

Notes and Assumptions

* Name	SONOMA VALLEY HOSPITAL	
* Location		
* Ownership Breakdown		
Doctor	50%	As per John
Cirrus	50%	
* Facility	New	
* Type of Facility	Hospital	
* Usable Space	76578 sq ft	As per Nathan e-mail on 9/19
* Rental Rate	\$68.09	As per Nathan e-mail on 9/20
* TI cost	0	
* No. of ORs	5	As per Kristen
* No. of Procedure Room	2	As per Kristen
* No of Cath lab	1	As per Kristen
* No. of Beds	TBD (staffed for 25 beds)	
* Volumes	As per CH estimates based on the current list of Doctors. Current list of doctors is as per Kristen	
* Revenue Rates	As per Darryl	
* Staffing	Based on similar facilities Made changes as per Sheryl. Requested her to review it on 10/16	
* Salaries	Based on similar market proforma	
* Capitalization	Based on John's e-mail on 9/20. Need to raise \$10m from Equity, \$50,000 per unit. As per Wayne- difference between the capital needed and equity raised should be showed as Mezzanine which will be financed at higher interest rate such as 30%	
* Equipment	Equipment cost is as per Gary. It will change once we add other services mentioned below	
* Equipment Maintenance	For the first year 2.5% of Loan ,for yr 2 10% of loan, for yr 3 12% of loan and then same forever	
* Contingency(on partner Cap page)	As per Wayne , contingency for hospital should be \$200k	

**SONOMA VALLEY HOSPITAL
Partnership Capitalization**

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Standard Partnership Capitalization

	Total Partnership	Capital Type	Mezzanine	50% Physicians Equity	50% Cirrus Equity
Operating assets (equipment financed)	\$ 19,200,000	Loan		\$ -	\$ -
Working Capital, Mezzanine	7,427,998	Loan	\$ 7,427,998	-	-
Working Capital, Equity	8,705,000	Cash		4,352,500	4,352,500
Developer fee	900,000	Cash		450,000	450,000
Organization, legal, & acct	50,000	Cash		25,000	25,000
Financing fees	40,000	Cash		20,000	20,000
Reimbursable expenses	30,000	Cash		15,000	15,000
State licensing expenses	75,000	Cash		37,500	37,500
Contingency	200,000	Cash		100,000	100,000
Total Project Costs (estimate)	<u>\$ 36,627,998</u>		<u>\$ 7,427,998</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Cash Contribution per Physician Unit (projected)				\$ 50,000	\$ 50,000
Standard Physician Units Available				<u>100.0</u>	<u>100</u>
Total Surgery Group Contribution - Cash (projected)				<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

**SONOMA VALLEY HOSPITAL
PHYSICIAN UTILIZATION BY SPECIALTY -- OUTPATIENT**

CONFIDENTIAL DRAFT

Month:	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>YEAR 1</u>
Percent of Estimated Utilization	0%	0%	0%	30%	50%	60%	80%	90%	100%	100%	100%	100%	
	# OF CASES MONTH TO MONTH												
GASTROENTEROLOGY	0	0	0	25	42	50	66	75	83	83	83	83	589
PLASTICS	0	0	0	5	9	11	14	16	18	18	18	18	128
PODIATRY	0	0	0	3	5	6	8	9	10	10	10	10	71
GENERAL SURGERY	0	0	0	9	15	18	24	27	30	30	30	30	213
GYN	0	0	0	6	10	12	16	18	20	20	20	20	142
NEURO SPINE	0	0	0	2	3	4	5	5	6	6	6	6	43
OPHTHALMOLOGY	0	0	0	4	7	8	10	12	13	13	13	13	92
ORTHOPEDECS	0	0	0	18	30	36	48	54	60	60	60	60	426
OTOLARYNGOLOGY (ENT)	0	0	0	2	4	4	6	6	7	7	7	7	50
CARDIOLOGY	0	0	0	9	15	18	24	27	30	30	30	30	213
UROLOGY	0	0	0	5	8	10	13	14	16	16	16	16	114
ESTIMATED # CASES	<u>0</u>	<u>0</u>	<u>0</u>	<u>88</u>	<u>147</u>	<u>176</u>	<u>234</u>	<u>264</u>	<u>293</u>	<u>293</u>	<u>293</u>	<u>293</u>	<u>2,080</u>

FACILITY FEES	Contractual Revenue	Cases Per Year	Cases Per Month	Gross Cases Per Week
GASTROENTEROLOGY	906	996	83	21
PLASTICS	2,000	216	18	5
PODIATRY	2,927	120	10	3
GENERAL SURGERY	3,737	360	30	8
GYN	3,501	240	20	5
NEURO SPINE	3,444	72	6	2
OPHTHALMOLOGY	1,795	156	13	3
ORTHOPEDECS	4,655	720	60	15
OTOLARYNGOLOGY (ENT)	2,574	84	7	2
CARDIOLOGY	7,592	360	30	8
UROLOGY	2,240	192	16	4
TOTAL		<u>3,516</u>	<u>293</u>	<u>73</u>

SONOMA VALLEY HOSPITAL

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PHYSICIAN UTILIZATION BY SPECIALTY- INPATIENT

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Month:	1	2	3	4	5	6	7	8	9	10	11	12	YEAR 1
Percent of Estimated Utilization	0%	0%	0%	30%	50%	60%	80%	90%	100%	100%	100%	100%	
# OF CASES MONTH TO MONTH													
GASTROENTEROLOGY	0	0	0	5	8	9	12	14	15	15	15	15	107
PLASTICS	0	0	0	2	3	3	4	5	5	5	5	5	36
PODIATRY	0	0	0	3	5	6	8	9	10	10	10	10	71
GENERAL SURGERY	0	0	0	7	12	14	19	22	24	24	24	24	170
GYN	0	0	0	5	8	10	13	14	16	16	16	16	114
NEURO SPINE	0	0	0	2	3	4	5	5	6	6	6	6	43
ORTHOPEDICS	0	0	0	9	15	18	24	27	30	30	30	30	213
BARIATRIC	0	0	0	1	1	1	2	2	2	2	2	2	14
CARDIOLOGY	0	0	0	9	15	18	24	27	30	30	30	30	213
UROLOGY	0	0	0	2	4	5	6	7	8	8	8	8	57
ESTIMATED # CASES	0	0	0	44	73	88	117	131	146	146	146	146	1,037

FACILITY FEES	Contractual Revenue	Cases Per Year	Cases Per Month	Gross Cases Per Week
GASTROENTEROLOGY	5,343	180	15	4
PLASTICS	3,500	60	5	1
PODIATRY	10,033	120	10	3
GENERAL SURGERY	13,167	288	24	6
GYN	23,123	192	16	4
NEURO SPINE	14,845	72	6	2
ORTHOPEDICS	13,230	360	30	8
BARIATRIC	8,500	24	2	1
CARDIOLOGY	24,687	360	30	8
UROLOGY	10,692	96	8	2
TOTAL		1,752	146	37

