



Introduction

The purpose of this report is to identify and assess the unique strengths of Middlefield United Methodist Church as they relate to the readiness of the congregation to support future renovation and/or relocation of the church.

The goals are to:

- 1) Identify the spiritual, financial and emotional strengths of the congregation.
- 2) Establish realistic financial and project targets.
- 3) Create a pathway to construction.

To this end, we have reviewed attendance and giving patterns over the course of the past three years. Respondents from both weekend services completed a thirty-three question survey intended to measure the likelihood of their participation in funding the construction process.

The assessment process is not based on responses to individual statements. Instead, it compares the response patterns of the congregation to the actual behavior of more than twenty thousand past participants. As such, it is not the individual statements but these key patterns that most identify future participation. Because the leadership team is considering relocation as a possible alternative, two statements have been substituted to establish the congregation's level of attachment to the existing facility.

This process is not intended to limit God's ability to step in and perform a miracle in the hearts of the people at Middlefield United Methodist. The intention is to enable the leadership team to exercise good stewardship decisions based on the best information available. While past performance is not necessarily indicative of future results, this report provides reasonable and conservative recommendations based on the direct responses of the people within Middlefield United Methodist Church.

Foundational Beliefs

It is obvious from the responses that this is a congregation that loves the Lord and has a strong desire to see the Kingdom grow. Exactly two-thirds of the respondents (66%) indicate that they believe the Bible to be accurate in all of its teachings, that Jesus is the son of God, died for them, was raised back to life and is the only way to heaven. Further, fifty-seven percent of those who hold these beliefs have recently taken steps to share these beliefs with others.

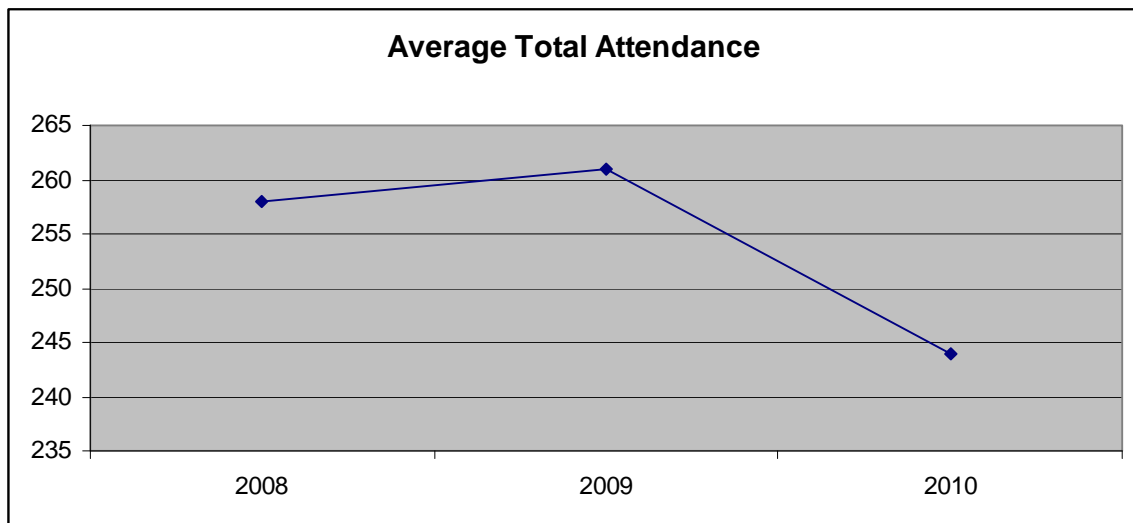
Of the sixty-six percent indicating they have a personal relationship with Jesus, a relatively low nineteen percent hold more than one post modern world view beliefs. Less than twelve percent disagreed with the statement "Accepting Jesus is the only way to heaven."

These responses are indicative of a spiritually mature congregation emotionally invested in the Kingdom.

