

STATE HOSPITAL REVIEW and PLANNING COUNCIL (SHRPC)

New York State Department of Health

September 30, 2010

Regular Meeting

- I. Approval of the August 5, 2010 SHRPC Minutes** (Exhibit #1)
Jeffrey A. Kraut
- II. Updated State Hospital Review and Planning Council Membership List** (Exhibit #2)
- III. Report by the Commissioner on Department Activities**
Dr. Richard F. Daines
- IV. Report by the Deputy Commissioner of Office of Health Systems Management**
Richard M. Cook
- V. Report by the Deputy Commissioner of Office of Long Term Care**
Mark L. Kissinger
- VI. Report by the Deputy Commissioner of Office of Health Information Technology Transformation**
Rachel Block
- VII. Report by the Chair of the Codes and Regulations Committee** (Exhibit #3)
Proposed Action: For Discussion
10-10 Amendment of Section 755.6 of Part 755 of Title 10
Post Anesthesia Evaluations at Freestanding and Hospital Off-Site Ambulatory Surgery Centers
Thomas E. Holt
- VIII. Report by the Chair of the Planning Committee**
Anthony J. Lechich, M.D.

- IX. Report by the Vice-Chair of the Major Medical Equipment & Appropriateness Review Committee** (Exhibit #4)
 Designation of Stroke Center: Millard Fillmore Suburban Hospital
 Edwin T. Graham
- X. The Information Systems Review Committee was cancelled.**
 Richard N. Rosenthal, M.D.
- XI. The Fiscal Policy Committee was cancelled.**
 James A. Ghent, Jr., Ph.D., J.D.
- XII. Report by the Chair of the Project Review Committee**
 Michael H. Barnett
- Applications for Establishment and/or Construction of Health Care Facilities
- Applications for Acute Care Services (Exhibit #5)
 - Applications for Cardiac Services (Exhibit #6)
 - Applications for Proton Beam Therapy (Exhibit #7)
 - Application for Ambulatory Surgery Center (Exhibit #8)
 - Applications for Diagnostic and Treatment Centers (Exhibit #9)
 - Applications for Dialysis (Exhibit #10)
 - Applications for Residential Health Care Facilities (Exhibit #11)
 - Applications for Certified Home Health Care Agency & LTHHCP (Exhibit #12)
 - Applications for Hospice (Exhibit #13)
- XIII. Update on Public Health Council Matters**
 Thomas M. Jung, Director, Division of Health Facility Planning
- XIV. Status Report from the General Counsel, Division of Legal Affairs on Requests for Hearings on Applications for Establishment** (Exhibit #14)
- XV. Licensed Home Care Services Agency Applications (LHCSAs)** (Exhibit #15)
- XVI. Administrative Applications – Approved and Pending** (Exhibit #16)
- XVII. Capital Cost Report** (Exhibit #17)

ADJOURNMENT

Last Meeting of the State Hospital Review and Planning Council

November 18, 2010

Combined Committee and Full SHRPC meeting
 Concourse, Empire State Plaza, Albany, NY

Applications for Establishment and / or Construction of Health Care Facilities

Applications for Acute Care Services (Exhibit #5)

1. 101035 C Wyoming County Community Hospital (Wyoming County)
2. 101090 E Arnot Ogden Medical Center (Steuben County)
3. 101136 E St. Vincent Health System d/b/a Westfield Memorial Hospital (Chautauqua County)
4. 102099 E St. Joseph's Hospital Yonkers d/b/a St. Joseph's Medical Center (Westchester Co.)

Applications for Cardiac Services (Exhibit #6)

5. 091169 C Southside Hospital (Suffolk County)
6. 092032 C Good Samaritan Hospital Medical Center (Suffolk County)

Applications for Proton Beam Therapy (Exhibit #7)

7. 101150 B TPTCC NY, Inc. (Queens County)
8. 101151 B The New York Proton Center (New York County)

Application for Ambulatory Surgery Center (Exhibit #8)

9. 101123 C University Hospital SUNY Health Science Center (Onondaga County)

Applications for Diagnostic and Treatment Centers (Exhibit #9)

10. 091026 B WNYIMC, LLC d/b/a Western New York Immediate Care (Erie County)
11. 101135 E Mermaid Health Center (Kings County)

Applications for Dialysis Services (Exhibit #10)

12. 092135 B USRC Cheektowaga, Inc. (Erie County)
13. 092136 B USRC Williamsville, Inc. (Erie County)
14. 092137 B USRC Tonawanda, Inc. (Erie County)
15. 101038 E Interstate Development and Management Partners, LLC (Richmond County)
16. 101070 E Long Island Replacement, LLC d/b/a Island Rehabilitative Services Corp. (Richmond Co.)

Applications for Residential Health Care Facilities (Exhibit #11)

17. 092116 C St. Patrick's Home (Bronx County)
18. 101053 C Erie County Medical Center - Skilled Nursing Facility (Erie County)
19. 101141 B St. John's Penfield Homes (Monroe County)

Applications for Certified Home Health Care Agency and LTHHCP (Exhibit #12)

20. 092088 E Olom Home Care, Inc. d/b/a St. Mary's Metropolitan Home Care for Kids (Kings Co.)
21. 101071 E Home Aide Service of Eastern New York, Inc. d/b/a Eddy Visiting Nurse Association/Wesley VNA (Rensselaer County)
22. 101073 E Seton Health System, Inc. d/b/a Seton Home Health Care (Rensselaer County)
23. 101075 E St. Peter's Hospital of the City of Albany d/b/a St. Peter's Hospital Home Care Department (Albany County)
24. 101157 E Visiting Nurse Services in Westchester, Inc. (Putnam County)
25. 102124 C Visiting Nurse Service of New York Home Care (New York County)

Applications for Hospice (Exhibit #13)

26. 101079 C East End Hospice, Inc. (Suffolk County)
27. 101161 C Hospice Care Network d/b/a Hospice Care of Long Island, Queens, South Shore (Nassau County)

**New York State Department of Health
State Hospital Review and Planning Council**

September 30, 2010

ATTACHMENT

APPLICATIONS for ACUTE CARE SERVICES

1. 101035 C Wyoming County Community Hospital (Wyoming County)
2. 101090 E Arnot Ogden Medical Center (Steuben County)
3. 101136 E St. Vincent Health System d/b/a Westfield Memorial Hospital
(Chautauqua County)
4. 102099 E St. Joseph's Hospital Yonkers d/b/a St. Joseph's Medical Center
(Westchester Co)

**WYOMING COUNTY COMMUNITY HOSPITAL
AND SKILLED NURSING FACILITY**
Balance Sheets
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 3,381,298	\$ 3,093,162
Accounts receivable - net	7,025,300	6,846,606
Inventories	629,491	710,783
Prepaid expenses and other current assets	968,339	883,954
Total current assets	<u>12,004,428</u>	<u>11,534,505</u>
Assets Whose Use is Limited	2,279,160	28,032
Property, Plant and Equipment - Net	<u>8,851,794</u>	<u>9,002,774</u>
Total Assets	<u>\$ 23,135,382</u>	<u>\$ 20,565,311</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Bond anticipation notes	\$ 4,220,000	\$ 1,744,000
Long-term debt - current portion	313,127	378,841
Accounts payable and accrued expenses	1,722,783	1,554,125
Accrued compensation and payroll taxes	1,692,514	2,285,066
Due to third-party payors	408,239	355,991
Workers' compensation liability - current portion	344,589	349,856
Total current liabilities	<u>8,701,252</u>	<u>6,667,879</u>
Long-Term Liabilities		
Long-term debt - net of current portion	-	317,572
Workers' compensation liability - net of current portion	850,773	878,517
NYS employees' retirement system liability	500,000	600,000
Deferred revenue	211,000	-
Total long-term liabilities	<u>1,561,773</u>	<u>1,796,089</u>
Total Liabilities	<u>10,263,025</u>	<u>8,463,968</u>
Net Assets		
Unrestricted	6,274,530	5,510,950
Restricted	2,279,160	28,032
Invested in capital assets - net of related debt	4,318,667	6,562,361
Total net assets	<u>12,872,357</u>	<u>12,101,343</u>
Total Liabilities and Net Assets	<u>\$ 23,135,382</u>	<u>\$ 20,565,311</u>

**WYOMING COUNTY COMMUNITY HOSPITAL
AND SKILLED NURSING FACILITY**
Statements of Revenues, Expenses, and Changes in Fund Net Assets
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues		
Patient service revenue - net	\$ 43,563,896	\$ 40,306,373
Other operating revenue	1,310,227	1,840,583
Total revenues	<u>44,874,123</u>	<u>42,146,956</u>
Operating Expenses		
Salaries and wages	21,254,232	20,468,690
Employee benefits	7,430,823	7,133,416
Supplies and other expenses	16,132,017	14,448,195
Depreciation	1,419,823	1,321,866
Bad debt expense	1,055,938	1,152,829
Total operating expenses	<u>47,292,833</u>	<u>44,524,996</u>
Loss from Operations	<u>(2,418,710)</u>	<u>(2,378,040)</u>
Non-Operating Revenues (Expenses)		
County appropriation	-	14,420
Intergovernmental transfer for public nursing homes	2,572,273	2,946,000
Interest income	24,043	72,140
Interest expense	(144,057)	(148,434)
Total non-operating revenues	<u>2,452,259</u>	<u>2,884,126</u>
Excess of Revenues over Expenses Before Other Changes in Net Assets	<u>33,549</u>	<u>506,086</u>
Other Changes in Net Assets		
Contributions from WCCH Foundation for capital acquisitions	17,934	10,109
Contributions for capital acquisitions	719,531	500,745
Total other changes in net assets	<u>737,465</u>	<u>510,854</u>
Change in Net Assets	771,014	1,016,940
Net Assets - Beginning	<u>12,101,343</u>	<u>11,084,403</u>
Net Assets - Ending	<u>\$ 12,872,357</u>	<u>\$ 12,101,343</u>

WYOMING COMMUNITY HOSPITAL FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

December 31,

See Independent Accountant's Report

ASSETS	2009	2008
Current assets:		
Cash and cash equivalents	\$ 2,196,979	\$ 1,852,796
Pledges receivable, net	380,098	437,352
Total current assets	<u>2,577,077</u>	<u>2,290,148</u>
Equipment:		
Equipment	14,090	14,090
Less: accumulated depreciation	<u>14,090</u>	<u>14,090</u>
Equipment, net	<u>-</u>	<u>-</u>
Long-term assets:		
Investments	178,943	153,344
Pledges receivable, net	475,147	929,976
Total long-term assets	<u>654,090</u>	<u>1,083,320</u>
	<u>\$ 3,231,167</u>	<u>\$ 3,373,468</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 950	\$ -
Total current liabilities	<u>950</u>	<u>-</u>
Net assets:		
Unrestricted	122,130	117,201
Temporarily restricted	3,058,087	3,206,267
Permanently restricted	50,000	50,000
Total net assets	<u>3,230,217</u>	<u>3,373,468</u>
	<u>\$ 3,231,167</u>	<u>\$ 3,373,468</u>

WYOMING COMMUNITY HOSPITAL FOUNDATION, INC.

STATEMENTS OF ACTIVITIES
 Years Ended December 31,
 See Independent Accountant's Report

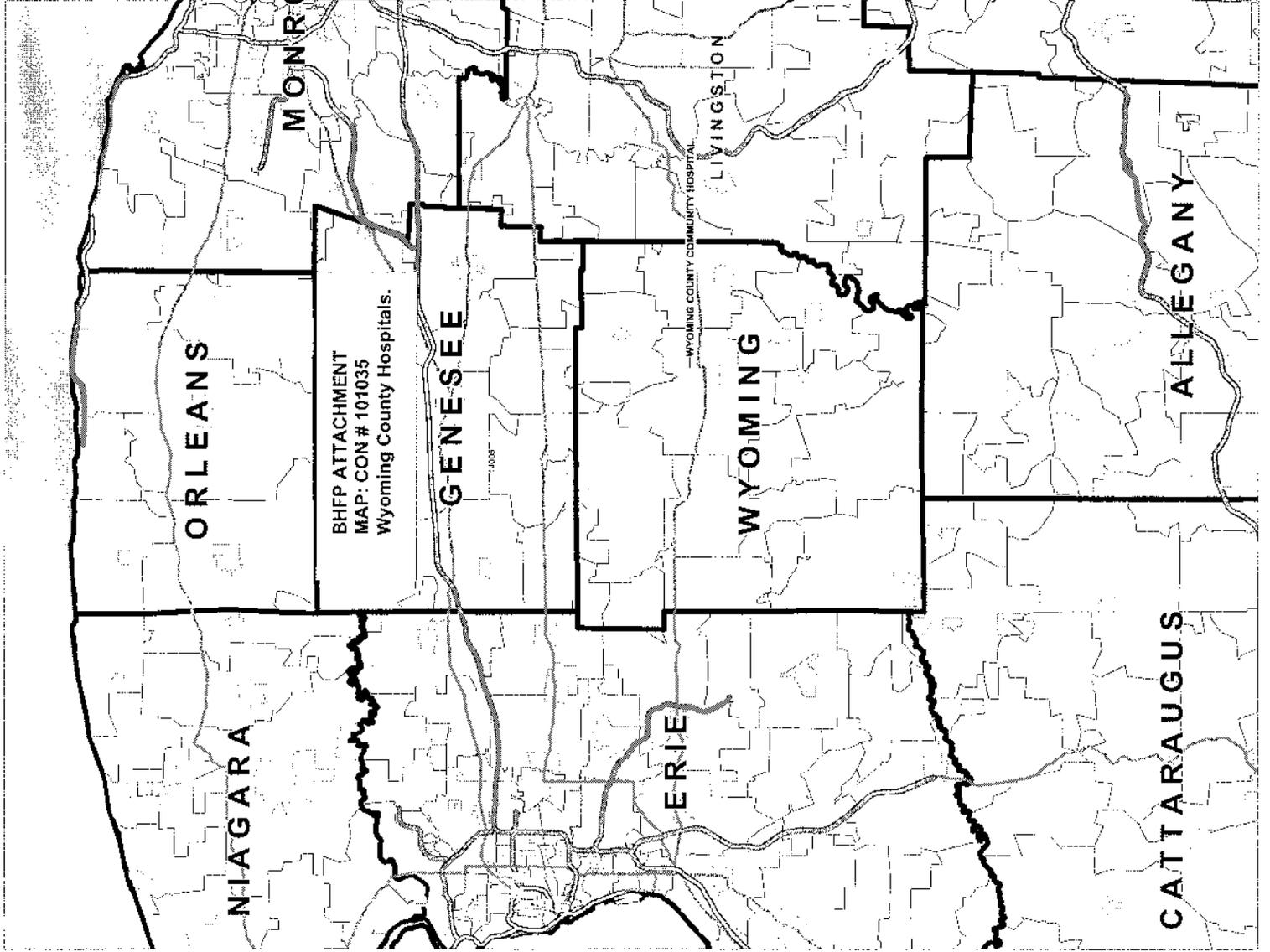
	2009	2008
CHANGES IN UNRESTRICTED NET ASSETS:		
Support and revenue:		
Contributions, fundraising and special events	\$ 23,291	\$ 26,042
Investment income (loss), net	10,443	(14,326)
Net assets released from restrictions	345,949	470,818
Total support and revenue	<u>379,683</u>	<u>482,534</u>
Expenses:		
Fundraising and special events	38,429	30,872
General and administrative	24,300	31,931
Distributions to Wyoming County Community Hospital	312,025	460,759
Total expenses	<u>374,754</u>	<u>523,562</u>
Increase (decrease) in unrestricted net assets	4,929	(41,028)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:		
Support and revenue:		
Contributions, fundraising and special events	64,299	13,381
Investment income (loss), net	8,245	(19,729)
Capital campaign	85,397	358,319
Recovery of bad debts	39,828	56,883
Total support and revenue	<u>197,769</u>	<u>408,854</u>
Expenses:		
Net assets released from restrictions	345,949	470,818
Total expenses	<u>345,949</u>	<u>470,818</u>
Decrease in temporarily restricted net assets	<u>(148,180)</u>	<u>(61,964)</u>
Change in net assets	(143,251)	(102,992)
Net assets - beginning of year	<u>3,373,468</u>	<u>3,476,460</u>
Net assets - end of year	<u>\$ 3,230,217</u>	<u>\$ 3,373,468</u>

WYOMING COUNTY
Statement of Net Assets
December 31, 2009

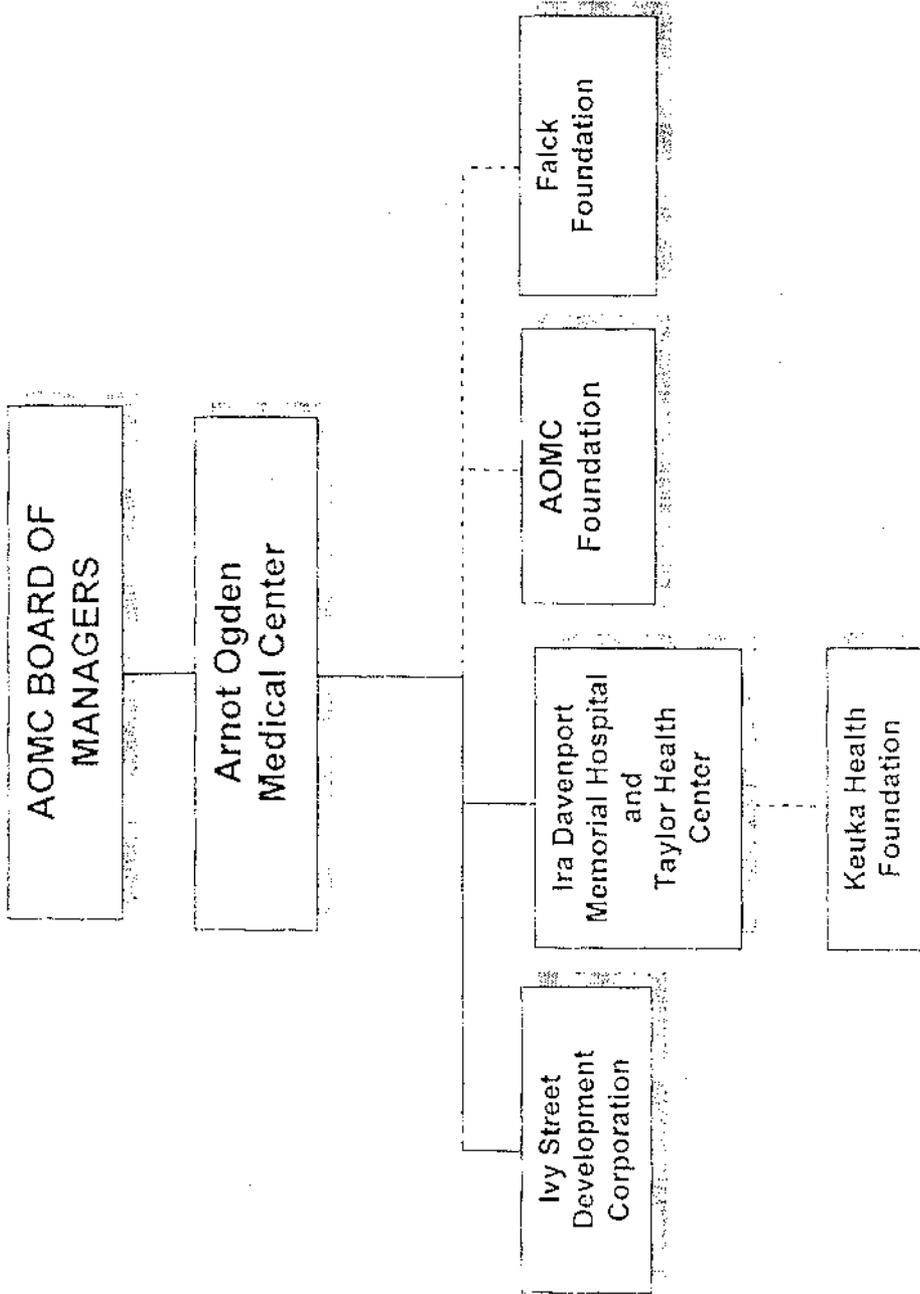
	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents - unrestricted	\$ 16,592,484	\$ 7,702,941	\$ 24,295,425	\$ 2,107,780
Taxes receivable - net	3,791,411	-	3,791,411	-
Other receivables - net	682,693	11,616,285	12,298,978	23,418
Due from other funds	-	120,000	120,000	-
State and federal aid receivables	4,542,747	-	4,542,747	-
Due from other governments	920,514	-	920,514	66,000
Inventory	-	629,491	629,491	-
Prepaid expenditures	275,123	969,669	1,244,792	-
Other assets	-	-	-	27,732
Cash and cash equivalents - restricted	3,737,341	-	3,737,341	-
Assets whose use is limited	-	2,279,160	2,279,160	-
Loans receivable	-	-	-	3,454,180
Notes receivable, net	-	-	-	2,498,008
Bond issuance costs	78,153	-	78,153	-
Capital assets				
Capital assets - not depreciated	2,799,599	443,242	3,242,841	-
Capital assets - net of depreciation	57,426,227	8,408,552	65,834,779	5,534
Total assets	<u>90,846,292</u>	<u>32,169,340</u>	<u>123,015,632</u>	<u>8,182,652</u>
Liabilities				
Accounts payable	3,769,694	1,844,782	5,614,476	5,949
Accrued liabilities	1,646,079	47,263	1,693,342	-
Bond anticipation notes payable	4,151,900	4,220,000	8,371,900	-
Accrued compensation and payroll taxes	-	1,692,514	1,692,514	-
Due to third party payors	-	408,239	408,239	-
Retained percentages	66,060	-	66,060	-
Due to other funds	95,323	24,677	120,000	-
Due to other governments	1,827,441	-	1,827,441	-
Deferred revenue	256,302	-	256,302	105,937
Accretion payable	-	885,097	885,097	-
Long-term liabilities				
Portion due or payable within one year:				
Serial bonds and capitalized leases	365,000	558,127	923,127	-
Compensated absences	114,898	-	114,898	-
Accrued workers' compensation	236,844	1,080,026	1,316,870	-
Note payable	-	-	-	2,831
Portion due or payable after one year:				
Serial bonds and capitalized leases	7,666,921	9,290,030	16,956,951	-
Compensated absences	1,034,078	-	1,034,078	-
New York State employees' retirement system liability	-	500,000	500,000	-
Accrued workers' compensation	2,131,597	7,040,197	9,171,794	-
Deferred revenue	-	211,000	211,000	552,444
Total liabilities	<u>23,362,137</u>	<u>27,801,952</u>	<u>51,164,089</u>	<u>667,161</u>
Net Assets				
Investment in capital assets - net of related debt	48,042,005	4,318,667	52,360,672	-
Restricted for				
Building and capital reserve	920,753	-	920,753	-
Highway road capital project	2,203,511	-	2,203,511	-
Debt service	-	617,305	617,305	-
Community hospital	-	2,279,160	2,279,160	-
Industrial development agency	-	-	-	929,289
Community development	900	-	900	-
Unrestricted	16,316,986	(2,847,744)	13,469,242	6,586,202
Total net assets	<u>\$ 67,484,155</u>	<u>\$ 4,367,388</u>	<u>\$ 71,851,543</u>	<u>\$ 7,515,491</u>

WYOMING COUNTY
Statement of Activities
For the Year Ended December 31, 2009

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities								
General government support	\$ 6,662,466	\$ 1,561,724	\$ 1,001,493	\$ -	\$ (4,099,249)	\$ -	\$ (4,099,249)	\$ -
Education	2,865,384	-	1,083,920	-	(1,781,464)	-	(1,781,464)	-
Public safety	8,877,503	638,037	788,863	-	(7,450,603)	-	(7,450,603)	-
Health	4,914,781	2,468,158	3,621,118	-	1,174,495	-	1,174,495	-
Transportation	6,760,868	1,203,846	4,039,115	-	(1,517,907)	-	(1,517,907)	-
Economic assistance	19,684,890	992,410	10,764,157	-	(7,928,323)	-	(7,928,323)	-
Culture and recreation	510,792	6,027	170,805	-	(333,960)	-	(333,960)	-
Home and community services	2,137,905	1,471,724	-	-	(666,181)	-	(666,181)	-
Debt interest	140,494	-	-	-	(140,494)	-	(140,494)	-
Total governmental activities	<u>52,555,083</u>	<u>8,341,926</u>	<u>21,469,471</u>	<u>-</u>	<u>(22,743,686)</u>	<u>-</u>	<u>(22,743,686)</u>	<u>-</u>
Business-type activities								
Workers' compensation	2,317,428	1,905,182	-	-	-	(412,246)	(412,246)	-
Community Hospital	46,699,425	47,326,396	-	-	-	626,971	626,971	-
Wyoming Tobacco Asset	-	-	-	-	-	-	-	-
Securitization Corporation	643,224	713,110	-	-	-	69,886	69,886	-
Total business-type activities	<u>49,660,077</u>	<u>49,944,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,611</u>	<u>284,611</u>	<u>-</u>
Total primary government	<u>\$ 102,215,160</u>	<u>\$ 58,286,614</u>	<u>\$ 21,469,471</u>	<u>\$ -</u>	<u>(22,743,686)</u>	<u>284,611</u>	<u>(22,459,075)</u>	<u>-</u>
Component Units								
Industrial Development Agency	<u>\$ 721,752</u>	<u>\$ 3,542,770</u>	<u>\$ 359,556</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,180,574</u>
General Revenues								
Real property taxes	-	-	-	-	13,660,160	-	13,660,160	-
Real property tax items	-	-	-	-	1,005,037	-	1,005,037	-
Non property tax items	-	-	-	-	14,585,578	-	14,585,578	-
Use of money and property	-	-	-	-	115,294	24,394	139,688	57,397
Sale of property and compensation for loss	-	-	-	-	124,182	-	124,182	2,160
Miscellaneous local sources	-	-	-	-	100,484	214,817	315,301	-
Interfund transfers - net	-	-	-	-	(165,855)	165,855	-	-
Total general revenues	-	-	-	-	<u>29,424,880</u>	<u>405,066</u>	<u>29,829,946</u>	<u>59,557</u>
Change in Net Assets					6,681,194	689,677	7,370,871	3,240,131
Net Assets - Beginning					<u>60,802,961</u>	<u>3,677,711</u>	<u>64,480,672</u>	<u>4,275,360</u>
Net Assets - Ending					<u>\$ 67,484,155</u>	<u>\$ 4,367,388</u>	<u>\$ 71,851,543</u>	<u>\$ 7,515,491</u>



September 2010



IRA DAVENPORT MEMORIAL HOSPITAL, INC.
KEUKA HEALTH CARE FOUNDATION, INC.

CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u> <u>2007</u>
ASSETS			
CURRENT ASSETS:			
Cash and equivalents	\$ 205,456	\$ 404,944	\$ 610,400
Patient accounts receivable, net	3,603,440	-	3,603,440
Grants receivable	3,629	-	3,629
Inventory	520,589	-	520,589
Cash - resident funds	40,820	-	40,820
Other current assets	190,642	-	190,642
Total current assets	4,564,576	404,944	4,969,520
LIMITED USE ASSETS	1,750,502	-	1,750,502
PROPERTY, PLANT, AND EQUIPMENT, net	6,721,754	-	6,721,754
DEFERRED FINANCING COSTS, net	48,009	-	48,009
INVESTMENTS	2,399,332	701,000	3,100,332
CHARITABLE REMAINDER TRUST INTERESTS	-	3,062,087	3,062,087
	<u>\$ 15,484,173</u>	<u>\$ 4,168,031</u>	<u>\$ 19,652,204</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Line-of-credit	\$ 1,102,881	\$ -	\$ 1,102,881
Current portion of long-term debt	618,552	-	618,552
Accounts payable and accrued expenses	2,931,367	-	2,931,367
Due to third-party payers, net	146,017	-	146,017
Deferred revenue	138,594	-	138,594
Resident funds	40,820	-	40,820
Total current liabilities	4,978,231	-	4,978,231
LONG-TERM DEBT, net of current portion	4,482,665	-	4,482,665
Total liabilities	<u>9,460,896</u>	<u>-</u>	<u>9,460,896</u>
NET ASSETS:			
Unrestricted	6,023,277	-	6,023,277
Temporarily restricted	-	4,168,031	4,168,031
Total net assets	<u>6,023,277</u>	<u>4,168,031</u>	<u>10,191,308</u>
	<u>\$ 15,484,173</u>	<u>\$ 4,168,031</u>	<u>\$ 19,652,204</u>

IRA DAVENPORT MEMORIAL HOSPITAL, INC.
KEUKA HEALTH CARE FOUNDATION, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2007</u>
OPERATING REVENUE:			
Net patient service revenue	\$ 21,627,357	\$ -	\$ 21,627,357
Other operating revenue	1,650,122	-	1,650,122
Contributions to Keuka Health Care Foundation, Inc.	<u>65,350</u>	<u>73,825</u>	<u>139,175</u>
Total operating revenue	<u>23,342,829</u>	<u>73,825</u>	<u>23,416,654</u>
OPERATING EXPENSES:			
Salaries and benefits	13,432,729	-	13,432,729
Supplies and other expenses	8,297,918	-	8,297,918
Depreciation and amortization	1,102,308	-	1,102,308
Provision for doubtful accounts	1,125,170	-	1,125,170
Interest	<u>474,363</u>	<u>-</u>	<u>474,363</u>
Total operating expenses	<u>24,432,488</u>	<u>-</u>	<u>24,432,488</u>
Loss from operations	<u>(1,089,659)</u>	<u>73,825</u>	<u>(1,015,834)</u>
NON-OPERATING REVENUE:			
Contributions to Ira Davenport Memorial Hospital, Inc.	100,027	425,000	525,027
Net change in charitable remainder trust interests	-	(85,012)	(85,012)
Net gain on investments	-	149,557	149,557
Interest and dividends, net	80,201	76,454	156,655
Release of restrictions -			
Capital	1,751,626	(1,751,626)	-
Special events	<u>19,420</u>	<u>(19,420)</u>	<u>-</u>
Total non-operating revenue	<u>1,951,274</u>	<u>(1,205,047)</u>	<u>746,227</u>
CHANGE IN NET ASSETS BEFORE OTHER CHANGES IN NET ASSETS	861,615	(1,131,222)	(269,607)
OTHER CHANGES IN NET ASSETS:			
Effect of adoption of SFAS No. 158	68,883	-	68,883
Change in additional minimum pension liability	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	930,498	(1,131,222)	(200,724)
NET ASSETS - beginning of year	<u>5,092,779</u>	<u>5,299,253</u>	<u>10,392,032</u>
NET ASSETS - end of year	<u>\$ 6,023,277</u>	<u>\$ 4,168,031</u>	<u>\$ 10,191,308</u>

IRA DAVENPORT MEMORIAL HOSPITAL, INC.
KEUKA HEALTH CARE FOUNDATION, INC.

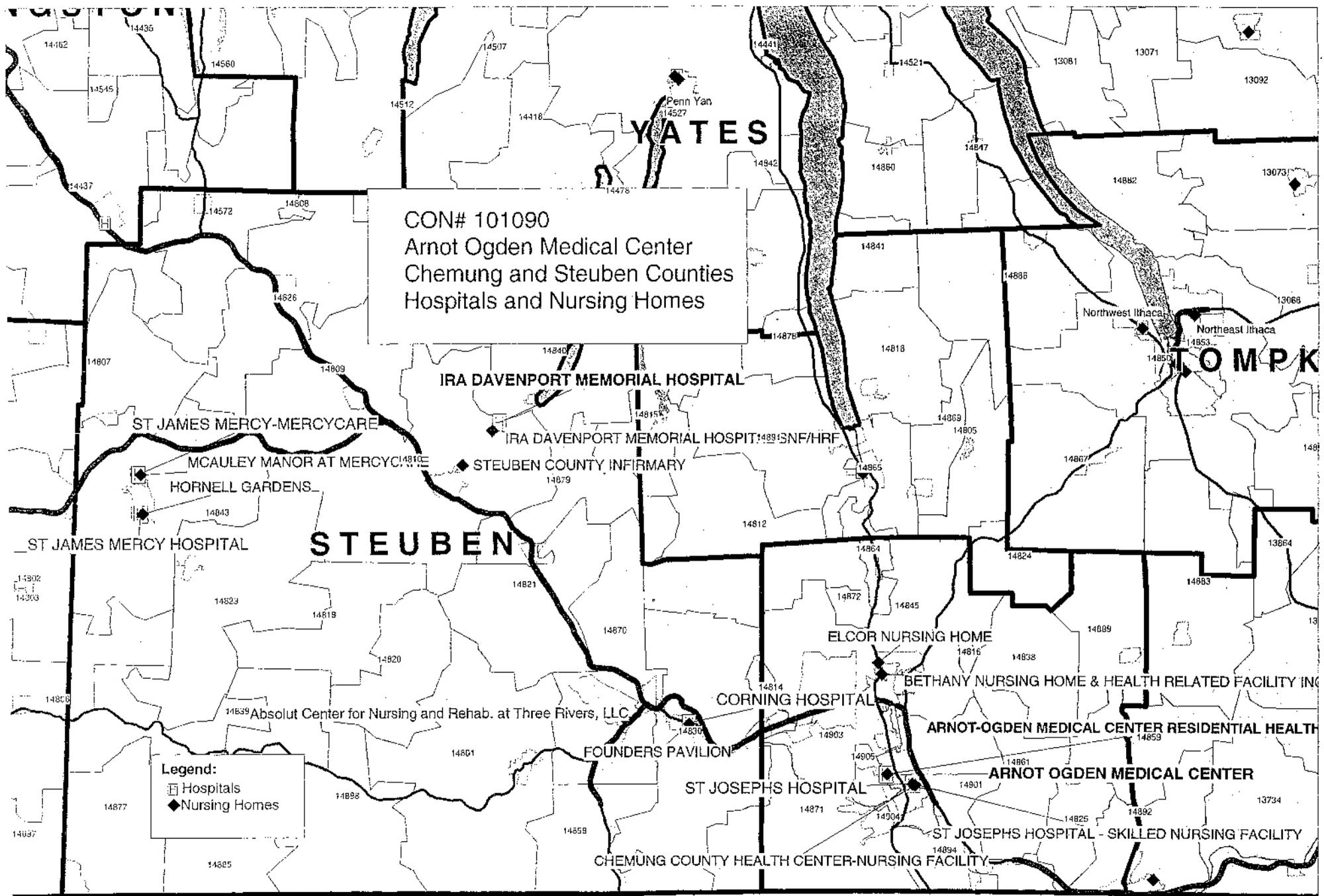
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2009
(With Comparative Totals for 2008)

	Unrestricted	Temporarily Restricted	Total	
			2009	2008
ASSETS				
CURRENT ASSETS:				
Cash and equivalents	\$ 570,391	\$ 83,514	\$ 653,905	\$ 292,128
Patient accounts receivable, net	3,635,252	-	3,635,252	3,235,741
Grants receivable	39,312	-	39,312	315,749
Inventory	533,331	-	533,331	542,103
Cash - resident funds	72,705	-	72,705	43,177
Other current assets	253,806	-	253,806	288,586
Total current assets	5,104,797	83,514	5,188,311	4,717,484
LIMITED USE ASSETS	1,818,042	-	1,818,042	1,801,571
PROPERTY, PLANT, AND EQUIPMENT, net	6,896,366	-	6,896,366	7,354,817
DEFERRED FINANCING COSTS, net	39,473	-	39,473	43,741
INVESTMENTS	2,191,640	660,812	2,852,452	2,463,521
CHARITABLE REMAINDER TRUST INTERESTS	-	2,398,630	2,398,630	2,280,525
	<u>\$ 16,050,318</u>	<u>\$ 3,142,956</u>	<u>\$ 19,193,274</u>	<u>\$ 18,661,659</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Line-of-credit	\$ 1,150,000	\$ -	\$ 1,150,000	\$ 1,150,000
Current portion of long-term debt	595,204	-	595,204	510,038
Accounts payable and accrued expenses	1,515,592	-	1,515,592	3,235,990
Due to third-party payers, net	938,939	-	938,939	264,752
Deferred revenue	147,406	-	147,406	212,893
Due to affiliate	199,896	-	199,896	-
Resident funds	72,705	-	72,705	43,177
Total current liabilities	4,619,742	-	4,619,742	5,416,850
LONG-TERM DEBT, net of current portion	3,375,540	-	3,375,540	3,895,101
ACCRUED PENSION	184,266	-	184,266	244,980
Total liabilities	<u>8,179,548</u>	<u>-</u>	<u>8,179,548</u>	<u>9,556,931</u>
NET ASSETS:				
Unrestricted	7,870,770	-	7,870,770	6,141,529
Temporarily restricted	-	3,142,956	3,142,956	2,963,199
Total net assets	<u>7,870,770</u>	<u>3,142,956</u>	<u>11,013,726</u>	<u>9,104,728</u>
	<u>\$ 16,050,318</u>	<u>\$ 3,142,956</u>	<u>\$ 19,193,274</u>	<u>\$ 18,661,659</u>

**IRA DAVENPORT MEMORIAL HOSPITAL, INC.
KEUKA HEALTH CARE FOUNDATION, INC.**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009
(With Comparative Totals for 2008)**

	Unrestricted	Temporarily Restricted	Total	
			2009	2008
OPERATING REVENUE:				
Net patient service revenue	\$ 24,242,544	\$ -	\$ 24,242,544	\$ 22,471,777
Other operating revenue	2,005,758	-	2,005,758	3,047,596
Contributions to Keuka Health Care Foundation, Inc.	92,568	50,894	143,462	172,823
Total operating revenue	26,340,870	50,894	26,391,764	25,692,196
OPERATING EXPENSES:				
Salaries and benefits	13,749,127	-	13,749,127	13,752,585
Supplies and other expenses	8,467,658	-	8,467,658	8,747,955
Depreciation and amortization	1,084,011	-	1,084,011	1,099,066
Provision for doubtful accounts	1,776,395	-	1,776,395	1,500,219
Interest	416,446	-	416,446	399,372
Total operating expenses	25,493,637	-	25,493,637	25,499,197
Gain from operations	847,233	50,894	898,127	192,999
NON-OPERATING REVENUE (LOSS):				
Contributions to Ira Davenport Memorial Hospital, Inc.	251,681	105,249	356,930	242,884
Net change in charitable remainder trust interests	-	118,105	118,105	(781,562)
Net gain (loss) on investments	-	371,503	371,503	(656,097)
Interest and dividends, net	6,786	81,674	88,460	108,996
Other	2,195	-	2,195	-
Release of restrictions -				
Capital	524,162	(524,162)	-	-
Special events	23,506	(23,506)	-	-
Total non-operating revenue (loss)	808,330	128,863	937,193	(1,085,779)
CHANGE IN NET ASSETS BEFORE OTHER CHANGES IN NET ASSETS	1,655,563	179,757	1,835,320	(892,780)
OTHER CHANGES IN NET ASSETS:				
Change in funded status of pension plan	73,678	-	73,678	(193,800)
CHANGE IN NET ASSETS	1,729,241	179,757	1,908,998	(1,086,580)
NET ASSETS - beginning of year	6,141,529	2,963,199	9,104,728	10,191,308
NET ASSETS - end of year	\$ 7,870,770	\$ 3,142,956	\$ 11,013,726	\$ 9,104,728



CON# 101090
Arnot Ogden Medical Center
Chemung and Steuben Counties
Hospitals and Nursing Homes

Legend:
☒ Hospitals
◆ Nursing Homes

IRA DAVENPORT MEMORIAL HOSPITAL

ST JAMES MERCY-MERCYCARE

MCAULEY MANOR AT MERCYCARE

HORNELL GARDENS

ST JAMES MERCY HOSPITAL

STEUBEN

IRA DAVENPORT MEMORIAL HOSPITAL SNF/HRF

STEUBEN COUNTY INFIRMARY

Absolut Center for Nursing and Rehab. at Three Rivers, LLC

FOUNDERS PAVILION

CORNING HOSPITAL

ST JOSEPHS HOSPITAL

CHEMUNG COUNTY HEALTH CENTER-NURSING FACILITY

ELCOR NURSING HOME

BETHANY NURSING HOME & HEALTH RELATED FACILITY INC

ARNOT-OGDEN MEDICAL CENTER RESIDENTIAL HEALTH

ARNOT OGDEN MEDICAL CENTER

ST JOSEPHS HOSPITAL - SKILLED NURSING FACILITY

YATES

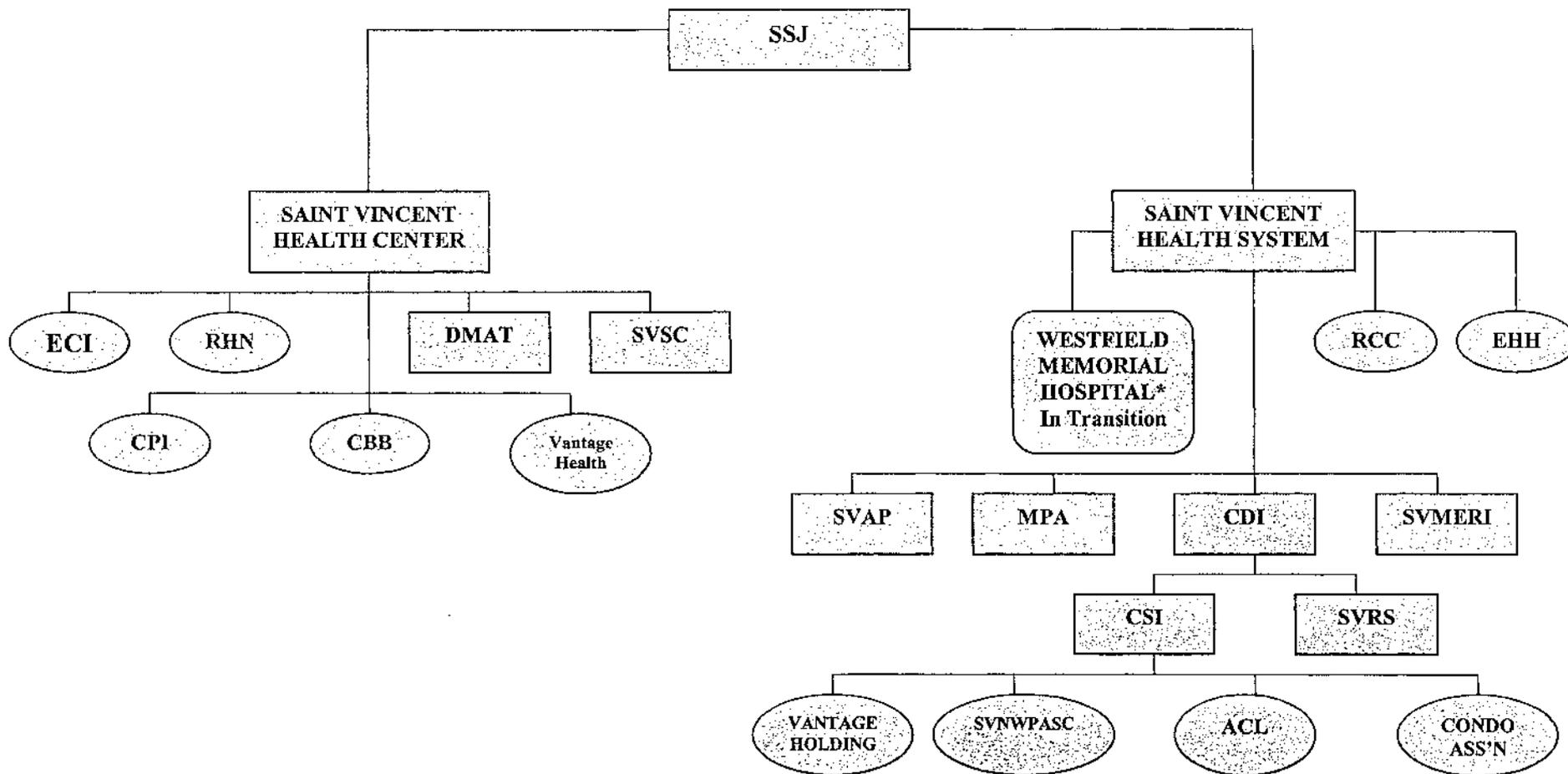
TOMPKINS

Northwest Ithaca

Northeast Ithaca

Penn Yan

**Saint Vincent Health System
September 2009**



BIA attachment A

Entity Legend
 ACL = Associated Clinical Labs
 CBB = Community Blood Bank
 CDI = Clinical Development, Inc.
 CONDO ASS'N = Leaschold Condominium Association
 CPI = Clinical Pathology Institute Cooperative
 CSI = Clinical services, Inc.
 DMAT = Erie Regional DMAT PA-3
 ECI = Emergycare, Inc.
 EHH = Erie Home Health
 MPA = Millcreek Physician Associates

RCC = Regional Cancer Center
 RHN = Regional Heart Network
 SSJ = Sisters of St. Joseph
 SVAP = Saint Vincent Affiliated Physicians
 SVEC = Saint Vincent Endoscopy Center, LLC
 SVMERI = Saint Vincent Medical Education & Research Institute
 SVNWPASC = Saint Vincent NWPA Surgery Center, Ltd.
 SVRS = Saint Vincent Rehab Solutions, LLC
 SVSC = Saint Vincent Surgery Center

*SVHS is a "passive parent" of non-Catholic Westfield Memorial Hospital ("WMH") under New York law and has little authority with respect to WMH

WESTFIELD MEMORIAL HOSPITAL, INC.

Balance Sheets

December 31,	2009	2008
Assets		
Current assets:		
Cash	\$ 31,800	\$ 485,593
Accounts receivable, net of estimated uncollectibles of \$317,000 and \$299,000	559,585	605,330
Other receivables	169,226	60,500
Supplies	243,216	251,839
Prepaid expenses	94,389	78,190
	<u>1,098,216</u>	<u>1,481,452</u>
Property and equipment, net	4,558,178	4,733,818
Assets limited as to use	872,270	745,287
Interest in net assets of affiliated Foundation	393,818	314,645
	<u>\$ 6,922,482</u>	<u>\$ 7,275,202</u>
Liabilities and Net Assets		
Current liabilities:		
Current portion of long-term debt	\$ 34,608	\$ 99,722
Accounts payable	757,764	409,951
Accrued expenses	421,783	482,971
Deferred revenue	17,139	57,867
Estimated third party payor settlements	151,086	127,895
	<u>1,382,380</u>	<u>1,178,406</u>
Long-term debt	-	34,608
Net assets:		
Unrestricted	5,092,534	5,693,793
Temporarily restricted	351,206	272,033
Permanently restricted	96,362	96,362
	<u>5,540,102</u>	<u>6,062,188</u>
	<u>\$ 6,922,482</u>	<u>\$ 7,275,202</u>

WESTFIELD MEMORIAL HOSPITAL, INC.

Statements of Operations

For the years ended December 31,

2009

2008

Unrestricted net assets:

Revenue:

Net patient service revenue	\$ 7,019,463	\$ 7,358,537
Other revenue	180,871	3,727,520
Total revenue	<u>7,200,334</u>	<u>11,086,057</u>

Expenses:

Salaries	3,826,958	4,084,569
Employee benefits	822,257	923,364
Supplies	1,230,335	1,422,904
Purchased services	1,018,507	1,231,222
Professional fees	924,082	902,639
Other	484,697	573,157
Depreciation	753,804	762,808
Interest	4,159	128,173
Provision for bad debts	324,622	333,769
Total expenses	<u>9,389,421</u>	<u>10,362,605</u>

Income (loss) from operations	(2,189,087)	723,452
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Other income:

Investment earnings	23,313	25,443
Miscellaneous	80,505	73,618
Total other income	<u>103,818</u>	<u>99,061</u>

Excess (deficiency) of revenue over expenses	(2,085,269)	822,513
--	-------------	---------

Net assets released from restrictions used for

purchase of property and equipment	15,691	186,337
Government grants for property and equipment	474,297	152,196
Change in net unrealized gains and losses on investments	104,431	(216,867)
Net assets contribution from Saint Vincent	889,591	1,144,652

Increase (decrease) in unrestricted net assets	\$ (601,259)	\$ 2,088,831
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WESTFIELD MEMORIAL HOSPITAL, INC.

Statements of Changes in Net Assets

For the years ended December 31,	2009	2008
Unrestricted net assets:		
Excess (deficiency) of revenue over expenses	\$ (2,085,269)	\$ 822,513
Net assets released from restrictions used for purchase of property and equipment	15,691	186,337
Government grants for property and equipment	474,297	152,196
Change in net unrealized gains and losses on investments	104,431	(216,867)
Net assets contribution from Saint Vincent	889,591	1,144,652
Increase (decrease) in unrestricted net assets	(601,259)	2,088,831
Temporarily restricted net assets:		
Net appreciation of assets held in trust	94,864	78,246
Net assets released from restrictions	(15,691)	(186,337)
Increase (decrease) in temporarily restricted net assets	79,173	(108,091)
Increase (decrease) in net assets	(522,086)	1,980,740
Net assets - beginning	6,062,188	4,081,448
Net assets - ending	\$ 5,540,102	\$ 6,062,188

WESTFIELD MEMORIAL HOSPITAL, INC.

Balance Sheets

December 31,	2007
Assets	
Current assets:	
Cash	\$ 633,440
Accounts receivable, net of estimated uncollectibles of \$627,000 and \$352,000	1,014,562
Other receivables	30,000
Supplies	287,686
Prepaid expenses	121,641
	<u>2,087,329</u>
Property and equipment, net	5,171,273
Assets limited as to use	936,847
Interest in net assets of affiliated Foundation	422,736
	<u>\$ 8,618,185</u>
Liabilities and Net Assets	
Current liabilities:	
Current portion of long-term debt	\$ 323,575
Advances from Saint Vincent	-
Accounts payable	446,882
Accrued expenses	496,553
Estimated third party payor settlements	37,885
	<u>1,304,895</u>
Long-term debt	3,231,842
Net assets:	
Unrestricted	3,604,962
Temporarily restricted	422,736
Permanently restricted	53,750
	<u>4,081,448</u>
	<u>\$ 8,618,185</u>

WESTFIELD MEMORIAL HOSPITAL, INC.

Statements of Operations

For the years ended December 31,

2007

Unrestricted net assets:

Revenue:

Net patient service revenue	\$ 8,591,668
Other revenue	100,963
Total revenue	<u>8,692,631</u>

Expenses:

Salaries	4,423,740
Employee benefits	890,531
Supplies	1,615,549
Purchased services	1,087,754
Professional fees	1,058,011
Other	610,647
Depreciation	781,977
Interest	222,336
Provision for bad debts	366,173
Total expenses	<u>11,056,718</u>

Loss from operations (2,364,087)

Other income:

Investment earnings	25,265
Miscellaneous	53,153
Total other income	<u>78,418</u>

Excess of expenses over revenue (2,285,669)

Net assets released from restrictions used for
purchase of property and equipment

183,171

Change in net unrealized gains and losses on investments

24,640

Net assets contribution from Saint Vincent

2,213,494

Increase (decrease) in unrestricted net assets \$ 135,636

WESTFIELD MEMORIAL HOSPITAL, INC.

