



**NASSAU HEALTH CARE CORPORATION
& SUBSIDIARIES**

OPERATING BUDGET

FISCAL YEAR ENDED DECEMBER 31, 2009

Approved: September 29, 2008

Nassau Health Care Corporation and Subsidiaries
Operating Budget For Twelve Months Ending December 31, 2009
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EXECUTIVE SUMMARY

The Nassau Health Care Corporation (NHCC) has certainly seen its “ups and downs” during 2008. In March of 2008, the credit crisis on Wall Street marked the beginning of what has been a very bumpy road in 2008. NHCC’s auction rate security bonds needed to be restructured resulting in approximately \$1 million of unanticipated interest cost. The New York State budget cuts in June cost NHCC approximately \$3 million. Several malpractice cases deteriorated resulting in an additional \$5-\$7 million of reserves. By mid-year these unexpected costs would have NHCC projecting a \$21 million loss for 2008. On the positive side, we were successful in receiving \$34 million of HEAL IV funds to redeem taxable bonds, and reduced interest expense by \$800,000 in 2008. NHCC was notified in September that A. Holly Patterson will receive a retroactive IGT adjustment of approximately \$27 million for 2006, 2007 and 2008, \$25 million of which will be received in 2008. Fifty percent, or \$12.5 million, will be recorded as revenue in 2008, with the County’s 50% received from tobacco proceeds and recorded as additions to fixed assets. Finally, Nassau University Medical Center (NUMC) was successful in three Medicare Disproportionate Share Appeals for years 2002, 2004 and 2005, generating approximately \$2 million of incremental revenue. With these adjustments and other operational ups and downs at NUMC and AHP, NHCC is projecting a \$4-6 million loss for 2008, before other potential rate appeals currently being discussed with the New York State Department of Health (DOH) and the pending HEAL 8 announcement. If successful, these two remaining adjustments, and assuming no major fluctuations in volume or case mix, NHCC could potentially breakeven in 2008 and would be the first time since its inception in 1999. One final exposure area is the reset rates for the tax exempt variable rate demand obligations (“VRDO”) (VRDO’s are currently \$219 million of NHCC’s \$245 million outstanding bonds). The reset rates historically have been covered by the terms of NHCC’s swap. However, due to the recent turmoil on Wall Street, NHCC recently experienced a weekly reset of 6.7% vs. 2.15% (62% of LIBOR plus 23 basis points - current swap terms). While we expect the reset rates to normalize, particularly with the recent government bailout plan announced, NHCC will continue to monitor the situation closely and react appropriately.

NHCC’s projected \$4.8 million loss for 2008, before “Other Operating Items” and any other VRDO exposure described above, is comprised of net income (loss); NUMC (\$16.8) million; AHP \$14.6 million; and Community Health Centers (\$2.6) million.

EXECUTIVE SUMMARY (Continued)

In accordance with NHCC's Strategic Plan issued in August 2007, NHCC has made the following progress on its long-term strategic initiatives:

- Received the AHP Replacement Certificate of Need (CON) approval from the New York State Department of Health (NYS DOH) on June 30, 2008, and is currently exploring several financing options with the hope of beginning construction in 2009.
- Received a CON approval from the NYS DOH in support of operating a satellite dialysis division at AHP which, in turn, will further support AHP's inpatient vent unit, and will commence operations December 1, 2008.
- Received a CON approval from NYS DOH in support of pouring the 3 vacant shell floors at NUMC and was completed by 2008.
- Secured new locations for both the Hempstead and Freeport Community Health Centers. Construction and/or acquisition are anticipated to be completed within 3-9 months.
- Completed construction of new Breast Imaging Center and commenced operations in June 2007.
- Completed construction/renovation of new 13-bed inpatient Child Behavior Health Unit and commenced operations in December 2006. Unit is currently above 95% occupancy.
- Completed construction of new 30-bed Drug and Alcohol Rehabilitation Unit and commenced operations in May 2007. Unit is currently above 95% occupancy.
- Completed construction of new 35 bed inpatient Adult Behavioral Health Unit and commenced operations in November 2007. Unit is currently above 95% occupancy.
- Completed construction of a new 10-bed inpatient Burn Unit and commenced operations in November 2007.
- Completed construction of the Center for Hypertension, Diabetes and Vascular Disease and commenced operations in 2008.
- Completed the Courtyard Remediation during 2008.
- Redeemed \$33.7 million of taxable bonds increasing NHCC fund balance, and reducing interest expense by \$1.6 million on an annual basis.

Each of these programs adds significantly to patient volumes and related revenue and have been factored into the 2009 budget accordingly.

EXECUTIVE SUMMARY (Continued)

The 2009 budget (“budget”), after trending revenues and expenses accordingly and assuming relatively consistent patient volumes compared to 2008 results in a baseline deficit of approximately \$30.9 million (“the baseline gap.”). Management has identified approximately \$22 million of gap closing revenue and expense initiatives to essentially produce an \$8.6 million budget deficit for 2009.

Historically, NHCC management was successful in achieving approximately \$230 million of its previous year’s initiatives, which have cumulatively yielded ongoing bottom line improvement. The values of these past initiatives by year are: \$36 million in 2001, \$26 million in 2002, \$41 million in 2003, \$54 million in 2004, \$15 million in 2005, \$16 million in 2006, \$21 in 2007 and \$21 million in 2008.

NHCC is budgeted to produce a consolidated baseline net loss of \$30 million during fiscal year 2009 before revenue and expense initiatives, and \$8.6 million deficit after the successful implementation of such initiatives (before non-cash items including: 1) change in fair value of derivative instruments and 2) amortization of refunding loss and 3) other post-employment benefits. This consolidated deficit is divided among the enterprises as follows: Nassau University Medical Center (“NUMC”), A. Holly Patterson Extended Care Facility (“AHPECF”), the Community Health Centers (“CHC’s”) and NHCC, Ltd. (“LTD”) are projected to produce net income (losses) of (\$15.6) million, \$7.1 million, (\$1.4) million, \$1.3 million, respectively.

Consolidated cash flow from operations is budgeted at positive \$4.6 million. Investment income is projected to generate \$2.1 million, and budgeted capital expenditures from operations are projected at \$7 million, resulting in a projected ending unrestricted cash balance of \$2.7 million.

The 2009 budget will be an ongoing process and is presented as a working document. Management will be continually reviewing areas of possible expense reduction and revenue enhancement throughout the year. To assure fiscal responsibility and accountability on behalf of NHCC, all expenditures and staffing requirements as presented in this budget will be subject to the review, evaluation and approval of management.

FACILITY SPECIFIC ASSUMPTIONS

Nassau University Medical Center

Revenue Assumptions

Baseline patient day and discharge volumes for fiscal 2009 are projected on the basis of 8 months of actual utilization in fiscal 2008, and reflect seasonal fluctuations within inpatient service areas. The budget assumes that fiscal 2009 volume will increase by 2.62% or 623 discharges. 200 discharges relate to the expansion of the renal dialysis unit from 13 to 29 chairs, effective 12/1/08. 225 discharges relate to the Modernization Plan and voluntary physician growth strategy. 198 discharges relate to a variety of internal MD business development plans, Institute for Minority Health Care Disparities and the expansion of the Freeport and Hempstead Health Centers.

Year	DISCHARGE VOLUMES	% CHANGE FROM PREVIOUS YEAR
2000	21,554	3.75%
2001	21,914	1.67%
2002	22,475	2.56%
2003	24,043	6.98%
2004	22,728	(5.47%)
2005	22,894	0.73%
2006	22,500	(1.72%)
2007	23,175	3.00%
2008 Projected	23,791	2.66%
2009 Budget	24,414	2.62%

Net Patient service revenue is projected to increase by \$10.2 million over projected 2008 revenue. The increase is related to reimbursement rate increases and appeals of \$.9 million, revenue cycle improvements of \$2.3 million, and \$7.0 million from increase or expansion of existing services.

Medicaid and Medicare case mix indexes (“CMI”) are budgeted at the 2008 level of 1.24 and 1.32, respectively.

FACILITY SPECIFIC ASSUMPTIONS

Nassau University Medical Center (Continued)

Expense Assumptions

Salary and Fringe Benefit expense has been budgeted at \$267.9 million, an increase of \$3.3 million from the 2008 projected actual. A contractual rate increase effective January 1, 2009, a step increase throughout 2009, full longevity payment per the Stabilization agreement, along with the anticipated fringe benefit increases account for the increase.

Supplies expense are projected to increase \$729,000 or 3.3% from the 2008 projected actual.

General expenses are projected to increase \$2.5 million or 4.19% from the 2008 projected actual. An overall inflation factor of 3.5% on general expenses and a 7% inflation factor on Pharmaceuticals have been factored into the 2009 Budget.

Utilities are projected to increase \$1.3 million or 5.8% from the 2008 projected actual.

Depreciation expense is projected based upon historical information with consideration given to the current and future capital expenditure requirements.

Interest expense is projected utilizing actual amortization amounts relating to the bond refunding completed in October 2004 and \$33.7 million bond redemption in 2008.

Bad Debt expense is budgeted at \$42.2 million, which represents 12.12% of total patient revenue compared with 13.09% anticipated for 2008. This reduction directly relates to the addition of cases with a higher proportion of insurance coverage.

FACILITY SPECIFIC ASSUMPTIONS

A. Holly Patterson Extended Care Facility

Revenue Assumption

Occupancy levels are projected at 98.5%, or an average daily census (ADC) of 580 for 2009. This compares to 97.8% or an ADC of 576 projected for 2008.

Operating Revenue is projected to decrease by \$4,663,000. The revenue decrease consists of:

1) Rate & volume increase	\$2,221,000
4) IGT payment	(6,900,000)
5) Other	<u>16,000</u>
Total	<u>\$4,663,000</u>

Expense Assumptions

Salary and Fringe Benefit expense has been budgeted at \$43.0 million, an increase of \$1.5 million from the 2008 projected actual. A contractual rate increase effective January 1, 2009, a step increase throughout 2009, and full longevity payment per the Stabilization agreement, account for this increase.

Supplies expense and General expenses are projected to increase \$1.4 million or 14% from the 2008 projected actual.

Utilities are projected to increase \$115,000 or 5% from the 2008 projected actual.

FACILITY SPECIFIC ASSUMPTIONS

Community Health Centers

Revenue Assumptions

Visit volumes for fiscal 2009 are based on the August 2008 visits per clinic day with a projected 5% increase. This will yield an increase of 3,829 visits for 2009 or \$211,000 in Net Patient Service Revenue.

Year	Visits	% CHANGE FROM PREVIOUS YEAR
2000	66,119	
2001	57,257	(13.4%)
2002	57,278	0.0%
2003	56,196	(1.9%)
2004	50,970	(9.3%)
2005	65,075	27.7%
2006	65,415	0.5%
2007	69,128	5.7%
2008 Projected	76,571	10.8%
2009 Budgeted	80,400	5.0%

Operating revenue is projected to increase by \$982,000 over projected 2008 revenue. This increase is related to a \$1,083,000 increase for volume and increase for Non-Medicaid rates, offset by a decrease in State Aid of \$97,000 and a decrease in investment income of \$4,000.

Expenses

Salary and Fringe Benefit expense has been budgeted at \$12.3 million, a decrease of \$288,000 from the 2008 projected level. A restructuring of Skill Mix at the centers offset by a contractual rate increase effective January 1, 2009, a step increase throughout 2009, a full longevity payment per the Stabilization agreement, along with the anticipated fringe benefit increases account for the decrease.

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SECTION TWO

OPERATING BUDGET

FISCAL YEAR ENDED DECEMBER 31, 2009

**COMPARATIVE FINANCIAL STATEMENT
PRESENTATION**

Nassau Health Care Corporation and Subsidiaries
Projected Revenue & Expenses

Consolidated

Comparative

(In Thousands)

