

**The Corporation of
The Brick Presbyterian Church
In the City of New York**

Financial Statements

December 31, 2018

Independent Auditors' Report

The Board of Trustees of The Corporation of The Brick Presbyterian Church In the City of New York

We have audited the accompanying financial statements of The Corporation of The Brick Presbyterian Church In the City of New York (the "Church") which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As discussed in Note 1, the Church does not capitalize acquisitions of, or improvements to, buildings, furniture, and equipment, except for the original cost of the Church's manses. Manses, although capitalized, were not depreciated over their expected useful lives. Accounting principles generally accepted in the United States of America require that long-lived tangible assets be capitalized and depreciated over their estimated useful lives. The effect of this departure is not determinable.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of The Corporation of The Brick Presbyterian Church In the City of New York as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the year ended December 31, 2018 the Church adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited The Corporation of The Brick Presbyterian Church In the City of New York's December 31, 2017 financial statements, and we expressed a qualified audit opinion on those audited financial statements in our report dated April 13, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary schedules on pages 24 through 27 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

PKF O'Connor Davies, LLP

April 17, 2019

**The Corporation of The Brick Presbyterian Church
In the City of New York**

Statement of Financial Position
December 31, 2018
(with comparative amounts at December 31, 2017)

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 3,093,162	\$ 1,979,177
Accounts receivable	15,075	49,280
Prepaid expenses and other assets	282,428	87,409
Promises to give receivable, net (Note 4)	1,684,011	1,674,765
Capital campaign pledges receivable, net (Note 4)	4,198,847	5,990,423
Note receivable (Note 5)	326,920	360,000
Investments (Note 7)	38,634,160	45,613,927
Restricted investments (Note 7)	2,529,458	2,254,458
Beneficial interest in perpetual trusts (Note 7)	1,384,243	1,502,019
Land, buildings, furniture and equipment (Note 8)	1	1
Manses (Note 8)	449,996	449,996
	\$ 52,598,301	\$ 59,961,455
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 857,818	\$ 324,185
Other liabilities	294,218	332,595
Deferred tuition	2,386,944	2,031,166
Total Liabilities	3,538,980	2,687,946
 Net Assets (Deficit)		
Without Donor Restrictions		
Operating	(380,237)	(81,188)
Quasi-endowment	14,901,811	16,646,098
Plant	1,815,935	3,234,688
Total Without Donor Restrictions	16,337,509	19,799,598
With Donor Restrictions	32,721,812	37,473,911
Total Net Assets	49,059,321	57,273,509
	\$ 52,598,301	\$ 59,961,455

See notes to financial statements

**The Corporation of The Brick Presbyterian Church
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Statement of Activities
Year Ended December 31, 2018
(with summarized totals for the year ended December 31, 2017)

	Without Donor Restrictions	With Donor Restrictions	2018 Total	2017 Total
OPERATING SUPPORT AND REVENUE				
Contributions and gifts	\$ 688,831	\$ 2,883,822	\$ 3,572,653	\$ 4,259,515
Capital campaign	-	370,219	370,219	686,972
Day School tuition and fees, including financial aid of \$688,764 and \$538,973	4,788,423	-	4,788,423	4,402,392
Brick Church Fair income, net of direct expenses of \$65,569 and \$106,389	90,412	-	90,412	167,911
Program revenue	96,808	-	96,808	99,547
Allocated investment return	1,064,770	(1,415,408)	(350,638)	4,003,817
Income from perpetual trust	31,501	-	31,501	28,827
Interest and other income	17,983	-	17,983	20,343
Net Assets Released From Restrictions				
Stewardship	1,912,054	(1,912,054)	-	-
Other specific donor purposes	1,871,288	(1,871,288)	-	-
Total Operating Support and Revenue	10,562,070	(1,944,709)	8,617,361	13,669,324
OPERATING EXPENSES				
Pastoral Care	1,567,593	-	1,567,593	1,656,128
Day School	4,821,473	-	4,821,473	4,479,427
Summer Steps	233,952	-	233,952	223,450
Music	478,407	-	478,407	461,603
Committees of the Session	199,982	-	199,982	184,468
Women's Association	112,399	-	112,399	170,162
Christian Education	103,509	-	103,509	99,215
Administration	1,112,046	-	1,112,046	1,029,871
Plant services	1,464,141	-	1,464,141	1,270,318
Fundraising - Church	121,516	-	121,516	184,506
Fundraising - Day School	166,913	-	166,913	181,763
Total Operating Expenses	10,381,931	-	10,381,931	9,940,911
Excess (Deficiency) of Operating Support and Revenue Over Operating Expenses	180,139	(1,944,709)	(1,764,570)	3,728,413
NON-OPERATING ACTIVITIES				
Flood insurance proceeds	176,434	-	176,434	-
Valuation adjustment	-	(8,698)	(8,698)	(40,482)
Church maintenance expenses	(4,397,885)	-	(4,397,885)	(2,400,692)
Non-operating investment return	(2,101,693)	-	(2,101,693)	1,781,831
Net assets released from restrictions for capital improvements	2,680,916	(2,680,916)	-	-
Change in beneficial interest in perpetual trusts	-	(117,776)	(117,776)	142,176
Change in Net Assets	(3,462,089)	(4,752,099)	(8,214,188)	3,211,246
NET ASSETS				
Beginning of year	19,799,598	37,473,911	57,273,509	54,062,263
End of year	\$ 16,337,509	\$ 32,721,812	\$ 49,059,321	\$ 57,273,509

See notes to financial statements

**The Corporation of The Brick Presbyterian Church
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Statement of Functional Expenses
Year Ended December 31, 2018
(with summarized totals for the year ended December 31, 2017)

