

2008 Capital Campaign Fact Sheet

Q. What is the current indebtedness of Spring Valley Presbyterian Church?

A. According to the BB&T Statement of 3/27/08 our current debt is in the range of \$2,825,000.00

Q. What are the current terms of our note with BB&T?

A. We have an interest rate of 6.94% with just over 5 years remaining with a large balloon payment. As of March 2008 we have 63 payments remaining of \$23,107.19 per month. In June 2013 we will need to refinance our note. At that time (if we continue our payments without change) we would have a debt in the range of \$2,321,000.00.

Q. How much can we raise in a 3-year Capital Campaign?

A. While capital campaigns for new construction often raise 2-3 times the annual budget, we believe it is possible to raise 1-1.5 times our annual budget of \$807,000.

Q. Is it really necessary for us to hire a consultant to help us with this campaign?

A. While some of us can point to successful capital campaigns which were self-directed, this seems to be the exception rather than the rule. A campaign consultant provides several advantages which can make a tremendous difference in the outcome of the campaign. Examples:

- * Most churches do not have the staff or members with time and expertise to direct an effective campaign.
- * The church needs a capital campaign with a theological foundation, not simply an institutional capital funds campaign.
- * A consultant brings objectivity to the process.
- * A consultant brings a field-tested framework to the campaign and pays close attention to the completion of assignments and the meeting of deadlines. They formulate a plan and pursue the plan through to the end of the campaign.
- * A consultant understands the principles of faith-based capital campaigns. Shortcuts such as not addressing major gift needs and reducing levels of expectation must be avoided at all costs. Research indicates that one reason church capital campaigns succeed is the fact that consultants emphasize the importance of major gifts and then assist the church in seeking those gifts.

Q. How much did The God's Vision Campaign receive in pledges?

A. It received \$760,125.00 in pledges. Those pledged gifts are still being received by the church.

Q. What is the timeline of our campaign?

A. The Advanced Phase of the Campaign has already begun. This phase includes campaign planning and communication as well as seeking advanced commitments toward our campaign goal. In September 2008 we will launch the public phase of the campaign asking SVPC members to make a 3-year pledge to help reduce our indebtedness.

Campaign pledge payments will officially begin on November 1, 2008 and will be complete by 10/31/11.

Q. May I make a pledge and begin my pledge payments before November 1, 2008.

A. Absolutely! Early pledge payments will have the effect of taking off some of the pressure created by the end of the God's Vision Campaign and the start of pledge receipts for the 2008 Capital Campaign.

Q. Why don't we simply wrap our building debt into our annual budget and forego a capital campaign?

A. The annual budget of the church is \$807,000. The annual debt service is \$288,000. If we had no campaign and paid the debt out of current receipts, we would need to reduce the program budget of the church by 36% in order to pay our mortgage. This campaign is critical to the mission and ministry of our church.

Q. Why are we doing this campaign now? Shouldn't we wait until the new Sr. Pastor arrives?

A. The answer is two-fold. First, the building debt is not currently paid out of the annual budget but out of the God's Vision Account. Funds in that account will, in all likelihood, be depleted by the Fall of 2008. We must pursue this campaign with great zeal and vigor because to service the debt out of the annual budget of the church would have an immediate and devastating effect. Second, we believe that as our Pastor Nominating Committee interviews potential candidates, those candidates will ask about our indebtedness and what we are doing about it. We are convinced that our future Pastor will be enthusiastic to come to a church where the church moved ahead in faith and confidence to deal with a critical stewardship issue.

Q. Is the church able to receive gifts-in-kind, stock transfers, gifts of real property or planned gifts toward our campaign goal?

A. The answer is a qualified "yes". Our Elders bear the responsibility for discerning if the receiving of particular kinds of gifts are in the best interest of the church. A gift to the Capital Campaign should be in a form which will be most helpful to the goal of debt reduction and retirement. If you are considering a particular gift, please be sure to consult representatives of the Session and your own professional advisors before making a final decision.

Q. If I cannot make a large gift to the church at this time but I want to make a planned gift or bequest through my Will, should I make this fact known to the Capital Campaign Team?

A. Yes. In all likelihood it will take several multi-year campaigns to retire our debt completely. Planned Gifts and Bequests from members who love Spring Valley Church are welcome and encouraged.