

Financial Report on Building Fund
2001 - 2009

The total budget for expenditure of the \$3,900,000 raised in the Transformation Campaign was determined by action of the Vestry in 2004. Fund raising expenditures of approximately \$100,000 were to be paid from the proceeds, and the sum of \$500,000 was to be set aside to fund Transformation Grants. The remainder, \$3,300,000, was allocated to the purpose of improving parish facilities on the north side of Lych Gate road. [See Table 5 attached.]

The **Total Project Budget** was then developed by the Realco Project Management team, working with the Building Committee and Architects. Based upon intensive scrutiny by architects, engineers and project managers, it was determined that all mechanical, electrical and plumbing (MEP) systems were beyond their useful life. Replacement was a necessary pre-requisite to any level of renovation and would involve approximately \$900,000 of the budget. From that base, the overall budget was developed as follows:

<u>Total Project Budget, September 2005</u>	\$3,300,000
1. Design and Engineering	\$369,800
This estimate includes all architectural and engineering work done from the beginning of the project in 2001 through to completion. [Work done prior to 2002 paid from Reserve Funds, will be repaid to the Reserve in 2006.]	
2. Construction Costs	\$2,535,000
Actual amount will not be determined until architectural drawings are completed and bid. Final contract, including contingencies appropriate to the level of drawing development, will be set so that the total cost of the completed project will not exceed \$3,300,000 -- or the amount then covered by total pledges paid and of record.	
3. General and Administrative Costs	\$203,000
Includes Total Project Management and other costs related to supervision of the design and construction teams and their coordination with Parish volunteers and staff throughout the project.	
4. Other Owner's Costs	\$192,200
This portion includes allowance for a variety of owner costs such as permitting, hazardous materials, testing, security and communications systems, furnishings, and relocation costs. Also included is a provision to cover the interest cost for bridge financing of any gap between the projected flow of revenues and expenses from 2006 onward. [See graphic illustration of projected cashflow.]	

In conclusion, it is important to re-state the fact that **before the final construction contract is signed, the total projected cost must be covered, in full, by pledges to the project paid and of record.** This means that each of the above projected budget numbers will need to be revised for accuracy prior to that event and that it may prove necessary to further adjust the scope of the project to fit the budget requirements. It also means that once the budget is approved and underway, it must be managed very tightly to avoid changes which might add cost.

As of September 25, 2005, the Design Team and Building Committee are convinced that a fine renovation of Nourse Hall can be undertaken within the framework of the funds now identified to the project. We recognize that cost constraints will continue to challenge us at every step of the way going forward. But we also believe that, with God's grace, new energies and new resources will step forward to help us move this project on to a beautiful and timely completion next year.

St. Alban's Building Committee
September 26, 2005