NEIGHBORS
Rehabilitation Center

**Street Address:**
811 W. 2nd Street
Byron, Illinois 61010

**Mailing Address:**
P.O. Box 585
Byron, Illinois 61010

RECEIVED
AUG 03 2016
HEALTH FACILITIES &
SERVICES REVIEW BOARD

July 29, 2016

Via Overnight Carrier

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street--2nd Floor
Springfield, IL 62761

Re: Request for Permit Alteration
Neighbors Rehabilitation Center ("Neighbors")
Project No. 14-008 (the "Project")

Dear Ms. Avery:

Neighbors Rehabilitation Centers is asking the Board's approval for a Permit Alteration to increase the approved amount of funds being borrowed. This is our first request for a Permit Alteration.

The Illinois Health Facilities and Services Review Board previously granted a permit ("Permit") to construct a 30-bed addition to our existing facility in Byron. Construction of the Project is nearing completion and we expect to complete the Project well before the February 28, 2017 Project completion date.

We have experienced higher than expected construction costs and have incurred project costs in excess of the permit amount. We are seeking an increase in the debt approval amount to pay these costs. Unfortunately, the cost increase is over 7% of the project amount and cannot be addressed as part of the permit alteration. We have engaged CON counsel and have initiated discussions with the Review Board's legal counsel to address the cost overrun issue.

Neighbors requests to increase the debt financing by $2,231,142. We have received loan approval for the increased amount, but have not yet drawn on the loan in excess of the debt amount approved in our Permit.

**Applicable Review Criteria**

## 1. § 1125.120 Availability of Funds

The method of financing the Project remains a combination of equity and debt. The increased Project Costs are to be financed primarily from the increased borrowing. Fortunately, the funds are available for the increased costs. We have a construction loan with The PrivateBank and Trust Company in the amount of $12,000,000. While this loan is used for purposes in addition to the construction cost (for example land acquisition), there is sufficient loan funds available. In addition, we are anticipating that we will lease rather than purchase some of the equipment for the facility. We would anticipate an equipment leasing arrangement for approximately $500,000. A copy of that lease proposal is attached. The loan approval and lease proposal list amounts higher than we anticipate actually borrowing, but evidence that we do have funds available.

## 2. § 1120.130 Financial Viability

The source of financing remains a combination of debt and equity. We have prepared new financial viability ratios for permit alternation which are included as part of this application. These viability ratios show compliance with five of the six ratios. We have included updated financial projections for our facility in addition to the changes in cost and borrowing. Even with the increased borrowing the Project would continue to meet the important 80% debt to equity ratio. The only ratio that would not be met is the cushion ratio, which at 2.24 would be below the state standard of 3.0. We note that this is not different from the negative finding on cushion ratio from the original State Board Report.

## 3. § 1120.140(c) Reasonableness of Project Cost

The change requested in this permit alteration is to increase the amount of debt for the Project. We are compiling outstanding statements reconciling invoices and negotiating with contractors and vendors. Project costs will increase on the Project, but must be resolved as a compliance matter rather than a Permit Alteration. Project construction is nearing completion and we estimate the final cost will be approximately $11,250,000, or an increase of $2,231,142. Our estimate includes the original contingency amount of $167,413 to be used while we reconcile change orders and negotiate with the contractor and other vendors, but expect that amount to be far less.

The increased Project cost is a result of us underestimating the original Project construction costs. We have not expanded the size of the Project. In preparing the original Project budget we had relied on construction cost estimates of our architect. The estimated Project cost in our permit application was near the state standard for new construction and well below the state standard for the modernization component.

## 4. § 1120.140 (e) Total Effect of the Project on Capital Costs

A revised pro forma showing Project Cost Per Patient Day as a result of this permit alteration is attached, although there is no review standard.

**Project Costs Chart**

This permit alteration is to authorize additional debt in order to pay additional construction costs. The attached Project Cost Table shows the amount of the increase borrowing.

**Conclusion**

While our administrative team has considerable experience in operating a facility this is the first significant construction project that we have undertaken and the first time through the CON process. We understand now that we should have addressed these issues with our permit earlier in the process. We are committed to working with the Board to address these changes and any questions related to this request.

Enclosed are applicable application pages reflecting the proposed change and a check in the amount of $1,000 for the application processing fee. We look forward to continuing to work with you on this Project.

Sincerely,

Thomas Winter

Enclosures

113379419.2

# SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW

## Criterion 1125.800 Estimated Total Project Cost

**The following Sections DO NOT need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):**

- **Availability of Funds – Review Criteria**
- **Financial Viability – Review Criteria**
- **Economic Feasibility – Review Criteria, subsection (a)**

## Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

| | | |
|---|---|---|
| **$989,202** | a. | Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:<br>1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and<br>2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion; |
| _____ | b. | Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience. |
| _____ | c. | Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts; |
| **$9,760,798**<br>**+ $500,000**<br>**$10,260,798** | d. | Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:<br>1. For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;<br>2. For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;<br>3. For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;<br>4. For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;<br>5. For any option to lease, a copy of the option, including all terms and conditions. |

| | | |
|---|---|---|
| _____ | e. | Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent; |
| _____ | f. | Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt; |
| _____ | g. | All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project. |
| **$11,250,000** | **TOTAL FUNDS AVAILABLE** | |

**APPEND DOCUMENTATION AS ATTACHMENT-27, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

## 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- THIS ITEM IS NOT GERMANE**

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

1. **"A" Bond rating or better**
2. **All of the projects capital expenditures are completely funded through internal sources**
3. **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**
4. **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-28, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

1. 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.

**COMBINED (NEIGHBORS PROPERTY, LLC & NEIGHBORS REHABILITATION, LLC)**

| **Provide Data for Projects Classified as:** | **Category A or Category B (last three years)** | | | **Category B (Projected)** |
|---|---|---|---|---|
| **Enter Historical and/or Projected Years:** | **STATE STANDARD** | | **2018 AS APPROVED** | **2019 REVISED 7/27/16** |
| Current Ratio | **1.5 OR MORE** | | **2.0** | **3.1** |
| Net Margin Percentage | **2.5 OR MORE** | | **17.3** | **38.2** |
| Percent Debt to Total Capitalization | **80% OR LESS** | | **79.9** | **80.0** |
| Projected Debt Service Coverage | **1.5 OR MORE** | | **4.0** | **3.1** |
| Days Cash on Hand | **45 DAYS OR MORE** | | **79.5** | **98.5** |
| Cushion Ratio | **3 OR MORE** | | **3.0** | **2.4** |

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and

1. 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.

**NEIGHBORS PROPERTY, LLC (OWNER)**

| **Provide Data for Projects Classified as:** | **Category A or Category B (last three years)** | | | **Category B (Projected)** |
|---|---|---|---|---|
| **Enter Historical and/or Projected Years:** | **STATE STANDARD** | | **2018 AS APPROVED** | **2019 REVISED 7/27/16** |
| Current Ratio | **1.5 OR MORE** | | **2.2** | **13.4** |
| Net Margin Percentage | **2.5 OR MORE** | | **-58.6** | **-9.2** |
| Percent Debt to Total Capitalization | **80% OR LESS** | | **110.2** | **94.8** |
| Projected Debt Service Coverage | **1.5 OR MORE** | | **1.0** | **1.1** |
| Days Cash on Hand | **45 DAYS OR MORE** | | **57.4** | **454.7** |
| Cushion Ratio | **3 OR MORE** | | **.02** | **1.2** |

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and

1. 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.

**NEIGHBORS REHABILITATION, LLC (OPERATOR)**

| **Provide Data for Projects Classified as:** | **Category A or Category B (last three years)** | | | **Category B (Projected)** |
|---|---|---|---|---|
| **Enter Historical and/or Projected Years:** | **STATE STANDARD** | | **2018 AS APPROVED** | **2019 REVISED 7/27/16** |
| Current Ratio | **1.5 OR MORE** | | **2.0** | **2.4** |
| Net Margin Percentage | **2.5 OR MORE** | | **24.7** | **56.7** |
| Percent Debt to Total Capitalization | **80% OR LESS** | | **N/A** | **N/A** |
| Projected Debt Service Coverage | **1.5 OR MORE** | | **54.4** | **58.7** |
| Days Cash on Hand | **45 DAYS OR MORE** | | **81.4** | **58.2** |
| Cushion Ratio | **3 OR MORE** | | **42.6** | **23.1** |

| COST AND GROSS SQUARE FEET BY SERVICE | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Area (list below) | A | B | C | D | E | F | G | H | Total Cost (G + H) |
| | Cost/Square Foot New | Cost/Square Foot Mod. | Gross Sq. Ft. New | Gross Sq. Ft. Circ.* | Gross Sq. Ft. Mod. | Gross Sq. Ft. Circ.* | Const. $ (A x C) | Mod. $ (B x E) | |
| Nursing-New | **$177.21** | **$46.51** | **27,143**** | | **23,013** | | **$4,810,070** | **$1,070,298** | **$5,880,368** |
| Contingency | **$0.00** | **$4.74** | **27,143**** | | **23,013** | | **$0.00*** | **$109,073*** | **$109,073** |
| TOTALS | **$177.21** | **$51.25** | **27,143**** | | **23,013** | | **$4,810,070** | **$1,179,371** | **$5,989,441** |

* Include the percentage (%) of space for circulation

*Contingency Cost breakdown based on New Construction being completed and the balance is for Modernization Total Contract Costs

**New Construction of 27,143gsf + vacated (demolition) space of 2,878gsf as demolition costs are in the construction contract line item.

**D. Projected Operating Costs**

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

**E. Total Effect of the Project on Capital Costs**

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

**APPEND DOCUMENTATION AS ATTACHMENT - 30, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

## Project Costs and Sources of Funds

APPENDIX A

Complete the following table listing all costs associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

| Project Costs and Sources of Funds | | | |
|---|---|---|---|
| **USE OF FUNDS** | **CLINICAL** | **NONCLINICAL** | **TOTAL** |
| Preplanning Costs | $17,841 | $9,543 | $27,384 |
| Site Survey and Soil Investigation | $10,294 | $5,506 | $15,800 |
| Site Preparation | $0 | $0 | $0 |
| Off Site Work | $18,706 | $10,005 | $28,711 |
| New Construction Contracts | $4,810,070 | $2,572,791 | $7,382,861 |
| Modernization Contracts | $1,070,298 | $572,477 | $1,642,775 |
| Contingencies | $109,073 | $58,340 | $167,413 |
| Architectural/Engineering Fees | $474,646 | $253,876 | $728,522 |
| Consulting and Other Fees | $39,091 | $20,909 | $60,000 |
| Movable or Other Equipment (not in construction contracts) | $62,295 | $33,320 | $95,615 |
| Bond Issuance Expense (project related) | $114,614 | $61,305 | $175,919 |
| Net Interest Expense During Construction (project related) | $130,304 | $69,696 | $200,000 |
| Fair Market Value of Leased Space or Equipment | $325,759 | $174,241 | $500,000 |
| Other Costs To Be Capitalized | $146,592 | $78,408 | $225,000 |
| Acquisition of Building or Other Property (excluding land) | $0 | $0 | $0 |
| **TOTAL USES OF FUNDS** | $7,329,583 | $3,920,417 | $11,250,000 |
| **SOURCE OF FUNDS** | **CLINICAL** | **NONCLINICAL** | **TOTAL** |
| Cash and Securities | $644,483 | $344,719 | $989,202 |
| Pledges | | | |
| Gifts and Bequests | | | |
| Bond Issues (project related) | | | |
| Mortgages | $6,359,340 | $3,401,458 | $9,760,798 |
| Leases (fair market value) | $325,759 | $174,241 | $500,000 |
| Governmental Appropriations | | | |
| Grants | | | |
| Other Funds and Sources | | | |
| **TOTAL SOURCES OF FUNDS** | $7,329,583 | $3,920,417 | $11,250,000 |

*Clinical Cost equates to Appendix D's Total Clinical space as a percentage of the whole (65%); Conversely, Nonclinical Cost equates to Appendix D's Total Nonclinical space as a percentage of the whole (35%).

