Presbyterian Church (U.S.A.), A Corporation

Consolidated Financial Statements

Years Ended December 31, 2017 and 2016

Presbyterian Church (U.S.A.), A Corporation

Table of Contents
Years Ended December 31, 2017 and 2016

MCM CPAs & ADVISORS

Independent Auditor's Report

Audit Committee
Presbyterian Church (U.S.A.), A Corporation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Presbyterian Church (U.S.A.), A Corporation, and its constituent corporations, which comprise the consolidated statement of financial position as of, December 31, 2017 and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related consolidated notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Kentucky
Indiana
Ohio

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Independent Auditor's Report (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Presbyterian Church (U.S.A.), A Corporation as of December 31, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of Presbyterian Church (U.S.A.), A Corporation for the year ended December 31, 2016, before the restatement described in Note 17, were audited by another auditor whose report dated June 29, 2017, expressed an unmodified opinion on those statements.

As part of our audit of the December 31, 2017 consolidated financial statements, we also audited the adjustments described in Note 17 that were applied to restate the 2016 consolidated financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2016 consolidated financial statements of the entity other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2016 consolidated financial statements as a whole.

MCM CPAs & Advisors LLP

Cincinnati, Ohio
April 16, 2018

Presbyterian Church (U.S.A.), A Corporation
Consolidated Statements of Financial Position
December 31, 2017 and 2016

	2017	Restated 2016
Assets		
Cash and cash equivalents	$ 16,128,477	$ 9,951,993
Beneficial interest in pooled Investments held by the Foundation - short-term	66,159,612	57,761,185
Other investments and accrued income	54,140,970	54,692,452
Contributions receivable from congregations	3,523,455	3,668,129
Receivables from related entities, net	4,421,206	3,715,158
Due from the Foundation church loans	3,609,790	-
Other accounts receivable	597,057	54,582
Mortgages and loans on churches and manses, including accrued interest - net	473,965	601,555
Inventories, prepaid expenses and other assets	1,021,742	1,012,951
Property and equipment, net of accumulated depreciation	10,486,316	11,079,813
Property available for sale	387,471	387,471
Beneficial interest in pooled investments held by the Foundation - long-term	338,189,072	308,053,754
Other Investments held by the Foundation	7,694,357	7,322,701
Beneficial interest in perpetual trusts	78,226,530	71,380,559
Total Assets	$ 585,060,020	$ 529,682,303
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 6,546,864	$ 7,964,174
Amounts received from congregations and designated for others	575,665	580,533
Amounts held for missionaries and committed for projects	7,170,691	6,477,441
Amount due other agencies	5,553,609	5,155,441
Due to the Foundation church loans	-	3,134,540
Deferred revenue	366,261	364,086
Other	223,442	2,671,184
Total Liabilities	20,436,532	26,347,399
Net Assets		
Unrestricted:		
Undesignated - General Mission	8,164,950	(2,322,817)
Undesignated - OGA per capita	6,494,258	5,725,657
Designated	53,521,100	54,507,671
Total Unrestricted	68,180,308	57,910,511
Temporarily restricted	223,450,429	180,617,041
Permanently restricted	272,992,751	264,807,352
Total Net Assets	564,623,488	503,334,904
Total Liabilities and Net assets	$ 585,060,020	$ 529,682,303

See accompanying notes.

Presbyterian Church (U.S.A.), A Corporation
Consolidated Statement of Activities and Changes in Net Assets
Year Ended December 31, 2017 with Comparative Totals for the Year Ended December 31, 2016

	2017				Restated 2016
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Revenues, Gains and Other Support					
Contributions					
Congregations	$ 16,833,566	$ 3,895,372	$ -	$ 20,728,938	$ 21,868,331
Gifts, bequests and grants	813,599	3,377,588	1,165,528	5,356,715	5,466,744
Special giving and special offering	-	38,863,806	-	38,863,806	23,155,990
Total Contributions	17,647,165	46,136,766	1,165,528	64,949,459	50,491,065
Investment return					
Income from endowment funds held by the Foundation	2,009,153	2,919,081	19,723	4,947,957	4,316,663
Income from other investments	3,559,681	231,207	-	3,790,888	2,441,455
Realized gains on investments, net	4,011,857	4,991,126	43,235	9,046,218	9,231,792
Unrealized gain (losses) on investments, net	2,371,077	29,247,436	7,480,592	39,099,105	(391,820)
Change in value of beneficial interest in life income trusts	-	(139,687)	(202,373)	(342,060)	67,796
Total Investment Return	11,951,768	37,249,163	7,341,177	56,542,108	15,665,886
Interest income from loans	21,693	24,650	12,367	58,710	80,271
The Hubbard Press	1,285,374	-	-	1,285,374	1,314,101
Sales of resources	2,486,484	3,720	-	2,490,204	3,468,319
Program services	9,099,800	27,815	-	9,127,615	15,259,217
Other	648,626	838	(333,673)	315,791	3,353,935
	43,140,910	83,442,952	8,185,399	134,769,261	89,632,794
Net assets released from restrictions	36,966,141	(36,966,141)	-	-	-
Total Revenue, Gains and Other Support	80,107,051	46,476,811	8,185,399	134,769,261	89,632,794
Expenses					
Policy administration and board support	1,814,848	-	-	1,814,848	2,087,786
Communication and mission engagement and support	962,630	-	-	962,630	908,699
Theology, formation and evangelism	8,546,496	-	-	8,546,496	10,734,198
Compassion, peace and justice	13,677,782	-	-	13,677,782	13,905,932
World mission	18,638,843	-	-	18,638,843	21,452,527
Racial, ethnic and women's ministries	6,865,644	-	-	6,865,644	7,823,295
Shared services	1,623,464	-	-	1,623,464	1,862,213
Office of the General Assembly	8,338,916	-	-	8,338,916	10,837,259
Presbyterian Mission Agency	3,766,321	-	-	3,766,321	4,294,406
Presbyterian Historical Society	794,832	-	-	794,832	722,840
Santa Fe - Plaza Resolana (Ghost Ranch)	864,060	-	-	864,060	5,499,959
Conference center - Stony Point	2,489,928	-	-	2,489,928	1,588,666
The Hubbard Press	1,006,712	-	-	1,006,712	1,006,043
Related bodies and other programs	605,986	-	-	605,986	721,653
Shared Expenses	1,568,332	-	-	1,568,332	3,361,623
Depreciation	1,648,498	-	-	1,648,498	1,876,248
Other	267,385	-	-	267,385	293,863
Total Expenses	73,480,677	-	-	73,480,677	88,977,210
Changes in Net Assets Prior to Change in Endowment Funds with Deficiencies and Transfers	6,626,374	46,476,811	8,185,399	61,288,584	655,584
Change in Endowment Funds with Deficiencies	3,643,423	(3,643,423)	-	-	-
Ghost Ranch Tranfer of Operations	-	-	-	-	(9,082,788)
Change in Net Assets	10,269,797	42,833,388	8,185,399	61,288,584	(8,427,204)
Net Assets at Beginning of Year, as previously reported	42,350,847	182,723,821	275,576,490	500,651,158	508,490,581
Net Assets at Beginning of Year, as Restated	57,910,511	180,617,041	264,807,352	503,334,904	511,762,108
Net Assets at End of Year	$ 68,180,308	$ 223,450,429	$ 272,992,751	$ 564,623,488	$ 503,334,904

See accompanying notes.

Presbyterian Church (U.S.A.), A Corporation
Consolidated Statement of Activities and Changes in Net Assets (Continued)
Year Ended December 31, 2016

