

How Do Our Strategies Close the Gap?



Strategy A - as of December 31, 2019

Many people made *early payments* on their capital pledges. Those amounts boosted our coffers and ultimately added ~\$11K in interest earnings to our balance. Further, those in-hand funds mean we'll pay less interest and fees on the new loan, enabling us to lower the Gap projection by ~\$19K.

Individual pledge increases to date "to help close the Gap" and some pledges from new members have added ~\$39K to what we expect.

The Concert Series donated accumulated profits of \$8K to get the ball rolling, and generous proceed-sharing from events such as the Holiday Bazaar, the Fall Auction, and Standing on the Side of Love have added another ~\$6K. The church's Endowment Fund has granted \$7K to help close the Gap.

Volunteers have helped raise funds through such projects as UNC ballgame parking (~\$6K) and selling eggs and other homegrown or handmade bounty at the Sunday Pop-Up Marts and event concession tables (~\$3K).

Future Prospects for Strategy A - through June 30, 2021

We are encouraging further *early payments* on existing pledges, to defer and reduce the need to borrow funds for paying construction invoices in 2020.

As construction proceeds, we will offer new members and others who didn't participate in the 2018 campaign an opportunity to learn about the building project and consider participating by making a capital pledge.

Church groups have pledged to share excess proceeds from their activities, e.g. concert series, musicals/plays, the Fall Auction, the Yule Ball and other events during the ongoing focus on closing the Gap (~\$13K over 18 months).

Also over this time, volunteers will continue to generate revenues from ballgame parking, the Sunday Pop-Up Marts, and event concessions (~\$10K).

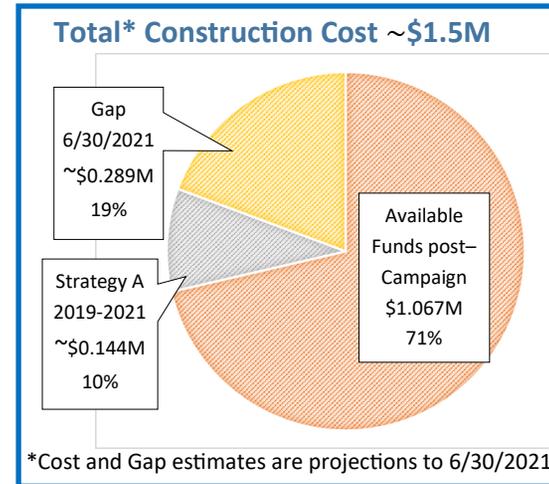
Bottom Line and Beyond (Strategy B)

These estimated factors result in a projected Gap (remaining debt) as of June 30, 2021, when payments on original pledges are due, of ~\$289K. This is a handsome reduction from what would otherwise have been a Gap of ~\$433K, but it's clear that the next step (Strategy B) must boldly supplement these activities in order to minimize debt service burden on the church operating budget. The best approach to raising more capital funds beyond June 2021 will be tailored to firmed-up cost and Gap figures, in 2020.

2020!

Our Building Project and "The Gap"

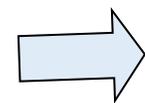
History: Of total pledges/gifts (~\$1.6M) through 2018, ~\$0.5M paid off the old loan and early expenses, leaving ~\$1.1M for construction, about \$0.2M short. Creative "Plan A" gap-closing strategies commenced at once.



Update: Construction cost based on actual 2020 bids ~\$1.5M. This would have meant a ~\$0.433M gap, but "Gap Strategy A" initiatives in 2019 (p.4) have *already REDUCED* the Gap estimate by ~\$0.100M!



Prospect: Continuing "Strategy A" activities over the next 18 months aim to raise ~\$0.044M more. The remaining Gap as of June 30, 2021 is thus projected to be ~\$0.289M.

