

PRESBYTERIAN MISSION AGENCY BOARD

October 7-9, 2020

Finance & Accounting

**ITEM A.202
FOR INFORMATION**

Subject: Management Report for Eight Months Ended August 31, 2020

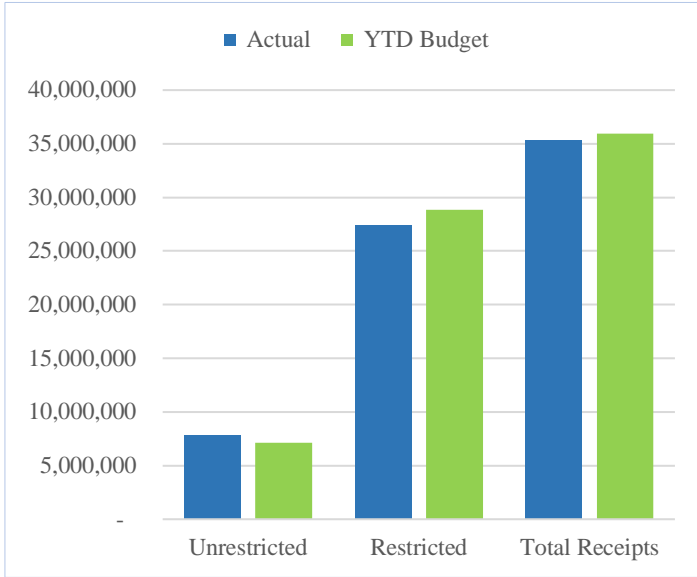
Financial reports are prepared, analyzed, and provided to management for use in the decision-making process. The reporting function is essential for effective planning and controls. The attached Presbyterian Mission Agency Management Report reflects financial activity through August 31, 2020.

Presbyterian Mission Agency
 Management Report
 Budget Compared to Actual
 Eight Months Ended August 31, 2020

Below are financial highlights and significant budget variances through August 31, 2020.

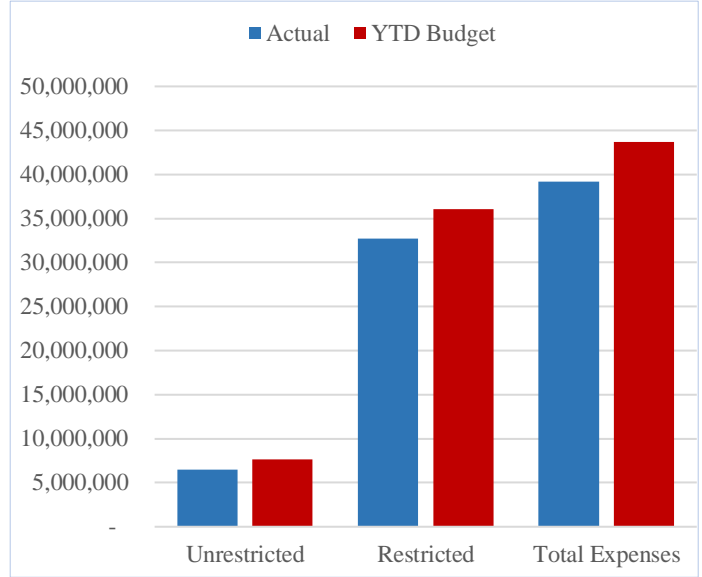
Receipts

Total receipts through August were lower than budgeted. Unrestricted receipts were \$746,719 or 10% over the budgeted amount. Restricted receipts were \$1,403,394 or 5% under the budgeted amount. Total receipts were under budget by \$656,675 or 2%.