	Restated 2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Other Support:				
Contributions				
Congregations	$ 17,836,080	$ 4,032,251	$ -	$ 21,868,331
Gifts, bequests and grants	1,199,577	2,686,317	1,580,850	5,466,744
Special giving and special offering	-	23,155,990	-	23,155,990
Total Contributions	19,035,657	29,874,558	1,580,850	50,491,065
Investment return				
Income from endowment funds held by the Foundation	1,679,607	2,625,773	11,283	4,316,663
Income from other investments	2,144,468	296,987	-	2,441,455
Realized gains on investments, net	4,156,076	5,031,813	43,903	9,231,792
Unrealized gain (losses) on investments, net	865,942	(2,826,789)	1,569,027	(391,820)
Change in value of beneficial interest in life income trusts	-	(104,711)	172,507	67,796
Total Investment Return	8,846,093	5,023,073	1,796,720	15,665,886
Interest income from loans	33,782	30,646	15,843	80,271
The Hubbard Press	1,314,101	-	-	1,314,101
Sales of resources	3,463,861	4,458	-	3,468,319
Program services	15,259,217	-	-	15,259,217
Other	3,526,342	(18,381)	(154,026)	3,353,935
	51,479,053	34,914,354	3,239,387	89,632,794
Net assets released from restrictions	38,551,017	(38,551,017)	-	-
Total Revenue, Gains and Other Support	90,030,070	(3,636,663)	3,239,387	89,632,794
Expenses				
Policy administration and board support	2,087,786	-	-	2,087,786
Communication and mission engagement and support	908,699	-	-	908,699
Theology, formation and evangelism	10,734,198	-	-	10,734,198
Compassion, peace and justice	13,905,932	-	-	13,905,932
World mission	21,452,527	-	-	21,452,527
Racial, ethnic and women's ministries	7,823,295	-	-	7,823,295
Shared services	1,862,213	-	-	1,862,213
Office of the General Assembly	10,837,259	-	-	10,837,259
Presbyterian Mission Agency	4,294,406	-	-	4,294,406
Presbyterian Historical Society	722,840	-	-	722,840
Conference center - Ghost Ranch	5,499,959	-	-	5,499,959
Conference center - Stony Point	1,588,666	-	-	1,588,666
The Hubbard Press	1,006,043	-	-	1,006,043
Related bodies and other programs	721,653	-	-	721,653
Shared Expenses	3,361,623	-	-	3,361,623
Depreciation	1,876,248	-	-	1,876,248
Other	293,863	-	-	293,863
Total Expenses	88,977,210	-	-	88,977,210
Changes in Net Assets Prior to Change in Endowment Funds with Deficiencies and Transfers	1,052,860	(3,636,663)	3,239,387	655,584
Change in Endowment Funds with Deficiencies	(96,784)	96,784	-	-
Ghost Ranch Tranfer of Operations	(8,193,672)	(356,466)	(532,650)	(9,082,788)
Change in Net Assets	(7,237,596)	(3,896,345)	2,706,737	(8,427,204)
Net Assets at Beginning of Year, as Previously Reported	49,753,798	185,910,231	272,826,552	508,490,581
Prior period adjustment	15,394,309	(1,396,845)	(10,725,937)	3,271,527
Net Assets at Beginning of Year, as Restated	65,148,107	184,513,386	262,100,615	511,762,108
Net Assets at End of Year	$ 57,910,511	$ 180,617,041	$ 264,807,352	$ 503,334,904

See accompanying notes.

Presbyterian Church (U.S.A.), A Corporation
Consolidated Statements of Cash Flows
Years Ended December 31, 2017 and 2016

	2017	Restated 2016
Cash Flows from Operating Activities		
Change in net assets	$ 61,288,584	$ (8,427,204)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,648,498	1,876,248
Net recoveries of losses on church loans	-	(965)
Contributions and revolving loan fund investment earnings restricted for long-term investment	(960,431)	(1,548,506)
Realized and unrealized gains on investments, net	(48,145,323)	(8,839,972)
Change in beneficial interests in life income funds	342,060	(1,273,503)
Additions to beneficial interests in life income funds		
Loss on disposal of property and equipment	214,585	434,014
Ghost Ranch transfer	-	9,082,788
Changes in operating assets and liabilities:		
Receivables from congregations	144,674	204,632
Due to/from Foundation	(6,744,330)	5,507,244
Other accounts receivable	(348,592)	93,504
Inventories, prepaid expenses and other assets	(8,791)	96,804
Accounts payable and accrued expenses	(1,417,310)	2,150,792
Amounts received from congregations and other liabilities	(1,953,243)	931,474
Amounts due to other agencies	398,168	(105,949)
Deferred revenue	2,175	(468,554)
Net Cash Provided by (Used in) Operating Activities	4,460,724	(287,153)
Cash Flows from Investing Activities		
Purchases of investments	(49,862,337)	(44,557,962)
Sales of investments	52,325,204	53,967,119
Payments received on church loans	127,590	315,125
Net repayments of receivables from related entities, mortgages and loans	(706,048)	(2,934,075)
Acquisition of property and equipment, net	(1,269,586)	(2,151,187)
Maturities of beneficial interests in life income funds	140,506	436,926
Net Cash Provided by Investing Activities	755,329	5,075,946
Cash Flows from Financing Activities		
Contributions and revolving loan fund investment earnings restricted for long-term investment	960,431	1,548,506
Cash Provided by Financing Activities	960,431	1,548,506
Net Increase in Cash and Cash Equivalents	6,176,484	6,337,299
Cash and Cash Equivalents at Beginning of Year	9,951,993	3,614,694
Cash and Cash Equivalents at End of Year	$ 16,128,477	$ 9,951,993
Supplemental Disclosure of Cash Flow Information		
Donated stock	$ 134,338	$ 127,656

See accompanying notes.

Note 1 - Organization and Nature of Operations

The Presbyterian Church (U.S.A.), ("PCUSA") is an unincorporated body of Reformed Christians, who have agreed to conduct worship and other religious activities in conformity with the then current version of the Presbyterian Church (U.S.A.) Constitution, which contains among other things, in its Book of Order, a Form of Government setting forth a detailed formal structure of the PCUSA. As an ecclesiastical organization, PCUSA does not exist under any federal law. Central to the structure of PCUSA is the concept of mid councils (formerly referred to as governing bodies). At the national level, the council is the General Assembly. The ecclesiastical work of the PCUSA at the General Assembly level is carried out by a number of ministry units and related agencies.

Presbyterian Church (U.S.A.), A Corporation ("PCUSA, A Corporation") is a corporate entity of the General Assembly of PCUSA, and is the principal corporation of the General Assembly. All voting members of the Presbyterian Mission Agency Board are members of the Board of Directors of PCUSA, A Corporation. PCUSA, A Corporation receives and holds title and/or maintains and manages property and income at the General Assembly level related to mission activities; generally maintains and manages all real and tangible property not held for investment, including the insuring of such property; effects short-term investment of funds prior to either their disbursement or transfer to the Presbyterian Church (U.S.A.) Foundation (the "Foundation") for longer-term investment; acts as the disbursing agent for all funds held for the General Assembly and for other governing bodies and entities upon their request; and provides accounting, reporting, and other financial and related services as the General Assembly or Presbyterian Mission Agency Board may direct or approve.

PCUSA, A Corporation is a tax-exempt religious corporation under Internal Revenue Code Section 501(c)(3).

Note 2 - Basis of Presentation and Summary of Significant Accounting Policies

<u>Basis of Presentation</u>: The accompanying consolidated financial statements reflect the consolidated operations of PCUSA, A Corporation and its constituent corporations, which are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The constituent corporations of PCUSA, A Corporation are the following: General Assembly Mission Board of the Presbyterian Church (U.S.A.); The Historical Foundation of the Presbyterian and Reformed Churches, Inc.; The Hubbard Press; Pedco, Inc.; The Presbyterian Historical Society; Presbyterian Life, Inc.; Presbyterian Publishing House of the Presbyterian Church (U.S.A.), Inc.; Commission on Ecumenical Mission and Relations of the Presbyterian Church (U.S.A.); Board of Foreign Missions of the Presbyterian Church (U.S.A.); and The Woman's Board of Foreign Missions of the Presbyterian Church (U.S.A.). All intercompany transactions have been eliminated in consolidation.

For external reporting purposes, PCUSA, A Corporation's financial statements have been prepared to focus on the organization as a whole and to present balances and transactions classified in accordance with the existence or absence of donor-imposed restrictions. Net assets and related activity are classified as unrestricted, temporarily restricted, and permanently restricted as follows:

- <u>Unrestricted-Undesignated</u>: Net assets that are not subject to donor-imposed restrictions. Unrestricted undesignated net assets consist of the accumulation of certain contributions, gifts, bequests, and related income thereon, which are available for general church purposes.

  A minimum reserve requirement for unrestricted undesignated net assets is monitored by the Board. If the reserve falls below the minimum reserve requirement, further action could be taken by the Board to undesignated unrestricted designated net assets.

Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (Continued)

- Temporarily Restricted: - net assets that are subject to donor-imposed restrictions that may or will be met either by actions of PCUSA, A Corporation or the passage of time. Temporarily restricted net assets primarily consist of contributions and related investment income.

- Permanently Restricted: - net assets that are subject to donor-imposed restrictions to be maintained permanently by PCUSA, A Corporation. Generally, the donors of these assets permit PCUSA, A Corporation to use all or part of the income earned on related investments for general or specific purposes. Permanently restricted net assets consist primarily of endowment funds and revolving loan funds.

Cash Equivalents: For purposes of reporting cash flows, PCUSA, A Corporation considers investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments: Investments are recorded at fair value. Investment transactions are recorded on a trade-date basis. Realized gains and losses are recorded using the specific identification of securities sold on funds held by the Foundation and using the historical cost of securities sold on funds held by other investment managers.

