

Constantino, Mike

From: Christopher Dials [cdials@reverehc.com]
Sent: Tuesday, April 17, 2012 11:01 PM
To: Roate, George; Constantino, Mike
Subject: Re: AH-CON
Attachments: AH SNF Financial Feasibility Report.docx

George and Mike,

Please see the attached financial feasibility analysis for the Transitional Care Center - Arlington Heights project #10-006.

Thanks,

Christopher J. Dials, MS-HSA
Revere Healthcare, Ltd.

From: "Roate, George" <George.Roate@Illinois.gov>
To: "Cloch, Brian" <bcloch@tc-mgmt.com>; "Constantino, Mike" <Mike.Constantino@Illinois.gov>
Cc: "Christopher Dials" <cdials@reverehc.com>; "Schreiber, Jason" <jschreiber@tc-mgmt.com>
Sent: Tuesday, March 20, 2012 3:35 PM
Subject: RE: AH-CON

Brian:

Thanks for furnishing the additional information regarding the permit renewal and obligation extension for project #10-006, Transitional Care Center of Arlington Heights. Both of these requests will be heard by the Illinois Health Facilities and Services Review Board at its June 5, 2012 meeting. In order to assist in the preparation for Board review, we request that you provide more definitive information regarding the project financing. Below is a list of items needed for a financial feasibility study, which would meet the needs of this requirement. Thanks again for your assistance.

A financial feasibility needs to include the following:

The amount of equity that is going to be contributed to the project?

What assets are being used to secure the financing?

What are the sources of the financing? A letter from the financial institution stating "that this financing has been secured should the CON be approved."

What is the ratio of debt to equity financing that will be used?

What is the expected ROI on the investment?

3 years of projected balance sheet

3 years projected income statements

3 years projected cash flow statements

Breakeven analysis

-----Original Message-----

From: Cloch, Brian [mailto:BCloch@tc-mgmt.com]
Sent: Thursday, March 15, 2012 1:26 PM
To: Roate, George; Constantino, Mike

Cc: 'Christopher Dials'; Schreiber, Jason
Subject: RE: AH-CON

Thanks George Hope you are able to enjoy some of this great weather!

-----Original Message-----

From: Roate, George [mailto:George.Roate@Illinois.gov]
Sent: Thursday, March 15, 2012 1:24 PM
To: Cloch, Brian; Constantino, Mike
Cc: 'Christopher Dials'; Schreiber, Jason
Subject: RE: AH-CON

Thanks Mr. Cloch:
We have received the additional information.

-----Original Message-----

From: Cloch, Brian [mailto:BCloch@tc-mgmt.com]
Sent: Thursday, March 15, 2012 12:40 PM
To: Roate, George; Constantino, Mike
Cc: 'Christopher Dials'; Schreiber, Jason
Subject: AH-CON

Please let me know that you received this .

Thanks

-----Original Message-----

From: Brian Cloch [mailto:bcloch@comcast.net]
Sent: Thursday, March 15, 2012 12:37 PM
To: Cloch, Brian
Cc: Christopher Dials, 0
Subject:

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**Financial Feasibility Report for
Transitional Care Center of
Arlington Heights**

Arlington Heights, IL

FINAL REPORT

**PREPARED BY REVERE
HEALTHCARE, LTD.**

Cary, Illinois

March, 2012

Table of Contents

I. CON FINANCIAL SUMMARY.....	1
SCOPE OF PROPOSED PROJECT	1
BALANCE SHEETS SUMMARY	4
COMBINED INCOME STATEMENTS	5
CASH FLOW & DEBT SERVICE COVERAGE RATIOS	7
BREAK EVEN ANALYSIS.....	9

I. CON FINANCIAL SUMMARY

SCOPE OF PROPOSED PROJECT

Scope of proposed project

A new facility that will result in:

120 Skilled Nursing Facility beds

Financial Feasibility Report

The projected income statements in the pro-forma indicate the following:

Year	Net Operating Income	Operating Expenses	EBIDTA
YR 1	\$9,948,597	\$8,772,534	\$1,176,064
YR 2	\$16,971,150	\$14,753,294	\$2,217,856
YR 3	\$18,923,871	\$15,901,869	\$3,022,002

The equity in the proposed project is \$3,341,381. The total amount of the project is \$22,275,873.

