

**Northridge Presbyterian Church**  
**Financial Statements for the Year Ended**  
**December 31, 2019**  
**With Comparative Data for Prior Years**  
**(Unaudited)**

**Table of Contents**

Financial Highlights

Statements of Financial Position

Statement of Activities

Statement of Changes in Net Assets

Statement of Expenses

Statements of Changes in Cash

Notes to Financial Statements

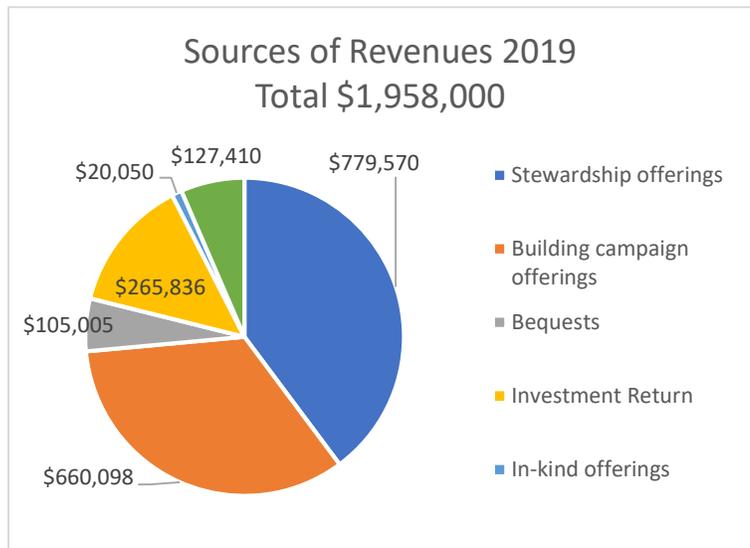
Exhibits of Supplementary Information

1. Condensed Statements of Activities for the Five Years Ended December 31, 2019
2. Expenses by Natural Categories for the Five Years Ended December 31, 2019

## Northridge Presbyterian Church Financial Highlights for 2019

These financial statements include our major funds: **Annual Operating** (“Stewardship”), **Construction and Payment of Mortgage Debt** (“Called to Grow” and “Forward by Faith”), and **Investment in Fixed Assets** (our funds invested in land, building, furniture and equipment). They report all other funds, which are set aside by the Session, or designated by you for specific purposes.

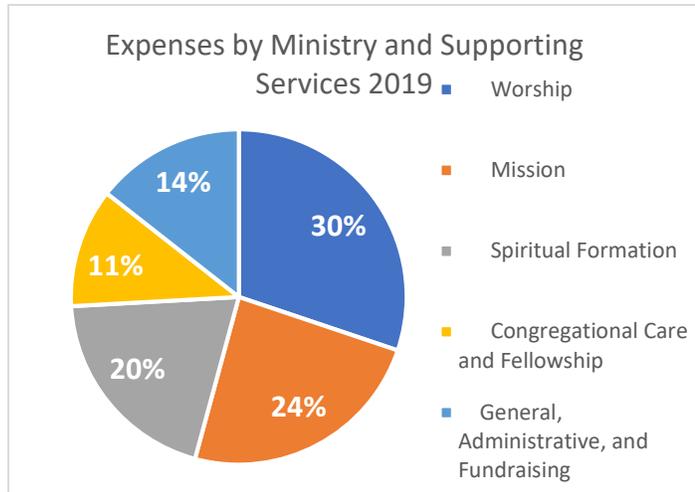
Revenues from all sources (offerings, investment return and other) from all sources, all funds, totaled \$1,958,000. The biggest components were Stewardship offerings, building and debt campaign offerings, and investment return. Expenses totaled \$1,330,000. Net assets increased by \$628,000. This increase was invested in the Education and Community Center, cash and investments at Texas Presbyterian Foundation.



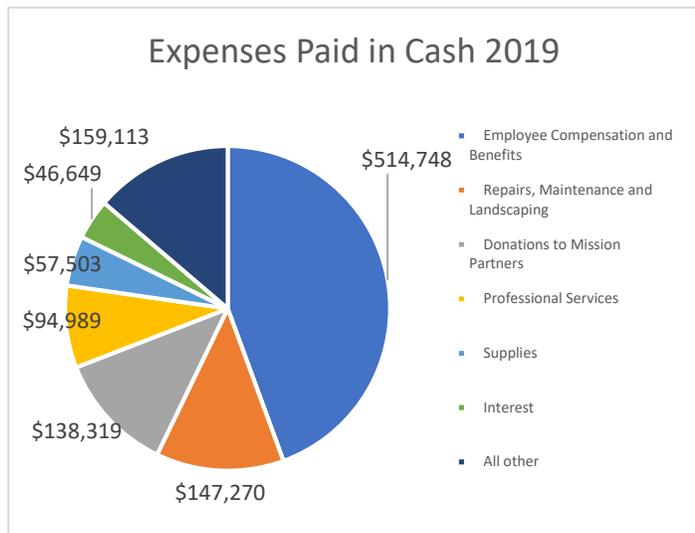
Over the past five years, overall giving has increased due to building campaigns and bequests, while Stewardship giving has declined. We have also increased our investment returns through the investment of bequests and investing our funds for higher returns through Texas Presbyterian Foundation.



