

**NATIONAL CAPITAL PRESBYTERY AND
NATIONAL CAPITAL PRESBYTERY, INC.**

COMBINED FINANCIAL REPORT

DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
National Capital Presbytery and
National Capital Presbytery, Inc.
Rockville, Maryland

We have audited the accompanying combined financial statements of National Capital Presbytery (a nonprofit organization) and National Capital Presbytery, Inc. (a nonprofit corporation) (the Organizations), which comprise the combined statements of financial position – modified cash basis as of December 31, 2020 and 2019 and the related combined statements of activities – modified cash basis and cash flows – modified cash basis for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with the modified cash basis of accounting; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of National Capital Presbytery and National Capital Presbytery, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with the modified cash basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the combined financial statements, which describes the basis of accounting. The combined financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other – Matter

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The schedule of secondary and contingent liabilities on page 21 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Anderson, Davis & Associates, CPA

Glen Burnie, Maryland
June 2, 2021

NATIONAL CAPITAL PRESBYTERY AND NATIONAL CAPITAL PRESBYTERY, INC.

Combined Statements of Financial Position - Modified Cash Basis

December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 1,841,392	\$ 3,155,871
Investments	17,559,789	15,689,623
Ministry Crisis Fund loans receivable	13,208	13,208
Notes receivable - churches	166,453	198,018
PC USA Grants	14,300	14,300
Grant/Loan	20,000	20,000
Other assets	13,227	12,227
Land	26,341	26,341
TOTAL ASSETS	<u>\$ 19,654,710</u>	<u>\$ 19,129,588</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Funds held for congregations (Note 9)	\$ 8,754,571	\$ 8,273,061
Funds held for others	99,956	71,851
Paycheck Protection Program loan	171,358	-
TOTAL LIABILITIES	<u>9,025,885</u>	<u>8,344,912</u>
Secondary and contingent liabilities (Note 10)		
NET ASSETS		
Without donor restrictions:		
Operations	2,376,931	3,894,022
Designated	7,840,485	6,548,681
Net investment in fixed assets	26,341	26,341
Total net assets without donor restrictions	<u>10,243,757</u>	<u>10,469,044</u>
With donor restrictions	<u>385,068</u>	<u>315,632</u>
TOTAL NET ASSETS	<u>10,628,825</u>	<u>10,784,676</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 19,654,710</u>	<u>\$ 19,129,588</u>

See Independent Auditor's Report and the Notes to the Combined Financial Statements.

NATIONAL CAPITAL PRESBYTERY AND NATIONAL CAPITAL PRESBYTERY, INC.

Combined Statements of Activities - Modified Cash Basis

For the Years Ended December 31, 2020 and 2019

	2020		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenues, gains and other support			
Per capita - net of General Assembly and Synod payments of \$271,922 and \$276,899	\$ 776,025	\$ -	\$ 776,025
Per capita - prior years	15,468	-	15,468
Unified giving - net of General Assembly and Presbytery Leader Formation payments of \$58,022 and \$72,584	433,036	-	433,036
Other contributions, net of General Assembly and Synod payments of \$242,736 and \$308,542	225,270	59,112	284,382
Investment gain, net	141,993	30,307	172,300
Property sales and miscellaneous	76,704	-	76,704
Net assets released from restrictions:			
Satisfaction of restrictions - program	19,983	(19,983)	-
Total revenues, gains and other support	<u>1,688,479</u>	<u>69,436</u>	<u>1,757,915</u>
Expenses and losses			
Program - Mission			
Salaries, benefits, and payroll taxes	170,250	-	170,250
Church development	224,967	-	224,967
Designated missions	110,348	-	110,348
Mission interpretation and coordination	244,283	-	244,283
Restricted missions	19,983	-	19,983
Congregation support	5,230	-	5,230
Resources/Council	48,254	-	48,254
Centreville Mission Agreement	-	-	-
	<u>823,315</u>	<u>-</u>	<u>823,315</u>
Management and general			
Salaries, benefits, and payroll taxes	633,858	-	633,858
Rent	114,228	-	114,228
Office	99,863	-	99,863
Presbytery operations	26,930	-	26,930
Bad debt expense	-	-	-
Designated operating	151,117	-	151,117
Professional fees	13,072	-	13,072
Preparation for Ministry/Committee on Ministry	27,132	-	27,132
Presbytery resources	313	-	313
Maintenance - properties	23,938	-	23,938
	<u>1,090,451</u>	<u>-</u>	<u>1,090,451</u>
Fundraising	-	-	-
Total expenses and losses	<u>1,913,766</u>	<u>-</u>	<u>1,913,766</u>
Change in net assets	(225,287)	69,436	(155,851)
Net assets, beginning of year	<u>10,469,044</u>	<u>315,632</u>	<u>10,784,676</u>
Net assets, end of year	<u>\$ 10,243,757</u>	<u>\$ 385,068</u>	<u>\$ 10,628,825</u>