APPENDIX D

## Cost/Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

| | | Gross Square Feet | | Amount of Proposed Total Gross Square Feet That Is: | | | |
|---|---|---|---|---|---|---|---|
| Department/Area | Cost | Existing | Proposed | New Const. | Modernized | As Is | Vacated Space |
| **CLINICAL** | | | | | | | |
| New Resident Rooms & Bath Rooms | $ 1,548,440 | 468 | 8,226 | 7,758 | 468 | | |
| Existing Rsident Rooms and Toilet Rooms | $ 2,233,059 | 11,863 | 11,863 | | 11,863 | | |
| Nursing Support | $ 305,133 | 513 | 1,621 | 1,108 | 288 | 225 | |
| Utility Rooms | $ 199,531 | 731 | 1,060 | 329 | 115 | 616 | |
| Living/Dining/Activity | $ 1,885,573 | 5,076 | 10,017 | 4,941 | 1,937 | 3,139 | |
| PT / OT | $ 513,323 | 0 | 2,727 | 2,727 | | | |
| Alzheimers Dayroom and Toilet | $ 0 | 1,393 | | | | | 1,393 |
| Food Service | $ 356,898 | 1,598 | 1,896 | 298 | 500 | 1,098 | |
| Shower Rooms/Toilets-existing | $ 287,627 | 1,528 | 1,528 | | | 1,528 | |
| **TOTAL CLINICAL** | $ 7,329,583 | 23,170 | 38,938 | 17,161 | 15,171 | 6,606 | 1,393 |
| **NON-CLINICAL** | | | | | | | |
| Chapel and Support | $ 316,050 | 1,679 | 1,679 | | | 1,679 | |
| Office / Administration | $ 414,687 | 198 | 2,203 | 2,005 | | 198 | |
| Maintenance Stoage | $ 0 | 534 | | | | | 534 |
| Commons | $ 860,621 | 702 | 4,572 | 3,870 | 702 | | |
| Dietary Office | $ 0 | 124 | | | | | 124 |
| Staff Lounge | $ 0 | 351 | | | | | 351 |
| Plaza | $ 372,145 | 1,977 | 1,977 | | 1,977 | | |
| Support Departments | $ 308,144 | 0 | 1,637 | 1,637 | | | |
| Building Storage | $ 56,095 | 0 | 298 | 298 | | | |
| Mechanical Room | $ 124,425 | 566 | 661 | 95 | | 566 | |
| Lobby | $ 0 | 476 | | | | | 476 |
| Building Support | $ 644,524 | 1,347 | 3,424 | 2,077 | 787 | 560 | |
| Existing Corridor Renovations | $ 823,726 | 4,376 | 4,376 | | 4,376 | | |
| **Total Non-Clinical** | **$ 3,920,417** | **12,330** | **20,827** | **9,982** | **7,842** | **3,003** | **1,485** |
| **TOTAL** | **$11,250,000** | **35,500** | **59,765** | **27,143** | **23,013** | **9,609** | **2,878** |

# ATTACHMENT 27

**Mortgage**

**Lease**

# TETRA
FINANCIAL GROUP

**Lease Proposal**
June 16, 2016

| | |
|---|---|
| **Lessor:** | Tetra Financial Group, L.L.C. or assign. |
| **Lessee:** | Generations at Neighbors, LLC |
| **Guarantor(s):** | Neighbors Property, LLC / S.I.R. Management, Inc. |
| **Leased Property:** | FF&E for Care Center |
| **Leased Property Cost:** | $700,000.00 |
| **Leased Property Location:** | IL |
| **Base Term:** | 48 months with Basic Rent billed Monthly. |
| **Basic Rent:** | $14,287.00 due and payable Monthly in advance by ACH initiated by Lessor. |
| **Lease Rate Factor:** | .02041 |
| **End of Base Term Options:** | (i) purchase the Leased Property for a price to be agreed upon by Lessor and Lessee, (ii) continue using the Leased Property by extending the lease, or (iii) return the Leased Property; all in accordance with the final lease agreement. |
| **Triple Net:** | Lessee is responsible for all taxes, insurance, maintenance and other costs, including inspections, appraisals, lien searches and filings. |
| **UCC:** | The proposed lease is intended to be a true lease. Notwithstanding, Lessee hereby grants a security interest in and authorizes Lessor to file a UCC financing statement relating to the Leased Property and proposed lease as Lessor deems necessary. |
| **Good Faith Deposit:** | Lessee shall provide a good faith deposit equal to the Basic Rent ("Deposit"), due upon execution hereof. The Deposit will be applied to the last payment of Basic Rent of the lease Term. If Lessor does not issue a credit approval (an "Approval"), the Deposit will be refunded without interest. In connection with Lessor's underwriting, Lessee shall provide such financial, tax and other information as Lessor requests. Upon Approval or if Lessee withdraws this Lease Proposal, the Deposit shall become nonrefundable and be deemed a processing and commitment fee fully earned by Lessor, as liquidated damages and not as a penalty, in consideration of Lessor's time, effort and expense of underwriting and allocating funds for this Lease Proposal. |
| **Rate Adjustment:** | The Lease Rate Factor will be adjusted as of the Final Acceptance Date upward by .00009889 for every five (5) basis point increase in similarly maturing U.S. Treasury Notes from a benchmark of 0.0% |
| **Confidentiality:** | Lessee shall keep this Lease Proposal and any Approval strictly confidential. |
| **Applicable Law; Jurisdiction; Venue; Jury Waiver:** | This Lease Proposal shall be governed by the laws of the State of Utah, without regard to conflict of laws provisions. The exclusive jurisdiction and venue for any matter or action arising out of or relating to this Lease Proposal shall be the state or federal courts in Salt Lake County, Utah. Lessee hereby submits to the exclusive jurisdiction of such courts and waives any objection to such exclusive jurisdiction, venue or convenience of forum. Lessee hereby waives all rights to a jury trial to the fullest extent permitted by law. |
| **Entire Understanding:** | This Lease Proposal is personal to Lessee, may not be amended or assigned without Lessor's prior written consent, supersedes any prior written or oral understandings or agreements, and constitutes the entire and exclusive understanding and agreement of the parties regarding the subject matter. This Lease Proposal sets forth the basic terms of a proposed lease and does not create any commitment or obligation of the parties to enter into such lease, which shall be binding only upon the parties' execution of final lease agreements, consisting of Lessor's standard lease documentation. Upon execution of the final lease agreements, this Lease Proposal and any Approval shall be superseded in all respects.<br><br>THIS LEASE PROPOSAL IS NOT A FINANCING COMMITMENT. NEITHER LESSEE NOR ANY OTHER PERSON SHOULD RELY UPON IT IN TAKING OR FORBEARING FROM TAKING ANY ACTION OR ADVANCING ANY CREDIT. |
| **AGREED AND ACCEPTED:** | BY: Thomas Winter<br>TITLE: CFO<br>PRINT NAME: Thomas Winter<br>DATE: 6-17-2016 |

23620180.6
02-25-16

# CONSTRUCTION LOAN AGREEMENT

Dated as of February 25, 2016

by and between

**NEIGHBORS PROPERTY, LLC,**
an Illinois limited liability company,
as Borrower

and

**THE PRIVATEBANK AND TRUST COMPANY,**
an Illinois banking corporation,
as Lender

**IN WITNESS WHEREOF**, Borrower and Lender have caused this Agreement to be executed the day and year first above written.

**NEIGHBORS PROPERTY, LLC**

By Brysson Care, Inc., Manager

By _____
Bryan Barrish, President

**THE PRIVATEBANK AND TRUST COMPANY**

By _____
Michael Monticello, Managing Director

# ATTACHMENT 29

**Financial Viability Ratio Worksheets**

**Projected Financial Statements for CY 2019**

NEIGHBORS REHABILITATION CENTER
VIABILITY RATIOS WORKSHEET
LTC FACILITY OWNER OPERATOR COMBINED

| | 2014 | 2015 | 2016 | 2019 |
|---|---|---|---|---|
| CURRENT RATIO | | | | |
| 1. CURRENT ASSETS | $ 1,306,686 | $ 1,231,256 | $ 1,744,027 | $ 4,206,002 |
| 2. CURRENT LIABILITIES | $ 1,780,150 | $ 3,281,683 | $ 1,262,150 | $ 1,338,150 |
| 3. CURRENT RATIO (LINE 1 DIVIDED BY LINE 2) | 0.7 | 0.4 | 1.4 | 3.1 |
| NET MARGIN PERCENTAGE | | | | |
| 4. NET INCOME OR (LOSS) | $ 19,717 | $ (14,689) | $ (167,450) | $ 1,638,325 |
| 5. NET OPERATING REVENUE | $ 723,100 | $ 696,330 | $ 911,175 | $ 4,289,396 |
| 6. NET MARGIN PERCENTAGE (LINE 4 DIVIDED BY LINE 5) | 2.7% | -2.1% | -18.4% | 38.2% |
| DEBT SERVICE COVERAGE | | | | |
| NET INCOME(LOSS) + DEPR + 7. INTEREST + AMORTIZATION | $ 334,327 | $ 304,984 | $ 410,550 | $ 2,847,725 |
| 8. PRINCIPAL + INTEREST | $ 148,875 | $ 349,700 | $ 294,844 | $ 931,400 |
| 9. DEBT SERVICE COVERAGE RATIO (LINE 7 DIVIDED BY LINE 8) | 2.2 | 0.9 | 1.4 | 3.1 |
| DEBT CAPITALIZATION RATIO | | | | |
| 10. LONG TERM DEBT | $ 2,396,361 | $ 6,013,565 | $ 12,000,000 | $ 12,000,000 |
| 11. LONG TERM DEBT + EQUITY | $ 3,252,866 | $ 6,856,381 | $ 13,925,366 | $ 14,992,341 |
| 12. DEBT CAPITALIZATION RATIO (LINE 10 DIVIDED BY LINE 11) | 73.7% | 87.7% | 86.2% | 80.0% |
| DAYS CASH | | | | |
| 13. CASH AND INVESTMENTS | $ 31,686 | $ 90,581 | $ 376,027 | $ 2,286,002 |
| 14. OPER EXPENSE LESS DEPR/365 | $ 12,762 | $ 12,169 | $ 13,702 | $ 23,219 |
| 15. DAY CASH ON HAND (LINE 13 / LINE 14) | 2.5 | 7.4 | 27.4 | 98.5 |
| CUSHION RATIO | | | | |
| 16. CASH AND INVESTMENTS | $ 31,686 | $ 90,581 | $ 376,027 | $ 2,286,002 |
| 17. MAX ANNUAL DEBT SERVICE | $ 164,875 | $ 368,450 | $ 320,944 | $ 952,500 |
| 18. CUSHION (LINE 16 / LINE 17) | 0.2 | 0.2 | 1.2 | 2.4 |

