

Presbytery of Sheppards and Lapsley



LIVING RIVER

A RETREAT ON THE CAHABA

October 2007

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TRANSMITTAL LETTER FROM MANAGEMENT

Board of Directors
Living River: A Retreat on the Cahaba, Inc.

The accompanying business plan was prepared by the Business Plan Committee of the Living River Board with assistance from Covenant Consulting Group LLC. The plan was prepared to inform the Living River Board and potential donors of the estimated overall capital cost of the project, the amount and sources of the funds necessary to successfully launch it, and the proposed model to be used to operate the facilities. This information is summarized below:

| ESTIMATED OVERALL CAPITAL COST | |
|---------------------------------------|---------------------|
| Land, approximately 440 acres | \$650,000 |
| Improvements | 10,000,000 |
| Working capital | 679,363 |
| Net losses, through period two | 10,637 |
| Total | \$11,340,000 |

| AMOUNT AND SOURCE of FUNDS NEEDED | |
|--|---------------------|
| Contributed capital - Pledges | \$831,159 |
| Existing pledges | 1,168,841 |
| Contributed capital – Presbytery | 1,140,000 |
| New pledges to be raised | 8,200,000 |
| Total | \$11,340,000 |

OPERATING MODEL

After the initial start up cost the facility is planned to operate at a positive cash flow accumulating funds necessary for equipment replacements and major maintenance items. The operating cash flow will not provide for any ongoing debt service requirements; therefore, all capital costs must be funded from the Capital Campaign. The plan for this facility is to operate it on a self sustaining basis with no funding support from the Presbytery after its initial investment.

It is our opinion that the business plan addresses the major elements necessary to properly plan, build, and operate the proposed facilities in accordance with its mission as defined by the Presbytery and incorporated into the very structure of Living River: A Retreat on the Cahaba, Inc.

BUSINESS PLAN COMMITTEE - Living River Board

Members of the Committee:

Keener Hudson, Chair
Barry Burns
Pat Goodman
Lee Walthall
Robert Hay, Staff



LIVING RIVER

MANAGEMENT REPRESENTATION LETTER

October 24, 2007

Covenant Consulting Group LLC
P. O. Box 361287
Birmingham, Alabama 35236

In connection with your compilation of the forecasted balance sheets, statements of sources and uses of income, and cash flows of Living River: A Retreat on the Cahaba, Inc. for the period September 1, 2007 ending on March 31, 2015, we make the following representations:

1. The financial forecast presents management's assumptions and, to the best of our knowledge and belief, the Organization's expected financial position, results of operations, and cash flows for the period in conformity with the generally accepted accounting principles expected to be used by the Company during the forecast period, which are consistent with the principles that Living River will use in preparing its financial statements going forward.
2. Management's assumptions are as follows:
 - Preparation of the opening 9/1/07 balance sheet for the corporation
 - Necessary journal entries during the initial construction period of Phase I (9/1/07 to 3/31/10) including:
 - a. Land improvements
 - b. Youth camp facilities
 - c. Water and wastewater facilities
 - d. Partial completion of the adult conference facilities
 - All fund raising capacities, including pledges receivable
 - Timing of collection of such receivables
 - No depreciation expense included in Forecasted Sources and Uses of Income
 - All operating costs
 - The time frame in which construction is to occur and the rate at which draws will be made on the construction loan
 - All cabin and lodge assumptions that drive revenue and costs
3. In addition, the financial forecast is presented in conformity with presentation guidelines established by the American Institute of Certified Public Accountants.
4. The financial forecast reflects our judgment based on present circumstances, of the expected conditions and our expected course of action.
5. We have made available to you all significant information that is relevant to the forecast.
6. We believe that the assumptions underlying the forecast are reasonable and appropriate.
7. We intend to use this forecast only for potential investors and potential lenders.

Signature:  , Chairman of Living River Board

CPA LETTER



To the Board of Directors:
Living River: A Retreat on the Cahaba, Inc.
3603 Lorna Ridge Drive
Hoover, Alabama 35216

We were engaged to help produce a business plan and accompanying financial model. During the course of our work, and as more fully detailed in “Procedures Employed,” we held meetings, analyzed industry information and other pertinent financial information developed by management. We also visited several competitor camps in addition to surveying schools and Presbytery congregations to arrive at the final business plan.

Although we do not express any opinion on the information, we have tested the financial information for reasonableness. In addition, we tested some, not all, of the assumptions generated by management. Through all of our work, we have concluded that there is supporting documentation for this business plan.

We feel that management has taken into consideration the factors necessary to arrive at the appropriate conclusions and if sufficient funds are raised in a timely manner, and if the camp is utilized as expected then the financial statements as presented should be materially correct.

Covenant Consulting Group LLC
Post Office Box 361287
Birmingham, Alabama 35236
October 24, 2007

FORECASTED FINANCIAL STATEMENTS

| FORECASTED BALANCE SHEETS | | | | | | | | | | | | |
|---|----------------------------|--------|----------------------------|--------|----------------------------|--------|----------------------------|--------|----------------------------|--------|----------------------------|--------|
| Construction Period | 1 | 2 | 3 | 4 | 5 | | | | | | | |
| ASSETS | | | | | | | | | | | | |
| Current | | | | | | | | | | | | |
| Cash | \$666,372 | 5.4% | \$100,000 | 0.9% | \$679,363 | 6.4% | \$854,572 | 8.2% | \$1,089,295 | 10.5% | \$1,387,000 | 13.5% |
| Total Current | <u>666,372</u> | 5.4% | <u>100,000</u> | 0.9% | <u>679,363</u> | 6.4% | <u>854,572</u> | 8.2% | <u>1,089,295</u> | 10.5% | <u>1,387,000</u> | 13.5% |
| Non-Current | | | | | | | | | | | | |
| Pledges Receivable | 2,050,000 | 16.5% | 1,025,000 | 9.3% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Construction-in-Progress | 605,377 | 4.9% | 1,085,377 | 9.9% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Land | 650,000 | 5.2% | 650,000 | 5.9% | 650,000 | 6.1% | 650,000 | 6.2% | 650,000 | 6.3% | 650,000 | 6.3% |
| Land Improvements ¹ | 1,766,000 | 14.2% | 1,766,000 | 16.1% | 1,766,000 | 16.6% | 1,766,000 | 16.8% | 1,766,000 | 17.1% | 1,766,000 | 17.1% |
| Adult Conference Facilities ¹ | 0 | 4.9% | 0 | 0.0% | 1,565,377 | 14.7% | 1,565,377 | 14.9% | 1,565,377 | 15.1% | 1,565,377 | 15.2% |
| Youth Camp Facilities ¹ | 4,642,623 | 37.4% | 4,642,623 | 42.3% | 4,642,623 | 43.5% | 4,642,623 | 44.3% | 4,642,623 | 44.8% | 4,642,623 | 45.1% |
| Water and Wastewater Facilities ¹ | 2,026,000 | 16.3% | 2,026,000 | 18.5% | 2,026,000 | 19.0% | 2,026,000 | 19.3% | 2,026,000 | 19.6% | 2,026,000 | 19.7% |
| Accumulated Depreciation | 0 | 0.0% | (317,815) | -2.9% | (665,733) | -6.2% | (1,023,686) | -9.8% | (1,381,639) | -13.3% | (1,739,592) | -16.9% |
| Net Fixed Assets | 9,690,000 | 78.1% | 9,852,185 | 89.8% | 9,984,267 | 93.6% | 9,626,314 | 91.8% | 9,268,361 | 89.5% | 8,910,408 | 86.5% |
| Total Non-Current | <u>11,740,000</u> | 94.6% | <u>10,877,185</u> | 99.1% | <u>9,984,267</u> | 93.6% | <u>9,626,314</u> | 91.8% | <u>9,268,361</u> | 89.5% | <u>8,910,408</u> | 86.5% |
| TOTAL ASSETS | <u><u>12,406,372</u></u> | 100.0% | <u><u>10,977,185</u></u> | 100.0% | <u><u>10,663,629</u></u> | 100.0% | <u><u>10,480,885</u></u> | 100.0% | <u><u>10,357,656</u></u> | 100.0% | <u><u>10,297,408</u></u> | 100.0% |
| LIABILITIES | | | | | | | | | | | | |
| Non-Current | | | | | | | | | | | | |
| Long-Term Debt | 1,147,923 | 9.3% | 122,923 | 1.1% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Total Non-Current | <u>1,147,923</u> | 9.3% | <u>122,923</u> | 1.1% | <u>0</u> | 0.0% | <u>0</u> | 0.0% | <u>0</u> | 0.0% | <u>0</u> | 0.0% |
| TOTAL LIABILITIES | <u>1,147,923</u> | 9.3% | <u>122,923</u> | 1.1% | <u>0</u> | 0.0% | <u>0</u> | 0.0% | <u>0</u> | 0.0% | <u>0</u> | 0.0% |
| NET ASSETS | | | | | | | | | | | | |
| Net Assets | 11,258,450 | 90.7% | 10,854,262 | 98.9% | 10,663,629 | 100.0% | 10,480,885 | 100.0% | 10,357,656 | 100.0% | 10,297,408 | 100.0% |
| Total Net Assets | <u>11,258,450</u> | 90.7% | <u>10,854,262</u> | 98.9% | <u>10,663,629</u> | 100.0% | <u>10,480,885</u> | 100.0% | <u>10,357,656</u> | 100.0% | <u>10,297,408</u> | 100.0% |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$12,406,372</u></u> | 100.0% | <u><u>\$10,977,185</u></u> | 100.0% | <u><u>\$10,663,629</u></u> | 100.0% | <u><u>\$10,480,885</u></u> | 100.0% | <u><u>\$10,357,656</u></u> | 100.0% | <u><u>\$10,297,408</u></u> | 100.0% |
| ¹ Average useful lives of assets (years): 27 | | | | | | | | | | | | |

