



Docket No. GMCB-024-15CON, Proposed Renovation of Skilled Nursing Facility (SNF) and  
Addition of Six SNF Rooms, \$8,170,130

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**WAKE ROBIN CORPORATION**  
**Letter of Intent**  
**Linden Health Center Renovation**

**July 18, 2016**

**Ms. Donna Jerry**  
**Healthcare Administration**  
**Department of Financial Regulation**  
**89 Main Street**  
**Montpelier, VT 05620**

**Dear Ms. Jerry,**

Wake Robin, a not-for-profit corporation based in Shelburne, is applying for an expedited review of its request to renovate the licensed skilled (SNF) Medicare portion of the health center, and to add 6 additional Skilled (non-Medicare certified) nursing rooms. It is worth noting that the skilled portion of the health center is not able to accept outside admissions and only provides services and care to the residents who have entered the community through independent living. Wake Robin is a Continue Care Retirement Community (CCRC) that provides housing, long-term care and other amenities to its residents under a contract, which acts as long-term care insurance. Because this project is comprehensive for the community, the total project is included in the explanation of the proposed project with a request for review of the project that involves the skilled portion and requires jurisdictional approval.

The overall project includes four components of the proposed construction work:

1). Independent Living – this portion of the project will add an additional apartment building that will have 38 apartments. These apartments are for residents who have purchased a life care contract and will live independently. The entrance fee and monthly fee revenue from these new residents will help to finance a portion of the construction work to be done in the health center. Ongoing monthly fee revenue from new and existing residents pays the operating expenses or the entire community.

2). Community Center - this portion of the project involves renovation of the community meeting room, dining room, café, revamp of the old meeting room into a larger fitness area, a new larger meeting room for use by the residents of the community and restructuring of other rooms used by residents for activities such as silver-smithing, art, flower arranging etc.

3). Residential Care – this portion of the project involves the renovation of the licensed residential care neighborhood hallway, upgrade to the heating and air conditioning systems. There are currently 31 licensed residential care rooms. The construction would cause 7 existing resident rooms to be removed to allow for the build out that will contain a new, open dining room that will provide the meals for the entire health center. The dining room will be open to the independent living residents to come and dine with their spouse/partner. A deck for outdoor dining will be built and the new addition will also contain common areas for residents, offices and 7 new resident rooms. After completion of this component there will be an additional 10 new residential care rooms. The majority of those rooms will be added by converting the existing space on the ground level of the wing of the health center that currently has an 18 room skilled, dementia focused neighborhood on the floor above. (This ground floor space is currently unfinished and was built with the intention of potential future expansion for Residential Care). Total number of Residential Care rooms on completion, would be 41.

4). Skilled Nursing – this area of the project also involves renovation of the hallway and common areas of the skilled, Medicare certified area of the health center, an update to the HVAC system (as the entire health center building). This area currently has 33 licensed skilled, Medicare certified rooms. 5 existing skilled rooms would be removed to enable the buildout that would contain: 5 replacement skilled rooms, a new open dining area, a den/living room area, and an additional 6 rooms. Total number of skilled rooms at completion of the project would be 39 rooms.

The existing skilled area's current square footage that would be involved in the renovation project, is 22,478 gsf. The total square footage of the build out is 7,048. The new total square footage of the renovation and build out would be 29, 526 gsf.

Total Expansion Project costs are: \$59,810,000

- 1). Project cost for Component 1, the Independent Living apartments: \$28,251,147
- 2). Project cost for Component 2, the Community Center renovations: \$10,299,265
- 3). Project cost for Component 3, the Residential Care renovations and addition: \$13,089,459
- 4). Project cost for Component 4, the Skilled Nursing renovations and addition: \$8,170,130

Construction in the skilled and residential sections of the health center will be carefully phased with the goal of minimizing the disruption to residents living in these areas. The number of residents who will need to be relocated to other rooms, (permanently or temporarily), will be dependent upon the census of the areas. If the census is low on the skilled construction area, every attempt will be made to manage room placement prior to construction so that the 5 affected rooms are kept empty.

The Residential Care area will also attempt to be managed by keeping the as many of the 7 affected rooms empty prior to construction with the same goal of minimizing disruption to residents. There is a plan in place to build and outfit the residential rooms that would be built in the currently unfinished ground floor space. This phase would allow for 8 rooms to be completed (and upon licensing by DAIL) in the first phase of the project and would enable residents affected by the second phase of construction, to move to these rooms.

Phasing of the project for both the skilled and residential care areas is broken into multiple phases that will be timed to move forward upon completion of the previous phase. Our construction company has experience in building/renovating within occupied resident space and has estimated the length of each phase.

Wake Robin Corporation is a licensed CCRC. It is currently one of two CCRC's in the state and is regulated by Department of Financial Regulation (DFR), the Department of Disabilities, Aging and Independent Living (DAIL) and CMS. The community is structured as a long-term care insurance product for its roughly 312 residents living within the community. A resident purchases the long-term care insurance product through the payment of a one-time entrance fee and then an ongoing monthly fee. In exchange, Wake Robin provides a home, long-term care and other amenities for the rest of the resident's life. "Home" may vary according to the needs of the individual resident. The community offers three levels of living – Independent, Residential, or Skilled. The resident's monthly fee remains the same regardless of the level of care required. The residents of the Wake Robin community are "planners" who have made a point of pre-planning for their health care by purchasing this life care policy.

The health care portion of the community is known as the Linden Health Center and contains a licensed Residential Care neighborhood that is licensed for 31 beds. The skilled nursing portion of the health center currently contains a 33 bed neighborhood that was licensed in 1994 and Medicare certified in 1996. (The original skilled, Medicare neighborhood had 30 licensed, skilled beds until 2011 when the community added 3 additional skilled, Medicare homes).

In 2007, the Linden Health Center received CON approval to add an additional 18 skilled nursing beds in a second neighborhood (unit). These homes (beds) are not Medicare certified and are used to deliver long-term care to the residents of the community with a particular focus on care for people with dementia. We did not seek Medicare certification for these beds because the cost of Medicare certification was not financially responsible. Wake Robin added these additional 18 homes (beds) in order to care for the long term residents with chronic disease. The skilled nursing homes (beds) in the first neighborhood (unit) are Medicare certified, as some of those residents of the community tend to require short stay skilled services. Wake Robin is able

to provide therapy services (Physical, Occupational and Speech therapy) in addition to skilled nursing services.

Wake Robin has been actively working to change the culture of care in the skilled neighborhoods to one that is less medical and more “home-like”. This culture shift work has been active within the Wake Robin community for well over six years. Best practice guidelines and research supports a change from a medical perspective of care to one that respects and honors the individual resident and his/her choice. This is the primary driving force behind the construction project.

The health center has now reached a point in that requires significant renovations to the existing health center in order to support the culture shift. The primary reason for the proposed renovation is to enable the community to continue the culture change by having a health care facility that provides a “home-like” feel – elimination of long hallways and the effort to minimize noise disruption. We seek to provide more commons spaces for people to gather, common dining rooms with open country style kitchens, medication dispensing that eliminates the use of medication carts in long hallways, and more.

The Linden Health Center has focused on changing the use of words, and approaches to care to reflect this goal. Individual choice is actively sought and supported. For example, residents determine what their typical daily routine will be. If someone likes to sleep late, they are offered continental breakfast upon waking. The resident who likes to eat breakfast in his/her bathrobe may do so. Bathing routine is customized to the residents’ choice of bath/shower and timing. Medication administration is done with as minimal disruption to daily activities and interests as possible. Activities, hobbies and interests are customized to the resident and support in actively engaging is offered. Meals are served family style in dining rooms that have tablecloths and wait staff. Consistent assignments of the same primary nurse, LNA and activity staff person are designed into the day to day service delivery. This enables residents to receive care from staff that know their preferences, routines, likes and dislikes – all from familiar and recognized caregivers. All of these care approaches support each resident and serve an important role in the reduction of the use of antipsychotic medications often used to “manage challenging behaviors” in some skilled settings.

These renovations will also serve to help the Wake Robin community to remain progressive and competitive with other CCRC’s and to meet future population demand. The pending admissions of baby boomers have clearly illustrated a different set of expectations by this group of consumers and this project seeks to address some of their expectations/demands.

The proposed renovation would renovate the hallway and public spaces of the skilled Medicare certified neighborhood and removal of 5 existing skilled rooms, while adding 6 skilled homes (rooms). A smaller refit of the existing non Medicare Skilled neighborhood would “swap” the location of the existing pantry and dish area. (This is the only intended construction of the dementia focused neighborhood).



The proposed project would also renovate the existing Residential Care area of the health center, remove 7 existing rooms while adding an addition and upgrades. Both areas of construction would be done in phases with pre-planning and strong efforts to minimize resident disruption and displacement for as short a period of time as possible.

This renovation would enable the health center to upgrade its aging heating and cooling systems, and to restructure the traffic flow of visitors to the health center. Dining venues would be updated and added to, giving residents of the health center even more choices in where they dine. The renovation of the Residential Care dining room would provide a larger venue open to all residents of the community – thus further strengthening the integration of the health center residents into the larger Independent Living community.

Proposed construction in the health center is funded by the additional building of an apartment building. These additional residents will require the availability of access to skilled care that can be provided on the campus and not have to have a resident receive care at an off campus facility. The Wake Robin community seeks to build for the future of the community. (The skilled portion of the health center does not accept outside admissions). Wake Robin also serves as an example of aging in place, and clearly demonstrates the benefits of a continuum of care. Spouses, partners and friends all remain closely connected to each other and are involved in each other's lives no matter where the person may live within the community. The overall average length of stay within the community is 11.4 years.

Residents of Wake Robin who live in the health center do not use Medicaid dollars. The community pays for the health center through monthly fees, Medicare dollars and individual residents' supplemental insurance coverage. The addition of the 6 requested skilled nursing beds would not impact Medicaid dollars. Providing skilled care within the health center means that residents are not taking spaces in other skilled facilities that may be needed by other Vermont citizens.

Wake Robin is requesting consideration of a CON for the renovation of the Linden health center, the addition of 6 new skilled homes (rooms), (as well as the addition of 10 residential care rooms). These health center homes (rooms) would be a part of the health care delivery system for the existing and additional independent living residents who would occupy the new 38 home apartment building built to support the construction and operating costs of the renovations and expansion of the health center.

Respectfully submitted,

Patrick McKee  
President/CEO  
Wake Robin Corp.





**Green Mountain Care Board**  
89 Main Street  
Montpelier, VT 05620

[phone] 802-828-2177  
[www.gmcboard.vermont.gov](http://www.gmcboard.vermont.gov)

*Alfred Gobeille, Chair*  
*Karen Hein, MD*  
*Con Hogan*  
*Betty Rambur, PhD, RN*  
*Allan Ramsay, MD*  
*Susan Barrett, JD, Executive Director*

**Sent Electronically**

July 26, 2016

Mr. Patrick McKee  
Wake Robin Corporation  
200 Wake Robin Drive  
Shelburne, VT 05482

**RE: Docket No. GMCB-024-15con, Proposed Renovation of Skilled Nursing Facility (SNF) and Addition of Six SNF Rooms, \$8,170,130**

Dear Mr. McKee:

Thank you for the Letter of Intent received on July 14, 2016 regarding the proposed construction/renovation project planned for Wake Robin.

The application should include a detailed description of, and the need for, the proposed project; a detailed description of each component, scope of renovation or construction planned, including temporary and permanent displacements; the cost associated with each component, and total project cost; an explanation of existing and new or expanded services to be offered; any purchase or lease arrangements to be entered into, if applicable; and a description of any IT components or changes or upgrades in the capacity of existing systems, including IT systems.

The application should address the Institute of Health Improvement Triple Aims: 1) improving the individual experience of care, 2) improving the health of populations, and 3) reducing the per capita costs of care for populations. Pursuant to 18 V.S.A. § 9437(1), the application must be consistent with the current Health Resource Allocation Plan (HRAP); the applicable HRAP Standards for the proposed project are Standards 1.3, 1.4, 1.6, 1.9, 1.10, 1.11, 1.12, 3.12, 4.7, 5.2, 5.3, and 5.4. In addition, the criteria set forth in 18 V.S.A. § 9437(2)-(6) and (8) apply to your application. Provide existing and proposed floor plans with dimensions indicated throughout the entire plan for each function that complies with the FGI 2014 guidelines for Residential Health, Care, and Support Facilities. The application should include site plan, cross sections, and exterior elevations, as applicable.

Sufficient financial information is also required to evaluate the impact of the project. Please submit the following:



- Profit and Loss Statements: Include the actual for 12-month period for 2014, 2015, budget 2016, Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections;
- Revenue Projections: Include the actual for 12-month period for 2014, 2015, budget 2016, Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections;
- Balance Sheets: Include the actual for 12-month period for 2014, 2015, budget 2016, Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections;
- Cash Flows: Include the actual for 12-month period for 2014, 2015, budget 2016, Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections;
- Operating Costs: Indicate actual by line item for a 12-month period for 2014, 2015, budget 2016, Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections.
- Financial Table 1, Project Costs;
- Financial Table 2, Financing Arrangement;
- Financial Table 6A, 6B, and 6C, Revenue Source Projections;
- Financial Table 7A, 7B, and 7C, Utilization Projections;
- Financial Table 9A, 9B, and 9C, Staffing Projections; and
- Current Owner's Most Recent Audited Financial Statement.

In responding to the HRAP standards and statutory criteria, please restate the standards and criteria verbatim in bolded font and respond to each in unbolded font. Please provide the original and two copies of the application, existing and proposed floor plans if renovations are anticipated, and any attachments as well as two copies of the Verification Under Oath Form. In addition, please send an electronic copy to [donna.jerry@vermont.gov](mailto:donna.jerry@vermont.gov).



If you have any questions, please do not hesitate to call me at (802) 828-2918.

Sincerely,

s/ Donna Jerry

Donna Jerry  
Senior Health Policy Analyst



Robin Corporation, in  
community along with  
application might be

copies to your office.

working with you on





September 23, 2016

Ms. Donna Jerry  
Green Mountain Care Board  
Health Care Administration  
89 Main Street  
Montpelier, Vermont 05620

Dear Ms. Jerry,

Enclosed please find a request for an expedited review of the submitted Certificate of Need application for Wake Robin Corporation, dated August 18<sup>th</sup>, 2016. Wake Robin seeks the approval of an expedited review based upon the following criteria:

*(A) The application is likely to be uncontested and does not substantially alter services;*

Wake Robin does not anticipate opposition to an expansion of existing services within the community. Service delivery is not altered but rather improved as a result of changes to the environment of the health care setting/ in addition to improvements and updates to the heating and ventilation system.

This project is an addition of six skilled rooms (beds) within an existing skilled neighborhood (unit). There is an expansion of services with the requested 6 additional rooms that will provide a total of 39 skilled, Medicare certified beds. In addition to 18 existing long term, skilled beds that are not Medicare certified. Wake Robin is a Type A CCRC contract (with care policies purchased by the residents). Wake Robin does not participate in the Medicaid program so there is no impact to the state's Medicaid budget.

or

*(i) In subsection (2)(A) above, "substantially alter services" means:*

*(a) The capital and/or operational expenditure associated with the proposed project or action are not substantial and shall have no significant impact on the services provided, the cost of health care, or on the financial strength of the applicant; and*

*(b) The proposed project raises no significant health care policy or planning concerns.*



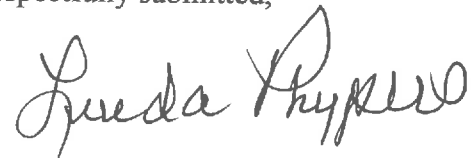
This project does not impact or affect health care policy and in fact supports the concept of culture change and further strengthens aging within a community. The additional 6 skilled beds being requested serve to ensure that the community will have the ability to provide care for its residents as projected by the actuarials. The proposed project also provides for physical changes to the health care delivery in the skilled section that enable Wake Robin to remain progressive and meet future consumer expectations for a more “home-like” provision of care.