MEDICAL ADMITS	Revenue per admit	Per Year	Per Month	Per Week	Per Day
	\$ 5,545	1,032	86	20	2.9

average length of stay assumed is 3.98 days

Estimated # Medical Admits	1	2	3	4	5	6	7	8	9	10	11	12	YEAR 1
	-	-	-	26	43	52	69	77	86	86	86	86	611

**SONOMA VALLEY HOSPITAL
PRO-FORMA SUMMARY**

SURGICAL VOLUME SUMMARY (YR 1 PER MONTH):

SPECIALTY	OUTPATIENT	INPATIENT	TOTAL
PLASTICS	83	15	98
PODIATRY	18	5	23
GENERAL SURGERY	10	10	20
GYN	30	24	54
GYN SURGERY	20	16	36
OPHTHALMOLOGY	6	6	12
ORTHOPEDECS	13	-	13
OTOLARYNGOLOGY (ENT)	60	30	90
BARIATRIC	7	-	7
PULMONARY	-	2	2
UROLOGY	30	30	60
OTHERS	16	8	24
	293	146	439

PROFORMA SUMMARY OF YEARS ONE THROUGH FIVE

	Pre-open & YEAR				
	1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Surgical Volume	3,117	5,479	5,698	5,926	6,163
Medical Admits	611	1,053	1,074	1,095	1,117
Birthing Admits	142	245	245	245	245
ER Volume	8,329	8,329	8,329	8,329	8,329
TOTAL NET REVENUE	\$ 28,886,006	\$ 49,596,170	\$ 51,450,549	\$ 53,376,514	\$ 55,376,876
EXPENSES					
PERSONNEL COSTS	11,059,104	14,715,000	15,289,433	15,886,559	16,507,282
CONTRACT SERVICES	1,541,812	3,082,372	3,489,619	3,513,331	3,537,518
REPAIRS, MAINTENANCE, OTHER OFFICE EXPENSES	171,055	100,796	102,812	104,869	106,966
PROFESSIONAL FEES	112,000	22,440	22,889	23,347	23,814
COMMUNICATIONS AND IT	430,500	336,600	343,332	350,199	357,203
RENT AND UTILITIES	7,135,889	6,542,265	6,726,817	6,916,671	7,111,981
INSURANCE	488,850	498,627	508,600	518,772	529,147
MEDICAL SUPPLIES	5,442,483	8,992,060	9,171,901	9,355,340	9,542,446
ER EXPENSES	150,400	68,544	69,915	71,313	72,739
MARKETING	198,800	121,176	123,600	126,072	128,593
TRAVEL AND ENTERTAINMENT	96,800	34,884	35,582	36,293	37,019
DEPRECIATION	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
INTEREST EXPENSES	1,598,789	1,300,113	973,420	616,081	225,221
INTEREST EXPENSE (WORKING CAPITAL LOAN)	629,513	982,325	757,244	286,134	97,336
OPERATIONAL SUPERVISION	132,000	134,640	137,333	140,079	142,881
BAD DEBT	2,310,881	3,967,694	4,116,044	4,270,121	4,430,150
MANAGEMENT FEE	1,778,160	2,000,000	2,000,000	2,000,000	2,000,000
OTHER (contingency, bank service fees)	61,600	62,424	63,672	64,946	66,245
TOTAL OPERATING EXPENSES	36,538,635	46,161,961	47,132,213	47,480,126	48,116,541
PROFIT / (LOSS)	\$ (7,652,628)	\$ 3,434,209	\$ 4,318,336	\$ 5,896,388	\$ 7,260,335
MARGIN	n/a	7%	8%	11%	13%
Metrics:					
Revenue / case	\$9,268	\$9,053	\$9,030	\$9,008	\$8,986
Salaries and Benefits / Case	\$3,548	\$2,686	\$2,683	\$2,681	\$2,679
Total D & M / Case	\$1,746	\$1,641	\$1,610	\$1,579	\$1,548
Total Operating Expenses / Case	\$11,723	\$8,426	\$8,272	\$8,012	\$7,808

SONOMA VALLEY HOSPITAL

Opco Assumptions Summary

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Global Assumptions

Name	SONOMA VALLEY HOSPITAL	Zip code	95476
Doctor Ownership	50.0%		
Number of OR's / Procedure Rooms / Cath Lab	5/2/1	Med admits	
Revenue Growth (facility fees)	4.0%	growth p.a.	2%
Expense Growth (excluding salaries)	2.0%	growth p.a.	
Salary Growth	4.0%	growth p.a.	
Benefits	25.0%	of salaries	
Bad Debt Expense	8.0%	of total revenue	

Per JT, changed growth

Facility SF	76,578	As per Nathan e-mail on 9/20		
Rental Rate	\$ 68.09	/SF		
Annual Escalations:	Rent	/SF	NNN/Util	/SF
Year 2	3.0%	70.13	2.0%	7.14
Year 3	3.0%	72.24	2.0%	7.28
Year 4	3.0%	74.40	2.0%	7.43
Year 5	3.0%	76.64	2.0%	7.58
Pre-Opening	1.5	months in advance (rent)		
Pre-Opening	1	month in advance (NNN)		

NNN Expenses:			
Utilities (year 1)	8.00	/SF increasing	2.0% p.a.
Other (year 1)	7.00	/SF increasing	

Staffing Assumption	
Shift premium for second shift	15%
Shift premium for third shift	19%
On Call rate	\$ 5
Call Back rate	\$ 70
Number of FTE for on call & Call back	7
Hour for call back	416
Hour for on call	\$ 5,856

Made two changes after the proforma sent to JT.
 * add shift premium
 * reduce call back hour from 920 to 416 as per Cheryl and Sheryl

Annual Management Fee:
 Greater of: \$15,000 per month or 6.0% of monthly revenues

Working Capital:
 Accounts Receivable (A/R)
 Months 1-5 No collection of cash
 Month 6 Collect months 1-3 receivables
 Month 7 Collect months 4-5 receivables
 Month 8, thereafter 2 months A/R balance

Professional service contract expense to include:
 ER coverage
 Hospitalist
 Rehab
 Pharmacy
 Blood Bank

Variable expenses related to Medical Admits

Medical supplies	\$ 250
Medical Pharmacy	\$ 50
Inpatient Pharmacy	\$ 200
Laboratory/Pathology	\$ 10
Patient Nutrition/Drinks	\$ 3
Office Supplies	\$ 10
Laundry And Linen	\$ 7
Transcription Service	\$ 12
Revenue rate per case	\$ 5,545 per Darryl assuming average length of stay is 3.98