2019		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 822,930	\$ -	\$ 822,930
29,878	-	29,878
480,706	-	480,706
207,091	23,413	230,504
744,170	1,358	745,528
707,509	-	707,509
129,663	(129,663)	-
<u>3,121,947</u>	<u>(104,892)</u>	<u>3,017,055</u>
181,852	-	181,852
365,747	-	365,747
146,797	-	146,797
245,748	-	245,748
33,010	-	33,010
6,150	-	6,150
49,102	-	49,102
45,000	-	45,000
<u>1,073,406</u>	<u>-</u>	<u>1,073,406</u>
652,538	-	652,538
170,378	-	170,378
108,763	-	108,763
60,589	-	60,589
45,561	-	45,561
41,264	-	41,264
12,217	-	12,217
28,385	-	28,385
2,142	-	2,142
92,734	-	92,734
<u>1,214,571</u>	<u>-</u>	<u>1,214,571</u>
-	-	-
<u>2,287,977</u>	<u>-</u>	<u>2,287,977</u>
833,970	(104,892)	729,078
<u>9,635,074</u>	<u>420,524</u>	<u>10,055,598</u>
<u>\$ 10,469,044</u>	<u>\$ 315,632</u>	<u>\$ 10,784,676</u>

See Independent Auditor's Report and the Notes to the Combined Financial Statements.

NATIONAL CAPITAL PRESBYTERY AND NATIONAL CAPITAL PRESBYTERY, INC.

Combined Statements of Cash Flows - Modified Cash Basis

For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (155,851)	\$ 729,078
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized loss (gain) on sale of investments	233,318	(22,930)
Unrealized gain on investments	(118,341)	(369,894)
Changes in assets and liabilities:		
Decrease (Increase) in:		
Mission program loans receivable	-	45,560
Notes receivable - churches	31,565	(9,635)
Other assets	(1,000)	(375)
Increase in:		
Funds held for others	28,105	25,676
Funds held for congregations	481,510	150,046
Net cash provided by operating activities	<u>499,306</u>	<u>547,526</u>
Cash Flows From Investing Activities		
Proceeds from sale of investments	3,619,315	3,585,071
Purchases of investments	<u>(5,604,458)</u>	<u>(3,327,642)</u>
Net cash (used in) provided by investing activities	<u>(1,985,143)</u>	<u>257,429</u>
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program loan	<u>171,358</u>	-
Net cash provided by financing activities	<u>171,358</u>	-
Net (decrease) increase in cash and cash equivalents	(1,314,479)	804,955
Cash and cash equivalents, beginning of year	<u>3,155,871</u>	<u>2,350,916</u>
Cash and cash equivalents, end of year	<u>\$ 1,841,392</u>	<u>\$ 3,155,871</u>
<u>Supplemental Data</u>		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report and the Notes to the Combined Financial Statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1. ORGANIZATION AND PURPOSE

National Capital Presbytery (the Presbytery), an unincorporated ecclesiastical association, is an official judicatory of the Presbyterian Church (U.S.A.) [PC(U.S.A.)]. The Presbytery's main sources of revenue are contributions and per capita receipts from churches.

National Capital Presbytery, Inc. (the Corporation) was incorporated as a non-profit organization in the District of Columbia, principally to hold title to real property and other assets, to guarantee loans, and to engage in other financial matters at the instruction of the National Capital Presbytery. The Corporation's primary sources of revenue are interest and dividends on loans and investments.

All property of National Capital Presbytery and/or National Capital Presbytery, Inc. is held in trust for the use and benefit of the Presbyterian Church (USA). In the event of the dissolution of the Presbytery, ownership of all of its property conveys to the General Assembly of the Presbyterian Church (USA).

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are presented on a modified cash basis of accounting. Revenue and the related assets are generally recognized when received rather than when earned and expenses are generally recognized when paid rather than when the obligation is incurred. Transactions involving changes in the fair value of investments are recognized in the period in which they occur. However, the Presbytery and Corporation do record the following modifications to the cash basis of accounting:

- Cost of land and equipment is capitalized and equipment is depreciated.
- Investments are carried at fair market value.
- Funds advanced to employees and member churches are carried as assets until repaid.
- Loan payments advanced for churches are carried net of estimated allowance for potential uncollectible advances.
- Amounts received from sale of church properties when the congregation still exists are held as liabilities until repaid to the congregation or the congregation dissolves.

Basis of Presentation

The Organizations follow the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14 — *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 are the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organizations. These net assets may be used at the discretion of the Organizations' management and Board of Directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organizations or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments consist of money market accounts, marketable securities, common and preferred stock, mutual funds, corporate bonds, exchange traded funds and alternative investments. At December 31, 2020 and 2019, the investments are recorded at fair value. Any change in market value, whether realized or unrealized, is recognized in the statement of activities in the period the change occurs. Investment expenses are net with investment income and losses.

Market value risk

The Organizations also invests funds in a professionally managed portfolio. Such investments are exposed to market and credit risks. The Organizations’ investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio’s value during subsequent periods.

Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingencies, if any, at the date of the financial statements and revenue and expenses during the reporting period. Actual results may differ from these estimates.

Cash and Cash Equivalents

The Presbytery and the Corporation consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

The following summarizes the Organizations’ cash, as of December 31, 2020, which is not federally insured or is in excess of federally insured limits, none of which is specifically collateralized:

Cash, in excess, in federally chartered bank: \$ 1,591,243

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis and most expense categories are recorded directly, without significant allocation.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries, benefits, and payroll taxes	Time and effort

Revenue

The principal revenue of the Presbytery is assessment fees and benevolence giving from congregations, and contributions from agencies of the PC (U.S.A.). Grants and contributions restricted to a specific purpose by the donor are recorded as net assets with donor restrictions until expended for that purpose. The principal revenue of the Corporation is interest and dividends and contributions.

