

**Saint John Lutheran Church
Building Campaign Financing**

Total Building Campaign Costs:

Option 1	\$3,247,000	(\$3,570,000 base bid less \$323,000 deductions)
Architect/Engineering	354,170	(\$230,000 already paid)
Asbestos	55,000	
5% Contingency Funds	162,350	
Construction Interest	30,000	
Title Costs	6,000	
Re-location	<u>20,000</u>	
	Total	\$3,874,520

Cash Positions and Source of Funds, 1/1/09 – 3/26/11

Carol Murray gift		\$674,717
Less mortgage payoff	\$91,153	
Less cost of Capital Campaign	<u>51,508</u>	
		<u>142,661</u>
Balance of Murray gift		\$532,056
20/20 Fund		14,608
Interest earned		4,833
1 st & 2 nd campaign pledges	- 1,256,435	
Pledged by Saint John Foundation	54,000	
New pledges	38,388	
New 4th yr. extensions	210,397	
New 5th yr. extensions	<u>44,976</u>	
Total new commitments	<u>293,761</u>	
Total Capital Campaign pledges		<u>1,604,196</u>
Total funds pledged and/or received		2,155,693
Promissory notes		<u>169,000</u>
Total fundraising to date		\$2,324,693

Building Financing Worksheet

Projected cost of construction including contingency	\$3,874,520
Less amount paid architect to date	- 230,000
Less amount paid for relocation	<u>- 20,000</u>
	\$3,624,520
Less cash on hand	- 793,500
Less pledges due by end of construction, May 2012	- 300,000
Less Foundation pledges	<u>- 54,000</u>
	\$2,477,020
Less member notes	- <u>169,000</u>
Mortgage needed (ELCA Mission Investment Fund)	\$2,308,020

Building Committee and Council are proposing a loan not to exceed \$2,500,000.

Assumptions:

- * Used Option 1 costs
- * 5% contingency costs
- * Construction interest included
- * Does not include any payments from the General Budget for 2011 - 2013 for sure and will evaluate after that.
- * All payments made from the Building Fund accounts
- * Promissory notes: \$169,000
- * Will have Selma Olsen Trust due in 2016: estimated at \$350,000
 - Utilize these funds to pay off the Promissory Notes or apply any surplus to the mortgage
- * 7 year rate lock, after 1 year of construction: 5.125%
- * Monthly payments: \$13,021 beginning in May 2012
- * 25 year amortization
- * Annual Payments: \$156,264

Estimated Pledge Receipt Schedule

By 2/1/11	\$385,000
By 3/30/12	300,000
By 3/30/12 – Foundation	54,000
By 3/30/13	609,823
4 th year pledges by 3/30/14	210,397
5 th year pledges by 3/30/15	<u>44,976</u>
Total to be received by 3/30/15	\$1,604,196

It is anticipated additional principal payments will be made the first 5 years after construction is finished.

Projected loan balances are:

5/1/12	\$ 2,200,000
5/1/13	1,700,000
5/1/14	1,590,000
5/1/15	1,470,000
5/1/16	1,345,000
5/1/17	1,210,000
5/1/18	1,070,000
5/1/19	975,000

There will likely be additional 3 year capital campaigns for years 2014 – 2019. Our initial campaign raised approximately \$400,000 per year on average. We are told that generally additional campaigns realize 75% of the first one. If we can raise only 50%, this \$200,000 would be sufficient for the payments and debt reduction over and above normal amortization. Beginning in 2014 we will evaluate whether to budget operating funds for additional debt payment.