PRESBYTERY OF GENEVA

FINANCIAL STATEMENTS

December 31, 2014

INPACT MEMBER

CPA Heveron & Company Certified Public Accountants

Care, Competence & Common Sense℠

Certified Women Owned Business

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Presbytery of Geneva
Rochester, New York

We have audited the accompanying financial statements of the Presbytery of Geneva (a religious corporation), which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of cash flows for the years then ended, and the statements of activities and functional expenses for the year ended December 31, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Presbytery of Geneva as of December 31, 2014 and 2013 and its cash flows for the years then ended, and the changes in net assets and functional expenses for the year ended December 31, 2014 in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Presbytery of Geneva's statements of activities and functional expenses for the year ended December 31, 2013, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 19, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Heveron & Company

Heveron & Company
Certified Public Accountants

Rochester, New York
July 28, 2015

PRESBYTERY OF GENEVA
BALANCE SHEETS
December 31, 2014 and 2013

ASSETS

	2014	2013
Current Assets		
Cash and Cash Equivalents	$ 61,863	$ 53,016
Pledges Receivable	-	65,170
Inventory	1,670	1,670
Prepaid Expenses	4,853	6,450
Total Current Assets	68,386	126,306
Property and Equipment		
Buildings and Improvements	1,035,162	1,035,162
Land	889,000	889,000
Vehicles and Boats	63,685	63,685
Furniture and Equipment	7,000	7,000
Computer Software	6,300	6,300
Less: Accumulated Depreciation and Amortization	(191,136)	(149,027)
Net Property and Equipment	1,810,011	1,852,120
Other Assets		
Investments	85,245	95,973
Beneficial Interest in Life Income Charitable Gifts	10,290	9,428
Total Other Assets	95,535	105,401
TOTAL ASSETS	$1,973,932	$2,083,827

LIABILITIES AND NET ASSETS

	2014	2013
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 41,987	$ 120,702
Current Portion of Long Term Debt	7,171	6,110
Total Current Liabilities	49,158	126,812
Long-Term Debt	124,270	131,250
Total Liabilities	173,428	258,062
Net Assets		
Unrestricted:		
Operations	1,483,185	1,502,690
Board Designated	49,944	78,280
Total Unrestricted	1,533,129	1,580,970
Temporarily Restricted	187,617	165,037
Permanently Restricted	79,758	79,758
Total Net Assets	1,800,504	1,825,765
TOTAL LIABILITIES AND NET ASSETS	$1,973,932	$2,083,827

PRESBYTERY OF GENEVA

STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2014

(With Comparative Totals For The Year Ended December 31, 2013)

		Temporarily	Permanently	Totals	
	Unrestricted	Restricted	Restricted	2014	2013
Support and Revenue					
Presbytery General Mission	$ 252,339	$ 124,982	$ -	$ 377,321	$ 366,039
Presbytery Per Capita	268,598	-	-	268,598	287,070
Camp Whitman	155,033	-	-	155,033	143,899
Realized/Unrealized Gain					
on Investments	-	4,380	-	4,380	7,266
Camp Store Sales	2,630	-	-	2,630	3,104
Less: Cost of Goods Sold	(2,350)	-	-	(2,350)	(6,895)
Other Income	4,342	691	-	5,033	839
Releases from Restrictions	108,335	(108,335)	-	-	-
Total Support and Revenue	788,927	21,718	-	810,645	801,322
Expenses					
Program Expenses:					
Camp Whitman	327,089	-	-	327,089	357,737
Presbytery Missions	281,451	-	-	281,451	458,938
Supporting Services:					
Presbytery Operations	228,228	-	-	228,228	151,834
Total Expenses	836,768	-	-	836,768	968,509
Excess/(Deficit) of Support and					
Revenue Over Expenses	(47,841)	21,718	-	(26,123)	(167,187)
Net Assets - Beginning of Year	1,579,919	245,846	-	1,825,765	1,990,831
Reclassification of Net Assets	1,051	(80,809)	79,758	-	-
Net Assets - Beginning of Year					
- As Restated	1,580,970	165,037	79,758	1,825,765	1,990,831
Change in Interest in Life Income					
Charitable Gifts	-	862	-	862	2,121
Net Assets - End of Year	$1,533,129	$ 187,617	$ 79,758	$1,800,504	$1,825,765

See Independent Auditors' Report and Notes to Financial Statements.