Statements of Changes in Net Assets

For the years ended December 31,	2007
Unrestricted net assets:	
Excess of expenses over revenue	\$ (2,285,669)
Net assets released from restrictions used for purchase of property and equipment	183,171
Change in net unrealized gains and losses on investments	24,640
Net assets contribution from Saint Vincent	2,213,494
Increase (decrease) in unrestricted net assets	<u>135,636</u>
Temporarily restricted net assets:	
Net appreciation of assets held in trust	186,429
Net assets released from restrictions	<u>(183,171)</u>
Increase in temporarily restricted net assets	<u>3,258</u>
Increase (decrease) in net assets	138,894
Net assets - beginning	<u>3,942,554</u>
Net assets - ending	<u>\$ 4,081,448</u>

Saint Vincent Health System and Subsidiaries
Combined Balance Sheets
June 30, 2009 and 2008

	2009	2008
Assets		
Current assets		
Cash and cash equivalents	\$ 33,988,610	\$ 25,221,058
Current portion of assets whose use is limited	12,828,365	14,683,826
Patient accounts receivable, net of estimated uncollectibles of \$15,246,000 and \$17,121,000 , respectively	29,659,461	29,002,341
Estimated receivable from third-party payors	2,135,239	1,640,920
Other receivables	2,537,960	2,233,733
Inventory	6,742,576	7,005,670
Prepaid expenses and other current assets	<u>2,316,554</u>	<u>2,247,435</u>
Total current assets	90,208,765	82,034,983
Assets limited as to use, net	42,567,496	47,042,530
Interest in net assets of Foundations	2,128,811	2,399,791
Property and equipment, net	132,447,481	131,726,934
Other investments	4,617,955	6,135,781
Long-term receivables and advances	629,887	1,188,786
Deferred charges	1,064,252	1,057,250
Equity investments	27,639,343	30,233,650
Real estate, at cost	<u>967,017</u>	<u>967,017</u>
Total Assets	<u>\$ 302,271,007</u>	<u>\$ 302,786,722</u>

Saint Vincent Health System and Subsidiaries
Combined Balance Sheets
June 30, 2009 and 2008

	2009	2008
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt	\$ 5,502,056	\$ 4,104,277
Accounts payable	19,782,072	14,926,049
Accrued salaries and expenses	16,549,869	17,788,767
Estimated amounts due to third-party payors	<u>8,251,041</u>	<u>13,278,839</u>
Total current liabilities	50,085,038	50,097,932
Long-term pension liabilities	59,351,309	27,729,094
Other long-term liabilities	12,477,616	11,191,949
Long-term debt	93,551,799	99,246,438
Interest rate swaps	<u>1,468,785</u>	<u>21,759</u>
Total liabilities	216,934,547	188,287,172
Minority interest	4,482,383	5,320,647
Net assets		
Unrestricted	73,747,117	100,868,665
Temporarily restricted	3,504,392	4,772,208
Permanently restricted	<u>3,602,568</u>	<u>3,538,030</u>
Total net assets	<u>80,854,077</u>	<u>109,178,903</u>
Total Liabilities and Net Assets	<u>\$ 302,271,007</u>	<u>\$ 302,786,722</u>

Saint Vincent Health System and Subsidiaries
Combined Statements of Operations
Years Ended June 30, 2009 and 2008

	2009	2008
Unrestricted revenues, gains and other support		
Net patient service revenue	\$ 296,122,342	\$ 285,633,813
Other revenue	11,007,293	11,287,129
Grant revenue	3,187,666	446,631
Net assets released from restrictions used for operations	<u>2,284,721</u>	<u>1,170,309</u>
Total unrestricted revenues, gains and other support	<u>312,602,022</u>	<u>298,537,882</u>
Expenses		
Salaries and employee benefits	152,164,035	148,472,846
Medical professional fees	10,587,095	7,972,715
Supplies, purchased services and other expenses	114,705,545	106,223,133
Depreciation and amortization	12,200,286	12,938,251
Interest	3,275,029	4,793,332
Provision for bad debts	<u>17,672,939</u>	<u>16,215,563</u>
Total expenses	<u>310,604,929</u>	<u>296,615,840</u>
Income from operations	<u>1,997,093</u>	<u>1,922,042</u>
Other income (expense)		
Other non-operating income	923,883	3,601,296
Minority interest	602,117	477,058
Early retirement	-	(1,337,780)
Change in unrealized loss on interest rate swaps	<u>(1,447,026)</u>	<u>(1,524,483)</u>
Total other income	<u>78,974</u>	<u>1,216,091</u>
Excess of revenues over expenses	<u>\$ 2,076,067</u>	<u>\$ 3,138,133</u>

Saint Vincent Health System and Subsidiaries
Combined Statements of Changes in Net Assets
Years Ended June 30, 2009 and 2008

	2009	2008
Unrestricted net assets		
Excess of revenues over expenses	\$ 2,076,067	\$ 3,138,133
Equity transactions with consolidated entities	(673,829)	(273,983)
Change in pension obligation	(28,510,605)	(2,502,667)
Change in net unrealized losses on investments other than trading securities	(570,977)	(602,618)
Change in unrestricted interest in affiliated foundation	424,621	258,062
Net assets released from restrictions used for purchase of property and equipment	133,175	129,337
	<u>(27,121,548)</u>	<u>146,264</u>
(Decrease) increase in unrestricted net assets		
Temporarily restricted net assets		
Contributions	1,729,838	1,885,076
Contributions for property and equipment expenditures	133,175	129,337
Change in temporarily restricted interest in affiliated foundation	(217,959)	(114,886)
Net assets released from restrictions	(2,417,896)	(1,299,646)
Net realized and unrealized (loss) income on investments	(494,974)	147,044
	<u>(1,267,816)</u>	<u>746,925</u>
(Decrease) increase in temporarily restricted net assets		
Permanently restricted net assets		
Contributions	64,538	1,000,000
	<u>64,538</u>	<u>1,000,000</u>
Increase in permanently restricted net assets		
(Decrease) increase in net assets	(28,324,826)	1,893,189
Net assets, beginning of year	<u>109,178,903</u>	<u>107,285,714</u>
Net Assets, End of Year	<u>\$ 80,854,077</u>	<u>\$ 109,178,903</u>

Saint Vincent Health System and Subsidiaries
Consolidated Balance Sheets
June 30, 2007

	2007
Assets	
Current assets	
Cash and cash equivalents	\$ 25,245,665
Current portion of assets whose use is limited	14,909,347
Patient accounts receivable, net of estimated uncollectibles of \$17,121,000 and \$17,688,000, respectively	28,663,476
Other receivables	1,239,122
Inventory	5,652,633
Prepaid expenses and other current assets	<u>3,287,340</u>
Total current assets	<u>78,997,583</u>
Assets limited as to use, net	49,216,696
Interest in net assets of Foundations	1,562,368
Property and equipment, net	133,397,286
Other long-term assets	
Other investments	6,990,055
Long-term receivables and advances	891,294
Deferred charges	1,857,902
Equity investments	29,072,550
Real estate, at cost	915,527
Unrealized gain on interest rate swaps	<u>1,502,724</u>
Total Assets	<u>\$ 304,403,985</u>

Saint Vincent Health System and Subsidiaries
Consolidated Balance Sheets
June 30, 2007

	2007
Liabilities and Net Assets	
Current liabilities	
Current portion of long-term debt	\$ 3,414,827
Accounts payable	15,834,616
Accrued salaries and expenses	24,288,269
Estimated amounts due to third-party payors	<u>12,022,241</u>
Total current liabilities	<u>55,559,953</u>
Pension and other long-term liabilities	32,766,931
Long-term debt	102,883,403
Minority interest	5,907,984
Unrealized loss on interest rate swaps	<u>-</u>
Total liabilities	197,118,271
Net assets	
Unrestricted	100,722,401
Temporarily restricted	4,025,283
Permanently restricted	<u>2,538,030</u>
Total net assets	<u>107,285,714</u>
Total Liabilities and Net Assets	<u>\$ 304,403,985</u>

Saint Vincent Health System and Subsidiaries
Consolidated Statements of Changes in Net Assets
For the Years Ended June 30, 2007

	2007
Unrestricted net assets	
Excess of revenues over expenses	\$ 1,367,581
Equity transactions with consolidated entities	2,697,304
(Increase) decrease of minimum pension liability over unrecognized prior year service cost	5,060,892
Change in net unrealized gains on investments other than trading securities and other	1,382,479
Change in unrestricted interest in affiliated foundation	247,454
Net assets released from restrictions used for purchase of property and equipment	<u>283,131</u>
Increase in unrestricted net assets before cumulative effect of changes in accounting principle	11,038,841
Cumulative effect of adoption of FASB Statement No. 158	(12,122,877)
Increase (decrease) in unrestricted net assets	<u>(1,084,036)</u>
Temporarily restricted net assets	
Contributions for various donor designated activities	1,747,137
Contributions from Rose Koehler-Curtze estate for property and equipment expenditures	129,250
Change in temporarily restricted interest in affiliated foundation	226,984
Net assets released from restrictions	(1,710,447)
Net realized and unrealized income on investments	<u>(188,774)</u>
Increase in temporarily restricted net assets	<u>204,150</u>
Permanently restricted net assets	
Contributions for various activities	<u>191,944</u>
Increase in permanently restricted net assets	<u>191,944</u>
Increase (decrease) in net assets	(687,942)
Net assets, beginning of year	<u>107,973,656</u>
Net Assets, End of Year	<u>\$ 107,285,714</u>

Saint Vincent Health System and Subsidiaries
Consolidated Statements of Operations
For the Years Ended June 30, 2007

	2007
<i>Unrestricted revenues, gains and other support</i>	
Net patient service revenue	\$ 277,123,714
Other revenue	10,174,392
Net assets released from restrictions used for operations	<u>138,364</u>
Total unrestricted revenues, gains and other support	<u>287,436,470</u>
<i>Expenses</i>	
Salaries, medical professional fees and employee benefits	154,531,987
Supplies, purchased services and general expenses	101,583,922
Depreciation and amortization	12,800,201
Interest	3,599,917
Provision for bad debts	<u>15,840,625</u>
Total expenses	<u>288,356,652</u>
Gain (loss) from operations	<u>(920,182)</u>
<i>Other income (expense)</i>	
Other non-operating income	4,085,206
Minority interest	198,690
Settlement on contract termination	(1,750,000)
Early Retirement	-
Change in unrealized loss on interest rate swaps	<u>(246,133)</u>
Total other income	<u>2,287,763</u>
Excess of revenues over expenses	<u>\$ 1,367,581</u>

CON 101136
Westfield Memorial Hospital;
Chautauqua County

Hospitals
Clinics Certified for Primary Care

Brooks Memorial Hospital

CON 101136 Westfield
Memorial Hospital, Inc.

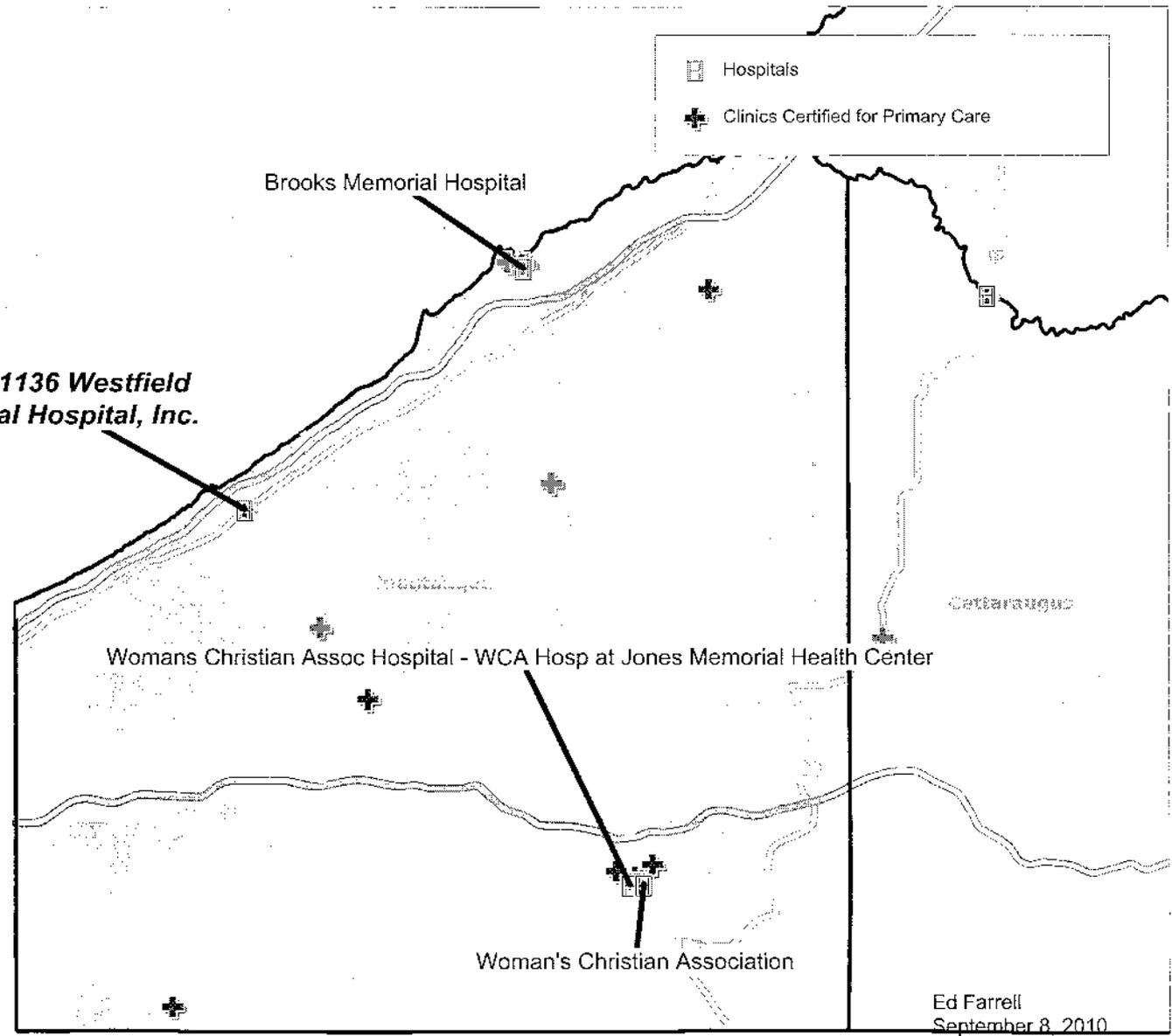
St Vincent's Medical Center
Erie, Pennsylvania

Womans Christian Assoc Hospital - WCA Hosp at Jones Memorial Health Center

Woman's Christian Association



Ed Farrell
September 8, 2010
BHFP
NYSDOH - DHFP



St. Joseph's Hospital, Yonkers
Balance Sheets
December 31, 2009 and 2008

	2009	2008
Assets		
Current assets		
Cash and cash equivalents	\$ 3,501,416	\$ 497,202
Patient accounts receivable, less allowance for doubtful accounts of approximately \$5.8 million in 2009 and \$4.8 million in 2008, respectively	9,641,519	12,663,737
Other receivables	555,920	265,155
Pledges receivable	-	35,000
Supplies, prepaid expenses, and other assets	1,198,420	1,200,620
Trusteed debt related funds	1,275,000	1,125,000
Due from related parties	110,596	-
Total current assets	<u>16,282,871</u>	<u>15,786,714</u>
Assets limited as to use		
Trusteed debt related funds	3,266,437	3,268,862
Trusteed professional liabilities	1,905,702	1,783,117
Board designated	6,857,951	7,132,756
Other	386,804	155,906
Total assets limited as to use, net of current portion	<u>12,416,894</u>	<u>12,340,641</u>
Property, buildings, and equipment, net	28,681,110	31,728,958
Other	47,758	47,121
Total assets	<u>\$ 57,428,633</u>	<u>\$ 59,903,434</u>
Liabilities and Net Assets		
Liabilities		
Line of credit borrowings	\$ -	\$ 2,500,000
Current installments of long-term debt	3,142,287	4,141,065
Accounts payable	11,622,290	14,853,256
Due to third-party payors	1,989,164	975,115
Accrued expenses	7,222,477	6,010,706
Due to related parties	-	176,541
Total current liabilities	<u>23,976,218</u>	<u>28,656,683</u>
Long-term debt, net of current installments	16,578,738	19,165,177
Due to third-party payors	8,002,927	3,772,868
Estimated professional liabilities	7,653,703	7,314,708
Accrued asset retirement obligation	200,000	200,000
Total liabilities	<u>56,411,586</u>	<u>59,109,436</u>
Net assets		
Unrestricted	633,412	143,409
Temporarily restricted	233,635	500,589
Permanently restricted	150,000	150,000
Total net assets	<u>1,017,047</u>	<u>793,998</u>
Total liabilities and net assets	<u>\$ 57,428,633</u>	<u>\$ 59,903,434</u>

St. Joseph's Hospital, Yonkers
Statements of Operations
Years Ended December 31, 2009 and 2008

	2009	2008
Revenues		
Net patient service revenue	\$ 100,534,703	\$ 97,499,426
Other revenue	12,128,631	9,703,389
Net assets released from restrictions for operations	17,348	39,996
Total revenues	<u>112,680,682</u>	<u>107,242,811</u>
Expenses		
Salaries	50,015,581	51,788,462
Employee benefits	13,750,612	13,445,453
Supplies and other	34,505,353	36,927,365
Interest	1,440,149	1,763,693
Depreciation and amortization	4,324,800	4,616,071
Provision for bad debts	8,418,813	8,713,403
Total expenses	<u>112,455,308</u>	<u>117,254,447</u>
Excess (deficiency) of revenue over expenses	225,374	(10,011,636)
Net assets released from restrictions—contributions for property, buildings, and equipment	264,629	160,000
Transfer from affiliate	-	2,000,000
Reversal of accumulated net unrealized gains or losses	-	(764,915)
Decrease in unrestricted net assets before change in accounting principle	490,003	(8,616,551)
Cumulative effect upon prior years' adoption of FAS 159	-	764,915
Increase (decrease) in unrestricted net assets after cumulative effect in change of accounting principle	<u>\$ 490,003</u>	<u>\$ (7,851,636)</u>

BFA Attachment B

ST JOSEPH'S MEDICAL CENTER
GENERAL FUND COMPARATIVE BALANCE SHEET
AS OF JUNE 30, 2010

Line #	HOSPITAL				ASSETS	Audited		Variance	
	JUNE '10	MAY '10	Amount	%		JUNE '10	DEC. '09	Amount	%
Current Assets									
1	7,964	5,073	2,891	57.0	Cash and Cash Equivalents	7,964	3,653	4,311	118.0
2	8,094	8,150	(56)	-0.7	Accounts Receivable, Net (1)	8,094	8,722	(628)	-7.2
3	0	0	0	N/A	Investments	0	0	0	N/A
4	692	809	(117)	-14.5	Other Receivables	692	630	62	9.8
5	0	0	0	N/A	Pledges Receivable - Capital Campaign	0	0	0	N/A
6	83	(30)	113	-376.7	Due To/From Nursing Home	83	37	46	124.3
7	693	695	(2)	-0.3	Inventory, Net	693	616	77	12.5
8	551	181	370	204.4	Prepaid Expenses	551	582	(31)	-5.3
9	450	450	0	N/A	IDA Mortgage Repayment Escrow	450	1,275	(825)	-64.7
10	18,527	15,326	3,199	20.9	Total Current Assets	18,527	15,515	3,012	19.4
Assets Whose Use is Limited									
11	6,799	6,786	13	0.2	Board Designated Fund	6,799	6,740	59	0.9
12	1,887	1,891	(4)	-0.2	Self Insurance Fund	1,887	1,906	(19)	-1.0
13	236	236	0	0.0	Restricted by Third Party	236	235	1	0.4
14	0	0	0	N/A	Lease Line of Credit	0	0	0	N/A
15	3,265	3,265	0	0.0	IDA Debt Service Reserve Fund	3,265	3,266	(1)	-0.0
16	1	1	0	0.0	Capital Campaign Fund	1	118	(117)	-99.2
17	0	0	0	N/A	Pledges Receivable - Capital Campaign	0	0	0	N/A
18	48	48	0	0.0	Investments	48	48	0	0.0
19	123,337	123,190	147	0.1	Property, Plant & Equipment	123,337	122,925	412	0.3
20	(96,488)	(96,125)	(363)	0.4	Less: Accum. Depreciation	(96,488)	(94,244)	(2,244)	2.4
21	26,849	27,065	(216)	-0.8	Property, Plant & Equipment, Net	26,849	28,681	(1,832)	-6.4
22	57,612	54,620	2,992	5.5	TOTAL ASSETS	57,612	56,509	1,103	2.0
LIABILITIES AND NET ASSETS									
Current Liabilities									
23	0	0	0	N/A	Mortgage Payable, Current Portion	0	0	0	N/A
24	250	0	250	N/A	Notes Payable, Current Portion	250	0	250	N/A
25	2,060	2,060	0	0.0	IDA Bonds Payable, Current	2,060	2,060	0	0.0
26	1,989	1,989	0	0.0	Due to Third Parties - Current Portion	1,989	1,989	0	0.0
27	6,894	6,923	(29)	-0.4	Accounts Payable	6,894	7,299	(405)	-5.5
28	110	92	18	19.6	Payroll Taxes Payable (*)	110	109	1	0.9
29	9,865	9,290	575	6.2	Other Accrued Liabilities	9,865	10,517	(652)	-6.2
30	1,082	1,082	0	0.0	Obligation Capital Lease, Current	1,082	1,082	0	0.0
31	22,250	21,436	814	3.8	Total Current Liabilities	22,250	23,056	(806)	-3.5
32	0	0	0	N/A	Deferred Income	0	0	0	N/A
33	8,169	8,133	36	0.4	Self Insurance Liability	8,169	7,654	515	6.7
Long Term Liabilities									
34	0	0	0	N/A	Mortgage Payable	0	0	0	N/A
35	966	1,081	(115)	-10.6	Obligation Capital Lease	966	1,604	(638)	-39.8
36	0	0	0	N/A	Notes Payable	0	0	0	N/A
37	10,424	8,562	2,062	24.7	Due to Third Parties	10,424	8,003	2,421	30.3
38	200	200	0	0.0	Other Long Term Liabilities	200	200	0	0.0
39	13,275	13,275	0	0.0	IDA Bonds Payable	13,275	14,975	(1,700)	-11.4
40	55,284	52,487	2,797	5.3	TOTAL LIABILITIES	55,284	55,492	(208)	-0.4
41	1,942	1,749	193	11.0	UNRESTRICTED NET ASSETS	1,942	523	1,305	206.8
42	236	234	2	0.9	TEMPORARILY RESTRICTED NET ASSETS	236	234	2	0.9
43	150	150	0	0.0	PERMANENTLY RESTRICTED NET ASSETS	150	150	0	0.0
44	57,612	54,620	2,992	5.5	TOTAL LIABILITIES & NET ASSETS	57,612	56,509	1,103	2.0

ST. JOSEPH'S MEDICAL CENTER
STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDING JUNE 30, 2010
(DOLLARS IN 000)

HOSPITAL

Line #	Month					Year-to-Date				Prior Year	% Change
	Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%		
					UNRESTRICTED REVENUES						
1	5,646	5,540	108	1.9	Inpatient Revenue	35,148	33,422	1,726	5.2	33,529	4.8
2	2,051	2,094	(3)	-0.1	Ambulatory Revenue	11,676	12,510	(834)	-6.7	11,802	-1.1
3	1,091	841	250	29.7	Indigent Care Pool	5,221	5,071	150	3.0	2,556	104.3
4	8,830	8,475	355	4.2	NET PAT. SERV. REV	52,045	51,003	1,042	2.0	47,887	8.7
5	1,000	981	19	1.9	Other Revenue	5,933	5,770	163	2.8	5,386	10.2
6	0	0	0	N/A	Net Assets Released	0	0	0	N/A	50	N/A
7	9,830	9,456	374	4.0	TOT. UNRESTRICTED REVENUES	57,978	56,773	1,205	2.1	53,323	8.7
					EXPENSES						
8	4,123	4,300	(177)	-4.1	Salaries & Wages	25,241	25,784	(543)	-2.1	24,647	2.4
9	1,219	1,258	(39)	-3.1	Fringe Benefits	7,625	7,643	(18)	-0.2	6,718	13.5
10	3,113	2,760	353	12.8	Supplies & Expenses	16,965	16,477	488	3.0	16,695	1.6
11	27	22	5	22.7	NYS Assessment	160	133	27	20.3	84	90.5
12	13	14	(1)	-7.1	Payroll Tax	86	87	(1)	-1.1	50	72.0
13	697	678	19	2.8	Bad Debt Expense (Net)	4,157	4,094	63	1.5	4,189	-0.8
14	96	116	(20)	-17.2	Interest	599	699	(100)	-14.3	717	-16.5
15	364	364	0	0.0	Depreciation	2,244	2,194	50	2.3	2,174	3.2
16	9,652	9,512	140	1.5	TOTAL EXPENSES	57,077	57,111	(34)	-0.1	55,274	3.3
17	178	(56)	234		INCOME (LOSS) FROM OPERATION	901	(336)	1,239		(1,951)	
18	24	36	(12)	-33.3	Non-Operating Gains	452	219	233	106.4	80	465.0
					EXTRAORDINARY ITEMS						
19	0	12	(12)	-100.0	Prior Period Adjustments	0	75	(75)	-100.0	135	-100.0
20	202	(8)	210	-2625.0	NET INCOME (LOSS)	1,353	(44)	1,397	-3175.0	(1,736)	-177.9
21	0	0	0		Liability for an Asset Retirement	0	0	0		0	
22	(10)	0	(10)		Net Unrealized Gain (Loss) from Investments	(44)	0	(44)		225	-119.6
23	0	0	0		Net Assets Released from Restrictions	0	0	0		0	N/A
24	0	0	0		Transfer from Affiliate	0	0	0		0	N/A
25	192	(8)	200		Increase (Decrease) in Unrestricted Net Assets	1,309	(44)	1,353		(1,511)	-186.6

Saint Joseph's Medical Center
Proforma Balance Sheet
As of Closing on Acquisition

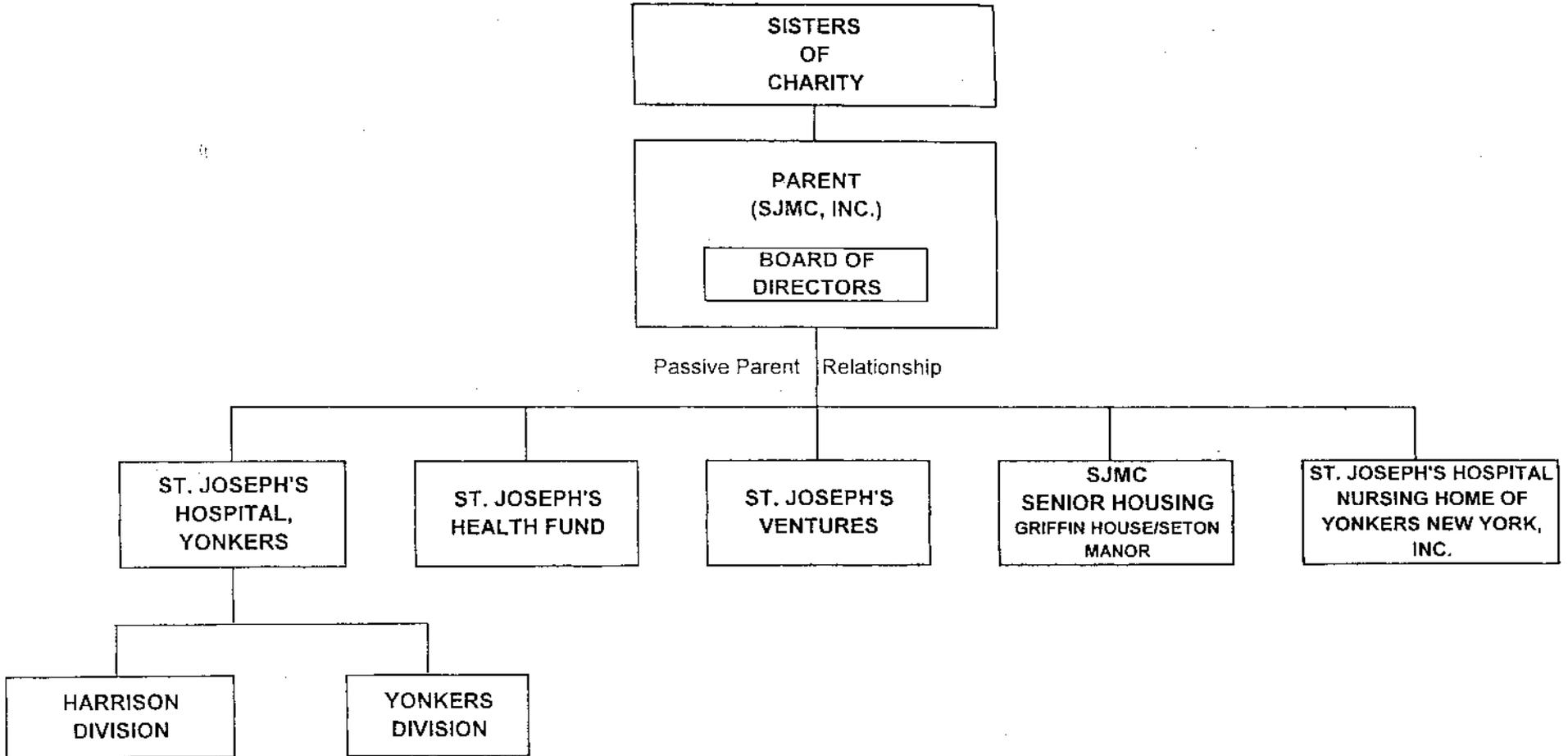
	<u>Notes</u>	<u>SJMC</u>	<u>Acquisition</u>	<u>Proforma</u> <u>SJMC</u>		<u>Notes</u>	<u>SJMC</u>	<u>Acquisition</u>	<u>Proforma</u> <u>SJMC</u>
ASSETS					LIABILITIES AND NET ASSETS				
CURRENT ASSETS:					CURRENT LIABILITIES:				
CASH AND CASH EQUIVALENTS		13,281	6,859	20,120	NOTES PAYABLE, CURRENT		-		-
ACCOUNTS RECEIVABLE, NET		8,094		8,094	IDA BONDS PAYABLE, CURRENT		2,060		2,060
OTHER RECEIVABLES		692		692	DUE TO THIRD PARTIES, CURRENT PORTION		1,989		1,989
DUE TO/FROM NURSING HOME		83		83	ACCOUNTS PAYABLE		6,894		6,894
INVENTORY, NET		693		693	PAYROLL TAXES PAYABLE		110		110
PREPAID EXPENSES		551		551	OTHER ACCRUED LIABILITIES		9,865		9,865
IDA MORTGAGE REPAYMENT ESCROW		450		450	OBLIGATION CAPITAL LEASE, CURRENT		1,082		1,082
					WORKING CAPITAL LOAN			6,859	6,859
TOTAL CURRENT ASSETS		<u>\$ 23,624</u>		<u>\$ 30,683</u>	TOTAL CURRENT LIABILITIES		<u>\$ 22,000</u>		<u>\$ 28,859</u>
NON CURRENT ASSETS:					LONG TERM LIABILITIES:				
BOARD DESIGNATED FUND		6,799		6,799	SELF INSURANCE LIABILITIES		8,169		8,169
SELF INSURANCE FUND		1,887		1,887	OBLIGATION CAPITAL LEASE		541		541
RESTRICTED BY THIRD PARTY		236		236	NOTES PAYABLE		-	18,000	18,000
IDA DEBT SERVICE RESERVE FUND		3,265		3,265	DUE TO THIRD PARTIES		10,424		10,424
CAPITAL CAMPAIGN FUND		1		1	OTHER LONG TERM LIABILITIES		200		200
INVESTMENTS		48		48	IDA BONDS PAYABLE		12,142		12,142
ASSETS ACQUIRED IN EXCESS OF COST	1	-	5,540	5,540					
PROPERTY, PLANT AND EQUIPMENT (NET)		22,361	12,460	34,821	TOTAL LIABILITIES		<u>\$ 53,475</u>		<u>\$ 78,334</u>
					NET ASSETS:				
					UNRESTRICTED NET ASSETS		4,560		4,560
					TEMPORARILY RESTRICTED NET ASSETS		236		236
					PERMANENTLY RESTRICTED NET ASSETS		150		150
					TOTAL FUND BALANCES:		<u>\$ 4,946</u>		<u>\$ 4,946</u>
TOTAL ASSETS		<u>\$ 58,421</u>		<u>\$ 83,280</u>	TOTAL LIABILITIES AND NET ASSETS		<u>\$ 58,421</u>		<u>\$ 83,280</u>

St. Joseph's Medical Center
Year 1 Cash Flow
2011

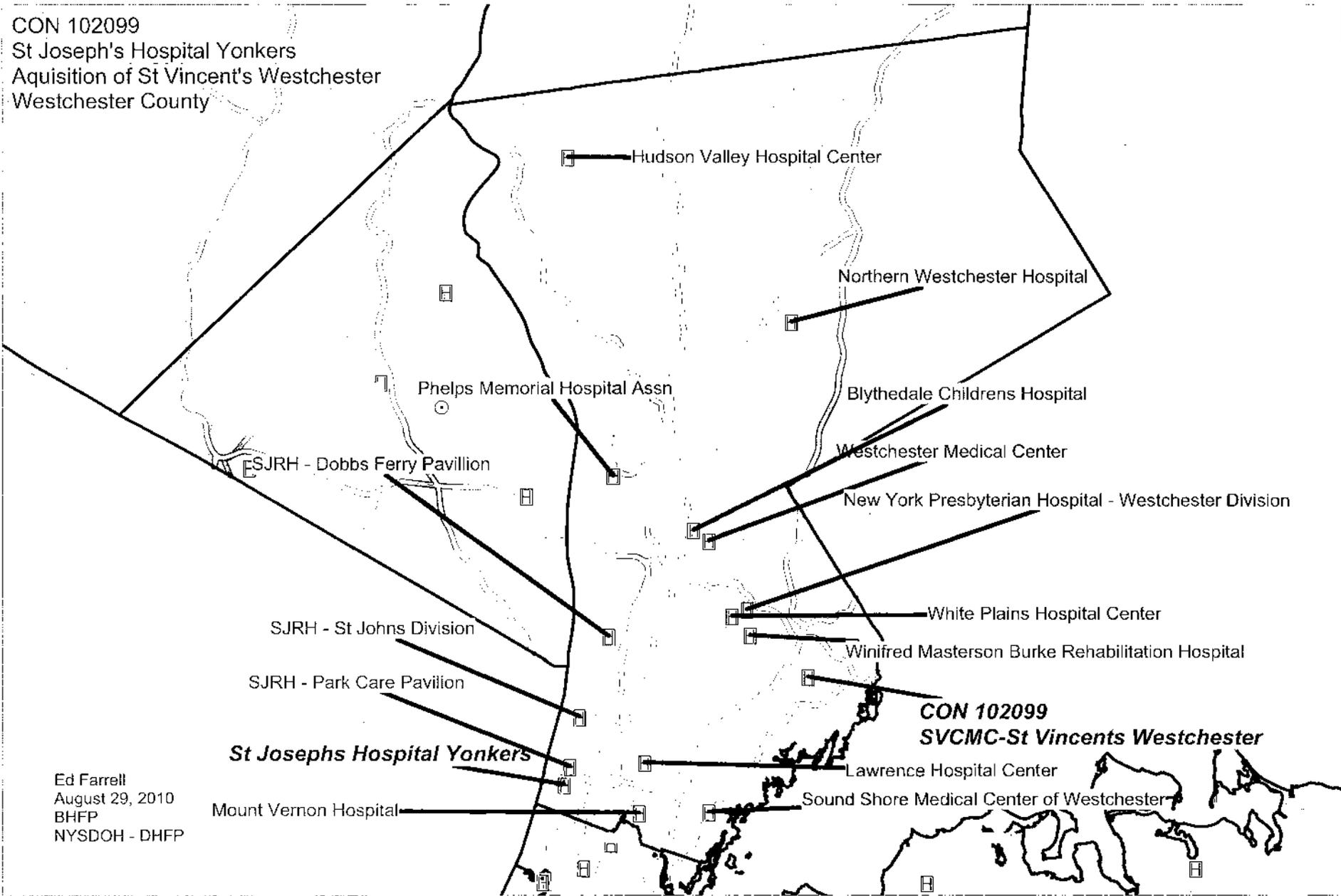
	Total	31 January	28 February	31 March	30 April	31 May	30 June	31 July	31 August	30 Sept.	31 Oct.	30 Nov.	31 Dec.
Cash - Opening Bal.	\$4,560,683	6,515,722	6,871,648	7,216,400	6,999,826	7,352,027	7,707,953	7,487,654	7,843,580	8,199,506	7,979,208	8,335,134	\$8,687,335
Total Operating Revenues	109,031,909	9,260,244	8,364,092	9,260,244	8,961,527	9,260,244	8,961,527	9,260,244	9,260,244	8,961,527	9,260,244	8,961,527	9,260,244
Total Expenses	107,672,380	9,144,777	8,259,799	9,144,777	8,849,785	9,144,777	8,849,785	9,144,777	9,144,777	8,849,785	9,144,777	8,849,785	9,144,777
Add: Depreciation and Amortization	4,707,517	392,293	392,293	392,293	392,293	392,293	392,293	392,293	392,293	392,293	392,293	392,293	392,293
Less: Debt Service *	(2,290,000)	0	0	(572,500)	0	0	(572,500)	0	0	(572,500)	0	0	(572,500)
Capital Leases	(622,007)	(51,834)	(51,834)	(51,834)	(51,834)	(51,834)	(51,834)	(51,834)	(51,834)	(51,834)	(51,834)	(51,834)	(51,834)
Capital Expenditures	(1,200,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Cash - Closing Bal.	\$6,515,722	6,871,648	7,216,400	6,999,826	7,352,027	7,707,953	7,487,654	7,843,580	8,199,506	7,979,208	8,335,134	8,687,335	\$8,470,761

* - Principal payments on 1998 and 1993 IDA Bonds

ST. JOSEPH'S MEDICAL CENTER



CON 102099
St Joseph's Hospital Yonkers
Aquisition of St Vincent's Westchester
Westchester County



CON 102099
SVCMC-St Vincents Westchester

Ed Farrell
August 29, 2010
BHFP
NYSDOH - DHFP

**New York State Department of Health
State Hospital Review and Planning Council**

September 30, 2010

ATTACHMENT

APPLICATIONS for CARDIAC SERVICES

1. 091169 C Southside Hospital (Suffolk County)
2. 092032 C Good Samaritan Hospital Medical Center (Suffolk County)

North Shore-Long Island Jewish Health System, Inc.
 Combining Statement of Financial Position – Obligated Group Only

December 31, 2009
 (In Thousands)

	Total Obligated Group	Eliminations	North Shore University Hospital	Long Island Jewish Medical Center	Glen Cove Hospital	Plainview Hospital	Forest Hills Hospital	North Shore University Hospital Stern Family Center for Extended Care and Rehabilitation
Assets								
Current assets:								
Cash and cash equivalents	\$ 191,025	\$ -	\$ 136,516	\$ 53,729	\$ 75	\$ 26	\$ 80	\$ 599
Marketable securities and other investments	612,093	-	355,640	204,705	51,748	-	-	-
Accounts receivable for services to patients – hospital and nursing facilities, net of allowance for doubtful accounts	269,600	-	112,571	116,356	7,015	9,017	19,814	4,827
Accounts receivable for physician practice services, net	39,735	-	31,122	8,613	-	-	-	-
Assets limited as to use, current portion	54,615	-	35,666	11,340	2,739	1,338	2,692	840
Other current assets	67,450	-	35,068	24,342	3,293	2,919	1,677	151
Total current assets	1,234,518	-	706,583	419,085	64,870	13,300	24,263	6,417
Due from affiliates, net	69,687	(12,761)	12,500	13,225	29,777	14,224	-	12,722
Assets limited as to use, net of current portion	561,768	-	129,402	406,366	9,981	1,050	1,055	13,914
Property, plant and equipment, net	1,081,820	-	380,435	557,378	52,346	34,425	50,256	6,980
Other assets	64,530	-	13,331	49,122	406	566	887	218
Total assets	\$ 3,012,323	\$ (12,761)	\$ 1,242,251	\$ 1,445,176	\$ 157,380	\$ 63,565	\$ 76,461	\$ 40,251
Liabilities and net assets								
Current liabilities:								
Short-term borrowings	\$ 26,778	\$ -	\$ 16,257	\$ 7,481	\$ 3,040	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	200,612	-	83,585	82,270	12,006	11,340	9,825	1,586
Accrued salaries and related benefits	192,937	-	85,708	70,455	10,859	10,527	12,819	2,569
Current portion of capital lease obligations	1,607	-	1,559	48	-	-	-	-
Current portion of long-term debt	27,481	-	14,636	6,055	2,570	1,117	2,352	751
Current portion of estimated payable to third party payers	199,964	-	93,292	68,782	7,522	9,842	15,723	4,803
Total current liabilities	649,379	-	295,037	235,091	35,997	32,826	40,719	9,709
Due to affiliates, net	-	(12,761)	-	-	-	-	12,761	-
Accrued retirement benefits, net of current portion	209,670	-	120,930	64,037	9,237	11,880	749	2,837
Capital lease obligations, net of current portion	21,255	-	6,908	14,347	-	-	-	-
Long-term debt, net of current portion	942,924	-	268,873	593,797	15,175	22,030	34,247	8,802
Malpractice insurance liabilities	168,762	-	66,921	78,083	6,549	5,340	11,869	-
Other long-term liabilities	145,957	-	58,330	60,024	9,366	8,421	8,750	1,066
Total liabilities	2,137,947	(12,761)	816,999	1,045,379	76,324	80,497	109,095	22,414
Net assets:								
Unrestricted	657,033	-	351,118	271,896	67,076	(17,327)	(32,809)	17,079
Temporarily restricted	189,209	-	56,990	119,543	11,348	395	175	758
Permanently restricted	28,134	-	17,144	8,358	2,632	-	-	-
Total net assets (deficit)	874,376	-	425,252	399,797	81,056	(16,932)	(32,634)	17,837
Total liabilities and net assets	\$ 3,012,323	\$ (12,761)	\$ 1,242,251	\$ 1,445,176	\$ 157,380	\$ 63,565	\$ 76,461	\$ 40,251

North Shore-Long Island Jewish Health System, Inc.

Combining Statement of Operations – Obligated Group Only

Year Ended December 31, 2009
(In Thousands)

	Total Obligated Group	Eliminations	North Shore University Hospital	Long Island Jewish Medical Center	Glen Cove Hospital	Plainview Hospital	Forest Hills Hospital	North Shore University Hospital Stern Family Center for Extended Care and Rehabilitation
Operating revenue:								
Net patient service revenue – hospital and nursing facilities	\$ 2,792,111	\$ (921)	\$ 1,248,123	\$ 1,014,936	\$ 156,160	\$ 162,073	\$ 179,859	\$ 31,881
Physician practice revenue	382,092	-	204,719	143,868	15,074	10,463	7,968	-
Other operating revenue	57,103	(30,482)	50,606	26,533	2,949	2,016	1,057	4,424
Net assets released from restrictions used for operations	21,950	-	11,213	10,737	-	-	-	-
Total operating revenue	3,253,256	(31,403)	1,514,661	1,196,074	174,183	174,552	188,884	36,305
Operating expenses:								
Salaries	1,537,731	(7,745)	685,452	582,716	87,311	84,894	84,597	20,506
Employee benefits	430,247	-	188,776	157,131	26,668	26,271	25,474	5,927
Supplies and expenses	1,013,787	(23,658)	488,134	371,630	54,504	57,913	59,127	6,137
Bad debt expense	58,358	-	33,354	15,043	4,545	1,696	3,506	214
Depreciation and amortization	105,078	-	49,054	39,238	5,941	4,162	5,683	1,000
Interest	37,592	-	15,972	16,563	1,196	1,273	2,033	555
Total operating expenses	3,182,793	(31,403)	1,460,742	1,182,321	180,165	176,209	180,420	34,339
Excess (deficiency) of operating revenue over operating expenses	70,463	-	53,919	13,753	(5,982)	(1,657)	8,464	1,966
Non-operating gains and losses:								
Investment income	36,362	-	12,222	20,400	2,861	70	153	656
Change in net unrealized gains and losses	74,162	-	50,884	16,528	6,939	(13)	(23)	(153)
Change in fair value of interest rate swap agreements designated as derivative instruments	10,542	-	3,259	7,283	-	-	-	-
Gain on refinancing and refunding of long-term debt	19,890	-	8,197	8,194	471	1,104	1,404	520
Other non-operating gains and losses	349	-	14	300	-	35	-	-
Total non-operating gains and losses	141,305	-	74,576	52,705	10,271	1,196	1,534	1,023
Excess (deficiency) of revenue and gains and losses over expenses	211,768	-	128,495	66,458	4,289	(461)	9,998	2,989
Net assets released from restrictions for capital asset acquisitions	13,587	-	6,169	6,758	160	500	-	-
Change in fair value of interest rate swap agreements designated as cash flow hedges	7,512	-	2,704	4,808	-	-	-	-
Change in fair value of endowment assets	2,798	-	1,942	449	407	-	-	-
Transfers to affiliates	(8,937)	-	(5,415)	(3,522)	-	-	-	-
Pension and other postretirement liability adjustments	20,272	-	6,066	8,601	2,086	2,778	86	655
Increase in unrestricted net assets	\$ 247,000	\$ -	\$ 139,961	\$ 83,552	\$ 6,942	\$ 2,817	\$ 10,084	\$ 3,644

SOUTHSIDE HOSPITAL

COMBINED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2010

(In Thousands)

	<u>6/30/2010</u>	<u>12/31/2009</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ -	\$ 382
Marketable securities and other investments	1,922	1,926
Accounts receivable for services to patients, net of allowance for doubtful accounts of \$23,343 and \$19,663 on June 30, 2010 and December 31, 2009	26,380	28,904
Assets limited as to use, current portion	3,468	3,119
Other current assets	<u>7,000</u>	<u>13,107</u>
Total current assets	38,770	47,438
Assets limited as to use, net of current portion	13,135	13,209
Property, plant and equipment, net	89,094	91,053
Other assets	<u>2,216</u>	<u>2,127</u>
Total assets	<u>\$ 143,215</u>	<u>\$ 153,827</u>
Liabilities and net assets (deficit)		
Current liabilities:		
Accounts payable and accrued expenses	\$ 20,450	\$ 16,708
Accrued salaries and related benefits	18,282	15,466
Current portion of long-term debt and capital lease obligations	2,395	2,320
Current portion of estimated payable to third party payers	<u>15,125</u>	<u>19,229</u>
Total current liabilities	56,252	53,723
Accrued retirement benefits	33,456	30,307
Long-term debt, net of current portion	49,030	50,665
Due to affiliates	25,123	49,132
Malpractice insurance liabilities	14,190	11,709
Other long-term liabilities	<u>17,574</u>	<u>17,560</u>
Total liabilities	<u>195,625</u>	<u>213,096</u>
Commitments and contingencies		
Net assets (deficit):		
Unrestricted	(58,852)	(65,472)
Temporarily restricted	<u>6,442</u>	<u>6,204</u>
Total net assets (deficit)	<u>(52,410)</u>	<u>(59,269)</u>
Total liabilities and net assets (deficit)	<u>\$ 143,215</u>	<u>\$ 153,827</u>

North Shore-Long Island Jewish Health System, Inc.

Consolidating Statement of Operations

Year Ended December 31, 2008
(In Thousands)

	North Shore- Long Island Jewish Health System, Inc. Total	Eliminations	Parent and Other	North Shore- Long Island Jewish Obligated Group	Huntington Hospital Association	Franklin Hospital	Seaside Hospital and Affiliates	S.I.H.H. Systems, Inc. and Subsidiaries	Hospice Care Network, Inc.	The Feinstein Institute for Medical Research	Real Estate Companies	North Shore- Long Island Jewish Health System Foundation, Inc.	North Shore- Long Island Jewish Health System Laboratories	North Shore Health System Enterprises, Inc. (Combined)	Insurance Companies
Operating revenue															
Net patient service revenue	\$ 3,026,475	\$ (8,752)	\$ --	\$ 2,698,519	\$ 224,267	\$ 173,584	\$ 232,021	\$ 626,048	\$ 39,908	\$ 761	\$ --	\$ --	\$ --	\$ 30,169	\$ --
Physician practice revenue	374,321	--	--	329,768	15,340	5,491	10,653	13,669	--	--	--	--	--	--	--
Other operating revenue	139,035	(494,392)	327,654	51,486	5,016	866	15,197	17,435	--	34,861	24,353	--	89,256	455	86,848
Net assets released from restrictions used for operations	69,052	--	--	44,953	386	2	12	845	228	13,625	--	--	--	--	--
Total operating revenue	4,519,884	(503,144)	327,654	3,054,736	245,059	179,943	257,884	657,192	40,136	49,248	24,353	--	89,256	10,564	86,848
Operating expenses															
Salaries	2,149,498	(111,256)	129,648	1,482,324	117,902	82,566	119,197	310,070	15,835	25,087	992	--	16,265	14,968	--
Employee benefits	587,355	(24,283)	27,457	381,131	32,182	24,074	35,979	86,294	2,079	8,066	321	--	4,988	4,187	--
Supplies and expenses	1,451,286	(347,669)	141,531	1,619,564	78,496	66,508	83,120	217,713	19,790	21,971	21,350	--	39,265	14,874	79,710
Bad debt expense	73,550	(8,007)	--	51,129	6,844	4,679	4,694	225	--	--	--	--	504	(8)	--
Depreciation and amortization	177,250	--	21,875	102,688	10,694	4,570	11,489	19,794	657	2,709	1,530	--	1,031	195	--
Interest	57,283	(1,909)	6,143	34,653	2,625	1,240	3,452	11,494	--	--	166	--	--	--	--
Total operating expenses	4,496,221	(493,115)	326,672	3,603,869	243,753	183,637	261,727	645,959	39,486	57,833	24,402	--	86,073	34,216	79,710
Excess (deficiency) of operating revenue over operating expenses	23,662	(10,029)	982	30,867	1,256	(3,694)	(5,833)	11,438	650	(8,585)	(49)	--	3,183	(3,652)	7,138
Non-operating gains and losses:															
Contributions, net of fundraising activities	1,899	(1,423)	--	493	702	4	1,454	--	1,262	--	--	--	(192)	--	--
Investment (losses) income	(6,959)	(120)	56	(10,669)	358	222	505	5,052	227	401	--	--	(4,026)	--	1,085
Change in net unrealized gains and losses	(122,125)	--	--	(105,049)	16,169	(3099)	(411)	(694)	(611)	(2,394)	--	--	(5,911)	--	(497)
Change in fair value of interest rate swap agreements designated as derivative instruments	(16,672)	--	--	(14,456)	--	--	--	(2,230)	--	--	--	--	--	--	--
Gain (loss) on sale of property, plant, and equipment	546	--	--	--	(28)	--	--	--	--	--	574	--	--	--	--
Total non-operating gains and losses	(143,511)	(1,543)	56	(129,661)	(5,532)	(83)	1,538	5,122	878	(1,993)	574	(10,250)	--	--	588
(Deficiency) excess of revenue and gains and losses over expenses	(119,849)	(11,572)	1,038	(98,794)	(4,281)	(3,777)	(4,295)	13,560	1,528	(10,578)	525	(10,250)	3,183	(3,652)	7,726
Net assets released from restrictions for capital asset acquisitions	23,308	(450)	--	8,780	716	31	50	549	250	13,882	--	--	--	--	--
Change in fair value of interest rate swap agreements designated as cash flow hedges	(14,484)	--	--	(14,484)	--	--	--	--	--	--	--	--	--	--	--
Change in fair value of employment assets	(10,175)	--	--	(9,932)	--	--	--	--	--	(3,645)	--	(2,592)	--	--	--
Transfers (to) from affiliates and reserves for borrowings by affiliates	--	7,289	(5,294)	(11,784)	--	--	--	--	--	4,140	--	--	--	5,559	--
Pension and other postretirement liability adjustments	(232,291)	--	(13)	(134,808)	(54,997)	(2,449)	(28,630)	(1,389)	--	--	--	--	--	--	--
(Decrease) increase in unrestricted net assets	\$ (353,491)	\$ (4,733)	\$ (4,484)	\$ (255,753)	\$ (58,561)	\$ (6,195)	\$ (32,875)	\$ 12,720	\$ 1,778	\$ 3,799	\$ 525	\$ (12,842)	\$ 3,183	\$ 1,907	\$ 7,726

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

North Shore-Long Island Jewish Health System, Inc.

Consolidating Statement of Financial Position

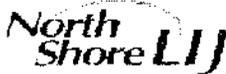
December 31, 2008
(In Thousands)

	North Shore-Long Island Jewish Health System, Inc.	Eliminations	Parent and Other	North Shore-Long Island Jewish Obligated Group	Huntington Hospital Association	Franklin Hospital	Southside Hospital and Affiliates	S.E.U.H. Systems, Inc. and Subsidiaries	Hospice Care Network, Inc.	The Feinstein Institute for Medical Research	Real Estate Companies	North Shore-Long Island Jewish Health System Foundation, Inc.	North Shore-Long Island Jewish Health System Laboratories	North Shore Health System Enterprises, Inc. (Combined)	Insurance Companies
Assets															
Current assets:															
Cash and cash equivalents	\$ 293,014	\$ --	\$ 891	\$ (18,960)	\$ 13,425	\$ 93	\$ 2,241	\$ 37,330	\$ 4,213	\$ --	\$ 394	\$ 41,164	\$ --	\$ --	\$ 20,312
Marketable securities and other investments	548,398	(9,050)	--	433,271	51,607	--	1,696	51,186	6,024	72	--	13,252	--	--	--
Accounts receivable for services to patients, net of allowance for doubtful accounts	418,487	--	21	262,476	26,459	20,465	24,902	67,638	5,965	--	--	--	5,169	5,498	--
Accounts receivable for physician activities, net	34,053	--	--	30,894	--	1,794	1,965	--	--	--	--	--	--	--	--
Assets leased as to use, current portion	110,836	--	--	92,812	2,362	1,258	2,022	14,382	--	--	--	--	--	--	--
Pledges receivable, current portion	33,790	--	--	--	--	--	--	1,422	12	--	--	32,356	--	--	--
Other current assets	102,958	(5,920)	4,520	61,178	6,064	1,976	5,702	17,395	186	1,063	817	67	688	666	4,906
Total current assets	1,546,256	(12,000)	5,432	1,059,331	99,917	24,990	39,518	186,063	16,400	1,135	1,411	86,779	5,757	6,165	25,118
Due from affiliates	--	(183,892)	--	78,916	--	--	--	--	--	--	--	--	--	145	104,831
Assets limited as to use, net of current portion	291,932	(137,633)	--	232,992	20,528	2,728	12,098	62,786	1,529	58,620	--	18,142	--	--	20,142
Pledges receivable, net of current portion	97,889	--	--	1,661	--	1,661	--	1,378	2	--	--	95,448	--	--	--
Property, plant, and equipment, net	1,740,419	--	133,481	1,065,357	191,677	39,142	97,708	206,065	1,994	66,136	20,727	583	4,330	759	--
Other assets	70,768	(69,448)	53,092	28,802	3,384	991	2,100	6,421	212	--	402	--	--	--	34,512
Total assets	\$ 3,747,214	\$ (402,973)	\$ 191,995	\$ 2,475,698	\$ 226,167	\$ 67,851	\$ 151,424	\$ 465,713	\$ 20,137	\$ 125,891	\$ 22,540	\$ 200,952	\$ 10,147	\$ 7,069	\$ 184,603
Liabilities and net assets (deficiency)															
Current liabilities:															
Short-term borrowings	\$ 136,767	\$ --	\$ --	\$ 136,767	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Accounts payable and accrued expenses	284,493	(21,501)	45,242	204,587	15,664	13,146	20,470	51,012	3,972	12,350	2,817	338	7,045	2,008	37,063
Accrued salaries and related benefits	107,561	--	26,473	185,562	16,514	12,226	14,903	30,844	1,848	4,022	137	431	3,809	792	--
Current portion of capital lease obligations	3,625	(102)	1,096	1,300	--	--	296	1,045	--	--	--	--	--	--	--
Current portion of long-term debt	48,526	(400)	--	27,394	2,978	1,050	2,190	14,998	--	--	316	--	--	--	--
Current portion of malpractice insurance liabilities	31,705	--	--	--	--	--	--	--	--	--	--	--	--	--	31,705
Current portion of third party payer structured liabilities	6,208	--	--	--	--	--	--	6,208	--	--	--	--	--	--	--
Current portion of estimated payable to third party payers	162,741	--	--	148,845	4,547	3,786	999	4,564	--	--	--	--	--	--	--
Total current liabilities	1,081,636	(21,803)	82,811	704,455	39,703	30,208	38,858	108,751	5,820	16,372	3,270	769	10,854	2,800	68,268
Due in affiliates	--	(205,663)	17,970	--	2,226	53,766	77,347	1,429	--	40,674	6,872	143	5,236	--	--
Accrued retirement benefits, net of current portion	401,082	--	2,483	237,028	91,378	3,797	60,694	2,692	--	--	--	--	--	--	--
Capital lease obligations, net of current portion	80,224	(20,132)	79,169	21,076	--	--	71	1,261	--	--	--	--	--	--	--
Long-term debt, net of current portion	889,565	--	--	633,834	44,359	16,710	52,985	148,777	--	--	1,500	--	--	--	--
Malpractice insurance liabilities, net of current portion	186,644	(73,125)	--	121,212	3,775	7,808	8,767	17,255	--	--	--	--	--	--	101,753
Third party payer structured liabilities, net of current portion	46,591	--	--	--	--	--	--	46,591	--	--	--	--	--	--	--
Other long-term liabilities	202,514	(3,905)	3,111	141,292	9,156	6,471	9,869	32,531	616	376	185	1,104	293	--	--
Total liabilities	2,888,356	(342,235)	187,494	1,867,357	193,597	117,960	248,591	359,227	6,436	57,422	11,827	2,016	16,293	2,800	170,521
Net assets (deficiency)															
Unrestricted	533,135	79,224	9,501	411,053	23,024	(52,137)	(101,974)	89,260	11,805	10,626	10,713	30,758	(6,146)	4,269	14,182
Temporarily restricted	232,888	(174,825)	--	176,394	4,393	2,915	4,807	15,742	1,518	24,945	--	128,301	--	--	--
Permanently restricted	92,835	(15,232)	--	27,674	5,548	15	--	1,484	378	32,898	--	39,827	--	--	--
Total net assets (deficiency)	858,858	(100,248)	9,501	614,901	32,970	(59,109)	(97,167)	106,486	13,701	68,469	10,713	198,936	(6,146)	4,269	14,082
Total liabilities and net assets (deficiency)	\$ 3,747,214	\$ (402,973)	\$ 191,995	\$ 2,475,698	\$ 226,167	\$ 67,851	\$ 151,424	\$ 465,713	\$ 20,137	\$ 125,891	\$ 22,540	\$ 200,952	\$ 10,147	\$ 7,069	\$ 184,603

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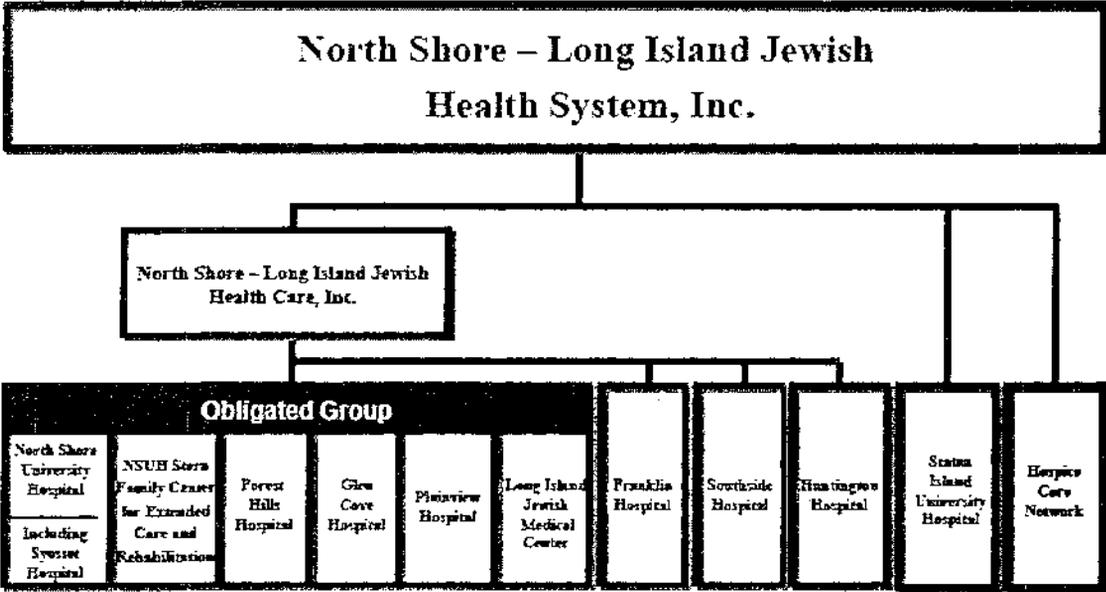
COST ANALYSIS
Southside Hospital Adult Cardiac Surgery Program

Current Year	<u>Inpatient</u>	<u>Procedures</u>	<u>Cost per procedure</u>
Operating			
Capital			
Total			
First Year Budgets			
Operating	\$13,857,400		\$39,593
Capital	<u>\$926,146</u>		<u>\$2,646</u>
Total	\$14,783,546	350	\$42,239
Third Year Budgets			
Operating	\$17,227,200		\$32,814
Capital	<u>\$926,146</u>		<u>\$1,764</u>
Total	\$18,153,346	525	\$34,578



North Shore - Long Island Jewish Health System, Inc.

