INFAITH

(Established in 1817 as American Sunday School Union)

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

FEBRUARY 28, 2018 AND 2017

INFAITH

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CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees
InFaith
Exton, Pennsylvania

We have audited the accompanying consolidated financial statements of InFaith and its affiliate, InFaith Foundation ("InFaith") which comprise the consolidated statement of financial position as of February 28, 2018 and 2017, and the related consolidated statements of activities and of cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated 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. 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of InFaith as of February 28, 2018 and 2017, the changes in its net assets, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Tait, Weller & Baker LLP

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
June 22, 2018

INFAITH

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

February 28, 2018 And 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 561,013	$ 198,849
Interest and dividends receivable	25,796	23,871
Investments	10,395,509	10,609,134
Notes receivable	253,656	151,986
Other receivables and prepaid expenses	44,863	89,582
Beneficial interest in perpetual trusts	1,147,929	1,115,245
Property and equipment, net	1,235,831	1,287,231
Total Assets	$ 13,664,597	$ 13,475,898
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 33,972	$ 47,557
Accrued expenses and other liabilities	35,137	28,941
Accrued postretirement medical benefit	1,294,887	1,238,516
Accrued pension expense	7,499,670	7,811,715
Annuities payable	193,050	213,052
Trust agreement deposits	49,000	63,000
Total Liabilities	9,105,716	9,402,781
NET ASSETS		
Unrestricted		
General operating funds	6,587,989	6,213,804
Accrued pension and postretirement medical benefit liabilities	(8,794,557)	(9,050,231)
Total Unrestricted	(2,206,568)	(2,836,427)
Temporarily restricted	4,810,836	4,987,615
Permanently restricted	1,954,613	1,921,929
Total Net Assets	4,558,881	4,073,117
Total Liabilities and Net Assets	$ 13,664,597	$ 13,475,898

INFAITH

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended February 28, 2018 And 2017

	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains (Losses), and Other Support								
Contributions	$ 7,201,601	$ -	$ -	$ 7,201,601	$ 6,926,025	$ -	$ -	$ 6,926,025
Contributions for work funds	-	112,960	-	112,960	-	133,317	-	133,317
Contribution – note receivable	142,500	-	-	142,500	-	-	-	-
Outside trusts	65,350	-	-	65,350	56,653	-	-	56,653
Legacies and bequests	190,033	-	-	190,033	304,932	34,717	-	339,649
Other revenues	28,056	-	-	28,056	25,126	-	-	25,126
Actuarial gain (loss) on annuities and irrevocable trust	(6,100)	-	-	(6,100)	(10,844)	-	-	(10,844)
Investment return designated for current operations	296,958	281,789	-	578,747	303,041	296,707	-	599,748
Net assets released from restrictions	743,335	(743,335)	-	-	480,888	(480,888)	-	-
Total revenues, gains (losses), and other support	8,661,733	(348,586)	-	8,313,147	8,085,821	(16,147)	-	8,069,674
Expenses								
Program services – missions	7,579,811	-	-	7,579,811	6,945,670	-	-	6,945,670
Supporting Services								
General and administration	1,197,450	-	-	1,197,450	1,185,135	-	-	1,185,135
Development and public relations	511,493	-	-	511,493	498,631	-	-	498,631
Total expenses	9,288,754	-	-	9,288,754	8,629,436	-	-	8,629,436
Other Changes								
Investment return net of amounts designated for current operations	329,594	171,807	-	501,401	321,534	119,785	-	441,319
Minimum additional pension liability	983,656	-	-	983,656	(1,246,764)	-	-	(1,246,764)
Change in post-retirement medical benefit liability	(56,370)	-	-	(56,370)	194,891	-	-	194,891
Change in beneficial interest in perpetual trusts	-	-	32,684	32,684	-	-	74,982	74,982
Total other changes	1,256,880	171,807	32,684	1,461,371	(730,339)	119,785	74,982	(535,572)
Change in net assets	629,859	(176,779)	32,684	485,764	(1,273,954)	103,638	74,982	(1,095,334)
Net Assets								
Beginning of year	(2,836,427)	4,987,615	1,921,929	4,073,117	(1,562,473)	4,883,977	1,846,947	5,168,451
End of year	$ (2,206,568)	$ 4,810,836	$ 1,954,613	$ 4,558,881	$ (2,836,427)	$ 4,987,615	$ 1,921,929	$ 4,073,117

See notes to financial statements.

INFAITH

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended February 28, 2018 And 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 485,764	$ (1,095,334)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	96,349	76,627
Contribution – note receivable	(142,500)	-
Realized and unrealized (gains) losses on investments	(919,265)	(931,523)
Net change in beneficial interest in perpetual trusts	(32,684)	(74,982)
Change in assets and liabilities:		
(Increase) decrease in:		
Interest and dividends receivable	(1,925)	(2,279)
Other receivables and prepaid expenses	44,719	(5,380)
Increase (decrease) in:		
Accounts payable	(13,585)	24,289
Accrued expenses and other liabilities	(249,478)	1,578,830
Annuities payable and irrevocable trust	(20,002)	(18,585)
Trust agreement deposits	(14,000)	(16,853)
Net cash used in operating activities	(766,607)	(465,190)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,591,124)	(3,267,712)
Proceeds from sale of investments	2,724,014	3,706,262
Purchase of property and equipment	(44,949)	(100,889)
Payments on notes receivable	40,830	32,504
Net cash provided by investing activities	1,128,771	370,165
Net increase (decrease) in cash and cash equivalents	362,164	(95,025)
CASH AND CASH EQUIVALENTS		
Beginning of Year	198,849	293,874
End of Year	$ 561,013	$ 198,849

