

DRAFT Version

**Pro Forma Income Statement
Phi Kappa Sigma Renovations Effort**

Undergraduate Chapter Pro Forma P&L

	Scen I	Scen II	Scen III	Scen IV
Members	40	50	55	55
Member in House ¹	20	25	30	30
Dues per Semester ²	\$350	\$350	\$350	\$350
Rent per Semester	\$2,000	\$2,250	\$2,250	\$2,500
Meal Plan per Semester		\$1,000	\$1,000	\$1,000
Semesters per Year	2	2	2	2
Income				
Dues Income	\$28,000	\$35,000	\$38,500	\$38,500
Rent Income	\$80,000	\$112,500	\$135,000	\$150,000
Meal Plan Income	\$0	\$50,000	\$60,000	\$60,000
Total Income	\$108,000	\$197,500	\$233,500	\$248,500
Expense				
Current Operating Expenses	\$58,000	\$58,000	\$58,000	\$58,000
Rental Expense	\$30,000	\$40,000	\$50,000	\$55,000
Incremental Variable				
- House \$250 per Person per Semester		\$2,500	\$5,000	\$5,000
- National, etc. \$450 per Person per Semester		\$9,000	\$13,500	\$13,500
Total Expenses without Meal Plan	\$88,000	\$109,500	\$126,500	\$131,500
Meal Plan Expense	\$0	\$50,000	\$60,000	\$60,000
Total Expenses	\$88,000	\$159,500	\$186,500	\$191,500
Profit / (Loss) - Discretionary Income	\$20,000	\$38,000	\$47,000	\$57,000

¹ Sensitivities in scenario 3 and 4 indicate the undergraduate chapter would be able to break even with as few as 20 members living in House if 100% of rent is collected and no unforeseen expenses are incurred. However, it would be prudent for the undergraduate chapter to establish a reserve fund to handle variances to cash flow.

² Dues and rent should be collected and managed separately in upcoming years to provide improved transparency of finances, however brothers living in the house might enjoy a reduced dues rate reflecting the rent they are already paying to live in the house and the fact that the chapter enjoys ability to utilize house for entire brotherhood for functions, meetings, etc.

Housing Corporation Pro Forma P&L

	Scen I	Scen II	Scen III	Scen IV
Income				
Interest Income	\$0	\$1,250	\$2,400	\$1,700
Fall Semester Rent	\$15,000	\$20,000	\$25,000	\$27,500
Spring Semester Rent	\$15,000	\$20,000	\$25,000	\$27,500
Summer Rent ¹	\$0	\$2,500	\$5,000	\$5,000
Total Income	\$30,000	\$43,750	\$57,400	\$61,700
Expense				
Property Taxes	\$6,600	\$6,600	\$6,600	\$6,600
Property Insurance	\$5,500	\$5,500	\$7,500	\$7,500
Liability Insurance	\$5,500	\$5,500	\$5,500	\$5,500
Utilities	\$3,600	\$3,600	\$3,600	\$3,600
Regular Maintenance	\$8,800	\$10,050	\$10,000	\$10,000
Debt Service ²	\$0	\$0	\$0	\$11,250
Capital Items / Sinking Fund ³	\$0	\$12,500	\$24,000	\$17,000
Total Expenses	\$30,000	\$43,750	\$57,200	\$61,450
Total Expenses	\$30,000	\$43,750	\$57,200	\$61,450
Profit / (Loss) - Discretionary Income	\$0	\$0	\$200	\$250

¹ Summer Rent is TBD and depends upon approval of House Corp

² Debt service assumes \$150,000 Mortgage for 30 years

³ Sinking Fund will be carried as Balance Sheet item. Significant capital expenditures will be charged against this account. With no debt service this would provide up to \$125,000 for the Housing Corporation to invest in the House every five years.