

## Auditors' Opinion

We have examined statements of the Middle Atlantic Conference, namely the balance sheet of the Capital Fund as of December 31, 1964, and the statements of surplus and of cash receipts and disbursements of the General Fund for the year ended December 31, 1964. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet of the Capital Fund of the Middle Atlantic Conference presents fairly the financial position at December 31, 1964, and the statements of surplus and of cash receipts and disbursements of the General Fund of the Middle Atlantic Conference present fairly the recorded cash transactions for the year ended December 31, 1964.

Mather & Hanle

February 4, 1965

by C. Ronald Mather, C.P.A.

MIDDLE ATLANTIC CONFERENCE  
CAPITAL FUND  
BALANCE SHEET  
DECEMBER 31, 1964

ASSETS

LIABILITIES & FUNDS

Revolving Loan Fund

Advances to Churches	\$ 26,773.39	Funds invested:	
Loans to Churches	16,209.00	In advances to churches,	
	\$ 42,982.39	in real estate, and am-	
		ortization of mortgages	\$ 65,710.99
Real Estate	287,980.21	In Conference parsonage	18,264.61
			\$ 83,975.60
Conference Parsonage	18,264.61	Funds not invested:	
		Committed	\$12,500.00
Cash in Banks	46,990.23	Not Committed	34,257.13
		Mortgages Payable	46,757.13
		(see note)	265,484.71
	<u>\$396,217.44</u>		<u>\$396,217.44</u>

Grant Fund

Grant Loans & Mortgages	\$79,311.68	Reserve for Grants	\$79,311.68
		Participation of Potomac	
Cash in Banks	17,731.32	Synod in pending Grant	5,000.00
		Grant Fund:	
		Committed	\$10,500.00
		Not committed	2,231.32
	<u>\$97,043.00</u>		12,731.32
			<u>\$97,043.00</u>

Personal Loan Fund

Student Loans	\$1,225.00	Funds invested	\$1,225.00
Cash in Banks	984.84	Funds not invested	984.84
	<u>\$2,209.84</u>		<u>\$2,209.84</u>

Designated Cash Funds

Cash in Banks	\$81,550.62	Funds, per List attached	\$81,550.62
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Contingent Liability - By a resolution passed on February 21, 1963, the Middle Atlantic Conference guaranteed repayment of a loan of \$120,000 made by a bank to the Bethesda Congregational Church.

Note - Based on the balance of mortgage indebtedness at December 31, 1964, the amount of \$24,441 annually is required to cover interest and principal reduction.



MIDDLE ATLANTIC CONFERENCE

CAPITAL FUND

DECEMBER 31, 1964

INDEX TO EXHIBITS

Revolving Loan Fund

Advances and Loans to Churches	Exhibit A
Real Estate	Exhibit B
Commitments Pending	Exhibit C
Mortgages Payable	Exhibit D

Grant Fund

Grant Loans and Mortgages	Exhibit E
Commitments Pending	Exhibit C

Personal Loan Fund

Student Loans	Exhibit F
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MIDDLE ATLANTIC CONFERENCE  
ADVANCES AND LOANS TO CHURCHES  
DECEMBER 31, 1964

ADVANCES

N.W. BALTIMORE		
Advances	\$ 528.30	
Cost of operating parsonage property	754.28	
Cost of operating church property	<u>2,504.88</u>	\$ 3,787.46
WHEATON		
Cost of operating parsonage property	\$5,555.92	
Cost of operating church property	<u>9,301.66</u>	14,857.58
ALEXANDRIA		
Cost of operating church property		7,536.74
MC LEAN		
Cost of operating church property		481.61
SOUTHERN UNION		100.00
BETHESDA		<u>10.00</u>
		\$26,773.39

LOANS

Hackensack	\$2,564.00	
Hasbrouck Heights	4,000.00	
Jersey City, First	1,000.00	
Jersey City, Waverly	945.00	
Union, N.J.	1,000.00	
Plymouth, Washington	<u>6,700.00</u>	<u>16,209.00</u>
		<u>\$42,982.39</u>