Financial Feasibility Report

BALANCE SHEETS SUMMARY

The summary balance sheets show:

ASSETS	As of December 31		
	YR 1	YR 2	YR 3
CURRENT ASSETS			
Cash	\$294,503	\$1,472,330	\$3,119,309
Accounts Receivable	\$1,088,545	\$1,059,199	\$1,106,420
TOTAL CURRENT ASSETS	\$1,383,048	\$2,531,529	\$4,225,729
PLANT, PROPERTY & EQUIPMENT			
Land	\$2,550,000	\$2,550,000	\$2,550,000
Land Improvements			
Building	\$16,563,464	\$16,563,464	\$16,563,464
Equipment	\$5,000	\$10,000	\$15,000
	\$19,118,464	\$19,123,464	\$19,128,464
Less Accumulated Depreciation	(\$465,732)	(\$932,464)	(\$1,400,196)
TOTAL PLANT, PROPERTY & EQUIPMENT	\$18,652,731	\$18,190,999	\$17,728,267
OTHER ASSETS			
Financing Costs (Net of Amortization)	\$182,724	\$178,039	\$173,354
Organizational Costs (Net of Amortization)	\$1,420,000	\$1,065,000	\$710,000
Debt Service Reserve Fund			
Replacement Reserve - Building	\$900	\$1,800	\$2,700
Replacement Reserve - Equipment	\$150,000	\$300,000	\$450,000
TOTAL OTHER ASSETS	\$1,753,624	\$1,544,839	\$1,336,054
TOTAL ASSETS	\$21,789,403	\$22,267,367	\$23,290,050
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts Payable	\$337,215	\$593,213	\$593,213
Current Portion of Long-Term Debt			
Accrued Payroll and Payroll Taxes			
TOTAL CURRENT LIABILITIES	\$337,215	\$593,213	\$593,213
LONG-TERM DEBT			
Mortgage	\$18,800,646	\$18,659,251	\$18,509,880
Bank Letter of Credit			
TOTAL LONG-TERM DEBT	\$18,800,646	\$18,659,251	\$18,509,880
OTHER LIABILITIES			
Deposits			
TOTAL OTHER LIABILITIES			
TOTAL LIABILITIES	\$19,137,861	\$19,252,464	\$19,103,093
Unrestricted Net Assets			
FUND BALANCE			
Retained Earnings	\$3,341,381	\$3,341,381	\$3,341,381
	(\$689,839)	(\$326,478)	\$845,576
TOTAL STOCKHOLDERS' EQUITY	\$2,651,542	\$3,014,903	\$4,186,957
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$21,789,403	\$22,267,367	\$23,290,050

Financial Feasibility Report

COMBINED INCOME STATEMENTS

The combined income statements show:

	As of December 31		
	YR 1	YR 2	YR 3
SERVICE REVENUES			
Private	\$144,415	\$268,916	\$293,248
Medicaid	\$512,978	\$955,221	\$1,041,652
VA			
Medicare	\$7,997,686	\$13,197,622	\$14,391,767
HMO	\$2,275,974	\$4,238,109	\$4,621,582
TOTAL SERVICE REVENUES	\$10,931,053	\$18,659,868	\$20,348,248
Less Vacancy	\$907,277	\$1,548,769	\$1,017,412
Less Bad Debt	\$75,178	\$139,949	\$406,965
Net Income	\$9,948,597	\$16,971,150	\$18,923,871
OPERATING EXPENSES			
Management Fee	\$825,734	\$1,408,605	\$1,570,681
Administrator	\$120,016	\$124,217	\$128,564
Nursing Salaries:			
RN	\$998,494	\$1,859,303	\$2,027,536
LPN	\$305,327	\$568,552	\$619,996
CNA	\$623,528	\$1,161,076	\$1,266,133
Case Managers	\$63,597	\$65,823	\$68,126
Medical Records	\$30,230	\$31,288	\$32,383
Therapy Director	\$101,918	\$105,485	\$109,177
PT	\$331,820	\$617,885	\$673,792
PTA	\$316,019	\$588,462	\$641,707
Rehab Aides	\$59,254	\$110,337	\$120,320
OTR	\$237,014	\$441,346	\$481,280
COTA	\$237,014	\$441,346	\$481,280
Speech	\$169,860	\$316,298	\$344,917
Unit Secretary		\$2,514	\$31,225
DON	\$95,056	\$98,383	\$101,826
ADON	\$73,940	\$76,528	\$79,206
Education Specialist	\$63,597	\$65,823	\$68,126
Food service Director	\$49,309	\$51,034	\$52,821
Food service Supervisor	\$36,844	\$38,133	\$39,468
Cooks	\$37,637	\$70,084	\$76,425
Dining Aides and Dishwashers	\$60,241	\$112,175	\$122,325
Activity Program Director	\$46,882	\$147,284	\$168,270
Activity Asst	\$22,297	\$41,519	\$45,276
Environmental Director	\$27,432	\$51,082	\$55,704
Driver	\$13,167	\$25,834	\$26,738
Housekeepers	\$64,191	\$125,939	\$130,347
Laundry	\$29,627	\$55,168	\$25,095
Maintenance tech	\$46,800	\$48,438	\$50,133
Social Service	\$91,312	\$94,508	\$97,816
Social Service Aide	\$8,290	\$15,437	\$868
Billing Clerk			

