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

Consolidated Financial Statements

Years Ended December 31, 2018 and 2017

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

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Years Ended December 31, 2018 and 2017

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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 statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated 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 consolidated 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 audits. We conducted our audits 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Presbyterian Church (U.S.A.), A Corporation and its constituent corporations as of December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, Presbyterian Church (U.S.A.), A Corporation has adopted Financial Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position as of December 31, 2018, and the consolidating statement of activities and changes in net assets for the year then ended are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

MCM CPAs & Advisors LLP

Cincinnati, Ohio
April 30, 2019

Presbyterian Church (U.S.A.), A Corporation
Consolidated Statements of Financial Position
December 31, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 4,036,115	$ 16,128,477
Beneficial interest in pooled investments held by the Foundation - short-term	67,185,411	66,159,612
Other investments and accrued income	66,931,964	54,140,970
Contributions receivable from congregations	3,196,253	3,523,455
Receivables from related entities, net	3,944,975	4,421,206
Due from the Foundation - FMS	820,971	-
Due from the Foundation - church loans	-	3,609,790
Other accounts receivable	1,237,539	597,057
Mortgages and loans on churches and manses, including accrued interest - net	-	473,965
Inventories, prepaid expenses and other assets	1,364,119	1,021,742
Property and equipment, net of accumulated depreciation	10,477,332	10,486,316
Property available for sale	387,471	387,471
Beneficial interest in pooled investments held by the Foundation - long-term	317,823,116	338,189,072
Other investments held by the Foundation	4,962,842	7,694,357
Beneficial interest in perpetual trusts	70,358,291	78,226,530
Total Assets	$ 552,726,399	$ 585,060,020
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 6,855,616	$ 6,546,864
Amounts received from congregations and designated for others	570,004	575,665
Amounts held for missionaries and committed for projects	7,095,563	7,170,691
Amount due to other agencies	7,952,109	5,553,609
Due to the Foundation - church loans	312,108	-
Deferred revenue	456,535	366,261
Other	406,781	223,442
Total Liabilities	23,648,716	20,436,532
Net Assets		
Without donor restrictions		
Undesignated - General Mission	11,197,591	12,541,949
Undesignated - OGA per capita	4,608,225	6,494,258
Board designated	52,918,353	53,521,100
Total Net Assets Without Donor Restrictions	68,724,169	72,557,307
With donor restrictions	460,353,514	492,066,181
Total Net Assets	529,077,683	564,623,488
Total Liabilities and Net Assets	$ 552,726,399	$ 585,060,020

See accompanying notes.

Presbyterian Church (U.S.A.), A Corporation
Consolidated Statements of Activities and Changes in Net Assets
Year Ended December 31, 2018 with Comparative Totals for the Year Ended December 31, 2017

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues, Gains and Other Support				
Contributions				
Congregations	$ 16,551,554	$ 3,448,414	$ 19,999,968	$ 20,728,938
Gifts, bequests and grants	1,256,966	3,922,722	5,179,688	5,356,715
Special giving and special offering	-	25,459,633	25,459,633	38,863,806
Total Contributions	17,808,520	32,830,769	50,639,289	64,949,459
Investment return				
Income from endowment funds held by the Foundation	2,985,672	4,097,321	7,082,993	4,947,957
Income from other investments	3,464,252	489,350	3,953,602	3,790,888
Realized gains on investments, net	3,296,211	5,866,698	9,162,909	9,046,218
Unrealized (loss) gain on investments, net	(2,115,293)	(38,349,920)	(40,465,213)	39,099,105
Change in value of beneficial interest in life income trusts	-	(317,238)	(317,238)	(342,060)
Total Investment Return	7,630,842	(28,213,789)	(20,582,947)	56,542,108
Interest income from loans	10,230	27,702	37,932	58,710
The Hubbard Press	1,248,976	-	1,248,976	1,285,374
Sales of resources	1,707,488	3,192	1,710,680	2,490,204
Program services	5,435,532	2,669,713	8,105,245	9,127,615
Other	1,154,382	(216,728)	937,654	315,791
Total Other Income	34,995,970	7,100,859	42,096,829	134,769,261
Net assets released from restrictions	38,813,526	(38,813,526)	-	-
Total Revenue, Gains and Other Support	73,809,496	(31,712,667)	42,096,829	134,769,261
Expenses				
Executive Director	1,863,754	-	1,863,754	1,814,848
Communications	1,149,076	-	1,149,076	962,630
Theology, formation and evangelism	7,588,316	-	7,588,316	8,546,496
Compassion, peace and justice	16,157,868	-	16,157,868	13,677,782
World mission	19,928,872	-	19,928,872	18,638,843
Racial equity & women's intercultural ministries	6,462,986	-	6,462,986	6,865,644
Shared services	1,199,142	-	1,199,142	1,623,464
Office of the General Assembly	9,912,291	-	9,912,291	8,338,916
Presbyterian Mission Agency	5,006,636	-	5,006,636	3,766,321
Presbyterian Historical Society	771,973	-	771,973	794,832
Santa Fe - Plaza Resolana (Ghost Ranch)	(98,305)	-	(98,305)	864,060
Conference center - Stony Point	2,924,377	-	2,924,377	2,489,928
Church and student loans	1,809	-	1,809	-
The Hubbard Press	927,703	-	927,703	1,006,712
Related bodies and other programs	-	-	-	605,986
Shared Expenses	1,265,986	-	1,265,986	1,568,332
Depreciation	1,390,550	-	1,390,550	1,648,498
Other	1,189,600	-	1,189,600	267,385
Total Expenses	77,642,634	-	77,642,634	73,480,677
Change in Net Assets	(3,833,138)	(31,712,667)	(35,545,805)	61,288,584
Net Assets at Beginning of Year	72,557,307	492,066,181	564,623,488	503,334,904
Net Assets at End of Year	$ 68,724,169	$ 460,353,514	$ 529,077,683	$ 564,623,488

See accompanying notes.

