

**Report to Presbytery of Transylvania  
Administration and Finance Committee  
December 5, 2009**

The attached **unbalanced budget** is being presented to the Presbytery with the following recommendations:

- 1. That the 2010 Operating Budget of \$563,587 (pages 2-3) and the Burnamwood Subsidiary Budget of \$253,280 (page 4) be adopted.**
- 2. The distribution of Unified Mission Giving for 2010 be as follows:**

Transylvania Presbytery	74.0%	(same as 2009)
General Assembly	20.6%	(same as 2009)
Synod of Living Waters	5.4%	(same as 2009)

- 3. The Presbytery per capita assessment remain at \$23.50 per member.**

**Notes Regarding Per Capita  
Summary of Breakdown of 2010 Per Capita per Member**

General Assembly	6.19
Synod	3.62
Presbytery	<u>23.50</u>
Total	\$33.31

- The Presbytery's policy is to pay the full amount of per capita to GA and Synod for our 10,081 members whether or not a church pays the entire portion of their per capita.

**Notes on the Spending Budget**

The Administration & Finance Committee met November 5th to finalize the 2010 Spending Budget to be presented to Presbytery in December. The Administration and Finance Committee prepared and reviewed a 2010 budget and subsidiary budget in accord with the actions and recommendations of the Council and the various committees. That budget represents unbalanced receipts and spending for 2010. The following general conclusions were reached:

The Year 2010 Spending Budget Summary Sheet summarizes the Presbytery's main Operating Budget along with the subsidiary budget for Burnamwood for the years 2008 through 2010.

- Operating Budget-With the current requests and estimations of income for 2010, the Operating Budget results in a deficit of (\$10,589).
  - The estimate for total unified mission giving by churches for 2010 is \$275,054. This is based on actual received in 2008 and 2009 ytd projections for the remainder of the year. This is a decrease in unified mission giving revenue of 15% from the 2009 budget. 74% of total unified mission giving received is used in the presbytery's operating budget. The remainder gets forwarded on to the General Assembly and the Synod of Living Waters.
  - The estimate for total per capita giving revenue by churches for 2010 is \$301,868. \$98,894 is passed on to the General Assembly and the Synod of Living Waters. The estimate for per capita giving revenue for the operating budget based on actual received in 2008 and 2009 ytd projections is \$202,974. The total amount of GA & Synod per capita is paid each year.
  - Total expenses in the operating budget for 2010 are \$563,587. This is a decrease of \$67,106 from 2009's budgeted expenses. Every effort has been made to decrease expenses due to the decrease of projected revenue in 2010.
- Burnamwood Budget-current 2010 projections would result in a balanced budget. This includes \$65,000 of unified dollars received from the operating budget. This also includes Burnamwood gifts of \$85,000.

Presbytery of Transylvania  
2010 Operating Budget  
November 5, 2009

	2008 Budget	2008 Actual 12/31/2008	2009 Budget	2009 Actual 10/31/2009	2010 Estimated Budget
<b>Total Income</b>	\$ 636,541	\$ 574,364	\$ 630,693	\$ 380,532	\$ 552,998
<b>Total Expenses</b>	\$ 636,540	\$ 585,737	\$ 630,693	\$ 417,602	\$ 563,587
<b>Balance (Deficit)</b>	\$ 1	\$ (11,373)	\$ -	\$ (37,070)	\$ (10,589)

Burnamwood  
2010 Subsidiary Budget  
November 5, 2009

	2008 Budget	2008 Actual 12/31/2008	2009 Budget	2009 Actual 10/31/2009	2010 Estimated Budget
<b>Total Income</b>	\$ 253,783	\$ 239,919	\$ 262,245	\$ 174,481	\$ 253,280
<b>Total Expenses</b>	\$ 252,542	\$ 239,920	\$ 262,245	\$ 234,292	\$ 253,280
<b>Balance (Deficit)</b>	\$ 1,241	\$ (0)	\$ -	\$ (59,811)	\$ -

**Presbytery of Transylvania**  
**Year 2010 Operating Budget**  
**November 5, 2009**

	<b>SPENDING BUDGET 2008</b>	<b>ACTUAL INCOME 12/31/08</b>	<b>OPERATING BUDGET 2009</b>	<b>ACTUAL INCOME 10/31/2009</b>	<b>ESTIMATED INCOME 2010</b>	<b>Notes</b>
<b>UNIFIED GIVING (Presbytery Portion = 74% in 2008 &amp; 2009)</b>	<b>240,000</b>	<b>218,977</b>	<b>240,000</b>	<b>156,670</b>	<b>203,540</b>	Based on actuals as of 10/31/09 and 12/31/08; decrease of \$36,460
<b>SELECTED MISSION GIVING</b>						
CHRISTIAN SERVICE MINISTRY	15,000	13,700	15,000	-	15,000	\$11,257 remaining in CSM designated account; 10/31/09
<b>TOTAL SELECTED MISSION GIVING</b>	<b>15,000</b>	<b>13,700</b>	<b>15,000</b>	-	-	
<b>SPECIAL OFFERINGS</b>						
HUNGER	10,000	13,275	10,000	10,290	9,000	\$231 remaining in designated 10/31/09
CANDIDATE GRANT	1,000	1,835	1,000	4,000	1,000	\$18,180 remaining in designated 10/31/09
PEACEMAKING	2,000	-	2,000	4,600	2,000	\$523 remaining in designated 10/31/09
<b>TOTAL SPECIAL OFFERINGS</b>	<b>13,000</b>	<b>15,110</b>	<b>13,000</b>	<b>18,890</b>	<b>12,000</b>	
<b>TOTAL GA MISSION PARTNERSHIP FUNDS</b>	<b>13,479</b>	<b>12,071</b>	<b>12,135</b>	<b>9,463</b>	<b>13,264</b>	
<b>TOTAL PER CAPITA (Presby Portion = \$23.50 per member)</b>	<b>227,842</b>	<b>206,422</b>	<b>218,818</b>	<b>133,894</b>	<b>202,974</b>	23.50 per member current presbytery rate; (10,081 members @ 23.50 Less projected deficit from churches not participating in per capita)--decrease of 507 members; decrease of \$15,844 from 2009
<b>OTHER RECEIPTS</b>						
TRUST FUNDS	19,000	19,812	22,000	-	22,000	
MISC. RECEIPTS	6,000	2,000	6,000	-	6,000	
INTEREST	10,000	9,853	10,000	5,966	10,000	
TRUSTEES	69,020	58,220	70,540	46,500	58,220	
CAMPUS MINISTRY	23,200	18,200	23,200	9,150	10,000	
<b>TOTAL OTHER RECEIPTS</b>	<b>127,220</b>	<b>108,084</b>	<b>131,740</b>	<b>61,616</b>	<b>106,220</b>	
<b>TOTAL INCOME</b>	<b>636,541</b>	<b>574,364</b>	<b>630,693</b>	<b>380,532</b>	<b>552,998</b>	
<b>TOTAL EXPENSES</b>	<b>636,540</b>	<b>585,737</b>	<b>630,693</b>	<b>417,602</b>	<b>563,587</b>	
<b>Balance (Deficit)</b>	<b>1</b>	<b>(11,373)</b>	<b>-</b>	<b>(37,070)</b>	<b>(10,589)</b>	

