PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the Years Ended December 31, 2023 and 2022

And Report of Independent Auditor

Cherry Bekaert LLP

Your Guide Forward

PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION

TABLE OF CONTENTS

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

Audit Committee
Presbyterian Church (U.S.A.), A Corporation
Louisville, Kentucky

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Presbyterian Church (U.S.A.), A Corporation which comprises the consolidated statements of financial position as of December 31, 2023 and 2022, 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.

In our opinion, the accompanying consolidated financial statements 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, 2023 and 2022, and the changes in their consolidated net assets and their consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Presbyterian Church (U.S.A.), A Corporation and its constituent corporations, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The consolidated financial statements as of December 31, 2023, were audited by MCM CPAs & Advisors LLP, which was acquired by Cherry Bekaert LLP as of October 31, 2023, and whose report dated April 24, 2023, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Presbyterian Church (U.S.A.), A Corporation and its constituent corporations' ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Presbyterian Church (U.S.A.), A Corporation and its constituent corporations' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Presbyterian Church (U.S.A.), A Corporation and its constituent corporations' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information, as presented in the table of contents, is 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.

Cherry Bekaert LLP

Louisville, Kentucky
April 18, 2024

PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 5,642,925	$ 7,824,294
Beneficial interest in pooled investments held by the Foundation - short-term	89,650,344	80,878,971
Other investments and accrued income	79,241,283	74,860,767
Contributions receivable from congregations/mid-councils	2,187,303	2,482,627
Receivables from related entities, net	2,452,637	2,229,114
Due from the Foundation	390,772	314,882
Other accounts receivable	682,118	564,863
Inventories, prepaid expenses and other assets	702,629	660,216
Right-of-use asset - leases	624,615	946,019
Property and equipment, net of accumulated depreciation	15,396,705	15,321,594
Beneficial interest in pooled investments held by the Foundation - long-term	401,545,591	373,960,388
Other investments held by the Foundation	9,139,761	6,927,337
Beneficial interest in perpetual trusts	123,048,058	111,658,627
Total Assets	$ 730,704,741	$ 678,629,699
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 6,458,018	$ 5,658,705
Amounts received from congregations and designated for others	430,290	475,347
Amounts held for missionaries and committed for projects	6,264,011	6,226,759
Amount due to other agencies	9,481,449	8,746,278
Due to the Foundation - church loans	159,773	192,880
Deferred revenue	435,644	209,630
Lease liability	651,096	981,114
Other	52,259	20,757
Total Liabilities	23,932,540	22,511,470
Net Assets:		
Without donor restrictions		
Undesignated - General Mission	23,080,814	16,384,470
Undesignated - OGA per capita	7,413,029	8,407,920
Undesignated - Presbyterian Historical Society	2,718,609	2,438,938
Board designated	66,041,268	63,335,360
Total Net Assets Without Donor Restrictions	99,253,720	90,566,688
With donor restrictions	607,518,481	565,551,541
Total Net Assets	706,772,201	656,118,229
Total Liabilities and Net Assets	$ 730,704,741	$ 678,629,699

The accompanying notes to the consolidated financial statements are an integral part of these statements.

PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	2023			2022
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Total**
Revenues, Gains, and Other Support:				
Contributions:				
Congregations/mid-councils	$ 15,354,935	$ 3,224,481	$ 18,579,416	$ 19,128,495
Gifts, bequests and grants	527,793	7,856,022	8,383,815	7,051,082
Contributions of nonfinancial assets	25,000	-	25,000	345,000
Special giving and special offering	-	23,617,661	23,617,661	32,463,867
Total Contributions	15,907,728	34,698,164	50,605,892	58,988,444
Investment Return:				
Income from endowment funds held by the Foundation	$ 1,749,165	$ 9,772,732	11,521,897	9,819,694
Income from other investments	4,268,303	10,086	4,278,389	3,609,932
Realized (loss) gain on investments, net	(1,005,278)	668,649	(336,629)	(2,604,174)
Unrealized gain (loss) on investments, net	7,388,212	42,125,806	49,514,018	(112,009,194)
Change in value of beneficial interest in life income trusts	-	517,765	517,765	(856,425)
Total Investment Return	12,400,402	53,095,038	65,495,440	(102,040,167)
Interest income from loans	$ -	$ 15,721	15,721	21,331
The Hubbard Press	786,595	-	786,595	785,268
Sales of resources	693,614	-	693,614	961,050
Program services	5,093,071	2,984,046	8,077,117	6,847,977
Federal grant award	-	-	-	-
Other	(20,801)	24,527	3,726	299,629
Total Revenue Before Releases from Restriction	34,860,609	90,817,496	125,678,105	(34,136,468)
Net assets released from restrictions	48,850,556	(48,850,556)	-	-
Total Revenues, Gains, and Other Support	83,711,165	41,966,940	125,678,105	(34,136,468)
Expenses:				
Presbyterian Mission Agency	42,986,196	-	42,986,196	42,269,767
Office of the General Assembly	9,387,181	-	9,387,181	9,211,443
Presbyterian Historical Society	435,005	-	435,005	394,547
Administrative Services Group	22,215,751	-	22,215,751	17,283,965
Total Expenses	75,024,133	-	75,024,133	69,159,722
Change in net assets	8,687,032	41,966,940	50,653,972	(103,296,190)
Net assets, beginning of year	90,566,688	565,551,541	656,118,229	759,414,419
Net assets, end of year	$ 99,253,720	$ 607,518,481	$ 706,772,201	$ 656,118,229

The accompanying notes to the consolidated financial statements are an integral part of these statements.

PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support:			
Contributions:			
Congregations/mid-councils	$ 15,580,980	$ 3,547,515	$ 19,128,495
Gifts, bequests and grants	686,805	6,364,277	7,051,082
Contributions of nonfinancial assets	345,000	-	345,000
Special giving and special offering	-	32,463,867	32,463,867
Total Contributions	16,612,785	42,375,659	58,988,444
Investment Return:			
Income from endowment funds held by the Foundation	1,147,858	8,671,836	9,819,694
Income from other investments	3,603,323	6,609	3,609,932
Realized (loss) gain on investments, net	(1,216,280)	(1,387,894)	(2,604,174)
Unrealized (loss) gain on investments, net	(10,362,199)	(101,646,995)	(112,009,194)
Change in value of beneficial interest in life income trusts	-	(856,425)	(856,425)
Total Investment Return	(6,827,298)	(95,212,869)	(102,040,167)
Interest income from loans	-	21,331	21,331
The Hubbard Press	785,268	-	785,268
Sales of resources	961,050	-	961,050
Program services	4,352,490	2,495,487	6,847,977
Federal grant revenue	-	-	-
Other	273,831	25,798	299,629
Total Revenue Before Releases from Restriction	16,158,126	(50,294,594)	(34,136,468)
Net assets released from restrictions	46,909,435	(46,909,435)	-
Total Revenues, Gains, and Other Support	63,067,561	(97,204,029)	(34,136,468)
Expenses:			
Presbyterian Mission Agency	42,269,767	-	42,269,767
Office of the General Assembly	9,211,443	-	9,211,443
Presbyterian Historical Society	394,547	-	394,547
Administrative Services Group	17,283,965	-	17,283,965
Total Expenses	69,159,722	-	69,159,722
Change in net assets	(6,092,161)	(97,204,029)	(103,296,190)
Net assets, beginning of year	96,658,849	662,755,570	759,414,419
Net assets, end of year	$ 90,566,688	$ 565,551,541	$ 656,118,229

The accompanying notes to the consolidated financial statements are an integral part of these statements.

PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 50,653,972	$ (103,296,190)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,316,213	1,154,030
Contributions and revolving loan fund investment earnings restricted for long-term investment	(2,140,330)	(2,374,594)
Donated land and building	(25,000)	(345,000)
Realized and unrealized loss (gain) on investments, net	(49,177,389)	114,613,369
Change in beneficial interests in life income funds	(517,765)	856,425
Gain on disposal of property and equipment	-	(17,566)
Changes in operating assets and liabilities:		
Receivables from congregations / mid-councils	295,324	556,022
Due to/from Foundation	(108,997)	(265,367)
Other accounts receivable	(117,255)	98,887
Inventories, prepaid expenses and other assets	(42,413)	30,904
Right-of-use asset - leases	321,404	(946,019)
Accounts payable and accrued expenses	756,925	(1,481,904)
Amounts received from congregations/mid-councils	23,697	(1,096,251)
Amounts due to other agencies	735,171	(1,433,122)
Deferred revenue	226,014	(47,130)
Lease liability	(330,018)	981,114
Net cash flows from operating activities	1,869,553	6,987,608
Cash flows from investing activities:		
Purchases of investments	(60,600,302)	(79,910,313)
Sales of investments	55,790,102	69,711,498
Net repayments of receivables from related entities, mortgages and loans	(223,523)	44,846
Acquisition of property and equipment, net	(1,323,936)	(3,392,473)
Proceeds from sale of property	-	366,210
Maturities of beneficial interests in life income funds	166,407	197,103
Net cash flows from investing activities	(6,191,252)	(12,983,129)
Cash flows from financing activities:		
Contributions and revolving loan fund investment earnings restricted for long-term investment	2,140,330	2,374,594
Net cash flows from financing activities	2,140,330	2,374,594
Change in cash and cash equivalents	(2,181,369)	(3,620,927)
Cash and cash equivalents, beginning of year	7,824,294	11,445,221
Cash and cash equivalents, end of year	$ 5,642,925	$ 7,824,294
Supplemental disclosure of cash flow information:		
Donated stock	$ 80,783	$ 154,114
Property and equipment in accounts payable	$ 42,388	$ -

The accompanying notes to the consolidated financial statements are an integral part of these statements.

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.

The 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. The Board consists of fourteen (14) members elected by the General Assembly coming from the recommendations to the General Assembly Nominating Committee ("GANC") by the following entities or bodies: the Committee on the Office of the General Assembly, the PMA, the PCUSA Foundation ("Foundation"), the Board of Pensions of the Presbyterian Church (U.S.A.) ("Board of Pensions"), 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 and Gender Justice, f/k/a the Advocacy Committee for Women's Concerns of the PCUSA, as well as four (4) at-large members and the Stated Clerk of the General Assembly *ex officio*. The 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.

PCUSA, A Corporation is a tax-exempt religious corporation under Internal Revenue Code ("IRC") Section 501(c)(3).

Note 2—Basis of presentation and summary of significant accounting policies

Basis of Presentation – 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 ("U.S. GAAP"). 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.

Adoption of New Accounting Standard – In June 2016, the Financial Accounting Standards Board issued Accounting Standards Update 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 statement of income 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 was adopted effective January 1, 2023 with no impact to the financial statements.

Note 2—Basis of presentation and summary of significant accounting policies (continued)

Net Assets – 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 PMA Board. If the reserve falls below the minimum reserve requirement, further action could be taken by the PMA Board to undesignated 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–Undesignated – Presbyterian Historical Society ("PHS")* – Net assets that are not subject to donor-imposed restrictions which consist of the accumulation of PHS income.
>
> *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 OGA, or the PMA 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 these assets consist primarily of endowment funds, revolving loan funds, life income plans, and outside trusts.

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” of the Foundation believe that the carrying amount of its investments is a reasonable estimate of fair value as of December 31, 2023 and 2022. Since certain 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.

Contributions from Congregations – Contributions from congregations include amounts in-transit at year-end.

Note 2—Basis of presentation and summary of significant accounting policies (continued)

Allowance for Credit Losses – The allowance for per capita receivables, other receivables, and loan losses are maintained at a level considered by management to be adequate to provide for losses inherent in the portfolio. Management determines the adequacy of the allowance based upon payment history, experience rate of amounts written off, and current economic conditions. The allowance is increased by the provision for losses and reduced by amounts written off.

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, and undeveloped land. 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. The estimated useful lives for assets are as follows:

Buildings and improvements	15 to 30 years
Equipment	10 to 15 years
Furniture and fixtures	3 to 10 years

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. These properties are not considered to have a value due to their nature and have not been recorded in the consolidated financial statements. PCUSA, A Corporation is focused on transferring these assets to mission partners who are operating in country, however, it may not be possible in some instances to make transfers, due to economic, political or legal constraints on these assets.

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, 2023 and 2022.

