

**Redeemer Presbyterian Church
of New York City and Affiliate**

Consolidated Financial Statements

December 31, 2009



O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS



O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

Independent Auditors' Report

To The Trustees and the Session Redeemer Presbyterian Church of New York City

We have audited the accompanying consolidated statement of financial position of Redeemer Presbyterian Church of New York City and Affiliate (“Redeemer”) as of December 31, 2009 and the related consolidated statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Redeemer's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Redeemer's 2008 financial statements and, in our report dated June 30, 2009, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Redeemer's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Redeemer Presbyterian Church of New York City and Affiliate at December 31, 2009, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

O'Connor Davies Munns & Dobbins, LLP

New York, New York
June 2, 2010

**Redeemer Presbyterian Church
of New York City and Affiliate**

Consolidated Statement of Financial Position

December 31, 2009
(with comparative amounts for 2008)

	2009	2008
ASSETS		
Cash and cash equivalents	\$ 13,148,704	\$ 15,149,407
Investments	2,108	2,675
Prepaid expenses and other current assets	343,069	249,192
Cash surrender value of life insurance	148,725	146,622
Lease security deposits	462,791	461,575
Furnishings, equipment and leasehold improvements, net	932,161	947,844
Real estate and related costs	30,008,314	25,147,277
	\$ 45,045,872	\$ 42,104,592
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,932,113	\$ 915,229
Capital lease obligation	165,085	65,245
Deferred revenue	255,000	-
Security deposit payable	-	80,000
Deferred rent credit	458,397	372,405
Mortgage loan payable	17,200,000	17,200,000
Total Liabilities	20,010,595	18,632,879
Net Assets		
Unrestricted		
Current operating	5,039,378	4,072,960
Redeemer City to City (Church Planting Center)	1,870,989	1,820,397
Investment in furnishings, equipment and leasehold improvements	839,524	843,520
Total Unrestricted Net Assets	7,749,891	6,736,877
Temporarily Restricted		
Vision Campaign 2006 - 2008	2,341,526	4,329,877
Renew Campaign	1,659,484	-
Real estate and related costs	11,442,629	7,875,698
Other	1,841,747	4,529,261
Total Temporarily Restricted Net Assets	17,285,386	16,734,836
Total Net Assets	25,035,277	23,471,713
	\$ 45,045,872	\$ 42,104,592

See notes to consolidated financial statements

**Redeemer Presbyterian Church
of New York City and Affiliate**

Consolidated Statement of Activities

Year Ended December 31, 2009
(with summarized totals for 2008)

	Unrestricted	Temporarily Restricted	2009 Total	2008 Total
CONTRIBUTIONS AND REVENUE				
Contributions				
General	\$ 10,104,304	\$ -	\$ 10,104,304	\$ 10,637,087
Vision Campaign 2006 - 2008	-	781,044	781,044	2,878,649
Renew Campaign 2010 - 2012	-	2,449,077	2,449,077	-
Mercy and Justice	-	548,858	548,858	787,200
Redeemer City to City	-	2,454,513	2,454,513	2,096,307
Real estate purchase	-	25,090	25,090	1,047,985
Center for Faith and Work	-	100,000	100,000	-
Other	-	364,801	364,801	568,695
Total Contributions	10,104,304	6,723,383	16,827,687	18,015,923
Revenue				
Counseling	619,818	-	619,818	549,590
Ministry program	263,198	7,292	270,490	228,792
Sales of sermons, books, and others	887,509	-	887,509	818,303
Investment income	171,602	41,583	213,185	644,613
Rental income	400,000	-	400,000	142,000
Royalty income	42,079	-	42,079	-
Total Revenue	2,384,206	48,875	2,433,081	2,383,298
Total	12,488,510	6,772,258	19,260,768	20,399,221
Net assets released from restrictions	6,221,708	(6,221,708)	-	-
Total Contributions and Revenue	\$ 18,710,218	\$ 550,550	\$ 19,260,768	\$ 20,399,221