	<u>Audited *</u> <u>FYE</u> <u>12/31/2001</u>	<u>Audited *</u> <u>FYE</u> <u>12/31/2002</u>	<u>Audited *</u> <u>FYE</u> <u>12/31/2003</u>	<u>Audited *</u> <u>FYE</u> <u>12/31/2004</u>	<u>Audited *</u> <u>FYE</u> <u>12/31/2005</u>	<u>Audited *</u> <u>FYE</u> <u>12/31/2006</u>	<u>Audited *</u> <u>FYE</u> <u>12/31/2007</u>	<u>Actual</u> <u>YTD</u> <u>08/31/2008</u>	<u>2008</u> <u>Projected</u> <u>SEPT</u>	<u>2008</u> <u>Projected</u> <u>OCT</u>	<u>2008</u> <u>Projected</u> <u>NOV</u>	<u>2008</u> <u>Projected</u> <u>DEC</u>	<u>Projected</u> <u>FYE</u> <u>12/31/2008</u>	<u>Budgeted</u> <u>FYE</u> <u>12/31/2009</u>
Operating Revenues:														
Net patient service revenue	373,413	386,383	396,703	382,419	372,804	383,494	397,313	282,628	34,483	35,345	34,762	35,858	423,076	436,668
NYS Intergovernmental transfer	9,393	8,853	10,172	13,524	11,339	41,625	31,144	26,309	3,290	3,290	3,290	3,290	39,469	24,748
Nassau County Billings	26,097	27,987	31,600	26,712	36,642	28,480	33,068	24,040	3,006	3,006	3,006	3,006	36,064	35,453
Historical Mission Payments	18,000	18,000	18,000	18,000	18,000	2,808	16,064	12,000	1,500	1,500	1,500	1,500	18,000	18,000
Federal & State Aid	3,801	10,614	7,711	8,716	7,739	3,560	8,449	2,544	306	306	306	306	3,768	3,301
Practice Plan Revenue	-	-	-	-	-	665	-	-	-	-	-	-	-	-
Investment Income	6,778	3,730	2,968	4,657	2,078	4,317	5,148	2,097	188	188	188	188	2,849	3,594
Miscellaneous	8,463	12,155	12,399	12,063	14,094	13,958	14,120	7,130	1,115	1,115	1,115	1,115	11,590	12,896
Total operating revenue	445,945	467,722	479,553	466,091	462,696	478,907	505,306	356,748	43,888	44,750	44,167	45,263	534,816	534,660
Operating Expenses:														
Salaries	241,280	232,053	229,566	210,369	207,896	218,299	229,099	161,540	20,285	20,932	20,285	20,932	243,974	251,168
Fringe Benefits	46,361	53,381	59,831	73,412	70,246	67,095	80,342	56,899	6,926	7,155	6,927	7,155	85,062	82,473
Supplies	18,593	20,778	23,834	23,404	22,659	23,101	23,737	17,379	2,156	2,227	2,156	2,227	26,145	27,179
Expenses	84,533	80,423	89,308	81,597	80,386	77,718	77,682	56,288	6,987	7,174	6,987	7,174	84,610	83,020
Utilities	16,918	15,426	16,398	17,470	20,721	21,934	21,432	16,028	1,961	2,026	1,963	2,028	24,006	25,420
Depreciation Expense	11,929	12,844	13,880	13,713	14,637	15,549	15,712	10,498	1,317	1,317	1,317	1,317	15,766	17,670
Interest & Amortization	14,680	14,634	14,769	14,581	12,690	13,271	11,540	10,008	546	546	546	546	12,192	10,292
Bad Debt Expense	53,139	55,176	49,676	49,751	46,024	53,936	50,624	34,983	3,658	3,402	2,539	3,323	47,905	46,040
Total operating expenses	487,433	484,715	497,262	484,297	475,259	490,903	510,168	363,623	43,836	44,779	42,720	44,702	539,660	543,262
Gain (Loss) From Operations	(41,488)	(16,993)	(17,709)	(18,206)	(12,563)	(11,996)	(4,862)	(6,875)	52	(29)	1,447	561	(4,844)	(8,602)
Other Operating Items:														
Other Post Employment Benefits	-	-	-	-	-	-	(42,482)	(13,805)	(1,726)	(1,726)	(1,726)	(1,726)	(20,709)	(20,711)
Change in Derivative Instruments	-	-	(8,596)	(3,687)	1,477	3,498	(7,181)	(4,388)	-	-	-	-	(4,388)	(1,741)
Grants for Capital Asset Acquisition	-	-	-	-	-	-	20,773	58,953	-	-	-	-	58,953	24,748
Amortization of Refunding Loss	-	-	-	(991)	(2,371)	(2,353)	(2,334)	(1,544)	(194)	(193)	(192)	(192)	(2,315)	(2,296)
Total Other Operating Items	-	-	(8,596)	(4,678)	(894)	1,145	(31,224)	39,216	(1,920)	(1,919)	(1,918)	(1,918)	31,541	-
Net income (loss)	(41,488)	(16,993)	(26,305)	(22,884)	(13,457)	(10,851)	(36,086)	32,341	(1,868)	(1,948)	(471)	(1,357)	26,697	(8,602)

* Captive not eliminated

Nassau Health Care Corporation and Subsidiaries

Budgeted Revenue & Expenses

Consolidated

For the twelve months ended 12/31/09

(In Thousands)

	2009 Budgeted												2009	Projected FYE	Audited FYE
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	12/31/2008	12/31/2007
Operating Revenues:															
Net patient service revenue	37,473	35,665	37,464	35,866	36,556	37,112	37,391	36,318	36,192	36,077	34,121	36,433	436,668	423,076	397,313
NYS Intergovernmental transfer	2,063	2,063	2,063	2,063	2,063	2,063	2,063	2,063	2,061	2,061	2,061	2,061	24,748	39,469	31,144
Nassau County Billings	2,955	2,955	2,955	2,955	2,955	2,955	2,955	2,955	2,954	2,953	2,953	2,953	35,453	36,064	33,068
Historical Mission Payments	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	18,000	16,064
Federal & State Aid	275	275	275	275	275	275	275	274	275	275	276	276	3,301	3,768	8,449
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	300	300	300	300	300	300	299	299	299	299	299	299	3,594	2,849	5,148
Miscellaneous	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,075	1,076	1,076	1,077	12,896	11,590	14,120
Total operating revenue	45,640	43,832	45,631	44,033	44,723	45,279	45,557	44,483	44,356	44,241	42,286	44,599	534,660	534,816	505,306
Operating Expenses:															
Salaries	21,667	19,681	20,967	20,306	21,317	20,306	21,317	20,967	20,655	21,316	21,355	21,314	251,168	243,974	229,099
Fringe Benefits	7,299	6,628	7,055	6,829	7,145	6,740	7,003	6,814	6,640	6,816	6,794	6,710	82,473	85,062	80,342
Supplies	2,309	2,084	2,309	2,234	2,309	2,234	2,309	2,309	2,234	2,309	2,234	2,305	27,179	26,145	23,737
Expenses	7,033	6,442	7,033	6,836	7,033	6,836	7,032	7,033	6,839	7,036	6,838	7,029	83,020	84,610	77,682
Utilities	2,158	1,950	2,158	2,089	2,158	2,089	2,158	2,158	2,089	2,158	2,089	2,166	25,420	24,006	21,432
Depreciation Expense	1,473	1,473	1,473	1,473	1,473	1,473	1,473	1,473	1,472	1,472	1,471	1,471	17,670	15,766	15,712
Interest & Amortization	858	858	858	858	858	858	858	858	857	857	857	857	10,292	12,192	11,540
Bad Debt Expense	4,424	3,944	4,020	3,451	3,651	3,713	4,551	4,868	3,791	3,533	2,643	3,451	46,040	47,905	50,624
Total operating expenses	47,221	43,060	45,873	44,076	45,944	44,249	46,701	46,480	44,577	45,497	44,281	45,303	543,262	539,660	510,168
Gain (Loss) From Operations	(1,581)	772	(242)	(43)	(1,221)	1,030	(1,144)	(1,997)	(221)	(1,256)	(1,995)	(704)	(8,602)	(4,844)	(4,862)
Other Operating Items:															
Other Post Employment Benefits	(1,726)	(1,726)	(1,726)	(1,726)	(1,726)	(1,726)	(1,726)	(1,726)	(1,726)	(1,726)	(1,726)	(1,725)	(20,711)	(20,709)	(42,482)
Change in Derivative Instruments	(145)	(145)	(145)	(145)	(145)	(145)	(145)	(146)	(144)	(145)	(145)	(146)	(1,741)	(4,388)	(7,181)
Grants for Capital Asset Acquisition	2,063	2,063	2,063	2,063	2,063	2,063	2,063	2,063	2,061	2,061	2,061	2,061	24,748	58,953	20,773
Amortization of Refunding Loss	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(191)	(191)	(190)	(190)	(190)	(2,296)	(2,315)	(2,334)
Total Other Operating Items	-	-	-	-	-	-	-	-	-	-	-	-	-	31,541	(31,224)
Net income (loss)	(1,581)	772	(242)	(43)	(1,221)	1,030	(1,144)	(1,997)	(221)	(1,256)	(1,995)	(704)	(8,602)	26,697	(36,086)

Nassau Health Care Corporation and Subsidiaries
Budgeted Cash Flow (Unrestricted)
Consolidated
For the twelve months ended 12/31/09
(In Thousands)

	2009												
	Budgeted												
	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
Beginning Cash Balance:	\$ 3,000	\$ 2,372	\$ 9,450	\$ 23,891	\$ 23,686	\$ 28,967	\$ 15,014	\$ 14,353	\$ 18,260	\$ 16,701	\$ 15,948	\$ 9,268	\$ 3,000
Cash Receipts:													
Net patient service revenue	34,188	26,811	30,902	34,039	28,191	28,885	35,108	32,346	28,029	34,828	27,165	28,567	369,059
NYS Intergovernmental transfer	-	-	18,693	-	-	-	-	-	4,500	-	1,555	-	24,748
Nassau County Billings	4,000	12,433	-	-	12,433	-	-	8,289	-	-	8,289	-	45,444
Historical Mission Payments	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Federal & State Aid	6	574	323	6	574	323	6	574	324	7	575	323	3,615
Practice Plan Revenue	575	575	575	575	575	575	575	574	574	574	574	574	6,895
Miscellaneous	291	291	291	291	291	291	291	291	291	292	292	293	3,496
Investment Income	175	175	175	175	175	175	175	175	175	175	175	175	2,100
Total cash receipts	40,735	42,359	52,459	36,586	43,739	31,749	37,655	43,749	35,393	37,376	40,125	31,432	473,357
Cash Disbursements:													
Salaries	21,960	17,574	18,860	18,199	19,210	24,799	19,210	18,860	18,549	19,210	25,849	19,208	241,488
Fringe Benefits	7,395	6,723	7,150	6,925	7,240	9,236	7,098	6,909	6,736	6,911	9,289	6,804	88,416
Supplies	2,309	2,084	2,309	2,234	2,309	2,234	2,309	2,309	2,234	2,309	2,234	2,305	27,179
Expenses	6,100	5,509	6,100	5,903	6,100	5,903	6,100	6,100	5,903	6,100	5,903	6,094	71,815
Utilities	2,158	1,950	2,158	2,089	2,158	2,089	2,158	2,158	2,089	2,158	2,089	2,166	25,420
Interest Expense	858	858	858	858	858	858	858	858	857	857	857	857	10,292
Debt Service	-	-	-	-	-	-	-	2,065	-	-	-	-	2,065
Total Cash disbursements	40,780	34,698	37,435	36,208	37,875	45,119	37,733	39,259	36,368	37,545	46,221	37,434	466,675
Cash flow excess(deficit)from operations	(45)	7,661	15,024	378	5,864	(13,370)	(78)	4,490	(975)	(169)	(6,096)	(6,002)	6,682
Capital Expenditures	583	583	583	583	583	583	583	583	584	584	584	584	7,000
Cash flow excess(deficit)after cap exp	(628)	7,078	14,441	(205)	5,281	(13,953)	(661)	3,907	(1,559)	(753)	(6,680)	(6,586)	(318)
Ending Cash Balance:	\$ 2,372	\$ 9,450	\$ 23,891	\$ 23,686	\$ 28,967	\$ 15,014	\$ 14,353	\$ 18,260	\$ 16,701	\$ 15,948	\$ 9,268	\$ 2,682	\$ 2,682
Restricted Cash	1,632	3,264	4,896	6,528	8,160	9,792	11,424	13,056	14,688	16,320	17,952		
Total Cash	\$ 4,004	\$ 12,714	\$ 28,787	\$ 30,214	\$ 37,127	\$ 24,806	\$ 25,777	\$ 31,316	\$ 31,389	\$ 32,268	\$ 27,220	\$ 2,682	

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Nassau Health Care Corporation and Subsidiaries

Projected Revenue & Expenses

Nassau University Medical Center

Comparative

(In Thousands)

	<u>Audited FYE 12/31/2001</u>	<u>Audited FYE 12/31/2002</u>	<u>Audited FYE 12/31/2003</u>	<u>Audited FYE 12/31/2004</u>	<u>Audited FYE 12/31/2005</u>	<u>Audited FYE 12/31/2006</u>	<u>Audited FYE 12/31/2007</u>	<u>Actual YTD 08/31/2008</u>	<u>2008 Projected SEPT</u>	<u>2008 Projected OCT</u>	<u>2008 Projected NOV</u>	<u>2008 Projected DEC</u>	<u>Projected FYE 12/31/2008</u>	<u>Budgeted FYE 12/31/2009</u>
Operating Revenues:														
Net patient service revenue	294,167	301,930	326,952	318,493	299,567	306,303	315,056	227,903	26,567	27,591	27,284	28,105	337,450	347,659
NYS Intergovernmental transfer	2,100	2,493	4,349	11,406	10,189	40,475	31,144	17,977	2,248	2,248	2,248	2,248	26,969	19,148
Nassau County Billings	25,322	26,752	31,020	26,201	36,066	27,904	32,500	23,678	2,962	2,962	2,962	2,962	35,526	34,893
Historical Mission Payments	10,194	10,192	10,192	10,192	10,192	(5,000)	8,256	6,792	850	850	850	850	10,192	10,192
Federal & State Aid	1,900	8,769	5,987	6,530	5,652	1,858	5,089	1,384	236	236	236	236	2,328	1,958
Practice Plan Revenue	2,235	9,942	3,762	5,708	8,780	8,780	7,243	4,229	639	639	639	639	6,785	6,895
Investment Income	4,010	2,375	1,940	3,134	934	2,730	3,119	957	27	27	27	27	1,065	1,560
Miscellaneous	2,589	3,945	3,993	3,694	6,030	6,501	6,276	817	328	328	328	328	2,129	3,447
Total operating revenue	342,517	366,398	388,195	385,358	377,410	389,551	408,683	283,737	33,857	34,881	34,574	35,395	422,444	425,752
Operating Expenses:														
Salaries	180,080	174,537	178,342	165,634	160,847	170,719	180,901	130,348	16,010	16,544	16,010	16,544	195,456	201,574
Fringe Benefits	34,409	39,939	46,128	57,132	53,991	52,399	64,248	46,491	5,562	5,748	5,563	5,748	69,112	66,337
Supplies	16,866	17,090	16,990	18,994	18,955	19,483	19,857	14,631	1,802	1,862	1,802	1,862	21,959	22,688
Expenses	57,538	58,802	70,173	62,003	61,135	50,850	56,703	39,607	4,901	5,064	4,901	5,064	59,537	62,033
Utilities	15,537	14,156	15,164	16,047	18,739	20,022	19,344	14,302	1,744	1,802	1,744	1,802	21,394	22,643
Depreciation Expense	10,126	11,449	12,581	12,481	13,379	14,270	14,439	9,624	1,202	1,202	1,202	1,202	14,432	16,318
Interest & Amortization	11,225	11,133	11,267	11,029	9,715	10,247	8,568	7,487	442	442	442	442	9,255	7,616
Bad Debt Expense	50,785	49,995	47,538	47,550	45,259	50,850	45,773	32,511	3,341	3,071	2,267	2,993	44,183	42,151
Total operating expenses	376,566	377,101	398,183	390,870	382,020	388,840	409,833	295,001	35,004	35,735	33,931	35,657	435,328	441,360
Gain (Loss) From Operations	(34,049)	(10,703)	(9,988)	(5,512)	(4,610)	711	(1,150)	(11,264)	(1,147)	(854)	643	(262)	(12,884)	(15,608)
Other Operating Items:														
Other Post Employment Benefits	-	-	-	-	-	-	(33,893)	(11,014)	(1,377)	(1,377)	(1,377)	(1,377)	(16,522)	(16,524)
Change in Derivative Instruments	-	-	(6,050)	(2,727)	1,091	3,393	(5,314)	(3,195)	-	-	-	-	(3,195)	(925)
Grants for Capital Asset Acquisition	-	-	-	-	-	-	20,773	44,953	-	-	-	-	44,953	19,148
Amortization of Refunding Loss	-	-	-	(733)	(1,755)	(1,741)	(1,727)	(1,144)	(143)	(142)	(142)	(142)	(1,713)	(1,699)
Total Other Operating Items	-	-	(6,050)	(3,460)	(664)	1,652	(20,161)	29,600	(1,520)	(1,519)	(1,519)	(1,519)	23,523	-
Net income (loss)	(34,049)	(10,703)	(16,038)	(8,972)	(5,274)	2,363	(21,311)	18,336	(2,667)	(2,373)	(876)	(1,781)	10,639	(15,608)

