



An Episcopal parish sharing Christ's love since 1702.

The Rev. Dirk C. Reinken, Rector

The Rev. Catherine Esposito, Deacon

March 31, 2024

Dear St. Peter's Community,

I am excited to share with you that an anonymous donor has pledged a \$100,000 matching grant to St. Peter's toward paying down a significant portion of the principal on our loan for building Crossroads before it converts to a mortgage in October. In sum, any funds received by St. Peter's between now and September 30 earmarked for Crossroads loan principal will be matched, up to a total of \$100,000.

The significance of this figure is that if we can pay down the principal by \$200,000 or more, (\$100,000 from St. Peter's and \$100,000 from the matching grant), we anticipate our new monthly payments at the higher interest rate will be the same or even less than they currently are. I am also excited to share with you that members of Vestry and the Finance Committee have already pre-pledged \$27,000 towards this goal. This means we are over one-fourth of the way there!

Starting this week, members of the congregation will also have the opportunity to be a part of this great opportunity. Any contribution you make towards the reduction of our loan principal will be matched, so your gift is essentially doubled until we meet our goal. While any pledges that take us over \$100,000 will not be matched, those funds will also be used to pay down the principal leaving us less to finance going forward.

Please read the enclosed letter from Kurt Tweten on behalf of the Finance Committee and Vestry, as well as the supporting materials. There is also a pledge form if you can anticipate your commitment. Special Crossroads Offering Envelopes will also be available each week, beginning April 14 for pledged or spontaneous gifts.

We also invite you to attend an information session after each service on April 14 to learn of updates and help us identify other fundraising opportunities to help us achieve our goal.

From the beginning, we have prayed that God would help us build Crossroads, not to have a building, but to undertake a mission of being Christ's hands and heart in Freehold. God has blessed this effort in so many ways and continues to do so. Thank you for your dreams that has made this possible, and your generosity that will continue to carry us forward!

In Christ,

The Rev. Dirk C. Reinken
Rector



March 31, 2024

Dear Saint Peter's Family,

As I sit in our beautiful Crossroads building, I am often overwhelmed by the tremendous act of faith, love, and dedication that this congregation has shown to make Crossroads a reality. Our journey together, from envisioning Crossroads to opening these doors, has been a transforming experience in the life of our parish and the community. We, as God's hands, have achieved so much together on this journey.

In several important ways, our journey continues. From a financial perspective, our construction loan period will transition to a conventional loan with a new interest rate this October. For anyone who has tried to get a mortgage lately, you will have noticed the big spike in rates over the last couple of years. St. Peter's is not immune to this.

At today's interest rates, our Finance team is projecting a rate increase of 43%, which would result in an increase of over \$36,000 over five years to our operating expense for principal and interest. This would come on top of an operating expense budget that has been running a deficit since the impact of Covid-19. In summary, the Finance Team and Vestry have raised this as a major concern to our operating budget for 2025 and beyond and recommended that we take action to pay down a good portion of the loan this year.

As we struggled with this difficult financial reality, we received yet another tremendous act of faith, love, and dedication. **An anonymous donor offered to match all funds received by September 30th, up to \$100,000, with the sole purpose of paying down a meaningful portion of our mortgage** before we convert to a higher interest rate. If we can match the full \$100,000, we would lower our payments to the bank by over \$91,000 and decrease our loan balance by over \$171,000 at the end of five years. See the attachment for details on the positive financial impact that we can make together.

We have an incredible opportunity as a congregation to take advantage of this generous match. In fact, we have already raised over \$26,000 in early pledges from the Vestry and Finance teams.

Please pray over this as you consider a few actions:

- Attend our first information session with members of the Finance team after both the 8am and 10am services on April 14th. Please be part of the creative process as we discuss many ways to raise matching funds to take full advantage of this generous challenge.
- Send the enclosed pledge form back to the office with either your matching contribution or a commitment to donate by September 30th or go on-line to make your commitment. No gift is too large or small. You can also pledge online using the link on the form.

Thank you, and so much more to follow on the next steps in this exciting journey.