MIDDLE ATLANTIC CONFERENCE  
 CAPITAL FUND  
 REAL ESTATE  
DECEMBER 31, 1964

<u>Description</u>	<u>Cash Invested By MAC</u>	<u>Mortgages Assumed By MAC (Note A)</u>	<u>Total</u>	<u>Advances and Loans (Note B)</u>
Alexandria				\$ 5,000.00 GC
Site	\$ -	\$ 28,662.27	\$ 28,662.27	1,782.11 G
Parsonage	36.19	19,963.81	20,000.00	7,536.74 A
N.W. Baltimore				
Church	6,513.20	117,500.00	124,013.20	3,787.46 A
Less Grant (Note C)	(5,000.00)		(5,000.00)	7,500.00 G
				3,000.00 GC
Parsonage	257.24	15,990.00	16,247.24	
Wheaton				
Site & Parsonage	2,500.00	72,500.00	75,000.00	14,857.58 A
Mc Lean				
Parsonage	7,657.50	21,400.00	29,057.50	5,000.00 LC
Site	2,500.00		2,500.00	2,500.00 G
Less grant (Note C)	(2,500.00)		(2,500.00)	2,500.00 GC
	<u>\$11,964.13</u>	<u>\$276,016.08</u>	<u>\$287,980.21</u>	

Note A

Original amount of mortgages as shown in first column of Exhibit D \$281,506.08  
 Less amount of indebtedness on old Wheaton parsonage at time of sale included on Exhibit D in the mortgage of \$38,490 payable to Church Building Society. 5,490.00  
 Balance as Above \$276,016.08

Note B

In addition to the investment made in the above properties, MAC has made direct advances on loans to these churches, as follows:  
 Advances made, or payments made for operating, marked A  
 Grants made . . . . . " G  
 Grants committed (not yet made) . . . . . " GC  
 Loan committed " " " . . . . . " LC

Note C - Certain moneys loaned to these two churches as grants are carried under the asset of grants. The figures in parenthesis above represent the amounts of these grants used in payment of part of the purchase price of the properties.

MIDDLE ATLANTIC CONFERENCE  
CAPITAL FUND  
COMMITMENTS PENDING  
DECEMBER 31, 1964

	<u>Board Resolution</u>	<u>Revolving Fund Committed</u>	<u>Grant Fund Committed</u>
Cherry Hill			
10 year loan - 10%	64 B 75	\$ 7,500.00	
Mc Lean - Site			
10 year loan	64 B 114	5,000.00	
Grant Loan	64 B 114	\$5,000	
Less grant made & used as down payment on Site		2,500	\$ 2,500.00
Alexandria			
Grant Loan	64 B 113		5,000.00
Baltimore			
Grant loan	64 B 116		3,000.00
		<u>\$12,500.00</u>	<u>\$10,500.00</u>

MIDDLE ATLANTIC CONFERENCE  
CAPITAL FUND  
MORTGAGES PAYABLE  
DECEMBER 31, 1964

<u>Property &amp; Payable To</u>	<u>Original Mortgage</u>	<u>Balance 12/31/64</u>	<u>Int. Rate</u>	<u>Monthly Payments</u>
<u>Wheaton - Site &amp; Parsonage</u>				
Columbia Federal Church Building Soc.	\$ 39,500.00	\$ 37,549.34	5 3/4%	\$277.34-B
	38,490.00	37,690.00-F	4%	325.00-C
<u>Alexandria - Parsonage</u>				
Weaver Bros.	14,163.81	12,705.90	4 1/2%	78.03-B
Board for Homeland Ministries	5,800.00	4,300.00-F	4%	50.00
<u>Alexandria - Site</u>				
Saunders & Crisp Board for Homeland Ministries	9,912.27-A	5,559.86	6%	-
	18,750.00-A	14,100.00-F	4%	155.00
<u>Baltimore - Parsonage</u>				
Provident Savings Board for Homeland Ministries	10,700.00	10,361.19	5 1/2%	72.11-B
	5,290.00	5,290.00-F	4%	45.00-D
<u>Baltimore - Church</u>				
Provident Savings Bd. for Homeland Min. 2nd Mtg.	62,500.00	61,629.07	5 1/2%	430.00-B
Bd. for Homeland Min. Grant Mtg.	35,000.00	35,000.00-F	4%	150.00-E
	25,000.00 )			
Less participation of MAC	)	20,000.00		
	(5,000.00))			
<u>McLean Parsonage</u>				
Columbia Federal	21,400.00	21,299.35	5 3/4%	131.42-B
	<u>\$281,506.08</u>	<u>\$265,484.71</u>		<u>\$1,713.90</u>

Annual Payment: \$20,566.00  
Interest: See Note F 3,855.00  
Total Annual Payment \$24,421.00

Notes - See following page.

