

2016

Annual Report

Waterstone Community Church





Dear Friends of Waterstone,

The year 2016 was historical in many senses of the word, and Waterstone was no exception. We had a tremendous year in so many regards and it is my hope that this Annual Report reflects how much has been accomplished. Between 40 baptisms, solid volunteerism, generous giving, and a phenomenal staff, Waterstone's reach continues to grow as we work to advance God's Kingdom to God's glory.

We have one year of Saturday Night services on the books. It has been a healthy addition, with regular attendance in an intimate setting and the added bonus of worshiping with kids during the beginning of the service. We are pleased with the attendance each week and will continue this offering for the foreseeable future. If you haven't come to check it out yet, I urge you to do so.

Larry Renoe and I have enjoyed the diverse preaching series we introduced in 2016. In the first half of the Revelation series, more than 700 curriculum books were handed out and in the last quarter alone, 8 new small groups were formed and more than 130 people joined for the first time. This illustrates a great uptick in involvement, which can be attributed to the hard work of Jesse Ramer and is a very positive indicator of a church's overall health. We also received positive feedback from the Art of Life series, which we brought back in 2017; as well as Psalms, I Corinthians, Women in Leadership, and Worship.

Another area of strength is in our Youth ministry. Under the leadership of Paul Joslin, we have a strong core of young men and women who are committed to Jesus. From retreats to fun events to weekly attendance and a willingness to learn and engage, the future of our church is extremely bright. Sarah Lloyd and her team also offer promise with a flourishing Kids ministry.

I was pleased by how Joni Leahy stepped up as the leader of the Women's ministry and has made tremendous strides in building a strong leadership team and strengthen the ministry. I look forward to Damon Thomas' leadership in Waterstone Men this year and beyond.

Perhaps one of the biggest milestones of the year was the vote for Inclusive Leadership on our Elder Board. There is additional information about this process and vote later in the Annual Report, but our members sent a strong message of support, passing the initiative by 88%. While there are no women on the board yet, our constitution has been ammended to reflect this change.

Last but definitely not least, we have a tremendous leadership team and strong staff that are continuing to grow and positively impact Waterstone and the greater community. Our Staff Retreat in the fall was an excellent opportunity to witness the synergy, positive energy and aptitude among this group of talented people.

Thanks for being an important part of Waterstone.
It is my ultimate pleasure to serve the Kingdom with all of you.

Blessings,
Nick Lillo
Lead Pastor, Waterstone Community Church
nickl@waterstonechurch.org

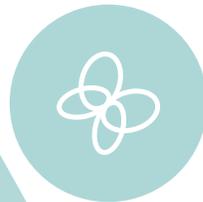
OUR MISSION, VISION AND THREE RHYTHMS

mission

To advance God's Kingdom to God's glory.

vision

We are a growing movement of transformed people, reshaping the culture to reflect God's heart.



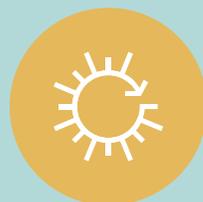
transform

God's Kingdom grows in us as our faith, knowledge of God, and spiritual maturity develop



neighbor

God's Kingdom grows in others as we reach out to them with Christ's love and Gospel message



restore

God's Kingdom grows in the world as we find ways that our passions and talents intersect with the needs of others to further God's purposes

