

Northridge Presbyterian Church
Financial Statements for the Year Ended
December 31, 2020
With Comparative Data for Prior Years
(Unaudited)

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Northridge Presbyterian Church Financial Highlights for 2020

These financial statements include our major funds: **annual operating** (“Stewardship”), **Called to Grow** and **Forward by Faith, investments** managed by Texas Presbyterian Foundation to produce sustainable income, and **fixed assets** (land, building, furniture and equipment). We are the sole member of **Northridge Child Development Center**, giving our Session certain powers, so our financial statements include the operations of NCDC. The financial statements also include all other funds, which are set aside by the Session, or designated by you for specific purposes.

Financial Highlights of 2020

In what was a year of unprecedented hardship, you—*the people who are Northridge Presbyterian Church*—responded with extravagant generosity. When many churches and non-profits were faced with gut-wrenching decisions about which commitments they would have to give up in the face of income shortages, you not only managed to honor your commitments, but you also exceeded them. Here are just a few of the numbers worth celebrating from 2020:

- \$2,289,000: total giving to all programs
- \$803,000: giving to our operating budget
- \$1,461,000: giving to the Forward by Faith and Called to Grow campaigns
- \$52,000: giving to the operating budget beyond pledged amounts

Here’s what those numbers mean for our community:

- We honored all our financial commitments last year. This means that we did not cut support for our mission partners and in some instances, we were able to provide extra funds for partners in this season of extreme need.
- We expected a \$50,000 operating deficit in 2020. Instead, we balanced our budget, two years ahead of schedule.
- As of January 31, 2021, we paid down the mortgage loan on our Education Community Center to \$1,719,000. We cut our mortgage debt in half in just one year. Out of the \$6 million that we spent to build the ECC, we have paid 72%. This is an incredible accomplishment that gives us resources and confidence to move forward with new programs.

There’s already plenty to celebrate about 2021 too. Here are some noteworthy numbers for 2021:

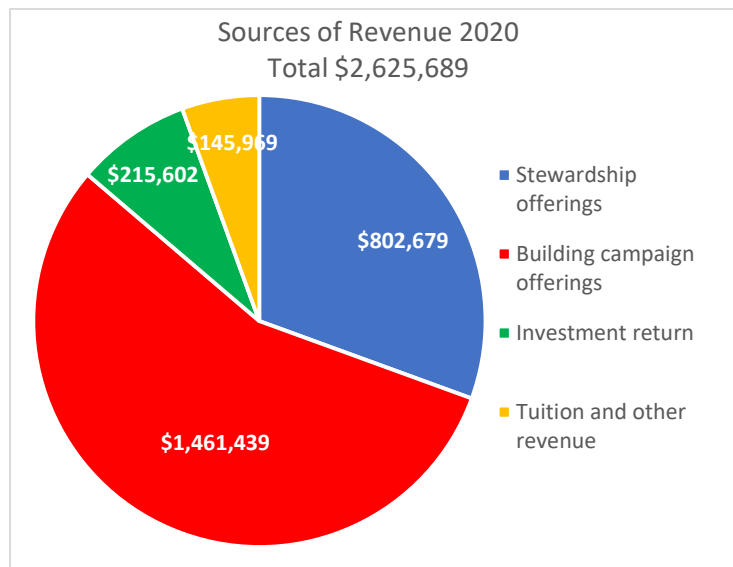
- \$820,750: amount pledged to the 2021 operating budget
- 117: number of families that pledged
- 14%: average pledge increase
- \$103,899: additional funds pledged by families who increased their pledges in 2021
- 5%: net increase in pledged funds over 2020
- \$37,375: net increase in pledged funds over 2020 (this number accounts for 24 pledges from 2020 that were not renewed in 2021 due to deaths, moves, economic circumstances, or no response to this year’s stewardship campaign)
- \$216,000: income generated by our investments in 2020

- \$73,000: amount from 2020 investment earnings which will be applied to our 2021 budget

And, here's what those numbers mean for this year:

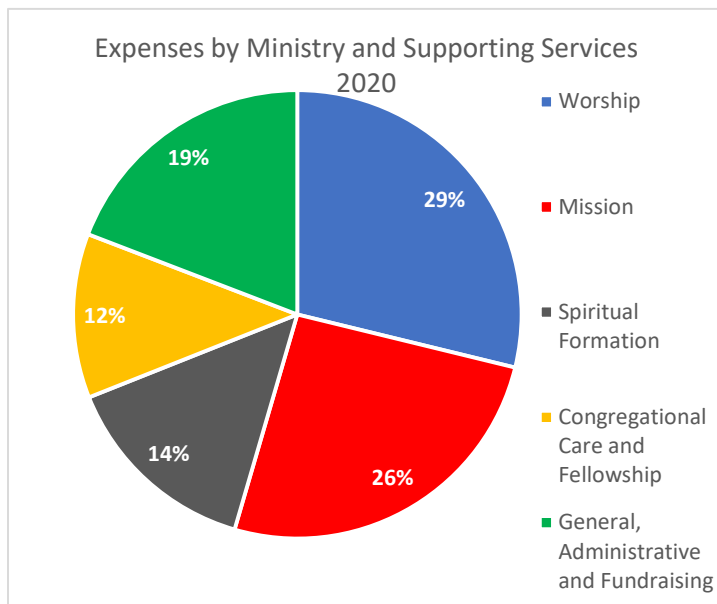
- We have a balanced budget for 2021! When the Budget Committee, consisting of all committee chairs, drafted Northridge's budget for 2021, it asked all committees to take a hard look at their operations to make sure that our expenses support our priorities and that supporting operations (property, administration) are as efficient as possible. The committees responded with careful spending plans that enabled the Budget Committee to submit a balanced budget for 2021. You can be confident that offerings are wisely spent.
- We spend conservatively from our investment returns so that we are cushioned from reverses in the markets that occur from time to time.
- We have adequate reserves to support our operations, to make monthly mortgage payments, and to generate investment returns.

Sources of Revenue Revenues from all sources (offerings, investment return, tuition, and other), all funds, totaled \$2,625,689. The biggest components were Stewardship offerings, building and debt campaign offerings, and investment return. Expenses totaled \$1,384,451. Net assets increased by \$1,241,238. This increase was expended primarily to pay down the mortgage on the Education and Community Center.

