THE BOARD OF PENSIONS
OF THE PRESBYTERIAN CHURCH (U.S.A.)

2024 Audited Financial Statement of The Board of Pensions of the Presbyterian Church (U.S.A.)

Combined Financial Statements and Supplemental Schedules as of and for the Years Ended December 31, 2024, and 2023

Statement of Management Responsibility

The management of The Board of Pensions of the Presbyterian Church (U.S.A.) is responsible for the preparation and fair presentation of the accompanying combined financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America and include amounts based on our best judgments and estimates.

Management has designed, implemented, and maintained internal controls and procedures to provide reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error. In our opinion, these internal controls provide this assurance, and the financial records are reliable.

The Board of Pensions is governed by an independent Board of Directors elected by the General Assembly of the Presbyterian Church (U.S.A.). The independent auditors, Deloitte & Touche LLP, are recommended by the Audit and Compliance Committee of the Board of Directors and approved by the Board of Directors.

The Audit and Compliance Committee meets with the independent auditors, management, and the internal auditors periodically to discuss internal accounting controls, auditing, and financial reporting matters. The independent auditors review with the Audit and Compliance Committee the scope and results of the audit. To help ensure auditor independence and objectivity, the Audit and Compliance Committee meets with both the independent and internal auditors without management present.

The report of the independent auditors, based upon their audits of the combined financial statements, is contained in this financial report.

The Reverend Dr. Frank Clark Spencer
President

Staci M. Wilhelm
Executive Vice President, Chief Financial Officer

March 20, 2025

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INDEPENDENT AUDITOR'S REPORT

The Board of Pensions of the Presbyterian Church (U.S.A.)
Philadelphia, Pennsylvania

Opinion

We have audited the combined financial statements of The Board of Pensions of the Presbyterian Church (U.S.A.) (the "Board of Pensions"), which comprise the combined statements of net assets available for benefits and combined statements of accumulated plan benefits as of December 31, 2024, and 2023, and the related combined statements of changes in net assets available for benefits and combined changes in accumulated plan benefits for the years then ended, and the related notes to the combined financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the combined net assets available for benefits and combined accumulated plan benefits of the Board of Pensions as of December 31, 2024, and 2023, and the combined changes in net assets available for benefits and combined changes in accumulated plan benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board of Pensions and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Pensions' ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Board of Pensions’ internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Pensions’ ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplementary Schedules

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The combined supplemental schedules of changes in net assets available for benefits by plan and activity for the years ended December 31, 2024, and 2023 are presented for the purpose of additional analysis and are not a required part of the financial statements. These schedules are the responsibility of the Board of Pensions' management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such schedules have been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such schedules 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 GAAS. In our opinion, such schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Deloitte + Touche LLP

March 20, 2025

The Board of Pensions of the Presbyterian Church (U.S.A.)
Combined Statements of Net Assets Available for Benefits
At December 31,
($ in millions)

	2024	2023
Assets		
Investments – at fair value (Notes 2, 4, 5)	$ 13,216	$ 12,581
Other assets, net (Note 2)	28	38
Total Assets	13,244	12,619
Liabilities		
Accrued expenses and other liabilities	42	42
Current medical benefit obligations (Note 2)	22	18
Future medical benefit obligations (Note 2)	8	8
Total Liabilities	72	68
Net Assets Available for Benefits	$ 13,172	$ 12,551
Net Assets Available for Benefits		
Defined Benefit Pension Plan	$ 10,265	$ 9,875
Retirement Savings Plans	1,327	1,156
Death, Disability & Life Plans	1,161	1,115
Health & Wellness Plans	244	234
Assistance Program	154	150
Other Plans and Reserves	21	21
Total Net Assets Available for Benefits	$ 13,172	$ 12,551

The accompanying notes are an integral part of the combined financial statements.

The Board of Pensions of the Presbyterian Church (U.S.A.)
Combined Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31,
($ in millions)

	2024	2023
Additions To Net Assets		
Investment Income (Notes 2, 4)		
Investment income	$ 208	$ 176
Net gains	968	1,364
Net Investment Income	1,176	1,540
Contributions (Note 3)		
Benefits Plan dues	276	300
Retirement Savings Plans	62	59
Other contributions	3	18
Total Contributions	341	377
Total Additions	1,517	1,917
Deductions From Net Assets		
Benefits provided	819	789
Administrative expenses (Note 13)	77	73
Total Deductions	896	862
Increase in Net Assets Available for Benefits	621	1,055
Net Assets Available for Benefits		
Beginning of Year	12,551	11,496
End of Year	$ 13,172	$ 12,551

The accompanying notes are an integral part of the combined financial statements.

