

SYNOD OF SOUTHERN CALIFORNIA AND HAWAII  
**COMMISSION OF ASSEMBLY**  
Audio-Visual Conference via Zoom.com  
**Saturday, December 14, 2019**

CONVENE     The meeting was called to order at 9:30 a.m. by Commission of Assembly Chair Susan Skoglund.

ROLL         Those present, absent (A), excused (E) and those attending via the internet or telephone (T) are indicated below:

LR-Los Ranchos, PA-Pacific, RS-Riverside, SB-Santa Barbara, SD-San Diego, SF-San Fernando, SG-San Gabriel; TE- Teaching Elder, RE-Ruling Elder; SMOD-Synod Moderator, SVMOD-Synod Vice Moderator, CoAC-CoA Chair/President, SC/SE-Stated Clerk/Synod Executive

Synod Officers

RE Susan Skoglund – CoAC - RS  
TE Joshua Yee - SMOD - PA  
RE Pat Niles - SVMOD - LR  
TE Mark Hong – SC/SE - LR  
RE Bill Hughes – Treasurer – SB

RE Sue Currie – LR  
E TE Sam Roberts – RS  
E RE Jim Shepard – RS  
TE Michael Wallman – SD

Diversity Members

RE Elizabeth Hicks – PA  
E RE Hagar Benitez – LR  
TE David Won – PA

Presbytery Executives/Designees

RE Sandy Thoits – SB \*  
TE Ken Baker - SF  
TE Michael Mudgett - SD  
TE Linda Culbertson – PA  
TE Lee Ireland – RS  
TE Wendy Tajima – SG  
TE Forrest Claassen – LR

Ecclesiastical Chairs

RE Martha Kadue - PA  
RE Sharon Wakamoto – LR  
TE Sylvia Karcher – RS

Also Present

RE Fried Wilson – Synod Staff  
Joanne Yi-Bortfeld – Synod Staff  
TE Martín Garcia  
TE Jaime Lázaro

Opening Prayer     RE Susan Skoglund opened the meeting with prayer.

REPORT OF THE  
STATED CLERK     Stated Clerk Mark Hong presented a written report.

Quorum             The Stated Clerk reported that a quorum was present, and the Chair declared that a quorum was present, a quorum being defined as 12 of the 22 members of the commission with at least 4 TE present, 4 RE present and 5 presbyteries represented.

Agenda             It was VOTED to approve the agenda as amended.

Approval of Minutes     It was VOTED to defer approval of the minutes of the October 12 until the February meeting.

Seating of  
Corresponding  
Members and Guests

It was VOTED to seat TE Jaime Lázaro and TE Martín Garcia with voice for this meeting.

Synod Executive's  
Housing Allowance

It was VOTED to record \$54,105.94 in the minutes as the housing allowance for the Synod Executive/Stated Clerk.

Monte Vista Grove  
Homes

It was VOTED to approve the Board members of the Class of 2022.

- Mr. Bong Bringas, SG, Wm
- Ms. Janet Louie, SG, Wf (2<sup>nd</sup> Term)
- Rev. Rex McDaniel, SG, Wm (1<sup>st</sup> Term – completed an unexpired term)
- Mr. Roy McManus, SG, Wm (1<sup>st</sup> Term)
- Rev. Norm Thomas, Wm (1<sup>st</sup> Term – resident) non-Presbyterian
- Rev. Marilyn Manning, SG, Wf (1<sup>st</sup> Term – resident)

The members of the Classes of 2020 and 2021 are provided for information.

**Class of 2020**

Mr. Myron Oakes, SG, Wm (2nd Term)  
Ms. Kathleen Tingus, SG, Wf (1st Term)  
Rev. Joyce DeGraff, Cascades, Wf (2nd Term) R  
Rev. Don Smith, PA, Wm (2nd Term)  
Ms. Janet Wells, SG, Wf (2nd Term)  
Mr. Steve Dorsey, SG, Wm (2nd Term)  
Ms. Sandra Mader, PA, Wf (2nd Term)

**Class of 2021**

Rev. Bruce Calkins, PA, Wm (2nd Term) R  
Rev. Tom Wentz, SG, Wm (2nd Term) R  
Ms. Alicia Romo, Wf (2nd Term) non-Presbyterian  
Ms. Karen Walter, SG, Wf (2nd Term)  
Mr. Al Boegh, SG, Wm (2nd Term)  
Mr. Ken Riley, SG, Wm (2nd Term)

Tentative 2020  
Meeting Dates

**Commission of Assembly (all on Saturday):**

February 15, June 6, October 10, and December 5 (if needed)

**Synod Assembly:**

November 14 (Saturday)

It was reported by one of the members that there is a conflict that day with Presbytery of the Pacific meeting. The Stated Clerk and Synod Moderator will find a better date.

REPL Donation

The Stated Clerk announced that REPL recently received a \$20,000 one-time donation from long-time supporter Areta Crowell. Mark

reported that the REPL decided that these funds will be tapped for scholarship payment before the James Furuya Fund and the REPL Foundation Fund are used.

Correspondence

A letter from the New Theological Seminary of the West was received thanking the Synod for the grant that was approved at the October meeting.

TREASURER'S  
REPORT

Treasurer RE Bill Hughes presented a brief on the Synod's financial results as of November 30, 2019. The report is provided in Attachment 1.

He then walked the group through the recently completed independent review of the 2018 financial results prepared by Scott Krivis & Company Certified Public Accountant. After time for questions and answers it was VOTED to receive the report. The report is included as Attachment 2.

2020 GRANT FOR  
CÍCLICA LA – PART  
ONE

TE Jaime Lázaro and TE Martín Garcia presented the Cíclica LA report for 2019. Two years ago the Synod had voted to provide a three-year grant of \$70,000 per year to fund a Spanish language version of the Cyclical program already in operation. Funding for the second and third years of the grant was contingent on receiving satisfactory annual reports for 2017 and 2018.

The 2019 report detailed their accomplishments for 2019, their goals and objectives for 2020, a success story about one of their participants and a projected budget for 2020. Time was provided for a question and answer period. A copy of the grant request is included in Attachment 3.

The vote on this grant will be taken later in the meeting to allow time for discussion.

PARTNERING  
GRANT REQUEST

Work Group chair Linda Culbertson presented the group's report.

Pasadena  
Presbyterian Church  
and San Gabriel  
Presbytery

Background: The Spanish language ministry at Pasadena Presbyterian Church was initially "earmarked" for five years of funding with commitments from both the Presbytery of San Gabriel and matching funds from the Synod Partnering Grant Fund. It is the desire of the Pasadena Presbyterian Church to do a re-launch of their Spanish Language Ministry.

The commitment at the time of the initial grant was for \$50,000 from the Presbytery which was matched by the Synod. In 2012-2013, San Gabriel Presbytery distributed \$30,000 and the Synod distributed \$24,000. San Gabriel's Presbytery Executive Committee has voted in the affirmative to the proposal of the Session of the Pasadena Church

for the SLM re-launch and committed its remaining \$20,000 for this project from the original \$50,000 grant. In turn, San Gabriel Presbytery is requesting that the Synod honor its original commitment to the project, with the \$26,000 still available for this project.

TE Martín Garcia, the current interim pastor for that language ministry provided additional information on how the funds will be used and the enthusiasm for this project among the members. San Gabriel Presbytery Executive TE Wendy Tajima also spoke favorably about the project.

It was VOTED to approve the resumption of this partnering grant. A copy of the grant is provided in Attachment 4.

2020 GRANT FOR  
CÍCLICA LA – PART  
TWO

TE Jaime Lázaro and TE Martín Garcia were excused from the meeting and discussion proceeded on the Cíclica LA report for 2019. A motion was made, seconded and passed to approve the release of the 2020 commitment of \$70,000.

COMMITTEE ON  
REPRESENTATION  
AND NOMINATIONS

Co-chairs RE Sharon Wakamoto and TE Sylvia Karcher reported on the committee's progress in finding nominees for three vacancies for Assembly commissioners to serve on the Commission of Assembly in 2020.

The committee nominated the following persons for the Commission of Assembly Class of 2022:

- RE Frances Lin, SD, Af
- TE N'Yisrela Watts-Afryie, SG, Bf

The Moderator called for nominations from the floor. Hearing none, it was VOTED to elect both persons to the Commission of Assembly Class of 2022.

