
New Building Project Financials EXECUTIVE SUMMARY

1. **Spending to date. As of July 31, 2017, we have spent \$382 thousand.** This has covered:
 - a. generating preliminary architect's plans;
 - b. obtaining the Conditional Use Permit from the city;
 - c. fund-raising costs;
 - d. finalized architectural construction documents,
 - e. design development and permitting costs, and
 - f. pre-construction work by our general contractor.
 - i. See pages 4, 5 and 6 below.
 2. **Total costs for the building project are now \$2.149 million.** That is a net increase of about \$216 thousand from the 2017 original budgeted amounts.
 - i. See pages 7, 8 and 9.
 3. **How will we pay for this?**
 - a. Almost 60%: contributions. This is the capital campaign that we have already accomplished.
 - b. Another approximate 10%: new contributions and/or current reserves from the strong amounts now carried in the general fund, and in the Early Childhood Center accounts.
 - c. About 30%: new permanent debt (new mortgage) of \$650,000.
 - i. See Pages 10 – 18 below.
 4. **Can we afford this?**
 - a. One way to judge: a ratio of debt to membership. We believe that our lender will agree that we are within their guidelines.
 - i. See pages 19-20.
 - b. Even more simply: we think that the experts who are on staff for our lender will agree that we can afford this. When they give us a loan, they give us that positive judgment.
 5. **What if costs are more than now forecast?**
 - a. The Building Task Force proposes a 2.5% cushion, which equals about \$60.5 thousand.
 6. **The detailed information also reviews equity that the congregation (including the ECC) has, and can expect to have.**
 7. **Please also see the "Critical Assumptions" portion of the detailed information.**
 - a. These are all conservative assumptions. We do not depend on extra growth in members, or extra growth in general fund giving. If we do grow in total general fund giving, things will be a little easier.
 - b. Note assumption #17 on page 29: in 4 – 6 years, we can anticipate a retire the debt campaign.
 - c. Note assumption #18 on page 29. Future phases of building will likely not occur for a decade or more.
 - i. See pages 26-39
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Irvine United Congregational Church

**New Building
Project Financials**

for forums on
Aug 27 and Sept 3, 2017

Definitions

- Total IUCC, ex-CIF –results for just General Fund (GF), Early Childhood Center (ECC) and the Plumer Endowment Fund (PEF) excluding the Capital Improvement Fund (CIF)
- CIF – fund that has all the new building project results
- Hard costs are costs of actual construction of the building – site-work, building structure and tenant improvements
- Soft costs are architectural work, permits & testing costs

Definitions (cont'd)

- Contingency – amounts in reserve for overages in any element of the hard & soft cost estimates
- Operating Cash – cash we use to pay day-to-day bills for the General Fund/Early Childhood Center
- Investments – cash in savings accounts or in investment vehicles (e.g., Certificates of Deposit (CDs) or otherwise invested)
- (\$ Thousands) figures are presented in rounded fashion (e.g., \$1,000,000 is \$1,000 Thousand or \$1.0 million)
- Some amounts do not total exactly due to rounding

Spending to Date

- To date in total, we have spent \$382 thous. as of July 31, 2017 this includes Phases 1 – 3.
 - We spent \$132.6 thous. in Phase 1 which was primarily used for generating preliminary architect's plans and obtaining the Conditional Use Permit from the City of Irvine.
 - We have spent \$249.5 thous. in Phases 2 – 3 to primarily cover fund raising costs, finalized architectural construction docs, design development and permitting costs and pre-construction work from our general contractor – Wieland.
 - Phase 4 will consist of hard costs of construction and the remainder of soft costs.

Total CIF Spending 2013 - July 31 '17

(\$ Thousands)	Years					Grand Total	Total Income	Total Expenses	Phases 2/3 Outflows
	2013	2014	2015	2016	2017				
Beginning Balance Cash	\$0.0	\$75.0	\$38.4	\$48.5	\$483.8	\$0.0			
Transfer from GF	.8					.8			
Inflows Phase 1	75.2	53.0	3.3	.0		131.4	131.4		
Outflows Phase 1									
City of Irvine		(15.0)	(7.1)	(1.9)		(24.1)		(24.1)	
Domus	(0.8)	(70.8)	(9.2)	(9.4)		(90.1)		(90.1)	
KOA		(3.8)	(13.2)			(17.0)		(17.0)	
Other	(0.2)	.0	.0	(1.3)		(1.4)		(1.4)	
subtotal	(0.9)	(89.6)	(29.5)	(12.6)	.0	(132.6)		(132.6)	
Outflows Phase 2									
Church Bldg & Loan Fund				(28.2)	(21.5)	(49.7)		(49.7)	(49.7)
Inflows Phase 3			36.3	493.1	190.1	719.6	719.6		
Outflows Phase 3:									
City of Irvine					(13.8)	(13.8)		(13.8)	
Domus:									
Design Development				(17.0)	(54.3)	(71.2)		(71.2)	
Bidding or Negotiation					(8.4)	(8.4)		(8.4)	
Construction Admin					(0.8)	(0.8)		(0.8)	
Reimbursable Expenses				(0.1)	(3.9)	(4.0)		(4.0)	
Construction Documents					(81.4)	(81.4)		(81.4)	
subtotal Domus				(17.1)	(148.8)	(165.8)		(165.8)	
Geotechnical					(7.5)	(7.5)		(7.5)	
Orange County Fire					(2.2)	(2.2)		(2.2)	
Idibri Consulting					(6.8)	(6.8)		(6.8)	
Weiland Preconstruction					(3.8)	(3.8)		(3.8)	
subtotal Phase 3				(17.1)	(182.8)	(199.8)		(199.8)	(199.8)
Grand Total Change	75.0	(36.6)	10.1	435.4	(14.1)	469.7			
Ending Balance Cash	\$75.0	\$38.4	\$48.5	\$483.8	\$469.7	\$469.7	\$851.0	(\$382.0)	(\$249.5)

Budget v. Actual Spending July 31 '17

(\$ Thousands)			Proposed			
Uses of Funding			Revised 5.0	Current Approved	Spent thru	Current Approved
			Budget	Budget	31-Jul-17	B/(P) Spent
Total Adjs. Hard Project Cost w/ Conting. + Remodel			\$1,635.9	\$1,430.0	(\$3.8)	\$1,426.3
Architectural Construction docs & Civil:						
Design Development			72.9	72.9	(71.2)	1.7
Construction documents			81.4	81.4	(81.4)	.0
Bidding or negotiation			9.5	9.5	(8.4)	1.1
Construction admin			34.9	34.9	(0.8)	34.1
Reimbursables - Arch & Civil			7.5	1.5	(4.0)	(2.5)
subtotal Arch. Docs & Civil			206.2	200.2	(165.8)	34.4
Geotechnical Eng & reimbursables			7.7	7.7	(7.5)	.2
Building Permits			40.0	40.0	(16.0)	24.0
Plan Processor			.0	3.5		3.5
Testing			12.0	12.0	.0	12.0
Office Area			38.0	55.5	.0	55.5
A/V			10.0	60.0	.0	60.0
Other			55.6	.0	(6.8)	(6.8)
			163.3	178.7	(30.2)	148.5
Plus: interest on debt			93.5	77.0	.0	77.0
Plus: Fees to PB/UCC Fund Raising			49.7	46.8	(49.7)	(2.9)
Total Soft costs			512.6	502.7	(245.7)	256.9
Total Costs, all included			\$2,148.5	\$1,932.7	(\$249.5)	\$1,683.2