Notes:

- A - A reduction in the mortgage payable to Saunders & Crisp in the amount of \$12,327.18 was paid by the Board for Homeland Ministries. It is included in the original amount of the mortgage payable to Board for Homeland Ministries and excluded from original amount of Saunders & Crisp mortgages.
- B - These are uniform monthly payments, and include principal and interest.
- C - Principal reduction is at rate of \$325 per month until principal is diminished to \$4,119; thereafter, at \$275 per month.
- D - Principal reduction at rate of \$45 per month begins on November 1, 1965.
- E - Principal reduction is at rate of \$150 per month until July 1, 1966; thereafter, at rate of \$295 per month.
- F - In addition to the indicated principal reductions, interest on outstanding principal of these five mortgages is payable 4% per annum. Based on balances as above, the interest amounts to \$3,855.00 annually.

MIDDLE ATLANTIC CONFERENCE  
CAPITAL FUND  
GRANT LOANS AND MORTGAGES  
DECEMBER 31, 1964

	<u>Original Grant</u>	<u>Balance of</u>	
	Total	MAC	<u>MAC Participation</u>
<u>Grant Mortgages:</u>		Participation	
1. Baltimore, Heritage UCC (Potomac Synod has participation of \$5,000 in the total.)	\$25,000	\$ 5,000	\$ 5,000.00
2. Baltimore, Heritage (Note A)	2,500	2,500	<u>2,500.00</u>
			7,500.00
3. Greenbelt, Community	18,000	5,000	5,000.00
4. Annapolis U.C.C. (Potomac Synod has participation of \$2,190 in the total.)	6,190	2,000	2,000.00
5. Willingboro, (Note A)	5,000	5,000	5,000.00
6. Livingston, Olivet	15,000	5,000	5,000.00
7. Paramus	12,500	7,500	7,500.00
8. Park Ridge, First	10,000	3,000	2,700.00
9. Cherry Hill, Pilgrim (Funds held by BHM to be turned over to church)	7,500	7,500	7,500.00
10. Silver Spring, Christ	70,000	10,000	1,144.09
11. Cedar Grove, Community (See Note B)	50,000	25,000	24,350.00
12. McLean (Note A)	2,500	2,500	<u>2,500.00</u> \$70,194.09
 <u>Loans:</u>			
13. Short Hills, Community			\$4,718.36
14. Alexandria, Hope UCC			1,782.11
15. Fairfax County, Annandale, Va.			1,029.48
16. Bethesda			<u>1,587.64</u> 9,117.59
			\$79,311.68

Note A - Documentation of these loans is pending.

Note B - Included in the amount loaned to Cedar Grove Community Church is approximately \$15,000 furnished by the First Congregational Church of Montclair. A reduction in the above amount of \$24,350 will be made (with a corresponding reduction in the reserve for grant mortgages) when the exact amount has been determined.

Exhibit F

MIDDLE ATLANTIC CONFERENCE  
CAPITAL FUND  
STUDENT LOANS  
DECEMBER 31, 1964

<u>Date of Loan</u>		<u>Original Loan</u>	<u>Balance</u> <u>12/31/64</u>
1959	Rev. U.J. Houston	\$200.00	\$ 200.00
1959	Herbert B. Yeager	500.00	500.00
1958	Robert Scott	300.00	300.00
1956	Chap. J.G. Truitt, Jr.	450.00	<u>225.00</u>
			<u>\$1,225.00</u>

