

Presbyterian Church (U.S.A.), A Corporation
Consolidated Financial Statements
Years Ended December 31, 2021 and 2020

Presbyterian Church (U.S.A.), A Corporation
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Years Ended December 31, 2021 and 2020

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Independent Auditor's Report

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

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Presbyterian Church (U.S.A.), A Corporation, and its constituent corporations, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, 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, 2021 and 2020, and the changes in their net assets and their 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

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.

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Independent Auditor's Report (Continued)

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 GAAS 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 GAAS, 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 consolidating statement of financial position as of December 31, 2021, and the consolidating statement of activities and changes in net assets for the year then ended are 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.



Louisville, Kentucky
April 21, 2022

Presbyterian Church (U.S.A.), A Corporation
Consolidated Statements of Financial Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 11,445,221	\$ 6,833,383
Beneficial interest in pooled investments held by the Foundation - short-term	92,677,334	85,029,556
Other investments and accrued income	65,299,107	66,220,184
Contributions receivable from congregations	3,038,649	2,613,884
Receivables from related entities, net	2,273,960	2,978,393
Due from the Foundation - FMS	81,326	-
Other accounts receivable	663,750	700,342
Inventories, prepaid expenses and other assets	691,120	807,093
Property and equipment, net of accumulated depreciation	12,563,112	11,351,410
Beneficial interest in pooled investments held by the Foundation - long-term	453,352,933	389,013,420
Other investments held by the Foundation	6,905,290	6,904,212
Beneficial interest in perpetual trusts	135,519,508	120,975,266
	<u>\$ 784,511,310</u>	<u>\$ 693,427,143</u>
Liabilities and net assets		
Liabilities		
Accounts payable and accrued expenses	\$ 6,616,926	\$ 6,791,481
Amounts received from congregations and designated for others	485,031	370,032
Amounts held for missionaries and committed for projects	7,248,173	7,487,314
Amount due to other agencies	10,179,400	9,085,007
Due to the Foundation - church loans	224,691	282,549
Refundable advance - Paycheck Protection Program	-	8,850,500
Deferred revenue	256,760	306,576
Other	85,910	16,391
	<u>25,096,891</u>	<u>33,189,850</u>
Net assets		
Without donor restrictions		
Undesignated - General Mission	25,785,272	19,307,222
Undesignated - OGA per capita	8,467,381	6,928,077
Board designated	62,406,196	53,863,746
	<u>96,658,849</u>	<u>80,099,045</u>
With donor restrictions	<u>662,755,570</u>	<u>580,138,248</u>
	<u>759,414,419</u>	<u>660,237,293</u>
	<u>\$ 784,511,310</u>	<u>\$ 693,427,143</u>

See accompanying notes.

Presbyterian Church (U.S.A.), A Corporation
Consolidated Statements of Activities and Changes in Net Assets
Year Ended December 31, 2021 with Comparative Totals for the Year Ended December 31, 2020

	2021			2020
	Without donor restrictions	With donor restrictions	Total	Total
Revenues, gains and other support				
Contributions				
Congregations	\$ 16,335,410	\$ 2,770,088	\$ 19,105,498	\$ 19,164,139
Gifts, bequests and grants	716,236	6,784,143	7,500,379	7,533,214
Special giving and special offering	-	24,488,140	24,488,140	19,029,654
Total contributions	17,051,646	34,042,371	51,094,017	45,727,007
Investment return				
Income from endowment funds held by the Foundation	3,492,254	4,833,596	8,325,850	7,648,849
Income from other investments	2,819,253	7,400	2,826,653	3,089,749
Realized gains on investments, net	2,842,410	20,465,359	23,307,769	6,289,954
Unrealized gain on investments, net	3,452,293	57,665,035	61,117,328	79,052,880
Change in value of beneficial interest in life income trusts	-	346,838	346,838	999,402
Total investment return	12,606,210	83,318,228	95,924,438	97,080,834
Interest income from loans	-	25,469	25,469	25,379
The Hubbard Press	867,909	-	867,909	1,005,242
Sales of resources	836,672	-	836,672	1,029,765
Program services	3,953,910	1,684,287	5,638,197	5,742,164
Federal grant award	8,850,500	-	8,850,500	-
Other	145,819	(254,450)	(108,631)	(227,935)
Total revenue before releases from restriction	44,312,666	118,815,905	163,128,571	150,382,456
Net assets released from restrictions	36,198,583	(36,198,583)	-	-
Total revenue, gains and other support	80,511,249	82,617,322	163,128,571	150,382,456
Expenses				
Presbyterian Mission Agency	40,633,544	-	40,633,544	61,046,753
Office of the General Assembly	7,720,290	-	7,720,290	10,487,800
Presbyterian Historical Society	527,845	-	527,845	812,861
Administrative Services Group	15,069,766	-	15,069,766	4,921,722
Total expenses	63,951,445	-	63,951,445	77,269,136
Change in net assets	16,559,804	82,617,322	99,177,126	73,113,320
Net assets at beginning of year	80,099,045	580,138,248	660,237,293	587,123,973
Net assets at end of year	\$ 96,658,849	\$ 662,755,570	\$ 759,414,419	\$ 660,237,293

See accompanying notes.

