Appendix 1 compares internal borrowing with external financing (e.g., a credit facility). Internal borrowing offers the following advantages:

- Cost savings: Avoids $52,400 in interest over five years compared to external borrowing.
- Efficiency: Provides faster access to funds and reduces administrative and legal costs.
- Stability: Minimizes reliance on external market conditions and credit ratings.

Advance Schedule using internal funds – 3.575%

Year	Payment	Interest	Principal	Ending Balance
Year 1	$110,976	$17,875	$93,101	$406,899
Year 2	110,976	14,547	96,429	310,470
Year 3	110,976	11,099	99,877	210,593
Year 4	110,976	7,529	103,447	107,146
Year 5	110,976	3,830	107,146	$0
Total	$554,880	$54,880	$500,000	N/A

Advance Schedule using external borrowing – 6.85% per NPCA Credit Facility

Year	Payment	Interest	Principal	Ending Balance
Year 1	$121,456	$34,250	$87,206	$412,794
Year 2	121,456	28,276	93,180	319,614
Year 3	121,456	21,894	99,562	220,052
Year 4	121,456	15,074	106,382	113,670
Year 5	121,456	7,786	113,670	$0
Total	$607,280	$107,280	$500,000	N/A