

Finance Appendices

**The Nathaniel Witherell
Forecast Of Operations During Construction
Assumption Page**

Description	2004 Forecast	2005 Budget	2006 Projection	2007 Projection	2008 Projection	2009 Projection
Model Assumes Current Method of Operations a Department of the Town of Greenwich						
Total Rooms	202	202	202	202	202	202
Occupancy Percentage	96.2%	94.9%	94.9%	94.9%	94.9%	94.9%
Patient Mix Same as 2005 Budget						
Private Pay	25.7%	25.1%	25.1%	25.1%	25.1%	25.1%
Medicaid	64.9%	57.9%	57.9%	57.9%	57.9%	57.9%
Medicare	9.4%	17.0%	17.0%	17.0%	17.0%	17.0%
Total Patient Mix	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Occupancy						
Private Pay	18,254	17,567	17,610	17,610	17,610	17,610
Medicaid	46,195	40,500	40,623	40,623	40,623	40,623
Medicare	6,710	11,925	11,928	11,928	11,928	11,928
Total Occupancy	71,159	69,992	70,161	70,161	70,161	70,161
Room Rates						
Private Pay (3% per Year)	294.00	313.46	322.86	332.55	342.53	352.81
Medicaid (1% for 6 mo)	201.90	202.91	204.94	206.99	208.02	210.10
Medicare (3% per year)	342.00	382.78	394.26	406.09	418.27	430.82
Wage Increase Percent			103.5%	103.5%	103.5%	103.5%
General Cost increases			103.0%	103.0%	103.0%	103.0%
Medical Cost Increases			110.0%	110.0%	110.0%	110.0%
Increase in Building Costs			105.0%	105.0%	105.0%	105.0%
Fringe Benefits Rate	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%

**The Nathaniel Witherell
Forecast Of Operations During Construction
Profit & Loss Summary**

Description	2004 Forecast	2005 Budget	2006 Projection	2007 Projection	2008 Projection	2009 Projection
Revenues	\$16,780,961	\$18,387,859	\$18,805,324	\$19,205,721	\$19,574,121	\$19,995,041
Salary & Fees Expense 51000	11,666,981	12,510,455	13,006,509	13,525,946	14,070,191	14,640,782
Service Expense	190,657	283,425	291,929	300,689	309,709	319,001
Supply Expense	1,507,147	1,550,770	1,650,844	1,759,276	1,876,850	2,004,430
Maintenance Expense	308,603	189,200	198,660	208,595	219,024	229,976
Insurance & Refund Expense 56000 & 58000	327,362	305,000	314,150	323,575	333,282	343,281
Capital Purchases	80,340	71,000	70,000	100,340	60,000	50,000
Total Town Spending	14,081,090	14,909,850	15,532,092	16,218,421	16,869,056	17,587,470
Enterprise Expense	4,607,524	4,866,822	5,149,730	5,277,407	5,480,048	5,661,819
Adjustments	0	0	0	0	0	0
True Operating Gain/(Loss)	(\$1,907,653)	(\$1,388,813)	(\$1,876,498)	(\$2,290,107)	(\$2,774,983)	(\$3,254,248)

Note Fringe Benefits in all years are adjusted to reflect the Town rate of 36%

**The Nathaniel Witherell
Forecast Of Operations During Construction
Revenue**

Description	2004 Forecast	2005 Budget	2006 Projection	2007 Projection	2008 Projection	2009 Projection
Self Pay	\$5,404,859	\$5,506,552	\$5,685,565	\$5,856,206	\$6,031,953	\$6,212,984
Medicaid	9,385,448	8,217,855	8,325,278	8,408,555	8,450,396	8,534,892
Medicare	2,316,542	4,564,652	4,702,733	4,843,842	4,989,125	5,138,821
Other Revenue	209,713	284,800	197,748	203,118	208,647	214,344
Medicaid Credits	(281,432)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)
Bad Debts	(254,169)	(150,000)	(70,000)	(70,000)	(70,000)	(70,000)
Total Revenue	\$16,780,961	\$18,387,859	\$18,805,324	\$19,205,721	\$19,574,121	\$19,995,041

Other Revenue						
3rd Floor Apartments	\$29,839	\$32,000	\$0			
Pavilion Rental	19,910	21,000	0			
Adult Day Care	34,920	35,000	0			
Adult Day Care Sundry	4,322	4,000	0			
Cafeteria Income	16,239	17,300	17,300	17,300	17,300	17,300
Non Rehab Part B	19,065	25,000	25,750	26,523	27,319	28,139
Rehab Part B	69,140	125,000	128,750	132,613	136,591	140,689
Vending Concession	1,000	1,000	1,000	1,000	1,000	1,000
Miscellaneous	15,278	500	500	500	500	500
Interest Private Pay		24,000	24,448	25,182	25,937	26,716
Total Other Income	\$209,713	\$284,800	\$197,748	\$203,118	\$208,647	\$214,344

Total Rooms	202	202	202	202	202	202
Occupancy Percentage	96.2%	94.9%	94.9%	94.9%	94.9%	94.9%

Patient Mix Same as 2005 Budget						
Private Pay	25.7%	25.1%	25.1%	25.1%	25.1%	25.1%
Medicaid	64.9%	57.9%	57.9%	57.9%	57.9%	57.9%
Medicare	9.4%	17.0%	17.0%	17.0%	17.0%	17.0%
Total Patient Mix	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Occupancy						
Private Pay	18,254	17,567	17,610	17,610	17,610	17,610
Medicaid	46,195	40,500	40,623	40,623	40,623	40,623
Medicare	6,710	11,925	11,928	11,928	11,928	11,928
Total Occupancy	71,159	69,992	70,161	70,161	70,161	70,161