(1) ORGANIZATION

INFAITH

InFaith is a faith mission proclaiming God's Word to spiritually neglected people to evangelize, congregate, and disciple them for Jesus Christ. InFaith was established in 1817 as the American Sunday School Union and is a not-for-profit nondenominational organization. InFaith fulfills its purpose in both urban and rural United States by the planting of churches, establishing and maintaining Sunday schools, Bible classes, camps, and conferences, and holding evangelistic meetings. InFaith is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

INFAITH FOUNDATION

The InFaith Foundation (the ***"Foundation"***) is a not-for-profit corporation which was incorporated October 2, 2003, in the Commonwealth of Pennsylvania for the purpose of managing, investing, and distributing funds for the benefit of InFaith. The Foundation is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code as a 509(a)(3) Type I "Supporting Organization."

Management has reviewed the tax positions for each of the open fiscal tax years (2015 – 2017) or expected to be taken in InFaith and the Foundation's current year return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

(2) SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING AND CONSOLIDATION

The financial statements have been prepared on the accrual basis of accounting. The consolidated financial statements include the accounts of InFaith and the Foundation, as InFaith has control of and an economic interest in the Foundation. All significant intercompany balances and transactions have been eliminated.

The accompanying statements of activities do not include the income and expense for various summer camps throughout the United States which are operated by local congregations in association with InFaith.

USE OF ESTIMATES

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles 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 statements and the reported amounts of revenues and expenses during the reporting period. These estimates include the pension, post-retirement medical and medical insurance liabilities and the annuities payable. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

InFaith considers highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

BASIS OF PRESENTATION

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. All contributions are considered available for unrestricted use, unless specifically restricted by the donor. Accordingly, net assets of InFaith and the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of InFaith and the Foundation and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by InFaith and the Foundation. Generally, the donors of these assets permit the organization to use all or part of the income earned on related investments for unrestricted or temporarily restricted purposes.

BOARD DESIGNATED ANNUITY RESERVE

InFaith issues life annuities for certain gifts received from individuals. InFaith transfers the annuities and their related liabilities to the Foundation. The Foundation records a liability for the present value of the expected future annuity payments, and a gift for the balance of the funds deposited by the annuitant. Each year, the liability is recalculated for changes in life expectancy and an actuarial gain (loss) is recorded for these changes.

The Board of Trustees has established a formula for calculating a portion of unrestricted investments which are to be designated as a reserve for the annuity program. The reserve is equal to the Commonwealth of Pennsylvania guidelines permitting issuance of Charitable Gift Annuities.

The 2018 and 2017 reserves are calculated as follows:

	2018	2017
State Guidelines - $100,000 plus 50% of the contract amount of annuities issued and in effect.	$289,250	$312,150

CONTRIBUTIONS

InFaith reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as ***"release from restrictions".***

Missionaries are required to raise their own contributing support base. Support income designated for specific missionaries is tracked and is considered in establishing the subsequent year's compensation for the missionaries. InFaith does not maintain a running balance of excess (deficiency) support by individual missionaries, as the income is that of the organization. Support income for missionaries is substantially spent in the year received and, therefore, is reported through the unrestricted net asset group.

INVESTMENTS

InFaith, through its Foundation, has pooled both restricted and unrestricted investments in order to achieve a higher return on investment than would be possible if the investments were invested separately.

Investments of marketable securities with readily determinable fair value and all investments in debt securities are reported in the financial statements at fair value. Fair value for those securities is determined by the closing price of the securities at the end of the fiscal year. Fair value of mortgages, loans, and notes receivable is assumed to equal cost. Realized gains and losses on sales of investments and properties are calculated as the difference between the historical cost of the investment and the proceeds received from the sale. The change in market appreciation (depreciation) of investments during the year is also included in gains and losses in the statement of activities.

Ordinary income, gains, and losses derived from investments are allocated based on unit values of each of the net asset categories in relation to the total pooled funds. Income, gains, and losses on investments are increases in unrestricted net assets unless restricted to purpose or future periods by donor stipulation or by law.

CREDIT RISK

InFaith occasionally maintains brokerage cash accounts in excess of federally insured limits. Accounting Standards Codification ***("ASC")*** 825, ***"Financial Instruments"*** identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

InFaith's principal financial instruments subject to credit risk are its investments. The investments are managed by professional advisors subject to the Foundation's investment goals for total investment return, yield, tolerance of investment risk and investment turnover. The degree and concentration of credit risk vary by the type of investment.

PROPERTY AND EQUIPMENT

Land, buildings, and equipment are recorded at cost or, if donated, at the fair value on the date donated. Generally, InFaith follows the practice of capitalizing all expenditures for buildings and equipment over $5,000 ($500 prior to fiscal year 2013). Depreciation on buildings and equipment is computed on the straight-line method over the following useful lives:

Buildings	39 years
Equipment	5-10 years

COLLECTIONS

InFaith maintains an extensive collection of historical publications and artifacts. The historical items have either been donated or purchased by InFaith since its inception. The collection is preserved and displayed for the educational benefit of the members of InFaith. InFaith does not recognize the contributions of donated collection items as its collections are not capitalized. As of February 28, 2018 and 2017, the value of the collection has not been determined.

LIFE INCOME AGREEMENTS AND TRUST

The funds held subject to life income provisions include amounts held subject to the payment to life beneficiaries of stated amounts in the case of gift annuities and a unitrust. On maturity, the remainder interests revert to InFaith.

