

## HOWELSEN HILL SNOW TUBING PROFORMA

### GENERAL INFORMATION

Project Name	Howelsen Hill Tubing Project	TODAY'S DATE	30-Apr-20
Contact	Brad Setter	ORIGINAL DRAFT	18-Feb-20
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### PROJECT SUMMARY & PROFORMA ASSUMPTIONS

\*Change Assumptions in Blue-Border Cells\*

Number of Tubing Lanes Phase 1	4	Number of Tubes Purchased	110
Operating Days in Season	120	Average Tube Lifetime (years)	5
Open Hours Per Day	9	Revenue Growth	5.0%
Average Ticket Price	\$ 25.00	Expense Increase	3.0%
Average Number of Guests per Hour	10.25	Concession Cost of Goods	50%
Total Tubing Revenue	\$ 299,997.00	Concession Revenue Multiple	8.40%
Average Expense per Tuber	\$ 23.34		
Total Tubing Expense	\$ 208,402.50	Project Capital Cost	\$ 294,707.60
Net Operating Income Year 1	\$ 91,594.50	Year 1 Return on Cost	31.08%

### 10 YEAR SUMMARY

	Year 1	Year 5	Year 10
Total Income	\$ 299,997.00	\$ 364,648.23	\$ 465,393.81
Total Expenses	\$ (208,402.50)	\$ (234,558.85)	\$ (271,917.99)
Net Operating Income	\$ 91,594.50	\$ 130,089.38	\$ 193,475.82
Profit Margin	31%	36%	42%

### SOURCE OF FUNDS

	Interest	Term	Total	% of Total
City Funds		\$	294,707.60	100%
<b>TOTAL SOURCES</b>		<b>\$</b>	<b>294,707.60</b>	<b>100%</b>

### USES OF FUNDS

			Alternate With Total Cost Polycarbonate Cover		
<b>EQUIPMENT</b>					
Magic Carpet Lift	\$	118,430.00	\$	281,330.00	
Fencing if no Cover	\$	30,000.00	N/A		
110 Hard Bottom TubePro Tubes	\$	12,690.00	\$	13,322.50	
Tube Shaper	\$	15,900.00	\$	15,900.00	
Lift Shack	\$	20,000.00	\$	20,000.00	
Tube Storage	\$	29,887.60	\$	29,887.60	
<b>TOTAL EQUIPMENT</b>	<b>\$</b>	<b>226,907.60</b>	<b>\$</b>	<b>360,440.10</b>	
<b>CONSTRUCTION</b>					
Concrete Foundation Top of Lift	\$	15,000.00	\$	15,000.00	allowance
Lift Installation	\$	18,000.00	\$	24,000.00	assumes full-service outside contractor @\$6k/day- can also be accomplished in-house according to manufacturer
Electric	\$	10,000.00	\$	10,000.00	allowance- run 480kv to top of lift
Wooden Support Materials	\$	2,500.00	\$	2,500.00	based on using pressure treated lumber like at Monarch project
Grading/Compaction/Crane	\$	5,000.00	\$	5,000.00	allowance- for any grading under/around lift and under tube storage
Construction Contingency	20%	\$	10,100.00	\$	11,300.00
<b>TOTAL CONSTRUCTION</b>	<b>\$</b>	<b>60,600.00</b>	<b>\$</b>	<b>67,800.00</b>	
<b>SOFT COSTS</b>					
Engineering	\$	5,000.00	\$	5,000.00	
Permits/Fees	\$	1,000.00	\$	1,000.00	
Soft Cost Contingency	20%	\$	1,200.00	\$	1,200.00
<b>TOTAL SOFT COSTS</b>	<b>\$</b>	<b>7,200.00</b>	<b>\$</b>	<b>7,200.00</b>	
<b>TOTAL USES OF FUNDS</b>	<b>\$</b>	<b>294,707.60</b>	<b>\$</b>	<b>435,440.10</b>	

