

**CHRISTIAN STEWARDSHIP SERVICES**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**CHRISTIAN STEWARDSHIP SERVICES**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2016**

---

	Page
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Changes in Fund Balances	5
Statement of Revenues and Expenses - General Fund	6
Statement of Receipts and Disbursements - Restricted Fund	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 14



Chartered  
Professional  
Accountants

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Board of Directors of: Christian Stewardship Services

We have audited the accompanying financial statements of Christian Stewardship Services, which comprise the statement of financial position as at June 30, 2016 and the statements of changes in fund balances, revenues and expenditures - general fund, receipts and disbursements - restricted fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not for profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of Christian Stewardship Services as at June 30, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

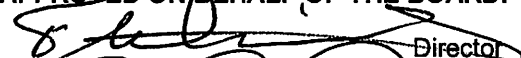
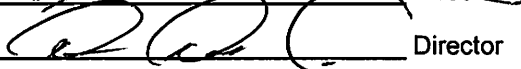
Guelph, Ontario  
September 30, 2016

Chartered Professional Accountants  
Licensed Public Accountants

**CHRISTIAN STEWARDSHIP SERVICES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2016**

	2016	2015
<b>A S S E T S</b>		
<b>CURRENT</b>		
Cash	\$ 189,116	\$ 164,079
Short term investments	113,282	109,275
Accounts receivable	26,975	24,536
Prepaid expenses	<u>9,601</u>	<u>4,946</u>
	<u>338,974</u>	<u>302,836</u>
<b>CAPITAL ASSETS (note 4)</b>	<u>48,485</u>	<u>10,449</u>
<b>TOTAL GENERAL FUND ASSETS</b>	<u>387,459</u>	<u>313,285</u>
<b>RESTRICTED ASSETS - designated for restricted liabilities and reserves</b>		
Restricted Assets - Deposits and endowments	53,685,853	46,244,117
Restricted Assets - Annuities	<u>5,315,996</u>	<u>5,599,698</u>
Total Investments (note 7)	<u>59,001,849</u>	<u>51,843,815</u>
	<u>\$ 59,389,308</u>	<u>\$ 52,157,100</u>
<b>L I A B I L I T I E S</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ <u>47,117</u>	\$ <u>32,509</u>
<b>RESTRICTED LIABILITIES (note 8)</b>		
Restricted Fund obligations - Deposits	48,977,604	40,768,117
Restricted Fund obligations - Endowments	4,702,630	5,445,400
Restricted Fund obligations - Annuities	<u>4,799,878</u>	<u>5,068,675</u>
Total Restricted Fund obligations	<u>58,480,112</u>	<u>51,282,192</u>
<b>N E T A S S E T S</b>		
<b>UNRESTRICTED GENERAL FUND</b>	340,340	280,776
<b>RESTRICTED FUND RESERVE - ANNUITIES</b>	498,307	531,023
<b>RESTRICTED FUND RESERVE - DEPOSITS</b>	<u>23,432</u>	<u>30,600</u>
	<u>862,079</u>	<u>842,399</u>
	<u>\$ 59,389,308</u>	<u>\$ 52,157,100</u>

APPROVED ON BEHALF OF THE BOARD:

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

**CHRISTIAN STEWARDSHIP SERVICES  
STATEMENT OF CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2016**

	2016	2015
<b>UNRESTRICTED GENERAL FUND</b>		
<b>NET ASSETS, beginning of year</b>	\$ 280,776	\$ 223,033
Net surplus for the year	<u>59,564</u>	<u>57,743</u>
<b>NET ASSETS, end of year</b>	<u>\$ 340,340</u>	<u>\$ 280,776</u>
<b>RESTRICTED FUND RESERVE - ANNUITIES</b>		
<b>NET ASSETS, beginning of year</b>	\$ 531,023	\$ 577,859
Transfers for the year	<u>(32,716)</u>	<u>(46,836)</u>
<b>NET ASSETS, end of year</b>	<u>\$ 498,307</u>	<u>\$ 531,023</u>
<b>RESTRICTED FUND RESERVE - DEPOSITS</b>		
<b>NET ASSETS, beginning of year</b>	\$ 30,600	\$ 35,843
Transfers for the year	<u>(7,168)</u>	<u>(5,243)</u>
<b>NET ASSETS, end of year</b>	<u>\$ 23,432</u>	<u>\$ 30,600</u>