Sylvia reported that she is working on a third potential nominee.

ADJOURNMENT

The Commission Chair thanked outgoing members TE Sam Roberts, RE Jim Shepard, and TE Mike Wallman for their faithful service. The meeting was closed at 11:00 a.m. with prayer by TE Mark Hong.

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Mark Hong, Stated Clerk

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Fried R. Wilson, Journal Clerk

**ATTACHMENT 1**

**FINANCIAL REPORT AS OF NOVEMBER 30, 2019**

The Synod of Southern California and Hawaii  
Operating Profit Loss (Budget vs Actuals)  
November 30, 2019

	YTD	Actual	Total Budget	(+/-)	Budget	%Budget Remaining
<b>General Income</b>						
<b>Per Capita</b>						
52100 Los Ranchos (Qtr)		27,382.80	27,383.00		0.20	0.00%
52110 Pacific (Mth)		32,719.59	27,705.00	(5,014.59)		-18.10%
52120 Riverside		3,626.06	9,177.00	5,550.94		60.49%
52130 San Fernando (Qtr)		10,197.93	13,597.00	3,399.07		25.00%
52140 San Gabriel (Mth)		15,637.65	18,690.00	3,052.35		16.33%
52150 Santa Barbara		8,172.83	12,871.00	4,698.17		36.50%
52160 San Diego (Mth)		17,804.49	30,595.00	12,790.51		41.81%
52990 Uncollectible PCA			(45,000.00)	(45,000.00)		100.00%
Total Per Capita		115,541.35	95,018.00	(20,523.35)		-21.60%
<b>Revenue for General Use</b>						
50110 Investment Revenue		10,114.64	11,600.00	1,485.36		12.80%
55570 Wilshire Properties Reserve Fund		275,000.00	324,866.00	49,866.00		15.35%
Total Revenue for General Use		285,114.64	336,466.00	51,351.36		15.26%
Total General Income		400,655.99	431,484.00	30,828.01		7.14%
<b>General Expenses</b>						
62990 Miscellaneous Expenses		100.00	300.00	200.00		66.67%
<b>Support Services</b>						
62110 Salaries & Wages - Administrative		197,860.97	224,603.00	26,742.03		11.91%
62111 Salaries & Wages -REPL		6,326.10	6,901.00	574.90		8.33%
62120 Pension & Medical		54,382.68	69,900.00	15,517.32		22.20%
62130 FICA - Administrative		8,265.39	9,847.00	1,581.61		16.06%
62140 Workers Compensation - Administrative		1,340.99	2,050.00	709.01		34.59%
62150 Study Leave		2,596.17	3,000.00	403.83		13.46%
Total Support Services		270,772.30	316,301.00	45,528.70		14.39%
<b>Operating Expenses</b>						
62310 Office Supplies		600.49	1,500.00	899.51		59.97%
62315 Postage & Delivery		114.02	500.00	385.98		77.20%
62320 Communication		7,244.08	9,500.00	2,255.92		23.75%
62325 Equipment Maintenance			500.00	500.00		100.00%
62330 Equipment Leases		5,250.97	7,000.00	1,749.03		24.99%
62333 Equipment Purchased		142.34	2,000.00	1,857.66		92.88%
62335 Rent Expense		1,450.00	2,100.00	650.00		30.95%
62340 Utilities		5,885.00	6,500.00	615.00		9.46%
62345 General Liability & Property Insurance		1,761.00	2,200.00	439.00		19.95%
62350 Taxes, Licenses & Fees		183.55	200.00	16.45		8.22%
62355 Dues & Subscriptions		502.39	300.00	-202.39		-67.46%
62515 Bank			300.00	300.00		100.00%

The Synod of Southern California and Hawaii  
Operating Profit Loss (Budget vs Actuals)  
November 30, 2019

	YTD	Actual	Total Budget	(+/-)	Budget	%Budget Remaining
Total Operating Expenses	23,133.84		32,600.00		9,466.16	29.04%
Meeting Expenses						
62360 Mileage & Travel for Exec/SC	17,114.78		22,000.00		4,885.22	22.21%
62370 Employee Mile & Travel	535.33				(535.33)	
62401 General & Administration			500.00		500.00	100.00%
62403 Commission Of Assembly	464.87		1,600.00		1,135.13	70.95%
62404 Work Groups			400.00		400.00	100.00%
62405 Polity & Records	395.69		300.00		(95.69)	-31.90%
62406 Committee on Representation & N			300.00		300.00	100.00%
62407 Permanent Judicial Commission			1,500.00		1,500.00	100.00%
62409 Synod Assembly	410.32		3,000.00		2,589.68	86.32%
62411 Synod Moderator's Expenses	700.41		1,500.00		799.59	53.31%
Total Meeting Expenses	19,621.40		31,100.00		11,478.60	36.91%
Professional Services						
62200 Personnel Training	1,762.50		-		(1,762.50)	
62500 Audit Fee	-		8,500.00		8,500.00	100.00%
62510 Legal Fees	1,805.00		8,000.00		6,195.00	77.44%
62520 Technical Support	-		-		-	
62551 Payroll Processing Fee	2,210.95		900.00		(1,310.95)	-145.66%
62552 Website Maintenance	2,750.00		3,000.00		250.00	8.33%
62553 Computer Hardware & Software	1,104.99		2,000.00		895.01	44.75%
62800 Training Expenses	6,767.54		14,000.00		7,232.46	51.66%
62810 Staff Support	-		300.00		300.00	100.00%
Total Professional Services	16,400.98		36,700.00		20,299.02	55.31%
Special Program Expenses						
62710 Monte Vista Grove Fundraiser	1,600.00		1,200.00		(400.00)	-33.33%
62751 Reimbursement for HI Commissioner	2,854.10		3,500.00		645.90	18.45%
62752 Southern California Christian Forum	9,166.63		10,000.00		833.37	8.33%
Total Special Program Expenses	13,620.73		14,700.00		1,079.27	7.34%
Total General Expenses	343,649.25		431,701.00		88,051.75	20.40%
Net Income/Loss	57,006.74		(217.00)		(57,223.74)	

