

# Appendix: Assumptions and Financial Models

## Development Mission: New OPAL Homes by Year (Baseline, Target, and Optimistic Scenarios)

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Baseline	Development	18	14	0	0	0	0	0	0	0	0	0	0
	Living Legacy	1	0	1	0	1	0	0	0	1	0	0	0
	<b>Total New OPAL Homes</b>	19	14	1	0	1	0	0	0	1	0	0	0
Target	Development	18	14	0	6	6	0	0	0	0	0	0	0
	Living Legacy	1	1	1	1	1	1	1	0	0	0	0	0
	<b>Total New OPAL Homes</b>	19	15	1	7	7	1	1	0	0	0	0	0
Optimistic	Development	18	14	0	6	6	0	6	0	6	6	0	0
	Living Legacy	1	1	1	1	1	1	1	2	2	2	2	0
	<b>Total New OPAL Homes</b>	19	15	1	7	7	1	7	2	8	8	2	0
			<b>Wild Rose M.</b>		<b>Owl Lane</b>			<b>Oberon Meadows</b>		<b>New Project</b>			

# Headcount Assumptions (Baseline, Target, and Optimistic Scenarios)

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Baseline	Development	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Stewardship/Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	<b>Total Headcount</b>	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Target	Development	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Stewardship/Administration	2.00	2.00	2.30	2.30	2.30	2.40	2.40	2.50	2.50	2.50	2.50	2.50
	<b>Total Headcount</b>	4.00	4.00	4.30	4.30	4.30	4.40	4.40	4.50	4.50	4.50	4.50	4.50
Optimistic	Development	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Stewardship/Administration	2.00	2.50	2.50	2.80	2.80	2.80	3.00	3.00	3.00	3.00	3.50	3.50
	<b>Total Headcount</b>	4.00	4.50	4.50	4.80	4.80	4.80	5.00	5.00	5.00	5.00	5.50	5.50

# Stewardship Mission: Sources and Uses of Funds (Optimistic Scenario Shown)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>USES OF FUNDS</b>												
Staff (Full-time Equivalent)	2.0	2.5	2.5	2.8	2.8	2.8	3.0	3.0	3.0	3.0	3.5	3.5
Staff Costs	\$110,000	\$137,500	\$141,625	\$163,379	\$168,280	\$173,328	\$191,280	\$197,019	\$202,929	\$209,017	\$251,169	\$258,704
Office & Operations	\$181,064	\$289,613	\$298,301	\$307,250	\$316,468	\$325,962	\$335,741	\$345,813	\$356,187	\$366,873	\$377,879	\$389,216
Total Uses of Funds:	\$291,064	\$427,113	\$439,926	\$470,629	\$484,748	\$499,290	\$527,021	\$542,832	\$559,117	\$575,890	\$629,048	\$647,920
<b>SOURCES TO SUPPORT</b>												
Lease Fees	\$121,597	\$124,222	\$128,129	\$133,235	\$138,493	\$142,828	\$148,375	\$153,187	\$159,224	\$165,443	\$170,767	\$175,890
Rents	\$98,032	\$220,981	\$227,610	\$234,439	\$241,472	\$248,716	\$256,178	\$263,863	\$271,779	\$279,932	\$288,330	\$296,980
Resale Fees	\$9,600	\$8,800	\$9,240	\$9,702	\$10,187	\$10,696	\$11,231	\$11,793	\$12,382	\$13,002	\$13,652	\$14,334
Grants	\$22,000	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335	\$26,095	\$26,878
Interest	\$1,000	\$1,100	\$1,133	\$1,167	\$1,202	\$1,238	\$1,275	\$1,313	\$1,353	\$1,393	\$1,435	\$1,478
Total Sources of Funds	\$252,229	\$375,103	\$386,712	\$399,760	\$413,209	\$425,989	\$440,244	\$454,037	\$469,336	\$485,106	\$500,279	\$515,561
Gap to Cover Costs:	(\$38,835)	(\$52,010)	(\$53,214)	(\$70,869)	(\$71,539)	(\$73,301)	(\$86,777)	(\$88,795)	(\$89,781)	(\$90,785)	(\$128,769)	(\$132,359)
Endowment Needed to Cover Gap:	\$863,000	\$1,155,778	\$1,182,534	\$1,574,862	\$1,589,757	\$1,628,916	\$1,928,369	\$1,973,217	\$1,995,128	\$2,017,434	\$2,861,529	\$2,941,307
Assumed CPI %	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Per FTE Costs	\$55,000	\$55,000	\$56,650	\$58,350	\$60,100	\$61,903	\$63,760	\$65,673	\$67,643	\$69,672	\$71,763	\$73,915
Total staff costs	\$110,000	\$137,500	\$141,625	\$163,379	\$168,280	\$173,328	\$191,280	\$197,019	\$202,929	\$209,017	\$251,169	\$258,704