Costs Summary

- Total costs for the building project are now **\$2.149 million**, a net increase of \$215.8 thous. in costs from the '17 original budgeted amounts.
- The major categories of expenditures are:
 - Hard costs of \$1,585.9 thous. – site-work, bldg. shell improvements, & bldg. tenant improvements, including Builder's Contingency; this is an increase of approx. \$185.9 thous. over the '17 budgeted amounts. This excludes the classroom remodel which is listed separately.
 - Builder's Contingency of \$58.3 thous. @ 3.8% of hard costs. Contingency reduced by \$41.7 thous. from '17 budgeted amount.

Costs Summary (Cont'd.)

- Soft costs of \$369.4 thous. – architectural documents & civil engineering, permits, & testing, a decrease of (\$9.4) thous. from the original '17 budget; these soft costs also include \$32 thous. of Owner's Contingency @ 2.1% of hard costs, separate from Builder's Contingency.
 - Total Builder's & Owner's Contingencies of \$90.4 thous. or 5.9% of hard costs w/o remodel in total.
- Interest on debt of \$93.5 thous. for Aug '17 – June '19, an extra \$16.5 thous. from the '17 budgeted estimate.
- ECC remodel of \$50 thous., an increase of \$20 thous.
- Fund raising costs for Rev. P. Bizer, CSS of \$49.7 thous.

New Building Project Detail Cost

Project Costs (\$ Thousands):	Original '17 Budget	Weiland Revised 5.0 Const. Costs	% Hard Costs	B/(P) Budget
Hard Costs w/o Contingency- Phase 4:	\$1,300.0	\$1,527.5	96.3%	(\$227.5)
Contingency	100.0	58.3	3.7%	41.7
Hard Construction - Wieland costs	1,400.0	1,585.9	100.0%	(185.9)
Soft Costs:				
Architectural Constr. Docs and Civil	200.2	206.2	13.0%	(6.0)
Other Soft costs	178.7	163.3	10.3%	15.4
Sub-total Soft	378.9	369.4	23.3%	9.4
Total Project Costs w/o inflation	1,778.9	1,955.3	123.3%	(176.4)
Inflation - estimate	.0	.0	0.0%	.0
Hard + Soft Costs w/ inflation	1,778.9	1,955.3	123.3%	(176.4)
Plus: Interest costs on temporary debt for Aug. '17 - June '19	77.0	93.5	5.9%	(16.5)
Plus: ECC remodel	30.0	50.0	3.2%	(20.0)
Plus: Fees to PB/UCC Fund Raising	46.8	49.7	3.1%	(2.9)
All-In Cost for Project	\$1,932.7	\$2,148.5	135.5%	(\$215.8)
8/18/17				9 0.0

Funding Summary

- Contributions or Equity, gross raised is \$1.283 million or 59.7% of the total sources:
 - Uncollectible equity is estimated @ (3.2%) of gross contributions or (\$41.1) thous.
 - Irrevocable bequests pledged post-2019, in-kind (non-cash) contributions & write-offs are (\$43.7) thousand.
- Incremental equity to be raised of \$75 thous. thru June '19, same estimate as before.
- Reserves from GF/ECC for ECC remodel & other of \$134.4 thous., an extra \$84.4 thous. of reserves from the '17 budgeted amounts.
- Interest funded by GF/ECC of \$93.5 thous., an extra \$16.5 thous. over the prior '17 budgeted amount.

Funding Summary (Cont'd.)

- 69.75% of the funding comes from new equity contributions or from current reserves from GF/ECC.
- Term new permanent debt from lender of \$650.0 thousand or 30.25% of the total funding:
 - Interest only for Aug. '17 thru Aug. '18 is \$4.7 thous./month
 - Principal & interest for Sept '18 thru June '19 is \$6.0 thous./month
 - Principal & interest on new debt annually from July '19 and forward of **\$44.7 thous. or \$3.725 thous. month or annually an extra \$7.3 thous. from the original '17 budget of \$37.4 thous.**
 - Additional temporary funding of \$375 thousand from lender (not included in total figures as its temporary)
 - Current Cornerstone existing debt of \$151.4 thous. will be rolled over as part of the new facility, but is not net new debt
 - Total **new debt of \$1,025.0 thous.** – term debt of \$650 thous. + temporary revolver of \$375 thous. (total debt w/ rollover of \$1,176.4 thous.)
- Temporary borrowing from GF/ECC of \$220 thousand (not included in total figures as its temporary).

New Building Project Funding Sources

Funding Sources (\$ Thousands)	<u>2017</u> <u>Budget</u>	<u>Wieland</u> <u>Revised</u> <u>5.0 Est.</u>	<u>% of</u> <u>Total</u>	<u>Diff</u> <u>B/(P)</u>
Contributions or Equity, gross	\$1,275.0	\$1,283.3	59.73%	\$8.3
Uncollectible Equity @ 3.2% of gross	(33.1)	(41.1)	-1.91%	(8.0)
Contributions or Equity, collectible	1,241.9	1,242.2	57.82%	.3
Irrevocable bequests, in-kind Contributions & write-offs	(33.5)	(43.7)	-2.03%	(10.2)
Equity, net of uncollectible and irrevocable bequests and write-offs	1,208.4	1,198.6	55.79%	(9.8)
Incr. Equity to be raised thru June '19	75.0	75.0	3.49%	.0
Reserves for remodel & Other -GF/ECC	50.0	134.4	6.26%	84.4
Adjustments	(7.7)	(3.0)	-0.14%	4.8
New Term Debt –Lender	530.0	650.0	30.25%	120.0
Funding of interest costs by GF/ECC	77.0	93.5	4.35%	16.5
Grand Total Sources of funding	\$1,932.7	\$2,148.5	100.00%	\$215.8
				0.0

Incremental Contributions

- While the projections show us raising a **minimum additional \$75 thousand**, we believe that instead we should **seek to raise a higher # in total (i.e., \$150 thous.)** so that we would not have to increase the lender debt from \$530 thous. to \$650 thous., an approx. \$120 thous. increase from the 2017 budgeted amount, but a smaller amount. Every contribution dollar raised over \$75 thous. will go to reducing the additional debt we take on.
- Should we fall short of the \$150 thous. goal, we will makeup the shortfall with additional lender borrowing, as-is already presented in these projections.
- As a target, we are asking that congregants **seek to give 3x their annual stewardship gifts for the capital campaign.** Pledging to date on net contributions shows a ratio of 2.60x (\$1,198.6 thous./\$460.3 thous.) of the total capital campaign vs. 2017 estimated annual stewardship (pledge + non-pledge).