PRESBYTERY OF GENEVA
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2014
(With Comparative Totals For The Year Ended December 31, 2013)

	Camp Whitman	Presbytery Missions	Presbytery Operations	Totals 2014	Totals 2013
Salaries and Wages	$ 158,336	$ 42,790	$ 75,388	$ 276,514	$ 331,491
Employee Benefits	41,512	17,604	57,750	116,866	129,695
Payroll Taxes	10,726	2,899	5,106	18,731	21,033
Total Payroll and Related Costs	210,574	63,293	138,244	412,111	482,219
Missions - Other	2,322	79,391	-	81,713	105,195
Per Capita	-	69,495	-	69,495	71,254
Missions - Session Endorsed Projects	-	49,850	-	49,850	50,747
Depreciation and Amortization	34,569	-	7,540	42,109	42,275
Professional Fees	-	-	29,889	29,889	19,771
Supplies and Office Expense	10,968	-	17,067	28,035	36,477
Food Expense	24,504	-	-	24,504	22,262
Insurance	14,374	-	5,690	20,064	19,648
Missions - Presbytery Committees	-	16,506	-	16,506	14,550
Travel and Conferences	1,489	-	11,331	12,820	38,728
Utilities	6,668	-	4,074	10,742	10,427
Repairs and Maintenance	6,703	-	2,718	9,421	11,567
Interest Expense	-	-	8,870	8,870	9,246
Other Expenses	4,699	-	1,564	6,263	10,567
Vehicle Maintenance	5,966	-	-	5,966	5,379
Synod Mission Expense	-	2,916	-	2,916	2,650
Small Equipment	2,394	-	-	2,394	5,053
Employee Development	1,123	-	1,241	2,364	6,960
Marketing	736	-	-	736	2,500
Bad Debt Expense	-	-	-	-	1,034
Total Expenses	$ 327,089	$ 281,451	$ 228,228	$ 836,768	$ 968,509

PRESBYTERY OF GENEVA

STATEMENTS OF CASH FLOWS

For The Year Ended December 31, 2014 and 2013

	2014	2013
Cash Flow From Operating Activities		
Deficit of Support and Revenue Over Expenses	$ (26,123)	$ (167,187)
Noncash Expenses, Revenues, Losses and Gains:		
Depreciation and Amortization	42,109	42,275
Net Realized/Unrealized Gain on Investment	(4,380)	(7,266)
Bad Debt Expense	-	1,034
Decrease/(Increase) In:		
Pledges Receivable	65,170	(12,069)
Inventory	-	3,394
Prepaid Expenses	1,597	(739)
Increase/(Decrease) In:		
Accounts Payable	(78,715)	115,072
Deferred Revenue	-	(100)
Net Cash Flow Used By Operating Activities	(342)	(25,586)
Cash Flow From Investing Activities		
Purchase of Property and Equipment	-	(6,300)
Proceeds from Sale of Investments	108,159	-
Purchase of Investments	(93,050)	-
Cash Flow Provided/(Used) By Investing Activities	15,109	(6,300)
Cash Flow From Financing Activities		
Payments on Long Term Debt	(5,920)	(6,687)
Cash Flow Used By Financing Activities	(5,920)	(6,687)
Net Increase/(Decrease) in Cash and Cash Equivalents	8,847	(38,573)
Cash and Cash Equivalents - Beginning of Year	53,016	91,589
Cash and Cash Equivalents - End of Year	$ 61,863	$ 53,016
Supplemental Disclosures		
Cash Paid During The Year For:		
Interest	$ 8,870	$ 9,246

See Independent Auditors' Report and Notes to Financial Statements.

PRESBYTERY OF GENEVA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Presbytery of Geneva (the Presbytery) was founded in 1805. The mission of the Presbytery is formally stated: The purpose of the Geneva Presbytery is to empower and help its local congregations to organize for mission in obedience to the Lordship of Christ, thus fulfilling their unique ministry of sharing the Gospel, by placing the entire resources of the congregation effectively in the service of Christ.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

In accordance with accounting principles generally accepted in the United States of America, the Presbytery reports information regarding its financial position and activities according to the existence and nature of donor restrictions in three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

The Presbytery also records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions.

The following are descriptions of the Presbytery's net asset classifications:

Unrestricted:

Operations: Undesignated resources that are available for the general support of the Presbytery's operations.

Board Designated: Resources that the Board has earmarked for purposes other than general operations. Board designated net assets consisted of the Lauter gift, and amounted to $49,944 and $78,280 for the years ended December 31, 2014 and 2013, respectively.

PRESBYTERY OF GENEVA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Temporarily Restricted Net Assets: Temporarily restricted net assets result from contributions where use by the Presbytery is subject to donor's restrictions that expire with the passage of time or by actions of the Presbytery. Temporarily restricted net assets consisted of the following at December 31:

	2014	2013
Camp Whitman	$ 85,057	$ 71,559
New Church Development - Corning	19,443	-
Transformation	15,808	-
Two-Cents-A-Meal	15,253	16,277
Study Leave	11,910	11,910
Other Programs	11,730	11,343
Beneficial Interest in Life Income Charitable Gifts	10,290	9,428
Lay Pastors Seminars	8,925	8,925
Hay Grant	5,488	5,482
Partnership with Presbytery of Caribe	3,713	20,713
Presbytery Supported Missions	-	9,400
Total Temporarily Restricted Net Assets	$ 187,617	$ 165,037

When donor restrictions from prior years expire, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets: Permanently restricted net assets include resources from contributions where donors have imposed restrictions which do not expire with the passage of time and are not removed by actions of the Presbytery. Permanently restricted net assets consisted of the following at December 31:

	2014	2013
Camp Whitman Endowment	52,958	52,958
Presbytery General Endowment	26,800	26,800
Total Permanently Restricted Net Assets	$ 79,758	$ 79,758

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>Contributions</u>
Contributions are recorded at the time of receipt or when evidence of a non-conditional promise to give has been received. Promises subject to conditions are not recorded as income until those conditions have been met. Contributions that are expected to be received in future years are recorded at their present value. Contributions are recorded as unrestricted unless they are subject to donor restrictions, or are required to be used or expected to be received in future years.

