

# **Budget Review Officer's Report**

June 2023

# Today's report topics

- ABCUSA audit for 2022
- ABCUSA financials through April 2023

# ABCUSA Audit for 2022

- Eleventh year with audit firm of Tait Weller
- Members of BGM Finance Committee reviewed audit with Tait Weller on May 22
- “Clean” audit opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ABCUSA as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

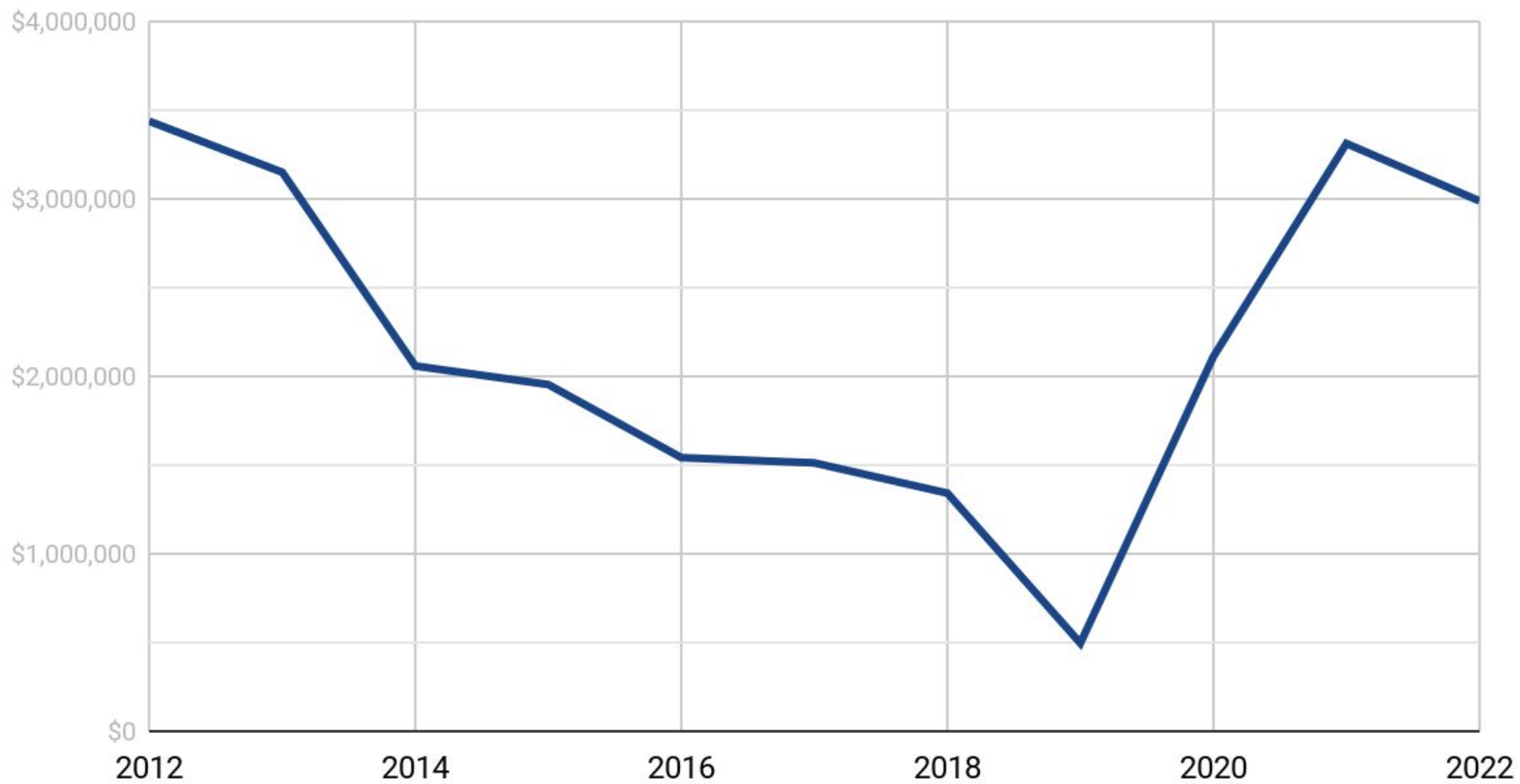
# ABCUSA Audit for 2022

- No significant difficulties or disagreements with management
- Unlike prior years, the auditors saw no need for an advisory letter; they had no suggestions for improvement