Use of General Fund/Early Childhood Center Reserves

- The project is using \$447.9 thousand of GF/ECC reserves as follows in the form of both permanent and temporary amounts:
 - \$50 thousand for remodel of ECC classroom
 - \$84.4 thousand in additional funding for general costs
 - \$93.5 thousand for funding incremental interest expense from the new debt thru June 2019
 - Total of **\$227.9 thousand of permanent financing** from GF/ECC for these three items above
 - \$220 thousand of temporary funding from GF/ECC that will be drawn down in late fall '17- early '18 and paid back by June '19 when contributions are finished being collected from the congregation.

Temporary Reserves Use

- Total IUCC, excluding-CIF, cash and investments was \$580.8 thous. as of July 31, 2017; this is the largest amount we have had going back to F2010
- Of this amount, the total investment portion was \$212.2 thous. and the operating cash was \$368.6 thous.; **operating cash is what we use to pay bills**
- We have had at least \$200 thousand of investments since the **end of 2011. We have not used any of this investment amount through the current date to fund operating cash needs**
- Using \$220 thous. of temporary funding for the building project **will not impair our ability to pay our bills** in the same timing we are currently paying them now (all other things equal)

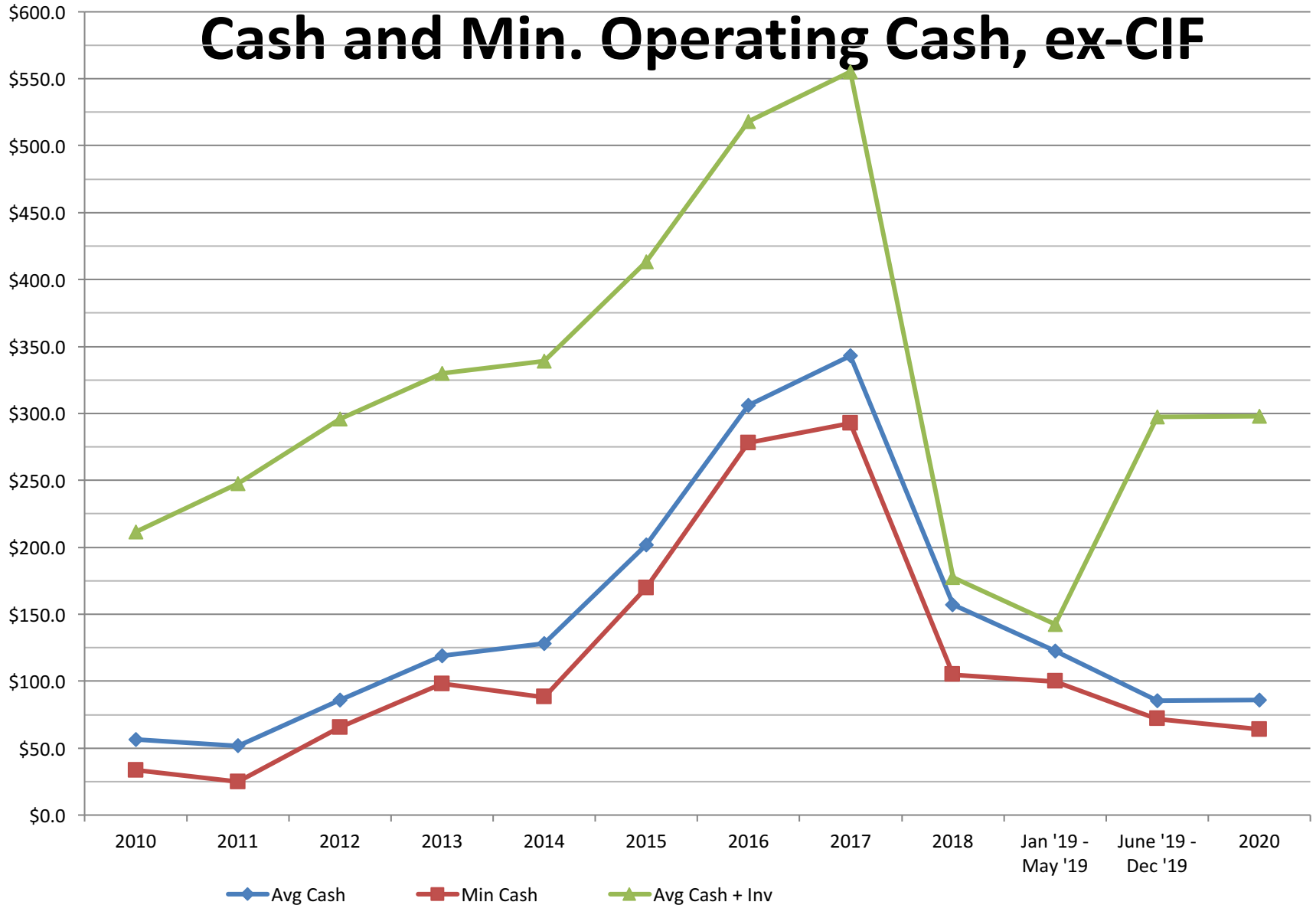
Temporary Reserve Use (cont'd)

- The following chart shows:
 - The **top line as Total Average Cash + Investments**, Total IUCC, ex-CIF for the time period 2010 – 2020
 - The **middle line is Average Operating Cash** for Total IUCC, ex-CIF for the same time period
 - The **bottom line is Minimum Operating Cash**
- Avg. Operating Cash was between \$52 - \$128 thous. for '10-'14, averaged \$202 thous. in '15 and averaged \$306 thous. in 2016
 - Minimum Operating Cash for 2010 thru time YTD 2017 was as low as \$34 thous. in 2010 and the absolute minimum was \$25 thousand in Aug. 2011

Temporary Reserve Use (cont'd)

- Avg. Operating Cash for GF/ECC during 2018 construction period will avg. \$150.3 thousand, with low of \$98.1 thous.
- First half of 2019 thru May '19 will average \$115.9 thous. with low of \$92.8 thousand.
- Operating Cash levels will drop more in the 2nd half of 2019 to average \$80.9 thous. **with a low of \$66.8 thous. in Oct. '19** due to normal seasonal operating patterns; Dec '19 will end at \$126.9 thous. in operating cash.
- Lower levels will continue through 2020 due to normal operations, but the GF/ECC will have been paid back their \$220 thous. reserve by mid 2019 time period so reserves will return to their original amount for the GF/ECC.