NEIGHBORS REHABILITATION CENTER
VIABILITY RATIOS WORKSHEET
LTC FACILITY OWNER - NEIGHBORS PROPERTY, LLC

| | 2014 | 2015 | 2016 | 2019 |
|---|---|---|---|---|
| CURRENT RATIO | | | | |
| 1. CURRENT ASSETS | $ 71,686 | $ 81,256 | $ 370,027 | $ 1,143,002 |
| 2. CURRENT LIABILITIES | $ 81,150 | $ 71,683 | $ 73,150 | $ 85,150 |
| 3. CURRENT RATIO (LINE 1 DIVIDED BY LINE 2) | 0.9 | 1.1 | 5.1 | 13.4 |
| NET MARGIN PERCENTAGE | | | | |
| 4. NET INCOME OR (LOSS) | $ (45,283) | $ (42,689) | $ (204,450) | $ (110,675) |
| 5. NET OPERATING REVENUE | $ 288,000 | $ 290,000 | $ 398,000 | $ 1,204,000 |
| 6. NET MARGIN PERCENTAGE (LINE 4 DIVIDED BY LINE 5) | -15.7% | -14.7% | -51.4% | -9.2% |
| DEBT SERVICE COVERAGE | | | | |
| NET INCOME(LOSS) + DEPR + 7. INTEREST + AMORTIZATION | $ 211,227 | $ 213,684 | $ 299,150 | $ 1,004,325 |
| 8. PRINCIPAL + INTEREST | $ 128,875 | $ 324,700 | $ 268,444 | $ 900,000 |
| 9. DEBT SERVICE COVERAGE RATIO (LINE 7 DIVIDED BY LINE 8) | 1.6 | 0.7 | 1.1 | 1.1 |
| DEBT CAPITALIZATION RATIO | | | | |
| 10. LONG TERM DEBT | $ 2,391,361 | $ 6,013,565 | $ 12,000,000 | $ 12,000,000 |
| 11. LONG TERM DEBT + EQUITY | $ 2,646,866 | $ 6,226,381 | $ 13,258,366 | $ 12,654,341 |
| 12. DEBT CAPITALIZATION RATIO (LINE 10 DIVIDED BY LINE 11) | 90.3% | 96.6% | 90.5% | 94.8% |
| DAYS CASH | | | | |
| 13. CASH AND INVESTMENTS | $ 11,686 | $ 15,581 | $ 308,027 | $ 1,071,002 |
| 14. OPER EXPENSE LESS DEPR/365 | $ 531 | $ 522 | $ 979 | $ 2,355 |
| 15. DAY CASH ON HAND (LINE 13 / LINE 14) | 22.0 | 29.8 | 314.5 | 454.7 |
| CUSHION RATIO | | | | |
| 16. CASH AND INVESTMENTS | $ 11,686 | $ 15,581 | $ 308,027 | $ 1,071,002 |
| 17. MAX ANNUAL DEBT SERVICE | $ 128,875 | $ 324,700 | $ 268,444 | $ 900,000 |
| 18. CUSHION (LINE 16 / LINE 17) | 0.1 | 0.0 | 1.1 | 1.2 |

NEIGHBORS REHABILITATION CENTER
VIABILITY RATIOS WORKSHEET
LTC FACILITY OPERATOR - NEIGHBORS REHABILITATION CENTER, LLC

| | 2014 | 2015 | 2016 | 2019 |
|---|---|---|---|---|
| CURRENT RATIO | | | | |
| 1. CURRENT ASSETS | $ 1,235,000 | $ 1,150,000 | $ 1,374,000 | $ 3,063,000 |
| 2. CURRENT LIABILITIES | $ 1,699,000 | $ 3,210,000 | $ 1,189,000 | $ 1,253,000 |
| 3. CURRENT RATIO (LINE 1 DIVIDED BY LINE 2) | 0.7 | 0.4 | 1.2 | 2.4 |
| NET MARGIN PERCENTAGE | | | | |
| 4. NET INCOME OR (LOSS) | $ 65,000 | $ 28,000 | $ 37,000 | $ 1,749,000 |
| 5. NET OPERATING REVENUE | $ 435,100 | $ 406,330 | $ 513,175 | $ 3,085,396 |
| 6. NET MARGIN PERCENTAGE (LINE 4 DIVIDED BY LINE 5) | 14.9% | 6.9% | 7.2% | 56.7% |
| DEBT SERVICE COVERAGE | | | | |
| NET INCOME(LOSS) + DEPR + 7. INTEREST + AMORTIZATION | $ 123,100 | $ 91,300 | $ 111,400 | $ 1,843,400 |
| 8. PRINCIPAL + INTEREST | $ 20,000 | $ 25,000 | $ 26,400 | $ 31,400 |
| 9. DEBT SERVICE COVERAGE RATIO (LINE 7 DIVIDED BY LINE 8) | 6.2 | 3.7 | 4.2 | 58.7 |
| DEBT CAPITALIZATION RATIO | | | | |
| 10. LONG TERM DEBT | $ 5,000 | $ - | $ - | $ - |
| 11. LONG TERM DEBT + EQUITY | $ 606,000 | $ 630,000 | $ 667,000 | $ 2,338,000 |
| 12. DEBT CAPITALIZATION RATIO (LINE 10 DIVIDED BY LINE 11) | 0 | 0 | 0 | 0 |
| DAYS CASH | | | | |
| 13. CASH AND INVESTMENTS | $ 20,000 | $ 75,000 | $ 68,000 | $ 1,215,000 |
| 14. OPER EXPENSE LESS DEPR/365 | $ 12,231 | $ 11,647 | $ 12,722 | $ 20,864 |
| 15. DAY CASH ON HAND (LINE 13 / LINE 14) | 1.6 | 6.4 | 5.3 | 58.2 |
| CUSHION RATIO | | | | |
| 16. CASH AND INVESTMENTS | $ 20,000 | $ 75,000 | $ 68,000 | $ 1,215,000 |
| 17. MAX ANNUAL DEBT SERVICE | $ 36,000 | $ 43,750 | $ 52,500 | $ 52,500 |
| 18. CUSHION (LINE 16 / LINE 17) | 0.6 | 1.7 | 1.3 | 23.1 |

| NEIGHBORS - COMBINED | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/19 | |
|---|---|---|---|---|---|---|---|---|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| CURRENT ASSETS | | | | | | | | |
| Cash in Banks - Total | 31,687 | | 90,581 | | 376,027 | | 2,286,002 | |
| Accounts Receivable | 1,170,000 | | 1,050,000 | | 1,258,000 | | 1,800,000 | |
| Prepaid Expenses | 45,000 | | 28,675 | | 48,000 | | 48,000 | |
| Total Current Assets | 1,246,687 | | 1,169,256 | | 1,682,027 | | 4,134,002 | |
| FIXED ASSETS - COST | 4,092,500 | | 4,207,500 | | 4,237,500 | | 4,427,500 | |
| Construction Project | 157,861 | | 3,733,319 | | 10,575,000 | | 10,575,000 | |
| less: Accum. Depr | (1,069,031) | | (1,251,011) | | (1,509,011) | | (2,913,011) | |
| | 3,181,330 | | 6,689,808 | | 13,303,489 | | 12,089,489 | |
| OTHER ASSETS | | | | | | | | |
| Other Assets | 540,000 | | 114,599 | | 140,000 | | 35,000 | |
| Total Assets | 4,968,017 | | 7,973,663 | | 15,125,516 | | 16,258,491 | |
| CURRENT LIABILITIES | | | | | | | | |
| Accounts Payable | 175,000 | | 110,000 | | 147,000 | | 147,000 | |
| Accrued Expenses | 231,150 | | 189,683 | | 228,150 | | 219,150 | |
| Accrued Vacation Pay | 110,000 | | 80,000 | | 90,000 | | 90,000 | |
| Payables & Accruals | 516,150 | | 379,683 | | 465,150 | | 456,150 | |
| Patient Trust Fund-net | 0 | | 0 | | 0 | | 0 | |
| Other Loans & Liabilities | 275,000 | | 1,937,118 | | 0 | | 0 | |
| Member Loans | 150,000 | | 1,700,000 | | 0 | | 0 | |
| Line of Credit -Private B. | 760,000 | | 850,000 | | 725,000 | | 800,000 | |
| Note Payable - Van | 9,000 | | 5,000 | | 0 | | 0 | |
| Mortgage-current portion | 0 | | 0 | | 0 | | 0 | |
| Deferred Repl. Tax | 10,000 | | 10,000 | | 10,000 | | 10,000 | |
| Total Current Liabilities | 1,720,150 | | 4,881,801 | | 1,200,150 | | 1,266,150 | |
| Long Term Liabilities | | | | | | | | |
| Due To Operator | 107,861 | | 0 | | 0 | | 0 | |
| Mortgage Payable | 2,283,500 | | 2,249,046 | | 0 | | 0 | |
| Mortgage - add'l | 0 | | 0 | | 12,000,000 | | 12,000,000 | |
| Total Liabilities | 4,111,511 | | 7,130,847 | | 13,200,150 | | 13,266,150 | |
| EQUITY | | | | | | | | |
| Member Equity | 1,053,100 | | 1,053,100 | | 1,053,100 | | 2,303,100 | |
| Retained Earnings | (216,311) | | (195,595) | | (210,284) | | 150,916 | |
| Contribution(Distribution) | 0 | | 0 | | 1,250,000 | | (1,100,000) | |
| Current Year Profit | 19,717 | | (14,689) | | (167,450) | | 1,638,325 | |
| Total Equity | 856,506 | | 842,816 | | 1,925,366 | | 2,992,341 | |
| Total Liabilities & Equity | 4,968,017 | | 7,973,663 | | 15,125,516 | | 16,258,491 | |