Continued on next page.

Financial Feasibility Report

Office Manager	\$26,379	\$49,120	\$53,565
Human Resources	\$39,502	\$73,558	\$80,213
Admissions	\$41,085	\$70,023	\$2,033
Receptionists	\$46,960	\$48,604	\$50,305
Employee Benefits and payroll taxes	\$1,456,356	\$2,516,966	\$2,715,177
Therapy -employed see above			
Pharmacy	\$546,850	\$1,018,295	\$1,110,432
Medical Supplies	\$92,924	\$173,035	\$188,691
Medicare Ancillary	\$205,069	\$381,860	\$416,412
Raw Food	\$161,744	\$301,186	\$328,438
Dietary Supplies	\$19,292	\$35,923	\$39,173
Consulting Dietician	\$6,000	\$6,210	\$6,427
Outsourced Laundry and supplies	\$106,289	\$197,922	\$215,830
Utilities	\$129,000	\$133,515	\$138,188
Maintenance	\$49,194	\$50,916	\$52,698
Housekeeping Supplies	\$67,744	\$126,147	\$137,561
Property Taxes	\$300,000	\$310,500	\$321,368
Insurance	\$168,000	\$173,880	\$179,966
Medical Director and Psysiatrist	\$24,000	\$24,840	\$25,709
Consulting	\$34,000	\$35,190	\$36,422
Bed Taxes	\$65,700	\$65,700	\$65,700
TOTAL OPERATING EXPENSES	\$8,772,534	\$14,753,294	\$15,901,869
INCOME (LOSS) BEFORE OTHER EXPENSE (INCOME)	\$1,176,064	\$2,217,856	\$3,022,002
OTHER EXPENSES (INCOME)			
Depreciation and Amortization	(\$825,417)	(\$826,417)	(\$827,417)
Interest Income			
Interest Expense	(\$1,038,056)	(\$1,030,507)	(\$1,022,531)
TOTAL OTHER EXPENSES (INCOME)	(\$1,863,474)	(\$1,856,924)	(\$1,849,948)
NET INCOME (LOSS)	(\$687,410)	\$360,932	\$1,172,054
RETAINED EARNINGS			
Beginning of Period		(\$687,410)	(\$326,478)
End of Period	(\$687,410)	(\$326,478)	\$845,576

Financial Feasibility Report

CASH FLOW & DEBT SERVICE COVERAGE RATIOS

The cash flow and debt service coverage ratios are:

								<i>1st yr stabilized occupancy</i>
<i>Debt service coverage ratio</i>								▼
				<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>		
NET INCOME (LOSS)				(\$687,410)	\$380,932	\$1,172,054		
Add back:								
Depreciation and Amortization				\$825,417	\$826,417	\$827,417		
Interest expense				\$1,038,056	\$1,030,507	\$1,022,531		
Funds available for debt service				\$1,176,064	\$2,217,856	\$3,022,002		
Annual debt service								
Principal payments				\$133,845	\$141,395	\$149,371		
Interest payments				\$1,038,056	\$1,030,507	\$1,022,531		
Total annual debt service				\$1,171,902	\$1,171,902	\$1,171,902		
Annual debt service coverage ratio				1.00	1.89	2.58		