See notes to consolidated financial statements

**Redeemer Presbyterian Church
of New York City and Affiliate**

Consolidated Statement of Activities (Continued)

Year Ended December 31, 2009
(with summarized totals for 2008)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2009 Total</u>	<u>2008 Total</u>
CONTRIBUTIONS AND REVENUE	\$ 18,710,218	\$ 550,550	\$ 19,260,768	\$ 20,399,221
EXPENSES				
Fellowship groups	1,026,808	-	1,026,808	1,026,029
Family ministry	955,950	-	955,950	948,477
Congregational life	491,027	-	491,027	569,966
Counseling center	947,511	-	947,511	939,593
Community Formation	3,421,296	-	3,421,296	3,484,065
Worship and music	786,241	-	786,241	829,262
Sunday service ministry and operations	2,826,079	-	2,826,079	2,889,329
Evangelism and prayer	277,040	-	277,040	249,345
Worship and Evangelism	3,889,360	-	3,889,360	3,967,936
Diaconate	562,734	-	562,734	602,081
Hope for New York	327,843	-	327,843	335,081
Community renewal grants	239,006	-	239,006	482,851
Mercy and Justice	1,129,583	-	1,129,583	1,420,013
Center for Faith and Work	1,024,803	-	1,024,803	994,073
Church Planting Center	3,172,705	-	3,172,705	3,439,736
City Missions Link	174,058	-	174,058	66,525
Redeemer Labs and Executive Leadership	707,977	-	707,977	429,414
Redeemer City to City	4,054,740	-	4,054,740	3,935,675
Real Estate Purchase	-	-	-	291,335
Administration and finance	1,449,319	-	1,449,319	1,524,076
Media and communications	1,209,440	-	1,209,440	1,286,083
Executive leadership	651,171	-	651,171	627,400
Vision Campaign 2006 - 2008 overhead	304,595	-	304,595	281,723
Renew Campaign 2010 - 2012 overhead	562,897	-	562,897	-
Leadership and Administration	4,177,422	-	4,177,422	3,719,282
Total Expenses	17,697,204	-	17,697,204	17,812,379
Change in Net Assets	1,013,014	550,550	1,563,564	2,586,842
NET ASSETS				
Beginning of year	6,736,877	16,734,836	23,471,713	20,884,871
End of year	<u>\$ 7,749,891</u>	<u>\$ 17,285,386</u>	<u>\$ 25,035,277</u>	<u>\$ 23,471,713</u>

See notes to consolidated financial statements

**Redeemer Presbyterian Church
of New York City and Affiliate**

Consolidated Statement of Cash Flows

Year Ended December 31, 2009
(with comparative amounts for 2008)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,563,564	\$ 2,586,842
Adjustments to reconcile change in net assets to net cash from operating activities		
Net loss on investments	567	34,342
Depreciation and amortization	219,521	189,998
Deferred rent credit amortization	(5,828)	9,064
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(93,877)	(51,639)
Accounts payable and accrued expenses	(348,801)	75,383
Deferred revenue	255,000	-
Deferred rent credit	91,820	-
	<u>1,681,966</u>	<u>2,843,990</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	1,923,916
Purchase of investments	-	(8,700)
Increase in cash surrender value of life insurance	(2,103)	(6,460)
Increase in lease security deposits	(1,216)	-
Security deposit for acquisition of real estate	(80,000)	80,000
Purchase of furnishings, equipment and leasehold improvements	(6,397)	(53,053)
Real estate and related costs	(3,495,352)	(5,024,910)
	<u>(3,585,068)</u>	<u>(3,089,207)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of capital lease obligation	(97,601)	(55,504)
	<u>(97,601)</u>	<u>(55,504)</u>
Net Change in Cash and Cash Equivalents	(2,000,703)	(300,721)
CASH AND CASH EQUIVALENTS		
Beginning of year	15,149,407	15,450,128
End of year	<u>\$ 13,148,704</u>	<u>\$ 15,149,407</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 1,104,321	\$ 190,502
Non-Cash Investing Activity		
Building purchased through financing	-	17,200,000
Real estate and related costs financed through accounts payable	1,365,685	63,086
Disposal of fully depreciated assets	24,086	64,023
Acquisition of equipment financed through capital lease	197,441	-

