

Application for Neighborhood and Community Development Funds

Applications should be submitted electronically to cdbg@cityofmadison.com by 12:00 p.m. on the first Friday of the month and will be reviewed by the CDBG Committee on the first Thursday of the following month.

Program Title:	<u>Growing Through Literacy</u>	Amount Requested:	<u>\$150,000</u>
Agency:	<u>Literacy Network</u>	Tax ID/EIN/FEIN:	<u>51-0180488</u>
Address:	<u>1118 S Park St</u>	DUNS #	<u>026848110</u>
Contact Person:	<u>Jeff Burkhart</u>	Telephone:	<u>608-244-3911</u>
Email:	<u>jeff@litnetwork.org</u>	Fax:	<u>608-244-3899</u>

1. **Program Abstract:** Provide an overview of the project. Identify the community need to be addressed. Summarize the program's major purpose in terms of need to be addressed, the goals, procedures to be utilized, and the expected outcomes. Limit response to 150 words.

Community need: One in seven (approximately 55,000) adults in Dane County needs literacy support. Literacy and poverty levels are closely linked. 27% of residents in South Madison live in poverty. Additionally, \$465 million is lost each year to the health care system due to low literacy. Literacy Network will purchase and renovate the former Wingra Clinic in South Madison. This will allow the organization to serve twice as many people each year, and will double the capacity to recruit, train and support volunteers. As a result, more adults will find better employment, complete degrees and increase their competency in accessing health care.

2. **Target Population:** Identify the projected target population for this program in terms of age, residency, race, income eligibility criteria, and other unique characteristics or sub-groups.

Literacy Network directly serves adult learners (ranging in age from 18 to 86) of all ethnic backgrounds in Dane County who need reading, writing and language support. We are the contracted agency to provide English language training to all refugees resettled in Madison. Recent arrivals have come from Bhutan, Afghanistan, Iraq and Columbia. The organization helps individuals with low literacy and computer skills achieve career goals, read to their children, interact with schools, and understand health information.

2000 # unduplicated individuals estimated to be served by this project.

1500 # unduplicated households estimated to be served by this project.

3. Program Objectives: The 5-Year Plan lists 9 project objectives (A through N). Circle the one most applicable to your proposal and describe how this project addresses that objective.

- | | |
|--|---|
| <input type="checkbox"/> A. Housing – Existing Owner-Occupied | <input type="checkbox"/> G. Neighborhood Civic Places |
| <input type="checkbox"/> B. Housing – For Buyers | <input checked="" type="checkbox"/> K. Community-based Facilities |
| <input type="checkbox"/> C. Housing – Rental Housing | <input type="checkbox"/> L. Neighborhood Revitalization |
| <input type="checkbox"/> E. Economic Dev. – Business Creating Jobs | <input type="checkbox"/> N. Access to Housing Resources |
| <input type="checkbox"/> F. Economic Dev. – Micro-enterprise | |

4. Fund Objectives: Check the fund program objective which this project meets. (Check all for which you seek funding.)

- | | | | |
|-----------------------|--|----------|---|
| Acquisition/
Rehab | <input type="checkbox"/> New Construction, Acquisition, | Futures | <input type="checkbox"/> Prototype |
| | <input checked="" type="checkbox"/> Expansion of Existing Building | | <input type="checkbox"/> Feasibility Study |
| | <input type="checkbox"/> Accessibility | | <input type="checkbox"/> Revitalization Opportunity |
| | <input type="checkbox"/> Maintenance/Rehab | | <input type="checkbox"/> New Method or Approach |
| | <input type="checkbox"/> Other | | |
| Housing | <input type="checkbox"/> Rental Housing | Homeless | <input type="checkbox"/> Housing |
| | <input type="checkbox"/> Housing For Buyers | | <input type="checkbox"/> Services |

5. **Budget:** Summarize your project budget by estimated costs, revenue, and fund source.

EXPENDITURES	TOTAL PROJECT COSTS	AMOUNT OF CD REVENUES	AMOUNT OF NON-CD REVENUES	SOURCE OF NON-CD FUNDED PORTION
A. Personnel Costs				
1. Salaries/Wages (attach detail)	\$188,880		\$188,880	Private Donors
2. Fringe Benefits	\$79,585		\$79,585	Private Donors
3. Payroll Taxes	\$11,552		\$11,552	Private Donors
B. Non-Personnel Costs				
1. Office Supplies/Postage	\$59,965		\$59,965	Private Donors
2. Telephone	\$43,799		\$43,799	Private Donors
3. Rent/Utilities	\$62,287		\$62,287	Private Donors
4. Professional Fees & Contract Services	\$50,940		\$50,940	Private Donors
5. Work Supplies and Tools				
6. Other:				
C. Capital Budget Expenditures (Detail in attachment C)				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs:	\$2505992	\$150000	\$2352992	Private Donors
D. TOTAL (A+B+C)	\$3000000	\$150000	\$2850000	

6. **Action Plan/Timetable**

Describe the major actors and activities, sequence, and service location, days and hours which will be used to achieve the outcomes listed in # 1.

Estimated Month of Completion
(If applicable) _____

Use the following format:
(Who) will do (what) to (whom and how many)
(when) (where) (how often). A flowchart may be helpful.

7. What was the response of the alderperson of the district to the project?

"It's a perfect fit," said Alder John Strasser.

8. Does agency seek funds for property acquisition and/or rehab? [If applicable, describe the amount of funds committed or proposed to be used to meet the 25% match requirements (HOME or ESG) with its qualifications.]

No Complete Attachment A

Yes Complete Attachment B and C and one of the following:

D Facilities

E Housing for Buyers

F Rental Housing and Proforma

9. Do you qualify as a Community Housing Development Organization (CHDO)? (See attachment G for qualifications.)

No

Yes - Complete Attachment G

10. Do you seek Scattered Site Acquisition Funds for acquisition of service-enriched housing?

No

Yes - Complete Attachment B, C, F, and H

11. Do you seek ESG funds for services to homeless persons?

No

Yes - Complete Attachment I

12. This proposal is hereby submitted with the approval of the Board of Directors/Department Head and with the knowledge of the agency executive director, and includes the following:

Future Fund (Attachment A)

Housing for Resale (Attachment E)

Property Description (Attachment B)

Rental Housing and Proforma (Attachment F)

Capital Budget (Attachment C)

CHDO (Attachment G)

Community Service Facility (Attachment D)

Scattered Site Funds Addendum (Attachment H)

ESG Funding Addendum (Attachment I)

13. Affirmative Action: If funded, applicant hereby agrees to comply with City of Madison Ordinance 39.02(9) and file either an exemption or an affirmative action plan with the Department of Civil Rights. A Model Affirmative Action Plan and instructions are available at: <http://www.cityofmadison.com/dcr/aaForms.cfm>.

14. Non-Discrimination Based on Disability: Applicant shall comply with Section 39.05, Madison General Ordinances, Nondiscrimination Based on Disability in City-Assisted Programs and Activities. Under section 39.05(7) of the Madison General Ordinances, no City financial assistance shall be granted unless an Assurance of Compliance with Sec. 39.05 is provided by the applicant or recipient, prior to the granting of the City financial assistance. Applicant hereby makes the following assurances: Applicant assures and certifies that it will comply with section 39.05 of the Madison General Ordinances, entitled "Nondiscrimination Based on Disability in City Facilities and City-Assisted Programs and Activities," and agrees to ensure that any subcontractor who performs any part of this agreement complies with sec. 39.05, where applicable, including all actions prohibited under section 39.05(4),. MGO." <http://www.cityofmadison.com/dcr/aaForms.cfm>

15. Notice regarding lobbying ordinance: If you are seeking approval of a development that has over 40,000 gross square feet of non-residential space, or a residential development of over 10 dwelling units, or if you are seeking assistance from the City with a value of over \$10,000 (this includes grants, loans, TIF or similar assistance),

then you likely are subject to Madison's lobbying ordinance, sec. 2.40, MGO. You are required to register and report your lobbying. Please consult the City Clerk for more information. Failure to comply with the lobbying ordinance may result in fines of \$1,000 to \$5,000.

Signature: _____ Date:
President-Board of Directors/Department Head

Signature: _____ Date:
Executive Director

For additional information or assistance in completing this application, please contact the Community Development Division at 266-6520.

FUTURE FUND PROPOSAL ONLY

- A. Describe the project features which make this a prototype project, feasibility study, addresses a short-lived revitalization opportunity or develops a new method or approach, which triggered the need for Future Funds.

COMPLETE IF PROJECT INVOLVES PURCHASE, REHAB, OR CONSTRUCTION OF ANY REAL PROPERTY:

INFORMATION CONCERNING PROPOSALS INVOLVING REAL PROPERTY

ADDRESS	ACTIVITY (Circle Each Applicable Phase)	NUMBER OF UNITS		Number of Units Currently Occupied	Number of Tenants To Be Displaced?	APPRAISED VALUE:		PURCHASE PRICE (If Applicable)	ACCESSIBLE TO INDIVIDUALS WITH PHYSICAL HANDICAPS?		PRIOR USE OF CD FUNDS IN BUILDING?
		Prior to Purchase	After Project			Current	After Rehab/Construction		Currently?	Post-project?	
701 Dane Street	Purchase Rehab Construct	1	2	0	0	818000	900000	300000	Yes	Yes	No
	Purchase Rehab Construct										
	Purchase Rehab Construct										

CAPITAL BUDGET

TOTAL PROJECT/CAPITAL BUDGET (include all fund sources)

Amount and Source of Funding: ***	TOTAL	Amount	Source/Terms**	Amount	Source/Terms**	Amount	Source/Terms**
Acquisition Costs:							
Acquisition	300000	150000	Donors	150000	CDBG		
Title Insurance and Recording	565	565	Donors				
Appraisal	3000	3000	Donors				
*Predvlpmnt/feasibilty/market study	3000	3000	Donors				
Survey	0						
*Marketing/Affirmative Marketing	18000	18000	Donors				
Relocation	5000	5000	Donors				
Other: _____							
Construction:							
Construction Costs	431573	431573	Donors				
Soils/site preparation	0						
Construction management	25031	25031	Donors				
Landscaping, play lots, sign	14000	14000	Donors				
Const interest	0						
Permits; print plans/specs	600	600	Donors				
Other: _____							
Fees:							
Architect	42052	42052	Donors				
Engineering	0						
*Accounting	2400	2400	Donors				
*Legal	5460	5460	Donors				
*Development Fee	0						
*Leasing Fee	0						
Other: _____							
Project Contingency:	132600	132600	Donors				
Furnishings:	40000	40000	Donors				
Reserves Funded from Capital:							
Operating Reserve	459888	459888	Donors				
Replacement Reserve	94000	94000	Donors				
Maintenance Reserve	49016	49016	Donors				
Vacancy Reserve	0						
Lease Up Reserve	0						
Other							
(specify): _____	268621	268621	Donors				
Other							
(specify): _____	101732	101732	Donors				
TOTAL COSTS:							
	300000	300000					
	0	0	Donors				

* If CDBG funds are used for items with an *, the total cost of these items may not exceed 15% of the CDBG amount.

** Note: Each amount for each source must be listed separately, i.e. Acquisition: \$30,000 HOME, \$125,000 CRF.

FACILITIES

A. Recap: Funds would be applied to:

acquisition only; rehab; new construction; acquisition and rehab or construction

B. State your rationale in acquiring or improving this space. (i.e., lower costs, collaborative effort, accessibility, etc.)

The purchase of the building and completion of our capital campaign will enable Literacy Network to double its community impact, and grow its collaboration with other community agencies. See details about the impact of the campaign in attached case statement.