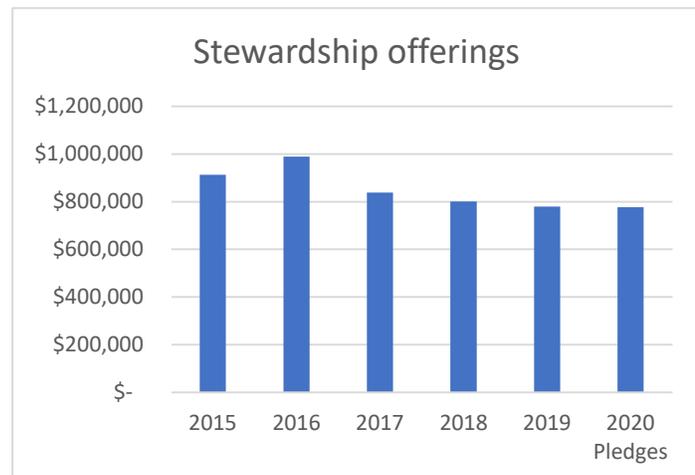
We allocate our expenses to our ministries and to supporting services (general, administrative and fundraising). Some expenses are direct, such as music for worship. Others are indirect, such as pastoral salaries and property costs. We allocate indirect costs to our ministries and supporting services based on time estimates from our staff and usage of our buildings. A significant Mission is space provided to the Northridge Child Development Center. Here is a breakdown of how total expenses of \$1,330,000 benefit our ministries.



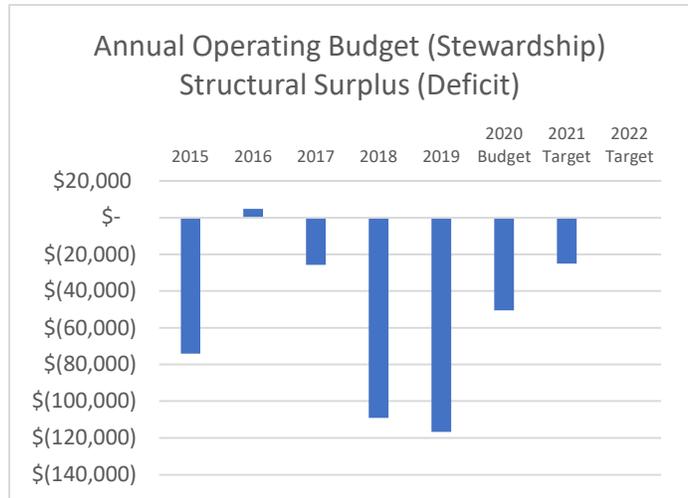
To the right is a summary of expenses in 2019 that required use of cash; that is, excluding depreciation expense. Our biggest natural expense is employee compensation and benefits, 44% of the total. 13% of expenses went to repairs, maintenance and landscaping. This includes \$73,000 for landscaping improvements and the Alexander Garden. 12% of expenses went directly to Mission partners. 4% 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.



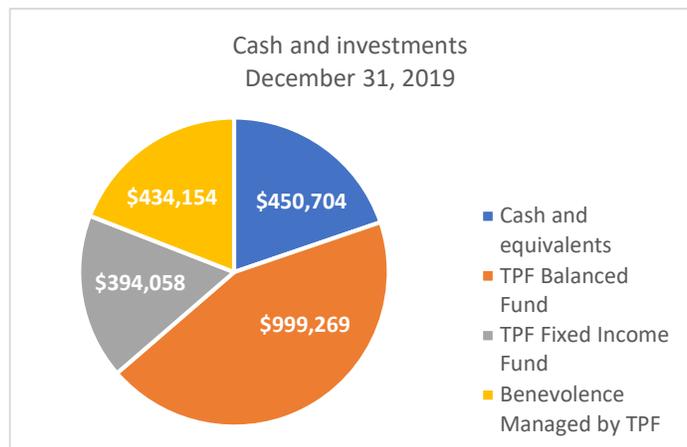
While our overall financial condition remains strong, Stewardship offerings declined every year from 2016 through 2019. As we expected, giving to our annual operating budget declined after we began our capital campaign in 2016. Similar to other churches, a high proportion of dollars given to Stewardship is given by a small proportion of families. Some members do not participate in Stewardship. Our Stewardship campaign for 2020 started to reverse this trend, with a 6% increase in financial commitments and many families beginning to make financial commitments.



Over the past three years, in the face of declining Stewardship offerings, bequests have filled the gap. However, bequests are not a sustainable source of revenue. The Budget Committee evaluates our structural deficit; that is, revenues without bequests compared to expenses. We have incurred a structural deficit each of the past three years. The Session has committed to reduce the structural deficit to zero by 2022. Our budget for 2020 reduces the deficit to \$51,000.



Because of bequests and strong investment returns, as of December 31, 2019, we held cash and investments totaling \$2,278,000. Of that amount, \$922,000 is restricted by donor designation or by the Session either for building and debt reduction or as endowments to generate income for designated purposes. \$1,057,000 is available for general expenditure. 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.



During 2019, investment returns totaled \$266,000. 2019 was an excellent year for financial markets and we do not expect to repeat such performance regularly. Investment returns have supported our annual operating budget; \$42,000 for 2019 and \$49,000 for 2020. The Jeanne and Ben Young Benevolent Fund distributed \$15,000 to Northridge, of which we have committed \$6,000 for a scholarship.

We completed construction of the Education and Community Center in 2019 at a total cost of \$6,266,000. Of this amount \$250,000 represents the estimated value of donated services, so our cash expenditure was \$6,016,000. This amount is on budget, which is extraordinary given the high demand for construction services in North Texas and rain that delayed construction. As of December 31, 2019, we owed \$3,385,000 to our mortgage lender, Presbyterian Investment and Loan Program, Inc. Our interest rate is 3.95% per year and our monthly payments are \$17,707. Our interest rate has been reduced because a member has invested \$200,000 with PILP in an interest-bearing account. 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. Because of generous offerings to those campaigns, on January 28, 2020, we made a prepayment of \$234,000. This prepayment reduces our interest expense by \$9,200 every year for the life of the loan. As of March 4, 2020, we have received financial commitments to Forward by Faith totaling \$1,392,000. All offerings to Forward by Faith will be used to pay principal and interest on our mortgage debt.

