OFFERING CIRCULAR

Mission Development Certificate Program

A Washington Nonprofit Corporation

$5,000,000 in Unsecured Promissory Notes

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The Mission Development Certificate Program (the "**Program**") is offering unsecured promissory notes with with rates and terms described on the Program's website at www.mdcprogram.org.

THIS OFFERING INVOLVES CERTAIN RISKS WHICH ARE MORE FULLY DISCLOSED IN SECTION II (STARTING ON PAGE 6) OF THIS CIRCULAR.

THIS OFFERING CIRCULAR IS DATED May 10, 2022.

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INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF NOTES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.

Contents

I. SUMMARY

This summary does not contain all of the information that is important in making an investment decision and should be read in conjunction with the more detailed information appearing elsewhere in this Circular.

A. The Offering.

The Mission Development Certificate and Loan Program (the "**Program**") intends to sell approximately $5,000,000 worth of unsecured promissory notes (the "**Promissory Notes," "Notes,"** "**Mission Development Certificates,"** or "**Certificates"**), which are more fully described in Section IX, "Description of Notes." The Notes are sold only to members of, contributors to, and listed participants in the Program, which limited class of investors reflects the ecumenical nature of the PC(USA)'s approach to Christian ministry.

B. Risk Factors and Financial Summary.

Investment in the Program through the purchase of Notes involves a degree of risk. Prospective Investors should consider the risk factors set forth in Section II, "Risk Factors," and the financial information contained below, elsewhere in this Circular, and in the Exhibits to this Circular.

Financial Information as of December 31, 2021

Cash, cash equivalents, and readily marketable securities	$721,082
Loans receivable	$8,182,755
Percent unsecured of total loans receivable	0%
Loan delinquencies as percent of total loans receivable	0%
Other Assets	$6,849,907
Total Assets	$15,753,744
Notes Payable	$8,231,862
Other Liabilities	$81,196
Unrestricted Net Assets	$7,440,686
Change in Unrestricted Net Assets	$1,792,302

C. Use of Proceeds.

The Program intends to use the proceeds of the sale of the Notes for general purposes, including financially assisting churches and related organizations, investing in other assets, and servicing its obligations to existing investors. See Section IV, "Use of Proceeds."

II. RISK FACTORS

Investors should consider carefully all of the information contained in this Circular before deciding whether to purchase any Notes, and, in particular, the following risk factors:

A. Notes are unsecured general obligations of the Program, and Note holders will be dependent solely upon the financial condition and operations of the Program for repayment of principal and interest.

The Notes are unsecured general obligations of the Program. The Notes are not secured by any real estate or personal property. Note holders will be dependent solely upon the financial condition of the Program for the repayment of principal and interest.

In the event of default, Note holders will have the status of unsecured creditors. The Program may issue new investment obligations having a higher priority to Program assets. In that event, the Note holders' claims on the assets of the Program would be junior to those of holders of the new investment obligations.

B. No sinking fund or trust indenture has been or will be established to ensure or secure the repayment of Notes.

No sinking fund has been or will be established for the repayment of the Notes. The purpose of a sinking fund would be to ensure sufficient reserves for the payment of principal and interest to Note holders. Additionally, a trust indenture has not been and will not be established and, therefore, a trustee has not been appointed to represent the interests of the Note holders.

C. No public market exists for the Notes and none will develop, and therefore, the transferability of the Notes is limited and restricted.

There is no public trading market for the repayment of the Notes, and it is highly unlikely that any will develop in the future. Therefore, the transferability of the Notes is limited and restricted. The Program is not obligated to repurchase any Note at any time other than at maturity. Investors should view the purchase of a Note as an investment for its full term. If a Note holder wishes to sell or transfer a Note, the Program may require the Note holder to provide an attorney's opinion that such transfer does not violate securities laws.

D. The Program is not supervised or regulated and the Notes are not insured or guaranteed.

The Program is not currently supervised or regulated by any federal or state authority or agency that supervises or regulates depository institutions. In addition, neither the Program nor the Notes are insured or guaranteed by any federal or state authority or regulatory agency or any other public or private entity as are certificates of deposit or accounts offered by banks, savings and loan associations or credit unions.

E. Uncertain economic conditions could impact the Program in a variety of ways.

The United States faces a rate of inflation not seen since the 1980s. In response, the Federal Reserve has begun a series of interest rate hikes. Some economists predict that this may put the economy into a recession. This may leave potential investors with less resources to invest in the Program and may increase the credit risk of borrower churches. Additionally, the Program will have to pay higher interest rates to investors to maintain competitiveness. At the same time, churches may be more reluctant to borrow, meaning the Program will be investing excess capital in other assets. The Program's non-loan assets will also be impacted by market fluctuations. The Program intends to mitigate these risk through excess reserves.

F. The COVID-19 pandemic and the subsequent economic and social disruption could impair the Program's ability to repay investors

In March 2020, a worldwide pandemic of COVID-19 (a contagious and dangerous viral respiratory infection), created substantial economic slowdown that caused significant economic disruption. Although the pandemic has eased in the United States, many churches may nevertheless experience a decline in giving as a result of changes in attendance and worship habits that may outlast the pandemic. And new variants of the COVID-19 virus could emerge that result in new waves of illness. If the Program's borrower churches experience a decline in revenue, they may ask the Program for relief on some of the repayment terms or simply not be able to or choose not to pay the obligations to the Program.

G. The Program may not have enough liquid assets to repay Notes upon maturity.

While at least eight percent of the total amount of the principal of all notes payable is set aside as a reserve for liquidity needs, there is no assurance that such reserve is sufficient to cover all future liquidity needs.

As of December 31, 2021, approximately 54% of the outstanding Notes were payable within one year. In the past, a large number of Notes have been reinvested rather than redeemed for cash. For example, in 2021, approximately 78% of the total dollar amount of the Notes maturing was reinvested; in 2020, approximately 71%; in 2019, approximately 76%, in 2018, approximately 76%; in 2017, approximately 89%; and in 2016, approximately 82%. In general, the numbers reflect a slight downward trend. In particular, the average age of an investor in the Program is increasing and the number of potential investors is decreasing for reasons described in risk factor G. Historically, heirs of investors are less inclined to renew the Notes, so the increasing age of the Program's investors is likely to result in lower renewal rates in the future. The Washington State Department of Financial Institutions has also recently required the Program to return the proceeds of a Note upon maturity unless the investor affirmatively re-invests. In contrast to past practice, where notes were re-invested unless an investor affirmatively requested a return of investment, it means that reinvestment rates may decrease. There is also no assurance that a sufficient number of Notes will be sold if necessary to generate the funds required for repayment of maturing Notes. The Program attempts to mitigate this risk by maintaining a cash reserve and an operating line of credit (which currently has no balance), as well as by a practice of making loans with relatively short maturity. If there were not sufficient renewals or new note investments, Note holders would likely experience a delay in receiving the funds owed to them, or even a partial loss of investment. If demands for repayment upon maturity exceed historical averages, it may have an adverse effect on the Program's financial condition and its ability to repay Notes upon maturity. If prevailing interest rates rise significantly, demands for repayment at maturity may exceed historical averages.

H. Disputes within the Presbyterian Church (U.S.A.) may diminish qualified investors and borrowers for the Program.

In recent years, a growing number of churches have left the Presbyterian Church (U.S.A.) due to doctrinal differences, including some in the Synod of Alaska-Northwest Presbyterian Church (U.S.A.) (the "Synod"). Consequently, as churches leave the Synod, the number of people who are qualified investors in the Program and the number of churches that are eligible borrowers from the program may decrease. The Program allows investments from individuals who are not members of a PC(U.S.A.) church to the extent it believes is permitted by law, and has recently waived loan defaults of church borrowers for the act of leaving PC(U.S.A.). But neither act is sufficient to overcome the decline in the number of qualified investors and borrowers.

I. The Program's loans are made primarily to affiliated churches whose ability to repay the loans depend primarily upon contributions that they receive from their members.