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

	2017		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions			
Congregations	$ 16,833,566	$ 3,895,372	$ 20,728,938
Gifts, bequests and grants	813,599	4,543,116	5,356,715
Special giving and special offering	-	38,863,806	38,863,806
Total Contributions	17,647,165	47,302,294	64,949,459
Investment return			
Income from endowment funds held by the Foundation	2,009,153	2,938,804	4,947,957
Income from other investments	3,559,681	231,207	3,790,888
Realized gains on investments, net	4,011,857	5,034,361	9,046,218
Unrealized gain (loss) on investments, net	2,371,077	36,728,028	39,099,105
Change in value of beneficial interest in life income trusts	-	(342,060)	(342,060)
Total Investment Return	11,951,768	44,590,340	56,542,108
Interest income from loans	21,693	37,017	58,710
The Hubbard Press	1,285,374	-	1,285,374
Sales of resources	2,486,484	3,720	2,490,204
Program services	9,099,800	27,815	9,127,615
Other	648,626	(332,835)	315,791
Total Other Income	43,140,910	91,628,351	134,769,261
Net assets released from restrictions	36,966,141	(36,966,141)	-
Total Revenue, Gains and Other Support	80,107,051	54,662,210	134,769,261
Expenses			
Executive Director	1,814,848	-	1,814,848
Communications	962,630	-	962,630
Theology, formation and evangelism	8,546,496	-	8,546,496
Compassion, peace and justice	13,677,782	-	13,677,782
World mission	18,638,843	-	18,638,843
Racial, ethnic and women's ministries	6,865,644	-	6,865,644
Shared services	1,623,464	-	1,623,464
Office of the General Assembly	8,338,916	-	8,338,916
Presbyterian Mission Agency	3,766,321	-	3,766,321
Presbyterian Historical Society	794,832	-	794,832
Santa Fe - Plaza Resolana (Ghost Ranch)	864,060	-	864,060
Conference center - Stony Point	2,489,928	-	2,489,928
The Hubbard Press	1,006,712	-	1,006,712
Related bodies and other programs	605,986	-	605,986
Shared Expenses	1,568,332	-	1,568,332
Depreciation	1,648,498	-	1,648,498
Other	267,385	-	267,385
Total Expenses	73,480,677	-	73,480,677
Change in Net Assets	6,626,374	54,662,210	61,288,584
Net Assets at Beginning of Year	65,930,933	437,403,971	503,334,904
Net Assets at End of Year	$ 72,557,307	$ 492,066,181	$ 564,623,488

See accompanying notes.

Presbyterian Church (U.S.A.), A Corporation
Consolidated Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Change in net assets	$ (35,545,805)	$ 61,288,584
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,390,550	1,648,498
Contributions and revolving loan fund investment earnings restricted for long-term investment	(31,266)	(960,431)
Realized and unrealized loss (gain) on investments, net	31,302,304	(48,145,323)
Change in beneficial interests in life income funds	317,238	342,060
Loss on disposal of property and equipment	29,323	214,585
Changes in operating assets and liabilities:		
Receivables from congregations	327,202	144,674
Due to/from Foundation	3,100,927	(6,744,330)
Other accounts receivable	(639,575)	(348,592)
Inventories, prepaid expenses and other assets	(342,377)	(8,791)
Accounts payable and accrued expenses	308,752	(1,417,310)
Amounts received from congregations and other liabilities	101,643	(1,953,243)
Amounts due to other agencies	2,398,500	398,168
Deferred revenue	90,274	2,175
Net Cash Provided by Operating Activities	2,807,690	4,460,724
Cash Flows from Investing Activities		
Purchases of investments	(77,846,950)	(49,862,337)
Sales of investments	62,657,276	52,325,204
Payments received on church loans	473,965	127,590
Net repayments of receivables from related entities, mortgages and loans	476,231	(706,048)
Acquisition of property and equipment, net	(1,410,889)	(1,269,586)
Maturities of beneficial interests in life income funds	719,049	140,506
Net Cash (Used in) Provided by Investing Activities	(14,931,318)	755,329
Cash Flows from Financing Activities		
Contributions and revolving loan fund investment earnings restricted for long-term investment	31,266	960,431
Cash Provided by Financing Activities	31,266	960,431
Net (Decrease) Increase in Cash and Cash Equivalents	(12,092,362)	6,176,484
Cash and Cash Equivalents at Beginning of Year	16,128,477	9,951,993
Cash and Cash Equivalents at End of Year	$ 4,036,115	$ 16,128,477
Supplemental Disclosure of Cash Flow Information		
Donated stock	$ 104,907	$ 134,338

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, state or other secular law. Central to the structure of PCUSA is the concept of 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. Until July 26, 2018, all voting members of the Presbyterian Mission Agency ("PMA") Board were members of the Board of Directors of PCUSA, A Corporation. The board membership of PCUSA, A Corporation altered based on an action of the 223rd General Assembly (2018) whereby the board's membership was amended to eleven (11) members elected by the General Assembly coming from recommendations to the General Assembly Nominating Committee by the following entities or bodies: the Committee on the Office of the General Assembly, the PMA, the PCUSA Foundation ("Foundation"), the PCUSA Investment and Loan Program, Inc. ("ILP") , the Presbyterian Publishing Corporation ("PPC"), Presbyterian Women in the PCUSA, Inc. ("PW"), the Racial Equity Advocacy Committee of the PCUSA, the Advocacy Committee for Women's Concerns of the PCUSA, as well as three (3) at-large members. 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 Foundation for longer-term investment; acts as the disbursing agent for all funds held for the General Assembly and for other councils and entities upon their request; and provides accounting, reporting, and other financial and related services as the General Assembly or PMA 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.), Inc.; 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.

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 addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. PCUSA, A Corporation has adjusted the presentation of these statements accordingly.

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

Basis of Presentation (Continued): 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 net assets without donor restrictions or net assets with donor restrictions as follows:

- Net Assets without Donor Restrictions:

    - *Unrestricted-Undesignated*: *General Mission*: 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 undesignate unrestricted designated net assets.

    - *Unrestricted-Undesignated*: *OGA per capita*: Net assets that are not subject to donor-imposed restrictions. Unrestricted, undesignated OGA per capita assets consist of the accumulation of per capita apportionment income from congregations.

    - *Unrestricted-Designated*: Net assets that are not subject to donor-imposed restrictions. Unrestricted designated net assets consist of the accumulation of certain contributions, gifts, bequests, and related income thereon that have been designated for specific purposes by the Presbyterian Mission Agency Board of the General Assembly and/or the PCUSA, A Corporation Board.

- Net Assets with Donor Restrictions: Net assets with donor restrictions due to time or purpose are subject to donor-imposed restrictions that may or will be met either by actions of PCUSA, A Corporation or the passage of time and primarily consist of contributions and related investment income. Net assets with donor restrictions in perpetuity are to be maintained permanently. The Foundation provides this service for such assets benefiting the 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 and 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 Foundation believe that the carrying amount of its alternative investments is a reasonable estimate of fair value as of December 31, 2018 and 2017. 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.

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

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.

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, 2018 and 2017.