Room Rates						
Private Pay (3% per Year)	294.00	313.46	322.86	332.55	342.53	352.81
Medicaid (1% for 6 mo)	201.90	202.91	204.94	206.99	208.02	210.10
Medicare (3% per year)	342.00	382.78	394.26	406.09	418.27	430.82

**The Nathaniel Witherell
Forecast Of Operations During Construction
Salary & Fees Expense 51000**

Description	2004 Forecast	2005 Budget	2006 Projection	2007 Projection	2008 Projection	2009 Projection
Salaries	\$7,519,590	\$7,729,651	\$8,000,189	\$8,280,196	\$8,570,003	\$8,869,953
Other Earnings	78,140	84,684	87,648	90,716	93,891	97,177
Stand By Pay	8,900	9,125	9,444	9,775	10,117	10,471
Overtime	840,170	928,746	961,252	994,896	1,029,717	1,065,757
Temporary Help	2,043,991	2,195,054	2,271,881	2,351,397	2,433,696	2,518,875
Uniform Allowance	47,000	47,800	49,473	51,205	52,997	54,852
Professional/Audit/Accounting	1,350	10,000	10,300	10,609	10,927	11,255
Professional/Medical/Dental	673,004	939,500	1,033,450	1,136,795	1,250,475	1,375,523
Professional Architect/Engineers		6,000	6,180	6,365	6,556	6,753
Prof & Other Special Service Fees	4,535		0	0	0	0
Professional No Other Class	402,086	527,000	542,810	559,094	575,867	593,143
Work Trf To/From Other Depts	8,000		0	0	0	0
Miscellaneous Personnel Services	26,415	32,895	33,882	34,898	35,945	37,023
Prior Year Expenditures	13,800		0	0	0	0
Total 51000 Salary & Fees Expense	\$11,666,981	\$12,510,455	\$13,006,509	\$13,525,946	\$14,070,191	\$14,640,782

**The Nathaniel Witherell
Forecast Of Operations During Construction
Service Expense 52000**

Description	2004 Forecast	2005 Budget	2006 Projection	2007 Projection	2008 Projection	2009 Projection
Legal Notices & Advertising	\$4,865	\$11,500	\$11,845	\$12,200	\$12,566	\$12,943
Printing	1,000	6,300	6,489	6,684	6,885	7,092
Postage	8,007	10,020	10,321	10,631	10,950	11,279
Tuition	4,086	15,300	15,759	16,232	16,719	17,221
Travel Expense	308	1,050	1,082	1,114	1,147	1,181
Mileage Allowance	1,020	3,400	3,502	3,607	3,715	3,826
Transportation-Non Employee	8,205	26,200	26,986	27,796	28,630	29,489
Office Service	23,913	30,355	31,266	32,204	33,170	34,165
Water	840	700	721	743	765	788
Electric	1,958	2,900	2,987	3,077	3,169	3,264
Gas-No-Heat	24,740	36,000	37,080	38,192	39,338	40,518
Telephone	40,693	44,000	45,320	46,680	48,080	49,522
Rental Office Equipment	568	700	721	743	765	788
Rental Other Equipment	16,087	36,500	37,595	38,723	39,885	41,082
Rental Software	15,178	32,500	33,475	34,479	35,513	36,578
Cleaning Services	21,710	25,000	25,750	26,523	27,319	28,139
Work TRF To/From Other Depts	10,955	1,000	1,030	1,061	1,093	1,126
Miscellaneous-No Other Class	133		0	0	0	0
Prior Year Expenditures	6,391		0	0	0	0
Total 52000 Service Expense	\$190,657	\$283,425	\$291,929	\$300,689	\$309,709	\$319,001

**The Nathaniel Witherell
Forecast Of Operations During Construction
Supply Expense 53000**

Description	2004 Forecast	2005 Budget	2006 Projection	2007 Projection	2008 Projection	2009 Projection
Office Supplies	\$51,012	\$55,550	\$57,217	\$58,934	\$60,702	\$62,523
Data Processing Supplies	5,136	10,700	11,021	11,352	11,693	12,044
Teaching Supplies	500	500	515	530	546	562
Textbooks	840	1,000	1,030	1,061	1,093	1,126
Audio Visual Supplies	2,429	3,000	3,090	3,183	3,278	3,376
Recreation Supplies	34,143	12,000	12,360	12,731	13,113	13,506
Medical/Surgical Supplies	574,606	729,000	801,900	882,090	970,299	1,067,329
Wearing Apparel	250		0	0	0	0
Protective Equipment	475	2,000	2,060	2,122	2,186	2,252
Custodial Supplies	239,069	178,400	183,752	189,265	194,943	200,791
Food & Supplements	441,089	416,020	428,501	441,356	454,597	468,235
Motor Fuel	5	3,000	3,090	3,183	3,278	3,376
Auto Parts	905	1,300	1,339	1,379	1,420	1,463
Mechanical Supplies	52,862	23,000	23,690	24,401	25,133	25,887
Chemical Supplies	65,070	71,300	73,439	75,642	77,911	80,248
Building Materials	4,174	5,000	5,150	5,305	5,464	5,628
Botanical Supplies		500	515	530	546	562
Work Trf To/From Other Depts	21,868	2,500	2,575	2,652	2,732	2,814
Miscellaneous No Other Classification	12,190	36,000	39,600	43,560	47,916	52,708
Prior Year Adjustments	524		0	0	0	0
Total 53000 Supply Expense	\$1,507,147	\$1,550,770	\$1,650,844	\$1,759,276	\$1,876,850	\$2,004,430