The attached financial statements present all 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, 2019 and 2018**

	2019	2018
<b>Assets</b>		
Current Assets		
Cash, Equivalents and Investments		
Cash and Equivalents	\$ 187,972	\$ 841,895
Texas Presbyterian Foundation Balanced Fund	687,757	210,559
Texas Presbyterian Foundation Fixed Income Fund	217,688	346,635
Beneficial Interest in Assets Held by Others	-	74,505
Total	1,093,417	1,473,594
Accounts Receivable	44,500	4,441
Total Current Assets	1,137,917	1,478,035
Cash and Investments Designated for Long-Term Purposes		
Construction and Payment of Mortgage Debt	464,427	300,091
Northridge Endowment Fund	188,736	117,354
Columbarium Fund	59,329	49,646
Music Endowment Fund	39,425	34,168
Beneficial Interest in Assets held by Others	434,154	373,776
Total	1,186,071	875,035
Prepaid Loan Fees	20,849	21,820
Fixed Assets		
Land	10,500	10,500
Building	9,500,291	3,231,570
Furniture, Fixtures & Equipment	436,412	272,084
Construction in Progress	-	4,238,449
Accumulated Depreciation	(1,641,222)	(1,469,500)
Total Fixed Assets, net of Accumulated Depreciation	8,305,981	6,283,103
<b>Total Assets</b>	<b>\$10,650,818</b>	<b>\$8,657,993</b>
<b>Liabilities</b>		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 99,420	\$ 413,030
Construction Retainage	-	300,221
Current Portion of Mortgage Loan	82,077	-
Total Current Liabilities	181,497	713,251
Long-term Portion of Mortgage Loan	3,302,735	1,405,813
<b>Total Liabilities</b>	3,484,232	2,119,064
Net Assets Not Subject to Donor Restrictions	6,023,230	5,679,130
Net Assets Subject to Donor Restrictions	1,143,356	859,799
<b>Total Net Assets</b>	7,166,586	6,538,929
<b>Total Liabilities and Net Assets</b>	<b>\$10,650,818</b>	<b>\$8,657,993</b>

**Northridge Presbyterian Church**  
**Statement of Activities**  
**Year Ended December 31, 2019**

	Annual Operations ("Stewardship")	Net Investment in Fixed Assets	All Funds Not Subject to Donor Restrictions	Construction and Payment of Mortgage Debt	All Funds Subject to Donor Restrictions	2019 All Funds	2018 All Funds
Offerings, Gains, and Other Revenue							
Offerings							
Offerings Made to Fulfill Pledges	\$ 672,397	\$ -	\$ 672,397	\$ 628,522	\$ 738,522	\$ 1,410,921	\$ 1,335,301
Offerings Released from Restrictions	63,100	-	606,046	(501,762)	(606,046)	-	-
Bequests	105,005	-	105,005	-	-	105,005	564,251
Offerings Made Outside of Pledges	43,999	-	62,319	31,576	72,938	135,255	147,206
One Dollar Offerings	-	-	2,484	-	-	2,484	1,762
Memorial & Honoraria Offerings	-	-	1,765	-	200	1,965	11,800
Donations for Flowers	2,229	-	2,229	-	-	2,229	440
In-Kind Offerings	-	20,050	20,050	-	-	20,050	429,989
<b>Total Offerings</b>	<b>886,730</b>	<b>20,050</b>	<b>1,472,295</b>	<b>158,336</b>	<b>205,614</b>	<b>1,677,909</b>	<b>2,490,749</b>
Other Revenue	8,204	-	8,205	-	-	8,204	4,850
Payments by Program Participants	1,825	-	6,020	-	-	6,020	5,925
Investment Return	3,475	-	188,537	-	77,298	265,836	2,624
<b>Total Offerings, Gains, and Other Revenue</b>	<b>900,234</b>	<b>20,050</b>	<b>1,675,057</b>	<b>158,336</b>	<b>282,912</b>	<b>1,957,969</b>	<b>2,504,148</b>
Expenses							
Ministries							
Worship	298,484	59,474	401,369	-	-	401,369	142,759
Mission	180,546	45,017	319,651	-	-	319,651	199,974
Spiritual Formation	193,455	37,073	265,016	-	-	265,016	119,001
Congregational Care and Fellowship	105,666	22,194	152,663	-	-	152,663	13,400
Pastoral Care and Leadership	-	-	-	-	-	-	230,630
<b>Total Ministries</b>	<b>778,151</b>	<b>163,758</b>	<b>1,138,699</b>	<b>-</b>	<b>-</b>	<b>1,138,699</b>	<b>705,764</b>
General, Administrative, and Fundraising	133,853	7,964	191,613	-	-	191,613	134,682
Staff Indirect Costs	-	-	-	-	-	-	20,387
Property	-	-	-	-	-	-	224,176
<b>Total Expenses</b>	<b>912,004</b>	<b>171,722</b>	<b>1,330,312</b>	<b>-</b>	<b>-</b>	<b>1,330,312</b>	<b>1,085,009</b>
<b>Surplus (Deficit) of Revenues Over (Under) Expenses</b>	<b>(11,770)</b>	<b>(151,672)</b>	<b>344,745</b>	<b>158,336</b>	<b>282,912</b>	<b>627,657</b>	<b>1,419,139</b>
Net Transfers	(605,031)	696,661	(645)	-	645	-	-
<b>Change in Net Assets</b>	<b>\$ (616,801)</b>	<b>\$ 544,989</b>	<b>\$ 344,100</b>	<b>\$ 158,336</b>	<b>\$ 283,557</b>	<b>\$ 627,657</b>	<b>\$ 1,419,139</b>