**TUBING REVENUE 2020-2021**

	User Capacity/hr	Open Hours	% Utilization (Use Scenario)	Av. Price/Tuber	No. of Days	Total Revenue	Total Users	Av. Users/Day	Revenue/Day
Peak Tubing Days	100	9	20%	\$ 25.00	30	\$ 135,000.00	5400	180	\$ 4,500.00
Off-Peak Tubing Days	100	9	7%	\$ 25.00	90	\$ 141,750.00	5670	63	\$ 1,575.00
<b>Total</b>					120	\$ 276,750.00	11,070		
	Rev. Multiple			Rev. /Tuber		Total Revenue	Av. Revenue/Day		
Tubing-Attributed Concessions	8.40%	9		\$ 2.10	120	\$ 23,247.00	193.725		
<i>Note: using .084 revenue multiplier from past Howelsen Hill financial reporting</i>									
<b>Total Gross Revenue</b>						<b>\$ 299,997.00</b>			

	Use Scenarios		
	high	low	mid
Peak Days	40%	20%	30%
Off-Peak Days	15%	7%	10%

**EQUIPMENT EXPENSE DETAIL**

EQUIPMENT EXPENSE DETAIL

	Each	Total	Total Alternate
TUBE PRO			
Tubes (shell, cover, tube)	\$ 100.25	\$ 11,027.50	\$ 11,027.50
Pull Rope	\$ 7.75	\$ 852.50	\$ 852.50
Alternate: Silk Screening	\$ 5.75	\$ -	\$ 632.50
Delivery (50 tubes/pallet from Canada)	\$ 7.36	\$ 810.00	\$ 810.00
TOTAL TUBEPRO	\$ 121.11	\$ 12,690.00	\$ 13,322.50
		\$ -	\$ -
TUBE SHAPER			
Tube Shaper Drag	\$ 13,900.00	\$ 13,900.00	\$ 13,900.00
Freight from Idaho	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
TOTAL TUBE SHAPER	\$ 15,900.00	\$ 15,900.00	\$ 15,900.00
		\$ -	\$ -
MAGIC CARPET LIFT			
Magic Carpet Lift	\$ 115,930.00	\$ 115,930.00	\$ 115,930.00
Freight from Denver	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Lift Shack	\$ 20,000.00	\$ -	\$ 20,000.00
Alternate: Add Polycarbonate Canopy	\$ 162,900.00	\$ -	\$ 162,900.00
TOTAL MAGIC CARPET	\$ 118,430.00	\$ 118,430.00	\$ 301,330.00
		\$ -	\$ -
TUBE STORAGE			
40' Shipping Container (2)	\$ 6,200.00	\$ 6,200.00	\$ 6,200.00
Shipping Denver-Steamboat	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Decking and Railings	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Picnic Tables and Firepits	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
Cement Board Lap Siding	\$ 979.20	\$ 979.20	\$ 979.20
Cement Board Shipping	\$ 250.00	\$ 250.00	\$ 250.00
Cement Board Installation/ Finishing	\$ 2,458.40	\$ 2,458.40	\$ 2,458.40
TOTAL TUBE STORAGE	\$ 29,887.60	\$ 29,887.60	\$ 29,887.60
		\$ -	\$ -
		\$ -	\$ -
<b>Total Equipment Expense</b>		<b>\$ 176,907.60</b>	<b>\$ 360,440.10</b>

standard hitch works for Prinoth and Piston Bully- otherwise add for custom allowance

**OPERATING BUDGET 2011****INCOME BUDGET**

	Per Tuber	Per Day (Av.)	Total Revenue
Peak Tubing Days	\$ 25.00	\$ 4,500.00	\$ 135,000.00
Off-Peak Tubing Days	\$ 25.00	\$ 1,575.00	\$ 141,750.00
Food Sales	\$ 2.10	\$ 193.73	\$ 23,247.00
<b>TOTAL ALL INCOME</b>	<b>\$ 27.10</b>	<b>\$ 2,499.98</b>	<b>\$ 299,997.00</b>

**EXPENSE BUDGET**

All Expenses	Per Tuber	Per Day (Av.)	Annual
Employees	\$ 10.87	\$ 1,002.80	\$ 120,336.00
Howelsen Hill Services	\$ 2.80	\$ 258.38	\$ 31,005.00
Maintenance	\$ 0.73	\$ 66.98	\$ 8,038.00
General	\$ 4.43	\$ 408.53	\$ 49,023.50
<b>TOTAL EXPENSE</b>	<b>\$ 18.83</b>	<b>\$ 1,736.69</b>	<b>\$ 208,402.50</b>