Presbyterian Church (U.S.A.), A Corporation
Consolidated Statements of Activities and Changes in Net Assets
Year Ended December 31, 2020

	Without donor restrictions	With donor restrictions	Total
Revenues, gains and other support			
Contributions			
Congregations	\$ 16,239,342	\$ 2,924,797	\$ 19,164,139
Gifts, bequests and grants	1,140,593	6,392,621	7,533,214
Special giving and special offering	-	19,029,654	19,029,654
Total contributions	17,379,935	28,347,072	45,727,007
Investment return			
Income from endowment funds held by the Foundation	3,219,542	4,429,307	7,648,849
Income from other investments	3,078,231	11,518	3,089,749
Realized gains on investments, net	3,750,460	2,539,494	6,289,954
Unrealized gain on investments, net	4,356,562	74,696,318	79,052,880
Change in value of beneficial interest in life income trusts	-	999,402	999,402
Total investment return	14,404,795	82,676,039	97,080,834
Interest income from loans	-	25,379	25,379
The Hubbard Press	1,005,242	-	1,005,242
Sales of resources	1,029,765	-	1,029,765
Program services	4,398,217	1,343,947	5,742,164
Other	589,124	(817,059)	(227,935)
Total revenue before releases from restriction	38,807,078	111,575,378	150,382,456
Net assets released from restrictions	41,112,625	(41,112,625)	-
Total revenue, gains and other support	79,919,703	70,462,753	150,382,456
Expenses			
Presbyterian Mission Agency	61,046,753	-	61,046,753
Office of the General Assembly	10,487,800	-	10,487,800
Presbyterian Historical Society	812,861	-	812,861
Administrative Services Group	4,921,722	-	4,921,722
Total expenses	77,269,136	-	77,269,136
Change in net assets	2,650,567	70,462,753	73,113,320
Net assets at beginning of year	77,448,478	509,675,495	587,123,973
Net assets at end of year	\$ 80,099,045	\$ 580,138,248	\$ 660,237,293

See accompanying notes.

Presbyterian Church (U.S.A.), A Corporation
Consolidated Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 99,177,126	\$ 73,113,320
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	1,049,122	1,095,947
Contributions and revolving loan fund investment earnings restricted for long-term investment	(3,531,761)	(3,058,600)
Forgiveness of Paycheck Protection Program loan	(8,850,500)	-
Realized and unrealized gain on investments, net	(84,425,097)	(85,342,834)
Change in beneficial interests in life income funds	(346,838)	(999,402)
Changes in operating assets and liabilities		
Receivables from congregations	(424,765)	90,505
Due to/from Foundation	(139,184)	193,610
Other accounts receivable	36,593	(41,399)
Inventories, prepaid expenses and other assets	115,973	183,078
Accounts payable and accrued expenses	(698,238)	62,014
Amounts received from congregations and other liabilities	(54,623)	(206,135)
Amounts due to other agencies	1,094,393	98,425
Refundable advance - Paycheck Protection Program	-	8,850,500
Deferred revenue	(49,816)	(86,273)
Net cash provided by (used in) operating activities	<u>2,952,385</u>	<u>(6,047,244)</u>
Cash flows from investing activities		
Purchases of investments	(38,811,798)	(57,548,659)
Sales of investments	37,845,947	66,490,017
Net repayments of receivables from related entities, mortgages and loans	704,433	29,280
Acquisition of property and equipment, net	(1,737,141)	(1,529,231)
Maturities of beneficial interests in life income funds	126,252	323,757
Net cash (used in) provided by investing activities	<u>(1,872,307)</u>	<u>7,765,164</u>
Cash flows from financing activities		
Contributions and revolving loan fund investment earnings restricted for long-term investment	<u>3,531,760</u>	<u>3,058,600</u>
Cash provided by financing activities	<u>3,531,760</u>	<u>3,058,600</u>
Increase in cash and cash equivalents	4,611,838	4,776,520
Cash and cash equivalents at beginning of year	<u>6,833,383</u>	<u>2,056,863</u>
Cash and cash equivalents at end of year	<u>\$ 11,445,221</u>	<u>\$ 6,833,383</u>
Supplemental disclosure of cash flow information		
Donated stock	\$ 129,635	\$ 190,733
Property and equipment in accounts payable	523,683	-

See accompanying notes.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements
Years Ended December 31, 2021 and 2020

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.

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'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 Section 501(c)(3).

Note 2 - Basis of Presentation and Summary of Significant Accounting Policies

1. 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. 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 in consolidation.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (Continued)

2. Donor-imposed Restrictions: 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-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.

3. 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.

4. 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 ("Trustees") of the Foundation believe that the carrying amount of its alternative investments is a reasonable estimate of fair value as of December 31, 2021 and 2020. Since alternative 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.

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

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (Continued)

6. Allowance for Loan Losses: The allowance for loan losses is maintained at a level considered by management to be adequate to provide for loan losses inherent in the loan portfolio. Management determines the adequacy of the allowance based upon reviews of payment history, recent loss experience, current economic conditions, the risk characteristics of the various categories of loans, and such other factors, which in management's judgment deserve current recognition in estimating loan losses. The allowance for loan losses is increased by the provision for loan losses and reduced by net loan charge-offs.
7. 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.
8. Inventories: Inventories represent books, periodicals, and curriculum produced by PCUSA, A Corporation for distribution. These items are stated at average cost.
9. 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.

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. Generally, it is PCUSA, A Corporation's policy to exclude the cost or donated value of foreign properties from its financial records.

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, 2021 and 2020.

10. Revenue Recognition: PCUSA 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 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 the 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.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (Continued)

11. Deferred Revenue: PCUSA, A Corporation holds special events each year. Monies received to support future special events are recorded as deferred revenue.
12. 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).

13. Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.
14. Income Taxes: PCUSA, A Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, PCUSA, A Corporation is subject to federal income tax on any unrelated business taxable income.

Accounting principles generally accepted in the United States of America prescribe 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, 2021 and 2020, and does not expect this to change in the next 12 months.

PCUSA, A Corporation would recognize interest and penalties related to uncertain tax positions in interest and income tax expense, respectively. PCUSA, A Corporation has no amounts accrued for interest or penalties as of December 31, 2021 and 2020. PCUSA, A Corporation is no longer subject to examination by taxing authorities for the years before December 31, 2016.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (Continued)

15. New Accounting Pronouncements: In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, to improve financial reporting with respect to leasing transactions. ASU 2016-02 will require lessees to recognize a lease liability and a right-of-use asset with respect to all leases with terms of greater than twelve months. The lease liability recognized in the statement of financial position will represent the lessee's obligation to make lease payments measured on a discounted basis, while the right-of-use asset will represent the lessee's right to use, or control use of, the underlying asset for the lease term. For leases with a term of twelve months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. The standard will be effective for the year ending December 31, 2022. PCUSA, A Corporation has commenced its evaluation of this ASU and anticipates an immaterial impact to the financial statements upon adoption.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires contributed nonfinancial assets be shown separate from contributions of cash and other financial assets and provides for qualitative disclosure regarding valuation techniques, categories of contributed nonfinancial assets, and their use. This standard will be effective for the year ending December 31, 2022.