Avg. Cash + Investments, Avg. Operating Cash and Min. Operating Cash, ex-CIF



Ratio of Debt to Membership

- The following slide calculates a ratio that both our prospective lenders used to evaluate our financial capacity to borrow money – the ratio of debt to membership:
 - (total interest bearing debt/1000)/(total members: corporate + non-corporate) or
 $(\$1.177\text{mm}/1000)/(341) = 3.45\text{x}$ as of 12/31/17 est.
 - By the time the temporary revolver of \$375 thous. is paid back on 6/30/19, the ratio will be drop to 2.27x and will be around this ratio for the foreseeable future
 - Church Building & Loan Fund has a **guideline ratio of 3.0x** so for Aug. 2017 – June 2019 time period we would be above the guideline ratio of 3.0x by about \$153.5 thous. in debt and then drop down to approx. 2.18x by 2021.

Ratio of Debt to Membership

General Fund - Historical results 2011 - 2016 Actuals and 2017-2021 Budget/Fcst												
(\$ Thousands, except members/units/attendanc												
	2011	2012	2013	2014	2015	2016A	2017B	2018F	2019F	2020F	2021F	
Total Members - corp & non-corporate	320	331	327	312	339	332	341	341	341	341	341	
Donating Pledge units	N/A	163	154	161	164	165	152	152	152	152	152	
Avg Worship Attendance	256	236	232	238	241	232	N/A	N/A	N/A	N/A	N/A	
Total Member Giving	\$445.1	\$437.1	\$454.5	\$481.9	\$495.3	\$489.0	\$460.3	\$460.0	\$460.0	\$483.0	\$495.1	
Other Income	67.0	84.1	77.1	65.3	76.4	77.0	71.3	74.0	81.4	83.9	83.9	
Total Income	512.1	521.2	531.6	547.2	571.7	565.9	531.6	534.0	541.4	566.9	579.0	
Total Member Giving % Change over LY	3.1%	-1.8%	4.0%	6.0%	2.8%	-1.3%	-5.9%	-0.1%	0.0%	5.0%	2.5%	
Note: Lilly Grant amounts removed in 2016-2017 from Other Income to make results more comparable of \$34.1 thous .and \$15 thous., respectively.												
Total interest bearing debt - existing Cornerstone			167.6	163.7	159.4	154.3	151.5	150.3	146.5	142.4	138.2	
Total interest bearing debt - New Facilities						0.0	1025.0	1020.0	627.7	617.3	606.4	
Total interest bearing debt			167.6	163.7	159.4	154.3	1176.5	1170.2	774.1	759.8	744.6	
Ratio debt to membership			0.51	0.52	0.47	0.46	3.45	3.43	2.27	2.23	2.18	

Cushion on the Building Project

- We are also asking for a **2.5% cushion** on the building project so that if final costs exceed estimates by no more than 2.5% or \$60.5 thousand, we don't have to hold another Congregational Meeting to vote on it, but we will take the amount out of reserves and/or from additional borrowing as approved by the Admin. Board.

Supplementary Information

Total IUCC, ex-CIF, Adjusted Equity

- The following chart shows undesignated net assets, net of inter-fund temporary borrowing or **Adjusted EQUITY**
 - A simpler way to describe this is to say this is what our equity is on our balance sheet for Total IUCC, ex-CIF
 - If you think of your house's equity it is easier to understand; if you have a house worth \$100 thousand and a mortgage worth \$75 thousand your equity is the difference of \$25 thousand or what you own of the house.
 - Our equity was \$150 thous. at year-end '10, increased to \$195 thous. at year-end '11 and had a low of \$105 thous. at year-end 2014 and since has increased

Total IUCC, ex-CIF, Equity (Cont'd.)

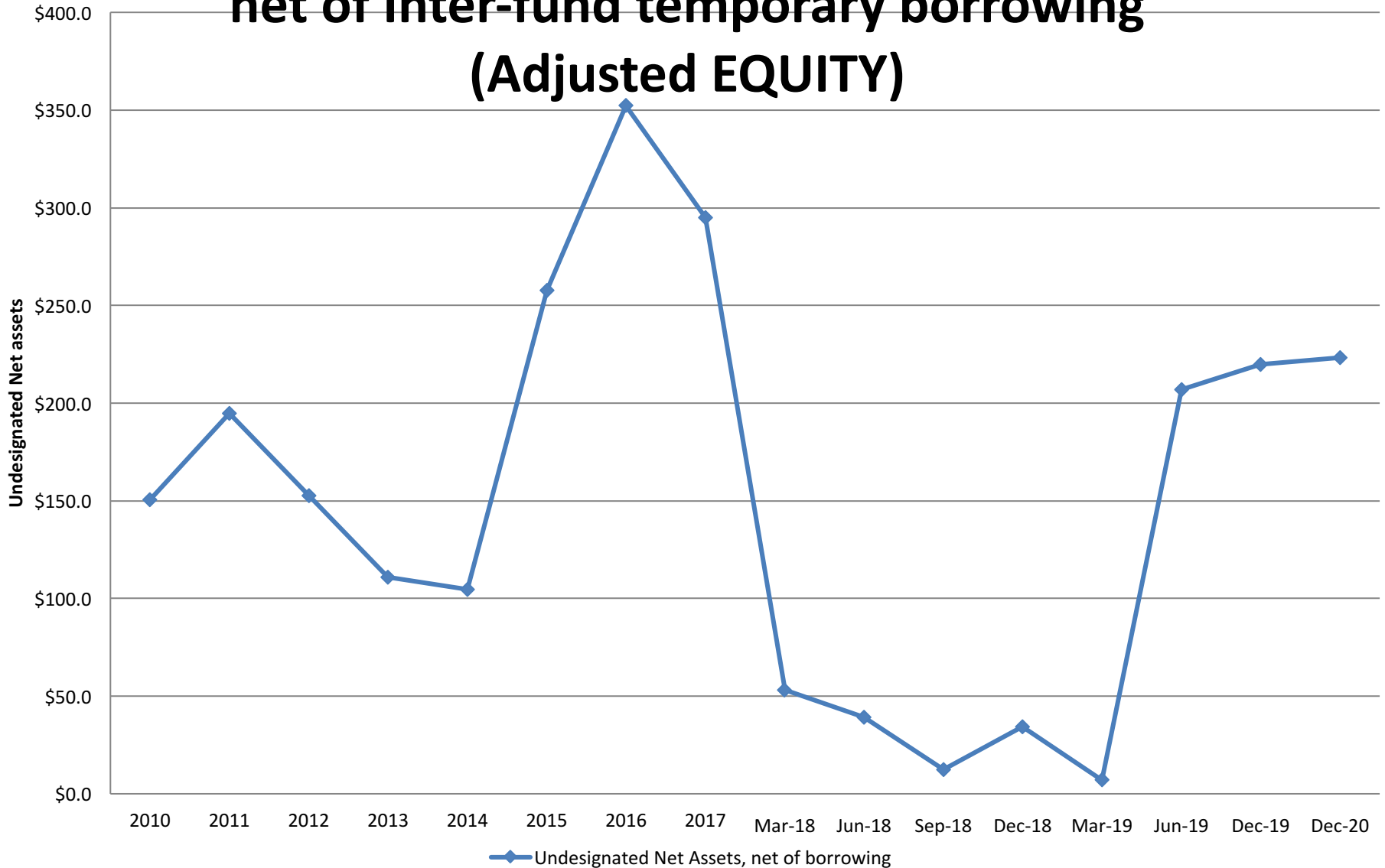
to over \$379.8 thous. currently as of July 31, 2017.

