

**ITEM A.202  
FOR INFORMATION**

**Subject: Management Report**

Financial reports are prepared, analyzed and provided to management for use in the decision-making process. The reporting function is essential to make planning and controls effective.

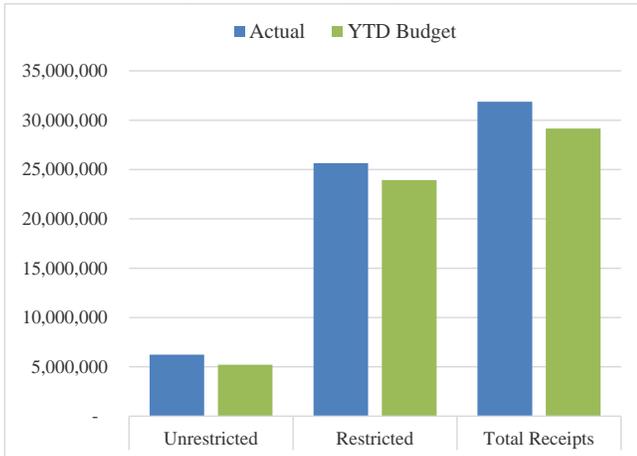
The attached Presbyterian Mission Agency Management Report reflects results of operations for seven months ended July 31, 2018.

Presbyterian Mission Agency  
Management Report  
Budget Compared to Actual  
For Seven Months Ended July 31, 2018

Below are financial highlights and significant budget variances through July 31, 2018.

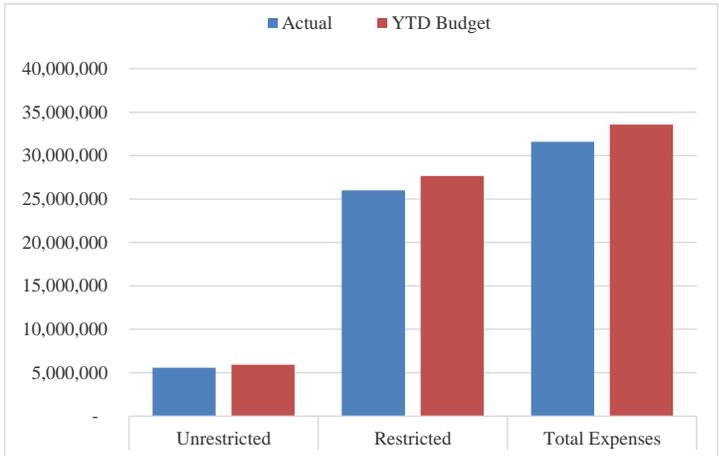
Receipts

Total receipts were higher than budgeted through July. Unrestricted receipts were \$1,008,385 or 19% over the budgeted amount. Restricted receipts were \$1,704,808 or 7% over the budgeted amount. Total receipts were over budget by \$2,713,193 or 9%.



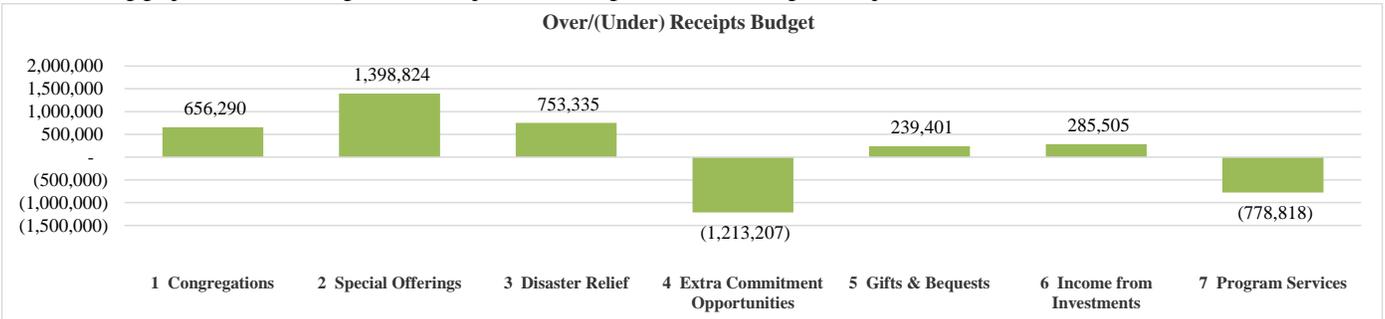
Expenses

Total expenses were lower than budgeted through July. Unrestricted expenses were \$332,226 or 6% under the budgeted amount. Restricted expenses were \$1,666,204 or 6% under the budgeted amount. Total expenses were under budget by \$1,998,430 or 6%.