Financial Feasibility Report

	Based on 1st Three years of operation		
	YR 1	YR 2	YR 3
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss)	(\$689,839)	\$360,932	\$1,172,054
Adjustments to Reconcile Net Revenues (Expenses) to Net Cash Provided (Used) By Operating Activities:			
Depreciation and Amortization	\$825,417	\$826,417	\$827,417
Changes in Current Assets and Liabilities:			
Accounts Receivable	(\$1,088,545)	\$29,346	(\$47,221)
Other Current Assets			
Accounts Payable	\$337,215	\$258,427	
Accrued Payroll and Payroll Taxes			
Operating Deficit Reserve			
Working Capital Reserve			
Deposits			
Replacement Reserves	(\$150,900)	(\$150,900)	(\$150,900)
TOTAL CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(\$615,752)	\$1,475,123	\$1,952,250
CASH FROM FINANCING ACTIVITIES			
Land	\$3,341,381		
Loan Acquisition Costs	(\$187,409)		
Proceeds from Long-Term Debt	\$18,934,492		
Principal Payments on Long-Term Debt	(\$133,845)	(\$141,395)	(\$149,371)
TOTAL CASH FROM (USED IN) FINANCING ACTIVITIES	\$21,954,618	(\$141,395)	(\$149,371)
CASH FROM (USED IN) INVESTING ACTIVITIES			
Capitalized Organization Costs	(\$1,775,000)		
Purchase of Land	(\$2,550,000)		
Purchase of Plant and Equipment	(\$16,568,464)	(\$5,000)	(\$5,000)
TOTAL CASH FROM (USED IN) INVESTING ACTIVITIES	(\$20,893,464)	(\$5,000)	(\$5,000)
INCREASE (DECREASE) IN CASH	\$294,503	\$1,177,827	\$1,646,979
INVESTMENT INCOME			
CASH - BEGINNING OF PERIOD		\$294,503	\$1,472,330
CASH - END OF PERIOD	\$294,503	\$1,472,330	\$3,119,309

Financial Feasibility Report

BREAK EVEN ANALYSIS

The EBIDTA is expected to be positive in Month 2 of the project due to the high margin in the anticipated case mix. In addition the staffing will be flexed during the ramp-up.

Arlington Heights SNF PROJECTED REVENUE AND EXPENSES - YEAR ONE		\$0							
	Rate	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6		
Number of Days in Month		31	28	31	30	31	30		
Private	0 \$ 250.00	0.9	1.02	1.15	1.27	1.39	1.52		
Medicaid	0 \$ 121.10	6.6	7.51	8.41	9.32	10.22	11.13		
Medicare	0 \$ 585.00	21.3	24.22	27.15	30.07	32.99	35.92		
HMO	\$ 492.50	7.2	8.19	9.18	10.16	11.15	12.14		
Resident Days (Occupied)		1116	1146	1422	1525	1729	1821		
Occupancy Percentage		30%	34%	38%	42%	46%	51%		
SERVICE REVENUES									
Private		\$6,975	\$7,165	\$8,890	\$9,529	\$10,804	\$11,382		
Medicaid		\$24,776	\$25,450	\$31,577	\$33,850	\$38,379	\$40,431		
Medicare		\$306,276	\$396,781	\$492,312	\$527,739	\$598,348	\$630,355		
HMO		\$109,926	\$112,916	\$140,102	\$150,183	\$170,277	\$179,386		
TOTAL SERVICE REVENUES		\$527,952	\$542,312	\$672,881	\$721,301	\$817,809	\$861,554		
Less Vacancy	8%	\$ 43,820	\$ 45,012	\$ 55,849	\$ 59,868	\$ 67,878	\$ 71,509		
Less Bad Debt	0.75%	\$ 3,831	\$ 3,730	\$ 4,628	\$ 4,981	\$ 5,624	\$ 5,925		
Net Income		\$ 490,501	\$ 493,570	\$ 612,404	\$ 656,472	\$ 744,306	\$ 784,120		

Continued on next page.