**The Nathaniel Witherell
Forecast Of Operations During Construction
Maintenance & Other Town Expenses 54000, 56000 5800**

Description	2004 Forecast	2005 Budget	2006 Projection	2007 Projection	2008 Projection	2009 Projection
Maintenance Expense 54000						
Maintenance Land	\$8,690	\$9,000	\$9,450	\$9,923	\$10,419	\$10,940
Maintenance Parking	5,500	600	630	662	695	730
Maintenance Building	226,449	124,000	130,200	136,710	143,546	150,723
Maintenance Furniture	43,969	23,100	24,255	25,468	26,741	28,078
Maintenance Equipment	12,647	29,500	30,975	32,524	34,150	35,858
Maintenance Auto Repair	500	3,000	3,150	3,308	3,473	3,647
Work Trf To/From Other Depts	6,558		0	0	0	0
Misc Maintenance NOC	1,220		0	0	0	0
Prior Year Adjustments	3,070		0	0	0	0
Total 54000 Maintenance Expense	\$308,603	\$189,200	\$198,660	\$208,595	\$219,024	\$229,976

Insurance & Refund Exp 56000 & 58000						
Liability Insurance	\$318,362	\$300,000	\$309,000	\$318,270	\$327,818	\$337,653
State Claims & Refunds	9,000	5,000	5,150	5,305	5,464	5,628
Total 56000 & 58000 Ins & Refund Exp	\$327,362	\$305,000	\$314,150	\$323,575	\$333,282	\$343,281

**The Nathaniel Witherell
Forecast Of Operations During Construction
Capital Spending**

Description	2004 Forecast	2005 Budget	2006 Projection	2007 Projection	2008 Projection	2009 Projection
Copier	\$10,340			\$10,340		
West Wing Air Conditioner	25,000					
Nursing Home Software	45,000					
Roof Repairs		30,000				
Compressor Refrigerator Freezer		11,000				
Air Conditioner Repair		30,000	30,000	30,000	30,000	30,000
Elevator Repairs			20,000		10,000	
Truck				40,000		
Other Capital			20,000	20,000	20,000	20,000
Total Capital	\$80,340	\$71,000	\$70,000	\$100,340	\$60,000	\$50,000

**The Nathaniel Witherell
Forecast Of Operations During Construction
Enterprise Expenses**

Description	2004 Forecast	2005 Budget	2006 Projection	2007 Projection	2008 Projection	2009 Projection
Employee Benefits	\$3,793,605	\$3,958,222	\$4,096,759	\$4,240,147	\$4,388,552	\$4,542,151
Energy	500,000	420,000	500,000	500,000	500,000	500,000
Capital Expended	(282,215)	(122,000)	(70,000)	(100,340)	(60,000)	(50,000)
Depreciation Expense	385,534	400,000	405,000	412,000	418,000	428,000
Town Department Support	210,600	210,600	217,971	225,600	233,496	241,668
Total Enterprise Expenses	\$4,607,524	\$4,866,822	\$5,149,730	\$5,277,407	\$5,480,048	\$5,661,819

Base Case Assumptions vs. Current Operations

Salaried Employees:	Hourly Rates	Annual Hours	Existing FTE's	Proposed FTE's
Administration	53.26	1820	2.21	2.21
Business Office	26.19	1820	7.36	5.00
Admissions	31.43	1820	1.97	3.50
Maintenance	26.06	1820	5.96	3.40
Dietary	15.34	1820	24.92	24.92
Housekeeping	19.25	1820	22.16	22.16
Laundry	19.99	1820	5.52	4.60
Recreation	23.92	1820	6.05	6.05
Social Services	30.16	1820	1.39	3.00
Director of Nursing	46.44	2080	1.00	1.00
Associate Director of Nursing	40.17	2080	1.00	1.00
Assistant Director of Nursing	38.76	2080	3.28	2.80
Medical Info Specialist	36.91	1820	1.49	1.00
Special Services	32.55	2080	2.04	2.00
Administrative Assistant	24.96	1820	1.00	1.00
Medical Records	20.06	1820	0.69	0.69
Clerical Assistant	18.83	1820	0.50	0.50
Nursing Supervisor	52.12	2080	0.39	0.00
RN	35.96	2080	20.82	20.82
LPN	27.35	2080	8.60	21.18
PCC	33.21	2080	5.42	0.00
CNA	17.89	2080	102.88	81.90
Rehabilitation	20.41	2080	3.00	3.00

Benefits Percentage 0.36

Other Non-Salary Expenses:	Existing Amount	Proposed Amount	Per
Administration	6.20	5.81	Patient Day
Business Office	0.78	0.71	Patient Day
Admissions	0.07	0.05	Patient Day
Maintenance	3.29	1.61	Patient Day
Dietary	12.35	12.29	Patient Day
Housekeeping	1.24	1.23	Patient Day
Laundry	0.60	0.60	Patient Day
Nursing	8.90	8.60	Patient Day
Radiology	0.11	0.11	Patient Day
Physicians	0.76	0.76	Patient Day
Dental	0.23	0.23	Patient Day
Occupational Therapy	\$ 336,200	\$ 454,800	Annually
Pharmacy	2.64	2.64	Patient Day
Recreation	0.73	0.72	Patient Day
Social Services	0.01	0.01	Patient Day
RT	0.22	0.22	Patient Day
Lab Services	0.57	0.57	Patient Day
Speech Therapy	\$ 45,000	\$ 45,000	Annually
Physical Therapy	\$ 90,000	\$ 180,000	Annually
Apartments	0.14	0.00	Patient Day
Town Support Services	2.95	2.95	Patient Day
Energy	7.01	4.56	Patient Day