**CHRISTIAN STEWARDSHIP SERVICES**  
**STATEMENT OF REVENUES AND EXPENSES - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	2016 Budget (note 5)	2016	2015
<b>REVENUES</b>			
Partner dues	\$ 262,700	\$ 263,224	\$ 255,693
School sponsor fees	37,000	39,414	36,867
Administration fees	400,000	436,335	384,208
Consulting fees	40,000	12,260	16,395
Portfolio management fees	100,000	105,015	94,201
Gift disbursement fees	10,000	13,758	13,303
Donations to CSS	1,500	2,356	16,187
Cost recovery	17,000	17,553	21,457
Interest and other income	<u>3,000</u>	<u>4,326</u>	<u>6,585</u>
	<u>871,200</u>	<u>894,241</u>	<u>844,896</u>
<b>EXPENSES</b>			
Advertising and marketing	25,000	16,479	22,876
Amortization	16,000	3,162	6,459
Board meetings	6,200	8,834	5,913
Insurance	5,000	2,560	2,535
Interest and bank charges	1,500	1,388	1,401
Membership fees	5,000	5,185	2,941
Office expenses	15,000	11,302	12,203
Office equipment and computer upgrade	20,850	5,700	7,597
Professional and consulting fees	19,000	16,443	32,990
Rent	22,750	23,440	18,422
Salaries and benefits	661,100	665,529	606,865
Staff education	10,000	4,870	4,375
Telephone	17,800	13,915	12,671
Travel	<u>46,000</u>	<u>55,870</u>	<u>49,905</u>
	<u>871,200</u>	<u>834,677</u>	<u>787,153</u>
<b>SURPLUS FROM GENERAL OPERATIONS</b>	<u>\$ 0</u>	<u>\$ 59,564</u>	<u>\$ 57,743</u>

**CHRISTIAN STEWARDSHIP SERVICES**

**STATEMENT OF RECEIPTS AND DISBURSEMENTS - RESTRICTED FUND**

**FOR THE YEAR ENDED JUNE 30, 2016**

	Deposits and Endowments	Annuities	Total 2016	Total 2015
<b>RECEIPTS</b>				
Deposit agreements	\$ 8,628,691	\$ 0	\$ 8,628,691	\$ 6,906,957
Annuities	0	390,000	390,000	340,000
Bequests	1,179,799	0	1,179,799	762,413
Endowments	77,083	0	77,083	268,616
Life insurance premiums	66,451	0	66,451	114,294
Donations of life insurance	78,006	0	78,006	121,850
Donor advised funds	<u>1,496,256</u>	<u>0</u>	<u>1,496,256</u>	<u>1,807,996</u>
	<u>11,526,286</u>	<u>390,000</u>	<u>11,916,286</u>	<u>10,322,126</u>
<b>INCOME</b>				
Investment income	2,336,875	368,913	2,705,788	1,526,834
Change in fair market value of investments (note 6)	<u>(88,284)</u>	<u>(152,415)</u>	<u>(240,699)</u>	<u>1,381,997</u>
	<u>2,248,591</u>	<u>216,498</u>	<u>2,465,089</u>	<u>2,908,831</u>
	<u>13,774,877</u>	<u>606,498</u>	<u>14,381,375</u>	<u>13,230,957</u>
<b>DISBURSEMENTS</b>				
Paid to agreement holders	2,029,058	0	2,029,058	2,768,586
Gifts disbursed to charities	3,661,447	407,469	4,068,916	3,519,222
Annuity payments	0	486,672	486,672	497,114
Administration, management fees and other fees	558,371	13,870	572,241	514,074
Life insurance premiums	<u>66,452</u>	<u>0</u>	<u>66,452</u>	<u>114,294</u>
	<u>6,315,328</u>	<u>908,011</u>	<u>7,223,339</u>	<u>7,413,290</u>
<b>Excess (shortfall) of receipts over disbursements</b>	7,459,549	(301,513)	7,158,036	5,817,667
<b>Transfer from reserve</b>	<u>7,168</u>	<u>32,716</u>	<u>39,884</u>	<u>52,079</u>
	<u>7,466,717</u>	<u>(268,797)</u>	<u>7,197,920</u>	<u>5,869,746</u>
<b>RESTRICTED LIABILITIES, beginning of year</b>	<u>46,213,517</u>	<u>5,068,675</u>	<u>51,282,192</u>	<u>45,412,446</u>
<b>RESTRICTED LIABILITIES, end of year</b>	<u>\$ 53,680,234</u>	<u>\$ 4,799,878</u>	<u>\$ 58,480,112</u>	<u>\$ 51,282,192</u>

