

PRESBYTERIAN MISSION AGENCY BOARD

April 27-29, 2022

Finance & Accounting

**ITEM A.200
FOR INFORMATION**

**Subject: Presbyterian Mission Agency (PMA) Management Report for the Year Ended
December 31, 2021 (Preliminary and Subject to Audit)**

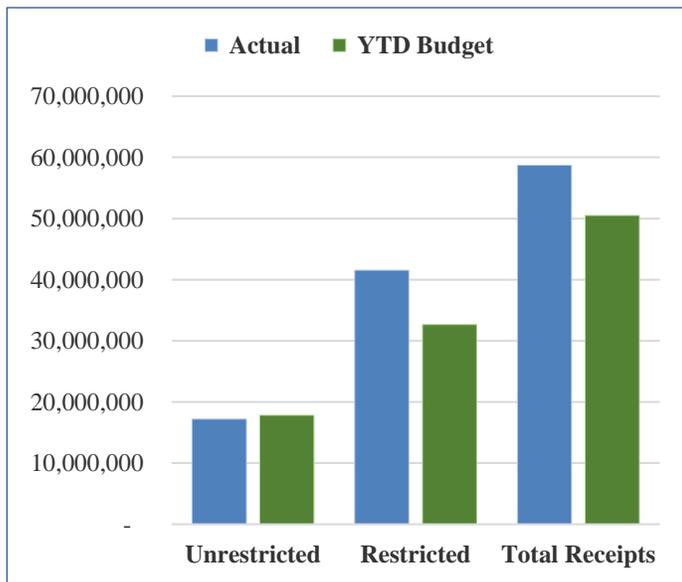
Financial reports are prepared, analyzed, and provided to management for use in the decision-making process. The reporting function is essential for effective planning and control. The attached Presbyterian Mission Agency Management Report reflects financial activity through December 31, 2021.

Presbyterian Mission Agency
 Management Report
 Budget Compared to Actual
 For the Year Ended December 31, 2021

Below are financial highlights and significant budget variances through December 31, 2021.

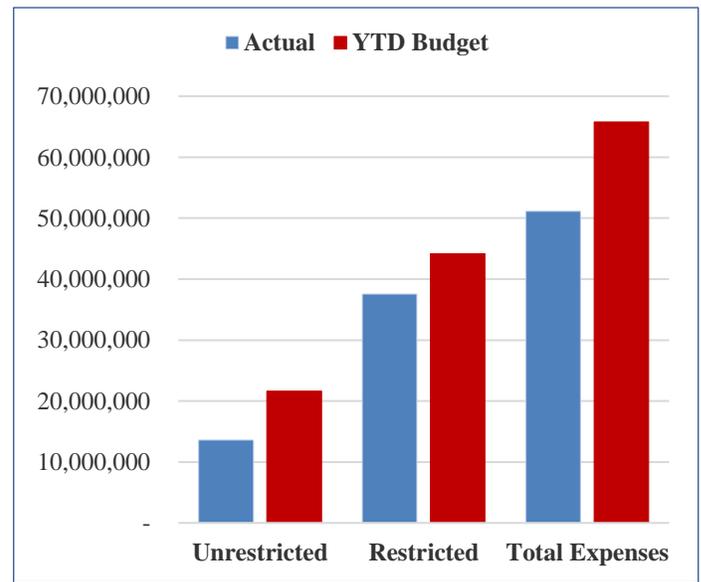
Receipts

Total receipts through December were higher than budget. Receipts without donor restrictions were \$634,666 or 4% under the budgeted amount. Receipts with donor restrictions were \$8,890,314 or 27% over the budgeted amount. Total receipts were over budget by \$8,255,648 or 16%.