**The Synod of Southern California and Hawaii**  
**Restricted Profit Loss (Budget vs Actuals)**  
**November 30, 2019**

		YTD Actual	Total Budget	Remaining Budget	% Budget Remaining	
<b>Net Asset Release from Restricted Programs</b>						
55110	Chaplaincy	56,512.09	57,500.00	987.91	1.72%	
55120	JPIC	2,066.74	12,000.00	9,933.26	82.78%	
55130	REPL	34,739.94	30,000.00	(4,739.94)	-15.80%	
55140	Unrestricted Reserve	48,499.37	17,500.00	(30,999.37)	-177.14%	Steward Kaleidoscope \$5k, winter all staff 2.5k, Pastoralab 11k, Asylum 12,726k, NTSW 11,980.19 & 5,293.81 transferred from savings
55150	Church Development	225,746.00		(225,746.00)		Pacific 81.5k, Los Rancho 33.75k, Pacific 75k, Missioninsite 10.496k, Ciclic 25k
55155	KPC Grant - Savings	10,800.00		(10,800.00)		
55160	Foundation Pass Through Grant	20,249.18	57,000.00	36,750.82	64.48%	
	<b>Total Asset Release from Restricted Programs</b>	<b>398,613.32</b>	<b>174,000.00</b>	<b>(224,613.32)</b>	<b>-129.09%</b>	
<b>Program Services</b>						
61100	Justice,Peace & Integrity of Creation (JPI	2,612.00	12,000.00	9,388.00	78.23%	Los Rancho Peace making conf, San Fernando Peace Conf, PPNK @ NY, Faith at the Table
61200	Racial Ethnic Pastoral Leadership	12,000.00	30,000.00	18,000.00	60.00%	Timothy Wonho Lee, September Penn
61300	Chaplaincy Consortium	52,708.37	57,500.00	4,791.63	8.33%	
61600	Missioninsite	10,496.00	15,000.00	4,504.00	30.03%	
	<b>Total Budgeted Programs</b>	<b>77,816.37</b>	<b>114,500.00</b>	<b>36,683.63</b>	<b>32.04%</b>	
<b>Foundation Pass Through Grant</b>						
61700	Other Grant		900.00	900.00	100.00%	
61710	Witness for Peace	11,366.28	18,700.00	7,333.72	39.22%	
61720	Union Station Foundation	5,451.27	11,900.00	6,448.73	54.19%	
61730	Franciscan Friars	5,451.27	7,200.00	1,748.73	24.29%	
61740	La Casa de San Gabriel Community Center	443.45	600.00	156.55	26.09%	
61750	Presbyterian Women	338.74	500.00	161.26	32.25%	
61760	Monte Vista Grove Home		4,100.00	4,100.00	100.00%	
61770	Westminister Garden		1,100.00	1,100.00	100.00%	
61780	Camp & Conference Grants		11,700.00	11,700.00	100.00%	
61790	Zephyr Point Conference Center		200.00	200.00	100.00%	
61795	Living John Edwards Heirs		100.00	100.00	100.00%	
	<b>Total Foundation Pass Through Grant</b>	<b>23,051.01</b>	<b>57,000.00</b>	<b>33,948.99</b>	<b>40.44%</b>	
<b>Non Budgeted Restricted Grant</b>						
61400	Church Development	190,250.00		(190,250.00)		Pacific 81.5k, Los Rancho 33.75k, Pacific 75k
61504	La Casa de San Gabriel Community Center	6,000.00		(6,000.00)		Consultant asesment for 3mths
61540	Unrestricted Fund	48,500.00		(48,500.00)		Steward Kaleidoscope \$5k, Synod exec 2.5k,Pastoralab 11k, Asylum 15k, NTSW 15k
61500	Church Development - funded from savings	5,500.00		(5,500.00)		Puente de Experanza 5.5k
61610	Ciclica	50,000.00		(50,000.00)		
61800	KPC Grant - funded from savings	14,800.00		(14,800.00)		(Pastoral training, worship & yth rally \$8,000), 8KPc Commissioners reg fee \$2,800, Vision Conf 1,000, United Praise Gathering \$3,000
	<b>Total Non Budgeted Restricted Grant</b>	<b>315,050.00</b>	<b>-</b>	<b>(315,050.00)</b>		
<b>Total Restricted Program Expense</b>						
		<b>415,917.38</b>	<b>171,500.00</b>	<b>(244,417.38)</b>	<b>242.52%</b>	
<b>Net Restricted Asset</b>						
		<b>(17,304.06)</b>	<b>2,500.00</b>	<b>19,804.06</b>		



The Synod of Southern California and Hawaii  
Balance Sheet  
As of November 30, 2019

	<u>Total</u>
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
10000 Cash & Cash Equivalents	
10100 Operating - Chase 786622956	108,780.79
10110 Restricted - Chase 3380085208	270,370.37
Total 10000 Cash & Cash Equivalents	<u>379,151.16</u>
10200 Short Term Investments	
10220 Presbyterian Investment & Loan Program	1,172,216.27
Total 10200 Short Term Investments	<u>1,172,216.27</u>
Total Bank Accounts	<u>1,551,367.43</u>
Accounts Receivable	
11000 Accounts Receivable (A/R)	
11010 Per Capita Receivable	-
11015 Allowance for Bad Debts	-
11020 Accounts Receivable-Others	-
11030 Investment Income Receivable	-
Total 11000 Accounts Receivable (A/R)	<u>-</u>
Total Accounts Receivable	<u>-</u>
Other Current Assets	
12000 Prepaid Expenses	
12100 Prepaid Insurance	1,048.50
12200 Other Prepaid Expenses	-
Total 12000 Prepaid Expenses	<u>1,048.50</u>
13000 Other Current Assets	
13001 Accounts Receivable-Others	31,697.12
Total 13000 Other Current Assets	<u>31,697.12</u>
Total Other Current Assets	<u>32,745.62</u>
Total Current Assets	<u>1,584,113.05</u>
Other Assets	
20000 Long Term Assets	
21000 Notes Receivables/Mortgage Grants	-
21100 Notes Receivable	(442,534.22)
21200 Mortgage Grants	-
21999 Allowance for Bad Debts	-
Total 21000 Notes Receivables/Mortgage Grants	<u>(442,534.22)</u>
22000 Unrestricted Investments - NCF	
22100 Unrestricted Reserve 1075491	741,016.38
22200 Ecclesiastical Reserve 107018	24,903.32
22300 Oiko Credit 109100000069	100,001.50
Total 22000 Unrestricted Investments - NCF	<u>865,921.20</u>
23000 Unrestricted Investments- NCT Council Assigned	

23100 NCTC - Wilshire Reserve 506083000164	4,309,798.09
Total 23000 Unrestricted Investments- NCT Council	
Assigned	4,309,798.09
24000 Temporarily Restricted Investments NCF	
24100 Church Development Fund 1038031	3,458,817.29
24200 Southern California Foundation 1060390	195,895.62
24300 Langlie Fund 1033134	23,707.26
24400 Edwards Fund 1033232	20,195.23
24500 Life Income Plans - Paid in Lump Sums	25,581.23
Total 24000 Temporarily Restricted Investments NCF	3,724,196.63
25000 Permanently Restricted Funds	
25100 Pooled Presbyterian Foundation Accounts	2,604,863.88
25200 Life Income Plans - Est. Permanent Funds	22,306.96
Total 25000 Permanently Restricted Funds	2,627,170.84
26000 Property Held for Investment	
27000 Fixed Assets	
27100 Furniture and Equipment	35,195.91
27200 Accumulated Depreciation	(34,242.84)
Total 27000 Fixed Assets	953.07
Total 20000 Long Term Assets	11,085,505.61
Total Other Assets	11,085,505.61
TOTAL ASSETS	12,669,618.66
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
30000 Accounts Payable (A/P)	(5,333.29)
Total Accounts Payable	(5,333.29)
Other Current Liabilities	
31000 Other Current Liabilities	
31100 Accrued Expenses	1,330.13
31200 Vacation / PTO Accrual	9,557.85
31300 Flexible Spending Account	14.60
31400 403-B Payable	1,600.00
31500 Funds Held in Trust	(420,125.36)
Total Other Current Liabilities	(407,622.78)
Total Current Liabilities	(412,956.07)
Total Liabilities	(412,956.07)
Equity	
40000 Net Assets	
41000 Unrestricted Net Assets	1,273,385.94
42000 Unrestricted Net Assets - Council Designated	4,178,421.35
43000 Temporarily Restricted Net Assets	6,183,690.69
44000 Permanently Restricted Assets	2,699,961.01
Total 40000 Net Assets	14,335,458.99
Opening Balance Equity	
Retained Earnings	(1,043,032.98)

Net Income	(209,851.28)
Total Equity	<u>13,082,574.73</u>
TOTAL LIABILITIES AND EQUITY	<u>12,669,618.66</u>



**ATTACHMENT 2**

**FINANCIAL REVIEW FOR THE YEAR ENDING DECEMBER 31, 2018**

**PREPARED BY**

**SCOTT KRIVIS & COMPANY  
CERTIFIED PUBLIC ACCOUNTANT**





SYNOD OF SOUTHERN CALIFORNIA AND,  
HAWAII, PRESBYTERIAN CHURCH (U.S.A.)

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FINANCIAL STATEMENTS  
and  
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2018

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**SCOTT KRIVIS & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANT  
20700 VENTURA BOULEVARD, SUITE 234  
WOODLAND HILLS, CA 91364  
(818) 594-7200 \* (818) 594-0372 FAX

**Independent Accountant's Review Report**

The Commission of Assembly  
Synod of Southern California and Hawaii,  
Presbyterian Church (U.S.A.)  
Panorama City, California

We have reviewed the accompanying financial statements of Synod of Southern California and Hawaii, Presbyterian Church (U.S.A.) which comprise the statement of financial position as of December 31, 2018 and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

**Accountant's Responsibility**

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountant's Conclusion on the Financial Statements**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statement in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Supplementary Information**

The supplementary information included in the statement of financial position by fund and statement of activities by fund, included on pages 15 and 16 are presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the supplementary information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on it.



