

# Supplement

Financial Forecast and Volume Updates

## **The New Telluride Medical Center**

Presented by  
**Turning Point Healthcare Advisors, Inc.**  
January 29, 2016

# Introduction

- This document contains slides related to an alternative financial forecast for the new Telluride Medical Center.
- In this alternative, donations are assumed to be \$16 million and the GO Bond (without capitalized interest) is also assumed to be \$16 million.
- All other assumptions are the same ones that were used in the forecast provided to the Board for this Friday's meeting.

# Capital Requirements

	11/15	1/16	1/16a	Notes
Land Closing	\$50,000	\$50,000	\$50,000	
Construction	17,383,112	21,350,382	21,350,382	Converted cold shell to warm in 1/16, added surgery TIs
Soft Costs	2,485,973	2,962,046	2,962,046	
City Fees	50,000	50,000	50,000	
Equipment*	4,310,000	5,310,000	5,310,000	Incl artwork signage, IT, low voltage and a new CT Scanner; no CT in 11/15
Contingency	1,738,312	2,135,038	2,135,038	10%
<b>Total Project Cost</b>	<b>\$26,017,397</b>	<b>\$31,857,466</b>	<b>\$31,857,466</b>	
Capitalized Interest	1,338,000 (4%)	2,020,000 (4.5%)	1,739,000 (4.5%)	J. Heroux advised using higher rate in 2016
<b>TOTAL COST</b>	<b>\$27,355,297</b>	<b>\$33,877,466</b>	<b>\$33,596,466</b>	
<b>G.O. Bond Amount</b>	<b>\$14,000,000</b>	<b>\$18,600,000</b>	<b>\$16,000,000</b>	Excludes capitalized interest
<b>Donations</b>	<b>\$12,000,000</b>	<b>\$12,000,000</b>	<b>\$16,000,000</b>	
<b>DOLA Grant</b>	<b>\$500,000</b>	<b>\$492,000</b>	<b>\$492,000</b>	

\*An additional \$450,000 will be spent on surgical equipment in 2021.

# Sources and Uses of Funds and Project Cash Flow

SCENARIO E1 Updated												
2016												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
404 Permit			Obtained									
TMC Foundation												→
\$11.7 MM donations												
GO bond											Passes	
Project duration					Start							

<b>Sources</b>												
TMC Foundation	-	-	-	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Donations: Ongoing	-	-	-	-	-	-	-	-	-	-	-	-
DOLA	-	-	-	-	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
Other Grants	-	-	-	-	-	-	-	-	-	-	-	500,000
GO Bonds	-	-	-	-	-	-	-	-	-	-	-	-
MV Fee Refund	-	-	-	-	-	-	-	-	-	-	-	-
TMC Reserves	-	-	-	-	37,514	37,514	37,514	37,514	37,514	37,514	37,514	287,500
Total	-	-	-	33,000	108,014	108,014	108,014	108,014	108,014	108,014	108,014	858,000
<b>Uses</b>												
Project Costs	-	-	-	-	75,014	75,014	75,014	75,014	75,014	75,014	75,014	75,011
MV Fees*	-	-	-	-	-	-	-	-	-	-	-	250,000
Cap Campaign	-	-	-	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Financing Cost	-	-	-	-	-	-	-	-	-	-	-	-
Capitalized Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	33,000	108,014	108,014	108,014	108,014	108,014	108,014	108,014	358,011
<b>Cumulative</b>	-	-	-	-	-	-	-	-	-	-	-	499,989

\* Previously paid 250K to Mountain Village

# Sources and Uses of Funds and Project Cash Flow

SCENARIO E1 Updated								
2017								
	Jan	Feb	Mar	Apr	May	Jun	Jul-Sep	Oct-Dec
404 Permit								
TMC Foundation								
\$11.7 MM donations		<b>\$\$ Received</b>						
GO bond	<b>\$\$ Received</b>							
Project duration								

<b>Sources</b>								
TMC Foundation	-	-	-	-	-	-	-	-
Donations: Ongoing	-	2,000,000	2,000,000	2,000,000	220,523	220,523	661,568	661,568
DOLA	48,000	48,000	48,000	48,000	-	-	-	-
Other Grants	-	-	-	500,000	-	-	-	500,000
GO Bonds	17,839,000	-	-	-	-	-	-	-
MV Fee Refund	-	-	-	-	500,000	-	-	-
TMC Reserves	48,000	48,000	48,000	48,000	-	-	-	-
Total	17,935,000	2,096,000	2,096,000	2,596,000	720,523	220,523	661,568	1,161,568
<b>Uses</b>								
Project Costs	115,623	115,623	115,623	138,041	138,041	138,041	421,512	2,961,413
MV Fees*	-	-	-	-	-	-	-	-
Cap Campaign	-	-	-	-	-	-	-	-
Financing Cost	100,000	-	-	-	-	-	-	-
Capitalized Interest	1,739,000	-	-	-	-	-	-	-
Total	1,954,623	115,623	115,623	138,041	138,041	138,041	421,512	2,961,413
<b>Cumulative</b>	16,480,366	18,460,743	20,441,120	22,899,079	23,481,561	23,564,042	23,804,099	22,004,254

