AMERICANS ALL 2.0

People • Community • Schools • Storytelling

A SELF-SUSTAINING COMMUNITY FUNDING MODEL

Illustrative Three-Year Revenue Projections

■ Blue — Local Schools ■ Green — Supporting Organizations

DESCRIPTION		YEAR 1	YEAR 2	YEAR 3
Year 1: Begins 12 months following the completion of the program's pilot phase. Projections are based on implementing the program in 30 cities/metropolitan areas, each generating 10,000 new member discount subscriptions and 800 new businesses and professional service provider memberships in each geographic area.		**Revenue Growth Assumptions** After Year 1, we estimate a 70% renewal rate for subscription and membership fees from the prior year and an annual growth rate based on Year 1 projections. The Year 2 and Year 3 revenue projections below reflect those estimates.		
300,000 new subscriptions x $48 per year		$14,400,000	$20,160,000	$22,176,000
24,000 businesses x $96 per year		$2,304,000	$3,226,800	$3,549,480
Total gross revenue		**$16,800,000**	**$23,386,800**	**$25,725,480**
Distribution to local schools: 75% of gross revenue		**$12,600,000**	**$17,540,100**	**$19,294,110**
Non-school distribution: 25% of gross revenue (see below)		$4,200,000	$5,846,700	$6,431,370
Distribution of Non-School Portion	**% of Gross**	**Year 1 ($)**	**Year 2 ($)**	**Year 3 ($)**
Board of Directors: 2%	0.02	$336,000	$467,736	$514,510
State Offices: 3%	0.03	$504,000	$701,601	$771,761
County Offices: 5%	0.05	$840,000	$1,169,340	$1,286,274
Program Overhead: 2%	0.02	$336,000	$467,736	$514,510
Credit Card Fees: 3%	0.03	$504,000	$701,601	$771,761
People of America Foundation: 3%	0.03	$504,000	$701,601	$771,761
Program Developers/Equity Partners: 7%	0.07	$1,176,000	$1,636,085	$1,800,793
Total non-school distribution	**0.25**	**$4,200,000**	**$5,846,700**	**$6,431,370**
Total gross revenue for Year 2			**$30,091,200**	
Distribution to local schools: 75% of gross revenue			**$22,568,400**	
Non-school distribution: 25% of gross revenue			**$7,522,800**	
Total gross revenue for Year 3				**$42,787,680**
Distribution to local schools: 75% of gross revenue				**$32,090,760**
Non-school distribution: 25% of gross revenue				**$10,696,920**

Note: Illustrative revenue projections are based on the stated participation assumptions. Actual results will vary depending on market conditions and implementation.

INITIAL INVESTMENT

$190,000 structured as a loan.

Investment funds will:

- Retire existing foundation and developer obligations
- Rebuild the website with new financial modules
- Cover one year of operating expenses
- Produce instructional videos and training resources

No funds will be allocated to salaries.

REPAYMENT

Cash flow from membership fees will first be used to repay the loan **before any partner distributions** are made.

The lender—who may also be a partner—can choose to receive either:

- 3 additional balloon payments of $190,000 (4X)

or

- **1%** of the program's annual gross revenue (14% of non-charity equity), along with a board seat.

FINANCIAL TRANSPARENCY

- All transactions via credit card
- Funds deposited in a national bank selected by the partner or investor
- Automatic distribution according to preset percentages
- Independent public accounting firm for oversight and transparency

LONG-TERM GOVERNANCE

Upon achieving certain financial benchmarks, the partner group will assume ownership of the program and control of the foundation's board.

DESIGNED FOR LONG-TERM FINANCIAL SUSTAINABILITY

Illustrative Three-Year Revenue Projections

Based on the participation assumptions described below.