Property Available for Sale: At December 31, 2018 and 2017, 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 2019.

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

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

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 net assets without donor restrictions in the year in which the items are acquired or as net assets with donor restrictions if the assets used to purchase the items are restricted by donors. 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.

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, 2018 and 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, 2018 and 2017. PCUSA, A Corporation is no longer subject to examination by taxing authorities for the years before December 31, 2014.

New Accounting Pronouncements: 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. PCUSA, A Corporation evaluated the impact of the adoption of ASU 2014-09 on the financial statements and did not record any material impact from the adoption for ASU 2014-09 as of January 1, 2019.

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

New Accounting Pronouncements (Continued): In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard should assist entities in 1) evaluating whether transactions should be accounted for as contributions (non-reciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and 2) determining whether a contribution is conditional. This standard will be effective for the calendar year ending December 31, 2019. PCUSA, A Corporation evaluated the impact of the adoption of ASU 2018-08 on the financial statements and did not record any material impact from the adoption for ASU 2018-08 as of January 1, 2019.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows* (Topic 820). This standard requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Consequently, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning of period and end of period total amounts shown on the statement of cash flows. 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, 2022.

PCUSA, A Corporation is currently in the process of evaluating the impact of the adoption of ASU 2016-18 ASU 2016-02, and ASU 2016-13 on the consolidated financial statements.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2018 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2018. Management has performed their analysis through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

Reclassifications: Certain reclassifications have been made to the 2017 consolidated financial statements to conform to the 2018 consolidated financial statement presentation. These reclassifications had no effect on net assets or the change in net assets.

Note 3 - Liquidity and Availability of Financial Assets

PCUSA, A Corporation's financial assets available within one year of the statement of financial position date for general expenditures as of December 31, 2018 and 2017 are as follows:

	2018	2017
Cash and cash equivalents	$ 4,036,115	$ 16,128,477
Beneficial interest in pooled investments held by the Foundation - short-term	67,185,411	66,159,612
Other investments and accrued income	66,931,964	54,140,970
Contributions receivable from congregations	3,196,253	3,523,455
Receivables from related entities, net	3,944,975	4,421,206
Due from Foundation	820,971	3,609,790
Other accounts receivable	1,237,539	597,057
Beneficial interest in pooled investments held by the Foundation - long-term	317,823,116	338,189,072
Other Investment held by the Foundation	4,962,842	7,694,357
Beneficial interest in perpetual trusts	70,358,291	78,226,530
Total Financial Assets	540,497,477	572,690,526
Less Amounts not Available to be Used within One Year		
Restricted by donors for use in future periods	168,174,086	192,123,668
Less net assets with purpose restrictions to be met in less than one year	(58,597,216)	(56,382,130)
Restricted by donors in perpetuity - endowments	224,393,286	221,688,470
Restricted by donors in perpetuity - outside trusts	66,977,699	74,528,700
Restricted by donors in perpetuity - other	808,443	3,725,343
Amounts Unavailable to Management without Board's Approval		
Board designated funds	52,918,353	53,521,100
Financial Assets Available to Meet General Expenditures Within One Year	$ 85,822,826	$ 83,485,375

PCUSA, A Corporation is substantially supported by unrestricted and restricted contributions. It also receives the benefit of gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. Generally, these gifts are received, held and invested by the Foundation but could be held by another outside entity.

A donor's restriction requires resources to be used in a particular manner or in a future period, the PCUSA, A Corporation must maintain sufficient resources to meet those responsibilities to donors. Thus, financial assets may not be available for general expenditure within one year. As part of PCUSA, A Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. PCUSA, A Corporation operates with a balanced budget approved by the General Assembly. PCUSA, A Corporation invests cash in excess of daily requirements in short-term investments. Additionally, PCUSA, A Corporation has board designated net assets without donor restrictions that, while PCUSA, A Corporation does not intend to spend for purposes other than those identified, the amounts could be made available for current operations, if necessary.

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, 2018 and 2017 is as follows:

	2018	2017
Beneficial Interest in Pooled Investments		
Held by the Foundation		
Short-term	$ 67,185,411	$ 66,159,612
Long-term	317,823,116	338,189,072
Total Beneficial Interest in Pooled Investments Held by the Foundation	385,008,527	404,348,684
Other Investments Held by the Foundation		
Equities	-	2,756,400
Shares in New Covenant Mutual Fund	4,962,842	4,937,957
Total Other Investments Held by the Foundation	4,962,842	7,694,357
Other Investments		
Cash equivalents	1,604,227	734,630
U.S. treasury securities	17,769,005	13,068,386
U.S. agency securities	3,041,646	1,917,840
Corporate debt securities	28,608,851	26,308,250
Mortgage-backed securities	2,653,474	3,109,157
Equity securities	5,195,487	919,788
Presbyterian Investment and Loan Program denominational account receipts	8,059,274	8,082,919
Total Other Investments	66,931,964	54,140,970
Total Investments	$ 456,903,333	$ 466,184,011

Note 4 - Investments (Continued)

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

	2018	2017
Preferred and common stock	54%	54%
Fixed income	19%	16%
Hedge funds	2%	11%
Real estate	9%	6%
Private equity	16%	13%
	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 ($7,551,001) and $7,188,031 during the years ended December 31, 2018 and 2017, 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.

Appropriation of Endowment Assets: PCUSA, A Corporation receives a spending formula from the Foundation whereby PCUSA, A Corporation receives investment income from endowments with and without donor restrictions. The endowments are 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)

Appropriation of Endowment Assets (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 4.1% (based on the December 31, 2017 market value) and 4.5% (based on the December 31, 2016 market value) in 2018 and 2017, 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 Foundation are charged with the responsibility of managing the endowment assets that benefit PCUSA, A Corporation. 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 asset 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, private equity (venture capital and corporate finance), and real property (real estate). 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 endowment funds in perpetuity (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 the 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.

Note 6 - Endowment Composition (Continued)

Endowment net asset composition as of December 31:

	With Donor Restrictions
2018	
Donor-restricted endowment funds	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ 224,393,286
Accumulated investment gains	137,809,638
Total Endowment Net Assets	362,202,924
Net assets other than endowment	98,150,590
Total Net Assets	$ 460,353,514
2017	
Donor-restricted endowment funds	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ 221,688,470
Accumulated investment gains	165,187,234
Total Endowment Net Assets	386,875,704
Net assets other than endowment	105,190,477
Total Net Assets	$ 492,066,181

Note 6 - Endowment Composition (Continued)

Changes in endowment net assets for the years ended December 31, 2018 and 2017:

	With Donor Restrictions
Beginning Balance, January 1, 2018	$ 386,875,704
Investment return	(31,246,053)
Contributions	11,777,479
Appropriation of endowment	(5,204,206)
Ending Balance, December 31, 2018	$ 362,202,924
Beginning Balance, January 1, 2017	$ 324,023,062
Investment return	69,031,583
Appropriation of endowment	(6,178,941)
Ending Balance, December 31, 2017	$ 386,875,704

PCUSA, A Corporation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Foundation must ensure that permanent endowment funds continue to provide for ministry in perpetuity. Permanent endowment funds pay beneficiaries a spending formula under a total return policy instead of net income as permitted under UPMIFA and Pennsylvania state law.