**CHRISTIAN STEWARDSHIP SERVICES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>2016</b>	<b>2015</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Surplus from general operations for the year	\$ 59,564	\$ 57,743
Items not requiring an outlay of cash		
Amortization	3,162	6,459
Transfer from reserve	<u>(39,884)</u>	<u>(52,079)</u>
	22,842	12,123
Changes in non-cash working capital		
Accounts receivable	(2,439)	3,150
Prepaid expenses	(4,655)	1,084
Accounts payable and accrued liabilities	<u>14,608</u>	<u>6,498</u>
	<u>30,356</u>	<u>22,855</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
Additions to capital assets	(39,736)	(5,608)
Restricted assets	(5,199,987)	(5,861,761)
Restricted liabilities	7,197,920	5,869,746
Short term investments	<u>(4,007)</u>	<u>(6,005)</u>
	<u>1,954,190</u>	<u>(3,628)</u>
<b>NET INCREASE IN CASH</b>	1,984,546	19,227
<b>NET CASH, BEGINNING OF YEAR</b>	<u>1,684,264</u>	<u>1,665,037</u>
<b>NET CASH, END OF YEAR</b>	<u>\$ 3,668,810</u>	<u>\$ 1,684,264</u>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 189,116	\$ 164,079
Cash - restricted	<u>3,479,694</u>	<u>1,520,185</u>
	<u>\$ 3,668,810</u>	<u>\$ 1,684,264</u>



**CHRISTIAN STEWARDSHIP SERVICES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

---

**1. NATURE OF ORGANIZATION**

Christian Stewardship Services is a not for profit organization incorporated under the laws of Canada without share capital and is a registered charity under the Income Tax Act. Christian Stewardship Services is exempt from income tax. Its purpose is to provide financial counselling services and educational seminars to individuals in order to promote and encourage Christian principles of giving and stewardship, as well as, acting as an investment portfolio manager which provides mortgages to qualified Christian organizations and manages funds on behalf of its investors.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

**(a) REVENUE RECOGNITION**

The organization follows the restricted fund method of accounting for contributions in which externally restricted contributions are recognized upon receipt in the appropriate fund corresponding to the purpose for which they were contributed. Externally restricted contributions of the general fund are recognized as revenue when the related expenditure occurs. Unrestricted contributions are recognized in the general fund when received or receivable and collection is reasonably assured.

**(b) CAPITAL ASSETS**

Capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Furniture and equipment	- 20 % declining balance basis
Computer hardware	- 30 % declining balance basis
Leasehold improvements	- 5 years straight line basis
Computer software	- 30 % declining balance basis

**(c) IMPAIRMENT OF LONG LIVED ASSETS**

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

**(d) USE OF ESTIMATES**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include collectibility of mortgages and loans and the actuarial liabilities of the Restricted Fund annuities. Actual results could differ from those estimates.

**CHRISTIAN STEWARDSHIP SERVICES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(d) **USE OF ESTIMATES (continued)**

The organization's policy is to obtain an actuarial valuation of the Restricted Fund annuities every three years. A report on the actuarial liabilities as of June 30, 2016 followed accepted actuarial practices in Canada. This report made assumptions regarding mortality, rate of return on investments, reinvestment of the provincial bonds, future interest rates, administration expenses and future inflation rates.

(e) **FINANCIAL INSTRUMENTS**

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for bonds and equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net surplus.

