

Start Here **Data Entry**

Welcome to the CDF Home Care Financial Model. We have developed a brief instruction sheet to help you begin (available on the web site). Or, you can simply start now by reviewing/adjusting the assumptions below, and then go to the Analysis worksheet to review the results.

Step One: Enter Assumptions about Revenues and Clients

Select your state:

Select a State

Average Rate Per Hour

Public \$ 19.00

Private \$ 25.00

Average Length of Visit

Public 3.00

Private 3.00

Average Visits / Week

Public 3.00

Private 3.00

Average Length of Care Delivered (Months) 12

Average Travel Time

Average Travel per Client 0.50

Shift Length

8

Number of Clients

Enter the number of clients at startup and the number of new clients each year. The model assumes clients are replaced when services are completed.

Current Client Base

Values for Years 1-5 Indicate NEW Clients Added During Year:

	At Startup	Year 1	Year 2	Year 3	Year 4	Year 5
Public	-	-	-	-	-	-
Private	20	24	24	24	24	12

Step Two: Enter Assumptions about Worker Compensation

Direct Care Staff Information

Average Hours per Week 40.00

Starting Hourly Wage \$ 11.00

Travel Time Hourly Wage \$ 11.00

Average Registered Nurse Cost per Client per Month \$ -

State Unemployment Insurance Rate 3.2%

Worker's Compensation Rate (Direct Care Workers) 4.0%

Workers Compensation Rate (Non Direct Care) 1.5%

Employer Portion of Health Insurance \$ 2,400

Annual Hours of Paid Time Off 80

Long & Short Term Disability 0.7%

Employer Contribution to Retirement 2.0%

Annual Wage Increase 3.0%

In-Service Hours per Employee 12

Indirect Staff Information

<i>Executive Director Salary</i>	\$ 85,000	Restore Default
<i>Office Staff Salary</i>	\$ 45,000	Restore Default
<i>Coordinator Hourly Wage:</i>	\$ 15.00	Restore Default
<i>Number of Direct Care Workers for each Coordinator</i>	25.00	Restore Default
<i>Number of Office Staff Required per \$1MM Revenue</i>	1.00	Restore Default

Board of Directors

<i>Number of Board Members</i>	5.00	Restore Default
<i>Will Board Members be Paid?</i>	<input type="checkbox"/>	
<i>Days Accounts Payable</i>	60.00	Restore Default

<i>Loan Principal</i>	200,000	<input type="text"/> ▲ <input type="text"/> ▼	<i>Use arrows to adjust amount</i>
<i>Loan Interest Rate</i>	6.00%		
<i>Loan Term (Years)</i>	5.00		

<i>Membership Fee</i>	\$ 500.0
<i>Initial Payment</i>	\$ 50.0
<i>Months to pay off Membership Fee</i>	12

View Analysis

Breakdown of Direct Care Labor Costs

Base Average Hourly Wage	\$	11.00	<i>This is the wage the</i>
<i>FICA</i>	\$	0.84	<i>The taxes the emplo</i>
<i>Unemployment</i>	\$	0.30	<i>The taxes the emplo</i>
<i>Workers Compensation</i>	\$	0.44	<i>The fees employers, set by the state</i>
<i>Health Insurance</i>	\$	1.15	<i>The total cost of the number of hours wo</i>
<i>Paid Time Off</i>	\$	0.42	<i>This is average hour</i>
<i>Disability Insurance</i>	\$	0.08	<i>The total cost of the number of hours wo</i>
<i>Retirement</i>	\$	0.22	<i>This is the cost of the</i>
<i>Overtime</i>	\$	0.39	<i>Managing overtime model assumes it is</i>
Fully Loaded Hourly Wage	\$	14.84	<i>This is the total aver</i>
Average Bill Rate	\$	21.34	<i>This is the Average f public versus private</i>
Funds Available to Cover the Indirect Costs	\$	6.50	<i>The funds the Agenc costs is the secret to success.</i>

Break-Even Analysis

<i>Based on the estimated amount a client is charged and the estimated cost of paying direct care workers, the Gross Margin is:</i>		30%
<i>Based on the estimated cost of running the agency (including debt payments), the firm has annual total Indirect Costs of:</i>	\$	198,708
<i>Given these costs, to breakeven (for the agency to cover its costs, you must have sales of:</i>	\$	653,416
<i>The typical client will generate total annual revenues of:</i>	\$	9,980
<i>In order to break even, the agency needs to have at least this number of clients:</i>		65

Financial Pro Formas & Adjustments

Initial Loan for Startup

(Use the arrows to change this variable)

\$ 200,000

Cash at the end of year

(This number cannot go negative)

Days Cash on Hand

(30 days is recommended)

	At Startup	Year 1
Cash at the end of year	195,766	1,052
Days Cash on Hand	95	1

Number of Clients

Total Public Clients

(Use the arrows to change this variable)

Current Client Base

	At Startup	Year 1
Total Public Clients	0	0

Total Private Clients

(Use the arrows to change this variable)

Total Private Clients	20	24
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Total Clients

Total Clients	20	44
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Income Statement Pro Forma