Note 6 - Endowment Composition (Continued)

The market value of permanent endowment funds has fluctuated at times due to the market volatility. The Foundation has a duty to ensure that the market value of the permanent endowment funds grows over time to keep pace with inflation. To the extent the market volatility has caused the market value of the permanent endowment funds to fall below the historical gift amount, the Foundation must review those funds to determine if any actions are required. The below procedures outline certain actions in the event of such occurrences:

- Each new endowment fund account will invest in the Presbyterian Endowment Fund immediately at quarter end. Spending formula payments are reinvested into principal for the next four quarters. At the end of the fifth quarter after the account opening, spending formula distributions to beneficiaries will begin.
- A review of all donor restricted endowment funds will occur annually using December 31st valuations to assess the total historic gift amount compared to the market value.
- Donor restricted endowment funds that are less than 75% of historic gift amount will pay beneficiaries the lesser of net income only or spending formula beginning the first quarter of the following year. These funds will receive this until the market value of the account exceeds 105% of the total historic gift amount as of December 31st of the prior year.
- Beneficiaries, donors (if still alive), Foundation ministry relations officers, and client services will receive communication of donor restricted endowment funds that switch from distributing spending formula to net income in a timely manner to accommodate the beneficiary's budgeting process.
- Additions to existing donor restricted endowment funds will invest in the same investment vehicle used at the time of the addition. The Foundation administration fee will remain consistent across all endowments.

The Foundation's Management has the discretion to override these procedures in periods of extreme market volatility or in consideration of undue hardship to beneficiaries. Any overrides are reported to the Audit and Compliance Committees of the Trustees.

At December 31, 2018 and 2017, fund with deficiencies of $7,960,521 and $4,376,999, respectively, were reported in net assets with donor restrictions.

	2018	2017
Fair Value of Underwater Endowment Funds	$ 48,692,475	$ 32,679,989
Original Endowment Gift Amount	56,652,996	37,056,988
Deficiencies of Underwater Endowment Funds	$ (7,960,521)	$ (4,376,999)

ASU 2016-14 has been applied retrospectively to all periods presented which increased net assets without donor restrictions by $4,376,999 and decreased net assets with donor restrictions by $4,376,999 resulting from the reclassification of underwater endowment funds as required by ASU 2016-14.

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, 2018 and 2017 is as follows:

	2018	2017
Receivables at January 1	$ 473,730	$ 598,658
New loans	-	-
Repayments	(473,730)	(124,928)
Receivables at December 31	-	473,730
Add accrued interest receivable	-	915
	-	474,645
Less allowance for loss	-	(680)
Net Receivables at December 31	$ -	$ 473,965

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, 2018 and 2017. All loans were repaid during 2018.

	2018	2017
Lincoln Trails	$ -	$ 203,857
Mid-Atlantic	-	144,527
Southern California/Hawaii	-	125,346
South Atlantic	-	-
Gross Mortgages and Loans Receivable	-	473,730
Accrued interest receivable	-	915
Less allowance for loan loses	-	(680)
Mortgages and Loans Receivable, net	$ -	$ 473,965

Note 8 - Receivables from Related Entities

A summary of the activity relating to receivables from related entities, which includes unsecured student loans of approximately $663,000 and $768,000, during the years ended December 31, 2018 and 2017, is as follows:

	2018	2017
Receivables at January 1	$ 5,012,015	$ 5,637,857
Assessments and other	24,419,139	22,716,397
Collections of assessments and other	(24,044,131)	(22,274,214)
New loans	205,840	183,112
Loan repayments	(104,910)	(189,309)
Charge-offs	(1,162,391)	(1,061,828)
Receivables at December 31	4,325,562	5,012,015
Less allowance for loan loss	(380,587)	(590,809)
Net Receivables at December 31	$ 3,944,975	$ 4,421,206

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, 2018 and 2017 were $12,073 and $16,125, respectively, and the related allocated allowances for loan losses at December 31, 2018 and 2017 were $11,469 and $0, respectively, resulting in no additional provision for loans at December 31, 2018 and 2017. There was no interest received by PCUSA, A Corporation, on the impaired loans during 2018. The total average impaired loan balances were approximately $14,099 and $2,367 at December 31, 2018 and 2017, respectively.

Note 10 - Property and Equipment

The components of property and equipment, net at December 31, 2018 and 2017 are as follows:

	2018	2017
Land	$ 2,407,347	$ 2,407,347
Buildings and building improvements	37,672,305	37,323,278
Equipment	13,806,350	13,227,587
Furniture and fixtures	481,294	477,042
Less accumulated depreciation	(43,889,964)	(42,948,938)
Totals	$ 10,477,332	$ 10,486,316

Note 11 - Benefits Data

Substantially all employees of PCUSA, A Corporation participate in the Benefits Plan of the PCUSA (the "Benefits Plan") which is administered by the Board of Pensions of the PCUSA (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 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 $7,959,463,000 and $8,658,320,000 at December 31, 2018 and 2017, respectively. The defined benefit pension plan's total Accumulated Plan Benefit Obligations, as reported by the Board of Pensions, were $6,337,308,000 and $6,600,749,000 at December 31, 2018 and 2017, 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 benefits on a voluntary basis such as dental, vision, long-term disability, 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 were $76,041 for 2018 and $72,126 for 2017; and 403b contributions were $529,361 for 2018 and $520,197 for 2017, respectively.