Blue = Revenue Distributed to Local Schools
Green = Distribution to Supporting Organizations

Year 1: Begins 12 months following the completion of the program's pilot phase. Projections are based on implementing the program in 30 cities/metropolitan areas, each generating 10,000 new member discount subscriptions and 800 new business and professional service provider memberships in each geographic area.			
300,000 new member subscriptions x $48 per year	$14,400,000		
24,000 business memberships x $96 per year	$2,304,000		
Total gross revenue	**$16,800,000**		
Distribution to local schools: 75% of gross revenue	**$12,600,000**		
Non-school distribution: 25% of gross revenue (see below)	$4,200,000		
Board of Directors: 2%		0.02	**$336,000**
State Offices: 3%		0.03	**$504,000**
County Offices: 5%		0.05	**$840,000**
Program Overhead: 2%		0.02	**$336,000**
Credit Card Fees: 3%		0.03	$504,000
People of America Foundation: 3%		0.03	$504,000
Program Developers/Equity Partners: 7%		0.07	$1,176,000
Total non-school distribution		0.25	**$4,200,000**
Year 2: We estimate that 70% of both the member discount program subscriptions, and the business and professional service provider memberships from Year 1 will be renewed. We estimate a 10% increase in new participation, creating 11,000 new member discount subscriptions and 880 new business and professional service provider memberships in each geographic area.			
Number of renewed member subscriptions @70%	210,500		
Number of new member subscriptions	330,000		
Total number of member subscriptions	540,500		
540,500 member subscriptions x $48 per year	$25,944,000		
Number of renewed business memberships @70%	16,800		
Number of new business memberships	26,400		
Total number of business memberships	43,200		
43,200 business memberships x $96 per year	$4,147,200		
Total gross revenue	**$30,091,200**		
Distribution to local schools: 75% of gross revenue	**$22,568,400**		
Non-school distribution: 25% of gross revenue (see below)	**$7,522,800**		
Board of Directors: 2%		0.02	**$601,824**
State Offices: 3%		0.03	**$902,736**
County Offices: 5%		0.05	**$1,504,560**
Program Overhead: 2%		0.02	**$601,824**
Credit Card Fees: 3%		0.03	$902,736
People of America Foundation: 3%		0.03	$902,736
Program Developers/Equity Partners: 7%		0.07	$2,106,384
Total non-school distribution		0.25	**$7,522,800**

Illustrative revenue projections are based on the stated participation assumptions. Actual results will vary depending on market conditions and implementation.

Illustrative Three-Year Revenue Projections (continued)

Based on the participation assumptions described below.

Blue = Revenue Distributed to Local Schools
Green = Distribution to Supporting Organizations

Year 3: We estimate that 70% of both the member discount program subscriptions, and the business and professional service provider memberships from Year 2 will be renewed. We estimate a 10% increase in new participation, creating 12,100 new member discount subscriptions and 968 new business and professional service provider memberships in each geographic area.			
Number of renewed member subscriptions @70%	409,850		
Number of new member subscriptions	363,000		
Total number of member subscriptions	772,850		
772,850 member subscriptions x $48 per year	**$37,096,800**		
Number of renewed business memberships @70%	30,240		
Number of new business memberships	29,040		
Total number of business memberships	59,280		
59,280 business memberships x $96 per year	$5,690,880		
Total gross revenue	**$42,787,680**		
Distribution to local schools: 75% of gross revenue	**$32,090,760**		
Non-school distribution: 25% of gross revenue (see below)	**$10,696,920**		
Board of Directors: 2%		0.02	**$855,754**
State Offices: 3%		0.03	**$1,283,630**
County Offices: 5%		0.05	**$2,139,384**
Program Overhead: 2%		0.02	**$855,754**
Credit Card Fees: 3%		0.03	**$1,283,630**
People of America Foundation: 3%		0.03	$1,283,630
Program Developers/Equity Partners: 7%		0.07	$2,995,138
Total non-school distribution		0.25	**$10,696,920**
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Illustrative Three-Year Revenue Projections

Based on the participation assumptions described below.

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Board of Directors: 2%		0.02	**$336,000**
State Offices: 3%		0.03	**$504,000**
County Offices: 5%		0.05	**$840,000**
Program Overhead: 2%		0.02	**$336,000**
Credit Card Fees: 3%		0.03	$504,000
People of America Foundation: 3%		0.03	$504,000
Program Developers/Equity Partners: 7%		0.07	$1,176,000
Total non-school distribution		0.25	$4,200,000
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Key Assumptions:

- 70% annual renewal rate for member discount subscriptions and business/professional service provider memberships after Year 1.
- 10% annual growth in new member discount subscriptions and business/professional service provider memberships in each geographic area.
- Illustrative revenue projections are based on the stated participation assumptions. Actual results will vary depending on market conditions and implementation.