

# Building Blocks: c3HUU's Building Project Bulletin

Issue 13: March-April 2020

On-line at <http://www.c3huu.org/osof-1.html>



The church's Board of Trustees' meeting via "Zoom" on April 14, 2020.

## Now What?

The economic uncertainties related to the pandemic have caused a careful assessment by the Building Project Task Force of the risks of proceeding with construction vs. delaying (see boxes below).

On April 14, the church's Board of Trustees unanimously accepted the Task Force recommendations that we proceed as soon as all documentation is in order, which we expect by month-end.

**Hint:** [Click here](#) for Board's letter via Building Project webpage

### Alternate Plan Based on Uncertainties of Economic Recession

**Scenario:** Even if not feasible to pay off loan in 2022, we are choosing to proceed with our new space for its benefits to our mission, and to avoid further delays and construction cost increases.

**Intent:** Buy ourselves time to delay further fundraising until economy revives, while protecting the church's operating budget from debt service burden.

**Strategy:** Stretch funds in Capital Account (currently about \$900K) to last for up to 6 years, by:

- Maximizing use of loan to pay construction invoices;
- Making only minimal monthly payments on post-construction loan.

**Upside:** Operating budget shielded from debt service burden until as far as June 2026.

**Downside:** On 6/30/2026 the loan balance would be \$500K; interest cost would have totaled \$177K.

**Mitigation of Downside:** Raise additional money as soon as economic conditions allow. Gratefully accept unsolicited donations at any time as possible.

**Note:** The actual strategy will likely fall somewhere between our previous projections and this plan.

### Summary of 3/31/2020 Projected Financial Situation for 6/30/2021

(\$000)

#### Receipts

Pledges* & gifts	\$1,623K
Fundraisers & Other	<u>\$125K</u>
Total	\$1,748K

#### Costs

Paid Old Loan	\$466K
Pre-Construction	\$52K
Construction	\$1,534K
Constr. loan fees/interest	<u>\$24K</u>
Total	\$2,075K

**Resulting Gap** \$328K

\*Of which all but \$202K has already been paid as of 3/31/2020.

### Previous Plan for Closing the Gap in 2022

Minimize interest cost by paying construction bills with money already in our account until depleted.

Pay off loan balance (the "Gap") in 2022, through additional pledges and fundraising activities.

For more information about the financial numbers, please contact church treasurer [Andrew Wright](#) or assistant treasurer [Bill Poteat](#).