*(B) the application relates to a health care facility affected by bankruptcy proceedings.*

This criteria is not applicable.

Please contact me if there are additional questions. I thank you for your review of this request.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Linda Phypers". The signature is fluid and cursive, with a large initial "L" and a stylized "P".

Linda Phypers, RN, LNHA  
Director of Health Services  
Wake Robin Corporation





STATE OF VERMONT  
DEPARTMENT OF BANKING, INSURANCE,  
SECURITIES AND HEALTH CARE ADMINISTRATION

Exhibit A – Form of Verification Under Oath when filing a Certificate of Need Application.

1. My name is Patrick McKee. I am President, CEO. I have reviewed the GMCB-024-15CON.
2. Based on my personal knowledge, after diligent inquiry, the information contained in the GMCB-024-15CON is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact necessary to make the statement made therein not misleading, except as specifically noted herein.
3. My personal knowledge of the truth, accuracy and completeness of the information contained in the GMCB-024-15CON application is based upon either my actual knowledge of the subject information or, where identified below, upon information reasonably believed by me to be reliable and provided to me by the individuals identified below who have certified that the information they have provided is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact necessary to make the statement made therein not misleading.
4. I have evaluated, within the 12 months preceding the date of this affidavit, the policies and procedures by which information has been provided by the certifying individuals identified below, and I have determined that such policies and procedures are effective in ensuring that all information submitted or used by Wake Robin Corp. in connection with the Certificate of Need program is true, accurate, and complete. I have disclosed to the governing board of directors all significant deficiencies, of which I have personal knowledge after diligent inquiry, in such policies and procedures, and I have disclosed to the governing board of directors any misrepresentation of facts, whether or not material, that involves management or any other employee participating in providing information submitted or used by Wake Robin Corp. in connection with the Certificate of Need program.

5. The following certifying individuals have provided information or documents to me in connection with the GMCB-024-15CON Application, and each such individual has certified, based on his or her actual knowledge of the subject information or, where specifically identified in such certification, based on information reasonably believed by the certifying individual to be reliable, that the information or documents they have provided are true, accurate and complete, do not contain any untrue statement of a material fact, and do not omit to state a material fact necessary to make the statement made therein not misleading:

- (a) Fred Erdman, CFO, Director of Financial Services, (provided information and documents), CON Application Section 6, Section 12, 13, 14, 15, 16, 17, 18, 19;  
Linda Phypers, RN, BS HCM, LNHA, Director of Health Services (provided information), CON Application, Narrative Institute of Health Improvement Triple AIMS – A, B, C, HRAP Standards 1.3, 1.4, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11, 3.12, 4.7, 5.2, 5.3, 5.4;  
Lecesse Construction, HRAP Standard 1.12, Architectural Schematics;  
Erik Dalen, Managing Principle, M. Arch, Assoc. AIA, Modus LLC, HRAP Standard 1.9, 1.10, 1.11, 1.12, Reviewed Narrative,

Custodian of the submitted documents is Linda Phypers, Director of Health Services, Wake Robin Corp.

6. In the event information contained in the GMCB-024-15CON application becomes untrue, inaccurate or incomplete in any material respect, I acknowledge my obligation to notify the Department of Banking, Insurance, Securities and Health Care Administration, and to supplement the GMCB-024-15CON application, as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material

respect.

  
Patrick McKee, President, CEO

On 9/23/16, Patrick McKee, appeared before me and swore to the truth, accuracy and completeness of the foregoing.

  
Notary public: Teri O'Brien

My commission expires: 2/10/2019





## **WAKE ROBIN CORPORATION**

### **CON APPLICATION**

#### **Linden Health Center Renovation**

**September 23, 2016**

#### **Narrative & Project Description**

Wake Robin, a not-for-profit corporation located at 200 Wake Robin Drive in Shelburne, Vermont, is Vermont's only continuing care retirement community (CCRC) offering a life care contract. Wake Robin opened in 1994. Residents residing in the community are covered for long-term care services under a Lifecare contract. In exchange for a resident's entrance fee and monthly service fee. Wake Robin provides its residents in independent living with lodging, one meal per day, maintenance of their residence and the community grounds, plus the peace of mind knowing that residential care and skilled nursing unit services are provided at no additional cost of the need should ever arise.

Wake Robin is currently undertaking an expansion and renovations effort for the community. This expansion and renovation seeks to enable the community to be able to continue to provide excellent care in the health center (Linden), update and add community and dining spaces and add a 38 home apartment building. Additionally, the financial strength of the community will be enhanced over the long-term with a larger base of residents. The entire project is anticipated to start early in the second quarter of 2017 and be completed a little over a year after starting and cost approximately \$59,810,000.

The project consist of four components outlined as follows:

- Component A – Creation of neighborhoods on the licensed Medicare skilled nursing floor, addition of 6 rooms (39 total rooms after completion), new dining room and common areas as well as certain upgrades to the HVAC. This component of the project is expected to cost \$8,170,000.
- Component B - The licensed 31 home residential care neighborhood will be renovated and 10 new residential care homes added, bringing the total number on campus to 41 after completion. It is anticipated that some of the new homes may be used for temporary housing of skilled or residential care residents during the phased construction. This component of the project is expected to cost \$13,089,000.

- Component C - The Community Center will be enlarged and renovated. The new space being created will house primarily resident related activities. The two dining rooms will re-purposed to provide for a dining atmosphere more in demand by the current and future residents. A new meeting room will be constructed and the existing meeting room will be converted to a fitness center. The total cost of Component C is projected to be \$10,299,000.
- Component D - A new 38 home apartment building will be constructed adjacent to the Community Center. The building will have some common space and contain one and two bedroom homes. The additional homes will bring the total number of independent homes to 250. This was the size originally contemplated by the founders in the late 1980's. The projected cost of Component D is \$28,251,000.

The health care portion of the community is known as the Linden Health Center (Linden) and contains a licensed Residential Care neighborhood that is licensed for 31 beds. The skilled nursing portion of Linden currently contains a 33 bed neighborhood that was licensed in 1994 and Medicare certified in 1996. (The original skilled, Medicare neighborhood had 30 licensed, skilled beds until 2011 when the community added 3 additional skilled, Medicare homes).

In 2007, the Linden Health Center received CON approval to add an additional 18 skilled nursing beds in a second neighborhood (unit). These homes (beds) are not Medicare certified and are used to deliver long-term care to the residents of the community with a particular focus on care for people with dementia. Wake Robin did not seek Medicare certification for these beds because the cost of Medicare certification was not financially responsible. Wake Robin added these additional 18 homes (beds) in order to care for the long term residents with chronic disease. The skilled nursing homes (beds) in the first neighborhood (unit) are Medicare certified, as some of those residents of the community tend to require short stay skilled services. Wake Robin is able to provide therapy services (Physical, Occupational and Speech therapy) in addition to skilled nursing services.

The skilled Medicare Certified nursing neighborhood has continued to maintain a high standard of care delivery as evidenced by deficiency free surveys as well as top ranking by *US News and World Report*. The Five Star ranking system used by CMS also continues to give Wake Robin an overall five-star rating. Annual licensing inspections have shown good survey results with last year's licensing survey inspection resulting in zero deficiencies.

Wake Robin has been actively working to change the culture of care in the skilled neighborhoods to one that is less medical and more "home-like". This culture shift work has been active within the Wake Robin community for well over six years. Best practice guidelines and research supports a change from a medical perspective of care to one that respects and honors the individual resident and his/her choice.

The Linden Health Center has focused on changing the use of words, and approaches to care to reflect this goal. Individual choice is actively sought and supported. For example, residents

determine what their typical daily routine will be. If someone likes to sleep late, they are offered continental breakfast upon waking. The resident who likes to eat breakfast in his/her bathrobe may do so. Bathing routine is customized to the residents' choice of bath/shower and timing. Medication administration is done with as minimal disruption to daily activities and interests as possible. Activities, hobbies and interests are customized to the resident and support in actively engaging is offered. Meals are served family style in dining rooms that have tablecloths and wait staff. Consistent assignments of the same primary nurse, LNA and activity staff person are designed into the day to day service delivery. This enables residents to receive care from staff that know their preferences, routines, likes and dislikes – all from familiar and recognized caregivers. All of these care approaches support each resident and serve an important role in the reduction of the use of antipsychotic medications often used to “manage challenging behaviors” in some skilled settings.

The health center has now reached a point in its culture change that requires significant renovations to the existing health center. The primary reason for the proposed renovation is to enable the community to continue the culture change by having a facility that environmentally provides a “home-like” feel – elimination of long hallways and the effort to minimize noise disruption. We seek to provide more commons spaces for people to gather, common dining rooms with open country style kitchens, medication dispensing that eliminates the use of medication carts in long hallways, and more.

These renovations will also serve to help the Wake Robin community to remain progressive and competitive with other CCRC's and to better meet future population demand. The pending admissions of baby boomers have clearly illustrated a different set of expectations by this group of consumers and this project seeks to address some of their expectations/demands.

The proposed renovation would renovate some of the existing homes, hallway and public spaces of the skilled Medicare certified neighborhood, while adding 6 skilled homes (rooms). The total square footage of the Skilled Medicare neighborhood (floor), is 22,478 gross square feet. The new construction on skilled would add 7,048 gross square feet. It would also renovate the existing 31 Residential Care rooms and add a total of 10 additional and replacement Residential Care rooms during the project. Residential Care would have a total of 41 rooms at the completion of the project. Renovation of the health center would be done in phases with pre-planning and strong efforts to minimize resident disruption and displacement for as short a period of time as possible.

This renovation would enable the health center to upgrade its aging heating and cooling systems, and to restructure the traffic flow of visitors to the health center for more privacy and enhanced security. Dining venues would be updated and added to, giving residents of the health center even more choices in where they dine. The renovation of the Residential Care dining room would provide a larger venue open to all residents of the community – thus further strengthening the integration of the health center residents into the larger Independent Living community.



Proposed construction in the health center is funded by the additional building of an apartment building. These additional residents will require the availability of access to skilled care that can be provided on the campus and not have to have a resident receive care at an off campus facility. The Wake Robin community seeks to build for the future of the community.

Wake Robin believes that this request adheres to the overall health care goals of the 2009 Health Resource Allocation Plan in several ways. The residents of the Wake Robin community are very involved in their community; the community actively promotes and supports wellness through programs offered throughout the Wake Robin campus as well as in off campus events. Outdoor activities such as maple sugaring, meditation in the garden, hiking the campus trails, guest speakers, educational courses in conjunction with Champlain College and visiting professors also help elders to remain engaged in living active and stimulating lives. The community actively participates in the local, sustainable food movement and is a member of Vermont Fresh Network and Health Care With-Out Harm. Wake Robin's Mission Statement and Values reflect the above focus on wellness and HRAP's goals. The Mission of Wake Robin is:

*“Wake Robin's mission is to create an active community of adults that honors both mutual support and independence and addresses the health and wellness needs of each resident”.*

Wake Robin also serves as an example of aging in place, and clearly demonstrates the benefits of a continuum of care. Spouses, partners and friends all remain closely connected to each other and are involved in each other's lives no matter where the person may live within the community. The overall average length of stay within the community is 11.4 years.

Residents of Wake Robin who live in the health center do not use Medicaid dollars. The community pays for the health center through monthly fees, Medicare dollars and individual residents' supplemental insurance coverage. The addition of the six requested skilled nursing beds would not impact Medicaid dollars. Providing skilled care within the health center means that residents are not taking spaces in other skilled facilities that may be needed by other Vermont citizens.

Wake Robin is requesting consideration of a CON for the renovation of the Linden health center, the addition of 6 new skilled homes (rooms), (as well as the addition of 9 residential care rooms). These health center homes (rooms) would be a part of the health care delivery system for the existing and additional Independent Living Residents who would occupy the new 38 home apartment building built to support the construction and operating costs of the renovations and expansion of the health center.





**Financing**

The cost of all components of the project is expected to be \$59,810,000. The expected cost of Component A (skilled nursing renovations/addition) related to this CON application is expected to be \$8,170,000. Table 1 supplied later in this submission provides an estimated breakdown of all 4 components of the project.

Of the total cost, Wake Robin will provide approximately \$3,000,000 of its own cash. The balance is expected to be financed with unrated, tax-exempt revenue bonds issued through Vermont Economic Development Authority. The current financial model anticipates issuing both long and short-term bonds. The short-term bonds will total \$16,500,000 and placed with a bank. The short-term bonds would be repaid with proceeds of the entrance fees from the residents moving into the new independent living apartment building. The 30 year long-term bonds will total \$40,310,000 and probably be purchased primarily by institutional investors with a small piece purchased by retail investors. Conservative interest rates have been assumed in the projections. 3.5% for the short-term bonds and an average of 6.5% for the long-term bonds which is conservative. If this project were to be financed today the likely average rate would be 4.5%. As in the other recent financings and re-financings, the investment banker will be Zeigler.



**Institute of Health Improvement Triple Aims**

**(A). Improving the individual experience of care.**

Wake Robin residents live in a CCRC and those who receive health care services in Linden expect that the care will be current and in keeping with the best practices of care in a long term care setting. This means that residents should be able to live their lives in a skilled setting that has been designed to more closely look and feel like a home with smaller groups of residents living in home-like settings and receiving support and care from consistent staff. The medical model is not conducive to a home-like setting and renovations to the existing skilled areas will provide a setting that is less medical and provides benefits to long term residents. Reference the Greenhouse Model, the Eden Alternative, the Pioneer Network to name a few of the national initiatives to modify/change skilled long term care from a medical model to a home like model.

**(B). Improving the health of the population.**

Wake Robin continues to work to maintain a Five Star Rating from CMS as one way to indicate the focus on the delivery of health care that is progressive and innovative for the residents within the community. By working to individual care and following the directions of the resident, the Wake Robin staff are able to minimize the use of unnecessary medications, provide pro-active and preventative health programs and work with residents to maintain their desired quality of life. Residents care is coordinated by the resident and the health care team and they receive services as appropriate from on-site physical, occupational and speech therapy in addition to nursing support that enables residents to participate in desired activities such as wellness programs and other events on and off campus.

**(C). Reducing the per capita cost of the population of care for the population served.**

Providing efficient and effective care that meets the individual residents’ needs and expressed desires means that residents are supported in how they live, as well as how they die. Wake Robin residents are informed consumers who actively decide by planning what and how they would like care to be provided – this helps to eliminate unnecessary services and treatment. Results of care delivery are effective and residents continue to remain engaged in living. The average length of stay for a permanent admission in the skilled area of the health center is 2.4 years.

Our residents have an expectation that the community will provide excellent care for residents who have purchased a life care contract. This means that care is provided within the community and residents do not have receive services from an outside provider who doesn’t know them as well as the staff in the community.