Nassau Health Care Corporation and Subsidiaries

Budgeted Revenue & Expenses

Nassau University Medical Center

For the twelve months ended 12/31/09

(In Thousands)

	2009 Budgeted												2009	Projected FYE	Audited FYE
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	12/31/2008	12/31/2007
Operating Revenues:															
Net patient service revenue	30,044	28,709	30,042	28,520	29,127	29,825	29,789	28,749	28,758	28,469	26,800	28,827	347,659	337,450	315,056
NYS Intergovernmental transfers	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,595	1,595	1,595	1,595	19,148	26,969	31,144
Nassau County Billings	2,908	2,908	2,908	2,908	2,908	2,908	2,908	2,908	2,908	2,907	2,907	2,907	34,893	35,526	32,500
Historical Mission Payments	849	849	849	849	849	849	849	849	850	850	850	850	10,192	10,192	8,256
Federal & State Aid	163	163	163	163	163	163	163	163	163	164	164	164	1,958	2,328	5,089
Practice Plan Revenue	575	575	575	575	575	575	575	574	574	574	574	574	6,895	6,785	7,243
Investment Income	130	130	130	130	130	130	130	130	130	130	130	130	1,560	1,065	3,119
Miscellaneous	287	287	287	287	287	287	287	287	287	288	288	288	3,447	2,129	6,276
Total operating revenue	36,552	35,217	36,550	35,028	35,635	36,333	36,297	35,256	35,265	34,976	33,308	35,335	425,752	422,444	408,683
Operating Expenses:															
Salaries	17,370	15,713	16,870	16,318	17,120	16,318	17,120	16,870	16,568	17,120	17,068	17,119	201,574	195,456	180,901
Fringe Benefits	5,882	5,337	5,718	5,532	5,770	5,446	5,632	5,484	5,316	5,456	5,399	5,365	66,337	69,112	64,248
Supplies	1,927	1,740	1,927	1,865	1,927	1,865	1,927	1,927	1,865	1,927	1,865	1,926	22,688	21,959	19,857
Expenses	5,269	4,759	5,269	5,099	5,269	5,099	5,269	5,269	5,099	5,269	5,099	5,264	62,033	59,537	56,703
Utilities	1,923	1,737	1,923	1,861	1,923	1,861	1,923	1,923	1,861	1,923	1,861	1,924	22,643	21,394	19,344
Depreciation Expense	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,359	1,359	16,318	14,432	14,439
Interest & Amortization	635	635	635	635	635	635	635	635	634	634	634	634	7,616	9,255	8,568
Bad Debt Expense	4,110	3,651	3,709	3,103	3,328	3,390	4,208	4,538	3,460	3,188	2,359	3,107	42,151	44,183	45,773
Total operating expenses	38,476	34,932	37,411	35,773	37,332	35,974	38,074	38,006	36,163	36,877	35,644	36,698	441,360	435,328	409,833
Gain (Loss) From Operations	(1,924)	285	(861)	(745)	(1,697)	359	(1,777)	(2,750)	(898)	(1,901)	(2,336)	(1,363)	(15,608)	(12,884)	(1,150)
Other Operating Items:															
Other Post Employment Benefits	(1,377)	(1,377)	(1,377)	(1,377)	(1,377)	(1,377)	(1,377)	(1,377)	(1,377)	(1,377)	(1,377)	(1,377)	(16,524)	(16,522)	(33,893)
Change in Derivative Instrument	(77)	(77)	(77)	(77)	(77)	(77)	(77)	(78)	(77)	(77)	(77)	(77)	(925)	(3,195)	(5,314)
Grants for Capital Asset Acquisition	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,595	1,595	1,595	1,595	19,148	44,953	-
Amortization of Refunding Loss	(142)	(142)	(142)	(142)	(142)	(142)	(142)	(141)	(141)	(141)	(141)	(141)	(1,699)	(1,713)	(1,727)
Total Other Operating Items	-	-	-	-	-	-	-	-	-	-	-	-	-	23,523	(40,934)
Net income (loss)	(1,924)	285	(861)	(745)	(1,697)	359	(1,777)	(2,750)	(898)	(1,901)	(2,336)	(1,363)	(15,608)	10,639	(42,084)

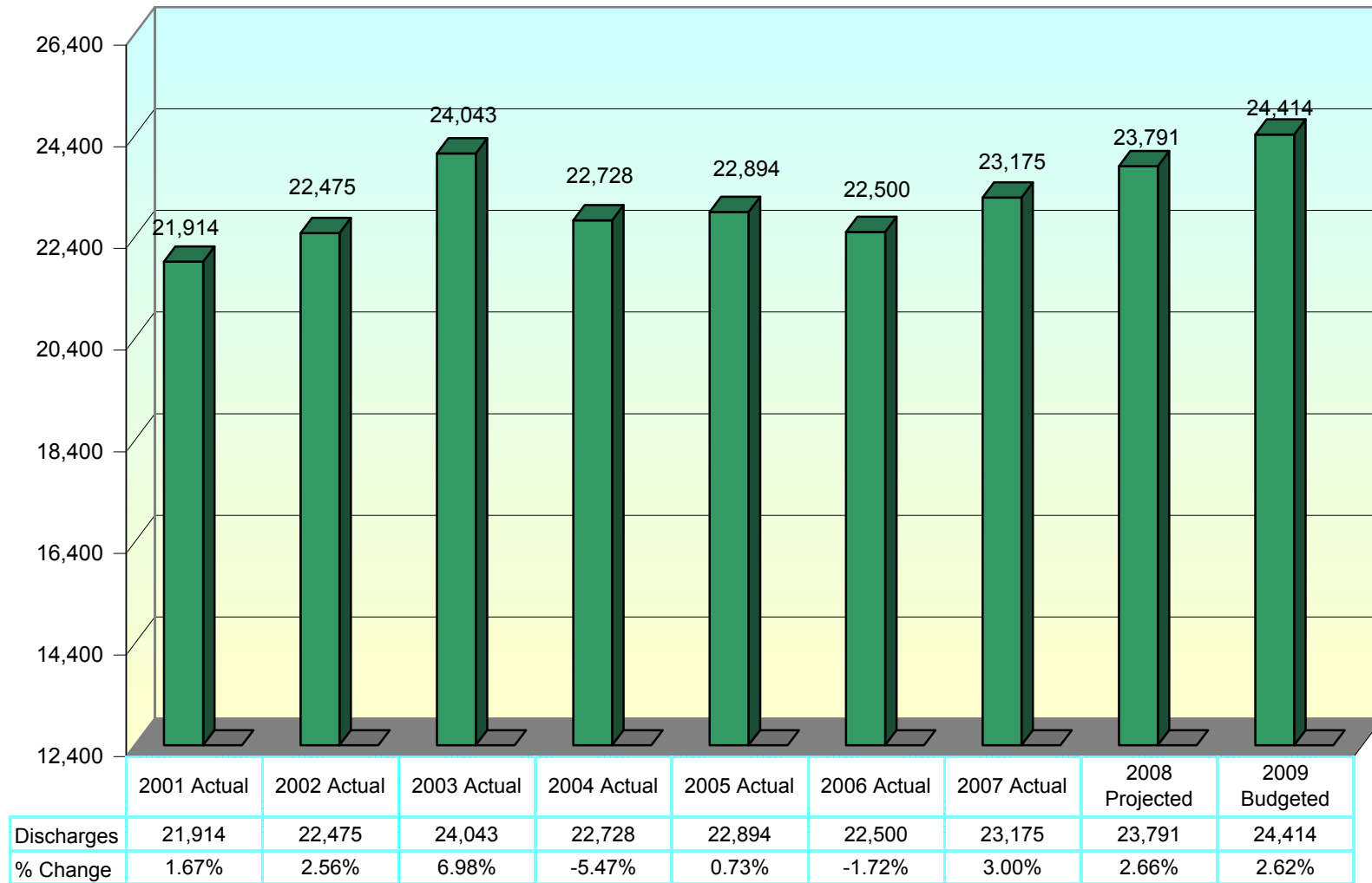
Nassau Health Care Corporation and Subsidiaries
Key Operating Statistics
Nassau University Medical Center
For the twelve months ended 12/31/09

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	8/2008 Actual	2008 Proj.	2009 Budgeted													
										JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
DISCHARGES:																							
Adult & Peds	17,246	18,359	19,890	19,035	19,250	18,730	18,556	12,634	18,703	1,656	1,603	1,644	1,612	1,622	1,704	1,640	1,565	1,562	1,586	1,535	1,589	19,318	
Psychiatry	2,205	1,709	1,550	1,419	1,414	1,555	1,990	1,465	2,219	201	168	180	205	181	175	164	191	186	191	186	191	2,219	
Chemical Dependency Rehab	-	-	-	-	-	-	239	314	512	33	35	45	39	42	35	50	35	49	50	49	50	512	
Physical Medicine & Rehab	597	601	740	666	625	535	602	365	547	51	43	46	45	46	45	46	51	45	46	45	46	555	
Newborn	1,866	1,806	1,863	1,608	1,605	1,680	1,788	1,204	1,810	168	142	163	119	153	169	151	139	153	142	145	166	1,810	
Total	21,914	22,475	24,043	22,728	22,894	22,500	23,175	15,982	23,791	2,109	1,991	2,078	2,020	2,044	2,128	2,051	1,981	1,995	2,015	1,960	2,042	24,414	
PATIENT DAYS:																							
Adult & Peds	87,664	92,598	101,551	89,783	91,568	84,777	80,392	55,134	80,970	7,726	7,098	7,660	6,928	6,738	6,878	7,769	7,292	7,089	7,061	6,184	6,968	85,391	
Psychiatry	29,558	30,626	30,071	30,611	31,246	31,065	35,470	30,775	45,273	3,794	3,681	3,972	3,909	4,013	3,884	3,837	3,685	3,564	3,685	3,564	3,685	45,273	
Chemical Dependency Rehab	-	-	-	-	-	-	5,335	6,513	9,763	802	806	864	833	809	840	826	733	799	826	799	826	9,763	
Physical Medicine & Rehab	8,777	8,151	8,760	7,314	7,391	6,589	6,864	5,021	7,845	717	647	717	695	717	695	662	717	695	717	695	717	8,391	
Newborn	5,405	5,257	5,403	4,808	4,801	4,743	5,143	3,279	5,006	464	414	450	329	420	440	391	371	425	396	451	455	5,006	
Total	131,404	136,632	145,785	132,516	135,006	127,174	133,204	100,722	148,857	13,503	12,646	13,663	12,694	12,697	12,737	13,485	12,798	12,572	12,685	11,693	12,651	153,824	
AVG LENGTH OF STAY:																							
Adult & Peds	5.08	5.04	5.11	4.72	4.76	4.53	4.33	4.36	4.33	4.67	4.43	4.66	4.30	4.15	4.04	4.74	4.66	4.54	4.45	4.03	4.39	4.42	
Psychiatry	13.40	17.92	19.40	21.57	22.10	19.98	17.82	21.01	20.40	18.88	21.91	22.07	19.07	22.17	22.19	23.40	19.29	19.16	19.29	19.16	19.29	20.40	
Chemical Dependency Rehab	-	-	-	-	-	-	22.32	20.74	19.07	24.30	23.03	19.20	21.36	19.26	24.00	16.52	20.94	16.31	16.52	16.31	16.52	19.07	
Physical Medicine & Rehab	14.70	13.56	11.84	10.98	11.83	12.32	11.40	13.76	14.34	14.06	15.05	15.59	15.44	15.59	15.44	14.39	14.06	15.44	15.59	15.44	15.59	15.12	
Newborn	2.90	2.91	2.90	2.99	2.99	2.82	2.88	2.72	2.77	2.76	2.92	2.76	2.76	2.75	2.60	2.59	2.67	2.78	2.79	3.11	2.74	2.77	
Total	6.00	6.08	6.06	5.83	5.90	5.65	5.75	6.30	6.26	6.40	6.35	6.58	6.28	6.21	5.99	6.57	6.46	6.30	6.30	5.97	6.20	6.30	
AVG DAILY CENSUS																							
Adult & Peds	240.2	253.7	278.2	246.0	250.9	232.3	220.3	226.0	221.2	249.2	253.5	247.1	230.9	217.4	229.3	250.6	235.2	236.3	227.8	206.1	224.8	233.9	
Psychiatry	81.0	83.9	82.4	83.9	85.6	85.1	97.2	126.1	123.7	122.4	131.5	128.1	130.3	129.5	129.5	123.8	118.9	118.8	118.9	118.8	118.9	124.0	
Chemical Dependency Rehab	-	-	-	-	-	-	14.6	26.7	26.7	25.9	28.8	27.9	27.8	26.1	28.0	26.6	23.6	26.6	26.6	26.6	26.6	26.7	
Physical Medicine & Rehab	24.0	22.3	24.0	20.0	20.2	18.1	18.8	20.6	21.4	23.1	23.1	23.1	23.2	23.1	23.2	21.4	23.1	23.2	23.1	23.2	23.1	23.0	
Newborn	14.8	14.4	14.8	13.2	13.2	13.0	14.1	13.4	13.7	15.0	14.8	14.5	11.0	13.5	14.7	12.6	12.0	14.2	12.8	15.0	14.7	13.7	
Total	360.0	374.3	399.4	363.1	369.9	348.5	365.0	412.8	406.7	435.6	451.7	440.7	423.2	409.6	424.7	435.0	412.8	419.1	409.2	389.7	408.1	421.3	
CASE MIX INDEX (CMI)																							
Medicare	1.37	1.39	1.40	1.42	1.37	1.31	1.38	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	
Medicaid	1.07	1.16	1.22	1.25	1.19	1.20	1.22	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	
Other	1.33	1.21	1.21	1.26	1.26	1.38	1.34	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	
Total	1.22	1.21	1.24	1.25	1.21	1.26	1.24	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	
PERCENT OCCUPANCY:																							
Licensed Beds	54.71%	57.04%	60.95%	55.30%	56.53%	53.16%	55.60%	63.29%	62.29%	79.21%	82.27%	80.27%	77.62%	74.58%	77.19%	79.55%	75.49%	76.25%	74.66%	70.57%	74.09%	76.78%	
Available Beds	71.77%	74.83%	79.96%	72.54%	74.16%	69.74%	72.94%	83.03%	81.71%	91.24%	94.76%	92.46%	89.41%	85.91%	88.92%	91.62%	86.96%	87.83%	85.99%	81.29%	85.34%	88.44%	

