



**State of the Assembly Address  
2013**

**Celebrating 6 Years of Ministry in  
West Michigan**



# Thank You

## Thanks To All Our

- Kitchen Workers
- Nursery Staff
- Children's Church Teachers
- Music Department
- Audio/Visual/Internet Ministries
- Bible Conference Workers
- Buildings and Grounds
- Ladies Committee
- VBS Volunteers
- Bulletin/SS Notes
- Treasurer
- Board Members
- Deacons
  - Visitor Packets
- The Saints
- Ect.



## Core Strategy

- He **evangelized** strategic cities to establish a beachhead of believers that could reach into the surrounding areas (Acts 15:36, 16:12, Acts 17, 18:10, 19:35).
- He **edified** the new believers in sound doctrine.
- He **established** the communities of believers into organized local churches.
- He **enlisted** key men that could be trained to carry on the work and lead the churches in his absence (Acts 20:28, Tiuts 1:5).
- He used the local churches as a base from which to **expand** the gospel into outlying communities.



# Financial Report Key Points (2012)

## Income

- Offerings From Saints  
(Everyone Minus Wayne)
  - \$70,318.29
- Offerings From Others  
(Wayne)
  - \$44,064.00

## Mortgage

- Mortgage One (Mercantile Bank)
  - \$466,066.26
- Mortgage Two (Wayne L. Nash Trust)
  - \$162,000
- Total Mortgage
  - \$628,066.26



# Financial Report Key Points (2012)

**Saints--\$70,318.29**



**Current Budget:**

- **Operating Expenses**
- **¼ of Mortgage One (Mercantile Bank)**
- **\$1,186/Week**

**Wayne--\$44,064.00**



**Current Budget:**

- **¾ of Mortgage One (Mercantile Bank)**
- **\$918/Week**

**Besides a \$75/week interested payment built into the budget the second Mortgage of \$160,000 (WLN) is not even being addressed**



# Financial Report Key Points (2012)

## New Budget:

- Reflects the true cost of running the assembly.

- \$2,030/Week

- Seeks to close the gap between the Saints and WLN.

- WLN IS NOT WALKING AWAY!!!

- Board wants to prepare the church for Wayne's eventual retirement.

Wayne



\$2,030/Week

Every 5<sup>th</sup> Sunday we are going to have a debt reduction Sunday and collect a second offering to be applied toward the 2<sup>nd</sup> Mortgage.



Saints



# 2013 Update

## Income

- Offerings From Saints  
(Everyone Minus Wayne)
  - \$72,534.90
- Offerings From Others  
(Wayne)
  - \$24,473.00

## Mortgage

- Mortgage One (Mercantile Bank)
  - \$432,138.89
- Mortgage Two (Wayne L. Nash Trust)
  - \$159,776.00
- Total Mortgage
  - \$591,914.89

**WLN's Offering Were Down and the Saints Offerings Were Up.**



# Debt Comparison

**2012**

- Mortgage One (Mercantile Bank)
  - \$466,066.26
- Mortgage Two (Wayne L. Nash Trust)
  - \$162,000
- Total Mortgage
  - \$628,066.26

**2013**

- Mortgage One (Mercantile Bank)
  - \$432,138.89
- Mortgage Two (Wayne L. Nash Trust)
  - \$159,776.00
- Total Mortgage
  - \$591,914.89

**Paid Down the 2<sup>nd</sup> Mortgage Owed to WLN Trust  
by \$2,224 Through Debt Cancellation Efforts**



## 2013 Update Continued

- Despite making progress on closing the offering gap between WLN and the Saints as well as paying down the 2<sup>nd</sup> Mortgage that last year has demonstrated that the saints of GLBC are not able to sustain our current debt structure without significant financial help from WLN.
- WLN is planning on retiring in the very near future.
- This has promoted the board to investigate our options. Thus the closed board meetings of the past 2 months.
- At my request, WLN prepared a financial worksheet (Exhibit 1) to help the board make decisions moving forward.



# Explanation of Exhibit 1

- Covers 43 months of Income and Expense activity from 1/1/10 through 7/31/13.
- Figures do not include:
  - Offerings from WLN
  - Offerings from PayPal
  - Fundraiser \$
  - Mortgage Payment
- **Blue** line items indicate areas where budgetary cuts could be made.
- The bottom of the **Monthly Average (43 Months)** column indicates that the assembly has **\$2,215.60** to work with per month to secure a meeting space (either rent or mortgage payment).
- The current monthly payment owed to **MB** is **\$4,897.00**. Does not address the 2<sup>nd</sup> Mortgage.