**NET OPERATING INCOME**

TOTAL INCOME	299,997
TOTAL OPERATING EXPENSES	(208,403)
<b>NET OPERATING INCOME</b>	<b>91,595</b>

**OPERATING EXPENSE DETAIL**

OPERATING EXPENSES		full allocation multiplier:		1.15		
EMPLOYEES	Headcount	Base Hour Cost	Fully Allocated Hourly Cost	Annual	Per Tuber	
Crew Leader	1	\$ 32.00	\$ 36.80	\$ 57,408.00	\$ 5.19	allocated at 75% to tubing project- total annual expense for position is \$76,546
Lift Operator (Peak Days)	4	\$ 15.20	\$ 17.48	\$ 20,976.00	\$ 3.88	
Lift Operator (Off-Peak Days)	2	\$ 15.20	\$ 17.48	\$ 31,464.00	\$ 5.55	
Concession Worker	1	\$ 15.20	\$ 17.48	\$ 10,488.00	\$ 0.95	
<b>TOTAL EMPLOYEES</b>				\$ 120,336.00	\$ 15.57	
HOWELSEN HILL SERVICES		Hours				
Snowmaking	81	\$ 25.00	\$ 2,025.00	\$ 2,025.00	\$ 0.18	
Electricity and Lights	1,080	\$ 3.50	\$ 3,780.00	\$ 3,780.00	\$ 0.34	for all operating hours
Grooming	120	\$ 210.00	\$ 25,200.00	\$ 25,200.00	\$ 2.28	
Other? Ski Patrol etc?						
<b>TOTAL HOWELSEN SERVICES</b>				\$ 31,005.00	\$ 2.80	
MAINTENANCE						
Lift Maintenance			\$ 2,500.00	\$ 2,500.00	\$ 0.23	
Ski Fencing/ Operating Supplies			\$ 2,000.00	\$ 2,000.00	\$ 0.23	assumes full replacement over 5 years
Tube Replacement			\$ 2,538.00	\$ 2,538.00	\$ 0.23	
Other			\$ 1,000.00	\$ 1,000.00	\$ 0.09	
<b>TOTAL MAINTENANCE</b>				\$ 8,038.00	\$ 0.55	
GENERAL						
Insurance			\$ 8,000.00	\$ 8,000.00	\$ 0.72	assumes 20% increase to HH existing insurance cost
Advertising			\$ 20,000.00	\$ 20,000.00	\$ 1.81	
Administrative Overhead			\$ 8,400.00	\$ 8,400.00	\$ 0.76	assumes 5% increase to existing HH overhead
Seasonal Open/Close Activities			\$ 1,000.00	\$ 1,000.00	\$ 0.09	
Concessions Cost of Goods (est. at 50%)			\$ 11,623.50	\$ 11,623.50	\$ 1.05	
<b>TOTAL GENERAL</b>				\$ 49,023.50	\$ 4.43	
<b>Total Operating Expenses</b>				<b>208,403</b>	<b>\$ 23.34</b>	

## Cash Flow Projections

ANNUAL TRENDS	YEARS 1-4				YEARS 5-10					
	Yearly Growth (inflation+bus. Growth)	5.0%			5.0%					
Expense Increase	3.0%			3.0%						
ANNUAL INCOME & EXPENSE	Year 1 2012	Year 2 2013	Year 3 2014	Year 4 2015	Year 5 2016	Year 6 2017	Year 7 2018	Year 8 2019	Year 9 2020	Year 10 2021
Total Tubing Income	\$ 276,750	\$ 290,588	\$ 305,117	\$ 320,373	\$ 336,391	\$ 353,211	\$ 370,871	\$ 389,415	\$ 408,886	\$ 429,330
Concession Income	\$ 23,247	\$ 24,409	\$ 25,630	\$ 26,911	\$ 28,257	\$ 29,670	\$ 31,153	\$ 32,711	\$ 34,346	\$ 36,064
Total Income	\$ 299,997	\$ 314,997	\$ 330,747	\$ 347,284	\$ 364,648	\$ 382,881	\$ 402,025	\$ 422,126	\$ 443,232	\$ 465,394
Operating Expenses	\$ (208,403)	\$ (214,655)	\$ (221,094)	\$ (227,727)	\$ (234,559)	\$ (241,596)	\$ (248,843)	\$ (256,309)	\$ (263,998)	\$ (271,918)
Net Operating Income	\$ 91,595	\$ 100,342	\$ 109,652	\$ 119,557	\$ 130,089	\$ 141,285	\$ 153,181	\$ 165,817	\$ 179,234	\$ 193,476