

June 6, 2018

**Board of General Ministries
American Baptist Churches in the USA
Valley Forge, Pennsylvania**

We have audited the financial statements of the American Baptist Churches in the USA (“**ABCUSA**”) for the year ended December 31, 2017 and have issued our report thereon dated June 8, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 7, 2017, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of ABCUSA. Such considerations were solely for purposes of determining our audit procedures and not to provide assurance concerning such internal control. Our audit of the financial statements does not relieve you or management of your responsibilities.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by ABCUSA are described in Note 2 to the financial statements. ABCUSA adopted ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)* during 2017, which impacted disclosures related to investments. We noted no transactions entered into by ABCUSA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management’s estimate of the allowance for doubtful accounts on the outstanding accounts receivable is based on historical experience and an analysis of the specific debtors. We have evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The following adjustments proposed by us were approved and recorded by management: (1) to adjust investment in 588 Associates, LLC; (2) to adjust investment values; (3) to correct notes receivable balance; (4) to reduce mission fund payables for December portion belonging to ABCUSA; (5) and to reconcile opening net assets. The aggregate of uncorrected misstatements totaled \$8,047 which was deemed not material.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter which could be significant to the organization's financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 8, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to ABCUSA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require that consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

This information is intended solely for the use of the Board of General Ministries and management of the American Baptist Churches in the USA and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

TAIT, WELLER & BAKER LLP