Sincerely,

Kurt Tweten, on behalf of St. Peter's Finance Committee and Vestry

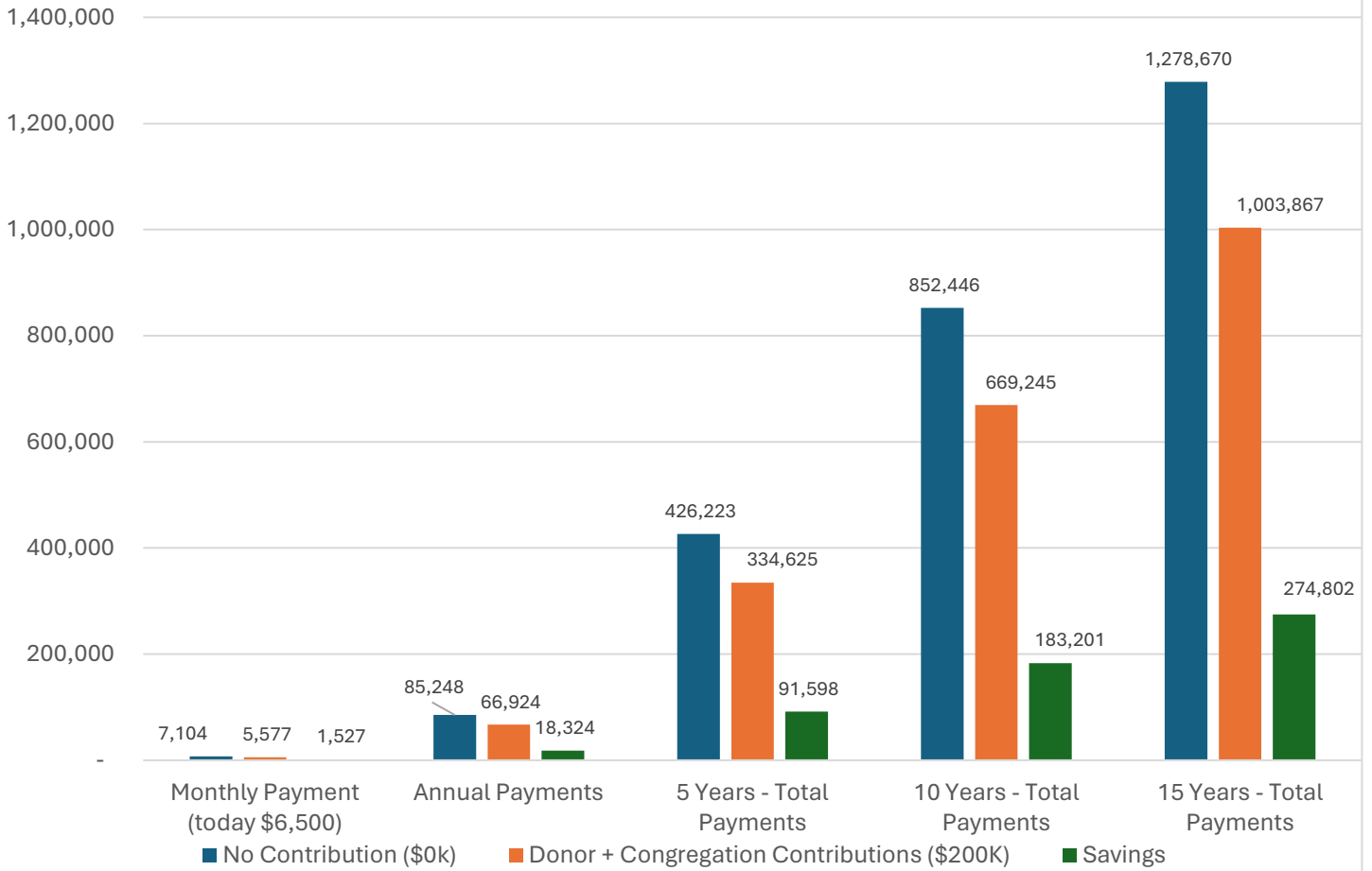
<u>Facts and Assumptions:</u>	<u>Facts</u>	<u>Assumptions</u>
Current Loan Balance as of 10/17/2024	\$930,616	
Congregation Contributions up to Maximum Match		\$100,000
Donor Maximum Match		\$100,000
Interest Rate; today vs. estimate in October 2024	4.75%	6.80%
Date of Interest Rate Change	10/17/24	

Interest rates vary with the state of the economy and therefore can be volatile and unpredictable. We assumed that the interest rate of 6.8% will be effective with the refinancing of the Construction Loan to a Mortgage Loan. The loan is amortized over a 20 year period. We assumed this interest rate will be steady in our 5, 10 and 15 year scenarios. Interest rates could be higher or lower than our assumption.