Network Table of Organization
Revised September 2008

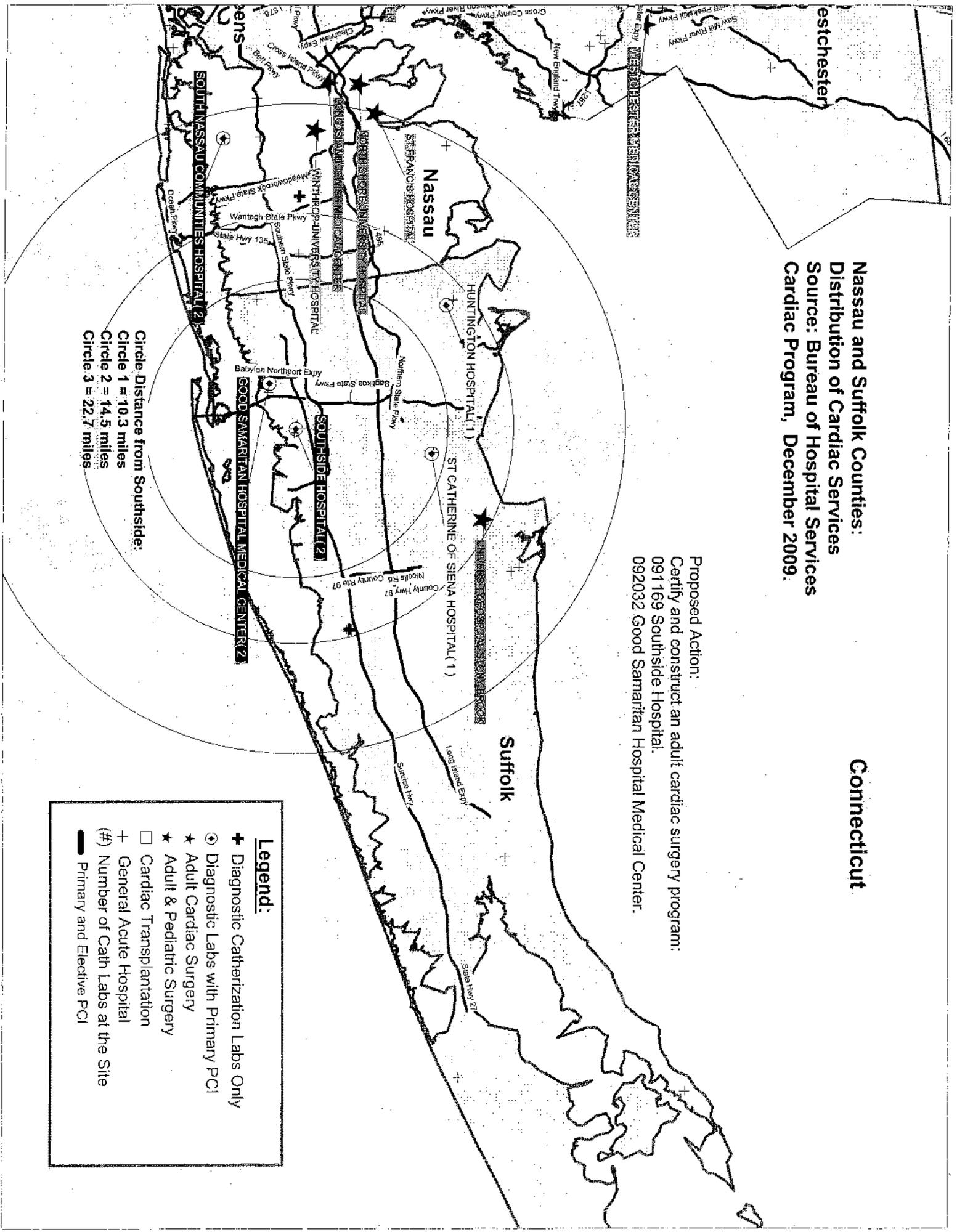


Westchester

**Nassau and Suffolk Counties:
Distribution of Cardiac Services
Source: Bureau of Hospital Services
Cardiac Program, December 2009.**

Connecticut

Proposed Action:
Certify and construct an adult cardiac surgery program:
091169 Southside Hospital.
092032 Good Samaritan Hospital Medical Center.



Circle Distance from Southside:
Circle 1 = 10.3 miles
Circle 2 = 14.5 miles
Circle 3 = 22.7 miles

Legend:

- + Diagnostic Catheterization Labs Only
- ⊕ Diagnostic Labs with Primary PCI
- ★ Adult Cardiac Surgery
- ★ Adult & Pediatric Surgery
- Cardiac Transplantation
- + General Acute Hospital
- (#) Number of Cath Labs at the Site
- Primary and Elective PCI

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidated Balance Sheets

December 31, 2009 and 2008

(In thousands)

Assets	2009	2008
Current assets:		
Cash and cash equivalents	\$ 152,000	78,102
Investments	239,753	184,159
Assets limited or restricted as to use	34,246	20,903
Patient accounts receivable, less allowance for uncollectible accounts of \$64,992 in 2009 and \$65,167 in 2008	172,288	175,314
Contributions receivable, net	6,203	5,046
Other receivables	21,296	21,409
Inventories	16,876	15,323
Prepaid expenses and other	15,398	14,281
Current portion of due from affiliates	87	8,952
Total current assets	658,147	523,489
Assets limited or restricted as to use:		
Board designated and other	69,690	48,801
Restricted funds	30,661	27,306
Funded depreciation	175,180	159,316
Trustee held and other agreements	20,210	8,620
Bond indenture agreements	87,637	88,102
Regulated assets	18,195	9,084
Total assets limited or restricted as to use	401,573	341,229
Less assets limited or restricted as to use and required for current liabilities	34,246	20,903
	367,327	320,326
Due from affiliates, net of current portion	1,308	2,064
Contributions receivable, net of current portion	5,913	8,506
Long-term investments	227	482
Other assets, net	36,298	17,027
Deferred financing costs, net	8,935	9,474
Property and equipment, net	699,680	687,555
Total assets	\$ 1,777,835	1,568,923

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

CATHOLIC HEALTH SERVICES OF LONG ISLAND

Consolidated Statements of Operations

Years ended December 31, 2009 and 2008

(In thousands)

	2009	2008
Unrestricted revenues, gains, and other support:		
Net patient service revenue	\$ 1,677,512	1,504,461
Investment income, net	16,111	8,507
Contributions	3,715	3,870
Other revenue	112,205	139,786
Net assets released from restrictions used for operations	1,028	1,907
Total revenues, gains, and other support	1,810,571	1,658,531
Expenses:		
Salaries	844,587	784,840
Employee benefits	269,846	229,976
Supplies and other expenses	462,374	440,956
Insurance	51,599	39,995
Depreciation and amortization	67,607	64,572
Interest	25,381	26,721
Provision for bad debts, net	23,551	18,705
Total expenses	1,744,945	1,605,765
Excess of revenues, gains, and other support over expenses before nonoperating gains (losses)	65,626	52,766
Nonoperating gains (losses):		
Change in unrealized gains (losses) on trading investments, net	41,408	(35,310)
Excess of revenues, gains, and other support over expenses	107,034	17,456
Other changes in unrestricted net assets:		
Postretirement benefit plan changes other than net periodic benefit cost	(888)	---
Net assets released from restrictions used for purchases of property and equipment	9,306	14,035
Net assets (deficiency) assumed	13,568	(2,257)
Recovery of related party reserve	797	---
Contributions for purchases of property and equipment	215	---
Grant income for purchases of property and equipment	5,297	3,398
Increase in unrestricted net assets	\$ 135,329	32,632

GOOD SAMARITAN HOSPITAL MEDICAL CENTER

Consolidated Balance Sheets

December 31, 2009 and 2008

(In thousands)

Assets	2009	2008
Current assets:		
Cash and cash equivalents	\$ 50,146	16,948
Investments	792	497
Assets limited or restricted as to use	2,936	2,979
Patient accounts receivable, less allowance for uncollectible accounts of \$33,242 in 2009 and \$30,078 in 2008	58,914	52,690
Other receivables	3,947	2,598
Inventories	4,340	3,297
Prepaid expenses and other	4,815	5,370
Due from affiliates, net	—	8,199
Due from related parties, net	5,186	4,119
Current portion of note receivable from related party	710	676
Total current assets	131,786	97,373
Assets limited or restricted as to use:		
Restricted by donors	4,891	4,867
Depreciation funds	722	712
Board designated and other	49,730	32,486
By bond indenture agreement	33,432	32,928
Under collateral and trust agreements	1,932	2,350
Total assets limited or restricted as to use	90,707	73,343
Less assets limited or restricted as to use and required for current liabilities	2,936	2,979
	87,771	70,364
Note receivable from related party, net of current portion	183	840
Long-term investments	—	274
Property and equipment, net	123,972	114,349
Deferred financing costs, net	822	836
Total assets	\$ 344,534	284,036

Liabilities and Net Assets	2009	2008
Current liabilities:		
Current portion of long-term debt	\$ 4,386	4,401
Accounts payable and accrued expenses	23,023	18,302
Accrued salaries, related withholdings, and vacation benefits	30,820	26,272
Current portion of other self-insured liabilities	9,359	9,679
Estimated third-party payor liabilities	22,369	15,775
Current portion of estimated malpractice liabilities	1,638	1,302
Due to related parties	7,415	8,674
Total current liabilities	<u>99,010</u>	<u>84,405</u>
Estimated third-party payor settlements, net of current portion	9,765	14,441
Estimated malpractice liabilities, net of current portion	13,235	10,100
Other self-insurance liabilities, net of current portion	21,901	17,381
Other liabilities	5,132	5,119
Long-term debt, net of current portion	43,100	45,636
Total liabilities	<u>192,143</u>	<u>177,082</u>
Commitments and contingencies		
Net assets:		
Unrestricted	147,500	102,087
Temporarily restricted	4,891	4,867
Total net assets	<u>152,391</u>	<u>106,954</u>
Total liabilities and net assets	<u>\$ 344,534</u>	<u>284,036</u>

GOOD SAMARITAN HOSPITAL MEDICAL CENTER

Consolidated Statements of Operations

Years ended December 31, 2009 and 2008

(In thousands)

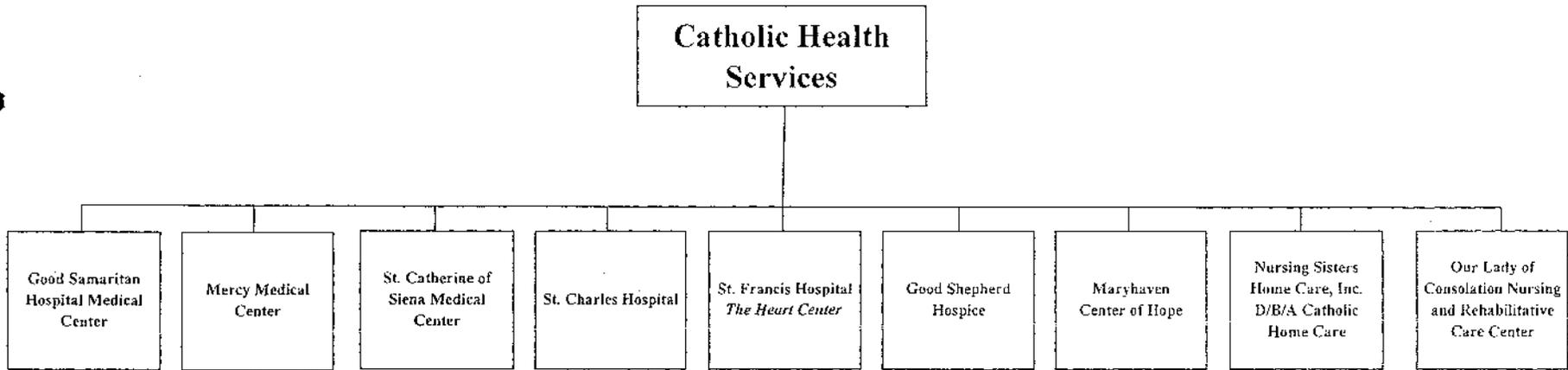
	2009	2008
Unrestricted revenues, gains, and other support:		
Net patient service revenue	\$ 538,371	430,886
Investment income, net	2,659	2,655
Contributions	597	34
Other revenue	6,314	35,035
Net assets released from restrictions used for operations	418	835
Total revenues, gains, and other support	<u>548,359</u>	<u>469,445</u>
Expenses:		
Salaries	255,938	232,612
Employee benefits	78,346	66,222
Supplies and other expenses	120,205	103,227
Insurance	15,306	14,516
Depreciation and amortization, including gain or loss on disposal	13,792	14,181
Interest	3,131	3,147
Provision for bad debts, net	12,639	8,938
Finance and technology services	15,382	15,249
CHS corporate office allocation	2,566	3,310
Total expenses	<u>517,305</u>	<u>461,402</u>
Excess of revenues, gains, and other support over expenses before nonoperating gain	31,054	8,043
Nonoperating gain:		
Change in unrealized gains on trading investments, net	165	199
Excess of revenues, gains, and other support over expenses	31,219	8,242
Other changes in unrestricted net assets:		
Postretirement benefit plan changes other than net periodic benefit cost	355	—
Net assets released from restrictions for purchases of property and equipment	36	989
Grant income for purchases of property and equipment	1,645	3,350
Contributions for purchases of property and equipment	215	—
Net assets assumed	14,428	—
Reversal of reserve for amounts due from related parties	—	2,901
Forgiveness of Mercy Medical Center receivable	—	(2,901)
Transfer from the Samaritan Corporation	435	—
Transfer to Catholic Health Services of Long Island	(1,077)	(641)
Transfer to CHS Services, Inc.	(1,843)	(2,335)
Increase in unrestricted net assets	<u>\$ 45,413</u>	<u>9,605</u>

COST ANALYSIS
Good Samaritan Hospital Medical Center Adult Cardiac Surgery Program

Current Year	<u>Inpatient</u>	<u>Procedures</u>	<u>Cost per procedure</u>
Operating			
Capital			
Total			
First Year Budgets			
Operating	\$7,812,590		\$31,250
Capital	<u>\$169,914</u>		<u>\$680</u>
Total	\$7,982,504	250	\$31,930
Third Year Budgets			
Operating	\$13,432,320		\$26,865
Capital	<u>\$169,914</u>		<u>\$340</u>
Total	\$13,602,234	500	\$27,204



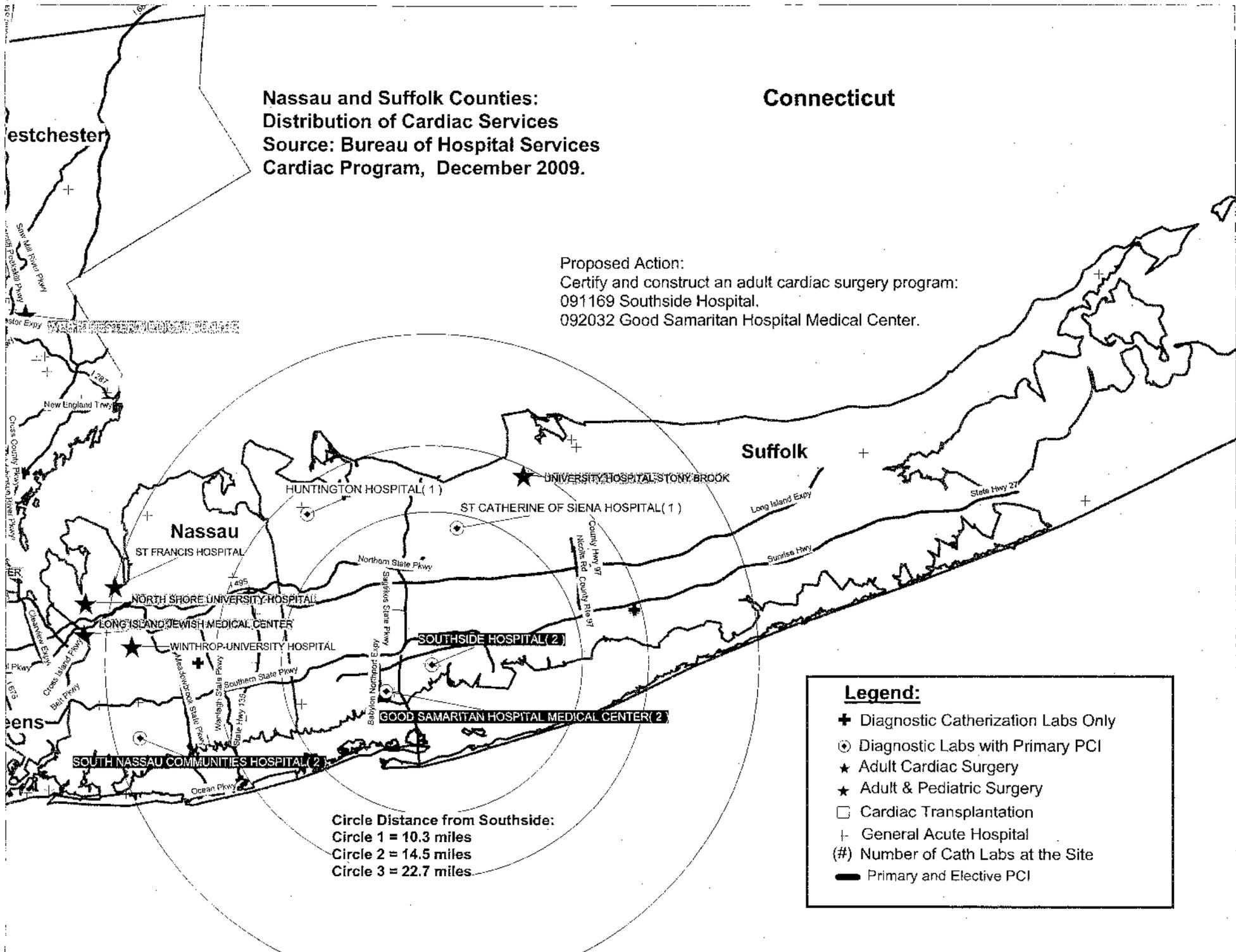
Catholic Health Services OF LONG ISLAND



**Nassau and Suffolk Counties:
Distribution of Cardiac Services
Source: Bureau of Hospital Services
Cardiac Program, December 2009.**

Connecticut

Proposed Action:
Certify and construct an adult cardiac surgery program:
091169 Southside Hospital.
092032 Good Samaritan Hospital Medical Center.



Circle Distance from Southside:
Circle 1 = 10.3 miles
Circle 2 = 14.5 miles
Circle 3 = 22.7 miles

Legend:

- + Diagnostic Catherization Labs Only
- ⊙ Diagnostic Labs with Primary PCI
- ★ Adult Cardiac Surgery
- ★ Adult & Pediatric Surgery
- Cardiac Transplantation
- + General Acute Hospital
- (#) Number of Cath Labs at the Site
- ▬ Primary and Elective PCI

**New York State Department of Health
State Hospital Review and Planning Council**

September 30, 2010

ATTACHMENTS

APPLICATIONS for PROTON BEAM THERAPY

1. 101150 B TPTCC NY, Inc. (Queens County)
2. 101151 B The New York Proton Center (New York County)

Third Parties

Third parties involved with operation of proposed facility.

Name	Affiliated Facility	Work History
Yitchok Lefkowitz	Care to Care	Since 1998 has served as CEO at Care to Care; since 2009 has served as CEO at Med Scan.
Yitchak Tessler		Since 2009 has served as President of Tessler Developments, 461 Park Avenue South. Previously served as CEO of Tessler Developments from 1998 to 2010.

CON 101150 TPTCC NY Inc,
Queens County
CON 101151 The New York Proton Center,
New York County

Montefiore Medical Center -
Henry & Lucy Moses Div
(NY Proton Affiliate)

Mount Sinai Hospital
(NY Proton Affiliate)

**CON 101151 The New
York Proton Center**

Memorial Hospital for
Cancer and Allied Diseases
(NY Proton Affiliate)

NYU Hospitals Center
(NY Proton Affiliate)

Beth Israel Medical Center
/Petrie Campus
(NY Proton Affiliate)

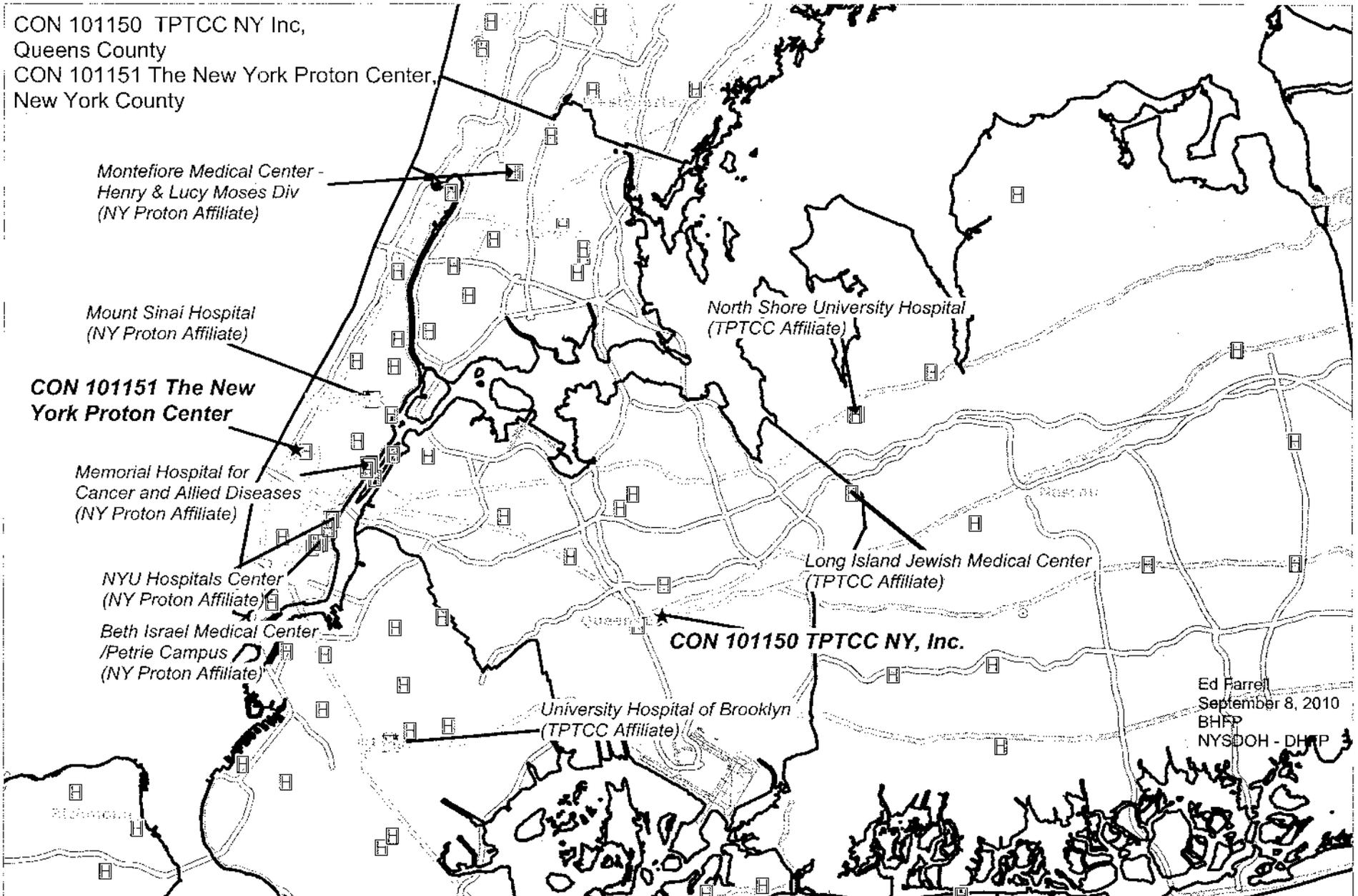
North Shore University Hospital
(TPTCC Affiliate)

Long Island Jewish Medical Center
(TPTCC Affiliate)

CON 101150 TPTCC NY, Inc.

University Hospital of Brooklyn
(TPTCC Affiliate)

Ed Farrell
September 8, 2010
BHFP
NYSDOH - DHFP



Memorial Sloan-Kettering Cancer Center
and Affiliated Corporations

Combined Balance Sheets
(In Thousands)

	December 31	
	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 204,409	\$ 159,658
Short-term investments – at fair value (cost 2009 – \$123,191; 2008 – \$149,455)	123,175	148,137
Accounts receivable, less allowance for doubtful accounts (2009 – \$90,825; 2008 – \$95,832)	338,878	366,275
Pledges, trusts and estates receivable	93,974	120,332
Other current assets	68,107	47,539
Total current assets	828,543	841,941
Noncurrent assets:		
Assets whose use is limited:		
Investments in marketable securities – at fair value:		
Construction, debt service and repair reserve funds (cost 2009 – \$95,129; 2008 – \$98,230)	95,050	99,349
Captive insurance funds (cost 2009 – \$24,534; 2008 – \$23,180)	24,988	23,500
Employee benefit funds (cost 2009 – \$75,344; 2008 – \$75,760)	78,038	76,045
Total investments in marketable securities whose use is limited	198,076	198,894
Investments – at fair value (cost 2009 – \$2,497,008; 2008 – \$2,532,682)	2,575,369	2,100,300
Investments in nonmarketable securities at cost:	112,459	117,417
Property and equipment – net	2,084,775	2,001,236
Mortgages and other loans receivable	27,272	28,860
Pledges, trusts and estates receivable	212,533	251,764
Other noncurrent assets	29,680	38,110
Total noncurrent assets	5,219,064	4,736,581
Total assets	\$ 6,068,707	\$ 5,578,522
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 266,136	\$ 217,263
Accrued expenses	274,263	260,617
Current portion of long-term debt and capital lease obligation	39,726	25,969
Total current liabilities	580,125	503,849
Noncurrent liabilities:		
Long-term debt and capital lease obligation, less current portion	1,227,514	1,199,811
Other noncurrent liabilities	659,496	650,958
Total liabilities	2,467,135	2,354,618
Commitments and contingencies		
Net assets:		
Unrestricted:		
Undesignated	2,494,932	2,051,594
Board-designated	387,288	418,697
Total unrestricted	2,882,220	2,470,291
Temporarily restricted	338,939	396,075
Permanently restricted	380,413	357,538
Total net assets	3,601,572	3,223,904
Total liabilities and net assets	\$ 6,068,707	\$ 5,578,522

Memorial Sloan-Kettering Cancer Center
and Affiliated Corporations

Combined Statements of Unrestricted Activities

	Year Ended December 31	
	2009	2008
	<i>(In Thousands)</i>	
Undesignated operating revenues		
Hospital care and services	\$ 1,392,747	\$ 1,286,948
Medical practice	330,566	320,041
Grants and contracts	167,495	163,352
Contributions allocated to operations	126,250	108,844
Royalty income	62,232	94,131
Other income	43,144	41,963
Investment returns allocated to operations	103,998	116,546
Transfer of Board-designated annual royalty annuitization	37,158	33,122
Total operating revenues	<u>2,263,590</u>	<u>2,164,947</u>
Operating expenses		
Salaries and wages	870,314	799,196
Physicians' practice compensation	132,012	129,637
Employee fringe benefits	284,210	235,322
Purchased supplies and services	495,577	454,955
Pharmaceuticals	262,286	229,917
Depreciation and amortization	171,806	175,870
Provision for bad debts and regulatory assessments	10,881	6,823
Interest	64,997	59,023
Total expenses	<u>2,292,083</u>	<u>2,090,743</u>
Less fund raising expenses transferred to nonoperating income and expenses	(40,320)	(36,048)
Total operating expenses	<u>2,251,763</u>	<u>2,054,695</u>
Income from operations	<u>11,827</u>	<u>110,252</u>
Nonoperating income and expenses, net		
Contributions, net of fundraising expenses and amount allocated to operations	(22,537)	19,096
Net assets released from restrictions	73,819	82,347
Investment returns, net of allocation to operations	327,501	(772,328)
Other nonoperating costs	-	(6,731)
Total nonoperating income and expenses, net	<u>378,783</u>	<u>(677,616)</u>
Increase (decrease) in unrestricted net assets before change in postretirement benefit obligation to be recognized in future periods and Board-designated activities	<u>390,610</u>	<u>(567,364)</u>
Board-designated		
Investment income (loss) and other additions	5,749	(11,085)
Transfer of annual royalty annuitization	(37,158)	(33,122)
Decrease in Board-designated	(31,409)	(44,207)
Increase (decrease) in unrestricted net assets before change in postretirement benefit obligation to be recognized in future periods	<u>359,201</u>	<u>(611,571)</u>
Change in postretirement benefit obligation to be recognized in future periods	52,728	(207,217)
Increase (decrease) in total unrestricted net assets	<u>\$ 411,929</u>	<u>\$ (818,788)</u>

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

<i>(in thousands of dollars)</i>	2009	2008
Assets		
Current assets		
Cash and cash equivalents	\$ 101,196	\$ 60,166
Marketable securities	25,056	20,146
Receivables for patient care, less allowance for doubtful accounts of \$88,616 in 2009 and \$92,580 in 2008	178,161	182,278
Inventories	8,836	8,734
Prepaid expenses and other current assets	28,089	20,994
Due from affiliated organizations	1,363	1,670
Current portion of pledges receivable, net	5,466	3,802
Current portion of assets limited as to use	5,386	15,442
Total current assets	353,553	313,232
Assets limited as to use	30,876	41,136
Long-term investments	13,385	11,716
Deferred employee compensation plan assets	1,599	1,610
Investments in captive insurance companies	55,236	33,632
Pledges receivable, net	5,062	5,841
Property, plant and equipment, net	479,400	482,239
Due from affiliated organizations	7,537	25,526
Deferred financing costs, net	6,032	6,317
Other assets	15,770	16,723
Total assets	<u>\$ 968,450</u>	<u>\$ 937,972</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 78,484	\$ 87,232
Accrued salaries and related liabilities	113,240	104,672
Current portion of long-term debt and capitalized leases	36,272	37,938
Other current liabilities	33,048	60,850
Total current liabilities	261,044	290,692
Long-term debt and capitalized leases	226,302	206,393
Deferred employee compensation	1,599	1,610
Other noncurrent liabilities	129,739	122,803
Total liabilities	618,684	621,498
Commitments and contingencies		
Net assets		
Unrestricted	304,488	269,794
Temporarily restricted	23,508	27,789
Permanently restricted	21,770	18,891
Total net assets	<u>349,766</u>	<u>316,474</u>
Total liabilities and net assets	<u>\$ 968,450</u>	<u>\$ 937,972</u>

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

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

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

(in Thousands)

	<u>2009</u>	<u>2008</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 294,271	\$ 171,491
Marketable securities	4,350	19,772
Assets limited as to use	16,835	25,700
Patient accounts receivable, less allowances for uncollectibles (2009 - \$56,467 2008 - \$48,352)	177,502	133,777
Contributions receivable	32,362	43,196
Insurance receivables – billed	27,208	24,198
Inventories	19,829	19,468
Other current assets	38,883	6,690
Total current assets	611,240	444,292
Marketable securities	16,944	21,167
Assets limited as to use	266,511	212,191
Contributions receivable	90,442	99,586
Deferred financing costs	10,892	11,997
Property, plant and equipment – net	594,695	485,660
Other assets	8,638	27,199
Total assets	<u>\$ 1,599,362</u>	<u>\$ 1,302,092</u>
Liabilities and net assets		
Current liabilities		
Current portion of long-term debt	\$ 41,322	\$ 19,663
Accounts payable and accrued expenses	108,656	98,359
Accrued salaries and related liabilities	33,059	28,907
Accrued interest payable	9,114	13,686
Current portion of accrued postretirement liabilities	1,869	1,937
Due to related organizations, net	78,692	9,213
Other current liabilities	35,866	43,224
Total current liabilities	308,578	214,989
Long-term debt, less current portion	461,899	457,454
Outstanding losses and loss adjustment expenses	178,845	151,237
Accrued pension liabilities	62,940	84,413
Accrued postretirement liabilities, less current portion	47,957	47,337
Other liabilities	121,032	54,063
Total liabilities	1,181,251	1,009,493
Net assets		
Unrestricted	254,246	127,704
Temporarily restricted	155,119	156,149
Permanently restricted	8,746	8,746
Total net assets	418,111	292,599
Total liabilities and net assets	<u>\$ 1,599,362</u>	<u>\$ 1,302,092</u>

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

(in Thousands)

	<u>2009</u>	<u>2008</u>
Operating revenue		
Net patient service revenue	\$ 1,400,997	\$ 1,198,068
Grants and sponsored programs	3,446	2,503
Premiums earned	16,502	26,355
Contributions	4,946	11,416
Endowment distribution and return on short-term investments	11,306	(25,662)
Other revenue	23,150	29,384
Net assets released from restrictions for operating purposes	<u>11,746</u>	<u>8,000</u>
Total operating revenue	1,472,093	1,250,064
Operating expenses		
Salaries and wages	512,427	481,421
Employee benefits	157,973	138,705
Supplies and other	550,815	490,636
Depreciation and amortization	45,747	44,707
Interest	24,091	22,616
Patient care bad debt expense	<u>26,956</u>	<u>31,290</u>
Total operating expenses	1,318,009	1,209,375
Gain from operations	154,084	40,689
Other items		
Loss on disposals of property, plant and equipment	(3,520)	-
Investment return less endowment distribution, net	1,797	(10,251)
Mission based payment to NYUSoM	<u>(50,000)</u>	<u>-</u>
Excess of revenue over expenses	102,361	30,438
Other changes in unrestricted net assets		
Changes in pension and postretirement obligations	9,795	(45,125)
Change in fair value of instruments	-	(66)
Net assets released from restrictions for capital purposes	<u>14,386</u>	<u>4,249</u>
Net increase (decrease) in unrestricted net assets	<u>\$ 126,542</u>	<u>\$ (10,504)</u>

The Mount Sinai Hospital
Consolidated Statements of Financial Position

	December 31	
	2009	2008
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 386,484	\$ 283,179
Patient accounts receivable, less allowances for uncollectibles (2009 – \$38,753; 2008 – \$45,612)	168,720	163,337
Marketable securities	25,031	9,733
Assets limited as to use	21,555	28,137
Due from related organizations, net	57,425	81,273
Inventories	20,266	19,293
Other current assets	26,881	32,217
Total current assets	706,362	617,169
Marketable securities, other investments and alternative investments	441,873	366,235
Assets limited as to use	81,087	81,348
Self-insurance trust assets	882	761
Other assets	27,875	23,407
Deferred financing costs	5,039	5,571
Property, plant and equipment – net	383,750	382,278
Total assets	\$ 1,646,868	\$ 1,476,769

	December 31	
	2009	2008
	<i>(In Thousands)</i>	
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 113,763	\$ 113,258
Accrued salaries and related liabilities	63,980	60,188
Accrued interest payable	12,370	12,829
Accrued construction liabilities	2,876	4,841
Current portion of long-term debt	43,045	16,635
Other current liabilities	18,000	26,636
Total current liabilities	254,034	234,387
Long-term debt, less current portion	380,625	423,631
Accrued postretirement benefits	16,098	14,027
Reserve for self-insurance liabilities	1,022	1,249
Deferred gain on transfer of real estate	27,055	33,902
Other liabilities	321,991	292,755
Total liabilities	1,000,825	999,951
Commitments and contingencies		
Net assets:		
Unrestricted	485,021	327,559
Temporarily restricted	87,181	76,262
Permanently restricted	73,841	72,997
Total net assets	646,043	476,818
Total liabilities and net assets	<u>\$ 1,646,868</u>	<u>\$ 1,476,769</u>

The Mount Sinai Hospital
Consolidated Statements of Operations

	Year Ended December 31	
	2009	2008
	<i>(In Thousands)</i>	
Operating revenue		
Net patient service revenue	\$ 1,465,041	\$ 1,405,513
Investment income and net realized gains on sales of securities	4,189	15,604
Contributions	316	1,803
Other revenue	19,890	25,857
Net assets released from restrictions for operations	30,941	34,098
Total operating revenue before other items	<u>1,520,377</u>	<u>1,482,875</u>
Operating expenses		
Salaries and wages	590,290	565,499
Employee benefits	165,588	157,035
Supplies and other	579,799	541,657
Depreciation	72,950	73,172
Interest and amortization	25,758	26,841
Bad debts	28,615	54,374
Total operating expenses before other items	<u>1,463,000</u>	<u>1,418,578</u>
Excess of operating revenue over operating expenses before other items	57,377	64,297

The Mount Sinai Hospital

Consolidated Statements of Operations (continued)

	Year Ended December 31	
	2009	2008
	<i>(In Thousands)</i>	
Excess of operating revenue over operating expenses before other items (from prior page)	\$ 57,377	\$ 64,297
Other items		
Net change in unrealized gains and losses on investments and change in value of alternative investments	68,345	(108,427)
Recognition of deferred gain on sale of real estate	6,847	-
Third-party reimbursement settlements	21,679	18,153
Net change in investment in captive insurance program	11,711	(28,909)
Malpractice insurance program interest rate surplus (shortfall)	4,605	(25,500)
Loss on disposal of fixed assets	-	(3,006)
Excess (deficiency) of revenue over expenses	<u>170,564</u>	<u>(83,392)</u>
Other changes in unrestricted net assets		
Transfers to affiliates	(1,498)	(1,414)
Distributions from MSMC Residential Realty, LLC	22,134	-
Transfers to the Mount Sinai School of Medicine of New York University	(22,134)	(5,000)
Transfer to MSMC Realty Corporation	(9,533)	-
Net assets released from restrictions for capital asset acquisitions	349	2,812
Change in postretirement liability to be recognized in future periods	(2,420)	(1,011)
Total other changes in unrestricted net assets	<u>(13,102)</u>	<u>(4,613)</u>
Net increase (decrease) in unrestricted net assets	<u>\$ 157,462</u>	<u>\$ (88,005)</u>

Montefiore Medical Center
Consolidated Statements of Financial Position

	December 31	
	2009	2008
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,525	\$ 9,702
Marketable and other securities	583,493	437,723
Assets limited as to use – marketable securities	47,333	46,860
Receivables for patient care, less allowances for doubtful accounts (2009 – \$137,838; 2008 – \$107,674)	200,988	197,274
Other receivables	40,809	43,018
Other current assets	29,598	29,240
Total current assets	910,746	763,817
Assets limited as to use:		
Marketable and other securities:		
Sinking funds	54,796	49,912
Employee deferred compensation plan	8,055	6,396
Marketable and other securities externally designated	84,266	82,764
Malpractice insurance programs	11,869	38,075
Total non-current assets limited as to use	158,986	177,147
Marketable securities held as collateral	12,836	16,949
Property, buildings and equipment, at cost, net	724,237	754,543
Deferred financing costs and other non-current assets	92,644	68,692
Total assets	\$ 1,899,449	\$ 1,781,148
Liabilities and net assets		
Current liabilities:		
Trade accounts payable	\$ 96,922	\$ 111,078
Other payables and accrued expenses	189,781	162,656
Accrued salaries, wages and related items	171,195	153,165
Current portion of long-term debt	36,269	39,184
Total current liabilities	494,167	466,083
Long-term debt, less current portion	583,801	615,812
Employee deferred compensation	8,055	6,396
Other non-current liabilities	422,860	372,648
Total liabilities	1,508,883	1,460,939
Commitments and contingencies		
Net assets:		
Unrestricted	288,371	212,648
Temporarily restricted	76,845	82,211
Permanently restricted	25,350	25,350
Total net assets	390,566	320,209
Total liabilities and net assets	\$ 1,899,449	\$ 1,781,148

Montefiore Medical Center

Consolidated Statements of Operations

	Year Ended December 31	
	2009	2008
	<i>(In Thousands)</i>	
Operating revenue		
Net patient service revenue	\$ 2,595,983	\$ 2,328,570
Grants and contracts	70,008	65,991
Contributions	6,733	7,032
Other	85,438	91,194
Total operating revenue	<u>2,758,162</u>	<u>2,492,787</u>
Operating expenses		
Salaries and wages	1,231,524	1,096,262
Employee benefits	339,426	281,176
Supplies and other expenses	1,017,041	943,195
Depreciation and amortization	100,860	94,545
Interest	33,101	32,997
Total operating expenses	<u>2,721,952</u>	<u>2,448,175</u>
Income from operations before certain items	36,210	44,612
Net realized and changes in unrealized gains (losses) on marketable and other securities	40,390	(58,568)
Malpractice insurance program adjustments associated with investment losses	—	(65,828)
Change in fair value of derivative instrument and loss on FHA loan refinancing	—	(4,116)
Income (loss) from operations	<u>76,600</u>	<u>(83,900)</u>
Change in defined benefit pension and other postretirement plan liability to be recognized in future periods	(2,821)	(8,134)
Net assets released from restrictions used for purchases of property, buildings and equipment	1,944	568
Increase (decrease) in unrestricted net assets	<u>\$ 75,723</u>	<u>\$ (91,466)</u>

Radiation Therapy Services Holdings, Inc.

Consolidated Balance Sheets

	December 31	
	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 32,957,835	\$ 49,167,658
Restricted cash	-	2,268,833
Accounts receivable, less allowances for doubtful accounts of \$26,352,452 and \$26,233,773 at December 31, 2009 and 2008, respectively	58,015,318	67,096,753
Income taxes receivable	482,985	13,623,968
Prepaid expenses	7,556,504	9,009,363
Inventories	1,435,622	1,445,733
Deferred income taxes	8,659,210	14,894,909
Other	6,153,390	2,539,582
Total current assets	115,260,864	160,046,799
Equity investments in joint ventures	18,663,133	2,427,491
Property and equipment, net	223,076,838	216,143,605
Real estate subject to finance obligation	74,248,273	59,370,211
Goodwill	826,641,412	824,579,119
Intangible assets, net	92,270,485	106,849,600
Other assets	29,064,369	36,523,431
Total assets	<u>\$ 1,379,225,374</u>	<u>\$ 1,405,940,256</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 13,095,318	\$ 12,350,178
Accrued expenses	35,106,477	35,941,543
Current portion of long-term debt	13,960,726	14,577,924
Current portion of finance obligation	1,128,048	1,241,902
Other current liabilities	2,000,000	2,000,000
Total current liabilities	65,290,569	66,111,547
Long-term debt, less current portion	535,098,423	562,865,811
Finance obligation, less current portion	76,102,033	59,363,584
Other long-term liabilities	14,875,985	16,457,832
Deferred income taxes	58,557,225	65,087,349
Total liabilities	749,924,235	769,886,123
Noncontrolling interests – redeemable	7,294,327	6,882,642
Commitments and contingencies		
Equity:		
Common stock, \$0.01 par value, 1,000 units authorized, issued, and outstanding at December 31, 2009 and 2008	10	10
Additional paid-in capital	630,277,647	629,219,162
Retained deficit	(14,886,114)	(5,336,051)
Note receivable from shareholder	(225,000)	(250,000)
Accumulated other comprehensive loss, net of tax	(4,868,808)	(6,669,574)
Total Radiation Therapy Services Holdings, Inc. shareholder's equity	610,297,735	616,963,547
Noncontrolling interests – nonredeemable	11,709,077	12,207,944
Total equity	622,006,812	629,171,491
Total liabilities and equity	<u>\$ 1,379,225,374</u>	<u>\$ 1,405,940,256</u>

Radiation Therapy Services Holdings, Inc.

Consolidated Statements of Operations and Comprehensive (Loss) Income

	Successor		Predecessor	
	Year Ended December 31, 2009	Period From February 22 to December 31, 2008	Period From January 1 to February 21, 2008	Year Ended December 31, 2007
Revenues:				
Net patient service revenue	\$ 517,646,501	\$ 413,304,899	\$ 76,926,846	\$ 381,585,739
Other revenue	6,837,521	5,864,518	1,179,061	8,594,859
Total revenues	524,484,022	419,169,417	78,105,907	390,180,598
Expenses:				
Salaries and benefits	259,532,324	206,158,797	42,208,789	203,407,814
Medical supplies	45,361,135	32,544,953	2,924,629	12,981,724
Facility rent expenses	22,105,491	13,783,266	2,268,745	10,877,307
Other operating expenses	24,398,100	17,027,101	3,102,234	17,895,571
General and administrative expenses	54,537,298	43,392,728	20,340,055	45,656,429
Depreciation and amortization	46,415,965	32,609,249	5,347,281	25,776,386
Provision for doubtful accounts	12,870,979	17,896,246	3,788,604	9,647,511
Interest expense, net	62,502,366	55,099,963	4,721,379	19,725,683
Early extinguishment of debt	-	-	3,687,653	-
Gain on sale of interest in a radiation practice	-	(3,112,522)	-	-
Termination of professional services agreement	-	7,000,000	-	-
Loss on sale of real estate	-	1,035,524	-	-
Impairment loss	3,473,564	-	-	1,567,603
Total expenses	531,197,222	423,435,305	88,389,369	347,536,028
(Loss) income before income taxes	(6,713,200)	(4,265,888)	(10,283,462)	42,644,570
Income tax (benefit) expense	1,002,135	(1,413,366)	569,712	15,524,862
Net (loss) income	(7,715,335)	(2,852,522)	(10,853,174)	27,119,708
Net income attributable to noncontrolling interests - redeemable and non-redeemable	(1,834,728)	(2,483,529)	(18,708)	(1,211,340)
Net (loss) income attributable to Radiation Therapy Services Holdings, Inc. shareholder	(9,550,063)	(5,336,051)	(10,871,882)	25,908,368
Other comprehensive income (loss):				
Unrealized gain (loss) on derivative interest rate swap agreement and foreign currency translation	1,800,766	(6,669,574)	-	(310,112)
Comprehensive (loss) income	\$ (7,749,297)	\$ (12,005,625)	\$ (10,871,882)	\$ 25,598,256

Pro Forma Balance Sheet Of
The New York Proton Center

ASSETS

Cash	\$18,000,000
TOTAL ASSETS	\$18,000,000

LIABILITIES

Working Capital Loan	\$18,000,000
TOTAL LIABILITIES	\$18,000,000

NET ASSETS \$0

Pro Forma Balance Sheet Of
New York Proton Management, LLC

ASSETS

Capital Improvements	\$87,860,652
Equipment	97,200,000
Other Assets	<u>49,604,457</u>
TOTAL ASSETS	\$234,665,109

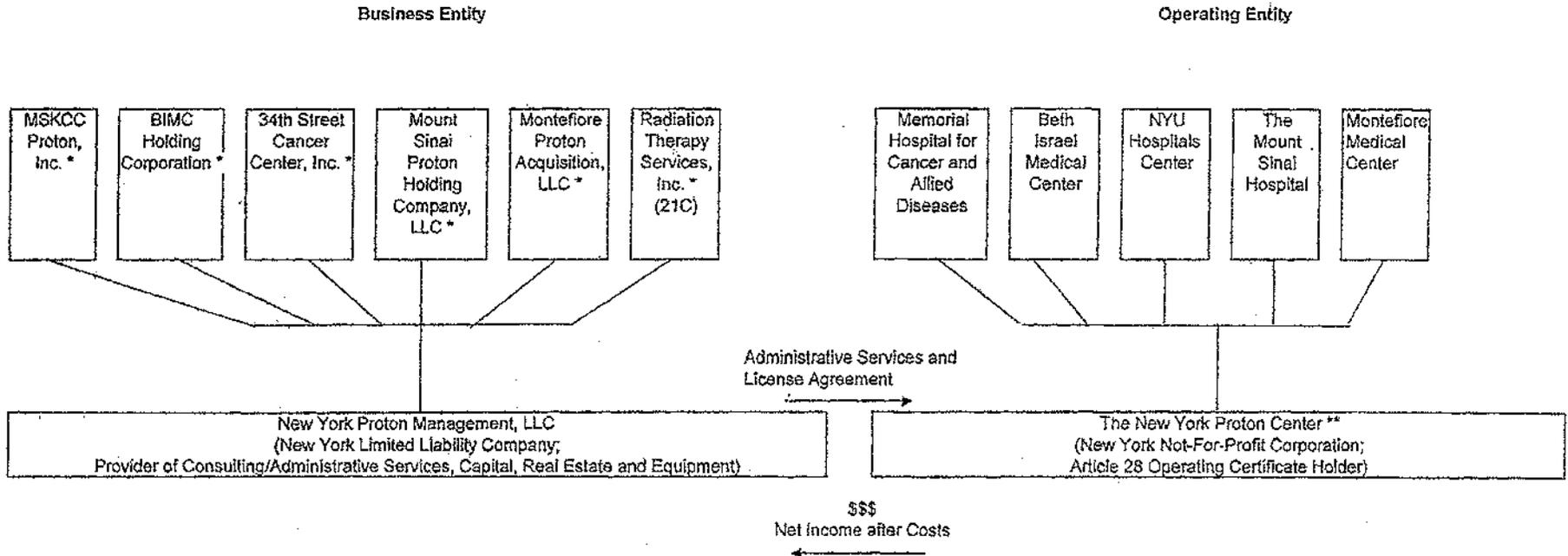
LIABILITIES

Capital Project Loan	\$196,000,000
Working Capital Loan	<u>4,500,000</u>
TOTAL LIABILITIES	\$200,500,000

NET ASSETS	\$34,165,109
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THE NEW YORK PROTON CENTER

BFA Attachment J



* Control above these entities is passive in nature.

** The members in this entity have passive control only.

CON 101150 TPTCC NY Inc,
Queens County
CON 101151 The New York Proton Center,
New York County

Montefiore Medical Center -
Henry & Lucy Moses Div
(NY Proton Affiliate)

Mount Sinai Hospital
(NY Proton Affiliate)

**CON 101151 The New
York Proton Center**

Memorial Hospital for
Cancer and Allied Diseases
(NY Proton Affiliate)

NYU Hospitals Center
(NY Proton Affiliate)

Beth Israel Medical Center
/Petrie Campus
(NY Proton Affiliate)

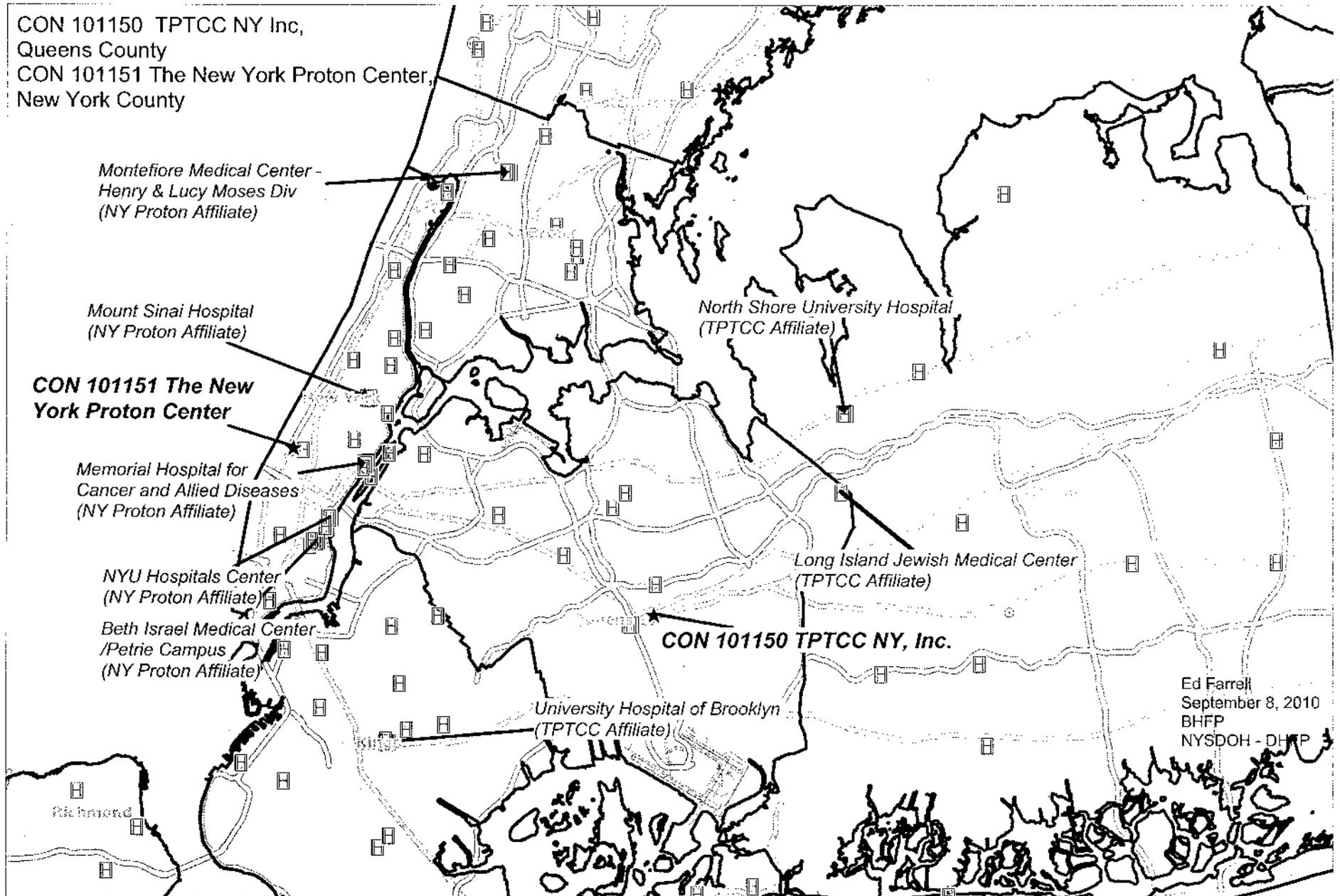
North Shore University Hospital
(TPTCC Affiliate)

Long Island Jewish Medical Center
(TPTCC Affiliate)

CON 101150 TPTCC NY, Inc.