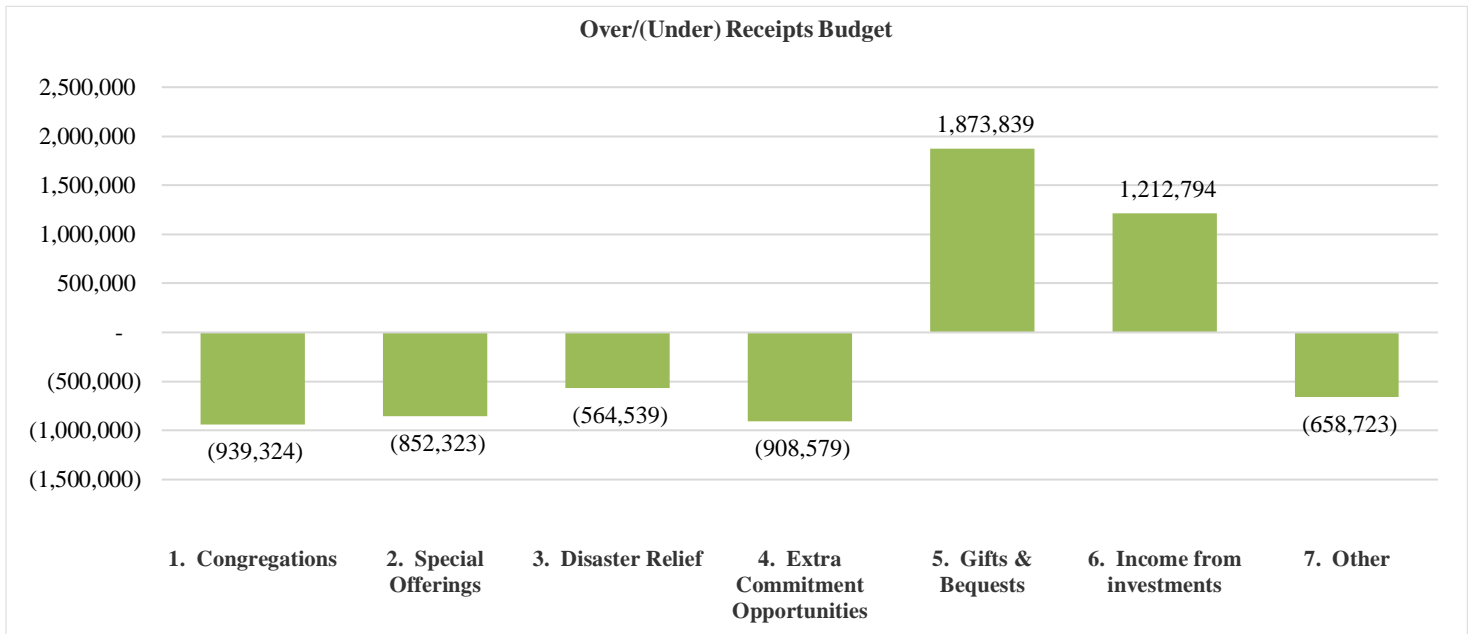
Expenses

Total expenses through August were lower than budgeted. Unrestricted expenses were \$1,171,414 or 15% under the budgeted amount. Restricted expenses were \$3,292,069 or 9% under the budgeted amount. Total expenses were under budget by \$4,463,484 or 10%.



Receipts

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



Presbyterian Mission Agency
 Management Report
 Budget Compared to Actual
 Eight Months Ended August 31, 2020

Below are financial highlights and significant budget variances through August 31, 2020.

1. Congregations – Support from congregations includes both Shared Mission giving and Directed Mission giving. Shared Mission giving, which is unrestricted, was under budget by \$430,030. Directed Mission giving, which is restricted, and used primarily to support Mission Personnel, was under budget by \$509,295.
2. Special Offerings – Special offerings receipts were under budget by \$852,323. Total offerings were below last year’s amount by \$2,328,501.
3. Disaster Relief – Disaster relief receipts were under budget by \$564,539.
4. Extra Commitment Opportunities (ECOs) – ECOs were under budget by \$908,579. This is mainly because giving related to overseas missions is down. The largest impact is in World Mission area offices related to Africa, Europe, and the Middle East.
5. Gifts & Bequests – Gifts and bequests were over budget by \$1,873,839 due to receipt of two large gifts.
6. Income from Investments – Income from investments was over budget by \$1,212,794 due to additional investment income received from an outside trust held at the Foundation.
7. Other – this category includes:
 - a. Sales of Resources – This category was over budget by \$149,737 due to sales of the Presbyterian Planning Calendar.
 - b. Program Services – This category was under budget by \$472,594 due to the timing of reimbursement of insurance premiums from related entities.
 - c. Program Services – Church Loans – This was under budget by \$336,602, primarily due to unused Church Loan funding for Mission Program Grants. Fewer of these grants were disbursed, and there was less than budgeted New Worshiping Communities program expense.