PCUSA, A Corporation's expenses for the plans for the years ended December 31, 2018 and 2017 were as follows:

	2018	2017
Administered by Board of Pensions		
Pension Plan	$ 2,692,396	$ 2,725,968
Death and Disability Plan	258,774	256,887
Major Medical Plan	5,561,253	5,220,101
	8,512,423	8,202,956
Administered by Others		
Retirement Savings Plan - Lay Equalization	76,041	72,126
Retirement Savings Plan - ER 403(b) Contribution	529,361	520,197
	605,402	592,323
	$ 9,117,825	$ 8,795,279

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 170 Presbyteries. The following is a summary of the contributions by each of the Synods during the years ended December 31, 2018 and 2017:

	2018	2017
Alaska-Northwest	$ 592,505	$ 707,691
Covenant	2,103,250	2,616,056
Lakes and Prairies	2,090,176	2,270,052
Lincoln Trails	1,437,270	1,713,084
Living Waters	1,300,352	1,492,867
Mid-America	783,106	1,248,971
Mid-Atlantic	3,837,813	4,692,322
Northeast	2,659,584	2,954,313
Pacific	1,749,713	1,985,392
Puerto Rico	21,994	13,895
South Atlantic	2,741,890	3,155,727
Southern California/Hawaii	890,029	1,203,143
Southwest	428,652	605,741
The Rocky Mountains	570,562	642,531
The Sun	2,041,596	2,226,897
Trinity	2,918,944	3,368,789
	26,167,436	30,897,471
Individuals and Other Church-Related	10,792,714	13,202,657
	$ 36,960,150	$ 44,100,128

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.

Note 13 - Fair Value (Continued)

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 ILP 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 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.

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.

Note 13 - Fair Value (Continued)

At December 31, 2018 and 2017, the underlying investments of the unitized pool consist of the following asset classes:

	2018	2017
Stock	54%	54%
Fixed Income	19%	16%
Hedge Funds	2%	11%
Real Estate	9%	6%
Private Equity	16%	13%
	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, A Corporation does not have the ability to redeem the investment within 90 days (Level 3 inputs - market).

Assets and Liabilities Measured on a Recurring Basis

2018	Total	Quoted Prices in Active Markets for identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Beneficial interest in pooled investments held by the Foundation	$ 385,008,527	$ -	$ 385,008,527	$ -
Other investments Held by the Foundation Shares in New Covenant Mutual Fund	4,962,842	4,962,842	-	-
Other Investments				-
Cash equivalents	1,604,227	1,604,227	-	-
U.S. treasury securities	17,769,005	17,769,005	-	-
U.S. agency securities	3,041,646	-	3,041,646	-
Corporate debt securities	28,608,851	-	28,608,851	-
Mortgage-backed securities	2,653,474	-	2,653,474	-
Equity securities	5,195,487	-	5,195,487	-
PILP Securities	8,059,274	-	8,059,274	-
Total Investments	456,903,333	24,336,074	432,567,259	-
Beneficial Interest in Perpetual Trusts	70,358,291	-	-	70,358,291
	$ 527,261,624	$ 24,336,074	$ 432,567,259	$ 70,358,291

Note 13 - Fair Value (Continued)

2017	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Beneficial interest in pooled investments held by the Foundation	$ 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

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, 2018 and 2017:

	Beneficial Interest in Perpetual Trusts
Balance, January 1, 2017	$ 71,380,559
Total realized and unrealized gains and losses	7,188,031
Settlements	(342,060)
Balance, December 31, 2017	78,226,530
Total realized and unrealized gains and losses	(7,551,000)
Settlements	(317,239)
Balance, December 31, 2018	$ 70,358,291

Note 14 - Functional Classification of Expenses

The costs of providing the various programs and supporting services have been summarized in the consolidated statements of activities and changes in net assets. Expenses directly attributable to a specific functional area of PCUSA, A Corporation are reported as expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the various functional areas using a variety of cost allocation techniques such as square footage, time and effort, full-time equivalents and accumulated costs. Accordingly, certain costs have been allocated among program and supporting services benefited.

Expenses by functional classification for the year ended December 31, 2018 consist of the following:

	Program	Management and General	Fundraising	Total
Cost of sales	$ 749,351	$ -	$ 3,459	$ 752,810
Salaries and benefits	29,482,684	5,116,052	3,037,457	37,636,193
Travel	1,743,409	1,453,099	267,993	3,464,501
Meetings	615,292	659,395	3,947	1,278,634
Support costs and administration	6,242,454	489,938	963,995	7,696,387
Depreciation	1,390,549	-	-	1,390,549
Program	7,960,621	1,679,703	610,571	10,250,895
Resource development	336,184	-	-	336,184
Grants	14,830,698	783	5,000	14,836,481
Total	$ 63,351,242	$ 9,398,970	$ 4,892,422	$ 77,642,634
	82%	12%	6%	100%

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

	2017	
	Amount	Percentage
Program Expenses	$ 61,228,359	83%
Management and General Expenses	8,056,270	11%
Fundraising Expenses	4,196,048	6%
	$ 73,480,677	100%

The amount of fundraising expenses as a percentage of funds raised was 12% and 9% for the years ended December 31, 2018 and 2017, respectively. Please note that in 2017, there were more disasters than typically 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 ("SI 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 SI 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 SI 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 SI Fund reflected as designated net assets by PCUSA, A Corporation was $6,241,149 and $6,763,391 at December 31, 2018 and 2017, 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 endowments owned and held by the Foundation totaled $285.6 million and $308.2 million and investments held by the Foundation totaled $73.1 million and $68.4 million on behalf of the General Assembly at December 31, 2018 and December 31, 2017 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.

Note 16 - Related Party Transactions (Continued)

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. Until October 1, 2018, PCUSA, A Corporation acted as the disbursing agent for those funds under a limited power of attorney from the Foundation and ILP administered the Church Loan Program under an operating agreement with PCUSA, A Corporation. Accordingly, these funds are not reflected in the consolidated financial statements but were administered by PCUSA, A Corporation until October 1, 2018 when the administration of church loan funds was transferred back to the Foundation which in turn authorized ILP to be the disbursing agent under a limited power of attorney. On the same date, PCUSA, A Corporation transferred the operation of the Church Loan Program to ILP.

Board of Pensions: PCUSA, A Corporation served as a receiving agent for funds designated for the Board of Pensions. PCUSA, A Corporation received $1,275,663 and $1,160,266 from congregations for the years ended December 31, 2018 and 2017, of which $406,704 and $303,303 was yet to be remitted to the Board of Pensions.

ILP: PCUSA, A Corporation leases office space and provides administrative support to ILP by contract. For the years ended December 31, 2018 and 2017, administrative support charged to ILP was $178,148 and $158,402, respectively. Office space charged to ILP was $65,350 and $63,447 for 2018 and 2017, respectively.

On June 29, 2000, PCUSA, A Corporation entered into an operating agreement with ILP under which ILP 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 ILP's loan program. PCUSA, A Corporation reimbursed ILP $598,688 for the actual costs of services from January through September 2018, prior to administration of the Church Loan Program being transferred to the Foundation. PCUSA, A Corporation reimbursed PILP $774,950 for the actual costs of such services during 2017.