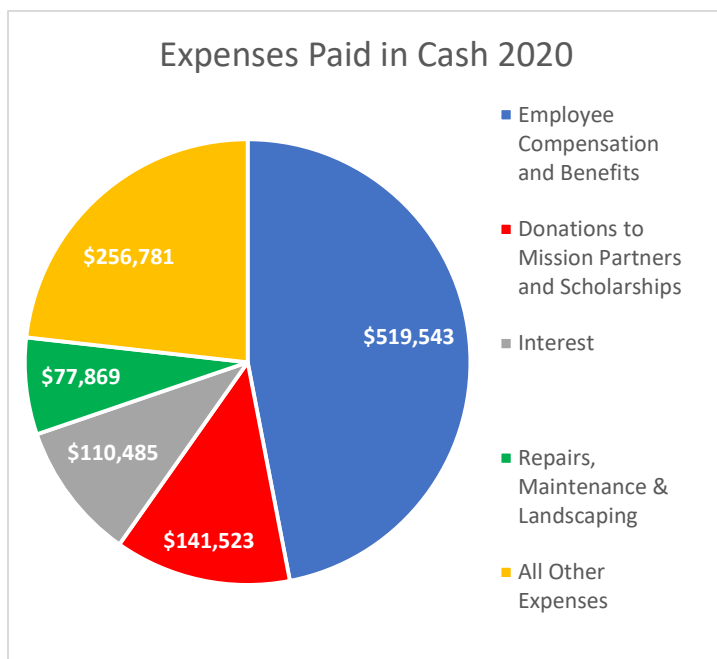


Our expenses

We allocate our expenses to ministries and to supporting services (general, administrative and fundraising). Some expenses are direct, such as music for worship. Others are indirect, such as pastoral salaries and property costs. We allocate indirect costs to our ministries and supporting services based on time estimates from our staff and how we use our buildings. Mission expenses include direct offerings to Mission partners, staff time and supplies directed to Mission, and operating expenses and cost of space for the Northridge Child Development Center.



Our biggest natural expense is employee compensation and benefits, 47% of the total. 13% of expenses went directly to Mission partners and scholarships, which is consistent with the previous four years. 7% of expenses went to repairs, maintenance and landscaping. 10% of total expenses went to PILP as interest. Our donations to Forward by Faith will reduce our mortgage debt and the amount that we spend on interest. These percentages exclude depreciation expense, which is not paid directly in cash.

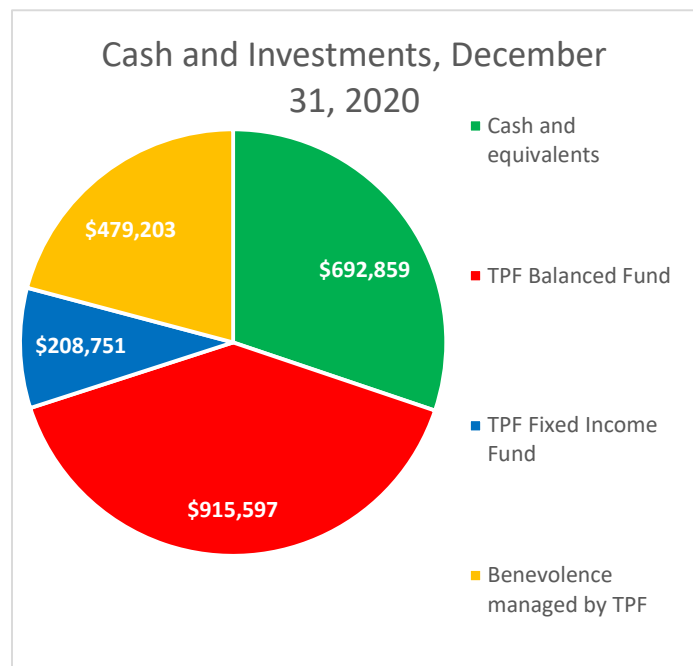


Because of bequests, our balanced budget in 2020 and strong investment returns, as of December 31, 2020, we held cash and investments totaling \$2,296,411. Of that amount, \$1,466,320 is restricted by donor designation or by the Session either for building and debt reduction or as endowments to generate income for designated purposes. \$830,091 is available for general expenditure during 2021. Northridge's investments are managed by the Investment Committee under the supervision of the Session. The Investment Committee works closely with the Administration Committee and the Treasurer to ensure that liquid funds are available when needed. Texas Presbyterian Foundation is our investment advisor. Their

funds produce excellent returns with low fees. Normally, we keep \$100,000 to \$200,000 in cash or money market funds, 25% of our portfolio in TPF's Fixed Income Fund, and the remainder in TPF's Balanced Fund. The Balanced Fund is designed for long-term investment returns and contains a mix of all of TPF's funds. We held an unusually large amount of cash at the end of 2020 because of large gifts to our building campaign. In January 2021, this was reduced by our loan prepayment of \$392,000. During 2020, investment returns totaled \$215,602. Investment returns support our annual operating budget; \$49,000 for 2020 and \$73,000 for 2021.

In January 2021 we made a prepayment of \$392,000 to our mortgage lender, Presbyterian Investment and Loan Program, Inc., all of which reduced the principal balance on our loan. As of January 31, 2021, we owed \$1,713,039. Our interest rate is 3.616% per year and our monthly payments will be \$8,976. PILP lowered our interest rate because a Northridge member invested \$200,000 with PILP in an interest-bearing account and because of our excellent payment record. If more of our members invest, PILP will reduce our interest rate further. All mortgage payments are made from Called to Grow or Forward by Faith offerings and do not affect our annual operating budget.

The attached financial statements present all material aspects of our financial condition and activities in accordance with generally accepted accounting principles for not-for-profit organizations in the U.S. If you have any questions, please contact our Treasurer. Thank you for your faithful stewardship.



Northridge Presbyterian Church
Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Cash, Equivalents and Investments		
Cash and Equivalents	\$ 401,209	\$ 211,382
Texas Presbyterian Foundation Balanced Fund	568,470	687,755
Texas Presbyterian Foundation Fixed Income Fund	-	217,688
Total	969,679	1,116,825
Accounts Receivable	4,046	44,500
Prepaid Expenses	17,549	-
Total Current Assets	991,274	1,161,325
Investments Designated for Long-Term Purposes		
Construction and Payment of Mortgage Debt	523,928	464,428
Northridge Endowment Fund	209,391	188,736
Columbarium Fund	70,208	59,329
Music Endowment Fund	44,002	39,426
Beneficial Interest in Assets held by Others	479,203	434,154
Total	1,326,732	1,186,073
Prepaid Loan Fees	18,733	20,850
Note Receivable from Senior Pastor and Spouse	200,000	-
Fixed Assets		
Land	10,500	10,500
Building	9,505,800	9,500,291
Furniture, Fixtures & Equipment	449,718	436,411
Accumulated Depreciation	(1,919,472)	(1,641,222)
Total Fixed Assets, net of Accumulated Depreciation	8,046,546	8,305,980
Total Assets	\$10,583,285	\$10,674,228
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 46,645	\$ 105,016
Current Portion of Mortgage Loan	73,371	82,077
Total Current Liabilities	120,016	187,093
Long-term Portion of Mortgage Loan	2,037,631	3,302,735
Total Liabilities	2,157,647	3,489,828
Net Assets Not Subject to Donor Restrictions	7,168,709	6,041,044
Net Assets Subject to Donor Restrictions	1,256,929	1,143,356
Total Net Assets	8,425,638	7,184,400
Total Liabilities and Net Assets	\$10,583,285	\$10,674,228