Part of providing that excellent care is the importance of modifying our existing medical model environment to one that is more reflective of culture change. The importance of keeping the care for residents within the community results in improved efficiencies and the avoidance of having to send residents to other skilled facilities for care. We anticipate that as our community ages, the need for available care in the health center will need to be able to adapt to the community’s needs. Costs of potential off campus placement would cause an increase in operating costs that the residents of the community would have to absorb; in addition to distress from being away from their life partner, friends and familiar setting.

As shown as part of the required tables, over the long-term the additional of all components of this project will improve all of Wake Robin’s key financial ratios, making it a more secure environment for all residents.



**Health Resources Allocation Plan (HRAP) Standards:**

**HRAP Standard 1.3:**

**To the extent neighboring health care facilities provide the services proposed by a new health care project, an applicant shall demonstrate that a collaborative approach to delivering the service has been taken or is not feasible or appropriate.**

Wake Robin’s health center is contractually bound to provide health care along the continuum for Wake Robin residents who have purchased a life care contract as a CCRC. The residents expect to receive those services on the campus. To have services provided by a neighboring facility is not appropriate. Residents living in the community have purchased a Type A contract that ensures that they will have access to the Wake Robin residential or skilled portion of the community should they have care needs. Basic room, board and nursing care is provided as a part of the resident’s monthly fee.

**HRAP Standard 1.4:**

**If the application proposes services for which a higher volume of such service is positively correlated to better quality, the applicant shall show that it will be able to maintain appropriate volume for the service and that the addition of the service at the facility will not erode volume at any other Vermont facility in such a way that quality at that facility would be compromised.**

Wake Robin seeks to renovate and remodel the existing skilled and residential care areas of the health center in order to improve the experience of the resident living in these areas. The skilled renovation provides for a better and more comfortable environment. Wake Robin’s staffing is such that services are provided for all residents. The American Health Care Association’s most recent staffing average per patient day lists a total nursing service hours per day of 9.82 in April. The neighborhood or small house concept provides care in a smaller more focused grouping with consistent caregivers that are able to provide resident specific care. This service will not affect any other Vermont facility, as the goal is to provide the continuum of care within the CCRC.

**HRAP Standard 1.6:**

**Applicants seeking to develop a new health care project shall explain how the applicant will collect and monitor data relating to health care quality and outcomes related to the proposed new health care project. To the extent practicable, such data collection and monitoring shall be aligned with related data collection and monitoring efforts, whether within the applicant’s organization, other organizations or the government.**



This proposed project is not a new health care project. It is a refinement of what is already being provided to residents of the CCRC community by modifying the environment of the skilled nursing area and forming it into three smaller consolidated areas or neighborhoods that have common spaces and an updated dining experience. The facility continues to monitor and track its progress through data collection and analysis of data from CMS (Oscar and other reports), the regional Quality Improvement Organization and outside software programs such as Abaqis, Trendtracker (AHCA) and other available data sources.

#### **HRAP Standard 1.7:**

**Applicants seeking to develop a new health care project shall explain how such project is consistent with evidence-based practice. Such explanation may include a description of how practitioners will be made aware of evident based practice guidelines and how such guidelines will be incorporated into ongoing decision-making. (2005 State Health Plan page 48).**

Wake Robin is not seeking to develop a new health care project but to renovate and refine the skilled nursing care provided to long term care residents, living within the Wake Robin CCRC. The renovations are consistent with recommended changes in the environment for skilled residents and is based upon the benefits of culture change that is recommended by CMS. Dementia care is included within the concepts of culture change and direct benefits of a smaller setting benefit these residents as well as the general population.

#### **HRAP Standard 1.9:**

**Applicants proposing construction projects shall show that costs and methods of the proposed construction are necessary and reasonable. Applicants shall show that the project is cost-effective and that reasonable energy conservation measures have been taken.**

The costs associated for this project cover new, as well as renovated, Skilled Nursing rooms and support space, Residential Care units and support space, Dining Facilities for the campus, Amenities for the campus, and a new Independent Living apartment building. The construction types and methods have been selected by both the Design Consultants as well as the Construction Manager to match existing construction on site, as well as industry standards and beyond relative to each program. The project has incorporated high performance envelopes on all three components as well as energy efficient systems that will replace outdated inefficient systems while still allowing for optimal interior environmental control for the residents. Green roof systems, LED lighting for both buildings and site, energy recovery units for HVAC, and high performance windows have been selected to further enhance the design. The project has been reviewed and continues to be designed to, and above, Vermont Energy Standards. The project team will continue to work in identifying additional components to incorporate into the

design and work to further the interest of sustainability that Wake Robin has sought and have practiced their throughout the history of the campus.

**HRAP Standard 1.10:**

**Applicants proposing new health projects requiring construction shall show such projects are energy efficient. As appropriate, applicants shall show that Efficiency Vermont, or an organization with similar expertise, has been consulted on the project.**

Wake Robin is not proposing a new health project but rather renovation of existing construction. The heating and ventilation systems of the community are aging and will be replaced by energy efficient systems that are specifically selected for the spaces that they serve. While the Independent Living apartments have systems that are both efficient and economical for the life style that they support, and the Community Center has a number of different programs and space requirements that require the flexibility of both small and large groups of people at different times of day, the Linden Health Center will be updated with new state of the art cooling towers and boilers that will support the smaller and more sensitive areas of Skilled Nursing and Residential Care as well as their support spaces. The new systems were selected for their ability to work in both new and renovated areas, be optimally controlled by a central system, but also allow individuals the important ability to modify their home's temperature to suite their personal comfort. Efficiency Vermont has been engaged in preliminary reviews of electrical, lighting, and HVAC systems over the past 1 ½ years of design and have had positive feedback about the current direction. Efficiency Vermont will continue to be engaged as the project proceeds.

**HRAP Standard 1.11:**

**Applicants proposing new health care projects requiring new construction shall demonstrate that new construction is the more appropriate alternative when compared to renovation.**

Wake Robin is not seeking approval for a new health care project but rather renovation and expansion of existing health care areas. Balancing both renovated and new construction was the best approach to reduce costs, minimize the impact of the project on both site and residents, and ultimately provide the physical spaces that best support the level of care provided. The approach of only renovation would have produced a compromised health care environment that would not support the level of style of care that Wake Robin has been moving towards. It also would have created much more difficult construction phasing that would cause significant impact on the residents and staff. New Construction alone would not have been feasible from a cost perspective, would have increased difficulty in permitting, and operational impacts over the long term.

**HRAP Standard 1.12:**

**New construction health care projects shall comply with the Guidelines for Design and Construction of Health Care Facilities as issued by the Facility Guidelines Institute (FGI), 2014 edition.**

All newly constructed healthcare spaces shall be designed to the Guidelines for Design and Construction of Health Care Facilities. Alternations to the existing spaces have limitations on upgrading to new standards because of structure, cost, and occupancy.



**HRAP Standard 3.12:**

**Any applicant seeking to expand services for potentially terminally ill patients shall explain what efforts the applicant has taken or will undertake which support high quality, patient centered palliative care and end of life care. Such efforts shall include training and collaboration with other health care and hospice providers to facilitate high quality, patient centered end of life care.**

Wake Robin is not currently seeking to expand services for terminally ill patients. Wake Robin are able to provide end of life care within the skilled areas of the health center. Residents are given the choice of three options for receiving end of life care. Wake Robin collaborates with both agencies that provide Hospice services and has a Palliative Care philosophy and program in place.



**HRAP Standard 4.7:**

**Applicants seeking to establish, expand or otherwise modify services available to elderly Vermonters shall establish how those services will support the mental health and well-being of this population, including addressing how the applicant supports or otherwise integrates with mental health services currently available.**

The requested change in the environment of the skilled portion of the health center will provide a smaller, more home-like setting that is known to decrease confusion, increase satisfaction and provide opportunity for greater choices and involvement in daily routine that matches the desired routine of the resident. Smaller settings with consistent caregivers also provide additional benefits of contributing to the overall sense of wellbeing that helps to provide non pharmacological interventions to manage non-verbal expressions of need.

Maintaining contacts with friends and former neighbors that live in the larger Continuing Care Retirement Community can also serve to lessen feelings of isolation and depression by ensuring ongoing integration into the larger Wake Robin community.





**HRAP Standard 5.2:**

**Nursing homes or similar entities seeking to replace or increase beds shall show the beds are needed. Such showing of need shall be confirmed by the Department of Disabilities, Aging and Independent Living.**

Wake Robin seeks to ensure that over the long-term, the health center has enough skilled bed capacity to minimize the risk of having to “outplace” a Wake Robin resident in a skilled facility that is not a part of the Wake Robin community. This type of outplacement is disruptive to the resident requiring skilled care and has potential negative impacts to resident and the life care product purchased by the resident. As a CCRC, the goal is to provide care based upon the appropriate level needed, within the existing Wake Robin community.

**HRAP Standard 5.3:**

**Nursing homes or similar entities seeking a certificate of need shall provide a written recommendation from the Department of Disabilities, Aging and Independent Living supporting the new health care project proposal.**

Wake Robin has met with DAIL to present and discuss proposed renovation and the addition of 6 licensed skilled homes (beds) to meet the anticipated care needs of the residents living within the Wake Robin community. Further discussion also included the reason for renovation to continue with the Health Center culture change for the CCRC.

**HRAP Standard 5.4:**

**Nursing homes or similar entities seeking a certificate of need shall demonstrate the applicant is sufficiently capitalized and insured to protect residents against substandard care and to provide for sufficient protection in the event of legal liability of the facility or the facility’s operators.**

Wake Robin has been operating since 1994, with its financial performance generally on par with a peer group of CCRC’s in the northeast according to CliftonLarsonAllen, Wake Robin’s auditors. Wake Robin’s key financial ratios provided along with the required tables demonstrate that the current and long-term financial strength is enhanced as a result of this project. Current discussions with Ziegler and Wake Robin’s bank (M&T), the bonds issued as part of the financing will be well received in the market. As noted earlier, Wake Robin has in the past and will continue to provide excellent care to all residents living at the community, no matter where they resident. Not only due the current residents demand it, excellent care is a must to continue to attract new residents into independent living. Under Wake Robin’s bond documents, a minimum level of all forms of insurance is required. Additionally, once a year, Wake Robin’s insurance agent must certify to the bond trustee that the required coverages are in place. A minimum level of liquidity (cash and investments) is also required by the bond documents. This

helps provide the community protection in the event of unexpected increases in costs or lower revenues on a short-term basis.



**(2) the cost of the project is reasonable because:**

**(A) the applicant’s financial condition will sustain any financial burden likely to result from completion of the project;**

The applicant's financial performance will be enhanced after the completion of the project and stabilized occupancy. As shown as part of the financial tables, all of Wake Robin’s key financial ratio's are projected to be stronger long-term after completion and occupancy as compared to projected year-end 2016. The applicant financial performance will benefit from the economies of scale and due to the increased number of residents in the community.

**(B) the project will not result in an undue increase in the costs of medical care. In making a finding under this subdivision, the commissioner shall consider and weigh relevant factors including:**

The cost of this project does not impact Medicaid dollars and the cost of medical care is covered by the residents through the Lifecare contract and supplemental insurance policies that all residents are required to have. Residents of the CCRC have purchased a Lifecare contract and this project provides the residents with improved availability to receive care in the appropriate level. Additionally, the enhanced financial performance as a result of the entire projected should enable Wake Robin to more easily absorb any unexpected operating cost increases without passing them along to the residents in the form of monthly fee increases. As noted earlier, Wake Robin is regulated by DFR and all monthly fee increases and budgets must be approved by DFR.

**(i) the financial implications of the project on hospitals and other clinical settings, including the impact on their services, expenditures, and charges;**

This project does not impact hospitals and other clinical settings. Rather, it ensures that Wake Robin residents in the future will be able to receive skilled care within the community that they live in. Wake Robin health center staff work closely with the local hospital in admissions and discharges back to our community.

**(ii) whether the impact on services, expenditures, and charges is outweighed by the benefit of the project to the public; and**

This project is expected to only have beneficial impacts on services provided to residents. The changes enable Wake Robin to deliver services that the current and anticipated expectations of residents utilizing these services. Marketing research of the incoming population of baby boomers who are considering living in a CCRC, show that this group of consumers (as well as current residents), expect progressive care that meets best practice and is innovative.

**(C) less expensive alternatives do not exist, would be unsatisfactory, or are not feasible or appropriate for the applicant to provide;**

Less expensive alternatives do not exist for the Wake Robin community and would not enable the skilled setting to be reconfigured into smaller households/neighborhoods. This is a CCRC with residents living within the areas to be renovated. There is no availability to close the facility completely or to build a new health center without significant expense.

**(3) there is an identifiable, existing, or reasonably anticipated need for the proposed project which is appropriate for the applicant to provide;**

The renovations and restructuring of the skilled setting provide for better care delivery that uses the most recent recommendations from CMS and other national entities such as *The Pioneer Project*, *The Eden Alternative*, *Greenhouse Project* and others.

**(4) the project will improve the quality of health care in the state or provide greater access to health care for Vermont's residents, or both;**

Vermont residents living at Wake Robin will see improved health care delivery as a result of the renovations done within the health center. These changes follow recommended best practice for building/ renovating skilled health settings. Wake Robin continues to participate in the Vermont Health Care Association and to collaborate with other providers throughout the state.

**(5) the project will not have an undue adverse impact on any other existing services provided by the applicant;**

The project will improve the care currently being provided to residents living in the health center and will improve the services being provided by enabling staff to provide care in smaller, more focused settings (neighborhoods). Construction for the project will be phased and careful planning of areas of work will be done so that the safety and comfort of the health center residents remains the first focus throughout the project.

**(6) the project will serve the public good;**

This project will serve the public good by providing care in a health care setting that is current with best practice. Wake Robin continues to share experiences and techniques in collaboration with other long term care providers in the state.

**(8) If the application is for the purchase or lease of new health care information technology, it conforms with the health information technology plan established under section 9351 of this title. (Added 1979, No.65, §1; amended 1985, No.234 (Adj.Sess.), §5; 1987, No. 96, §12; 1991, No. 160 (Adj.Sess.), § 27, eff.May 11, 1992; 1993, No. 50, § 4; 1995, No. 180 (Adj.Sess.); §§ 27, 38 (a); 1997, No. 159 (Adj.Sess.), § 10, eff. March 15, 1999; 2003, No. 53, § 13, eff. July 1, 2005; No. 53, § 26; 2005, No. 71, § 277a; 2007, No. 70, §, § 34; 2007, No. 139 (Adj.Sess.), § 8; 2009, No. 61, § 5; 2009, No. 83 (Adj.Sess.), § 3, eff. April 21, 2010.)**

N/A - This project is not for the lease or purchase of new health care information technology. Wake Robin has been using an electronical medical record system for over five years.