Variable expenses related to Birthing Admits

Medical supplies	\$ 120
Medical Pharmacy	\$ 70
Patient Nutrition/Drinks	\$ 3
Office Supplies	\$ 10
Laundry And Linen	\$ 7
Staffing Cost	\$ 36,167
Revenue rate per case	\$ 2,600 per Darryl

SONOMA VALLEY HOSPITAL
CASH PRO-FORMA SUMMARY OF YEARS ONE THROUGH FIVE

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	Pre-Opening	YEAR 1	YEAR 1+Pre-Open	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Surgical Volume	-	3,117	3,117	5,479	5,698	5,926	6,163
Medical Admits	-	611	611	1,053	1,074	1,095	1,117
Birthing Admits	-	142	142	245	245	245	245
REVENUES (FACILITY FEES)							
GASTROENTEROLOGY	\$ -	\$ 798,821	\$ 798,821	\$ 1,926,589	\$ 2,003,653	\$ 2,083,799	\$ 2,167,151
PLASTICS	-	275,065	275,065	663,400	689,936	717,533	746,235
PODIATRY	-	666,301	666,301	1,606,979	1,671,258	1,738,109	1,807,633
GENERAL SURGERY	-	2,201,067	2,201,067	5,308,515	5,520,856	5,741,690	5,971,358
GYN	-	2,262,138	2,262,138	5,455,807	5,674,039	5,901,000	6,137,040
NEURO SPINE	-	564,197	564,197	1,360,725	1,415,154	1,471,761	1,530,631
OPHTHALMOLOGY	-	119,986	119,986	289,381	300,957	312,995	325,515
ORTHOPEDECS	-	3,476,580	3,476,580	8,384,787	8,720,178	9,068,986	9,431,745
OTOLARYNGOLOGY (ENT)	-	92,636	92,636	223,419	232,356	241,650	251,316
BARIATRIC	-	87,404	87,404	210,800	219,232	228,001	237,121
CARDIOLOGY	-	4,978,854	4,978,854	12,007,959	12,488,277	12,987,809	13,507,321
UROLOGY	-	624,051	624,051	1,505,080	1,565,283	1,627,895	1,693,011
ER	-	2,051,312	2,051,312	3,902,900	4,059,016	4,221,377	4,390,232
MEDICAL ADMITS	-	2,451,795	2,451,795	5,817,845	5,934,202	6,052,886	6,173,944
BIRTHING ADMITS	-	267,353	267,353	634,400	647,088	660,030	673,230
IMAGING	-	-	-	-	-	-	-
TOTAL REVENUES	-	\$20,917,561	20,917,561	49,298,587	51,141,486	53,055,520	55,043,482
OPERATING EXPENSES							
VARIABLE OPERATING EXPENSES							
STAFFING FEES (SALARIES)	671,041	7,795,512	8,466,552	11,205,308	11,653,521	12,119,662	12,604,448
STAFFING FEES (BENEFITS)	167,760	1,818,285	1,986,046	2,801,327	2,913,380	3,029,915	3,151,112
OVERTIME @3%	-	197,706	197,706	291,388	297,216	303,161	309,224
CALL BACK & ON CALL PAY	-	408,800	408,800	416,976	425,316	433,822	442,498
CONTRACT SVCS (Repairs & Maintenance of Equipment)	20,000	480,000	500,000	1,920,000	2,304,000	2,304,000	2,304,000
CONTRACT SVCS (Biomedical equipment)	450	9,600	10,050	9,792	9,988	10,188	10,391
CONTRACT SVCS (Food Services)	-	77,745	77,745	134,028	136,709	139,443	142,232
CONTRACT SVCS (Facility Equip)	-	60,000	60,000	61,200	62,424	63,672	64,946
CONTRACT SVCS - Hospitalist & Physicians Assisting	-	150,000	150,000	153,000	156,060	159,181	162,365
CONTRACT SVCS - Rehab/Respiratory	-	43,200	43,200	44,064	44,945	45,844	46,761
CONTRACT SVCS - Pharmacy	-	180,000	180,000	183,600	187,272	191,017	194,838
CONTRACT SVCS - Dietary	-	300,000	300,000	306,000	312,120	318,362	324,730
CONTRACT SVCS - Blood Bank	-	84,000	84,000	85,680	87,394	89,141	90,924
CONTRACT SVCS - Janitorial	-	60,000	60,000	61,200	62,424	63,672	64,946
ALARM MONITORING	3,000	6,000	9,000	6,120	6,242	6,367	6,495
COMPUTER LEASE	4,000	60,000	64,000	61,200	62,424	63,672	64,946
COMPUTER SUPPORT AND MAINTENANCE	66,500	180,000	246,500	183,600	187,272	191,017	194,838
CONTINGENCY	-	60,000	60,000	61,200	62,424	63,672	64,946
ENTERTAINMENT	-	10,200	10,200	10,404	10,612	10,824	11,041
KITCHEN SUPPLIES, CLEANING SUPPLIES	-	9,000	9,000	9,180	9,364	9,551	9,742
MEDICAL SUPPLIES	225,000	1,396,090	1,621,090	2,406,781	2,454,917	2,504,015	2,554,095
MEDICAL SUPPLIES - LAPBAND	-	49,700	49,700	85,680	87,394	89,141	90,924
MEDICAL SUPPLIES - IMPLANTS	-	3,290,850	3,290,850	5,673,240	5,786,705	5,902,439	6,020,488
MEDICATIONS/PHARMACY (\$50 per case)	-	186,375	186,375	321,300	327,726	334,281	340,966
MEDICATION INPATIENT PHARMACY	-	204,622	204,622	352,757	359,812	367,008	374,348
FILM, CHEMICALS, THERMAL PAPER (\$7 per neurospine&baria	-	2,187	2,187	3,770	3,845	3,922	4,001
LABORATORY/PATHOLOGY	-	37,275	37,275	64,260	65,545	66,856	68,193
MED GASES (02, GEN ANESTHETIC) (\$10 per case)	1,500	37,275	38,775	64,260	65,545	66,856	68,193
PATIENT NUTRITION/DRINKS (\$3/PT)	-	11,609	11,609	20,012	20,413	20,821	21,237
OFFICE SUPPLIES	15,000	38,695	53,695	66,708	68,042	69,403	70,791
UTILITIES (DEPOSIT/SERVICE)	76,578	612,624	689,202	624,876	637,374	650,121	663,124
TELEPHONE/PAGER/ANS. SERVICE (DEPOSIT/SERVICE)	30,000	90,000	120,000	91,800	93,636	95,509	97,419
FIRE EXTINGUISHER UPDATE/MAINTENANCE (6 mos)	-	600	600	2,448	2,497	2,547	2,598
LAUNDRY AND LINEN (\$7 per case)	5,000	27,087	32,087	46,696	47,630	48,582	49,554
ER EXPENSES	100,000	50,400	150,400	68,544	69,915	71,313	72,739
OPERATIONAL SUPERVISION	-	132,000	132,000	134,640	137,333	140,079	142,881
MARKETING	50,000	96,000	146,000	97,920	99,878	101,876	103,913
MARKETING - PRS	30,000	22,800	52,800	23,256	23,721	24,196	24,679
TRANSCRIPTION SERVICE	-	44,730	44,730	77,112	78,654	80,227	81,832
POSTAGE AND DELIVERY	2,000	12,000	14,000	12,240	12,485	12,734	12,989
BANK SERVICE CHARGES	400	1,200	1,600	1,224	1,248	1,273	1,299
BOOKS, DUES AND SUBSCRIPTIONS	300	1,035	1,335	1,040	1,061	1,082	1,104
EMPLOYEE EDUCATION / RECRUITING	80,000	3,425	83,425	3,060	3,121	3,184	3,247
BAD DEBT 8% (total revenue)	-	2,310,881	2,310,881	3,967,694	4,116,044	4,270,121	4,430,150
TRAVEL	62,600	24,000	86,600	24,480	24,970	25,469	25,978
MANAGEMENT FEE	-	1,778,160	1,778,160	2,000,000	2,000,000	2,000,000	2,000,000
TOTAL VARIABLE OPERATING EXPENSES	1,611,129	22,451,667	24,062,796	34,241,066	35,580,617	36,569,244	37,592,166
FIXED OPERATING EXPENSES							
LEGAL/TAX/AUDITING	75,000	12,000	87,000	12,240	12,485	12,734	12,989
INSURANCE (LIABILITY, MALPRACTICE, COMPREHENSIVE)	25,650	463,200	488,850	498,627	508,600	518,772	529,147
LICENSES & PERMITS (PHARM, DEA, DPS)	25,000	-	25,000	10,200	10,404	10,612	10,824
EQUIPMENT LEASE	-	4,782,725	4,782,725	4,782,725	4,782,725	4,782,725	4,782,725
INTEREST EXPENSE (WORKING CAPITAL LOAN)	-	629,513	629,513	982,325	757,244	286,134	97,336
RENTAL PAYMENT	696,445	5,750,242	6,446,687	5,917,389	6,089,443	6,266,549	6,448,857
TOTAL FIXED OPERATING EXPENSES	822,095	11,637,680	12,459,775	12,203,506	12,160,901	11,877,526	11,881,878
TOTAL OPERATING EXPENSES	2,433,224	34,089,347	36,522,571	46,444,573	47,741,517	48,446,769	49,474,045
GAIN / (LOSS)	(\$2,433,224)	(\$13,171,786)	(\$15,605,010)	2,854,015	3,399,969	4,608,750	5,569,437
MARGIN	n/a	n/a	n/a	6%	7%	9%	10%
Metrics:							
Surgical Revenue / case			\$5,266	\$7,224	\$7,222	\$7,220	\$7,217
Salaries and Benefits / Case			\$3,417	\$2,610	\$2,609	\$2,608	\$2,607
Total D & M / Case			\$1,746	\$1,641	\$1,610	\$1,579	\$1,548
Total Surgical Operating Expenses / Case			\$11,669	\$8,465	\$8,367	\$8,164	\$8,016