Revenues

Public Programs

-

Private Pay

385,803

Total Revenues

385,803

Expenses

Direct Expenses

Total Direct Care Wages

206,088

Total Direct Care Benefits

62,390

Total Direct Costs

268,478

Gross Margin

117,325

Indirect Expenses

Indirect Salary & Benefits

127,386

Other Expenses

60,284

Earnings Before Interest, Taxes (EBIT)

(70,345)

Interest Expense

11,038

Provision for Income Taxes

-

Net Income

(81,383)

Statement of Cash Flows Pro Forma

Net Cash Flows from Operations	(162,883)
Net Cash Flows from Investments	0
Net Cash Flows from Financing	<u>(31,831)</u>
Net Change in Cash	(194,713)

Balance Sheet Pro Forma (End of Period)

Cash	1,052
Other Current Assets	85,734
Fixed Assets	<u>0</u>
Total Assets	86,786
Current Liabilities	37,542
Noncurrent Liabilities	<u>127,098</u>
<i>Total Liabilities</i>	<i>164,639</i>
Member Capital Stock	3,530
Retained Earnings	<u>(81,383)</u>
<i>Total Equity</i>	<i>(77,853)</i>
Total Liabilities & Equity	86,786

worker is paid

Employer pays to Medicare and Social Security

Employer pays to Federal and State Unemployment

pay for Workers Compensation Insurance. The rate is often

Employer's portion of Health Insurance divided by the total
marketed.

Highly cost of providing paid time off for aides

Employer's portion of Disability Insurance divided by the total
marketed.

⇒ Employer's contribution to the workers retirement plan

is critical because it often cannot be billed to a client, this
3.5% of wages.

average cost of an hour's work.

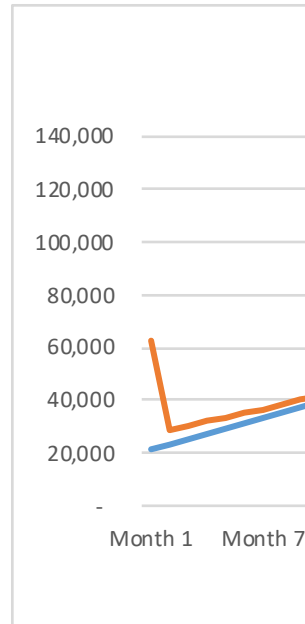
Rate your customers pay based upon the proportion that are

company has available to cover all of its costs. Managing indirect
costs providing a quality job and ensuring long term business

Year 2	Year 3	Year 4	Year 5
(75,432)	(109,743)	(102,579)	(41,946)
(36)	(40)	(30)	(11)

Values for Years 1-5 Indicate NEW Clients Added During Year:

Year 2	Year 3	Year 4	Year 5
0	0	0	0
24	24	24	12
68	92	116	128



Year 2	Year 3	Year 4	Year 5
-	-	-	-
666,387	946,971	1,227,555	1,432,148
666,387	946,971	1,227,555	1,432,148
355,970	505,852	655,734	765,022
107,765	153,140	198,514	231,600
463,734	658,991	854,248	996,622
202,653	287,980	373,307	435,525
148,282	169,178	190,075	205,312
42,123	59,859	77,595	90,527
12,248	58,942	105,637	139,686
8,857	6,542	4,083	1,473
1,189	7,860	15,233	20,732
2,202	44,541	86,321	117,481

Year 1
0%
100%
100%
53%
16%
70%
30%
33%
16%
-18%
3%
0%
-21%

(44,562)	(2,223)	39,557	94,099
0	0	0	0
(31,923)	(32,087)	(32,394)	(33,465)
<hr/>	<hr/>	<hr/>	<hr/>
(76,485)	(34,310)	7,163	60,634

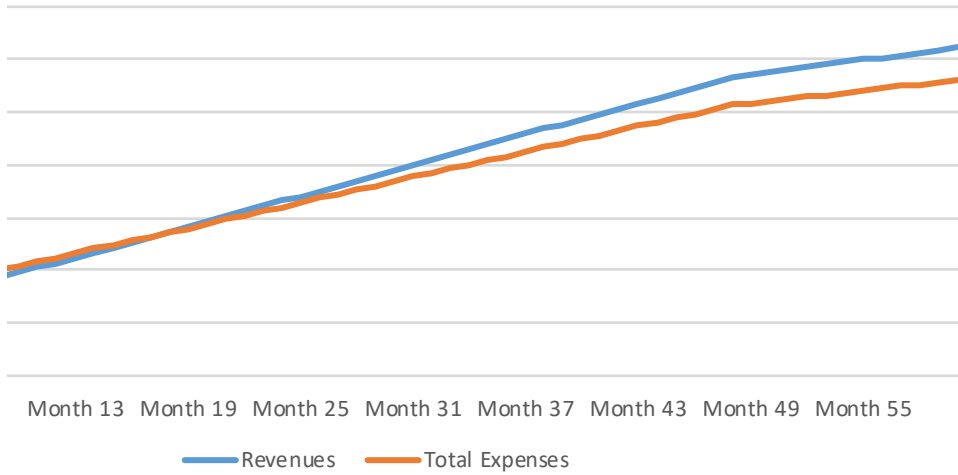
(75,432)	(109,743)	(102,579)	(41,946)
132,498	179,262	226,026	249,408
0	0	0	0
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57,066	69,519	123,447	207,462