**Northridge Presbyterian Church**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2019**

	Net Assets as of 12/31/2019	Offerings, Gains and Other Revenue	Expenses	Net Transfers	Net Assets as of 12/31/2018
<b>Not Subject to Donor Restrictions (NSDR)</b>					
Net Investment in Fixed Assets	\$ 4,921,168	\$ 20,050	\$ (171,722)	\$ 696,661	\$ 4,376,179
Annual Operations ("Stewardship")	159,597	900,234	(912,004)	(605,031)	776,398
Expenditure of Donor-Restricted Funds	20,095	534,140	(139,724)	(374,321)	-
Adult Mission Trip	164	2,555	(3,264)	-	873
Christian Education Reserve	-	-	-	(645)	645
Community Garden	294	-	-	-	294
Grady Coyle Anthem Commission	2,000	-	-	-	2,000
Jeanne & Ben Young Benevolent Fund Dist.	22,521	14,655	(6,000)	-	13,866
Landscape NSDR	6,570	26,135	(72,869)	53,304	-
Manse Sale Proceeds	200,001	-	-	(22,694)	222,695
Memorial & Honoraria Funds NSDR	1,365	1,765	(4,575)	(30,397)	34,572
Minister's Discretionary Fund	5,614	-	(780)	1,000	5,394
Northridge Endowment Fund	188,736	29,114	-	42,268	117,354
Northridge Reserve Fund	439,294	141,294	-	298,000	-
Oil Lease Proceeds	-	-	-	(53,106)	53,106
Pastor C.E. Reserve	-	-	(579)	-	579
Property Reserve	25,985	-	(6,173)	7,000	25,158
Refugee Ministry Reserve	1,961	135	(1,231)	1,500	1,557
Tuition Support for Music Director	5,650	-	(1,166)	6,816	-
Undesignated Gifts	-	-	-	(33,000)	33,000
Youth Mission Trip	22,215	4,980	(10,225)	12,000	15,460
<b>Total Not Subject to Donor Restrictions</b>	<b>6,023,230</b>	<b>1,675,057</b>	<b>(1,330,312)</b>	<b>(645)</b>	<b>5,679,130</b>
<b>Subject to Donor Restrictions (SDR)</b>					
Construction and Payment of Mortgage Debt	439,102	158,336	-	-	280,766
Caring Fund	10,518	4,895	-	-	5,623
Columbarium Fund	59,329	9,684	-	-	49,645
Instrument Purchase & Maintenance	-	(756)	-	-	756
Jeanne & Ben Young Benevolent Fund Prin.	434,154	60,378	-	-	373,776
Kitchen Renovation	25,325	-	-	-	25,325
Landscape & Maintenance	2,020	2,020	-	-	-
Memorial & Honoraria Funds SDR	2,354	(7,404)	-	645	9,113
Music Endowment Fund	39,425	6,966	-	(1,708)	34,167
Music Reserve (Concerts)	3,332	(7,034)	-	1,708	8,658
Offerings Designated for FFE	8,662	8,662	-	-	-
Stewardship Gifts Prepaid for Subsqt Yr	110,000	46,900	-	-	63,100
Two Pencils	9,135	265	-	-	8,870
<b>Total Net Assets Subject to Donor Restrictions</b>	<b>1,143,356</b>	<b>282,912</b>	<b>-</b>	<b>645</b>	<b>859,799</b>
<b>Total Net Assets</b>	<b>\$ 7,166,586</b>	<b>\$ 1,957,969</b>	<b>\$ (1,330,312)</b>	<b>\$ -</b>	<b>\$ 6,538,929</b>

**Northridge Presbyterian Church**  
**Statement of Expenses**  
**Year Ended December 31, 2019**

	Worship	Mission	Spiritual Formation	Congregational Care and Fellowship	<b>Total Ministries</b>	General, Administrative and Fundraising	<b>Totals, 2019</b>	Totals, 2018
<b>Expenses</b>								
Employee Compensation and Benefits	\$ 226,683	\$ 27,859	\$ 140,541	\$ 67,002	\$ 462,085	\$ 52,663	\$ 514,748	\$ 529,900
Donations to Mission Partners	-	138,319	-	-	138,319	-	138,319	130,629
Duplication and Printing	21	127	101	829	1,077	12,581	13,658	8,739
Insurance	11,118	8,529	7,993	4,779	32,418	2,328	34,746	30,030
Professional Services	14,041	-	1,504	6,275	21,820	73,169	94,989	40,591
Repairs, Maintenance and Landscaping	46,643	37,445	33,207	20,084	137,380	9,890	147,270	74,697
Supplies	9,277	14,923	15,637	14,564	54,400	3,103	57,503	51,245
Telecommunications and Technology	-	-	-	-	-	18,349	18,349	16,533
Transportation, Lodging and Meals	3,568	11,723	6,212	2,388	23,891	1,905	25,796	20,530
Utilities	10,102	8,273	7,321	4,511	30,208	2,222	32,430	38,282
Other	4,663	1,936	3,954	2,972	13,525	3,959	17,484	20,183
Rent	1,252	13,603	945	578	16,377	273	16,650	32,831
Interest	14,527	11,898	10,529	6,488	43,441	3,208	46,649	-
Depreciation Expense	59,474	45,017	37,072	22,194	163,757	7,964	171,721	90,819
<b>Total Expenses</b>	<b>\$ 401,369</b>	<b>\$ 319,651</b>	<b>\$ 265,016</b>	<b>\$ 152,663</b>	<b>\$1,138,699</b>	<b>\$ 191,613</b>	<b>\$1,330,312</b>	<b>\$1,085,009</b>