Scott Krivis & Company

Woodland Hills, CA  
November 22, 2019

**SYNOD OF SOUTHERN CALIFORNIA AND HAWAII,  
PRESBYTERIAN CHURCH (U.S.A.)**

**STATEMENT OF FINANCIAL POSITION  
December 31, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents (Note 2)	\$ 124,636	\$ 281,238	\$ -	\$ 405,874
Trust deed notes and grants receivable (Note 3)		58,766		58,766
Other receivables	50,467			50,467
Prepaid expenses	991			991
Due to/from other funds	(793,278)	695,556	97,722	-
Investments (Note 4)	5,375,719	4,888,049	2,604,864	12,868,632
Split-Interest agreements (Note 5)		25,581	22,307	47,888
Property and equipment (Note 7)	<u>953</u>	<u>-</u>	<u>-</u>	<u>953</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 4,759,488</b></u>	<u><b>\$ 5,949,190</b></u>	<u><b>\$ 2,724,893</b></u>	<u><b>\$ 13,433,571</b></u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	<u>\$ 94,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,923</u>
<b>Total Liabilities</b>	<u><b>94,923</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>94,923</b></u>
<b>NET ASSETS</b>				
Unrestricted	376,074			376,074
Unrestricted-Council designated	4,288,491			4,288,491
Temporarily restricted (Note 9)		5,949,190		5,949,190
Permanently restricted (Note 10)	<u>-</u>	<u>-</u>	<u>2,724,893</u>	<u>2,724,893</u>
<b>TOTAL NET ASSETS</b>	<u><b>4,664,565</b></u>	<u><b>5,949,190</b></u>	<u><b>2,724,893</b></u>	<u><b>13,338,648</b></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 4,759,488</b></u>	<u><b>\$ 5,949,190</b></u>	<u><b>\$ 2,724,893</b></u>	<u><b>\$ 13,433,571</b></u>

See Accountant's Review Report

The accompanying notes are an integral part of these financial statements

**SYNOD OF SOUTHERN CALIFORNIA AND HAWAII,  
PRESBYTERIAN CHURCH (U.S.A.)**

**STATEMENT OF ACTIVITIES  
Year ended December 31, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT				
Interest and dividend income	\$ 226,356	\$ 338,217	\$ -	\$ 564,573
Per capita appointment	125,609			125,609
Contribution and grants		6,596		6,596
Miscellaneous income	17,005			17,005
Net assets released from program restrictions	<u>472,846</u>	<u>(472,846)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	<u>841,816</u>	<u>(128,033)</u>	<u>-</u>	<u>713,783</u>
EXPENSES				
Program services:				
Church development	239,501			239,501
Related mission partners	358,082			358,082
Support Services:				
Administration	<u>417,952</u>	<u>-</u>	<u>-</u>	<u>417,952</u>
TOTAL EXPENSES	<u>1,015,536</u>	<u>-</u>	<u>-</u>	<u>1,015,536</u>
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	(173,720)	(128,033)	-	(301,753)
OTHER CHANGES				
Unrealized loss on investments	(528,575)	(274,595)	(224,594)	(1,027,764)
Unrealized loss on split-interest agreements	<u>(3,120)</u>	<u>-</u>	<u>(684)</u>	<u>(3,804)</u>
CHANGE IN NET ASSETS	(705,415)	(402,628)	(225,278)	(1,333,321)
NET ASSETS, BEGINNING OF YEAR	<u>5,369,980</u>	<u>6,351,818</u>	<u>2,950,171</u>	<u>14,671,969</u>
NET ASSETS, END OF YEAR	<u>\$4,664,565</u>	<u>\$5,949,190</u>	<u>\$2,724,893</u>	<u>\$13,338,648</u>

See Accountant's Review Report  
The accompanying notes are an integral part of these financial statements

**SYNOD OF SOUTHERN CALIFORNIA AND HAWAII,  
PRESBYTERIAN CHURCH (U.S.A.)**

**STATEMENT OF CASH FLOWS  
Year ended December 31, 2018**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ (1,333,321)
Adjustments to reconcile change in net assets to cash used by operating activities:	
Unrealized loss on investments	1,027,764
Unrealized loss on split-interest agreements	3,804
Depreciation	748
(Increase) decrease in operating assets:	
Accounts receivable	24,177
Prepaid expenses	178
Increase (decrease) in operating liabilities:	
Accounts payable and accrued liabilities	<u>2,982</u>
 NET CASH USED BY OPERATING ACTIVITIES	 <u>(273,668)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Sale of investments, net	(148,237)
Change in split-interest agreements	(20,842)
Change in notes receivable	<u>503,660</u>
 NET CASH PROVIDED BY INVESTING ACTIVITIES	 <u>334,581</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	 60,913
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>344,961</u>
 CASH AND CASH EQUIVALENTS, FOR THE END OF YEAR	 <u>\$ 405,874</u>

See Accountant's Review Report  
The accompanying notes are an integral part of these financial statements

**SYNOD OF SOUTHERN CALIFORNIA AND HAWAII,  
PRESBYTERIAN CHURCH (U.S.A)**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2018**

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**1. Organization**

Synod of Southern California and Hawaii, Presbyterian Church (U.S.A) ("the Synod"), is one of the sixteen regional governing bodies within the Presbyterian Church (U.S.A), and as such is exempt from federal income tax under the IRS code Section 501(C) (3). It is incorporated in the state of California as a not-for-profit organization and is exempt from state income tax. Within the Presbyterian Church (U.S.A), a synod is responsible for the mission of the church throughout the region.

**2. Summary of Significant Accounting Policies**

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting.

**Accounting**

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of the Synod are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and for reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

**Unrestricted.** These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving interest from investments less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

**Unrestricted-Council Designated.** These are comprised of resources that the Synod Commission of Assembly established as being for future program and capital expansion and cash flow resources. For purposes of complying with net assets accounting, this fund is included in unrestricted net assets at December 31, 2018.

**Temporarily Restricted.** The Synod reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from program or capital restrictions.

**SYNOD OF SOUTHERN CALIFORNIA AND HAWAII,  
PRESBYTERIAN CHURCH (U.S.A.)**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2018**

---

**2. Summary of Significant Accounting Policies, continued**

**Permanently Restricted.** These net assets consist of contributions that are limited by donor-imposed stipulations to invest the principle in perpetuity but allow expenditure of the income.

**Cash and Cash Equivalents**

The Synod has defined cash and cash equivalents as cash in banks and certificates of deposits with an original maturity of three months or less.

**Intentions to Give**

Annually, the Synod determines the amount that each presbytery is to contribute to the Synod as its per capita payment. The amount is calculated from the total church membership figures of each presbytery as reported to the General Assembly. While a Presbytery is expected to make its full per capita payment, there is no legal requirement that they do so. Since these intentions to give do not meet the criteria for revenue recognition under generally accepted accounting principles, they are not reflected as contributions in the Statement of Activities until the per capita payments are collected.

**Investments**

Investments in money market funds and marketable securities are reported at their fair market values based upon published quotations. Investments for which the fair market values are not readily determinable are recorded at cost or, if received as a contribution, at their fair market values as determined at the time of the gift. Securities are generally held in custodial investment accounts administered by financial institutions. Money market funds held in securities institutions and not used for operations are included in investments.

Investment purchases and sales are accounted for on a trade - date basis. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Interest and dividend income is recorded when earned. Gains and losses, and interest income, are reflected in the Statement of Activities (see Note 4).

**Fair Value Measurements**

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets

Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs - estimated using the best information available when there is little or no market

**SYNOD OF SOUTHERN CALIFORNIA AND HAWAII,  
PRESBYTERIAN CHURCH (U.S.A.)**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2018**

---

**2. Summary of Significant Accounting Policies, continued**

The Synod is required to measure pledge contributions, split-interest agreements, and certain investments at fair market value. The specific techniques used to measure fair value for these financial statement elements are described in the notes below that relate to each element.

**Concentration of Credit Risks**

The Synod places its temporary cash investments with high credit, quality financial institutions. At times, such investments may be in excess of Federal Deposit Insurance Corporation insurance limit. The Synod has not incurred losses related to these investments. Cash in one financial institution at December 31, 2018, was \$329,286.

The Synod holds investments in the form of equities, certificates of deposit, corporate bonds (fixed income), and money market accounts. Fair market values of the Synod's investments are routinely reviewed by the Synod's Commission of Assembly.

**Property and Equipment**

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to five hundred dollars and the useful life is greater than one year.

**Income Taxes**

The Synod is exempt from taxation under Internal Revenue Code Section 501(C)(3) and California Revenue and Taxation Code Section 23701d.

**Use of Estimates**

The preparation of financial statements in conformity with principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Actual results could differ from those estimates.

**Subsequent Events**

Management has evaluated subsequent events through November 22, 2019 the date which the financial statements were available for issue. No events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.



