor	314,761	297,397
Professional fees	74,380	70,260
Purchased services	42,680	43,959
Supplies	78,363	74,063
Other operating expenses	24,430	26,250
Delivery System Reform Incentive Payment (DSRIP) grant expenses	23,062	4,059
Depreciation and amortization	28,673	27,929
<b>Total operating expenses</b>	<b>586,349</b>	<b>543,917</b>
<b>Operating income before pension amortization component</b>	<b>30,197</b>	<b>9,157</b>
Pension expense, amortization component	20,040	-
<b>Operating income</b>	<b>10,157</b>	<b>9,157</b>
<b>Non-operating revenue (expenses):</b>		
Investment income	773	2,931
Contributions to component unit	(955)	(1,081)
Interest expense	(8,006)	(8,240)
<b>Total net non-operating expenses</b>	<b>(8,188)</b>	<b>(6,390)</b>
<b>Net income</b>	<b>1,969</b>	<b>2,767</b>
Transfer to Erie County	(3,356)	-
Capital contributions	-	575
<b>Total change in net position</b>	<b>(1,387)</b>	<b>3,342</b>
Net position – beginning of year	119,890	116,548
Net position – end of year	\$ 118,503	\$ 119,890

See notes to the financial statements.

**ERIE COUNTY MEDICAL CENTER CORPORATION**  
(A COMPONENT UNIT OF THE COUNTY OF ERIE)

**STATEMENTS OF NET POSITION**  
**December 31, 2014 and 2013**  
(000's omitted)

<b>ASSETS</b>	<b>2014</b>	<b>2013</b>
Current assets:		
Cash and cash equivalents	\$ 6,251	\$ 8,235
Investments	3,270	2,394
Assets whose use is limited	12,529	30,387
Patient accounts receivable, net	51,491	50,004
Other receivables	67,183	50,388
Supplies, prepaids and other	<u>9,747</u>	<u>8,020</u>
Total current assets	<u>150,471</u>	<u>149,428</u>
Assets whose use is limited	106,168	110,833
Capital assets, net	288,997	289,224
Other assets, net	<u>31,286</u>	<u>9,109</u>
Total assets	<u>\$ 576,922</u>	<u>\$ 558,594</u>
<b>LIABILITIES AND NET POSITION</b>		
Current liabilities:		
Current portion of long-term debt	\$ 8,137	\$ 7,226
Accounts payable	34,076	37,359
Accrued salaries, wages and employee benefits	22,274	19,689
Accrued other liabilities	34,608	22,041
Deferred revenue	6,323	-
Estimated third-party payor settlements	<u>20,510</u>	<u>22,133</u>
Total current liabilities	<u>125,928</u>	<u>108,448</u>
Long-term debt, net	166,579	173,129
Self-insured obligations	<u>165,384</u>	<u>161,009</u>
Total liabilities	<u>457,891</u>	<u>442,586</u>
Net position:		
Net investment in capital assets	122,492	120,480
Restricted:		
For debt service	11,201	11,049
Unrestricted	<u>(14,662)</u>	<u>(15,521)</u>
Total net position	<u>119,031</u>	<u>116,008</u>
Total liabilities and net position	<u>\$ 576,922</u>	<u>\$ 558,594</u>

**ERIE COUNTY MEDICAL CENTER CORPORATION**  
(A COMPONENT UNIT OF THE COUNTY OF ERIE)

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the Years Ended December 31, 2014 and 2013**  
(000's omitted)

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Net patient service revenue (net of provision for bad debts of \$25,397 in 2014 and \$23,710 in 2013)	\$ 431,724	\$ 379,955
Disproportionate share revenue	65,883	61,786
Other operating revenue	<u>17,082</u>	<u>26,202</u>
Total operating revenues	<u>514,689</u>	<u>467,943</u>
Operating expenses:		
Payroll, employee benefits and contract labor	283,769	270,515
Professional fees	65,971	54,009
Purchased services	42,104	35,835
Supplies	68,933	64,160
Other operating expenses	15,452	13,972
Depreciation and amortization	<u>29,168</u>	<u>20,219</u>
Total operating expenses	<u>505,397</u>	<u>458,710</u>
Operating income	<u>9,292</u>	<u>9,233</u>
Non-operating revenues (expenses):		
Investment income	3,164	8,552
Interest expense	(8,350)	(8,337)
Grant revenue and other	<u>20</u>	<u>(322)</u>
Total net non-operating (expenses) revenues	<u>(5,166)</u>	<u>(107)</u>
Excess of revenues over expenses	4,126	9,126
Transfers to related parties, net	<u>(1,103)</u>	<u>(1,135)</u>
Total change in net position	3,023	7,991
Net position – beginning of year	<u>116,008</u>	<u>108,017</u>
Net position – end of year	<u>\$ 119,031</u>	<u>\$ 116,008</u>

**EASTERN NIAGARA HOSPITAL, INC.**

**Balance Sheets**

December 31,	2015	2014
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 7,319,440	\$ 3,507,770
Short-term investments - Board designated for future operations	1,126,477	1,119,282
Accounts receivable, net of estimated uncollectibles of \$1,755,000 and \$1,621,000	8,355,818	8,182,837
Other receivables	968,403	313,070
Supplies	1,490,901	1,612,086
Prepaid expenses	696,537	636,714
	<u>19,957,576</u>	<u>15,371,759</u>
Property and equipment, net	17,817,554	18,348,481
Assets limited as to use	131,612	142,826
Advances to related parties, net	-	3,514,536
	<u>\$ 37,906,742</u>	<u>\$ 37,377,602</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt	\$ 1,293,988	\$ 1,194,656
Accounts payable	5,530,731	6,964,421
Accrued expenses	3,987,754	4,356,927
Estimated third-party payor settlements	2,089,031	1,563,573
	<u>12,901,504</u>	<u>14,079,577</u>
Long-term debt (	8,327,836	7,558,280
Interest rate swap liability	616,639	594,580
Accrued pension liability (	14,058,043	11,166,366
Accrued postretirement health care liability	5,784,000	5,482,000
<b>Net assets:</b>		
Unrestricted	(3,908,196)	(1,630,117)
Temporarily restricted	1,916	1,916
Permanently restricted	125,000	125,000
	<u>(3,781,280)</u>	<u>(1,503,201)</u>
	<u>\$ 37,906,742</u>	<u>\$ 37,377,602</u>

EASTERN NIAGARA HOSPITAL, INC.

**Statements of Operations**

For the years ended December 31,	2015	2014
Unrestricted net assets:		
Revenue:		
Patient service revenue (net of contractual allowances and discounts)	\$ 61,388,478	\$ 60,124,294
Less: provision for bad debts - includes NYS bad debt and charity care pools	(2,998,670)	(2,921,085)
	58,389,808	57,203,209
Other revenue	9,281,107	4,426,108
Total revenue	67,670,915	61,629,317
Expenses:		
Salaries and wages	28,578,675	29,873,958
Employee benefits	8,708,091	9,463,216
Other supplies and services	25,884,171	22,866,145
Interest	516,331	411,297
Depreciation	2,737,446	2,638,508
Total expenses	66,424,714	65,253,124
Income (loss) from operations	1,246,201	(3,623,807)
Other income (expense):		
Contributions	16,025	33,251
Interest rate swap liability adjustment	(22,059)	(431,801)
Investment earnings and other	23,803	26,104
Total other income (expense)	17,769	(372,446)
Excess (deficiency) of revenue over expenses	\$ 1,263,970	\$ (3,996,253)

EASTERN NIAGARA HOSPITAL, INC.

**Statements of Changes in Net Assets**

<u>For the years ended December 31,</u>	<u>2015</u>	<u>2014</u>
<b>Unrestricted net assets:</b>		
Excess (deficiency) of revenue over expenses	\$ 1,263,970	\$ (3,996,253)
Pension liability adjustment	(3,058,496)	(4,717,052)
Postretirement health care liability adjustment	(483,553)	(716,875)
Change in unrestricted net assets	<u>(2,278,079)</u>	<u>(9,430,180)</u>
Change in net assets	(2,278,079)	(9,430,180)
Net assets - beginning	<u>(1,503,201)</u>	<u>7,926,979</u>
Net assets - ending	<u>\$ (3,781,280)</u>	<u>\$ (1,503,201)</u>

EASTERN NIAGARA HOSPITAL  
BALANCE SHEET

12/31/2016

<b>ASSETS</b>	<b>December 31, 2016</b>	<b>November 30, 2016</b>	<b>Curr vs. Prev VARIANCE</b>	<b>Audited December 31, 2015</b>	<b>Curr vs YE 2015 VARIANCE</b>
<b>CURRENT</b>					
CASH & TEMPORARY INVESTMENTS	\$ 5,171,630	\$ 6,824,488	\$ (1,652,858)	\$ 7,319,440	\$ (2,147,810)
CASH - BOARD DESIGNATED	1,027,205	1,026,501	704	1,126,477	(99,272)
ACCOUNTS RECEIVABLE, NET	8,152,935	8,094,066	58,869	8,355,818	(202,883)
OTHER RECEIVABLE	1,886,303	1,501,012	385,291	968,404	917,899
INVENTORIES, AT COST	1,358,274	1,446,781	(88,507)	1,490,901	(132,627)
PREPAID INSURANCE AND OTHER EXPENSES	478,809	170,563	308,246	696,537	(217,728)
<b>TOTAL CURRENT ASSETS</b>	<b>18,075,156</b>	<b>19,063,411</b>	<b>(988,255)</b>	<b>19,957,576</b>	<b>(1,882,421)</b>
<b>ASSETS WHOSE USE IS LIMITED</b>					
CASH AND SHORT TERM INVESTMENTS	118,820	111,536	7,284	31,458	87,362
SPECIAL PURPOSE ASSETS	114,130	104,890	9,240	99,684	14,446
<b>TOTAL ASSETS WHOSE USE IS LIMITED</b>	<b>232,950</b>	<b>216,426</b>	<b>16,524</b>	<b>131,142</b>	<b>101,808</b>
<b>OTHER ASSETS</b>					
PROPERTY AND EQUIPMENT	16,941,756	16,748,117	193,639	17,174,135	(232,379)
PLANT ASSETS UNDER CONSTRUCTION	184,238	520,925	(336,687)	643,419	(459,181)
DUE FROM RELATED PARTIES-net	80,298	79,800	498	-	80,298
OTHER	469	469	-	469	-
<b>TOTAL OTHER ASSETS</b>	<b>17,206,761</b>	<b>17,349,311</b>	<b>(142,550)</b>	<b>17,818,023</b>	<b>(611,262)</b>
<b>TOTAL UNRESTRICTED ASSETS</b>	<b>\$ 35,514,867</b>	<b>\$ 36,629,148</b>	<b>\$ (1,114,281)</b>	<b>\$ 37,906,741</b>	<b>\$ (2,391,874)</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>CURRENT</b>					
CURRENT PORTION OF NOTES PAYABLE			\$ -	\$ 110,953	(110,953)
CURRENT PORTION OF CAPITALIZED LEASES	1,212,748	1,280,378	(67,630)	1,183,035	29,713
DUE TO 3RD PARTY PAYORS	1,725,604	1,700,148	25,456	2,089,032	(363,428)
ACCOUNTS PAYABLE	4,362,837	4,185,022	177,815	5,530,731	(1,167,894)
ACCRUED WAGES	2,642,550	3,659,415	(1,016,865)	2,387,705	254,845
ACCRUED EXPENSES	707,705	711,631	(3,926)	965,512	(257,807)
CURRENT PORTION OF POST RETIREMENT	580,000	580,000	-	580,000	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>11,231,444</b>	<b>12,116,594</b>	<b>(885,150)</b>	<b>12,846,968</b>	<b>(1,615,523)</b>
<b>LONG TERM LIABILITIES</b>					
BANK LOAN	6,478,071	6,493,312	(15,241)	6,620,053	(141,982)
LONG TERM NOTES PAYABLE	541,632	596,827	(55,195)	671,639	(130,007)
CAPITALIZED LEASES PAYABLE	1,835,359	1,817,383	17,976	1,707,783	127,576
LONG TERM BENEFIT LIABILITY	19,978,335	20,005,678	(27,343)	19,841,579	136,756
<b>TOTAL LONG TERM LIABILITIES</b>	<b>28,833,397</b>	<b>28,913,200</b>	<b>(79,803)</b>	<b>28,841,053</b>	<b>(7,658)</b>
<b>NET ASSETS</b>					
UNRESTRICTED	(4,689,123)	(4,530,554)	(158,569)	(3,905,983)	(783,140)
TEMPORARY RESTRICTED	14,149	4,908	9,241	(297)	14,446
PERMANENTLY RESTRICTED	125,000	125,000	-	125,000	-
<b>TOTAL NET ASSETS</b>	<b>(4,549,974)</b>	<b>(4,400,646)</b>	<b>(149,328)</b>	<b>(3,781,280)</b>	<b>(768,694)</b>
<b>TOTAL LIAB AND NET ASSETS</b>	<b>\$ 35,514,867</b>	<b>\$ 36,629,148</b>	<b>\$ (1,114,281)</b>	<b>\$ 37,906,741</b>	<b>\$ (2,391,874)</b>

Project # 171075  
BFA Attachment B

EASTERN NIAGARA HOSPITAL

Operating Statement  
12/31/2016

MTD ACTUAL	MTD BUDGET	FAVORABLE (UNFAVORABLE) SVARIANCE	DESCRIPTION	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE) SVARIANCE	YTD LY ACTUAL
<b>PATIENT SERVICE REVENUE</b>							
<b>INPATIENT:</b>							
6,493,845	7,855,040	(1,361,195)	INPATIENT GROSS REVENUE	88,477,118	88,660,924	(183,806)	80,743,078
3,764,805	4,592,979	828,174	IP DEDUCTION FROM REVENUE	52,644,311	51,883,226	(761,085)	43,817,404
60,586	74,635	14,049	BAD DEBT EXPENSE - IP	908,048	842,265	(65,783)	839,730
<u>2,668,454</u>	<u>3,187,426</u>	<u>(518,972)</u>	NET INPATIENT REVENUE	<u>34,924,759</u>	<u>35,935,433</u>	<u>(1,010,674)</u>	<u>36,085,944</u>
<b>OUTPATIENT:</b>							
7,579,984	8,318,706	(738,722)	OUTPATIENT GROSS REVENUE	94,024,745	97,981,435	(3,956,690)	85,452,254
5,557,280	6,035,235	477,955	OP DEDUCTIONS FROM REVENUE	69,577,679	71,117,762	1,540,083	60,989,450
170,549	232,726	62,177	BAD DEBT EXPENSE - OP	2,038,312	2,747,615	709,303	1,922,677
<u>1,852,155</u>	<u>2,050,745</u>	<u>(198,590)</u>	NET OUTPATIENT REVENUE	<u>22,408,754</u>	<u>24,116,058</u>	<u>(1,707,304)</u>	<u>22,540,127</u>
4,520,609	5,238,171	(717,562)	NET PATIENT REVENUE	57,333,513	60,051,491	(2,717,978)	58,626,071
404,219	398,224	5,995	OTHER OPERATING REVENUE	4,747,884	4,078,646	669,238	9,281,108
<u>4,924,828</u>	<u>5,636,395</u>	<u>(711,567)</u>	TOTAL OPERATING REVENUE	<u>62,081,397</u>	<u>64,130,137</u>	<u>(2,048,740)</u>	<u>67,907,179</u>
<b>OPERATING EXPENSES:</b>							
2,476,113	2,364,751	(111,362)	SALARIES & WAGES	28,385,183	27,902,177	(483,006)	28,203,021
634,834	853,421	218,587	FRINGE BENEFITS	9,325,814	10,059,496	733,682	8,708,091
565,566	582,704	17,138	MEDICAL SUPPLIES	6,671,152	6,879,282	208,130	6,941,095
205,139	214,944	9,805	PHARMACY SUPPLIES	2,446,309	2,546,775	100,466	2,847,007
1,031,984	1,207,708	175,724	OTHER DIRECT EXPENSES	12,989,508	14,636,775	1,647,267	16,471,722
274,989	222,472	(52,517)	DEPRECIATION	2,708,718	2,669,675	(39,043)	2,737,447
14,949	20,000	5,051	NYS ASSESSMENT	225,465	240,000	14,535	236,264
41,850	40,417	(1,433)	INTEREST	492,576	485,000	(7,576)	516,331
<u>5,245,424</u>	<u>5,506,417</u>	<u>260,993</u>	TOTAL OPERATING EXPENSES	<u>63,244,725</u>	<u>65,419,180</u>	<u>2,174,455</u>	<u>66,660,978</u>
<u>(320,596)</u>	<u>129,978</u>	<u>(450,574)</u>	OPERATING SURPLUS (LOSS)	<u>(1,163,328)</u>	<u>(1,289,043)</u>	<u>125,715</u>	<u>1,246,201</u>
<b>NON-OPERATING REVENUE:</b>							
88,391	(18,250)	106,641	INTEREST	244,047	(219,000)	463,047	1,744
82,877	2,083	80,794	DONATIONS	150,587	25,000	125,587	15,841
<u>\$ (649,928)</u>	<u>\$ 118,801</u>	<u>\$ (768,729)</u>	NET SURPLUS (LOSS)	<u>\$ (768,694)</u>	<u>\$ (1,488,043)</u>	<u>\$ 914,349</u>	<u>\$ (1,283,726)</u>

Project # 171075  
BFA Attachment B cont

**The Frederick Ferris Thompson Hospital**  
(A wholly owned subsidiary of F.F. Thompson Health System, Inc.)  
**Balance Sheets**  
**December 31, 2015 and 2014**

CON#171267  
BFA Attachment A

	2015	2014
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 26,577,929	\$ 24,249,645
Patient accounts receivable, net of estimated allowance for doubtful accounts of approximately \$2,017,543 and \$2,006,871, respectively	7,462,286	7,212,684
Inventories	1,739,765	1,828,919
Prepaid expenses and other current assets	3,468,495	3,089,905
Estimated third-party payor settlements	1,625,487	1,257,639
Due from affiliates, net	337,203	346,095
<b>Total current assets</b>	<b>41,211,165</b>	<b>37,984,887</b>
Property and equipment, net	63,437,099	63,683,663
Investments	959,820	970,774
Assets limited as to use	4,545,190	5,067,710
Beneficial interest in charitable remainder trust	358,646	378,592
Deferred financing costs, net	1,523,551	1,605,462
Other assets	7,489,069	4,279,362
Due from affiliates, net of current portion	252,773	283,316
Beneficial interest in net assets of The F.F. Thompson Foundation, Inc.	2,298,244	4,313,568
<b>Total assets</b>	<b>\$ 122,075,557</b>	<b>\$ 118,567,334</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Current portion of long-term debt	\$ 1,419,261	\$ 1,995,647
Accounts payable and other current liabilities	7,807,446	8,051,302
Accrued payroll and benefits	5,565,429	4,651,407
Insurance reserve	879,561	751,331
Due to affiliates	597,233	-
Estimated third-party payor settlements	1,695,523	1,887,362
<b>Total current liabilities</b>	<b>17,964,453</b>	<b>17,337,049</b>
Long term debt, net of current portion	36,378,299	37,593,348
Interest rate swap	375,509	507,975
Charitable gift annuity payment liability	97,901	103,238
Other liabilities	5,988,236	3,585,490
Estimated third-party payor settlements	2,854,297	2,430,370
Accrued pension liability	13,631,666	14,406,716
<b>Total liabilities</b>	<b>77,290,381</b>	<b>75,964,186</b>
<b>Net assets</b>		
Unrestricted	42,473,399	38,256,082
Temporarily restricted	2,311,797	4,347,066
<b>Total net assets</b>	<b>44,785,196</b>	<b>42,603,148</b>
<b>Total liabilities and net assets</b>	<b>\$ 122,075,557</b>	<b>\$ 118,567,334</b>

**The Frederick Ferris Thompson Hospital**  
**(A wholly owned subsidiary of F.F. Thompson Health System, Inc.)**  
**Statements of Activities and Changes in Net Assets**  
**Years Ended December 31, 2015 and 2014**

	2015	2014
<b>Unrestricted revenues, gains, and other support</b>		
Patient service revenue (net of contractual allowance and discounts)	\$ 113,917,930	\$ 109,633,847
Provision for uncollectible accounts	<u>(3,648,536)</u>	<u>(3,908,896)</u>
Net patient service revenue	110,269,394	105,724,951
Net assets released from restriction used for operations	90,725	129,140
Other revenue	<u>3,405,189</u>	<u>3,363,376</u>
Total unrestricted revenue	<u>113,765,308</u>	<u>109,217,467</u>
<b>Expenses</b>		
Salaries	53,896,460	50,203,423
Benefits	12,932,237	12,376,999
Supplies and other	33,985,248	31,020,017
Depreciation and amortization	7,123,275	7,116,744
Health System member assessment	2,862,091	3,247,172
Interest	1,728,331	1,797,245
New York State cash receipt assessment	<u>417,173</u>	<u>422,973</u>
Total expenses	<u>112,944,815</u>	<u>106,184,573</u>
Income from operations	820,493	3,032,894
<b>Nonoperating revenues (expenses)</b>		
Investment income	191,559	167,905
Change in fair value of interest rate swap	132,466	47,894
Contributions from the F.F. Thompson Foundation, Inc.	81,004	49,501
Distributions to the F.F. Thompson Foundation, Inc.	-	(184,471)
Loss on disposal of property and equipment	<u>(23,980)</u>	<u>(49,526)</u>
Excess of revenues over expenses	1,201,542	3,064,197
<b>Unrestricted net assets</b>		
Change in net unrealized gains and losses in investments	(187,149)	164,468
Net assets released from restriction used for capital purposes	2,538,105	771,413
Change in value of charitable gift annuities	(13,375)	(13,169)
Change in fair value of interest rate swap	-	81,723
Change in funded status of pension plan	<u>678,194</u>	<u>(6,970,749)</u>
Increase (decrease) in unrestricted net assets	<u>4,217,317</u>	<u>(2,902,117)</u>
<b>Temporarily restricted net assets</b>		
Contributions from F.F. Thompson Foundation Inc.	2,628,831	900,553
Change in beneficial interest in the net assets of F.F. Thompson Foundation, Inc.	(2,015,324)	293,294
Change in beneficial interest in charitable remainder trust	(19,946)	(3,087)
Net assets released from restrictions used for operations	(90,725)	(129,140)
Net assets released from restrictions used for capital purposes	<u>(2,538,105)</u>	<u>(771,413)</u>
(Decrease) increase in temporarily restricted net assets	<u>(2,035,269)</u>	<u>290,207</u>
Increase (decrease) in net assets	2,182,048	(2,611,910)
<b>Net assets</b>		
Beginning of year	<u>42,603,148</u>	<u>45,215,058</u>
End of year	<u>\$ 44,785,196</u>	<u>\$ 42,603,148</u>

**UNIVERSITY OF ROCHESTER  
AND RELATED ENTITIES  
Consolidated Balance Sheet  
As of June 30  
(dollars in thousands)**

<b>Assets</b>	<b>2016</b>	<b>2015</b>
Cash and cash equivalents	\$ 277,221	\$ 450,595
Short-term investments	426,593	317,703
Accounts receivable, net	380,951	311,114
Inventories, prepaid expenses, and deferred charges	71,453	71,200
Contributions receivable, net	88,526	100,827
Notes receivable, net	49,482	49,994
Other assets	40,438	25,317
Investments held for long-term purposes	2,308,446	2,445,777
Property, plant and equipment, net	1,991,438	1,899,849
Interest in net assets of foundations	16,473	17,567
Investments in perpetual trusts held by others	52,306	56,233
	<hr/>	<hr/>
Total assets	\$ 5,703,327	\$ 5,746,176
	<hr/>	<hr/>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 458,988	\$ 425,413
Advanced receipt of sponsored research revenues	9,100	12,390
Deferred revenue	78,894	62,323
Third-party settlements payable, net	154,221	138,116
Accrued pension, post-retirement, and post-employment	572,294	445,645
Long-term debt	1,203,573	1,216,632
Asset retirement obligation	29,442	27,680
Refundable U.S. Government grants for student loans	16,459	16,321
	<hr/>	<hr/>
Total liabilities	2,522,971	2,344,520
<b>Net Assets:</b>		
Unrestricted	2,072,141	2,191,594
Temporarily restricted	586,163	705,512
Permanently restricted	522,052	504,550
	<hr/>	<hr/>
Total net assets	3,180,356	3,401,656
	<hr/>	<hr/>
Total liabilities and net assets	\$ 5,703,327	\$ 5,746,176
	<hr/>	<hr/>

**UNIVERSITY OF ROCHESTER  
AND RELATED ENTITIES**  
Consolidated Statement of Activities  
Year Ended June 30, 2016  
(dollars in thousands)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Operating revenues:</b>				
Tuition and fees	\$ 458,446	\$ -	\$ -	\$ 458,446
Less: scholarships and fellowships	(189,123)	-	-	(189,123)
Net tuition and fees	269,323	-	-	269,323
Grants and contracts	369,954	-	-	369,954
Gifts and pledges	25,433	38,135	15,408	78,976
Hospital and faculty practice patient care activities	2,638,925	-	-	2,638,925
Auxiliary enterprises	117,439	-	-	117,439
Interest income and appreciation of operating investments	(3,223)	-	-	(3,223)
Educational activities	14,486	-	-	14,486
Royalty income	23,113	-	-	23,113
Other sources	64,169	-	-	64,169
Long-term investment income and gains allocated to operations	93,576	-	-	93,576
Net assets released from restriction	98,429	(99,802)	1,373	-
<b>Total operating revenues</b>	<b>3,711,624</b>	<b>(61,667)</b>	<b>16,781</b>	<b>3,666,738</b>
<b>Operating expenses:</b>				
Salaries and wages	1,750,538	-	-	1,750,538
Fringe benefits	532,365	-	-	532,365
Total compensation	2,282,903	-	-	2,282,903
Supplies	562,358	-	-	562,358
Business and professional	235,287	-	-	235,287
Utilities	55,171	-	-	55,171
Maintenance and facilities costs	128,095	-	-	128,095
Depreciation	206,974	-	-	206,974
Interest	45,072	-	-	45,072
Other	134,818	-	-	134,818
<b>Total operating expenses</b>	<b>3,650,678</b>	<b>-</b>	<b>-</b>	<b>3,650,678</b>
<b>Change in net assets from operating activities</b>	<b>60,946</b>	<b>(61,667)</b>	<b>16,781</b>	<b>16,060</b>
<b>Non-operating activities:</b>				
<b>Long-term investment activities:</b>				
Investment income (loss)	11,624	3,829	(93)	15,360
Net depreciation	(41,867)	(57,317)	(1,585)	(100,769)
<b>Total long-term investment activities</b>	<b>(30,243)</b>	<b>(53,488)</b>	<b>(1,678)</b>	<b>(85,409)</b>
Long-term investment income and gains allocated for operations	(93,576)	-	-	(93,576)
Loss on extinguishment of debt	(559)	-	-	(559)
Other changes, net	(84,453)	1,539	(80)	(82,994)
Change in valuation of annuities	-	(6,508)	181	(6,327)
<b>Change in net assets from non-operating activities</b>	<b>(208,831)</b>	<b>(58,457)</b>	<b>(1,577)</b>	<b>(268,865)</b>
<b>Change in net assets before cumulative effect of acquisition</b>	<b>(147,885)</b>	<b>(120,124)</b>	<b>15,204</b>	<b>(252,805)</b>
<b>Cumulative effect of acquisition</b>	<b>28,432</b>	<b>775</b>	<b>2,298</b>	<b>31,505</b>
<b>Change in net assets</b>	<b>(119,453)</b>	<b>(119,349)</b>	<b>17,502</b>	<b>(221,300)</b>
<b>Beginning net assets</b>	<b>2,191,594</b>	<b>705,512</b>	<b>504,550</b>	<b>3,401,656</b>
<b>Ending net assets</b>	<b>\$ 2,072,141</b>	<b>\$ 586,163</b>	<b>\$ 522,052</b>	<b>\$ 3,180,356</b>

**UNIVERSITY OF ROCHESTER  
AND RELATED ENTITIES**  
**Consolidated Statement of Activities**  
**Year Ended June 30, 2015**  
(dollars in thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Operating revenues:</b>				
Tuition and fees	\$ 437,659	\$ -	\$ -	\$ 437,659
Less: scholarships and fellowships	(177,804)	-	-	(177,804)
Net tuition and fees	259,855	-	-	259,855
Grants and contracts	342,867	-	-	342,867
Gifts and pledges	34,638	30,579	35,986	101,203
Hospital and faculty practice patient care activities	2,419,776	-	-	2,419,776
Auxiliary enterprises	118,667	-	-	118,667
Interest income and appreciation of operating investments	5,326	-	-	5,326
Educational activities	15,602	-	-	15,602
Royalty income	23,634	-	-	23,634
Other sources	40,203	-	-	40,203
Long-term investment income and gains allocated to operations	87,946	-	-	87,946
Net assets released from restriction	57,553	(61,654)	4,101	-
<b>Total operating revenues</b>	<b>3,406,067</b>	<b>(31,075)</b>	<b>40,087</b>	<b>3,415,079</b>
<b>Operating expenses:</b>				
Salaries and wages	1,631,055	-	-	1,631,055
Fringe benefits	483,241	-	-	483,241
<b>Total compensation</b>	<b>2,114,296</b>	<b>-</b>	<b>-</b>	<b>2,114,296</b>
Supplies	504,287	-	-	504,287
Business and professional	202,783	-	-	202,783
Utilities	57,036	-	-	57,036
Maintenance and facilities costs	125,626	-	-	125,626
Depreciation	196,698	-	-	196,698
Interest	35,041	-	-	35,041
Other	92,995	-	-	92,995
<b>Total operating expenses</b>	<b>3,328,762</b>	<b>-</b>	<b>-</b>	<b>3,328,762</b>
<b>Change in net assets from operating activities</b>	<b>77,305</b>	<b>(31,075)</b>	<b>40,087</b>	<b>86,317</b>
<b>Non-operating activities:</b>				
<b>Long-term investment activities:</b>				
Investment income	10,496	3,212	(1,200)	12,508
Net appreciation	43,714	31,024	2,141	76,879
<b>Total long-term investment activities</b>	<b>54,210</b>	<b>34,236</b>	<b>941</b>	<b>89,387</b>
Long-term investment income and gains allocated for operations	(87,946)	-	-	(87,946)
Loss on extinguishment of debt	(10,880)	-	-	(10,880)
Other changes, net	(29,753)	(609)	(325)	(30,687)
Change in valuation of annuities	-	(571)	57	(514)
<b>Change in net assets from non-operating activities</b>	<b>(74,369)</b>	<b>33,056</b>	<b>673</b>	<b>(40,640)</b>
<b>Change in net assets</b>	<b>2,936</b>	<b>1,981</b>	<b>40,760</b>	<b>45,677</b>
<b>Beginning net assets</b>	<b>2,188,658</b>	<b>703,531</b>	<b>463,790</b>	<b>3,355,979</b>
<b>Ending net assets</b>	<b>\$ 2,191,594</b>	<b>\$ 705,512</b>	<b>\$ 504,550</b>	<b>\$ 3,401,656</b>

See accompanying notes to consolidated financial statements.

**STATEMENT OF FINANCIAL POSITION**

December 31, 2016 and 2015

**ASSETS**

	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 252,761	\$ 319,329
Resident accounts receivable, net of an allowance for doubtful accounts of \$100,000 in 2016 and \$100,000 in 2015.	615,220	499,779
Due from Medicaid	195,000	368,000
Accrued interest and dividends receivable	22,016	14,901
Other assets	52,267	66,013
<b>TOTAL CURRENT ASSETS</b>	<u>1,137,264</u>	<u>1,268,022</u>
<b>ASSETS LIMITED AS TO USE</b>		
Temporarily Restricted - Building Fund	194,968	92,347
Temporarily Restricted - VAP	326,888	202,299
<b>TOTAL ASSETS LIMITED AS TO USE</b>	<u>521,856</u>	<u>294,646</u>
INVESTMENTS	11,003,611	12,328,970
RESIDENT FUNDS	26,548	24,170
SECURITY DEPOSITS	100,593	95,873
PROPERTY, PLANT AND EQUIPMENT at cost, less accumulated depreciation	4,012,315	3,909,778
<b>TOTAL ASSETS</b>	<u>\$ 16,802,187</u>	<u>\$ 17,921,459</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 950,524	\$ 1,076,386
Payable to third party and private payors	109,779	96,984
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,060,303</u>	<u>1,173,370</u>
RESIDENT FUNDS PAYABLE	22,796	24,170
CONTINGENCIES	-	-
<b>TOTAL LIABILITIES</b>	<u>1,083,099</u>	<u>1,197,540</u>
<b>NET ASSETS:</b>		
Unrestricted	14,540,944	15,779,358
Temporarily restricted	521,856	288,273
Permanently restricted	656,288	656,288
<b>TOTAL NET ASSETS</b>	<u>15,719,088</u>	<u>17,723,919</u>
	<u>\$ 16,802,187</u>	<u>\$ 17,921,459</u>

**VICTORIA HOME**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Years Ended December 31, 2016 and 2015**

	2016		2015	
	Amount	Per Day	Amount	Per Day
<b>UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT</b>				
<b>Operating Revenue</b>				
Private/Private Insurance	\$ 1,953,565	\$ 424.41	\$ 1,368,193	\$ 417.00
Medicare Part A	970,554	569.91	716,881	582.83
Medicare Part B	57,399	33.70	55,445	45.08
Medicaid	3,041,937	275.61	3,334,915	259.75
Universal Settlement			279,000	21.73
Bad Debt	(64,676)	(3.73)	(602)	(0.03)
<b>Total Operating Revenue</b>	<b>5,958,779</b>	<b>343.58</b>	<b>5,753,832</b>	<b>331.63</b>
Gifts and Bequests	32,873	1.90	68,653	3.96
Non-Operating Gains, Net	78,369	4.52	655,790	37.80
Other Operating Revenue	136,354	7.86	159,963	9.22
Net assets released from restrictions	125,411	7.23	47,701	2.75
<b>Total Revenue, Gains and Other Support</b>	<b>6,331,786</b>	<b>365.09</b>	<b>6,685,939</b>	<b>385.36</b>
<b>Operating Expenses</b>				
<b>Personnel Costs</b>				
Salary and Wages	4,114,510	237.24	3,814,666	219.87
Benefits	1,351,386	77.92	1,307,816	75.38
<b>Total Employee Cost</b>	<b>5,465,896</b>	<b>315.16</b>	<b>5,122,482</b>	<b>295.24</b>
Professional Services	453,723	26.16	416,073	23.98
<b>Total Personnel Costs</b>	<b>5,919,619</b>	<b>341.33</b>	<b>5,538,555</b>	<b>319.23</b>
Supplies & Materials	522,234	30.11	487,054	28.07
Purchased & Contracted Services	380,914	21.96	323,195	18.63
Depreciation, Leases & Rentals	297,551	17.16	325,392	18.75
Utilities	117,333	6.77	131,739	7.59
Insurance	100,500	5.79	97,601	5.63
Other Operating Expenses	208,847	12.04	191,378	11.03
Medicaid assessment	341,897	19.71	309,190	17.82
<b>Total Operating Expenses</b>	<b>7,888,895</b>	<b>454.87</b>	<b>7,404,104</b>	<b>426.75</b>
<b>Excess of Expenses Over Revenues</b>	<b>(1,557,109)</b>	<b>(89.78)</b>	<b>(718,165)</b>	<b>(41.39)</b>
<b>Non-operating Revenue</b>				
Change in Pension Liability	27,532	1.59	5,681	0.33
Unrealized Gain/(Loss) on Investments	291,163	16.79	(795,362)	45.84
<b>Change in Unrestricted Net Assets</b>	<b>(1,238,414)</b>	<b>(71.40)</b>	<b>(1,507,846)</b>	<b>(86.90)</b>
<b>Unrestricted Net Assets, Beginning of Year</b>	<b>15,779,358</b>		<b>17,287,204</b>	
<b>Unrestricted Net Assets, End of Year</b>	<b>14,540,944</b>		<b>15,779,358</b>	

**VICTORIA HOME**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2015 and 2014**

**A S S E T S**

	<b>2015</b>	<b>2014</b>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 319,329	\$ 192,319
Resident accounts receivable, net of an allowance for doubtful accounts of \$100,000 in 2015 and \$99,624 in 2014.	499,779	739,118
Due from Medicaid	368,000	173,000
Accrued interest and dividends receivable	14,901	17,446
Other assets	66,013	41,500
		—
<b>TOTAL CURRENT ASSETS</b>	<b>1,268,022</b>	<b>1,163,383</b>
<b>ASSETS LIMITED AS TO USE</b>		
Temporarily Restricted - Building Fund	92,347	33,729
Temporarily Restricted - VAP	202,299	
		—
<b>TOTAL ASSETS LIMITED AS TO USE</b>	<b>294,646</b>	<b>33,729</b>
<b>INVESTMENTS</b>	<b>12,328,970</b>	<b>14,529,500</b>
<b>FUNDS HELD FOR RESIDENTS</b>	<b>24,170</b>	<b>44,907</b>
<b>SECURITY DEPOSITS</b>	<b>95,873</b>	<b>66,462</b>
<b>PROPERTY, PLANT AND EQUIPMENT at cost, less accumulated depreciation</b>	<b>3,909,778</b>	<b>3,365,833</b>
		—
<b>TOTAL ASSETS</b>	<b>\$ 17,921,459</b>	<b>\$ 19,203,814</b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 1,076,386	\$ 1,113,230
Payable to third party and private payors	96,984	67,475
		—
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,173,370</b>	<b>1,180,705</b>
<b>RESIDENT FUNDS PAYABLE</b>	<b>24,170</b>	<b>45,888</b>
<b>CONTINGENCIES</b>		
<b>TOTAL LIABILITIES</b>	<b>1,197,540</b>	<b>1,226,593</b>
		—
<b>NET ASSETS:</b>		
Unrestricted	15,779,358	17,287,204
Temporarily restricted	288,273	33,729
Permanently restricted	656,288	656,288
		—
<b>TOTAL NET ASSETS</b>	<b>16,723,919</b>	<b>17,977,221</b>
		—
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 17,921,459</b>	<b>\$ 19,203,814</b>

**VICTORIA HOME  
STATEMENT OF ACTIVITIES  
Years Ended December 31, 2015 and 2014**

	2015		2014	
	Amount	Per Day	Amount	<u>Per Day</u>
<b>OPERATING REVENUE</b>				
<b>Resident Service Revenue</b>				
Private/Private Insurance	\$ 1,368,193	\$ 417.00	\$ 1,418,442	\$ 422.41
Medicare Part A	716,881	582.83	704,264	596.83
Medicare Part B	55,445	45.08	34,700	29.41
Medicaid	3,334,915	259.75	3,246,103	252.73
Universal Settlement	279,000	21.73		
Bad Debt	(602)	(0.03)	(13,508)	(0.78)
<b>Resident Service Revenue</b>	<b>5,753,832</b>	<b>331.63</b>	<b>5,390,001</b>	<b>310.09</b>
Other Operating Revenue	159,963	9.22	215,150	12.38
<b>TOTAL OPERATING REVENUE</b>	<b>5,913,795</b>	<b>340.85</b>	<b>5,605,151</b>	<b>322.47</b>
<b>OPERATING EXPENSES</b>				
<b>Personnel Costs</b>				
Salary and Wages	3,783,493	218.07	3,539,040	203.60
Benefits	1,303,420	75.13	1,199,611	69.01
<b>Total Employee Cost</b>	<b>5,086,913</b>	<b>293.19</b>	<b>4,738,651</b>	<b>272.62</b>
Professional Services	403,941	23.28	381,274	21.93
<b>Total Personnel Costs</b>	<b>5,490,854</b>	<b>316.48</b>	<b>5,119,925</b>	<b>294.55</b>
Supplies & Materials	487,054	28.07	443,890	25.54
Purchased & Contracted Services	323,195	18.63	412,680	23.74
Depreciation, Leases & Rentals	325,392	18.75	311,701	17.93
Utilities	131,739	7.59	155,896	8.97
Insurance	97,601	5.63	93,762	5.39
Other Operating Expenses	191,378	11.03	153,539	8.83
Medicaid assessment	309,190	17.82	308,883	17.77
<b>TOTAL OPERATING EXPENSES</b>	<b>7,356,403</b>	<b>424.00</b>	<b>7,000,276</b>	<b>402.73</b>
<b>EXCESS OF EXPENSES OVER REVENUES</b>	<b>(1,442,608)</b>	<b>(83.15)</b>	<b>(1,395,125)</b>	<b>(80.26)</b>
GIFTS AND BEQUESTS	68,653	3.96	95,946	5.52
CONTRIBUTIONS - TEMPORARILY RESTRICTED	52,245	3.01	33,729	1.94
VAP GRANT - TEMPORARILY RESTRICTED, NET	202,299	11.66		
NON-OPERATING GAINS, NET	655,790	37.80	564,359	32.47
<b>EXCESS OF EXPENSES OVER REVENUES   AFTER GAINS AND OTHER SUPPORT</b>	<b>(463,621)</b>	<b>(26.72)</b>	<b>(701,091)</b>	<b>(40.33)</b>
<b>OTHER CHANGES IN NET ASSETS:</b>				
CHANGE IN NET UNREALIZED GAINS AND (LOSSES) IN OTHER THAN TRADING SECURITIES	(795,362)	45.84	(134,158)	(7.72)
<b>EXCESS OF EXPENSES OVER REVENUES</b>	<b>(1,258,983)</b>	<b>(72.56)</b>	<b>(835,249)</b>	<b>(48.05)</b>
CHANGE IN PENSION LIABILITY	5,681	0.33	(75,163)	(4.32)
<b>DECREASE IN UNRESTRICTED NET ASSETS</b>	<b>\$ (1,253,302)</b>	<b>\$ (72.23)</b>	<b>\$ (910,412)</b>	<b>\$ (52.37)</b>

VICTORIA HOME

Project # 171079  
BFA Attachment A (Cont.)

