

Pro-Forma Operating Budget

Project:

Boston Community Cooperatives, Inc.
Example Property
28 Moreland St, Somerville MA, 02145

# Beds	16
Charge Increase	2%
Expense Increase	3%
Vacancy Factor	5%

Income	Year 1	Year 2	Year 3	Year 4	Year 5
Member charges*	118,560.00	120,931.20	123,349.82	125,816.82	128,333.16
Gross Potential Income	118,560.00	120,931.20	123,349.82	125,816.82	128,333.16
Vacancy factor	5,928.00	6,046.56	6,167.49	6,290.84	6,416.66
Total Effective Income	112,632.00	114,884.64	117,182.33	119,525.98	121,916.50

Expenses

Operating Expenses

Repairs/Operating Costs	11,716.80	12,068.30	12,430.35	12,803.26	13,187.36
Property Taxes	9,466.20	9,750.19	10,042.69	10,343.97	10,654.29
Insurance	1,600.00	1,648.00	1,697.44	1,748.36	1,800.81
Utilities	10,560.00	10,876.80	11,203.10	11,539.20	11,885.37
Co-op Education	300.00	309.00	318.27	327.82	337.65
Development Fund	800.00	824.00	848.72	874.18	900.41

Total Operating Expenses	34,443.00	35,476.29	36,540.58	37,636.80	38,765.90
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Net Operating Income	78,189.00	79,408.35	80,641.75	81,889.18	83,150.60
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Debt Service	71,880.10	71,880.10	71,880.10	71,880.10	71,880.10
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Total Expenses	106,323.10	107,356.39	108,420.68	109,516.90	110,646.00
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Net Income (Loss)	6,308.90	7,528.25	8,761.65	10,009.08	11,270.50
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Debt Service Coverage Ratio	1.09	1.10	1.12	1.14	1.16
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* Charges do not include food.

Inputs and Assumptions

What we hope to prove with this Pro-Forma statement is that (given adequate financing) it will be possible to operate at our current operating costs. Currently we pay \$617.50/member/month, including our below market rent. Hence the number we have targeted for the "Monthly Charges" section of this report.

It should also be noted that we are not expecting to have to renovate (see "Development Budget").

In addition, we have made the following assumptions in order to estimate figures.

Interest Rate (Primary)	9.00%
Interest Rate (CFNE)	8.00%
Interest Rate (Members & Supporters)	8.00%
Amortization (Primary)	20
Amortization (CFNE)	10
Amortization (Members & Supporters)	10
Loan % (Primary)	75%
Loan % (CFNE)	21.67%
Loan % (Members & Supporters)	5%
Initial Equity per Person	617.5
Depreciation (\$/month/\$10,000)	\$-27.80

We calculate yearly repair costs as Depreciation - Replacement Reserve, corrected for vacancy.

Taxes	1.58%
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Somerville residential real estate tax in 2001 was 1.289%. We have added to this guesses for other local taxes.

Cost of Property	600,000.00
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This is a typical price for a 3-family home in Somerville.

Number of People	16
Charge Increase	2%
Expense Increase	3%
Replacement Reserves	2%
Operating Reserves	3%
Vacancy Factor	5%
Utility/Person	660