Financial assets measured at amortized cost include cash, short term investments, accounts receivable, restricted assets - deposits and endowments and restricted assets - annuities.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, restricted fund obligations - deposits, restricted fund obligations - endowments and restricted fund obligations - annuities.

The organization's financial assets measured at fair value include a number of other investments, i.e. quoted shares.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net surplus.

(f) **CONTRIBUTED SERVICES**

During the year, a number of volunteers contribute a significant amount of their time. Because of the difficulty in determining the fair value, contributed services are not recorded in the financial statements.

**CHRISTIAN STEWARDSHIP SERVICES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) FUND ACCOUNTING**

General fund

The general fund reports resources available for the organization's counselling and education programs and administrative activities.

Restricted fund

The restricted fund reports the receipts and disbursements relating to the deposit agreements, donor advised funds, remainder trusts, life insurance policies, endowments and annuities. The restricted fund disbursements are made according to the agreements made with each individual donor. A brief description of the major funds follows:

- i) The deposit agreements are revocable and the interest earned is shared between the deposit holder and their preferred charities or can be paid entirely to charity.
- ii) Donor advised funds are general gifts given to the organization that still need to be distributed to charities in the future.
- iii) Remainder trusts allow the donor to continue to receive income. At some future date, the principal will be disbursed to the charity stipulated in the agreement.
- iv) The organization is the beneficiary of the life insurance policies. The life insurance proceeds will be distributed to the charities selected by the donor of the policy upon their death.
- v) Endowments are irrevocable gifts which may perpetually pay annual interest income or pay interest and capital to the charities stipulated in the agreement according to the agreed schedule of distribution.
- vi) The annuities are charitable gift annuities which pay an annual guaranteed lifetime income, with any residual upon death being given to the charities designated in the agreement.

**3. FINANCIAL INSTRUMENTS**

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the organization's exposure to these risks did not change in 2016 compared to the previous period.

The organization does not have a significant exposure to any individual customer or counterpart.

Transacting in financial instruments exposes the organization to certain financial risks and uncertainties. These risks include:

Credit risk

The organization is exposed to credit risk which may result from failure to collect loans, mortgages or interest charges. This risk is mitigated by obtaining security in excess of the loan amounts, by monitoring the organization's payment history and by limiting the proportion of total loans to a single entity.

Interest rate risk

The organization's liabilities bear interest at the average rate of return on its investment portfolio. Accordingly, it is management's opinion that the organization is not exposed to significant interest rate risk.

**CHRISTIAN STEWARDSHIP SERVICES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

---

**3. FINANCIAL INSTRUMENTS (continued)**

Currency risk

The organization holds foreign equities and other investments which exposes it to the risk of fluctuating exchange rates. This risk is mitigated by limiting the organization's exposure to foreign investments. As at June 30, 2016, foreign investments constituted 11.1% (2015 - 10.4%) of the organization's Restricted Fund investments. Foreign investments are quoted in Canadian dollars through the related portfolios. As such, any gains or losses of exchange are captured in the fair market value adjustments made to those investments.

Market risk

A portion of the organization's investments consist of Canadian and foreign equities. These portfolio investments are subject to market fluctuations that impact the organization's rate of return on investment and the amounts it is able to pay depositors and annuitants. This risk is mitigated by monitoring the performance of the portfolio and by redirecting these equities to fixed rate loans, mortgages and bonds when appropriate.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization controls liquidity risk by management of working capital, cash flows and the availability of borrowing facilities.

**4. CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2016</b>	<b>Net 2015</b>
Furniture and equipment	\$ 4,598	\$ 4,598	\$ 0	\$ 0
Equipment	31,002	16,964	14,038	3,779
Leasehold improvements	6,987	4,289	2,698	3,855
Computer software	8,206	5,912	2,294	2,815
Asset in development	<u>29,455</u>	<u>0</u>	<u>29,455</u>	<u>0</u>
	<u>\$ 80,248</u>	<u>\$ 31,763</u>	<u>\$ 48,485</u>	<u>\$ 10,449</u>

Included in capital assets is computer software still in development at year end. This asset was not in use during the fiscal year and, accordingly, has not been amortized.