**Receipts**

The following graph reflects the categories of receipts with the largest variances, along with explanations below.



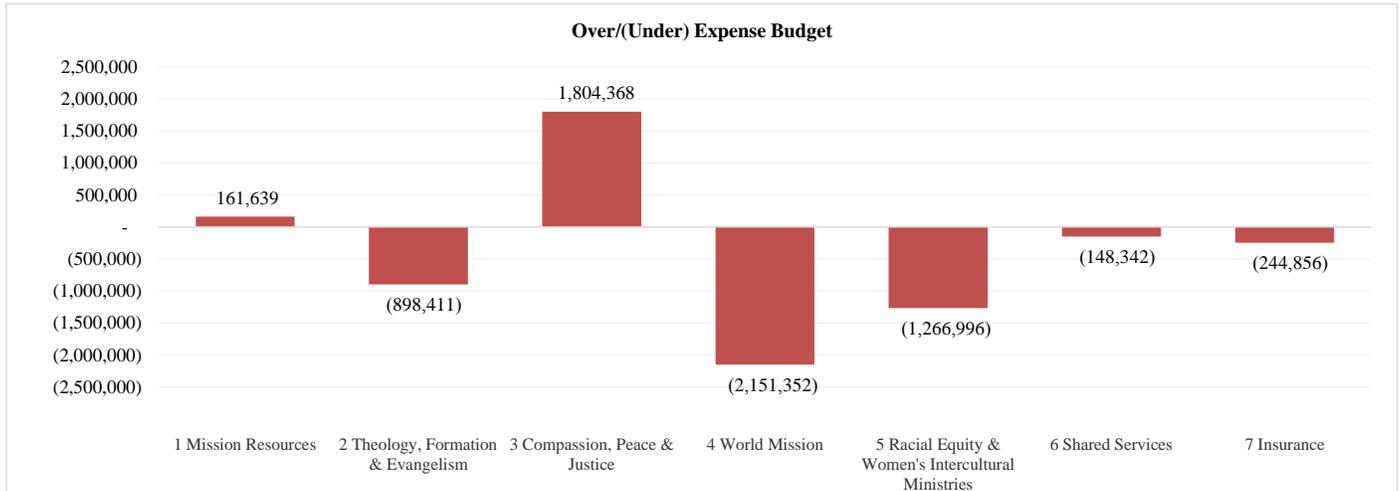
- Support from Congregations and Presbyteries (Shared Mission Support and Directed Mission Support) – Support from congregations and presbyteries was over budget by \$656,290 or 20%. This is likely due to (1) under budgeting for Shared Mission giving [the Shared Mission budget reflects year-over-year decreases], and (2) a shift in categories of giving, thereby restricted, Directed Mission Support giving increased, while ECO giving, used to support mission co-workers, decreased.
- Special Offerings – Special offerings receipts were over budget by \$1,398,824 or 24%. Year-to-date receipts were up \$709,824 or 11% from the same period a year ago. This increase is a result of (1) timing of the offering season—this year’s offering collection dates were earlier than last year’s, and (2) the expanded level of intentional and directed outreach to churches, reminding them of the excellent work being done through their support.
- Specific Appeals – Emergency and Disaster Relief receipts were over budget by \$753,335 or 54%. The most significant gift receipt categories were General Relief and PDA Response, \$908,000; U.S. Hurricane Response, \$268,000; and Atlantic Hurricane Relief [Harvey (08/29/2017), Irma (09/10/2017) and Maria (09/20/2017)], \$645,000.
- Extra Commitment Opportunities (ECO) – ECO giving was under budget by \$1,213,207 or 28% reflecting decreased giving to World Mission and mission co-worker personnel.
- Gifts and Bequests – Gifts and bequests were over budget by \$239,401. This includes a large gift of \$166,369 from an estate.
- Income from Investments – Income from investments was over budget by \$285,505 due to oil and gas lease income received through the Foundation. PMA is the beneficiary of an outside trust that holds property. During 2017, four new wells were added to one of the properties causing an increase in the oil and gas income.
- Program Services – Program Services were under budget by \$778,818 due to lower than budgeted income for insurance reimbursement, unused student loans funding and internal services.

Presbyterian Mission Agency  
Management Report  
Budget Compared to Actual  
For Seven Months Ended July 31, 2018

Below are financial highlights and significant budget variances through July 31, 2018.

**Expenses**

The following graph reflects the categories of expenses with the largest variances, along with explanations.



