

Structure Subcommittee

Members - Michael Bentley, Katie Collin, Dawn Pyne, Laura Rodriguez-Carbone, Charles Garven and George Hillow



Agenda

- Basic Structure Options
- Tax-Exempt Organization Reference Chart
- Types of 501(c) Organizations Chart
- Comparison Chart of Typical Structures
- Structure Examples
- Financial Outlook

- Suggested Next Steps

Basic Structure Options

Public Charity – Under IRC 501(c)(3), it is an organization that: 1) is a church, hospital, qualified medical research organization affiliated with a hospital, church, school, college or university; 2) has an active fundraising program, receiving contributions from many sources (general public, government, corporations, private foundations or other public charities); 3) receives income from the conduct of activities in furtherance of the organization’s exempt purposes; or 4) actively functions in a supporting relationship to one or more existing public charities

Donor Advised Fund – A separately identified fund or account maintained by a sponsoring 501(c)(3) organization. Once the donor contributes to such a fund, the organization has legal control over it, while the donor retains advisory privileges regarding distributions and investment choices.

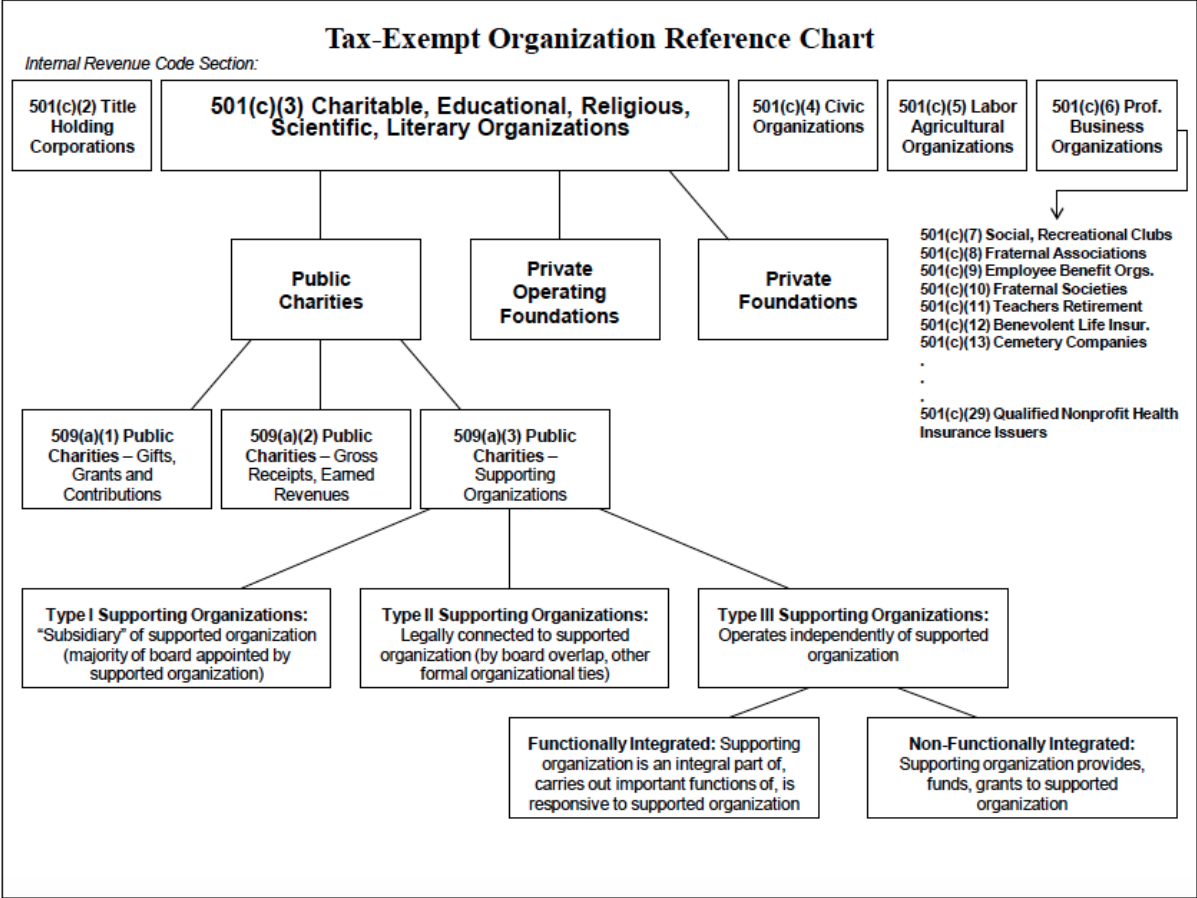
Supporting Organization – Under IRC 509(a)(3), this is a charity that carries out its exempt purposes by supporting other exempt organizations, usually other public charities, in such a way that the supported organization is effectively supervising or paying particular attention to the operations of the supporting organization. There are three (3) different types of supporting organizations.

Private Foundation – Under IRC 501(c)(3), private foundations typically have a single major source of funding (usually 1 family or 1 corporation) with most of their primary activity as making grants to other charitable organizations, rather than directly operating a charitable program themselves.

Private Operating Foundation – Is any private foundation that spends at least 85% of its adjusted net income or its minimum investment return, whichever is less, directly for the active conduct of its exempt activities

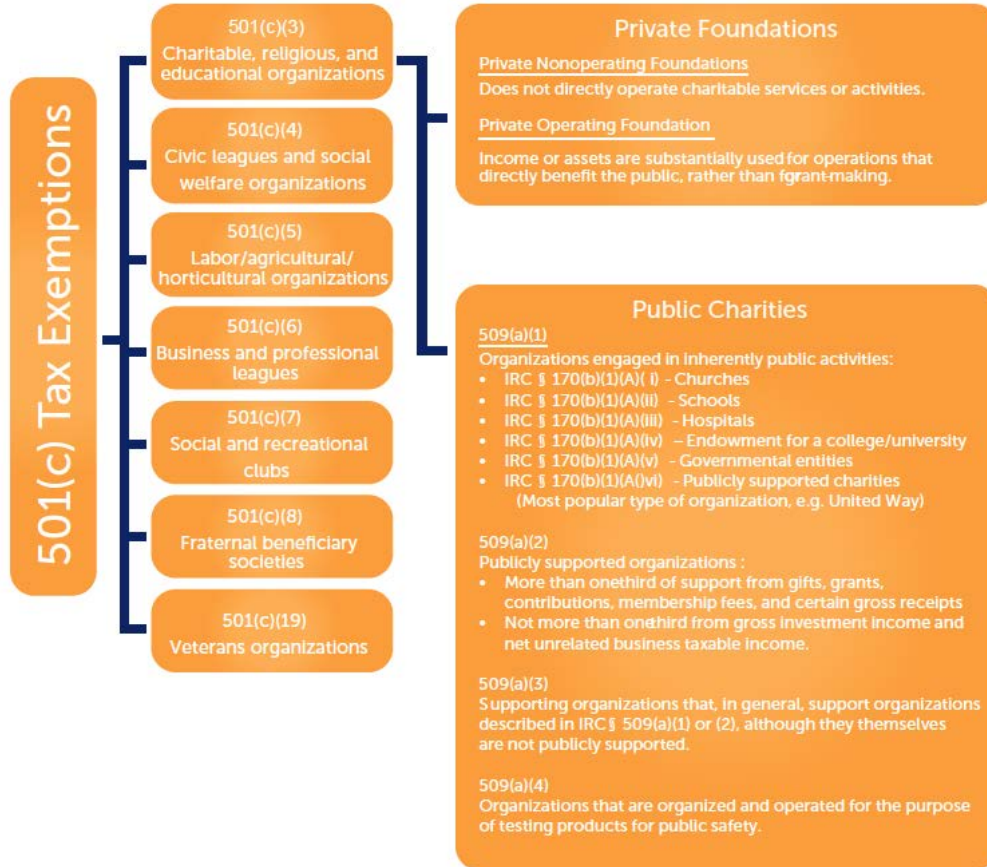
Hybrid – Think Mt. Sinai Foundation – they are a supporting organization of the Jewish Federation of Cleveland, but don’t fit the traditional supporting organization mold. They applied for a PLR in order to have the autonomy and flexibility they felt they needed to continue carrying out the original mission of the hospital.