The Trustees ("Trustees") of the Presbyterian Church (U.S.A.) Foundation (the "Foundation") believe that the net asset value of its alternative investments is a reasonable estimate of fair value as of December 31, 2017 and 2016. Since alternative investments are not readily marketable, the estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for the investments existed, and such differences could be material.

Long-term investments held by the Foundation represent General Assembly endowment funds, which are generally not available for immediate use.

Contributions from Congregations: Contributions from congregations include amounts in-transit at year- end.

Allowance for Loan Losses: The allowance for loan losses is maintained at a level considered by management to be adequate to provide for loan losses inherent in the loan portfolio. Management determines the adequacy of the allowance based upon reviews of payment history, recent loss experience, current economic conditions, the risk characteristics of the various categories of loans, and such other factors, which in management's judgment deserve current recognition in estimating loan losses. The allowance for loan losses is increased by the provision for loan losses and reduced by net loan charge-offs.

Annuity and Life Income Funds: PCUSA, A Corporation is an income beneficiary of trust funds held by the Foundation. In accordance with current accounting standards, PCUSA, A Corporation has recorded, as an asset, the net present value of the future income to be received from the funds.

Inventories: Inventories represent books, periodicals, and curriculum produced by PCUSA, A Corporation for distribution. These items are stated at average cost.

Property and Equipment: Property and equipment consists principally of the PCUSA, A Corporation headquarters building and related land and equipment, domestic properties used for mission work, cemeteries, undeveloped land, and property held for disposition.

Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued): The PCUSA, A Corporation headquarters building and related land and equipment are stated at cost or fair value at the date of donation, if donated. The domestic properties used for mission work, cemeteries, undeveloped land, and other properties are recorded based on fair value at the date of donation, appraisal value, or replacement cost. Expenditures greater than $5,000 which increase values or extend the useful lives of the respective assets are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

PCUSA, A Corporation holds title to various other foreign properties. Such properties include properties used for mission work, cemeteries, undeveloped land, and property held for disposition. PCUSA, A Corporation has administrative responsibility for property taxes, insurance, maintenance, and improvements for these properties. Generally, it is PCUSA, A Corporation's policy to exclude the cost or donated value of foreign properties from its financial records.

PCUSA, A Corporation reviews for the impairment of long-lived assets subject to depreciation and amortization, including property and equipment, whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. If this review were to result in the conclusion that the carrying value of long-lived assets would not be recoverable, then a write down of the assets would be recorded through a charge to net assets equal to the difference in the fair market value of the assets and their carrying value. No such impairment losses were recognized for the years ended December 31, 2017 and 2016.

Property Available for Sale: At December 31, 2017 and 2016, property in Santa Fe, New Mexico is classified as available for sale. PCUSA, A Corporation entered into a contract for sale of this property in March 2017 and expects to close in 2018.

Deferred Revenue: PCUSA, A Corporation holds special events each year. Monies received to support future special events are recorded as deferred revenue.

Collections: PCUSA, A Corporation's collections consist of works of art, ecclesiastical objects and papers, historical treasures, archeological specimens, and other assets. The collections, which were acquired through purchases and contributions since PCUSA, A Corporation's inception, are not recognized as assets on the consolidated statements of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the consolidated financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period.

Income Taxes: PCUSA, A Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, PCUSA, A Corporation is subject to federal income tax on any unrelated business taxable income.

Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued): Accounting principles generally accepted in the United States of America prescribe recognition thresholds and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Tax benefits or liabilities will be recognized only if the tax position would "more-likely-than-not" be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit or liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more-likely-than-not" test, no tax benefit or liability will be recorded. Management has concluded that it is unaware of any tax benefits or liabilities to be recognized at December 31, 2017, and does not expect this to change in the next 12 months.

PCUSA, A Corporation would recognize interest and penalties related to uncertain tax positions in interest and income tax expense, respectively. PCUSA, A Corporation has no amounts accrued for interest or penalties as of December 31, 2017 and 2016. PCUSA, A Corporation is no longer subject to examination by taxing authorities for the years before December 31, 2013.

New Accounting Pronouncements: In August 2016, the FASB issued Accounting Standards Update No. 2016-14 (ASU 2016-14), *Presentation of Financial Statements of Not-for-Profit Entities*. This updated guidance changes presentation and disclosure requirements for not-for-profit entities to provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors and other users. This guidance included qualitative and quantitative requirements in the following areas: 1) net asset classes; 2) investment return; 3) expenses; 4) liquidity and availability of resources; and 5) presentation of operating cash flows. This standard will be effective for the calendar year ending December 31, 2018.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard will be effective for the calendar year ending December 31, 2019.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the income statement. This standard will be effective for the calendar year ending December 31, 2020.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses*. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the income statement will reflect the measurement of credit losses for newly-recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the calendar year ending December 31, 2021.

PCUSA, A Corporation is currently in the process of evaluating the impact of the adoption of these ASUs on the consolidated financial statements.

Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Subsequent Events: Subsequent events for Presbyterian Church (U.S.A.), A Corporation have been considered through the date of the Independent Auditor's Report which represents the date the consolidated financial statements were available to be issued.

Reclassifications: Certain reclassifications have been made to the prior year consolidated financial statements to conform to the current year consolidated financial statement presentation. These reclassifications had no effect on the change in net assets.

Note 3 - Net Assets

Temporarily restricted net assets at December 31, 2017 and 2016 are available for the following purposes:

	2017	2016
Church and student loans	$ 2,557,416	$ 2,665,937
Jinishian Memorial Program	22,365,270	19,528,534
Educational seminars and publications	22,073,310	19,152,810
Mission work	25,913,802	17,771,316
Presbyterian Disaster Assistance	18,896,157	11,830,560
Evangelism and Church Growth	15,938,333	14,158,863
Health	16,574,119	14,764,827
Missionary support	41,626,402	37,591,850
Christian education	12,546,827	11,011,065
Peacemaking/Justice	2,147,249	1,953,062
Hunger	1,410,101	1,131,449
Beneficial interest in perpetual trusts	1,101,173	1,240,860
Racial Ethnic	251,643	243,970
Women	618,647	609,087
Historical Foundation	1,474,103	1,355,540
General endowments	35,653,647	24,031,052
Self-development of People	1,307,661	706,907
Other	994,568	869,352
	$ 223,450,429	$ 180,617,041

Note 3 - Net Assets (Continued)

Permanently restricted net assets at December 31, 2017 and 2016 are available for the following purposes:

	2017	2016
Church and student loans	$ 4,812,698	$ 4,778,484
Jinishian Memorial Program	10,199,456	10,157,795
Educational seminars and publications	23,126,961	22,817,873
Mission work	5,135,704	5,067,066
Evangelism and Church Growth	7,262,168	7,165,110
Health	14,097,697	13,909,283
Missionary support	16,663,043	16,440,392
Christian education	15,322,375	15,117,593
Peacemaking/Justice	93,666	92,415
Hunger	450,460	444,440
Beneficial interest in perpetual trusts	77,125,357	70,139,700
Racial Ethnic	244,648	241,378
Women	112,588	111,083
Historical Foundation	784,629	784,629
General endowments	96,480,453	96,473,707
Other	1,080,849	1,066,404
	$272,992,751	$264,807,352

Net assets released from restrictions during the years ended December 31, 2017 and 2016 consisted of the following:

	2017	2016
Jinishian Memorial Program	$ 1,284,385	$ 1,289,824
Educational seminars and publications	2,737,392	2,959,429
Mission work	6,335,296	6,849,169
Presbyterian Disaster Assistance	6,711,633	5,985,462
Evangelism and Church Growth	6,105,182	6,600,390
Health	2,887,730	3,121,962
Missionary support	1,926,388	2,082,642
Christian education	4,590,771	4,962,235
Peacemaking/Justice	1,990,951	2,152,442
Hunger	1,642,725	1,421,348
Self-Development of People	753,688	1,126,114
	$ 36,966,141	$ 38,551,017

Note 4 - Investments

Investments, including long-term investments, are primarily held in common funds managed by the Foundation on behalf of PCUSA, A Corporation. A summary of PCUSA, A Corporation's investments, including the interest in common funds managed by the Foundation, at December 31, 2017 and 2016 is as follows:

	2017	2016
Pooled Investments Held by the Foundation		
Beneficial Interest in Pooled Investments		
Short-term	$ 66,159,612	$ 57,761,185
Long-term	338,189,072	308,053,754
Total Beneficial Interest in Pooled Investments	404,348,684	365,814,939
Other Investments Held by the Foundation		
Equities	2,756,400	2,522,400
Shares in New Covenant Mutual Fund	4,937,957	4,800,301
Total Other Investments Held by the Foundation	7,694,357	7,322,701
Other Investments		
Cash equivalents	734,630	1,287,081
U.S. treasury securities	13,068,386	15,327,693
U.S. agency securities	1,917,840	1,452,251
Corporate debt securities	26,308,250	24,879,456
Mortgage-backed securities	3,109,157	2,813,638
Other fixed income securities	-	-
Equity securities	919,788	919,788
Presbyterian Investment and Loan Program denominational account receipts	8,082,919	8,012,545
Total Other Investments	54,140,970	54,692,452
Total Investments	$ 466,184,011	$ 427,830,092

Note 4 - Investments (Continued)

The Foundation's investment portfolio as of December 31 comprised the following types of investments:

	2017	2016
Preferred and common stock	54%	47%
Fixed income	16%	21%
Hedge funds	11%	19%
Real estate	6%	10%
Private equity	13%	3%
	100%	100%

Income received by PCUSA, A Corporation from the Foundation is net of administrative fees of outside managers.

