NATIONAL COVENANT PROPERTIES

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August 2023

NEWSLETTER

"END OF SUMMER" - WORDS FEW WANT TO SEE

It's hard to believe that summer is coming to an end and fall is just around the corner. Some kids have already gone back to school, and others are soaking up their last days of summer break. We may be in the middle of the calendar year, but we are in a season of new beginnings, a season filled with anticipation, packed schedules, homework, etc. As our calendars fill, it's easy to become lost in the minutia of the routine or become so over-scheduled that one forgets to rest. In this newsletter, two pastors share their experiences with God's provision.

Rob Jacobson, pastor of Restoration Church in Rosemount, Minnesota, shares the story of finding their current church building. Taylor Sexton, pastor of DeerGrove Covenant Church in Palatine, Illinois, shares his experience as a bivocational pastor of a smaller, community focused church. Although their experiences are very different, they both shared story after story of God's perfect timing in providing for the needs of their churches.

One gift of ministry is hindsight. We all have the ability to look back and see the countless ways God has provided for us time and time again. We all are the beneficiaries of God's perfect provision. As we enter this fall season, may we all gift ourselves with the time to look back and thank God for his gifts, then plan how to continue using those gifts in our churches, local communities, and beyond.

What does your ministry look like this fall?

For most of us, the summer months go by way too fast. I trust you have had an opportunity to get away from your daily routines and get recharged for the next season. Fall is definitely my favorite time of the year, with warm days and cooler nights, with school starting (and I don’t have to go!), with less A/C, and instead fresh air coming through the windows, with the seasonal allergy period winding down, and with my most liked sports league, the EPL, kicking off another year full of anticipation of rewarding change, growth, and excitement for the dedicated fans and teams focusing hard to make a difference.

What are you and your team doing to create lasting change and positive influence in your local area? All of us at NCP are excited to hear about your ministry plans for this next season. How can we assist you individually, your church, or Covenant organization to make an impact in your community? As I often tell people, ministry matters, and we all get to participate in this shared mission together.

Over the years, NCP has been fortunate to collaborate on many wonderful ministry initiatives with our Covenant family. Our team is ready and focused on supporting you with your mission minded investments, church building and borrowing needs, real estate and financial stewardship objectives, as you are getting ready for a new season of ministry priorities. We are grateful for your ministry and for allowing NCP to be a partner in your mission with you. Let’s talk soon!

Peter Hedstrom, President

RESTORATION CHURCH

Rosemont, Minnesota

Restoration Church was founded by pastor Rob Jacobson in his basement in 2010. Over the next decade the church primarily met in a community and senior center that was operated by the city. That meant that the building was unavailable on Christmas and Easter, two of the most important days on the church calendar. This allowed Restoration to develop relationships with other local churches as they rented space to host these special services.

In 2015, Restoration began their search for a permanent home. Little did they know then that this search would last years. As they searched, all the spaces they toured were the wrong size, wrong location, wrong price point, etc. Nothing was the right fit. In June of 2019, the church had a budget surplus and voted, on an act of faith, to tithe ten percent of the surplus to a building fund. Then Covid hit and the community and senior center they were so comfortable renting closed indefinitely. They spent the next two years leasing space from two different local churches.

During this season, a facilities task force team was formed that met regularly and interviewed members about their individual hopes for the building. The general consensus was that they wanted a space they could afford while leaving room to continue providing ministry and mission to the community. In one of these meetings in

June 2022, a text was received that a local church building in the perfect location was for sale. Three days later, the team toured the property and made an offer the same day. Although there were multiple offers on the property, Restoration closed the deal. Twelve years after their founding they had a home.

As Rob stated, "We always viewed a building as a tool for ministry, now we're learning how to steward that tool." Years of sharing space allowed the team to quickly revision the space and turn offices into classrooms, storage closets into copy rooms, and tear down walls to expand worship space. The first service was held in their building December 4, 2022 when renovations were roughly 90% complete. The following Easter Sunday, all who had helped with the renovation or been connected to Restoration throughout their history were invited. As his voice shook, Rob said the service turned into a true Thanksgiving service. A beautiful, quiet night of praise, prayer and gratitude for God's provision.