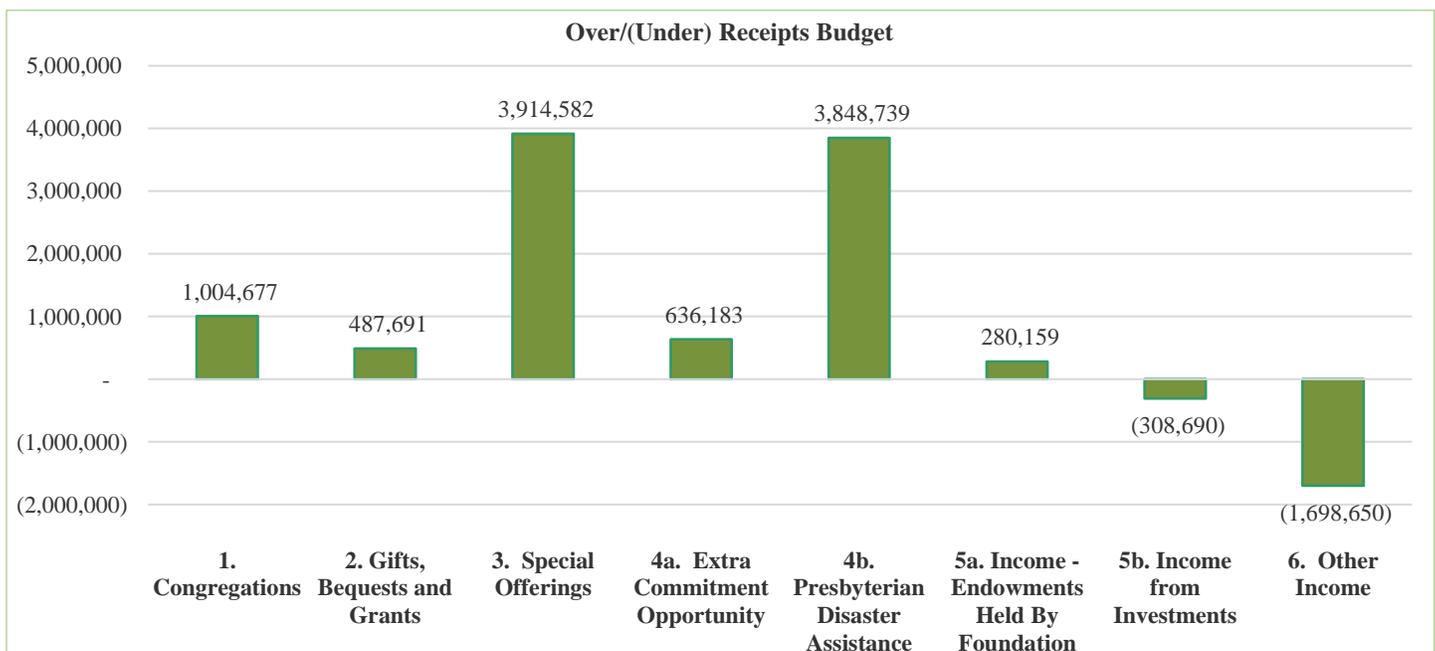
Expenses

Total expenses through December were lower than budget. Expenses without donor restrictions were \$8,059,688 or 37% under the budgeted amount. Expenses with donor restrictions were \$6,623,272 or 15% under the budgeted amount. Total expenditures were under budget by \$14,682,960 or 22%.



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
For the Year Ended December 31, 2021

Below are financial highlights and significant budget variances through December 31, 2021.

1. Congregations – Support from congregations includes both Shared Mission giving and Directed Mission giving. Shared Mission giving, which is unrestricted, was over budget by \$727,588. Directed Mission giving, which is restricted, and used primarily to support Mission Personnel, was over budget by \$277,089.

2. Gifts, Bequests and Grants – This category was over budget by \$487,691 due to the receipt of four large gifts.

3. Special Offerings – Total Special Offerings receipts were over budget by \$3,914,582.

Christmas Joy	\$5,111	Pentecost	\$130,980
One Great Hour of Sharing	\$2,839,889	Presbyterian Giving Catalog	\$766,968
Peace and Global Witness	\$171,634		

4. Special Giving –

- a. Extra Commitment Opportunity – ECOs were over budget by \$636,183, primarily due to Mission Personnel Support giving and the Matthew 25 initiative.
- b. Presbyterian Disaster Assistance (PDA) – PDA was over budget by \$3,848,739 due to the receipt of several large gifts and significant giving for General Relief, US Hurricane Response, and US Disasters and Emergencies. This includes \$1,115,023 given on behalf of the Midwestern/Kentucky Tornado Disaster.

