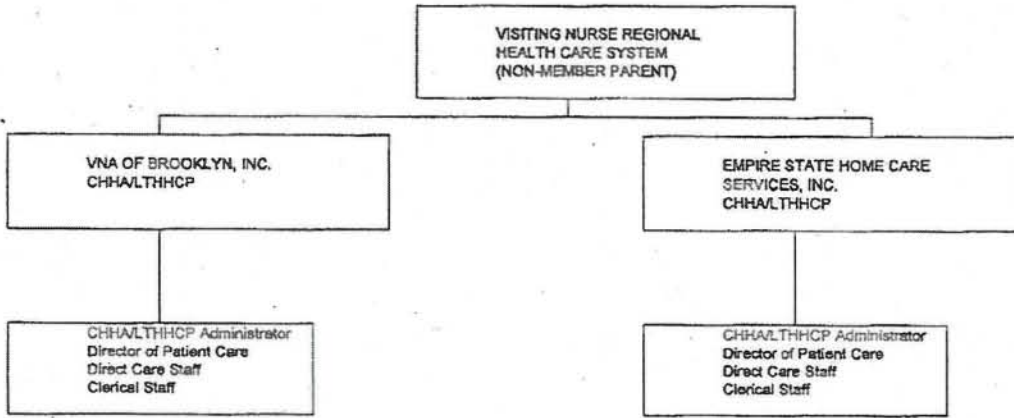


BFA Attachment A

VISITING NURSE REGIONAL HEALTH CARE SYSTEM

BEFORE CHANGE IN OWNERSHIP

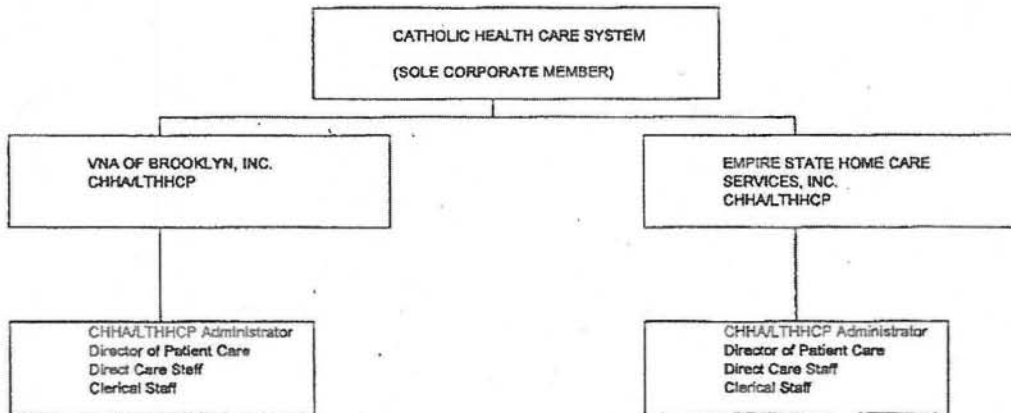
ORGANIZATIONAL CHART



CATHOLIC HEALTH CARE SYSTEM

AFTER CHANGE IN OWNERSHIP

ORGANIZATIONAL CHART



**CATHOLIC HEALTH CARE SYSTEM AS SOLE MEMBER OF
VISITING NURSE ASSOCIATES OF BROOKLYN, INC. AND EMPIRE STATE HOME CARE SERVICES, INC.**

PRO FORMA BALANCE SHEET POST-PUBLIC HEALTH AND HEALTH PLANNING COUNCIL APPROVAL

	<u>Visiting Nurse Associates of Brooklyn, Inc.</u>	<u>Empire State Home Care Services, Inc.</u>
<u>CURRENT ASSETS:</u>		
Cash & Cash Equivalents	\$2,358,763	\$854,661
Accounts Receivable	\$5,681,846	\$5,541,022
Investments	\$620,182	\$620,182
Prepaid Expenses	\$163,218	\$256,276
TOTAL CURRENT ASSETS	\$8,824,008	\$7,272,140
Fixed Assets-Net	\$2,490,737	\$2,815,909
Intangible Assets	\$593,216	\$4,662,171
Investments	\$16,856,975	\$7,384,727
TOTAL ASSETS	\$28,764,935	\$22,134,946
<u>LIABILITIES AND MEMBER'S EQUITY</u>		
<u>CURRENT LIABILITIES:</u>		
Accounts Payable	\$17,785,460	\$8,902,368
Accrued Payroll	\$1,238,962	\$1,068,180
Due to Third Party	\$4,295,075	\$939,443
Notes Payable	\$2,345,926	\$2,345,926
TOTAL CURRENT LIABILITIES	\$25,665,422	\$13,255,916
Notes & Loans Payable	\$1,000,000	\$7,000,000
TOTAL LIABILITIES	\$26,665,422	\$20,255,916
NETASSETS	\$2,099,513	\$1,879,030
<u>TOTAL LIABILITIES AND</u>		
NET ASSETS	\$28,764,935	\$22,134,946