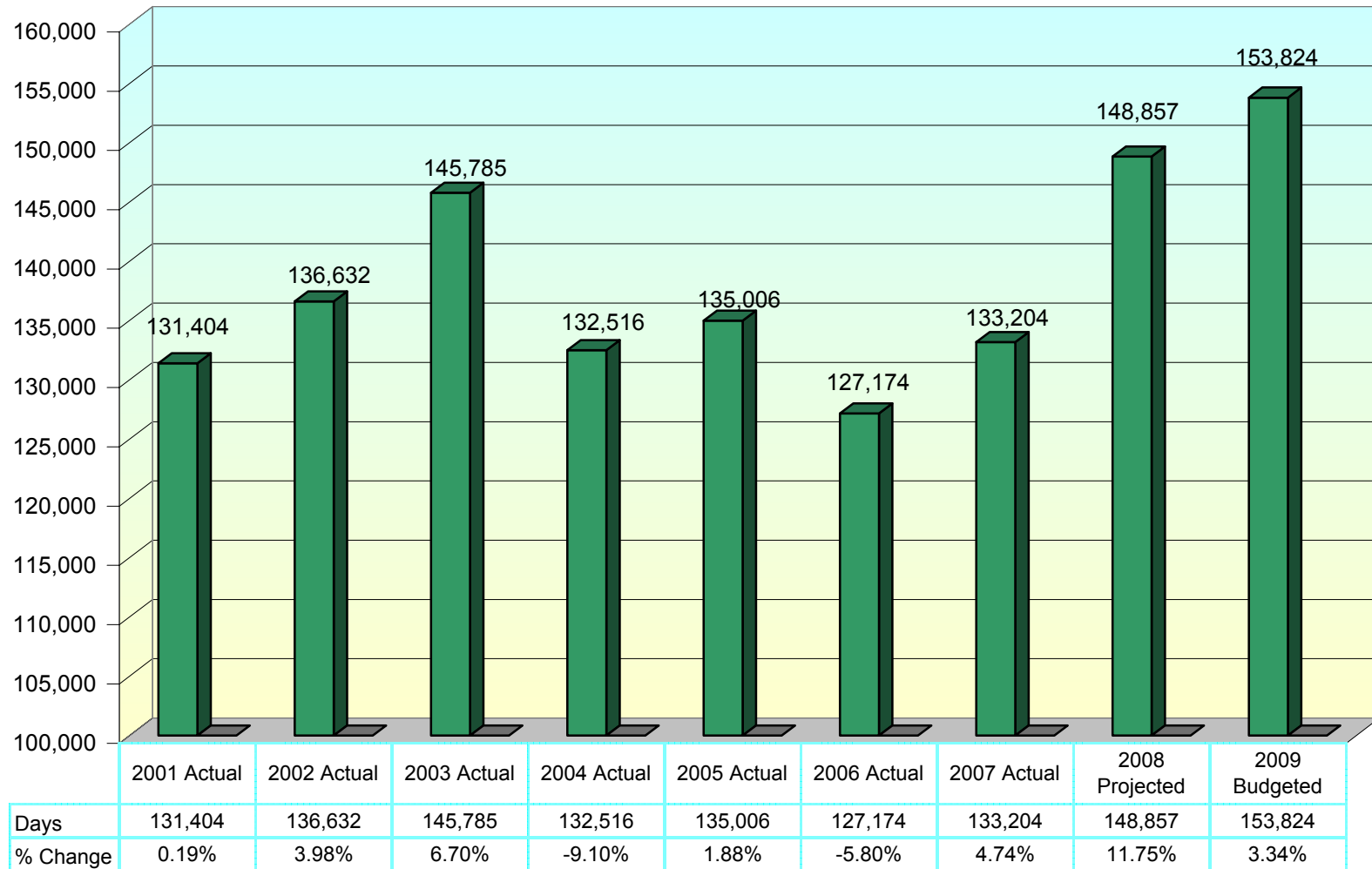
Nassau Health Care Corporation and Subsidiaries
Key Operating Statistics
Nassau University Medical Center
For the twelve months ended 12/31/09

	2001	2002	2003	2004	2005	2006	2007	8/2008	2008	2009												
										Budgeted												
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Proj.	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
AMBULATORY VISITS (Exc. Admits)																						
General Clinic	228,835	206,236	195,669	161,948	168,605	171,672	171,819	108,872	163,797	14,223	12,941	13,554	14,569	15,086	14,252	14,921	14,769	14,769	15,473	11,956	15,473	171,986
HIV Clinic	4,804	3,003	4,073	3,857	4,071	4,042	4,224	2,697	3,807	419	316	357	342	334	365	400	298	298	313	242	313	3,997
Oncology Clinic	3,494	3,378	3,436	3,557	3,596	3,663	3,347	2,362	3,540	299	276	300	305	317	303	362	317	317	332	256	332	3,716
CDC Clinic	7,430	6,119	5,442	2,245	796	806	701	472	688	54	68	77	75	64	56	45	58	58	61	47	61	724
Hyperbaric Clinic	1,546	1,792	1,273	911	3,498	4,390	4,555	2,605	4,003	343	272	370	306	288	359	422	376	376	394	305	394	4,205
Mental Health	10,632	11,785	9,917	8,600	8,183	7,286	6,808	4,887	7,454	385	312	332	817	882	889	823	691	691	723	559	722	7,826
Emergency Room (Total)	82,111	82,699	82,521	75,113	74,025	73,774	74,331	50,975	75,379	6,983	6,469	6,547	6,443	6,622	6,990	6,959	6,511	6,301	6,511	6,301	6,511	79,148
Emergency Room Admits	17,840	17,166	17,605	18,324	18,511	17,867	18,432	12,548	18,456	1,748	1,472	1,618	1,595	1,696	1,528	1,611	1,531	1,482	1,531	1,482	1,531	18,825
Ambulatory Surgery	3,912	3,511	3,682	3,728	3,377	3,275	3,293	2,353	3,535	288	280	313	303	302	340	326	318	318	333	257	333	3,711
Hemodialysis	11,346	11,833	12,485	12,757	12,618	12,388	14,327	9,383	13,984	1,656	1,635	1,706	1,800	1,937	1,757	1,818	1,767	1,767	1,851	1,431	1,853	20,978
Referred Ambulatory	9,764	11,822	7,899	6,730	5,192	4,863	5,018	3,254	4,808	380	353	392	419	421	445	446	398	398	417	322	417	4,808
LABOR STATISTICS:																						
Full-Time Equivalent (FTE) Total	3,263	2,992	3,104	2,797	2,624	2,666	2,752	2,940	2,944	2,934	2,934	2,934	2,934	2,934	2,934	2,934	2,934	2,934	2,934	2,934	2,934	2,934
Labor Cost Per Man Hour	39.12	42.67	43.04	47.27	48.73	49.82	53.02	53.56	53.34	55.54	55.67	53.95	53.93	54.68	53.72	54.35	53.40	54.01	53.93	55.45	53.71	54.35
FTE's Per Adjusted Occupied Bed	6.17	5.47	5.48	5.54	5.06	5.48	5.30	5.16	5.22	4.86	4.68	4.80	5.00	5.16	4.98	4.86	5.12	5.05	5.17	5.43	5.18	5.02
Payroll as a % of Gross Patient Revenue	72.91%	71.04%	68.66%	69.94%	71.72%	72.84%	77.81%	77.59%	78.40%	77.39%	73.32%	75.19%	76.61%	78.59%	72.97%	76.38%	77.76%	76.10%	79.30%	83.83%	78.00%	77.06%
% of Salary & Benefits Expense	65.84%	65.57%	64.02%	64.89%	63.80%	66.01%	67.34%	67.37%	67.64%	67.66%	67.29%	67.02%	66.88%	67.32%	66.79%	67.18%	66.79%	66.92%	67.01%	67.50%	66.93%	67.11%
Overtime as a % of Payroll	3.46%	3.80%	4.48%	3.59%	4.27%	3.28%	4.06%	3.85%	4.53%	3.33%	3.32%	3.43%	3.43%	3.39%	3.45%	3.41%	3.47%	3.43%	3.43%	3.34%	3.45%	3.41%
CREDIT AND COLLECTION STATISTICS:																						
Bad Debts as a % of Patient Revenue	17.26%	16.56%	14.54%	14.93%	15.11%	16.60%	14.53%	14.27%	13.09%	13.68%	12.72%	12.35%	10.88%	11.43%	11.37%	14.13%	15.78%	12.03%	11.20%	8.80%	10.78%	12.12%

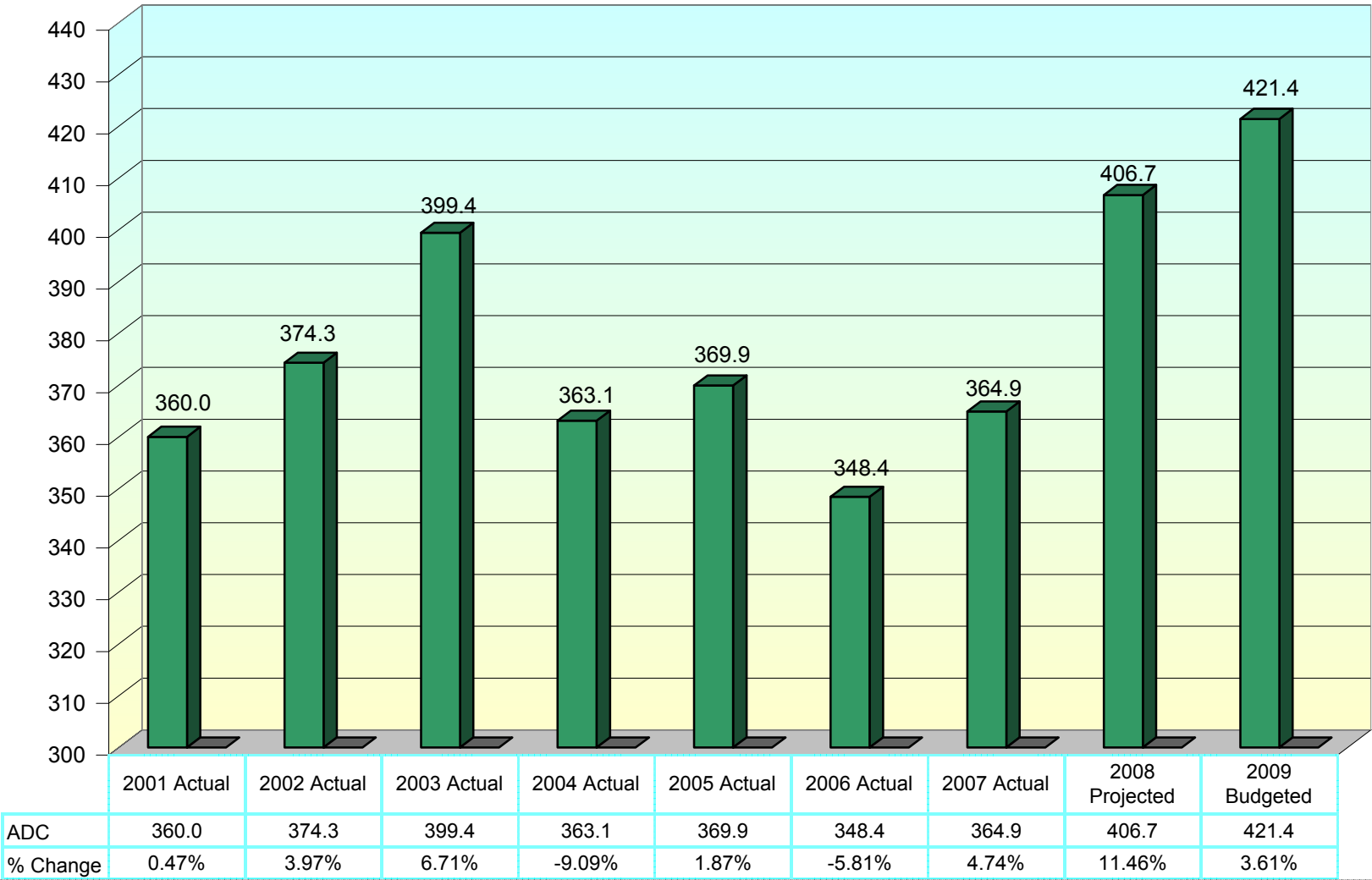
Nassau University Medical Center - Discharges