SONOMA VALLEY HOSPITAL
CASH PRO-FORMA SUMMARY OF YEARS ONE THROUGH FIVE

CONFIDENTIAL DRAFT

	Pre-open and				
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Surgical Volume	3,117	5,479	5,698	5,926	6,163
Medical Admits	611	1,053	1,074	1,095	1,117
Birthing Admits	142	245	245	245	245
REVENUES (FACILITY FEES)					
GASTROENTEROLOGY	\$ 798,821	\$ 1,926,589	\$ 2,003,653	\$ 2,083,799	\$ 2,167,151
PLASTICS	275,065	663,400	689,936	717,533	746,235
PODIATRY	666,301	1,606,979	1,671,258	1,738,109	1,807,633
GENERAL SURGERY	2,201,067	5,308,515	5,520,856	5,741,690	5,971,358
GYN	2,262,138	5,455,807	5,674,039	5,901,000	6,137,040
NEURO SPINE	564,197	1,360,725	1,415,154	1,471,761	1,530,631
OPHTHALMOLOGY	119,986	289,381	300,957	312,995	325,515
ORTHOPEDICS	3,476,580	8,384,787	8,720,178	9,068,986	9,431,745
OTOLARYNGOLOGY (ENT)	92,636	223,419	232,356	241,650	251,316
BARIATRIC	87,404	210,800	219,232	228,001	237,121
CARDIOLOGY	4,978,854	12,007,959	12,488,277	12,987,809	13,507,321
UROLOGY	624,051	1,505,080	1,565,283	1,627,895	1,693,011
ER	2,051,312	3,902,900	4,059,016	4,221,377	4,390,232
MEDICAL ADMITS	2,451,795	5,817,845	5,934,202	6,052,886	6,173,944
BIRTHING ADMITS	267,353	634,400	647,088	660,030	673,230
IMAGING	-	-	-	-	-
TOTAL REVENUES	\$ 20,917,561	\$ 49,298,587	\$ 51,141,486	\$ 53,055,520	\$ 55,043,482
EXPENSES					
PERSONNEL COSTS	11,059,104	14,715,000	15,289,433	15,886,559	16,507,282
CONTRACT SERVICES	1,541,812	3,082,372	3,489,619	3,513,331	3,537,518
REPAIRS, MAINTENANCE, OTHER OFFICE EXPENSES	171,055	100,796	102,812	104,869	106,966
PROFESSIONAL FEES	112,000	22,440	22,889	23,347	23,814
COMMUNICATIONS AND IT	430,500	336,600	343,332	350,199	357,203
RENT AND UTILITIES	7,135,889	6,542,265	6,726,817	6,916,671	7,111,981
INSURANCE	488,850	498,627	508,600	518,772	529,147
MEDICAL SUPPLIES	5,442,483	8,992,060	9,171,901	9,355,340	9,542,446
ER EXPENSES	150,400	68,544	69,915	71,313	72,739
MARKETING	198,800	121,176	123,600	126,072	128,593
TRAVEL AND ENTERTAINMENT	96,800	34,884	35,582	36,293	37,019
INTEREST EXPENSE (EQUIPMENT AND WORKING CAPI	5,412,238	5,765,051	5,539,969	5,068,859	4,880,061
OPERATIONAL SUPERVISION	132,000	134,640	137,333	140,079	142,881
BAD DEBT 8% (total revenue)	2,310,881	3,967,694	4,116,044	4,270,121	4,430,150
MANAGEMENT FEE	1,778,160	2,000,000	2,000,000	2,000,000	2,000,000
OTHER (contingency, bank service fees)	61,600	62,424	63,672	64,946	66,245
TOTAL OPERATING EXPENSES	36,522,571	46,444,573	47,741,517	48,446,769	49,474,045
GAIN / (LOSS)	\$ (15,605,010)	\$ 2,854,015	\$ 3,399,969	\$ 4,608,750	\$ 5,569,437
MARGIN	n/a	6%	7%	9%	10%
Metrics:					
Surgical Revenue / case	\$5,266	\$7,224	\$7,222	\$7,220	\$7,217
Salaries and Benefits / Case	\$3,548	\$2,686	\$2,683	\$2,681	\$2,679
Total D & M / Case	\$1,746	\$1,641	\$1,610	\$1,579	\$1,548
Total Surgical Operating Expenses / Case	\$11,669	\$8,465	\$8,367	\$8,164	\$8,016