The Program's loans are made primarily to churches that are affiliated with the Synod, located within and outside of the Synod's geographical boundary. The loans enable the churches and organizations to acquire property, refinance debt, build, and remodel or make other capital improvements to support their ministries.

The churches are dependent upon contributions from their memberships to meet expenses for operation and for payment of the principal and interest of the loans. Due to population shifts, reductions in contributions, or other factors, the churches may not receive sufficient funds to meet their obligations to the Program. Therefore, investors should be aware that the redemption of the Notes at maturity and interest payments on the Notes depends upon the timely repayment of the outstanding loans.

J. Disputes within the Presbyterian Church (U.S.A.) may result in loan defaults or claims against the Program's assets.

In recent years, a growing number of churches have left the Presbyterian Church (U.S.A.) due to doctrinal differences, including some in the Synod. If a majority or all of a congregation chooses to leave, the local presbytery nevertheless usually has the legal right to the congregation's real property. However, the ability to service the debt on the property would likely be impaired due to the significant reduction in the size of the congregation, which may in turn make it difficult for the Program to service the debts to its investors.

If a significant number of congregations within the Presbyterian Church (U.S.A.) make an effort to leave the denomination, there could develop competing legal claims on the Program's assets. The Program may be forced to incur legal expenses in an effort to preserve the assets for repayment of the Notes.

K. Concentration of Loans.

As of December 31, 2021, 2 borrowers (out of 15) made up 50% of dollar value of the Program's loan portfolio and its largest single borrower constitutes 26% of the portfolio. If any of the Program's larger borrowers were to default on its obligation to the Program, it would have a material adverse effect on the ability of the Program to service its debts. See Section VI "Loans Made by the Program." The geographic concentration of loans to borrowers located only within Washington, Idaho, and Alaska also creates a risk that changes in local economic conditions could affect the ability of multiple borrowers to repay the loans.

L. The loan policies of the Program for loans are less stringent than loan policies of commercial lenders.

The Program's loan policies with respect to Synod-affiliated churches and other Synod-affiliated organizations are different from the loan policies of commercial lenders in the following respects:

a. The Program's criteria for eligibility of borrowers is not as rigorous as the criteria for commercial lenders;

b. The Program does not require as extensive documentation for loan applicants as would be required by commercial lenders;

c. The Program does not require as comprehensive environmental audits and studies as would be required by commercial lenders;

d. Interest rates and fees charged by the Program for loans may be significantly lower than what would be available to churches from commercial lenders;

e. The Program does not condition construction disbursements of loans made on inspection by the Program;

f. The Program may not require or obtain appraisals of the property securing the loans; and

g. The Program may not be as systematic and strict in the enforcement of the terms of loans as commercial lenders.

The Program does not engage in the systematic and strict enforcement of the terms of loans to Synod-affiliated churches and other Synod-affiliated organizations. For more details about loans made by the Program, see Section VI, "Loans Made by the Program."

M. The Program's liquid assets invested in readily marketable securities are subject to market risks that may result in losses if market values of investments decline.

The Program generally invests a portion of its liquid reserves in marketable securities, such as certificates of deposit, commercial short-term paper, money market funds, and mutual funds. These investments are subject to losses due to market fluctuations. Such losses could have an adverse effect on the Program's ability to repay investors. For more details on the Program's investments, see Section VII, "Investing Activities of the Program."

N. Future changes in federal or state laws may adversely affect the Program's ability to continue to sell its Notes.

Changes in federal or state laws, rules or regulations regarding the sale of debt securities of religious, charitable or other nonprofit organizations may make it more difficult and costly for the Program to offer and sell the Notes in some states in the future. If this occurs, it could result in a decrease in the amount of Notes sold by the Program. To the extent the Program is dependent upon sales of its Notes to make principal and interest payment on its outstanding Notes, a substantial decrease in these sales could affect the Program's ability to meet its obligations. If the Program does not continue to qualify its Notes in any particular state, investors in such state may not be able to reinvest at maturity.

O. The real property security for loans made by the Program may be compromised by environmental problems, a limited market for church buildings, and limitations on foreclosure.

1. Environmental Liabilities

The church facilities securing the mortgage loans are subject to various federal, state and local laws and regulations designed to protect the environment from wastes and emissions of hazardous substances ("**Hazardous Substances**").

Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real estate may be required to investigate and clean up Hazardous Substances released at such property, and may be held liable to a government entity or to third parties for property damage and for investigation and clean-up costs incurred in connection with the contamination. Such laws typically impose clean-up responsibility and liability without regard to whether the owner knew of or caused the presence of the Hazardous Substances, and the liability under such laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of responsibility.

The costs of investigation, remediation or removal of Hazardous Substances may be substantial, and the presence of such substances, or the failure to properly remedy the problem, may adversely affect the owner's ability to sell or rent such property or to borrow using such property as collateral. In addition, some environmental laws create a lien on the contaminated site in favor of the government for damages and costs incurred in connection with the contamination. Persons who arrange for disposal or treatment of Hazardous Substances may also be liable for the costs of removal or remediation of such substances at the disposal or treatment facility. Finally, the owner of a site may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from the site. If the Program foreclosed on or purchased property containing Hazardous Substances, the Program could be assessed substantial clean-up costs and penalties as an owner of such property, as would be assessed by any lender in a similar situation.

Environmental audits or evaluations are not performed by the Program on all the real property securing the loans, and there is no insurance or protection for or against environmental damages to the property. Each borrower must provide evidence regarding environmental conditions. Changes in environmental regulations could require the borrower to incur substantial unexpected expenses to comply with such regulations. In the event Hazardous Substances are located at the real property, it could adversely affect the security for the loans and the priority of the Program's mortgages, which would adversely affect the Program's ability to realize value from the sale of the church facilities upon foreclosure. The Program is not aware of any material noncompliance, liability or claim relating to Hazardous Substances in connection with any of the church properties securing the mortgage loans.

2. Limited Market Upon Foreclosure

In the event that the Program forecloses on any real property securing its loans, there is no assurance that a purchaser at a foreclosure sale would pay a price equal to or greater than the outstanding balance of the loan or a price equal to its stated or appraised value. For example, church properties are generally single purpose facilities, and as a result, the number of potential purchasers could be extremely limited. Therefore, there is no assurance that the Program could realize sufficient proceeds from foreclosure on any real property securing such loans to pay Notes in their entirety.

3. Limitations on Remedies

In order to repay the Notes, the Program relies on payments made by borrowers under the loan agreements. The loans are generally secured by deeds of trust on church facilities. The practical realization of the value from these properties upon any default will depend upon the exercise of various remedies specified by the loan agreements and the deeds of trust. These and other remedies may, in many respects, require judicial actions, which are often subject to discretion and delay. Under existing law (including, without limitation, the Federal Bankruptcy Code), the remedies specified by the loan agreements and the deeds of trust may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the loan agreements and deeds of trust.

In addition, the various security interests established under the loan agreements and the deeds of trust will be subject to other claims and interests. Examples of such claims and interests are:

a. Statutory liens;

b. Rights arising in favor of the United States or any agency thereof;

c. Constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction; and

d. Federal bankruptcy laws affecting amounts earned by the borrower after institution of bankruptcy proceedings by or against the borrower.

P. There are no income tax benefits with respect to investment in the Note; interest paid or payable on Notes is taxed as ordinary income regardless of whether interest is received by the Note holder or retained and compounded by the Program.

Investors in Notes will recognize neither gain nor loss for federal income tax purposes, nor will they receive a charitable deduction upon the purchase of Notes. The interest paid or payable on the Notes will generally be taxable as ordinary income to the holder in the year it is paid or accrued. The Program will send to each Note holder a Form 1099 to report the interest income. See Section XI, "Tax Aspects." The income tax aspects of Notes held in a self-directed IRA may be different. In either case, investors are encouraged to consult with their tax advisor, as the Program does not provide tax advice.

Q. Loss of tax-exempt status would interfere with the Program's ability to sell Debenture Notes and result in taxes on the Program's net income.