- The \$379.8 thous. figure is already net of \$50 thous. in the original 2017 budget for temporarily restricted funds to fund the ECC remodel so the correct comparison figure for gross equity would be \$429.8 thous., without factoring in any reserves.

– Adjusted equity will drop to a low of \$53.1 thous. in Mar. '18, \$12.5 thous. in Sept. '18 and a low of **(\$3.0) thous. in May '19**, but will increase back to the \$200 thous. range in June 2019 after the inter-fund borrowing is paid back to the GF/ECC.

– Remember that **EQUITY** is not the same as cash but it's a measure of how much we own of our assets.

Total IUCC ex - CIF - Undesignated Net Assets, net of Inter-fund temporary borrowing (Adjusted EQUITY)



Critical Assumptions

- There are 18 critical assumptions that support the accuracy of the forecasted financials for 2017-2021:
 - (1) Contributions, net of \$1.274 million are raised for the capital campaign – including the extra \$75 thousand that we have not yet raised; the extra will be raised as follows --
-\$16.7 thous. by Dec '17; \$16.7 thous. by Dec '18 & \$41.6 thous. by June '19
 - (2) Faster collection of existing 2018-2019 collections - 1/3 of the contributions due by 12/31/18 can be moved up to 6/30/18 and 1/3 of the contributions due by 6/30/19 can be moved up to 12/31/18.
 - (3) Total project costs do not exceed the budgeted amount of \$2.149 million; construction starts in Sept/Oct. 2017 timeframe and will take approx. 6 months; remodel will be done right after primary construction is finished and should take approx. 2 mos. to finish and will be done before Sept '18.
 - (4) Hard construction costs spent by month from start: M1 10%, M2 10%, M3 20%, M4 25%, M5 20%, M6 10% and M7 5%.
 - (5) No material inflation costs from sub-contractors estimates.

Critical Assumptions (Cont'd)

(6) CIF minimum cash is no less than approx. \$196.6 thousand during the 1st half of 2018; no less than \$218.3 thousand in the 2nd half of 2018 and no less than \$239.8 for 2019 thru May '19.

(7) We can **borrow the new \$1,025.0 thous.** plus the rollover of \$151.4 thous. from the lender at no more than a **5.5% interest rate** - \$650.0 thousand + existing debt for 30 years and \$375 thousand temporarily for approx. 2+ years (note: interest rate resets every 5 years over 30 year term of the term note).

(8) Amortization of principal starts 12 months after we begin construction and principal, net will be re-amortized in approx. June 2019 at the net amount due after contributions are finished being collected and applied to the loan.

(9) For the General Fund, stewardship contributions are only down slightly in '17-'19 due to the capital campaign but begin to recover in '20-'21 towards previous levels.

(10) We are not forecasting new membership/pledge unit growth, but instead we are **forecasting membership to be flat to current through 2021.** The only growth will be from avg stewardship gift.

Critical Assumptions (Cont'd)

(11) The ECC's continued profitability is absolutely critical to offsetting the incremental principal and interest cost from the building project.

(12) For the ECC, that enrollment remains @ approx. 55 students on average including part-time ; remodel classroom has + 3 kids growing to 5 extra students by 4Q 2018; 5 kids for 1Q '19 and increasing to 10 by 4Q '19; averages 65 students for year by 2020 with part-time students.

(13) Avg. student rate remains at current levels of \$860/student/month, net (YTD July '17) and the 10 extra students are at \$825/student/month plus annual incremental estimate @ 2%-2.25% avg.

(14) Overall base expenses increase no more than rate of inflation of 2% – 2.5% per year plus new expenses for new classroom.

Critical Assumptions (Cont'd)

(15) There are no other large capital expenditures outside the routine amounts that are budgeted each year of approx. \$12.5 thousand for both the GF/ECC.

(16) Longer-term the interest rate on the 30-year debt will re-set every 5 years; we are assuming the interest rate doesn't increase materially over the 5.5% rate during the 30-year time frame.

(17) We can start a **retire the debt campaign in the 2021-2023** timeframe with a goal to retire an estimated \$200 thous. of the debt; assumes lender lets us re-amortize debt after retire debt campaign.

(18) The \$2.149 million we are spending now is Phase 1a of the overall project; we will not start Phases 2 and 3 to Atwood and Plumer Hall for **quite a few years** (just my guess is 8-10+ years) until we are fiscally likely able to afford the additional phases. So the **next phases will be quite a while into our future.**

General Fund Operating Results

- We are expecting a small decrease in total member giving due to the capital campaign of (5.9%) in 2017 to \$460.3 thous. and for it to be essentially flat in 2018 at a (0.1%) decrease.
- During 2019, we are expecting giving to be flat versus the prior year as well @ \$460 thous.
- In 2020, we are expecting an increase of 5% to \$483 thous., in total membership giving as the capital campaign is finished and a 2.5% increase in 2021 (approx. long-term average of GF) to \$495.1 thous. Growth in giving only from existing members' average gifts through 2021.

