

## Mississippi Conference of The United Methodist Church Cash Flow Model

### FINANCIAL INFORMATION

Annual Income		<b>\$ 500,000</b>
Expected loan amount when construction begins		<b>\$ 300,000</b>
Current Principal & Interest Payments		<b>\$ 100,000</b>

#### PROJECT COSTS

Projected Construction Costs		<b>\$ 1,100,000</b>
Contingency (architecture, engineers, change orders, etc.)	5%	<b>\$ 55,000</b>
<b>TOTAL PROJECT</b>		<b>\$ 1,155,000</b>

#### CAPITAL CAMPAIGN

Pledges collected over <span style="color: blue;">3</span> years		<b>\$ 1,200,000</b>
Average collection <span style="color: blue;">95%</span>		<b>\$ 1,140,000</b>
Cash on hand for this project		<b>\$ 100,000</b>

### ASSUMPTIONS

Income grows 6% as a result of expansion.  
 The amount that can be set aside for debt in the church budget is: 25%  
 The following growth is projected to occur:

	Year 1	Year 2	Year 3	Year 4
Operating Income	\$530,000	\$561,800	\$595,508	\$631,238
Loan Payment Budget	\$107,500	\$115,450	\$123,877	\$132,810

### RESULTS

At an interest rate of 5.00% debt service of \$94,895 will support a loan of \$1,000,000  
 over a 15 year period.

The projected loan balance when construction ends is \$595,000 which will require regular loan payments of \$92,436 annually.

Customized cash flow models are available upon request from the Treasurer's office.  
 A church may provide the information shown in blue and receive a finished cash flow model.