In order to maintain its tax-exempt status, the Program is subject to a number of requirements affecting its operation. The possible modification or repeal of certain existing federal income tax laws; the change of the Internal Revenue Service policies or positions; the change of the Program's method of operations, purposes or character or other factors could result in the loss by the Program of its tax-exempt status. The failure of the Program to remain qualified as a tax-exempt organization could adversely affect the funds available to the Program for payment to Note holders by subjecting the Program to federal income taxation.

Because the Program is an organization organized and operated exclusively for religious purposes, the securities of the Program are exempt from registration under federal securities law, and the securities laws of several states. Failure of the Program to remain so qualified as a nonprofit tax-exempt organization could adversely affect the Program's ability to rely on the Section 3(a)(4) exemption from registration under the Federal Securities Act of 1933, as amended, and the exemptions from registration under the securities laws of several states.

R. The Program lacks the personnel to maintain best-practice accounting controls.

The accounting operations of the Program are handled by the staff under the direction of the director. Ideally, maintenance of accounting records would be handled by a different person than the one who has signature authority on the Program's accounts. Given the personnel limitations of the Program, opportunities for embezzlement or accounting mistakes pose a greater risk than would be the case if multiple people handled the accounting functions. The Program maintains insurance to cover employee theft in an effort to reduce this risk.

S. The Note holder will not be able to redeem the Note when interest rates rise.

The Notes are subject to interest rate fluctuation. Other institutions may offer notes or other securities with a higher rate of interest which provide greater security and less risk than the Notes. The Note holder does not have the right to redeem any of his or her Notes prior to maturity in order to purchase other, higher yielding investments.

T. The Program may pre-pay the Note at any time without penalty.

The Program reserves the right to pre-pay the Notes at any time without penalty. This means that investors are not assured a particular rate of return for the entire original term of the investment.

U. The Program is not controlled by professional money managers.

The Program is managed by the Board of Directors. The day to day management of the Program is delegated to the Executive Director and staff. The Executive Director may have demonstrated valuable skills in carrying on the ministry of the Program, but may not have the same extensive training and experience as that of a professional investment management company.

V. The Program's affiliation with the Synod and the Presbyterian Church (U.S.A.) could theoretically expose the Program to liability beyond the Program's resources.

Because the Program is separately incorporated and independent of the financial structure of the Presbyterian Church (U.S.A.) and other Synod-affiliated organizations, such affiliates have no legal obligations related to the Notes. Although the Program believes that its assets are not legally available to creditors of any of the other Synod-affiliated organizations, it is possible if claims are made against such entities, the claimants could contend that the Program is liable for such claims. Likewise, claims against the Synod that are unrelated to the Program could nevertheless put the assets of the Program at risk and jeopardize the ability of the Program to repay Notes.

III.HISTORY AND OPERATIONS OF THE PROGRAM

The Program is an independent legal entity affiliated with the Synod of Alaska Northwest of the Presbyterian Church (U.S.A.) The Synod is an intermediate governing body of the Presbyterian Church (U.S.A.). PCUSA was formed by two historic religious denominations: the Presbyterian Church in the United States and the United Presbyterian Church in the United States of America. The church split into these two denominations during the Civil War and reunited in 1983. PCUSA traces its roots to the Protestant Reformation, John Calvin and John Knox. The membership is drawn from diverse cultures and multiple languages in worship, education and service. PCUSA conducts its worship and other religious activities in conformity with the constitution of the Presbyterian Church, including the Book of Order. The affairs of the Program are governed by its Articles of Incorporation, Bylaws, and the Book of Order of the Presbyterian Church (U.S.A.).

The Synod of Alaska-Northwest is one of 16 Synods in the United States as part of the Presbyterian Church (U.S.A.) which is responsible for the mission of the church in Alaska, Washington and portions of Idaho. The Synod was organized in 1910 and is a nonprofit corporation. The Synod is exempt from federal income taxes.

The church loan program was part of the Synod from 1955 to 2008. It was operated to make loans to churches that are affiliated with the Synod, to enable such churches to acquire property, refinance debt, build, remodel, or make other capital improvements. In 2008, the commissioners of the Synod voted and approved the organization of a separate entity, Mission Development Certificate Program to continue to carry out the purpose of the original Synod program. The Synod assets and liabilities related to the church loan program were transferred to the Program.

To accomplish its objectives, the Program solicits investments from members of, contributors to, and listed participants in the Program, which limited class of investors reflects the ecumenical nature of the PC(USA)'s approach to Christian ministry. The Program issues unsecured Notes to the investors, pays interest on these notes at the stated rate, and redeems the notes at maturity. The Program offers securities only in states in which it is permitted and authorized to do so, which presently include, but are not limited to, Washington, Alaska, and Idaho.

In furtherance of its stated purpose, the Program's financial objective is to preserve its investments and to maintain a measure of liquidity, while providing as high a level of current income as is consistent with prudent investment management.

The Notes are general, unsecured obligations of the Program and are not specifically secured by particular loans of the Program.

IV. USE OF PROCEEDS

Proceeds received from this offering will be added to the Program's general funds. The Program's general funds may be available for operating expenses, and to carry out the Program's primary purpose, which is to financially assist Synod-affiliated churches and other Synod-affiliated organizations located within the Synod's geographical boundaries (collectively, "**Potential Borrowers"**) in their capital improvement projects by loaning funds to them. The Program has not committed all or any portion of the proceeds from this offering for any specific projects. In the normal course of the Program's operations, however, the Program is continuously making loan commitments based upon the availability of funds.

Some or all of the proceeds received from this offering may be invested in short-term instruments and marketable securities that the Program believes will provide a financial return consistent with the policy of maintaining a liquidity reserve fund and the goal of preserving the proceeds for eventual use in loans to the Potential Borrowers.

If necessary, the Program may use some or all of the proceeds received from this offering to pay principal and interest on outstanding Notes.

The total anticipated expenses specifically related to this offering is estimated to be not more than $20,000 per year, which includes legal, accounting and other professional fees, printing, mailing and other costs, and securities-related filing fees. This figure does not include salaries for Program staff, rent, or other operational costs.

V. FINANCING AND OPERATIONAL ACTIVITIES OF THE PROGRAM

The following information briefly describes the obligations of the Program as of December 31, 2020, the redemptions and Note sales for 2020, and the loans held by the Program as of December 31, 2020.

A. Liabilities (including Notes payable).

The majority of liabilities of the Program as of December 31, 2020, were the Notes held by existing investors.

Notes Payable, Current Portion	$4,405,122
Notes Payable, net of Current Portion	$3,826,740
Other Liabilities	$81,196
Total Liabilities	$8,313,058

The Program's liabilities (other than Notes payable) consist of accrued interest and accounts payable. The Program maintains a line of credit under which the Program can borrow up to $100,000. The line of credit has no balance, the Program has never utilized it, and it is not secured. As a matter of policy, the Program will not incur senior secured indebtedness (obligations with priority over the Notes) equal to more than ten percent of the Program's tangible assets.

B. Note redemptions and receipts from Notes sales.

For calendar year 2020, Note redemptions and receipts from sales of notes were as follows:

New Note Investments (excludes renewals)	$897,600
Note Renewals	$3,607,817
Note Redemptions (excludes renewals)	$1,019,708

C. Loans receivable.

The loans receivable by the Program as of December 31, 2021, all of which are secured, were as follows:

Total Loans Receivable (after loss allowance of $209,822)	$8,182,755

VI. LOANS MADE BY THE PROGRAM

A. Loans Outstanding

As of December 31, 2020, there were fifteen loans on the Program's books. The aggregate principal balance on these loans was $8,392,577 (the book balance of $8,182,755 is after a loan loss allowance of $209,822). A summary of the loans outstanding is attached as Exhibit A. There are no loans presently in default, nor have there been any material loan delinquencies in the last three fiscal years.

As of December 31, 2020, two of the fifteen borrowers from the Program accounted for 50 % of the total unpaid balance of all loans outstanding, and its largest single borrower constituted 26 % of the portfolio. If any of these major borrowers were to default on its loan, the Program would suffer material, adverse effects.

