

STATE OF NEW YORK
PUBLIC HEALTH AND HEALTH PLANNING COUNCIL

COMMITTEE DAY

AGENDA

November 16, 2017
10:15 a.m.

Empire State Plaza, Concourse Level, Meeting Room 6, Albany

I. COMMITTEE ON ESTABLISHMENT AND PROJECT REVIEW

Peter Robinson, Chair

A. Applications for Construction of Health Care Facilities/Agencies

Acute Care Services – Construction

Exhibit # 1

	<u>Number</u>	<u>Applicant/Facility</u>
1.	172161 C	University Hospital SUNY Health Science Center (Onondaga County)
2.	172084 C	Olean General Hospital (Cattaraugus County)
3.	172133 C	The New York and Presbyterian Hospital (Westchester County)
4.	172211 C	Brooks Memorial Hospital (Chautauqua County)

Ambulatory Surgery Centers – Construction

Exhibit # 2

	<u>Number</u>	<u>Applicant/Facility</u>
1.	171104 C	WNY Medical Management (Erie County)
2.	172083 C	Specialists' One-Day Surgery Center, LLC (Onondaga County)

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

Acute Care Services – Establish/Construct

Exhibit # 3

	<u>Number</u>	<u>Applicant/Facility</u>
1.	172166 E	Community Providers, Inc. (Clinton County)
2.	172262 E	Nyack Hospital (Rockland County)
3.	172263 E	St. Luke's Cornwall Hospital/Newburgh (Orange County)

Ambulatory Surgery Centers - Establish/Construct

Exhibit # 4

<u>Number</u>	<u>Applicant/Facility</u>
1. 171297 E	Syracuse Surgery Center (Onondaga County)
2. 172129 E	Sterling Surgical Center, LLC (Erie County)
3. 172164 B	Ellis Ambulatory Surgery Center, LLC (Schenectady County)

Diagnostic and Treatment Centers - Establish/Construct

Exhibit # 5

<u>Number</u>	<u>Applicant/Facility</u>
1. 172060 B	Starling Diagnostics, LLC d/b/a Starling Diagnostic & Imaging Center (Bronx County)

Dialysis Services - Establish/Construct

Exhibit # 6

<u>Number</u>	<u>Applicant/Facility</u>
1. 171305 E	Fishkill Dialysis Center (Dutchess County)
2. 171330 E	Queens Dialysis at The Pavilion (Queens County)
3. 171447 B	Freedom Center of Westmere, LLC (Albany County)

Residential Health Care Facilities - Establish/Construct

Exhibit # 7

<u>Number</u>	<u>Applicant/Facility</u>
1. 172146 E	Roscoe Regional Healthcare, LLC d/b/a Roscoe Rehabilitation and Nursing Center (Sullivan County)
2. 172191 E	Otsego SNF Operations Associates LLC d/b/a Cooperstown Center for Rehabilitation and Nursing (Otsego County)
3. 172264 E	Clinton Square Operations, LLC d/b/a Clinton Square Nursing and Rehabilitation Center (Onondaga County)

	<u>Number</u>	<u>Applicant/Facility</u>
1.	171408 E	Personal Touch Home Aides of New York Inc (Kings County)
2.	172049 E	Gurwin Certified Home Health Agency (Suffolk County)
3.	172134 E	Lawrence Home Care of Westchester (Westchester County)

C. Home Health Agency Licensures

New LHCSAs

2062 L	1 Of a Kind Home Health, LLC (Kings, Bronx, Queens, Richmond, New York, and Westchester Counties)
2173 L	Ultracare Family Wellness of NY, Inc. (Queens, New York, Bronx, Richmond, Kings, and Nassau)
2283 L	Just Care, LLC (Queens, New York, Kings, Bronx, Richmond and Nassau Counties)
2347 L	Perfect Gentle Hands Homecare, Inc. (Kings, Bronx, Queens, Nassau, Richmond and New York Counties)
2348 L	Bangla Homecare, Inc. (Kings, Bronx, Queens, Nassau, Richmond, and New York Counties)
2350 L	Raices Homecare, Inc. (Kings, Bronx, Queens, New York and Richmond Counties)
2359 L	Micah Eastman LPN, Michael Eastman RN, Oshea Eastman RN, PLLC d/b/a MNO Nursing (Kings, New York, Queens, Bronx, Richmond and Westchester Counties)
2370 L	Multicommunity Services at 95 Street Corp. d/b/a Agelass Beauty Homecare Agency (Kings, Richmond, Queens, Bronx, and New York Counties)
2409 L	Alpha Home Care Services Inc. (Bronx, New York, Kings, Richmond, and Queens Counties)

- 2432 L Rising Sun Medical Staffing, LLC
(Bronx, Queens, Kings, Richmond, Nassau and New York Counties)
- 2433 L K Kari and Associates Corp
d/b/a Kari Agency and Staffing Services
(Nassau, Suffolk and Queens Counties)
- 2457 L Imperial Home Health Care Inc.
(Nassau, Queens, Suffolk and Westchester Counties)
- 2463 L Eula Care Senior Companion Agency, Inc.
d/b/a Eula Care Manorville
(Suffolk and Nassau Counties)
- 2495 L Pentec Infusions of New York, LLC
(Nassau, Suffolk and Queens Counties)
- 2499 L RCDN Inc.
d/b/a Griswold Home Care North Orange County, NY
- 2517 L Care Universal Inc.
(Kings, Bronx, Queens, Richmond, New York and Westchester Counties)
- 2528 L Connected Home Care LLC d/b/a Connected Home Care
(Westchester, Sullivan, Dutchess, Ulster, Orange, Rockland, Putnam and Bronx Counties)
- 2533 L Bikur Cholim, Inc.
(Rockland, Sullivan, Putnam, Ulster, Dutchess, Westchester, Orange and Nassau Counties)
- 2535 L Igor Homecare, Inc.
(Bronx, Queens, Kings, Westchester, New York and Richmond Counties)
- 2541 L Gracious Hands Home Care Agency, LLC
(Schenectady, Albany, Rensselaer, and Saratoga Counties)
- 2571 L Bright Horizon Prime Care Inc.
(Bronx, Richmond, Kings, Westchester, New York and Queens Counties)
- 2591 L Exclusive Home Care Services, Inc.
(Bronx, Queens, Kings, Richmond, Nassau and New York Counties)
- 2620 L Stellar Home Care Solutions, Inc.
(Bronx, Kings, New York, Richmond, Queens, and Westchester Counties)

- 2626 L Embrace Independence Elder Care, Inc.
(Westchester and Rockland Counties)
- 2630 L Safiya Haamid and Amal Qasem
d/b/a Happy Home Care
(Erie County)
- 2639 L Jancare Private Health Services, Inc.
(Dutchess, Putnam and Westchester Counties)
- 2645 L VESRETTA Homecare LLC
(Queens, New York, Kings, Nassau and Bronx Counties)
- 2649 L All Patient Care Home Health Agency Inc.
(Queens, Richmond, Kings, Bronx, New York and Nassau
Counties)
- 152016 JJR Lifecare, Inc. d/b/a Right at Home Eastern L.I.
(Suffolk County)
- 152055 Caregiver Pro Homecare, Inc.
(Bronx, New York, Kings, Richmond, Queens and Nassau
Counties)
- 152084 Family Respite Homecare Agency, Inc.
(Bronx, Richmond, Kings, Westchester, New York and
Queens Counties)
- 152242 Hope & Cherish Home Care L.L.C.
(Bronx, Queens, Kings, Richmond, Nassau and New York
Counties)
- 152300 Excel Care, LLC
(Kings, New York, Queens, Richmond, Bronx and
Westchester Counties)
- 152333 Consortium Home Care, Inc.
(Bronx, Queens, Kings, Richmond, Nassau and New York
Counties)
- 152345 Castle Rock Home Care, Inc
(Richmond, Bronx, New York, Westchester, Kings and
Queens Counties)
- 152349 Help At Home Homecare, Inc.
(New York and Westchester Counties)
- 152351 East End Home Care, Inc.
(Suffolk County)

New LHCSAs – Affiliated with Assisted Living Programs (ALPs)

<u>Number</u>	<u>Applicant/Facility</u>
162314	Ingersoll Adult Home, Inc. d/b/a Ingersoll Place Licensed Home Care Services Agency (Schenectady County)

Changes of Ownership

<u>Number</u>	<u>Applicant/Facility</u>
162039	Family Home Health Care, Inc. (Bronx, Rockland, Orange, Suffolk, Putnam, Westchester, Kings, Nassau, Queens, New York and Richmond Counties)
162235	Big Heart Home Care LLC (Bronx, Queens, New York, Richmond, Kings and Westchester Counties)
171325	Westchester Family Care, Inc. (Westchester, Nassau, Rockland, Suffolk, Putnam, Bronx, and Dutchess Counties)
172039	CenterCare Home Care Agency, LLC (Bronx, New York, Kings, Queens, Nassau, and Richmond Counties)
172050	Gurwin Home Care Agency, Inc. (Nassau, Suffolk and Queens Counties)
172072	FEGS Home Attendant Services, Inc. (Bronx, Richmond, Kings, New York, Queens and Westchester Counties)

D. Certificates

Exhibit # 10

Certificate of Amendment of the Certificate of Incorporation

Applicant

Beth Abraham Health Services

Schnurmacher Center for Rehabilitation and Nursing

The Women and Children’s Hospital of Buffalo Foundation

The Mary Imogene Bassett Hospital (d/b/a Bassett Medical Center)

Restated Certificate of Incorporation

Applicant

The Kingston Hospital Foundation

Certificate of Dissolution

Applicant

Reconstruction Home and Health Care Center, Inc.

Tri Town Regional Healthcare

II. COMMITTEE ON HEALTH PLANNING

Dr. John Ruge, Chair, Health Planning Committee

Discussion on Chronic End Stage Renal Dialysis Need Methodology

Exhibit # 11

UNIVERSITY HOSPITAL OF THE STATE UNIVERSITY OF
NEW YORK UPSTATE MEDICAL UNIVERSITY

Balance Sheets

December 31, 2016 and 2015

(in thousands of dollars)

<u>Assets and Deferred Outflows of Resources</u>	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash held by the State	\$ 100,052	\$ 148,584
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$142,400 and \$109,200, respectively	76,828	73,717
Estimated disproportionate share receivable	96,814	112,485
Due from third-party payors	3,216	3,141
Other receivables, net	16,476	19,802
Due from State of New York - professional liability	5,200	8,500
Inventories	9,999	7,879
Prepaid expenses and other	4,252	4,272
Total current assets	<u>312,837</u>	<u>378,380</u>
Assets whose use is limited:		
Internally designated	34,813	-
Limited use assets	22,003	20,879
Unexpended bond proceeds	-	594
Estimated disproportionate share receivable, net of current portion	40,842	22,626
Other long-term receivables, net	10,199	17,761
Due from State of New York - professional liability, net of current portion	111,556	120,682
Capital assets, net	<u>406,820</u>	<u>410,287</u>
Total assets	939,070	971,209
Deferred outflows of resources	<u>168,994</u>	<u>43,597</u>
Total assets and deferred outflows of resources	<u>\$ 1,108,064</u>	<u>\$ 1,014,806</u>
<u>Liabilities, Deferred Inflows of Resources and Net Position</u>		
Current liabilities:		
Current maturities of long-term debt and capital lease obligations	28,146	26,881
Accounts payable and accrued expenses	58,029	71,810
Accrued salaries and wages	25,006	22,051
Accrued employee benefits	38,980	47,798
Accrued interest	4,542	4,371
Due to State of New York - professional liability	5,200	8,500
Due to third-party payors	40,272	43,931
Due to affiliates	9,769	16,046
Total current liabilities	<u>209,944</u>	<u>241,388</u>
Long-term obligations, net of current maturities:		
Due to State of New York - professional liability	111,556	120,682
Net pension liability	160,461	37,331
Due to affiliates	10,321	13,130
Accrued employee benefits	23,410	49,380
Capital lease obligations	41,095	39,185
Long-term debt	<u>283,980</u>	<u>296,830</u>
Total liabilities	840,767	797,926
Deferred inflows of resources	<u>37,765</u>	<u>20,336</u>
Total liabilities and deferred inflows of resources	<u>878,532</u>	<u>818,262</u>
Net position:		
Net investment in capital assets	107,528	74,740
Unrestricted	<u>122,004</u>	<u>121,804</u>
Total net position	<u>229,532</u>	<u>196,544</u>
Commitments and contingencies		
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,108,064</u>	<u>\$ 1,014,806</u>

**UNIVERSITY HOSPITAL OF THE STATE UNIVERSITY OF
NEW YORK UPSTATE MEDICAL UNIVERSITY**

Statements of Revenues, Expenses and Changes in Net Position

Years ended December 31, 2016 and 2015

(in thousands of dollars)

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Net patient service revenue (net of provision for bad debts of approximately \$60,400 and \$62,900, respectively)	\$ 744,833	\$ 699,619
Disproportionate share revenue	152,033	195,627
Other operating revenues	<u>50,042</u>	<u>42,303</u>
Total operating revenues	<u>946,908</u>	<u>937,549</u>
Operating expenses:		
Salaries and wages	345,841	322,153
Employee benefits	164,669	129,337
Supplies and other expenses	398,129	357,341
Professional liability	(11,801)	51,926
Depreciation and amortization	<u>46,125</u>	<u>42,181</u>
Total operating expenses	<u>942,963</u>	<u>902,938</u>
Operating gain	<u>3,945</u>	<u>34,611</u>
Non-operating revenues (expenses):		
State of New York appropriations, net	45,773	42,192
State of New York professional liability appropriation	(11,801)	51,926
Gain (loss) on sale of investments	(616)	5,277
Interest expense on capital-related debt	(13,783)	(14,169)
Interest income	<u>765</u>	<u>137</u>
Total non-operating revenues, net	<u>20,338</u>	<u>85,363</u>
Excess of revenues over expenses	24,283	119,974
Net capital transfers	<u>8,705</u>	<u>(6,346)</u>
Increase in net position	32,988	113,628
Net position, beginning of year	<u>196,544</u>	<u>82,916</u>
Net position, end of year	<u>\$ 229,532</u>	<u>\$ 196,544</u>

Upstate University Hospital
Balance Sheet
August 31, 2017
(Dollars in thousands)

				ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
<u>8/31/2017</u>	<u>8/31/2016</u>	<u>Increase (Decrease)</u>	<u>%</u>	<u>Current Assets:</u>	<u>8/31/2017</u>	<u>Audited 12/31/2016</u>	<u>Increase (Decrease)</u>	<u>%</u>
\$ 158,969	\$ 162,814	\$ (3,846)	(2.4)%	Cash	\$ 158,969	\$ 100,052	\$ 58,917	58.9%
80,768	84,650	(3,882)	(4.6)%	Accounts Receivable, Net	80,768	76,828	3,940	5.1%
98,578	99,691	(1,113)	(1.1)%	Estimated Disproportionate Share Receivable	98,578	96,814	1,764	1.8%
652	1,250	(599)	(47.9)%	Due From Third-Party Payors	652	3,216	(2,564)	(79.7)%
19,525	16,761	2,764	16.5%	Other Receivables	19,525	16,476	3,049	18.5%
5,200	8,500	(3,300)	(38.8)%	Due From State of New York - Professional Liability	5,200	5,200	-0-	0.0%
10,059	7,879	2,181	27.7%	Inventory	10,059	9,999	60	0.6%
7,521	3,579	3,942	110.1%	Prepays and Other Assets	7,521	4,252	3,269	76.9%
381,272	385,125	(3,854)	(1.0)%	Total Current Assets	381,272	312,837	68,435	21.9%
12,493	14,844	(2,351)	(15.8)%	Other Long Term Receivables, Net	12,493	10,199	2,294	22.5%
49,489	64,905	(15,416)	(23.8)%	Assets Whose Use Is Limited	49,489	56,816	(7,327)	(12.9)%
-0-	594	(594)	(100.0)%	Unexpended bond proceeds	-0-	-0-	-0-	0.0%
23,730	5,634	18,096	321.2%	Estimated Disproportionate Share Receivable, net	23,730	40,842	(17,112)	(41.9)%
111,556	120,682	(9,126)	(7.6)%	Due From State of New York - Professional Liability	111,556	111,556	-0-	0.0%
401,088	403,398	(2,310)	(0.6)%	Property, Plant and Equipmt, Net	401,088	406,820	(5,732)	(1.4)%
979,628	995,182	(15,554)	(1.6)%	Total Assets	979,628	939,070	40,558	4.3%
98,384	128,751	(30,367)	(23.6)%	Deferred Outflows of Resources	98,384	168,994	(70,610)	(41.8)%
\$ 1,078,012	\$ 1,123,933	\$ (45,921)	(4.1)%	Total Assets and Deferred Outflows of Resources	\$ 1,078,012	\$ 1,108,064	\$ (30,052)	(2.7)%
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET ASSETS								
				<u>Current Liabilities:</u>				
\$ 25,374	\$ 27,707	\$ (2,333)	(8.4)%	Current Debt Maturities	\$ 25,374	\$ 28,146	\$ (2,772)	(9.8)%
82,597	74,857	7,740	10.3%	Accounts Payable	82,597	58,029	24,568	42.3%
31,158	25,657	5,501	21.4%	Accrued Wages	31,158	25,006	6,152	24.6%
58,314	37,225	21,089	56.7%	Accrued Employee Benefits	58,314	38,980	19,334	49.6%
6,526	6,489	36	0.6%	Accrued Interest	6,526	4,542	1,984	43.7%
5,200	8,500	(3,300)	(38.8)%	Estimated Professional Liability	5,200	5,200	-0-	0.0%
47,956	44,759	3,197	7.1%	Due to Third Party Payors	47,956	40,272	7,684	19.1%
7,835	10,415	(2,580)	(24.8)%	Due to Affiliates	7,835	9,769	(1,934)	(19.8)%
264,960	235,610	29,351	12.5%	Total Current Liabilities	264,960	209,944	55,016	26.2%
111,556	120,682	(9,126)	(7.6)%	Due to State of New York - Professional Liability	111,556	111,556	-0-	0.0%
120,167	119,332	835	0.7%	Net Pension Liability	120,167	160,461	(40,294)	(25.1)%
8,861	9,977	(1,116)	(11.2)%	Due to Affiliate	8,861	10,321	(1,460)	(14.1)%
23,410	23,439	(29)	(0.1)%	Accrued Employee Benefits	23,410	23,410	(0)	(0.0)%
30,365	49,496	(19,131)	(38.7)%	Capital Lease Obligations	30,365	41,095	(10,730)	(26.1)%
277,208	283,281	(6,074)	(2.1)%	Long-term Obligations, Net	277,208	283,980	(6,772)	(2.4)%
836,527	841,817	(5,289)	(0.6)%	Total Liabilities	836,527	840,767	(4,240)	(0.5)%
9,677	55,368	(45,691)	(82.5)%	Deferred Inflow of Resources	9,677	37,765	(28,088)	(74.4)%
846,204	897,185	(50,980)	(5.7)%	Total liabilities and deferred inflow of resources	846,204	878,532	(32,328)	(3.7)%
116,316	153,529	(37,213)	(24.2)%	Unrestricted	116,316	122,004	(5,688)	(4.7)%
115,491	73,220	42,272	57.7%	Net Invested in Capital Assets	115,491	107,528	7,963	7.4%
231,807	226,748	5,059	2.2%	Net Assets	231,807	229,532	2,275	1.0%
\$ 1,078,012	\$ 1,123,933	\$ (45,921)	(4.1)%	Total Liabilities, Deferred Inflows and Net Assets	\$ 1,078,012	\$ 1,108,064	\$ (30,052)	(2.7)%

Upstate University Hospital
Statements of Revenues and Expenses
August 31, 2017

MONTH TO DATE				Prior MTD	YEAR TO DATE					Prior YTD
Actual	Budget	Favorable		Actual	(Dollars in thousands)	Actual	Budget	Favorable		Actual
		(Unfavorable)	%					(Unfavorable)	%	
INPATIENT REVENUE										
\$ 161,598	\$ 156,527	\$ 5,070	3.2%	\$ 137,638	Gross Charges	\$ 318,122	\$ 313,134	\$ 4,988	1.6%	\$ 268,884
(112,239)	(110,360)	(1,879)	(1.7)%	(92,132)	Contractual Allowances	(220,325)	(220,776)	451	0.2%	(181,462)
(4,370)	(2,529)	(1,841)	(72.8)%	(2,955)	Reserve For Bad Debt	(7,618)	(5,059)	(2,559)	(50.6)%	(3,499)
44,988	43,638	1,349	3.1%	42,551	Net Inpatient Revenue	90,179	87,299	2,880	3.3%	83,924
OUTPATIENT REVENUE										
101,463	96,843	4,621	4.8%	87,396	Gross Charges	193,626	193,716	(90)	(0.0)%	168,465
(74,596)	(71,124)	(3,472)	(4.9)%	(61,917)	Contractual Allowances	(141,843)	(142,271)	428	0.3%	(120,424)
(2,663)	(2,867)	204	7.1%	(1,124)	Reserve For Bad Debt	(5,372)	(5,735)	363	6.3%	(3,113)
24,204	22,852	1,353	5.9%	24,355	Net Outpatient Revenue	46,411	45,710	700	1.5%	44,928
(2) 69,192	66,490	2,702	4.1%	66,906	Net Patient Revenue	136,589	133,010	3,580	2.7%	128,852
(3) 2,466	544	1,923	353.7%	397	Pools and Retros (Pmts)	3,606	1,087	2,519	231.7%	581
9,571	9,571	-0-	0.0%	14,717	Federal Social Security Act - DSH	19,141	19,141	-0-	0.0%	29,434
2,293	2,293	-0-	0.0%	2,630	Appropriations from State of New York	4,586	4,586	-0-	0.0%	5,227
-0-	-0-	-0-	0.0%	-0-	Other State Support - STIP	-0-	-0-	-0-	0.0%	-0-
(4) 6,853	5,520	1,333	24.2%	4,854	Other Revenue	12,327	11,039	1,288	11.7%	9,450
90,375	84,417	5,958	7.1%	89,505	Total Revenue	176,249	168,863	7,386	4.4%	173,544
OPERATING EXPENSES										
30,933	32,243	1,310	4.1%	29,296	Salaries and Wages	61,151	64,370	3,218	5.0%	57,080
3,031	3,305	274	8.3%	2,867	Contract labor	6,332	6,609	277	4.2%	5,981
13,724	14,802	1,078	7.3%	13,371	Fringe Benefits	27,594	29,604	2,010	6.8%	26,533
34,829	34,526	(303)	(0.9)%	30,500	Supplies and Other	66,698	69,008	2,310	3.3%	61,635
4,008	4,029	21	0.5%	3,809	Depreciation and Amortization	8,016	8,058	42	0.5%	7,452
1,180	1,244	65	5.2%	823	Interest	2,341	2,488	148	5.9%	2,096
(5) 87,704	90,149	2,445	2.7%	80,666	Total Expenses	172,131	180,136	8,005	4.4%	160,777
(1) \$ 2,671	\$ (5,732)	\$ 8,403	146.6%	\$ 8,839	Net Income (Loss)	\$ 4,118	\$ (11,274)	\$ 15,391	136.5%	\$ 12,767

OLEAN GENERAL HOSPITAL

Balance Sheets

December 31,	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,536,381	\$ 9,558,877
Accounts receivable, net of estimated uncollectibles of \$1,398,000 and \$15,353,000	13,931,851	13,414,454
Other receivables	2,205,631	2,019,709
Supplies	2,278,939	2,332,866
Prepaid expenses	2,097,861	2,491,011
	<u>28,050,663</u>	<u>29,816,917</u>
Property and equipment, net	50,578,814	54,483,789
Investments	18,385,851	17,510,695
Assets held by others	36,027,302	34,970,186
Other assets, net	3,114,636	2,089,905
	<u>\$ 136,157,266</u>	<u>\$ 138,871,492</u>
Liabilities and Net Assets		
Current liabilities:		
Current portion of long-term debt	\$ 2,304,702	\$ 2,070,114
Accounts payable	6,611,322	6,227,502
Accrued salaries and benefits	4,667,420	4,316,914
Other accrued expenses	3,671,444	3,040,483
Estimated third-party payor settlements	676,342	832,389
	<u>17,931,230</u>	<u>16,487,402</u>
Long-term debt	11,901,350	13,477,655
Accrued sick time	768,807	721,513
Accrued pension liability	16,031,742	14,325,782
Net assets:		
Unrestricted	47,057,555	52,513,537
Temporarily restricted	17,925,296	17,067,031
Permanently restricted	24,541,286	24,278,572
	<u>89,524,137</u>	<u>93,859,140</u>
	<u>\$ 136,157,266</u>	<u>\$ 138,871,492</u>

OLEAN GENERAL HOSPITAL

Statements of Operations

For the years ended December 31,	2016	2015
Unrestricted revenue:		
Patient service revenue (net of contractual allowances and discounts)	\$ 111,332,561	\$ 112,239,069
Less: provision for bad debts	(2,577,578)	(2,989,082)
Net patient service revenue	108,754,983	109,249,987
Other revenue	5,443,797	5,920,856
Total unrestricted revenue	114,198,780	115,170,843
Expenses:		
Salaries	44,009,877	43,926,093
Employee benefits	14,760,558	13,004,633
Purchased services	24,911,508	23,248,971
Supplies	16,811,775	15,845,137
Other	7,193,852	8,220,383
Medical malpractice costs	1,607,001	822,300
Depreciation	7,584,709	7,914,239
Interest	521,439	513,344
Total expenses	117,400,719	113,495,100
Income (loss) from operations	(3,201,939)	1,675,743
Other income:		
Investment income	556,622	715,326
Contributions and other, net	(315,290)	222,204
Total other income, net	241,332	937,530
Excess (deficiency) of revenue over expenses	(2,960,607)	2,613,273
Change in unrealized gains and losses on investments	729,258	(1,600,481)
Contribution - forgiveness of debt from BRMC	-	(1,852,000)
Contribution - forgiveness of advances to physician group	(1,921,089)	(3,791,654)
Pension liability adjustment	(1,853,293)	(1,113,815)
Net assets released from restrictions for capital purposes	549,749	757,250
Change in unrestricted net assets	\$ (5,455,982)	\$ (4,987,427)

OLEAN GENERAL HOSPITAL

Statements of Changes in Net Assets

For the years ended December 31,	2016	2015
Unrestricted net assets:		
Excess (deficiency) of revenue over expenses	\$ (2,960,607)	\$ 2,613,273
Change in unrealized gains and losses on investments	729,258	(1,600,481)
Contribution - forgiveness of debt from BRMC	-	(1,852,000)
Contribution - forgiveness of advances to physican group	(1,921,089)	(3,791,654)
Pension liability adjustment	(1,853,293)	(1,113,815)
Net assets released from restrictions for capital purposes	549,749	757,250
Change in unrestricted net assets	(5,455,982)	(4,987,427)
Temporarily restricted net assets:		
Change in unrealized gains on investments	63,863	31,766
Net appreciation (depreciation) of funds held in trust	794,402	(2,178,126)
Proceeds from assets held in trust	1,626,130	1,543,929
Net assets released from restrictions	(1,626,130)	(1,543,929)
Change in temporarily restricted net assets	858,265	(2,146,360)
Permanently restricted net assets:		
Net appreciation (depreciation) of funds held in trust	262,714	(641,045)
Change in net assets	(4,335,003)	(7,774,832)
Net assets - beginning	93,859,140	101,633,972
Net assets - ending	\$ 89,524,137	\$ 93,859,140

BRADFORD REGIONAL MEDICAL CENTER

Consolidated Balance Sheets

December 31,	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,103,806	\$ 714,066
Assets limited as to use - current	290,316	804,015
Accounts receivable, net of estimated uncollectibles of \$969,000 and \$3,036,000	6,585,933	8,133,954
Other receivables	2,329,270	2,299,951
Supplies	1,626,104	1,697,521
Prepaid expenses	643,069	721,905
	<u>12,578,498</u>	<u>14,371,412</u>
Property and equipment, net	25,482,769	26,953,529
Assets limited as to use	12,002,165	11,268,702
Other assets, net	978,764	934,575
	<u>\$ 51,042,196</u>	<u>\$ 53,528,218</u>
Liabilities and Net Assets		
Current liabilities:		
Short-term borrowings	\$ 1,999,669	\$ 1,999,669
Current portion of long-term debt	1,664,814	1,520,380
Accounts payable	6,267,255	6,184,760
Accrued expenses	4,241,321	4,319,054
Estimated third-party payor settlements	369,127	418,322
	<u>14,542,186</u>	<u>14,442,185</u>
Long-term debt	13,372,210	14,562,919
Accrued pension liability	15,167,076	14,938,128
Net assets:		
Unrestricted	7,707,793	9,294,109
Temporarily restricted	100,316	138,262
Permanently restricted	152,615	152,615
	<u>7,960,724</u>	<u>9,584,986</u>
	<u>\$ 51,042,196</u>	<u>\$ 53,528,218</u>

BRADFORD REGIONAL MEDICAL CENTER

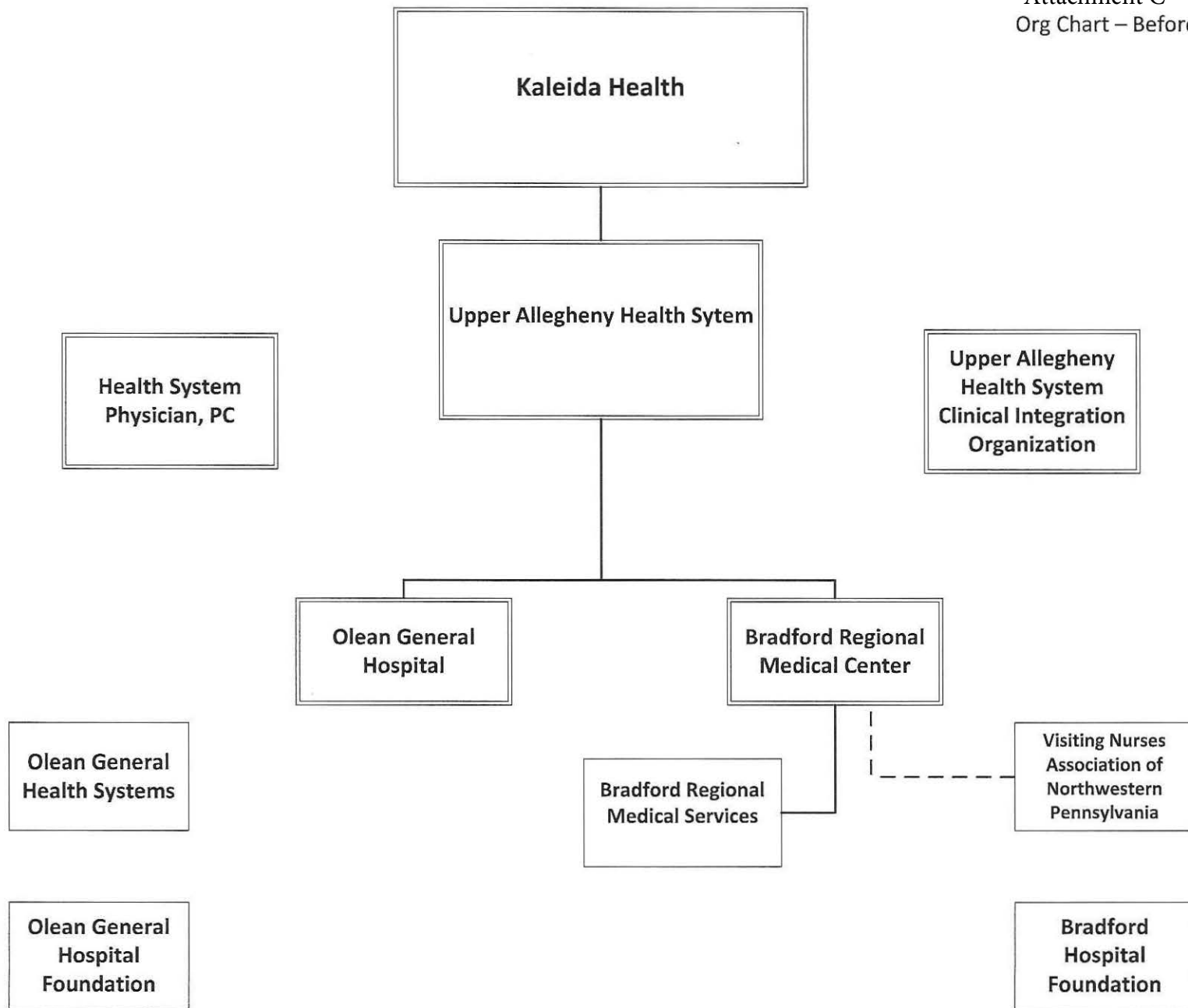
Consolidated Statements of Operations

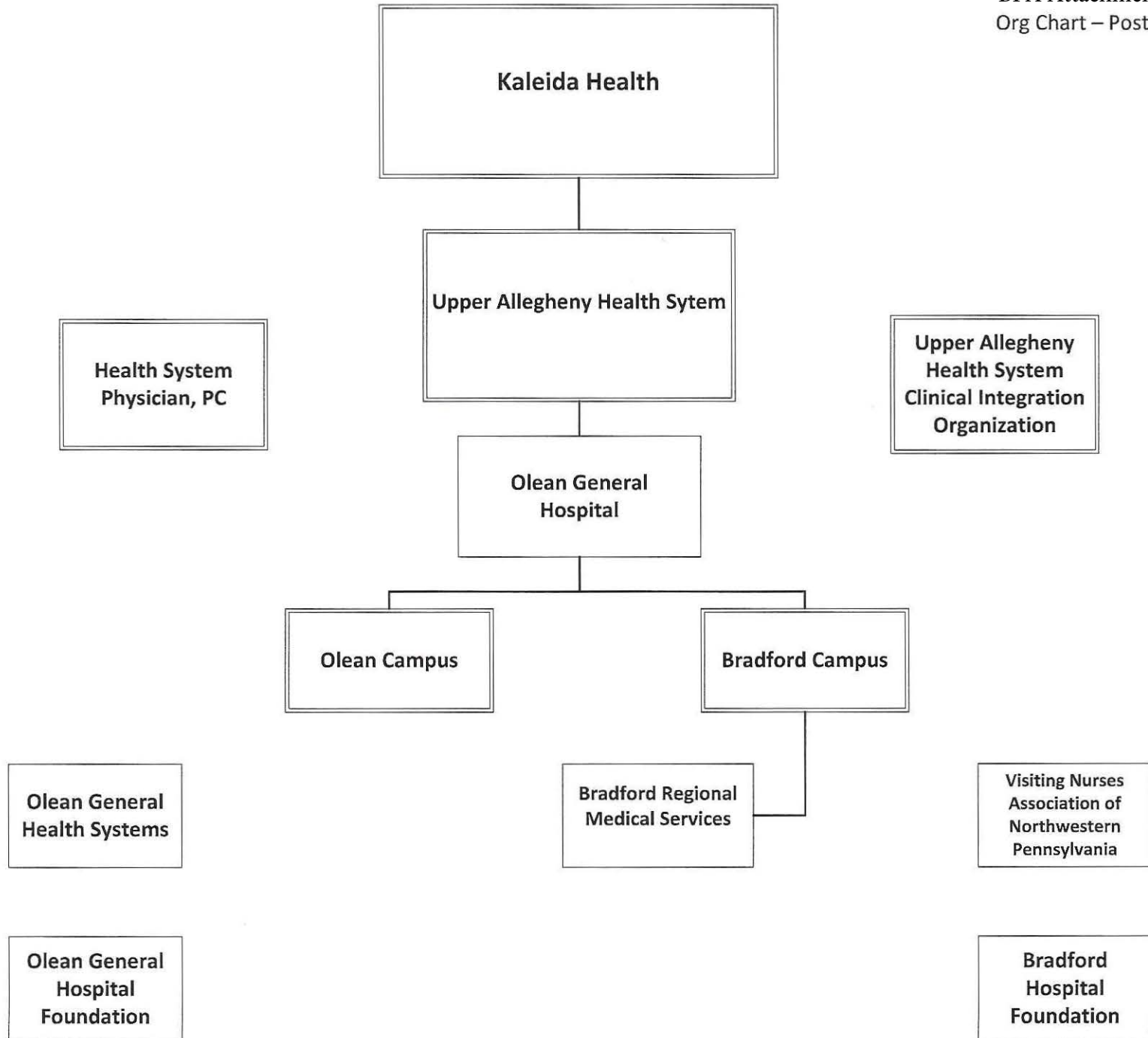
For the years ended December 31,	2016	2015
Unrestricted revenue:		
Patient service revenue (net of contractual allowances and discounts)	\$ 63,158,031	\$ 62,032,516
Less: provision for bad debts	<u>(1,181,527)</u>	<u>(1,549,877)</u>
Net patient service revenue	61,976,504	60,482,639
Other revenue	<u>4,877,492</u>	<u>4,296,225</u>
Total unrestricted revenue	<u>66,853,996</u>	<u>64,778,864</u>
Expenses:		
Salaries	26,798,228	26,288,385
Employee benefits	6,820,325	6,175,614
Purchased services	10,620,401	10,900,960
Professional fees	4,254,540	2,263,606
Supplies	8,572,882	8,285,656
Other	6,283,075	6,849,609
Depreciation and amortization	3,112,241	3,043,112
Interest	<u>880,912</u>	<u>888,136</u>
Total expenses	<u>67,342,604</u>	<u>64,695,078</u>
Income (loss) from operations	(488,608)	83,786
Other income (expense):		
Investment income	40,529	161,355
Contributions and other, net	<u>(401,679)</u>	<u>(309,608)</u>
Total other expense, net	<u>(361,150)</u>	<u>(148,253)</u>
Excess of expenses over revenue	(849,758)	(64,467)
Change in unrealized gains and losses on investments	135,766	(225,572)
Contribution - forgiveness of debt to Olean General Hospital	-	1,852,000
Pension liability adjustment	<u>(932,685)</u>	<u>(4,177,729)</u>
Net assets released from restrictions	<u>60,361</u>	<u>98,370</u>
Change in unrestricted net assets	<u>\$ (1,586,316)</u>	<u>\$ (2,517,398)</u>

BRADFORD REGIONAL MEDICAL CENTER

Consolidated Statements of Changes in Net Assets

For the years ended December 31,	2016	2015
Unrestricted net assets:		
Excess of expenses over revenue	\$ (849,758)	\$ (64,467)
Change in unrealized gains and losses on investments	135,766	(225,572)
Contribution - forgiveness of debt to Olean General Hospital	-	1,852,000
Pension liability adjustment	(932,685)	(4,177,729)
Net assets released from restrictions	60,361	98,370
Change in unrestricted net assets	(1,586,316)	(2,517,398)
Temporarily restricted net assets:		
Contributions received	22,415	26,506
Net assets released from restrictions	(60,361)	(98,370)
Change in temporarily restricted net assets	(37,946)	(71,864)
Change in net assets	(1,624,262)	(2,589,262)
Net assets - beginning	9,584,986	12,174,248
Net assets - ending	\$ 7,960,724	\$ 9,584,986





The New York and Presbyterian Hospital
Consolidated Statements of Financial Position

	December 31	
	2016	2015
	<i>(As Adjusted)</i>	
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash, cash equivalents and short-term investments:		
Cash and cash equivalents	\$ 462,754	\$ 406,306
Short-term investments	1,680,559	1,482,858
Total cash, cash equivalents and short-term investments	<u>2,143,313</u>	<u>1,889,164</u>
Patient accounts receivable, less allowance for uncollectibles (2016 - \$306,404; 2015 - \$326,228)	811,059	713,733
Other current assets	179,764	161,632
Assets limited as to use - current portion	75,469	62,970
Professional liabilities insurance recoveries receivable and related deposits - current portion	86,902	71,745
Beneficial interest in net assets held by related organizations - current portion	68,974	73,635
Total current assets	<u>3,365,481</u>	<u>2,972,879</u>
Assets limited as to use - noncurrent	3,067,058	2,536,433
Property, buildings, and equipment - net	3,669,769	3,259,004
Other noncurrent assets - net	26,710	24,333
Professional liabilities insurance recoveries receivable and related deposits - noncurrent	233,209	215,030
Beneficial interest in net assets held by related organizations - noncurrent	1,697,674	1,659,973
Total assets	<u><u>\$ 12,059,901</u></u>	<u><u>\$ 10,667,652</u></u>

	December 31	
	2016	2015
	<i>(As Adjusted)</i>	
	<i>(In Thousands)</i>	
Liabilities and net assets		
Current liabilities:		
Long-term debt – current portion	\$ 66,352	\$ 74,761
Accounts payable and accrued expenses	583,511	531,368
Accrued salaries and related liabilities	359,042	302,521
Pension and postretirement benefit liabilities – current portion	22,842	17,055
Professional and other insurance liabilities – current portion	132,499	100,732
Other current liabilities	243,064	229,750
Due to related organizations – net	18,603	1,105
Total current liabilities	<u>1,425,913</u>	<u>1,257,292</u>
Long-term debt	2,542,287	1,965,229
Professional and other insurance liabilities	617,623	603,762
Pension liability	304,916	352,834
Postretirement benefit liability	56,734	54,008
Deferred revenue	1,509	2,266
Other noncurrent liabilities	506,198	494,612
Total liabilities	<u>5,455,180</u>	<u>4,730,003</u>
Commitments and contingencies		
Net assets:		
Unrestricted	4,782,099	4,147,857
Temporarily restricted	1,553,698	1,520,775
Permanently restricted	268,924	269,017
Total net assets	<u>6,604,721</u>	<u>5,937,649</u>
Total liabilities and net assets	<u>\$ 12,059,901</u>	<u>\$ 10,667,652</u>

The New York and Presbyterian Hospital

Consolidated Statements of Operations

	Year Ended December 31	
	2016	2015
	<i>(As Adjusted)</i>	
	<i>(In Thousands)</i>	
Operating revenues		
Net patient service revenue	\$ 7,192,723	\$ 6,619,031
Provision for bad debts	(135,515)	(142,370)
Net patient service revenue, less provision for bad debts	7,057,208	6,476,661
Other revenue	367,623	362,702
Total operating revenues	7,424,831	6,839,363
Operating expenses		
Salaries and wages	3,422,557	3,107,889
Employee benefits	939,620	872,793
Supplies and other expenses	2,301,462	2,161,233
Interest and amortization of deferred financing fees	89,019	78,943
Depreciation and amortization	347,560	326,195
Total operating expenses	7,100,218	6,547,053
Operating income	324,613	292,310
Investment return (loss)	201,129	(11,660)
Gain on extinguishment of debt – net	8,151	–
Excess of revenues over expenses before inherent contribution of unrestricted net assets received in the acquisition of NYP/Hudson Valley	533,893	280,650
Inherent contribution of unrestricted net assets received in the acquisition of NYP/Hudson Valley	–	102,818
Excess of revenues over expenses	533,893	383,468
Other changes in unrestricted net assets:		
Net asset transfers to related parties	(7,420)	(824)
Net assets released from restrictions for the purchase of fixed assets	3,106	6,173
Deed of property, building and equipment to Royal Charter Properties, Inc.	–	(10,748)
Distributions from New York-Presbyterian Fund, Inc. for the purchase of fixed assets	107,353	105,460
Change in pension and postretirement benefit liabilities to be recognized in future periods	(2,690)	10,905
Change in unrealized gains and losses on investments – other-than-trading investments	–	(15,081)
Change in unrestricted net assets	\$ 634,242	\$ 479,353

