

Presbytery of Carlisle

Financial Statements

Years Ended December 31, 2020 and 2019
with Independent Accountant's Review Report

MaherDuessel

A horizontal bar is positioned below the company name. The left portion of the bar is black, and the right portion is blue, matching the color of the 'D' in the company name.

PRESBYTERY OF CARLISLE

YEARS ENDED DECEMBER 31, 2020 AND 2019

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Independent Accountant's Review Report

Presbytery of Carlisle Presbyterian Church (U.S.A.)

We have reviewed the accompanying financial statements of Presbytery of Carlisle (Presbytery) (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of December 31, 2020 and 2019,

and the related statements of revenue and expenses – modified cash basis and functional expenses – modified cash basis for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such opinions.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusions.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with 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 conclusions are not modified with respect to this matter.

Maier Duessel

Harrisburg, Pennsylvania
March 17, 2021

PRESBYTERY OF CARLISLE

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash	\$ 174,266	\$ 179,548
Investments	1,658,478	1,429,058
Benefits interest in perpetual trust	9,466	8,810
Accounts receivable	16,658	39,034
Vehicles - net of accumulated depreciation totalling \$27,186 and \$31,021, respectively	46,292	31,357
Total Assets	<u>\$ 1,905,160</u>	<u>\$ 1,687,807</u>
Liabilities and Net Assets		
Liabilities:		
Due to other specific mission	\$ 2,185	\$ 20,047
Total Liabilities	<u>2,185</u>	<u>20,047</u>
Net Assets:		
Without donor restrictions:		
Operating	1,514,926	1,262,736
Designated	184,769	224,000
Total without donor restrictions	<u>1,699,695</u>	<u>1,486,736</u>
With donor restrictions	203,280	181,024
Total Net Assets	<u>1,902,975</u>	<u>1,667,760</u>
Total Liabilities and Net Assets	<u>\$ 1,905,160</u>	<u>\$ 1,687,807</u>

See accompanying notes and independent accountant's review report.

PRESBYTERY OF CARLISLE

STATEMENTS OF REVENUE AND EXPENSES - MODIFIED CASH BASIS

YEARS ENDED DECEMBER 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:						
Mission giving	\$ 225,518	\$ -	\$ 225,518	\$ 249,713	\$ -	\$ 249,713
Per Capita	225,432	-	225,432	233,111	-	233,111
Contributions	2,785	151,101	153,886	3,412	144,533	147,945
Mission trip fees	-	3,600	3,600	-	7,536	7,536
Insurance refund	6,520	-	6,520	9,941	-	9,941
Investment income (loss), net	229,775	662	230,437	263,715	1,104	264,819
Miscellaneous income	-	13,711	13,711	-	5,100	5,100
Net assets released from restriction	146,818	(146,818)	-	180,093	(180,093)	-
Total revenue	836,848	22,256	859,104	939,985	(21,820)	918,165
Expenses:						
Program services:						
Presbytery program services	422,565	-	422,565	371,318	-	371,318
Lend-A-Hand program services	14,915	-	14,915	19,375	-	19,375
Total program services	437,480	-	437,480	390,693	-	390,693
Management and general	186,409	-	186,409	319,249	-	319,249
Total expenses	623,889	-	623,889	709,942	-	709,942
Change in Net Assets	212,959	22,256	235,215	230,043	(21,820)	208,223
Net Assets:						
Beginning of year	1,486,736	181,024	1,667,760	1,256,693	202,844	1,459,537
End of year	\$ 1,699,695	\$ 203,280	\$ 1,902,975	\$ 1,486,736	\$ 181,024	\$ 1,667,760

See accompanying notes and independent accountant's review report.

PRESBYTERY OF CARLISLE

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2020

	Presbytery Program Services	Lend-A-Hand Program Services	Total Program Services	Management and General	Total
Salaries, wages and benefits	\$ 136,334	\$ -	\$ 136,334	\$ 45,445	\$ 181,779
Grants	207,607	-	207,607	-	207,607
Per capita expense - GA & Synod	22,859	-	22,859	91,436	114,295
GA mission allocation	31,081	-	31,081	-	31,081
Mission trip expenses	-	1,566	1,566	-	1,566
Services and professional fees	-	-	-	21,946	21,946
Travel	698	-	698	232	930
Office and occupancy	13,850	-	13,850	20,775	34,625
Equipment rental	3,361	-	3,361	-	3,361
Repairs and maintenance	-	1,639	1,639	-	1,639
Depreciation	-	6,898	6,898	-	6,898
Supplies and postage	-	78	78	1,657	1,735
Membership and dues	-	-	-	332	332
Telephone	3,280	631	3,911	1,093	5,004
Insurance	1,698	2,029	3,727	1,697	5,424
Other	1,797	2,074	3,871	1,796	5,667
Total functional expenses	\$ 422,565	\$ 14,915	\$ 437,480	\$ 186,409	\$ 623,889

See accompanying notes and independent accountant's review report.