Tax-Exempt Organization Reference Chart



Source: Hurwit & Associates
 - Nonprofit Law Resource Library

Types of 501(c) Organizations



Types of 501(c) Organizations

Federal income tax exemption is defined by the Internal Revenue Service (IRS) under Internal Revenue Code (IRC) 501(c). Most nonprofits fall under 501(c)(3).

Every 501(c)(3) organization is categorized by the IRS as a “private foundation” or “public charity” by an IRC § 509(a) ruling. When you apply for 501(c)(3) using IRS Form 1023, the IRS will send back a determination letter and 509(a) ruling.

Comparison Chart of Typical Structures

<u>Comparison of Fund Options</u>	<u>Private Foundation</u>	<u>Donor Advised Fund (DAF)</u>	<u>Supporting Organization</u>	<u>Public Charity</u>
Legal Identity	Separate nonprofit entity	Fund of a community foundation or financial institution's charitable arm	Separate nonprofit entity affiliated with a community foundation or financial institution's charitable arm	Separate nonprofit entity
Tax Status	Private Foundation	Public Charity	Public Charity	Public Charity
Taxation of Investment Income	2% annually	None	None	None, but must receive less than 33 1/3% of total support from investment income and unrelated business income
Payout Requirements	Grants distributed must equal a minimum 5% of total amount of assets within private foundation annually	None	None	No minimum distribution requirements
Deductibility of Gifts for Donors	20% adjusted gross income ("AGI") for appreciated property; 30% AGI for cash	30% AGI for appreciated property; 50% AGI for cash	30% AGI for appreciated property; 50% AGI for cash	30% AGI for appreciated property; 50% AGI for cash
Administration	Detailed annual filing of 990PF with IRS	All record keeping and accounting provided by community foundation or charitable institution	All record keeping and accounting provided by community foundation or charitable institution	Detailed annual filing of 990 with IRS; one 1/3 of support must be qualifying support from broad-based public support (i.e. fundraising efforts, grants, etc.)
Control	Trustees have complete control of distributions and responsibility for asset management	Donor-Advisor(s) may make grant recommendations	Own board of trustees, majority of whom are appointed by community foundation or charitable institution	Trustees have complete control of distributions and responsibility for asset management

<u>Comparison of Fund Options</u>	<u>Private Foundation</u>	<u>Donor Advised Fund (DAF)</u>	<u>Supporting Organization</u>	<u>Public Charity</u>
Costs	Legal, accounting, compliance and insurance fees; office space, staff and miscellaneous administrative expenses	May have costs to initially establish, with additional, annual fees for administration and investments. Other costs, like legal and accounting may be rolled into administration costs.	May have costs to initially establish, with additional, annual fees for administration and investments. Other costs, like legal and accounting, may be rolled into administration costs.	Legal, accounting, compliance and insurance fees; office space, staff and miscellaneous administrative expenses
Grantmaking Expertise	Professional staff would be needed	Community foundation/charitable institution may provide staff assistance to review and monitor proposals	Community foundation/charitable institution may provide staff assistance to review and monitor proposals	Professional staff would be needed
Pros	Customizable community control through board of directors; Customizable investment strategies	Customization possible with oversight, including investment strategy to an extent; Perhaps this makes sense for \$ coming from Cleveland Clinic in order to keep separate since they have first right of refusal; Grantmaking expertise and assistance; No wait time to establish; All back-office support handled by community foundation or charitable institution	Customization possible, including investment strategy to an extent; Enhanced services available; Grantmaking expertise and assistance; All back-office support handled by community foundation or charitable institution	Customizable community control through board of directors (truest community ownership); Ability to receive donations; Customizable investment strategies; If public charity status approved by IRS, first 5 years in existence used to establish donor base
Cons	Costs for staff, compliance, grant-making and all administrative functions; Costs for bringing in expertise; Lack of back-office expertise; Lower deductibility for gifts with this option should taskforce decide foundation will accept gifts	Distributions can only be made to 501c3 organizations, which may limit ability to fund projects that are not registered as such	Time to establish could be over 1 year for IRS approval; Board appointments would need input of community foundation or charitable institution	Costs for staff, compliance, grant-making and all administrative functions; Costs for bringing in expertise; Lack of back-office expertise; Fundraising would be integral to organization: 1/3 of support must be from broad base of support within 5 years of establishment

Structure Examples (Local & National)

Public Charities:

Locally, Catholic Charities, University Hospitals

Nationally, American Red Cross, Salvation Army

Donor Advised Funds:

Locally, DAFs are housed at the Cleveland Foundation, Community West Foundation, Jewish Federation of Cleveland

Nationally, think Fidelity Charitable, Vanguard, American Endowment Foundation

Supporting Organizations:

Locally, Thatcher Fund of the Cleveland Foundation

Private Foundations:

Locally, Gund Foundation

Nationally, Bill & Melinda Gates Foundation, Ford Foundation

Private Operating Foundations:

Locally, many CDCs (community development corporations) are formed as private operating foundations

