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Immanuel Baptist Church in Hoquiam, WA will celebrate its new facility on Sunday, November 2.

It has been a wonderful partnership, working with this centenarian CBC church. It began years ago when church leaders captured a vision to replace their century old structure with a new facility in a town where unemployment tops the scale in Washington and the economy has suffered for years.

Month after month Immanuel invested additional funds with the Church Growth Fund. This small church had the most aggressive investment with Fund. New investments kept coming in until the day we had to request that they invest some of the money with a bank or other financial institution. Immanuel had exceeded our limit for any single investor and needed to relocate some of their investments for our mutual safety.

Under the leadership of Pastor Kent Gravley, Immanuel Baptist Church in Hoquiam, Washington, has risen to new heights, igniting new life into a century old church and contributing to the welfare of the city in which it is located by cooperating with city leaders in establishing a new city park on a portion of the new church site. **Read the details of this venture in the February 2008 Growth Fund newsletter, archived on our website at churchgrowthfund.org.**

The Church Growth Fund is proud to have participated in this venture from being entrusted with the church building fund investments to lending what was needed to complete the job. The loyalty of Immanuel Baptist to our own CBC financial outlet was gratifying throughout the entire process.

The new facility has been completed on schedule, within budget, and is ready for its opening celebration on Sunday, November 2nd. Everyone is invited.

The entire construction process can be seen on the Immanuel Baptist website at www.ghbc.com/pics.



Immanuel's new site on the river with Hoquiam and Gray's Harbor in the background June 2007



The first service in the new church held 8/26/2007

Hoquiam Immanuel highlights



The new sanctuary under construction 10/1/2007



Front entry 3/30/2008



Sanctuary dry walled 6/22/2008

Current Rates Paid on Growth Fund Investments

1 year note: 4%

2 year note: 4.25%

3 year note: 4.5%

4 year note: 4.75%

5 year note: 4.875%

All with \$100 minimum

5 year note: 5.0%

\$100,000 minimum new money

No FDIC. In God We Trust.

See offering circular on web site.

CONVERGE NW

The “annual gathering” for Columbia Baptist Conference and its affiliate organizations, Camp Bighorn, Lake Retreat Camp, and the Columbia Conference Church Growth Fund is October 9 - 11.

The Columbia Baptist Conference has changed its name to “**Converge NW**” to tie into the BGC name change to “**Converge Worldwide.**”

The old CBC website has been updated to a new site at convergenw.org. The church directory has been updated and reorganized alphabetically by church name. The Church Growth Fund website at churchgrowthfund.org linked to the new directory on the first day the new Converge NW/ CBC website was announced.

The annual conference is now called the “annual gathering” of Converge NW/ CBC. This year’s “gathering” is called the “**mDNA Conference.**” **Come and find out our ministry DNA. Everyone is invited to attend.**

See ConvergeNW.org to register.

The Church Growth Fund will host the luncheon on Friday, where Dr. Jerry Sheveland, president of BGC, now Converge Worldwide, will be the speaker. Friday afternoon will be a series of seminars, followed by a Rally in the Worship Center at 7:00 pm and dessert social hosted by Lake Retreat.

Each of the four corporations will conduct their annual business meeting on Saturday morning, October 11.

9:00 am Church Growth Fund
9:30 Big Horn
10:00 Lake Retreat
10:30 Converge NW/ CBC

Columbia Conference Church Growth Fund 2008 Annual Report Q1 – Q3

One year ago, in October 2007, we relocated our office from the former CBC Headquarters building in North Seattle to the Port of Tacoma office building in Tacoma. The relocation had some far reaching effects in our operation, in that our office manager and bookkeeper since our beginning could not make the commute to the new office location. This required that we find a replacement person for this position, which we found in Debi Wright, a member of Bethany Baptist Church in Puyallup. The new location and new staff resulted in the Fund Administrator having a more “hands on” approach, assuming the loan processing and closing duties, formerly done by Marge Schlaegel. Financially, the move resulted in lower office rent.

We entered 2008 with \$7 million in loans, and minimal excess cash for new loan requests. However, we committed to fund the loan for the new Hoquiam Immanuel Baptist Church, an additional site work loan for Graham Emmanuel, site work for Journey Community Church in Camas, Washington, and a \$700,000 loan for construction of Turning Point Church in Lacey, Washington.

These new loan commitments caused me to make an “urgent” plea for new investments to enable our funding of these projects. The “urgent” label for this request actually frightened away some potential investors, thinking that we must be in financial trouble. Our financial position was actually quite strong! We were fully loaned up, maximizing our return on investment when alternative investments would have yielded a significantly lower return. We had more potential business than we could actually fund without

Investment growth. All of our loans were current and had been no later than 30 days for over five years. No problem loans were on the horizon, and we ended 2007 with record increase in net assets of \$176,131.