**SUMMARY STATEMENTS OF OPERATIONS
OF THE HOSPITAL**

(In thousands)

	Unaudited			
	Quarter Ended		Six Months Ended	
	6/30/17	6/30/16	6/30/17	6/30/16
Operating Revenues				
Net patient service revenue	\$ 1,350,117	\$ 1,255,860	\$2,648,325	\$2,494,631
Provision for bad debts	(16,500)	(15,300)	(33,000)	(30,600)
Net patient service revenue, less provision for bad debts	1,333,617	1,240,560	2,615,325	2,464,031
Other revenue	65,513	68,430	147,307	139,178
Total operating revenues	1,399,130	1,308,990	2,762,632	2,603,209
Operating Expenses				
Salaries and wages	627,465	581,975	1,232,698	1,152,155
Employee benefits	174,721	163,372	347,925	322,474
Supplies and other expenses	420,827	405,461	836,132	796,545
Interest and amortization of deferred financing fees	17,001	15,685	34,578	31,898
Depreciation and amortization	70,120	67,859	139,467	135,717
Total operating expenses	1,310,134	1,234,352	2,590,800	2,438,789
Operating income	88,996	74,638	171,832	164,420
Investment return	67,310	37,372	154,150	57,864
Excess of revenue over expenses	156,306	112,010	325,982	222,284
Other changes in unrestricted net assets:				
Net asset transfers to related parties	(484)	(13,498)	(10,034)	(15,576)
Distributions from New York-Presbyterian Fund, Inc. for the purchase of fixed assets	18,045	27,151	42,363	58,365
Change in pension and postretirement benefit liabilities to be recognized in future periods	12,511	(40,026)	6,805	(134,210)
Change in unrestricted net assets	\$ 186,378	\$ 85,637	\$ 365,116	\$ 130,863

**SUMMARY STATEMENTS OF FINANCIAL POSITION
OF THE HOSPITAL**

(In thousands)

	Unaudited	Audited
	<u>June 30,</u>	<u>December 31,</u>
	<u>2017</u>	<u>2016</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 252,837	\$ 238,032
Short-term investments	1,293,716	1,215,698
Total cash, cash equivalents and short-term investments	<u>1,546,553</u>	<u>1,453,730</u>
Patient accounts receivable, net	616,446	592,123
Other current assets	195,722	127,782
Assets limited as to use - current portion	31,181	30,946
Professional liabilities insurance recoveries receivable and related deposit - current portion	72,843	72,843
Beneficial interest in net assets held by related organizations - current portion	61,985	68,974
Loans receivable from Regional Hospitals - current portion	8,192	8,022
Due from related organizations - net	<u>26,418</u>	<u>-</u>
Total current assets	2,559,340	2,354,420
Assets limited as to use - noncurrent	2,397,114	2,693,002
Property, buildings and equipment - net	3,332,987	2,900,662
Other noncurrent assets - net	21,909	2,749
Loans receivable from Regional Hospitals - noncurrent	502,058	179,197
Professional liabilities insurance recoveries receivable and related deposit - noncurrent	182,091	182,091
Beneficial interest in net assets held by related organizations - noncurrent	<u>1,831,055</u>	<u>1,697,674</u>
Total assets	<u>\$ 10,826,554</u>	<u>\$ 10,009,795</u>

**SUMMARY STATEMENTS OF FINANCIAL POSITION
OF THE HOSPITAL
(continued)
(In thousands)**

	Unaudited	Audited
	<u>June 30,</u>	<u>December 31,</u>
	<u>2017</u>	<u>2016</u>
Liabilities and net assets		
Current liabilities:		
Long-term debt - current portion	\$ 59,298	\$ 55,764
Accounts payable and accrued expenses	475,134	427,847
Accrued salaries and related liabilities	234,259	248,736
Pension and postretirement benefit liabilities - current portion	21,245	21,245
Professional liabilities and other - current portion	74,791	74,791
Other current liabilities	194,699	195,740
Due from related organizations - net	-	1,681
Total current liabilities	<u>1,059,426</u>	<u>1,025,804</u>
Long-term debt	2,697,443	2,456,515
Professional liabilities and other	312,186	311,016
Pension liability	101,166	129,358
Postretirement benefit liability	22,432	22,741
Deferred revenue	1,255	1,509
Other noncurrent liabilities	373,032	294,746
Total liabilities	<u>4,566,940</u>	<u>4,241,689</u>
Net assets:		
Unrestricted	4,366,574	4,001,458
Temporarily restricted - held by related organizations	1,641,624	1,519,775
Permanently restricted - held by related organizations	251,416	246,873
Total net assets	<u>6,259,614</u>	<u>5,768,106</u>
Total liabilities and net assets	<u>\$ 10,826,554</u>	<u>\$ 10,009,795</u>

NewYork-Presbyterian/Lawrence Hospital and Subsidiaries

Consolidated Statements of Financial Position

	December 31	
	2016	2015
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 18,260	\$ 19,070
Patient accounts receivable – less allowance for uncollectibles (2016 – \$3,006, 2015 – \$4,563)	39,194	31,821
Other current assets	5,653	6,444
Assets limited as to use – current portion	2,488	4,473
Due from related organizations, net	–	693
Estimated insurance recoveries and related deposits – current portion	4,972	–
Total current assets	<u>70,567</u>	<u>62,501</u>
Assets limited as to use – net of current portion	90,545	102,948
Property, buildings, and equipment – net	142,293	126,469
Estimated insurance recoveries and related deposits – net of current portion	18,498	22,083
Total assets	<u>\$ 321,903</u>	<u>\$ 314,001</u>
Liabilities and net assets		
Current liabilities:		
Current portion of long-term debt	\$ 3,467	\$ 3,011
Accounts payable and accrued expenses	27,981	26,711
Accrued salaries and related benefits	12,915	13,277
Accrued postretirement benefit liabilities – current portion	306	333
Current portion of estimated settlements with third-party payors	953	4,416
Due to related organizations, net	5,855	–
Estimated professional liabilities – current	6,689	2,242
Total current liabilities	<u>58,166</u>	<u>49,990</u>
Long-term debt – net of current portion	29,228	29,034
Estimated professional liabilities – net of current portion	34,527	37,416
Accrued pension and postretirement benefits – net of current portion	108,504	91,639
Estimated settlements with third-party payors – net of current portion	5,440	2,566
Other noncurrent liabilities	9,880	8,980
Total liabilities	<u>245,745</u>	<u>219,625</u>
Commitments and contingencies		
Net assets:		
Unrestricted	58,952	75,556
Temporarily restricted	12,522	14,136
Permanently restricted	4,684	4,684
Total net assets	<u>76,158</u>	<u>94,376</u>
Total liabilities and net assets	<u>\$ 321,903</u>	<u>\$ 314,001</u>

New York-Presbyterian/Lawrence Hospital and Subsidiaries

Consolidated Statements of Operations

	Year Ended December 31	
	2016	2015
	<i>(In Thousands)</i>	
Revenues:		
Net patient service revenue	\$ 273,750	\$ 256,718
Provision for bad debts	(12,097)	(11,521)
Net patient service revenue, less provision for bad debts	261,653	245,197
Other operating revenue	4,131	3,624
Total revenues	265,784	248,821
Expenses:		
Salaries and wages	146,121	124,241
Employee benefits	40,783	35,244
Supplies and other	87,302	87,586
Interest	795	506
Depreciation and amortization	9,374	7,146
Total expenses	284,375	254,723
Operating loss	(18,591)	(5,902)
Non-operating items:		
Professional liability captive insurer loss development experience	—	(4,767)
Investment return	721	1,446
Contributions and other	753	627
Total non-operating items	1,474	(2,694)
Deficiency of revenues and non-operating items over expenses	(17,117)	(8,596)
Other changes in unrestricted net assets:		
Change in pension and postretirement benefit liabilities to be recognized in future periods	(13,285)	10,212
Net assets released from restrictions for purchases of property, buildings and equipment	2,000	4,820
Distribution from The New York and Presbyterian Hospital for the purchase of property, buildings and equipment	11,798	13,588
Change in unrestricted net assets	\$ (16,604)	\$ 20,024

NEW YORK-PRESBYTERIAN/LAWRENCE HOSPITAL
CONSOLIDATING STATEMENT OF OPERATIONS
YTD 6/30/2017
(IN THOUSANDS)

	Lawrence Hospital Center	LCHS	Lawrence Care	NYPMG/W	LC Services	Total	Eliminations	YTD At 6/30/2017	Budget	Variance Fav/(Unfav)	Prior Year Actual YTD
REVENUE											
Net inpatient revenue	68,111	-	-	-	-	68,111	-	68,111	71,523	(3,412)	62,278
Net outpatient revenue	65,780	5,844	-	14,079	-	85,703	-	85,703	87,160	(1,457)	71,710
Provision for bad debts	(5,956)	-	-	(474)	-	(6,430)	-	(6,430)	(6,541)	111	(5,511)
Net patient service revenue less provision for bad debts	127,935	5,844	-	13,605	-	147,384	-	147,384	152,142	(4,758)	128,477
Contributions	180	241	-	-	-	421	-	421	327	94	302
Other revenue **	1,666	48	-	326	-	2,043	-	2,043	1,706	337	2,415
Total revenue	129,781	6,133	3	13,931	-	149,848	-	149,848	154,175	(4,327)	131,194

EXPENSES											
Salaries and Wages	56,931	3,588	-	18,290	-	78,809	-	78,809	78,961	152	69,446
Employee Benefits	20,371	1,020	-	5,356	-	26,747	-	26,747	27,339	592	20,479
Supplies and other expenses	48,122	1,744	-	2,457	-	52,323	(11,712)	40,611	39,924	(687)	37,265
Depreciation and amortization	6,116	12	-	301	-	6,429	-	6,429	5,933	(496)	4,618
Insurance	3,762	18	-	717	-	4,497	-	4,497	3,722	(775)	2,618
Interest	686	-	-	-	-	686	-	686	552	(134)	222
Lenses and rentals	1,254	173	-	1,752	-	3,179	-	3,179	3,941	762	2,592
Total expenses	137,242	6,555	-	28,873	-	172,670	(11,712)	160,958	160,372	(586)	137,240

OPERATING INCOME (LOSS)	(7,461)	(422)	3	(14,942)	-	(22,822)	11,712	(11,110)	(6,197)	(4,913)	(6,046)
Prior year settlements and other items	1,566	-	-	-	-	1,566	-	1,566	-	1,566	1,361
ADJUSTED OPERATING INCOME (LOSS)	(5,895)	(422)	3	(14,942)	-	(21,256)	11,712	(9,544)	(6,197)	(3,347)	(4,685)
Investment Income *	130	692	-	-	-	822	-	822	144	678	361
NET GAIN/LOSS	(5,765)	270	3	(14,942)	-	(20,434)	11,712	(8,722)	(6,053)	(2,669)	(4,324)

OTHER CHANGES IN UNRESTRICTED NET ASSETS											
Change in additional minimum pension liability	-	-	-	-	-	-	-	-	-	-	-
Fair Value Capital Assets	-	-	-	-	-	-	-	-	-	-	-
Deferred Financing	-	-	-	-	-	-	-	-	-	-	-
Retro Premium Reduction	-	-	-	-	-	-	-	-	-	-	2,000
Assets released for capital	3,674	-	-	-	-	3,674	-	3,674	-	3,674	11,798
Other	3,674	-	-	-	-	3,674	-	3,674	-	3,674	13,798
INCREASE / (DECREASE) IN UNRESTRICTED NET ASSETS	(2,091)	270	3	(14,942)	-	(16,760)	11,712	(5,048)	(6,053)	1,005	9,474

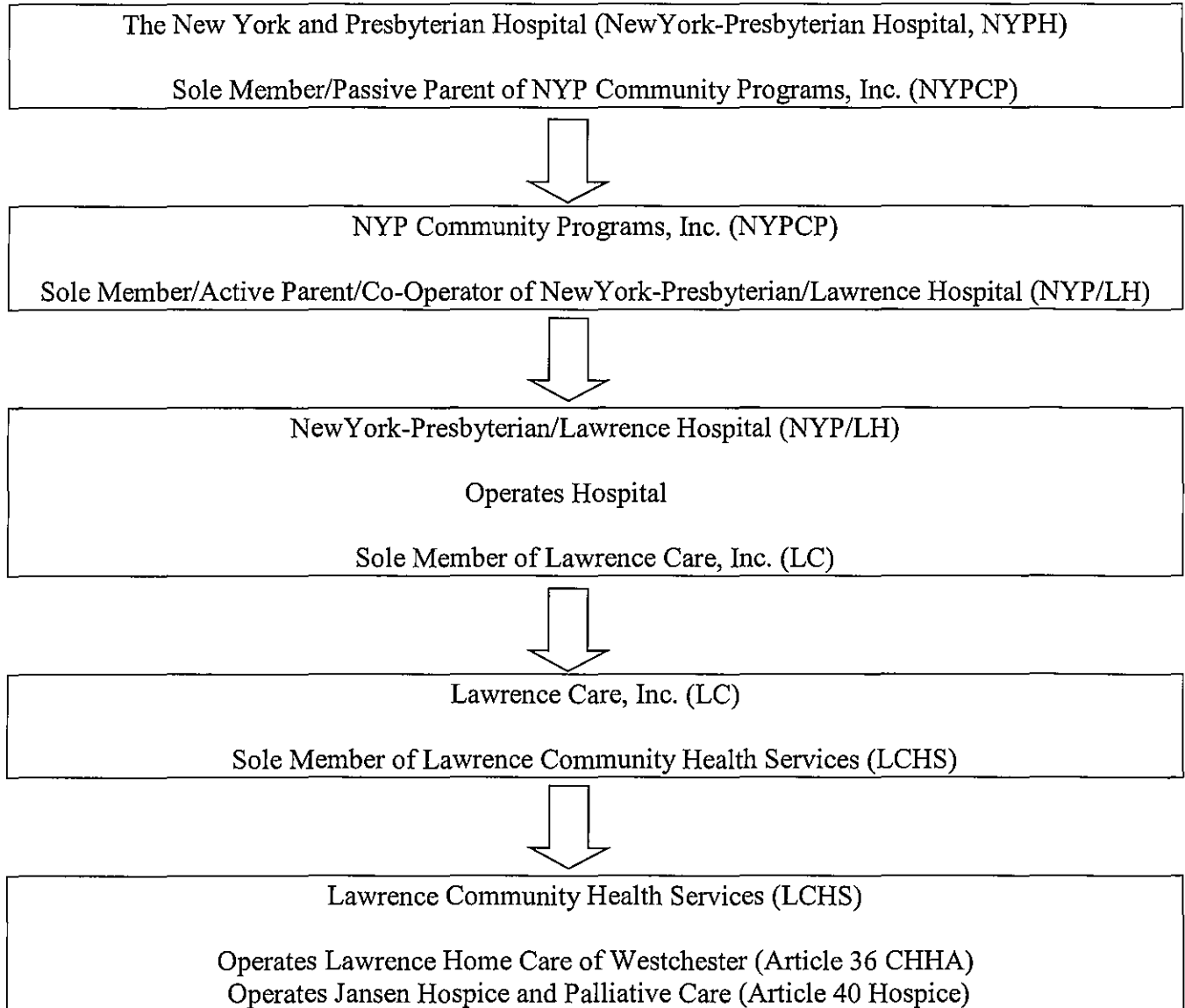
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NEW YORK-PRESBYTERIAN/LAWRENCE HOSPITAL
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS OF June 30, 2017 and DECEMBER 31, 2016
 (IN THOUSANDS)

	Lawrence Hospital Center	LCHS	Lawrence Care	NYP/M/G/W	LC Services	Total	Eliminations	As of June 30, 2017	As of Dec 31, 2016
Assets									
Current assets:									
Cash and cash equivalents	11,966	6,354	359	654	1	19,334	-	19,334	18,260
Short-term investments									
Total cash, cash equivalents & short-term investments	11,966	6,354	359	654	1	19,334	-	19,334	18,260
Patent accounts receivable, net	34,315	1,608		2,942		38,865	-	38,865	39,194
Other current assets *	6,813	71		406	3	7,329	(1,459)	5,870	5,651
Assets limited as to use - current portion	2,488					2,488	-	2,488	2,488
Beneficial interest in net assets held by related organizations - current portion						-	-	-	-
Professional liabilities insurance recoveries receivables - current portion	4,972					4,972	-	4,972	4,972
Due from related organizations	9,716	(2,506)			7	7,200	(7,200)	-	-
Total current assets	70,270	5,527	378	4,002	11	80,187	(8,659)	71,528	70,565
Assets whose use is limited:									
Under debt agreements	1,148					1,148	-	1,148	1,148
Trustee Held	4,757					4,757	-	4,757	4,595
Permanently Restricted	4,310	174				4,684	-	4,684	4,684
Donor - Restricted	12,520	67				12,587	-	12,587	12,386
Board designated - includes captive cash net of current	24,408	8,688				33,096	-	33,096	39,157
Board designated depreciation fund	22,757					22,757	-	22,757	22,671
Board designated-self-insurance fund	5,980					5,980	-	5,980	5,924
Total assets whose use is limited	76,080	8,929	-	-	-	85,009	-	85,009	90,545
Other non-current assets - Deferred Financing NYP	-	-	-	-	-	-	-	-	-
Property, plant and equipment, net	137,403	42		4,962		142,407	-	142,407	142,293
Professional liabilities insurance recoveries receivables	18,868					18,868	-	18,868	18,498
Assets held by related organization	-	-	-	-	-	-	-	-	-
Investments, less current portion	-	-	-	-	-	-	-	-	-
Pledges receivable	-	-	-	-	-	-	-	-	-
Total assets held by related organization	-	-	-	-	-	-	-	-	-
Total assets	302,621	14,498	378	8,965	11	326,472	(8,659)	317,813	321,901
Liabilities and net assets									
Long-term debt - current portion NYP Loan	457					457	-	457	447
Long-term debt - current portion	3,086					3,086	-	3,086	3,020
Accounts payable and accrued expenses	20,747	965	3	8,664	7	30,386	(1,407)	28,979	27,981
Accrued salaries and related liabilities	8,293	1,295		10,702		20,290	(7,794)	12,496	12,915
Pension and postretirement liabilities - current portion	306					306	-	306	306
Other current liabilities	1,758	171				1,929	-	1,929	982
Professional liabilities - current portion	6,889					6,889	-	6,889	6,889
Due to related organizations	9,570					9,570	-	9,570	5,853
Total current liabilities	50,706	2,431	3	19,366	7	72,513	(9,201)	63,312	58,163
Professional liabilities	32,692					32,692	-	32,692	34,527
Postretirement benefit liabilities	4,002					4,002	-	4,002	4,020
Accrued pension liability	102,787					102,787	577	103,364	104,485
Long-term liabilities NYP Loan	5,521					5,521	-	5,521	5,752
Other long-term liabilities	9,447	268		646		10,361	-	10,361	9,880
Due to Third Parties - LT	5,440					5,440	-	5,440	5,440
Long-term obligations, less current portion	21,914					21,914	-	21,914	23,476
Total liabilities	232,509	2,699	3	20,012	7	255,231	(8,624)	246,607	245,743
Net assets:									
Unrestricted	53,050	11,557	375	(11,047)	4	53,939	(35)	53,904	58,951
Temporarily restricted - held by related	12,551	67				12,619	-	12,619	12,522
Permanently restricted - held by related	4,511	174				4,684	-	4,684	4,684
Total net assets	70,112	11,798	375	(11,047)	4	71,241	(35)	71,206	76,158
Total Total liabilities and net assets	302,621	14,498	378	8,965	11	326,472	(8,659)	317,813	321,901

ORGANIZATIONAL CHART
NEWYORK-PRESBYTERIAN/LAWRENCE HOSPITAL (NYP/LH)

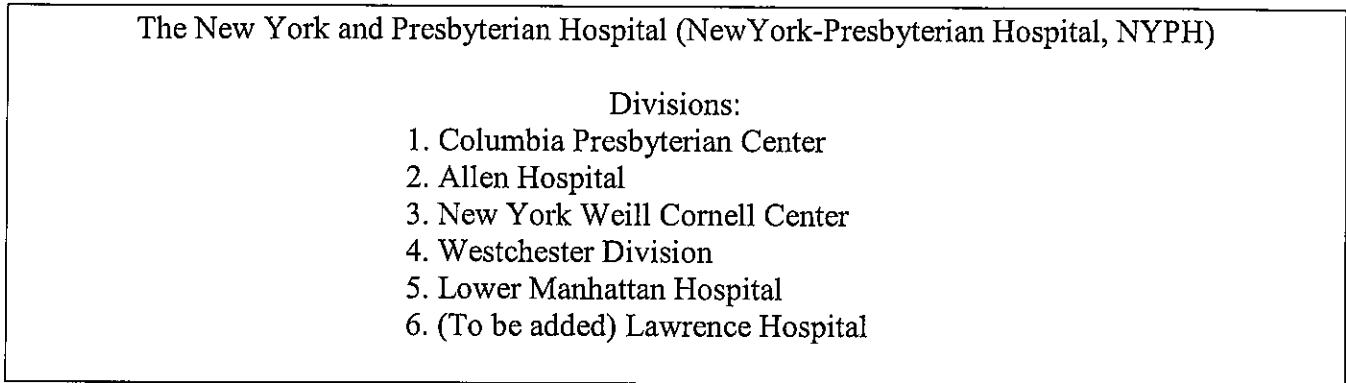
EXISTING



ORGANIZATIONAL CHART
NEWYORK-PRESBYTERIAN HOSPITAL (NYPH)

AS THE RESULT OF THE ACQUISITION OF NYP/LH VIA PLAN OF MERGER

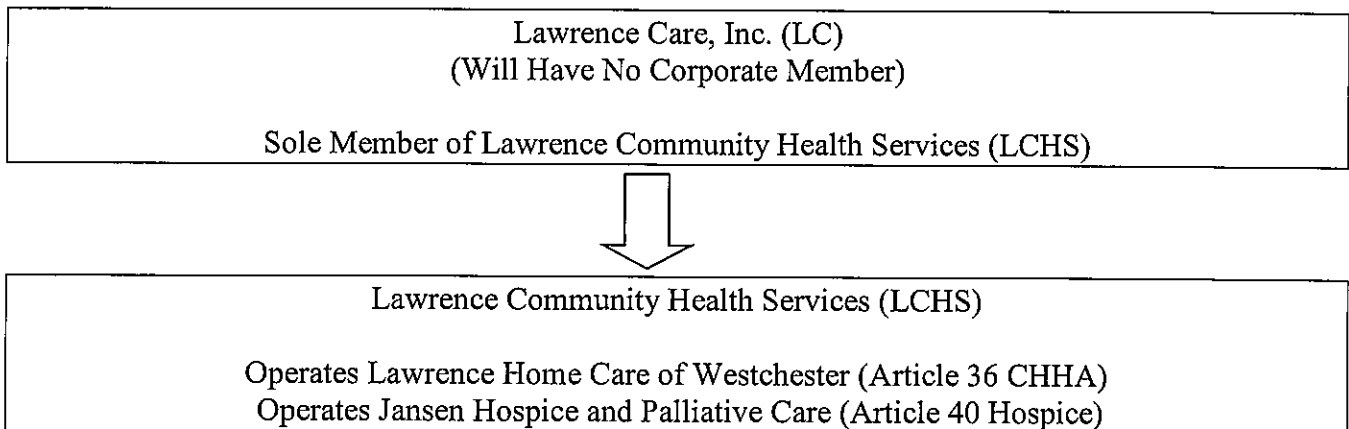
PROPOSED



ORGANIZATIONAL CHART
LAWRENCE CARE, INC.

AS THE RESULT OF THE DISESTABLISHMENT OF LAWRENCE CARE, INC. FROM
NEWYORK-PRESBYTERIAN/LAWRENCE HOSPITAL

PROPOSED



TLC HEALTH NETWORK (DEBTOR-IN-POSSESSION)

Combined Balance Sheets

December 31,	2016	2015
Assets		
Current assets:		
Cash	\$ 1,795,196	\$ 1,167,195
Accounts receivable, net of estimated uncollectibles of \$3,098,000 and \$2,590,000	2,428,693	2,902,462
Grants and other receivables	997,499	571,188
Supplies	578,601	550,890
Prepaid expenses	560,439	539,747
	<u>6,360,428</u>	<u>5,731,482</u>
Property and equipment, net (15,770,911	15,283,557
Assets whose use is limited	4,249,253	3,992,037
Other assets	227,561	181,554
	<u>\$ 26,608,153</u>	<u>\$ 25,188,630</u>
Liabilities and Net Assets		
Current liabilities not subject to compromise:		
Current portion of long-term debt	\$ 51,996	\$ 50,118
Accounts payable	2,018,385	1,426,097
Accrued payroll and related liabilities	1,588,591	1,371,123
Other accrued expenses	760,253	449,883
Deferred revenue	206,250	600,000
Estimated third-party payor settlements	1,313,118	1,169,134
	<u>5,938,593</u>	<u>5,066,355</u>
Long-term debt	415,115	467,882
Liabilities subject to compromise	8,162,150	9,437,863
Net assets:		
Unrestricted	9,499,789	7,594,926
Permanently restricted	2,592,506	2,621,604
	<u>12,092,295</u>	<u>10,216,530</u>
	<u>\$ 26,608,153</u>	<u>\$ 25,188,630</u>

TLC HEALTH NETWORK (DEBTOR-IN-POSSESSION)

Combined Statements of Operations

For the years ended December 31,	2016	2015
Revenue:		
Patient service revenue (net of contractual allowances and discounts)	\$ 24,165,615	\$ 25,057,716
Less: provision for bad debts	(1,058,955)	(1,140,842)
Net patient service revenue	23,106,660	23,916,874
Other revenue	1,185,845	940,755
Total recurring revenue	24,292,505	24,857,629
Expenses:		
Salaries and wages	13,751,418	12,727,814
Employee benefits	2,811,394	2,948,305
Purchased services	5,402,495	5,563,608
Supplies and other expenses	5,002,123	5,564,722
Medical malpractice costs	279,867	248,265
Depreciation	2,381,065	2,305,834
Interest	34,644	171,053
Total recurring expenses	29,663,006	29,529,601
Loss from recurring operations	(5,370,501)	(4,671,972)
Nonrecurring activity:		
Government grants -		
New York State Department of Health (DOH) -		
safety net provider funding	4,455,460	2,656,364
Flood related settlements	2,190,758	-
Gain (loss) on disposal of equipment	(34,870)	52,021
Insurance recovery, net	286,167	778,340
Total nonrecurring activity, net	6,897,515	3,486,725
Income (loss) from operations	1,527,014	(1,185,247)
Other income:		
Government grants - non-flood property and equipment related	237,799	237,799
Donations and other, net	140,050	313,537
Total other income	377,849	551,336
Excess (deficiency) of revenue over expenses	\$ 1,904,863	\$ (633,911)

BROOKS MEMORIAL HOSPITAL

Balance Sheets

December 31,	2016	2015
Assets		
Current assets:		
Cash	\$ 1,853,594	\$ 1,334,110
Accounts receivable, net of estimated uncollectibles of \$1,404,000 and \$784,000	3,448,559	3,704,076
Other receivables	173,044	275,779
Supplies	1,365,599	1,328,071
Prepaid expenses	443,164	425,096
	<u>7,283,960</u>	<u>7,067,132</u>
Property and equipment, net (7,233,749	7,858,185
Assets held in trust	1,262,020	1,172,503
Advances to related parties, net	1,039,691	1,582,106
	<u>\$ 16,819,420</u>	<u>\$ 17,679,926</u>
Liabilities and Net Assets		
Current liabilities:		
Current portion of long-term debt (\$ 127,821	\$ 9,910
Accounts payable	4,352,068	4,259,897
Accrued payroll and benefits	1,865,747	1,652,428
Other accrued expenses	526,726	216,588
Estimated third-party payor settlements	845,180	850,904
	<u>7,717,542</u>	<u>6,989,727</u>
Long-term debt	445,680	37,308
Accrued pension liability	5,339,573	4,519,904
Net assets:		
Unrestricted	2,054,605	4,960,484
Temporarily restricted	504,811	415,294
Permanently restricted	757,209	757,209
	<u>3,316,625</u>	<u>6,132,987</u>
	<u>\$ 16,819,420</u>	<u>\$ 17,679,926</u>

BROOKS MEMORIAL HOSPITAL

Statements of Operations

For the years ended December 31,	2016	2015
Unrestricted revenue:		
Patient service revenue (net of contractual allowances and discounts)	\$ 42,617,341	\$ 40,888,854
Less: provision for bad debts	(2,174,929)	(1,685,242)
Net patient service revenue	40,442,412	39,203,612
Other revenue	1,234,900	970,246
Total revenue	41,677,312	40,173,858
Expenses:		
Salaries and wages	16,788,826	17,306,368
Employee benefits	5,137,727	4,758,384
Purchased services	9,099,045	6,896,626
Supplies and other expenses	13,742,620	13,849,179
Medical malpractice costs	276,677	266,898
Depreciation	1,788,127	1,918,128
Interest	8,531	5,628
Loss on disposal of property and equipment	43,511	5,649
Total expenses	46,885,064	45,006,860
Loss from operations	(5,207,752)	(4,833,002)
Other income:		
Grant revenue - New York State operating subsidies	3,773,908	1,266,848
Investment gains	-	4,514
Donations and other, net	95,514	67,503
Total other income	3,869,422	1,338,865
Excess of expenses over revenue	(1,338,330)	(3,494,137)
Change in unrealized gains and losses on investments	-	(38,923)
Pension liability adjustment	(521,667)	(1,430,174)
Contributions to affiliates - estimated advances allowances	(1,045,882)	(2,193,275)
Net assets released from restriction	-	195,330
Change in unrestricted net assets	\$ (2,905,879)	\$ (6,961,179)

TLC Health Network

Balance Sheet

As of June 30, 2017

	June 30, 2017	Unaudited December 31, 2016	Change from December 31st
Assets			
Current Assets:			
Cash and cash equivalents	\$ 1,850,356	\$ 1,638,290	\$ 212,066
Patient receivables, net	2,562,131	2,299,160	262,971
Other receivables	936,423	964,202	(27,779)
Supplies	555,270	578,601	(23,331)
Prepaid expenses and other	735,697	550,042	185,655
Total Current Assets	6,639,876	6,030,295	609,581
Assets Whose Use is Limited:			
Pre-funded bankruptcy costs	533,777	573,777	(40,000)
Restricted under bankruptcy decree	2,250,000	887,500	1,362,500
Designated insurance proceeds	177,751	177,724	27
Restricted for FEMA Projects	369,643	617,496	(247,853)
Restricted for VAP Projects	210,264	206,250	4,014
Assets held by other others	2,695,494	2,586,506	108,988
Total Assets Whose Use is Limited	6,236,927	5,049,253	1,187,674
Property and equipment, net	14,237,791	14,520,802	(283,011)
Other assets	468,308	464,628	3,680
Total Assets	\$ 27,582,901	\$ 26,064,978	\$ 1,517,924
Liabilities & Net Assets			
Current Liabilities:			
Accounts payable	\$ 1,927,035	\$ 2,398,871	\$ (471,836)
Accrued salaries and benefits	1,724,638	1,550,981	173,657
Other accrued expenses	400,584	379,522	21,062
Deferred revenue	210,300	206,250	4,050
Estimated third party payer settlements	1,109,382	1,291,190	(181,808)
Total Current Liabilities	5,371,939	5,826,814	(454,875)
Liabilities subject to compromise:			
Secured	110,966	150,966	(40,000)
Unsecured	8,811,184	8,811,184	0
Total Liabilities	14,294,089	14,788,964	(494,875)
Net Assets			
Unrestricted net assets	10,593,318	8,689,508	1,903,810
Restricted net assets	2,695,494	2,586,506	108,988
Total Net Assets	13,288,812	11,276,014	2,012,798
Total Liabilities and Net Assets	\$ 27,582,901	\$ 26,064,978	\$ 1,517,923

TLC Health Network**Statement of Operations**

For the six months ended June 30, 2017

	Actual	Budget	Favorable/ (Unfavorable)	Prior Year
Operating Revenue:				
Net patient revenue	\$ 11,847,898	\$ 13,413,164	\$ (1,565,267)	\$ 11,651,279
Less: Provision for uncollectable accounts	(573,900)	(589,590)	15,689	(516,879)
Adjusted net patient revenue	11,273,997	12,823,575	(1,549,577)	11,134,400
Other revenue	375,587	249,350	126,237	244,923
Total Operating Revenue	11,649,584	13,072,925	(1,423,340)	11,379,323
Operating Expenses:				
Salaries & wages	7,013,072	7,248,465	235,393	6,418,061
Employee benefits	1,416,068	1,417,768	1,700	1,338,127
Professional fees	1,112,633	1,173,122	60,489	539,258
Purchased services	1,980,233	1,938,068	(42,165)	1,926,016
Supplies	1,291,465	1,737,204	445,739	1,351,911
Other expenses	644,261	701,145	56,884	683,731
Utilities	309,168	291,629	(17,539)	314,705
Insurance	231,808	209,439	(22,369)	204,077
Depreciation & amortization	941,118	884,128	(56,990)	1,100,888
Interest	62,780	9,279	(53,502)	30,980
Total Operating Expenses	15,002,607	15,610,248	607,641	13,907,755
Income/(Loss) from Recurring Operations	(3,353,022)	(2,537,323)	(815,699)	(2,528,432)
Non-recurring Activity:				
Grants - NYSDOH Safety Net Hospital funding	4,726,794	2,200,002	2,526,792	1,944,000
Income/(Loss) from Operations	1,373,772	(337,321)	1,711,093	(584,432)
Non-operating Gain/(Loss):				
FEMA Project Award	383,657	-	(383,657)	-
Grants	64,700	-	(64,700)	-
Donations	26,620	18,750	(7,870)	15,976
Investment Income/(Loss)	55,061	39,750	15,311	25,988
Non-operating Gain/(Loss)	530,039	58,500	(440,916)	41,964
Excess of Revenue/(Deficiency) Over Expenses	\$ 1,903,810	\$ (278,821)	\$ 1,270,176	\$ (542,467)

BROOKS MEMORIAL HOSPITAL
Comparative Statement of Revenue & Expense, Budget Vs. Actual
JUN 2017

Actual JUN 2017	Budget JUN 2017	Variance		YTD Actual	YTD Budget	Variance
REVENUE						
PATIENT REVENUE						
1,231,520.00	1,079,492.00	152,028	Inpatient Routine	7,097,440.00	7,242,809.00	(145,369)
1,820,376.40	1,757,209.00	63,167	Inpatient Ancillary	10,696,484.12	11,131,372.00	(434,888)
5,381,906.65	6,038,010.00	(656,103)	Outpatient	31,161,670.15	35,307,066.00	(4,145,396)
8,433,803.05	8,874,711.00	(440,908)	Total Patient Revenue	48,955,594.27	53,681,247.00	(4,725,653)
DEDUCTIONS FROM REVENUE						
5,101,516.85	5,300,805.00	199,288	Contractual Adjustments	29,093,707.94	31,834,725.00	2,741,017
(150,209.38)	(26,667.00)	123,542	Other	(578,586.81)	(160,000.00)	418,587
211,003.83	179,167.00	(31,837)	Bad Debt	854,654.44	1,075,000.00	220,346
48,359.29	89,583.00	41,224	Charity Care	465,169.37	537,500.00	72,331
5,210,670.59	5,542,888.00	332,217	Total Deductions from Revenue	29,834,944.94	33,287,225.00	3,452,280
3,223,132.46	3,331,823.00	(108,691)	NET PATIENT REVENUE	19,120,649.33	20,394,022.00	(1,273,373)
64,248.82	59,272.00	4,977	OTHER OPERATING REVENUE	464,636.58	389,538.00	75,099
3,287,381.28	3,391,095.00	(103,714)	NET REVENUE	19,585,285.91	20,783,560.00	(1,198,274)
OPERATING EXPENSES						
1,387,502.24	1,498,672.00	111,170	Salaries	8,213,976.43	8,800,893.00	586,917
383,748.37	447,166.00	63,418	Benefits & Taxes	2,411,823.30	2,681,671.00	269,848
498,511.51	831,213.00	332,702	Supplies	4,389,721.24	4,948,270.00	558,549
246,244.30	329,919.00	83,675	Professional Fees - Physician	2,286,832.03	2,011,625.00	(275,207)
1,458.50	9,183.00	7,725	Professional Fees - Other	46,487.12	80,732.00	34,245
360,069.88	319,662.00	(40,408)	Purchased Services	2,137,231.44	2,044,624.00	(92,607)
48,403.75	45,559.00	(2,845)	Insurance	281,735.05	273,351.00	(8,384)
136,997.53	136,840.00	(158)	Depreciation & Amortization	843,365.74	821,040.00	(22,326)
1,277.58	320.00	(958)	Interest	4,209.44	1,907.00	(2,302)
342,164.82	347,141.00	4,976	Other Expenses	1,852,898.18	2,043,415.00	190,517
3,406,378.48	3,965,675.00	559,297	Total Expenses	22,468,279.97	23,707,528.00	1,239,248
(118,997.20)	(574,580.00)	455,583	INCOME/(LOSS) FROM OPERATIONS	(2,882,994.06)	(2,923,968.00)	40,974
1,134,208.36	0.00	1,134,208	NON OPERATING REVENUE	3,210,868.95	18,000.00	3,192,869
1,015,211.16	(574,580.00)	1,589,791	EXCESS OF REV/(LOSS) OVER EXPEN	327,874.89	(2,905,968.00)	3,233,843

BROOKS MEMORIAL HOSPITAL
BALANCE SHEET PRIOR YEAR-END COMPARISON
JUN 2017 UNAUDITED

	JUN 2017	DEC 2016
ASSETS		

CASH & SHORT-TERM INVESTMENTS		
Cash	1,300,410.20	1,853,594.08
Short-Term Investments	0.00	0.00
Total Cash & Short-Term Investments	1,300,410.20	1,853,594.08
ACCOUNTS & NOTES RECEIVABLE		
A/R Billed	8,898,490.12	9,001,905.42
A/R Unbilled	2,772,613.96	1,898,976.49
Reserve for Uncoll & C/A	(7,935,408.64)	(7,468,565.90)
Year-End Settlements	0.00	16,243.00
Net Patient Receivables	3,735,695.44	3,448,559.01
Receivable Other	161,335.52	173,044.01
Net Accounts & Notes Receivable	3,897,030.96	3,621,603.02
INVENTORIES		
	1,582,234.30	1,365,598.53
OTHER CURRENT ASSETS		
	591,321.28	443,164.43
TOTAL CURRENT ASSETS		
	7,370,996.74	7,283,960.06
PROPERTY AND EQUIPMENT, NET		
	6,721,564.12	7,233,748.69
DUE FROM RELATED PARTIES		
Due From TLC-Notes Secured	94,694.74	111,965.68
Due from TLC-Other	4,019,332.68	4,046,799.47
Reserve for Uncoll - TLC	(3,119,074.00)	(3,119,074.00)
Net Due from TLC	994,953.42	1,039,691.15
Due from Lake Erie Med Svcs	6,703,434.47	6,555,931.25
Reserve for Uncoll - LEMS	(6,555,931.25)	(6,555,931.25)
Net Due from LEMS	147,503.22	0.00
Total Due from Related Parties	1,142,456.64	1,039,691.15
ASSETS LIMITED AS TO USE		
Investment-NCCF	1,308,387.82	1,262,019.97
Total Assets Limited as to Use	1,308,387.82	1,262,019.97
TOTAL ASSETS		
	16,543,405.32	16,819,419.87

BROOKS MEMORIAL HOSPITAL
BALANCE SHEET PRIOR YEAR-END COMPARISON
JUN 2017 UNAUDITED

	JUN 2017	DEC 2016
LIABILITIES & FUND BALANCE		

CURRENT LIABILITIES		
Current Portion Long-Term Debt	0.00	127,821.23
Accounts Payable-Operating	3,987,744.58	4,352,067.96
Accrued Expenses Payroll	1,774,884.56	1,952,226.57
Other Payables	1,137,081.35	1,285,425.89
Total Current Liabilities	6,899,710.49	7,717,541.65
LONG-TERM LIABILITIES		
Long-Term Debt	509,617.73	445,680.05
Defined Benefit Liability	5,489,577.36	5,339,573.32
Total Long-Term Liabilities	5,999,195.09	5,785,253.37
TOTAL LIABILITIES	12,898,905.58	13,502,795.02
FUND BALANCE		
Unrestricted	2,887,290.74	2,559,415.85
Permanently restricted	757,209.00	757,209.00
Total Fund Balance	3,644,499.74	3,316,624.85
TOTAL LIABILITIES & FUND BALANCE	16,543,405.32	16,819,419.87

BFA Attachment C
CON 172211

	<u>SFY 2014-15</u> <u>IAAF</u>	<u>SFY 2015-16</u> <u>VAPAP - I</u>	<u>SFY 2016-17</u> <u>VAPAP II</u>	<u>SFY 2017-18</u> <u>VAPAP III-</u> <u>Budgeted</u>	<u>Total</u>
Brooks		3,324,868	3,562,008	3,581,605	10,468,481
TLC	5,564,099	2,682,076	6,025,562	2,433,891	16,705,628
Total	5,564,099	6,006,944	9,587,570	6,015,496	27,174,109

Balance Sheet
WNY Medical Management, LLC
12/31/2016 & 6/30/2017

	<u>12/31/16</u>	<u>06/30/17</u>
Assets:		
Current Assets:		
Cash	\$69,351	\$61,488
Accounts Receivable	\$185,220	\$155,662
Rental Income Receivable	\$2,000	\$7,468
Total Current Assets	<u>\$256,571</u>	<u>\$224,618</u>
Property Plant and Equipment Net	\$260,999	\$278,985
Total Assets	<u>=====</u> \$517,570	<u>=====</u> \$503,603
 Liabilities and Members' Equity:		
Current Liabilities		
Accounts Payable	\$6,207	\$23,574
Accrued Expenses	\$-00	\$-00
Line of Credit	\$-00	\$-00
Current Portion of Long-term Debt	\$75,733	\$77,461
Total Current Liabilities	<u>\$81,940</u>	<u>\$101,035</u>
Long Term Liabilities		
Long Term Debt Less Current Portion	\$263,711	\$224,525
Total Liabilities	<u>\$345,651</u>	<u>\$325,560</u>
Member's Equity	\$169,919	\$178,043
Total Liabilities and Member's Equity	<u>=====</u> \$515,570	<u>=====</u> \$503,603