See notes to consolidated financial statements

Redeemer Presbyterian Church of New York City and Affiliate

Notes to Consolidated Financial Statements

1. Organization and Taxation

Redeemer Presbyterian Church of New York City (“Church”) is a corporation organized pursuant to Article 10 of the Religious Corporations Law of the State of New York and is part of the Presbyterian Church in America. The Church's vision is to build a great city for all people through a gospel movement that brings personal conversion, community formation, social justice and cultural renewal to New York and, through it, to the world.

As a religious organization, the Church is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state income taxes under comparable laws.

Redeemer City to City (“CTC”, “Affiliate”) is a not-for-profit corporation organized on January 2, 2008 under the laws of the State of New York. The purpose of CTC is to serve the other great cities of the world through church planting, training of church leaders and content development. The Church's Church Planting Center has become a part of this new organization.

CTC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state income taxes under comparable laws.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Church and CTC (collectively known as "Redeemer"). Accounting principles generally accepted in the United States of America require all organizations over which the Church has both control and an economic interest to be accounted for as consolidated affiliates. All material inter-organizational accounts and transactions have been eliminated.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Redeemer and changes therein are classified as permanently restricted, temporarily restricted or unrestricted.

Use of Estimates

Preparing Redeemer's financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) 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.

Redeemer Presbyterian Church of New York City and Affiliate

Notes to Consolidated Financial Statements

2. Summary of Significant Accounting Policies *(continued)*

Cash Equivalents

Cash equivalents consist of short-term highly liquid investments, with maturities of three months or less at the time of purchase except those designated as held for investment.

Contributions

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Donor indications of intent to give in the future that do not rise to a level of a promise to give are not reflected in the financial statements. Contributions received are recorded as unrestricted and temporarily restricted contributions depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Fair Value of Financial Instruments

Redeemer follows Financial Accounting Standards Board (“FASB”) guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments

Investments in marketable securities are stated at fair value in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Furnishings, Equipment and Leasehold Improvements

It is Redeemer’s policy to capitalize furnishings, equipment and leasehold improvements over \$10,000. Lesser amounts are expensed. Furnishings, equipment and leasehold improvements are capitalized at cost or fair value at date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of computer equipment (3 to 5 years), office equipment and furnishings (5 to 10 years) and leasehold improvements (10 years or the life of the lease, whichever is shorter).

Redeemer Presbyterian Church of New York City and Affiliate

Notes to Consolidated Financial Statements

2. Summary of Significant Accounting Policies *(continued)*

Impairment of Long-Lived Assets

FASB guidance requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. No impairment losses have been recorded to date.

Asset Retirement Obligations

FASB guidance defines an asset retirement obligation as a legal obligation associated with the retirement of tangible long-lived asset. The standard requires recognition of the asset retirement obligation in the period in which incurred, if an estimate of fair value can be made. Redeemer evaluated its owned properties for potential asset retirement obligations. Based on this review, Redeemer has not currently identified any environmental remediation or other such obligations.

Deferred Revenue

Royalties received under the terms of a literary agreement have been deferred until earned.

Allocation of Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated across the ministry fronts.

Accounting for Uncertainty in Income Taxes

Redeemer recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that Redeemer had no uncertain tax positions that would require financial statement recognition. The Church is no longer subject to audits by the applicable taxing jurisdictions for periods prior to 2006. CTC is not subject to audits by the applicable taxing jurisdictions for periods prior to its inception on January 2, 2008.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 2, 2010.