University Hospital of Brooklyn
(TPTCC Affiliate)

Ed Farrell
September 8, 2010
BHFP
NYSDOH - DHFP



**New York State Department of Health
State Hospital Review and Planning Council**

September 30, 2010

ATTACHMENT

APPLICATION for AMBULATORY SURGERY CENTER

1. 101123 C University Hospital SUNY Health Science Center (Onondaga County)

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

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

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

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

CON 101123
University Hospital SUNY Health Services Center
Ambulatory Surgery
Onondaga County

Hospitals
Amburg

North Country Orthopaedic Ambulatory Surgery Center, LLC

**CON 101123 University Hospital
SUNY Health Science Center**

Harrison Center Outpatient Surgery
Specialty Surgery Center of Central New York

Rome Memorial Hospital, Inc

Syracuse Endoscopy Associates, LLC

Faxton-St Lukes Healthcare St Lukes Division

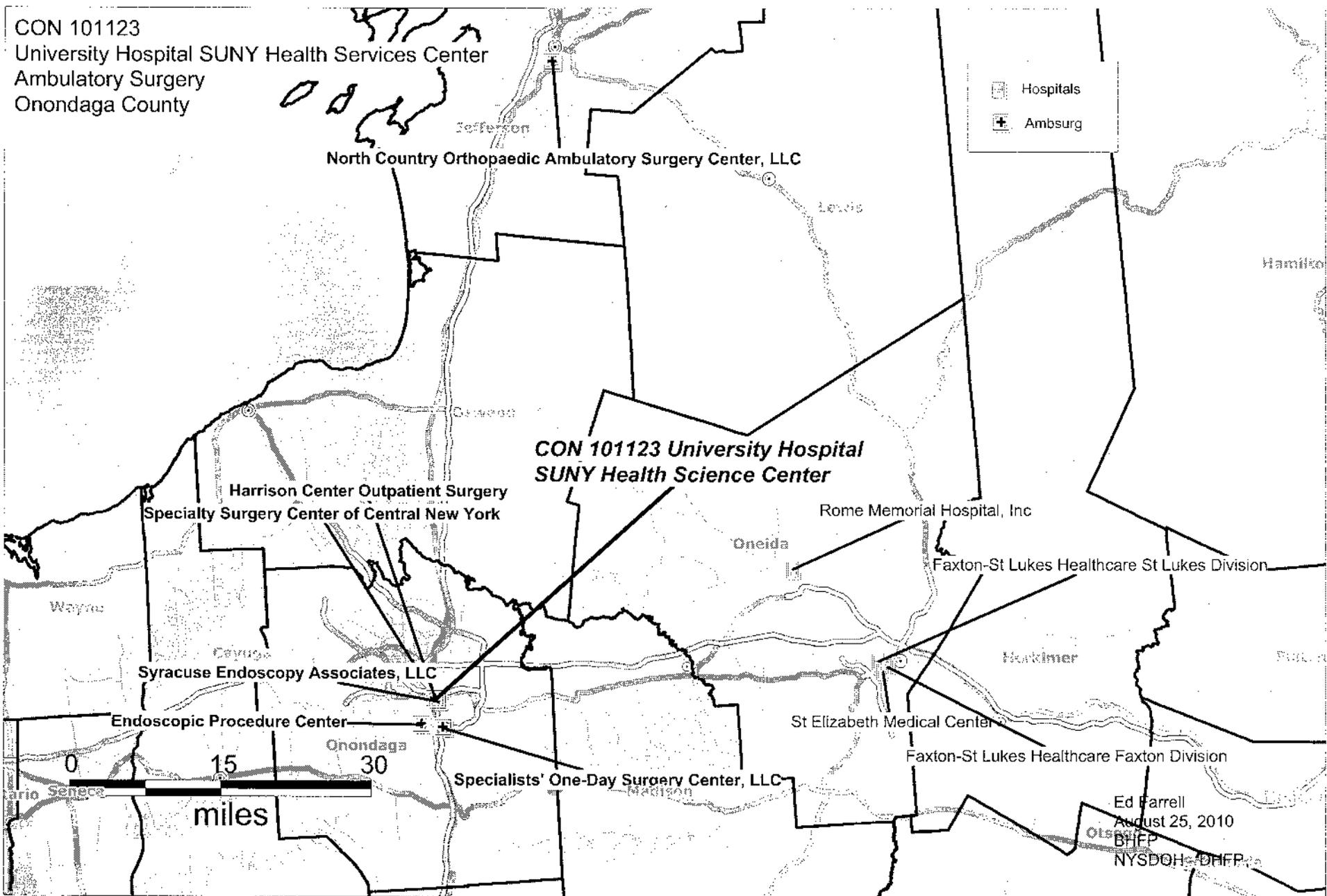
Endoscopic Procedure Center

St Elizabeth Medical Center

Faxton-St Lukes Healthcare Faxton Division

Specialists' One-Day Surgery Center, LLC

Ed Farrell
August 25, 2010
BHFP
NYSDOH-DHFP



**New York State Department of Health
State Hospital Review and Planning Council**

September 30, 2010

ATTACHMENT

APPLICATIONS for DIAGNOSTIC and TREATMENT CENTERS

1. 091026 B WNYIMC, LLC d/b/aWestern New York Immediate Care (Erie County)
2. 101135 E Mermaid Health Center (Kings County)

MEMBERSHIP UNITS AND PERCENTAGE INTEREST

Class A Member:	<u>Membership Units</u>	<u>Percentage Interest in</u> <u>JV</u>
Sisters of Charity Hospital of Buffalo, New York	40	40%
Class B Members as a Group	60	60%
Class B Member Individually		
Gregory F. Daniel, M.D.		13.8%
Lloyd Brown, M.D.		2.8875%
Edward J. Cosgrove, M.D.		5.7750%
Tanvir M. Dara, M.D.		5.7750%
Richard S. Elman, M.D.		2.8875%
Marc L. Gelman, M.D.		2.8875%
Shehla Haque, M.D.		2.8875%
Douglas Hickox, M.D.		2.8875%
Ashok Kaushal, M.D.		2.8875%
Steven Lakomy, M.D.		2.8875%
Frank Lee, M.D.		2.8875%
Irving Levy, CPA		2.8875%
Racquel Martin, M.D.		2.8875%
Mark R. Podlas, M.D.		2.8875%
Jonathan Reinschmidt, M.D.		2.8875%

Sisters of Charity Hospital
Consolidated Balance Sheets
December 31, 2009 and 2008

	2009	2008
Assets		
Current assets		
Cash and cash equivalents	\$ 82,674,653	\$ 72,544,968
Patient accounts receivable, net of estimated uncollectibles of \$8,992,000 and \$8,202,000	35,116,991	27,462,610
Other receivables	2,036,205	1,960,378
Inventories	3,122,579	1,473,091
Prepaid expenses and other current assets	450,036	385,465
Due from affiliate	646,902	445,651
Total current assets	124,047,366	104,272,163
Investments	7,848,226	6,706,998
Due from affiliates	10,167,835	10,196,591
Property and equipment, net	58,130,302	56,819,463
Other assets	2,059,966	2,045,272
Total assets	\$ 202,253,695	\$ 180,040,487
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term obligations	\$ 3,552,136	\$ 2,999,725
Accounts payable	12,374,572	10,293,000
Accrued expenses	11,894,923	10,523,750
Due to third-party payors	17,444,813	12,473,340
Due to affiliates	6,510,680	4,523,694
Total current liabilities	51,777,124	40,813,509
Long-term obligations, net	33,568,897	36,216,676
Long-term portion of insurance liabilities	7,588,009	6,884,065
Pension obligation	31,507,314	32,088,710
Asset retirement obligation	1,897,266	1,849,782
Interest rate swap	2,282,981	3,624,067
Total liabilities	128,621,591	121,476,809
Net assets		
Unrestricted	70,800,113	55,404,749
Temporarily restricted	2,705,991	3,032,929
Permanently restricted	126,000	126,000
Total net assets	73,632,104	58,563,678
Total liabilities and net assets	\$ 202,253,695	\$ 180,040,487

Sisters of Charity Hospital
Consolidated Statements of Operations and Changes in Net Assets
Years Ended December 31, 2009 and 2008

	2009	2008
Unrestricted revenues, gains and other support		
Net patient service revenue	\$ 277,113,042	\$ 252,904,968
Other revenue	13,815,597	6,029,686
Net assets released from restrictions	74,000	96,000
Total unrestricted revenues, gains and other support	<u>291,002,639</u>	<u>259,030,654</u>
Expenses		
Salaries and wages	123,540,705	115,535,771
Employee benefits	32,355,104	28,801,753
Medical and professional fees	9,216,731	9,081,592
Purchased services	25,613,231	28,490,568
Supplies	50,678,951	50,046,238
Depreciation and amortization	10,320,240	9,935,546
Interest	2,159,714	2,216,422
Insurance	3,028,387	3,097,356
Provision for bad debts	6,549,726	4,958,667
Other expenses	10,357,615	8,632,161
Total expenses	<u>273,820,404</u>	<u>260,796,074</u>
Income from operations	<u>17,182,235</u>	<u>(1,765,420)</u>
Nonoperating revenues and losses		
Investment income	1,407,810	110,489
Contributions and other	970,224	841,370
Total nonoperating revenues and losses	<u>2,378,034</u>	<u>951,859</u>
Excess of revenues over expenses	19,560,269	(813,561)

**WNY Immediate Medical Care LLC
Balance Sheet**

Projected Opening Day

ASSETS

Current Assets

Checking/Savings

1000 - Cash - M&T Bank

100,000.00

Estimated at 10 days of cash needs

Total Checking/Savings

100,000.00

Accounts Receivable

2222 - Patient Receivables

650,000.00

Estimated at 45 days A/R

Total Accounts Receivable

650,000.00

Other Current Assets

1201 - Prepaid Expenses

20,000.00

Estimated Prepaid Malpractice

Total Other Current Assets

20,000.00

Total Current Assets

770,000.00

Fixed Assets

3000 - Property, Plant & Equipment

275,000.00

Estimated FMV Equipment

Total Fixed Assets

275,000.00

TOTAL ASSETS

1,045,000.00

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

5000 - Accounts Payable

60,000.00

Estimated 21 days general expenses

Total Accounts Payable

60,000.00

Other Current Liabilities

1204 - Accrued Billing fees

12,000.00

Estimated one month

1301 - Accrued Mgt Fees

40,000.00

Estimated one month

5020 - Pension contribution

35,000.00

Estimated year end accrual

5522 - Accrued MD Pmtd

385,000.00

Estimated at 60% of A/R

5525 - Accrued P/R

30,000.00

Estimated at 2 weeks

Total Other Current Liabilities

502,000.00

Total Current Liabilities

562,000.00

Total Liabilities

562,000.00

Equity

7100 - Capital Contribution

483,000.00

Total Equity

483,000.00

TOTAL LIABILITIES & EQUITY

1,045,000.00

WNY Immediate Medical Care LLC

Balance Sheet

As of December 31, 2008
Dec 31, 08

ASSETS

Current Assets

Checking/Savings

1000 · Cash - M&T Bank 141,304.00

1600 · Prepaid Expenses 102,288.00

Total Checking/Savings 243,592.00

Other Current Assets

1201 · Accounts Receivable 618,674.00

Total Other Current Assets 618,674.00

Total Current Assets 862,266.00

Fixed Assets

3000 · Property, Plant & Equipment

3100 · Administration Equipment

3110 · Equipment

3115 · Accum Dep - Admin Equip -8,263.00

3110 · Equipment - Other 18,493.98

Total 3110 · Equipment 10,230.98

3120 · Computer Products & Software

3120a · Computer Hardware

3125 · Accum Dep - Comp Hardware -24,330.00

3120a · Computer Hardware - Other 61,252.01

Total 3120a · Computer Hardware 36,922.01

3120b · Computer Software

3126 · Accum Dep - Comp Software -42,273.00

3120b · Computer Software - Other 36,546.13

Total 3120b · Computer Software -5,726.87

3120 · Computer Products & Software - Other 12,421.38

Total 3120 · Computer Products & Software 43,616.52

3130 · Furniture & Fixtures

3140 · Accum Dep - Furn & Fix -24,344.00

3130 · Furniture & Fixtures - Other 48,043.74

Total 3130 · Furniture & Fixtures 23,699.74

Total 3100 · Administration Equipment 77,547.24

3200 · Facility

3210 · Equipment and Improvements

WNY Immediate Medical Care LLC

Balance Sheet

As of December 31, 2008
Dec 31, 08

3240 · Accum Dep - Facility Equip	-304.00
3210 · Equipment and Improvements - Other	<u>11,539.03</u>
Total 3210 · Equipment and Improvements	<u>11,235.03</u>
 Total 3200 · Facility	 11,235.03
 3300 · Medical	
3310 · Medical Equipment	
3340 · Accum Dep - Med Equip	-32,484.00
3310 · Medical Equipment - Other	<u>102,951.72</u>
Total 3310 · Medical Equipment	70,467.72
 3320 · Furniture & Fixtures	
3341 · Accum Dep - Medical Furn & Fix	-5,083.00
3320 · Furniture & Fixtures - Other	<u>12,640.36</u>
Total 3320 · Furniture & Fixtures	7,557.36
 3330 · EMR Software	
3342 · Accum Dep - EMR Software	-46,227.00
3330 · EMR Software - Other	<u>39,655.29</u>
Total 3330 · EMR Software	-6,571.71
 3331 · EMR Hardware	
3343 · Accum Dep - EMR Hardware	-13,026.00
3331 · EMR Hardware - Other	<u>19,420.06</u>
Total 3331 · EMR Hardware	<u>6,394.06</u>
 Total 3300 · Medical	 77,847.43
 3400 · Laboratory	
3410 · Lab Equipment	
3415 · Accum Dep - Lab Equip	-26,452.00
3410 · Lab Equipment - Other	<u>73,743.13</u>
Total 3410 · Lab Equipment	47,291.13
 3430 · Lab Software	
3435 · Accum Dep - Lab Software	-14,464.00
3430 · Lab Software - Other	<u>15,552.09</u>
Total 3430 · Lab Software	<u>1,088.09</u>
 Total 3400 · Laboratory	 48,379.22
 3500 · X-Ray	
3510 · X-Ray Equipment	
3515 · Accum Dep - Xray Equip	-112,159.00

WNY Immediate Medical Care LLC

Balance Sheet

As of December 31, 2008

Dec 31, 08

3510 · X-Ray Equipment - Other	128,777.01
Total 3510 · X-Ray Equipment	16,618.01
3520 · Furniture & Fixtures	
3525 · Accum Dep - Xray Furniture	-87.00
3520 · Furniture & Fixtures - Other	407.57
Total 3520 · Furniture & Fixtures	320.57
3530 · X-Ray Software	
3535 · Accum Dep - Xray Software	-15,332.00
3530 · X-Ray Software - Other	5,000.00
Total 3530 · X-Ray Software	-10,332.00
Total 3500 · X-Ray	6,606.58
Total 3000 · Property, Plant & Equipment	221,615.50
Total Fixed Assets	221,615.50
Other Assets	
2950 · Other assets	
2999 · Deposit - X-Ray Equipment - GXC	42,000.00
Total 2950 · Other assets	42,000.00
Total Other Assets	42,000.00
TOTAL ASSETS	1,125,881.50

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

1204 · Account Payable	51,798.00
1301 · Accrued Payroll and Payroll taxes	44,526.00
2010 · Accrued MD Payments	31,440.00
Accrued management Fees	54,134.00
Accrued Billing Fees	42,231.00
5020 · Pension contribution	14,633.42
Total Other Current Liabilities	238,762.42

Total Current Liabilities 238,762.42

Long Term Liabilities

5500 · Long Term liabilities	
5525 · Loan Payable-Exigence NA	350,000.00

WNY Immediate Medical Care LLC

Balance Sheet

As of December 31, 2008
Dec 31, 08

Total 5500 · Long Term liabilities	<u>350,000.00</u>
Total Long Term Liabilities	<u>350,000.00</u>
Total Liabilities	588,762.42
Equity	
7100 · Capital Contribution	<u>537,119.08</u>
Total Equity	<u>537,119.08</u>
TOTAL LIABILITIES & EQUITY	<u>1,125,881.50</u>

Western New York Immediate Care

	<u>Dec 31, 09</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash - M&T Bank	\$ 134,154
Total Checking/Savings	<u>\$ 134,154</u>
Accounts Receivable	
2222 · LR - GFD, LLC	\$ 33,931
Total Accounts Receivable	<u>\$ 33,931</u>
Total Other Current Assets	<u>\$ (392)</u>
Total Current Assets	<u>\$ 167,693</u>
Fixed Assets	
3000 · Property, Plant & Equipment	
3100 · Administration Equipment	
3110 · Equipment	
3115 · Accum Dep - Admin Equip	\$ (18,494)
3110 · Equipment - Other	\$ 18,494
Total 3110 · Equipment	<u>\$ -</u>
3120 · Computer Products & Software	
3120a · Computer Hardware	
3125 · Accum Dep - Comp Hardware	\$ (95,544)
3120a · Computer Hardware - Other	\$ 95,544
Total 3120a · Computer Hardware	<u>\$ -</u>
3120b · Computer Software	
3126 · Accum Dep - Comp Software	\$ (36,546)
3120b · Computer Software - Other	\$ 36,546
Total 3120b · Computer Software	<u>\$ -</u>
3120c · Computer	
3121 · Accum deprec - Products	\$ (45,606)
3120c · Computer - Other	\$ 45,606
Total 3120c · Computer	<u>\$ -</u>
Total 3120 · Computer Products & Software	<u>\$ -</u>
3130 · Furniture & Fixtures	
3140 · Accum Dep - Furn & Fix	\$ (102,558)
3130 · Furniture & Fixtures - Other	\$ 105,315
Total 3130 · Furniture & Fixtures	<u>\$ 2,757</u>
Total 3100 · Administration Equipment	<u>\$ 2,757</u>
3200 · Facility	
3210 · Equipment and Improvements	
3240 · Accum Dep - Facility Equip	\$ (1,989)
3210 · Equipment and Improvements - Other	\$ 11,539
Total 3210 · Equipment and Improvements	<u>\$ 9,550</u>
Total 3200 · Facility	<u>\$ 9,550</u>
3300 · Medical	
3310 · Medical Equipment	
3340 · Accum Dep - Med Equip	\$ (52,241)
3310 · Medical Equipment - Other	\$ 113,910
Total 3310 · Medical Equipment	<u>\$ 61,669</u>
3320 · Furniture & Fixtures	

3341 · Accum Dep - Medical Furn & Fix	\$	(49,232)
3320 · Furniture & Fixtures - Other	\$	95,701
Total 3320 · Furniture & Fixtures	\$	46,469
3330 · EMR Software		
3342 · Accum Dep - EMR Software	\$	(39,655)
3330 · EMR Software - Other	\$	39,655
Total 3330 · EMR Software	\$	-
3331 · EMR Hardware		
3343 · Accum Dep - EMR Hardware	\$	(15,263)
3331 · EMR Hardware - Other	\$	19,420
Total 3331 · EMR Hardware	\$	4,157
Total 3300 · Medical	\$	112,296
Total 3000 · Property, Plant & Equipment	\$	124,602
Total Fixed Assets	\$	124,602
Other Assets		
2951 · Deposits	\$	12,257
3950 · Start up Legal Costs		
3901 · Accumulated Amort-Start up Exp	\$	(52,069)
3950 · Start up Legal Costs - Other	\$	173,608
Total 3950 · Start up Legal Costs	\$	121,539
Total Other Assets	\$	133,796
TOTAL ASSETS	\$	426,091
LIABILITIES & EQUITY		
Liabilities		
Total Current Liabilities	\$	46,335
Total Liabilities	\$	46,335
Equity		
7100 · Capital Contribution	\$	525,000
7200 · Retained Earnings	\$	(219,810)
7300 · Partner Distribution	\$	(999,988)
Net Income	\$	1,074,555
Total Equity	\$	379,756
TOTAL LIABILITIES & EQUITY	\$	426,091
	\$	-

Western New York Immediate Care

	Jan - Dec 09	Jan - Dec 08
Ordinary Income/Expense		
Income		
8000 · Fees		
8010 · Patient Fees	\$ 4,913,159.68	\$ 4,472,400.32
8100 · Patient Refunds	\$ (33,692.07)	\$ (23,692.95)
Total 8000 · Fees	<u>\$ 4,881,467.56</u>	<u>\$ 4,448,707.57</u>
Total Income	\$ 4,881,467.56	\$ 4,448,707.57
Expense		
9000 · Expenses		
9100 · Administration		
9120 · Wages		
9121 · Practice Administrator	\$ 108,664.39	\$ 111,761.45
9122 · Medical Receptionist	\$ 220,378.01	\$ 155,841.96
9120 · Wages - Other	\$ -	\$ 3,800.00
Total 9120 · Wages	<u>\$ 329,042.40</u>	<u>\$ 271,403.41</u>
9130 · Payroll Tax & Benefits		
Total 9130 · Payroll Tax & Benefits	\$ 223,440.67	\$ 155,684.10
9150 · Supplies		
Total 9150 · Supplies	\$ 31,872.62	\$ 43,126.16
9160 · General Costs		
9161 · Advertising & Marketing		
Total 9161 · Advertising & Marketing	\$ 80,099.79	\$ 205,995.99
9163 · Amortization Start Up Expense		
Total 9163 · Amortization Start Up Expense	\$ 11,574.00	\$ 11,574.00
9164 · Depreciation		
Total 9164 · Depreciation	\$ 184,029.87	\$ 36,832.00
9165 · Aquarium Service		
Total 9165 · Aquarium Service	\$ 5,257.85	\$ 2,007.58
9166 · Travel & Ent		
Total 9166 · Travel & Ent	\$ 2,571.95	\$ 5,129.81
9168 · Payroll Fees		
Total 9168 · Payroll Fees	\$ 1,429.85	\$ 1,160.38
9169 · Bank Service Charges		
Total 9169 · Bank Service Charges	\$ 13,138.24	\$ 18,925.73
9170 · Benefits Plan Fees		
Total 9170 · Benefits Plan Fees	\$ 1,454.84	\$ 1,265.46
9171 · Contributions		
Total 9171 · Contributions	\$ 30,300.00	\$ 1,400.00
9172 · Dues and Subscriptions		
Total 9172 · Dues and Subscriptions	\$ 2,141.92	\$ 523.77
9173 · Licenses and Permits		
Total 9173 · Licenses and Permits	\$ 4,184.00	\$ 3,941.67
9174 · Postage and Delivery		
Total 9174 · Postage and Delivery	\$ 1,166.53	\$ 7,427.98
9175 · Professional Fees		
9175a · Legal Fees	\$ 42,801.55	\$ 46,889.34
9175b · Accounting	\$ 2,500.00	\$ -
9175c · Consulting	\$ 18,073.65	\$ 24,215.16
9175d · Billing Fees	\$ 220,984.48	\$ 242,646.41
9190 · Management Fees	\$ 427,128.41	\$ 389,261.91
Total 9175 · Professional Fees	<u>\$ 711,488.09</u>	<u>\$ 703,012.82</u>
9176 · Miscellaneous		
Total 9176 · Miscellaneous	\$ 9,252.32	\$ 2,346.61
9177 · Printing and Reproduction		
Total 9177 · Printing and Reproduction	\$ (527.56)	\$ (216.25)
9178 · Communications		
9178a · Office Telephone	\$ 20,897.31	\$ 17,628.81
9178b · Cell Phones	\$ -	\$ 852.53
Total 9178 · Communications	<u>\$ 20,897.31</u>	<u>\$ 18,481.34</u>
9179 · Reference Materials/Books		
Total 9179 · Reference Materials/Books	\$ 182.02	\$ 2,295.19

Western New York Immediate Care

	Jan - Dec 09	Jan - Dec 08
9180 · Maintenance & Repairs		
9180a · Computer Maintenance	\$ 88,916.01	\$ 34,937.61
Total 9180 · Maintenance & Repairs	\$ 88,916.01	\$ 34,937.61
9181 · CME	\$ 1,281.00	\$ 931.00
9183 · Recruiting Costs	\$ 14,500.00	\$ 9,937.82
9160 · General Costs - Other	\$ 25.00	\$ -
Total 9160 · General Costs	\$ 1,183,363.03	\$ 1,067,910.51
Total 9100 · Administration	\$ 1,767,718.72	\$ 1,538,124.18
9200 · Facility Expenses		
9210 · Cleaning & Maintenance		
Total 9210 · Cleaning & Maintenance	\$ 23,930.04	\$ 27,021.01
9220 · Occupancy		
9221 · Rent	\$ 476,141.00	\$ 123,996.00
9222 · Property Taxes	\$ 23,553.54	\$ 41,609.68
9223 · Utilities		
Total 9223 · Utilities	\$ 27,429.39	\$ 24,293.43
9224 · Insurance	\$ 20,905.35	\$ -
9225 · Waste Removal	\$ 12,819.03	\$ 6,468.01
9226 · Security System	\$ 9,864.29	\$ 1,661.69
9227 · Building Repairs	\$ 7,118.17	\$ 4,163.57
Total 9220 · Occupancy	\$ 577,830.77	\$ 202,192.38
9200 · Facility Expenses - Other	\$ 6,770.00	\$ -
Total 9200 · Facility Expenses	\$ 608,530.81	\$ 229,213.39
9300 · Medical		
9301 · Depreciation		
9301a · Deprec Exp - Med Equip	\$ 9,600.00	\$ 9,600.00
9301b · Deprec Exp - Med Furn & Fix	\$ 1,200.00	\$ 1,200.00
9301c · Deprec Exp - EMR Software	\$ 13,200.00	\$ 13,200.00
9301d · Deprec Exp - EMR Hardware	\$ 3,600.00	\$ 3,600.00
Total 9301 · Depreciation	\$ 27,600.00	\$ 27,600.00
9310 · Wages		
Total 9310 · Wages	\$ 664,926.59	\$ 506,632.80
9320 · Payroll Tax & Benefits		
9326 · Disability Insurance	\$ -	\$ (63.00)
Total 9320 · Payroll Tax & Benefits	\$ -	\$ (63.00)
9330 · Contracted Services		
9331 · Physician Fees	\$ 617,989.36	\$ 605,584.58
9333 · Professional Development	\$ 1,058.34	\$ 2,285.64
9330 · Contracted Services - Other	\$ 683.04	\$ -
Total 9330 · Contracted Services	\$ 619,730.74	\$ 607,870.22
9340 · Supplies		
9341 · Medical Supplies	\$ 147,700.93	\$ 143,923.13
9342 · Pharmaceutical Supplies	\$ 32,954.38	\$ 29,990.79
Total 9340 · Supplies	\$ 180,655.31	\$ 173,913.92
9350 · General Costs		
9352 · Malpractice Insurance	\$ 38,353.00	\$ 47,819.00
9353 · Medical Waste	\$ (3,777.99)	\$ -
9354 · Apparel	\$ -	\$ 1,989.76

Western New York Immediate Care

	<u>Jan - Dec 09</u>	<u>Jan - Dec 08</u>
9355 · Linens	\$ 6,822.33	\$ 7,662.96
9356 · Maintenance & Repairs	\$ 768.32	\$ -
9356a · Computer Maintenance	\$ 3,820.75	\$ -
9357 · Uniforms	\$ 1,734.32	\$ -
Total 9350 · General Costs	<u>\$ 47,720.73</u>	<u>\$ 57,471.72</u>
Total 9300 · Medical	\$ 1,540,633.37	\$ 1,373,425.66
9400 · Laboratory		
9401a · Deprec Exp - Lab Equip	\$ 7,500.00	\$ 7,500.00
9401b · Deprec Exp - Lab software	\$ 4,200.00	\$ 4,200.00
9410 · Wages		
9411 · Registered Nurses	\$ -	\$ 906.92
9410 · Wages - Other	\$ 91.75	\$ 6,224.23
Total 9410 · Wages	<u>\$ 91.75</u>	<u>\$ 7,131.15</u>
9430 · Laboratory Supplies		
9431 · Supplies	\$ 38,869.87	\$ 29,804.15
9432 · Laboratory Fees	\$ 1,868.54	\$ 3,678.73
9430 · Laboratory Supplies - Other	\$ -	\$ 11,289.26
Total 9430 · Laboratory Supplies	<u>\$ 40,738.41</u>	<u>\$ 44,772.14</u>
Total 9400 · Laboratory	\$ 52,530.16	\$ 63,603.29
9500 · X-Ray		
9501a · Deprec Exp - X-ray Equip	\$ 25,200.00	\$ 25,200.00
9501c · Deprec Exp - X-ray software	\$ 2,400.00	\$ 2,400.00
9510 · Wages		
9511 · X-Ray Tech	\$ 102,615.26	\$ 109,463.08
Total 9510 · Wages	<u>\$ 102,615.26</u>	<u>\$ 109,463.08</u>
9530 · Contracted Services		
Total 9530 · Contracted Services	\$ 43,296.93	\$ 83,136.42
9540 · Depreciation	\$ 12,000.00	\$ 12,000.00
Total 9500 · X-Ray	<u>\$ 185,512.19</u>	<u>\$ 232,199.50</u>
Total 9000 · Expenses	<u>\$ 4,154,925.25</u>	<u>\$ 3,436,566.02</u>
Total Expense	<u>\$ 4,154,925.25</u>	<u>\$ 3,436,566.02</u>
Net Ordinary Income	\$ 726,542.31	\$ 1,012,141.55
Other Income/Expense		
Other Income		
8888 · Sale of assets	\$ (22,078.81)	\$ -
9800 · Other Income	\$ 400,000.00	\$ 3,924.78
9810 · Interest Income	\$ 5,210.50	\$ 5,681.74
Total Other Income	<u>\$ 383,131.69</u>	<u>\$ 9,606.52</u>
Other Expense		
6029 · Pension expense	\$ 35,119.57	\$ 14,633.42
Total Other Expense	<u>\$ 35,119.57</u>	<u>\$ 14,633.42</u>
Net Other Income	<u>\$ 348,012.12</u>	<u>\$ (5,026.90)</u>
Net Income	<u>\$ 1,074,554.43</u>	<u>\$ 1,007,114.65</u>

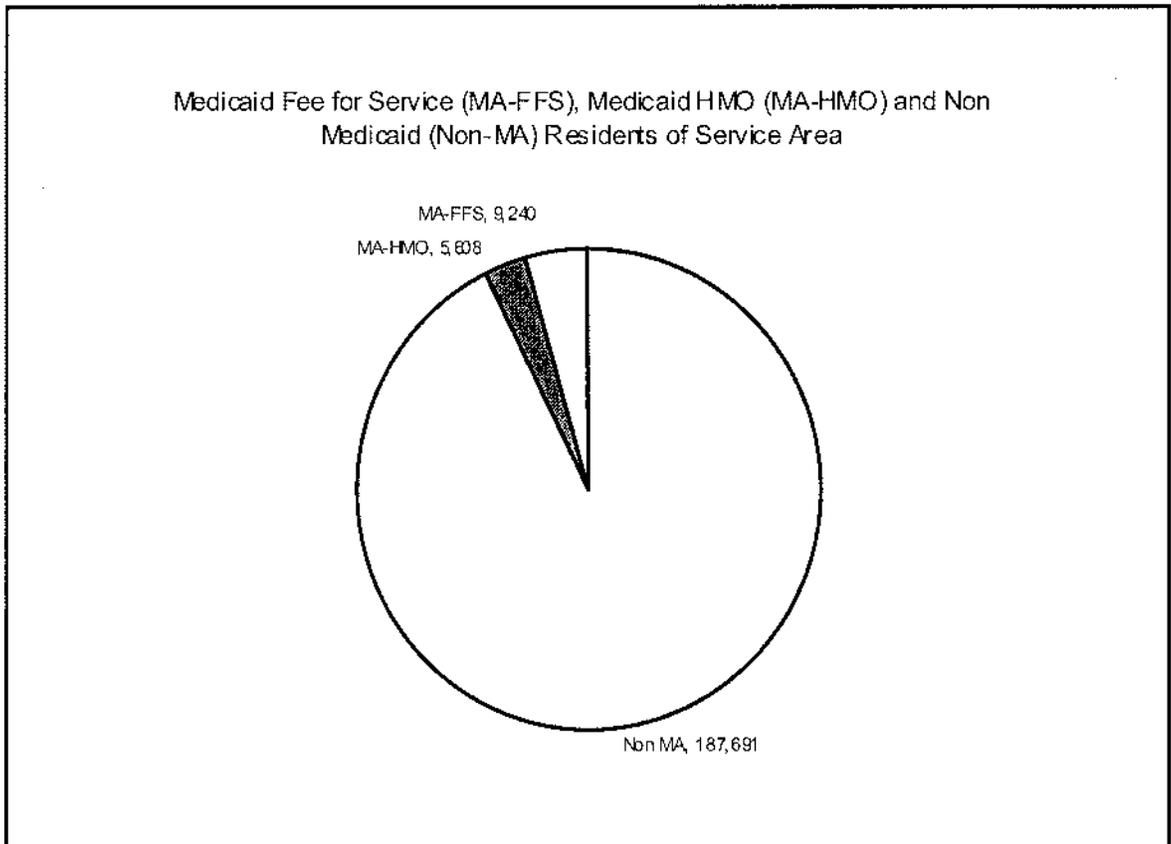
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Attachment 1 - A Profile of the Service Area

Target Population and Service Area Demographics:

Total Population	204,293
Housing Units	85,229
Land Sq Miles	158
Population Density, per sq mile	1,292
Medicaid Enrollees	14,848
Medicaid as % of Population	7.27%
Fee For Service Medicaid Enrollees	9,240
HMO Medicaid Enrollees	5,608
HMO as % of Medicaid	37.77%
Total Primary Care Visits	28,864
Adjusted Annual Primary Care Visits Per FFS Enrollee	3.24
Statewide Annual Primary Care Visits Per FFS Enrollee	4.29

Source, Medicaid claims with date of service July - December 2008



General Population of Service Area by Zip and Age Range

Zip Code	0 to 17	18 to 34	35 to 54	55 to 64	65 to 74	75 to 84	84 plus	Total
14225	6,504	5,954	9,171	3,697	3,095	2,864	843	32,128
14221	10,225	9,092	13,347	7,224	5,009	4,346	2,367	51,610
14051	5,376	3,707	6,289	2,868	1,185	621	184	20,230
14032	1,889	1,349	2,110	843	417	224	78	6,910
14031	1,868	1,649	2,402	1,254	746	650	429	8,998
14086	7,103	5,623	9,475	3,570	1,929	1,506	643	29,849
14226	5,868	5,685	7,608	3,279	2,056	1,988	791	27,275
14043	5,324	5,119	7,623	3,557	2,155	1,488	532	25,798
14060	150	122	160	68	49	25	8	582
14026	206	168	272	111	55	52	49	913
Total:	44,513	38,468	58,457	26,471	16,696	13,764	5,924	204,293

Health Status Indicators for the Service Area Population:

Prevention Quality Indicators (PQIs) are a set of measures used with hospital inpatient discharge data to identify "ambulatory care sensitive conditions" (ACSCs). ACSCs are medical conditions where hospitalization can be prevented by quality outpatient care, or for which early intervention can prevent complications or more severe illness. The data was extracted from the SPARCS database for 2005 and 2006.

PQI's are expressed as annual discharges per 100,000 persons with the following exceptions:

- PQI 2 - is defined as perforated appendixes as percent of all appendicitis discharges,
- PQI 9 - is defined as low birth weight as percent of all births.

Chart 1 - PQI Occurrence in Service Area, as % of Statewide Average, Adjusted for Age and Gender

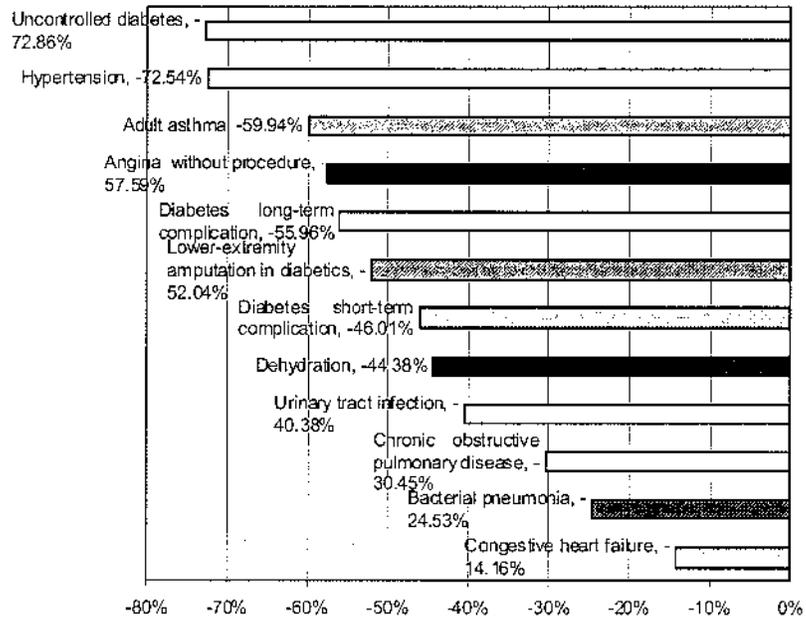


Chart 1 shows the percent difference between the age adjusted rate of occurrence of each PQI measure and the rate of occurrence in the state as a whole. The 14 PQI measurements have been rank ordered with the highest % at the bottom and the lowest percentage at the top. PQI's 4 and 6, formerly reserved for pediatric PQI's, are not used.

Health Facilities in the Service Area:

D & T Center--Cerebral Palsy

ASPIRE OF WESTERN NEW YORK, INC. PFI 222 Opcert 1401204
7 COMMUNITY DRIVE CHEEKTOWAGA 14225 0 BEDS

D & T Center--Extension Clinic--Cerebral Palsy

ASPIRE OF WESTERN NEW YORK, INC ASPIRE OF PFI 3601 Opcert 1401204
4635 UNION ROAD CHEEKTOWAGA 14225 0 BEDS

D & T Center--Extension Clinic--Free Standing Dialysis Cente

GATES CIRCLE DIALYSIS CENTER SUBURBAN DIALYSIS PFI 7867 Opcert 1401229
1542 MAPLE RD WILLIAMSVILLE 14221 0 BEDS

D & T Center--Extension Clinic--Multipurpose Health Center

LIFETIME HEALTH MEDICAL GROUP LIFETIME HEALTH PFI 2534 Opcert 2701218
1185 SWEET HOME ROAD AMHERST 14226 0 BEDS

LIFETIME HEALTH MEDICAL GROUP LIFETIME HEALTH PFI 3429 Opcert 2701218
692 MILLERSPORT HIGHWAY AMHERST 14226 0 BEDS

D & T Center--Extension Clinic--Speech & Hearing

BUFFALO HEARING AND SPEECH CENTER PFI 7890 Opcert 1401201
420 EVANS ROAD AMHERST 14221 0 BEDS

D & T Center--Free Standing Dialysis Center

COMPREHENSIVE DIALYSIS CENTER OF WESTERN NEW PFI 4942 Opcert 1421200
6010 MAIN STREET WILLIAMSVILLE 14221 0 BEDS

D & T Center--Single Purpose--other

NORTHERN LITHO, INC PFI 7514 Opcert 1405200
21 PAMELA COURT DEPEW 14043 0 BEDS

D & T Center--Surgi-Center

MILLARD FILLMORE AMBULATORY SURGERY CENTER, INC PFI 4009 Opcert 1451200
215 KLEIN ROAD WILLIAMSVILLE 14221 0 BEDS

BUFFALO AMBULATORY SURGERY CENTER PFI 4214 Opcert 1455201
3095 HARLEM ROAD CHEEKTOWAGA 14225 0 BEDS

EYE HEALTH ASSOCIATES INC PFI 6109 Opcert 1421201
170 MAPLE RD WILLIAMSVILLE 14221 0 BEDS

BUFFALO SURGERY CENTER,LLC PFI 6158 Opcert 1401231
3925 SHERIDAN DRIVE AMHERST 14226 0 BEDS

ENDOSCOPY CENTER OF WESTERN NEW YORK, LLC PFI 6629 Opcert 1421202
60 MAPLE ROAD WILLIAMSVILLE 14221 0 BEDS

AMBULATORY SURGERY CENTER OF WESTERN NEW YORK	PFI 7832 Opcert 1451201
3112 SHERIDAN DRIVE AMHERST	14226 0 BEDS

Hospital

ST JOSEPH HOSPITAL OF CHEEKTOWAGA NEW YORK	PFI 292 Opcert 1455000
2605 HARLEM ROAD CHEEKTOWAGA	14225 208 BEDS

MILLARD FILLMORE SUBURBAN HOSPITAL	PFI 3067 Opcert 1401014
1540 MAPLE ROAD AMHERST	14221 201 BEDS

Hospital--Extension Clinic

BUFFALO GENERAL HOSPITAL AMHERST EXTENSION	PFI 3971 Opcert 1401014
4955 BAILEY AVENUE AMHERST	14226 0 BEDS

MILLARD FILLMORE HOSPITAL BACK INSTITUTE OF BUFFALO	PFI 4292 Opcert 1401014
115 FLINT ROAD WILLIAMSVILLE	14221 0 BEDS

MILLARD FILLMORE HOSPITAL CENTER FOR LAB MEDICINE	PFI 4507 Opcert 1401014
115 FLINT ROAD AMHERST	14221 0 BEDS

SISTERS OF CHARITY HOSPITAL SISTERS HOSPITAL STAR	PFI 4795 Opcert 1401013
3730 SHERIDAN DRIVE AMHERST	14226 0 BEDS

BUFFALO GENERAL HOSPITAL BUFFALO GENERAL	PFI 4956 Opcert 1401014
11 WEST MAIN STREET LANCASTER	14086 0 BEDS

CHILDRENS HOSPITAL OF BUFFALO CHILDRENS AMHERST	PFI 5507 Opcert 1401014
3580 SHERIDAN DRIVE AMHERST	14226 0 BEDS

MERCY HOSPITAL OF BUFFALO MERCY DIAGNOSTIC	PFI 5526 Opcert 1401008
4845 TRANSIT RD DEPEW	14043 0 BEDS

ST JOSEPH HOSPITAL SATELLITE PULMONARY CENTER	PFI 5686 Opcert 1455000
6645 MAIN ST WILLIAMSVILLE	14221 0 BEDS

ST JOSEPH HOSPITAL SATELLITE DIAGNOSTIC CENTER	PFI 5687 Opcert 1455000
3095 HARLEM ROAD CHEEKTOWAGA	14225 0 BEDS

ERIE COUNTY MEDICAL CENTER EGGERTSVILLE FAMILY	PFI 6039 Opcert 1401005
4000 BAILEY AVENUE EGGERTSVILLE	14226 0 BEDS

ST JOSEPH HOSPITAL OF CHEEKTOWAGA NEW YORK	PFI 6102 Opcert 1455000
8600 SHERIDAN DRIVE CLARENCE	14031 0 BEDS

BUFFALO GENERAL HOSPITAL LANCASTER PRIMARY CARE	PFI 6195 Opcert 1401014
4711 TRANSIT RD LANCASTER	14043 0 BEDS

ST JOSEPH HOSPITAL OF CHEEKTOWAGA CHS PARTNERS	PFI 6550 Opcert 1455000
6199 TRANSIT ROAD DEPEW	14043 0 BEDS

SISTERS OF CHARITY HOSPITAL SISTERS ATHLETICARE	PFI 6616 Opcert 1401013
100 CORPORATE PARKWAY AMHERST	14226 0 BEDS

MILLARD FILLMORE SUBURBAN HOSP MFSH MOBILE MRI	PFI 6713 Opcert 1401014
1540 MAPLE ROAD AMHERST	14221 0 BEDS

SISTERS OF CHARITY HOSPITAL SISTERS AMBULATORY	PFI 6963 Opcert 1401013
45 SPINDRIFT DRIVE WILLIAMSVILLE	14221 0 BEDS

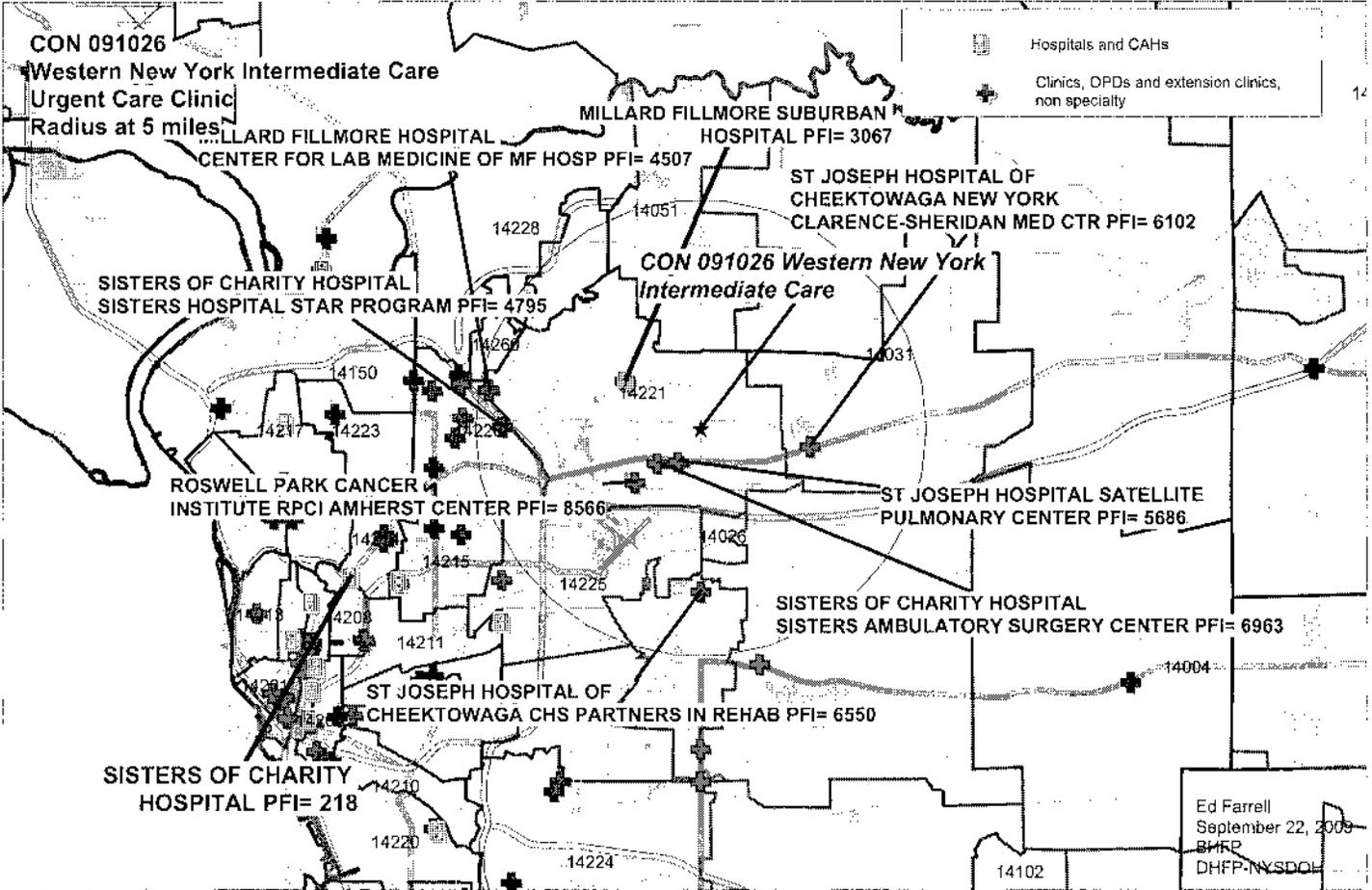
ROSWELL PARK CANCER INSTITUTE RPCI AMHERST CENTER	PFI 8566 Opcert 1401010
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100 COLLEGE PARKWAY

WILLIAMSVILLE

14221

0 BEDS



BFA Attachment B

Pro Forma Balance Sheet of
Mermaid Management, Inc.