C. What are the current mortgages or payments on property (including outstanding CDBG loans)?

<u>Amount</u>	<u>Name</u>
---------------	-------------

D. If rented space:

1. Who is current owner?
2. What is length of proposed or current lease?
3. What is proposed rental rate (\$/sq. ft. and terms) and how does this compare to other renters in building or in area?

E. If this is new space, what is the impact of owning or leasing this space compared to your current level of space costs?

After successfully completing the capital campaign, Literacy Network will have occupancy costs covered for a ten year period. The organization will have nearly three times the space available, and will serve twice as many people by 2017.

F. Include:

1. A minimum of two estimates upon which the capital costs are based.
(Be sure to base your labor costs on enforcement of Fair Labor Standards and the payment of Federal Prevailing Wage Rate.)
2. A copy of the plans and specifications for the work, or a description of the design specifications you have in mind.
3. If you own the building: A copy of your long range building improvement plan and building maintenance plan.
(Include a narrative describing what the building needs and how you expect to maintain it over time.)
On Dec 23, 2014, Findorff oversaw a comprehensive building inspection and has identified costs for renovation of the building of \$570,000.

Literacy Network will upgrade heating and cooling systems, replace the roof, and do a custom build-out (see attached floor plans. As a result, we do not anticipate any major building maintenance expenses after the completion of the project. However, we have budgeted \$136,000 for unanticipated expenses. We will engage a property management company to oversee maintenance. Fees for the property management will be paid by revenue from leasing 2300 square feet of the property.

HOUSING FOR BUYERS

A. Recap briefly the key or unique features of this project:

1. Activities to bring it to housing and code standards:

2. Ways to assure the long-term affordability of the unit? (i.e. Repayment or land use/lease restriction or other special funding features to make it affordable):

B. Provide the following information for owner-occupied properties (list each house or unit):

Table B: OWNER									
Unit #	# of Bedroom	Purchase Price	Amt of CD \$	Use of CD Funds*	Projected Monthly PITI	Household Income Category**	Affordability Period # of Years	Sale Price	Appraised Value

* Refer to 24 CFR 92.206 or 570.202 for such costs as construction, acquisition, architectural engineering services, affirmative marketing, and relocation.

** Less than or equal to 30% of median income, less than or equal to 50% of median, less than or equal to 60% of median, or less than or equal to 80% of median.

C. Describe proposed improvements to increase the level of accessibility:

RESIDENTIAL RENTAL PROPERTY

A. Provide the following information for rental properties:

Table A: RENTAL						
		Site 1		Site 2		Site 3
Unit #	# of Bedrooms	Amount of CD \$	Use of CD Funds*	Monthly Unit Rent	Includes Utilities?	Household Income Category

B. Indicate how the project will demonstrate that the housing units will meet housing and code standards.

C. Describe briefly your tenant selection criteria and process.

D. Does the project include plans to provide support services to assisted residents or to link assisted residents to appropriate services? If yes, describe.

TOTAL PROJECT PROFORMA (total units in the project)															
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenue															
Gross Income	5088 2	5208 0	5312 0	5418 8	5528 4	5640 9	5756 4	5850 0	5900 0						
Less Vacancy															
Net Income	5088 2	5208 0	5312 0	5418 8	5528 4	5640 9	5756 4	5850 0	5900 0	0	0	0	0	0	0
Expenses															
Audit	4000	4100	4200	4300	4500	4600	4700	4800	4900	5000	5200	5400	5600	5800	6000
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	4000	4100	4300	4500	4600	4800	5000	5200	5400	5600	5800	6000	6200	6400	6600
Maintenance	2000	2100	2200	2300	2400	2500	2600	2800	3000	3200	5000	6000	4000	4000	4000
Utilities	1838 0	1856 4	1875 0	1893 7	1912 7	1931 8	1951 1	1970 6	1990 3	2010 3	2100 0	2150 0	2200 0	2250 0	2300 0
Property Management	1500 0	1505 0	1510 0	1515 0	1520 0	1525 0	1530 0	1535 0	1540 0	1545 4	1550 0	1555 0	1560 0	1565 0	1657 00
Operating Reserve Pmt															
Replacement Reserve Pmt															
Support Services															
Affirmative Marketing															
Other _____															
Total Expenses	4338 0	4391 4	4455 0	4518 7	4366 7	4646 8	4711 1	4785 6	4860 3						
NET OPERATING INCOME															
Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
First Mortgage	0	0	0	0	0	0	0	0	0	0	0	0			
Other															
Other															
Total Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Annual Cash Expenses															
Debt Service Reserve															
Cash Flow	7502	8166	8570	9001	1161 7	9941	1045 3	1064 4	1039 7						
Assumptions:															
Vacancy Rate															

Annual Increase															
Carrying Charges															
Expenses															

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) ONLY

A. Please describe how the organization meets the following key criteria:

- Possesses not-for-profit, tax exempt 501(c) status
- Has a board with fewer than 1/3 of its members as public officials;
- Includes provision of affordable housing within its statement of purpose;
- Includes lower income or lower income representatives for a minimum of 1/3 of its board and includes a means for lower-income participation;
- Demonstrates its capacity and experience in service the community.

APPLICATION FOR SCATTERED SITE ACQUISITION FUNDS

Address: _____ Amount Requested: _____

1. Which State of Wisconsin statute are you organized under? Chapter 181
 Chapter 185

2. Proposed Acquisition Site:
 - A. Address:
 - B. Current appraised value:
 - C. Accepted purchase price (if offer has been made):
 - D. Number of bedrooms, living units, or shared living units: _
 - E. Number of square feet on the property:

3. Program Abstract: Provide an overview of the service program. Identify the community need to be addressed. Summarize the program's major purpose in terms of problems to be addressed, the goals and procedures to be utilized, and the expected outcomes. Limit response to 150 words.

4. Describe how your target population meets the CDA definition of special needs.

EMERGENCY SHELTER GRANT FUNDING

- A. Describe how you coordinate tasks and responsibilities or target groups with other agencies. (i.e., agencies from whom you commonly receive referrals or to whom you make referrals, and the sequence of contact.) Describe, if appropriate, how a partnership will be formed among local organizations and individual involved with the implementation of the program.
- B. If funds are requested for supportive services or prevention activities, describe how the service qualifies as a new service or how it will be a quantifiable increase in services.

August 14, 2013

SSM Health Care of WI and Dean Clinic
Attn: Mr. Jonathan Lewis
Vice President of Operations
700 S. Park Street
Madison WI 53715

APPRAISAL REPORT CERTIFICATE

I, Konrad C. Opitz of Madison, Wisconsin hereby certify upon the request of Mr. Jonathan Lewis of SSM Health Care of WI and Dean Clinic that the valuation of the property known as 2109 South Park Street, (a.k.a. 701 Dane Street), Madison, Wisconsin, as of August 2, 2013 was as follows:

EIGHT HUNDRED EIGHTEEN THOUSAND (\$818,000) DOLLARS

I do hereby certify that I have personally inspected the property appraised; that I have no present or contemplated future interest therein; that the fee received for this report is in no manner contingent upon the value reported; and that no important facts affecting the value of this property were knowingly overlooked or withheld.

I further certify that to the best of my knowledge and belief the statements and opinions contained herein are correct as set forth.

Respectfully submitted,

OPITZ REALTY, INC.

Konrad C. Opitz
Wisconsin Certified General Appraiser #603
kc@opitzrealty.com
608/257-0111 ext. 107
608/273-8504 (fax #)
2013-12

KCO:cyb

PURPOSE OF APPRAISAL

MARKET VALUE: Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by federal financial institutions in the United States of America is:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (1)

SALIENT FACTS AND CONCLUSIONS

PROPERTY APPRAISED: 2109 South Park Street, (a.k.a. 701 Dane Street),
Madison Wisconsin.

APPRAISAL REQUESTED BY: Mr. Jonathan Lewis, Vice President of Operations,
SSM Health Care of WI and Dean Clinic.

INTEREST APPRAISED: Fee simple.

PURPOSE OF APPRAISAL: To estimate the Fair Market Value.

USE OF REPORT: For internal company purposes.

SITE SIZE: 33,520 square feet.

BUILDING SIZE: The subject property has approximately 7,744 square feet of
finished space on the first floor and 4,140 square feet of finished
space on the second floor. Additionally, there is an unfinished
area in a partial basement of 2,313 square feet and a second floor
mechanical room (also unfinished) of approximately 580 square
feet.
Total Finished Area is 11,884 square feet.
Total Building Area is 14,777 square feet.

ZONING: CC-T – Commercial Corridor Transitional District.

HIGHEST AND BEST USE: Medical and general office space.

VALUE ESTIMATES:

Cost Approach:	\$1,015,000
Direct Sales Approach:	\$ 891,000
Income Approach:	\$ 702,000

FAIR MARKET VALUE: \$ 818,000

VALUATION DATE: August 2, 2013

SCOPE OF WORK: This appraiser personally inspected the subject property. The
City of Madison Assessor's file was reviewed for information
regarding the subject property and in researching both land sales
and comparable sales within the marketplace. Rental
information was obtained through discussions with commercial
property owners, real estate commercial brokers and leasing
agents and information obtained through PropertyDrive, CIREX
and Xceligent. Cost numbers were obtained from Marshall and
Swift Valuation Service.

LEGAL DESCRIPTION

Brams Second Addition, Block 11, All of Lot 1, exc NE Cor for Str, All of Lots 2, 3 and 4, All of Lots 15, 16 and 17 exc the W 40 Ft + Lot 18, exc W 40 Ft + exc NW Cor for Str ROW, City of Madison, County of Dane, Wisconsin.

REAL ESTATE ASSESSMENT

The subject property is assessed by the City of Madison.

Tax Parcel Number:	0709-351-0801-3
2013 Assessed Value:	
Land	\$0
Improvements	<u>0</u>
Total	\$0
2012 Real Estate Taxes:	\$0
Special Assessments:	None.

(Property not assessed – owned by non-for-profit entity.)

ZONING

The property is zoned CC-T Commercial Corridor Transitional District by the City of Madison. The use of the property is allowed within the zoning code.

UTILITIES

All municipal utilities are accessible to the subject property.

PHYSICAL INSPECTION

The subject property was constructed in 1992.

The partial basement consists of approximately 2,313 square feet and consists of concrete poured floor and walls. Access to the basement is obtained by both stairwells and the elevator. Ceiling height of the basement is limited due to some of the plumbing pipe runs and therefore would have limitations in finishing the space.

Physical Inspection - Continued

The first floor consists of medical clinic space. The flooring is a mixture of linoleum and carpeting. The ceiling is an acoustical tile drop ceiling with fluorescent lighting. There are three (3) bathrooms, an X-ray room, fourteen (14) operatories with sinks, three (3) consult rooms, a larger staff room, resident's office, two (2) business offices, a manager's office, reception and waiting room, large administration area, file room and a lab.

A dumbwaiter system runs between the first floor and second floor. The one (1) elevator runs from the basement to the second floor. The building has both a fire alarm system and a security system. The building is not sprinklered. Electrical power coming into the building is adequate with 800 Amp – 240 VAC service.

The second floor is primarily carpeted with acoustical ceiling tiles and fluorescent lighting. Similar to the first floor in that interior wall portioning is painted drywall. The upstairs is divided into two (2) conference rooms, one (1) large meeting area/classroom, large medical records area, one (1) office area, janitor's closet, storage area, employee lounge/lunch-room (with stove, refrigerator and sink), and one (1) bathroom with a separate shower room. An unfinished mechanical room also is on the second floor and houses the nine (9) forced air furnaces. The building has forced air heating and air conditioning.

The exterior of the building is a painted wood siding. The painted surface in numerous locations is quite worn and has failed. The roofs over both the two-story portion and one-story portion of the building are a sloped roof with asphalt shingles.

