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Our Island Home

Key Assumptions & Financial Projections

March 2026

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Introduction

The accompanying projected financial statements include the following departures from the guidelines for presentation of a projection established by the AICPA: The projected financial statements omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. The projected financial information omits the summary of significant accounting policies. The projected financial information are not in conformity with GAAP accounting standards. The effects of these departures have not been determined

These financial projections present, to the best of management's knowledge and belief, the Organization’s expected financial position, results of operations, and support needed for the projection periods if the Organization’s attains the hypothetical assumptions listed on the next page; they should not be considered to be a presentation of expected future results. Accordingly, the projections reflect its judgment as of March 2nd, 2026, the date of these projections, of the expected conditions of the hypothetical assumptions listed on the next page. The assumptions disclosed herein are those that management believes are significant to the projections. Furthermore, even if the Organization attains the hypothetical assumptions above, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. In addition, the degree of uncertainty related to this reporting generally increases as the time span presented increases

These projections and the related analyses are intended for the internal use of the Our Island Home management and Town of Nantucket board members and should not be read by or relied on by other third-party users for any purpose.

Proforma Assumptions

Assumes for Y1 of new facility (2028/2029 dollars)

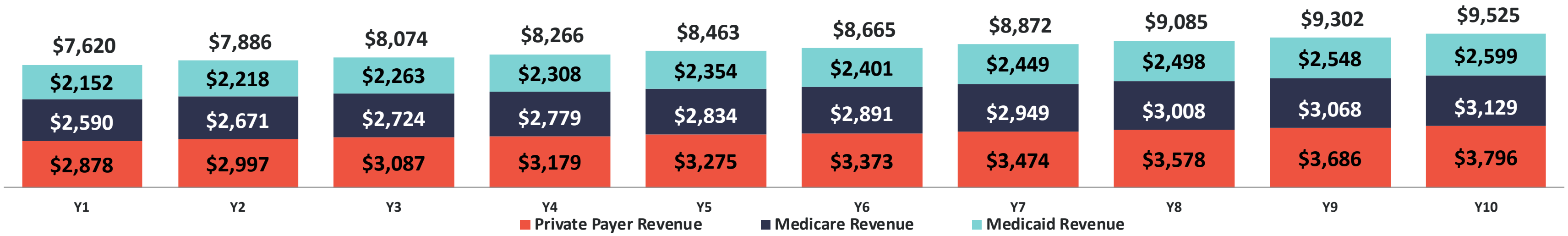
Includes 4% to wages & 10% to Medical Insurance and Retirement Obligation

Total Operational Savings of $95K a Year

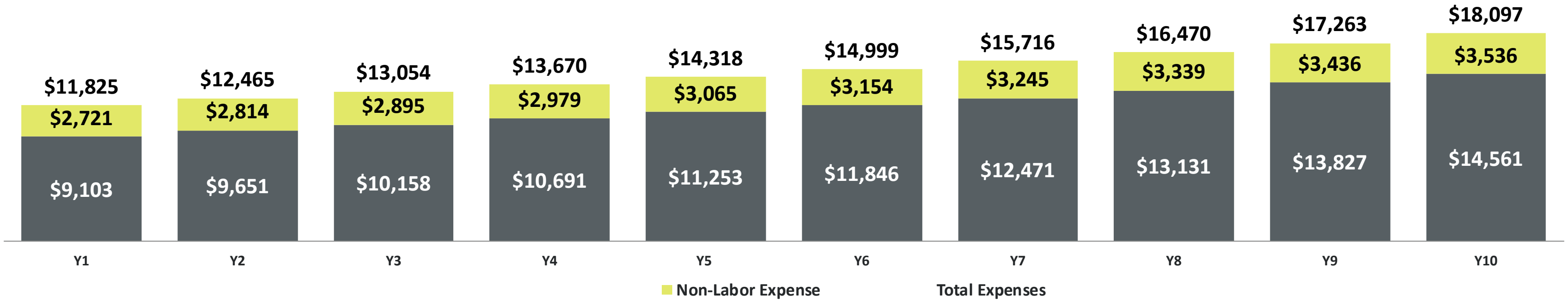
Scenario Analysis - New OIH Facility	
Baseline Assumptions	
Private Rooms	45
Occupancy %	93% (42 ADC)
Private ADC	10
Private Daily Rate	*$800/day*
Medicare ADC	9
Medicare Daily Rate	*$800/day*
Medicaid ADC	23
Medicaid Daily Rate	*$260/day*
Operating Revenue	$7.6M
Operating Expenses	$11.8M
Y1 Operating Deficit	*-$4.2M*
Forecast Assumptions	
Private Pay Rate Increases	3.0%/year
Medicare Rate Increases	2.0%/year
Medicaid Rate Increases	2.0%/year
Labor Expense Increases	5.5%/year
Non Labor Expense Increases	3.0%/year
Operating Environment/Spread	*-2.3%/year*
Strategic Assumptions	
Contract Labor Savings	$100K
Additional Housekeeping FTE	($100K)
Utilities Savings	$155K
Repairs and Maintenance Savings	$40K
Additional Therapy Costs	($100K)
Capital Assumptions	
Capital Project Costs	$134.4M
Debt Portion	$125.5M

