



January 10, 2016  
Financial Announcement

The Water's Edge vision leads us to recommend a \$9.2 million project that includes the construction a building, renovations and funding for campuses. If approved, this would be the second largest project that CWC has undertaken in its history. Much prayer and planning has been committed to this recommendation over the past few years. We identified the need for this project more than ten years ago but the time was never right. We now believe the time is right and that God would be pleased for us to proceed and recommend this vision to you. We believe that the same God who has led us to this vision will supply our needs, just as He has always done in our past, and we have put all of our trust in Him.

One of the things that I have loved about this church is its culture of planning and preparing for large projects before recommending them. No project would ever be recommended by leadership without intense prayer and solid planning. I can assure you that every level of leadership has not only been praying over this project but some of the best minds in the church have contributed to the plan that is being recommended to you.

Every bank that we have ever worked with has complemented us as being a church that is well managed and has solid internal controls. That is why CWC qualifies for the best financing terms available for any church loan. The terms given to us for this project are again exceptional and, as a cost factor, far below the industry standard.

The plan that Finance Committee has submitted for this project includes the following:

- CWC has never had a specific goal to be without debt although we have rejoiced in the last five years of no indebtedness. We are, however, very committed to short-term debt financing as contrasted to more traditional long-term debt financing that stretches payments out over 15 or 20 years. Our projections anticipate borrowing is \$4.2 million for this project at peak debt and we expect to pay it off within four years. Our commitment to short-term debt financing keeps total financing costs to a minimum, reduces risk and allows us to focus our resources directly on ministry objectives for the long-term.
- We believe God would be pleased for us to lead our people in a capital stewardship challenge. If God's people commit themselves to prayer, faith and engage in an element of sacrifice we believe God will help us to raise \$7 million over the next three years. This is a big vision but we have a big God and we are trusting Him to do great things.
- All interest cost for this project will be budgeted into the General Budget and treated like an operating expense. As the debt is paid down and this interest expense goes away these funds will shift over to what we call "sinking funds", which is our savings for major building upkeep. We have sinking fund savings for all of our buildings which is not only solid planning for these



future expenses but they provide a major emergency resource if there was an unforeseen financial crisis.

- When the General Budget is put together for next year, 50% of the operating costs of this new building will be built into the budget and the following year the rest of operating expense will be added to the budget.
- The additions to the General Budget referenced above will come from reducing current operating expense. The Global Executive Team has recommended that we have a net zero increase to General Budget expense in the coming year even though we currently forecast an increase of 3% to 5% in income.

In my time here at Central, I have been deeply involved in the financial planning of every building project this church has undertaken over the last 25 years. One of the things I have loved about our leadership in all these years is that I have always been given full freedom to speak directly of my concerns to all levels of leadership and to the congregation. This scenario is unique, often people in my position are restricted to speaking only in unison with the Lead Pastor. The financial plan presented to you this morning is one that I whole heartedly support. As the staff representative on the Finance Committee and the Chairman of the Deacon Board, I can tell you that both groups of leaders recommend this plan to you. I personally presented this financial plan to our board of Elders and after much prayer and consideration they offer it to you fully recommended.

But in all of this, it comes to you only as a recommendation. Over the next two weeks, it is up to you to pray and give consideration to this recommendation. When you vote on January 24, we will accept your vote as God's direction. We will not proceed without a strong support from God's people. It is our belief that God will speak through the collective discernment of His people and we will submit to that leadership.

Sincerely,

Lynn Bruce  
Executive Pastor of Operations