Exhibit A

MIDDLE ATLANTIC CONFERENCE  
GENERAL FUND  
STATEMENT OF SURPLUS

	<u>Year Ended December 31</u>	
	<u>1963</u>	<u>1964</u>
Receipts over or (under) disbursements:		
For year 1963, see last year's report	\$21,844.68	
For year 1964, see Exhibit B		(\$ 6,249.79)
Payments made to UCC in 1964, relating to 1963, now transferred to 1963:		
Premium for annuity - Dr. Stein - \$2,500.00		
Special gifts received in 1963      8,250.00		
Excess of 1963 Basic Support (\$146,542.11) over "ceiling" established by MAC	<u>741.11</u>	<u>11,491.11</u>
	(11,491.11)	
Receipts over Disbursements adjusted	\$10,353.57	\$ 5,241.32
Surplus at January 1, 1963 (per 1962 report)	<u>42,096.88</u>	
Surplus at December 31, 1963 adjusted	\$52,450.45	
Adjusted Surplus - January 1, 1964		<u>52,450.45</u>
		\$57,691.77
Provision for payment in 1965 of item relating to 1964:		
Excess of Basic Support (\$155,115.25) over "ceiling" established by MAC		<u>(115.25)</u>
Surplus at end of year	<u>\$52,450.45</u>	<u>\$57,576.52</u>
The Surplus is represented by:		
Cash in Bank	\$63,391.56	\$57,141.77
Petty Cash and Advances	<u>550.00</u>	<u>550.00</u>
	\$63,941.56	\$57,691.77
Less Funds held to cover Disbursement to be made	<u>11,491.11</u>	<u>115.25</u>
Surplus as Above	<u>\$52,450.45</u>	<u>\$57,576.52</u>

MIDDLE ATLANTIC CONFERENCE  
GENERAL FUND  
STATEMENT OF RECEIPTS & DISBURSEMENTS  
(except those of Capital Fund)  
FOR YEAR ENDED DECEMBER 31, 1964

Transactions of Special Bank Account

Total Received from Churches:			
For Basic Support	\$310,230.51		
For Other Purposes	<u>59,012.32</u>		\$369,242.83
Less Transfers Made:			
To UCC - 1/2 of Basic Support	\$155,115.25		
"    " - additional transfer	150.00		
	<u>\$155,265.25</u>		
From Directed Gifts, Per Capita, etc.	28,758.73		
Total to United Church of Christ	<u>\$184,023.98</u>		
To MAC Capital Fund	15,590.92		
To Others	564.65		
To MAC - General Fund:			
1/2 Basic Support	\$155,115.25		
Special Gifts	11,848.02		
Per Capita	<u>2,250.01</u>		
	<u>169,213.28</u>		<u>369,392.83</u>
Over disbursed from Special Bank Account, transferred back from General Bank account			<u>\$ 150.00</u>

Transactions of General Bank Account

<u>Receipts:</u>	<u>Total</u>	<u>Items Offset</u>	<u>Net</u>
From Churches, as above:			
1/2 of Basic Support	\$155,115.25		\$155,115.25
Special Gifts	11,848.02		11,848.02
Per Capita	<u>2,250.01</u>		<u>2,250.01</u>
	<u>\$169,213.28</u>		<u>\$169,213.28</u>
From UCC for Church Aid	23,628.38	\$23,628.38	
From Camp registration fees	15,505.91	15,505.91	
From Sundry refunds, etc.	<u>2,722.46</u>	<u>2,722.46</u>	
	<u>\$211,070.03</u>	<u>\$41,856.75</u>	<u>\$169,213.28</u>
<u>Disbursements:</u>			
Budgeted Expense, Exhibit C	\$198,178.71	\$41,856.75	\$156,321.96
Payments made to UCC in 1964 relating to 1963:			
Premium of annuity-Dr. Stein	2,500.00)		
Special gifts received in 1963	8,250.00)		11,491.11
Excess 1963 Basic Support over the ceiling established by MAC	741.11)		
Transfer to Capital Fund	7,500.00		7,500.00
Reimbursement to Special Fund of amount over-paid to UCC-see above	<u>150.00</u>		<u>150.00</u>
	<u>\$217,319.82</u>	<u>\$41,856.75</u>	<u>\$175,463.07</u>
<u>Receipts (under) Disbursements</u>	<u>(\$ 6,249.79)</u>		<u>(\$ 6,249.79)</u>