COVID-19 Impact on 2020 and 2019 Contributions Revenue

While the Presbyterian Mission Agency (PMA) has several streams of income, such as outside trust income, which continues to be a stable revenue source during this time of financial uncertainty, the COVID-19 pandemic has disrupted other revenue streams, namely, contributions.

To understand the impact the coronavirus is having on giving, the following compares the 2020 and 2019 monthly contributions. Excluded from the chart below are gifts and bequests.

CONTRIBUTIONS - COVID-19 IMPACT				
Contributions	2020	2019	Over/Under	Percentage
March	2,009,439	2,055,194	(45,755)	-2%
April	1,623,545	2,645,430	(1,021,885)	-39%
May	1,956,130	2,539,355	(583,225)	-23%
June	2,232,221	2,997,160	(764,939)	-26%
July	2,061,640	3,821,995	(1,760,355)	-46%
August	1,880,991	1,378,373	502,618	36%
Total March-August	11,763,966	15,437,507	(3,673,541)	-24%

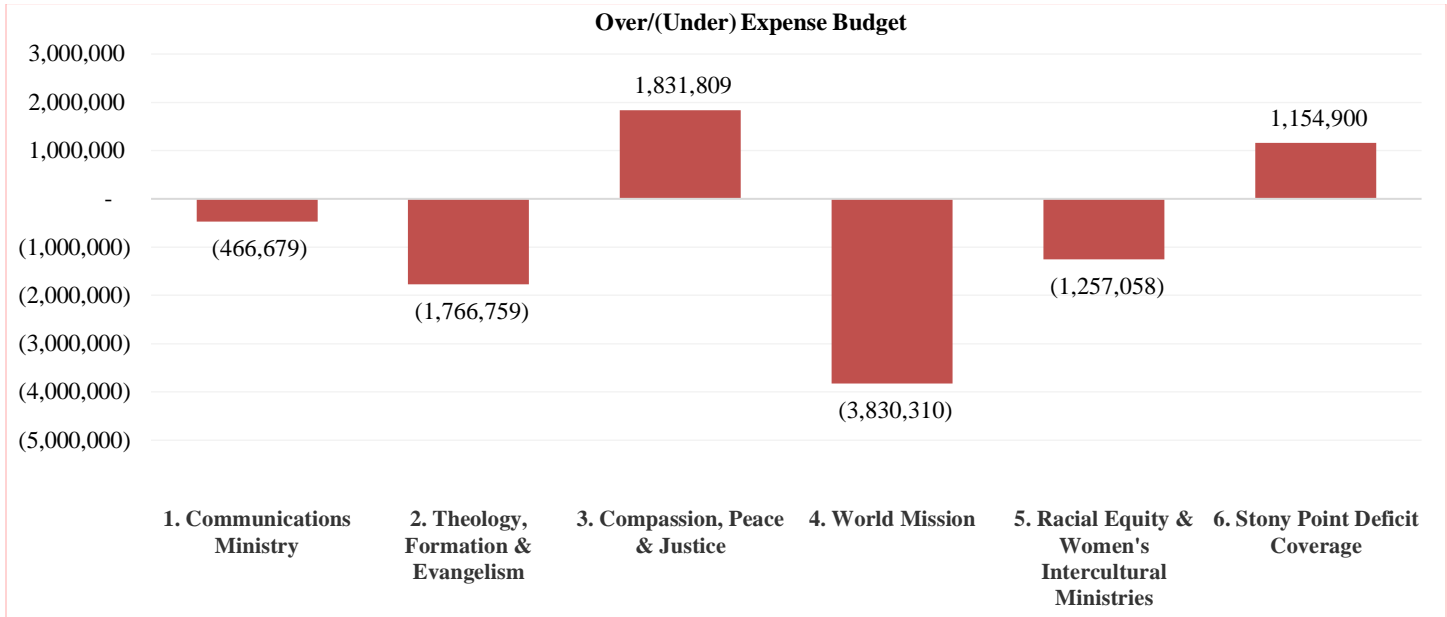
A cross-agency COVID-19 Financial Team is working together to monitor receipts and the overall financial impact of the coronavirus on PC(USA).

Presbyterian Mission Agency
Management Report
Budget Compared to Actual
Eight Months Ended August 31, 2020

Below are financial highlights and significant budget variances through August 31, 2020.

Expenses

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



As of August 31, the budget was underspent in total by \$4,463,484.