# Meeting Options

- **Standale Fire Station**—could accommodate 70 people in 800 sq. foot room.
  - No space for children’s ministry.
  - No storage available
  - Set-up/Tear Down
  - Not available consistently every week.
- **Walker Ice Skating Rink**—room available across from Hokey rink. Leagues on Sunday.
  - No space for children’s ministry.
  - No storage available
  - Set-up/Tear Down



# Meeting Options

- **Boy Scout Facility**—1 large room capable of seating between 80-90 people. \$75/week.
  - No space for children’s ministry
  - No storage available
  - Set-up/Tear Down
  - Possible Scouting Conflicts
- **Country Inn and Suits**—large room (125 people) and one small for kids. \$600/week for 4 hours.
  - Will not rent to a church
  - Could not make noise above a conversation



# Meeting Options

- **Fredrick Meijer Gardens**—1 large room for \$175 for 4 hours. Extra \$40 to use projector.
  - No space for children's ministry
  - No storage available
  - Must pay for ½ year in advance
- **Star Theater**--\$500 per theater per hour.
  - No space for children's ministry
  - No storage available
  - Set-up/Tear Down
  - Not renting space until sometime in 2014



# Meeting Options

- **West Michigan Academy of Environmental Science**—Gym (4 hours), 4 Classrooms (4 Hours), Staff Personal (4 hours)=\$540/week
  - No storage available
  - Set-up/Tear Down



# Problems With Meeting Options

- At someone's mercy.
- No signage or visible presence
- Parking
- No space for funerals, weddings, Children's Church, VBS, or youth events
- No place for Bible studies, board meetings, Bible Conferences
- No permanency
- Lose part of the assembly



# WLN Mortgage Proposal to GLBC

- **GLBC CURRENTLY HAS MORTGAGE W/MB FOR \$432,138.89 (APPROXIMATELY AS OF THIS DATE) @ 4.75% INTEREST FOR A MONTHLY PAYMENT OF \$4,897.00 WITH WLN AS A PERSONAL GUARANTOR. LENGTH OF LOAN IS FOR 5 YEARS (60 MONTHS) WITH 3 YEARS REMAINING.**
- **COME DECEMBER OF 2013, WLN PROPOSES TO LOAN GLBC APPROXIMATELY \$426,000.00 (AFTER OCTOBER & NOVEMBER PAYMENTS) TO PAY OFF THE EXISTING MORTGAGE WITH MB.**
- **WHATEVER THE FINAL PAYOFF AMOUNT IS, IN ADDITION TO THE APPROXIMATE \$160,000.00 THAT GLBC OWES WLN AS A SIDE LOAN, WLN WILL TAKE THE TWO AMOUNTS, ADD THEM TOGETHER AND DIVIDE THEM EQUALLY IN HALF.**



# WLN Mortgage Proposal to GLBC

- AS AN EXAMPLE, THE TWO LOANS COMBINED WOULD EQUAL **\$586,000.00** AND ONCE DIVIDED THERE WILL THEN BE TWO SEPARATE LOANS OWED TO **WLN** FOR **\$293,000.00** EACH.
- **WLN** WILL TAKE ONE OF THE LOANS AND COMPLETELY FORGIVE IT, LEAVING JUST ONE LOAN LEFT AT THE **\$293,000.00** STILL OWING TO **WLN**.
- THE REMAINING LOAN AMOUNT WILL THEN BE AMORTIZED OVER A FIVE YEAR (60 MONTH) PERIOD AT AN INTEREST RATE OF 4.75% (WHAT **MB** IS CURRENTLY CHARGING). ATTORNEY FEES FOR LEGAL LOAN DOCUMENTATION AND FILING PURPOSES, INCLUDING A LIEN ON THE BUILDING, WILL BE THE RESPONSIBILITY OF **GLBC**. METHOD OF SUBJECT PAYMENT (BUILT INTO LOAN AMOUNT OR PAID FOR FROM THE CHURCH CHECKING ACCOUNT) TO BE DETERMINED AT TIME OF CLOSING.



# **WLN Mortgage Proposal to GLBC**

- **GLBC CAN SELECT ANY MONTHLY PAYMENT AMOUNT IT FEELS THAT IT CAN HONOR CONSISTENTLY FOR THE 60 MONTH PERIOD (\$1,159.79 PER MONTH BEING THE MINIMUM PAYMENT FOR INTEREST ONLY AND ANY DOLLAR AMOUNT ABOVE THAT TO BE APPLIED TO THE PRINCIPAL AMOUNT).**
- **WLN WILL TAKE THE AGREED UPON PAYMENT AT THE BEGINNING OF EACH MONTH – PREFERABLY IN FULL – BUT IF NOT, THEN PASTOR’S PARSONAGE ALLOWANCE WILL BE REDUCED BY THE SAME AMOUNT OF WLN’S SHORTFALL UNTIL EACH PARTY (WLN & PASTOR) HAS HAD THEIR MONTHLY INCOME OBLIGATION FULFILLED.**