FORECASTED SOURCES AND USES OF INCOME

| | | Construction Period | | 1 | 2 | 3 | 4 | 5 | | | | | |
|---|------------------------------|---------------------|------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------|
| CHANGE IN UNRESTRICTED NET ASSETS | | | | | | | | | | | | | |
| CABIN | Summer | | | | | | | | | | | | |
| | PSL Sponsored Youth | \$0 | 0.0% | \$91,212 | 19.1% | \$102,614 | 14.5% | \$114,015 | 14.4% | \$125,417 | 14.1% | \$136,818 | 13.9% |
| | Other Youth | 0 | 0.0% | 56,014 | 11.7% | 56,014 | 7.9% | 56,014 | 7.1% | 56,014 | 6.3% | 56,014 | 5.7% |
| | Weekend | | | | | | | | | | | | |
| | PSL Churches Sponsored Youth | 0 | 0.0% | 11,763 | 2.5% | 15,404 | 2.2% | 20,026 | 2.5% | 25,207 | 2.8% | 32,769 | 3.3% |
| | PSL Sponsored Youth | 0 | 0.0% | 49,810 | 10.4% | 60,879 | 8.6% | 60,879 | 7.7% | 60,879 | 6.9% | 60,879 | 6.2% |
| Other Youth | 0 | 0.0% | 44,276 | 9.3% | 55,344 | 7.8% | 66,413 | 8.4% | 77,482 | 8.7% | 94,085 | 9.5% | |
| Environmental | 0 | 0.0% | 224,445 | 47.0% | 250,850 | 35.4% | 277,255 | 35.0% | 303,661 | 34.2% | 330,066 | 33.5% | |
| LODGE | PSL Sponsored | 0 | 0.0% | 0 | 0.0% | 25,164 | 3.6% | 25,164 | 3.2% | 31,456 | 3.5% | 37,747 | 3.8% |
| | PSL Churches Sponsored | 0 | 0.0% | 0 | 0.0% | 40,034 | 5.7% | 52,426 | 6.6% | 71,490 | 8.1% | 88,076 | 8.9% |
| | Other | 0 | 0.0% | 0 | 0.0% | 101,632 | 14.4% | 120,990 | 15.3% | 135,509 | 15.3% | 150,028 | 15.2% |
| Total Revenue | 0 | 0.0% | 477,520 | 100.0% | 707,936 | 100.0% | 793,183 | 100.0% | 887,114 | 100.0% | 986,482 | 100.0% | |
| EXPENSES | | | | | | | | | | | | | |
| Meals | | | | | | | | | | | | | |
| Sysco | 0 | 0.0% | 27,916 | 5.8% | 38,810 | 5.5% | 43,404 | 5.5% | 48,682 | 5.5% | 54,340 | 5.5% | |
| Wood Frutr | 0 | 0.0% | 27,916 | 5.8% | 38,810 | 5.5% | 43,404 | 5.5% | 48,682 | 5.5% | 54,340 | 5.5% | |
| Dairy | 0 | 0.0% | 13,958 | 2.9% | 18,091 | 2.6% | 20,138 | 2.5% | 22,421 | 2.5% | 24,920 | 2.5% | |
| Bread | 0 | 0.0% | 6,979 | 1.5% | 9,046 | 1.3% | 10,069 | 1.3% | 11,211 | 1.3% | 12,460 | 1.3% | |
| Cleaning | 0 | 0.0% | 6,979 | 1.5% | 9,046 | 1.3% | 10,069 | 1.3% | 11,211 | 1.3% | 12,460 | 1.3% | |
| Paper | 0 | 0.0% | 826 | 0.2% | 1,256 | 0.2% | 1,426 | 0.2% | 1,624 | 0.2% | 1,850 | 0.2% | |
| Staff | | | | | | | | | | | | | |
| Kitchen | 0 | 0.0% | 22,941 | 4.8% | 45,453 | 6.4% | 49,955 | 6.3% | 55,851 | 6.3% | 62,498 | 6.3% | |
| Counselors | 0 | 0.0% | 41,600 | 8.7% | 44,800 | 6.3% | 48,000 | 6.1% | 51,200 | 5.8% | 54,400 | 5.5% | |
| Executive Director | 0 | 0.0% | 45,000 | 9.4% | 45,000 | 6.4% | 45,000 | 5.7% | 45,000 | 5.1% | 45,000 | 4.6% | |
| Facilities Director | 0 | 0.0% | 35,000 | 7.3% | 35,000 | 4.9% | 35,000 | 4.4% | 35,000 | 3.9% | 35,000 | 3.5% | |
| Office Manager | 0 | 0.0% | 38,663 | 8.1% | 38,663 | 5.5% | 38,663 | 4.9% | 38,663 | 4.4% | 38,663 | 3.9% | |
| Food/Housekeeping | 0 | 0.0% | 33,250 | 7.0% | 33,250 | 4.7% | 33,250 | 4.2% | 33,250 | 3.7% | 33,250 | 3.4% | |
| Development Officer | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 45,696 | 5.8% | 45,696 | 5.2% | 45,696 | 4.6% | |
| Environmental Coordinator | 0 | 0.0% | 25,000 | 5.2% | 25,000 | 3.5% | 25,000 | 3.2% | 25,000 | 2.8% | 25,000 | 2.5% | |
| Repairs and Maintenance | 0 | 0.0% | 20,000 | 4.2% | 30,000 | 4.2% | 40,000 | 5.0% | 50,000 | 5.6% | 60,000 | 6.1% | |
| Insurance | 0 | 0.0% | 40,000 | 8.4% | 40,000 | 5.7% | 40,000 | 5.0% | 40,000 | 4.5% | 40,000 | 4.1% | |
| Marketing | 0 | 0.0% | 12,000 | 2.5% | 12,000 | 1.7% | 12,000 | 1.5% | 12,000 | 1.4% | 12,000 | 1.2% | |
| Professional Fees | 0 | 0.0% | 10,000 | 2.1% | 10,000 | 1.4% | 10,000 | 1.3% | 10,000 | 1.1% | 10,000 | 1.0% | |
| Office Supplies | 0 | 0.0% | 6,000 | 1.3% | 6,000 | 0.8% | 6,000 | 0.8% | 6,000 | 0.7% | 6,000 | 0.6% | |
| Electric | 0 | 0.0% | 42,000 | 8.8% | 42,000 | 5.9% | 42,000 | 5.3% | 42,000 | 4.7% | 42,000 | 4.3% | |
| Water | 0 | 0.0% | 12,000 | 2.5% | 12,000 | 1.7% | 12,000 | 1.5% | 12,000 | 1.4% | 12,000 | 1.2% | |
| Camp Expenses | | | | | | | | | | | | | |
| Linen and Laundry | 0 | 0.0% | 2,600 | 0.5% | 2,600 | 0.4% | 2,600 | 0.3% | 2,600 | 0.3% | 2,600 | 0.3% | |
| Garbage Disposal | 0 | 0.0% | 600 | 0.1% | 600 | 0.1% | 600 | 0.1% | 600 | 0.1% | 600 | 0.1% | |
| Used Grease Disposal | 0 | 0.0% | 1,300 | 0.3% | 1,300 | 0.2% | 1,300 | 0.2% | 1,300 | 0.1% | 1,300 | 0.1% | |
| Hood and Equipment Service | 0 | 0.0% | 1,200 | 0.3% | 1,200 | 0.2% | 1,200 | 0.2% | 1,200 | 0.1% | 1,200 | 0.1% | |
| Fire Suppression Maintenance | 0 | 0.0% | 1,200 | 0.3% | 1,200 | 0.2% | 1,200 | 0.2% | 1,200 | 0.1% | 1,200 | 0.1% | |
| Total Expenses | 0 | 0.0% | 474,928 | 99.5% | 541,124 | 76.4% | 617,974 | 77.9% | 652,390 | 73.5% | 688,777 | 69.8% | |
| OTHER INTEREST EXPENSE | | | | | | | | | | | | | |
| Interest Earned/(Expensed) | <u>(81,550)</u> | 0.0% | <u>(88,964)</u> | -18.6% | <u>(9,527)</u> | -1.3% | <u>0</u> | 0.0% | <u>0</u> | 0.0% | <u>0</u> | 0.0% | |
| Total Other | <u>(81,550)</u> | 0.0% | <u>(88,964)</u> | -18.6% | <u>(9,527)</u> | -1.3% | <u>0</u> | 0.0% | <u>0</u> | 0.0% | <u>0</u> | 0.0% | |
| NET CHANGE IN NET ASSETS¹ | <u>(81,550)</u> | 0.0% | <u>(86,372)</u> | -18.1% | <u>\$157,285</u> | 22.2% | <u>\$175,209</u> | 22.1% | <u>\$234,723</u> | 26.5% | <u>\$297,705</u> | 30.2% | |