**Northridge Presbyterian Church**  
**Statements of Changes in Cash**  
Years Ended December 31, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>Cash Flows from Operating Activities</b>		
Cash Collected as Offerings	\$ 895,578	\$ 1,295,994
Cash Collected as Other Revenue	14,224	10,775
Dividend and Interest Revenue	57,788	43,105
Cash Paid for Employee Compensation and Benefits	(510,306)	(534,342)
Cash Paid to Vendors	(403,955)	(333,552)
Cash Paid to Mission Partners	(138,319)	(130,629)
Cash Paid for Interest Expense	(46,649)	-
<b>Net Cash Provided by Operating Activities</b>	<b>(131,639)</b>	<b>351,351</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of Investments	(825,763)	(17,807)
Proceeds from Sales of Investments	616,802	502,088
Payments for Construction of Education and Community Center	(2,670,351)	(2,761,708)
Cash Paid for Interest Capitalized into Cost of Construction	(52,151)	(7,383)
Payments for Equipment	(164,328)	(12,847)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(3,095,790)</b>	<b>(2,297,657)</b>
<b>Cash Flows from Financing Activities</b>		
Offerings Designated for Construction and Debt Reduction	582,473	689,969
Borrowings from PILP	1,985,695	1,405,813
Payments of Principal to PILP	(6,696)	-
<b>Net Cash Provided by Financing Activities</b>	<b>2,561,472</b>	<b>2,095,782</b>
<b>Net Change in Cash and Equivalents</b>	<b>(665,957)</b>	<b>149,476</b>
<b>Cash and Equivalents, beginning of year</b>	<b>1,116,661</b>	<b>967,185</b>
<b>Cash and Equivalents, end of year</b>	<b>\$ 450,704</b>	<b>\$ 1,116,661</b>
<b>Composition of Cash and Equivalents:</b>		
Not Designated for Long-Term Purposes	\$ 187,972	\$ 841,895
Designated for Long-Term Purposes	262,732	274,766
<b>Total Cash and Equivalents, end of year</b>	<b>\$ 450,704</b>	<b>\$ 1,116,661</b>
<b>Reconciliation to Changes in Net Assets:</b>		
<b>Changes in Net Assets</b>	<b>\$ 627,657</b>	<b>\$ 1,419,139</b>
Offerings, Gains and Other Revenue Designated or Restricted for Long-Term Purposes	(582,473)	(689,969)
Donated Securities	(179,808)	(74,797)
In-kind Offerings Capitalized as Assets	(20,050)	(429,880)
Realized and Unrealized Gains and Losses on Investments	(208,048)	40,481
Depreciation Expense	171,722	90,818
Change in Accounts Receivable	4,441	(4,441)
Increase in Accounts Payable	54,920	-
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (131,639)</b>	<b>\$ 351,351</b>
<b>Supplemental Disclosures:</b>		
In-kind Offerings of Professional Services for Construction Oversight	\$ 20,050	\$ 189,880
Contribution of Tallis Organ	-	240,000

**Northridge Presbyterian Church  
Notes to the Financial Statements  
Year Ended December 31, 2019  
(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. Ministries of the Church are:

**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"> <li>• Handbell Choir</li> <li>• Chancel Choir</li> <li>• One &amp; Done Choir, open to everyone</li> <li>• Special concerts</li> </ul>	<ul style="list-style-type: none"> <li>• Northridge Youth Music Ensemble</li> <li>• Seraph &amp; Cherubim Children’s Choirs</li> <li>• Spring Children’s Musical</li> </ul>
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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 many other hands-on missions through our mission partners. We provide spaces for missions such as Boy Scouts of America Troop 64 and the Northridge Child Development Center. We reach further out by means of mission trips for families, youth, and adults, and the mission co-workers we support 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"> <li>• Seeds of Hope Community Garden</li> <li>• Annual mission trips for families, youth and adults</li> <li>• Northridge Child Development Center</li> <li>• Veterans Day Project</li> <li>• Serving dinner at The Bridge</li> </ul>	<ul style="list-style-type: none"> <li>• Financial support and leadership with mission partners</li> <li>• Support of two mission co-workers, Rev. Mark Adams in Mexico and Rev. Cathy Chang in the Philippines</li> <li>• Ministry shares through Grace Presbytery and PCUSA</li> </ul>
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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 youth groups for over 100 children and youth. Adult formation takes place in Bible Studies, Sunday School, and book studies. Our Spiritual Formation ministries include:

**Northridge Presbyterian Church  
Notes to the Financial Statements  
Year Ended December 31, 2019  
(Unaudited)**

<ul style="list-style-type: none"> <li>• Church school for all ages</li> <li>• Vacation Church School</li> <li>• Parents of Little Ones</li> <li>• Presbyterian Women</li> </ul>	<ul style="list-style-type: none"> <li>• First Wednesday</li> <li>• 4,5,6ers</li> <li>• Tuesday morning Bible Study</li> <li>• Youth Group</li> </ul>
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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"> <li>• Communion to homebound members</li> <li>• Northridge Older Adult Happenings</li> <li>• All-Church meals</li> <li>• Share Café coffee bar on Sunday mornings</li> </ul>	<ul style="list-style-type: none"> <li>• Christmas caroling to homebound members</li> <li>• Nonagenarian celebrations</li> <li>• Bethlehem Breakfast</li> <li>• Dine In &amp; Out Groups</li> <li>• Friday Men’s Breakfast</li> </ul>
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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 in order to acquire and improve property (see Note 8). If property ceases to be used by our congregation as a congregation of the PCUSA in accordance with the Constitution 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, 2019  
(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, 2018. Such information does not include all of the disclosures required by GAAP. Some amounts for 2018 have been reclassified for consistency with 2019’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 make estimates in order 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 in the course of 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.