GENERAL FUND  
BUDGETED EXPENSES  
FOR PERIOD ENDING DECEMBER 31, 1964

	<u>Budget</u>	<u>Payments</u>	<u>Unexpended Balance</u>
<b>I. CHURCH AID AND OTHER GIFTS</b>			
(a) Aid for Churches	\$31,317	\$26,055.03	\$ 5,261.97
(b) Other Gifts:			
N.J. Council of Churches	1,400	1,400.00	-
N.J. Council, Interdenom- inational Miss. Emphasis	475	475.00	-
N.J. Council, Research Dept. Council of Churches	1,000	1,000.00	-
of Greater Washington	1,000	1,000.00	-
Urban Institute	1,500	1,500.00	-
Pastoral Supply, Boston	1,000	1,000.00	-
Council for Church and Ministry, New York	500	500.00	-
Congregational Library	100	100.00	-
Ironbound Project	1,500	1,500.00	-
Supt's Discretionary	2,000	1,570.00	430.00
Washington Association	3,000	3,000.00	-
	<u>\$44,792</u>	<u>\$39,100.03</u>	<u>\$5,691.97</u>
<b>II. ADMINISTRATIVE AND MINISTERIAL</b>			
Superintendent's Salary	\$11,000	\$11,000.00	\$ -
Asso. Supt's Salary	8,250	8,250.00	-
Asso. Rel. Ed. Salary	7,375	7,449.19	(74.19)
Parsonage Upkeep	5,700	5,700.00	-
Rental Allowance	2,640	1,100.00	1,540.00
Administrative Expenses	8,500	7,397.63	1,102.37
Treasurer's Honorarium	1,800	1,700.00	100.00
Office Salaries	22,220	22,455.43	(235.43)
Annuity and Social Security	7,674	7,092.29	581.71
Office Rent	3,330	3,480.00	(150.00)
Office Supplies & Misc.	8,500	6,603.44	1,896.56
Office Furniture & Fixtures	1,200	1,120.65	79.35
Audit	150	650.00	(500.00)
	<u>\$88,339</u>	<u>\$83,998.63</u>	<u>\$4,340.37</u>
<b>III. EDUCATIONAL</b>			
Women's Fellowship	\$ 1,800	\$ 1,800.00	\$ -
Churchmen's Fellowship	1,250	502.64	747.36
Christian Educ. Comm., N.J.	1,000	957.59	42.41
Christian Educ. Comm., Wash.	650	549.08	100.92
Social Action Comm., N.J.	500	198.63	301.37
Social Action Comm., Wash.	500	351.95	148.05
Campus Ministry Comm., N.J.	100	69.63	30.37
Campus Ministry Comm., Wash.	100	12.57	87.43
Church Extension Comm., N.J.	200	18.67	181.33
Church Extension Comm., Wash.	100	33.10	66.90
carried forward	\$ 6,200	\$ 4,493.86	\$1,706.14

BUDGETED EXPENSES

	<u>Budget</u>	<u>Payments</u>	<u>Unexpended Balance</u>
III. <u>EDUCATIONAL</u> (brought forward)	\$ 6,200	\$ 4,493.86	\$1,706.14
Our Christian World Mission, N:J.	250	79.48	170.52
Our Christian World Mission, Wash.	350	32.20	317.80
City Church Work	500	739.96	(239.96)
Curriculum Institute	200	-	200.00
Campus Ministry Allocations	4,200	4,200.00	-
Evangelism & Devotional Life	1,300	48.35	1,251.65
Library & Periodicals	150	141.68	8.32
Summer Camps & Conferences	3,500	3,046.89	453.11
M A C News	1,750	755.61	994.39
Ministerial Compensation	250	117.99	132.01
	<u>\$18,650</u>	<u>\$13,656.02</u>	<u>\$4,993.98</u>
IV. <u>GENERAL</u>			
Directors & Executive Comm.	\$ 2,500	\$ 3,470.84	\$ (970.84)
Special Committees	1,500	1,617.55	(117.55)
Annual Meeting	1,800	2,162.46	(362.46)
Year Book	1,500	1,936.64	(436.64)
	<u>\$ 7,300</u>	<u>\$9,187.49</u>	<u>(\$1,887.49)</u>
V. <u>CONTINGENCIES</u>			
General Contingency	\$ 2,000	\$1,004.79	\$ 995.21
Organizational expenses of Central Atlantic Conference	5,000	5,000.00	-
Termination Allowance	4,375	4,375.00	-
	<u>\$11,375</u>	<u>\$10,379.79</u>	<u>\$ 995.21</u>
 <u>T O T A L S</u>	 <u>\$170,456</u>	 <u>\$156,321.96</u>	 <u>\$14,134.04</u>

NOTE - The payments of \$156,321.96 as shown above represent the MAC share of payments. In addition to the MAC share, the total actually disbursed includes \$41,856.75, composed of funds from UCC for Church Aid, \$23,628.38; from Camp registration fees, \$15,505.91, and from sundry refunds, etc. \$2,722.46. Consequently, the actual disbursements

were	\$198,178.71
Deduct funds received as described	41,856.75
MAC share, as above	<u>\$156,321.96</u>

Figures in parenthesis denote expenditures in excess of Budget.