ASSETS

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

LIABILITIES

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

Shareholders' Equity	<u><u>\$94,576</u></u>
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Total Liabilities and Shareholders' Equity	\$269,152
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MERMAID OPERATING CO., LLC
(A Limited Liability Company)

BALANCE SHEETS

December 31, 2008 and 2007

ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Cash (Overdraft)	\$ (15,604)	\$ (25,235)
Accounts Receivable (less allowance for doubtful accounts of \$1,709 and \$1,709, respectively)	15,004	32,478
Prepaid Expenses	1,937	10,261
Due from Bath Ave. Sleep Center	132,048	132,048
Due from Primecare Management	1,624	1,624
Due from Medic Medical Management	11,100	-
Security Deposit	<u>11,306</u>	<u>10,400</u>
TOTAL CURRENT ASSETS	157,415	161,576
LEASEHOLD IMPROVEMENTS and EQUIPMENT - NET	<u>282,778</u>	<u>365,161</u>
TOTAL ASSETS	<u>\$ 440,193</u>	<u>\$ 526,737</u>
<u>LIABILITIES AND MEMBERS' DEFICIT</u>		
CURRENT LIABILITIES		
Accrued Expenses	\$ 42,238	\$ 19,827
Accrued Payroll and Taxes	289,106	301,849
Due to 1709 Surf Avenue Associates	38,360	-
Due to Medicaid	-	80,978
Current Portion of Loan Payable - Victory	<u>41,851</u>	<u>48,948</u>
TOTAL CURRENT LIABILITIES	<u>411,555</u>	<u>451,602</u>
LONG-TERM LIABILITIES		
Loan Payable - Members	655,423	516,798
Long Term Loan Payable - Victory	<u>48,164</u>	<u>91,026</u>
TOTAL LONG-TERM LIABILITIES	<u>703,587</u>	<u>607,824</u>
TOTAL LIABILITIES	<u>1,115,142</u>	<u>1,059,426</u>
MEMBERS' DEFICIT	<u>(674,949)</u>	<u>(532,689)</u>
TOTAL LIABILITIES AND MEMBERS' DEFICIT	<u>\$ 440,193</u>	<u>\$ 526,737</u>

MERMAID OPERATING CO., LLC
(A Limited Liability Company)

STATEMENTS OF INCOME AND MEMBERS' DEFICIT

For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
REVENUES		
Patient Fees	\$ <u>1,020,255</u>	\$ <u>717,512</u>
TOTAL REVENUES	<u>1,020,255</u>	<u>717,512</u>
OPERATING EXPENSES		
Salaries and Outside Services	544,489	539,603
Employee Benefits	47,206	66,316
Property Costs	173,524	175,815
Administrative and General	339,889	385,387
Medical Expenses	<u>57,407</u>	<u>48,224</u>
TOTAL OPERATING EXPENSES	<u>1,162,515</u>	<u>1,215,345</u>
NET LOSS	(142,260)	(497,833)
MEMBERS' DEFICIT - BEGINNING OF YEAR	(532,689)	(96,456)
MEMBERS' CONTRIBUTIONS	<u>-</u>	<u>61,600</u>
MEMBERS' DEFICIT - END OF YEAR	<u>\$ (674,949)</u>	<u>\$ (532,689)</u>

MERMAID OPERATING CO., LLC
(A Limited Liability Company)

BALANCE SHEET

December 31, 2009

ASSETS

	<u>2009</u>
CURRENT ASSETS	
Cash (Overdraft)	\$ (21,118)
Accounts Receivable (less allowance for doubtful accounts of \$1,709)	15,004
Prepaid Expenses	1,937
Due from Bath Ave. Sleep Center	132,048
Due from Primecare Management	1,624
Due from Medic Medical Management	11,100
Security Deposit	<u>11,384</u>
TOTAL CURRENT ASSETS	151,979
LEASEHOLD IMPROVEMENTS and EQUIPMENT - NET	<u>223,668</u>
TOTAL ASSETS	<u>\$ 375,647</u>

LIABILITIES AND MEMBERS' DEFICIT

CURRENT LIABILITIES	
Accrued Expenses	\$ 45,264
Accrued Payroll and Taxes	289,106
Due to 1709 Surf Avenue Associates	38,360
Current Portion of Loan Payable - Victory	<u>29,345</u>
TOTAL CURRENT LIABILITIES	<u>402,075</u>
LONG-TERM LIABILITIES	
Loan Payable - Members	<u>677,548</u>
TOTAL LONG-TERM LIABILITIES	<u>677,548</u>
TOTAL LIABILITIES	<u>1,079,623</u>
MEMBERS' DEFICIT	<u>(703,976)</u>
TOTAL LIABILITIES AND MEMBERS' DEFICIT	<u>\$ 375,647</u>

MERMAID OPERATING CO., LLC
(A Limited Liability Company)

STATEMENT OF INCOME AND MEMBERS' DEFICIT

For the Year Ended December 31, 2009

	<u>2009</u>
REVENUES	
Patient Fees	\$ <u>621,287</u>
TOTAL REVENUES	<u>621,287</u>
OPERATING EXPENSES	
Salaries and Outside Services	389,494
Employee Benefits	29,719
Property Costs	67,273
Administrative and General	107,494
Medical Expenses	<u>56,334</u>
TOTAL OPERATING EXPENSES	<u>650,314</u>
NET LOSS	(29,027)
MEMBERS' DEFICIT - BEGINNING OF YEAR	(674,949)
MEMBERS' CONTRIBUTIONS	<u>-</u>
MEMBERS' DEFICIT - END OF YEAR	<u>\$ (703,976)</u>

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

APPLICATION: Mermaid Management, Inc. (101135-E)

NATURE OF APPLICATION: X PRIMARY CARE
 SPECIALTY
 IF SPECIALTY – TYPE: Ambulatory

AUSPICE: NON PROFIT
 X PROPRIETARY
 Limited Liability Company
 PUBLIC

COST:		<u>YEAR ONE</u>
	Outpatient:	
	OPERATING	\$852,196
	CAPITAL	<u>162,714</u>
	TOTAL	\$1,014,910
	Cost Per Visit	\$ 97.51

PAYOR SOURCE:

Visits	Year One
Medicare Fee-for-Service	39.92%
Medicaid Fee-for-Service	9.67%
Medicaid Managed Care	48.14%
Private Pay	2.27%

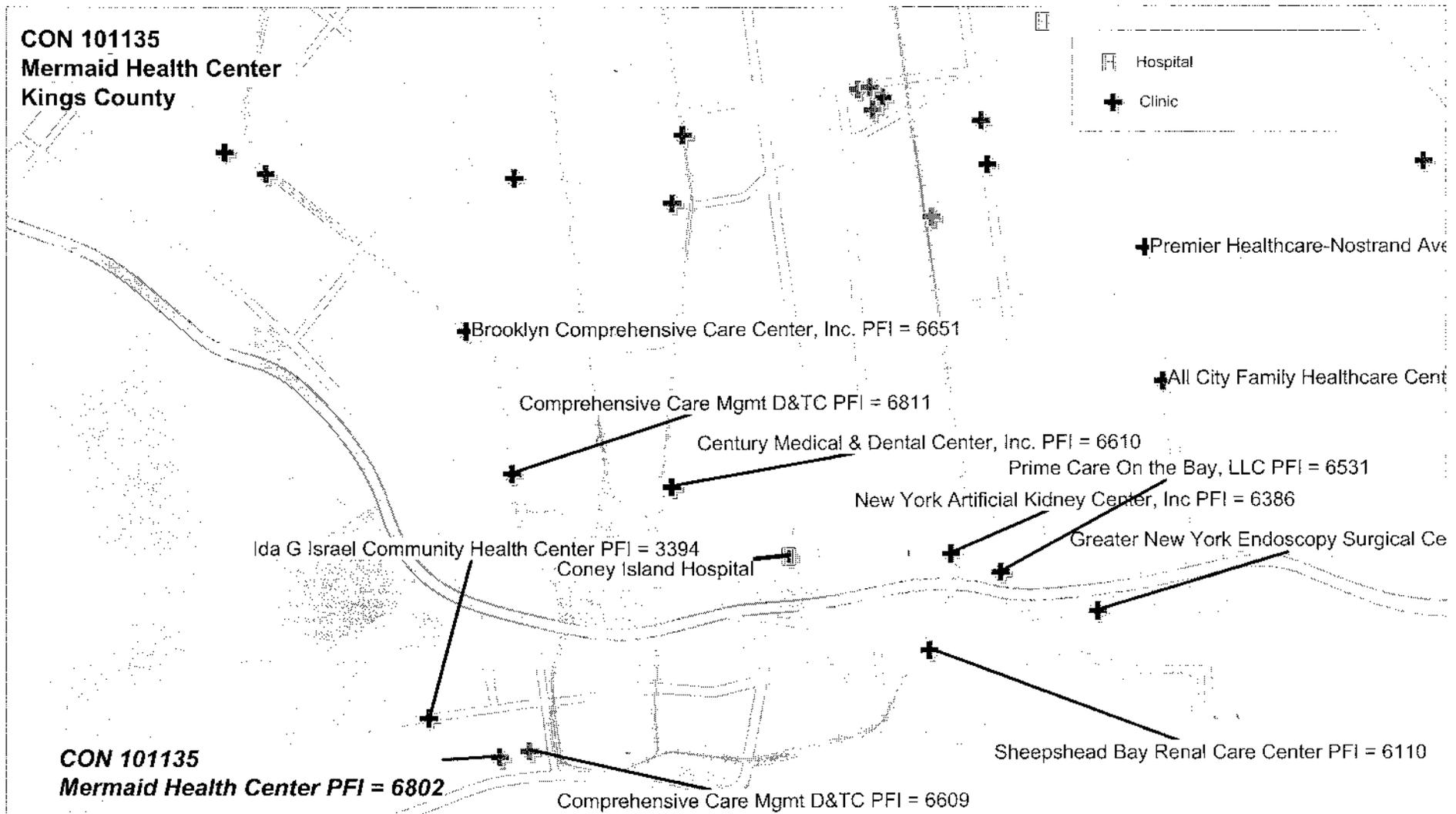
Mermaid Management Inc.
Project 101135

BFA Attachment F

Current Year	<u>Cost</u>	<u>Visits</u>	<u>Average Cost Per Visit</u>
Operating	\$826,194	9,899	\$83.46
Capital	<u>\$192,536</u>	9,899	<u>\$19.45</u>
Total	\$1,018,730	9,899	\$102.91
First Year Budgets			
Operating	\$852,196	10,408	\$81.88
Capital	<u>\$162,714</u>	10,408	<u>\$15.63</u>
Total	\$1,014,910	10,408	\$97.51
Third Year Budgets			
Operating	\$873,526	10,893	\$80.19
Capital	<u>\$154,184</u>	10,893	<u>\$14.15</u>
Total	\$1,027,710	10,893	\$94.35

**CON 101135
Mermaid Health Center
Kings County**

Hospital
Clinic



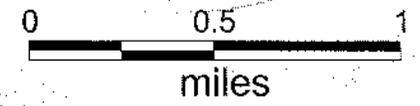
Premier Healthcare-Nostrand Ave

All City Family Healthcare Cent

Ida G Israel Community Health Center PFI = 3394

Coney Island Hospital

**CON 101135
Mermaid Health Center PFI = 6802**



Ed Farrell
July 20, 2010
BHFP-DHFP
NYSDOH

**New York State Department of Health
State Hospital Review and Planning Council**

September 30, 2010

ATTACHMENTS

APPLICATIONS for DIALYSIS CENTERS

1. 092135 B USRC Cheektowaga, Inc. (Erie County)
2. 092136 B USRC Williamsville, Inc. (Erie County)
3. 092137 B USRC Tonawanda, Inc. (Erie County)
4. 101038 E Interstate Development and Management Partners, LLC (Richmond County)
5. 101070 E Long Island Replacement, LLC d/b/a Island Rehabilitative Services Corp.
(Richmond Co.)

U.S. RENAL CARE, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2009 and 2008

Assets	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$ 15,325,357	5,414,620
Accounts receivable, net of allowances of \$8,460,232 and \$6,589,745	25,900,874	20,986,104
Inventories	1,369,198	2,416,104
Other receivables	4,863,513	4,334,265
Other current assets	2,333,765	1,340,190
Total current assets	<u>49,792,707</u>	<u>34,491,283</u>
Property and equipment, net	19,251,600	16,731,509
Amortizable intangibles, net	12,241,011	14,848,215
Investment in affiliate	217,670	—
Goodwill	67,922,354	67,559,887
Other long-term assets	238,961	246,136
Deferred taxes	906,459	373,701
Total assets	<u>\$ 150,570,762</u>	<u>134,250,731</u>
Liabilities and Stockholders' Equity		
Accounts payable	\$ 5,675,616	7,328,583
Accrued expenses	16,485,807	20,000,375
Current portion of long-term debt and capital lease obligations	1,447,595	1,525,241
Current portion of related party notes payable	125,000	164,440
Total current liabilities	<u>23,734,018</u>	<u>29,018,639</u>
Long-term debt and capital lease obligations, net of current portion	62,010,592	53,638,587
Related party notes payable	125,000	250,000
Other long-term liabilities	532,982	642,281
Deferred tax liability	—	3,360,742
Preferred stock accrued dividends	14,736,426	10,812,177
Total liabilities	<u>101,139,018</u>	<u>97,722,426</u>
Commitments and contingencies		
U.S. Renal Care, Inc. Equity:		
Preferred stock A (\$0.01 par value. Authorized shares 20,325,000; issued and outstanding 12,350,000 and 12,350,000 shares)	123,500	123,500
Preferred stock B and B-1(\$0.01 par value. Authorized shares 1,600,000; issued and outstanding 1,415,666 and 1,449,666 shares)	14,157	14,497
Preferred stock C (\$0.01 par value. Authorized shares 25,000,000; issued and outstanding 24,500,962 and 24,300,962 shares)	245,010	243,010
Common stock (\$0.01 par value. Authorized shares 53,525,000 and 52,525,000; issued and outstanding 6,222,852 and 6,014,102 shares)	62,229	60,141
Additional paid-in capital	36,454,222	40,056,300
Retained earnings/(accumulated deficit)	1,497,694	(14,097,106)
Total U.S. Renal Care, Inc. stockholders' equity	<u>38,396,812</u>	<u>26,400,342</u>
Noncontrolling interests (including redeemable interests with redemption values of \$23,600,000 and \$22,400,000)	11,034,932	10,127,963
Total equity	<u>49,431,744</u>	<u>36,528,305</u>
Total liabilities and equity	<u>\$ 150,570,762</u>	<u>134,250,731</u>

Equity Requirements for US Renal Care and LEDP, LLC for CONs 092135, 092136 and 092137

		Loan from US Renal Care	<u>Cash Contributions</u>		4 physicians at
			US Renal Care 55%	LEDP, LLC 45%	25%/physician
092135					
USRC Cheektowaga, Inc.					
Total project cost	\$1,039,254	\$935,328	\$57,159	\$46,767	
Working capital	<u>\$467,274</u>	<u>\$231,199</u>	\$129,841	\$106,234	
Capital contribution			<u>\$184,250</u>	<u>\$150,750</u>	
Total	\$1,506,528	\$1,166,527	\$371,251	\$303,750	\$75,938
092136					
USRC Williamsville, Inc.					
Total project cost	\$978,256	\$880,431	\$53,804	\$44,021	
Working capital	<u>\$435,146</u>	<u>\$192,972</u>	\$133,196	\$108,978	
Capital Contribution			<u>\$184,250</u>	<u>\$150,750</u>	
Total	\$1,413,402	\$1,073,403	\$371,249	\$303,750	\$75,937
092137					
USRC Tonawanda, Inc.					
Total project cost	\$614,341	\$552,907	\$33,789	\$27,645	
Working capital	<u>\$466,398</u>	<u>\$187,833</u>	\$153,211	\$125,354	
Capital Contributions			<u>\$184,250</u>	<u>\$150,750</u>	
Total	\$1,080,739	\$740,740	\$371,249	\$303,750	\$75,937
Total equity required		<u>US Renal Care</u> \$4,094,419			<u>Each physician</u> \$227,812

USRC Cheektowaga, L.L.C.
U.S. Renal Care Cheektowaga Dialysis
Pro Forma Beginning Balance Sheet

	Year 1
Assets	
Cash	291,468
Accounts Receivable - patients	0
Allowance for Doubtful Accounts	0
<hr/>	
A/R, net	0
Inventory	0
Other current assets	0
<hr/>	
Total current assets	291,468
PP&E	1,039,254
Less accumulated depreciation	0
<hr/>	
P&E, net	1,039,254
Goodwill and Other Intangibles, net	0
Other assets	0
<hr/>	
Total assets	1,330,722
Liabilities & Stockholder's Equity	
Accounts payable	0
Other accrued expenses	0
<hr/>	
Total Current liabilities	0
Capital leases	338,482
Bank debt	0
Long term debt	700,773
<hr/>	
Total long term liabilities	1,039,254
Stockholder's Equity	
Common stock	372,090
Retained Earnings	(80,623)
<hr/>	
Stockholder's equity	291,468
<hr/>	
Total liabilities & Stockholder's equity	1,330,722

U.S. Renal Care, Inc./DCA
 Business Plan
 Forecast Years Ended December 31, 2010 - 2012
 \$ in Millions

	2010	2011	2012
Income Statement:			
Treatments	801,600	867,800	944,400
Revenue	\$ 270.9	\$ 296.7	\$ 325.7
Operating Expenses	220.8	237.1	259.6
EBITDA	50.1	59.6	66.1
Depreciation and Amortization	16.2	19.0	21.1
EBIT	33.9	40.6	45.0
Interest Expense, net	15.7	15.5	14.9
Noncontrolling Interest Share of Earnings	11.3	11.5	12.8
Earnings Before Taxes	6.9	13.6	17.3
Provision for Taxes	2.6	5.1	6.5
Net Income	\$ 4.3	\$ 8.5	\$ 10.8
Balance Sheet:			
Current Assets	\$ 71.7	\$ 77.9	\$ 85.0
Property and Equipment, net	49.0	45.9	47.2
Goodwill	127.1	127.1	127.1
Other Assets	51.8	46.4	40.8
Total Assets	\$ 299.6	\$ 297.3	\$ 300.1
Current Liabilities	\$ 39.6	\$ 43.2	\$ 47.4
Debt	171.0	158.5	142.1
Other Liabilities	17.4	17.3	17.3
Equity	65.6	78.3	93.3
Total Liabilities & Equity	\$ 299.6	\$ 297.3	\$ 300.1

DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except share and per share amounts)

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,236	\$ 6,543
Accounts receivable, less allowance of \$3,046 at December 31, 2009; \$2,540 at December 31,	21,297	21,494
Inventories, less allowance for obsolescence of \$15 at December 31, 2009 and December 31, 2	2,985	2,919
Deferred income tax asset	1,428	1,185
Prepaid expenses and other current assets	2,292	2,978
Total current assets	<u>31,238</u>	<u>35,119</u>
Property and equipment:		
Land	1,333	1,333
Buildings and improvements	5,899	5,722
Machinery and equipment	16,732	15,143
Leasehold improvements	11,403	10,789
	<u>35,367</u>	<u>32,987</u>
Less accumulated depreciation and amortization	16,284	14,452
	<u>19,083</u>	<u>18,535</u>
Goodwill	16,492	16,492
Other assets	824	933
Total other assets	<u>17,316</u>	<u>17,425</u>
	<u>\$ 67,637</u>	<u>\$ 71,079</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 6,854	\$ 7,232
Accrued expenses	6,403	7,485
Income taxes payable	25	61
Current portion of long-term debt	76	74
Total current liabilities	<u>13,358</u>	<u>14,852</u>
Long-term debt, less current portion	8,199	14,276
Deferred income tax liability	1,824	1,275
Total liabilities	<u>23,381</u>	<u>30,403</u>
Commitments and Contingencies		
Equity:		
Common stock, \$.01 par value, authorized 20,000,000 shares:		
9,600,385 shares issued, and outstanding at December 31, 2009; 9,579,743 shares issued	96	96
and outstanding at December 31, 2008		
Additional paid-in capital	16,298	16,001
Retained earnings	22,034	19,167
Total company stockholders' equity	<u>38,428</u>	<u>35,264</u>
Noncontrolling interests	5,828	5,412
Total equity	<u>44,256</u>	<u>40,676</u>
	<u>\$ 67,637</u>	<u>\$ 71,079</u>

DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except share and per share amounts)

	<u>Year Ended December 31,</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Operating revenues:			
Sales:			
Medical services revenue	\$ 97,705	\$ 85,676	\$ 73,171
Product sales	1,190	1,161	1,078
Total sales revenues	<u>98,895</u>	<u>86,837</u>	<u>74,249</u>
Management fee income	---	---	286
	<u>98,895</u>	<u>86,837</u>	<u>74,535</u>
Cost and expenses:			
Cost of sales revenues:			
Cost of medical services	60,341	51,452	44,248
Cost of product sales	661	660	598
Total cost of sales revenues	<u>61,002</u>	<u>52,112</u>	<u>44,846</u>
Selling, general and administrative expenses			
Corporate	10,819	10,202	7,659
Facility	14,324	13,236	11,681
Total	<u>25,143</u>	<u>23,438</u>	<u>19,340</u>
Stock compensation expense	287	221	218
Depreciation and amortization	3,044	2,784	2,619
Provision for doubtful accounts	2,649	2,089	1,665
	<u>92,125</u>	<u>80,644</u>	<u>68,688</u>
Operating income	6,770	6,193	5,847
Other expense, net	<u>(9)</u>	<u>(49)</u>	<u>(40)</u>
Income before income taxes	6,761	6,144	5,807
Income tax provision	<u>2,041</u>	<u>1,862</u>	<u>1,615</u>
Net income	4,720	4,282	4,192
Less: net income attributable to noncontrolling interests	<u>1,853</u>	<u>1,438</u>	<u>1,106</u>
Net income attributable to the company	<u>\$ 2,867</u>	<u>\$ 2,844</u>	<u>\$ 3,086</u>
Earning per share:			
Basic	<u>\$.30</u>	<u>\$.30</u>	<u>\$.32</u>
Diluted	<u>\$.30</u>	<u>\$.30</u>	<u>\$.32</u>
Weighted average shares outstanding:			
Basic	<u>9,597,140</u>	<u>9,579,837</u>	<u>9,572,893</u>
Diluted	<u>9,620,479</u>	<u>9,613,866</u>	<u>9,607,672</u>

DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except share and per share amounts)

	March 31 2010	December 31, 2009(A)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,962	\$ 3,236
Accounts receivable, less allowance of \$2,378 at March 31, 2010; \$3,046 at December 31, 2009	21,310	21,297
Inventories, less allowance for obsolescence of \$15 at March 31, 2010 and December 31, 2009	2,967	2,985
Deferred income tax asset	1,428	1,428
Prepaid expenses and other current assets	3,112	2,292
Total current assets	31,779	31,238
Property and equipment:		
Land	1,333	1,333
Buildings and improvements	5,898	5,899
Machinery and equipment	17,348	16,732
Leasehold improvements	11,982	11,403
	36,561	35,367
Less accumulated depreciation and amortization	16,831	16,284
	19,730	19,083
Goodwill	16,492	16,492
Other assets	796	824
Total other assets	17,288	17,316
	\$ 68,797	\$ 67,637
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 8,572	\$ 6,854
Accrued expenses	6,235	6,403
Income taxes payable	43	25
Current portion of long-term debt	73	76
Total current liabilities	14,923	13,358
Long-term debt, less current portion	8,183	8,199
Deferred income tax liability	1,812	1,824
Total liabilities	24,918	23,381
Commitments and Contingencies		
Equity:		
Common stock, \$.01 par value, authorized 20,000,000 shares; 9,610,373 shares issued, and outstanding at March 31, 2010 9,600,385 shares issued and outstanding at December 31, 2009	96	96
Additional paid-in capital	16,341	16,298
Retained earnings	21,917	22,034
Total company stockholders' equity	38,354	38,428
Noncontrolling interests	5,525	5,828
Total equity	43,879	44,256
	\$ 68,797	\$ 67,637

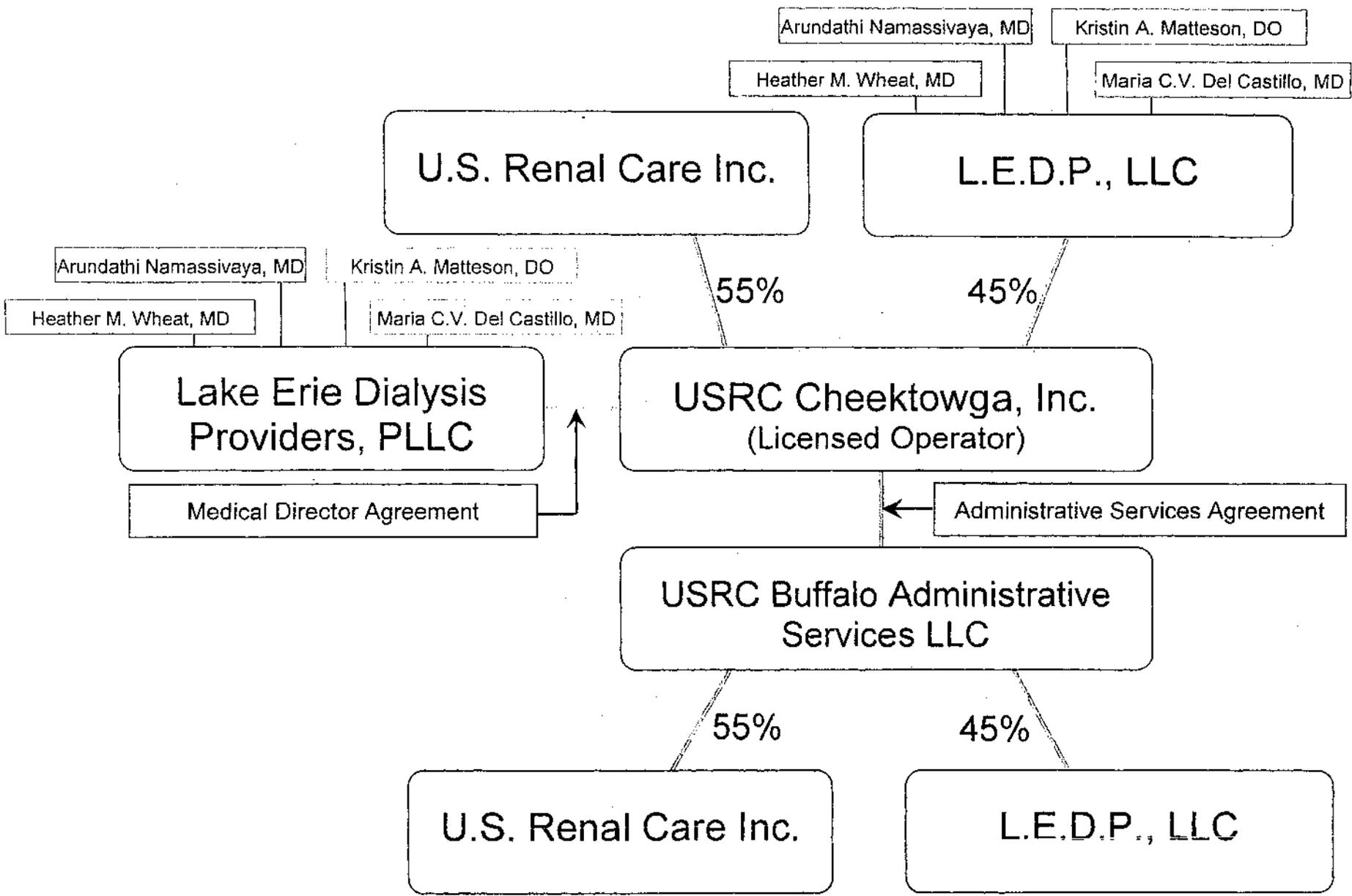
DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

(dollars in thousands, except share and per share amounts)

	Three Months Ended	
	March 31,	
	2010	2009
Operating revenues:		
Sales:		
Medical services revenue	\$ 23,640	\$ 23,168
Product sales	298	289
Total sales revenues	<u>23,938</u>	<u>23,457</u>
Operating costs and expenses:		
Cost of sales revenues:		
Cost of medical services	14,987	14,431
Cost of product sales	149	160
Total cost of sales revenues	<u>15,136</u>	<u>14,591</u>
Selling, general and administrative expenses:		
Corporate	3,119	2,862
Facility	3,905	3,729
Total	<u>7,024</u>	<u>6,591</u>
Stock compensation expense	43	85
Depreciation and amortization	852	726
Provision for doubtful accounts	628	671
	<u>23,683</u>	<u>22,664</u>
Operating income	255	793
Other income (expense), net	<u>26</u>	<u>(14)</u>
Income before income taxes	281	779
Income tax provision	<u>52</u>	<u>242</u>
Net income	229	537
Less: net income attributable to noncontrolling interests	<u>346</u>	<u>357</u>
Net (loss) income attributable to the company	<u>\$ (117)</u>	<u>\$ 180</u>
(Loss) earnings per share:		
Basic	<u>\$ (.01)</u>	<u>\$.02</u>
Diluted	<u>\$ (.01)</u>	<u>\$.02</u>
Weighted average shares outstanding:		
Basic	<u>9,609,698</u>	<u>9,590,778</u>
Diluted	<u>9,609,698</u>	<u>9,612,637</u>



**Summary of Detailed Budget
092135 - B USRC Cheektowaga, Inc.**

<u>First Year</u>	<u>Costs</u>	<u>Treatments</u>	<u>Cost per Treatment</u>
Operating	\$1,200,383	3393	\$353.78
Capital	<u>\$391,896</u>	3393	<u>\$115.50</u>
Total	\$1,592,279	3393	\$469.28

Third Year

Operating	\$2,440,678	8798	\$277.41
Capital	<u>\$362,965</u>	8798	<u>\$41.26</u>
Total	\$2,803,643	8798	\$318.67

ESTABLISHMENT CHECKLIST FOR AMBULATORY CARE SITES

APPLICATION: 092135 – B USRC Cheektowaga, Inc.

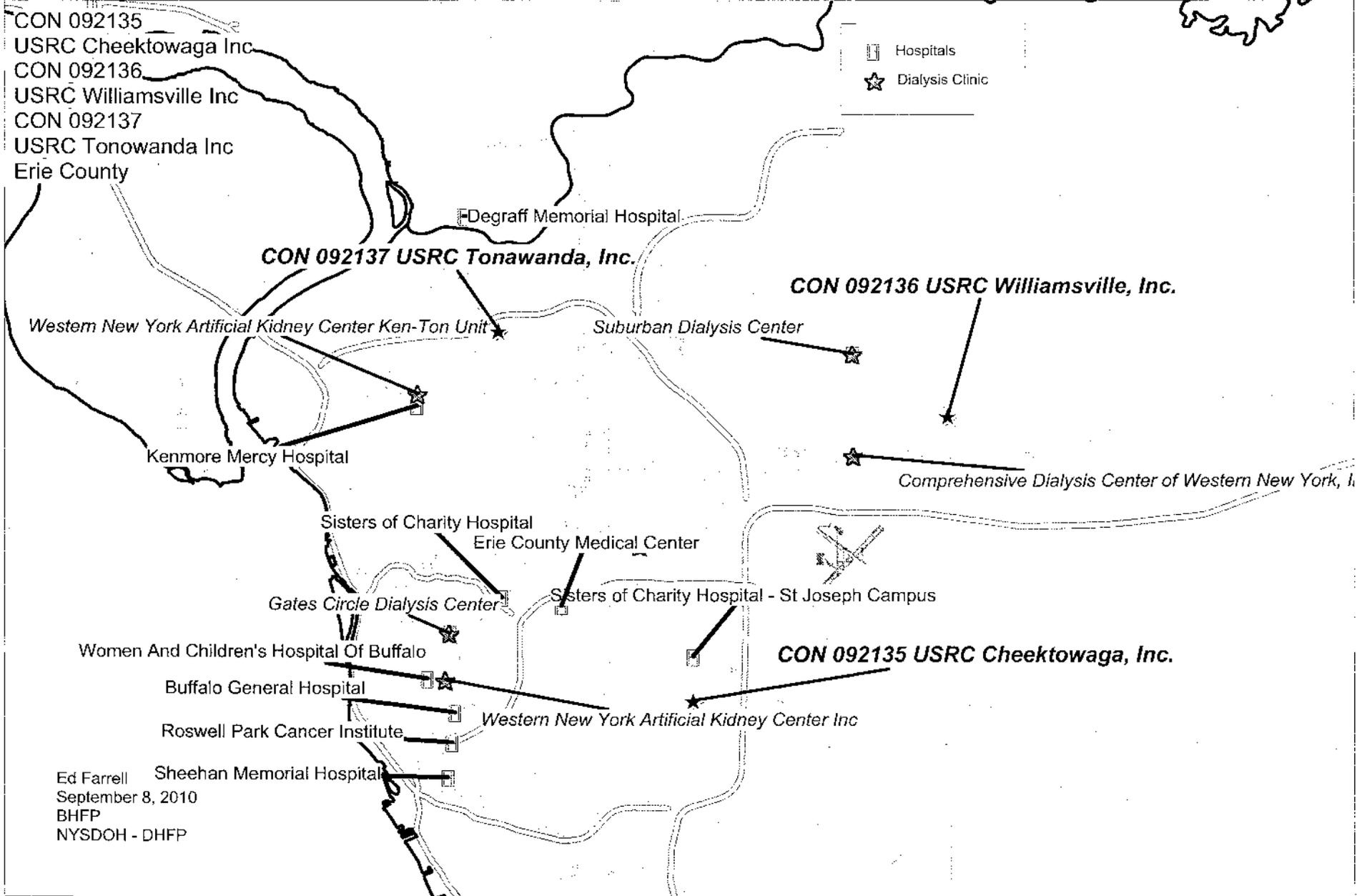
NATURE OF APPLICATION: PRIMARY CARE
 SPECIALTY
 IF SPECIALTY – TYPE
 Dialysis

AUSPICE: NON PROFIT
 PROPRIETARY
 PUBLIC

AFFILIATIONS: Kenmore Mercy Hospital

UNIT COST:	<u>YEAR ONE</u>	<u>YEAR THREE</u>
OPERATING	\$353.78	\$277.41
CAPITAL	<u>115.50</u>	<u>41.26</u>
TOTAL	\$469.28	\$318.67

PAYOR SOURCE:	<u>YEAR ONE</u>	<u>YEAR THREE</u>
MEDICAID-FFS	7%	8%
MEDICARE-M/C	7%	7%
MEDICARE-FFS	60%	66%
COMMERCIAL-M/C	18%	13%
COMMERCIAL-FFS	8%	6%



Ed Farrell
 September 8, 2010
 BHFP
 NYSDOH - DHFP

U.S. RENAL CARE, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2009 and 2008

Assets	2009	2008
Cash and cash equivalents	\$ 15,325,357	5,414,620
Accounts receivable, net of allowances of \$8,460,232 and \$6,589,745	25,900,874	20,986,104
Inventories	1,369,198	2,416,104
Other receivables	4,863,513	4,334,265
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Total current assets	49,792,707	34,491,283
Property and equipment, net	19,251,600	16,731,509
Amortizable intangibles, net	12,241,011	14,848,215
Investment in affiliate	217,670	—
Goodwill	67,922,354	67,559,887
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Deferred taxes	906,459	373,701
Total assets	\$ 150,570,762	134,250,731
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Accrued expenses	16,485,807	20,000,375
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Current portion of related party notes payable	125,000	164,440
Total current liabilities	23,734,018	29,018,639
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Related party notes payable	125,000	250,000
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Deferred tax liability	—	3,360,742
Preferred stock accrued dividends	14,736,426	10,812,177
Total liabilities	101,139,018	97,722,426
Commitments and contingencies		
U.S. Renal Care, Inc. Equity:		
Preferred stock A (\$0.01 par value. Authorized shares 20,325,000; issued and outstanding 12,350,000 and 12,350,000 shares)	123,500	123,500
Preferred stock B and B-1 (\$0.01 par value. Authorized shares 1,600,000; issued and outstanding 1,415,666 and 1,449,666 shares)	14,157	14,497
Preferred stock C (\$0.01 par value. Authorized shares 25,000,000; issued and outstanding 24,500,962 and 24,300,962 shares)	245,010	243,010
Common stock (\$0.01 par value. Authorized shares 53,525,000 and 52,525,000; issued and outstanding 6,222,852 and 6,014,102 shares)	62,229	60,141
Additional paid-in capital	36,454,222	40,056,300
Retained earnings/(accumulated deficit)	1,497,694	(14,097,106)
Total U.S. Renal Care, Inc. stockholders' equity	38,396,812	26,400,342
Noncontrolling interests (including redeemable interests with redemption values of \$23,600,000 and \$22,400,000)	11,034,932	10,127,963
Total equity	49,431,744	36,528,305
Total liabilities and equity	\$ 150,570,762	134,250,731

U.S. RENAL CARE, INC. AND SUBSIDIARIES

Consolidated Statements of Operations

Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Net operating revenues	\$ 153,164,637	127,567,973
Operating expenses:		
Patient care costs	98,842,829	86,674,644
General and administrative	15,601,927	13,828,191
Provision for doubtful accounts	4,585,251	4,339,141
Seller litigation settlement	286,647	2,269,203
Transaction costs	460,465	791,162
Depreciation and amortization	7,957,301	6,679,228
Total operating expenses	<u>127,734,420</u>	<u>114,581,569</u>
Operating income	25,430,217	12,986,404
Interest expense, net	<u>2,923,456</u>	<u>3,999,912</u>
Income before income taxes	22,506,761	8,986,492
Income tax (benefit) provision	<u>(3,191,190)</u>	<u>2,543,899</u>
Net income	25,697,951	6,442,593
Less net income attributable to noncontrolling interests	<u>10,103,151</u>	<u>8,517,409</u>
Net income (loss) attributable to U.S. Renal Care, Inc.	<u>\$ 15,594,800</u>	<u>(2,074,816)</u>

Equity Requirements for US Renal Care and LEDP, LLC for CONs 092135, 092136 and 092137

		Loan from USRC	<u>Cash Contributions</u> USRC 55%	LEDP, LLC 45%	4 physicians at 25%/physician
	092135				
Total project cost	\$1,039,254	\$935,328	\$57,159	\$46,767	
Working capital	<u>\$372,090</u>	<u>\$136,016</u>	\$129,841	\$106,233	
Capital contribution			<u>\$184,250</u>	<u>\$150,750</u>	
Total	\$1,411,344	\$1,071,344	\$371,250	\$303,750	\$75,938
	092136				
Total project cost	\$978,256	\$880,431	\$53,804	\$44,021	
Working capital	<u>\$341,439</u>	<u>\$99,264</u>	\$133,196	\$108,979	
Capital Contribution			<u>\$184,250</u>	<u>\$150,750</u>	
Total	\$1,319,695	\$979,695	\$371,250	\$303,750	\$75,938
	092137				
Total project cost	\$614,341	\$552,907	\$33,789	\$27,645	
Working capital	<u>\$382,229</u>	<u>\$103,663</u>	\$153,211	\$125,355	
Capital Contributions			<u>\$184,250</u>	<u>\$150,750</u>	
Total	\$996,570	\$656,570	\$371,250	\$303,750	\$75,938
Total equity required		<u>USRC</u> \$3,821,359			<u>Each physician</u> \$227,813

USRC Williamsville, Inc.
U.S. Renal Care Williamsville Dialysis
Pro Forma Beginning Balance Sheet

	Year 1
Assets	
Cash	260,816
Accounts Receivable - patients	0
Allowance for Doubtful Accounts	0
<hr/>	
A/R, net	0
Inventory	0
Other current assets	0
<hr/>	
Total current assets	260,816
PP&E	978,256
Less accumulated depreciation	0
<hr/>	
P&E, net	978,256
Goodwill and Other Intangibles, net	0
Other assets	0
<hr/>	
Total assets	1,239,072
Liabilities & Stockholder's Equity	
Accounts payable	0
Other accrued expenses	0
<hr/>	
Total Current liabilities	0
Capital leases	338,482
Bank debt	0
Long term debt	639,774
<hr/>	
Total long term liabilities	978,256
Stockholder's Equity	
Common stock	341,439
Retained Earnings	(80,623)
<hr/>	
Stockholder's equity	260,816
<hr/>	
Total liabilities & Stockholder's equity	1,239,072

U.S. Renal Care, Inc./DCA
 Business Plan
 Forecast Years Ended December 31, 2010 - 2012
 \$ in Millions

	2010	2011	2012
Income Statement:			
Treatments	801,600	867,800	944,400
Revenue	\$ 270.9	\$ 296.7	\$ 325.7
Operating Expenses	220.8	237.1	259.6
EBITDA	50.1	59.6	66.1
Depreciation and Amortization	16.2	19.0	21.1
EBIT	53.9	40.6	45.0
Interest Expense, net	15.7	15.5	14.9
Noncontrolling Interest Share of Earnings	11.3	11.5	12.8
Earnings Before Taxes	6.9	13.6	17.3
Provision for Taxes	2.6	5.1	6.5
Net Income	\$ 4.2	\$ 8.5	\$ 10.8
Balance Sheet:			
Current Assets	\$ 71.7	\$ 77.9	\$ 85.0
Property and Equipment, net	43.0	45.9	47.2
Goodwill	127.1	127.1	127.1
Other Assets	51.8	46.4	40.8
Total Assets	\$ 293.6	\$ 297.3	\$ 300.1
Current Liabilities	\$ 39.6	\$ 43.2	\$ 47.4
Debt	171.0	158.5	142.1
Other Liabilities	17.4	17.3	17.3
Equity	65.6	78.3	95.3
Total Liabilities & Equity	\$ 293.6	\$ 297.3	\$ 300.1

DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except share and per share amounts)

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,236	\$ 6,543
Accounts receivable, less allowance of \$3,046 at December 31, 2009; \$2,540 at December 31,	21,297	21,494
Inventories, less allowance for obsolescence of \$15 at December 31, 2009 and December 31, 2	2,985	2,919
Deferred income tax asset	1,428	1,185
Prepaid expenses and other current assets	2,292	2,978
Total current assets	<u>31,238</u>	<u>35,119</u>
Property and equipment:		
Land	1,333	1,333
Buildings and improvements	5,899	5,722
Machinery and equipment	16,732	15,143
Leasehold improvements	11,403	10,789
	<u>35,367</u>	<u>32,987</u>
Less accumulated depreciation and amortization	16,284	14,452
	<u>19,083</u>	<u>18,535</u>
Goodwill	16,492	16,492
Other assets	824	933
Total other assets	<u>17,316</u>	<u>17,425</u>
	<u>\$ 67,637</u>	<u>\$ 71,079</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 6,854	\$ 7,232
Accrued expenses	6,403	7,485
Income taxes payable	25	61
Current portion of long-term debt	76	74
Total current liabilities	<u>13,358</u>	<u>14,852</u>
Long-term debt, less current portion	8,199	14,276
Deferred income tax liability	1,824	1,275
Total liabilities	<u>23,381</u>	<u>30,403</u>
Commitments and Contingencies		
Equity:		
Common stock, \$.01 par value, authorized 20,000,000 shares:		
9,600,385 shares issued, and outstanding at December 31, 2009; 9,579,743 shares issued	96	96
and outstanding at December 31, 2008		
Additional paid-in capital	16,298	16,001
Retained earnings	22,034	19,167
Total company stockholders' equity	<u>38,428</u>	<u>35,264</u>
Noncontrolling interests	5,828	5,412
Total equity	<u>44,256</u>	<u>40,676</u>
	<u>\$ 67,637</u>	<u>\$ 71,079</u>

DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except share and per share amounts)

	Year Ended December 31,		
	2009	2008	2007
Operating revenues:			
Sales:			
Medical services revenue	\$ 97,705	\$ 85,676	\$ 73,171
Product sales	1,190	1,161	1,078
Total sales revenues	<u>98,895</u>	<u>86,837</u>	<u>74,249</u>
Management fee income	---	---	286
	<u>98,895</u>	<u>86,837</u>	<u>74,535</u>
Cost and expenses:			
Cost of sales revenues:			
Cost of medical services	60,341	51,452	44,248
Cost of product sales	661	660	598
Total cost of sales revenues	<u>61,002</u>	<u>52,112</u>	<u>44,846</u>
Selling, general and administrative expenses			
Corporate	10,819	10,202	7,659
Facility	14,324	13,236	11,681
Total	<u>25,143</u>	<u>23,438</u>	<u>19,340</u>
Stock compensation expense	287	221	218
Depreciation and amortization	3,044	2,784	2,619
Provision for doubtful accounts	2,649	2,089	1,665
	<u>92,125</u>	<u>80,644</u>	<u>68,688</u>
Operating income	6,770	6,193	5,847
Other expense, net	<u>(9)</u>	<u>(49)</u>	<u>(40)</u>
Income before income taxes	6,761	6,144	5,807
Income tax provision	<u>2,041</u>	<u>1,862</u>	<u>1,615</u>
Net income	4,720	4,282	4,192
Less: net income attributable to noncontrolling interests	<u>1,853</u>	<u>1,438</u>	<u>1,106</u>
Net income attributable to the company	<u>\$ 2,867</u>	<u>\$ 2,844</u>	<u>\$ 3,086</u>
Earning per share:			
Basic	<u>\$.30</u>	<u>\$.30</u>	<u>\$.32</u>
Diluted	<u>\$.30</u>	<u>\$.30</u>	<u>\$.32</u>
Weighted average shares outstanding:			
Basic	<u>9,597,140</u>	<u>9,579,837</u>	<u>9,572,893</u>
Diluted	<u>9,620,479</u>	<u>9,613,866</u>	<u>9,607,672</u>

DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except share and per share amounts)

	<u>March 31</u> <u>2010</u>	<u>December 31,</u> <u>2009(A)</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,962	\$ 3,236
Accounts receivable, less allowance of \$2,378 at March 31, 2010; \$3,046 at December 31, 2009	21,310	21,297
Inventories, less allowance for obsolescence of \$15 at March 31, 2010 and December 31, 2009	2,967	2,985
Deferred income tax asset	1,428	1,428
Prepaid expenses and other current assets	3,112	2,292
Total current assets	<u>31,779</u>	<u>31,238</u>
Property and equipment:		
Land	1,333	1,333
Buildings and improvements	5,898	5,899
Machinery and equipment	17,348	16,732
Leasehold improvements	11,982	11,403
	<u>36,561</u>	<u>35,367</u>
Less accumulated depreciation and amortization	<u>16,831</u>	<u>16,284</u>
	<u>19,730</u>	<u>19,083</u>
Goodwill	16,492	16,492
Other assets	796	824
Total other assets	<u>17,288</u>	<u>17,316</u>
	<u>\$ 68,797</u>	<u>\$ 67,637</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 8,572	\$ 6,854
Accrued expenses	6,235	6,403
Income taxes payable	43	25
Current portion of long-term debt	73	76
Total current liabilities	<u>14,923</u>	<u>13,358</u>
Long-term debt, less current portion	8,183	8,199
Deferred income tax liability	1,812	1,824
Total liabilities	<u>24,918</u>	<u>23,381</u>
Commitments and Contingencies		
Equity:		
Common stock, \$.01 par value, authorized 20,000,000 shares: 9,610,373 shares issued, and outstanding at March 31, 2010 9,600,385 shares issued and outstanding at December 31, 2009	96	96
Additional paid-in capital	16,341	16,298
Retained earnings	21,917	22,034
Total company stockholders' equity	<u>38,354</u>	<u>38,428</u>
Noncontrolling interests	5,525	5,828
Total equity	<u>43,879</u>	<u>44,256</u>
	<u>\$ 68,797</u>	<u>\$ 67,637</u>

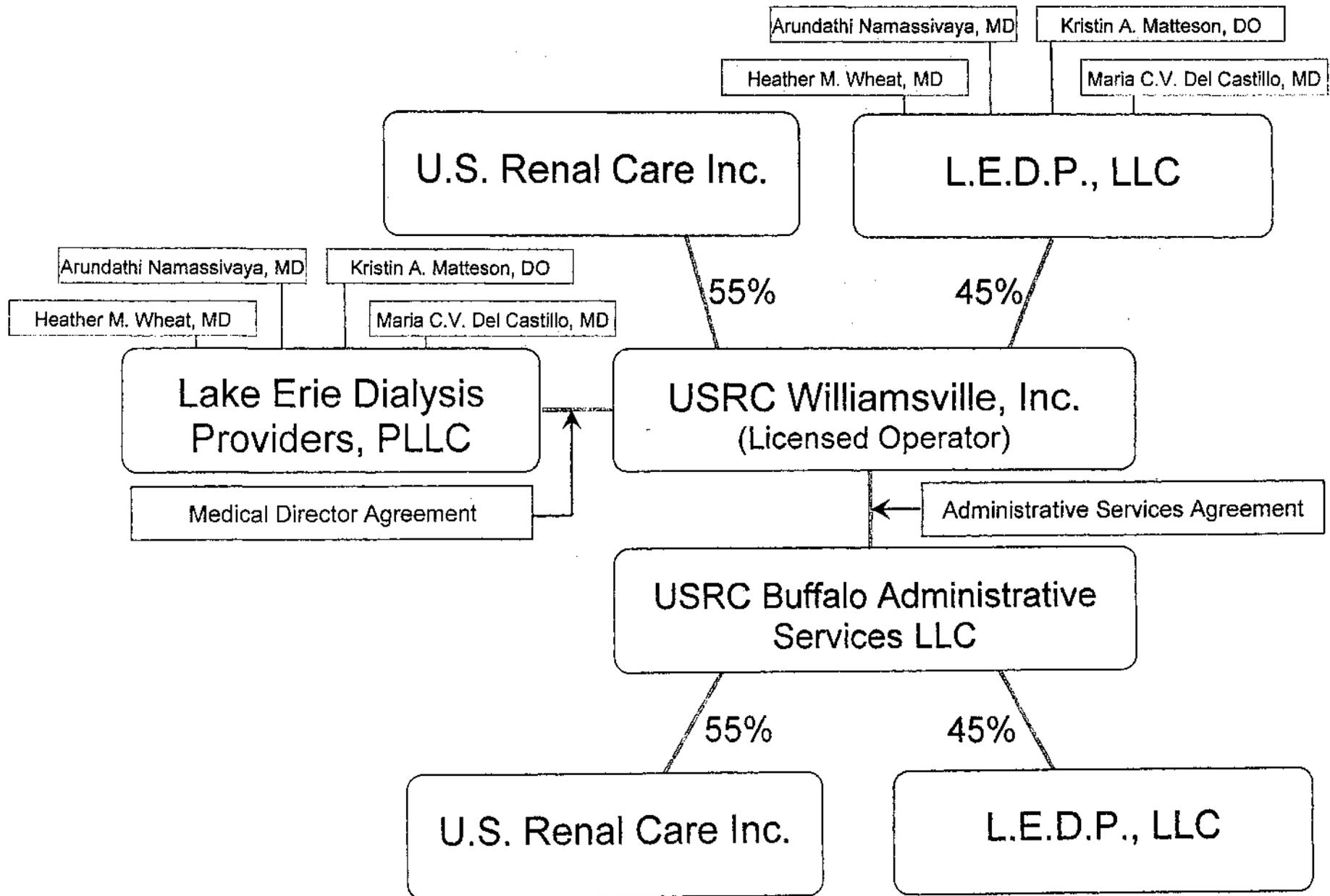
DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

(dollars in thousands, except share and per share amounts)

	Three Months Ended March 31,	
	<u>2010</u>	<u>2009</u>
Operating revenues:		
Sales:		
Medical services revenue	\$ 23,640	\$ 23,168
Product sales	298	289
Total sales revenues	<u>23,938</u>	<u>23,457</u>
Operating costs and expenses:		
Cost of sales revenues:		
Cost of medical services	14,987	14,431
Cost of product sales	149	160
Total cost of sales revenues	<u>15,136</u>	<u>14,591</u>
Selling, general and administrative expenses:		
Corporate	3,119	2,862
Facility	3,905	3,729
Total	<u>7,024</u>	<u>6,591</u>
Stock compensation expense	43	85
Depreciation and amortization	852	726
Provision for doubtful accounts	628	671
	<u>23,683</u>	<u>22,664</u>
Operating income	255	793
Other income (expense), net	<u>26</u>	<u>(14)</u>
Income before income taxes	281	779
Income tax provision	<u>52</u>	<u>242</u>
Net income	229	537
Less: net income attributable to noncontrolling interests	<u>346</u>	<u>357</u>
Net (loss) income attributable to the company	<u>\$ (117)</u>	<u>\$ 180</u>
(Loss) earnings per share:		
Basic	<u>\$ (.01)</u>	<u>\$.02</u>
Diluted	<u>\$ (.01)</u>	<u>\$.02</u>
Weighted average shares outstanding:		
Basic	<u>9,609,698</u>	<u>9,590,778</u>
Diluted	<u>9,609,698</u>	<u>9,612,637</u>



Summary of Detailed Budget
092136 - B USRC Williamsville, Inc.

<u>First Year</u>	<u>Costs</u>	<u>Treatments</u>	<u>Cost per Treatment</u>
Operating	\$955,110	2231	\$428.11
Capital	<u>\$370,825</u>	2231	<u>\$166.21</u>
Total	\$1,325,935	2231	\$594.32

Third Year

Operating	\$2,247,428	8154	\$275.62
Capital	<u>\$363,447</u>	8154	<u>\$44.57</u>
Total	\$2,610,875	8154	\$320.19

ESTABLISHMENT CHECKLIST FOR AMBULATORY CARE SITES

APPLICATION: 092136 – B USRC Williamsville, Inc. (Erie County)

NATURE OF APPLICATION:

PRIMARY CARE
 SPECIALTY
 IF SPECIALTY – TYPE
 Dialysis

AUSPICE:

NON PROFIT
 PROPRIETARY
 PUBLIC

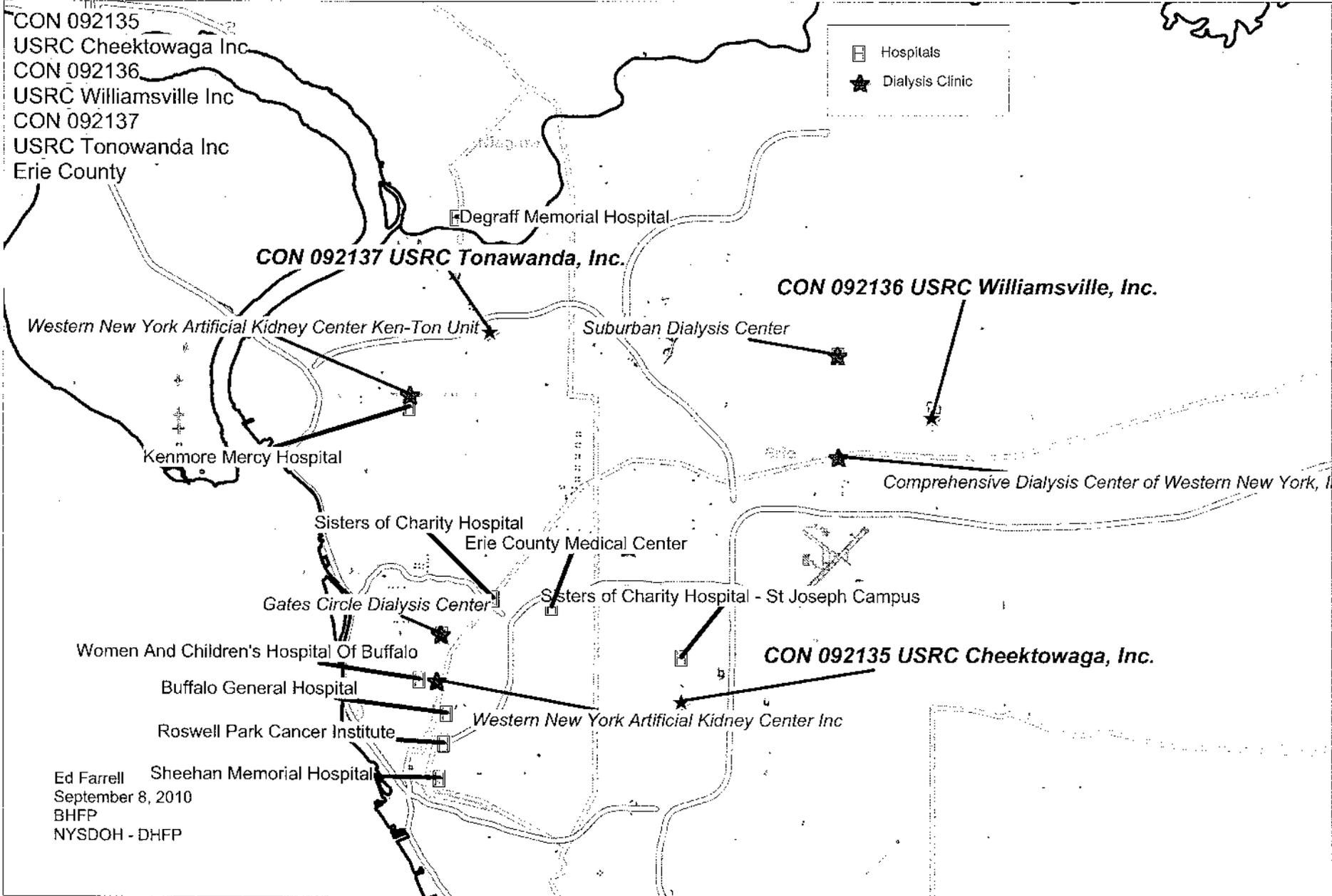
AFFILIATIONS: Kenmore Mercy Hospital

UNIT COST:

	<u>YEAR ONE</u>	<u>YEAR THREE</u>
OPERATING	\$428.11	\$275.62
CAPITAL	<u>166.21</u>	<u>44.57</u>
TOTAL	\$594.32	\$320.19

PAYOR SOURCE:

	<u>YEAR ONE</u>	<u>YEAR THREE</u>
MEDICAID-FFS	9%	8%
MEDICARE-M/C	8%	7%
MEDICARE-FFS	71%	66%
COMMERCIAL-M/C	5%	14%
COMMERCIAL-FFS	7%	5%



CON 092135
 USRC Cheektowaga Inc
 CON 092136
 USRC Williamsville Inc
 CON 092137
 USRC Tonawanda Inc
 Erie County

☐ Hospitals
 ★ Dialysis Clinic

CON 092137 USRC Tonawanda, Inc.

CON 092136 USRC Williamsville, Inc.

CON 092135 USRC Cheektowaga, Inc.

