

Sensitivity Analysis

Scarborough Student Centre Proposal - April 2003 Submission

Sensitivity Analysis on Financial Model

	<u>Submitted Model</u>	<u>Low Risk Case</u>	<u>Medium Risk Case</u>	<u>Worst Case</u>	<u>Donation Shortfall only</u>	<u>Donation Shrtfl. & 7.25% Mtge</u>
Total Capital Cost	14,777,000	14,777,000	14,777,000	14,777,000	14,777,000	14,777,000
Project Cost Overrun	0	250,000	500,000	750,000	0	0
Donation Shortfall	0	500,000	750,000	1,000,000	1,000,000	1,000,000
Student Levy Shortfall * (due to enrollment shortfall)	0%	5.0%	7.5%	10%	0%	0%
Retail Revenue Shortfall	0%	0%	5%	10%	0%	0%
<u>Breakeven Year</u>						
Annual	1	12	18	23	11	7
Cumulative	1	20	26	29	18	1**
IRR	9.05%	7.63%	6.73%	5.89%	7.75%	7.75%
NPV (Cashflows before financing costs and net of total capital cost)	792,654	(299,579)	(1,056,693)	(1,813,806)	(207,346)	(207,346)

* It was assumed no change in the student levy amount charged.

** The submitted financial model begins with a surplus reserve that never falls into a deficit position.