The Board of Pensions of the Presbyterian Church (U.S.A.)
Combined Statements of Accumulated Plan Benefits

At December 31,

($ in millions)

	2024	2023
Defined Benefit Pension Plan		
Actuarial present value of accumulated plan benefits (Notes 2, 7, 14)		
Participants currently receiving benefits	$ 4,360	$ 4,463
Other participants	1,616	1,835
Total vested benefits	5,976	6,298
Non-vested benefits	3	3
Total Accumulated Defined Benefit Pension Plan Benefits	$ 5,979	$ 6,301
Death, Disability & Life Plans		
Actuarial present value of accumulated plan benefits (Notes 2, 7, 14)		
Total vested benefits	$ 146	$ 137
Non-vested benefits	125	94
Total Accumulated Death, Disability & Life Plans Benefits	$ 271	$ 231

The accompanying notes are an integral part of the combined financial statements.

The Board of Pensions of the Presbyterian Church (U.S.A.)
Combined Statements of Changes in Accumulated Plan Benefits
For the Years Ended December 31,
($ in millions)

	2024	2023
Defined Benefit Pension Plan		
Increase (decrease) during the year attributable to:		
Interest, as a result of the decrease in the discount period	$ 271	$ 269
Plan changes (Note 8)	273	256
Benefits accumulated and actuarial experience	64	56
Change in interest rate assumption (Note 7)	(400)	74
Change in other assumptions (Note 7)	(65)	-
Benefits paid	(465)	(447)
Net Increase (Decrease)	(322)	208
Accumulated Plan Benefit Obligations		
Beginning of Year	6,301	6,093
End of Year	$ 5,979	$ 6,301
Death, Disability & Life Plans		
Increase (decrease) during the year attributable to:		
Interest, as a result of the decrease in the discount period	$ 10	$ 10
Plan changes (Note 8)	32	1
Benefits accumulated and actuarial experience	22	5
Change in interest rate assumption (Note 7)	(16)	2
Change in other assumptions (Note 7)	21	-
Benefits paid	(29)	(21)
Net Increase (Decrease)	40	(3)
Accumulated Plan Benefits Obligations		
Beginning of Year	231	234
End of Year	$ 271	$ 231

The accompanying notes are an integral part of the combined financial statements.

1. Description of the Organization and the Benefits Plan

The Board of Pensions of the Presbyterian Church (U.S.A.) (the "Board of Pensions") administers a comprehensive benefits program for the members of The Benefits Plan of the Presbyterian Church (U.S.A.) (the "Benefits Plan") as well as programs that provide financial assistance to eligible members (the "Assistance Program").

Eligibility for membership in the Benefits Plan is open to employees of the Presbyterian Church (U.S.A.) (the "Church") or any board, agency, or local church under the jurisdiction of the Church; any employees whose employment was approved by the General Assembly, presbyteries, or synods of the Church; and any employees whose employment was approved by the Board of Pensions and who commenced eligible service. The complete provisions and summary description of the Benefits Plan have been published and made available to Benefits Plan members.

The Benefits Plan is a church plan as defined in Section 414(e) of the Internal Revenue Code and in Title 1 of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. The Benefits Plan has not elected to be subject to ERISA. The Board of Pensions files Form 990-T, Exempt Organization Business Income Tax Return, with the Internal Revenue Service.

The Benefits Plan and other programs are combined for reporting and management purposes into categories that are briefly described below. The Board of Pensions partners with several third-party organizations to provide claims administration and management services. Members should refer to the Benefits Plan documents for a complete description of the coverage and other programs.

THE BENEFITS PLAN consists of the Defined Benefit Pension Plan, which offers lifetime income based on service and salary; Retirement Savings Plans, which comprises of a 403(b)(9) plan for eligible members and a 401(k) plan for church workers and employees of the New Covenant Trust Company; the self-funded Death, Disability & Life Plans, which include the Death and Disability, Term Life, Temporary Disability, Long-Term Disability, Supplemental Death, and Supplemental Disability Plans; and Health & Wellness Plans, which include the self-funded Medical and Dental plans, and the Retiree Health and Vision Eyewear plans insured by a third-party insurance carrier.

THE ASSISTANCE PROGRAM offers financial support beyond the scope of the Benefits Plan to eligible members, retired members, and their families in times of need. It is comprised of 11 distinct programs categorized as retired members and surviving spouses' financial and housing assistance and medical grants; financial aid, included emergencies, for members, retirees, and surviving spouses; and support for ministers' debt and vocational leadership needs.

OTHER PLANS AND RESERVES include an unfunded, nonqualified deferred compensation supplemental retirement plan for employees of the Board of Pensions; the Chaplains Deposit Fund, administered on behalf of the Presbyterian Council for Chaplains and Military Personnel; a reserve for special dues programs to support the work of the Church; as well as other administrative reserves.

2. SUMMARY OF ACCOUNTING POLICIES

BASIS OF PRESENTATION – The accompanying financial statements are prepared on a combined basis. The Board of Pensions presents its financial statements in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 960, *Plan Accounting – Defined Benefit Pension Plans* (ASC 960).

BASIS OF ACCOUNTING – The combined financial statements are prepared on the accrual basis of accounting.

USE OF ESTIMATES – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefits obligations, and changes therein. Fair value of investments, benefits plan liabilities, and accumulated plan benefits represent the most significant estimates. Actual results may differ materially from estimates. The estimates and assumptions assume the Benefits Plan will continue indefinitely; different accounting estimates and actuarial assumptions would apply if the Benefits Plan were terminated.