Presbytery of Transylvania						
Year 2008 Spending Budget						
November 5, 2009						
EXPENSES SUMMARY						
	SPENDING	ACTUAL	OPERATING	ACTUAL	ESTIMATED	NOTES
	BUDGET	EXPENSES	BUDGET	EXPENSES	EXPENSES	
	2008	12/31/08	2009	10/31/09	2010	
TOTAL FOR PERSONNEL ON BOARD	230,000	227,522	240,528	187,206	240,528	-
OFFICE OPERATIONS	31,435	23,192	31,435	18,806	26,775	
OFFICE OPERATIONS - Communications	5,000	4,519	9,000	2,349	4,000	
AUDIT AND BANK FEES	8,350	7,727	8,350	4,866	8,350	
REIMBURSEABLE EXPENSES	-	-	-	(19)	-	
SEARCHES AND MOVES	10,000	5,685	-	-	-	GP Search Completed in 2008
PRESBYTERY OFFICES	48,980	54,583	50,500	39,157	48,980	\$34,020 supported by Foundation account 412 Rose St.
<b>TOTAL SUPPORT FUNCTIONS</b>	<b>333,765</b>	<b>323,228</b>	<b>339,813</b>	<b>252,365</b>	<b>328,633</b>	
<b>OTHER</b>						
KY COUNCIL OF CHURCHES	3,500	2,500	3,500	2,070	3,500	
PRESBYTERY MEETINGS and RETREAT	5,940	4,997	5,940	2,895	5,940	
PRESBYTERIAN WOMEN	3,000	3,000	3,000	2,250	3,000	
<b>TOTAL OTHER</b>	<b>12,440</b>	<b>10,497</b>	<b>12,440</b>	<b>7,215</b>	<b>12,440</b>	
<b>COMMITTEES</b>						
ADMINISTRATION	700	167	700	252	2,000	New structure change includes Administration & Finance, Staff Services & Trustees
ADMIN/FINANCE TREASURER	300	-	300	-	-	
BURNAMWOOD CAMP/CONFERENCE	65,000	65,000	65,000	54,167	-	moved to Christian Formation in new structure
CAMPUS MINISTRY	27,200	21,200	27,200	11,489	-	moved to Christian Formation in new structure
CHRISTIAN FORMATION	9,000	9,512	10,200	8,835	99,500	New structure change includes Christian Formation, Discipleship, Young Adult, Youth, and Burnamwood
CHURCH DEVELOPMENT AND EVANGELISM	60,995	55,088	46,500	8,587	-	moved to Mission in new structure
COMMISSIONED LAY PASTOR	3,500	1,714	3,500	250	-	moved to CPM in new structure
GENERAL COUNCIL	14,150	13,326	14,150	3,458	8,550	
JUDICIAL BUSINESS	700	339	700	-	-	moved to General Council in new structure
COMMITTEE ON MINISTRY	16,800	18,524	18,200	24,949	18,200	
NOMINATING	500	123	500	70	500	
PREPARATION FOR MINISTRY	12,390	11,491	12,390	11,287	14,390	New structure change includes CLP
REPRESENTATION	50	50	50	-	50	
MISSION	29,000	27,897	29,000	16,389	55,124	New structure change includes Mission and Social Witness, Church Development, Evangelism
STAFF SERVICES	150	20	150	75	-	moved to Administration in new structure
TRUSTEES	1,000	90	1,000	31	-	moved to Administration in new structure
TRUST FUNDS	35,000	24,200	35,000	18,150	24,200	
YOUTH	13,900	3,321	13,900	31	-	moved to Christian Formation in new structure
<b>TOTAL COMMITTEES</b>	<b>290,335</b>	<b>252,013</b>	<b>278,440</b>	<b>158,022</b>	<b>222,514</b>	
<b>TOTAL EXPENSES</b>	<b>636,540</b>	<b>585,737</b>	<b>630,693</b>	<b>417,602</b>	<b>563,587</b>	

**Presbytery of Transylvania  
Year 2010 Operating Budget**

November 5, 2009

**Burnamwood Summary**

<b>INCOME</b>	<b>SPENDING BUDGET 2008</b>	<b>ACTUAL INCOME 12/31/2008</b>	<b>SPENDING BUDGET 2009</b>	<b>ACTUAL INCOME 10/31/09</b>	<b>SPENDING BUDGET 2010</b>	<b>NOTES</b>
BURNAMWOOD CAMP/CONFERENCE						
Unified	30,000	30,000	30,000	25,000	30,000	
Unified for Directors Salary from Operating Budget	35,000	35,000	35,000	29,167	35,000	
Burnamwood Gifts	85,000	70,993	85,000	41,277	85,000	
Summer Camp Fees	50,500	49,764	55,940	44,468	45,490	
Youth Retreat Fees	33,050	17,196	22,755	14,612	17,290	
Presbyterian Rentals	7,500	19,299	22,550	10,609	15,000	
Other Rentals	6,000	9,564	11,000	9,348	13,000	
T-shirts	1,733	-	-	-	-	
Burnamwood Surplus from Previous Year	5,000	8,104	-	-	-	
<b>TOTAL BURNAMWOOD CCCC INCOME</b>	<b>253,783</b>	<b>239,919</b>	<b>262,245</b>	<b>174,481</b>	<b>253,280</b>	
<b>EXPENSES</b>	<b>SPENDING BUDGET 2008</b>	<b>ACTUAL EXPENSES 12/31/08</b>	<b>SPENDING BUDGET 2009</b>	<b>ACTUAL EXPENSES 10/31/09</b>	<b>SPENDING BUDGET 2010</b>	
BURNAMWOOD CAMP/CONFERENCE						
ADMINISTRATIVE	11,200	12,010	9,500	6,818	8,944	
PERSONNEL	104,588	110,517	114,556	100,398	115,197	
FOOD SERVICE	41,604	47,008	51,563	44,602	51,140	
FACILITIES	76,050	59,799	78,300	73,026	68,500	
SUMMER PROGRAM	10,400	9,536	6,400	8,560	8,000	
RETREATS	8,700	1,049	1,926	889	1,500	
<b>TOTAL BURNAMWOOD CCC EXPENSES</b>	<b>252,542</b>	<b>239,920</b>	<b>262,245</b>	<b>234,292</b>	<b>253,280</b>	
TOTAL INCOME	253,783	239,919	262,245	174,481	253,280	
TOTAL EXPENSES	252,542	239,920	262,245	234,292	253,280	
<b>Balance (Deficit)</b>	<b>1,241</b>	<b>(0)</b>	<b>-</b>	<b>(59,811)</b>	<b>-</b>	