SONOMA VALLEY HOSPITAL

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ACCRAAL PRO-FORMA SUMMARY OF YEARS ONE THROUGH FIVE (w/o Imaging)

CONFIDENTIAL DRAFT

	YEAR 1+Pre-Open	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Surgical Volume	3,117	5,479	5,698	5,926	6,163
Medical Admits	611	1,053	1,074	1,095	1,117
Birthing Admits	142	245	245	245	245
REVENUES (FACILITY FEES)					
GASTROENTEROLOGY	1,103,128	1,939,019	2,016,579	2,097,243	2,181,132
PLASTICS	379,850	667,680	694,387	722,163	751,049
PODIATRY	920,125	1,617,347	1,682,041	1,749,322	1,819,295
GENERAL SURGERY	3,039,553	5,342,764	5,556,474	5,778,733	6,009,882
GYN	3,123,889	5,491,005	5,710,646	5,939,071	6,176,634
NEURO SPINE	779,125	1,369,504	1,424,284	1,481,256	1,540,506
OPHTHALMOLOGY	165,694	291,248	302,898	315,014	327,615
ORTHOPEDECS	4,800,967	8,438,882	8,776,438	9,127,495	9,492,595
OTOLARYNGOLOGY (ENT)	127,925	224,860	233,855	243,209	252,937
BIARIATRIC	120,700	212,160	220,646	229,472	238,651
CARDIOLOGY	6,875,525	12,085,430	12,568,847	13,071,601	13,594,465
UROLOGY	861,780	1,514,790	1,575,382	1,638,397	1,703,933
ER	2,832,750	3,928,080	4,085,203	4,248,611	4,418,556
MEDICAL ADMITS	3,385,795	5,836,920	5,953,659	6,072,732	6,194,187
BIRTHING ADMITS	369,200	636,480	649,210	662,194	675,438
TOTAL REVENUES	28,886,006	49,596,170	51,450,549	53,376,514	55,376,876
OPERATING EXPENSES					
VARIABLE OPERATING EXPENSES					
STAFFING FEES (SALARIES)	8,466,552	11,205,308	11,653,521	12,119,662	12,604,448
STAFFING FEES (BENEFITS)	1,986,046	2,801,327	2,913,380	3,029,915	3,151,112
OVERTIME @3%	197,706	291,388	297,216	303,161	309,224
CALL BACK & ON CALL PAY	408,800	416,976	425,316	433,822	442,498
CONTRACT SVCS (Repairs & Maintenance of Equipment)	500,000	1,920,000	2,304,000	2,304,000	2,304,000
CONTRACT SVCS (Biomedical equipment)	10,050	9,792	9,988	10,188	10,391
CONTRACT SVCS (Food Services)	77,745	134,028	136,709	139,443	142,232
CONTRACT SVCS (Facility Equip)	60,000	61,200	62,424	63,672	64,946
CONTRACT SVCS - Hospitalist & Physicians Assisting	150,000	153,000	156,000	159,181	162,365
CONTRACT SVCS - Rehab/Respiratory	43,200	44,064	44,945	45,844	46,761
CONTRACT SVCS - Pharmacy	180,000	183,600	187,272	191,017	194,838
CONTRACT SVCS - Dietary	300,000	306,000	312,120	318,362	324,730
CONTRACT SVCS - Blood Bank	84,000	85,680	87,394	89,141	90,924
CONTRACT SVCS - Janitorial	60,000	61,200	62,424	63,672	64,946
ALARM MONITORING	9,000	6,120	6,242	6,367	6,495
COMPUTER LEASE	64,000	61,200	62,424	63,672	64,946
COMPUTER SUPPORT AND MAINTENANCE	246,500	183,600	187,272	191,017	194,838
CONTINGENCY	60,000	61,200	62,424	63,672	64,946
ENTERTAINMENT	10,200	10,404	10,612	10,824	11,041
KITCHEN SUPPLIES, CLEANING SUPPLIES	9,000	9,180	9,364	9,551	9,742
MEDICAL SUPPLIES	1,621,090	2,406,781	2,454,917	2,504,015	2,554,095
MEDICAL SUPPLIES - LAPBAND	49,700	85,680	87,394	89,141	90,924
MEDICAL SUPPLIES - IMPLANTS	3,290,850	5,673,240	5,786,705	5,902,439	6,020,488
MEDICATIONS/PHARMACY (\$50 per case)	186,375	321,300	327,726	334,281	340,966
MEDICATION INPATIENT PHARMACY	204,622	352,757	359,812	367,008	374,348
FILM, CHEMICALS, THERMAL PAPER (\$7 per neurospine&bariatric)	2,187	3,770	3,845	3,922	4,001
LABORATORY/PATHOLOGY	37,275	64,260	65,545	66,856	68,193
MED GASES (02, GEN ANESTHETIC) (\$10 per case)	38,775	64,260	65,545	66,856	68,193
PATIENT NUTRITION/DRINKS (\$3/PT)	11,609	20,012	20,413	20,821	21,237
OFFICE SUPPLIES	53,695	66,708	68,042	69,403	70,791
UTILITIES (DEPOSIT/SERVICE)	689,202	624,876	637,374	650,121	663,124
TELEPHONE/PAGER/ANS. SERVICE (DEPOSIT/SERVICE)	120,000	91,800	93,636	95,509	97,419
FIRE EXTINGUISHER UPDATE/MAINTENANCE (6 mos)	600	2,448	2,497	2,547	2,598
LAUNDRY AND LINEN (\$7 per case)	32,087	46,696	47,630	48,582	49,554
ER EXPENSES	150,400	68,544	69,915	71,313	72,739
OPERATIONAL SUPERVISION	132,000	134,640	137,333	140,079	142,881
MARKETING	146,000	97,920	99,878	101,876	103,913
MARKETING - PRS	52,800	23,256	23,721	24,196	24,679
TRANSCRIPTION SERVICE	44,730	77,112	78,654	80,227	81,832
POSTAGE AND DELIVERY	14,000	12,240	12,485	12,734	12,989
BANK SERVICE CHARGES	1,600	1,224	1,248	1,273	1,299
BOOKS, DUES AND SUBSCRIPTIONS	1,335	1,040	1,061	1,082	1,104
EMPLOYEE EDUCATION / RECRUITING	83,425	3,060	3,121	3,184	3,247
BAD DEBT 8% (total revenue)	2,310,881	3,967,694	4,116,044	4,270,121	4,430,150
TRAVEL	86,600	24,480	24,970	25,469	25,978
MANAGEMENT FEE	1,778,160	2,000,000	2,000,000	2,000,000	2,000,000
TOTAL VARIABLE OPERATING EXPENSES	24,062,796	34,241,066	35,580,617	36,569,244	37,592,166
FIXED OPERATING EXPENSES					
LEGAL/TAX/AUDITING	87,000	12,240	12,485	12,734	12,989
INSURANCE (LIABILITY, MALPRACTICE, COMPREHENSIVE)	488,850	498,627	508,600	518,772	529,147
LICENSES & PERMITS (PHARM, DEA, DPS)	25,000	10,200	10,404	10,612	10,824
DEPRECIATION	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
INTEREST EXPENSES	1,598,789	1,300,113	973,420	616,081	225,221
INTEREST EXPENSE (WORKING CAPITAL LOAN)	629,513	982,325	757,244	286,134	97,336
RENTAL PAYMENT	6,446,687	5,917,389	6,089,443	6,266,549	6,448,857
TOTAL FIXED OPERATING EXPENSES	12,475,839	11,920,895	11,551,596	10,910,882	10,524,375
TOTAL OPERATING EXPENSES	36,538,635	46,161,961	47,132,213	47,480,126	48,116,541
PROFIT / (LOSS)	(\$7,652,628)	\$3,434,209	\$4,318,336	\$5,896,388	\$7,260,335
PROFIT / (LOSS) MARGIN	n/a	7%	8%	11%	13%
ADD BACK INTEREST EXPENSES AND DEPRECIATION	5,428,302	5,482,439	4,930,665	4,102,215	3,522,557
EBITDA	(\$2,224,327)	\$8,916,648	\$9,249,001	\$9,998,603	\$10,782,892
EBITDA Margin	n/a	18.0%	18.0%	18.7%	19.5%
Metrics:					
Revenue / case	\$9,268	\$9,053	\$9,030	\$9,008	\$8,986
Salaries and Benefits / Case	\$3,417	\$2,610	\$2,609	\$2,608	\$2,607
Total D & M / Case	\$1,746	\$1,641	\$1,610	\$1,579	\$1,548
Total Operating Expenses / Case	\$11,723	\$8,426	\$8,272	\$8,012	\$7,808