Visiting Nurse Regional Health Care System, Inc.
Balance Sheet
December 31, 2011

	Visiting Nurse Regional Health Care System, Inc
Assets	
Current assets	
Cash and cash equivalents	\$ 779,239
Investments	780,568
Due from related parties	2,818,034
Prepaid expenses and security deposits	395,594
Total current assets	<u>\$ 4,773,436</u>
Fixed Assets-net	4,003,971
Investments	22,232,448
Intangible assets	
Total long term assets	<u>\$ 26,236,419</u>
Total assets	<u>\$ 31,009,854</u>
Liabilities and Net Assets	
Current liabilities	
Accounts payable and accrued expenses (Note 7)	\$ 1,800,072
Accrued payroll and related items	792,759
Current portion of capital lease obligation and credit line (Note 4)	3,917,804
Total current liabilities	<u>\$ 6,510,635</u>
Capital lease obligation, net of current portion	
Notes payable	
Total liabilities	<u>\$ 6,510,635</u>
Net assets - beginning of year	\$ 23,966,787
Net assets (deficit) (Exhibit B)	532,432
Total net assets (deficit)	<u>\$ 24,499,219</u>
Total liabilities and net assets	<u>\$ 31,009,854</u>

Visiting Nurse Regional Health Care System, Inc.
Statement of Activities
December 31, 2011

Operating Revenue

Management fees	\$	15,579,941
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Total Revenue	\$	15,579,941
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Expenses

Salaries and fringe benefits	\$	8,254,272
Contracted personal services		1,886,092
Supplies and other		4,941,270
Interest Expense		38,095
Depreciation and amortization		460,212

Total Expenses	\$	15,579,941
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Operating Result

Surplus/Deficit	-
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Non Operating Revenue

Loss on disposal of fixed assets		-
Investment Income (net of fees)	\$	620,211
Contributions		1,075
Other non-operating revenues / (expenses)		30
Net realized and unrealized gains on investments		(88,883)

Total Non Operating Revenue	\$	532,432
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Net Result

Surplus/(Deficit)	\$	532,432
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Visiting Nurse Regional Health Care System, Inc.
Statement of Financial Position
March 31, 2012

ASSETS	<u>03/31/2012</u>
Current Assets	
Cash and Cash Equivalents	\$ 16,317
Investment	780,568
Due from Related Parties	5,205,180
Prepaid expenses and security deposits	<u>527,180</u>
Total Current Assets	6,529,244
Land, Building and Equipment, net	3,900,001
Investment	<u>21,109,409</u>
Total Assets	<u>\$ 31,538,654</u>
 LIABILITIES and NET ASSETS	
Current Liabilities	
Current Portion of Long-term Debt	\$ 3,992,867
Accounts Payable and Accrued Expenses	1,372,691
Accrued Salaries and Related Benefits	<u>796,706</u>
Total Current Liabilities	6,162,264
Total Net Assets	<u>25,376,390</u>
Total Liabilities and Net Assets	<u>\$ 31,538,654</u>

Visiting Nurse Regional Health Care System, Inc.
Statement of Operations
March 31, 2012