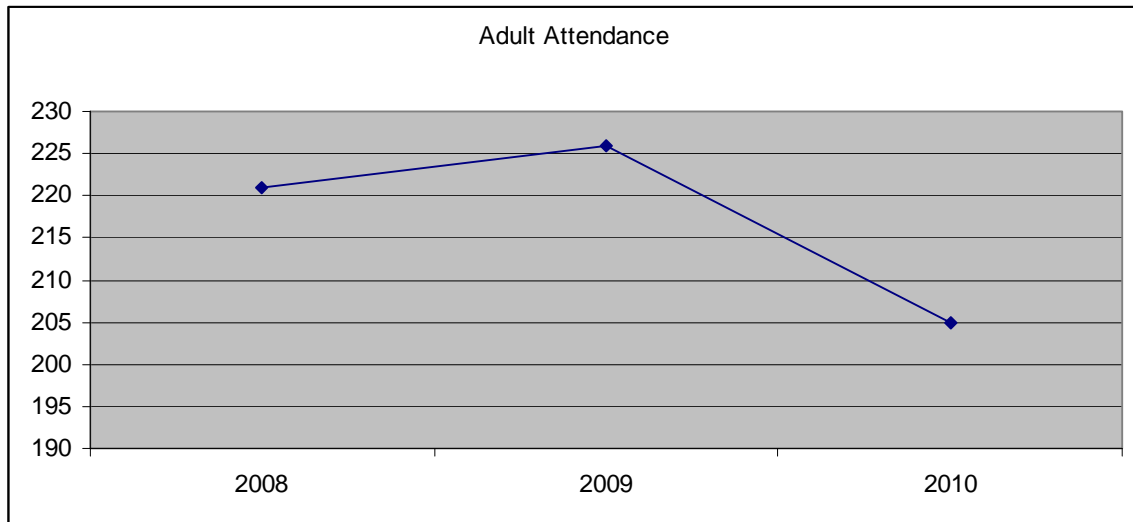
Personal Responsibility

This congregation has an unusually high level of personal responsibility.

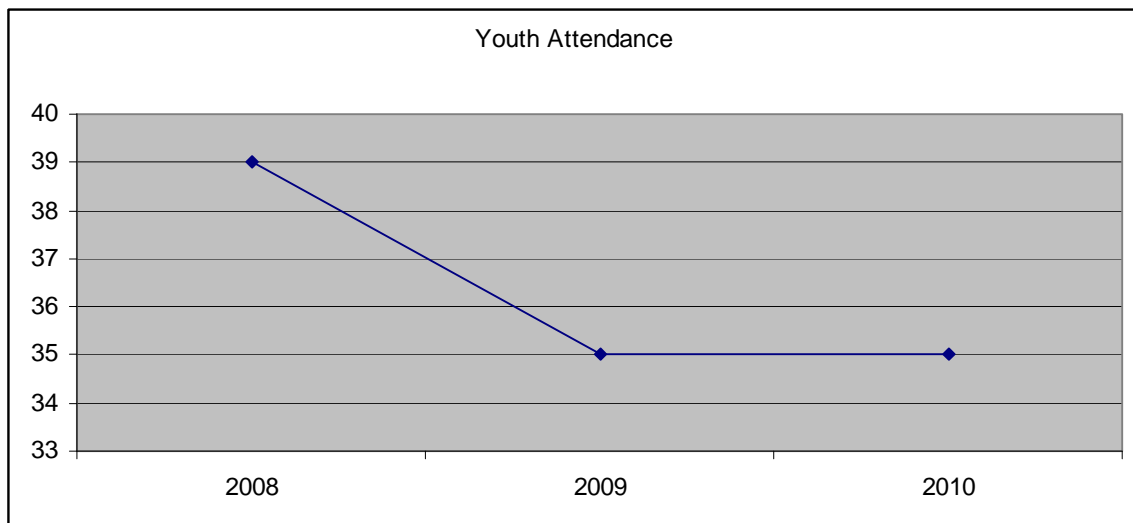
Almost all respondents (99%) recognize a personal responsibility to apply their god-given gifts to the benefit of the Kingdom. Forty-two percent of those who indicate they have a personal relationship with Christ agree that the primary responsibility of the pastor is to prepare them for ministry, disagree that the number one goal of the church is to meet their needs and indicate they volunteer regularly and tithe. Of those, 100% indicated that they would be willing to do anything short of sin to reach people for Jesus Christ.