General Fund P&L

Irvine United Congregational Church										
Total Statement of Activities - IUCC General Fund										
For the twelve months ended Dec 31st	Actual	Actual	Actual	Actual	Act/Bdgt	Forecast	Forecast	Forecast	Forecast	
	2013	2014	2015	2016	2017	2018	2019	2020	2021	
	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	
	GF	GF	GF	GF	GF	GF	GF	GF	GF	
Revenue and Support	\$531.6	\$547.2	\$571.9	\$600.1	\$546.6	\$534.0	\$541.4	\$566.9	\$579.0	
<i>% Chg from Prior Year</i>	2.0%	2.9%	4.5%	4.9%	-8.9%	-2.3%	1.4%	4.7%	2.1%	
Expenses:										
Personnel costs	324.7	351.2	340.8	352.7	368.5	380.1	387.7	395.5	403.4	
Ministries	41.3	35.2	46.5	79.7	54.2	49.4	49.4	49.4	50.4	
Committees	37.9	56.2	44.0	40.2	42.1	44.7	45.5	46.4	47.3	
Other, depreciation	0.0	34.2	35.4	35.3	35.2	38.5	38.5	38.5	38.5	
Other, excluding depreciation	82.5	81.6	84.2	78.9	87.4	90.7	92.8	94.3	95.8	
Total expenses	486.4	558.3	550.9	586.8	587.4	603.4	613.9	624.0	635.3	
Net Income (Loss)	\$45.1	(\$11.0)	\$21.0	\$13.3	(\$40.8)	(\$69.4)	(\$72.5)	(\$57.2)	(\$56.4)	
Cash Flow Summary:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	
Total Net Income	45.1	(11.0)	21.0	13.3	(40.8)	(69.4)	(72.5)	(57.2)	(56.4)	
addback Depreciation	0.0	34.2	35.4	35.3	35.2	38.5	38.5	38.5	38.5	
Adjs Net Income for depreciation	45.1	23.1	56.4	48.6	(5.6)	(30.9)	(34.0)	(18.7)	(17.9)	
+/- Other assets and liabs	19.6	21.3	10.0	(24.5)	(31.0)	(153.5)	(56.7)	(44.5)	(44.5)	
Less: Capital expenditures	0.0	(6.7)	(3.1)	0.0	(2.5)	(5.0)	(5.0)	(5.0)	(5.0)	
Less: Principal pymts on debt	(6.7)	(6.6)	(4.3)	(5.1)	(4.7)	(1.2)	(3.8)	(4.0)	(4.2)	
Net Cash Flow	\$58.0	\$31.1	\$59.0	\$18.9	(\$43.9)	(\$190.6)	(\$99.6)	(\$72.2)	(\$71.6)	
Memo:										
+/- change in investments	0.4	0.4	0.2	0.2	0.1	(117.2)	117.1	0.0	0.0	
Ending Cash Balance + Investments	\$248.2	\$279.7	\$338.9	\$358.1	\$314.3	\$6.5	\$24.0	(\$48.2)	(\$119.8)	

ECC Operating Results

- We are forecasting slightly less than 2% increase in revenue in 2017 and 4% increase in 2018 as per student rates are scheduled to increase in Sept 2017 for the '17-'18 school year by 4%.
 - The new ECC classroom is scheduled to be open in Sept. of '18 but will not be fully utilized until the 4th quarter of 2019 when it grows to the full 10 extra students.
 - The new classroom should produce \$20 thous. of new incremental profit with 10 new students as we increase our capacity to a total of 60 students.
 - Exact figures for the new classroom profit will depend on the actual average student rate, exact # of new personnel hired to cover students and exact overhead costs for new personnel.
 - Net income in 2019 will improve to the \$60 thous. level and then to \$70 thous. by the 2021 time period.

ECC P&L

Irvine United Congregational Church										
Total Statement of Activities - Early Childhood Center										
For the twelve months ended Dec 31st	Actual	Actual	Actual	Actual	Act/Bdgt	Forecast	Forecast	Forecast	Forecast	Forecast
	2013	2014	2015	2016	2017	2018	2019	2020	2021	
	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC
	ECC	ECC	ECC	ECC	ECC	ECC	ECC	ECC	ECC	ECC
Revenue and Support	\$415.9	\$334.3	\$466.5	\$561.6	\$574.6	\$597.3	\$667.4	\$706.1	\$721.8	
<i>% Chg from Prior Year</i>	7%	-20%	40%	20%	2%	4%	12%	6%	2%	
Expenses:										
Personnel costs	321.5	309.7	342.6	391.4	393.8	420.0	471.6	496.9	508.9	
Ministries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Committees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other, depreciation	0.0	0.0	0.0	6.4	12.2	11.2	12.7	14.2	15.7	
Other, excluding depreciation	76.0	61.7	78.1	89.7	101.4	112.0	121.9	125.7	126.6	
Total expenses	397.5	371.4	420.7	487.5	507.4	543.3	606.2	636.9	651.2	
Net Income (Loss)	\$18.4	(\$37.0)	\$45.8	\$74.1	\$67.2	\$54.0	\$61.2	\$69.2	\$70.6	
Cash Flow Summary:										
Total Net Income	18.4	(37.0)	45.8	74.1	67.2	54.0	61.2	69.2	70.6	
addback Depreciation (non-cash exp.)	0.0	0.0	0.0	6.4	12.2	11.2	12.7	14.2	15.7	
Adjs Net Income for depreciation	18.4	(37.0)	45.8	80.5	79.4	65.2	74.0	83.4	86.3	
+/- Other assets and liabs	(7.5)	(2.0)	10.1	4.3	(3.2)	(70.0)	(0.0)	(2.3)	0.0	
Less: Capital expenditures	0.0	(3.9)	(23.1)	(4.5)	(23.2)	(7.5)	(7.5)	(7.5)	(7.5)	
Less: Principal pymts on debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net Cash Flow	\$10.9	(\$42.9)	\$32.7	\$80.2	\$53.0	(\$12.2)	\$66.4	\$73.6	\$78.8	
Memo:										
+/- change in investments	74.7	0.0	0.0	0.3	0.0	(75.1)	75.0	0.0	0.0	
Ending Cash Balance + Investments	\$127.5	\$84.6	\$117.4	\$197.9	\$250.9	\$163.6	\$305.0	\$378.7	\$457.5	

Total IUCC, ex - CIF

- Net income should be \$26.6 thous. and cash flow should be approx. breakeven in 2017 at \$9.1 thous. based on recent trends and continuing to reach budgeted amounts for the remainder of the year.
- 2018 net cash flow + change in investments will be negative (\$395) thous. due to the use of permanent and temporary reserves from the GF/ECC for the new building project.
- 2019 net cash flow + change in investments results will improve to \$159.1 thous. as \$220 thous. is repaid from the CIF to the GF/ECC reserves.
- During 2020 and 2021 net cash flow is forecasted to be positive \$1.4 thous. and \$7.2 thous., respectively, which means that **we are able to cover the new debt service with some cash flow left over which is critical to our overall fiscal stability.**