PCUSA, A Corporation and ILP have issued joint loans through participation agreements. For the years ended December 31, 2018 and 2017, total loans outstanding were $30,172,213 and $30,427,273 respectively, under these participation agreements.

ILP issued a secured loan to PCUSA, A Corporation for the benefit of the Presbyterian Historical Society during 2015. The balance was $312,107 and $330,000 as of December 31, 2018 and 2017, respectively. The terms of the agreement call for 120 payments, with an interest rate of 4.25% and a maturity date of April 1, 2028.

PCUSA, A Corporation has a current commitment, effective May 1, 2014, to ILP 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, 2018 and 2017, investments with ILP were $8,059,274 and $8,082,918, respectively. At December 31, 2018 and 2017, fixed interest rates ranged from 0.75% to 2.32% and 0.30% to 1.49%, respectively, and the adjustable rate ranged from 1.69% to 1.98% and 0.25% to 1.19%, respectively. For the year ended December 31, 2018, the Foundation did not invest with ILP from PCUSA, A Corporation's unrestricted endowment funds.

Note 16 - Related Party Transactions (Continued)

PPC: PCUSA, A Corporation leases office space to PPC under an operating lease. For the years ended December 31, 2018 and 2017, rental income was $213,833 and $164,889, respectively. PPC's lease expired at the end of 2014 and a new lease addendum was signed for 2015-2018. During 2018, the lease was renewed through December 31, 2019. Other related expenses charged to PPC for telephone, postage, and copy services were $104,170 and $62,365 in 2018 and 2017, respectively.

PPC pays PCUSA for supplemental warehousing and distribution services. Fees paid by PPC under this agreement in 2018 and 2017 were $40,082 and $37,021 for fulfillment fees and $472,807 and $188,188 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 2018 and 2017 were $10,389 and $157,442, respectively. PPC also pays PCUSA, A Corporation for advertising space in various church publications. Advertising expense under such arrangements was $3,998 and $2,269 in 2018 and 2017, respectively.

On February 9, 2018 the PMA Board approved the transfer of Congregational Ministries Publishing ("CMP") of PMA to PPC effective March 1, 2018. PPC absorbed the 11 CMP employees as of March 1, 2018. PCUSA, A Corporation transferred inventory totaling approximately $9,000 to PPC. No other assets or liabilities were transferred. There are funding agreements in place to help PPC with the transfer for the first three years of the English language publishing of CMP, and funding and amounts will be mutually reviewed and determined every two years by PMA and PPC related to the Spanish and Korean language curriculum of CMP based on the mandate from the General Assembly for support of this publishing and only to the extent funds are available in PCUSA, A Corporation's sole determination. In 2018, PPC received approximately $280,000 for English language support and $270,000 for foreign language support.

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, ILP, 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, 2018 and 2017:

	2018	2017
Foundation	$ 133,249	$ 115,813
Board of Pensions	514,514	483,132
ILP	72,217	86,629
PPC	87,034	84,565
	$ 807,014	$ 770,139

Note 17 - Net Assets Without Donor Restrictions

At times, the PMA Board and/or the PCUSA, A Corporation board may make designations or appropriations that result in self-imposed limits on the use of resources without donor restrictions. These board designated net assets are available for the following purposes at December 31, 2018 and 2017:

	2018	2017
2019-2020 CLP Consolidation	$ 342,678	$ -
Scott Estate Gift	824,477	-
Seiveres Trust	657,639	-
PPC One Website	18,822	-
CMP Transition - Sales Transfer	38,957	-
Programmatic Loan Fund	-	98,908
Resource Reserves	295,953	300,986
Creative Investment	4,591,674	4,777,327
Activity and Interest for PNC Investments	38,998	-
Cost Recovery	3,740,148	2,706,266
Student In Fees & National Presbyterian College Scholarship	5,358	5,388
Special Events	229,759	311,785
PNC Credit Cards - Rebates	7,645	25,888
Caritas Rent at UN	40,847	48,668
Specific Property Fund	745,139	785,928
Self-Insurance Fund	6,241,149	6,763,391
Property and Equipment Fund	10,482,560	10,196,027
Youth Triennium	-	3,628
Hubbard Press	2,617,633	2,446,146
Oiko CPJ Investment	6,671	16,081
Oiko SDOP Investment	462,196	462,196
Oiko CPJ Investment	450,000	450,000
Santa Fe/Plaza Property and Equipment Fund	87,471	387,471
Stony Point Unrestricted Designated	679,472	658,533
Stony Point Property and Equipment Fund	1,422,394	1,541,029
Per Capita Unrestricted Designated	-	984,165
Per Capita Property and Equipment Fund	5,599	5,599
Philadelphia Unrestricted Designated	1,423,535	2,211,847
Philadelphia Plant Fund	414,025	544,401
Church Loans Funds (CL505)	1,105,795	1,271,978
Church Loans Funds (CL506)	15,201,572	15,941,536
Other Funds	740,187	575,928
Total Net Assets Without Donor Restrictions	$ 52,918,353	$ 53,521,100

Note 18 - Net Assets with Donor Restrictions

PCUSA, A Corporation's net assets with donor restrictions due to time or purpose are restricted for the following purposes or periods at December 31, 2018 and 2017:

	2018	2017
Church and Student Loans	$ 2,341,187	$ 2,557,416
Jinishian Memorial Program	19,888,141	22,365,270
Educational Seminars and Publications	19,426,726	21,012,664
Mission Work	22,468,219	25,290,584
Presbyterian Disaster Assistance	19,167,845	18,896,157
Evangelism and Church Growth	13,738,367	15,237,295
Health	14,310,401	15,868,656
Missionary Support	9,988,769	14,118,500
Christian Education	10,807,623	11,916,337
Peacemaking/Justice	2,549,928	2,147,249
Hunger	1,541,432	1,370,555
Beneficial Interest in Perpetual Trusts	946,974	1,101,173
Racial Equity & Intercultural	231,068	251,643
Women	589,788	611,528
Historical Foundation	1,493,541	1,474,103
General Endowments	25,216,320	35,653,647
Self-development of People	2,620,628	1,307,661
Other	847,129	943,230
Net Assets With Donor Restrictions due to Time or Purpose	$ 168,174,086	$ 192,123,668

Note 18 - Net Assets with Donor Restrictions (Continued)

PCUSA, A Corporation's net assets restricted in perpetuity are restricted for the following purposes at December 31, 2018 and 2017:

	2018	2017
Church and Student Loans	$ 4,376,160	$ 4,812,698
Jinishian Memorial Program	10,114,335	10,199,456
Educational Seminars and Publications	23,092,451	23,126,961
Mission Work	5,128,040	5,135,704
Evangelism and Church Growth	7,251,331	7,262,168
Health	14,076,660	14,097,697
Missionary Support	44,132,792	43,612,805
Christian Education	15,299,510	15,322,375
Peacemaking/Justice	93,527	93,666
Hunger	449,788	450,460
Beneficial Interest in Perpetual Trusts	69,411,319	77,125,357
Racial Equity & Intercultural	244,283	244,648
Women	112,420	112,588
Historical Foundation	784,629	784,629
General Endowments	96,532,947	96,480,453
Other	1,079,236	1,080,848
Net Assets With Donor Restrictions in Perpetuity	$ 292,179,428	$ 299,942,513

Net assets released from restrictions during the years ended December 31, 2018 and 2017 consist of the following:

	2018	2017
Jinishian Memorial Program	$ 1,249,363	$ 1,284,385
Educational Seminars and Publications	2,767,426	2,737,392
Mission Work	6,404,808	6,335,296
Presbyterian Disaster Assistance	8,237,153	6,711,633
Evangelism and Church Growth	6,172,169	6,105,182
Health	2,919,414	2,887,730
Missionary Support	1,947,524	1,926,388
Christian Education	4,640,294	4,590,771
Peacemaking/Justice	2,012,795	1,990,951
Hunger	1,521,046	1,642,725
Self-Development of People	941,534	753,688
Total Net Assets Released from Restrictions	$ 38,813,526	$ 36,966,141

Supplemental Information

Presbyterian Church (U.S.A.), A Corporation
Consolidating Statement of Financial Position
December 31, 2018

	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	$ 2,910,295	$ -	$ -	$ 1,993	$ -	$ -	$ -	$ -	$ -	$ -	$ 414,966	$ -	$ -	$ -	$ -	$ 543,258	$ 165,603	$ -	$ 4,036,115
Beneficial interest in pooled investments held by the Foundation - short-term	38,872,431	-	1,217,084	-	-	114,382	-	-	-	-	-	835,483	7,025,907	1,866,818	8,734,615	5,598,861	2,919,830	-	67,185,411
Other investments and accrued income	40,518,950	-	-	1,464,652	-	193,600	17,340,439	1,932,929	712,231	-	-	-	-	-	4,114,247	608,506	46,410	-	66,931,964
Contributions receivable from congregations	3,188,843	-	-	-	-	-	-	-	-	-	36,439	-	-	-	-	(29,029)	-	-	3,196,253
Receivables from related entities, net	696,087	-	543,881	139,549	-	-	3,000	1,050	-	-	85,296	-	-	849,853	-	1,730,239	150,000	(253,980)	3,944,975
Due from other funds	(702,504)	-	1,921,760	456,646	(340,334)	424,810	933,641	39,229	145,078	-	-	(90,344)	(784,758)	772,568	3,458,505	(4,190,454)	(355,547)	(1,688,296)	-
Due from the Foundation FMS	820,971	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	820,971
Due from the Foundation church loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other accounts receivable	1,187,991	-	-	907	-	-	-	-	-	-	49	-	-	-	-	48,592	-	-	1,237,539
Inventories, prepaid expenses and other assets	489,567	-	-	271,182	340,334	-	-	569	45,308	-	52,523	-	-	-	-	158,966	5,670	-	1,364,119
Property and equipment, net of accumulated depreciation	-	-	6,809,568	294,068	-	-	-	-	-	-	2,123,991	-	-	-	-	292,859	956,846	-	10,477,332
Property available for sale	-	-	-	-	-	-	-	-	-	387,471	-	-	-	-	-	-	-	-	387,471
Beneficial interest in pooled investments held by the Foundation - long-term	284,775,286	-	-	-	-	29,347,108	-	-	-	-	-	-	-	3,228,108	-	284,527	188,087	-	317,823,116
Other investments held by Foundation	4,962,842	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,962,842
Beneficial interest in perpetual trusts	70,358,291	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70,358,291
Total Assets	$ 448,079,050	$ -	$ 10,492,293	$ 2,628,997	$ -	$ 30,079,900	$ 18,277,080	$ 1,973,777	$ 902,617	$ 387,471	$ 2,713,264	$ 745,139	$ 6,241,149	$ 6,717,347	$ 16,307,367	$ 5,046,325	$ 4,076,899	$ (1,942,276)	$ 552,726,399
Liabilities and Net Assets																			
Liabilities																			
Accounts payable and accrued expenses	$ 6,446,027	$ -	$ -	$ 11,364	$ -	$ 116	$ 161	$ -	$ -	$ -	$ 397,413	$ -	$ -	$ -	$ -	$ 535	$ -	$ -	$ 6,855,616
Amounts received from congregations and designated for others	570,004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	570,004
Amounts held for missionaries and committed for projects	6,732,118	-	9,733	-	-	77,308	-	172,052	-	-	104,352	-	-	-	-	-	-	-	7,095,563
Amount due to other agencies	7,952,109	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,952,109
Due to the Foundation church loans	1,942,276	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	312,108	(1,942,276)	312,108
Deferred revenue	356,535	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000	-	-	456,535
Other	19,744	-	-	-	-	-	-	-	-	300,000	-	-	-	-	-	87,037	-	-	406,781
Total Liabilities	24,018,813	-	9,733	11,364	-	77,424	161	172,052	-	300,000	501,765	-	-	-	-	187,572	312,108	(1,942,276)	23,648,716
Net Assets																			
Without donor restrictions																			
Undesignated	11,197,591	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,608,225	-	-	15,805,816
Designated	12,598,019	-	10,482,560	2,617,633	-	-	-	-	-	87,471	2,101,866	745,139	6,241,149	-	16,307,367	(100,411)	1,837,560	-	52,918,353
Total Net Assets Without Donor Restrictions	23,795,610	-	10,482,560	2,617,633	-	-	-	-	-	87,471	2,101,866	745,139	6,241,149	-	16,307,367	4,507,814	1,837,560	-	68,724,169
With donor restrictions	400,264,627	-	-	-	-	30,002,476	18,276,919	1,801,725	902,617	-	109,633	-	-	6,717,347	-	350,939	1,927,231	-	460,353,514
Total Net Assets	424,060,237	-	10,482,560	2,617,633	-	30,002,476	18,276,919	1,801,725	902,617	87,471	2,211,499	745,139	6,241,149	6,717,347	16,307,367	4,858,753	3,764,791	-	529,077,683
Total Liabilities and Net Assets	$ 448,079,050	$ -	$ 10,492,293	$ 2,628,997	$ -	$ 30,079,900	$ 18,277,080	$ 1,973,777	$ 902,617	$ 387,471	$ 2,713,264	$ 745,139	$ 6,241,149	$ 6,717,347	$ 16,307,367	$ 5,046,325	$ 4,076,899	$ (1,942,276)	$ 552,726,399