39,857	42,315	44,925	0
87,241	44,925	0	0
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127,098	87,241	44,925	0

9,149	16,919	26,841	38,301
(79,181)	(34,641)	51,680	169,161
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(70,032)	(17,721)	78,521	207,462
57,066	69,519	123,447	207,462

Projected Revenues & Expenses

Break-Even Point is Intersection of Revenues & Total Expenses



	Year 2	Year 3	Year 4	Year 5
	0%	0%	0%	0%
	100%	100%	100%	100%
	100%	100%	100%	100%
	53%	53%	53%	53%
	16%	16%	16%	16%
	70%	70%	70%	70%
	30%	30%	30%	30%
	22%	18%	15%	14%
	6%	6%	6%	6%
	2%	6%	9%	10%
	1%	1%	0%	0%
	0%	1%	1%	1%
	0%	5%	7%	8%

State Unemployment Tax Rates, 2014

	Taxable Income	Minimum Rate	Maximum Rate	[1 New Business Rate
Select a State	\$17,511			3.2%
Alabama	\$8,000	0.59%	6.74%	2.7%
Alaska	\$37,400	1.54%	5.4%	2.38%
Arizona	\$7,000	0.02%	6.67%	2.0%
Arkansas	\$12,000	0.1%	6.0%	2.9%
California	\$7,000	1.5%	6.2%	3.4%
Colorado	\$11,700	0.66%	8.9%	1.7%
Connecticut	\$15,000	1.9%	6.8%	4.5%
Delaware	\$18,500	0.1%	8.0%	2.8%
District of Columbia	\$9,000	1.6%	7.0%	2.7%
Florida	\$8,000	1.02%	5.4%	2.7%
Georgia	\$9,500	0.02%	5.4%	2.62%
Hawaii	\$40,400	1.8%	6.4%	4.6%
Idaho	\$35,200	0.78%	6.8%	2.75%
Illinois	\$12,960	0.55%	8.95%	4.15%
Indiana	\$9,500	0.53%	7.9%	2.5%
Iowa	\$26,800	0.0%	8.5%	1.1%
Kansas	\$8,000	0.11%	9.4%	4.0%
Kentucky	\$9,600	1.0%	10.0%	2.7%
Louisiana	\$7,700	0.10%	6.2%	6.20% *
Maine	\$12,000	0.89%	8.21%	3.12%
Maryland	\$8,500	1.0%	10.5%	2.6%
Massachusetts	\$14,000	1.26%	12.27%	2.83%
Michigan	\$9,500	0.06%	10.3%	2.7%
Minnesota	\$29,000	0.67%	10.81%	3.52%
Mississippi	\$14,000	0.45%	5.4%	1.15%
Missouri	\$13,000	0.0%	9.75%	3.51%
Montana	\$29,000	0.62%	6.12%	6.1% *
Nebraska	\$9,000	0.0%	5.4%	1.68%
Nevada	\$27,400	0.25%	5.4%	2.95%
New Hampshire	\$14,000	2.60%	7.0%	2.7%
New Jersey	\$31,500	1.2%	7.0%	3.28%
New Mexico	\$23,400	0.1%	5.4%	2.0%
New York	\$10,300	0.9%	8.9%	3.4%
North Carolina	\$21,400	0.0%	6.84%	1.2%
North Dakota	\$33,600	0.17%	9.78%	1.25%
Ohio	\$9,000	0.3%	8.4%	2.7%
Oklahoma	\$18,700	0.3%	9.2%	2.0%
Oregon	\$35,000	2.2%	5.4%	3.3%
Pennsylvania	\$8,750	2.8%	10.89%	3.67%
Rhode Island	\$20,600	1.69%	9.79%	2.83%
Texas	\$9,000	0.54%	7.35%	2.7%
Utah	\$30,800	0.4%	7.4%	7.4% *
Vermont	\$16,000	1.3%	8.4%	1.0%
Virginia	\$8,000	0.68%	6.78%	3.08%
Washington	\$41,300	0.17%	5.84%	5.8% *
West Virginia	\$12,000	1.5%	7.5%	2.7%
Wisconsin	\$14,000	0.27%	9.8%	3.6%
Wyoming	\$24,500	0.63%	10.0%	10.00% *

* Put in Max, actually use Industry Average

Industry Avg: Industry Average

[1] Rates apply only to experience rated employers and do not include applicable non UI taxes, surtaxes, penalties, or surcharges. In most states, rate year 2013 begins on Jan 1, 2013, and ends on Dec 31, 2013. In NH, NJ, TN, and VT rate year 2013 begins on July 1, 2013 and ends on June 30, 2014. All tax rates for 2013 are posted in the July issue. For ME there is an additional 0.06% for the Competitive Skills Scholarship Fund on all employer rates. Rates for IL include the fund building surcharge. For MI, an obligation assessment is calculated for each experience rate and is added to each employer's rate.