4. The Administration & Finance Committee recommended to the presbytery at the June 2009 meeting the continuation of our lease at 2480 Fortune Drive with the following terms: 5-year lease contract beginning in August 2009 at the current rate of \$2,835 per month. This was approved by presbytery. The actual agreement with the landlord is a 5-year lease contract beginning in August 2009 at the current rate of \$2,835 per month with a review and possible adjustment after the 2nd year. Recommend that this be approved.

**2008 Presbytery Audit Information is attached:**

PRESBYTERY OF TRANSYLVANIA  
COMPILED AND AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION  
For the Years Ended December 31, 2008 (UNAUDITED)  
and 2007 (AUDITED)

PRESBYTERY OF TRANSYLVANIA  
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DECEMBER 31, 2008 and 2007

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# SUMMERS, MCCRARY & SPARKS, P.S.C.

## CERTIFIED PUBLIC ACCOUNTANTS

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### MEMBERS:

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KENTUCKY SOCIETY  
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PRIVATE COMPANIES  
PRACTICE SECTION OF THE AMERICAN INSTITUTE  
OF CERTIFIED PUBLIC ACCOUNTANTS

141 PROSPEROUS PLACE  
SUITE 21A  
LEXINGTON, KY 40509-1854  
(859) 264-8785  
FAX: (859) 264-1736

201 SOUTH MAIN STREET  
WINCHESTER, KY 40391  
(859) 745-1174  
(859) 231-8988

To the Board of Trustees  
Presbytery of Transylvania  
Lexington, Kentucky

We have compiled the accompanying statement of assets, liabilities and net assets - cash basis, of the Presbytery of Transylvania (a nonprofit corporation) as of December 31, 2008, and the related statements of support, revenue, expenses and other changes in net assets - cash basis, and cash flows - cash basis for the year then ended, and the accompanying supplementary information for the year then ended contained in Schedule 1, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedule information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedule for the year ended December 31, 2008, and, accordingly, do not express an opinion or any other form of assurance on them.

The financial statements for the year ended December 31, 2007, were audited by us, and we expressed an unqualified opinion on them in our report dated July 15, 2008. In addition, the supplementary information for the year ended December 31, 2007, contained in Schedule 1, was subjected to the auditing procedures applied in the audit of the basic financial statements, and our report stated that it was fairly stated in all material respects to the basic financial statements taken as a whole. We have not performed any auditing procedures on either the financial statements or on the supplementary information since July 15, 2008.

*Summers, McCrary & Sparks, PSC*

Summers, McCrary and Sparks, PSC  
Lexington, Kentucky  
July 23, 2009

**PRESBYTERY OF TRANSYLVANIA**  
**STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - CASH BASIS**  
**DECEMBER 31, 2008 and 2007**

<b>ASSETS</b>	<b>2008</b>	<b>2007</b>
	<u>(Unaudited)</u>	<u>(Audited)</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 403,094	\$ 305,090
Investments	740,391	873,814
Other Assets	<u>0</u>	<u>230</u>
Total Current Assets	<u>1,143,485</u>	<u>1,179,134</u>
<b>INVESTMENTS</b>		
Temporarily Restricted	186,996	281,911
Permanently Restricted	1,090,672	771,822
Agency Obligations	<u>176,459</u>	<u>220,805</u>
Total Investments	<u>1,454,127</u>	<u>1,274,538</u>
<b>FIXED ASSETS</b>		
Non-depreciable	259,900	689,929
Depreciable - Net of Accumulated Depreciation	<u>723,813</u>	<u>732,965</u>
Total Fixed Assets	<u>983,713</u>	<u>1,422,894</u>
<b>OTHER ASSETS</b>		
Deposits	<u>5,300</u>	<u>5,300</u>
Total Other Assets	<u>5,300</u>	<u>5,300</u>
Total Assets	<u>\$ 3,586,625</u>	<u>\$ 3,881,866</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Other Liabilities	\$ 367	\$ 0
Current Portion of Long Term Debt	<u>0</u>	<u>15,753</u>
Total Current Liabilities	<u>367</u>	<u>15,753</u>
<b>LONG-TERM LIABILITIES</b>		
Long Term Debt, Less Current Portion	0	365,476
Agency Obligations	<u>176,459</u>	<u>220,805</u>
Total Long-term Liabilities	<u>176,459</u>	<u>586,281</u>
Total Liabilities	<u>176,826</u>	<u>602,034</u>
<b>NET ASSETS</b>		
Unrestricted:		
Undesignated	1,877,907	1,958,133
Designated	<u>250,143</u>	<u>253,028</u>
Total Unrestricted	2,128,050	2,211,161
Temporarily Restricted	191,077	296,849
Permanently Restricted	<u>1,090,672</u>	<u>771,822</u>
Total Net Assets	<u>3,409,799</u>	<u>3,279,832</u>
Total Liabilities and Net Assets	<u>\$ 3,586,625</u>	<u>\$ 3,881,866</u>

The Accompanying Notes are an Integral Part of These Financial Statements  
See Accountant's Report

**PRESBYTERY OF PENNSYLVANIA**  
**STATEMENTS OF SUPPORT, REVENUE, EXPENSES AND OTHER CHANGES IN NET ASSETS - CASH BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