| NEIGHBORS - COMBINED | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/19 | |
|---|---|---|---|---|---|---|---|---|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| Total Resident Income | 4,813,350 | 167.11 | 4,548,300 | 170.86 | 4,938,624 | 187.10 | 9,721,368 | 231.60 |
| Provider Bed Tax | (56,662) | | (55,298) | | (60,773) | | (71,723) | |
| Provider Assessments | (166,288) | | (148,873) | | (143,476) | | (199,400) | |
| Net Resident Income | 4,590,400 | 159.37 | 4,344,130 | 163.19 | 4,734,375 | 179.36 | 9,450,246 | 225.14 |
| Operating Expenses | | | | | | | | |
| Nursing | 2,139,000 | 74.26 | 1,896,600 | 71.25 | 2,123,000 | 80.43 | 3,154,100 | 75.14 |
| Employee Welfare | 374,300 | 12.99 | 381,500 | 14.33 | 400,600 | 15.18 | 532,200 | 12.68 |
| Housekeeping & Plant | 449,000 | 15.59 | 413,200 | 15.52 | 396,500 | 15.02 | 538,200 | 12.82 |
| Laundry & Linen | 108,400 | 3.76 | 116,400 | 4.37 | 114,400 | 4.33 | 148,800 | 3.54 |
| Dietary | 436,100 | 15.14 | 425,100 | 15.97 | 450,650 | 17.07 | 653,650 | 15.57 |
| General and Admin. | 665,200 | 23.09 | 720,028 | 27.05 | 741,400 | 28.09 | 1,339,575 | 31.91 |
| Total Operating Expense | 4,172,001 | 144.84 | 3,952,828 | 148.49 | 4,226,550 | 160.12 | 6,366,525 | 151.67 |
| Income on Operations | 418,399 | 14.53 | 391,302 | 14.70 | 507,825 | 19.24 | 3,083,721 | 73.47 |
| Capital Expenses | | | | | | | | |
| Mortgage Interest | 117,102 | 4.07 | 114,393 | 4.30 | 93,600 | 3.55 | 0 | 0.00 |
| Mortgage Interest - new | 0 | 0.00 | 0 | 0.00 | 165,000 | 6.25 | 660,000 | 15.72 |
| Equipment Lease - new | | | 0 | 0.00 | 31,500 | 1.19 | 126,000 | 3.00 |
| Real Estate Taxes | 60,000 | 2.08 | 59,288 | 2.23 | 60,000 | 2.27 | 72,000 | 1.72 |
| Interest | 20,000 | 0.69 | 25,000 | 0.94 | 26,400 | 1.00 | 31,400 | 0.75 |
| Depreciation & Amort. | 176,408 | 6.12 | 179,980 | 6.76 | 293,000 | 11.10 | 503,000 | 11.98 |
| State Replacement Tax | 1,100 | 0.04 | 300 | 0.01 | 0 | 0.00 | 15,000 | 0.36 |
| Total Capital Expenses | 374,610 | 13.01 | 378,961 | 14.24 | 669,500 | 25.36 | 1,407,400 | 33.53 |
| Income From Operations | 43,789 | 1.52 | 12,341 | 0.46 | (161,675) | (6.12) | 1,676,321 | 39.94 |
| Other Income | (23,998) | 0.00 | (27,030) | 0.00 | (5,775) | 0.00 | (37,996) | 0.00 |
| Net Income | 19,791 | 1.52 | (14,689) | 0.46 | (167,450) | (6.12) | 1,638,325 | 39.94 |

| | | | | |
|---|---|---|---|---|
| Net Income | 19,791 | (14,689) | (167,450) | 1,638,325 |
| Int,Tax,Depr,Amort,Rent | 314,610 | 319,673 | 578,000 | 1,209,400 |
| EBITDAR for period | 334,401 | 304,984 | 410,550 | 2,847,725 |
| Debt Service Coverage | 2.9 | 2.7 | 1.6 | 4.3 |

| NEIGHBORS - COMBINED | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/19 | |
|---|---|---|---|---|---|---|---|---|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| AVERAGE PER DAY | | | | | | | | |
| Private | 13.3 | | 9.0 | | 9.9 | | 17.0 | |
| Public Aid | 49.2 | | 52.9 | | 50.3 | | 63.0 | |
| Medicare | 7.3 | | 6.0 | | 7.6 | | 25.0 | |
| Hospice | 7.7 | | 4.4 | | 3.4 | | 7.0 | |
| Insurance | 1.4 | | 0.7 | | 1.2 | | 3.0 | |
| Avg. Per Day - in house | 78.9 | | 72.9 | | 72.3 | | 115.0 | |
| TOTAL CENSUS | | | | | | | | |
| Census-Private | 4,851 | | 3,277 | | 3,601 | | 6,205 | |
| Census-Medicaid | 17,964 | | 19,295 | | 18,346 | | 22,995 | |
| Census-Medicare | 2,668 | | 2,173 | | 2,759 | | 9,125 | |
| Census-Hospice | 2,799 | | 1,618 | | 1,259 | | 2,555 | |
| Census-HMO | 522 | | 257 | | 431 | | 1,095 | |
| Census-In House | 28,804 | | 26,620 | | 26,396 | | 41,975 | |
| Days in Period | 365 | | 365 | | 365 | | 365 | |
| Bed Capacity | 101 | | 101 | | 111 | | 131 | |
| Percent to Capacity | 78.1% | | 72.2% | | 65.2% | | 87.8% | |
| INCOME | | | | | | | | |
| Private | 959,944 | 197.89 | 663,000 | 202.32 | 717,850 | 199.36 | 1,321,665 | 213.00 |
| Medicare | 1,154,903 | 432.87 | 941,000 | 433.04 | 1,336,469 | 484.36 | 4,836,250 | 530.00 |
| Public Aid | 2,437,618 | 135.69 | 2,806,000 | 145.43 | 2,779,809 | 151.52 | 3,817,170 | 166.00 |
| P.A. - Rate Incr. $6.60 | 0 | | 0 | | 0 | | 160,965 | 7.00 |
| Hospice | 380,014 | 135.77 | 234,000 | 144.62 | 191,296 | 151.97 | 411,355 | 161.00 |
| Hospice-Rate Incr. $6.60 | 0 | | 0 | | 0 | | 16,863 | 6.60 |
| HMO | 198,582 | 380.43 | 113,000 | 439.69 | 250,200 | 580.51 | 635,100 | 580.00 |
| Day Care | 1,130 | | 300 | | 0 | | 0 | |
| Ancillary Exp. - Part A | (308,644) | (115.68) | (268,000) | (123.33) | (331,000) | (119.96) | (1,460,000) | (160.00) |
| Ancillary Inc. - Other | 205,467 | | 179,000 | | 117,200 | | 210,000 | |
| Ancillary Exp. - Other | (215,664) | | (120,000) | | (123,200) | | (228,000) | |
| Total Resident Income | 4,813,350 | 167.11 | 4,548,300 | 170.86 | 4,938,624 | 187.10 | 9,721,368 | 231.60 |
| Other Income(Expense) | | | | | | | | |
| Illinois Bed Tax | (56,662) | | (55,298) | | (60,773) | | (71,723) | |
| Provider Assessment Tax | (166,288) | | (148,873) | | (143,476) | | (199,400) | |
| Miscellaneous Income | (23,998) | | (27,030) | | (5,775) | | (37,996) | |
| Total Income | 4,566,402 | 158.53 | 4,317,100 | 162.18 | 4,728,600 | 179.14 | 9,412,250 | 224.23 |

| NEIGHBORS - COMBINED | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/19 | |
|---|---|---|---|---|---|---|---|---|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| NURSING | | | | | | | | |
| Salary - Dir of Nursing | 80,200 | 2.78 | 63,400 | 2.38 | 72,800 | 2.76 | 100,000 | 2.38 |
| Salary - Asst Dir | 58,900 | 2.04 | 62,000 | 2.33 | 81,600 | 3.09 | 90,000 | 2.14 |
| Salary - RN's & LPN's | 445,900 | 15.48 | 386,100 | 14.50 | 355,400 | 13.46 | 1,040,000 | 24.78 |
| Salary - Program Aides | 688,300 | 23.90 | 574,500 | 21.58 | 540,800 | 20.49 | 1,080,000 | 25.73 |
| Salary - Therapy Dept. | 96,100 | 3.34 | 103,200 | 3.88 | 104,900 | 3.97 | 156,400 | 3.73 |
| Salary - Med Rec/CPC | 78,300 | 2.72 | 75,400 | 2.83 | 81,200 | 3.08 | 115,000 | 2.74 |
| Contract Nurses | 329,700 | 11.45 | 307,800 | 11.56 | 515,200 | 19.52 | 50,000 | 1.19 |
| Salary - Psycho Social | 67,000 | 2.33 | 57,300 | 2.15 | 71,200 | 2.70 | 100,000 | 2.38 |
| Salary - Activity | 103,400 | 3.59 | 89,300 | 3.35 | 96,000 | 3.64 | 143,000 | 3.41 |
| Total Salaries | 1,947,800 | 67.62 | 1,719,000 | 64.58 | 1,919,100 | 72.70 | 2,874,400 | 68.48 |
| | | | | | | | | |
| Nursing Supplies | 62,200 | 2.16 | 55,900 | 2.10 | 62,600 | 2.37 | 110,000 | 2.62 |
| Wound Care Supplies | 8,900 | 0.31 | 11,800 | 0.44 | 5,000 | 0.19 | 9,000 | 0.21 |
| Enteral Supplies | 9,700 | 0.34 | 7,400 | 0.28 | 6,800 | 0.26 | 15,000 | 0.36 |
| Nursing Equip. Rental | 10,800 | 0.37 | 24,400 | 0.92 | 30,400 | 1.15 | 24,000 | 0.57 |
| Oxygen,Lab, X-Ray | 11,800 | 0.41 | 11,700 | 0.44 | 13,750 | 0.52 | 12,000 | 0.29 |
| Prescription Drugs | 12,400 | 0.43 | 1,200 | 0.05 | 4,400 | 0.17 | 7,000 | 0.17 |
| Activity Programs | 16,200 | 0.56 | 11,000 | 0.41 | 17,700 | 0.67 | 24,000 | 0.57 |
| | | | | | | | | |
| CONSULTANTS | | | | | | | | |
| Activity | 1,800 | 0.06 | 1,800 | 0.07 | 1,600 | 0.06 | 2,000 | 0.05 |
| Physical & Occup. Therapy | 0 | 0.00 | 500 | 0.02 | 650 | 0.02 | 2,000 | 0.05 |
| Social Worker | 1,800 | 0.06 | 1,800 | 0.07 | 1,600 | 0.06 | 2,400 | 0.06 |
| Medical Records | 800 | 0.03 | 0 | 0.00 | 300 | 0.01 | 1,000 | 0.02 |
| Pharmacy | 5,100 | 0.18 | 1,400 | 0.05 | 2,100 | 0.08 | 3,500 | 0.08 |
| Speech Therapy | 0 | 0.00 | 0 | 0.00 | 3,300 | 0.13 | 3,800 | 0.09 |
| Medical Director | 10,900 | 0.38 | 9,900 | 0.37 | 12,500 | 0.47 | 14,000 | 0.33 |
| Specialized Rehab | 9,700 | 0.34 | 9,700 | 0.36 | 9,600 | 0.36 | 12,000 | 0.29 |
| Nursing | 29,100 | 1.01 | 29,100 | 1.09 | 31,600 | 1.20 | 38,000 | 0.91 |
| Total Other Nursing | 191,200 | 6.64 | 177,600 | 6.67 | 203,900 | 7.72 | 279,700 | 6.66 |
| | | | | | | | | |
| Total Nursing | 2,139,000 | 74.26 | 1,896,600 | 71.25 | 2,123,000 | 80.43 | 3,154,100 | 75.14 |