Bad Debt Expense 0.5%

Scenario 1: Nathaniel Witherell Forecast: As a Town Department (\$MM)

	Present														
	Value@ 6%	FY2010	FY2011	FY2012	FY2013	FY2014//	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Beds		190	190	190	190	190	190	190	190	190	190	190	190	190	190
Days		365	365	365	365	365	365	365	365	365	365	365	365	365	365
<u>Avg. Daily Census:</u>															
Medicare		29	33	33	33	33	33	33	33	33	33	33	33	33	33
Medicaid		96	93	93	93	93	93	93	93	93	93	93	93	93	93
Self Pay		56	56	56	56	56	56	56	56	56	56	56	56	56	56
Total		181	182	182	182	182	182	182	182	182	182	182	182	182	182
<u>Patient Days:</u>															
Medicare		10,496	11,984	11,984	11,984	11,984	11,984	11,984	11,984	11,984	11,984	11,984	11,984	11,984	11,984
Medicaid		35,012	33,954	33,954	33,954	33,954	33,954	33,954	33,954	33,954	33,954	33,954	33,954	33,954	33,954
Self Pay		20,436	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432
Total		65,944	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370
<u>Patient Mix:</u>															
Medicare		18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%
Medicaid		51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%
Self Pay		31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%
Occupancy		95%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%
<u>Per Diem:</u>															
Medicare-A		\$457	\$471	\$485	\$500	\$515	\$530	\$546	\$562	\$579	\$597	\$614	\$633	\$652	\$671
Medicare-B		\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4
Medicaid		\$252	\$257	\$262	\$267	\$273	\$278	\$284	\$289	\$295	\$301	\$307	\$313	\$320	\$326
Self Pay		\$443	\$459	\$473	\$487	\$501	\$516	\$532	\$548	\$564	\$581	\$599	\$617	\$635	\$654
Other		\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
<u>Avg. Rev/Day</u>		\$348	\$361	\$371	\$381	\$391	\$401	\$412	\$423	\$434	\$445	\$457	\$469	\$482	\$495
<u>Cash Expenses:</u>															
Salaries		\$183	\$188	\$196	\$204	\$212	\$220	\$229	\$238	\$248	\$258	\$268	\$279	\$290	\$302
Benefits		\$66	\$68	\$71	\$73	\$76	\$79	\$83	\$86	\$89	\$93	\$97	\$100	\$104	\$109
Other Expense		\$62	\$64	\$66	\$67	\$69	\$71	\$73	\$74	\$76	\$78	\$80	\$82	\$84	\$86
Bad Debt		\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$3
<u>Total Cash Exp.</u>		\$312	\$322	\$334	\$346	\$359	\$373	\$386	\$401	\$416	\$431	\$447	\$464	\$481	\$499
<u>Cash Margin:</u>		\$35	\$39	\$37	\$34	\$32	\$29	\$25	\$22	\$18	\$14	\$10	\$5	\$0	-\$5
		FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Revenues:															
Medicare A		4.8	5.6	5.8	6.0	6.2	6.4	6.5	6.7	6.9	7.1	7.4	7.6	7.8	8.0
Medicare B		0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3
Medicaid		8.8	8.7	8.9	9.1	9.3	9.4	9.6	9.8	10.0	10.2	10.4	10.6	10.8	11.1
Self Pay		9.1	9.4	9.7	9.9	10.2	10.6	10.9	11.2	11.5	11.9	12.2	12.6	13.0	13.4
Other		0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Revenues		22.9	24.0	24.6	25.3	25.9	26.6	27.3	28.1	28.8	29.6	30.3	31.2	32.0	32.8

Cash Expenses:

Salaries	12.0	12.5	13.0	13.5	14.1	14.6	15.2	15.8	16.5	17.1	17.8	18.5	19.3	20.0
Benefits	4.3	4.5	4.7	4.9	5.1	5.3	5.5	5.7	5.9	6.2	6.4	6.7	6.9	7.2
Other Expense	4.1	4.2	4.4	4.5	4.6	4.7	4.8	4.9	5.1	5.2	5.3	5.5	5.6	5.7
Bad Debt	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2
Total Cash Expenses	20.6	21.4	22.2	23.0	23.8	24.7	25.6	26.6	27.6	28.6	29.7	30.8	31.9	33.1
Cash Flow (EBITDA)	2.3	2.6	2.5	2.3	2.1	1.9	1.7	1.5	1.2	0.9	0.7	0.4	0.0	-0.3
Capital Expenditures	0.0	0.0	0.0	-0.1	-0.1	-0.2	-0.3	-0.4	-0.5	-0.6	-0.7	-0.8	-0.9	-1.0
Noncash Town Support	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Working Capital Change: <u>PV@6%</u>	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Cash Flow For Debt Servici	-7.7	2.5	2.8	2.6	2.4	2.2	1.9	1.6	1.3	0.9	0.6	0.2	-0.2	-0.6