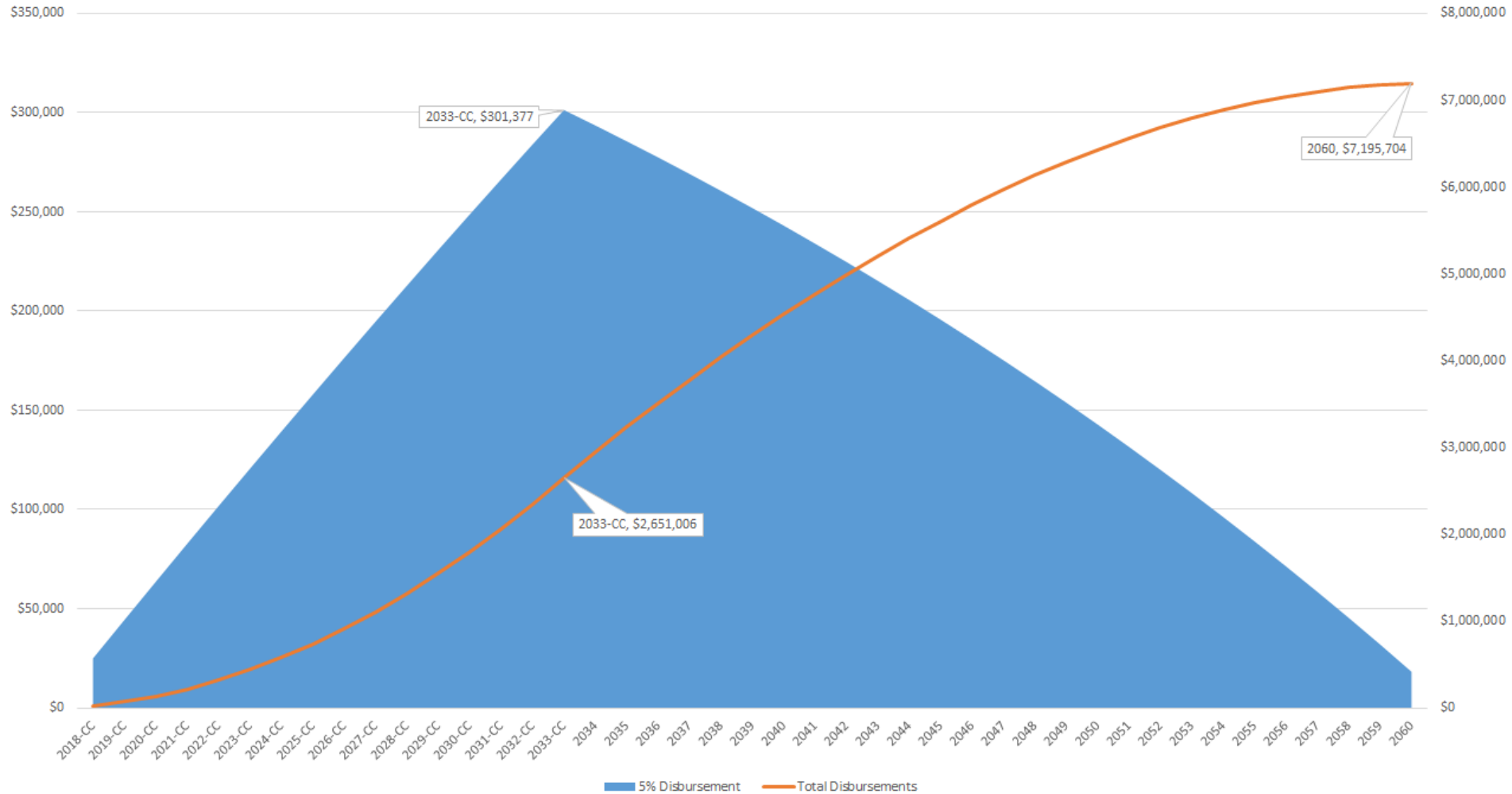
Hybrids:

Locally, Mt. Sinai Foundation

Assumptions

- There are no additional gifts/fundraising dollars added
- Returns are 5%, assuming no tax, but net of fees
- Disbursements are 5%
- Expenses are based on typical for size of initial foundation at inflation rate of 2.20% annually
- End of year balances =
Beginning of year balance + Returns - Disbursements - Expenses