STATEMENT OF CHANGES IN NET ASSETS  
Years Ended December 31, 2015 and 2014

	<u>2015</u>			
	Unrestricted net assets	Temporarily restricted net assets	Permanently restricted net assets	Total
Net assets at 12/31/2014	\$ 17,287,204	\$ 33,729	\$ 656,288	\$ 17,977,221
(Decrease)/Increase in net assets	(1,507,846)	254,544	-	(1,253,302)
Net assets at 12/31/2015	\$ 15,779,358	\$ 288,273	\$ 656,288	\$ 16,723,919

	<u>2014</u>			
	Unrestricted net assets	Temporarily restricted net assets	Permanently restricted net assets	Total
Net assets at 12/31/2013	\$ 18,231,345	\$	\$ 656,288	\$ 18,887,633
(Decrease)/Increase in net assets	(944,141)	33,729	-	(910,412)
Net assets at 12/31/2014	\$ 17,287,204	\$ 33,729	\$ 656,288	\$ 17,977,221

List regarding each Incoming Member

Membership Interests and Percentage Ownership in  
Integrated Medical Professionals, PLLC ("IMP")

Name	Membership Interest in IMP	Percentage Ownership Interest in IMP	Indirect Ownership Percentage Interest in Applicant
Mykola R. Alyskewycz, MD	1 unit	1.4285%	.4271%
Ann E. Anderson, MD	1 unit	1.4285%	.4271%
Carlton Barnswell, MD	1 unit	1.4285%	.4271%
Ross Bauer, MD	1 unit	1.4285%	.4271%
Felix L. Badillo, MD	1 unit	1.4285%	.4271%
Steven M. Berman, MD	1 unit	1.4285%	.4271%
Bradley Bute, MD	1 unit	1.4285%	.4271%
Andrew J. Chan, MD	1 unit	1.4285%	.4271%
Mark Chang, MD	1 unit	1.4285%	.4271%
Ezriel Diamond, MD	1 unit	1.4285%	.4271%
Michael R. Dourmashkin, MD	1 unit	1.4285%	.4271%
Mitchell D. Efros, MD	1 unit	1.4285%	.4271%
Evan R. Eisenberg, MD	1 unit	1.4285%	.4271%
Alexander Epelbaum, MD	1 unit	1.4285%	.4271%
Louis Faiella, MD	1 unit	1.4285%	.4271%
Theodore P. Felderman, MD	1 unit	1.4285%	.4271%
Michael Ficazzola, MD	1 unit	1.4285%	.4271%
Joseph Fisch, MD	1 unit	1.4285%	.4271%
Jonathan Fleischmann, MD	1 unit	1.4285%	.4271%
Nicole Fleischmann, MD	1 unit	1.4285%	.4271%
Mitchell C. Fraiman, MD	1 unit	1.4285%	.4271%
Carl Gerardi, MD	1 unit	1.4285%	.4271%
John G. Giella, MD	1 unit	1.4285%	.4271%
Charles Glassman, MD	1 unit	1.4285%	.4271%
Gary Goldberg, MD	1 unit	1.4285%	.4271%
Manual Grinberg, MD	1 unit	1.4285%	.4271%
Michael M. Gross, MD	1 unit	1.4285%	.4271%
Harvey Gutman, MD	1 unit	1.4285%	.4271%
Jeffrey Haberman, MD	1 unit	1.4285%	.4271%
Daniel Han, MD	1 unit	1.4285%	.4271%
Toby F. Handler, MD	1 unit	1.4285%	.4271%
Thomas G. Harrington, MD	1 unit	1.4285%	.4271%

Name	Membership Interest in IMP	Percentage Ownership Interest in IMP	Indirect Ownership Percentage Interest in Applicant
Eric M. Hochberg, MD	1 unit	1.4285%	.4271%
Tso-Jen Hsiao, MD	1 unit	1.4285%	.4271%
Joseph Jamal, MD	1 unit	1.4285%	.4271%
Deepak A. Kapoor, MD	1 unit	1.4285%	.4271%
Howard Kivell, MD	1 unit	1.4285%	.4271%
Michael Kleeman, MD	1 unit	1.4285%	.4271%
Alfred D. Kohan, MD	1 unit	1.4285%	.4271%
Eric Kreutzer, MD	1 unit	1.4285%	.4271%
Ashok N. Kukadia, MD	1 unit	1.4285%	.4271%
Kathleen L. Latino, MD	1 unit	1.4285%	.4271%
Jeffrey T. Layne, MD	1 unit	1.4285%	.4271%
Gary Lefkowitz, MD	1 unit	1.4285%	.4271%
Seth Lerner, MD	1 unit	1.4285%	.4271%
Michael A. Levine, MD	1 unit	1.4285%	.4271%
Charles E. Libby, MD	1 unit	1.4285%	.4271%
Elliott R. Lieberman, MD	1 unit	1.4285%	.4271%
Robert K. Luntz, MD	1 unit	1.4285%	.4271%
Howard S. Lynn, MD	1 unit	1.4285%	.4271%
Francis G. Martinis, MD	1 unit	1.4285%	.4271%
Orville W. McLenan, MD	1 unit	1.4285%	.4271%
Brett C. Mellinger, MD	1 unit	1.4285%	.4271%
Matthew P. Mene, MD	1 unit	1.4285%	.4271%
Eric I. Mitchnick, MD	1 unit	1.4285%	.4271%
George Owens, MD	1 unit	1.4285%	.4271%
Elliott M. Paul, MD	1 unit	1.4285%	.4271%
Paul A. Peller, MD	1 unit	1.4285%	.4271%
Sapan Polepalle, MD	1 unit	1.4285%	.4271%
Thomas Rechtschaffen, MD	1 unit	1.4285%	.4271%
Riccardo Ricciardi Jr., MD	1 unit	1.4285%	.4271%
Marc A. Schumer, MD	1 unit	1.4285%	.4271%
Lawrence J. Sigler, MD	1 unit	1.4285%	.4271%
Mark Stein, MD	1 unit	1.4285%	.4271%
Peter Stone, MD	1 unit	1.4285%	.4271%
Robert D. Sunshine, MD	1 unit	1.4285%	.4271%
Eric H. Thall, MD	1 unit	1.4285%	.4271%
Stephen Trauzzi, MD	1 unit	1.4285%	.4271%
Michael M. Ziegelbaum, MD	1 unit	1.4285%	.4271%
Shawn H. Zimberg, MD	1 unit	1.4285%	.4271%
<b>Total:</b>	<b>70 units</b>	<b>99.995%</b>	<b>29.9%</b>

**Membership Interests and Percentage Ownership in  
Broadhollow Road Group, LLC ("BRG")**

Name	Membership Interest in BRG	Percentage Ownership Interest in BRG	Indirect Ownership Percentage Interest in Applicant
Carlton Barnswell, MD	3.8461	3.8461%	1.927%
Andrew J. Chan, MD	3.8461	3.8461%	1.927%
Michael R. Dourmashkin, MD	3.8461	3.8461%	1.927%
Mitchell D. Efros, MD	3.8461	3.8461%	1.927%
Evan R. Eisenberg, MD	3.8461	3.8461%	1.927%
Louis Faiella, MD	3.8461	3.8461%	1.927%
Joseph Fisch, MD	3.8461	3.8461%	1.927%
Jeffrey Haberman, MD	3.8461	3.8461%	1.927%
Toby F. Handler, MD	3.8461	3.8461%	1.927%
Joseph Jamal, MD	3.8461	3.8461%	1.927%
Michael Kleeman, MD	3.8461	3.8461%	1.927%
Alfred D. Kohan, MD	3.8461	3.8461%	1.927%
Ashok N. Kukadia, MD	3.8461	3.8461%	1.927%
Jeffrey T. Layne, MD	3.8461	3.8461%	1.927%
Michael A. Levine, MD	3.8461	3.8461%	1.927%
Charles E. Libby, MD	3.8461	3.8461%	1.927%
Robert K. Luntz, MD	3.8461	3.8461%	1.927%
Francis G. Martinis, MD	3.8461	3.8461%	1.927%
Matthew P. Mene, MD	3.8461	3.8461%	1.927%
Eric I. Mitchnick, MD	3.8461	3.8461%	1.927%
Elliott M. Paul, MD	3.8461	3.8461%	1.927%
Paul A. Peller, MD	3.8461	3.8461%	1.927%
Riccardo Ricciardi Jr., MD	3.8461	3.8461%	1.927%
Marc A. Schumer, MD	3.8461	3.8461%	1.927%
Eric H. Thall, MD	3.8461	3.8461%	1.927%
Michael M. Ziegelbaum, MD	3.8461	3.8461%	1.927%
<b>TOTAL:</b>	<b>99.9986</b>	<b>99.9986%</b>	<b>50.1%</b>

INTEGRATED MEDICAL PROFESSIONALS, PLLC  
(A PROFESSIONAL SERVICES LIMITED LIABILITY COMPANY)

BALANCE SHEETS  
DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 3,639,665	\$ 3,614,205
Accounts receivable (net of allowance for doubtful accounts of \$1,281,223 in 2015 and \$1,003,919 in 2014)	11,080,112	8,783,727
Prepaid insurance	156,919	62,717
Due from members	296,233	138,892
Other current assets	<u>571,713</u>	<u>185,202</u>
<b>TOTAL CURRENT ASSETS</b>	<b>15,744,642</b>	<b>12,784,743</b>
<b>PROPERTY AND EQUIPMENT</b> (Net of accumulated depreciation of \$41,476,750 in 2015 and \$36,289,807 in 2014)	<b>19,458,035</b>	<b>24,083,239</b>
<b>OTHER ASSETS:</b>		
Security deposits	<u>782,618</u>	<u>705,979</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 35,985,295</u></b>	<b><u>\$ 37,573,961</u></b>

INTEGRATED MEDICAL PROFESSIONALS, PLLC  
(A PROFESSIONAL SERVICES LIMITED LIABILITY COMPANY)

BALANCE SHEETS  
DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<b>LIABILITIES AND MEMBERS' CAPITAL</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 5,821,926	\$ 4,588,015
Lines-of-credit payable	100,903	790,712
Current installments of long-term debt	2,259,421	3,316,207
Current installments of obligations under capital leases	18,928	587,579
Accrued pension liability	336,940	181,268
Accrued profit sharing liability	833,711	583,733
Other current liabilities	<u>75,912</u>	<u>40,546</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>9,447,741</u>	<u>10,088,060</u>
<b>LONG-TERM LIABILITIES:</b>		
Long-term debt (net of current installments)	1,984,076	3,245,353
Obligations under capital leases (net of current installments)	-	20,684
Deferred rent	<u>-2,255,007</u>	<u>2,185,860</u>
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>4,239,083</u>	<u>5,451,897</u>
<b>TOTAL LIABILITIES</b>	<u>13,686,824</u>	<u>15,539,957</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>MEMBERS' CAPITAL:</b>		
Members' capital	22,647,562	22,107,224
Accumulated other comprehensive (loss)	<u>(349,091)</u>	<u>(73,220)</u>
<b>TOTAL MEMBERS' CAPITAL</b>	<u>22,298,471</u>	<u>22,034,004</u>
<b>TOTAL LIABILITIES AND MEMBERS' CAPITAL</b>	<u>\$ 35,985,295</u>	<u>\$ 37,573,961</u>

INTEGRATED MEDICAL PROFESSIONALS, PLLC  
(A PROFESSIONAL SERVICES LIMITED LIABILITY COMPANY)

STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<b>INCOME:</b>		
Fee income	\$ 145,562,299	\$ 134,730,265
Other income	1,887,148	2,298,155
(Loss) on sale of assets	<u>(4,931)</u>	<u>(242,803)</u>
<b>TOTAL INCOME</b>	<u>147,444,516</u>	<u>136,785,617</u>
<b>EXPENSES:</b>		
Payroll, payroll taxes and employee benefits	41,448,544	40,301,437
Medical supplies	25,290,907	17,211,798
Insurance	7,194,379	7,343,083
Rent	7,663,377	7,441,554
Bad debts	1,281,223	1,003,919
Depreciation	5,193,975	5,683,366
Professional fees	2,141,583	2,084,871
Repairs and maintenance	3,632,015	4,057,336
Computer expenses	1,461,370	1,331,726
Telephone	772,214	776,766
Utilities	927,629	1,002,037
Office expense	951,857	831,178
Interest	273,872	469,330
Travel and entertainment	611,534	628,222
Auto expenses	1,065,880	1,166,805
Retirement plans	2,283,359	2,433,084
Equipment leases	654,312	698,436
Research	6,044	7,282
Dues and subscriptions	332,086	286,180
Advertising	919,241	1,136,832
Licenses and fees	353,390	507,125
Charitable contributions	83,730	83,524
Other operating expenses	<u>727,410</u>	<u>651,590</u>
<b>TOTAL EXPENSES</b>	<u>105,269,931</u>	<u>97,137,481</u>
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	42,174,585	39,648,136
Provision for income taxes	<u>164,859</u>	<u>172,966</u>
<b>NET INCOME</b>	42,009,726	39,475,170
<b>OTHER COMPREHENSIVE (LOSS):</b>		
Net actuarial (loss) attributable to benefit pension plan arising in current year	<u>(275,871)</u>	<u>(69,142)</u>
<b>COMPREHENSIVE INCOME</b>	<u>\$ 41,733,855</u>	<u>\$ 39,406,028</u>

**PROGRESSIVE SURGERY CENTER, LLC**

**BALANCE SHEETS  
DECEMBER 31,**

<b>Assets</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 62,335	\$ 4,126	\$ 51,637
Inventory	21,888	14,017	19,581
Accounts Receivable	<u>203,609</u>	<u>309,481</u>	<u>378,113</u>
	<u>287,832</u>	<u>327,624</u>	<u>449,331</u>
<b>Property and Equipment</b>			
Net of Accumulated Depreciation	<u>411,115</u>	<u>534,752</u>	<u>594,888</u>
	<u>\$ 698,947</u>	<u>\$ 862,376</u>	<u>\$ 1,044,219</u>
<b>Liabilities and Member's Equity</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 24,402	\$ 20,894	\$ 23,627
Line of Credit - CitiBank	-	-	35,877
Current Portion of Long-Term Debt	<u>-</u>	<u>-</u>	<u>78,055</u>
	<u>24,402</u>	<u>20,894</u>	<u>137,559</u>
<b>Long-Term Liabilities</b>			
Long-Term Debt Loss: Current Portion	<u>-</u>	<u>-</u>	<u>424,759</u>
<b>Member's Equity</b>			
	<u>674,545</u>	<u>841,482</u>	<u>481,901</u>
	<u>\$ 698,947</u>	<u>\$ 862,376</u>	<u>\$ 1,044,219</u>

**PROGRESSIVE SURGERY CENTER, LLC**

**STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY  
YEARS ENDED DECEMBER 31,**

	2015	2014	2013
<b>Revenues</b>			
Fee Income	\$ 1,439,048	\$ 1,743,174	\$ 1,968,518
<b>Expenses</b>			
Payroll	646,086	746,554	871,806
Payroll Taxes	50,592	60,587	65,368
Medical Supplies	217,098	197,497	328,520
Rent	168,000	233,547	245,453
Depreciation	123,637	130,582	129,323
Repairs and Maintenance	58,286	65,352	95,747
Utilities	61,196	53,372	47,596
Telephone	7,768	8,293	6,654
Professional Fees	14,109	17,751	36,128
Office and Miscellaneous	115,955	136,278	107,713
Interest	968	17,815	27,824
Insurance	58,364	65,466	59,470
	<u>1,522,059</u>	<u>1,733,094</u>	<u>2,021,602</u>
<b>Net Income (Loss)</b>	<u>(83,011)</u>	<u>10,080</u>	<u>(53,084)</u>
<b>Member's Equity - At Beginning</b>	<u>841,482</u>	<u>481,901</u>	<u>567,141</u>
	758,471	491,981	514,057
<b>Less: Distributions to Members</b>	<u>83,926</u>	<u>-</u>	<u>32,156</u>
<b>Plus: Contributed Capital</b>	<u>-</u>	<u>349,501</u>	<u>-</u>
<b>Member's Equity - At End</b>	<u>\$ 674,545</u>	<u>\$ 841,482</u>	<u>\$ 481,901</u>

**Progressive Surgery Center LLC**  
**Balance Sheet Prev Year Comparison**  
**As of September 30, 2016**

CON#162556  
BFA Attachment D

	<u>Sep 30, 16</u>	<u>Sep 30, 15</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
Citibank	22,806.73	1,034.67
<b>Total Checking/Savings</b>	<u>22,806.73</u>	<u>1,034.67</u>
<b>Other Current Assets</b>		
Inventory	21,888.49	14,016.89
<b>Total Other Current Assets</b>	<u>21,888.49</u>	<u>14,016.89</u>
<b>Total Current Assets</b>	44,695.22	15,051.56
<b>Fixed Assets</b>		
<b>Capital Assets</b>	2,619,904.68	2,619,904.68
<b>Accumulated Depreciation</b>	-2,227,888.00	-2,187,830.00
<b>Total Fixed Assets</b>	<u>392,016.68</u>	<u>432,074.68</u>
<b>TOTAL ASSETS</b>	<u><u>436,711.90</u></u>	<u><u>447,126.24</u></u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Long Term Liabilities</b>		
LOC- Citibank	0.00	13,611.80
<b>Total Long Term Liabilities</b>	<u>0.00</u>	<u>13,611.80</u>
<b>Total Liabilities</b>	0.00	13,611.80
<b>Equity</b>		
Capital Contributed/Distributed	-18,460.63	-31,472.28
Members Capital	476,240.14	449,955.25
Net Income	-21,067.61	15,031.47
<b>Total Equity</b>	<u>436,711.90</u>	<u>433,514.44</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>436,711.90</u></u>	<u><u>447,126.24</u></u>

**Progressive Surgery Center LLC**  
**Profit & Loss Prev Year Comparison**  
**January through September 2016**

CON#162556  
Attachment D (Continued)

	<u>Jan - Sep 16</u>	<u>Jan - Sep 15</u>
<b>Income</b>		
<b>Patient Fee Income</b>	724,198.50	1,192,971.45
<b>Total Income</b>	<u>724,198.50</u>	<u>1,192,971.45</u>
<b>Expense</b>		
<b>Payroll Expense</b>	329,583.19	548,435.23
<b>Payroll Taxes</b>	31,366.32	42,933.26
<b>Medical Supplies</b>	76,678.23	212,551.50
<b>Utilities</b>	32,082.68	46,084.67
<b>Rent</b>	109,000.00	168,000.00
<b>Professional Fees</b>	17,223.00	3,410.00
<b>Equipment Rental</b>	25,710.27	27,181.62
<b>Insurance</b>	19,956.22	27,027.97
<b>Interest</b>	775.84	526.12
<b>Legal</b>	225.00	744.00
<b>Maintenance &amp; Repairs</b>	55,803.75	46,738.86
<b>Office and General</b>	36,497.54	31,039.78
<b>Meals</b>	4,687.06	15,909.56
<b>Travel Expenses</b>	0.00	660.26
<b>Automobile</b>	270.86	1,007.08
<b>Telephone</b>	5,406.15	5,690.07
<b>Total Expense</b>	<u>745,266.11</u>	<u>1,177,939.98</u>
<b>Net Income</b>	<u><u>-21,067.61</u></u>	<u><u>15,031.47</u></u>

Pro Forma Balance Sheet

ASSETS:

Cash	\$593,406
Moveable Equipment	519,406
Leasehold Improvements	<u>2,509,666</u>
TOTAL ASSETS	\$3,622,478

LIABILITIES:

Bank Loan	\$2,725,953
Working Capital Loan	<u>296,703</u>
TOTAL LIABILITIES	\$3,022,656

NET ASSETS	\$599,822
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**171198 Star Surgical Suites**

Nassau

**Meadowbrook Endoscopy Center**

**Long Island Center for Digestive Health, LLC**

**Star Surgical Suites**

**Endoscopy Center of Long Island, LLC**

Hempstead

5 miles

0 2.5  
miles

Star Suites, LLC  
ESTABLISH & CONSTRUCT A SINGLE SPECIALTY FASC  
PRO FORMA BALANCE SHEET

ASSETS

Cash	\$451,563
Leasehold Improvements	\$4,461,229
Equipment	\$1,400,000

TOTAL ASSETS \$6,312,792

Liabilities and Member Equity

LIABILITIES

Capital Loan	\$4,144,735
Working Capital Loan	\$219,040

TOTAL LIABILITIES \$4,363,775

MEMBER EQUITY \$1,949,017

TOTAL LIABILITIES AND MEMBER EQUITY \$6,312,792

**Hudson Valley Center for Digestive Health  
Balance Sheet  
Unaudited**

<b>Assets</b>	<u><b>December 31, 2016</b></u>	<u><b>December 31, 2015</b></u>
Current Assets		
Cash	\$ 529,836	\$ 559,738
Accounts Receivable, Net	272,583	464,725
Due From Anesthesia	144,298	130,647
Prepaid Expenses and Short Term Deposits	35,137	35,107
	<hr/>	<hr/>
	981,853	1,190,218
Net Property and Equipment		
Property and Equipment	1,818,323	1,816,669
Accumulated Depreciation	(835,587)	(682,081)
	<hr/>	<hr/>
	982,736	1,134,588
Long Term Assets		
Other Assets	14,739	14,739
<b>Total Assets</b>	<hr/> <b>\$ 1,979,329</b> <hr/>	<hr/> <b>\$ 2,339,545</b> <hr/>
<b>Liabilities and Member's Equity</b>		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 199,598	\$ 179,072
Current Portion of Debt	411,143	366,662
	<hr/>	<hr/>
	610,741	545,734
Long Term Liabilities		
Accrued Rent & Other Long Term Liabilities	212,631	220,030
Long Term Debt, net of current portions	294,163	674,244
	<hr/>	<hr/>
	506,794	894,274
<b>Total Liabilities</b>	<hr/> <b>1,117,534</b> <hr/>	<hr/> <b>1,440,008</b> <hr/>
Member's Equity		
Members Capital	600,000	600,000
Retained Earnings - Prior yrs	299,537	(321,323)
Distribution to Partners	(1,517,933)	(887,172)
Net Income (Loss)	1,480,191	1,508,032
<b>Members Equity</b>	<hr/> <b>861,795</b> <hr/>	<hr/> <b>899,537</b> <hr/>
<b>Total Liabilities and Members Equity</b>	<hr/> <b>\$ 1,979,329</b> <hr/>	<hr/> <b>\$ 2,339,545</b> <hr/>

# Hudson Valley Center for Digestive Health Statement of Operations For the Period Ending 12/31/2016 UNAUDITED

	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	JUN 2016	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016	DEC 2016	FY2016	FY2015	Variance
	PTD	PTD	PTD	PTD	PTD	PTD	PTD	PTD	PTD	PTD	PTD	PTD	LLC	LLC	YOY
Visits	216	209	243	242	250	260	202	262	239	198	232	223	2,776	2,805	(29)
Procedures	245	261	303	286	290	305	245	309	285	231	275	277	3,312	3,276	36
Business Days	20	21	22	21	21	22	19	23	21	19	20	19	248	246	2
<b>INCOME</b>															
Gross Charges	\$559,500	\$593,990	\$690,420	\$652,430	\$663,270	\$698,150	\$559,170	\$706,670	\$651,250	\$528,550	\$629,850	\$632,950	\$7,566,200	\$7,483,820	\$82,380
Estimated Contractual Adjustment	(364,990)	(413,616)	(458,629)	(438,579)	(437,213)	(455,929)	(371,361)	(457,966)	(430,873)	(344,923)	(406,866)	(411,829)	(4,992,573)	(4,915,534)	(77,039)
Net Charges	194,510	180,374	231,792	214,051	226,057	242,221	187,809	248,704	220,377	183,627	222,984	221,121	2,573,627	2,568,286	5,341
Net Anesthesia Income	51,760	48,033	73,726	55,151	54,521	54,609	33,988	64,686	57,490	37,624	55,932	108,082	695,570	734,413	(38,843)
Other Income	0	0	25	0	5	10	1	0	(110)	0	(0)	0	(69)	10,104	(10,172)
Net Revenue & Other Income	246,270	228,407	305,544	269,201	290,583	296,840	221,788	313,390	277,757	221,251	278,915	329,203	3,269,129	3,312,803	(43,674)
<b>DIRECT OPERATING EXPENSES</b>															
Salary & Wages	43,453	41,884	46,563	41,652	47,847	49,834	44,272	50,308	43,202	44,761	47,014	49,383	550,172	537,973	12,199
Payroll Taxes	3,957	4,814	3,085	4,774	3,150	3,195	3,036	3,070	4,734	3,106	2,809	2,979	42,709	42,638	71
Employee Benefits - Insurance	3,192	2,525	2,525	(793)	2,105	1,611	1,509	1,507	916	1,509	1,509	1,507	19,621	26,566	(6,945)
Employee Benefits - 401K Match & PSP	2,127	2,706	2,210	2,904	2,248	2,131	2,227	2,220	2,944	2,149	2,094	2,509	28,468	32,996	(4,528)
Drugs & Medications	1,731	1,470	1,821	1,066	1,231	1,489	207	1,930	1,463	681	1,284	681	15,053	20,640	(5,587)
Marketing	0	1,699	631	899	0	0	0	2,176	0	0	0	1,776	7,181	9,563	(2,382)
Medical Supplies	10,542	8,843	15,287	7,261	7,228	11,828	6,803	8,905	9,461	5,809	8,551	11,808	112,324	108,391	3,933
Office & Miscellaneous Expenses	2,112	736	1,399	901	399	1,216	445	1,850	656	1,022	515	2,099	13,352	13,140	211
Postage & Printing	61	211	320	187	356	181	749	113	343	207	207	286	3,014	1,691	1,323
Recruiting Costs	0	200	1,453	525	170	0	105	293	819	764	0	795	5,124	3,508	1,616
Repairs, Maintenance & Cleaning	7,466	5,482	5,818	10,034	4,773	6,874	8,704	5,176	5,734	8,414	5,176	8,782	82,432	76,883	5,549
Uniforms & Laundry	1,430	1,144	1,145	2,001	1,064	1,119	1,430	1,144	1,465	1,197	1,200	1,840	16,179	16,034	145
<b>TOTAL DIRECT OPERATING EXPENSES</b>	76,071	71,714	82,256	71,411	70,570	79,478	69,486	78,691	71,737	69,618	70,151	84,447	895,629	890,023	5,606
<b>Direct Operating Exp %</b>	<b>39%</b>	<b>40%</b>	<b>35%</b>	<b>33%</b>	<b>31%</b>	<b>33%</b>	<b>37%</b>	<b>32%</b>	<b>33%</b>	<b>38%</b>	<b>31%</b>	<b>38%</b>	<b>35%</b>	<b>35%</b>	<b>105%</b>
<b>Operating Income (Loss) before Other Expense</b>	<b>170,198</b>	<b>156,693</b>	<b>223,288</b>	<b>197,790</b>	<b>210,013</b>	<b>217,363</b>	<b>152,282</b>	<b>234,700</b>	<b>206,020</b>	<b>151,633</b>	<b>208,765</b>	<b>244,756</b>	<b>2,373,500</b>	<b>2,422,780</b>	<b>(49,280)</b>
<b>OTHER EXPENSES</b>															
Accounting & Consulting	2,623	7,782	3,465	1,989	1,812	4,672	5,811	9,504	4,582	4,444	7,556	5,198	59,438	34,476	24,962
Bank Fees & Collection Fees	1,389	1,252	1,898	2,015	1,860	1,234	1,306	1,397	1,632	1,479	947	1,803	18,214	16,509	1,704
Billing and Administrative Service Fees	25,837	25,837	25,837	25,837	25,837	25,837	26,309	26,751	26,751	26,751	26,751	26,751	315,085	304,630	10,455
Equipment Rental	357	368	457	924	0	394	90	0	398	1,029	0	559	4,576	5,198	(622)
Insurance	2,394	2,497	2,470	2,620	2,480	2,504	2,510	2,378	2,633	2,458	2,455	2,500	29,901	25,846	4,055
Legal Fees	2,783	0	132	0	0	0	500	0	0	0	0	1,435	4,849	3,414	
Medical Director Fees	2,500	2,500	2,500	2,500	3,160	1,840	2,500	2,500	2,500	2,500	2,500	2,500	30,000	30,000	0
Rent Expense	14,075	14,215	14,236	14,412	14,251	14,251	15,458	15,458	15,458	15,458	15,458	15,458	178,192	187,149	(8,957)
Taxes, Licenses and Fees	3,685	1,487	583	2,418	1,570	2,232	861	698	1,279	1,279	1,279	3,129	20,501	27,734	(7,233)
Telephone & Utilities	4,045	3,937	2,570	3,850	3,809	3,954	3,831	4,043	3,982	3,915	3,946	1,738	43,620	44,625	(1,005)
Travel & Entertainment	124	40	103	951	418	51	0	353	5	17	0	1,904	3,965	7,737	(3,772)
<b>TOTAL OTHER EXPENSES</b>	<b>59,812</b>	<b>59,917</b>	<b>54,252</b>	<b>57,516</b>	<b>55,198</b>	<b>56,969</b>	<b>59,177</b>	<b>63,082</b>	<b>59,219</b>	<b>59,330</b>	<b>60,893</b>	<b>62,974</b>	<b>708,341</b>	<b>684,983</b>	<b>23,358</b>
<b>EBITDA</b>	<b>110,386</b>	<b>96,776</b>	<b>169,036</b>	<b>140,274</b>	<b>154,815</b>	<b>160,394</b>	<b>93,104</b>	<b>171,618</b>	<b>146,801</b>	<b>92,302</b>	<b>147,872</b>	<b>181,782</b>	<b>1,665,159</b>	<b>1,737,797</b>	<b>(72,638)</b>
Depreciation	(12,728)	(12,728)	(12,728)	(12,820)	(12,774)	(12,499)	(13,011)	(13,011)	(12,592)	(13,011)	(12,592)	(13,011)	(153,506)	(185,257)	31,751
Interest	(3,123)	(3,033)	(2,942)	(2,851)	(2,760)	(2,669)	(2,578)	(2,486)	(2,394)	(2,302)	(2,209)	(2,116)	(31,462)	(44,374)	12,912
Gain (Loss) on Sale of Investment & Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	(135)	
<b>Net Income (Loss)</b>	<b>\$94,536</b>	<b>\$81,015</b>	<b>\$153,366</b>	<b>\$124,602</b>	<b>\$139,280</b>	<b>\$145,225</b>	<b>\$77,515</b>	<b>\$156,120</b>	<b>\$131,815</b>	<b>\$76,989</b>	<b>\$133,071</b>	<b>\$166,655</b>	<b>\$1,480,191</b>	<b>\$1,508,032</b>	<b>(\$27,840)</b>

HUDSON VALLEY CENTER FOR DIGESTIVE HEALTH, L.L.C.

BALANCE SHEETS

DECEMBER 31, 2015 AND 2014

ASSETS

	<u>2015</u>	<u>2014</u>
<b>Current assets:</b>		
Cash	\$ 559,738	\$ 533,028
Accounts receivable, net	464,726	450,022
Other receivables	78,197	83,575
Prepaid expenses	<u>35,107</u>	<u>35,713</u>
<b>Total current assets</b>	<b>1,135,768</b>	<b>1,102,336</b>
Property and equipment, net	1,134,586	1,306,582
Other assets	<u>14,739</u>	<u>14,739</u>
<b>Total assets</b>	<b><u>\$ 2,285,093</u></b>	<b><u>\$ 2,423,657</u></b>

LIABILITIES AND MEMBERS' EQUITY

<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 193,017	\$ 157,489
Current portion of long-term debt	366,862	353,716
Distributions payable	-	432,309
Due to related party	<u>538</u>	<u>258</u>
<b>Total current liabilities</b>	<b>560,215</b>	<b>943,770</b>
Allowance for leasehold improvements	151,099	160,303
Long-term debt, net of current portion	<u>674,244</u>	<u>1,040,906</u>
<b>Total liabilities</b>	<b><u>1,385,558</u></b>	<b><u>2,144,979</u></b>
<b>Members' equity:</b>		
Class A members	701,638	217,374
Class B members	89,954	27,862
Class C members	<u>107,943</u>	<u>33,442</u>
<b>Total members' equity</b>	<b><u>899,535</u></b>	<b><u>278,678</u></b>
<b>Total liabilities and members' equity</b>	<b><u>\$ 2,285,093</u></b>	<b><u>\$ 2,423,657</u></b>

HUDSON VALLEY CENTER FOR DIGESTIVE HEALTH, L.L.C.

STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Revenue:		
Net patient revenue	\$ 2,568,286	\$ 2,578,419
Service fees and other revenue	<u>744,517</u>	<u>874,165</u>
Net revenue	<u>3,312,803</u>	<u>3,452,584</u>
Operating expenses:		
Salaries and benefits	640,173	588,954
Billing and administrative fees	304,630	294,657
Rent	192,347	208,750
Depreciation	185,257	206,687
Medical supplies and medications	129,031	136,690
Repairs and maintenance	76,882	62,418
Telephone and utilities	44,625	45,705
Accounting and consulting	35,555	32,790
Other	35,500	39,779
Medical director fees	30,000	28,750
Taxes and licenses	27,734	22,891
Insurance	25,846	28,911
Office supplies	16,651	15,898
Laundry and linens	<u>16,034</u>	<u>16,907</u>
Operating expenses	<u>1,760,265</u>	<u>1,729,387</u>
Income from operations	1,552,538	1,723,197
Other expenses:		
Loss on disposal of equipment	(135)	-
Interest expense	<u>(44,374)</u>	<u>(58,864)</u>
Net Income	<u>\$ 1,508,029</u>	<u>\$ 1,666,333</u>

**Upstate Gastroenterology  
Comparative Balance Sheet  
at December 31, 2015 and December 31, 2016**

	December 31, 2016	December 31, 2015	Variance
<b>Assets</b>			
<b>Current Assets</b>			
General Checking	11,330.51	32,386.32	(21,055.81)
RF Checking	15,180.81	18,892.65	(3,712.04)
Grant Checking	-	-	-
Cash-IFR	-	-	-
Checking	-	-	-
Contract Receivable-Short Term	-	-	-
Other Short Term Receivables	-	-	-
Inventory	-	-	-
Prepaid Expense	32,000.00	32,000.00	-
Prepaid Insurance	-	-	-
<b>Total Current Assets</b>	<b>58,511.12</b>	<b>83,278.97</b>	<b>(24,767.85)</b>
<b>Long-Term Assets</b>			
Capital - Furniture & Fixtures	2,068.59	4,826.55	(2,757.96)
Capital - Equipment	-	-	-
Capital - Medical Equipment	649,653.96	1,589.91	648,064.05
Leasehold Improvements	-	-	-
Real Property	-	-	-
Other Assets	-	-	-
<b>Total Long Term Assets</b>	<b>651,722.55</b>	<b>6,416.46</b>	<b>645,306.09</b>
<b>Total Assets</b>	<b>710,233.67</b>	<b>89,695.43</b>	<b>620,538.24</b>
<b>Liabilities and Equity</b>			
<b>Current Liabilities</b>			
Accounts Payable	372,470.71	837,148.43	(464,677.72)
Other Current Liabilities Payable	1,942.35	3,885.79	(1,943.44)
Note Payable	1,250,000.00	50,000.00	1,200,000.00
Accrued Pension Contribution	-	-	-
Accrued Liability -Dean's Tax	21,760.71	13,750.93	8,009.78
Other Accrued Liabilities	2,009,934.09	1,666,639.01	343,295.08
<b>Total Current Liabilities</b>	<b>3,666,107.86</b>	<b>2,571,424.16</b>	<b>1,084,683.70</b>
<b>Long Term Liabilities</b>			
Other Liabilities-General	7,066.99	3,879.89	3,187.10
<b>Total Liabilities</b>	<b>3,663,174.85</b>	<b>2,575,304.05</b>	<b>1,087,870.80</b>
<b>Equity</b>			
Fund Balance-MSG	(2,458,622.02)	(1,823,291.56)	(635,330.46)
Fund Balance-RF	(26,986.60)	(28,429.12)	1,442.52
Fund Balance-Grants	-	-	-
Fund Balance-IFR	-	-	-
Fund Balance	-	-	-
Undistributed Fund Balance-MSG	(458,550.07)	(635,330.46)	176,780.39
Undistributed Fund Balance-RF	(8,782.49)	1,442.52	(10,225.01)
Undistributed Fund Balance-Grants	-	-	-
Undistributed Fund Balance-IFR	-	-	-
Undistributed Fund Balance	-	-	-
<b>Total Equity</b>	<b>(2,952,941.18)</b>	<b>(2,485,608.62)</b>	<b>(467,332.56)</b>
<b>Total Liabilities and Equity</b>	<b>710,233.67</b>	<b>89,695.43</b>	<b>620,538.24</b>

Upstate Gastroenterology  
Year to Date - December, 2016

<b>Revenue</b>	
Patient Care Revenue	
Patient Care Revenue	\$1,236,313.97
Patient Refunds	0.00
Patient Care Revenue - Contract	0.00
Collection Agency	2,100.41
Total Patient Care Revenue	<u>\$1,238,414.38</u>
Other Revenue	
Interest Revenue	\$5,223.77
Consulting Physician	0.00
Contract Revenue	0.00
Sale of Service Revenue	0.00
State Salary Offset	0.00
Miscellaneous Revenue	9,792.35
Grant Revenue	0.00
State Funded Revenue	0.00
Total Other Revenue	<u>\$15,016.12</u>
Total Revenue	<u>\$1,253,430.50</u>
<b>Expenses</b>	
MSG Physician Salaries	
RF Physician Salaries	\$0.00
Grant Physician Salaries	0.00
State Physician Salaries	0.00
VA Physician Salaries	0.00
Total Physician Salaries	<u>\$0.00</u>
MSG Staff Salaries	
State Staff Salaries	\$0.00
RF Staff Salaries	318,926.13
Grant Staff Salaries	0.00
MedBest Salaries	284,412.95
Temporary Service-Clerical	0.00
State Staff Salaries - IFR	0.00
Total Staff Salaries	<u>\$603,339.08</u>
MSG Physician Benefits	
RF Physician Benefits	\$37,287.19
Grant Physician Benefits	0.00
MSG Staff Benefits	0.00
RF Staff Benefits	142,729.94
Grant Staff Benefits	0.00
MedBest Benefits	88,664.80
Fringe Benefits-Other	0.00
Total Benefits	<u>\$268,681.93</u>
Patient Care Related Expenses	
Teaching Related Expenses	\$0.00
Research Related Expenses	225.00
Grant Research Related Expenses	0.00
Academic Enhancement	0.00
Payroll Related Expenses	11,976.87
Recruiting	0.00
Malpractice Insurance	0.00
Travel & Entertainment	0.00
Assessment	73,518.94
Billing & Collection	87,108.89
Legal & Accounting	7,443.10
Physician Coverage	0.00
Contractual Services	88,609.58
General Services	54,208.84
Medical Supplies	149,693.54
Office Supplies	3,461.55
Occupancy Expense	217,234.36
Furniture/Equipment	121,597.94
Grant Equipment	0.00
Other Practice Expense	24,540.51
Grant Indirect Expense	0.00
Other Misc Expense	9,124.95
Transfer to Research Foundation	0.00
Total Non-Payroll Expenses	<u>\$ 848,742.05</u>
Total Expenses	<u>\$ 1,720,763.06</u>
Net Income	<u>\$ (467,332.56)</u>

**Department of Medicine Medical Service Group  
Comparative Balance Sheet  
at December 31, 2016 and December 31, 2015**

<b>Assets</b>	<b>December 31, 2016</b>	<b>December 31, 2015</b>	<b>Variance</b>
<b>Current Assets</b>			
General Checking	1,939,716.13	1,789,609.23	150,106.90
Cash-Research Foundation	762,154.84	350,951.60	411,203.24
Cash-Research Foundation-Staff Leasing	(294,020.96)	(1,124,773.78)	830,752.82
Cash-IFR	2,238,352.99	1,679,187.89	559,165.10
Cash-Horace White	196,110.09	323,139.51	(127,029.42)
Contract Receivable-Short Term	13,223,402.25	26,356,301.46	(15,132,899.21)
Other Short Term Receivables	2,185,742.42	1,774,478.00	411,264.42
Inventory-Oneida	581,062.65	359,182.16	221,880.49
Inventory-Oswego	605,399.23	618,026.10	(12,626.87)
Inventory-Hill Medical Center	1,290,012.25	1,006,176.19	283,836.06
Inventory-Homer (Cortland)	-	-	-
Prepaid Insurance - General	-	-	-
Prepaid Insurance	269,550.00	248,841.00	20,709.00
Prepaid - Other	400,000.00	400,000.00	-
<b>Total Current Assets</b>	<b>23,397,481.89</b>	<b>35,781,119.36</b>	<b>(12,383,637.47)</b>
<b>Long-Term Assets</b>			
Long Term Investment	1,250,000.00	50,000.00	1,200,000.00
Capital - Furniture & Fixtures	24,079.31	3,646.62	20,432.69
Capital - Equipment	1,988.34	3,775.17	(1,786.83)
Capital - Computer Equipment	5,031.16	327.00	4,704.16
Capital - Medical Equipment	57,217.45	78,520.02	(21,302.57)
Leasehold Improvements	359,144.66	75,718.22	283,426.44
Real Property	-	-	-
Other Assets	237,617.00	226,141.00	11,476.00
<b>Total Long Term Assets</b>	<b>1,935,077.92</b>	<b>438,128.03</b>	<b>1,496,949.89</b>
<b>Total Assets</b>	<b>25,332,559.81</b>	<b>36,219,247.39</b>	<b>(10,886,687.58)</b>
<b>Liabilities and Equity</b>			
<b>Current Liabilities</b>			
Accounts Payable	3,133,786.34	8,433,405.50	(5,299,619.16)
Other Current Liabilities Payable	112,741.77	102,556.06	10,185.71
Note Payable	-	-	-
Accrued Pension Contribution	221,876.26	199,225.49	22,650.77
Accrued Liability -Dean's Tax	752,865.08	670,670.81	82,194.27
Other Accrued Liabilities	13,462,018.72	18,987,972.44	(5,525,953.72)
<b>Total Current Liabilities</b>	<b>17,683,288.17</b>	<b>28,393,830.30</b>	<b>(10,710,542.13)</b>
<b>Long Term Liabilities</b>			
Other Liabilities-General	-	-	-
<b>Total Liabilities</b>	<b>17,683,288.17</b>	<b>28,393,830.30</b>	<b>(10,710,542.13)</b>
<b>Equity</b>			
Fund Balance-MSG	6,778,237.83	5,105,487.26	1,672,750.57
Fund Balance-RF	(1,088,974.00)	(1,018,688.38)	(70,285.62)
Fund Balance-IFR	1,679,187.89	1,342,988.83	336,199.06
Fund Balance-Horace White	455,965.37	252,941.68	204,023.69
Undistributed Fund Balance-MSG	(1,818,973.10)	1,672,750.57	(3,491,723.67)
Undistributed Fund Balance-RF	1,202,631.30	(70,285.62)	1,272,916.92
Undistributed Fund Balance-IFR	559,165.10	336,199.06	222,966.04
Undistributed Fund Balance-Horace White	(118,968.75)	204,023.69	(322,992.44)
<b>Total Equity</b>	<b>7,649,271.64</b>	<b>7,825,417.09</b>	<b>(176,145.45)</b>
<b>Total Liabilities and Equity</b>	<b>25,332,559.81</b>	<b>36,219,247.39</b>	<b>(10,886,687.58)</b>

Department of Medicine  
Year to Date - December, 2016

Department of Medicine - Combined

	Total
<b>Revenue</b>	
<b>Patient Care Revenue</b>	
Patient Care Revenue	\$64,704,685.87
Patient Refunds	7,644.67
Patient Care Revenue - Contract	7,016,585.08
Collection Agency	125,921.44
Meaningful Use	860,267.00
<b>Total Patient Care Revenue</b>	<u>\$72,715,104.06</u>
<b>Other Revenue</b>	
Interest Revenue	\$235,626.13
VA Income	605,637.00
Contract Revenue	14,366,869.73
Sale of Service Revenue	1,016,810.98
State Salary Offset	7,847,338.55
Miscellaneous Revenue	164,181.17
Grant Revenue	6,893,624.27
State Funded Revenue	89,779.98
<b>Total Other Revenue</b>	<u>\$31,219,867.81</u>
<b>Total Revenue</b>	<b>\$103,934,971.87</b>
<b>Expenses</b>	
<b>Physician Salaries</b>	
MSG Physician Salaries	\$18,407,819.48
RF Physician Salaries	2,242,538.13
Grant Physician Salaries	0.00
State Physician Salaries	6,812,612.63
VA Physician Salaries	605,637.00
<b>Total Physician Salaries</b>	<u>\$28,068,607.24</u>
<b>Staff Salaries</b>	
State Staff Salaries	\$1,034,725.92
RF Staff Salaries	3,874,018.06
RF Staff Salaries - Contract	1,140,438.28
Grant Staff Salaries	2,373,126.67
MedBest Staff Salaries	3,840,515.95
Temporary Service-Clerical	162,841.79
State Staff Salaries - JFR	44,474.59
<b>Total Staff Salaries</b>	<u>\$12,470,141.26</u>
<b>Benefits</b>	
MSG Physician Benefits	\$2,856,939.32
RF Physician Benefits	1,004,128.49
Grant Physician Benefits	0.00
RF Staff Benefits	1,730,399.41
RF Staff Benefits - Contract	503,663.75
Grant Staff Benefits	1,105,580.90
MedBest Staff Benefits	994,508.26
Fringe Benefits-Other	3,218.38
<b>Total Benefits</b>	<u>\$8,198,438.51</u>
<b>Other Expenses</b>	
Patient Care Related Expenses	\$30,403.58
Teaching Related Expenses	241,077.91
Research Related Expenses	171,270.00
Grant Research Related Expenses	1,742,018.10
Academic Enhancement	229,369.14
Payroll Related Expenses	1,205,113.19
Recruiting	124,011.87
Malpractice Insurance	1,110,650.18
Travel & Entertainment	82,808.32
Assessment	2,598,524.38
Billing & Collection	2,825,687.92
Legal & Accounting	177,358.78
Physician Coverage	119,249.23
Contractual Services	11,358,469.13
General Services	423,321.20
Medical Supplies	28,707,825.87
Office Supplies	306,236.93
Occupancy Expense	971,140.36
Furniture/Equipment	293,754.75
Grant Equipment	32,285.00
Other Practice Expense	576,359.66
Grant Indirect Expense	1,640,633.60
Other Misc Expense	404,381.21
Transfer to Research Foundation	0.00
<b>Total Non-Payroll Expenses</b>	<u>\$ 55,373,930.31</u>
<b>Total Expenses</b>	<b>\$104,111,117.32</b>
<b>Net Income</b>	<b>\$ (176,145.45)</b>

**CLINICAL PRACTICE MANAGEMENT PLAN OF THE STATE UNIVERSITY  
OF NEW YORK UPSTATE MEDICAL UNIVERSITY  
Combined Balance Sheets  
December 31, 2015 and 2014**

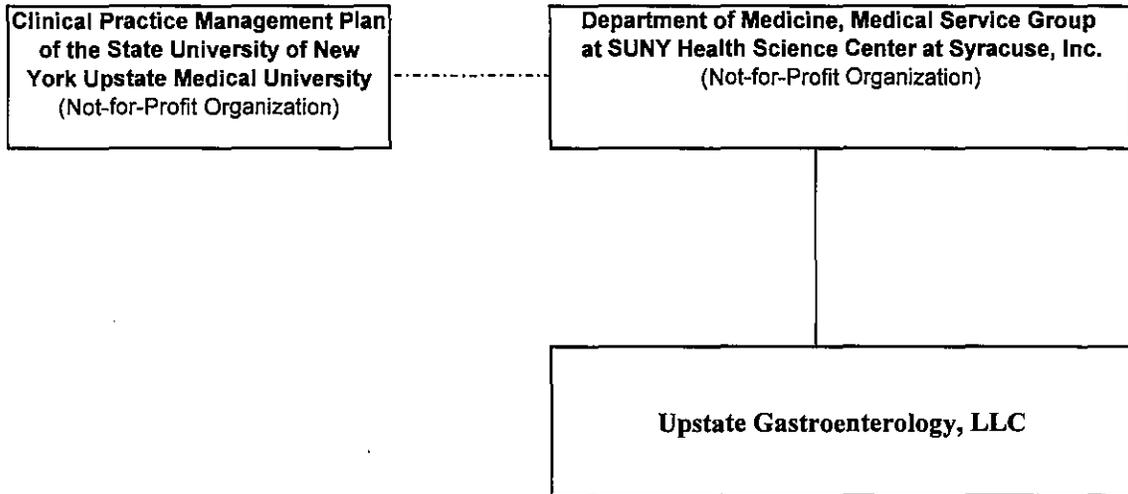
<b>ASSETS</b>		
	<u>2015</u>	<u>2014</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 26,463,500	\$ 24,047,570
Funds held by Research Foundation	25,079,000	25,071,920
Patient accounts receivable, net	24,960,419	22,168,144
Other receivables	4,000,527	3,630,434
Prepaid expenses and other assets	2,485,639	2,949,699
Inventory	2,209,486	2,222,556
Due from University Hospital	42,085,268	29,238,520
<b>Total current assets</b>	<u><b>127,283,839</b></u>	<u><b>109,328,843</b></u>
Property and equipment, net	4,841,038	3,341,817
Billing/EMR software, net	3,224,563	4,621,742
<b>Total assets</b>	<u><b>\$ 135,349,440</b></u>	<u><b>\$ 117,292,402</b></u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and other current liabilities	\$ 4,135,598	\$ 6,460,881
Assessment payable to CAO Fund	5,437,677	5,312,801
Accrued expenses	6,580,333	2,756,146
Note payable to Governing Board	50,000	50,000
Due to University Hospital	34,843,174	26,069,854
Due to Research Foundation	3,844,030	2,952,629
Post-employment benefit liability	305,613	307,719
<b>Total current liabilities</b>	<u><b>55,196,425</b></u>	<u><b>43,910,030</b></u>
<b>Post-employment benefit liability</b>	<u><b>3,097,557</b></u>	<u><b>2,810,049</b></u>
<b>Total liabilities</b>	<u><b>58,293,982</b></u>	<u><b>46,720,079</b></u>
<b>Equity</b>		
Unrestricted net assets	45,801,323	40,389,234
Partners' capital	31,254,135	30,183,089
<b>Total equity</b>	<u><b>77,055,458</b></u>	<u><b>70,572,323</b></u>
<b>Total liabilities and equity</b>	<u><b>\$ 135,349,440</b></u>	<u><b>\$ 117,292,402</b></u>

CLINICAL PRACTICE MANAGEMENT PLAN OF THE STATE UNIVERSITY  
OF NEW YORK UPSTATE MEDICAL UNIVERSITY  
Combined Statement of Operations and Changes in Equity  
Years ended December 31, 2015 and 2014

	2015	2014
<b>Revenue:</b>		
<b>Clinical Practice Revenue:</b>		
Clinical practice income (net of contractual allowances and provision for bad debt)	\$ 223,297,366	\$ 216,337,391
Refunds	(186,885)	(154,958)
Contract revenue - University Hospital	13,378,503	12,702,206
Contract revenue - other	9,154,189	8,292,640
Total clinical revenue	<u>245,643,173</u>	<u>237,177,279</u>
<b>Other Revenue:</b>		
Interest	155,283	131,020
Physician coverage	952,067	825,087
Rental income	17,345	17,345
Contract revenue (exempt) - University Hospital	35,685,296	26,243,583
Contract revenue (exempt) - Other	16,477,185	12,908,117
Miscellaneous income	2,006,047	2,896,781
Total revenue	<u>300,936,396</u>	<u>280,199,212</u>
<b>Expenses:</b>		
Faculty salaries	101,003,631	96,405,935
Retirement contributions - faculty	11,733,517	11,155,660
Fringe benefits	12,895,071	11,586,397
Non-faculty salaries and related fringe benefits	50,524,071	46,310,165
Insurance	6,465,799	5,602,834
CAO assessments	10,102,830	9,702,633
Rental	5,137,912	5,106,647
Travel and entertainment	1,300,611	1,314,865
Academic enhancement	2,412,709	2,184,390
Teaching	660,853	686,949
Research	104,603	225,748
Contractual services - University Hospital	28,498,810	21,355,020
Contractual services - Other	5,215,363	5,022,087
Billing services, legal, accounting, and professional	7,390,791	7,118,768
Materials and supplies	684,780	1,323,540
Drugs, medical supplies and medical waste	31,630,801	30,530,137
General services	1,715,845	1,593,201
Depreciation, maintenance, and small equipment	3,383,089	3,479,030
Agency fee	2,123,741	2,035,645
Bad debt expense	8,053,830	10,589,950
Other	2,850,624	3,376,975
Transfer to HSC Foundation	-	24,000
Transfers - Other	563,980	428,000
Total expenses	<u>294,453,261</u>	<u>277,158,576</u>
Net income	6,483,135	3,040,636
Equity - beginning of year	<u>70,572,323</u>	<u>67,531,687</u>
Equity - end of year	<u>\$ 77,055,458</u>	<u>\$ 70,572,323</u>

**UPSTATE GASTROENTEROLOGY, LLC**

**ORGANIZATIONAL CHART**



## NEW YORK DIALYSIS SERVICES, INC.

Balance Sheet  
December 31, 2015

## Assets

Cash and cash equivalents	\$	15,380
Accounts receivable, less allowance for doubtful accounts of \$5,974,089		22,930,745
Inventories		3,906,137
Other current assets		2,178,365
<b>Total current assets</b>		<u>29,030,627</u>
Property, plant and equipment, at cost:		
Buildings and leasehold improvements		48,428,788
Medical equipment		12,471,128
Furniture and nonmedical equipment		4,393,293
		<u>65,293,209</u>
Less accumulated depreciation		<u>(43,679,007)</u>
<b>Total property, plant and equipment, net</b>		21,614,202
Intangible assets, net		727,439
Goodwill		7,352,918
<b>Total assets</b>	\$	<u>58,725,186</u>

## Liabilities and Stockholder's Deficit

Accounts payable	\$	2,180,374
Due to related party		134,280,563
Accrued liabilities		14,154,318
<b>Total liabilities</b>		<u>150,615,255</u>
Stockholder's deficit:		
Paid in capital		1,000,000
Accumulated deficit		<u>(92,890,069)</u>
<b>Total stockholder's deficit</b>		<u>(91,890,069)</u>
<b>Total liabilities and stockholder's deficit</b>	\$	<u>58,725,186</u>

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**NEW YORK DIALYSIS SERVICES, INC.**

Statement of Operations

Year ended December 31, 2015

Net revenues:		
Health care services	\$	206,624,440
Less: Patient service bad debt provision		(19,664,040)
Net health care services revenue		<u>186,960,400</u>
Expenses:		
Cost of health care services		133,233,688
General and administrative expenses		<u>50,027,742</u>
Total expenses		<u>183,261,430</u>
Net income from operations		3,698,970
Provision for income taxes		<u>—</u>
Net income	\$	<u><u>3,698,970</u></u>

**NEW YORK DIALYSIS SERVICES, INC.**

Balance Sheet  
December 31, 2016

**Assets**

Cash and cash equivalents	\$ 25,766
Accounts receivable, less allowance for doubtful accounts of \$5,977,881	22,042,980
Inventories	2,590,712
Other current assets	1,109,909
<b>Total current assets</b>	<u>25,769,367</u>
Property, plant and equipment, at cost:	
Buildings and leasehold improvements	46,686,894
Medical equipment	11,495,211
Furniture and nonmedical equipment	7,773,278
	<u>65,955,383</u>
Less accumulated depreciation	<u>(43,802,503)</u>
<b>Total property, plant and equipment, net</b>	22,152,880
Intangible assets, net	459,878
Goodwill	7,352,918
Deferred tax assets	43,278,633
<b>Total assets</b>	<u>\$ 99,013,676</u>

**Liabilities and Stockholder's Deficit**

Accounts payable	\$ 1,970,150
Due to related party	72,947,984
Accrued liabilities	32,770,052
<b>Total liabilities</b>	<u>107,688,186</u>
Stockholder's deficit:	
Paid in capital	981,176
Accumulated deficit	<u>(9,655,686)</u>
<b>Total stockholder's deficit</b>	<u>(8,674,510)</u>
<b>Total liabilities and stockholder's deficit</b>	<u>\$ 99,013,676</u>

See accompanying notes to financial statements.

**NEW YORK DIALYSIS SERVICES, INC.**

Statement of Operations

Year ended December 31, 2016

Net revenues:	
Health care services	\$ 211,531,795
Less: Patient service bad debt provision	<u>(11,045,115)</u>
Net health care services revenue	<u>200,486,680</u>
Expenses:	
Cost of health care services	123,961,301
General and administrative expenses	<u>43,907,963</u>
Total expenses	<u>167,869,264</u>
Net income from operations	32,617,416
Provision for income taxes (note 5)	<u>—</u>
Net income	<u><u>\$ 32,617,416</u></u>

See accompanying notes to financial statements.

**NEW YORK DIALYSIS SERVICES, INC.**

Statement of Cash Flows

Year ended December 31, 2016

Cash flows used in operating activities:	
Net income	\$ 32,617,416
Adjustments to reconcile net income to net cash provided by operating activities:	
Patient service bad debt provision	11,045,115
Depreciation and amortization	4,920,794
Changes in operating assets and liabilities:	
Increase in accounts receivable	(15,077,069)
Decrease in inventories	959,474
Decrease in other current assets	536,341
Decrease in accounts payable	(121,567)
Decrease in due to related party	(45,941,325)
Increase in accrued liabilities	7,828,217
Net cash provided by operating activities	<u>(3,232,604)</u>
Cash flows used in investing activities:	
Disposal of property, plant and equipment	<u>3,242,990</u>
Net cash used in investing activities	<u>3,242,990</u>
Net decrease in cash and cash equivalents	10,386
Cash and cash equivalents at beginning of year	<u>15,380</u>
Cash and cash equivalents at end of year	<u>\$ 25,766</u>

Balance Sheet

Assets	Proforma Day 1/Year 1
<b>Current Assets</b>	
Cash	546,996
Accounts Receivable	509,408
Inventory	63,883
Other Current Assets	
<b>Total Current Assets</b>	<b>1,210,287</b>
<b>Non-Current Assets</b>	
Inter Company	22
Net Fixed Assets	1,542,072
<b>Total Non-Current Assets</b>	<b>1,542,094</b>
<b>Total Assets</b>	<b>2,752,381</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	13,154
Due To/From Manager	160,146
Taxes and Other Accrued Liabilities	45,376
<b>Total Current Liabilities</b>	<b>218,677</b>
<b>Stockholders Equity</b>	
Paid in Capital - Majority	2,072,807
Paid in Capital - Minority	296,115
Amount in Excess of Par	(18,815)
Retained Earnings (Accumulated Deficit)	183,597
<b>Total Shareholders Equity</b>	<b>2,533,704</b>
<b>Total Liability &amp; Equity</b>	<b>2,752,381</b>

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME / CONSOLIDATED BALANCE SHEETS

	Note	2015	2014
<b>▶ NET INCOME</b>		<b>1,313,149</b>	<b>1,259,808</b>
Gain (loss) related to cash flow hedges	20, 21	60,131	25,547
Actuarial gains (losses) on defined benefit pension plans	11, 21	83,977	(215,161)
Gain (loss) related to foreign currency translation	21	(393,504)	(421,789)
Income tax (expense) benefit related to components of other comprehensive income	21	(44,067)	68,161
<b>▶ OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX</b>	<b>21</b>	<b>(253,513)</b>	<b>(543,242)</b>
<b>▶ TOTAL COMPREHENSIVE INCOME</b>		<b>1,059,634</b>	<b>716,566</b>
Comprehensive income attributable to noncontrolling interests		278,749	208,456
<b>▶ COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS OF FMC AG &amp; CO, KGAA</b>		<b>780,885</b>	<b>508,110</b>

See accompanying notes to consolidated financial statements.

# CONSOLIDATED BALANCE SHEETS

PREXERHUS MEDICAL CARE 2015

Assets	Note	2015	2014
<b>Current assets</b>			
Cash and cash equivalents		549,500	633,855
Trade accounts receivable less allowance for doubtful accounts of \$465,790 in 2015 and \$418,508 in 2014		3,385,190	3,203,655
Accounts receivable from related parties	2	218,285	183,225
Inventories	3	1,340,751	1,115,554
Prepaid expenses and other current assets	4	1,374,716	1,326,569
Deferred taxes	17	216,127	245,354
<b>▶ TOTAL CURRENT ASSETS</b>		<b>6,984,574</b>	<b>6,718,212</b>
Property, plant and equipment, net	5	7,425,574	3,290,180
Intangible assets	6	830,489	869,411
Goodwill	6	13,032,750	13,087,180
Deferred taxes	17	140,938	141,052
Investment in equity method investees	23	644,709	676,022
Other assets and notes receivables	7	474,452	603,114
<b>▶ TOTAL ASSETS</b>		<b>25,533,486</b>	<b>25,388,981</b>

See accompanying notes to consolidated financial statements.

**CONSOLIDATED BALANCE SHEETS**

T. 4.3

In \$ THOUS, except share data, December 31

Liabilities and shareholders' equity	Note	2015	2014
<b>Current liabilities</b>			
Accounts payable		627,828	573,184
Accounts payable to related parties	2	153,023	148,731
Accrued expenses and other current liabilities	8	2,502,127	2,197,245
Short-term debt	9	109,252	132,693
Short-term debt from related parties	9	19,052	5,357
Current portion of long-term debt and capital lease obligations	10	664,325	313,607
Income tax payable		72,819	79,687
Deferred taxes	17	36,399	34,787
<b>▶ TOTAL CURRENT LIABILITIES</b>		<b>4,185,844</b>	<b>3,477,291</b>
Long-term debt and capital lease obligations, less current portion	10	7,853,187	9,014,157
Other liabilities		465,625	411,976
Pension liabilities	11	585,328	642,318
Income tax payable		182,500	177,601
Deferred taxes	17	756,323	804,609
<b>▶ TOTAL LIABILITIES</b>		<b>14,009,118</b>	<b>14,527,052</b>
Noncontrolling interests subject to put provisions and other temporary equity	12	1,028,368	824,658
<b>Shareholders' equity</b>			
Ordinary shares, no par value, \$1.00 nominal value, 392,462,972 shares authorized, 312,883,071 issued and 305,314,120 outstanding	13	387,162	395,215
Treasury stock, at cost	13	(505,014)	(505,014)
Additional paid-in capital	13	3,470,308	3,546,875
Retained earnings	13	7,870,981	7,104,780
Accumulated other comprehensive (loss) income	21	(1,336,295)	(1,087,743)
<b>▶ TOTAL FMC AG &amp; CO. KGAA SHAREHOLDERS' EQUITY</b>		<b>9,887,142</b>	<b>9,443,313</b>
Noncontrolling interests not subject to put provisions		408,858	585,058
<b>▶ TOTAL EQUITY</b>		<b>10,496,000</b>	<b>10,028,371</b>
<b>▶ TOTAL LIABILITIES AND EQUITY</b>		<b>25,533,486</b>	<b>25,380,981</b>

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

FRESENIUS MEDICAL CARE 2015

# CONSOLIDATED STATEMENTS OF INCOME

CONSOLIDATED STATEMENTS OF INCOME		T. 4.1	
<i>In \$ THOUS, except share data</i>			
	Note	2015	2014
<b>Net revenue</b>			
Health Care		13,801,298	12,552,846
Less: patient service bad debt provision		409,583	302,647
Net Health Care		13,391,715	12,249,999
Dialysis products		3,145,867	3,581,614
<b>&gt; TOTAL</b>	13	<b>16,737,582</b>	<b>15,831,613</b>
<b>Costs of revenue</b>			
Dialysis Care		9,881,253	9,131,005
Dialysis products		1,545,126	1,704,782
<b>&gt; TOTAL</b>		<b>11,406,419</b>	<b>10,835,787</b>
<b>Gross profit</b>			
		5,331,163	4,995,846
<b>Operating (income) expenses</b>			
Selling, general and administrative		2,895,581	2,644,037
Research and development		140,302	122,114
Income from equity method investees	22	(31,452)	(24,838)
<b>&gt; OPERATING INCOME</b>		<b>2,326,732</b>	<b>2,254,533</b>
<b>Interest income</b>			
		(116,575)	(84,240)
<b>Interest expense</b>			
		508,035	495,367
<b>Income before income taxes</b>			
		1,935,272	1,843,406
<b>Income tax expense</b>			
	17	622,123	583,598
<b>Net income</b>			
		1,313,149	1,259,808
<b>Less: Net income attributable to noncontrolling interests</b>			
		283,704	214,542
<b>&gt; NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF FMC AG &amp; CO. KGAA</b>			
		<b>1,029,445</b>	<b>1,045,266</b>
<b>&gt; BASIC EARNINGS PER SHARE</b>			
	11	<b>3.38</b>	<b>3.46</b>
<b>&gt; FULLY DILUTED EARNINGS PER SHARE</b>			
	15	<b>3.38</b>	<b>3.49</b>

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

FRESEMIUS MEDICAL CARE 2015

**161355 HSP Attachment A**  
**Fresenius-Affiliated Dialysis Centers in New York State**

Facility Name	Address	Star Rating
FMS- Southern Manhattan Dialysis Center	510-526 Avenue of the Americas New York NY 10011	★★★★●
FMS - Southern Manhattan Dialysis Center - Wayne County	305 West Shore Rd. Newark NY 14513	★★★★★
FMS-Central Suffolk Artificial Kidney Center	5225 Nesconset Hwy, Bldg #9 Port Jefferson Station NY 11776	★★★★★
FMS-Atlantic Hemodialysis Center at Cobble Hill	380 Henry St. Brooklyn NY 11201	★★●●●
FMS-Bayside Dialysis Center	201-10 Northern Blvd. Bayside NY 11361	★★★★●
FMS-Atlantic Peritoneal Dialysis & Home Training Center	59-61 Atlantic Ave. Brooklyn NY 11201	★★●●●
FMS-Albany Regional Kidney Center	2 Clara Barton Dr. Albany NY 12208	★★●●●
FMS- Westmere Dialysis Center	178 Washington Avenue Extension Albany NY 12203	The dialysis center was not open long enough to supply sufficient measure data
FMS -Morris Park	1325 Morris Park Ave., Bronx NY 10461	★★★●●
FMS-Niskayuna Dialysis Center	2345 Nott Street East Niskayuna NY 12309	★●●●●
FMS-Middletown Dialysis Center	220 Crystal Run Rd. Middletown NY 10940	★★★●●
FMS- Living Center	500 Hahnemann Trail Pittsford NY 14534	Not enough quality measure data to calculate a star rating
FMS-Kenmore Artificial Kidney Center	1508 Sheridan Dr. Kenmore NY 14217	★★★●●
FMS-Eastchester	1776 Eastchester Rd Bronx NY 10461	★★★●●
FMS-Queens Artificial Kidney Center	34-35 70th St Jackson Heights NY 11372	★★★★★
FMS-Clinton Crossing	2400 South Clinton Ave Rochester NY 14618	★★★●●
FMS-South Queens Dialysis Center	175-37 Liberty Ave Jamaica NY 11433	★★★★★
FMS-Greece Dialysis Center	1570-1576 Long Pond Rd Greece NY 14626	Not enough quality measure data to calculate a star rating
FMS-Southern Westchester Dialysis Center	44 Vark St Yonkers NY 10701	★★★●●
FMS-Nephro Care West	358-362 4th Ave Brooklyn NY 11215	★★★●●

**161355 HSP Attachment A**  
**Fresenius-Affiliated Dialysis Centers in New York State**

Facility Name	Address	Star Rating
FMS-Finger Lakes	130 Phoenix Mills Plaza Victor NY 14564	★★★★★
FMS-Harlem Dialysis Center	2615-2621 Frederick Douglass Blvd. New York NY 10030	★★★★●
FMS-Monroe Community	435 East Henrietta Rd Rochester NY 14620	★★★●●
FMS-Nephro Care	1402 Atlantic Ave Brooklyn NY 11236	★★★●●
FMS-Eastview Dialysis Center	120 Victor Heights Pkwy Victor NY 14564	★★★★●
FMS-St. Albans Dialysis Center	172-70 Baisley Blvd Jamaica NY 11434	★★★★●
FMS-Brighton	2613 W. Henrietta Rd Rochester NY 14623	★★●●●
FMS-Capital District Dialysis Center	650 McClellan St Schenectady NY 12304	★★●●●
FMS-Soundshore Dialysis Center	16 Guion Pl New Rochelle NY 10801	★★★★●
FMS-Amsterdam Dialysis Center	1800 Riverfront Center Amsterdam NY 12010	★●●●●
FMS-City Dialysis Center	105 East 106th St New York NY 10029	★★★●●
FMS-Southern Manhattan Dialysis Center- Monroe County	1150 Crosspointe Professional Park Webster NY 14580	★★★★●
FMS-Albany Dialysis Center	64 Albany-Shaker Rd Albany NY 12204	★●●●●
Freedom Center of Rochester	100 Meridian Centre Rochester NY 14618	Not enough quality measure data to calculate a star rating
FMS-Hicksville Dialysis Center	760 Broadway Hicksville NY 11801	Facility not opened for entire rating period
Huntington Dialysis Center	33 Walt Whitman Rd Huntington NY 11743	Facility not opened for entire rating period
Suffolk Kidney	30 Central Ave. Hauppauge NY 11788	★★★●●
Strong Health - Clinton Crossing	2400 S. Clinton Ave Bldg. F Rochester NY 14618	★★★●●

**161355 HSP Attachment A  
Fresenius-Affiliated Dialysis Centers in New York State**

Facility Name	Address	Star Rating
<b>JOINT VENTURES</b>		
<b>Owned &amp; Operated by SJLS, LLC</b>		
St. Joesph's - Cortland	3993 West Rd. Cortland NY 13045	★ ★ ★ ★ ●
St. Joesph's Regional	975 James St. Syracuse NY 13203	★ ★ ● ● ●
St. Joesph's Seneca	8136 Oswego St Liverpool NY 13090	★ ★ ★ ★ ★
St. Joesph's Camillus	5101 W. Genesee St. Camillus NY 13031	★ ★ ★ ★ ★
St. Joesph's Northeast	4105 Medical Center Dr. Fayetteville NY 13066	★ ★ ★ ● ●
<b>Owned &amp; Operated by Watertown Dialysis Center, LLC</b>		
Watertown Dialysis Center	22571 Summit Dr Watertown NY 13601	★ ★ ★ ● ●
<b>Owned &amp; operated by Liverpool LD, LLC</b>		
Liverpool Dialysis Center	1304 Buckley Rd Syracuse NY 13212	★ ★ ★ ★ ●

**Information Retrived on 4/24/17 from:**  
<https://www.medicare.gov/dialysisfacilitycompare/#>

161355 HSP Attachment A  
Fresenius-Affiliated Dialysis Centers in New York State

Facility Name	Address	Star Rating
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## The star rating

To calculate the star rating for a facility, each domain is given a domain score

- Facilities with the top 10% final scores were given a star rating of 5.
- Facilities with the next 20% highest final scores were given a star rating of 4.
- Facilities within the middle 40% of final scores were given a star rating of 3.
- Facilities with the next 20% lowest final scores were given a star rating of 2.
- Facilities with the bottom 10% final scores were given a star rating of 1.