## MAJOR ASSUMPTIONS

| Independent Living Occupancy            | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|------|------|------|------|------|------|------|------|------|------|------|------|
| Existing Independent Living (212 homes) | 193  | 195  | 198  | 198  | 198  | 198  | 198  | 198  | 198  | 198  | 198  | 198  |
| New Independent Living (38 homes)       | -    | -    | -    | 20   | 32   | 36   | 36   | 36   | 36   | 36   | 36   | 36   |
| Total Independent Living Homes Occupied | 193  | 195  | 198  | 218  | 230  | 234  | 234  | 234  | 234  | 234  | 234  | 234  |
| Percent IL Occupied                     | 91%  | 92%  | 93%  | 87%  | 92%  | 94%  | 94%  | 94%  | 94%  | 94%  | 94%  | 94%  |

|                                       |     |     |     |     |     |     |     |     |     |     |     |     |
|---------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Existing Residential Care (31 homes)  | 26  | 28  | 30  | 30  | 30  | 30  | 30  | 30  | 30  | 30  | 30  | 30  |
| New Residential Care (10 homes)       | -   | -   | -   | -   | 1   | 7   | 8   | 8   | 8   | 8   | 8   | 8   |
| Total Residential Care Homes Occupied | 26  | 28  | 30  | 30  | 31  | 37  | 38  | 38  | 38  | 38  | 38  | 38  |
| Percent Occupied                      | 79% | 85% | 91% | 91% | 73% | 87% | 89% | 89% | 89% | 89% | 89% | 89% |

|                                     |     |     |     |     |     |     |     |     |     |     |     |     |
|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Existing Skilled Nursing (33 homes) | 24  | 23  | 23  | 23  | 23  | 23  | 23  | 23  | 23  | 23  | 23  | 23  |
| New Skilled Nursing (6 homes)       | -   | -   | -   | -   | 1   | 5   | 6   | 6   | 6   | 6   | 6   | 6   |
| Total Skilled Nursing Home Occupied | 24  | 23  | 23  | 23  | 24  | 28  | 29  | 29  | 29  | 29  | 29  | 29  |
| Percent Occupied                    | 72% | 69% | 70% | 70% | 61% | 71% | 73% | 73% | 73% | 73% | 73% | 73% |

[illegible]

Long-term 30 year tax-exempt revenue bonds of \$40.3 million at 6.25% average cost of capital, interest funded for 20 months during construction and fill-up and a debt service reserve fund required

[illegible]



Wake Robin  
Shelburne, Vermont

Projected Income Statement

For the Fiscal Years Ending Dec 31  
(in thousands of dollars)

| Revenue                                       | Actual<br>2014 | Actual<br>2015 | Budget<br>2016 | Financing &<br>Construction<br>2017 | Fill-Up Period |              |              | Stabilized<br>Year<br>2021 | 2022         | 2023         | 2024         | 2025         |
|---|----------------|----------------|----------------|-------------------------------------|----------------|--------------|--------------|----------------------------|--------------|--------------|--------------|--------------|
|   |                |                |                |                                     | 7 mos          | 12 mos       | 5 mos        |                            |              |              |              |              |
|   |                |                |                |                                     | 2018           | 2019         | 2020         |                            |              |              |              |              |
| Existing Independent Living Revenue           | \$ 11,075,693  | \$ 11,577,719  | \$12,156,000   | \$12,520,680                        | \$12,896,300   | \$13,283,189 | \$13,681,685 | \$14,092,136               | \$14,514,900 | \$14,950,347 | \$15,398,857 | \$15,860,823 |
| New Independent Living Revenue                | -              | -              | -              | -                                   | 618,540        | 1,949,923    | 2,726,664    | 2,834,230                  | 2,899,664    | 2,986,654    | 3,076,253    | 3,168,541    |
| Linden Revenue                                | 2,965,899      | 3,222,092      | 3,565,220      | 3,672,177                           | 3,782,342      | 3,895,812    | 4,012,687    | 4,133,067                  | 4,257,059    | 4,384,771    | 4,516,314    | 4,651,803    |
| New Linden Revenue - Skilled Nursing          | -              | -              | -              | -                                   | 38,334         | 214,293      | 252,144      | 259,708                    | 267,500      | 275,525      | 283,790      | 292,304      |
| New Linden Revenue - Residential Care         | -              | -              | -              | -                                   | 88,491         | 494,682      | 582,060      | 599,521                    | 617,507      | 636,032      | 655,113      | 674,767      |
| Ancillary Revenue                             | 400,874        | 343,193        | 365,100        | 376,053                             | 396,613        | 428,203      | 451,823      | 465,764                    | 479,443      | 493,827      | 508,642      | 523,901      |
| Outpatient Therapy Revenue                    | 345,508        | 333,344        | 480,000        | 494,400                             | 509,232        | 524,509      | 540,244      | 556,452                    | 573,145      | 590,339      | 608,050      | 626,291      |
| Entrance Fee Amortization                     | 4,041,558      | 4,699,856      | 4,500,000      | 4,635,000                           | 4,774,050      | 4,917,272    | 5,364,790    | 6,185,733                  | 6,371,305    | 6,562,444    | 6,759,318    | 6,962,097    |
| Management Company                            | 253,535        | 24,981         | 3,000          | -                                   | -              | -            | -            | -                          | -            | -            | -            | -            |
| Investment Income                             | 249,963        | 220,011        | 200,000        | 280,521                             | 351,832        | 368,544      | 503,173      | 544,774                    | 696,392      | 690,607      | 743,810      | 798,389      |
| Investment Income on Assets Limited As to Use | -              | -              | -              | 262,130                             | 69,634         | 2,497        | -            | -                          | -            | -            | -            | -            |
| Total revenue                                 | \$19,333,030   | \$20,421,196   | \$21,269,320   | \$22,240,961                        | \$23,525,369   | \$26,078,925 | \$28,115,269 | \$29,671,386               | \$30,676,916 | \$31,570,547 | \$32,550,147 | \$33,558,916 |
| Operating Expenses:                           |                |                |                |                                     |                |              |              |                            |              |              |              |              |
| General & Administrative                      | 3,170,604      | 3,010,507      | 3,165,050      | 3,260,002                           | 3,943,248      | 4,061,545    | 4,183,392    | 4,308,894                  | 4,438,160    | \$4,437,941  | \$4,571,080  | \$4,708,212  |
| Management Company Expense                    | 175,930        | 7,930          | -              | -                                   | -              | -            | -            | -                          | -            | -            | \$0          | \$0          |
| Marketing Expenses                            | 353,428        | 344,636        | 530,130        | 443,037                             | 494,574        | 509,411      | 524,693      | 540,434                    | 556,647      | \$555,176    | \$571,831    | \$588,986    |
| Environmental Services Operations             | 1,554,793      | 1,618,655      | 1,496,245      | 1,541,129                           | 1,724,031      | 1,775,752    | 1,829,025    | 1,883,895                  | 1,940,412    | 1,941,621    | \$1,999,870  | \$2,059,866  |
| Housekeeping & Laundry                        | 730,298        | 795,102        | 776,845        | 800,150                             | 943,092        | 971,385      | 1,000,526    | 1,030,542                  | 1,061,458    | 1,060,898    | \$1,092,725  | \$1,125,506  |
| Health Services                               | 3,275,379      | 3,366,043      | 3,614,030      | 3,722,451                           | 4,229,779      | 4,356,672    | 4,487,373    | 4,621,994                  | 4,760,654    | 4,761,051    | \$4,903,883  | \$5,050,999  |
| Therapy Services                              | 315,951        | 330,361        | 332,920        | 342,908                             | 353,195        | 363,791      | 374,704      | 385,946                    | 397,524      | 397,099      | \$409,012    | \$421,282    |
| Resident Services                             | 151,486        | 128,303        | 144,500        | 148,871                             | 179,583        | 184,970      | 190,519      | 196,235                    | 202,122      | 201,825      | \$207,880    | \$214,116    |
| Dining Services                               | 1,811,386      | 1,867,275      | 1,958,900      | 2,017,667                           | 2,299,546      | 2,442,953    | 2,543,858    | 2,620,289                  | 2,697,601    | 2,696,221    | \$2,777,108  | \$2,860,421  |
| Insurance                                     | 537,417        | 497,068        | 498,890        | 525,300                             | 606,623        | 624,821      | 643,566      | 662,873                    | 682,759      | 682,759      | \$703,242    | \$724,339    |
| Facilities Costs (Utilities, Cable, Etc.)     | 947,608        | 954,094        | 975,600        | 1,004,868                           | 1,171,605      | 1,206,753    | 1,242,956    | 1,280,244                  | 1,318,652    | 1,318,652    | \$1,358,211  | \$1,398,958  |
| Transportation                                | 91,417         | 84,823         | 82,380         | 84,851                              | 87,397         | 90,019       | 92,719       | 95,501                     | 98,366       | 98,301       | \$101,250    | \$104,288    |
| Ancillary Expenses                            | 331,062        | 322,538        | 309,900        | 319,197                             | 328,773        | 338,636      | 348,795      | 359,259                    | 370,037      | 370,037      | \$381,138    | \$392,572    |
| Property Taxes                                | 704,690        | 730,461        | 749,500        | 771,985                             | 904,417        | 931,550      | 959,496      | 988,281                    | 1,017,930    | 1,017,930    | \$1,048,467  | \$1,079,921  |
| Depreciation and Amortization                 | 3,509,618      | 3,632,878      | 3,564,880      | 3,612,450                           | 4,716,128      | 5,679,728    | 5,806,987    | 5,950,500                  | 6,098,319    | 6,250,572    | 6,407,393    | 6,568,919    |
| Interest                                      | 2,612,391      | 2,088,325      | 2,070,820      | 1,989,501                           | 2,137,621      | 4,563,873    | 4,314,920    | 4,218,697                  | 4,107,432    | 4,005,517    | 3,905,023    | 3,799,763    |
| Total Operating Expenses                      | 20,273,458     | 19,778,999     | 20,270,590     | 20,584,367                          | 24,119,611     | 28,101,859   | 28,543,530   | 29,143,584                 | 29,748,073   | 29,795,600   | 30,438,112   | 31,098,149   |
| Operating Income                              | (940,428)      | 642,197        | 998,730        | 1,656,594                           | (594,242)      | (2,022,935)  | (428,261)    | 527,802                    | 928,843      | 1,774,947    | 2,112,035    | 2,460,767    |

Wake Robin  
Shelburne, Vermont

Statement of Cash Flows

For the Fiscal Years Ending Dec 31  
(in thousands of dollars)

|  | Actual<br>2014 | Actual<br>2015 | Budget<br>2016 | Financing &<br>Construction | Fill-Up Period |                |              | Stabilized<br>Year | 2022         | 2023         | 2024         | 2025         |
|--|----------------|----------------|----------------|-----------------------------|----------------|----------------|--------------|--------------------|--------------|--------------|--------------|--------------|
|  |                |                |                |                             | 7 mos          | 12 mos         | 5 mos        |                    |              |              |              |              |
|  |                |                |                | 2017                        | 2018           | 2019           | 2020         | 2021               |              |              |              |              |
| Cash flows from operating activities:                |                |                |                |                             |                |                |              |                    |              |              |              |              |
| Change in net assets from Operations                 | \$ (940,428)   | \$ 642,197     | \$ 998,730     | \$ 1,656,594                | \$ (594,242)   | \$ (2,022,935) | \$ (428,261) | \$ 527,802         | \$ 928,843   | \$ 1,774,947 | \$ 2,112,035 | \$ 2,460,767 |
| Adjustments to reconcile change in net assets        |                |                |                |                             |                |                |              |                    |              |              |              |              |
| Depreciation & Amortization Expense                  | \$3,509,618    | \$3,632,878    | \$3,564,880    | \$3,612,450                 | \$4,716,128    | \$5,679,728    | \$5,806,987  | \$5,950,500        | \$6,098,319  | \$6,250,572  | \$6,407,393  | \$6,568,919  |
| Amortization of entrance fees                        | (4,041,558)    | (4,699,856)    | (4,500,000)    | (4,635,000)                 | (4,774,050)    | (4,917,272)    | (5,364,790)  | (6,185,733)        | (6,371,305)  | (6,562,444)  | (6,759,318)  | (6,962,097)  |
| Net change in current assets and liabilities         | 119,916        | (392,630)      | 124,030        | 10,510                      | 131,127        | 34,499         | 10,319       | 21,021             | 22,220       | (3,151)      | 22,577       | 23,253       |
| Net cash provided by (used in) operating activities  | (1,352,452)    | (817,411)      | 187,640        | 644,554                     | (521,037)      | (1,225,979)    | 24,256       | 313,590            | 678,077      | 1,459,924    | 1,782,688    | 2,090,842    |
| Cash flows from investing activities:                |                |                |                |                             |                |                |              |                    |              |              |              |              |
| Purchase of property and equipment                   | (3,106,307)    | (2,602,918)    | (3,440,234)    | (22,357,956)                | (28,925,276)   | (2,121,800)    | (2,185,454)  | (2,251,018)        | (2,318,548)  | (2,388,105)  | (2,459,748)  | (2,533,540)  |
| Interest cost capitalized during construction period | -              | -              | -              | (1,889,531)                 | (2,309,427)    | -              | -            | -                  | -            | -            | -            | -            |
| (Increase) decrease in assets limited as to use      | -              | (8,131)        | -              | (16,307,906)                | 13,131,885     | -              | -            | -                  | (7,401,707)  | -            | -            | -            |
| (Increase) in investments                            | 1,328,387      | 39,288         | 763,527        | (4,876,342)                 | 2,230,697      | 73,498         | (2,573,519)  | (1,982,338)        | 4,385,280    | (4,294,779)  | (3,678,126)  | (4,560,671)  |
| Deferred costs of acquiring initial contracts        | -              | -              | -              | (568,750)                   | (131,250)      | -              | -            | -                  | -            | -            | -            | -            |
| Net cash used in investing activities                | (1,777,920)    | (2,571,761)    | (2,676,707)    | (46,000,485)                | (16,003,371)   | (2,048,302)    | (4,758,973)  | (4,233,356)        | (5,334,975)  | (6,682,884)  | (6,137,874)  | (7,094,211)  |
| Cash flows from financing activities:                |                |                |                |                             |                |                |              |                    |              |              |              |              |
| Net Proceeds from refundable entrance fees           | 6,369,702      | 7,971,092      | \$5,000,000    | \$5,100,000                 | \$14,951,648   | \$11,573,867   | \$8,321,771  | \$6,596,163        | \$7,254,641  | \$8,032,481  | \$7,505,501  | \$8,264,516  |
| Net Proceeds (Repayment) of Long-Term Debt           | (1,895,000)    | (1,630,000)    | (1,570,000)    | 38,650,000                  | 5,743,025      | (7,788,025)    | (3,360,000)  | (2,447,484)        | (2,362,426)  | (2,760,390)  | (2,906,039)  | (3,009,541)  |
| Deferred Financing Costs                             | (447,884)      | -              | -              | (1,320,865)                 | -              | -              | -            | -                  | -            | -            | -            | -            |
| Loss on bond extinguishment                          | -              | -              | -              | -                           | -              | -              | -            | -                  | -            | -            | -            | -            |
| Net cash provided by financing activities            | 4,026,818      | 6,341,092      | 3,430,000      | 42,429,135                  | 20,694,673     | 3,785,842      | 4,961,771    | 4,148,679          | 4,892,215    | 5,272,091    | 4,599,462    | 5,254,975    |
| Annual cash flow                                     | \$ 896,446     | \$ 2,951,920   | \$ 940,933     | \$ (2,926,796)              | \$ 4,170,265   | \$ 511,561     | \$ 227,054   | \$ 228,913         | \$ 235,317   | \$ 49,131    | \$ 244,276   | \$ 251,605   |
| Beginning balance of cash                            | 1,140,601      | \$ 2,037,047   | \$ 4,988,967   | \$ 5,929,900                | \$ 3,003,104   | \$ 7,173,369   | \$ 7,684,930 | \$ 7,911,984       | \$ 8,140,897 | \$ 8,376,214 | \$ 8,425,345 | \$ 8,669,621 |
| Ending balance of cash                               | \$ 2,037,047   | \$ 4,988,967   | \$ 5,929,900   | \$ 3,003,104                | \$ 7,173,369   | \$ 7,684,930   | \$ 7,911,984 | \$ 8,140,897       | \$ 8,376,214 | \$ 8,425,345 | \$ 8,669,621 | \$ 8,921,226 |