**SYNOD OF SOUTHERN CALIFORNIA AND HAWAII,  
PRESBYTERIAN CHURCH (U.S.A.)**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2018**

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**3. Trust Deed Notes and Grants Receivable**

Trust deed notes receivable of \$58,766 represent funds advanced to churches and other approved religions and community organizations through the Synod's Church Development Fund. The trust deed notes are stated at the unpaid principal balances, less an allowance for doubtful receivables. The trust deed notes are collateralized by mortgages on the respective properties held and title is held by the Synod as a valid lien against the respective properties. Many of the trust deed notes have below market interest rates at the time of issuance and imputed interest is not being calculated on the unpaid principal over the term of the loan. Although interest calculations and prepayment terms have been previously identified in note agreements, the Synod has not always required strict adherence to those terms. As a result, interest is recorded on a received (cash) basis and an allowance has been provided for those trust deed notes which management considers doubtful based on their past due status. At its discretion, the Synod reclassifies some unpaid balances of the "trust deed notes" to "grants receivable" when the notes are determined by management to be completely uncollectible in the interim due to the borrowing church's inability to meet the repayment terms, or the church's deteriorating financial condition. Therefore, grants receivable represents unpaid principal balances that are subordinated liens on church properties and are expected to be repaid only upon church dissolution or sale of the church property.

**4. Investments**

Significant information about investments at December 31, 2018 is summarized as follows:

Equities	\$7,779,159
Certificates of deposit	1,175,102
Fixed income funds	3,760,479
Cash and cash equivalents	<u>153,892</u>
	<u>\$12,868,632</u>

Changes in investments for the year ended December 31, 2018 is as follows:

Beginning balance at January 1, 2018	\$13,751,963
Sale of investments, net	(409,335)
Unrealized loss on investments	(1,038,568)
Reinvested interest and dividends	<u>564,572</u>
Ending balance at December 31, 2018	<u>\$12,868,632</u>

**SYNOD OF SOUTHERN CALIFORNIA AND HAWAII,  
PRESBYTERIAN CHURCH (U.S.A.)**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2018**

**5. Split-Interest Agreements**

Certain individuals have pledged unconditional support in the split-interest agreements to be paid to the Synod at various, but yet undetermined, future dates. These agreements are managed and held by the Presbyterian Foundation ("the Foundation"), who provided the fair market value of these investments as of December 31, 2018. The split-interest agreements held by the Foundation at December 31, 2018 are as follows:

Distribution income-lump sum	\$ 41,408
Pooled funds with charitable interest	<u>6,480</u>
	<u>\$ 47,888</u>

**6. Fair Value Measurements**

The table below presents the balances of assets measured at fair value at December 31, 2018 on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$7,779,159	\$ -	\$ -	\$7,779,159
Fixed income funds	3,760,479			3,760,479
Split interest agreements	<u>-</u>	<u>-</u>	47,888	<u>47,888</u>
	<u>\$ 11,539,638</u>	<u>\$ -</u>	<u>\$ 47,888</u>	<u>\$11,587,526</u>

The fair value of equities has been measured on a recurring basis using quoted prices for identical assets in active markets (Level 1 inputs).

The fair value of split interest agreements is measured on a recurring basis by calculating the change in value of the Synod's beneficial interest (Level 3 inputs).

Significant information regarding split-interest agreements classified by the Synod within Level 3 of the fair value hierarchy for the year ended December 31, 2018 is as follows:

Beginning balance	\$ 53,495
Change in value of split interest	<u>(5,607)</u>
Ending balance	<u>\$ 47,888</u>

**7. Property and Equipment**

Property and equipment at December 31, 2018 consist of the following:

Furniture and fixtures	\$ 35, 196
Less: accumulated depreciation	<u>(34,243)</u>
	<u>\$ 953</u>

Depreciation expense for the year ended December 31, 2018 was \$748.

**SYNOD OF SOUTHERN CALIFORNIA AND HAWAII,  
PRESBYTERIAN CHURCH (U.S.A.)**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2018**

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**8. Commitments and Contingencies**

**Obligations Under an Operating Leases**

The Synod leases equipment under an operating lease with various terms. Future minimum payments, by year end in the aggregate, under these leases with initial or remaining terms of one year or more, consist of the following:

Year ended December 31,

2019	\$ 5,748
2020	5,748
2021	5,748
2022	5,748
2023	<u>4,790</u>
	<u>\$ 27,782</u>

Rent expense under the operating lease for equipment for the year ended December 31, 2018 was \$6,957.

**Legal Matter**

The Synod received a subrogation demand claiming reimbursement for losses incurred by a third party from the Sherpa Fire, wildfire in Santa Barbara County occurring in June of 2016 and alleged flooding resulting therefrom which occurred in January 2017 allegedly to a facility owned by the Presbyterian Camp and Conference Centers, Inc. The insurance company for the Synod replied to the letter denying the third party's claim as the Synod does not own, manage, or maintain the Presbyterian Camp and Conference Center. Accordingly, no provision for any estimated loss is reflected in the accompanying financial statements.

**Other Commitments**

The Synod, as needed, guarantees notes, loans, and grants made to individual churches by the Board of National Missions either directly or through the Synod. The obligations, which are secured by church property, are payable from the various churches directly to the General Assembly Presbyterian Investment and Loan Program ("PILP"), which absorbed the Board of National Missions and also the Board of Church Extension into its loan program.

**SYNOD OF SOUTHERN CALIFORNIA AND HAWAII,  
PRESBYTERIAN CHURCH (U.S.A.)**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2018**

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**9. Temporarily Restricted Net Assets**

Temporarily restricted net assets at December 31, 2017 consist of the following:

Church development	\$ 4,374,834
McKee Fund	1,175,102
Unitrusts and pooled funds	<u>399,254</u>
	<u>\$ 5,949,190</u>

For the year ended December 31, 2018, net assets released from program restrictions were \$472,846.

**10. Permanently Restricted Net Assets and Endowment Funds**

Permanently restricted net assets represent contributions which the donor has stipulated that the principal is to be kept intact in perpetuity and only the interest and dividends therefrom may be expended for unrestricted purposes. At December 31, 2018, permanently restricted net assets were \$2,724,893.

General accepted accounting principles provide guidance on the net asset classification of donor-restricted endowment funds for nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). It also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and Board-designated endowment) whether or not the organization is subject to UPMIFA.

The Synod classifies as permanently restricted net assets, (a) the original value of the gifts to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Endowment net assets composition by type of fund as of December 31, 2018:

	<b>Permanently Restricted</b>
Donor-restricted endowment funds	<u>\$2,604,864</u>
Split-Interest agreements	<u>22,307</u>
	<u>\$2,627,171</u>

**SYNOD OF SOUTHERN CALIFORNIA AND HAWAII,  
PRESBYTERIAN CHURCH (U.S.A.)**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2018**

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**10. Permanently Restricted Net Assets and Enrollment Funds, continued**

Changes in endowment net assets as of December 31, 2018 are as follows:

	<b><u>Permanently Restricted</u></b>
Beginning balance	\$2,950,171
Change in Value	<u>(225,278)</u>
Ending balance	<u>\$2,724,893</u>

**11. Employee Benefit Plan**

Employees who work a minimum of twenty hours a week are entitled to become members of the Presbyterian Pension and Benefit Plan ("the Plan"), which is a benefit plan administered on behalf of member organizations by the Board of Pensions of the Presbyterian Church (U.S.A.). The Plan provides medical, death and disability, and retirement benefits to its members, and the Synod contributes 23%, 1%, and 11%, respectively, for those benefits. The Synod's contribution is calculated utilizing the greater of the employee's annual salary or the minimum pension participation median salary, as defined by the Board of Pensions. There are no employee contributions to the Plan and the Synod's contributions are made monthly. Information with respect to accumulated benefits and net assets available for benefits, as it relates solely to the Synod's employees, is not available.

Retirement expense for the year ended December 31, 2018 was \$61,103.