In June 2016, the FASB issued ASU 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 statements of activities and changes in net assets 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 will be effective for the calendar year ending December 31, 2023.

PCUSA, A Corporation is currently in the process of evaluating ASU 2020-07 and 2016-13 and their related impact on PCUSA, A Corporation's consolidated financial statements.

16. Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2021 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2021. Management has performed their analysis through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.
17. Reclassifications: Certain reclassifications have been made to the 2020 consolidated financial statements to conform to the 2021 presentation. The reclassifications had no effect on net assets or the change in net assets.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 11,445,221	\$ 6,833,383
Beneficial interest in pooled investments held		
by the Foundation - short-term	92,677,334	85,029,556
Other investments and accrued income	65,299,107	66,220,184
Contributions receivable from congregations	3,038,649	2,613,884
Receivables from related entities, net	2,273,960	2,978,393
Due from Foundation	81,326	-
Other accounts receivable	663,750	700,342
Beneficial interest in pooled investments held		
by the Foundation - long-term	453,352,933	389,013,420
Other investment held by the Foundation	6,905,290	6,904,212
Beneficial interest in perpetual trusts	<u>135,519,508</u>	<u>120,975,266</u>
Total financial assets	771,257,078	681,268,640
Less amounts not available to be used within one year		
Restricted by donors for use in future periods	305,309,421	237,029,464
Less net assets with purpose restrictions to be met		
in less than one year	(47,423,689)	(44,174,674)
Restricted by donors in perpetuity - endowments	223,387,624	223,598,459
Restricted by donors in perpetuity - outside trusts	130,401,270	116,203,867
Restricted by donors in perpetuity - life income trusts	3,657,255	3,306,458
Amounts unavailable to management without board's		
approval board designated funds	<u>62,406,196</u>	<u>53,863,746</u>
Financial assets available to meet general		
expenditures within one year	<u>\$ 93,519,001</u>	<u>\$ 91,441,320</u>

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 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.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

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, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Beneficial interest in pooled investments		
Held by the Foundation		
Short-term	\$ 92,677,334	\$ 85,029,556
Long-term	<u>453,352,933</u>	<u>389,013,420</u>
Total beneficial interest in pooled investments held by the Foundation	546,030,267	474,042,976
Other investments held by the Foundation		
Shares in New Covenant mutual fund	6,905,290	6,904,212
Other investments		
Cash equivalents	1,151,228	951,922
U.S. treasury securities	21,243,592	17,955,955
U.S. agency securities	3,808,742	8,518,069
Corporate debt securities	25,167,254	24,188,416
Mortgage-backed securities	536,289	1,215,274
Equity securities	3,724,194	3,857,630
Presbyterian investment and loan program denominational account receipts	<u>9,667,808</u>	<u>9,532,918</u>
Total other investments	<u>65,299,107</u>	<u>66,220,184</u>
Total investments	<u><u>\$618,234,664</u></u>	<u><u>\$547,167,372</u></u>

The Foundation's investment portfolio as of December 31, 2021 and 2020 comprised the following types of investments:

	<u>2021</u>	<u>2020</u>
Preferred and common stock	51%	56%
Fixed income	19%	16%
Cash	0%	3%
Real estate	10%	9%
Private equity	<u>20%</u>	<u>16%</u>
	<u><u>100%</u></u>	<u><u>100%</u></u>

Income received by PCUSA, A Corporation from the Foundation is net of administrative fees of outside managers.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

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 \$2,216,616 and fair value adjustments of \$11,980,787 and contributions of \$43,143,511 and fair value adjustments of \$5,370,737 during the years ended December 31, 2021 and 2020, respectively, is recorded in the consolidated statements of activities and changes in net assets.

PCUSA, A Corporation is a named beneficiary in certain trusts for which it has been unable to obtain the necessary information to measure its interest. Therefore, these trusts are not recorded.

Note 6 - Endowment Composition

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

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 4.25% 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 3.6% (based on the December 31, 2020 market value) and 3.9% (based on the December 31, 2019 market value) in 2021 and 2020, 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.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 6 - Endowment Composition (Continued)

Investment Policies (Continued)

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 ("OCIO"), 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 the PCUSA. 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 7.13%. 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.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 6 - Endowment Composition (Continued)

Endowment net asset composition as of December 31:

2021	With donor restrictions
<hr/>	
Donor-restricted endowment funds	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 223,387,624
Accumulated investment gains	<u>250,540,475</u>
Total endowment net assets	473,928,099
Net assets other than endowment	<u>188,827,471</u>
Total net assets	<u><u>\$ 662,755,570</u></u>
<hr/>	
2020	
<hr/>	
Donor-restricted endowment funds	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 223,598,459
Accumulated investment gains	<u>195,335,951</u>
Total endowment net assets	418,934,410
Net assets other than endowment	<u>161,203,838</u>
Total net assets	<u><u>\$ 580,138,248</u></u>

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 6 - Endowment Composition (Continued)

Changes in endowment net assets for the years ended December 31, 2021 and 2020:

	<u>With donor restrictions</u>
Beginning balance, January 1, 2021	\$ 418,934,410
Investment return	55,100,406
Contributions	3,531,761
Appropriation of endowment pursuant to spending policy	<u>(3,638,478)</u>
Ending balance, December 31, 2021	<u>\$ 473,928,099</u>
Beginning balance, January 1, 2020	\$ 390,922,842
Investment return	28,922,559
Contributions	3,058,600
Appropriation of endowment pursuant to spending policy	<u>(3,969,591)</u>
Ending balance, December 31, 2020	<u>\$ 418,934,410</u>

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.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 6 - Endowment Composition (Continued)

- 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, 2021 and 2020, fund with deficiencies of \$5,327,331 and \$10,202,600, respectively, were reported in net assets with donor restrictions.