While generally consistent, average total attendance has been comparatively flat over the past three years. With average attendance ranging from two hundred forty to two hundred sixty-one, actual total attendance has varied from a high of three hundred sixty four to a low of one hundred forty two. Both the high and low total attendance weekends occurred in 2008. Adult attendance closely mirrored the total attendance patterns.

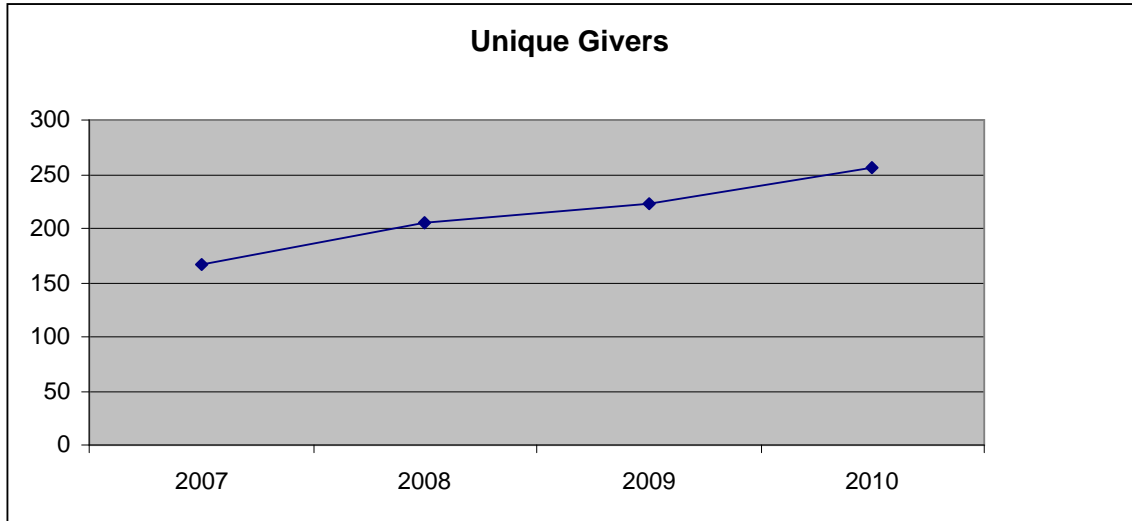


Although average adult attendance has dropped slightly, youth attendance has remained consistent resulting in a slight incremental increase in the percentage of families with participating youth.

