

IX. 1120.130 - Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

4. All of the projects capital expenditures are completely funded through internal sources
5. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
6. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
	2007	2008	2009	2012
Enter Historical and/or Projected Years:				
Current Ratio	1.82	1.83	2.20	2.20
Net Margin Percentage	7.25%	6.61%	6.92%	7.17%
Percent Debt to Total Capitalization	38.05%	41.81%	37.50%	34.64%
Projected Debt Service Coverage	3.07	2.80	3.00	4.94
Days Cash on Hand	34.80	29.59	36.08	71.05
Cushion Ratio	1.68	1.43	1.95	6.40

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 41, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DaVita, Inc.
Financial Viability Ratios
12/31/2009

	2007	2008	2009	2012
<u>Current Ratio</u>				
Current Assets	1,976,250	2,128,296	2,302,521	2,302,521
Current Liabilities	<u>1,086,496</u>	<u>1,163,063</u>	<u>1,046,941</u>	<u>1,046,941</u>
Current Ratio	1.82	1.83	2.20	2.20
<u>Net Margin Percentage</u>				
Net Income	381,778	374,160	422,684	470,227
Net Operating Revenue	<u>5,264,151</u>	<u>5,660,173</u>	<u>6,108,800</u>	<u>6,554,805</u>
Net Margin Percentage	7.25%	6.61%	6.92%	7.17%
<u>Percentage Debt to Total Capitalization</u>				
Long Term Debt	3,707,318	3,695,146	3,632,224	3,479,099
Total Equity	<u>6,036,776</u>	<u>5,142,888</u>	<u>6,053,903</u>	<u>6,564,648</u>
Percentage Debt to Total Capitalization	38.05%	41.81%	37.50%	34.64%
<u>Projected Debt Service Coverage</u>				
Net Income	381,778	374,160	422,684	470,227
Depreciation/Amortization	193,470	216,917	228,986	230,740
Interest Expense	242,720	214,944	176,100	178,107
Available Funds	817,968	806,021	827,770	879,075
Interest Expense & Principal Payments	<u>266,151</u>	<u>287,669</u>	<u>276,107</u>	<u>178,107</u>
Projected Debt Service Coverage	3.07	2.80	3.00	4.94
<u>Days Cash on Hand</u>				
Cash and Investments	447,046	410,881	539,459	1,139,459
Net Revenue	5,264,151	5,660,173	6,108,800	6,554,805
Net Income	381,778	374,160	422,684	470,227
Operating Expenses	4,882,373	5,286,013	5,686,116	6,084,678
Less: Depreciation/Amortization	<u>193,470</u>	<u>216,917</u>	<u>228,986</u>	<u>230,740</u>
Operating Expenses Net of Depreciation/Amorization	4,688,903	5,069,096	5,457,130	5,853,938
Days Cash on Hand	34.80	29.59	36.08	71.05
<u>Cushion Ratio</u>				
Cash	447,046	410,881	539,459	1,139,459
Interest Expenses & Principal Payments	<u>266,151</u>	<u>287,669</u>	<u>276,107</u>	<u>178,107</u>
Cushion Ratio	1.68	1.43	1.95	6.40