	<u>2021</u>	<u>2020</u>
Fair value of underwater endowment funds	\$ 37,492,406	\$ 44,746,630
Original endowment gift amount	<u>42,819,737</u>	<u>54,949,230</u>
Deficiencies of underwater endowment funds	<u>\$ (5,327,331)</u>	<u>\$ (10,202,600)</u>

Note 7 - Receivables from Related Entities

A summary of the activity relating to receivables from related entities, which includes unsecured student loans of approximately \$447,000 and \$548,000, during the years ended December 31, 2021 and 2020, is as follows:

	<u>2021</u>	<u>2020</u>
Receivables at January 1	\$ 2,978,393	\$ 3,007,673
Assessments and other	20,107,094	20,861,050
Collections of assessments and other	(19,135,841)	(19,457,456)
New loans	43,333	492,059
Loan repayments	(144,386)	(399,005)
Charge-offs	<u>(1,190,971)</u>	<u>(1,147,224)</u>
Receivables at December 31	2,657,622	3,357,097
Less allowance for loan loss	<u>(383,662)</u>	<u>(378,704)</u>
Net receivables at December 31	<u>\$ 2,273,960</u>	<u>\$ 2,978,393</u>

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

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, 2021 and 2020 were \$17,629 and \$10,374, respectively, and the related allocated allowances for loan losses at December 31, 2021 and 2020 were \$16,747 and \$9,855, respectively, resulting in no additional provision for loans in December 31, 2021 and 2020. There was no interest received by PCUSA, A Corporation, on the impaired loans during 2021 and 2020. The total average impaired loan balances were \$14,001 and \$11,029 at December 31, 2021 and 2020, respectively.

Note 9 - Property and Equipment

The components of property and equipment, net at December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 2,407,347	\$ 2,407,347
Buildings and building improvements	40,704,116	39,324,937
Equipment	13,915,025	13,757,289
Furniture and fixtures	701,012	701,012
Construction in progress	1,346,777	622,868
Less accumulated depreciation	<u>(46,511,165)</u>	<u>(45,462,043)</u>
Totals	<u>\$ 12,563,112</u>	<u>\$ 11,351,410</u>

Note 10 - Refundable Advance - Paycheck Protection Program

PCUSA, A Corporation received a refundable advance of \$8,850,500 during the year ended December 31, 2020 from the Small Business Administration ("SBA") Paycheck Protection Program ("PPP") Loan. Under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, subject to limitations, as defined, the advance may be partially or fully forgiven, depending on specified actual payroll and other qualified costs for the covered period following receipt of the advance. PCUSA, A Corporation was awarded full forgiveness for this advance during the year ended December 31, 2021 and has recognized the proceeds as a federal grant award on the 2021 statement of activities and changes in net assets. In accordance with the related PPP loan guidelines, the SBA reserves the right to audit any PPP loan at any time during the loan process, including after the loan is partially or fully forgiven and PCUSA, A Corporation has been legally released.

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 of the Presbyterian Church (U.S.A.) (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.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 11 - Benefits Data (Continued)

The defined benefit pension plan's total net assets available for benefits, as reported by the Board of Pensions, were \$10,835,791,000 and \$9,821,618,000 at December 31, 2021 and 2020, respectively. The defined benefit pension plan's total Accumulated Plan Benefit Obligations, as reported by the Board of Pensions, were \$7,528,982,000 and \$7,876,139,000 at December 31, 2021 and 2020, respectively. Since the Benefits Plan is a Church Plan under the Internal Revenue Code, 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 \$68,804 for 2021 and \$68,834 for 2020; and 403b contributions were \$536,242 for 2021 and \$558,927 for 2020, respectively.

PCUSA, A Corporation's expenses for the plans for the years ended December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Administered by board of pensions		
Pension plan	\$ 2,108,646	\$ 3,008,377
Death and disability plan	262,122	290,895
Major medical plan	<u>5,446,544</u>	<u>5,977,997</u>
	7,817,312	9,277,269
Administered by others		
Retirement savings plan - lay equalization	68,804	68,834
Retirement savings plan - ER 403(b) contribution	<u>536,242</u>	<u>558,927</u>
	<u>605,046</u>	<u>627,761</u>
	<u>\$ 8,422,358</u>	<u>\$ 9,905,030</u>

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

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 168 Presbyteries. The following is a summary of the contributions by each of the Synods during the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Alaska-Northwest	\$ 453,416	\$ 381,688
Covenant	1,667,367	1,426,901
Lakes and prairies	1,782,972	1,415,908
Lincoln trails	1,258,421	955,586
Living waters	1,049,412	859,844
Mid-America	594,720	469,494
Mid-Atlantic	2,907,857	2,535,664
Northeast	1,948,534	1,852,606
Pacific	1,520,474	1,362,274
Puerto Rico	29,196	21,529
South Atlantic	2,473,363	1,704,324
Southern California/Hawaii	688,742	736,540
Southwest	357,607	499,119
The Rocky Mountains	560,868	427,357
The Sun	1,466,409	1,344,062
Trinity	2,222,811	1,950,551
	<u>20,982,169</u>	<u>17,943,447</u>
Individuals and other church-related	<u>10,827,053</u>	<u>7,932,380</u>
	<u><u>\$ 31,809,222</u></u>	<u><u>\$ 25,875,827</u></u>

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.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 13 - Fair Value

United States generally accepted accounting principles ("U.S. GAAP") define 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.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 13 - Fair Value (Continued)

At December 31, 2021 and 2020, the underlying investments of the unitized pool consist of the following asset classes:

	<u>2021</u>	<u>2020</u>
Stock	51%	56%
Fixed income	19%	16%
Cash	0%	3%
Real estate	10%	9%
Private equity	<u>20%</u>	<u>16%</u>
	<u>100%</u>	<u>100%</u>

Withdrawals from the unitized pool are available within 90 days with prior written notice. 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).