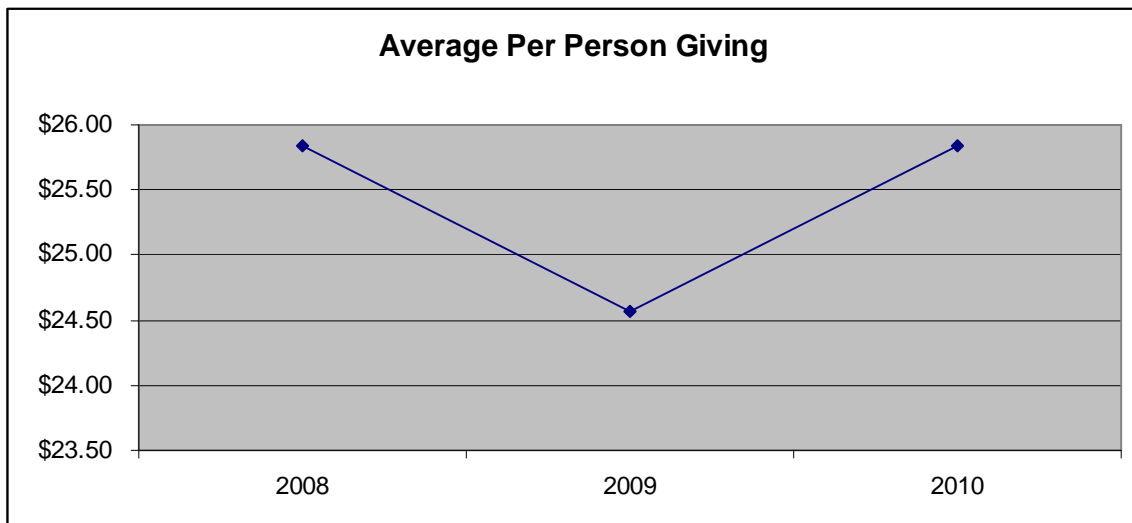


Finances

In addition to strong financial participation, financial practices and attitudes at Middlefield are generally healthy. Seventy-five percent of those who indicate that they believe in tithing indicate that they do so consistently. In spite of a flat growth in average attendance, the number of unique givers is trending upward.

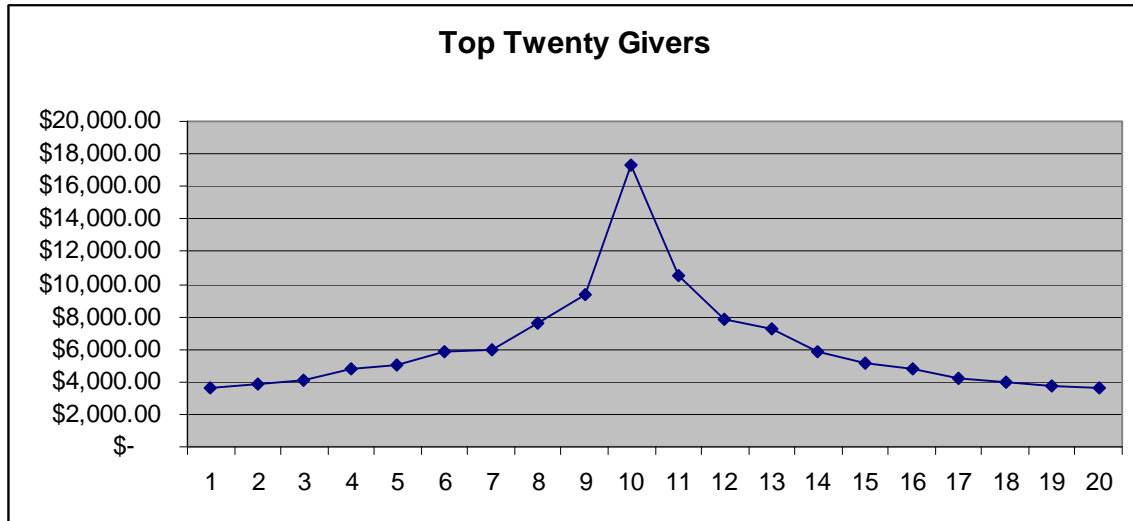


While not quite consistent with an estimated per capita income of twenty thousand six hundred and fifty dollars, average per person giving remains strong at twelve hundred and forty one dollars per year. Weekly per person giving also appears to be returning to pre-recession levels.

