



QUESTION & ANSWER

What is the history of our loan?

The mortgage originated in 2004 and was utilized for the construction of the new school and education center. Below is a summary of the progress made through June of 2014.

LOAN PROGRESS	TOTAL AMOUNT
Initial Construction Cost	\$7,200,000
Total Amount Paid	\$4,300,000
Remaining Loan Amount as of June 2014	\$2,900,000

The cost of our building loan from July 2013 to June 2014:

EXPENSES	
Principal Payments	\$221,402
Interest Expenses	\$119,999
Total Expenses	\$341,401

In order to cover our mortgage obligation for June and July, we were forced to utilize the emergency fund as well as conduct a second collection in August 2014.

- If we continue to pay only the monthly mortgage rate, St. John the Baptist will incur an **additional \$675,000** in interest charges over the next 10 years.
- Throughout the life of the loan, St. John the Baptist will have paid over \$3.5 million in interest.

What have we done to help reduce our debt?

Over the past 10 years, we have attempted to significantly reduce our debt through various efforts.

- Conducted four capital campaigns and various special collections.
- Refinanced our existing loan with Premier Bank, which lowered our interest rate to 3.95 percent until December 2016, after which it will increase to a minimum of 4.95 percent until 2024.
- Currently conducting a study to review options for the third floor of our school and education center, as well as the old school building and grounds.

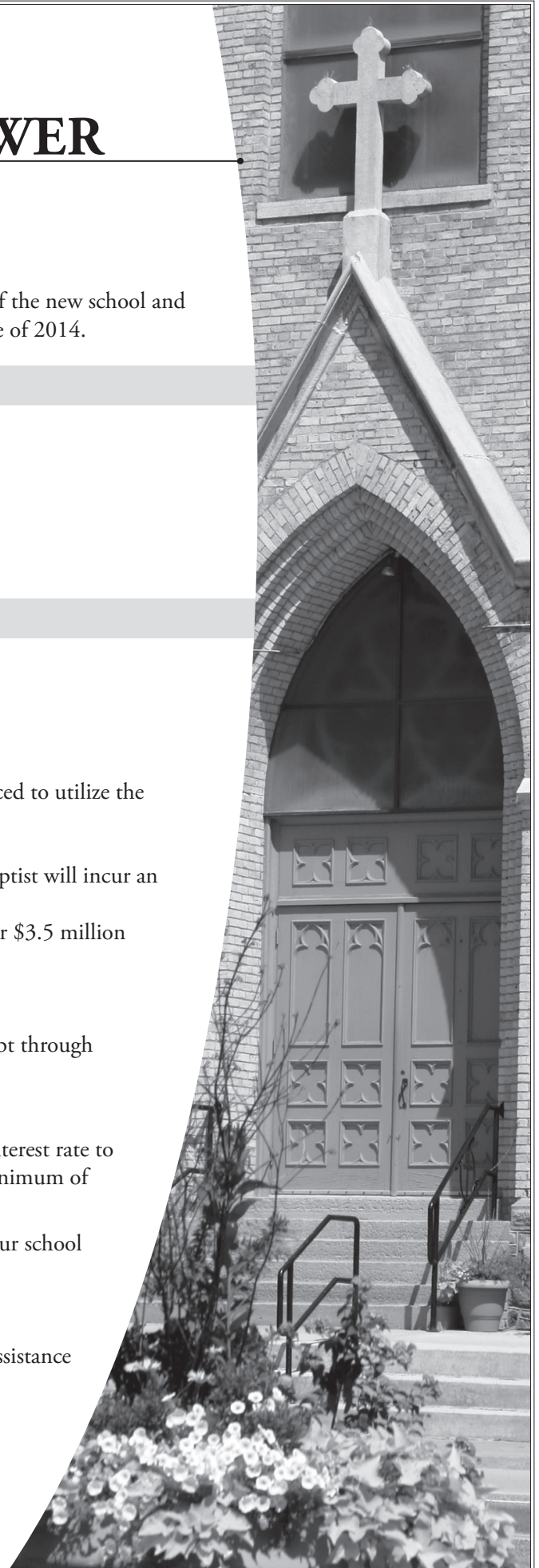
Will we be receiving assistance from the Archdiocese?

We are in active discussions with the Archdiocese on potential financial assistance and will update you as we receive confirmation of any possible assistance.

Is the Archdiocese receiving any funds from this campaign?

No, the Archdiocese has waived its assessment and will not be given any portion of the money raised for this special mortgage appeal.

(over)





How were the asking levels determined?

Based on the feedback from the parish during the campaign planning study, there was a desire to retire the debt as quickly as possible. With that in mind we are conducting a special mortgage appeal. Given that there are 10 years remaining on our mortgage loan, we looked at several options for paying off the debt. If we committed to a three-year plan, we would likely need a total of three efforts, over nine years, to be debt free. It was decided to move forward with a five-year appeal instead of the typical three-year, with the goal of retiring the entire debt in one final campaign instead of extending it out over three additional campaigns.

The asking levels were determined with the goal of retiring our debt in this final five-year appeal. The ask amounts are significant because they are supporting a significant goal we believe we can achieve with your support. In addition, they are based on past personal giving in campaigns and annual offertory. These levels were determined in the utmost confidence so as to retain the privacy of our donors. To assist with the increased level of giving, the parish leadership elected to move ahead with a five-year campaign which allows for increased donor support and greater flexibility for gift payment.

If I want to have my pledge automatically withdrawn from a savings or a checking account, is that possible?

Yes, please follow the instructions on the pledge card to set this up. Some benefits of paying electronically are:

BENEFITS TO YOU

- Offers a convenient and secure way to give
- Simplifies making and fulfilling stewardship commitments
- Gives priority to giving to God

BENEFITS TO ST. JOHN THE BAPTIST

- Increases contributions
- Steadies cash flow
- Reduces borrowing or dipping into reserves
- Helps forecast contributions
- Reduces work for volunteers and office staff

Who is the Steier Group?

• Founded in Omaha, Nebraska, in 1997, the Steier Group specializes in fundraising for Catholic nonprofits including parishes, schools and dioceses. Over the years, the Steier Group has grown exponentially, having served more than 750 nonprofit organizations across the country. Since their inception, they have conducted successful campaigns ranging from \$400,000 to more than \$50 million, raising 115 percent of their campaign goals and over \$1 billion. They bring this skill, knowledge and experience to our parish to ensure we conduct a successful campaign.

- The Steier Group's model for successful fundraising is hands-on project management. From day one, our parish has benefited from a full-time campaign manager, who is assigned to our campaign exclusively, providing weekly on-site service for the duration of our fundraising effort. The Steier Group is paid a flat fee, agreed upon by our leadership and the Steier Group. The fee is not a percentage of funds raised, rather a fee for the services provided, and it is significantly lower than typical fees for this type of assistance.