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 13 - Fair Value (Continued)

Assets Measured on a Recurring Basis

2021 - Assets and Liabilities Measured on a Recurring Basis

2021	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Beneficial interest in pooled investments held by the Foundation	\$ 546,030,268	\$ -	\$ 546,030,268	\$ -
Other investments held by the Foundation				
Shares in new covenant mutual fund	6,905,290	6,905,290	-	-
Other investments				
Cash equivalents	1,151,228	1,151,228	-	-
U.S. treasury securities	21,243,592	21,243,592	-	-
U.S. agency securities	3,808,742	-	3,808,742	-
Corporate debt securities	25,167,254	-	25,167,254	-
Mortgage-backed securities	536,288	-	536,288	-
Equity securities	3,724,194	-	3,724,194	-
PILP Securities	9,667,808	-	9,667,808	-
Total investments	618,234,664	29,300,110	588,934,554	-
Beneficial interest in perpetual trusts	135,519,508	-	-	135,519,508
	<u>\$ 753,754,172</u>	<u>\$ 29,300,110</u>	<u>\$ 588,934,554</u>	<u>\$ 135,519,508</u>

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 13 - Fair Value (Continued)

Assets Measured on a Recurring Basis (Continued)

2020 - Assets and Liabilities Measured on a Recurring Basis

2020	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Beneficial interest in pooled investments held by the Foundation	\$ 474,042,976	\$ -	\$ 474,042,976	\$ -
Other investments held by the Foundation				
Shares in new covenant mutual fund	6,904,212	6,904,212	-	-
Other investments				
Cash equivalents	951,922	951,922	-	-
U.S. treasury securities	17,955,955	17,955,955	-	-
U.S. agency securities	8,518,069	-	8,518,069	-
Corporate debt securities	24,188,416	-	24,188,416	-
Mortgage-backed securities	1,215,274	-	1,215,274	-
Equity securities	3,857,630	-	3,857,630	-
PILP Securities	9,532,918	-	9,532,918	-
Total investments	547,167,372	25,812,089	521,355,283	-
Beneficial interest in perpetual trusts	120,975,266	-	-	120,975,266
	<u>\$ 668,142,638</u>	<u>\$ 25,812,089</u>	<u>\$ 521,355,283</u>	<u>\$ 120,975,266</u>

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 13 - Fair Value (Continued)

Assets Measured on a Recurring Basis (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, 2021 and 2020:

	<u>Beneficial interest in perpetual trusts</u>
Balance, January 1, 2020	\$ 71,461,617
Total realized and unrealized gains and losses	6,370,138
Contributions	<u>43,143,511</u>
Balance, December 31, 2020	120,975,266
Total realized and unrealized gains and losses	12,327,626
Contributions	<u>2,216,616</u>
Balance, December 31, 2021	<u><u>\$ 135,519,508</u></u>

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

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 2021-2022 budget cycle. The calculated allocation percentages, using two years of the most recent data, for PMA and OGA are 80% and 20%, respectively. Accordingly, certain costs, such as salaries and benefits, travel, meetings, and support costs have been allocated among program and supporting services benefited.

Expenses by functional classification for the year ended December 31, 2021 consist of the following:

	Program				Total
	Presbyterian Mission Agency	Office of the General Assembly	Management and general	Fundraising	
Cost of sales	\$ 409,491	\$ -	\$ -	\$ -	\$ 409,491
Salaries and benefits	24,214,711	3,284,073	3,666,619	2,614,747	33,780,150
Travel	109,021	17,516	368,054	44,049	538,640
Meetings	18,717	368	2,249	1,918	23,252
Support costs and administration	7,190,756	966,556	2,218,724	1,130,838	11,506,874
Depreciation	577,906	232,708	179,272	59,236	1,049,122
Mission/ministry	3,163,208	708,318	254,907	618,943	4,745,376
Resource development	305,028	-	-	-	305,028
Grants	11,592,752	760	-	-	11,593,512
Total	\$ 47,581,590	\$ 5,210,299	\$ 6,689,825	\$ 4,469,731	\$ 63,951,445
	75%	8%	10%	7%	100%

Expenses by functional classification for the year ended December 31, 2020 consist of the following:

	Program				Total
	Presbyterian Mission Agency	Office of the General Assembly	Management and general	Fundraising	
Cost of sales	\$ 451,232	\$ -	\$ -	\$ -	\$ 451,232
Salaries and benefits	30,210,638	3,961,383	5,021,568	3,191,676	42,385,265
Travel	369,007	120,547	119,681	68,351	677,586
Meetings	91,707	16,833	234,427	24,930	367,897
Support costs and administration	9,673,498	504,956	-	1,158,419	11,336,873
Depreciation	707,728	172,876	145,321	70,022	1,095,947
Mission/ministry	148,373	1,829,226	1,516,587	655,966	4,150,152
Resource development	245,368	-	-	-	245,368
Grants	16,557,526	1,290	-	-	16,558,816
Total	\$ 58,455,077	\$ 6,607,111	\$ 7,037,584	\$ 5,169,364	\$ 77,269,136
	76%	8%	9%	7%	100%

The amount of fundraising expenses as a percentage of funds raised was 17% and 19% for the years ended December 31, 2021 and 2020, respectively.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

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 \$9,278,808 and \$8,446,975 at December 31, 2021 and 2020, 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.

During the year ended December 31, 2021, the church entered into a contract related to renovations of the Presbyterian Church (U.S.A.)'s building in Louisville, Kentucky to host the 2022 General Assembly. The total commitment under this contract is \$1,895,069. Of this amount, \$232,596 had been incurred prior to year-end.