Miscellaneous Revenue

At times, miscellaneous revenue consists of sale of church property proceeds.

Secondary and Contingent Liabilities

For secondary and contingent liabilities, the Corporation essentially serves as conduit or a guarantor between various borrowers and lenders. Borrowers are churches within the bounds of the National Capital Presbytery, and the Corporation guarantees and/or acts as a cosigner for these loans in keeping with its stated purpose.

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organizations are exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organizations have processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organizations have determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

All years in the Organizations' history remain open to examination by federal and state authorities due to management of the Organizations deeming no information return needs to be filed, as churches are exempt from the reporting requirement.

Revenue Recognition

In 2014, the Financial Accounting Standards Board released Accounting Standards Update (ASU) 2014-09 - *Revenue from Contracts with Customers* (Topic 606). This update is effective for periods beginning after December 15, 2018 and is meant to improve revenue recognition and disclosure by removing inconsistencies, improving comparability, and providing an updated framework for recognizing revenue. As the Organizations operate on a modified cash basis, this update does not apply and management has chosen not to implement it in the accounting process.

Ministry Crisis Fund Loans Receivable

Mission Program loans receivable consist of loans to ministers and their families through Ministry Crisis Fund programs. These are non-interest or low-interest bearing loans made to ministers and their families in financial difficulty. At December 31, 2020 and 2019, there was one loan in the amount of \$13,208. This loan bears no interest.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Church groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Other observable inputs, either directly or indirectly, including:
 - Quoted prices for similar assets/liabilities in active markets;
 - Quoted prices for identical or similar assets in non-active markets;
 - Inputs other than quoted prices that are observable for the asset/liability; and,
 - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

Subsequent Events

In preparing these financial statements, the Presbytery and Corporation have evaluated events and transactions for potential recognition or disclosure through June 2, 2021, the date that the financial statements were available to be issued.

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 3. AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The following reflects the Organizations' financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for long-term investing in the quasi-endowment that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted endowment or quasi-endowment for general expenditure within one year of the statement of financial position date have not been subtracted as unavailable.

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,841,392	\$ 3,155,871
Investments	17,559,789	15,689,623
Total financial assets at year-end:	19,401,181	18,845,494
Less amounts not available to be used within one year:		
Contractual or donor-imposed restrictions:		
Funds held for congregations	(8,754,571)	(8,273,061)
Funds held for others	(99,956)	(71,851)
Investments held in perpetuity - endowment	(64,645)	(64,645)
Restricted by donor with time or purpose restrictions	(320,423)	(250,987)
Board Designations:		
Quasi-endowment fund, primarily for long-term investing	(7,840,485)	(6,548,681)
Financial assets available to meet cash needs for general expenditure within one year	\$ 2,321,101	\$ 3,636,269

The Organizations' goal is generally to maintain financial assets to meet one year of operating expenses (approximately \$2 million). In addition to financial assets available to meet general expenditures over the next 12 months, the Organizations operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

Note 4. INVESTMENTS

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statement of financial position, and changes in fair value are reported as investment return in the statement of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statement of activities in the period in which the securities are sold. Interest and dividends are recorded when earned.

Assets measured at fair value on a recurring basis at December 31, 2020 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money markets	\$ 1,804,438	\$ 1,804,438	\$ -	\$ -
Common stock	4,025,764	4,025,764	-	-
Exchange traded funds	4,352,816	4,352,816	-	-
Bond funds	2,393,497	2,393,497	-	-
Corporate bonds	4,174,448	-	4,174,448	-
Real estate investment trusts	199,791	199,791	-	-
Preferred securities	609,035	-	609,035	-
	\$ 17,559,789	\$ 12,776,306	\$ 4,783,483	\$ -

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 4. INVESTMENTS (continued)

Assets measured at fair value on a recurring basis at December 31, 2019 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money markets	\$ 685,730	\$ 685,730	\$ -	\$ -
Common stock	7,406,796	7,406,796	-	-
Exchange traded funds	603,384	603,384	-	-
Corporate bonds	5,725,178	-	5,725,178	-
Real estate investment trusts	444,210	444,210	-	-
Preferred securities	824,325	-	824,325	-
	\$ 15,689,623	\$ 9,140,120	\$ 6,549,503	\$ -

Financial instruments classified as Level 3 in the fair value hierarchy represent the Organizations' investments in non-derivative hedge funds, which include investment partnerships, with an objective to obtain a greater return on investment than non-hedge funds. Management liquidated these investments during the year ended December 31, 2019. The following table presents a reconciliation of the activity of these funds:

Balance, December 31, 2018	\$ 248,924
Net 2019 withdrawals	(194,824)
Net 2019 realized/unrealized loss	(54,100)
Balance, December 31, 2019	-

Net investment income (loss) for the year ended December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Interest and dividend income, net of fees of \$50,529 and \$52,499	\$ 287,277	\$ 352,704
Realized (loss) gain on investments	(233,318)	22,930
Unrealized gain on investments	118,341	369,894
	\$ 172,300	\$ 745,528

Note 5. NOTES RECEIVABLE – CHURCHES

During 2014, the Corporation entered into a note receivable with Northminster Presbyterian Church. The original balance of the note was \$255,000 and had a maturity date of May 1, 2024. This is a noninterest bearing note. However, if the note is not repaid by the maturity date, the interest rate will be reevaluated by the NCP Leadership Council. The balance of this note receivable was \$97,750 and \$108,375 at December 31, 2020 and 2019, respectively. Management believes the full amount is collectible, thus no allowance for potentially uncollectible note receivable has been recorded. During the year ended December 31, 2020, the Organizations' Leadership Council agreed to defer the loan payments for twelve months due to the impact of COVID-19 (Note 16).