As 2008 unfolded we had two loans pay their balance in full, which provided \$1.5 million in new funds available to meet our pending loan commitments. On the investment side of the ledger we had a net gain in new investments for the first time in three years, adding over \$800,000 in the first three quarters of 2008. This has enabled us to fully fund the new loans referenced above. The loan to Immanuel Baptist in Hoquiam and to Graham Emmanuel are fully funded. The loans to Turning Point and to Journey Church are signed and recorded, but draws have not yet been made due to delays in each case that are now resolved. The excess cash now showing on our balance sheet will be adequate to fund each of these loans in the fourth quarter of 2008.

Income to date through September 30, 2008, indicates that the Growth Fund has gained \$78,384 in net equity in 2008. By year end this should exceed \$100,000, which is remarkable as we see giant financial institutions falling around us in the lending world. Huge banks are failing and we continue to do well. That is not to say that we will not suffer some market value setback adjustments at year end on paper assets held in our portfolio. We have notes and bonds with other institutions that are experiencing financial trouble. Our CD with Lehman Bros. Bank is fully insured by FDIC. Our Countrywide note investment is secured by first mortgages with a minimum equity of 20%. We have checked on this issue repeatedly and there is a minimal delinquency rate within the loan package that secures our note investment, although the value of the properties has undoubtedly decreased with the decline in housing prices. Fannie Mae and Genie Mae investments are backed by the US Government, which established these

institutions and now has pledged to “bail them out” of their mismanagement. Our market value on these securities has declined, but if held to maturity we should not experience an actual loss.

The actual income for the first three quarters of 2008 is 4.65% of total equity or an annualized rate of return on equity of 6.2%. We have maintained reserve funds above the 15% of total notes payable to investors, as required by our operating policy. Over the past five years 62.4% of all maturing investment notes have been reinvested in the Fund. Through the first 9 months of 2008 we retained 73.5% of all maturing note investments, and new investment funds outweighed notes redeemed by a ratio of 2 to 1.

We have improved the quality of our loan portfolio this year in the sense that the two loans which were paid in full were both second deeds of trust, wherein the Growth Fund did not own the first deed of trust. These loans were paid promptly, as were all of our loans, but they did pose a greater risk of loss to the Fund in the event they had defaulted on their repayment schedule. There are now no second deeds of trust in our loan portfolio, except where we also hold the first lien.

The Fund has remained competitive in the interest rate market, pricing the rate paid to our investors as high as the highest rates reported nationally. Loan costs have also remained competitive in that our closing costs are far below the typical lending competitors in the market, and the interest rate itself is better than some of the small younger churches could obtain in the open market. Larger churches with good financial history typically do better at a commercial lender, but also require larger loan amounts than the Fund is able to lend, based on its relatively small size.

Since the inception of the CBC Foundation, the predecessor to the Church Growth Fund, incorporated in 1996, we have made

over 300 loans to churches and have financed most of the development at Lake Retreat and Bighorn campgrounds. Some of the largest churches in our conference began with small loans made by the Foundation and/ or the Church Growth Fund. The pattern continues as young churches are now in their third or fourth loan from the Church Growth Fund. As the Growth Fund continues to grow it is able to make increasingly larger loans, required by faster growing churches. Our mission is to grow churches in the Pacific Northwest. Providing resources to build church facilities is a niche ministry to which our dedicated board and staff have been called. We approach lending to young churches with a servant's heart. The Growth Fund is operated in a business like manner, so that our fiduciary responsibility to our investors does not fail them. At the same time we are always delighted to discuss your church vision and dream together with you in a nurturing way as a partner in the Lord's work. Our purpose is to serve you and your church. Sometimes this means we direct you to a larger lender or even say no to your loan request. Some of our best customers have thanked us for doing just that in the past. Thank you for your prayers and support as we continue to minister in a sometimes hostile financial environment.

In 2008 the Growth Fund has improved communication with our constituency. Our first newsletter was sent when we moved to the Tacoma office. The plan was to send three newsletters per year, which is on track with this edition. A website was established to also keep you better informed on who we are and what we do. You can find all the information you need to invest with us or apply for a church loan on our website: churchgrowthfund.org. If you think of ways in which we can improve these lines of communication or establish new media relationships, please let us know.

We are here to serve!

Lowell Anderson, Administrator
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Who are our investors?