Wake Robin  
Shelburne, Vermont

Balance Sheet

For the Fiscal Years Ending Dec 31  
(in thousands of dollars)

|  | Actual<br>2014 | Actual<br>2015 | 2016           | Financing &<br>Construction<br>2017 | Fill-Up Period |                |                | Stabilized<br>Year<br>2021 | 2022           | 2023           | 2024           | 2025           |
|--|----------------|----------------|----------------|-------------------------------------|----------------|----------------|----------------|----------------------------|----------------|----------------|----------------|----------------|
|  |                |                |                |                                     | 7 mos<br>2018  | 12 mos<br>2019 | 5 mos<br>2020  |                            |                |                |                |                |
| Assets   |                |                |                |                                     |                |                |                |                            |                |                |                |                |
| Current assets:                                  |                |                |                |                                     |                |                |                |                            |                |                |                |                |
| Cash and cash equivalents                        | \$ 2,037,047   | \$ 4,988,967   | \$ 5,983,486   | \$ 3,056,690                        | \$ 7,226,955   | \$ 7,738,516   | \$ 7,965,570   | \$ 8,194,483               | \$ 8,429,800   | \$ 8,478,931   | \$ 8,723,207   | \$ 8,974,812   |
| Investments                                      | 7,273,248      | 7,117,244      | 6,353,717      | 11,230,058                          | 8,999,362      | 8,925,863      | 11,499,382     | 13,481,720                 | 9,096,441      | 13,391,220     | 17,069,346     | 21,630,017     |
| Residents Accounts Receivable                    | 317,550        | 189,845        | 226,936        | 233,744                             | 251,094        | 284,803        | 304,758        | 314,259                    | 323,414        | 333,116        | 343,110        | 353,403        |
| Supplies Inventory                               | 88,804         | 92,426         | 92,426         | 92,426                              | 92,426         | 92,426         | 92,426         | 92,426                     | 92,426         | 92,426         | 92,426         | 92,426         |
| Prepaid expenses                                 | 311,216        | 256,177        | 299,174        | 305,669                             | 361,348        | 386,926        | 398,279        | 409,724                    | 421,490        | 423,947        | 436,160        | 448,741        |
| Total current assets                             | 10,027,865     | 12,644,659     | 12,955,739     | 14,918,587                          | 16,931,185     | 17,428,534     | 20,260,415     | 22,492,612                 | 18,363,571     | 22,719,640     | 26,664,249     | 31,499,399     |
| Assets Limited as to Use                         |                |                |                |                                     |                |                |                |                            |                |                |                |                |
| Funded interest account                          | -              | -              | -              | 2,309,427                           | -              | -              | -              | -                          | -              | -              | -              | -              |
| Project fund                                     | -              | -              | -              | 10,822,458                          | -              | -              | -              | -                          | -              | -              | -              | -              |
| New Debt Service Reserve Fund                    | -              | -              | -              | 3,176,020                           | 3,176,020      | 3,176,020      | 3,176,020      | 3,176,020                  | 3,176,020      | 3,176,020      | 3,176,020      | 3,176,020      |
| Under Priority Deposits and Donor Restrictions   | 3,581,858      | 3,528,063      | 3,528,063      | 3,528,063                           | 3,528,063      | 3,528,063      | 3,528,063      | 3,528,063                  | 3,528,063      | 3,528,063      | 3,528,063      | 3,528,063      |
| Under Bond Indenture Agreement - Held by Trustee | 4,580,001      | 4,641,898      | 4,641,898      | 4,641,898                           | 4,641,898      | 4,641,898      | 4,641,898      | 4,641,898                  | 4,641,898      | 4,641,898      | 4,641,898      | 4,641,898      |
| Statutory Reserve Fund                           | -              | -              | -              | -                                   | -              | -              | -              | -                          | 7,401,707      | 7,401,707      | 7,401,707      | 7,401,707      |
| Total assets limited as to use                   | 8,161,859      | 8,169,961      | 8,169,961      | 24,477,867                          | 11,345,981     | 11,345,981     | 11,345,981     | 11,345,981                 | 18,747,688     | 18,747,688     | 18,747,688     | 18,747,688     |
| Property and equipment                           | 96,357,624     | 97,753,820     | 101,194,054    | 125,441,542                         | 156,676,245    | 158,798,045    | 160,983,499    | 163,234,517                | 165,553,065    | 167,941,170    | 170,400,917    | 172,934,458    |
| less accumulated depreciation                    | (41,000,752)   | (43,229,133)   | (46,794,013)   | (50,358,893)                        | (54,960,466)   | (60,485,867)   | (66,146,601)   | (71,950,848)               | (77,902,914)   | (84,007,233)   | (90,268,373)   | (96,691,039)   |
| Net property and equipment                       | 55,356,872     | 54,524,687     | 54,400,041     | 75,082,649                          | 101,715,779    | 98,312,178     | 94,836,898     | 91,283,669                 | 87,650,151     | 83,933,937     | 80,132,544     | 76,243,419     |
| Other assets                                     |                |                |                |                                     |                |                |                |                            |                |                |                |                |
| Deferred Marketing                               | 71,770         | 56,518         | 40,370         | 592,972                             | 663,103        | 577,937        | 500,844        | 423,752                    | 346,659        | 269,567        | 192,474        | 115,382        |
| Deferred Financing Costs                         | 1,570,932      | 1,399,638      | 1,399,638      | 2,680,513                           | 2,618,509      | 2,540,781      | 2,463,052      | 2,385,323                  | 2,307,595      | 2,229,866      | 2,152,137      | 2,074,409      |
| Total assets                                     | \$ 75,189,298  | \$ 76,795,463  | \$ 76,965,749  | \$ 117,752,589                      | \$ 133,274,558 | \$ 130,205,412 | \$ 129,407,191 | \$ 127,931,338             | \$ 127,415,664 | \$ 127,900,698 | \$ 127,889,093 | \$ 128,680,296 |
| Liabilities and Net (Deficits)                   |                |                |                |                                     |                |                |                |                            |                |                |                |                |
| Current liabilities:                             |                |                |                |                                     |                |                |                |                            |                |                |                |                |
| Accounts payable                                 | \$ 884,982     | \$ 472,317     | \$ 644,355     | \$ 657,344                          | \$ 768,702     | \$ 819,858     | \$ 842,563     | \$ 865,454                 | \$ 888,986     | \$ 893,899     | \$ 918,327     | \$ 943,487     |
| Esimated Liability for Refunds of Entrance Fees  | 728,758        | 679,000        | 679,000        | 679,000                             | 679,000        | 679,000        | 679,000        | 679,000                    | 679,000        | 679,000        | 679,000        | 679,000        |
| Accrued Expenses                                 | 604,742        | 420,538        | 498,624        | 509,448                             | 602,246        | 644,876        | 663,798        | 682,874                    | 702,483        | 706,578        | 726,934        | 747,901        |
| Accrued Interest                                 | 222,789        | 238,558        | 238,558        | 238,558                             | 238,558        | 238,558        | 238,558        | 238,558                    | 238,558        | 238,558        | 238,558        | 238,558        |
| Priority and Interim Deposits                    | 529,000        | 495,000        | 495,000        | 495,000                             | 495,000        | 495,000        | 495,000        | 495,000                    | 495,000        | 495,000        | 495,000        | 495,000        |
| Entrance Fee Deposits                            | 416,950        | 599,300        | 599,300        | 599,300                             | 599,300        | 599,300        | 599,300        | 599,300                    | 599,300        | 599,300        | 599,300        | 599,300        |
| Current maturities of long-term debt             | 1,630,000      | 1,570,000      | 1,660,000      | 1,755,000                           | 1,790,000      | 1,860,000      | 2,447,484      | 2,362,426                  | 2,760,390      | 2,906,039      | 3,009,541      | 3,731,075      |
| Total current liabilities                        | \$ 5,017,221   | \$ 4,474,713   | \$ 4,814,837   | \$ 4,933,650                        | \$ 5,172,806   | \$ 5,336,592   | \$ 5,965,703   | \$ 5,922,612               | \$ 6,363,717   | \$ 6,518,374   | \$ 6,666,660   | \$ 7,434,321   |
| Long-Term Bonds, Net of Current Portion          | \$ 54,903,392  | \$ 53,324,824  | \$ 51,656,256  | \$ 90,202,688                       | \$ 95,902,145  | \$ 88,035,552  | \$ 84,079,500  | \$ 81,708,506              | \$ 78,939,549  | \$ 76,024,942  | \$ 73,006,832  | \$ 69,267,189  |
| Derivative Financial Instrument                  | 150,496        | 285,539        | 285,539        | 285,539                             | 285,539        | 285,539        | 285,539        | 285,539                    | 285,539        | 285,539        | 285,539        | 285,539        |
| Deferred Revenue - Amortizable Entrance Fees     | 41,175,451     | 44,091,796     | 44,591,796     | 45,056,796                          | 55,234,394     | 61,890,990     | 64,847,971     | 65,258,401                 | 66,141,736     | 67,611,773     | 68,357,956     | 69,660,374     |
| Refundable Entrance Fee Liability                | 3,163,919      | 3,389,518      | 3,389,518      | 3,389,518                           | 3,389,518      | 3,389,518      | 3,389,518      | 3,389,518                  | 3,389,518      | 3,389,518      | 3,389,518      | 3,389,518      |
| Annuity Obligations                              | 46,119         | 38,765         | 38,765         | 38,765                              | 38,765         | 38,765         | 38,765         | 38,765                     | 38,765         | 38,765         | 38,765         | 38,765         |
| Total liabilities                                | \$ 104,456,598 | \$ 105,605,155 | \$ 104,776,711 | \$ 143,906,956                      | \$ 160,023,167 | \$ 158,976,956 | \$ 158,606,996 | \$ 156,603,341             | \$ 155,158,824 | \$ 153,868,910 | \$ 151,745,271 | \$ 150,075,707 |
| Net (deficits):                                  |                |                |                |                                     |                |                |                |                            |                |                |                |                |
| Unrestricted                                     | (32,213,117)   | (31,726,739)   | (30,728,009)   | (29,071,415)                        | (29,665,656)   | (31,688,591)   | (32,116,852)   | (31,589,050)               | (30,660,207)   | (28,885,260)   | (26,773,224)   | (24,312,457)   |
| Temporarily restricted                           | 2,800,041      | 2,781,046      | 2,781,046      | 2,781,046                           | 2,781,046      | 2,781,046      | 2,781,046      | 2,781,046                  | 2,781,046      | 2,781,046      | 2,781,046      | 2,781,046      |
| Permanently Restricted                           | 145,776        | 136,001        | 136,001        | 136,001                             | 136,001        | 136,001        | 136,001        | 136,001                    | 136,001        | 136,001        | 136,001        | 136,001        |
| Net (deficits)                                   | (29,267,300)   | (28,809,692)   | (27,810,962)   | (26,154,368)                        | (26,748,609)   | (28,771,544)   | (29,199,805)   | (28,672,003)               | (27,743,160)   | (25,968,213)   | (23,856,177)   | (21,395,410)   |
| Total liabilities and net assets (deficits)      | \$ 75,189,298  | \$ 76,795,463  | \$ 76,965,749  | \$ 117,752,588                      | \$ 133,274,558 | \$ 130,205,411 | \$ 129,407,191 | \$ 127,931,338             | \$ 127,415,664 | \$ 127,900,698 | \$ 127,889,093 | \$ 128,680,296 |

Wake Robin  
Shelburne, Vermont

Forecasted Schedule of Financial Ratios

For the Fiscal Years Ending Dec 31

|                                   |              |              |              | Financing &<br>Construction     | Fill-Up Period |        |       | Stabilized<br>Year |               |               |               |               |
|-----------------------------------|--------------|--------------|--------------|---------------------------------|----------------|--------|-------|--------------------|---------------|---------------|---------------|---------------|
|                                   |              |              |              |                                 | 7 mos          | 12 mos | 5 mos |                    |               |               |               |               |
| Debt Service Coverage Ratio       | 2014         | 2015         | 2016         | 2017                            | 2018           | 2019   | 2020  | 2021               | 2022          | 2023          | 2024          | 2025          |
| Increase in net deficits          | \$ (940,428) | \$ 642,197   | \$ 998,730   |                                 |                |        |       | \$ 527,802         | \$ 928,843    | \$ 1,774,947  | \$ 2,112,035  | \$ 2,460,767  |
| Deduct:                           |              |              |              |                                 |                |        |       |                    |               |               |               |               |
| Entrance Fee Amortization         | (4,041,558)  | (4,699,856)  | (4,500,000)  |                                 |                |        |       | (6,185,733)        | (6,371,305)   | (6,562,444)   | (6,759,318)   | (6,962,097)   |
| Add:                              |              |              |              |                                 |                |        |       |                    |               |               |               |               |
| Depreciation and Amortization     | 3,509,618    | 3,632,878    | 3,564,880    |                                 |                |        |       | 5,950,500          | 6,098,319     | 6,250,572     | 6,407,393     | 6,568,919     |
| Interest                          | 2,612,391    | 2,088,325    | 2,070,820    |                                 |                |        |       | 4,218,697          | 4,107,432     | 4,005,517     | 3,905,023     | 3,799,763     |
| Net Proceeds from Entrance Fees   | 6,369,702    | 7,971,092    | 5,000,000    |                                 |                |        |       | 6,596,163          | 7,254,641     | 8,032,481     | 7,505,501     | 8,264,516     |
| Income Available for Debt Service | \$ 7,509,725 | \$ 9,634,636 | \$ 7,134,430 |                                 |                |        |       | \$ 11,107,429      | \$ 12,017,930 | \$ 13,501,072 | \$ 13,170,634 | \$ 14,131,868 |
| Max Annual Debt Service           | 4,225,687    | 4,225,687    | 4,225,687    |                                 |                |        |       | 7,401,707          | 7,401,707     | 7,401,707     | 7,401,707     | 7,401,707     |
| Debt Service Coverage Ratio       | 1.78x        | 2.28x        | 1.69x        | Not shown during fill-up period |                |        |       | 1.5x               | 1.62x         | 1.82x         | 1.78x         | 1.91x         |

