

FAQ Sheet – Manchaca UMC Capital Loan

What is the Capital Loan?

The church voted in the summer of 2019 to borrow money from the Texas Methodist Foundation to make capital improvements to the Family Life Center (FLC) and Main Building. This included improvements to the FLC to fully convert the room into a worship center. There were also restroom improvements, flooring and lighting replacement, etc. throughout the church campus. A total of \$553,795 was eventually borrowed.

How did we pay for the 2019 church improvements?

In the summer of 2019, the church held a capital funding campaign called “Build-Serve-Grow-2” (BSG2), soliciting three-year commitments from the congregation. The commitment was effective starting June 1, 2019 and will end May 31, 2022. All capital funding donations have paid against the principal, with loan interest payments being paid from the church annual operating budget.

Will the loan be paid off in 2022?

No. As of the end of February 2022, the loan balance was \$257,518. We anticipate that the loan balance will be about \$240,000 at the end of the BSG2 pledge commitment on May 31, 2022.

What can I do to help?

The church Administrative Council voted in early 2022 to ask the congregation to extend their current capital campaign pledge commitment by one year. We are asking those who pledged to BSG2 to continue their pledge at the same rate from June 1, 2022 to May 31, 2023. In effect, participants would pledge one third of their total 2019 BSG2 pledge in a new one-year extension. For example, suppose a person pledged \$6,000 to the original 2019 BSG2 campaign, paying out \$2,000 annually for the three-year commitment. This person is now given the opportunity to commit an additional \$2,000 to be paid out between June 1, 2022 and May 31, 2023. Effectively, persons are being asked to continue paying at the same rate for one more year.

I want to participate, but I need to adjust my pledge amount. Is this possible?

Yes! We realize that situations change over time. You may be in a position to increase your pledge, and the church is grateful if you can. We also know that the pandemic and its effects have resulted in challenging economic situations for many. The church recognizes all past giving and particularly sacrificial giving by many. We understand that you may need to reduce your pledge amount or not participate at all in the one-year extension. These are options for you to prayerfully consider when filling out the enclosed commitment card.

I didn't pledge to the 2019 BSG2 Campaign. Can I join the program now?

Yes! You can make a new pledge using the commitment card enclosed in this letter.

Why do a one-year extension instead of something else?

The church is currently in a period of transition. The pandemic seems to be abating thankfully, but its long-range impact is not completely known. In addition, the church will be welcoming a new senior pastor in June 2022. We want to give him the opportunity to concentrate on pastoral matters and developing relationships with the congregation initially, rather than having to deal with financial matters immediately after he arrives. The one-year extension will provide a period of financial stability while these transients settle out. We feel that the church will be in a better position in 2023 to address the remaining loan balance in a permanent manner.

Does the church have other loans/debt besides this Capital loan?

No. This is the church's only outstanding debt. Considering church assets are valued in millions of dollars, our debt/asset ratio is exceptionally favorable.

What is the church's overall financial health?

Thanks to dedicated, responsible church leadership and staff supporting a generous, loving church congregation, the church is in good financial health. Unlike many churches through the pandemic, Manchaca UMC has managed to pay all its bills, to continue staffing without forced layoffs and to pay its greater church apportionments in full. We have continued to serve beyond the local congregation in mission to the community and the world. As is the case for recent years, the church has a 2022 operating budget that is fiscally responsible and conservative. You are welcomed to receive a copy on request. The 2022 operating budget totals \$758,915. Your continuing financial commitment to the church is the enabling feature.

Why are we talking about money instead of ministries?

For the church, money and ministries are inextricably linked. Our giving enables ministries to ourselves, the greater Manchaca community, and the world. Through wise and responsible fiscal planning, the church is freed from fiscal stress and worry. In doing so, we can spend our time and energy fully in unburdened worship, mission, discipleship, and service. The church Finance Team seeks to allocate funds in a way that maximizes the “bang for the buck” in terms of benefit to the greater good with the end goal of doing the best we can to advance God's Kingdom in this place and time.