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 receives annual financial commitments from our members and authorizes recurring operating expenses.

The Northridge Reserve Fund was designated by the Session from net assets subject to donor restrictions. All investment earnings other than those earned by endowment funds are recorded

**Northridge Presbyterian Church  
Notes to the Financial Statements  
Year Ended December 31, 2019  
(Unaudited)**

in the Northridge Reserve Fund. Consistent with the Stewardship budget for 2019 adopted by the Session, \$37,000 of investment earnings was transferred from the Northridge Reserve Fund to Stewardship and expended for 2019 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.

*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 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.

***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, the majority of the contributed services do not meet these criteria. 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 Education and Community Center ("ECC").

**Northridge Presbyterian Church  
Notes to the Financial Statements  
Year Ended December 31, 2019  
(Unaudited)**

***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. Consistent with GAAP, we allocated costs common to multiple functions among the various functions benefited using a reasonable allocation method that is consistently applied. 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.

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. Additionally, advertising costs are expensed as incurred. Direct fundraising costs totaled \$44,751 in 2019.

We did not fully allocate our costs to ministries in 2018 or prior years. Therefore, condensed financial information for 2018 and prior years is not comparable to that for 2019 in respect of costs of ministries and supporting functions.

***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 8). 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 8). 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. 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

**Northridge Presbyterian Church  
Notes to the Financial Statements  
Year Ended December 31, 2019  
(Unaudited)**

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 financial statements in 2019.

***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 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, unless the investments are held for meeting restrictions of a capital or endowment nature.**

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 equivalents, donated securities held for sale, and limited amounts of cash all held 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. Therefore, we did not exceed the insurance limits in 2019.
- Cash equivalents are invested primarily in the Money Market Fund managed by the Texas Presbyterian Foundation ("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 \$1,057,396 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, 2019, are:

Cash and equivalents and investments classified as current assets	\$ 1,093,417
Less amounts held subject to donor restrictions	<u>(36,021)</u>
Amounts available for general expenditure within one year	<u>\$ 1,057,396</u>

**Northridge Presbyterian Church  
Notes to the Financial Statements  
Year Ended December 31, 2019  
(Unaudited)**

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.

**5. Investments consist of the following as of December 31, 2019:**

<b>Description</b>	<b>Classified as Current Assets</b>	<b>Classified as Restricted by Donors or Session for Long-Term Use</b>	<b>Totals</b>
Money market funds managed by TPF	\$ 79,317	\$ -0-	\$ 79,317
TPF Balanced Fund	687,757	311,512	999,269
TPF Fixed Income Fund	217,688	176,370	394,058
Jeanne and Ben Young Benevolent Fund, managed by TPF, investment not specified	-0-	434,154	434,154
<b>Totals</b>	<b>\$ 984,762</b>	<b>\$ 922,036</b>	<b>\$ 1,906,798</b>

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:

- Cash and money market funds range from \$100,000 to \$200,000. Amounts in excess of that range as of December 31, 2019, included \$234,000 of donations for construction and mortgage debt reduction that were used in January 2020 for that purpose.
- We target approximately 25% of investable funds for TPF's Fixed Income Fund.

**Northridge Presbyterian Church  
Notes to the Financial Statements  
Year Ended December 31, 2019  
(Unaudited)**

- All remaining funds and endowment funds managed by our Investment Committee (see Note 6) have been placed in TPF's Balanced Fund, which the Investment Committee believes includes a mix of TPF funds that is appropriate for long-term investment.

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, 2019, 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. At this time, we have not received from asset managers the relative weight of inputs used to perform valuations as of December 31, 2019.

*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. For 2020, this amount is \$7,000. The Session may vote to include in the budget more than the 5% average upon a finding that extraordinary circumstances warrant such an expenditure. Expenditures of any amount in excess of accumulated earnings must be authorized by a vote of at least two-thirds of

**Northridge Presbyterian Church  
Notes to the Financial Statements  
Year Ended December 31, 2019  
(Unaudited)**

the Session upon a finding that extraordinary circumstances warrant such an expenditure.

- The **Columbarium Fund** is funded by sales of crypts in the Church's columbarium. Expenditures are made for maintenance of the columbarium and to purchase urns and nameplates. This fund is classified as subject to donor restrictions.
- The **Music Endowment Fund** was established by a gift. Under the terms of the gift, earnings from the fund are made available for the Church's music program. Each quarter, 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 designed 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 of the Church's ministries. Accordingly, distributions are classified as net assets not subject to donor restrictions.

**7. In 2019, we completed our new Education and Community Center 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.

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

The Church has entered into a Promissory Note with 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 all of our land and buildings (the "Property"). The note is guaranteed by Grace Presbytery, Inc. As of December 31, 2019, the outstanding principal balance is \$3,384,812.