\* Previously paid 250K to Mountain Village

# Sources and Uses of Funds and Project Cash Flow

SCENARIO E1 Updated							
	2018			2019	2020	TOTAL	Notes
	Jan-Mar	Apr-Jun	July-Dec				
404 Permit							
TMC Foundation							
\$11.7 MM donations							
GO bond							
Project duration	→ Finish						
<b>Sources</b>							
TMC Foundation	-	-	-	-	-	297,000	
Donations: Ongoing	661,568	661,568	2,646,273	1,984,705	1,984,705	15,703,000	
DOLA	-	-	-	-	-	492,000	
Other Grants	500,000	-	-	-	-	2,000,000	
GO Bonds	-	-	-	-	-	17,839,000	
MV Fee Refund	-	-	-	-	-	500,000	
TMC Reserves	-	-	-	-	-	742,098	
Total	1,161,568	661,568	2,646,273	1,984,705	1,984,705	37,573,098	
<b>Uses</b>							
Project Costs	4,024,396	5,697,351	16,284,231	1,107,464	-	31,857,468	
MV Fees*	-	-	-	-	-	250,000	
Cap Campaign	-	-	-	-	-	297,000	
Financing Cost	-	-	-	-	-	100,000	
Capitalized Interest	-	-	-	-	-	1,739,000	Estimated
Total	4,024,396	5,697,351	16,284,231	1,107,464	-	34,243,468	
<b>Cumulative</b>	19,141,426	14,105,643	467,685	1,344,925	3,329,630	3,329,630	

\* Previously paid 250K to Mountain Village

# Income Statement Summary (E1a)

INCOME STATEMENT	SCENARIO E1a									
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>REVENUE</b>										
Gross Patient Charges	8,999,300	9,496,500	12,572,510	13,501,130	19,270,121	21,330,520	23,375,044	25,336,979	27,302,836	29,503,100
Net Patient Revenue	5,491,041	5,782,212	7,935,604	9,947,291	13,828,601	15,252,118	16,647,967	17,953,269	19,275,614	20,751,544
Other Operating Income and Grants	398,600	406,600	442,600	450,600	459,700	467,000	475,300	482,600	490,900	499,200
<b>Total Net Revenue</b>	<b>5,889,641</b>	<b>6,188,812</b>	<b>8,378,204</b>	<b>10,397,891</b>	<b>14,288,301</b>	<b>15,719,118</b>	<b>17,123,267</b>	<b>18,435,869</b>	<b>19,766,514</b>	<b>21,250,744</b>
<b>EXPENSES</b>										
Salaries, Benefits, Pro Fees	5,606,200	5,921,900	8,012,000	8,341,700	10,667,000	11,052,600	11,466,500	11,893,600	12,548,500	13,021,300
Other Operating Expenses	1,576,340	1,679,440	2,157,664	2,279,761	2,894,780	3,102,679	3,294,286	3,479,658	3,652,095	3,841,856
Depreciation	249,000	185,000	1,705,000	1,691,000	1,748,000	1,751,000	1,760,000	1,803,000	1,925,000	1,445,000
Interest	-	796,868	783,647	769,819	755,355	740,228	724,405	707,855	690,545	672,440
<b>Total Operating Expenses</b>	<b>7,431,540</b>	<b>8,583,208</b>	<b>12,658,311</b>	<b>13,082,280</b>	<b>16,065,136</b>	<b>16,646,507</b>	<b>17,245,191</b>	<b>17,884,113</b>	<b>18,816,140</b>	<b>18,980,596</b>
Operating Revenue Less Expenses	(1,541,899)	(2,394,396)	(4,280,107)	(2,684,390)	(1,776,834)	(927,389)	(121,924)	551,756	950,374	2,270,147
<b>Non-Operating Income</b>										
Mill Levy	1,710,000	1,744,200	1,779,100	1,814,700	1,851,000	1,888,000	1,925,800	1,964,300	2,003,600	2,043,700
Mill Levy (GO Bond)	1,084,651	1,084,651	1,084,651	1,084,651	1,084,651	1,084,651	1,084,651	1,084,651	1,084,651	1,084,651
Other Non-operating Income	1,743,800	551,800	51,800	51,800	51,800	51,800	51,800	51,800	51,800	51,800
Donations	7,764,182	3,969,409	1,984,705	1,984,705	-	-	-	-	-	-
<b>Total Non-operating Income</b>	<b>12,302,633</b>	<b>7,350,060</b>	<b>4,900,256</b>	<b>4,935,856</b>	<b>2,987,451</b>	<b>3,024,451</b>	<b>3,062,251</b>	<b>3,100,751</b>	<b>3,140,051</b>	<b>3,180,151</b>
Loss on Disposal of Assets	-	(1,491,916)	-	-	-	-	-	-	-	-
<b>Total Revenue Less Total Expenses</b>	<b>10,760,734</b>	<b>3,463,749</b>	<b>620,149</b>	<b>2,251,466</b>	<b>1,210,617</b>	<b>2,097,063</b>	<b>2,940,327</b>	<b>3,652,507</b>	<b>4,090,425</b>	<b>5,450,298</b>