¹ Excludes depreciation expense assuming a blended useful life of 27 years on calculating depreciation for the footnote below

Including depreciation expense, the net change in assets would be: (\$404,187) (Year 1); (\$190,633) (Year 2); (\$182,744) (Year 3); (\$123,229) (Year 4); (\$60,248) (Year 5)

| FORECASTED CASH FLOWS | | | | | | |
|--|------------------------|--------------------|------------------|------------------|--------------------|--------------------|
| | For Periods | | | | | |
| | Construction Period | 1 | 2 | 3 | 4 | 5 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Change in net assets ¹ | (\$81,550) | (\$404,187) | (\$190,633) | (\$182,744) | (\$123,229) | (\$60,248) |
| Adjustments to reconcile change in net assets to net cash flows from operating activities: | | | | | | |
| Depreciation and amortization | - | 317,815 | 347,918 | 357,953 | 357,953 | 357,953 |
| Change in pledges receivable | (881,159) | 1,025,000 | 1,025,000 | - | - | - |
| Net cash flows from (used in) operating activities | (962,709) | 938,628 | 1,182,285 | 175,209 | 234,723 | 297,705 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Purchases of property and equipment | (9,040,000) | (480,000) | (480,000) | - | - | - |
| Net cash flows from (used in) investing activities | (9,040,000) | (480,000) | (480,000) | - | - | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| Proceeds from borrowings | 1,147,923 | (1,025,000) | (122,923) | - | - | - |
| Capital contributed | 8,200,000 | - | - | - | - | - |
| Net cash flows from (used in) financing activities | 9,347,923 | (1,025,000) | (122,923) | - | - | - |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (654,787) | (566,372) | 579,363 | 175,209 | 234,723 | 297,705 |
| CASH AND CASH EQUIVALENTS- Beginning of year | 1,321,159 | 666,372 | 100,000 | 679,363 | 854,572 | 1,089,295 |
| CASH AND CASH EQUIVALENTS-End of year | \$666,372 | \$100,000 | \$679,363 | \$854,572 | \$1,089,295 | \$1,387,000 |
| SUPPLEMENTAL DISCLOSURES: | | | | | | |
| Interest paid | \$81,550 | \$88,964 | \$9,527 | \$0 | \$0 | \$0 |

¹Change in net assets includes depreciation expense for cash flow statement purposes, and then adds back depreciation below

FOOTNOTES

NOTE A - NATURE AND LIMITATIONS OF FORECASTS

These financial forecasts present, to the best of management's knowledge and belief, the Organization's expected income and expense for the periods presented if the fundraising targets, construction cost estimates, and estimated attendance figures for the forecasted periods are achieved. Accordingly, the forecast reflects management's judgment as of October 24, 2007, the date of these forecasts, of the expected conditions, and its expected course of action given these hypothetical assumptions.

The presentation is designed to provide information necessary for evaluating the Company's cash flow and debt requirements and should not be considered to be a presentation of expected future results. Accordingly, this forecast may not be useful for other purposes. The assumptions disclosed herein are those that management believes are significant to the forecasts. Furthermore, even if the attendance and other revenue sources are achieved, there will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

NOTE B - NATURE OF OPERATIONS

The nature of the Organization's operations includes the development, construction, and operation of a camp.

NOTE C - ACCOUNTING POLICIES

The Company's accounting policies are expected to be in accordance with GAAP.

BASIS OF ACCOUNTING

The Company's forecasted financial statements are presented on the accrual basis of accounting, which is the Company's normal basis of accounting.

NOTE D - SIGNIFICANT ASSUMPTIONS

SIGNIFICANT ASSUMPTIONS FOR CONTRIBUTIONS, CONSTRUCTION COSTS, AND ATTENDANCE

Management's detailed significant forecast assumptions are contained in the Business Plan that accompanies this report. Management lists among these assumptions the successful achievement and collection of substantial fundraising pledges, achievement of costs of construction within budgets listed in the business plan, as well as achievement of the numbers of users of the camp.

EXECUTIVE SUMMARY

The Presbytery of Sheppards and Lapsley (“PSL” or the “Presbytery”) is the corporate expression of the Presbyterian Church (USA) in central Alabama including 92 congregations with approximately 15,000 members. The geographical area of the PSL includes Anniston, Auburn, Birmingham, Eufaula, Montgomery, Selma, Tuscaloosa and various cities in between.

The Presbytery purchased 440 acres of property on the Cahaba River with proceeds from the sale of Covenant Mountain located in Springville, Alabama. The Cahaba River property is located approximately 36 miles southwest of Birmingham. The Presbytery created a Master Plan for a camp and conference center on the property, which is intended to serve children, youth and adults of the Presbytery and will also be available to other non-Presbytery groups. It is estimated that the cost to implement the complete Master Plan will be approximately \$20,000,000. Development of Living River will be broken down into two phases, Phase I and Phase II with each costing approximately \$10,000,000.

The Presbytery at its meeting on May 3, 2007 authorized and directed the formation of a new non-profit tax-exempt corporation which would become the owner of the property and operator of the facility. The property is to be conveyed to the new corporation as soon as it has been incorporated and tax-exempt approval has been received from the IRS. The new corporation, Living River: A Retreat on the Cahaba, Inc. (“Living River,” the “Camp”) has been formed and request for tax-exempt status has been filed with the IRS and it is expected to receive approval very soon. Hereinafter the facility will be referred to as Living River.

Phase I consisting of six youth cabins will be ready for occupancy June 1, 2010 and two lodges will be ready for occupancy after the first quarter of 2011. This construction will be funded by cash from pledges and debt financing, for a total cost of \$10,000,000.

Living River’s functional goal is to offer programs that nourish spiritual, physical, psychological, and social development of people of all ages. Once fully operational these programs will focus on: youth camps and activities, adult retreat venues and activities, environmental center and programs, and a venue for faith-based retreats, business meetings, corporate retreats, workshops and seminars.