INVESTMENTS – Investments and other financial instruments are reported at fair value in accordance with ASC Topic 820, *Fair Value Measurements* (ASC 820), as of the reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for additional information on fair value measurements.

Realized and unrealized changes in fair values are recognized as net gains or losses during the period in which the changes occur. Investments in securities traded on domestic and foreign security exchanges are valued at the last reported sales price on the primary exchange of the respective security on the last business day of the period. Securities traded on the over-the-counter market and securities for which no sale was reported on the last business day of the period are valued at the latest available sales price or bid quotation. Securities transactions are accounted for on a trade-date basis. Investment income is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

Debt securities are reported using the most recent sales price when those issues trade frequently. Debt securities that do not trade frequently are reported at estimated fair values calculated by use of pricing matrices and models.

U.S. equity liquid growth assets include investments in risk parity, commodity, real estate, and inflation protection strategies. These investments include shares or units in commingled investment funds whose underlying holdings include both domestic and foreign, as well as equity, fixed income, and real estate securities. These investments provide periodic liquidity and are reported at their estimated fair value.

The Board of Pensions uses the term private partnerships to include limited partnerships, investing in private debt, private equity, and private real estate.

In the absence of readily determinable market values, management of the Board of Pensions values private partnerships using net asset value per share or its equivalent. These investments are not traded, have restrictions on resale, and are subject to the terms of the partnerships’ offering documents. Due to the inherent uncertainty in valuation, the estimated values may differ from the values that would have been used had a ready market for these investments existed, and the differences could be material.

Investments denominated in non-dollar currencies are translated at the exchange rates in effect at each financial statement date. Gains and losses from the sale of such investments are translated at the exchange rates in effect at the transaction date. The fair value of derivatives (interest rate and index futures and foreign currency forward contracts) is based on quoted market prices or dealer quotes.

OTHER ASSETS – Other assets include subsidy amounts receivable from the federal government under Medicare Part D, a right-of-use asset, capitalized internal-use software, prepaid expenses, leasehold improvements, operating cash, dues receivable, property, and equipment.

DUES RECEIVABLE – Receivables represent dues that have been billed to employers and members. Receivables are reported net of an allowance for doubtful accounts of $0.3 and $0.2 as of December 31, 2024, and 2023. Dues receivable is included in other assets in the combined financial statements.

PROPERTY AND EQUIPMENT, NET – Capitalized internal-use software, leasehold improvements, and property and equipment are recorded at cost, less accumulated depreciation, and included in other assets. Depreciation and amortization on such property is recorded on the straight-line basis over the estimated useful lives of the assets or, in the case of leasehold improvements, over the remaining portion of the lease term, if shorter.

LEASES – At the start of a contract, it is assessed to determine if it contains a lease and its classification. Under ASC 842, a right-of-use (ROU) asset and corresponding lease liability are recognized for long-term leases. The Board of Pensions leases office space in Philadelphia under an operating lease with rent escalation clauses, tenant incentives, and certain cost obligations.

The ROU asset is based on the present value of lease payments over the term, adjusted for deferred rent and incentives. The lease liability is measured at the present value of remaining rental payments, discounted using a risk-free rate. Initially, it is the present value of unpaid lease payments and subsequently measured using the effective interest method. A seven-year U.S. treasury yield curve of 1.55% is used as the discount rate.

The ROU asset is included in other assets, while the lease liability is noted in accrued expenses and liabilities in the Combined Statements of Net Assets Available for Benefits. Rent expense, including scheduled increases, is recognized on a straight-line basis over the lease term. Lease and non-lease components are accounted for as a single lease component. Variable payments, such as real estate taxes and maintenance charges, are expensed as incurred. Short-term leases are excluded from the Combined Statements of Net Assets Available for Benefits as a practical expedient under ASU 842.

INDEPENDENT ACTUARY VALUATIONS – Independent actuarial firms value accumulated plan benefits and current and future benefit obligations of the Benefits Plan as of December 31, 2024, and 2023.

For the Defined Benefit Pension Plan and the Death, Disability & Life Plans, liabilities include Accumulated Plan Benefits representing future benefits payments, based on services rendered by members up to the reporting date. These benefits are payable upon a member's retirement, death, disability, or termination of employment.

For the Medical Plan, liabilities include the current and future medical benefits obligations. The Benefits Plan permits medical claims to be submitted for payment up to 12 months from the date of service. Current medical benefits obligations include medical claims incurred but not reported based on the plan's experience, while future medical benefits obligations cover eligible members and their families' access to post-employment and post-retirement medical benefits following disability, termination, or retirement.

BENEFITS PLAN DUES – The Board of Pensions recognizes revenue from Benefits Plan dues as collected and reports a high degree of collectability from these dues.

For the Defined Benefit Pension Plan, each employer simultaneously receives and consumes the pension plan benefits as the Board of Pensions administers this plan. Dues for this plan are billed and recorded in the period that benefits are earned.