Cleveland Clinic Contributions Community Impact

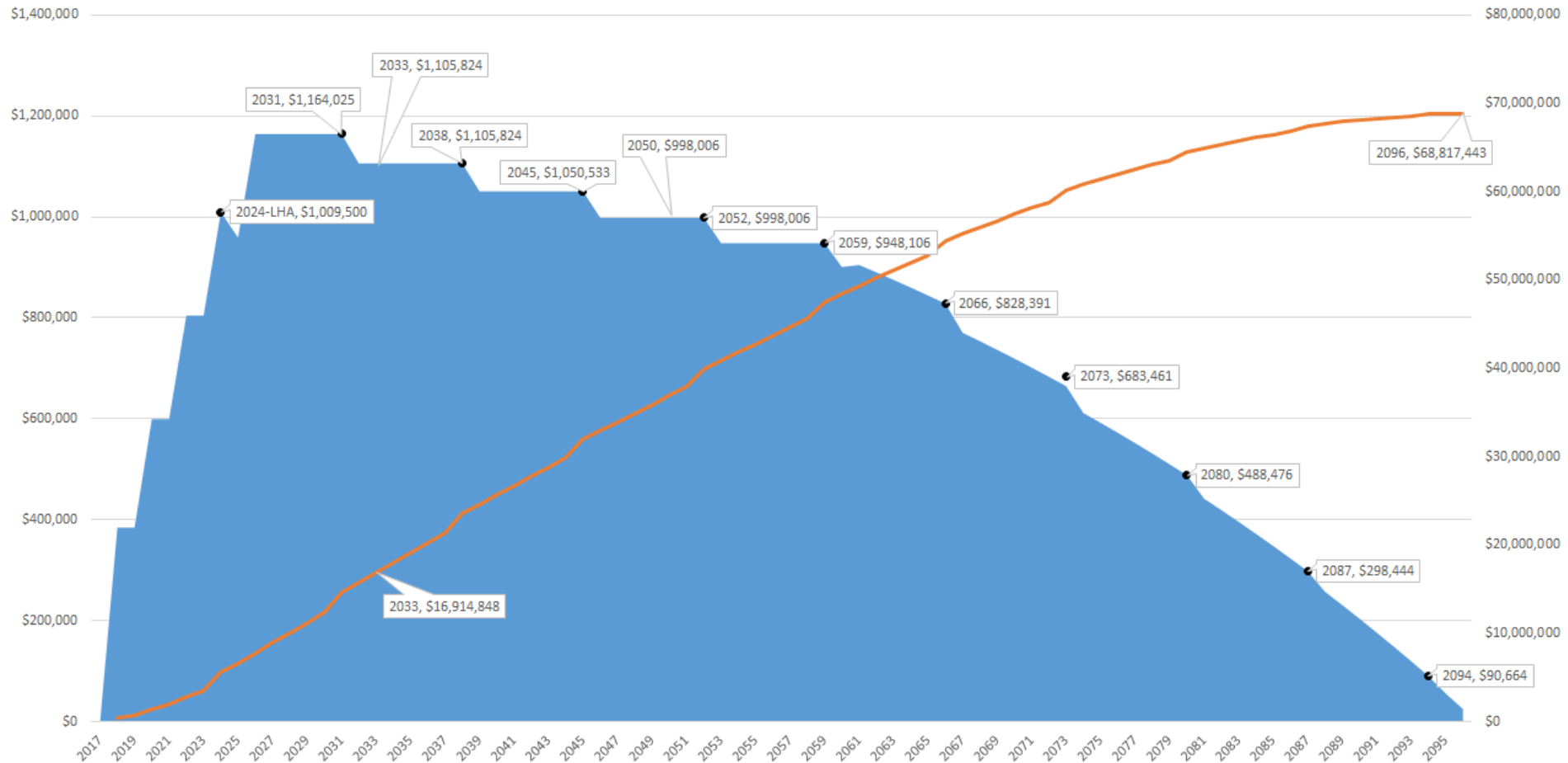


Cleveland Clinic Funds Community Impact

<u>Year</u>	<u>Funding</u>	<u>B.O.Y. Balance</u>	<u>4% net</u>	<u>5% net</u>	<u>6% net</u>	<u>5% Disbursement</u>	<u>Total Disbursements</u>	<u>Total Expenses</u>	<u>E.O.Y. Balance</u>
2018-CC	\$500,000	\$500,000	\$20,000	\$25,000	\$30,000	\$25,000	\$25,000	\$112,420	\$387,580
2019-CC	\$500,000	\$887,580	\$35,503	\$44,379	\$53,255	\$44,379	\$69,379	\$114,893	\$772,687
2020-CC	\$500,000	\$1,272,687	\$50,907	\$63,634	\$76,361	\$63,634	\$133,013	\$117,421	\$1,155,266
2021-CC	\$500,000	\$1,655,266	\$66,211	\$82,763	\$99,316	\$82,763	\$215,777	\$120,004	\$1,535,262
2022-CC	\$500,000	\$2,035,262	\$81,410	\$101,763	\$122,116	\$101,763	\$317,540	\$122,644	\$1,912,617
2023-CC	\$500,000	\$2,412,617	\$96,505	\$120,631	\$144,757	\$120,631	\$438,171	\$125,342	\$2,287,275
2024-CC	\$500,000	\$2,787,275	\$111,491	\$139,364	\$167,237	\$139,364	\$577,534	\$128,100	\$2,659,175
2025-CC	\$500,000	\$3,159,175	\$126,367	\$157,959	\$189,551	\$157,959	\$735,493	\$130,918	\$3,028,257
2026-CC	\$500,000	\$3,528,257	\$141,130	\$176,413	\$211,695	\$176,413	\$911,906	\$133,798	\$3,394,459
2027-CC	\$500,000	\$3,894,459	\$155,778	\$194,723	\$233,668	\$194,723	\$1,106,629	\$136,742	\$3,757,717
2028-CC	\$500,000	\$4,257,717	\$170,309	\$212,886	\$255,463	\$212,886	\$1,319,515	\$139,750	\$4,117,966
2029-CC	\$500,000	\$4,617,966	\$184,719	\$230,898	\$277,078	\$230,898	\$1,550,413	\$142,825	\$4,475,142
2030-CC	\$500,000	\$4,975,142	\$199,006	\$248,757	\$298,509	\$248,757	\$1,799,170	\$145,967	\$4,829,175
2031-CC	\$500,000	\$5,329,175	\$213,167	\$266,459	\$319,750	\$266,459	\$2,065,629	\$149,178	\$5,179,997
2032-CC	\$500,000	\$5,679,997	\$227,200	\$284,000	\$340,800	\$284,000	\$2,349,629	\$152,460	\$5,527,537
2033-CC	\$500,000	\$6,027,537	\$241,101	\$301,377	\$361,652	\$301,377	\$2,651,006	\$155,814	\$5,871,722
....
2040	....	\$4,862,153	\$194,486	\$243,108	\$291,729	\$243,108	\$4,532,637	\$181,453	\$4,680,700
....
2050	....	\$2,857,033	\$114,281	\$142,852	\$171,422	\$142,852	\$6,430,290	\$225,565	\$2,631,468
....
2055	....	\$1,678,478	\$67,139	\$83,924	\$100,709	\$83,924	\$6,970,329	\$251,493	\$1,426,985
....
2060	....	\$364,452	\$14,578	\$18,223	\$21,867	\$18,223	\$7,195,704	\$280,402	\$84,050
2061	....	\$84,050	....	....	....	....	....	\$84,050	\$0
TOTAL LIFETIME	\$8,000,000	\$143,998,123	\$5,756,563	\$7,195,704	\$8,634,844	\$7,195,704	....	\$8,000,000	....