## SUPPLEMENTAL INFORMATION

SYNOD OF SOUTHERN CALIFORNIA AND HAWAII, PRESBYTERIAN CHURCH (U.S.A)

STATEMENT OF FINANCIAL POSITION BY FUND  
December 31, 2018

	Unrestricted			Temporarily Restricted				Permanently Restricted		Grand Total
	General Operating Fund	Council Designated	Total Unrestricted	Unitrusts and Pooled Funds	Church Development Fund	McKee Fund	Total Temporarily Restricted	Unitrusts and Pooled Funds	Total Permanently Restricted	
<b>ASSETS</b>										
Cash and Cash Equivalents:										
General Operating Fund	\$ 76,816	\$ -	\$ 76,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,816
Restricted Funds	47,820	-	47,820	280,230	1,008	-	281,238	-	-	329,058
Total Cash and Cash Equivalents	124,636	-	124,636	280,230	1,008	-	281,238	-	-	405,874
Trust deed notes and grants receivable	-	-	-	-	58,766	-	58,766	-	-	58,766
Accounts Receivable-Others	50,467	-	50,467	-	-	-	-	-	-	50,467
Due to/Due from	(571,971)	(221,307)	(793,278)	93,443	602,113	-	695,556	97,722	97,722	-
Prepaid expenses	991	-	991	-	-	-	-	-	-	991
Investments	865,921	4,509,798	5,375,719	-	3,712,947	1,175,102	4,888,049	2,604,864	2,604,864	12,868,632
Split interest agreements	-	-	-	25,581	-	-	25,581	22,307	22,307	47,888
Property and equipment, net	953	-	953	-	-	-	-	-	-	953
TOTAL ASSETS	\$ 470,997	\$ 4,288,491	\$ 4,759,488	\$ 399,254	\$ 4,374,834	\$ 1,175,102	\$ 5,949,190	\$ 2,724,893	\$ 2,724,893	\$ 13,433,571
<b>LIABILITIES AND NET ASSETS</b>										
<b>LIABILITIES</b>										
Accounts Payable and Accrued Expenses	\$ 94,923	\$ -	\$ 94,923	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ 94,923
TOTAL LIABILITIES	94,923	-	94,923	-	-	-	-	-	-	94,923
<b>NET ASSETS</b>										
Unrestricted	376,074	-	376,074	-	-	-	-	-	-	376,074
Unrestricted-Board Designated	-	4,288,491	4,288,491	-	-	-	-	-	-	4,288,491
Temporarily restricted	-	-	-	399,254	4,374,834	1,175,102	5,949,190	-	-	5,949,190
Permanently restricted	-	-	-	-	-	-	-	2,724,893	2,724,893	2,724,893
TOTAL NET ASSETS	376,074	4,288,491	4,664,565	399,254	4,374,834	1,175,102	5,949,190	2,724,893	2,724,893	13,338,648
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 470,997	\$ 4,288,491	\$ 4,759,488	\$ 399,254	\$ 4,374,834	\$ 1,175,102	\$ 5,949,190	\$ 2,724,893	\$ 2,724,893	\$ 13,433,571

The accompanying notes are integral part of these financial statements

SYNOD OF SOUTHERN CALIFORNIA AND HAWAII,  
PRESBYTERIAN CHURCH (U.S.A.)

STATEMENT OF ACTIVITIES BY FUND  
Year ended December 31, 2018

	Unrestricted			Temporarily Restricted				Permanently Restricted		Grand Total
	General Operating Fund	Council Designated	Total Unrestricted	Unitrusts and Pooled Funds	Church Development Fund	McKee Fund	Total Temporarily Restricted	Unitrusts and Pooled Funds	Permanently Restricted	
REVENUE AND SUPPORT										
Interest and dividend income	\$ 77,341	\$ 149,015	\$ 226,356	\$ 108,044	\$ 220,955	\$ 9,218	\$ 338,217	\$ -	\$ -	\$ 564,573
Per capita apportionment	125,609	-	125,609	-	-	-	-	-	-	125,609
Contributions and grants	-	-	-	6,596	-	-	6,596	-	-	6,596
Miscellaneous income	17,005	-	17,005	-	-	-	-	-	-	17,005
Net assets released from program restrictions	472,846	-	472,846	(128,725)	(344,121)	-	(472,846)	-	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>692,801</b>	<b>149,015</b>	<b>841,816</b>	<b>(14,085)</b>	<b>(123,166)</b>	<b>9,218</b>	<b>(128,033)</b>	<b>-</b>	<b>-</b>	<b>713,783</b>
EXPENSES										
Program services:										
Church development	239,501	-	239,501	-	-	-	-	-	-	239,501
Related mission partners	358,083	-	358,083	-	-	-	-	-	-	358,083
Support services:										
Administration	417,952	-	417,952	-	-	-	-	-	-	417,952
<b>TOTAL EXPENSES</b>	<b>1,015,536</b>	<b>-</b>	<b>1,015,536</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,015,536</b>
CHANGE IN NET ASSETS BEFORE OTHER CHANG	(322,735)	149,015	(173,720)	(14,085)	(123,166)	9,218	(128,033)	-	-	(301,753)
OTHER CHANGES										
Unrealized loss on investments	(105,188)	(423,387)	(528,575)	-	(274,595)	-	(274,595)	(224,594)	(224,594)	(1,027,764)
Change in value of split-interest agreements	(3,120)	-	(3,120)	-	-	-	-	(684)	(684)	(3,804)
CHANGE IN NET ASSETS	(431,043)	(274,372)	(705,415)	(14,085)	(397,761)	9,218	(402,628)	(225,278)	(225,278)	(1,333,321)
NET ASSETS, BEGINNING OF YEAR	807,117	4,562,863	5,369,980	413,339	4,772,595	1,165,884	6,351,818	2,950,171	2,950,171	14,671,969
NET ASSETS, END OF YEAR	\$ 376,074	\$ 4,288,491	\$ 4,664,565	\$ 399,254	\$ 4,374,834	\$ 1,175,102	\$ 5,949,190	\$ 2,724,893	\$ 2,724,893	\$ 13,338,648

The accompanying notes are integral part of these financial statements.



**ATTACHMENT 3**

**CÍCLICA LA REPORT FOR THE YEAR 2019**





# CICLICA 2019 REPORT

**Ministry or Organization Name:** Ciclica  
**Organization Address:** 65 N. Raymond Ave, Suite 240,  
Pasadena, CA 91103  
**Phone:** 626-320-3843/818-482-3045  
**Co-Director(s)** Jaime Lazaro/Martin Garcia  
**Date** December 6, 2019  
**Phones** 626-320-3843/818-482-3045  
**Email Addresses** [pastormgarcia64@gmail.com](mailto:pastormgarcia64@gmail.com) /  
[jaimelazarov@gmail.com](mailto:jaimelazarov@gmail.com)



## 1. Description of Ciclica's activity and accomplishments in 2019.

- Participants in 2019 Ciclica's training are leaders currently starting new congregations or planning to start a new congregation. In previous years, we had participants who were leaders or pastors of congregations; however, this year (2019), we had participants really engage in new church planting. Therefore, this year we developed a more strict selection process for applicants to Ciclica's church planting training. This is one of the lessons learned from previous years.
- 2019 also was a year to consolidate our training curriculum that leads participants to have a written plan at the end of the 12-month training process. The following are the sessions we had in 2019:
  - Jan 28 "Why planting new churches?" by Cory Marquez (New Abby Church in Pasadena)
  - Feb 25 "Understanding our community" by Daniel Prieto (Altar Church in Azusa)
  - Mar 25 "Planting Spanish speaking churches in the US" by Dr. Juan Martinez (Fuller Theological Seminary)
  - Apr 29 "Introduction to Entrepreneurship" by Mike Herman (Neema Consulting in Compton)
  - May 20 "What kind of church you want to plant: the mission and the vision by Vladimir Lugo (Loyola Marymount)
  - Jun 24 "Towards a Balance Life in the Church Planter" by Dr. Marcel Ponton (Fuller Theological Seminary/UCLA)
  - July 29 "The importance of having a launching plan" by Jon Ziegler (Church of the Resurrection in Highland Park)
  - Aug 26 "Developing a Budget and Creating a Fundraising Plan" by Martin Garcia (Ciclica)
  - Sep 30 "Relational Evangelism" by Jaime Lazaro (Ciclica)
  - Oct 28 Annual Conference for Church Planters sponsored by 1001 New Worshiping Communities
  - Nov 18 "Towards the Development of a Missional Congregation" Jaime Lazaro/Martin Garcia (Ciclica)
  - Dec 30 "New Worshiping Community Project Presentation"

- 2019 set also the beginning of a new project we are calling Ciclica Express. Cíclica Express is an intensive, strategic, and practical church planting online training that enables Planters, Pastors, and Leaders with tools to do Church in a post-Christian world. This is a new innovative way to train potential planters using today's technology and distance education programs. Currently, we are in the production and post-production process, as well, we are currently working on making an agreement with the 1001 New Worshiping Communities leadership to become their official distance training program to provide tools for Latino planters across the United States.
- We had a group of 5 planters sponsored by the Pacific Southwest Region of the Christian Church (Disciples of Christ) making Ciclica's training program intentionally ecumenical.
- Ciclica training program is generating the following Presbyterian ministries:
  - Planting process of La Iglesia de Panorama City (Presbytery of San Fernando)
  - Re-planting process of Iglesia Presbiteriana in Little Rock, California (Presbytery of San Fernando)
  - Plan to start a new congregation in Downey or any other city in Southeast County of Los Angeles (Presbytery of Los Ranchos)
  - A former participant of Ciclica became the pastor of Iglesia Presbiteriana Emanuel in Claremont, California (Presbytery of San Gabriel)
  - A former participant of Ciclica became a postulant in the Presbytery of Los Ranchos.