| Days Cash on Hand                                 | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          | 2024          | 2025          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Cash and cash equivalents                         | \$ 2,037,047  | \$ 4,988,967  | \$ 5,983,486  | \$ 3,056,690  | \$ 7,226,955  | \$ 7,738,516  | \$ 7,965,570  | \$ 8,194,483  | \$ 8,429,800  | \$ 8,478,931  | \$ 8,723,207  | \$ 8,974,812  |
| Investments                                       | 7,273,248     | 7,117,244     | 6,353,717     | 11,230,058    | 8,999,362     | 8,925,863     | 11,499,382    | 13,481,720    | 9,096,441     | 13,391,220    | 17,069,346    | 21,630,017    |
| Renewal and Replacement Fund                      | 1,358,560     | 1,371,000     | 1,371,000     | 1,371,000     | 1,371,000     | 1,371,000     | 1,371,000     | 1,371,000     | 1,371,000     | 1,371,000     | 1,371,000     | 1,371,000     |
| Assets Limited As to Use Transfer                 | 91,482        | 63,461        | 100,000       | -             | -             | -             | -             | -             | 7,401,707     | 7,401,707     | 7,401,707     | 7,401,707     |
| Cash on hand                                      | \$ 10,760,337 | \$ 13,540,672 | \$ 13,808,203 | \$ 15,657,748 | \$ 17,597,317 | \$ 18,035,379 | \$ 20,835,952 | \$ 23,047,203 | \$ 26,298,948 | \$ 30,642,858 | \$ 34,565,260 | \$ 39,377,536 |
| Total expenses                                    | \$ 20,273,458 | \$ 19,778,999 | \$ 20,270,590 | \$ 20,584,367 | \$ 24,119,611 | \$ 28,101,859 | \$ 28,543,530 | \$ 29,143,584 | \$ 29,748,073 | \$ 29,795,600 | \$ 30,438,112 | \$ 31,098,149 |
| Less:   |               |               |               |               |               |               |               |               |               |               |               |               |
| Depreciation and Amortization                     | 3,509,618     | 3,632,878     | 3,564,880     | 3,612,450     | 4,716,128     | 5,679,728     | 5,806,987     | 5,950,500     | 6,098,319     | 6,250,572     | 6,407,393     | 6,568,919     |
| Total expenses less depreciation and amortization | \$ 16,763,840 | \$ 16,146,121 | \$ 16,705,710 | \$ 16,971,917 | \$ 19,403,483 | \$ 22,422,131 | \$ 22,736,543 | \$ 23,193,084 | \$ 23,649,754 | \$ 23,545,027 | \$ 24,030,719 | \$ 24,529,230 |
| Daily operating expenses                          | \$ 45,928     | \$ 44,236     | \$ 45,769     | \$ 46,498     | \$ 53,160     | \$ 61,430     | \$ 62,292     | \$ 63,543     | \$ 64,794     | \$ 64,507     | \$ 65,838     | \$ 67,203     |
| Days cash on hand                                 | 234           | 306           | 302           | 337           | 331           | 294           | 334           | 363           | 406           | 475           | 525           | 586           |

| Operating Ratio                    | 2014        | 2015        | 2016        | 2017        | 2018        | 2019        | 2020        | 2021        | 2022        | 2023        | 2024        | 2025        |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total Expenses                     | 20,273,458  | 19,778,999  | 20,270,590  | 20,584,367  | 24,119,611  | 28,101,859  | 28,543,530  | 29,143,584  | 29,748,073  | 29,795,600  | 30,438,112  | 31,098,149  |
| Less Depreciation/Amortization     | (3,509,618) | (3,632,878) | (3,564,880) | (3,612,450) | (4,716,128) | (5,679,728) | (5,806,987) | (5,950,500) | (6,098,319) | (6,250,572) | (6,407,393) | (6,568,919) |
| Cash Operating Expense             | 16,763,840  | 16,146,121  | 16,705,710  | 16,971,917  | 19,403,483  | 22,422,131  | 22,736,543  | 23,193,084  | 23,649,754  | 23,545,027  | 24,030,719  | 24,529,230  |
| Total Revenues                     | 19,333,030  | 20,421,196  | 21,269,320  | 22,240,961  | 23,525,369  | 26,078,925  | 28,115,269  | 29,671,386  | 30,676,916  | 31,570,547  | 32,550,147  | 33,558,916  |
| Less Amortization of Entrance Fees | (4,041,558) | (4,699,856) | (4,500,000) | (4,635,000) | (4,774,050) | (4,917,272) | (5,364,790) | (6,185,733) | (6,371,305) | (6,562,444) | (6,759,318) | (6,962,097) |
| Cash Operating Revenues            | 15,291,472  | 15,721,340  | 16,769,320  | 17,605,961  | 18,751,319  | 21,161,653  | 22,750,479  | 23,485,653  | 24,305,610  | 25,008,102  | 25,790,830  | 26,596,819  |
| Operating Ratio                    | 1.10        | 1.03        | 1.00        | 0.96        | 1.03        | 1.06        | 1.00        | 0.99        | 0.97        | 0.94        | 0.93        | 0.92        |

| Operating Ratio                               | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       | 2024       | 2025       |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Total Operating Revenues less Investment Rev. | 15,043,523 | 15,503,344 | 16,571,336 | 17,327,457 | 18,401,505 | 20,795,128 | 22,249,326 | 22,942,899 | 23,611,240 | 24,319,518 | 25,049,044 | 25,800,455 |
| Total Operating Expenses less Interest Exp.   | 14,151,449 | 14,057,796 | 14,634,890 | 14,982,416 | 17,265,862 | 17,858,258 | 18,421,623 | 18,974,386 | 19,542,321 | 19,539,511 | 20,125,696 | 20,729,467 |
|   | 892,074    | 1,445,548  | 1,936,446  | 2,345,041  | 1,135,643  | 2,936,870  | 3,827,703  | 3,968,513  | 4,068,919  | 4,780,007  | 4,923,347  | 5,070,988  |
| Net Operating Margin                          | 6%         | 9%         | 12%        | 14%        | 6%         | 14%        | 17%        | 17%        | 17%        | 20%        | 20%        | 20%        |





## Wake Robin Project

Notes for revenue and expense projections for only the skilled nursing part of Wake Robin.

- As previously described, Wake Robin is a continuing care retirement community. Residents pay and up front entrance fee at move-in and then a monthly fee. As a result, Wake Robin does not prepare financial reports by level of living (independent, residential or skilled). When residents are permanently transferred to either residential care or skilled care, they continue to pay the same monthly fee they paid while living in independent living plus \$12 per day for the additional meals.
- As request, Wake Robin has prepared reports showing the revenues from only skilled nursing related homes.
- Revenues were based on the projected number of skilled homes occupied and multiplied times an average monthly fee.
- Expenses for only the skilled portion of the project had to be estimated/allocated as follows:
  - Health services – 100%
  - Dining services – food costs based on number of meals served
  - All other expenses – 10.3% which is equal to the skilled percent of revenue in the 2016 budget.

Wake Robin  
Shelburne, Vermont

Projected Income Statement - ONLY NEW SKILLED ROOMS

For the Fiscal Years Ending Dec 31

|   |      | Financing &<br>Construction | Fill-Up Period |           |           | Stabilized<br>Year |           |             |             |             |
|---|------|-----------------------------|----------------|-----------|-----------|--------------------|-----------|-------------|-------------|-------------|
|   |      |                             | 7 mos          | 12 mos    | 5 mos     |                    |           |             |             |             |
| Revenue                                       | 2016 | 2017                        | 2018           | 2019      | 2020      | 2021               | 2022      | 2023        | 2024        | 2025        |
| Existing Independent Living Revenue           | \$0  | \$0                         | \$0            | \$0       | \$0       | \$0                | \$0       | \$0         | \$0         | \$0         |
| New Independent Living Revenue                | -    | -                           | \$0            | \$0       | \$0       | \$0                | \$0       | \$0         | \$0         | \$0         |
| Linden SN Revenue                             | -    | -                           | -              | -         | -         | -                  | -         | -           | -           | -           |
| New Linden Revenue - Skilled Nursing          | -    | -                           | 38,334         | 214,293   | 252,144   | 259,708            | 267,500   | 275,525     | 283,790     | 292,304     |
| New Linden Revenue - Residential Care         | -    | -                           | -              | -         | -         | -                  | -         | -           | -           | -           |
| Ancillary Revenue                             | -    | -                           | -              | -         | -         | -                  | -         | -           | -           | -           |
| Outpatient Therapy Revenue                    | -    | -                           | -              | -         | -         | -                  | -         | -           | -           | -           |
| Entrance Fee Amortization                     | -    | -                           | -              | -         | -         | -                  | -         | -           | -           | -           |
| Investment Income                             | -    | -                           | -              | -         | -         | -                  | -         | -           | -           | -           |
| Investment Income on Assets Limited As to Use |      | 55,987                      | 18,506         | 764       |           |                    |           |             |             |             |
| Total revenue                                 | \$0  | \$55,987                    | \$56,840       | \$215,057 | \$252,144 | \$259,708          | \$267,500 | \$275,525   | \$283,790   | \$292,304   |
|   |      |                             |                |           |           |                    |           |             |             |             |
| Operating Expenses:                           |      |                             |                |           |           |                    |           |             |             |             |
| General & Administrative                      | \$0  | \$0                         | \$56,324       | \$58,013  | \$59,754  | \$61,547           | \$63,393  | \$65,295    | \$67,254    | \$69,271    |
| Marketing Expenses                            | \$0  | \$0                         | \$0            | \$0       | \$0       | \$0                | \$0       | \$0         | \$0         | \$0         |
| Environmental Services Operations             | \$0  | \$0                         | \$3,278        | \$3,377   | \$3,478   | \$3,582            | \$3,690   | \$3,800     | \$3,914     | \$4,032     |
| Housekeeping & Laundry                        | \$0  | \$0                         | \$16,289       | \$16,777  | \$17,281  | \$17,799           | \$18,333  | \$18,883    | \$19,449    | \$20,033    |
| Health Services                               | \$0  | \$0                         | \$169,189      | \$174,265 | \$179,493 | \$184,878          | \$190,424 | \$196,137   | \$202,021   | \$208,081   |
| Therapy Services                              | \$0  | \$0                         | \$0            | \$0       | \$0       | \$0                | \$0       | \$0         | \$0         | \$0         |
| Resident Services                             | \$0  | \$0                         | \$0            | \$0       | \$0       | \$0                | \$0       | \$0         | \$0         | \$0         |
| Dining Services                               | \$0  | \$0                         | \$39,417       | \$54,105  | \$58,155  | \$59,900           | \$61,697  | \$63,548    | \$65,454    | \$67,418    |
| Insurance                                     | \$0  | \$0                         | \$5,464        | \$5,628   | \$5,796   | \$5,970            | \$6,149   | \$6,334     | \$6,524     | \$6,720     |
| Facilities Costs (Utilities, Cable, Etc.)     | \$0  | \$0                         | \$8,195        | \$8,441   | \$8,695   | \$8,955            | \$9,224   | \$9,501     | \$9,786     | \$10,079    |
| Transportation                                | \$0  | \$0                         | \$0            | \$0       | \$0       | \$0                | \$0       | \$0         | \$0         | \$0         |
| Ancillary Expenses                            | \$0  | \$0                         | \$0            | \$0       | \$0       | \$0                | \$0       | \$0         | \$0         | \$0         |
| Property Taxes                                | \$0  | \$0                         | \$5,000        | \$5,150   | \$5,305   | \$5,464            | \$5,628   | \$5,797     | \$5,971     | \$6,150     |
| Depreciation and Amortization                 | \$0  | \$0                         | \$136,512      | \$237,305 | \$238,096 | \$238,967          | \$239,881 | \$247,078   | \$254,490   | \$262,125   |
| Interest                                      | \$0  | \$0                         | \$40,495       | \$485,938 | \$485,938 | \$485,938          | \$480,001 | \$471,714   | \$462,909   | \$453,554   |
| Total Operating Expenses                      | -    | -                           | 480,163        | 1,048,999 | 1,061,990 | 1,072,999          | 1,078,419 | \$1,088,085 | \$1,097,771 | \$1,107,462 |
|   |      |                             |                |           |           |                    |           |             |             |             |
| Operating Income                              | -    | 55,987                      | (423,323)      | (833,941) | (809,846) | (813,291)          | (810,920) | (\$812,560) | (\$813,981) | (\$815,158) |

Wake Robin  
Shelburne, Vermont

Projected Income Statement - EXISTING AND NEW SKILLED NURSING ROOMS

For the Fiscal Years Ending Dec 31

| Revenue                                       | 2016        | Financing &<br>Construction | Fill-Up Period |             |             | Stabilized<br>Year | 2022        | 2023          | 2024          | 2025          |
|---|-------------|-----------------------------|----------------|-------------|-------------|--------------------|-------------|---------------|---------------|---------------|
|   |             | 2017                        | 2018           | 2019        | 2020        | 2021               |             |               |               |               |
| Existing Independent Living Revenue           | \$0         | \$0                         | \$0            | \$0         | \$0         | \$0                | \$0         | \$0           | \$0           | \$0           |
| New Independent Living Revenue                | -           | -                           | \$0            | \$0         | \$0         | \$0                | \$0         | \$0           | \$0           | \$0           |
| Linden SN Revenue                             | 2,041,570   | 2,102,817                   | 2,165,902      | 2,230,879   | 2,297,805   | 2,366,739          | 2,437,741   | 2,510,874     | 2,586,200     | 2,663,786     |
| New Linden Revenue - Skilled Nursing          | -           | -                           | 38,334         | 214,293     | 252,144     | 259,708            | 267,500     | 275,525       | 283,790       | 292,304       |
| New Linden Revenue - Residential Care         | -           | -                           | -              | -           | -           | -                  | -           | -             | -             | -             |
| Ancillary Revenue                             | -           | -                           | -              | -           | -           | -                  | -           | -             | -             | -             |
| Outpatient Therapy Revenue                    | -           | -                           | -              | -           | -           | -                  | -           | -             | -             | -             |
| Entrance Fee Amortization                     | -           | -                           | -              | -           | -           | -                  | -           | -             | -             | -             |
| Investment Income                             | 25,649      | 28,034                      | 35,475         | 37,666      | 51,418      | 55,666             | 70,841      | 70,340        | 75,851        | 81,618        |
| Investment Income on Assets Limited As to Use |             | 55,987                      | 18,506         | 764         |             |                    |             |               |               |               |
| Total revenue                                 | \$2,067,219 | \$2,186,838                 | \$2,258,217    | \$2,483,602 | \$2,601,367 | \$2,682,114        | \$2,776,083 | \$2,856,738   | \$2,945,841   | \$3,037,708   |
| Operating Expenses:                           |             |                             |                |             |             |                    |             |               |               |               |
| General & Administrative                      | \$324,695   | \$334,436                   | \$397,865      | \$409,801   | \$422,095   | \$434,757          | \$447,800   | \$461,234     | \$475,071     | \$489,323     |
| Marketing Expenses                            | \$0         | \$0                         | \$0            | \$0         | \$0         | \$0                | \$0         | \$0           | \$0           | \$0           |
| Environmental Services Operations             | \$153,496   | \$158,101                   | \$176,864      | \$182,170   | \$187,635   | \$193,264          | \$199,062   | \$205,034     | \$211,185     | \$217,521     |
| Housekeeping & Laundry                        | \$79,695    | \$82,085                    | \$96,750       | \$99,652    | \$102,642   | \$105,721          | \$108,892   | \$112,159     | \$115,524     | \$118,990     |
| Health Services                               | \$3,136,346 | \$3,230,436                 | \$3,551,175    | \$3,657,710 | \$3,767,441 | \$3,880,465        | \$3,996,879 | \$4,116,785   | \$4,240,288   | \$4,367,497   |
| Therapy Services                              | \$0         | \$0                         | \$0            | \$0         | \$0         | \$0                | \$0         | \$0           | \$0           | \$0           |
| Resident Services                             | \$0         | \$0                         | \$0            | \$0         | \$0         | \$0                | \$0         | \$0           | \$0           | \$0           |
| Dining Services                               | \$316,292   | \$325,781                   | \$374,971      | \$399,725   | \$414,144   | \$426,569          | \$439,366   | \$452,547     | \$466,123     | \$480,107     |
| Insurance                                     | \$52,320    | \$53,889                    | \$62,232       | \$64,099    | \$66,022    | \$68,003           | \$70,043    | \$72,144      | \$74,308      | \$76,537      |
| Facilities Costs (Utilities, Cable, Etc.)     | \$100,084   | \$103,087                   | \$120,192      | \$123,798   | \$127,512   | \$131,337          | \$135,277   | \$139,336     | \$143,516     | \$147,821     |
| Transportation                                | \$8,451     | \$8,705                     | \$8,966        | \$9,235     | \$9,512     | \$9,797            | \$10,091    | \$10,394      | \$10,706      | \$11,027      |
| Ancillary Expenses                            | \$0         | \$0                         | \$0            | \$0         | \$0         | \$0                | \$0         | \$0           | \$0           | \$0           |
| Property Taxes                                | \$76,889    | \$79,196                    | \$92,782       | \$95,565    | \$98,432    | \$101,385          | \$104,427   | \$107,560     | \$110,786     | \$114,110     |
| Depreciation and Amortization                 | \$242,658   | \$247,166                   | \$387,737      | \$506,478   | \$520,011   | \$534,363          | \$549,145   | \$564,370     | \$580,052     | \$596,205     |
| Interest                                      | \$234,986   | \$230,727                   | \$264,789      | \$703,262   | \$695,723   | \$686,886          | \$671,581   | \$654,220     | \$638,769     | \$623,231     |
| Total Operating Expenses                      | 4,725,912   | 4,853,609                   | 5,534,323      | 6,251,494   | 6,411,169   | 6,572,547          | 6,732,562   | \$6,895,782   | \$7,066,329   | \$7,242,369   |
| Operating Income                              | (2,658,692) | (2,666,771)                 | (3,276,106)    | (3,767,893) | (3,809,802) | (3,890,433)        | (3,956,480) | (\$4,039,044) | (\$4,120,488) | (\$4,204,660) |





NOTE: When completing this table make entries in the shaded fields only.