DISBURSE TO LHA FUNDS IN 2061

LHA Funds-Special 5% Disbursement every 7 Yrs Community Impact

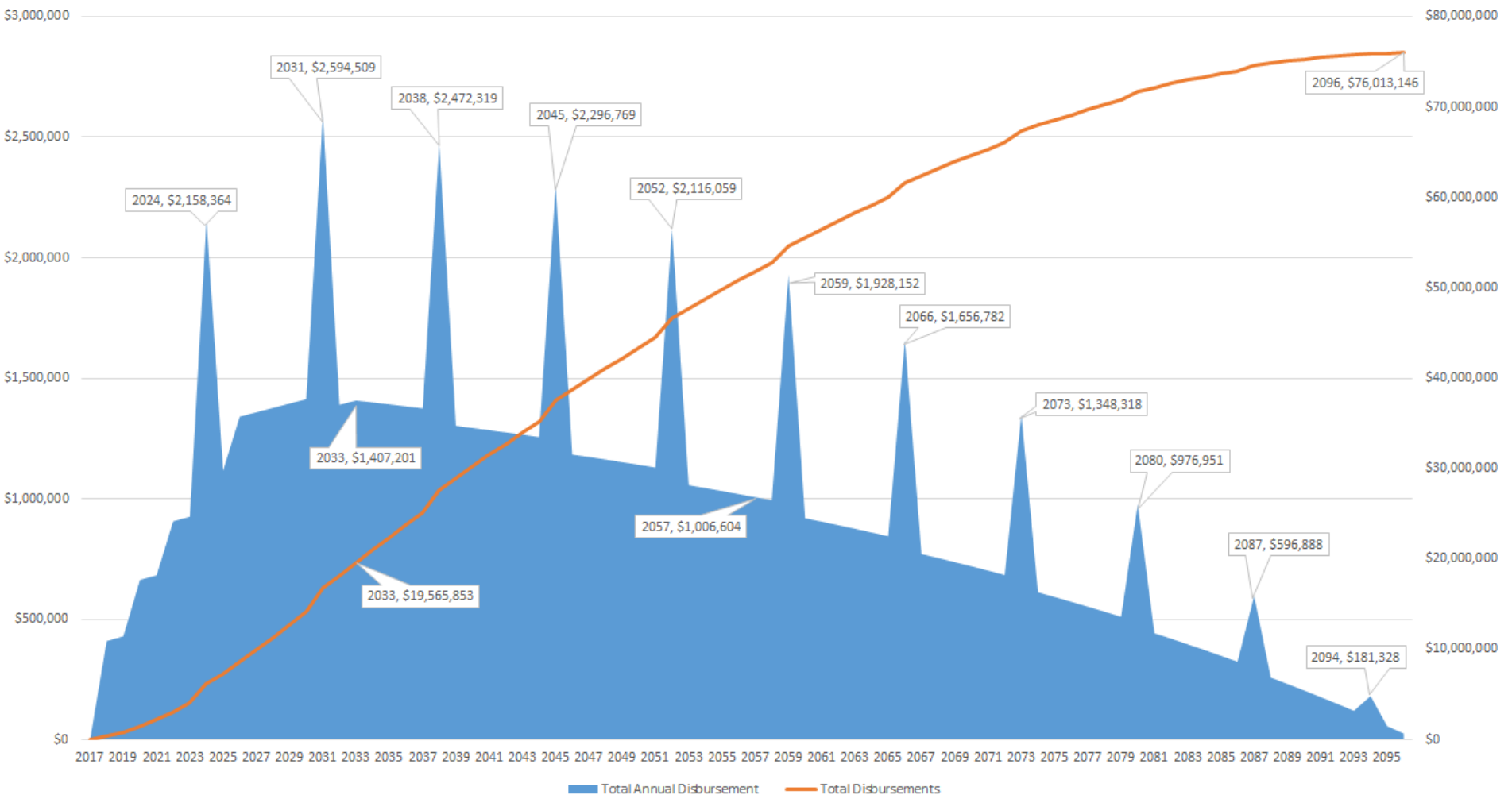


NOTE: In years w/ special distributions, total is 2x number shown

■ 5% Disbursement
 ● Special Disbursement (5% additional)
 — Total Disbursements

LHA Funds Impact with Special Disbursements every 7 Years--Expenses Paid at Depletion of CC Funds											
Year	Funding	B.O.Y. Balance	4% net	5% net	6% net	5% Disbursement	Special Disbursement (5%)	Total Annual Disbursements	Total Disbursements	Total Expenses	E.O.Y. Balance
2017	\$200,000	\$200,000							\$0		\$90,000
2018-LHA	\$7,600,000	\$7,690,000	\$307,600	\$384,500	\$461,400	\$384,500		\$384,500	\$384,500		\$7,690,000
2019		\$7,690,000	\$307,600	\$384,500	\$461,400	\$384,500		\$384,500	\$769,000		\$7,690,000
2020-LHA	\$4,300,000	\$11,990,000	\$479,600	\$599,500	\$719,400	\$599,500		\$599,500	\$1,368,500		\$11,990,000
2021		\$11,990,000	\$479,600	\$599,500	\$719,400	\$599,500		\$599,500	\$1,968,000		\$11,990,000
2022-LHA	\$4,100,000	\$16,090,000	\$643,600	\$804,500	\$965,400	\$804,500		\$804,500	\$2,772,500		\$16,090,000
2023		\$16,090,000	\$643,600	\$804,500	\$965,400	\$804,500		\$804,500	\$3,577,000		\$16,090,000
2024-LHA	\$4,100,000	\$20,190,000	\$807,600	\$1,009,500	\$1,211,400	\$1,009,500	\$1,009,500	\$2,019,000	\$5,596,000		\$19,180,500
2025		\$19,180,500	\$767,220	\$959,025	\$1,150,830	\$959,025		\$959,025	\$6,555,025		\$19,180,500
2026-LHA	\$4,100,000	\$23,280,500	\$931,220	\$1,164,025	\$1,396,830	\$1,164,025		\$1,164,025	\$7,719,050		\$23,280,500
2027		\$23,280,500	\$931,220	\$1,164,025	\$1,396,830	\$1,164,025		\$1,164,025	\$8,883,075		\$23,280,500
2028		\$23,280,500	\$931,220	\$1,164,025	\$1,396,830	\$1,164,025		\$1,164,025	\$10,047,100		\$23,280,500
2029		\$23,280,500	\$931,220	\$1,164,025	\$1,396,830	\$1,164,025		\$1,164,025	\$11,211,125		\$23,280,500
2030		\$23,280,500	\$931,220	\$1,164,025	\$1,396,830	\$1,164,025		\$1,164,025	\$12,375,150		\$23,280,500
2031		\$23,280,500	\$931,220	\$1,164,025	\$1,396,830	\$1,164,025	\$1,164,025	\$2,328,050	\$14,703,200		\$22,116,475
2032		\$22,116,475	\$884,659	\$1,105,824	\$1,326,989	\$1,105,824		\$1,105,824	\$15,809,024		\$22,116,475
2033		\$22,116,475	\$884,659	\$1,105,824	\$1,326,989	\$1,105,824		\$1,105,824	\$16,914,848		\$22,116,475
....
2038		\$22,116,475	\$884,659	\$1,105,824	\$1,326,989	\$1,105,824	\$1,105,824	\$2,211,648	\$23,549,790		\$21,010,651
....
2045		\$21,010,651	\$840,426	\$1,050,533	\$1,260,639	\$1,050,533	\$1,050,533	\$2,101,065	\$31,954,051		\$19,960,119
....
2052		\$19,960,119	\$798,405	\$998,006	\$1,197,607	\$998,006	\$998,006	\$1,996,012	\$39,938,098		\$18,962,113
....
2059		\$18,962,113	\$758,485	\$948,106	\$1,137,727	\$948,106	\$948,106	\$1,896,211	\$47,522,943		\$18,014,007
....
2066		\$16,567,819	\$662,713	\$828,391	\$994,069	\$828,391	\$828,391	\$1,656,782	\$54,455,245	\$326,540	\$15,412,888
....
2073		\$13,297,133	\$531,885	\$664,857	\$797,828	\$664,857	\$683,461	\$1,348,318	\$60,169,672	\$380,270	\$12,233,402
....
2080		\$9,769,510	\$390,780	\$488,476	\$586,171	\$488,476	\$488,476	\$976,951	\$64,516,474	\$442,842	\$8,838,193
....
2087		\$5,968,880	\$238,755	\$298,444	\$358,133	\$298,444	\$298,444	\$596,888	\$67,415,259	\$515,709	\$5,154,727
....
2094		\$1,813,283	\$72,531	\$90,664	\$108,797	\$90,664	\$90,664	\$181,328	\$68,735,926	\$600,567	\$1,122,052
....
2096		\$508,273	\$20,331	\$25,414	\$30,496	\$25,414		\$25,414	\$68,817,443	\$508,273	\$0
TOTAL	\$24,484,050		\$48,121,611	\$60,152,014	\$72,182,417	\$60,152,014	\$8,665,428	\$68,817,442		\$15,818,622	
COSTS PICKED BACK UP ONCE CC FUNDS DEplete IN 2061											

