



YORKMINSTER PRESBYTERIAN CHURCH

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Dear Members and Friends of Yorkminster Presbyterian Church,

In past letters we have provided a detailed listing of the many uses of our Fellowship Center, including: various group meetings; youth activities; fellowship dinners; team sports; local community events and Boys Scouts of America functions. Last year the Fellowship Center took on a new role, that of supporting a Wednesday night worship service, "Common Grounds." By now you may have noticed the arrangement in the Commons area with new furniture and a coffee bar that provides for a coffee house setting. This is open before and after the service for discussions and for renewing acquaintances with friends. Expanding our Ministry to a larger circle of people is an ongoing activity greatly enhanced by our Fellowship Center and new coffee house--thus, fulfilling one of the goals of our Long Range Vision Plan.

Each year, Yorkminster's Financial Improvements Study Committee (FISC) performs a review of the church's financial status and provides a report on our Capital Fund that supports the financing of our Fellowship Center and the parcel of land along Highway 17 next to StorMoore (known as Rollins II). We have just completed our 1st year of our last 3-year Capital Campaign, 2010 through 2012, and we would like to share with you the financial highlights for 2010 and update you on arrangements for the next few years.

Capital Income from pledges (for loan payments) in 2010: \$372,716

The Capital Fund pledged for 2010 through 2012 is \$831,088 and we received 45% of the pledge amount in the first year. Thank you, thank you for your generous support.

Capital Expenditures (primarily for loan payments) in 2010: \$339,247

The church bears two loans on real estate owned: one on the Fellowship Center and one on Rollins II. Until last year we were only required to pay interest on Rollins II but in 2010 principal payments started.

The loan activity for 2010 of the two loans is as follows:

	<u>Principal Paid</u>	<u>Interest Paid</u>	<u>Total Paid</u>
Fellowship Center	\$42,204	\$141,241	\$183,445
Rollins II Land	125,000	30,003	<u>155,003</u>
			\$338,448

The original loan on the Fellowship Center was \$2,771,865 and payments started in January 2007. The loan on Rollins II was \$428,444; interest payments started in 2005 and principal payments in 2010.

For God so loved
the world that he
gave his only Son,
so that everyone
who believes in
him may not
perish but may
have eternal life.
John 3:16

The outstanding debt as of December 31, 2010, is as follows:

	<u>Outstanding Principal</u>
Fellowship Center	\$2,120,140
Rollins II	<u>303,444</u>
Total	\$2,423,584

The Capital Campaign ends in 2012 and the Operating Fund takes over and makes all debt payments thereafter. As part of the debt payment transition from the Capital Fund to the Operating Fund, the Operating Fund is contributing to the debt payment and increases its contribution each year until this amount reaches the full debt payment. This is to provide for an orderly build up in payment rather than face a large step-up debt payment by the Operating Fund in one year. This process should minimize the impact on Church programs. Hence, this build up is stretched out for several years and the Capital Fund will carry over funds beyond 2012 to assist the operating budget in making debt payments. We coordinate with the Financial Oversight Committee (FOC) to arrive at the best solution for making this transition.

Last year we reported in our annual letter that the financial climate of the past two years had impacted the income compared to what we had projected. To preclude significant reduction in our church programs, we thought that we may have had to refinance the Rollins II property for a longer term to reduce yearly payments or, depending on our future financial status, we could consider selling the property. We are happy to report that in late 2010 there were gains in our income, both in the Capital Fund and Operating Fund; also, the pledges for the 2011 Operating Budget are larger than last year. Our financial situation has improved and hopefully it will continue so that we will be able to maintain and strengthen our Church programs and reduce the time to pay off our debts.

We have good news about our two debts. In January, 2011 the debt on our Fellowship Center was refinanced with SunTrust Bank at an interest rate of 4.77%. Previously, with another bank, it was 6.5%. Also, in September 2010, the seller of Rollins II, who is financing the loan on this property for us, generously reduced the interest rate from 7.5% to 6.0% for the latter 3 years of the contract. Up until this point, the interest had been 6.0%.

We thank you for your support of the programs and opportunities we have at Yorkminster Presbyterian Church. Please be in prayer for our Church in support of God's work.

Belinda Adams, Ed Bruce, Bill Eutsler, Mary Catherine Fralich and Feild Russell, ex-officio
Financial Improvement Studies Committee, Yorkminster Presbyterian Church