WAKE ROBIN  
SKILLED NURSING RENOVATION & ADDITION  
TABLE 1  
PROJECT COSTS (see notes below)

|   | Component A<br>SNF  | Component D<br>Independent | Component C<br>Commons | Component B<br>Residential<br>Care | All<br>Components    |
|---|---------------------|----------------------------|------------------------|------------------------------------|----------------------|
| <b>Construction Costs</b>                       |                     |                            |                        |                                    |                      |
| 1. New Construction                             | \$ 2,042,500        | \$ 18,917,236              | \$ 6,838,928           | \$ 8,644,035                       | \$ 36,442,700        |
| 2. Renovation (A)                               | \$2,675,800         |                            |                        |                                    | \$ 2,675,800         |
| 3. Site Work (A)                                | 330,000             |                            |                        |                                    | \$ 330,000           |
| 4. Fixed Equipment                              | -                   |                            |                        |                                    | \$ -                 |
| 5. Design/Bidding Contingency                   | \$0                 |                            |                        |                                    | \$ -                 |
| 6. Construction Contingency                     | 330,713             | 1,203,155                  | 434,963                | 549,769                            | \$ 2,518,600         |
| 7. Construction Manager Fee                     | 151,500             |                            |                        |                                    | \$ 151,500           |
| 8. Other (please specify)                       | -                   |                            |                        |                                    | \$ -                 |
| Subtotal  | \$ 5,530,513        | \$ 20,120,392              | \$ 7,273,891           | \$ 9,193,805                       | \$ 42,118,600        |
| <b>Related Project Costs</b>                    |                     |                            |                        |                                    |                      |
| 1. Major Moveable Equipment                     | \$ -                |                            |                        |                                    | \$ -                 |
| 2. Furnishings, Fixtures & Other Equip.         | 232,068             | 398,567                    | 483,823                | 683,271                            | \$ 1,797,729         |
| 3. Architectural/Engineering Fees               | 463,577             | 1,686,526                  | 609,710                | 770,640                            | \$ 3,530,453         |
| 4. Land Acquisition                             | -                   |                            |                        |                                    | \$ -                 |
| 5. Marketing Costs                              | -                   | 700,000                    |                        |                                    | \$ 700,000           |
| 6. Administrative Expenses & Permits            | 195,085             | 709,732                    | 256,581                | 324,305                            | \$ 1,485,703         |
| 7. Debt Financing Expenses (see below)          | 1,545,360           | 3,895,482                  | 1,407,574              | 1,779,098                          | 8,627,515            |
| 8. Debt Service Reserve Fund                    | -                   |                            |                        |                                    | \$ -                 |
| 9. Working Capital                              | -                   |                            |                        |                                    | \$ -                 |
| 10. Development Consulting Fee                  | 203,528             | 740,447                    | 267,685                | 338,340                            | \$ 1,550,000         |
| Subtotal  | \$ 2,639,617        | \$ 8,130,755               | \$ 3,025,374           | \$ 3,895,654                       | \$ 17,691,400        |
| <b>Total Project Costs</b>                      | <b>\$ 8,170,130</b> | <b>\$ 28,251,147</b>       | <b>\$ 10,299,265</b>   | <b>\$ 13,089,459</b>               | <b>\$ 59,810,000</b> |
| <b>Debt Financing Expenses</b>                  |                     |                            |                        |                                    |                      |
| 1. Capital Interest                             | \$ 809,896          | \$ 2,008,856               | \$ 726,238             | \$ 917,926                         | \$ 4,462,915         |
| 2. Bond Discount or Placement Fee               | 108,850             | 318,534                    | 115,156                | 145,551                            | \$ 688,090           |
| 3. Misc. Financing Fees & Exp. (issuance costs) | 89,281              | 298,876                    | 108,049                | 136,568                            | \$ 632,775           |
| 4. Debt Service Reserve Fund                    | 612,591             | 1,409,672                  | 509,622                | 644,135                            | \$ 3,176,020         |
| Subtotal  | \$ 1,620,618        | \$ 4,035,937               | \$ 1,459,065           | \$ 1,844,180                       | \$ 8,959,801         |
| <b>Less Interest Earnings on Funds</b>          |                     |                            |                        |                                    |                      |
| 1. Debt Service Reserve Funds                   | \$ 21,441           | \$ 40,016                  | \$ 14,670              | \$ 18,542                          | \$ 94,668            |
| 2. Capitalized Interest Account                 | 8,909               | 16,627                     | 6,095                  | 7,704                              | \$ 39,336            |
| 3. Construction Fund                            | 44,908              | 83,812                     | 30,726                 | 38,836                             | \$ 198,282           |
| 4. Other  | -                   | -                          | -                      | -                                  | \$ -                 |
| Subtotal  | \$ 75,258           | \$ 140,455                 | \$ 51,491              | \$ 65,082                          | \$ 332,286           |
| <b>Total Debt Financing Expenses</b>            | <b>\$ 1,545,360</b> | <b>\$ 3,895,482</b>        | <b>\$ 1,407,574</b>    | <b>\$ 1,779,098</b>                | <b>\$ 8,627,515</b>  |
| feeds to line 7 above                           |                     |                            |                        |                                    |                      |

(A) A breakdown of the sitework and renovation was provided for only the portion of the projected related to the CON Component.  
For the other Components those costs are included under the New Construction line.

Component A - renovations/addition to the existing 31 home licensed skilled nursing floor  
Component B - addition of 38 home apartment building for independent living  
Component C - renovations/additions to common space in Community Center  
Component D - renovations/addition to the existing 33 home residential care floor  
(see Narrative portion of application for more detailed description)

NOTE: When completing this table make entries in the shaded fields only.

WAKE ROBIN  
SKILLED NURSING RENOVATION & ADDITION  
TABLE 2  
DEBT FINANCING ARRANGEMENT, SOURCES & USES OF FUNDS

| Sources of Funds - Component A |                       |              |
|--------------------------------|-----------------------|--------------|
| 1. Financing Instrument        | Bond                  |              |
| a. Interest Rate               | 6 25%                 |              |
| b. Loan Period                 | Apr 2017 To: Mar 2047 |              |
| c. Amount Financed             |                       | \$ 7,775,000 |
| 2. Equity Contribution         |                       | 395,130      |
| 3. Other Sources               |                       |              |
| a. Working Capital             |                       | -            |
| b. Fundraising                 |                       | -            |
| c. Grants                      |                       | -            |
| d. Other                       |                       | -            |
| Total Required Funds           |                       | \$ 8,170,130 |

average interest rate including approximately 75 bps of cushion on today's rates  
30 year non-rated tax-exempt bonds

Wake Robin's cash

| Uses of Funds                           |              |  |
|---|--------------|--|
| Project Costs (feeds from Table 1)      |              |  |
| 1. New Construction                     | \$ 2,042,500 |  |
| 2. Renovation                           | 2,675,800    |  |
| 3. Site Work                            | 330,000      |  |
| 4. Fixed Equipment                      | -            |  |
| 5. Design/Bidding Contingency           | -            |  |
| 6. Construction Contingency             | 330,713      |  |
| 7. Construction Manager Fee             | 151,500      |  |
| 8. Major Moveable Equipment             | -            |  |
| 9. Furnishings, Fixtures & Other Equip. | 232,068      |  |
| 10. Architectural/Engineering Fees      | 463,577      |  |
| 11. Land Acquisition                    | -            |  |
| 12. Purchase of Buildings               | -            |  |
| 13. Administrative Expenses & Permits   | 195,085      |  |
| 14. Debt Financing Expenses             | 1,545,360    |  |
| 15. Debt Service Reserve Fund           | -            |  |
| 16. Working Capital                     | -            |  |
| 17. Development Consulting Fee          | 203,528      |  |
| Total Uses of Funds                     | \$ 8,170,130 |  |

| should be zero |
|----------------|
| \$0            |
| \$0            |
| \$0            |
| \$0            |
| \$0            |
| \$0            |
| \$0            |
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| \$0            |
| (\$1)          |

Total sources should equal total uses of funds.



NOTE: When completing this table make entries in the shaded fields only.

| WAKE ROBIN<br>SKILLED NURSING RENOVATION & ADDITION<br>TABLE 6A<br>REVENUE SOURCE PROJECTIONS<br>WITHOUT PROJECT (Includes 31 Medicare skilled nursing floor and 18 skilled nursing floor) |              |         |              |         |              |         |              |         |              |         |
|--|--------------|---------|--------------|---------|--------------|---------|--------------|---------|--------------|---------|
| 2015   |              | 2016    |              | 2017    |              | 2018    |              | 2019    |              |         |
| Latest Actual  |              | % of    | Budget       | % of    | Proposed     | % of    | Proposed     | % of    | Proposed     | % of    |
| 0  |              | Total   | 1            | Total   | Year 1       | Total   | Year 2       | Total   | Year 3       | Total   |
|  |              |         |              |         | 2            |         | 3            |         | 4            |         |
| Gross Inpatient Revenue  |              |         |              |         |              |         |              |         |              |         |
| Medicare   | \$ 290,729   | 15.6%   | \$ 336,000   | 16.9%   | \$ 346,080   | 16.5%   | \$ 356,462   | 16.1%   | \$ 367,156   | 15.7%   |
| Medicaid   | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
| Commercial   | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
| Self Pay   | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
| Free Care / Bad Debt   | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
| Life Care  | 1,569,776    | 84.4%   | 1,653,445    | 83.1%   | 1,754,140    | 83.5%   | 1,860,967    | 83.9%   | 1,974,300    | 84.3%   |
|  | \$ 1,860,505 | 100.0%  | \$ 1,989,445 | 100.0%  | \$ 2,100,220 | 100.0%  | \$ 2,217,429 | 100.0%  | \$ 2,341,456 | 100.0%  |
| Gross Outpatient Revenue   |              |         |              |         |              |         |              |         |              |         |
| Medicare   | \$ -         | #DIV/0! | \$ -         | #DIV/0! | \$ -         | #DIV/0! | \$ -         | #DIV/0! | \$ -         | #DIV/0! |
| Medicaid   | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! |
| Commercial   | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! |
| Self Pay   | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! |
| Free Care / Bad Debt   | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! |
| Other  | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! |
|  | \$ -         | #DIV/0! | \$ -         | #DIV/0! | \$ -         | #DIV/0! | \$ -         | #DIV/0! | \$ -         | #DIV/0! |
| Gross Other Revenue  |              |         |              |         |              |         |              |         |              |         |
| Medicare   | \$ -         | #DIV/0! | \$ -         | #DIV/0! | \$ -         | #DIV/0! | \$ -         | #DIV/0! | \$ -         | #DIV/0! |
| Medicaid   | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! |
| Commercial   | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! |
| Self Pay   | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! |
| Free Care / Bad Debt   | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! |
| Other  | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! | -            | #DIV/0! |
|  | \$ -         | #DIV/0! | \$ -         | #DIV/0! | \$ -         | #DIV/0! | \$ -         | #DIV/0! | \$ -         | #DIV/0! |
| Gross Patient Revenue  |              |         |              |         |              |         |              |         |              |         |
| Medicare   | \$ 290,729   | 15.6%   | \$ 336,000   | 16.9%   | \$ 346,080   | 16.5%   | \$ 356,462   | 16.1%   | \$ 367,156   | 15.7%   |
| Medicaid   | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
| Commercial   | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
| Self Pay   | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
| Free Care / Bad Debt   | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
| Other  | 1,569,776    | 84.4%   | 1,653,445    | 83.1%   | 1,754,140    | 83.5%   | 1,860,967    | 83.9%   | 1,974,300    | 84.3%   |
|  | \$ 1,860,505 | 100.0%  | \$ 1,989,445 | 100.0%  | \$ 2,100,220 | 100.0%  | \$ 2,217,429 | 100.0%  | \$ 2,341,456 | 100.0%  |
| Deductions from Revenue  |              |         |              |         |              |         |              |         |              |         |
| Medicare   | \$ -         | 0.0%    | \$ -         | 0.0%    | \$ -         | 0.0%    | \$ -         | 0.0%    | \$ -         | 0.0%    |
| Medicaid   | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
| Commercial   | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
| Self Pay   | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
| Free Care / Bad Debt   | 74,550       | 100.0%  | 7,200        | 100.0%  | 7,416        | 100.0%  | 7,638        | 100.0%  | 7,868        | 100.0%  |
| Other  | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
|  | \$ 74,550    | 100.0%  | \$ 7,200     | 100.0%  | \$ 7,416     | 100.0%  | \$ 7,638     | 100.0%  | \$ 7,868     | 100.0%  |
| Net Patient Revenue  |              |         |              |         |              |         |              |         |              |         |
| Medicare   | \$ 290,729   | 16.3%   | \$ 336,000   | 17.0%   | \$ 346,080   | 16.5%   | \$ 356,462   | 16.1%   | \$ 367,156   | 15.7%   |
| Medicaid   | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
| Commercial   | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
| Self Pay   | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
| Free Care / Bad Debt   | (74,550)     | -4.2%   | (7,200)      | -0.4%   | (7,416)      | -0.4%   | (7,638)      | -0.3%   | (7,868)      | -0.3%   |
| Other  | 1,569,776    | 87.9%   | 1,653,445    | 83.4%   | 1,754,140    | 83.8%   | 1,860,967    | 84.2%   | 1,974,300    | 84.6%   |
| DSP*   | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    | -            | 0.0%    |
|  | \$ 1,785,955 | 100.0%  | \$ 1,982,245 | 100.0%  | \$ 2,092,804 | 100.0%  | \$ 2,209,791 | 100.0%  | \$ 2,333,588 | 100.0%  |

financial assistance

financial assistance

Latest actual numbers should tie to the hospital budget process.  
\* Disproportionate share payments

Notes:  
Wake Robin is a Life Care Community. Nursing is available to internal residents only (those that transfer from independent living or residential care). Residents pay an up-front entrance fee upon move-in to independent living. Their monthly fees are guaranteed to be consistent as the resident moves from one level of care to another. For example, if a resident pays \$3,500 per month in independent living, the resident will continue to pay \$3,500 per month in nursing.  
As a Life Care Community (or Continuing Care Retirement Community), the nursing business is not expected to stand-alone financially, and instead relies on the overall business structure of the broader community.