Northridge Presbyterian Church
Statement of Activities
Year Ended December 31, 2020

	Annual Operations ("Stewardship")	All Funds Not Subject to Donor Restrictions	Called to Grow/Forward by Faith	All Funds Subject to Donor Restrictions	2020 All Funds	2019 All Funds
Offerings, Gains, and Other Revenue						
Offerings						
Offerings Made to Fulfill Pledges	\$ 640,918	\$ 640,918	\$ 1,453,391	\$ 1,552,710	\$ 2,193,628	\$ 1,410,921
Offerings Released from Restrictions	109,624	1,536,093	(1,400,167)	(1,536,093)	-	-
Bequests	-	-	-	-	-	105,005
Offerings Made Outside of Pledges	51,952	52,257	7,948	34,606	86,863	135,255
One Dollar Offerings	-	1,450	-	-	1,450	2,484
Memorial & Honoraria Offerings	-	6,405	100	100	6,505	1,965
Donations for Flowers	185	185	-	-	185	2,229
In-Kind Offerings	-	-	-	-	-	20,050
Total Offerings	802,679	2,237,308	61,272	51,323	2,288,631	1,677,909
Investment Return	(371)	155,379	-	60,223	215,602	265,835
Tuition and Payments by Program Participants	260	116,286	-	-	116,286	114,401
Other Revenue	2,918	3,143	27	2,027	5,170	8,205
Total Offerings, Gains, and Other Revenue	805,486	2,512,116	61,299	113,573	2,625,689	2,066,350
Expenses						
Ministries						
Worship	283,468	399,042	-	-	399,042	401,369
Mission	170,858	355,646	-	-	355,646	387,322
Spiritual Formation	93,911	200,288	-	-	200,288	265,016
Congregational Care and Fellowship	92,067	164,179	-	-	164,179	152,663
Total Ministries	640,244	1,119,155	-	-	1,119,155	1,206,370
General, Administrative, and Fundraising	182,461	265,296	-	-	265,296	223,819
Total Expenses	822,705	1,384,451	-	-	1,384,451	1,430,189
Surplus (Deficit) of Revenues Over (Under) Expenses	(17,219)	1,127,665	61,299	113,573	1,241,238	636,161
Net Transfers	30,096	-	-	-	-	-
Change in Net Assets	\$ 12,877	\$ 1,127,665	\$ 61,299	\$ 113,573	\$ 1,241,238	\$ 636,161

Northridge Presbyterian Church
Statement of Changes in Net Assets
Year Ended December 31, 2020

	Net Assets as of 12/31/2020	Offerings, Gains and Other Revenue	Expenses	Net Transfers	Net Assets as of 12/31/2019
Not Subject to Donor Restrictions (NSDR)					
Net Investment in Fixed Assets	\$ 5,935,545	\$ -	\$ (278,250)	\$ 1,292,626	\$ 4,921,169
Annual operating budget (Stewardship)	172,473	805,486	(822,705)	30,096	159,596
Expenditure of Donor-Restricted Funds	18,787	1,429,363	(146,144)	(1,284,527)	20,095
Adult Mission Trip	164	-	-	-	164
Community Garden	294	-	-	-	294
Grady Coyle Anthem Commission	-	(371)	(217)	(1,412)	2,000
Jeanne & Ben Young Benevolent Fund Distributions	26,868	15,347	(11,000)	-	22,521
Landscape & Maintenance NSDR	-	(542)	(6,028)	-	6,570
Manse Sale Proceeds	200,000	-	-	-	200,000
Memorial & Honoraria Funds NSDR	6,817	6,405	(953)	-	1,365
Minister's Discretionary Fund	5,615	-	-	-	5,615
Northridge Child Development Center	16,684	115,725	(116,855)	-	17,814
Northridge Endowment Fund	209,391	27,655	-	(7,000)	188,736
Northridge Reserve Fund	510,042	112,748	-	(42,000)	439,294
Property Reserve	25,985	-	-	-	25,985
Refugee Ministry Reserve	2,179	-	-	217	1,962
Tuition Support for Music Director	4,150	-	(1,500)	-	5,650
Youth Mission Trip NSDR	33,715	300	(799)	12,000	22,214
Total Not Subject to Donor Restrictions	7,168,709	2,512,116	(1,384,451)	-	6,041,044
Subject to Donor Restrictions (SDR)					
Called to Grow/Forward by Faith	500,402	61,299	-	-	439,103
Caring Fund	12,518	2,000	-	-	10,518
Columbarium Fund	70,208	10,879	-	-	59,329
Jeanne & Ben Young Benevolent Fund Principal	479,203	45,049	-	-	434,154
Kitchen Renovation	23,526	(1,799)	-	-	25,325
Landscape & Maintenance SDR	-	(2,020)	-	-	2,020
Memorial & Honoraria Funds SDR	2,353	-	-	-	2,353
Mission/Pack the Pews	60	60	-	-	-
Music Endowment Fund	44,002	6,025	-	(1,449)	39,426
Music Reserve (Concerts)	4,093	(687)	-	1,449	3,331
Offerings Designated for Furniture	-	(8,662)	-	-	8,662
Stewardship Gifts Prepaid for Subsequent Year	109,319	(681)	-	-	110,000
Two Pencils	10,745	1,610	-	-	9,135
Youth Camps & Conferences Scholarship SDR	500	500	-	-	-
Total Net Assets Subject to Donor Restrictions	1,256,929	113,573	-	-	1,143,356
Total Net Assets	\$ 8,425,638	\$ 2,625,689	\$ (1,384,451)	\$ -	\$ 7,184,400

Northridge Presbyterian Church
Statement of Expenses
Year Ended December 31, 2020

	Worship	Mission	Spiritual Formation	Congregational Care and Fellowship	Total Ministries	General, Administrative and Fundraising	Totals, 2020	Totals, 2019
Expenses								
Employee Compensation and Benefits	\$ 238,571	\$ 66,207	\$ 49,807	\$ 59,924	\$ 414,509	\$ 105,034	\$ 519,543	\$ 600,506
Donations to Mission Partners and Scholarships	5,000	136,523	-	-	141,523	-	141,523	138,320
Duplication and Printing	919	-	131	525	1,575	11,421	12,996	13,840
Insurance	9,317	9,913	8,933	5,961	34,124	2,439	36,563	36,261
Professional Services	4,870	90	500	-	5,460	58,610	64,070	97,571
Repairs, Maintenance & Landscaping	19,304	23,179	18,437	11,945	72,865	5,004	77,869	148,493
Supplies	5,991	14,506	5,651	8,155	34,303	5,766	40,069	66,388
Telecommunications and Technology	298	-	3	421	722	34,235	34,957	19,643
Transportation, Lodging and Meals	993	-	959	274	2,226	549	2,775	25,795
Utilities	12,299	11,317	12,601	8,164	44,381	3,363	47,744	32,429
Other	1,149	1,590	472	2,208	5,419	11,423	16,842	15,922
Rent	197	181	202	131	711	54	765	16,650
Interest	28,456	26,184	29,155	18,890	102,685	7,800	110,485	46,649
Depreciation Expense	71,678	65,956	73,437	47,581	258,652	19,598	278,250	171,722
Total Expenses	\$ 399,042	\$ 355,646	\$ 200,288	\$ 164,179	\$ 1,119,155	\$ 265,296	\$ 1,384,451	\$ 1,430,189
Ministries and Supporting Services as Percentages of Total Expenses	29%	26%	14%	12%	81%	19%	100%	