B. Loan Policies

Loans are made to the Potential Borrowers primarily for the purchase of land for future construction, for construction or renovation of church or other facilities, and for other capital improvements. Loans are generally secured by deeds of trust on real property of the borrower, but the Program may accept other forms of security such as a pledge of an investment with the Program.

Loans made by the Program are usually secured loans at interest rates that may be different than prevailing conventional mortgage market rates. On December 31, 2021, the Program was making loans with an adjustable interest rate of from 2.6% to 5.0% based on the loan/value ratio of the security offered as collateral and other factors. These adjustable rate loans are usually for a term of three years and are generally amortized over a period of 20 years with a balloon payment on the due date. The loan is ordinarily renewed at maturity. Interest rates on the loans are adjusted periodically.[1]

Loans made by the Program are generally secured by a first position deed of trust. The Board of Directors may accept a deed of trust that is not in first position in limited circumstances. The Program may participate in loan made with banks and/or other lending institutions where the Program and one or more other lenders extend credit to a single borrower secured by a single deed of trust. The Program does not securitize, or sell, either whole or part of any of its loans. If the Program were ever to do so, it would only sell parts of loans on a non-recourse basis to unaffiliated entities, it would use the proceeds to make additional loans to churches, and it would not sell the loans to the degree that it would hinder the Program's ability to repay the Notes.

The Program's underwriting requirements limit loans to 75% of value of the property. Value is generally determined by an appraisal, but the Program may waive this requirement and use alternative values such as tax assessment. The Program's underwriting requirements require a debt service coverage ratio of at least 1. The Program requires certain lender protection, such as adequate surveys (in some cases), environmental surveys (in some cases), mortgagee's title insurance, and adequate property insurance, with the Program listed as loss payee. It is also the Program's general policy that loans made for the purpose of construction be disbursed similar to a line of credit, where interest is charged only on funds used. In addition, the deeds of trust and mortgage notes executed in favor of the Program may contain an acceleration clause to the effect that in the event the borrower ceases its affiliation with the Synod, the entire unpaid balance of principal and all accrued

[1] The adjustment period ranges from every year to every five years depending upon the terms of the particular loan.

interest shall become immediately due and payable. No environmental audits or evaluations are performed on the real property securing the loans, except on new buildings when required by governmental authorities; nor is there any insurance for protection against environmental damage to the property. Liability for hazardous waste or discharge may significantly reduce the value of the property securing the loans to churches, thus adversely affecting the Program's ability to redeem the securities.

All loans in default are reviewed quarterly by the Board of Directors of the Program. The Program is usually willing to make accommodations to borrowers whose payments are not current, so long as such accommodations do not jeopardize the interests of the Program's investors. Past examples include loan modification and forbearance arrangements. The current lending policies are subject to change from time to time by the Program's Board of Directors to respond to changing market conditions, conditions of the Program, or the particular circumstances of individual borrowers.

The Program receives requests for loans at its office in Seattle, Washington from Potential Borrowers. The Program may mail a loan application to a Potential Borrower. After loan applications and accompanying documentation are properly delivered to the Program's office, the Board of Directors reviews the applications. The Board of Directors reviews pertinent information concerning the Potential Borrowers in an effort to evaluate their ability to repay indebtedness. The Board of Directors then approves or declines the loan applications.

VII. INVESTING ACTIVITIES OF THE PROGRAM

In order to maintain a level of liquidity and have money available to make new loans, the Program keeps a reserve of non-mortgage assets. The Board has established an investment policy; the Executive Director makes investment decisions, subject to the policy. The Program has not delegated investment decisions to an outside party. The investment policy requires the Program to maintain a reserve equivalent to at least eight percent of the notes payable in assets that can be readily converted to cash for purposes of Note redemptions, allowance for loan defaults, and other cash needs. These reserves are held in checking and savings accounts, money market, government bonds, commercial bonds, and other instruments that have less market risk than equity securities and still provide a high level of liquidity. The policy allows the Program to invest excess funds above the reserve requirement in mutual funds and exchange traded funds.

As of December 31, 2021, the Program's investments, other than mortgage loans receivable, were as follows:

Type of Investment	Amount	% of portfolio
Cash and Cash Equivalents	$721,082	10%
Mutual Funds / Exchange Traded Funds	$6,595,710	90%
Total	$7,316,792	100%

The cash and cash equivalents are further broken down as follows:

Account	Amount
Cash/Money Market	$721,082
Total	$721,082

The aggregate realized and unrealized gains and losses on the Program's non-mortgage investments in the last three years were as follows:

Year	Gain (Loss)
2021	$1,590,488,
2020	$1,479,094
2019	$1,064,888

VIII. SELECTED FINANCIAL DATA

Selected information from the Program's audited financial statements for the years ending December 31, 2021 through December 31, 2017 is set forth below.

A. Assets, Liabilities, and Net Assets.

The following table summarizes some of the information from the Program's balance sheet. More detailed information can be found in the audited financial statements attached as Exhibit B to this Circular. Cash, Cash Equivalents, and Readily Marketable Securities represents the Program's liquid investments, which are generally all assets other than mortgage loans. Loans Receivable is the amount owed by borrowers from the Program. The Program has not recently had any Unsecured Loans Receivable or Loan Delinquencies greater than 90 days past due. Notes Payable is the amount owed to Note holders. Unrestricted Net Assets as shown below is Total Assets minus Total Liabilities minus temporarily and permanently restricted net assets. Change in Unrestricted Net Assets is the change from the prior year.

	2021	2020	2019	2018	2017
Cash, Cash Equivalents, and Readily Marketable Securities	721,082	598,933	1,100,530	1,158,137	841,940

Loans Receivable	8,182,755	8,197,521	7,467,641	7,109,809	7,353,753
Unsecured loans receivable	0	0	0	0	0
Percent Unsecured of Total Loans Receivable	0	0	0	0	0
Loan Delinquencies as Percent of Total Loans Receivable	0	0	0	0	0
Other Assets	6,849,907	5,180,311	3,765,487	2,866,112	3,903,702
Total Assets	15,753,744	13,976,765	12,333,658	11,134,058	12,099,395
Notes Payable	8,231,862	8,245,660	8,158,597	7,966,411	8,644,347
Other Liabilities	81,196	82,721	88,099	90,268	71,763
Unrestricted Net Assets	7,440,686	5,648,384	4,086,962	3,077,379	3,383,285
Change in Unrest. Net Assets	1,792,302	1,561,422	1,009,583	(305,906)	899,983

B. *Summary of Notes Payable.*

The following tables show information about the obligations of the Program to its investors. More detailed information can be found in the audited financial statements attached as Exhibit B to this Circular. New Note Investments are Notes sold to investors in exchange for cash. Note Reinvestments are Notes issued to investors upon maturity of an existing Note. Note Redemptions are cash payments to investors at maturity or upon early redemption. Notes Maturing are the principal amount of notes maturing in a calendar year. Reinvestments as Percentage of Notes Maturing is Note Reinvestments divided by the sum of Note Reinvestments plus Note Redemptions.

	2021	2020	2019	2018	2017
New Note Investments	897,600	1,303,046	1,076,471	317,400	469,939
Note Reinvestments	3,607,817	3,212,872	2,939,904	3,455,964	3,621,889
Note Redemptions	1,019,708	1,303,456	878,147	1,047,464	443,825

Notes Maturing	4,627,525	4,516,328	3,818,051	4,503,428	4,065,714
Reinvestments as Percentage of Notes Maturing	78%	71%	76%	76%	89%

Notes by Maturity Date	Principal Balance as of December 31, 2021	Percent of Total Notes Payable
2022	$4,405,121	53.5%
2022	$1,607,404	19.5%
2023	$1,049,325	12.7%
2024	$686,421	8.3%
Thereafter	$483,591	5.9%
Total	$8,231,862	100%

IX. DESCRIPTION OF NOTES

A. Overview

The Program is currently offering Notes in the denominations and for the terms shown on the first page of this Offering Circular to the Potential Investors. The Notes are offered for cash. The Program does not offer financing terms. The Notes are unsecured obligations of the Program. The Notes have fixed terms ranging from 28 days to five years.