God provided the perfect space in the perfect location at the perfect time. Rob praised Rollie throughout our conversation for his wisdom and calming presence. Rollie was able to help the church navigate the "sticky points" in the final deal and identify flaws they were blind to while they searched.

Rob ended our conversation by saying how thankful he is for God's provision. For the volunteer contractors, incredibly generous donors, and the congregation who has kept the focus on ministry as long as Restoration has existed.

DEERGROVE COVENANT CHURCH

Palatine, Illinois

DeerGrove Covenant Church is located in Palatine, Illinois, a suburb of Chicago. Rev. Taylor Sexton, lead pastor, is proud to be a bivocational pastor. He has always had two primary passions in life and never knew they could co-exist. He explained that having a bivocational pastor is as much a calling of the congregation as it is the pastor. More volunteers are required and it challenges people to look within themselves and identify talents and gifts they can use to serve the church. Taylor mentioned that his favorite part of Sunday mornings is seeing all the volunteers come together to create a beautiful worship experience. From the tech team to the worship team, admins, ushers and beyond, none of it would be possible without volunteers. One of the unique volunteer opportunities is preaching. Two different lay leaders with divinity degrees have shared their gifts through sermons, something Taylor didn't think would happen at a church with a full-time pastor.

The life of a bivocational pastor provides a new context within the local community. In many ways, Taylor says he has two mission fields; the one in the church and in his other career of landscaping. It has helped make biblical and gospel truths more approachable as church members can connect to him on a different level and with a different perspective. It also mandates that both Taylor and the church steward their time wisely.

Taylor has been in his current role since December 2022. He became lead pastor of DeerGrove following an incredibly difficult season for the church. Membership dropped almost in half from 2019 to 2023. The former lead pastor accepted a new calling while the church doors were still closed due to Covid. The members who stayed didn't know what the future held or if the church would continue to exist. Taylor thanked National Covenant Properties for their grace and patience during this season of uncertainty. NCP provided counsel and advice on how to maximize the use of their building for ministry. Taylor said he is profoundly grateful for NCP and does not know where DeerGrove would be without a lending partner like NCP.

DeerGrove is pleased to be another example of of a church with a bivocational pastor. They are showing the attainability of this non-traditional church model. DeerGrove is deepening their identity as a church that serves outside the walls of their building through partnerships with local organizations. Taylor is incredibly thankful to be a part of God's leading DeerGrove to be in this community and to be sent out full of love and grace to serve others.

FINANCIAL & REAL ESTATE TRAINING

Does financial stewardship matter?

As we share together in ministry, we are excited to offer financial and real estate training as another tool and resource for you and your team as you continue to make a difference in your local community and conference. These trainings are designed for pastors, staff, treasurers, and church leadership. We partner with the regional conferences and partners of the Evangelical Covenant Church and Capin Crouse to offer these training sessions. Capin Crouse is a national, full-service CPA firm based in Indianapolis, Indiana, that has served churches, denominations, and higher education institutions since 1972.

If you are interested in coordinating with NCP and/or hosting a training session at a conference or regional location, we are happy to structure a seminar to meet your needs. Call Peter Hedstrom at (773) 442-6582 or send him an email at peter.hedstrom@nationalcovenantproperties.org to schedule a session.

We invite you to join us and other Covenant leaders at one of the scheduled sessions in your conference to learn best practices on how to steward your church financial resources well.