Northridge Presbyterian Church
Statement of Changes in Cash
Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Cash Collected as Offerings	\$ 773,325	\$ 895,578
Cash Collected as Tuition and Other Revenue	121,429	123,585
Dividend and Interest Revenue	54,340	57,788
Cash Paid for Employee Compensation and Benefits	(523,589)	(593,031)
Cash Paid to Vendors	(366,070)	(421,472)
Cash Paid to Mission Partners and for Scholarships	(141,523)	(138,319)
Cash Paid for Interest Expense	(108,368)	(46,649)
Net Cash Provided by Operating Activities	(190,456)	(122,520)
Cash Flows from Investing Activities		
Purchases of Investments	(146,721)	(825,763)
Proceeds from Sales of Investments	659,444	616,802
Loan to Senior Pastor and Spouse	(200,000)	-
Payments for Construction of Education and Community Center	(5,509)	(2,670,351)
Cash Paid for Interest Capitalized into Cost of Construction	-	(52,151)
Payments for Equipment	(13,307)	(164,328)
Net Cash Provided by (Used in) Investing Activities	293,907	(3,095,790)
Cash Flows from Financing Activities		
Offerings Designated for Construction and Debt Reduction	1,389,104	582,473
Borrowings from PILP	-	1,985,695
Payments of Principal to PILP	(1,273,810)	(6,696)
Net Cash Provided by Financing Activities	115,294	2,561,472
Net Change in Cash and Equivalents	218,745	(656,838)
Cash and Equivalents, beginning of year	474,114	1,130,952
Cash and Equivalents, end of year	\$ 692,859	\$ 474,114
Composition of Cash and Equivalents:		
Not Designated for Long-Term Purposes	\$ 398,382	\$ 211,382
Designated for Long-Term Purposes	294,477	262,732
Total Cash and Equivalents, end of year	\$ 692,859	\$ 474,114
Reconciliation to Changes in Net Assets:		
Changes in Net Assets	\$ 1,241,238	\$ 636,161
Offerings, Gains and Other Revenue Designated or Restricted for Long-Term Purposes	(1,389,104)	(582,473)
Donated Securities	(126,229)	(179,808)
In-kind Offerings Capitalized as Assets	-	(20,050)
Realized and Unrealized Gains and Losses on Investments	(161,262)	(208,048)
Depreciation Expense	278,250	171,722
Decrease in Accounts Receivable	40,454	4,441
Change in Prepaid Expenses	(15,432)	-
Increase in Accounts Payable	(58,371)	55,535
Net Cash Provided by Operating Activities	\$ (190,456)	\$ (122,520)
In-kind Offerings of Professional Services for Construction Oversight	\$ -	\$ 20,050

**Northridge Presbyterian Church
Notes to the Financial Statements
Year Ended December 31, 2020
(Unaudited)**

1. Northridge Presbyterian Church (the “Church”, “we”, “us” and “our”) is a member of the Presbyterian Church (U.S.A.) (“PCUSA”) and its Grace Presbytery.

We are governed by our Session of Elders, elected by the congregation from our members for staggered three-year terms. Governance of the Church is subject to PCUSA's Constitution and oversight by Grace Presbytery. Our ministries continue to function during the pandemic through worship services and Wednesday Word broadcast via YouTube, socially distanced outdoor events and remote fellowship, education, and discussion events. The Northridge Child Development Center (“NCDC”) is operating with health safeguards in place. Following are descriptions of ministries as we have fulfilled them in the past and expect to in the future when we resume all in-person gatherings.

Worship is the most distinctive event in the life of any church and the centerpiece of our discipleship. Worship leadership includes ministry and music staff, teaching elders, ensembles, and Worship Committee. They prepare and lead worship every Sunday. They plan and prepare celebrations of the sacraments of baptism and communion with our corporate body and bring communion to homebound members. They plan celebrations of marriages and witness to the resurrection at the end of life. They are responsible for special services such as Lessons & Carols, Longest Night, Christmas Eve, Ash Wednesday, Maundy Thursday, and Good Friday. They prepare our sanctuary for worship, including changing banners and paraments per liturgical season; decorating for Advent and Holy Week; and equipping every pew with bibles, hymnals, and other worship materials. Our Worship ministries include:

<ul style="list-style-type: none"> • Chancel Choir • Handbell Choir • One & Done Choir, open to everyone • Special concerts 	<ul style="list-style-type: none"> • Northridge Youth Music Ensemble • Seraph & Cherubim Children’s Choirs • Spring Children’s Musical
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A Story of Mission. We are Christ’s body in our neighborhood, community, and our world. We seek engagement with our neighbors as we offer a place of welcome to newly arrived refugees teaching English as a second language through Literacy Achieves, and other hands-on missions. We provide spaces for the missions Boy Scouts of America Troop 64 and NCDC. We conduct mission trips and we support mission co-workers in Mexico and the Philippines. Our denominational and Presbytery ministry shares support outreach to our world as we seek justice for all of God’s children. Our Mission ministries include:

<ul style="list-style-type: none"> • Seeds of Hope Community Garden • Annual mission trips for families, youth, and adults • Northridge Child Development Center • Veterans Day Project • Serving dinner at The Bridge 	<ul style="list-style-type: none"> • Financial support and leadership with mission partners • Support of two mission co-workers, Rev. Mark Adams in Mexico, and Rev. Cathy Chang in the Philippines • Ministry shares through Grace Presbytery and PCUSA
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Northridge Presbyterian Church
Notes to the Financial Statements
Year Ended December 31, 2020
(Unaudited)

Through **Spiritual Formation**, our members grow in knowledge and practices of what it means to be in the people of God in our world. We provide church school and group fellowship and service for children and youth. Adult formation takes place in Bible Studies, Sunday School, and book studies. Our Spiritual Formation ministries include:

<ul style="list-style-type: none"> • Church school for all ages • Vacation Church School • Parents of Little Ones • Presbyterian Women 	<ul style="list-style-type: none"> • First Wednesday • 4,5,6ers • Tuesday morning Bible Study • Youth Group
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A Story of Congregational Care and Fellowship. We welcome and care for one another just as Christ welcomes and cares for us. Our Board of Deacons engages in meal coordination for members in need, home communion, Helping Hands, Flower Ministry and visiting the sick and homebound. Our Congregational Care and Fellowship ministries include:

<ul style="list-style-type: none"> • Communion to homebound members • Northridge Older Adult Happenings • All-Church meals • Share Café coffee bar on Sunday mornings 	<ul style="list-style-type: none"> • Christmas caroling to homebound members • Nonagenarian celebrations • Bethlehem Breakfast • Dine In & Out Groups • Friday Men's Breakfast
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General and administrative activities include the functions necessary to provide support for the Church's program activities. They include activities that provide governance (Session), oversight, business management, financial recordkeeping, budgeting, human resource management, communication and similar functions that ensure a faith-centered working environment.