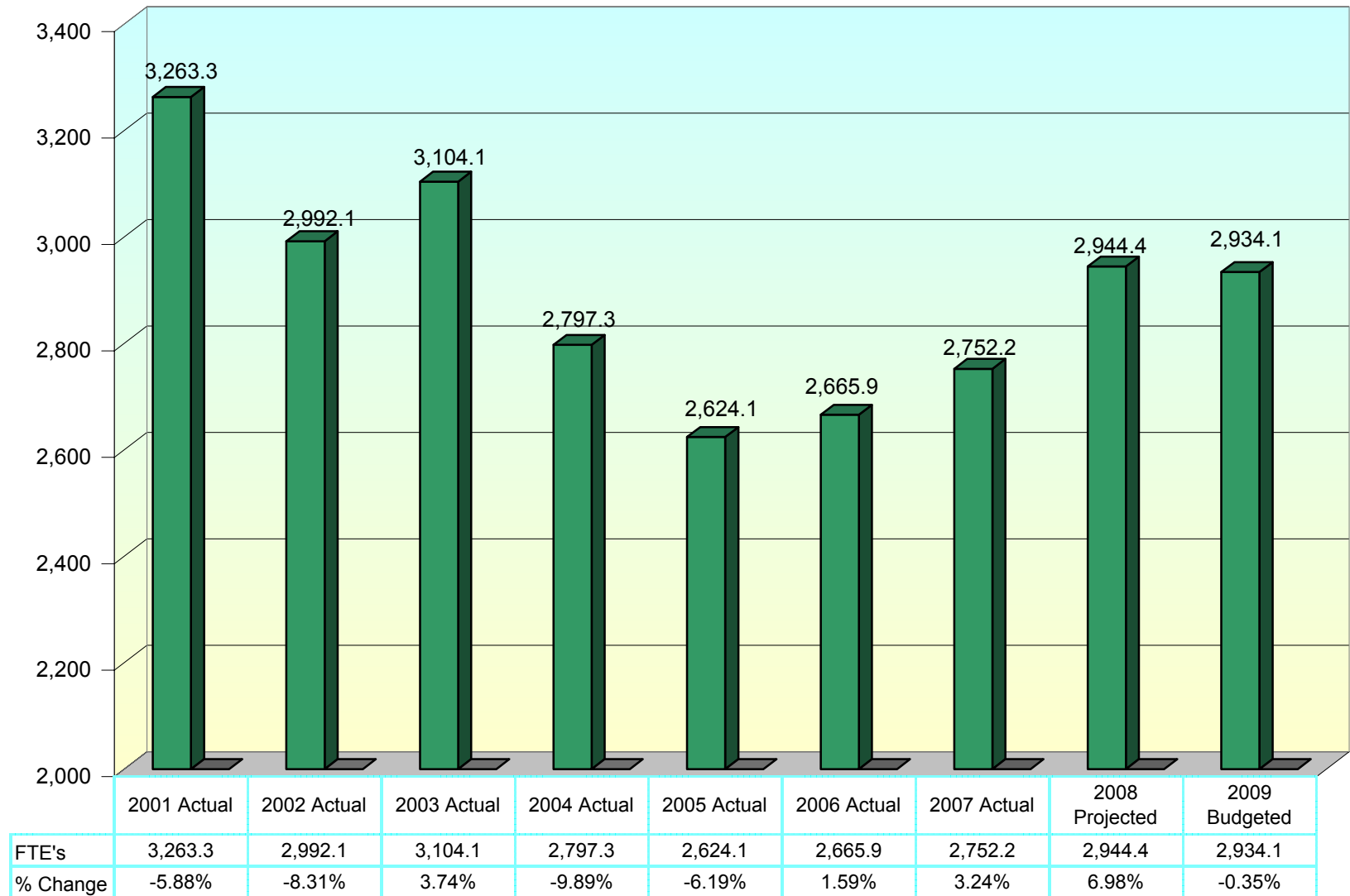
Nassau University Medical Center - Patient Days



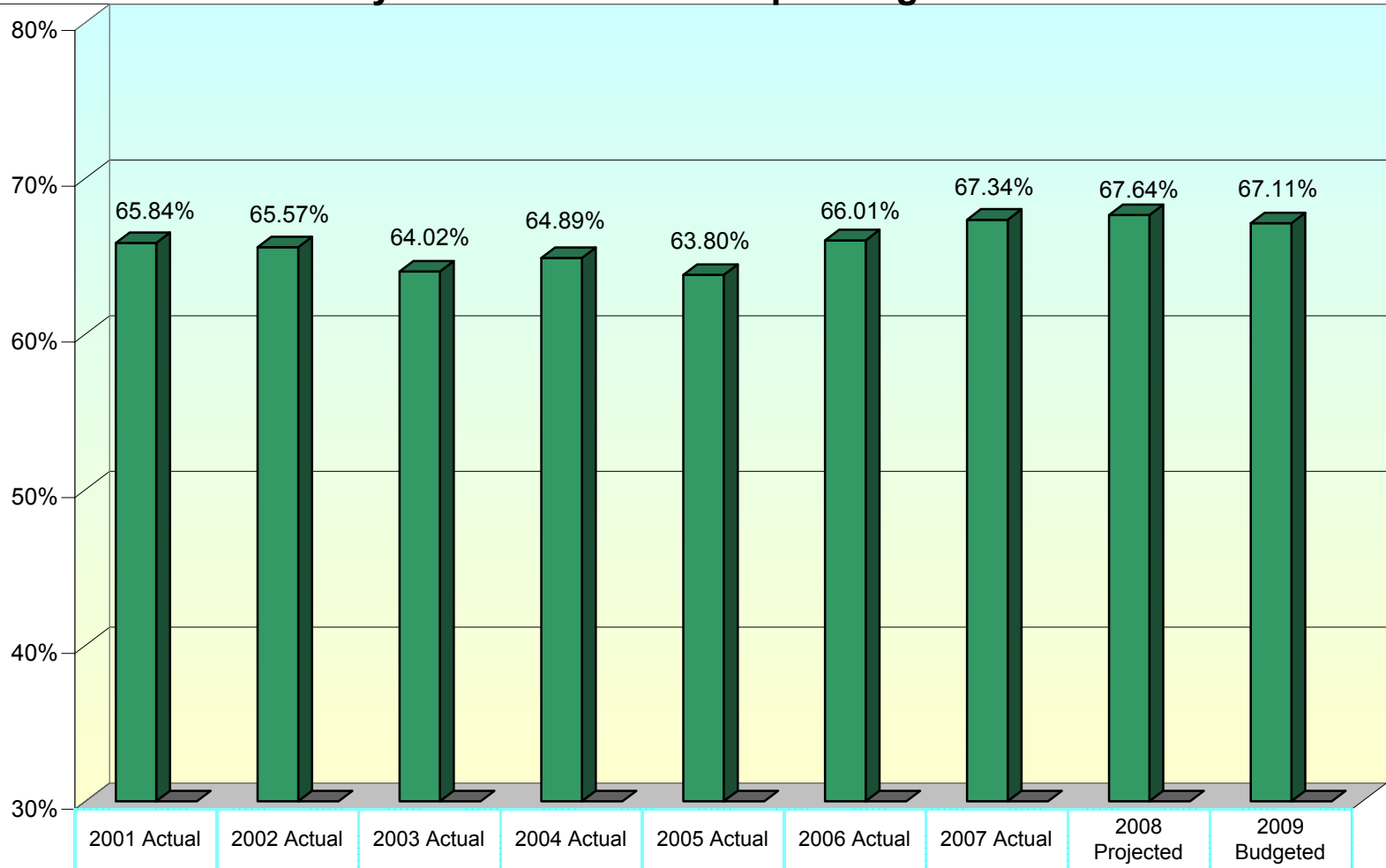
Nassau University Medical Center - Average Daily Census