As of July 31, the budget is underspent in total by \$1,998,430. Some of the underspending is related to timing, and other variances may continue until year-end. Historically the budget is underspent by year-end. Projections for year-end expenses will be provided in September.

- 1 Mission Resources – Expenses were over budget because the office is sending complimentary copies of *Presbyterians Today* to donors, and the cost was not factored into the budget. Revenue earned from calendar sales will cover the additional expense.
- 2 Theology, Formation & Evangelism – Expenses were under budget due to staff vacancies in the Director’s office, and in the ministry areas of Christian Education, Theological Education, and Theology & Worship (TFE is actively seeking to fill these positions). Expenses were also under budget due to the timing of YAV and financial aid grant disbursements to be paid later in the year.
- 3 Compassion, Peace & Justice – Expenses were over budget due to grant payments in Presbyterian Disaster Assistance (PDA) which include disaster response relief for 2017 Hurricanes, refugee crisis support, California mudslides, Kentucky flooding, Virginia tornadoes, Initiative Project in West Africa, Nepal earthquake, Kenya drought, South Sudan RECONCILE Project, and the India Tsunami Project. Funds received in prior years are available to cover expenses.
- 4 World Mission – Expenses were under budget due to staffing vacancies in the Director’s office, Evangelism, and Global Poverty and Mission Personnel offices; the timing of grant disbursements (primarily in the Africa, Asia and Middle East offices) and the timing of events and programming through the Young Adult Volunteers (YAV) office.
- 5 Racial Equity & Women’s Intercultural Ministries – Expenses were under budget due to staffing vacancies, timing of grant disbursements (primarily in Mission Program Grants and Racial Ethnic Schools and Colleges), and timing of General Assembly-related expenditures.
- 6 Shared Services – Presbyterian Distribution Service (PDS) expenses were under budget due to an update (monthly fees decreased) to the One Website PPC service agreement, and Mail and Print Services expenses were under budget due to the timing of paper purchases and outsourced mail fulfillment work.
- 7 Insurance – Expenses were under budget due to the timing of insurance premium payments.

**Change in Net Assets**

Unrestricted – The unrestricted change in net assets as of July 31 is a surplus of \$637,084 compared to a budgeted deficit of \$703,527. This is primarily due to receipts from congregations (Shared Mission giving), oil and gas income, and outside trust income being greater than planned. This positive variance will likely continue for the year.

Restricted – The restricted change in net assets as of July 31 is a deficit of \$347,724 compared to a budgeted deficit of \$3,718,736. This variance is caused primarily by the special offerings’ receipts being greater than budget by \$1.4 million and the restricted expenses being \$1.7 million lower than planned through the end of July. The expenses may be a result of timing. Projections for year-end expenses will be provided in September.



**PRESBYTERIAN CHURCH (USA)**  
**Presbyterian Mission Agency**  
**Management Report**  
**Seven Months Ended July 31, 2018**