Fundraising activities include publicizing and conducting the Stewardship, Called to Grow and Forward by Faith campaigns, maintaining donor lists and other activities involved with soliciting financial offerings from our members.

2. The Church's property is held in trust for the use and benefit of the PCUSA.

The Church is responsible for maintaining, repairing, and improving its property. We may receive loans and guarantees from agencies of the PCUSA to acquire and improve property (see Note 9). If property ceases to be used by our congregation as a congregation of the PCUSA, or if our congregation is formally dissolved by Grace Presbytery or becomes extinct, our property will be held, used, applied, transferred, or sold as provided by Grace Presbytery. We may not sell, mortgage, or otherwise encumber any real property and we may not acquire real property subject to an encumbrance or condition without the written permission of Grace Presbytery. We may not lease real property used for purposes of worship, or lease for more than five years any other real property, without the permission of Grace Presbytery. The Presbytery may determine which faction is entitled to the property of a congregation in schism.

**Northridge Presbyterian Church
Notes to the Financial Statements
Year Ended December 31, 2020
(Unaudited)**

3. The Church prepares its financial statements on an accrual basis in accordance with generally accepted accounting principles promulgated in the United States of America ("GAAP") for not-for-profit entities.

Our significant accounting and reporting policies are described to make it easier to read and understand the financial statements.

For comparative purposes, these financial statements include condensed financial information for the year ended December 31, 2019. Such information does not include all disclosures for 2019 required by GAAP. Condensed financial information for 2019 and prior years has been restated to include the accounts of NCDC, which were omitted in the past in a departure from GAAP. Some 2019 amounts have been reclassified for consistency with 2020's presentation.

These financial statements are the responsibility of the Church's Treasurer, who prepared them under the oversight of the Administration Committee. These financial statements have not been subject of examination, audit, limited review, or any other form of independent assurance as those terms are defined by the American Institute of Certified Public Accountants.

We used information available to us as of February 17, 2021, to prepare these financial statements.

We make estimates to prepare our financial statements.

Preparing financial statements requires us to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, we evaluate estimates and assumptions based upon historical experience and various other factors and circumstances. We believe that our estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Not Subject to Donor Restrictions

Net assets not subject to donor restrictions are resources available to support operations as approved by the Session through the Church's annual budget and other resolutions. The only limits on the use of these net assets are the ministries of the Church, the purposes specified in our corporate documents and our application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into as part of our operations. All revenues and net gains are reported as increases in net assets not subject to donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. We report all expenditures as decreases in net assets not subject to donor restrictions.

Northridge Presbyterian Church
Notes to the Financial Statements
Year Ended December 31, 2020
(Unaudited)

Our annual operating budget, which we call the Stewardship budget, is the largest class of net assets not subject to donor restrictions. The Stewardship budget includes annual financial commitments from our members and authorizes recurring operating expenses.

The Northridge Reserve Fund was designated by the Session from net assets not subject to donor restrictions. All investment earnings other than those earned by endowment funds are recorded in the Northridge Reserve Fund. Consistent with the Stewardship budget for 2020 adopted by the Session, \$42,000 of investment earnings was transferred from the Northridge Reserve Fund to Stewardship and expended for 2020 operations. \$50,000 has been budgeted for transfer and expenditure for 2021 operations. The Session may change the designation of net assets in the Northridge Reserve Fund so that they may be used for other purposes.

The Session has designated for specific purposes several other funds not subject to donor restriction. The Session may change those designations at any time, although expenditures from the Northridge Endowment Fund beyond certain parameters require a super-majority vote of the Session.

Consistent with GAAP, net assets not subject to donor restrictions include the operations of NCDC. NCDC is a Texas nonprofit corporation (the "Corporation") whose sole member is the Church. In 2020, the Church provided space for NCDC's operations and the Church plans to continue providing it. In 2020 there were no transfers of assets between NCDC and the other operations of the Church. NCDC's Amended and Restated Certificate of Formation reserves to the Church the following powers:

- (a) To approve any merger, consolidation, acquisition or liquidation of the Corporation;
- (b) To approve the amendment, modification or restatement of the Certificate of Formation or Bylaws of the Corporation;
- (c) To approve or decline to approve the appointment of any director of the Corporation and thereafter to remove any of the directors of the Corporation, with or without cause;
- (d) To approve the Corporation incurring, forgiving or guaranteeing debt that exceeds \$25,000 per instance or \$100,000 annually;
- (e) To approve or disapprove the budget of the Corporation;
- (f) To approve and issue policies for the Corporation determined by the Church in its sole discretion to be required by applicable law; and
- (g) To approve or decline to approve the appointment of the Corporation's chief executive officer and after consultation with the Corporation's board, to remove that officer.

Net Assets Subject to Donor Restrictions

Net assets subject to donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance

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with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Church must continue to use the resources in accordance with the donor's instructions. Net assets restricted for acquisition of buildings or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the Church unless the donor provides more specific directions about the period of its use.

Satisfaction of donor designations for a particular purpose or time period result in a decrease in net assets subject to donor restrictions. Net gains on endowment investments increase net assets subject to donor restrictions, and net losses on endowment investments reduce that net asset class.

We account for financial offerings as follows:

We typically issue solicitations that state that the donor's response represents an intention to give rather than a promise, and that donors may rescind or modify their intentions. Under these conditions, the Church recognizes gifts committed in Stewardship and capital campaigns when the donor pays the commitment.

We have received \$820,050 in financial commitments toward our 2021 operating budget. Of this amount, we received \$109,320 prior to December 31, 2020, which as of that date has been recorded as offerings subject to time restriction placed by donors on its use.

The Church benefits from offerings of time and talent by a substantial number of members.

Our members and other volunteers have donated significant amounts of time and talent in the Church's ministries, management, and fund-raising campaigns. GAAP allow recognition of contributed services in the financial statements if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. However, most of the contributed services do not meet these criteria or their economic value is immaterial relative to our overall operations. In 2019, donated services with an estimated fair value of \$20,050 met those criteria and are included in in-kind contributions in the statement of activities and the cost of construction in progress for our ECC.

The costs of providing the Church's ministries and supporting services are summarized on a functional basis in the statement of activities and statement of expenses.

Expenses that can be identified with a specific program or supporting service are charged directly to that program or support service. We study how staff use their time and how we use our property. Based on this information, we allocate all costs to ministries and supporting functions benefited using reasonable allocation methods and report our expenses on that basis. Due to the pandemic, beginning in March 2020 our use of our property was less than normal. In our 2020 financial statements, we have allocated the costs of operating our property based on expected normal usage.