Approximately forty-five (45) parking stalls are in the parking lot of the subject property along with one (1) drainage basis. The parking lot is in poor condition and is at the end of its useful life. Three (3) single-headed lights provide lighting to the parking lot. A small wood enclosed dumpster corral sits behind the building on the southeast portion of the site.

Landscaping is attractive and adequate for the site.

A monument sign is located north of the building on Park Street.

ENVIRONMENTAL

No signs of environmental problems were evident to this appraiser. Along Park Street are a number of garages and gasoline stations, which could be a potential source of contamination.

SALES HISTORY

No complete sale of the property has taken place in the last ten (10) years.

COMPETENCY STATEMENT

Konrad C. Opitz is a certified general appraiser with over thirty (30) years of commercial appraisal experience in the metro-Madison marketplace. In addition to appraising, Mr. Opitz has performed as a commercial broker (leasing and sales) as well as commercial property management dealing with retail, office, industrial and mixed use properties.

AREA MARKET DATA

The subject property is located in the City of Madison. Madison is the State Capitol of Wisconsin and is the second largest city in the state.

Madison's geographical relationship is as follows:

- Madison to Milwaukee (76 miles).
- Madison to Chicago (142 miles).
- Madison to Minneapolis (256 miles).

The size of Madison is 89 square miles and the size of Dane County is 1,229 square miles. The general topography of Madison is rolling hills with three (3) lakes in near proximity to downtown Madison.

The City of Madison as of April 1, 2000 had a population of 208,054 and an estimated population in January 2010 of 228,200 showing a 9.7% population growth. Dane County had a projected growth rate during the same period of 11.3% (426,526 for the 2000 census and 474,839 projected in 2010).

The City of Madison and Dane County are both very diverse and stable in their economies. According to In-Business Magazine (April 2011) the following are Dane County's top ten (10) employers.

Area Market Data – Continued

Dane County's Top Ten Private Employers

<u>Company</u>	<u>Full-time Employees</u>	<u>Description</u>
1. U.W. Hospital & Clinics	4,336	Health Care Center
2. Epic	4,100	Health Care Software Developer
3. American Family Insurance	3,695	Multi-line Insurance
4. U.W. Medical Foundation	2,757	Fund Raising U.W.
5. Dean Health Systems	2,709	Health Care and Insurance
6. WPS Health Insurance	2,431	Insurance
7. Covance	1,900	Development and Testing Pharmaceuticals
8. Meriter Health Service	1,186	Health Care
9. Cuna Mutual Group	1,700	Financial Services to Credit Union
10. Kraft Foods/Oscar Mayer	1,600	Food and Beverage

Education, medical and insurance are Madison strengths along with continuing growth of high-tech companies. Outside of the metropolitan Madison area agricultural plays a large role in the economic stability of the area as well.

The overall Madison marketplace is very diverse, healthy and strong economically and should continue to enjoy modest growth.

NEIGHBORHOOD

The subject property is located in the south central portion of Madison along South Park Street which is a main traffic artery carrying traffic from the Beltline Highway (U.S. Highway 12 & 18) to the downtown Capitol area of Madison along with the University of Wisconsin Campus. The neighborhood is bounded by Park Street to the east, Fish Hatchery Road to the west and north and the West Beltline Highway to the south. The neighborhood saw much of its development take place in the 1940's through the 1960's. The uses along South Park Street are mixed but predominately commercial with retail, services and office. Some multi-family and single-family residential can be found on South Park Street as well. The high traffic count on South Park Street keeps the neighborhood in demand and redevelopments of existing commercial sites is taking place and will continue along South Park Street.

SITE INFORMATION

The subject site is rectangular in shape and has 33,520 square feet (0.7695 acres).

The property has street frontage on Dane Street to the north of 158 feet; on Park Street to the west with approximately 212 feet; on easterly Taft Street with approximately 212 feet; and then abuts a Walgreen's Drug Store to the north.

The topography of the site slopes gently towards the north and east. Overall it is a very functional commercial land parcel.

Access points onto the site currently exists on both Dane Street and Taft Street. No access points come directly from Park Street.

HIGHEST AND BEST USE

The highest and best use of any property is that use which is physically possible, legal and financially feasible. This use will result in the highest present value of the property. In determining the highest and best use, both land as vacant and land as currently improved must be analyzed.

When the property is viewed as vacant land, size, shape, zoning and locational characteristics determine the highest and best use. The size, zoning and shape of the parcel encourage commercial use. The accessibility and visibility encourages commercial retail, office or service usage.

The building at the subject property is in good condition.

The highest and best use of the subject property is as a medical and general office space building.

EXPOSURE TIME AND MARKETING TIME PERIOD

The length of time the subject property would have been offered on the market prior to the hypothetical completion of a sale at fair market value on the effective date of the appraisal is the estimated exposure time. Exposure time is estimated at sixteen (16) months.

The estimated time period that the subject property would be exposed on the marketplace to be purchased at the fair market value after the date of the appraisal is estimated at eleven (11) months.

THE VALUATION PROCESS

In estimating the market value for a given property, the appraisal procedure requires the assemblage of information from the marketplace as is available and to use the information in three different methods of value estimation: The Cost Approach, The Direct Sales Approach and The Income Approach.

All of the methods utilize different market data; consequently, each results in an independently calculated estimate of value. All three conclusions are reconciled into a single value estimate. The quantity and quality of available market data as well as the inherent strengths and weaknesses of each approach determine the credibility or weight placed on the estimated value of each approach.

THE COST APPROACH

The Cost Approach to value estimation is used as if the purchaser of the property is to consider producing (through new construction) a substitute, competing property with the same attributes and utility as the subject property. This approach requires the calculation of the reproduction cost of the improvements as new less the estimated amount of physical depreciation, functional and locational obsolescence which have reduced the utility of the property. The value of the improvements less the depreciation/obsolescence is then added to the value of the site as if it were vacant.

Valuation of Site: To value the subject site as vacant, comparable sites that have recently sold must be used in determining the value of the subject land parcel. Comparable sites were usable if similar to the subject in the following attributes: size, location and surrounding uses.

<u>Address</u>	<u>Sale Date</u>	<u>Sale Price</u>	<u>Parcel Size/S.F.</u>	<u>Price/S.F.</u>	<u>Zoning</u>
1. 733 S. Gammon Rd.	03/15/12	\$ 435,000	36,714 S.F.	\$11.85/S.F.	C3L
2. 1902 Northport Dr.	06/21/12	495,000	42,732 S.F.	11.58/S.F.	C2
3. 448 S. Park Street	12/21/12	900,000	14,400 S.F.	62.50/S.F.	C3
4. 1101 Sherman Avenue	03/10/11	229,000	20,716 S.F.	11.05/S.F.	C2
5. 4624 Monona Drive	03/31/11	381,360	21,117 S.F.	12.26/S.F.	C2
6. 5602 Odana Road	05/25/11	285,000	28,890 S.F.	9.87/S.F.	C3L
7. 4126 E. Washington	04/07/11	1,900,000	66,540 S.F.	28.55/S.F.	C2
8. 406 Grand Canyon Dr.	07/15/11	1,150,000	53,562 S.F.	21.47/S.F.	C3L
9. 1601 N. Stoughton	06/20/11	162,500	20,980 S.F.	7.75/S.F.	C3L
10. 6610 Seybold Road	11/01/11	515,406	60,636 S.F.	8.50/S.F.	C3L
11. 6510 Watts Road	12/29/11	775,000	153,081 S.F.	5.06/S.F.	C3
Subject			33,520 S.F.		CC-T

The unadjusted range of Comparable Sales was from \$5.06 to \$62.50 per square foot of land area.

Adjustments were made for the Comparables for time of sale, size and location.

<u>Comp.</u>	<u>Time</u>	<u>Parcel Size</u>	<u>Location/Visibility</u>	<u>Total Adjustment</u>	<u>Adjusted Price/S.F.</u>
#1	0%	0%	+ 2%	+ 2%	\$12.06/S.F.
#2	0%	0%	+ 2%	+ 2%	11.81/S.F.
#3	0%	- 2%	0%	- 2%	61.25/S.F.
#4	-7%	- 1%	+ 2%	- 6%	10.38/S.F.
#5	-7%	- 1%	+ 2%	- 6%	11.52/S.F.
#6	-7%	0%	+ 2%	- 5%	9.37/S.F.
#7	-7%	+ 3%	0%	- 4%	27.40/S.F.
#8	-7%	+ 2%	+ 4%	- 1%	21.25/S.F.
#9	-7%	- 1%	0%	- 8%	7.13/S.F.
#10	-7%	+ 3%	+ 2%	- 2%	8.33/S.F.
#11	-7%	+12%	+10%	+15%	5.81/S.F.

The Cost Approach - Continued

The mean of the range of values is \$16.93 with a standard deviation of comparables at 16.01. A value of \$17.00 per square foot is selected for the subject property due to the size and shape. \$17.00 times 33,520 square feet equal \$569,840.

Reproduction Cost New: The cost estimate of the improvements are formulated by: 1) information obtained through consultations with Madison area contractors and information in the appraiser's files; 2) review of City of Madison Assessor's files; and 3) use of Marshall and Swift Valuation Service for the type of building and building components and materials used to determine the cost of the subject improvements.

Subject Building – Model 341 – Average Class “D” Construction

Building Base Cost:	\$117.45
Times: Current Cost Multiplier (x)	1.08
Times: Local Multiplier (x)	<u>1.12</u>
	\$142.06 x 12,464 square feet = \$1,770,635

Unfinished Basement

Base Cost:	\$ 30.46
Times: Current Cost Multiplier (x)	1.08
Times: Local Multiplier (x)	<u>1.12</u>
	\$ 36.84 x 2,313 square feet = 85,210

Site Improvements:

Parking Lot, Sidewalks, Catch Basin, Outdoor Lighting, Curbing,
Sign, Dumpster Enclosure = 60,510

Landscaping:

Trees, Bushes, Grass = 7,600

Total Reproduction Cost New: **\$1,923,955**

Depreciation: Depreciation consists of three separate categories.

Physical Depreciation is based on the age of the structure and its estimated live (period of service).

This component of depreciation is dependent upon the amount of wear and tear on the improvements and is directly proportional to the amount of repair, maintenance and remodeling performed during the life of the improvements. The building was originally built in 1992. The building appears to be

The Cost Approach – Depreciation – Physical Depreciation - Continued

in average condition. Physical depreciation of sixty (60%) percent is taken for the building and basement. Site improvements are depreciated by ninety (90%) percent.

Functional Obsolescence is based on either a portion of the improvement does not work correctly or a system/part of the building is inadequate or is super-adequate. The full benefit of dollars spent on the improvements are not being used to their full potential. The building is designed for a single user. The building would need to be modified to adjust to multiple users. A functional obsolescence of fifteen (15%) percent is observed.

Economic Obsolescence has to do with outside factors away from the property itself. The subject property neighborhood is quite stable and the subject property area is in a mixed use area. No economic obsolescence was observed.

COST APPROACH SUMMARY

Reproduction Cost New of Improvements:		\$1,923,955
Less Depreciation:		
Physical Depreciation	\$1,190,196	
Functional Obsolescence	288,593	
Economic Obsolescence	<u>-0-</u>	
Total Depreciation:		<u>1,478,789</u>
		\$ 445,166
Plus: Land as Vacant		<u>569,840</u>
Total:		\$1,015,006

Value Rounded via Cost Approach:

One Million Fifteen Thousand (\$1,015,000) Dollars

THE DIRECT SALES APPROACH

In the Direct Sales Approach an estimate of Fair Market Value is determined from past transactions within the submarket of the subject properties. This method infers that no one in the marketplace will pay more than what others have paid for the same type of property. All Comparables have been pre-verified by the City of Madison Assessor's Office. The following Comparables were taken from the Madison marketplace for office type buildings.