	Program Services							Total Program Expenses
	Pastoral Care	Day School	Summer Steps	Music	Committees of the Session	Women's Association	Christian Education	
Salaries and benefits	\$ 719,299	\$ 3,510,102	\$ 170,201	\$ 394,506	\$ 83,411	\$ 37,511	\$ 736	\$ 4,915,766
Legal and professional services	-	170,961	8,516	-	9,950	-	-	189,427
Facilities	197,673	-	5,305	-	-	-	-	202,978
Insurance	2,194	10,809	-	813	302	265	92	14,475
Postage, printing and supplies	-	20,322	1,183	200	49,966	1,163	-	72,834
Repairs and maintenance	-	-	-	11,659	-	-	-	11,659
Technology, software and equipment	-	33,296	-	-	7,920	-	-	41,216
Telephone	3,625	2,520	-	-	-	-	-	6,145
Travel	3,457	19,433	-	-	-	-	-	22,890
Allowance	98,281	-	-	-	-	-	-	98,281
Denominational assessments	50,000	-	-	-	-	-	-	50,000
Devotional supplies and resources	-	-	-	-	5,653	7,149	2,638	15,440
Fellowship events	26,986	-	-	-	28,493	8,153	69,721	133,353
Historical preservation	-	-	-	-	4,029	-	-	4,029
Religious education and training	57,053	-	-	3,610	-	-	22,315	82,978
Educational training and supplies	-	275,646	15,958	-	-	-	-	291,604
Musicians and musical instruments	-	-	-	66,383	-	-	-	66,383
Benevolence and grants	401,230	-	-	-	-	52,400	-	453,630
Scholarships	-	688,764	-	-	-	-	-	688,764
Bad debt expense	-	-	-	-	-	-	-	-
Credit card fees	-	-	-	-	-	-	-	-
Other fundraising expenses	-	-	-	-	-	-	-	-
Meals and entertainment	1,460	42,619	27,838	118	-	-	1,579	73,614
Miscellaneous	6,335	47,001	4,951	1,118	10,258	5,758	6,428	81,849
Total	\$ 1,567,593	\$ 4,821,473	\$ 233,952	\$ 478,407	\$ 199,982	\$ 112,399	\$ 103,509	\$ 7,517,315

See notes to financial statements

**The Corporation of The Brick Presbyterian Church
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Statement of Functional Expenses (continued)
Year Ended December 31, 2018
(with summarized totals for the year ended December 31, 2017)

	Supporting Services								
	General and Administrative			Fundraising			Total Supporting Services	Total 2018	Total 2017
	Administration	Plant Services	Total General and Administrative	Church	Day School	Total Fundraising			
Salaries and benefits	\$ 749,781	\$ 625,495	\$ 1,375,276	\$ 84,872	\$ 83,406	\$ 168,278	\$ 1,543,554	\$ 6,459,320	\$ 6,438,784
Legal and professional services	98,528	125,678	224,206	400	-	400	224,606	414,033	304,137
Facilities	-	201,584	201,584	-	-	-	201,584	404,562	407,807
Insurance	2,551	191,155	193,706	-	-	-	193,706	208,181	177,795
Postage, printing and supplies	20,309	26,671	46,980	7,010	-	7,010	53,990	126,824	177,172
Repairs and maintenance	472	257,244	257,716	-	-	-	257,716	269,375	219,192
Technology, software and equipment	74,238	10,952	85,190	-	-	-	85,190	126,406	112,761
Telephone	26,288	3,045	29,333	-	-	-	29,333	35,478	35,089
Travel	975	1,508	2,483	-	-	-	2,483	25,373	29,405
Allowance	-	-	-	-	-	-	-	98,281	92,808
Denominational assessments	-	-	-	-	-	-	-	50,000	37,500
Devotional supplies and resources	-	-	-	-	-	-	-	15,440	19,334
Fellowship events	-	-	-	-	-	-	-	133,353	132,894
Historical preservation	-	-	-	-	-	-	-	4,029	3,662
Religious education and training	-	-	-	-	-	-	-	82,978	71,002
Educational training and supplies	-	-	-	-	-	-	-	291,604	259,898
Musicians and musical instruments	-	-	-	-	-	-	-	66,383	59,792
Benevolence and grants	-	-	-	-	-	-	-	453,630	429,645
Scholarships	-	-	-	-	-	-	-	688,764	538,973
Bad debt expense	102,474	-	102,474	-	-	-	102,474	102,474	40,562
Credit card fees	-	-	-	13,129	17,912	31,041	31,041	31,041	35,567
Other fundraising expenses	-	-	-	12,460	65,595	78,055	78,055	78,055	86,209
Meals and entertainment	3,346	20,468	23,814	2,360	-	2,360	26,174	99,788	140,595
Miscellaneous	33,084	341	33,425	1,285	-	1,285	34,710	116,559	90,328
Total	\$ 1,112,046	\$ 1,464,141	\$ 2,576,187	\$ 121,516	\$ 166,913	\$ 288,429	\$ 2,864,616	\$ 10,381,931	\$ 9,940,911

See notes to financial statements

**The Corporation of The Brick Presbyterian Church
In the City of New York**

Statement of Cash Flows
Year Ended December 31, 2018
(with comparative amounts for the year ended December 31, 2017)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (8,214,188)	\$ 3,211,246
Adjustments to reconcile change in net assets to net cash from operating activities		
Uncollectible promises to give receivable	102,474	40,562
Valuation adjustment	8,698	40,482
Net realized gains on sales of investments	(413,725)	(901,669)
Depreciation (appreciation) of investments	3,316,723	(4,263,225)
Permanently restricted contribution	(150,000)	(100,000)
Change in beneficial interest in perpetual trusts	117,776	(142,176)
Changes in operating assets and liabilities		
Accounts receivable	34,205	(49,280)
Promises to give receivable	(111,720)	(208,860)
Capital campaign pledges	1,782,878	1,227,216
Prepaid expenses and other assets	(195,019)	48,918
Accounts payable and accrued expenses	533,633	160,841
Other liabilities	(38,377)	51,712
Deferred tuition	355,778	30,633
Net Cash From Operating Activities	(2,870,864)	(853,600)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	3,961,731	6,046,163
Purchase of investments	(1,869,910)	(4,864,302)
Restricted investments	(275,000)	(150,200)
Change in note receivable	33,080	-
Net change in money market investments	1,984,948	(1,100,195)
Net Cash From Investing Activities	3,834,849	(68,534)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from permanently restricted contribution	150,000	100,000
Net Change in Cash and Cash Equivalents	1,113,985	(822,134)
CASH AND CASH EQUIVALENTS		
Beginning of year	1,979,177	2,801,311
End of year	\$ 3,093,162	\$ 1,979,177