During 2018, the Corporation entered into a note receivable with Garden Memorial Presbyterian Church. The original balance of the note was \$55,328 and matures in April 2032. This is a noninterest bearing note. However, if the note is not repaid by the maturity date, the interest rate will be reevaluated by the NCP Leadership Council. The balance of this note receivable was \$45,203 and \$48,643 at December 31, 2020 and 2019, respectively. Management believes the full amount is collectible, thus no allowance for potentially uncollectible note receivable has been recorded.

During 2019, the corporation entered into a note receivable with Ebenezer Presbyterian Church. The original balance of the note was \$50,000 and matures May 31, 2025. This is a noninterest bearing note. However, if the note is not repaid by the maturity date, the interest rate will be reevaluated by the NCP Leadership Council. The balance of this note receivable was \$23,500 and \$41,000 at December 31, 2020 and 2019, respectively. Management believes the full amount is collectible, thus no allowance for potentially uncollectible note receivable has been recorded.

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6. **LAND**

Land and equipment are recorded at cost. The Organizations capitalize fixed asset costs for items greater than \$5,000. Repairs and maintenance, which do not extend the useful life of an asset, are recorded as an expense in the year incurred. Depreciation is provided on the straight-line method over the estimated useful life of the assets. The Organizations use an estimated useful life of 3-10 years for vehicles and equipment.

The Corporation holds title to the land and buildings of approximately one-third of the Presbyterian Churches within the bounds of the Presbytery. Under the provisions of the constitution of the Presbyterian Church (U.S.A.), the Corporation retains control of all PC(U.S.A.) church properties within the bounds of the Presbytery in the event of a church failure.

The Presbytery receives revenue upon the sale of any such property. The value of the properties for which title is held is not reflected in the financial statements, since a congregation is expected to reimburse the Corporation for the costs of acquiring its church property. Thus, the Corporation's cost of purchasing land and buildings is shown as advances or receivables until full reimbursement has been received from the congregation.

At December 31, 2020 and 2019 land was comprised of the following:

	<u>2020</u>	<u>2019</u>
Land – Oxon Hill, MD	\$ 26,341	\$ 26,341

There was no depreciation expense for the years ended December 31, 2020 and 2019. The land is comprised of an undeveloped lot adjacent to Southminster Presbyterian Church in Oxon Hill, MD.

Note 7. **CEMETERY LAND**

From time to time, the Corporation receives contributions of cemetery plots. Twenty-two cemetery plots were held at December 31, 2020 and 2019. The plots were located in various locations in Virginia and Maryland, and the Corporation will donate a plot to an individual at the request of a church. The plots have minimal value and are not reflected as assets on the statement of financial position.

Note 8. **TITLE OF MEMBER CHURCHES HELD BY CORPORATION**

The Presbytery owns the land leased on a long-term basis to Chesterbrook Residences in Falls Church, Virginia.

Note 9. **FUNDS HELD FOR CONGREGATIONS**

The net proceeds from the sale of Riverdale Presbyterian Church in University Park, Maryland and Arlington Presbyterian Church in Arlington, Virginia are held in custodial funds for the benefit of the congregations under a policy approved by the Presbytery. These funds of approximately \$8.8 million and \$8.3 million at December 31, 2020 and 2019, respectively, are reflected in Investments assets, Cash, and Funds Held for Congregations and represent all gains and losses activities related to these investments. Any withdrawal from the custodian fund (1) must be initiated and approved by the congregation's Session and (2) must receive the concurrence of the Presbytery Leadership Council.

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 10. SECONDARY AND CONTINGENT LIABILITIES

At December 31, 2020 and 2019, the Corporation was secondarily or contingently liable for \$12,037,524 and \$9,647,185, respectively, in connection with grants and loans, which it has guaranteed or endorsed. For each of these obligations, repayment is primarily the responsibility of the borrower. Following is a summary of these obligations at December 31,:

	<u>2020</u>	<u>2019</u>
PC(U.S.A.) loans	\$ 6,886,690	\$ 3,854,267
PC(U.S.A.) grants	14,300	14,300
Grant loan – United Church of Christ	20,000	20,000
Commercial loans	5,116,534	5,758,618
	<u>\$ 12,037,524</u>	<u>\$ 9,647,185</u>

PC(U.S.A.) loans represent loans made to churches by the General Assembly. The churches bear responsibility for loan repayment. These loans bear interest from 2.50% to 4.35% with varying repayment terms.

PC(U.S.A.) grants represent monies given to churches by the General Assembly. Repayment of grants is only required if a church is abandoned or dissolved or ceases to be a member of the denomination. Acknowledgement of the grants is requested from the churches annually.

Grant loan from United Church of Christ represents a loan to United Parish of Bowie, which is guaranteed by the Corporation. This loan bears no interest as long as the terms of the promissory note are met. Otherwise, the interest rate becomes 7%.