MINISTRY HIGHLIGHTS

- 35 new members.
- 40 people were baptized.
- We baptized 27 kids, the highest number of child baptisms in Waterstone's history.
- 224 families visited for the first time this year. Although we had about the same number of visitors as 2015, 63 more became regular attenders than last year.
- We have 100 active participants in our prayer community.
- Our small group involvement has grown tremendously, ending the year with 47 small groups and 519 participants.
- We had an incredible Advent season and Christmas Services, we had more than 2,400 attendees on Christmas Eve and Christmas Day. We had more families utilize our childcare during Christmas Eve services than in many years.
- Our Christmas Eve offering brought in \$29,000 for Night Lights, a ministry that offers respite care to families who have children with special needs and their siblings. This funding will help Night Lights open 3 new sites in addition to the 3 that they currently serve.
- 1,949 people attended our Easter services.
- 270 women attended The 13th Annual Christmas Tea and we had 28 men volunteer to serve. \$905 was raised for Open Door Ministries.
- More than 450 people attended our Fourth of July BBQ.
- 394 kids and 163 volunteers helped make this year's VBS, "The Sweet Life" a tremendous success. We were also able to host all children for free due to an anonymous donor.
- We have approximately 130 members of First Impressions Team, including greeters, ushers, security, hospitality, Info desk and Kids Info desk volunteers.

- The number of volunteers for Worship Arts has multiplied since 2015.
- 5 zip code lunches brought together more than 430 neighbors to eat and mingle.
- Our Waterstone Youth camps and retreats were well attended this year. Middle School Camp: 20 students; High School Camp: 28 students; High School Fall Retreat: 24 students; Connect Retreat: 65 5-8th grade students and 9 high school leaders.
- 110 students participated in the Youth Ministry's Annual Color War, including 25 guests.
- 413 people volunteered on Day to Serve.
- Waterstone Kids currently has 175 active volunteers, which is the highest number we've ever had.
- An average of 50 women attended "This is My Story" luncheons that were held monthly from January – April under Waterstone Women. We introduced the ministry's vision of "creating a safe place where women can walk out their faith with authenticity" by sharing personal faith journeys.
- 68 women came to the Fall Kick-off Party to find out about all that Women's Ministry has to offer, including the Woman-to-Woman Mentoring program, Service and Missions projects, Bible Studies and the 2017 Women's Retreat.
- 250 dinners were delivered to families in our neighboring community for Thanksgiving. Tiffany and Bill Fisher once again encouraged donations and managed volunteers from Waterstone, the Jeffco Prosperity Project, Jeffco Headstart, and other Jefferson County agencies.
- We have 12 active Stephen Ministers and 5 in training. We also transitioned the leadership of Stephen Ministry from Bob Mendenhall to Bob Strickrath.
- Waterstone Preschool has 146 enrolled students: 1/3 Waterstone families, and 1/3 Other church families, 1/3 Unchurched. It employs 25 part-time employees in 9 classrooms, 5 days a week. There is currently a waitlist for more than half of the classrooms.

- We had 669 participants and 100 volunteers at the annual 9HealthFair.
- We hosted The Compassion Experience for the first time, with 2,984 attendees, 65 volunteers and 118 kids sponsored.
- More than 115 people attended a screening of Poverty, Inc. in October. We received quite a bit of feedback about how the documentary really made people shift their mindsets about poverty.
- We are now fully sponsoring 3 villages in the Dominican Republic in partnership with Plant With Purpose.
- 480 Operation Christmas Child boxes were sent to Samaritan's Purse. We were a Relay Center for the first time and operated as a drop-off site during National Collection Week. We had 30 Waterstone volunteers help that week and collected 732 boxes from the community.
- Golden Connections is a shut-in visitation ministry that now has 4 ministers who regularly visit 12 shut-ins.
- The Food Pantry transitioned leadership to Jon and Danny Yeagley and Beth Jenkins.
- More than 15 new families have gotten involved in our Bridge to the Homeless and Bridge to the Elderly projects.



Preparing Future Leaders

The Waterstone Leadership Program is a nine-month commitment that kicks off each fall, with a graduation ceremony in May. With the goal of educating, mentoring and inspiring future leaders of Waterstone and the world, this class is chock full of reading, discussions, one-on-one mentor relationships, a special retreat, weekly meetings and additional commitments. In the spring of 2016, 15 people graduated from the class and there are 16 people in the current session. This is the seventh time that Waterstone has hand-picked individuals to participate and we've now had 100 students go through the program. Of those, more than 70 are in active leadership at Waterstone or in partner ministries. Chris Copeland, who has been serving in a leadership role underneath Larry Renoe, is planning to start the program at South Fellowship Church in Denver and eventually in Ireland.

