

The Calculus of HABU

	Computation 1 PV IV ICD ES	Computation 2 PV ES Size IV if Presented IFD	Computation 3 PV ES Size IV if Presented IFD	Computation 4 BPU of ES Size IV if Presented IFD
PV	(115,000)	\$1.19	\$0.0000025	(115,000)
FV	\$ 5,059,835	(115,000)	(115,000)	5.26E+15
Pmt	\$ -	Again, 0 assumed	A third 0 assumption	Yet again, 0 assumed
Nper	110	110	110	110
Rate*	3.50%	Varied	Subjective	Conflicted
Concealed Rate**	N/A			
Reason Concealed***	N/A also	Too Varied	Risk AND Subjectivity	Makes one conflicted
Tax Assumption****	Transparently Pre-tax	Somewhat Specified	Individually Dependent	Further Conflicted

Description of variables

PV Present value

FV Future value

Nper The number of periods over which an investment is maintained. See Note 2.

Rate The rate of return on a hypothetical investment. See Note 3.

Pmt The payment(s) the hypothetical investor receives over the life of the investment. See note 4.

Note 1 ES = Evans School, IV = Initial Investment; ICD = In Current \$, IFD = In future \$, PBUs = Public Benefit Units.

Note 2 Nper is held constant at 110 years for each of these examples for consistency's sake.

Note 3 For Computation 2 the rate is vaguely specified as predominantly pre-tax.

However, future resultd cannot be guaranteed by past history and over the history analyzed tax rates have varied quite substantially. Therefore, nothing definitive can be said about future rates due to the clear and quite notably large uncertainties inherent in the historical data, and due to the fundamental structure of the question.

Note 4 The payment (aka dividend, aka yield) that the hypothetical investor receives over the life of the investment.

There can be a great multitude of assumptions when it comes to payments. For example, idiots presume that leaving the dividends out of the City of Denver's investment in the School is immaterial to the accounting of the total yield.

* Pick any random study and examine the standard deviations shown in that study. Then grab a different study with roughly similar data and strangely familiar deviations.

** It's not really hidden. You can look it up on-line and choose any number of arguably appropriate figures.

[Personally, I'd like to make the concealment a colorblindness test but that's just another thing I can't do.]

*** Grown-up developers don't like to play *show me your figures and I'll show you mine*. As a result, on occasion(s) individuals suffering from arrested development can respond in childish ways.

**** I don't actually have any data for this. It's just my biased speculation that the opacity of these figures presents a real social problem.