Income Statement
 12/31/2016 & 6/30/2017
 WNY Medical Management, LLC

	Period Ending <u>12/31/2016</u>	Period Ending <u>6/30/2017</u>
Patient Revenue	\$1,005,760	\$548,110
Rental Income	\$2,000	\$7,217
Total Revenue	<u>\$1,007,760</u>	<u>\$555,327</u>
Expenses:		
Wages	\$289,836	\$143,189
Medical Supplies	\$148,763	\$96,031
Depreciation	\$82,537	\$40,968
Rent & Utilities	\$89,868	\$93,446
Professional Fees	\$90,790	\$32,853
Office Supplies and Expenses	\$40,380	\$19,690
Employee Benefits	\$37,752	\$16,221
Payroll Taxes	\$26,831	\$15,045
Repairs and Maintenance	\$17,042	\$10,270
Interest	\$17,830	\$7,320
Dues and Subscriptions	\$36,904	\$26,419
Other Miscellaneous	\$4,208	\$2,097
Janitorial and Linen Services	\$14,795	\$10,082
Insurance	\$16,050	\$8,398
Licenses and Fees	\$3,629	\$2,957
Total Expenses	<u>\$917,215</u>	<u>\$524,986</u>
Net Revenue	<u>\$88,545</u>	<u>\$23,124</u>
Members Equity , Beginning of Year	<u>\$111,374</u>	<u>\$169,919</u>
Owners' Distribution	<u>\$30,000</u>	<u>\$15,000</u>
Members Equity , End of Year/Quarter	<u>\$169,919</u>	<u>\$178,043</u>

Specialists' One-Day Surgery LLC

Glenn B Axelrod MD	3.33%
Brett B Greenky MD	3.33%
Seth S Greenky MD	3.33%
Daniel J Murphy MD	3.33%
Warren E <u>Wulff</u> MD	3.33%
Walter H Short MD	3.33%
Timothy H <u>Izant</u> MD	3.33%
C Perry Cooke MD	3.33%
Stephen P <u>Bogosian</u> MD	3.33%
I Michael Vella MD	3.33%
P James Newman MD	3.33%
Colleen Zogby	3.33%
John J Cambareri MD	3.33%
John F Fatti MD	3.33%
Daniel C <u>Wnorowski</u> MD	3.33%
Richard J DiStefano MD	3.33%
John F Parker MD	3.33%
Michael T Clarke MD	3.33%
Thomas R <u>Haheer</u> MD	3.33%
Frederick R <u>Lemley</u> MD	3.33%
Todd C <u>Battaglia</u> MD	3.33%
J. Alan <u>Lemley</u> MD	3.33%
L. Ryan Smart MD	3.33%
Bradley Raphael MD	3.33%
<u>Naven</u> Duggal MD	3.33%
Nathan Everding MD	3.33%
Aaron Bianco MD	3.34%
Robert <u>Tiso</u> MD	1.68%
Joseph Catania MD	1.68%
Eric <u>Tallarico</u> MD	1.68%
Mary C. <u>Trusilo</u> MD	1.68%
Jason <u>Lok</u> MD	1.68%
Jacob A Vella MD	1.68%
	100.00%

SPECIALISTS' ONE-DAY SURGERY, LLC

**BALANCE SHEETS
DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 3,566,632	\$ 3,580,853
Accounts receivable, net	2,846,803	2,715,324
Other current assets	<u>98,416</u>	<u>101,546</u>
Total current assets	<u>6,511,851</u>	<u>6,397,723</u>
PROPERTY:		
Building and improvements	22,174	22,174
Medical equipment	3,106,840	2,943,962
Medical instruments	758,459	758,459
Furniture and fixtures	165,373	165,373
Computer equipment and software	<u>353,059</u>	<u>369,517</u>
Total	4,405,905	4,259,485
Less: Accumulated depreciation	<u>3,599,593</u>	<u>3,378,556</u>
Property, net	<u>806,312</u>	<u>880,929</u>
Total assets	<u>\$ 7,318,163</u>	<u>\$ 7,278,652</u>
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 575,416	\$ 686,864
Due to affiliate	-	24,772
Note payable - related party	35,455	38,041
Capital lease obligations	49,191	55,802
Accrued expenses	375,184	431,014
Member distributions payable	<u>2,730,600</u>	<u>2,370,000</u>
Total current liabilities	<u>3,765,846</u>	<u>3,606,493</u>
LONG-TERM LIABILITIES:		
Note payable - related party, net of current portion	-	32,258
Capital lease obligations, net of current portion	<u>83,915</u>	<u>133,106</u>
Total long-term liabilities	<u>83,915</u>	<u>165,364</u>
Total liabilities	<u>3,849,761</u>	<u>3,771,857</u>
MEMBERS' EQUITY	<u>3,468,402</u>	<u>3,506,795</u>
Total liabilities and members' equity	<u>\$ 7,318,163</u>	<u>\$ 7,278,652</u>

SPECIALISTS' ONE-DAY SURGERY, LLC

**STATEMENTS OF INCOME AND MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

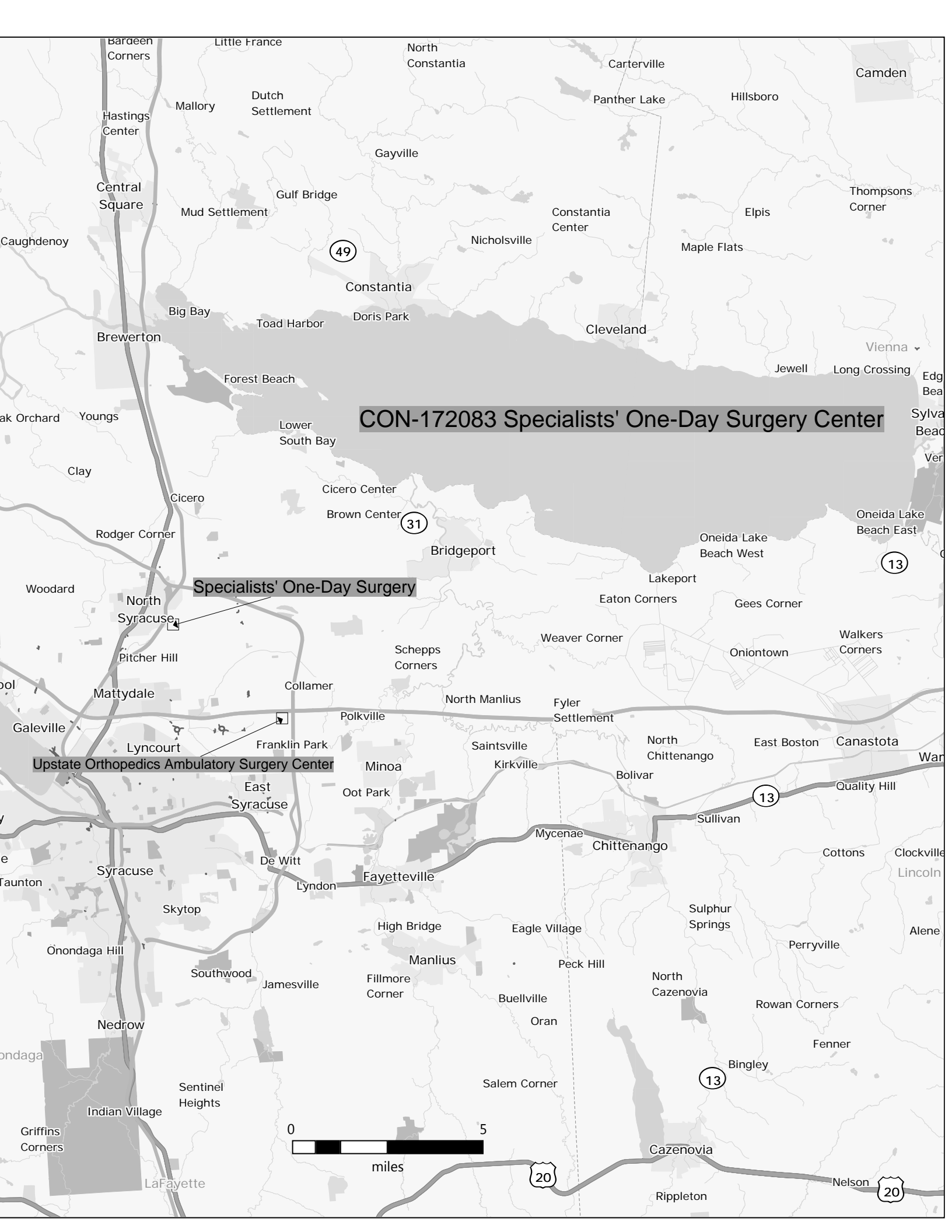
	<u>2016</u>	<u>2015</u>
REVENUES:		
Patient service revenue, net of contractual allowances and discounts	\$ 23,394,008	\$ 22,264,732
Decrease (increase) in allowance for doubtful accounts	<u>79,718</u>	<u>(158,636)</u>
Net patient service	23,473,726	22,106,096
OPERATING EXPENSES	<u>12,138,488</u>	<u>11,398,200</u>
GROSS PROFIT	11,335,238	10,707,896
GENERAL AND ADMINISTRATIVE EXPENSES	<u>835,209</u>	<u>1,127,359</u>
OPERATING INCOME	10,500,029	9,580,537
GAIN ON SALE OF PROPERTY	13,000	9,000
INTEREST EXPENSE	<u>(8,395)</u>	<u>(8,246)</u>
NET INCOME	10,504,634	9,581,291
MEMBERS' EQUITY - beginning of year	3,506,795	3,021,424
CAPITAL CONTRIBUTIONS	329,000	624,000
DISTRIBUTIONS TO MEMBERS	<u>(10,872,027)</u>	<u>(9,719,920)</u>
MEMBERS' EQUITY - end of year	<u>\$ 3,468,402</u>	<u>\$ 3,506,795</u>

Balance Sheet
Specialists One-Day Surgery
September 30, 2017

Current Assets	\$2,270,610
Property Net	\$407,647
Total Assets	\$2,678,257
Current Liabilities & Accruals	\$55,888
Long Term Liabilities	\$63,650
Equity	\$2,558,719
Total Liabilities & Equity	\$2,678,257

Income Statement
Specialists One-Day Surgery
September 30, 2017

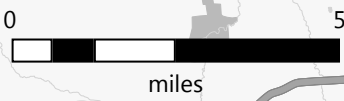
Net Sales	\$17,005,495
Operating Expense	\$8,725,256
Gross Profit	\$8,280,239
Administration Expenses	\$644,471
Operating Income	\$7,635,768
Other Income & Expenses	(\$67,684)
Net Income	\$7,568,084



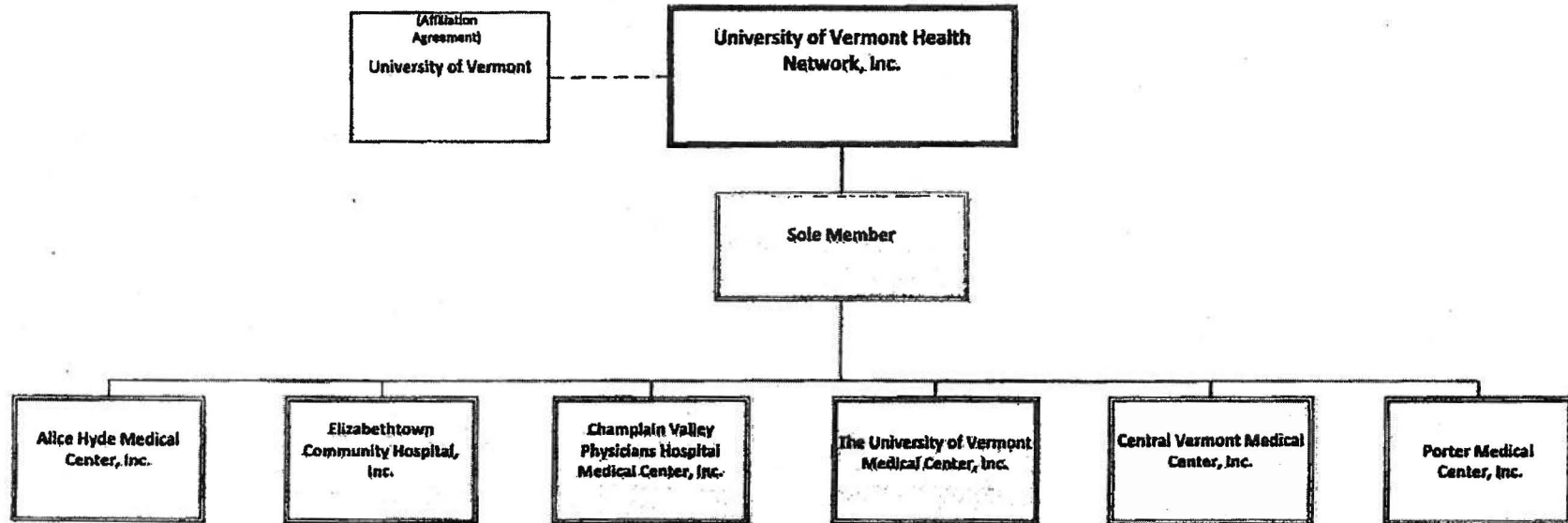
CON-172083 Specialists' One-Day Surgery Center

Specialists' One-Day Surgery

Upstate Orthopedics Ambulatory Surgery Center



**University of Vermont Health Network
Proposed Hospital Organizational Chart**



The University of Vermont Health Network Inc. and Subsidiaries
Consolidated Balance Sheets
September 30, 2016 and 2015

<i>(In thousands)</i>	2016	2015
Assets		
Current assets		
Cash and cash equivalents	\$ 243,014	\$ 228,791
Patient and other trade accounts receivable - net of allowance for doubtful accounts of \$40,556 and \$33,979, respectively	220,430	193,634
Inventories	35,510	31,863
Current portion of assets whose use is limited or restricted	95,165	35,773
Receivables from third-party payers	5,900	6,812
Short-term investments	16,712	15,106
Prepaid and other current assets	<u>35,185</u>	<u>30,450</u>
Total current assets	<u>651,916</u>	<u>542,429</u>
Assets whose use is limited or restricted		
Board-designated assets	475,304	417,370
Assets held by trustee under bond indenture agreements	42,808	23,542
Restricted assets	15,034	20,452
Donor-restricted assets for specific purposes	34,581	31,482
Donor-restricted assets for permanent endowment	<u>32,168</u>	<u>31,486</u>
Total assets whose use is limited or restricted	<u>599,895</u>	<u>524,332</u>
Property and equipment, net	708,759	619,964
Other	<u>37,078</u>	<u>22,564</u>
Total assets	<u>\$ 1,995,648</u>	<u>\$ 1,709,289</u>
Liabilities and Net Assets		
Current liabilities		
Current installments of long-term debt	\$ 33,838	\$ 28,015
Accounts payable	59,877	37,220
Accrued expenses and other liabilities	52,578	50,841
Accrued payroll and related benefits	102,163	107,457
Third-party payer settlements	21,468	15,346
Incurred but not reported claims	<u>26,834</u>	<u>28,444</u>
Total current liabilities	<u>296,559</u>	<u>267,323</u>
Long-term liabilities		
Long-term debt - net of current installments	548,660	417,818
Malpractice and workers' compensation claims net of current portion	26,905	31,351
Pension and other postretirement benefit obligations	122,618	94,420
Other	<u>44,727</u>	<u>35,102</u>
Total long-term liabilities	<u>742,910</u>	<u>578,491</u>
Total liabilities	<u>1,039,469</u>	<u>845,814</u>
Commitments and contingent liabilities		
Net assets		
Unrestricted	878,222	792,549
Temporarily restricted	43,926	37,765
Permanently restricted	<u>34,029</u>	<u>33,161</u>
Total net assets	<u>956,177</u>	<u>863,475</u>
Total liabilities and net assets	<u>\$ 1,995,648</u>	<u>\$ 1,709,289</u>

The University of Vermont Health Network Inc. and Subsidiaries
Consolidated Statements of Operations
Years Ended September 30, 2016 and 2015

<i>(In thousands)</i>	2016	2015
Unrestricted revenue and other support		
Net patient service revenue	\$ 1,636,585	\$ 1,536,497
Less: Provision for bad debts	<u>(41,753)</u>	<u>(35,429)</u>
Net patient service revenue after provision for bad debts	1,594,832	1,501,068
Enhanced Medicaid Graduate Medical Education revenues-Hospital	10,714	11,511
Enhanced Medicaid Graduate Medical Education revenues-Professional	<u>19,288</u>	<u>18,490</u>
Net patient service revenue after provision for bad debts and Enhanced Medicaid Graduate Medical Education revenues	1,624,832	1,531,069
Premium revenue	9,897	11,571
Pharmacy revenue	60,741	44,340
Other revenue	<u>53,093</u>	<u>59,391</u>
Total unrestricted revenue and other support	<u>1,748,563</u>	<u>1,646,371</u>
Expenses		
Salaries, payroll taxes, and fringe benefits	1,051,259	982,831
Supplies and other	435,552	417,532
Purchased services	87,308	79,412
Depreciation and amortization	77,798	72,785
Interest expense	<u>17,583</u>	<u>19,219</u>
Total expenses	<u>1,689,500</u>	<u>1,571,579</u>
Income from operations	<u>79,063</u>	<u>74,792</u>
Nonoperating gains (losses)		
Investment income	10,070	9,445
Change in fair value of interest rate swap agreements	(4,885)	(5,842)
Loss on the extinguishment of debt	<u>(22,696)</u>	<u>(346)</u>
Contribution revenue from acquisition	23,774	-
Other	<u>(591)</u>	<u>5,841</u>
Total nonoperating gains, net	<u>5,692</u>	<u>9,298</u>
Excess of revenue over expenses	84,755	84,090
Net change in unrealized gains (losses) on investments	36,090	(12,875)
Net assets released from restrictions for capital purchases	2,515	3,386
Pension related adjustments	<u>(37,471)</u>	<u>(37,780)</u>
Other adjustments	<u>(218)</u>	<u>465</u>
Increase in unrestricted net assets	<u>\$ 85,673</u>	<u>\$ 37,286</u>

CHAMPLAIN VALLEY PHYSICIANS HOSPITAL MEDICAL CENTER
d/b/a The University of Vermont Health Network -
Champlain Valley Physicians Hospital

Consolidated Balance Sheets

September 30, 2016 and 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 19,586,967	21,822,317
Short-term investments	14,408,256	13,017,939
Current portion of assets limited as to use	1,000,000	1,000,000
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$6,430,000 in 2016 and \$6,754,000 in 2015	39,434,401	44,100,112
Inventories	5,440,348	5,029,092
Prepaid and other current assets	7,614,173	6,920,961
Estimated third-party payor settlements, net	275,494	2,916,800
	<u>87,759,639</u>	<u>94,807,221</u>
Total current assets		
Assets limited as to use, net of amount required for current liabilities:		
Bond escrow	1,951,535	1,944,504
Facility redevelopment and funded depreciation	20,477,855	18,290,870
Deferred compensation fund	6,647,205	5,905,643
	<u>29,076,595</u>	<u>26,141,017</u>
Total assets limited as to use		
Property and equipment, net	105,091,345	103,915,564
Pledges receivable, net	706,529	769,749
Long-term investments	4,102,322	3,829,925
Notes receivable and other assets	1,709,577	3,040,925
	<u>\$ 228,446,007</u>	<u>232,504,401</u>
Total assets		

<u>Liabilities and Net Assets</u>	<u>2016</u>	<u>2015</u>
Current liabilities:		
Line of credit	\$ 4,977,974	4,983,501
Current installments of long-term debt	7,867,049	7,450,295
Accounts payable	12,625,520	10,187,029
Accrued expenses and other liabilities	2,259,967	1,007,684
Accrued payroll and related benefits	12,926,929	17,327,816
Due to related parties, net	2,886,841	384,902
Incurred but not reported claims	950,000	850,000
	<u>44,494,280</u>	<u>42,191,227</u>
Total current liabilities		
Long-term debt, net of current installments	53,002,604	56,157,195
Malpractice and workers' compensation claims	6,227,445	7,783,716
Deferred compensation payable	6,647,205	5,905,643
Accrued pension obligations	68,346,400	47,986,211
Interest rate swaps	12,174,608	10,322,101
Due to related parties, net	3,613,879	2,105,739
Other long-term liabilities	480,268	484,785
	<u>194,986,689</u>	<u>172,936,617</u>
Total liabilities		
Net assets:		
Unrestricted	28,969,620	55,112,123
Temporarily restricted	2,826,827	2,795,570
Permanently restricted	1,662,871	1,660,091
	<u>33,459,318</u>	<u>59,567,784</u>
Commitments and contingencies		
Total liabilities and net assets	<u>\$ 228,446,007</u>	<u>232,504,401</u>

CHAMPLAIN VALLEY PHYSICIANS HOSPITAL MEDICAL CENTER
d/b/a The University of Vermont Health Network -
Champlain Valley Physicians Hospital

Consolidated Statement of Operations and Changes in Net Assets

Year ended September 30, 2016

Unrestricted revenues, gains and other support:	
Patient service revenue (net of contractual allowances and discounts)	\$ 305,376,449
Provision for bad debts	<u>(11,534,322)</u>
Net patient service revenue less provision for bad debts	293,842,127
Other operating revenue	9,444,873
Pharmacy revenue	5,218,500
Net assets released from restrictions for operating purposes	<u>511,421</u>
Total unrestricted revenues, gains and other support	<u>309,016,921</u>
Expenses:	
Salaries and wages	156,811,248
Employee benefits	42,572,054
Supplies and other expenses	76,264,509
Purchased services	20,395,735
Depreciation and amortization	15,835,260
Interest	2,893,397
New York State cash receipts assessment	<u>1,189,958</u>
Total expenses	<u>315,962,161</u>
Loss from operations	<u>(6,945,240)</u>
Nonoperating revenue (expense):	
Investment income	277,794
Gifts, bequests and contributions	516,822
Foundation expenses	(869,065)
Change in fair value of interest rate swaps	(1,852,507)
Gain on sale of equipment	<u>5,491</u>
Total nonoperating expense	<u>(1,921,465)</u>
Deficiency of revenues over expenses	<u>(8,866,705)</u>

ELIZABETHTOWN COMMUNITY HOSPITAL
d/b/a The University of Vermont Health Network -
Elizabethtown Community Hospital

Balance Sheets

September 30, 2016 and 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 10,480,853	6,730,744
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$636,000 in 2016 and \$797,000 in 2015	3,018,418	4,057,376
Pledges receivable	269,617	-
Inventories	274,503	285,232
Prepaid expenses and other current assets	685,305	759,002
Grants receivable	8,643	154,783
Total current assets	<u>14,737,339</u>	<u>11,987,137</u>
Assets limited as to use	3,092,022	2,856,314
Pledges receivable, net of current portion	151,050	-
Property and equipment, net	19,140,183	14,298,755
Other assets	84,650	89,268
Total assets	<u>\$ 37,205,244</u>	<u>29,231,474</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Current portion of long-term debt	727,595	581,051
Accounts payable	1,200,406	1,050,827
Accrued payroll and benefits	1,410,964	1,831,356
Due to affiliate, net	209,158	30,007
Estimated third-party payor settlements	957,979	1,493,700
Total current liabilities	<u>4,506,102</u>	<u>4,986,941</u>
Long-term debt, net of current portion	9,757,942	5,497,827
Interest rate swap liability	612,501	660,304
Estimated third-party payor settlements	1,220,100	856,000
Other liabilities	1,039,423	907,605
Total liabilities	<u>17,136,068</u>	<u>12,908,677</u>
Net assets:		
Unrestricted	19,257,050	15,544,801
Temporarily restricted	797,386	763,256
Permanently restricted	14,740	14,740
Total net assets	<u>20,069,176</u>	<u>16,322,797</u>
Commitments and contingencies (notes 3, 6 and 8)		
Total liabilities and net assets	<u>\$ 37,205,244</u>	<u>29,231,474</u>

ELIZABETHTOWN COMMUNITY HOSPITAL
d/b/a The University of Vermont Health Network -
Elizabethtown Community Hospital

Statement of Operations

Year ended September 30, 2016

Unrestricted revenues, gains and other support:	
Patient service revenue (net of contractual allowances and discounts)	\$ 25,873,201
Provision for bad debts	<u>(936,478)</u>
Net patient service revenue less provision for bad debts	24,936,723
Other operating revenue	2,556,777
Net assets released from restrictions used for operations	<u>45,907</u>
Total revenues, gains and other support	<u>27,539,407</u>
Expenses:	
Salaries and wages	12,698,418
Employee benefits	2,856,680
Supplies and other expenses	7,065,827
Insurance	188,401
Interest	266,718
Depreciation and amortization	2,111,052
New York State cash receipts assessment	<u>87,319</u>
Total expenses	<u>25,274,415</u>
Operating income	<u>2,264,992</u>
Nonoperating revenue:	
Gifts and bequests	2,170
Change in fair value of interest rate swap	47,803
Investment income	<u>10,009</u>
Total nonoperating revenue	<u>59,982</u>
Excess of revenues over expenses	2,324,974
Change in net unrealized gains and losses on investments	188,784
Transfer from University of Vermont Health Network	57,547
Net assets released from restrictions used for purchase of property and equipment	<u>1,140,944</u>
Increase in unrestricted net assets	<u>\$ 3,712,249</u>

ALICE HYDE MEDICAL CENTER
d/b/a The University of Vermont Health Network -
Alice Hyde Medical Center

Balance Sheet

September 30, 2016

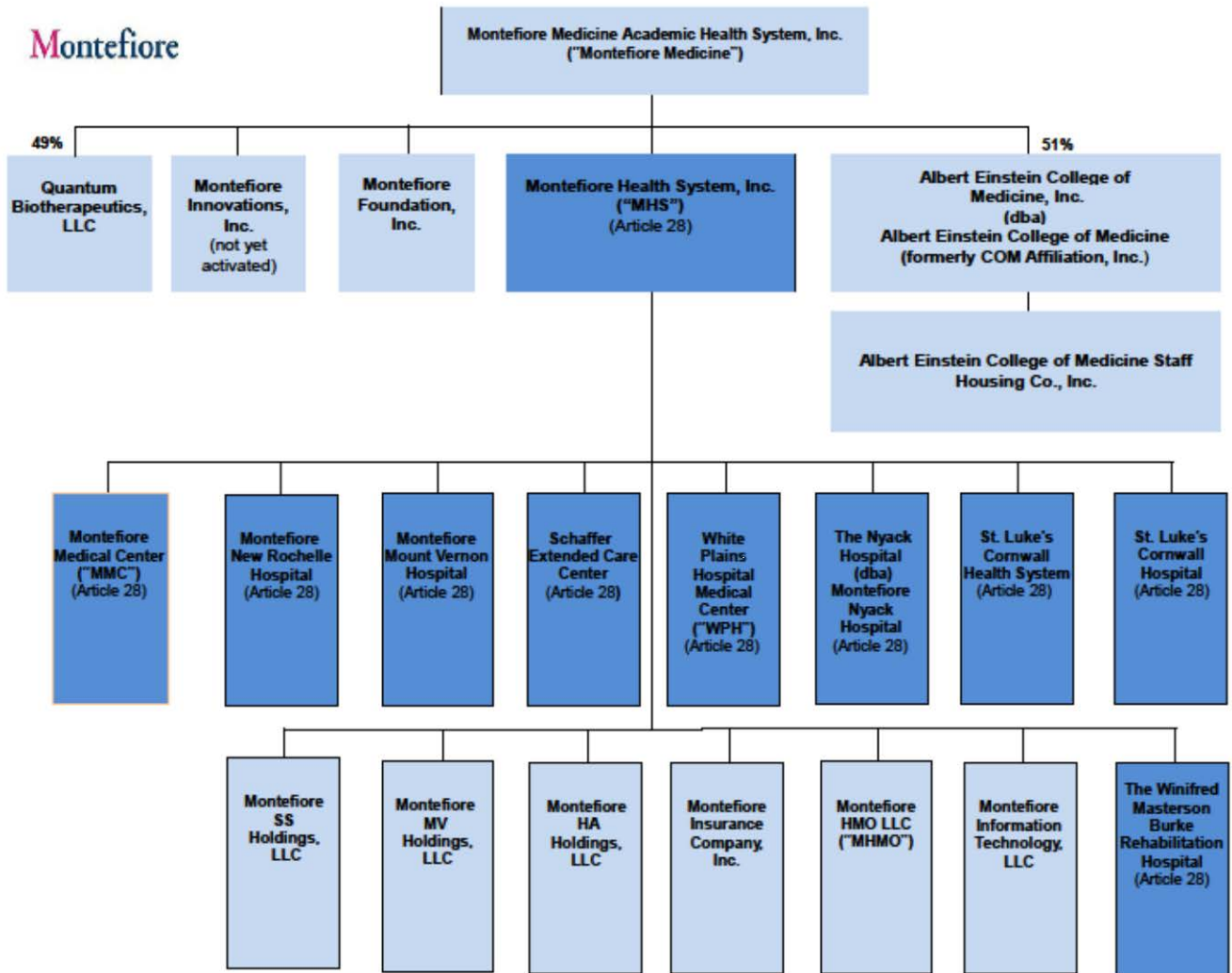
	<u>Assets</u>	<u>Successor</u>
Current assets:		
Cash and cash equivalents		\$ 6,790,332
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$2,902,000		8,699,366
Inventories		789,364
Prepaid expenses and other current assets		<u>1,540,767</u>
Total current assets		17,819,829
Assets limited as to use		2,816,973
Property and equipment, net		52,425,073
Estimated third-party payor settlements		1,869,934
Other assets		<u>2,166,263</u>
Total assets		<u>\$ 77,098,072</u>
	<u>Liabilities and Net Assets</u>	
Current liabilities:		
Line of credit		1,483,560
Current installments of long-term debt		1,047,536
Accounts payable and accrued expenses		10,008,694
Accrued payroll and related benefits		4,102,880
Accrued workers' compensation claims		1,110,725
Due to related parties		<u>4,238,938</u>
Total current liabilities		21,992,333
Long-term debt, net of current installments		26,056,903
Other liabilities		<u>2,456,048</u>
Total liabilities		<u>50,505,284</u>
Net assets:		
Unrestricted		26,408,842
Permanently restricted		<u>183,946</u>
Total net assets		<u>26,592,788</u>
Commitments and contingencies		
Total liabilities and net assets		<u>\$ 77,098,072</u>

ALICE HYDE MEDICAL CENTER
d/b/a The University of Vermont Health Network -
Alice Hyde Medical Center

Statements of Operations and Changes in Net Assets

Five-month period ended September 30, 2016 and
four-month period ended April 30, 2016

	<u>Successor</u> Five-months ended September 30, 2016	<u>Predecessor</u> Four-months ended April 30, 2016
Unrestricted revenues, gains and other support:		
Patient service revenue (net of contractual allowances and discounts)	\$ 34,495,241	26,668,708
Provision for bad debts	<u>(1,395,048)</u>	<u>(737,003)</u>
Net patient service revenue less provision for bad debts	33,100,193	25,931,705
Other operating revenue	<u>3,040,113</u>	<u>1,815,243</u>
Total unrestricted revenues, gains and other support	<u>36,140,306</u>	<u>27,746,948</u>
Expenses:		
Salaries and wages	18,701,903	14,467,750
Employee benefits	4,477,574	3,472,899
Supplies and other expenses	6,926,223	6,452,506
Purchased services	3,864,003	2,736,376
Depreciation and amortization	1,868,693	1,522,282
Interest	385,247	268,801
New York State cash receipts assessment	<u>241,966</u>	<u>322,094</u>
Total expenses	<u>36,465,609</u>	<u>29,242,708</u>
Loss from operations	(325,303)	(1,495,760)
Nonoperating revenue:		
Gifts, bequests and contributions	109,241	91,157
Investment income	<u>7,249</u>	<u>48,270</u>
Total nonoperating revenue	<u>116,490</u>	<u>139,427</u>
Deficiency of revenues over expenses	\$ <u>(208,813)</u>	<u>(1,356,333)</u>



Revised 7.27.17

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SMRH:225664285.1

Montefiore Health System, Inc.

Consolidated Statements of Financial Position

	December 31	
	2016	2015
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 260,377	\$ 143,372
Marketable and other securities	655,248	752,561
Assets limited as to use, current portion	57,981	98,248
Receivables for patient care, less allowances for doubtful accounts (2016 – \$64,545; 2015 – \$47,033)	378,228	325,704
Other receivables	113,248	101,555
Estimated insurance claims receivable, current portion	80,143	74,131
Other current assets	75,772	63,358
Due from members	252	3,904
Total current assets	<u>1,621,249</u>	<u>1,562,833</u>
Assets limited as to use, net of current portion	267,433	239,367
Property, buildings and equipment, net	1,716,991	1,614,616
Estimated insurance claims receivable, net of current portion	455,523	412,316
Other noncurrent assets	324,524	263,022
Total assets	<u>\$ 4,385,720</u>	<u>\$ 4,092,154</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 420,431	\$ 377,564
Accrued salaries, wages and related items	385,406	352,251
Malpractice insurance premiums payable, current portion	55,457	70,813
Estimated insurance claims liabilities, current portion	81,442	76,235
Estimated third-party payer liabilities, current portion	35,678	20,165
Long-term debt, current portion	135,430	76,944
Due to members	9,257	223
Total current liabilities	<u>1,123,101</u>	<u>974,195</u>
Long-term debt, net of current portion	789,152	830,658
Noncurrent defined benefit and postretirement health plan liabilities	278,920	196,128
Professional and other insured liabilities	152,418	143,193
Employee deferred compensation	41,782	35,226
Estimated insurance claims liabilities, net of current portion	461,061	418,627
Estimated third-party payer liabilities, net of current portion	228,541	311,740
Other noncurrent liabilities	122,607	115,925
Total liabilities	<u>3,197,582</u>	<u>3,025,692</u>
Commitments and contingencies		
Net assets:		
Unrestricted	1,029,456	923,924
Temporarily restricted	105,505	90,390
Permanently restricted	53,177	52,148
Total net assets	<u>1,188,138</u>	<u>1,066,462</u>
Total liabilities and net assets	<u>\$ 4,385,720</u>	<u>\$ 4,092,154</u>

Montefiore Health System, Inc.
Consolidated Statements of Operations

	Year Ended December 31	
	2016	2015
	<i>(In Thousands)</i>	
Operating revenue		
Net patient service revenue before bad debt expense	\$ 5,025,111	\$ 4,420,575
Bad debt expense	(92,233)	(80,764)
Net patient service revenue	4,932,878	4,339,811
Grants and contracts	96,435	87,450
Contributions	10,121	8,523
Other revenue	222,375	162,344
Total operating revenue	<u>5,261,809</u>	<u>4,598,128</u>
Operating expenses		
Salaries and wages	2,439,888	2,223,004
Employee benefits	713,907	638,484
Supplies and other expenses	1,867,397	1,586,759
Depreciation and amortization	210,253	178,103
Interest	40,049	37,177
Total operating expenses	<u>5,271,494</u>	<u>4,663,527</u>
Deficiency of operating revenues over operating expenses before Value Based Payment and Vital Access Provider Programs	(9,685)	(65,399)
Value Based Payment and Vital Access Provider Programs	<u>59,489</u>	<u>27,743</u>
Excess (deficiency) of operating revenue over operating expenses before other items	49,804	(37,656)
Net realized and changes in net unrealized gains and losses on marketable and other securities	16,454	6,443
Contributions received in the acquisitions of Burke, St. Luke's and White Plains	41,717	126,647
Malpractice insurance program adjustments associated with investment earnings shortfall	(1,209)	(20,259)
Change in fair value of derivative instrument	697	-
Gain on debt refinancing	4,604	-
Excess of revenues over expenses	<u>112,067</u>	<u>75,175</u>
Change in defined benefit pension and other postretirement plan liabilities to be recognized in future periods	(89)	26,550
Net assets released from restrictions used for purchases of property, buildings and equipment	1,911	1,017
Transfers to members, net	(8,357)	(2,500)
Increase in unrestricted net assets	<u>\$ 105,532</u>	<u>\$ 100,242</u>

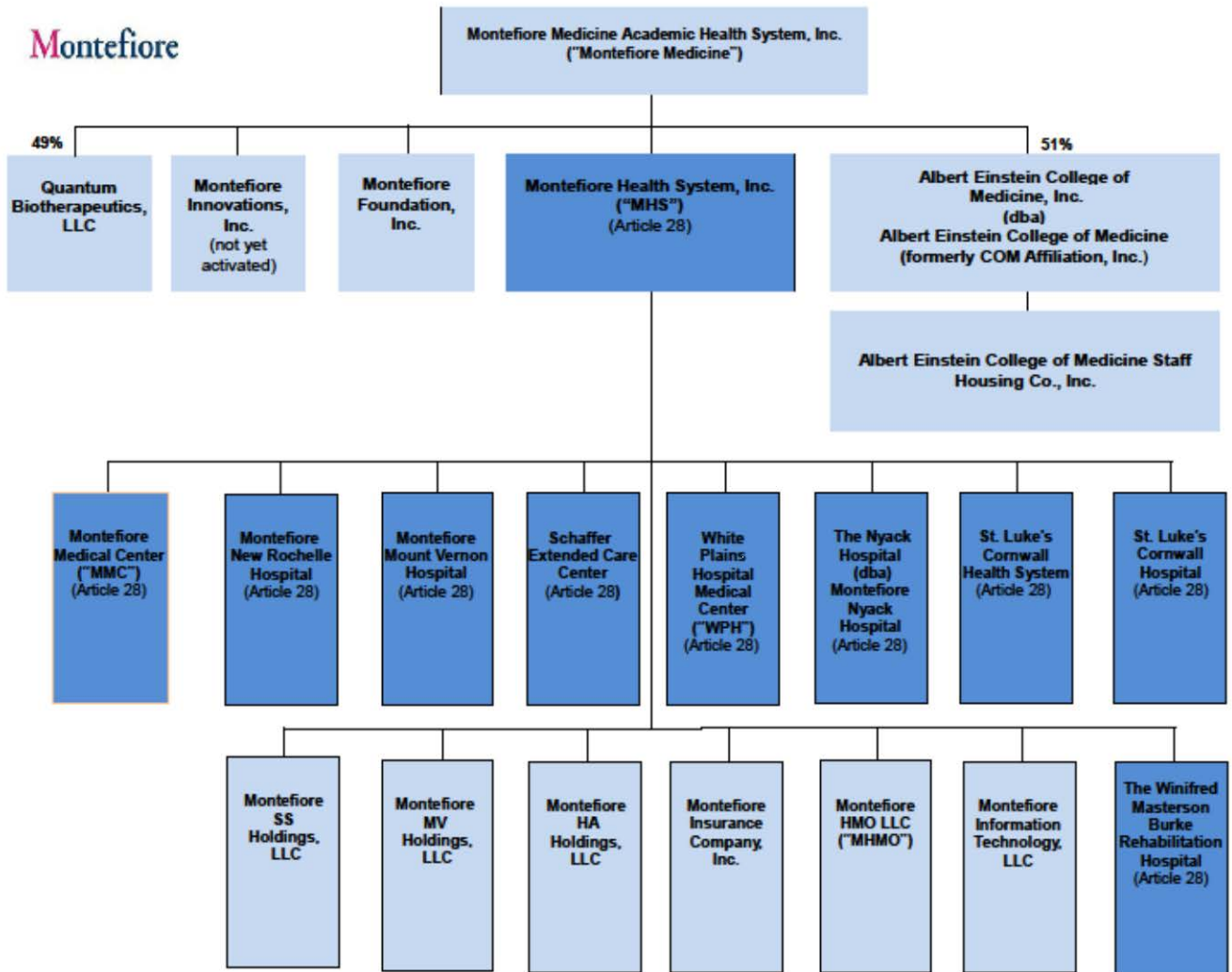
Nyack Hospital and Subsidiaries

Consolidated Balance Sheets

	December 31	
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,647,385	\$ 2,576,341
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$6,461,000 in 2016 and \$5,035,000 in 2015	30,095,759	27,485,179
Assets limited as to use, current portion	644	644
Other receivables	7,527,996	4,543,794
Other current assets	4,081,778	5,010,579
Total current assets	43,353,562	39,616,537
Other assets	5,048,151	4,982,495
Assets limited as to use, net of current portion	3,067,120	3,096,523
Property, plant and equipment, net	58,705,690	59,758,534
Other non-current receivables	5,144,968	5,005,750
Total assets	\$ 115,319,491	\$ 112,459,839
Liabilities and net assets		
Current liabilities:		
Accrued interest payable	\$ 85,569	\$ 76,814
Current portion of debt and capital lease obligations	13,372,548	8,900,648
Accounts payable and accrued expenses	31,573,732	25,543,300
Accrued salaries and related withholdings	14,213,429	12,461,652
Current portion of estimated malpractice liability	1,800,000	1,400,000
Current portion of deferred revenue	529,752	516,858
Current portion of estimated retroactive payables to third-party payors	953,344	1,512,850
Due to related parties	1,523,000	836,382
Total current liabilities	64,051,374	51,248,504
Estimated retroactive payables to third-party payors, net of current portion	838,046	2,229,473
Debt and capital lease obligations, net of current portion	294,009	-
Deferred revenue, net of current portion	1,250,000	1,300,000
Estimated malpractice liability, net of current portion	8,062,000	7,424,000
Pension liability	9,888,968	11,296,343
Accrued postretirement benefits	221,400	221,400
Other liabilities	5,867,189	4,464,963
Total liabilities	90,472,986	78,184,683
Commitments and contingencies		
Net assets:		
Unrestricted	20,950,202	29,480,496
Temporarily restricted	3,476,804	4,375,161
Permanently restricted	419,499	419,499
Total net assets	24,846,505	34,275,156
Total liabilities and net assets	\$ 115,319,491	\$ 112,459,839

Nyack Hospital and Subsidiaries
Consolidated Statements of Operations and
Changes in Net Assets

	Year Ended December 31	
	2016	2015
Operating revenue:		
Net patient service revenue	\$ 251,870,203	\$ 234,040,814
Provision for bad debts	(7,195,103)	(6,106,430)
Net patient service revenue, less provision for bad debts	<u>244,675,100</u>	<u>227,934,384</u>
Other operating revenue	4,007,159	4,152,068
Total operating revenue	<u>248,682,259</u>	<u>232,086,452</u>
Operating expenses:		
Salaries and wages	119,466,341	107,784,493
Employee benefits	38,033,487	35,463,283
Supplies and expenses	98,207,268	86,778,813
Depreciation and amortization	7,279,737	8,916,250
Interest	669,383	663,653
Total operating expenses	<u>263,656,216</u>	<u>239,606,492</u>
Deficiency of operating revenue over operating expenses before other item	(14,973,957)	(7,520,040)
Value Based Payment Quality Improvement Program and other NYS Department of Health special funding programs	<u>3,924,414</u>	<u>5,564,861</u>
Deficiency of revenue over expenses	(11,049,543)	(1,955,179)
Net change in unrealized gains and losses	68,479	66,894
Net assets released from restriction for capital acquisitions	1,274,834	438,754
Changes in pension and postretirement liabilities other than net periodic benefit cost	1,175,936	(1,743,870)
Transfer from related party	-	300,000
Change in unrestricted net assets	<u>(8,530,294)</u>	<u>(2,893,401)</u>
Temporarily restricted net assets:		
Restricted donations	121,754	338,728
Fund raising events	254,723	187,561
Net assets released from restriction	<u>(1,274,834)</u>	<u>(438,754)</u>
Change in temporarily restricted net assets	(898,357)	87,535
Change in net assets	<u>(9,428,651)</u>	<u>(2,805,866)</u>
Net assets at beginning of year	<u>34,275,156</u>	<u>37,081,022</u>
Net assets at end of year	<u>\$ 24,846,505</u>	<u>\$ 34,275,156</u>



Revised 7.27.17

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SMRH:225664285.1

Montefiore Health System, Inc.