Total IUCC P&L, ex CIF & Cashflow

Irvine United Congregational Church										
Total Statement of Activities - Actual/Budget/Fcst , EX- CIF										
For the twelve months ended Dec 31st	Actual	Actual	Actual	Actual	Act/Bdgt	Forecast	Forecast	Forecast	Forecast	
	2013	2014	2015	2016	2017	2018	2019	2020	2021	
	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	
	Total	Total	Total	Total	Total	Total	Total	Total	Total	
Revenue and Support	\$905.7	\$850.3	\$996.5	\$1110.9	\$1070.4	\$1080.5	\$1150.4	\$1212.0	\$1239.9	
<i>% Chg from Prior Year</i>	4%	-6%	17%	11%	-4%	0.9%	6.5%	5.4%	2.3%	
Expenses:										
Personnel costs	646.2	660.9	683.4	744.0	762.3	800.2	859.3	892.4	912.3	
Ministries	41.3	35.2	46.5	79.7	54.2	49.4	49.4	49.4	50.4	
Committees	37.9	56.2	44.0	40.2	42.1	44.7	45.5	46.4	47.3	
Other, depreciation	0.0	34.2	35.4	41.6	47.4	49.7	51.2	52.7	54.2	
Other, excluding depreciation	116.6	111.8	120.3	117.7	137.8	151.7	156.2	159.1	161.4	
Total expenses	842.0	898.1	929.6	1023.2	1043.8	1095.7	1161.7	1200.0	1225.6	
Net Income (Loss)	\$63.7	(\$47.9)	\$66.9	\$87.6	\$26.6	(\$15.2)	(\$11.3)	\$12.0	\$14.2	
Cash Flow Summary:										
Total Net Income	\$63.7	(\$47.9)	\$66.9	\$87.6	\$26.6	(\$15.2)	(\$11.3)	\$12.0	14.2	
addback Depreciation (non-cash exp.)	0.0	34.2	35.4	41.6	47.4	49.7	51.2	52.7	54.2	
Adjs Net Income for depreciation	63.7	(13.7)	102.3	129.3	74.0	34.5	39.9	64.7	68.5	
+/- Other assets and liabs	11.9	19.2	19.8	(20.4)	(34.5)	(223.7)	(56.8)	(46.8)	(44.5)	
Less: Capital expenditures	0.0	(10.6)	(26.2)	(4.5)	(25.7)	(12.5)	(12.5)	(12.5)	(12.5)	
Less: Principal pymts on debt	(6.7)	(6.6)	(4.3)	(5.1)	(4.7)	(1.2)	(3.8)	(4.0)	(4.2)	
Net Cash Flow	\$68.9	(\$11.7)	\$91.7	\$99.2	\$9.1	(\$202.9)	(\$33.1)	\$1.4	\$7.2	
Memo:										
Change in investments	N/A	0.4	0.2	0.5	0.1	(192.2)	192.2	0.0	(0.0)	
Ending Cash Balance + Investments	\$385.7	\$374.3	\$466.2	\$565.9	\$575.1	\$180.0	\$339.1	\$340.5	\$347.7	

Capital Improvement Fund P&L (CIF)

Irvine United Congregational Church										
Construction Improvement Fund (CIF)										
For the twelve months ended Dec 31st										
(\$ Thousands)	Actual	Actual	Actual	Actual	Act/Bdgt	Forecast	Forecast	Forecast	Forecast	Forecast
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021
	CIF	CIF	CIF	CIF	CIF	CIF	CIF	CIF	CIF	CIF
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
Revenue and Support	\$75.0	\$53.9	\$3.3	\$537.9	\$322.3	\$261.1	\$137.9	\$0.0	\$0.0	\$0.0
<i>% Chg from Prior Year</i>										
Expenses:										
Personnel costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ministries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Committees	0.0	0.0	0.0	9.8	0.0	0.0	0.0	0.0	0.0	0.0
Other, depreciation	0.0	0.5	2.6	4.2	9.4	46.2	76.5	76.5	76.5	76.5
Other, excluding depreciation	0.0	0.0	0.0	2.4	13.7	56.5	40.8	34.3	33.8	33.8
Total expenses	0.0	0.5	2.6	16.4	23.1	102.7	117.3	110.9	110.3	110.3
Net Income (Loss)	\$75.0	\$53.3	\$0.8	\$521.6	\$299.2	\$158.5	\$20.6	(\$110.9)	(\$110.3)	(\$110.3)
Cash Flow Summary:										
Total Net Income	\$75.0	\$53.3	\$0.8	\$521.6	\$299.2	\$158.5	\$20.6	(\$110.9)	(110.3)	(110.3)
addback Depreciation	0.0	0.5	2.6	4.2	9.4	46.2	76.5	76.5	76.5	76.5
Adjs Net Income	75.0	53.9	3.3	525.8	308.6	204.7	97.1	(34.3)	(33.8)	(33.8)
+/- Other assets and liabs	2.6	(0.9)	36.3	(36.3)	13.7	415.9	(135.2)	44.7	44.7	44.7
Less: Capital expenditures	(2.6)	(89.6)	(29.5)	(54.1)	(1435.5)	(574.3)	0.0	0.0	0.0	0.0
Less: Principal pymts on debt	0.0	0.0	0.0	0.0	1025.0	(5.0)	(392.3)	(10.3)	(10.9)	(10.9)
Net Cash Flow	\$75.0	(\$36.6)	\$10.1	\$435.4	(\$88.2)	\$41.3	(\$430.4)	(\$0.0)	\$0.0	\$0.0
Memo:	N/A	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0
Ending Cash Balance + Investments	\$75.0	\$38.4	\$48.5	\$483.8	\$395.6	\$436.9	\$6.4	\$6.4	\$6.4	\$6.4