See notes to financial statements

**The Corporation of The Brick Presbyterian Church
In the City of New York**

Notes to Financial Statements
December 31, 2018

1. Organization and Tax Status

The Corporation of The Brick Presbyterian Church In the City of New York (the "Church"), founded in 1767, is a congregation of Christians in the largely secular world of New York City. The Church maintains a day school, the operations of which are included in the accompanying financial statements.

As a religious organization, the Church is exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), except that acquisitions and improvements to buildings, furniture and equipment are expensed and no provision is made for depreciation. U.S. GAAP requires such acquisitions and improvements be capitalized and depreciated over their estimated useful lives. The Church has recorded the original cost of its Manses and a nominal amount for land, buildings, and furniture and equipment. U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Change in Accounting Principle

On January 1, 2018, the Church adopted new guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires the Church to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the new guidance requires the Church to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the financial statements. As a result of implementing this standard, prior year amounts for temporarily restricted and permanently restricted net assets were combined as net assets with donor restrictions.

Net Asset Presentation

Net assets without donor restrictions have no restriction as to use or purpose imposed by donors. Included in net assets without donor restrictions are the board-designated Quasi-Endowment Fund and Plant Fund. Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, and are limited to a specific time period or purpose. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained for investment in perpetuity.

**The Corporation of The Brick Presbyterian Church
In the City of New York**

Notes to Financial Statements
December 31, 2018

2. Summary of Significant Accounting Policies (*continued*)

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at the time of purchase.

Promises to Give Receivable

Unconditional promises to give are recorded when the promise is made. An estimate of uncollectible promises has been made and included as an offset to promises to give receivable. Unconditional promises to give to be received in future years are discounted to present value.

Capital Campaign Pledges Receivable

The Church has undertaken a capital campaign to support improvements to its facilities, increase community benevolence programs, and enhancement of its endowment. Pledges are recorded as they are received, and an estimate of uncollectible pledges has been made and included as an offset to the capital campaign pledges receivable. Amounts expected to be received in future years are discounted to present value.

Investments Valuation

Investments are carried at fair value.

Fair Value Measurements

The Church follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The Church follows U.S. GAAP guidance which removed the requirements to categorize within the fair value hierarchy alternative investments where fair value is measured using the Net Asset Value (“NAV”) per share as a practical expedient.

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

**The Corporation of The Brick Presbyterian Church
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Notes to Financial Statements
December 31, 2018

2. Summary of Significant Accounting Policies (continued)

Plant Assets

The Church expenses the cost of additions and improvements. In 2018, such costs for Church renovation expenses in the amount of \$4,397,885 were financed by the Maintenance fund, together with net assets released from restrictions for capital improvements.

A transfer is made from operating net assets each year to plant maintenance net assets based on the size of the Church plant, estimates of likely capital requirements in future years, and other factors. The transfer was \$350,000 for 2018. Details of the 2018 activity in the Plant Maintenance Net Assets are included in Note 13 of the financial statements.

Deferred Tuition

Deferred tuition consists of Day School tuition received that pertains to the subsequent period.

Tuition and Fees

Tuition is earned ratably over the school year. Fees are earned when the related activity takes place.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to one or more program or supporting services. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries and fringe benefits are allocated on the basis of staff estimates of time and effort. Costs identifiable to a particular function are directly charged to the program or supporting service. Other costs are allocated based on the percentage of overall salary allocation.

Accounting for Uncertainty in Income Taxes

The Church recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Church had no uncertain tax positions that would require financial statement recognition or disclosure.

**The Corporation of The Brick Presbyterian Church
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Notes to Financial Statements
December 31, 2018

2. Summary of Significant Accounting Policies (*continued*)

Reclassification

Certain accounts in the 2017 financial statements have been reclassified to conform to the 2018 financial statement presentation.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 17, 2019.

Presentation of Prior Year Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Church's financial statements for 2017, from which the summarized information was derived.

3. Credit Risk Concentration

Certain financial instruments potentially subject the Church to concentrations of credit risk. These financial instruments consist primarily of temporary cash investments, investments and receivables. The Church places its temporary cash investments and investments with creditworthy, high-quality financial institutions. A significant portion of such investments are not insured by the FDIC or any other entity. Management believes there is a very low risk of loss due to the failure of these institutions. Concentrations of credit risk with respect to receivables are generally diversified due to the large number of individuals composing the Church's donor base.

**The Corporation of The Brick Presbyterian Church
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Notes to Financial Statements
December 31, 2018

4. Receivables

Promises to give receivable at December 31, 2018, discounted to fair value using a discount rate of 3.34%, are summarized as follows:

Scheduled Collection	Value of Promises
2019	\$ 1,811,337
2020	20,000
2021	20,000
2022	10,000
2023	10,000
Total scheduled collections	1,871,337
Discount on pledge receivable	(4,088)
Allowance for doubtful accounts	(183,238)
Promises to Give Receivable, net	\$ 1,684,011

Capital Campaign pledges receivable at December 31, 2018, discounted to fair value using a discount rate of 3.34%, are summarized as follows:

Scheduled Collection	Value of Pledges
2019	\$ 2,718,322
2020	1,269,286
2021	813,688
2022	86,529
Total scheduled collections	4,887,825
Discount on pledge receivable	(100,893)
Allowance for doubtful accounts	(588,085)
Capital Campaign Pledges Receivable, net	\$ 4,198,847

**The Corporation of The Brick Presbyterian Church
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Notes to Financial Statements
December 31, 2018

5. Note Receivable

The note receivable in unrestricted quasi-endowment consists of a 1.85% note from a retired employee, due in monthly installments on a level debt service basis commencing on January 1, 2018. The employee has a deferred compensation agreement with the Church (see Note 9). Beginning January 1, 2018, the deferred compensation is being used to repay the note receivable on a monthly basis. Once the deferred compensation is exhausted, the retired employee must repay the remaining outstanding balance in accordance with the terms of the agreement.