Justice in Action: From the Classroom to the Community

As one of our Core classes, Justice in Action is a course designed to further educate us about the Church's social mission from Scripture. The class offers insights to better understand how justice – and injustice – exists around the world. With the goal of inspiring subsequent action, the class reveals ways to experience faith in the community and think about service in an area of need, locally or globally.

Two Waterstone couples have found creative ways to live out their learnings from the class, in addition to other experiences that have called them to serve. Seth and Missy Washeck have created an annual tradition each January to spend as little on themselves as possible and donate those saved funds to a ministry or cause the family is passionate about. This means no eating out or new clothes or Target runs or buying things on clearance. They rely on others for things they need and spend more time as a family, being creative with their needs and time. The entire family (including the 9 and 11-year-olds) look forward to this month each year.

After their class was complete, Beth and Mark Campbell took their children to Juarez, Mexico to build a house. They didn't want to settle for "talk" about the concepts from Justice in Action, but live them out. More than ever, The Campbells are committed to making personal decisions that positively impact their family and the greater community. Mark has also grown a desire to be more knowledgeable and active combatting human trafficking locally and around the world.

Both couples still belong to a small group that formed out of the class and are also helping Mary Kaes with the current PovertyCure class.

Instructor Mary Kaes adds, "Class graduates, like these couples, who use the knowledge obtained in JIA to translate their enthusiasm into action are truly building legacies."

Our Super-Charged Relationship with Chatfield

On Day 2 Serve, more than 100 people came out to help beautify the grounds of Chatfield Senior High (Go Chargers!). In addition to people from Waterstone, volunteers included Chatfield Poms, Chatfield Lacrosse, Chatfield Student Leadership, Chatfield Staff, Woodbourne Neighbors, Atlas Coffee and Bloomer's Landscaping, as well as students from Columbine, Dakota Ridge, D'Evelyn and Heritage, who set aside school rivalry to help out a sister school.

In August, Waterstone hosted a cookout for Chatfield's faculty and staff before students returned to school. A whole team of Waterstone volunteers assembled special gift bags for teachers and staff to get them excited about the upcoming school year. We also partnered with Chick-fil-A to provide lunch for faculty and staff prior to kids returning from Christmas break. This relationship continues to grow, strengthening our local community one school at a time.



Financial Highlights

- We met our annual giving budget and came in under our expense budget.
- We have a contract on our land sale; proceeds will be used to pay down the mortgage, make ministry investments and finish a few capital projects around the building.
- We refinanced our mortgage with Bank of the West, improving our interest rate. The principal from the land sale will allow us to significantly accelerate the principal reduction on the mortgage that should allow us to be under \$1,500,000 within 10 years.