	2008 (Unaudited)				#	2007 (Audited)			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL		UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
<b>SUPPORT/RECEIPTS</b>									
Church Receipts	\$ 530,729	\$ 0	\$ 0	\$ 530,729	\$ 548,125	\$ 0	\$ 0	\$ 548,125	
Synod of Living Waters Receipts	64,186	0	0	64,186	67,979	0	0	67,979	
Contributions	3,635	294	580,551	584,480	175,874	0	0	175,874	
Burnamwood Camp Receipts	97,822	0	0	97,822	84,451	0	0	84,451	
Dividends and Interest Income	38,374	36,483	0	74,857	42,609	26,772	0	69,381	
Unrealized Gains (Losses)	(197,337)	(96,872)	(249,249)	(543,458)	13,167	22,787	6,142	42,096	
Realized Gains (Losses)	(13,390)	2,584	0	(10,806)	975	3,897	0	4,872	
Gain on Sale of Property	158,624	0	0	158,624	0	0	0	0	
Other Receipts	412,111	0	0	412,111	425,316	0	0	425,316	
Net Assets Released from Restrictions and Reclassifications	60,713	(48,261)	(12,452)	0	71,564	(71,564)	0	0	
<b>Total Support, Revenues and Reclassifications</b>	<b>1,155,467</b>	<b>(105,772)</b>	<b>318,850</b>	<b>1,368,545</b>	<b>1,430,060</b>	<b>(18,108)</b>	<b>6,142</b>	<b>1,418,094</b>	
<b>EXPENDITURES</b>	294								
Program Services:									
Administration and Finance	167	0	0	167	420	0	0	420	
Burnamwood	293,040	0	0	293,040	283,200	0	0	283,200	
Christian Service Ministry	13,700	0	0	13,700	14,163	0	0	14,163	
Church Development	42,011	0	0	42,011	33,428	0	0	33,428	
Church Professional	21,699	0	0	21,699	12,395	0	0	12,395	
Committees	20,301	0	0	20,301	15,980	0	0	15,980	
Communication	4,519	0	0	4,519	5,891	0	0	5,891	
Coordinating Council	13,326	0	0	13,326	5,261	0	0	5,261	
Local Church Aid	24,200	0	0	24,200	24,200	0	0	24,200	
Missions	14,197	0	0	14,197	9,064	0	0	9,064	
Nurture	9,512	0	0	9,512	4,470	0	0	4,470	
Youth	7,304	0	0	7,304	10,002	0	0	10,002	
<b>Total Program Services</b>	<b>463,976</b>	<b>0</b>	<b>0</b>	<b>463,976</b>	<b>418,474</b>	<b>0</b>	<b>0</b>	<b>418,474</b>	
Supporting Services:									
Administration	196,788	0	0	196,788	226,203	0	0	226,203	
Office Operations	113,668	0	0	113,668	100,331	0	0	100,331	
General Assembly	241,451	0	0	241,451	236,569	0	0	236,569	
Synod of Living Waters	64,221	0	0	64,221	68,009	0	0	68,009	
Other Expenditures	126,682	0	0	126,682	138,263	0	0	138,263	
Other Support	31,792	0	0	31,792	27,354	0	0	27,354	
<b>Total Supporting Services</b>	<b>774,602</b>	<b>0</b>	<b>0</b>	<b>774,602</b>	<b>796,729</b>	<b>0</b>	<b>0</b>	<b>796,729</b>	
<b>Total Expenditures</b>	<b>1,238,578</b>	<b>0</b>	<b>0</b>	<b>1,238,578</b>	<b>1,215,203</b>	<b>0</b>	<b>0</b>	<b>1,215,203</b>	
Change in Net Assets - Increase (Decrease)	(83,111)	(105,772)	318,850	129,967	214,857	(18,108)	6,142	202,891	
Net Assets, Beginning of Year	2,211,161	296,849	771,822	3,279,832	1,996,304	314,957	765,680	3,076,941	
Net Assets, End of Year	\$ 2,128,050	\$ 191,077	\$ 1,090,672	\$ 3,409,799	\$ 2,211,161	\$ 296,849	\$ 771,822	\$ 3,279,832	

The Accompanying Notes Are An Integral Part Of These Financial Statements  
See Accountant's Report

**PRESBYTERY OF PENNSYLVANIA  
STATEMENTS OF CASH FLOWS - CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

	<b>2008</b>	<b>2007</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 129,967	\$ 202,891
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	37,156	36,611
Unrealized (Gain) Loss on Investments	543,458	(42,096)
Realized (Gain) Loss on Sale of Investments	10,806	(4,872)
(Gain) Loss on Sale of Property	(158,624)	0
(Increase) Decrease in Operating Assets:		
Other Assets	230	0
Increase (Decrease) in Operating Liabilities:		
Accrued Expenses	367	(1,202)
	563,360	191,332
<b>Net Cash Provided (Used) by Operating Activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(730,551)	0
Proceeds from Sale of Investments	169,667	70,035
Dividends restricted for reinvestment	(68,953)	(40,348)
Proceeds from Sale of Property	588,652	0
Purchase of Equipment	(28,004)	(745)
	(69,189)	28,942
<b>Net Cash Provided (Used) by Investing Activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Loan	(381,229)	(74,787)
	(381,229)	(74,787)
<b>Net Cash Provided (Used) by Financing Activities</b>		
<b>NET INCREASE (DECREASE) IN CASH</b>	112,942	145,487
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	290,152	159,603
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	\$ 403,094	\$ 305,090
<b>Supplemental Information:</b>		
Interest Paid	\$ 17,953	\$ 27,905

The Accompanying Notes Are An Integral Part Of These Financial Statements  
See Accountant's Report

PRESBYTERY OF TRANSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008 and 2007

**NOTE 1 - NATURE OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

The Presbytery of Transylvania, a not-for-profit corporation established under the laws of the State of Kentucky, operates as a religious organization. The mission of the Presbytery of Transylvania is to be a family of churches wherein all congregations are helping each congregation to be the best Presbyterian Church it can be by calling people to faith and service in the name of Jesus Christ. The Presbytery's support comes primarily from the Presbyterian churches located within its Presbytery.

**Significant Accounting Policies**

***Method of Accounting:*** The Presbytery utilizes the cash basis of accounting whereby only cash actually received or disbursed is reflected in these financial statements; however, the financial statements include provisions for the depreciation of buildings and equipment, the computation of unrealized gains and losses on investments. The cash basis of accounting is a comprehensive basis of accounting other than GAAP and the effects of the difference need not be quantified.