The actuarial valuations of the gift annuities and unitrust are recorded as annuity payable and irrevocable trust liability. The present value of the annuities and unitrust agreements was determined using a discount rate of 6%.

NEW ACCOUNTING STANDARDS

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Consolidated Statement of Activities. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU will be applied on a retrospective basis beginning with the February 28, 2019 financial statements.

In May 2015, the FASB issued ASU 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent). This ASU was issued to address the diversity in practice relating to how certain investments measured at net asset value are categorized in the fair value hierarchy. The amendments in ASU 2015-07 remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. ASU 2015-07 is effective for InFaith's fiscal year beginning March 1, 2017; early adoption is permitted. InFaith elected to adopt the guidance for the fiscal year beginning March 1, 2016. The guidance is retrospective, and the adoption of this ASU impacted disclosures related to investments.

(3) INVESTMENTS

The following is a summary of the fair value and historical cost of investments held at February 28, 2018 and 2017:

	2018		2017	
	Fair Value	Historical Cost	Fair Value	Historical Cost
Money Market Funds	$ 203,751	$ 203,751	$ 683,619	$ 683,619
Common Stocks	1,534,673	945,742	1,682,448	1,126,223
Bonds				
Corporate and Foreign	2,429,967	2,456,450	2,472,233	2,454,758
U.S. Treasury Notes	9,761	9,823	54,987	55,002
Registered Investment Companies				
Equity Funds	3,491,754	2,448,984	3,108,243	2,275,389
GNMA Fund	242,200	1,632,082	249,539	251,485
Alternative Investments	2,483,403	251,485	2,358,065	1,424,862
Total	$ 10,395,509	$ 7,948,317	$ 10,609,134	$ 8,271,338

Alternative investments consist of:

	Fair Value	Unfunded Commitments
Private Equity Fund – Global [(a)]	$ 711,297	$215,696
Private Equity Fund – Domestic [(b)]	979,362	622,707
Private Equity Fund – Absolute Return [(c)]	792,744	-
	$ 2,483,403	$838,403

(a) The fund invests in a diversified pool of global private equity funds which invest in a portfolio of management buyouts, venture capital and growth capital in United States and Europe. Redemptions can only be made from this fund if a limited partner is available to buy the Foundation's share and the general partner approves the sale.

(b) The fund invests in a diversified portfolio of hedge and private equity funds which invest in buyouts, distressed companies, growth equity, real estate, mezzanine capital, secondaries and venture capital. Redemptions can only be made from this fund if a limited partner is available to buy the Foundation's share and the general partner approves the sale.

(c) The fund share class invests in a diversified basket of hedge fund managers and strategies in order to achieve a long-term, fixed income-like return with less volatility and limited correlation to traditional asset classes. The fair values of the investments in this category have been recorded at the net asset value of the underlying funds, which are predominantly investments in investment funds. Investors may not redeem any shares for a period of two years from the date of each purchase, subject to the discretion of the fund board. After the two year lock-up period, redemptions can be made with 90 days of notice.

The Foundation has pooled its investments, including unrestricted net assets designated for investment and permanently restricted net assets. The Foundation uses the total return concept in accounting for its pooled investment funds. Under the total return method, investments are recorded at market value and the Foundation annually determines a spending percentage based upon 7% of the three year average ending market value, by which the Foundation can expend not only income but a prudent portion of the appreciation of the principal. According to policy approved by the Board of Trustees, funds are invested in a manner to preserve the real purchasing power of the assets after all withdrawals and fees by earning a total rate of return over full market cycles of 3 to 5 years which will support the spending policy. If the endowment draw amount exceeds the actual earnings of the pooled Investment Funds in any one year, then the amount needed to fund such excess will first be taken from the accumulated excess earnings from prior years, and, conversely, any undistributed income after the allocation of the spending rate amount is added back to the accumulated excess earnings in the appropriate net asset category.

Commonwealth of Pennsylvania law stipulates that realized and unrealized gains on endowment assets may be expended for the purposes stipulated by the donors only to the extent that the total of such expenditures, including dividends and interest and less fees, do not exceed 7% of the average of the three most recent fiscal years' fair values of the permanently restricted endowment assets. Realized and unrealized gains in excess of the approved spending percentage are included in the statements of activities as increases in the temporarily restricted net assets. Such temporarily restricted amounts may be released to unrestricted net assets in future years based on authorization by the Foundation only to the extent of the 7% limitation applicable to the year in which they are to be released.

The Foundation's investment strategy is based on an expectation that equity securities will outperform debt securities over the long term. Accordingly, the composition of the Foundation's plan assets is broadly characterized as an allocation between equity and debt securities of approximately 70% / 30% for 2018 and 2017. The strategy utilizes primarily U.S. equity securities diversified across economic and industry sectors and actively managed debt securities rated investment quality or better by Standard & Poor's and/or Moody's Investors.

