

About Thundermist Health Center

Thundermist is a community health center that serves low-income individuals in the Woonsocket, South Kingstown and West Warwick communities of Rhode Island. Over 80 percent of Thundermist's patients live at or below 200 percent of the Federal Poverty Limit and over 35 percent have no medical insurance. Thundermist has bilingual Spanish and Laotian staff and the capacity to provide translation services for a variety of other languages. Staff members receive training on the cultural dynamics of various patient populations. These efforts intend to remove any cultural barriers to accessing primary health care. The health center provides medical, dental and behavioral health care as well a nutritional services. Certain portions of West Warwick, South Kingstown and Woonsocket, RI, where Thundermist was founded, are designated as Medically Underserved Areas.

Why Consider a Capital Project?

Due to high patient demand, program expansion (pharmacy and dental services) and merger with the South County Health Center, Thundermist sought financing to acquire and renovate a new facility.



Plans for Capital Improvement

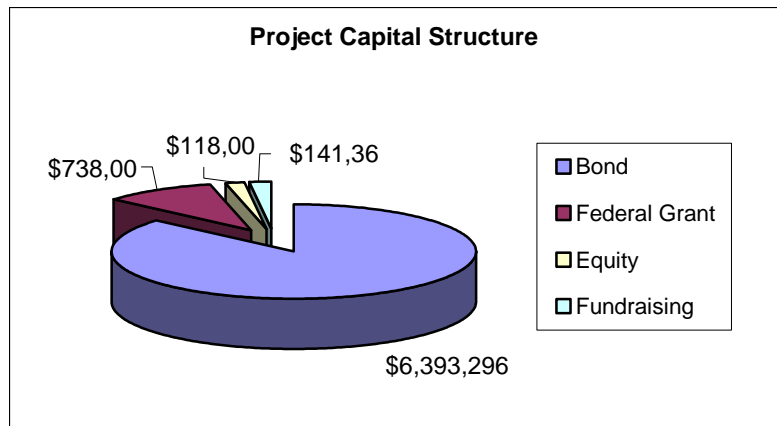
Upon contacting Capital Link, Thundermist had already signed a Purchase and Sales agreement for a 36 thousand square foot building. Thundermist planned to renovate the building for its use based on estimates of \$125 per square foot. The project was to cost a total of \$6.4 million.

How did Capital Link Help?

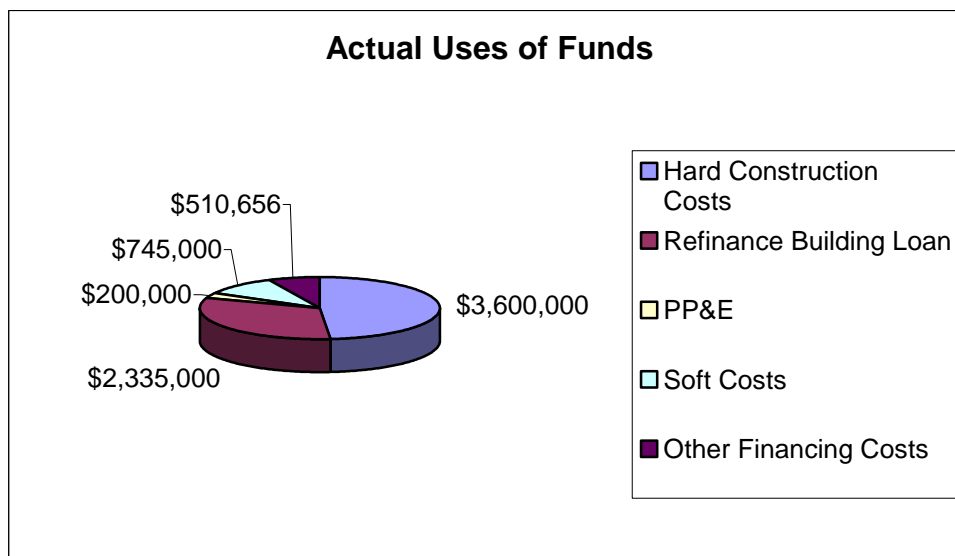
After examining Thundermist's past financial statements, Capital Link recommended that it create financial forecasts for the next five years in order to best determine the appropriateness of this capital project. Capital Link also recommended that if the project were to go through, then Thundermist should use a variety of sources for funding the project, including loans, sale of current building, fundraising, and cash reserves. Capital Link suggested that Thundermist pursue tax-exempt bonds to complete the project. At Thundermist's request, Capital Link also helped the health center plan its space needs for the new building.

Sources and Uses of Funds

Projected. Financial components of this project were to include \$2.4 million in loan financing, \$1 million from the sale of the current building, \$500 thousand from fundraising, and \$460 thousand from cash reserves. Assuming that project costs were \$6.4 million, Thundermist would need to obtain an approximately \$2 million in additional financing.



Actual. The real cost of the project was slightly higher than expected. With additional planning, Thundermist determined that the total project cost would amount to approximately \$7.4 million. Capital Link was able to help Thundermist access nearly \$6.4 million in tax-exempt bonds, which funded 86 percent of the project. A Department of Health and Human Services grant



accounted for another three-quarters of a million dollars, or roughly ten percent of the project. Thundermist was able to make up for the shortfall through its own equity and fundraising efforts.

Hard construction costs dominated nearly half of the entire budget at \$3.6 million. Loan refinancing consumed about one third of the entire budget, at \$2.335 million.