***Investments:*** Investments in marketable securities with readily determinable fair values are valued at their fair values based on quoted market value in the statement of assets, liabilities and net assets. Unrealized gains and losses are included in the statement of revenues, expenses and other changes in net assets.

***Use of Estimates:*** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Fixed Assets:*** Acquisitions of property and equipment in excess of \$500 are capitalized and carried at cost. Depreciation is computed over the estimated useful lives of the assets using the straight-line method.

***Fiduciary Responsibility:*** The Presbytery serves as trustee for several investments of other churches. As the trustee, they are restricted to disburse these funds in accordance with the trust documents.

***Cash and Cash Equivalents:*** Cash and cash equivalents are considered to be all highly liquid investments with a maturity of three months or less when purchased. Cash and cash equivalents for purposes of the statement of cash flow include temporarily restricted cash and cash equivalents as of December 31, 2008 and 2007 for current use in the amount of \$4,081 and \$14,938, respectively.

***Income Tax Status:*** The Presbytery is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

***Contributed Services:*** The Presbytery receives a significant amount of contributed services from unpaid volunteers who assist in the summer camp ministries at Burnamwood. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

***Basis of Presentation:*** Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its SFAS No. 117, Financial Statements of Non-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Revenue Recognition:** All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose 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 restrictions.

***Fair Value of Financial Instruments:*** The following methods of assumptions were used by the Presbytery in estimating its fair value disclosures for financial instruments:

- Cash, cash equivalents and notes payable: The carrying amounts reported in the statement of assets, liabilities, and net assets – cash basis approximate fair values because of the short maturities of those instruments.
- Investments: The fair values of investments are based on quoted market prices for those or similar investments. (See Note 2 for additional information)

PRESBYTERY OF PENNSYLVANIA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2008 and 2007

NOTE 2 - FAIR VALUES OF FINANCIAL INSTRUMENTS

In September 2006, the FASB issued SFAS No. 157 "Fair Value Measurements" in order to establish a single definition of fair value and a framework for measuring fair value in generally accepted accounting principles (GAAP) that is intended to result in increased consistency and comparability in fair value measurements. SFAS No. 157 also expands disclosures about fair value measurements. SFAS No. 157 applies whenever other authoritative literature requires (or permits) certain assets or liabilities to be measured at fair value, but does not expand the use of fair value. SFAS No.157 was originally effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those years with early adoption permitted.

In early 2008, the FASB issued Staff Position (FSP) FAS-157-2, "Effective Date of FASB Statement No. 157," which delays by one year, the effective date of SFAS No. 157 for all non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The delay pertains to items including, but not limited to, non-financial assets (such as real estate or donation in kind) recorded at fair value at the time of donation, and long-lived assets measured at fair value for impairment assessment under SFAS No. 144 "Accounting for the impairment or Disposal of Long-Lived Assets".

The Organization did adopt the portion of SFAS No. 157 that has not been delayed by FSP FAS-157-2 as of the beginning of its 2008 year, and plans to adopt the balance of its provisions as of the beginning of its 2009 year. Items carried at fair value on a recurring basis (to which SFAS No. 157 applies in 2008) consist of financial instruments which are valued primarily based on quoted prices in active or brokered markets for identical as well as similar assets and liabilities. Items carried at fair value on a non-recurring basis (to which SFAS No. 157 will apply in 2009) generally consist of long-lived assets. The Organization is continuing to evaluate the impact the standard will have on the determination of fair value related to non-financial assets and non-financial liabilities in post-2008 years.

Fair values of assets measured on a recurring basis at December 31, 2008 and 2007 are as follows:

<u>December 31, 2008</u>	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Securities	\$ <u>2,194,103</u>	\$ <u>2,194,103</u>	\$ <u>0</u>	\$ <u>0</u>

<u>December 31, 2007</u>	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Securities	\$ <u>2,147,856</u>	\$ <u>2,147,856</u>	\$ <u>0</u>	\$ <u>0</u>

PRESBYTERY OF PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2008 and 2007

**NOTE 3 – INVESTMENTS**

Investments are stated at fair value and are summarized as follows as of December 31, 2008 and 2007:

<i>Unrestricted</i>	<u>2008</u>			<u>2007</u>		
	Cost	Fair Value	Unrealized Gain (Loss)	Cost	Fair Value	Unrealized Gain (Loss)
Harmony Cem.	\$ 3,876	\$ 2,955	\$ (921)	\$ 3,755	\$ 4,211	\$ 456
General	320,114	251,654	(68,460)	320,115	341,139	21,024
Burnamwood	77,572	65,571	(12,001)	0	0	0
Rose Street	509,196	420,211	(88,985)	522,668	528,464	5,796
Total	\$910,758	\$ 740,391	\$(170,367)	\$846,538	\$ 873,814	\$ 27,276
<i>Agency Obligations</i>	Cost	Fair Value	Unrealized Gain (Loss)	Cost	Fair Value	Unrealized Gain (Loss)
Cald Camp	\$ 21,756	\$ 15,933	\$ (5,823)	\$ 21,516	\$ 23,201	\$ 1,685
M L Davis	208,925	160,526	(48,399)	208,925	197,604	(11,321)
Total	\$ 230,681	\$ 176,459	\$(54,222)	\$ 230,441	\$ 220,805	\$ (9,636)
<i>Temporarily Restricted</i>	Cost	Fair Value	Unrealized Gain (Loss)	Cost	Fair Value	Unrealized Gain (Loss)
Brow Wooten	\$ 63,591	\$ 47,889	\$ (15,702)	\$ 61,638	\$ 68,273	\$ 6,635
C.G. Bowman	18,929	11,656	(7,273)	18,900	18,184	(716)
Dickson-David Mem	7,549	4,600	(2,949)	7,533	7,242	(291)
F K Jones	35,541	21,885	(13,656)	35,486	34,142	(1,344)
R Spencer	4,674	2,848	(1,826)	4,912	4,722	(190)
Greenway	(100)	2,388	2,488	0	0	0
Home Econ Birthday	155,465	95,730	(59,735)	155,224	149,348	(5,876)
Total	\$ 285,649	\$ 186,996	\$ (98,653)	\$ 283,693	\$ 281,911	\$ (1,781)
<i>Permanently Restricted</i>	Cost	Fair Value	Unrealized Gain (Loss)	Cost	Fair Value	Unrealized Gain (Loss)
Greenway	\$ 580,551	\$ 580,551	\$ 0	\$ 0	\$ 0	\$ 0
White Trust	634,386	510,121	(124,264)	646,837	771,822	124,985
Total	\$1,214,937	\$1,090,672	\$(124,264)	\$ 646,837	\$ 771,822	\$ 124,985
<b>Total</b>	<b>\$2,642,024</b>	<b>\$2,194,518</b>	<b>\$(447,506)</b>	<b>\$2,007,509</b>	<b>\$2,148,352</b>	<b>\$ 140,843</b>