6. Pooled Funds

The Church follows the policy of pooling its invested funds. Investment income and capital appreciation are allocated quarterly based upon a sharing percentage adjusted for additions to and withdrawals from the pooled fund. Additions and withdrawals made to the pooled fund during the quarter affect the sharing percentage on the first day of the following quarter. Each participating fund is allocated a percentage of the total pooled funds according to the fair value of its interest at the beginning of the quarter. At December 31, 2018, the pooling group, at fair value, consists of the following:

Without Donor Restrictions:		
Operating	\$ 52,477	0.13%
Quasi-Endowment	14,901,811	36.07%
Plant	1,189,504	2.88%
With Donor Restrictions:		
Temporary	22,642,236	54.80%
Permanent	<u>2,529,458</u>	<u>6.12%</u>
	<u>\$ 41,315,486</u>	<u>100.00%</u>

Assets underlying the pooled group consist of the following at December 31:

Investments	\$ 40,988,566
Note receivable	<u>326,920</u>
Total Pooled Assets	<u>\$ 41,315,486</u>

Pooled funds do not include an investment of IBM stock donated to support the maintenance of Watson Hall with a fair value of \$175,052 at December 31, 2018.

**The Corporation of The Brick Presbyterian Church
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Notes to Financial Statements
December 31, 2018

7. Assets Stated at Fair Value

The following are the classes and major categories of investments and other assets at December 31, 2018 grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)	Total
Equity Securities			
Technology	\$ 175,052	\$ -	\$ 175,052
Mutual Funds			
Domestic large cap equity	10,312,884	-	10,312,884
Domestic mid/small cap equity	2,603,103	-	2,603,103
International large cap equity	3,886,142	-	3,886,142
Emerging markets equity	1,084,255	-	1,084,255
High grade bonds	5,108,262	-	5,108,262
	<u>23,169,698</u>	-	<u>23,169,698</u>
Comingled Funds			
Global equity (1)			2,555,851
Emerging markets equity (1)			1,474,145
European Equity (1)			992,930
Hedge funds (1)			3,694,342
Funds of hedge funds (1)			6,137,232
Private equity (1)			2,850,102
Temporary cash investments - at cost			<u>289,318</u>
Total Investments			41,163,618
Beneficial interest in perpetual trusts	-	1,384,243	1,384,243
Total Assets at Fair Value	<u>\$ 23,169,698</u>	<u>\$ 1,384,243</u>	<u>\$ 42,547,861</u>

(1) As discussed in Note 2, investments that are measured using NAV per share as a practical expedient are not classified within the fair value hierarchy. The fair value amounts presented in the total column of this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

There were no transfers between levels of the fair value hierarchy during 2018.

**The Corporation of The Brick Presbyterian Church
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Notes to Financial Statements
December 31, 2018

7. Assets Stated at Fair Value (continued)

The following is a reconciliation of the beginning and ending balances for assets measured at fair value using significant unobservable inputs (Level 3) during 2018:

	Beneficial Interest in Perpetual Trusts
Balance, beginning	\$ 1,502,019
Total gains or losses (realized/unrealized) included in changes in net assets	(117,776)
Balance, end of year	\$ 1,384,243

Information regarding alternative investments measured using NAV as a practical expedient at December 31, 2018 is as follows:

Description	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Hedge funds (see a. below)	\$ 3,694,342	\$ -	Quarterly - Biennially	65 - 90 days
Funds of hedge funds (see b. below)	6,137,232	-	Annually	75 - 95 days
Comingled Funds (see c. below)				
Global equity	2,555,851	-	Bimonthly	3 days
Emerging markets equity	1,474,145	-	Monthly	10 days
European equity	992,930	-	April 2021	90 days
Private equity (see d. below)	2,850,102	833,601	N/A	N/A
	\$ 17,704,602	\$ 833,601		

a) This category includes investments in hedge funds. One fund invests across the capital structures of U.S. and non-U.S. companies. Management of the hedge fund has the ability to shift investment strategies. The investment in this fund may be redeemed biennial (every second year) subject to 90 days written notice. The other investment in this category is organized to achieve capital appreciation through event-driven investments which seek to exploit situations in which announced or anticipated events create opportunities to invest in securities and other financial instruments at a discount to their exit values, such as distressed funds. The investment in this fund may be redeemed quarterly subject to 65 days written notice. Thirty-one percent of this category is subject to the biennial redemption frequency.

**The Corporation of The Brick Presbyterian Church
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Notes to Financial Statements
December 31, 2018

7. Assets Stated at Fair Value (continued)

b) This category includes investments in funds of hedge funds that achieve total return by focusing primarily on U.S. and international long and short equity investment strategies. The investments in this category may be redeemed annually subject to 75-95 days written notice.

c) This category includes investments in comingled funds. One fund seeks to achieve its investment objective by investing primarily in equity securities listed on global stock exchanges. This investment may be redeemed bimonthly (twice a month) subject to 3 days written notice. The second fund in this category is organized primarily to afford participants an opportunity to obtain long-term capital gains and income from a diversified portfolio of mid and smaller capitalization equity securities generally located in emerging market countries. This investment may be redeemed monthly subject to 10 days written notice. The third fund in this category invests in a relatively concentrated portfolio of European equity securities. This investment may be redeemed in full in April 2021 subject to 90 days written notice.

d) This category includes several private equity funds that invest in domestic and foreign private equity investment partnerships. One fund primarily invests in companies undergoing financial distress, operating difficulties and significant restructuring. These investments can never be redeemed with the funds. Instead, it is expected that the investments in this category will be realized as distributions are received from the liquidation of the underlying assets of the funds. Management has estimated that the underlying assets of the funds will be liquidated over 7 to 11 years.