The following schedules summarize the investment return and its classification in the statement of activities for the year ended February 28, 2018 and 2017:

	2018		
	Unrestricted Net Assets	**Temporarily Restricted Net Assets**	**Total**
Interest and Dividends			
(Net of Investment Expenses of $69,094)	$ 98,785	$ 62,098	$ 160,883
Realized and Unrealized Gain on Investments	447,061	472,204	919,265
Total Return	545,846	534,302	1,080,148
Investment return designated for current operations *	216,252	362,495	578,747
Investment return net of amounts designated for current operations	$ 329,594	$ 171,807	$ 501,401

	2017		
	Unrestricted Net Assets	**Temporarily Restricted Net Assets**	**Total**
Interest and Dividends			
(Net of Investment Expenses of $87,620)	$ 66,908	$ 42,636	$ 109,544
Realized and Unrealized Gain on Investments	472,692	458,831	931,523
Total Return	539,600	501,467	1,041,067
Investment return designated for current operations *	218,066	381,682	599,748
Investment return net of amounts designated for current operations	$ 321,534	$ 119,785	$ 441,319

	2018		
	Unrestricted Net Assets	**Temporarily Restricted Net Assets**	**Total**
* Reconciliation to Statement of Activities			
Investment return designated for current Operations per above	$ 216,252	$ 362,495	$ 578,747
Investment return – permanent endowment Income unrestricted as to use	80,706	(80,706)	-
Per Statement of Activities – investment return	$ 296,958	$ 281,789	$ 578,747

	2017		
	Unrestricted Net Assets	**Temporarily Restricted Net Assets**	**Total**
* Reconciliation to Statement of Activities			
Investment return designated for current Operations per above	$ 218,066	$ 381,682	$ 599,748
Investment return – permanent endowment Income unrestricted as to use	84,975	(84,975)	-
Per Statement of Activities – investment return	$ 303,041	$ 296,707	$ 599,748

(4) NOTES RECEIVABLE

During 2013, InFaith sold a property to a church in exchange for a $232,425 promissory note. The note bears interest at 2% and matures July 1, 2026. It is payable in monthly installments of $1,496. The note is secured by a lien on the property sold. During 2018, a church dissolved, and its net assets were transferred to InFaith. The church's net assets consisted of a note receivable for a $142,500 related to the sale of the church's property. The note bears interest at 2% and matures August 1, 2022. It is payable in monthly installments of $1,520. The note is secured by a lien on the church property sold. Notes receivable at February 28, 2018 and 2017 are as follows:

	2018	**2017**
Notes receivable	$ 253,656	$ 151,986
Less: Current portion	32,928	15,046
Notes receivable net of current portion	$ 220,728	$ 136,940

(5) IRREVOCABLE TRUST

As trustee, InFaith administered an irrevocable charitable remainder unitrust. The unitrust assets were recorded at fair value as of the date of creation of the trust. This trust provided for the payment of lifetime distributions to the grantor or other designated beneficiaries. At the death of the lifetime beneficiaries, the trust, provided for the distribution of assets to designated charitable remaindermen. The portion of the trust attributable to the future interest of the organization was recorded on the statement of activities as temporarily restricted contributions in the period received. On an annual basis, InFaith recalculated the liability to make distributions to the designated beneficiaries (the life income obligation) based on actuarial assumptions. As of February 28, 2017, both lifetime beneficiaries had died and the remainder of the Trust was distributed to the organization.

(6) BENEFICIAL INTEREST IN PERPETUAL TRUSTS

InFaith is recipient of income from several trusts which are administered by financial institutions or other not-for-profit organizations. At February 28, 2018 and 2017, $1,147,929 and $1,115,245, respectively, represents the fair value of the trusts. These assets are reported in Permanently Restricted Net Assets.

(7) FAIR VALUE OF FINANCIAL INSTRUMENTS

InFaith utilized various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that InFaith has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing InFaith's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

INVESTMENTS MEASURED USING THE NET ASSET VALUE PRACTICAL EXPEDIENT

For those investments for which fair value is measured using the net asset value practical expedient, InFaith uses the reported capital account or net asset value (NAV) per share to determine the fair value of investments that (a) do not have a readily determinable fair value due to a lack of market activity or transparency into the underlying investments of the fund and (b) either have the attributes of an investment company or prepare their audited financial statements consistent with the measurement principals of an investment company.

The summary of inputs used to value InFaith's assets that are carried at fair value as of February 28, 2018 and 2017 is as follows:

	2018			
Investments	**Level 1**	**Level 2**	**Level 3**	**Total**
Money Market Funds	$ 203,751	$ -	$ -	$ 203,751
Common Stocks	1,534,673	-	-	1,534,673
Bonds				
Corporate	-	2,429,967	-	2,429,967
U.S. Treasury Notes	9,761	-	-	9,761
Registered Investment Companies				
Equity Funds	3,491,754	-	-	3,491,754
GNMA Fund	242,200	-	-	242,200
	$ 5,482,139	$ 2,429,967	$ -	7,912,106
Other investments reported at Net Asset Value				2,483,403
Total Investments				$10,395,509
Beneficial Interest in Perpetual Trust	$ -	$ -	$ 1,147,929	$ 1,147,929

Investments	**2017** Level 1	Level 2	Level 3	Total
Money Market Funds	$ 683,619	$ -	$ -	$ 683,619
Common Stocks	1,682,448	-	-	1,682,448
Bonds				
Corporate	-	2,472,233	-	2,472,233
U.S. Treasury Notes	54,987	-	-	54,987
Registered Investment Companies				
Equity Funds	3,108,243	-	-	3,108,243
GNMA Fund	249,539	-	-	249,539
	$ 5,778,836	$ 2,472,233	$ -	8,251,069
Other investments reported at Net Asset Value				2,358,065
Total Investments				$ 10,609,134
Beneficial Interest in Perpetual Trust	$ -	$ -	$ 1,115,245	$ 1,115,245

There were no transfers between Level 1 and Level 2 during the years ended February 28, 2018 and 2017.