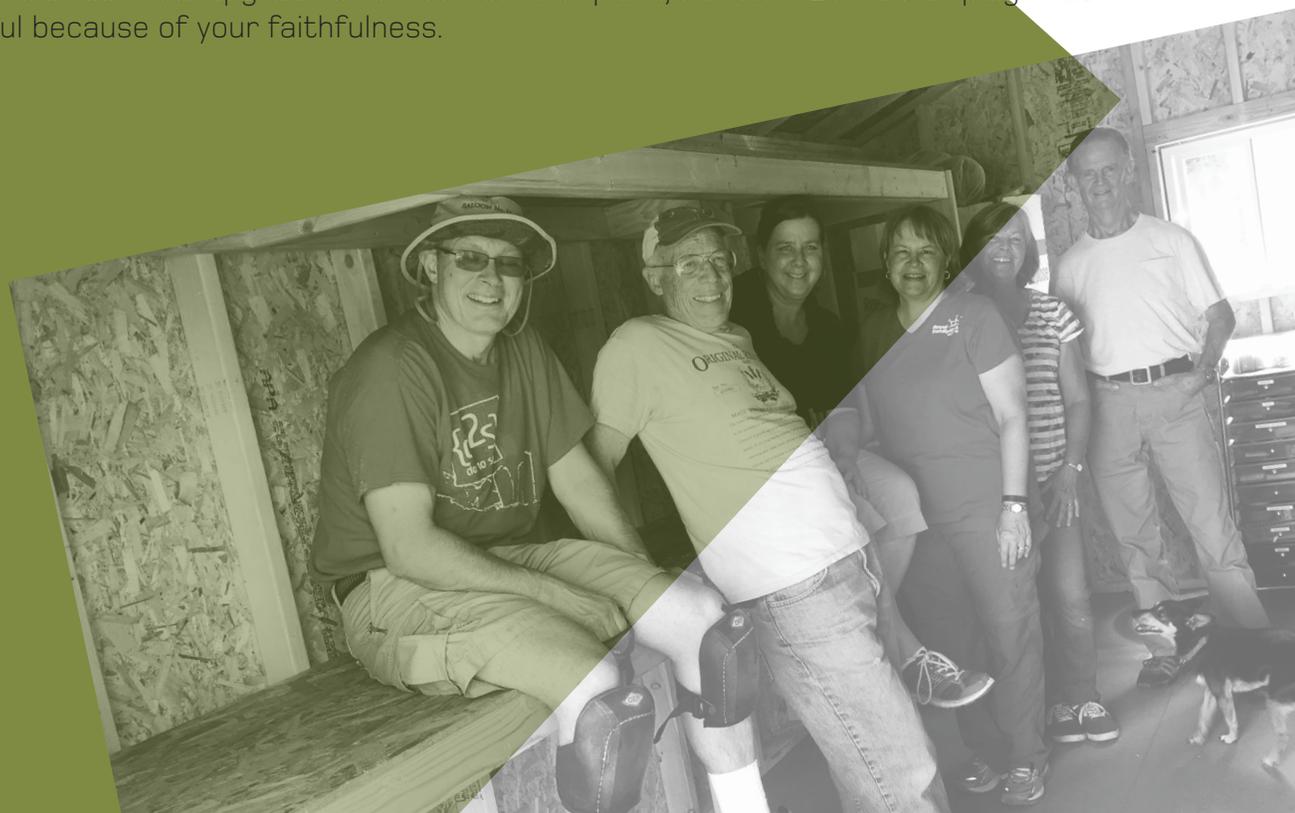
Well-Loved Campaign

- In 2013, we launched the Well Loved Campaign to help us revitalize and refurbish our facilities. We had four key ideas that lent themselves to an intentional list of to-dos: responsible stewardship, sacred spaces, irresistible environments and Kingdom reach.
- In 2016, we successfully finalized the Well-Loved Campaign and the projects under its umbrella. We finished the remodel, including new floors in the Hub and Concourse, as well as additional landscaping.
- From the original pledged donations, 87% of funds came in.
- From the money raised, we donated \$45,000 to the BeachHead Project in Guinea, \$2,000 to another missionary in a secure location and \$5,000 to Bruce & Laura Elliott for their respective missions-related expenses.
- It was a very successful multi-year campaign that will continue to enhance our appeal to our community, help us be more cost effective operating the building and invest in ministries at home and abroad.

Overall Improvements

- Our Worship Center is the heart of our church. From technical upgrades to improving the floors and walls, we are able to share God's messages in a place we're proud to call home. We invested in technology that would engage the senses and immerse attendees into experiential and holistic worship.