Commercial loans are loans to churches from commercial banks and mortgage companies which are guaranteed by the Corporation. These loans bear interest from 4.00% to 5.50% and are due at various times through 2028.

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11. DESIGNATION OF NET ASSETS WITHOUT DONOR RESTRICTIONS

Management of the Organizations has designated amounts of net assets without donor restrictions, which are set aside for particular programs. The balances are as follows:

	Designated Assets 12/31/2019	Additions	Uses	Designated Assets 12/31/2020
<u>Mission Programs</u>				
Resource				
Educator's Group	\$ 1,614	\$ 40	\$ 600	\$ 1,054
	<u>1,614</u>	<u>40</u>	<u>600</u>	<u>1,054</u>
Presbytery Resource and Council				
NCP Youth Scholarship	2,392	-	-	2,392
	<u>2,392</u>	<u>-</u>	<u>-</u>	<u>2,392</u>
Young Adult Volunteer	39,515	94,295	109,748	24,062
SDOP – Church Seller Project	-	17,000	-	17,000
Mission Reserve	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Total Mission Programs	<u>193,521</u>	<u>111,335</u>	<u>110,348</u>	<u>194,508</u>
<u>Operations</u>				
Office				
Pass Through account	63,632	84,419	128,755	19,296
NCP Sponsored events	2,456	-	-	2,456
Calm to the Waves	1,400	16,273	17,673	-
Transitional CDC & Mission Contingency	53	2,803	240	2,616
Contingency General Presbyter	25	2,840	2,449	416
	<u>67,566</u>	<u>106,335</u>	<u>149,117</u>	<u>24,784</u>
COM & CPM				
Ordination – CPM Scholarships	4,899	2,186	-	7,085
Colleague Groups	1,897	600	2,000	497
Pre-Retirement Seminar	19	-	-	19
	<u>6,815</u>	<u>2,786</u>	<u>2,000</u>	<u>7,601</u>
Total Operations	<u>74,381</u>	<u>109,121</u>	<u>151,117</u>	<u>32,385</u>
<u>Investments – quasi-endowment</u>	<u>6,280,779</u>	<u>1,821,240</u>	<u>488,427</u>	<u>7,613,592</u>
Total designated net assets without donor restrictions	<u>\$ 6,548,681</u>	<u>\$ 2,041,696</u>	<u>\$ 749,892</u>	<u>\$ 7,840,485</u>

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11. DESIGNATION OF NET ASSETS WITHOUT DONOR RESTRICTIONS (continued)

	Designated Assets 12/31/2018	Additions	Uses	Designated Assets 12/31/2019
<u>Mission Programs</u>				
Resource				
Educator's Group	\$ 1,614	\$ -	\$ -	\$ 1,614
	<u>1,614</u>	<u>-</u>	<u>-</u>	<u>1,614</u>
Presbytery Resource and Council				
Youth Triennium	67	8,849	8,916	-
NCP Youth Scholarship	3,500	3,260	4,368	2,392
	<u>3,567</u>	<u>12,109</u>	<u>13,284</u>	<u>2,392</u>
Young Adult Volunteer	68,553	104,292	133,330	39,515
Mission Reserve	150,000	-	-	150,000
	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Total Mission Programs	<u>223,734</u>	<u>116,401</u>	<u>146,614</u>	<u>193,521</u>
<u>Operations</u>				
Office				
Pass Through account	15,863	67,533	19,764	63,632
NCP Sponsored events	2,456	-	-	2,456
Calm to the Waves	2,650	17,643	18,893	1,400
Transitional CDC & Mission Contingency	-	200	147	53
Contingency General Presbyter	-	625	600	25
	<u>20,969</u>	<u>86,001</u>	<u>39,404</u>	<u>67,566</u>
COM & CPM				
Ordination – CPM Scholarships	1,409	3,490	-	4,899
Colleague Groups	2,557	1,200	1,860	1,897
Pre-Retirement Seminar	19	-	-	19
	<u>3,985</u>	<u>4,690</u>	<u>1,860</u>	<u>6,815</u>
Total Operations	<u>24,954</u>	<u>90,691</u>	<u>41,264</u>	<u>74,381</u>
<u>Investments – quasi-endowment</u>	<u>6,177,964</u>	<u>672,856</u>	<u>570,041</u>	<u>6,280,779</u>
Total designated net assets without donor restrictions	<u>\$ 6,426,652</u>	<u>\$ 879,948</u>	<u>\$ 757,919</u>	<u>\$ 6,548,681</u>

Note 12. NET ASSETS WITH DONOR RESTRICTIONS

To ensure observance of limitations and restrictions placed on the use of resources available to the Organizations, net assets with donor restrictions of the Organizations are accounted for as follows:

Net assets with donor restrictions include three types of funds: (1) donations given to the Presbytery for a specified purpose, for which principal is to be spent (i.e., are not to be managed as endowments), (2) income funds that hold the dividends, interest and capital gains earned from perpetual endowment funds, and (3) donations given to the Presbytery that must be maintained in perpetuity (i.e., that the fund be managed as a perpetual endowment). The annual spending amount for each endowment is taken out of that endowment's income fund.