PRESBYTERY OF CARLISLE

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2019

	Presbytery Program Services	Lend-A-Hand Program Services	Total Program Services	Management and General	Total
Salaries, wages and benefits	\$ 83,112	\$ -	\$ 83,112	\$ 168,742	\$ 251,854
Grants	202,028	-	202,028	-	202,028
Per capita expense - GA & Synod	22,404	-	22,404	89,614	112,018
GA mission allocation	18,614	-	18,614	-	18,614
Honduras mission co-worker	25,000	-	25,000	-	25,000
Mission trip expenses	-	6,560	6,560	-	6,560
Legal fees - Warfordsburg	-	-	-	4,899	4,899
Services and professional fees	-	-	-	14,128	14,128
Travel	4,498	-	4,498	4,497	8,995
Office and occupancy	2,746	50	2,796	24,718	27,514
Equipment rental	-	300	300	2,910	3,210
Repairs and maintenance	-	3,700	3,700	-	3,700
Depreciation	-	6,238	6,238	-	6,238
Supplies and postage	498	751	1,249	1,494	2,743
Membership and dues	-	-	-	291	291
Conferences/retreats	1,414	-	1,414	-	1,414
Meals and entertainment	644	-	644	644	1,288
Education	4,773	-	4,773	-	4,773
Telephone	863	678	1,541	2,590	4,131
Insurance	1,830	495	2,325	1,829	4,154
Other	2,894	603	3,497	2,893	6,390
Total functional expenses	\$ 371,318	\$ 19,375	\$ 390,693	\$ 319,249	\$ 709,942

See accompanying notes and independent accountant's review report.

PRESBYTERY OF CARLISLE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

1. Nature of Activity and Significant Accounting Policies

Nature of Activity

The Presbytery of Carlisle (Presbytery) is a non-profit religious organization which acts as an intermediate governing body for the Presbyterian Church (U.S.A.) representing the counties of Adams, Cumberland, Dauphin, Franklin, Fulton, Juniata, Lebanon, Perry, and part of York County, Pennsylvania. The Presbytery provides administrative and programmatic services to support its 44 member churches. The Presbytery also acts as a receiving agent for the General Assembly and Synod of the Trinity by collecting and remitting mission giving and per capita contributions from the churches in the Presbytery. The Presbytery also receives collections from time to time to remit to national, local and international missions.

Use of Estimates

Preparing the Presbytery's financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The Presbytery's accounts are maintained on a modified cash basis method of accounting. This basis recognizes assets, liabilities, net assets, revenue and expenses when they result from a cash transaction, except that:

Per Capita income is recognized in the period intended by the contributor. Per Capita expense and the amount due to the Synod or General Assembly is recorded in the period that the related revenue is recorded.

Investments are recorded at fair value and changes in fair value are recognized as a component of revenue.

Fixed assets are capitalized when purchased and depreciation is recorded as a non-cash expense.

Agency transactions- transactions where the Presbytery is acting as an intermediary and passing fund through to another organization are not recorded as revenue or expenses on the Presbytery's financial statements.

PRESBYTERY OF CARLISLE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

Net Assets

As a result of adopting ASU 2016-14, *“Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities,”* for the year ended December 31, 2018 and all subsequent years, the Presbytery shows two classes of net assets as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Presbytery and/or the passage of time. Other donor restrictions may require that they be maintained permanently by the Presbytery.

Contributions With or Without Donor Restrictions

Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of revenue and expenses as net assets released from restrictions.

Expense Allocation

Expenses directly related to a specific program are charged to that program. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses related to more than one function are charged to programs and supporting services on the basis of employee time.

Vehicles and Depreciation

Vehicles are carried at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets.

PRESBYTERY OF CARLISLE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the change in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Income Taxes

The Presbytery is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Presbytery qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation.