- In the Hub, people gather before and after services, we promote our ministries, host schools and outside groups. It's a lively area of our church that needed a facelift. From new paint to carpet to signage, the Hub is now primed to be the center of attention.
- We are fully committed to children and youth who attend Waterstone. From the moment they walk in with their parents and all along their faith journey, we want to provide irresistible spaces for them to feel comfortable. A welcoming nature is critical to this ministry and we made some great accomplishments in these areas.
- The Concourse isn't just a hallway. It's where we greet our friends, enjoy a hot cup of coffee, sign up to volunteer and meet with Small Groups. There were strategic decisions made along this walk to ensure we are communicating messages and reaching out with warmth.
- Part of taking care of God's Kingdom comes in making environmentally wise decisions. We have installed energy efficient LED lighting throughout the building and parking lots to save a lot of energy and money.
- If you've joined us for a Saturday Night Service or one of the many other events that we host in the Activity Center, you may have noticed our new sound system, projector, lighting and other upgrades.
- As you continue to Neighbor and invite people to Waterstone, we don't want anyone to feel lost or confused. In a building of this size, we don't want it to be intimidating during anyone's first few visits. The way-finding signage throughout the building is intended to be both helpful and hospitable.
- On the outside of our building, we have done landscaping work and parking lot maintenance.
- Whether it was a technical upgrade or a fresh coat of paint, our Well-Loved Campaign has been successful because of your faithfulness.



BUDGET NUMBERS

2016 Contributions Revenue Budget	2,020,000
Program Revenue Budget	230,000
Church Plant Contribution	<u>65,000</u>
Total Revenue Budget	2,315,000

2016 Contributions Revenue Actual	2,029,175
Program Revenue Actual	255,888
Church Plant Contribution	<u>36,540</u>
Total Actual Revenue	2,321,603

Total Actual Expenses	<u>2,287,684</u>
Net Cash Flow	33,919

2016 Expense Breakdown	Amount	% of Income
Salaries & Benefits	1,151,237	50%
Missions	202,918	9% (10% of Contributions)
Mortgage	340,077	15%
Building Operations	224,499	10%
Capital Expenditure Fund	90,000	4%
Administration & Office	73,845	3%
Ministry	205,108	9%
Total	2,287,684	100%

- \$2,295,027 was raised in 2016. This includes tax-deductible contributions to all Waterstone funds including Well-Loved (January 1, 2016 – December 31, 2016). This figure does not include funds given directly to Waterstone missionaries, Compassion International, or other organizations with which we partner.

- \$3,321 is the average giving amount per attendee family. This equals approximately 3.87% of the median household income in our area (which is \$85,887). This figure is for all tax-deductible contributions to all Waterstone funds.

2017 Contributions Revenue Budget	2,080,000
Program Income Budgeted	240,000
Land Sale Proceeds Contribution	120,000
Total Income	<u>2,440,000</u>
Budgeted Expenses	<u>2,440,000</u>
Budgeted Net Cash Flow	0

2017 Budgeted Expense Breakdown	Amount	% of Income
Salaries & Benefits	1,197,000	49%
Missions	208,000	9% (10% of Contributions)
Mortgage	360,000	15%
Building Operations	272,000	11%
Capital Expenditure Fund	90,000	4%
Administration & Office	88,000	3%
Ministry	225,000	9%
Total	<u>2,440,000</u>	<u>100%</u>

Technology

- 194 people were receiving daily prayer texts during the Revelation Part I campaign.
- We have more than 1,400 Facebook Fans across all of our Facebook pages.
- In 2016, we had 42,459 website visits and 101,722 page views, approximately double the traffic and page views in 2015.
- We had 12,518 App launches and currently have 1,614 subscribers.
- Sermons were heard online or through our podcast 3,428 times.



LOOKING AHEAD

As we look forward to what 2017 will bring, we are excited about the possibilities.