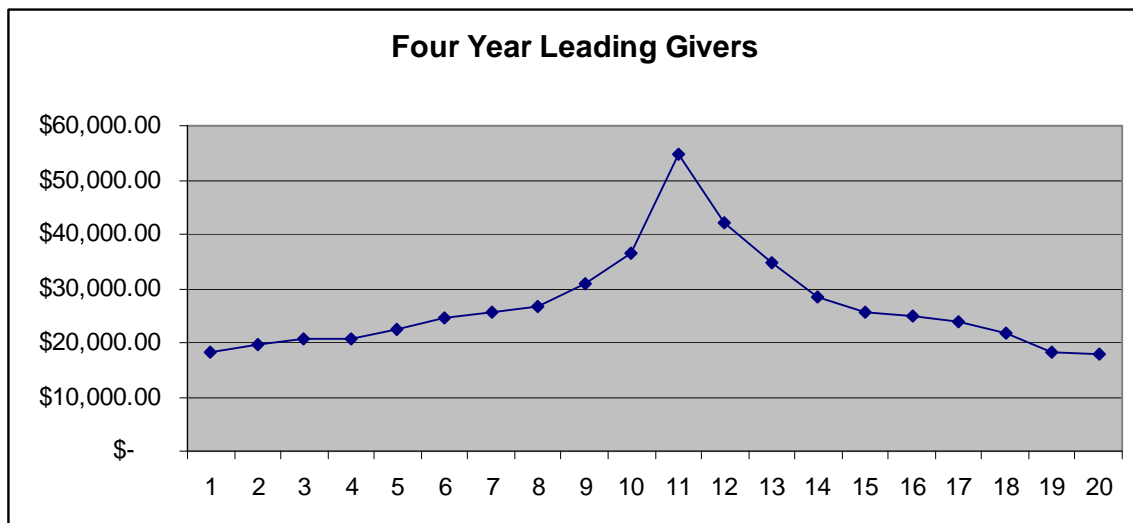


Finances (Cont'd)

The giving curve at Middlefield is also consistent with a spiritually mature and highly committed congregation.

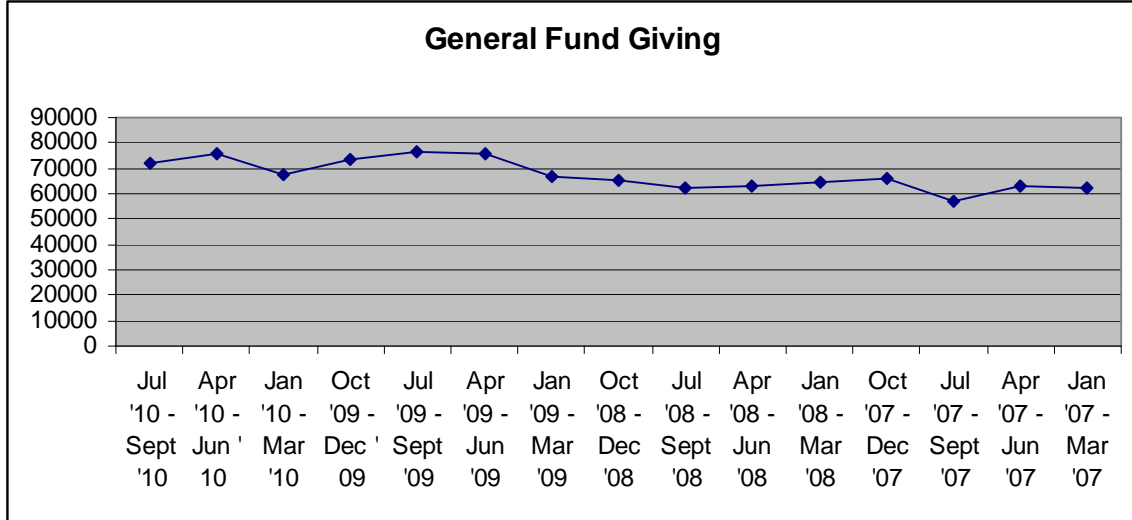


Forty-five percent of the giving is given by the leading twenty givers. Eighty percent of all dollars come from the seventy-seven givers who give one thousand dollars per year or more. Although a high level of consistency exists among the leading givers, in 2010 three percent of the one hundred leading givers participated financially for the first time.