Town Debt Service & Subsidy Scenarios

Assume \$47 MM Project Costs

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
<u>20 Yr. Amortization Scenario</u>														
Debt service@6%	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Town Suplus/(Subsidy)	-54.7	-1.6	-1.3	-1.5	-1.7	-1.9	-2.2	-2.5	-2.8	-3.2	-3.5	-3.9	-4.3	-5.1
<u>30 Yr. Amortization Scenario</u>														
Debt service@6%	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Town surplus/(Subsidy)	-54.7	-0.9	-0.6	-0.8	-1.1	-1.2	-1.5	-1.8	-2.2	-2.5	-2.9	-3.2	-3.6	-4.5
Key Financials:														
	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
% Change in Revenues		4.7%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.7%	2.7%	2.7%	2.7%	2.7%
% Change in Cash Expenses		3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
Cash Flow (EBITDA)	2.3	2.6	2.5	2.3	2.1	1.9	1.7	1.5	1.2	0.9	0.7	0.4	0.0	-0.3
Cash Flow (EBITDA)/Revenues	10.1%	10.9%	10.0%	9.0%	8.1%	7.1%	6.2%	5.2%	4.2%	3.2%	2.2%	1.1%	0.1%	-0.9%

Note: Medicare Part A is short-term care and rehab for Medicare patients; Medicare Part B is rehab for non-Medicare patients

EBITDA is earnings before taxes, interest, depreciation, and amortization.

Scenario 1: Nathaniel Witherell Forecast: As a Town Department (\$MM)

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039
Beds	190	190	190	190	190	190	190	190	190	190	190	190	190	190	190	190
Days	365	365	365	366	366	366	366	366	366	366	366	366	366	366	366	366
<u>Avg. Daily Census:</u>																
Medicare	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33
Medicaid	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93
Self Pay	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
Total	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182
<u>Patient Days:</u>																
Medicare	11,984	11,984	11,984	12,017	12,017	12,017	12,017	12,017	12,017	12,017	12,017	12,017	12,017	12,017	12,017	12,017
Medicaid	33,954	33,954	33,954	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047
Self Pay	20,432	20,432	20,432	20,488	20,488	20,488	20,488	20,488	20,488	20,488	20,488	20,488	20,488	20,488	20,488	20,488
Total	66,370	66,370	66,370	66,551	66,551	66,551	66,551	66,551	66,551	66,551	66,551	66,551	66,551	66,551	66,551	66,551
<u>Patient Mix:</u>																
Medicare	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%
Medicaid	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%
Self Pay	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%
Occupancy	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%
<u>Per Diem:</u>																
Medicare-A	\$692	\$712	\$734	\$756	\$778	\$802	\$826	\$851	\$876	\$902	\$929	\$957	\$986	\$1,016	\$1,046	\$1,077
Medicare-B	\$4	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7
Medicaid	\$332	\$339	\$346	\$353	\$360	\$367	\$374	\$382	\$389	\$397	\$405	\$413	\$422	\$430	\$439	\$447
Self Pay	\$674	\$694	\$715	\$736	\$758	\$781	\$805	\$829	\$854	\$879	\$906	\$933	\$961	\$989	\$1,019	\$1,050
Other	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2
<u>Avg. Rev/Day</u>	\$508	\$521	\$535	\$550	\$564	\$579	\$595	\$611	\$627	\$644	\$661	\$679	\$697	\$716	\$735	\$755
<u>Cash Expenses:</u>																
Salaries	\$314	\$326	\$339	\$353	\$367	\$382	\$397	\$413	\$429	\$447	\$465	\$483	\$502	\$523	\$543	\$565
Benefits	\$113	\$117	\$122	\$127	\$132	\$137	\$143	\$149	\$155	\$161	\$167	\$174	\$181	\$188	\$196	\$203
Other Expense	\$89	\$91	\$93	\$96	\$98	\$100	\$103	\$106	\$108	\$111	\$114	\$117	\$120	\$123	\$126	\$129
Bad Debt	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4
<u>Total Cash Exp.</u>	\$518	\$537	\$558	\$579	\$600	\$623	\$646	\$670	\$696	\$722	\$749	\$777	\$807	\$837	\$869	\$902
<u>Cash Margin:</u>	-\$10	-\$16	-\$22	-\$29	-\$36	-\$43	-\$51	-\$60	-\$69	-\$78	-\$88	-\$98	-\$110	-\$121	-\$134	-\$147
	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039
Revenues:																
Medicare A	8.3	8.5	8.8	9.1	9.4	9.6	9.9	10.2	10.5	10.8	11.2	11.5	11.8	12.2	12.6	12.9
Medicare B	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5
Medicaid	11.3	11.5	11.7	12.0	12.3	12.5	12.7	13.0	13.3	13.5	13.8	14.1	14.4	14.6	14.9	15.2
Self Pay	13.8	14.2	14.6	15.1	15.5	16.0	16.5	17.0	17.5	18.0	18.6	19.1	19.7	20.3	20.9	21.5
Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Revenues	33.7	34.6	35.5	36.6	37.6	38.6	39.6	40.6	41.7	42.9	44.0	45.2	46.4	47.7	48.9	50.3

Cash Expenses:

Salaries	20.8	21.7	22.5	23.5	24.4	25.4	26.4	27.5	28.6	29.7	30.9	32.2	33.4	34.8	36.2	37.6
Benefits	7.5	7.8	8.1	8.5	8.8	9.1	9.5	9.9	10.3	10.7	11.1	11.6	12.0	12.5	13.0	13.5
Other Expense	5.9	6.0	6.2	6.4	6.5	6.7	6.9	7.0	7.2	7.4	7.6	7.8	8.0	8.2	8.4	8.6
Bad Debt	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Total Cash Expenses	34.4	35.7	37.0	38.5	39.9	41.4	43.0	44.6	46.3	48.0	49.9	51.7	53.7	55.7	57.8	60.0
Cash Flow (EBITDA)	-0.7	-1.1	-1.5	-1.9	-2.4	-2.9	-3.4	-4.0	-4.6	-5.2	-5.9	-6.6	-7.3	-8.1	-8.9	-9.8
Capital Expenditures	-1.0	-1.0	-1.1	-1.1	-1.1	-1.2	-1.2	-1.2	-1.3	-1.3	-1.3	-1.4	-1.4	-1.4	-1.5	-1.5
Noncash Town Support	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Working Capital Change:	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2
Cash Flow For Debt Service	-1.4	-1.9	-2.3	-2.8	-3.2	-3.8	-4.3	-4.9	-5.5	-6.2	-6.8	-7.6	-8.3	-9.1	-10.0	-10.9