Donated Goods and Services – Donations of materials, equipment and services are recorded in the accompanying consolidated financial statements at their estimated value at date of receipt. Contributions of donated services that require specialized skills and would typically need to be purchased if not provided by donation are recorded at their fair value in the period received. During the year ended December 31, 2023, PCUSA A Corporation received a donation of an HVAC system in the amount of $25,000 without donor restrictions. During the year ended December 31, 2022, PCUSA A Corporation received a donation of land and building in the amount of $345,000. The fair value was determined based on an appraisal of the property and there were no donor restrictions.

Note 2—Basis of presentation and summary of significant accounting policies (continued)

Leases – PCUSA A Corporation leases certain warehouse, office, and co-op space. PCUSA A Corporation determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (“ROU”) assets and lease liabilities on the consolidated statements of financial position.

ROU assets represent PCUSA A Corporation's right to use an underlying asset for the lease term and lease liabilities represent PCUSA A Corporation's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement based on the present value of lease payments over the lease term. As most of PCUSA A Corporation's leases do not provide an implicit rate, PCUSA uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. Utilization of a risk-free rate is a practical expedient allowed if no rate is implicit in the lease. Lease terms may include options to extend or terminate the lease when it is reasonably certain that option will be recognized. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For short-term leases (that is a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that PCUSA A Corporation is reasonably certain to exercise) a ROU asset and lease liability is not recognized, instead lease payments are recognized in the consolidated statements of activities and changes in net assets on a straight-line basis over the lease term and any variable lease payments are recognized when the obligation for those payments is incurred.

Lease agreements with lease and non-lease components are generally accounted for separately. PCUSA A Corporation has elected to account for the lease and non-lease components as a single lease component for all asset classes. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of non-lease components may be revised. These variable lease payments will be recognized in operating expenses in the period in which the obligation for those payments is incurred.

Revenue Recognition – PCUSA A Corporation recognizes contributions when cash, securities, or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met. PCUSA A Corporation also receives revenue from the sale of religious resources and registrations from various programs. Revenue from these sources is recognized when the performance obligation is satisfied which typically occurs at the point of sale of goods to or registration received from the customer. Payment occurs at the time of the sale of goods or when registration is made. Payment for conference center services can be at the time of reservation as a deposit, at check out, or upon payment of invoices.

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

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.

PCUSA, A Corporation has a policy allowing the proceeds from the sale of deaccessioned items to be used for collection acquisitions as well as for the direct care of the existing collection. "Direct care" is defined as those expenses incurred to support the preservation of the collection (conservation or restoration, for example).

Note 2—Basis of presentation and summary of significant accounting policies (continued)

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP 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 IRC. However, PCUSA, A Corporation is subject to federal income tax on any unrelated business taxable income.

U.S. GAAP prescribes 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, 2023 and 2022, and does not expect this to change in the next 12 months.

Subsequent Events – Management has performed an analysis of the activities and transactions subsequent to December 31, 2023 to determine the need for any adjustments to and/or disclosures within the audited consolidated financial statements for the year ended December 31, 2023. Management has performed their analysis through April 18, 2024, which is the date the consolidated financial statements were available to be issued.

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, 2023 and 2022 are as follows:

	2023	2022
Cash and cash equivalents	$ 5,642,925	$ 7,824,294
Beneficial interest in pooled investments held by the Foundation - short-term	89,650,344	80,878,971
Other investments and accrued income	79,241,283	74,860,767
Contributions receivable from congregations	2,187,303	2,482,627
Receivables from related entities, net	2,452,637	2,229,114
Due from Foundation	390,772	314,882
Other accounts receivable	682,118	564,863
Beneficial interest in pooled investments held by the Foundation - long-term	401,545,591	373,960,388
Other investment held by the Foundation	9,139,761	6,927,337
Beneficial interest in perpetual trusts	123,048,058	111,658,627
Total financial assets	713,980,792	661,701,870
Less amounts not available to be used within one year:		
Restricted by donors for use in future periods	258,765,820	229,584,176
Less net assets with purpose restrictions to be met in less than one year	(54,684,526)	(52,191,404)
Restricted by donors in perpetuity - endowments	226,986,161	225,444,801
Restricted by donors in perpetuity - outside trusts	118,268,480	107,396,814
Restricted by donors in perpetuity - life income trusts	3,498,020	3,125,750
Amounts unavailable to management without board's approval - board designated funds	66,041,268	63,335,360
Financial assets available to meet general expenditures within one year	$ 95,105,569	$ 85,006,373

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.

If a donor 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 considers all expenditures related to its ongoing activities as well as services undertaken to support those activities to be general expenditures. 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, 2023 and 2022 is as follows:

	2023	2022
Beneficial interest in pooled investments:		
Held by the Foundation:		
Short-term	$ 89,650,344	$ 80,878,971
Long-term	401,545,591	373,960,388
Total beneficial interest in pooled investments held by the Foundation	491,195,935	454,839,359
Other investments held by the Foundation:		
Shares in New Covenant mutual fund	9,139,761	6,927,337
Other investments:		
Cash equivalents	7,164,514	4,421,411
U.S. treasury securities	27,144,145	25,972,986
U.S. agency securities	2,144,706	2,767,715
Corporate debt securities	28,312,777	26,234,209
Mortgage-backed securities	172,639	304,760
Equity securities	2,350,236	3,400,761
Presbyterian investment and loan program denominational account receipts	11,952,266	11,758,925
Total other investments	79,241,283	74,860,767
Total investments	$ 579,576,979	$ 536,627,463

The Foundation's investment portfolio as of December 31, 2023 and 2022 comprised the following types of investments:

	2023	2022
Preferred and common stock	51%	49%
Fixed income	19%	20%
Real estate	10%	9%
Private equity	20%	22%
	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 statements 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 contributions of $38,596 and fair value adjustments of $10,833,069 and contributions of $2,445,233 and fair value adjustments of ($25,449,688) during the years ended December 31, 2023 and 2022, respectively, is recorded in the consolidated statements of activities and changes in net assets.

PCUSA, A Corporation is a named beneficiary in certain trusts and wills. Conditional promises to give are not recognized as revenue until the donors' conditions are substantially met. These testamentary gifts are treated as conditional promises to give and not recognized as contributions. If the value of the bequest is not known or cannot be reasonably estimated, no amounts are recorded until amounts can be estimated with reasonable accuracy.

Note 6—Endowment composition

In accordance with the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), PCUSA, A Corporation 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.