Risk and Uncertainties

Financial instruments, which potentially expose the Presbytery to concentrations of credit risk, include cash and investments in marketable securities. As a matter of policy, the Presbytery maintains cash balances only with financial institutions having a high credit quality. Investment securities are also exposed to various other risks such as interest rate and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near-term and that such changes could materially affect the amount reported on the Statements of Assets, Liabilities and Net Assets- Modified Cash Basis.

Pending Standards Update

ASU 2016-02, "*Leases (Topic 842)*," is effective, as delayed, for the Presbytery's financial statements for the year ending December 31, 2022. These amendments and related amendments will require lessees to recognize assets and liabilities on the statement of assets, liabilities and net assets- modified cash basis for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Management has not yet determined the impact of this amendment on the Presbytery's financial statements.

PRESBYTERY OF CARLISLE

NOTES TO FINANCIAL STATEMENTS

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Reclassification

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

Subsequent Events

The Presbytery has evaluated subsequent events through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

2. Investments

Investments consisted of the following at December 31, 2020:

	Cost	Fair Market Value
	<u> </u>	<u> </u>
Administered by New Covenant Funds		
Growth Fund	\$ 899,325	\$ 1,223,516
Income Fund	314,810	434,962
	<u>\$ 1,214,135</u>	<u>\$ 1,658,478</u>

Investments consisted of the following at December 31, 2019:

	Cost	Fair Market Value
	<u> </u>	<u> </u>
Administered by New Covenant Funds		
Growth Fund	\$ 851,124	\$ 1,017,821
Income Fund	301,285	411,237
	<u>\$ 1,152,409</u>	<u>\$ 1,429,058</u>

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NOTES TO FINANCIAL STATEMENTS

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The following is a reconciliation of investment activity for the year ended December 31, 2020:

	2019	Dividends	Capital Gains	Gain	2020
New Covenant Funds					
Growth Fund	\$ 1,017,821	\$ 10,790	\$ 37,411	\$ 157,494	\$ 1,223,516
Income Fund	411,237	8,605	4,920	10,200	434,962
	<u>\$ 1,429,058</u>	<u>\$ 19,395</u>	<u>\$ 42,331</u>	<u>\$ 167,694</u>	<u>\$ 1,658,478</u>

The following is a reconciliation of investment activity for the years ended December 31, 2019:

	2018	Dividends	Capital Gains	Gain	2019
New Covenant Funds					
Growth Fund	\$ 781,863	\$ 10,956	\$ 42,978	\$ 182,024	\$ 1,017,821
Income Fund	384,501	9,827	-	16,909	411,237
	<u>\$1,166,364</u>	<u>\$ 20,783</u>	<u>\$ 42,978</u>	<u>\$ 198,933</u>	<u>\$ 1,429,058</u>

3. Fair Value Measurements

Financial Accounting Standards Board ASU 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 — Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 — Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available, but traded less frequently,

PRESBYTERY OF CARLISLE

NOTES TO FINANCIAL STATEMENTS

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and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 — Securities that have little to no pricing observability as of the report date. These securities are measured using management’s best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by the Presbytery. The Presbytery considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Presbytery’s perceived risk of that instrument.

The following table sets forth by level, within fair value hierarchy, the Presbytery’s assets at fair value as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 1,658,478	\$ -	\$ -	\$ 1,658,478
Beneficial interest in perpetual trust	-	-	9,466	9,466
	<u>\$ 1,658,478</u>	<u>\$ -</u>	<u>\$ 9,466</u>	<u>\$ 1,667,944</u>

PRESBYTERY OF CARLISLE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

The following table sets forth by level, within fair value hierarchy, the Presbytery's assets at fair value as of December 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 1,429,058	\$ -	\$ -	\$ 1,429,058
Beneficial interest in perpetual trust	-	-	8,810	8,810
	<u>\$ 1,429,058</u>	<u>\$ -</u>	<u>\$ 8,810</u>	<u>\$ 1,437,868</u>

The table below sets forth a summary of changes in the fair value of the Level 3 assets for the year ended December 31, 2020:

	<u>Beneficial Interest in Perpetual Trust</u>
Balance, beginning of year	\$ 8,810
Income, net of fees	341
Total gains (realized/unrealized) included in changes in net assets	656
Distributions	(341)
Balance, end of year	<u>\$ 9,466</u>

The table below sets forth a summary of changes in the fair value of the Level 3 assets for the year ended December 31, 2019:

	<u>Beneficial Interest in Perpetual Trust</u>
Balance, beginning of year	\$ 7,713
Income, net of fees	340
Total gains (realized/unrealized) included in changes in net assets	1,097
Distributions	(340)
Balance, end of year	<u>\$ 8,810</u>

PRESBYTERY OF CARLISLE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

4. Beneficial Interest in Perpetual Trust

The Presbytery is the beneficiary of the Carlisle Presbytery Mission Grant Fund. The trust is held by the Presbyterian Foundation. The trust is valued as the present value of the beneficial interest.