B. Interest Calculations

The Program offers Notes in two categories based upon how interest is paid or credited.

“Income Series” Notes have simple interest paid periodically in the form of a check.

“Growth Series” Notes have interest compounded semi-annually and paid at maturity.

For Income Series Notes, interest is paid semi-annually for investments under $10,000; for investments over $10,000, interest is paid according to the payment election of the Investor at the time of purchase.

Individual investors may invest in Growth Series Notes of duration of 12 months or longer through a self-directed IRA. In order to purchase Notes for a self-directed IRA, the individual investor may direct his or her IRA custodian to submit to the Program an IRA Note Request along with an investment application completed by the individual Investor. The minimum investment through a self-directed IRA is the same as other Growth Series Notes: $1,000 for Notes maturing in 1,2,3 or 5 years, and $25,000 for a three-year jumbo Note.

The Program reserves the right to change the method by which interest is determined or the frequency with which interest is paid to the Investor or added to the Notes. If the Program exercises its right to change the method by which interest is calculated or the frequency in which interest is paid on existing Notes, the holder of such Notes will receive written notification describing the changes in the method of determining rates of such Notes. If upon receiving the notice, Investors wish to make a complete withdrawal, they may do so within 30 days of receiving notice.

Interest rates for the Program are reviewed and set by the Interest Rate Committee which consists of the President, Treasurer and moderator of the Loan Committee.

C. Redemption of Notes at Maturity

Notes may be redeemed with notice at the expiration of such Note's term ("Maturity Date"), whereupon all principal and accrued and unpaid interest on the Note shall be paid to the investor. At least 30 days prior to a Note's Maturity Date, the Program will send the Note holder a notice of maturity with a link to the Program's most recent offering circular. In order to re-invest the proceeds of a Note, an investor must affirmatively elect to re-invest on or before the Maturity Date. If such request is not timely received, the Program will redeem the Note together with any accrued but unpaid interest. Notwithstanding any provision of this paragraph or of this Circular to the contrary, the Program, in its discretion, may elect not to issue a new Note for any reason whatsoever.

The Program reserves the right to change the interest rates, terms and minimum investment amounts listed on the first page of this Circular for Notes issued in the future, as financial market conditions warrant or for any other reason. Notes issued in the future may bear interest rates higher or lower than described herein, depending on current market conditions, on the status of the Program's investment portfolio, and other factors. Interest rates on outstanding six-month to five-year fixed rate notes may not be changed.

D. Early Redemption of Notes and Penalties / Prepayment

The Board of Directors of the Program, in its discretion, may permit early redemption of a Note at the request of a Note holder upon a showing of death, incapacity or extreme emergency of such Note holder. It has been the Program's policy and practice to honor requests from investors when there has been a demonstration of hardship. The Program may impose conditions on such an early withdrawal, such as requiring the thirty (30) days advance request or imposing an interest rate penalty. The Program, however, shall have no legal obligation to redeem early any such Note, and there is no assurance or legal obligation that the Program will continue such policy and practice.

The Program also reserves the right to pre-pay a Note prior to maturity for any reason or no reason, although such circumstances have been rare. Investors should therefore understand that a particular rate of return is not assured for a specific period of time, as would be the case with a bank certificate of deposit.

E. Restrictions on Transferability

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended, and the applicable state securities laws, pursuant to registration or exemption there from. If a Note holder wishes to sell or transfer a Note, the Program may require the Note holder to provide the Program with an attorney's opinion that such transfer is not a violation of securities law.

X. PLAN OF DISTRIBUTION

1. The Notes will be offered and sold only through officers and/or employees of the Program or other authorized

representatives of the Program.

2. No underwriting or selling agreements exist, and no direct or indirect commissions or other remuneration will be paid to any individual or organization in connection with the offer and sale of the Notes.

3. The offering of Notes is a best efforts offering. The Program reserves the right at any time to withdraw all or part of this offering without notice.

XI. TAX ASPECTS

Investors in the Notes will recognize neither gain nor loss for federal income tax purposes, nor will they receive a charitable deduction upon the purchase of Notes. Interest paid or payable on the Notes will generally be taxable as ordinary income to the holder in the year it is paid or accrued. For example, if interest is compounded and paid upon maturity in a 5-year Note, the interest accrued each year is taxable for the year in which it is accrued, not upon maturity of such Note. Investors who hold Notes in which the interest is compounded and paid upon maturity will not be taxed on the return of the principal purchase price or on the payment of previously accrued and taxed interest.

Investors should consult with their tax advisors prior to purchasing a Note regarding applicable state and federal tax laws. For Notes held in a self-directed IRA, income tax on the interest may be deferred, but the Program does not provide tax advice to any investor; investors should check with their tax advisor.

XII. LITIGATION

As of this date, the Board of Directors and management of the program are not aware of any present, pending, or threatened legal proceeding, including those that are known to be contemplated by governmental authorities, administrative bodies, or other administration persons to which the Program or its property may become a party.

XIII. MANAGEMENT

A. Overview

The Board of Directors has the full power to conduct, manage, and direct the business affairs of the program according to its by-laws. Certain amendments to the by-laws must be approved by the Synod of Alaska Northwest before they become effective.

The day to day business of the Program is delegated to the Executive Director, Dean Mielke, who is assisted by Sarah Peniston.

The Executive Director reports to a Board of Directors who have administrative responsibility over the Program.

The Board of Directors are recommended to the Synod Board of Trustees for election. Directors are elected to three-year terms. Each director shall serve until the earlier of the expiration of his or her term or his or her death, resignation, or removal.

B. Directors

The Board of Directors shall consist of not less than seven persons, the majority of whom shall be active members of the Presbyterian Church (U.S.A.) church or presbytery within the bounds of the Synod of Alaska Northwest.

Class of 2022

Don Bennett, Olympia Presbytery

Rev. Jim Deal, At-large

Guy Warren, Olympia Presbytery

Class of 2023

Rev. Ann Lewis, Northwest Coast Presbytery

Leo Potter, Inland Northwest Presbytery

Richard Stevens, Inland Northwest Presbytery

Josh Weldy, At-Large

Class of 2024

Phin Haglin, Inland Northwest Presbytery

Rev. Robert Johnson, Northwest Coast Presbytery

C. Officers

President – Don Bennett

Vice President – Phin Haglin

Secretary – Rev. Jim Deal

Treasurer – Guy Warren

Executive Director – Dean L. Mielke

D. Biographies of Directors/Management

MDC Board of Directors for 2021

Don Bennett, Presbytery of Olympia

Don Bennett is Deputy Director for the Washington Student Achievement Council, the state's higher education agency. He retired as a judge advocate officer in the Army National Guard in 2017 after 35 years of service. He and his family are active members of Shepherd of the Hill Presbyterian Church in Puyallup.

Rev. James Deal, At-Large

Jim graduated magna cum laude from Whitworth College in Spokane in 1986 with a double major in music (piano performance) and Biblical Studies. He then graduated from Princeton Theological Seminary, New Jersey in 1989. Ordained into the PC(USA), Jim served churches in Ellensburg, WA, and Weiser, ID, until coming to Eastmont Presbyterian Church, East Wenatchee as Senior Pastor in November 2000. Eastmont is now part of the Evangelical Covenant Order of Presbyterian churches and goes by the name of Faith Presbyterian Church of East Wenatchee. He is married to Jeana and they have grown 3 sons.

Guy Warren, Presbytery of Olympia

Guy Warren is a Ruling Elder at Westminster Presbyterian Church of Chehalis, Washington. Mr. Warren moved to Chehalis in 2012 after having lived in Juneau, Alaska for 31 years. While in Juneau, he served as the Stated Clerk of the former Presbytery of Alaska. Prior to his retirement, Mr. Warren served as a mainframe computer programmer/analyst for the State of Alaska being responsible for their statewide accounting system.