### Quality of patient care star rating

[Data source: Medicare claims and the CMS/ESRD Networks integrated information](#)

**Date updated on this website:** Annually (October)

**Data collection period:** From: 1/1/2012 - Through: 12/31/2015

**METHODIST HOME FOR NURSING AND REHABILITATION**  
**STATEMENTS OF FINANCIAL POSITION (DRAFT)**  
**AS OF OCTOBER 31, 2016 AND DECEMBER 31, 2015**

	<u>OCTOBER 31, 2016</u>	<u>DECEMBER 31, 2015</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,403,275	\$ 236,395
Cash - resident funds	197,407	280,828
Accounts receivable- patients (Net of \$600,000 allowance)	3,373,647	3,205,626
Investments	25,123,259	24,436,004
Grant receivable	-	111,780
Other receivable		1,453,392
Estimated amount due from third parties	264,049	346,343
Prepaid expenses, security deposits and other asset	141,560	177,796
Beneficial interest in perpetual trust	1,767,313	1,721,605
Property, plant and equipment- net	9,104,472	9,010,142
<b>Total Assets</b>	<b>\$ 42,374,981</b>	<b>\$ 40,979,911</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 438,710	\$ 677,185
Accrued compensation and related liabilities	542,091	304,507
Resident funds	197,407	280,828
Loan payable	6,339,554	6,592,199
Accrued pension benefits	584,954	584,954
Due to third parties	94,202	49,134
<b>Total Liabilities</b>	<b>8,196,918</b>	<b>8,488,807</b>
<b>NET ASSETS</b>		
Unrestricted	31,956,459	30,269,500
Permanently restricted	2,221,604	2,221,604
<b>Total Net Assets</b>	<b>34,178,063</b>	<b>32,491,104</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 42,374,981</b>	<b>\$ 40,979,911</b>

**METHODIST CHURCH HOME FOR THE AGED IN THE CITY OF NEW YORK  
D/B/A METHODIST HOME FOR NURSING AND REHABILITATION**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2015**

	Operating	Unrestricted Board Designated	Total	Permanently Restricted	Total 2015
Operating revenues					
Net resident services revenues (net of contractual allowances and discounts) (Note 2)	\$ 16,512,506		\$ 16,512,506		\$ 16,512,506
Provision for bad debts	(387,447)		(387,447)		(387,447)
Net resident services revenues less provision for bad debts	16,125,059		16,125,059		16,125,059
Investment income (Note 3)	186,001		186,001		186,001
Grants and other revenues	302,585		302,585		302,585
Total operating revenues	<u>16,613,645</u>		<u>16,613,645</u>		<u>16,613,645</u>
Operating expenses					
Professional care of residents	6,129,460		6,129,460		6,129,460
Environmental, dietary and other services	2,702,374		2,702,374		2,702,374
Administrative services	2,147,408		2,147,408		2,147,408
Employee benefits	2,341,695		2,341,695		2,341,695
Interest	306,630		306,630		306,630
Depreciation and amortization	817,070		817,070		817,070
New York State cash receipts assessment	759,893		759,893		759,893
Total operating expenses	<u>15,204,530</u>		<u>15,204,530</u>		<u>15,204,530</u>
Gain from operations	<u>1,409,115</u>		<u>1,409,115</u>		<u>1,409,115</u>

METHODIST HOME FOR NURSING AND REHABILITATION

STATEMENT OF OPERATIONS

FOR THE TEN MONTHS ENDED OCTOBER 2016 AND 2015

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	VARIANCE				
	2016		2015		AVORABLE(UNFAVORABLE)
	ACTUAL	BUDGET	ACTUAL	2016 BUDGET	2015 ACTUAL
<b>OPERATING REVENUE</b>					
MEDICAID PATIENT REVENUE	\$ 4,489,969	\$ 5,344,542	\$ 4,860,003	\$ (854,573)	\$ (370,034)
MEDICARE PATIENT REVENUE	4,427,955	4,602,600	4,342,069	(174,645)	85,886
PRIVATE PATIENT REVENUE	1,366,721	1,608,993	1,590,387	(242,272)	(223,666)
COMMERCIAL INSURANCE PATIENT REVENUE	1,928,104	1,299,388	1,382,394	628,816	545,710
OUTPATIENT REVENUE	45,322	39,978	43,882	5,344	1,440
INVESTMENT INCOME (not reimbursed in Medicaid rate)	94,977	164,710	168,412	(69,733)	(73,435)
GRANT INCOME (net of expenses)	696,005		169,915	696,005	526,090
OTHER OPERATING REVENUE (include net flood reimb)	607,386	1,624	648	605,682	606,658
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 13,656,359</b>	<b>\$ 13,061,735</b>	<b>\$ 12,557,710</b>	<b>\$ 594,624</b>	<b>\$ 1,098,649</b>
<b>OPERATING EXPENSES</b>					
<b>PROFESSIONAL CARE OF PATIENTS</b>					
NURSING ADMINISTRATION	998,600	992,726	876,441	(5,874)	(122,159)
SKILLED NURSING CARE	2,764,056	2,928,314	2,779,301	164,258	15,245
ACTIVITIES	134,710	144,178	126,226	9,468	(8,484)
PHARMACY	249,169	256,532	219,507	7,363	(29,662)
CENTRAL SUPPLY	1,633	-	-	(1,635)	
DENTAL	25,417	26,500	25,417	1,083	-
REHABILITATION	895,689	898,761	866,186	3,072	(29,503)
SOCIAL SERVICES	116,544	126,759	103,788	10,215	(12,756)
PASTORAL CARE	12,360	10,720	10,000	(1,640)	(2,360)
MEDICAL RECORDS	4,069	5,180	2,576	1,111	(1,493)
PHYSICIANS	77,625	76,670	77,323	(955)	(302)
<b>SERVICE DEPARTMENTS</b>					
DIETARY	1,061,111	1,072,960	1,034,401	11,849	(26,710)
MAINTENANCE	620,988	683,685	662,841	62,697	41,853
HOUSEKEEPING/LAUNDRY	558,607	613,650	555,263	55,043	(3,344)
<b>ADMINISTRATIVE DEPARTMENTS</b>					
ADMINISTRATION	396,780	413,654	412,090	16,874	15,310
FINANCE	436,141	429,672	420,440	(6,469)	(15,701)
INFORMATION TECHNOLOGY	78,398	83,679	79,314	5,281	916
COMMUNICATIONS	101,290	97,526	95,563	(3,764)	(5,727)
ADMISSIONS	113,952	111,794	110,322	(2,158)	(3,630)
MARKETING	61,026	77,230	37,838	16,204	(23,188)
DEVELOPMENT	7,224	9,442	1,317	2,218	(5,907)
<b>NON DEPARTMENTAL</b>					
EMPLOYEE BENEFITS	2,200,883	2,386,426	2,201,280	185,543	397
DEPRECIATION EXPENSE	674,807	714,160	715,910	39,353	41,103
INTEREST	247,392	245,373	254,815	(2,019)	7,423
INSURANCE	212,991	217,470	212,526	4,479	(465)
CASH RECEIPT ASSESSMENT	503,204	495,830	518,887	(7,374)	15,683
BAD DEBT EXPENSE	116,083	97,000	85,301	(19,083)	(30,782)
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 12,670,751</b>	<b>\$ 13,215,891</b>	<b>\$ 12,484,873</b>	<b>\$ 545,140</b>	<b>\$ (184,243)</b>
<b>TOTAL OPERATING SURPLUS (DEFICIT)</b>	<b>\$ 985,608</b>	<b>\$ (154,156)</b>	<b>\$ 72,837</b>	<b>\$ 1,139,764</b>	<b>\$ 914,406</b>
<b>NON OPERATING REVENUE</b>					
CONTRIBUTIONS (net of Expenses)	15,569	63,000	63,706	\$ (47,431)	(48,137)
INVESTMENT INCOME (NET OF INVESTMENT FEES)	58,212	114,460	121,954	(56,248)	(63,742)
INTEREST INCOME	2,289	1,249	1,053	1,040	1,236
NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS	681,779		238,290	681,779	443,489
NET UNREALIZED GAIN (LOSS) ON SALE OF INVESTMENTS	(56,498)		(308,818)	(56,498)	252,320
<b>TOTAL NON OPERATING REVENUE</b>	<b>\$ 701,351</b>	<b>\$ 178,709</b>	<b>\$ 116,185</b>	<b>\$ 522,642</b>	<b>\$ 585,166</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 1,686,959</b>	<b>\$ 24,553</b>	<b>\$ 189,022</b>	<b>\$ 1,662,406</b>	<b>\$ 1,499,572</b>

## The Rogosin Institute, Inc. and Subsidiaries

Consolidated Balance Sheets  
(in thousands)

December 31,	2015
<b>Assets</b>	
<b>Current:</b>	
Cash and cash equivalents	\$10,850
Investments, at fair value	15,463
Patient accounts receivable, (net of allowance for uncollectible accounts of \$3,582 and \$4,280 in 2015 and 2014, respectively)	16,612
Inventory	800
Pledges receivable, current portion	2,294
Contract revenue receivable	2,055
Due from related parties	1,081
Other assets	2,591
<b>Total Current Assets</b>	<b>51,746</b>
Investments, at Fair Value, Net of Current Portion	3,016
Pledges Receivable, Net of Current Portion	177
Property, Plant and Equipment, Net	22,477
Other Assets, Less Current Portion	394
	<b>\$77,810</b>
<b>Liabilities and Net Assets</b>	
<b>Current Liabilities:</b>	
Accounts payable and accrued expenses	\$ 6,832
Accrued salaries and employee benefits	2,364
Due to related organization	-
Due to third parties	11,500
Pledges payable	975
Capital leases payable	605
Notes payable	5,750
Mortgage loan payable	90
Other current liabilities	42
Deferred rent	186
<b>Total Current Liabilities</b>	<b>28,344</b>
Capital Leases Payable, Net of Current Portion	915
Mortgage Loan Payable, Net of Current Portion	2,159
Due to Others	2,030
Deferred Rent, Net of Current Portion	4,713
<b>Total Liabilities</b>	<b>38,161</b>
<b>Commitments and Contingencies</b>	
<b>Net Assets of Controlling Interest:</b>	
Unrestricted - general	17,264
Unrestricted - board designated	16,449
Temporarily restricted	3,924
Permanently restricted	1,412
<b>Total Net Assets for The Rogosin Institute, Inc. and Subsidiaries</b>	<b>39,049</b>
Noncontrolling Interest in Consolidated Subsidiary	600
<b>Total Net Assets</b>	<b>39,649</b>
	<b>\$77,810</b>

The Rogosin Institute, Inc. and Subsidiaries

Consolidated Statements of Operations  
 (in thousands)

<i>Year ended December 31,</i>	<b>2015</b>
<b>Unrestricted Revenues:</b>	
Net patient service revenue	\$77,998
Less: Provisions for uncollectibles	(520)
	77,478
Contract revenue	12,281
Grants and programs	801
Other revenue	605
Net assets released from restrictions - operations	2,115
<b>Total Unrestricted Revenues</b>	<b>93,280</b>
<b>Operating Expenses:</b>	
Salaries, contracted services and employee benefits	48,299
Supplies and other operating expenses	43,800
Grants and programs	577
Interest	297
Depreciation and amortization	2,465
<b>Total Operating Expenses</b>	<b>95,438</b>
<b>Operating (Loss) Income</b>	<b>(2,158)</b>
<b>Non-Operating Gains (Losses):</b>	
Contributions	909
Special events, net of direct benefit to donors of \$299 and \$310 in 2015 and 2014, respectively	612
Start-up cost	-
Investment income	863
<b>Total Non-Operating Gains</b>	<b>2,384</b>
<b>Unrestricted Revenues and Non-Operating Gains Over Expenses</b>	<b>226</b>
<b>Unrealized Losses on Investments</b>	<b>(844)</b>
<b>Change in Unrestricted Net Assets</b>	<b>(618)</b>
<b>Net Income Attributable to Noncontrolling Interest</b>	<b>-</b>
<b>Net Loss Attributable to The Rogosin Institute, Inc. and Subsidiaries</b>	<b>\$ (618)</b>

# Balance sheet, Total assets (000)

	11/30/16	11/30/15	Variance	%
<b>Assets</b>				
<b>Current:</b>				
Cash and cash equivalents	\$ 9,151	\$ 12,041	(2,890)	-24.0%
Investments, at fair value	15,267	15,582	(315)	-2.0%
Patient accounts receivable, net of allowance for uncollectible accounts	16,355	15,609	746	4.8%
Inventory	730	773	(43)	-5.6%
Pledges receivable	158	-	158	0
Contract revenue receivable	454	1,708	(1,254)	-73.4%
Due from related organization	-	25	(25)	
Other receivables and current assets	3,571	2,397	1,174	49.0%
<b>Total current assets</b>	<b>45,686</b>	<b>48,135</b>	<b>(2,449)</b>	<b>-5.1%</b>
Investments, at fair value, net of current	3,145	3,110	35	1.1%
Pledges receivable – net of current	1,154	2,797	(1,643)	-58.7%
Property, plant and equipment, net	25,748	22,319	3,429	15.4%
Other assets	625	192	433	225.5%
<b>Total assets</b>	<b>\$76,358</b>	<b>\$ 76,553</b>	<b>\$ (195)</b>	<b>-0.3%</b>

## Balance sheet, Total liabilities and Net Assets (000)

Liabilities and net assets	11/30/16	11/30/15	Variance	%
<b>Current liabilities:</b>				
Accounts payable & accrued expenses	\$ 5,716	\$ 5,471	245	4.5%
Accrued salaries & employee benefits	3,181	2,336	845	36.2%
Due to others	42	42	-	0.0%
Due to related organization	34	(97)	131	-135.1%
Due to third parties	10,940	9,486	1,454	15.3%
Pledges payable	976	976	-	0.0%
Mortgage payable	94	90	4	4.4%
Credit lines payable	1,625	5,750	(4,125)	-71.7%
Capital lease payable, current portion	544	565	(21)	-3.7%
Deferred rent, current portion	-	-		
<b>Total current liabilities</b>	<b>23,152</b>	<b>24,619</b>	<b>(1,467)</b>	<b>-6.0%</b>
Deferred interest	6	6	-	0
Due to others	2,082	2,049	33	1.6%
Mortgage payable	2,072	2,166	(94)	-4.3%
Bond payable	8,587	-	8,587	0.0%
Capital lease payable	431	1,037	(606)	-58.4%
Deferred rent	5,056	4,865	191	3.9%
<b>Total liabilities</b>	<b>41,386</b>	<b>34,742</b>	<b>6,644</b>	<b>19.1%</b>
<b>Net Assets:</b>				
<b>Unrestricted:</b>				
Unrestricted - general	13,415	19,020	(5,605)	-29.5%
Board designated	16,082	16,643	(561)	-3.4%
Temporarily restricted	3,455	4,136	(681)	-16.5%
Permanently restricted	1,420	1,412	8	0.6%
Non-controlling interest in consol sub	600	600	-	0.0%
<b>Total Net Assets</b>	<b>34,972</b>	<b>41,811</b>	<b>(6,839)</b>	<b>-16.4%</b>
<b>Total Liabilities and Net Assets</b>	<b>\$76,358</b>	<b>\$ 76,553</b>	<b>\$ (195)</b>	<b>-0.3%</b>

# Nov. 30, 2016, Year to date, Actual vs. Budget, (000) omitted

<u>Description</u>	<u>Actual</u> <u>Amount \$</u>	<u>Budget</u> <u>Amount \$</u>	<u>Variance</u> <u>Amount \$</u>
Net revenue	77,698	75,270	2,429
<u>Operating expenses</u>			
Salaries and benefits	43,975	39,917	4,058
Supplies and other expenses	38,114	39,150	(1,036)
Depreciation, Amort. & interest	2,511	2,532	(21)
<u>Total Operating expenses</u>	<u>84,600</u>	<u>81,599</u>	<u>3,001</u>
Operating income (loss)	(6,902)	(6,329)	(573)
<u>Investment income / (Loss)</u>			
Realized & unrealized gain on investments	279	0	279
Contributions & assets released-restriction	2,267	3,664	(1,397)
<u>Investment income</u>	<u>160</u>	<u>417</u>	<u>(257)</u>
Increase (decrease) in net assets	(4,196)	(2,248)	(1,948)
EBITDA, unadjusted	(1,685)	284	(1,969)

**THE ROGOSIN INSTITUTE AT METHODIST HOME FOR NURSING AND REHABILITATION**

**PRO FORMA BALANCE SHEET**

**ASSETS**

Working Capital	\$676,781
Member Equity-Rogosin Institute	\$500,000
Member Equity-Methodist Home for Nursing and Rehabilitation	\$1,130,881
CRFP Grant	\$1,800,000
<b>TOTAL ASSETS</b>	<b>\$4,107,662</b>

**LIABILITIES AND EQUITY**

**LIABILITIES**

Capital Equipment Lease	\$614,400
<b>TOTAL LIABILITIES</b>	<b>\$614,400</b>

**MEMBERS' EQUITY** **\$3,493,262**

**TOTAL LIABILITIES AND  
MEMBERS' EQUITY** **\$4,107,662**

**162601 HSP Attachment A**  
**The Rogosin Institute Affiliated Dialysis Centers in New York State**

Facility Name	Address	Star Rating
Rogosin Institute-Nephrology Foundation of Brooklyn East	63 Pennsylvania Avenue Brooklyn, NY 11207	★ ★ ★ ● ●
Rogosin Institute-Nephrology Foundation of Brooklyn South	1845 McDonald Avenue Brooklyn, NY 11223	★ ★ ★ ★ ●
Rogosin Institute-Queens	66-20 Queens Boulevard Dialysis Ctr Woodside, NY 11377	★ ★ ★ ★ ●
The Rogosin Institute Auburndale Dialysis	39-20 Utopia Parkway Flushing, NY 11358	★ ★ ★ ★ ★
Rogosin West Side	619 West 54th Street New York, NY 10019	★ ★ ★ ★ ●
Rogosin Kidney Center-Brooklyn	506 6th Street Buckley 7-Dialysis Brooklyn, NY 11215	★ ★ ★ ● ●
Rogosin Institute	505 East 70th Street Room 252 New York, NY 10021	★ ★ ● ● ●

**Information Retrived on 2/16/17 from:**  
<https://www.medicare.gov/dialysisfacilitycompare/#>

**171122 HSP Attachment A**  
**Fresenius-Affiliated Dialysis Centers in New York State**

Facility Name	Address	Star Rating
FMS- Southern Manhattan Dialysis Center	510-526 Avenue of the Americas New York NY 10011	★ ★ ★ ★ ●
FMS - Southern Manhattan Dialysis Center - Wayne County	305 West Shore Rd. Newark NY 14513	★ ★ ★ ★ ★
FMS-Central Suffolk Artificial Kidney Center	5225 Nesconset Hwy, Bldg #9 Port Jefferson Station NY 11776	★ ★ ★ ★ ★
FMS-Atlantic Hemodialysis Center at Cobble Hill	380 Henry St. Brooklyn NY 11201	★ ★ ● ● ●
FMS-Bayside Dialysis Center	201-10 Northern Blvd. Bayside NY 11361	★ ★ ★ ★ ●
FMS-Atlantic Peritoneal Dialysis & Home Training Center	59-61 Atlantic Ave. Brooklyn NY 11201	★ ★ ● ● ●
FMS-Albany Regional Kidney Center	2 Clara Barton Dr. Albany NY 12208	★ ★ ● ● ●
FMS- Westmere Dialysis Center	178 Washington Avenue Extension Albany NY 12203	The dialysis center was not open long enough to supply sufficient measure data
FMS -Morris Park	1325 Morris Park Ave., Bronx NY 10461	★ ★ ★ ● ●
FMS-Niskayuna Dialysis Center	2345 Nott Street East Niskayuna NY 12309	★ ● ● ● ●
FMS-Middletown Dialysis Center	220 Crystal Run Rd. Middletown NY 10940	★ ★ ★ ● ●
FMS- Living Center	500 Hahnemann Trail Pittsford NY 14534	Not enough quality measure data to calculate a star rating
FMS-Kenmore Artificial Kidney Center	1508 Sheridan Dr. Kenmore NY 14217	★ ★ ★ ● ●
FMS-Eastchester	1776 Eastchester Rd Bronx NY 10461	★ ★ ★ ● ●
FMS-Queens Artificial Kidney Center	34-35 70th St Jackson Heights NY 11372	★ ★ ★ ★ ★
FMS-Clinton Crossing	2400 South Clinton Ave Rochester NY 14618	★ ★ ★ ● ●
FMS-South Queens Dialysis Center	175-37 Liberty Ave Jamaica NY 11433	★ ★ ★ ★ ★
FMS-Greece Dialysis Center	1570-1576 Long Pond Rd Greece NY 14626	Not enough quality measure data to calculate a star rating
FMS-Southern Westchester Dialysis Center	44 Vark St Yonkers NY 10701	★ ★ ★ ● ●

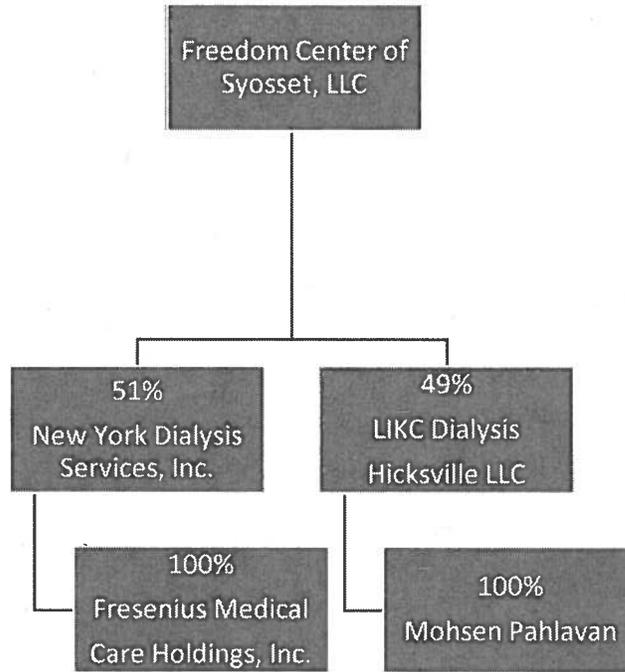
**171122 HSP Attachment A**  
**Fresenius-Affiliated Dialysis Centers in New York State**

Facility Name	Address	Star Rating
FMS-Nephro Care West	358-362 4th Ave Brooklyn NY 11215	☆☆☆●●
FMS-Finger Lakes	130 Phoenix Mills Plaza Victor NY 14564	☆☆☆☆☆
FMS-Harlem Dialysis Center	2615-2621 Frederick Douglass Blvd. New York NY 10030	☆☆☆☆●
FMS-Monroe Community	435 East Henrietta Rd Rochester NY 14620	☆☆☆●●
FMS-Nephro Care	1402 Atlantic Ave Brooklyn NY 11236	☆☆☆●●
FMS-Eastview Dialysis Center	120 Victor Heights Pkwy Victor NY 14564	☆☆☆☆●
FMS-St. Albans Dialysis Center	172-70 Baisley Blvd Jamaica NY 11434	☆☆☆☆●
FMS-Brighton	2613 W. Henrietta Rd Rochester NY 14623	☆☆●●●
FMS-Capital District Dialysis Center	650 McClellan St Schenectady NY 12304	☆☆●●●
FMS-Soundshore Dialysis Center	16 Guion Pl New Rochelle NY 10801	☆☆☆☆●
FMS-Amsterdam Dialysis Center	1800 Riverfront Center Amsterdam NY 12010	☆●●●●
FMS-City Dialysis Center	105 East 106th St New York NY 10029	☆☆☆●●
FMS-Southern Manhattan Dialysis Center- Monroe County	1150 Crosspointe Professional Park Webster NY 14580	☆☆☆☆●
FMS-Albany Dialysis Center	64 Albany-Shaker Rd Albany NY 12204	☆●●●●
Freedom Center of Rochester	100 Meridian Centre Rochester NY 14618	Not enough quality measure data to calculate a star rating
FMS-Hicksville Dialysis Center	760 Broadway Hicksville NY 11801	Facility not opened for entire rating period
Huntington Dialysis Center	33 Walt Whitman Rd Huntington NY 11743	Facility not opened for entire rating period
Suffolk Kidney	30 Central Ave. Hauppauge NY 11788	☆☆☆●●
Strong Health - Clinton Crossing	2400 S. Clinton Ave Bldg. F Rochester NY 14618	☆☆☆●●

**171122 HSP Attachment A  
Fresenius-Affiliated Dialysis Centers in New York State**

<b>Facility Name</b>	<b>Address</b>	<b>Star Rating</b>
<b>JOINT VENTURES</b>		
<b>Owned &amp; Operated by SJLS, LLC</b>		
St. Joesph's - Cortland	3993 West Rd. Cortland NY 13045	★ ★ ★ ★ ●
St. Joesph's Regional	975 James St. Syracuse NY 13203	★ ★ ● ● ●
St. Joesph's Seneca	8136 Oswego St Liverpool NY 13090	★ ★ ★ ★ ★
St. Joesph's Camillus	5101 W. Genesee St. Camillus NY 13031	★ ★ ★ ★ ★
St. Joesph's Northeast	4105 Medical Center Dr. Fayetteville NY 13066	★ ★ ★ ● ●
<b>Owned &amp; Operated by Watertown Dialysis Center, LLC</b>		
Watertown Dialysis Center	22571 Summit Dr Watertown NY 13601	★ ★ ★ ● ●
<b>Owned &amp; operated by Liverpool LD, LLC</b>		
Liverpool Dialysis Center	1304 Buckley Rd Syracuse NY 13212	★ ★ ★ ★ ●

**Information Retrived on 4/24/17 from:**  
<https://www.medicare.gov/dialysisfacilitycompare/#>



**Consolidated-Fresenius Medical Care North America**  
**Financial Summary**  
**In Thousands**

FISCAL PERIOD ENDED	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
ASSETS - CURRENT	\$7,313,955	\$6,984,574	\$6,724,710
ASSETS - FIXED AND OTHER	\$19,619,987	18,548,912	18,722,391
LIABILITIES - CURRENT	\$5,037,297	5,214,213	4,301,949
LIABILITIES - LONG-TERM	<u>\$10,439,585</u>	<u>9,823,273</u>	<u>11,116,781</u>
EQUITY	\$11,457,060	\$10,496,000	\$10,028,371
<hr/>			
INCOME	\$17,910,787	\$16,737,582	\$15,831,613
EXPENSE	<u>\$15,273,264</u>	<u>14,410,850</u>	<u>13,577,080</u>
NET INCOME	\$2,637,523	\$2,326,732	\$2,254,533
<hr/>			
Average Working Capital		\$2,156,593	
Average Net Assets		\$10,660,477	
Average Net Income (Loss)		\$2,406,263	

# CONSOLIDATED STATEMENTS OF INCOME

CONSOLIDATED STATEMENTS OF INCOME		T. 4.1	
<i>in \$ THOUS, except share data</i>			
	Note	2016	2015
<b>Net revenue</b>			
Health Care		14,949,086	13,801,298
Less: patient service bad debt provision		430,230	409,583
Net Health Care		14,518,856	13,391,715
Dialysis Products		3,391,931	3,345,867
<b>▶ TOTAL</b>	22	<b>17,910,787</b>	<b>16,737,582</b>
<b>Costs of revenue</b>			
Dialysis Care		10,661,488	9,861,253
Dialysis Products		1,469,657	1,545,166
<b>▶ TOTAL</b>		<b>12,131,145</b>	<b>11,406,419</b>
<b>Gross profit</b>		<b>5,779,642</b>	<b>5,331,163</b>
<b>Operating (income) expenses</b>			
Selling, general and administrative		3,014,663	2,895,581
Research and development		162,364	140,302
Income from equity method investees	22	(64,908)	(31,452)
<b>▶ OPERATING INCOME</b>		<b>2,637,523</b>	<b>2,326,732</b>
Interest income		(46,644)	(116,575)
Interest expense		452,177	508,035
Income before income taxes		2,231,990	1,935,272
Income tax expense	16	683,139	622,123
Net income		1,548,851	1,313,149
Less: Net income attributable to noncontrolling interests		305,584	283,704
<b>▶ NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF FMC AG &amp; CO. KGAA</b>		<b>1,243,267</b>	<b>1,029,445</b>
<b>▶ BASIC EARNINGS PER SHARE</b>	14	<b>4.07</b>	<b>3.38</b>
<b>▶ FULLY DILUTED EARNINGS PER SHARE</b>	14	<b>4.06</b>	<b>3.38</b>

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

*in \$ THOUS* T. 4.2

	Note	2016	2015
<b>▶ NET INCOME</b>		<b>1,548,851</b>	<b>1,313,149</b>
Gain (loss) related to cash flow hedges	19, 20	27,795	60,131
Actuarial gains (losses) on defined benefit pension plans	10, 20	(1,464)	81,834
Gain (loss) related to foreign currency translation	20	1,780	(352,125)
Income tax (expense) benefit related to components of other comprehensive income	20	(11,774)	(43,353)
<b>▶ OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX</b>	20	<b>15,837</b>	<b>(253,513)</b>
<b>▶ TOTAL COMPREHENSIVE INCOME</b>		<b>1,564,688</b>	<b>1,059,636</b>
Comprehensive income attributable to noncontrolling interests		304,138	278,743
<b>▶ COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS OF FMC AG &amp; CO. KGAA</b>		<b>1,260,550</b>	<b>780,893</b>

## CONSOLIDATED BALANCE SHEETS

### CONSOLIDATED BALANCE SHEETS

*in \$ THOUS, except share and per share data, December 31* T. 4.3

	Note	2016	2015
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		747,233	543,500
Trade accounts receivable less allowance for doubtful accounts of \$508,562 in 2016 and \$465,790 in 2015		3,524,258	3,285,196
Accounts receivable from related parties	7	220,797	218,285
Inventories	3	1,409,834	1,340,751
Prepaid expenses and other current assets	4	1,411,833	1,374,715
<b>▶ TOTAL CURRENT ASSETS</b>		<b>7,313,955</b>	<b>6,768,447</b>
Property, plant and equipment, net	5	3,773,213	3,425,574
Intangible assets	6	847,198	830,489
Goodwill	6	13,666,446	13,032,750
Deferred taxes	16	202,838	188,833
Investment in equity method investees	22	679,242	644,709
Other assets		451,050	474,452
<b>▶ TOTAL ASSETS</b>		<b>26,933,942</b>	<b>25,365,254</b>

<b>CONSOLIDATED BALANCE SHEETS</b>		T. 4 3	
<i>in \$ THOUS, except share and per share data, December 31</i>			
	Note	2016	2015
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Accounts payable		606,694	627,828
Accounts payable to related parties	2	278,355	153,023
Accrued expenses and other current liabilities	7	2,653,185	2,503,137
Short-term debt	8	602,494	109,252
Short-term debt from related parties	8	3,162	19,052
Current portion of long term debt and capital lease obligations	9	763,398	664,335
Income tax payable		130,009	72,819
<b>▶ TOTAL CURRENT LIABILITIES</b>		<b>5,037,297</b>	<b>4,149,446</b>
Long-term debt and capital lease obligations, less current portion	9	7,202,545	7,853,487
Other liabilities		658,842	465,625
Pension liabilities	10	540,267	585,328
Income tax payable		124,576	162,500
Deferred taxes	16	672,267	624,500
<b>▶ TOTAL LIABILITIES</b>		<b>14,235,794</b>	<b>13,840,886</b>
Noncontrolling interests subject to put provisions and other temporary equity	11	1,241,088	1,028,368
<b>Shareholders' equity</b>			
Ordinary shares, no par value, €1.00 nominal value, 385,913,972 shares authorized, 307,221,791 issued and 306,221,840 outstanding	12	379,585	387,162
Treasury stock, at cost	12	(66,895)	(505,014)
Additional paid-in capital	12	2,977,972	3,470,308
Retained earnings	12	8,837,072	7,870,981
Accumulated other comprehensive (loss) income	0	(1,319,012)	(1,336,295)
<b>▶ TOTAL FMC AG &amp; CO. KGAA SHAREHOLDERS' EQUITY</b>		<b>10,808,722</b>	<b>9,887,142</b>
Noncontrolling interests not subject to put provisions		648,338	608,858
<b>▶ TOTAL EQUITY</b>		<b>11,457,060</b>	<b>10,496,000</b>
<b>▶ TOTAL LIABILITIES AND EQUITY</b>		<b>26,933,942</b>	<b>25,365,254</b>

Consolidated-New York Dialysis Services, Inc.  
Financial Summary

FISCAL PERIOD ENDED	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
ASSETS - CURRENT	\$25,769,367	\$28,101,875	\$28,484,221
ASSETS - FIXED AND OTHER	\$73,244,309	76,529,060	30,445,729
LIABILITIES - CURRENT	\$34,740,202	27,033,552	22,074,160
LIABILITIES - LONG-TERM	<u>\$72,947,984</u>	<u>118,889,309</u>	<u>129,503,042</u>
EQUITY	(\$8,674,510)	(\$41,291,926)	(\$92,647,252)
<hr/>			
INCOME	\$200,486,680	\$191,953,269	\$192,983,098
EXPENSE	<u>\$167,869,264</u>	<u>183,876,576</u>	<u>190,022,487</u>
NET INCOME	\$32,617,416	\$8,076,693	\$2,960,611
<hr/>			
Average Working Capital		(\$497,484)	
Average Net Assets		(\$47,537,896)	
Average Net Income (Loss)		\$14,551,573	

**NEW YORK DIALYSIS SERVICES, INC.**

Balance Sheet

December 31, 2016

**Assets**

Cash and cash equivalents	\$ 25,766
Accounts receivable, less allowance for doubtful accounts of \$5,977,881	22,042,980
Inventories	2,590,712
Other current assets	1,109,909
<b>Total current assets</b>	<u>25,769,367</u>
Property, plant and equipment, at cost:	
Buildings and leasehold improvements	46,686,894
Medical equipment	11,495,211
Furniture and nonmedical equipment	7,773,278
	<u>65,955,383</u>
Less accumulated depreciation	<u>(43,802,503)</u>
<b>Total property, plant and equipment, net</b>	22,152,880
Intangible assets, net	459,878
Goodwill	7,352,918
Deferred tax assets	43,278,633
<b>Total assets</b>	<u>\$ 99,013,676</u>

**Liabilities and Stockholder's Deficit**

Accounts payable	\$ 1,970,150
Due to related party	72,947,984
Accrued liabilities	32,770,052
<b>Total liabilities</b>	<u>107,688,186</u>
Stockholder's deficit:	
Paid in capital	981,176
Accumulated deficit	(9,655,686)
<b>Total stockholder's deficit</b>	<u>(8,674,510)</u>
<b>Total liabilities and stockholder's deficit</b>	<u>\$ 99,013,676</u>

**NEW YORK DIALYSIS SERVICES, INC.**

Statement of Operations

Year ended December 31, 2016

Net revenues:	
Health care services	\$ 211,531,795
Less: Patient service bad debt provision	<u>(11,045,115)</u>
Net health care services revenue	<u>200,486,680</u>
Expenses:	
Cost of health care services	123,961,301
General and administrative expenses	<u>43,907,963</u>
Total expenses	<u>167,869,264</u>
Net income from operations	32,617,416
Provision for income taxes (note 5)	<u>—</u>
Net income	<u><u>\$ 32,617,416</u></u>

NYDS - Hicksville  
Balance Sheet  
December 31, 2016

Project# 171122  
BFA Attachment-E

<b>Assets</b>	
Cash and cash equivalents	\$ 300
Accounts receivable, less allowance for doubtful accounts of \$101,899	275,356
Inventories	47,144
Other current assets	35,683
	<u>358,483</u>
<b>Total current assets</b>	<u>358,483</u>
<b>Total assets</b>	<u><u>\$ 358,483</u></u>
<b>Liabilities and Stockholder's Deficit</b>	
Accounts payable	\$ 98,952
Due to related party	597,351
Accrued liabilities	234,027
	<u>930,330</u>
<b>Total liabilities</b>	<u>930,330</u>
Stockholder's deficit:	
Paid in capital	—
Accumulated deficit	<u>(571,847)</u>
<b>Total stockholder's deficit</b>	<u>(571,847)</u>
<b>Total liabilities and stockholder's deficit</b>	<u><u>\$ 358,483</u></u>

**NYDS - Hicksville**  
**Statement of Operations**  
**Year ended December 31, 2016**

Project# 171122  
BFA attachment-E Cont

Net revenues:	
Health care services	\$ 977,970
Less: Patient service bad debt provision	<u>(106,060)</u>
Net health care services revenue	871,910
Expenses:	
Cost of health care services	917,548
General and administrative expenses	<u>336,955</u>
Total expenses	<u>1,254,503</u>
Net income from operations	(382,593)
Provision for income taxes (note 5)	<u>—</u>
Net income	<u><u>\$ (382,593)</u></u>