<u>Address</u>	<u>Sale Date</u>	<u>Sale Price</u>	<u>(FBA) Finished Building Area S.F.</u>	<u>Land Parcel Size Sq.Ft.</u>	<u>Year Built</u>	<u>(FBA) Price Per S.F.</u>
1. 717 John Nolen Dr.	05/15/12	\$ 935,000	7,683 S.F.	43,912 S.F.	1983	\$121.62/S.F.
2. 3822 Mineral Point Rd.	04/13/12	292,500	5,418 S.F.	18,537 S.F.	1958	53.99/S.F.
3. 7878 Big Sky Drive	02/10/12	615,000	18,327 S.F.	36,216 S.F.	1986	33.56/S.F.
4. 801 Deming Way	08/13/12	1,890,000	15,000 S.F.	129,090 S.F.	1989	105.72/S.F.
5. 14 Ellis Potter Court	12/28/12	560,000	10,088 S.F.	46,832 S.F.	1987	55.51/S.F.
Subject			11,884 S.F.	33,520 S.F.	1992	

The unadjusted range of Comparable Sales was \$33.56 to \$121.62 per square foot of finished building. Adjustments were made for time of sale, finished building size, land parcel size, visibility and building age.

Adjustment Grid

<u>Comp.</u>	<u>Time</u>	<u>Building Size</u>	<u>Land Size</u>	<u>Visibility</u>	<u>Building Age</u>	<u>Total Adjustment</u>	<u>Adjusted Price/S.F.</u>
#1	+2%	- 1%	- 1%	-----	+ 3%	+ 3%	\$125.26/S.F.
#2	+2%	- 1%	+1%	+ 5%	+10%	+17%	63.16/S.F.
#3	+2%	+1%	-----	+ 6%	+ 2%	+11%	37.25/S.F.
#4	+2%	+1%	- 4%	+10%	+ 1%	+10%	116.29/S.F.
#5	+2%	-----	- 1%	-10%	+ 2%	+13%	70.88/S.F.

A time adjustment is necessary since values have declined in Madison WI from 2010 to 2012. Building size is adjusted for since buyers typically pay more (a premium) for smaller buildings. Buyers will pay more for a larger land parcel. Premiums are paid for properties that have more visibility (on higher trafficked locations). Older buildings (year of construction) require an upward adjustment to reflect older components in comparison to a newer building.

The Direct Sales Approach – Adjustments - Continued

After making adjustments the Comparables ranged from \$37.25 to \$125.26. The mean of the adjusted sample is \$82.56. The standard deviation of the sample is 37.171. To achieve a confidence interval of 95% the following calculation is done: $x \pm [d \times s/\sqrt{n}]$

x = Mean of Sample

s = Standard Deviation

n = Sample size

d = Deviation units for 95% confidence level for a sample size of 5

$\$82.56 \pm (2.78 \times 37.171/\sqrt{5})$

$\$82.56 \pm 46.21$

Range of value of \$36.35 to \$128.77

$$\$75.00 \times 11,884 \text{ square feet} = \$891,300$$

Value is Rounded via Direct Sales Approach is:

Eight Hundred Ninety One Thousand (\$891,000) Dollars

THE INCOME APPROACH

Concept and Rationale – The Income Approach is an estimate of the amount that an investor (non-using) owner would pay to acquire the income stream from the ownership of the land and improvements of the subject property given the present market standards.

This technique requires that the standards of the marketplace for this type of property and for lenders, investors and tenants be incorporated. Market rents and operating expenses are determined to provide an estimated net income from the subject property. This net income is then capitalized at a calculated capitalization rate which imputes the rates of return and terms for both the lending and equity positions on the property.

Office Rental Market and Rental Income for the Subject Property -Metro-Madison's office market followed national trends through the real estate market collapse and recession of 2009 through 2011. In 2012 positive signs of recovery started to appear but consumer confidence was still lacking. Unemployment was still high and there are financial market problems in Europe that all contribute to keeping the real estate market in check. In early 2013 the economy seems to continue to gain strength primarily due to the increase in the residential real estate sector. Rental rates have remained flat or with only modest increases.

According to the Grubb & Ellis/Oakbrook Fourth Quarter 2011 Office Trends Report that class "B" asking rents averaged \$19.47 per square foot in 2011, which is a modest 2.5% increase, while the class "C" rents decreased in 2011 to \$14.48 per square foot.

In 2010 a total of 230,000 square feet of new office building space was added. This compares negatively to the previous year's averages of 417,000 square feet of newly constructed office space. In 2011 no new office space was constructed. The lack of new construction and declining construction totals from previous years clearly reflects the previous year's lack of new job expansion and no economic growth.

The Income Approach – Rental Market and Rental Income For the Subject Property - Continued

According to the same Grubb & Ellis Report, the south submarket (submarket in which the subject property is located), absorbed 57,000 square feet of office space in 2011.

In conclusion, the office market in the last twelve (12) months have seen only slight improvements in the economy that have kept the lease rates stagnate due to lack of demand.

The subject property would be classified either as class “B” or upper end class “C” office space. A list of comparable office buildings and their asking rents follows:

<u>Tenant</u>	<u>Available S.F.</u>	<u>Asking Lease Rate/S.F.</u>
1. 502 South Park Street	1,200 to 5,033 S.F.	\$20.00/S.F.
2. 448 West Washington Avenue	900 S.F.	13.00/S.F.
3. 1020 Regent Street	1,200 to 6,900 S.F.	15.95 to 16.95/S.F. Gross
4. 701 East Washington Avenue	544 to 4,152 S.F.	15.00 to 18.00/S.F.
5. 660 John Nolen Drive	762 to 15,750 S.F.	13.00 to 15.00/S.F.
6. 1400 East Washington Avenue	350 to 105,959 S.F.	12.50 to 18.95/S.F. Gross
7. 1457 East Washington Avenue	4,540 to 21,764 S.F.	12.50 to 14.95/S.F. Gross
8. 902 – 906 Ann Street	2,000 to 7,668 S.F.	10.00 to 12.00/S.F. Includes Real Estate Taxes & Insurance
9. 2801 West Beltline Highway	3,500 to 11,800 S.F.	9.95/S.F. Triple Net
10. 17 Applegate Court	660 to 8,500 S.F.	8.00 to 12.00/S.F. Gross
11. 2821 Todd Drive	7,800 S.F.	9.95/S.F. Triple Net
12. 5520 Medical Circle	2,500 S.F.	8.00/S.F. Triple Net

This list of comparable office spaces for lease was compiled through research of the CIREX/PropertyDrive publication for August of 2013 and phone calls to commercial listing brokers and property owners in the metro-Madison marketplace.

Another source used by this appraiser is the Market Trends Report for office space produced by Xceligent for the first quarter of 2013. In Xceligent’s research they showed that asking rents for class “B” space ranged from \$27.00 to \$10.00 per square foot annually with the average asking rent of \$15.43. Class “C” space ranged from \$22.00 to \$8.25 per square foot for asking rents with an average of \$13.17.

The Income Approach – Office Rental Market and Rental Income for the Subject Property - Continued

The entire building is currently vacant. Medical space typically brings an above average rental amount. The second floor space is not reflective of medical space but as general office space.

The lease rate estimated for the first floor is \$15.00 per square foot and \$12.00 per square foot for the second floor space.

First Floor \$15.00 per square foot x 7,744 square feet	=	\$116,160
Second Floor \$12.00 per square foot x 4,140 square feet	=	<u>49,680</u>
		\$165,840

Vacancy – The Grubb & Ellis/Oakbrook 2011 Year End Office Trends Report indicated a combined overall vacancy rate of 15.6% for metro-Madison. Current research performed and reported in Market Trends by Xceligent for the Office Market in the first quarter of 2013 indicated an overall office market vacancy factor of 13.3%, but class “B” and “C” buildings were respectively 15% and 16.7%. Vacancy rates in the specific south submarket (in which the property is located) reported 12.4% for class “B” space and 11.8% vacancy for class “C” space.

Because the building is designed as a single tenant building conversion to make it available to multiple tenants will cost additional dollars and will reduce the leasable square footage. Many of the projects under construction on Park Street are medical in nature which further reduces potential tenants for the building. Due to these circumstances the vacancy factor used shall be twenty (20%) percent.

Expenses: The current owner has not provided any expense figures for the subject property so this appraiser must extract expense numbers from the marketplace.

To determine the expenses for the office portion of the building this appraiser turns to the publication put out by The Institute of Real Estate Managers Income/Expense Analysis for Office Buildings - 2010. The closest metropolitan area to Madison is Milwaukee and in the survey for low rise suburban office

The Income Approach – Expenses - Continued

buildings the operating expenses ranged from \$5.08 to \$8.47 per square foot of leasable office space. A figure of \$6.00 per square foot is used for the subject.

The only other additional expense shall be a reserve for replacement of \$1,500 per year.

Expenses

\$6.00 x 11,884 square feet =	\$71,304
Reserve for Replacement =	<u>1,500</u>
Total Expenses	\$72,804

Gross Income:	\$165,840
Less: Vacancy 20% (-)	33,168
Less: Expenses (-)	<u>72,804</u>
Net Income:	\$ 59,868

Capitalization Rate – Investors for real estate properties in the Dane County area have been satisfied to acquire good quality commercial properties at moderate overall capitalization rates. The general range is from five (5%) percent to twelve (12%) percent with the low end representing very strong tenant groups, land leases, multi-family projects and the upper end more special purpose properties or weaker tenants. The Equity Yield Rate, a component of the overall capitalization rate, requires a nine (9%) percent for a multi-tenant office commercial property for investors.

Commercial mortgage financing is assumed available at 5.50% interest rate with a twenty (20) year amortization and a term of three (3) years. The capitalization rate from the market mortgage equity technique is:

Mortgage Requirements	.75 x .083679	= .0627592
Equity Requirements	.25 x .09	= <u>.0225</u>
		.0852592

The Income Approach – Capitalization Rate - Continued

As a check we consulted the Reis Reports for the First Quarter of 2013. The mean cap rate for office properties was 7.3%, which was for grade “A” properties. According to Coldwell Banker Real Estate in their February 2013 Cap Rate survey for suburban office for rent class “B” stabilized property for Chicago and Minneapolis were 8.00% to 9.50% and 8.75% to 9.75% respectively. The .0852592 shall be used.

Value under the Income Approach is capitalizing the net operating income by the overall rate. Value equals Net Operating Income divided by the Overall Rate ($\$59,868$ divided by $.0852592 = \$702,188$).

Value Rounded via The Income Approach:

Seven Hundred Two Thousand (\$702,000) Dollars

RECONCILIATION AND CONCLUSION

The approaches to value have provided a range of values for the subject property. This range represents a possible transaction zone for the property. However, appraisal practice requires that a single-point estimate of value be chosen from within the indicated range of values. This selection is made on the basis of: 1) the strengths and weaknesses of each appraisal method, and 2) the quality and quantity of market data available to the appraiser. The most weight is placed in the value that is derived from the approach which best represents the activities of the participants in the submarket of the subject property and for which adequate data was available.