All of our investors must be members or supporters of a CBC affiliated church or organization. They must reside in a state where the Church Growth Fund is authorized to do business in accordance with securities rules of that state. We are set up to do business in the Columbia Conference District states, Washington, Oregon, Idaho, Montana and Alaska. We are also allowed to do business in Florida, Minnesota, and Iowa to a limited extent. As investors retire and move to other states, renewal of their note investments with the Growth Fund constitutes a new account.

We cannot open any new accounts in states where we are not registered. If the investment is purchased in an authorized state prior to the investor moving elsewhere, there is no need to close the account prior to its normal maturity.

As of September 30, 2008 analysis of our investors shows the following.

Institutional Investors (churches, camps, CBC, etc.) account for 21.5% of all our notes payable.

Individuals who are members or supporters of these institutions maintain 74 % of total investments.

IRA accounts held by individuals account for 4.5%.

2008 is a year for the Church Growth Fund

Total investments (notes payable) were \$7,470,358 on September 30, 2008, up 13.5% since the beginning of the year. In 2008 we have disbursed new loans to Graham Emmanuel \$400,000, and Immanuel Baptist / Hoquiam \$950,000.

That leaves us with cash of \$1,573,000 on September 30, 2008. Signed and recorded loans to be funded in the fourth quarter of 2008 are:

Journey Community Church \$518,000 new money for site work, and
Turning Point in Lacey \$700,000 for new construction.

A year ago my annual report stated that "We have worked with Turning Point Church in Lacey, Washington, for 18 months. After several closed doors, there is light in the tunnel." Let me tell you that was one long tunnel! After waiting a full year, the permit was finally issued and work has begun.

Other Church News

Woodhaven Community Church in Sherwood, Oregon, was approved for another small loan to explore possible new worship facilities. This is now on hold because according to Pastor Brad Brucker, "There's been a shift in our focus. We have decided not to move to the high school at this time and instead add a third church service on Sunday morning/afternoon or evening. In addition, we've been negotiating a plan with the city to develop 2 acres of land the city owns into a parking lot - which is about a half block away from our building. I'm hoping we can get about 100 to 120 parking slots on the parcel. They would own the land and the parking lot which would service people attending the City Park across the street during the week, but we would have it on Sundays."

Cedarhome Baptist Church in Stanwood, Washington, is breaking ground on a new church facility on land adjoining their present church site. This project will be financed by bonds sold to members of the church. Delays in the state approval of the private funding brought Cedarhome to the Church Growth Fund for dialog regarding

alternative sources of capital. Our board stood ready to assist, but the state securities department granted approval of the bond issue at the last moment. This was like a “hail Mary” pass in the last seconds of the fourth quarter. Being Baptists, perhaps it was some other kind of play than a “hail Mary,” but the Church Growth Fund was there to be of assistance if needed.

Bethany Baptist Church in Puyallup has spawned a new satellite church on the Puyallup South Hill, meeting on Sunday evenings at the Stahl Junior High School at 9610 168th Street East in Puyallup. Dale Norris is the South Campus pastor, working under Senior Pastor, George Bedlion. Initial services have drawn large crowds and Bethany is excited to be on the cutting edge of church growth.

If your church is involved in an exciting growth project contact the Church Growth Fund office and tell us about it.

We need to let each other know what is happening in our churches. Don't keep it a secret! Success spawns success. Let us encourage one another and cheer for our team mates. Hebrews 10:24 says: “Let us consider how we may spur one another on toward love and good deeds.” Scripture also says we should let our light shine before men, so they can see our good works and glorify the Father.

A personal note

Many of you know of my wife's battle with an incurable lymphoma cancer. We have struggled through two years of chemo and radiation with only a brief four month remission period at the end of 2007.

Individuals and churches have been praying for Inez throughout this struggle. As we proceed on our journey, the prayers change. Initially we prayed for that miracle cure. We did so knowing full well that God does heal the sick. That is another story that I have told many of you, when the prayers of a few righteous people brought dramatic healing to a near fatal bout with pneumonia 5 years ago. God's sudden and direct reply to that situation assured me that He does hear us when we pray and that sometimes He has compassion on us and grants our desire to remain here a while longer.

At this point in Inez's struggle, she cannot walk, but must be transferred from bed to wheel chair and is struggling with many ugly symptoms that disfigure her body. As her personal care giver for the past several months, I still see my beautiful bride of 47 years behind it all.

We now have hired Visiting Angels as care givers for some of the time so that I can survive the physical and emotional strain of it all myself. Hospice personnel have been outstanding, but they cannot cure. They can only aid in comforting.

This too shall pass and we will meet again on another shore. God is faithful.

Romans 8: 37 – 39 has been a real inspiration to us in these difficult times.