**NYDS - Hicksville**  
**Statement of Stockholder's Deficit**  
**Year ended December 31, 2016**

Project# 171122  
 BFA attachment-E Cont

	<b>Paid in capital</b>	<b>Accumulated deficit</b>	<b>Total stockholder's deficit</b>
Balance at December 31, 2015	\$ —	(189,254)	(189,254)
Net income	—	(382,593)	(382,593)
Balance at December 31, 2016	\$ —	(571,847)	(571,847)

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**Feasibility Model  
Balance Sheet  
Day 1/Year 1**

**CURRENT ASSETS:**

(1) CASH	\$300
(2) ACCOUNTS RECEIVABLE	\$696,463
(3) INVENTORY	\$166,119
(4) TOTAL CURRENT ASSETS	\$862,882

**PROPERTY, PLANT AND EQUIPMENT:**

(5) EQUIPMENT AND FURNITURE AT COST	\$1,741
(6) LESS ACCUMULATED DEPRECIATION	\$0
(7) NET EQUIPMENT	\$1,741
(8) LEASEHOLD IMPROVEMENTS AT COST	\$73,929
(9) LESS ACCUMULATED DEPRECIATION	(\$1,785)
(10) NET LEASEHOLD IMPROVEMENTS	\$72,143
(11) NET PROPERTY, PLANT AND EQUIPMENT	\$73,884

**INTANGIBLE ASSETS:**

(12) INTANGIBLE ASSETS	\$0
(13) ACCUMULATED AMORTIZATION	\$0
(14) NET INTANGIBLE ASSETS	\$0
(15) TOTAL ASSETS	\$936,766

**CURRENT LIABILITIES:**

(16) ACCOUNTS PAYABLE	\$1,338,854
(17) DEFERRED TAXES	\$0
(18) TOTAL CURRENT LIABILITIES	\$1,338,854

**SHAREHOLDER'S EQUITY:**

(19) TOTAL SHAREHOLDER'S EQUITY	(\$402,088)
(20) SHAREHOLDER'S EQUITY + LIABILITIES	\$936,766

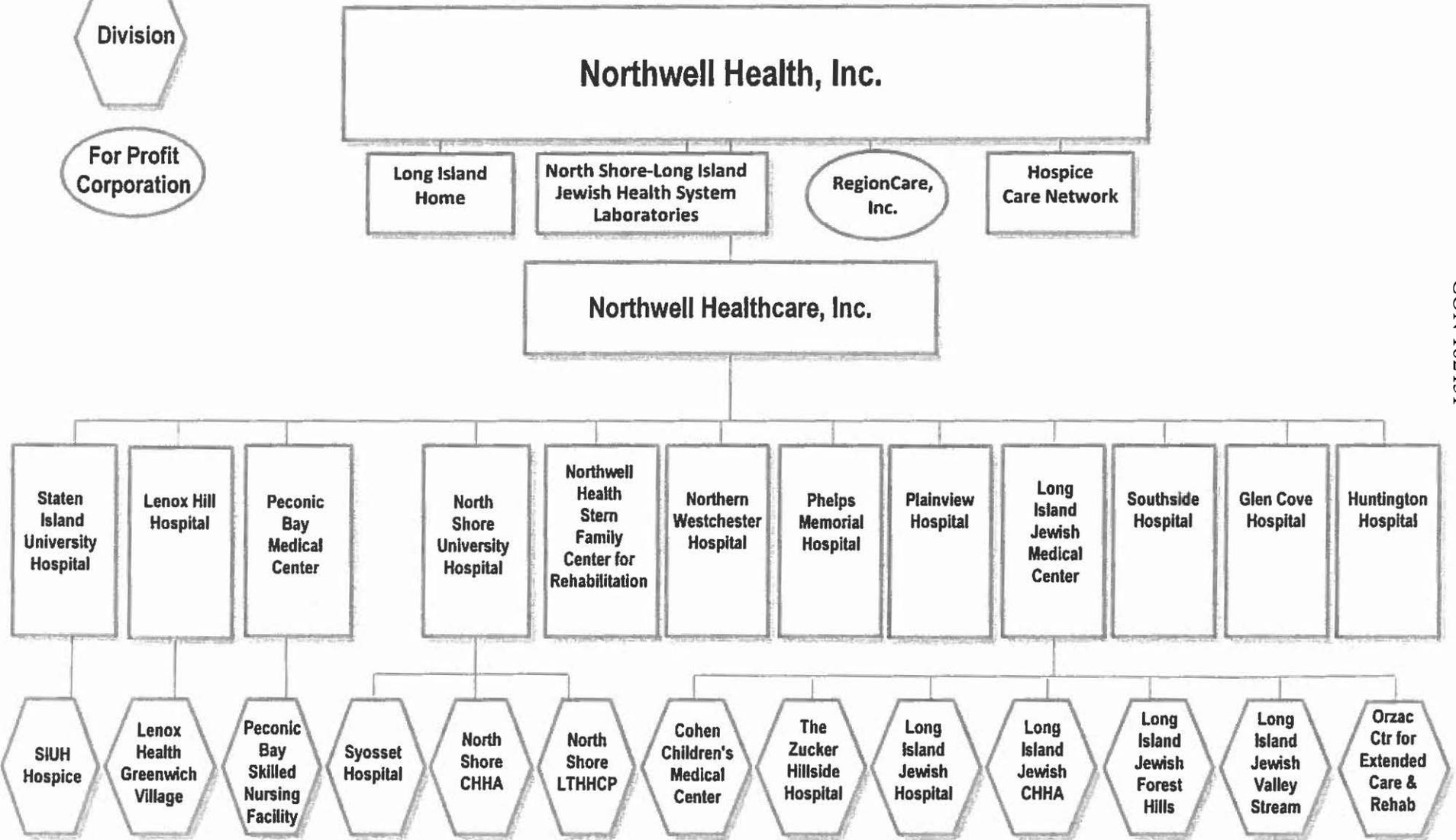
Not-for-Profit Corporation

Division

For Profit Corporation

# Northwell Health, Inc. Table of Organization

Current as of March 2, 2016



Not-for-Profit Corporation

Division

For Profit Corporation

Northwell Health, Inc.  
Table of Organization

Proposed as of January 6, 2017

Northwell Health, Inc.

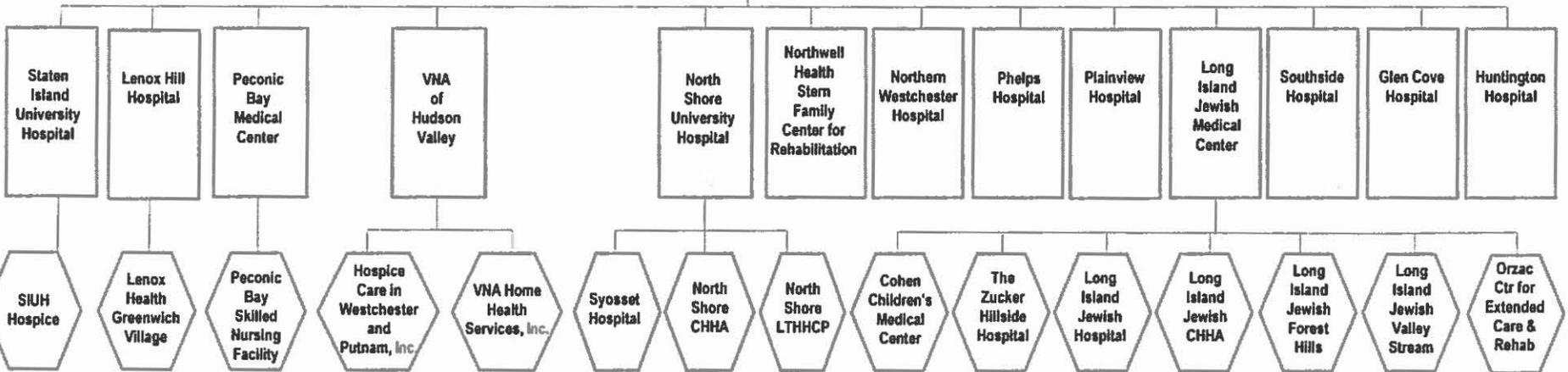
Long Island Home

Northwell Health Laboratories

RegionCare, Inc.

Hospice Care Network

Northwell Healthcare, Inc.



Northwell Health, Inc.  
(Formerly, North Shore-Long Island Jewish Health System, Inc.)

Consolidated Statements of Financial Position  
(In Thousands)

	December 31	
	2015	2014
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 432,829	\$ 194,570
Marketable securities and other investments	1,844,892	1,905,161
Accounts receivable for services to patients, net of allowance for doubtful accounts of \$94,700 in 2015 and \$91,200 in 2014	876,130	774,831
Accounts receivable for physician activities, net	111,902	74,058
Assets limited as to use, current portion	101,683	104,566
Pledges receivable, current portion	35,097	36,129
Insurance claims receivable, current portion	71,068	83,268
Other current assets	207,968	172,369
<b>Total current assets</b>	<b>3,681,569</b>	<b>3,344,952</b>
Assets limited as to use, net of current portion	1,508,032	1,365,666
Pledges receivable, net of current portion	91,090	101,423
Property, plant and equipment, net	4,315,166	3,762,104
Insurance claims receivable, net of current portion	278,530	312,169
Other assets	264,340	125,240
<b>Total assets</b>	<b>\$ 10,138,727</b>	<b>\$ 9,011,554</b>
<b>Liabilities and net assets</b>		
<b>Current liabilities:</b>		
Short-term borrowings	\$ 110,218	\$ 110,218
Accounts payable and accrued expenses	733,653	607,224
Accrued salaries and related benefits	625,383	595,405
Current portion of capital lease obligations	3,138	5,902
Current portion of long-term debt	55,613	55,357
Current portion of insurance claims liability	71,068	83,268
Current portion of malpractice and other insurance liabilities	101,720	81,344
Current portion of third-party payer structured liabilities	4,346	4,346
Current portion of estimated payable to third-party payers	235,768	247,935
<b>Total current liabilities</b>	<b>1,940,907</b>	<b>1,790,999</b>
Accrued retirement benefits, net of current portion	782,972	706,145
Capital lease obligations, net of current portion	171,888	196,582
Long-term debt, net of current portion	2,199,401	1,822,743
Insurance claims liability, net of current portion	278,530	312,169
Malpractice and other insurance liabilities, net of current portion	881,794	758,983
Third-party payer structured liabilities, net of current portion	8,303	13,266
Other long-term liabilities	635,892	577,276
<b>Total liabilities</b>	<b>6,899,687</b>	<b>6,178,163</b>
<b>Commitments and contingencies</b>		
<b>Net assets:</b>		
Unrestricted	2,710,921	2,340,552
Temporarily restricted	363,573	357,127
Permanently restricted	164,546	135,712
<b>Total net assets</b>	<b>3,239,040</b>	<b>2,833,391</b>
<b>Total liabilities and net assets</b>	<b>\$ 10,138,727</b>	<b>\$ 9,011,554</b>

Northwell Health, Inc.  
(Formerly, North Shore-Long Island Jewish Health System, Inc.)

Consolidated Statements of Operations  
(In Thousands)

	Year Ended December 31	
	2015	2014
Operating revenue:		
Net patient service revenue	\$ 6,962,767	\$ 6,078,845
Physician practice revenue	1,125,838	961,772
Provision for bad debts	(110,265)	(103,871)
Total patient revenue, net of provision for bad debts	7,978,340	6,936,746
Other operating revenue	457,612	367,374
Health insurance premium revenue	228,427	85,808
Net assets released from restrictions used for operations	58,276	45,119
Total operating revenue	<u>8,722,655</u>	<u>7,435,047</u>
Operating expenses:		
Salaries	4,319,212	3,816,925
Employee benefits	1,100,101	947,744
Supplies and expenses	2,724,420	2,156,716
Depreciation and amortization	384,206	331,036
Interest	105,018	95,113
Total operating expenses	<u>8,632,957</u>	<u>7,347,534</u>
Excess of operating revenue over operating expenses	89,698	87,513
Non-operating gains and losses:		
Investment income	62,205	100,817
Change in net unrealized gains and losses and change in value of equity method investments	(112,700)	(24,354)
Change in fair value of interest rate swap agreements designated as derivative instruments	790	841
Loss on refunding and redemption of long-term debt	(56,975)	-
Contributions received in the acquisitions of Phelps Memorial Hospital and Northern Westchester Hospital	259,807	-
Gain from acquired interest in Optum360	115,600	-
Other non-operating gains and losses	(10,981)	25,967
Total non-operating gains and losses	<u>257,746</u>	<u>103,271</u>
Excess of revenue and gains and losses over expenses	347,444	190,784
Net assets released from restrictions for capital asset acquisitions	7,696	27,136
Change in fair value of interest rate swap agreements designated as cash flow hedges	1,289	1,310
Loss of fair value of endowment corpus	(608)	-
Pension and other postretirement liability adjustments	18,131	(359,743)
Other changes in net assets	(3,583)	(27,340)
Increase (decrease) in unrestricted net assets	<u>\$ 370,369</u>	<u>\$ (167,853)</u>

Northwell Health, Inc.

Consolidated Statements of Financial Position  
September 30, 2016 and December 31, 2015 (In Thousands)

	(Unaudited) September 30, 2016	(Audited) December 31, 2015
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 365,447	\$ 432,829
Marketable securities and other investments	2,112,635	1,844,892
Accounts receivable for services to patients, net of allowance for doubtful accounts	995,200	876,130
Accounts receivable for physician activities, net	120,430	111,902
Assets limited as to use, current portion	128,513	101,683
Pledges receivable, current portion	34,088	35,097
Insurance claims receivable, current portion	67,729	71,068
Other current assets	240,219	207,968
Total current assets	<u>4,064,261</u>	<u>3,681,569</u>
Assets limited as to use, net of current portion	1,954,821	1,508,032
Pledges receivable, net of current portion	88,050	91,090
Property, plant and equipment, net	4,539,601	4,315,166
Insurance claims receivable, net of current portion	266,925	278,530
Other assets	337,281	264,340
Total assets	<u>\$ 11,250,939</u>	<u>\$ 10,138,727</u>
<b>Liabilities and net assets</b>		
Current liabilities:		
Short-term borrowings	\$ 110,218	\$ 110,218
Accounts payable and accrued expenses	925,025	733,653
Accrued salaries and related benefits	631,630	625,383
Current portion of capital lease obligations	4,880	3,138
Current portion of long-term debt	56,778	55,613
Current portion of insurance claims liability	67,729	71,068
Current portion of malpractice and other insurance liabilities	102,999	101,720
Current portion of third-party payer structured liabilities	1,663	4,346
Current portion of estimated payable to third-party payers	288,708	235,768
Total current liabilities	<u>2,189,630</u>	<u>1,940,907</u>
Accrued retirement benefits, net of current portion	832,685	782,972
Capital lease obligations, net of current portion	174,469	171,888
Long-term debt, net of current portion	2,689,411	2,199,401
Insurance claims liability, net of current portion	266,925	278,530
Malpractice and other insurance liabilities, net of current portion	938,661	881,794
Third-party payer structured liabilities, net of current portion	4,529	8,303
Other long-term liabilities	600,519	635,892
Total liabilities	<u>7,696,829</u>	<u>6,899,687</u>
Commitments and contingencies		
Net assets:		
Unrestricted	3,021,957	2,710,921
Temporarily restricted	362,200	363,573
Permanently restricted	169,953	164,546
Total net assets	<u>3,554,110</u>	<u>3,239,040</u>
Total liabilities and net assets	<u>\$ 11,250,939</u>	<u>\$ 10,138,727</u>

Northwell Health, Inc.

**Consolidated Statements of Operations**  
**For the Nine Months Ended September 30, 2016 and 2015 (In Thousands)**

	(Unaudited) 2016	(Unaudited) 2015
Operating revenue:		
Net patient service revenue	\$ 5,610,533	\$ 5,098,327
Physician practice revenue	941,165	816,140
Provision for bad debts	(92,784)	(80,818)
Total patient revenue, net of provision for bad debts	<u>6,458,914</u>	<u>5,833,649</u>
Other operating revenue	388,188	331,429
Net health insurance premium revenue	395,432	154,578
Net assets released from restrictions used for operations	42,297	46,269
Total operating revenue	<u>7,284,831</u>	<u>6,365,925</u>
Operating expenses:		
Salaries	3,485,376	3,179,225
Employee benefits	900,473	823,157
Supplies and expenses	2,424,781	1,911,595
Depreciation and amortization	307,901	292,142
Interest	82,216	78,242
Total operating expenses	<u>7,200,747</u>	<u>6,284,361</u>
Excess of operating revenue over operating expenses	84,084	81,564
Non-operating gains and losses:		
Investment income	41,536	39,273
Change in net unrealized gains and losses and change in value of equity method investments	134,041	(115,136)
Change in fair value of interest rate swap agreements designated as derivative instruments	190	565
Loss on refunding and redemption of long-term debt	-	(56,975)
Contributions received in the acquisitions of Peconic Bay Medical Center (2016), Phelps Memorial Hospital (2015) and Northern Westchester Hospital (2015)	36,343	259,807
Gain from acquired interest in Optum360	-	115,600
Other non-operating gains and losses	(9,198)	(5,486)
Total non-operating gains and losses	<u>202,912</u>	<u>237,648</u>
Excess of revenue and gains and losses over expenses	286,996	319,212
Net assets released from restrictions for capital asset acquisitions	28,221	5,055
Change in fair value of interest rate swap agreements designated as cash flow hedges	13	610
Recovery of fair value of endowment corpus	609	-
Other changes in net assets	(4,803)	(2,360)
Increase in unrestricted net assets	<u>\$ 311,036</u>	<u>\$ 322,517</u>

VNA OF HUDSON VALLEY AND AFFILIATES  
Tarrytown, New York

COMBINED BALANCE SHEETS

December 31, 2015 and 2014

ASSETS

	<u>2015</u>	<u>2014</u>
Current Assets:		
Cash and Cash Equivalents	\$ 562,986	\$ 657,768
Investments	1,605,331	1,562,190
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$728,000 and \$715,000	4,608,408	4,541,178
Prepaid Expenses	<u>150,679</u>	<u>124,179</u>
Total Current Assets	<u>6,927,404</u>	<u>6,885,315</u>
Assets Limited As To Use:		
Cash and Cash Equivalents	564,564	583,329
Bequest Receivable	<u>53,560</u>	<u>53,560</u>
Total Assets Limited As To Use	<u>618,124</u>	<u>636,889</u>
Property and Equipment, Net of Accumulated Depreciation	<u>186,483</u>	<u>266,210</u>
Other Assets	<u>83,392</u>	<u>83,392</u>
Total Assets	<u>\$7,815,403</u>	<u>\$7,871,806</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Line of Credit	\$ 475,000	\$ 295,000
Current Portion of Insurance Assessment	40,301	38,917
Current Portion of Capital Lease Obligations	15,756	38,073
Accounts Payable and Accrued Expenses	1,842,214	1,472,564
Accrued Payroll and Related Withholdings	1,191,491	1,267,058
Deferred Revenue	<u>834,084</u>	<u>1,136,692</u>
Total Current Liabilities	<u>4,398,846</u>	<u>4,248,304</u>
Long-Term Liabilities:		
Insurance Assessment, Net of Current Portion	861,491	901,754
Capital Lease Obligations, Net of Current Portion	<u>950</u>	<u>16,704</u>
Total Long-Term Liabilities	<u>862,441</u>	<u>918,458</u>
Total Liabilities	5,261,287	5,166,762
Net Assets:		
Unrestricted	<u>2,554,116</u>	<u>2,705,044</u>
Total Liabilities and Net Assets	<u>\$7,815,403</u>	<u>\$7,871,806</u>

VNA OF HUDSON VALLEY AND AFFILIATES  
Tarrytown, New York

COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenue, Gains and Other Support:		
Net Patient Service Revenue	\$25,156,137	\$25,672,328
Provision for Uncollectible Accounts	( 278,007 )	( 89,758 )
Net Patient Service Revenue, Less Provision for Uncollectible Accounts	24,878,130	25,582,570
Contributions and Fund Raising, Net of Direct Expenses	234,879	318,706
Total Revenue, Gains and Other Support	<u>25,113,009</u>	<u>25,901,276</u>
Expenses:		
Salaries and Related Expenses	17,832,605	18,367,623
Professional Fees and Contract Services	3,680,049	3,641,899
Supplies	948,779	874,744
Occupancy	790,810	783,607
Transportation	366,572	470,652
Other	1,553,713	1,631,979
Interest	53,302	23,649
Depreciation and Amortization	95,123	130,683
Total Expenses	<u>25,320,953</u>	<u>25,924,836</u>
Operating Loss	( 207,944 )	( 23,560 )
Other Income:		
Interest and Investment Income	37,589	39,341
Realized and Unrealized Gains	19,427	80,187
Total Other Income	<u>57,016</u>	<u>119,528</u>
Unrestricted Net Assets:		
Excess (Deficiency) of Revenue Over Expenses and Increase in Unrestricted Net Assets	( 150,928 )	95,968
Net Assets, Beginning of Year	<u>2,705,044</u>	<u>2,609,076</u>
Net Assets, End of Year	<u>\$ 2,554,116</u>	<u>\$ 2,705,044</u>

VNA OF HUDSON VALLEY AND AFFILIATES  
Tarrytown, New York

COMBINED BALANCE SHEETS

December 31, 2016 and 2015

ASSETS		<u>2016</u>	<u>2015</u>
Current Assets:			
Cash and Cash Equivalents		\$ 596,290	\$ 562,986
Investments		1,596,055	1,605,331
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$995,000 and \$728,000		4,394,579	4,608,408
Prepaid Expenses		<u>204,423</u>	<u>150,679</u>
Total Current Assets		<u>6,791,347</u>	<u>6,927,404</u>
Assets Limited As To Use:			
Cash and Cash Equivalents		564,389	564,564
Bequest Receivable		<u>53,560</u>	<u>53,560</u>
Total Assets Limited As To Use		<u>617,949</u>	<u>618,124</u>
Property and Equipment, Net of Accumulated Depreciation		<u>193,654</u>	<u>186,483</u>
Other Assets		<u>83,392</u>	<u>83,392</u>
Total Assets		<u>\$7,686,342</u>	<u>\$7,815,403</u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Line of Credit		\$ 390,000	\$ 475,000
Current Portion of Insurance Assessment		55,325	40,301
Current Portion of Capital Lease Obligations		950	15,756
Accounts Payable and Accrued Expenses		2,392,139	1,842,214
Accrued Payroll and Related Withholdings		1,348,454	1,191,491
Deferred Revenue		<u>806,219</u>	<u>834,084</u>
Total Current Liabilities		<u>4,993,087</u>	<u>4,398,846</u>
Long-Term Liabilities:			
Insurance Assessment, Net of Current Portion		819,718	861,491
Capital Lease Obligations, Net of Current Portion		-	950
Total Long-Term Liabilities		<u>819,718</u>	<u>862,441</u>
Total Liabilities		5,812,805	5,261,287
Net Assets:			
Unrestricted		<u>1,873,537</u>	<u>2,554,116</u>
Total Liabilities and Net Assets		<u>\$7,686,342</u>	<u>\$7,815,403</u>

VNA OF HUDSON VALLEY AND AFFILIATES  
Tarrytown, New York

COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenue, Gains and Other Support:		
Net Patient Service Revenue	\$24,887,002	\$25,156,137
Provision for Uncollectible Accounts	( 490,517 )	( 278,007 )
Net Patient Service Revenue, Less Provision for Uncollectible Accounts	24,396,485	24,878,130
Contributions and Fund Raising, Net of Direct Expenses	233,560	234,879
Total Revenue, Gains and Other Support	<u>24,630,045</u>	<u>25,113,009</u>
Expenses:		
Salaries and Related Expenses	17,705,523	17,832,605
Professional Fees and Contract Services	3,760,535	3,680,049
Supplies	1,023,586	948,779
Occupancy	830,446	790,810
Transportation	346,176	366,572
Other	1,520,055	1,553,713
Interest	46,154	53,302
Depreciation and Amortization	69,063	95,123
Total Expenses	<u>25,301,538</u>	<u>25,320,953</u>
Operating Loss	( 671,493 )	( 207,944 )
Other Income (Loss):		
Interest and Investment Income	31,386	37,589
Realized and Unrealized Gains and Losses	( 40,472 )	19,427
Total Other Income (Loss)	<u>( 9,086 )</u>	<u>57,016</u>
Unrestricted Net Assets:		
Deficiency of Revenue Over Expenses and Decrease in Unrestricted Net Assets	( 680,579 )	( 150,928 )
Net Assets, Beginning of Year	<u>2,554,116</u>	<u>2,705,044</u>
Net Assets, End of Year	<u>\$ 1,873,537</u>	<u>\$ 2,554,116</u>

**Hospice Care in Westchester & Putnam**  
STATEMENT OF FINANCIAL POSITION  
Hosp Balance sheet  
For the Ten Months Ending October 31, 2016

	<u>Audited</u> <u>@12/31/2014</u>	<u>Audited</u> <u>@12/31/2015</u>	<u>@</u> <u>10/31/16</u>
<b>ASSETS</b>			
<i>Current:</i>			
Cash and Cash Equivalents	\$392,669	\$311,902	\$382,370
Accounts Receivable (Net)	1,244,929	1,530,437	1,363,757
Prepaid Expenses & other assets	7,748	8,451	1,509
Due from Affiliates	<u>2,618,874</u>	<u>4,000,329</u>	<u>5,448,694</u>
<b>Total Current Assets</b>	<u><b>4,264,220</b></u>	<u><b>6,851,119</b></u>	<u><b>7,196,330</b></u>
Cash and Cash Equivalents	583,329	564,564	566,078
Property Plant & Equipment (Net):	3,465	2,727	2,157
Other Assets			
<b>TOTAL ASSETS</b>	<u><b>4,851,014</b></u>	<u><b>6,418,410</b></u>	<u><b>7,764,565</b></u>
<b>LIABILITIES AND NET ASSETS</b>			
<i>Current Liabilities:</i>			
Accounts Payable and accrued expenses	719,667	1,105,790	1,339,896
Accrued Salaries, vacation, and withholdings	219,649	209,433	200,090
Deferred revenue and estimated 3rd party settlemen			
Current portion of capital lease obligations			
<b>Total Current Liabilities</b>	<u><b>939,316</b></u>	<u><b>1,315,223</b></u>	<u><b>1,539,986</b></u>
Long Term Capital Lease Obligations			
<b>TOTAL LIABILITIES</b>	<u><b>939,316</b></u>	<u><b>1,315,223</b></u>	<u><b>1,539,986</b></u>
<b>Total Net Assets</b>	<u><b>3,911,698</b></u>	<u><b>5,103,186</b></u>	<u><b>6,224,579</b></u>
	<u><b>\$4,851,014</b></u>	<u><b>\$6,418,409</b></u>	<u><b>\$7,764,565</b></u>

**Hospice Care in Westchester & Putnam  
Income Statement - Current & Year-to-Date  
Hospice Consolidated  
For the Ten Months Ending October 31, 2016**

	<u>October</u>	<u>Budget</u>	<u>Variance</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
<b>Operating Revenue</b>						
<b>  Patient Service Revenue</b>						
Medicare	\$570,047	\$617,002	(\$46,955)	\$6,285,889	\$6,070,525	\$215,364
Medicaid	15,473	10,369	5,104	358,192	102,010	256,182
Commercial	22,608	41,510	(18,902)	209,012	408,402	(199,390)
<b>Total Patient Revenue</b>	<b>608,128</b>	<b>668,881</b>	<b>(60,753)</b>	<b>6,853,093</b>	<b>6,580,937</b>	<b>272,156</b>
<b>  Non-Operating Revenue</b>						
Restricted Contributions						
Unrestricted Contributions	14,147	6,252	7,895	105,381	61,503	43,878
Interest	144	116	28	1,459	1,139	320
Fundraising Revenue		1,701	(1,701)		16,734	(16,734)
<b>Total Non-Operating Revenue</b>	<b>14,291</b>	<b>8,069</b>	<b>6,222</b>	<b>106,840</b>	<b>79,376</b>	<b>27,464</b>
<b>  Other Revenue/Expense</b>						
Sale for Service-SN						
<b>Net Revenue</b>	<b>622,419</b>	<b>676,950</b>	<b>(54,531)</b>	<b>6,959,933</b>	<b>6,660,313</b>	<b>299,620</b>
<b>Payroll and Related Expenses</b>						
<b>Salaries</b>						
Administration	9,024	9,123	(99)	90,228	89,767	461
Intake/Admissions	21,186	23,791	(2,605)	231,834	234,074	(2,240)
Supervision	25,651	22,203	3,448	231,912	218,450	13,462
Clerical	16,167	13,728	2,439	149,038	135,071	13,967
Finance	3,076	3,110	(34)	30,757	30,600	157
Quality Assurance	7,031	6,911	120	68,522	67,999	523
Pastoral Care	4,614	4,666	(52)	46,095	45,902	193
Nursing	81,265	76,014	5,251	678,001	747,879	(69,878)
On-Call (Beeper) Nursing	21,552	21,444	108	233,884	210,963	22,921
LPN Nurses Per Diem	4,505	4,402	103	51,055	43,317	7,738
Per Diem Nurse	3,219	6,784	(3,565)	20,994	66,557	(45,563)
Home Health Aide	6,615	7,994	(1,379)	65,694	78,850	(12,956)
Home Health Per Diem						
Nutritionist						
Enterosomal Therapist						
Medical Social Worker	22,903	19,390	3,513	212,007	190,774	21,233
Bereavement (Adult & Child)	6,964	6,620	344	68,197	65,125	3,072
Medical Director	3,138	3,173	(35)	31,373	31,211	162
Therapists/Escorts	5,237	3,797	1,440	42,345	37,362	4,983

**Hospice Care in Westchester & Putnam  
Income Statement - Current & Year-to-Date  
Hospice Consolidated  
For the Ten Months Ending October 31, 2016**

	<u>October</u>	<u>Budget</u>	<u>Variance</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
<b>Total Salary Expense</b>	<b>\$242,147</b>	<b>\$233,130</b>	<b>\$9,017</b>	<b>\$2,251,936</b>	<b>\$2,293,701</b>	<b>(\$41,765)</b>
Payroll Taxes	17,718	16,979	739	165,059	167,066	(2,007)
Employee Benefits	42,536	45,276	(2,740)	416,486	445,443	(28,957)
<b>Total Payroll Expense</b>	<b>60,254</b>	<b>62,255</b>	<b>(2,001)</b>	<b>581,545</b>	<b>612,509</b>	<b>(30,964)</b>
<b>Total Payroll And Related Expense</b>	<b>302,401</b>	<b>295,385</b>	<b>7,016</b>	<b>2,833,481</b>	<b>2,906,210</b>	<b>(72,729)</b>
<b>Contracted Services:</b>						
Home Health Aides	87,072	72,332	14,740	687,122	711,650	(24,528)
Continuous Care LPN						
Other Consultancy	1,441	111	1,330	55,278	1,090	54,188
Temporary Help						
Payroll Expense	1,514	1,653	(139)	14,893	16,256	(1,363)
<b>Total Contracted Services</b>	<b>90,027</b>	<b>74,096</b>	<b>15,931</b>	<b>757,293</b>	<b>728,996</b>	<b>28,297</b>
<b>Other Expenses:</b>						
Pharmaceuticals and Prescription	31,039	30,174	865	331,623	296,874	34,749
Laboratory/Infusion/Radiation	150	122	28	4,731	1,208	3,523
Emergency/Out-Patient	706	2,419	(1,713)	20,833	23,799	(2,966)
In-Patient	32,028	30,310	1,718	280,389	288,214	(17,825)
Medical DME Supplies	34,883	35,617	(734)	338,021	350,418	(12,397)
Non-Chargeable Supplies		357	(357)	2,666	3,514	(848)
Office Supplies	2,309	979	1,330	15,977	9,642	6,335
Printing of Records and Form	1,402	1,321	81	7,961	13,000	(5,039)
Printing of Brochures		142	(142)	671	1,399	(728)
Telecommunications	1,594	2,401	(807)	14,747	23,624	(8,877)
Fundraising Expense						
Tree of Life Expense	295	305	(10)	352	3,000	(2,648)
Fundraising Expenses - Caring Circle	2,574	508	2,066	2,774	4,999	(2,225)
Volunteer Expenses	38	102	(64)	636	1,001	(365)
Computer Hardware Expenses	760	498	262	958	4,900	(3,942)
Computer Software Expenses	2,592	2,800	(208)	25,446	27,541	(2,095)
Postage	308	396	(88)	2,790	3,899	(1,109)
Occupancy	9,839	10,011	(172)	98,310	98,499	(189)
Equipment Rental and Repairs	475	740	(265)	4,901	7,287	(2,386)
Transportation	6,229	5,224	1,005	49,276	51,407	(2,131)
Conference/Seminar-Consultant	840	130	710	4,351	1,275	3,076
Amortization Expense						
Continuing Education/Tuition Reimb						
In-Service Training						
Bereavement						

**Hospice Care in Westchester & Putnam  
Income Statement - Current & Year-to-Date  
Hospice Consolidated  
For the Ten Months Ending October 31, 2016**

	<u>October</u>	<u>Budget</u>	<u>Variance</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
Membership Dues/Subscriptions	\$614	\$691	(\$77)	\$9,810	\$6,805	\$3,005
Accounting	3,578	3,463	115	34,639	34,070	569
Personnel Recruitment		159	(159)		1,565	(1,565)
Gain/(Loss) on Disposal of Assets						
Insurance and Interest	1,594	1,350	244	15,531	13,281	2,250
Provision for Uncollectibles		5,020	(5,020)	23,090	49,394	(26,304)
Depreciation	57	63	(6)	570	615	(45)
Management Fees	52,539	57,483	(4,944)	616,720	565,557	51,163
Community Education		102	(102)	705	1,001	(296)
Other Expenses/Food/Bank	1,014	1,274	(260)	15,799	12,517	3,282
Nursing Home Room & Board	10,037	21,270	(11,233)	321,922	209,266	112,656
Healing Arts	377	165	212	1,568	1,617	(49)
<b>Total Other Expenses</b>	<b>197,871</b>	<b>216,596</b>	<b>(17,725)</b>	<b>2,247,767</b>	<b>2,121,188</b>	<b>126,579</b>
<b>TOTAL EXPENSES</b>	<b>590,299</b>	<b>685,077</b>	<b>6,222</b>	<b>6,838,641</b>	<b>6,766,394</b>	<b>82,147</b>
<b>NET REVENUE/(LOSS)</b>	<b>32,120</b>	<b>91,873</b>	<b>(59,753)</b>	<b>1,121,392</b>	<b>903,919</b>	<b>217,473</b>

**Response to Question 11c)**

In September, 2010, claims were settled, involving no findings or admissions or fraud, liability or other wrong doing by North Shore-Long Island Jewish Health System ("NS-LIJ"), involving a qui tam lawsuit filed under the civil False Claims Act ("FCA") by a private party whistleblower in the United State District Court for the Southern District of New York ("SDNY"). The claims were investigated by the United States Attorney's Office for the SDNY and, as a result thereof, NS-LIJ and the government agreed to resolve the matter with a payment of \$2.95 million covering a ten year period. This payment was for isolated errors in certain North Shore University Hospital cost reports that related to the appropriate characterization of "Part B" costs associated with certain overhead expenses, and had little connection with the allegations of the qui tam relator's complaint.

On or about December 1, 2010, the Health System received a letter from the Civil Division of the United States Department of Justice ("DOJ") alleging that, since 2003, certain Health System hospitals may have submitted claims to Medicare for payment for the implantation of implantable cardioverter defibrillators ("ICDs") and related services for which Medicare does not provide coverage, and further alleging potential liability under the federal False Claims Act. In 2016, this investigation was resolved by agreement with DOJ, and the matter is now closed.

On or about November 18, 2010, NSUH, the Health System and certain of their current and former employees received Civil Investigative Demands ("CIDs") issued by the United States Attorney for the Southern District of New York ("USAO/SDNY"). The CIDs sought documents, interviews and other information relating to North Shore University Hospital's ("NSUH") clinical documentation improvement ("CDI") program, which is an initiative undertaken by NSUH and certain other Health System hospitals to ensure compilation of clear, complete, accurate and timely inpatient medical records for the purpose of coding and quality of care. The Health System has produced documents and provided witnesses as required by the initial CIDs and subsequent informal USAO/SDNY requests and has complied with a series of additional document and information requests that have sought medical records from other hospitals affiliated with the Health System, including without limitation Long Island Jewish Medical Center, Southside Hospital ("SH"), Plainview Hospital and Huntington Hospital. Early in the investigation, the USAO/SDNY suggested that it intended to extrapolate liability to the multiple affected hospitals based on a statistical extrapolation methodology and expert coding analysis that the Health System considers to be highly flawed. However, since then, the USAO/SDNY has not made a specific demand for repayment or otherwise articulated the legal and factual bases that in its view support a finding of liability in this matter.

In October 2011, SH learned that the U.S. Attorney's Office for the Western District of New York ("USAO/WDNY") is conducting a review of inpatient admissions for atherectomy procedures, a minimally invasive surgical method used to treat peripheral arterial disease of the lower extremities. Management understands similar requests have been made of other hospitals. The USAO/WDNY initially requested that SH provide information concerning such procedures (but did not issue a subpoena for such information), and SH cooperated with the request. Since the initial request for information, SH has had no further contact from the USAO/WDNY, and at no time has the USAO/WDNY indicated whether it believes SH has any potential liability in this matter.