Town Debt Service & Subsidy Scenarios**Assume \$47 MM Project Costs**

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039
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20 Yr. Amortization Scenario

Debt service@6%	4.1	4.1	4.1	4.1	4.1	4.1										
Town Suplus/(Subsidy)	-5.5	-5.9	-6.4	-6.8	-7.3	-7.8										

30 Yr. Amortization Scenario

Debt service@6%	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Town surplus/(Subsidy)	-4.9	-5.3	-5.7	-6.2	-6.7	-7.2	-7.7	-8.3	-8.9	-9.6	-10.2	-11.0	-11.7	-12.5	-13.4	-14.3

Key Financials:

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039
% Change in Revenues	2.7%	2.7%	2.7%	3.0%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
% Change in Cash Expenses	3.7%	3.7%	3.7%	4.0%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
Cash Flow (EBITDA)	-0.7	-1.1	-1.5	-1.9	-2.4	-2.9	-3.4	-4.0	-4.6	-5.2	-5.9	-6.6	-7.3	-8.1	-8.9	-9.8
Cash Flow (EBITDA)/Reve	-2.0%	-3.1%	-4.2%	-5.3%	-6.4%	-7.5%	-8.6%	-9.8%	-10.9%	-12.1%	-13.3%	-14.5%	-15.7%	-16.9%	-18.2%	-19.4%

Note: Medicare Part A is short-term care and rehab for Medicare patients; Medicare Part B is rehab for non-Medicare patients

EBITDA is earnings before taxes, interest, depreciation, and amortization.

Scenario 2: Nathaniel Witherell Forecast: As a Not-For-Profit (\$MM)

	Present															
	<u>Value@6%</u>	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Beds		190	190	190	190	190	190	190	190	190	190	190	190	190	190	190
Days		365	365	365	365	365	365	365	365	365	365	365	365	365	365	365
<u>Avg. Daily Census:</u>																
Medicare		29	42	42	42	42	42	42	42	42	42	42	42	42	42	42
Medicaid		96	84	84	84	84	84	84	84	84	84	84	84	84	84	84
Self Pay		56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
Total		181	182	182	182	182	182	182	182	182	182	182	182	182	182	182
<u>Patient Days:</u>																
Medicare		10,496	15,312	15,312	15,312	15,312	15,312	15,312	15,312	15,312	15,312	15,312	15,312	15,312	15,312	15,312
Medicaid		35,012	30,625	30,625	30,625	30,625	30,625	30,625	30,625	30,625	30,625	30,625	30,625	30,625	30,625	30,625
Self Pay		20,436	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432
Total		65,944	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370
<u>Patient Mix:</u>																
Medicare		18%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%
Medicaid		51%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%
Self Pay		31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%
Occupancy		95%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%
<u>Per Diem:</u>																
Medicare-A		\$457	\$471	\$485	\$500	\$515	\$530	\$546	\$562	\$579	\$597	\$614	\$633	\$652	\$671	\$692
Medicare-B		\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4
Medicaid		\$252	\$257	\$262	\$267	\$273	\$278	\$284	\$289	\$295	\$301	\$307	\$313	\$320	\$326	\$332
Self Pay		\$443	\$459	\$473	\$487	\$501	\$516	\$532	\$548	\$564	\$581	\$599	\$617	\$635	\$654	\$674
Other		\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
<u>Avg. Rev/Day</u>		\$348	\$372	\$382	\$392	\$403	\$414	\$425	\$436	\$448	\$460	\$473	\$485	\$499	\$512	\$526
<u>Cash. Expenses:</u>																
Salaries		\$179	\$185	\$191	\$197	\$204	\$210	\$217	\$224	\$232	\$239	\$247	\$256	\$264	\$273	\$282
Benefits		\$59	\$57	\$59	\$61	\$63	\$65	\$67	\$70	\$72	\$74	\$77	\$79	\$82	\$85	\$87
Other Expense		\$61	\$63	\$64	\$66	\$68	\$69	\$71	\$73	\$75	\$77	\$79	\$81	\$83	\$85	\$87
Bad Debt		\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$3	\$3
<u>Total Cash Exp.</u>		\$301	\$306	\$316	\$326	\$336	\$347	\$358	\$369	\$381	\$393	\$405	\$418	\$431	\$444	\$458
<u>Cash Margin:</u>		\$47	\$66	\$66	\$66	\$67	\$67	\$67	\$67	\$68	\$68	\$68	\$68	\$68	\$68	\$67