| NEIGHBORS - COMBINED | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/19 | |
|---|---|---|---|---|---|---|---|---|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| EMPLOYEE WELFARE | | | | | | | | |
| Payroll Taxes | 211,800 | 7.35 | 195,400 | 7.34 | 215,000 | 8.15 | 300,000 | 7.15 |
| Workers Comp. Insur. | 41,400 | 1.44 | 51,600 | 1.94 | 56,400 | 2.14 | 73,000 | 1.74 |
| Employee Insurance | 83,300 | 2.89 | 85,600 | 3.22 | 93,200 | 3.53 | 120,000 | 2.86 |
| Classified Advertising | 8,100 | 0.28 | 14,200 | 0.53 | 7,200 | 0.27 | 7,200 | 0.17 |
| Employee Benefits | 29,700 | 1.03 | 34,700 | 1.30 | 28,800 | 1.09 | 32,000 | 0.76 |
| Total Employee Welfare | 374,300 | 12.99 | 381,500 | 14.33 | 400,600 | 15.18 | 532,200 | 12.68 |
| HOUSEKEEPING & PLANT | | | | | | | | |
| Salary - Housekeeping | 135,700 | 4.71 | 127,400 | 4.79 | 129,400 | 4.90 | 164,400 | 3.92 |
| Salary - Maintenance | 43,600 | 1.51 | 35,000 | 1.31 | 30,600 | 1.16 | 51,000 | 1.22 |
| Dir. of Envir. Services | 12,100 | 0.42 | 12,100 | 0.45 | 14,400 | 0.55 | 15,700 | 0.37 |
| Housekeeping Supply | 23,900 | 0.83 | 18,200 | 0.68 | 23,700 | 0.90 | 29,600 | 0.71 |
| Grounds Maintenance | 11,100 | 0.39 | 11,300 | 0.42 | 8,700 | 0.33 | 15,800 | 0.38 |
| Paint & Deferred Maint | 37,300 | 1.29 | 26,500 | 1.00 | 20,500 | 0.78 | 26,400 | 0.63 |
| Equip Mtce & Repair | 32,600 | 1.13 | 49,500 | 1.86 | 28,800 | 1.09 | 24,000 | 0.57 |
| Maintenance Supplies | 38,100 | 1.32 | 26,200 | 0.98 | 28,400 | 1.08 | 35,000 | 0.83 |
| Scavenger | 11,000 | 0.38 | 14,600 | 0.55 | 11,900 | 0.45 | 15,400 | 0.37 |
| Exterminator | 1,400 | 0.05 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Fire Service | 7,300 | 0.25 | 11,600 | 0.44 | 9,900 | 0.38 | 12,900 | 0.31 |
| Utilities - Total | 94,900 | 3.29 | 80,800 | 3.04 | 90,200 | 3.42 | 148,000 | 3.53 |
| Total Housekeep&Plant | 449,000 | 15.59 | 413,200 | 15.52 | 396,500 | 15.02 | 538,200 | 12.82 |
| LAUNDRY & LINEN | | | | | | | | |
| Salary - Laundry | 80,500 | 2.79 | 81,400 | 3.06 | 80,800 | 3.06 | 109,200 | 2.60 |
| Laundry Supplies | 19,100 | 0.66 | 26,800 | 1.01 | 23,000 | 0.87 | 26,000 | 0.62 |
| Linen Replacement | 8,800 | 0.31 | 8,200 | 0.31 | 10,600 | 0.40 | 13,600 | 0.32 |
| Total Laundry | 108,400 | 3.76 | 116,400 | 4.37 | 114,400 | 4.33 | 148,800 | 3.54 |
| DIETARY | | | | | | | | |
| Salary - Dietary | 227,800 | 7.91 | 222,600 | 8.36 | 245,200 | 9.29 | 334,200 | 7.96 |
| Food | 165,400 | 5.74 | 159,900 | 6.01 | 157,600 | 5.97 | 251,850 | 6.00 |
| Dietary Supplies | 19,500 | 0.68 | 19,500 | 0.73 | 23,700 | 0.90 | 38,000 | 0.91 |
| Sales Tax | 500 | 0.02 | 500 | 0.02 | 1,050 | 0.04 | 1,900 | 0.05 |
| Dietary Consultant | 10,800 | 0.37 | 10,500 | 0.39 | 11,100 | 0.42 | 12,000 | 0.29 |
| Dir. of Food Service | 12,100 | 0.42 | 12,100 | 0.45 | 12,000 | 0.45 | 15,700 | 0.37 |
| Total Dietary | 436,100 | 15.14 | 425,100 | 15.97 | 450,650 | 17.07 | 653,650 | 15.57 |

| NEIGHBORS - COMBINED | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/19 | |
|---|---|---|---|---|---|---|---|---|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| GENERAL & ADMINISTRATIVE | | | | | | | | |
| Salary-Administrative | 89,100 | 3.09 | 89,400 | 3.36 | 92,000 | 3.49 | 108,000 | 2.57 |
| Salary-Office | 120,200 | 4.17 | 124,900 | 4.69 | 159,200 | 6.03 | 193,200 | 4.60 |
| Dir. of Financial Services | 36,000 | 1.25 | 39,600 | 1.49 | 39,600 | 1.50 | 39,600 | 0.94 |
| Dir. of Admissions | 14,500 | 0.50 | 14,500 | 0.54 | 20,800 | 0.79 | 18,900 | 0.45 |
| Dir. of Reimb. Services | 14,500 | 0.50 | 14,500 | 0.54 | 14,400 | 0.55 | 18,900 | 0.45 |
| Dir. of Admin. Services | 29,100 | 1.01 | 29,000 | 1.09 | 29,200 | 1.11 | 37,700 | 0.90 |
| Dir. of Regulatory Serv. | 14,500 | 0.50 | 14,500 | 0.54 | 14,400 | 0.55 | 18,900 | 0.45 |
| Ancillary Admin Charge | 24,200 | 0.84 | 24,200 | 0.91 | 24,000 | 0.91 | 24,000 | 0.57 |
| Accounting Fees | 19,000 | 0.66 | 21,000 | 0.79 | 25,000 | 0.95 | 25,000 | 0.60 |
| Advertising & Promo | 22,700 | 0.79 | 26,700 | 1.00 | 27,000 | 1.02 | 36,000 | 0.86 |
| Bookkeeping Services | 49,700 | 1.73 | 49,700 | 1.87 | 52,000 | 1.97 | 64,500 | 1.54 |
| Computer Support | 8,500 | 0.30 | 8,500 | 0.32 | 13,200 | 0.50 | 14,000 | 0.33 |
| Contributions | 2,000 | 0.07 | 1,000 | 0.04 | 2,000 | 0.08 | 2,000 | 0.05 |
| Dues & Subscriptions | 26,700 | 0.93 | 40,000 | 1.50 | 31,600 | 1.20 | 31,600 | 0.75 |
| Education & Seminars | 2,700 | 0.09 | 5,500 | 0.21 | 2,400 | 0.09 | 4,100 | 0.10 |
| Equipment Rental | 3,200 | 0.11 | 3,100 | 0.12 | 2,400 | 0.09 | 2,400 | 0.06 |
| General Insurance | 66,100 | 2.29 | 63,500 | 2.39 | 84,500 | 3.20 | 100,000 | 2.38 |
| Legal Fees | 8,800 | 0.31 | 24,700 | 0.93 | 15,000 | 0.57 | 8,000 | 0.19 |
| License, Fees, Permits | 9,600 | 0.33 | 17,900 | 0.67 | 6,800 | 0.26 | 6,800 | 0.16 |
| Management Fees | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 486,100 | 11.58 |
| Office Expense | 25,250 | 0.88 | 27,175 | 1.02 | 34,150 | 1.29 | 36,975 | 0.88 |
| Other Prof. Fees | 50,250 | 1.74 | 53,553 | 2.01 | 28,900 | 1.09 | 38,100 | 0.91 |
| Telephone | 17,400 | 0.60 | 17,100 | 0.64 | 14,100 | 0.53 | 15,600 | 0.37 |
| Travel-Staff & Enter. | 11,200 | 0.39 | 10,000 | 0.38 | 8,750 | 0.33 | 9,200 | 0.22 |
| Total General & Admin. | 665,200 | 23.09 | 720,028 | 27.05 | 741,400 | 28.09 | 1,339,575 | 31.91 |
| CAPITAL AND REPLACEMENT TAX | | | | | | | | |
| Mortgage Interest | 117,102 | 4.07 | 114,393 | 4.30 | 93,600 | 3.55 | 0 | 0.00 |
| Mortgage Interest - New | 0 | 0.00 | 0 | 0.00 | 165,000 | 6.25 | 660,000 | 15.72 |
| Equipment Lease - New | | | 0 | 0.00 | 31,500 | 1.19 | 126,000 | 3.00 |
| Real Estate Taxes | 60,000 | 2.08 | 59,288 | 2.23 | 60,000 | 2.27 | 72,000 | 1.72 |
| Interest Expenses | 20,000 | 0.69 | 25,000 | 0.94 | 26,400 | 1.00 | 31,400 | 0.75 |
| Depreciation & Amort. | 176,408 | 6.12 | 179,980 | 6.76 | 293,000 | 11.10 | 503,000 | 11.98 |
| State Repl. Tax | 1,100 | 0.04 | 300 | 0.01 | 0 | 0.00 | 15,000 | 0.36 |
| Total Capital Expenses | 374,610 | 13.01 | 378,961 | 14.24 | 669,500 | 25.36 | 1,407,400 | 33.53 |
| Total Expenses | 4,546,609 | 157.85 | 4,331,789 | 162.73 | 4,896,050 | 185.48 | 7,773,925 | 185.20 |
| NET INCOME | 19,793 | 0.69 | (14,689) | (0.55) | (167,450) | (6.34) | 1,638,325 | 39.03 |

| NEIGHBORS - COMBINED | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/19 | |
|---|---|---|---|---|---|---|---|---|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| STMT. OF CASH FLOWS | | | | | | | | |
| Operating Activities | | | | | | | | |
| Net Income | 19,717 | | (14,689) | | (167,450) | | 1,638,325 | |
| Non-Cash Items | 176,408 | | 182,979 | | 293,000 | | 503,000 | |
| Change in Current Assets | (197,000) | | 136,325 | | (227,325) | | (50,000) | |
| Change in Current Liab. | 8,085 | | (136,467) | | 85,467 | | 0 | |
| Cash Flows From Operating | 7,210 | | 168,148 | | (16,308) | | 2,091,325 | |
| Investing Activities | | | | | | | | |
| Fixed Asset Purchases | (32,000) | | (115,000) | | (30,000) | | (80,000) | |
| Construction Project | (50,000) | | (3,683,319) | | (6,841,681) | | 0 | |
| Change in Other Assets | (350,000) | | 425,401 | | (60,401) | | 0 | |
| Cash Flows From Investing | (432,000) | | (3,372,918) | | (6,932,082) | | (80,000) | |
| Financing Activities | | | | | | | | |
| Other Loans | 145,000 | | 3,212,118 | | (3,637,118) | | 0 | |
| Note Pay-Private Bank | 132,000 | | 90,000 | | (125,000) | | 0 | |
| Note Pay-Van | (4,000) | | (4,000) | | (5,000) | | 0 | |
| Mortgage Proceeds - net | (54,142) | | (34,454) | | 9,750,954 | | 0 | |
| Contribution(Distribution) | 0 | | 0 | | 1,250,000 | | (1,100,000) | |
| Cash Flows From Financing | 218,858 | | 3,263,664 | | 7,233,836 | | (1,100,000) | |
| Net Cash Flow | (205,932) | | 58,894 | | 285,446 | | 911,325 | |
| Cash Balance - Beginning | 84,619 | | 31,687 | | 90,581 | | 1,374,677 | |
| Cash Balance - Ending | (121,313) | | 90,581 | | 376,027 | | 2,286,002 | |