In summary, the results of the approaches to value are:

COST APPROACH \$1,015,000
DIRECT SALES APPROACH \$891,000
INCOME APPROACH \$702,000

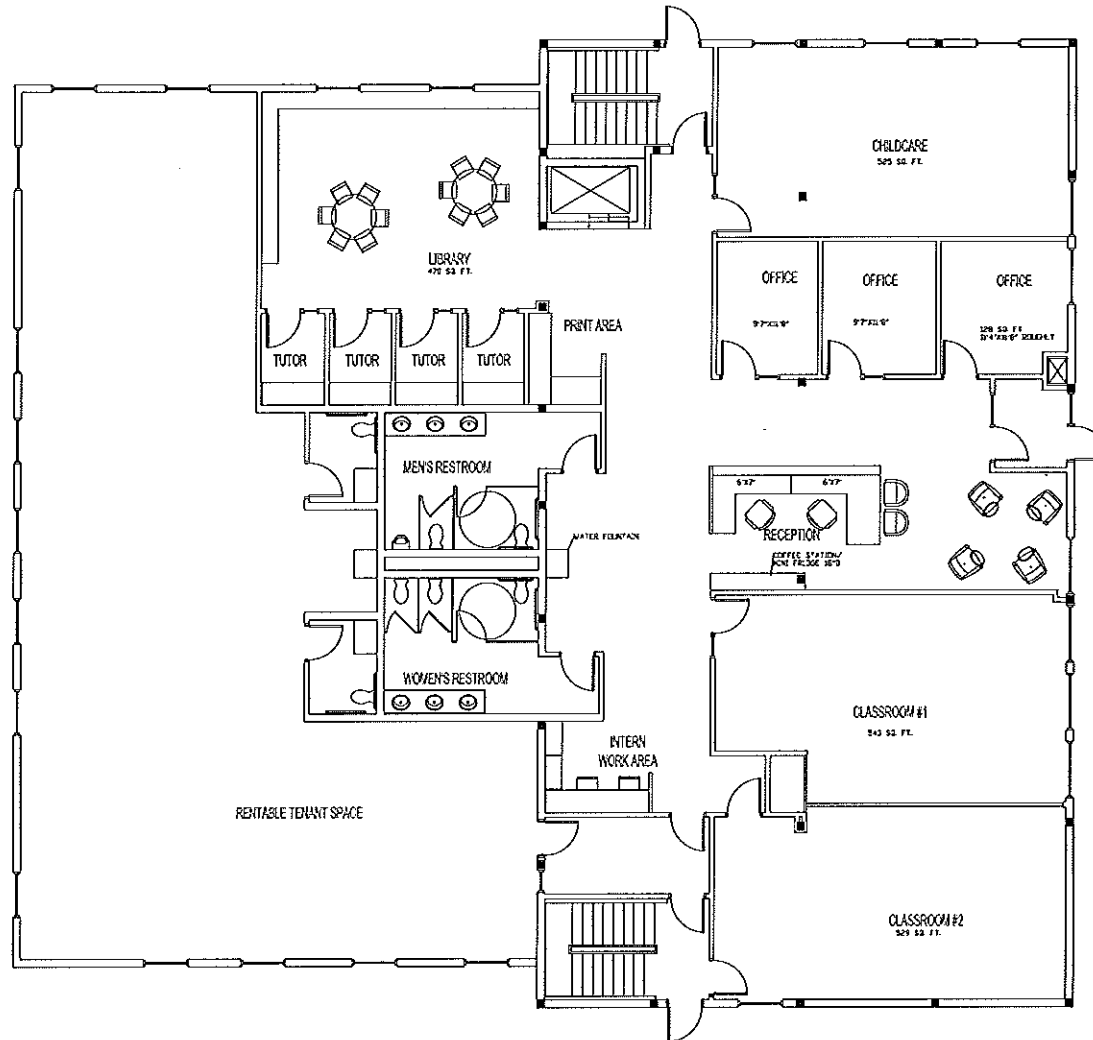
All three (3) approaches are used in the reconciliation. Both the Direct Sales Approach and the Income Approach receive the majority of the weighing since they are used within the market place by buyers.

The subject property is concluded to have an estimated Fair Market Value of:

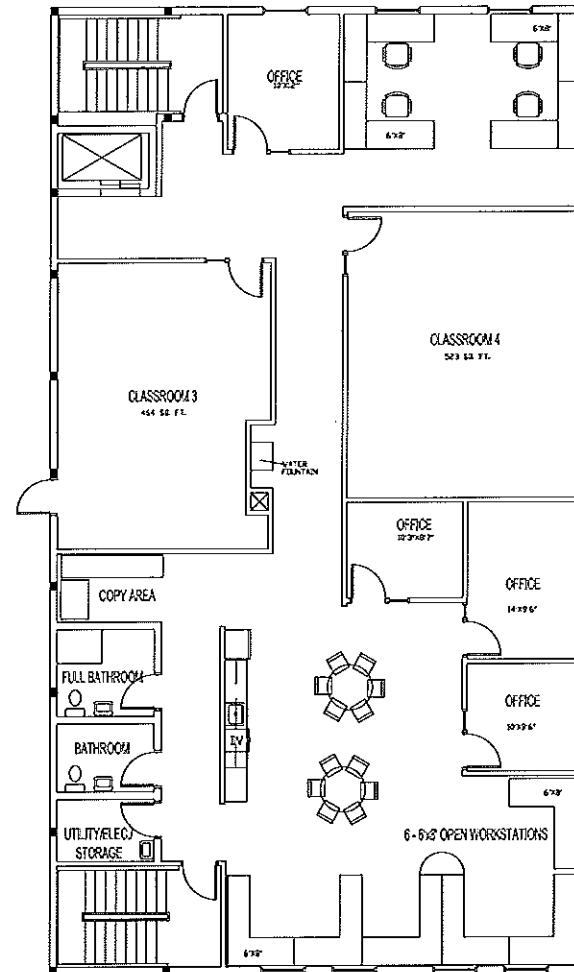
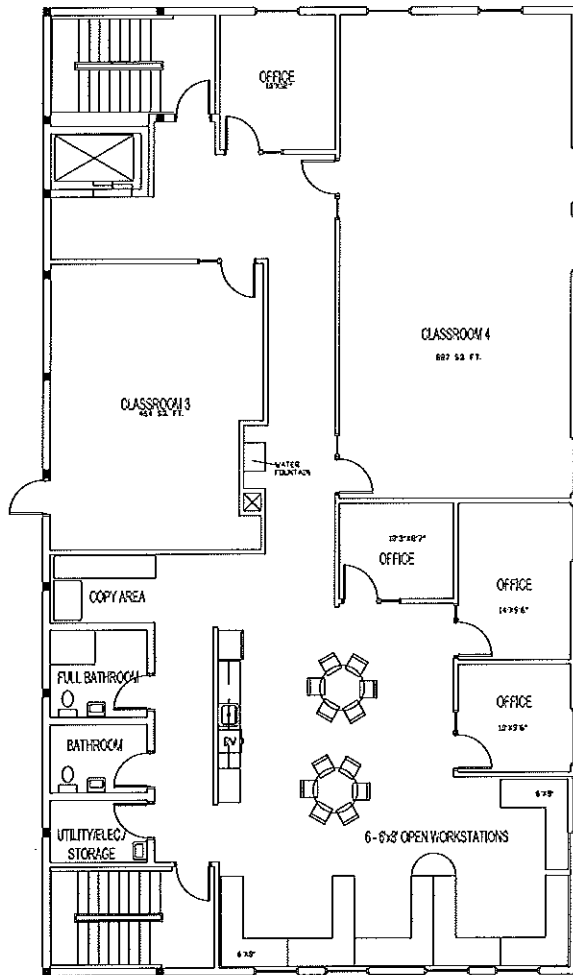
EIGHT HUNDRED EIGHTEEN THOUSAND (\$818,000) DOLLARS

Literacy Network Five year budget projections							
Income	Total FY15 Budget	Total FY16 Budget	Total FY17 Budget	Total FY18 Budget	Total FY19 Budget	Total FY20 Budget	Total FY21 Budget
<i>Please list in-kind services as well as actual income</i>							
Grant Income	\$391,000	\$ 391,000	\$ 391,000	\$ 391,000	\$ 391,000	\$ 391,000	\$ 391,000
Program Materials	\$1,050	\$ 1,082	\$ 1,114	\$ 1,147	\$ 1,181	\$ 1,216	\$ 1,252
Fees For Service	\$79,400	\$ 81,782	\$ 84,235	\$ 86,762	\$ 89,365	\$ 92,046	\$ 94,807
Contributions - Business and Individual	\$120,000	\$ 123,600	\$ 127,308	\$ 131,127	\$ 135,061	\$ 139,113	\$ 143,286
Other Revenue Source (Events and other fundraising)	\$84,000	\$ 86,520	\$ 89,116	\$ 91,789	\$ 94,543	\$ 97,379	\$ 100,300
Capital Campaign	\$1,500,000	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Rent		\$ 47,628	\$ 47,628	\$ 47,628	\$ 47,628	\$ 47,628	\$ 47,628
Total Income	\$2,175,450	\$ 2,231,612	\$ 740,401	\$ 749,453	\$ 758,778	\$ 768,382	\$ 778,273
Expense	Total FY15 Budget	Total FY16 Budget	Total FY17 Budget	Total FY18 Budget	Total FY19 Budget	Total FY20 Budget	Total FY21 Budget
Staffing - Regular Staff (salaried)	\$208,729	\$ 214,991	\$ 221,441	\$ 228,084	\$ 234,927	\$ 241,975	\$ 249,234
Staffing - Regular Staff (hourly)	\$123,056	\$ 126,748	\$ 130,550	\$ 134,467	\$ 138,501	\$ 142,656	\$ 146,936
Staffing - Part- Time Instructors	\$15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911
Staffing - Childcare Provider	\$19,000	\$ 19,570	\$ 20,157	\$ 20,762	\$ 21,385	\$ 22,027	\$ 22,688
Staff - expansion	\$30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473	\$ 33,122	\$ 33,784
Benefits, insurance, taxes	\$68,100	\$ 70,143	\$ 72,247	\$ 74,414	\$ 76,646	\$ 78,945	\$ 81,313
Increased benefit allotment	\$5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,797	\$ 5,971
Interns	\$24,500	\$ 25,235	\$ 25,992	\$ 26,772	\$ 27,575	\$ 28,402	\$ 29,254
Payroll Processing	\$2,424	\$ 2,497	\$ 2,572	\$ 2,649	\$ 2,728	\$ 2,810	\$ 2,894
Position Posting	\$1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,160	\$ 1,195
Professional development	\$6,115	\$ 6,298	\$ 6,487	\$ 6,682	\$ 6,882	\$ 7,088	\$ 7,301
Professional development - expansion	\$12,000	\$ 12,240	\$ 12,485	\$ 12,735	\$ 12,990	\$ 13,250	\$ 13,515
Background checks	\$492	\$ 507	\$ 522	\$ 538	\$ 554	\$ 571	\$ 588
Staffing Costs	\$515,416	\$ 530,459	\$ 545,945	\$ 561,887	\$ 578,298	\$ 595,192	\$ 612,584
(some 2015 staff will be charged to capital campaign)							
Professional Fees (audit)	\$5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,797	\$ 5,971
Professional Fees (financial management)	\$15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911
Rent	\$54,264	\$ 27,946		\$ -	\$ -	\$ -	\$ -
Utilities	\$14,400	\$ 14,832	\$ 15,277	\$ 15,735	\$ 16,207	\$ 16,693	\$ 17,194
Utilities - expansion	\$3,981	\$ 3,733	\$ 3,473	\$ 3,203	\$ 2,920	\$ 2,626	\$ 2,318
Janitorial - expansion	\$4,902	\$ 4,902	\$ 4,902	\$ 4,902	\$ 4,902	\$ 4,902	\$ 4,902
Other space rental (Spanish class)	\$1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688	\$ 1,739	\$ 1,791
Facilities Maintenance	\$2,500	\$ 2,575	\$ 2,652	\$ 2,732	\$ 2,814	\$ 2,898	\$ 2,985
Occupancy Expense	\$81,547	\$ 55,533	\$ 27,895	\$ 28,211	\$ 28,531	\$ 28,858	\$ 29,190
Supplies (Office and Fundraising)	\$13,812	\$ 14,226	\$ 14,653	\$ 15,093	\$ 15,546	\$ 16,012	\$ 16,492
Postage	\$2,835	\$ 2,920	\$ 3,008	\$ 3,098	\$ 3,191	\$ 3,287	\$ 3,386
Printing	\$7,759	\$ 7,992	\$ 8,232	\$ 8,479	\$ 8,733	\$ 8,995	\$ 9,265
Telephone and Internet Service	\$5,490	\$ 5,655	\$ 5,825	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556
Equipment Rental & Maintenance	\$5,490	\$ 5,655	\$ 5,825	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556
Copier - Expansion	\$5,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computers/Software - Expansion	\$38,000	\$ 17,060	\$ 13,121	\$ 13,184	\$ 13,247	\$ 13,312	\$ 13,378
Audiovisual - expansion	\$10,000	\$ 5,000	\$ 5,100	\$ 5,202	\$ 5,306	\$ 5,412	\$ 5,520
Office Expense	\$88,851	\$ 58,508	\$ 55,764	\$ 57,056	\$ 58,383	\$ 59,748	\$ 61,153
Program Materials Classroom	\$3,110	\$ 3,203	\$ 3,299	\$ 3,398	\$ 3,500	\$ 3,605	\$ 3,713
Program Materials Tutors	\$500	\$ 515	\$ 530	\$ 546	\$ 562	\$ 579	\$ 596
Technology for Literacy (2015 includes donor database)	\$8,368	\$ 8,619	\$ 8,878	\$ 9,144	\$ 9,418	\$ 9,701	\$ 9,992
Volunteer and Student Support	\$1,594	\$ 1,642	\$ 1,691	\$ 1,742	\$ 1,794	\$ 1,848	\$ 1,903
Website	\$316	\$ 325	\$ 335	\$ 345	\$ 355	\$ 366	\$ 377
Program Expense	\$13,888	\$ 14,304	\$ 14,733	\$ 15,175	\$ 15,629	\$ 16,099	\$ 16,581
Mileage and Parking	\$2,928	\$ 3,016	\$ 3,106	\$ 3,199	\$ 3,295	\$ 3,394	\$ 3,496
Advertising	\$1,680	\$ 1,730	\$ 1,782	\$ 1,835	\$ 1,890	\$ 1,947	\$ 2,005
Dues and Subscriptions	\$720	\$ 742	\$ 764	\$ 787	\$ 811	\$ 835	\$ 860
Licenses	\$110	\$ 113	\$ 116	\$ 119	\$ 123	\$ 127	\$ 131
Memberships	\$2,400	\$ 2,472	\$ 2,546	\$ 2,622	\$ 2,701	\$ 2,782	\$ 2,865
Liability insurance	\$1,400	\$ 1,442	\$ 1,485	\$ 1,530	\$ 1,576	\$ 1,623	\$ 1,672
Miscellaneous Expense	\$9,238	\$ 9,515	\$ 9,799	\$ 10,092	\$ 10,396	\$ 10,708	\$ 11,029
Total Expenses	\$728,940	\$ 688,919	\$ 675,355	\$ 694,276	\$ 713,748	\$ 733,791	\$ 754,419
Net Ordinary Income	\$1,446,510	\$ 1,542,693	\$ 65,046	\$ 55,177	\$ 45,030	\$ 34,591	\$ 23,854