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Revenues:															
Medicare A	4.8	7.2	7.4	7.7	7.9	8.1	8.4	8.6	8.9	9.1	9.4	9.7	10.0	10.3	10.6
Medicare B	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Medicaid	8.8	7.9	8.0	8.2	8.4	8.5	8.7	8.9	9.0	9.2	9.4	9.6	9.8	10.0	10.2
Self Pay	9.1	9.4	9.7	9.9	10.2	10.6	10.9	11.2	11.5	11.9	12.2	12.6	13.0	13.4	13.8
Other	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Revenues	22.9	24.7	25.4	26.0	26.7	27.5	28.2	29.0	29.7	30.5	31.4	32.2	33.1	34.0	34.9
Cash Expenses:															
Salaries	11.8	12.3	12.7	13.1	13.5	14.0	14.4	14.9	15.4	15.9	16.4	17.0	17.5	18.1	18.7
Benefits	3.9	3.8	3.9	4.1	4.2	4.3	4.5	4.6	4.8	4.9	5.1	5.3	5.4	5.6	5.8
Other Expense	4.0	4.2	4.3	4.4	4.5	4.6	4.7	4.8	5.0	5.1	5.2	5.3	5.5	5.6	5.8
Addtl Medicare Exp		0.7	0.9	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3
Bad Debt	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Total Cash Expenses	19.8	21.0	21.9	22.6	23.3	24.0	24.8	25.5	26.3	27.2	28.0	28.9	29.8	30.7	31.7
Cash Flow (EBITDA)	3.1	3.7	3.5	3.5	3.5	3.5	3.4	3.4	3.4	3.4	3.4	3.3	3.3	3.2	3.2
Capex	0.0	0.0	0.0	-0.1	-0.1	-0.2	-0.3	-0.4	-0.5	-0.6	-0.7	-0.8	-0.9	-1.0	-1.0
Working Capital Changes	<u>PV@6%</u>	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Cash Flow For Debt Service	33.7	3.0	3.6	3.4	3.3	3.3	3.2	3.1	2.9	2.8	2.7	2.6	2.4	2.3	2.1

Town Debt Service & Subsidy Scenarios
Assume \$47 MM Project Costs

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<u>20 Yr. Amortization Scenario</u>															
Debt service at 6%/\$15 donations		2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Town Surplus/(Subsidy)	1.7	0.2	0.8	0.6	0.5	0.5	0.4	0.3	0.1	0.0	-0.1	-0.2	-0.4	-0.5	-0.7
<u>30 Yr. Amortization Scenario</u>															
Debt service at 6%/\$15 donations		2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Town Surplus/(Subsidy)	1.7	0.7	1.3	1.1	1.0	1.0	0.9	0.8	0.6	0.5	0.4	0.3	0.1	0.0	-0.2

Key Financials:

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
% Change in Revenues		7.8%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
% Change in Cash Expenses		6.0%	4.0%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Cash Flow (EBITDA)	3.1	3.7	3.5	3.5	3.5	3.5	3.4	3.4	3.4	3.4	3.4	3.3	3.3	3.2	3.2
Cash Flow (EBITDA)/Revenues	13.4%	14.8%	13.8%	13.4%	13.0%	12.6%	12.2%	11.8%	11.5%	11.1%	10.7%	10.3%	9.9%	9.5%	9.1%

Note: Medicare Part A is short-term care and rehab for Medicare patients; Medicare Part B is rehab for non-Medicare patients
EBITDA is earnings before taxes, interest, depreciation, and amortization.

Changes from Base Case:

- 1) Patient mix: 23% Medicare, 42% Medicaid, 35% Self Pay
- 2) Salaries & Other Expenses at 98% of HDG level for 2011, then escalated
- 3) Salaries escalate at 3.5%/yr, not 4%
- 4) Incremental Medicare expense of \$0.7 MM in 2011 and \$0.9 MM in 2012
- 5) Benefits at 33% of salaries, not 36%

Scenario 2: Nathaniel Witherell Forecast: As a Not-For-Profit (\$MM)

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039
Beds	190	190	190	190	190	190	190	190	190	190	190	190	190	190	190
Days	365	365	366	365	365	365	365	365	365	365	365	365	365	365	365
<u>Avg. Daily Census:</u>															
Medicare	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42
Medicaid	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84
Self Pay	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
Total	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182
<u>Patient Days:</u>															
Medicare	15,312	15,312	15,354	15,312	15,312	15,312	15,312	15,312	15,312	15,312	15,312	15,312	15,312	15,312	15,312
Medicaid	30,625	30,625	30,709	30,625	30,625	30,625	30,625	30,625	30,625	30,625	30,625	30,625	30,625	30,625	30,625
Self Pay	20,432	20,432	20,488	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432
Total	66,370	66,370	66,551	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370	66,370
<u>Patient Mix:</u>															
Medicare	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%
Medicaid	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%
Self Pay	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%
Occupancy	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%
<u>Per Diem:</u>															
Medicare-A	\$712	\$734	\$756	\$778	\$802	\$826	\$851	\$876	\$902	\$929	\$957	\$986	\$1,016	\$1,046	\$1,077
Medicare-B	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$7
Medicaid	\$339	\$346	\$353	\$360	\$367	\$374	\$382	\$389	\$397	\$405	\$413	\$422	\$430	\$439	\$447
Self Pay	\$694	\$715	\$736	\$758	\$781	\$805	\$829	\$854	\$879	\$906	\$933	\$961	\$989	\$1,019	\$1,050
Other	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2
<u>Avg. Rev/Day</u>	\$540	\$555	\$570	\$585	\$601	\$617	\$634	\$652	\$669	\$688	\$706	\$726	\$745	\$766	\$787
<u>Cash. Expenses:</u>															
Salaries	\$291	\$301	\$311	\$321	\$331	\$342	\$354	\$365	\$377	\$390	\$403	\$416	\$430	\$444	\$458
Benefits	\$90	\$93	\$96	\$99	\$103	\$106	\$110	\$113	\$117	\$121	\$125	\$129	\$133	\$138	\$142
Other Expense	\$89	\$91	\$94	\$96	\$98	\$101	\$104	\$106	\$109	\$112	\$114	\$117	\$120	\$123	\$127
Bad Debt	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4
<u>Total Cash Exp.</u>	\$473	\$488	\$503	\$519	\$536	\$552	\$570	\$588	\$607	\$626	\$645	\$666	\$687	\$709	\$731
<u>Cash Margin:</u>	\$67	\$67	\$66	\$66	\$66	\$65	\$64	\$64	\$63	\$62	\$61	\$60	\$58	\$57	\$56