Investment Risks and Uncertainties

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment. Investments are carried at fair value. Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

**The Corporation of The Brick Presbyterian Church
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Notes to Financial Statements
December 31, 2018

7. Assets Stated at Fair Value (continued)

Investment return for the year ended December 31, 2018 is summarized as follows:

Interest and dividends, net	\$ 450,667
Net realized gains on sale of investments	413,725
Net depreciation of investments	<u>(3,316,723)</u>
Total investment return	<u>\$ (2,452,331)</u>
Allocated investment return:	
Budgetary allocation of investment income	\$ 1,064,770
Investment income on donor-restricted funds	<u>(1,415,408)</u>
	(350,638)
Non-operating investment income	<u>(2,101,693)</u>
	<u>\$ (2,452,331)</u>

Investment return is reported net of investment advisory and custody fees. Investment advisory fees are allocated to each pooled fund consistent with the allocation of investment income.

8. Investment in Plant

The Church's land, building, furniture and equipment are carried at a nominal value of one dollar. The Church's interests in two cooperative apartments and a condominium used as Manses are carried at cost. The Church buildings and contents were, for insurance purposes, valued at approximately \$52,000,000 at December 31, 2018.

9. Deferred Compensation

Pursuant to an agreement with a retired employee, the Church has deferred a portion of the compensation to be paid beginning January 1, 2018. Such deferred compensation amounted to \$250,453 at December 31, 2018. The deferred compensation is included within other liabilities on the statement of financial position. Beginning January 1, 2018, the deferred compensation is being used to repay the note receivable including interest on a monthly basis as described in Note 5 of the financial statements.

**The Corporation of The Brick Presbyterian Church
In the City of New York**

Notes to Financial Statements
December 31, 2018

10. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31, 2018:

Restricted as to Period:	
Received for 2019	\$ 1,873,780
Restricted as to Purpose:	
Pastoral Care	1,729,382
Ministry of music	2,156,615
Day School	6,905,825
Christian Education	81,642
Women's Association	132,556
Seminary education	1,433,233
Building fund	2,290,395
Summer Steps	758,222
Falcone Children, Youth and Family Fund	2,468,199
Operation and maintenance of plant	2,859,569
Capital Campaign	<u>5,923,893</u>
Total	<u>28,613,311</u>
Perpetual in nature and subject to the Church's spending policy and appropriation:	
Pastoral Care	244,205
Ministry of music	609,531
Day School	881,626
Christian Education	21,730
Women's Association	110,000
Seminary education	5,000
Summer Steps	400,000
Operation and maintenance of plant	452,166
Operations support from beneficial interest in trusts	<u>1,384,243</u>
	<u>4,108,501</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 32,721,812</u></u>

**The Corporation of The Brick Presbyterian Church
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Notes to Financial Statements
December 31, 2018

10. Net Assets with Donor Restrictions (continued)

Net assets released from restrictions during 2018 were for the following donor restricted and time restricted purposes:

	Expenses Funded from Operations	Net Assets Released from Restriction	Operating Expenses
Operating Activities:			
Pastoral Care	\$ 1,211,922	\$ 355,671	\$ 1,567,593
Music	375,753	102,654	478,407
Day School	3,719,792	1,101,681	4,821,473
Summer Steps	-	233,952	233,952
Christian Education	96,574	6,935	103,509
Women's Association	100,866	11,533	112,399
Committees of the Session	199,982	-	199,982
Plant services	1,441,323	22,818	1,464,141
Administration	1,112,046	-	1,112,046
Fundraising - Church	110,700	10,816	121,516
Fundraising - Day School	166,913	-	166,913
Total	<u>\$ 8,535,871</u>	<u>1,846,060</u>	<u>\$ 10,381,931</u>
Stewardship contributions and promises to give received in 2018 for 2019		1,912,054	
Non -operating Activities			
Church maintenance expenses		2,706,144	
Total Net Assets Released from Restrictions		<u>\$ 6,464,258</u>	

Beneficial Interest in Perpetual Trust

The Church maintains beneficial interests in certain trusts administered by third parties. Those trusts were valued at \$1,384,243 at December 31, 2018. As these trusts are controlled and invested by independent third parties, the Church records a beneficial interest for its ratable share of the assets based on the fair value of the trusts' underlying assets. Income is recognized as distributions are received from the trusts.

**The Corporation of The Brick Presbyterian Church
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Notes to Financial Statements
December 31, 2018

11. Endowment Funds

The Church's endowment consists of various individual funds established primarily for the support of the Church and its Day School. Its endowment includes donor-restricted endowment funds as well as board designated endowment funds.

Interpretation of Relevant Law

The Board of Trustees has interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as allowing the Church to appropriate for expenditures or accumulate so much of the earnings on the donor-restricted endowment fund as the Church determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donors as expressed in their gift instruments.

Return Objective and Risk Parameters

The Church utilizes a total return investment approach with its asset allocation diversified over multiple asset classes. Target allocation percentages are established for various asset classes and are modified over time, to provide a balance that is intended to enhance the long-term total return of the overall investment portfolio while avoiding undue risk or concentration in any single asset class or investment category. Performance is measured against a composite benchmark of investment indices reflecting the target asset allocation.

Spend Rate Policy

For 2018, the Church followed a policy of budgeting the spending of 4.75% and 5.00% of the trailing three year average of its restricted and board-designated endowment funds, respectively, subject to abiding by the purpose and other restrictions of certain of the funds. In addition, for the 2018 budget, a \$179,665 special balancing draw was approved from the board-designated funds (approximately 1% of the board-designated funds) in light of an expected decline in stewardship contributions and other factors.

