

PRESBYTERIAN MISSION AGENCY BOARD

September 27-29, 2018
Finance and Accounting

ITEM A.102
FOR ACTION

FOR PRESBYTERIAN MISSION AGENCY EXECUTIVE DIRECTOR'S OFFICE USE ONLY			
<input checked="" type="checkbox"/>	A. Resource Allocation & Stewardship	D. Coordinating Committee	G. Outreach to the World
	B. Personnel & Nominating	E. Mid-Councils	H. Ministerial Teams
	C. Property/Legal	F. Nurture the Body	P. Plenary

Subject: 2019 and 2020 Adjusted Presbyterian Mission Agency (PMA) Budgets

Recommendation:

That the Resource Allocation & Stewardship Committee approve and recommend to the Presbyterian Mission Agency Board (PMAB) the 2019 and 2020 Revised Mission Budgets of \$71,428,474 and \$70,652,857, respectively, and the Capital Expenditure plan. (See pages 5-7.)

Background:

The proposed revised mission budget for 2019 and 2020 reduces net revenue and other support by \$72,341 and \$213,580 in 2019 and 2020, respectively. Additionally, the suggested revisions for net expenses reflect a decrease by \$160,763 in 2019 and an increase by \$120,900 in 2020.

These adjustments are primarily due to (1) adding items with financial implications that were approved at General Assembly, (2) adjusting programs to accommodate the increase in expenditures, (3) reducing Per Capita funding, and (4) transferring the Church Loan program to PILP. (See notes to Changes to Program/Office Expenses and Church Loan Program Transfer to Presbyterian Investment and Loan Program, Inc. on pages 3-4.)

PRESBYTERIAN MISSION AGENCY BOARD

September 27-29, 2018

Finance and Accounting

The following table provides a list of the 223rd General Assembly approved actions and the financial implications.

223rd General Assembly Approved Actions						
Area	Item	Brief Description	Approved Action	2019	2020	TOTAL
Comm	04-03	Way Forward Commission Report	Translation Services	\$ 460,947	\$ 394,429	\$ 855,376
WM	09-04	Honduras, Guatemala and El Salvador	Mission Coworker Position Central America, Leadership Training, Network Organizer	153,000	153,000	306,000
WM	09-12	North Korean Refugees	Plan events and programs	51,875	-	51,875
RE&WIM	10-01	Infrastructure Needs Native American Properties	Inventory, evaluation team	147,294	155,423	302,717
CPJ	10-11	Serious Mental Illness	Grant, action plan, second edition "Comfort My People"	166,294	187,673	353,967
RE&WIM	10-12	Expanded Doctrine of Discovery	Resources, Study, Coordinating Council, Resources	59,100	22,500	81,600
RE&WIM	10-13	The Doctrine of Discovery	Resources, Speaker's Bureau	6,000	-	6,000
EDO	11-09	Sexual Misconduct in the PC(USA)	Develop training materials	5,000	-	5,000
RE&WIM	11-11	Transformative Church in Intercultural Era	Training	16,500	16,500	33,000
CPJ	11-22	Advocating for the Citizens of Puerto Rico	Educational Materials	4,500	-	4,500
WM	12-09	Current Syrian Crisis	Media Sources	15,000	-	15,000
TFE	14-12	Supporting the Reclaiming of Jesus Statement	Develop Ancillary Materials	10,000	-	10,000
Totals				\$ 1,095,510	\$ 929,525	\$ 2,025,035

PRESBYTERIAN MISSION AGENCY BOARD

**September 27-29, 2018
Finance and Accounting**

The following tables present a summary of the budget adjustments (before cost allocation).