Members receive coverage during the plan year enrolled for the Death, Disability & Life Plans and Health & Wellness Plans. For these plans, each employer simultaneously receives and consumes Benefits Plan coverage as the Board of Pensions administers these plans. Dues for these plans are also billed and recorded in the period that coverage is provided.

INCOME TAXES – The Board of Pensions is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from taxes on related income. The Board of Pensions files U.S. federal and various state and local tax returns for unrelated business taxable income. U.S. federal tax returns remain open for the years 2021 through 2024.

The Board of Pensions evaluates its tax positions pursuant to the principles of FASB ASC Topic 740, *Income Taxes,* and has determined that there is no material impact on the Board of Pensions' financial statements. Accordingly, the Board of Pensions has not recognized federal, or state deferred tax benefits related to cumulative unrelated business taxable losses.

Federal income tax reform, enacted into law under the Tax Cuts and Jobs Act of 2017 and the Further Consolidated Appropriations Act of 2020, includes certain provisions that affect tax-exempt organizations. These provisions include revisions to taxes on unrelated business activities and various other tax law changes. The adoption of these regulations has not had and is not expected to have a material impact on the combined financial statements.

RISKS AND UNCERTAINTIES – The Board of Pensions is exposed to global events such as inflation and rising interest rates, which disrupt the global economy and create financial market volatility. Persistent high inflation adversely affects financial markets, while a rising interest rate environment directly influences the measurement of the Defined Benefit Pension Plan's and the Death, Disability & Life Plans' obligations. These financial risks and uncertainties could affect the Board of Pensions' future financial condition and operations. Consequently, the Board of Pensions closely monitors these risks and evaluates their potential impact on the business.

3. FUNDING POLICIES

BENEFITS PLAN DUES – The Benefits Plan provides coverage to members under the Defined Benefit Pension Plan, the Death and Disability Plan, the Medical Plan, and the Supplemental Benefits Plans. All pastors serving in called and installed positions, as defined by the Presbyterian Church (U.S.A.), are mandated to be enrolled in full participation. With certain restrictions, employers may elect to enroll other eligible employees in the Benefits Plan, subject to the Benefits Plan provisions.

Dues, paid by churches and other employers, fund benefits. Installed pastors receive non-contributory coverage for full participation in the Defined Benefit Pension Plan, Death and Disability Plan, Temporary Disability Plan, and preferred provider organization (PPO) medical benefits. Churches can use Pathways to Renewal to offer young ministers full participation benefit coverage at reduced dues for five years.

Employers have the option to offer benefits from various options on a stand-alone basis to eligible employees. For medical coverage, the cost is expressed in dollar-denominated coverage-level rates and may involve cost-sharing by employees.

Employers can also offer benefits to employees under the Term Life, Long-Term Disability, Supplemental Death, Supplemental Disability, Dental, and Vision Eyewear Plans, subject to certain restrictions, while retired members, their spouses and surviving spouses can join the Retiree Health Plan. The Board of Pensions sets individual contribution rates.

RETIREMENT SAVINGS PLANS – Participation in a 403(b)(9) plan is offered to eligible employees of the Benefits Plan. Separately employees and church workers of the New Covenant Trust Company are eligible to participate in a 401(k) plan. Salary deferrals are made at the employee's direction. Employer contributions are discretionary. The 403(b)(9) plan and 401(k) plan receive no funding from dues. Each participating employee account is charged an annual fee of $15 for administrative purposes.

MEDICARE PART D SUBSIDY – Subsidies from the federal government of $16 were recorded in 2023 under the Medicare Part D Employer Group Waiver Plan (EGWP); there were no subsidies recorded in 2024.

ASSISTANCE AND OTHER – Benefits provided under the Assistance Program are funded entirely by investment income, charitable gifts to the program, legacies, grants, endowments, and one-half of the net proceeds of the Christmas Joy Offering. The Assistance Program receives no funding from dues.

4. INVESTMENTS

The majority of the investment assets of the Benefits Plan and programs are commingled for investment purposes. Previously, the investment assets were held in two master trusts, the Balanced Investment Portfolio and the Fixed Income Portfolio. In 2024, the Board of Pensions liquidated the Fixed Income Portfolio and reinvested proceeds in the Balanced Investment Portfolio.

The Benefits Plan and programs hold a 100%, undivided interest in the Balanced Investment Portfolio. Other investments include assets of the Retirement Savings Plans and short-term investments. Independent investment advisers manage the investments according to guidelines approved by the Board of Pensions.

LIQUIDITY – The Balanced Investment Portfolio provides funding for pension and death, disability, and life benefits payments; assistance and retirement housing programs; and expenses in excess of dues. Other investments provide funding for health and wellness benefits payments and short-term cash requirements. Disruptions in the global markets and economic conditions may affect the demand for benefits and the ability of churches and employers to pay dues, as well as investment performance. Sufficient liquidity is maintained to meet the current needs of the benefits programs.

