

**JOY! LUTHERAN CHURCH - FINANCE COMMITTEE  
FREQUENTLY ASKED QUESTIONS**

**Q. What is the current recommended borrowing and what are the future anticipated expenses with this expansion?**

**Financial Effect of New Facilities**

		Previously Recommended	Currently Recommended
<b>New Facilities Expense</b>	<b>Current Mortgage</b>	<b>2,200,000</b>	<b>2,600,000</b>
Less: Capital Campaign		(800,000)	(810,000)
Less: Joyful Steps Building Fund Cash		(250,000)	(250,000)
<i>Less: Joyful Steps Building Fund (Due From General Fund)</i>	<i>(500,000)</i>	<i>(500,000)</i>	<i>(500,000)</i>
Plus: Current Mortgage Balance	640,000	670,000	640,000
<i>Plus: Amount Due to Building Fund</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>
<b>New Mortgage</b>	<b>640,000</b>	<b>1,820,000</b>	<b>2,180,000</b>
<b>Monthly Payment (Assume 4.5 % ; 25 yr Amortization)</b>	<b>4,200</b>	<b>10,507</b>	<b>12,117</b>
Increased Monthly Mortgage Payment		6,307	7,917
<b>Increased Annual Mortgage Payment</b>		<b>75,684</b>	<b>95,004</b>
<b>Increased Operating Expenses:</b>			
Cleaning (75% Increase)		10,000	7,500
Utilities (75% Increase)		16,000	12,000
Insurance (25 % Increase)		2,000	1,900
General Maintenance (75% Increase)		7,000	5,250
<b>Total Operating Expenses</b>		<b>35,000</b>	<b>26,650</b>
<b>Total Increased Expenses (over Current)</b>		<b>110,684</b>	<b>121,654</b>
Offerings Required	555,000	665,684	676,654
<b>% Increase in Offerings</b>		<b>20%</b>	<b>22%</b>

**Q. What will be resolution at the Congregational Meeting?**

**A.** In line with the required verbage of our lender, MIF (Mission Investment Fund), we will ask the congregation to allow Joy! Lutheran Church to borrow up to \$2,600,000 to complete the first phase of So That Lives Are Changed building campaign.

**Q. How is this resolutaion different from the previous resolution?**

**A.** We are asking for a \$400,000 increase in our borrowing base.

**Q. How will Joy! Pay for the \$2.6 million project?**

**A.** Joy! Will pay for the \$2.6 million project with the remaining proceeds of Building Joyful Steps campaign,\$750,000, the collection of \$810,000 in "So That Lives Are Changed" capital campaign, and an additional \$1,040,000 in debt.

**Q. What will be the terms of the new mortgage?**

**A.** The mortgage will be obtained through the ELCA's Mission Investment Fund, and will be a 25 year loan at an interest rate of approximately 4.5%, adjustable every 3 to 5 years. The loan will begin as a construction loan with interest only payments due. Once construction is completed, the loan will be combined with our current mortgage and a repayment plan with interest and principal will be determined. The interest rate and terms will be locked in at the beginning of the project.

**Q. How will Joy! Be able to handle the additional mortgage cost and facility expenses?**

**A.** Joy! Will incur an additional \$95,004 annually in mortgage costs for the \$1,040,000 additional debt from the new facilities, and an estimated increase of \$26,650 in annual facility expenses (cleaning, utilities, insurance, and maintenance). On a monthly basis, it is an additional cost of \$10,138.00 The additional costs will be paid for by an increaed offerings from growth in the congregation increased stewardship from current congregation members, and continued fund raising efforts.