Ed Farrell
 September 8, 2010
 BHFP
 NYSDOH - DHFP

U.S. RENAL CARE, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2009 and 2008

Assets	2009	2008
Cash and cash equivalents	\$ 15,325,357	5,414,620
Accounts receivable, net of allowances of \$8,460,232 and \$6,589,745	25,900,874	20,986,104
Inventories	1,369,198	2,416,104
Other receivables	4,863,513	4,334,265
Other current assets	2,333,765	1,340,190
Total current assets	49,792,707	34,491,283
Property and equipment, net	19,251,600	16,731,509
Amortizable intangibles, net	12,241,011	14,848,215
Investment in affiliate	217,670	—
Goodwill	67,922,354	67,559,887
Other long-term assets	238,961	246,136
Deferred taxes	906,459	373,701
Total assets	<u>\$ 150,570,762</u>	<u>134,250,731</u>
Liabilities and Stockholders' Equity		
Accounts payable	\$ 5,675,616	7,328,583
Accrued expenses	16,485,807	20,000,375
Current portion of long-term debt and capital lease obligations	1,447,595	1,525,241
Current portion of related party notes payable	125,000	164,440
Total current liabilities	23,734,018	29,018,639
Long-term debt and capital lease obligations, net of current portion	62,010,592	53,638,587
Related party notes payable	125,000	250,000
Other long-term liabilities	532,982	642,281
Deferred tax liability	—	3,360,742
Preferred stock accrued dividends	14,736,426	10,812,177
Total liabilities	101,139,018	97,722,426
Commitments and contingencies		
U.S. Renal Care, Inc. Equity:		
Preferred stock A (\$0.01 par value. Authorized shares 20,325,000; issued and outstanding 12,350,000 and 12,350,000 shares)	123,500	123,500
Preferred stock B and B-1 (\$0.01 par value. Authorized shares 1,600,000; issued and outstanding 1,415,666 and 1,449,666 shares)	14,157	14,497
Preferred stock C (\$0.01 par value. Authorized shares 25,000,000; issued and outstanding 24,500,962 and 24,300,962 shares)	245,010	243,010
Common stock (\$0.01 par value. Authorized shares 53,525,000 and 52,525,000; issued and outstanding 6,222,852 and 6,014,102 shares)	62,229	60,141
Additional paid-in capital	36,454,222	40,056,300
Retained earnings/(accumulated deficit)	1,497,694	(14,097,106)
Total U.S. Renal Care, Inc. stockholders' equity	38,396,812	26,400,342
Noncontrolling interests (including redeemable interests with redemption values of \$23,600,000 and \$22,400,000)	11,034,932	10,127,963
Total equity	49,431,744	36,528,305
Total liabilities and equity	<u>\$ 150,570,762</u>	<u>134,250,731</u>

Equity Requirements for US Renal Care and LEDP, LLC for CONs 092135, 092136 and 092137

		Loan from US Renal Care	<u>Cash Contributions</u>		4 physicians at
			US Renal Care 55%	LEDP, LLC 45%	
092135					
USRC Cheektowaga, Inc.					
Total project cost	\$1,039,254	\$935,328	\$57,159	\$46,767	25%/physician
Working capital	<u>\$467,274</u>	<u>\$231,199</u>	\$129,841	\$106,234	
Capital contribution			<u>\$184,250</u>	<u>\$150,750</u>	
Total	\$1,506,528	\$1,166,527	<u>\$371,251</u>	<u>\$303,750</u>	\$75,938
092136					
USRC Williamsville, Inc.					
Total project cost	\$978,256	\$880,431	\$53,804	\$44,021	
Working capital	<u>\$435,146</u>	<u>\$192,972</u>	\$133,196	\$108,978	
Capital Contribution			<u>\$184,250</u>	<u>\$150,750</u>	
Total	\$1,413,402	\$1,073,403	<u>\$371,249</u>	<u>\$303,750</u>	\$75,937
092137					
USRC Tonawanda, Inc.					
Total project cost	\$614,341	\$552,907	\$33,789	\$27,645	
Working capital	<u>\$466,398</u>	<u>\$187,833</u>	\$153,211	\$125,354	
Capital Contributions			<u>\$184,250</u>	<u>\$150,750</u>	
Total	\$1,080,739	\$740,740	<u>\$371,249</u>	<u>\$303,750</u>	\$75,937
Total equity required		<u>US Renal Care</u>			<u>Each physician</u>
		\$4,094,419			\$227,812

USRC Tonawanda, Inc.
U.S. Renal Care Tonawanda Dialysis
Pro Forma Beginning Balance Sheet

	Year 1
Assets	
Cash	307,247
Accounts Receivable - patients	0
Allowance for Doubtful Accounts	0
<hr/>	
A/R, net	0
Inventory	0
Other current assets	0
<hr/>	
Total current assets	307,247
PP&E	614,342
Less accumulated depreciation	0
<hr/>	
P&E, net	614,342
Goodwill and Other Intangibles, net	0
Other assets	0
<hr/>	
Total assets	921,589
Liabilities & Stockholder's Equity	
Accounts payable	0
Other accrued expenses	0
<hr/>	
Total Current liabilities	0
Capital leases	338,482
Bank debt	0
Long term debt	275,860
<hr/>	
Total long term liabilities	614,342
Stockholder's Equity	
Common stock	382,229
Retained Earnings	(74,982)
<hr/>	
Stockholder's equity	307,247
<hr/>	
Total liabilities & Stockholder's equity	921,589

U.S. Renal Care, Inc./DCA
 Business Plan
 Forecast Years Ended December 31, 2010 - 2012
 \$ in Millions

	2010	2011	2012
Income Statement:			
Treatments	801,600	867,800	944,400
Revenue	\$ 270.9	\$ 296.7	\$ 325.7
Operating Expenses	220.8	237.1	259.6
EBITDA	50.1	59.6	66.1
Depreciation and Amortization	16.2	19.0	21.1
EBIT	33.9	40.6	45.0
Interest Expense, net	15.7	15.5	14.9
Noncontrolling Interest Share of Earnings	11.3	11.5	12.8
Earnings Before Taxes	6.9	13.6	17.3
Provision for Taxes	2.6	5.1	6.5
Net Income	\$ 4.3	\$ 8.5	\$ 10.8
Balance Sheet:			
Current Assets	\$ 71.7	\$ 77.9	\$ 85.0
Property and Equipment, net	49.0	45.9	47.2
Goodwill	127.1	127.1	127.1
Other Assets	51.8	46.4	40.8
Total Assets	\$ 299.6	\$ 297.3	\$ 300.1
Current Liabilities	\$ 39.6	\$ 43.2	\$ 47.4
Debt	171.0	158.5	142.1
Other Liabilities	17.4	17.3	17.3
Equity	65.6	78.3	93.3
Total Liabilities & Equity	\$ 299.6	\$ 297.3	\$ 300.1

DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except share and per share amounts)

	December 31, 2009	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,236	\$ 6,543
Accounts receivable, less allowance of \$3,046 at December 31, 2009; \$2,540 at December 31,	21,297	21,494
Inventories, less allowance for obsolescence of \$15 at December 31, 2009 and December 31, 2	2,985	2,919
Deferred income tax asset	1,428	1,185
Prepaid expenses and other current assets	2,292	2,978
Total current assets	<u>31,238</u>	<u>35,119</u>
Property and equipment:		
Land	1,333	1,333
Buildings and improvements	5,899	5,722
Machinery and equipment	16,732	15,143
Leasehold improvements	11,403	10,789
	<u>35,367</u>	<u>32,987</u>
Less accumulated depreciation and amortization	16,284	14,452
	<u>19,083</u>	<u>18,535</u>
Goodwill	16,492	16,492
Other assets	824	933
Total other assets	<u>17,316</u>	<u>17,425</u>
	<u>\$ 67,637</u>	<u>\$ 71,079</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 6,854	\$ 7,232
Accrued expenses	6,403	7,485
Income taxes payable	25	61
Current portion of long-term debt	76	74
Total current liabilities	<u>13,358</u>	<u>14,852</u>
Long-term debt, less current portion	8,199	14,276
Deferred income tax liability	1,824	1,275
Total liabilities	<u>23,381</u>	<u>30,403</u>
Commitments and Contingencies		
Equity:		
Common stock, \$.01 par value, authorized 20,000,000 shares:		
9,600,385 shares issued, and outstanding at December 31, 2009; 9,579,743 shares issued		
and outstanding at December 31, 2008	96	96
Additional paid-in capital	16,298	16,001
Retained earnings	22,034	19,167
Total company stockholders' equity	<u>38,428</u>	<u>35,264</u>
Noncontrolling interests	5,828	5,412
Total equity	<u>44,256</u>	<u>40,676</u>
	<u>\$ 67,637</u>	<u>\$ 71,079</u>

DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except share and per share amounts)

	<u>Year Ended December 31,</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Operating revenues:			
Sales:			
Medical services revenue	\$ 97,705	\$ 85,676	\$ 73,171
Product sales	1,190	1,161	1,078
Total sales revenues	<u>98,895</u>	<u>86,837</u>	<u>74,249</u>
Management fee income	---	---	286
	<u>98,895</u>	<u>86,837</u>	<u>74,535</u>
Cost and expenses:			
Cost of sales revenues:			
Cost of medical services	60,341	51,452	44,248
Cost of product sales	661	660	598
Total cost of sales revenues	<u>61,002</u>	<u>52,112</u>	<u>44,846</u>
Selling, general and administrative expenses			
Corporate	10,819	10,202	7,659
Facility	14,324	13,236	11,681
Total	<u>25,143</u>	<u>23,438</u>	<u>19,340</u>
Stock compensation expense	287	221	218
Depreciation and amortization	3,044	2,784	2,619
Provision for doubtful accounts	2,649	2,089	1,665
	<u>92,125</u>	<u>80,644</u>	<u>68,688</u>
Operating income	6,770	6,193	5,847
Other expense, net	<u>(9)</u>	<u>(49)</u>	<u>(40)</u>
Income before income taxes	6,761	6,144	5,807
Income tax provision	<u>2,041</u>	<u>1,862</u>	<u>1,615</u>
Net income	4,720	4,282	4,192
Less: net income attributable to noncontrolling interests	<u>1,853</u>	<u>1,438</u>	<u>1,106</u>
Net income attributable to the company	<u>\$ 2,867</u>	<u>\$ 2,844</u>	<u>\$ 3,086</u>
Earning per share:			
Basic	<u>\$.30</u>	<u>\$.30</u>	<u>\$.32</u>
Diluted	<u>\$.30</u>	<u>\$.30</u>	<u>\$.32</u>
Weighted average shares outstanding:			
Basic	<u>9,597,140</u>	<u>9,579,837</u>	<u>9,572,893</u>
Diluted	<u>9,620,479</u>	<u>9,613,866</u>	<u>9,607,672</u>

DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except share and per share amounts)

	<u>March 31</u> <u>2010</u>	<u>December 31,</u> <u>2009(A)</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,962	\$ 3,236
Accounts receivable, less allowance of \$2,378 at March 31, 2010; \$3,046 at December 31, 2009	21,310	21,297
Inventories, less allowance for obsolescence of \$15 at March 31, 2010 and December 31, 2009	2,967	2,985
Deferred income tax asset	1,428	1,428
Prepaid expenses and other current assets	3,112	2,292
Total current assets	<u>31,779</u>	<u>31,238</u>
Property and equipment:		
Land	1,333	1,333
Buildings and improvements	5,898	5,899
Machinery and equipment	17,348	16,732
Leasehold improvements	11,982	11,403
	<u>36,561</u>	<u>35,367</u>
Less accumulated depreciation and amortization	16,831	16,284
	<u>19,730</u>	<u>19,083</u>
Goodwill	16,492	16,492
Other assets	796	824
Total other assets	<u>17,288</u>	<u>17,316</u>
	<u>\$ 68,797</u>	<u>\$ 67,637</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 8,572	\$ 6,854
Accrued expenses	6,235	6,403
Income taxes payable	43	25
Current portion of long-term debt	73	76
Total current liabilities	<u>14,923</u>	<u>13,358</u>
Long-term debt, less current portion	8,183	8,199
Deferred income tax liability	1,812	1,824
Total liabilities	<u>24,918</u>	<u>23,381</u>
Commitments and Contingencies		
Equity:		
Common stock, \$.01 par value, authorized 20,000,000 shares: 9,610,373 shares issued, and outstanding at March 31, 2010 9,600,385 shares issued and outstanding at December 31, 2009	96	96
Additional paid-in capital	16,341	16,298
Retained earnings	21,917	22,034
Total company stockholders' equity	<u>38,354</u>	<u>38,428</u>
Noncontrolling interests	5,525	5,828
Total equity	<u>43,879</u>	<u>44,256</u>
	<u>\$ 68,797</u>	<u>\$ 67,637</u>

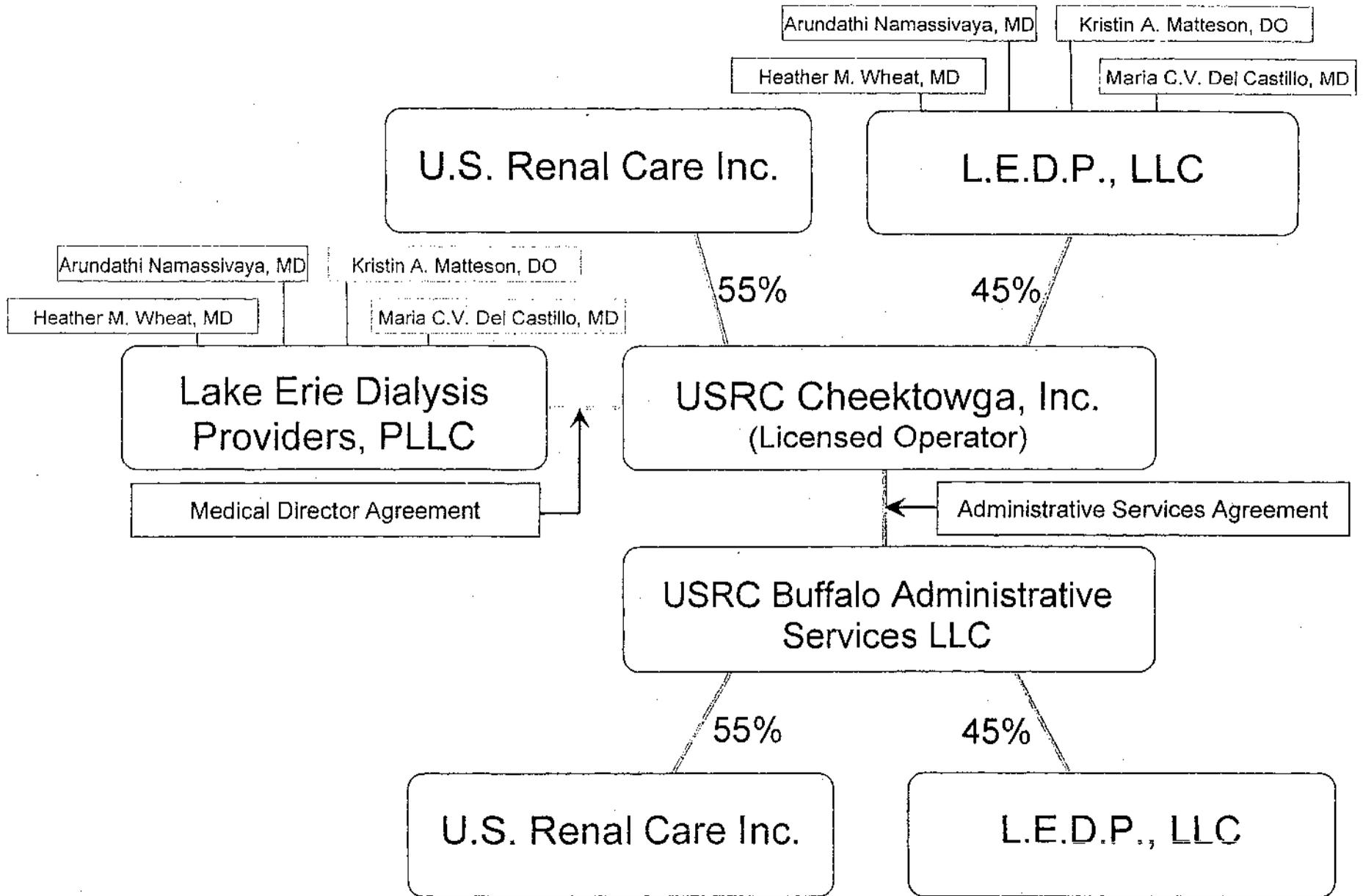
DIALYSIS CORPORATION OF AMERICA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

(dollars in thousands, except share and per share amounts)

	Three Months Ended March 31,	
	<u>2010</u>	<u>2009</u>
Operating revenues:		
Sales:		
Medical services revenue	\$ 23,640	\$ 23,168
Product sales	298	289
Total sales revenues	<u>23,938</u>	<u>23,457</u>
Operating costs and expenses:		
Cost of sales revenues:		
Cost of medical services	14,987	14,431
Cost of product sales	149	160
Total cost of sales revenues	<u>15,136</u>	<u>14,591</u>
Selling, general and administrative expenses:		
Corporate	3,119	2,862
Facility	3,905	3,729
Total	<u>7,024</u>	<u>6,591</u>
Stock compensation expense	43	85
Depreciation and amortization	852	726
Provision for doubtful accounts	628	671
	<u>23,683</u>	<u>22,664</u>
Operating income	255	793
Other income (expense), net	26	(14)
Income before income taxes	281	779
Income tax provision	52	242
Net income	229	537
Less: net income attributable to noncontrolling interests	346	357
Net (loss) income attributable to the company	<u>\$ (117)</u>	<u>\$ 180</u>
(Loss) earnings per share:		
Basic	<u>\$ (.01)</u>	<u>\$.02</u>
Diluted	<u>\$ (.01)</u>	<u>\$.02</u>
Weighted average shares outstanding:		
Basic	<u>9,609,698</u>	<u>9,590,778</u>
Diluted	<u>9,609,698</u>	<u>9,612,637</u>



**Summary of Detailed Budget
092137 - B USRC Tonawanda, Inc.**

<u>First Year</u>	<u>Costs</u>	<u>Treatments</u>	<u>Cost per Treatment</u>
Operating	\$865,300	1944	\$445.11
Capital	<u>\$305,136</u>	1944	<u>\$156.96</u>
Total	\$1,170,436	1944	\$602.08

Third Year

Operating	\$2,480,113	9143	\$271.26
Capital	<u>\$318,278</u>	9143	<u>\$34.81</u>
Total	\$2,798,391	9143	\$306.07

ESTABLISHMENT CHECKLIST FOR AMBULATORY CARE SITES

APPLICATION: 092137 – B USRC Tonawanda, Inc. (Erie County)

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

AUSPICE: NON PROFIT
 PROPRIETARY
 PUBLIC

AFFILIATIONS: Kenmore Mercy Hospital

UNIT COST:	<u>YEAR ONE</u>	<u>YEAR THREE</u>
OPERATING	\$445.11	\$275.62
CAPITAL	<u>156.96</u>	<u>44.57</u>
TOTAL	\$602.08	\$320.19

PAYOR SOURCE:	<u>YEAR ONE</u>	<u>YEAR THREE</u>
MEDICAID-FFS	9%	8%
MEDICARE-M/C	8%	7%
MEDICARE-FFS	68%	68%
COMMERCIAL-M/C	7%	12%
COMMERCIAL-FFS	8%	5%

CON 092135
USRC Cheektowaga Inc
CON 092136
USRC Williamsville Inc
CON 092137
USRC Tonawanda Inc
Erie County

Hospitals
Dialysis Clinic

Degraff Memorial Hospital

CON 092137 USRC Tonawanda, Inc.

CON 092136 USRC Williamsville, Inc.

Western New York Artificial Kidney Center Ken-Ton Unit

Suburban Dialysis Center

Kenmore Mercy Hospital

Comprehensive Dialysis Center of Western New York, Inc.

Sisters of Charity Hospital
Erie County Medical Center

Gates Circle Dialysis Center

Sisters of Charity Hospital - St Joseph Campus

Women And Children's Hospital Of Buffalo

CON 092135 USRC Cheektowaga, Inc.

Buffalo General Hospital

Western New York Artificial Kidney Center Inc

Roswell Park Cancer Institute

Ed Farrell Sheehan Memorial Hospital

September 8, 2010
BHFP
NYSDOH - DHFP

Interstate Development and Management Partners, LLC

CON: 101038-E

<u>ASSETS</u>	<u>Pro Forma</u>
Current assets:	
Cash	
Accounts receivable (net of allowance)	1,524,800
Other receivables	240,193
Medical and pharmacy supplies	203,672
Cash Surrender value-life insurance policies	273,762
Prepaid expenses	158,647
Total current assets	<u>2,401,074</u>
Property, plant and equipment, net of accumulated depreciation and amortization	336,899
Goodwill	2,483,663
Organizational Costs	
Cash Surrender value-life insurance policies	
Security deposits,	44,797
Other Assets	860,440
Due from affiliated companies	(720,845)
Upper East Side investment	1,400,000
Grand Concourse investment	295,000
LI Replacement investment	358,387
Total other assets	<u>5,058,341</u>
Total assets	7,459,415

Interstate Development and Management Partners, LLC

CON: 101038-EPro FormaLIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

Current liabilities:

Cash overdraft	-
Accounts payable	2,152,533
Accrued expenses	201,970
Loan payable - Bank	-
Interdialysis accounts	-
Current portion of Long Term Debt	-
Notes payable - Auto	-
Total current liabilities	<u>2,354,503</u>

Long Term Debt	-
Loan payable - Bank	700,000
Capital Leases - Space	-
Notes Payable - Auto	23,389
Notes Payable - Island Rehab	2,000,000
Due to officer	-
Due to members	-
Deffered Lease obligations	232,837
Due to affiliated companies	<u>2,148,686</u>
Total non current liabilities	<u>5,104,912</u>

Total Liabilities	<u>7,459,415</u>
-------------------	------------------

Stockholders' equity (deficit)

Common stock	-
Retained earnings (deficit)	-
Net income (loss)	-
Total stockholders' equity (deficit)	<u>-</u>

Total liabilities and stockholders' equity (deficit)	7,459,415
--	-----------

ISLAND REHABILITATIVE SERVICES CORP
CON: 101038-E

	Island Rehab Per-Audit 12/31/2009	Carve out Commiack	Island Rehab Adjusted 12/31/2009
<u>ASSETS</u>			
Current assets:			
Cash	753,027		753,027
Accounts receivable (net of allowance)	1,781,720	391,675	1,390,045
Other receivables	138,226	10,508	127,718
Medical and pharmacy supplies	273,509	72,803	200,704
Cash Surrender value-life insurance policies			
Prepaid expenses	115,198	2,159	113,039
Total current assets	<u>3,061,680</u>	<u>477,147</u>	<u>2,584,533</u>
Property, plant and equipment, net of accumulated depreciation and amortization	1,305,957	969,058	336,899
Goodwill			-
Organizational Costs			-
Cash Surrender value-life insurance policies	273,762		273,762
Security deposits,	68,585	23,788	44,797
Other Assets	920,440		920,440
Due from affiliated companies	(778,330)		(778,330)
Upper East Side investment	1,400,000		1,400,000
Grand Concourse investment	400,000		400,000
LI Replacement investment			-
Total other assets	<u>3,590,414</u>	<u>992,846</u>	<u>2,597,568</u>
Total assets	6,652,094	1,469,993	5,182,101

ISLAND REHABILITATIVE SERVICES CORP
CON: 101038-E

	Island Rehab Per Audit 12/31/2009	Carve out Commack	Island Rehab Adjusted 12/31/2009
<u>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</u>			
Current liabilities:			
Cash overdraft			
Accounts payable	2,467,634	362,411	2,105,223
Accrued expenses	1,161,067	82,186	1,078,881
Loan payable - Bank	700,000		700,000
Interdialysis accounts			-
Current portion of Long Term Debt	3,927,681	221,509	3,706,172
Notes payable - Auto			
Total current liabilities	<u>8,256,382</u>	<u>666,106</u>	<u>7,590,276</u>
Long Term Debt	575,954	575,954	-
Loan payable - Bank			-
Capital Leases - Space			-
Notes Payable - Auto			-
Notes Payable - Island Rehab			-
Due to officer	7,663,128		7,663,128
Due to members	344,333	344,333	-
Deffered Lease obligations	232,837		232,837
Due to affiliated companies	1,577,143		1,577,143
Total non current liabilities	<u>10,393,395</u>	<u>920,287</u>	<u>9,473,108</u>
Total Liabilities	<u>18,649,777</u>	<u>1,586,393</u>	<u>17,063,384</u>
Stockholders' equity (deficit)			
Common stock	30,000		30,000
Retained earnings (deficit)	(10,238,345)	462,225	(10,700,570)
Net income (loss)	(1,789,338)	(578,625)	(1,210,713)
Total stockholders' equity (deficit)	<u>(11,997,683)</u>	<u>(116,400)</u>	<u>(11,881,283)</u>
Total liabilities and stockholders' equity (deficit)	6,652,094	1,469,993	5,182,101

ESTABLISHMENT CHECKLIST FOR AMBULATORY CARE SITES

APPLICATION: Interstate Development and Management Partners, LLC
(101038-E)

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

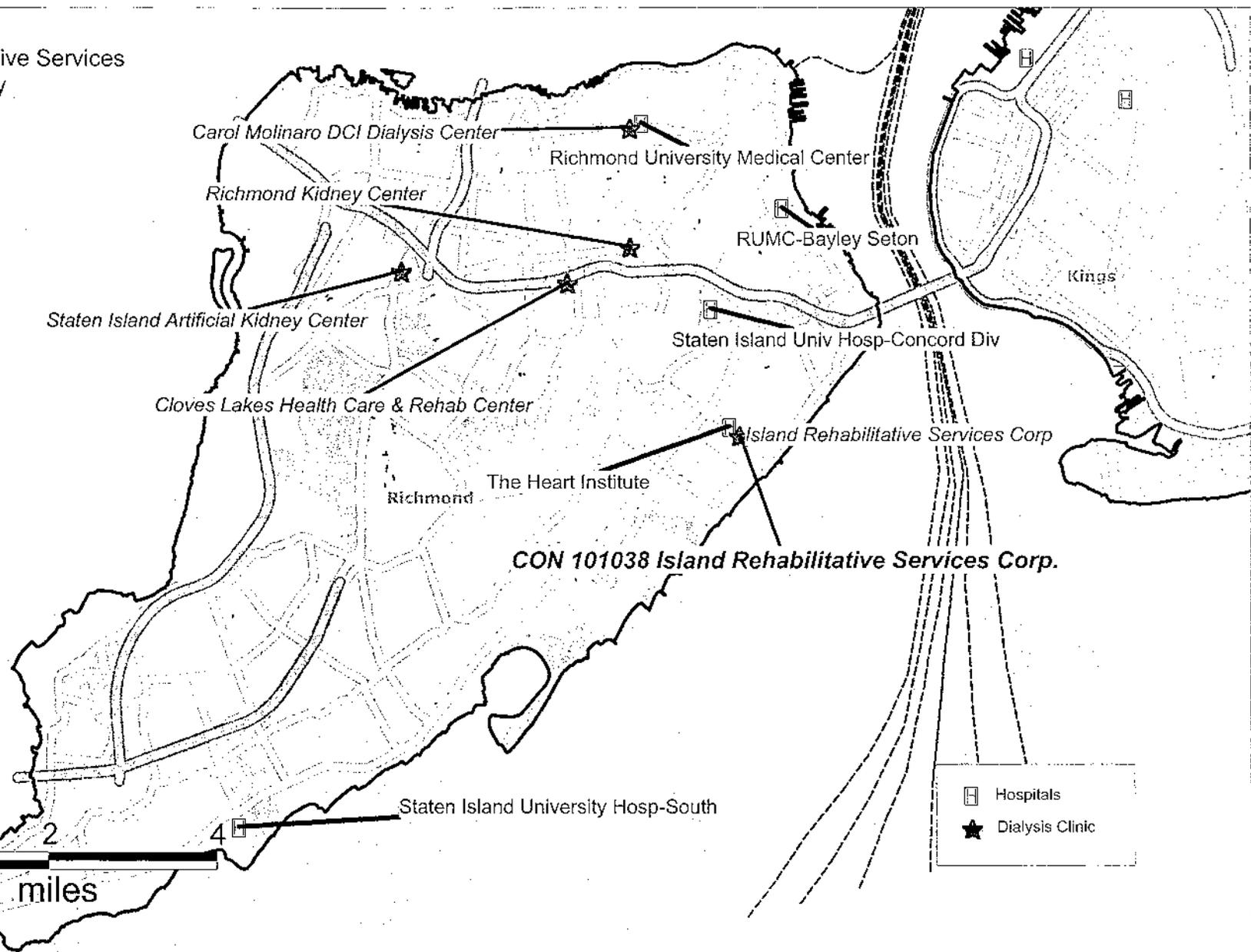
AUSPICE: NON PROFIT
 X PROPRIETARY
 Limited Liability Company
 PUBLIC

UNIT COST:	YEAR ONE	YEAR THREE
OPERATING:	\$ 177.69	\$ 177.14
CAPITAL:	<u>22.56</u>	<u>21.53</u>
TOTAL:	\$ 200.25	\$ 198.67

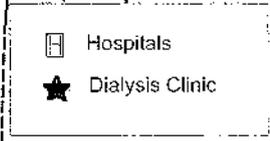
PAYOR SOURCE:

	Year one and <u>three</u>
MEDICARE	85%
MEDICAID	5%
COMMERCIAL	10%

CON 101038
Island Rehabilitative Services
Richmond County



Ed Farrell
September 9, 2010
BHFP
NYSDOH - DHFP



**New York State Department of Health
State Hospital Review and Planning Council**

September 30, 2010

ATTACHMENTS

APPLICATIONS for RESIDENTIAL HEALTH CARE FACILITIES

1. 092116 C St. Patrick's Home (Bronx County)
2. 101053 C Erie County Medical Center - Skilled Nursing Facility (Erie County)
3. 101141 B St. John's Penfield Homes (Monroe County)

Financial Summary

BFA Attachment A

St. Patrick's Home

FISCAL PERIOD ENDED

	<u>2009</u>	<u>2008</u>	<u>2007</u>
ASSETS - CURRENT	\$13,660,941	\$15,524,746	\$16,231,983
ASSETS - FIXED AND OTHER	36,000,573	35,475,486	35,826,244
LIABILITIES - CURRENT	6,365,037	6,110,806	4,891,357
LIABILITIES - LONG-TERM	14,188,394	16,579,324	16,660,203
EQUITY	\$29,108,083	\$28,310,102	\$30,506,667
<hr/>			
INCOME	\$28,605,188	\$27,986,765	\$28,915,116
EXPENSE	28,690,802	29,235,108	28,874,214
NET INCOME	(\$85,614)	(\$1,248,343)	\$40,902
<hr/>			
DEPRECIATION	\$1,430,365	\$1,674,283	\$1,651,498
<hr/>			
NUMBER OF BEDS	264	264	264
PERCENT OF OCCUPANCY (DAYS)	99.02%	99.51%	99.29%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	79.41%	75.31%	74.70%
MEDICARE	10.90%	10.17%	11.33%
PRIVATE/OTHER	9.69%	14.54%	13.97%
<hr/>			
MEDICAID RATE BREAKDOWN:	<u>2010</u>	<u>2009</u>	<u>2008</u>
OPERATING	\$207.50	\$224.80	\$223.56
CAPITAL	18.21	<u>21.93</u>	<u>26.85</u>
TOTAL	\$225.71	\$246.73	\$250.41

Facility: ST. PATRICK'S HOME

Period ended: June 30, 2010

BALANCE SHEET	Current Period	Current Period Prior Year	Audit Prior Year
ASSETS			
Current Assets			
Cash and cash equivalents	7,174,385	5,919,070	7,559,046
Short term investments		2,998,597	
Assets limited as to use			
Accounts receivable	3,996,643	4,521,072	3,194,335
Other current assets	2,442,178	2,235,628	2,776,051
Total current assets	13,613,206	15,674,367	13,529,432
Assets limited as to use			
By board	13,514,886	13,233,092	13,373,195
Other	2,267,971	2,256,662	2,262,331
Held by trustee	371,649	218,374	205,514
Restricted			
Total assets limited as to use	16,154,506	15,708,128	15,841,040
Property, plant and equipment-net	19,940,131	19,802,634	20,329,241
Other assets			
Investments	50,000	50,000	50,000
Other			
Total other assets	50,000	50,000	50,000
Total Assets	49,757,843	51,235,129	49,749,713
LIABILITIES AND NET ASSETS			
Current liabilities			
Current maturities of long term debt	3,301,000	2,801,000	2,801,000
Accounts payable	109,544	653,958	922,471
Accrued expenses	2,272,237	2,574,356	2,137,659
Other current liabilities	1,809,186	2,718,251	1,550,921
Total current liabilities	7,491,967	8,747,565	7,412,051
Long term debt	12,622,742	13,897,742	13,122,742
Other liabilities	371,649	218,374	205,514
Net assets			
Unrestricted	29,263,859	28,371,448	29,003,531
Restricted	7,625		5,875
Total net assets	29,271,484	28,371,448	29,009,406
Total liabilities and net assets	49,757,843	51,235,129	49,749,713

Facility: ST. PATRICK'S HOME

Period ended: June 30, 2010

STATEMENT OF OPERATIONS	YTD Actual	YTD Budget	Favorable/ (Unfavorable) Variance	YTD Prior year
OPERATING REVENUES:				
Net resident service revenue	14,060,198	14,225,180	-164,982	13,964,199
Other operating revenue	129,034	132,850	-3,816	170,503
Total Operating Revenue	14,189,232	14,358,030	-168,798	14,134,702
OPERATING EXPENSES:				
Nursing service	5,356,923	5,458,065	101,142	5,402,895
General service	1,668,073	1,773,977	105,904	1,755,150
Dietary	1,289,315	1,299,693	10,378	1,329,069
Administrative	1,000,472	975,170	-25,302	988,955
Bed Tax/Assessment	659,363	600,000	-59,363	570,738
Insurance	301,704	297,350	-4,354	294,751
Interest	157,683	170,190	12,507	184,769
Bad debts	1	25,000	24,999	28,563
Employee benefits	2,863,594	2,979,808	116,214	2,729,014
Depreciation	772,100	772,688	588	882,983
Total Operating Expenses	14,069,228	14,351,941	282,713	14,166,887
Income (loss) from operations	120,004	6,089	113,915	-32,185
NONOPERATING GAINS (LOSSES)				
Investment income	85,725	90,000	-4,275	22,390
Net realized gains(losses)			0	
Unrestricted gifts-net	54,601	62,500	-7,899	71,143
Other			0	
Total nonoperating gains-net	140,326	152,500	-12,174	93,533
Excess of revenues over expenses	260,330	158,589	101,741	61,348
Change in net unrealized gains(losses)			0	
Other changes in net assets			0	
Increase(decrease) in net assets	260,330	158,589	101,741	61,348
Employee benefits (if not reported above)				

DRAFT

St. Patrick's Home for the Aged and Infirm
Statements of Financial Position
December 31,

	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 7,559,046	\$ 5,239,013
Investments	-	4,994,186
Accounts receivable, net of allowance for doubtful accounts of \$50,000	3,262,205	2,735,996
Accounts receivable, renovation project	2,004,453	1,933,922
Inventories	24,052	32,435
Prepaid expenses	593,463	395,758
Other	12,208	10,047
Resident funds, cash	205,514	183,389
Total Current Assets	<u>13,660,941</u>	<u>15,524,746</u>
Assets Limited as to Use		
Depreciation fund cash	6,598,740	6,551,136
Renovation/lawsuit fund cash	2,262,331	2,254,756
Total Assets Limited as to Use	<u>8,861,071</u>	<u>8,805,892</u>
Other Assets		
Board designated development fund cash	6,774,455	6,547,367
Property, plant and equipment, net	20,315,047	20,072,227
Investment in insurance company	50,000	50,000
Total Other Assets	<u>27,139,502</u>	<u>26,669,594</u>
	<u>\$ 49,661,514</u>	<u>\$ 51,000,232</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current maturities of long term debt	\$ 2,801,000	\$ 2,801,000
Accounts payable	878,016	557,084
Accrued expenses	760,317	664,389
Accrued pension	1,377,342	1,562,096
Estimated third party payor settlements	342,848	342,848
Due to residents	205,514	183,389
Total Current Liabilities	<u>6,365,037</u>	<u>6,110,806</u>
Estimated third party payor settlements	1,065,652	2,681,582
Long term debt, net of current portion	13,122,742	13,897,742
Total Liabilities	<u>20,553,431</u>	<u>22,690,130</u>
NET ASSETS		
Unrestricted		
Unappropriated	13,466,682	12,956,843
Appropriated	15,635,526	15,353,259
Total Unrestricted Net Assets	<u>29,102,208</u>	<u>28,310,102</u>
Temporarily restricted net assets	5,875	-
Total Net Assets	<u>29,108,083</u>	<u>28,310,102</u>
	<u>\$ 49,661,514</u>	<u>\$ 51,000,232</u>

DRAFT

St. Patrick's Home for the Aged and Infirm
Statements of Operations and Change in Net Assets
Years Ended December 31,

	<u>2009</u>	<u>2008</u>
CHANGE IN UNRESTRICTED NET ASSETS		
REVENUE		
Net resident service revenue	\$ 27,996,731	\$ 27,396,775
Other revenue	608,457	589,990
Total Revenue	<u>28,605,188</u>	<u>27,986,765</u>
EXPENSES		
Professional care of residents	11,156,041	11,015,961
Administrative and fiscal services	1,813,830	1,859,263
General services	5,433,452	5,583,392
Nondepartmental	7,477,780	7,513,469
Depreciation and amortization	1,430,365	1,674,283
Bad debt expense	125,369	106,528
New York State assessment	1,253,965	1,482,212
Total Expenses	<u>28,690,802</u>	<u>29,235,108</u>
Loss from Operations	<u>(85,614)</u>	<u>(1,248,343)</u>
NON-OPERATING REVENUE		
Fundraising, net of expenses of \$98,483 and \$118,878	5,453	(22,464)
Donations, legacies and bequests	106,073	201,661
Interest income	334,717	203,139
Total Non-Operating Revenue	<u>446,243</u>	<u>382,336</u>
Excess (Deficiency) of Revenue over Expenses before pension benefits liability adjustment	360,629	(866,007)
Pension benefits liability adjustment	431,477	(1,330,558)
Change in Unrestricted Net Assets	<u>792,106</u>	<u>(2,196,565)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS		
Donations	5,875	-
Change in Temporarily Restricted Net Assets	<u>5,875</u>	<u>-</u>
Change in Net Assets	797,981	(2,196,565)
NET ASSETS		
Beginning of year	<u>28,310,102</u>	<u>30,506,667</u>
End of year	<u>\$ 29,108,083</u>	<u>\$ 28,310,102</u>

CON 092116
St Patrick's Home
Bronx County

 Nursing Home 

 Park Gardens Rehabilitation & Nursing Center LLC

Methodist Home for Nursing and Rehabilitation

Bronx Park Rehabilitation & Nursing Center

Hudson Pointe at Riverdale Center for Nursing & Rehabilitation

Laconia Nursing Home

CON 092116
St. Patrick's Home

 Bainbridge Nursing & Rehabilitation Center

Schervier Nursing Care Center

 Wayne Center for Nursing & Rehabilitation

Riverdale Nursing Home

 Mosholu Parkway Nursing & Rehabilitation Center

Manhattanville Health Care Center

 Kingsbridge Heights Rehabilitation and Care Center

Fieldston Lodge Care Center

 Terrace Health Care Center

 Jewish Home & Hospital Bronx Div Harry & Jeanette Weinberg Campus

 Beth Abraham Health Services

New York

 University Nursing Home



Ed Farrell
September 9, 2010
BHFP
NYSDOH - DHFP

ERIE COUNTY MEDICAL CENTER CORPORATION

STATEMENTS OF NET ASSETS
December 31,
(000's omitted)

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

See accompanying notes

ERIE COUNTY MEDICAL CENTER CORPORATION
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
For the Years Ended December 31,
(000's omitted)

	<u>2009</u>	<u>2008</u>
Operating revenue:		
Net patient service revenue	\$ 356,640	\$ 352,357
Intergovernmental transfer revenue – net	34,378	42,102
Other operating revenue	20,993	16,487
Total operating revenue	<u>412,011</u>	<u>410,946</u>
Operating expenses:		
Salaries, wages and fringe benefits	242,077	216,076
Other professional and temporary services	71,581	66,011
Supplies	59,279	54,789
Utilities and telephone	7,240	10,675
Other operating expenses	12,287	9,939
Services purchased from Erie County	1,292	1,521
Provision for bad debts	21,100	19,630
Depreciation and amortization	13,135	12,513
Interest expense	5,715	5,562
Total operating expenses	<u>433,706</u>	<u>396,716</u>
Operating (loss) income	<u>(21,695)</u>	<u>14,230</u>
Non-operating revenue (expense):		
Investment income (loss)	10,080	(7,706)
Erie County contribution – operations	-	5,562
Net non-operating revenue (expense)	<u>10,080</u>	<u>(2,144)</u>
(Deficiency) excess of revenue over expenses before contributions	(11,615)	12,086
Capital contributions	<u>717</u>	<u>1,696</u>
Change in net assets	(10,898)	13,782
Net assets – beginning of year	<u>117,483</u>	<u>103,701</u>
Net assets – end of year	<u>\$ 106,585</u>	<u>\$ 117,483</u>

See accompanying notes

Erie County Medical Center Corporation

Balance Sheet - (Unaudited) June 30, 2010
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(Dollars in Thousands)

	June 30, 2010	December 31, 2009	Change from Prior Year End
ASSETS			
Current assets:			
Cash and cash equivalents	41,389	46,189	(4,800)
Current investments	35,212	40,712	(5,500)
Patient receivables	50,617	43,516	7,101
Prepaid expenses, inventories and other assets	35,746	45,407	(9,661)
Total Current Assets	162,964	175,824	(12,860)
Assets Whose Use is Limited:			
Designated under Self-Insurance Programs	36,622	32,650	3,972
Designated under Debt Agreements	11,338	10,120	1,218
Designated by Board	47,649	54,806	(7,157)
Restricted	31,689	22,002	9,687
Total	127,298	119,578	7,720
Property and equipment, net	82,814	78,007	4,807
Deferred financing costs	2,494	2,546	(52)
Other assets	11,110	1,080	10,030
Total	96,418	81,633	14,785
TOTAL ASSETS	386,680	377,035	9,645
LIABILITIES AND NET ASSETS			
Current portion of long-term debt	2,155	2,155	-
Accounts payable	20,668	19,496	1,172
Other accrued expenses	57,817	65,059	(7,242)
Total Current Liabilities	80,640	86,710	(6,070)
Long-term debt	97,150	97,150	0
Estimated Self Insurance Reserves	34,272	30,000	4,272
Other liabilities	67,960	56,590	11,370
Total	199,382	183,740	15,642
Net assets			
Unrestricted net assets	92,335	98,286	(5,951)
Temporarily restricted net assets	14,323	8,299	6,024
Permanently restricted net assets	-	-	-
Total Net Assets	106,658	106,585	73
TOTAL LIABILITIES AND NET ASSETS	386,680	377,035	9,645

Erie County Medical Center Corporation

Statement of Operations - (Unaudited)

Year-to-Date June 30, 2010

(Dollars in Thousands)

	Actual	Budget	Variance	Prior Year
OPERATING REVENUE				
Patient Revenue				
Inpatient services	247,725	248,773	(1,048)	258,560
Outpatient services	127,256	119,342	7,914	113,853
Gross Patient Revenue	<u>374,981</u>	<u>368,115</u>	<u>6,866</u>	<u>372,413</u>
Less:				
Contractual Allowances	(163,145)	(159,825)	(3,320)	(181,029)
Charity Care	(4,373)	(3,256)	(1,117)	(3,049)
Total Contractual Allowances & Charity Care	<u>(167,518)</u>	<u>(163,081)</u>	<u>(4,437)</u>	<u>(184,078)</u>
Net Patient Revenue	<u>207,463</u>	<u>205,034</u>	<u>2,429</u>	<u>188,335</u>
Operating Investment Interest & Dividend Income	-	-	-	-
Other Operating Revenue	7,812	8,126	(314)	9,091
Contribution Income	-	-	-	-
Total Operating Revenue	<u>215,275</u>	<u>213,160</u>	<u>2,115</u>	<u>197,426</u>
OPERATING EXPENSES				
Salaries / Wages / Contract Labor	73,111	72,821	(290)	72,533
Employee Benefits	47,449	46,803	(646)	36,322
Physician Fees	20,214	19,443	(771)	18,291
Purchased Services	16,928	16,420	(508)	16,713
Supplies	28,309	26,833	(1,476)	27,677
Other Expenses	3,731	3,751	20	4,198
Utilities	4,000	4,686	686	4,362
Insurance	2,247	2,325	78	1,866
Depreciation & Amortization	6,986	6,957	(29)	6,244
Interest	2,716	2,716	-	2,758
Bad Debt	10,994	10,934	(60)	10,829
Total Operating Expenses	<u>216,685</u>	<u>213,689</u>	<u>(2,996)</u>	<u>201,793</u>
INCOME (LOSS) FROM OPERATIONS	<u>(1,410)</u>	<u>(529)</u>	<u>(881)</u>	<u>(4,367)</u>
Non Operating Gains (Losses)	-	2,555	(2,555)	3,632
Interest and Dividends	1,952	-	1,952	-
Realized Gains (Losses)	-	-	-	-
Unrealized Gains (Losses)	(550)	-	(550)	-
Non Operating Gains (Losses), Net	<u>1,402</u>	<u>2,555</u>	<u>(1,153)</u>	<u>3,632</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>(8)</u>	<u>2,026</u>	<u>(2,034)</u>	<u>(735)</u>

**Erie County Medical Center Corporation
Erie County Home & Infirmary Only**

**Statement of Operations -
Year-to-Date December 31, 2009***

(Dollars in Thousands)

	Actual	Budget	Variance	Prior Year
<u>OPERATING REVENUE</u>				
Patient Revenue				
Inpatient services	61,801	61,449	352	58,717
Outpatient services	-	-	-	-
Gross Patient Revenue	<u>61,801</u>	<u>61,449</u>	<u>352</u>	<u>58,717</u>
Less:				
Contractual Allowances	(12,262)	(12,389)	127	10,016
Charity Care	(501)	(288)	(213)	(264)
Total Contractual Allowances & Charity Care	<u>(12,763)</u>	<u>(12,677)</u>	<u>(86)</u>	<u>9,752</u>
Net Patient Revenue	<u>49,038</u>	<u>48,772</u>	<u>266</u>	<u>68,469</u>
Operating Investment Interest & Dividend Income	-	-	-	-
Other Operating Revenue	92	60	32	1,284
Contribution Income	-	-	-	-
Total Operating Revenue	<u>49,130</u>	<u>48,832</u>	<u>298</u>	<u>69,753</u>
<u>OPERATING EXPENSES</u>				
Salaries / Wages / Contract Labor	20,913	20,412	(501)	21,347
Employee Benefits	17,181	13,179	(4,002)	16,134
Physician Fees	276	289	13	276
Purchased Services	5,373	5,097	(276)	5,061
Supplies	2,294	2,336	42	2,163
Other Expenses	1,126	1,390	264	1,416
Utilities	1,480	2,280	800	2,127
Insurance	110	85	(25)	139
Depreciation & Amortization	1,563	1,490	(73)	1,487
Interest	1,092	926	(166)	926
Bad Debt	659	1,000	341	780
Total Operating Expenses	<u>52,067</u>	<u>48,484</u>	<u>(3,583)</u>	<u>51,856</u>
INCOME (LOSS) FROM OPERATIONS	<u>(2,937)</u>	<u>348</u>	<u>(3,285)</u>	<u>17,897</u>
Non Operating Gains (Losses)	-	-	-	-
Interest and Dividends	-	-	-	-
Realized Gains (Losses)	-	-	-	-
Unrealized Gains (Losses)	-	-	-	-
Non Operating Gains (Losses), Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>(2,937)</u>	<u>348</u>	<u>(3,285)</u>	<u>17,897</u>

*These financial statements are a subset of the audited financial statements of Erie County Medical Corporation

**Erie County Medical Center Corporation
Erie County Home & Infirmary Only**

Statement of Operations - (Unaudited)

Year-to-Date June 30, 2010

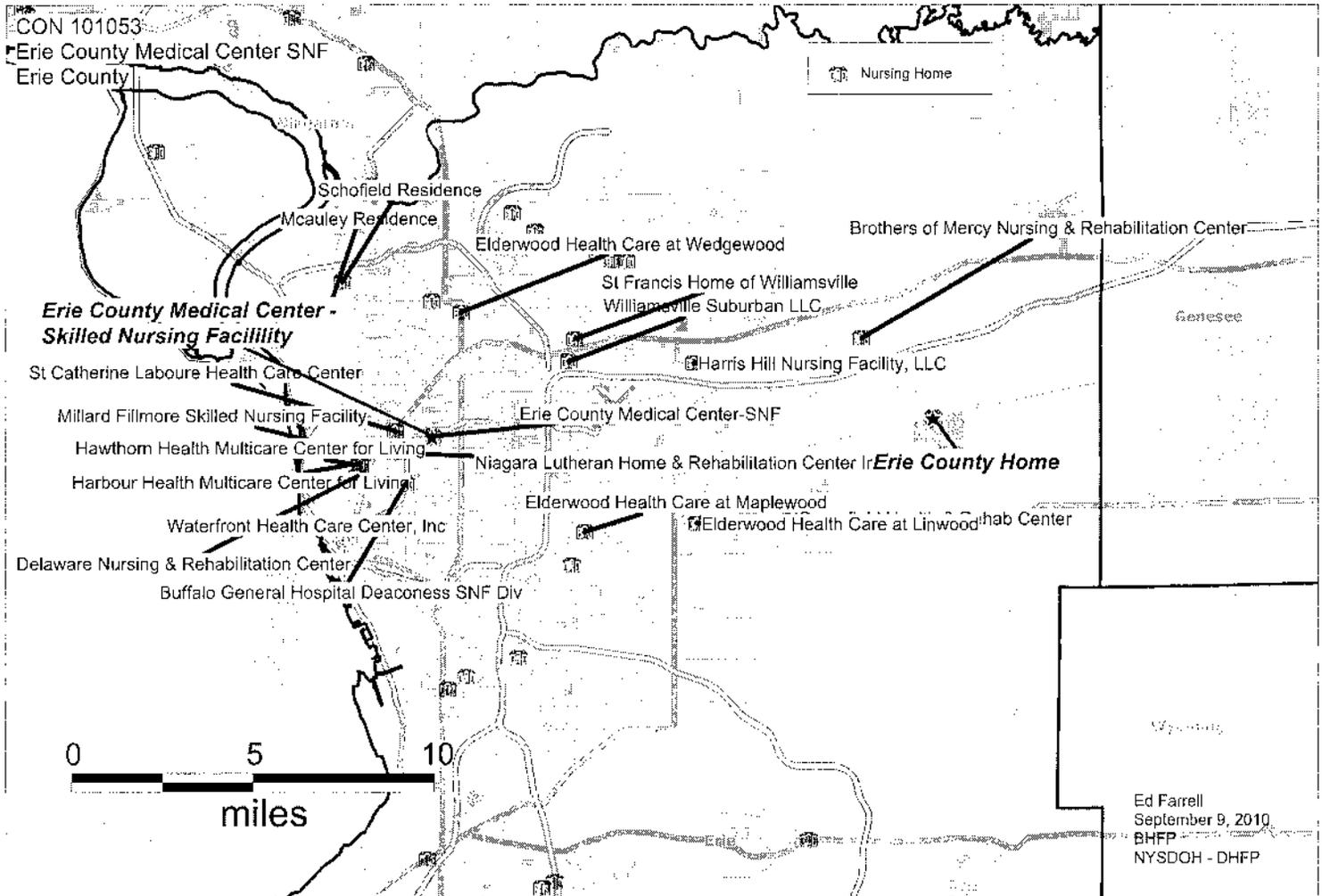
(Dollars in Thousands)

	Actual	Budget	Variance	Prior Year
OPERATING REVENUE				
Patient Revenue				
Inpatient services	27,671	27,782	(111)	20,164
Outpatient services			-	-
Gross Patient Revenue	27,671	27,782	(111)	20,164
Less:				
Contractual Allowances	(4,127)	(3,068)	(1,059)	(3,714)
Charity Care			-	(74)
Total Contractual Allowances & Charity Care	(4,127)	(3,068)	(1,059)	(3,788)
Net Patient Revenue	23,544	24,714	(1,170)	16,376
Operating Investment Interest & Dividend Income			-	-
Other Operating Revenue	15	-	15	59
Contribution Income			-	-
Total Operating Revenue	23,559	24,714	(1,155)	16,435
OPERATING EXPENSES				
Salaries / Wages / Contract Labor	9,460	10,228	768	6,863
Employee Benefits	8,368	8,008	(360)	4,599
Physician Fees	110	43	(67)	99
Purchased Services	2,670	2,553	(117)	1,631
Supplies	952	1,056	104	790
Other Expenses	485	570	85	394
Utilities	747	955	208	804
Insurance	49	72	23	58
Depreciation & Amortization	762	755	(7)	494
Interest	452	459	7	304
Bad Debt	450	332	(118)	300
Total Operating Expenses	24,505	25,031	526	16,336
INCOME (LOSS) FROM OPERATIONS	(946)	(317)	(629)	99
Non Operating Gains (Losses)				
Interest and Dividends	-	-	-	-
Realized Gains (Losses)	-	-	-	-
Unrealized Gains (Losses)	-	-	-	-
Non Operating Gains (Losses), Net	-	-	-	-
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	(946)	(317)	(629)	99

Erie County Medical Center	
Long Term Care Financial Analysis	
Balance Sheet- New Grider Street Facility	
Day One	
Assets	
Current	
Cash	0
Accounts Receivable	0
Inventory	0
Prepays and Other	0
Total Current Assets	0
Non-Current Assets	
Capital Assets	103,282,780
Total Non Current Assets	103,282,780
Total Assets	103,282,780
Current Liabilities	
Accounts Payable	0
Accrued Salaries Wages	0
Accrued Benefits	0
Current Portion of Long Term Debt	1,238,026
Estimated Third Party Settlements	0
Total Current Liabilities	1,238,026
Long Term Liabilities	
Long-Term Debt, net of current portion	86,561,974
Total Long Term Liabilities	86,561,974
Total Liabilities	87,800,000
Net Assets	15,482,780
Total Net Assets and Liabilities	103,282,780

Erie County Medical Center	
Long Term Care Financial Analysis	
Cash Flow of Operations - New Grider Street Facility	
Opening Year 2013	
<u>Operating Activities and nonoperating gains</u>	
Loss from Operations	(4,577,047)
+Depreciation and Amortization	5,410,276
+ Non funded portion of GASB 45-Retiree Health	2,763,380
Net cash (used in) provided by operating activities	3,596,608
<u>Investing Activities</u>	
- Additions to land, building and equipment	(103,282,780)
Increase in assets limited as to use	0
	(103,282,780)
<u>Financing Activities</u>	
+ECMC Equity contribution	15,482,780
+Financing proceeds	87,800,000
Repayment of Borrowings	(1,238,026)
	102,044,754
Net Increase (decrease) in cash	2,358,582
Cash and cash equivalents at beginning of year	0
Cash and cash equivalents at the end of the year	2,358,582

Erie County Medical Center Corporation			
Erie County Home & ECMC SNF			
Statement of Operations -			
Year-to-Date December 31, 2009*			
<i>(Dollars in Thousands)</i>			
	<u>ECH</u>	<u>ECMC SNF</u>	<u>Total</u>
	Actual	Actual	Actual
OPERATING REVENUE			
Patient Revenue			
Inpatient services	61,801	34,845	96,646
Outpatient services	-		
Gross Patient Revenue	61,801	34,845	96,646
Less:			
Contractual Allowances	(12,262)	(17,694)	(29,956)
Charity Care	(501)		(501)
Total Contractual Allowances & Charity Care	(12,763)	(17,694)	(30,457)
Net Patient Revenue	49,038	17,151	66,189
Operating Investment Interest & Dividend Income	-		
Other Operating Revenue	92		
Contribution Income	-		
Total Operating Revenue	49,130	17,151	66,281
OPERATING EXPENSES			
Salaries / Wages / Contract Labor	20,913	6,033	26,946
Employee Benefits	17,181	49	17,230
Physician Fees	276	-	276
Purchased Services	5,373	35	5,408
Supplies	2,294	312	2,606
Other Expenses	1,126	20	1,146
Utilities	1,480		1,480
Insurance	110		110
Depreciation & Amortization	1,563	112	1,675
Interest	1,092		1,092
Bad Debt	659		659
Total Operating Expenses	52,067	6,562	58,629
INCOME (LOSS) FROM OPERATIONS	(2,937)	10,589	7,652
2009 ICR Allocated Costs	7,733	11,045	18,778
2009 ICR Allocated Ancillary Costs	266	1,923	2,189
Total Costs	60,066	19,530	79,596
Non Operating Gains (Losses), Net	-	-	
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	(10,936)	(2,379)	(13,315)
*These financial statements are a subset of the audited financial statements of Erie County Medical Corporation and the 2009 ICR.			