Note 5 - Beneficial Interest in Perpetual Trusts

Funds held in trust by others represent resources neither in the possession nor under the control of PCUSA, A Corporation, but held and administered by outside trustees, with PCUSA, A Corporation deriving only income from such funds. Such investments are recorded in the consolidated statement of financial position at the fair value of the principal amounts, which represents the estimated present value of the expected future cash flows, and the income, including fair value adjustments of $7,188,030 and $1,512,944 during the years ended December 31, 2017 and 2016, respectively, is recorded in the consolidated statement of activities and changes in net assets.

PCUSA, A Corporation is a named beneficiary in certain trusts for which it has been unable to obtain the necessary information to measure its interest. Therefore, these trusts are not recorded.

Note 6 - Endowment Composition

In accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund.
2) The purposes of the donor-restricted endowment fund.
3) General economic conditions.
4) The possible effect of inflation and deflation.
5) The expected total return from income and the appreciation of investments.
6) Other resources of the Organization.
7) The investment policies of the Organization.

<u>Appropriation of Endowment Assets</u>: PCUSA, A Corporation receives spending formula from the Foundation whereby PCUSA, A Corporation receives investment income from unrestricted and restricted endowments. The endowments are owned, held and invested by the Foundation for the General Assembly's use as the PCUSA, A Corporation has a beneficial interest in the income of these endowment funds.

Note 6 - Endowment Composition (Continued)

The current policy calls for a 4.25% annual total return payout rate of the average market value based on the 20-quarter rolling average with an eighteen-month lag. Pursuant to this policy, the Foundation paid the beneficiaries of certain endowments 4.5% (based on the December 31, 2016 market value) and 4.4% (based on the December 31, 2015 market value) in 2017 and 2016, respectively. The spending formula will be monitored to determine the effects of changing return and inflation expectations on the preservation of purchasing power and the generation of appropriate levels of spendable income.

Investment Policies: The Trustees of the Presbyterian Church (U.S.A.) Foundation are charged with the responsibiltiy of managing the endowment assets that benefit the Church. The overall goal in management of these funds is to generate a long-term rate of return that provides sustainable distributions to support the mission within reasonable levels of risk.

The Trustees adhere to modern portfolio theory, which has as its basis risk reduction through diversification. Diversification is obtained through the use of multiple assets classes as well as multiple investments within these asset classes. Asset classes that may be used include (but are not limited to) domestic and international stocks and bonds, hedge funds, private equity (venture capital and corporate finance), and real property (real estate, minerals and timber). The investment strategy is implemented through the selection of external advisors and managers with expertise and successful histories in the management of specific asset classes.

The Trustees' role is one of setting and reviewing policy; and retaining, monitoring, and evaluating advisors and investment managers. It is the Trustees' desire to find ways to invest these funds in accordance with the social witness principles of the PCUSA. The Trustees will review the investment policy statement at least annually.

The primary financial objectives of the permanent endowment funds (the "Fund") are to (1) provide a stream of relatively stable and constant earnings in support of annual budgetary needs and (2) to preserve and enhance the real (inflation-adjusted) purchasing power of the Fund.

The long-term investment objective of the Fund is to attain a real total annualized return of at least 5%. The calculation of real total return includes all realized and unrealized capital changes plus all interest, rent, dividend, and other income earned by the portfolio, adjusted for inflation, during a year, net of investment expenses, on average, over a five-to-seven year period. Secondary objectives are to (1) outperform the Fund's custom benchmark, a weighted average return based on target asset allocation and index returns and (2) to outperform the median return of a pool of endowment funds with broadly similar investment objectives and policies. The Fund's objective is to attain estimate nominal compound return of 9% with a standard deviation of 11.3% of the current portfolio.

Note 6 - Endowment Composition (Continued)

Endowment net asset composition as of December 31:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2017				
Donor-restricted endowment funds	$ (4,376,999)	$ 196,513,995	$ 194,738,708	$ 386,875,704
Board-designated funds	53,521,100	-	-	53,521,100
Total Endowment Net Assets	49,144,101	196,513,995	194,738,708	440,396,804
Net assets other than endowment	19,036,207	26,936,434	78,254,043	124,226,684
Total Net Assets	$ 68,180,308	$ 223,450,429	$ 272,992,751	$ 564,623,488
2016				
Donor-restricted endowment funds	$ (8,020,422)	$ 149,824,145	$ 178,575,916	$ 320,379,639
Board-designated funds	54,507,671	-	-	54,507,671
Total Endowment Net Assets	46,487,249	149,824,145	178,575,916	374,887,310
Net assets other than endowment	11,423,262	30,792,896	86,231,436	125,763,848
Total Net Assets	$ 57,910,511	$ 180,617,041	$ 264,807,352	$ 500,651,158

Changes in endowment net assets for the years ended December 31, 2017 and 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning Balance, January 1, 2017	$ 46,487,249	$ 149,824,145	$ 178,575,916	$ 374,887,310
Investment Return				
Income from Endowment Funds	2,009,153	2,919,081	19,723	4,947,957
Net Appreciation	4,791,191	49,949,710	16,143,069	70,883,970
Total Investment Return	6,800,344	52,868,791	16,162,792	75,831,927
Appropriation of endowment	(4,143,492)	(6,178,941)	-	(10,322,433)
Ending Balance, December 31, 2017	$ 49,144,101	$ 196,513,995	$ 194,738,708	$ 440,396,804
Beginning Balance, January 1, 2016	$ 49,135,158	$ 144,534,632	$ 178,283,320	$ 371,953,110
Investment Return				
Income from Endowment Funds	1,679,607	2,625,773	11,283	4,316,663
Net (Depreciation) Appreciation	(109,984)	8,962,393	281,314	9,133,723
Total Investment Return	1,569,623	11,588,166	292,597	13,450,386
Appropriation of endowment	(4,217,532)	(6,298,653)	-	(10,516,185)
Ending Balance, December 31, 2016	$ 46,487,249	$ 149,824,145	$ 178,575,916	$ 374,887,310

Note 6 - Endowment Composition (Continued)

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level of the donor's requirement to retain as a permanent endowment fund. Deficiencies of this nature are reported in unrestricted and undesignated net assets were $4,376,999 and $8,020,422, respectively, as of December 31, 2017 and 2016.

Note 7 - Mortgages and Loans on Churches and Manses

A summary of the activity relating to mortgages and loans on churches and manses during the years ended December 31, 2017 and 2016 is as follows:

	2017	2016
Receivables at January 1	$ 598,658	$ 913,783
New loans	-	-
Repayments	(124,928)	(315,125)
Receivables at December 31	473,730	598,658
Add accrued interest receivable	915	3,862
	474,645	602,520
Less allowance for loss	(680)	(965)
Net Receivables at December 31	$ 473,965	$ 601,555

The ability of each borrower congregation to pay PCUSA, A Corporation for the loan(s) made to the congregation may depend on the contributions the congregation receives from its members, Therefore, payments to PCUSA, A Corporation may depend on the level of membership of the borrower congregations, and on the maintenance of adequate contributions by individual members to their congregations, as well as on prudent management by those congregations of their finances. The following is a summary of the gross loan balances for each Synod at December 31, 2017 and 2016.