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039
Revenues:															
Medicare A	10.9	11.2	11.6	11.9	12.3	12.6	13.0	13.4	13.8	14.2	14.7	15.1	15.6	16.0	16.5
Medicare B	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5
Medicaid	10.4	10.6	10.8	11.0	11.2	11.5	11.7	11.9	12.2	12.4	12.7	12.9	13.2	13.4	13.7
Self Pay	14.2	14.6	15.1	15.5	16.0	16.4	16.9	17.4	18.0	18.5	19.1	19.6	20.2	20.8	21.4
Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Revenues	35.8	36.8	37.9	38.8	39.9	41.0	42.1	43.2	44.4	45.6	46.9	48.2	49.5	50.8	52.2
Cash Expenses:															
Salaries	19.3	19.9	20.7	21.3	22.0	22.7	23.5	24.2	25.0	25.9	26.7	27.6	28.5	29.5	30.4
Benefits	6.0	6.2	6.4	6.6	6.8	7.0	7.3	7.5	7.8	8.0	8.3	8.6	8.8	9.1	9.4
Other Expense	5.9	6.1	6.2	6.4	6.5	6.7	6.9	7.0	7.2	7.4	7.6	7.8	8.0	8.2	8.4
Addtl Medicare Exp	1.3	1.4	1.4	1.4	1.5	1.5	1.6	1.6	1.7	1.7	1.8	1.8	1.9	1.9	2.0
Bad Debt	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Total Cash Expenses	32.7	33.7	34.9	35.9	37.0	38.2	39.4	40.6	41.9	43.3	44.6	46.0	47.5	49.0	50.5
Cash Flow (EBITDA)	3.1	3.1	3.0	2.9	2.9	2.8	2.7	2.6	2.5	2.4	2.3	2.1	2.0	1.8	1.7
Capex	-1.1	-1.1	-1.1	-1.2	-1.2	-1.2	-1.3	-1.3	-1.3	-1.4	-1.4	-1.4	-1.5	-1.5	-1.6
Working Capital Changes	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2
Cash Flow For Debt Service	2.0	1.9	1.8	1.7	1.5	1.4	1.3	1.2	1.0	0.9	0.7	0.5	0.4	0.2	0.0

Town Debt Service & Subsidy Scenarios

Assume \$47 MM Project Costs

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039
<u>20 Yr. Amortization Scenario</u>															
Debt service at 6%/\$15 donations	2.8	2.8	2.8	2.8	2.8										
Town Surplus/(Subsidy)	-0.8	-0.9	-1.0	-1.1	-1.3										
<u>30 Yr. Amortization Scenario</u>															
Debt service at 6%/\$15 donations	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Town Surplus/(Subsidy)	-0.3	-0.4	-0.5	-0.6	-0.8	-0.9	-1.0	-1.1	-1.3	-1.4	-1.6	-1.8	-1.9	-2.1	-2.3

Key Financials:

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039
% Change in Revenues	2.7%	2.7%	3.0%	2.4%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
% Change in Cash Expenses	3.1%	3.1%	3.4%	2.9%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
Cash Flow (EBITDA)	3.1	3.1	3.0	2.9	2.9	2.8	2.7	2.6	2.5	2.4	2.3	2.1	2.0	1.8	1.7
Cash Flow (EBITDA)/Revenues	8.7%	8.4%	8.0%	7.6%	7.2%	6.8%	6.4%	6.0%	5.6%	5.2%	4.8%	4.4%	4.0%	3.6%	3.2%

Note: Medicare Part A is short-term care and rehab for Medicare patients; Medicare Part B is rehab for non-Medicare patients

EBITDA is earnings before taxes, interest, depreciation, and amortization.

Changes from Base Case:

- 1) Patient mix: 23% Medicare, 42% Medicaid, 35% Self Pay
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Nathaniel Witherell Historical Financial Results (Adjusted)																
Nathaniel Witherell (\$ in 000)																
	<u>FY 94</u>	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>SUM</u>	<u>FY 04</u>				
Days Census																
Self-pay			20.5%	21.9%	25.5%	27.1%	29.0%	26.9%	24.2%	24.2%		25.7%				
Medicaid			72.3%	71.4%	67.3%	66.9%	64.9%	65.0%	65.8%	66.9%		64.9%				
Medicare			6.7%	6.7%	7.2%	6.0%	6.1%	8.1%	10.0%	9.0%		9.4%				
Total Days			73,350	73,072	72,371	71,861	72,425	71,607	71,617	72,376		71,158				
Occupancy			99.5%	99.1%	98.2%	97.5%	98.2%	97.1%	97.1%	98.2%		96.2%				
Daily Rate																
Self-pay			243	\$234	NM	\$246	\$267	\$264	\$276	\$280		\$294				
Medicaid			156	\$173	160	\$192	\$191	\$193	\$196	\$199		\$202				
Medicare			NM	NM	NM	NM	\$212	\$299	\$355	\$335		\$342				
Avg Rev/Day			\$166	\$175	\$195	\$214	\$219	\$225	\$232	\$232		\$236				
Avg Cost/Day			\$171	\$186	\$187	\$197	\$200	\$202	\$223	\$226		\$257				

