

OrthoIllinois Surgery Center Elgin, LLC
Projected Statements of Income

	Year 1	Year 2	Year 3
Revenues, net of allowances	14,000,000	14,700,000	15,435,000
<u>Operating expenses:</u>			
Wages	1,190,000	1,249,500	1,311,975
Payroll taxes	95,200	99,960	104,958
Retirement plan contributions	53,550	56,228	59,039
Employee benefits	202,300	212,415	223,036
Total employment expenses	1,541,050	1,618,103	1,699,008
Clinical supplies	4,200,000	4,410,000	4,630,500
Repairs and maintenance	140,000	147,000	154,350
Real estate taxes	250,520	255,530	260,641
Computer and IT expenses	72,000	74,160	76,385
Telephone expense	12,000	12,360	12,731
Office expense	30,000	30,900	31,827
Professional services	40,000	41,200	42,436
Meetings, recruitment, meals and dues	12,000	12,360	12,731
Directorship	25,000	25,750	26,523
Utilities	180,000	185,400	190,962
Malpractice and business insurance	48,000	49,440	50,923
Marketing	5,000	5,150	5,305
Bank and credit card charges	28,000	29,400	30,870
Bad debts	210,000	220,500	231,525
Depreciation	781,529	811,529	841,529
Management fees	770,000	808,500	848,925
Miscellaneous expenses	48,000	49,440	50,923
Total operating expenses	9,934,149	10,404,824	10,897,100
Operating income	4,065,851	4,295,176	4,537,900
<u>Other expense:</u>			
Interest expense	773,500	667,000	641,000
Net income	3,292,351	3,628,176	3,896,900

Orthollinois Surgery Center Elgin, LLC
Projected Statements of Cash Flow

	Year 1	Year 2	Year 3
Cash Flows From Operating Activities			
Net income	3,292,351	3,628,176	3,896,900
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation	781,529	811,529	841,529
Net changes in assets and liabilities:			
Accounts receivable	(1,750,000)	(87,500)	(91,875)
Inventory	(420,000)	(21,000)	(22,050)
Accounts payable and accrued expense	420,000	21,000	22,050
Self insured liabilities	67,433	3,372	3,540
Net cash provided by operating activities	<u>2,391,313</u>	<u>4,355,576</u>	<u>4,650,094</u>
Cash Flows From Investing activities			
Purchase Property and Equipment	(18,789,000)	(300,000)	(300,000)
Net cash applied to investing activities	<u>(18,789,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>
Cash Flows From Financing Activities			
Bank line of credit	1,600,000	(1,600,000)	-
Orthollinois line of credit	600,000	(600,000)	-
Proceeds from long term debt	15,589,000	-	-
Payments of long term debt	(525,000)	(549,000)	(574,000)
Proceeds from members' capital contribution	3,200,000	-	-
Members' distributions	-	(1,000,000)	(3,500,000)
Net cash provided by (applied to) financing activities	<u>20,464,000</u>	<u>(3,749,000)</u>	<u>(4,074,000)</u>
Increase (decrease) in cash and cash equivalents	4,066,313	306,576	276,094
Cash and cash equivalents			
Beginning	-	4,066,313	4,372,890
Ending	<u>4,066,313</u>	<u>4,372,890</u>	<u>4,648,984</u>

ATTACHMENT 36- ECONOMIC FEASIBILITY**OrthoIllinois Surgery Center Elgin, LLC
Projected Balance Sheets**

	Year 1	Year 2	Year 3
<u>ASSETS</u>			
Current Assets			
Cash and Cash Equivalents	4,066,313	4,372,890	4,648,984
Accounts Receivable, Net	1,750,000	1,837,500	1,929,375
Inventory	420,000	441,000	463,050
Total Current Assets	6,236,313	6,651,390	7,041,409
Property and Equipment			
Land	1,025,000	1,025,000	1,025,000
Land Improvements	947,000	947,000	947,000
Building	12,981,200	12,981,200	12,981,200
Furniture and Equipment	3,835,800	4,135,800	4,435,800
Total Property and Equipment	18,789,000	19,089,000	19,389,000
Less Accumulated Depreciation	781,529	1,593,057	2,434,586
Property and Equipment, Net	18,007,471	17,495,943	16,954,414
Total Assets	24,243,785	24,147,332	23,995,823
<u>LIABILITIES AND EQUITY</u>			
<u>Liabilities</u>			
Current Liabilities			
Bank Line of Credit	1,600,000	-	-
OrthoIllinois Line of Credit	600,000	-	-
Current Maturities of Long Term Debt	549,000	574,000	601,000
Accounts Payable and Accrued Expenses	420,000	441,000	463,050
Self-Insured Liabilities	67,433	70,805	74,345
Total Current Liabilities	3,236,433	1,085,805	1,138,395
Long Term Debt, less current maturities	14,515,000	13,941,000	13,340,000
Total Liabilities	17,751,433	15,026,805	14,478,395
<u>Members' Equity</u>			
Members' Capital Contribution	3,200,000	3,200,000	3,200,000
Accumulated retained income	-	3,292,351	5,920,527
Current year income	3,292,351	3,628,176	3,896,900
Member Distributions	-	(1,000,000)	(3,500,000)
Members' Equity	6,492,351	9,120,527	9,517,428
Total Liabilities and Members' Equity	24,243,785	24,147,332	23,995,823