In March 2020, the outbreak of the novel coronavirus disease 2019 ("COVID-19") was declared a United States and global pandemic. PCUSA, A Corporation's operations have been generally impacted by the outbreak of COVID-19. Since the situation surrounding the pandemic is on-going, the duration, nature, and extent of the ultimate direct or indirect impact on PCUSA, A Corporation's financial condition, liquidity, and/or future results of operations cannot be reasonably estimated at this time. Based on current circumstances, management believes PCUSA, A Corporation has adequate financial resources and the liquidity to continue to sustain operations throughout the pandemic and for a period of at least one year beyond the date the accompanying financial statements were available to be issued.

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 \$406.9 million and \$349.5 million and investments held by the Foundation totaled \$100.8 million and \$92.4 million on behalf of the General Assembly at December 31, 2021 and December 31, 2020 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.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 16 - Related Party Transactions (Continued)

Board of Pensions

PCUSA, A Corporation serves as a receiving agent for funds designated for the Board of Pensions. PCUSA, A Corporation received \$1,122,966 and \$1,225,712 from congregations for the years ended December 31, 2021 and 2020, respectively, of which \$395,764 and \$296,496, respectively, was yet to be remitted to the Board of Pensions.

ILP

PCUSA, A Corporation leases office space and provides administrative support to ILP by contract. For the years ended December 31, 2021 and 2020, administrative support charged to PILP was \$249,828 and \$237,926, respectively. Office space charged to ILP was \$70,869 and \$68,798 for 2021 and 2020, respectively.

ILP issued a secured loan to PCUSA, A Corporation for the benefit of the Presbyterian Historical Society during 2015. The balance was \$224,691 and \$255,223 as of December 31, 2021 and 2020. 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 ("DAR"). This commitment was raised to \$10,000,000 in 2019. As of December 31, 2021 and 2020, investments with ILP were \$9,654,111 and \$9,515,573, respectively. At December 31, 2021 and 2020, fixed interest rates ranged from 0.60% to 2.67% and 1.15% to 2.67%, respectively, and the adjustable rate was 0.90% in 2021 and 1.00% in 2020.

PPC

PCUSA, A Corporation leases office space to PPC under an operating lease. For the years ended December 31, 2021 and 2020, rental income was \$178,114 and \$241,027, respectively. During 2020 the leases were renewed through December 31, 2022. Other related expenses charged to PPC for telephone, postage, and copy services were \$68,598 and \$112,092 in 2021 and 2020, respectively.

PPC pays PCUSA for supplemental warehousing and distribution services. Fees paid by PPC under this agreement in 2021 and 2020 were \$65,187 and \$21,537 for fulfillment fees and \$62,934 and \$420,067 for freight, respectively.

On February 9, 2018 the Presbyterian Mission Agency ("PMA") Board of Directors approved the transfer of Congregational Ministries Publishing ("CMP") of PMA to 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 2021 and 2020, respectively, PPC received approximately \$0 and \$293,000 from PCUSA for English Language Support and \$208,000 and \$270,000 from PCUSA for foreign language support.

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

Note 16 - Related Party Transactions (Continued)

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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Foundation	\$ 292,531	\$ 190,258
Board of pensions	587,264	625,250
ILP	124,969	117,255
PPC	<u>123,968</u>	<u>104,267</u>
	<u>\$ 1,128,732</u>	<u>\$ 1,037,030</u>

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 2024. Future minimum lease income to be received under non-cancelable agreements is as follows:

<u>Year ended December 31,</u>	
2022	\$ 824,142
2023	36,079
2024	<u>36,079</u>
	<u>\$ 896,300</u>

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Mission work	\$ 11,965,983	\$ 6,882,090
Office of General Assembly and Historical Society	2,378,970	1,442,908
Creative investment	6,905,290	6,304,922
Specific property fund	1,042,201	981,841
Self-insurance fund	9,278,808	8,446,975
Property and equipment fund	14,021,109	11,682,096
Hubbard Press	2,581,104	2,647,406
Stony Point	2,791,991	2,705,208
Church loans	<u>11,440,740</u>	<u>12,770,300</u>
Total net assets without donor restrictions	<u>\$ 62,406,196</u>	<u>\$ 53,863,746</u>

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Church and student loans	\$ 5,916,498	\$ 2,253,212
Jinshian Memorial Program	32,453,426	26,622,672
Educational seminars and publications	33,996,699	27,779,609
Mission work	30,741,813	28,320,637
Presbyterian Disaster Assistance	17,833,066	13,837,786
Evangelism and church growth	22,723,939	18,715,986
Health	23,323,712	19,283,302
Missionary support	28,569,827	19,999,720
Christian education	19,059,677	15,393,821
Peacemaking/justice	3,937,454	3,183,837
Hunger	3,285,995	2,437,238
Beneficial interest in perpetual trusts	1,460,983	1,464,941
Racial Equity and Intercultural	240,678	259,273
Women	372,688	388,095
Historical Society and OGA	3,284,123	3,272,162
General endowments	72,747,769	49,262,628
Self Development of People	3,840,605	3,334,221
Other	<u>1,520,469</u>	<u>1,220,324</u>
Net assets with donor restrictions due to time or purpose	<u><u>\$ 305,309,421</u></u>	<u><u>\$ 237,029,464</u></u>

Presbyterian Church (U.S.A.), A Corporation
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Church and student loans	\$ 799,717	\$ 4,062,745
Jinishian Memorial Program	10,114,335	10,114,335
Educational seminars and publications	23,718,306	22,871,776
Mission work	5,267,021	5,079,036
Evangelism and church growth	7,447,858	7,182,036
Health	14,458,168	13,942,141
Missionary support	44,583,625	43,973,829
Christian education	15,714,160	15,153,306
Peacemaking/justice	96,061	92,633
Hunger	461,978	445,490
Beneficial interest in perpetual trusts	134,058,525	119,510,325
Racial Equity and Intercultural	250,903	241,948
Women	115,467	111,346
Historical Society and OGA	447,263	447,263
General endowments	98,804,277	98,811,654
Other	1,108,485	1,068,921
	<u>\$ 357,446,149</u>	<u>\$ 343,108,784</u>