The changes in assets measured at fair value for which the Foundation used Level 3 inputs to determine fair value are as follows:

	2018	**2017**
Beginning balance	$ 1,115,245	$ 1,040,263
Change in value of beneficial interest in perpetual trusts	32,684	74,982
Ending balance	$ 1,147,929	$ 1,115,245

Beneficial Interest in Remainder Trusts and in Perpetual Trusts are measured at the estimated future cash flows which involve unobservable inputs. As a result, these present value techniques would be Level 3 inputs.

(8) PROPERTY AND EQUIPMENT

A summary of property and equipment at February 28, 2018 and 2017 is as follows:

	2018 Cost	Depreciation	Accumulated Depreciation	Book Value
Building	$ 1,098,276	$ 28,161	$ 70,402	$ 1,027,874
Equipment and Furniture	394,278	68,188	186,321	207,957
	$ 1,492,554	$ 96,349	$ 256,723	$ 1,235,831

	2017 Cost	Depreciation	Accumulated Depreciation	Book Value
Building	$ 1,098,276	$ 28,161	$ 42,241	$ 1,056,035
Equipment and Furniture	349,329	48,466	118,133	231,196
	$ 1,447,605	$ 76,627	$ 160,374	$ 1,287,231

(9) NET ASSETS

Temporarily restricted net assets at February 28, 2018 and 2017 were held for the following time or purpose restrictions:

	2018	2017
Purpose		
Books	$ 23,393	$ 25,724
Bibles Distribution	878,931	840,971
Camps and Campers	1,409	1,138
Education	7,909	5,848
Missionary Work Funds	171,406	189,745
Missionary Support and Services	227,918	237,374
Regional Geographic Uses	2,699,438	2,706,029
Retired Missionaries	70,752	154,323
Urban Ministry	596,059	691,579
Vacation Bible Schools, Clubs	125,428	127,595
General Operating – Time Restricted	8,193	7,289
	$ 4,810,836	$ 4,987,615

Temporarily restricted net assets were released to unrestricted net assets during 2018 and 2017 as purpose and time restrictions were met, as follows:

	2018	2017
Purpose		
Bibles Distribution	$ 69,090	$ 5,774
Camps and Campers	4,579	10,684
Missionary Work Funds	137,197	149,513
Missionary Support and Services	31,120	84,126
Regional Geographic Uses	404,543	129,505
Retired Missionaries	96,806	101,286
	$ 743,335	$ 480,888

Permanently restricted net assets consist of the following at February 28, 2018 and 2017:

	2018	2017
Historical Basis of Endowments	$ 806,684	$ 806,684
Beneficiary Interest in Perpetual Trusts	1,147,929	1,115,245
	$ 1,954,613	$ 1,921,929

ENDOWMENT AND OTHER INVESTMENT FUNDS

Endowment and other investment funds include donor restricted funds, annuity and general operating investments. The classification by net asset type at February 28, 2018 and 2017 is as follows:

	2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted / endowment funds	$ -	$ 4,459,066	$ 806,684	$ 5,265,750
General operating/annuity funds	4,609,687	-	-	4,609,687
	$ 4,609,687	$ 4,459,066	$ 806,684	$ 9,875,437

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted / endowment funds	$ -	$ 4,598,024	$ 806,684	$ 5,404,708
General operating/annuity funds	4,688,535	-	-	4,688,535
	$ 4,688,535	$ 4,598,024	$ 806,684	$ 10,093,243

The Foundation classifies the original value of gifts received with donor stipulations that require them to be held in perpetuity as permanently restricted net assets. Income earned on such gifts is classified as temporarily restricted until it is expended in accordance with state law and/or the donor restriction.

Changes in endowment net assets for the years ended February 28, 2018 and 2017:

	2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 4,688,535	$ 4,598,024	$ 806,684	$ 10,093,243
Investment income, net	98,785	62,098	-	160,883
Realized and unrealized gains	447,061	472,204	-	919,265
Endowment income designated for current operations	(216,252)	(362,495)	-	(578,747)
(Expenses) / retained income	(408,442)	(310,765)	-	(719,207)
Endowment net assets, end of year	$ 4,609,687	$ 4,459,066	$ 806,684	$ 9,875,437

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 4,267,064	$ 4,499,321	$ 806,684	$ 9,573,069
Investment income, net	65,557	42,636	-	108,193
Realized and unrealized gains	467,523	458,831	-	926,354
Endowment income designated for current operations	(218,066)	(381,682)	-	(599,748)
(Expenses) / retained income	106,457	(21,082)	-	85,375
Endowment net assets, end of year	$ 4,688,535	$ 4,598,024	$ 806,684	$ 10,093,243

(10) PENSION PLAN

InFaith sponsors a noncontributory, qualified defined benefit plan covering all full-time employees. Employees commenced participation in the plan on the first day of the month following the date of employment and are 100% vested upon completion of five years of service. The benefit formula provides a minimum monthly benefit of $12 multiplied by the participant's years of credited service (up to a maximum of thirty-five years). The annual measurement date for the plan is February 28. The actuary provides estimates of net periodic pension costs, accumulated benefit obligation, and accrued pension expense as of and for the years ended February 28, 2018 and 2017.

The pension plan was amended during 2011 to freeze benefits for all participants effective March 15, 2011.