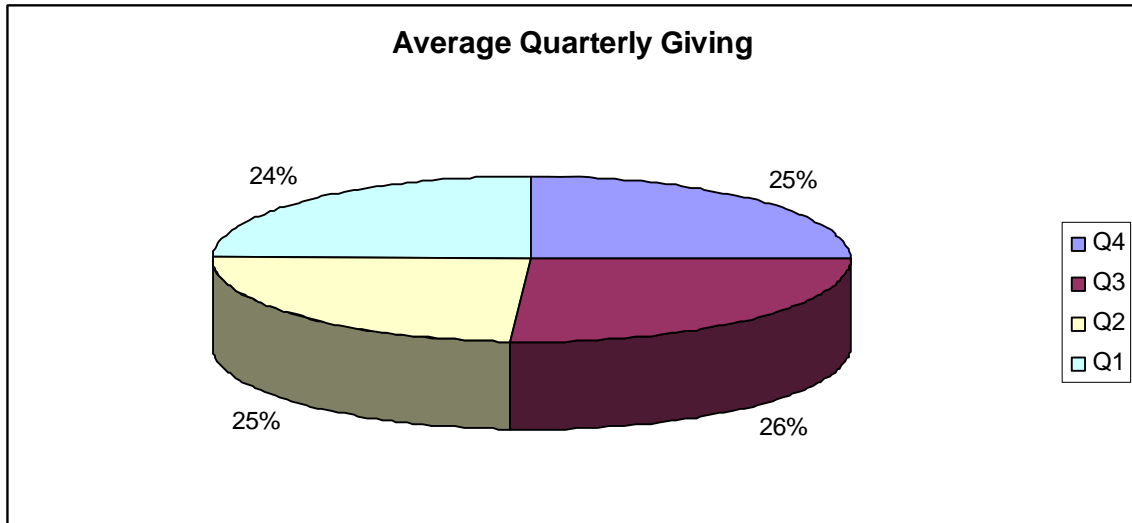


Finances (Cont'd)

In spite of economic uncertainty, overall giving has remained fairly consistent at Middlefield.

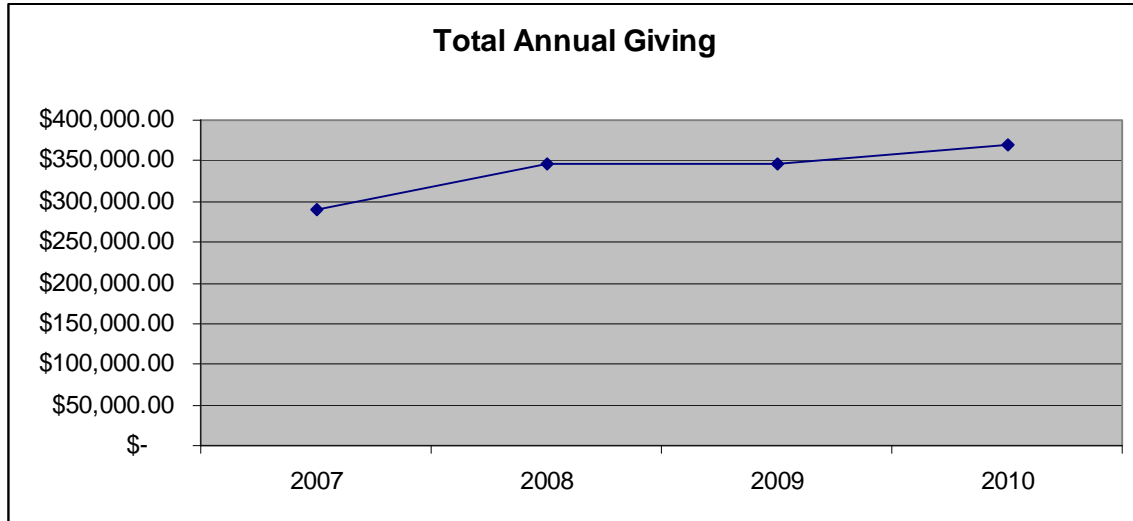


Average quarterly giving is unusually even showing only minor seasonal variation throughout the year.