1ST FLOOR



2ND FLOOR OPTIONS



Draft Capital Campaign Budget - Literacy Network

Client:	Literacy Network
Report Date:	June, 2014
%Growth/Yr:	5%

			2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Dimensions	Name	Title	Number of Full Time Employees / Annually									
12' x 14'	Jeff	ED	1	1	1	1	1	2	2	2	2	2
10' x 10'	Private Offices	Staff	12	13	13	14	15	15	16	17	18	19
6' x 9'	Workstations	Study Bench	5	5	6	6	6	6	7	7	7	8
Description of Shared Facilities Areas												
12' x 14'	Lobby / Reception		1	1	1	1	1	1	1	1	1	1
20' x 20'	Classroom		4	4	4	4	4	4	4	4	4	4
20' x 20'	Library / Childcare		1	1	1	1	1	1	1	1	1	1
20' x 20'	Tech / Training Lab		1	1	1	1	1	1	1	1	1	1
10' x 10'	Storage		2	2	2	2	2	2	2	2	2	2
8' x 8'	IT		1	1	1	1	1	1	1	1	1	1
10' x 10'	Kitchen / Break Room		1	1	1	1	1	1	1	1	1	1

Annual Totals			2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Square Footage:			12,254									
Core Factor & Internal Circulation:			35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
Rentable Square Footage:			2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	
Annual Rent income (\$12/square foot with 3% escalator)					\$ 27,600.00	\$ 28,428.00	\$ 29,280.84	\$ 30,159.27	\$ 31,064.04	\$ 31,995.96	\$ 32,955.84	
Total Headcount			18	19	20	21	22	24	25	26	26	26

Total rental income: (Anticipated growth will require us to occupy all of building by 2023.)
\$ 211,483.96

Annual cost estimates			2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total	
acquisition		Purchase of building		\$ 300,000.00										\$ 300,000.00	Acquisition/remodel
acquisition		Renovations		\$ 570,000.00										\$ 570,000.00	
acquisition		Exterior signage and landscaping		\$ 14,000.00										\$ 14,000.00	
acquisition		Contingency (15%)		\$ 132,600.00										\$ 132,600.00	
technology		Computer Lab		\$ 20,000.00	\$ 35,000.00									\$ 55,000.00	
furnishings		Furnishings - desks, chairs, etc.		\$ 10,000.00	\$ 30,000.00									\$ 40,000.00	
		Endowment		\$ 200,000.00	\$ 200,000.00	\$ 200,000.00								\$ 600,000.00	Total endowment
								(Endowment will invested and will be board restricted; will pay 4% annually to support operating expenses)							
campaign	Salaries/benefits	Development Director		\$ 27,030.00	\$ 10,812.00	\$ 4,324.80								\$ 42,166.80	
campaign	Salaries/benefits	Campaign Consultant/Data Mgmt		\$ 15,000.00	\$ 15,000.00	\$ 6,000.00								\$ 36,000.00	
campaign	Salaries/benefits	Executive Director		\$ 30,000.00	\$ 12,000.00	\$ 4,800.00								\$ 46,800.00	
campaign	Salaries/benefits	Support Staff (non-volunteer)		\$ 20,000.00	\$ 8,000.00	\$ 3,200.00								\$ 31,200.00	
campaign	Salaries/benefits	Benefits – Medical & Dental Premiums		\$ 13,804.50	\$ 13,804.50	\$ 6,871.80								\$ 34,480.80	
campaign	Salaries/benefits	Benefits – Retirement Plans		\$ 11,820.68	\$ 4,601.50	\$ 2,290.60								\$ 18,712.78	
campaign	Salaries/benefits	Benefits – Group Life and Disability		\$ 11,343.78	\$ 2,760.90	\$ 1,374.36								\$ 15,479.04	
campaign	Salaries/benefits	Payroll Taxes		\$ 8,545.34	\$ 1,311.43	\$ 652.82								\$ 10,509.59	
campaign	Salaries/benefits	FICA		\$ 6,827.14	\$ 7,477.44	\$ 3,722.23								\$ 18,026.81	
campaign	Salaries/benefits	Unemployment Compensation		\$ 5,780.54	\$ 1,311.43	\$ 652.82								\$ 7,744.79	
campaign	Salaries/benefits	Workers' Compensation Premiums		\$ 3,000.00	\$ 2,500.00	\$ 2,000.00								\$ 7,500.00	Campaign staff
														\$ 268,620.60	
campaign	Printing	Printing – Brochures	\$ 3,000.00	\$ 1,200.00	\$ 1,200.00									\$ 5,400.00	
campaign	Printing	Printing – Newsletters	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00									\$ 10,500.00	
campaign	Printing	Printing – Pledge Cards	\$ 1,200.00	\$ 1,224.00	\$ 1,248.48									\$ 3,672.48	
campaign	Printing	Printing – Stationary	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00									\$ 3,600.00	
campaign	Printing	Printing – Annual report	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00									\$ 9,000.00	
campaign	Media	Marketing	\$ 12,000.00	\$ 3,000.00	\$ 3,000.00									\$ 18,000.00	
campaign	Media	Audio/video productions	\$ 8,000.00	\$ 3,200.00										\$ 11,200.00	
campaign	Media	Campaign Graphic Design	\$ 3,000.00	\$ 1,200.00										\$ 4,200.00	
campaign	Media	Campaign Photography	\$ 2,200.00	\$ 880.00										\$ 3,080.00	
campaign	Events	Donor recognition	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00									\$ 9,000.00	
campaign	Events	Campaign Events	\$ 2,000.00	\$ 6,000.00	\$ 3,000.00									\$ 11,000.00	Media/events
campaign	Professional fees	Legal	\$ 3,500.00	\$ 1,400.00	\$ 560.00									\$ 5,460.00	
campaign	Travel	Campaign travel	\$ 2,000.00	\$ 800.00	\$ 320.00									\$ 3,120.00	
campaign	Postage	Postage	\$ 1,500.00	\$ 1,500.00										\$ 4,500.00	
program	Program costs	Tutor Recruitment	\$ 15,000.00	\$ 15,300.00	\$ 15,606.00	\$ 15,918.12	\$ 16,236.48	\$ 16,561.21	\$ 16,892.44	\$ 17,230.29	\$ 17,574.89	\$ 17,926.39	\$ 182,845.81	\$ 164,245.81	
program	Program costs	Student Support	\$ 15,000.00	\$ 15,300.00	\$ 15,606.00	\$ 15,918.12	\$ 16,236.48	\$ 16,561.21	\$ 16,892.44	\$ 17,230.29	\$ 17,574.89	\$ 17,926.39	\$ 182,845.81	\$ 164,245.81	
program	Program costs	Staff Development	\$ 12,000.00	\$ 12,240.00	\$ 12,484.80	\$ 12,734.50	\$ 12,989.19	\$ 13,248.97	\$ 13,513.95	\$ 13,784.23	\$ 14,059.91	\$ 14,341.11	\$ 146,396.65	\$ 131,396.65	
program	Program costs	Travel	\$ 3,200.00	\$ 3,264.00	\$ 3,329.28	\$ 3,395.87	\$ 3,463.78	\$ 3,533.06	\$ 3,603.72	\$ 3,675.79	\$ 3,749.31	\$ 3,824.30	\$ 39,039.11	\$ 35,039.11	
program	Operations	Utilities	\$ 18,381.00	\$ 18,564.81	\$ 18,750.46	\$ 18,937.96	\$ 19,127.34	\$ 19,318.62	\$ 19,511.80	\$ 19,706.92	\$ 19,903.99	\$ 20,103.03	\$ 203,305.93	\$ 192,305.93	
program	Operations	Janitorial	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 49,016.00	\$ 49,016.00	
technology		Computer Equipment	\$ 35,000.00	\$ 14,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 129,000.00	\$ 129,000.00	Program costs:
technology		Copier and maintenance	\$ 10,465.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 55,465.00	\$ 55,465.00	
technology		Software	\$ 3,000.00	\$ 3,060.00	\$ 3,121.20	\$ 3,183.62	\$ 3,247.30	\$ 3,312.24	\$ 3,378.49	\$ 3,446.06	\$ 3,514.98	\$ 3,585.28	\$ 32,849.16	\$ 32,849.16	
technology		Telephone/Internet	\$ 4,000.00	\$ 4,080.00	\$ 4,161.60	\$ 4,244.83	\$ 4,329.73	\$ 4,416.32	\$ 4,504.65	\$ 4,594.74	\$ 4,686.64	\$ 4,780.37	\$ 43,798.88	\$ 43,798.88	
technology		Audio Visual Equipment	\$ 10,000.00	\$ 5,000.00	\$ 5,100.00	\$ 5,202.00	\$ 5,306.04	\$ 5,412.16	\$ 5,520.40	\$ 5,630.81	\$ 5,743.43	\$ 5,858.30	\$ 58,773.14	\$ 58,773.14	Technology costs:
		Annual total	\$ 49,100.00	\$ 1,561,803.58	\$ 466,818.08	\$ 333,950.37	\$ 99,436.62	\$ 100,837.94	\$ 102,265.39	\$ 103,719.48	\$ 105,200.72	\$ 106,709.64	\$ 108,246.76	\$ 1,111,600.00	
					\$ 51,066.41	\$ 52,080.06	\$ 53,120.40	\$ 54,188.21	\$ 55,284.26	\$ 56,409.37	\$ 57,564.36	\$ 58,749.64	\$ 59,964.63	\$ 612,000.00	Total campaign
														\$ 3,138,088.59	