	2017	2016
Lincoln Trails	$ 203,857	$ 135,572
Mid-Atlantic	144,527	30,278
Southern California/Hawaii	125,346	223,317
South Atlantic	-	209,491
Gross Mortgages and Loans Receivable	473,730	598,658
Accrued interest receivable	915	3,862
Less allowance for loan loses	(680)	(965)
Mortgages and Loans Receivable, net	$ 473,965	$ 601,555

Note 8 - Receivables from Related Entities

A summary of the activity relating to receivables from related entities, which includes unsecured student loans of approximately $768,000 and $957,000, during the years ended December 31, 2017 and 2016, is as follows:

	2017	2016
Receivables at January 1	$ 5,637,857	$ 5,918,140
Assessments and other	22,716,397	39,500,940
Collections of assessments and Other	(22,463,523)	(35,330,364)
New loans	183,112	108,000
Loan repayments	-	(3,767,715)
Charge-offs	(1,061,828)	(791,144)
Receivables at December 31	5,012,015	5,637,857
Less allowance for loan loss	(590,809)	(1,922,699)
Net Receivables at December 31	$ 4,421,206	$ 3,715,158

Note 9 - Receivables from Related Entities, Mortgages and Loans

The outstanding principal balances of loans to churches, students and Presbyterian schools and colleges for which an impairment has been recognized at December 31, 2017 and 2016 were $16,125 and $89,774, respectively, and the related allocated allowances for loan losses at December 31, 2017 and 2016 were $0, resulting in no additional provision for loans in December 31. 2017 and 2016.There was no interest received by PCUSA, A Corporation, on the impaired loans during 2017. The total average impaired loan balances were approximately $2,367 and $2,693 at December 31, 2017 and 2016, respectively.

Note 10 - Property and Equipment, net

The components of property and equipment, net at December 31, 2017 and 2016 are as follows:

	2017	2016
Land	$ 2,407,347	$ 2,407,347
Buildings and building improvements	37,323,278	36,985,347
Equipment	13,227,587	13,025,316
Furniture and fixtures	477,042	470,340
Less accumulated depreciation	(42,948,938)	(41,808,537)
Totals	$ 10,486,316	$ 11,079,813

Note 10 - Property and Equipment, net (Continued)

Property and equipment decreased 34.6% due to the transfer of the Ghost Ranch Education and Retreat Center operations to the National Ghost Ranch Foundation (NGRF) effective December 31, 2016, with the Foundation's constituent corporation, the Board of Christian Education of the Presbyterian Church (U.S.A.) ("BCE") resuming control of the real property and improvements. PCUSA, A Corporation previously operated Ghost Ranch Education and Retreat Center under limited power of attorney from the Foundation. The property is now held by BCE as investment property.

Note 11 - Benefits Data

Substantially all employees of PCUSA, A Corporation participate in the Benefits Plan of the Presbyterian Church (U.S.A.) (the "Benefits Plan") which is administered by the Board of Pensions of the Presbyterian Church (U.S.A.) (the "Board of Pensions"). The Benefits Plan is a comprehensive benefits program, which provides a defined benefit pension plan, a long-term disability plan, a death benefit plan, and a major medical plan. The assets of the Benefits Plan are commingled for investment purposes; however, accounting for each plan is separately maintained.

The defined benefit pension plan's total net assets available for benefits, as reported by the Board of Pensions, were $8,658,320,000 and $7,734,336,000 at December 31, 2017 and 2016, respectively. The defined benefit pension plan's total Accumulated Plan Benefit Obligations, as reported by the Board of Pensions, were $6,600,749,000 and $6,228,650,000 at December 31, 2017 and 2016, respectively. Since the Benefits Plan is a Church Plan under the Internal Revenue Code, PCUSA, A Corporation has no financial interest in the Benefits Plan assets nor does it have any liability for benefits payable, contingent or otherwise, under the Benefits Plan or its components.

PCUSA, A Corporation pays the entire cost for employee participation in the defined benefit pension plan, long-term disability plan, death benefit plan and employee-only coverage associated with the medical plan. There is employee cost sharing for employee-elected levels of coverage related to spouse and/or dependents. Employees have the option to purchase additional coverage such as dental, long-term care, and life insurance.

PCUSA, A Corporation makes two levels of employer contributions for the lay and term contract benefit eligible employees into the retirement savings plan. The OGA regular lay exempt staff receive employer contributions that adheres to the lay equalization schedule. Effective 2017, all PMA lay staff and OGA lay non-exempt staff receive an employer contribution of 4% of base salary. Contributions to the lay equalization plan were $72,126 for 2017 and $610,379 for 2016; and contributions to the 403b plan were $520,197 for 2017 and $0 for 2016, respectively.

Note 11 - Benefits Data (Continued)

PCUSA, A Corporation's expenses for the plans for the years ended December 31, 2017 and 2016 were as follows:

	2017	2016
Administered by Board of Pensions		
Pension Plan	$ 2,725,968	$ 3,100,447
Death and Disability Plan	256,887	285,880
Major Medical Plan	5,220,101	7,203,742
	8,202,956	10,590,069
Administered by Others		
Retirement Savings Plan - Lay Equalization	72,126	610,379
Retirement Savings Plan - ER 403B Contribution	520,197	-
	592,323	610,379
	$ 8,795,279	$ 11,200,448

Note 12 - Concentration of Risks

Revenue Risk: PCUSA, A Corporation's primary source of revenue is contributions from Congregations, Presbyteries, Synods and individuals. The majority of these contributions are transmitted via the Presbyteries that are grouped into 16 Synods comprised of a total of 171 Presbyteries. The following is a summary of the contributions by each of the Synods during the years ended December 31, 2017 and 2016:

	2017	2016
Alaska-Northwest	$ 707,691	$ 598,700
Covenant	2,616,056	2,381,150
Lakes and Prairies	2,270,052	1,737,349
Lincoln Trails	1,713,084	1,558,884
Living Waters	1,492,867	1,298,611
Mid-America	1,248,971	973,681
Mid-Atlantic	4,692,322	3,586,248
Northeast	2,954,313	2,326,841
Pacific	1,985,392	1,768,630
Puerto Rico	13,895	23,755
South Atlantic	3,155,727	2,427,963
Southern California/Hawaii	1,203,143	1,052,252
Southwest	605,741	470,152
The Rocky Mountains	642,531	666,016
The Sun	2,226,897	1,928,008
Trinity	3,368,789	3,646,577
	30,897,471	26,444,817
Individuals and Other Church-Related	13,202,657	10,255,485
	$ 44,100,128	$ 36,700,302

Note 12 - Concentration of Risks (Continued)

Credit Risk: PCUSA, A Corporation maintains cash and cash equivalents with various financial institutions. At times, such cash and cash equivalents may be in excess of the FDIC insurance level. PCUSA, A Corporation has not experienced any losses in such accounts and management believes PCUSA, A Corporation is not exposed to any significant credit risks on cash and cash equivalents.

Note 13 - Fair Value

United States generally accepted accounting principles (GAAP) define and establish a framework for measuring fair value and expand disclosures about fair value measurements. GAAP emphasizes fair value is a market-based measurement and enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a fair value hierarchy for ranking the quality and reliability of the information used to determine fair values.

The assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

- Level 1: Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained as of the measurement date from readily available pricing sources for market transactions involving identical assets or liabilities (market approach).
- Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from quoted prices by third party pricing sources for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated. The valuation methodology for Level 2 investments consists of both income and market approaches, as appropriate for the specific investment.
- Level 3: Valuations for assets and liabilities are unobservable and significant. Valuations reflect management's best estimate of what market participants would use in pricing an asset or liability at the measurement date.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the categorization of the entire fair value measurement in the hierarchy.

Treasury bonds, equities and mutual funds are valued at the closing price reported in the active market in which the bonds are traded (Level 1 inputs). Corporate bonds and agency bonds are valued at quoted prices for identical or similar assets in non-active markets since these bonds trade infrequently (Level 2 inputs - market). Mortgage backed securities are valued using matrix pricing, which is a mathematical technique widely used to value debt securities without relying exclusively on quoted prices for the specific securities, but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs - market).

The fair value of the certificates of deposit, equity investment, and Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. ("PILP") denominational accounts were recalculated by applying the interest rate to the initial investments, and no discounts for credit quality or liquidity were determined to be applicable (Level 2 inputs).

The investment in the unitized pool is managed by the Presbyterian Church (U.S.A.) Foundation. The investment objectives of the fund are to (1) provide a stream of relatively stable and constant earnings in support of annual budgetary needs and (2) preserve and enhance the real (inflation-adjusted) purchasing power of the fund. The Foundation's investment policy is documented in the Statement of Investment Policies and Objectives for the Endowment Fund amended November 14, 2013.

Note 13 - Fair Value (Continued)

The underlying investments in the unitized pool are held in accordance with specific guidelines set forth by the Foundation and various targets have been established with regard to allowable investments purchased by the unitized pool.