Attendees will learn:

- How healthy and missional churches manage their finances
- How to structure your budget to make key ministry decisions
- The latest tax regulations for pastors
- Best practices to communicate the financial reports to leadership and the congregation
- How to use and interpret financial dashboards to assess whether your facility is a tool for effective ministry
- Understand why capital fund-raising is good for your church

Topics that will be covered:

- What is the big deal with my church's financial statements and reporting?
- Aligning your budget to your ministry plans
- Ministerial compensation and taxation
- Fraud risk assessment and prevention
- Intro to Real Estate Services
- Why church buildings matter
- Capital fund raising

Upcoming Sessions:

9/23/2023: Faith Covenant Church, Farmington Hills, MI
11/4/2023: Pasadena Covenant Church, Pasadena, CA
2/24/2024: First Covenant Church, Omaha, NE

Presenters include:

PETER HEDSTROM
President
National Covenant Properties

ROB HALL
Vice President Real Estate Services
National Covenant Properties

ROLLIE PERSSON
Vice President Real Estate Services
National Covenant Properties

PAUL KRUIT
Vice President Real Estate Services
National Covenant Properties

STAN REIFF, partner
National Consulting Practice Leader
Capin Crouse

CAPINCROUSE LLP

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INVESTMENT PRODUCTS

Type	**Fixed Rate**	**Fixed Rate**	**Fixed Rate**	**DIA**	**IRA**		**HSA**
Term	5 year	30 month	12 month	Demand	Demand	Fixed Rate	Demand
Rate	4.00%	3.25%	3.25%	2.50%	2.50%	5 year = 4.00%	2.75%
						30 month = 3.25%	
						12 month = 3.25%	

*12-Month, 30-Month, or Five-Year Fixed Rate Certificates - $500 minimum

- 12-month, 30-month, or five-year term with fixed interest rate
- Pays interest semiannually (every June 30 and December 31)
- Renewable at maturity

Demand Investment Account (DIA) - $50 minimum

- Adjustable interest rate
- Easy access - redemption upon 30 days request and new investments by request at any time
- Monthly e-statement
- Pays compounded interest monthly

Demand IRAs - $10 minimum

If you have an existing IRA with NCP, it is a Demand IRA. Please contact our office if you wish to transfer part or all of your IRA balance to a Term IRA.

- Types of accounts: Traditional, Roth, and SEP
- Adjustable interest rate
- We provide extensive support for RMD withdrawals beginning at age 73

*Term Individual Retirement Accounts (IRAs) - $3,000 minimum

Term IRAs allow IRA holders to earn a fixed interest rate for a set term. In the past, our IRA rate was subject to change any January or July 1 as determined by our board. These new accounts allow IRA holders the ability to diversify their IRA portfolio within NCP.

- Types of accounts: Traditional, Roth and SEP
- Fixed interest rate for a 12-month, 30-month or five-year term
    - You can have multiple Term IRAs open with NCP at any time
- We provide administrative support for RMD withdrawals beginning at age 73
    - Only your RMD amount can be withdrawn from a Term IRA during the term

Health Savings Accounts (HSA) - $10 minimum

- Provides tax advantage to offset healthcare expenses for eligible individuals
- Interest rate adjustable monthly

***New products available now**

The offer and sale of the Certificates is limited to persons who, prior to receipt of our Offering Circular, were members of, contributors to, participants in, or affiliates of The Evangelical Covenant Church, including any program, activity, or organization that constitutes a part of The Evangelical Covenant Church, or any of its conferences, or any congregation of The Evangelical Covenant Church, or other persons who are ancestors, descendants, or successors in interest to such persons (Investors). This does not constitute an offer to sell or the solicitation of an offer to buy the Certificates. There shall not be any sale of the Certificates in any state in which such offer, solicitation, or sale is not authorized. The offering is made solely by the Offering Circular. The offering of Certificates involves certain risks, which are more fully disclosed in the Offering Circular under the heading "Risk Factors." In the event NCP exercises its right to redeem a Certificate prior to maturity and upon sixty (60) days notice to the holder thereof, payment of the outstanding principal and interest will be paid to the holder to the date of redemption. The Variable Rate Certificates, Demand Investment Accounts, Individual Retirement Account (IRA) Certificates, and Health Savings Account (HSA) Certificates are not available for sale to investors residing in South Carolina. The Variable Rate Certificates and Demand Investment Accounts are not available for sale to investors residing in Louisiana. NCP's Certificates are not insured by any governmental agency or private insurance company, including the Federal Deposit Insurance Corporation, or any state bank, insurance fund, or any other governmental agency.