Consolidated Statements of Financial Position

	December 31	
	2016	2015
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 260,377	\$ 143,372
Marketable and other securities	655,248	752,561
Assets limited as to use, current portion	57,981	98,248
Receivables for patient care, less allowances for doubtful accounts (2016 – \$64,545; 2015 – \$47,033)	378,228	325,704
Other receivables	113,248	101,555
Estimated insurance claims receivable, current portion	80,143	74,131
Other current assets	75,772	63,358
Due from members	252	3,904
Total current assets	<u>1,621,249</u>	<u>1,562,833</u>
Assets limited as to use, net of current portion	267,433	239,367
Property, buildings and equipment, net	1,716,991	1,614,616
Estimated insurance claims receivable, net of current portion	455,523	412,316
Other noncurrent assets	324,524	263,022
Total assets	<u>\$ 4,385,720</u>	<u>\$ 4,092,154</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 420,431	\$ 377,564
Accrued salaries, wages and related items	385,406	352,251
Malpractice insurance premiums payable, current portion	55,457	70,813
Estimated insurance claims liabilities, current portion	81,442	76,235
Estimated third-party payer liabilities, current portion	35,678	20,165
Long-term debt, current portion	135,430	76,944
Due to members	9,257	223
Total current liabilities	<u>1,123,101</u>	<u>974,195</u>
Long-term debt, net of current portion	789,152	830,658
Noncurrent defined benefit and postretirement health plan liabilities	278,920	196,128
Professional and other insured liabilities	152,418	143,193
Employee deferred compensation	41,782	35,226
Estimated insurance claims liabilities, net of current portion	461,061	418,627
Estimated third-party payer liabilities, net of current portion	228,541	311,740
Other noncurrent liabilities	122,607	115,925
Total liabilities	<u>3,197,582</u>	<u>3,025,692</u>
Commitments and contingencies		
Net assets:		
Unrestricted	1,029,456	923,924
Temporarily restricted	105,505	90,390
Permanently restricted	53,177	52,148
Total net assets	<u>1,188,138</u>	<u>1,066,462</u>
Total liabilities and net assets	<u>\$ 4,385,720</u>	<u>\$ 4,092,154</u>

Montefiore Health System, Inc.
Consolidated Statements of Operations

	Year Ended December 31	
	2016	2015
	<i>(In Thousands)</i>	
Operating revenue		
Net patient service revenue before bad debt expense	\$ 5,025,111	\$ 4,420,575
Bad debt expense	(92,233)	(80,764)
Net patient service revenue	4,932,878	4,339,811
Grants and contracts	96,435	87,450
Contributions	10,121	8,523
Other revenue	222,375	162,344
Total operating revenue	<u>5,261,809</u>	<u>4,598,128</u>
Operating expenses		
Salaries and wages	2,439,888	2,223,004
Employee benefits	713,907	638,484
Supplies and other expenses	1,867,397	1,586,759
Depreciation and amortization	210,253	178,103
Interest	40,049	37,177
Total operating expenses	<u>5,271,494</u>	<u>4,663,527</u>
Deficiency of operating revenues over operating expenses before Value Based Payment and Vital Access Provider Programs	(9,685)	(65,399)
Value Based Payment and Vital Access Provider Programs	59,489	27,743
Excess (deficiency) of operating revenue over operating expenses before other items	49,804	(37,656)
Net realized and changes in net unrealized gains and losses on marketable and other securities	16,454	6,443
Contributions received in the acquisitions of Burke, St. Luke's and White Plains	41,717	126,647
Malpractice insurance program adjustments associated with investment earnings shortfall	(1,209)	(20,259)
Change in fair value of derivative instrument	697	-
Gain on debt refinancing	4,604	-
Excess of revenues over expenses	<u>112,067</u>	<u>75,175</u>
Change in defined benefit pension and other postretirement plan liabilities to be recognized in future periods	(89)	26,550
Net assets released from restrictions used for purchases of property, buildings and equipment	1,911	1,017
Transfers to members, net	(8,357)	(2,500)
Increase in unrestricted net assets	<u>\$ 105,532</u>	<u>\$ 100,242</u>

St. Luke's Cornwall Hospital and Subsidiaries
Consolidated Statements of Financial Position

	Successor	Predecessor
	December 31,	December 31,
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,239,477	\$ 5,877,239
Patient accounts receivable, net of allowance for doubtful accounts of \$3,900,762 in 2016 (successor) and \$4,529,160 in 2015 (predecessor)	22,688,182	22,324,256
Other receivables	959,867	54,015
Investments	10,065,177	9,513,061
Current portion of assets limited as to use	3,661,297	3,610,665
Inventory	4,184,935	4,011,961
Prepaid expenses and other current assets	420,408	3,523,604
Current portion of estimated third-party payor settlements	959,291	-
Total current assets	49,178,634	48,914,801
Interest in net assets of St. Luke's Cornwall Health System Foundation, Inc.	1,695,391	868,506
Assets limited as to use, net of current portion	181,416	181,393
Property, plant, and equipment, net	57,410,526	84,837,953
Other assets	15,026,161	13,737,023
Total assets	<u>\$ 123,492,128</u>	<u>\$ 148,539,676</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 32,702,929	\$ 34,265,855
Current portion of long-term debt	50,270,000	52,237,395
Current portion of estimated third-party payor settlements	-	206,981
Other current liabilities	1,032,854	609,371
Total current liabilities	84,005,783	87,317,602
Accrued retirement benefits	16,055,535	15,463,031
Estimated third-party payor settlements, net of current portion	294,415	700,592
Interest rate swap agreements	2,855,174	3,579,806
Other liabilities	15,274,938	15,399,211
Total liabilities	118,485,845	122,462,242
Commitments and contingencies		
Net assets:		
Unrestricted	3,125,934	25,023,970
Temporarily restricted	1,204,696	377,811
Permanently restricted	675,653	675,653
Total net assets	5,006,283	26,077,434
Total liabilities and net assets	<u>\$ 123,492,128</u>	<u>\$ 148,539,676</u>

St. Luke's Cornwall Hospital and Subsidiaries

Consolidated Statements of Operations

	Successor	Predecessor	
	Period From January 15, 2016 to December 31, 2016	Period From January 1, 2016 to January 14, 2016	Year Ended December 31, 2015
Revenue and other support			
Net patient service revenue	\$ 181,424,325	\$ 7,230,871	\$ 178,460,958
Provision for bad debts	(3,406,474)	(130,444)	(5,339,772)
Net patient service revenue less provision for bad debts	178,017,851	7,100,427	173,121,186
Other revenue	5,698,881	226,309	6,640,504
Total revenue and other support	183,716,732	7,326,736	179,761,690
Operating expenses			
Salaries and wages	77,953,829	3,109,270	75,959,175
Employee benefits	26,738,180	1,066,480	29,383,253
Supplies and other	68,142,235	2,717,924	64,938,703
Depreciation and amortization	15,389,363	48,293	9,316,808
Insurance	3,947,632	157,455	4,303,474
Interest	2,668,598	106,440	2,894,288
Professional fees	6,290,804	250,915	6,168,813
Rent	1,259,230	50,226	1,368,922
Total operating expenses	202,389,871	7,507,003	194,333,436
Loss from operations	(18,673,139)	(180,267)	(14,571,746)
Non-operating gains and losses, net			
Non-operating gains, net	11,999,459	59,807	1,217,938
Net change in unrealized gains and losses on investments	482,170	19,232	(42,448)
Change in value of interest rate swap agreements	696,838	27,794	278,170
Inherent contribution received in the acquisition of St. Luke's Cornwall JV, LLC	-	-	585,142
Total non-operating gains and losses, net	13,178,467	106,833	2,038,802
Deficiency of revenue over expenses	(5,494,672)	(73,434)	(12,532,944)
Other changes in unrestricted net assets			
Change in pension liability to be recognized in future periods	(355,476)	(14,179)	4,008,027
Net decrease in unrestricted net assets	\$ (5,850,148)	\$ (87,613)	\$ (8,524,917)

**Syracuse Surgery Center, LLC
Statement of Assets, Liabilities,
and Equity - Cash Basis
As of December 31, 2016**

CON#171297
BFA Attachment B

ASSETS

Current Assets:

Cash - NBT Bank	<u>\$ 356,487.19</u>	
Total Current Assets		\$ 356,487.19

Property and Equipment:

Equipment & Furniture	\$ 208,534.62	
Accumulated Depreciation	(168,458.51)	
Leasehold Improvements	1,287,860.70	
Accumulated Depreciation	<u>(150,225.74)</u>	
Total Property and Equipment		1,177,711.07

Other Assets:

Customer List	\$ 110,466.21	
Accumulated Amortization	<u>(29,457.64)</u>	
Total Other Assets		<u>81,008.57</u>
TOTAL ASSETS		<u>\$ 1,615,206.83</u>

Syracuse Surgery Center, LLC
Statement of Assets, Liabilities,
and Equity - Cash Basis
As of December 31, 2016

CON#171297
Attachment B (Continued)

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities:

Accrued Profit Sharing	\$ 34,755.38	
Note Payable - NBT Bank #1	11,163.05	
Note Payable - NBT Bank # 2	22,147.29	
Note Payable - NBT Bank # 3	<u>91,000.00</u>	
Total Current Liabilities		\$ 159,065.72

Long-Term Debt:

Note Payable - NBT Bank # 3	\$ <u>470,376.23</u>	
Total Long-Term Debt		<u>470,376.23</u>
Total Liabilities		629,441.95

Members' Equity:

Distributions - Bersani	\$ (509,437.69)	
Distributions - Hill	(107,400.00)	
Distributions - Carruth	(42,800.00)	
Member's Equity - Beginning	606,478.99	
Net Income - Year-to-Date	<u>1,038,923.58</u>	
Total Members' Equity		<u>985,764.88</u>
TOTAL LIABILITIES AND EQUITY		\$ <u>1,615,206.83</u>

Syracuse Surgery Center, LLC BFA Attachment B (Continued)
Statement of Revenues and Expenses - Cash Basis
For the Twelve Months Ended December 31, 2016

	Current Period	%	Year-to-Date	%
Revenue:				
Fee Income - MMRI	\$ 177,349.92	98.14	\$ 2,191,989.87	98.69
Patient Refunds	(2,634.38)	(1.46)	(25,516.65)	(1.15)
Fee Income - Cosmetic	<u>6,000.00</u>	<u>3.32</u>	<u>54,725.00</u>	<u>2.46</u>
Total Revenue	<u>180,715.54</u>	<u>100.00</u>	<u>2,221,198.22</u>	<u>100.00</u>
Operating Expenses:				
Accounting Fees	2,050.00	1.13	28,985.00	1.30
Advertising and Promotion	0.00	0.00	30.00	0.00
Amortization	613.70	0.34	7,364.41	0.33
Bank Service Charges	0.00	0.00	39.00	0.00
Continuing Education	99.00	0.05	1,122.00	0.05
Depreciation	4,182.92	2.31	50,195.10	2.26
Discounts	175.06	0.10	3,270.60	0.15
Dues and Subscriptions	262.55	0.15	2,900.08	0.13
Insurance - Disability	(27.98)	(0.02)	3,980.65	0.18
Insurance - General	0.00	0.00	18,204.54	0.82
Insurance - Malpractice	2,128.00	1.18	4,757.00	0.21
Insurance - Medical	3,260.94	1.80	37,433.48	1.69
Interest Expense	1,747.81	0.97	24,190.24	1.09
Legal Fees	0.00	0.00	1,180.00	0.05
Medical Supplies	19,540.15	10.81	213,736.85	9.62
NYS Franchise Tax	0.00	0.00	1,500.00	0.07
Office Supplies	994.26	0.55	11,733.82	0.53
Outside Services	7,035.49	3.89	92,110.99	4.15
Payroll Service	273.39	0.15	3,896.02	0.18
Payroll Taxes	3,665.09	2.03	39,581.88	1.78
Postage	0.00	0.00	415.61	0.02
Profit Sharing Contribution	5,862.75	3.24	40,994.33	1.85
Property Taxes	0.00	0.00	15,536.80	0.70
Rent	9,600.00	5.31	115,200.00	5.19
Repairs and Maintenance	1,591.24	0.88	26,465.64	1.19
Salaries - Office	48,649.62	26.92	409,474.29	18.43
Salaries Deferral - 401K	(889.90)	(0.49)	(6,471.10)	(0.29)
Salaries Deferral - Section 125	(27.42)	(0.02)	(356.46)	(0.02)
Telephone	334.97	0.19	3,613.43	0.16
Travel and Entertainment	0.00	0.00	4,256.91	0.19

BFA Attachment B (Continued)

Syracuse Surgery Center, LLC
Statement of Revenues and Expenses - Cash Basis
For the Twelve Months Ended December 31, 2016

	Current Period	%	Year-to-Date	%
Utilities	<u>1,943.72</u>	<u>1.08</u>	<u>26,933.53</u>	<u>1.21</u>
Total Operating Expenses	<u>113,065.36</u>	<u>62.57</u>	<u>1,182,274.64</u>	<u>53.23</u>
Net Income (Loss)	<u>\$ 67,650.18</u>	<u>37.43</u>	<u>\$ 1,038,923.58</u>	<u>46.77</u>

Syracuse Surgery Center, LLC CON#171297
Statement of Assets, Liabilities, BFA Attachment C
and Equity - Cash Basis
As of February 28, 2017

ASSETS

Current Assets:

Cash - NBT Bank	\$ 265,586.05	
Total Current Assets		\$ 265,586.05

Property and Equipment:

Equipment & Furniture	\$ 208,534.62	
Accumulated Depreciation	(171,198.21)	
Leasehold Improvements	1,287,860.70	
Accumulated Depreciation	<u>(155,733.77)</u>	
Total Property and Equipment		1,169,463.34

Other Assets:

Customer List	\$ 110,466.21	
Accumulated Amortization	<u>(30,685.04)</u>	
Total Other Assets		<u>79,781.17</u>
TOTAL ASSETS		<u>\$ 1,514,830.56</u>

Syracuse Surgery Center, LLC CON#171297
Statement of Assets, Liabilities, BFA Attachment C (Continued)
and Equity - Cash Basis
As of February 28, 2017

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities:

Accrued Profit Sharing	\$	1,385.91	
Note Payable - NBT Bank #1		6,663.03	
Note Payable - NBT Bank # 2		11,356.62	
Note Payable - NBT Bank # 3		<u>91,000.00</u>	
Total Current Liabilities	\$		110,405.56

Long-Term Debt:

Note Payable - NBT Bank # 3	\$	<u>455,673.31</u>	
Total Long-Term Debt			<u>455,673.31</u>
Total Liabilities			566,078.87

Members' Equity:

Distributions - Bersani	\$	(165,000.00)	
Distributions - Hill		(30,000.00)	
Distributions - Carruth		(17,000.00)	
Member's Equity - Beginning		985,764.88	
Net Income - Year-to-Date		<u>174,986.81</u>	
Total Members' Equity			<u>948,751.69</u>
TOTAL LIABILITIES AND EQUITY	\$		<u>1,514,830.56</u>

Syracuse Surgery Center, LLC BFA Attachment C (Continued)
Statement of Revenues and Expenses - Cash Basis
For the Two Months Ended February 28, 2017

	Current Period	%	Year-to-Date	%
Revenue:				
Fee Income - MMRI	\$ 186,243.04	96.17	\$ 347,010.81	97.34
Patient Refunds	(155.28)	(0.08)	(340.05)	(0.10)
Fee Income - Cosmetic	7,575.00	3.91	9,825.00	2.76
Total Revenue	<u>193,662.76</u>	<u>100.00</u>	<u>356,495.76</u>	<u>100.00</u>
Operating Expenses:				
Accounting Fees	1,800.00	0.93	1,800.00	0.50
Amortization	613.70	0.32	1,227.40	0.34
Continuing Education	99.00	0.05	198.00	0.06
Depreciation	4,123.86	2.13	8,247.73	2.31
Discounts	546.36	0.28	732.76	0.21
Insurance - Disability	(27.40)	(0.01)	(55.59)	(0.02)
Insurance - General	0.00	0.00	57.00	0.02
Insurance - Malpractice	2,128.00	1.10	2,128.00	0.60
Insurance - Medical	7,544.50	3.90	12,028.56	3.37
Interest Expense	1,720.11	0.89	3,481.61	0.98
Medical Supplies	16,786.43	8.67	30,520.39	8.56
Office Supplies	501.46	0.26	2,349.22	0.66
Outside Services	9,491.76	4.90	18,492.55	5.19
Payroll Service	257.84	0.13	740.28	0.21
Payroll Taxes	3,479.17	1.80	7,462.47	2.09
Profit Sharing Contribution	1,165.35	0.60	2,333.71	0.65
Property Taxes	0.00	0.00	5,022.73	1.41
Rent	9,600.00	4.96	19,200.00	5.39
Repairs and Maintenance	4,042.37	2.09	5,633.61	1.58
Salaries - Office	27,336.87	14.12	55,527.61	15.58
Salaries Deferral - 401K	(473.90)	(0.24)	(947.80)	(0.27)
Salaries Deferral - Section 125	(638.92)	(0.33)	(972.09)	(0.27)
Telephone	654.46	0.34	975.78	0.27
Travel and Entertainment	40.00	0.02	40.00	0.01
Utilities	2,818.08	1.46	5,285.02	1.48
Total Operating Expenses	<u>93,609.10</u>	<u>48.34</u>	<u>181,508.95</u>	<u>50.91</u>
Net Income (Loss)	<u>\$ 100,053.66</u>	<u>51.66</u>	<u>\$ 174,986.81</u>	<u>49.09</u>

CATHOLIC HEALTH SYSTEM, INC. AND SUBSIDIARIES

BFA Attachment A

#172129

CONSOLIDATED BALANCE SHEETS

(in thousands of dollars)

December 31,

ASSETS	2016	2015
Current assets:		
Cash and cash equivalents	\$ 227,231	\$ 360,032
Patient/resident accounts receivable, net of allowance for doubtful accounts of \$25,493 (2015 - \$28,817)	125,202	142,365
Other receivables	9,293	15,234
Inventories	23,600	26,105
Prepaid expenses and other current assets	11,288	6,368
Total current assets	396,614	550,104
Assets limited as to use	38,059	89,558
Investments	179,045	16,681
Property and equipment, net	371,159	360,647
Other assets	111,489	101,723
Total assets	\$ 1,096,366	\$ 1,118,713
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current portion of long-term obligations	\$ 15,312	\$ 13,945
Line of credit payable	4,310	13,496
Accounts payable	44,958	53,319
Accrued expenses	66,461	73,155
Due to third-party payors	47,881	43,371
Total current liabilities	178,922	197,286
Long-term obligations, net	195,760	239,806
Other long-term obligations, net	488,144	475,835
Total liabilities	862,826	912,927
Net assets:		
Unrestricted	225,122	198,063
Temporarily restricted	8,124	7,430
Permanently restricted	294	293
Total net assets	233,540	205,786
Total liabilities and net assets	\$ 1,096,366	\$ 1,118,713

CATHOLIC HEALTH SYSTEM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
 (in thousands of dollars)
 For the Years Ended December 31,

	<u>2016</u>	<u>2015</u>
Unrestricted revenues and other support:		
Net patient/resident service revenue	\$ 1,087,220	\$ 1,027,943
Provision for bad debts	(19,568)	(24,346)
Net patient/resident service revenue, less provision for bad debts	1,067,652	1,003,597
Other revenue	20,955	18,182
Net assets released from restrictions	230	128
Total unrestricted revenues and other support	<u>1,088,837</u>	<u>1,021,907</u>
Expenses:		
Salaries and wages	481,803	443,619
Employee benefits	149,199	145,158
Medical and professional fees	54,882	48,373
Purchased services	92,897	83,267
Supplies	206,061	192,190
Depreciation and amortization	46,015	43,297
Interest	9,875	11,307
Insurance	13,239	13,183
Other expenses	32,521	29,177
Total expenses	<u>1,086,492</u>	<u>1,009,571</u>
Income from operations	2,345	12,336
Nonoperating revenues and losses:		
Investment income (loss)	5,954	(70)
Other, net	2,316	14,758
Total nonoperating revenues and losses	<u>8,270</u>	<u>14,688</u>
Excess of revenues over expenses	<u>\$ 10,615</u>	<u>\$ 27,024</u>

CATHOLIC HEALTH SYSTEM, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of dollars)

NOTE 9. OBLIGATED GROUP FINANCIAL INFORMATION (CONTINUED)

Consolidating Balance Sheet
December 31, 2016

ASSETS	Parent	Mercy Hospital	Sisters Hospital	Kenmore Mercy Hospital	Eliminations	Total
Current assets:						
Cash and cash equivalents	\$ 40,750	\$ 48,531	\$ 57,712	\$ 35,580	\$ -	\$ 182,573
Patient/resident accounts receivable, net of estimated uncollectibles of \$21,427	-	46,269	35,114	20,169	-	101,552
Other receivables	690	2,685	3,928	617	-	7,920
Inventories	-	11,570	6,725	2,815	-	21,110
Prepaid expenses and other current assets	4,448	3,157	1,633	766	-	10,004
Due from affiliates	88,819	49	1,104	301	(84,466)	5,807
Total current assets	<u>134,707</u>	<u>112,261</u>	<u>106,216</u>	<u>60,248</u>	<u>(84,466)</u>	<u>328,966</u>
Assets limited as to use	15,630	2,682	3,476	2,740	-	24,528
Investments	-	29,667	88,160	21,170	-	138,997
Property and equipment, net	87,721	102,371	68,154	68,202	-	326,448
Due from affiliates	6,636	-	10,303	1,457	(16,876)	1,520
Other assets	11,328	45,684	37,177	15,987	-	110,176
Total Assets	<u>\$ 256,022</u>	<u>\$ 292,665</u>	<u>\$ 313,486</u>	<u>\$ 169,804</u>	<u>\$ (101,342)</u>	<u>\$ 930,635</u>
LIABILITIES AND NET ASSETS						
Current liabilities:						
Current portion of long-term obligations	\$ 2,783	\$ 4,070	\$ 4,260	\$ 2,536	\$ -	\$ 13,649
Line of credit payable	4,310	-	-	-	-	4,310
Accounts payable	6,649	14,593	10,680	7,408	-	39,330
Accrued expenses	20,502	14,485	14,681	6,854	-	56,522
Due to third-party payors	-	16,789	12,355	6,763	-	35,907
Due to affiliates	452	15,109	29,574	23,239	(67,819)	555
Total current liabilities	<u>34,696</u>	<u>65,046</u>	<u>71,550</u>	<u>46,800</u>	<u>(67,819)</u>	<u>150,273</u>
Long-term obligations, net	77,789	46,300	27,992	30,489	-	182,570
Other long-term liabilities	70,406	208,856	130,852	55,250	(11,760)	453,604
Total liabilities	<u>182,891</u>	<u>320,202</u>	<u>230,394</u>	<u>132,539</u>	<u>(79,579)</u>	<u>786,447</u>
Net assets (deficit)						
Unrestricted	73,131	(27,537)	83,092	37,265	(21,763)	144,188
Total net assets (deficit)	<u>73,131</u>	<u>(27,537)</u>	<u>83,092</u>	<u>37,265</u>	<u>(21,763)</u>	<u>144,188</u>
Total Liabilities and Net Assets	<u>\$ 256,022</u>	<u>\$ 292,665</u>	<u>\$ 313,486</u>	<u>\$ 169,804</u>	<u>\$ (101,342)</u>	<u>\$ 930,635</u>

CATHOLIC HEALTH SYSTEM, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (in thousands of dollars)

NOTE 9. OBLIGATED GROUP FINANCIAL INFORMATION (CONTINUED)

Consolidating Statement of Operations
 and Changes in Net Assets
 For the Year Ended December 31, 2016

	Parent	Mercy Hospital	Sisters Hospital	Kenmore Mercy Hospital	Eliminations	Total
Unrestricted revenues, gains and other support:						
Net patient/resident service revenue	\$ -	406,659	\$ 328,488	\$ 170,876	\$ (80)	\$ 905,943
Provision for bad debts	-	(5,823)	(6,773)	(3,052)	-	(15,648)
Net patient/resident service revenue less provision for bad debts	-	400,836	321,715	167,824	(80)	890,295
Other revenue	150,353	4,901	11,383	1,406	(138,006)	30,037
Total unrestricted revenues, gains and other support	150,353	405,737	333,098	169,230	(138,086)	920,332
Expenses:						
Salaries and wages	70,905	169,673	145,760	70,113	(62,342)	394,109
Employee benefits	21,163	57,503	44,147	20,470	(19,071)	124,212
Medical and professional fees	4,613	18,279	13,272	4,744	(3,226)	37,682
Purchased services	34,568	39,629	31,822	15,232	(32,518)	88,733
Supplies	831	86,209	58,852	39,884	(667)	185,109
Depreciation and amortization	7,700	16,588	14,582	8,766	(7,641)	39,995
Interest	3,461	3,736	2,764	2,154	(2,987)	9,128
Insurance	527	5,121	4,580	2,303	(478)	12,053
Other expenses	9,148	17,145	10,136	5,187	(11,750)	29,866
Total expenses	152,916	413,883	325,915	168,853	(140,680)	920,887
Income (loss) from operations	(2,563)	(8,146)	7,183	377	2,594	(555)
Nonoperating revenues and losses:						
Investment income	51	875	462	213	-	1,601
Other	2,512	875	3,108	890	(2,594)	4,791
Total nonoperating revenues and losses:	2,563	1,750	3,570	1,103	(2,594)	6,392
Excess (deficiency) of revenues over expenses	\$ -	\$ (6,396)	\$ 10,753	\$ 1,480	\$ -	\$ 5,837

CATHOLIC HEALTH SYSTEM, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of dollars)

NOTE 9. OBLIGATED GROUP FINANCIAL INFORMATION (CONTINUED)

Consolidating Balance Sheet
December 31, 2015

ASSETS	Parent	Mercy Hospital	Sisters Hospital	Kenmore Mercy Hospital	Eliminations	Total
Current assets:						
Cash and cash equivalents	\$ 27,945	\$ 93,254	\$ 133,879	\$ 50,088	\$ -	\$ 305,166
Patient/resident accounts receivable, net of estimated uncollectibles of \$22,215	-	54,046	42,508	24,037	-	120,591
Other receivables	3,424	3,758	3,239	1,015	-	11,436
Inventories	-	13,616	7,130	2,949	-	23,695
Prepaid expenses and other current assets	3,799	997	540	382	-	5,718
Due from affiliates	86,341	311	1,112	1,085	(82,549)	6,300
Total current assets	<u>121,509</u>	<u>165,982</u>	<u>188,408</u>	<u>79,556</u>	<u>(82,549)</u>	<u>472,906</u>
Assets limited as to use	59,447	6,703	5,008	4,969	-	76,127
Property and equipment, net	81,273	96,669	73,899	63,147	-	314,988
Due from affiliates	7,295	-	10,303	1,456	(16,876)	2,178
Other assets	11,814	40,226	32,925	16,469	-	101,434
Total Assets	<u>\$ 281,338</u>	<u>\$ 309,580</u>	<u>\$ 310,543</u>	<u>\$ 165,597</u>	<u>\$ (99,425)</u>	<u>\$ 967,633</u>
LIABILITIES AND NET ASSETS						
Current liabilities:						
Current portion of long-term obligations	\$ 787	\$ 4,283	\$ 3,938	\$ 2,152	\$ -	\$ 11,160
Line of credit payable	13,496	-	-	-	-	13,496
Accounts payable	7,034	17,297	13,770	10,728	-	48,829
Accrued expenses	24,111	13,830	16,682	6,645	-	61,268
Due to third-party payors	-	17,368	12,493	6,636	-	36,497
Due to affiliates	678	20,912	27,385	21,289	(69,473)	791
Total current liabilities	<u>46,106</u>	<u>73,690</u>	<u>74,268</u>	<u>47,450</u>	<u>(69,473)</u>	<u>172,041</u>
Long-term obligations, net	119,710	48,615	31,092	25,593	-	225,010
Other long-term liabilities	69,082	200,942	127,851	55,830	(11,760)	441,945
Total liabilities	<u>234,898</u>	<u>323,247</u>	<u>233,211</u>	<u>128,873</u>	<u>(81,233)</u>	<u>838,996</u>
Net assets (deficit)						
Unrestricted	46,440	(13,667)	77,332	36,724	(18,192)	128,637
Total net assets (deficit)	<u>46,440</u>	<u>(13,667)</u>	<u>77,332</u>	<u>36,724</u>	<u>(18,192)</u>	<u>128,637</u>
Total Liabilities and Net Assets	<u>\$ 281,338</u>	<u>\$ 309,580</u>	<u>\$ 310,543</u>	<u>\$ 165,597</u>	<u>\$ (99,425)</u>	<u>\$ 967,633</u>

CATHOLIC HEALTH SYSTEM, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of dollars)

NOTE 9. OBLIGATED GROUP FINANCIAL INFORMATION (CONTINUED)

Consolidating Statement of Operations
and Changes in Net Assets

For the Year Ended December 31, 2015

	Parent	Mercy Hospital	Sisters Hospital	Kenmore Mercy Hospital	Eliminations	Total
Unrestricted revenues, gains and other support:						
Net patient/resident service revenue	\$ -	402,769	\$ 322,140	\$ 173,115	\$ (36)	\$ 897,988
Provision for bad debts	-	(9,167)	(7,834)	(3,877)	-	(20,878)
Net patient/resident service revenue less provision for bad debts	-	393,602	314,306	169,238	(36)	877,110
Other revenue	139,672	5,805	6,548	2,159	(135,316)	18,868
Total unrestricted revenues, gains and other support	139,672	399,407	320,854	171,397	(135,352)	895,978
Expenses:						
Salaries and wages	62,343	162,030	144,053	69,999	(58,486)	379,939
Employee benefits	19,517	59,542	46,108	21,595	(18,708)	128,054
Medical and professional fees	5,859	14,338	13,232	5,498	(4,683)	34,244
Purchased services	30,230	35,520	31,123	15,599	(30,629)	81,843
Supplies	866	84,317	55,895	37,400	(789)	177,689
Depreciation and amortization	7,022	17,014	15,573	7,757	(6,899)	40,467
Interest	4,483	4,033	3,095	2,528	(3,760)	10,379
Insurance	377	4,492	4,915	2,795	(367)	12,212
Other expenses	9,503	15,890	9,708	4,782	(11,583)	28,300
Total expenses	140,200	397,176	323,702	167,953	(135,904)	893,127
Income (loss) from operations	(528)	2,231	(2,848)	3,444	552	2,851
Nonoperating revenues and losses:						
Investment income	34	290	151	69	(32)	512
Other	396	404	831	78	(520)	1,189
Total nonoperating revenues and losses:	430	694	982	147	(552)	1,701
Excess (deficiency) of revenues over expenses	\$ (98)	\$ 2,925	\$ (1,866)	\$ 3,591	\$ -	\$ 4,552

Sterling Surgical Center
Balance Sheet-Income Tax Basis
As of December 31, 2016

	Dec 31, 16
ASSETS	
Current Assets	
Checking/Savings	
Checking - M&T	280,810.41
Merrill Lynch	14,801.55
Total Checking/Savings	295,611.96
Total Current Assets	295,611.96
Fixed Assets	
A/D-Eqpt.-A. Diaz-Ordez-Sec. 75	-7,269.24
A/D-Eqpt.-P. Davis-Sec. 754	-356,197.65
A/D-F & F-A Diaz-Ordez-Sec. 754	-73.67
A/D-F & F-P. Davis-Sec. 754	-3,610.39
Accum. Amort.-Org Costs	-34,910.00
Accum. Amort.-Software	-118,236.39
Accum. Deprec.-Eqpt.	-2,582,770.91
Accum. Deprec.-Furn. & Fixt.	-25,356.00
Accum. Deprec.-Lshld. Impvts.	-264,270.52
Accum. Deprec.-Vehicles	-16,260.00
Eqpt.-A. Diaz-Ordez-Sec. 754	18,747.00
Eqpt.-P. Davis-Sec. 754	918,615.00
Equipment	2,582,137.95
F & F-A. Diaz-Ordez-Sec. 754	190.00
F & F-P. Davis-Sec. 754	9,311.00
Furniture and Fixtures	25,355.79
Leasehold improvements	635,657.00
Organizational costs	34,909.78
Software	118,236.39
Vehicles	81,750.47
Total Fixed Assets	1,015,955.61
TOTAL ASSETS	1,311,567.57
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
401(K) PAYABLE	15,855.07
Total Other Current Liabilities	15,855.07
Total Current Liabilities	15,855.07
Long Term Liabilities	
Loan payable-C. Zeiss-Scope	21,808.07
Loan payable-M & T-Buyout	875,644.46
Loan payable-M & T-Equipment-6	108,955.43
Loan payable-US Bank-2015 Land	49,568.68
Mortgage	308,340.46
Total Long Term Liabilities	1,364,317.10
Total Liabilities	1,380,172.17
Equity	
Capital-A. Diaz-Ordez	-4,058.00
Capital-A. Diaz-Ordez-Sec. 754	16,231.72
Capital-P. Davis-Sec. 754	795,365.15
Capital-Patricia Davis	-1,030,473.02
Capital-Sidney N. Weiss	1,000.00
Distribution-A. Diaz-Ordez	-30,000.00
Distribution-P. Davis	-59,222.81
Net Income	242,552.36

Sterling Surgical Center
Balance Sheet-Income Tax Basis
As of December 31, 2016

BFA Attachment B Cont.
172129

	<u>Dec 31, 16</u>
Total Equity	<u>-68,604.60</u>
TOTAL LIABILITIES & EQUITY	<u>1,311,567.57</u>

Sterling Surgical Center
Income Statement-Income Tax Basis
 January through December 2016

BFA Attachment B
 Cont. #172129

	Jan - Dec 16
Ordinary Income/Expense	
Income	
BC/BS PAYSPAN	1,200,522.88
COPAYMENT CREDIT CARD	307,341.11
COPAYMENT/BACK DESK	64,790.48
Excellus Electronic Funds	35,990.81
Fees	0.00
IHA Electronic Funds	851,676.81
MAIL	1,107,000.82
MAINTENANCE REIMBURSEMENT INCOM	24,000.00
MEDICAID PAYSPAN	25,133.86
MEDICARE PAYSPAN	350,197.70
Univera Electronic Funds	0.01
WELLCARE PAYSPAN	3,327.15
Total Income	3,969,981.63
Expense	
401 K	32,140.32
ACCOUNTANT FEES	34,400.00
ADVERTISEMENTS	425.00
ATTORNEY FEES	39,208.14
Automobile Expense	2,036.50
Bank Service Charges	2,913.02
CATARACT SUPPLIES	94,630.48
CLEANING	33,612.79
CLINICAL CHIEF	19,800.00
COMPUTER MAINTENANCE	20,346.62
COMPUTER MANAGEMENT	19,557.38
Consulting	3,400.00
COPIER	3,269.43
COPIER LEASE	3,622.20
CREDIT CARD DISCOUNTS	7,300.05
Deprec.-A. Diaz-Ordez-Sec. 754	4,637.63
Deprec.-P. Davis-Sec. 754	227,247.19
Depreciation Expense	46,795.34
DIRECT DEPOSIT	0.00
DONATION	1,000.00
Dues and Subscriptions	720.48
EDUCATIONAL	138.00
ELECTRONIC BILLING MANAGEMENT	4,034.61
EMPLOYER FUI	1,906.68
EMPLOYER MEDICARE	19,059.95
EMPLOYER OASDI	81,498.05
EMPLOYER SUI	8,054.85
Equipment Rental	124,013.23
GI SUPPLIES	127,632.90
GIFTS GIVEN	1,119.02
Guaranteed payment-P. Davis	246,000.00
IMPLANTS	77,454.18
Insurance	
AFLAC	336.06
AFLAC	1,819.50
Dental	772.95
Directors & Officers	3,793.90
Disability Insurance	917.59
HARTFORD	1,481.75
Health	79,688.65
Malpractice Insurance	33,031.00
Insurance - Other	18,110.87
Total Insurance	139,952.27
INSURANCE CO. REFUND	5,426.18
Interest Expense	

Sterling Surgical Center
Income Statement-Income Tax Basis
 January through December 2016

BFA Attachment B
 Cont. #172129

	Jan - Dec 16
Buyout	50,000.67
C. Zeiss-Scope	1,597.76
Equipment-3	312.34
Equipment-6	6,345.76
Mortgage	15,547.70
US Bank	1,442.35
Total Interest Expense	75,246.58
JCAHO	12,400.00
LANGUAGE SERVICES	124.70
LINEN SERVICE	48,694.59
Maintenance	123.90
MEDICAL DIRECTOR FEE	14,400.00
MEDICAL GASES	18,622.69
MEDICAL INSTRUMENTS	52.00
MEDICAL SUPPLIES	275,698.48
MEDICAL WASTES	9,027.22
MEDICATIONS	85,640.07
MEMBERSHIP DUES	3,059.00
NET CHECKING	0.00
NYS DBL	0.00
NYS POOL ADMINISTRATION	36,680.00
Office Expense	0.00
Office Supplies	14,020.44
PAYROLL	
SECT 125 AFLAC	0.00
SECT 125 DENTAL	0.00
SECT 125 HARTFORD	0.00
SECT 125 HEALTH	0.00
PAYROLL - Other	1,358,998.18
Total PAYROLL	1,358,998.18
PAYROLL PROCESSING	3,986.62
Postage and Delivery	5,570.72
PREVENTATIVE MAINTENANCE	1,821.57
PROMOTIONS	0.00
PT REFUND	6,492.55
Rent	192,000.00
Repairs	
Building Repairs	100.00
Equipment Repairs	15,115.08
Repairs - Other	1,393.73
Total Repairs	16,608.81
SEMINAR	6,711.52
STERILIZER REPAIRS	8,730.25
STERILIZER SUPPLIES	45,404.37
Storage	1,923.00
Supplies	10,429.68
Taxes	
State	1,500.00
Total Taxes	1,500.00
Telephone	12,648.24
TRAINING SEMINARS	661.69
TRANSCRIPTION	522.25
Travel & Ent	
Entertainment	19,400.00
Travel	3,091.67
Total Travel & Ent	22,491.67

Sterling Surgical Center
Income Statement-Income Tax Basis
January through December 2016

BFA Attachment
Cont. B #172129

	<u>Jan - Dec 16</u>
UNCATEGORIZED	0.00
Utilities	
Cable	3,787.24
Total Utilities	<u>3,787.24</u>
Total Expense	<u>3,727,430.52</u>
Net Ordinary Income	242,551.11
Other Income/Expense	
Other Income	
DIVIDENDS	1.25
Total Other Income	<u>1.25</u>
Net Other Income	<u>1.25</u>
Net Income	<u><u>242,552.36</u></u>

Sterling Surgical Center
Balance Sheet-Income Tax Basis
As of May 31, 2017

BFA Attachment C
#1721298

	May 31, 17
ASSETS	
Current Assets	
Checking/Savings	
Checking - M&T	244,278.19
Merrill Lynch	54,801.55
Total Checking/Savings	299,079.74
Total Current Assets	299,079.74
Fixed Assets	
A/D-Eqpt.-A. Diaz-Ordez-Sec. 75	-7,269.24
A/D-Eqpt.-P. Davis-Sec. 754	-356,197.65
A/D-F & F-A Diaz-Ordez-Sec. 754	-73.67
A/D-F & F-P. Davis-Sec. 754	-3,610.39
Accum. Amort.-Org Costs	-34,910.00
Accum. Amort.-Software	-118,236.39
Accum. Deprec.-Eqpt.	-2,582,770.91
Accum. Deprec.-Furn. & Fixt.	-25,356.00
Accum. Deprec.-Lshld. Impvts.	-264,270.52
Accum. Deprec.-Vehicles	-16,260.00
Eqpt.-A. Diaz-Ordez-Sec. 754	18,747.00
Eqpt.-P. Davis-Sec. 754	918,615.00
Equipment	2,582,137.95
F & F-A. Diaz-Ordez-Sec. 754	190.00
F & F-P. Davis-Sec. 754	9,311.00
Furniture and Fixtures	37,430.60
Leasehold improvements	635,657.00
Organizational costs	34,909.78
Software	118,236.39
Vehicles	81,750.47
Total Fixed Assets	1,028,030.42
TOTAL ASSETS	1,327,110.16
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
401(K) PAYABLE	15,855.07
Total Other Current Liabilities	15,855.07
Total Current Liabilities	15,855.07
Long Term Liabilities	
Loan payable-C. Zeiss-Scope	10,677.87
Loan payable-M & T-Buyout	840,892.33
Loan payable-M & T-Equipment-6	96,964.04
Loan payable-US Bank-2015 Land	40,704.88
Mortgage	280,010.97
Total Long Term Liabilities	1,269,250.09
Total Liabilities	1,285,105.16
Equity	
Capital-A. Diaz-Ordez	14,445.00
Capital-A. Diaz-Ordez-Sec. 754	11,594.09
Capital-P. Davis-Sec. 754	568,117.96
Capital-Patricia Davis	-667,525.65
Capital-Sidney N. Weiss	4,764.00
Distribution-P. Davis	-40,000.00
Net Income	150,609.60
Total Equity	42,005.00

Sterling Surgical Center
Balance Sheet-Income Tax Basis
As of May 31, 2017

	<u>May 31, 17</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,327,110.16</u></u>

Sterling Surgical Center
Income Statement-Income Tax Basis
 January through May 2017