5. Investment Return –

- a. Income - Endowments held by Foundation – This category was over budget by \$280,159. The income from endowment funds includes other investments that are held at the Foundation. The income on these investments was greater than budgeted.
- b. Income from Investments – This category was under budget by \$308,690 due to lower-than-expected income from outside trusts and short-term investment income at PNC Bank.

6. Other Income –

- a. Sales of Resources – This category was under budget by \$17,357. There was no material variance.
- b. Program Services (includes Stony Point) – This category was over budget by \$76,332. Although the special event income was less than budgeted, there was higher than budgeted guest revenue and rental income at Stony Point.
- c. Program Services – Church Loans – This category was under budget by \$1,753,702 due to COVID-19-related reductions in 1001 New Worshiping Communities in-person programs.
- d. Other – This category was under budget by \$3,923, resulting in no material variance.

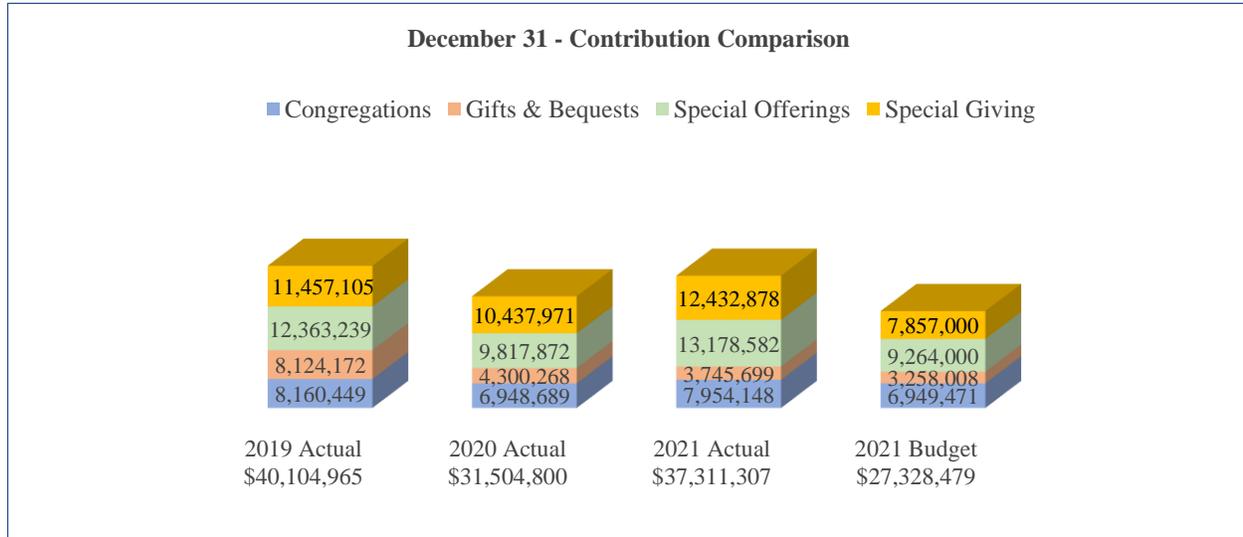
Contribution Giving and COVID-19 Impact

The Presbyterian Mission Agency (PMA) reduced the contribution budget by 25% due to a projected decrease in giving. The Contribution Comparison chart on page 3 compares the actual contribution income through December 31 for 2019, 2020, and 2021 and the budget as of December 31, 2021. Total contributions were over budget as of December 31 by \$9,982,828. The overage was primarily due to higher than budgeted amounts for Congregational giving, One Great Hour of Sharing offering, Presbyterian Giving Catalog, Extra Commitment Opportunities, and Presbyterian Disaster Giving (PDA).

PMA's contributions were higher than budget due to careful planning and a revised budget lowering the revenue expectations. The assumption of a 25% reduction in income has proved reasonable throughout the year. By the end of 2021, the good news was that contributions had significantly surpassed the budgeted amounts but were not at the 2019 levels.

