

Decision Profile

Yarrow Alliance Church Building Project

Decision Required:

Approval by DEXCOM of the Yarrow Alliance Church (YAC) building project and the associated maximum project costs and indebtedness.

Why It's Coming to DEXCOM:

Per the *Local Church Constitution*, 12.1, improvements to church property must be approved by DEXCOM. Additionally, per the *DEXCOM Policy Governance Manual*, 4.4.12, any church building project loan above \$1M must be approved by DEXCOM.

Background

The existing YAC building is 65 years old and there is a continual need for updates. At the September 15, 2023 Finance Committee meeting, representatives from YAC presented the vision and plan for building improvements.

The church vision for the project is focused on providing gathering spaces that facilitate relational ministry and engagement in justice and compassion ministries for the community of Yarrow. They would like to address high levels of isolation in the community and offer hospitality space as they noted that 2M visitors drive by the church each summer. The church also desires to have an inviting indoor/outdoor space to extend ministry, and they anticipate the need for a second service in 2024.

Following the presentation, the Finance Committee asked YAC to provide the following additional information:

- A project summary
- The three most recent financial statements
- A cash flow projection

Upon receiving and reviewing this information, Paul Townsend noted the following:

In summary, the total cost of the project is projected to be \$1.955M (\$2.15M Worst Case) and their borrowing needs (from CPD, if available at the time) would be \$800K (\$1.25M Worst Case) commencing in August 2024.



While the 2023 BC assessed value of the YAC property was \$1,466,200, this value is on the low side and the property value will increase with the cost of the building project (approx. \$2M) to approximately \$3.5M. 75% of that value is approx. \$2.6M, so we can confidently say that in even in a worst-case scenario (\$2.15M) that it will not exceed 75% of the new equity.

The following information is included for DEXCOM's awareness and review:

1. [An informative video.](#)
2. A three-page summary of the project (F.3.1).
3. The Cash Flow Summary as well as a base case and worst-case detailed cash flow projection (F.3.2).
4. The 2022 Year End Financial Statements (F.3.3):
 - Noting that they have been cash flow positive for the past few years – after adjusting for non-cash amortization of \$47K, in 2022 and \$40K, in 2021.
 - They have a cash balance on December 31, 2022 of \$212K, with most of the restricted funds being for the building project.

On October 13, 2023, the Finance Committee recommended the following:

It was moved (P. Townsend) and seconded (B. Boyd) to recommend to DEXCOM that the Yarrow Alliance Church building project be approved with a maximum project cost of \$2.15M and a maximum indebtedness of \$1.25M with a 15-year amortization.

CARRIED

Recommendation:

THAT the Yarrow Alliance Church building project be approved with a maximum project cost of \$2.15M and a maximum indebtedness of \$1.25M with a 15-year amortization.