## **2. Goals and objectives for the coming year of ministry.**

The following are the goals for the coming year:

- Start the 2020 Cohort by the last Monday of January.
- Complete by March the full curriculum for Ciclica Express and test the online platform.
- Start Beta Ciclica Express by April/May.
- Raise the necessary funds to continue the work of Ciclica beyond the funds provided by Synod in 2020.
- Develop Ciclica's Board of Directors.
- Organize Ciclica's first fundraising event in collaboration with Ciclica's board of directors by early 2020 Fall.
- Start or re-plant at least three churches within the boundaries of the Synod.

## **3. Ciclica's challenges.**

- Organized and structure the new nonprofit organization for Ciclica.
- Gather a board of directors with a passion for starting churches among Latinos in the United States and beyond.
- At this point, Ciclica's main challenge is to have a stream of income to continue operating beyond 2020.

- Have the marketing structure to promote Ciclica Express to make it successful in the Spanish speaking world.

#### 4. A story of success of a participant in Ciclica's training program.

Pastor Edward is a young Millennial pastor leading a first-generation Latino congregation in Los Angeles. For years, Pastor Edward has struggled to guide this congregation and make it grow. Pastor Edward is very analytical and he saw that in his congregation there were three different groups: the first generation Spanish dominant group. The bridge generation that can move in both worlds, the Spanish dominant and the English dominant. Then, he has the English dominant group. Pastor Edward had tried different ways to minister to the English and Spanish dominant groups, at the end of the day, the Spanish dominant group seems to have more weight in the final decisions; but, in the end, the English dominant group gets the impact of not minister to them properly. Pastor Edward has been praying for an answer to this puzzle.

Ciclica Cohort has been the answer to Pastor Edward's prayers. He has seen God speaking to his questions through each one of the sessions presented at Ciclica. Now, Pastor Edward is planning to start a church to minister to the English dominant group while keeping the Spanish speaking group respecting the traditions of this group. Through the new English church, Pastor Edward will be able to minister to the English dominant group and even to reach out to others that are trapped in this cycle in other Spanish speaking congregations not willing to change. For Pastor Edward, God has been present for him through Ciclica.

#### 5. Projected 2020 Budget

##### Projected Income for the Fiscal Year 2020

<b>Ciclica</b>	Participants Dues	\$5,000.00
	Donations	\$10,650.00
	Conferences	\$1,250.00
	Workshops	\$1,250.00
	Miscellaneous	\$500.00
	<b>SUB-TOTAL</b>	<b>\$18,650.00</b>
<b>Synod of So. Cal &amp; Hi</b>	Grant	\$70,000.00
	<b>SUB-TOTAL</b>	<b>\$70,000.00</b>
<b>PCUSA</b>	1001 NWC Special Grants	\$3,000.00
	<b>SUB-TOTAL</b>	<b>\$3,000.00</b>
<b>GRAND TOTAL</b>		<b>\$91,650.00</b>

**Projected Expenditures for the Fiscal Year 2020**

**Expenses Lines**

Administration	\$15,950.00
Program	\$15,400.00
Media and Equipment	\$2,200.00
Marketing	\$1,500.00
Salaries and Directors Expenses	\$54,600.00
Fundraising	\$2,000.00
<b>Projected Expenditures for the Fiscal Year 2020</b>	<b>\$91,650.00</b>

**ATTACHMENT 4**

**PARTNERING GRANT REQUEST**

**PASADENA PRESBYTERIAN CHURCH – SPANISH LANGUAGE MINISTRY  
AND  
SAN GABRIEL PRESBYTERY**







A photograph of the exterior of the Pasadena Presbyterian Church. The building is constructed of light-colored stone or concrete. It features a large, arched window with multiple panes above the entrance. The entrance is a dark doorway framed by stone. Two lantern-style light fixtures are mounted on the wall on either side of the entrance. In the bottom left corner, there is a green sign with white text and an arrow pointing upwards. The sky is a clear, deep blue.

# **PASADENA PRESBYTERIAN CHURCH**

## **Spanish Language Ministry**

**Ministry Proposal 2019**

"We are needed. We have to be engaged and get ourselves elected to school boards and city councils. *Si se puede!*"

Dolores Huerta, United Farm Workers co-founder

"As people of color, we have a potent power – and a responsibility – to change events around us, not just professionally, but spiritually and politically as well."

Michelle Herrera Mulligan, writer and editor

"...being Latino means being from everywhere, and that is exactly what America is supposed to be about."

— Raquel Cepeda, *Bird of Paradise: How I Became Latina*



Dear Presbytery of San Gabriel and Synod of Southern California and Hawaii,

It is with great joy that we share with you the call of Pasadena Presbyterian Church to support the people of our Spanish Language Ministry under the leadership of Pastor Martin García. He has felt God's call to stay with PPC and make the church grow.

Pasadena has become more gentrified over the past ten years, as hundreds of Latinos have moved out of Pasadena because of the cost of housing. This community has changed and we need to identify the reality of Latinos in Pasadena in order to reach out to the Latino community in a more effective way. And while gentrification continues to increase housing costs, one in every five Latinos in Pasadena continues to live in poverty. Pasadena needs new, Latino churches that will effectively proclaim the gospel in both word and deed. Our plan as Spanish Ministry in Pasadena Presbyterian Church is to focus on the following two benchmarks: (1) Enter into an SLM re-launching process, and (2) Develop a strategy to work with Latino youth and collaborate with the children's ministry. This strategy will focus on the multicultural ethos of PPC and the reality that Latino children and youth will have English as their first language, therefore, this strategy will focus on building a youth group that will develop a mindset that will cross ethnic barriers.

Our hope is that the following pages communicate our vision and strategy for starting this new SLM strategy to make this ministry grow and thrive. It is our desire to see God glorified through lives transformed by the Gospel.

The purpose of this document is to give you an overview of how we will be moving forward with the hope you will be led to keep supporting us in this endeavor. The use of money remaining in the grant provided by the Presbytery and Synod are included for your review. We know this will not be an easy road for us and are therefore depending on your prayer and support. If you have any questions or need any clarification, please don't hesitate to contact us.