The following amounts relate to InFaith's defined benefit pension plan:

	2018	2017
Projected pension benefit obligation	$ 15,160,768	$ 15,383,801
Fair value of plan assets	7,661,098	7,572,086
Projected benefit obligation in excess of plan assets	(7,499,670)	(7,811,715)
Item not recognized as a component of net periodic pension cost:		
Unrecognized loss	5,128,433	6,112,089
Accrued pension expense	(2,371,237)	(1,699,626)
Additional minimum liability net accrued pension expense	(5,128,433)	(6,112,089)
	$ (7,499,670)	$ (7,811,715)

The principal assumptions used in determining the actuarial present value of the projected benefit obligation were as follows:

	2018	2017
Weighted average discount rate	3.85%	3.83%
Expected return on plan assets	6.50%	6.50%
Rate of compensation increase	0.00%	0.00%

InFaith's expected rate of return on plan assets is determined by the plan assets' historical long-term investment performance, current asset allocation and estimates of future long-term returns by asset class.

The following is the defined benefit pension expense, contributions and benefits paid for the years ended February 28, 2018 and 2017:

	2018	2017
Pension expense	$ 871,611	$ 514,713
Contributions	$ 200,000	$ -
Benefits paid	$ 789,356	$ 753,906

For the years ended February 28, 2018 and 2017, the pension benefit expense comprised the net actuarial loss not recognized yet in net periodic benefit cost, but recognized as a decrease in unrestricted net assets of $5,128,433 and $6,112,089, respectively.

	2018	2017
Components of Net Periodic Benefit Cost		
Interest cost on projected benefit obligation	$ 569,443	$ 507,740
Expected return on plan assets	(460,117)	(448,650)
Amortization of net loss	762,285	455,623
Total net periodic benefit cost	$ 871,611	$ 514,713

During the year ended February 28, 2017, there were changes in assumptions made relating to mortality which increased the defined benefit pension plan liability by approximately $1,977,000.

Contributions – InFaith has a recommended contribution of approximately $242,764 for 2019 based upon the actuarial calculations.

Management's estimates of benefits to be paid in the next 10 years are as follows:

Year Ending February 28,	
2019	$ 989,489
2020	1,047,251
2021	1,084,128
2022	1,089,997
2023	1,087,962
2024 through 2028	5,110,153
	$ 10,408,980

PLAN ASSETS

InFaith's pension plan average asset allocations at February 28, 2018 and 2017, by category are as follows:

Asset Category	2018	2017
Debt Securities –		
U.S. Government and Government Agencies	1%	1%
Corporate	47%	44%
Mutual Funds – Exchange Traded	52%	51%
Money Market Investments	0%	4%
	100%	100%

InFaith's investment strategy is based on an expectation that equity securities will outperform debt securities over the long term. Accordingly, the composition of InFaith's plan assets is broadly characterized as an allocation between equity and debt securities of 60% / 40% for 2018 and 2017. The strategy utilizes primarily U.S. equity securities diversified across economic and industry sectors and actively managed debt securities rated investment quality or better by Standard & Poor's and/or Moody's Investors.

InFaith attempts to mitigate investment risk by rebalancing between equity and debt classes as InFaith's contributions and monthly benefit payments are made. Although changes in interest rates may affect the fair value of a portion of the investment portfolio and cause unrealized gains or losses, such gains or losses would not be realized unless the investments are sold.

The Plan's assets consist of the following at February 28, 2018 and 2017:

	2018	**2017**
Money Market Funds	$ 3,506	$ 14,515
Bonds		
Corporate	3,771,908	3,430,123
U.S. Treasury Notes	-	60,188
U.S. Government Agencies	5,619	7,033
Mutual Funds – Exchange Traded	3,880,065	4,060,227
Total Investments	$ 7,661,098	$ 7,572,086

The Plan's assets are held by a trustee, Wilmington Trust Company, and are not included within the assets presented in these financial statements.

The summary of inputs used to value the Plan's assets that are carried at fair value as of February 28, 2018 and 2017 is as follows:

	2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments				
Money market funds	$ 3,506	$ -	$ -	$ 3,506
Bonds				
Corporate	-	3,771,908	-	3,771,908
U.S. Government Agencies	-	5,619	-	5,619
Mutual Funds – Exchange Traded	3,880,065	-	-	3,880,065
Total Investments	$ 3,883,571	$ 3,777,527	$ -	$ 7,661,098

	2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments				
Money market funds	$ 14,515	$ -	$ -	$ 14,515
Bonds				
Corporate	-	3,430,123	-	3,430,123
U.S Treasury Notes	60,188	-	-	60,188
U.S. Government Agencies	-	7,033	-	7,033
Mutual Funds – Exchange Traded	4,060,227	-	-	4,060,227
Total Investments	$ 4,134,930	$ 3,437,156	$ -	$ 7,572,086

(11) 401(k) RETIREMENT PLAN

InFaith has a 401(k) Profit Sharing Plan for its employees.

Under terms of the Plan, employees may make elective contributions to the Plan as permitted by law. InFaith matches employee contributions up to 3% of an employee's compensation. InFaith, at its discretion from year to year, may also make additional contributions on behalf of employees.

For the years ended February 28, 2018 and 2017, InFaith made matching contributions of $119,201 and $120,274, respectively, and made no discretionary contributions in either years.

(12) POST RETIREMENT HEALTH CARE PLAN

InFaith sponsors an unfunded defined contribution health care benefit plan, available to retirees who had been full-time employees of InFaith. Only full-time employees who attained the age of 58 or older by 2014 and are employed on their normal retirement date (age 65) are eligible to participate in the plan. If the eligible employee has a spouse, the spouse is also eligible under the plan. Under the plan, InFaith expects to contribute up to $1,000 per year to a health reimbursement account to cover retiree healthcare claims or health insurance for those who enroll in the plan. This plan may be terminated by the Board of Trustees.