Financial Feasibility Report

OPERATING EXPENSES		Rate	Units	Type						
Management Fee		8.30%			\$30,882	\$40,966	\$50,630	\$54,487	\$61,777	\$65,082
Administrator	\$ 120,018.00	\$ 57.70	1.00	FTE	\$10,193	\$9,207	\$10,193	\$9,864	\$10,193	\$9,864
Nursing Salaries:										
RN	\$ 58,240.00	\$ 28.00	32.50	FTE	\$48,228	\$49,537	\$61,464	\$65,887	\$74,702	\$78,898
LPN	\$ 44,324.80	\$ 21.31	13.08	FTE	\$14,747	\$15,148	\$18,795	\$20,147	\$22,843	\$24,065
CNA	\$ 24,440.00	\$ 11.75	48.36	FTE	\$30,115	\$30,934	\$38,382	\$41,144	\$48,849	\$49,145
Case Managers	\$ 82,400.00	\$ 30.00	1.00	FTE	\$5,300	\$5,300	\$5,300	\$5,300	\$5,300	\$5,300
Medical Records	\$ 29,660.80	\$ 14.26	1.00	FTE	\$2,519	\$2,519	\$2,519	\$2,519	\$2,519	\$2,519
Therapy Director	\$ 100,000.00	\$ 48.08	1.00	FTE	\$8,493	\$8,493	\$8,493	\$8,493	\$8,493	\$8,493
PT	\$ 87,360.00	\$ 42.00	7.20	FTE	\$16,026	\$16,462	\$20,426	\$21,886	\$24,825	\$26,153
PTA	\$ 66,560.00	\$ 32.00	9.00	FTE	\$15,263	\$15,678	\$19,453	\$20,653	\$23,643	\$24,908
Rehab Aides	\$ 31,200.00	\$ 15.00	3.60	FTE	\$2,882	\$2,940	\$3,647	\$3,910	\$4,433	\$4,670
OTR	\$ 83,200.00	\$ 40.00	5.40	FTE	\$11,447	\$11,758	\$14,590	\$15,640	\$17,732	\$18,681
COTA	\$ 62,400.00	\$ 30.00	7.20	FTE	\$11,447	\$11,758	\$14,590	\$15,640	\$17,732	\$18,681
Speech	\$ 89,440.00	\$ 43.00	3.80	FTE	\$8,204	\$8,427	\$10,456	\$11,206	\$12,708	\$13,388
Unit Secretary	\$ 28,600.00	\$ 13.75	1.00	FTE	\$2,429					
DON	\$ 96,058.00	\$ 45.70	1.00	FTE	\$8,073	\$7,292	\$8,073	\$7,813	\$8,073	\$7,813
ADON	\$ 80,060.00	\$ 38.50	1.00	FTE	\$6,801	\$3	\$6,801	\$6,582	\$6,801	\$6,582
Education Specialist	\$ 62,400.00	\$ 30.00	1.00	FTE	\$5,300	\$5,300	\$5,300	\$5,300	\$5,300	\$5,300
Food service Direct	\$ 48,380.80	\$ 23.26	1.00	FTE	\$4,109	\$4,109	\$4,109	\$4,109	\$4,109	\$4,109
Food service Superv	\$ 36,150.40	\$ 17.38	1.00	FTE	\$3,070	\$3,070	\$3,070	\$3,070	\$3,070	\$3,070
Cooks	\$ 25,480.00	\$ 12.25	2.80	FTE	\$1,818	\$1,867	\$2,317	\$2,464	\$2,816	\$2,866
Dining Aides and Di	\$ 16,720.00	\$ 9.00	6.10	FTE	\$2,810	\$2,989	\$3,708	\$3,975	\$4,507	\$4,748
Activity Program Di	\$ 39,270.40	\$ 18.68	4.00	FTE	\$1,201	\$1,403	\$1,950	\$2,316	\$2,851	\$3,304
Activity Asst	\$ 21,132.80	\$ 10.18	2.00	FTE	\$1,077	\$1,106	\$1,373	\$1,471	\$1,688	\$1,757
Environmental Direct	\$ 52,000.00	\$ 25.00	1.00	FTE	\$1,325	\$1,361	\$1,689	\$1,810	\$2,052	\$2,162
Driver	\$ 24,960.00	\$ 12.00	1.00	FTE	\$836	\$653	\$811	\$889	\$985	\$1,038
Housekeepers	\$ 18,720.00	\$ 9.00	6.50	FTE	\$3,100	\$3,185	\$3,951	\$4,236	\$4,802	\$5,059
Laundry	\$ 18,720.00	\$ 9.00	3.00	FTE	\$1,431	\$1,470	\$1,824	\$1,955	\$2,217	\$2,335
Maintenance tech	\$ 31,200.00	\$ 15.00	1.50	FTE	\$3,975	\$3,590	\$3,975	\$3,847	\$3,975	\$3,847
Social Service	\$ 45,856.00	\$ 21.86	2.00	FTE	\$7,755	\$7,005	\$7,755	\$7,605	\$7,755	\$7,505
Social Service Aide	\$ 31,428.80	\$ 15.11	0.50	FTE	\$400	\$411	\$510	\$547	\$620	\$653
Billing Clerk	\$ 31,200.00	\$ 15.00		FTE	\$0	\$0	\$0	\$0	\$0	\$0