The following schedule reflects the value of the perpetual trust at December 31:

	<u>2020</u>	<u>2019</u>
Mission grant fund	<u>\$ 9,466</u>	<u>\$ 8,810</u>

The following schedule reflects the net increase (decrease) for the perpetual trust at December 31:

	<u>2020</u>	<u>2019</u>
Mission grant fund	<u>\$ 656</u>	<u>\$ 1,097</u>

The following schedule reflects the net investment income received from the perpetual trust at December 31:

	<u>2020</u>	<u>2019</u>
Mission grant fund	<u>\$ 341</u>	<u>\$ 340</u>

5. Due to Other Specific Missions

This amount represents funds received by the Presbytery that are to be passed on to other specific missions as designated by the donor. This type of transaction is referred to as an agency transaction. An agency transaction is one which the Presbytery has little or no control over the use of assets received. The balance at December 31, 2020 and 2019 were \$2,185 and \$20,047, respectively.

PRESBYTERY OF CARLISLE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

6. Designated Net Assets

As of December 31, 2020 and 2019, funds were designated by the Presbytery for the following purposes:

Designated	2020	2019
Preparation for Ministry Fund	\$ 4,635	\$ 9,055
Legal Reserve Fund	5,000	5,000
Minister's Emergency Fund	4,352	8,832
New Church Development Fund	128,486	128,820
Office Reserve Fund	-	5,134
Small Church Leadership Fund	5,415	5,988
Ministry and Mission Support Fund	14,900	26,603
Healthy Congregations Fund	13,112	13,112
Church Building Fund	126	126
Refugee Support Fund	-	2,885
Progress Immanuel Residual Fund	8,743	18,445
	\$ 184,769	\$ 224,000

7. Net Assets With Donor Restrictions

Net assets with donor restrictions as of December 31, 2020 and 2019, are available for the following purposes or periods:

	2020	2019
Peacemaking Mission Program	\$ 2,752	\$ 3,555
Holy Land Travel Fund	7,688	8,688
Honduras Partnership Fund	39,333	24,096
Camp Hill Prison Ministry	20,354	20,854
Juniata Valley Shared Ministry	12,260	9,047
Lend-A-Hand	111,427	105,974
Investment in Perpetual Trust:		
Mission Grant Fund	9,466	8,810
	\$ 203,280	\$ 181,024

PRESBYTERY OF CARLISLE

NOTES TO FINANCIAL STATEMENTS

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8. Intentions to Give

Annually, the Presbytery asks member churches to submit pledge cards indicating the donations they intend to give towards general mission support for the upcoming year. The pledge cards clearly indicate that the information is to be used only for the church's budgetary purposes and that members may rescind the pledges at any time. Since these pledges do not meet the criteria for revenue recognition under ASC 958 and the revenue recognition policy under the modified cash basis of accounting described in Note 1, they are not reflected as contributions in the Statements of Revenue and Expenses - Modified Cash Basis until they are collected.

9. Leasing Arrangements

On December 1, 2008, the Presbytery entered into an annual lease agreement with the Synod of the Trinity for office space. Effective November 1, 2020, the Presbytery entered into a one year renewable lease for office space at 2601 North Front Street. Minimum monthly lease payments as of December 31, 2020 and 2019, are \$1,000 and \$1,705, respectively. Total annual rental expense for the years ended December 31, 2020 and 2019 were \$18,555 and \$20,460, respectively.