PRIVATE PARTNERSHIPS – Investments in short-term, fixed income, and equity securities may include various limited partnerships exempt from registration under state and federal law, specifically formed to invest in private debt, private equity, and private real estate. Distributions from sales of these underlying private partnership investments can occur throughout the term of the partnership, although partnership agreements contain substantial restrictions on the transfer of partnership interests. These investments carry risks, including low liquidity, undetermined market values, exposure to non-traditional asset classes, and the potential for reimbursement of previous distributions or commitments upon termination. Reimbursement periods are limited by the partnership agreement or, by state law if not specified.

FOREIGN SECURITIES – Investments in short-term, fixed income, equity, and real estate securities may include investments in foreign financial instruments, which are subject to the risks normally associated with foreign investing. These risks include fluctuations in foreign currency exchange rates, decreased liquidity, increased market volatility, and potential government instability.

DERIVATIVE FINANCIAL INSTRUMENTS – Investment managers retained by the Board of Pensions, subject to guideline approval, maintain active trading positions in derivative financial instruments. The Balanced Investment Portfolio held investments in interest rate and index futures and foreign currency forward contracts on December 31, 2024, and 2023.

Futures contracts are commitments to either purchase or sell a financial instrument at a future date for a specified price. These instruments are used to add incremental value and to hedge or reduce investment risk. Although the contract or notional amounts of these instruments are not recorded on the financial statements, these instruments are recognized as either an asset or a liability, depending on the rights or obligations of the contract measured at fair value. The contracts may be settled in cash or through delivery of the underlying financial instrument. Investment risk is limited due to daily cash settlement of the net change in value of open contracts, which represents the margin call that is recorded as an unrealized gain or loss. This is included in investments.

The following schedule reflects the open exposure and margin balance of future contracts as of December 31, 2024, and 2023, and the average margin balance of open future contacts for the years ended December 31, 2024, and 2023.

INTEREST RATE AND INDEX FUTURES				
		2024		**2023**
Open Exposure	$	164.1	$	173.2
Margin balance of open exposure receivable (payable)	$	(1.7)	$	3.4
Average margin balance of open exposure receivable	$	0.6	$	0.5

Foreign currency forward contracts are agreements to exchange fixed amounts of two different currencies at a specified future date and at a specified future rate. These instruments are used to facilitate transactions in foreign securities, and as a hedge against specific transactions. The contracts are valued based upon the applicable foreign exchange rates, and any resulting unrealized gains or losses are recorded in the financial statements. Realized gains or losses are recorded at the time the forward contract is closed, or the currency is delivered. The fair value of foreign currency forward contracts receivable and payable are provided in the fair value schedule below. The average fair value of foreign currency forward contracts receivable was $126 and $254 during 2024 and 2023, respectively. The average fair value of foreign currency forward contracts payable was $126 and $254 during 2024 and 2023, respectively.

The following schedule reflects the fair value of investments by source as of December 31, 2024, and 2023.

FAIR VALUE OF INVESTMENTS		
Investments by Source	**2024**	**2023**
Balanced Investment Portfolio		
Cash Equivalents and Short-Term Investments	$ 564	$ 705
Fixed Income		
Fixed Income Securities	1,913	2,169
Commingled Funds	911	651
Private Debt	129	108
Total Fixed Income	2,953	2,928
Equities		
Equity Securities	4,355	4,022
Commingled Funds	2,176	2,288
Private Equity	1,358	1,152
Total Equities	7,889	7,462
Private Real Estate	395	307
Due for Securities Purchased	(3)	(213)
Receivable for Securities Sold	3	72
Interest and Dividends Receivable	30	34
Forward Foreign Exchange Contracts		
Receivable	73	170
Payable	(71)	(172)
Net Forward Foreign Exchange Contracts	2	(2)
Total Balanced Investment Portfolio	$ 11,833	$ 11,293
Fixed Income Portfolio		
Cash Equivalents	$ -	$ 2
Fixed Income Securities	-	26
Total Fixed Income Portfolio	$ -	$ 28
Other Investments		
Cash Equivalents	$ 55	$ 90
Fixed Income Securities	1	14
Mutual Funds	1,327	1,156
Total Other Investments	$ 1,383	$ 1,260
Total Investments by Source	$ 13,216	$ 12,581

The following schedule reflects the fair value of investments by plan and program as of December 31, 2024, and 2023.

FAIR VALUE OF INVESTMENTS		
Investments by Plan and Program	**2024**	**2023**
Defined Benefit Pension Plan	$ 10,272	$ 9,882
Retirement Savings Plans	1,327	1,156
Death, Disability & Life Plans	1,185	1,115
Health & Wellness Plans	256	254
Assistance Programs	156	152
Other Plans and Reserves	20	22
Total Investments by Plan and Program	$ 13,216	$ 12,581

The following schedule reflects investment income (loss) by source for the year ended December 31, 2024, and 2023.