Redeemer Presbyterian Church of New York City and Affiliate

Notes to Consolidated Financial Statements

3. Credit Risk Concentration

At December 31, 2009 and 2008, Redeemer had bank deposits which exceeded federally insured limits. Redeemer has not experienced any losses in such accounts and management believes Redeemer is not exposed to any significant credit risk.

4. Investments and Investment Return

At December 31, 2009 and 2008, Redeemer's investments of \$2,108 and \$2,675 consist of equity securities valued using level 1 inputs. Redeemer held cash equivalents valued using level 1 inputs of \$2,601,671 and \$2,255,289 reported in cash and cash equivalents in the financial statements as of December 31, 2009 and 2008.

Total return on the investment and cash equivalents at December 31 consisted of the following:

	<u>2009</u>	<u>2008</u>
Dividends and interest	\$ 213,752	\$ 678,955
Depreciation of investments	<u>(567)</u>	<u>(34,342)</u>
	<u>\$ 213,185</u>	<u>\$ 644,613</u>

5. Furnishings, Equipment and Leasehold Improvements

Furnishings, equipment and leasehold improvements at December 31 consisted of the following:

	<u>2009</u>	<u>2008</u>
Office equipment and furnishings	\$ 648,035	\$ 502,652
Computer equipment	135,082	107,108
Leasehold improvements	<u>1,055,845</u>	<u>1,049,448</u>
	1,838,962	1,659,208
Less accumulated depreciation and amortization	<u>906,801</u>	<u>711,364</u>
	<u>\$ 932,161</u>	<u>\$ 947,844</u>

Office equipment and furnishings include capital leases totaling \$478,132 and \$280,690 with accumulated depreciation totaling \$234,366 and \$170,419 at December 31, 2009 and 2008.

Redeemer Presbyterian Church of New York City and Affiliate

Notes to Consolidated Financial Statements

6. Real Estate and Related Costs

In 2008, Redeemer purchased land and a building in Manhattan for \$21,500,000. Planning and construction is underway to develop the site as a community center and worship space. Redeemer expects to take occupancy in early 2012. The budget for the construction is approximately \$22,500,000. Redeemer was leasing the property through a month to month lease agreement for \$50,000 per month until preliminary masonry renovation started in August 2009.

7. Capital Lease Obligation

Redeemer is party to a lease-purchase agreement for office equipment and furniture which has been recorded as a capital lease. Future minimum rental obligations on the capital lease as of December 31 are as follows:

2010	\$	53,562
2011		48,348
2012		33,933
2013		33,933
2014		<u>5,746</u>
Total lease payments		175,522
Less portion representing interest		<u>10,437</u>
Principal value of all capital leases	\$	<u>165,085</u>

Interest expense on the capital lease obligation was \$8,076 and \$7,520 for 2009 and 2008.

8. Mortgage Loan Payable

Redeemer has a mortgage loan payable of \$17,200,000 to a bank secured by real property. The loan bears interest of 6.375%. Monthly payments of interest only are due until October 1, 2010. Monthly payments of interest and principal of \$107,139 are due from November 1, 2010 to October 1, 2013. A balloon payment of \$16,633,511 is due at maturity on November 1, 2013.

Future maturities of the mortgage are as follows as of December 31, 2009:

2010	\$	58,279
2011		198,669
2012		211,376
2013		<u>16,731,676</u>
	\$	<u>17,200,000</u>

Redeemer Presbyterian Church of New York City and Affiliate

Notes to Consolidated Financial Statements

8. Mortgage Loan Payable *(continued)*

Interest of \$1,096,246 and \$245,836 incurred on the mortgage for 2009 and 2008 has been capitalized and is included in real estate and related costs in the consolidated statement of financial position.

On February 27, 2009, Redeemer entered into a construction loan agreement which gives Redeemer access to \$14,300,000 to fund the construction of the community center and worship space (see note 6). Management expects to use the full \$14,300,000 during construction. The loan bears an interest rate of 6.375% annually. Monthly payments of interest on any outstanding balance are due until February 1, 2011. Monthly payments of principal and interest of \$89,094 are payable from March 1, 2011 to January 1, 2014. A balloon payment of principal and interest of \$13,844,745 is due when the loan matures on February 1, 2014. Management has not taken out any amount from the loan for 2009 and 2008.