Note 6—Endowment composition (continued)

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.

The current policy calls for a 4.20% 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% (based on the December 31, 2022 market value) and 3.1% (based on the December 31, 2021 market value) in 2023 and 2022, 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 an external advisor, Outsourced Chief Investment Officer, who is responsible for managers with expertise and successful histories in the management of specific asset classes.

The Trustees' role is one of setting and reviewing policy benchmarks, return and risks. The Trustees also retain, monitor and evaluate its Outsourced Chief Investment Advisor who has the responsibility for due diligence, hiring, and firing of investment managers. It is the Trustees' desire to find ways to invest these funds in accordance with the social witness principles of PCUSA, A Corporation. 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 target rate of return of 6.99%. 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:

2023	With Donor Restrictions
Donor-restricted endowment funds:	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ 226,988,116
Accumulated investment gains	193,161,011
Total endowment net assets	420,149,127
Net assets other than endowment	187,369,354
Total net assets	$ 607,518,481

2022	With Donor Restrictions
Donor-restricted endowment funds:	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ 225,444,799
Accumulated investment gains	165,847,885
Total endowment net assets	391,292,684
Net assets other than endowment	174,258,857
Total net assets	$ 565,551,541

Changes in endowment net assets for the years ended December 31, 2023 and 2022:

	With Donor Restrictions
Beginning balance, January 1, 2023	$ 391,292,684
Investment return	30,641,629
Contributions	2,140,330
Appropriation of endowment pursuant to spending policy	(3,925,516)
Ending balance, December 31, 2023	$ 420,149,127
Beginning balance, January 1, 2022	$ 473,928,099
Investment return	(81,920,927)
Contributions	2,374,594
Appropriation of endowment pursuant to spending policy	(3,089,082)
Ending balance, December 31, 2022	$ 391,292,684

Note 6—Endowment composition (continued)

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.

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, 2023 and 2022, fund with deficiencies of $10,581,316 and $13,790,411, respectively, were reported in net assets with donor restrictions.

	2023	2022
Fair value of underwater endowment funds	$ 50,656,893	$ 58,238,138
Original endowment gift amount	61,238,209	72,028,549
Deficiencies of underwater endowment funds	$ (10,581,316)	$ (13,790,411)

Note 7—Receivables from related entities

A summary of the activity relating to Per Capita apportionments, PCUSA store, unsecured student loans, and other related party entities during the years ended December 31, 2023 and 2022, respectively, is as follows:

	2023	2022
Receivables at January 1,	$ 2,229,114	$ 2,273,960
Apportionments and other	21,684,244	21,396,773
Collections of apportionments and other	(19,423,757)	(19,567,814)
Loan repayments	(90,694)	(115,151)
Receivables at December 31,	4,398,907	3,987,768
Less allowance for loan loss	(380,578)	(383,011)
Less allowance for uncollectible apportionments	(1,565,692)	(1,375,643)
Net receivables at December 31,	$ 2,452,637	$ 2,229,114

Note 8—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, 2023 and 2022 were $17,100 and $16,157, respectively, and the related allocated allowances for loan losses at December 31, 2023 and 2022 were $16,245 and $15,349, respectively, resulting in no additional provision for loans in December 31, 2023 and 2022. There was no interest received by PCUSA, A Corporation, on the impaired loans during 2023 and 2022. The total average impaired loan balances were $16,629 and $16,893 at December 31, 2023 and 2022, respectively.

Note 9—Property and equipment

The components of property and equipment, net at December 31, 2023 and 2022 are as follows:

	2023	2022
Land	$ 2,406,657	$ 2,406,657
Buildings and building improvements	45,598,607	45,120,705
Equipment	13,495,109	12,756,955
Furniture and fixtures	709,053	709,053
Construction in progress	580,534	405,266
Less accumulated depreciation	(47,393,255)	(46,077,042)
	$ 15,396,705	$ 15,321,594

Depreciation expense for the years ended December 31, 2023 and 2022 was $1,316,212 and $1,154,030, respectively.

Note 10—Leases

PCUSA, A Corporation has operating leases for warehouse, office and co-op space with remaining lease terms ranging from 4 to 26 months. As of December 31, 2023, assets recorded under operating leases were $624,615 and lease liabilities were $651,096.

The components of lease expense are as follows:

Year Ended December 31, 2023		
Operating, leases, included in operating expenses	$	411,953
Short-term leases, included in operating expenses		78,513
Total lease costs	$	490,466

Other information related to leases is as follows:

Year Ended December 31, 2023	
Weighted average remaining lease term - operating leases	20.94 months
Weighted average remaining discount rate - operating leases	1.75%

Total rent expense for these operating leases for the years ended December 31, 2023 and 2022 was approximately $490,000 and $472,000, respectively. Future minimum annual lease commitments with initial terms of more than one year are as follows:

Years Ending December 31,		
2024	$	424,061
2025		198,804
2026		33,134
	$	655,999
Less present value discount		4,903
	$	651,096

Note 11—Benefits data

Substantially all employees of PCUSA, A Corporation participate in the Benefits Plan of the Presbyterian Church (U.S.A.) (the "Benefits Plan") which is administered by 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 $9,878,074,000 and $9,149,352,000 at December 31, 2023 and 2022, respectively. The defined benefit pension plan's total accumulated plan benefit obligations, as reported by the Board of Pensions, were $6,300,556,000 and $6,093,484,000 at December 31, 2023 and 2022, respectively. Since the Benefits Plan is a Church Plan under the IRC, 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. All PMA/ASG lay staff and OGA lay non-exempt staff receive an employer contribution of 4% of base salary. Contributions to the lay equalization were $-0- for both 2023 and 2022; and 403b contributions were $686,113 and $631,388 for 2023 and 2022, respectively.