PRESBYTERY OF TRANSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2008 and 2007

**NOTE 3 – INVESTMENTS (Continued)**

Investments as of December 31, 2008 and 2007 consist of the following:

	<u>2008</u>	<u>2007</u>
Cash and Cash Equivalents	\$ 415	\$ 496
Mutual Funds	<u>2,194,103</u>	<u>2,147,856</u>
<b>Total</b>	<b><u>\$2,194,518</u></b>	<b><u>\$2,148,352</u></b>

The following schedule summarizes the investment return and its classification in the statement of support, revenue, and expenses – cash basis for the years ended December 31, 2008 and 2007:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>2008</b>				
Interest and Dividends	\$ 38,374	\$ 36,483	\$ 0	\$ 74,857
Unrealized Gains (Losses)	(197,337)	(96,872)	(249,249)	(543,458)
Realized Gains (Losses)	<u>(13,390)</u>	<u>2,584</u>	<u>0</u>	<u>(10,806)</u>
<b>Total Investment Return</b>	<b><u>\$(172,353)</u></b>	<b><u>\$(57,805)</u></b>	<b><u>\$(249,249)</u></b>	<b><u>\$(479,407)</u></b>
<b>2007</b>				
Interest and Dividends	\$ 42,609	\$ 26,772	\$ 0	\$ 69,381
Unrealized Gains (Losses)	13,167	22,787	6,142	42,096
Realized Gains (Losses)	<u>975</u>	<u>0</u>	<u>0</u>	<u>4,872</u>
<b>Total Investment Return</b>	<b><u>\$ 56,751</u></b>	<b><u>\$ 53,456</u></b>	<b><u>\$ 6,142</u></b>	<b><u>\$ 116,349</u></b>

**NOTE 4 – ENDOWMENTS**

The Presbytery's endowment consists of approximately 6 individual investment funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Presbytery's Board has interpreted Kentucky's "Uniform Management of Institutional Funds Act" (UMIFA) as requiring the preservation of the fair value (historic dollar value) of the original gift as the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Presbytery classifies the permanently restricted net assets based on the "historic dollar value" which means the aggregate fair value in dollars of a) an endowment fund at the time of the original gift, b) each subsequent donation to the fund at the time it is made and c) each accumulation made pursuant to a direction in the applicable gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Presbytery in a manner consistent with the provisions of UMIFA. The Presbytery may appropriate for expenditure for the use and purpose for which the endowment fund was established so much of the net appreciation, realized and unrealized, in the fair value of the assets of an endowment fund over the historic dollar value of the fund following ordinary business care and prudence under the facts and circumstances which existed at the time of action.

PRESBYTERY OF PENNSYLVANIA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2008 and 2007

**NOTE 4 – ENDOWMENTS (Continued)**

Endowment Net Asset Composition by Type of Fund as of December 31, 2008 and 2007:

December 31, 2008	Unrestricted	Temporarily	Permanently	Total
Donor-restricted endowment funds	\$ 0	\$ 186,996	\$ 1,090,672	\$ 1,277,668
Board-designated endowment funds	740,391	0	0	740,391
	<u>\$ 740,391</u>	<u>\$ 186,996</u>	<u>\$ 1,090,672</u>	<u>\$ 2,018,059</u>

December 31, 2007	Unrestricted	Temporarily	Permanently	Total
Donor-restricted endowment funds	\$ 0	\$ 281,911	\$ 771,822	\$ 1,053,733
Board-designated endowment funds	873,814	0	0	873,814
	<u>\$ 873,814</u>	<u>\$ 281,911</u>	<u>\$ 771,822</u>	<u>\$ 1,927,547</u>

Changes in Endowment Net Assets for the years ended December 31, 2008 and 2007:

December 31, 2008	Unrestricted	Temporarily	Permanently	Total
Endowment Net Assets, beginning of the year	\$ 873,814	\$ 281,911	\$ 771,822	\$ 1,927,547
Investment Return:				
Dividends and Interest	37,729	15,236	21,268	74,233
Realized gains (losses)	(13,390)	104	2,480	(10,806)
Unrealized gains (losses)	(197,337)	(96,872)	(249,249)	(543,458)
Contributions	0	0	580,551	580,551
Endowment assets expended	(110,425)	(13,383)	(36,200)	(160,008)
Transfer/Reclassification	150,000	0	0	150,000
Endowment Net Assets, end of year	<u>\$ 740,391</u>	<u>\$ 186,996</u>	<u>\$ 1,090,672</u>	<u>\$ 2,018,059</u>

December 31, 2007	Unrestricted	Temporarily	Permanently	Total
Endowment Net Assets, beginning of the year	\$ 69,485	\$ 275,101	\$ 765,680	\$ 1,910,266
Investment Return:				
Dividends and Interest	33,807	11,742	15,030	60,579
Realized gains (losses)	975	0	3,897	4,872
Unrealized gains (losses)	13,167	5,514	23,415	42,096
Contributions	0	0	0	0
Endowment assets expended	(43,620)	(10,446)	(36,200)	(90,266)
Transfer/Reclassification	0	0	0	0
Endowment Net Assets, end of year	<u>\$ 873,814</u>	<u>\$ 281,911</u>	<u>\$ 771,822</u>	<u>\$ 1,927,547</u>

PRESBYTERY OF PENNSYLVANIA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2008 and 2007

**NOTE 4 – ENDOWMENTS (Continued)**

Investment Objectives and Performance Objectives:

The Presbytery's investment objectives for the Presbytery will be to provide for a reasonable total investment return, consistent with the needs to safeguard Presbytery assets, while maximizing the total Investment return on those assets. Therefore, the Presbytery has invested the endowment assets in the New Covenant Trust Company, a subsidiary of the Presbyterian Foundation. The New Covenant Trust Company is the investment advisor of the New covenant Funds.