**Northridge Presbyterian Church  
Notes to the Financial Statements  
Year Ended December 31, 2019  
(Unaudited)**

The note is currently in its Permanent Loan Phase. Our monthly payments to PILP consist of principal and interest at an initial base amortizing interest rate of 3.95% per annum. Monthly payments of \$17,707 began on December 31, 2019. On the fifth anniversary date of the note, and every fifth anniversary date thereafter, the interest rate will be adjusted 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. The monthly payments will then be adjusted 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 intend to make, principal prepayments as we receive offerings for the Called to Grow and Forward by Faith campaigns or from other unrestricted funds. PILP will re-amortize monthly payments during the Permanent Loan Phase in the event that we make a principal payment exceeding \$100,000. On January 28, 2020, we made a principal prepayment of \$234,000.

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.

In order 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.

**Northridge Presbyterian Church  
Notes to the Financial Statements  
Year Ended December 31, 2019  
(Unaudited)**

**9. Our real property is encumbered by a mechanic's lien in the amount of \$43,675.**

The general contractor that constructed our Education and Community Center failed to pay a subcontractor. On December 26, 2019, the subcontractor filed a mechanic's lien on our property. We have declared the general contractor in default and filed a claim with the bonding company. We believe that the lien will be paid by the general contractor or the bonding company with no loss to the Church. Accordingly, we have accrued a liability of \$43,675 for the mechanic's lien and an account receivable in the same amount. We have informed PILP, who responded that they do not consider the lien to be an event of default.

**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 \$119,357 for the year ended December 31, 2019.

**11. The Church is subject to concentrations of risk.**

The Church depends upon offerings by our members. A relatively small proportion of our members give a significant proportion of our offerings. Should our members reduce or cease their offerings because of death, economic circumstances, moving away or leaving our congregation, our ability to fund our ministries could be diminished. In 2018, but for the receipt of bequests, offerings, gains and other revenue in our Stewardship budget would have been less than our operating expenses. In 2019, although we received bequests totaling \$105,000, offerings, gains and other revenue in our Stewardship budget were less than our operating expenses. The Session has committed to reducing the deficit in our annual operations over the next three years, with the goal of achieving balance in 2022. Financial commitments to our 2020 Stewardship campaign total \$777,000, which represents an increase of 6% over the 2019 total. The 2020 Stewardship budget reduces the annual operating deficit to \$51,000. If necessary, the Session can address operating deficits by decreasing expenses and using unrestricted funds built up in prior years.

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. If PCUSA membership continues to decline, the size of our membership may also be at risk. Our average worship attendance has declined over the past three years. We did not add significant numbers of new members in 2019. We believe that attendance and membership growth were disrupted by our construction project, the resignation of our Senior Pastor in 2018 and the resignation of our Associate Pastor in 2019. We expect to enter into a relationship with a new permanent Senior Pastor in 2020. We believe that a permanent Senior Pastor and our ECC will help us to attract and retain members.

Debt incurred to build the ECC is a significant commitment relative to the financial resources of the Church. We hold as investments an amount that approximates twelve monthly mortgage payments. In 2019, we began a second capital campaign, Forward by Faith, to raise funds to pay down the permanent loan secured by our real property. As of March 10, 2020, we have

**Northridge Presbyterian Church  
Notes to the Financial Statements  
Year Ended December 31, 2019  
(Unaudited)**

received financial commitments totaling \$1,675,000. We expect that Forward by Faith will generate sufficient offerings in order to make debt payments without reducing resources available to our Ministries and supporting services.

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 is of the opinion that the diversification of our invested assets among various asset classes (see note 5) will mitigate the impact of changes in any one class.

## **12. Subsequent events**

### **a. We have terminated our relationship with our Interim Senior Pastor.**

In January 2020, the Church agreed with our Interim Senior Pastor to terminate our relationship. He ended his service effective January 31, 2020. Consistent with the terms of call, we and the pastor agreed that the Church would pay him for sixty more days, at a total cost of approximately \$27,000. All such costs will be recognized in 2020. We have entered into an agreement with a retired pastor to serve as Stated Supply until we install a new senior pastor.

### **b. The global coronavirus epidemic exposes the Church to risk.**

People have been diagnosed with coronavirus in the United States and in Texas at increasing rates. Throughout North Texas, public events are being canceled. We canceled in-person worship for March 15 and we may cancel future in-person worship. Loss of in-person public worship and other in-person activities will reduce our ability to attract new members and may delay or reduce offerings.

Financial markets have been highly volatile because of concerns about the economic effects of coronavirus. It is widely expected that coronavirus will slow economic growth globally and in the U.S. Economic concerns could cause members to limit their gifts to the church. Financial volatility puts our investment returns at risk.

## **13. 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.**

The following exhibits of supplementary information are:

1. Condensed Statements of Activities for the Five Years Ended December 31, 2019
2. Expenses by Natural Categories for the Five Years Ended December 31, 2019

These exhibits are presented as supplementary information and are not required parts of the financial statements. In order to condense them, the exhibits do not distinguish changes in net assets subject to and not subject to donor restrictions.