BFA Attachment C
 Cont. #172129

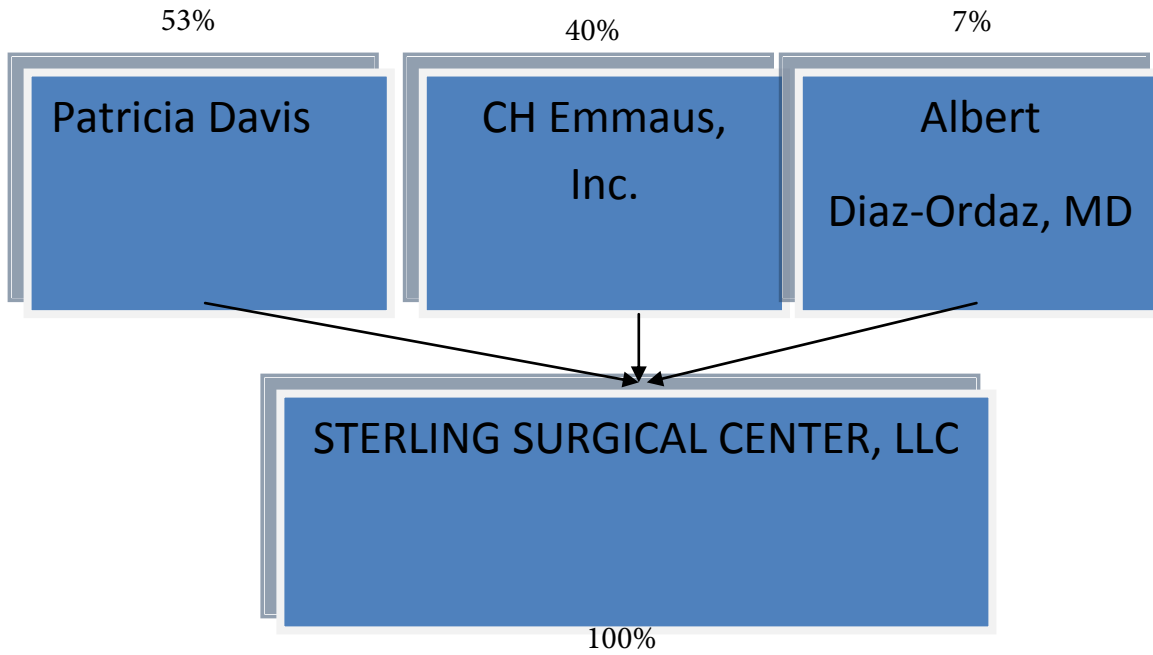
	Jan - May 17
Ordinary Income/Expense	
Income	
BC/BS PAYSPAN	549,202.15
COPAYMENT CREDIT CARD	155,717.33
COPAYMENT/BACK DESK	36,804.67
Excellus Electronic Funds	56,918.00
IHA Electronic Funds	378,857.90
MAIL	365,779.57
MAINTENANCE REIMBURSEMENT INCOM	10,000.00
MEDICAID PAYSPAN	11,458.86
MEDICARE PAYSPAN	119,996.10
WELLCARE PAYSPAN	2,209.80
Total Income	1,686,944.38
Expense	
401 K	5,932.31
ACCOUNTANT FEES	24,750.00
ATTORNEY FEES	14,815.00
Bank Service Charges	1,211.05
CATARACT SUPPLIES	59,857.44
CHIEF OF OPHTHALMOLOGY	2,500.00
CLEANING	8,644.30
CLINICAL CHIEF	7,200.00
COMPUTER MAINTENANCE	724.63
COMPUTER MANAGEMENT	15,568.39
Consulting	300.00
COPIER	1,976.49
COPIER LEASE	1,509.25
CREDIT CARD DISCOUNTS	3,520.54
EDUCATIONAL	7,987.48
ELECTRONIC BILLING MANAGEMENT	1,425.19
EMPLOYER FUI	1,369.52
EMPLOYER MEDICARE	8,326.48
EMPLOYER OASDI	35,603.29
EMPLOYER SUI	5,333.74
Equipment Loan	8,535.35
Equipment Rental	56,369.65
EQUIPMENT MAINTENANCE	1,569.26
GI SUPPLIES	56,772.26
GIFTS GIVEN	79.38
Guaranteed payment-P. Davis	120,000.00
IMPLANTS	50,980.86
Insurance	
AFLAC	2,585.34
Dental	2,822.79
Directors & Officers	3,437.62
Disability Insurance	752.01
Health	60,215.71
Liability Insurance	249.00
Malpractice Insurance	17,724.00
Insurance - Other	7,870.21
Total Insurance	95,656.68
INSURANCE CO. REFUND	699.92
Interest Expense	
Buyout	19,342.32
Equipment-6	2,198.76
Mortgage	5,558.66
Total Interest Expense	27,099.74
JCAHO	3,250.00
LANGUAGE SERVICES	552.35
LINEN SERVICE	19,376.00

Sterling Surgical Center
Income Statement-Income Tax Basis
January through May 2017

BFA Attachment
C Cont. #172129

	Jan - May 17
MEDICAL DIRECTOR FEE	7,200.00
MEDICAL GASES	8,186.01
MEDICAL SUPPLIES	106,729.11
MEDICAL WASTES	7,227.66
MEDICATIONS	45,887.18
MEMBERSHIP DUES	1,260.00
NYS DBL	-430.58
NYS POOL ADMINISTRATION	17,159.00
Office Supplies	2,224.06
PAYROLL	
SECT 125 AFLAC	-2,114.17
SECT 125 DENTAL	-1,956.96
SECT 125 HARTFORD	-1,980.29
SECT 125 HEALTH	-13,493.54
PAYROLL - Other	593,357.67
Total PAYROLL	573,812.71
PAYROLL PROCESSING	1,916.00
Postage and Delivery	1,461.34
PT REFUND	4,325.41
Rent	80,000.00
SEMINAR	5,054.43
STERILIZER SUPPLIES	22,980.29
Taxes	
State	1,500.00
Total Taxes	1,500.00
Telephone	3,604.35
TRANSCRIPTION	160.00
Utilities	
Cable	1,581.26
Total Utilities	1,581.26
Total Expense	1,541,334.78
Net Ordinary Income	145,609.60
Other Income/Expense	
Other Income	
Miscellaneous Income	5,000.00
Total Other Income	5,000.00
Net Other Income	5,000.00
Net Income	150,609.60

PROPOSED LEGAL STRUCTURE OF STERLING SURGICAL CENTER, LLC



**ELLIS HOSPITAL (d/b/a ELLIS MEDICINE)
AND SUBSIDIARIES**

Consolidated Balance Sheets

December 31, 2016 and 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 32,549,222	27,001,437
Patient accounts receivable (net of allowance for doubtful accounts of approximately \$15,091,000 in 2016 and \$12,950,000 in 2015)	35,173,912	32,595,032
Other receivables	2,450,159	2,618,073
Assets limited as to use	41,564,259	40,032,698
Inventories	7,594,312	6,989,784
Prepaid expenses	1,880,016	1,571,061
Estimated third-party payor settlements	<u>286,836</u>	<u>2,840,801</u>
Total current assets	121,498,716	113,648,886
Assets limited as to use	20,276,099	21,956,687
Interest in net assets of affiliated Foundations	16,414,923	16,313,445
Property and equipment, net	173,795,800	179,928,694
Other long-term assets	<u>1,375,494</u>	<u>658,879</u>
Total assets	<u>\$ 333,361,032</u>	<u>332,506,591</u>

<u>Liabilities and Net Assets</u>	<u>2016</u>	<u>2015</u>
Current liabilities:		
Current portion of long-term debt	\$ 2,357,310	6,008,610
Current portion of capital lease obligations	1,558,715	2,018,639
Accounts payable	27,401,341	25,968,686
Accrued paid personal time	9,928,232	10,957,244
Accrued salaries, wages and related expenses	9,257,652	9,137,260
Accrued interest payable	356,880	371,242
Other current liabilities	7,392,429	3,524,846
	<hr/>	<hr/>
Total current liabilities	58,252,559	57,986,527
Long-term debt, net of current portion	75,723,327	76,903,134
Capital lease obligations, net of current portion	12,561,597	14,122,647
Estimated liability for self-insurance claims	11,492,409	13,100,788
Estimated third-party payor settlements	1,241,925	2,558,920
Accrued sick pay	6,506,897	6,960,011
Accrued pension costs	9,142,259	10,577,299
Other liabilities	1,886,145	1,846,032
	<hr/>	<hr/>
Total liabilities	176,807,118	184,055,358
Net assets:		
Unrestricted	142,029,820	133,863,347
Temporarily restricted	8,903,880	9,056,094
Permanently restricted	5,620,214	5,531,792
	<hr/>	<hr/>
Total net assets	156,553,914	148,451,233
Commitments and contingencies (notes 8, 10, 11, 12 and 16)		
Total liabilities and net assets	\$ <u>333,361,032</u>	<u>332,506,591</u>

**ELLIS HOSPITAL (d/b/a ELLIS MEDICINE)
AND SUBSIDIARIES**

Consolidated Statements of Operations and Changes in Net Assets

Years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Unrestricted revenue, gains and other support:		
Patient service revenue, net of contractual allowances and discounts	\$ 433,535,223	406,476,292
Less provision for bad debts	<u>(15,195,680)</u>	<u>(10,142,921)</u>
Net patient service revenue	418,339,543	396,333,371
Other operating revenue	14,432,455	12,255,053
Net assets released from restrictions used for operations	<u>259,831</u>	<u>1,494,071</u>
Total unrestricted revenue, gains and other support	<u>433,031,829</u>	<u>410,082,495</u>
Expenses:		
Salaries and wages	222,109,317	211,146,940
Employee benefits	42,651,230	41,079,332
Supplies and other expenses	139,555,860	129,948,652
Depreciation and amortization	17,692,766	17,905,207
Interest	4,811,079	4,766,884
Insurance	<u>4,273,324</u>	<u>3,833,259</u>
Total expenses	<u>431,093,576</u>	<u>408,680,274</u>
Operating income	1,938,253	1,402,221
Other income (loss):		
Investment gains	812,004	844,072
Gain (loss) on disposal of equipment	(90,584)	66,996
Loss on investment in affiliate	<u>(1,443,709)</u>	<u>(909,551)</u>
Excess of revenues over expenses	<u>\$ 1,215,964</u>	<u>1,403,738</u>

Ellis Medicine - COMBINED
Balance Sheet
August 31, 2017

	2017 August	Month Change	2017 July	ASSETS	2017 August	Y-T-D Changes	2016 December
(1)	\$ 28,914,340	\$ (554,135)	\$ 29,468,475	CURRENT:	\$ 28,914,340	\$ (2,189,283)	\$ 31,103,623
				Cash and equivalents			
(2)	85,897,132	(6,189,855)	92,086,987	Patient Accounts receivable - gross	85,897,132	1,598,382	84,298,740
(3)	(14,382,415)	684,133	(14,866,548)	Allowance for Bad Debts	(14,382,415)	43,628	(14,426,043)
(4)	(38,393,089)	1,454,370	(39,847,459)	Contractual Allowances	(38,393,089)	(1,924,597)	(36,468,492)
(5)	33,121,628	(4,151,352)	37,272,980	Patient Accounts receivable - net	33,121,628	(282,577)	33,404,205
(6)	8,981,050	255,409	6,725,641	Other Receivables	8,981,050	734,455	6,246,595
(7)	31,989,784	206,768	31,783,016	Board designated funds	31,989,784	3,321,502	28,648,282
(8)	11,664,371	74,891	11,589,480	Supplemental Pension Reserve Fund	11,664,371	1,382,598	10,281,673
(9)	1,704,000	-	1,704,000	Restricted funds for self-insurance - current	1,704,000	-	1,704,000
(10)	112,661	1,875	110,786	Unrestricted Earnings from Endowment Fund	112,661	34,233	78,428
(11)	311,152	38,680	272,472	Funds held in escrow	311,152	9,788	301,364
(12)	7,668,185	31,927	7,636,258	Inventories	7,668,185	73,873	7,594,312
(13)	-	-	-	Estimated third party receivables	-	(286,836)	286,836
(14)	2,717,184	(590,565)	3,307,749	Prepaid expenses	2,717,184	1,225,026	1,492,158
(15)	125,164,355	(4,586,502)	129,850,857	TOTAL CURRENT ASSETS	125,164,355	4,022,879	121,141,476
(16)	5,178,989	21,902	5,157,087	OTHER:	5,178,989	845,080	4,233,909
(17)	12,057,612	(667,139)	12,724,751	Mortgage reserve account	12,057,612	(678,569)	12,738,181
(18)	3,490,039	17,987	3,472,052	Restricted funds for self-insurance	3,490,039	184,030	3,308,009
(19)	20,726,640	(627,250)	21,353,890	Restricted funds - donors	20,726,640	450,541	20,276,099
(20)	477,717,780	703,713	477,014,067	TOTAL ASSETS WHOSE USE IS LIMITED	477,717,780	11,342,399	466,375,381
(21)	(304,862,755)	(1,489,385)	(303,373,390)	Property, plant & equipment	(304,862,755)	(12,077,949)	(292,784,808)
(22)	172,855,026	(785,652)	173,640,677	Less accumulated depreciation	172,855,026	(735,550)	173,590,575
(23)	1,083,122	-	1,083,122	NET PROPERTY, PLANT & EQUIPMENT	1,083,122	170,842	812,280
(24)	184,664,787	(1,412,902)	186,077,689	Other long-term assets	184,664,787	(114,167)	184,778,854
(25)	\$ 319,829,142	\$ (8,099,404)	\$ 325,928,546	TOTAL OTHER ASSETS	\$ 319,829,142	\$ 3,008,712	\$ 315,920,490
				TOTAL ASSETS			

**Ellis Medicine - COMBINED
Balance Sheet
August 31, 2017**

	2017 August	Month Change	2017 July		2017 August	Y-T-D Changes	2016 December
				LIABILITIES & NET ASSETS			
				CURRENT:			
(26)	\$ 4,015,105	\$ 12,385	\$ 4,002,720	Current installments of long-term debt and capital leases	\$ 4,015,105	\$ 98,080	\$ 3,916,025
(27)	25,002,897	(5,257,945)	30,260,842	Accounts payable	25,002,897	(1,743,967)	26,746,864
(28)	9,736,797	726,519	9,010,278	Accrued salaries and related expenses	9,736,797	1,101,717	8,635,080
(29)	9,016,547	(589,212)	9,605,759	Accrued PFT bank	9,016,547	(186,484)	9,213,011
(30)	1,267,970	817,183	650,807	Estimated third party payables	1,267,970	1,267,970	-
(31)	7,079,622	(645,600)	7,725,222	Other liabilities	7,079,622	(37,284)	7,116,916
(32)	<u>56,118,938</u>	<u>(5,136,690)</u>	<u>61,255,628</u>	TOTAL CURRENT LIABILITIES	<u>56,118,938</u>	<u>491,042</u>	<u>65,627,896</u>
				NON-CURRENT:			
(33)	10,934,529	(722,304)	11,656,833	Insurance liabilities	10,934,529	(557,861)	11,492,410
(34)	6,055,986	2,559	6,053,327	Accrued sick pay	6,055,986	(450,911)	6,608,897
(35)	1,000,000	-	1,000,000	Estimated third-party payables	1,000,000	-	1,000,000
(36)	9,892,259	76,000	9,817,259	Accrued employee benefits - long term	9,892,259	750,000	9,142,259
(37)	1,035,381	4,308	1,031,073	Asset retirement obligation	1,035,381	34,459	1,000,922
				L-T DEBT, net of current portion:			
(38)	9,687,132	(49,741)	9,736,873	ICU Financing	9,687,132	(441,166)	10,128,298
(39)	12,871,219	(30,629)	12,801,848	Bellevue Financing	12,871,219	(270,757)	13,141,976
(40)	1,371,758	(49,374)	1,421,132	SON payable	1,371,758	(211,863)	1,583,621
(41)	49,863,999	(113,550)	49,977,649	Emergency Dept Financing	49,863,999	(1,005,433)	50,869,432
(42)	<u>11,429,406</u>	<u>(134,532)</u>	<u>11,563,938</u>	Obligation under capital lease	<u>11,429,406</u>	<u>(1,132,191)</u>	<u>12,561,597</u>
(43)	<u>85,223,514</u>	<u>(377,826)</u>	<u>85,601,340</u>	Total Long-Term Debt, net	<u>85,223,514</u>	<u>(3,061,410)</u>	<u>88,264,924</u>
(44)	<u>114,141,669</u>	<u>(1,018,163)</u>	<u>115,159,832</u>	TOTAL NON-CURRENT LIABILITIES	<u>114,141,669</u>	<u>(3,285,743)</u>	<u>117,427,412</u>
(46)	<u>170,260,607</u>	<u>(8,154,853)</u>	<u>178,415,480</u>	TOTAL LIABILITIES	<u>170,260,607</u>	<u>(2,794,701)</u>	<u>173,055,308</u>
				NET ASSETS:			
(46)	145,885,343	40,518	145,844,825	Unrestricted	145,885,343	6,590,443	139,294,900
(47)	3,422,105	14,931	3,407,174	Temporarily restricted	3,422,105	112,970	3,309,135
(48)	261,087	-	261,087	Permanently restricted	261,087	-	261,087
(48)	<u>149,568,535</u>	<u>65,449</u>	<u>149,513,088</u>	TOTAL NET ASSETS	<u>149,568,535</u>	<u>6,703,413</u>	<u>142,865,122</u>
(50)	<u>\$ 319,829,142</u>	<u>\$ (6,099,404)</u>	<u>\$ 325,928,546</u>	TOTAL LIABILITIES & NET ASSETS	<u>\$ 319,829,142</u>	<u>\$ 3,808,712</u>	<u>\$ 315,920,430</u>

Ellis Medicine
Statement of Operations - COMBINED
For the period ended August 31, 2017

CURRENT MONTH						YEAR TO DATE							
	Actual	Budget	\$ Variance	Prior Year	\$ Variance	Actual	Exp as % of Rev	Budget	\$ Variance	% Variance	Prior Year	\$ Variance	% Variance
	NET PATIENT REVENUE												
(1)	\$18,517	\$17,905	\$612	\$18,678	(\$158)	\$152,222		\$152,733	(\$511)	-0.3%	\$160,109	\$2,113	1.4%
(2)	15,043	18,178	(1,130)	16,810	(767)	118,948		124,158	(5,213)	-4.2%	119,702	(759)	-0.6%
(3)	818	771	47	806	13	8,283		8,042	241	4.0%	5,951	332	5.6%
(4)	(1,068)	(1,077)	9	(1,734)	666	(8,478)		(8,548)	73	0.9%	(9,105)	632	6.9%
(5)	33,310	33,775	(465)	33,667	(247)	268,975		274,385	(5,410)	-2.0%	268,657	2,318	0.9%
(6)	1,587	1,308	279	928	661	10,178		10,993	(785)	-7.2%	7,835	2,343	29.9%
(7)	2	3	(1)	1	1	28		27	1	3.7%	27	1	3.7%
(8)	34,899	35,086	(187)	34,484	415	279,181	100.0%	285,375	(6,194)	-2.2%	274,619	4,562	1.7%
	OPERATING EXPENSES												
(9)	17,439	17,260	(179)	16,980	(1,478)	137,301	49.2%	138,402	2,101	1.5%	131,776	(5,528)	-4.2%
(10)	924	403	(521)	931	7	7,094	2.6%	6,031	(1,063)	-667.4%	7,085	(9)	-0.1%
(11)	18,363	17,663	(700)	18,891	(1,472)	144,385	51.7%	145,433	1,038	0.7%	138,860	(5,536)	-4.0%
(12)	3,283	3,400	117	3,382	99	26,808	9.8%	27,918	1,110	4.0%	26,982	174	0.6%
(13)	21,848	21,863	(683)	20,273	(1,373)	171,203	61.3%	173,351	2,148	1.2%	165,842	(5,361)	-3.2%
	85.0%	82.4%	-2.6%	80.4%	-4.6%	% of Net Patient Revenue	83.7%	83.2%	-0.5%		82.2%	-1.5%	
(14)	6,480	5,068	(512)	6,125	(356)	48,912	17.8%	47,168	(1,786)	-3.7%	48,804	(2,308)	-5.0%
(15)	5,208	4,837	(371)	4,983	(246)	39,578	14.2%	40,448	870	2.2%	41,459	1,881	4.5%
(16)	205	191	(14)	228	21	1,504	0.5%	1,530	26	1.7%	1,547	43	2.8%
(17)	1,489	1,566	78	1,424	(85)	12,078	4.3%	12,442	364	2.9%	11,566	(482)	-4.2%
(18)	343	370	27	387	44	2,945	1.1%	2,979	34	1.1%	3,108	161	5.2%
(19)	387	383	(24)	354	(33)	3,134	1.1%	2,902	(232)	-8.0%	2,840	(294)	-10.4%
(20)	35,758	34,357	(1,401)	33,752	(2,005)	279,354	100.1%	280,808	1,454	0.8%	272,984	(6,370)	-2.3%
(21)	(858)	729	(1,688)	732	(1,691)	(173)	-0.1%	4,867	(4,740)	-103.8%	1,535	(1,708)	-111.5%
	NON-OPERATING INCOME												
(22)	(2)	0	(2)	(53)	(51)	1,339		0	1,330	100.0%	(168)	(1,507)	0.0%
(23)	0	0	0	0	0	0		0	0	0.0%	(91)	(91)	100.0%
(24)	186	50	115	108	(69)	774		400	374	0.0%	350	(414)	-116.0%
(25)	0	0	0	0	0	(829)		(1,000)	171	100.0%	(882)	147	-21.8%
(26)	183	50	113	53	(110)	1,284		(600)	1,884	-314.0%	(581)	(1,865)	321.0%
(27)	(\$696)	\$779	(\$1,476)	\$786	(\$1,701)	\$4,111		\$3,867	(\$2,856)	-72.0%	\$954	(\$3,673)	-374.6%
	REVENUES AND GAINS IN EXCESS OF EXPENSES AND LOSSES												
(28)	386	0	386	(78)	383	3,706		0	3,706	100.0%	2,936	768	-28.2%
(29)	0	0	0	0	0	0		0	0	0.0%	0	0	0.0%
(30)	0	0	0	0	0	0		0	0	0.0%	0	0	0.0%
(31)	432	225	207	135	297	1,774		1,800	(26)	-702.1%	1,983	(169)	9.9%
(32)	341	\$1,004	(\$683)	\$842	(\$1,021)	\$6,690		\$5,767	\$823	14.3%	\$5,853	(\$2,993)	-51.1%

CON#172164
BFA Attachment D

Pro Forma Balance Sheet

ASSETTS

Cash	549,658
Leasehold Improvements	12,305,493
Leased Moveable Equipment	<u>1,337,500</u>
TOTAL	\$14,192,651

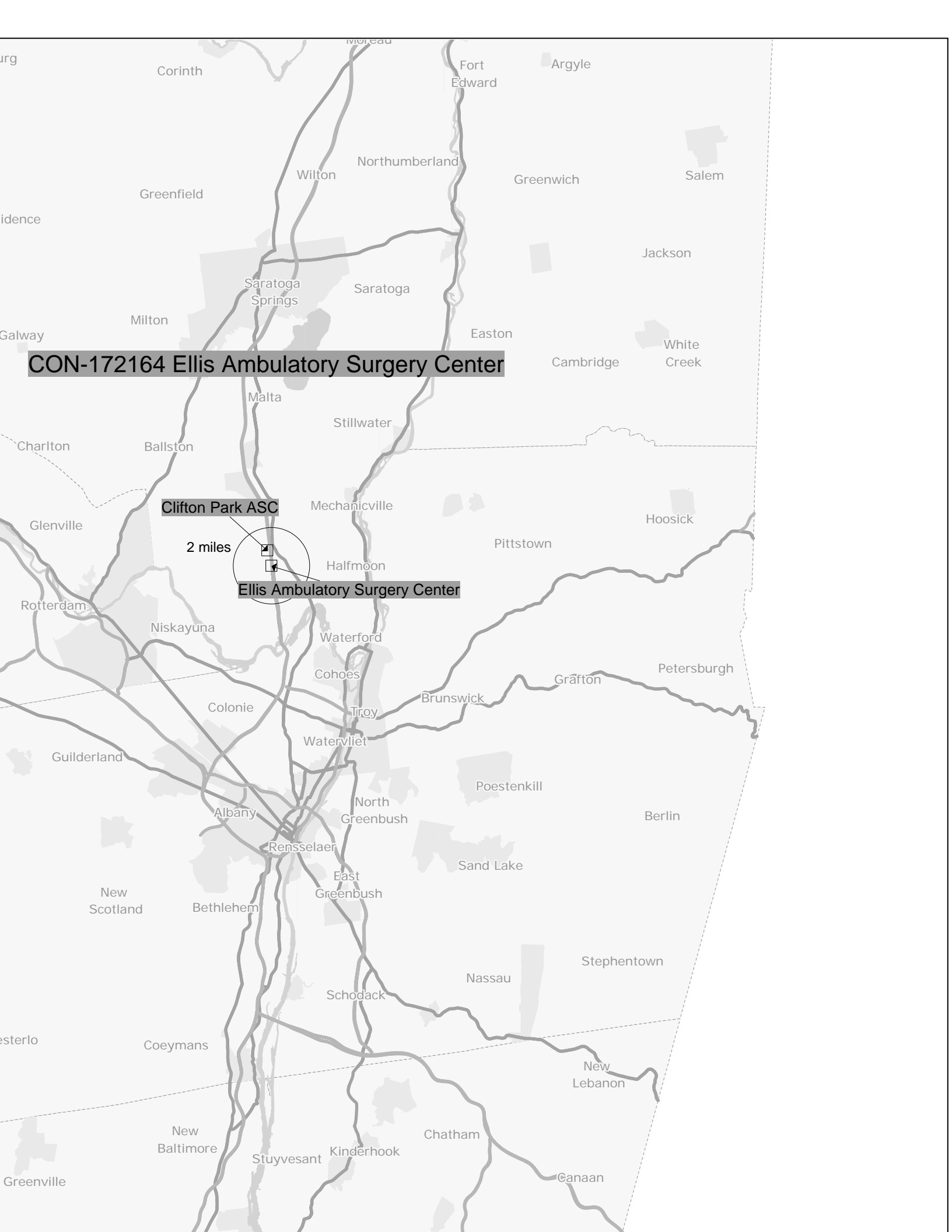
LIABILITIES AND MEMBERS EQUITY

Liabilities

Equipment Lease	1,337,500
Bank Loan	<u>10,941,194</u>
TOTAL	\$12,278,694

NET ASSETS

\$1,913,957



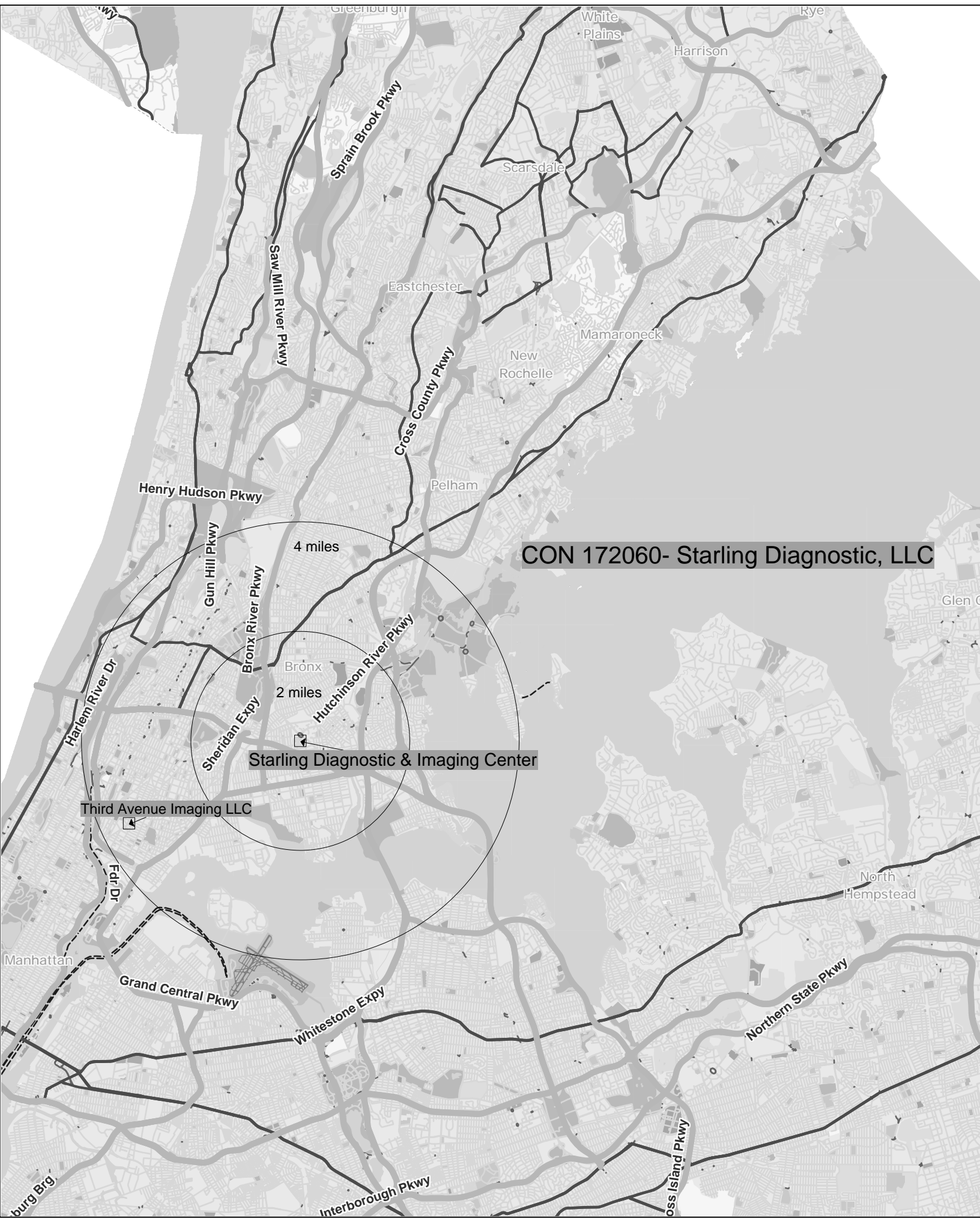
CON-172164 Ellis Ambulatory Surgery Center

Clifton Park ASC

2 miles

Ellis Ambulatory Surgery Center

Starling Diagnostic and Imaging Center	
PRO FORMA BALANCE SHEET	
ASSETS	
Cash	\$749,861
Leasehold Improvements	\$5,539,689
Movable/ Fixed Equipment	<u>\$4,338,338</u>
Total Assets	\$10,627,888
Liabilities and Member Equity	
LIABILITIES	
Working Capital Loan	\$374,931
Long Term Debt	<u>\$8,890,224</u>
Total Liabilities	\$9,265,155
MEMBER EQUITY	\$1,362,733
TOTAL LIABILITIES AND MEMBER EQUITY	\$10,627,888



CON 172060- Starling Diagnostic, LLC

Starling Diagnostic & Imaging Center

Third Avenue Imaging LLC

4 miles

2 miles

St. Luke's Cornwall Hospital and Subsidiaries
Consolidated Statements of Financial Position

	Successor December 31, 2016	Predecessor December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,239,477	\$ 5,877,239
Patient accounts receivable, net of allowance for doubtful accounts of \$3,900,762 in 2016 (successor) and \$4,529,160 in 2015 (predecessor)	22,688,182	22,324,256
Other receivables	959,867	54,015
Investments	10,065,177	9,513,061
Current portion of assets limited as to use	3,661,297	3,610,665
Inventory	4,184,935	4,011,961
Prepaid expenses and other current assets	420,408	3,523,604
Current portion of estimated third-party payor settlements	959,291	-
Total current assets	49,178,634	48,914,801
Interest in net assets of St. Luke's Cornwall Health System Foundation, Inc.	1,695,391	868,506
Assets limited as to use, net of current portion	181,416	181,393
Property, plant, and equipment, net	57,410,526	84,837,953
Other assets	15,026,161	13,737,023
Total assets	\$ 123,492,128	\$ 148,539,676
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 32,702,929	\$ 34,265,855
Current portion of long-term debt	50,270,000	52,237,395
Current portion of estimated third-party payor settlements	-	206,981
Other current liabilities	1,032,854	609,371
Total current liabilities	84,005,783	87,317,602
Accrued retirement benefits	16,055,535	15,463,031
Estimated third-party payor settlements, net of current portion	294,415	700,592
Interest rate swap agreements	2,855,174	3,579,806
Other liabilities	15,274,938	15,399,211
Total liabilities	118,485,845	122,462,242
Commitments and contingencies		
Net assets:		
Unrestricted	3,125,934	25,023,970
Temporarily restricted	1,204,696	377,811
Permanently restricted	675,653	675,653
Total net assets	5,006,283	26,077,434
Total liabilities and net assets	\$ 123,492,128	\$ 148,539,676

St. Luke's Cornwall Hospital and Subsidiaries
Consolidated Statements of Operations

	Successor	Predecessor	
	Period From January 15, 2016 to December 31, 2016	Period From January 1, 2016 to January 14, 2016	Year Ended December 31, 2015
Revenue and other support			
Net patient service revenue	\$ 181,424,325	\$ 7,230,871	\$ 178,460,958
Provision for bad debts	(3,406,474)	(130,444)	(5,339,772)
Net patient service revenue less provision for bad debts	178,017,851	7,100,427	173,121,186
Other revenue	5,698,881	226,309	6,640,504
Total revenue and other support	183,716,732	7,326,736	179,761,690
Operating expenses			
Salaries and wages	77,953,829	3,109,270	75,959,175
Employee benefits	26,738,180	1,066,480	29,383,253
Supplies and other	68,142,235	2,717,924	64,938,703
Depreciation and amortization	15,389,363	48,293	9,316,808
Insurance	3,947,632	157,455	4,303,474
Interest	2,668,598	106,440	2,894,288
Professional fees	6,290,804	250,915	6,168,813
Rent	1,259,230	50,226	1,368,922
Total operating expenses	202,389,871	7,507,003	194,333,436
Loss from operations	(18,673,139)	(180,267)	(14,571,746)
Non-operating gains and losses, net			
Non-operating gains, net	11,999,459	59,807	1,217,938
Net change in unrealized gains and losses on investments	482,170	19,232	(42,448)
Change in value of interest rate swap agreements	696,838	27,794	278,170
Inherent contribution received in the acquisition of St. Luke's Cornwall JV, LLC	-	-	585,142
Total non-operating gains and losses, net	13,178,467	106,833	2,038,802
Deficiency of revenue over expenses	(5,494,672)	(73,434)	(12,532,944)
Other changes in unrestricted net assets			
Change in pension liability to be recognized in future periods	(355,476)	(14,179)	4,008,027
Net decrease in unrestricted net assets	\$ (5,850,148)	\$ (87,613)	\$ (8,524,917)

See accompanying notes.

Fishkill Dialysis Center, LLC

Balance Sheet

December 31, 2016

Assets

Cash and cash equivalents	\$	4,735,416
Accounts receivable, less allowance for doubtful accounts of \$311,101		1,056,459
Inventories		68,898
Other current assets		71,900
Total current assets		<u>5,932,673</u>
Property, plant and equipment, at cost:		
Buildings and leasehold improvements		1,597,574
Medical equipment		448,642
Furniture and nonmedical equipment		124,538
		<u>2,170,754</u>
Less accumulated depreciation		<u>(1,026,059)</u>
Total property, plant and equipment, net		1,144,695
Intangible assets, net		28,438
Total assets	\$	<u><u>7,105,806</u></u>

Liabilities and Stockholder's Deficit

Accounts payable	\$	92,469
Due to related party		211,450
Accrued liabilities		1,135,071
Total liabilities		<u>1,438,990</u>
Stockholder's deficit:		
Paid in capital		289,950
Accumulated deficit		5,376,866
Total stockholder's deficit		<u>5,666,816</u>
Total liabilities and stockholder's deficit	\$	<u><u>7,105,806</u></u>

Fishkill Dialysis Center, LLC
Statement of Operations
Year ended December 31, 2016

Net revenues:	
Health care services	\$ 8,756,101
Less: Patient service bad debt provision	<u>(580,000)</u>
Net health care services revenue	8,176,101
Expenses:	
Cost of health care services	4,269,714
General and administrative expenses	<u>1,695,174</u>
Total expenses	<u>5,964,888</u>
Net income from operations	2,211,213
Provision for income taxes (note 5)	<u>—</u>
Net income	<u><u>\$ 2,211,213</u></u>

Fishkill Dialysis Center, LLC

Balance Sheet

August 31, 2017

Assets

Cash and cash equivalents	\$	6,210,595
Accounts receivable, less allowance for doubtful accounts of \$396,480		1,363,429
Inventories		74,374
Other current assets		42,944
Total current assets		<u>7,691,342</u>
Property, plant and equipment, at cost:		
Buildings and leasehold improvements		1,598,150
Medical equipment		435,115
Furniture and nonmedical equipment		90,075
		<u>2,123,340</u>
Less accumulated depreciation		<u>(1,122,529)</u>
Total property, plant and equipment, net		<u>1,000,811</u>
Intangible assets, net		<u>28,438</u>
Total assets	\$	<u><u>8,720,591</u></u>

Liabilities and Stockholder's Equity

Accounts payable	\$	56,401
Due to related party		327,822
Accrued liabilities		442,790
Total liabilities		<u>827,013</u>
Stockholder's equity:		
Paid in capital		289,950
Accumulated earnings		7,603,628
Total stockholder's equity		<u>7,893,578</u>
Total liabilities and stockholder's equity	\$	<u><u>8,720,591</u></u>

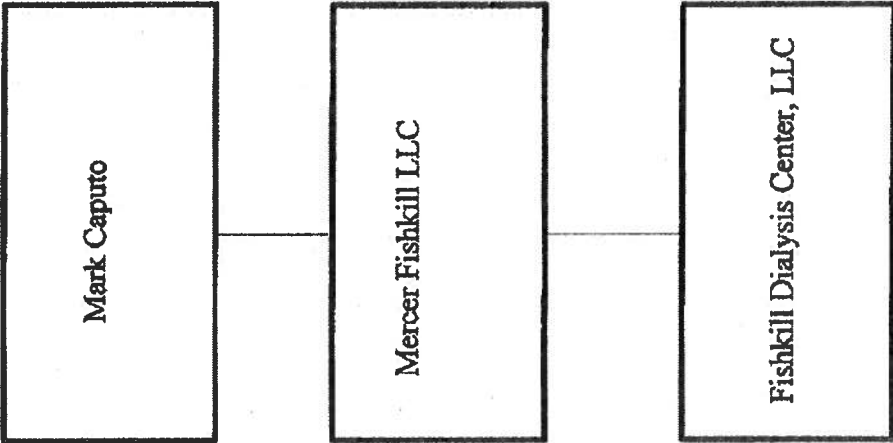
Fishkill Dialysis Center, LLC
Statement of Operations
Partial Year Ended August 31, 2017

Net revenues:	
Health care services	\$ 5,914,575
Less: Patient service bad debt provision	(246,990)
Net health care services revenue	<u>5,667,585</u>
Expenses:	
Cost of health care services	2,586,463
General and administrative expenses	<u>854,360</u>
Total expenses	<u>3,440,823</u>
Net income from operations	<u>2,226,762</u>
Net income	<u><u>\$ 2,226,762</u></u>

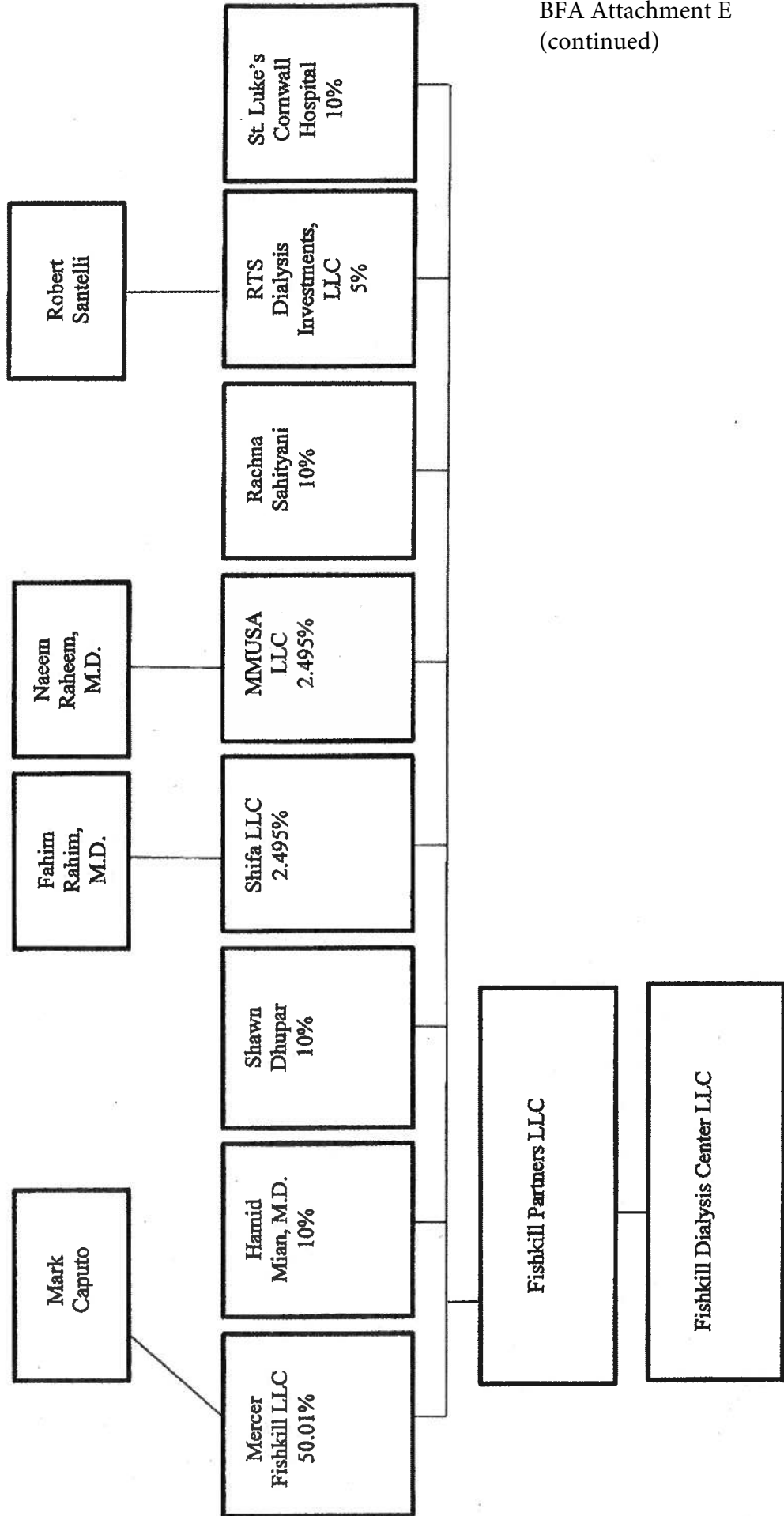
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**Fishkill Dialysis Center, LLC
Current Ownership Structure**



**Fishkill Dialysis Center LLC
Proposed Ownership Structure**



QUEENS DIALYSIS AT THE PAVILION, LLC
BALANCE SHEET
December 31, 2016

Project# 171330
BFA Attachment-B

ASSETS

CURRENT ASSETS:

Cash	\$	378,959
Accounts Receivable (Net)		542,276
Inventory		28,037
Prepaid Expenses		<u>3,132</u>

TOTAL CURRENT ASSETS \$ 952,404

FIXED ASSETS:

Leasehold Improvements		1,837,907
Furniture & Equipment		<u>122,783</u>
		1,960,690
Less: Accum. Depreciation & Amortization		<u>270,943</u>

TOTAL FIXED ASSETS 1,689,747

OTHER ASSETS:

Goodwill (Net)		<u>2,998,874</u>
----------------	--	------------------

TOTAL OTHER ASSETS 2,998,874

TOTAL ASSETS \$ 5,641,025

BALANCE SHEET

December 31, 2016

LIABILITIES & EQUITY

CURRENT LIABILITIES:

Equipment Obligations	\$	21,722
Accounts Payable		103,778
Accrued Payroll		55,359
Exchanges		80,553
Loans Payable - Related Parties		<u>88,221</u>

TOTAL CURRENT LIABILITIES \$ 349,633

LONG TERM LIABILITIES:

Equipment Obligations	52,258
Loan Payable - Members	<u>4,901,107</u>

TOTAL LONG TERM LIABILITIES 4,953,365

MEMBERS' EQUITY 338,027

TOTAL LIABILITIES & MEMBERS' EQUITY \$ 5,641,025

QUEENS DIALYSIS AT THE PAVILION, LLC
STATEMENT OF OPERATIONS
For the year ended December 31, 2016

TOTAL REVENUE FROM PATIENTS:		\$ 3,227,507
OPERATING EXPENSES:		
Payroll	\$ 985,545	
Employee Benefits	117,779	
Professional Care	1,003,110	
Plant & Maintenance	443,750	
General & Administrative	<u>230,936</u>	
TOTAL OPERATING EXPENSES		<u>2,781,120</u>
INCOME FROM OPERATIONS		446,387
OTHER INCOME		<u>46</u>
NET INCOME		<u>\$ 446,433</u>

QUEENS DIALYSIS AT THE PAVILION, LLC
STATEMENT OF MEMBERS' EQUITY
For the year ended December 31, 2016

MEMBERS' EQUITY:

Balance as of Beginning of Period	\$	91,594
Net Income for the Period		446,433
Members' Distributions		<u>(200,000)</u>
TOTAL MEMBERS' EQUITY - END OF PERIOD	\$	<u><u>338,027</u></u>

Queens Dialysis at the Pavilion LLC
As of June 30, 2017
BALANCE SHEET

ASSETS

CURRENT ASSETS

CASH & EQUIVALENTS	\$	313,838
ACCOUNTS RECEIVABLE		508,111
INVENTORY		28,037
PREPAID EXPENSES		1,572
TOTAL CURRENT ASSETS		<u>851,558</u>

EQUIPMENT & OTHER ASSETS

CAPITAL & LHI IMPROVEMENTS		1,844,120
FURNITURE & EQUIPMENT		122,783
GOODWILL		2,998,874
TOTAL FIXED ASSETS		<u>4,965,777</u>
ACCUMULATED DEPRECIATION		<u>362,143</u>
NET UNDEPRECIATED VALUE		4,603,634
TOTAL EQUIPMENT & OTHER ASSETS		<u>4,603,634</u>
TOTAL ASSETS	\$	<u><u>5,455,192</u></u>

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$	153,902
EQUIPMENT OBLIGATIONS		10,861
ACCRUED PAYROLL		61,244
ACCRUED EXPENSES & TAXES		100,000
EXCHANGES		4,522
LOANS PAYABLE - REL PARTIES		124,559
TOTAL CURRENT LIABILITIES		<u>455,088</u>

LONG TERM LIABILITIES

EQUIPMENT OBLIGATIONS PAYABLE		52,258
LOANS RELATED PARTIES		4,901,107
TOTAL LONG TERM LIABILITIES		<u>4,953,365</u>

EQUITY

EQUITY		554,739
DISTRIBUTIONS		(508,000)
TOTAL EQUITY		<u>46,739</u>
TOTAL LIABILITIES & EQUITY	\$	<u><u>5,455,192</u></u>

Distributions for 2017 cannot exceed \$96,827
(3% of prior year revenue of \$3,227,553) without prior approval
Distributions to date are \$508,000

**Queens Dialysis at the Pavilion LLC
 For the Period Ended June 30, 2017**

Prior Year 01/01/16 06/30/16	DESCRIPTION	Year To Date 01/01/17 06/30/17	Current Period 06/01/17 06/30/17	YTD PPT 01/01/17 06/30/17	CUR PPT 06/01/17 06/30/17	LY PPT 01/01/16 06/30/16	YTD Inc (Dec) vs. LYTD
Executive Summary							
REVENUE							
1,601,350	TOTAL REVENUE	1,623,160	259,429	262.99	250.66	284.99	-7.72%
EXPENSES							
610,383	NURSING & MEDICAL	691,436	122,388	112.03	118.25	108.63	3.13%
271,039	THERAPY & ANCILLARIES	202,825	32,570	32.86	31.47	48.24	-31.88%
42,171	SOCIAL SERVICE	41,121	6,796	6.66	6.57	7.51	-11.32%
25,358	CLEANLINESS & SAFETY	24,395	4,275	3.95	4.13	4.51	-12.42%
17,765	FOOD & NUTRITION	28,124	6,910	4.56	6.68	3.16	44.30%
91,870	GENERAL & ADMINISTRATION	118,566	16,317	19.21	15.77	16.35	17.49%
193,101	PROPERTY	199,476	32,905	32.32	31.79	34.37	-5.96%
90,604	NON COMPARABLE	100,506	20,743	16.28	20.04	16.12	0.99%
1,342,291	TOTAL EXPENSES	1,406,449	242,904	227.87	234.70	238.89	-4.61%
259,059	NET INCOME (LOSS)	216,711	16,525	35.12	15.96	46.10	-23.82%
5,619	NUMBER OF TREATMENTS	6,172	1,035				

**Queens Dialysis at the Pavilion LLC
For the Period Ended June 30, 2017**

Prior Year 01/01/16 06/30/16	DESCRIPTION	Year To Date 01/01/17 06/30/17	Current Period 06/01/17 06/30/17	YTD PPT- 01/01/17 06/30/17	CUR PPT 06/01/17 06/30/17	LY PPT 01/01/16 06/30/16	YTD Inc (Dec) vs. LYTD
Statement of Operations - Revenues							
		REVENUE					
61,952	MEDICAID-HEMO	189,619	40,540	780.33	862.55	260.30	199.78%
847,577	MEDICARE-HEMO TREATMENTS	874,679	127,320	217.42	196.79	232.98	-6.68%
658,842	COMMERCIAL INSURANCE-HEMO	558,854	91,566	293.21	268.52	377.99	-22.43%
32,979	MEDICARE PART B	0	0	0.00	0.00	5.87	-100.00%
0	INTEREST INCOME	8	3	0.00	0.00	0.00	0.00%
1,601,350	TOTAL REVENUE	1,623,160	259,429	262.99	250.66	284.99	-7.72%

NEW YORK DIALYSIS SERVICES, INC.