PCUSA, A Corporation's expenses for the plans for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Administered by Board of Pensions:		
Pension plan	$ 2,247,469	$ 2,098,577
Death and disability plan	274,849	261,894
Major medical plan	5,666,406	5,174,739
	8,188,724	7,535,210
Administered by others:		
Retirement savings plan - ER 403(b) contribution	686,113	631,388
	686,113	631,388
	$ 8,874,837	$ 8,166,598

Note 12—Concentration of risks

Revenue Risk – One of PCUSA, A Corporation's sources 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 166 Presbyteries. The following is a summary of the contributions by each of the Synods during the years ended December 31, 2023 and 2022:

Synod	States Represented	2023	2022
Alaska-Northwest	Alaska, Washington	$ 546,905	$ 505,909
Covenant	Michigan, Ohio	1,737,231	2,157,189
Lakes and prairies	North Dakota, South Dakota, Minnesota, Wisconsin, Iowa, Nebraska, Montana, Michigan	1,628,979	2,095,709
Lincoln trails	Indiana, Illinois	1,198,902	1,586,149
Living waters	Kentucky, Tennessee, Mississippi, Alabama, Arkansas, Missouri	1,120,186	1,377,817
Mid-America	Kansas, Missouri, Illinois	608,265	740,220
Mid-Atlantic	Maryland. Virginia, North Carolina, District of Columbia, West Virginia	2,922,551	3,635,531
Northeast	New York, Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, Maine, New Jersey, Delaware	2,317,733	2,603,126
Pacific	California, Nevada, Oregon, Idaho, Washington	1,435,197	1,758,476
Puerto Rico	Puerto Rico	31,351	37,160
South Atlantic	Florida, Georgia, South Carolina	2,333,045	3,185,856
Southern California/Hawaii	Hawaii, California	976,979	1,169,823
Southwest	Arizona, New Mexico, Utah	418,029	468,307
The Rocky Mountains	New Mexico, Colorado, Wyoming, Montana, Nebraska, Idaho	586,706	581,767
The Sun	Texas, Arkansas, Louisiana	1,495,304	2,772,892
Trinity	West Virginia, Pennsylvania	2,132,759	3,264,693
		21,490,122	27,940,624
Individuals and other church-related		8,818,500	12,011,133
		$ 30,308,622	$ 39,951,757

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

U.S. GAAP defines and establish a framework for measuring fair value and expand disclosures about fair value measurements. U.S. 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.

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 Presbyterian Church (U.S.A.) 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)

The components of the individual investments within these funds are not readily determinable. The estimated fair value is based on valuations provided by the investment managers at the Foundation. Management has determined that the net asset value ("NAV") is an appropriate estimate of the fair value of these investments at December 31, 2023, based on the fact that the investments in the unitized pool are audited and accounted for at fair value by the administrators of the respective investments at the Foundation. Management believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because these investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Such differences could be material.

At December 31, 2023 and 2022, the underlying investments of the beneficial interests in pooled investments consist of the following asset classes:

	2023	2022
Stock	51%	49%
Fixed income	19%	20%
Real estate	10%	9%
Private equity	20%	22%
	100%	100%

Withdrawals are available within 90 days with prior written notice. There are no unfunded commitments. 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 does not have the ability to redeem the investment within 90 days (Level 3 inputs - market).

Note 13—Fair value (continued)

Assets Measured on a Recurring Basis:

2023	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value
Assets:					
Beneficial interest in pooled investments held by the Foundation *	$ 491,195,935	$ -	$ -	$ -	$ 491,195,935
Other investments held by the Foundation:					
Shares in new covenant mutual fund	9,139,761	9,139,761	-	-	-
Other investments:					
Cash equivalents	7,164,514	7,164,514	-	-	-
U.S. treasury securities	27,144,145	27,144,145	-	-	-
U.S. agency securities	2,144,706	-	2,144,706	-	-
Corporate debt securities	28,312,777	-	28,312,777	-	-
Mortgage-backed securities	172,639	-	172,639	-	-
Equity securities	2,350,236	-	2,350,236	-	-
ILP denominational notes	11,952,266	-	11,952,266	-	-
Total investments	579,576,979	43,448,420	44,932,624	-	491,195,935
Beneficial interest in perpetual trusts	123,048,058	-	-	123,048,058	-
	$ 702,625,037	$ 43,448,420	$ 44,932,624	$ 123,048,058	$ 491,195,935

* In accordance with FASB Accounting Standards Codification Subtopic 820-10, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

Note 13—Fair value (continued)

Assets Measured on a Recurring Basis:

2022	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value
Assets:					
Beneficial interest in pooled investments held by the Foundation	$ 454,839,360	$ -	$ -	$ -	$ 454,839,360
Other investments held by the Foundation:					
Shares in new covenant mutual fund	6,927,337	6,927,337	-	-	-
Other investments:					
Cash equivalents	4,421,411	4,421,411	-	-	-
U.S. treasury securities	25,972,986	25,972,986	-	-	-
U.S. agency securities	2,767,714	-	2,767,714	-	-
Corporate debt securities	26,234,209	-	26,234,209	-	-
Mortgage-backed securities	304,760	-	304,760	-	-
Equity securities	3,400,761	-	3,400,761	-	-
ILP denominational notes	11,758,925	-	11,758,925	-	-
Total investments	536,627,463	37,321,734	44,466,369	-	454,839,360
Beneficial interest in perpetual trusts	111,658,627	-	-	111,658,627	-
	$ 648,286,090	$ 37,321,734	$ 44,466,369	$ 111,658,627	$ 454,839,360

Note 13—Fair value (continued)

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, 2023 and 2022:

	Beneficial Interest in Perpetual Trusts
Balance, January 1, 2022	$ 135,519,508
Total realized and unrealized gains and losses	(26,306,115)
Contributions	2,445,234
Balance, December 31, 2022	111,658,627
Total realized and unrealized gains and losses	11,350,835
Contributions	38,596
Balance, December 31, 2023	$ 123,048,058

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. PCUSA, A Corporation changed the allocation method of indirect costs that benefit multiple functional areas to a simplified method that is based on percentage of budget for the 2023-2024 budget cycle. The calculated allocation percentages, using two years of the most recent data, for PMA and OGA are 80% and 20%, respectively.