SONOMA VALLEY HOSPITAL
ACCRUAL PRO-FORMA SUMMARY OF YEARS ONE THROUGH FIVE

CONFIDENTIAL DRAFT

	Pre-open & YEAR				
	1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Surgical Volume	3,117	5,479	5,698	5,926	6,163
Medical Admits	611	1,053	1,074	1,095	1,117
Birthing Admits	142	245	245	245	245
ER Volume	8,329	8,329	8,329	8,329	8,329
REVENUES (FACILITY FEES)					
GASTROENTEROLOGY	\$ 1,103,128	\$ 1,939,019	\$ 2,016,579	\$ 2,097,243	\$ 2,181,132
PLASTICS	379,850	667,680	694,387	722,163	751,049
PODIATRY	920,125	1,617,347	1,682,041	1,749,322	1,819,295
GENERAL SURGERY	3,039,553	5,342,764	5,556,474	5,778,733	6,009,882
GYN	3,123,889	5,491,005	5,710,646	5,939,071	6,176,634
NEURO SPINE	779,125	1,369,504	1,424,284	1,481,256	1,540,506
OPHTHALMOLOGY	165,694	291,248	302,898	315,014	327,615
ORTHOPEDECS	4,800,967	8,438,882	8,776,438	9,127,495	9,492,595
OTOLARYNGOLOGY (ENT)	127,925	224,860	233,855	243,209	252,937
CARDIOLOGY	6,875,525	12,085,430	12,568,847	13,071,601	13,594,465
UROLOGY	861,780	1,514,790	1,575,382	1,638,397	1,703,933
ER	2,832,750	3,928,080	4,085,203	4,248,611	4,418,556
MEDICAL ADMITS	3,385,795	5,836,920	5,953,659	6,072,732	6,194,187
BIRTHING ADMITS	369,200	636,480	649,210	662,194	675,438
TOTAL REVENUES	28,886,006	49,596,170	51,450,549	53,376,514	55,376,876
EXPENSES					
PERSONNEL COSTS	11,059,104	14,715,000	15,289,433	15,886,559	16,507,282
CONTRACT SERVICES	1,541,812	3,082,372	3,489,619	3,513,331	3,537,518
REPAIRS, MAINTENANCE, OTHER OFFICE EXPENSES	171,055	100,796	102,812	104,869	106,966
PROFESSIONAL FEES	112,000	22,440	22,889	23,347	23,814
COMMUNICATIONS AND IT	430,500	336,600	343,332	350,199	357,203
RENT AND UTILITIES	7,135,889	6,542,265	6,726,817	6,916,671	7,111,981
INSURANCE	488,850	498,627	508,600	518,772	529,147
MEDICAL SUPPLIES	5,442,483	8,992,060	9,171,901	9,355,340	9,542,446
ER EXPENSES	150,400	68,544	69,915	71,313	72,739
MARKETING	198,800	121,176	123,600	126,072	128,593
TRAVEL AND ENTERTAINMENT	96,800	34,884	35,582	36,293	37,019
DEPRECIATION	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
INTEREST EXPENSE	1,598,789	1,300,113	973,420	616,081	225,221
INTEREST EXPENSE (WORKING CAPITAL LOAN)	629,513	982,325	757,244	286,134	97,336
OPERATIONAL SUPERVISION	132,000	134,640	137,333	140,079	142,881
BAD DEBT 8% (total revenue)	2,310,881	3,967,694	4,116,044	4,270,121	4,430,150
MANAGEMENT FEE	1,778,160	2,000,000	2,000,000	2,000,000	2,000,000
OTHER (contingency, bank service fees)	61,600	62,424	63,672	64,946	66,245
TOTAL OPERATING EXPENSES	36,538,635	46,161,961	47,132,213	47,480,126	48,116,541
PROFIT / (LOSS)	\$ (7,652,628)	\$ 3,434,209	\$ 4,318,336	\$ 5,896,388	\$ 7,260,335
PROFIT / (LOSS) MARGIN	n/a	7%	8%	11%	13%
Metrics:					
Surgical Revenue / case	\$7,272	\$7,270	\$7,268	\$7,266	\$7,264
Salaries and Benefits / Case	\$3,548	\$2,686	\$2,683	\$2,681	\$2,679
Total D & M / Case	\$1,746	\$1,641	\$1,610	\$1,579	\$1,548
Total Surgical Operating Expenses / Case	\$11,674	\$8,413	\$8,260	\$8,000	\$7,796