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

	2018 Unrestricted					2018 Restricted					2018 Grand Total				
	2018 YTD Budget	2018 YTD Actual	+(-)% of 2018 Budget	2017 YTD Actual	+(-)% of 2017	2018 YTD Budget	2018 YTD Actual	+(-)% of 2018 Budget	2017 YTD Actual	+(-)% of 2017	2018 YTD Budget	2018 YTD Actual	+(-)% of 2018 Budget	2017 YTD Actual	+(-)% of 2017
<b>Support from Congregations and Presbyteries</b>															
Congregations	\$ 1,862,182	\$ 2,162,185	16.1%	2,402,910	(10.0%)	\$ 1,406,212	\$ 1,762,499	25.3%	\$ 1,964,036	(10.3%)	\$ 3,268,394	\$ 3,924,684	20.1%	4,366,946	(10.1%)
<b>Special offerings</b>															
Christmas Joy	-	-	-	-	-	1,763,727	1,981,954	12.4%	1,937,294	2.3%	1,763,727	1,981,954	12.4%	1,937,294	2.3%
One Great Hour of Sharing	-	-	-	-	-	3,473,131	4,154,005	19.6%	3,761,431	10.4%	3,473,131	4,154,005	19.6%	3,761,431	10.4%
Peace and Global Witness/Peacemaking	-	-	-	-	-	196,343	214,252	9.1%	210,154	1.9%	196,343	214,252	9.1%	210,154	1.9%
Special Offering Catalogs (SO projects)	-	-	-	-	-	98,400	384,554	290.8%	289,422	32.9%	98,400	384,554	290.8%	289,422	32.9%
Pentecost	-	-	-	-	-	187,139	381,799	104.0%	210,813	81.1%	187,139	381,799	104.0%	210,813	81.1%
Witness	-	-	-	-	-	-	1,000	(1.374)	(172.8%)	(172.8%)	-	1,000	(1.374)	(172.8%)	
<b>Subtotal Special Offerings</b>						5,718,740	7,117,564	24.5%	6,407,740	11.1%	5,718,740	7,117,564	24.5%	6,407,740	11.1%
Specific appeals															
Emergency and Disaster Relief	-	-	-	-	-	1,394,000	2,147,335	54.0%	1,032,401	108.0%	1,394,000	2,147,335	54.0%	1,032,401	108.0%
Extra Commitment	-	-	-	-	-	4,390,043	3,176,836	(27.6%)	3,192,023	(0.5%)	4,390,043	3,176,836	(27.6%)	3,192,023	(0.5%)
Special Missionary Support	-	-	-	-	-	152,520	378,742	148.3%	330,591	14.6%	152,520	378,742	148.3%	330,591	14.6%
Hunger	-	-	-	-	-	275,200	146,822	(46.6%)	131,435	11.7%	275,200	146,822	(46.6%)	131,435	11.7%
Theological Education Fund	-	-	-	-	-	-	325	196	65.8%	-	325	196	65.8%	-	65.8%
<b>Additional Forms of Giving</b>															
Presbyterian Women	-	-	-	-	-	215,880	200,989	(6.9%)	214,683	(6.4%)	215,880	200,989	(6.9%)	214,683	(6.4%)
Gifts and bequests	12,500	263,569	2088.6%	-	-	246,000	234,332	(4.7%)	2,529,563	(90.7%)	258,500	497,901	92.6%	2,529,563	(80.3%)
Grants from Outside Foundations	-	-	-	-	-	-	(178)	(14)	1171.4%	-	(178)	(14)	1171.4%	-	
<b>Total Contributions</b>	<b>1,874,682</b>	<b>2,425,754</b>	<b>29.4%</b>	<b>2,402,910</b>	<b>1.0%</b>	<b>13,798,595</b>	<b>15,165,266</b>	<b>9.9%</b>	<b>15,802,654</b>	<b>(4.0%)</b>	<b>15,673,277</b>	<b>17,591,020</b>	<b>12.2%</b>	<b>18,205,564</b>	<b>(3.4%)</b>
<b>Endowments, Interest and Dividends</b>															
Income from endowment funds held by the Foundation	2,662,088	2,824,543	6.1%	2,989,000	(5.5%)	3,377,864	4,191,221	24.1%	4,099,312	2.2%	6,039,952	7,015,764	16.2%	7,088,312	(1.0%)
Income & new gifts held by Foundation	-	-	-	-	-	1,020,000	968,510	(5.0%)	951,270	1.8%	1,020,000	968,510	(5.0%)	951,270	1.8%
Income from investments	244,320	545,044	123.1%	1,003,722	(45.7%)	46,000	30,781	(33.1%)	83,838	(63.3%)	290,320	575,825	98.3%	1,087,560	(47.1%)
Income from funds held by others	439,140	430,823	(1.9%)	872,124	(50.6%)	80,000	-	(100.0%)	-	-	519,140	430,823	(17.0%)	872,124	(50.6%)
<b>Other</b>															
Hubbard Press	-	-	-	-	-	29,701	29,706	0.0%	29,706	0.0%	29,701	29,706	0.0%	29,706	0.0%