At December 31, 2017, the underlying investments of the unitized pool consist of the following asset classes:

	2017	2016
Stock	54%	47%
Fixed Income	16%	21%
Hedge Funds	11%	19%
Real Estate	6%	10%
Private Equity	13%	3%
	100%	100%

Withdrawals from the unitized pool are available within 90 days with prior written notice. Pursuant to U.S. GAAP, management has considered redemption restrictions to assess classification of the fair value inputs. As a result, unitized pool assets with redemption periods of 90 days or less are considered Level 2 fair value measurements. The fair value of the beneficial interests in the perpetual trust assets (life income funds and funds held in trust by others) is based on a valuation model that calculates the present value of estimated distributed income. The valuation model incorporates the fair value of investment holdings, which are readily marketable securities valued at quoted prices and incorporates assumptions that market participants would use in estimating future distributed income. PCUSA, A Corporation is able to compare the valuation model inputs and results to widely available published industry data for reasonableness. PCUSA does not have the ability to redeem the investment within 90 days (Level 3 inputs - market).

Assets and Liabilities Measured on a Recurring Basis

2017	Total	Quoted Prices in Active Markets for identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Pooled investments held by the Foundation				
Beneficial interest in pooled Investments	$ 404,348,684	$ -	$ 404,348,684	$ -
Other investments Held by the Foundation				
Equities	2,756,400	2,756,400	-	-
Shares in New Covenant Mutual Fund	4,937,957	4,937,957	-	-
Other Investments				-
Cash equivalents	734,630	734,630	-	-
U.S. treasury securities	13,068,386	13,068,386	-	-
U.S. agency securities	1,917,840	-	1,917,840	-
Corporate debt securities	26,308,250	-	26,308,250	-
Mortgage-backed securities	3,109,157	-	3,109,157	-
Equity securities	919,788	-	919,788	-
PILP Securities	8,082,919	-	8,082,919	-
Total Investments	466,184,011	21,497,373	444,686,638	-
Beneficial Interest in Perpetual Trusts	78,226,530	-	-	78,226,530
	$ 544,410,541	$ 21,497,373	$ 444,686,638	$ 78,226,530

Note 13 - Fair Value (Continued)

2016	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Pooled investments held by the Foundation				
Beneficial interest in pooled Investments	$ 365,814,939	$ -	$ 365,814,939	$ -
Other investments held by the Foundation				
Equities	2,522,400	2,522,400	-	-
Shares in New Covenant Mutual Fund	4,800,301	4,800,301	-	-
				-
Other investments				-
Cash equivalents	1,287,081	1,287,081	-	-
U.S. treasury securities	15,327,693	15,327,693	-	-
U.S. agency securities	1,452,251	-	1,452,251	-
Corporate debt securities	24,879,456	-	24,879,456	-
Mortgage-backed securities	2,813,638	-	2,813,638	-
Equity securities	919,788	-	919,788	-
PILP Securities	8,012,545	-	8,012,545	-
Total Investments	427,830,092	23,937,475	403,892,617	-
Beneficial interest in perpetual trusts	71,380,559	-	-	71,380,559
	$ 499,210,651	$ 23,937,475	$ 403,892,617	$ 71,380,559

The table below presents a reconciliation of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2017 and 2016:

	Beneficial Interest in Perpetual Trusts
Balance, January 1, 2016	$ 69,799,818
Total realized and unrealized gains and losses	1,512,944
Settlements	67,797
Balance, December 31, 2016	71,380,559
Total realized and unrealized gains and losses	7,188,031
Settlements	(342,060)
Balance, December 31, 2017	$ 78,226,530

Note 14 - Functional Classification

A summary of PCUSA, A Corporation's operating expenses by functional classification for the years ended December 31, 2017 and 2016 is as follows:

	2017		2016	
	Amount	Percentage	Amount	Percentage
Program expenses	$ 61,228,359	83%	$ 74,796,698	84%
Management and General expenses	8,056,270	11%	9,432,889	11%
Fundraising expenses	4,196,048	6%	4,747,623	5%
	$ 73,480,677	100%	$ 88,977,210	100%

The amount of fundraising expenses as a percentage of funds raised was 9% and 13% for the years ended December 31, 2017 and 2016, respectively. Please note that in 2017, there were more disasters than typically have occurred in recent years and the Presbyterian Disaster Program received $12.8 million above their budgeted amount for disaster relief. This affects the lower 2017 fundraising percent.

Note 15 - Commitments and Contingencies

PCUSA, A Corporation holds and participates in a self-insurance fund that exists to provide a source of funds for that portion of certain losses not covered by commercial insurance to cover deductibles on commercial insurance and for certain classes of uninsured losses. Various General Assembly-level agencies and corporations are included in the Fund. The largest possible loss to be assumed in any one event or occurrence is $250,000, with $1,000,000 as the largest potential aggregate of all claims in a single calendar year.

The minimum balance of the self-insurance fund shall not fall below $5,000,000 as a result of claims paid. In the event this happens, an assessment will be made to the insured entities to return the fund to the $5,000,000 minimum balance. The assessment will be based on each insured entity's 5-year loss ratio. A 1% minimum assessment will be made by the entities that have not experienced any losses in the 5-year period. The balance of the Fund reflected as designated net assets by PCUSA, A Corporation was $6,763,390 and $6,102,565 at December 31, 2017 and 2016, respectively.

During the ordinary course of business, PCUSA, A Corporation is subject to pending and threatened legal actions. Management of PCUSA, A Corporation does not believe that any of these actions will have a material adverse effect on PCUSA, A Corporation's consolidated financial position or change in net assets.

Note 16 - Related Party Transactions

Foundation: The Foundation provides certain investment, custodial, and deferred giving services to PCUSA, A Corporation. The Foundation recoups the cost of those services not covered from the income of its own endowment funds by quarterly charges against the investment pools in which the funds administered by the Foundation are invested. These charges were recovered from the principal and income of these pools. Such costs consist of salary and benefits; outside investment services; and other operating expenses.

The income received by PCUSA, A Corporation from the Foundation is net of administrative fees of outside managers as described previously. PCUSA, A Corporation's investments and unrestricted and restricted endowment owned and held by the Foundation totaled \$308.2 million and \$281.1 million and investments held by the Foundation totaled \$68.4 million and \$59.6 million on behalf of the General Assembly at December 31, 2017 and December 31, 2016 respectively.

The Foundation's administration, custodial and investment management fees are assessed monthly based on the prior month end market value against the total fund.

The Presbyterian Church (U.S.A.), A Corporation approved to transfer the operations of Ghost Ranch Education and Retreat Center to the National Ghost Ranch Foundation (NGRF), with responsibility being transferred to the Foundation's constituent corporation, the Board of Christian Education of the Presbyterian Church (U.S.A.) ("BCE"), effective December 31, 2016.

Board of National Missions: There are certain church loan funds whereby the fiduciary ownership belongs to the Board of National Missions, a constituent corporation of the Foundation. PCUSA, A Corporation is the disbursing agent for those funds under a limited power of attorney from the Foundation. PILP administers the Loan Program under an administrative services agreement with PCUSA, A Corporation. Accordingly, these funds are not reflected in the consolidated financial statements but are administered by PCUSA, A Corporation. These loan funds were approximately \$267,000,000 and \$247,000,000 at December 31, 2017 and 2016, respectively.

Board of Pensions: PCUSA, A Corporation served as a receiving agent for funds designated for the Board of Pensions. PCUSA, A Corporation received \$1,160,266 and \$1,149,266 from congregations for the years ended December 31, 2017 and 2016, of which \$303,303 and \$325,385 was yet to be remitted to the Board of Pensions.

Presbyterian Church (U.S.A.) Investment and Loan Program, Inc.: PCUSA, A Corporation leases office space and provides administrative support to Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. ("PILP") by contract. For the years ended December 31, 2017 and 2016, administrative support charged to PILP was \$158,402 and \$153,788, respectively. Office space charged to PILP was \$63,447 and \$61,599 for 2017 and 2016, respectively.

Note 16 - Related Party Transactions (Continued)

Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. (Continued): On June 29, 2000, PCUSA, A Corporation entered into an operating agreement with PILP under which PILP will provide administrative services (e.g., origination and loan servicing) for PCUSA, A Corporation's church loan program at cost in an effort to streamline the coordination process between PCUSA, A Corporation's church loan program and PILP's loan program. PCUSA, A Corporation reimbursed PILP $774,950 and $775,171 for the actual costs of such services during 2017 and 2016, respectively.

PCUSA, A Corporation and PILP have issued joint loans through participation agreements. For the years ended December 31, 2017 and 2016, total loans outstanding were $30,427,273 and $30,228,014 respectively, under these participation agreements.

PILP issued a secured loan to PCUSA, A Corporation for the benefit of the Presbyterian Historical Society during 2015. The balance was $330,000 and $306,940, respectively, as of December 31, 2017 and 2016. The terms of the agreement call for 120 payments, with an interest rate of 4.25% and a maturity date of February 1, 2027.