| NEIGHBORS REHAB. | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/19 | |
|---|---|---|---|---|---|---|---|---|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| CURRENT ASSETS | | | | | | | | |
| Cash in Banks - Total | 20,000 | | 75,000 | | 68,000 | | 1,215,000 | |
| Accounts Receivable | 1,170,000 | | 1,050,000 | | 1,258,000 | | 1,800,000 | |
| Prepaid Expenses | 45,000 | | 25,000 | | 48,000 | | 48,000 | |
| Total Current Assets | 1,235,000 | | 1,150,000 | | 1,374,000 | | 3,063,000 | |
| FIXED ASSETS - COST | 685,000 | | 700,000 | | 730,000 | | 920,000 | |
| Construction Project | 0 | | 0 | | 0 | | 0 | |
| less: Accum. Depr | (160,000) | | (200,000) | | (248,000) | | (392,000) | |
| | 525,000 | | 500,000 | | 482,000 | | 528,000 | |
| OTHER ASSETS | | | | | | | | |
| Other Deposits | 540,000 | | 2,190,000 | | 0 | | 0 | |
| Total Assets | 2,300,000 | | 3,840,000 | | 1,856,000 | | 3,591,000 | |
| CURRENT LIABILITIES | | | | | | | | |
| Accounts Payable | 175,000 | | 110,000 | | 147,000 | | 147,000 | |
| Accrued Expenses | 210,000 | | 180,000 | | 217,000 | | 206,000 | |
| Accrued Vacation Pay | 110,000 | | 80,000 | | 90,000 | | 90,000 | |
| Payables & Accruals | 495,000 | | 370,000 | | 454,000 | | 443,000 | |
| Patient Trust Fund-net | 0 | | 0 | | 0 | | 0 | |
| Other Loans | 275,000 | | 275,000 | | 0 | | 0 | |
| Member Loans | 150,000 | | 1,700,000 | | 0 | | 0 | |
| Line of Credit -Private B. | 760,000 | | 850,000 | | 725,000 | | 800,000 | |
| Note Payable - Van | 9,000 | | 5,000 | | 0 | | 0 | |
| Deferred Repl. Tax | 10,000 | | 10,000 | | 10,000 | | 10,000 | |
| Total Liabilities | 1,699,000 | | 3,210,000 | | 1,189,000 | | 1,253,000 | |
| EQUITY | | | | | | | | |
| Member Equity | 257,500 | | 257,500 | | 257,500 | | 257,500 | |
| Retained Earnings | 278,500 | | 344,500 | | 372,500 | | 1,431,500 | |
| Distributions | 0 | | 0 | | 0 | | (1,100,000) | |
| Current Year Profit | 65,000 | | 28,000 | | 37,000 | | 1,749,000 | |
| Total Equity | 601,000 | | 630,000 | | 667,000 | | 2,338,000 | |
| Total Liabilities & Equity | 2,300,000 | | 3,840,000 | | 1,856,000 | | 3,591,000 | |

| NEIGHBORS REHAB. | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/19 | |
|---|---|---|---|---|---|---|---|---|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| Total Resident Income | 4,813,350 | 167.11 | 4,548,300 | 170.86 | 4,938,623 | 187.10 | 9,721,368 | 231.60 |
| Provider Bed Tax | (56,662) | | (55,298) | | (60,773) | | (71,723) | |
| Provider Assessments | (166,288) | | (148,873) | | (143,476) | | (199,400) | |
| Net Resident Income | 4,590,400 | 159.37 | 4,344,130 | 163.19 | 4,734,375 | 179.36 | 9,450,246 | 225.14 |
| Operating Expenses | | | | | | | | |
| Nursing | 2,139,000 | 74.26 | 1,896,600 | 71.25 | 2,123,000 | 80.43 | 3,154,100 | 75.14 |
| Employee Welfare | 374,300 | 12.99 | 381,500 | 14.33 | 400,600 | 15.18 | 532,200 | 12.68 |
| Housekeeping & Plant | 449,000 | 15.59 | 413,200 | 15.52 | 396,500 | 15.02 | 538,200 | 12.82 |
| Laundry & Linen | 108,400 | 3.76 | 116,400 | 4.37 | 114,400 | 4.33 | 148,800 | 3.54 |
| Dietary | 436,100 | 15.14 | 425,100 | 15.97 | 450,650 | 17.07 | 653,650 | 15.57 |
| General and Admin. | 648,500 | 22.51 | 705,000 | 26.48 | 736,050 | 27.88 | 1,337,900 | 31.87 |
| Total Operating Expense | 4,155,300 | 144.26 | 3,937,800 | 147.93 | 4,221,200 | 159.92 | 6,364,850 | 151.63 |
| Income before Capital Exp. | 435,100 | 15.11 | 406,330 | 15.26 | 513,175 | 19.44 | 3,085,396 | 73.51 |
| Capital Expenses | | | | | | | | |
| Rent | 228,000 | 7.92 | 228,000 | 8.56 | 228,000 | 8.64 | 0 | 0.00 |
| Rent - Construction | 0 | 0.00 | 0 | 0.00 | 108,000 | 4.09 | 1,132,000 | 26.97 |
| Rent-R/E Taxes | 60,000 | 2.08 | 60,000 | 2.25 | 60,000 | 2.27 | 72,000 | 1.72 |
| Interest | 20,000 | 0.69 | 25,000 | 0.94 | 26,400 | 1.00 | 31,400 | 0.75 |
| Depreciation & Amort. | 37,000 | 1.28 | 38,000 | 1.43 | 48,000 | 1.82 | 48,000 | 1.14 |
| State Replacement Tax | 1,100 | 0.04 | 300 | 0.01 | 0 | 0.00 | 15,000 | 0.36 |
| Total Capital Expenses | 346,100 | 12.02 | 351,300 | 13.20 | 470,400 | 17.82 | 1,298,400 | 30.93 |
| Income From Operations | 89,000 | 3.09 | 55,030 | 2.07 | 42,775 | 1.62 | 1,786,996 | 42.57 |
| Other Income/Expense | (24,000) | 0.00 | (27,030) | 0.00 | (5,775) | 0.00 | (37,996) | 0.00 |
| Net Income | 65,000 | 3.09 | 28,000 | 2.07 | 37,000 | 1.62 | 1,749,000 | 42.57 |

| | | | | |
|---|---|---|---|---|
| Net Income | 65,000 | 28,000 | 37,000 | 1,749,000 |
| Int,Tax,Depr,Amort,Rent | 286,100 | 291,300 | 410,400 | 1,226,400 |
| EBITDAR for period | 351,100 | 319,300 | 447,400 | 2,975,400 |
| Debt Service Coverage | 1.5 | 1.4 | 1.3 | 2.6 |

| NEIGHBORS REHAB. | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/19 | |
|---|---|---|---|---|---|---|---|---|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| AVERAGE PER DAY | | | | | | | | |
| Private | 13.3 | | 9.0 | | 9.9 | | 17.0 | |
| Public Aid | 49.2 | | 52.9 | | 50.3 | | 63.0 | |
| Medicare | 7.3 | | 6.0 | | 7.6 | | 25.0 | |
| Hospice | 7.7 | | 4.4 | | 3.4 | | 7.0 | |
| Insurance | 1.4 | | 0.7 | | 1.2 | | 3.0 | |
| Avg. Per Day - in house | 78.9 | | 72.9 | | 72.3 | | 115.0 | |
| TOTAL CENSUS | | | | | | | | |
| Census-Private | 4,851 | | 3,277 | | 3,601 | | 6,205 | |
| Census-Medicaid | 17,964 | | 19,295 | | 18,346 | | 22,995 | |
| Census-Medicare | 2,668 | | 2,173 | | 2,759 | | 9,125 | |
| Census-Hospice | 2,799 | | 1,618 | | 1,259 | | 2,555 | |
| Census-HMO | 522 | | 257 | | 431 | | 1,095 | |
| Census-In House | 28,804 | | 26,620 | | 26,396 | | 41,975 | |
| Days in Period | 365.00 | | 365.00 | | 365.00 | | 365.00 | |
| Bed Capacity | 101 | | 101 | | 111 | | 131 | |
| Percent to Capacity | 78.1% | | 72.2% | | 65.2% | | 87.8% | |
| INCOME | | | | | | | | |
| Private | 959,944 | 197.89 | 663,000 | 202.32 | 717,850 | 199.36 | 1,321,665 | 213.00 |
| Medicare | 1,154,903 | 432.87 | 941,000 | 433.04 | 1,336,469 | 484.36 | 4,836,250 | 530.00 |
| Public Aid | 2,437,618 | 135.69 | 2,806,000 | 145.43 | 2,779,809 | 151.52 | 3,817,170 | 166.00 |
| P.A. - Rate Incr. $6.60 | 0 | | 0 | | 0 | | 160,965 | 7.00 |
| Hospice | 380,014 | 135.77 | 234,000 | 144.62 | 191,296 | 151.97 | 411,355 | 161.00 |
| Hospice-Rate Incr. $6.60 | 0 | | 0 | | 0 | | 16,863 | 6.60 |
| Insurance | 198,582 | 380.43 | 113,000 | 439.69 | 250,200 | 580.51 | 635,100 | 580.00 |
| Day Care | 1,130 | | 300 | | 0 | | 0 | |
| Ancillary Exp. - Part A | (308,644) | (115.68) | (268,000) | (123.33) | (331,000) | (119.96) | (1,460,000) | (160.00) |
| Ancillary Inc. - Other | 205,467 | | 179,000 | | 117,200 | | 210,000 | |
| Ancillary Exp. - Other | (215,664) | | (120,000) | | (123,200) | | (228,000) | |
| Total Resident Income | 4,813,350 | 167.11 | 4,548,300 | 170.86 | 4,938,623 | 187.10 | 9,721,368 | 231.60 |
| Other Income(Expense) | | | | | | | | |
| Illinois Bed Tax | (56,662) | | (55,298) | | (60,773) | | (71,723) | |
| Provider Assessment Tax | (166,288) | | (148,873) | | (143,476) | | (199,400) | |
| Misc. Income/Exp. | (23,998) | | (27,030) | | (5,775) | | (37,996) | |
| Total Income | 4,566,400 | 158.53 | 4,317,100 | 162.18 | 4,728,600 | 179.14 | 9,412,250 | 224.23 |