SONOMA VALLEY HOSPITAL SUMMARY OF ASSUMPTIONS

Assumptions for Expenses:

PERSONNEL COST	includes 25% of benefits , 3% of overtime, call back and call pay. Base salary includes shift premium for second and third shift. * total FTE in month 12- 109(not including ER FTE) * Total \$ in month 12 --\$493k(excluding benefits, overtime, call back and call
CONTRACT SERVICES	includes repair & maintenance, biomedical equipment, food services, hospitalist, rehab, pharmacy, dietary, blood bank, janitorial, laundry & linen & transcription services
REPAIRS, MAINTENANCE, OTHER OFFICE EXPENSES	office supplies, kitchen supplies, postage and delivery, book dues, fire extinguisher, employee education and recruiting
PROFESSIONAL FEES	Expenses for licenses & permits and legal /tax or for accounting matters.
COMMUNICATIONS AND IT	Includes computer lease, computer and maintenance, telephone & pager service
RENT AND UTILITIES	rent \$68/SF on 70,000 SF at 3% of escalation. * Pre opening 1.5 month in advance
INSURANCE	
MEDICAL SUPPLIES	includes medical supplies (avg \$352 per case); medical lapbands, implants, medication, outpatient & inpatient pharmacy , film, chemical & thermal paper
ER EXPENSES	fee, supplies & other operating expenses.
MARKETING	
TRAVEL AND ENTERTAINMENT	
DEPRECIATION	assuming no residual value for 19.2m equipment estimated to have 6 year useful life. Using straight line method
INTEREST EXPENSE	Interest expense for Equipment loan \$ 19.2m at 9% p.a.
INTEREST EXPENSE (WORKING CAPITAL LOAN)	Interest at 30% p.a. for working capital , Mezzanine
OPERATIONAL SUPERVISION	includes fee for one general medical director , one cardiology medical director and one lab director
BAD DEBT	8% of revenue
MANAGEMENT FEE	management fee is 6% of revenue -cap at \$2m per yr. & floor at \$15k per month.
OTHER (contingency, bank service fees)	includes contingency and bank service fee

Facility Information:

Number of OR's / Procedure Rooms / Cath Lab	5\2\1
Utilities and other NNN expenses	\$15 per SF and at 2% growth p.a. (pre-opening 1 month in advance)

Growth Assumptions:

Revenue Growth (facility fees)	4% growth p.a. and for Medical admits 2%
Expense Growth (excluding salaries)	2% growth p.a.
Salary Growth	4% growth p.a.

Other Assumptions:

Bad Debt Expense	8% of total revenue
Accounts Receivable (A/R)	* Months 1-5 No collection of cash * Month 6 Collect months 1-3 receivables * Month 7 Collect months 4-5 receivables * Month 8, thereafter 2 months A/R balance

EQUIPMENT FINANCING

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	Begin Bal	Pymt	Int	Amort	End Bal
1	19,200,000	398,560	144,000	254,560	18,945,440
2	18,945,440	398,560	142,091	256,470	18,688,970
3	18,688,970	398,560	140,167	258,393	18,430,577
4	18,430,577	398,560	138,229	260,331	18,170,246
5	18,170,246	398,560	136,277	262,284	17,907,962
6	17,907,962	398,560	134,310	264,251	17,643,711
7	17,643,711	398,560	132,328	266,233	17,377,479
8	17,377,479	398,560	130,331	268,229	17,109,250
9	17,109,250	398,560	128,319	270,241	16,839,008
10	16,839,008	398,560	126,293	272,268	16,566,741
11	16,566,741	398,560	124,251	274,310	16,292,431
12	16,292,431	398,560	122,193	276,367	16,016,064
13	16,016,064	398,560	120,120	278,440	15,737,624
14	15,737,624	398,560	118,032	280,528	15,457,095
15	15,457,095	398,560	115,928	282,632	15,174,463
16	15,174,463	398,560	113,808	284,752	14,889,711
17	14,889,711	398,560	111,673	286,888	14,602,824
18	14,602,824	398,560	109,521	289,039	14,313,784
19	14,313,784	398,560	107,353	291,207	14,022,577
20	14,022,577	398,560	105,169	293,391	13,729,186
21	13,729,186	398,560	102,969	295,592	13,433,595
22	13,433,595	398,560	100,752	297,808	13,135,786
23	13,135,786	398,560	98,518	300,042	12,835,744
24	12,835,744	398,560	96,268	302,292	12,533,452
25	12,533,452	398,560	94,001	304,560	12,228,892
26	12,228,892	398,560	91,717	306,844	11,922,049
27	11,922,049	398,560	89,415	309,145	11,612,904
28	11,612,904	398,560	87,097	311,464	11,301,440
29	11,301,440	398,560	84,761	313,800	10,987,640
30	10,987,640	398,560	82,407	316,153	10,671,487
31	10,671,487	398,560	80,036	318,524	10,352,963
32	10,352,963	398,560	77,647	320,913	10,032,050
33	10,032,050	398,560	75,240	323,320	9,708,730
34	9,708,730	398,560	72,815	325,745	9,382,985
35	9,382,985	398,560	70,372	328,188	9,054,797
36	9,054,797	398,560	67,911	330,649	8,724,147
37	8,724,147	398,560	65,431	333,129	8,391,018
38	8,391,018	398,560	62,933	335,628	8,055,390
39	8,055,390	398,560	60,415	338,145	7,717,245
40	7,717,245	398,560	57,879	340,681	7,376,564
41	7,376,564	398,560	55,324	343,236	7,033,328
42	7,033,328	398,560	52,750	345,810	6,687,517
43	6,687,517	398,560	50,156	348,404	6,339,113
44	6,339,113	398,560	47,543	351,017	5,988,096
45	5,988,096	398,560	44,911	353,650	5,634,447
46	5,634,447	398,560	42,258	356,302	5,278,145
47	5,278,145	398,560	39,586	358,974	4,919,170
48	4,919,170	398,560	36,894	361,667	4,557,504
49	4,557,504	398,560	34,181	364,379	4,193,124
50	4,193,124	398,560	31,448	367,112	3,826,012
51	3,826,012	398,560	28,695	369,865	3,456,147
52	3,456,147	398,560	25,921	372,639	3,083,508
53	3,083,508	398,560	23,126	375,434	2,708,074
54	2,708,074	398,560	20,311	378,250	2,329,824
55	2,329,824	398,560	17,474	381,087	1,948,737
56	1,948,737	398,560	14,616	383,945	1,564,792
57	1,564,792	398,560	11,736	386,824	1,177,968
58	1,177,968	398,560	8,835	389,726	788,242
59	788,242	398,560	5,912	392,649	395,593
60	395,593	398,560	2,967	395,593	0