Expenses by functional classification for the year ended December 31, 2023 consist of the following:

	Program				
	Presbyterian Mission Agency	Office of the General Assembly	Management and general	Fundraising	Total
Cost of sales	$ 300,091	$ -	$ -	$ -	$ 300,091
Salaries and benefits	25,135,531	3,681,449	5,643,674	2,634,714	37,095,368
Travel	1,022,171	302,866	213,029	191,158	1,729,224
Meetings	413,312	80,582	42,749	36,668	573,311
Support costs and administration	7,998,547	895,357	1,886,693	1,228,576	12,009,173
Depreciation	715,412	306,065	235,421	59,314	1,316,212
Mission/ministry	4,671,699	1,165,634	421,664	654,979	6,913,976
Resource development	286,865	-	-	-	286,865
Grants	14,799,913	-	-	-	14,799,913
	$ 55,343,541	$ 6,431,953	$ 8,443,230	$ 4,805,409	$ 75,024,133

Note 14—Functional classification of expenses (continued)

Expenses by functional classification for the year ended December 31, 2022 consist of the following:

	Program				
	Presbyterian Mission Agency	Office of the General Assembly	Management and general	Fundraising	Total
Cost of sales	$ 553,381	$ -	$ -	$ -	$ 553,381
Salaries and benefits	24,885,451	3,393,181	4,394,469	2,394,698	35,067,799
Travel	668,253	230,084	860,969	65,406	1,824,712
Meetings	150,867	10,253	14,633	6,185	181,938
Support costs and administration	7,711,629	828,667	1,893,113	1,285,725	11,719,134
Depreciation	647,007	235,686	216,464	54,873	1,154,030
Mission/ministry	4,157,348	1,040,046	505,211	705,244	6,407,849
Resource development	270,230	-	-	-	270,230
Grants	11,973,645	-	7,004	-	11,980,649
	$ 51,017,811	$ 5,737,917	$ 7,891,863	$ 4,512,131	$ 69,159,722

The amount of fundraising expenses as a percentage of funds raised was 15% and 11% for the years ended December 31, 2023 and 2022, respectively.

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 a percentage of deductibles on commercial insurance and for certain classes of uninsured losses. Various General Assembly-level agencies and corporations are included in the SI 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 $8,691,504 and $7,466,233 at December 31, 2023 and 2022, 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 $357.3 million and $332.9 million and investments held by the Foundation totaled $103.5 million and $92.2 million on behalf of the General Assembly at December 31, 2023 and 2022, 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.

Board of Pensions – PCUSA, A Corporation serves as a receiving agent for funds designated for the Board of Pensions. PCUSA, A Corporation received $1,070,848 and $1,207,129 from congregations for the years ended December 31, 2023 and 2022, respectively, of which $302,378 and $351,659 was yet to be remitted to the Board of Pensions, respectively.

ILP – PCUSA, A Corporation leases office space and provides administrative support to ILP by contract. For the years ended December 31, 2023 and 2022, administrative support charged to ILP was $265,032 and $257,316, respectively. Office space charged to ILP was $81,209 and $73,010 for 2023 and 2022, respectively.

ILP issued a secured loan to PCUSA, A Corporation for the benefit of the Presbyterian Historical Society during 2015. The balance was $159,773 and $192,880 as of December 31, 2023 and 2022, respectively. The terms of the agreement call for 120 payments, with an interest rate of 4.00% 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. This commitment was raised to $10,000,000 in 2019. As of December 31, 2023 and 2022, investments with ILP were $11,935,210 and $11,747,223, respectively. At December 31, 2023 and 2022, fixed interest rates ranged from 0.75% to 3.2% and 0.55% to 3.20%, respectively, and the adjustable rate was 1.98% in 2023 and 1.54% 2022.

PPC – PCUSA, A Corporation leases office space to PPC under an operating lease. For the years ended December 31, 2023 and 2022, rental income was $145,256 and $177,034, respectively. During 2022 the leases were renewed through December 31, 2024. Other related expenses charged to PPC for telephone, postage, and copy services were $46,805 and $50,556 in 2023 and 2022, respectively.

PPC pays PCUSA for supplemental warehousing and distribution services. Fees paid by PPC under this agreement in 2023 and 2022 were $63,385 and $78,676 for fulfillment fees and $62,907 and $53,136 for freight, respectively.

Note 16—Related party transactions

On February 9, 2018 the Presbyterian Mission Agency ("PMA") Board of Directors approved the transfer of Congregational Ministries Publishing ("CMP") of PMA to Presbyterian Publishing Corporation ("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 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 2023 and 2022, PPC received no amounts from PCUSA for English Language Support and $253,424 and $249,996 from PCUSA 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 PCUSA, A Corporation has been reimbursed for December 31, 2023 and 2022 are as follows:

	2023	2022
Foundation	$ 325,182	$ 326,993
Board of pensions	650,011	652,912
ILP	135,646	124,272
PPC	106,978	133,704
	$ 1,217,817	$ 1,237,881

Note 17—Operating leases

PCUSA, A Corporation, leases office space within its corporate headquarters to related (see Note 16) and non-related entities. The leases expire in varying terms through 2027. Future minimum lease income to be received under non-cancelable agreements is as follows:

Years Ending December 31,	
2024	$ 902,280
2025	719,223
2026	757,037
2027	700,899
	$ 3,079,439

Note 18—Net assets without donor restrictions

At times, the PMA Board, COGA, 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, 2023 and 2022:

	2023	2022
Mission work	$ 15,697,433	$ 17,528,675
Property and equipment fund	15,156,361	14,860,810
Church loans	9,708,738	8,805,405
Self-insurance fund	8,691,504	7,466,233
Creative investment	7,101,607	6,990,811
Stony Point	3,014,822	2,812,561
Hubbard Press	2,634,870	2,548,969
Office of General Assembly and Historical Society	3,046,636	1,418,167
Specific property fund	989,297	903,729
Total net assets without donor restrictions	$ 66,041,268	$ 63,335,360

Note 19—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, 2023 and 2022:

	2023	2022
World Mission	$ 93,991,489	$ 88,286,475
Compassion, Peace, Justice	42,724,696	39,564,926
Presbyterian Mission Agency	40,233,412	50,271,604
Executive Director's Office	29,550,294	5,597,053
Theology, Formation, Evangelism	25,968,944	23,046,933
Racial Equity and Women's Intercultural Ministry	18,781,862	16,810,870
Administrative Services Group	2,932,979	2,505,171
Other	2,696,369	2,363,524
Presbyterian Historical Society	1,099,920	749,564
Office of the General Assembly	420,018	77,958
Stony Point	338,033	275,029
Communication	27,804	35,069
Net assets with donor restrictions due to time or purpose	$ 258,765,820	$ 229,584,176

Note 19—Net assets with donor restrictions (continued)

PCUSA, A Corporation's net assets restricted in perpetuity are restricted for the following purposes at December 31, 2023 and 2022:

	2023	2022
Outside Trusts	$ 118,268,480	$ 107,396,814
Presbyterian Mission Agency	118,108,448	130,316,616
World Mission	47,917,816	47,765,406
Theology, Formation, Evangelism	21,710,143	21,629,752
Executive Director's Office	18,024,628	4,255,423
Racial Equity and Women's Intercultural Ministry	13,560,309	13,534,538
Compassion, Peace, Justice	5,887,156	5,847,635
Other	4,537,600	4,560,155
Presbyterian Historical Society	447,263	447,263
Administrative Services Group	213,763	213,763
Office of the General Assembly	77,055	-
Net assets with donor restrictions in perpetuity	$ 348,752,661	$ 335,967,365

Net assets released from restrictions during the years ended December 31, 2023 and 2022 consist of the following:

	2023	2022
World Mission	$ 12,202,723	$ 11,054,392
Compassion, Peace, Justice	11,812,181	10,020,697
Administrative Services Group	8,397,669	8,457,375
Theology, Formation, Evangelism	5,417,081	3,509,146
Presbyterian Mission Agency	4,100,997	6,128,653
Racial Equity and Women's Intercultural Ministry	3,456,480	2,032,485
Executive Director's Office	1,194,456	134,163
Communication	1,024,679	965,424
Other	848,273	4,453,545
Stony Point	246,883	146,550
Office of the General Assembly	75,000	7,005
Presbyterian Historical Society	74,134	-
Total net assets released from restrictions	$ 48,850,556	$ 46,909,435

SUPPLEMENTARY INFORMATION

PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	General Mission	Presbyterian Center Louisville/ Property and Equipment	Hubbard Press	Jinishian	Presbyterian Disaster Assistance	Self Development of People	Presbyterian Hunger Program	Stony Point	Specific Property	Self Insurance	OGA Per Capita	Presbyterian Historical Society	Reclass/ Elimination	Total
ASSETS:														
Cash and cash equivalents	$ 3,785,325	$ -	$ 1,788	$ -	$ -	$ -	$ -	$ 808,417	$ -	$ -	$ 893,670	$ 153,725	$ -	$ 5,642,925
Beneficial interest in pooled investments held	-	-	-	-	-	-	-	-	-	-	-	-		
by the Foundation - short-term	64,890,123	3,857,003	-	106,916	-	-	-	-	976,284	9,235,836	6,544,034	4,040,148	-	89,650,344
Other investments and accrued income	38,461,194	-	1,564,306	303,005	32,746,464	3,039,096	2,113,180	-	-	-	981,853	32,185	-	79,241,283
Contributions receivable from congregations	2,150,434	-	-	-	-	-	-	-	-	-	(4,863)	41,732	-	2,187,303
Receivables from related entities, net	1,022,916	718,771	80,384	-	-	-	-	29,260	-	-	1,196,616	123,461	(718,771)	2,452,637
Due from other funds	1,558,297	(420,855)	704,442	398,748	(824,238)	(113,172)	214,862	-	13,013	(544,332)	(444,608)	(542,157)	-	-
Due from the Foundation FMS	390,772	-	-	-	-	-	-	-	-	-	-	-	-	390,772
Other accounts receivable	544,108	-	-	-	-	-	-	-	-	-	138,010	-	-	682,118
Inventories, prepaid expenses and other assets	374,673	-	234,491	-	-	-	-	78,165	-	-	15,300	-	-	702,629
Right of use asset - leases	624,615	-	-	-	-	-	-	-	-	-	-	-	-	624,615
Property and equipment, net of accumulated depreciation	-	11,001,442	59,937	-	-	-	-	3,014,822	-	-	451,441	869,063	-	15,396,705
Beneficial interest in pooled investments held	-	-	-	-	-	-	-	-	-	-	-	-		
by the Foundation - long-term	364,741,497	-	-	36,231,688	-	-	-	-	-	-	-	572,406	-	401,545,591
Other investments held by Foundation	9,139,761	-	-	-	-	-	-	-	-	-	-	-	-	9,139,761
Beneficial interest in perpetual trusts	123,048,058	-	-	-	-	-	-	-	-	-	-	-	-	123,048,058
Total Assets	$ 610,731,773	$ 15,156,361	$ 2,645,348	$ 37,040,357	$ 31,922,226	$ 2,925,924	$ 2,328,042	$ 3,930,664	$ 989,297	$ 8,691,504	$ 9,771,453	$ 5,290,563	$ (718,771)	$ 730,704,741
LIABILITIES AND NET ASSETS														
Liabilities:														
Accounts payable and accrued expenses	$ 6,403,227	$ -	$ 10,823	$ -	$ 564	$ -	$ -	$ 734,749	$ -	$ -	$ 27,426	$ -	$ (718,771)	$ 6,458,018
Amounts received from congregations and designated														
for others	430,290	-	-	-	-	-	-	-	-	-	-	-	-	430,290
Amounts held for missionaries and committed for projects	6,054,038	-	-	-	-	98,750	-	111,223	-	-	-	-	-	6,264,011
Amount due to other agencies	9,481,449	-	-	-	-	-	-	-	-	-	-	-	-	9,481,449
Due to the Foundation church loans	-	-	-	-	-	-	-	-	-	-	-	159,773	-	159,773
Deferred revenue	319,644	-	-	-	-	-	-	-	-	-	116,000	-	-	435,644
Lease liability	651,096	-	-	-	-	-	-	-	-	-	-	-	-	651,096
Other	15,181	-	(345)	-	-	-	-	-	-	-	37,423	-	-	52,259
Total Liabilities	23,354,925	-	10,478	-	564	98,750	-	845,972	-	-	180,849	159,773	(718,771)	23,932,540
Net Assets:														
Without donor restrictions:														
Undesignated	23,080,814	-	-	-	-	-	-	-	-	-	7,413,029	2,718,609	-	33,212,452
Designated	31,877,436	15,156,361	2,634,870	-	576,907	28,786	24,649	3,014,822	989,297	8,691,504	2,177,575	869,061	-	66,041,268
Total Net Assets Without Donor Restrictions	54,958,250	15,156,361	2,634,870	-	576,907	28,786	24,649	3,014,822	989,297	8,691,504	9,590,604	3,587,670	-	99,253,720
With donor restrictions	532,418,598	-	-	37,040,357	31,344,755	2,798,388	2,303,393	69,870	-	-	-	1,543,120	-	607,518,481
Total Net Assets	587,376,848	15,156,361	2,634,870	37,040,357	31,921,662	2,827,174	2,328,042	3,084,692	989,297	8,691,504	9,590,604	5,130,790	-	706,772,201
Total Liabilities and Net Assets	$ 610,731,773	$ 15,156,361	$ 2,645,348	$ 37,040,357	$ 31,922,226	$ 2,925,924	$ 2,328,042	$ 3,930,664	$ 989,297	$ 8,691,504	$ 9,771,453	$ 5,290,563	$ (718,771)	$ 730,704,741

PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2023

	General Mission	Presbyterian Center Louisville/ Property and Equipment	Hubbard Press	Jinishian	Presbyterian Disaster Assistance	Self Development of People	Presbyterian Hunger Program	Stony Point	Specific Property	Self Insurance	OGA Per Capita	Presbyterian Historical Society	Reclass/ Elimination	Total
Revenues, Gains, and Other Support:														
Contributions:														
Congregations	$ 10,411,687	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,167,729	$ -	$ -	$ 18,579,416
Gifts, bequests and grants	7,744,744	-	-	44,738	-	-	-	3,016	-	-	93,263	523,054	(25,000)	8,383,815
Contributions of nonfinancial assets	-	-	-	-	-	-	-	25,000	-	-	-	-	-	25,000
Special giving and special offering	8,845,065	-	-	-	11,195,534	1,286,126	2,290,936	-	-	-	-	-	-	23,617,661
Total Contributions	27,001,496	-	-	44,738	11,195,534	1,286,126	2,290,936	28,016	-	-	8,260,992	523,054	(25,000)	50,605,892
Investment Return and Other Support:														
Income from endowments held by Foundation	10,218,919	66,920	-	715,822	-	-	-	923	21,401	152,208	192,974	152,730	-	11,521,897
Income on investments	3,206,911	-	42,481	8,234	834,687	76,396	64,491	-	-	-	41,613	3,576	-	4,278,389
Realized net gain (loss)	200,078	-	(26,532)	33,094	(500,425)	(41,534)	(36,057)	-	-	-	25,560	9,187	-	(336,629)
Unrealized net gain (loss)	42,802,330	438,656	57,103	2,990,844	1,093,763	96,794	87,467	-	73,298	1,094,584	467,992	311,187	-	49,514,018
Changes in value of beneficial interest	517,765	-	-	-	-	-	-	-	-	-	-	-	-	517,765
Total Investment Return	56,946,003	505,576	73,052	3,747,994	1,428,025	131,656	115,901	923	94,699	1,246,792	728,139	476,680	-	65,495,440
Interest income from loans	15,721	-	-	-	-	-	-	-	-	-	-	-	-	15,721
Hubbard Press	-	-	786,595	-	-	-	-	-	-	-	-	-	-	786,595
Sales of resources	565,204	-	-	-	610	-	220	-	-	-	115,989	11,591	-	693,614
Program services	7,097,977	12,300	-	-	1,992	-	-	1,395,597	-	-	46,474	36,953	(514,176)	8,077,117
Other	1,722,270	843,577	22	(69,967)	(1,712,085)	(13,729)	(96,870)	4,499	(9,131)	-	158,157	20,560	(843,577)	3,726
Total Revenues, Gains, and Other Support	93,348,671	1,361,453	859,669	3,722,765	10,914,076	1,404,053	2,310,187	1,429,035	85,568	1,246,792	9,309,751	1,068,838	(1,382,753)	125,678,105
Expenses:														
Cost of sales	202,213	-	103,752	-	429	-	11	-	-	-	(6,314)	-	-	300,091
Salaries and benefits	27,897,133	-	444,911	179,760	1,038,592	465,204	677,280	889,697	-	-	5,222,839	279,952	-	37,095,368
Travel	1,118,682	-	-	25,002	144,975	30,380	32,539	25,012	-	-	342,434	10,200	-	1,729,224
Meetings	393,792	-	-	10,144	24,993	49,114	7,349	-	-	-	80,582	7,337	-	573,311
Support costs and administration	10,078,406	-	199,617	7,119	69,791	5,685	12,465	766,178	-	21,521	2,126,381	104,763	(1,382,753)	12,009,173
Depreciation	-	784,918	25,488	-	-	-	-	192,319	-	-	216,369	97,118	-	1,316,212
Mission/ministry	3,101,822	-	-	1,593,803	658,008	567	-	101,451	-	-	1,421,765	36,560	-	6,913,976
Resource development	102,313	-	-	-	179,253	-	5,299	-	-	-	-	-	-	286,865
Grants	7,673,839	-	-	-	5,301,491	603,272	1,221,311	-	-	-	-	-	-	14,799,913
Total Expenses	50,568,200	784,918	773,768	1,815,828	7,417,532	1,154,222	1,956,254	1,974,657	-	21,521	9,404,056	535,930	(1,382,753)	75,024,133
Change in net assets before transfers	42,780,471	576,535	85,901	1,906,937	3,496,544	249,831	353,933	(545,622)	85,568	1,225,271	(94,305)	532,908	-	50,653,972
Adjustment /Transfer	(2,245,085)	(280,984)	-	490,223	269,671	61,705	142,414	737,055	-	-	755,908	69,093	-	-
Change in net assets	40,535,386	295,551	85,901	2,397,160	3,766,215	311,536	496,347	191,433	85,568	1,225,271	661,603	602,001	-	50,653,972
Beginning net assets	546,841,462	14,860,810	2,548,969	34,643,197	28,155,447	2,515,638	1,831,695	2,893,259	903,729	7,466,233	8,929,001	4,528,789	-	656,118,229
Net surplus/(deficit)	40,535,386	295,551	85,901	2,397,160	3,766,215	311,536	496,347	191,433	85,568	1,225,271	661,603	602,001	-	50,653,972
Ending net assets	$ 587,376,848	$ 15,156,361	$ 2,634,870	$ 37,040,357	$ 31,921,662	$ 2,827,174	$ 2,328,042	$ 3,084,692	$ 989,297	$ 8,691,504	$ 9,590,604	$ 5,130,790	$ -	$ 706,772,201