Nassau University Medical Center - Full Time Equivalent Employees

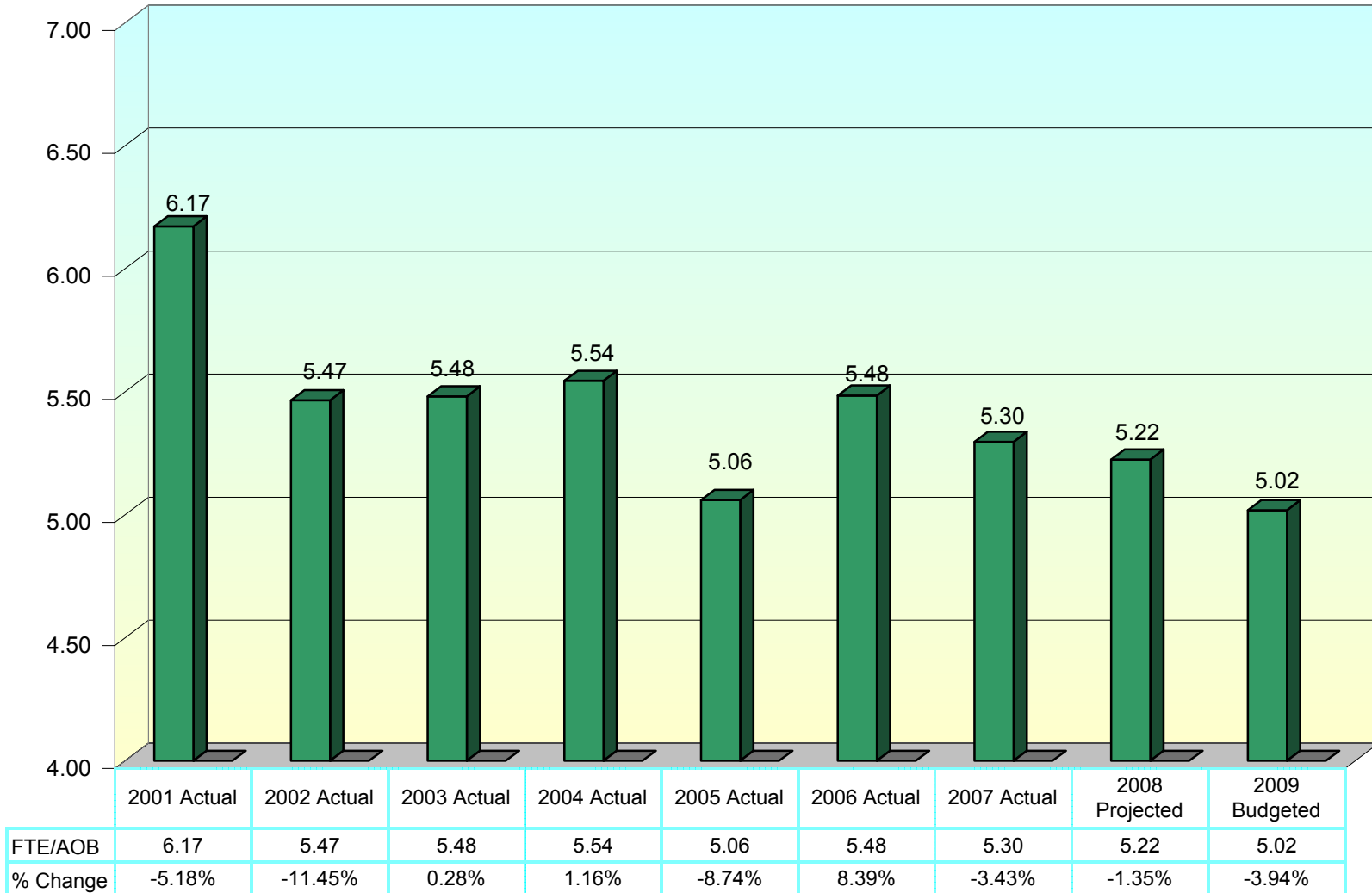


Nassau University Medical Center Salary & Benefits as % of Operating Costs

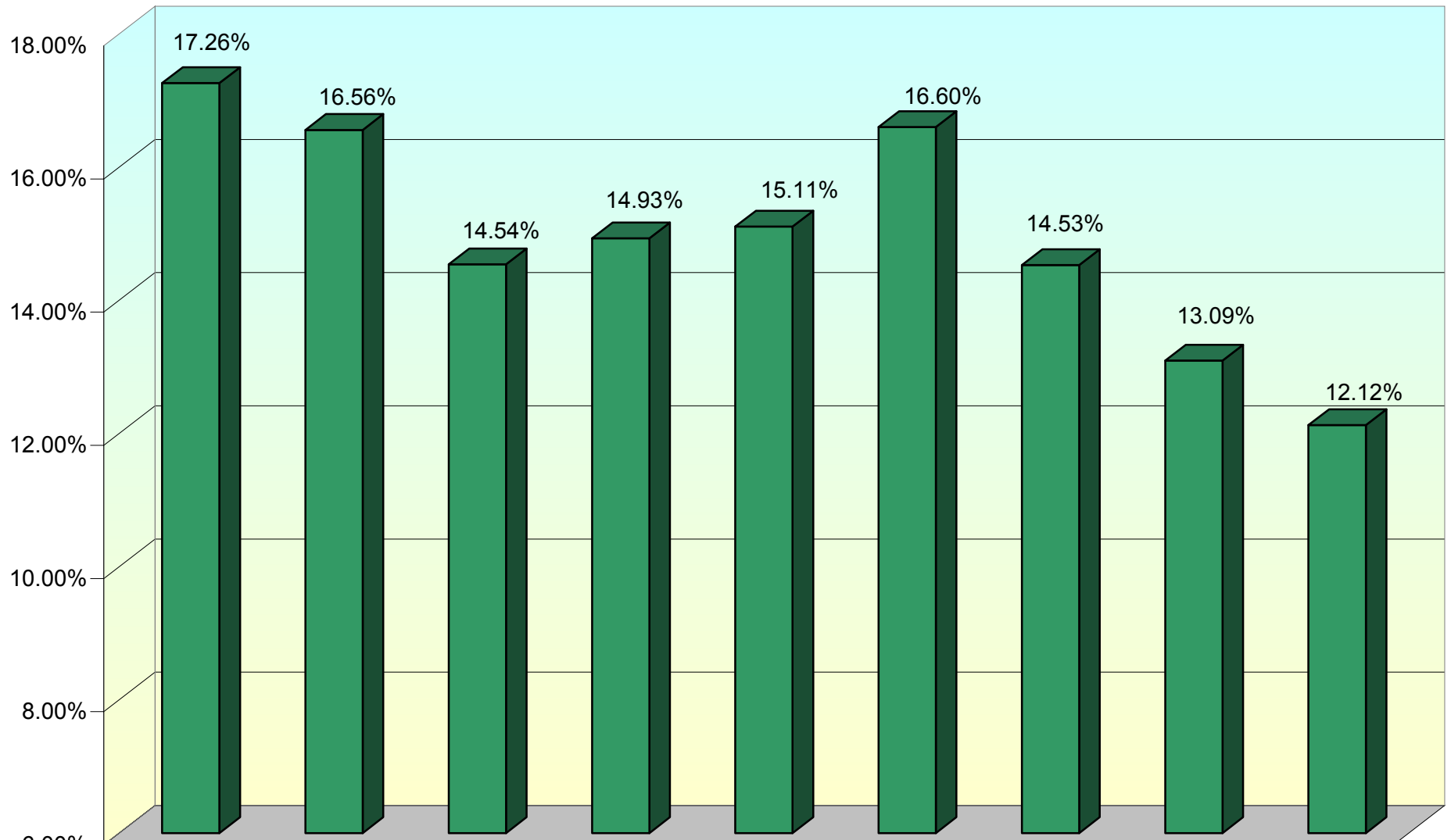


Salary & Benefits	65.84%	65.57%	64.02%	64.89%	63.80%	66.01%	67.34%	67.64%	67.11%
% Change	-5.23%	-0.41%	-2.37%	1.36%	-1.68%	3.48%	2.01%	0.45%	-0.78%

Nassau University Medical Center - FTE Per Adjusted Occupied Bed

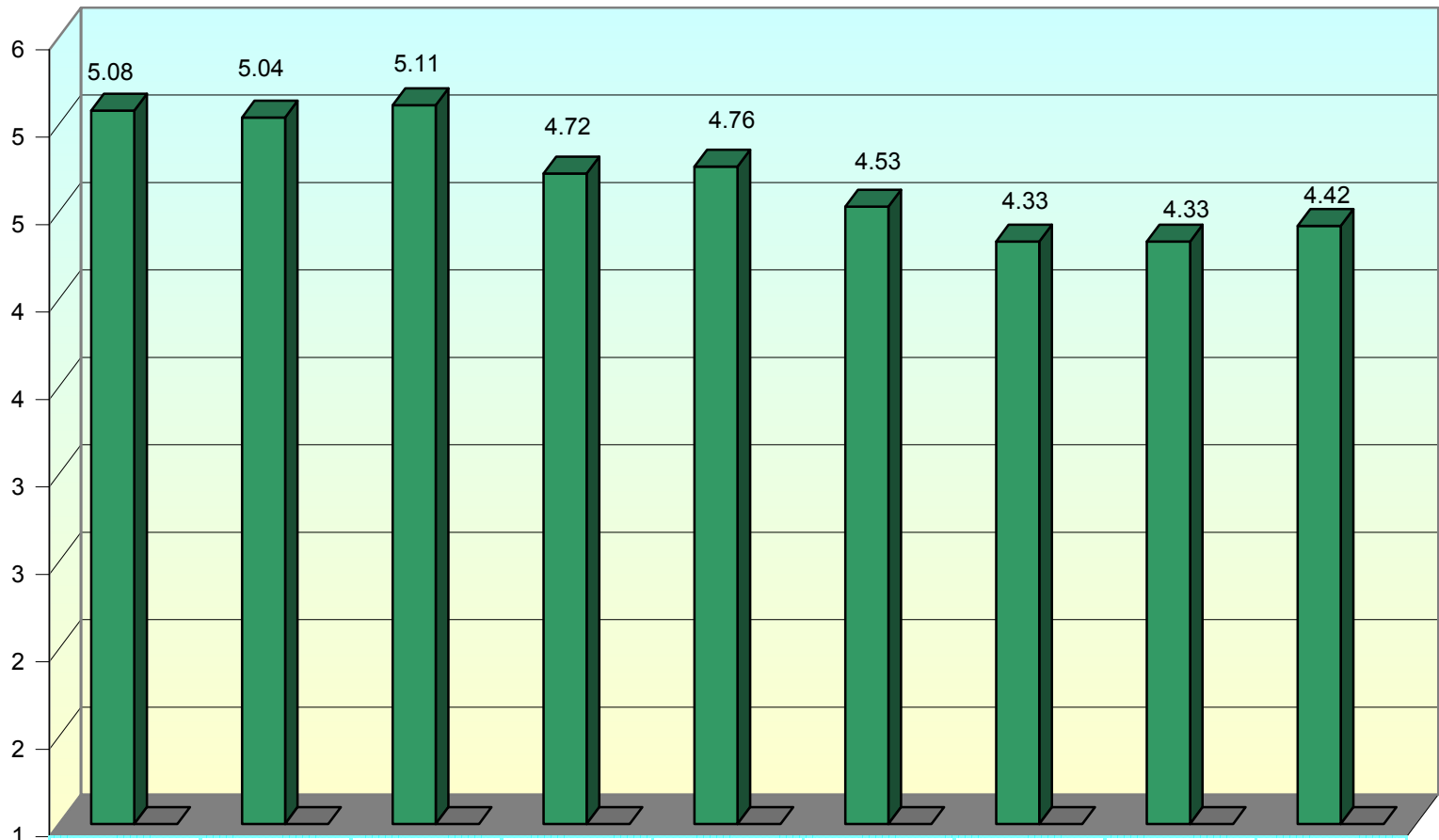


Nassau University Medical Center Bad Debt as % of Patient Revenue



B/D as % Pt. Rev.	17.26%	16.56%	14.54%	14.93%	15.11%	16.60%	14.53%	13.09%	12.12%
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Nassau University Medical Center - Length of Stay (LOS) - Adult & Peds



	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Projected	2009 Budgeted
LOS - Adult & Peds	5.08	5.04	5.11	4.72	4.76	4.53	4.33	4.33	4.42
% Change	-3.79%	-0.79%	1.39%	-7.63%	0.85%	-4.83%	-4.42%	0.00%	2.08%

Nassau Health Care Corporation and Subsidiaries
Projected Revenue & Expenses

A. Holly Patterson Extended Care Facility

Comparative

(In Thousands)

	<u>Audited FYE 12/31/2001</u>	<u>Audited FYE 12/31/2002</u>	<u>Audited FYE 12/31/2003</u>	<u>Audited FYE 12/31/2004</u>	<u>Audited FYE 12/31/2005</u>	<u>Audited FYE 12/31/2006</u>	<u>Audited FYE 12/31/2007</u>	<u>Actual YTD 08/31/2008</u>	<u>2008 Projected SEPT</u>	<u>2008 Projected OCT</u>	<u>2008 Projected NOV</u>	<u>2008 Projected DEC</u>	<u>Projected FYE 12/31/2008</u>	<u>Budgeted FYE 12/31/2009</u>
Operating Revenues:														
Net patient service revenue	54,458	56,891	49,217	46,157	46,588	50,177	56,565	37,068	5,032	4,843	4,701	4,844	56,488	58,709
NYS Intergovernmental transfer	7,293	6,360	5,823	2,118	1,150	1,150	-	8,332	1,042	1,042	1,042	1,042	12,500	5,600
Nassau County Billings	775	1,235	580	511	576	576	517	362	44	44	44	44	538	560
Historical Mission Payments	2,806	2,808	2,808	2,808	2,808	2,808	2,808	1,872	234	234	234	234	2,808	2,808
Federal & State Aid	-	441	-	571	82	82	368	76	-	-	-	-	76	76
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	1,705	781	594	984	274	129	126	274	50	50	50	50	474	480
Miscellaneous	-	132	124	117	28	28	41	49	3	3	3	3	61	49
Total operating revenue	67,037	68,648	59,146	53,266	51,506	54,950	60,425	48,033	6,405	6,216	6,074	6,217	72,945	68,282
Operating Expenses:														
Salaries	40,681	41,366	35,745	31,793	30,283	30,755	30,549	19,882	2,413	2,493	2,413	2,493	29,694	30,837
Fringe Benefits	10,030	11,482	11,418	13,712	13,020	11,532	12,676	7,920	955	987	955	987	11,804	12,168
Supplies	1,364	3,420	5,411	4,148	3,374	3,282	3,420	2,479	311	321	311	321	3,743	4,069
Expenses	15,769	8,469	7,910	5,513	5,904	5,185	4,701	4,059	499	516	499	516	6,089	7,174
Utilities	1,274	1,095	1,118	1,274	1,806	1,658	1,937	1,528	194	200	194	200	2,316	2,431
Depreciation Expense	1,699	1,289	1,208	1,156	1,186	1,239	1,228	821	109	109	109	109	1,257	1,272
Interest & Amortization	3,082	3,123	3,124	3,154	2,653	2,696	2,629	2,232	91	91	91	91	2,596	2,367
Bad Debt Expense	800	2,633	399	350	386	710	2,340	585	73	75	73	75	881	909
Total operating expenses	74,699	72,877	66,333	61,100	58,612	57,057	59,480	39,506	4,645	4,792	4,645	4,792	58,380	61,227
Gain (Loss) From Operations	(7,662)	(4,229)	(7,187)	(7,834)	(7,106)	(2,107)	945	8,527	1,760	1,424	1,429	1,425	14,565	7,055
Other Operating Items:														
Other Post Employment Benefits	-	-	-	-	-	-	(7,260)	(2,359)	(295)	(295)	(295)	(295)	(3,539)	(3,539)
Change in Derivative Instruments	-	-	(1,414)	(848)	341	-	(1,652)	(1,057)	-	-	-	-	(1,057)	(1,533)
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-	14,000	-	-	-	-	14,000	5,600
Amortization of Refunding Loss	-	-	-	(228)	(545)	(541)	(537)	(352)	(45)	(45)	(45)	(45)	(532)	(528)
Total Other Operating Items	-	-	(1,414)	(1,076)	(204)	(541)	(9,449)	10,232	(340)	(340)	(340)	(340)	8,872	-
Net income (loss)	(7,662)	(4,229)	(8,601)	(8,910)	(7,310)	(2,648)	(8,504)	18,759	1,420	1,084	1,089	1,085	23,437	7,055

Nassau Health Care Corporation and Subsidiaries

Budgeted Revenue & Expenses

A. Holly Patterson Extended Care Facility

For the twelve months ended 12/31/09

(In Thousands)