| NEIGHBORS REHAB. | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/19 | |
|---|---|---|---|---|---|---|---|---|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| NURSING | | | | | | | | |
| Salary - Dir of Nursing | 80,200 | 2.78 | 63,400 | 2.38 | 72,800 | 2.76 | 100,000 | 2.38 |
| Salary - Asst Dir | 58,900 | 2.04 | 62,000 | 2.33 | 81,600 | 3.09 | 90,000 | 2.14 |
| Salary - RN's & LPN's | 445,900 | 15.48 | 386,100 | 14.50 | 355,400 | 13.46 | 1,040,000 | 24.78 |
| Salary - Program Aides | 688,300 | 23.90 | 574,500 | 21.58 | 540,800 | 20.49 | 1,080,000 | 25.73 |
| Salary - Therapy Dept. | 96,100 | 3.34 | 103,200 | 3.88 | 104,900 | 3.97 | 156,400 | 3.73 |
| Salary - Med Rec/CPC | 78,300 | 2.72 | 75,400 | 2.83 | 81,200 | 3.08 | 115,000 | 2.74 |
| Contract Nurses | 329,700 | 11.45 | 307,800 | 11.56 | 515,200 | 19.52 | 50,000 | 1.19 |
| Salary - Psycho Social | 67,000 | 2.33 | 57,300 | 2.15 | 71,200 | 2.70 | 100,000 | 2.38 |
| Salary - Activity | 103,400 | 3.59 | 89,300 | 3.35 | 96,000 | 3.64 | 143,000 | 3.41 |
| Total Salaries | 1,947,800 | 67.62 | 1,719,000 | 64.58 | 1,919,100 | 72.70 | 2,874,400 | 68.48 |
| | | | | | | | | |
| Nursing Supplies | 62,200 | 2.16 | 55,900 | 2.10 | 62,600 | 2.37 | 110,000 | 2.62 |
| Wound Care Supplies | 8,900 | 0.31 | 11,800 | 0.44 | 5,000 | 0.19 | 9,000 | 0.21 |
| Enteral Supplies | 9,700 | 0.34 | 7,400 | 0.28 | 6,800 | 0.26 | 15,000 | 0.36 |
| Nursing Equip. Rental | 10,800 | 0.37 | 24,400 | 0.92 | 30,400 | 1.15 | 24,000 | 0.57 |
| Oxygen,Lab, X-Ray | 11,800 | 0.41 | 11,700 | 0.44 | 13,750 | 0.52 | 12,000 | 0.29 |
| Prescription Drugs | 12,400 | 0.43 | 1,200 | 0.05 | 4,400 | 0.17 | 7,000 | 0.17 |
| Activity Programs | 16,200 | 0.56 | 11,000 | 0.41 | 17,700 | 0.67 | 24,000 | 0.57 |
| | | | | | | | | |
| CONSULTANTS | | | | | | | | |
| Activity | 1,800 | 0.06 | 1,800 | 0.07 | 1,600 | 0.06 | 2,000 | 0.05 |
| Physical & Occup. Therapy | 0 | 0.00 | 500 | 0.02 | 650 | 0.02 | 2,000 | 0.05 |
| Social Worker | 1,800 | 0.06 | 1,800 | 0.07 | 1,600 | 0.06 | 2,400 | 0.06 |
| Medical Records | 800 | 0.03 | 0 | 0.00 | 300 | 0.01 | 1,000 | 0.02 |
| Pharmacy | 5,100 | 0.18 | 1,400 | 0.05 | 2,100 | 0.08 | 3,500 | 0.08 |
| Speech Therapy | 0 | 0.00 | 0 | 0.00 | 3,300 | 0.13 | 3,800 | 0.09 |
| Medical Director | 10,900 | 0.38 | 9,900 | 0.37 | 12,500 | 0.47 | 14,000 | 0.33 |
| Specialized Rehab | 9,700 | 0.34 | 9,700 | 0.36 | 9,600 | 0.36 | 12,000 | 0.29 |
| Nursing | 29,100 | 1.01 | 29,100 | 1.09 | 31,600 | 1.20 | 38,000 | 0.91 |
| Total Other Nursing | 191,200 | 6.64 | 177,600 | 6.67 | 203,900 | 7.72 | 279,700 | 6.66 |
| | | | | | | | | |
| Total Nursing | 2,139,000 | 74.26 | 1,896,600 | 71.25 | 2,123,000 | 80.43 | 3,154,100 | 75.14 |

| NEIGHBORS REHAB. | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/19 | |
|---|---|---|---|---|---|---|---|---|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| EMPLOYEE WELFARE | | | | | | | | |
| Payroll Taxes | 211,800 | 7.35 | 195,400 | 7.34 | 215,000 | 8.15 | 300,000 | 7.15 |
| Workers Comp. Insur. | 41,400 | 1.44 | 51,600 | 1.94 | 56,400 | 2.14 | 73,000 | 1.74 |
| Employee Insurance | 83,300 | 2.89 | 85,600 | 3.22 | 93,200 | 3.53 | 120,000 | 2.86 |
| Classified Advertising | 8,100 | 0.28 | 14,200 | 0.53 | 7,200 | 0.27 | 7,200 | 0.17 |
| Employee Benefits | 29,700 | 1.03 | 34,700 | 1.30 | 28,800 | 1.09 | 32,000 | 0.76 |
| Total Employee Welfare | 374,300 | 12.99 | 381,500 | 14.33 | 400,600 | 15.18 | 532,200 | 12.68 |
| HOUSEKEEPING & PLANT | | | | | | | | |
| Salary - Housekeeping | 135,700 | 4.71 | 127,400 | 4.79 | 129,400 | 4.90 | 164,400 | 3.92 |
| Salary - Maintenance | 43,600 | 1.51 | 35,000 | 1.31 | 30,600 | 1.16 | 51,000 | 1.22 |
| Dir. of Envir. Services | 12,100 | 0.42 | 12,100 | 0.45 | 14,400 | 0.55 | 15,700 | 0.37 |
| Housekeeping Supply | 23,900 | 0.83 | 18,200 | 0.68 | 23,700 | 0.90 | 29,600 | 0.71 |
| Grounds Maintenance | 11,100 | 0.39 | 11,300 | 0.42 | 8,700 | 0.33 | 15,800 | 0.38 |
| Paint & Deferred Maint | 37,300 | 1.29 | 26,500 | 1.00 | 20,500 | 0.78 | 26,400 | 0.63 |
| Equip Mtce & Repair | 32,600 | 1.13 | 49,500 | 1.86 | 28,800 | 1.09 | 24,000 | 0.57 |
| Maintenance Supplies | 38,100 | 1.32 | 26,200 | 0.98 | 28,400 | 1.08 | 35,000 | 0.83 |
| Scavenger | 11,000 | 0.38 | 14,600 | 0.55 | 11,900 | 0.45 | 15,400 | 0.37 |
| Exterminator | 1,400 | 0.05 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Fire Service | 7,300 | 0.25 | 11,600 | 0.44 | 9,900 | 0.38 | 12,900 | 0.31 |
| Utilities - Total | 94,900 | 3.29 | 80,800 | 3.04 | 90,200 | 3.42 | 148,000 | 3.53 |
| Total Housekeep&Plant | 449,000 | 15.59 | 413,200 | 15.52 | 396,500 | 15.02 | 538,200 | 12.82 |
| LAUNDRY & LINEN | | | | | | | | |
| Salary - Laundry | 80,500 | 2.79 | 81,400 | 3.06 | 80,800 | 3.06 | 109,200 | 2.60 |
| Laundry Supplies | 19,100 | 0.66 | 26,800 | 1.01 | 23,000 | 0.87 | 26,000 | 0.62 |
| Linen Replacement | 8,800 | 0.31 | 8,200 | 0.31 | 10,600 | 0.40 | 13,600 | 0.32 |
| Total Laundry | 108,400 | 3.76 | 116,400 | 4.37 | 114,400 | 4.33 | 148,800 | 3.54 |
| DIETARY | | | | | | | | |
| Salary - Dietary | 227,800 | 7.91 | 222,600 | 8.36 | 245,200 | 9.29 | 334,200 | 7.96 |
| Food | 165,400 | 5.74 | 159,900 | 6.01 | 157,600 | 5.97 | 251,850 | 6.00 |
| Dietary Supplies | 19,500 | 0.68 | 19,500 | 0.73 | 23,700 | 0.90 | 38,000 | 0.91 |
| Sales Tax | 500 | 0.02 | 500 | 0.02 | 1,050 | 0.04 | 1,900 | 0.05 |
| Dietary Consultant | 10,800 | 0.37 | 10,500 | 0.39 | 11,100 | 0.42 | 12,000 | 0.29 |
| Dir. of Food Service | 12,100 | 0.42 | 12,100 | 0.45 | 12,000 | 0.45 | 15,700 | 0.37 |
| Total Dietary | 436,100 | 15.14 | 425,100 | 15.97 | 450,650 | 17.07 | 653,650 | 15.57 |