# ABCUSA Audit - Financial Position

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,987,581	\$ 3,310,970
Accounts receivable from Baptist-related organizations, net of allowance for doubtful accounts	1,528,187	1,775,917
Prepaid expenses and other current assets	212,672	141,080
Note receivable, current portion	<u>-</u>	<u>1,414</u>
<b>Total Current Assets</b>	4,728,440	5,229,381
<b>NONCURRENT ASSETS</b>		
Investments, at fair value	27,469,914	35,760,396
Land, buildings and equipment, net	3,166,114	3,255,204
Lease acquisition costs, net	<u>9,509</u>	<u>26,417</u>
<b>Total Assets</b>	<u>\$35,373,977</u>	<u>\$44,271,398</u>

## Cash balance at year-end



# ABCUSA Audit - Financial Position

- Net assets (“what’s left over”) decreased from 2021 to 2022
- Decrease largely due to investment losses

	<u>2022</u>	<u>2021</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Board designated	21,968,299	28,567,363
Board undesignated	<u>4,414,234</u>	<u>4,302,583</u>
<b>Total without donor restrictions</b>	26,382,533	32,869,946
With donor restrictions	<u>5,286,110</u>	<u>6,586,322</u>
<b>Total Net Assets</b>	<u>31,668,643</u>	<u>39,456,268</u>
<b>Total Liabilities and Net Assets</b>	<u>\$35,373,977</u>	<u>\$44,271,398</u>

# ABCUSA Audit - Financial Position

- Most net assets have restrictions or are already designated by the Board
- \$4.4 million available to cover future shortfalls

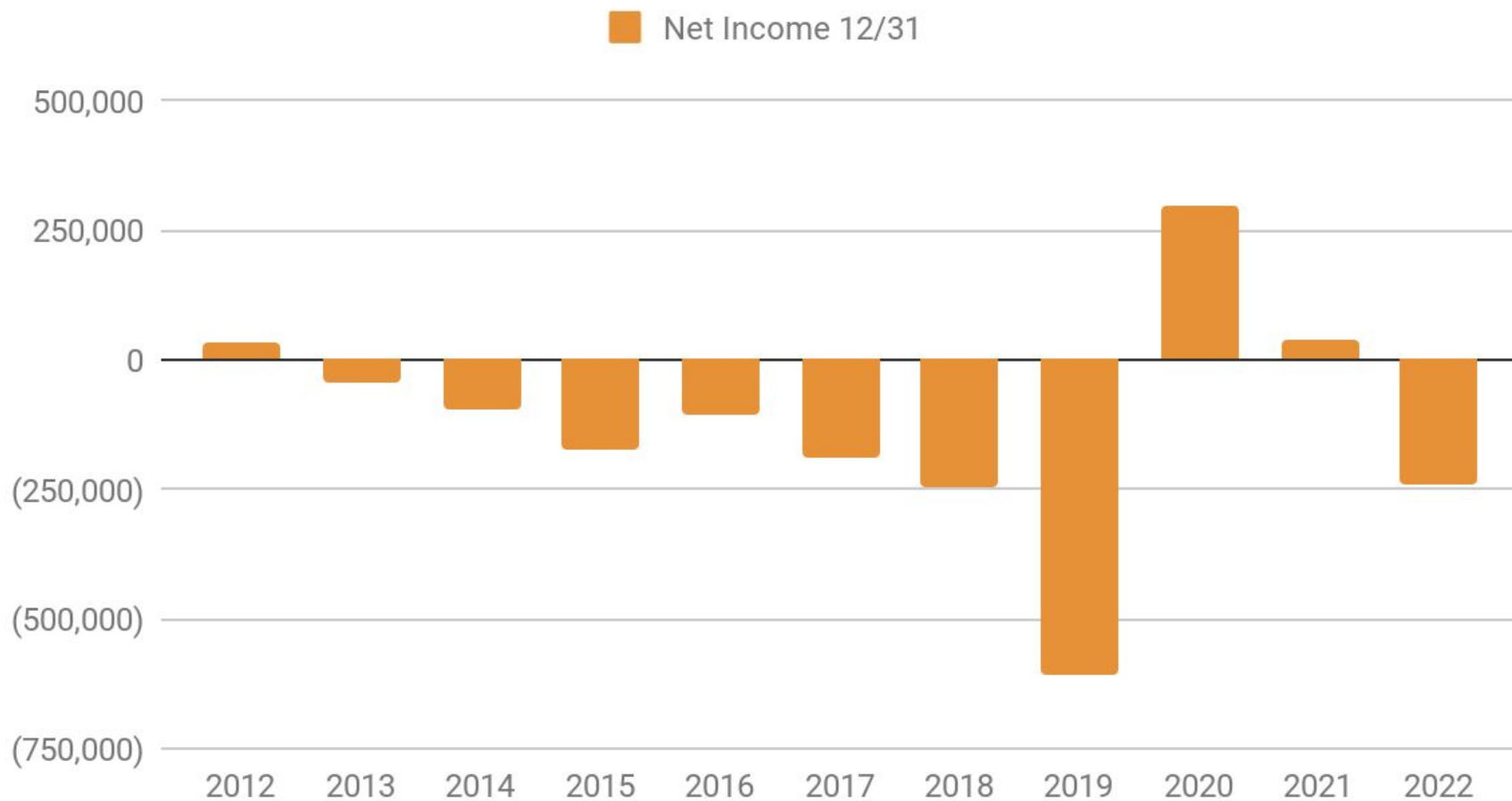
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# ABCUSA Audit - Stmt of Activities