INVESTMENT INCOME (LOSS)		
Investment Income (Loss) by Source	**2024**	**2023**
Balanced Investment Portfolio		
Interest	$ 122	$ 108
Dividends	39	38
Real Estate	(1)	(1)
Subtotal	160	145
Fixed Income Portfolio		
Interest	1	2
Other Investments		
Interest	3	4
Mutual Fund Dividends	44	25
Subtotal	47	29
Total Investment Income by Source	$ 208	$ 176

The following schedule reflects net gain (loss) from investments by source for the year ended December 31, 2024, and 2023.

NET GAIN (LOSS) FROM INVESTMENTS		
Net Gain (Loss) by Source	**2024**	**2023**
Balanced Investment Portfolio		
Cash Equivalents	$ 1	$ -
Fixed Income Securities	32	81
Equity Securities	786	1,104
Real Estate	(16)	(5)
Forward Foreign Exchange Contracts	3	(2)
Subtotal	806	1,178
Fixed Income Portfolio		
Fixed Income Securities	-	1
Other Investments		
Mutual Funds	162	185
Total Net Gain by Source	$ 968	$ 1,364

5. FAIR VALUE MEASUREMENTS

ASC 820 requires disclosure regarding the objectivity of the data used to determine fair value. Investments are categorized and reported based on data inputs and valuation techniques used to measure fair value. The three levels of fair value classification are as follows:

LEVEL 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

LEVEL 2: Inputs are observable either directly or indirectly, including: (i) quoted prices for similar assets or liabilities; (ii) quoted prices in markets that are not active; (iii) other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

LEVEL 3: Inputs are determined using pricing models that utilize significant inputs that are primarily unobservable, discounted cash flow methodologies, or similar techniques, as well as assets and liabilities requiring significant management judgment or estimation.

In instances where quoted market prices are not readily available, fair value is determined using present value (Level 2) or other valuation techniques (Level 3) appropriate for the particular investment. These techniques involve some degree of judgment and as a result are not necessarily indicative of the amounts the Board of Pensions would realize in a current market exchange. Different assumptions or estimation techniques may have a material effect on the estimated fair values.

The following table presents investments at fair value by classification as of December 31, 2024.

INVESTMENTS AT FAIR VALUE BY CLASSIFICATION — DECEMBER 31, 2024	Level 1	Level 2	Level 3	Total
Investment Assets				
Cash Equivalents and Short-Term Investments	$ 614	$ 5	$ -	$ 619
Fixed Income Securities	579	1,321	14	1,914
Equity Securities	4,355	-	-	4,355
Mutual Funds	1,327	-	-	1,327
Receivable for Securities Sold	3	-	-	3
Interest and Dividends Receivable	30	-	-	30
Forward Foreign Exchange Contracts Receivable	-	73	-	73
Investment Assets	$ 6,908	$ 1,399	$ 14	$ 8,321
Investment Liabilities				
Due for Securities Purchased	$ (3)	$ -	$ -	$ (3)
Forward Foreign Exchange Contracts Payable	-	(71)	-	(71)
Investment Liabilities	$ (3)	$ (71)	$ -	$ (74)
Subtotal				$ 8,247
Other Investments				
Investments measured using NAV or its equivalent				$ 4,969
Total Investments — at fair value				$ 13,216

The Board of Pensions had no significant transfers into or out of Level 3 in 2024.

The following table presents investments at fair value by classification as of December 31, 2023.

INVESTMENTS AT FAIR VALUE BY CLASSIFICATION — DECEMBER 31, 2023				
	Level 1	**Level 2**	**Level 3**	**Total**
Investment Assets				
Cash Equivalents and Short-Term Investments	$ 766	$ 31	$ -	$ 797
Fixed Income Securities	556	1,642	11	2,209
Equity Securities	4,022	-	-	4,022
Mutual Funds	1,156	-	-	1,156
Receivable for Securities Sold	72	-	-	72
Interest and Dividends Receivable	34	-	-	34
Forward Foreign Exchange Contracts Receivable	-	170	-	170
Investment Assets	$ 6,606	$ 1,843	$ 11	$ 8,460
Investment Liabilities				
Due for Securities Purchased	$ (213)	$ -	$ -	$ (213)
Forward Foreign Exchange Contracts Payable	-	(172)	-	(172)
Investment Liabilities	$ (213)	$ (172)	$ -	$ (385)
Subtotal				$ 8,075
Other Investments				
Investments measured using NAV or its equivalent				$ 4,506
Total Investments — at fair value				$ 12,581
The Board of Pensions had no significant transfers into or out of Level 3 in 2023.				

The following table presents the fair value, redemption frequency, and unfunded commitment for those investments whose fair value is not readily determinable and is estimated using net asset value per share or its equivalent as of December 31, 2024, and 2023.

COMMINGLED FUNDS			
	2024	**2023**	**Redemption Frequency**
Fixed Income	$ 911	$ 651	Monthly/ 5-90 days
Equity	2,176	2,288	Monthly/ 5-90 days
Total	$ 3,087	$ 2,939	
PRIVATE PARTNERSHIPS			
	2024	**2023**	**Unfunded Commitment**
Private Debt	$ 129	$ 108	$ 44
Private Equity	1,358	1,152	884
Private Real Estate	395	307	345
Total	$ 1,882	$ 1,567	$ 1,273
Grand Total	$ 4,969	$ 4,506	

6. PROPERTY AND EQUIPMENT, NET

The following table presents property and equipment, net of accumulated depreciation, as of December 31, 2024, and 2023, and depreciation expense for the years then ended.