GENERAL DESCRIPTION

A comprehensive camping ministry extending the Church's programs for Christian education is the vision that was adopted by the Presbytery in April 1990. Living River will provide the venue for the exciting and life-changing camping experience for which the Presbytery is known. The Center's 440 acres include natural wetlands, wooded ridges, and glorious valleys, and provide an idyllic setting for youth and adults to discover God's will for the world, the community and themselves in this sacred place.

Extensive research regarding program needs has resulted in a comprehensive plan for Living River. The plan includes a youth camp and an adult conference center, dining halls, sabbatical cabins, an amphitheater, swimming pool, nature trails, canoe launch, and athletic fields.

PROCEDURES EMPLOYED

- Held meetings to understand:
 - Management's plan for using the facilities
 - The operating budget
 - Revenue streams
 - Feasibility of meeting financial demands of the Living River facility

- Analyzed industry:
 - Interviewed and conducted a survey of twelve similar camp facilities to gain information on the industry, services, lodging, and labor requirements
 - Determined likelihood of meeting goals set forth by management within stated time frame
 - Obtained significant benchmarks for profitability from other professionals within the industry
 - Performed on-site visits to several existing camps located in Central Alabama to better understand their facilities and financial performance, as well as to identify operational best practices
 - Conducted a survey of approximately forty public and private schools to validate market capacity as well as tolerance of potential pricing levels
 - Surveyed over half of the Presbytery to determine demand and potential

- Analyzed pro-forma financials:
 - Challenged pro-forma assumptions
 - Analyzed financial obligations during the 21-month construction period
 - Analyzed cash cycle to sustain operations
 - Created a robust sensitivity analysis to determine the sensitivity of net change in assets to three dimensions: pricing, sessions per year per program and the number of users per session
 - Examined the realization of cash from pledges receivable and the effect on Living River's financial position

HISTORY AND BACKGROUND

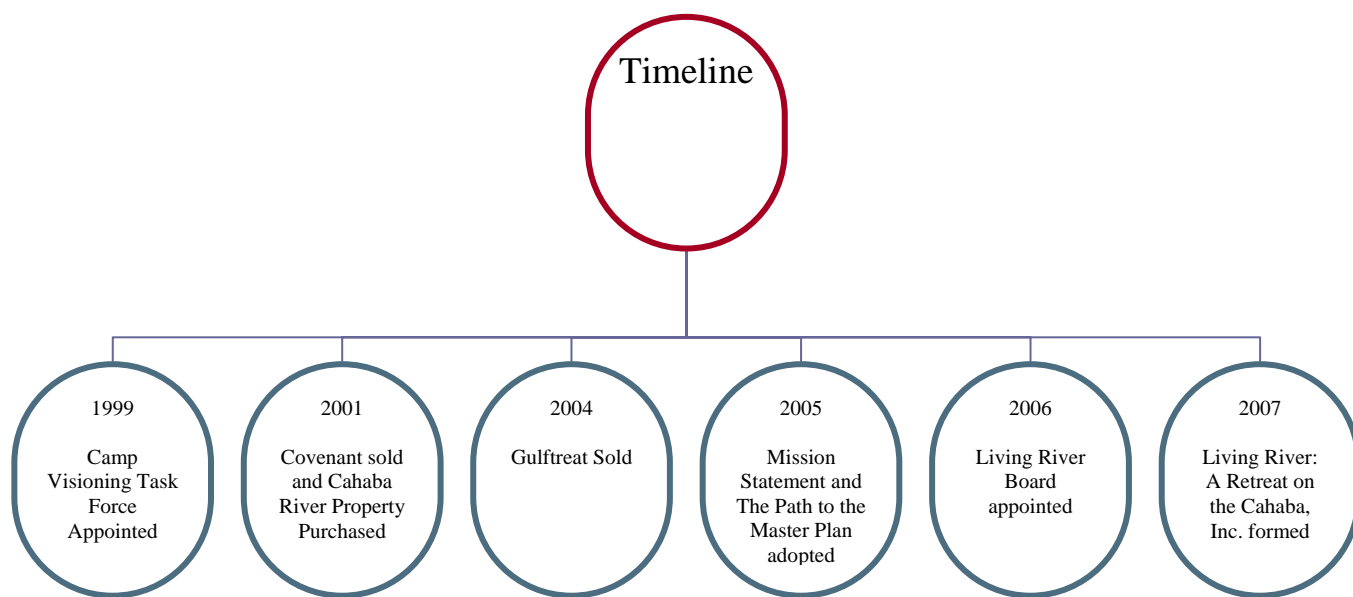
The Presbytery of Sheppards and Lapsley is comprised of 92 churches, which cover the central two thirds of Alabama from the Georgia state line on the east to the Mississippi state line on the west and as far north as the Carbon Hill / Jasper area and as far south as Eufaula.

Some of the larger cities located in the Presbytery are:

- Anniston, Talladega, Sylacauga, Auburn and Opelika on the East;
- Selma, Montgomery and Eufaula to the South;
- Tuscaloosa and Livingston to the West; and
- Birmingham and surrounding cities in Jefferson County and Jasper to the North.

PSL has a long history of providing camping to its members through Gulfcreat located in Panama City and Covenant Mountain located in Springville near Birmingham. Gulfcreat was five hours away, located on five acres in a developed area of Panama City while Covenant Mountain with outdated facilities was located in a developing area that did not lend itself to camping. In the case of both camps, PSL decided that neither camp could serve the purposes needed by the churches of PSL. Thus, Covenant Mountain was sold in 2001 and Gulfcreat was sold in 2004.

The following timeline of events has happened over the last eight years.



1999

PSL appointed a Camp Visioning Task Force (CVTF).

2001

Covenant Mountain sold with \$650,000 of the proceeds of \$1 million used to purchase 440 acres bounded on three sides by the Cahaba River located in Bibb and Shelby Counties right in the geographic middle of the churches of PSL.

2004

Gulfcreat was sold for \$675,000 and the proceeds were placed in a fund to be used for a camp of PSL.

2005

The CVTF and PSL adopted a mission statement titled *THE MISSION STATEMENT, THE PATH TO THE MASTER PLAN*, which is as follows:

As stewards of God's creation in central Alabama, the mission will be to:

- i. Fulfill the philosophy and goals for camping and conferences and retreats for the Presbytery of Sheppards & Lapsley adopted April 19, 1990 as follows:
Christian camping is an extension of the church's program of education. It is not apart from, but a part of the church's educational path to discover God's will for the world, community and self. The intention of the Sheppards and Lapsley Presbytery Camping Program is to provide a program that will assist individuals and congregations examine their relationship with God, with self, and with the world. Through this examination then make or renew their commitment to God through Jesus Christ and the mission of the church.
In order to achieve the above philosophy, the Presbytery of Sheppards and Lapsley will attempt to provide the following:
 - a. A summer camping program for children, youth, and adults.
This will sometimes be done in single age groupings, family units, and intergenerational groups.*
 - b. Winter retreats and weekends for Presbytery youth.*
 - c. A place, opportunities, leadership and resources for year round retreats both Presbytery-sponsored and Local church sponsored.*
 - d. A place where Presbytery committee and Presbytery meetings can take place where the above understandings can be achieved.*
 - e. A place where pastors either alone or with their families can go for refreshment and retreat.*
 - f. A place where Presbyterians can go as a part of their recreation and leisure time.**
- ii. Provide a place and develop a program for environmental education*
- iii. Provide the facility for hosting both church related and non church related groups. These groups will come to the facility for retreats, team building, education and/or other for recreational activities*
- iv. Develop a program of workshops, seminars and retreats which highlight the resources and uniqueness of the property and the commitment to environmental stewardship.*

2006

PSL approved the following recommendation of Council of Presbytery (serves as Executive Committee):

That a temporary Board of Directors for Living River be nominated by the Nominating Committee of Presbytery for a period of one year. The task of this temporary board would be:

- Function as the Board for Living River, thus dissolving the Camp Visioning Task Force
- Oversee the Living River Campaign Leadership Group now in place
- Create bylaws for the permanent Living River Board which would include such issues as:
 - Make up of the Board
 - Number and Class rotation of the Board Members
 - Define how the Board relates to the Presbytery
- Propose changes to the Standing Rules by the May 2007 meeting of Presbytery
- Propose bylaws to be approved by the Presbytery by May 2007
- Board study and consider the Living River Board becoming a 501(c)(3) corporation and report the recommendation and rationale to Presbytery for approval