	2009 Budgeted												2009	Projected	Audited	
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	FYE 12/31/2008	FYE 12/31/2007	
Operating Revenues:																
Net patient service revenue	4,994	4,555	4,994	4,824	4,972	4,826	4,972	4,972	4,827	4,973	4,827	4,973	58,709	56,488	56,565	
NYS Intergovernmental transfer	467	467	467	467	467	467	467	467	466	466	466	466	5,600	12,500	-	
Nassau County Billings	47	47	47	47	47	47	47	47	46	46	46	46	560	538	517	
Historical Mission Payments	234	234	234	234	234	234	234	234	234	234	234	234	2,808	2,808	2,808	
Federal & State Aid	6	6	6	6	6	6	6	6	7	7	7	7	76	76	368	
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investment Income	40	40	40	40	40	40	40	40	40	40	40	40	480	474	126	
Miscellaneous	4	4	4	4	4	4	4	4	4	4	5	49	61	61	41	
Total operating revenue	5,792	5,353	5,792	5,622	5,770	5,624	5,770	5,770	5,624	5,770	5,624	5,771	68,282	72,945	60,425	
Operating Expenses:																
Salaries	2,719	2,466	2,519	2,435	2,619	2,435	2,619	2,519	2,535	2,619	2,735	2,617	30,837	29,694	30,549	
Fringe Benefits	1,076	976	997	964	1,036	964	1,033	993	998	1,030	1,074	1,027	12,168	11,804	12,676	
Supplies	346	312	346	334	346	334	346	346	334	346	334	345	4,069	3,743	3,420	
Expenses	609	550	609	590	609	590	609	609	590	609	590	610	7,174	6,089	4,701	
Utilities	206	186	206	200	206	200	206	206	200	206	200	209	2,431	2,316	1,937	
Depreciation Expense	106	106	106	106	106	106	106	106	106	106	106	106	1,272	1,257	1,228	
Interest & Amortization	197	197	197	197	197	197	197	197	197	198	198	198	2,367	2,596	2,629	
Bad Debt Expense	77	70	77	75	77	75	77	77	75	77	75	77	909	881	2,340	
Total operating expenses	5,336	4,863	5,057	4,901	5,196	4,901	5,193	5,053	5,035	5,191	5,312	5,189	61,227	58,380	59,480	
Gain (Loss) From Operations	456	490	735	721	574	723	577	717	589	579	312	582	7,055	14,565	945	
Other Operating Items:																
Other Post Employment Benefits	(295)	(295)	(295)	(295)	(295)	(295)	(295)	(295)	(295)	(295)	(295)	(294)	(3,539)	(3,539)	(7,260)	
Change in Derivative Instruments	(128)	(128)	(128)	(128)	(128)	(128)	(128)	(128)	(127)	(127)	(127)	(128)	(1,533)	(1,057)	(1,652)	
Grants for Capital Asset Acquisition	467	467	467	467	467	467	467	467	466	466	466	466	5,600	14,000	-	
Amortization of Refunding Loss	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(528)	(532)	(537)	
Total Other Operating Items	-	-	-	-	-	-	-	-	-	-	-	-	-	8,872	(9,449)	
Net income (loss)	456	490	735	721	574	723	577	717	589	579	312	582	7,055	23,437	(8,504)	

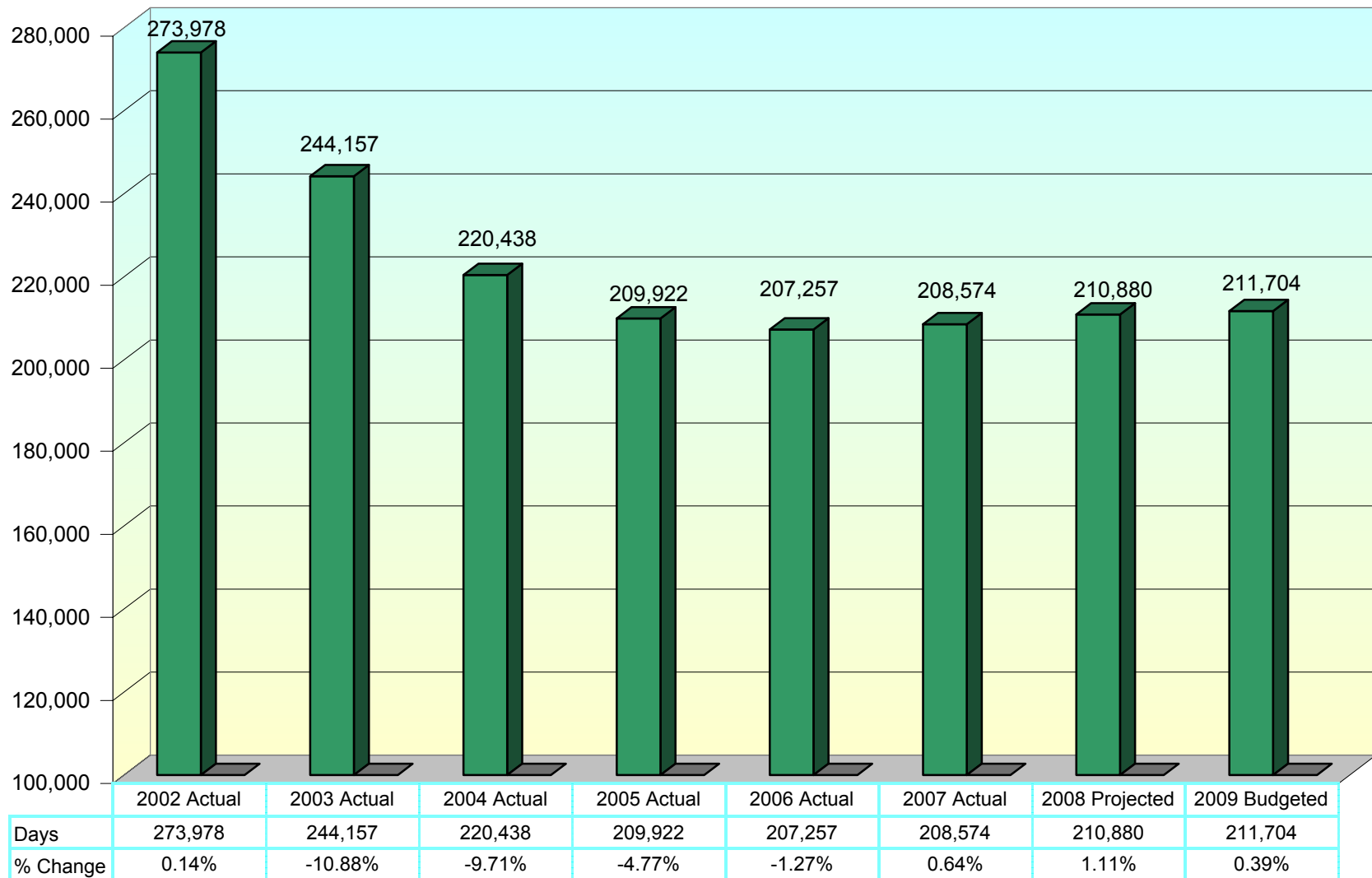
Nassau Health Care Corporation and Subsidiaries
Key Operating Statistics

A. Holly Patterson Extended Care Facility
For the twelve months ended 12/31/09

(In Thousands)

	2001	2002	2003	2004	2005	2006	2007	8/2008	2008	2009														
										Budgeted														
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Proi.	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL		
<u>PATIENT DAYS:</u>																								
Geriatrics	260,482	261,057	230,618	207,442	198,461	195,100	196,170	131,612	196,846	16,740	15,120	16,740	16,201	16,740	16,201	16,740	16,740	16,201	16,740	16,201	16,740	16,740	197,104	
HIV	6,784	7,160	7,286	7,277	7,270	7,300	7,300	4,880	7,320	620	560	620	600	620	600	620	620	600	620	600	620	600	620	7,300
Ventilator	6,330	5,761	6,253	5,719	4,191	4,857	5,104	4,276	6,714	620	560	620	600	620	600	620	620	600	620	600	620	600	620	7,300
Total	273,596	273,978	244,157	220,438	209,922	207,257	208,574	140,768	210,880	17,980	16,240	17,980	17,401	17,980	17,401	17,980	17,980	17,401	17,980	17,401	17,980	17,401	211,704	
<u>Average Daily Census</u>																								
Geriatrics	713.6	715.2	631.8	566.8	543.7	534.5	537.5	539.4	537.8	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0	540.0
HIV	18.6	19.6	20.0	19.9	19.9	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Ventilator	17.3	15.8	17.1	15.6	11.5	13.3	14.0	17.5	18.3	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Total	749.5	750.6	668.9	602.3	575.1	567.8	571.5	576.9	576.1	580.0	580.0	580.0	580.0	580.0	580.0	580.0	580.0	580.0	580.0	580.0	580.0	580.0	580.0	580.0
<u>PERCENT OCCUPANCY:</u>																								
Geriatrics	84.1%	84.2%	74.4%	66.8%	64.0%	97.4%	97.9%	98.3%	98.0%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%
HIV	92.9%	98.1%	99.8%	99.4%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Ventilator	86.7%	78.9%	85.7%	78.1%	57.4%	66.5%	69.9%	87.6%	91.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	84.3%	84.4%	75.2%	67.7%	64.7%	96.4%	97.0%	97.9%	97.8%	98.5%	98.5%	98.5%	98.5%	98.5%	98.5%	98.5%	98.5%	98.5%	98.5%	98.5%	98.5%	98.5%	98.5%	98.5%
<u>LABOR STATISTICS:</u>																								
Full-Time Equivalent (FTE) Total	986.3	884.1	813.8	642.2	634.0	606.8	607.1	597.8	596.2	595.6	595.6	595.6	595.6	595.6	595.6	595.6	595.6	595.6	595.6	595.6	595.6	595.6	595.6	595.6
Labor Cost Per Man Hour	28.14	32.72	31.72	38.64	37.38	38.15	38.97	38.23	38.24	41.06	41.23	38.04	38.00	39.55	38.00	39.52	38.00	39.50	39.48	42.59	39.43	39.52	39.52	39.52
FTE's Per Occupied Bed	1.32	1.18	1.22	1.07	1.10	1.07	1.06	1.04	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03
Payroll as a % of Patient Revenue	93.12%	92.89%	95.83%	98.59%	92.95%	84.28%	76.42%	75.00%	73.46%	75.99%	75.57%	70.40%	70.46%	73.51%	70.43%	73.45%	70.64%	73.19%	73.38%	78.91%	73.28%	73.25%	73.25%	73.25%
Overtime as a % of Payroll	5.56%	4.08%	3.53%	0.90%	1.49%	2.78%	3.03%	4.28%	5.23%	2.15%	2.14%	2.32%	2.32%	2.23%	2.32%	2.24%	2.32%	2.24%	2.24%	2.07%	2.24%	2.24%	2.24%	2.24%
<u>CREDIT AND COLLECTION STATISTICS:</u>																								
Bad Debts as a % of Patient Revenue	1.47%	4.63%	0.81%	0.76%	0.83%	1.41%	4.14%	1.58%	1.56%	1.54%	1.54%	1.54%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%

A. Holly Patterson Extended Care Facility - Resident days



Nassau Health Care Corporation and Subsidiaries

Projected Revenue & Expenses

Community Health Centers

Comparative

(In Thousands)

	<u>Audited FYE 12/31/2001</u>	<u>Audited FYE 12/31/2002</u>	<u>Audited FYE 12/31/2003</u>	<u>Audited FYE 12/31/2004</u>	<u>Audited FYE 12/31/2005</u>	<u>Audited FYE 12/31/2006</u>	<u>Audited FYE 12/31/2007</u>	<u>Actual YTD 08/31/2008</u>	<u>2008 Projected SEPT</u>	<u>2008 Projected OCT</u>	<u>2008 Projected NOV</u>	<u>2008 Projected DEC</u>	<u>Projected FYE 12/31/2008</u>	<u>Budgeted FYE 12/31/2009</u>
Operating Revenues:														
Net patient service revenue	8,153	7,710	6,962	3,342	8,058	8,826	8,224	5,796	1,119	1,146	1,012	1,144	10,217	11,300
NYS Intergovernmental transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nassau County Billings	-	-	-	-	-	-	51	-	-	-	-	-	-	-
Historical Mission Payments	5,000	5,000	5,000	5,000	5,000	5,000	5,000	3,336	416	416	416	416	5,000	5,000
Federal & State Aid	1,901	1,404	1,724	1,615	2,005	1,620	2,992	1,084	70	70	70	70	1,364	1,267
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	315	147	78	128	36	82	88	40	6	6	6	6	64	60
Miscellaneous	1	-	1	1	1	-	-	-	-	-	-	-	-	-
Total operating revenue	15,370	14,261	13,765	10,086	15,100	15,528	16,355	10,256	1,611	1,638	1,504	1,636	16,645	17,627
Operating Expenses:														
Salaries	7,763	8,292	7,512	6,476	8,890	8,830	9,795	5,375	979	1,012	979	1,012	9,357	9,257
Fringe Benefits	1,535	1,823	1,984	2,309	2,954	2,903	3,124	1,900	321	332	321	332	3,206	3,018
Supplies	363	268	1,433	262	330	336	460	269	43	44	43	44	443	422
Expenses	3,499	1,724	1,816	2,270	1,876	2,013	2,351	1,831	221	228	221	228	2,729	2,608
Utilities	107	175	116	149	176	254	151	198	23	24	25	26	296	346
Depreciation Expense	104	106	91	76	72	40	45	53	6	6	6	6	77	80
Interest & Amortization	373	378	378	398	322	328	343	289	13	13	13	13	341	309
Bad Debt Expense	1,554	2,548	1,739	1,851	379	2,376	2,511	1,887	244	256	199	255	2,841	2,980
Total operating expenses	15,298	15,314	15,069	13,791	14,999	17,080	18,780	11,802	1,850	1,915	1,807	1,916	19,290	19,020
Gain (Loss) From Operations	72	(1,053)	(1,304)	(3,705)	101	(1,552)	(2,425)	(1,546)	(239)	(277)	(303)	(280)	(2,645)	(1,393)
Other Operating Items:														
Other Post Employment Benefits	-	-	-	-	-	-	(1,329)	(432)	(54)	(54)	(54)	(54)	(648)	(648)
Change in Derivative Instruments	-	-	(1,132)	(112)	45	105	(215)	(136)	-	-	-	-	(136)	717
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Refunding Loss	-	-	-	(30)	(71)	(71)	(70)	(48)	(6)	(6)	(5)	(5)	(70)	(69)
Total Other Operating Items	-	-	(1,132)	(142)	(26)	34	(1,614)	(616)	(60)	(60)	(59)	(59)	(854)	-
Net income (loss)	72	(1,053)	(2,436)	(3,847)	75	(1,518)	(4,039)	(2,162)	(299)	(337)	(362)	(339)	(3,499)	(1,393)

Nassau Health Care Corporation and Subsidiaries
Budgeted Revenue & Expenses
Community Health Centers
For the twelve months ended 12/31/09
(In Thousands)