# WLN Mortgage Proposal to GLBC

- **GLBC SHOULD NO LONGER EXPECT WLN'S PERSONAL OFFERING HISTORY TO REMAIN THE SAME GOING FORWARD DURING THIS BUSINESS RELATIONSHIP TO OFFSET ANY CASH DEFICIENCIES.**
- **AT THE CONCLUSION OF THE 60 MONTH MORTGAGE – OR AT THE DISCRETION OF GLBC BOARD, IF IT FEELS THAT THE FINANCIAL STRENGTH OF THE ASSEMBLY IS STRONG ENOUGH - A TRADITIONAL MORTGAGE WITH A BANKING INSTITUTION SHOULD BE PURSUED. IN THE EVENT THAT A BANK IS UNWILLING TO UNDERWRITE A MORTGAGE WITHIN THAT TIME FRAME, WLN WOULD GIVE CONSIDERATION TO RENEWING THE CURRENT MORTGAGE RELATIONSHIP WITH GLBC.**
- **IF A MORTGAGE WITH A FINANCIAL INSTITUTION IS CONSIDERED, AND ONE OF THE STIPULATIONS OF THE BANK IS THAT THE LOAN MUST BE PERSONALLY GUARANTEED, WLN WILL NOT BE INVOLVED UNLESS ALL THE BOARD MEMBERS – OR OTHER MEMBERS FROM WITHIN THE ASSEMBLY – SHARE EQUALLY IN THE OBLIGATION OF THE DEBT.**



# WLN Mortgage Proposal to GLBC

- IN ADDITION, IF **WLN** WERE TO DIE DURING ANY CONTRACT IN FORCE, HEIRS TO HIS TRUST WILL HAVE THE OPTION TO CONTINUE WITH THE EXISTING AGREEMENT IN FORCE OR CALL IN THE BALANCE OF THE LOAN, AT WHICH TIME **GLBC** WILL NEED TO SEEK ALTERNATIVE FINANCING, EITHER THROUGH A BANK OR PROCEEDS FROM A LIFE INSURANCE POLICY THAT **GLBC** WOULD PURCHASE, DESIGNATING THE **WLN TRUST & GLBC** AS THE JOINT BENEFICIARIES.
- THE CURRENT INTEREST FORMULA USED BY **MB** IS THE PRIME INTEREST RATE SET AT 3.25% (PUBLISHED IN THE WALL STREET JOURNAL) WITH AN ADDITIONAL 1.50% ADDED AS A RESULT OF RISK EXPOSURE (THUS THE 4.75% INTEREST RATE). IF IN THE LIFE OF THE CONTRACT WITH **WLN** THE PRIME RATE BASE SHOULD MOVE – UPWARD OR DOWNWARD – **GLBC** MONTHLY PAYMENT WILL REFLECT THE SAME GOING FORWARD FROM THE DATE OF MOVEMENT.



# Reflections on WLN's Proposal

- WLN is offering GLBC a \$293,000 mortgage on a building that is currently valued at \$675,000.
- This would allow the GLBC to continue its present ministry in its current location.
- WLN would consider his financial obligation to GLBC fulfilled and should not be expected to make up any short falls in the weekly offering totals.
- The financial success or failure of GLBC would be the responsibility of the families/individuals comprising the assembly.
- The board feels that the families/individuals of GLBC are collectively capable of supporting a mortgage of \$293,000.
- WLN would work with the board in helping to secure a loan with a financial institution within the timeframe outlined by the proposal.
- The board will secure a life insurance policy on WLN to help ensure the financial stability of the assembly.



## **Exhibit 2 Proposed Budget 11/13-10/14**

- This budget reflects NO reductions in any of the line items.
- This budget includes a monthly mortgage payment to WLN in the amount of \$1,750.00
  - \$1,100/month to Interest
  - \$600/month to Principals
- This budget includes a new weekly offering need of \$1,265.
  - Compare at \$2,030 in the current budget
- This number is lower than Weekly Average (186 Weeks) total from column 4 on Exhibit 1 of \$1,298.55.
- So the board has 186 weeks of cumulative offering data to support of decision of \$1,750 mortgage payment.



## **Exhibit 2 Proposed Budget 11/13-10/14**

- If meeting that obligations of the proposed budget proves to be beyond our capacity, the board of GLBC will have to reduce some of the line items in the budget.
  - Donuts
  - Lawn Care
  - Custodial
  - Etc.
- The current budget does not reflect a monthly payment on a Life Insurance policy on WLN since we are only beginning to process of securing one.
- The current budget does not provide funding for the Bible Conference or Ladies Conference. Those funds will need to come from either additional donations or fund raisers.



# What Saith the Scripture?

- II Corinthians 9:7 (1236)—every believer is to give according as he/she purposed in his heart.
- Purposeful
  - *Thought out in advance* taking into account the needs of the assembly and your own personal situation.
  - *Intentional* not an after thought.
- Consistent
  - Whatever is purposed is given consistently so that the assembly can meet its obligations.
- Continuous
  - The needs of the assembly continue even when the saints are gone.
- Sacrificial
  - Doing one's own personal best.



# Conclusion

- As we move into year 6:
  - Be the Body of Christ one toward another.
  - Continue to support GLBC with your time, prayers, and finances.
  - Get involved in the work of the ministry.
    - Ladies Fellowship, Bible Study
    - Board Meetings
    - Nursery, Children's Church
    - Vacation Bible School, Youth Group
    - Buildings and Grounds
    - Music
    - Ect