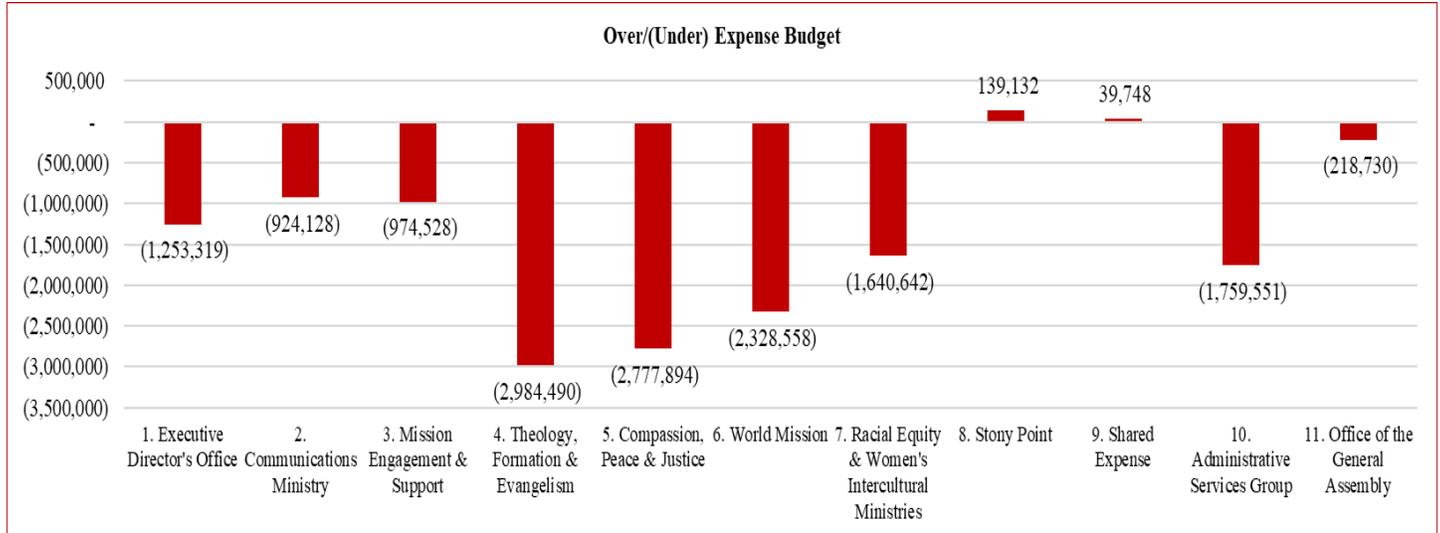
Presbyterian Mission Agency
 Management Report
 Budget Compared to Actual
 For the Year Ended December 31, 2021

Below are financial highlights and significant budget variances through December 31, 2021.



Expenses

Below is a graph and an explanation for the budget versus actual variances for expenses in each area.



As of December 31, the budget was underspent in total by \$14,682,960.

1. Executive Director's Office – Expenditures were under budget due to pandemic-related reductions in travel and in-person meetings, and lower administration and program expenses.
2. Communications Ministry – Expenditures were under budget because of position vacancies, a decline in travel, programs/administration, Mission Resource cost of goods sold, and *Presbyterians Today* cost of goods sold due to timing of the January/February 2021 issue that went out in December 2020, and expenses were recorded in 2020.
3. Mission Engagement & Support (MES) – Expenditures were under budget due to position vacancies, a decline in travel, administration, meetings, and program.

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Management Report
Budget Compared to Actual
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Below are financial highlights and significant budget variances through December 31, 2021.