Net assets released from restrictions during the years ended December 31, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Jinishian Memorial Program	\$ 1,421,265	\$ 1,163,587
Educational seminars and publications	2,822,083	3,066,564
Mission work	6,531,305	7,097,120
Presbyterian Disaster Assistance	4,752,042	7,459,041
Evangelism and church growth	6,294,070	6,839,333
Health	2,977,072	3,234,980
Missionary support	1,985,987	2,158,036
Christian education	4,731,940	5,141,874
Peacemaking/justice	2,052,547	2,230,362
Hunger	1,636,347	1,556,470
Self Development of People	993,925	1,165,258
	<u>\$ 36,198,583</u>	<u>\$ 41,112,625</u>

Supplemental Information

Presbyterian Church (U.S.A.), A Corporation
Consolidating Statement of Financial Position
December 31, 2021

	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	Student loans	Church loans	OGA Per Capita	Presbyterian Historical Society	Reclass/ elimination	Total
Assets																
Cash and cash equivalents	\$ 9,745,375	\$ -	\$ 2,723	\$ -	\$ -	\$ -	\$ -	\$ 797,539	\$ -	\$ -	\$ -	\$ -	\$ 788,237	\$ 111,347	\$ -	\$ 11,445,221
Beneficial interest in pooled investments held by the Foundation - short-term	56,554,641	4,002,890	-	105,878	-	-	-	-	1,027,187	9,587,612	1,959,482	8,101,853	6,880,814	4,456,977	-	92,677,334
Other investments and accrued income	38,442,523	-	1,550,852	299,420	14,391,518	2,330,764	1,328,829	-	-	-	-	6,266,140	638,803	50,258	-	65,299,107
Contributions receivable from congregations	3,039,372	-	-	-	-	-	-	-	-	-	-	-	(723)	-	-	3,038,649
Receivables from related entities, net	392,205	761,710	92,099	-	-	-	-	-	-	-	438,737	-	1,213,060	137,859	(761,710)	2,273,960
Due from other funds	480,794	597,693	563,058	335,431	2,370,737	18,946	291,927	-	15,013	(308,805)	(370,817)	(2,927,253)	(197,915)	(868,809)	-	-
Due from the Foundation FMS	81,326	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81,326
Other accounts receivable	622,112	-	-	-	-	-	-	-	-	-	-	-	5,876	35,762	-	663,750
Inventories, prepaid expenses and other assets	344,548	-	259,022	-	-	-	-	84,239	-	-	-	-	3,311	-	-	691,120
Property and equipment, net of accumulated depreciation	-	8,658,816	122,702	-	-	-	-	2,710,869	-	-	-	-	220,098	850,627	-	12,563,112
Beneficial interest in pooled investments held by the Foundation - long-term	406,132,121	-	-	41,871,129	-	-	-	-	-	-	4,688,813	-	-	660,870	-	453,352,933
Other investments held by Foundation	6,905,290	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,905,290
Beneficial interest in perpetual trusts	135,519,508	-	-	-	-	-	-	-	-	-	-	-	-	-	-	135,519,508
Total assets	\$ 658,259,815	\$ 14,021,109	\$ 2,590,456	\$ 42,611,858	\$ 16,762,255	\$ 2,349,710	\$ 1,620,756	\$ 3,592,647	\$ 1,042,200	\$ 9,278,807	\$ 6,716,215	\$ 11,440,740	\$ 9,551,561	\$ 5,434,891	\$ (761,710)	\$ 784,511,310
Liabilities and net assets																
Liabilities																
Accounts payable and accrued expenses	\$ 6,605,530	\$ -	\$ 9,681	\$ -	\$ -	\$ -	\$ -	\$ 763,249	\$ -	\$ -	\$ -	\$ -	\$ 176	\$ -	\$ (761,710)	\$ 6,616,926
Amounts received from congregations and designated for others	485,031	-	-	-	-	-	-	-	-	-	-	-	-	-	-	485,031
Amounts held for missionaries and committed for projects	6,959,048	-	-	77,308	-	176,724	-	35,093	-	-	-	-	-	-	-	7,248,173
Amount due to other agencies	10,179,400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,179,400
Due to the Foundation church loans	-	-	-	-	-	-	-	-	-	-	-	-	-	224,691	-	224,691
Deferred revenue	110,760	-	-	-	-	-	-	-	-	-	-	-	146,000	-	-	256,760
Other	15,181	-	(329)	-	-	-	-	-	-	-	-	-	71,058	-	-	85,910
Total liabilities	24,354,950	-	9,352	77,308	-	176,724	-	798,342	-	-	-	-	217,234	224,691	(761,710)	25,096,891
Net assets																
Without donor restrictions																
Undesignated	25,785,272	-	-	-	-	-	-	-	-	-	-	-	8,467,381	-	-	34,252,653
Designated	19,069,717	14,021,109	2,581,104	-	(81,204)	(14,192)	(16,263)	2,705,208	1,042,200	9,278,807	-	11,440,740	866,946	1,512,024	-	62,406,196
Total net assets without donor restrictions	44,854,989	14,021,109	2,581,104	-	(81,204)	(14,192)	(16,263)	2,705,208	1,042,200	9,278,807	-	11,440,740	9,334,327	1,512,024	-	96,658,849
With donor restrictions																
	589,049,876	-	-	42,534,550	16,843,459	2,187,178	1,637,019	89,097	-	-	6,716,215	-	-	3,698,176	-	662,755,570
Total net assets	633,904,865	14,021,109	2,581,104	42,534,550	16,762,255	2,172,986	1,620,756	2,794,305	1,042,200	9,278,807	6,716,215	11,440,740	9,334,327	5,210,200	-	759,414,419
Total liabilities and net assets	\$ 658,259,815	\$ 14,021,109	\$ 2,590,456	\$ 42,611,858	\$ 16,762,255	\$ 2,349,710	\$ 1,620,756	\$ 3,592,647	\$ 1,042,200	\$ 9,278,807	\$ 6,716,215	\$ 11,440,740	\$ 9,551,561	\$ 5,434,891	\$ (761,710)	\$ 784,511,310

See independent auditor's report.