2007

PSL approved the following recommendations made by the temporary board:

- That a nonprofit corporation, Living River: A Retreat on the Cahaba, Inc. be formed under the Alabama Non-profit Corporation Act
- That a deed be executed on behalf of the Presbytery conveying the 440 acres more or less of property purchased by the Presbytery lying in Shelby and Bibb counties and such other necessary conveyances for related real estate including rights of way be executed to Living River: A Retreat on the Cahaba, Inc., as soon as it has been incorporated and has received approval as a 501(c)(3) corporation
- Election of a board of directors for Living River composed of three persons listed in Appendix A (attached to the resolution presented to Presbytery)

In accordance with the Mission Statement above, the board of Living River is undertaking to develop Living River: A Retreat on the Cahaba, Inc. to serve:

- Youth and children
- Adults
- Environmental education

GOALS AND OBJECTIVES

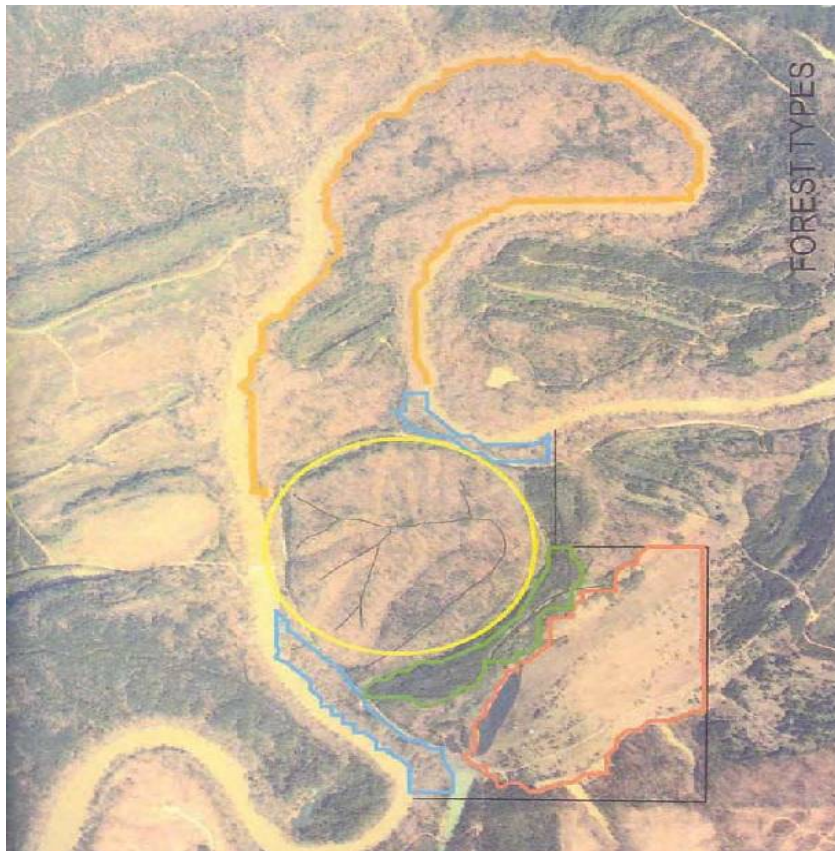
The following three objectives were set by the Board to carry out the Mission of Living River: A Retreat on the Cahaba, Inc.

- Create a nurturing camp and retreat environment for people of all ages and abilities
- Set a standard of customer satisfaction that will exceed expectations and provide enduring experiences with the faith-based goals of the camp's mission
- Develop a sustainable nonprofit organization that draws upon the best practices and standards in the industry with the primary objective of surviving off its program revenues

DESCRIPTION OF LAND

Natural features include:

- Natural areas to develop mulched hiking trails
- Fishing lake and pond
- Elevated observation points
- Flat areas for athletic fields
- Seclusion from suburban sprawl



DESCRIPTION OF FACILITIES

A Master Plan was created for a camp and conference center on the property, which is intended to serve children, youth and adults of the Presbytery and will also be available to other non-Presbytery groups. It is estimated that the cost to implement the complete Master Plan will be approximately \$20,000,000. The structures included in the Master Plan are:

Adult Conference Center

- Conference center and lodge, dining hall, meeting spaces
- Six adult lodges
- Three sabbatical cabins

Youth Camp

- Dining hall
- Recreation building
- Swimming pool
- 10 cabins
- Staff cabin
- Chapel/meeting hall

The following is a rendering of the entire Master Plan on the 440 acres for structures and land uses.



Phase I of the Master Plan includes the following:

Infrastructure

- Entry roads
- Camp roads and pathways
- Sewer treatment plant
- Water and power utilities

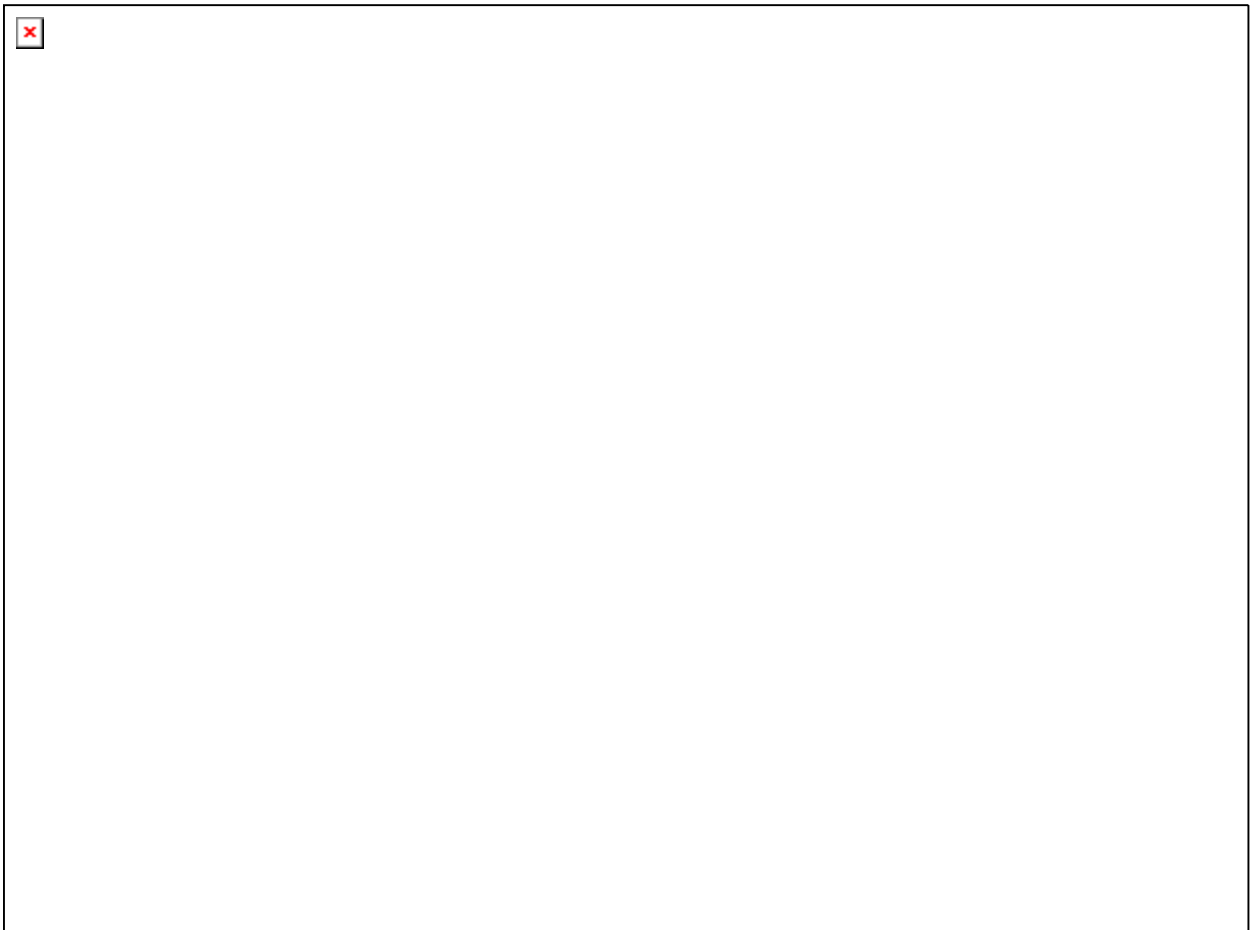
General property elements

- Welcome/Administration center
- Canoe launch and take out
- Utility barn
- Athletic Field
- Outdoor chapel

Adult Conference Center (described below)

Youth Camp (described below)

(Note: those items shown in red on the drawings will be constructed in Phase I)



Phase I - Adult Conference Center

The adult conference center area initially features two lodges, each accommodating up to 44 people. Comfortable gathering spaces and breath-taking scenery create a perfect atmosphere for deepening one's faith and reconnecting with the Holy Spirit.