1. Communications Ministry – Expenses were under budget due to decreased travel, \$48,000, programs/administrative, \$349,000, Mission Resource Cost of Goods Sold, \$29,000 (Presbyterian Planning Calendar sales started in July), and \$51,000 related to *Presbyterians Today* cost-savings changes to keep it more in line with revenue of decreased subscriptions, marketing and commission fees.
2. Theology, Formation & Evangelism (TFE) – Expenses were under budget due to position vacancies, \$318,000, travel, \$100,000, administrative, \$91,000, canceled programs and events, \$422,000 (primarily Church Growth and Church Vitality), and grants related to Financial Aid, \$319,000.
3. Compassion, Peace & Justice (CPJ) – Expenditures were over budget due to Presbyterian Disaster Assistance (PDA) grant payments that were not budgeted (but funding is available). Program was under budget by \$662,000. The largest variances occurred in International Peacemakers, Puerto Rico Travel Study, and Mosaic of Peace events.
4. World Mission (WM) – Expenses were under budget. Area Office Grant disbursements were lower than budgeted by \$1.1 million, most likely due to timing. Vacancies account for \$737,000 in under expenditures (this includes mission co-workers). Program is under budget by \$1.2 million due to delayed/canceled programs and events—larger programs include Young Adult national and international site support, \$267,000, and travel \$185,000, Regional Liaisons \$138,000, and Consultations \$604,000.
5. Racial Equity & Women’s Intercultural Ministries (REWIM) – Expenses were under budget due to the following: \$208,000, position vacancies; \$168,000, travel and meetings; \$307,000, delayed/canceled programs and events; and \$225,000, New Worshiping Community Seed Grants.
6. Stony Point Deficit Coverage – Expenses were over budget because, in March, almost all guest revenue ceased as a result of the COVID-19 pandemic. Payroll and many other expenses continued as budgeted (except for those related directly to guest services such as housekeeping, etc.), resulting in an operating loss of \$1,254,900.

Presbyterian Church (U.S.A.)
Presbyterian Mission Agency - Management Report
Eight Months Ended August 31, 2020