# Legacy Giving Summary

<b>Stewardship Funding Gap</b>												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Baseline	(\$38,835)	(\$24,510)	(\$24,889)	(\$24,189)	(\$23,459)	(\$23,779)	(\$23,017)	(\$23,122)	(\$22,138)	(\$21,112)	(\$21,125)	(\$21,486)
Target	(\$38,835)	(\$24,510)	(\$41,884)	(\$41,694)	(\$41,489)	(\$48,540)	(\$48,521)	(\$55,958)	(\$55,959)	(\$55,948)	(\$57,006)	(\$58,443)
Optimistic	(\$38,835)	(\$52,010)	(\$53,214)	(\$70,869)	(\$71,539)	(\$73,301)	(\$86,777)	(\$88,795)	(\$89,781)	(\$90,785)	(\$128,769)	(\$132,359)
Assumed Income From Endowment				4.50%								
<b>Stewardship Endowment Needed</b>												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Baseline	\$863,000	\$544,667	\$553,090	\$537,537	\$521,312	\$528,419	\$511,478	\$513,820	\$491,949	\$469,159	\$469,445	\$477,461
Target	\$863,000	\$544,667	\$930,757	\$926,534	\$921,979	\$1,078,667	\$1,078,234	\$1,243,518	\$1,243,538	\$1,243,297	\$1,266,806	\$1,298,743
Optimistic	\$863,000	\$1,155,778	\$1,182,534	\$1,574,862	\$1,589,757	\$1,628,916	\$1,928,369	\$1,973,217	\$1,995,128	\$2,017,434	\$2,861,529	\$2,941,307
<b>Stewardship Endowment from Model</b>												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Baseline	\$35,813	\$35,888	\$52,385	\$74,893	\$104,465	\$141,737	\$187,356	\$241,964	\$306,194	\$380,675	\$466,027	\$562,867
Target	\$35,813	\$35,888	\$85,385	\$152,908	\$240,634	\$350,109	\$482,882	\$640,454	\$824,279	\$1,035,767	\$1,276,282	\$1,547,148
Optimistic	\$35,813	\$35,888	\$151,385	\$308,938	\$509,013	\$753,532	\$1,044,550	\$1,383,978	\$1,773,587	\$2,215,011	\$2,709,761	\$3,259,235
<b>Development Fund from Model</b>												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Baseline	\$12,500	\$12,500	\$18,000	\$7,750	\$35,945	\$48,813	\$64,578	\$83,465	\$105,694	\$131,484	\$161,053	\$194,613
Target	\$12,500	\$12,500	\$29,000	\$23,250	\$82,505	\$120,313	\$166,212	\$220,728	\$284,367	\$357,620	\$440,964	\$534,860
Optimistic	\$12,500	\$12,500	\$51,000	\$54,250	\$174,305	\$258,813	\$359,486	\$206,924	\$405,031	\$764,941	\$936,479	\$1,127,058
<b>Assumed Amount in Island Legacy Giving "Pledges" (Unrealized)</b>												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Baseline	\$700,000	\$800,000	\$900,000	\$1,000,000	\$1,100,000	\$1,200,000	\$1,300,000	\$1,400,000	\$1,500,000	\$1,600,000	\$1,700,000	\$1,800,000
Target	\$700,000	\$800,000	\$900,000	\$1,000,000	\$1,100,000	\$1,200,000	\$1,300,000	\$1,400,000	\$1,500,000	\$1,600,000	\$1,700,000	\$1,800,000
Optimistic	\$700,000	\$800,000	\$900,000	\$1,000,000	\$1,100,000	\$1,200,000	\$1,300,000	\$1,400,000	\$1,500,000	\$1,600,000	\$1,700,000	\$1,800,000
<b>Assumed Annual Rate for Realizing Island Legacy Giving Pledges</b>												
Baseline	1.00%											
Target	3.00%											
Optimistic	7.00%											
<b>Transferred to Operating Budget (from Stewardship Endowment and from Development Fund)</b>												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Baseline	\$1,612	\$1,615	\$20,357	\$3,370	\$4,701	\$6,378	\$8,431	\$10,888	\$13,779	\$17,130	\$20,971	\$25,329
Target	\$1,612	\$1,615	\$32,842	\$6,881	\$10,829	\$15,755	\$21,730	\$28,820	\$37,093	\$46,610	\$57,433	\$69,622
Optimistic	\$1,612	\$1,615	\$57,812	\$18,902	\$22,906	\$33,909	\$37,075	\$269,203	\$79,811	\$99,675	\$121,939	\$146,666