4. Theology, Formation & Evangelism (TFE) – Expenditures were under budget due to position vacancies, a decline in travel, meetings, administration, program expenses, and grants.
5. Compassion, Peace & Justice (CPJ) – Expenditures were under budget due to position vacancies, a reduction in travel, meetings, programs, and Presbyterian Disaster Assistance (PDA) grants.
6. World Mission – Expenses were under budget due to savings from position vacancies and Mission Co-worker appointments occurring late in the year, a decline in travel and meeting expenses because of the travel and meeting ban, program costs resulting from the Young Adult Volunteers (YAV) program operating solely in a virtual capacity in 2020-2021 and regional liaison travel being inhibited, and grants disbursements due to delays in receipts of proposals and reporting resulting from COVID-19 impacts.
7. Racial Equity & Women’s Intercultural Ministries (REWIM) – Expenditures were under budget due to position vacancies, a decline in travel and meetings, and lower than expected program and grant activity (primarily Mission Program Grants–New Worshiping Communities Seed Grant and Growth Grant).
8. Stony Point – Expenditures were over budget primarily due to utility costs, administrative salary expenses, legal fees, depreciation, internet, business expense, food costs, and contract services. This overage was reduced by unutilized contingency fees, professional fees, insurance, and food preparation labor costs which were under budget.
9. Shared Expense – Expenditures were closely matched to expected budgeted amounts.
10. Administrative Services Group (ASG) – ASG expenses were under budget due to a decrease in travel and meetings, Program (sexual misconduct counseling), and Administration (depreciation-fewer capital completions, Building Services-repairs, utilities, HR-ADP software fees, recruitment activities, IT-software/hardware maintenance, cyber security/disaster recovery, and consultant fees, Insurance-workers compensation, Shared Expense-copier expense).
11. Office of the General Assembly – For the 2021-2022 budget cycle, the Presbyterian Mission Agency (PMA) has agreed to reimburse the Office of the General Assembly (OGA) for PMA’s use of per capita funds. PMA was under budget through December on its use of per capita funds and, consequently, its reimbursement to OGA.

Presbyterian Church (U.S.A.)
Presbyterian Mission Agency - Management Report
For the Year Ended December 31, 2021 (Revised Budget)
Preliminary and Subject to Audit