10. Pension Plan

The Presbytery has entered into a Benefits Plan with the Presbyterian Church (U.S.A.). The Plan has been established to provide retirement, disability, death, medical and dental benefits to members of the Benefits Plan, their eligible dependents and beneficiaries. All ministers employed are eligible to participate in the Plan. The Plan requires 11% for pension, 1% for death and disability, and 25% of effective salary for medical. Benefits provided by the pension plan shall become vested in a member or his or her spouse or eligible dependent at the earlier of the member's completion of three years of service, the member's attainment of Normal Retirement Age, termination of the pension plan, or discontinuance of his or her employer's participation in the Plan. Benefits become payable at age sixty-five, or upon his or her later retirement from the Presbytery, or if he or she becomes totally disabled. The Presbytery is not responsible for the obligation owed to the retirees. Under certain circumstances, benefits are payable to a surviving spouse. For the year ended December 31, 2020 and 2019, the Presbytery made contributions to the Plan in the amount of \$33,024 and \$43,341, respectively.

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The Presbytery provided a 403(b) Retirement Savings Plan for eligible employees. During 2020, no employee was deferring income in the 403(b) Retirement Savings Plan, and no employee received a benefit. During 2019, no employee was deferring income in the 403(b) Retirement Savings Plan, but one employee received a benefit totaling \$800.

11. Concentrations of Credit Risk

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less. The Presbytery places its temporary cash investments with high credit quality financial institutions. At times such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. The balance is insured by the FDIC up to \$250,000. At December 31, 2020 and 2019, the Presbytery had no uninsured cash balances.

PRESBYTERY OF CARLISLE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

12. Commitments and Contingencies

Under the rules of the denomination, all property of the member churches is held in trust for the use and benefit of the Presbytery. In the event that a member church was to leave the denomination or certain other related events were to occur, the control of the church's property and satisfaction of related debt would become the responsibility of the Presbytery.

The Presbytery guarantees loans and lines of credit to churches in its jurisdiction. The Presbytery is responsible for the debt and will receive the title to the Church's property held as collateral under the loan agreements should any of the churches default on their debt. The total amount known that is owed by churches in the Presbytery's jurisdiction as of December 31, 2020 and 2019, were approximately \$958,539 and \$943,761, respectively, as follows:

	2020	2019
Camp Hill	\$ 181,441	\$ 272,401
Derry	532,772	557,863
Falling Spring	1,413	21,378
Great Conewago	17,183	22,529
Hope	28,012	38,214
Presbyterian Congregation Middletown	7,512	12,286
Silver Spring	125,542	-
St. James	-	18,992
Warfordsburg	18,100	-
Waynesboro	35	98
Westminster	2,900	-
	<u>\$ 914,910</u>	<u>\$ 943,761</u>

The Presbytery also owns a one third interest in Krislund Camp & Conference Center, a summer church camp and conference center located in Centre County, Pennsylvania. The operation and maintenance of the camp is shared equally by the three Presbyteries who own it. As a partner of the campground, the Presbytery of Carlisle may be held liable for commitments and contingencies that the campground is unable to satisfy.

The Presbytery of Huntingdon, Inc., along with The Presbytery of Northumberland, Inc., and The Presbytery of Carlisle Inc., as partners of Krislund Camp & Conference Center, guarantees the balance of a line-of-credit and a mortgage, all with Northwest Savings Bank. At December 31, 2020 and 2019, there was no balance on the line of credit and a balance of \$111,948 and \$132,274, respectively, on the mortgage.

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YEARS ENDED DECEMBER 31, 2020 AND 2019

13. Liquidity and Availability

As part of the Presbytery's liquidity management plan, cash in excess of weekly requirements is invested. The Presbytery receives significant contributions and considers these contributions restricted for program expenditures, which are ongoing and central to its annual operations, to be available to meet cash needs for general and program expenditures. The Presbytery manages its liquidity and reserves with a prudent policy of financial soundness and investment goals, maintaining adequate liquid assets to fund near-term operating needs, and maintaining reserves to provide reasonable assurance that long-term obligations will be met. The Presbytery's financial assets (cash, investments and accounts receivable) less financial assets with donor restrictions as of December 31, 2020 and 2019 expected to be available within one year to meet cash needs for general expenditures are \$1,655,588 and \$1,475,426, respectively.

14. Coronavirus

In early 2020, an outbreak of a novel strain of coronavirus was identified and infections have been found in a number of countries around the world, including the United States. The coronavirus and its associated impacts on supply chains, travel, employee productivity and other economic activities has had, and may continue to have, a material effect on financial markets and economic activity. The extent of the negative impact of the coronavirus on the Presbytery's operational and financial performance is currently uncertain and cannot be predicted and will depend on certain developments, including, among others, the duration and spread of the outbreak, its impact on the Presbytery's funders, employees and vendors, and governmental, regulatory and other responses to the coronavirus.