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Chapel in the Pines Presbyterian Church (PCUSA)
August 20, 2018

Citp's Borrowing History

In January of 2009, Chapel in the Pines purchased the 12 acres on Great Ridge Parkway in preparation to building the church we now are on. To provide the funding for this purchase we borrowed $92,000. The purchase price of the property was $192,000 with $100,000 coming as a gift from the Salem Presbytery . This loan was repaid in May 2014 from funds raised in the 2013 Capital Campaign.

Midyear of 2010 we conducted a Capital Campaign which received $ 855,000 in pledges to begin the process of planning and building the Sanctuary, the offices, and a classroom wing. The construction was completed in 2011 at a cost of $1,758,193. To fund most of the construction we took out a loan of $964,000 with the Presbyterian Investment and Loan Program. This loan together with the campaign pledges, unpledged gifts, and a $50k grant from the Walton Fund and a $30k grant from the General Assembly we had slightly more than $2 million in total funds. The excess in the funds allowed us to pay the monthly mortgage for about 3 years. This is still a loan we are paying on as of today.

In 2016, we began construction on our Fellowship Hall with funds provided by another capital campaign. The funding came from a $400,000 challenge pledge from two family members and another $413,000 from the rest of the congregation. The Fellowship Hall cost $471,000 with the remaining funds being used to continue to pay the original mortgage payments. There was no loan necessary or taken to build our Fellowship Hall.

Citp's Current Loan Situation

The outstanding balance from the 2011 PILP loan is $714,000 as of July 31, 2018. This loan is the only loan we now have. It is a 20 year loan that will be completely paid off in January of 2031. The PILP loan comes from two separate funds. About half comes from an endowment fund within PILP and carries a 3.5% interest rate which is a permanent rate. The other half comes from the investment side of the program and currently has a 4.5% interest rate. The interest rate on this half of the loan is reviewed every 3 years. The last change was in May of 2017 and will be reviewed again in May of 2020. The current monthly mortgage payment is $5,732 but will probably go up slightly when reviewed in 2020. The current blended rate we are paying is 4.09%. We also get an annual interest rebate based on how much money the church and other members of the church have invested in PILP investments. We currently get the maximum rebate of 1% which is about $3,600 a year. These funds have and are used each year to help balance our operating budget.

For those looking for a good fixed investment, members and friends can invest in the PILP funds and designate their funds towards increasing our interest rebate. Although it is maxed out at the present time, it will be needed to keep it at the maximum of 1% in the coming years when the church investment at PILP continues to be used to help pay the mortgage. PILP does have very competitive rates on their fixed investments. Interest on investments is currently up to 2.25% for a 60 month investment with shorter terms available if necessary.

Citp's Loan Repayment Future

The Finance and Admin Committee has decided that we need to incorporate the mortgage payments into our operating budget rather than continue to hold capital campaigns to funds the monthly mortgage payments. Based on that decision and approval of the Session we began to gradually use operating funds. This year we will use $9,000 from the operating fund and $58,000 from the funds remaining in the 2016 CC. Next year that will be increased by another $6,900 from the operating fund. This will increased another $7,800 each year until the entire mortgage payment will come from the operating budget in 2026.

Plan to add $650/ mn every 12 months started in January 2019					
Date	Payment No.	Mortgage Payments	From Operating Budget	Frm the Capital Campaign	Capital Campaign Fund Balance
December 31, 2017	80	$68,791.18	$3,000.00	$65,791.18	$301,191.18
December 31, 2018	92	$68,791.18	$9,000.00	$59,791.18	$235,400.00
December 31, 2019	104	$68,791.18	$16,800.00	$51,991.18	$183,408.82
December 31, 2020	116	$68,791.44	$24,600.00	$44,191.44	$139,217.38
December 31, 2021	128	$68,791.44	$32,400.00	$36,391.44	$102,825.94
December 31, 2022	140	$68,791.44	$40,200.00	$28,591.44	$74,234.50
December 31, 2023	152	$68,791.44	$48,000.00	$20,791.44	$53,443.06
December 31, 2024	164	$68,791.44	$55,800.00	$12,991.44	$40,451.62
December 31, 2025	176	$68,791.44	$63,600.00	$5,191.44	$35,260.18
December 31, 2026	188	$68,791.44	$68,791.44	$0.00	$35,260.18
December 31, 2027	200	$68,791.44	$68,791.44	$0.00	$35,260.18

As this table shows we are planning to have the entire annual mortgage payment taken from the operating budget starting with the 2026 budget year. It is anticipated that the interest rate will move up some in the next few years but if the assumptions and math are correct we will have a little more than $35,000 to be used to cover those increases in the future. As was mentioned earlier, our last mortgage payment will be in January of 2031 so we will hve five years when the mortgage will be fully paid from the operating budget with no more capital campaigns to fund this loan.