- Change in net assets  $\approx$  profit
- Change in net assets of \$(7,787,625) compared to \$2,723,748 in 2021
- Of that, \$10,428,257 from investment losses
- Some significant changes from 2021:
  - Biennial expense down \$303,000
  - Transition Ministries up \$138,000
  - Representative Process expense up \$30,000
  - ABCIS expense up \$230,000

## Net Income (excluding biennial and non-operating items)



# ABCUSA Audit - Notes

- Note 3 - Where investments are held
- Note 5 - PPP loans
- Note 6 - Loan to AB Historical Society
- Note 7 - Lease of land in King of Prussia
- Note 14 - Liquidity and available cash

# Year-to-date financials (4/30/23)

## Comparative Statement of Revenues and Expenses for year to date ending APR, 2023 and 2022 Without Biennial

	ABCUSA Depts	Denom. Emphasis	Development Office	Transition Ministries	WIM	Total
<b>Apr-23</b>						
Revenue	1,393,222.00	5,369.00	-	228,050.00	52,853.00	1,679,494.00
Expense	1,140,541.00	17,153.00	-	244,164.00	42,222.00	1,444,080.00
Net	252,681.00	(11,784.00)	-	(16,114.00)	10,631.00	235,414.00

<b>Apr-22</b>						
Revenue	1,859,186.00	627.00	2,700.00	175,578.00	79,194.00	2,117,285.00
Expense	1,092,180.00	1,673.00	-	191,875.00	58,827.00	1,344,555.00
Net	767,006.00	(1,046.00)	2,700.00	(16,297.00)	20,367.00	772,730.00

<b>Variance APR 2022 - APR 2023</b>						
Revenue	(465,964.00)	4,742.00	(2,700.00)	52,472.00	(26,341.00)	(437,791.00)
Expense	48,361.00	15,480.00	-	52,289.00	(16,605.00)	99,525.00
Net	(514,325.00)	(10,738.00)	(2,700.00)	183.00	(9,736.00)	(537,316.00)