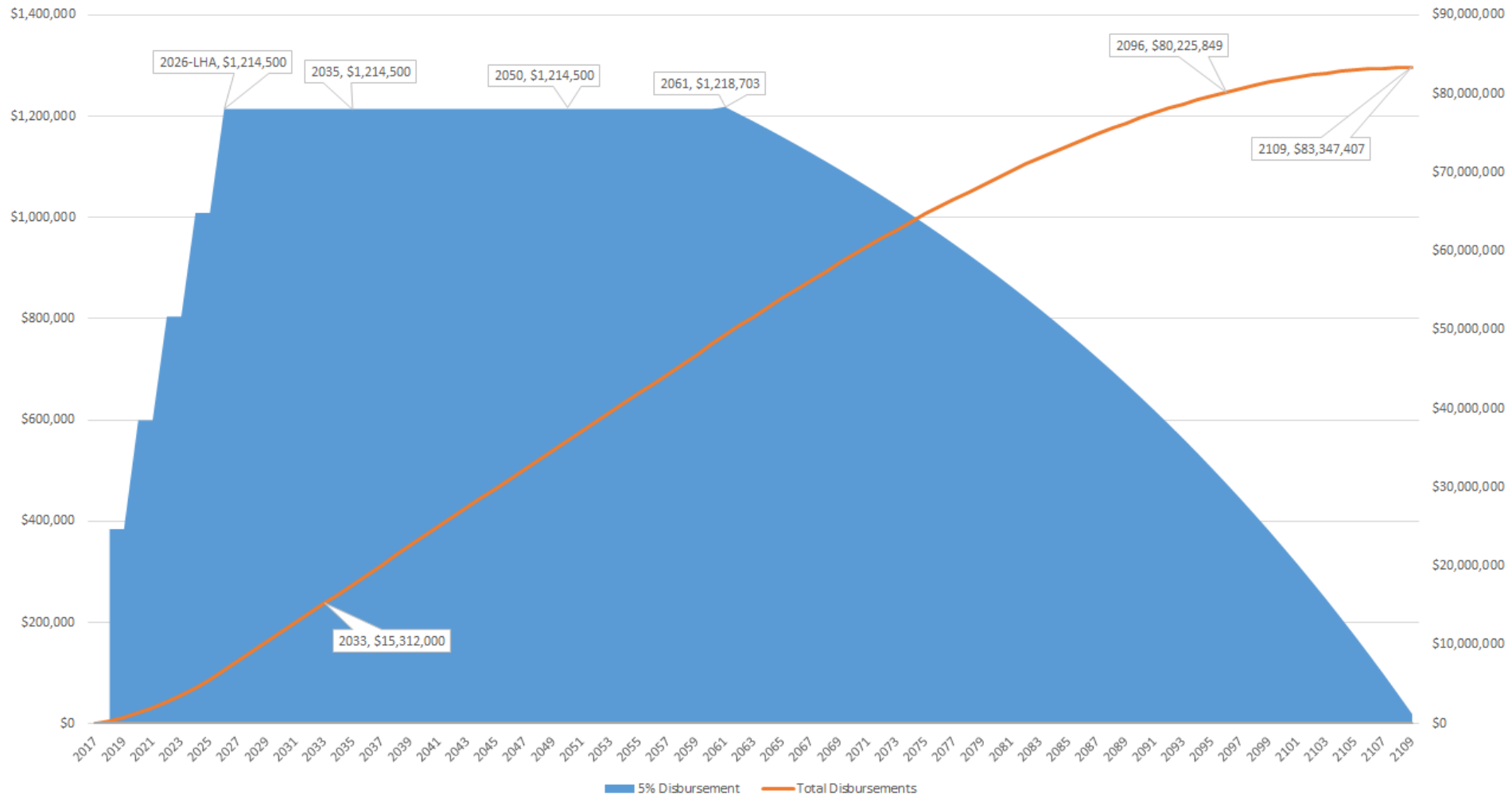
Combined with Special Disbursements Community Impact



Combined Community Impact with Special Disbursements every 7 Years

Year	Funding	B.O.Y. Balance	4% net	5% net	6% net	5% Disbursement	Special LHA Disbursement (5%)	Total Annual Disbursement	Total Disbursements	Total Expenses	E.O.Y. Balance
2017	\$200,000	\$200,000	\$0	\$0	\$0	\$0		\$0	\$0	\$110,000	\$90,000
2018	\$8,100,000	\$8,190,000	\$327,600	\$409,500	\$491,400	\$409,500		\$409,500	\$409,500	\$112,420	\$8,077,580
2019	\$500,000	\$8,577,580	\$343,103	\$428,879	\$514,655	\$428,879		\$428,879	\$838,379	\$114,893	\$8,462,687
2020	\$4,800,000	\$13,262,687	\$530,507	\$663,134	\$795,761	\$663,134		\$663,134	\$1,501,513	\$117,421	\$13,145,266
2021	\$500,000	\$13,645,266	\$545,811	\$682,263	\$818,716	\$682,263		\$682,263	\$2,183,777	\$120,004	\$13,525,262
2022	\$4,600,000	\$18,125,262	\$725,010	\$906,263	\$1,087,516	\$906,263		\$906,263	\$3,090,040	\$122,644	\$18,002,617
2023	\$500,000	\$18,502,617	\$740,105	\$925,131	\$1,110,157	\$925,131		\$925,131	\$4,015,171	\$125,342	\$18,377,275
2024	\$4,600,000	\$22,977,275	\$919,091	\$1,148,864	\$1,378,637	\$1,148,864	\$1,009,500	\$2,158,364	\$6,173,534	\$128,100	\$21,839,675
2025	\$500,000	\$22,339,675	\$893,587	\$1,116,984	\$1,340,381	\$1,116,984		\$1,116,984	\$7,290,518	\$130,918	\$22,208,757
2026	\$4,600,000	\$26,808,757	\$1,072,350	\$1,340,438	\$1,608,525	\$1,340,438		\$1,340,438	\$8,630,956	\$133,798	\$26,674,959
2027	\$500,000	\$27,174,959	\$1,086,998	\$1,358,748	\$1,630,498	\$1,358,748		\$1,358,748	\$9,989,704	\$136,742	\$27,038,217
2028	\$500,000	\$27,538,217	\$1,101,529	\$1,376,911	\$1,652,293	\$1,376,911		\$1,376,911	\$11,366,615	\$139,750	\$27,398,466
2029	\$500,000	\$27,898,466	\$1,115,939	\$1,394,923	\$1,673,908	\$1,394,923		\$1,394,923	\$12,761,538	\$142,825	\$27,755,642
2030	\$500,000	\$28,255,642	\$1,130,226	\$1,412,782	\$1,695,339	\$1,412,782		\$1,412,782	\$14,174,320	\$145,967	\$28,109,675
2031	\$500,000	\$28,609,675	\$1,144,387	\$1,430,484	\$1,716,580	\$1,430,484	\$1,164,025	\$2,594,509	\$16,768,829	\$149,178	\$27,296,472
2032	\$500,000	\$27,796,472	\$1,111,859	\$1,389,824	\$1,667,788	\$1,389,824		\$1,389,824	\$18,158,652	\$152,460	\$27,644,012
2033	\$500,000	\$28,144,012	\$1,125,760	\$1,407,201	\$1,688,641	\$1,407,201		\$1,407,201	\$19,565,853	\$155,814	\$27,988,197
....
2038	....	\$27,329,899	\$1,093,196	\$1,366,495	\$1,639,794	\$1,366,495	\$1,105,824	\$2,472,319	\$27,587,334	\$173,725	\$26,050,351
....
2045	....	\$24,924,733	\$996,989	\$1,246,237	\$1,495,484	\$1,246,237	\$1,050,533	\$2,296,769	\$37,562,077	\$202,310	\$23,671,891
....
2052	....	\$22,361,059	\$894,442	\$1,118,053	\$1,341,664	\$1,118,053	\$998,006	\$2,116,059	\$46,620,008	\$235,599	\$21,127,453
....
2059	....	\$19,600,930	\$784,037	\$980,047	\$1,176,056	\$980,047	\$948,106	\$1,928,152	\$54,700,424	\$274,366	\$18,378,459
....
2066	....	\$16,567,819	\$662,713	\$828,391	\$994,069	\$828,391	\$828,391	\$1,656,782	\$61,650,949	\$326,540	\$15,412,888
....
2073	\$13,297,133	\$531,885	\$664,857	\$797,828	\$664,857	\$683,461	\$1,348,318	\$67,365,376	\$380,270	\$12,233,402
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2080	\$9,769,510	\$390,780	\$488,476	\$586,171	\$488,476	\$488,476	\$976,951	\$71,712,178	\$442,842	\$8,838,193
....
2087	....	\$5,968,880	\$238,755	\$298,444	\$358,133	\$298,444	\$298,444	\$596,888	\$74,610,963	\$515,709	\$5,154,727
....
2094	....	\$1,813,283	\$72,531	\$90,664	\$108,797	\$90,664	\$90,664	\$181,328	\$75,931,630	\$600,567	\$1,122,052
....
2096		\$508,273	\$20,331	\$25,414	\$30,496	\$25,414		\$25,414	\$76,013,146	\$508,273	\$0
TOTAL	\$32,400,000					\$67,347,718		\$8,665,428	\$76,013,146		