In June 2012, SIUH received a subpoena from the OIG and the U.S. Attorney's Office for the Eastern District of New York ("USAO/EDNY") requesting documentation relating to services rendered at Staten Island University Hospital's ("SIUH") inpatient specialized burn unit since 2005, including medical and billing records for certain patients who received those services. The requested documentation was provided in the summer of 2012. In June 2013, the USAO/EDNY contacted SIUH with follow-up

questions regarding the material provided, and SIUH provided the requested information. The government has not indicated whether it believes SIUH has any potential liability in this matter.

In October 2012, Lenox Hill Hospital ("LHH") received a letter from SafeGuard Services LLC ("SafeGuard"), a Centers for Medicare & Medicaid Services ("CMS") Program Integrity Contractor, advising that it had reviewed 33 inpatient cardiac stent claims submitted by LHH for 25 Medicare patients that had been paid by National Government Services ("NGS") during the period October 1, 2007 through December 31, 2010. SafeGuard determined that the medical documentation did not support inpatient admission of the patients in a majority of the claims. With respect to a few claims, SafeGuard determined that the documentation did not support the medical necessity of the cardiac stent procedure. Based on this review, SafeGuard requested LHH undertake a self-audit and voluntary disclosure of its billing and claims history for elective cardiac stent admissions during this time period involving in-hospital lengths of stay of two days or less, a discharge to home, and involving specific DRGs. In 2016, LHH completed the self-audit and made a repayment to Medicare.

**Response to Question 11d)**

In September, 2008, SIUH entered into a global settlement with the United States Attorney's Office for the Eastern District of New York, the Office of the Inspector General of the Department of Health and Human Services, and the Attorney General's Office of the State of New York in which the Hospital agreed to pay \$76.4 million to the federal government and \$12.4 million to the state. SIUH also entered into a Corporate Integrity Agreement with a five-year term. All but \$6.2 million due to the state was paid immediately, with the remaining \$6.2 million due in equal installments over the following three years. The settlement covered payments related to stereotactic radiosurgery treatments; to the operation of a unit to provide detoxification services to individuals when the complement of beds in the Hospital licensed for these services was already full; reimbursement received by SIUH for its graduate medical education program; and the operation of the inpatient psychiatric unit above its certified capacity without the prior approval. The investigation began, to our knowledge, in approximately March, 2003.

St. Joseph's Nursing Home

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Current Assets	\$4,794,512	\$5,621,562	\$7,045,992
Fixed Assets	3,106,998	3,459,641	3,908,865
Current Liabilities	13,553,269	11,501,335	7,636,596
Long Term Liabilities	7,094,645	1,305,402	5,209,265
Net Assets	(\$12,746,404)	(\$3,725,534)	(\$1,891,004)
Revenues	\$30,264,123	\$34,757,667	\$40,829,149
Expenses	34,071,784	36,591,197	42,861,911
Net Income	(\$3,807,661)	(\$1,833,530)	(\$2,032,762)
Number of Beds	200	200	200
Occupancy	92.83%	93.30%	95.28%
Medicaid	84.51%	82.72%	79.86%
Medicare	10.07%	11.14%	14.89%
Private Pay	4.21%	4.78%	3.65%
Commercial	1.21%	1.36%	1.60%

**ST JOSEPH**  
**For the Period Ended September 30, 2016**

DESCRIPTION	Year To Date	Current Period	YTD PFD	CUR PFD
	05/15/16	09/01/16	09/01/16	05/15/16
	09/30/16	09/30/16	09/30/16	09/30/16

**Executive Summary**

	<u>REVENUE</u>			
TOTAL REVENUE	8,609,773	1,787,622	347.69	340.37
	<u>EXPENSES</u>			
NURSING & MEDICAL	3,432,773	703,125	138.63	133.88
THERAPY & ANCILLARIES	645,555	144,966	26.07	27.60
SOCIAL SERVICE	245,106	51,722	9.90	9.85
LEISURE TIME ACTIVITIES	207,521	53,214	8.38	10.13
CLEANLINESS & SAFETY	447,441	89,096	18.07	16.96
FOOD & NUTRITION	744,701	140,998	30.07	26.85
GENERAL & ADMINISTRATION	649,674	154,594	26.24	29.44
PROPERTY	144,235	26,690	5.82	5.08
NON COMPARABLE	251,256	72,531	10.15	13.81
NON - SNF PROGRAMS	303,764	61,921	12.27	11.79
TOTAL EXPENSES	<u>7,072,026</u>	<u>1,498,857</u>	<u>285.60</u>	<u>285.39</u>
NET INCOME (LOSS)	<u>1,537,747</u>	<u>288,765</u>	<u>62.09</u>	<u>54.98</u>
NUMBER OF PATIENT DAYS	24,763	5,252		
AVERAGE NUMBER OF PATIENTS	178	175		
	<u>CENSUS</u>			
MEDICAID	16,368	3,305		
MANAGED MEDICAID	941	863		
MEDICARE	2,709	0		
PRIVATE	652	122		
COMMERCIAL	3,814	908		
OTHER	279	54		
TOTAL PATIENT DAYS	<u>24,763</u>	<u>5,252</u>		

Pro Forma Balance Sheet

ASSETS:

Cash	\$774,285
Accounts Receivable	3,500,000
Resident Funds	98,500
Fixed Assets-Net	<u>4,000,000</u>
TOTAL ASSETS	\$8,372,785

LIABILITIES:

Accrued Payroll	\$2,663,058
Working Capital Loan	400,000
Resident Funds	<u>98,500</u>
TOTAL LIABILITIES	\$3,161,558

NET ASSETS	\$5,211,227
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<u>Peninsula Nursing</u>	<u>9/30/2016</u>	<u>2015</u>
Current Assets	\$11,626,096	\$7,231,737
Fixed Assets	1,417,016	3,939,089
Total Assets	13,043,112	11,170,826
Current Liabilities	8,799,033	8,309,924
Long Term Liabilities	1,842,011	1,768,473
Total Liabilities	10,641,044	\$10,078,397
Revenues	19,590,021	21,954,867
Expenses	17,839,781	21,342,945
Net Income	1,750,240	\$611,922
Net Assets	\$2,402,068	\$1,092,429

<u>Caton Park</u>	<u>9/30/2016</u>	<u>2015</u>
Current Assets	\$2,772,645	\$2,606,385
Fixed Assets	1,206,850	1,032,452
Total Assets	\$3,979,495	\$3,638,837
Current Liabilities	1,916,915	1,916,870
Long Term Liabilities	115,010	115,011
Total Liabilities	\$2,031,925	\$2,031,881
Revenues	9,139,183	11,576,745
Expenses	8,468,266	10,771,890
Net Income	\$670,917	\$804,855
Net Assets	\$1,947,570	\$1,606,956

<u>Park House</u>	<u>9/30/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$6,193,062	\$4,041,191	\$3,671,444
Fixed Assets	2,985,107	3,368,433	3,314,985
Total Assets	\$9,178,169	\$7,409,624	\$6,986,429
Current Liabilities	2,502,019	2,310,429	3,076,694
Long Term Liabilities	408,350	475,849	605,216
Total Liabilities	\$2,910,369	\$2,786,278	\$3,681,910
Revenues	12,335,129	14,938,698	14,263,062
Expenses	10,622,678	13,483,341	12,591,214
Net Income	1,712,451	1,455,357	1,671,848
Net Assets	\$6,267,800	\$4,623,346	\$3,304,519

<u>Hempstead Park</u>	<u>9/30/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$2,665,371	\$3,010,208	\$3,467,024
Fixed Assets	3,367,974	3,330,098	2,893,657
Total Assets	\$6,033,345	\$6,340,306	\$6,360,681
Current Liabilities	5,779,228	3,651,524	4,299,855
Long Term Liabilities	4,281,871	7,032,571	7,253,162
Total Liabilities	10,061,099	10,684,095	11,553,017
Revenues	\$16,084,764	\$21,208,674	\$20,697,960
Expenses	15,267,725	20,330,231	19,896,319
Net Income	\$817,039	\$878,443	\$801,641
Net Assets	(\$4,027,754)	(\$4,343,789)	(\$5,192,336)

<u>Rockaway Care Center</u>	<u>9/30/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$6,068,070	\$5,719,139	\$4,255,541
Fixed Assets	6,332,718	5,974,196	5,871,806
Total Assets	\$12,400,788	\$11,693,335	\$10,127,347
Current Liabilities	3,075,018	3,841,139	4,053,011
Long Term Liabilities	3,884,123	3,813,969	4,135,355
Total Liabilities	6,959,141	7,655,108	8,188,366
Revenues	\$15,615,204	\$20,468,645	\$18,509,872
Expenses	13,111,416	16,588,336	15,874,076
Net Income	\$2,503,788	\$3,880,309	\$2,635,796
Net Assets	\$5,441,647	\$4,038,227	\$1,938,981

<u>Beach Garden Center</u>	<u>9/30/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$3,252,658	\$5,182,511	\$6,561,508
Fixed Assets	2,232,593	10,092,872	8,765,265
Total Assets	5,485,251	15,275,383	15,326,773
Current Liabilities	5,542,122	2,183,268	2,439,069
Long Term Liabilities	0	12,720,209	12,868,706
Total Liabilities	5,485,251	2,555,174	2,458,067
Revenues	11,923,782	15,882,726	2,331,261
Expenses	11,577,311	14,729,818	2,312,262
Net Income	346,471	1,152,908	18,999
Net Assets	\$0	\$12,720,209	\$12,868,706
*2014 only 2 months			

<u>Regency Extended</u>	<u>9/30/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$5,474,050	\$5,815,445	\$5,280,481
Fixed Assets	12,851,965	9,603,448	8,322,894
Total Assets	\$18,326,015	\$15,418,893	\$13,603,375
Current Liabilities	9,657,241	6,724,350	7,134,288
Long Term Liabilities	4,827,097	4,944,192	4,072,374
Total Liabilities	14,484,338	11,668,542	11,206,662
Revenues	\$23,488,441	\$30,193,510	\$30,693,397
Expenses	20,208,734	25,987,265	25,444,741
Net Income	\$3,279,707	\$4,206,245	\$5,248,656
Net Assets	\$3,841,677	\$3,750,351	\$2,396,713

Upper East Side Rehab

	<u>11/30/2016</u>
Current Assets	\$15,596,122
Fixed Assets	9,131,220
Current Liabilities	8,414,133
Long Term Liabilities	2,406,219
Net Assets	\$13,906,990
Working Capital Position	\$7,181,989
Revenues	64,214,634
Expenses	58,487,071
Net Income	\$5,727,563

Highland View Care Center

	<u>12/31/2016</u>
Current Assets	\$10,543,407
Fixed Assets	7,655,262
Current Liabilities	5,503,073
Long Term Liabilities	7,762,197
Net Assets	\$4,933,399
Working Capital Position	\$5,040,334
Revenues	\$45,072,505
Expenses	41,640,048
Net Income	\$3,432,457

Michael Melnicke Ownership

<u>Facility</u>	<u>Ownership Percentage</u>	<u>Date Acquired</u>
Park Nursing Home	99.00%	1987
Rockaway Care Center	99.00%	1992
Regency Extended Care Center	100.00%	1993
Caton Park Nursing Home	99.00%	1994
Hempstead Park Nursing Home	100.00%	1998
Peninsula Nursing and Rehab	25.00%	Apr-14
Long Beach Nursing Home	25.00%	Aug-16
Beach Garden Nursing	80.00%	Oct-14

Leopold Friedman Ownership

<u>Facility</u>	<u>Ownership Percentages</u>	<u>Date Acquired</u>
Peninsula Nursing	25%	2013
Beach Gardens Rehab	20%	2014
Highland View Care Center	50%	2015
Upper East Side Rehabilitation	3%	2015
Hudson Pointe Acquisitions, LLC	50%	Jun-16
MLAP Acquisitions, LLC	25%	Aug-16
SBNH Acquisitions, LLC	50%	Pending
Plaza Rehab & Nursing Center	25%	Sep-16
Ross Acquisition, LLC	5%	Jun-16

Yonkers budget sensitivity

Payor source	patient days	rate	total revenues	
Medicaid	52,857	\$273.18	\$14,439,393	
Medicare	9,487	704.34	\$6,682,144	
Commercial	3,388	472.80	\$1,601,965	
Private Pay	2,033	504.89	\$1,026,416	
<b>Total Revenues based on current utilization</b>			<b>\$23,749,918</b>	
<b>Total Inpatient Revenues as budgeted for first year</b>			<b>\$24,817,601</b>	
<b>Decrease in Budgeted Revenues</b>			<b>(\$1,067,683)</b>	

<b>Current Real Property Owner</b>	
The Long Island Home, Inc.	
Northwell Health Inc.	100%

<b>Proposed Real Property Owners</b>			
399 County Realty, LLC			
Members:			
Joel Edelstein	14%	Avraham Weits	10%
Bernard Fuchs	14%	Esther Farkovits	10%
Gerald Fuchs	14%	Aharon Bleier	5%
Tova Fuchs	14%	Leah Sod	5%
Israel Freund	14%		100%

Massapequa Center Rehabilitation & Nursing

**PROJECTED  
BALANCE SHEET  
OPENING DAY**

**ASSETS**

CASH	\$7,929,540
PREPAID EXP & OTHER	<u>200,000</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>8,129,540</u></b>

MOVABLE EQUIPMENT(NET)	<u>3,127,000</u>
<b>TOTAL FIXED ASSETS</b>	<b><u>3,127,000</u></b>

GOODWILL	39,873,000
OTHER ASSETS - PATIENT FUNDS	<u>300,000</u>
<b>TOTAL OTHER ASSETS</b>	<b><u>40,173,000</u></b>

<b>TOTAL ASSETS</b>	<b><u>\$51,429,540</u></b>
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**LIABILITIES**

MORTGAGE PAYABLE	\$570,966
WORKING CAPITAL LOAN	3,200,000
ACCRUED PAYROLL	<u>550,000</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>4,320,966</u></b>

MORTGAGE PAYABLE	38,129,034
OTHER PAYABLES - PATIENT FUNDS	<u>300,000</u>
<b>TOTAL OTHER DEBT</b>	<b><u>38,429,034</u></b>

<b>EQUITY</b>	<b><u>8,679,540</u></b>
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<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>\$51,429,540</u></b>
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399 County Realty, LLC

**REALTY  
PROJECTED  
BALANCE SHEET  
OPENING DAY**

**ASSETS**

LAND	1,500,000
BUILDING	<u>13,500,000</u>
TOTAL FIXED ASSETS	<u>15,000,000</u>
TOTAL ASSETS	<u>\$15,000,000</u>

**LIABILITIES**

MORTGAGE PAYABLE	<u>199,174</u>
TOTAL CURRENT LIABILITIES	<u>199,174</u>
MORTGAGE PAYABLE	<u>13,300,826</u>
TOTAL LONG TERM DEBT	<u>13,300,826</u>
EQUITY	<u>1,500,000</u>
TOTAL LIABILITIES & EQUITY	<u>\$15,000,000</u>

**The Long Island Home, Inc. (Consolidated)**  
**Financial Summary**

FISCAL PERIOD ENDED	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>
ASSETS - CURRENT	\$19,103,000	\$20,540,000	\$20,970,298
ASSETS - FIXED AND OTHER	79,547,000	78,226,000	78,564,417
LIABILITIES - CURRENT	14,972,000	14,687,000	15,043,107
LIABILITIES - LONG-TERM	<u>86,155,000</u>	<u>76,795,000</u>	<u>62,280,657</u>
EQUITY	(\$2,477,000)	\$7,284,000	\$22,210,951
<hr/>			
INCOME	\$102,597,000	\$94,390,000	\$92,886,649
EXPENSE	<u>111,066,000</u>	<u>100,781,000</u>	<u>96,280,352</u>
NET INCOME	(\$8,469,000)	(\$6,391,000)	(\$3,393,703)
<hr/>			
NUMBER OF BEDS	320	320	320
PERCENT OF OCCUPANCY (DAYS)	92.30%	92.70%	93.60%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	79.20%	77.40%	78.00%
MEDICARE	16.60%	15.80%	15.20%
PRIVATE/OTHER	4.20%	5.80%	6.40%
<hr/>			
Average Working Capital	\$5,303,730		
Average Net Assets	\$9,005,984		
Average Net Income (Loss)	(\$6,084,568)		
Average Occupancy	92.87%		

Northwell Health, Inc.  
(Formerly, North Shore-Long Island Jewish Health System, Inc.)

Consolidated Statements of Financial Position  
(In Thousands)

	December 31	
	2015	2014
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 432,829	\$ 194,570
Marketable securities and other investments	1,844,892	1,905,161
Accounts receivable for services to patients, net of allowance for doubtful accounts of \$94,700 in 2015 and \$91,200 in 2014	876,130	774,831
Accounts receivable for physician activities, net	111,902	74,058
Assets limited as to use, current portion	101,683	104,566
Pledges receivable, current portion	35,097	36,129
Insurance claims receivable, current portion	71,068	83,268
Other current assets	207,968	172,369
<b>Total current assets</b>	<b>3,681,569</b>	<b>3,344,952</b>
Assets limited as to use, net of current portion	1,508,032	1,365,666
Pledges receivable, net of current portion	91,090	101,423
Property, plant and equipment, net	4,315,166	3,762,104
Insurance claims receivable, net of current portion	278,530	312,169
Other assets	264,340	125,240
<b>Total assets</b>	<b>\$ 10,138,727</b>	<b>\$ 9,011,554</b>
<b>Liabilities and net assets</b>		
<b>Current liabilities:</b>		
Short-term borrowings	\$ 110,218	\$ 110,218
Accounts payable and accrued expenses	733,653	607,224
Accrued salaries and related benefits	625,383	595,405
Current portion of capital lease obligations	3,138	5,902
Current portion of long-term debt	55,613	55,357
Current portion of insurance claims liability	71,068	83,268
Current portion of malpractice and other insurance liabilities	101,720	81,344
Current portion of third-party payer structured liabilities	4,346	4,346
Current portion of estimated payable to third-party payers	235,768	247,935
<b>Total current liabilities</b>	<b>1,940,907</b>	<b>1,790,999</b>
Accrued retirement benefits, net of current portion	782,972	706,145
Capital lease obligations, net of current portion	171,888	196,582
Long-term debt, net of current portion	2,199,401	1,822,743
Insurance claims liability, net of current portion	278,530	312,169
Malpractice and other insurance liabilities, net of current portion	881,794	758,983
Third-party payer structured liabilities, net of current portion	8,303	13,266
Other long-term liabilities	635,892	577,276
<b>Total liabilities</b>	<b>6,899,687</b>	<b>6,178,163</b>
<b>Commitments and contingencies</b>		
<b>Net assets:</b>		
Unrestricted	2,710,921	2,340,552
Temporarily restricted	363,573	357,127
Permanently restricted	164,546	135,712
<b>Total net assets</b>	<b>3,239,040</b>	<b>2,833,391</b>
<b>Total liabilities and net assets</b>	<b>\$ 10,138,727</b>	<b>\$ 9,011,554</b>

Northwell Health, Inc.  
(Formerly, North Shore-Long Island Jewish Health System, Inc.)

Consolidated Statements of Operations  
(In Thousands)

	Year Ended December 31	
	2015	2014
<b>Operating revenue:</b>		
Net patient service revenue	\$ 6,962,767	\$ 6,078,845
Physician practice revenue	1,125,838	961,772
Provision for bad debts	(110,265)	(103,871)
Total patient revenue, net of provision for bad debts	7,978,340	6,936,746
Other operating revenue	457,612	367,374
Health insurance premium revenue	228,427	85,808
Net assets released from restrictions used for operations	58,276	45,119
<b>Total operating revenue</b>	<b>8,722,655</b>	<b>7,435,047</b>
<b>Operating expenses:</b>		
Salaries	4,319,212	3,816,925
Employee benefits	1,100,101	947,744
Supplies and expenses	2,724,420	2,156,716
Depreciation and amortization	384,206	331,036
Interest	105,018	95,113
<b>Total operating expenses</b>	<b>8,632,957</b>	<b>7,347,534</b>
<b>Excess of operating revenue over operating expenses</b>	<b>89,698</b>	<b>87,513</b>
<b>Non-operating gains and losses:</b>		
Investment income	62,205	100,817
Change in net unrealized gains and losses and change in value of equity method investments	(112,700)	(24,354)
Change in fair value of interest rate swap agreements designated as derivative instruments	790	841
Loss on refunding and redemption of long-term debt	(56,975)	-
Contributions received in the acquisitions of Phelps Memorial Hospital and Northern Westchester Hospital	259,807	-
Gain from acquired interest in Optum360	115,600	-
Other non-operating gains and losses	(10,981)	25,967
<b>Total non-operating gains and losses</b>	<b>257,746</b>	<b>103,271</b>
<b>Excess of revenue and gains and losses over expenses</b>	<b>347,444</b>	<b>190,784</b>
Net assets released from restrictions for capital asset acquisitions	7,696	27,136
Change in fair value of interest rate swap agreements designated as cash flow hedges	1,289	1,310
Loss of fair value of endowment corpus	(608)	-
Pension and other postretirement liability adjustments	18,131	(359,743)
Other changes in net assets	(3,583)	(27,340)
<b>Increase (decrease) in unrestricted net assets</b>	<b>\$ 370,369</b>	<b>\$ (167,853)</b>

Northwell Health, Inc.  
Consolidating Statement of Financial Position  
(In Thousands)  
December 31, 2015

	Northwell Health, Inc. Total	Edmanston	Northwell Health Obligated Group	Phelp's Memorial Hospital Associates and Subsidiaries	Northern Westchester Hospital Association and Subsidiaries	The Long Island Hosp	Hooper Care Network, Inc.	The Fabricia Institute for Medical Research	Northwell Health Foundations, Inc.	North Shore-LIJ Health System Laboratories	Capita Insurance Companies	Delta Family Health Center	Health Insurance Companies	Endoscopy Center of Long Island	Garden City SurgCenter	Orin Northwell Health Estates
<b>Assets</b>																
<b>Current assets:</b>																
Cash and cash equivalents	\$ 432,829	\$ --	\$ 230,813	\$ 31,067	\$ 51,319	\$ 3,357	\$ 9,616	\$ --	\$ 59,014	\$ --	\$ 131	\$ 55	\$ 67,829	\$ 916	\$ 365	\$ 8,241
Marketable securities and other investments	1,844,872	--	1,818,714	3,554	--	70	21,878	20	6,317	--	--	--	--	--	--	--
Accounts receivable for services to patients, net of allowance for doubtful accounts	816,130	(14,317)	802,107	24,396	22,990	12,541	6,706	--	--	12,544	--	258	--	--	--	8,655
Accounts receivable for physician activities, net	111,925	(1,546)	97,218	3,854	1,138	--	--	--	--	--	--	--	--	--	--	12,314
Assets funded as to next current portion	101,883	--	73,283	1,133	4,537	--	--	--	--	--	22,428	--	--	--	--	598
Prepaid expenses, current portion	35,077	--	--	--	--	--	97	--	34,402	--	--	--	--	--	--	--
Insurance claims receivable, current portion	71,054	(16,499)	85,464	--	--	1,797	39	100	6	332	--	--	--	--	--	--
Insurance claims receivable, current portion	207,964	(163)	149,619	6,565	6,966	1,336	300	10,764	409	3,521	1	823	23,176	--	--	4,311
Other current assets	1,641,569	(32,314)	1,230,560	12,117	84,370	19,103	31,554	10,884	70,560	(6,397)	22,549	1,426	91,005	916	365	31,977
<b>Total current assets</b>																
Due from affiliates, net	--	(101,849)	--	--	--	--	--	--	--	31,807	65,467	--	8,573	--	--	--
Notes receivable from affiliate	--	(31,089)	33,089	--	--	--	--	--	--	--	--	--	--	--	--	--
Assets limited as to use, net of current portion	1,508,612	(217,470)	1,246,822	22,995	64,579	7,200	1,862	69,710	71,166	--	297,428	5,900	6,379	--	--	13,381
Prepaid expenses, net of current portion	91,090	--	--	3,439	4,314	--	237	--	61,275	--	--	--	--	--	--	1,815
Property, plant and equipment, net	4,313,166	--	3,812,912	145,130	174,894	54,996	901	56,164	1,275	9,508	--	498	2,741	301	739	51,885
Insurance claims receivable, net of current portion	278,570	(192,631)	437,662	3,832	--	6,123	147	378	24	1,255	--	--	--	--	--	4,723
Other assets	264,140	(421,444)	623,919	5,992	7,997	9,428	216	56	--	1,475	--	--	--	29,939	6,341	--
<b>Total assets</b>	\$ 10,138,737	\$ (1,007,513)	\$ 9,403,964	\$ 257,325	\$ 340,334	\$ 98,650	\$ 41,909	\$ 137,192	\$ 211,000	\$ 34,767	\$ 315,309	\$ 8,104	\$ 108,720	\$ 31,358	\$ 7,443	\$ 103,703
<b>Liabilities and net assets (deficit)</b>																
<b>Current liabilities:</b>																
Short-term borrowings	\$ 110,218	\$ --	\$ 110,218	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Accounts payable and accrued expenses	733,453	(16,031)	546,671	10,610	20,161	3,431	1,969	13,207	189	32,170	169	109	71,188	137	108	39,025
Accrued salaries and related benefits	625,382	--	514,233	12,810	9,173	2,253	1,903	3,608	1,349	6,723	--	381	3,683	62	24	23,789
Current portion of capital lease obligations	3,138	--	1,745	--	904	479	--	--	--	--	--	--	--	--	--	--
Current portion of long-term debt	55,613	--	47,189	4,750	2,782	1,922	--	--	--	--	--	--	--	--	--	--
Current portion of insurance claims liability	71,063	(16,490)	85,464	--	--	1,797	39	100	6	332	--	--	--	--	--	--
Current portion of other payor structural liabilities	101,720	(8,220)	68,911	1,827	4,888	762	--	--	--	31,352	--	--	--	--	--	34
Current portion of contractual payable to third-party payors	4,346	--	4,346	--	--	--	--	--	--	--	--	--	1,441	--	--	--
<b>Total current liabilities</b>	1,940,907	(37,561)	1,651,333	50,047	41,400	14,972	3,911	18,915	2,244	79,224	31,221	490	75,692	199	133	62,548
Due to affiliates, net	--	(41,891)	10,539	138	51	5,437	198	1,130	2,800	--	--	9,232	--	170	17	12,164
Notes payable to affiliate	--	(33,039)	--	--	--	35,819	--	--	--	--	--	--	--	26	--	--
Accrued retirement benefits, net of current portion	782,972	--	722,449	4,817	45,194	19,166	--	--	--	--	--	--	--	--	--	--
Capital lease obligations, net of current portion	171,108	--	171,388	--	--	--	--	--	--	--	--	--	--	--	--	--
Long-term debt, net of current portion	2,199,401	--	2,082,713	31,435	60,333	24,651	--	--	774	24	1,255	18,390	--	--	--	--
Insurance claims liability, net of current portion	278,570	(192,631)	437,662	7,812	--	4,123	147	--	--	--	--	--	--	--	--	--
Advances and other insurance liabilities, net of current portion	881,794	(60,347)	678,702	16,414	16,375	3,213	--	--	--	254,817	--	--	--	--	--	--
Third-party payor structural liabilities, net of current portion	8,301	--	8,303	--	--	--	--	752	99	7,114	1,204	--	--	182	--	932
Other long-term liabilities	615,895	--	613,467	2,019	8,522	1,641	--	--	--	--	--	--	--	--	--	--
<b>Total liabilities</b>	6,999,617	(149,809)	6,334,713	91,982	180,723	101,137	5,060	20,522	12,382	41,783	314,948	9,702	75,900	369	149	78,964
<b>Commitments and contingencies</b>																
<b>Net assets (deficit):</b>																
Unrestricted	2,710,971	(387,430)	2,610,603	153,314	133,811	(2,477)	34,994	21,263	1,432	17,184	40,561	(7,578)	32,830	30,789	7,296	10,841
Temporarily restricted	163,373	(216,654)	239,809	4,635	10,771	--	1,270	47,816	131,126	--	--	1,377	--	--	--	11,694
Permanently restricted	164,546	(13,120)	77,315	3,244	7,043	--	378	41,349	66,080	--	--	4,403	--	--	--	--
<b>Total net assets (deficit)</b>	3,039,040	(617,204)	3,027,727	161,193	151,625	(2,477)	36,642	110,470	318,638	17,184	40,561	(1,300)	32,830	30,789	7,296	29,139
<b>Total liabilities and net assets (deficit)</b>	\$ 10,138,737	\$ (1,007,513)	\$ 9,403,964	\$ 257,325	\$ 340,334	\$ 98,650	\$ 41,909	\$ 137,192	\$ 211,000	\$ 34,767	\$ 315,309	\$ 8,104	\$ 108,720	\$ 31,358	\$ 7,443	\$ 103,703

Northwell Health, Inc.

Combining Statement of Financial Position - Northwell Health Obligated Group  
(In Thousands)

December 31, 2015

	Total Obligated Group	Effitas Inc	Northwell Health, Inc.	North Shore University Hospital	Long Island Jewish Medical Center	Strom Island University Hospital	Levitt HND Hospital	Southside Hospital	Healthcare Hospital Association	Gen Care Hospital	Talbot Hospital	Forest Hills Hospital	Franklin Hospital	Northwell Health Stone Family Center for Rehabilitation
<b>Assets</b>														
Current assets:														
Cash and cash equivalents	\$ 230,613	\$ -	\$ 168,040	\$ 3,441	\$ 389	\$ 33,968	\$ 403	\$ -	\$ 29,567	\$ 15	\$ 45	\$ 373	\$ 393	\$ 1
Marketable securities and other investments	1,518,714	-	16,547	750,927	528,154	273,897	39,175	290	121,293	-	-	-	-	-
Accounts receivable for services to patients, net of allowance for doubtful accounts	803,197	-	-	193,553	196,588	107,072	118,219	49,422	41,541	10,761	18,077	30,264	24,099	9,075
Accounts receivable for physician activities, net	771,118	-	-	89,231	2,824	-	1,932	1,025	998	181	499	234	193	-
Assets funded as to date, current portion	71,585	-	-	45,225	15,978	-	1,312	1,640	1,723	777	639	813	518	818
Insurance claims receivable, current portion	83,484	-	1,003	19,875	17,496	11,866	16,247	8,130	3,971	1,515	2,364	2,265	2,502	298
Other current assets	149,639	(1,020)	19,018	41,313	23,235	15,099	18,484	8,818	6,445	1,337	2,927	2,294	2,259	70
Total current assets	3,256,260	(1,020)	204,636	1,145,565	804,795	481,154	198,278	66,327	199,434	87,157	24,041	37,431	32,964	10,362
Due from affiliates, net	-	(190,021)	-	24,859	92,623	-	-	-	-	7,724	10,337	31,262	-	23,174
Notes receivable from affiliate	35,093	-	35,089	-	-	-	-	-	-	-	-	-	-	-
Assets funded as to date, net of current portion	1,246,022	-	411,296	193,844	372,120	153,445	53,710	53,937	60,833	6,399	367	190	3,970	14,009
Property, plant and equipment, net	3,812,912	-	571,477	437,319	1,172,348	210,991	939,552	148,633	140,284	50,199	34,016	55,518	33,561	11,342
Intangible claims receivable, net of current portion	437,602	-	3,799	103,643	102,832	64,831	64,522	27,014	21,314	3,011	11,023	14,341	11,217	1,124
Other assets	622,019	(53,873)	1,048,135	74,394	11,633	44,541	24,295	1,320	-	-	-	-	-	-
Total assets	\$ 9,401,904	\$ (746,899)	\$ 2,280,308	\$ 1,999,791	\$ 2,455,816	\$ 884,842	\$ 1,284,267	\$ 297,323	\$ 421,163	\$ 139,599	\$ 81,844	\$ 142,994	\$ 83,212	\$ 60,013
<b>Liabilities and net assets (deficit)</b>														
Current liabilities:														
Short-term borrowings	\$ 110,218	\$ -	\$ -	\$ 7,500	\$ 103,718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	546,471	-	148,114	120,031	76,487	51,852	31,912	34,684	29,035	9,401	8,161	8,232	8,348	1,812
Accrued salaries and related benefits	535,223	-	128,684	120,761	99,027	46,122	47,348	29,733	21,722	9,438	10,534	17,988	13,569	2,350
Current portion of capital lease obligations	1,733	-	1,511	-	-	-	264	-	-	-	-	-	-	-
Current portion of long-term debt	471,839	-	741	9,510	16,417	8,347	4,793	1,080	1,100	716	1,454	1,849	403	775
Current portion of insurance claims liability	83,484	-	1,003	19,875	17,496	11,866	16,247	8,130	3,971	1,515	2,364	2,265	2,502	298
Current portion of self-insurance and other insurance liabilities	68,911	-	15,545	14,224	12,596	9,512	4,032	3,827	2,597	1,181	1,441	2,149	1,607	798
Current portion of debt equity paper structured liabilities	4,546	-	-	-	4,546	-	-	-	-	-	-	-	-	-
Current portion of estimated payable to third-party payors	231,616	-	66,264	28,468	43,145	31,232	17,835	2,418	7,364	8,532	19,670	7,686	3,782	
Total current liabilities	1,651,233	-	293,600	356,145	353,649	175,191	162,810	90,681	51,813	29,617	30,570	52,083	34,137	9,817
Due to affiliates, net	10,459	(134,272)	161,660	-	-	21,123	84,324	48,014	5,305	-	-	-	24,405	-
Accrued retirement benefits, net of current portion	722,449	-	156,155	133,371	50,840	3,186	170,760	61,877	96,253	12,546	19,176	4,212	8,394	3,670
Capital lease obligations, net of current portion	171,580	-	182,414	-	66,863	-	3,877	-	-	-	-	-	-	-
Long-term debt, net of current portion	2,622,732	-	692,221	126,296	839,130	83,113	119,235	71,114	78,285	7,456	11,336	15,839	13,291	4,756
Insurance claims liability, net of current portion	437,602	-	3,799	107,443	100,132	64,831	66,522	27,014	21,314	3,914	11,323	16,181	11,217	1,128
Self-insurance and other insurance liabilities, net of current portion	678,302	-	77,225	187,873	144,657	99,819	54,997	41,833	11,349	12,548	14,962	24,187	18,112	-
Third-party equity structured liabilities, net of current portion	8,303	-	-	-	-	8,303	-	-	-	-	-	-	-	-
Other long-term liabilities	611,467	-	4,721	146,144	171,888	44,174	93,617	48,303	17,074	13,850	20,110	32,189	28,468	717
Total liabilities	6,376,933	(131,272)	1,479,795	1,622,473	1,722,723	489,140	724,935	327,035	304,119	82,913	108,237	145,931	130,486	19,288
<b>Commitments and contingencies</b>														
Net assets (deficit):														
Unrestricted	2,610,603	(328,623)	662,724	839,326	366,515	362,081	441,308	(112,542)	109,216	66,318	(24,352)	(1,547)	(49,280)	39,914
Temporarily restricted	319,839	(61,061)	88,240	70,046	127,411	12,117	61,254	22,233	6,593	7,511	499	190	2,441	811
Permanently restricted	71,535	(24,919)	152,499	21,434	8,147	1,614	24,918	-	1,163	2,813	-	-	13	-
Total net assets (deficit)	3,022,977	(414,603)	903,463	930,806	496,043	375,812	527,480	(89,289)	116,972	76,664	(20,982)	(7,337)	(46,774)	40,725
Total liabilities and net assets (deficit)	\$ 9,401,904	\$ (746,899)	\$ 2,280,308	\$ 1,999,791	\$ 2,455,816	\$ 884,842	\$ 1,284,267	\$ 297,323	\$ 421,163	\$ 139,599	\$ 81,844	\$ 142,994	\$ 83,212	\$ 60,013

Northwell Health, Inc.  
Consolidating Statement of Operations  
(In Thousands)  
Year Ended December 31, 2015

	Northwell Health, Inc. Total	Northwell Outpatient Group	Phelps Memorial Hospital Association and Subsidiaries	Northern Westchester Hospital Association and Subsidiaries	The Long Island Home	Hempstead Care Network, Inc.	The Falmouth Institute for Medical Research	Northwell Health Foundation, Inc.	North Shore-LIJ Health System Laboratories	Capital Insurance Companies	Jahans Family Health Center	Health Insurance Companies	Endicott Center of Long Island	Garden City Surg/Cent	Other Northwell Health Entities	
<b>Operating revenue:</b>																
Net patient service revenue	\$ 6,965,767	\$ (62,741)	\$ 6,322,916	\$ 313,837	\$ 230,081	\$ 101,516	\$ 31,228	\$ 258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,980	\$ 8,335	\$ 64,268
Physician practice revenue	1,123,818	(23,336)	899,548	22,760	7,212	1,901	-	-	-	-	-	-	-	-	-	222,133
Payments for bad debts	(110,262)	56	(77,251)	(1,631)	(5,963)	(1,737)	-	-	(146)	-	(1)	-	-	-	-	(1,302)
Total patient revenue, net of payments for bad debts	7,978,348	(94,023)	7,122,806	212,911	232,248	101,679	30,728	258	(946)	-	-	-	-	13,980	8,135	263,218
Other operating revenue	427,612	(177,313)	402,110	8,185	2,643	918	-	49,230	-	-	-	-	-	-	-	148,794
Health insurance premium revenue	238,427	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets returned from restrictions used for operations	59,776	-	(41,831)	235	1,002	-	1,874	(18,979)	-	-	255	-	-	-	-	-
Total operating revenue	8,723,655	(171,311)	7,572,767	221,131	235,891	102,597	32,602	63,362	-	332,744	6,772	7,267	319,564	13,980	8,135	234,012
<b>Operating expenses:</b>																
Salaries	4,319,212	(28,289)	3,648,776	121,367	104,477	43,201	18,875	51,180	-	72,739	-	4,058	32,557	1,747	2,344	231,821
Employee benefits	1,108,101	(37,632)	951,115	33,566	34,814	21,601	4,654	10,059	-	24,928	-	1,622	4,733	199	316	47,554
Supplies and expenses	2,214,420	(100,979)	2,365,951	66,667	97,013	23,602	24,346	30,141	-	190,978	8,993	2,296	211,853	4,852	3,743	163,071
Depreciation and amortization	384,206	-	348,794	10,776	11,437	2,692	315	5,433	-	1,680	-	68	419	18	109	4,416
Interest	107,018	(177)	107,297	2,260	838	1,637	-	-	-	-	-	-	-	-	-	-
Total operating expenses	6,622,937	(167,284)	6,455,653	213,156	217,199	111,066	48,179	103,815	-	289,177	8,893	8,044	278,521	6,816	6,472	433,832
<b>Excess (deficiency) of operating revenue over operating expenses</b>	\$ 89,098	\$ (4,177)	\$ 1,117,114	\$ 8,975	\$ 118,702	\$ (8,469)	\$ 3,823	\$ (39,453)	\$ -	\$ 13,307	\$ (2,121)	\$ (777)	\$ (41,421)	\$ 7,164	\$ 1,664	\$ (18,820)
<b>Non-recurring gains and losses:</b>																
Investment income (loss)	62,283	-	59,166	575	311	29	824	1	(467)	(42)	1,877	-	16	(57)	(33)	(43)
Change in net unrealized gains and losses and change in value of equity method investments	(112,700)	-	(101,680)	(167)	(1,802)	-	(1,644)	4	(458)	-	(7,548)	-	-	-	-	-
Change in interest in equity method entities	-	(67,336)	77,097	-	-	-	-	-	-	-	-	-	-	-	-	(5,161)
Change in fair value of interest rate swap agreements	790	-	790	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment in derivative instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on refunding and redemption of long-term debt	(54,373)	-	(54,973)	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions received in the acquisition of Phelps Memorial Hospital and Northwell Westchester Hospital	229,807	-	229,807	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain from acquired interest in Open360	115,600	-	115,600	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain from acquired interest in Open360	(40,903)	-	(40,903)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-recurring gains and losses	107,018	(177)	107,297	2,260	838	1,637	-	-	-	-	-	-	-	-	-	515
Total non-recurring gains and losses	377,716	(67,336)	350,380	393	(1,333)	40	331	(2,895)	(5,835)	(43)	(5,641)	-	18	(31)	(43)	(5,382)
<b>Excess (deficiency) of revenue and gains and losses over expenses</b>	\$ 347,414	\$ (71,477)	\$ 1,467,494	\$ 9,368	\$ 117,369	\$ (8,429)	\$ 4,154	\$ (42,348)	\$ -	\$ 13,307	\$ (2,121)	\$ (777)	\$ (41,403)	\$ 7,133	\$ 1,621	\$ (24,202)
<b>Net assets returned from restrictions for capital asset acquisitions</b>	\$ 7,076	\$ -	\$ 6,868	\$ 221	\$ 150	\$ -	\$ -	\$ 454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in fair value of interest rate swap agreements and gain/loss on each flow hedges	1,239	-	1,078	-	-	219	-	-	-	-	-	-	-	-	-	-
Loss of fair value of investment corpus	(608)	-	(180)	-	-	-	-	(215)	(161)	-	-	-	-	-	-	-
Transfers (to) from affiliates	18,131	6,037	(12,094)	10,091	-	-	-	38,543	-	-	-	-	71,370	-	-	55,899
Pop-up and other operational liability adjustments	(8,933)	-	(8,933)	-	-	-	-	-	-	-	-	-	(778)	(6,007)	-	-
Other changes in net assets	(1,933)	5,139	(3,206)	(133)	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in unrestricted net assets	\$ 370,367	\$ (32,446)	\$ 1,450,211	\$ 10,492	\$ (12,918)	\$ (7,971)	\$ 4,061	\$ (2,871)	\$ (1,278)	\$ (9,964)	\$ (777)	\$ 36,162	\$ 311	\$ 221	\$ 37,998	

Northwell Health, Inc.