Asset Allocation for Achieving Objectives:

The Presbytery's asset allocation will be in the following types of investments: small stocks, large stocks, international stocks, long-term government bonds, treasury bills and cash. This asset allocation will be achieved by investing in a well diversified portfolio within the New Covenant Funds.

Spending Policy:

The Church has a policy of appropriating for distribution each quarter the investment earnings of its board designated endowment fund.

**NOTE 5 – FIXED ASSETS**

Fixed assets consist of the following:

	<u>Depreciable Lives</u>	<u>2008</u>	<u>2007</u>
Non Depreciable Assets - Land		<u>\$ 259,900</u>	<u>\$ 689,929</u>
Depreciable Assets:			
Office Equipment	5-10 Years	81,728	81,728
Equipment - Burnamwood	5-25 Years	67,172	67,172
Leasehold Improvements	15 Years	16,751	16,751
Automobiles	5 Years	23,017	23,017
Buildings and Improvements	5-40 Years	<u>936,317</u>	<u>908,313</u>
Total Fixed Assets		1,124,985	1,096,981
Accumulated Depreciation		<u>(401,172)</u>	<u>(364,016)</u>
Net Book Value		<u>\$ 723,813</u>	<u>\$ 732,965</u>

The provision for depreciation in 2008 and 2007 was \$37,156 and \$36,611, respectively.

PRESBYTERY OF TRANSYLVANIA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2008 and 2007

**NOTE 6 - PERMANENTLY RESTRICTED NET ASSETS**

The Presbytery has received two donations to establish permanent endowment funds for the following purposes. Terms of the donations, will of John M. Greenway and trust agreement of John F. White, require the funds to be segregated from other Organization funds. The donor-designated endowments are reported as permanently restricted net assets as follows.

	2008	2007
John M. Greenway - Mountain Districts of Kentucky	\$ 580,551	\$ 0
John F. White Trust - White's Memorial Church & Indigent Pastors	510,121	771,822
Total	\$1,090,672	\$ 771,822

**NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	2008	2007
Campus Ministry Grants - Investments	\$ 136,719	\$213,638
Campus Ministry Grants- Cash and Cash Equivalents	4,081	14,938
Greenway – Investments	2,388	0
Wooton, PC Youth Center - Investments	47,889	68,273
Total	\$ 191,077	\$ 296,849

In 2008 and 2007 distributions of income and capital in the amounts of \$48,261 and \$71,564 were released and paid in accordance with donor provisions.

**NOTE 8 - CONTINGENT LIABILITIES**

The Presbytery has two types of contingent liabilities. The first type the Presbytery has co-signed for loans made to individual churches. In the case of default, the assets of the churches will be used to satisfy the loans, with any remaining balances due to be paid by the Presbytery. The second type are mortgage grants in which the Church is under no obligation to repay unless or until the property is sold or if the Church leaves the denomination and takes the property with them. The following is a summary of these contingent liabilities:

	2008	2007
<b>LOANS</b>	<b>LOAN</b>	<b>LOAN</b>
	<b>BALANCE</b>	<b>BALANCE</b>
Beaumont Presbyterian Church, Lexington, KY	\$ 297,225	\$ 297,225
Chapel Hill Presbyterian Church, Lexington, KY	560,000	580,000
Maxwell Street Presbyterian Church, Lexington, KY	4,975	6,867
First Presbyterian Church, Lexington, KY	372,000	372,000
First Presbyterian Church, Somerset, KY	1,085,908	960,908
Total Loans	\$2,320,108	\$2,217,000
<b>MORTGAGE GRANTS</b>		
Central Presbyterian Church, Hyden, KY	\$ 38,144	\$ 38,144
Child Welfare Agency, Buckhorn, KY	4,000	4,000
Ezell Presbyterian Church	3,264	3,264
First Presbyterian Church, Booneville, KY	8,150	8,150
Total Mortgage Grants	\$ 53,558	\$ 53,558

PRESBYTERY OF TRANSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2008 and 2007

**NOTE 9 - PENSION PLAN**

The Presbytery participates in a defined contribution pension plan through the Board of Pensions PCUSA. All employees who are ordained clergy and all lay employees after three years of service must be enrolled in the pension plan per denominational requirements. The Presbytery pays 100% of pension contributions which are 11% of each employee's effective salary. The Presbytery transferred \$16,261 and \$18,145 to the board in 2008 and 2007 for pension expenses.

The Presbytery also participates in a Section 403(b) retirement savings plan with Fidelity Investments. Employees may participate voluntarily in this program through tax - sheltered payroll withholding. In addition, the Presbytery contributes to a 403(b) plan for lay employees employed less than three years and therefore not eligible for the pension plan offered by the Board of Pensions. The total amount contributed by employees for 2008 and 2007 was \$16,368 and \$5,040, respectively. The total amount contributed by the Presbytery (3.8%) for 2008 and 2007 was \$481 and \$2929, respectively.

**NOTE 10 - CONCENTRATION OF CREDIT RISK**

The Presbytery maintains its cash balances at Chase, Kentucky Bank and Central Bank. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 at December 31, 2008 and \$100,000 at December 31, 2007. At December 31, 2008 and 2007, the Presbytery's uninsured cash balances total \$0 and \$50,025, respectively. The Presbytery has a concentration risk with investments. Investments equaling 90% of the total are in two mutual funds at December 31, 2007.

**NOTE 11 - LONG TERM DEBT**

On June 19, 2001, the Presbytery entered into a mortgage for the construction of a pool, bath house, pavilion, Director's house at Burnamwood in the amount of \$250,000. The loan terms are quarterly interest payments beginning September 19, 2001 at 6.4%, but subject to change daily with the Kentucky Bank Index. The rate at December 31, 2004 was 4.90%. This note was renewed and the new maturity date was July 1, 2007. The new loan terms were quarterly interest payments beginning August 1, 2004. \$130,434 was paid on the principal of this loan in 2005. The loan is secured by 450 acres, 900 Burnamwood Rd., Irvine, KY. The balance of this loan at December 31, 2007 was \$0. Interest expense paid on this loan as of December 31, 2007 was \$1,717.

On February 29th, 2000, the Presbytery entered into a loan to buy land with the Presbyterian Church USA in the amount of \$315,000. The loan terms are monthly principal and interest payments of \$2,658 for 180 months at an interest rate of 6% maturing on March 29, 2020. The loan is secured by the Gleneagles property, (non-depreciable) fixed asset, and valued at \$430,029. The balance of this loan at December 31, 2007 was \$276,229. The property was sold in 2008 and the loan was paid in full.