9. Temporarily Restricted Net Assets; Net Assets Released from Restrictions

Net assets which were the subject of donor imposed restrictions held at year end and net assets released from restrictions during the year as are follows:

	2009		2008	
	Net Assets Held at Year End	Released During the Year	Net Assets Held at Year End	Released During the Year
Ascension Church	\$ 4	\$ 11,888	\$ 4	\$ 8,433
Asian Immersion Project	27,800	-	11,000	-
Berlin Projekt	-	72,588	-	58,456
Budapest Project	750	-	-	-
Buenos Aires Project	465	-	-	56,425
Building Fund	2,768,681	-	2,702,008	32,842
Burmese Church Project	7,262	41,589	3,445	64,616
Capetown	5,000	-	-	-
Center for Faith and Work - Incubator	120,400	24,375	44,775	55,225
Center for Faith and Work	10,000	-	-	-
Church Planting Center	-	1,389,315	-	808,979
City Church Philadelphia	-	6,252	-	39,134
City Missions Link	732	123,840	469	28,993
Covenant of Hope Church	5,000	10,000	15,000	10,000
Disaster Relief Fund	488	-	147	101,896
East Asia Coordinator Project	-	33,750	-	46,250
First Fruits Program	27,626	-	26,849	6,500
Grace Village Church	21,763	12,564	5,757	163,692
Hamburg Project	-	40,540	1,215	23,416
Hope for New York	-	115,981	-	100,199

Redeemer Presbyterian Church of New York City and Affiliate

Notes to Consolidated Financial Statements

9. Temporarily Restricted Net Assets; Net Assets Released from Restrictions *(continued)*

	2009		2008	
	Net Assets Held at Year End	Released During the Year	Net Assets Held at Year End	Released During the Year
Infinity Church	295	5,506	5,036	424
Interns & Fellows	78,809	72,789	155,854	39,852
Kiev Project	-	5,000	-	-
Kreusberg Project	-	23,750	-	-
London/ Camdentown Project	-	60,200	-	-
Londrina Project	-	25,415	3,447	35,331
Los Angeles Project	-	37,000	37,000	42,500
Mercy Fund (Diaconate)	1,170,492	284,227	1,024,859	199,182
Metro Hope Church	-	-	-	13,628
Mumbai Project	9,860	15,140	25,000	-
New Song Community Church	25	975	25	13,400
New York City Projects	18,750	53,000	71,750	55,000
Other Donor Restricted Contributions	129,322	246,859	36,189	719,198
Paris Project	50	47,500	50	79,950
Park Slope Project	-	10,000	-	-
Praise Nights	826	7,262	-	11,860
Promise of Hope Fund	24,381	1,395	24,776	12,535
Redeemer City to City	-	1,927	-	-
Redeemer Labs	10,063	536,491	158,204	327,795
RENEW Campaign	1,659,484	562,986	-	-
RENEW Campaign (Building)	226,607	-	-	-
Rome Project	150	26,675	26,675	26,675
Rome II Project	20,500	-	-	-
Roushes Project	1,500	20,529	-	-
Sao Paulo Project	20,000	5,000	25,000	20,000
Scale Brazil Project	96,550	34,574	82,130	16,330
Seminary Scholarship Fund	6,045	-	6,045	-
Serbia Project	-	-	-	1,000
Sophiatown Project	1,000	26,000	-	-
Tokyo Project	17,405	20,000	29,830	38,760
Vision Campaign 2006 - 2008	2,341,526	2,203,171	4,329,877	2,274,700
Vision Campaign 2006 - 2008 (Building)	8,447,341	-	7,875,698	-
Youth Ministry Scholarship Fund	8,434	5,655	6,722	-
	<u>\$ 17,285,386</u>	<u>\$ 6,221,708</u>	<u>\$ 16,734,836</u>	<u>\$ 5,533,176</u>