Combining Statement of Operations – Northwell Health Obligated Group  
(In Thousands)

Year Ended December 31, 2015

	Total Obligated Group	Elmhurst	Northwell HealthCare, Inc.	North Shore University Hospital	Long Island Jewish Medical Center	Staten Island University Hospital	Levitt HNH Hospital	Southside Hospital	Huntington Hospital Association	Glen Cove Hospital	Palmyra Hospital	Forest Hills Hospital	Franklin Hospital	Northwell HealthCare Family Center for Rehabilitation
<b>Operating revenue:</b>														
Net patient service revenue	\$ 6,322,516	\$ (599)	\$ --	\$ 1,585,909	\$ 1,542,117	\$ 459,059	\$ 897,195	\$ 388,744	\$ 306,545	\$ 99,450	\$ 173,784	\$ 331,970	\$ 182,333	\$ 55,999
Physician practice revenue	899,548	--	--	314,731	263,055	--	89,099	78,476	36,108	22,275	20,686	24,318	15,919	1,041
Provision for bad debts	(99,253)	6,507	--	(15,823)	(23,157)	(10,156)	(14,027)	(6,071)	(6,413)	(1,703)	(1,380)	(4,079)	(3,230)	(199)
Total patient revenue, net of provision for bad debts	7,122,811	5,904	--	1,884,817	1,782,015	848,903	972,267	451,049	366,215	120,122	192,490	353,269	184,023	56,841
Other operating revenue	408,110	(1,061,660)	969,086	271,018	93,506	19,417	34,616	19,774	7,155	4,747	9,158	8,861	9,870	341
Net assets released from restrictions used for operations	(1,851)	--	866	16,643	15,118	679	12,499	113	98	--	--	--	--	61
<b>Total operating revenue</b>	<b>7,575,267</b>	<b>(1,055,753)</b>	<b>969,932</b>	<b>2,178,433</b>	<b>1,893,639</b>	<b>869,592</b>	<b>1,019,342</b>	<b>479,940</b>	<b>367,468</b>	<b>124,870</b>	<b>201,648</b>	<b>361,070</b>	<b>204,952</b>	<b>57,233</b>
<b>Operating expenses:</b>														
Salaries	3,644,776	(341,014)	316,814	1,052,419	895,307	367,018	491,317	244,159	176,645	74,435	98,404	128,476	99,912	30,052
Employee benefits	931,115	(72,253)	89,433	230,219	212,216	123,905	126,144	67,746	48,150	19,030	30,004	41,436	33,522	11,271
Supplies and expenses	2,352,471	(813,566)	433,690	773,807	600,006	287,697	366,905	160,383	122,330	34,706	64,587	76,819	63,204	11,651
Depreciation and amortization	346,498	--	83,944	60,409	80,238	29,103	40,680	12,731	13,486	6,417	4,160	7,794	4,923	1,543
Interest	101,497	(197)	37,240	7,659	29,909	5,394	8,059	1,949	1,857	746	168	631	726	236
<b>Total operating expenses</b>	<b>7,410,377</b>	<b>(1,055,753)</b>	<b>979,241</b>	<b>2,114,513</b>	<b>1,812,746</b>	<b>810,027</b>	<b>1,010,349</b>	<b>487,170</b>	<b>361,580</b>	<b>135,334</b>	<b>198,533</b>	<b>352,126</b>	<b>207,087</b>	<b>54,723</b>
<b>Excess (deficiency) of operating revenue over operating expenses</b>	<b>164,890</b>	<b>--</b>	<b>(10,309)</b>	<b>63,920</b>	<b>80,893</b>	<b>59,565</b>	<b>9,003</b>	<b>(15,230)</b>	<b>6,888</b>	<b>(10,464)</b>	<b>3,115</b>	<b>10,944</b>	<b>2,865</b>	<b>2,510</b>
<b>Non-operating gains and losses:</b>														
Investment income (loss)	59,166	--	5,819	15,803	11,826	8,120	252	102	16,494	1,667	(30)	(42)	(34)	(4)
Change in net unrealized gains and losses and change in value of equity method investments	(101,680)	--	(7,924)	(32,700)	(24,603)	(15,973)	(978)	(206)	(16,641)	(2,682)	--	--	3	28
Change in interest in acquired entities	77,097	29,272	14,905	12,930	--	--	--	--	--	--	--	--	--	--
Change in fair value of interest rate swap agreements designated as derivative instruments	790	--	--	--	--	790	--	--	--	--	--	--	--	--
Loss on refinancing and redemptions of long-term debt	(56,973)	--	--	(6,111)	(30,477)	--	--	--	--	(158)	--	(229)	--	--
Contributions received in the acquisitions of Palmyra Memorial Hospital and Hunters Waterbury Hospital	250,807	--	258,607	--	--	--	--	--	--	--	--	--	--	--
Gain from acquired interest in Chatham 60	115,600	--	115,600	--	--	--	--	--	--	--	--	--	--	--
Other non-operating gains and losses	(11,323)	--	--	--	8,007	(5,541)	--	--	--	--	--	--	--	--
<b>Total non-operating gains and losses</b>	<b>352,267</b>	<b>29,272</b>	<b>410,207</b>	<b>(10,089)</b>	<b>(80,049)</b>	<b>(12,610)</b>	<b>(726)</b>	<b>(104)</b>	<b>(147)</b>	<b>(4,173)</b>	<b>(28)</b>	<b>(271)</b>	<b>(31)</b>	<b>24</b>
<b>Excess (deficiency) of revenue and gains and losses over expenses</b>	<b>517,157</b>	<b>29,272</b>	<b>398,178</b>	<b>53,831</b>	<b>(2,156)</b>	<b>47,293</b>	<b>8,277</b>	<b>(15,334)</b>	<b>2,813</b>	<b>(11,637)</b>	<b>3,087</b>	<b>8,673</b>	<b>2,834</b>	<b>2,504</b>
<b>Net assets released from restrictions for capital asset acquisitions</b>	<b>6,568</b>	<b>--</b>	<b>--</b>	<b>3,340</b>	<b>1,098</b>	<b>414</b>	<b>625</b>	<b>2</b>	<b>1,369</b>	<b>20</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Change in fair value of interest rate swap agreements designated as cash flow hedges	1,070	--	--	383	685	--	--	--	--	--	--	--	--	--
Loss of fair value of endowment corpus	(107)	--	--	(100)	--	--	--	--	--	--	--	--	--	--
Transfers to affiliates	(178,081)	--	(92,781)	(28,373)	(17,564)	--	(39,363)	--	--	--	--	--	--	--
Pension and other postretirement liability adjustments	17,667	--	(738)	3,643	(205)	(141)	1,159	--	--	--	--	--	--	--
<b>Increase (decrease) in unrestricted net assets</b>	<b>\$ 352,771</b>	<b>\$ 29,272</b>	<b>\$ 305,079</b>	<b>\$ 24,848</b>	<b>\$ (18,142)</b>	<b>\$ 41,936</b>	<b>\$ (29,772)</b>	<b>\$ (17,681)</b>	<b>\$ 21,855</b>	<b>\$ (12,399)</b>	<b>\$ 1,891</b>	<b>\$ 8,407</b>	<b>\$ 3,932</b>	<b>\$ 2,273</b>

Internal Financial  
**BROADLAWN MANOR**  
**Statements of Operations**  
**UNAUDITED**

Project# 171017  
BFA Attachment-E

	<b>Year Ended</b>	<b>Year Ended</b>
	<b>December 31,</b>	<b>December 31,</b>
	<b>2016</b>	<b>2015</b>
<b><u>Operating revenue:</u></b>		
Net patient service revenue	\$ 44,250,868	\$ 42,826,811
Provisions for bad debts	(915,073)	(365,749)
Total patient revenue, net of provisions for bad debts	<u>43,335,795</u>	<u>42,461,062</u>
Other operating revenue	56,359	110,419
Total operating revenue	<u>43,392,154</u>	<u>42,571,481</u>
<b><u>Operating expenses:</u></b>		
Salaries	25,326,029	24,359,844
Employee benefits	8,723,918	8,161,824
Supplies and expenses	13,884,170	13,648,341
Depreciation and amortization	1,366,185	1,340,689
Interest expense	908,698	852,700
Total operating expenses	<u>50,209,000</u>	<u>48,363,398</u>
Excess (deficiency) of operating revenue over operating expenses	(6,816,846)	(5,791,917)
<b><u>Non-operating gains and losses:</u></b>		
Investment income	24,914	19,471
Net realized gains	0	0
Change in net unrealized gains and losses	0	0
Contributions	189	612
Total non-operating gains and losses:	<u>25,103</u>	<u>20,083</u>
Excess (deficiency) of revenue and gains and losses over expenses	(6,791,743)	(5,771,834)
Change in interest rate swap	206,877	109,718
Pension and postretirement benefit liability adjustments	0	(775,303)
Increase (decrease) in unrestricted net asset	<u>\$ (6,584,866)</u>	<u>\$ (6,437,419)</u>

**Massapequa Center, LLC d/b/a Massapequa Center Rehab & Nursing  
Financial Summary of Proposed Members' Affiliated RHCFS**

**Nassau Extended Care Facility**

	<u>9/30/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$10,651,690	\$10,656,047	\$8,799,965
Non-Current Assets	<u>18,239,260</u>	<u>18,264,482</u>	<u>17,996,423</u>
Total Assets	\$28,890,950	\$28,920,529	\$26,796,388
Current Liabilities	5,858,887	6,673,639	5,904,176
Long Term Liabilities	<u>4,159,072</u>	<u>5,118,132</u>	<u>4,799,900</u>
Total Liabilities	10,017,959	11,791,771	10,704,076
Net Assets	\$18,872,991	\$17,128,758	\$16,092,312
Working Capital Position	\$4,792,803	\$3,982,408	\$2,895,789
Operating Revenues	\$25,946,172	\$34,159,940	\$34,669,120
Operating Expenses	<u>22,651,938</u>	<u>30,479,605</u>	<u>31,075,045</u>
Operating Net Income	\$3,294,234	\$3,680,335	\$3,594,075

**Little Neck Care Center**

	<u>9/30/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$3,287,539	\$2,651,205	\$2,869,708
Non-Current Assets	<u>5,065,178</u>	<u>5,433,837</u>	<u>5,137,342</u>
Total Assets	\$8,352,717	\$8,085,042	\$8,007,050
Current Liabilities	2,541,761	2,537,501	2,596,465
Long Term Liabilities	<u>3,886,534</u>	<u>4,289,699</u>	<u>4,067,943</u>
Total Liabilities	6,428,295	6,827,200	6,664,408
Net Assets	\$1,924,422	\$1,257,842	\$1,342,642
Working Capital Position	\$745,778	\$113,704	\$273,243
Operating Revenues	\$11,723,046	\$14,239,043	\$12,770,524
Operating Expenses	<u>10,619,963</u>	<u>13,417,495</u>	<u>12,183,666</u>
Operating Net Income	\$1,103,083	\$821,548	\$586,858

**Park Avenue Extended Care Facility**

	<u>9/30/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$6,853,147	\$7,409,370	\$7,495,680
Non-Current Assets	<u>15,274,132</u>	<u>15,111,809</u>	<u>15,448,382</u>
Total Assets	\$22,127,279	\$22,521,179	\$22,944,062
Current Liabilities	5,192,996	5,897,083	5,834,759
Long Term Liabilities	<u>3,444,096</u>	<u>3,715,584</u>	<u>4,395,805</u>
Total Liabilities	8,637,092	9,612,667	10,230,564
Net Assets	\$13,490,187	\$12,908,512	\$12,713,498
Working Capital Position	\$1,660,151	\$1,512,287	\$1,660,921
Operating Revenues	\$21,597,023	\$28,608,622	\$29,663,616
Operating Expenses	<u>19,465,349</u>	<u>26,327,108</u>	<u>26,241,616</u>
Operating Net Income	\$2,131,674	\$2,281,514	\$3,422,000

**Seagate Rehab & Nursing Center**

	<u>10/31/2016</u>	<u>2015</u>	started operation <u>12/11/2014</u>
Current Assets	\$12,298,994	\$7,962,607	
Non-Current Assets	<u>20,943,324</u>	<u>19,709,990</u>	
Total Assets	\$33,242,318	\$27,672,597	\$0
Current Liabilities	10,668,118	6,823,101	
Long Term Liabilities	<u>18,103,917</u>	<u>18,530,753</u>	
Total Liabilities	28,772,035	25,353,854	0
Net Assets	\$4,470,283	\$2,318,743	\$0
Working Capital Position	\$1,630,876	\$1,139,506	\$0
Operating Revenues	\$43,015,988	\$47,195,590	
Operating Expenses	<u>38,233,447</u>	<u>43,897,075</u>	
Operating Net Income	\$4,782,541	\$3,298,515	\$0

**South Shore Rehab & Nursing Center**

	<u>11/30/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$4,288,875	\$3,879,783	\$3,667,588
Non-Current Assets	<u>8,043,265</u>	<u>7,031,770</u>	<u>6,939,561</u>
Total Assets	\$12,332,140	\$10,911,553	\$10,607,149
Current Liabilities	5,200,868	3,405,513	2,912,514
Long Term Liabilities	<u>3,881,305</u>	<u>4,169,214</u>	<u>4,139,095</u>
Total Liabilities	9,082,173	7,574,727	7,051,609
Net Assets	\$3,249,967	\$3,336,826	\$3,555,540
Working Capital Position	(\$911,993)	\$474,270	\$755,074
Operating Revenues	\$13,807,212	\$15,012,687	\$12,425,131
Operating Expenses	<u>13,894,072</u>	<u>15,120,539</u>	<u>12,675,493</u>
Operating Net Income	(\$86,860)	(\$107,852)	(\$250,362)

**Throgs Neck Extended Care Facility**

	<u>9/30/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$5,649,478	\$4,436,544	\$5,082,271
Non-Current Assets	<u>11,283,101</u>	<u>11,259,653</u>	<u>11,157,375</u>
Total Assets	\$16,932,579	\$15,696,197	\$16,239,646
Current Liabilities	4,783,823	5,083,664	5,025,600
Long Term Liabilities	<u>2,622,604</u>	<u>3,429,849</u>	<u>4,060,309</u>
Total Liabilities	7,406,427	8,513,513	9,085,909
Net Assets	\$9,526,152	\$7,182,684	\$7,153,737
Working Capital Position	\$865,655	(\$647,120)	\$56,671
Operating Revenues	\$21,458,432	\$21,817,011	\$22,077,189
Operating Expenses	<u>16,405,621</u>	<u>21,291,373</u>	<u>21,305,868</u>
Operating Net Income	\$5,052,811	\$525,638	\$771,321

**Townhouse Center for Rehab & Nursing**

	<u>11/30/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$11,675,733	\$11,472,274	\$9,425,882
Non-Current Assets	<u>14,218,318</u>	<u>13,809,576</u>	<u>13,170,281</u>
Total Assets	\$25,894,051	\$25,281,850	\$22,596,163
Current Liabilities	8,109,277	9,023,658	8,846,666
Long Term Liabilities	<u>9,472,426</u>	<u>9,680,061</u>	<u>9,968,407</u>
Total Liabilities	17,581,703	18,703,719	18,815,073
Net Assets	\$8,312,348	\$6,578,131	\$3,781,090
Working Capital Position	\$3,566,456	\$2,448,616	\$579,216
Operating Revenues	\$36,827,247	\$39,134,786	\$35,026,263
Operating Expenses	<u>32,800,155</u>	<u>34,566,868</u>	<u>33,673,753</u>
Operating Net Income	\$4,027,092	\$4,567,918	\$1,352,510

**White Plains Center for Nursing**

	<u>11/30/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$4,968,060	\$2,917,438	\$2,458,035
Non-Current Assets	<u>6,338,073</u>	<u>7,554,156</u>	<u>6,022,297</u>
Total Assets	\$11,306,133	\$10,471,594	\$8,480,332
Current Liabilities	2,245,825	2,219,205	3,126,613
Long Term Liabilities	<u>2,505,920</u>	<u>2,405,300</u>	<u>144,621</u>
Total Liabilities	4,751,745	4,624,505	3,271,234
Net Assets	\$6,554,388	\$5,847,089	\$5,209,098
Working Capital Position	\$2,722,235	\$698,233	(\$668,578)
Operating Revenues	\$10,373,446	\$10,661,135	\$10,475,283
Operating Expenses	<u>9,466,812</u>	<u>10,023,144</u>	<u>9,866,224</u>
Operating Net Income	\$906,634	\$637,991	\$609,059

**Hopkins Center for Rehab & Healthcare**

	<u>11/30/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$10,026,957	\$7,574,400	\$7,100,807
Non-Current Assets	<u>15,320,272</u>	<u>16,755,052</u>	<u>19,013,570</u>
Total Assets	\$25,347,229	\$24,329,452	\$26,114,377
Current Liabilities	3,171,114	2,965,393	3,209,136
Long Term Liabilities	<u>353,296</u>	<u>63,819</u>	<u>76,619</u>
Total Liabilities	3,524,410	3,029,212	3,285,755
Net Assets	\$21,822,819	\$21,300,240	\$22,828,622
Working Capital Position	\$6,855,843	\$4,609,007	\$3,891,671
Operating Revenues	\$34,396,005	\$34,787,122	\$33,261,036
Operating Expenses	<u>27,601,652</u>	<u>29,647,185</u>	<u>28,228,394</u>
Operating Net Income	\$6,794,353	\$5,139,937	\$5,032,642

**Bensonhurst Center for Rehab & Healthcare**

	<u>11/30/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$8,144,639	\$6,176,489	\$4,235,830
Non-Current Assets	<u>3,745,340</u>	<u>3,687,743</u>	<u>3,465,910</u>
Total Assets	\$11,889,979	\$9,864,232	\$7,701,740
Current Liabilities	3,082,271	2,932,302	2,358,561
Long Term Liabilities	<u>121,238</u>	<u>37,500</u>	<u>35,100</u>
Total Liabilities	3,203,509	2,969,802	2,393,661
Net Assets	\$8,686,470	\$6,894,430	\$5,308,079
Working Capital Position	\$5,062,368	\$3,244,187	\$1,877,269
Operating Revenues	\$30,629,299	\$31,665,180	\$26,113,165
Operating Expenses	<u>22,616,757</u>	<u>24,040,660</u>	<u>22,075,033</u>
Operating Net Income	\$8,012,542	\$7,624,520	\$4,038,132

**The Village of Orleans**

	<u>10/31/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$2,569,587	\$2,583,219	
Non-Current Assets	<u>1,023,156</u>	<u>8,330,423</u>	
Total Assets	\$3,592,743	\$10,913,642	\$0
Current Liabilities	2,805,834	1,136,072	
Long Term Liabilities	<u>102,010</u>	<u>6,401,114</u>	
Total Liabilities	2,907,844	7,537,186	0
Net Assets	\$684,899	\$3,376,456	\$0
Working Capital Position	(\$236,247)	\$1,447,147	\$0
Operating Revenues	\$9,253,954	\$9,902,125	
Operating Expenses	<u>8,209,227</u>	<u>8,757,869</u>	
Operating Net Income	\$1,044,727	\$1,144,256	\$0

**Tha Pavillion at Queens Rehab & Nursing**

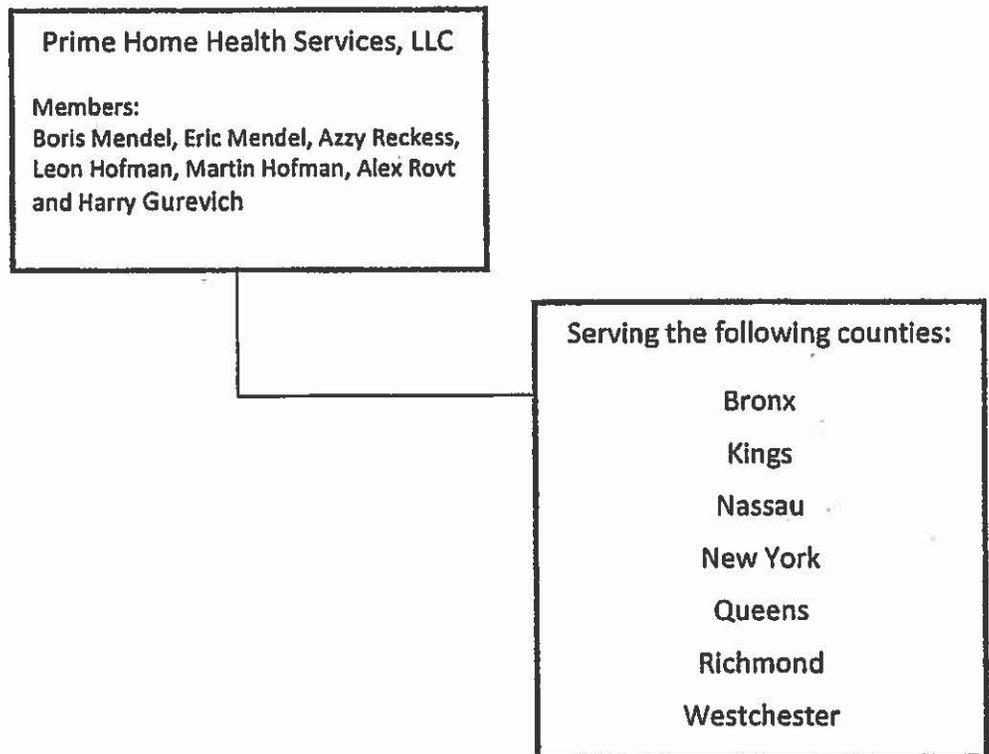
	<u>11/30/2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$13,452,073	\$7,947,091	
Non-Current Assets	<u>13,040,426</u>	<u>12,295,004</u>	
Total Assets	\$26,492,499	\$20,242,095	\$0
Current Liabilities	4,801,080	3,130,536	
Long Term Liabilities	<u>12,257,102</u>	<u>12,280,075</u>	
Total Liabilities	17,058,182	15,410,611	0
Net Assets	\$9,434,317	\$4,831,484	\$0
Working Capital Position	\$8,650,993	\$4,816,555	\$0
Operating Revenues	\$43,369,404	\$42,827,971	
Operating Expenses	<u>36,566,570</u>	<u>36,101,487</u>	
Operating Net Income	\$6,802,834	\$6,726,484	\$0

Massapequa Center, LLC  
Proposed members' interest in affiliated RHCs

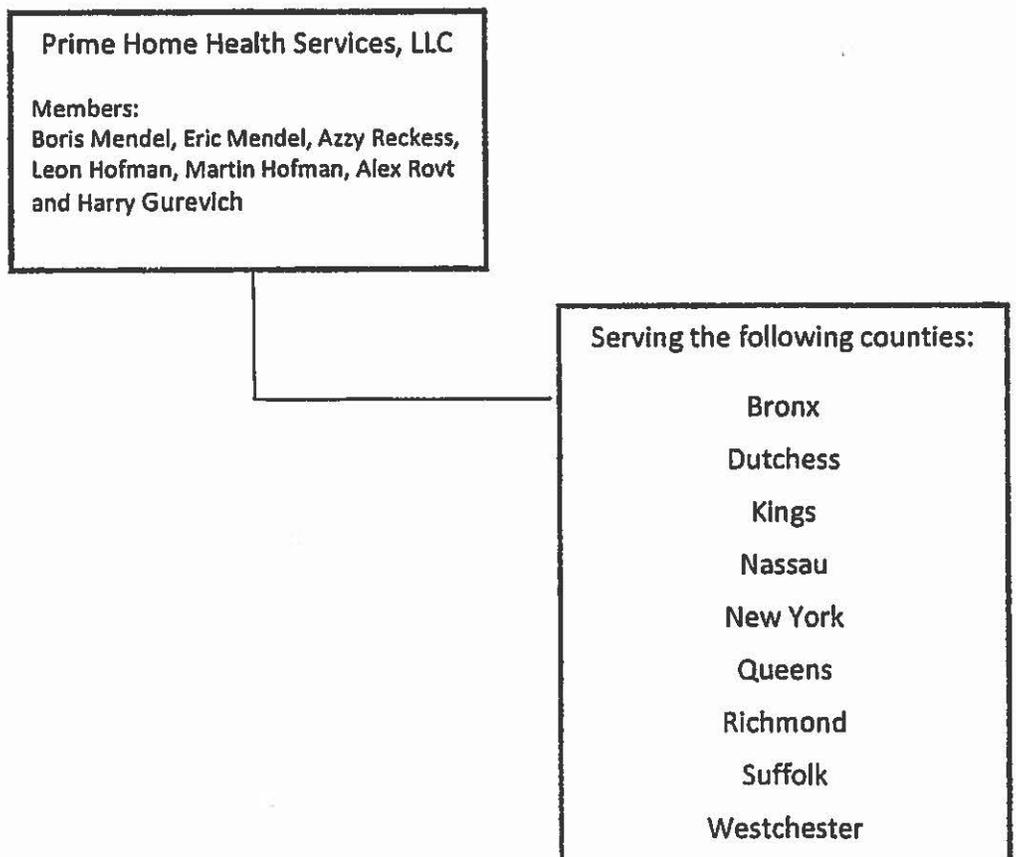
Facility	EFF Date	Esther Farkovits	Avraham Weits	Tova Fuchs	Gerald Fuchs	Bernard Fuchs
Little Neck Care Center	Apr-11	50%				
Nassau Extended Care Facility	Jul-04	7.25%				
Park Avenue Extended Care Facility	Jul-04	7.125%				
Seagate Rehab & Nursing Center	Dec-14	10%				
South Shore Rehab & Nursing Center	Apr-14	45%				
Throgs neck Extended Care Facility	Jul-04	7.25%				
Townhouse Center for Rehab & Nursing	Jul-04	7.125%				
White Plains Center for Nursing	Jul-11	12%				
Hopkins Center for Rehab & Healthcare	Mar-11			3%	3%	3%
Bensonhurst Center for Rehab & Healthcare	Jan-12			5%	5%	5%
The Village of Oleans	Jan-15					100%
The Pavilion at Queens Rehab & Nursing	Jan-15					50%
Green Meadows Nursing & Rehab Center	Dec-16					45%
The Plaza Rehab	Nov-16					15%
Bronx Gardens Rehab & Nursing Center	Nov-16	25%				
Cold Spring Hills Center for Nursing & Rehab	Jun-16	25%				
The Citadel Rehab & Nursing Center	Nov-16	25%				
The Elant at Wappingers	Cont approved-16	33.33%				
The Elant at Meadow Hill	Cont approved-16	33.33%				
The Elant at Fishkill	Cont approved-16	33.33%				
Beach Terrace Care Center	Cont approved-16		40%			
Grandell Rehabilitation & Nursing Center	Cont approved-16		50%			

### ORGANIZATIONAL CHART

Current



After Acquisition of TLCN Home Care



**Prime Home Health Services, LLC, Subsidiary and Affiliate**  
**Consolidated Balance Sheets**  
**December 31, 2015**

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	<u>2015</u>
<b>Assets</b>	
Current assets	
Cash	\$ 2,853,405
Accounts receivable, net of allowance for doubtful accounts of \$350,000 and \$425,000, respectively	5,822,020
Prepaid expenses	14,069
Prepaid income taxes	26,473
Total current assets	<u>8,715,967</u>
Property and equipment, at cost, net	<u>74,424</u>
Other assets	
Operating license costs	4,177,224
Security deposits	35,029
Cash - escrow	207,730
Total other assets	<u>4,419,983</u>
Total assets	<u>\$ 13,210,374</u>
<b>Liabilities and Members' Equity</b>	
Current liabilities	
Accounts payable	\$ 3,924,826
Accrued expenses	1,000,329
Due to Medicaid	38,555
Estimated third-party payor settlements	321,250
Due to governmental agency	1,104,651
Total liabilities	<u>6,389,611</u>
Members' equity	<u>6,820,763</u>
Total liabilities and members' equity	<u>\$ 13,210,374</u>

**Prime Home Health Services, LLC, Subsidiary and Affiliate**  
**Consolidated Statements of Operations and Members' Equity**  
**Years Ended December 31, 2015**

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	<u>2015</u>
Net revenue	\$ 34,492,839
Cost of service provided	<u>22,936,371</u>
Gross profit	11,556,468
General and administrative expenses	<u>12,006,042</u>
Operating loss	(449,574)
Other income	
Interest income	<u>14,143</u>
Loss before provision for income taxes	(435,431)
Provision for income taxes	<u>46,072</u>
Net loss	(481,503)
Members' equity - beginning of year	7,314,767
Members' distribution	<u>(12,501)</u>
Members' equity - end of year	<u><u>\$ 6,820,763</u></u>

**Prime Home Health Services LLC New**  
**Summary Balance Sheet**  
 As of January 30, 2017

Accrual Basis

	<u>Jan 30, 17</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	709,955.67
Accounts Receivable	5,560,425.71
Other Current Assets	178,571.21
<b>Total Current Assets</b>	<u>6,448,952.59</u>
<b>Fixed Assets</b>	74,423.80
<b>Other Assets</b>	5,936,588.67
<b>TOTAL ASSETS</b>	<u><u>12,459,965.06</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	2,946,267.47
Credit Cards	48,233.30
Other Current Liabilities	2,338,689.36
<b>Total Current Liabilities</b>	<u>5,333,190.13</u>
<b>Total Liabilities</b>	5,333,190.13
<b>Equity</b>	7,126,774.93
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>12,459,965.06</u></u>

**Prime Home Health Services LLC New  
Profit & Loss**

January through December 2016

Accrual Basis

	<u>Jan - Dec 16</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
4090 • Miscellaneous Income	439.00
4300 • Professional Staffing Fee	42,000.00
4000 • Patient Revenue	26,817,158.01
4005 • Medical Record Request Process	8,364.94
4070 • Services	39,187.35
<b>Total Income</b>	<u>26,907,149.30</u>
<b>Gross Profit</b>	26,907,149.30
<b>Expense</b>	
6601 • Nursing - Vendor Expense	2,455,188.52
6196 • Transltchek Fees	286.04
6610 • Rehab Vendor Expense	33,743.00
6166 • Education Resource Expense-HHA	1,655.00
6362 • Employee Recognition	32,797.67
6121 • Bank card Fees	0.00
6625 • HI Tech Nursing	2,300.00
6551 • Office Equipment	918.30
6880 • Health Facility Assessment	95,007.00
6361 • Gifts	26,739.86
6110 • Automobile Expense	45,948.33
6120 • Bank Service Charges	1,716.40
6125 • Employee Benefit 401K Expense	47,112.54
6140 • Contributions	8,315.00
6160 • Dues and Subscriptions	41,930.16
6165 • Education Resource Expense	3,212.45
6167 • Conference/Seminar Fees	732.00
6170 • Equipment Rental	30,215.14
6175 • Computer	22,771.02
6180 • Insurance	1,218,319.25
6195 • HRA Processing Fees	796.00
6200 • Interest Expense	1,919.89
6230 • Licenses and Permits	10,968.57
6235 • Information Systems Lic/Support	214,837.45
6240 • Miscellaneous	56,120.00
6250 • Postage and Delivery	19,256.69
6260 • Printing and Reproduction	73,875.34
6270 • Professional Fees	1,389,212.52
6290 • Rent	434,843.96
6295 • Plant Operation Expense	44,782.47
6300 • Repairs	32,300.62
6340 • Telephone	365,270.00
6350 • Meals and Entertainment	72,066.83
6360 • Meals Office	8,860.87
6380 • Employee Mileage Reimbursement	59,123.17
6382 • Travel	4,824.09
6390 • Utilities	82,184.56
6520 • Sanitation	21,552.25
6550 • Office Supplies	54,115.72

**Prime Home Health Services LLC New  
 Profit & Loss**

Accrual Basis

January through December 2016

	<u>Jan - Dec 16</u>
6555 · Medical Supplies	83,744.25
6558 · Nursing Bags	975.00
6560 · Payroll Expenses	11,432,244.61
6565 · Payroll Processng Fees	12,295.45
6600 · HHA Vendor Expense	7,218,594.21
6670 · Advertising	1,083.00
6680 · Recruiting	84,782.54
6690 · Pre-Employment Expense	11,271.98
66900 · Reconciliation Discrepancies	5,750.15
6720 · Marketing	34,302.01
6820 · Taxes	118,979.60
<b>Total Expense</b>	<u>26,019,841.48</u>
<b>Net Ordinary Income</b>	887,307.82
<b>Other Income/Expense</b>	
<b>Other Income</b>	
7010 · Interest Income	727.44
<b>Total Other Income</b>	<u>727.44</u>
<b>Net Other Income</b>	<u>727.44</u>
<b>Net Income</b>	<u><u>888,035.26</u></u>

**Prime Home Health Services, LLC**

**PRO FORMA BALANCE SHEET**

**Pro Forma  
Balance Sheet**

**ASSETS:**

Cash & Cash Equivalents	\$617,240
Patient Accounts Receivable	\$5,140,525
Goodwill	\$275,000
Other Current Assets	-\$160,017
Fixed Assets	\$74,424
Other Assets	\$6,423,657
<b><u>TOTAL ASSETS</u></b>	<b><u>\$12,370,829</u></b>

**LIABILITIES AND MEMBER EQUITY**

**LIABILITIES:**

Accounts Payable and Accrued Expenses	\$1,904,440
Credit Cards	\$64,193
Other Current Liabilities	\$2,715,259