Spreadsheet Level	Takeoff Quantity	Total Cost/Unit	Total Amount
B SHELL			
B20 EXTERIOR ENCLOSURE			
B2010 EXTERIOR WALLS			
Scrape and Paint Exterior Walls	6,037.90 sf	2.00 /sf	12,076
B2010 EXTERIOR WALLS			12,076
B2030 EXTERIOR DOORS			
Automatic Entrance Doors	2.00 ea	2,500.00 /ea	5,000
Exterior HM Doors - Replace hardware only	2.00 ea	500.00 /ea	1,000
B2030 EXTERIOR DOORS			6,000
B20 EXTERIOR ENCLOSURE			18,076
B30 ROOFING			
B3010 ROOF COVERINGS			
Shingles - NO WORK	8,729.00 sf	/sf	
Gutters & Downspouts - NO WORK	365.00 lf	/lf	
B SHELL			18,076
C INTERIORS			
C10 INTERIOR CONSTRUCTION			
C1010 PARTITIONS			
Drywall Partitions - Supplemental only, Utilize Existing Layout	250.00 lf	100.00 /lf	25,000
Misc. Blocking - Wood	11,941.00 gsf	0.50 /gsf	5,971
C1010 PARTITIONS			30,971
C1020 INTERIOR DOORS			
Interior Doors / Frames / Hardware - Supplemental only, Utilize Existing	12.00 ea	1,200.00 /ea	14,400
C1020 INTERIOR DOORS			14,400
C10 INTERIOR CONSTRUCTION			45,371
C20 STAIRS			
C2010 STAIR CONSTRUCTION			
Stairs & Railings - NO WORK	flr	/flr	
C30 INTERIOR FINISHES			
C3010 WALL FINISHES			
Painting / Patching of new and existing walls	11,941.00 gsf	2.00 /gsf	23,882
Lobby Allowance, architectural design element(s)	1.00 ls	2,500.00 /ls	2,500
C3010 WALL FINISHES			26,382
C3020 FLOOR FINISHES			
Flooring Mix (Carpet, VCT, etc.)	11,941.00 gsf	4.00 /gsf	47,764
C3020 FLOOR FINISHES			47,764
C3030 CEILING FINISHES			
Acoustical Ceiling	11,941.00 gsf	3.00 /gsf	35,823
Misc. Drywall Soffits	11,941.00 gsf	0.25 /gsf	2,985
C3030 CEILING FINISHES			38,808

Spreadsheet Level	Takeoff Quantity	Total Cost/Unit	Total Amount
C30 INTERIOR FINISHES			112,954
C INTERIORS			158,325
D SERVICES			
D10 CONVEYING			
D1010 ELEVATORS & LIFTS			
Elevator - NO WORK	3.00 stps	/stps	
D20 PLUMBING			
D2000			
Plumbing Work - replace fixtures at 'existing to remain' locations	14,469.00 gsf	1.00 /gsf	14,469
D2000			14,469
D20 PLUMBING			14,469
D30 HVAC			
D3000			
Heating Ventilating & Air Conditioning - replace condensers, clean and balance existing systems	14,469.00 gsf	4.00 /gsf	57,876
D3000			57,876
D30 HVAC			57,876
D40 FIRE PROTECTION			
D4010 SPRINKLERS			
Fire Suppression Sprinklers - EXCLUDED	gsf	/gsf	
D4030 FIRE PROTECTION SPECIALTIES			
Fire Extinguishers	8.00 ea	175.00 /ea	1,400
D4030 FIRE PROTECTION SPECIALTIES			1,400
D40 FIRE PROTECTION			1,400
D50 ELECTRICAL			
D5000			
Electric Work, misc.	14,469.00 gsf	0.50 /gsf	7,235
Electric Work, lighting	14,469.00 gsf	4.50 /gsf	65,111
D5000			72,345
D5030 COMMUNICATIONS & SECURITY			
Fire Alarm System	14,469.00 gsf	2.00 /gsf	28,938
Security - BY OWNER	gsf	/gsf	
Telephone & Data Cabling	14,469.00 gsf	1.00 /gsf	14,469
D5030 COMMUNICATIONS & SECURITY			43,407
D50 ELECTRICAL			115,752
D SERVICES			189,497
E EQUIPMENT & FURNISHINGS			
E20 FURNISHINGS			
E2010 FIXED FURNISHINGS			
Millwork (cabinets, countertops, etc.) - maximize existing, utilize furniture when possible	11,941.00 gsf	1.50 /gsf	17,912
Window Treatments - BY OWNER	ls	/ls	

Spreadsheet Level	Takeoff Quantity	Total Cost/Unit	Total Amount
E2010 FIXED FURNISHINGS			17,912
E2020 MOVABLE FURNISHINGS			
<i>Furniture - BY OWNER</i>	<i>Is</i>	<i>/Is</i>	
E20 FURNISHINGS			17,912
E EQUIPMENT & FURNISHINGS			17,912
F SPECIAL CONSTRUCTION & DEMOLITION			
F20 SELECTIVE BUILDING DEMOLITION			
F2010 BUILDING ELEMENTS DEMOLITION			
Interior Demolition	11,941.00 gsf	4.00 /gsf	47,764
F2010 BUILDING ELEMENTS DEMOLITION			47,764
F20 SELECTIVE BUILDING DEMOLITION			47,764
F SPECIAL CONSTRUCTION & DEMOLITION			47,764

Estimate Totals

Description	Amount	Totals	Rate
	431,573	431,573	
General Conditions	34,526		8.00 %
Estimating Contingency	34,526		8.00 %
Contractor's Fee	25,031		5.00 %
Architect's Fee	42,052		8.00 %
Total		567,708	

Draft Capital Campaign Budget - Literacy Network

Client:	Literacy Network
Report Date:	June, 2014
%Growth/Yr:	5%

Dimensions	Name	Title	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
12' x 14'	Jeff	ED	1	1	1	1	1	2	2	2	2	2
10' x 10'	Private Offices	Staff	12	13	13	14	15	15	16	17	18	19
6' x 9'	Workstations	Study Bench	5	5	6	6	6	6	7	7	7	8
Description of Shared Facilities Areas												
12' x 14'	Lobby / Reception		1	1	1	1	1	1	1	1	1	1
20' x 20'	Classroom		4	4	4	4	4	4	4	4	4	4
20' x 20'	Library / Childcare		1	1	1	1	1	1	1	1	1	1
20' x 20'	Tech / Training Lab		1	1	1	1	1	1	1	1	1	1
10' x 10'	Storage		2	2	2	2	2	2	2	2	2	2
8' x 8'	IT		1	1	1	1	1	1	1	1	1	1
10' x 10'	Kitchen / Break Room		1	1	1	1	1	1	1	1	1	1

Annual Totals												
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Total Square Footage:	12,254											
Core Factor & Internal Circulation:	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	
Rentable Square Footage:			2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300		
Annual Rent income (\$12/square foot with 3% escalator)			\$ 27,600.00	\$ 28,428.00	\$ 29,280.84	\$ 30,159.27	\$ 31,064.04	\$ 31,995.96	\$ 32,955.84			
Total Headcount	18	19	20	21	22	24	25	26	26	26	26	

Total rental income: (Anticipated growth will require us to occupy all of building by 2023.)
\$ 211,483.96