PROPERTY AND EQUIPMENT, NET		
	2024	**2023**
Leasehold Improvements	$ 7	$ 7
Software	6	6
Furniture and Equipment	2	2
	15	15
Less: Accumulated Depreciation	(10)	(8)
Total Property and Equipment, Net	$ 5	$ 7
Depreciation Expense	$ 2.3	$ 0.5

7. ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are attributable to services rendered by members through the reporting date. Such benefits are payable at a member's future retirement, death, disability, or termination of employment under the Defined Benefit Pension Plan and the Death, Disability & Life Plans.

The Board of Pensions utilizes an independent pension actuary to calculate and determine the actuarial present value of accumulated plan benefits. The actuary adjusts the accumulated plan benefits to reflect the time value of money, the duration of payments, and the probability of payment over the discount period, from the valuation date and the expected date of payment.

Actuarial assumptions used in the valuations as of December 31, 2024, and 2023 are as follows:

A. Investment returns and discount rate: 5.14% and 4.46% in 2024 and 2023, respectively, for both the Defined Benefit Pension Plan and the Death, Disability & Life Plans. The discount rate changes annually and reflects assumptions, at the benefit information date, regarding the cost to obtain a contract with an insurance entity to provide participants with their accumulated plan benefits.

B. Rates of mortality, disability, withdrawal and retirement, and family composition for non-retired members were determined based on the 2024 Mortality Assumption Study for 2024 and the 2020 Mortality Assumption Study for 2023.

C. Rates of mortality for pensioners and disabled members in accordance with the Society of Actuaries Annuity Pre-2012 table, adjusted to reflect actual experience for the Benefits Plan and projected forward with generational improvement using Scale MP-2020. MP-2020 does not contain any adjustments for COVID-19.

8. PLAN CHANGES

An experience apportionment is an increase to the benefits of current pensioners and survivors and the pension credits of future pensioners. The Board of Pensions granted experience apportionments in the Defined Benefit Pension Plan of 4.5% and 4.2% effective July 1, 2024, and 2023, respectively. The effect of these experience apportionments increased the Defined Benefits Pension Plan Accumulated Plan Benefit Obligations by $273 and $256, as of December 31, 2024, and 2023, respectively.

Amendments to the Death, Disability & Life Plans were approved by the Board of Directors on March 9, 2024, and became effective January 1, 2025. These changes increased the minimum salary continuation death benefit, increased the maximum death and disability benefits basis, expanded term life coverage to include accidental death and dismemberment, and included several additional enhancements to these plans. These benefit changes had the effect of increasing the Death, Disability & Life Plans' accumulated Benefit Obligations by $31 as of December 31, 2024.

9. SUPPLEMENTAL RETIREMENT PLAN

The Board of Pensions established a trust ("Trust") for accumulating assets to assist in fulfilling its future obligations to participants in the Supplemental Retirement Plan. The Board of Pensions serves as trustee and, from time to time, contributes assets to the Trust. The assets of the Trust are commingled with other funds in the Balanced Investment Portfolio. The Board of Pensions contributed $0.5 and $0.4 to the Trust for each year ended December 31, 2024, and 2023, respectively. As of December 31, 2024, and 2023, the fair value of the Trust assets was $8 and $7, respectively. The projected benefit obligation at December 31, 2024, and 2023, was $9.

10. LINE OF CREDIT

The Board of Pensions maintains an unsecured committed $3 line of credit with a financial institution. Borrowings are payable on demand. The interest on this line of credit is based on the Secured Overnight Financing Rate, with a commitment fee on the undrawn portion. The line of credit had no outstanding balance as of December 31, 2024, and 2023; is subject to annual renewal; and expires on September 30, 2025.

11. LEASE COMMITMENTS

The Board of Pensions has an operating lease for office space through September 2028, and several short-term leases for a period of 12 months or less or that contain renewals for periods of 12 months or less. Lease rental expense was $2 for each year ended December 31, 2024, and 2023 and approximates total operating lease costs, net of uncapitalized costs.

As of December 31, 2024, future minimum lease payments required under operating leases that have an initial or remaining cancellable and non-cancellable lease terms in excess of one year, pursuant to ASC 842, are $2 for the year ended December 31, 2025, through 2028, per annum, with no payments thereafter. The amount representing interest of $0.3 results in a present value of net minimum lease payments of $8.

12. ASSETS HELD IN TRUST BY OTHER ORGANIZATIONS

The Board of Pensions is the beneficiary of certain assets held in trust by several external organizations, which generally regulate the amount and timing of distributions of these assets. Consequently, these assets are not reflected in the combined financial statements.