	2019 Approved Budget	Budget Changes						2019 Revised Budget
		Financial Implications	Reduction in Per Capita Support	Elimination of Vacant Positions	Changes to Program/Office Expense ^{1a,b,c}	Church Loan Program Transfer to PILP ²	Total Increase (Decrease)	
Executive Director	\$ 2,678,766	\$ 5,000	\$ 10,511	\$ (49,415)	\$ (11,607)	\$ -	\$ (45,511)	\$ 2,633,255
Communications	3,431,568	460,947	223,331	(40,303)	(60,921)	-	583,054	4,014,622
Mission Engagement and Support	5,443,074	-	-	(73,547)	391	-	(73,156)	5,369,918
Theology, Formation and Evangelism ^a	10,113,874	14,500	-	-	155,906	-	170,406	10,284,280
Compassion, Peace and Justice	12,806,778	170,794	-	(10,009)	79,097	-	239,882	13,046,660
World Mission ^b	18,362,070	219,875	-	-	(439,850)	-	(219,975)	18,142,095
Racial Equity and Women's Intercultural Ministries	6,686,342	224,394	-	-	12,530	(836,539)	(599,615)	6,086,727
Shared Services	7,149,469	-	-	(285,715)	69,629	-	(216,086)	6,933,383
Other ^c	4,917,296	-	-	-	238	-	238	4,917,534
Total Expenses	\$71,589,237	\$1,095,510	\$ 233,842	\$ (458,989)	\$ (194,587)	\$ (836,539)	\$ (160,763)	\$71,428,474

	2020 Approved Budget	Budget Changes						2020 Revised Budget
		Financial Implications	Reduction in Per Capita Support	Elimination of Vacant Positions	Changes to Program/Office Expense ^{1a,b,c}	Church Loan Program Transfer to PILP ²	Total Increase (Decrease)	
Executive Director	\$ 2,717,700	\$ -	\$ 101,286	\$ (52,416)	\$ 38,440	\$ -	\$ 87,310	\$ 2,805,010
Communications	3,571,650	394,429	229,361	(45,902)	(65,181)	-	512,707	4,084,357
Mission Engagement and Support	5,565,081	-	-	-	(1,725)	-	(1,725)	5,563,356
Theology, Formation and Evangelism ^a	8,079,178	-	-	-	65,352	-	65,352	8,144,530
Compassion, Peace and Justice	12,746,649	187,673	-	(10,009)	86,054	-	263,718	13,010,367
World Mission ^b	18,646,526	153,000	-	-	(118,887)	-	34,113	18,680,639
Racial Equity and Women's Intercultural Ministries	6,759,539	194,423	-	-	16,554	(836,539)	(625,562)	6,133,977
Shared Services	7,413,654	-	-	(301,581)	93,733	-	(207,848)	7,205,806
Other ^c	5,031,980	-	-	-	(7,165)	-	(7,165)	5,024,815
Total Expenses	\$70,531,957	\$ 929,525	\$ 330,647	\$ (409,908)	\$ 107,175	\$ (836,539)	\$ 120,900	\$70,652,857

¹Notes to Changes to Program/Office Expenses

- a. Theology, Formation, and Evangelism revised budget reflects a net increase in program expenses of \$155,906 in 2019 and \$65,352 in 2020. The increase is due to the expansion of the 2001 New

PRESBYTERIAN MISSION AGENCY BOARD
September 27-29, 2018
Finance and Accounting

Worshipping Communities program. Two new part-time positions are being created and additional program expenses for financial sustainability training for new worshipping community leaders.

- b. World Mission has a net reduction in program expenses of \$439,850 in 2019 due to Young Adult Volunteer (YAV) program budget reductions to support 70 rather than 90 participants, and reductions in Thematic Consultations costs. The 2020 budget reflects a net decrease of \$118,887 primarily due to mission co-worker attrition.
- c. Other expenses are shown as a net number and include a \$100,000 provision for the operating loss at Stony Point Conference Center.

²Notes to Church Loan Program Transfer to Presbyterian Investment and Loan Program, Inc.

The responsibility and authority of the ministry known as the Church Loan Program transferred from the Mission Development Resources Committee and the Presbyterian Mission Agency to the Presbyterian Church (U.S.A.) Investment and Loan Program, Inc., which was approved at the April 2018 PMAB meeting.

PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION
 Presbyterian Mission Agency
 2019 Budget

PRESBYTERIAN MISSION AGENCY BOARD
 September 27-29, 2018
 Finance and Accounting

	Revised September 2018			Approved June 2018			Adjustment		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Revenue, gains and other support									
Contributions									
Congregations	\$ 5,200,000	\$ 4,000,000	\$ 9,200,000	\$ 5,200,000	\$ 4,000,000	\$ 9,200,000	\$ -	\$ -	\$ -
Presbyterian Women	-	344,553	\$ 344,553	-	310,488	\$ 310,488	\$ -	\$ 34,065	\$ 34,065
Gifts and bequests	250,000	285,000	\$ 535,000	250,000	285,000	\$ 535,000	\$ -	\$ -	\$ -
Grants	-	-	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
Special offerings									
Christmas Joy	-	2,800,000	\$ 2,800,000	-	2,800,000	\$ 2,800,000	\$ -	\$ -	\$ -
One Great Hour of Sharing	-	5,700,000	\$ 5,700,000	-	5,700,000	\$ 5,700,000	\$ -	\$ -	\$ -
Peace and Global Witness	-	800,000	\$ 800,000	-	800,000	\$ 800,000	\$ -	\$ -	\$ -
Pentecost	-	700,000	\$ 700,000	-	700,000	\$ 700,000	\$ -	\$ -	\$ -
Special Offerings Catalog	-	850,000	\$ 850,000	-	850,000	\$ 850,000	\$ -	\$ -	\$ -
Specific appeals									
Emergency and Disaster Relief	-	2,850,000	\$ 2,850,000	-	2,850,000	\$ 2,850,000	\$ -	\$ -	\$ -
Extra Commitment	-	7,000,000	\$ 7,000,000	-	7,000,000	\$ 7,000,000	\$ -	\$ -	\$ -
Mission Initiative	-	-	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
Special Missionary Support	-	600,000	\$ 600,000	-	600,000	\$ 600,000	\$ -	\$ -	\$ -
Hunger	-	350,000	\$ 350,000	-	350,000	\$ 350,000	\$ -	\$ -	\$ -
Theological Education Fund	-	-	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
Total Contributions	5,450,000	26,279,553	31,729,553	5,450,000	26,245,488	31,695,488	-	34,065	34,065
Income from endowment funds held by the Foundation	5,400,000	9,274,000	\$ 14,674,000	5,400,000	9,274,000	\$ 14,674,000	\$ -	\$ -	\$ -
Income from investments	684,000	275,000	\$ 959,000	735,000	275,000	\$ 1,010,000	\$ (51,000)	\$ -	\$ (51,000)
Income from funds held by others	1,625,000	-	\$ 1,625,000	1,625,000	-	\$ 1,625,000	\$ -	\$ -	\$ -
Hubbard Press	50,000	50,925	\$ 100,925	50,000	50,925	\$ 100,925	\$ -	\$ -	\$ -
Sales of resources	-	922,766	\$ 922,766	-	922,766	\$ 922,766	\$ -	\$ -	\$ -
Services	-	11,381,708	\$ 11,381,708	-	11,708,453	\$ 11,708,453	\$ -	\$ (326,745)	\$ (326,745)
Other	-	331,339	\$ 331,339	-	60,000	\$ 60,000	\$ -	\$ 271,339	\$ 271,339
	7,759,000	22,235,738	29,994,738	7,810,000	22,291,144	30,101,144	(51,000)	(55,406)	(106,406)
Net revenue, gains, and other support	13,209,000	48,515,291	\$ 61,724,291	13,260,000	48,536,632	\$ 61,796,632	(51,000)	(21,341)	\$ (72,341)
Reserves									
Unrestricted Undesignated	-	-	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
Emergency and Disaster Relief	-	3,796,134	\$ 3,796,134	-	3,749,037	\$ 3,749,037	\$ -	\$ 47,097	\$ 47,097
Endowment Funds Held by Foundation	-	3,689,610	\$ 3,689,610	-	4,017,839	\$ 4,017,839	\$ -	\$ (328,229)	\$ (328,229)
Other	-	2,218,439	\$ 2,218,439	-	2,025,729	\$ 2,025,729	\$ -	\$ 192,710	\$ 192,710
Total revenue, gains, and other support	13,209,000	58,219,474	\$ 71,428,474	13,260,000	58,329,237	\$ 71,589,237	(51,000)	(109,763)	\$ (160,763)
Expenses									
Executive Director	261,156	1,069,599	1,330,754	6,439	2,074,311	2,080,750	\$ 254,717	\$ (1,004,713)	\$ (749,996)
Communications	898,714	2,161,260	3,059,974	58,577	1,137,229	1,195,806	\$ 840,136	\$ 1,024,032	\$ 1,864,168
Mission Engagement and Support	509,068	139,339	648,407	-	26,677	26,677	\$ 509,068	\$ 112,662	\$ 621,730
Theology, Formation and Evangelism	2,681,542	10,327,112	13,008,654	3,166,385	10,002,238	13,168,623	\$ (484,844)	\$ 324,875	\$ (159,969)
Compassion, Peace and Justice	1,656,646	15,251,404	16,908,051	1,685,727	15,130,991	16,816,718	\$ (29,081)	\$ 120,413	\$ 91,332
World Mission	5,023,458	18,265,837	23,289,294	6,027,018	18,483,044	24,510,062	\$ (1,003,560)	\$ (217,207)	\$ (1,220,767)
Racial Equity and Women's Intercultural Ministries	2,165,364	5,752,600	7,917,964	2,299,235	6,447,474	8,746,709	\$ (133,871)	\$ (694,874)	\$ (828,745)
Shared Services	-	1,461,083	1,461,083	-	1,338,297	1,338,297	\$ -	\$ 122,786	\$ 122,786
Other	13,053	3,791,239	3,804,292	16,619	3,688,976	3,705,594	\$ (3,566)	\$ 102,264	\$ 98,698
Total Expenses	13,209,000	58,219,474	71,428,474	13,260,000	58,329,237	71,589,237	(51,000)	(109,763)	(160,763)
Change in net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)	\$ (0)

PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION
 Presbyterian Mission Agency
 2020 Budget

PRESBYTERIAN MISSION AGENCY BOARD
 September 27-29, 2018
 Finance and Accounting

	Revised September 2018			Approved June 2018			Adjustment		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Revenue, gains and other support									
Contributions									
Congregations	\$ 5,200,000	\$ 4,000,000	\$ 9,200,000	\$ 5,200,000	\$ 4,000,000	\$ 9,200,000	\$ -	\$ -	\$ -
Presbyterian Women	-	344,553	\$ 344,553	-	312,142	\$ 312,142	\$ -	\$ 32,411	\$ 32,411
Gifts and bequests	250,000	285,000	\$ 535,000	250,000	285,000	\$ 535,000	\$ -	\$ -	\$ -
Grants	-	-	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
Special offerings									
Christmas Joy	-	2,800,000	\$ 2,800,000	-	2,800,000	\$ 2,800,000	\$ -	\$ -	\$ -
One Great Hour of Sharing	-	5,700,000	\$ 5,700,000	-	5,700,000	\$ 5,700,000	\$ -	\$ -	\$ -
Peace and Global Witness	-	800,000	\$ 800,000	-	800,000	\$ 800,000	\$ -	\$ -	\$ -
Pentecost	-	700,000	\$ 700,000	-	700,000	\$ 700,000	\$ -	\$ -	\$ -
Special Offerings Catalog	-	850,000	\$ 850,000	-	850,000	\$ 850,000	\$ -	\$ -	\$ -
Specific appeals									
Emergency and Disaster Relief	-	2,850,000	\$ 2,850,000	-	2,850,000	\$ 2,850,000	\$ -	\$ -	\$ -
Extra Commitment	-	7,000,000	\$ 7,000,000	-	7,000,000	\$ 7,000,000	\$ -	\$ -	\$ -
Mission Initiative	-	-	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
Special Missionary Support	-	600,000	\$ 600,000	-	600,000	\$ 600,000	\$ -	\$ -	\$ -
Hunger	-	350,000	\$ 350,000	-	350,000	\$ 350,000	\$ -	\$ -	\$ -
Theological Education Fund	-	-	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
Total Contributions	5,450,000	26,279,553	31,729,553	5,450,000	26,247,142	31,697,142	-	32,411	32,411
Income from endowment funds held by the Foundation	5,400,000	9,304,000	\$ 14,704,000	5,400,000	9,304,000	\$ 14,704,000	\$ -	\$ -	\$ -
Income from investments	684,000	275,000	\$ 959,000	735,000	275,000	\$ 1,010,000	\$ (51,000)	\$ -	\$ (51,000)
Income from funds held by others	1,625,000	-	\$ 1,625,000	1,625,000	-	\$ 1,625,000	\$ -	\$ -	\$ -
Hubbard Press	50,000	50,925	\$ 100,925	50,000	50,925	\$ 100,925	\$ -	\$ -	\$ -
Sales of resources	-	882,630	\$ 882,630	-	882,630	\$ 882,630	\$ -	\$ -	\$ -
Services	-	9,287,067	\$ 9,287,067	-	9,753,397	\$ 9,753,397	\$ -	\$ (466,330)	\$ (466,330)
Other	-	604,362	\$ 604,362	-	333,023	\$ 333,023	\$ -	\$ 271,339	\$ 271,339