**5. BUDGET**

The budget figures are unaudited and are presented for information purposes only.

**CHRISTIAN STEWARDSHIP SERVICES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

---

**6. CHANGE IN FAIR MARKET VALUE OF INVESTMENTS**

The organization records all bonds and equity instruments that are quoted in an active market at fair market value. The change from one year to the next is recorded through the specified restricted fund balance as outlined below. The changes in fair market value for the year ended, June 30, 2016 are as follows:

	Deposits	Annuities	Total
<b>June 30, 2015</b>			
Fair market value	\$ 12,488,401	\$ 3,512,947	\$ 16,001,348
Cost	<u>10,741,785</u>	<u>3,207,853</u>	<u>13,949,638</u>
Excess	<u>1,746,616</u>	<u>305,094</u>	<u>2,051,710</u>
<b>June 30, 2016</b>			
Fair market value	14,388,601	1,936,409	16,325,010
Cost	<u>12,730,269</u>	<u>1,783,730</u>	<u>14,513,999</u>
Excess	<u>1,658,332</u>	<u>152,679</u>	<u>1,811,011</u>
<b>Total increase in FMV</b>	<u>\$ (88,284)</u>	<u>\$ (152,415)</u>	<u>\$ (240,699)</u>

**7. RESTRICTED FUND INVESTMENTS**

	2016	2015
Provincial bonds	\$ 692,505	\$ 1,239,801
Institutional mortgages and loans	38,256,527	33,369,547
Cash - restricted	3,479,694	1,520,185
Life insurance policies	1,104,956	1,087,502
Accrued interest receivable	7,079	9,600
Accrued receivable	59,797	56,778
Less: deferred income to be distributed	(39,523)	(31,810)
Less: reserve for possible losses on loans and mortgages	<u>(191,691)</u>	<u>(169,336)</u>
	<u>43,369,344</u>	<u>37,082,267</u>
<b>Investments held by fund manager</b>		
Cash and equivalents	1,268,415	1,428,498
Government and corporate bonds	5,039,107	5,325,099
Canadian equities	3,178,916	2,633,166
U.S. and international equities	<u>6,146,067</u>	<u>5,374,785</u>
	<u>15,632,505</u>	<u>14,761,548</u>
	<u>\$ 59,001,849</u>	<u>\$ 51,843,815</u>

The current portion of these restricted fund investments, the portion that is due by the end of the next fiscal year is \$7,186,679 (2015 - \$3,001,163).

The bonds have maturity dates from June to December 2017 and coupon rates ranging from 6.00% to 6.75%, which approximates their yield rates. Bonds held by the fund manager earn from 0.75% to 9.98% and have maturity dates between 2016 and 2047.

Loans and mortgages mature at various dates from September 2016 to June 2021 and earn interest at rates that range from 5.0% to 8.0%.

**CHRISTIAN STEWARDSHIP SERVICES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

---

**8. RESTRICTED FUND DEPOSIT OBLIGATIONS**

	<b>2016</b>	<b>2015</b>
Deposit agreements	\$ 43,244,943	\$ 35,648,249
Deferred annuities	33,149	33,375
Donor advised funds	4,341,494	3,778,570
Remainder trusts	125,878	127,852
Life insurance policies	1,104,956	1,087,502
Excess of distributions over investment earnings	<u>127,184</u>	<u>92,569</u>
	<u>48,977,604</u>	<u>40,768,117</u>
Endowments	4,702,630	5,445,400
Annuities	<u>4,799,878</u>	<u>5,068,675</u>
	<u>\$ 58,480,112</u>	<u>\$ 51,282,192</u>

**9. RESTRICTED FUND RESERVE - ANNUITIES**

A report on the actuarial liabilities of the annuities was received in September 2016. This report indicated that the actuarial liabilities exceeded the carrying value of the Restricted Fund annuity assets by \$32,366. The liability for the current year was calculated as follows:

Present value of annuity payments	\$ 3,617,022
Present value of gift remainders	1,583,017
Present value of future administration expenses	<u>83,591</u>
Total liabilities	5,283,630
Total assets	<u>5,315,996</u>
Assets less liabilities	<u>\$ 32,366</u>