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 12. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Restricted for a Specific Purpose

- **Emma P. Grandin Memorial Fund.** This is a revolving loan fund established to provide short-term capital loans up to \$20,000 to congregations for a period of up to three years.
- **Ministry Crisis Fund.** The Ministry Crisis Fund is a longstanding financial resource which provides emergency assistance to ministers and/or their families when other resources are not sufficient. The fund is operated by Committee on Ministry. Income is primarily from the offering taken at all installation services. Assistance is provided in the form of grants or loans; where a loan is provided, ordinarily a promissory note is required.
- **Commission on Preparation for Ministry Scholarship Fund.** Monies in this fund have been given by individuals and churches for seminary scholarships by direct giving and by the offering taken at ordination services.
- **John R. Bovard Memorial Scholarship Endowment Fund.** The income earned is used to assist students under care as Inquirers or Candidates in preparing for a church vocation.
- **Garden Endowment Fund.** This fund was established to help deserving and less fortunate people start gardens for their own table and canning use and to provide financial assistance to other religious and charitable organizations in starting similar endowment funds.
- **Robert and Marie Moravetz Memorial Endowment Fund.** This fund was established to support NCP programs in creative and experimental ministries. The income from this fund is included in Church Development revenue below.

Restricted in Perpetuity

- **George W. Toland Scholarship Endowment Fund.** This fund is used to assist in the education of a young person studying at a Presbyterian college or presbytery-approved seminary to become a minister.
- **General Scholarship Endowment Fund.** The income from this fund is used to provide scholarships to candidates and inquirers of National Capital Presbytery.

The John R. Bovard, Garden, and Robert and Marie Moravetz endowment funds are not reflected under restricted in perpetuity funds because the principal is invested with and managed by PC(USA).

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 12. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions were as follows for the year ended December 31, 2020:

	Net Assets With Donor Restrictions 12/31/2019	Revenues, Losses and Contributions	Released From Restrictions	Net Assets With Donor Restrictions 12/31/2020
<u>Restricted for a Specific Purpose:</u>				
<u>Mission Programs</u>				
Church Development				
Church Development	\$ 3,613	\$ 876	\$ -	\$ 4,489
NWC - Germantown	4,686	-	2,433	2,253
NWC - Brazilian Bible Church	-	7,500	7,500	-
NWC - Earth and Hands	-	7,500	-	7,500
NWC - Riverdale	-	10,000	-	10,000
NWC - Clarksburg	-	18,943	-	18,943
Well Grant [PC(U.S.A.)]	27,800	-	-	27,800
	<u>36,099</u>	<u>44,819</u>	<u>9,933</u>	<u>70,985</u>
MCC				
Cents Ability	3,957	1,000	-	4,957
Peacemaking Committee	28,413	2,293	-	30,706
Disaster Assistance	3,110	-	-	3,110
	<u>35,480</u>	<u>3,293</u>	<u>-</u>	<u>38,773</u>
Presbytery Resource and Council				
Pentecost Offerings	5,354	-	-	5,354
Anti-Racism Projects	3,574	-	-	3,574
Dismantling Racism Team	-	11,000	-	11,000
	<u>8,928</u>	<u>11,000</u>	<u>-</u>	<u>19,928</u>
Total Mission Programs	<u>80,507</u>	<u>59,112</u>	<u>9,933</u>	<u>129,686</u>
<u>Operations</u>				
COM and CPM				
Ministry Crisis Fund	65,268	5,171	10,050	60,389
Other Operating Funds				
Grandin Endowment Fund	91,577	21,534	-	113,111
Toland Scholarship Fund	845	148	-	993
Bovard Scholarship Fund	84	1,176	-	1,260
Garden Endowment Fund	6,369	1,223	-	7,592
General Scholarships	6,337	1,055	-	7,392
	<u>105,212</u>	<u>25,136</u>	<u>-</u>	<u>130,348</u>
Total Operations	<u>170,480</u>	<u>30,307</u>	<u>10,050</u>	<u>190,737</u>
<u>Restricted in Perpetuity:</u>				
Endowment				
Toland Scholarship Fund	8,000	-	-	8,000
General Scholarship Fund	56,645	-	-	56,645
Total Endowment	<u>64,645</u>	<u>-</u>	<u>-</u>	<u>64,645</u>
Net assets with donor restrictions	<u>\$ 315,632</u>	<u>\$ 89,419</u>	<u>\$ 19,983</u>	<u>\$ 385,068</u>

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 12. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions were as follows for the year ended December 31, 2019:

	Net Assets With Donor Restrictions 12/31/2018	Revenues, Losses and Contributions	Released From Restrictions	Net Assets With Donor Restrictions 12/31/2019
<u>Restricted for a Specific Purpose:</u>				
<u>Mission Programs</u>				
Church Development				
Church Development	\$ 52,348	\$ 2,175	\$ 50,910	\$ 3,613
NWC – Germantown	-	7,500	2,814	4,686
Well Grant [PC(U.S.A.)]	25,483	2,500	183	27,800
	<u>77,831</u>	<u>12,175</u>	<u>53,907</u>	<u>36,099</u>
MCC				
Cents Ability	9,550	207	5,800	3,957
Peacemaking Committee	26,189	2,224	-	28,413
Disaster Assistance	746	3,364	1,000	3,110
	<u>36,485</u>	<u>5,795</u>	<u>6,800</u>	<u>35,480</u>
Presbytery Resource and Council				
Pentecost Offerings	5,354	-	-	5,354
Anti-Racism Projects	3,574	-	-	3,574
	<u>8,928</u>	<u>-</u>	<u>-</u>	<u>8,928</u>
Total Mission Programs	<u>123,244</u>	<u>17,970</u>	<u>60,707</u>	<u>80,507</u>
<u>Operations</u>				
COM and CPM				
Ministry Crisis Fund	128,782	5,442	68,956	65,268
Other Operating Funds				
Grandin Endowment Fund	98,552	(6,975)	-	91,577
Toland Scholarship Fund	(309)	1,154	-	845
Bovard Scholarship Fund	73	11	-	84
Garden Endowment Fund	5,537	832	-	6,369
General Scholarships	-	6,337	-	6,337
	<u>103,853</u>	<u>1,359</u>	<u>-</u>	<u>105,212</u>
Total Operations	<u>232,635</u>	<u>6,801</u>	<u>68,956</u>	<u>170,480</u>
<u>Restricted in Perpetuity:</u>				
Endowment				
Toland Scholarship Fund	8,000	-	-	8,000
General Scholarship Fund	56,645	-	-	56,645
	<u>64,645</u>	<u>-</u>	<u>-</u>	<u>64,645</u>
Total Endowment	<u>64,645</u>	<u>-</u>	<u>-</u>	<u>64,645</u>
Net assets with donor restrictions	<u>\$ 420,524</u>	<u>\$ 24,771</u>	<u>\$ 129,663</u>	<u>\$ 315,632</u>

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 13. LEASES

During 2017, the Organizations leased a new copier which is treated as an operating lease. The loan term is 60 months and requires monthly payments of \$788. During 2018, the Organizations leased a new phone system which is treated as an operating lease. The lease term is 36 months and requires monthly payments of \$327. During 2019, the Organizations entered into an agreement to lease residential property for the YAV program for a period of two years. The lease requires monthly payments of \$2,678. The future lease payments for these leases are combined below with the office space lease payments.

During 2019, the Organizations amended the lease for the Organizations' office space. The amended lease expires on December 31, 2024. Payments of \$9,323 are due each month for the first year, and will increase by 3% each year on the lease anniversary date. The lease contains one option to renew for an additional five years. Total rent expense for 2020 and 2019 was \$114,228 and \$170,378, respectively.

As of December 31, 2020, future required lease payments are:

2021	\$	142,665
2022	\$	123,704
2023	\$	122,547
2024	\$	126,224

Note 14. RETIREMENT BENEFITS

The Organizations provide retirement benefits for their staff under contributory defined contribution plans administered by the Board of Pensions of the Presbyterian Church (U.S.A.). All eligible employees of the Presbytery and Corporation are entitled to benefits under at least one of these plans. Annual costs are funded by contributions to the respective plans. The total cost under these plans for 2020 and 2019 was \$53,505 and \$48,088, respectively.

Note 15. ENDOWMENT FUNDS

Interpretation of Relevant Law

The Organizations classify as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the Organizations consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the organization and the donor-restricted endowment fund
- 3) General endowment conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organizations
- 7) The investment policies of the Organizations.

From time to time, the fair value of assets associate with individual donor-restricted endowment funds may fall below the level that current law or donors require the Organizations to retain for a fund of perpetual duration. The Organization has two donor-restricted endowment funds, which together have an original gift value of \$64,645. At December 31, 2020, the fair value of the funds was \$73,030. At December 31, 2019, the funds had a fair value of \$71,827.

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 15. ENDOWMENT FUNDS (continued)

Investment Policies

The basic investment objective is to achieve a total return that will provide sufficient assets to support the missions and purposes of the Organizations. The portfolio will use a combination of asset allocation strategy and security selection to seek to achieve a real return (total return less an inflation factor such as the Consumer Price Index) of at least 7%. Only the following types of investments are allowable within the listed percentage ranges:

<u>Asset Class</u>	<u>Percentage Range</u>
<ul style="list-style-type: none"> • <u>Equity Securities</u> including U.S. and non-U.S. common stocks, depository receipts (including American, European and Global Depository receipts), U.S. dollar denominated foreign securities, open and closed end country funds, and convertible preferred stocks. 	30 - 60%
<ul style="list-style-type: none"> • <u>Fixed Income Securities</u> including investments in treasuries, investment grade corporate securities (rated, at the time of purchase, the equivalent of BBB+ or higher by any two of Standard & Poor's, Moody's or Fitch), asset-backed and mortgage-backed securities with the guarantee of the U.S. government, and preferred stock. 	30 - 60%
<ul style="list-style-type: none"> • <u>Cash and Cash Equivalents</u> including short-term money market funds or money market instruments that would mature in not more than one year, including direct or indirect obligations of the U.S. government, negotiable Certificates of Deposit, in those banks with investment grade credit ratings, and commercial paper with ratings from at least two credit rating agencies, of A-1 by Standard & Poor's, P-1 by Moody's or F-1 by Fitch. 	5 - 30%

Policy for appropriation of endowment expenditures

Each year, the income from the endowment funds is used for its intended purpose.