Total IUCC P&L w/ CIF and Cash flow

Irvine United Congregational Church														
Total Statement of Activities - Actual/Budget/Fcst						1	2	3	4	5				
For the twelve months ended Dec 31st					Actual	Actual	Actual	Actual	Actual	Act/Bdgt	Forecast	Forecast	Forecast	Forecast
(\$ Thousands)					2013	2014	2015	2016	2017	2018	2019	2020	2021	
					IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	
					Total	Total	Total	Total	Total	Total	Total	Total	Total	
Revenue and Support					\$980.7	\$904.2	\$999.8	\$1648.8	\$1392.7	\$1341.6	\$1288.3	\$1212.0	\$1239.9	
<i>% Chg from Prior Year</i>					13%	-8%	11%	65%	-16%	-4%	-4%	-6%	2%	
Expenses:														
Personnel costs					646.2	660.9	683.4	744.0	762.3	800.2	859.3	892.4	912.3	
Ministries					41.3	35.2	46.5	79.7	54.2	49.4	49.4	49.4	50.4	
Committees					37.9	56.2	44.0	50.0	42.1	44.7	45.5	46.4	47.3	
Other, depreciation					0.0	34.7	37.9	45.8	56.9	95.9	127.8	129.3	130.8	
Other, excluding depreciation					116.6	111.8	120.3	120.1	151.4	208.2	197.0	193.4	195.2	
Total expenses					842.0	898.7	932.1	1039.6	1066.9	1198.4	1279.0	1310.9	1335.9	
Net Income (Loss)					\$138.7	\$5.5	\$67.7	\$609.2	\$325.8	\$143.2	\$9.2	(\$98.9)	(\$96.1)	
Cash Flow Summary:														
Total Net Income					\$138.7	\$5.5	\$67.7	\$609.2	\$325.8	\$143.2	\$9.2	(\$98.9)	(96.1)	
addback Depreciation					0.0	34.7	37.9	45.8	56.9	95.9	127.8	129.3	130.8	
Adjs Net Income					138.7	40.2	105.6	655.0	382.7	239.2	137.0	30.4	34.7	
+/- Other assets and liabs					14.4	18.2	56.1	(56.7)	(20.8)	192.2	(192.0)	(2.1)	0.2	
Less: Capital expenditures					(2.6)	(100.2)	(55.6)	(58.7)	(1461.2)	(586.8)	(12.5)	(12.5)	(12.5)	
Less: Principal pymts on debt					(6.7)	(6.6)	(4.3)	(5.1)	1020.3	(6.2)	(396.1)	(14.4)	(15.2)	
Net Cash Flow					\$143.9	(\$48.4)	\$101.8	\$534.5	(\$79.1)	(\$161.6)	(\$463.6)	\$1.4	\$7.2	
Memo:														
+/- Investments					75.1	0.4	0.2	0.5	0.1	(192.2)	192.2	0.0	0.0	
Ending Cash Balance + Investments					\$460.7	\$412.7	\$514.7	\$1049.8	\$970.7	\$616.9	\$345.5	\$346.9	\$354.1	

Total IUCC Balance Sheet w/ CIF

Irvine United Congregational Church	Actual	Actual	Actual	Actual	Act/Bdgt	Forecast	Forecast	Forecast	Forecast
Total IUCC - Actual/Budget/Fcst	2013	2014	2015	2016	2017	2018	2019	2020	2021
For the twelve months ended Dec. 31st	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC	IUCC
Assets:	Total	Total	Total	Total	Total	Total	Total	Total	Total
Cash	\$249.7	\$201.3	\$303.1	\$837.6	\$758.5	\$596.9	\$133.3	\$134.7	\$142.0
Short-term investments	211.0	211.4	211.6	212.1	212.2	20.0	212.2	212.2	212.2
Accounts receivable	0.4	0.2	0.6	0.0	0.1	0.1	0.1	0.1	0.1
Pre-paid expenses	11.6	11.7	10.5	11.4	14.2	14.2	14.2	14.2	14.2
Other	0.5	0.5	0.2	0.5	0.0	0.0	0.0	0.0	0.0
Sub-total short-term assets	473.1	425.0	526.1	1061.6	985.0	631.2	359.7	361.2	0.0
Due from (to) related party	0.0	0.1	0.1	0.1	0.1	0.1	(0.1)	(0.2)	(0.4)
Property, plant and equipment	1307.9	1408.0	1254.9	1315.9	2777.1	3363.9	3376.4	3388.9	3401.4
Less: Accumulated Depreciation	(608.4)	(643.1)	(681.0)	(726.4)	(783.3)	(879.2)	(1007.0)	(1136.3)	(1267.0)
Net property, plant and equipment	699.4	764.9	573.8	589.5	1993.9	2484.7	2369.4	2252.6	2134.4
Total Assets	1172.5	1190.0	1099.9	1651.2	2979.0	3115.9	2729.1	2613.6	2502.4
Short-term Liabilities:									
CMLTD	0.0	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Accounts payable	0.1	1.0	1.0	0.8	0.5	0.5	0.5	0.5	0.5
Payroll liabilities	24.9	24.1	24.1	24.0	24.0	24.0	24.0	24.0	24.0
Unexpended donor contributions	19.3	14.3	12.5	30.6	13.7	13.7	13.7	11.5	11.5
Designated contribution to reduce principal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pre-paid pledges	59.8	87.4	94.6	60.4	60.4	60.4	60.4	60.4	60.4
Deferred revenue	5.2	0.0	40.7	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
2012 building fund	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tuition deposits	13.0	12.2	20.8	22.2	21.3	21.3	21.3	21.3	21.3
Deferred tuition	0.0	0.1	0.3	0.6	0.7	0.7	0.7	0.7	0.7
Other - accruals	0.3	0.3	0.3	0.3	0.0	0.0	0.0	0.0	0.0
Sub-total short-term liabilities	123.4	142.0	197.3	141.7	123.4	123.4	123.4	121.1	121.1

Ttl IUCC Balance Sheet w/ CIF (Cont'd)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Due to (from) related party	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities:									
Cornerstone fund loan	167.6	163.7	159.4	154.3	151.5	150.3	146.5	142.4	138.2
Less: CMLTD	0.0	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)
Mortgages payable - other	0.0	0.0	0.0	0.0	1025.0	1020.0	627.7	617.3	606.4
Sinking fund notes payable	1.9	1.9	1.9	1.9	0.0	0.0	0.0	0.0	0.0
Sub-total long-term liabilities	169.6	162.9	158.6	153.5	1173.8	1167.5	771.4	757.1	741.9
Total Liabilities	292.9	304.9	356.0	295.2	1297.2	1290.9	894.8	878.2	863.0
Net Assets:									
Net Income or Uncategorized net assets/(n	138.7	5.5	67.7	609.2	325.8	143.2	9.2	(98.9)	(96.1)
Adjustment	(138.7)	(5.5)	(67.7)	(609.2)	(325.8)	(143.2)	(9.2)	98.9	96.1
Unrestricted net assets:									
Undesignated	132.8	131.4	259.6	352.2	308.7	463.9	218.9	229.8	236.9
Designated - 1 (Bqst)	0.0	28.0	26.4	0.0	0.0	0.0	0.0	0.0	0.0
Designated - 2 (ECC)	10.0	31.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Designated - 3 (Gen Fund)	43.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Designated - 4 (Bldg Fund)	147.4	85.3	35.4	0.0	0.0	0.0	0.0	0.0	0.0
Transfers from (to) other funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total uncategorized & unrestricted	339.7	275.8	321.5	352.2	308.7	463.9	226.3	229.8	236.9
Net investment in fixed assets	529.9	599.3	412.5	433.3	820.1	1317.1	1598.0	1495.6	1392.5
Temporarily restricted net assets	0.0	0.0	0.0	560.5	543.0	34.0	0.0	0.0	0.0
Permanently restricted net assets	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
sub-total Net Assets	879.6	885.1	743.9	1356.0	1681.8	1825.0	1834.3	1735.4	1639.3
Total Liabilities and Net Assets	1172.5	1190.0	1099.9	1651.2	2979.0	3115.9	2729.1	2613.6	2502.4
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0