



**Finishing what we started.
Preparing for our future.**

FAQs

Our church has carried debt for years. Why have we decided to address our debt now?

The desire to reduce or pay our debt in full results partly from conversations that our senior minister, the Rev. Ron Henderson, had with various groups beginning last fall. As he talked with Sunday school leadership, parents of youth, single adults, missions committees and others about their visions for the future, their overwhelming response was the desire to pay off debt incurred from previous projects before considering any new ones. Although the timing of this campaign is not ideal – occurring just before our 2010 operational budget campaign – this year in November – every monthly loan payment we make is money that could be used for ministry. If not now, when?

Is Custer Road UMC in trouble financially? Is that another reason we are addressing debt reduction?

Custer Road UMC's 2009 operating budget is \$4.3 million. Although the budget is more than last year's \$4.1 million and 2007's \$3.6 million, it was arrived at conservatively, with some budgeted items (costing about \$125,000) noted as contingencies – ministries we will not pursue if the total projected income is not realized. The increase in this year's budget reflects the church's call to be a more mission-minded church. Our staff has and continues to be good stewards of the resources they are responsible for. At the end of April, we were under budget for the first quarter. The single reason for this debt reduction is to clear the path for our future, while taking care of the facilities that God has already entrusted us with.

How did our church arrive at the goal of raising \$4 million to reduce our debt?

Custer Road UMC's current debt is approximately \$3.2 million. An additional \$800,000 would allow our church to update aging heating and air conditioning systems and some of our space at a first-rate level without impacting our operating budget for this year or next year. Taking care of the facilities we have not only demonstrates good stewardship, but it also impacts future growth of the church's membership, missions and evangelism. Although \$4 million is a lot of money, and we will all have to sacrifice to get there, it needs to be considered with the perspective that the sum is less than our operating budget for one year.



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PAID IN FULL

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What does this debt represent?

The \$3.2 million loan balance is from two old notes, combined into one 10-year note in October 2007. The older of the two represents a project we undertook 19 years ago, the building of our beautiful sanctuary. The more recent note balance is from renovation and construction of church offices, Custer Road Christian Day School classrooms, the Upper Room, and adult classrooms in the basement eight years ago.

Why haven't we addressed this debt before now?

Our current debt is not out of line with debt that other United Methodist churches in our area and of similar size carry. But leaders and members of our congregation have increasingly expressed to our senior minister that we don't want to be like other churches and that 19 years is a long time for a growing church to be paying back a loan. Overwhelmingly, members have echoed the desire that as a church, we model the principle of good stewardship and "living within our means."

Will any money in this year's budget earmarked for ministry be moved toward debt reduction?

No, because payment of the current loan balance is already built into our operational budget every year. Paying down the note early with funds raised through this debt reduction campaign allows us to free up debt service dollars (interest) that could be helping expand Custer Road UMC's ministry in the community.

How much is our debt costing us?

Every single month, we pay \$41,515 toward our remaining balance of \$3.2 million. Over the course of 10 years, we will have paid \$5 million. The half-million dollars we are paying annually could go a long way in funding expanded ministry. If we can retire our debt, we will save more than \$800,000 in interest over the life of the loan.



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If we raised enough money to address our debt and also enhance our current facilities, what areas would we address?

We acknowledge there are many places in our church that need attention. We believe that God has a plan for Custer Road UMC and for our need to grow and meet more of the needs in our community. The campaign committee is recommending that funds raised over and above what is needed for debt retirement go into our infrastructure and Fellowship Hall because of its prominence as an inviting place for visitors and members. In addition to Fellowship Hall not being very attractive, more importantly, it is not very functional. Updating will also open the door to church and community meetings and events that have not been possible because of lighting, acoustical and aesthetic issues. Ultimately, decisions about the specific allocation of money for any enhancements to our facilities are decisions that will be made at the appropriate time, by the appropriate committee.

Will the 2010 budget take into account any reduced debt?

Since pledges for our Paid in Full campaign will be paid over two years, we will continue to budget nearly \$500,000 for debt service in 2010. Even if we prepay any of the principal, scheduled payments would not change until the debt is paid in full.

What does this campaign have to do with the property at the corner of Legacy and Custer? What's going to happen to those 17 acres?

At this time, there are no specific plans for that land. As a church, we want to follow God's lead, but right now only God knows his vision for the 17 acres at Custer and Legacy. To dream about what might be built there is energizing, but premature. This debt reduction campaign is about two things – finishing what we started 19 years ago and maintaining the condition of our current facilities. What is required of us now is to do the hard work – pay off our debt. Then we can position ourselves to listen for God's plans for our future.



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As prudent stewards of resources God has entrusted us with, will we borrow money in the future?

Retirement of our debt will naturally position Custer Road UMC for responsible future growth, which will ultimately include the property at Custer and Legacy. The key word is “responsible.” The current state of our economy has taught all of us that we don’t want to get in over our heads. Our church leaders agree that any projects that are financed in the future will be more about essentials than aesthetics, more about serving others than serving ourselves.

What if we don't raise \$4 million?

Although the goal is to stamp “Paid in Full” across our note, any reduction in our loan will be a success.

I'm worried about my own debt reduction! Why are we doing this now?

These economic times are unprecedented for those of us who are under the age of 80. But our church has always met financial challenges head on, using them as a way to trust God and express our faith in his plan for us as a church and individuals. Our members are people who make sacrifices when sacrifices are called for.

If I have only a certain amount to give, how do I choose between the operational campaign and the debt reduction campaign?

The bottom line is that in order to operate, our church needs the financial support of every member. Those who aren’t able to pledge a specific amount to the Paid in Full campaign can consider other options – a one-time gift or a pledge to give when circumstances, such as unemployment or college tuition obligations, change. Everyone can give something.

How can I learn more?

Visit www.crumc.org/paidinfull, or contact Chad Birckelbaw, chairman, at cjbirck@yahoo.com or 972-731-9636.



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