Endowment net asset composition by Type of Fund as of December 31, 2020:

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 73,030	\$ 73,030
Board-designated quasi-endowment	7,613,592	-	7,613,592
Total funds	\$ 7,613,592	\$ 73,030	\$ 7,686,622

Endowment net asset composition by Type of Fund as of December 31, 2019:

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 71,827	\$ 71,827
Board-designated quasi-endowment	6,280,779	-	6,280,779
Total funds	\$ 6,280,779	\$ 71,827	\$ 6,352,606

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 15. ENDOWMENT FUNDS (continued)

Changes in Endowment Net Assets for the Year Ended December 31, 2020 and 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2018	\$ 6,177,964	\$ 62,455	\$ 6,240,419
Investment income, net	672,856	9,372	682,228
Additions/Contributions	-	-	-
Appropriation of endowment for expenditure	(570,041)	-	(570,041)
Endowment net assets, December 31, 2019	6,280,779	71,827	6,352,606
Investment income, net	132,001	1,203	133,204
Additions/Contributions	1,689,239	-	1,689,239
Appropriation of endowment for expenditure	(488,427)	-	(488,427)
Endowment net assets, December 31, 2020	<u>\$ 7,613,592</u>	<u>\$ 73,030</u>	<u>\$ 7,686,622</u>

Note 16. COVID-19 AND PAYCHECK PROTECTION PROGRAM LOAN

On March 11, 2020, the World Health Organization declared a novel strain of coronavirus disease (“COVID-19”) a pandemic. The extent of COVID-19’s effect on the Organizations’ operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the Organizations. However, if the pandemic continues to evolve into a severe health crisis, the disease could have a material adverse effect on the Organizations, their operations, financial condition and cash flows.

During the year ended December 31, 2020, the Organizations obtained approval for a \$171,358 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1% but payments are not required until the forgiveness amount has been remitted by the SBA to the lender. The Organizations have the option of 8 weeks or 24 weeks after the funding of the loan to apply the loan proceeds toward certain permitted uses that would then serve as the basis for calculating the amount of loan forgiveness. At that point, the Organizations would apply for loan forgiveness with their lender. The Organizations are eligible for forgiveness up to 100% of the loan, upon meeting certain requirements. Any portion of the loan that is not forgiven must be repaid, including any accrued interest. The loan is uncollateralized and is fully guaranteed by the Federal government.

Note 17. COMMUNITY PRESBYTERIAN CHURCH PROPERTY

National Capital Presbytery, Inc. holds the title of the property formerly held by Community Presbyterian Church. The Organizations are exploring options for the future of the property. Management has chosen to not record this property as an asset on the Organizations’ statement of financial position as it is not an operating asset.

SUPPLEMENTARY INFORMATION

NATIONAL CAPITAL PRESBYTERY AND NATIONAL CAPITAL PRESBYTERY, INC.

Schedule of Secondary and Contingent Liabilities

December 31, 2020

Borrower	Lender	Interest Rate	Maturity Date	Balance
PC(U.S.A.) LOANS				
Darnestown Presbyterian Church	PC(U.S.A.)	3.899%	1/1/38	\$ 2,287,056
Korean	PC(U.S.A.)	4.250%	11/1/33	594,582
Church of the Pilgrims	PC(U.S.A.)	4.350%	6/1/38	553,305
Riverside Presbyterian Church	PC(U.S.A.)	3.500%	4/25/37	390,385
John Calvin	PC(U.S.A.)	3.500%	5/25/34	334,930
Southminster	PC(U.S.A.)	4.110%	1/1/27	279,324
Church of the Redeemer	PC(U.S.A.)	3.610%	7/1/26	271,558
Wheaton Community	PC(U.S.A.)	4.030%	1/1/21	110,740
1st Pres. Church of Annandale	PC(U.S.A.)	3.750%	4/25/30	101,244
Faith Presbyterian	PC(U.S.A.)	3.500%	3/25/25	59,789
Takoma Park	PC(U.S.A.)	3.500%	9/25/22	29,198
Warner Memorial	PC(U.S.A.)	2.500%	7/25/35	97,698
Northeastern	PC(U.S.A.)	2.594%	12/25/25	154,500
Takoma Park	PC(U.S.A.)	3.250%	7/25/40	217,381
Burke	PC(U.S.A.)	3.872%	1/1/39	1,405,000
				<u>6,886,690</u>
PC(U.S.A.) GRANTS				
Silver Spring	PC(U.S.A.)	0.000%	No maturity date	10,000
Knox	PC(U.S.A.)	0.000%	No maturity date	4,300
				<u>14,300</u>
GRANT LOAN-UNITED CHURCH OF CHRIST				
United Parish of Bowie	United Church of Christ	7.000%	3/1/82	<u>20,000</u>
COMMERCIAL LOANS				
St. Andrew Presbyterian Church	Bank of Clarke County	4.950%	9/26/23	1,672,543
Ebenezer	First Citizens Bank	4.000%	3/25/21	1,331,008
Kirkwood	United Bank	4.926%	3/5/24	863,312
Clifton Church	Main Street Bank	5.500%	3/14/24	566,004
Christ	First Virginia Comm. Bank	4.000%	10/1/23	377,596
New Hope	PNC Bank	4.990%	10/31/28	243,753
Good Samaritan	County First Bank	4.950%	9/3/21	62,318
				<u>5,116,534</u>
TOTAL SECONDARY AND CONTINGENT LIABILITIES				<u><u>\$ 12,037,524</u></u>

Note: During 2020, the Corporation guaranteed additional PC(U.S.A.) church loans of \$207,944 that had not been disbursed as of December 31, 2020.