# Legacy Giving Model (Optimistic Scenario Shown)

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	<b>Legacy Endowment Beginning Balance</b>	50,000	50,000	50,000	204,000	421,000	697,220	1,035,250	1,437,945	1,907,977	2,447,821	3,059,763	3,745,915
	<b>Legacy gifts known (committed) but not yet received ; estimated amt.</b>	<b>700,000</b>	<b>800,000</b>	<b>900,000</b>	<b>1,000,000</b>	<b>1,100,000</b>	<b>1,200,000</b>	<b>1,300,000</b>	<b>1,400,000</b>	<b>1,500,000</b>	<b>1,600,000</b>	<b>1,700,000</b>	<b>1,800,000</b>
<b>Allocation of Gifts</b>	<b>Assumed Allocations to Funds:</b>												
<b>75.00%</b>	<b>Stewardship</b>	525,000	600,000	675,000	750,000	825,000	900,000	975,000	1,050,000	1,125,000	1,200,000	1,275,000	1,350,000
<b>25.00%</b>	<b>Development</b>	175,000	200,000	225,000	250,000	275,000	300,000	325,000	350,000	375,000	400,000	425,000	450,000
	<b>End of Year Estimated Pledge Balance</b>	1,400,000	2,200,000	3,100,000	3,946,000	4,829,000	5,752,780	6,714,750	7,712,055	8,742,023	9,802,179	10,890,237	12,004,085
	<b>Legacy Gifts received (estimated % of total amount in pledge list from previous year)</b>												
<b>7.00%</b>	<b>Stewardship</b>	0	0	154,000	217,000	276,220	338,030	402,695	470,033	539,844	611,942	686,153	762,317
	<b>Development</b>	0	0	38,500	54,250	69,055	84,508	100,674	117,508	134,961	152,985	171,538	190,579
	<b>Legacy Endowment ending Balance (\$ actually received)</b>	50,000	50,000	204,000	421,000	697,220	1,035,250	1,437,945	1,907,977	2,447,821	3,059,763	3,745,915	4,508,232
	<b>Total of presumed Pledges and endowment received</b>	1,450,000	2,250,000	3,150,000	4,150,000	5,250,000	6,450,000	7,750,000	9,150,000	10,650,000	12,250,000	13,950,000	15,750,000
	<b>= Assumptions that can be modified</b>												
	<b>Fund Balances at Year End</b>												
	<b>Stewardship</b>	\$ 35,813	\$ 35,888	\$ 151,385	\$ 308,938	\$ 509,013	\$ 753,532	\$ 1,044,550	\$ 1,383,978	\$ 1,773,587	\$ 2,215,011	\$ 2,709,761	\$ 3,259,235
	<b>Development</b>	\$ 12,500	\$ 12,500	\$ 51,000	\$ 54,250	\$ 174,305	\$ 258,813	\$ 359,486	\$ 206,924	\$ 405,031	\$ 764,941	\$ 936,479	\$ 1,127,058
	<b>Total</b>	\$ 48,313	\$ 48,388	\$ 202,385	\$ 363,188	\$ 683,318	\$ 1,012,344	\$ 1,404,036	\$ 1,590,902	\$ 2,178,618	\$ 2,979,951	\$ 3,646,240	\$ 4,386,292
	<b>Return from Investments</b>												
	<b>Income from Endowment</b>												
<b>4.50%</b>	<b>Stewardship</b>	\$ 1,612	\$ 1,615	\$ 6,812	\$ 13,902	\$ 22,906	\$ 33,909	\$ 47,005	\$ 62,279	\$ 79,811	\$ 99,675	\$ 121,939	\$ 146,666
<b>4.50%</b>	<b>Development</b>	\$ 563	\$ 563	\$ 2,295	\$ 2,441	\$ 7,844	\$ 11,647	\$ 16,177	\$ 9,312	\$ 18,226	\$ 34,422	\$ 42,142	\$ 50,718
	<b>% Transferred</b>												
<b>4.50%</b>	<b>Transferred to Operating Budget</b>												
<b>100.00%</b>	<b>Stewardship</b>	\$ 1,612	\$ 1,615	\$ 6,812	\$ 13,902	\$ 22,906	\$ 33,909	\$ 47,005	\$ 62,279	\$ 79,811	\$ 99,675	\$ 121,939	\$ 146,666
	<b>Development</b>	\$ -	\$ -	\$ 51,000	\$ -	\$ -	\$ -	\$ 270,070	\$ 206,924	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL</b>	\$ 1,612	\$ 1,615	\$ 57,812	\$ 13,902	\$ 22,906	\$ 33,909	\$ 317,075	\$ 269,203	\$ 79,811	\$ 99,675	\$ 121,939	\$ 146,666