	Unrestricted			Restricted			Grand Total		
	2020 YTD	2020 YTD	2019 YTD	2020 YTD	2020 YTD	2019 YTD	2020 YTD	2020 YTD	2019 YTD
	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual	Actual
Support from Congregations & Presbyteries									
Congregations	\$ 2,600,000	\$ 2,169,971	\$ 2,706,117	\$ 2,160,000	\$ 1,650,705	\$ 1,944,666	\$ 4,760,000	\$ 3,820,676	\$ 4,650,783
Special Offerings									
Christmas Joy	-	-	-	1,820,000	2,116,115	2,373,199	1,820,000	2,116,115	2,373,199
One Great Hour of Sharing	-	-	-	4,446,000	2,966,925	4,993,230	4,446,000	2,966,925	4,993,230
Peace and Global Witness	-	-	-	184,000	249,568	227,926	184,000	249,568	227,926
Special Offerings Catalogs	-	-	-	122,400	515,082	449,071	122,400	515,082	449,071
Pentecost	-	-	-	406,000	278,388	412,153	406,000	278,388	412,153
Witness	-	-	-	-	-	(1,000)	-	-	(1,000)
Total Special Offerings	\$ -	\$ -	\$ -	\$ 6,978,400	\$ 6,126,077	\$ 8,454,578	\$ 6,978,400	\$ 6,126,077	\$ 8,454,578
Specific Appeals									
Emergency and Disaster Relief	\$ -	\$ -	\$ -	\$ 2,422,500	\$ 1,857,961	\$ 1,892,714	\$ 2,422,500	\$ 1,857,961	\$ 1,892,714
Extra Commitment Opportunity	-	-	-	3,990,000	3,081,421	3,712,979	3,990,000	3,081,421	3,712,979
Special Missionary Support	-	-	-	180,000	299,074	101,925	180,000	299,074	101,925
Hunger	-	-	-	238,000	160,194	216,078	238,000	160,194	216,078
Additional Forms of Giving									
Gifts and Bequests	12,500	511,613	2,921,895	1,400,892	2,775,619	2,588,970	1,413,392	3,287,231	5,510,865
Grants from Outside Foundations	-	-	-	80	1,433	876	80	1,433	876
Total Contributions	\$ 2,612,500	\$ 2,681,583	\$ 5,628,011	\$ 17,369,872	\$ 15,952,484	\$ 18,912,787	\$ 19,982,372	\$ 18,634,067	\$ 24,540,798
Endowments, Interest and Dividends									
Income - Endowments held by Foundation	\$ 3,348,000	\$ 3,138,713	\$ 3,166,138	\$ 4,165,708	\$ 4,603,033	\$ 4,850,158	\$ 7,513,708	\$ 7,741,746	\$ 8,016,296
Income from investments	227,450	1,202,416	1,481,307	123,780	361,609	305,749	351,230	1,564,024	1,787,056
Income from funds held by others	926,250	835,771	857,442	-	-	-	926,250	835,771	857,442
Other									
Sales of Resources	-	1,440	1,834	668,393	816,690	452,394	668,393	818,130	454,228
Program Services	-	-	-	3,557,008	3,084,414	5,497,542	3,557,008	3,084,414	5,497,542
Program Services - Church Loans	-	-	-	2,961,742	2,625,140	825,381	2,961,742	2,625,140	825,381
Other	2,850	3,847	(16,264)	2,374	2,114	3,921	5,224	5,960	(12,344)
Total Endowments, Interest, Dividends & Other	\$ 4,504,550	\$ 5,182,186	\$ 5,490,457	\$ 11,479,005	\$ 11,492,999	\$ 11,935,144	\$ 15,983,555	\$ 16,675,186	\$ 17,425,601
Total Revenue and Other Support	\$ 7,117,050	\$ 7,863,769	\$ 11,118,468	\$ 28,848,877	\$ 27,445,483	\$ 30,847,931	\$ 35,965,927	\$ 35,309,252	\$ 41,966,399
Reserves - Usage/(Addition)	505,933	(1,412,201)	(5,684,621)	7,198,364	5,309,689	3,162,106	7,704,297	3,897,488	(2,522,515)
Total Revenue, Other Support and Reserves	\$ 7,622,983	\$ 6,451,569	\$ 5,433,848	\$ 36,047,241	\$ 32,755,172	\$ 34,010,037	\$ 43,670,224	\$ 39,206,740	\$ 39,443,885
Expenses									
Executive Director's Office	\$ 205,003	\$ 177,520	\$ 142,976	\$ 428,447	\$ 294,029	\$ 291,050	\$ 633,450	\$ 471,549	\$ 434,025
Communications Ministry	553,950	389,668	390,830	1,488,259	1,185,862	1,294,710	2,042,209	1,575,530	1,685,540
Mission Engagement & Support	314,971	265,830	293,877	80,381	74,127	71,952	395,352	339,956	365,829
Theology, Formation & Evangelism	1,501,412	858,046	760,516	5,063,916	3,940,524	6,642,465	6,565,328	4,798,569	7,402,980
Compassion, Peace & Justice	1,122,322	791,951	817,252	8,689,020	10,851,200	9,427,341	9,811,342	11,643,151	10,244,593
World Mission	2,663,490	1,886,527	1,939,973	11,872,223	8,818,876	8,983,307	14,535,713	10,705,403	10,923,280
Racial Equity & Women's Intercultural Ministries	1,250,940	858,852	907,006	3,901,979	3,037,010	3,023,297	5,152,919	3,895,861	3,930,304
Santa Fe Disposal Costs	-	-	3,510	-	-	-	-	-	3,510
Stony Point Deficit Coverage	-	1,154,900	-	100,000	100,000	-	100,000	1,254,900	-
Curriculum Transfer Expenses	-	-	5,203	-	-	-	-	-	5,203
Board of Pensions	-	-	-	1,004,069	1,081,678	1,200,181	1,004,069	1,081,678	1,200,181
Shared Expense - PMA Specific	-	60,741	43,407	32,000	5,328	35,622	32,000	66,069	79,030
Other/Mission Partnership	10,895	3,687	2,523	797,420	867,194	454,315	808,315	870,881	456,838
Administrative Services Group	-	3,849	126,773	2,589,527	2,499,344	2,585,797	2,589,527	2,503,193	2,712,571
Total Expenses	\$ 7,622,983	\$ 6,451,569	\$ 5,433,848	\$ 36,047,241	\$ 32,755,172	\$ 34,010,037	\$ 43,670,224	\$ 39,206,740	\$ 39,443,885