	<u>7,759,000</u>	<u>20,403,984</u>	<u>28,162,984</u>	<u>7,810,000</u>	<u>20,598,975</u>	<u>28,408,975</u>	<u>(51,000)</u>	<u>(194,991)</u>	<u>(245,991)</u>
Net revenue, gains, and other support	<u>13,209,000</u>	<u>46,683,537</u>	<u>\$ 59,892,537</u>	<u>13,260,000</u>	<u>46,846,117</u>	<u>\$ 60,106,117</u>	<u>(51,000)</u>	<u>(162,580)</u>	<u>\$ (213,580)</u>
Reserves									
Unrestricted Undesignated	-	-	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
Emergency and Disaster Relief	-	3,657,917	\$ 3,657,917	-	3,594,863	\$ 3,594,863	\$ -	\$ 63,054	\$ 63,054
Endowment Funds Held by Foundation	-	4,044,831	\$ 4,044,831	-	4,029,104	\$ 4,029,104	\$ -	\$ 15,727	\$ 15,727
Other	-	3,057,572	\$ 3,057,572	-	2,801,873	\$ 2,801,873	\$ -	\$ 255,699	\$ 255,699
Total revenue, gains, and other support	<u>13,209,000</u>	<u>57,443,857</u>	<u>70,652,857</u>	<u>13,260,000</u>	<u>57,271,957</u>	<u>70,531,957</u>	<u>(51,000)</u>	<u>171,900</u>	<u>120,900</u>
Expenses									
Executive Director	342,295	1,039,761	\$ 1,382,056	162,717	1,989,942	2,152,659	\$ 179,578	\$ (950,181)	\$ (770,603)
Communications	1,100,803	2,093,328	\$ 3,194,131	119,314	1,117,265	1,236,579	\$ 981,489	\$ 976,063	\$ 1,957,553
Mission Engagement and Support	477,065	137,544	\$ 614,608	-	26,677	26,677	\$ 477,065	\$ 110,867	\$ 587,932
Office of the Deputy Executive Director	-	-	\$ -	-	-	-	\$ -	\$ -	\$ -
Theology, Formation and Evangelism	2,647,823	8,222,685	\$ 10,870,508	3,133,463	7,969,850	11,103,313	\$ (485,640)	\$ 252,835	\$ (232,805)
Evangelism and Church Growth	-	-	\$ -	-	-	-	\$ -	\$ -	\$ -
Compassion, Peace and Justice	1,786,724	15,154,475	\$ 16,941,200	1,825,431	15,009,325	16,834,756	\$ (38,707)	\$ 145,150	\$ 106,444
World Mission	4,735,288	19,500,036	\$ 24,235,324	5,698,191	19,432,436	25,130,627	\$ (962,903)	\$ 67,600	\$ (895,303)
Racial Equity and Women's Intercultural									
Ministries	2,099,547	5,966,124	\$ 8,065,671	2,299,414	6,613,667	8,913,081	\$ (199,866)	\$ (647,543)	\$ (847,410)
Shared Services	-	1,466,973	\$ 1,466,973	-	1,349,192	1,349,192	\$ -	\$ 117,781	\$ 117,781
Other	19,454	3,862,931	\$ 3,882,386	21,471	3,763,603	3,785,074	\$ (2,017)	\$ 99,328	\$ 97,312
Total Expenses	<u>13,209,000</u>	<u>57,443,857</u>	<u>70,652,857</u>	<u>13,260,000</u>	<u>57,271,957</u>	<u>70,531,957</u>	<u>(51,000)</u>	<u>171,900</u>	<u>120,900</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Capital Reserve Fund
as of August 31, 2018**