Balance Sheet

June 30, 2017

Assets

Cash and cash equivalents	\$ 2,191,966
Accounts receivable, less allowance for doubtful accounts of \$7,226,004	29,735,892
Inventories	3,102,628
Other current assets	1,374,044
Total current assets	<u>36,404,530</u>
Property, plant and equipment, at cost:	
Buildings and leasehold improvements	59,770,898
Medical equipment	13,263,770
Furniture and nonmedical equipment	5,474,944
	<u>78,509,612</u>
Less accumulated depreciation	<u>(46,192,975)</u>
Total property, plant and equipment, net	32,316,637
Intangible assets, net	681,677
Goodwill	5,588,981
Deferred tax assets	43,278,633
Total assets	<u>\$ 118,270,458</u>

Liabilities and Stockholder's Deficit

Accounts payable	\$ 2,526,805
Due to related party	120,134,979
Accrued liabilities	14,668,257
Total liabilities	<u>137,330,041</u>
Stockholder's deficit:	
Paid in capital	981,176
Accumulated deficit	<u>(20,040,759)</u>
Total stockholder's deficit	<u>(19,059,583)</u>
Total liabilities and stockholder's deficit	<u>\$ 118,270,458</u>

NEW YORK DIALYSIS SERVICES, INC.

Statement of Operations

Partial year ended June 30, 2017

Net revenues:		
Health care services	\$	111,966,973
Less: Patient service bad debt provision		(6,589,392)
Net health care services revenue		<u>105,377,581</u>
Expenses:		
Cost of health care services		69,254,985
General and administrative expenses		<u>24,712,035</u>
Total expenses		<u>93,967,020</u>
Net income from operations		11,410,561
Provision for income taxes (note 5)		<u>—</u>
Net income	\$	<u><u>11,410,561</u></u>

Freedom Center of Westmere, LLC
Pro Forma Balance Sheet

BFA Attachment C
CON 171447

Current Assets:

(1)	Cash	\$0
(2)	Accounts Receivable	\$407,523
(3)	Inventory	\$21,951
(4)	Total Current Assets	\$429,474

Property, Plant and Equipment:

(5)	Equipment and Furniture at Cost	\$704,599
(6)	Less Accumulated Depreciation	\$0
(7)	Net Equipment	\$704,599
(8)	Leasehold Improvements at Cost	\$1,079,440
(9)	Less Accumulated Depreciation	\$0
(10)	Net Leasehold Improvements	\$1,079,440
(11)	Net Property, Plant and Equipment	\$1,784,039

Intangible Assets:

(12)	Intangible Assets	\$0
(13)	Accumulated Amortization	\$0
(14)	Net Intangible Assets	\$0
(15)	Total Assets	\$2,213,513

Current Liabilities:

(16)	Accounts Payable	\$105,387
(17)	Deferred Taxes	\$0
(18)	Total Current Liabilities	\$105,387

Shareholder's Equity:

(19)	Total Shareholder's Equity	\$2,108,126
(20)	Shareholder's Equity + Liabilities	\$2,213,513

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME / CONSOLIDATED BALANCE SHEETS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME		T. 4.2	
in \$ THOUS			
	Note	2016	2015
► NET INCOME		1,548,851	1,313,149
Gain (loss) related to cash flow hedges	19, 20	27,795	60,131
Actuarial gains (losses) on defined benefit pension plans	10, 20	(1,464)	81,834
Gain (loss) related to foreign currency translation	20	1,280	(352,125)
Income tax (expense) benefit related to components of other comprehensive income	20	(11,774)	(43,353)
► OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	20	15,837	(253,513)
► TOTAL COMPREHENSIVE INCOME		1,564,688	1,059,636
Comprehensive income attributable to noncontrolling interests		304,138	278,743
► COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS OF FMC AG & CO. KGAA		1,260,550	780,893

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

PRESENIUS MEDICAL CARE 2016

CONSOLIDATED BALANCE SHEETS		T. 4.3	
in \$ THOUS, except share and per share data, December 31			
	Note	2016	2015
Assets			
Current assets			
Cash and cash equivalents		747,233	549,500
Trade accounts receivable less allowance for doubtful accounts of \$508,562 in 2016 and \$465,790 in 2015		3,524,258	3,285,196
Accounts receivable from related parties	2	220,797	218,285
Inventories	3	1,409,834	1,340,751
Prepaid expenses and other current assets	4	1,411,833	1,374,715
► TOTAL CURRENT ASSETS		7,313,955	6,768,447
Property, plant and equipment, net	5	3,773,213	3,425,574
Intangible assets	6	847,198	830,489
Goodwill	6	13,666,446	13,032,750
Deferred taxes	16	202,838	188,833
Investment in equity method investees	22	679,242	644,709
Other assets		451,050	474,452
► TOTAL ASSETS		26,933,942	25,365,254

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS		T. 4.3	
<i>In \$ THOUS, except share and per share data, December 31</i>			
Liabilities and shareholders' equity	Note	2016	2015
Current liabilities			
Accounts payable		606,694	627,828
Accounts payable to related parties	2	278,355	153,023
Accrued expenses and other current liabilities	7	2,653,185	2,503,137
Short-term debt	8	602,494	109,252
Short-term debt from related parties	8	3,162	19,052
Current portion of long-term debt and capital lease obligations	9	763,398	664,335
Income tax payable		130,009	72,819
▶ TOTAL CURRENT LIABILITIES		5,037,297	4,149,446
Long-term debt and capital lease obligations, less current portion	9	7,202,545	7,853,487
Other liabilities		658,842	465,625
Pension liabilities	10	540,267	585,328
Income tax payable		124,576	162,500
Deferred taxes	16	672,267	624,500
▶ TOTAL LIABILITIES		14,235,794	13,840,886
Noncontrolling interests subject to put provisions and other temporary equity	11	1,241,088	1,028,368
Shareholders' equity			
Ordinary shares, no par value, €1.00 nominal value, 385,913,972 shares authorized, 307,221,791 issued and 306,221,840 outstanding	12	379,585	387,162
Treasury stock, at cost	12	(66,895)	(505,014)
Additional paid-in capital	12	2,977,972	3,470,308
Retained earnings	12	8,837,072	7,870,981
Accumulated other comprehensive (loss) income	20	(1,319,012)	(1,336,295)
▶ TOTAL FMC AG & CO. KGAA SHAREHOLDERS' EQUITY		10,808,722	9,887,142
Noncontrolling interests not subject to put provisions		648,338	608,858
▶ TOTAL EQUITY		11,457,060	10,496,000
▶ TOTAL LIABILITIES AND EQUITY		26,933,942	25,365,254

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

FRESENIUS MEDICAL CARE 2016

CONSOLIDATED STATEMENTS OF CASH FLOWS

CONSOLIDATED STATEMENTS OF CASH FLOWS

CONSOLIDATED STATEMENTS OF CASH FLOWS		T. 4.4	
<i>in \$ THOUS</i>			
	<i>Note</i>	2016	2015
Operating activities			
Net income		1,548,851	1,313,149
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	5, 6, 22	775,945	717,322
Change in deferred taxes, net		(5,628)	(45,452)
(Gain) loss on sale of fixed assets and investments		(2,317)	(2,318)
Compensation expense related to stock options	15	30,176	12,323
Investments in equity method investees, net		(58,608)	(17,776)
Changes in assets and liabilities, net of amounts from businesses acquired:			
Trade accounts receivable, net		(242,289)	(330,960)
Inventories		(66,668)	(301,009)
Prepaid expenses, other current and non-current assets		53,751	47,997
Accounts receivable from related parties		(79,445)	(300)
Accounts payable to related parties		133,653	27,208
Accounts payable, accrued expenses and other current and non-current liabilities		45,729	548,955
Income tax payable		6,732	(9,092)
▶ NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		2,139,882	1,960,047

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE 2016

171447 HSP Attachment A
Star Rating Profile for New York Dialysis Services, Inc. Dialysis Centers

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

171447 HSP Attachment A
Star Rating Profile for New York Dialysis Services, Inc. Dialysis Centers

Facility Name	Address	Star Rating
FMS-Nephro Care West	358-362 4th Ave Brooklyn NY 11215	☆☆☆●●
FMS-Finger Lakes	130 Phoenix Mills Plaza Victor NY 14564	☆☆☆☆☆
Fresenius Kidney Care - Degraw Street	595 Degraw St. Brooklyn NY 11217	Not open long enough to supply sufficient measure data
FMS-Monroe Community	435 East Henrietta Rd Rochester NY 14620	☆☆☆●●
FMS-Nephro Care	1402 Atlantic Ave Brooklyn NY 11236	☆☆☆●●
FMS-Eastview Dialysis Center	120 Victor Heights Pkwy Victor NY 14564	☆☆☆☆☆
FMS-St. Albans Dialysis Center	172-70 Baisley Blvd Jamaica NY 11434	☆☆☆☆●
FMS-Brighton	2613 W. Henrietta Rd Rochester NY 14623	☆☆●●●
FMS-Capital District Dialysis Center	650 McClellan St Schenectady NY 12304	☆☆●●●
FMS-Soundshore Dialysis Center	16 Guion Pl New Rochelle NY 10801	☆☆☆☆●
FMS-Amsterdam Dialysis Center	1800 Riverfront Center Amsterdam NY 12010	☆●●●●
FMS-City Dialysis Center	105 East 106th St New York NY 10029	☆☆☆●●
FMS-Southern Manhattan Dialysis Center-Monroe County	1150 Crosspointe Professional Park Webster NY 14580	☆☆☆☆●
FMS-Albany Dialysis Center	64 Albany-Shaker Rd Albany NY 12204	☆●●●●
Freedom Center of Rochester	100 Meridian Centre Rochester NY 14618	Not enough quality measure data to calculate a star rating
FMS-Hicksville Dialysis Center	760 Broadway Hicksville NY 11801	Facility not opened for entire rating period
Huntington Dialysis Center	33 Walt Whitman Rd Huntington NY 11743	Not open long enough to supply sufficient measure data
Strong Health - Clinton Crossing	2400 S. Clinton Ave Bldg. F Rochester NY 14618	☆☆☆●●
Fresenius Kidney Care - Niagara	3018 Military Rd Niagara Falls, NY 14304	☆☆●●●
Niagara Renal Center of Wheatfield	3909 Forest Parkway North Tonawanda, NY 14120	☆☆☆☆☆

171447 HSP Attachment A
Star Rating Profile for New York Dialysis Services, Inc. Dialysis Centers

Facility Name	Address	Star Rating
Fresenius Kidney Care - Saratoga	373 Church St Saratoga Springs, NY 12866	★ ★ ★ ● ●
Fresenius Kidney Care - Lindenhurst	185 South Tenth St Lindenhurst, NY 11757	Not open long enough to supply sufficient measure data
Liberty Dialysis - Hyde Park	386 Violet Ave Hyde Park, NY 12601	Not open long enough to supply sufficient measure data
JOINT VENTURES		
Owned & Operated by SJLS, LLC		
St. Joseph's - Cortland	3993 West Rd. Cortland NY 13045	★ ★ ★ ★ ●
St. Joseph's Regional	975 James St. Syracuse NY 13203	★ ★ ● ● ●
St. Joseph's Seneca	8136 Oswego St Liverpool NY 13090	★ ★ ★ ★ ★
St. Joseph's Camillus	5101 W. Genesee St. Camillus NY 13031	★ ★ ★ ★ ★
St. Joseph's Northeast	4105 Medical Center Dr. Fayetteville NY 13066	★ ★ ★ ● ●
Owned & Operated by Watertown Dialysis Center, LLC		
Watertown Dialysis Center	22571 Summit Dr Watertown NY 13601	★ ★ ★ ● ●
Owned & operated by Liverpool LD, LLC		
Liverpool Dialysis Center	1304 Buckley Rd Syracuse NY 13212	★ ★ ★ ★ ●

Information Retrived on 10/26/17 from:
<https://www.medicare.gov/dialysisfacilitycompare/#>

Roscoe Regional

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$1,524,663	\$1,599,717	\$1,156,492
Fixed Assets	5,037,068	5,153,234	5,578,221
Total Assets	\$6,561,731	\$6,752,951	\$6,734,713
Current Liabilities	1,865,135	1,822,965	1,171,217
Long Term Liabilities	6,139,037	6,358,982	6,840,587
Total Liabilities	8,004,172	8,181,947	8,011,804
Working Captial Position	(\$340,472)	(\$223,248)	(\$14,725)
Net Asset Posiiton	(\$1,442,441)	(\$1,428,996)	(\$1,277,091)
Revenues	\$7,606,218	\$7,612,418	\$7,977,995
Expenses	\$7,619,663	\$7,764,323	\$8,060,465
Net Income	(\$13,445)	(\$151,905)	(\$82,470)
Number of Beds	85	85	85
Percent Occupancy	94.74%	94.65%	96.57%
Medicaid	60.99%	74.36%	78.85%
Medicare	9.88%	13.46%	8.74%
Private Pay	29.13%	12.18%	12.41%

ROSCOE REGIONAL REHABILITATION & RESIDENTIAL HEALTH CARE CENTER
(A Not-For-Profit Corporation)

STATEMENTS OF FINANCIAL POSITION

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 307,725	\$ 63,109
Accounts Receivable (Less Allowance for Doubtful Accounts of \$187,510 and \$187,510 respectively)	1,190,664	1,373,651
Prepaid Expenses and Other Current Assets	<u>62,087</u>	<u>55,391</u>
TOTAL CURRENT ASSETS	<u>1,560,476</u>	<u>1,492,151</u>
ASSETS WHOSE USE IS LIMITED (Note 3)	<u>739,461</u>	<u>639,781</u>
PROPERTY, PLANT AND EQUIPMENT - NET (Note 4)	<u>4,086,219</u>	<u>4,347,621</u>
OTHER ASSETS		
Patient Trust Fund and Security Deposits	<u>104,120</u>	<u>102,193</u>
TOTAL OTHER ASSETS	<u>104,120</u>	<u>102,193</u>
TOTAL ASSETS	<u>\$ 6,490,276</u>	<u>\$ 6,581,746</u>
<u>LIABILITIES AND NET LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 666,526	\$ 441,465
Accrued Expenses and Taxes Payable	550,224	740,692
Line of Credit (Note 6)	168,831	208,831
Current Portion of Mortgage Payable (Note 7)	250,828	251,507
Current Portion of Workman's Compensation Deficit Assessment (Note 8)	<u>20,101</u>	<u>20,101</u>
TOTAL CURRENT LIABILITIES	<u>1,656,510</u>	<u>1,662,596</u>
LONG-TERM LIABILITIES		
Mortgage Payable Less Current Portion (Note 7)	5,854,586	6,087,684
Workman's Compensation Deficit Assessment Less Current Portion (Note 8)	36,291	56,392
Patient Trust Fund and Security Deposits Liability	<u>104,088</u>	<u>95,366</u>
TOTAL LONG-TERM LIABILITIES	<u>5,994,965</u>	<u>6,239,442</u>
TOTAL LIABILITIES	<u>7,651,475</u>	<u>7,902,038</u>
COMMITMENTS AND CONTINGENCIES (Note 9)		
NET ASSETS (LIABILITIES)		
Unrestricted	(1,900,660)	(1,960,073)
Temporarily Restricted	-	-
Permanently Restricted	<u>739,461</u>	<u>639,781</u>
TOTAL NET LIABILITIES	<u>(1,161,199)</u>	<u>(1,320,292)</u>
TOTAL LIABILITIES AND NET LIABILITIES	<u>\$ 6,490,276</u>	<u>\$ 6,581,746</u>

ROSCOE REGIONAL REHABILITATION & RESIDENTIAL HEALTH CARE CENTER
(A Not-For-Profit Corporation)

STATEMENTS OF ACTIVITIES AND CHANGES IN NET (LIABILITIES) ASSETS

Six Months Ending June 30, 2017 and 2016

	2017		2016	
	Amount	Cost Per Patient Day	Amount	Cost Per Patient Day
NET ASSETS				
OPERATING REVENUES				
Routine and Special Service Revenues	\$ 3,958,023	\$ 212.43	\$ 3,935,077	\$ 207.40
Other Revenues	127	0.01	42,773	2.25
TOTAL OPERATING REVENUES	<u>3,958,150</u>	<u>212.44</u>	<u>3,977,850</u>	<u>209.65</u>
OPERATING EXPENSES				
Nursing	1,394,388	74.83	1,304,474	79.29
Adult Day Care	186,496	10.01	234,834	12.37
Food and Nutrition	454,766	24.41	467,711	24.66
Social Services	77,874	4.18	79,889	4.21
Cleanliness and Safety	356,321	19.11	403,568	21.27
Leisure Time Activities	95,007	5.10	99,939	5.27
Administrative and General	382,989	31.30	323,838	27.61
Ancillary and Medical Care	226,288	12.16	247,920	13.07
Property Expenditures	302,779	16.25	306,913	16.19
TOTAL OPERATING EXPENSES	<u>3,676,908</u>	<u>197.35</u>	<u>3,869,146</u>	<u>203.94</u>
CHANGE IN NET LIABILITIES FROM OPERATIONS	281,242	\$ 15.09	108,704	\$ 5.71
LESS INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	<u>(77,952)</u>		<u>(58,887)</u>	
UNRESTRICTED NET LIABILITIES - BEGINNING OF YEAR	<u>(2,103,950)</u>		<u>(2,009,850)</u>	
UNRESTRICTED NET LIABILITIES - END OF YEAR	<u>\$ (1,900,660)</u>		<u>\$ (1,960,073)</u>	
PERMANENTLY RESTRICTED NET ASSETS - BEGINNING OF YEAR	\$ 661,509		\$ 380,894	
INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	<u>77,952</u>		<u>58,887</u>	
PERMANENTLY RESTRICTED NET ASSETS - END OF YEAR	<u>\$ 739,461</u>		<u>\$ 439,781</u>	

Roscoe Regional Healthcare, LLC
Doing Business As
Roscoe Rehabilitation and Nursing Center

Pro Forma Balance Sheet (AS OF APPROVAL DATE)

	<u>Operating Co.</u>
ASSETS:	
Cash and Cash Equivalents	\$ 801,108
Accounts Receivable	1,190,664
Total Current Assets	<u>\$ 1,991,772</u>
Property and Equipment (Net of Accumulated Depreciation)	\$ 7,800,000
Goodwill	398,040
Resident Funds Held in Trust	104,120
TOTAL ASSETS	<u>\$ 10,093,932</u>
LIABILITIES:	
Accounts Payable	\$ 688,528
Accrued Payroll	58,392
Total Current Liabilities	<u>\$ 722,918</u>
Patient Fund Liability	\$ 104,088
Assumed HUD Mortgage *	6,105,414
Other Liabilities	398,072
Total Long-Term Liabilities	<u>\$ 6,607,574</u>
TOTAL LIABILITIES	<u>\$ 7,330,492</u>
Members' Equity	<u>\$ 2,763,440</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 10,093,932</u>

* As of June 30, 2017

The purchase price of \$7,600,000 will be allocated between the operating company and the realty company upon the closing of this transaction. The applicant is currently unable to provide a breakdown of this amount and is therefore unable to produce a balance sheet for the realty entity at this time.

CON#172146

BFA Attachment E

Nursing Home	Edward Farbenblum % Ownership	Date Acquired	Orly Farbenblum % Ownership	Date Acquired
Autumn View Health Care Facility, LLC	10%	May 2017	10%	May 2017
Brookhaven Health Care, LLC	10%	May 2017	10%	May 2017
Garden Gate Health Care Facility, LLC	10%	May 2017	10%	May 2017
Harris Hill Nursing Facility, LLC	10%	May 2017	10%	May 2017
North Gate Health Care, LLC	10%	May 2017	10%	May 2017
Seneca Health Care Center, LLC	10%	May 2017	10%	May 2017
Golden Hill Nursing & Rehabilitation	39.4898%	October 2012	0%	
Susquehanna Nursing & Rehabilitation	14.498%	February 2005	0%	
The Hampton Center for Rehabilitation & Nursing	16.000%	October 2007	0%	

CON 172146
BFA Attachment E

Chautauqua Nursing

	<u>2016</u>	<u>2015</u>
Current Assets	\$3,839,195	\$3,945,166
Fixed Assets	4,422,116	4,421,576
Total Assets	\$8,261,311	\$8,366,742
Current Liabilities	1,130,214	902,137
Long Term Liabilities	8,268,192	8,289,784
Total Liabilities	9,398,406	9,191,921
Working Capital Position	(4,428,997)	3,043,029
Net Asset Position	(1,137,095)	(\$825,179)
Revenues	\$18,721,218	\$17,267,134
Expenses	19,032,634	18,092,813
Net Income	(\$311,416)	(\$825,679)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Golden Hill Nursing</u>			
Current Assets	\$4,119,854	\$5,119,352	\$5,832,611
Fixed Assets	3,705,949	2,343,002	1,967,076
Total Assets	\$7,825,803	\$7,462,354	\$7,799,687
Current Liabilities	2,026,582	2,063,713	2,920,037
Long Term Liabilities	5,162,502	4,218,363	3,552,005
Total Liabilities	\$7,189,084	\$6,282,076	\$6,472,042
Working Capital Position	\$2,093,272	\$3,055,639	\$2,912,574
Net Asset Position	\$636,719	\$1,180,278	\$1,327,645
Revenues	\$25,281,443	\$25,494,557	\$22,457,797
Expenses	25,465,002	24,391,924	21,388,428
Net Income	(\$183,559)	\$1,102,633	\$1,069,369
<u>Susquehanna Nursing</u>			
Current Assets	\$3,630,217	\$3,402,090	\$2,702,195
Fixed Assets	5,972,275	6,197,461	6,096,264
Total Assets	\$9,602,492	\$9,599,551	\$8,798,459
Current Liabilities	2,976,772	1,954,179	2,236,609
Long Term Liabilities	3,871,939	3,193,538	2,551,661
Total Liabilities	\$6,848,711	\$5,147,717	\$4,788,270
Working Capital Position	\$653,445	\$1,447,911	\$465,586
Net Asset Position	\$2,753,781	\$4,451,834	\$4,010,189
Revenues	\$14,290,102	\$15,131,973	\$14,262,256
Expenses	15,987,946	14,441,385	14,293,527
Net Income	(\$1,697,844)	\$690,588	(\$31,271)
<u>The Hampton Center</u>			
Current Assets	\$7,869,585	\$7,978,090	\$8,620,432
Fixed Assets	7,686,809	6,969,312	2,371,901
Total Assets	\$15,556,394	\$14,947,402	\$10,992,333
Current Liabilities	8,143,804	7,729,916	8,184,956
Long Term Liabilities	8,925,800	9,770,225	9,525,261
Total Liabilities	\$17,069,604	\$17,500,141	\$17,710,217
Working Capital Position	(\$274,219)	\$248,174	\$435,476
Net Asset Position	(\$1,513,210)	(\$2,552,739)	(\$6,717,884)
Revenues	\$34,035,931	\$35,851,169	\$38,205,801
Expenses	32,171,402	33,686,774	33,749,689
Net Income	\$1,864,529	\$2,164,395	\$4,456,112

- Pro Forma Balance Sheet

<u>Pro Forma Balance Sheet</u>	
<u>Assets</u>	
Current Assets	
Working Capital - Cash	\$3,565,378
Accounts Receivable	\$3,681,423
Prepaid Expenses	\$229,666
Total Current Assets	\$7,476,467
Fixed Assets	
Capital/Leasehold Improvements	\$50,408
Furniture/Fixtures	\$314,535
Total Fixed Assets	\$364,943
TOTAL ASSETS:	
\$7,841,410	
<u>Liabilities</u>	
Current Liabilities	
Accrued Expenses and Taxes	\$139,400
Accrued Payroll	\$240,737
Working Capital Loan	\$1,314,490
Total Current Liabilities	\$1,694,627
Long Term Liabilities	
Resident Funds	\$275,226
Total Long Term Liabilities	\$275,226
TOTAL LIABILITIES:	
\$1,969,853	
<u>Equity</u>	
Kenneth Rozenberg	\$5,580,915 *
Beth Rozenberg	\$290,642 *
TOTAL EQUITY:	\$5,871,557
TOTAL LIABILITIES AND MEMBERS' EQUITY	
\$7,841,410	

* The member equity indicated here reflects the projected member equity upon closing. The basis for the values projected is the amount of assumed assets and assumed liabilities as detailed in the current operators' June 2017 internal financial statement. Actual member equity contribution, for the purposes of this Certificate of Need Application, is reflected in Attachment 13 - Member Equity Analysis.

Financial Summary

Focus Rehab & Nursing Center at Otsego

FISCAL PERIOD ENDED	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>Draft</u> <u>6/30/2017</u>
ASSETS - CURRENT	\$3,079,000	\$5,197,912	\$4,816,283
ASSETS - FIXED AND OTHER	385,000	405,678	518,436
LIABILITIES - CURRENT	3,716,000	4,291,906	4,153,853
LIABILITIES - LONG-TERM	<u>97,000</u>	<u>95,672</u>	<u>(53,349)</u>
EQUITY	(\$349,000)	\$1,216,012	\$1,234,215
<hr/>			
INCOME	\$17,145,000	\$17,494,256	\$8,697,841
EXPENSE	<u>17,454,000</u>	<u>16,136,015</u>	<u>8,259,248</u>
NET INCOME	(\$309,000)	\$1,358,241	\$438,593
<hr/>			
			<u>9/30/2017</u>
NUMBER OF BEDS	174	174	174
PERCENT OF OCCUPANCY	96.20%	96.83%	97.66%
<hr/>			
Medicaid	70.30%	75.09%	52.51%
Medicare	10.10%	9.83%	10.60%
Private Pay/Other	19.60%	15.08%	36.89%

BFA Attachment D

CON 172191 -
Focus Rehabilitation and Nursing
Center at Otsego

BFA Attachment D

Bronx Center for Rehab (200 beds)

<u>Bronx County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 6/30/17</u>
Current Assets	\$8,276,158	\$5,725,295	\$9,242,478	\$9,635,843
Fixed Assets/Other Assets	<u>8,696,967</u>	<u>9,466,363</u>	<u>9,784,015</u>	\$8,940,001
Total Assets	\$16,973,125	\$15,191,658	\$19,026,493	\$18,575,844
Current Liabilities	8,163,667	6,317,409	9,185,023	7,933,466
Long Term Liabilities	<u>5,849,308</u>	<u>5,674,510</u>	<u>5,458,517</u>	<u>5,051,005</u>
Total Liabilities	14,012,975	11,991,919	14,643,540	12,984,471
Net Assets	\$2,960,150	\$3,199,739	\$4,382,953	\$5,591,373
Working Capital Position	\$112,491	(\$592,114)	\$57,455	\$1,702,377
Operating Revenues	\$25,270,784	\$24,912,342	\$27,579,792	\$13,608,367
Operating Expenses	<u>25,252,267</u>	<u>24,833,141</u>	<u>25,599,189</u>	<u>12,635,397</u>
Operating Net Income	\$18,517	\$79,201	\$1,980,603	\$972,970
Kenneth Rozenberg-95%				
Beth Rozenberg-5%				

Brooklyn Center (215 beds)

<u>Kings County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 6/30/17</u>
Current Assets	\$10,150,205	\$5,339,109	\$5,469,484	\$5,866,203
Fixed Assets/Other Assets	<u>10,628,502</u>	<u>14,981,568</u>	<u>16,511,506</u>	<u>18,092,121</u>
Total Assets	\$20,778,707	\$20,320,677	\$21,980,990	\$23,958,324
Current Liabilities	8,941,354	7,979,548	9,445,983	8,238,755
Long Term Liabilities	<u>6,612,488</u>	<u>6,218,665</u>	<u>5,895,736</u>	<u>8,262,843</u>
Total Liabilities	15,553,842	14,198,213	15,341,719	16,501,598
Net Assets	\$5,224,865	\$6,122,464	\$6,639,271	\$7,456,726
Working Capital Position	\$3,537,717	(\$879,556)	(\$426,252)	(\$2,396,640)
Operating Revenues	\$24,970,832	\$25,982,219	\$26,734,031	\$14,098,721
Operating Expenses	<u>22,071,534</u>	<u>24,020,994</u>	<u>25,163,411</u>	<u>13,531,633</u>
Operating Net Income	\$2,899,298	\$1,961,225	\$1,570,620	\$567,088
Kenneth Rozenberg-95%				

University Nursing Home (46 beds)

<u>Bronx County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 6/30/2017</u>
Current Assets	\$674,073	\$1,244,003	\$1,748,769	\$1,944,977
Fixed Assets/Other Assets	<u>3,902,571</u>	<u>3,579,152</u>	<u>3,499,537</u>	<u>3,444,204</u>
Total Assets	\$4,576,644	\$4,823,155	\$5,248,306	\$5,389,181
Current Liabilities	2,700,603	2,550,042	1,774,471	1,395,889
Long Term Liabilities	<u>706,334</u>	<u>647,627</u>	<u>1,707,090</u>	<u>1,614,427</u>
Total Liabilities	3,406,937	3,197,669	3,481,561	3,010,316
Net Assets	\$1,169,707	\$1,625,486	\$1,766,745	\$2,378,865
Working Capital Position	(\$32,261)	\$596,376	\$41,679	\$330,550
Operating Revenues	\$4,697,245	\$5,121,602	\$5,983,167	\$3,107,182
Operating Expenses	<u>4,558,156</u>	<u>4,715,324</u>	<u>5,452,839</u>	<u>2,556,772</u>
Operating Net Income	\$139,089	\$406,278	\$530,328	\$550,410
Kenneth Rozenberg-95%				
Beth Rozenberg-5%				

**CON 172191 -
Focus Rehabilitation and Nursing
Center at Otsego**

BFA Attachment D

**Bushwick Center for Rehab (225
beds)**

<u>Kings County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 6/30/2017</u>
Current Assets	\$8,735,800	\$8,291,603	\$9,565,344	\$12,239,447
Fixed Assets/Other Assets	<u>12,386,581</u>	<u>9,000,616</u>	<u>\$10,111,330</u>	<u>\$8,278,312</u>
Total Assets	\$21,122,381	\$17,292,219	\$19,676,674	\$20,517,759
Current Liabilities	16,454,412	15,655,695	\$15,407,610	\$13,542,243
Long Term Liabilities	<u>970,875</u>	<u>491,476</u>	<u>\$388,109</u>	<u>\$1,961,746</u>
Total Liabilities	\$17,425,287	\$16,147,171	\$15,795,719	\$15,503,989
Net Assets	\$3,697,094	\$1,145,048	\$3,880,955	\$5,013,770
Working Capital Position	(\$7,718,612)	(\$7,364,092)	(\$5,842,266)	(\$1,302,796)
Operating Revenues	\$31,964,119	\$30,462,397	\$32,836,888	\$16,930,594
Operating Expenses	<u>30,558,284</u>	<u>30,336,387</u>	<u>\$32,384,988</u>	<u>\$16,400,790</u>
Operating Net Income	\$1,405,835	\$126,010	\$451,900	\$529,804

Kenneth Rozenberg-98%

Williamsbridge Manor (77 beds)

<u>Bronx County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 6/30/2017</u>
Current Assets	\$4,033,442	\$2,412,297	\$3,030,266	\$2,453,623
Fixed Assets/Other Assets	<u>2,162,658</u>	<u>4,831,933</u>	<u>4,667,073</u>	<u>2,349,850</u>
Total Assets	\$6,196,100	\$7,244,230	\$7,697,339	\$4,803,473
Current Liabilities	4,065,306	4,202,382	4,980,388	3,678,817
Long Term Liabilities	<u>1,954,661</u>	<u>1,946,020</u>	<u>1,821,392</u>	<u>(444,732)</u>
Total Liabilities	6,019,967	6,148,402	6,801,780	3,234,085
Net Assets	\$176,133	\$1,095,828	\$895,559	\$1,569,388
Working Capital Position	\$2,078,781	\$466,277	\$1,208,874	\$2,898,355
Operating Revenues	\$8,468,729	\$8,930,714	\$8,872,870	\$4,458,896
Operating Expenses	<u>7,791,492</u>	<u>7,689,976</u>	<u>8,199,078</u>	<u>3,864,987</u>
Operating Net Income	\$677,237	\$1,240,738	\$673,792	\$593,909

Kenneth Rozenberg-95%

Beth Rozenberg-5%

**Hope Center for HIV & Nursing Care (66
beds)**

<u>Bronx County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 3/31/2017</u>
Current Assets	N/A	N/A	\$5,295,321	\$5,959,541
Fixed Assets/Other Assets			<u>5,329,383</u>	<u>4,678,805</u>
Total Assets			\$10,624,704	\$10,638,346
Current Liabilities			3,068,169	2,823,022
Long Term Liabilities			<u>2,926,803</u>	<u>2,702,237</u>
Total Liabilities			\$5,994,972	\$5,525,259
Net Assets			\$4,629,732	\$5,113,087
Working Capital Position			\$2,227,152	\$3,136,519
Operating Revenues			\$10,450,614	\$2,574,081
Operating Expenses			<u>8,063,415</u>	<u>2,001,715</u>
Operating Net Income			\$2,387,199	\$572,366

Kenneth Rozenberg-95%

Beth Rozenberg-5%

CON 172191 -
Focus Rehabilitation and Nursing
Center at Otsego

BFA Attachment D

Boro Park Center for Rehab (504
beds)

<u>Kings County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 6/30/2017</u>
Current Assets	\$31,736,219	\$33,477,293	\$42,000,992	\$25,514,375
Fixed Assets/Other Assets	<u>55,129,132</u>	<u>56,745,233</u>	<u>54,737,217</u>	<u>\$53,430,409</u>
Total Assets	\$86,865,351	\$90,222,526	\$96,738,209	\$78,944,784
Current Liabilities	16,779,223	13,005,995	17,498,181	11,282,519
Long Term Liabilities	<u>56,821,005</u>	<u>61,393,935</u>	<u>64,545,314</u>	<u>51,113,364</u>
Total Liabilities	\$73,600,228	\$74,399,930	\$82,043,495	\$62,395,883
Net Assets	\$13,265,123	\$15,822,596	\$14,694,714	\$16,548,901
Working Capital Position	\$14,956,996	\$20,471,298	\$24,502,811	\$14,231,856
Operating Revenues	\$85,440,310	\$85,092,767	\$90,651,525	\$46,642,823
Operating Expenses	<u>78,305,654</u>	<u>78,035,294</u>	<u>87,279,407</u>	<u>45,201,328</u>
Operating Net Income	\$7,134,656	\$7,057,473	\$3,372,118	\$1,441,495
Kenneth Rozenberg-98%				
Beth Rozenberg-2%				

Fulton Center for Rehab (176
beds)

<u>Fulton County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 6/30/2017</u>
Current Assets	\$3,289,267	\$2,984,647	\$5,791,622	\$7,772,163
Fixed Assets/Other Assets	<u>3,751,705</u>	<u>5,201,309</u>	<u>5,394,222</u>	<u>5,339,790</u>
Total Assets	\$7,040,972	\$8,185,956	\$11,185,844	\$13,111,953
Current Liabilities	2,335,927	1,856,387	1,927,937	1,877,513
Long Term Liabilities	<u>3,482,427</u>	<u>5,255,210</u>	<u>7,828,345</u>	<u>8,339,654</u>
Total Liabilities	\$5,818,354	\$7,111,597	\$9,756,282	\$10,217,167
Net Assets	\$1,222,618	\$1,074,359	\$1,429,562	\$2,894,786
Working Capital Position	\$953,340	\$1,128,260	\$3,863,685	\$5,894,650
Operating Revenues	\$16,419,395	\$16,220,385	\$18,363,238	\$9,816,794
Operating Expenses	<u>15,850,097</u>	<u>15,539,592</u>	<u>17,429,333</u>	<u>8,391,534</u>
Operating Net Income	\$569,298	\$680,793	\$933,905	\$1,425,260
Kenneth Rozenberg-81%				

Richmond Center for Rehab (300
beds)

<u>Richmond County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 6/30/2017</u>
Current Assets	\$11,628,345	\$9,672,514	\$11,474,923	\$13,241,310
Fixed Assets/Other Assets	<u>21,135,162</u>	<u>22,879,393</u>	<u>23,259,782</u>	<u>23,041,304</u>
Total Assets	\$32,763,507	\$32,551,907	\$34,734,705	\$36,282,614
Current Liabilities	9,410,818	9,740,873	11,658,031	9,189,197
Long Term Liabilities	<u>19,494,444</u>	<u>19,094,075</u>	<u>19,532,067</u>	<u>23,152,224</u>
Total Liabilities	\$28,905,262	\$28,834,948	\$31,190,098	\$32,341,421
Net Assets	\$3,858,245	\$3,716,959	\$3,544,607	\$3,941,193
Working Capital Position	\$2,217,527	(\$68,359)	(\$183,108)	\$4,052,113
Operating Revenues	\$48,109,006	\$48,487,371	\$49,057,010	\$24,400,197
Operating Expenses	<u>46,614,137</u>	<u>46,528,657</u>	<u>47,229,362</u>	<u>23,777,727</u>
Operating Net Income	\$1,494,869	\$1,958,714	\$1,827,648	\$622,470
Kenneth Rozenberg-95%				