Phineas Haglin, Presbytery of Inland Northwest

Phineas Haglin has spent over 33 years in law enforcement and has held such titles as patrolman, Chief of Police, Sergeant, Lieutenant/Criminal Investigator and Detective. Phin also serves on the Wilbur School Board as Chairman, the Creston Volunteer Fire Department, and is a past member of the Board of Trustees for the Inland Northwest Presbytery. He is a graduate of the University of Idaho with a Bachelors of Science Degree in General Studies with minors in Animal Science and Religious Studies. Phin and his wife Teri have two children and are members of Wilbur Community Presbyterian Church.

Rev. Robert Johnson, Presbytery of Northwest Coast (formerly Presbytery of Central Washington)

A native of Anacortes, Wash., Bob has an undergraduate degree from Western Washington University. While working for the Washington State Ferries, Bob went under care of North Puget Sound Presbytery and then entered the University of Dubuque Theological Seminary. Bob was ordained by North Puget Sound and served churches in what is now the Northwest Coast and Seattle Presbyteries. Nineteen years ago, Bob moved to Richland, where he was called to pastor at the Meadow Springs Presbyterian Church, until he retired June 30, 2016. Bob and his wife, Carol, continue to reside in Richland and have been married for 39 year. They have two grown sons and 6 grandchildren all residing in the TriCities area.

Rev. Ann Lewis, Presbytery of the Northwest Coast

Ann is a teaching elder serving as Co-Pastor with her husband, Charlie, at First Presbyterian Church of Snohomish, since 1999. She also serves as Director of Kaleidoscope Academy, a community outreach program of First Presbyterian Church of Snohomish, which partners with the local school district and provides community education classes in music and the arts. Ann and Charlie have two grown sons.

Josh Weldy, At-Large

Josh graduated from the University of Washington in 1994 with a Bachelor of Arts degree in Business Administration. He is a Certified Public Accountant and currently is the Chief Financial Officer for Auvil Fruit Company located in Orondo, Washington. Josh, his wife Shannon and youngest son Connor live in East Wenatchee, Washington. Josh's oldest son Thomas attends the University of Washington. Josh and his family are active members of Faith Presbyterian Church of East Wenatchee. Josh currently is in his third term on session of the church, where he serves as Elder of Finance and Administration ministries.

Leo Potter, Presbytery of Inland Northwest

Leo Potter is recently retired and married to Janet Potter who serves as the pastor to Community Presbyterian Church in St. Maries, ID, where he is a Deacon. He serves on the Board of Directors of Valley Vista Care, St. Maries, ID, which has operations in four different cities in Idaho. Mr. Potter had a 40 year career in public and private accounting. He was a CPA with the firm of McGladrey and Pullen and a controller in private industry. Leo had extensive experience working with manufacturing, non-profits and closely held entities. He served as a ruling elder at Westminster Presbyterian Church, Rockford, IL. and was its treasurer for twelve years. Leo also sat on the Executive Capital committee which conducted capital campaigns that raised over $8 million and provided construction oversight of a new church campus.

Richard Stevens, Presbytery of Inland Northwest

A lifelong resident of Spokane, Washington, Rich graduated from Washington State University with a bachelor's degree in accounting and from the University of Washington with an MBA. Rich spent his career as a Certified Public Accountant and Certified Internal Auditor. He retired in 2016. Mr. Stevens is currently an elder for Colbert Presbyterian Church and serves as Treasurer for the Presbytery of Inland Northwest. Rich and his wife, Shelley, have a family of three adult sons, four adult daughters, and five granddaughters.

Dean Mielke, Executive Director

Dean L. Mielke is the chief executive officer of the Program. He received his M.C.P. from San Diego State University in 1978. He has served municipal and non-profit corporations for 38 years. He previously served as the Finance Administrator and Treasurer for the Synod of Alaska-Northwest from 2001-2007. He is a past member and chair of Presbyterian Northwest Communities and Episcopal Retirement Communities. Mr. Mielke has been the Executive Director of the Program since April 2001.

E. Remuneration

The Program's Board of Directors do not receive compensation for their service to the Program. Directors are reimbursed for actual expenses incurred in attending board meetings of the program.

The Executive Director, Controller, and Executive Assistant received direct and indirect remuneration in the aggregate of approximately $252,715 in 2021. Dean Mielke, Executive Director received a salary and benefits of $164,307.

F. Conflicts of Interest

Some of the directors, officers, employees or their family members are Note holders or pastors, or members of churches that hold Notes. Also, some of the directors, officers, employees or their family members may be pastors, or members of churches that have borrowed from the Program. As of December 31, 2021, such related-party loans total $329,088. The Program has a policy where a conflicted director is recused from the lending decision in the case of such related party transactions. Investors should be aware that in such cases there could be a conflict of interest since these persons are likely privy to information concerning the Program's activities before other Note holders and could have interests that conflict with other Note holders.

G. No Disqualifications

No director or officer of the Program has, during the past ten years, been convicted of any criminal proceeding (other than for traffic violations or other minor misdemeanors), is the subject of any pending criminal proceedings, or was the subject of any order, judgment or decree of any court enjoining such individual from any activities associated with the offer or sale of securities.

XIV. FINANCIAL STATEMENTS

The financial statements of Mission Development Certificate Program as of December 31, 2021 and 2020, and for the years then ended, included in this offering document, have been audited by CliftonLarsonAllen, LLP, independent auditors, as stated in their report dated April 14, 2022 and attached as Exhibit B.

XV. INVESTOR REPORTS

Upon request, any investor will be provided with annual financial statements, including a balance sheet, and a statement of income and expenses and change in general fund balance, which statement shall be prepared by an independent certified public accountant within 150 days of the Program's last fiscal year end.

Exhibit A

Historical - Loan Report

Effective Date: 12/31/2021

Constituent	Loan #	Principal Balance
BETHANY P.C. SEATTLE	4041	$295,510.23
BIRCHWOOD/CORDATA P.C.	01000	$723,813.18
COVENANT PRESBYTERIAN CHURCH	07021	$165,183.93
EMMANUEL PC SPOKANE	01006	$19,691.15
FIRCREST PRESBYTERIAN CHURCH	3051	$71,818.58
HARRISON SQUARE P.C.	7020	$2,177,973.01
MEADOW SPRINGS PC	4130	$300,671.96
Mount Vernon P.C.	01003	$570,853.12
SAMMAMISH P.C.	7015	$2,020,275.29
SHELTON PRESBYTERIAN CHURCH	3971	$464,195.81
SHEPHERD OF THE HILL P.C.	7013	$329,088.02
Tidelands Church	7012	$102,234.30
TRINITY PC TACOMA	01002	$359,408.82
UNITED PC OF SEATTLE	01005	$722,082.23
WOODLAND PARK PC	3991	$69,777.85
TOTAL		**$8,392,577.48**

Exhibit B - 2023 Audit and Financial Statements

MISSION DEVELOPMENT CERTIFICATE PROGRAM

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

MISSION DEVELOPMENT CERTIFICATE PROGRAM
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YEARS ENDED DECEMBER 31, 2023 AND 2022

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Mission Development Certificate Program
Burien, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Mission Development Certificate Program, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022 and the consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Mission Development Certificate Program as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mission Development Certificate Program and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mission Development Certificate Program's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Board of Directors
Mission Development Certificate Program

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mission Development Certificate Program's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mission Development Certificate Program's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bellevue, Washington
March 29, 2024

MISSION DEVELOPMENT CERTIFICATE PROGRAM
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	$ 773,051	$ 262,194
Loans Receivable, Net of Allowance for Credit Loss	6,593,904	6,269,745
Allowance for Credit Loss	173,524	164,993
Interest Receivable	39,560	34,649
Investments	5,055,758	5,954,900
Prepaid Expenses	15,415	14,702
Property and Equipment, Net	184,755	190,743
Total Assets	$ 12,835,967	$ 12,891,926
LIABILITIES AND NET ASSETS WITHOUT DONOR RESTRICTIONS		
Accounts Payable and Accrued Liabilities	$ 48,458	$ 46,869
Accrued Interest	39,416	31,593
Certificates Payable - Short-Term:		
Income Series	872,604	1,596,986
Growth Series	2,579,014	2,524,140
Certificates Payable - Long-Term:		
Income Series	1,193,863	1,263,441
Growth Series	2,378,729	2,679,120
Total Liabilities	7,112,084	8,142,149
NET ASSETS WITHOUT DONOR RESTRICTIONS	5,723,883	4,749,777
Total Liabilities and Net Assets Without Donor Restrictions	$ 12,835,967	$ 12,891,926

See accompanying Notes to Consolidated Financial Statements.

