

**EXHIBIT D**  
**Initial Financial Budget**

**Exhibit D: Initial Financial Budget**

	Year 1	Year 2	Year 3	Year 4	Year 5
Net revenue	<u>54,727,222</u>	<u>56,028,778</u>	<u>57,361,649</u>	<u>58,726,598</u>	<u>60,124,410</u>
Expenses:					
Salaries & wages	32,887,441	33,874,064	34,890,286	35,936,995	37,015,105
Benefits	9,093,904	9,275,782	9,461,298	9,650,524	9,843,534
Productivity gain (cumulative)	0	0	(443,516)	(683,813)	(937,173)
Other expenses	15,283,069	15,553,814	15,830,245	16,112,483	16,400,651
Total expenses	<u>57,264,414</u>	<u>58,703,660</u>	<u>59,738,313</u>	<u>61,016,189</u>	<u>62,322,117</u>
Operating loss	<u>(2,537,192)</u>	<u>(2,674,882)</u>	<u>(2,376,664)</u>	<u>(2,289,590)</u>	<u>(2,197,707)</u>

**Exhibit D: Initial Financial Budget Assumptions**

	Year 1	Year 2	Year 3	Year 4	Year 5
Inpatient days	33,700	33,700	33,700	33,700	33,700
PES visits	17,775	17,775	17,775	17,775	17,775
Commercial rate increase		3.0%	3.0%	3.0%	3.0%
Medicaid rate increase		3.0%	3.0%	3.0%	3.0%
Medicare rate increase		1.0%	1.0%	1.0%	1.0%
Salaries inflation		3.0%	3.0%	3.0%	3.0%
Productivity gain (cumulative)			1.0%	1.5%	2.0%
Other expense inflation		2.0%	2.0%	2.0%	2.0%

**Exhibit D: Initial Start-Up Expense Budget**

	Salaries & Benefits	Other Expense	Total
Space outfitting	26,318	50,600	76,918
Patient relocation	6,240	40,000	46,240
Training & orientation	1,180,885		1,180,885
Provider recruiting		1,530,000	1,530,000
IT build	838,500		838,500
Medical staff fee		3,058	3,058
Contingency	50,000	25,000	75,000
Total	<u>2,101,944</u>	<u>1,648,658</u>	<u>3,750,601</u>