**CON 172191 -
Focus Rehabilitation and Nursing Center
at Otsego**

BFA Attachment D

Holliswood Center for Rehab (314 beds)

<u>Queens County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 6/30/2017</u>
Current Assets	\$13,435,538	\$14,630,000	\$16,932,793	\$12,031,749
Fixed Assets/Other Assets	<u>21,889,058</u>	<u>20,889,000</u>	<u>20,897,559</u>	<u>21,590,194</u>
Total Assets	\$35,324,596	\$35,519,000	\$37,830,352	\$33,621,943
Current Liabilities	9,518,338	6,106,000	7,226,203	5,067,665
Long Term Liabilities	<u>24,042,259</u>	<u>28,289,000</u>	<u>30,304,855</u>	<u>28,098,835</u>
Total Liabilities	\$33,560,597	\$34,395,000	\$37,531,058	\$33,166,500
Net Assets	\$1,763,999	\$1,124,000	\$299,294	\$455,443
Working Capital Position	\$3,917,200	\$8,524,000	\$9,706,590	\$6,964,084
Operating Revenues	\$39,614,813	\$39,958,000	\$40,141,639	\$19,292,994
Operating Expenses	<u>36,565,947</u>	<u>38,298,000</u>	<u>39,241,015</u>	<u>18,993,601</u>
Operating Net Income	\$3,048,866	\$1,660,000	\$900,624	\$299,393

Kenneth Rozenberg-85.5%

Corning Center for Rehab (120 beds)

<u>Steuben County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 6/30/2017</u>
Current Assets	\$3,018,656	\$3,435,837	\$3,325,243	\$4,287,764
Fixed Assets/Other Assets	<u>4,465,725</u>	<u>4,503,748</u>	<u>4,828,611</u>	<u>4,962,299</u>
Total Assets	\$7,484,381	\$7,939,585	\$8,153,854	\$9,250,063
Current Liabilities	1,624,114	1,583,099	1,716,185	3,366,781
Long Term Liabilities	<u>2,213,968</u>	<u>2,704,240</u>	<u>2,659,187</u>	<u>692,728</u>
Total Liabilities	\$3,838,082	\$4,287,339	\$4,375,372	\$4,059,509
Net Assets	\$3,646,299	\$3,652,246	\$3,778,482	\$5,190,554
Working Capital Position	\$1,394,542	\$1,852,738	\$1,609,058	\$920,983
Operating Revenues	\$11,837,524	\$11,595,712	\$11,401,794	\$6,785,775
Operating Expenses	<u>11,003,841</u>	<u>11,079,908</u>	<u>10,745,635</u>	<u>5,173,717</u>
Operating Net Income	\$833,683	\$515,804	\$656,159	\$1,612,058

Kenneth Rozenberg-58%

Essex Center for Rehab (100 beds)

<u>Essex County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 6/30/2017</u>
Current Assets	\$2,142,889	\$2,217,781	\$2,562,171	\$2,952,305
Fixed Assets/Other Assets	<u>2,549,416</u>	<u>2,269,223</u>	<u>2,252,187</u>	<u>2,457,060</u>
Total Assets	\$4,692,305	\$4,487,004	\$4,814,358	\$5,409,365
Current Liabilities	1,541,057	1,266,486	1,369,563	1,461,402
Long Term Liabilities	<u>2,862,381</u>	<u>2,592,719</u>	<u>3,038,527</u>	<u>2,599,717</u>
Total Liabilities	\$4,403,438	\$3,859,205	\$4,408,090	\$4,061,119
Net Assets	\$288,867	\$627,799	\$406,268	\$1,348,246
Working Capital Position	\$601,832	\$951,295	\$1,192,608	\$1,490,903
Operating Revenues	\$6,781,191	\$9,101,413	\$9,995,586	\$5,368,519
Operating Expenses	<u>6,724,085</u>	<u>8,437,481</u>	<u>9,674,617</u>	<u>4,714,113</u>
Operating Net Income	\$57,106	\$663,932	\$320,969	\$654,406

Kenneth Rozenberg-90%

**CON 172191 -
Focus Rehabilitation and
Nursing Center at Otsego**

BFA Attachment D

**Steuben Center for Rehab
(105 beds)**

<u>Steuben County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 3/31/2017</u>
Current Assets	\$2,586,350	\$3,493,000	\$4,706,048	\$3,959,170
Fixed Assets/Other Assets	<u>7,297,840</u>	<u>7,374,000</u>	<u>6,606,494</u>	<u>6,449,542</u>
Total Assets	\$9,884,190	\$10,867,000	\$11,312,542	\$10,408,712
Current Liabilities	2,117,735	2,282,000	3,313,566	2,186,072
Long Term Liabilities	<u>6,011,004</u>	<u>6,883,000</u>	<u>6,980,870</u>	<u>6,882,223</u>
Total Liabilities	\$8,128,739	\$9,165,000	\$10,294,436	\$9,068,295
Net Assets	\$1,755,451	\$1,702,000	\$1,018,106	\$1,340,417
Working Capital Position	\$468,615	\$1,211,000	\$1,392,482	\$1,773,098
Operating Revenues	\$5,682,378	\$12,634,000	\$12,690,099	\$3,149,518
Operating Expenses	<u>5,545,548</u>	<u>11,766,000</u>	<u>12,574,828</u>	<u>2,778,937</u>
Operating Net Income	\$136,830	\$868,000	\$115,271	\$370,581

Kenneth Rozenberg-92%

Indian River Rehab (122 beds)

<u>Washington County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 6/30/2017</u>
Current Assets	N/A	\$2,349,967	\$2,762,690	\$3,594,585
Fixed Assets/Other Assets		<u>2,447,674</u>	<u>2,356,178</u>	<u>2,174,363</u>
Total Assets		\$4,797,641	\$5,118,868	\$5,768,948
Current Liabilities		3,262,295	2,422,854	1,521,119
Long Term Liabilities		<u>142,109</u>	<u>126,854</u>	<u>716,626</u>
Total Liabilities		\$3,404,404	\$2,549,708	\$2,237,745
Net Assets		\$1,393,237	\$2,569,160	\$3,531,203
Working Capital Position		(\$912,328)	\$339,836	\$2,073,466
Operating Revenues		\$10,480,449	\$10,886,008	\$5,529,043
Operating Expenses		<u>10,433,182</u>	<u>9,710,086</u>	<u>4,875,003</u>
Operating Net Income		\$47,267	\$1,175,922	\$654,040

Kenneth Rozenberg-9%

**Buffalo Center for Rehab (200
beds)**

<u>Erie County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 6/30/2017</u>
Current Assets	N/A	N/A	\$6,906,227	\$7,652,667
Fixed Assets/Other Assets			<u>4,252,801</u>	<u>4,941,431</u>
Total Assets			\$11,159,028	\$12,594,098
Current Liabilities			4,994,361	1,200,022
Long Term Liabilities			<u>1,088,751</u>	<u>5,528,488</u>
Total Liabilities			\$6,083,112	\$6,728,510
Net Assets			\$5,075,916	\$5,865,588
Working Capital Position			\$1,911,866	\$6,452,645
Operating Revenues			\$15,290,311	\$9,831,017
Operating Expenses			<u>14,868,356</u>	<u>9,058,897</u>
Operating Net Income			\$421,955	\$772,120

Kenneth Rozenberg-90%

CON 172191 -
Focus Rehabilitation and
Nursing Center at Otsego

BFA Attachment D

Waterfront Center for Rehab
(160 beds)

<u>Erie County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 6/30/2017</u>
Current Assets	\$7,068,000	\$9,176,000	\$5,208,786	\$5,175,463
Fixed Assets/Other Assets	<u>5,233,000</u>	<u>5,157,000</u>	<u>11,333,955</u>	<u>5,744,026</u>
Total Assets	\$12,301,000	\$14,333,000	\$16,542,741	\$10,919,489
Current Liabilities	1,393,000	1,269,000	1,972,241	1,377,460
Long Term Liabilities	<u>4,995,000</u>	<u>7,376,000</u>	<u>8,028,103</u>	<u>2,737,986</u>
Total Liabilities	\$6,388,000	\$8,645,000	\$10,000,344	\$4,115,446
Net Assets	\$5,913,000	\$5,688,000	\$6,542,397	\$6,804,043
Working Capital Position	\$5,675,000	\$7,907,000	\$3,236,545	\$3,798,003
Operating Revenues	\$13,566,000	\$14,415,000	\$15,336,108	\$7,505,267
Operating Expenses	<u>12,897,000</u>	<u>13,850,000</u>	<u>13,884,205</u>	<u>7,090,532</u>
Operating Net Income	\$669,000	\$565,000	\$1,451,903	\$414,735

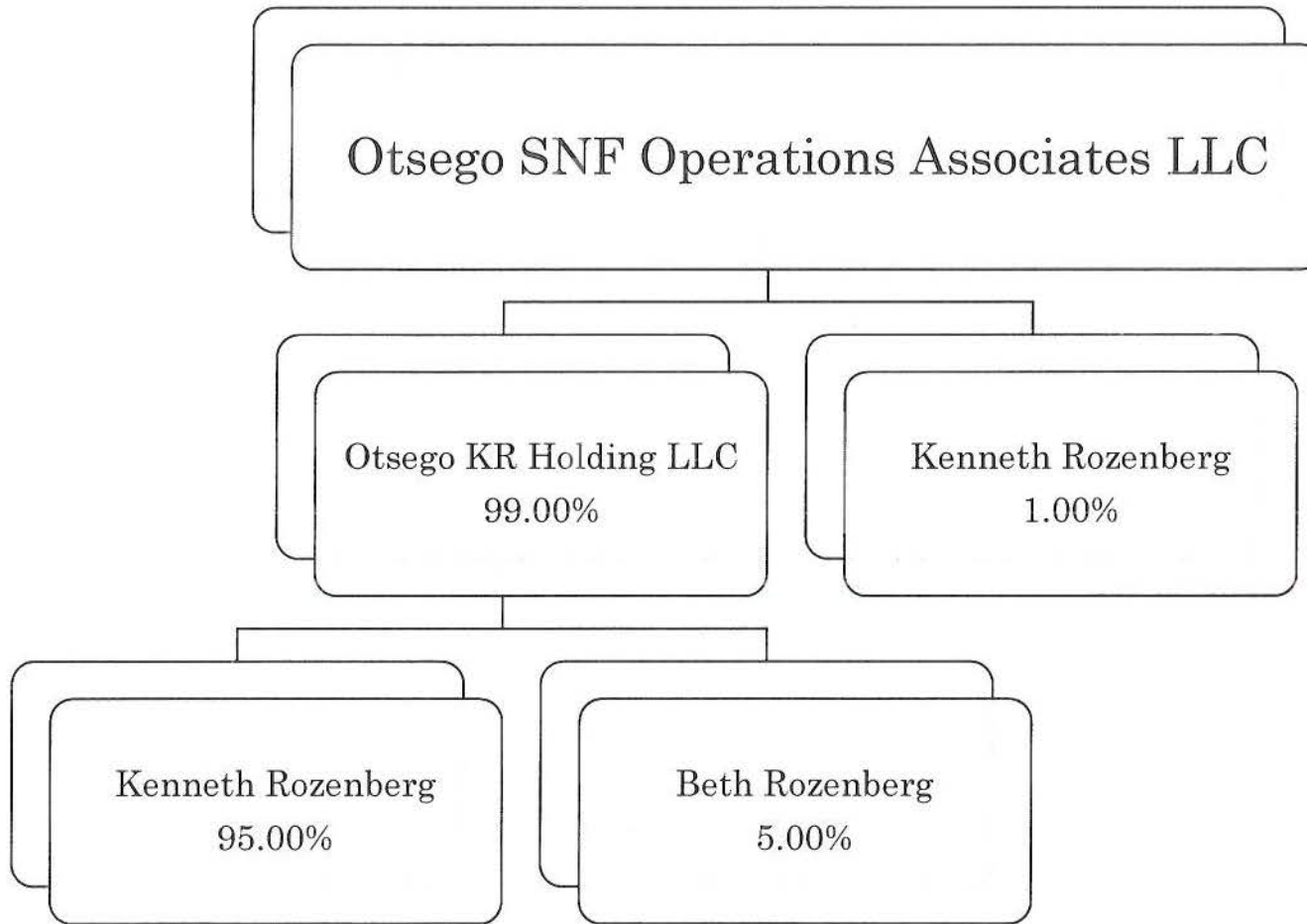
Kenneth Rozenberg-81%

Washington Center for
Rehab (122 beds)

<u>Washington County</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>draft 6/30/2017</u>
Current Assets	\$2,326,717	\$2,682,474	\$2,769,664	\$3,223,951
Fixed Assets/Other Assets	<u>1,830,626</u>	<u>1,818,148</u>	<u>2,110,483</u>	<u>1,532,709</u>
Total Assets	\$4,157,343	\$4,500,622	\$4,880,147	\$4,756,660
Current Liabilities	1,867,935	1,926,162	2,410,077	1,914,064
Long Term Liabilities	<u>2,053,674</u>	<u>1,996,786</u>	<u>1,968,006</u>	<u>1,915,847</u>
Total Liabilities	\$3,921,609	\$3,922,948	\$4,378,083	\$3,829,911
Net Assets	\$235,734	\$577,674	\$502,064	\$926,749
Working Capital Position	\$458,782	\$756,312	\$359,587	\$1,309,887
Operating Revenues	\$9,630,860	\$10,997,711	\$11,063,564	\$5,899,378
Operating Expenses	<u>9,516,582</u>	<u>10,485,771</u>	<u>11,039,174</u>	<u>5,465,157</u>
Operating Net Income	\$114,278	\$511,940	\$24,390	\$434,221

Kenneth Rozenberg-90%

Organizational Chart



BFA Attachment-F
CON# 172191

Focus Rehab & Nursing Center at Otsego

Budget Sensitivity

<u>Payor</u>	<u>Payor Mix as of 9/30/17</u>	<u>Revised Budgeted Days</u>	<u>Per Diem</u>	<u>Revised Revenues</u>
Medicaid	52.51%	32,569	\$211.55	\$6,889,930
Medicare	10.60%	6,575	\$518.81	3,410,939
Private Pay	7.62%	4,726	\$300.00	1,417,869
Commercial	<u>29.27%</u>	<u>18,154</u>	\$290.21	5,268,596
	100.0%	62,024		

Total Revenues based on current utilization \$16,987,334

Total Inpatient Revenues as budgeted for first year 15,887,964

Increase in Budgeted Revenues \$1,099,370

Note: Medicaid rate is based on 2017 initial rate.

As of September 30, 2017 utilization= 174 beds x 365 days =63,510 x .9766=62,024 days

James Square Nursing and Rehabilitation Centre		
	1/1/2017-7/31/2017 Internal	2016
ASSETS - CURRENT	\$7,187,471	\$7,367,403
ASSETS - FIXED AND OTHER	\$2,127,669	\$3,240,489
TOTAL ASSETS	\$9,315,140	\$10,607,892
LIABILITIES - CURRENT	\$13,745,538	\$11,121,593
LIABILITIES - LONG-TERM	\$648,498	\$336,935
TOTAL LIABILITIES	\$14,394,036	\$11,458,528
WORKING CAPITAL	(\$6,558,067)	(\$3,754,190)
INCOME	\$21,516,627	\$34,607,188
EXPENSE	\$23,761,653	\$36,132,262
NET INCOME	(\$2,245,026)	(\$1,525,074)
NET ASSET POSITION	(\$5,078,896)	(\$850,636)
NUMBER OF BEDS	440	440
PERCENT OCCUPANCY	88.36%	88.36%
MEDICAID	81.36%	81.36%
MEDICARE	11.95%	11.95%
PRIVATE PAY	6.69%	6.69%

* 2016 data used for 2017

Clinton Square Operations, LLC
Doing Business as
Clinton Square Nursing and Rehabilitation Center

Pro Forma Balance Sheet

Assets

Cash and Cash Equivalents	\$6,664,425
Accounts Receivable	\$0
Total Assets	\$6,664,425

Liabilities and Equity

Liabilities

Accounts Payable	\$0
Accrued Payroll	\$0
Total Liabilities	\$0

Members Equity	\$6,664,425
----------------	-------------

Total Liabilities and Members' Equity	\$6,664,425
---------------------------------------	-------------

A portion of the purchase price of \$45M for the real estate will be allocated between the operating company and the realty company upon the closing of this transaction. The applicant is currently unable to provide a breakdown of this amount and is therefore unable to produce a balance sheet for the realty entity at this time. However, Clinton Square Operations, LLC and Clinton Square Realty, LLC have identical members and membership percentages.

Nursing Home	Edward Farbenblum % Ownership	Date Acquired	Only Farbenblum % Ownership	Date Acquired
Autumn View Health Care Facility, LLC	10%	May 2017	10%	May 2017
Brookhaven Health Care, LLC	10%	May 2017	10%	May 2017
Garden Gate Health Care Facility, LLC	10%	May 2017	10%	May 2017
Harris Hill Nursing Facility, LLC	10%	May 2017	10%	May 2017
North Gate Health Care, LLC	10%	May 2017	10%	May 2017
Seneca Health Care Center, LLC	10%	May 2017	10%	May 2017
Golden Hill Nursing & Rehabilitation	39.4898%	October 2012	0%	
Susquehanna Nursing & Rehabilitation	14.498%	February 2005	0%	
The Hampton Center for Rehabilitation & Nursing	16.000%	October 2007	0%	

Chautauqua Nursing

	<u>2016</u>	<u>2015</u>
Current Assets	\$3,839,195	\$3,945,166
Fixed Assets	4,422,116	4,421,576
Total Assets	\$8,261,311	\$8,366,742
Current Liabilities	1,130,214	902,137
Long Term Liabilities	8,268,192	8,289,784
Total Liabilities	9,398,406	9,191,921
Working Capital Position	(4,428,997)	3,043,029
Net Asset Position	(1,137,095)	(\$825,179)
Revenues	\$18,721,218	\$17,267,134
Expenses	19,032,634	18,092,813
Net Income	(\$311,416)	(\$825,679)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Golden Hill Nursing</u>			
Current Assets	\$4,119,854	\$5,119,352	\$5,832,611
Fixed Assets	3,705,949	2,343,002	1,967,076
Total Assets	\$7,825,803	\$7,462,354	\$7,799,687
Current Liabilities	2,026,582	2,063,713	2,920,037
Long Term Liabilities	5,162,502	4,218,363	3,552,005
Total Liabilities	\$7,189,084	\$6,282,076	\$6,472,042
Working Capital Position	\$2,093,272	\$3,055,639	\$2,912,574
Net Asset Position	\$636,719	\$1,180,278	\$1,327,645
Revenues	\$25,281,443	\$25,494,557	\$22,457,797
Expenses	25,465,002	24,391,924	21,388,428
Net Income	(\$183,559)	\$1,102,633	\$1,069,369
<u>Susquehanna Nursing</u>			
Current Assets	\$3,630,217	\$3,402,090	\$2,702,195
Fixed Assets	5,972,275	6,197,461	6,096,264
Total Assets	\$9,602,492	\$9,599,551	\$8,798,459
Current Liabilities	2,976,772	1,954,179	2,236,609
Long Term Liabilities	3,871,939	3,193,538	2,551,661
Total Liabilities	\$6,848,711	\$5,147,717	\$4,788,270
Working Capital Position	\$653,445	\$1,447,911	\$465,586
Net Asset Position	\$2,753,781	\$4,451,834	\$4,010,189
Revenues	\$14,290,102	\$15,131,973	\$14,262,256
Expenses	15,987,946	14,441,385	14,293,527
Net Income	(\$1,697,844)	\$690,588	(\$31,271)
<u>The Hampton Center</u>			
Current Assets	\$7,869,585	\$7,978,090	\$8,620,432
Fixed Assets	7,686,809	6,969,312	2,371,901
Total Assets	\$15,556,394	\$14,947,402	\$10,992,333
Current Liabilities	8,143,804	7,729,916	8,184,956
Long Term Liabilities	8,925,800	9,770,225	9,525,261
Total Liabilities	\$17,069,604	\$17,500,141	\$17,710,217
Working Capital Position	(\$274,219)	\$248,174	\$435,476
Net Asset Position	(\$1,513,210)	(\$2,552,739)	(\$6,717,884)
Revenues	\$34,035,931	\$35,851,169	\$38,205,801
Expenses	32,171,402	33,686,774	33,749,689
Net Income	\$1,864,529	\$2,164,395	\$4,456,112

PERSONAL-TOUCH HOLDING CORP AND SUBSIDIARIES

Consolidated Balance Sheets

As of December 31, 2016 and 2015

(in thousands of dollars)

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 54,886	\$ 36,742
Accounts receivable, net of allowances of \$3,450 in 2016 and \$2,000 in 2015	45,503	45,998
Other current assets	<u>7,483</u>	<u>8,387</u>
Total current assets	107,872	91,127
Escrow	6,845	5,531
Property and equipment, net	3,833	3,471
Goodwill and intangible assets, net	8,164	13,231
Deferred income taxes	9,822	6,015
Other assets	<u>727</u>	<u>403</u>
Total assets	<u>\$ 137,263</u>	<u>\$ 119,778</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Borrowings on revolving credit facility	\$ 23,534	\$ 19,514
Current portion of term loan	519	769
Accounts payable and accrued expenses	44,135	34,842
Accrued payroll and related expenses	15,940	15,150
Due to third-party payors	<u>5,940</u>	<u>9,011</u>
Total current liabilities	90,068	79,286
Term loan, net	9,898	10,613
Other liabilities	19,131	17,753
Notes payable to stockholders	<u>22,113</u>	<u>21,677</u>
Total liabilities	<u>141,210</u>	<u>129,329</u>
Commitments and contingencies		
STOCKHOLDERS' DEFICIT		
Common stock, par value \$0.001 per share, 40 million shares authorized, 30 million shares issued and outstanding	30	30
Additional paid-in capital	77,745	78,690
Unearned ESOP shares	(20,905)	(24,599)
Treasury stock, at cost, 10 shares	(132)	(132)
Accumulated deficit	<u>(60,685)</u>	<u>(63,540)</u>
Total stockholders' deficit	<u>(3,947)</u>	<u>(9,551)</u>
Total liabilities and stockholders' deficit	<u>\$ 137,263</u>	<u>\$ 119,778</u>

PERSONAL-TOUCH HOLDING CORP AND SUBSIDIARIES
Consolidated Statements of Operations
Years ended December 31, 2016 and 2015
(in thousands of dollars)

	<u>2016</u>	<u>2015</u>
Net revenues	\$ 509,413	\$ 440,757
Cost of revenues	<u>391,096</u>	<u>334,869</u>
Gross profit	118,317	105,888
General and administrative expenses	100,055	89,462
Compensation expense for release of ESOP shares	2,204	1,990
Depreciation and amortization expense	3,225	2,536
Provision for bad debts	<u>1,547</u>	<u>1,045</u>
Income from operations before interest, other items and income taxes	11,286	10,855
Interest expense	5,221	4,740
Other items	<u>1,740</u>	<u>1,900</u>
Total interest and other items	<u>6,961</u>	<u>6,640</u>
Income from operations before provision for income taxes	4,325	4,215
Provision for income taxes	<u>1,470</u>	<u>130</u>
Net income	<u>\$ 2,855</u>	<u>\$ 4,085</u>

PERSONAL-TOUCH HOME CARE AND AFFILIATES

Consolidated Balance Sheets

(000's omitted except share data)

Assets	August 31, 2017	December 31, 2016
	<u> </u>	<u> </u>
Current assets:		
Cash and cash equivalents	\$ 91,184	\$ 54,886
Accounts receivable, net of allowances of \$2,780 in 2017 and \$3,450 in 2016	51,022	45,503
Other current assets	6,730	7,483
Total current assets	<u>148,936</u>	<u>107,872</u>
Escrow	13,441	6,845
Property and equipment, net	3,731	3,833
Goodwill and intangible assets, net	7,533	8,164
Deferred income taxes	9,822	9,822
Other assets	733	727
Total assets	<u>\$ 184,196</u>	<u>\$ 137,263</u>
Liabilities and Stockholders' Deficit		
Current liabilities:		
Borrowings on revolving credit facility	\$ 22,237	\$ 23,534
Current portion of term loan	743	583
Accounts payable and accrued expenses	69,551	44,135
Accrued payroll and related expenses	17,876	15,940
Due to third-party payers	7,648	5,940
Total current liabilities	<u>118,055</u>	<u>90,132</u>
Long-term liabilities:		
Term loan	14,777	9,834
Other Liabilities	19,388	19,131
Deferred income taxes	—	—
Notes payable to stockholders	22,409	22,113
Total liabilities	<u>174,629</u>	<u>141,210</u>
Stockholders' deficit:		
Common stock, stated at par or stated values	30	30
Additional paid-in capital	77,745	77,745
Unearned employee stock ownership plan shares	(20,905)	(20,905)
Treasury stock, at cost	(132)	(132)
Accumulated deficit	(47,171)	(60,685)
Total stockholders' deficit	<u>9,567</u>	<u>(3,947)</u>
Total liabilities and stockholders' deficit	<u>\$ 184,196</u>	<u>\$ 137,263</u>

PERSONAL-TOUCH HOME CARE AND AFFILIATES

Consolidated Statement of Operations

(000's omitted)

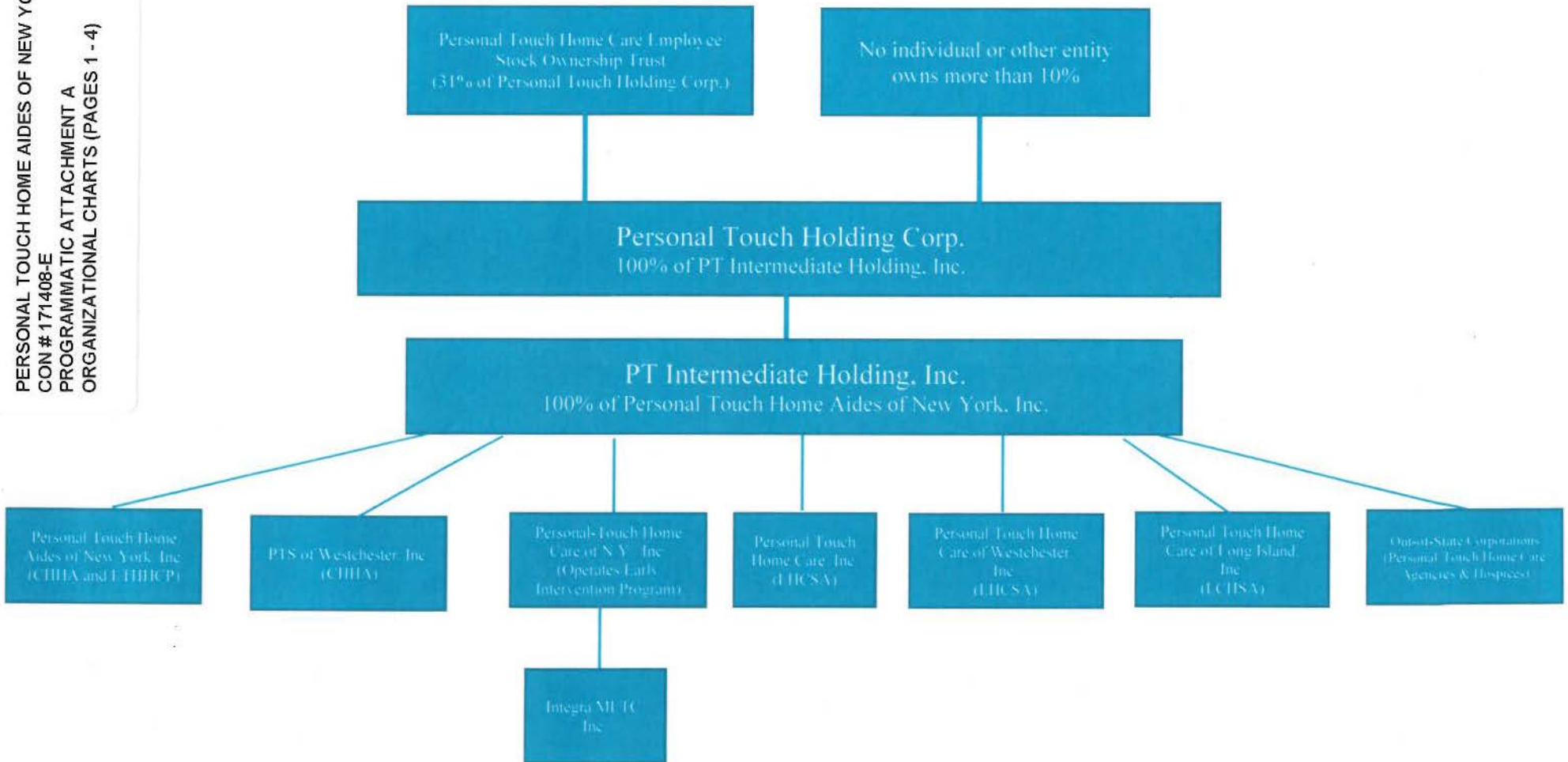
Project # 171408
BFA Attachment A (Cont.)

	Eight Months Ended	
	August 31, 2017	
	<hr/>	
Net revenues	\$	410,438
Cost of revenues		<hr/> 306,569
Gross profit		103,869
Selling, general, and administrative expenses		69,614
Shareholder litigation and related expenses		2,273
ESOP		—
Depreciation and amortization expense		1,674
Provision for bad debts		<hr/> 846
Income (loss) from operations		29,462
Interest Expense		3,463
Other Items		<hr/> —
Income (loss) before provision for state and local income taxes		25,999
Provision for state and local income taxes		<hr/> 12,485
Net Income	\$	<hr/> <hr/> 13,514
EBITDAE	\$	<hr/> <hr/> 31,136

Attachment 3 – Organizational Structure

Current Organizational Structure

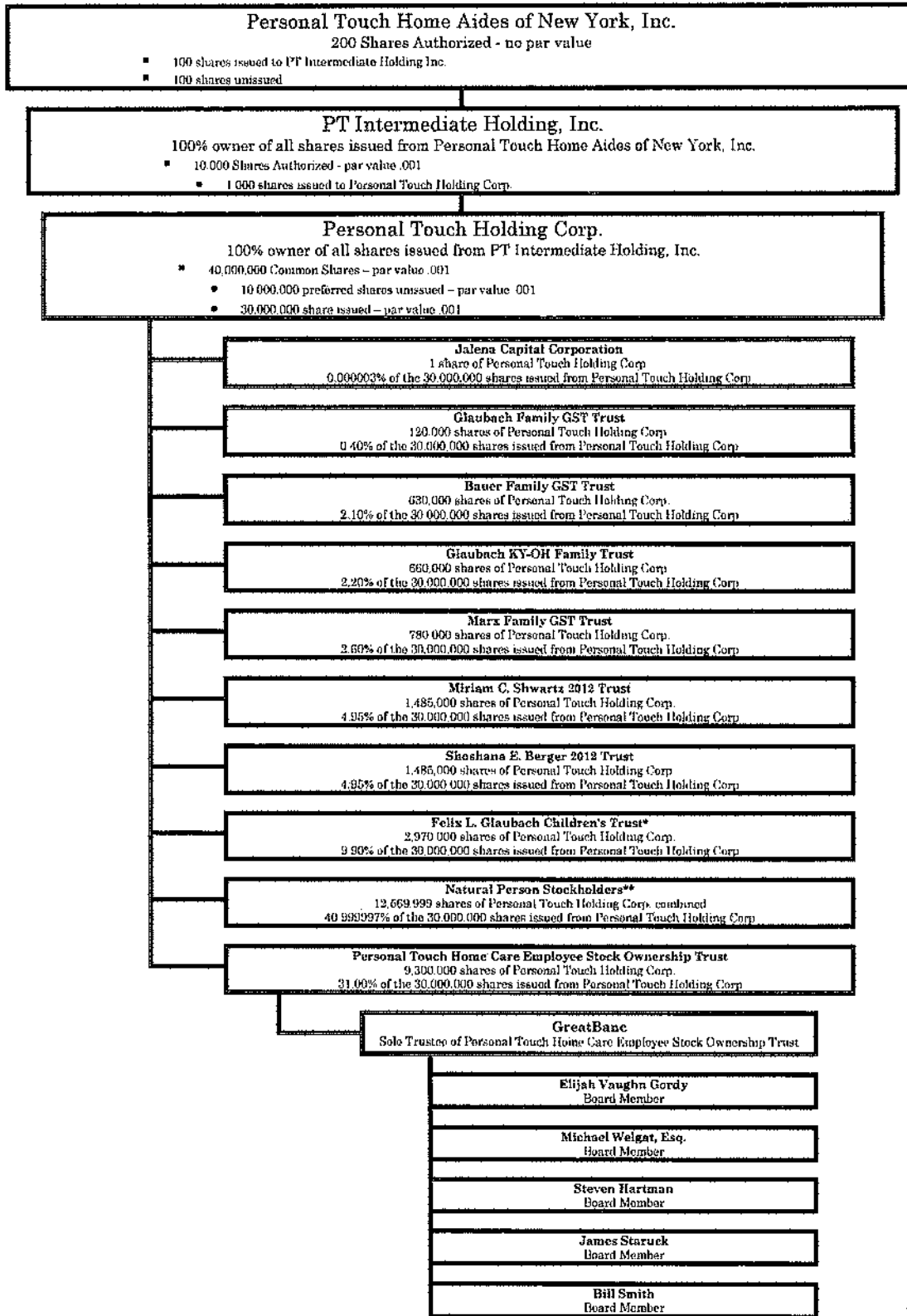
PERSONAL TOUCH HOME AIDES OF NEW YORK, INC.
 CON # 171408-E
 PROGRAMMATIC ATTACHMENT A
 ORGANIZATIONAL CHARTS (PAGES 1 - 4)



No individual owns more than 10%.

Personal Touch Home Aides of New York, Inc.

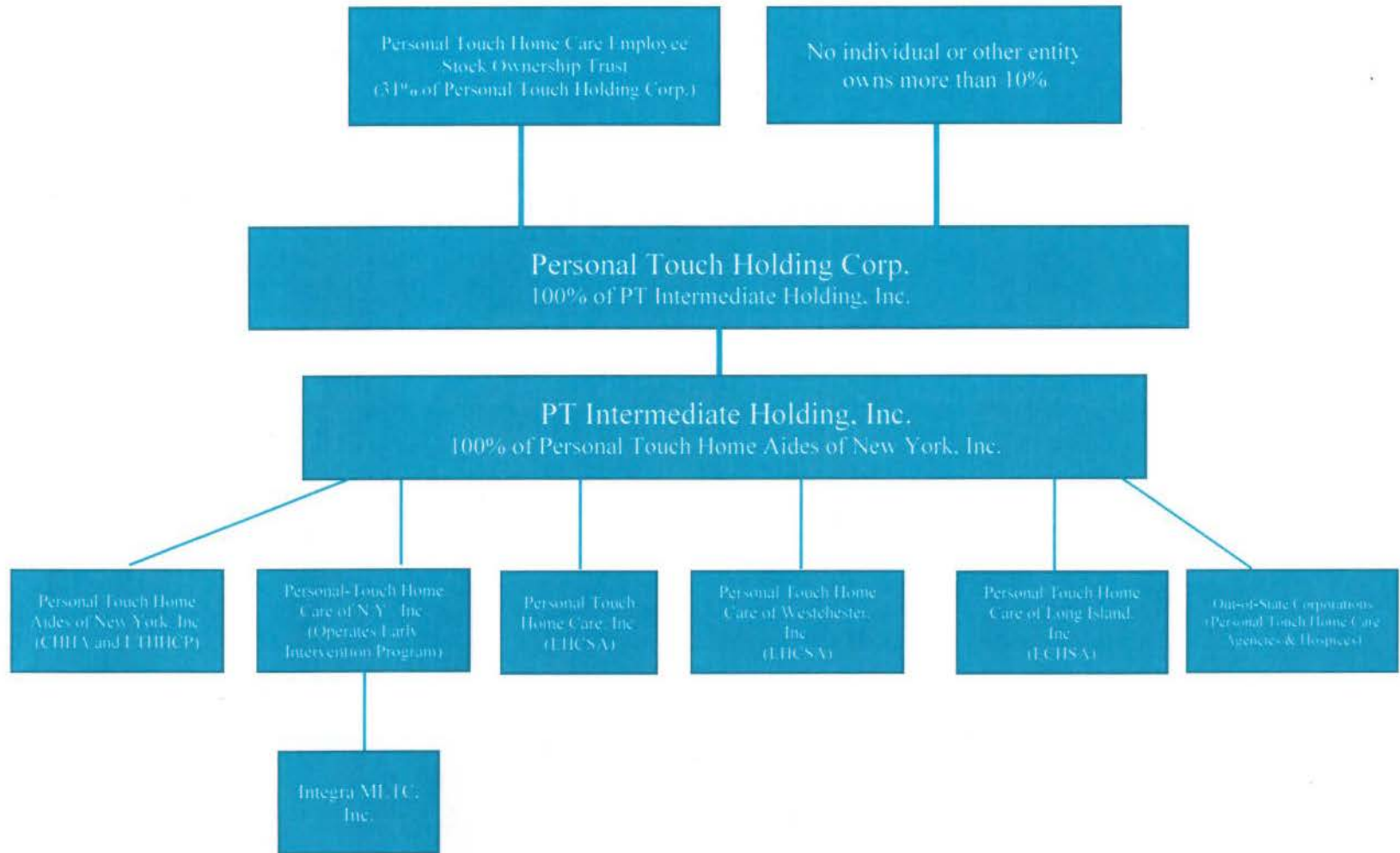
Current Organizational Chart



*Subject to execution of appropriate assumption agreement

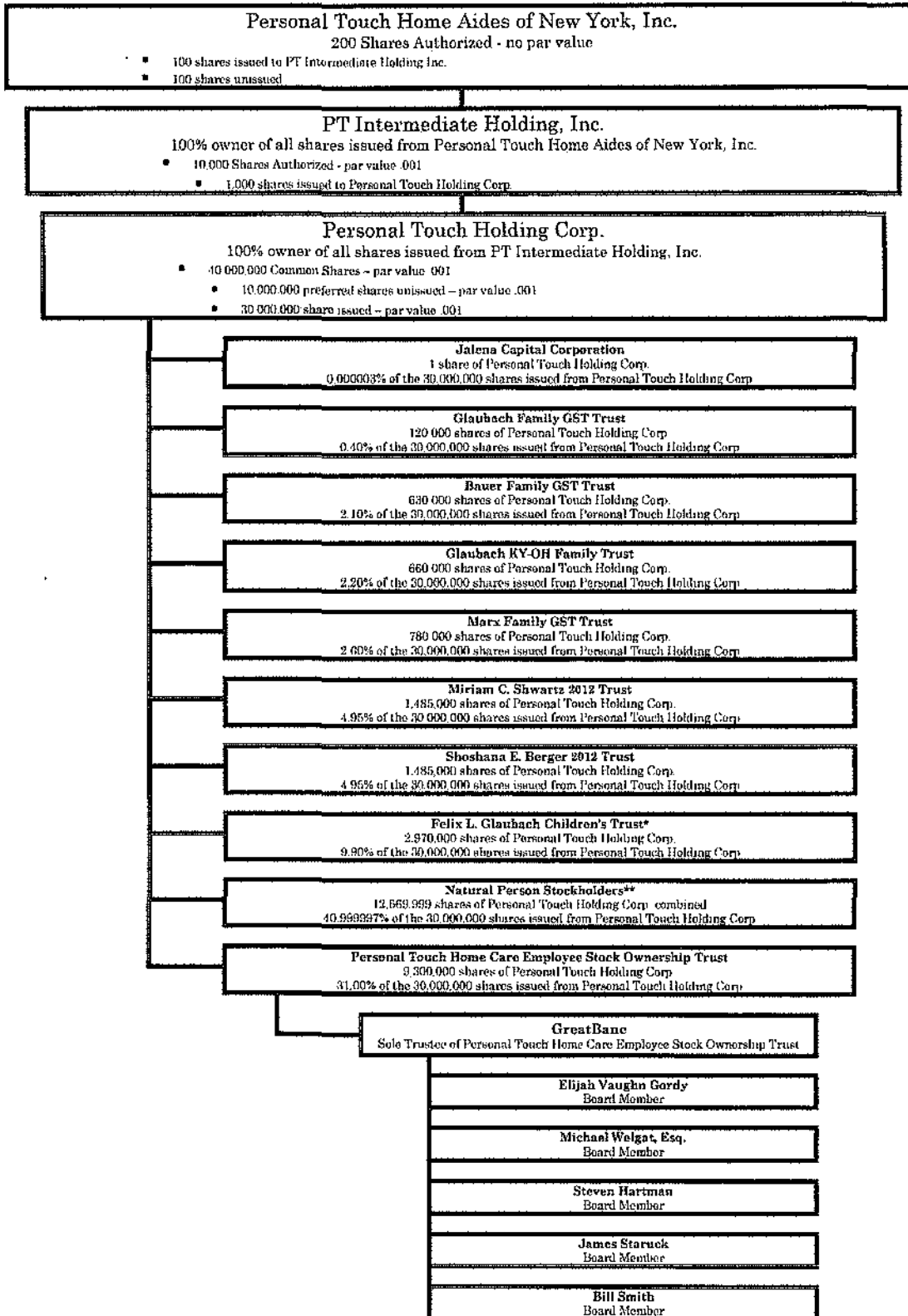
**No individual owns more than 3,000,000 shares (or 10% of 30,000,000 shares issued from Personal Touch Holding Corp.)

Proposed Organizational Structure



No individual owns more than 10%.

Personal Touch Home Aides of New York, Inc.
Proposed Organizational Chart



*Subject to execution of appropriate assumption agreement
**No individual owns more than 3,000,000 shares (or 10% of 30,000,000 shares issued from Personal Touch Holding Corp.)