PCUSA, A Corporation has a current commitment, effective May 1, 2014, to PILP for five years to invest up to $5,000,000 in short and intermediate term accounts called denominational account receipts (DAR). As of December 31, 2017 and 2016, investments with PILP were $8,082,918 and $8,012,432, respectively. At December 31, 2017 and 2016, fixed interest rates ranged from 0.30% to 1.49% and 0.45% to 1.74%, respectively, and the adjustable rate ranged from 0.25% to 1.19% and 0.40% to 1.14%, respectively. For the year ended December 31, 2017, the Foundation did not invest with PILP from PCUSA, A Corporation's unrestricted endowment funds.

Presbyterian Publishing Corporation: PCUSA, A Corporation leases office space to Presbyterian Publishing Corporation ("PPC") under an operating lease. For the years ended December 31, 2017 and 2016, rental income was $164,889 and $161,278, respectively. PPC's lease expired at the end of 2014 and a new lease addendum was signed for 2015-2018. Other related expenses charged to PPC for telephone, postage, and copy services were $$62,365 and $49,849 in 2017 and 2016, respectively.

PPC pays PCUSA for supplemental warehousing and distribution services. Fees paid by PPC under this agreement in 2017 and 2016 were $37,021 and $27,549 for fulfillment fees and $188,188 and $102,929 for freight, respectively.

PPC publishes various pamphlets, magazines, and books for PCUSA, A Corporation during the year on a project-by-project basis. Expenses related to this type of work in 2017 and 2016 were $157,442 and $171,826, respectively. PPC also pays PCUSA, A Corporation for advertising space in various church publications. Advertising expense under such arrangements was $2,269 and $1,725 in 2017 and 2016, respectively.

Note 16 - Related Party Transactions (Continued)

Insurance: PCUSA, A Corporation participates in commercial insurance programs, whereby premiums are negotiated and paid by PCUSA, A Corporation on behalf of all General Assembly entities. The Board of Pensions, Foundation, PILP, and PPC reimburse PCUSA, A Corporation for expenses paid on their behalf. Expenses incurred for commercial insurance paid by PCUSA, A Corporation and for which we have been reimbursed for December 31, 2017 and 2016:

	2017	2016
Foundation	$ 115,813	$ 121,832
Board of Pensions	483,132	458,110
PILP	86,629	90,600
PPC	84,565	88,102
	$ 770,139	$ 758,644

Note 17 - Prior Period Adjustment

During the year ended December 31, 2017, PCUSA, A Corporation identified misstatements in the prior year's financial statements. PCUSA, A Corporation determined several outside trusts for which it is the beneficiary had not been recorded. The value of these trusts as of January 1, 2016 was $4,668,371 which increased beginning permanently restricted net assets. Certain expenses relating the Theological Education Fund for the years ended December 31, 2015 and 2016 totaling $1,396,845 and $709,935, respectively were not expensed. Properly reflecting these expenses resulted in a decrease to temporarily restricted net assets as of January 1, 2016 of $1,396,845. In addition, during 2017, the Presbyterian Mission Agency's Legal Office reviewed the General Assembly Mission Board's ("GAMB") Restricted Fund and determined it was board restricted rather than donor restricted. This resulted in an increase to unrestricted designated net assets and a decrease to permanently restricted net assets of $15,394,309 as of January 1, 2016.

Note 17 - Prior Period Adjustment (Continued)

The effect on the December 31, 2016 consolidated financial statements as a result of the above items is as follows:

	Originally Reported	Adjustment	Restated
Unrestricted net assets, 1/1/16	$ 49,753,798	$ 15,394,309	$ 65,148,107
Temporarily restricted net assets, 1/1/16	185,910,231	(1,396,845)	184,513,386
Permanently restricted net assets, 1/1/16	272,826,552	(10,725,937)	262,100,615
Beneficial interest in perpetual trusts	66,590,033	4,790,526	71,380,559
Amounts due other agencies	3,758,596	1,396,845	5,155,441
Other liabilities	1,961,249	709,935	2,671,184
Income from endowment funds held by the Foundation, permanently restricted	61,546	(50,263)	11,283
Income from other investments, permanently restricted	38,100	(38,100)	-
Unrealized gain (losses) on investments, permanently restricted	1,517,672	51,355	1,569,027
Interest income from loans, permanently restricted	48,128	(32,285)	15,843
Other income, permanently restricted	(180,118)	26,092	(154,026)
Income from endowment funds held by the Foundation, unrestricted	1,629,344	50,263	1,679,607
Income from other investments, unrestricted	2,106,368	38,100	2,144,468
Unrealized gain (losses) on investments, unrestricted	795,143	70,799	865,942
Interest income from loans, unrestricted	1,497	32,285	33,782
Other income, unrestricted	3,552,434	(26,092)	3,526,342
Net assets released from restrictions	37,841,082	709,935	38,551,017
Related bodies and other programs	11,718	709,935	721,653

Supplemental Information

Presbyterian Church (U.S.A.), A Corporation
Consolidating Statement of Financial Position
December 31, 2017

	General Mission	Curriculum	Presbyterian Center Louisville/ Property and	Hubbard Press	Youth Triennium	Jinishian	Presbyterian Disaster Assistance	Self Development of People	Presbyterian Hunger Program	Santa Fe/Plaza Resolana	Stony Point	Specific Property	Self Insurance	Student Loans	Church Loans	OGA Per Capita	OGA Historical Society	Reclass/ Elimination	Total
Assets																			
Cash and cash equivalents	$ 15,446,197	$ -	$ -	$ 1,883	$ -	$ -	$ -	$ -	$ -	$ -	$ 202,089	$ -	$ -	$ -	$ -	$ 425,244	$ 53,064	$ -	$ 16,128,477
Beneficial interest in pooled investments held by the Foundation - short-term	36,439,590	-	1,270,587	-	-	114,351	-	-	-	-	-	859,143	7,334,697	1,835,628	8,836,641	5,737,597	3,731,377	-	66,159,612
Other investments and accrued income	30,472,516	-	-	1,450,149	-	191,441	14,885,059	1,436,052	1,055,275	-	-	-	-	-	4,077,301	531,255	41,921	-	54,140,970
Contributions receivable from congregations	3,774,845	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(251,390)	-	-	3,523,455
Mortgages and loans on churches and manses, including accrued interest, net	-	-	-	-	-	-	-	285	-	-	-	-	-	-	473,680	-	-	-	473,965
Receivables from related entities, net	940,472	120,389	260,771	137,956	-	-	-	-	-	-	299,942	-	-	989,064	-	1,472,063	155,000	45,549	4,421,206
Due from/(to) other funds	(8,908,581)	(98,907)	1,982,838	344,449	2,693	375,166	4,012,904	83,902	(442,907)	-	-	(73,215)	(571,307)	1,059,719	3,825,892	(682,933)	(539,355)	(370,357)	-
Due from the Foundation FMS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from/(to) the Foundation church loans	3,284,982																	324,808	3,609,790
Other accounts receivable	597,035	-	-	-	-	-	-	-	-	-	22	-	-	-	-	-	-	-	597,057
Inventories, prepaid expenses and other assets	485,699	17,137	-	256,134	935	-	2,613	-	46,569	-	77,685	-	-	-	-	134,970	-	-	1,021,742
Property and equipment, net of accumulated depreciation	-	-	6,809,551	269,204	-	-	-	-	-	-	2,093,116	-	-	-	-	299,723	1,014,722	-	10,486,316
Property held for sale	-	-	-	-	-	-	-	-	-	387,471	-	-	-	-	-	-	-	-	387,471
Beneficial interest in pooled investments held by the Foundation - long-term	302,229,423	-	-	-	-	31,961,076	-	-	-	-	-	-	-	3,485,703	-	302,520	210,350	-	338,189,072
Other investments held by Foundation	7,694,357	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,694,357
Beneficial interest in perpetual trusts	78,226,530	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78,226,530
Total Assets	$ 470,683,065	$ 38,619	$ 10,323,746	$ 2,459,776	$ 3,628	$ 32,642,034	$ 18,900,576	$ 1,520,239	$ 658,937	$ 387,471	$ 2,672,854	$ 785,928	$ 6,763,391	$ 7,370,114	$ 17,213,514	$ 7,969,049	$ 4,667,079	$ -	$ 585,060,020
Liabilities and Net Assets																			
Liabilities																			
Accounts payable and accrued expenses	$ 6,145,253	$ 113,198	$ -	$ 13,630	$ -	$ -	$ 3,526	$ -	$ -	$ -	$ 265,349	$ -	$ -	$ -	$ -	$ 2,869	$ 3,038	$ -	$ 6,546,864
Amounts received from congregations and designated for others	575,665	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	575,665
Amounts held for missionaries and related organizations	6,618,209	-	127,719	-	-	77,308	893	212,578	-	-	133,984	-	-	-	-	-	-	-	7,170,691
Amount due to other agencies	5,553,609	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,553,609
Due to/(from) other funds																			-
Due to the Foundation FMS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due (from)/to the Foundation church loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	366,903	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(642)	-	-	366,261
Other	29,559	-	-	-	-	-	-	-	-	-	62,023	-	-	-	-	131,861	-	-	223,442
Total Liabilities	19,289,199	113,198	127,719	13,630	-	77,308	4,419	212,578	-	-	461,356	-	-	-	-	134,087	3,038	-	20,436,532
Net Assets:																			
Unrestricted																			
Undesignated	8,164,949	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,494,259	-	-	14,659,208
Designated	9,854,000	(74,579)	10,196,027	2,446,146	3,628	-	-	-	-	387,471	2,199,562	785,928	6,763,391	-	17,213,514	989,764	2,756,248		53,521,100
Total Unrestricted	18,018,949	(74,579)	10,196,027	2,446,146	3,628	-	-	-	-	387,471	2,199,562	785,928	6,763,391	-	17,213,514	7,484,023	2,756,248	-	68,180,308
Temporarily restricted	176,178,949	-	-	-	-	22,365,270	18,896,157	1,307,661	658,937	-	11,936	-	-	2,557,416	-	261,370	1,212,733	-	223,450,429
Permanently restricted	257,195,968	-	-	-	-	10,199,456	-	-	-	-	-	-	-	4,812,698	-	89,569	695,060	-	272,992,751
Total Net Assets	451,393,866	(74,579)	10,196,027	2,446,146	3,628	32,564,726	18,896,157	1,307,661	658,937	387,471	2,211,498	785,928	6,763,391	7,370,114	17,213,514	7,834,962	4,664,041	-	564,623,488
Total Liabilities and Net Assets	$ 470,683,065	$ 38,619	$ 10,323,746	$ 2,459,776	$ 3,628	$ 32,642,034	$ 18,900,576	$ 1,520,239	$ 658,937	$ 387,471	$ 2,672,854	$ 785,928	$ 6,763,391	$ 7,370,114	$ 17,213,514	$ 7,969,049	$ 4,667,079	$ -	$ 585,060,020

