

EXAMPLE - FINANCIAL FEASIBILITY

Financial Feasibility Analysis

6/12/17

Annual Revenues	Net Operating Expenses	590,648	668,602	693,217	718,659	744,955
Debt Service	Year	1	2	3	4	5
Loan Payments		(135,826)	(135,826)	(135,826)	(135,826)	(135,826)
Lease Annual		(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)
Net Operating Revenues		442,823	520,778	545,394	570,837	597,134
Fees/Profit Sharing/Donations	Year	1	2	3	4	5
Partnership Management Fee		100,000	106,000	109,180	112,455	115,829
Development, Tax, Legal, Investment Management						
Employee Profit Sharing	10.00%	44,282	52,078	54,539	57,084	59,713
Food Donations	20.00%	88,565	104,156	109,079	114,167	119,427
Annual enhancement	3.00%					
Net Revenues After Fees & Costs		209,976	258,544	272,596	287,131	302,165

INVESTMENT TOTALS

Total Estimated Project Development Costs	\$3,159,784	\$96 /SF
Start Up: Loan Payments	\$67,913	6 months
Financing Fees	\$23,323	1 1/2 points
Legal & Partnership Fees	\$75,000	
Startup: Operating Expenses	\$383,726	To sustainable revenues
Construction Loan Interest Carry	\$105,221	9 months
PreDevelopment Funding / Grants	(\$50,000)	
Tax Credits	TBD	
Total Capital Requirement	\$3,764,967	
Mortgage Loan Value	(\$1,554,892)	
Net Capital Investment	\$2,210,075	

Return Analysis

Income	Year	1	2	3	4	5
Income to Investor		209,976	258,544	272,596	287,131	302,165
Depreciation at 15 years - % of equity		112,949	112,949	112,949	112,949	112,949
Equity Allocation	Year	1	2	3	4	5
Valuation on a Cost Basis		3,109,784	3,203,078	3,299,170	3,398,145	3,500,090
Annual valuation increase:	3%					
CVP Equity	35.00%	1,088,425	1,121,077	1,154,710	1,189,351	1,225,031
Partner Equity	10.00%	310,978	320,308	329,917	339,815	350,009
Employee Vesting Equity*	10.00%	310,978	320,308	329,917	339,815	350,009

Investor/ PRI Equity*	45.00%	1,399,403	1,441,385	1,484,627	1,529,165	1,575,040
(*non voting shares)	100%					

Rates of Return

Investor Cash on Cash Return	9.50%	11.70%	12.33%	12.99%	13.67%
Depreciation Adjusted Return on Cash	13.08%	15.27%	15.91%	16.57%	17.25%

Investor Risk Capital	1,510,374	1,468,391	1,425,150	1,380,611	1,334,736
Return on Risk Capital	13.90%	17.61%	19.13%	20.80%	22.64%
Depreciation Adjusted Return on Risk Capital	17.27%	21.07%	22.69%	24.48%	26.45%

**Risk capital = investment minus equity

CVP Project Equity *

* equity on a cost basis	\$1,088,425	\$1,121,077	\$1,154,710	\$1,189,351	\$1,225,031
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Loan Analysis

Loan (Community Development Finance Investment Lender)

Loan to Project Cost/Value	50%
Project Cost/Value	\$3,109,784
Loan Amount	\$1,554,892
Rate	6%
Term	20
Annual Payment	\$135,826

Estimated Internal Rate of Return Analysis

Year	Investment	Tax Benefit	Cash Return	Annual Total
1	-2,210,075	56,475	209,976	(\$1,943,625)
2		56,475	258,544	\$315,019
3		56,475	272,596	\$329,070
4		56,475	287,131	\$343,605
5		56,475	302,165	\$358,639
6		56,475	266,082	\$322,557
7		56,475	266,082	\$322,557
8		56,475	266,082	\$322,557
9		56,475	266,082	\$322,557
10	REFI Loan	56,475	2,476,157	\$6,590,195 (investmt + return + equity value)

IRR on 10 Yr. 25%