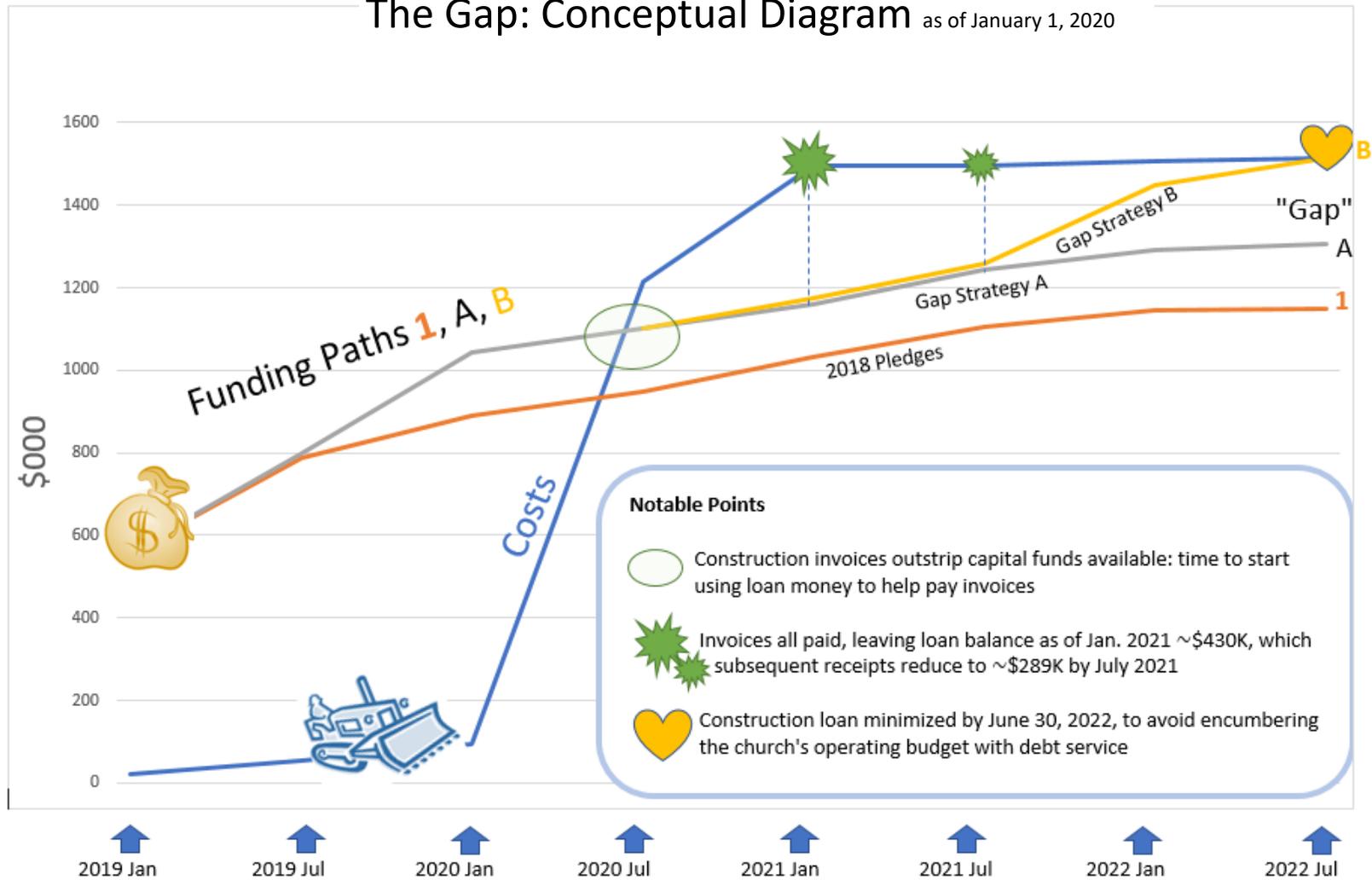


Plan: Implement "Strategy B" with goal of raising ~\$.308M after June 2021, to pay one more year's interest and retire the loan balance by June 2022, to minimize the burden of debt service on future church operating budgets.

Project Timing (projections based on current information):

- 2019–2021: Ongoing "Strategy A" Gap-closing initiatives
- Jan 2020: Firm up Phase II (new building) cost estimates
- Mar 2020: Receive permits; start construction
- Dec 2020: Complete construction
- Jun 2021: Three-year pledge payments completed
- Jun 2022: Minimize debt for cost of new building ("Strategy B")

The Gap: Conceptual Diagram as of January 1, 2020



- Costs** = Costs for this building project, after paying off old building loan balance
- Funding Path 1** = 2018 Pledges (payable by June 30, 2021) available for construction
- Funding Path A** = Gap Strategy A (Narrow the Gap by June 30, 2021)
- Funding Path B** = Gap Strategy B (Minimize the Remaining Debt by June 30, 2022)