The net present value of the Board of Pensions' proportionate share of these assets was $13 and $12 as of December 31, 2024, and 2023, respectively. The amount of distributions received from these organizations reported as other contributions totaled $.05 and $0.4 for each year ended December 31, 2024, and 2023, respectively, and are designated to support the Assistance Program.

13. ADMINISTRATIVE EXPENSES

The following table presents administrative expenses for the years ended December 31, 2024, and 2023.

Administrative Expenses				
		2024		2023
Personnel and Benefits	$	45	$	41
Contract Services		17		19
Professional Services		6		7
Occupancy		5		3
Travel and Meetings		3		2
General Office		1		1
Total Administrative Expenses	$	77		73

14. SUBSEQUENT EVENTS

In accordance with FASB ASC Topic 855, *Subsequent Events* (ASC 855), the Board of Pensions has evaluated through March 20, 2025, subsequent events that occurred after the balance sheet date but before the financial statements are issued.

At its March 2025 meeting, the Board of Directors granted certain benefit increases.

The Board of Directors granted an experience apportionment, in the form of a 4.6% increase in retirement and survivor pension benefits for members and survivors receiving benefits on July 1, 2025, and a 4.6% increase in the pension credits accrued as of December 31, 2024. This benefit increase has the effect of increasing the actuarial present value of accumulated pension plan benefits by approximately $264.

The Board of Directors granted a disability benefit increase of 3.0% for those receiving such benefits on December 31, 2024. This benefits increase will become effective as of July 1, 2025, and has the effect of increasing the actuarial present value of accumulated Death, Disability & Life Plans' benefits by approximately $0.5.

The Board of Pensions of the Presbyterian Church (U.S.A.) **Schedule 1**

Combined Supplemental Schedule of Changes in Net Assets Available for Benefits by Plan and Activity

For the Year Ended December 31, 2024

($ in millions)

	Defined Benefit Pension Plan	Retirement Savings Plans	Death, Disability & Life Plans	Health & Wellness Plans	Total Benefits Plan	Assistance Program	Other Plans and Reserves	Combined Total
Operating Activities:								
Contributions								
Benefits Plan dues	$ 45	$ -	$ 11	$ 220	$ 276	$ -	$ -	$ 276
Retirement Savings Plans	-	62	-	-	62	-	-	62
Other Contributions	-	1	-	-	1	2	-	3
Total Contributions	45	63	11	220	339	2	-	341
Expenses and Obligations								
Benefits provided	465	97	29	218	809	10	-	819
Administrative expenses	32	1	9	31	73	1	3	77
Total Expenses and Obligations	497	98	38	249	882	11	3	896
Decrease in Net Assets from Operating Activities	(452)	(35)	(27)	(29)	(543)	(9)	(3)	(555)
Investing Activities:								
Investment income	141	44	17	4	206	2	-	208
Net gains	702	162	78	14	956	11	1	968
Increase in Net Assets from Investing Activities	843	206	95	18	1,162	13	1	1,176
Other Activities:								
Transfers to (from) programs	(1)	-	(22)	21	(2)	-	2	-
Increase (Decrease) in Net Assets from Other Activities	(1)	-	(22)	21	(2)	-	2	-
Increase in Net Assets	390	171	46	10	617	4	-	621
Beginning of Year	9,875	1,156	1,115	234	12,380	150	21	12,551
End of Year	$ 10,265	$ 1,327	$ 1,161	244	$ 12,997	$ 154	$ 21	$ 13,172

The Board of Pensions of the Presbyterian Church (U.S.A.) **Schedule 1**

Combined Supplemental Schedule of Changes in Net Assets Available for Benefits by Plan and Activity

For the Year Ended December 31, 2023

($ in millions)

	Defined Benefit Pension Plan	Retirement Savings Plans	Death, Disability & Life Plans	Health & Wellness Plans	Total Benefits Plan	Assistance Program	Other Plans and Reserves	Combined Total
Operating Activities:								
Contributions								
Benefits Plan dues	$ 46	$ -	$ 11	$ 243	$ 300	$ -	$ -	$ 300
Retirement Savings Plans	-	59	-	-	59	-	-	59
Other Contributions	-	1	-	16	17	1	-	18
Total Contributions	46	60	11	259	376	1	-	377
Expenses and Obligations								
Benefits provided	448	69	21	243	781	8	-	789
Administrative expenses	30	1	7	33	71	1	1	73
Total Expenses and Obligations	478	70	28	276	852	9	1	862
Decrease in Net Assets from Operating Activities	(432)	(10)	(17)	(17)	(476)	(8)	(1)	(485)
Investing Activities:								
Investment income	129	25	15	5	174	2	-	176
Net gains	1,032	184	111	21	1,348	15	1	1,364
Increase in Net Assets from Investing Activities	1,161	209	126	26	1,522	17	1	1,540
Increase in Net Assets	729	199	109	9	1,046	9	-	1,055
Beginning of Year	9,146	957	1,006	225	11,334	141	21	11,496
End of Year	$ 9,875	$ 1,156	$ 1,115	$ 234	$ 12,380	$ 150	$ 21	$ 12,551