PRESBYTERIAN MISSION AGENCY BOARD
April 27-29, 2022
Finance & Accounting

	Without Donor Restrictions			With Donor Restrictions			Grand Total		
	2021 YTD	2021 YTD	2020 YTD	2021 YTD	2021 YTD	2020 YTD	2021 YTD	2021 YTD	2020 YTD
	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual	Actual
Revenue, gains and other support									
Contributions									
Congregations	\$ 4,456,471	\$ 5,184,059	\$ 4,023,892	\$ 2,493,000	\$ 2,770,089	\$ 2,924,797	\$ 6,949,471	\$ 7,954,148	\$ 6,948,689
Gifts, bequests and grants	548,008	493,317	971,247	2,710,000	3,252,382	3,329,021	3,258,008	3,745,699	4,300,268
Special Offerings									
Christmas Joy	-	-	-	2,399,000	2,404,111	2,760,771	2,399,000	2,404,111	2,760,771
One Great Hour of Sharing	-	-	-	4,766,000	7,605,889	4,281,137	4,766,000	7,605,889	4,281,137
Peace and Global Witness	-	-	-	634,000	805,634	716,744	634,000	805,634	716,744
Pentecost	-	-	-	602,000	732,980	569,482	602,000	732,980	569,482
Presbyterian Giving Catalog	-	-	-	863,000	1,629,968	1,489,737	863,000	1,629,968	1,489,737
Special Giving									
Extra Commitment Opportunity	-	-	-	4,564,000	5,200,183	6,096,063	4,564,000	5,200,183	6,096,063
Hunger	-	-	-	237,000	372,545	288,228	237,000	372,545	288,228
Presbyterian Disaster Assistance	-	-	-	2,850,000	6,698,739	3,653,694	2,850,000	6,698,739	3,653,694
Special Missionary Support	-	-	-	206,000	161,411	399,987	206,000	161,411	399,987
Total Contributions	\$ 5,004,479	\$ 5,677,376	\$ 4,995,139	\$ 22,324,000	\$ 31,633,931	\$ 26,509,662	\$ 27,328,479	\$ 37,311,307	\$ 31,504,800
Investment Return									
Income - Endowments held by Foundation	5,826,000	5,815,887	5,882,043	7,938,343	8,228,615	8,896,395	13,764,343	14,044,502	14,778,438
Income from investments	2,972,113	2,656,023	2,683,795	-	7,400	11,518	2,972,113	2,663,423	2,695,313
Total Investment Return	\$ 8,798,113	\$ 8,471,911	\$ 8,565,837	\$ 7,938,343	\$ 8,236,015	\$ 8,907,914	\$ 16,736,456	\$ 16,707,925	\$ 17,473,751
Other income									
Sales of Resources	721,199	703,842	1,030,929	-	-	-	721,199	703,842	1,030,929
Program Services (includes Stony Point)	383,915	460,247	578,875	-	-	-	383,915	460,247	578,875
Program Services - Church Loans	2,908,790	1,872,377	2,546,012	2,401,576	1,684,287	1,343,947	5,310,366	3,556,664	3,889,959
Other	5,000	1,077	15,060	-	-	-	5,000	1,077	15,060
Total Other Income	\$ 4,018,904	\$ 3,037,543	\$ 4,170,876	\$ 2,401,576	\$ 1,684,287	\$ 1,343,947	\$ 6,420,480	\$ 4,721,830	\$ 5,514,822
Total Revenue, Gains and Other Support	\$ 17,821,496	\$ 17,186,830	\$ 17,731,851	\$ 32,663,919	\$ 41,554,233	\$ 36,761,522	\$ 50,485,415	\$ 58,741,063	\$ 54,493,374
Expenses									
Executive Director's Office	1,975,468	838,246	320,873	444,799	328,702	463,340	2,420,267	1,166,948	784,212
Communications Ministry	2,561,200	1,499,002	1,564,926	904,706	1,042,776	943,171	3,465,906	2,541,778	2,508,097
Mission Engagement & Support	2,202,563	1,530,965	422,078	3,042,457	2,739,527	119,017	5,245,020	4,270,492	541,095
Theology, Formation and Evangelism	3,843,681	2,630,877	3,656,087	5,005,223	3,233,537	4,734,033	8,848,904	5,864,414	8,390,120
Compassion, Peace & Justice	841,629	388,789	2,723,022	11,202,337	8,877,283	14,868,272	12,043,966	9,266,072	17,591,294
World Mission	400,818	310,602	3,907,093	13,422,438	11,184,095	16,101,640	13,823,256	11,494,698	20,008,732
Racial Equity & Women's Intercultural Ministries	1,616,496	1,220,374	1,924,106	4,579,970	3,335,450	4,262,827	6,196,466	4,555,824	6,186,933
Stony Point	955,622	976,270	2,124,636	8,491	126,976	155,181	964,113	1,103,245	2,279,816
Shared Expense	120,410	72,181	108,349	1,503,090	1,591,067	4,233,920	1,623,500	1,663,248	4,342,269
Administrative Services Group	6,283,153	3,492,776	-	4,061,163	5,091,990	3,477,277	10,344,316	8,584,765	3,477,277
Office of the General Assembly	829,471	610,741	-	-	-	-	829,471	610,741	-
Total Expenses	\$ 21,630,511	\$ 13,570,823	\$ 16,751,170	\$ 44,174,674	\$ 37,551,402	\$ 49,358,676	\$ 65,805,185	\$ 51,122,225	\$ 66,109,845
Current Year - Change in Net Assets	\$ (3,809,015)	\$ 3,616,007	\$ 980,682	\$ (11,510,755)	\$ 4,002,831	\$ (12,597,154)	\$ (15,319,770)	\$ 7,618,837	\$ (11,616,472)
Use of (Additions to) Reserve Funds	\$ 3,809,015	\$ (3,616,007)	\$ (980,682)	\$ 11,510,755	\$ (4,002,831)	\$ 12,597,154	\$ 15,319,770	\$ (7,618,837)	\$ 11,616,472

NOTE: The Administrative Services Group (ASG) budget was included in the Presbyterian Mission Agency (PMA) budget in 2020. Starting in 2021, the ASG budget was separated from the PMA budget. Due to this change in budgeting, certain amounts in the 2020 comparative numbers have been reclassified to conform to the 2021 presentation.