MISSION DEVELOPMENT CERTIFICATE PROGRAM
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	Without Donor Restrictions	
	2023	2022
REVENUES		
Interest on Loans	$ 252,794	$ 285,334
SUPPORT		
Contributions	1,445	-
Total Revenues	254,239	285,334
EXPENSES		
Program Expenses:		
Interest on Income Certificates Payable	46,973	36,382
Interest on Growth Certificates Payable	99,241	83,331
Loan Loss Allowance	8,531	(44,829)
Total Program Expenses	154,745	74,884
Supporting Services Expenses:		
Salaries, Payroll Taxes, and Benefits	226,320	241,493
Office and Related Expenses	56,020	69,594
Certificate Program	2,078	3,199
Professional Fees	40,150	39,994
Travel and Meeting	4,621	4,391
Depreciation	5,988	6,009
Total Supporting Services Expenses	335,177	364,680
Total Expenses	489,922	439,564
OTHER INCOME		
Interest on Investments	148,606	44,253
Realized Gain on Investments	400,945	196,117
Unrealized Gain (Loss) on Investments	660,238	(2,777,049)
Total Other Income	1,209,789	(2,536,679)
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	974,106	(2,690,909)
Net Assets Without Donor Restrictions - Beginning of Year	4,749,777	7,440,686
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	$ 5,723,883	$ 4,749,777

See accompanying Notes to Consolidated Financial Statements.

MISSION DEVELOPMENT CERTIFICATE PROGRAM
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets Without Donor Restrictions	$ 974,106	$ (2,690,909)
Adjustments to Reconcile Changes in Net Assets Without Donor Restrictions to Net Cash Used by Operating Activities:		
Depreciation Expense	5,988	6,009
Realized and Unrealized Gain on Investments	(1,061,183)	2,580,932
Interest Accrued on Growth Certificates Payable	(3,609,006)	(455,824)
Allowance for Loan Reserve	8,531	(44,829)
Changes in Assets and Liabilities:		
Interest Receivable	(4,911)	8,552
Prepaid Expense	(713)	(458)
Accounts Payable and Accrued Liabilities	1,589	(1,055)
Accrued Interest Payable	7,823	(1,679)
Net Cash Used by Operating Activities	(3,677,776)	(599,261)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(5,739,390)	(3,415,122)
Sales of Investments	7,699,715	1,475,000
Net Change in Loans	(332,690)	1,792,846
Net Cash Provided (Used) by Investing Activities	1,627,635	(147,276)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of Mission Development Certificates	699,896	1,144,180
Redemptions of Mission Development Certificates	1,869,633	(856,531)
Net Cash Provided by Financing Activities	2,569,529	287,649
NET CHANGE IN CASH AND CASH EQUIVALENTS	519,388	(458,888)
Cash and Cash Equivalents - Beginning of Year	262,194	721,082
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 781,582	$ 262,194
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	$ 138,391	$ 121,392

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Mission Development Certificate Program, a nonprofit corporation (the Program) was incorporated June 13, 2008, under the laws of the state of Washington to make loans to churches affiliated with the Synod of Alaska-Northwest Presbyterian Church, USA (the Synod), to enable such churches to acquire property, refinance debt, build, remodel, or make other capital improvements. Such functions were previously considered a separate activity of the Synod from 1955 to 2008.

The Program is legally separate from the Synod and has its own independent board of directors and management. The Program continues to have a covenant relationship with the Synod.

MDC 225 LLC (the LLC) was formed in November 2012 by the Program to own and operate the real property and improvements at 15150 6th Avenue SW, Burien, Washington.

Principles of Consolidation

The consolidated financial statements include the accounts of the Program and the LLC (collectively, the Organization). The LLC and the Program have common ownership. All intercompany balances and transactions have been eliminated.

Nature of Operations

The Program is primarily involved in the financing of facilities for Presbyterian Churches and related organizations in the Synod. Loans originated are funded through the sale of interest-bearing certificates to Presbyterian Church members and constituent entities within the Synod.

Basis of Presentation

The Organization presents its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Under those requirements, the Organization reports its financial position and activities according to two classes of net assets. The two classes include net assets without donor restrictions and net assets with donor restrictions. Donor-restricted contributions are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as Net Assets Released from Restrictions. At December 31, 2023 and 2022, the Organization had no net assets with donor restrictions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Cash and Cash Equivalents

Cash and cash equivalents represent funds held in checking accounts used for operations and money market and savings accounts.

Loans Receivable

The Program maintains a portfolio of loans with Presbyterian Churches. Loans are generally secured with deeds of trust on the underlying property. Management periodically evaluates the credit quality and related credit risk of all loans and classifies them as either performing or nonperforming. Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off are recorded at their outstanding principal amounts and are adjusted for any charge-offs and allowance for loan losses. Past due status is determined based on contractual terms. Loans are considered impaired if full principal or interest payments are not anticipated in accordance with the contractual terms. The Program's practice is to charge-off any loan or portion of a loan when the loan is determined by management to be uncollectible due to the borrower's failure to meet repayment terms, the borrower's deteriorating or deteriorated financial condition, the depreciation of the underlying collateral, or for other reasons. As of December 31, 2023 and 2022, all loans are classified as "performing loans." There are no impaired loans and no loans past due 90 days or more.

Allowance for Credit Losses

Effective, January 1, 2023, the allowance for credit losses on loans is a valuation account that is deducted from the amortized cost basis of loans to present the net amount expected to be collected. The allowance for credit losses on loans is adjusted through the provision for credit losses to the amount of amortized cost basis not expected to be collected at the statement of financial condition date. Loan losses are charged off against the allowance for credit losses on loans when the entity determines the loan balance to be uncollectible. Cash received on previously charged off amounts is recorded as a recovery to the allowance for credit losses on loans. Historically, there have not been any loan charge offs.

The measurement of expected credit losses encompasses information about historical events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Qualitative adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, or delinquencies, as well as for changes in environmental conditions, such as changes in unemployment rates, church management, and church attendance factors.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Credit Losses (Continued)

Expected credit losses are estimated on a collective basis for the whole loan portfolio due to the size and similar risk characteristics. Individually reviewed loans include troubled loan modifications and impaired loans reserve balances that are independently reviewed and the allowance is added back into the total allowance amount. Factors that may be considered in aggregating loans for this purpose include but are not necessarily limited to, product or collateral type, geography, and internal risk ratings.

	2023	2022
Allowance for Loan Losses	$ 164,993	$ 209,822
Balance, Beginning of year		
Provision for Losses	8,531	(44,829)
Balance, End of Year	$ 173,524	$ 164,993

Interest on Loans

Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding. The Program does not charge fees for origination of loans. Interest rates on the loans receivable are between 2.60% and 4.25%. Loan rates are evaluated at origination, modification, and at the end of the term, if renewed, which are adjusted to current Program rates. Therefore, outstanding loans are at fair value.

Investments

Investments other than money market accounts are stated at fair value. Money market accounts are measured at cost, which approximates fair value, and are included in cash on the statement of financial position. If available, quoted market prices are used to value investments. Net appreciation (depreciation) in fair value of investments includes unrealized gains and losses. Purchases and sales of securities are recorded on a trade-date basis.

Property and Equipment

The Organization capitalizes all expenditures in excess of $1,000 for property and equipment at cost. Property and equipment are depreciated using the straight-line method over periods of 5 to 40 years, which approximate the useful lives of the assets. Contributed property is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of stipulations, contributions of property and equipment are recorded as unrestricted support.

Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Routine repairs and maintenance are expensed as incurred.