Presbyterian Church (U.S.A.), A Corporation
Consolidating Statement of Activities and Changes in Net Assets
Year Ended December 31, 2021

	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	Student loans	Church loans	OGA Per Capita	Presbyterian Historical Society	Reclass/ elimination	Total
Revenues, gains, and other support																
Contributions																
Congregations	\$ 9,827,326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,278,172	\$ -	\$ -	\$ 19,105,498
Gifts, bequests and grants	7,133,585	-	-	46,812	-	-	-	1,221	-	-	-	-	95,842	247,919	(25,000)	7,500,379
Special giving and special offering	11,280,541	-	-	-	9,480,233	1,345,721	2,381,645	-	-	-	-	-	-	-	-	24,488,140
Total contributions	28,241,452	-	-	46,812	9,480,233	1,345,721	2,381,645	1,221	-	-	-	-	9,374,014	247,919	(25,000)	51,094,017
Investment return and other support																
Income from endowments held by Foundation	7,254,893	35,075	-	637,606	-	-	-	-	11,630	86,813	36,882	51,681	76,595	134,675	-	8,325,850
Income on investments	2,381,772	-	29,141	5,630	224,075	40,496	25,782	-	-	-	-	110,824	8,335	598	-	2,826,653
Realized net gain (loss)	20,495,693	-	(1,745)	2,450,293	(10,074)	(1,942)	(1,735)	-	-	-	153,958	90,364	83,641	49,316	-	23,307,769
Unrealized net gain (loss)	54,320,742	424,601	(36,189)	3,985,742	(272,620)	(45,267)	(35,816)	-	50,729	1,034,667	495,321	320,306	302,555	572,557	-	61,117,328
Changes in value of beneficial interest	346,838	-	-	-	-	-	-	-	-	-	-	-	-	-	-	346,838
Total investment return	84,799,938	459,676	(8,793)	7,079,271	(58,619)	(6,713)	(11,769)	-	62,359	1,121,480	686,161	573,175	471,126	757,146	-	95,924,438
Interest income from loans																
Hubbard Press	-	-	-	-	-	-	-	-	-	-	25,469	-	-	-	-	25,469
Sales of resources	698,189	-	-	-	94	-	411	-	-	-	-	-	120,497	17,481	-	836,672
Program services	5,458,705	12,300	-	-	-	-	-	210,753	-	-	-	-	304,574	39,011	(387,146)	5,638,197
Federal grant award	6,850,500	2,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	8,850,500
Other	1,070,323	409,113	3,395	138,327	(564,619)	11,659	(153,119)	891,271	(2,000)	(60,000)	(311,372)	(1,902,735)	(312,281)	673,407	-	(108,631)
Total revenues, gains and other support	127,119,107	2,881,089	862,511	7,264,410	8,857,089	1,350,667	2,217,168	1,103,245	60,359	1,061,480	400,258	(1,329,560)	9,957,930	1,734,964	(412,146)	163,128,571
Expenses																
Cost of sales	313,061	-	98,461	-	253	4	212	-	-	-	-	-	(2,500)	-	-	409,491
Salaries and benefits	26,101,447	-	563,362	169,537	1,141,533	436,024	627,199	265,827	-	-	-	-	4,232,533	242,688	-	33,780,150
Travel	112,505	-	594	8,847	26,318	649	1,194	6,388	-	-	-	-	381,648	497	-	538,640
Meetings	20,400	-	-	-	-	300	18	192	-	-	-	-	1,458	884	-	23,252
Support costs and administration	8,196,407	-	190,910	4,254	41,566	5,090	7,098	588,069	-	229,648	-	-	2,062,775	181,057	-	11,506,874
Depreciation	-	542,076	75,486	-	-	-	-	180,988	-	-	-	-	168,003	82,569	-	1,049,122
Mission/ministry	2,415,630	-	-	1,238,626	466,053	-	1,085	61,781	-	-	-	-	954,957	19,390	(412,146)	4,745,376
Resource development	142,434	-	-	-	154,881	-	7,713	-	-	-	-	-	-	-	-	305,028
Grants	7,127,629	-	-	-	2,921,438	551,858	991,827	-	-	-	-	-	-	760	-	11,593,512
Total expenses	44,429,513	542,076	928,813	1,421,264	4,752,042	993,925	1,636,346	1,103,245	-	229,648	-	-	7,798,874	527,845	(412,146)	63,951,445
Change in net assets	82,689,594	2,339,013	(66,302)	5,843,146	4,105,047	356,742	580,822	-	60,359	831,832	400,258	(1,329,560)	2,159,056	1,207,119	-	99,177,126
Beginning net assets	551,215,271	11,682,096	2,647,406	36,691,404	12,657,208	1,816,244	1,039,934	2,794,305	981,841	8,446,975	6,315,957	12,770,300	7,175,271	4,003,081	-	660,237,293
Net surplus/(deficit)	82,689,594	2,339,013	(66,302)	5,843,146	4,105,047	356,742	580,822	-	60,359	831,832	400,258	(1,329,560)	2,159,056	1,207,119	-	99,177,126
Ending net assets	\$ 633,904,865	\$ 14,021,109	\$ 2,581,104	\$ 42,534,550	\$ 16,762,255	\$ 2,172,986	\$ 1,620,756	\$ 2,794,305	\$ 1,042,200	\$ 9,278,807	\$ 6,716,215	\$ 11,440,740	\$ 9,334,327	\$ 5,210,200	\$ -	\$ 759,414,419

See independent auditor's report.