# Balance Sheet and Cash Flow Summaries (E1a)

BALANCE SHEET	SCENARIO E1a									
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>ASSETS</b>										
Cash	27,720,250	35,438,841	5,851,418	9,329,852	11,635,873	14,929,112	19,078,593	23,189,104	27,849,223	33,342,110
Other Current Assets	2,701,897	2,776,497	2,828,397	2,916,697	3,206,597	3,348,397	3,489,097	3,606,797	3,743,097	3,847,197
Fixed Assets	6,566,605	2,030,579	32,233,047	30,692,047	29,544,047	27,993,047	26,433,047	25,630,047	24,705,047	24,260,047
<b>Total Assets</b>	<b>36,988,752</b>	<b>40,245,917</b>	<b>40,912,862</b>	<b>42,938,596</b>	<b>44,386,517</b>	<b>46,270,556</b>	<b>49,000,737</b>	<b>52,425,948</b>	<b>56,297,367</b>	<b>61,449,354</b>
<b>LIABILITIES</b>										
Current Liabilities	2,593,399	2,674,599	3,022,399	3,111,499	3,678,099	3,809,499	3,959,599	4,109,099	4,284,199	4,398,099
Long-term Debt	17,839,000	17,551,216	17,250,212	16,935,380	16,606,084	16,261,661	15,901,415	15,524,619	15,130,513	14,718,302
<b>EQUITY</b>	<b>16,556,253</b>	<b>20,020,002</b>	<b>20,640,151</b>	<b>22,891,617</b>	<b>24,102,234</b>	<b>26,199,296</b>	<b>29,139,623</b>	<b>32,792,130</b>	<b>36,882,555</b>	<b>42,332,853</b>
<b>Total Liabilities and Equity</b>	<b>36,988,652</b>	<b>40,245,817</b>	<b>40,912,762</b>	<b>42,938,496</b>	<b>44,386,417</b>	<b>46,270,456</b>	<b>49,000,637</b>	<b>52,425,848</b>	<b>56,297,267</b>	<b>61,449,254</b>

CASH FLOW	SCENARIO E1a									
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Net cash provided by (used in) operating activities	11,005,134	3,655,349	2,621,049	3,943,266	3,235,317	3,837,663	4,709,727	5,487,307	6,054,225	6,905,098
Net cash provided by (used in) investing activities	(4,230,917)	4,351,026	(31,907,468)	(150,000)	(600,000)	(200,000)	(200,000)	(1,000,000)	(1,000,000)	(1,000,000)
Net cash provided by (used in) financing activities	17,839,000	(287,784)	(301,004)	(314,832)	(329,296)	(344,423)	(360,246)	(376,796)	(394,106)	(412,211)
<b>Net Increase in Cash</b>	<b>24,613,217</b>	<b>7,718,591</b>	<b>(29,587,423)</b>	<b>3,478,434</b>	<b>2,306,021</b>	<b>3,293,239</b>	<b>4,149,481</b>	<b>4,110,511</b>	<b>4,660,119</b>	<b>5,492,887</b>
<b>Cash Beginning of Year</b>	<b>3,107,033</b>	<b>27,720,250</b>	<b>35,438,841</b>	<b>5,851,418</b>	<b>9,329,852</b>	<b>11,635,873</b>	<b>14,929,112</b>	<b>19,078,593</b>	<b>23,189,104</b>	<b>27,849,223</b>
<b>Cash End of Year</b>	<b>27,720,250</b>	<b>35,438,841</b>	<b>5,851,418</b>	<b>9,329,852</b>	<b>11,635,873</b>	<b>14,929,112</b>	<b>19,078,593</b>	<b>23,189,104</b>	<b>27,849,223</b>	<b>33,342,110</b>
<b>Days of Cash on hand</b>	<b>1,409</b>	<b>1,540</b>	<b>195</b>	<b>299</b>	<b>297</b>	<b>366</b>	<b>450</b>	<b>526</b>	<b>602</b>	<b>694</b>