ADULT CONFERENCE CENTER

Phase 1 - Youth Camp

Youth campers will be treated to a fun, high-energy camping experience with a Christ-centered focus. Opportunities abound for exploring God's creation through fishing, canoeing, hiking, nature studying and other outdoor activities. The largest cluster of buildings in Phase I is in the Youth Camp which includes the following:

- Six cabins, each accommodating 22 campers
- Staff cabin that will sleep up to 12 and include an infirmary area
- Dining hall/gym
- Swimming pool



YOUTH CAMP

ENVIRONMENTAL COMPONENT

The environmental component is based on the history of Gulfcreat and Covenant Mountain plus the invaluable opportunity that has been presented in the form of a partnership that is being developed with Camp McDowell. Camp McDowell, located in Nauvoo, Alabama (near Jasper) serves the Episcopal Diocese of Alabama in the same manner that it is contemplated Living River will serve PSL and has a long time very successful program of offering environmental camping.

The history of and experience learned from the operation of Gulfcreat, Covenant Mountain and the partnership with Camp McDowell's Environmental Center provides Living River with a unique opportunity to begin its operations with a head start.

INDUSTRY AND COMPETITIVE ANALYSIS

Living River can be classified into several industries and markets whether it is Environmental, Christian, Recreation, Camping, Real Estate, or others. The geographic industry includes Alabama, Southeast, and National regions. In general the "Camping" industry best describes Living River while the geographic market is best defined as the same boundaries that the PSL covers with member churches although for the environmental camp the area is perceived to be broader. Taking these two broad categories as describing the industry and geographic market, research was conducted from direct interviews, mailed surveys, and public data. Below is a summary of the findings with the complete research contained in Appendix A (available upon request). The summaries are divided into Industry Analysis, Target Market / Customer Analysis, and Competitor Analysis.

INDUSTRY ANALYSIS SUMMARY

There is a wide range of camp and retreat organizations available across the nation. They range from non-profit to for-profit and include such camps as YMCA and Girl Scouts. According to surveys, the average fees for youth camps for one week were \$500 with camps in the south falling around \$375 per week. Camps are beginning to offer additional services to increase revenue and occupancy rates. Such services include daily rentals, site rental by other camps and family camps. In addition, the whole environmental area is one that has great potential. This is an area that much time and resources will be devoted to realizing. Most camps operate in the summer with others having year round activities. Programming is very important and camps are actively adding community service options, ropes courses, and technology enhanced visits. The industry is highly dependent on lower wage employment.

TARGET MARKET / CUSTOMER ANALYSIS SUMMARY

Targeted customers fall into three categories: youth, adult, and environmental. Camp survey results and research performed indicates there is sufficient market capacity for another camp in the Birmingham Metropolitan Area. First, youth customers are interested in location, offered services, food services and safety. Next, research performed indicates that adults are interested in location, accommodations with individual temperature control, handicap accessible rooms,

single and/or double occupancy sleeping rooms, quality food services and wireless internet service. For the third group of customers, environmental, research performed shows that it is important for students to develop an integral understanding of the environment and their role in it. Several camps surveyed strive to offer environmental programs that enable students to interact with the environment, while learning information in a classroom setting.

COMPETITOR SUMMARY

There are various camps and conference centers which are available both within and outside Presbytery boundaries. These camps are owned by other denominations, dioceses, state run organizations or non-profit groups. They are now frequently used by Presbytery member churches for camping and retreats.

Research was conducted on approximately 11 direct competitor camps and 40 schools/environmental centers. The competitor youth and adult camp information validates that there are assorted camps in Central Alabama with a varying degree of rates, programs, and facilities. The following competitors were researched.

- Camp McDowell
- Camp Lee
- Shocco Springs
- 4-H Center
- Camp Sumatanga
- Camp Maranatha
- Camp Highlands
- Camp ASCCA (Alabama Special Camp for Children and Adults)
- Poplar Point
- Wesley Woods
- Twin Pines

SUMMARY OF PSL SURVEYS OF MEMBER CHURCHES

What is the minimum number of members from your congregation you could see using Living River for the following purposes:

| | Sum | High | Low | Mean | Median |
|--------------------------------|-----------|------|-----|------|--------|
| Couples Retreats | 204 11.2% | 60 | 0 | 17 | 10 |
| Family Retreats | 575 31.5% | 220 | 0 | 48 | 25 |
| Youth Retreats | 175 9.6% | 50 | 0 | 15 | 11 |
| Session Retreats | 174 9.5% | 40 | 0 | 15 | 14 |
| Deacon Retreats | 93 5.1% | 40 | 0 | 8 | 0 |
| PW Retreats | 183 10.0% | 50 | 0 | 15 | 14 |
| Church School Classes Retreats | 156 8.5% | 50 | 0 | 14 | 6 |
| Other (please specify) | 257 14.1% | 205 | 0 | 21 | 4 |
| Elementary Retreat | 10 0.5% | 10 | 0 | 1 | 0 |

What is the maximum number of members from your congregation you could see using Living River for the following purposes:

| | | | | | |
|--------------------------------|-------------|-----|---|-----|----|
| Couples Retreats | 459 11.5% | 140 | 0 | 38 | 20 |
| Family Retreats | 1325 33.2% | 450 | 0 | 110 | 70 |
| Youth Retreats | 471 11.8% | 100 | 0 | 39 | 30 |
| Session Retreats | 268 6.7% | 50 | 0 | 22 | 20 |
| Deacon Retreats | 102 2.6% | 50 | 0 | 9 | 0 |
| PW Retreats | 625 15.7% | 200 | 0 | 52 | 30 |
| Church School Classes Retreats | 352 8.8% | 100 | 0 | 32 | 12 |
| Other (please specify) | 390 9.8% | 200 | 0 | 33 | 0 |
| | 3992 100.0% | | | | |

The planned facilities are designed to facilitate retreats and camps. According to the surveys taken of the churches within the PSL, the greatest concentration of use is anticipated to be in family retreats, ranging between 575 and 1,325 members, approximately one-third of all anticipated usage by the churches which are members of PSL. These numbers and surveys do not reflect the following uses which represent additional components of usage:

- Presbytery sponsored events including summer youth camp
- Use by groups not affiliated with the Presbytery, such as other non-Presbyterian churches
- Elementary schools for environmental camp

OPERATIONS PLAN

In order to develop the Operations Plan, Living River has undertaken several important steps. First, the processes critical to servicing the facility users were identified. Second, a high level management plan was developed that outlines what must be done to make Living River a successful camp. Finally, key suppliers were identified, including suppliers of food and various other materials and services needed for daily operations.

The following sections provide a summary of operational necessities. These operational necessities include personnel, maintenance, housekeeping, suppliers and food service.

Personnel

The following is a table outlining full-time employees and their anticipated annual compensation, once Living River is fully operational. The compensation figures are comparable to other camps within Central Alabama, according to the research that was performed.

These salaries were developed by researching existing salaries at competitor camps, obtaining and analyzing salary benchmarks from the American Camp Association and the Presbyterian Church Camp and Conference Association, as well researching market salary information on various websites.

| Position | Salary |
|-----------------------------------|----------|
| Executive Director | \$45,000 |
| Facilities Director | \$35,000 |
| Office Manager | \$39,000 |
| Food/Housekeeping Manager | \$33,000 |
| Development Officer | \$46,000 |
| Environmental Program Coordinator | \$25,000 |

The following is a table outlining part-time and/or seasonal employees and their anticipated annual compensation, once Living River is fully operational. The compensation figures are comparable to other camps within Central Alabama, according to the research that was performed.

| Position | Number | Total |
|----------------------------------|--------|----------|
| Summer Counselors | 12 | \$14,000 |
| Environmental Seasonal Employees | 8 | \$34,000 |
| Food Servers | 2 | \$35,000 |
| Maintenance Worker | 1 | \$2,000 |

Maintenance

The maintenance staff will consist of subcontractors who will be contracted for grounds and facilities maintenance. The maintenance performed will depend upon the season and scheduled programming.