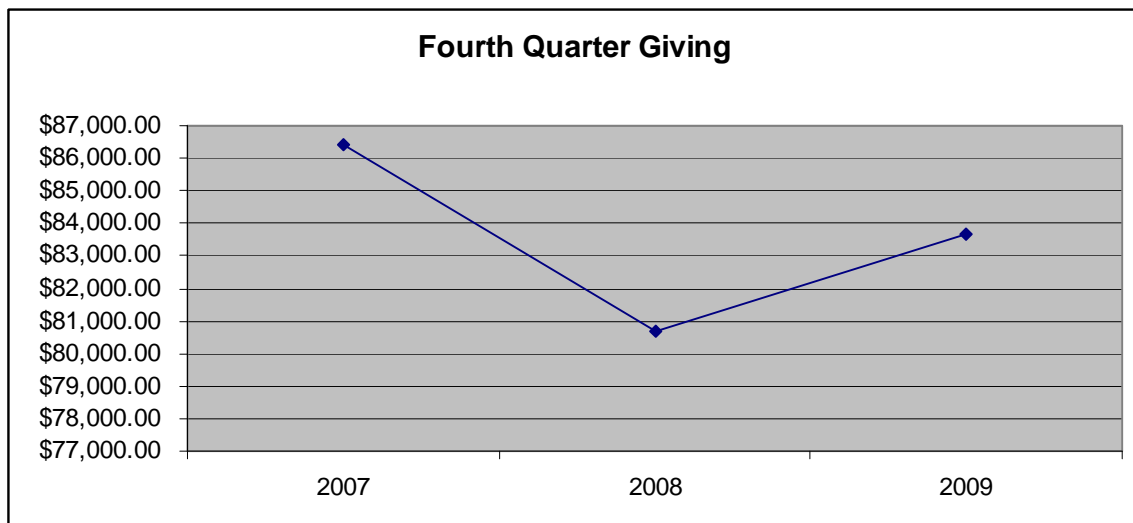


Finances (Cont'd)

While impacted by the economy, giving at Middlefield seems to have rebounded well and is nearing levels prior to the recession. While fourth quarter giving was projected for the purposes of this report, indications are that Giving for the year will be up.



During the greatest period of economic uncertainty (Fourth Quarter 2008) giving dipped briefly but has since returned to near normal levels. While the economy continues to have impact, giving during the fourth quarter of 2009 was within three and a half percent of giving in the same quarter in 2007.



Finances (Cont'd)

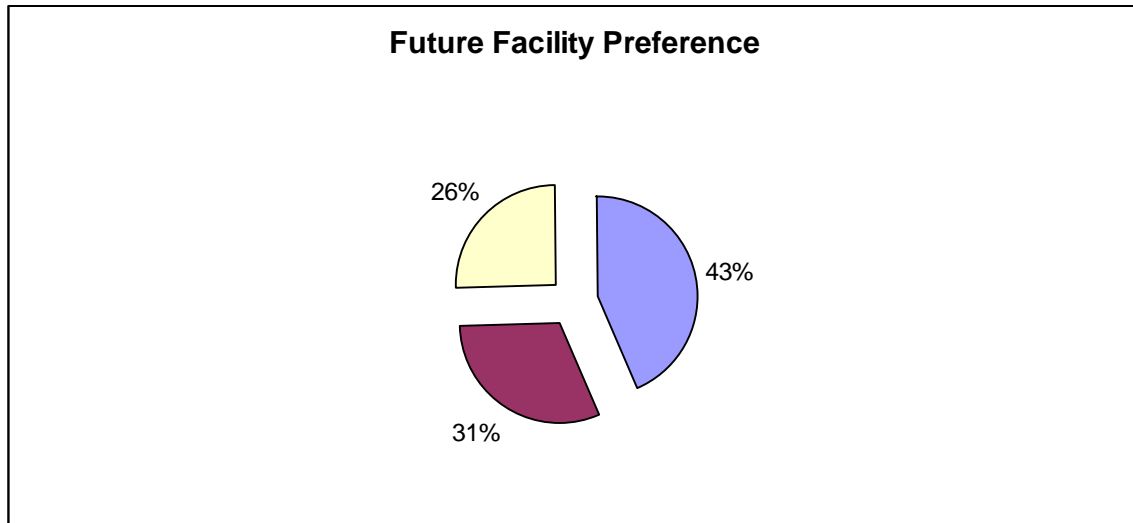
Middlefield has an unusually high percentage of respondents (48%) indicating that they tithe regularly. While actual giving would indicate that this number may be overstated, it is clear that this is a financial stable and generous congregation.