Office Manager	\$ 50,003.20	\$ 24.04	1.00	FTE	\$1,274	\$1,309	\$1,624	\$1,741	\$1,974	\$2,078
Human Resources	\$ 37,448.00	\$ 18.00	2.00	FTE	\$1,808	\$1,980	\$2,432	\$2,607	\$2,955	\$3,113
Admissions	\$ 69,992.00	\$ 33.65	1.00	FTE	\$5,945	\$1,832	\$2,273	\$2,438	\$2,762	\$2,810
Receptionists	\$ 22,256.00	\$ 10.70	2.11	FTE	\$3,088	\$3,802	\$3,988	\$3,860	\$3,988	\$3,880
Employee Benefits and payroll taxes			27.50%	%	\$79,547	\$76,737	\$94,238	\$89,457	\$110,791	\$115,500
Therapy -employed see above			1.00	medicare	\$0	\$0	\$0	\$0	\$0	\$0
Pharmacy	\$ 40.00	1.00	1.00	medicare	\$28,412	\$27,130	\$33,682	\$36,085	\$40,913	\$43,101
Medical Supplies	\$ 4.02	1.00	1.00	Day	\$4,488	\$4,610	\$5,720	\$6,132	\$6,952	\$7,324
Medicare Ancillary	\$ 15.00	1.00	1.00	medicare	\$9,906	\$10,174	\$12,623	\$13,532	\$15,242	\$16,163
Raw Food	\$ 7.00	1.00	1.00	Day	\$7,812	\$8,024	\$9,956	\$10,673	\$12,101	\$12,748
Dietary Supplies	\$ 0.83	1.00	1.00	Day	\$932	\$957	\$1,188	\$1,273	\$1,443	\$1,521
Consulting Dietician	\$ 6,000	1.00	1.00		\$500	\$500	\$500	\$500	\$500	\$500
Outsourced Laundry and supplies	\$ 4.60	1.00	1.00	Day	\$5,134	\$5,273	\$6,543	\$7,014	\$7,952	\$8,377
Utilities	\$ 129,000	1.00	1.00	Estimate	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750
Maintenance	\$ 49,194	1.00	1.00	Estimate	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100
Housekeeping Supplies	\$ 2.93	1.00	1.00	Day	\$3,272	\$3,361	\$4,170	\$4,470	\$5,068	\$5,339
Property Taxes	\$ 300,000	1.00	1.00	Year	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Insurance	\$ 168,000	1.00	1.00	Year	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000
Medical Director and Psychiatrist	\$ 24,000	1.00	1.00	Year	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Consulting	\$ 34,000	1.00	1.00	Year	\$2,833	\$2,833	\$2,833	\$2,833	\$2,833	\$2,833
Bed Taxes	\$ 1.50	120.00	1.00	BED	\$5,475	\$5,475	\$5,475	\$5,475	\$5,475	\$5,475
			1.00	day	\$0	\$0	\$0	\$0	\$0	\$0
			1.00	Res Day	\$0	\$0	\$0	\$0	\$0	\$0
			1.00	Res Day	\$0	\$0	\$0	\$0	\$0	\$0
			1.00	Month	\$0	\$0	\$0	\$0	\$0	\$0
			1.00	Res Day	\$0	\$0	\$0	\$0	\$0	\$0
				Year	\$0	\$0	\$0	\$0	\$0	\$0
				Res Day	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OPERATING EXPENSES					\$495,409	\$483,571	\$579,430	\$608,813	\$672,084	\$698,590
INCOME (LOSS) BEFORE OTHER EXPENSE (INCOME)					\$ (14,907)	\$ 9,999	\$ 32,974	\$ 47,660	\$ 72,222	\$ 85,530

Financial Feasibility Report

The various financial ratios that are part of the CON application are stated below:

Arlington Heights SNF		
Criterion 1120.210(a) Financial Viability	Viability Ratios	
Using first full year of stabilized occupancy		
Provide Data for Projects Classified as:	Category A or Category B (last three years)	Category B (Projected)
Enter Historical and/or Projected Years:		
Current Ratio		7.12
Net Margin Percentage		6.19%
Percent Debt to Total Capitalization		82%
Projected Debt Service Coverage		2.58
Days Cash on Hand		1113.46
Cushion Ratio		2.66