Here are a few highlights:

- With the completion of the land sale, it will be a financial victory to pay down the mortgage and landscape the northwest open area by the garden.
- We will bring on Jesse Ramer (Small Groups Pastor) and Elliot Campbell (Middle School Pastor) as full-time employees.
- Revelation Part 2: Follow The Lamb Wherever He Goes is sure to be an engaging and exciting preaching series and small group curriculum.
- This fall, we will teach about the Gospel of Mark, which will be an incredible study of the ministry of Jesus throughout his life.
- The relaunch of the Waterstone Men ministry and the continued growth of Waterstone Women will be great to experience for adults throughout the church.
- We are planning a kickoff of a senior adult ministry – stay tuned for more details.
- This year, we are placing a heightened focus on our marketing and communications activities, elevating our presence in the community through a variety of strategic means.

We wish you a fulfilled, prosperous and blessed year.

Thanks for your continued support of Waterstone Community Church.



SURVEY RESULTS

WORSHIP SURVEY NOV 2016

1) I find it easy to engage in corporate worship elements at Waterstone (Singing, Communion, Prayer, Reading of Scripture, Corporate Readings).

Strongly Agree	48%
Agree	43%
Neutral	5%
Disagree	3%
Strongly Disagree	1.64%

2) I feel that the corporate worship elements at Waterstone are God-centered and Biblically accurate.

Strongly Agree	63%
Agree	34%
Neutral	2%
Disagree	1%
Strongly Disagree	0%

3) I feel that the corporate worship gathering at Waterstone is a place I can bring my non-churched friends.

Strongly Agree	43%
Agree	43%
Neutral	12%
Disagree	2%
Strongly Disagree	1%

4) Have you invited someone to Waterstone over the past 6 months?

Yes	47%
No	53%

NEIGHBORING SURVEY AUG 2016

1) I have prayed for one of my neighbors in the last:

a) week	42%
b) month	32%
c) 3 months	10%
d) > 3 months	11%
e) never	4%

2) I have engaged, intentionally connected and deepened my relationship with one of my neighbors in the last:

a) week	38%
b) month	31%
c) 3 months	12%
d) > 3 months	10%
e) never	9%

3) I have shared the gospel or had a spiritual conversation with one of my neighbors in the last:

a) week	29%
b) month	16%
c) 3 months	8%
d) > 3 months	22%
e) never	25%

4) I have invited one of my neighbors to church in the last:

a) week	11%
b) month	10%
c) 3 months	14%
d) > 3 months	29%
e) never	36%

ELDERS

Inclusive Leadership

In the fall, the elders and executive staff of Waterstone recommended to the congregation that we include women on our elder board after much research and exploration.

In the fall of 2015, the elders appointed a task force to research and wrestle with this decision. The task force was comprised of elders (Adam Biegler, Nick Lillo, Larry Renoe, Keith Swartley), staff (Danielle Reeves, Dan Steiner), and congregational members (Mary Kaes, Betsy Nesbit-Sbanotto, Steffi Joslin, Elisabeth Suarez). This group met monthly for one year.

- Meetings 1-3 – Who is this task force and where are members coming from?
- Meetings 4-6 – Guidance from outside scholars.
- Meetings 7-8 – Group process and decision.
- Meetings 9-11 – Develop presentation and implementation plan.
- The elder process – Three months of discussion and prayer.

Our weekend worship on September 10-11 and September 17-18 were focused on sharing the Biblical basis and gospel motivation for suggesting this change in our leadership structure. In addition:

- Three town hall discussions were held to further explain the process and field any questions.
- The Inclusive Leadership paper, which outlines the proposal in detail, is still available for download at <http://www.waterstonechurch.org/inclusive-leadership/>. This reading was highly recommended to anyone who was going to vote or interested in more information.
- During the weekend of October 8-9, 2016, the members of Waterstone voted on the recommendation and it passed with 88% affirmation.

Our Current Elder Board

Adam Biegler
Cory Clauss
Jim Friesen
Nick Lillo
Larry Renoe
Keith Swartley

Voting Information

To vote, you must be 18 years of age and a member of Waterstone.

Feel free to write questions or notes of concern on the ballot with your name and contact information.



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Waterstone
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