**Northridge Presbyterian Church**  
**Condensed Statements of Activities**  
**Five Years Ended December 31, 2019**

	2019	2018	2017	2016	2015
Offerings, Gains, and Other Revenue					
Offerings					
Offerings Made to Fulfill Pledges	\$ 1,410,921	\$ 1,335,301	\$ 1,538,725	\$ 1,524,531	\$ 765,688
Bequests	105,005	564,251	637,229	-	-
Offerings Made Outside of Pledges	135,255	147,206	121,929	222,986	174,758
One Dollar Offerings	2,484	1,762	-	-	-
Memorial & Honoraria Offerings	1,965	11,800	5,795	9,000	7,930
Donations for Flowers	2,229	440	-	-	-
In-Kind Offerings	20,050	429,989	28,182	9,525	2,358
<b>Total Offerings</b>	<b>1,677,909</b>	<b>2,490,749</b>	<b>2,331,860</b>	<b>1,766,042</b>	<b>950,734</b>
Other Revenue	8,204	4,850	18,604	9,804	21,527
Payments by Program Participants	6,020	5,925	11,085	3,900	10,858
Investment Return	265,836	2,624	81,903	16,573	(2,939)
<b>Total Offerings, Gains, and Other Revenue</b>	<b>1,957,969</b>	<b>2,504,148</b>	<b>2,443,452</b>	<b>1,796,319</b>	<b>980,180</b>
Expenses					
Ministries					
Worship	401,369	142,759	139,305	147,947	105,467
Mission	319,651	199,974	194,366	243,626	221,679
Spiritual Formation	265,016	119,001	117,767	125,867	154,410
Congregational Care and Fellowship	152,663	13,400	18,750	12,553	16,733
Pastoral Care and Leadership	-	230,630	250,294	252,813	237,018
<b>Total Ministries</b>	<b>1,138,699</b>	<b>705,764</b>	<b>720,482</b>	<b>782,806</b>	<b>735,307</b>
General, Administrative, and Fundraising	191,613	134,682	111,232	156,215	128,877
Staff Indirect Costs	-	20,387	18,680	19,040	18,557
Property	-	224,176	634,618	246,435	245,588
<b>Total Expenses</b>	<b>1,330,312</b>	<b>1,085,009</b>	<b>1,485,012</b>	<b>1,204,496</b>	<b>1,128,329</b>
<b>Change in Net Assets</b>	<b>\$ 627,657</b>	<b>\$ 1,419,139</b>	<b>\$ 958,440</b>	<b>\$ 591,823</b>	<b>\$ (148,149)</b>
Relative Percentages of Total Expenses (a)					
Ministries					
Worship	30%	13%	13%	12%	9%
Mission	24%	18%	18%	20%	20%
Spiritual Formation	20%	11%	11%	10%	14%
Congregational Care and Fellowship	11%	1%	2%	1%	1%
Pastoral Care and Leadership	0%	21%	23%	21%	21%
<b>Total Ministries</b>	<b>86%</b>	<b>65%</b>	<b>65%</b>	<b>65%</b>	<b>65%</b>
General, Administrative, and Fundraising	14%	12%	10%	13%	11%
Staff Indirect Costs	0%	2%	2%	2%	2%
Property (b)	0%	21%	23%	20%	22%
<b>Total Expenses</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Notes:**

(a) Beginning January 1, 2019, all costs were allocated to ministries and supporting services. Therefore, percentages in 2019 are not fully comparable with prior years.

(b) Excludes one-time non-cash abandonment charge of \$383,703 in 2017.

**Northridge Presbyterian Church  
Expenses by Natural Categories  
Five Years Ended December 31, 2019**

	2019	2018	2017	2016	2015
<b>Expenses</b>					
Employee Compensation and Benefits	\$ 514,748	\$ 529,900	\$ 542,625	\$ 563,988	\$ 521,345
Donations to Mission Partners	138,319	130,629	149,817	171,008	185,143
Duplication and Printing	13,658	8,739	9,013	11,744	8,648
Insurance	34,746	30,030	28,188	27,868	27,721
Professional Services	94,989	40,591	30,252	61,276	30,326
Repairs, Maintenance and Landscaping	147,270	74,697	69,800	79,882	71,773
Supplies	57,503	51,245	50,717	51,897	82,152
Telecommunications and Technology	18,349	16,533	17,683	17,840	25,295
Transportation, Lodging and Meals	25,796	20,530	18,598	59,755	14,606
Utilities	32,430	38,282	48,938	42,511	47,283
Other	17,484	20,183	19,912	16,505	13,814
Rent	16,650	32,831	15,551	-	-
Interest	46,649	-	-	-	-
<b>Subtotal, Expenses Requiring Outlays of Cash</b>	<b>1,158,591</b>	<b>994,190</b>	<b>1,001,094</b>	<b>1,104,274</b>	<b>1,028,106</b>
Depreciation Expense	171,721	90,819	100,216	100,222	100,223
Abandonment of Fixed Assets	-	-	383,703	-	-
<b>Total Expenses</b>	<b>\$ 1,330,312</b>	<b>\$ 1,085,009</b>	<b>\$ 1,485,013</b>	<b>\$ 1,204,496</b>	<b>\$ 1,128,329</b>
<b>As Percentages of Expenses Requiring Outlays of Cash</b>					
Employee Compensation and Benefits	44%	53%	54%	51%	51%
Donations to Mission Partners	12%	13%	15%	15%	18%
Duplication and Printing	1%	1%	1%	1%	1%
Insurance	3%	3%	3%	3%	3%
Professional Services	8%	4%	3%	6%	3%
Repairs, Maintenance and Landscaping	13%	8%	7%	7%	7%
Supplies	5%	5%	5%	5%	8%
Telecommunications and Technology	2%	2%	2%	2%	2%
Transportation, Lodging and Meals	2%	2%	2%	5%	1%
Utilities	3%	4%	5%	4%	5%
Other	2%	2%	2%	1%	1%
Rent	1%	3%	2%	0%	0%
Interest	4%	0%	0%	0%	0%
<b>Total Expenses</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>