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General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Church.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Church generally does not conduct its fundraising activities in conjunction with its other activities. Advertising costs are expensed as incurred. Direct fundraising costs totaled \$23,904 in 2020.

Prepaid expenses represent fees that the Church paid to obtain construction financing.

The Church has obtained construction financing from the Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. ("PILP" - see Note 9). Fees paid by the Church to obtain construction financing are amortized over the remaining life of the financing arrangement using the level yield method.

Land, buildings, and equipment are reported in the statement of financial position at cost.

All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$1,000 or more and a useful life when acquired of more than one year. Costs of the ECC include the estimated fair value of donated professional architectural and oversight services as disclosed above and interest and amortization of loan fees on construction financing from PILP (see Note 9). Interest and loan fees capitalized in 2019 totaled \$52,151. We capitalized interest and loan fees until the ECC was completed and ready for use in 2019. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. We depreciate buildings and equipment using the straight-line method over the estimated useful lives of the assets, as follows:

- (a) Buildings and improvements, 40 years
- (b) Permanent landscape fixtures, 15 years
- (c) Tallis Organ, 20 years
- (d) Furnishings and equipment, 5 to 7 years

Land, buildings and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses have been recognized in the accompanying financial statements.

The Church is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code ("IRC").

However, the Church would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the Church are tax deductible to donors under Section 170 of the IRC, except to the extent of the fair market value of benefits received by the donor. The Church is not classified as a private foundation. The

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Church is exempt from franchise, sales and use and ad valorem taxes levied by the State of Texas and its subdivisions.

3. Cash and equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less.

The Church holds cash and equivalents in the following accounts:

- The Church maintains a checking account at JPMorgan Chase Bank, N.A. The account is insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The account balance occasionally exceeds the insured limit.
- Cash and cash equivalents and donated securities held for sale, all in a brokerage account at Charles Schwab, are protected by the Securities Investor Protection Corporation ("SIPC") in the event of broker-dealer failure, up to \$500,000 of protection for each brokerage account, with a limit of \$250,000 for claims of uninvested cash balances. SIPC insurance does not protect against market losses on investments. We sell all donated securities promptly upon receipt and transfer the proceeds to our checking account or to Texas Presbyterian Foundation ("TPF") for investment. We did not exceed SIPC's insurance limits in 2020.
- Cash equivalents are invested primarily in the Money Market Fund managed by TPF. Investments through TPF are not insured, except indirectly to the extent that TPF's assets are protected by the FDIC and SIPC. Such insurance does not protect against market losses on investments.

4. The Church has \$ 830,091 in financial assets available for general expenditure within the next year.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020, are:

Cash and equivalents and investments classified as current assets	\$ 969,679
Less amounts held subject to donor restrictions	<u>(139,588)</u>
Amounts available for general expenditure within one year	<u>\$ 830,091</u>

The above table excludes endowment funds because it is the Session's intent to invest those resources for the long-term support of the Church. However, in the case of need, the Session by super-majority vote could appropriate resources from the Northridge Endowment Fund.

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5. Investments consist of the following as of December 31, 2020:

Description	Classified as Current Assets	Classified as Restricted by Donors or Session for Long-Term Use	Totals
Money market funds managed by TPF	-0-	\$ 72,999	\$ 72,999
TPF Balanced Fund	\$ 568,470	347,127	915,597
TPF Fixed Income Fund	-0-	208,751	208,751
Jeanne and Ben Young Benevolent Fund, managed by TPF, investment not specified	-0-	479,203	479,203
Totals	\$ 568,470	\$ 1,108,080	\$ 1,676,550

We report investments at fair value with changes to fair value reported as investment return in the statement of activities. Purchases and sales of investments are reported on the trade date. The Session has appointed an Investment Committee of three members with staggered three-year terms to manage the Church's investments under the supervision of the Session. The Investment Committee operates under the Investment Policy adopted by the Session in 2019. Currently, the Church's investments are deployed as follows:

- Throughout the year, cash and money market funds typically range from \$100,000 to \$200,000. Amounts more than that range as of December 31, 2020, included \$392,000 in offerings designated by donors for mortgage debt reduction, which we paid to PILP in January 2021 for that purpose.
- We target approximately 25% of investable funds for TPF's Fixed Income Fund.
- All remaining funds and endowment funds managed by our Investment Committee (see Note 6) have been placed in TPF's Balanced Fund, which includes a mix of TPF funds that the Church's Investment Committee believes is appropriate for long-term investment.

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Under GAAP, the Church is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Church's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of the December 31, 2020, including investments measured at net asset value ("NAV") if the net asset value is determined as the fair value per share (unit) is published, and is the basis for current transactions. Level 2 is for investments measured using inputs such as quoted prices for similar assets or quoted prices for the identical asset in inactive markets. Level 3 is for investments measured using inputs that are unobservable and is used in situations for which there is little, if any, market activity for the investment.

The Church determines the fair value of its investments in the following ways:

Funds managed by the Texas Presbyterian Foundation and others: NAV per unit at the end of the last trading day of the calendar year, as valued by the asset manager using a combination of inputs from Levels 1, 2 and 3.

Money market funds: published NAV per unit at the end of the last trading day of the calendar year, which is the basis for transactions at that date.

Equity securities traded on national securities exchanges: closing price on the last business day of the calendar year.

Equity securities traded on the over-the-counter market: last reported bid price, if actively traded.

Open-end mutual funds: published NAV per unit at the end of the last trading day of the calendar year, which is the basis for transactions at that date.

Exchange-traded funds: published closing price on the last business day of the calendar year.

6. The Church has the following endowments or beneficial interests in assets held by others:

- The **Northridge Endowment Fund** was established by the Session with funds not subject to donor restrictions. The fund is governed by the Endowment Policy, adopted by the Session on March 24, 2015. Under the Endowment Policy, up to 5% of the average fund balance as of December 31 for the trailing three years may be expended for the operations and mission of the Church. In 2020, we expended \$7,000 for these purposes and for 2021 we have budgeted \$8,000 for expenditure. The Session may vote to include in the budget more than the formula amount upon a finding that extraordinary circumstances warrant such an expenditure. Expenditures of any amount more than accumulated earnings must be authorized by a vote of at least two-thirds of the Session upon a finding that extraordinary circumstances warrant such an expenditure.

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- The ***Columbarium Fund*** is funded by sales of crypts in the Church's columbarium. Expenditures are restricted to maintenance of the columbarium and to purchase urns and nameplates.
- The ***Music Endowment Fund*** was established by a gift whose earnings are available for the Church's music program. Dividends and interest earned on the fund's assets are transferred to the Music Reserve Fund. Both funds are classified as subject to donor restrictions. Realized and unrealized gains are retained in the Music Endowment Fund.