	Month-to-Date			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Operating Revenues:						
Management Fees - Visiting Nurse Association of Brooklyn	\$ 700,045	\$ 740,209	\$ (40,164)	\$ 2,125,891	\$ 2,176,175	\$ (50,284)
Management Fees - Empire State Home Care Services	285,934	302,339	(16,405)	868,322	888,860	(20,538)
Total Operating Revenues	\$ 985,978	\$ 1,042,548	\$ (56,569)	\$ 2,994,212	\$ 3,065,035	\$ (70,823)
Operating Expenses:						
Salaries, Wages & Physicians	\$ 476,694	\$ 439,012	\$ 37,682	\$ 1,285,530	\$ 1,289,498	\$ (3,968)
Benefits	79,547	153,548	(74,000)	472,701	477,247	(4,546)
Supplies & Materials	193,166	226,949	(33,843)	565,525	629,172	(63,647)
Purchased & Contracted Services	20,991	6,083	14,908	24,387	18,249	6,138
Rent	175,715	175,715	0	527,145	527,145	0
Depreciation	36,942	37,783	(841)	108,970	113,350	(4,380)
Interest	2,984	3,458	(475)	9,955	10,374	(419)
Total Operating Expenses	\$ 985,979	\$ 1,042,548	\$ (56,569)	\$ 2,994,212	\$ 3,065,035	\$ (70,823)
Change in Unrestricted Net Assets from Operations	\$ (0)	\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)
Non-Operating Revenues:						
Other Non-Operating Int. Income	\$ 44,273	\$ 50,000	\$ (5,727)	\$ 94,081	\$ 150,000	\$ (55,919)
Contributions	0	42	(42)	75	126	(51)
Other Non-Operating revenues / (expenses)	12	0	12	12	0	12
Net Realized gains on investment	98,839	0	98,839	194,073	0	194,073
Net Unrealized gains on investment	(107,965)	0	(107,965)	588,979	0	588,979
Total Non-Operating Revenues	\$ 35,160	\$ 50,042	\$ (14,882)	\$ 877,221	\$ 150,126	\$ 727,095
Increase/(Decrease) in Net Assets	\$ 35,160	\$ 50,042	\$ (14,883)	\$ 877,221	\$ 150,126	\$ 727,095

Catholic Health Care System
Statement of Financial Position
December 31, 2011

Assets:	12/31/2011	12/31/10	Variance	Variance %
Current Assets:				
Cash and Cash Equivalents	\$ 284,151	\$ 116,169	\$ 167,982	144.6%
Dues and Assessments Receivable, net of Allowance	12,469,388	12,037,862	431,526	3.6%
Loan Receivable From Affiliate - PACE	8,020,000	6,020,000	2,000,000	33.2%
Loan Receivable From Affiliate	4,000,000	4,000,000	0	0.0%
Other Receivables	29,250	29,287	(37)	-0.1%
Due From Catholic Health Care Foundation	0	0	0	0.0%
Government Grant Receivable	114,700	114,700	0	0.0%
Prepaid Expenses and Other Current Assets	53,026	247,376	(194,351)	-78.6%
Total Current Assets	24,970,515	22,565,395	2,405,120	10.7%
Assets with Limited Use:				
Assets Limited to Use (CHCS TPA)	6,174,328	4,278,245	1,896,083	44.3%
Assets Limited to Use (Benefice)	3,182,788	3,351,428	(168,639)	-5.0%
Furniture and Equipment and Leasehold Improvements, net	545,973	876,570	(330,596)	-37.7%
Total Assets	\$ 34,873,605	\$ 31,071,638	\$ 3,801,967	12.2%
Liabilities And Net Assets (Deficiency):				
Current Liabilities:				
Accrued Medical Cost (CHCS TPA)	6,174,328	4,278,245	1,896,083	44.3%
Accrued Medical Cost (Benefice)	3,182,788	3,351,428	(168,639)	-5.0%
Current Portion - Capitalized Leases	0	0	0	0.0%
Accounts payable and accrued expenses	6,998,305	6,898,010	100,295	1.5%
Accrued Salaries and Related Benefits	450,643	1,067,199	(616,557)	-57.8%
Total Current Liabilities	16,806,064	15,594,882	1,211,183	7.8%
Line of Credit	1,678,347	1,478,347	200,000	13.5%
Line of Credit - PACE	8,020,000	6,020,000	2,000,000	33.2%
Loan - SNP	4,000,000	4,000,000	0	0.0%
Pension Liability and Deferred Compensation Obligation	2,653,590	2,542,239	110,351	4.3%
Total Liabilities	\$ 33,158,001	\$ 29,636,468	\$ 3,521,533	11.9%
Commitments And Contingencies				
Net Assets (Deficiency)				
Unrestricted	1,715,604	1,435,170	280,434	19.5%
Total Net Assets	1,715,604	1,435,170	280,434	19.5%
Total Liabilities and Net Assets	\$ 34,873,605	\$ 31,071,638	\$ 3,801,967	12.2%