# Development Mission: Model Assumptions (Post-Wild Rose Meadow)

<b>Basis</b>		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
WRM	<b>Average House Size (sq ft)</b>	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	
2008-2010: WRM (Does not include land acquisition); 2009-2020: 2008 cost, plus growth CAGR	<b>Average House Cost per sq ft</b>	287.39	311.68	338.01	366.58	397.55	431.14	467.58	507.09	549.94	596.41	
Historical average is 8.45%	<b>Annual Escalation % for building costs</b>	8.45%	8.45%	8.45%	8.45%	8.45%	8.45%	8.45%	8.45%	8.45%	8.45%	
<b>Computed</b>	<b>Cost/Average Home</b>	\$326,190	\$353,754	\$383,646	\$416,064	\$451,221	\$489,349	\$530,699	\$575,544	\$624,177	\$676,920	
2008-2010=WRM 2011-2020 escalated by CPI	<b>Buyer's Price</b>	\$164,800	\$169,744	\$174,836	\$180,081	\$185,484	\$191,048	\$196,780	\$202,683	\$208,764	\$215,027	
Consumer Price Index (CPI)	<b>Consumer Price Index (CPI)</b>	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
<b>Computed</b> ; Cost of Home-Buyer's Price	<b>Subsidy/Average Home</b>	\$161,390	\$184,010	\$208,809	\$235,982	\$265,737	\$298,301	\$333,920	\$372,860	\$415,413	\$461,893	
<b>Computed</b>	<b>Subsidy/Total Cost (%)</b>	49.48%	52.02%	54.43%	56.72%	58.89%	60.96%	62.92%	64.78%	66.55%	68.23%	
<b>Computed</b>	<b>Total Subsidy</b>	\$ -	\$ 1,104,058	\$ 1,252,857	\$ -	\$ 1,594,424	\$ -	\$ 2,003,518	\$ 2,237,162	\$ -	\$ -	
	<b>Density: Homes/acre</b>	4	4	4	4	4	4	4	4	4	4	
<b>Computed</b> 2008-2009: WRM 2010-2020: Last year* (1+ Growth Rate for Land) Assume land acquired 2 years before building	<b>Land Price/Acre</b>	\$117,371	\$130,622	\$145,369	\$161,781	\$180,047	\$200,374	\$222,996	\$248,172	\$276,191	\$307,373	
Historical rate is 11.29%	<b>Growth rate for land cost</b>	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%	
Projection based (loosely) on 2002-2007 Historical	<b>% of Subsidy from Grants</b>	25.00%	25.00%	33.30%	33.30%	33.30%	33.30%	33.30%	33.30%	33.30%	33.30%	
<b>Computed</b> Based on 2002-2007	<b>Grants/Home</b>	\$ 40,348	\$ 46,002	\$ 69,534	\$ 78,582	\$ 88,491	\$ 99,334	\$ 111,195	\$ 124,162	\$ 138,333	\$ 153,810	
<b>Computed</b>	<b>Total From Grants</b>	\$ -	\$ 276,014	\$ 417,201	\$ -	\$ 530,943	\$ -	\$ 667,171	\$ 744,975	\$ -	\$ -	
Computed 2008 is based on 2008 budget 2009-2020: previous year * (1+CPI) Includes: Salary, benefits, office supplies, postage, etc.	<b>Cost/FTE</b>	\$ 77,250	\$ 79,568	\$ 81,955	\$ 84,413	\$ 86,946	\$ 89,554	\$ 92,241	\$ 95,008	\$ 97,858	\$ 100,794	
Figure used is based on actuals, with some allowance for a learning curve	<b>Homes/FTE</b>	31	32	32	32	33	33	34	34	35	35	
	<b>Lease Fees/Home/Month</b>	\$ 51.50	\$ 53.05	\$ 54.64	\$ 56.28	\$ 57.96	\$ 59.70	\$ 61.49	\$ 63.34	\$ 65.24	\$ 67.20	
Optimistic Scenario Only	Assume that OPAL receives 30% of county proceeds, inflated by CPI	<b>Tax-Based Income</b>	\$ -	\$ 300,000	\$ 309,000	\$ 318,270	\$ 327,818	\$ 337,653	\$ 347,782	\$ 358,216	\$ 368,962	\$ 380,031
			=	User Input								