Functional Allocation of Expenses

The consolidated financial statements report certain categories of expense that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is applied. The expenses that are allocated are interest and allowance for loan loss as they are fully functions of the Program. All other expenses are supporting expenses as there is de minimis salaries and benefits or space related to the Program.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is a tax-exempt organization as defined in Section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from federal income tax on income related to its exempt purpose. The Organization is related to a church Organization and is exempt from annual Form 990 filings. The Organization does not have any unrelated business income and, therefore, is not required to file a Form 990T.

The Organization follows Financial Accounting Standards Board *Accounting Standards Codification* Topic 740, *Income Taxes* (Topic 740). Topic 740 clarifies the accounting for uncertainty in income taxes. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustments to the consolidated financial statements to comply with the provisions of this guidance.

Subsequent Events

Management and the board evaluated subsequent events through March 29, 2024, the date the consolidated financial statements were available to be issued.

New Accounting Pronouncements

On January 1, 2023, the entity adopted ASU 2016-03, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* as amended (ASC 326), which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss methodology (CECL). The measurement of expected credit losses under CECL is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity securities. It also applies to off-consolidated statement of financial condition credit exposures such as loan commitments and standby letters of credit. In addition, changes were made to the accounting for available for sale securities, which requires credit losses to be presented as an allowance rather than as a direct write-down of the available for sale securities when management does not intend to sell or believes that it is more likely than not that they will be required to sell.

NOTE 2 FAIR VALUE OF INVESTMENTS

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under accounting standards are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Program has the ability to access.

NOTE 2 FAIR VALUE OF INVESTMENTS (CONTINUED)

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. Valuation methodologies utilized during the years ended December 31, 2023 and 2022 are as follows:

Mutual Funds and Exchange Traded Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Program are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds and exchange traded funds held by the Program are deemed to be actively traded.

Fixed Income: Investments in certificates of deposit are valued based on fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Program believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 2 FAIR VALUE OF INVESTMENTS (CONTINUED)

Assets measured at fair value on a recurring basis are summarized below as of December 31:

	2023			
	Level 1	Level 2	Level 3	Total
Fixed Income	$ 1,398,848	$ -	$ -	$ 1,398,848
Mutual Funds	131,874	-	-	131,874
Exchange Traded Funds	3,525,036	-	-	3,525,036
Total	$ 5,055,758	$ -	$ -	$ 5,055,758

	2022			
	Level 1	Level 2	Level 3	Total
Fixed Income	$ 2,483,234	$ -	$ -	$ 2,483,234
Mutual Funds	671,171	-	-	671,171
Exchange Traded Funds	2,800,495	-	-	2,800,495
Total	$ 5,954,900	$ -	$ -	$ 5,954,900

NOTE 3 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are disclosed on the statement of financial position as cash and cash equivalents, interest receivable, and investments. As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments and money market funds. All assets are without donor restriction and available for use as of December 31, 2023 and 2022.

NOTE 4 LOANS RECEIVABLE

Loans receivable consisted of the following at December 31:

	2023	2022
Loans Receivable	$ 6,940,952	$ 6,599,731
Loan Loss Allowance:		
Balance at Beginning of Year	164,993	209,822
Provision Charged to Changes in Net Assets	8,531	(44,829)
Recoveries of Amounts Previously Charged-off	-	-
Balance at End of Year	173,524	164,993
Loans Receivable, Net	$ 6,767,428	$ 6,434,738

NOTE 4 LOANS RECEIVABLE (CONTINUED)

Loans receivable are allocated by management's internal risk ratings as follows as of December 31:

	2023	2022
Risk Rating for Loans Receivable:		
Performing	$ 6,767,428	$ 6,434,738
Nonperforming	-	-
Total	$ 6,767,428	$ 6,434,738

Notes receivables are evaluated on an individual basis. When management determines that the borrower is experiencing financial difficulty at the reporting date, management determines the amount that is expected to be collected on the loan and an allowance for loan credit losses is deducted from the loan's amortized cost basis to present the net amount expected to be collected on the loan. Loan balances are charged off against the allowance when management believes the uncollectibility of the loan balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

The valuation of the allowance for loan credit losses is determined through the calculation of the loss rate determined by qualitative factors. Due to the lack of historical loss rate the base loss rate is set to 1.5% allowance and qualitative and economic factors for unemployment rates and church attendance each at .25% arriving at a loss rate of 2.5%.

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2023	2022
Office Equipment	$ 26,937	$ 26,937
Building and Improvements	220,527	220,527
Land	24,500	24,500
Total	271,964	271,964
Less: Accumulated Depreciation	(87,209)	(81,221)
Property and Equipment, Net	$ 184,755	$ 190,743

NOTE 6 LINE OF CREDIT

During 2023, the Program renewed a $100,000 revolving line of credit with no maturity date, unsecured by first priority security interest in inventory, loans and interest receivables, bank accounts, investments, and equipment. The interest rate is the prime rate as set by Wells Fargo. At December 31, 2023 and 2022, there was no balance due on the line of credit.

NOTE 7 CERTIFICATES PAYABLE

The Program currently issues two types of Mission Development Certificates, as evidence of its debt obligation to individuals and organizations that have loaned funds to the Program.

The income series of certificates bear interest generally payable semiannually at rates ranging from 1.15% to 3.5%. Maturities for certificates range from 6 to 60 months. Earnings accumulated and unpaid at December 31, 2023 and 2022 on the income series of certificates totaled $12,669 and $10,138, respectively.

The growth series of certificates are issued at par and accumulate earnings until maturity, at which time they are redeemed by payment of the issue price, plus the accumulated earnings. These certificates bear interest ranging from 0.80% to 3.55% and generally mature from 6 to 60 months after the date of issue. Earnings accumulated and unpaid at December 31, 2023 and 2022 on the growth series of certificates totaled $26,747 and $21,455, respectively.

The Program also offers short-term certificates. The original maturity on short-term certificates is 28 days. The short-term certificates bear interest generally payable semiannually at a rate of 0.5%.

Future maturities of long-term certificates payable are as follows:

Year Ending December 31,	Amount
2024	$ 3,451,618
2025	1,667,470
2026	1,037,072
2027	530,989
2028 and Thereafter	337,061
Total	$ 7,024,210

NOTE 8 EMPLOYEE BENEFITS

Management and the board provided 35% and 20% of employee's salaries to be used for health care and/or retirement benefits at December 31, 2023 and 2022, respectively. The Program maintains a defined contribution pension plan under Internal Revenue Service Code Section 403(b), which allows for employee elective contributions. Contributions of $31,027 and $25,269 for the years ended December 31, 2023 and 2022, respectively, were made by the Program.

NOTE 9 RELATED PARTY TRANSACTIONS

Given the nature of the Program, many of its transactions are with related entities. Loans are made to underlying churches and the certificates are marketed and sold to members of the churches.

The Program periodically makes loans to churches whose pastors or trustees are also board members of the Program. In those situations, these related parties have been recused from voting on the approval of these loans. At December 31, 2023 and 2022, loans receivable to churches with related parties totaled $1,760,406 and $312,934, respectively.

The Program issues certificates to board members of the Program and are granted at the same published rates to other certificate holders. The Program held certificates to board members and churches which board members held an active leadership role effective December 31, 2023 and 2022 are approximately $136,036 and $217,663, respectively.

The Program has a receivable from the LLC, who purchased the building on behalf of the Program. As both organizations are managed by the same group, the financial statements have been consolidated, and the intercompany receivables and payables were eliminated.

NOTE 10 CONCENTRATION OF CREDIT RISK AND SIGNIFICANT RELATIONSHIP

The financial instrument that potentially subjects the Organization to concentrations of credit risk is cash and short-term investments. From time to time, the Organization has cash balances issued by banks in excess of the federally insured limit. Management believes the Organization is subject to minimal risk as it places its cash with high credit quality financial institutions.

Notes receivable are principally with member churches. Realization of these items is dependent on various individual economic conditions. The Program performs ongoing credit evaluations of the financial condition of the member churches. Notes receivable are carried at estimated net realizable values. For the years ended December 31, 2023 and 2022, three borrowers represented approximately 59% of interest revenue and loans receivable, respectively.