The following amounts relate to InFaith's postretirement medical obligation for the year ended February 28, 2018 and 2017:

	2018	2017
Accumulated benefit obligation	$ 1,294,887	$ 1,238,516
Accumulated benefit obligation in excess of plan assets	$ (1,294,887)	$ (1,238,516)

Benefits paid for the years ending February 28, 2018 and 2017 were $96,806 and $101,286, respectively.

Assumptions used in the computation of net health care expense are as follows at February 28, 2018 and 2017:

	2018	2017
Weighted average discount rate	3.85%	4.12%
Healthcare cost trend rate	N/A	N/A

(13) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, June 22, 2018 have been evaluated in the preparation of the financial statements and management has determined that there are no subsequent events that would require disclosure or adjustment in the financial statements.

SUPPLEMENTAL INFORMATION

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Trustees
InFaith
Exton, Pennsylvania

We have audited the consolidated financial statements of InFaith as of and for the years ended February 28, 2018 and 2017, and our report thereon dated June 22, 2018, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on consolidated financial statements as a whole. The supplementary information on pages 21 through 26 is presented for purposes of additional analysis and is not a required part of the basic 2018 and 2017 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 2018 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, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Tait, Weller & Baker LLP

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
June 22, 2018

INFAITH

SUPPLEMENTAL SCHEDULES OF FUNCTIONAL EXPENSES

Years Ended February 28, 2018 And 2017

	2018				2017			
	Missions	**General And Administration**	**Development And Public Relations**	**Total**	**Missions**	**General And Administration**	**Development And Public Relations**	**Total**
Salaries	$ 5,152,603	$ 418,927	$ 225,217	$ 5,796,747	$ 4,970,163	$ 447,651	$ 219,141	$ 5,636,955
Medical and life insurance	233,532	50,873	26,940	311,345	259,839	67,244	28,193	355,276
Pension and post-retirement medical expense	975,134	75,524	36,960	1,087,618	660,244	53,098	22,932	736,274
Payroll taxes and fringe benefits	139,437	25,706	11,076	176,219	131,433	27,881	10,481	169,795
Total personnel expenses	6,500,706	571,030	300,193	7,371,929	6,021,679	595,874	280,747	6,898,300
Bibles, books, and periodicals	4,601	-	-	4,601	5,774	-	-	5,774
Camps, conferences and projects	251,708	-	-	251,708	228,690	-	-	228,690
Depreciation	19,269	48,175	28,905	96,349	15,326	38,313	22,988	76,627
Development costs	-	-	9,072	9,072	-	-	9,286	9,286
Freight and postage	-	3,026	21,319	24,345	-	4,040	7,786	11,826
Insurance	-	91,245	-	91,245	-	88,848	-	88,848
Interest – trust agreement	-	2,267	-	2,267	-	2,628	-	2,628
Maintenance	3,713	87,027	5,569	96,309	5,095	99,361	7,643	112,099
Mission letters	2,515	-	16,999	19,514	1,168	-	3,505	4,673
Office equipment – rental	-	58	-	58	-	5,431	-	5,431
Professional	500	264,004	13,867	278,371	-	197,794	6,508	204,302
Promotion	-	-	41,583	41,583	-	-	69,848	69,848
Stationery and supplies	-	21,617	41,348	62,965	-	31,340	55,426	86,766
Travel and reimbursable expenses	788,490	88,240	20,181	896,911	657,520	95,462	19,267	772,249
Utilities and services	8,309	20,761	12,457	41,527	10,418	26,044	15,627	52,089
Total	$ 7,579,811	$ 1,197,450	$ 511,493	$ 9,288,754	$ 6,945,670	$ 1,185,135	$ 498,631	$ 8,629,436

INFAITH

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

February 28, 2018

	InFaith	InFaith Foundation	Eliminating Entries	Total
ASSETS				
Cash and cash equivalents	$ 561,013	$ -	$ -	$ 561,013
Interest and dividends receivable	-	25,796	-	25,796
Inter-entity receivable	4,249,645	-	(4,249,645)	-
Investments	325,502	10,070,007	-	10,395,509
Notes receivable	253,656	-	-	253,656
Other receivables and prepaid expenses	44,863	-	-	44,863
Beneficial interest in perpetual trusts	1,147,929	-	-	1,147,929
Property and equipment, net	1,235,831	-	-	1,235,831
Total Assets	$ 7,818,439	$ 10,095,803	$ (4,249,645)	$ 13,664,597
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	$ 33,972	$ -	$ -	$ 33,972
Accrued expenses and other liabilities	35,137	-	-	35,137
Accrued postretirement medical benefit	1,294,887	-	-	1,294,887
Accrued pension expense	7,499,670	-	-	7,499,670
Inter-entity payable	-	4,249,645	(4,249,645)	-
Annuities payable	-	193,050	-	193,050
Trust agreement deposits	49,000	-	-	49,000
Total Liabilities	8,912,666	4,442,695	(4,249,645)	9,105,716
NET ASSETS				
Unrestricted				
General operating funds	6,117,329	470,660	-	6,587,989
Accrued pension and postretirement medical benefit liabilities	(8,794,557)	-	-	(8,794,557)
Total Unrestricted	(2,677,228)	470,660	-	(2,206,568)
Temporarily restricted	383,417	4,427,419	-	4,810,836
Permanently restricted	1,199,584	755,029	-	1,954,613
Total Net Assets	(1,094,227)	5,653,108	-	4,558,881
Total Liabilities and Net Assets	$ 7,818,439	$ 10,095,803	$ (4,249,645)	$ 13,664,597