ST. JOHN'S HOME FOUNDATION, INC.
Balance Sheets
March 31, 2010 and 2009
(With Comparative Totals for 2009)

	2010			2009
	Unrestricted	Temporarily Restricted	Total	Total
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 179,670	\$ -	\$ 179,670	\$ 129,261
Pledges receivable - current portion	-	114,136	114,136	44,649
Prepaid expenses and other current assets	96	-	96	-
Total current assets	<u>179,766</u>	<u>114,136</u>	<u>293,902</u>	<u>173,910</u>
Other Assets				
Pledges receivable - net of current portion	-	204,101	204,101	169,137
Investments	6,217,409	381,093	6,598,502	5,562,532
Total other assets	<u>6,217,409</u>	<u>585,194</u>	<u>6,802,603</u>	<u>5,731,669</u>
Total Assets	<u>\$ 6,397,175</u>	<u>\$ 699,330</u>	<u>\$ 7,096,505</u>	<u>\$ 5,905,579</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Deferred revenue	\$ 2,525	\$ -	\$ 2,525	\$ 7,800
Due to related party	42,264	-	42,264	84,031
Grants payable	47,480	-	47,480	39,250
Total current liabilities	<u>92,259</u>	<u>-</u>	<u>92,259</u>	<u>131,081</u>
Net Assets				
Unrestricted	6,304,916	-	6,304,916	5,281,368
Temporarily restricted	-	699,330	699,330	493,130
Total net assets	<u>6,304,916</u>	<u>699,330</u>	<u>7,004,246</u>	<u>5,774,498</u>
Total Liabilities and Net Assets	<u>\$ 6,397,175</u>	<u>\$ 699,330</u>	<u>\$ 7,096,505</u>	<u>\$ 5,905,579</u>

ST. JOHN'S HOME FOUNDATION, INC.
Statements of Activities and Changes in Net Assets
For the Years Ended March 31, 2010 and 2009
(With Comparative Totals for 2009)

	2010			2009
	Unrestricted	Temporarily Restricted	Total	Total
Operating Revenue				
Bequests	\$ 30,847	\$ -	\$ 30,847	\$ 265,541
Contributions	81,799	746,887	828,686	514,172
Golf tournament	80,477	-	80,477	73,204
Net assets released from restriction	540,687	(540,687)	-	-
Total operating revenue	<u>733,810</u>	<u>206,200</u>	<u>940,010</u>	<u>852,917</u>
Operating Expenses				
Grants to St. John's Health Care Corporation, St. John's Home for the Aging, and St. John's Senior Community	1,714,682	-	1,714,682	966,473
Purchased services	212,775	-	212,775	185,478
Other	94,662	-	94,662	47,301
Golf tournament	22,132	-	22,132	29,110
Grants to others	4,000	-	4,000	7,000
Depreciation	-	-	-	613
Total operating expenses	<u>2,048,251</u>	<u>-</u>	<u>2,048,251</u>	<u>1,235,975</u>
Income (Loss) from Operations	(1,314,441)	206,200	(1,108,241)	(383,058)
Non-Operating Gain (Loss)				
Investment gain (loss) - net	<u>2,337,989</u>	<u>-</u>	<u>2,337,989</u>	<u>(2,136,877)</u>
Change in Net Assets	1,023,548	206,200	1,229,748	(2,519,935)
Net Assets - Beginning	<u>5,281,368</u>	<u>493,130</u>	<u>5,774,498</u>	<u>8,294,433</u>
Net Assets - Ending	<u>\$ 6,304,916</u>	<u>\$ 699,330</u>	<u>\$ 7,004,246</u>	<u>\$ 5,774,498</u>

BFA Attachment B

ST. JOHN'S HEALTH CARE CORPORATION

Balance Sheets

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,525,930	\$ 4,897,427
Resident accounts receivable - net	7,260,111	7,374,205
Due from third party payers	1,380,000	-
Prepaid expenses and other current assets	2,022,283	1,074,015
Due from related parties	479,107	398,832
Total current assets	13,667,431	13,744,479
Property and Equipment - Net	19,974,680	21,079,343
Other Assets		
Beneficial interest in St. John's Foundation, Inc.	123,334	113,542
Limited use assets	7,270,989	5,457,776
Deferred financing costs - net of accumulated amortization of \$1,183,924 and \$1,082,159, respectively	1,449,671	1,523,975
Total other assets	8,843,994	7,095,293
Total Assets	\$ 42,486,105	\$ 41,919,115
LIABILITIES AND NET DEFICIT		
Current Liabilities		
Debt - current portion	\$ 1,247,868	\$ 1,162,007
Accounts payable and accrued expenses	1,339,604	1,478,631
Accrued payroll and benefits	2,440,035	2,059,039
Deferred grant revenue	720,000	100,000
Liability for postretirement benefits - current portion	244,274	235,816
Total current liabilities	5,991,781	5,035,493
Long-Term Liabilities		
Debt - net of current portion	31,855,935	33,103,803
Due to third party payers	134,750	745,155
Conditional asset retirement obligation	307,684	284,993
Swap liabilities	2,956,979	4,237,569
Liability for pension benefits	6,011,151	7,788,487
Liability for postretirement benefits - net of current portion	8,031,601	5,632,396
Total long-term liabilities	49,298,100	51,792,403
Total Liabilities	55,289,881	56,827,896
Unrestricted Net Deficit	(12,803,776)	(14,908,781)
Total Liabilities and Net Deficit	\$ 42,486,105	\$ 41,919,115

BFA Attachment B (cont.)

ST. JOHN'S HEALTH CARE CORPORATION
Statements of Activities and Changes in Net Deficit
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Resident Service Revenue	\$ 49,319,166	\$ 48,933,605
Financial Revenue		
Revenue from investments - replacement reserve	4,375	7,330
Revenue from investments - miscellaneous	132,201	272,505
Unrealized gain (loss) on swap contracts	1,280,590	(1,020,775)
Total financial revenue	<u>1,417,166</u>	<u>(740,940)</u>
Miscellaneous Revenue	<u>375,040</u>	<u>324,492</u>
Total Revenue	<u>51,111,372</u>	<u>48,517,157</u>
Administrative Expenses		
Conventions and meetings	48,743	64,247
Management consultants	147,938	151,169
Advertising and marketing	58,709	74,246
Office salaries	679,154	736,773
Office expenses	607,704	558,215
Manager or superintendent salaries	1,741,185	1,603,757
Legal and accounting	144,519	180,292
Bad debt expense	224,108	304,646
Miscellaneous administrative expenses	99,055	112,771
Total administrative expenses	<u>3,751,115</u>	<u>3,786,116</u>
Utilities Expenses		
Electricity	566,213	525,709
Water	111,425	111,970
Gas	472,309	396,529
Total utilities expenses	<u>1,149,947</u>	<u>1,034,208</u>
Operating and Maintenance Expenses		
Salaries	523,324	513,490
Supplies	52,589	62,403
Contracts	327,144	318,241
Security payroll and contracts	479,196	487,126
Vehicle and maintenance equipment operation and repairs	256,344	246,158
Total operating and maintenance expenses	<u>\$ 1,638,597</u>	<u>\$ 1,627,418</u>

ST. JOHN'S HEALTH CARE CORPORATION
Statements of Activities and Changes in Net Deficit - Continued
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Taxes and Insurance Expenses		
Payroll taxes	\$ 1,874,972	\$ 1,843,358
Property and liability insurance	283,214	355,091
Workers' compensation	659,395	1,095,124
Health insurance and other employee benefits	5,276,223	3,708,529
Miscellaneous taxes and insurance - !	2,538,620	2,539,527
Total taxes and insurance expenses	<u>10,632,424</u>	<u>9,541,629</u>
Financial Expenses		
Interest on mortgage payable	2,378,030	2,458,460
Interest on notes payable	7,263	7,766
Mortgage insurance	165,752	171,546
Accretion of conditional asset retirement obligation	22,691	20,524
Total financial expenses	<u>2,573,736</u>	<u>2,658,296</u>
Total Elderly and Congregate Service Expenses -	<u>26,617,983</u>	<u>25,850,511</u>
Total Cost of Operations Before Other Expenses	<u>46,363,802</u>	<u>44,498,178</u>
Changes in Net Deficit Before Other Income (Expenses)	4,747,570	4,018,979
Other Income (Expense)		
Change in beneficial interest in St. John's Foundation, Inc.	9,791	113,542
Depreciation and amortization	(2,603,839)	(2,561,153)
Pension and postretirement changes other than net periodic benefit cost	(48,517)	(2,169,639)
Total other income (expense)	<u>(2,642,565)</u>	<u>(4,617,250)</u>
Changes in Net Deficit	2,105,005	(598,271)
Net Deficit - Beginning	<u>(14,908,781)</u>	<u>(14,310,510)</u>
Net Deficit - Ending	<u>\$ (12,803,776)</u>	<u>\$ (14,908,781)</u>

St. John's Penfield
Balance Sheet
End of construction

Assets:		
	Fixed Assets:	5,305,299
	Total Assets	<u>5,305,299</u>
Liabilities:		
	Long Term Debt	4,510,354
Equity:		794,945
	Total Liabilities & Equity	<u>5,305,299</u>

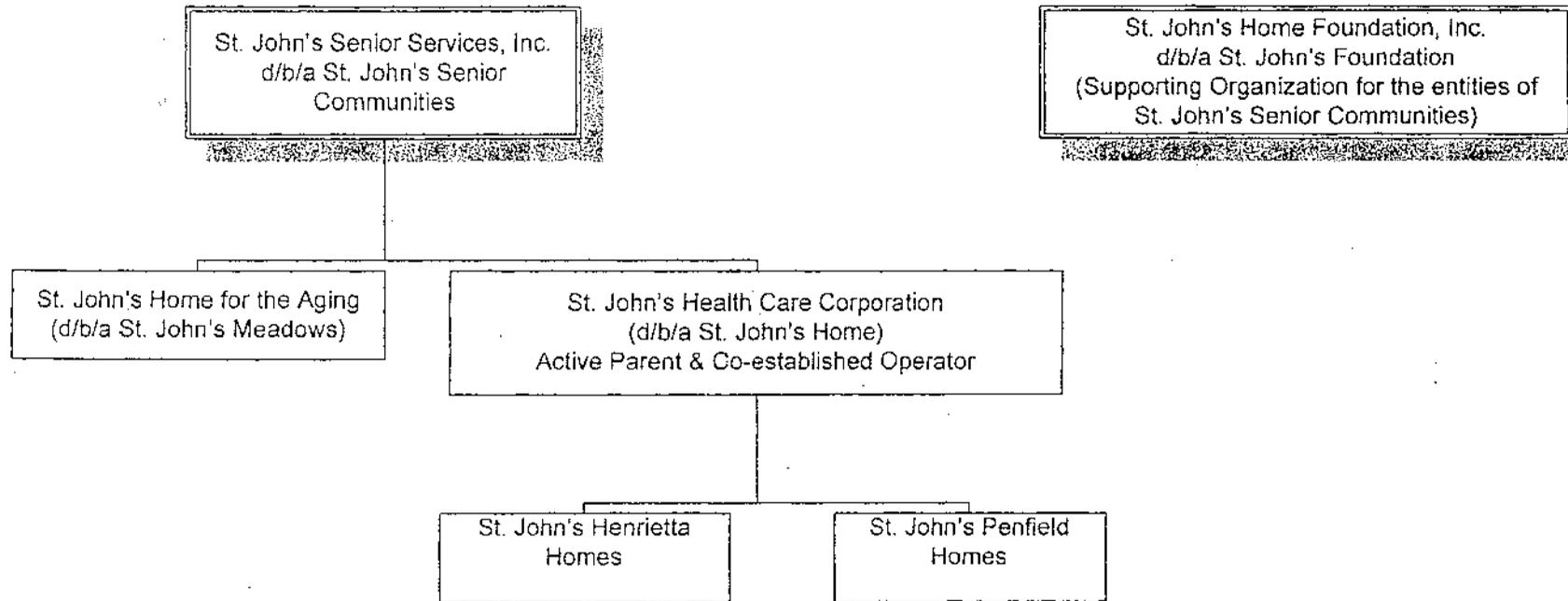
Financial Summary

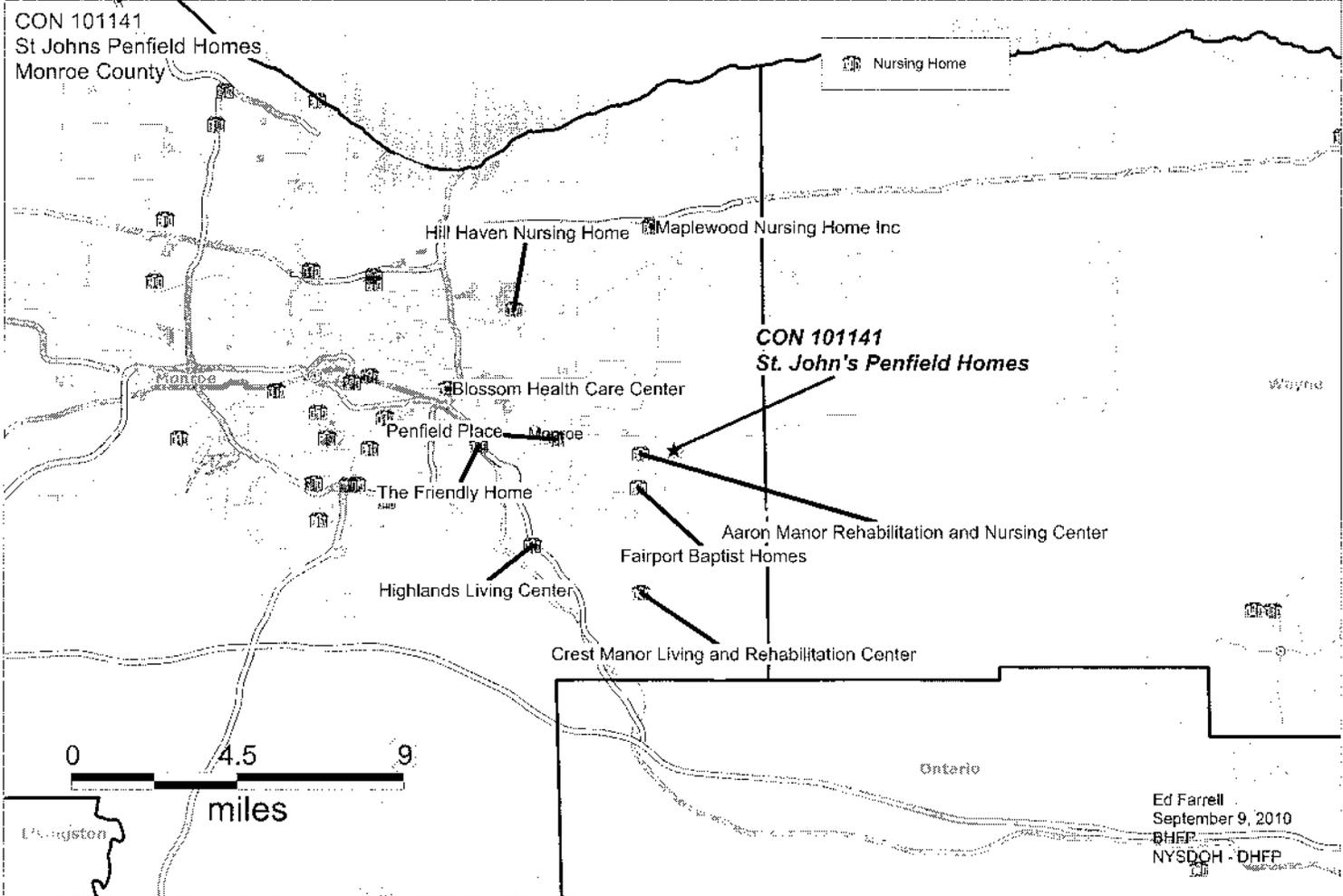
St. John's Health Care Corporation (Monroe County)

FISCAL PERIOD ENDED	12/31/2009	12/31/2008	12/31/2007
ASSETS - CURRENT	\$13,667,431	\$13,744,479	\$11,004,598
ASSETS - FIXED AND OTHER	28,818,674	28,174,636	29,225,922
LIABILITIES - CURRENT	5,991,781	5,035,493	4,132,711
LIABILITIES - LONG-TERM	<u>49,298,100</u>	<u>51,792,403</u>	<u>50,408,319</u>
EQUITY	(\$12,803,776)	(\$14,908,781)	(\$14,310,510)
<hr/>			
INCOME	\$49,319,166	\$48,933,605	\$44,315,665
EXPENSE	<u>47,214,161</u>	<u>49,531,876</u>	<u>46,253,087</u>
NET INCOME	\$2,105,005	(\$598,271)	(\$1,937,422)
<hr/>			
OPERATOR/ DEPRECIATION	\$2,603,839	\$2,561,153	\$2,593,213
OPERATOR SALARIES	\$0	\$0	\$0
NUMBER OF BEDS	475	475	475
PERCENT OF OCCUPANCY (DAYS)	97.66%	98.01%	98.40%
PERCENT OCCUPANCY (DAYS):			
MEDICAID	63.78%	57.36%	60.01%
MEDICARE	4.00%	7.10%	6.26%
PRIVATE/OTHER	32.22%	35.54%	33.73%
<hr/>			
MEDICAID RATE BREAKDOWN:	<u>2010</u>	<u>2009</u>	<u>2008</u>
OPERATING	195.41	200.84	178.10
CAPITAL	<u>31.39</u>	<u>32.56</u>	<u>33.51</u>
TOTAL	226.80	233.40	211.61

LEGAL STRUCTURE of the ORGANIZATION

Monday, July 19, 2010





**New York State Department of Health
State Hospital Review and Planning Council**

September 30, 2010

ATTACHMENT

APPLICATIONS for CERTIFID HOME HEALTH AGENCY AND LONG TERM HOME HEALTH CARE

1. 092088 E Olom Home Care, Inc. d/b/a St. Mary's Metropolitan Home Care for Kids (Kings Co.)
2. 101071 E Home Aide Service of Eastern New York, Inc. d/b/a Eddy Visiting Nurse Association/Wesley VNA (Rensselaer County)
3. 101073 E Seton Health System, Inc. d/b/a Seton Home Health Care (Rensselaer County)
4. 101075 E St. Peter's Hospital of the City of Albany d/b/a St. Peter's Hospital Home Care Department (Albany County)
5. 101157 E Visiting Nurse Services in Westchester, Inc. (Putnam County)
6. 102124 C Visiting Nurse Service of New York Home Care (New York County)

OLOM HOME CARE, INC.
BALANCE SHEET
DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Current assets		
Cash	\$ 89,934	\$ 67,200
Accounts receivable (net of allowance for doubtful accounts of \$88,669 in 2009 and \$150,000 in 2008)	501,353	468,891
Estimated due from third parties		146,580
Prepaid expenses and other assets	12,218	
Due from Metropolitan Jewish Health System Foundation	34,307	
	<u>637,812</u>	<u>682,671</u>
Total current assets		
Other assets		
Fixed assets	203,403	11,334
License	3,600,000	3,600,000
	<u>3,803,403</u>	<u>3,611,334</u>
Total other assets		
	<u>3,803,403</u>	<u>3,611,334</u>
Total assets	<u>\$ 4,441,215</u>	<u>\$ 4,294,005</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 842,931	\$ 908,861
Accrued payroll and related benefits	71,554	89,828
Estimated due to third parties	107,844	18,509
Due to participating agencies of the Metropolitan Jewish Health System	1,290,242	907,145
Due to St. Mary's Healthcare System for Children, Inc.	1,000,000	900,000
	<u>3,312,571</u>	<u>2,824,343</u>
Total liabilities		
	<u>3,312,571</u>	<u>2,824,343</u>
Net assets - unrestricted	<u>1,128,644</u>	<u>1,469,662</u>
Total liabilities and net assets	<u>\$ 4,441,215</u>	<u>\$ 4,294,005</u>

OLOM HOME CARE, INC.
STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Operating revenues		
Community-based service revenue		
Certified home health agency	\$ 3,332,048	\$ 3,235,544
Recovery of bad debt		76,014
Total operating revenues	<u>3,332,048</u>	<u>3,311,558</u>
Operating expenses		
Home care services	3,297,262	3,279,261
Administrative and general	<u>413,768</u>	<u>283,441</u>
Total operating expenses	<u>3,711,030</u>	<u>3,562,702</u>
Net operating loss	<u>(378,982)</u>	<u>(251,144)</u>
Nonoperating income		
Interest income	454	3,880
Contributions	34,307	37,688
Miscellaneous revenue	<u>3,203</u>	<u>692</u>
Total nonoperating income	<u>37,964</u>	<u>42,260</u>
Change in unrestricted net assets	(341,018)	(208,884)
Net assets - unrestricted - beginning of year	<u>1,469,662</u>	<u>1,678,546</u>
Net assets - unrestricted - end of year	<u>\$ 1,128,644</u>	<u>\$ 1,469,662</u>

**METROPOLITAN JEWISH HEALTH SYSTEM FOUNDATION
AND SUBSIDIARY**

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash	\$ 356,387	\$ 5,081,316
Investments	60,152,715	51,594,133
Contributions receivable - current (net of allowance for doubtful accounts of \$57,754 in 2009 and \$100,000 in 2008)	367,181	365,729
Prepaid expenses and deposits	4,250	19,933
Equipment (net of accumulated depreciation of \$23,282 in 2009 and \$16,619 in 2008)	<u>11,624</u>	<u>15,109</u>
Total assets	<u>\$ 60,892,157</u>	<u>\$ 57,076,220</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 186,374	\$ 169,782
Due to participating agencies of the Metropolitan Jewish Health System	<u>1,145,057</u>	<u>649,067</u>
Total liabilities	1,331,431	818,849
Net assets (Unrestricted)	<u>59,560,726</u>	<u>56,257,371</u>
Total liabilities and net assets	<u>\$ 60,892,157</u>	<u>\$ 57,076,220</u>

METROPOLITAN JEWISH HEALTH SYSTEM FOUNDATION
AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2009

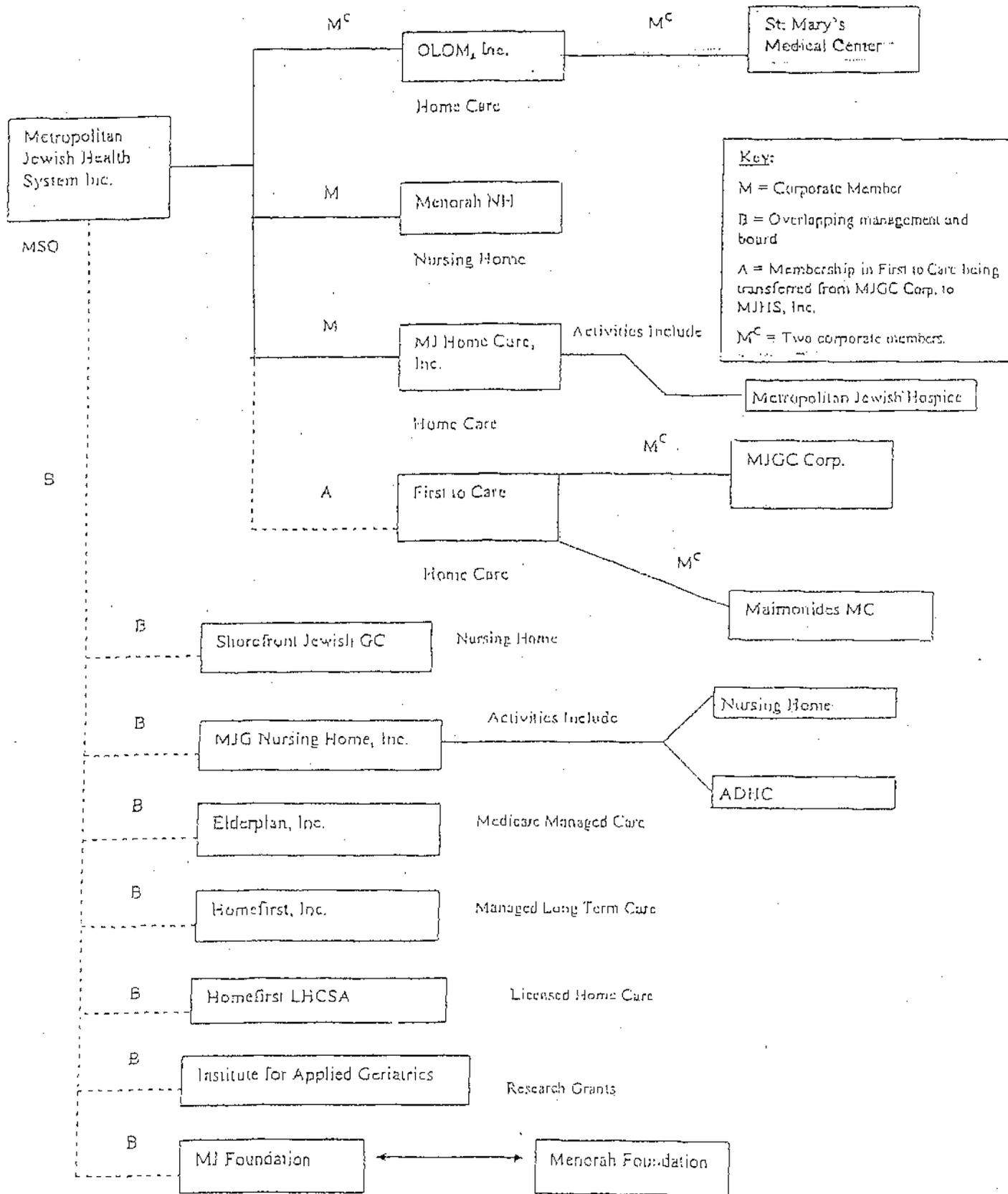
	<u>2009</u>	<u>2008</u>
Revenues and gains		
Contributions	\$ 690,699	\$ 666,771
Investment income (loss)	8,564,215	(21,407,245)
Special events	959,602	1,075,781
	<u>10,214,516</u>	<u>(19,664,693)</u>
Total revenues and gains		
Expenses		
Program service		
Health care services	5,381,066	5,802,573
Supporting services		
Management and general	396,901	496,245
Fund raising	887,858	429,273
Direct cost of special events	245,336	332,279
	<u>1,530,095</u>	<u>1,257,797</u>
Total supporting services		
Total expenses	<u>6,911,161</u>	<u>7,060,370</u>
Change in net assets before other changes	3,303,355	(26,725,063)
Transfers		<u>(35,274)</u>
Change in net assets	3,303,355	(26,760,337)
Net assets - beginning of year	<u>56,257,371</u>	<u>83,017,708</u>
Net assets - end of year	<u>\$ 59,560,726</u>	<u>\$ 56,257,371</u>

OLOM Home Care dba St. Mary's Metropolitan
Home Care for Kids
Pro Forma Balance Sheet

	Certified Financials 12/31/08	Current Year 12/01/09	Year 1
Assets			
Current Assets			
Cash & Equivalents			
Cash	\$ 67,200	\$ 83,785	\$ 83,785
Homecare Recruitment, Training & Retention Grant	\$ -	\$ 160,576	\$ 160,576
Homecare Provision, Accesibility, Quality & Efficiency Grant	\$ -	\$ 50,292	\$ 50,292
Foundation Grant	\$ -	\$ -	\$ 610,000
Accounts Receivable*	\$ 468,891	\$ 746,941	\$ 746,941
Prepaid Expense & Security Deposit	\$ -	\$ 12,218	\$ 12,218
Due from Third Parties	\$ 146,580	\$ 2,250	\$ 2,250
Total Current Assets	\$ 682,671	\$ 1,056,062	\$ 1,666,062
Other Assets			
Fixed Asset	\$ 11,334	\$ 54,562	\$ 38,562
License	\$ 3,600,000	\$ 3,600,000	\$ 3,600,001
Total Other Assets	\$ 3,611,334	\$ 3,654,562	\$ 3,638,563
Total Assets	\$ 4,294,005	\$ 4,710,624	\$ 5,304,625
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable and Accrued Expenses	\$ 998,689	\$ 1,024,282	\$ 1,024,282
Due to SJGC - Working Capital	\$ 900,000	\$ 1,000,000	\$ 1,000,000
Due to St. Mary's - Working Capital	\$ 900,000	\$ 1,000,000	\$ 1,000,000
Due to Third Parties	\$ 18,509	\$ -	\$ -
Due to Participating Agencies of MJHS	\$ 7,145	\$ 314,180	\$ 314,180
Total Current Liabilities	\$ 2,824,343	\$ 3,338,462	\$ 3,338,462
Net Assets			
Net Assets	\$ 1,469,662	\$ 1,161,295	\$ 2,161,295
Total Other Assets	\$ 1,469,662	\$ 1,161,295	\$ 2,161,295
Total Liabilities and Net Assets	\$ 4,294,005	\$ 4,499,757	\$ 5,499,757

*Accounts Receivable in 2008 are net in allowance of \$150,000 for doubtful accounts. In year 1, the net allowance is \$181,591.

Proposed Organization of Metropolitan Jewish Health System



ESTABLISHMENT CHECKLIST

APPLICATION: 092088-E Olom Home Care d/b/a St. Mary's Metropolitan Home Care for Kids

NATURE OF APPLICATION: Transfer Shorefront Jewish Geriatric Center, Inc. d/b/a MJGC Home Care to Olom Home Care d/b/a St. Mary's Metropolitan Home Care for Kids

AUSPICE: NON PROFIT
 PROPRIETARY
 PUBLIC

UNIT COST:

	<u>YEAR ONE</u> <u>Cost/Visit/Hour</u>	<u>YEAR THREE</u> <u>Cost/Visit/Hour</u>
Nursing	\$144.68	\$139.05
Physical Therapy	\$101.45	\$101.33
Speech Therapy	\$101.82	\$101.71
Occupational Therapy	\$96.16	\$96.07
Home Health Aides*	\$18370	\$18.68
Infusion Therapy	\$85.11	\$85.08
Medical Social Services	\$78.07	\$74.39

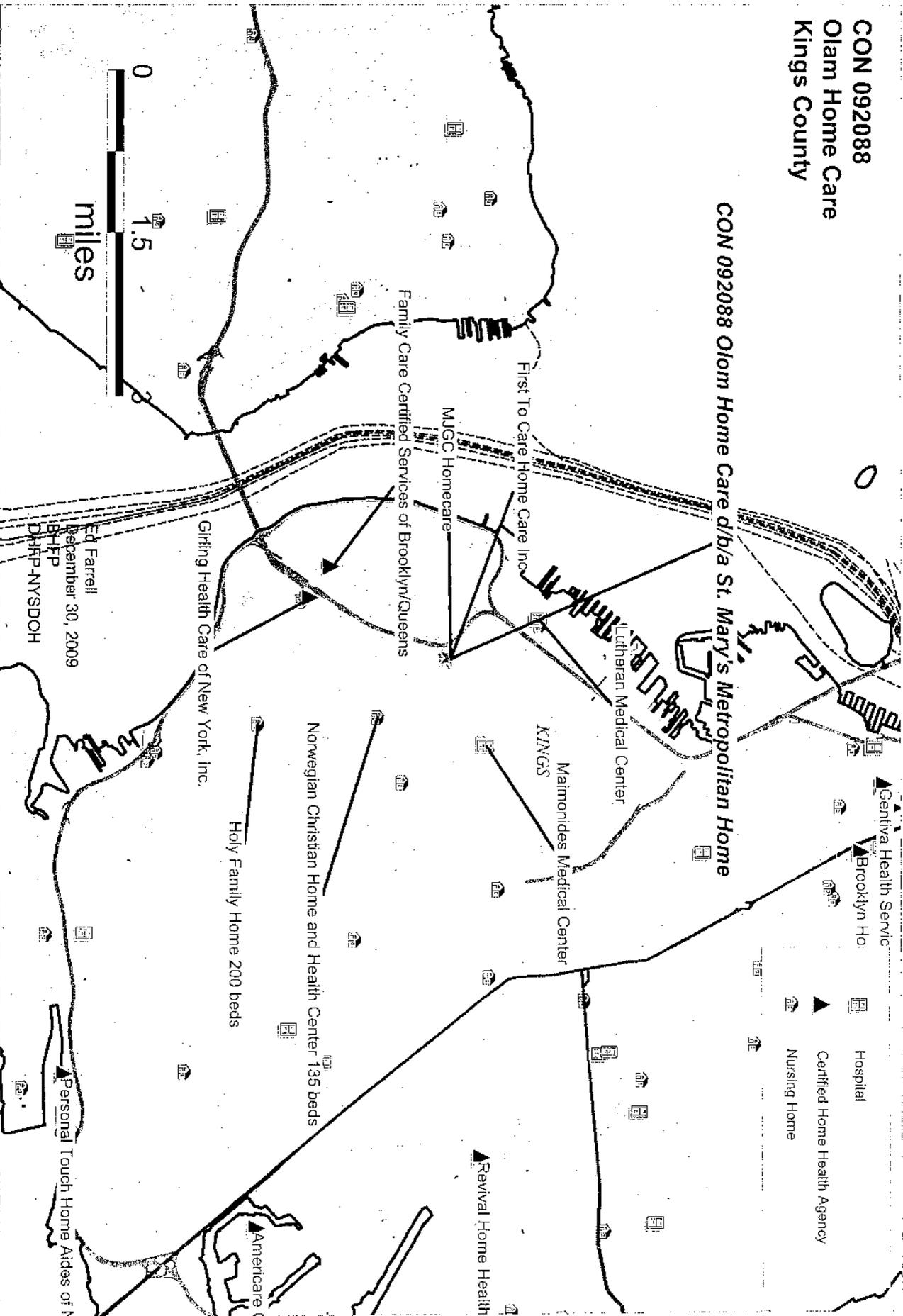
*Reported in hours

PAYOR SOURCE: YEAR ONE AND THREE

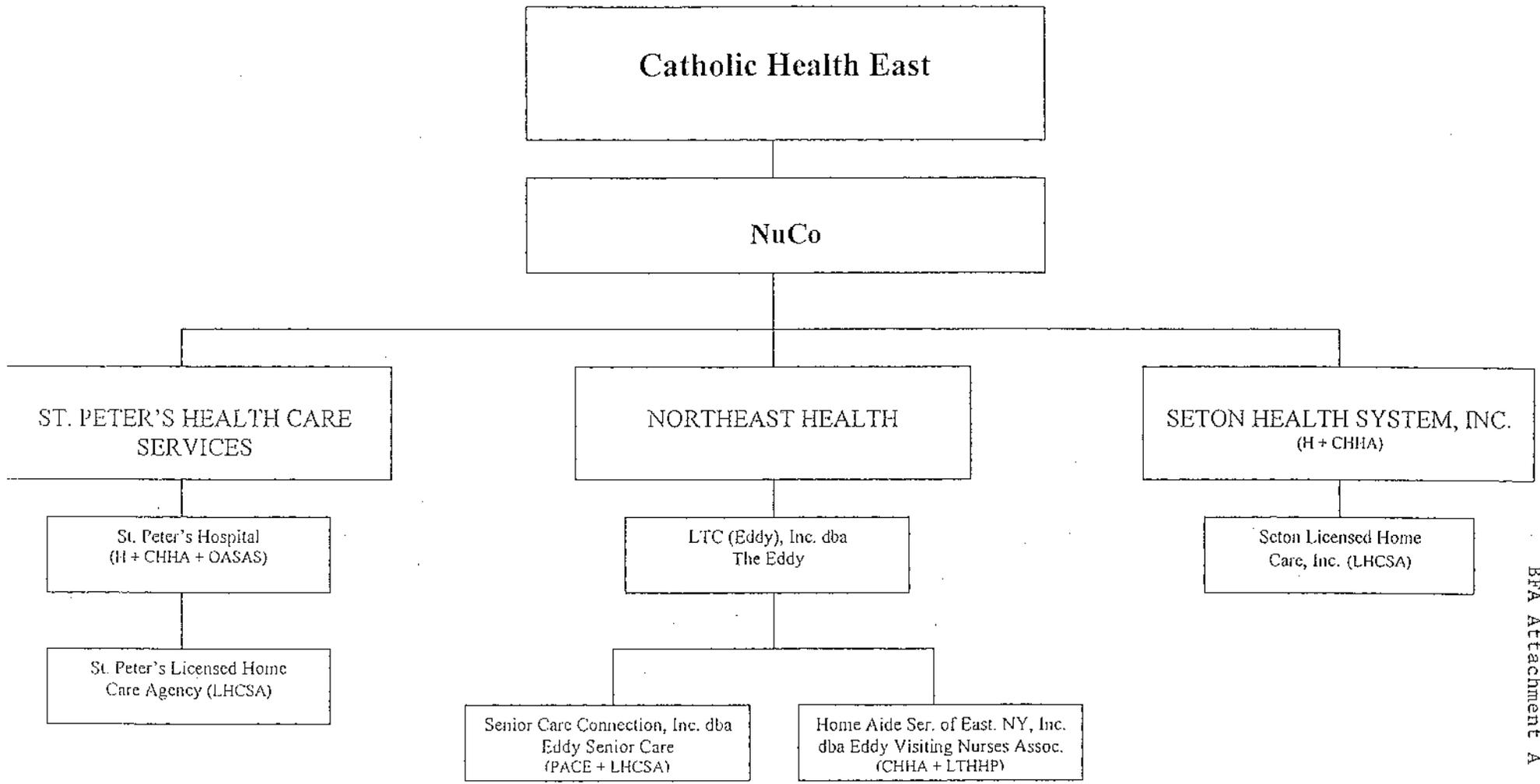
MEDICAID-M/C	13.2%
MEDICAID-FFS	79.1%
COMMERCIAL-M/C	1.2%
COMMERCIAL-FFS	4.5%
CHARITY CARE	2.0%

CON 092088
Olam Home Care
Kings County

CON 092088 Olam Home Care d/b/a St. Mary's Metropolitan Home



NuCo Organizational Chart
Article 36 Entities' Controlling Persons
 February 16, 2010



BFA Attachment A

* Except for CHE, all entities depicted will have a mirror board with NuCo.

BFA attachment B

NORTHEAST HEALTH, INC. AND AFFILIATES
 Combining Balance Sheet - Eddy Affiliates
 December 31, 2009
 (Dollars in thousands)

Assets	Combined	EMCC	Heritage	EVG	EFNU	Supoview	MDRC	Eddy Property Services	Beverlyock	Glen Eddy	Hawthorne Bridge	HASENY	ESC
Current assets:													
Cash and cash equivalents	\$ 29,847	637	671	3,757	—	1,971	1,709	1,796	8,217	1,406	1,600	4,640	1,393
Investments	13,813	3,581	—	—	—	1,676	1,050	142	3,301	384	—	1,560	—
Accounts receivable, net	15,335	674	962	1,294	—	6,940	60	—	52	20	29	3,244	30
Due from related organizations	767	187	—	114	—	322	—	12	132	—	—	—	—
Prepaid expenses and other current assets	2,713	274	89	164	—	1,029	49	15	366	115	38	305	85
Total current assets	63,627	5,215	1,722	5,429	—	15,918	4,868	1,965	12,229	2,125	2,687	9,749	1,708
Assets whose use is limited	21,644	1,183	1	10,739	—	3,747	660	674	3,064	3	247	63	525
Interest in Northeast Health Foundation, Inc.	1,996	74	24	979	—	1	233	—	442	23	19	190	11
Interest in Supoview Foundation James A. Eddy Memorial Foundation	5,635	—	—	—	—	3,639	—	—	—	—	—	—	—
Property and equipment, less accumulated depreciation and amortization	115,381	8,238	3,168	52,460	—	13,741	3,287	3,324	18,031	16,319	14,184	1,707	762
Other assets													
Deferred financing costs, net	3,157	—	69	1,255	—	407	—	—	429	94	863	—	—
Due from affiliates	3,800	—	—	—	—	—	—	—	3,800	—	—	—	—
Intangible assets	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	171	—	—	—	—	89	—	72	—	—	—	—	—
	7,128	—	69	1,255	—	506	—	72	4,229	94	863	—	—
	\$ 247,337	49,265	4,994	50,833	—	37,517	8,248	6,235	37,935	18,570	18,006	11,709	3,006

BFA Attachment B (cont.)

NORTHEAST HEALTH INC. AND AFFILIATES

Combining Balance Sheet - Eddy Affiliates

December 31, 2006

(Dollars in thousands)

Liabilities and Net Assets	Combined	EMOC	Heritage	EYG	EPNH	Sunnyside	MDRC	Eddy Property Services	Beverlycreek	Glen Eddy	Hawthorne Edge	HASENY	ESC
Current liabilities:													
Accounts payable and accrued expenses	\$ 4,104	253	399	702	—	1,525	55	12	386	190	107	341	529
Accrued salaries, wages, and related items	4,332	362	337	691	—	1,339	3	—	339	102	83	900	174
Other current liabilities	3,834	187	16	2,569	—	110	—	—	729	425	14	74	—
Due to affiliates	1,978	164	1,439	—	—	—	20	—	—	81	150	21	63
Estimated third-party settlements	3,952	286	283	1,129	—	—	—	—	—	—	—	2,124	190
Current portion of long-term debt	1,295	—	—	—	—	290	—	—	400	398	205	2	—
Total current liabilities	15,495	1,332	2,214	4,791	—	3,064	80	17	1,814	1,206	559	3,462	896
Other liabilities:													
Accrued pension obligation	1,653	159	—	194	—	300	—	—	222	76	532	—	—
Asset retirement obligations	8,825	419	325	856	—	6,425	76	—	114	28	38	419	55
Resident entrance fees:													
Refundable entrance fees	47,086	—	—	—	—	—	—	—	27,176	14,348	5,564	—	—
Unearned entrance fees	3,322	—	—	—	—	—	—	—	1,255	1,028	349	—	—
	50,220	—	—	—	—	—	—	—	28,031	15,376	5,913	—	—
Long-term debt:													
Due to affiliates	13,872	—	1,789	—	—	—	—	1,413	143	7,128	3,269	—	130
Capital lease obligations	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortgage notes payable	4,810	—	—	—	—	—	—	—	—	4,810	—	—	—
Bonds payable	56,750	—	—	30,750	—	11,305	—	—	5,400	—	9,295	—	—
Notes payable	2	—	—	—	—	—	—	—	—	—	—	2	—
	75,434	—	1,789	30,750	—	11,305	—	1,413	5,543	12,938	12,564	2	130
Less portion classified as current	1,295	—	—	—	—	290	—	—	400	398	205	2	—
	74,139	—	1,789	30,750	—	11,015	—	1,413	5,143	12,540	12,359	—	130
Net assets (deficit):													
Unrestricted	51,139	12,805	552	12,917	—	12,815	2,998	4,755	955	(9,694)	(14,422)	2,521	1,824
Temporarily restricted	6,336	117	24	588	—	1,160	1,094	30	462	22	19	190	11
Permanently restricted	37,314	34,513	—	—	—	2,487	—	—	244	5	2	63	—
Total net assets (deficit)	94,789	47,435	576	13,905	—	18,462	5,092	4,805	1,661	(9,667)	(14,001)	2,714	1,835
	\$ 247,337	\$ 49,263	\$ 4,984	\$ 30,833	\$ —	\$ 37,552	\$ 9,248	\$ 6,235	\$ 37,935	\$ 18,338	\$ 18,000	\$ 11,709	\$ 3,066

BFA Attachment B (cont.)

NORTHEAST HEALTH, INC. AND AFFILIATES
 Combining Statement of Operations and Changes in Net Assets - Eddy Affiliates
 Year ended December 31, 2009
 (Dollars in thousands)

	Combined	EMCC	Heritage	EVG	EPNH	Sunnyside	MDRC	Eddy Property Service	Beverlych	Glen Eddy	Hawthorne Ridge	HASERY	ESC
Unrestricted revenue, gifts, and other support													
Net patient service revenue:													
Long-term care services	\$ 115,691	7,543	10,667	14,958	—	46,843	—	—	—	—	—	30,533	11,152
Senior housing	25,816	2,512	—	—	—	—	2,817	—	2,742	5,922	3,418	—	—
	141,507	10,455	10,667	14,958	—	46,843	2,817	—	8,742	5,922	5,418	30,533	11,152
Distribution from James A. Eddy Memorial Foundation	—	—	—	—	—	—	—	—	—	—	—	—	—
Other revenue and net assets released from restrictions	3,890	369	264	1,866	—	2,215	435	725	137	213	54	283	189
Investment income	435	94	—	19	—	12	10	40	267	3	8	6	—
Grants	743	103	—	37	—	661	146	—	—	—	—	—	—
Total operating revenue	148,601	11,021	10,931	16,872	—	49,731	3,408	765	9,146	6,243	5,480	30,822	11,341
Expenses:													
Salaries and wages	75,781	5,633	6,262	8,648	—	24,347	1,770	23	2,610	1,847	1,878	17,707	4,556
Employee benefits	16,984	1,191	1,316	2,338	—	5,292	432	4	522	372	362	3,344	901
Supplies and other	47,656	2,713	2,491	4,423	—	10,923	734	153	3,109	2,468	1,760	8,329	1,578
Interest and financing fees	2,285	12	174	242	—	484	—	—	101	334	491	2	—
Depreciation and amortization	10,056	773	575	1,251	—	1,675	425	320	1,367	1,182	1,374	730	178
Provision for bad debts	1,433	113	436	45	—	426	18	—	—	—	—	314	—
Total expenses	144,294	10,435	11,254	16,950	—	43,937	3,392	300	7,909	6,233	5,895	30,666	11,213
Operating margin (loss)	309	586	(323)	(878)	—	(466)	16	265	1,237	(99)	(415)	156	128
Nonoperating revenue (expenses):													
Gifts and bequests, net	717	2	3	5	—	680	1	—	16	—	4	3	3
Investment income (loss), net	721	32	(151)	1	—	700	76	(6)	21	16	3	35	—
Net unrealized gains (losses) on trading investments	3,402	692	183	—	—	961	339	108	781	83	—	255	—
(Loss) gain on disposal of property and equipment	(70)	2	(3)	(61)	—	(3)	—	—	(8)	—	—	—	1
Total nonoperating revenue (expenses), net	4,772	735	22	(55)	—	2,318	416	102	810	99	7	293	4
Excess (deficiency) of revenue over expenses	5,080	1,321	(166)	(1,223)	—	1,932	432	367	2,047	9	(318)	449	132

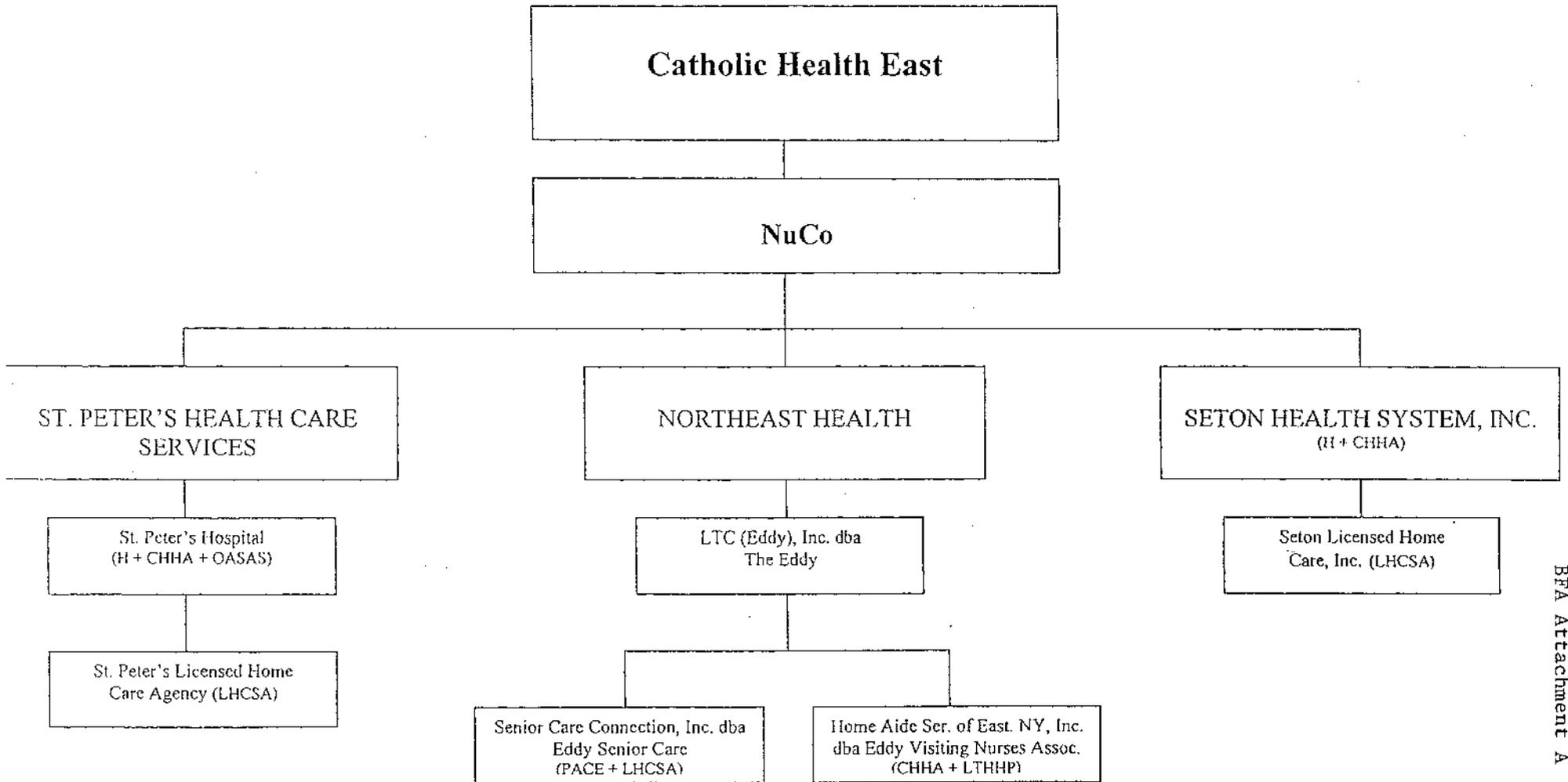
Eddy VNA
Consolidated Balance Sheet

ASSETS	07/31/2010
<i>Current Assets</i>	
Cash	3,803,480
Accounts Receivable	2,624,222
Allowance for Bad Debts	(221,580)
Grant Receivables	7,990
Prepays	78,640
Distribution Receivable - EHIS	1,474,330
Interest in NeH Foundation	107,390
Other Assets	<u>30,425</u>
<i>Total Current Assets</i>	7,904,898
<i>Plant, Property & Equipment</i>	
Plant, Property & Equipment	3,339,349
Accumulated Depreciation	<u>(2,780,435)</u>
<i>Total PP&E</i>	558,914
<i>Long Term Investments</i>	1,677,416
<i>Total Assets</i>	<u>10,141,228</u>
LIABILITIES AND NET ASSETS	
<i>Current Liabilities</i>	
Accounts Payable	122,890
Due to (from) Affiliates	(791,563)
Accrued Payroll & Payroll Liabilities	972,820
Accrued Liabilities	505,015
Due to (from) Third Parties	<u>1,386,126</u>
<i>Total Current Liabilities</i>	2,195,288
NeH Assessments	(1,240,000)
Board Designated	1,351,443
Permanently Restricted	62,902
Interest in NeH Foundation	107,390
Net Assets	7,356,328
Net Assets - Current Year	<u>307,877</u>
<i>Total Net Assets</i>	7,945,940
<i>Liabilities and Net Assets</i>	<u>10,141,228</u>

Eddy VNA
Statement of Revenues and Expenses at
July 31, 2010

	Current	Year - To - Date
Operating revenue:		
Net patient service revenue	2,074,875	14,043,415
Other revenue and program grants	50,722	288,101
Distribution from EHIS	55,235	92,751
Interest and dividend income	<u>958</u>	<u>5,769</u>
Total operating revenue	2,181,790	14,430,036
Expenses:		
Salaries and wages	1,156,216	8,202,186
Employee benefits	246,594	1,735,551
Supplies and Other	579,708	4,059,048
Provision for bad debts	9,465	57,056
Depreciation and amortization	20,807	141,750
Interest	0	0
Total expenses	2,012,790	14,195,591
Operating margin	169,000	234,445
Nonoperating revenue:		
Investment income	2,491	78,909
Change in net unrealized losses on investments	32,351	(24,226)
Donations	<u>0</u>	<u>18,750</u>
Total nonoperating revenue	34,842	73,433
Excess of revenue over expenses	<u>203,842</u>	<u>307,878</u>

NuCo Organizational Chart
Article 36 Entities' Controlling Persons
 February 16, 2010



BFA Attachment A

* Except for CHE, all entities depicted will have a mirror board with NuCo.

Seton Health System, Inc.