**THE ROSALIND AND JOSEPH GURWIN JEWISH
GERIATRIC CENTER OF LONG ISLAND, INC.
d/b/a GURWIN JEWISH NURSING AND REHABILITATION CENTER**

BALANCE SHEET

DECEMBER 31, 2014

(With Summarized Financial Information for December 31, 2013)

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	\$ 7,841,310	\$ 4,196,662
Resident funds and deposits - cash and cash equivalents	1,578,297	1,451,880
Accounts receivable - inpatient, long-term home health care and adult day care (net of allowances for doubtful accounts of \$1,628,000 in 2014 and \$1,231,000 in 2013)	13,054,252	12,799,253
Estimated retroactive rate adjustments receivable	4,701,514	4,904,960
Contributions and grants receivable	424,990	445,823
Other receivables	1,462,406	1,823,971
Prepaid expenses and deposits	274,004	274,623
Inventory	317,947	244,437
Grants receivable from Gurwin Jewish Healthcare Foundation	23,829	11,962
Total current assets	29,678,549	26,153,571
Assets limited as to use		
Cash - board designated development		35,124
Cash equivalents - depreciation reserve	5,980,816	1,661,584
Cash and cash equivalents - mortgage-related escrows	24,092	7,110,773
Cash and cash equivalents - residual receipts		2,528,254
Certificates of deposit - mortgage-related escrows	1,499,468	1,495,898
U.S. Government obligations - mortgage-related escrows		10,504,700
Total assets limited as to use	7,504,376	23,336,333
Other assets		
Cash	18,000	18,000
Other receivables	2,089,417	1,932,401
Fixed assets - at cost - net	25,382,332	26,282,772
Deferred expenses	2,161,396	696,577
Assets held for deferred compensation	2,605	2,605
Total other assets	29,653,750	28,932,355
Total assets	\$ 66,836,675	\$ 78,422,259

THE ROSALIND AND JOSEPH GURWIN JEWISH
 GERIATRIC CENTER OF LONG ISLAND, INC.
 d/b/a GURWIN JEWISH NURSING AND REHABILITATION CENTER

BALANCE SHEET

DECEMBER 31, 2014

(With Summarized Financial Information for December 31, 2013)

	<u>2014</u>	<u>2013</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,196,052	\$ 2,600,175
Accrued payroll and related liabilities	3,693,635	4,444,934
Estimated amounts due to third-party payors	535,455	629,754
Mortgage notes payable	1,483,000	1,605,920
Funds and deposits held in trust for residents	1,578,297	1,451,880
	<u>9,486,439</u>	<u>10,732,663</u>
Total current liabilities		
Long-term liabilities		
Deferred compensation payable	2,605	2,605
Mortgage notes payable	26,468,000	37,978,734
	<u>35,957,044</u>	<u>48,714,002</u>
Total liabilities		
Net assets		
Unrestricted	25,109,530	23,938,156
Temporarily restricted	5,592,101	5,592,101
Permanently restricted	178,000	178,000
	<u>30,879,631</u>	<u>29,708,257</u>
Total net assets		
Total liabilities and net assets	<u>\$ 66,836,675</u>	<u>\$ 78,422,259</u>

**THE ROSALIND AND JOSEPH GURWIN JEWISH
GERIATRIC CENTER OF LONG ISLAND, INC.
d/b/a GURWIN JEWISH NURSING AND REHABILITATION CENTER**

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

**YEAR ENDED DECEMBER 31, 2014
(With Summarized Financial Information
for the Year Ended December 31, 2013)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
				<u>2014</u>	<u>2013</u>
Net assets - beginning of year	\$ 23,938,156	\$ 5,592,101	\$ 178,000	\$ 29,708,257	\$ 28,837,134
Operating revenues					
Service revenue (net of contractual allowances and discounts)	77,848,108			77,848,108	78,103,798
Provision for bad debts	(688,566)			(688,566)	(621,120)
Net patient and resident service revenue	77,159,542			77,159,542	77,482,678
Grants from Gurwin Jewish Healthcare Foundation	116,840			116,840	158,778
Other grants and contributions	116,491			116,491	447,016
Other revenues	1,512,841			1,512,841	1,285,494
Total operating revenues	78,905,714			78,905,714	79,373,966
Operating expenses					
Direct patient and resident care	39,181,042			39,181,042	38,434,307
Environmental and hotel services	10,450,914			10,450,914	10,196,425
Departmental	5,031,979			5,031,979	4,949,479
Nondepartmental (includes interest of \$1,976,034 and depreciation and amortization of \$3,131,341)	23,978,182			23,978,182	23,655,406
Total operating expenses	78,642,117			78,642,117	77,235,617
Operating gain	263,597			263,597	2,138,349

**THE ROSALIND AND JOSEPH GURWIN JEWISH
GERIATRIC CENTER OF LONG ISLAND, INC.
d/b/a GURWIN JEWISH NURSING AND REHABILITATION CENTER**

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

**YEAR ENDED DECEMBER 31, 2014
(With Summarized Financial Information
for the Year Ended December 31, 2013)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
				<u>2014</u>	<u>2013</u>
Nonoperating activities and losses					
Gift shop and auxiliary revenues	\$ 47,596			\$ 47,596	\$ 42,383
Gift shop and auxiliary expenses	(35,878)			(35,878)	(34,598)
Realized loss on investments					(106,000)
Gain on mortgage refinancing (net of write-off of deferred financing costs of \$649,705)	869,406			869,406	
Write-off of restricted pledge					(1,256,962)
Interest and dividends	26,653			26,653	87,951
	<u>907,777</u>			<u>907,777</u>	<u>(1,267,226)</u>
Total nonoperating activities and losses					
	<u>1,171,374</u>			<u>1,171,374</u>	<u>871,123</u>
Change in net assets					
	<u>25,109,530</u>	<u>5,592,101</u>	<u>178,000</u>	<u>30,879,631</u>	<u>29,708,257</u>
Net assets - end of year					

**THE ROSALIND AND JOSEPH GURWIN JEWISH
GERIATRIC CENTER OF LONG ISLAND, INC.
d/b/a GURWIN JEWISH NURSING AND REHABILITATION CENTER**

BALANCE SHEET

DECEMBER 31, 2015

(With Summarized Financial Information for December 31, 2014)

	2015	2014
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,849,772	\$ 7,841,310
Resident funds and deposits - cash and cash equivalents	1,058,076	1,578,297
Accounts receivable (net of allowances for doubtful accounts of \$1,744,000 in 2015 and \$1,628,000 in 2014)	11,686,277	13,054,252
Estimated retroactive rate adjustments receivable	5,283,247	4,701,514
Contributions and grants receivable	422,117	424,990
Other receivables	2,181,748	1,462,406
Prepaid expenses and deposits	506,677	274,004
Inventory	307,276	317,947
Grants receivable from Gurwin Jewish Healthcare Foundation	20,212	23,829
	28,315,402	29,678,549
Assets limited as to use		
Cash - board designated development	827,348	
Cash equivalents - depreciation reserve	7,691,546	6,004,908
Certificates of deposit - depreciation reserve	1,502,561	1,499,468
	10,021,455	7,504,376
Other assets		
Cash	18,000	18,000
Other receivables	1,589,417	2,089,417
Fixed assets - at cost - net	23,942,622	25,382,332
Deferred expenses	2,022,595	2,161,396
Assets held for deferred compensation	2,605	2,605
	27,575,239	29,653,750
Total assets	\$ 65,912,096	\$ 66,836,675

**THE ROSALIND AND JOSEPH GURWIN JEWISH
 GERIATRIC CENTER OF LONG ISLAND, INC.
 d/b/a GURWIN JEWISH NURSING AND REHABILITATION CENTER**

BALANCE SHEET

DECEMBER 31, 2015

(With Summarized Financial Information for December 31, 2014)

	<u>2015</u>	<u>2014</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,359,105	\$ 2,196,052
Accrued payroll and related liabilities	4,327,586	3,693,635
Estimated amounts due to third-party payors	472,545	535,455
Mortgage payable	1,532,000	1,483,000
Funds and deposits held in trust for residents	<u>1,058,076</u>	<u>1,578,297</u>
Total current liabilities	9,749,312	9,486,439
Long-term liabilities		
Deferred compensation payable	2,605	2,605
Mortgage payable	<u>24,936,000</u>	<u>26,468,000</u>
Total liabilities	<u>34,687,917</u>	<u>35,957,044</u>
Net assets		
Unrestricted	25,454,078	25,109,530
Temporarily restricted	5,592,101	5,592,101
Permanently restricted	<u>178,000</u>	<u>178,000</u>
Total net assets	<u>31,224,179</u>	<u>30,879,631</u>
Total liabilities and net assets	<u>\$ 65,912,096</u>	<u>\$ 66,836,675</u>

**THE ROSALIND AND JOSEPH GURWIN JEWISH
GERIATRIC CENTER OF LONG ISLAND, INC.
d/b/a GURWIN JEWISH NURSING AND REHABILITATION CENTER**

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

**YEAR ENDED DECEMBER 31, 2015
(With Summarized Financial Information
for the Year Ended December 31, 2014)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
				<u>2015</u>	<u>2014</u>
Net assets - beginning of year	\$ 25,109,530	\$ 5,592,101	\$ 178,000	\$ 30,879,631	\$ 29,708,257
Operating revenues					
Service revenue (net of contractual allowances and discounts)	78,828,480			78,828,480	77,848,108
Provision for bad debts	(943,678)			(943,678)	(688,566)
Net service revenue	77,884,802			77,884,802	77,159,542
Grants from Gurwin Jewish Healthcare Foundation	152,103			152,103	116,840
Other operating grants and contributions	2,385,966			2,385,966	116,491
Other operating revenues	1,405,883			1,405,883	1,512,841
Total operating revenues	81,828,754			81,828,754	78,905,714
Operating expenses					
Direct patient and resident care	42,319,691			42,319,691	39,181,042
Environmental and hotel services	10,581,551			10,581,551	10,450,914
Departmental	5,584,951			5,584,951	5,031,979
Nondepartmental (includes interest of \$893,113 and depreciation and amortization of \$3,094,791)	23,086,248			23,086,248	23,978,182
Total operating expenses	81,572,441			81,572,441	78,642,117
Operating gain	256,313			256,313	263,597

**THE ROSALIND AND JOSEPH GURWIN JEWISH
GERIATRIC CENTER OF LONG ISLAND, INC.
d/b/a GURWIN JEWISH NURSING AND REHABILITATION CENTER**

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

**YEAR ENDED DECEMBER 31, 2015
(With Summarized Financial Information
for the Year Ended December 31, 2014)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
				<u>2015</u>	<u>2014</u>
Nonoperating activities and losses					
Gift shop and auxiliary revenues	\$ 42,547			\$ 42,547	\$ 47,596
Gift shop and auxiliary expenses	(33,676)			(33,676)	(35,878)
Gain on mortgage refinancing (net of write-off of deferred financing costs of \$649,705)					869,406
Interest and dividends	<u>79,364</u>			<u>79,364</u>	<u>26,653</u>
Total nonoperating activities and losses	<u>88,235</u>			<u>88,235</u>	<u>907,777</u>
Change in net assets	<u>344,548</u>			<u>344,548</u>	<u>1,171,374</u>
Net assets - end of year	<u>\$ 25,454,078</u>	<u>\$ 5,592,101</u>	<u>\$ 178,000</u>	<u>\$ 31,224,179</u>	<u>\$ 30,879,631</u>

**THE ROSALIND AND JOSEPH GURWIN JEWISH
GERIATRIC CENTER OF LONG ISLAND, INC.
d/b/a GURWIN JEWISH NURSING AND REHABILITATION CENTER**

BALANCE SHEET

DECEMBER 31, 2016

(With Summarized Financial Information for December 31, 2015)

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 10,517,797	\$ 6,849,772
Resident funds and deposits - cash and cash equivalents	1,471,418	1,058,076
Accounts receivable (net of allowances for doubtful accounts of \$1,474,000 in 2016 and \$1,744,000 in 2015)	11,615,456	11,686,277
Estimated retroactive rate adjustments receivable	4,233,152	5,283,247
Contributions and grants receivable	263,025	262,117
Other receivables	861,962	2,181,748
Prepaid expenses and deposits	229,365	506,677
Inventory	301,406	307,276
Grants receivable from Gurwin Jewish Healthcare Foundation	11,654	20,212
	<u>29,505,235</u>	<u>28,155,402</u>
Total current assets		
Assets limited as to use		
Cash - board designated development	1,569,436	827,348
Cash equivalents - depreciation reserve	7,737,551	7,691,546
Certificates of deposit - depreciation reserve	1,020,705	1,502,561
	<u>10,327,692</u>	<u>10,021,455</u>
Total assets limited as to use		
Other assets		
Cash	18,000	18,000
Contributions and grants receivable	160,000	160,000
Other receivables	1,589,417	1,589,417
Fixed assets - at cost - net	22,312,327	23,942,622
Assets held for deferred compensation	2,605	2,605
	<u>24,082,349</u>	<u>25,712,644</u>
Total other assets		
Total assets	<u>\$ 63,915,276</u>	<u>\$ 63,889,501</u>

**THE ROSALIND AND JOSEPH GURWIN JEWISH
GERIATRIC CENTER OF LONG ISLAND, INC.
d/b/a GURWIN JEWISH NURSING AND REHABILITATION CENTER**

BALANCE SHEET

DECEMBER 31, 2016

(With Summarized Financial Information for December 31, 2015)

	<u>2016</u>	<u>2015</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,208,119	\$ 2,359,105
Accrued payroll and related liabilities	5,189,683	4,327,586
Estimated amounts due to third-party payors	584,182	472,545
Mortgage payable	1,581,000	1,532,000
Funds and deposits held in trust for residents	<u>1,471,418</u>	<u>1,058,076</u>
Total current liabilities	11,034,402	9,749,312
Long-term liabilities		
Deferred compensation payable	2,605	2,605
Mortgage payable - net of debt issuance costs	<u>21,476,876</u>	<u>22,913,405</u>
Total liabilities	<u>32,513,883</u>	<u>32,665,322</u>
Net assets		
Unrestricted	25,631,292	25,454,078
Temporarily restricted	5,592,101	5,592,101
Permanently restricted	<u>178,000</u>	<u>178,000</u>
Total net assets	<u>31,401,393</u>	<u>31,224,179</u>
Total liabilities and net assets	<u>\$ 63,915,276</u>	<u>\$ 63,889,501</u>

**THE ROSALIND AND JOSEPH GURWIN JEWISH
GERIATRIC CENTER OF LONG ISLAND, INC.
d/b/a GURWIN JEWISH NURSING AND REHABILITATION CENTER**

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

**YEAR ENDED DECEMBER 31, 2016
(With Summarized Financial Information
for the Year Ended December 31, 2015)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
				<u>2016</u>	<u>2015</u>
Net assets - beginning of year	\$ 25,454,078	\$ 5,592,101	\$ 178,000	\$ 31,224,179	\$ 30,879,631
Operating revenues					
Service revenues (net of contractual allowances and discounts)	80,160,876			80,160,876	78,828,480
Provision for bad debts	(713,284)			(713,284)	(943,678)
Net service revenue	79,447,592			79,447,592	77,884,802
Grants from Gurwin Jewish Healthcare Foundation	124,212			124,212	152,103
Other operating grants and contributions	2,376,923			2,376,923	2,385,966
Other operating revenues	1,445,250			1,445,250	1,405,883
Total operating revenues	83,393,977			83,393,977	81,828,754
Operating expenses					
Direct patient and resident care	43,691,073			43,691,073	42,319,691
Environmental and hotel services	10,800,435			10,800,435	10,581,551
Departmental	6,116,517			6,116,517	5,584,951
Nondepartmental (includes interest of \$990,655 and depreciation of \$2,966,158)	22,746,098			22,746,098	23,086,248
Total operating expenses	83,354,123			83,354,123	81,572,441
Operating gain	39,854			39,854	256,313

Gurwin Jewish Nursing Rehabilitation Center
 Balance Sheet
 For the Five Months Ending Wednesday, May 31, 2017

Project # 172049
 BFA Attachment A (Cont.)

	May2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$10,243,629	\$12,105,233
Resident funds- cash	1,732,906	1,471,418
Accounts Receivable-residents, LTHHCP, ADC	12,024,649	11,605,806
Estimated retroactive rate adjustment receivable	4,842,706	4,033,753
Contributions receivable	241,000	241,000
Grants receivable	24,503	22,025
Other receivables	2,714,867	2,451,378
Prepaid expenses and deposits	288,384	229,365
Inventory	301,406	301,406
Grants receivable Gurwin Jewish Geriatric Foundation	20,016	11,654
Total current assets	32,434,066	32,473,038
Assets whose use is limited		
Cash - equivalents - funded depreciation	8,793,241	7,737,551
Certificates of deposit - mortgage-related escrows	0	1,020,705
Accrued interest receivable	0	0
Total assets whose use is limited	8,793,241	8,758,256
Other assets		
Other receivables	0	0
Assets held for deferred compensation	2,605	2,605
Contributions receivable	160,000	160,000
Fixed assets - at cost	22,062,983	22,312,326
Deferred Expenses	1,817,928	1,878,124
Total other assets	24,043,516	24,353,055
TOTAL ASSETS	65,270,823	65,584,349

Gurwin Jewish Nursing Rehabilitation Center
 Balance Sheet
 For the Five Months Ending Wednesday, May 31, 2017

	<u>May2017</u>	<u>2016</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	2,370,697	2,039,225
Accrued payroll and related liabilities	5,514,656	5,189,683
Estimated amounts due to third-party payors	785,608	543,338
Mortgage notes payable		
Funds held in trust for residents	1,732,906	1,471,418
Total current liabilities	<u>10,403,867</u>	<u>9,243,664</u>
Long-term liabilities		
Deferred compensation payable	3,287	3,287
Mortgage notes payable	24,284,000	24,936,000
Total long-term liabilities	<u>24,287,287</u>	<u>24,939,287</u>
TOTAL LIABILITIES	<u>34,691,154</u>	<u>34,182,951</u>
Net Assets	<u>30,579,669</u>	<u>31,401,398</u>
TOTAL LIABILITIES AND NET ASSETS	<u>65,270,823</u>	<u>65,584,349</u>

Gurwin Jewish Nursing Rehabilitation Center
Profit and Loss Statement
For the Five Months Ending Wednesday, May 31, 2017

	May	May			Year To Date	Year To Date			2016
	ACTUAL	BUDGET	Variance	Variance %	ACTUAL	BUDGET	Variance	Variance %	Year to Date
INPATIENT REVENUE									
SKILLED NURSING FACILITY									
PRIVATE	\$504,964	\$424,219	\$80,745	19.03%	\$2,465,576	\$2,094,190	\$371,386	17.73%	\$1,914,719
INSURANCE-MANAGED CARE	323,972	269,192	54,780	20.35%	1,352,121	1,437,293	(85,172)	-5.93%	1,230,020
MEDICARE	1,285,953	1,557,766	(271,813)	-17.45%	6,508,483	7,350,503	(842,020)	-11.46%	7,668,904
MEDICAID	3,102,998	2,983,699	119,299	4.00%	15,037,736	14,587,264	450,472	3.09%	14,511,651
MEDICAID - UNIVERSAL SETTLEMENT	60,741	60,741	0	0.00%	303,705	303,705	0	0.00%	303,705
MEDICAID - VITAL ACCESS PROVIDER	76,745	76,745	0	0.00%	383,725	383,725	0	0.00%	750,810
MEDICAID - QUALITY POOL	20,837	20,833	4	0.02%	104,185	104,169	16	0.02%	0
MEDICAID - 1% ADD ON	62,500	62,500	0	0.00%	312,500	312,500	0	0.00%	0
VENT	414,139	511,294	(97,155)	-19.00%	2,016,113	2,480,906	(464,793)	-18.73%	2,369,926
PHARMACY	213,604	200,965	12,639	6.29%	966,995	978,894	(11,899)	-1.22%	956,758
TOTAL SNF	6,066,453	6,167,954	(101,501)	-1.65%	29,451,138	30,033,149	(582,011)	-1.94%	29,706,493
OUTPATIENT REVENUE									
ADULT DAY CARE	576,385	540,291	36,094	6.68%	2,589,142	2,463,600	125,542	5.10%	2,577,855
LONG TERM HOME HLT CARE	391,393	522,542	(131,149)	-25.10%	2,109,109	2,564,858	(455,749)	-17.77%	2,347,525
TOTAL OUPATIENT SERVICE REVENUE	967,778	1,062,833	(95,055)	-8.94%	4,698,252	5,028,458	(330,206)	-6.57%	4,925,379
TOTAL PATIENT INCOME	7,034,231	7,230,787	(196,556)	-2.72%	34,149,390	35,061,607	(912,217)	-2.60%	34,631,872
GRANT INCOME	20,433	20,417	16	0.08%	104,815	102,085	2,730	2.67%	105,422
OTHER INCOME	143,195	136,333	6,862	5.03%	706,089	681,665	24,424	3.58%	665,364
TOTAL GRANT & OTHER INCOME	163,627	156,750	6,877	4.39%	810,904	783,750	27,154	3.46%	770,786
TOTAL INCOME	7,197,859	7,387,537	(189,678)	-2.57%	34,960,294	35,845,357	(885,063)	-2.47%	35,402,658
EXPENSES									
DIRECT CARE	3,140,632	3,121,837	18,795	0.60%	15,325,296	15,259,297	65,999	0.43%	14,600,873
ADULT DAY CARE	349,896	341,526	8,370	2.45%	1,662,510	1,624,828	37,682	2.32%	1,632,828
LONG TERM HOME HEALTH CARE	303,965	411,494	(107,529)	-26.13%	1,605,445	2,021,739	(416,294)	-20.59%	1,812,126
SERVICE DEPARTMENTS	899,674	934,631	(34,957)	-3.74%	4,560,283	4,640,430	(80,147)	-1.73%	4,531,362
ADMINISTRATIVE	559,017	561,688	(2,671)	-0.48%	2,684,003	2,714,071	(30,068)	-1.11%	2,466,294
OTHER EXPENSES	1,410,546	1,402,918	7,628	0.54%	6,956,762	7,002,757	(45,995)	-0.66%	6,493,856
NYS ASSESSMENT	310,242	284,561	25,681	9.02%	1,504,224	1,493,491	10,733	0.72%	1,434,132
DEPRECIATION	237,698	237,650	48	0.02%	1,188,491	1,188,258	233	0.02%	1,331,031
BAD DEBT EXPENSE	58,333	58,333	0	0.00%	295,010	291,665	3,345	1.15%	282,848
TOTAL EXPENSES	7,270,004	7,354,638	(84,634)	-1.15%	35,782,025	36,236,536	(454,511)	-1.25%	34,585,349
NET INCOME (DEFICIT)	(72,145)	32,899	(105,044)	-319.29%	(821,731)	(391,179)	(430,552)	110.07%	817,309

Gurwin Jewish Nursing Rehabilitation Center
Profit and Loss Statement
For the Five Months Ending Wednesday, May 31, 2017

	May	May			Year To Date	Year To Date			2016
	ACTUAL	BUDGET	Variance	Variance %	ACTUAL	BUDGET	Variance	Variance %	Year to Date
SALARIES	3,753,709	3,695,450	58,259	1.58%	18,360,537	17,981,070	379,467	2.11%	17,234,329
EMPLOYEE BENEFITS	1,201,986	1,203,015	(1,029)	-0.09%	5,988,537	6,008,503	(19,966)	-0.33%	5,523,236
SUPPLIES & MATERIALS	408,466	431,335	(22,869)	-5.30%	1,934,871	2,158,425	(223,554)	-10.36%	1,991,086
DEPRECIATION & LEASES	271,160	266,901	4,259	1.60%	1,356,654	1,341,013	15,641	1.17%	1,513,368
UTILITIES	68,613	69,994	(1,381)	-1.97%	366,923	381,807	(14,884)	-3.90%	366,702
INTEREST	67,910	67,910	0	0.00%	334,289	334,289	(1)	0.00%	357,508
OTHER EXPENSES	1,129,585	1,277,139	(147,554)	-11.55%	5,640,981	6,246,273	(605,292)	-9.69%	5,882,139
NYS ASSESSMENT	310,242	284,561	25,681	9.02%	1,504,224	1,493,491	10,733	0.72%	1,434,132
BAD DEBT EXPENSE	58,333	58,333	0	0.00%	295,010	291,665	3,345	1.15%	282,848
Total	7,270,004	7,354,638	(84,634)	-1.15%	35,782,025	36,236,536	(454,511)	-1.25%	34,585,349
VENT									
PRIVATE	25,574	27,542	(1,968)	-7.15%	79,673	133,774	(54,101)	-40.44%	60,905
INSURANCE-MANAGED CARE	39,320	56,515	(17,195)	-30.42%	129,805	246,380	(116,575)	-47.31%	242,118
MEDICARE	29,948	104,276	(74,328)	-71.28%	304,122	381,478	(77,356)	-20.28%	730,733
MEDICAID	319,297	322,961	(3,664)	-1.13%	1,502,512	1,719,274	(216,762)	-12.61%	1,336,170
Total Vent	414,139	511,294	(97,155)	-19.00%	2,016,113	2,480,906	(464,793)	-18.73%	2,369,926

The Rosalind and Joseph Gurwin Jewish Geriatric Center of Long Island, Inc.
Gurwin CHHA



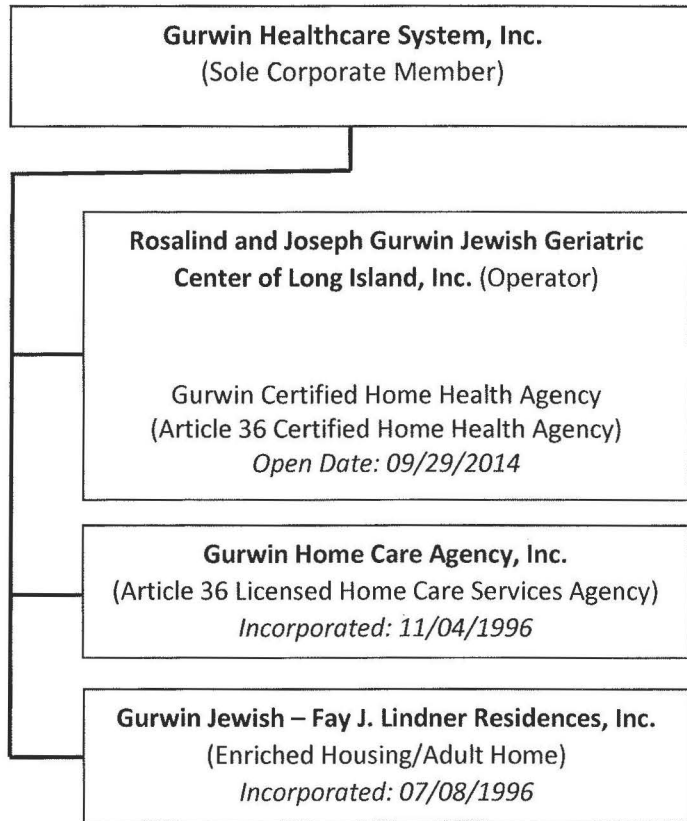
Organizational Chart (Current)

**Rosalind and Joseph Gurwin Jewish Geriatric
Center of Long Island, Inc. (Operator)**

Gurwin Certified Home Health Agency
(Article 36 Certified Home Health Agency)
Open Date: 09/29/2014

The Rosalind and Joseph Gurwin Jewish Geriatric Center of Long Island, Inc.
Gurwin CHHA

Organizational Chart (Proposed)



New York-Presbyterian/Lawrence Hospital and Subsidiaries

Lawrence Community Health Services: Statement of Financial Position
(In Thousands)

	<u>December 31</u> <u>2016</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 6,330
Patient accounts receivable, less estimated uncollectibles of \$140 in 2016 and \$124 in 2015	2,052
Prepaid expenses and other current assets	53
Total current assets	<u>8,435</u>
Assets whose use is limited:	
Lawrence Home Care of Westchester fund	432
Jansen Hospice and Palliative Care fund	6,727
Bereavement Center of Westchester fund	1,418
Total assets whose use is limited	<u>8,577</u>
Furniture, equipment, and leasehold improvements – net	51
Total	<u>\$ 17,063</u>
Liabilities and net assets	
Current liabilities:	
Accounts payable and accrued expenses	\$ 1,331
Accrued salaries and related benefits	1,242
Amounts due to third-party payors	171
Due to New York-Presbyterian/Lawrence Hospital	2,571
Total current liabilities	<u>5,315</u>
Other long-term liabilities	208
Total liabilities	<u>5,523</u>
Net assets:	
Unrestricted:	
Lawrence Home Care of Westchester	1,157
Jansen Hospice and Palliative Care	1,788
Bereavement Center of Westchester	17
Board designated:	
Lawrence Home Care of Westchester	433
Jansen Hospice and Palliative Care	6,553
Bereavement Center of Westchester	1,338
Total unrestricted net assets	<u>11,286</u>
Temporarily restricted net assets – Bereavement Center of Westchester	80
Permanently restricted – Jansen Hospice and Palliative Care	174
Total net assets	<u>11,540</u>
Total	<u>\$ 17,063</u>

New York-Presbyterian/Lawrence Hospital and Subsidiaries

Lawrence Community Health Services: Statement of Operations
(In Thousands)

Year Ended December 31, 2016

	Lawrence Home Care of Westchester	Jansen Hospice and Palliative Care	Bereavement Center of Westchester	Lawrence Community Health Services Total
Revenues:				
Net patient service revenue	\$ 4,910	\$ 6,867	\$ 52	\$ 11,829
Provision for bad debts	(3)	(6)	—	(9)
Net patient service revenue, less provision for bad debts	4,907	6,861	52	11,820
Other operating revenue	2	—	2	4
Total revenues	4,909	6,861	54	11,824
Expenses:				
Salaries and wages	3,580	3,195	300	7,075
Employee benefits	928	583	77	1,588
Supplies and other	585	3,072	97	3,754
Depreciation	8	36	—	44
Total expenses	5,101	6,886	474	12,461
Operating loss	(192)	(25)	(420)	(637)
Non-operating items:				
Investment return	—	533	—	533
Contributions and other	1	171	386	558
Total non-operating items	1	704	386	1,091
Deficiency of revenues and non-operating items over expenses	(191)	679	(34)	454
Change in unrestricted net assets	\$ (191)	\$ 679	\$ (34)	\$ 454

NEW YORK-PRESBYTERIAN/ LAWRENCE HOSPITAL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF June 30, 2017 and DECEMBER 31, 2016
(IN THOUSANDS)

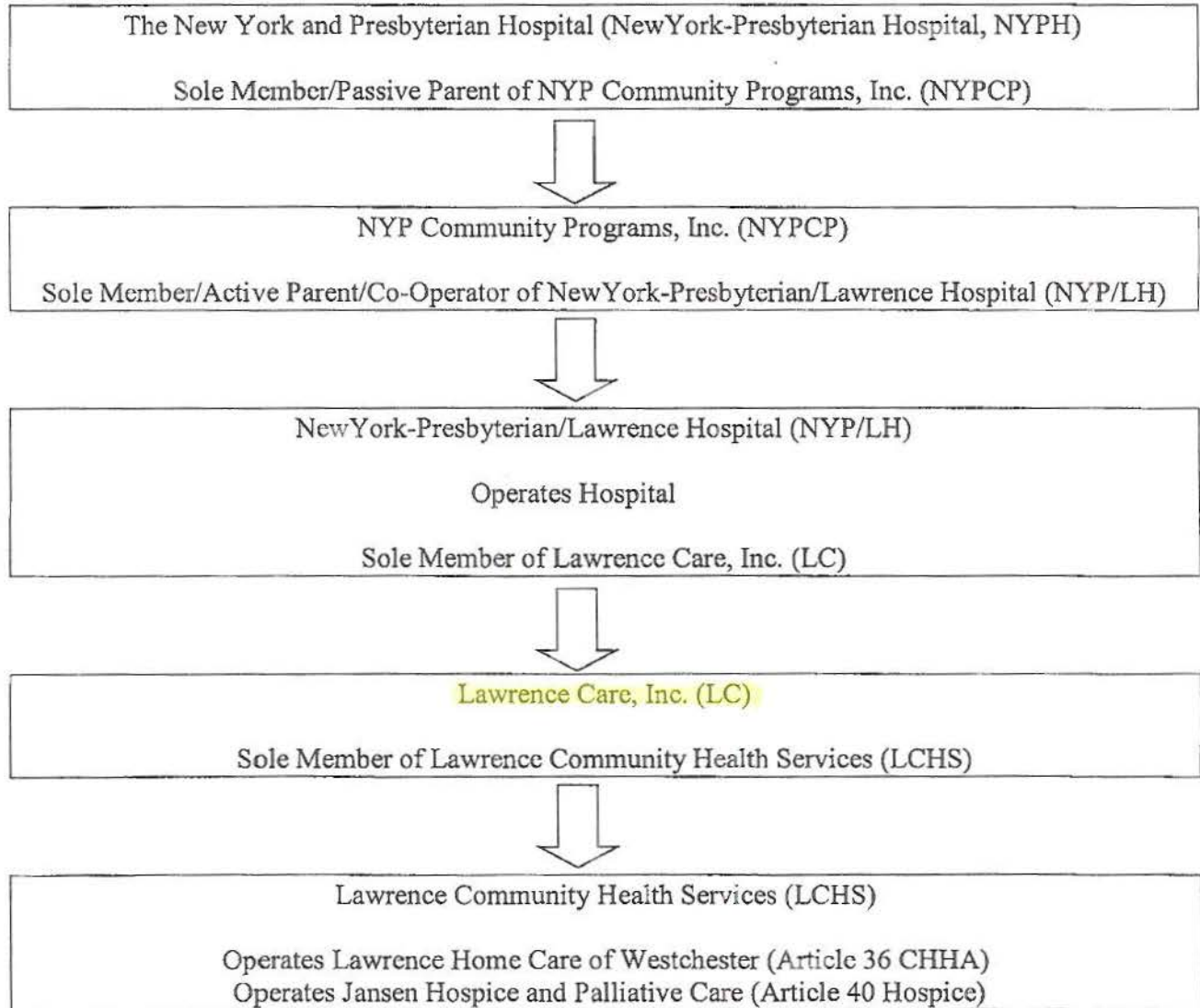
	Lawrence Hospital Center	LCHS	Lawrence Care	NYP/MSGW	LC Services	Total	Eliminations	As of June 30, 2017	As of Dec. 31, 2016
Assets									
Current assets:									
Cash and cash equivalents	11,966	6,354	359	654	1	19,334	-	19,334	18,260
Short-term investments	-	-	-	-	-	-	-	-	-
Total cash, cash equivalents & short-term investments	11,966	6,354	359	654	1	19,334	-	19,334	18,260
Patient accounts receivable, net	34,315	1,608	-	2,912	-	38,865	-	38,865	39,194
Other current assets *	6,813	71	36	406	3	7,129	(1,459)	5,870	5,651
Assets limited as to use - current portion	2,488	-	-	-	-	2,488	-	2,488	2,488
Beneficial interest in net assets held by related organizations - current portion	-	-	-	-	-	-	-	-	-
Professional liabilities insurance recoveries receivables - current portion	4,972	-	-	-	-	4,972	-	4,972	4,972
Due from related organizations	9,716	(2,506)	(17)	-	7	7,200	(7,200)	-	-
Total current assets	70,270	5,527	378	4,002	11	80,187	(8,659)	71,528	70,565
Assets whose use is limited:									
Under debt agreements	1,148	-	-	-	-	1,148	-	1,148	1,148
Trustee Held	4,757	-	-	-	-	4,757	-	4,757	4,595
Permanently Restricted	4,510	174	-	-	-	4,684	-	4,684	4,684
Donor - Restricted	12,520	67	-	-	-	12,587	-	12,587	12,386
Board designated - includes captive cash net of current	24,408	8,688	-	-	-	33,096	-	33,096	39,137
Board designated depreciation fund	22,757	-	-	-	-	22,757	-	22,757	22,671
Board designated-self-insurance fund	5,980	-	-	-	-	5,980	-	5,980	5,924
Total assets whose use is limited	76,080	8,929	-	-	-	85,009	-	85,009	90,545
Other non-current assets - Deferred Financing NYP									
Property, plant and equipment, net	137,403	42	-	4,962	-	142,407	-	142,407	142,293
Professional liabilities insurance recoveries receivables	18,868	-	-	-	-	18,868	-	18,868	18,498
Assets held by related organization									
Investments, less current portion	-	-	-	-	-	-	-	-	-
Pledges receivable	-	-	-	-	-	-	-	-	-
Total assets held by related organization	-	-	-	-	-	-	-	-	-
Total assets	302,624	14,498	378	8,965	11	326,472	(8,659)	317,813	321,901
Liabilities and net assets									
Long-term debt - current portion									
Long-term debt - current portion	457	-	-	-	-	457	-	457	447
Long-term debt - current portion	3,086	-	-	-	-	3,086	-	3,086	3,020
Accounts payable and accrued expenses	20,747	965	3	8,664	7	30,386	(1,407)	28,979	27,981
Accrued salaries and related liabilities	8,293	1,295	-	10,702	-	20,290	(7,794)	12,496	12,915
Pension and postretirement liabilities - current portion	306	-	-	-	-	306	-	306	306
Other current liabilities	1,758	171	-	-	-	1,929	-	1,929	952
Professional liabilities - current portion	6,689	-	-	-	-	6,689	-	6,689	6,689
Due to related organizations	9,370	-	-	-	-	9,370	-	9,370	5,853
Total current liabilities	56,706	2,431	3	19,366	7	72,512	(9,201)	63,312	58,163
Professional liabilities									
Professional liabilities	32,692	-	-	-	-	32,692	-	32,692	34,527
Postretirement benefit liabilities	4,002	-	-	-	-	4,002	-	4,002	4,020
Accrued pension liability	102,787	-	-	-	-	102,787	577	103,364	104,485
Long-term liabilities NYP Loan	5,521	-	-	-	-	5,521	-	5,521	5,752
Other long-term liabilities	9,447	268	-	646	-	10,361	-	10,361	9,880
Due to Third Parties - LT	5,440	-	-	-	-	5,440	-	5,440	5,440
Long-term obligations, less current portion	21,914	-	-	-	-	21,914	-	21,914	23,476
Total liabilities	232,509	2,699	3	20,012	7	255,231	(8,624)	246,607	245,743
Net assets:									
Unrestricted	53,050	11,537	375	(11,047)	4	53,939	(35)	53,904	38,951
Temporarily restricted - held by related	12,551	67	-	-	-	12,619	-	12,619	12,522
Permanently restricted - held by related	4,511	174	-	-	-	4,684	-	4,684	4,684
Total net assets	70,112	11,778	375	(11,047)	4	71,241	(35)	71,206	76,158
Total Total liabilities and net assets	302,621	14,498	378	8,965	11	326,472	(8,659)	317,813	321,901

**NEW YORK-PRESBYTERIAN/LAWRENCE HOSPITAL
CONSOLIDATING STATEMENT OF OPERATIONS
YTD 6/30/2017
(IN THOUSANDS)**

	Lawrence Hospital Center	LCBS	Lawrence Care	NYPMGAV	LC Services	Total	Eliminations	YTD At 6/30/2017	Budget	Variance Fav/(Unfav)	Prior Year Actual YTD
REVENUE											
Net inpatient revenue	68,111	-	-	-	-	68,111	-	68,111	71,523	(3,412)	62,278
Net outpatient revenue	65,780	5,844	-	14,079	-	85,703	-	85,703	87,160	(1,457)	71,710
Provision for bad debts	(5,956)	-	-	(474)	-	(6,430)	-	(6,430)	(6,541)	111	(5,511)
Net patient service revenue less provision for bad debts	127,935	5,844	-	13,605	-	147,384	-	147,384	152,142	(4,758)	128,477
Contributions	180	241	-	-	-	421	-	421	327	94	302
Other revenue **	1,666	48	3	326	-	2,043	-	2,043	1,706	337	2,415
Total revenue	129,781	6,133	3	13,931	-	149,848	-	149,848	154,175	(4,327)	131,194
EXPENSES											
Salaries and Wages	56,931	3,588	-	18,290	-	78,809	-	78,809	78,961	152	69,446
Employee Benefits	20,371	1,020	-	5,356	-	26,747	-	26,747	27,339	592	20,479
Supplies and other expenses	48,122	1,744	-	2,457	-	52,323	(11,712)	40,611	39,924	(687)	37,265
Depreciation and amortization	6,116	12	-	301	-	6,429	-	6,429	5,933	(496)	4,618
Insurance	3,762	18	-	717	-	4,497	-	4,497	3,722	(775)	2,618
Interest	686	-	-	-	-	686	-	686	552	(134)	222
Leases and rentals	1,254	173	-	1,752	-	3,179	-	3,179	3,941	762	2,592
Total expenses	137,242	6,555	-	28,873	-	172,670	(11,712)	160,958	160,372	(586)	137,240
OPERATING INCOME (LOSS)	(7,461)	(422)	3	(14,942)	-	(22,822)	11,712	(11,110)	(6,197)	(4,913)	(6,046)
Prior year settlements and other items	1,566	-	-	-	-	1,566	-	1,566	-	1,566	1,361
ADJUSTED OPERATING INCOME (LOSS)	(5,895)	(422)	3	(14,942)	-	(21,256)	11,712	(9,544)	(6,197)	(3,347)	(4,685)
Investment Income *	130	692	-	-	-	822	-	822	144	678	361
NET GAIN (LOSS)	(5,765)	270	3	(14,942)	-	(20,434)	11,712	(8,722)	(6,053)	(2,669)	(4,324)
OTHER CHANGES IN UNRESTRICTED NET ASSETS											
Change in additional minimum pension liability	-	-	-	-	-	-	-	-	-	-	-
Fair Value Capital Assets	-	-	-	-	-	-	-	-	-	-	-
Deferred Financing	-	-	-	-	-	-	-	-	-	-	-
Retro Premium Reduction	-	-	-	-	-	-	-	-	-	-	-
Assets released for capital	-	-	-	-	-	-	-	-	-	-	2,000
Other	3,674	-	-	-	-	3,674	-	3,674	-	3,674	11,798
	3,674	-	-	-	-	3,674	-	3,674	-	3,674	13,798
INCREASE / (DECREASE) IN UNRESTRICTED NET ASSETS	(2,091)	270	3	(14,942)	-	(16,760)	11,712	(5,048)	(6,053)	1,005	9,474

ORGANIZATIONAL CHART
NEWYORK-PRESBYTERIAN/LAWRENCE HOSPITAL (NYP/LH)

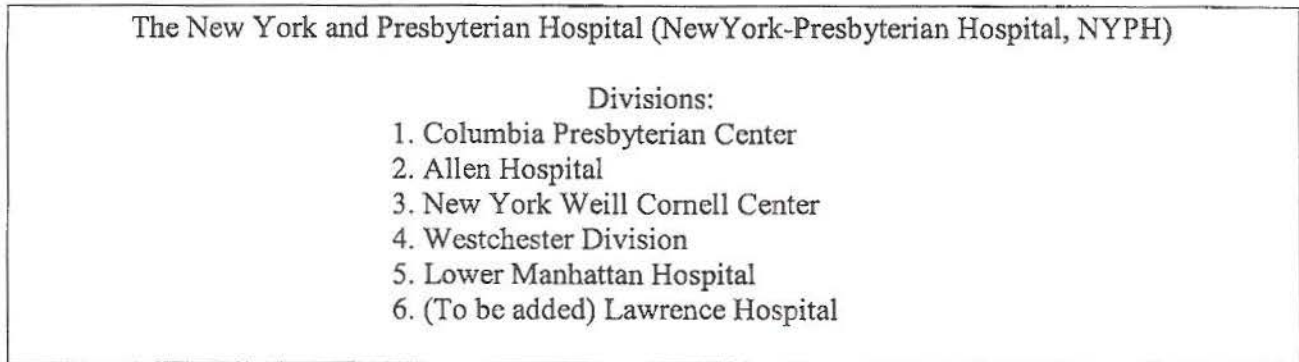
EXISTING



ORGANIZATIONAL CHART
NEWYORK-PRESBYTERIAN HOSPITAL (NYPH)

AS THE RESULT OF THE ACQUISITION OF NYP/LH VIA PLAN OF MERGER

PROPOSED



ORGANIZATIONAL CHART
LAWRENCE CARE, INC.

AS THE RESULT OF THE DISESTABLISHMENT OF LAWRENCE CARE, INC. FROM
NEWYORK-PRESBYTERIAN/LAWRENCE HOSPITAL

PROPOSED