INFAITH

CONSOLIDATING STATEMENT OF ACTIVITIES - UNRESTRICTED NET ASSETS

Year Ended February 28, 2018

	InFaith	InFaith Foundation	Eliminating Entries	Total
Revenues, Gains (Losses), and Other Support				
Contributions	$ 7,201,601	$ -	$ -	$ 7,201,601
Contribution – note receivable	142,500	-	-	142,500
Outside trusts	65,350	-	-	65,350
Legacies and bequests	190,033	-	-	190,033
Other revenues	28,056	-	-	28,056
Actuarial loss on annuities	-	(6,100)	-	(6,100)
Investment return designated for current operations	-	296,958	-	296,958
Assets transferred to InFaith	692,332	(692,332)	-	-
Net assets released from restrictions	743,335	-	-	743,335
Total revenues, gains (losses), and other support	9,063,207	(401,474)	-	8,661,733
Expenses				
Program services – missions	7,579,811	-	-	7,579,811
Supporting services				
General and administration	1,197,450	-	-	1,197,450
Development and public relations	511,493	-	-	511,493
Total expenses	9,288,754	-	-	9,288,754
Other Changes				
Investment return net of amounts designated for current operations	(377)	329,971	-	329,594
Minimum additional pension liability	983,656	-	-	983,656
Change in post-retirement medical benefit liability	(56,370)	-	-	(56,370)
Total other changes	926,909	329,971	-	1,256,880
Change in net assets	701,362	(71,503)	-	629,859
Net Assets				
Beginning of year	(3,378,590)	542,163	-	(2,836,427)
End of year	$ (2,677,228)	$ 470,660	$ -	$ (2,206,568)

INFAITH

CONSOLIDATING STATEMENT OF ACTIVITIES - TEMPORARILY RESTRICTED NET ASSETS

Year Ended February 28, 2018

	InFaith	InFaith Foundation	Eliminating Entries	Total
Revenues, Gains (Losses), and Other Support				
Contributions for work funds	$ 112,960	$ -	$ -	$ 112,960
Investment return designated for current operations	-	281,789	-	281,789
Assets transferred to InFaith	592,554	(592,554)	-	-
Net assets released from restrictions	(743,335)	-	-	(743,335)
Total revenues, gains (losses), and other support	(37,821)	(310,765)	-	(348,586)
Other Changes				
Investment return net of amounts designated for current operations	5,898	165,909	-	171,807
Change in net assets	(31,923)	(144,856)	-	(176,779)
Net Assets				
Beginning of year	415,340	4,572,275	-	4,987,615
End of year	$ 383,417	$ 4,427,419	$ -	$ 4,810,836

INFAITH

CONSOLIDATING STATEMENT OF ACTIVITIES - PERMANENTLY RESTRICTED NET ASSETS

Year Ended February 28, 2018

	InFaith	InFaith Foundation	Eliminating Entries	Total
Other Changes				
Change in beneficial interest in perpetual trusts	$ 32,684	$ -	$ -	$ 32,684
Total other changes	32,684	-	-	32,684
Change in net assets	32,684	-	-	32,684
Net Assets				
Beginning of year	1,166,900	755,029	-	1,921,929
End of year	$ 1,199,584	$ 755,029	$ -	$ 1,954,613

INFAITH

CONSOLIDATING STATEMENT OF CASH FLOWS

Year Ended February 28, 2018

	InFaith	InFaith Foundation	Eliminating Entries	Total
Cash Flows from Operating Activities				
Change in net assets	$ 702,123	$ (216,359)	$ -	$ 485,764
Adjustments to reconcile change in net assets to cash (used in) provided by operating activities				
Depreciation	96,349	-	-	96,349
Contribution – note receivable	(142,500)	-	-	(142,500)
Realized and unrealized (gains) losses on investments	3,467	(922,732)	-	(919,265)
Net change in beneficial interest in perpetual trusts	(32,684)	-	-	(32,684)
Transfers – Foundation to InFaith	(1,284,886)	1,284,886	-	-
Change in assets and liabilities:				
(Increase) decrease in:				
Interest and dividends receivable	-	(1,925)	-	(1,925)
Other receivables and prepaid expenses	44,719	-	-	44,719
Increase (decrease) in:				
Accounts payable	(13,585)	-	-	(13,585)
Accrued expenses and other liabilities	(249,478)	-	-	(249,478)
Annuities payable and irrevocable trust	-	(20,002)	-	(20,002)
Trust agreement deposits	(14,000)	-	-	(14,000)
Inter-entity payable (receivable)	(26,102)	26,102	-	-
Net cash (used in) provided by operating activities	(916,577)	149,970	-	(766,607)
Cash Flows from Investing Activities				
Transfers – Foundation to InFaith	1,284,886	(1,284,886)	-	-
Purchase of investments	(2,026)	(1,589,098)	-	(1,591,124)
Proceeds from sale of investments	-	2,724,014	-	2,724,014
Purchase of property and equipment	(44,949)	-	-	(44,949)
Payments on notes receivable	40,830	-	-	40,830
Net cash provided by (used in) investment activities	1,278,741	(149,970)	-	1,128,771
Net increase in cash	362,164	-	-	362,164
Cash				
Beginning of year	198,849	-	-	198,849
End of year	$ 561,013	$ -	$ -	$ 561,013