Consolidated Balance Sheets

(Dollars in Thousands)

	December 31	
	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,909	\$ 8,245
Accounts receivable, less allowances for uncollectible accounts (\$9,419 and \$7,179 in 2009 and 2008, respectively)	16,116	18,707
Other receivables	1,726	761
Estimated settlements from third-party payors	1,115	3,058
Inventories	1,794	1,911
Other	1,186	1,082
Total current assets	<u>30,846</u>	<u>33,764</u>
Board-designated investments	19,831	14,227
Assets limited as to use:		
By donor – temporarily restricted	2,914	3,145
By donor – permanently restricted	522	522
Total assets limited as to use	<u>3,436</u>	<u>3,667</u>
Investments	26,935	13,383
Property and equipment:		
Land and improvements	3,106	3,106
Building and equipment	111,519	110,884
Construction in progress	1,056	1,375
Less accumulated depreciation	(89,119)	(86,097)
Total property and equipment, net	<u>26,562</u>	<u>29,268</u>
Other assets:		
Deferred charges, less accumulated amortization ((\$3,652 and \$3,646 in 2009 and 2008, respectively)	124	130
Deferred compensation and other	2,808	2,474
Total other assets	<u>2,932</u>	<u>2,604</u>
Total assets	<u>\$ 110,542</u>	<u>\$ 96,913</u>

	December 31	
	2009	2008
Liabilities and net assets		
Current liabilities:		
Current portion of long-term debt	\$ 981	\$ 1,019
Accounts payable and accrued liabilities	17,145	15,688
Estimated payables to third-party payors	3,365	-
Self-insurance liabilities	634	673
Total current liabilities	<u>22,125</u>	<u>17,380</u>
Noncurrent liabilities:		
Long-term debt	42,916	43,897
Accrued pension	14,372	916
Self-insurance liabilities	874	1,160
Deferred compensation	2,518	1,890
Other	1,299	1,330
Total noncurrent liabilities	<u>61,979</u>	<u>49,193</u>
Total liabilities	<u>84,104</u>	<u>66,573</u>
Net assets:		
Unrestricted	23,002	26,673
Temporarily restricted	2,914	3,145
Permanently restricted	522	522
Total net assets	<u>26,438</u>	<u>30,340</u>
Total liabilities and net assets	<u>\$ 110,542</u>	<u>\$ 96,913</u>

Seton Health System, Inc.

Consolidated Statements of Operations and Changes in Net Assets
(Dollars in Thousands)

	Years Ended December 31	
	2009	2008
Operating revenue:		
Net patient service revenue	\$ 151,660	\$ 144,374
Other revenue	3,450	3,477
Net assets released from restrictions for operations	3	250
Total operating revenue	<u>155,113</u>	<u>148,101</u>
Operating expenses:		
Salaries and wages	73,295	70,835
Employee benefits	15,326	13,803
Purchased services	10,429	9,948
Professional fees	4,725	4,808
Supplies	19,689	18,615
Insurance	1,222	212
Bad debts	8,595	7,373
Interest	1,365	1,854
Depreciation and amortization	3,289	3,532
Other	13,448	13,710
Total operating expenses	<u>151,383</u>	<u>144,690</u>
Income from operations	3,730	3,411
Nonoperating gains (losses), net	6,348	(9,892)
Excess (deficiency) of revenue over expenses	<u>\$ 10,078</u>	<u>\$ (6,481)</u>

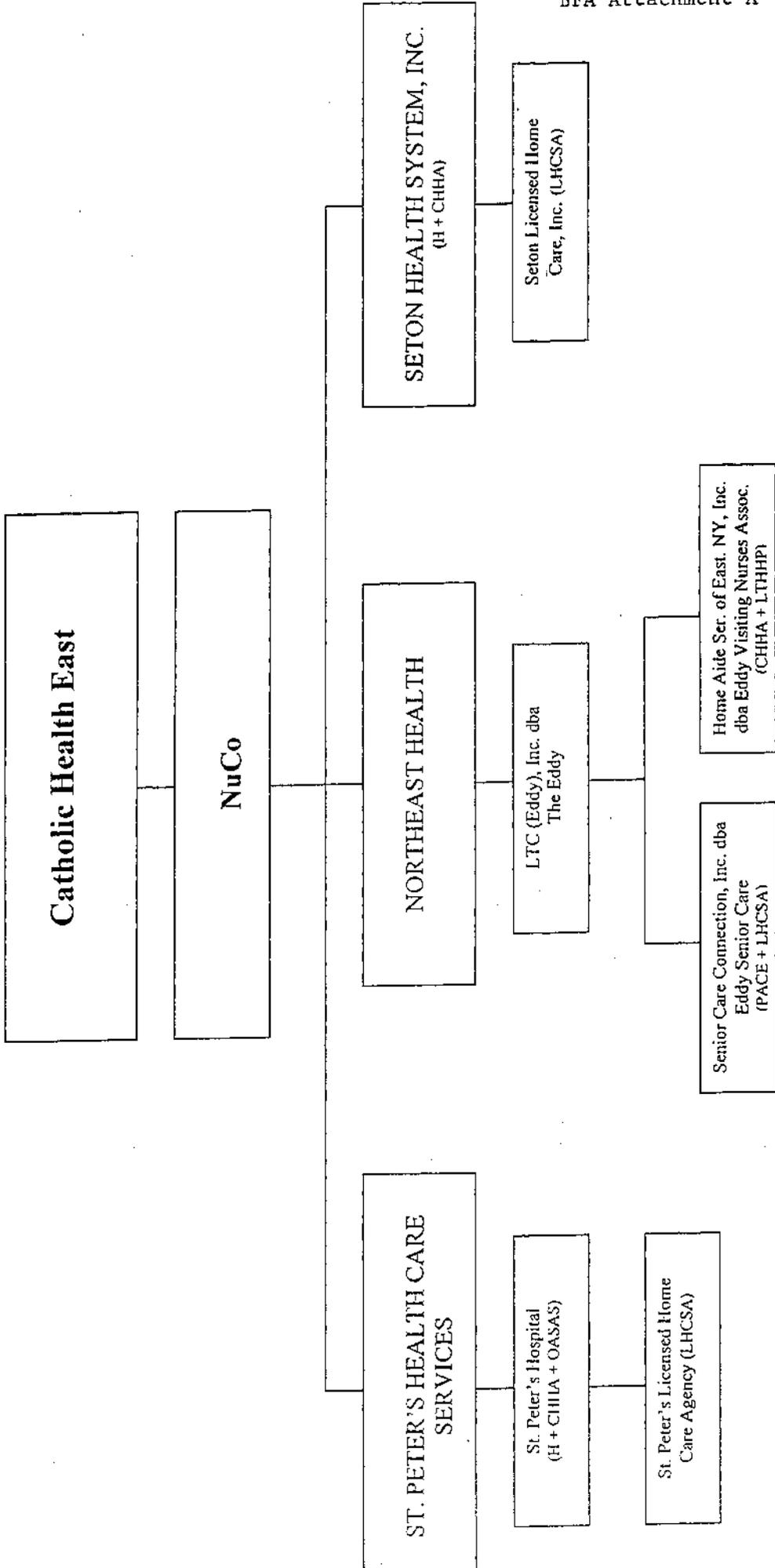
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Seton Health System, Inc

*Fiscal Year '10 - July 2009-June 2010***Product Line Analysis****Seton Home Health Care**

	Actual
Net Patient Service Revenue	7,410,430
Other Revenue	0
Total Revenue	<u>7,410,430</u>
Operational Expense	
Salary and Benefits	4,719,125
Non Salary	1,141,207
Total Operational Expense	<u>5,860,331</u>
Net Operational Margin	1,550,099
Total Visits	<u>49,042</u>
Total Admissions	3,450

NuCo Organizational Chart
Article 36 Entities' Controlling Persons
 February 16, 2010



* Except for CHE, all entities depicted will have a mirror board with NuCo.

St. Peter's Hospital and Related Entity
Combining Balance Sheet
December 31, 2009

<i>(in thousands of dollars)</i>	St. Peter's Hospital	St. Peter's Nursing and Rehabilitation Center	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 20,392	\$ 2,030	\$ 22,422
Investments	35,288	-	35,288
Patient accounts receivable, less allowance for doubtful accounts of \$23,280	44,965	1,381	46,346
Due from affiliates	547	-	547
Other receivables	1,893	7	1,900
Inventories	4,282	28	4,310
Prepaid expenses and other current assets	2,738	12	2,750
Total current assets	<u>110,105</u>	<u>3,458</u>	<u>113,563</u>
Marketable securities whose use is limited			
Board designated funds	32,344	3,397	35,741
Trustee held funds	70,562	4,143	74,705
Donor restricted funds	6,687	-	6,687
Total marketable securities whose use is limited	<u>109,593</u>	<u>7,540</u>	<u>117,133</u>
Property and equipment, net	259,628	3,379	263,007
Debt issuance costs, net	6,995	-	6,995
Interest in net assets of the Foundation	26,744	-	26,744
Market value of derivative financial instruments	827	-	827
Total assets	<u>\$ 513,892</u>	<u>\$ 14,377</u>	<u>\$ 528,269</u>
Liabilities and Net Assets			
Current liabilities			
Current portion of long-term debt	\$ 3,872	\$ 205	\$ 4,077
Due to affiliates	300	18	318
Accounts payable and accrued expenses	25,080	344	26,324
Salaries and benefits payable	13,478	576	14,054
Estimated third-party payables	7,466	730	8,196
Accrued workers compensation liability, current portion	1,346	-	1,346
Other current liabilities	3,014	51	3,065
Total current liabilities	<u>55,456</u>	<u>1,924</u>	<u>57,380</u>
Long-term debt, less current portion	220,704	5,602	226,206
Accrued malpractice liability	5,366	-	5,366
Accrued workers compensation liability	4,879	-	4,879
Accrued pension liability	19,932	-	19,932
Market value of derivative financial instruments	238	-	238
Other long-term liabilities	20,833	-	20,833
Total liabilities	<u>327,208</u>	<u>7,426</u>	<u>334,634</u>
Net assets			
Unrestricted	161,139	6,951	168,090
Temporarily restricted	19,690	-	19,690
Permanently restricted	5,855	-	5,855
Total net assets	<u>186,684</u>	<u>6,951</u>	<u>193,635</u>
Total liabilities and net assets	<u>\$ 513,892</u>	<u>\$ 14,377</u>	<u>\$ 528,269</u>

St. Peter's Hospital and Related Entity
Combining Statement of Operations and Changes in Net Assets
Year Ended December 31, 2009

<i>(in thousands of dollars)</i>	St. Peter's Hospital	St. Peter's Nursing and Rehabilitation Center	Total
Unrestricted revenues, gains and other support			
Net patient service revenue	\$ 396,890	\$ 14,484	\$ 411,374
Other operating revenue	13,340	186	13,526
Net assets released from restrictions used for operations	453	-	453
Total unrestricted revenues, gains and other support	410,683	14,670	425,353
Expenses			
Salaries and wages	154,879	7,572	162,451
Employee benefits	35,970	1,784	37,754
Physician fees	3,708	91	3,799
Professional fees and purchased services	27,579	695	28,274
Medical supplies	65,222	291	65,513
Pharmaceuticals	16,185	434	16,619
Depreciation and amortization	21,966	368	22,334
Interest	4,616	327	4,943
Insurance	4,047	163	4,210
New York State Health Facilities Assessment	1,135	594	1,729
Provision for bad debts	22,868	64	22,932
Other	37,289	1,593	38,882
Total operating expenses	395,464	13,976	409,440
Operating income	15,219	694	15,913
Non-operating gains			
Equity in earnings of unconsolidated organization	980	-	980
Change in fair value of derivative financial instruments	2,467	-	2,467
Investment returns, net	5,352	23	5,375
Other gains	954	-	954
Excess of revenues over expenses	\$ 24,972	\$ 717	\$ 25,689

St. Peter's Hospital and Related Entity
Combining Statement of Operations and Changes in Net Assets
Year Ended December 31, 2009

continued

<i>(in thousands of dollars)</i>	St. Peter's Hospital	St. Peter's Nursing and Rehabilitation Center	Total
Unrestricted net assets			
Excess of revenues over expenses	\$ 24,972	\$ 717	\$ 25,689
Transfers to affiliates	(51)	-	(51)
Contributions for capital expenditures	500	-	500
Pension adjustment	9,153	-	9,153
Increase in unrestricted net assets	34,574	717	35,291
Temporarily restricted net assets			
Contributions	645	-	645
Change in beneficial restricted interest of the Foundation	(316)	-	(316)
Net assets released from restrictions used for operations	(453)	-	(453)
Decrease in temporarily restricted net assets	(124)	-	(124)
Permanently restricted net assets			
Realized losses on investments	(249)	-	(249)
Unrealized gains on investments	1,121	-	1,121
Increase in permanently restricted net assets	872	-	872
Increase in net assets	35,322	717	36,039
Net assets			
Beginning of the year	151,362	6,234	157,596
End of the year	\$ 186,684	\$ 6,951	\$ 193,635

**Catholic Health East
Consolidated Balance Sheets
Years Ended December 31, 2009 and 2008**

(in thousands of dollars)

	2009	2008
Assets		
Current assets		
Cash and cash equivalents	\$403,737	\$280,403
Investments	72,399	52,856
Marketable securities whose use is limited	30,573	35,777
Patient accounts receivable, net of estimated uncollectibles of \$326,314 and \$293,754 for 2009 and 2008, respectively	493,748	487,734
Collateral received on securities pledged	47,376	23,941
Other accounts receivable	98,639	111,221
Prepaid expenses and inventories	154,988	131,021
Assets held for sale	<u>32,101</u>	<u>22,880</u>
Total current assets	1,333,561	1,145,833
Marketable securities and investments whose use is limited		
Board-designated funds	303,979	241,759
Trustee-held funds	216,635	275,910
Donor-restricted funds	63,703	68,942
Investments	<u>396,453</u>	<u>333,139</u>
Total marketable securities and investments whose use is limited	980,770	919,750
Property and equipment, net	2,032,024	2,034,194
Equity investments in managed funds	303,336	333,717
Investments in unconsolidated organizations	1,150,083	878,051
Posted collateral on interest rate swaps	-	98,414
Goodwill	39,756	44,868
Other assets	<u>165,196</u>	<u>188,236</u>
Total assets	<u>\$6,004,726</u>	<u>\$5,643,063</u>
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt	\$27,433	\$51,493
Portion of variable rate demand obligations and line of credit classified as current	108,437	57,167
Accounts payable and accrued expenses	561,232	577,224
Collateral due broker on securities pledged	47,376	23,941
Estimated third party payor settlements, net	65,066	60,978
Other	160,851	166,922
Liabilities related to assets held for sale	<u>20,000</u>	<u>20,000</u>
Total current liabilities	990,415	957,725
Long-term debt, net	1,628,141	1,745,465
Other liabilities	440,499	634,472
Insurance liabilities, net of current portion	296,297	277,435
Deferred revenue from entrance fees	<u>47,380</u>	<u>49,766</u>
Total liabilities	3,402,732	3,664,863
Net assets		
Unrestricted	2,449,026	1,817,647
Temporarily restricted	126,964	126,076
Permanently restricted	<u>26,004</u>	<u>34,476</u>
Total net assets	<u>2,601,994</u>	<u>1,978,199</u>
Total liabilities and net assets	<u>\$6,004,726</u>	<u>\$5,643,062</u>

Catholic Health East
Consolidated Statement of Operations
Years Ended December 31, 2009 and 2008

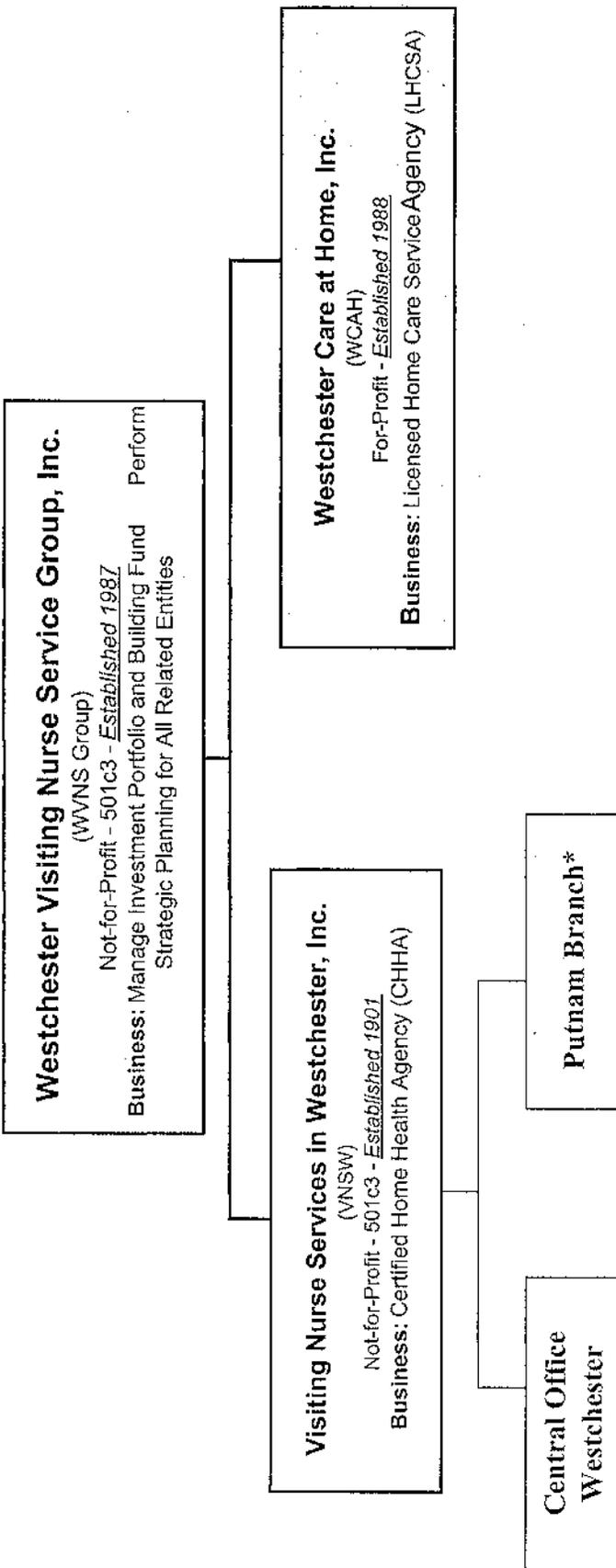
(in thousands of dollars)

	2009	2008
Unrestricted revenue, gains and other support		
Net patient service revenue	\$4,344,598	\$4,016,318
Other operating revenue, gains and other support	<u>299,499</u>	<u>284,414</u>
Total unrestricted revenue, gains and other support	<u>4,644,097</u>	<u>4,300,732</u>
Expenses		
Salaries, wages and benefits	2,350,881	2,179,917
Medical supplies	738,403	682,529
Purchased services, professional fees and other expenses	951,275	890,353
Depreciation and amortization	220,399	199,995
Interest	67,051	65,893
Insurance	64,900	52,230
Provision for bad debts	<u>274,749</u>	<u>254,682</u>
Total operating expenses	<u>4,667,658</u>	<u>4,325,599</u>
Operating (loss)	<u>(23,561)</u>	<u>(24,867)</u>
Non-operating gains (losses)		
Investment returns, net	142,374	(231,936)
Net cumulative unrealized losses transferred to trading securities	(59,289)	-
Equity in gains (losses) earnings of unconsolidated organizations	227,968	(159,313)
Restructuring expenses and impairment losses	(16,317)	(7,328)
Nonrecurring charges	(3,711)	(1,536)
Gain (loss) on extinguishment of debt	42,674	(2,748)
Change in fair value of interest rate swaps	<u>130,662</u>	<u>(113,875)</u>
Total non-operating gains (losses)	<u>464,361</u>	<u>(516,736)</u>
Excess (deficit) of revenue over expenses	<u>\$440,800</u>	<u>(\$541,603)</u>

Catholic Health East
Consolidated Statement of Changes in Net Assets
Years Ended December 31, 2009 and 2008

(in thousands of dollars)

	2009	2008
Unrestricted net assets		
Excess (deficit) of revenue over expenses	\$440,800	(\$541,603)
Change in unrealized gains (losses) on available-for-sale securities	23,824	(88,277)
Net cumulative unrealized losses transferred to trading securities	59,289	-
Pension adjustment - consolidated organizations	76,373	(284,429)
Pension adjustment related to unconsolidated organizations	6,041	(38,171)
Other changes	33,309	17,491
	<u>639,636</u>	<u>(935,989)</u>
Increase (decrease) in unrestricted net assets before discontinued operations	639,636	(935,989)
Loss from discontinued operations	(8,257)	(25,740)
	<u>631,379</u>	<u>(961,729)</u>
Increase (decrease) in unrestricted net assets	631,379	(961,729)
Temporarily restricted net assets		
Contributions	27,088	33,127
Investment income (loss)	2,047	(3,161)
Change in unrealized gains (losses) on investments	1,525	(2,782)
Net assets released from restrictions	(25,220)	(38,121)
Other changes	(4,552)	(3,179)
	<u>888</u>	<u>(14,116)</u>
Increase (decrease) in temporarily restricted net assets	888	(14,116)
Permanently restricted net assets		
Contributions	(125)	2
Net realized and unrealized gains (losses) on investments	1,896	(4,387)
Other changes	(10,243)	(8,057)
	<u>(8,472)</u>	<u>(12,442)</u>
Decrease in permanently restricted net assets	(8,472)	(12,442)
Increase (decrease) in net assets	623,795	(988,287)
Net assets		
Beginning of year	<u>1,978,199</u>	<u>2,966,486</u>
End of year	<u>\$2,601,994</u>	<u>\$1,978,199</u>



* Putnam branch to do business as "Visiting Nurse Services in Putnam"

VISITING NURSE SERVICES IN WESTCHESTER, INC.

Balance Sheet

ASSETS	As of: 6/30/2010	As of: 12/31/2009
<u>Current Assets</u>		
1 Cash	\$ 720,522	\$ 1,041,609
2 Money Market Fund & Investments	1,746,117	1,742,936
3 Accounts Receivable - Net (562,199 and 488,396)	3,268,152	3,125,543
4 Medicaid Payment in Transit	234,142	274,514
5 Grants Receivable	1,874	11,240
6 Prepaid Expenses and Other Assets	177,082	237,179
7 <i>Total Current Assets</i>	<u>\$ 6,147,889</u>	<u>\$ 6,433,021</u>
<u>Fixed Assets</u>		
9 Equipment /Furniture	2,750,154	2,631,334
10 Office Improvement	415,725	415,725
11 Less: Accumulated Depreciation	(2,219,050)	(2,111,706)
12 <i>Total Fixed Assets</i>	<u>946,829</u>	<u>935,353</u>
13 <i>Total Assets</i>	<u>\$ 7,094,718</u>	<u>\$ 7,368,374</u>
LIABILITIES AND FUND BALANCES		
<u>Liabilities:</u>		
14 Accounts Payable and Accrued Expenses	\$ 354,075	\$ 656,988
15 Accrued Payroll and Employee Benefits	2,021,096	2,031,694
16 Due to Third Party Payers	1,588,385	1,539,000
17 Due to Affiliated Entities	117,793	156,879
18 Deferred Revenue - Medicare Episodes	1,702,797	1,420,364
19 <i>Total Liabilities</i>	<u>\$ 5,784,146</u>	<u>\$ 5,804,925</u>
<u>Fund Balance:</u>		
20 Unrestricted	1,309,422	1,562,299
21 Superintendents Program	1,150	1,150
22 <i>Total Restricted Fund Balance</i>	<u>1,150</u>	<u>1,150</u>
23 <i>Total Fund Balance</i>	<u>1,310,572</u>	<u>1,563,449</u>
24 <i>Total Liabilities and Fund Balance</i>	<u>\$ 7,094,718</u>	<u>\$ 7,368,374</u>
<u>Accounts Receivable Days</u>		
25 All Payers	57	56
26 Medicare	51	52
27 Medicaid	51	51
<u>Accounts Payable Days</u>		
28	34	40

Visiting Nurse Services in Westchester, Inc.
Statement of Revenue and Expenses
 June 30, 2010

	Current Month		Year-to-date				2009 YTD
	Actual	Budget	Actual	Budget	Variance	%	
1 Net Patient Revenue	2,062,050	2,105,259	12,099,773	12,631,554	(531,781)	-4%	11,150,027
2 Operating Expenses							
3 Allowable Expenses	1,962,792	1,941,437	11,682,954	12,014,820	(331,866)	-3%	10,280,281
4 Non-Covered Costs	74,884	143,826	431,165	496,757	(65,592)	-13%	745,661
5 Tele Health Costs	32,989	36,403	219,557	218,418	1,139	1%	72,282
6 Ancillary Costs	35,906	26,850	214,163	161,099	53,064	33%	156,436
7 Total Operating Costs	2,106,571	2,148,516	12,547,839	12,891,093	(343,254)	-3%	11,254,660
8 Excess/(Shortage) Patient Revenue	(44,521)	(43,257)	(448,066)	(259,540)	(188,527)	-73%	(104,633)
Other Operating Revenue	29,431	29,558	157,420	177,350	(19,930)	-11%	148,800
9 Excess/(Shortage) Revenue	(15,090)	(13,698)	(290,646)	(82,190)	(208,457)	-25%	44,167
10 Non-Operating Revenue	9,357	14,750	38,027	88,500	(50,473)	-57%	50,321
11 Funds Transferred to Related Entity	-	-	-	-	-	-	(300,000)
12 Change in Net Assets	(5,735)	1,052	(252,619)	6,311	(258,930)		(205,512)

13 Non-Covered Costs	Actual	Budget	Variance
14 Cost Related to Other Operating Revenues	148,816	145,000	3,816
15 Provision for Uncollectible	100,738	96,000	4,738
16 Community Relations, ATVN, Complementary Care.	85,633	103,847	(18,214)
17 Fund Raising	5,989	24,000	(18,011)
18 Intake Coordinators	57,094	53,588	3,506
19 A & G Allocation	32,895	72,322	(39,427)
20 Total	431,165	496,757	(65,592)

Statistics

Current Month	2010	2009	Var.	BUDGET	Var.
21 Total Visits	15,372	14,696	4.6%	14,058	9.3%
22 # ADMISSIONS	610	507	20.3%	537	13.7%
23 Visits per Admission	25.20	28.99	-13.1%	26.19	-3.8%
Year To Date					
24 Visits	85,925	81,890	4.9%	84,346	1.9%
25 Admissions	3,344	2,959	13.0%	3,220	3.9%
26 Visits/Admission	25.70	27.67	-7.2%	26.19	-1.9%

PPS Statistics

	Current Year			Budget		
	Episodes	LOPA	%	Episodes	LOPA	%
27 New Episodes	2,209	231	9.5%			
28 Episodes Ended	2,168	267	11.0%	2,225	224	9.1%
29 Visits per Full Episode - Ended this year	27.50		0.0%	26.55		
Program Reimbursable Cost per Visit	2010	2009	Var.	BUDGET	Var.	
30 Home Care	\$135.94	\$ 129.49	5.0%	\$ 150.54	-9.7%	
31 DMS and DME	2.49	1.91	30.4%	2.30	8.3%	
32 Total Program Reimbursable Cost	\$138.43	\$ 131.40	5.4%	\$ 152.84	-9.4%	
33 Total cost Per Visit	\$146.03	\$137.44	6.25%	\$152.84	-4.45%	

Visiting Nurse Services in Westchester, Inc.
(a wholly-controlled subsidiary of Westchester
Visiting Nurse Services Group, Inc.)
Balance Sheets
As of December 31, 2009 and 2008

	2009	2008
Assets		
Current assets		
Cash and cash equivalents	\$ 3,055,564	\$ 2,433,399
Investments	--	1,197
Patient accounts receivable, less allowance for doubtful accounts of \$488,396 (2009) and \$374,658 (2008)	3,129,038	3,134,256
Grants and contributions receivable	11,240	63,549
Prepaid expenses and other assets	<u>237,179</u>	<u>213,788</u>
Total current assets	6,433,021	5,846,189
Furniture, equipment and improvements, net	<u>935,352</u>	<u>753,971</u>
Total assets	<u>\$ 7,368,373</u>	<u>\$ 6,600,160</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 456,881	\$ 413,524
Accrued expenses	2,231,800	1,279,127
Due to affiliated companies, net	156,879	10,956
Deferred revenue	1,420,364	1,362,900
Estimated amounts due to third-party payors	<u>1,539,000</u>	<u>1,424,241</u>
Total liabilities	<u>5,804,924</u>	<u>4,490,748</u>
Commitments and contingencies		
Net assets		
Unrestricted	1,562,299	2,105,178
Temporarily restricted	<u>1,150</u>	<u>4,234</u>
Total net assets	<u>1,563,449</u>	<u>2,109,412</u>
Total liabilities and net assets	<u>\$ 7,368,373</u>	<u>\$ 6,600,160</u>

Visiting Nurse Services in Westchester, Inc.
(a wholly-controlled subsidiary of Westchester
Visiting Nurse Services Group, Inc.)
Statements of Operations and Changes in Net Assets
Years Ended December 31, 2009 and 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and support						
Net patient service revenue	\$ 23,566,108	\$ -	\$ 23,566,108	\$ 22,463,574	\$ -	\$ 22,463,574
Grants and contracts	-	-	-	95,824	-	95,824
Other operating revenue	342,215	-	342,215	292,334	5,000	297,334
Net assets released from restrictions in satisfaction of program restrictions	3,084	(3,084)	-	8,080	(8,080)	-
Total revenue and support	23,911,407	(3,084)	23,908,323	22,859,812	(3,080)	22,856,732
Expenses						
Salaries and wages	12,697,038	-	12,697,038	11,480,962	-	11,480,962
Employee benefits	3,501,746	-	3,501,746	2,969,518	-	2,969,518
Transportation costs	457,028	-	457,028	389,048	-	389,048
Contracted services	4,945,800	-	4,945,800	4,154,955	-	4,154,955
Supplies and other operating expenses	1,351,855	-	1,351,855	1,300,080	-	1,300,080
Other administrative and general costs	948,876	-	948,876	736,282	-	736,282
Depreciation and amortization	218,874	-	218,874	210,972	-	210,972
Loss on disposal of assets	2,924	-	2,924	5,968	-	5,968
Provision for (recovery of) bad debts	201,078	-	201,078	(144,847)	-	(144,847)
Total expenses	24,325,219	-	24,325,219	21,102,936	-	21,102,936
(Loss) income from operations	(413,612)	(3,084)	(416,696)	1,756,876	(3,080)	1,753,796
Non-operating gains	170,933	-	170,933	217,105	-	217,105
(Loss) income from operations and non-operating gains	(242,679)	(3,084)	(245,763)	1,973,981	(3,080)	1,970,901
Transfer to affiliate	(300,000)	-	(300,000)	(900,000)	-	(900,000)
Change in net assets	(542,879)	(3,084)	(545,963)	1,073,981	(3,080)	1,070,901
Net assets, beginning of year	2,105,178	4,234	2,109,412	1,031,197	7,314	1,038,511
Net assets, end of year	\$ 1,562,299	\$ 1,150	\$ 1,563,449	\$ 2,105,178	\$ 4,234	\$ 2,109,412

VISITING NURSE SERVICES IN WESTCHESTER, INC.

Balance Sheet

ASSETS	As of: 6/30/2010	Current VNSW	Related to Putnam	As of: 12/31/2010	* Related to Putnam	As of: 1/1/2011
<i>Current Assets</i>						
1 Cash	720,522	100,000	(24,000)	796,522		796,522
2 Money Market Fund & Investments	1,746,117		(50,000)	1,696,117	(250,000)	1,446,117
3 Mutual Funds				-		-
3 Accounts Receivable - Net (562,199)	3,268,152			3,268,152		3,268,152
4 Medicaid Payment in Transit	234,142			234,142		234,142
5 Grants Receivable	1,874			1,874		1,874
6 Prepaid Expenses and Other Assets	177,082	100,000		277,082		277,082
7 <i>Total Current Assets</i>	6,147,889	200,000	(74,000)	6,273,889	(250,000)	6,023,889
<i>Long-Term Assets</i>						
Rent Security Deposit			24,000	24,000		24,000
Intangible Assets - Putnam					250,000	250,000
<i>Total Long-Term Assets</i>	-	-	24,000	24,000	250,000	274,000
<i>Fixed Assets</i>						
10 Equipment /Furniture	2,750,154		50,000	2,800,154		2,800,154
11 Office Improvement	415,725			415,725		415,725
12 Less: Accumulated Depreciation	(2,219,050)			(2,219,050)		(2,219,050)
13 <i>Total Fixed Assets</i>	946,829	-	50,000	996,829		996,829
14 <i>Total Assets</i>	7,094,718	200,000	-	7,294,718	-	7,294,718
LIABILITIES AND FUND BALANCES						
<i>Liabilities:</i>						
15 Accounts Payable and Accrued Expenses	354,075			354,075		354,075
16 Accrued Payroll and Employee Benefits	2,021,096			2,021,096		2,021,096
18 Due to Third Party Payers	1,588,385	10,000		1,598,385		1,598,385
19 Due to Affiliated Entities	117,793			117,793		117,793
20 Deferred Revenue - Medicare Episodes	1,702,797			1,702,797		1,702,797
21 <i>Total Liabilities</i>	5,784,146	10,000	-	5,794,146	-	5,794,146

<u>Fund Balance:</u>						
21	Unrestricted	1,309,422	190,000		1,499,422	1,499,422
22	Partially Restricted:				-	-
23	Superintendents Program	1,150			1,150	1,150
25	Total Restricted Fund Balance	1,150	-	-	1,150	1,150
26	Total Fund Balance	1,310,572	190,000	-	1,500,572	1,500,572
27	Total Liabilities and Fund Balance	7,094,718	200,000	-	7,294,718	7,294,718

ASSUMPTIONS (Most of the significant changes in the balance sheet are expected to occur prior to January 1, 2011).

1. VNSW operations is anticipated to generate \$200,000 excess revenue in the second half of the year.
2. Prepaid assets are anticipated to increase by \$100,000.
3. A \$10,000 security deposit for the rental of office space in Putnam will be paid.
4. Office equipment and furniture for the Putnam office is anticipated at \$50,000.
5. The Due to Third Party Payers reserve is expected to increase by \$10,000 to reflect expected revenue increase.
7. \$250,000 will be paid to Putnam County DOH for the CHHA's Asset purchase.

Westchester Visiting Nurse Services Group, Inc. and Subsidiaries
Combined Balance Sheets
As of December 31, 2009 and 2008

	2009	2008
Assets		
Current assets		
Cash and cash equivalents	\$ 4,094,424	\$ 3,539,751
Investments	16,418,666	13,898,546
Patient accounts receivable, less estimated allowance for doubtful accounts of \$577,087 (2009) and \$437,812 (2008)	3,765,507	3,556,585
Rent receivable	—	15,758
Grants and contributions receivable	11,240	63,549
Prepaid expenses and other current assets	366,591	341,308
Deferred tax assets	<u>38,216</u>	<u>29,374</u>
Total current assets	24,694,644	21,444,871
Land, building and operating assets - net	2,459,165	2,343,458
Restricted cash	<u>13,350</u>	<u>13,509</u>
Total assets	<u>\$ 27,167,159</u>	<u>\$ 23,801,838</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 479,016	\$ 429,248
Accrued expenses	2,796,576	1,803,987
Income tax payable	36,063	137,380
Deferred revenue	1,420,364	1,362,900
Estimated amounts due to third-party payors	<u>1,539,000</u>	<u>1,424,241</u>
Total current liabilities	6,271,019	5,157,756
Security deposits	<u>13,350</u>	<u>13,509</u>
Total liabilities	<u>6,284,369</u>	<u>5,171,265</u>
Commitments and contingencies		
Net assets		
Unrestricted		
Undesignated general fund	20,678,620	18,413,319
Board designated scholarship fund	90,000	95,000
Temporarily restricted		
Scholarship fund	95,020	100,020
Donor-imposed restricted funds	1,150	4,234
Permanently restricted endowment fund	<u>18,000</u>	<u>18,000</u>
Total net assets	<u>20,882,790</u>	<u>18,630,573</u>
Total liabilities and net assets	<u>\$ 27,167,159</u>	<u>\$ 23,801,838</u>

Westchester Visiting Nurse Services Group, Inc. and Subsidiaries
 Combined Statements of Operations
 Years Ended December 31, 2009 and 2008

	2009				2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support								
Net patient service revenue	\$ 29,331,158	\$ -	\$ -	\$ 29,331,158	\$ 27,562,531	\$ -	\$ -	\$ 27,562,531
Rental income	134,686	-	-	134,686	153,731	-	-	153,731
Grants and contracts	-	-	-	-	95,824	-	-	95,824
Other operating revenue	26,597	-	-	26,597	68,725	5,000	-	73,725
Net assets released from restrictions in satisfaction of program restrictions	13,084	(13,084)	-	-	13,080	(13,080)	-	-
Total revenue and support	29,505,525	(13,084)	-	29,492,441	27,893,891	(6,080)	-	27,885,811
Expenses								
Salaries and wages	17,119,753	-	-	17,119,753	15,353,881	-	-	15,353,881
Employee benefits	4,353,114	-	-	4,353,114	3,683,466	-	-	3,683,466
Transportation costs	457,028	-	-	457,028	389,048	-	-	389,048
Contracted services	4,014,689	-	-	4,014,689	3,516,812	-	-	3,516,812
Supplies and other operating expenses	1,831,293	-	-	1,831,293	1,617,783	-	-	1,617,783
Other administrative and general costs	948,876	-	-	948,876	736,282	-	-	736,282
Depreciation and amortization	341,301	-	-	341,301	338,836	-	-	338,836
Loss on disposal of assets	2,924	-	-	2,924	5,968	-	-	5,968
Interest	30	-	-	30	12,031	-	-	12,031
Provision for (recovery of) bad debts	252,200	-	-	252,200	(184,847)	-	-	(184,847)
Total expenses	29,321,208	-	-	29,321,208	25,469,260	-	-	25,469,260
Income (loss) from operations	184,317	(13,084)	-	171,233	2,424,631	(8,080)	-	2,416,551
Non-operating gains (losses), net	2,278,736	-	-	2,278,736	(2,124,445)	-	-	(2,124,445)
Income (loss) from operations and non-operating gains (losses)	2,463,053	(13,084)	-	2,449,969	300,186	(8,080)	-	292,106
Provision for income taxes	(197,752)	-	-	(197,752)	(175,021)	-	-	(175,021)
Changes in net assets	\$ 2,265,301	\$ (13,084)	\$ -	\$ 2,252,217	\$ 125,165	\$ (8,080)	\$ -	\$ 117,085

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

Consolidated Balance Sheets

December 31, 2009 and 2008

(Dollars in thousands)

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

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

Consolidated Statements of Operations and
Changes in Net Assets

Years ended December 31, 2009 and 2008

(Dollars in thousands)

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

**New York State Department of Health
State Hospital Review and Planning Council**

September 30, 2010

ATTACHMENTS

APPLICATION for HOSPICE

1. 101079 C East End Hospice, Inc. (Suffolk County)
2. 101161 C Hospice Care Network d/b/a Hospice Care of Long Island, Queens, South Shore (Nassau County)

EAST END HOSPICE, INC.

Statement of Financial Position

December 31, 2009

Assets

Current Assets

Cash and cash equivalents	\$ 794,665
Restricted cash	899,861
Accounts receivable, net	398,113
Prepaid expenses	<u>32,793</u>
Total Current Assets	<u>2,125,432</u>

Property and equipment, net

1,257,708

Other Assets

Investments	3,806,875
Security deposit	4,400
New venture	<u>357,060</u>
Total Other Assets	<u>4,168,335</u>

Total Assets

\$ 7,551,475

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 292,462
Accrued expenses	357,329
Security deposits payable	3,400
Taxes payable	<u>8,472</u>
Total Current Liabilities	<u>661,663</u>

Net Assets

Unrestricted	5,989,951
Temporarily restricted:	<u>899,861</u>
Total Net Assets	<u>6,889,812</u>

Total Liabilities and Net Assets

\$ 7,551,475

EAST END HOSPICE, INC.

Statement of Activities and Changes in Net Assets

for the year ended December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Support			
Program service fees, net	\$ 4,550,826	\$ -	\$ 4,550,826
Donations	138,504	1,000	139,504
Donations released from restrictions	37,164	(37,164)	-
Bequests	8,000	-	8,000
Memorials	176,993	-	176,993
Grants	19,000	6,318	25,318
Thrift shop, net	105,023	-	105,023
Camp Good Grief	8,380	-	8,380
Resource development, net	627,337	-	627,337
Investment income	82,366	3,281	85,647
Other income	9,907	-	9,907
Net realized gains on investments	997	-	997
Net change in unrealized gains and losses on investments	<u>649,692</u>	<u>-</u>	<u>649,692</u>
Total Revenues and Support	<u>6,414,189</u>	<u>(26,565)</u>	<u>6,387,624</u>
Expenses			
Patient services	5,087,616	-	5,087,616
Management and general services	301,086	-	301,086
Fundraising and public awareness	<u>540,803</u>	<u>-</u>	<u>540,803</u>
Total Expenses	<u>5,929,505</u>	<u>-</u>	<u>5,929,505</u>
Changes in Net Assets	484,684	(26,565)	458,119
Net Assets, beginning of year	<u>5,505,267</u>	<u>926,426</u>	<u>6,431,693</u>
Net Assets, end of year	<u>\$ 5,989,951</u>	<u>\$ 899,861</u>	<u>\$ 6,889,812</u>

EAST END HOSPICE, INC.

Statement of Financial Position

December 31, 2008

Assets

Current Assets

Cash and cash equivalents	\$ 2,553,531
Restricted cash	926,426
Accounts receivable, net	407,577
Prepaid expenses	<u>34,688</u>
Total Current Assets	<u>3,922,222</u>

Property and equipment, net	<u>321,190</u>
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Other Assets

Investments	2,434,586
Security deposit	4,400
New venture	<u>352,754</u>
Total Other Assets	<u>2,791,740</u>

Total Assets	<u>\$ 7,035,152</u>
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Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 261,879
Accrued expenses	333,921
Taxes payable	<u>7,659</u>
Total Current Liabilities	<u>603,459</u>

Net Assets

Unrestricted	5,505,267
Temporarily restricted	<u>926,426</u>
Total Net Assets	<u>6,431,693</u>

Total Liabilities and Net Assets	<u>\$ 7,035,152</u>
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EAST END HOSPICE, INC.

Statement of Activities and Changes in Net Assets

for the year ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Support			
Program service fees, net	\$ 4,841,892	\$ -	\$ 4,841,892
Donations	151,518	228,195	379,713
Donations released from restrictions	40,957	(40,957)	-
Bequests	355,469	-	355,469
Memorials	169,613	-	169,613
Grants	39,477	-	39,477
Thrift shop, net	93,182	-	93,182
Camp Good Grief	13,847	-	13,847
Resource development, net	739,861	-	739,861
Investment income	137,916	-	137,916
Other income	323	-	323
Net realized gains on investments	118,261	-	118,261
Net change in unrealized gains and losses on investments	<u>(1,289,969)</u>	<u>-</u>	<u>(1,289,969)</u>
Total Revenues and Support	<u>5,412,347</u>	<u>187,238</u>	<u>5,599,585</u>
Expenses			
Patient services	4,875,138	-	4,875,138
Management and general services	286,595	-	286,595
Fundraising and public awareness	544,134	-	544,134
Total Expenses	<u>5,705,867</u>	<u>-</u>	<u>5,705,867</u>
Changes in Net Assets	(293,520)	187,238	(106,282)
Net Assets, beginning of year	6,335,274	202,701	6,537,975
Transfer to temporarily restricted	<u>(536,487)</u>	<u>536,487</u>	<u>-</u>
Net Assets, end of year	<u>\$ 5,505,267</u>	<u>\$ 926,426</u>	<u>\$ 6,431,693</u>

EAST END HOSPICE, INC.

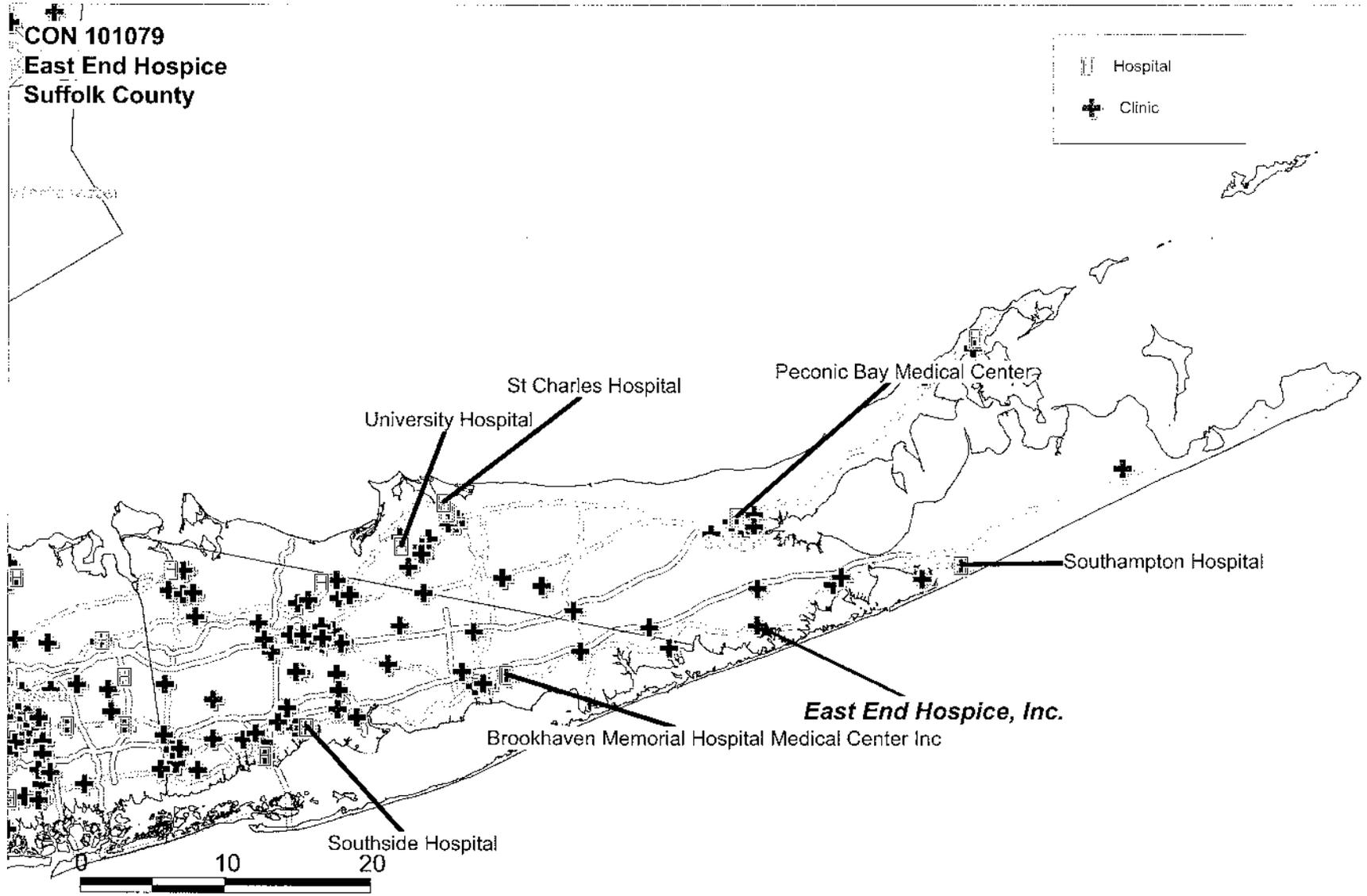
EIGHT-(8)-BED INPATIENT UNIT
MONTHLY CASH FLOW ANALYSIS -- YEAR 1

BFA Attachment C

Month	1	2	3	4	5	6	7	8	9	10	11	12
Starting Cash	307,913	178,008	211,785	245,562	237,584	229,606	221,628	213,650	210,312	206,973	222,193	237,412
Monthly Revenue	0	163,682	163,682	163,682	163,682	163,682	163,682	163,682	163,682	163,682	163,682	163,682
Monthly Expenses	129,905	129,905	129,905	171,660	171,660	171,660	171,660	167,020	167,020	148,463	148,463	148,463
Remaining Cash	178,008	211,785	245,562	237,584	229,606	221,628	213,650	210,312	206,973	222,193	237,412	252,631

CON 101079
East End Hospice
Suffolk County

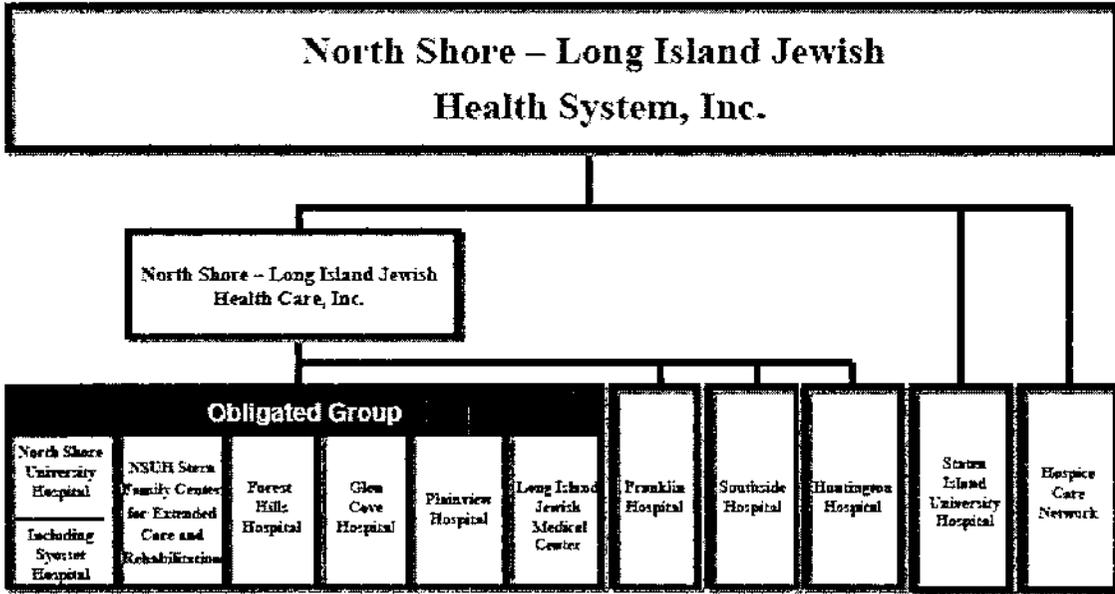
Hospital
Clinic



Ed Farrell
July 14, 2010
BHFP-DHFP
NYSDOH



Network Table of Organization
Revised September 2008



Hospice Care Network, Inc.

Statements of Financial Position

	December 31	
	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,260,902	\$ 4,212,838
Investments	4,646,172	3,245,665
Accounts receivable for services to patients, less estimated uncollectibles of approximately \$404,000 in 2009 and \$599,000 in 2008	4,672,329	5,964,846
Pledges receivable, current portion	17,112	11,981
Other current assets	237,914	186,528
Total current assets	<u>15,834,429</u>	<u>13,621,858</u>
Pledges receivable, net, less current portion	9,111	2,120
Assets limited as to use	1,612,031	1,529,179
Long-term investments	2,630,920	2,778,034
Property, plant and equipment, net	1,675,779	1,994,469
Other assets	227,413	212,501
Total assets	<u>\$ 21,989,683</u>	<u>\$ 20,138,161</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 3,998,161	\$ 3,971,865
Accrued salaries and related benefits	1,708,788	1,848,429
Total current liabilities	<u>5,706,949</u>	<u>5,820,294</u>
Deferred rent payable	605,595	616,405
Total liabilities	<u>6,312,544</u>	<u>6,436,699</u>
Commitments and contingencies		
Net assets:		
Unrestricted	13,954,923	11,805,409
Temporarily restricted	1,343,987	1,517,824
Permanently restricted	378,229	378,229
Total net assets	<u>15,677,139</u>	<u>13,701,462</u>
Total liabilities and net assets	<u>\$ 21,989,683</u>	<u>\$ 20,138,161</u>

'es.

Hospice Care Network, Inc.

Statements of Operations

	Year Ended December 31	
	2009	2008
Operating revenue:		
Net hospice service revenue	\$ 40,445,665	\$ 39,908,485
Net assets released from restrictions used for operations	664,632	227,988
Total operating revenue	<u>41,110,297</u>	<u>40,136,473</u>
Operating expenses:		
Salaries	16,051,623	15,524,202
Employee benefits	3,335,405	3,278,558
Contracted services	17,908,420	16,927,223
Other general and administrative	2,832,594	2,828,445
Bad debt expense	-	225,000
Depreciation and amortization	651,333	657,207
Total operating expenses	<u>40,779,375</u>	<u>39,440,635</u>
Excess of operating revenue over operating expenses	330,922	695,838
Non-operating gains and losses:		
Contributions, net of direct expenses of special events of \$126,788 in 2009 and \$335,831 in 2008	1,038,754	1,217,388
Investment income	91,434	226,505
Change in net unrealized gains and losses	454,706	(611,185)
Total non-operating gains and losses	<u>1,584,894</u>	<u>832,708</u>
Excess of revenue and gains and losses over expenses	1,915,816	1,528,546
Net assets released from restrictions for capital purposes	233,698	250,226
Increase in unrestricted net assets	<u>\$ 2,149,514</u>	<u>\$ 1,778,772</u>

Hospice Care Network
Statement of Income - Actual vs Budget
For the period ending June 30, 2010
(Unaudited - For Internal Use Only)

	YTD Actual
Revenues	
Patient Revenue	20,969,530
Other Revenue	232,644
Net Revenue	21,202,174
Expenses	
Personnel	11,033,180
Patient-Related	7,071,009
Operating Expenses	1,776,092
Total Expenses	19,880,281
Operating Income (Loss)	1,321,893
Non-Operating Income (net)	326,972
Net Income (Loss)	1,648,864

Hospice Care Network
Statement of Financial Condition
At June 30, 2010

ASSETS

	6/30/2010
<i>Current Assets</i>	
Operating Account	3,737,844
Money Market Accounts	3,775,632
Other Cash Accounts	1,560
Cash & Cash Equivalents	7,515,036
Accounts Receivable	6,227,726
Allowance for Doubtful Accounts	(428,387)
Short-Term Investments	6,061,214
Other Receivables	72,681
Allowance for Pledges	(529)
Prepaid Expense	396,681
Other Current Assets	-
Total Current Assets	19,844,421
<i>Fixed Assets</i>	
Property, Plant, & Equipment	3,640,155
Accumulated Depreciation	(2,094,114)
Total Fixed Assets	1,546,041
<i>Long-Term Investments</i>	1,644,387
Total Assets	23,034,849

LIABILITIES & FUND BALANCES

	6/30/2010
<i>Current Liabilities</i>	
Accounts Payable	3,749,234
Accrued Payroll Liabilities	767,048
Accrued Compensated Absence	822,072
Other Liabilities	-
Total Current Liabilities	5,338,354
<i>Long-Term Liabilities</i>	
Capital Lease, Long Term	-
Deferred Rent, Long Term	578,787
Total Long Term Liabilities	578,787
Total Liabilities	5,917,141
<i>Fund Balances</i>	
Unrestricted	13,954,923
Current Year Earnings	1,648,864
Total	15,603,786
Temporarily Restricted	1,135,692
Permanently Restricted	378,229
Total Fund Balance	17,117,708
Total Liabilities and Fund Balance	23,034,849

Draft
BFA Attachment B (cont.)

CON 101161
Hospice Care Network D/B/A Hospice Care of Long Island
Suffolk County