Sales of resources	-	2,451	-	2,616	(6%)	693,415	1,013,186	46.1%	1,398,632	(27.6%)	693,415	1,015,637	46.5%	1,401,248	(27.5%)
Program Services	-	-	-	-	-	3,023,539	2,244,721	(25.8%)	2,387,996	(6.0%)	3,023,539	2,244,721	(25.8%)	2,387,996	(6.0%)
Program Services - Church Loans	-	-	-	-	-	1,861,392	1,992,630	7.1%	1,585,273	25.7%	1,861,392	1,992,630	7.1%	1,585,273	25.7%
Other	-	-	-	-	-	-	(707)	(2,301)	(130.7%)	(130.7%)	-	(707)	(2,301)	(130.7%)	
<b>Total Endow, Interest, Divnds &amp; Other</b>	<b>3,345,548</b>	<b>3,802,861</b>	<b>13.7%</b>	<b>4,867,462</b>	<b>(21.9%)</b>	<b>10,131,911</b>	<b>10,470,048</b>	<b>3.3%</b>	<b>10,538,328</b>	<b>(0.6%)</b>	<b>13,477,459</b>	<b>14,272,909</b>	<b>5.9%</b>	<b>15,405,790</b>	<b>(7.4%)</b>
<b>Total Receipts</b>	<b>5,220,230</b>	<b>6,228,615</b>	<b>19.3%</b>	<b>7,270,372</b>	<b>(14.3%)</b>	<b>23,930,506</b>	<b>25,635,314</b>	<b>7.1%</b>	<b>26,340,982</b>	<b>(2.7%)</b>	<b>29,150,736</b>	<b>31,863,929</b>	<b>9.3%</b>	<b>33,611,354</b>	<b>(5.2%)</b>
<b>Expenses</b>															
Executive Director Office	223,369	230,496	3.2%	220,637	4.5%	808,245	716,843	(11.3%)	762,372	(6.0%)	1,031,614	947,339	(8.2%)	983,009	(3.6%)
Mission Resources	32,087	38,729	20.7%	101,255	(61.8%)	596,190	751,187	26.0%	653,668	14.9%	628,277	789,916	25.7%	754,923	4.6%
Theology, Formation & Evangelism	1,446,777	1,092,866	(24.5%)	1,311,635	(16.7%)	3,225,337	2,680,837	(16.9%)	2,814,702	(4.8%)	4,672,114	3,773,703	(19.2%)	4,126,337	(8.5%)
Compassion, Peace and Justice	787,037	734,539	(6.7%)	617,428	19.0%	6,255,868	8,112,734	29.7%	6,459,750	25.6%	7,042,905	8,847,273	25.6%	7,077,178	25.0%
World Mission	2,404,852	2,322,642	(3.4%)	2,216,668	4.8%	9,805,200	7,736,058	(21.1%)	7,843,599	(1.4%)	12,210,052	10,058,700	(17.6%)	10,060,267	(0.0%)
Racial Equity & Women's Intercultural Ministries	1,027,354	889,990	(13.4%)	778,508	14.3%	3,551,089	2,421,457	(31.8%)	2,325,317	4.1%	4,578,443	3,311,447	(27.7%)	3,103,825	6.7%
Shared Services	-	-	-	-	-	839,523	691,181	(17.7%)	988,465	(30.1%)	839,523	691,181	(17.7%)	988,465	(30.1%)
Santa Fe Disposal Costs	-	(28,714)	-	772,885	(103.7%)	-	-	-	-	-	-	(28,714)	-	772,885	(103.7%)
Stony Point Deficit Coverage	-	-	-	-	-	64,000	-	(100.0%)	-	-	64,000	-	(100.0%)	-	
Curriculum Transfer Expenses	-	170,390	-	-	-	-	-	-	-	-	-	170,390	-	-	
Insurance	-	-	-	-	-	1,450,114	1,205,258	(16.9%)	999,494	20.6%	1,450,114	1,205,258	(16.9%)	999,494	20.6%
Board of Pensions	-	-	-	-	-	880,149	953,010	8.3%	906,166	5.2%	880,149	953,010	8.3%	906,166	5.2%
Shared Expenses	-	138,612	-	25,969	433.8%	169,785	31,166	(81.6%)	459	6690.0%	169,785	169,778	(0.0%)	26,428	542.4%
Other	2,281	1,981	(13.2%)	1,860	6.5%	3,742	683,307	18160.5%	7,193	9399.6%	6,023	685,288	11277.9%	9,053	7469.7%
<b>Total Expenses</b>	<b>5,923,757</b>	<b>5,591,531</b>	<b>(5.6%)</b>	<b>6,046,845</b>	<b>(7.5%)</b>	<b>27,649,242</b>	<b>25,983,038</b>	<b>(6.0%)</b>	<b>23,761,185</b>	<b>9.4%</b>	<b>33,572,999</b>	<b>31,574,569</b>	<b>(6.0%)</b>	<b>29,808,030</b>	<b>5.9%</b>
<b>Change in net assets</b>	<b>\$ (703,527)</b>	<b>\$ 637,084</b>	<b>(190.6%)</b>	<b>1,223,527</b>	<b>(47.9%)</b>	<b>\$ (3,718,736)</b>	<b>\$ (347,724)</b>	<b>(90.6%)</b>	<b>2,579,797</b>	<b>(113.5%)</b>	<b>\$ (4,422,263)</b>	<b>\$ 289,360</b>	<b>(106.5%)</b>	<b>3,803,324</b>	<b>(92.4%)</b>