Housekeeping

Housekeeping services are also anticipated and included in the forecast. The housekeeping staff will likely be staffed from the local area. The housekeeping services will depend upon the season and occupancy.

Suppliers

Sysco, Wood Fruitticher and U.S. Foods are examples of local food suppliers that may be employed by Living River.

Cleaning and paper supplies will likely be purchased at local grocery stores or other retail suppliers.

Linen and laundry service is anticipated to be contracted with a local vendor.

Garbage disposal service will likely be contracted with a local vendor.

Hood and equipment service, an annual service, is expected to be contracted out to a local vendor.

Fire suppression maintenance will be contracted once the camp is operational. This maintenance is largely dictated by local fire codes.

Food Preparation

The main kitchen will be located in the dining hall, while two separate kitchens will be located in the lodges.

The main kitchen will have equipment designed to service large groups of people and will include: a temperature holding equipment for each serving area, walk in freezer, ice machine, ovens, steam kettle or tilt skillet, stove, plumbed coffee maker or large drip maker, dishwasher, three compartment sinks, prep sink, hand sinks, meat slicer and dishwasher.

The main dining area will also have equipment that the visitors will use, including: a salad bar, beverage bar, flatware and dishware storage, dish racks, bread racks and garbage cans.

The lodge kitchens will be outfitted with: a microwave, full refrigerator, stove, coffee maker, pots and pans, dishware storage, washer, and dryer.

MARKETING PLAN

In order to facilitate the development of a marketing plan, a plan to retain existing customers and partnerships was developed. The following is a summary of the plan's components intended to aid in the development of a full-scale marketing plan. The summary will highlight promotion, public relations and advertising, printed materials, the website and communications.

Promotion

During initial fundraising stages, a promotional DVD was developed and produced by Hunters Brothers Production. In addition, Television Public Service Announcements (PSAs) may be developed for camp programs and environmental programs. Finally, magazine advertisements may also be designed that are targeted to both Presbyterian groups and the broader community, including businesses, associations, clubs as well as other members of the faith community.

Public Relations/Advertising

PSL congregations may receive fliers and other promotional materials regarding Living River on a regular basis. Furthermore, promotional articles may be published in Presbyterian periodicals such as *Presbyterians Today* and *The Presbyterian Outlook*.

Printed Materials

Printed materials will serve as a snapshot of what Living River has to offer, and may highlight specific opportunities at the camp. For example, Living River may develop youth camp, adult camp, conference center, and environmental programs brochures. It may also create bumper stickers, business cards, stationary and other widely viewed advertisements. By doing this, Living River enhances its visibility and amplifies its presence in the market place.

Website

The current Living River website will be further developed to contain as much detailed information as possible regarding programs, rates, activities, and other information on Living River. In so doing, interested parties can quickly determine that Living River has the facilities and programs they may be looking for.

Communications

The following table describes various methods to reach potential target audiences. Living River's Executive Director and Development Officer will be accountable for executing the Camp's marketing plan.

| | Personal Selling | Direct Mail | Printed Materials | Promotional Items | Public Relations |
|-------------------------------|---|--|--------------------------|--------------------------|---------------------------------|
| Youth Camp | Individual meetings, Wednesday night church | 3 per year to educators | Brochures | T-shirts and caps | Grand opening, special programs |
| Adult Camp / Corporate | Call on Corporate Human Resource Managers | 4 per year to HR Managers | Brochures | Pens and notepads | Grand opening |
| Environmental Program | Call on Principals and Program Directors | 2 per year to Principals of Alabama's public and private schools | Brochures | Pens and notepads | Grand opening, special programs |

FINANCIAL PLAN

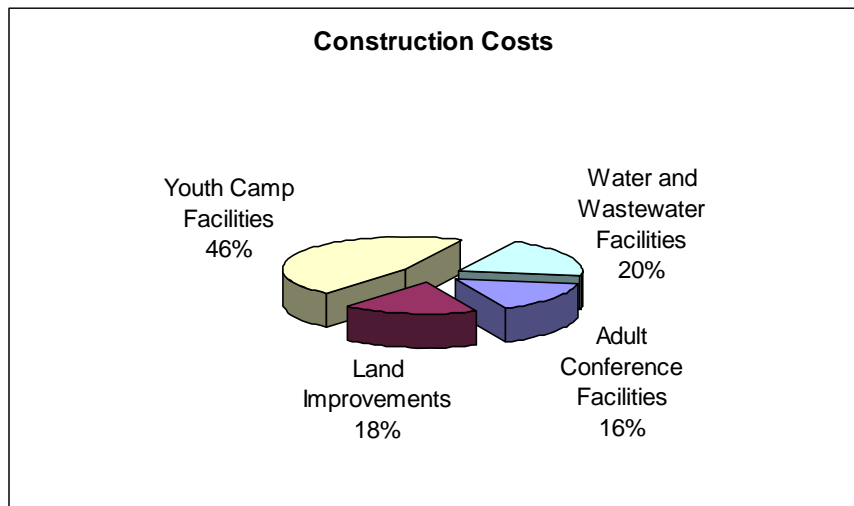
START UP CAPITAL

The construction period is expected to begin in July 2008. By the end of spring of 2010 the Camp's infrastructure and youth camp facilities will be in place and Living River will be able to operate. Construction on the adult conference facilities is not expected to begin until fall of 2010. By the end of the first quarter of 2011, these facilities should be completely constructed and Living River will be able to offer its full range of amenities.

As a result of the delayed construction of the adult conference facilities, the first year of Living River's operations will generate a loss. In subsequent years, the camp will generate profits, excluding depreciation expense.

Based upon management's experience, construction of the facilities in Phase I is expected to cost approximately \$10,000,000, excluding land purchased at a cost of \$650,000. This money will be

used to pay for the construction of youth camp facilities (\$4,643,000), water and wastewater facilities (\$2,026,000), land improvements (\$1,766,000) and an adult conference center (\$1,565,000) and two adult lodges. By the end of the construction period, fixed assets will comprise 78% of total assets. Note that includes the adult conference center, which is forecasted to be under construction at this point in time, and is therefore classified as construction in progress (CIP).



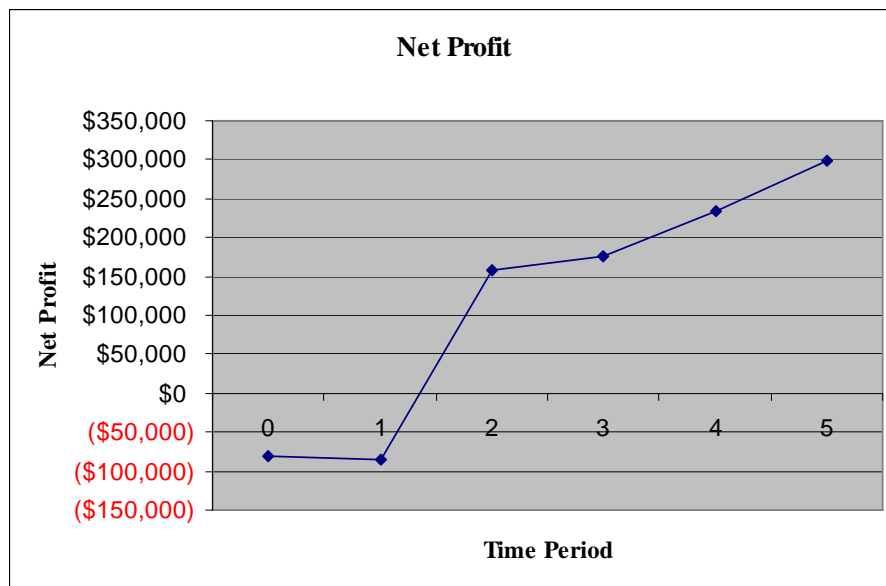
Approximately 94% of the cost of construction will be paid for in cash from receivables, assuming that \$7,319,000 is raised by the end of the 21-month construction period ending March 2010 and an additional \$2,050,000 will be received over the next two years. The additional construction costs will be paid for by debt financing.