Under the direction of the Investment Committee, the Church has invested the funds of each endowment in TPF's Balanced Fund. TPF manages its Balanced Fund to meet the needs of endowment funds to generate consistent annual income in perpetuity. Endowment investments also include investments purchased with unspent investment income and net gains on these resources. Endowment investments are reported at fair value with changes to fair value reported as investment return in the statement of activities.

Effective July 1, 2017, the Church became a beneficiary of a one-third interest in the distributions of the Jeanne and Ben Young Benevolent Fund (the "Fund"), which is managed by TPF. We record changes in the value of our interest annually, based upon valuation by TPF, as increases or decreases in principal. The Fund is intended to make distributions in perpetuity. The Church does not have access to fund principal. Accordingly, our beneficial interest is classified in the statement of financial position as designated for long-term purposes. TPF makes quarterly distributions to the Church from the Fund's assets. The purposes designated by the Fund for use of its distributions encompass all the Church's ministries. Accordingly, unexpended distributions are classified as net assets not subject to donor restrictions.

7. In 2020, we loaned \$200,000 to our senior pastor and her husband to enable them to purchase a home in our neighborhood.

Our Session determined that our senior pastor can better serve our congregation by living in our neighborhood. Therefore, on November 6, 2020, we loaned our senior pastor and her husband (the "Borrowers") \$200,000 that they combined with other funds to purchase a home (the "Residence"). Our loan is evidenced by a promissory note (the "Note") and a Loan Agreement and is secured by a deed of trust on the Residence. Our deed is subordinate to the deed held by the senior lender.

To make the loan, we used funds from the Manse Fund. That fund was created by proceeds from sale of a residence that we owned and made available to our pastors. The Session intends to retain funds repaid by the Borrowers in the Manse Fund.

The principal balance of the Note plus accrued interest shall be due and payable in full upon the occurrence of a Triggering Event. Triggering Events as defined in the Loan Agreement include voluntary sale of the Residence, termination of the full-time employment of the senior pastor at the Church, refinancing of our loan or the senior indebtedness if the senior indebtedness is increased, involuntary sale of the property, or an event of default.

The Note bears interest at a stated rate of 10% per annum, subject to the Interest Rate Cap, Floor Interest Rate, and other limitations on interest stated in the Loan Agreement (the

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“Effective Interest Rate”). Within certain limits, the Church and the Borrowers will share net proceeds of a Triggering Event in proportion to the amount loaned and the Borrowers’ Investment, respectively. If the Church’s share of net proceeds is less than \$200,000 plus interest calculated at the minimum permissible Applicable Federal Rate prescribed by the Internal Revenue Service (the “Floor Interest Rate”), the Effective Interest Rate shall be the Floor Interest Rate. Changes in the value of the Residence beginning November 6, 2020, will affect the amount that the Church realizes from this loan. If the value of the Residence does not increase, or declines, it is possible that the Church may realize no interest on the loan or may not realize all loan principal.

Because the timing and amount of interest that we may realize is uncertain, we have not accrued interest on the loan for financial reporting purposes. As of December 31, 2020, our financial statements report the loan at its principal value of \$200,000. We believe that we will realize the amount reported.

8. In 2019, we completed our new Education and Community Center (“ECC”) at a total cost of \$6,266,000.

We began construction in 2018. The building went into service in August 2019. The new ECC contains classrooms, meeting rooms, a café/gathering space, an administrative suite and storage rooms, totaling approximately 21,000 square feet. We paid for construction with offerings from our Called to Grow campaign and a loan from PILP.

9. We are liable to PILP and our real property is encumbered under a note payable to finance construction of the ECC.

The Church borrowed under a Promissory Note due to PILP to finance construction of the ECC. Payment of the note is secured by a Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement mortgaging our land and buildings (the “Property”). The note is guaranteed by Grace Presbytery, Inc. As of December 31, 2020, the outstanding principal balance was \$2,111,002.

The note bears interest at 3.616% per annum. As of December 31, 2020, our minimum monthly payment of principal and interest was \$12,375. On the fifth anniversary date of the note (October 31, 2022), and every fifth anniversary date thereafter, PILP will adjust the interest rate to a new base interest rate reflecting PILP’s then-current cost of funds plus a margin that is generally, but can be greater or smaller than, 3% per annum, as determined by PILP on a consistent basis with respect to loans to other borrowers. PILP will adjust the minimum monthly payment to reflect the new interest rate based upon the re-amortization of the then-current outstanding balance of the note over the remaining term of the note at the new interest rate.

We may make without penalty, and we have made, principal prepayments as we receive offerings for the Called to Grow and Forward by Faith campaigns or from other unrestricted funds. If we make principal payments of \$100,000 or more, we are entitled to request re-amortization of our loan repayment schedule. On January 19, 2021, we made a principal prepayment of \$392,000, and PILP reduced our minimum monthly payment of principal and interest to \$8,976, beginning March 1, 2021.

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The term of the note is 300 months (25 years) from the commencement of the Permanent Loan Phase. The note will accelerate and all principal and interest will become immediately due and payable in the event of:

- A. Default, defined to mean, among other things, failure to make payment of principal or interest within ten days of the date when due, and such failure continues for ten days following notification to the Church;
- B. Termination of use of the Property in accordance with the Constitution of the PCUSA, or transfer sale or lease of the Property without the written approval of PILP and Grace Presbytery; or
- C. Any material events that occur that adversely affect the Church's ability to fulfill its obligations to PILP, including but not limited to 1) fire loss in excess of \$100,000, 2) 10% decrease in the Church's membership that continues for three calendar years; or 3) casualty damage in excess of \$100,000 that is not substantially covered by insurance or financial pledges from the Church's members.

Should payments on the note be 90 days or more past due, interest will be calculated at the Loan Delinquency Rate, defined as 2% above the base construction interest rate or base amortizing interest rate, but no less than 9% per annum.

To fulfill a condition for obtaining the loan, a member of the Church has made a Designated Participating Investment with PILP for the minimum required level of \$200,000. If this investment is not maintained, PILP may, at its option, increase the then-current base interest rate under the note by 1% per annum.

Debt incurred to build the ECC is a significant commitment relative to the financial resources of the Church. We make all payments of principal and interest using funds designated by donors for that purpose through our Called to Grow and Forward by Faith campaigns. As of December 31, 2020, outstanding financial commitments for Called to Grow and Forward by Faith totaled \$485,838. We hold as investments an amount that approximates nine monthly mortgage payments. Therefore, we expect to satisfy our obligations to PILP without diminishing resources available to our Ministries and supporting services.

As of December 31, 2019, our real property was encumbered by a mechanic's lien. In 2020, the lien was removed at no cost to the Church.

10. We provide health, disability and life insurance and retirement benefits to the Church's full-time employees through the Board of Pensions ("BOP") of the PCUSA.

The Church makes contributions to the BOP, which are determined based on a percentage of the participating employee's salary and the amount of an employee's elective contributions. The Church's contributions, which are included in employee benefits in the statement of functional expenses, totaled \$88,468 for the year ended December 31, 2020.

