

**ITEM A.104  
FOR ACTION**

| <i>FOR PRESBYTERIAN MISSION AGENCY EXECUTIVE DIRECTOR'S OFFICE USE ONLY</i> |                           |  |   |
|---|---------------------------|--|---|
| X   | A. Finance                |  | E. Corporate Property, Legal, Finance         |
|   | B. Justice                |  | F. PC(USA), A Corporation                     |
|   | C. Leadership             |  | G. Audit                                      |
|   | D. Worshiping Communities |  | H. Executive Committee                        |
|   |                           |  | J. Board Nominating & Governance Subcommittee |
|   |                           |  | P. Plenary                                    |

**Subject: 2014 Adjusted Presbyterian Mission Agency Budget**

**Recommendation:**

**That the Finance Committee approve and recommend to the Presbyterian Mission Agency Board (PMAB) the 2014 Revised Mission Budget of \$82,556,108.**

**Originally, \$500,000 was budgeted to be used for the Mission Partnership DREAM fund for new initiatives. The revised budget will reduce the amount to be spent in 2014 to \$300,000, with the remainder to be used in 2015.**

**Background:**

The 2014 Mission Budget was submitted to the General Assembly for approval, and then revised at the meeting in April 2013. The 2014 Adjusted PMA Mission Budget builds on the revised budget, and it is based on the following adjustment:

- A. The total 2014 Revised Budget is \$82,556,108, a net increase of \$2,348,346 from the budget approved in April.

**Major Changes**

The data in the table below shows a summary of the major changes included in the 2014 revised budget (before cost allocation).

| PMA Mission Expenditures Budget    | 2014 Approved Budget | 2014 Revised Budget | Increase (Decrease) |
|------------------------------------|----------------------|---------------------|---------------------|
| Executive Director                 | 1,739,293            | 1,735,211           | (4,082)             |
| Communications & Funds Development | 8,418,730            | 9,261,373           | 842,643             |
| Mission                            | 54,391,547           | 58,223,638          | 3,832,091           |
| Shared Services                    | 8,338,378            | 8,418,883           | 80,505              |
| Other                              | 7,319,814            | 4,917,003           | (2,402,811)         |
| <b>Total Expenditures</b>          | <b>80,207,762</b>    | <b>82,556,108</b>   | <b>2,348,346</b>    |

Narrative - Interpreting the major changes:

- A. Board of Pensions annual medical dues rates increased from 21.75% to 23%. This rate increase resulted in a \$227,010 increase in expenses. Of this amount, \$81,541 is restricted and \$145,469 is unrestricted.
- B. Communications and Funds Development – The increase is \$332,000 for two new Funds Development positions and correlating administrative expenses, and an additional \$355,000 investment in Special Offerings fund-raising initiatives.
- C. World Mission – The original budget included \$1.7 million personnel and program costs that are eliminated due to closing the International Health Office. Mission Personnel expenses are projected \$366,000 lower than originally budgeted to align their costs more accurately.
- D. Evangelism and Church Growth – Church Growth and Mission Program Grants were increased by \$2.8 million for use in the 1001 New Worshiping Communities initiative, which is funded by available restricted funds. The annual Fall ECG event costs were reduced by \$96,000.
- E. Compassion, Peace and Justice – An increase in expenses of \$1.4 million includes: (1) additional \$630,000 Presbyterian Disaster Assistance expenses related to grant funding from the Red Cross for a Hurricane Sandy site hosting, (2) \$300,000 Philippines hurricane relief, and (3) \$100,000 for Colorado flooding relief.

**Other Information**

- A. ECO agency transactions were reclassified as “Contributions” and are now reflected in ministry areas.
- B. The Conference Centers are projecting 2014 operating losses as follows (without allocated support costs):
  - Ghost Ranch - **(\$215,451)** compared to 2013 projected loss **(\$452,102)**
  - Stony Point Center - **(\$9,123)** compared to 2013 projected loss **(\$109,000)**

This activity is reported as funding advances or accounts receivable until the Centers are operating at break-even.