| NEIGHBORS REHAB. | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/19 | |
|---|---|---|---|---|---|---|---|---|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| GENERAL & ADMINISTRATIVE | | | | | | | | |
| Salary-Administrative | 89,100 | 3.09 | 89,400 | 3.36 | 92,000 | 3.49 | 108,000 | 2.57 |
| Salary-Office | 120,200 | 4.17 | 124,900 | 4.69 | 159,200 | 6.03 | 193,200 | 4.60 |
| Dir. of Financial Services | 36,000 | 1.25 | 39,600 | 1.49 | 39,600 | 1.50 | 39,600 | 0.94 |
| Dir. of Admissions | 14,500 | 0.50 | 14,500 | 0.54 | 20,800 | 0.79 | 18,900 | 0.45 |
| Dir. of Reimb. Services | 14,500 | 0.50 | 14,500 | 0.54 | 14,400 | 0.55 | 18,900 | 0.45 |
| Dir. of Admin. Services | 29,100 | 1.01 | 29,000 | 1.09 | 29,200 | 1.11 | 37,700 | 0.90 |
| Dir. of Regulatory Serv. | 14,500 | 0.50 | 14,500 | 0.54 | 14,400 | 0.55 | 18,900 | 0.45 |
| Ancillary Admin Charge | 24,200 | 0.84 | 24,200 | 0.91 | 24,000 | 0.91 | 24,000 | 0.57 |
| Accounting Fees | 19,000 | 0.66 | 21,000 | 0.79 | 25,000 | 0.95 | 25,000 | 0.60 |
| Advertising & Promo | 22,700 | 0.79 | 26,700 | 1.00 | 27,000 | 1.02 | 36,000 | 0.86 |
| Bookkeeping Services | 49,700 | 1.73 | 49,700 | 1.87 | 52,000 | 1.97 | 64,500 | 1.54 |
| Computer Support | 8,500 | 0.30 | 8,500 | 0.32 | 13,200 | 0.50 | 14,000 | 0.33 |
| Contributions | 2,000 | 0.07 | 1,000 | 0.04 | 2,000 | 0.08 | 2,000 | 0.05 |
| Dues & Subscriptions | 26,700 | 0.93 | 40,000 | 1.50 | 31,600 | 1.20 | 31,600 | 0.75 |
| Education & Seminars | 2,700 | 0.09 | 5,500 | 0.21 | 2,400 | 0.09 | 4,100 | 0.10 |
| Equipment Rental | 3,200 | 0.11 | 3,100 | 0.12 | 2,400 | 0.09 | 2,400 | 0.06 |
| General Insurance | 66,100 | 2.29 | 63,500 | 2.39 | 84,500 | 3.20 | 100,000 | 2.38 |
| Legal Fees | 8,800 | 0.31 | 24,700 | 0.93 | 15,000 | 0.57 | 8,000 | 0.19 |
| License, Fees, Permits | 9,600 | 0.33 | 17,900 | 0.67 | 6,800 | 0.26 | 6,800 | 0.16 |
| Management Fees | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 486,100 | 11.58 |
| Office Expense | 25,000 | 0.87 | 26,400 | 0.99 | 29,700 | 1.13 | 36,200 | 0.86 |
| Other Prof. Fees | 33,800 | 1.17 | 39,300 | 1.48 | 28,000 | 1.06 | 37,200 | 0.89 |
| Telephone | 17,400 | 0.60 | 17,100 | 0.64 | 14,100 | 0.53 | 15,600 | 0.37 |
| Travel-Staff & Enter. | 11,200 | 0.39 | 10,000 | 0.38 | 8,750 | 0.33 | 9,200 | 0.22 |
| Total General & Admin. | 648,500 | 22.51 | 705,000 | 26.48 | 736,050 | 27.88 | 1,337,900 | 31.87 |
| CAPITAL AND REPL. TAX | | | | | | | | |
| Rent - Existing $2.25mil | 228,000 | 7.92 | 228,000 | 8.56 | 228,000 | 8.64 | 0 | 0.00 |
| Rent - Additional | 0 | 0.00 | 0 | 0.00 | 108,000 | 4.09 | 1,132,000 | 26.97 |
| Real Estate Taxes | 60,000 | 2.08 | 60,000 | 2.25 | 60,000 | 2.27 | 72,000 | 1.72 |
| Interest Expenses | 20,000 | 0.69 | 25,000 | 0.94 | 26,400 | 1.00 | 31,400 | 0.75 |
| Depreciation & Amort. | 37,000 | 1.28 | 38,000 | 1.43 | 48,000 | 1.82 | 48,000 | 1.14 |
| State Repl. Tax | 1,100 | 0.04 | 300 | 0.01 | 0 | 0.00 | 15,000 | 0.36 |
| Total Capital Expenses | 346,100 | 12.02 | 351,300 | 13.20 | 470,400 | 17.82 | 1,298,400 | 30.93 |
| Total Expenses | 4,501,400 | 156.28 | 4,289,100 | 161.12 | 4,691,600 | 177.74 | 7,663,250 | 182.57 |
| NET INCOME | 65,000 | 2.26 | 28,000 | 1.05 | 37,000 | 1.40 | 1,749,000 | 41.67 |

| NEIGHBORS REHAB. | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/19 | |
|---|---|---|---|---|---|---|---|---|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| NEIGHBORS REHAB. | | | | | | | | |
| STMT. OF CASH FLOWS | 12/31/14 | | 12/31/15 | | 12/31/16 | | 12/31/19 | |
| Operating Activities | | | | | | | | |
| Net Income | 65,000 | | 28,000 | | 37,000 | | 1,749,000 | |
| Non-Cash Items | 37,000 | | 66,000 | | 48,000 | | 48,000 | |
| Change in Current Assets | (197,000) | | 147,000 | | (231,000) | | (50,000) | |
| Change in Current Liab. | (3,000) | | (109,000) | | 84,000 | | 0 | |
| Cash Flows From Operating | (98,000) | | 132,000 | | (62,000) | | 1,747,000 | |
| Investing Activities | | | | | | | | |
| Fixed Asset Purchases | (32,000) | | (15,000) | | (30,000) | | (80,000) | |
| Construction Project | 0 | | 0 | | 0 | | 0 | |
| Change in Other Assets | (350,000) | | (1,657,000) | | 2,190,000 | | 0 | |
| Cash Flows From Investing | (382,000) | | (1,672,000) | | 2,160,000 | | (80,000) | |
| Financing Activities | | | | | | | | |
| Other Loans - net | 298,000 | | 1,550,000 | | (1,975,000) | | 0 | |
| Note Pay-Private Bank | 132,000 | | 90,000 | | (125,000) | | 0 | |
| Note Pay-Van | (4,000) | | (4,000) | | (5,000) | | 0 | |
| Distributions | 0 | | 0 | | 0 | | (1,100,000) | |
| Cash Flows From Financing | 426,000 | | 1,636,000 | | (2,105,000) | | (1,100,000) | |
| Net Cash Flow | (54,000) | | 96,000 | | (7,000) | | 567,000 | |
| Cash Balance - Beginning | 74,000 | | (21,000) | | 75,000 | | 648,000 | |
| Cash Balance - Ending | 20,000 | | 75,000 | | 68,000 | | 1,215,000 | |

| NEIGHBORS PROPERTY<br>Description | 12/31/2014<br>Amount | 12/31/2015<br>Amount | 12/31/2016<br>Amount | 12/31/2019<br>Amount |
|---|---|---|---|---|
| CURRENT ASSETS | | | | |
| Cash in Bank - Total | 11,687 | 15,581 | 308,027 | 1,071,002 |
| Prepaid Expense | | 3,675 | 0 | 0 |
| Rent Receivable | 60,000 | 62,000 | 62,000 | 72,000 |
| Total Current Assets | 71,687 | 81,256 | 370,027 | 1,143,002 |
| | | | | |
| FIXED ASSETS - COST | 3,407,500 | 3,507,500 | 3,507,500 | 3,507,500 |
| Construction Project | 157,861 | 3,733,319 | 10,575,000 | 10,575,000 |
| less: Accum. Depr | (909,031) | (1,051,011) | (1,261,011) | (2,521,011) |
| Property & Equip - net of Depr. | 2,656,330 | 6,189,808 | 12,821,489 | 11,561,489 |
| | | | | |
| OTHER ASSETS | | | | |
| Unamortized Costs | 0 | 30,000 | 140,000 | 35,000 |
| Total Assets | 2,728,017 | 6,301,064 | 13,331,516 | 12,739,491 |
| | | | | |
| LIABILITIES & EQUITY | | | | |
| Current Liabilities | | | | |
| Accrued Expenses | 81,150 | 71,683 | 73,150 | 85,150 |
| Due on Construction | | 1,662,118 | 0 | 0 |
| Mortgage-current portion | 0 | 0 | 0 | 0 |
| Total Current Liab. | 81,150 | 1,733,801 | 73,150 | 85,150 |
| Long Term Liabilities | | | | |
| Due To Operator | 107,861 | 2,105,401 | 0 | 0 |
| Mortgage Payable | 2,283,500 | 2,249,046 | 0 | 0 |
| Mortgage - add'l | 0 | 0 | 12,000,000 | 12,000,000 |
| Total Liabilities | 2,472,511 | 6,088,248 | 12,073,150 | 12,085,150 |
| | | | | |
| EQUITY | | | | |
| Member Equity | 795,600 | 795,600 | 795,600 | 2,045,600 |
| Accumulated Earnings | (494,811) | (540,095) | (582,784) | (1,280,584) |
| Capital Contributions | 0 | 0 | 1,250,000 | 0 |
| Current Year Profit | (45,283) | (42,689) | (204,450) | (110,675) |
| Total Equity | 255,506 | 212,816 | 1,258,366 | 654,341 |
| Total Liabilities & Equity | 2,728,017 | 6,301,064 | 13,331,516 | 12,739,491 |

| NEIGHBORS PROPERTY<br>Description | 12/31/2014<br>Amount | 12/31/2015<br>Amount | 12/31/2016<br>Amount | 12/31/2019<br>Amount |
|---|---|---|---|---|
| RENTAL INCOME | | | | |
| Base Rent | 228,000 | 228,000 | 228,000 | 0 |
| Rent - New | 0 | 0 | 108,000 | 1,132,000 |
| Real Estate Taxes | 60,000 | 62,000 | 62,000 | 72,000 |
| Total Rental Income | 288,000 | 290,000 | 398,000 | 1,204,000 |
| EXPENSES | | | | |
| Interest Expense - Base | 117,102 | 114,393 | 93,600 | 0 |
| Interest Expense - New | 0 | 0 | 165,000 | 660,000 |
| Equipment Lease | 0 | 0 | 31,500 | 126,000 |
| Real Estate Taxes | 60,073 | 61,288 | 62,000 | 72,000 |
| Professional Fees | 16,450 | 14,253 | 900 | 900 |
| Other Expenses | 250 | 775 | 4,450 | 775 |
| Total Capital Expense | 193,875 | 190,709 | 357,450 | 859,675 |
| Income - Cash Basis | 94,125 | 99,291 | 40,550 | 344,325 |
| Amortization Exp. | 0 | 0 | (35,000) | (35,000) |
| Depreciation Exp. | (139,408) | (141,980) | (210,000) | (420,000) |
| Net Income | (45,283) | (42,689) | (204,450) | (110,675) |

| NEIGHBORS PROPERTY<br>Description | 12/31/2014<br>Amount | 12/31/2015<br>Amount | 12/31/2016<br>Amount | 12/31/2019<br>Amount |
|---|---|---|---|---|
| STMT OF CASH FLOWS | | | | |
| Operating Activities | | | | |
| Net Income | (45,283) | (42,689) | (204,450) | (110,675) |
| Depr. & Amort. | 139,408 | 141,980 | 245,000 | 455,000 |
| Change in Current Assets | 0 | (5,675) | 3,675 | (4,000) |
| Change in Current Liab. | 11,085 | (9,467) | 1,467 | 4,000 |
| Cash Flows From Operating | 105,210 | 84,149 | 45,692 | 344,325 |
| Investing Activities | | | | |
| Fixed Asset Purchases | (157,861) | (3,675,458) | (6,841,681) | 0 |
| Changes to Due on Const. | | 1,662,118 | (1,662,118) | 0 |
| Mortgage Costs Paid | 0 | (30,000) | (145,000) | 0 |
| Cash Flows From Investing | (157,861) | (2,043,340) | (8,648,799) | 0 |
| Financing Activities | | | | |
| Mortgage Payments | (54,142) | (34,455) | (2,249,046) | 0 |
| Mortgage Proceeds | 0 | 0 | 12,000,000 | 0 |
| Related Party Advances | 107,861 | 1,997,540 | (2,105,401) | 0 |
| Capital Contributions | 0 | 0 | 1,250,000 | 0 |
| Cash Flows From Financing | 53,719 | 1,963,085 | 8,895,553 | 0 |
| Net Cash Flow | 1,068 | 3,894 | 292,446 | 344,325 |
| Cash Balance - Beginning | 10,619 | 11,687 | 15,581 | 726,677 |
| Cash Balance - Ending | 11,687 | 15,581 | 308,027 | 1,071,002 |

## D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

**THIS ITEM REMAINS UNCHANGED**

## E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

| | **2019** | |
|---|---|---|
| Depreciation | $503,000 | |
| Interest Expense | $691,400 | |
| Patient Days @ 90% | | 43,033 |
| Total/Operating Cost/PT Day | $1,194,400 | **$27.76** |