Balance as of January 1, 2018
Earnings/(loss)
Replacement reserve
New allocations
Use of allocations
Cancellation of allocation
Administration expenses
Increase (Decrease) YTD
Balance as of August 31, 2018

BOARD DESIGNATED SUMMARY		
INVESTMENTS	COMMITMENTS	COMBINED TOTAL
3,386,477	(1,082,721)	2,303,756
32,646		32,646
444,033		444,033
	-	-
(564,585)	564,585	-
682,137	(682,137)	-
	(60,102)	(60,102)
594,231	(177,655)	416,577
\$ 3,980,708	\$ (1,260,376)	\$ 2,720,332

2018 Projected Additions
2018 Projected Allocations ¹
2019 Projected Additions
2019 Projected Allocations ²
2020 Projected Additions
2020 Projected Allocations ³
Projected Balance as of December 31, 2020

205,967		205,967
	(1,064,185)	(1,064,185)
805,000		805,000
	(988,995)	(988,995)
805,000		805,000
	(1,075,000)	(1,075,000)
\$ 5,796,675	\$ (4,388,556)	\$ 1,408,120

PROJECTED ALLOCATION DETAIL

¹ Camera System Upgrade	25,000
Furniture Replacement	323,695
Desk Chair Replacement	221,000
Energy Management System Upgrade	250,000
Roof Flashing Repair and Coating	9,500
Copier Replacement	162,500
Insertor & Folder	17,490
Domain Servers	20,000
SQL Server License	35,000
Total ¹ - 2018 Projected Allocations	\$ 1,064,185

² Energy Management System Upgrade	250,000
HVAC Replacement	190,000
Barrel Roof Flashing	17,000
Restroom Remodel	152,500
Skylight Roof Repair	118,300
Copier Replacement	84,000
Tabber	5,195
Ink Addressing System	60,000
Printer	7,000
Scissor Lift	15,000
Firewall Replacement	15,000
Google Search Appliance Replacement	30,000
CTR Backup Server Replacement	10,000
CTRHP Server Replacement	10,000
Database Server Replacement	25,000
Total ² - 2019 Projected Allocations	\$ 988,995

³ Energy Management	250,000
HVAC Replacement	190,000
Copier Replacement	118,000
Website Development	300,000
Van	25,000
OSX Mac Server (\$10k) & CTRESXEXT Server (\$12k) Replacements	22,000
CAT5 Replacement	150,000
Citrix Environment Replacement	20,000
Total ³ - 2020 Projected Allocations	\$ 1,075,000