Redeemer Presbyterian Church of New York City and Affiliate

Notes to Consolidated Financial Statements

9. Temporarily Restricted Net Assets; Net Assets Released from Restrictions *(continued)*

Vision Campaign 2006-2008

In the fall of 2005, Redeemer launched a church-wide Vision Campaign to renew its commitment to serve New York City. Redeemer's congregation has expressed intentions to give \$19.2 million over three years, from 2006-2008, which would be used to support critical areas of Redeemer's ministry growth allocated as follows:

- Purchase and construction of a building (50%)
- Community Formation (5%)
- Worship & Evangelism (5%)
- Mercy & Justice (5%)
- Church Planting (25%)
- Center for Faith and Work (10%)

As of December 31, 2009, Redeemer reports that \$18 Million (94%) of the above \$19.2 million have been received. Management is still accepting contributions for the said campaign but is no longer actively pursuing with the launch of the Renew Campaign in the current year. The funds raised support the establishing of Redeemer's first permanent location (occupancy planned for 2012, see Note 6), as well as supporting new, exciting opportunities across all of Redeemer's ministry fronts.

RENEW Campaign

By the end of this next decade Redeemer's vision is to have three strong congregations serving a total of 9,000-10,000 people, worshipping at 7-9 locations and conducting 12 or more services around the city. To achieve this goal, in 2009 Redeemer launched the RENEW Campaign in order to:

1. Identify and develop pastoral and preaching leadership
2. Grow and equip lay leaders
3. Establish 7-Day-A-Week ministry centers to serve New York City's neighborhoods

The first 50% of the money raised through the RENEW Campaign will be used to complete the renovations of the West Side Building to help accomplish the third goal of establishing 7-Day-A-Week ministry centers. The remaining 50% of the funds raised through RENEW will support all three of the above goals, which should include the initial establishment of a rented 7-Day-A-Week ministry center on the East Side.

The campaign goal was to raise \$20 million. Redeemer's congregation indicated its intention to give \$18.76 million over the next three years, over and above regular giving to the Redeemer operating budget. As of December 31, 2009, a total of \$2.45 million has been contributed towards the campaign.

Redeemer Presbyterian Church of New York City and Affiliate

Notes to Consolidated Financial Statements

10. Rental Commitments

Redeemer occupies office and counseling space under a non-cancellable operating lease that expires on February 28, 2015 and includes a five year renewal option. The lease agreement contain provisions for future rent increases, free rent periods, and rent inducement payments. The total amount of rental payment due over the lease term is being charged to rent expense on a straight-line basis over the term of the lease. In addition, Redeemer has leases with terms of up to two years on several worship spaces which expire between December 26, 2010 and January 2, 2011.

Future remaining minimum lease commitments as of December 31 are as follows:

2010	\$ 2,081,353
2011	903,982
2012	949,781
2013	957,432
2014	957,432
Thereafter	<u>159,572</u>
Total Minimum Payments	<u>\$ 6,009,552</u>

Rental expense totaled \$2,185,969 and \$2,059,992 for 2009 and 2008.

11. Retirement Plan

Redeemer contributes to a multi-employer church pension plan maintained by the Presbyterian Church in America on behalf of its clergy and other senior non-clergy employees. Contributions are determined each year by the Church's Board of Elders in conjunction with the Executive Director and CTC's Board of Directors. Expense amounted to \$203,107 and \$207,272 for 2009 and 2008.

12. Cash Value of Life Insurance

Redeemer is the owner and beneficiary of a \$1,270,000 key man whole life insurance policy on the Senior Pastor. On March 16, 2010, Redeemer surrendered the key man whole life insurance policy and received \$145,908.

In 2007, Redeemer purchased an additional \$15,000,000 key man term life insurance for the Senior Pastor.