See independent auditor's report.

Presbyterian Church (U.S.A.), A Corporation
Consolidating Statement of Activities and Changes in Net Assets
Year Ended December 31, 2017

	General Mission	Curriculum	Presbyterian Center Louisville/ Property and Equipment	Hubbard Press	Youth Triennium	Jinishian	Presbyterian Disaster Assistance	Self Development of People	Presbyterian Hunger Program	Santa Fe/Plaza Res	Stony Point	Specific Property	Self Insurance	Student Loans	Church Loans	OGA Per Capita	OGA Historical Society	Reclass/ Elimination	Total
Revenues, Gains, and Other Support																			
Contributions																			
Congregations	$ 9,074,358	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,654,580	$ -	$ -	$ 20,728,938
Presbyterian Women	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gifts, bequests and grants	4,911,083	-	-	-	-	41,661	-	-	-	-	223,395	-	-	-	-	2,500	228,076	(50,000)	5,356,715
Special giving and special offering	19,452,839	-	-	-	-	-	16,053,889	1,429,134	1,927,944	-	-	-	-	-	-	-	-	-	38,863,806
Total Contributions	33,438,280	-	-	-	-	41,661	16,053,889	1,429,134	1,927,944	-	223,395	-	-	-	-	11,657,080	228,076	(50,000)	64,949,459
Investment return and other support																			
Income from endowments held by Foundation	4,102,398	-	15,119	-	-	322,212	-	-	-	-	-	12,430	87,262	26,893	75,021	73,751	232,872	-	4,947,957
Income on investments	3,515,020	-	-	12,751	-	3,040	183,228	18,444	10,166	-	113	-	-	-	37,657	10,002	465	-	3,790,888
Realized net gain/loss	7,973,922	-	-	-	-	995,939	-	-	-	-	-	-	-	62,568	-	-	13,789	-	9,046,218
Unrealized net gain/loss	34,252,497	-	121,143	-	-	2,819,064	(80,276)	(8,515)	(7,555)	-	-	46,902	699,339	350,030	365,314	323,370	217,791	-	39,099,105
Changes in value of beneficial interest	(342,060)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(342,060)
Total Investment Return	49,501,777	-	136,262	12,751	-	4,140,255	102,952	9,930	2,612	-	113	59,332	786,601	439,491	477,991	407,123	464,917	-	56,542,108
Interest income from loans	-	-	-	-	-	-	-	-	-	-	-	-	-	37,017	21,693	-	-	-	58,710
Hubbard Press	-	-	-	1,285,374	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,285,374
Sales of resources	1,021,587	1,028,958	-	-	-	-	1,726	-	1,994	-	57,805	-	-	-	-	342,539	35,595	-	2,490,204
Program services	7,125,384	-	10,700	-	-	16,490	-	-	11,325	-	2,359,313	-	-	-	-	213,072	46,162	(654,830)	9,127,615
Other	1,895,901	371,174	642,793	1,408	14,266	(35,624)	(2,381,337)	(84,622)	(118,496)	864,060	72,765	(26,618)	(13,479)	(550,814)	(155,416)	332,381	137,449	(650,000)	315,791
Total Revenues, Gains and Other Support	92,982,928	1,400,132	789,755	1,299,533	14,266	4,162,782	13,777,231	1,354,442	1,825,379	864,060	2,713,392	32,714	773,122	(74,306)	344,268	12,952,195	912,200	(1,354,830)	134,769,261
Expenses:																			
Cost of Sales	198,008	345,959	-	189,458	-	-	241	125	12,243	-	-	-	-	-	-	4,089	-	-	750,124
Salaries and Benefits	26,419,661	813,309	-	662,659	-	183,770	909,895	341,848	565,843	-	1,396,615	-	-	-	-	5,076,553	558,353	-	36,928,505
Travel	1,100,983	31,645	-	1,278	-	26,214	196,079	32,480	44,793	-	23,532	-	-	-	-	468,435	10,399	-	1,935,837
Meetings	486,919	1,245	-	-	-	2,288	22,334	56,440	10,467	-	1,249	-	-	-	-	556,156	-	-	1,137,099
Support Costs & Administration	4,928,224	172,083	131	271,511	-	4,508	67,953	9,506	16,336	864,060	870,582	117	112,297	-	-	2,059,514	163,717	-	9,540,537
Depreciation	-	-	1,232,682	68,447	-	-	-	-	-	-	106,945	-	-	-	-	110,246	130,178	-	1,648,498
Program	3,887,740	58,690	-	2,417	14,266	27,400	901,364	695	25,119	-	303,268	-	-	-	-	4,049,170	62,363	(1,354,830)	7,977,660
Resource Development	118,534	-	-	-	-	2,707	162,883	-	7,175	-	-	-	-	-	-	-	-	-	291,298
Grants	6,509,389	-	-	-	-	1,037,500	4,450,887	312,595	960,748	-	-	-	-	-	-	-	-	-	13,271,119
Total Expenses	43,649,459	1,422,932	1,232,813	1,195,770	14,266	1,284,385	6,711,633	753,688	1,642,725	864,060	2,702,190	117	112,297	-	-	12,324,162	925,011	(1,354,830)	73,480,677
Change in Net Assets	49,333,469	(22,800)	(443,058)	103,763	-	2,878,397	7,065,597	600,754	182,654	-	11,202	32,597	660,825	(74,306)	344,268	628,033	(12,811)	-	61,288,584
Beginning net assets	402,060,397	(51,779)	10,639,085	2,342,383	3,628	29,686,329	11,830,560	706,907	476,283	387,471	2,200,297	753,331	6,102,566	7,444,421	16,869,246	7,206,929	4,676,852	-	503,334,904
Net Surplus/(Deficit)	49,333,469	(22,800)	(443,058)	103,763	-	2,878,397	7,065,597	600,754	182,654	-	11,202	32,597	660,825	(74,306)	344,268	628,033	(12,811)	-	61,288,584
Ending Net Assets	$ 451,393,866	$ (74,579)	$ 10,196,027	$ 2,446,146	$ 3,628	$ 32,564,726	$ 18,896,157	$ 1,307,661	$ 658,937	$ 387,471	$ 2,211,498	$ 785,928	$ 6,763,391	$ 7,370,114	$ 17,213,514	$ 7,834,962	$ 4,664,041	$ -	$ 564,623,488

See independent auditor's report.