

NORTH POINT CHURCH
FIVE YEAR PROJECTION AND CASH FLOW

The attached budget projection and cash flow is based on the following assumptions:

- 1) North Point Church will construct a new 11,000 square foot facility that will house most of the activities currently conducted at the North Kitsap High School. The facility will cost \$2,331,701 to build. North Point Church has already paid \$336,000 for architect and consultant fees. North Point Church currently has \$270,000 in designated funds and pledges for an additional \$400,000.
- 2) North Point Church will experience a growth of 20% during construction. After occupancy the growth will be at a rate of 40% the first year in the new building, 30% the second year and 20% thereafter.
- 3) North Point Church will issue \$1,000,000 of debentures that will be used for construction. The debentures will pay 4% interest per year, payable annually. The debentures will be retired in groupings beginning with \$50,000 each in years 2 and 3 after occupancy and then increase to \$100,000 until fully retired. Should pledges and capital fund drives exceed estimates the debentures will be retired faster.
- 4) North Point Church will borrow \$1,200,000 from a financial institution. The loan will be a construction loan with interest payable monthly during construction. Once the building is completed the loan will convert to fixed amortization over 25 years at 6.4% interest. The interest will be renegotiated every 5 years.
- 5) North Point Church will have additional capital fund raising drives in 2012 and 2015 for the purpose of retiring the debentures.
- 6) North Point Church has received a grant for purchase of furniture and fixtures to be used in the sanctuary.