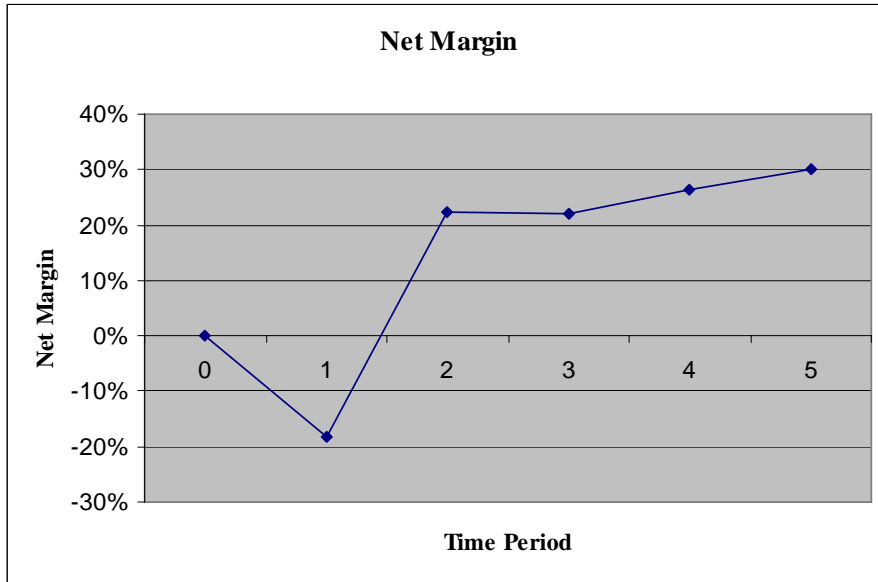
A forecasted debt burden of \$1,148,000 is intended to provide the remaining cash necessary for construction and the associated costs. A loan of this size will enable Living River to maintain at least \$100,000 in cash reserves over the forecasted five-year period. This debt burden will be paid down by applying 100% of the pledges received to the outstanding debt principal. According to the forecast, the entire debt obligation required to fund the start up of the Camp will be met by the end of year two. Therefore, the forecast indicates a debt-free operation by the end of year two.

OPERATIONS

Revenue for Living River is generated by the fees paid by users of their facilities. The range of fees is dependent upon the number of nights needed for lodging, the number of meals, as well as the number and cost of the program(s). Of the two types of lodging facilities, cabins are expected to provide 77% of total revenue over the forecasted five year period of operations, although they comprise only 60% of Living River's total capacity.

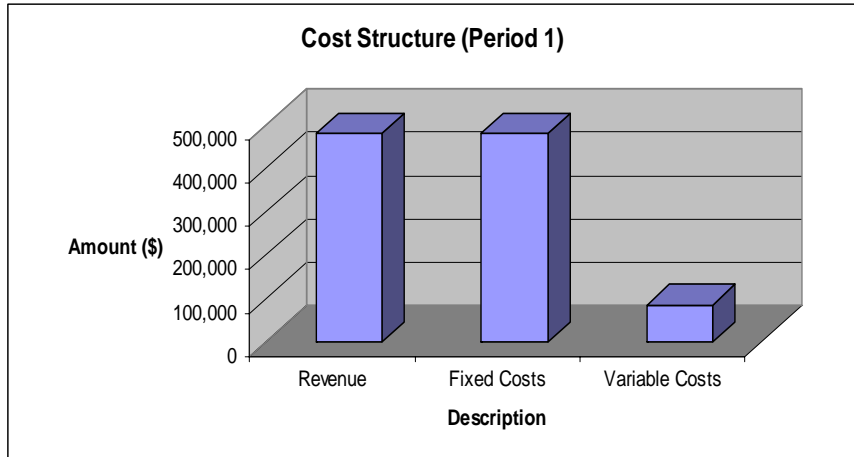
Management anticipates \$478,000 of revenue to be generated by Living River by the end of the first year of operation, and to grow at a 20% compound annual growth rate (CAGR) over the following four years. As noted before, however, in the first year Living River is not fully operational. Looking at growth from year two, when the Camp is fully operational, to year five of the forecast, yields a CAGR of 8%. As discussed earlier, the Camp will generate a net loss in the first year of operation as the Camp expands its offerings and ramps up its operations. Over the forecasted period, the net margin is expected to peak at 30%. This level of profitability is contingent upon the Camp generating enough visitors to drive revenue to the expected levels, as well as the Camp not hiring additional workers, driving costs up. It should also be noted that the profit reflected in the forecast excludes depreciation; however the net change in assets including depreciation is footnoted. This methodology was utilized for purposes of demonstrating cash flow more accurately. This is especially appropriate given that depreciation expense does not serve as an accurate proxy for maintenance on the Camp's facilities in the first five years of operation. There is, however, an amount included for repairs and maintenance expense ranging from 4% to 6% of revenues.





Of the revenue streams outlined in the forecasted statement of sources and uses of income, the revenue generated by the Environmental camp comprises approximately 47% of the total revenue in year one, and is diluted to about 34% by year five as a result of other programs strengthening.

Operating costs are highly fragmented with the top three expenses (Executive Director Compensation, Counselors and Electricity) consuming 27% (\$129,000) of total revenue. The adjacent chart articulates the relationship of revenue to fixed and variable costs in period one. Note that counselors and kitchen staff are considered fixed costs, while meals and cleaning are variable costs.



MASTER PLAN

The Presbytery formed a Camp Visioning Task Force to determine what facilities and amenities may be included in the proposed camp and conference center. After developing its vision and priorities, the Task Force engaged a number of professionals such as architects, land planners, and engineers to develop a master plan.

In 2001, the Visioning Task Force, along with support from professionals, produced a two-phase strategy to develop the property over time. The two phases are collectively known as Living River's master plan, which is estimated to cost approximately \$20 million.

Phase One

The Retreat Area of Phase One construction will take place in several areas. The land will require considerable site work prior to the construction of the camp itself. In developing the land, Living River's priority is to maintain the natural beauty of the property. Initial land improvements will include entrance road repair and signage, main camp roadway construction, electrical service, and water and wastewater facilities.

Six youth cabins will also be constructed, housing 22 campers each. Youth, ages 6-18, will have the opportunity to experience hiking, fishing, canoeing, and other activities in the pristine atmosphere of the Cahaba River. A recreation hall will provide a place for dining.

Two adult lodges housing 44 persons each in 11 hotel-style rooms will be constructed. Each lodge will feature rooms with a common meeting space, and each room will contain two double beds.

The camp will contain a canoe launch and takeout, athletic fields, picnic shelters, welcome center, outdoor chapel, utility barn, ropes course, climbing tower, and nature paths throughout.

By the completion of Phase One, Living River will have a youth camp area, adult retreat area, welcome center, outdoor chapel, swimming pool and deck, gym/dining hall, bell tower, canoe launch and landing areas, picnic shelters, a ropes course, climbing tower, nature paths, athletic fields.

Phase Two

By the completion of Phase Two, Living River will have a conference center, environmental dorm, environmental classrooms, adult sabbatical cabins, youth meeting hall/chapel, youth amphitheater, youth gazebo, bath house, RV camp, caretakers' cabin, athletic fields and amenities, and additional road improvements. Furthermore, additional amenities will be added to the primitive camp, existing adult and youth facilities and walking paths. A pier, zip-line, wild life viewing stations and gazebos will also be featured.

CONCLUSION

It is concluded that Living River will be financially self-sustaining through operations by year two, under the current financial model. This assumes that Living River is able to finance only \$1,148,000 of construction and pay for the rest in cash from pledges and operations. Furthermore, the debt burden must be resolved by raising additional funds and may be facilitated by the camp's profits. Replacement of fixed assets will also likely require additional fund raising initiatives, which may be partially offset by retaining profits.

Successful operations will be contingent on having programs fully developed and marketed by the launch of the camp's operations, as well as hiring qualified personnel and management. Retention of top quality personnel and management will be critical to success.

The Camp will have a family atmosphere where people want to come, where people want to work and to be a camp that is financially independent.