



YORKMINSTER PRESBYTERIAN CHURCH  
6218 George Washington Memorial Highway  
Yorktown, VA 23692

Pastor  
*T. Feild Russell*  
Associate Pastor  
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March 25, 2008

Dear Members and Friends of Yorkminster Presbyterian Church,

With fellowship dinners, youth activities, recreational activities, special events, special worship services and more occurring in the Commons and in Covenant Hall, our church is certainly enjoying our new Fellowship Center. Yorkminster's Financial Improvements Study Committee (FISC) brings you a report on the financial aspect of the Fellowship Center for 2007 with much good news.

In brief, income to the Capital Fund is on target to meet or exceed the pledged amount for the current three-year Capital Fund Campaign period. Following is a summary of income and expenditures for 2007.

<u>Income:</u>	(\$1,248,602 pledged for 2007 - 2009)	
Undesignated	\$490,119	for loan payment
<u>Designated</u>	<u>50,023</u>	
Total Income	\$540,142	

The designated income is for specified items such as the ice dispenser in Covenant Hall, a stainless steel backsplash for the kitchen sink, enhancements to the heating/air conditioning controls, insurance payment for the damaged brick wall in the Commons area, etc.

Expenditures:

Loan Payments	\$456,805	
Designated items	50,023	
<u>Project work</u>	<u>33,177</u>	(funded by 2006 carry-over funds)
Total Paid	\$540,005	

The project work expenditures above were for items planned for the facility which could not be completed during 2006 or could not be done until 2007, such as the planting of the aquatic plants in the retention pond last spring, cabinets in the laundry room, kitchen equipment, etc.

The church bears two loans on real estate owned: one on the Fellowship Center and one on the land known as the "Rollins II Land," which is between the Fellowship Center and Stor Moore. At the current time, we are required to pay only interest on both of these loans; however, it is critical to our long-term financial health to pay as much on the principal of the Fellowship Center loan as possible. This loan carries the higher interest rate at this time and, a few years down the line, having less principal and interest to pay will be much more bearable. Following is a summary of the two loans for 2007.

<u>Loan Activity:</u>	<u>Principal Paid</u>	<u>Interest Paid</u>	<u>Total Paid</u>	<u>Remaining Principal</u>
Fellowship Center	\$ 256,599	\$ 174,499	\$ 431,098	\$ 2,515,266
Rollins II Land	0	\$ 25,707	\$ 25,707	\$ 428,444

Half of the interest payment on Rollins II is donated back to the church by the seller who finances the land for us. The loan on the Rollins II parcel will require principal payments beginning in 2010.

(over)

YPC worship attendance has been essentially constant for the last two years. FISC had projected Income based on Sunday morning worship attendance. Over the past two years, income has been outpacing FISC's estimated attendance, and we remain optimistic that the pace of growth in attendance will accelerate as utilization of the Fellowship Center increases. Our congregation should be very pleased with our financial performance so far, but without growth, it may become increasingly difficult to bear the financial requirements of the two loans and support all of the programs of the church.

In order to further improve our financial health for the future, especially when the Capital Fund program no longer exists and the Operating Fund takes over to make loan payments, the Session has approved several actions. One, a five-year operating budget will be developed to adequately plan for the future. Two, efforts will continue to develop the utilization of the Fellowship Center in an orderly manner. Third, the possibility of converting the Rollins II land to non-taxable status will be explored by FISC (all other church property is already tax exempt).

Thank you for the opportunity to serve Yorkminster by developing, analyzing and communicating the church's capital fund information.

Financial Improvement Studies Committee

Belinda Adams, Ed Bruce, Wayne Darnell, Bill Eutsler & Mary Catherine Fralich

Feild Russell, Ex-officio member

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