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, 2018

	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	$ 8,622,884	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,377,084	$ -	$ -	$ 19,999,968
Gifts, bequests and grants	4,864,664	-	-	-	-	54,461	-	-	-	-	259,453	-	-	-	-	-	51,110	(50,000)	5,179,688
Special giving and special offering	13,128,087	-	-	-	-	-	8,897,187	1,482,961	1,951,398	-	-	-	-	-	-	-	-	-	25,459,633
Total Contributions	26,615,635	-	-	-	-	54,461	8,897,187	1,482,961	1,951,398	-	259,453	-	-	-	-	11,377,084	51,110	(50,000)	50,639,289
Investment return and other support																			
Income from endowments held by Foundation	5,897,631	-	20,249	-	-	466,088	-	-	-	-	11,418	15,775	116,890	50,869	141,414	99,088	263,571	-	7,082,993
Income on investments	3,463,844	-	-	19,201	-	3,990	342,863	30,601	16,134	-	-	-	-	-	63,639	12,719	611	-	3,953,602
Realized net gain/loss	8,195,817	-	-	(7,586)	-	1,010,626	(84,591)	(7,508)	(4,305)	-	-	-	-	63,548	(12,781)	(4,163)	13,852	-	9,162,909
Unrealized net gain/loss	(35,947,207)	-	(73,752)	5,388	-	(2,803,746)	(52,953)	(1,494)	(3,865)	-	-	(39,435)	(425,680)	(231,466)	(257,353)	(227,127)	(406,523)	-	(40,465,213)
Changes in value of beneficial interest	(317,238)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(317,238)
Total Investment Return	(18,707,153)	-	(53,503)	17,003	-	(1,323,042)	205,319	21,599	7,964	-	11,418	(23,660)	(308,790)	(117,049)	(65,081)	(119,483)	(128,489)	-	(20,582,947)
Interest income from loans	-	-	-	-	-	-	-	-	-	-	-	-	-	27,702	10,230	-	-	-	37,932
Hubbard Press	-	-	-	1,248,976	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,248,976
Sales of resources	1,051,066	213,241	-	-	-	-	1,422	-	1,770	-	44,841	-	-	-	-	373,658	24,682	-	1,710,680
Program services	6,089,254	-	10,700	-	107,061	-	-	-	-	-	2,462,292	-	-	-	-	26,555	55,797	(646,414)	8,105,245
Other	2,904,986	120,551	1,221,316	25,006	-	(44,307)	(1,486,013)	(68,962)	(196,405)	(398,305)	377,355	(17,129)	(14,808)	(561,610)	(851,297)	577,276	-	(650,000)	937,654
Total Revenues, Gains and Other Support	17,953,788	333,792	1,178,513	1,290,985	107,061	(1,312,888)	7,617,915	1,435,598	1,764,727	(398,305)	3,155,359	(40,789)	(323,598)	(650,957)	(906,148)	12,235,090	3,100	(1,346,414)	42,096,829
Expenses																			
Cost of Sales	472,969	103,071	-	166,979	-	-	1,580	50	1,018	-	-	-	-	-	-	7,143	-	-	752,810
Salaries and Benefits	26,815,183	135,816	-	614,955	28,665	161,914	1,143,198	363,110	593,018	-	1,634,168	-	-	-	-	5,598,343	547,823	-	37,636,193
Travel	1,292,620	4,805	-	884	-	14,758	263,310	64,243	35,929	-	3,234	-	-	-	-	1,777,598	7,120	-	3,464,501
Meetings	597,609	-	-	-	-	5,242	22,251	61,341	11,154	-	939	-	-	-	-	578,413	1,685	-	1,278,634
Support Costs & Administration	3,965,093	7,076	-	260,577	-	3,788	66,450	11,699	13,571	(98,305)	1,032,598	-	198,644	1,809	-	2,053,919	179,468	-	7,696,387
Depreciation	-	-	891,980	72,572	-	-	-	-	-	-	118,635	-	-	-	-	176,986	130,376	-	1,390,549
Program	4,143,391	8,444	-	3,531	82,024	1,057,257	862,935	6,493	13,457	-	365,785	-	-	-	-	5,018,114	35,878	(1,346,414)	10,250,895
Resource Development	161,576	-	-	-	-	6,403	161,983	-	6,222	-	-	-	-	-	-	-	-	-	336,184
Grants	7,838,977	-	-	-	-	-	5,715,445	434,598	846,678	-	-	-	-	-	-	783	-	-	14,836,481
Total Expenses	45,287,418	259,212	891,980	1,119,498	110,689	1,249,362	8,237,152	941,534	1,521,047	(98,305)	3,155,359	-	198,644	1,809	-	15,211,299	902,350	(1,346,414)	77,642,634
Change in Net Assets	(27,333,630)	74,580	286,533	171,487	(3,628)	(2,562,250)	(619,237)	494,064	243,680	(300,000)	-	(40,789)	(522,242)	(652,766)	(906,148)	(2,976,209)	(899,250)	-	(35,545,805)
Beginning Net Assets	451,393,867	(74,580)	10,196,027	2,446,146	3,628	32,564,726	18,896,156	1,307,661	658,937	387,471	2,211,499	785,928	6,763,391	7,370,113	17,213,515	7,834,962	4,664,041	-	564,623,488
Net (Deficit)/Surplus	(27,333,630)	74,580	286,533	171,487	(3,628)	(2,562,250)	(619,237)	494,064	243,680	(300,000)	-	(40,789)	(522,242)	(652,766)	(906,148)	(2,976,209)	(899,250)	-	(35,545,805)
Ending Net Assets	$ 424,060,237	$ -	$ 10,482,560	$ 2,617,633	$ -	$ 30,002,476	$ 18,276,919	$ 1,801,725	$ 902,617	$ 87,471	$ 2,211,499	$ 745,139	$ 6,241,149	$ 6,717,347	$ 16,307,367	$ 4,858,753	$ 3,764,791	$ -	$ 529,077,683

See independent auditor's report.