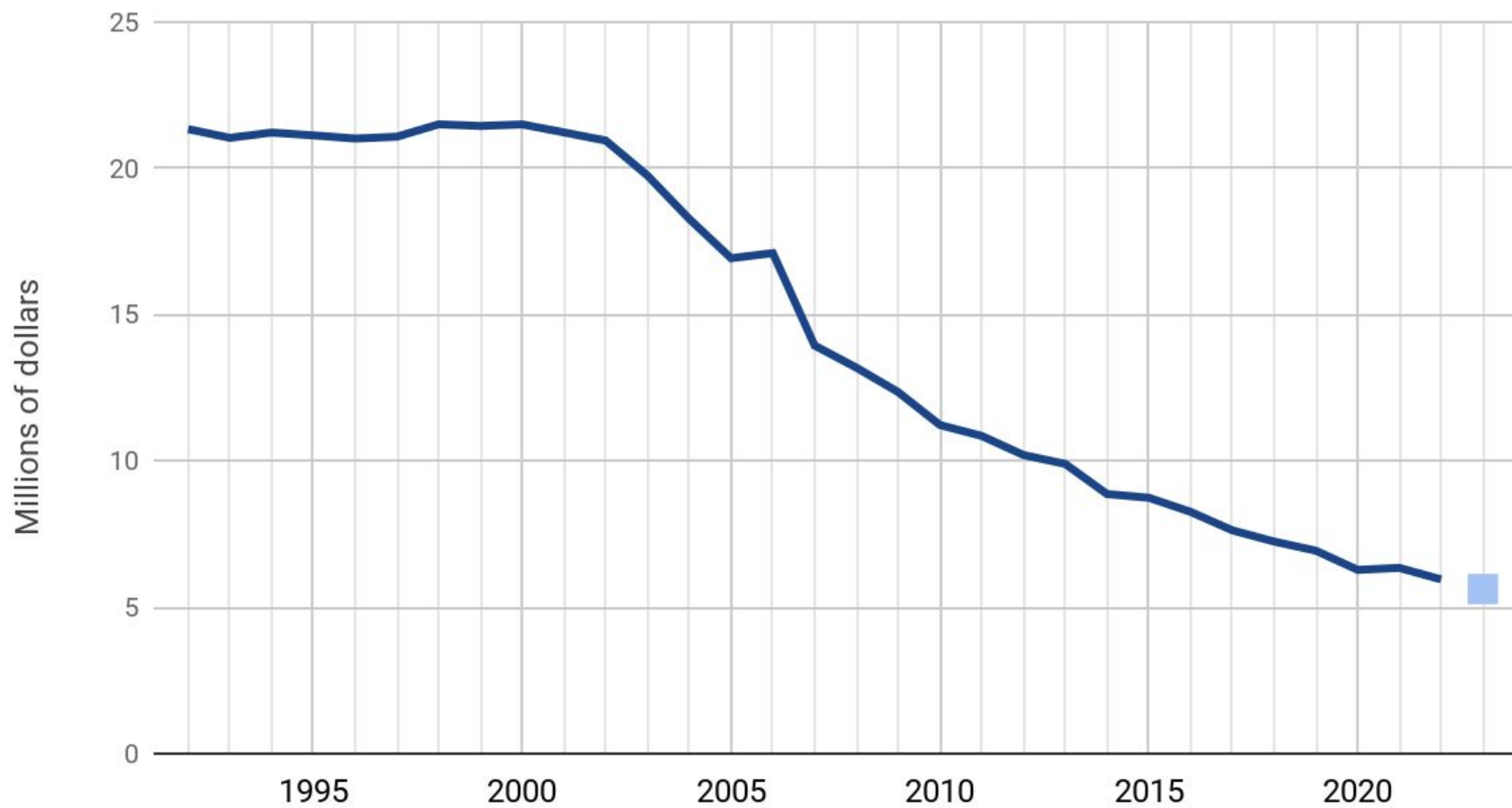
# **Year-to-date financials (4/30/23)**

- All amounts exclude the biennial
- Revenue is down \$466,000 from a year ago
  - No more PPP loans/grants
- Revenue is 48% higher than budget

# Year-to-date financials (4/30/22)

- Expenses are \$100,000 more than a year ago
- Expenses are 20% under budget
- Net gain of \$235,000, compared to
  - Budgeted loss of \$186,000
  - Year-ago net gain of \$773,000 (of which \$744,802 was PPP loan forgiveness)

## United Mission over time



## United Mission over time (inflation-adjusted)