No Assurance Provided

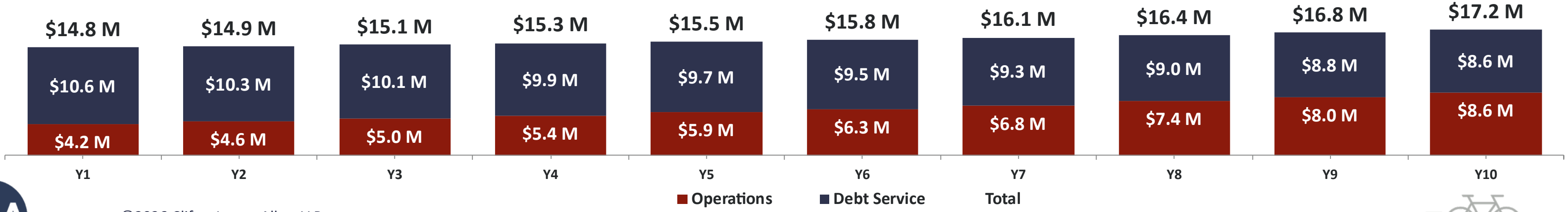
Annual Operating Revenues *($ in thousands)*



Annual Operating Expenses *($ in thousands)*



Annual Investment *($ in millions)*



No Assurance Provided

Our Island Home
Projected Statement of Operations (No Assurances Provided)
($ in Thousands)

($ in Thousands)	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
OPERATING REVENUES										
Total Revenues	7,620	7,886	8,074	8,267	8,464	8,666	8,873	9,085	9,303	9,526
Operating Revenue % Change		**3.5%**	**2.4%**	**2.4%**	**2.4%**	**2.4%**	**2.4%**	**2.4%**	**2.4%**	**2.4%**
OPERATING EXPENSES										
Labor Expense	9,103	9,651	10,158	10,691	11,253	11,846	12,471	13,131	13,827	14,561
Non-Labor Expense	2,721	2,814	2,895	2,979	3,065	3,154	3,245	3,339	3,436	3,536
Total Non Capital Expenses	11,825	12,465	13,054	13,670	14,318	14,999	15,716	16,470	17,263	18,097
Operating Loss	**(4,205)**	**(4,578)**	**(4,980)**	**(5,403)**	**(5,854)**	**(6,333)**	**(6,843)**	**(7,385)**	**(7,960)**	**(8,571)**
Debt Service										
Interest Expense	4,283	4,063	3,843	3,624	3,404	3,185	2,965	2,745	2,526	2,306
Add Principal Payments	6,275	6,275	6,275	6,275	6,275	6,275	6,275	6,275	6,275	6,275
Total Debt Service Payments	10,558	10,338	10,118	9,899	9,679	9,460	9,240	9,020	8,801	8,581
Total Expenses	22,383	22,803	23,172	23,569	23,997	24,459	24,956	25,490	26,064	26,678
Subsidy/Investment	**(14,763)**	**(14,916)**	**(15,098)**	**(15,302)**	**(15,533)**	**(15,793)**	**(16,083)**	**(16,405)**	**(16,761)**	**(17,152)**

No Assurance Provided