The Presbytery also borrowed \$105,000 from Kentucky Bank for the purchase of land. The terms of this loan are quarterly interest payments through maturity date of March 18, 2010. The interest rate is 8.75% which is a variable rate based upon Kentucky Bank Index plus .5 percentage points. The loan is secured by the Gleneagles property, (non-depreciable) fixed asset, and valued at \$430,029. The balance of this loan at December 31, 2007 was \$105,000. The property was sold in 2008 and the loan was paid in full.

Interest expense paid on the above two loans as of December 31, 2008 and 2007 were \$17,953 and \$26,187, respectively.

PRESBYTERY OF TRANSYLVANIA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2008 and 2007

**NOTE 12 - LEASES**

The Presbytery moved their offices from 412 Rose Street to 2480 Fortune Drive in September of 1999. The new office space of 2840 square feet is being leased for an initial five year period of \$2,500 per month. The lease agreement contains two renewal options of five years each. The monthly rent under the two renewal options will increase to \$2,835 and \$3,215 respectively. As of August, 2004, the first renewal option was exercised. The total amount of rent paid under the lease as of 2008 and 2007 was \$34,020 and \$34,020, respectively. The future minimum rental payments due for the next five years are as follows:

<u>Year</u>	<u>Amount</u>
2009	\$ 35,540
2010	38,580
2011	38,580
2012	38,580
2013	<u>38,580</u>
Total	<u>\$189,860</u>

**NOTE 13 - AGENCY OBLIGATIONS**

The Presbytery received on July 13<sup>th</sup>, 2000 proceeds from the Mec Lona Davis Estate which were originally intended for the use of Lees College in Jackson, Kentucky. After Lees College became a part of the University of Kentucky Community College system, the Estate named the Guerrant Memorial Presbyterian Church as one of the beneficiaries of the funds. The Presbytery has been named as the trustee over the funds with the Guerrant Memorial Presbyterian Church to receive the accrued interest in April and October of each year. The Presbytery originally deposited these funds in a money market account with Bank One in Lexington, Kentucky. These funds were moved to the Foundation in order to provide better earnings during 2002. The balance of the account at December 31, 2008 and 2007 was \$160,527 and \$197,604. The account earned dividends of \$8,960 and \$9,045 in 2008 and 2007, respectively.

The Presbytery received proceeds from the Caldwell Campbell Estate which named the General Assembly Presbyterian Church in the town of Richmond, Kentucky as the beneficiary of the funds. The Presbytery has been named as the trustee over the funds with the Church to receive the accrued interest each year. These funds are invested with the Foundation. The balance of the account at December 31, 2008 and 2007 was \$15,932 and \$23,201, respectively. The account earned dividends of \$656 and \$445 in 2008 and 2007, respectively.

**NOTE 14 - FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of support, revenues and expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 15 - RECLASSIFICATIONS**

Certain reclassifications have been made to the 2007 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

**SUPPLEMENTAL INFORMATION**

**PRESBYTERY OF PENNSYLVANIA  
RECONCILIATION OF NET ASSETS - (SCHEDULE 1)  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	BEGINNING NET ASSETS	INCREASES	DECREASES	ENDING NET ASSETS
<b>UNCOMMITTED RESERVE</b>				
Undesignated	\$ 1,429,669	\$ 578,693	\$ 550,665	\$ 1,457,697
Rose Street	528,464	23,446	131,699	420,211
TOTAL	<u>1,958,133</u>	<u>602,139</u>	<u>682,364</u>	<u>1,877,908</u>
<b>TEMPORARILY RESTRICTED</b>				
Campus Ministry Grant	14,938	7,343	18,200	4,081
Campus Ministry-Principal	213,638	9,803	86,722	136,719
Greenway	0	3,480	1,092	2,388
Brownski - Wooton	68,273	1,953	22,337	47,889
TOTAL	<u>296,849</u>	<u>22,579</u>	<u>128,351</u>	<u>191,077</u>
<b>ADMINISTRATION AND FINANCE</b>				
Morris Fork	7,851	0	0	7,851
Administrative Personnel	2,500	0	0	2,500
S.O.S. (Anonymous)	6,000	0	0	6,000
Special Ministerial Relief	9,884	0	9,699	185
Church Property Funds	28,800	10,000	790	38,010
Capital Campaign	150,025	4,441	22,209	132,257
Total	<u>205,060</u>	<u>14,441</u>	<u>32,698</u>	<u>186,803</u>
<b>MISSION</b>				
Two-Cent Hunger Program	7,411	0	4,267	3,144
Peacemaking	3,211	1,748	0	4,959
Total	<u>10,622</u>	<u>1,748</u>	<u>4,267</u>	<u>8,103</u>
<b>CHRISTIAN SERVICE MINISTRY</b>				
CSM	3,485	117	0	3,602
Total	<u>3,485</u>	<u>117</u>	<u>0</u>	<u>3,602</u>
<b>MINISTRY</b>				
Candidates Grant	2,947	18,069	0	21,016
Caldwell Campbell	1,780	0	0	1,780
Total	<u>4,727</u>	<u>18,069</u>	<u>0</u>	<u>22,796</u>
<b>COMMITTEES</b>				
Harmony Cemetery	3,161	0	0	3,161
TOTAL	<u>3,161</u>	<u>0</u>	<u>0</u>	<u>3,161</u>
<b>BURNAMWOOD</b>				
General Capital	642	0	0	642
Shockey Camp/Conf. Scholarship	5,831	3,635	3,931	5,535
Total	<u>6,473</u>	<u>3,635</u>	<u>3,931</u>	<u>6,177</u>
<b>EMERGENCY LOAN FUND</b>				
	<u>19,500</u>	<u>0</u>	<u>0</u>	<u>19,500</u>
<b>PERMANENTLY RESTRICTED</b>				
Greenway - Permanently Restricted	0	580,551	0	580,551
White Fund	771,822	21,269	282,970	510,121
	<u>771,822</u>	<u>601,820</u>	<u>282,970</u>	<u>1,090,672</u>
<b>TOTAL</b>	<u>\$ 3,279,832</u>	<u>\$ 1,264,548</u>	<u>\$ 1,134,581</u>	<u>\$ 3,409,799</u>

See Accountant's Report