SONOMA

	Base	Contingency	Shipping	Taxes	Total
Specialty	\$ 3,265,000.00	\$ 163,250.00	\$ 102,847.50	\$ 291,315.54	\$ 3,822,413.04
Non-Specialty	\$ 8,262,045.00	\$ 413,102.25	\$ 260,254.42	\$ 737,170.64	\$ 9,672,572.31
IT	\$ 2,100,000.00	\$ 105,000.00	\$ 66,150.00	\$ 187,369.88	\$ 2,458,519.88
Low Voltage	\$ 600,000.00	\$ 30,000.00	\$ 18,900.00	\$ 53,534.25	\$ 702,434.25

(IT/Low Voltage amounts are projected. IT needs to be reviewed and confirmed by John Arnott and LV by Bill Matheny)

Total \$ 16,655,939.47

round to ➔ \$ 16,700,000.00

Assumptions:

- 5 OR's
- 2 Procedure Room
- 1 Cath Lab
- 50 Beds
- 16 Pre-Op/PACU
- 8 ICU Beds
- OR's w/booms & Flat Panels
- Fixed Base OR Table System
- MR, CT, R&F Included

Case Mix

Bariatric	10
Basic General	460
Cath Lab	245
ENT	60
GI	1080
GYN	218
Neuro Spine	50
Ophthalmology	150
Ortho	870
Plastics	93
Podiatry	25
Urology	170
Total	3431

Specialty Equipment Breakout

Bariatric	\$ 125,000.00
Basic General	\$ 60,000.00
Cath Lab	\$ 1,500,000.00
ENT	\$ 130,000.00
GI	\$ 185,000.00
GYN	\$ 210,000.00
Neuro Spine	\$ 285,000.00
Ophthalmology	\$ 250,000.00
Ortho	\$ 250,000.00
Plastics	\$ 45,000.00
Podiatry	\$ 150,000.00
Urology	\$ 75,000.00
TOTAL	\$ 3,265,000.00

**SONOMA VALLEY HOSPITAL
SUMMARY OF ACTUAL INCOME STATEMENTS**

for the Year ended Jun 06

	Yr 2	Year ended Jun-06 only for ER	Actual Year ended Jun-06	
Outpatient Revenue	11,575,874		54,914,337	Outpatient & Inpatient rev includes the rev from imaging. there is no incremental revenue from Imaging.
Inpatient Revenue	27,618,816		46,389,724	
Emergency Revenue		11,621,562	11,621,562	
Gross Revenue	49,596,170	11,621,562	112,925,624	
Total Deductible		7,844,562	(76,608,070)	
Net Patient Revenue	49,596,170	\$ 3,777,000	\$ 36,317,554	
Capitation Rev			1,196,640	SVH is receiving monthly capitation payments based on the no. of each HMO's participants, regardless of the services actually performed
Sundry Rev			202,207	* Includes revenue from Cafeteria and other misc. revenue
Non-Operating Revenue			3,315,940	* Includes income from interest, property taxes, donation, investment income
Total other Revenue			4,714,787	
Total Revenue	49,596,170	\$ 3,777,000	\$ 41,032,341	
Salaries & Wages	11,496,697	962,814	18,172,366	
Paid Time Off		115,865	2,159,174	
Employee Benefits	2,801,327	144,972	3,414,388	
Prof fee-Agency		32,663	2,113,525	* Payment for temporary employee
Prof-Physician		442,832	1,026,447	* expenses includes payment for Hospitalist, on call physician, integrated medicine, occupational medical Physician
Prof Fee - Others	278,256		579,151	* includes expenses for quality, legal fees, consulting, marketing.
Supplies	2,581,630	30,933	1,597,810	* general supplies
Supplies-Minor Equipment		2,157	131,090	* supplies when amount is more than \$500
Supplies Patient chargeable	6,431,569	32,453	3,230,368	
Purchased Services	3,495,570	81	2,552,163	* Includes contract services, computer, repair & maintaince
Depreciation	3,200,000		1,217,312	
Utilities	624,876		780,681	
Insurance	498,627		416,403	
Interest	2,282,439		334,437	
Education & Travel	39,168	8	90,578	
Bad Debts	3,967,694		1,195,332	
Other Operating Expenses	61,200	1,829	831,784	
Rent	5,917,389			
Management fee	2,000,000			
Total Operating Expenses	45,676,441	\$ 1,766,605	\$ 39,843,009	
Net Income	3,919,729	\$ 2,010,395	\$ 1,189,332	
Add Interest & Depreciation	5,482,439	-	750,840	
EBITDA	9,402,168	2,010,395	1,940,172	
EBITDA Margin	18.96%	53.23%	4.73%	

32,540,554 Net revenue just for IN and out

11,194 the avg rate for IN and out

(485,520)

Sonoma Supplies Expense by Specialty

Specialty	Cases Per Year	Supply Cost	Total
PAIN MANAGEMENT	-	120	-
BREAST SURG	-		-
GASTROENTEROLOGY	1,176	200	235,200
PLASTICS	276	250	69,000
PODIATRY	240	250	60,000
GENERAL SURGERY	648	310	200,880
GYN	432	350	151,200
GYN SURGERY	-	250	-
ORTHO SPINE	-	1010	-
NEURO SPINE	144	1010	145,440
OPHTHALMOLOGY	156	310	48,360
ORTHOPEDICS	1,080	510	550,800
OTOLARYNGOLOGY (ENT)	84	250	21,000
BARIATRIC	-	0	-
PULMONARY	-	250	-
CARDIOLOGY	720	600	432,000
UROLOGY	288	250	72,000
OTHERS	-	250	-
CARDIOTHORACIC	-	600	-
Medical Admits	1,032	250	258,000
Birthing Admits	240	120	28,800
Total	6,276		\$ 2,272,680
Average Supply Cost		\$	362

Included as a separate line item @ \$3500 per case