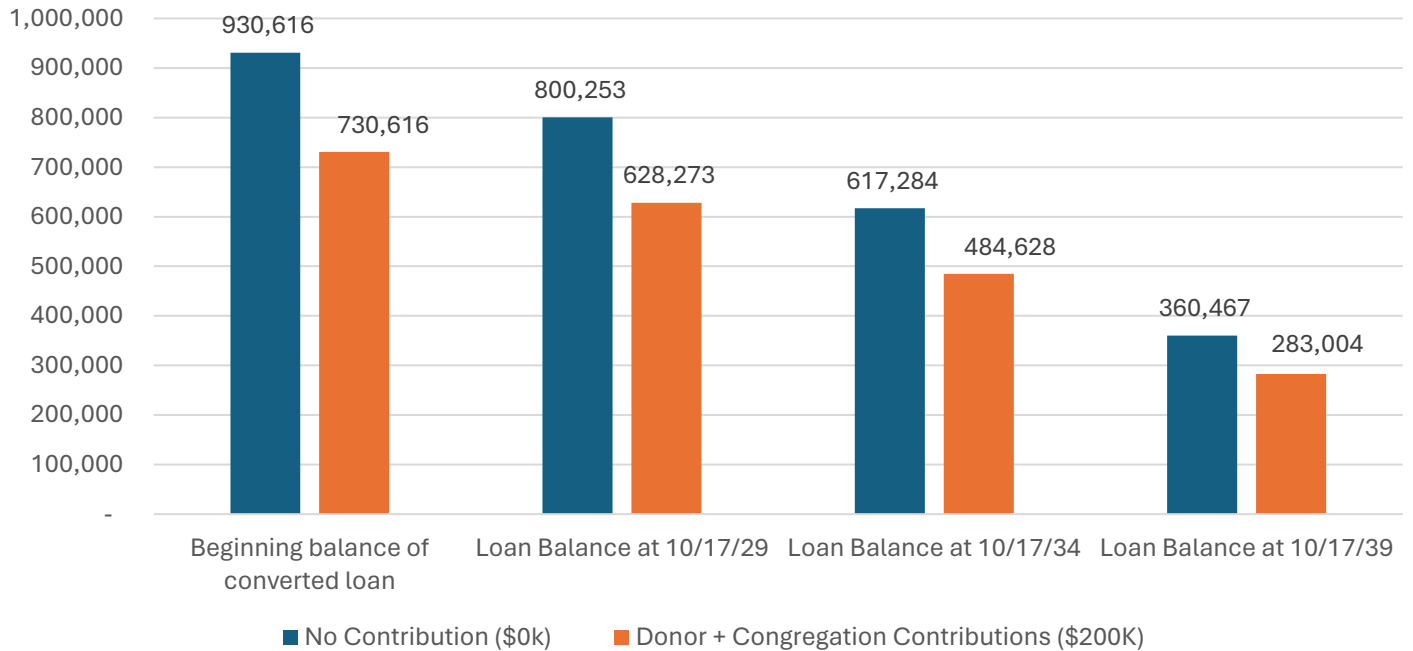
The \$200,000 congregation and matching contributions will not only lower our monthly cash flow requirements but will protect St. Peter's should interest rates continue to increase.

Total Payments - Impact on Cash Flow

If Donor challenge is met, there will be a total estimated savings of \$274k over 15 years. Also there will be a 14% decrease in existing monthly payments; if not, there will be a 9% increase.



Loan/Mortgage Balance



See other side for facts and assumptions.