	2009 Budgeted												2009	Projected FYE	Audited FYE
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	12/31/2008	12/31/2007
Operating Revenues:															
Net patient service revenue	852	818	845	939	874	878	1,047	1,014	1,023	1,051	910	1,049	11,300	10,217	8,224
NYS Intergovernmental transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nassau County Billings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51
Historical Mission Payments	417	417	417	417	417	417	417	417	416	416	416	416	5,000	5,000	5,000
Federal & State Aid	106	106	106	106	106	106	106	105	105	105	105	105	1,267	1,364	2,992
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	5	5	5	5	5	5	5	5	5	5	5	5	60	64	88
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating revenue	1,380	1,346	1,373	1,467	1,402	1,406	1,575	1,541	1,549	1,577	1,436	1,575	17,627	16,645	16,355
Operating Expenses:															
Salaries	786	710	786	761	786	761	786	786	761	786	761	787	9,257	9,357	9,795
Fringe Benefits	262	236	261	254	260	251	259	258	247	251	241	238	3,018	3,206	3,124
Supplies	36	32	36	35	36	35	36	36	35	36	35	34	422	443	460
Expenses	222	200	222	214	222	214	222	222	214	222	214	220	2,608	2,729	2,351
Utilities	29	27	29	28	29	28	29	29	28	29	28	33	346	296	151
Depreciation Expense	7	7	7	7	7	7	7	7	6	6	6	6	80	77	45
Interest & Amortization	26	26	26	26	26	26	26	26	26	25	25	25	309	341	343
Bad Debt Expense	237	223	234	273	246	248	266	253	256	268	209	267	2,980	2,841	2,511
Total operating expenses	1,605	1,461	1,601	1,598	1,612	1,570	1,631	1,617	1,573	1,623	1,519	1,610	19,020	19,290	18,780
Gain (Loss) From Operations	(225)	(115)	(228)	(131)	(210)	(164)	(56)	(76)	(24)	(46)	(83)	(35)	(1,393)	(2,645)	(2,425)
Other Operating Items:															
Other Post Employment Benefits	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(648)	(648)	(1,329)
Change in Derivative Instruments	60	60	60	60	60	60	60	60	60	59	59	59	717	(136)	(215)
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Refunding Loss	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(5)	(5)	(5)	(69)	(70)	(70)
Total Other Operating Items	-	-	-	-	-	-	-	-	-	-	-	-	-	(854)	(1,614)
Net income (loss)	(225)	(115)	(228)	(131)	(210)	(164)	(56)	(76)	(24)	(46)	(83)	(35)	(1,393)	(3,499)	(4,039)

Nassau Health Care Corporation and Subsidiaries
Key Operating Statistics
Community Health Centers
For the twelve months ended 12/31/09

											2009											
	2001	2002	2003	2004	2005	2006	2007	8/2008	2008	Budgeted												
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Proj.	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<u>AMBULATORY VISITS</u>																						
<i>Elmont</i>	12,319	11,393	10,773	8,510	9,261	8,924	8,899	6,334	9,864	787	626	741	981	892	827	872	953	953	998	772	998	10,400
<i>Freeport</i>	20,817	13,761	11,647	11,955	15,035	15,704	16,768	12,733	19,878	1,428	1,480	1,494	1,824	1,600	1,625	2,011	1,924	1,924	2,016	1,557	2,017	20,900
<i>Hempstead</i>	-	9,957	13,890	13,790	18,644	18,228	17,919	14,624	21,754	1,832	1,792	1,785	2,086	1,949	2,010	1,959	1,914	1,914	2,005	1,549	2,005	22,800
<i>Inwood</i>	3,836	4,220	3,485	1,823	2,173	2,473	2,678	1,395	1,917	224	252	177	178	144	151	188	140	140	146	113	147	2,000
<i>Long Beach</i>	541	942	1,061	408	761	630	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>New Cassel</i>	18,603	16,123	14,807	13,882	18,247	18,388	21,632	15,076	21,960	2,017	1,745	2,004	2,208	1,899	2,001	2,131	1,855	1,855	1,943	1,501	1,941	23,100
<i>Roosevelt</i>	744	584	478	602	954	1,068	1,231	708	1,198	96	100	109	111	157	71	33	31	127	135	122	108	1,200
<i>Topic House</i>	397	298	55	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Total</i>	57,257	57,278	56,196	50,970	65,075	65,415	69,128	50,870	76,571	6,384	5,995	6,310	7,388	6,641	6,685	7,194	6,817	6,913	7,243	5,614	7,216	80,400
<u>LABOR STATISTICS:</u>																						
<i>Full-Time Equivalent (FTE) Total</i>	135.1	135.0	128.4	96.6	103.7	94.9	107.4	112.8	114.4	111.2	111.2	111.2	111.2	111.2	111.2	111.2	111.2	111.2	111.2	111.2	111.2	111.2
<i>Labor Cost Per Man Hour</i>	37.67	41.00	40.47	49.59	62.27	67.40	65.60	53.01	60.35	60.74	60.70	60.68	60.78	60.62	60.61	60.56	60.50	60.37	60.10	60.01	59.40	60.42
<i>Payroll as a % of Patient Revenue</i>	114.04%	131.19%	136.40%	262.87%	146.98%	132.94%	157.09%	125.52%	122.96%	123.00%	115.65%	123.91%	108.09%	119.68%	115.26%	99.81%	102.96%	98.53%	98.67%	110.11%	97.71%	108.63%
<i>Overtime as a % of Payroll</i>	0.16%	0.21%	0.74%	1.27%	1.08%	0.83%	1.23%	1.47%	1.44%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.78%	1.78%	1.79%	1.79%	1.81%	1.78%
<u>CREDIT AND COLLECTION STATISTICS:</u>																						
<i>Bad Debts as a % of Patient Revenue</i>	19.06%	33.05%	24.98%	55.39%	4.70%	26.92%	30.53%	32.56%	27.81%	27.82%	27.26%	27.69%	29.07%	28.15%	28.25%	25.41%	24.95%	25.02%	25.50%	22.97%	25.45%	26.37%

Nassau Health Care Corporation and Subsidiaries
Projected Revenue & Expenses
Physician Faculty Practice Plan
Comparative
(In Thousands)

	<u>Audited FYE 12/31/2001</u>	<u>Audited FYE 12/31/2002</u>	<u>Audited FYE 12/31/2003</u>	<u>Audited FYE 12/31/2004</u>	<u>Audited FYE 12/31/2005</u>	<u>Audited FYE 12/31/2006</u>	<u>Audited FYE 12/31/2007</u>	<u>Actual YTD 08/31/2008</u>	<u>2008 Projected SEPT</u>	<u>2008 Projected OCT</u>	<u>2008 Projected NOV</u>	<u>2008 Projected DEC</u>	<u>Projected FYE 12/31/2008</u>	<u>Budgeted FYE 12/31/2009</u>
Operating Revenues:														
Net patient service revenue	16,635	19,852	13,572	14,427	18,591	18,188	17,468	11,861	1,765	1,765	1,765	1,765	18,921	19,000
NYS Intergovernmental transfer													-	-
Nassau County Billings													-	-
Historical Mission Payments													-	-
Federal & State Aid													-	-
Practice Plan Revenue	(2,235)	(9,942)	(3,762)	(5,708)	(8,780)	(8,115)	(7,243)	(4,229)	(639)	(639)	(639)	(639)	(6,785)	(6,895)
Investment Income	497	205	196	142	150	135	150	86	10	10	10	10	126	150
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating revenue	14,897	10,115	10,006	8,861	9,961	10,208	10,375	7,718	1,136	1,136	1,136	1,136	12,262	12,255
Operating Expenses:														
Salaries	12,756	7,858	7,967	6,466	7,876	7,995	7,854	5,935	883	883	883	883	9,467	9,500
Fringe Benefits	387	137	301	259	281	261	294	588	88	88	88	88	940	950
Supplies													-	-
Expenses	1,754	2,120	1,738	2,136	1,804	1,952	2,227	1,195	165	165	165	165	1,855	1,805
Utilities													-	-
Depreciation Expense													-	-
Interest & Amortization													-	-
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	14,897	10,115	10,006	8,861	9,961	10,208	10,375	7,718	1,136	1,136	1,136	1,136	12,262	12,255
Gain (Loss) From Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Items:														
Other Post Employment Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Derivative Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Refunding Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Operating Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Nassau Health Care Corporation and Subsidiaries

Budgeted Revenue & Expenses

Physician Faculty Practice Plan

For the twelve months ended 12/31/09

(In Thousands)

	2009 Budgeted												2009	Projected FYE	Audited FYE
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	12/31/2008	12/31/2007
Operating Revenues:															
Net patient service revenue	1,583	1,583	1,583	1,583	1,583	1,583	1,583	1,583	1,584	1,584	1,584	1,584	19,000	18,921	17,468
NYS Intergovernmental transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nassau County Billings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Historical Mission Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal & State Aid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Practice Plan Revenue	(575)	(575)	(575)	(575)	(575)	(575)	(575)	(574)	(574)	(574)	(574)	(574)	(6,895)	(6,785)	(7,243)
Investment Income	13	13	13	13	13	13	12	12	12	12	12	12	150	126	150
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating revenue	1,021	1,021	1,021	1,021	1,021	1,021	1,020	1,021	1,022	1,022	1,022	1,022	12,255	12,262	10,375
Operating Expenses:															
Salaries	792	792	792	792	792	792	792	792	791	791	791	791	9,500	9,467	7,854
Fringe Benefits	79	79	79	79	79	79	79	79	79	79	80	80	950	940	294
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses	150	150	150	150	150	150	149	150	152	152	151	151	1,805	1,855	2,227
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	1,021	1,021	1,021	1,021	1,021	1,021	1,020	1,021	1,022	1,022	1,022	1,022	12,255	12,262	10,375
Gain (Loss) From Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Items:															
Other Post Employment Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Derivative Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Refunding Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Operating Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Nassau Health Care Corporation and Subsidiaries

Projected Revenue & Expenses

Nassau Health Care Corp, LTD.

Comparative

(In Thousands)

	<u>Audited FYE 12/31/2001</u>	<u>Audited FYE 12/31/2002</u>	<u>Audited FYE 12/31/2003</u>	<u>Audited FYE 12/31/2004</u>	<u>Audited FYE 12/31/2005</u>	<u>Audited FYE 12/31/2006</u>	<u>Audited FYE 12/31/2007</u>	<u>Actual YTD 08/31/2008</u>	<u>2008 Projected SEPT</u>	<u>2008 Projected OCT</u>	<u>2008 Projected NOV</u>	<u>2008 Projected DEC</u>	<u>Projected FYE 12/31/2008</u>	<u>Budgeted FYE 12/31/2009</u>
Operating Revenues:														
Net patient service revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NYS Intergovernmental transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nassau County Billings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Historical Mission Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal & State Aid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	251	222	160	269	684	1,241	1,665	740	95	95	95	95	1,120	1,344
Miscellaneous	5,873	8,078	8,281	8,251	8,035	7,429	7,803	6,264	784	784	784	784	9,400	9,400
Total operating revenue	<u>6,124</u>	<u>8,300</u>	<u>8,441</u>	<u>8,520</u>	<u>8,719</u>	<u>8,670</u>	<u>9,468</u>	<u>7,004</u>	<u>879</u>	<u>879</u>	<u>879</u>	<u>879</u>	<u>10,520</u>	<u>10,744</u>
Operating Expenses:														
Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses	5,973	9,308	7,671	9,675	9,667	17,718	11,700	9,596	1,201	1,201	1,201	1,201	14,400	9,400
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	<u>5,973</u>	<u>9,308</u>	<u>7,671</u>	<u>9,675</u>	<u>9,667</u>	<u>17,718</u>	<u>11,700</u>	<u>9,596</u>	<u>1,201</u>	<u>1,201</u>	<u>1,201</u>	<u>1,201</u>	<u>14,400</u>	<u>9,400</u>
Gain (Loss) From Operations	<u>151</u>	<u>(1,008)</u>	<u>770</u>	<u>(1,155)</u>	<u>(948)</u>	<u>(9,048)</u>	<u>(2,232)</u>	<u>(2,592)</u>	<u>(322)</u>	<u>(322)</u>	<u>(322)</u>	<u>(322)</u>	<u>(3,880)</u>	<u>1,344</u>
Other Operating Items:														
Other Post Employment Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Derivative Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Refunding Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Operating Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	<u>151</u>	<u>(1,008)</u>	<u>770</u>	<u>(1,155)</u>	<u>(948)</u>	<u>(9,048)</u>	<u>(2,232)</u>	<u>(2,592)</u>	<u>(322)</u>	<u>(322)</u>	<u>(322)</u>	<u>(322)</u>	<u>(3,880)</u>	<u>1,344</u>

Nassau Health Care Corporation and Subsidiaries

Budgeted Revenue & Expenses

Nassau Health Care Corp, LTD.

For the twelve months ended 12/31/09

(In Thousands)

	2009 Budgeted												2009	Projected	Audited
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	12/31/2008	12/31/2007
Operating Revenues:															
Net patient service revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NYS Intergovernmental transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nassau County Billings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Historical Mission Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal & State Aid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	112	112	112	112	112	112	112	112	112	112	112	112	1,344	1,120	1,665
Miscellaneous	783	783	783	783	783	783	783	783	784	784	784	784	9,400	9,400	7,803
Total operating revenue	895	895	895	895	895	895	895	895	896	896	896	896	10,744	10,520	9,468
Operating Expenses:															
Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses	783	783	783	783	783	783	783	783	784	784	784	784	9,400	14,400	11,700
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	783	783	783	783	783	783	783	783	784	784	784	784	9,400	14,400	11,700
Gain (Loss) From Operations	112	112	112	112	112	112	112	112	112	112	112	112	1,344	(3,880)	(2,232)
Other Operating Items:															
Other Post Employment Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Derivative Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Refunding Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Operating Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	112	112	112	112	112	112	112	112	112	112	112	112	1,344	(3,880)	(2,232)