

November 7, 2010

North Campus Financial Plan

The Financial Plan - Topics

- Financial Principles
- “Financial Assets” of the Church
- Key Assumptions
- Results of Financial Forecast
- Key Risks to the Plan

Financial Principles

- Financially Sound Business Plan
- Construction to Begin When Church Has Eliminated Current Debt
 - Debt on North Campus Acquisition
 - Original Debt: \$5.3 million (February 2007)
 - Current Debt: \$3.3 million (estimate: \$3.2 million at year-end)
 - Debt on Current Building
 - Original Debt: \$3.2 million (1997)
 - Current Debt: \$1.5 million (estimate: \$1.5 million at year-end)

Financial Principles

- **Debt Structure/Service Not to Interfere with Other Church Programs**
- **Conservative Plan, Based on Probabilities, Not Hope**

“Financial Assets” of Church

- Recent Capital Campaign: \$8.3 million
- Third Capital Campaign Scheduled for 2013
- Current Building
 - 2005 Appraisal of \$6.0 million
- Financial Reserves of Church
- Experience with Borrowing; Reputation and Capacity to Borrow in Future

Key Assumptions

- **Cash Flow from Recent Capital Campaign:**
 - 2011: \$1.3 million
 - 2012: \$6.0 million
 - 2013: \$1.0 million
- **Cash Flow from Upcoming Campaign:**
 - 2014: \$2.0 million
 - 2015: \$2.0 million
 - 2016: \$1.0 million

Key Assumptions

- **Sales of Current Land/Building: \$6.0 million in 2012**
- **Cost of Phase I of North Campus: \$22 million**
- **Growth in Church Revenue after Move to North Campus: 15% in 2013 and 2014; 5% thereafter**
- **Loan Arrangement:**
 - Two year construction loan
 - Permanent Loan: 20-year amortization

Results of Financial Forecast

Year End:	Current Building Debt	North Campus Land Debt	North Campus Constr/Perm	Capital Reserves
2010	\$1.2 million	\$3.2 million	\$ 0	\$0.6 million
2011	\$1.1 million	\$2.1 million	\$ 0	\$0.6 million
2012	\$0	\$0	\$14.0 million	\$0.6 million
2013	\$0	\$0	\$12.5 million	\$0.6 million
2014	\$0	\$0	\$10.5 million	\$0.6 million
2015	\$0	\$0	\$10.0 million	\$0.6 million
2016	\$0	\$0	\$ 9.5 million	\$1.6 million

Key Risks to Financial Plan

- **Sale of Downtown Property: sales price, terms, timing**
- **Cash Flow from Current and Future Capital Campaigns**
- **Local Economic Conditions**

Questions

	2011	2012	2013	2014	2015	2016
Operating Budget	2,334,865	2,358,214	2,645,000	3,041,750	3,193,838	3,353,529
Operating Budget Variance	100,000	100,000	150,000	150,000	150,000	150,000
Tithes/Giving Increase	1%	1%	15%	15%	5%	5%
Sources of funds:						
Campaign #2: 2010 - 2012	8,300,000	1,300,000	6,000,000	1,000,000		
Campaign #3: 2014 - 2016	5,000,000			2,000,000	2,000,000	1,000,000
Sale of Current Building	6,000,000		6,000,000			
Total Sources	19,300,000					
Uses of Funds: (as of 2010)						
Current Loan- Education Bldg.	1,200,000		1,200,000 Pays off existing Education Bldg Loan			
Education Bldg Prin/Interest	315,000					
North Campus -Principal Bal.	3,400,000	1,300,000 Pay down existing N. Campus Loan	2,100,000 Pays off Current N. Campus Loan			
North Campus -Prin/Interest	180,000					
New Bldg - North Campus Loan - Balance	22,000,000		14,000,000 - Bldg - N. Campus Loan Balance	12,500,000 - Bldg- N. Campus Loan Balance	10,500,000 - Bldg - N. Campus Loan Balance	10,000,000 Bldg - N. Campus Loan Balance
Construction loan - Interest Only						9,500,000 N. Campus Loan carry fwd.
Loan Prin + Interst (6% @ 20 years)			720,000	8,000,000	1,500,000	
Total Uses	26,600,000			750,000	660,000	540,000
Total Balance (Sources - Uses)						
	0	8,000,000	-7,720,000	250,000	160,000	460,000
Notes	Use \$1.3 million to pay down existing N. Campus Loan	Capital campaign + sale of d/town property less pay off N. Campus and Education Bldg Loans	Pay down construction loan with Capital Campaign funds	Pay down construction loan with Capital Campaign funds, scheduled pmts.	Pay down construction loan with Capital Campaign funds, scheduled pmts.	