Underwater Endowment Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original dollar value of the fund.

The Church has interpreted NYPMIFA to permit spending from underwater endowments as long as such spending is deemed prudent after taking into consideration a variety of factors required under the law. A deficiency of this nature exists in two endowment funds, which had an original gift value of \$838,190, a current fair value of \$801,211, and a deficiency of \$36,979. This deficiency resulted from unfavorable market conditions.

**The Corporation of The Brick Presbyterian Church
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Notes to Financial Statements
December 31, 2018

11. Endowment Funds (continued)

The following is a reconciliation of the 2018 investment activity in the donor restricted and quasi-endowment funds:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, January 1, 2018	\$ 16,286,098	\$ 12,149,987	\$ 28,436,085
Contributions	238,315	294,251	532,566
Transfers	(109,127)	-	(109,127)
Interest and dividends	157,998	180,671	338,669
Capital depreciation	(1,115,313)	(1,058,707)	(2,174,020)
Payment of Note Principal	33,080	-	33,080
Appropriation for expenditure	(916,160)	(470,622)	(1,386,782)
Balance, December 31, 2018	\$ 14,574,891	\$ 11,095,580	\$ 25,670,471
Comprised of the following:			
Donor restricted funds	\$ -	\$ 11,095,580	\$ 11,095,580
Board designated funds	14,574,891	-	14,574,891
Total Funds	\$ 14,574,891	\$ 11,095,580	\$ 25,670,471

A portion of the endowment held without donor restrictions includes approximately \$290,000 received by the Church in connection with the absorption of another church in 1894. These funds were turned over to the Church at the direction of the Presbytery of New York City "for investment by its Board of Trustees."

12. Commitments

Defined Contribution Plans

The Church has a Section 403(b) plan for all eligible full time employees. Plan expense was \$143,938 in 2018.

Day School employees participate in a cafeteria benefit plan, which allows them early access to matching employer pension contributions if they elect not to participate in the health insurance plan. Pension plan expense totaled \$293,978 in 2018.

**The Corporation of The Brick Presbyterian Church
In the City of New York**

Notes to Financial Statements
December 31, 2018

12. Commitments (continued)

Defined Contribution Plans (continued)

Other Retirement Commitments

The clergy are covered under a separate retirement arrangement administered by the Board of Pensions of the Presbyterian Church. Contributions are based on 12% of monthly-defined compensation. Clergy are immediately vested and the plan provides for monthly benefits upon retirement. Church expense for the clergy pension plan amounted to \$92,333 in 2018.

Operating Leases

The Church is obligated under noncancelable operating leases for its manse property and office equipment expiring at various dates through November 2022. Total lease expense for the year ended December 31, 2018 amounted to \$84,017. At December 31, 2018, the aggregate minimum annual rental commitments under these leases are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2019	\$ 14,087
2020	9,952
2021	8,573
2022	<u>7,859</u>
	<u>\$ 40,471</u>

13. Interfund Transfers

The following interfund transfers were made during the year ended December 31, 2018:

- a) A transfer of \$350,000 from Operating to Plant Maintenance to provide for future capital replacements.
- b) A transfer of \$40,000 from Quasi-Endowment to Operating to cover Endowment 2000 costs.
- c) A transfer of \$21,223 from Quasi-Endowment to Operating to cover memorial cost.
- d) A transfer of \$33,284 from the Women's Association surplus to the Quasi-Endowment Women's Association.
- e) A transfer of \$1,716,969 from Plant Maintenance to Operating to cover costs of Church maintenance.
- f) A transfer of \$1,064,770 from Quasi-Endowment and Plant Maintenance to Operating pursuant to the Church's spending rate policy.
- g) A transfer of \$81,188 from Quasi-Endowment to Operating to cover the 2017 operating deficit.

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Notes to Financial Statements
December 31, 2018

14. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial assets as of December 31, 2018:	
Cash and cash equivalents	\$ 3,093,162
Accounts receivable	15,075
Promises to give receivable	1,684,011
Capital campaign pledges receivable	4,198,847
Investments	38,634,160
Restricted investments	<u>2,529,458</u>
	<u>50,154,713</u>
Less amounts not available for general expenditure within one year:	
Promises to give receivable collectible after 2019	60,000
Capital campaign pledges receivable earmarked for specific purposes	4,198,847
Other net assets with donor restrictions	28,522,965
Less net assets with restrictions to be met within one year	(3,777,135)
Quasi-Endowment net assets established by the Board	14,901,811
Less Quasi-Endowment net assets authorized for expenditure within one year	<u>(1,130,397)</u>
	<u>42,776,091</u>
Financial assets available for general expenditure over the next twelve months	<u><u>\$ 7,378,622</u></u>

As part of the Church's liquidity management, the Church monitors the status of the its cash needs on a quarterly basis and liquidates any assets as necessary in order to provide funds for the operations of both donor restricted and non-donor restricted programs.

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**The Corporation of
The Brick Presbyterian Church
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Supplementary Information

December 31, 2018

**The Corporation of The Brick Presbyterian Church
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Schedule of Financial Position by Fund
December 31, 2018
(with summarized totals at December 31, 2017)