LHA Funds Community Impact

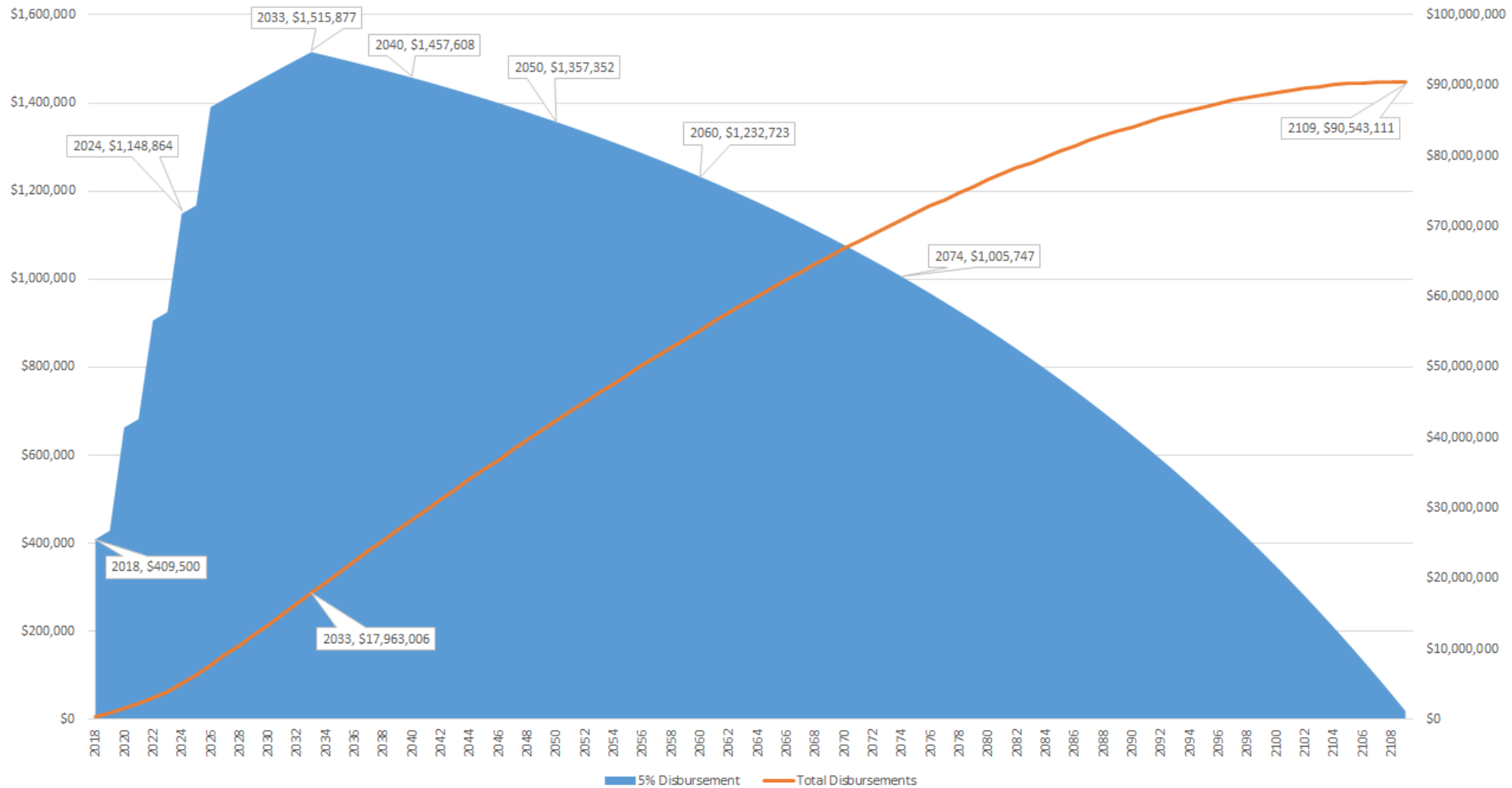


LHA Funds with Expenses Paid at Depletion of CC Funds

Year	Funding	B.O.Y. Balance	4% net	5% net	6% net	5% Disbursement	Total Disbursements	Total Expenses	E.O.Y. Balance	
2017	\$200,000	\$200,000					\$0	\$110,000	\$90,000	
2018-LHA	\$7,600,000	\$7,690,000	\$307,600	\$384,500	\$461,400	\$384,500	\$384,500		\$7,690,000	
2019		\$7,690,000	\$307,600	\$384,500	\$461,400	\$384,500	\$769,000		\$7,690,000	
2020-LHA	\$4,300,000	\$11,990,000	\$479,600	\$599,500	\$719,400	\$599,500	\$1,368,500		\$11,990,000	
2021		\$11,990,000	\$479,600	\$599,500	\$719,400	\$599,500	\$1,968,000		\$11,990,000	
2022-LHA	\$4,100,000	\$16,090,000	\$643,600	\$804,500	\$965,400	\$804,500	\$2,772,500		\$16,090,000	
2023		\$16,090,000	\$643,600	\$804,500	\$965,400	\$804,500	\$3,577,000		\$16,090,000	
2024-LHA	\$4,100,000	\$20,190,000	\$807,600	\$1,009,500	\$1,211,400	\$1,009,500	\$4,586,500		\$20,190,000	
2025		\$20,190,000	\$807,600	\$1,009,500	\$1,211,400	\$1,009,500	\$5,596,000		\$20,190,000	
2026-LHA	\$4,100,000	\$24,290,000	\$971,600	\$1,214,500	\$1,457,400	\$1,214,500	\$6,810,500		\$24,290,000	
2027		\$24,290,000	\$971,600	\$1,214,500	\$1,457,400	\$1,214,500	\$8,025,000		\$24,290,000	
2028		\$24,290,000	\$971,600	\$1,214,500	\$1,457,400	\$1,214,500	\$9,239,500		\$24,290,000	
2029		\$24,290,000	\$971,600	\$1,214,500	\$1,457,400	\$1,214,500	\$10,454,000		\$24,290,000	
2030		\$24,290,000	\$971,600	\$1,214,500	\$1,457,400	\$1,214,500	\$11,668,500		\$24,290,000	
2031		\$24,290,000	\$971,600	\$1,214,500	\$1,457,400	\$1,214,500	\$12,883,000		\$24,290,000	
2032		\$24,290,000	\$971,600	\$1,214,500	\$1,457,400	\$1,214,500	\$14,097,500		\$24,290,000	
2033		\$24,290,000	\$971,600	\$1,214,500	\$1,457,400	\$1,214,500	\$15,312,000		\$24,290,000	
2040	....	....	....	....	....	....	....	....	....
		\$24,290,000	\$971,600	\$1,214,500	\$1,457,400	\$1,214,500	\$23,813,500		\$24,290,000	
2050	....	....	....	....	....	....	....	....	....
		\$24,290,000	\$971,600	\$1,214,500	\$1,457,400	\$1,214,500	\$35,958,500		\$24,290,000	
2060	....	....	....	....	....	....	....	....	....
		\$24,290,000	\$971,600	\$1,214,500	\$1,457,400	\$1,214,500	\$48,103,500		\$24,290,000	
2061		\$84,050	\$24,374,050	\$974,962	\$1,218,703	\$1,462,443	\$1,218,703	\$49,322,203	\$286,571	\$24,087,479
2070	....	....	....	....	....	....	....	....	....
		\$21,555,904	\$862,236	\$1,077,795	\$1,293,354	\$1,077,795	\$59,606,418	\$348,570	\$21,207,334	
2074	....	....	....	....	....	....	....	....	....
		\$20,114,934	\$804,597	\$1,005,747	\$1,206,896	\$1,005,747	\$63,739,437	\$380,271	\$19,734,663	
2080	....	....	....	....	....	....	....	....	....
		\$17,704,074	\$708,163	\$885,204	\$1,062,244	\$885,204	\$69,359,666	\$433,310	\$17,270,764	
2090	....	....	....	....	....	....	....	....	....
		\$12,915,832	\$516,633	\$645,792	\$774,950	\$645,792	\$76,937,884	\$538,652	\$12,377,181	
2100	....	....	....	....	....	....	....	....	....
		\$6,963,529	\$278,541	\$348,176	\$417,812	\$348,176	\$81,812,306	\$669,602	\$6,293,927	
2109			\$378,642	\$15,146	\$18,932	\$22,718	\$18,932	\$83,347,407	\$378,642	\$0
TOTAL LIFETIME	\$24,484,050		\$66,677,925	\$83,347,407	\$100,016,888	\$83,347,407		\$24,484,050		