Catholic Health Care System
Statement of Operations
December 31, 2011

	Month-to-Date			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Operating Revenues						
Membership Dues	\$ 1,176,347	\$ 1,169,560	\$ 6,787	\$ 11,005,781	\$ 13,924,381	\$ 81,400
Insurance Premiums Paid by Facilities	2,690,882	2,690,882	0	19,066,850	19,066,850	0
Other Operating Revenue	11,392	0	11,392	83,629	0	83,629
Operating Interest Income, SNP	18,639	9,472	9,167	111,528	111,528	(0)
Operating Interest Income, PACE	0	27,216	(27,216)	(493,173)	320,440	(813,613)
Total Operating Revenues	\$ 3,897,261	\$ 3,897,130	\$ 130	\$ 32,774,614	\$ 33,423,199	\$ (648,585)
Operating Expenses						
Salaries & Wages	\$ 628,638	\$ 576,698	\$ (51,939)	\$ 7,268,018	\$ 7,284,027	\$ 16,009
Employee Benefits	169,492	272,630	103,138	1,828,720	3,296,349	467,623
Administrative Fees & Consultants	53,969	114,613	60,644	1,314,038	1,375,400	61,362
Supplies & Materials	8,734	4,938	(3,796)	60,749	58,600	(2,149)
Purchased & Contracted Services	23,101	21,219	(1,882)	159,779	254,540	94,761
Depreciation	29,345	29,284	(61)	348,163	351,386	3,223
Leases and Rentals	38,042	58,737	30,695	861,728	806,696	(55,032)
Utilities	1,332	2,637	1,305	27,376	31,400	4,024
Insurance	4,555	3,769	(786)	70,890	45,261	(25,629)
Interest	45,247	31,669	(13,578)	442,983	372,901	(70,082)
Interest, SNP	18,639	9,472	(9,167)	111,528	111,528	0
Interest PACE Loan	0	0	0	(2,732)	0	2,732
HEAL Grant Pass through Expense	0	0	0	0	0	0
Self Health Insurance	2,690,882	2,690,882	0	19,066,850	19,066,850	0
Other	11,523	31,678	20,155	290,331	368,261	77,930
Total Operating Expenses	\$ 3,713,913	\$ 3,848,286	\$ 134,373	\$ 32,848,427	\$ 33,423,199	\$ 574,771
Change in Unrestricted Net Assets from Operations	\$ 183,347	\$ 48,844	\$ 134,503	\$ (73,813)	\$ -	\$ (73,813)
Non-Operating Revenues						
Other Non-Operating Int. Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	0	0	0	0	0
HEAL Grant	0	0	0	0	0	0
Grants	(340,977)	0	(340,977)	0	0	0
Total Non-Operating Revenues	\$ (340,977)	\$ 0	\$ (340,977)	\$ 0	\$ 0	\$ 0
Estimated Pension Liability Adj.	\$ 354,247	\$ 0	\$ 354,247	\$ 354,247	\$ 0	\$ 354,247
Increase/(Decrease) in Net Assets	\$ 196,617	\$ 48,844	\$ 147,773	\$ 280,434	\$ -	\$ 280,434