	Without Donor Restrictions			With Donor Restrictions	2018 Total	2017 Total
	Operating	Quasi- Endowment	Plant			
ASSETS						
Cash and cash equivalents	\$ 2,808,507	\$ -	\$ -	\$ 2,808,507	\$ 284,655	\$ 3,093,162
Accounts receivable	15,075	-	-	15,075	-	15,075
Prepaid expenses and other assets	105,994	-	176,434	282,428	-	282,428
Promises to give receivable, net	176,690	-	-	176,690	1,507,321	1,684,011
Capital campaign pledges receivable, net	-	-	-	-	4,198,847	4,198,847
Note receivable	-	326,920	-	326,920	-	326,920
Investments	52,477	14,574,891	1,189,504	15,816,872	22,817,288	45,613,927
Restricted investments	-	-	-	-	2,529,458	2,529,458
Beneficial interest in perpetual trusts	-	-	-	-	1,384,243	1,384,243
Land, buildings, furniture and equipment	-	-	1	1	-	1
Manses	-	-	449,996	449,996	-	449,996
	<u>\$ 3,158,743</u>	<u>\$ 14,901,811</u>	<u>\$ 1,815,935</u>	<u>\$ 19,876,489</u>	<u>\$ 32,721,812</u>	<u>\$ 52,598,301</u>
						<u>\$ 59,961,455</u>
LIABILITIES AND NET ASSETS (DEFICIT)						
Liabilities						
Accounts payable and accrued expenses	\$ 857,818	\$ -	\$ -	\$ 857,818	\$ -	\$ 857,818
Other liabilities	294,218	-	-	294,218	-	294,218
Deferred tuition	2,386,944	-	-	2,386,944	-	2,386,944
Total Liabilities	3,538,980	-	-	3,538,980	-	3,538,980
Net assets (deficit)	(380,237)	14,901,811	1,815,935	16,337,509	32,721,812	49,059,321
	<u>\$ 3,158,743</u>	<u>\$ 14,901,811</u>	<u>\$ 1,815,935</u>	<u>\$ 19,876,489</u>	<u>\$ 32,721,812</u>	<u>\$ 52,598,301</u>
						<u>\$ 59,961,455</u>

See independent auditors' report

**The Corporation of The Brick Presbyterian Church
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Schedule of Change in Net Assets Without Donor Restrictions
Year Ended December 31, 2018
(with summarized totals for the year ended December 31, 2017)

	Operating	Quasi- Endowment	Plant	Women's Association	2018 Total	2017 Total
OPERATING SUPPORT AND REVENUE						
Contributions and gifts	\$ 406,778	\$ 238,315	\$ -	\$ 43,738	\$ 688,831	\$ 684,603
Day School tuition and fees, including financial aid of \$688,764 and \$538,973	4,788,423	-	-	-	4,788,423	4,402,392
Brick Church Fair income, net of direct expenses of \$65,569 and \$106,389	-	-	-	90,412	90,412	167,911
Program revenue	96,808	-	-	-	96,808	99,547
Allocated investment return	1,064,770	-	-	-	1,064,770	908,599
Income from perpetual trust	31,501	-	-	-	31,501	28,827
Interest and other income	17,983	-	-	-	17,983	20,343
Net Assets Released From Restrictions						
Stewardship	1,912,054	-	-	-	1,912,054	1,893,731
Other specific donor purposes	1,859,755	-	-	11,533	1,871,288	2,055,508
Total Operating Support and Revenue	<u>10,178,072</u>	<u>238,315</u>	<u>-</u>	<u>145,683</u>	<u>10,562,070</u>	<u>10,261,461</u>
OPERATING EXPENSES						
Pastoral Care	1,567,593	-	-	-	1,567,593	1,656,128
Day School	4,821,473	-	-	-	4,821,473	4,479,427
Summer Steps	233,952	-	-	-	233,952	223,450
Music	478,407	-	-	-	478,407	461,603
Committees of the Session	199,982	-	-	-	199,982	184,468
Women's Association	-	-	-	112,399	112,399	170,162
Christian Education	103,509	-	-	-	103,509	99,215
Administration	1,112,046	-	-	-	1,112,046	1,029,871
Plant services	1,464,141	-	-	-	1,464,141	1,270,318
Fundraising - Church	121,516	-	-	-	121,516	184,506
Fundraising - Day School	166,913	-	-	-	166,913	181,763
Total Operating Expenses	<u>10,269,532</u>	<u>-</u>	<u>-</u>	<u>112,399</u>	<u>10,381,931</u>	<u>9,940,911</u>
Excess (Deficiency) of Operating Support and Revenue Over Operating Expenses	(91,460)	238,315	-	33,284	180,139	320,550
NON-OPERATING ACTIVITIES						
Flood insurance proceeds	-	-	176,434	-	176,434	-
Church maintenance expenses	(4,397,885)	-	-	-	(4,397,885)	(2,400,692)
Non-operating investment return	-	(1,873,475)	(228,218)	-	(2,101,693)	1,781,831
Net assets released from restrictions for capital improvements	2,680,916	-	-	-	2,680,916	1,750,962
Interfund transfers	1,509,380	(109,127)	(1,366,969)	(33,284)	-	-
Change in Net Assets	<u>(299,049)</u>	<u>(1,744,287)</u>	<u>(1,418,753)</u>	<u>-</u>	<u>(3,462,089)</u>	<u>1,452,651</u>
NET ASSETS (DEFICIT)						
Beginning of year	<u>(81,188)</u>	<u>16,646,098</u>	<u>3,234,688</u>	<u>-</u>	<u>19,799,598</u>	<u>18,346,947</u>
End of year	<u>\$ (380,237)</u>	<u>\$ 14,901,811</u>	<u>\$ 1,815,935</u>	<u>\$ -</u>	<u>\$ 16,337,509</u>	<u>\$ 19,799,598</u>

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**The Corporation of The Brick Presbyterian Church
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Schedule of Changes in Net Assets Without Donor Restrictions - Quasi-Endowment and Plant Net Assets
Year Ended December 31, 2018