NOTE: When completing this table make entries in the shaded fields only.

WAKE ROBIN  
SKILLED NURSING RENOVATION & ADDITION  
TABLE 6B  
REVENUE SOURCE PROJECTIONS (Additional 6 skilled rooms only)  
PROJECT ONLY

|                          | 2015          |       | 2016   |         | 2017     |         | 2018      |         | 2019       |         |
|--------------------------|---------------|-------|--------|---------|----------|---------|-----------|---------|------------|---------|
|                          | Latest Actual | % of  | Budget | % of    | Proposed | % of    | Proposed  | % of    | Proposed   | % of    |
|                          | 0             | Total | 1      | Total   | Year 1   | Total   | Year 2    | Total   | Year 3     | Total   |
| Gross Inpatient Revenue  |               |       |        |         |          |         |           |         |            |         |
| Medicare                 | N/A           |       | \$ -   | #DIV/0! | \$ -     | #DIV/0! | \$ -      | 0.0%    | \$ -       | 0.0%    |
| Medicaid                 | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | 0.0%    | -          | 0.0%    |
| Commercial               | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | 0.0%    | -          | 0.0%    |
| Self Pay                 | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | 0.0%    | -          | 0.0%    |
| Free Care / Bad Debt     | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | 0.0%    | -          | 0.0%    |
| Life Care                | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | 38,334    | 100.0%  | 214,293    | 100.0%  |
|                          | N/A           |       | \$ -   | #DIV/0! | \$ -     | #DIV/0! | \$ 38,334 | 100.0%  | \$ 214,293 | 100.0%  |
| Gross Outpatient Revenue |               |       |        |         |          |         |           |         |            |         |
| Medicare                 | N/A           |       | \$ -   | #DIV/0! | \$ -     | #DIV/0! | \$ -      | #DIV/0! | \$ -       | #DIV/0! |
| Medicaid                 | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | #DIV/0! | -          | #DIV/0! |
| Commercial               | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | #DIV/0! | -          | #DIV/0! |
| Self Pay                 | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | #DIV/0! | -          | #DIV/0! |
| Free Care / Bad Debt     | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | #DIV/0! | -          | #DIV/0! |
| Life Care                | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | #DIV/0! | -          | #DIV/0! |
|                          | N/A           |       | \$ -   | #DIV/0! | \$ -     | #DIV/0! | \$ -      | #DIV/0! | \$ -       | #DIV/0! |
| Gross Other Revenue      |               |       |        |         |          |         |           |         |            |         |
| Medicare                 | N/A           |       | \$ -   | #DIV/0! | \$ -     | #DIV/0! | \$ -      | #DIV/0! | \$ -       | #DIV/0! |
| Medicaid                 | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | #DIV/0! | -          | #DIV/0! |
| Commercial               | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | #DIV/0! | -          | #DIV/0! |
| Self Pay                 | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | #DIV/0! | -          | #DIV/0! |
| Free Care / Bad Debt     | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | #DIV/0! | -          | #DIV/0! |
| Life Care                | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | #DIV/0! | -          | #DIV/0! |
|                          | N/A           |       | \$ -   | #DIV/0! | \$ -     | #DIV/0! | \$ -      | #DIV/0! | \$ -       | #DIV/0! |
| Gross Patient Revenue    |               |       |        |         |          |         |           |         |            |         |
| Medicare                 | N/A           |       | \$ -   | #DIV/0! | \$ -     | #DIV/0! | \$ -      | 0.0%    | \$ -       | 0.0%    |
| Medicaid                 | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | 0.0%    | -          | 0.0%    |
| Commercial               | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | 0.0%    | -          | 0.0%    |
| Self Pay                 | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | 0.0%    | -          | 0.0%    |
| Free Care / Bad Debt     | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | 0.0%    | -          | 0.0%    |
| Life Care                | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | 38,334    | 100.0%  | 214,293    | 100.0%  |
|                          | N/A           |       | \$ -   | #DIV/0! | \$ -     | #DIV/0! | \$ 38,334 | 100.0%  | \$ 214,293 | 100.0%  |
| Deductions from Revenue  |               |       |        |         |          |         |           |         |            |         |
| Medicare                 | N/A           |       | \$ -   | #DIV/0! | \$ -     | #DIV/0! | \$ -      | #DIV/0! | \$ -       | #DIV/0! |
| Medicaid                 | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | #DIV/0! | -          | #DIV/0! |
| Commercial               | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | #DIV/0! | -          | #DIV/0! |
| Self Pay                 | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | #DIV/0! | -          | #DIV/0! |
| Free Care / Bad Debt     | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | #DIV/0! | -          | #DIV/0! |
| Life Care                | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | #DIV/0! | -          | #DIV/0! |
|                          | N/A           |       | \$ -   | #DIV/0! | \$ -     | #DIV/0! | \$ -      | #DIV/0! | \$ -       | #DIV/0! |
| Net Patient Revenue      |               |       |        |         |          |         |           |         |            |         |
| Medicare                 | N/A           |       | \$ -   | #DIV/0! | \$ -     | #DIV/0! | \$ -      | 0.0%    | \$ -       | 0.0%    |
| Medicaid                 | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | 0.0%    | -          | 0.0%    |
| Commercial               | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | 0.0%    | -          | 0.0%    |
| Self Pay                 | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | 0.0%    | -          | 0.0%    |
| Free Care / Bad Debt     | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | -         | 0.0%    | -          | 0.0%    |
| Life Care                | N/A           |       | -      | #DIV/0! | -        | #DIV/0! | 38,334    | 100.0%  | 214,293    | 100.0%  |
| DSP*                     | N/A           |       | N/A    | N/A     | N/A      | N/A     | N/A       | N/A     | N/A        | N/A     |
|                          | N/A           |       | \$ -   | #DIV/0! | \$ -     | #DIV/0! | \$ 38,334 | 100.0%  | \$ 214,293 | 100.0%  |

Latest actual numbers should tie to the hospital budget process.

\* Disproportionate share payments

Notes:

Wake Robin is a Life Care Community. Nursing is available to internal residents only (those that transfer from independent living or residential care). Residents pay an up-front entrance fee upon move-in to independent living. Their monthly fees are guaranteed to be consistent as the resident moves from one level of care to another. For example, if a resident pays \$3,500 per month in independent living, the resident will continue to pay \$3,500 per month in nursing.  
As a Life Care Community (or Continuing Care Retirement Community), the nursing business is not expected to stand-alone financially, and instead relies on the overall business structure of the broader community.



NOTE: When completing this table make entries in the shaded fields only.

| WAKE ROBIN                            |                 |          |                   |                   |                   |
|---------------------------------------|-----------------|----------|-------------------|-------------------|-------------------|
| SKILLED NURSING RENOVATION & ADDITION |                 |          |                   |                   |                   |
| TABLE 7                               |                 |          |                   |                   |                   |
| UTILIZATION PROJECTIONS               |                 |          |                   |                   |                   |
| TOTALS                                |                 |          |                   |                   |                   |
|                                       | 2015            | 2016     | 2017              | 2018              | 2019              |
| A: WITHOUT PROJECT                    | Latest Actual   | Budget 1 | Proposed Year 1 2 | Proposed Year 2 3 | Proposed Year 3 4 |
| Inpatient Utilization                 |                 |          |                   |                   |                   |
| Staffed Beds                          | 51              | 51       | 51                | 51                | 51                |
| Admissions                            | 63              | 60       | 60                | 60                | 60                |
| Patient Days                          | 14,774          | 14,965   | 14,965            | 14,965            | 14,965            |
| Average Length of Stay                | 2.60            | 2.50     | 2.50              | 2.50              | 2.50              |
| Outpatient Utilization                |                 |          |                   |                   |                   |
| All Outpatient Visits                 |                 |          |                   |                   |                   |
| OR Procedures                         |                 |          |                   |                   |                   |
| Observation Units                     |                 |          |                   |                   |                   |
| Physician Office Visits               |                 |          |                   |                   |                   |
| Ancillary                             |                 |          |                   |                   |                   |
| All OR Procedures                     |                 |          |                   |                   |                   |
| Emergency Room Visits                 |                 |          |                   |                   |                   |
| Adjusted Statistics                   |                 |          |                   |                   |                   |
| Adjusted Admissions                   |                 |          |                   |                   |                   |
| Adjusted Patient Days                 |                 |          |                   |                   |                   |
| B: PROJECT ONLY                       | Latest Actual 0 | Budget 1 | Proposed Year 1 2 | Proposed Year 2 3 | Proposed Year 3 4 |
| Inpatient Utilization                 |                 |          |                   |                   |                   |
| Staffed Beds                          | 51              | -        | -                 | 6                 | 6                 |
| Admissions                            | 51              | -        | -                 | 6                 | 6                 |
| Patient Days                          | 51              | -        | -                 | 329               | 1,783             |
| Average Length of Stay                | 51              | -        | -                 | 2.50              | 2.50              |
| Outpatient Utilization                |                 |          |                   |                   |                   |
| All Outpatient Visits                 | 51              | -        | -                 | -                 | -                 |
| OR Procedures                         | 51              | -        | -                 | -                 | -                 |
| Observation Units                     | 51              | -        | -                 | -                 | -                 |
| Physician Office Visits               | 51              | -        | -                 | -                 | -                 |
| Ancillary                             |                 |          |                   |                   |                   |
| All OR Procedures                     | 51              | -        | -                 | -                 | -                 |
| Emergency Room Visits                 | 51              | -        | -                 | -                 | -                 |
| Adjusted Statistics                   |                 |          |                   |                   |                   |
| Adjusted Admissions                   | 51              | -        | -                 | -                 | -                 |
| Adjusted Patient Days                 | 51              | -        | -                 | -                 | -                 |
| C: WITH PROJECT                       | Latest Actual 0 | Budget 1 | Proposed Year 1 2 | Proposed Year 2 3 | Proposed Year 3 4 |
| Inpatient Utilization                 |                 |          |                   |                   |                   |
| Staffed Beds                          | 51              | 51       | 51                | 57                | 57                |
| Admissions                            | 63              | 60       | 60                | 66                | 66                |
| Patient Days                          | 14,774          | 14,965   | 14,965            | 15,294            | 16,748            |
| Average Length of Stay                | 2.60            | 2.50     | 2.50              | 2.50              | 2.50              |
| Outpatient Utilization                |                 |          |                   |                   |                   |
| All Outpatient Visits                 | -               | -        | -                 | -                 | -                 |
| OR Procedures                         | -               | -        | -                 | -                 | -                 |
| Observation Units                     | -               | -        | -                 | -                 | -                 |
| Physician Office Visits               | -               | -        | -                 | -                 | -                 |
| Ancillary                             |                 |          |                   |                   |                   |
| All OR Procedures                     | -               | -        | -                 | -                 | -                 |
| Emergency Room Visits                 | -               | -        | -                 | -                 | -                 |
| Adjusted Statistics                   |                 |          |                   |                   |                   |
| Adjusted Admissions                   | -               |          |                   |                   |                   |
| Adjusted Patient Days                 | -               |          |                   |                   |                   |

Project expected to open August 2018 and fill-up over 12 months.  
Stabilized patient days will be (6 beds x 93% occupancy x 365 days) = 2,037





NOTE: When completing this table make entries in the shaded fields only.

WAKE ROBIN  
SKILLED NURSING RENOVATION & ADDITION  
TABLE 9  
STAFFING PROJECTIONS  
TOTALS

| A: WITHOUT PROJECT                |  | 8/12/2016     |        | Proposed | Proposed | Proposed |
|-----------------------------------|--|---------------|--------|----------|----------|----------|
|                                   |  | Latest Actual | Budget | Year 1   | Year 2   | Year 3   |
|                                   |  |               | 1      | 2        | 3        | 4        |
| Non-MD FTEs                       |  |               |        |          |          |          |
| Total General Services            |  | 9.0           | 9.5    | 9.5      | 9.5      | 9.5      |
| Total Inpatient Routine Services  |  | 36.5          | 40.0   | 40.0     | 40.0     | 40.0     |
| Total Outpatient Routine Services |  |               |        |          |          |          |
| Total Ancillary Services          |  | 6.5           | 6.5    | 6.5      | 6.5      | 6.5      |
| Total Other Services              |  |               |        |          |          |          |
| Total Non-MD FTEs                 |  | 52.0          | 56.0   | 56.0     | 56.0     | 56.0     |
| Physician FTEs                    |  |               |        |          |          |          |
| Direct Service Nurse FTEs         |  | 36.5          | 40.0   | 40.0     | 40.0     | 40.0     |

Includes DHS, DON, etc.  
RNs, LNAs, LPNs

Includes resident services program FTEs, Quality Assurance RN

| B: PROJECT ONLY                   |  | Latest Actual | Budget | Proposed | Proposed | Proposed |
|-----------------------------------|--|---------------|--------|----------|----------|----------|
|                                   |  | 0             | 1      | Year 1   | Year 2   | Year 3   |
|                                   |  |               |        | 2        | 3        | 4        |
| Non-MD FTEs                       |  |               |        |          |          |          |
| Total General Services            |  |               |        |          | 0.0      | 0.0      |
| Total Inpatient Routine Services  |  |               |        |          | 2.8      | 2.8      |
| Total Outpatient Routine Services |  |               |        |          |          |          |
| Total Ancillary Services          |  |               |        |          |          |          |
| Total Other Services              |  |               |        |          |          |          |
| Total Non-MD FTEs                 |  |               | 0.0    | 0.0      | 2.8      | 2.8      |
| Physician Services                |  |               |        |          |          |          |
| Direct Service Nurse FTEs         |  |               | 0.0    | 0.0      | 2.8      | 2.8      |

| C: WITH PROJECT                   |  | Latest Actual | Budget | Proposed | Proposed | Proposed |
|-----------------------------------|--|---------------|--------|----------|----------|----------|
|                                   |  | 0             | 1      | Year 1   | Year 2   | Year 3   |
|                                   |  |               |        | 2        | 3        | 4        |
| Non-MD FTEs                       |  |               |        |          |          |          |
| Total General Services            |  | 9.0           | 9.5    | 9.5      | 9.5      | 9.5      |
| Total Inpatient Routine Services  |  | 36.5          | 40.0   | 40.0     | 42.8     | 42.8     |
| Total Outpatient Routine Services |  | 0.0           | 0.0    | 0.0      | 0.0      | 0.0      |
| Total Ancillary Services          |  | 6.5           | 6.5    | 6.5      | 6.5      | 6.5      |
| Total Other Services              |  | 0.0           | 0.0    | 0.0      | 0.0      | 0.0      |
| Total Non-MD FTEs                 |  | 52.0          | 56.0   | 56.0     | 58.8     | 58.8     |
| Physician Services                |  | 0.0           | 0.0    | 0.0      | 0.0      | 0.0      |
| Direct Service Nurse FTEs         |  | 36.5          | 40.0   | 40.0     | 42.8     | 42.8     |