*ADDITION FROM CC FUNDS & COSTS PICKED UP ONCE CC FUNDS ARE DEPLETED IN 2061

Combined Community Impact



Combined Community Impact

<u>Year</u>	<u>Funding</u>	<u>B.O.Y. Balance</u>	<u>4% net</u>	<u>5% net</u>	<u>6% net</u>	<u>5% Disbursement</u>	<u>Total Disbursements</u>	<u>Total Expenses</u>	<u>E.O.Y. Balance</u>
2017	\$200,000	\$200,000	\$0	\$0	\$0	\$0	\$0	\$110,000	\$90,000
2018	\$8,100,000	\$8,190,000	\$327,600	\$409,500	\$491,400	\$409,500	\$409,500	\$112,420	\$8,077,580
2019	\$500,000	\$8,577,580	\$343,103	\$428,879	\$514,655	\$428,879	\$838,379	\$114,893	\$8,462,687
2020	\$4,800,000	\$13,262,687	\$530,507	\$663,134	\$795,761	\$663,134	\$1,501,513	\$117,421	\$13,145,266
2021	\$500,000	\$13,645,266	\$545,811	\$682,263	\$818,716	\$682,263	\$2,183,777	\$120,004	\$13,525,262
2022	\$4,600,000	\$18,125,262	\$725,010	\$906,263	\$1,087,516	\$906,263	\$3,090,040	\$122,644	\$18,002,617
2023	\$500,000	\$18,502,617	\$740,105	\$925,131	\$1,110,157	\$925,131	\$4,015,171	\$125,342	\$18,377,275
2024	\$4,600,000	\$22,977,275	\$919,091	\$1,148,864	\$1,378,637	\$1,148,864	\$5,164,034	\$128,100	\$22,849,175
2025	\$500,000	\$23,349,175	\$933,967	\$1,167,459	\$1,400,951	\$1,167,459	\$6,331,493	\$130,918	\$23,218,257
2026	\$4,600,000	\$27,818,257	\$1,112,730	\$1,390,913	\$1,669,095	\$1,390,913	\$7,722,406	\$133,798	\$27,684,459
2027	\$500,000	\$28,184,459	\$1,127,378	\$1,409,223	\$1,691,068	\$1,409,223	\$9,131,629	\$136,742	\$28,047,717
2028	\$500,000	\$28,547,717	\$1,141,909	\$1,427,386	\$1,712,863	\$1,427,386	\$10,559,015	\$139,750	\$28,407,966
2029	\$500,000	\$28,907,966	\$1,156,319	\$1,445,398	\$1,734,478	\$1,445,398	\$12,004,413	\$142,825	\$28,765,142
2030	\$500,000	\$29,265,142	\$1,170,606	\$1,463,257	\$1,755,909	\$1,463,257	\$13,467,670	\$145,967	\$29,119,175
2031	\$500,000	\$29,619,175	\$1,184,767	\$1,480,959	\$1,777,150	\$1,480,959	\$14,948,629	\$149,178	\$29,469,997
2032	\$500,000	\$29,969,997	\$1,198,800	\$1,498,500	\$1,798,200	\$1,498,500	\$16,447,129	\$152,460	\$29,817,537
2033	\$500,000	\$30,317,537	\$1,212,701	\$1,515,877	\$1,819,052	\$1,515,877	\$17,963,006	\$155,814	\$30,161,722
....
2040	....	\$29,152,153	\$1,166,086	\$1,457,608	\$1,749,129	\$1,457,608	\$28,346,137	\$181,453	\$28,970,700
....
2050	....	\$27,147,033	\$1,085,881	\$1,357,352	\$1,628,822	\$1,357,352	\$42,388,790	\$225,565	\$26,921,468
....
2060	....	\$24,654,452	\$986,178	\$1,232,723	\$1,479,267	\$1,232,723	\$55,299,204	\$280,402	\$24,374,050
....
2070	....	\$21,555,904	\$862,236	\$1,077,795	\$1,293,354	\$1,077,795	\$66,802,121	\$348,570	\$21,207,334
....
2074	....	\$20,114,934	\$804,597	\$1,005,747	\$1,206,896	\$1,005,747	\$70,935,141	\$380,271	\$19,734,663
....
2080	....	\$17,704,074	\$708,163	\$885,204	\$1,062,244	\$885,204	\$76,555,369	\$433,310	\$17,270,764
....
2090	....	\$12,915,832	\$516,633	\$645,792	\$774,950	\$645,792	\$84,133,588	\$538,652	\$12,377,181
....
2100	....	\$6,963,529	\$278,541	\$348,176	\$417,812	\$348,176	\$89,008,010	\$669,602	\$6,293,927
....
2109		\$378,642	\$15,146	\$18,932	\$22,718	\$18,932	\$90,543,111	\$378,642	\$0
TOTAL	\$32,400,000		\$72,434,488	\$90,543,111	\$108,651,733	\$90,543,111			

Suggested Next Steps

- ï Decide structure
 - Ë Present recommendation to Lakewood City Council
- ï RFP for an attorney
 - Ë Allow 3 to 4 weeks for RFP
 - Ë Additional 2 to 3 weeks to select finalists
 - Ë Allow 2 to 3 weeks for attorney to draft IRS documents
- ï File with IRS
 - Ë Allow 12 to 24 months for IRS determination