		Annual cost estimates	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total									
acquisition	Purchase of building			\$ 300,000.00										\$ 300,000.00	Acquisition/remodel	\$ 1,111,600.00							
acquisition	Renovations			\$ 570,000.00										\$ 570,000.00									
acquisition	Exterior signage and landscaping			\$ 14,000.00										\$ 14,000.00									
acquisition	Contingency (15%)			\$ 132,600.00										\$ 132,600.00									
technology	Computer Lab			\$ 20,000.00	\$ 35,000.00									\$ 55,000.00									
furnishings	Furnishings - desks, chairs, etc.			\$ 10,000.00	\$ 30,000.00									\$ 40,000.00									
		Endowment		\$ 200,000.00	\$ 200,000.00	\$ 200,000.00		(Endowment will invested and will be board restricted; will pay 4% annually to support operating expenses)					\$ 600,000.00	Total endowment	\$ 600,000.00								
campaign	Salaries/benefits	Development Director		\$ 27,030.00	\$ 10,812.00	\$ 4,324.80								\$ 42,166.80									
campaign	Salaries/benefits	Campaign Consultant/Data Mgmt		\$ 15,000.00	\$ 15,000.00	\$ 6,000.00								\$ 36,000.00									
campaign	Salaries/benefits	Executive Director		\$ 30,000.00	\$ 12,000.00	\$ 4,800.00								\$ 46,800.00									
campaign	Salaries/benefits	Support Staff (non-volunteer)		\$ 20,000.00	\$ 8,000.00	\$ 3,200.00								\$ 31,200.00									
campaign	Salaries/benefits	Benefits - Medical & Dental Premiums		\$ 13,804.50	\$ 13,804.50	\$ 6,871.80								\$ 34,480.80									
campaign	Salaries/benefits	Benefits - Retirement Plans		\$ 11,820.68	\$ 4,601.50	\$ 2,290.60								\$ 18,712.78									
campaign	Salaries/benefits	Benefits - Group Life and Disability		\$ 11,343.78	\$ 2,760.90	\$ 1,374.36								\$ 15,479.04									
campaign	Salaries/benefits	Payroll Taxes		\$ 8,545.34	\$ 1,311.43	\$ 652.82								\$ 10,509.59									
campaign	Salaries/benefits	FICA		\$ 6,827.14	\$ 7,477.44	\$ 3,722.23								\$ 18,026.81									
campaign	Salaries/benefits	Unemployment Compensation		\$ 5,780.54	\$ 1,311.43	\$ 652.82								\$ 7,744.79									
campaign	Salaries/benefits	Workers' Compensation Premiums		\$ 3,000.00	\$ 2,500.00	\$ 2,000.00								\$ 7,500.00	Campaign staff	\$ 268,620.60							
campaign	Printing	Printing - Brochures	\$ 3,000.00	\$ 1,200.00	\$ 1,200.00									\$ 5,400.00									
campaign	Printing	Printing - Newsletters	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00									\$ 10,500.00									
campaign	Printing	Printing - Pledge Cards	\$ 1,200.00	\$ 1,224.00	\$ 1,248.48									\$ 3,672.48									
campaign	Printing	Printing - Stationary	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00									\$ 3,600.00									
campaign	Printing	Printing - Annual report	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00									\$ 9,000.00									
campaign	Media	Marketing	\$ 12,000.00	\$ 3,000.00	\$ 3,000.00									\$ 18,000.00									
campaign	Media	Audio/video productions	\$ 8,000.00	\$ 3,200.00										\$ 11,200.00									
campaign	Media	Campaign Graphic Design	\$ 3,000.00	\$ 1,200.00										\$ 4,200.00									
campaign	Media	Campaign Photography	\$ 2,200.00	\$ 880.00										\$ 3,080.00									
campaign	Events	Donor recognition	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00									\$ 9,000.00									
campaign	Events	Campaign Events	\$ 2,000.00	\$ 6,000.00	\$ 3,000.00									\$ 11,000.00	Media/events	\$ 101,732.48							
campaign	Professional fees	Legal	\$ 3,500.00	\$ 1,400.00	\$ 560.00									\$ 5,460.00									
campaign	Travel	Campaign travel	\$ 2,000.00	\$ 800.00	\$ 320.00									\$ 3,120.00									
campaign	Postage	Postage	\$ 1,500.00	\$ 1,500.00										\$ 4,500.00									
program	Program costs	Tutor Recruitment	\$ 15,000.00	\$ 15,300.00	\$ 15,606.00	\$ 15,918.12	\$ 16,236.48	\$ 16,561.21	\$ 16,892.44	\$ 17,230.29	\$ 17,574.89	\$ 17,926.39	\$ 182,845.81										
program	Program costs	Student Support	\$ 15,000.00	\$ 15,300.00	\$ 15,606.00	\$ 15,918.12	\$ 16,236.48	\$ 16,561.21	\$ 16,892.44	\$ 17,230.29	\$ 17,574.89	\$ 17,926.39	\$ 182,845.81										
program	Program costs	Staff Development	\$ 12,000.00	\$ 12,240.00	\$ 12,484.80	\$ 12,734.50	\$ 12,989.19	\$ 13,248.97	\$ 13,513.95	\$ 13,784.23	\$ 14,059.91	\$ 14,341.11	\$ 131,396.65										
program	Program costs	Travel	\$ 3,200.00	\$ 3,264.00	\$ 3,329.28	\$ 3,395.87	\$ 3,463.78	\$ 3,533.06	\$ 3,603.72	\$ 3,675.79	\$ 3,749.31	\$ 3,824.30	\$ 35,039.11										
program	Operations	Utilities	\$ 18,381.00	\$ 18,564.81	\$ 18,750.46	\$ 18,937.96	\$ 19,127.34	\$ 19,318.62	\$ 19,511.80	\$ 19,706.92	\$ 19,903.99	\$ 20,103.03	\$ 192,305.93										
program	Operations	Janitorial	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 4,901.60	\$ 49,016.00										
technology	Computer Equipment	Computer Equipment	\$ 35,000.00	\$ 14,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 129,000.00		Program costs:	\$ 736,249.32							
technology	Copier and maintenance	Copier and maintenance	\$ 10,465.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 55,465.00										
technology	Software	Software	\$ 3,000.00	\$ 3,060.00	\$ 3,121.20	\$ 3,183.62	\$ 3,247.30	\$ 3,312.24	\$ 3,378.49	\$ 3,446.06	\$ 3,514.98	\$ 3,585.28	\$ 32,849.16										
technology	Telephone/Internet	Telephone/Internet	\$ 4,000.00	\$ 4,080.00	\$ 4,161.60	\$ 4,244.83	\$ 4,329.73	\$ 4,416.32	\$ 4,504.65	\$ 4,594.74	\$ 4,686.64	\$ 4,780.37	\$ 43,798.88										
technology	Audio Visual Equipment	Audio Visual Equipment	\$ 10,000.00	\$ 5,000.00	\$ 5,100.00	\$ 5,202.00	\$ 5,306.04	\$ 5,412.16	\$ 5,520.40	\$ 5,630.81	\$ 5,743.43	\$ 5,858.30	\$ 58,773.14		Technology costs:	\$ 319,886.19							
Annual total			\$ 49,100.00	\$ 1,561,803.58	\$ 466,818.08	\$ 333,950.37	\$ 99,436.62	\$ 100,837.94	\$ 102,265.39	\$ 103,719.48	\$ 105,200.72	\$ 106,709.64	\$ 108,246.76										
													\$ 51,066.41	\$ 52,080.06	\$ 53,120.40	\$ 54,188.21	\$ 55,284.26	\$ 56,409.37	\$ 57,564.36	\$ 24,805.59	\$ 25,004.63		
													Total campaign		\$ 3,138,088.59								

Literacy Network Five year budget projections							
Income	Total FY15 Budget	Total FY16 Budget	Total FY17 Budget	Total FY18 Budget	Total FY19 Budget	Total FY20 Budget	Total FY21 Budget
<i>Please list in-kind services as well as actual income</i>							
Grant Income	\$391,000	\$ 391,000	\$ 391,000	\$ 391,000	\$ 391,000	\$ 391,000	\$ 391,000
Program Materials	\$1,050	\$ 1,082	\$ 1,114	\$ 1,147	\$ 1,181	\$ 1,216	\$ 1,252
Fees For Service	\$79,400	\$ 81,782	\$ 84,235	\$ 86,762	\$ 89,365	\$ 92,046	\$ 94,807
Contributions - Business and Individual	\$120,000	\$ 123,600	\$ 127,308	\$ 131,127	\$ 135,061	\$ 139,113	\$ 143,286
Other Revenue Source (Events and other fundraising)	\$84,000	\$ 86,520	\$ 89,116	\$ 91,789	\$ 94,543	\$ 97,379	\$ 100,300
Capital Campaign	\$1,500,000	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Rent		\$ 47,628	\$ 47,628	\$ 47,628	\$ 47,628	\$ 47,628	\$ 47,628
Total Income	\$2,175,450	\$ 2,231,612	\$ 740,401	\$ 749,453	\$ 758,778	\$ 768,382	\$ 778,273
Expense	Total FY15 Budget	Total FY16 Budget	Total FY17 Budget	Total FY18 Budget	Total FY19 Budget	Total FY20 Budget	Total FY21 Budget
Staffing - Regular Staff (salaried)	\$208,729	\$ 214,991	\$ 221,441	\$ 228,084	\$ 234,927	\$ 241,975	\$ 249,234
Staffing - Regular Staff (hourly)	\$123,056	\$ 126,748	\$ 130,550	\$ 134,467	\$ 138,501	\$ 142,656	\$ 146,936
Staffing - Part- Time Instructors	\$15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911
Staffing - Childcare Provider	\$19,000	\$ 19,570	\$ 20,157	\$ 20,762	\$ 21,385	\$ 22,027	\$ 22,688
Staff - expansion	\$30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473	\$ 33,122	\$ 33,784
Benefits, insurance, taxes	\$68,100	\$ 70,143	\$ 72,247	\$ 74,414	\$ 76,646	\$ 78,945	\$ 81,313
Increased benefit allotment	\$5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,797	\$ 5,971
Interns	\$24,500	\$ 25,235	\$ 25,992	\$ 26,772	\$ 27,575	\$ 28,402	\$ 29,254
Payroll Processing	\$2,424	\$ 2,497	\$ 2,572	\$ 2,649	\$ 2,728	\$ 2,810	\$ 2,894
Position Posting	\$1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,160	\$ 1,195
Professional development	\$6,115	\$ 6,298	\$ 6,487	\$ 6,682	\$ 6,882	\$ 7,088	\$ 7,301
Professional development - expansion	\$12,000	\$ 12,240	\$ 12,485	\$ 12,735	\$ 12,990	\$ 13,250	\$ 13,515
Background checks	\$492	\$ 507	\$ 522	\$ 538	\$ 554	\$ 571	\$ 588
Staffing Costs	\$515,416	\$ 530,459	\$ 545,945	\$ 561,887	\$ 578,298	\$ 595,192	\$ 612,584
(some 2015 staff will be charged to capital campaign)							
Professional Fees (audit)	\$5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,797	\$ 5,971
Professional Fees (financial management)	\$15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911
Rent	\$54,264	\$ 27,946		\$ -	\$ -	\$ -	\$ -
Utilities	\$14,400	\$ 14,832	\$ 15,277	\$ 15,735	\$ 16,207	\$ 16,693	\$ 17,194
Utilities - expansion	\$3,981	\$ 3,733	\$ 3,473	\$ 3,203	\$ 2,920	\$ 2,626	\$ 2,318
Janitorial - expansion	\$4,902	\$ 4,902	\$ 4,902	\$ 4,902	\$ 4,902	\$ 4,902	\$ 4,902
Other space rental (Spanish class)	\$1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688	\$ 1,739	\$ 1,791
Facilities Maintenance	\$2,500	\$ 2,575	\$ 2,652	\$ 2,732	\$ 2,814	\$ 2,898	\$ 2,985
Occupancy Expense	\$81,547	\$ 55,533	\$ 27,895	\$ 28,211	\$ 28,531	\$ 28,858	\$ 29,190
Supplies (Office and Fundraising)	\$13,812	\$ 14,226	\$ 14,653	\$ 15,093	\$ 15,546	\$ 16,012	\$ 16,492
Postage	\$2,835	\$ 2,920	\$ 3,008	\$ 3,098	\$ 3,191	\$ 3,287	\$ 3,386
Printing	\$7,759	\$ 7,992	\$ 8,232	\$ 8,479	\$ 8,733	\$ 8,995	\$ 9,265
Telephone and Internet Service	\$5,490	\$ 5,655	\$ 5,825	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556
Equipment Rental & Maintenance	\$5,490	\$ 5,655	\$ 5,825	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556
Copier - Expansion	\$5,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computers/Software - Expansion	\$38,000	\$ 17,060	\$ 13,121	\$ 13,184	\$ 13,247	\$ 13,312	\$ 13,378
Audiovisual - expansion	\$10,000	\$ 5,000	\$ 5,100	\$ 5,202	\$ 5,306	\$ 5,412	\$ 5,520
Office Expense	\$88,851	\$ 58,508	\$ 55,764	\$ 57,056	\$ 58,383	\$ 59,748	\$ 61,153
Program Materials Classroom	\$3,110	\$ 3,203	\$ 3,299	\$ 3,398	\$ 3,500	\$ 3,605	\$ 3,713
Program Materials Tutors	\$500	\$ 515	\$ 530	\$ 546	\$ 562	\$ 579	\$ 596
Technology for Literacy (2015 includes donor database)	\$8,368	\$ 8,619	\$ 8,878	\$ 9,144	\$ 9,418	\$ 9,701	\$ 9,992
Volunteer and Student Support	\$1,594	\$ 1,642	\$ 1,691	\$ 1,742	\$ 1,794	\$ 1,848	\$ 1,903
Website	\$316	\$ 325	\$ 335	\$ 345	\$ 355	\$ 366	\$ 377
Program Expense	\$13,888	\$ 14,304	\$ 14,733	\$ 15,175	\$ 15,629	\$ 16,099	\$ 16,581
Mileage and Parking	\$2,928	\$ 3,016	\$ 3,106	\$ 3,199	\$ 3,295	\$ 3,394	\$ 3,496
Advertising	\$1,680	\$ 1,730	\$ 1,782	\$ 1,835	\$ 1,890	\$ 1,947	\$ 2,005
Dues and Subscriptions	\$720	\$ 742	\$ 764	\$ 787	\$ 811	\$ 835	\$ 860
Licenses	\$110	\$ 113	\$ 116	\$ 119	\$ 123	\$ 127	\$ 131
Memberships	\$2,400	\$ 2,472	\$ 2,546	\$ 2,622	\$ 2,701	\$ 2,782	\$ 2,865
Liability insurance	\$1,400	\$ 1,442	\$ 1,485	\$ 1,530	\$ 1,576	\$ 1,623	\$ 1,672
Miscellaneous Expense	\$9,238	\$ 9,515	\$ 9,799	\$ 10,092	\$ 10,396	\$ 10,708	\$ 11,029
Total Expenses	\$728,940	\$ 688,919	\$ 675,355	\$ 694,276	\$ 713,748	\$ 733,791	\$ 754,419
Net Ordinary Income	\$1,446,510	\$ 1,542,693	\$ 65,046	\$ 55,177	\$ 45,030	\$ 34,591	\$ 23,854