The Session of Pasadena Presbyterian Church



## SLM PASTOR: **REV. MARTIN GARCIA**

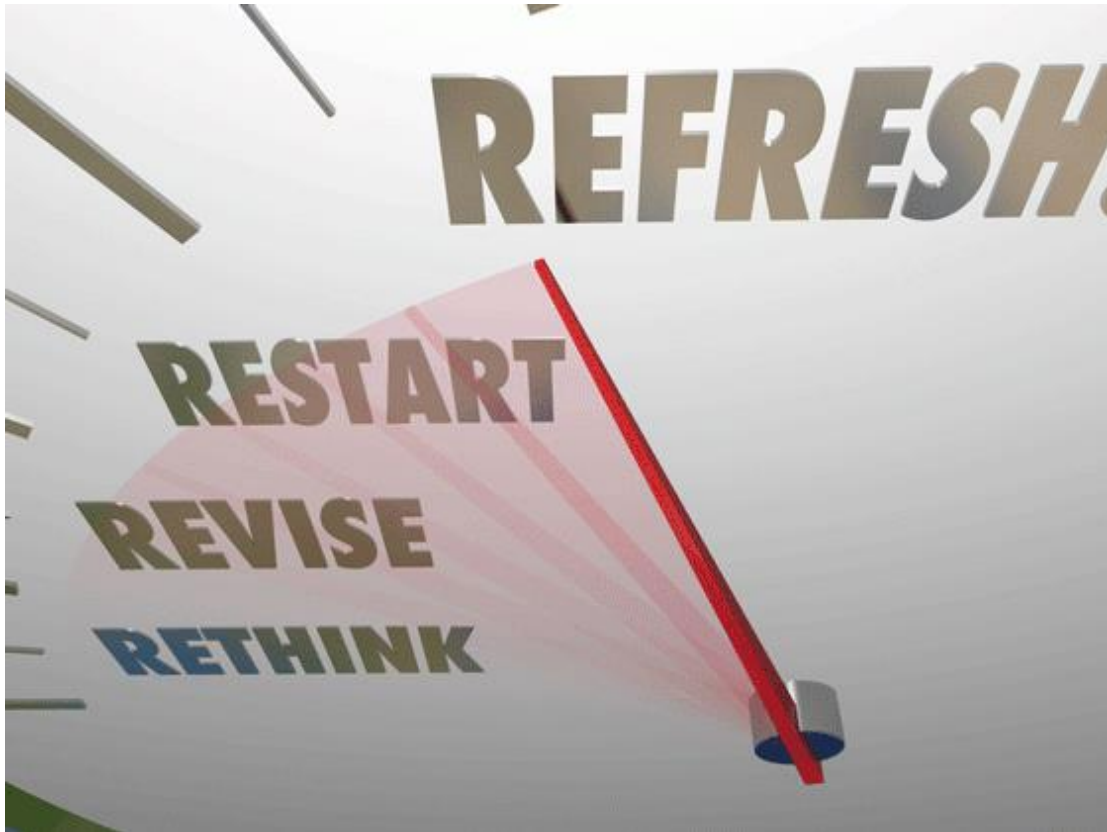
Martin García is a teaching elder with the PCUSA at the Presbytery of Los Ranchos, for years Martin has also been an advocate of immigrants and social justice in general. For that reason, Martin has worked for LA Voice, World Vision US, Volunteer Los Angeles, First 5 LA, the YMCA, plus he has been an adjunct professor at several universities in Southern California.

Also, Martin has planted two churches, one in downtown Los Angeles and another one in Whittier. Currently, Martin is co-developing Ciclica LA, a movement to train Latino pastors to plant churches in the context of the United States. As well as being the Director of Cyclical Los Ranchos, an effort to develop new congregations in this presbytery.

Martin has studied at New York Theological Seminary, University of Southern California, Harvard Divinity School, Claremont School of Theology, and the Monterrey Institute of Technology in Monterrey, Mexico.

Martin is married to Sandy, a public school teacher/instructional coach in Pasadena Unified School District and an avid runner/hiker, and they share life with their child: Michael; together with their dogs, cats, guinea pigs, and birds.

# Why...



## Enter into an SLM re-launching process

The reality of Latinos in Pasadena has changed in the last five years. Schools are closing because they are losing students because their families are moving out. However, Latinos are 34.4% in Pasadena and they are concentrated in northwest Pasadena and southwest Altadena. This reality is moving us to start a re-launching process as a congregation. SLM needs a Re-Launch Strategy that will force us to clarify our vision, it'll give us a focusing tool for everything we and our team do leading up to re-launch and re-brand SLM in the Latino community in Pasadena. This re-launching will help us determine the best opportunities for advancing our SLM ministry.

A well-thought-out re-launching plan greatly increases the probability of re-building a healthy and growing church. Just as we would think through every detail in creating a business plan, we want to think through the details of re-launching our church by creating a ministry plan. Our ministry plan will be a compelling resource that would be used to demonstrate how we will re-actualize our vision as PPC SLM. Every time we cast vision to a potential partner, we'll want them to have a copy of our SLM ministry plan.

## PURPOSE FOR THE RE-LAUNCHING PROCESS

**January 2020.** Through this re-launching process, SLM will demonstrate a clear calling. Our ministry plan is largely based on God's calling for us to serve Latinos in Pasadena. That is why in this new re-launching process, we want to answer some important questions as a first stage in order to develop the right re-launching process:

- What is the reason of SLM in Pasadena?
- What do we offer different than the other Latino churches in Pasadena?
- If we don't offer anything different, what can we offer different?
- Where are Latinos living in Pasadena?
- What are the biggest challenges for Latinos in Pasadena? How SLM can help to bring solutions?
- When do we expect to relaunch SLM?

Our calling should answer all of these questions to a new purpose statement for SLM as a source of impact and transformation for Latinos in Pasadena. We will work on answering these questions in the month of January of 2020.

**February-March, 2020.** During the month of February and having these key questions answer, SLM will start a Marketing strategy launch to get the word out about SLM. The following are the key marketing strategies:

- Create a Relaunching Team that will be working on the main strategies.
- Create a Prayer Team that can be working arm to arm with the Relaunching Team to pray for every strategy planned.
- We will describe how SLM will build relationships and inspire current members and members of the other language ministries to invite new people to SLM relaunch.
- Have a re-branding of SLM that will include social media, website, banners, flyers, door hangers, etc.
- Organize events and activities to promote SLM and the launching day.
- Identify community hubs and gatekeepers that you will connect with prior to launch.

**April 2020.** A potential target to relaunch SLM is Easter Sunday, tentatively this will be the launching date, however, based on the analysis made in January, this can change if that is a better strategy. The following is a tentative checklist for the relaunching day:

### SETUP - IS EVERYTHING EXCELLENT?

- ☐ Bathrooms clean
- ☐ Parking lot clean
- ☐ Storage bins out of sight
  - ☐ Roll away carts, guitar cases all storage needs to be out of sight
- ☐ Clean Pews
- ☐ Cords covered with a rug or gaff tape

### SIGNAGE - WILL MY GUEST KNOW WHERE TO GO?

- ☐ Do they know where to park?
- ☐ Do they know where to enter the building?
- ☐ Do they know where their kids go?

- ☐ Do they know where the bathrooms are?
- ☐ Do they know where the service site is?

#### ENVIRONMENT - HOW DOES IT FEEL?

- ☐ Sight, Sound, Smell
- ☐ Music playing in background
- ☐ Greeters in place
- ☐ Greeters in parking lot
  - ☐ Outgoing personalities
- ☐ Don't put food out for guest
  - ☐ Smell of food is unappealing to visitors
  - ☐ You will run out of food for those that show up late
- ☐ It feels like a life-giving church

#### TEAM - ARE WE READY?

- ☐ Sound check
- ☐ Everyone knows his or her queue
- ☐ Transitions ready
- ☐ Service Flow ready

#### PASTOR - AM I READY?

- ☐ I know how I will start
- ☐ I know my transitions
- ☐ I know how my message will end
- ☐ I know my salvation prayer and closing prayer
- ☐ I know how I will end the service
- ☐ My production and worship team knows all the above

#### AFTER SERVICE - WHAT'S NEXT?

- ☐ I worked hard to meet as many people as I could
- ☐ I was able to get as many appointments as I could
- ☐ My team is still engaged
- ☐ Congratulate dream team on a great launch day (regardless of how you felt the day went)
- ☐ Equipment broken down and all rooms set up better than you found them
- ☐ I turned our attendance and salvation numbers into ARC
- ☐ Revised this document prior to next service

**May-December, 2020.** Once the launch happens, the follow up is the most important part. We have to remember that people come looking for what they need: a church with a good children's program, a good youth group, a good discipleship process, etc. Therefore, SLM will have to develop a process to keep the fire alive for anyone coming and attending on Sunday. Therefore, in this stage is very important to have quality activities for children, youth, young adults, men, women, etc. Then, from May to December of 2020, we need to organize different groups that will continue feeding the needs of church participants. That is why also important to have a post launch plan by early May. This plan will focus on two areas, retaining the new people and teaching them about SLM and PPC, and developing ministries to serve everyone (women, men, youth, etc).





## Proposed Budget

Outreach	\$12,000.00
Discipleship and Spirituality	5,000.00
SLM Pastor's Salary	17,000.00
Youth Coordinator	12,000.00
<b>TOTAL</b>	<b>\$46,000.00</b>