Capacity for financial participation beyond current giving appears to be strong. Forty-three percent of respondents indicate that they have no car payment and one third (33%) report that they have no consumer debt what so ever.

Twelve percent of respondents indicate that they would like to give more to the church but can't afford to, have a car payment and/or other consumer debt and feel that their level of debt is acceptable. Less than one quarter of this group indicates that their family lives within an established budget. This group is also less than half as likely to indicate that they prayerfully seek God's direction before making financial commitments.

Facility Preferences

A clear emotional and cultural attachment exists between the congregation and the current facility. Although in the minority, forty-three percent of respondents disagreed with the statement that they would prefer to see the church build rather than continue to invest in the current facility.



While both groups agree fairly evenly that the building is a tool for ministry and makes a statement to the community, those opposed to investing in new space are more than twice as likely to indicate that the church could make better use of the current facility and less than half as likely to indicate that the current facility is limiting ministry impact. Thirty-seven percent of all respondents believe the facility to be a vital part of the identity of the church. Those opposed to moving are two and a half times more likely to feel the church should never consider moving and almost three times as likely to indicate that the church is the right size.

Those inclined toward investing in new facilities are one and a half times more likely to indicate that they tithe. Based on their responses both groups appear to have similar capacity for additional giving.

Observations

Although they may differ in their facility preferences, the congregation at Middlefield United Methodist Church clearly loves the Lord, loves people, loves each other and loves the church. This is clearly an emotionally, spiritually and financially healthy community.

As is often the case a significant incremental percentage of the congregation feels a strong attachment to the existing facility. While this is often indicative of a high level of consumerism no evidence of this exists in the responses.

Strengths

- Deep love for the Lord
- Love lost people
- Love Middlefield
- Spiritual Maturity
- Financial Strength

Caution Areas

- Low awareness of facility limitations.
- Emotional attachment to existing facility.

Action Steps

- Immediately begin the gradual process of communicating limitations and shortcomings of the existing facility to the congregation at large.
- Identify and secure future site.
- Develop master plan of the site to serve as a (short or long term) target for the future.
- Select campaign coach and begin planning and development of capital campaign intended to fund the eventual purchase and/or construction of new facilities.

Expectations

Based on the information provided, it is reasonable to assume that a properly planned and well executed capital campaign would generate approximately \$500,000 in initial gifts and ongoing pledges. While the congregation appears to have the capacity to give beyond this, one and a half times the average budget is a realistic expectation given the diversity of opinion regarding the facility. Initial gifts should total between fifteen and twenty percent of the total amount committed.

The financial information provided indicates that the church should be able to qualify for and service between \$950,000 and \$1,200,000 in debt based on a twenty year amortization with an annual interest rate of seven percent or less. Maximum monthly debt service should range from six thousand eight hundred to nine thousand five hundred and twenty five dollars.

The combination of capital campaign results and commercial borrowing will support an initial phase project budget of up to \$1,500,000. Existing building fund dollars, proceeds from sale or lease of existing facilities and grant monies (if applicable) would be added to this for a total first phase project budget.

Realistically, construction could begin as early as spring of 2012 with occupancy dependant on scope of project.