Catholic Health Care System
Statement of Operations
March 31, 2012

	Month-to-Date			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Operating Revenues						
Membership Dues	\$ 1,166,473	\$ 1,166,473	\$ 0	\$ 3,493,062	\$ 3,493,062	\$ 0
Insurance Premiums Paid by Facilities	1,898,922	1,898,922	0	4,993,214	4,993,214	0
Other Operating Revenue	17,877	6,969	10,908	22,566	20,907	1,659
Operating Interest Income- SNP	16,333	9,472	8,861	27,806	27,500	306
Total Operating Revenues	\$ 3,101,005	\$ 3,081,836	\$ 19,769	\$ 8,536,647	\$ 8,534,683	\$ 1,965
Operating Expense						
Salaries & Wages	\$ 635,156	\$ 641,736	\$ 6,580	\$ 1,779,840	\$ 1,802,143	\$ 22,303
Employee Benefits	242,073	243,313	1,240	706,542	725,145	18,603
Administrative Fees & Consultants	345,958	366,266	20,308	624,305	641,968	17,663
Supplies & Materials	4,440	5,192	752	14,210	15,576	1,366
Purchased & Contracted Services	11,472	14,668	3,196	33,345	44,004	10,659
Depreciation	17,288	17,288	0	51,754	51,754	0
Leases and Rentals	62,623	61,314	1,691	184,483	192,942	8,459
Utilities	1,771	2,626	855	6,591	8,101	1,510
Insurance	6,555	4,739	(1,816)	16,028	14,217	(1,811)
Interest	4,309	38,898	(3,602)	113,972	114,195	223
Interest- SNP	13,333	9,472	(3,861)	27,806	27,500	306
Interest- PACE Loan	0	0	0	0	0	0
Self Health Insurance	1,898,922	1,898,922	0	4,993,214	4,993,214	0
Other	39,475	27,807	(11,668)	99,939	83,421	(16,518)
Total Operating Expenses	\$ 3,325,566	\$ 3,335,241	\$ 9,675	\$ 8,652,031	\$ 8,714,180	\$ 62,149
Change in Unrestricted Net Assets from Operations	\$ (223,961)	\$ (253,405)	\$ 29,444	\$ (115,383)	\$ (179,497)	\$ 64,114
Non-Operating Revenues						
Other Non-Operating Int. Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	0	0	0	0	0
Income from Investments	0	0	0	0	0	0
Grants	0	0	0	0	0	0
Total Non-Operating Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Estimated Pension Liability Adj.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Increase/(Decrease) in Net Assets	\$ (223,961)	\$ (253,405)	\$ 29,444	\$ (115,383)	\$ (179,497)	\$ 64,114

Catholic Health Care System
Statement of Financial Position
March 31, 2012

Assets:	03/31/2012	12/31/2011	Variance	Variance %
Current Assets:				
Cash and Cash Equivalents	\$ 424,869	\$ 284,151	\$ 140,718	49.5%
Due and Assessments Receivable, net of Allowance	12,858,611	12,469,388	389,223	3.1%
Loan Receivable From Affiliate - PACE	8,020,000	8,020,000	0	0.0%
Loan Receivable From Affiliate	4,000,000	4,000,000	0	0.0%
Other Receivables	9,750	29,250	(19,500)	-66.7%
Due From Catholic Health Care Foundation	0	0	0	0.0%
Government Grant Receivable	114,700	114,700	0	0.0%
Prepaid Expenses and Other Current Assets	94,092	53,026	41,067	77.4%
Total Current Assets	26,522,023	24,976,515	551,508	2.2%
Assets with Limited Use:				
Assets Limited to Use (CHCS TPA)	6,482,202	6,174,328	307,874	5.0%
Assets Limited to Use (Benefice)	2,908,566	3,182,788	(274,222)	-8.6%
Furniture and Equipment and Leasehold Improvements, net	602,824	545,973	56,850	10.4%
Total Assets	\$ 35,515,614	\$ 34,873,605	\$ 642,009	1.8%
Liabilities And Net Assets (Deficiency)				
Current Liabilities:				
Accrued Medical Cost (CHCS TPA)	6,482,202	6,174,328	307,874	5.0%
Accrued Medical Cost (Benefice)	2,908,566	3,182,788	(274,222)	-8.6%
Current Portion - Capitalized Leases	0	0	0	0.0%
Accounts payable and accrued expenses	7,464,425	6,998,305	466,120	6.7%
Accrued Salaries and Related Benefits	571,759	450,643	121,097	26.9%
Total Current Liabilities	17,426,933	16,806,064	620,868	3.7%
Line Of Credit	1,678,347	1,678,347	0	0.0%
Line Of Credit - PACE	8,020,000	8,020,000	0	0.0%
Loan - SNP	4,000,000	4,000,000	0	0.0%
Pension Liability and Deferred Compensation Obligation	2,790,114	2,653,590	136,524	5.1%
Total Liabilities	\$ 33,915,394	\$ 33,158,001	\$ 757,392	2.3%
Commitments And Contingencies				
Net Assets, (Deficiency)				
Unrestricted	1,600,221	1,715,604	(115,383)	-6.7%
Total Net Assets	1,600,221	1,715,604	(115,383)	-6.7%
Total Liabilities and Net Assets	\$ 35,515,614	\$ 34,873,605	\$ 642,009	1.8%