<b><u>TOTAL LIABILITIES</u></b>	<b><u>\$4,683,892</u></b>
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Member Equity	\$7,686,937
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<b><u>TOTAL LIABILITIES &amp; MEMBER EQUITY</u></b>	<b><u>\$12,370,829</u></b>
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**LUTHERAN CENTER AT POUGHKEEPSIE, INC.**

**STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2015**

	<u>2015</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash	\$ 2,802,806
Cash - Resident funds	202,740
Accounts receivable - Nursing facility, net	1,566,523
Accounts receivable - Adult day care, net	97,917
Accounts receivable - Long-term home healthcare, net	-
Accounts receivable - Extended family, net	44,933
Due from third party payors	247,593
Current portion of due from affiliated companies	283,864
Inventories	56,954
Prepaid expenses and other receivables	<u>298,438</u>
Total current assets	<u>5,601,768</u>
PROPERTY AND EQUIPMENT, net	<u>6,008,257</u>
<b>OTHER ASSETS:</b>	
Assets whose use is limited	413,934
Debt issuance costs, net	189,548
Due from affiliated companies, net of current portion	<u>565,719</u>
Total other assets	<u>1,169,199</u>
	<u>\$ 12,779,224</u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES:</b>	
Current portion of long-term debt	\$ 457,646
Current portion of capital lease obligation	6,683
Accounts payable and accrued expenses	1,420,413
Accrued payroll and related liabilities	587,140
Resident funds	202,740
Due to third party payors	<u>154,481</u>
Total current liabilities	<u>2,829,103</u>
LONG-TERM LIABILITIES, net of current portion:	
Long-term debt	11,606,035
Capital lease obligation	18,897
Due to affiliated companies	<u>-</u>
Total long-term liabilities	<u>11,624,932</u>
Total liabilities	14,454,035
NET DEFICIT - UNRESTRICTED	<u>(1,674,811)</u>
	<u>\$ 12,779,224</u>

**LUTHERAN CENTER AT POUGHKEEPSIE, INC.**

**STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED DECEMBER 31, 2015**

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	<u>2015</u>
<b>OPERATING REVENUE:</b>	
Net resident service revenue	\$ 20,501,902
Contributions, rentals and miscellaneous	<u>65,600</u>
Total operating revenue	<u>20,567,502</u>
<b>OPERATING EXPENSES:</b>	
Direct care	9,532,420
Service departments	2,574,533
Administrative	1,582,129
Non-departmental	<u>5,902,195</u>
Total operating expenses	<u>19,591,277</u>
<b>NET OPERATING INCOME</b>	<u>976,225</u>
<b>OTHER INCOME (EXPENSE):</b>	
Prior period rate adjustments/settlements	324,007
Interest income	651
Grant from affiliate	-
Deferred financing costs expensed	(589,004)
Loss on disposal of assets	<u>-</u>
Total other income (expense), net	<u>(264,346)</u>
<b>INCOME FROM CONTINUING OPERATIONS</b>	<u>711,879</u>
<b>LOSS FROM DISCONTINUED OPERATIONS</b>	<u>(241,311)</u>
<b>CHANGE IN NET ASSETS</b>	470,568
<b>NET DEFICIT - beginning of year</b>	<u>(2,145,379)</u>
<b>NET DEFICIT - end of year</b>	<u>\$ (1,674,811)</u>

**LUTHERAN CENTER AT POUGHKEEPSIE, INC.**

**SCHEDULES OF NET OPERATING INCOME (LOSS)  
FOR THE YEARS ENDED DECEMBER 31, 2015**

	2015		
	<u>Nursing Facility</u>	<u>Long-Term Home Health Care</u>	<u>Total</u>
<b>OPERATING REVENUE:</b>			
Net service revenue	\$ 20,501,902	\$ 9,901	\$ 20,511,803
Contributions, rentals and miscellaneous	<u>65,600</u>	<u>-</u>	<u>65,600</u>
Total operating revenue	<u>20,567,502</u>	<u>9,901</u>	<u>20,577,403</u>
<b>OPERATING EXPENSES:</b>			
Direct care	9,532,420	68,691	9,601,111
Service departments	2,574,533	16,315	2,590,848
Administrative	1,582,129	126,277	1,708,406
Non-departmental	<u>5,902,195</u>	<u>39,929</u>	<u>5,942,124</u>
Total operating expenses	<u>19,591,277</u>	<u>251,212</u>	<u>19,842,489</u>
<b>NET OPERATING INCOME (LOSS)</b>	<b><u>\$ 976,225</u></b>	<b><u>\$ (241,311)</u></b>	<b><u>\$ 734,914</u></b>

	2014		
	<u>Nursing Facility</u>	<u>Long-Term Home Health Care</u>	<u>Total</u>
<b>OPERATING REVENUE:</b>			
Net service revenue	\$ 20,133,698	\$ 1,501,008	\$ 21,634,706
Contributions, rentals and miscellaneous	<u>67,231</u>	<u>-</u>	<u>67,231</u>
Total operating revenue	<u>20,200,929</u>	<u>1,501,008</u>	<u>21,701,937</u>
<b>OPERATING EXPENSES:</b>			
Direct care	9,447,059	1,165,376	10,612,435
Service departments	2,620,121	18,611	2,638,732
Administrative	1,294,598	635,264	1,929,862
Non-departmental	<u>5,271,979</u>	<u>213,850</u>	<u>5,485,829</u>
Total operating expenses	<u>18,633,757</u>	<u>2,033,101</u>	<u>20,666,858</u>
<b>NET OPERATING INCOME (LOSS)</b>	<b><u>\$ 1,567,172</u></b>	<b><u>\$ (532,093)</u></b>	<b><u>\$ 1,035,079</u></b>

Lutheran Care Center  
Balance Sheet  
As of December 31, 2016

Assets

Current Assets		
Cash	\$	3,161,787
Accounts Receivable	\$	2,084,900
Other Current Assets	\$	<u>346,517</u>
Total Current Assets	\$	5,593,204
Fixed Assets	\$	5,553,853
Other Assets	\$	1,352,213
TOTAL ASSETS	\$	<u>12,499,270</u>

Liabilities and Net Assets

Current Liabilities		
Notes and Loans Payable	\$	18,897
Accounts Payable	\$	1,235,344
Accrued Expenses	\$	835,530
Payable to Third Party Payor	\$	49,617
Other Current Liabilities	\$	<u>319,973</u>
Total Current Liabilities	\$	2,459,361
Mortgage and Interest Liability	\$	11,660,240
Net Assets		
Unrestricted	\$	(1,620,331)
TOTAL LIABILITIES AND NET ASSETS	\$	<u>12,499,270</u>

Lutheran Care Center  
Statement of Operations  
January 1, 2016 - December 31, 2016

Revenue

Net Patient Revenues	\$	20,795,213
Miscellaneous Revenues	\$	48,145
Total Revenues	\$	20,843,358

Expenses

Nursing Administration	\$	614,584
Skilled Nursing	\$	4,958,060
Foster Care	\$	505,176
ADHCP	\$	675,601
Laboratory Services	\$	30,270
Radiology	\$	14,989
Respiratory Therapy	\$	70,615
Activities	\$	224,720
Pharmacy	\$	444,516
Dental	\$	33,546
Therapy Management	\$	173,554
Physical Therapy	\$	702,375
Occupational Therapy	\$	603,682
Speech Therapy	\$	80,168
Admissions	\$	123,516
Social Services	\$	117,497
Chaplaincy	\$	57,757
Medical Records	\$	146,407
Physician Services	\$	68,275
Dietary Services	\$	1,608,542
Plant Operation	\$	249,324
Utilities	\$	196,102
Housekeeping Services	\$	355,367
Laundry and Linen	\$	149,004
Fiscal Services	\$	475,556
Data Processing	\$	274,349
Administrative Services	\$	239,482
Corporate Compliance	\$	91,526
Admin - SNF	\$	1,085,946
Special Events	\$	659
Switchboard/Concierge	\$	96,461
Management Fees	\$	332,880
Human Resources	\$	154,380
Depreciation	\$	612,000
Insurance	\$	231,733
Interest	\$	389,242
Employee Benefits	\$	3,746,518
LCC Property Related	\$	87,482
Total Expenses	\$	20,021,861

Profit (loss) \$ 821,497

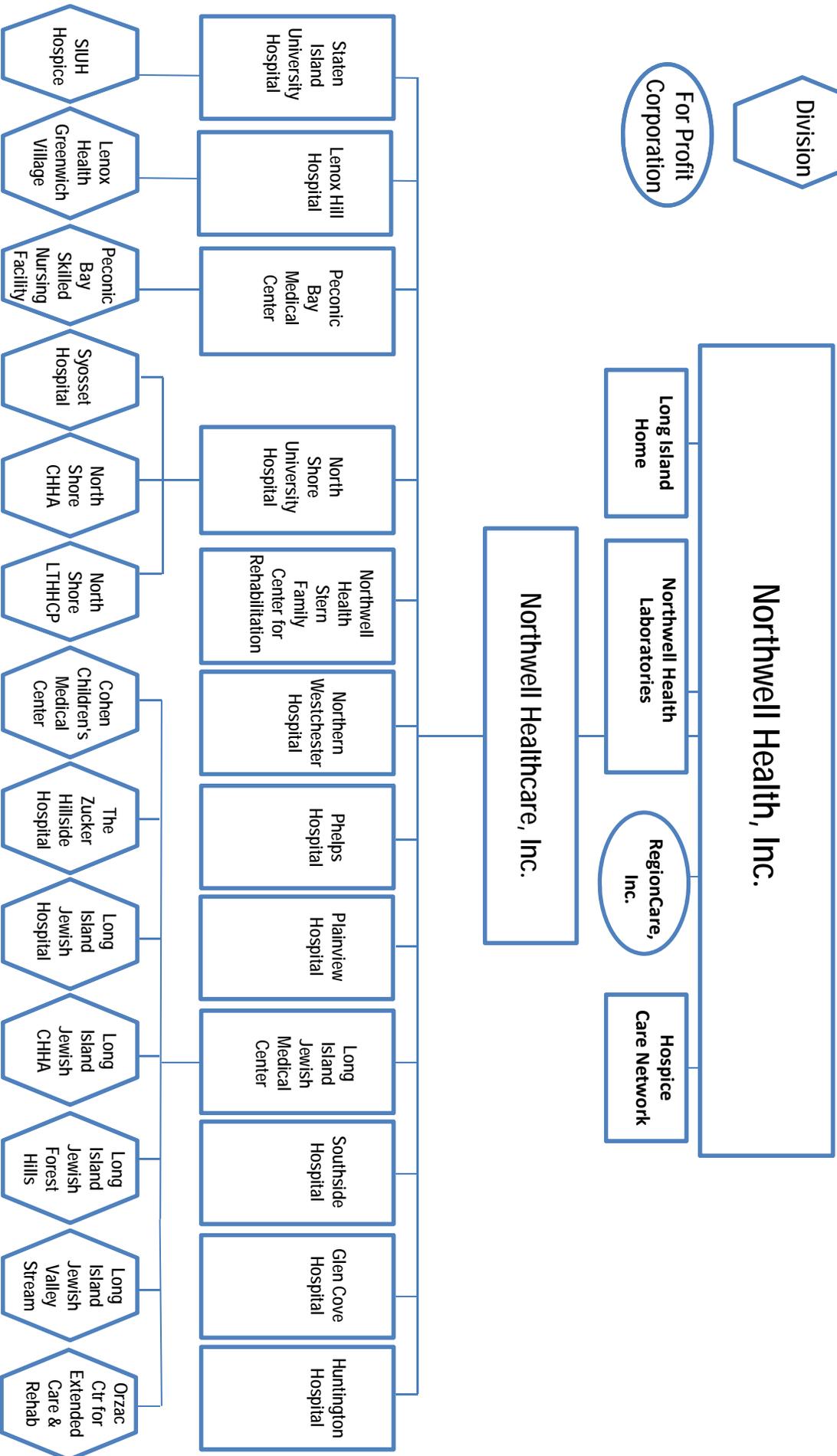
Not-for-Profit Corporation

Division

For Profit Corporation

*Northwell Health, Inc.  
Table of Organization*

*Current as of July 7, 2016*

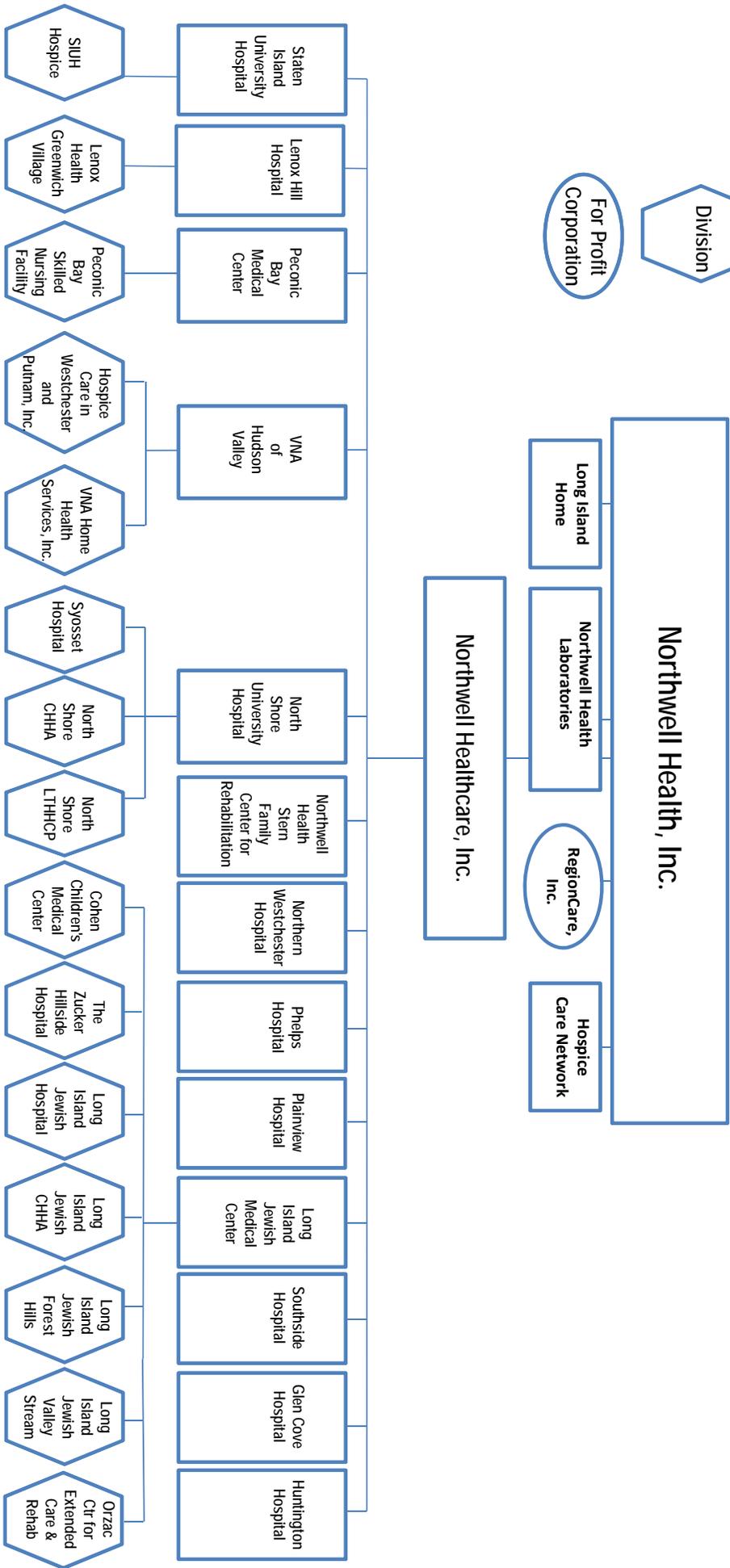


Not-for-Profit Corporation

Division

For Profit Corporation

*Northwell Health, Inc.*  
*Table of Organization*  
*Proposed as of January 6, 2017*



## Northwell Health, Inc.

**Consolidated Statements of Financial Position**  
**September 30, 2016 and December 31, 2015 (In Thousands)**

	(Unaudited) September 30, 2016	(Audited) December 31, 2015
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 365,447	\$ 432,829
Marketable securities and other investments	2,112,635	1,844,892
Accounts receivable for services to patients, net of allowance for doubtful accounts	995,200	876,130
Accounts receivable for physician activities, net	120,430	111,902
Assets limited as to use, current portion	128,513	101,683
Pledges receivable, current portion	34,088	35,097
Insurance claims receivable, current portion	67,729	71,068
Other current assets	240,219	207,968
Total current assets	<u>4,064,261</u>	<u>3,681,569</u>
Assets limited as to use, net of current portion	1,954,821	1,508,032
Pledges receivable, net of current portion	88,050	91,090
Property, plant and equipment, net	4,539,601	4,315,166
Insurance claims receivable, net of current portion	266,925	278,530
Other assets	337,281	264,340
Total assets	<u>\$ 11,250,939</u>	<u>\$ 10,138,727</u>
<b>Liabilities and net assets</b>		
Current liabilities:		
Short-term borrowings	\$ 110,218	\$ 110,218
Accounts payable and accrued expenses	925,025	733,653
Accrued salaries and related benefits	631,630	625,383
Current portion of capital lease obligations	4,880	3,138
Current portion of long-term debt	56,778	55,613
Current portion of insurance claims liability	67,729	71,068
Current portion of malpractice and other insurance liabilities	102,999	101,720
Current portion of third-party payer structured liabilities	1,663	4,346
Current portion of estimated payable to third-party payers	288,708	235,768
Total current liabilities	<u>2,189,630</u>	<u>1,940,907</u>
Accrued retirement benefits, net of current portion	832,685	782,972
Capital lease obligations, net of current portion	174,469	171,888
Long-term debt, net of current portion	2,689,411	2,199,401
Insurance claims liability, net of current portion	266,925	278,530
Malpractice and other insurance liabilities, net of current portion	938,661	881,794
Third-party payer structured liabilities, net of current portion	4,529	8,303
Other long-term liabilities	600,519	635,892
Total liabilities	<u>7,696,829</u>	<u>6,899,687</u>
Commitments and contingencies		
Net assets:		
Unrestricted	3,021,957	2,710,921
Temporarily restricted	362,200	363,573
Permanently restricted	169,953	164,546
Total net assets	<u>3,554,110</u>	<u>3,239,040</u>
Total liabilities and net assets	<u>\$ 11,250,939</u>	<u>\$ 10,138,727</u>

## Northwell Health, Inc.

**Consolidated Statements of Operations**  
**For the Nine Months Ended September 30, 2016 and 2015 (In Thousands)**

	(Unaudited) <b>2016</b>	(Unaudited) <b>2015</b>
Operating revenue:		
Net patient service revenue	\$ 5,610,533	\$ 5,098,327
Physician practice revenue	941,165	816,140
Provision for bad debts	(92,784)	(80,818)
Total patient revenue, net of provision for bad debts	<u>6,458,914</u>	<u>5,833,649</u>
Other operating revenue	388,188	331,429
Net health insurance premium revenue	395,432	154,578
Net assets released from restrictions used for operations	42,297	46,269
Total operating revenue	<u>7,284,831</u>	<u>6,365,925</u>
Operating expenses:		
Salaries	3,485,376	3,179,225
Employee benefits	900,473	823,157
Supplies and expenses	2,424,781	1,911,595
Depreciation and amortization	307,901	292,142
Interest	82,216	78,242
Total operating expenses	<u>7,200,747</u>	<u>6,284,361</u>
Excess of operating revenue over operating expenses	84,084	81,564
Non-operating gains and losses:		
Investment income	41,536	39,273
Change in net unrealized gains and losses and change in value of equity method investments	134,041	(115,136)
Change in fair value of interest rate swap agreements designated as derivative instruments	190	565
Loss on refunding and redemption of long-term debt	-	(56,975)
Contributions received in the acquisitions of Peconic Bay Medical Center (2016), Phelps Memorial Hospital (2015) and Northern Westchester Hospital (2015)	36,343	259,807
Gain from acquired interest in Optum360	-	115,600
Other non-operating gains and losses	(9,198)	(5,486)
Total non-operating gains and losses	<u>202,912</u>	<u>237,648</u>
Excess of revenue and gains and losses over expenses	286,996	319,212
Net assets released from restrictions for capital asset acquisitions	28,221	5,055
Change in fair value of interest rate swap agreements designated as cash flow hedges	13	610
Recovery of fair value of endowment corpus	609	-
Other changes in net assets	(4,803)	(2,360)
Increase in unrestricted net assets	<u>\$ 311,036</u>	<u>\$ 322,517</u>

Northwell Health, Inc.  
(Formerly, North Shore-Long Island Jewish Health System, Inc.)

Consolidated Statements of Financial Position  
(In Thousands)

	December 31	
	2015	2014
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 432,829	\$ 194,570
Marketable securities and other investments	1,844,892	1,905,161
Accounts receivable for services to patients, net of allowance for doubtful accounts of \$94,700 in 2015 and \$91,200 in 2014	876,130	774,831
Accounts receivable for physician activities, net	111,902	74,058
Assets limited as to use, current portion	101,683	104,566
Pledges receivable, current portion	35,097	36,129
Insurance claims receivable, current portion	71,068	83,268
Other current assets	207,968	172,369
Total current assets	3,681,569	3,344,952
Assets limited as to use, net of current portion	1,508,032	1,365,666
Pledges receivable, net of current portion	91,090	101,423
Property, plant and equipment, net	4,315,166	3,762,104
Insurance claims receivable, net of current portion	278,530	312,169
Other assets	264,340	125,240
Total assets	\$ 10,138,727	\$ 9,011,554
<b>Liabilities and net assets</b>		
Current liabilities:		
Short-term borrowings	\$ 110,218	\$ 110,218
Accounts payable and accrued expenses	733,653	607,224
Accrued salaries and related benefits	625,383	595,405
Current portion of capital lease obligations	3,138	5,902
Current portion of long-term debt	55,613	55,357
Current portion of insurance claims liability	71,068	83,268
Current portion of malpractice and other insurance liabilities	101,720	81,344
Current portion of third-party payer structured liabilities	4,346	4,346
Current portion of estimated payable to third-party payers	235,768	247,935
Total current liabilities	1,940,907	1,790,999
Accrued retirement benefits, net of current portion	782,972	706,145
Capital lease obligations, net of current portion	171,888	196,582
Long-term debt, net of current portion	2,199,401	1,822,743
Insurance claims liability, net of current portion	278,530	312,169
Malpractice and other insurance liabilities, net of current portion	881,794	758,983
Third-party payer structured liabilities, net of current portion	8,303	13,266
Other long-term liabilities	635,892	577,276
Total liabilities	6,899,687	6,178,163
Commitments and contingencies		
Net assets:		
Unrestricted	2,710,921	2,340,552
Temporarily restricted	363,573	357,127
Permanently restricted	164,546	135,712
Total net assets	3,239,040	2,833,391
Total liabilities and net assets	\$ 10,138,727	\$ 9,011,554

Northwell Health, Inc.  
(Formerly, North Shore-Long Island Jewish Health System, Inc.)

Consolidated Statements of Operations  
(In Thousands)

	Year Ended December 31	
	2015	2014
Operating revenue:		
Net patient service revenue	\$ 6,962,767	\$ 6,078,845
Physician practice revenue	1,125,838	961,772
Provision for bad debts	(110,265)	(103,871)
Total patient revenue, net of provision for bad debts	7,978,340	6,936,746
Other operating revenue	457,612	367,374
Health insurance premium revenue	228,427	85,808
Net assets released from restrictions used for operations	58,276	45,119
Total operating revenue	8,722,655	7,435,047
Operating expenses:		
Salaries	4,319,212	3,816,925
Employee benefits	1,100,101	947,744
Supplies and expenses	2,724,420	2,156,716
Depreciation and amortization	384,206	331,036
Interest	105,018	95,113
Total operating expenses	8,632,957	7,347,534
Excess of operating revenue over operating expenses	89,698	87,513
Non-operating gains and losses:		
Investment income	62,205	100,817
Change in net unrealized gains and losses and change in value of equity method investments	(112,700)	(24,354)
Change in fair value of interest rate swap agreements designated as derivative instruments	790	841
Loss on refunding and redemption of long-term debt	(56,975)	-
Contributions received in the acquisitions of Phelps Memorial Hospital and Northern Westchester Hospital	259,807	-
Gain from acquired interest in Optum360	115,600	-
Other non-operating gains and losses	(10,981)	25,967
Total non-operating gains and losses	257,746	103,271
Excess of revenue and gains and losses over expenses	347,444	190,784
Net assets released from restrictions for capital asset acquisitions	7,696	27,136
Change in fair value of interest rate swap agreements designated as cash flow hedges	1,289	1,310
Loss of fair value of endowment corpus	(608)	-
Pension and other postretirement liability adjustments	18,131	(359,743)
Other changes in net assets	(3,583)	(27,340)
Increase (decrease) in unrestricted net assets	\$ 370,369	\$ (167,853)

VNA OF HUDSON VALLEY AND AFFILIATES  
Tarrytown, New York

## COMBINED BALANCE SHEETS

December 31, 2016 and 2015

## ASSETS

	<u>2016</u>	<u>2015</u>
Current Assets:		
Cash and Cash Equivalents	\$ 596,290	\$ 562,986
Investments	1,596,055	1,605,331
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$995,000 and \$728,000	4,394,579	4,608,408
Prepaid Expenses	<u>204,423</u>	<u>150,679</u>
Total Current Assets	<u>6,791,347</u>	<u>6,927,404</u>
Assets Limited As To Use:		
Cash and Cash Equivalents	564,389	564,564
Bequest Receivable	<u>53,560</u>	<u>53,560</u>
Total Assets Limited As To Use	<u>617,949</u>	<u>618,124</u>
Property and Equipment, Net of Accumulated Depreciation	<u>193,654</u>	<u>186,483</u>
Other Assets	<u>83,392</u>	<u>83,392</u>
Total Assets	<u>\$7,686,342</u>	<u>\$7,815,403</u>

## LIABILITIES AND NET ASSETS

Current Liabilities:		
Line of Credit	\$ 390,000	\$ 475,000
Current Portion of Insurance Assessment	55,325	40,301
Current Portion of Capital Lease Obligations	950	15,756
Accounts Payable and Accrued Expenses	2,392,139	1,842,214
Accrued Payroll and Related Withholdings	1,348,454	1,191,491
Deferred Revenue	<u>806,219</u>	<u>834,084</u>
Total Current Liabilities	<u>4,993,087</u>	<u>4,398,846</u>
Long-Term Liabilities:		
Insurance Assessment, Net of Current Portion	819,718	861,491
Capital Lease Obligations, Net of Current Portion	<u>-</u>	<u>950</u>
Total Long-Term Liabilities	<u>819,718</u>	<u>862,441</u>
Total Liabilities	5,812,805	5,261,287
Net Assets:		
Unrestricted	<u>1,873,537</u>	<u>2,554,116</u>
Total Liabilities and Net Assets	<u>\$7,686,342</u>	<u>\$7,815,403</u>

VNA OF HUDSON VALLEY AND AFFILIATES  
Tarrytown, New York

## COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenue, Gains and Other Support:		
Net Patient Service Revenue	\$24,887,002	\$25,156,137
Provision for Uncollectible Accounts	( 490,517 )	( 278,007 )
Net Patient Service Revenue, Less Provision for Uncollectible Accounts	24,396,485	24,878,130
Contributions and Fund Raising, Net of Direct Expenses	<u>233,560</u>	<u>234,879</u>
Total Revenue, Gains and Other Support	<u>24,630,045</u>	<u>25,113,009</u>
Expenses:		
Salaries and Related Expenses	17,705,523	17,832,605
Professional Fees and Contract Services	3,760,535	3,680,049
Supplies	1,023,586	948,779
Occupancy	830,446	790,810
Transportation	346,176	366,572
Other	1,520,055	1,553,713
Interest	46,154	53,302
Depreciation and Amortization	<u>69,063</u>	<u>95,123</u>
Total Expenses	<u>25,301,538</u>	<u>25,320,953</u>
Operating Loss	( 671,493 )	( 207,944 )
Other Income (Loss):		
Interest and Investment Income	31,386	37,589
Realized and Unrealized Gains and Losses	( 40,472 )	<u>19,427</u>
Total Other Income (Loss)	( 9,086 )	<u>57,016</u>
Unrestricted Net Assets:		
Deficiency of Revenue Over Expenses and Decrease in Unrestricted Net Assets	( 680,579 )	( 150,928 )
Net Assets, Beginning of Year	<u>2,554,116</u>	<u>2,705,044</u>
Net Assets, End of Year	<u>\$ 1,873,537</u>	<u>\$ 2,554,116</u>

**Response to Question 11c)**

In September, 2010, claims were settled, involving no findings or admissions of fraud, liability or other wrongdoing by North Shore-Long Island Jewish Health System ("NS-LIJ"), involving a qui tam lawsuit filed under the civil False Claims Act ("FCA") by a private party whistleblower in the United States District Court for the Southern District of New York ("SDNY"). The claims were investigated by the United States Attorney's Office for the SDNY and, as a result thereof, NS-LIJ and the government agreed to resolve the matter with a payment of \$2.95 million covering a ten year period. This payment was for isolated errors in certain North Shore University Hospital cost reports that related to the appropriate characterization of "Part B" costs associated with certain overhead expenses, and had little connection with the allegations of the qui tam relator's complaint.

On or about December 1, 2010, the Health System received a letter from the Civil Division of the United States Department of Justice ("DOJ") alleging that, since 2003, certain Health System hospitals may have submitted claims to Medicare for payment for the implantation of implantable cardioverter defibrillators ("ICDs") and related services for which Medicare does not provide coverage, and further alleging potential liability under the federal False Claims Act. In 2016, this investigation was resolved by agreement with DOJ, and the matter is now closed.

On or about November 18, 2010, NSUH, the Health System and certain of their current and former employees received Civil Investigative Demands ("CIDs") issued by the United States Attorney for the Southern District of New York ("USAO/SDNY"). The CIDs sought documents, interviews and other information relating to North Shore University Hospital's ("NSUH") clinical documentation improvement ("CDI") program, which is an initiative undertaken by NSUH and certain other Health System hospitals to ensure compilation of clear, complete, accurate and timely inpatient medical records for the purpose of coding and quality of care. The Health System has produced documents and provided witnesses as required by the initial CIDs and subsequent informal USAO/SDNY requests and has complied with a series of additional document and information requests that have sought medical records from other hospitals affiliated with the Health System, including without limitation Long Island Jewish Medical Center, Southside Hospital ("SH"), Plainview Hospital and Huntington Hospital. Early in the investigation, the USAO/SDNY suggested that it intended to extrapolate liability to the multiple affected hospitals based on a statistical extrapolation methodology and expert coding analysis that the Health System considers to be highly flawed. However, since then, the USAO/SDNY has not made a specific demand for repayment or otherwise articulated the legal and factual bases that in its view support a finding of liability in this matter.

In October 2011, SH learned that the U.S. Attorney's Office for the Western District of New York ("USAO/WDNY") is conducting a review of inpatient admissions for atherectomy procedures, a minimally invasive surgical method used to treat peripheral arterial disease of the lower extremities. Management understands similar requests have been made of other hospitals. The USAO/WDNY initially requested that SH provide information concerning such procedures (but did not issue a subpoena for such information), and SH cooperated with the request. Since the initial request for information, SH has had no further contact from the USAO/WDNY, and at no time has the USAO/WDNY indicated whether it believes SH has any potential liability in this matter.

In June 2012, SIUH received a subpoena from the OIG and the U.S. Attorney's Office for the Eastern District of New York ("USAO/EDNY") requesting documentation relating to services rendered at Staten Island University Hospital's ("SIUH") inpatient specialized burn unit since 2005, including medical and billing records for certain patients who received those services. The requested documentation was provided in the summer of 2012. In June 2013, the USAO/EDNY contacted SIUH with follow-up

questions regarding the material provided, and SIUH provided the requested information. The government has not indicated whether it believes SIUH has any potential liability in this matter.

In October 2012, Lenox Hill Hospital ("LHH") received a letter from SafeGuard Services LLC ("SafeGuard"), a Centers for Medicare & Medicaid Services ("CMS") Program Integrity Contractor, advising that it had reviewed 33 inpatient cardiac stent claims submitted by LHH for 25 Medicare patients that had been paid by National Government Services ("NGS") during the period October 1, 2007 through December 31, 2010. SafeGuard determined that the medical documentation did not support inpatient admission of the patients in a majority of the claims. With respect to a few claims, SafeGuard determined that the documentation did not support the medical necessity of the cardiac stent procedure. Based on this review, SafeGuard requested LHH undertake a self-audit and voluntary disclosure of its billing and claims history for elective cardiac stent admissions during this time period involving in-hospital lengths of stay of two days or less, a discharge to home, and involving specific DRGs. In 2016, LHH completed the self-audit and made a repayment to Medicare.

**Response to Question 11d)**

In September, 2008, SIUH entered into a global settlement with the United States Attorney's Office for the Eastern District of New York, the Office of the Inspector General of the Department of Health and Human Services, and the Attorney General's Office of the State of New York in which the Hospital agreed to pay \$76.4 million to the federal government and \$12.4 million to the state. SIUH also entered into a Corporate Integrity Agreement with a five-year term. All but \$6.2 million due to the state was paid immediately, with the remaining \$6.2 million due in equal installments over the following three years. The settlement covered payments related to stereotactic radiosurgery treatments; to the operation of a unit to provide detoxification services to individuals when the complement of beds in the Hospital licensed for these services was already full; reimbursement received by SIUH for its graduate medical education program; and the operation of the inpatient psychiatric unit above its certified capacity without the prior approval. The investigation began, to our knowledge, in approximately March, 2003.

Shining Star Home Care, LLC  
Balance Sheet  
December 31, 2015

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**ASSETS**

**CURRENT ASSETS**

Cash	\$ 4,482	
Patient accounts receivable	<u>70,366</u>	
<b>TOTAL CURRENT ASSETS</b>		\$ 74,848

**FIXED ASSETS**

Computer software	68,000	
Accumulated amortization	<u>(56,667)</u>	
<b>TOTAL FIXED ASSETS</b>		<u>11,333</u>

<b>TOTAL ASSETS</b>		<u><u>\$ 86,181</u></u>
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**LIABILITIES AND MEMBERS' DEFICIT**

**CURRENT LIABILITIES**

Accounts payable	\$ 569,547	
Accrued payroll	<u>24,412</u>	
<b>TOTAL CURRENT LIABILITIES</b>		\$ 593,959

**LONG-TERM LIABILITIES**

Members' loans		<u>625,939</u>
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<b>TOTAL LIABILITIES</b>		1,219,898
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<b>MEMBERS' DEFICIT</b>		<u>(1,133,717)</u>
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<b>TOTAL LIABILITIES AND MEMBERS' DEFICIT</b>		<u><u>\$ 86,181</u></u>
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**Shining Star Home Care, LLC**  
**Statement of Operations and Members' Deficit**  
**For The Year Ended December 31, 2015**

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**REVENUE**

Patient service revenue, net \$ 608,326

**TOTAL REVENUES** \$ 608,326

**EXPENSES**

Operating expenses 878,167

General and administrative expenses 396,228

**TOTAL EXPENSES** 1,274,395

**NET LOSS** (666,069)

**MEMBERS' DEFICIT - BEGINNING** (706,214)

Contributions 238,566

**MEMBERS' DEFICIT - ENDING** \$ (1,133,717)

Shining Star Home Care  
**Balance Sheet**  
As of December 31, 2016

	<u>Dec 31, 16</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
11 · Capital One 1560	51.00
13 · Capital One 1587	<u>3,929.19</u>
<b>Total Checking/Savings</b>	<u>3,980.19</u>
<b>Other Current Assets</b>	
15 · Accounts Receivable	<u>70,366.01</u>
<b>Total Other Current Assets</b>	<u>70,366.01</u>
<b>Total Current Assets</b>	74,346.20
<b>Fixed Assets</b>	
150 · Software	68,000.00
155 · Accumulated Depreciation	<u>-56,666.68</u>
<b>Total Fixed Assets</b>	<u>11,333.32</u>
<b>TOTAL ASSETS</b>	<u><u>85,679.52</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
250 · Accounts Payable	<u>543,315.38</u>
<b>Total Other Current Liabilities</b>	<u>543,315.38</u>
<b>Total Current Liabilities</b>	543,315.38
<b>Long Term Liabilities</b>	
265 · Loan Payable	<u>1,109,030.71</u>
<b>Total Long Term Liabilities</b>	<u>1,109,030.71</u>
<b>Total Liabilities</b>	1,652,346.09
<b>Equity</b>	
415 · Member's Equity	-1,108,107.54
Net Income	<u>-458,559.03</u>
<b>Total Equity</b>	<u>-1,566,666.57</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>85,679.52</u></u>

**Shining Star Home Care**  
**Profit & Loss**  
January through December 2016

	<u>Jan - Dec 16</u>
<b>Income</b>	
575 · Income from Services	218,818.88
<b>Total Income</b>	<u>218,818.88</u>
<b>Expense</b>	
655 · Consulting	10,423.98
735 · Telephone	1,503.00
736 · Internet	1,303.03
801 · Advertising	2,169.24
807 · Payroll	500,114.55
812 · Payroll Processing	2,634.24
819 · Insurance	12,719.48
825 · Professional Fees	79,646.58
829 · License & Fees	792.00
834 · Computer Expense	44,441.47
850 · Medical Supplies	391.34
860 · Outside Service	17,008.00
865 · Office Expense	3,986.00
903 · Bank Charges	245.00
<b>Total Expense</b>	<u>677,377.91</u>
<b>Net Income</b>	<u><u>-458,559.03</u></u>