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11. The Church is subject to concentrations of risk.

The Church depends upon offerings of time and money by our members. A relatively small proportion of our members give a significant proportion of our financial offerings. In the United States, membership in the PCUSA and other “mainline” Protestant denominations have declined for decades. Several PCUSA churches have closed in Dallas and in Grace Presbytery in recent years. Should our members reduce or cease their offerings of time and money because of death, economic circumstances, moving away or leaving our congregation, our ability to conduct our ministries could be diminished. We called a permanent Senior Pastor in 2020. We are blessed with a very capable staff and excellent facilities, which we believe will enable us to expand our membership once we resume in-person encounters.

The Session committed to reducing the deficit in our annual operations, with the goal of achieving balance in our operating budget by 2022. Due to an increase in giving outside of pledges and reduced operating costs, we achieved an operating surplus of \$12,877 for 2020. Financial commitments to our 2021 Stewardship campaign total \$820,050, compared to actual offerings of \$750,542 in 2020. The Session has approved an operating budget for 2021 that is in balance; i.e., we expect that sustainable revenues and transfers from investment earnings will equal or exceed expenses.

If PCUSA membership continues to decline, the size of our membership may also be at risk.

The Church’s investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Church’s financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. The Investment Committee believes that the diversification of our invested assets among various asset classes (see note 5) will mitigate the impact of changes in any one class. We transfer from investment earnings to current operations each year amounts that we believe are sustainable over several years. This practice also mitigates the impact of changes in investment performance on the resources available to support our ministries.

12. Following these financial statements are exhibits of supplementary information for current and prior periods to facilitate the reader’s understanding of the Church’s historical activities, which are:

1. Condensed Statements of Activities for the Five Years Ended December 31, 2020
2. Expenses by Natural Categories for the Five Years Ended December 31, 2020

These exhibits are presented as supplementary information and are not required parts of the financial statements. So that they may be condensed, the exhibits do not distinguish changes in net assets subject to and not subject to donor restrictions.

Northridge Presbyterian Church
Condensed Statement of Activities
Five Years Ended December 31, 2020

Exhibit 1

	2020	2019	2018	2017	2016
Offerings, Gains, and Other Revenue					
Offerings					
Offerings Made to Fulfill Pledges	\$2,193,628	\$1,410,921	\$1,335,301	\$1,538,725	\$1,524,531
Offerings Made Outside of Pledges	86,863	135,255	147,206	121,929	222,986
Bequests	-	105,005	564,251	637,229	-
One Dollar Offerings	1,450	2,484	1,762	-	-
Memorial & Honoraria Offerings	6,505	1,965	11,800	5,795	9,000
Donations for Flowers	185	2,229	440	-	-
In-Kind Offerings	-	20,050	429,989	28,182	9,525
Total Offerings	2,288,631	1,677,909	2,490,749	2,331,860	1,766,042
Investment Return	215,602	265,835	2,624	81,903	16,573
Tuition and Payments by Program Participants	116,286	114,401	97,471	101,096	93,998
Other Revenue	5,170	8,205	4,851	18,605	9,805
Total Offerings, Gains, and Other Revenue	\$2,625,689	\$2,066,350	\$2,595,695	\$2,533,464	\$1,886,418
Expenses					
Ministries					
Worship	399,042	401,369	142,760	139,306	147,947
Mission	355,646	387,322	257,762	254,437	296,402
Spiritual Formation	200,288	265,016	119,000	117,766	125,866
Congregational Care and Fellowship	164,179	152,663	13,401	18,751	12,553
Pastoral Care and Leadership (a)	-	-	230,630	250,293	252,814
Total Ministries	1,119,155	1,206,370	763,553	780,553	835,582
General, Administrative, and Fundraising	265,296	223,819	162,721	136,750	191,479
Staff Indirect Costs (a)	-	-	26,161	24,373	27,014
Property (a)	-	-	224,177	634,618	246,435
Total Expenses	1,384,451	1,430,189	1,176,612	1,576,294	1,300,510
Change in Net Assets	\$1,241,238	\$ 636,161	\$1,419,083	\$ 957,170	\$ 585,908

Note:

(a) Beginning January 1, 2019, all costs were allocated to ministries and supporting services. We do not have all of the information that would be necessary to fully allocate indirect costs prior to 2019. Therefore, expenses before and after January 1, 2019, are not fully comparable.

Northridge Presbyterian Church
Expenses by Natural Categories
Five Years Ended December 31, 2020

Exhibit 2

	2020	2019	2018	2017	2016
Expenses					
Expenses Requiring Outlays of Cash					
Employee Compensation and Benefits	\$ 519,543	\$ 600,506	\$ 608,833	\$ 619,645	\$ 647,848
Donations to Mission Partners and Scholarships	141,523	138,320	130,629	149,818	171,008
Duplication and Printing	12,996	13,840	8,739	9,513	11,744
Insurance	36,563	36,261	32,484	30,264	29,878
Professional Services	64,070	97,571	42,864	31,557	62,785
Repairs, Maintenance & Landscaping	77,869	148,493	75,684	70,143	81,541
Supplies	40,069	66,388	57,511	58,680	58,238
Telecommunications and Technology	34,957	19,643	16,597	17,776	18,240
Transportation, Lodging and Meals	2,775	25,795	20,529	18,599	59,755
Utilities	47,744	32,429	38,283	48,938	42,511
Other	16,842	15,922	20,809	21,891	16,740
Rent	765	16,650	32,831	15,551	-
Interest	110,485	46,649	-	-	-
Subtotal Expenses Requiring Outlays of Cash	1,106,201	1,258,467	1,085,793	1,092,375	1,200,288
Depreciation Expense	278,250	171,722	90,819	100,216	100,222
Abandonment of Fixed Assets	-	-	-	383,703	-
Total Expenses	\$ 1,384,451	\$ 1,430,189	\$ 1,176,612	\$ 1,576,294	\$ 1,300,510
As Percentages of Expenses Requiring Outlays of Cash					
Employee Compensation and Benefits	47%	48%	56%	57%	54%
Donations to Mission Partners and Scholarships	13%	11%	12%	14%	14%
Duplication and Printing	1%	1%	1%	1%	1%
Insurance	3%	3%	3%	3%	2%
Professional Services	6%	8%	4%	3%	5%
Repairs, Maintenance & Landscaping	7%	12%	7%	6%	7%
Supplies	4%	5%	5%	5%	5%
Telecommunications and Technology	3%	2%	2%	2%	2%
Transportation, Lodging and Meals	0%	2%	2%	2%	5%
Utilities	4%	3%	4%	4%	4%
Other	2%	1%	2%	2%	1%
Rent	0%	1%	3%	1%	0%
Interest	10%	4%	0%	0%	0%
Total As Percentages of Expenses Requiring Outlays of Cash	100%	100%	100%	100%	100%