	Quasi-Endowment Net Assets				Plant Net Assets			Total Quasi- Endowment and Plant	
	Memorial	Endowment	Endowment 2000	Women's Association	Total	Maintenance	Investment in Plant		Total
OPERATING SUPPORT									
Contributions and gifts	\$ 36,060	\$ -	\$ -	\$ -	\$ 36,060	\$ -	\$ -	\$ -	\$ 36,060
OTHER CHANGES IN NET ASSETS									
Non-operating contributions	-	202,255	-	-	202,255	-	-	-	202,255
Non-operating investment income	-	(930,038)	(19,861)	(7,416)	(957,315)	(79,608)	-	(79,608)	(1,036,923)
Flood insurance proceeds	-	-	-	-	-	176,434	-	176,434	176,434
Interfund transfers									
To finance Church maintenance expenses	-	-	-	-	-	(1,716,969)	-	(1,716,969)	(1,716,969)
To provide for future capital replacements	-	-	-	-	-	350,000	-	350,000	350,000
To finance Memorial and Endowment 2000 cost	(21,223)	-	(40,000)	-	(61,223)	-	-	-	(61,223)
To finance operating deficit	-	(81,188)	-	-	(81,188)	-	-	-	(81,188)
To finance Women's Association	-	-	-	33,284	33,284	-	-	-	33,284
To finance operations (allocated investment return)	(3,508)	(912,652)	-	-	(916,160)	(148,610)	-	(148,610)	(1,064,770)
Change in Net Assets	11,329	(1,721,623)	(59,861)	25,868	(1,744,287)	(1,418,753)	-	(1,418,753)	(3,163,040)
NET ASSETS									
Beginning of year	<u>832</u>	<u>16,173,922</u>	<u>368,447</u>	<u>102,897</u>	<u>16,646,098</u>	<u>2,784,691</u>	<u>449,997</u>	<u>3,234,688</u>	<u>19,880,786</u>
End of year	<u>\$ 12,161</u>	<u>\$ 14,452,299</u>	<u>\$ 308,586</u>	<u>\$ 128,765</u>	<u>\$ 14,901,811</u>	<u>\$ 1,365,938</u>	<u>\$ 449,997</u>	<u>\$ 1,815,935</u>	<u>\$ 16,717,746</u>

See independent auditors' report

**The Corporation of The Brick Presbyterian Church
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**Schedule of Changes in Net Assets with Donor Restrictions
Year Ended December 31, 2018**

	Contributions, Gifts, Auction and Bequests	Investment Income	Net Assets Released from Restrictions	Change in Beneficial Interest in Perpetual Trust	Valuation Adjustment	Change in Net Assets	Net Assets with Donor Restrictions, Beginning of Year	Net Assets with Donor Restrictions, End of Year
Special Organ Fund	\$ -	\$ (10,827)	\$ -	\$ -	\$ -	\$ (10,827)	\$ 180,824	\$ 169,997
Helen W. Buckner Scholarship	-	(13,697)	(10,186)	-	-	(23,883)	238,108	214,225
Day School Special	523,487	(71,970)	(752,170)	-	-	(300,653)	2,290,009	1,989,356
Day School Teachers Salaries	12,588	(261,080)	(192,590)	-	-	(441,082)	4,497,360	4,056,278
Day School Cultural Fund	5,745	23	(11,772)	-	-	(6,004)	46,342	40,338
Music Fund	2,400	20	(6,845)	-	-	(4,425)	41,307	36,882
Paul Wolfe Memorial	6,663	(100,097)	(73,582)	-	-	(167,016)	1,723,878	1,556,862
Clifford Levy Scholarship	-	(8,819)	(5,272)	-	-	(14,091)	151,086	136,995
Guest Speakers	-	(6,646)	(6,935)	-	-	(13,581)	116,953	103,372
Designated Benevolence	-	2	(11,000)	-	-	(10,998)	12,834	1,836
Ladies Helping Hand	-	(21,960)	(15,691)	-	-	(37,651)	366,774	329,123
Merrill Fund	-	(113,030)	(83,934)	-	-	(196,964)	1,964,833	1,767,869
Colin Reed Trust	-	(1,747)	-	-	-	(1,747)	29,190	27,443
Watson Hall Maintenance	-	(259,866)	(22,818)	-	-	(282,684)	3,594,419	3,311,735
Church Outreach	-	(73,560)	(53,148)	-	-	(126,708)	1,242,998	1,116,290
Sick Children's Aid	-	(13,714)	(10,391)	-	-	(24,105)	240,581	216,476
Whitfield Beadleston	-	(1,811)	(1,347)	-	-	(3,158)	31,489	28,331
Clifford Seminary Fund	-	(91,180)	(63,754)	-	-	(154,934)	1,565,724	1,410,790
Edward Wilmot Blyden Trust	-	-	-	(11,132)	-	(11,132)	83,650	72,518
Holden Trust Beneficial Interest	-	-	-	(106,644)	-	(106,644)	1,418,369	1,311,725
Spinelli Fund for Professional Development	46,348	8	(66,295)	-	-	(19,939)	27,561	7,622
Building Fund	-	(145,796)	(69,300)	-	-	(215,096)	2,505,491	2,290,395
Falcone Children, Youth and Family Fund	-	(157,808)	(117,804)	-	-	(275,612)	2,743,811	2,468,199
Summer Steps	212,461	(9,467)	(244,768)	-	-	(41,774)	1,199,996	1,158,222
250th Anniversary Capital Campaign	98,315	727	(1,349,144)	-	719	(1,249,383)	3,898,559	2,649,176
75th Anniversary Capital Campaign	121,904	730	(1,357,000)	-	(9,401)	(1,243,767)	4,518,484	3,274,717
Wilson Family Sacred Music Fund	150,000	(35,565)	(11,875)	-	-	102,560	388,789	491,349
Lindvall Retirement Honorarium	350	(18,327)	(14,583)	-	(16)	(32,576)	342,438	309,862
Wallace Music Fund	200,000	49	-	-	-	200,049	100,000	300,049
Time Restricted Stewardship Contributions	1,873,780	-	(1,912,054)	-	-	(38,274)	1,912,054	1,873,780
	<u>\$ 3,254,041</u>	<u>\$ (1,415,408)</u>	<u>\$ (6,464,258)</u>	<u>\$ (117,776)</u>	<u>\$ (8,698)</u>	<u>\$ (4,752,099)</u>	<u>\$ 37,473,911</u>	<u>\$ 32,721,812</u>

See independent auditors' report