<u>Marketing</u>
Marketing costs are expensed as incurred.

<u>Inventories</u>
Inventories consist of items used at the camp store such as clothing and merchandise for sale, and are recorded at the lower of cost (determined on a first-in, first-out basis) or market.

<u>Income Taxes</u>
The Presbytery is qualified under Section 501(c)(3) of the Internal Revenue Code as a not-for-profit religious organization exempt from federal and state income taxes. Accordingly, no provision for income taxes is included in these statements.

Accounting standards require entities to disclose in their financial statements the nature of any uncertainties in their tax position. Religious organizations are exempt from filing income tax returns unless they have unrelated business income. All tax years since the Presbytery's inception are subject to examination by tax authorities, as the Presbytery is not required and has not filed any tax returns. Areas that IRS and state tax authorities consider when examining tax returns of a charity include, but may not be limited to, tax-exempt status and the existence and amount of unrelated business income. The Presbytery does not believe that it has any uncertain tax positions with respect to these or other matters, and has not recorded any unrecognized tax benefits or liability for penalties or interest.

The Presbytery is not aware of any circumstances or events that make it reasonably possible that tax benefits may increase or decrease within 12 months of the date of these financial statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges Receivable

Pledges receivable are stated at the amount management expects to collect. Amounts that management believes to be uncollectible, after collection efforts have been completed, are written off. In addition, management evaluates the need for, and if appropriate, provides an allowance to reduce receivables to amounts management expects will be collected. Management determined that no allowances were necessary at year-end.

Property and Equipment

Property and equipment are stated at cost. The Presbytery capitalizes property and equipment with a cost of over $1,000 and an estimated life of at least three years. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, as follows.

	Years
Buildings and Improvements	15-39
Furniture and Equipment	5
Vehicles and Boats	10

Depreciation expense amounted to $40,849 and $41,225 for the years ended December 31, 2014 and 2013, respectively.

Software

Software costs are being amortized on the straight line method over five years. Amortization expense amounted to $1,260 and $1,050 for the years ended December 31, 2014 and 2013, respectively.

Cash and Cash Equivalents

Cash and cash equivalents include all cash on hand and in banks. The Presbytery considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Cash and cash equivalents consisted of the following at December 31:

	2014	2013
Checking	$ 61,863	$ 34,863
Money Market	-	18,153
Total	$ 61,863	$ 53,016

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Determining Fair Value of Financial Assets and Liabilities
As defined in the accounting standards, 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. This applies to all assets and liabilities that are being measured and reported on the fair value basis. Accounting standards require new disclosures that establish a framework for measuring fair value and expands disclosure about fair value measurements. This statement enables the reader of the financial statements to assess the inputs used to develop those measurements, by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Accounting standards require that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices and active markets for identical assets or liabilities.
Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

Functional Expenses
The costs of providing the various program services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among Camp Whitman, Presbytery missions, and Presbytery operations.

Comparative Financial Information
The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2013, from which the summarized information was derived.

NOTE 2 - ENDOWMENTS

The Organization's endowment consists of approximately 2 individual funds established for a variety of purposes. Its endowments include only donor restricted funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions or board designations.

Interpretation of Relevant Law

The Organization has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets, the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, (7) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization and (8) the Organization's investment policies.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of December 31, 2014 and 2013.

NOTE 2 - ENDOWMENTS (Continued)

Investment Return Objectives, Risk Parameters and Strategies
The Organization has drafted investment policies for endowment assets that attempt to provide a predictable stream of funding for programs supported by these investments, while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix that is intended to result in a consistent inflation-protected rate of return. Therefore, the Organization expects its endowment assets, over time, to produce an average rate of return of at least 3 to 7% above the rate of inflation annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy
Some of the earnings on permanently restricted funds are restricted for the camp and are used to support the camp operations as necessary. Some are not restricted and are used to support the Organization's programs as necessary. Earnings include interest, dividends, realized and unrealized gains. The historic dollar value of permanently restricted funds is maintained intact.

Endowment net asset composition by type of fund as of December 31, 2014:

	Temporarily Restricted	Permanently Restricted	Total
Donor Restricted Endowment Fund	$ -	$ 79,758	$ 79,758

PRESBYTERY OF GENEVA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014
(Continued)

NOTE 2 - ENDOWMENTS (Continued)

Endowment net asset composition and changes:

	Temporarily Restricted	Permanently Restricted Endowment	Total
Endowment Net Assets - Beginning of Year	$ -	$ 79,758	$ 79,758
Investment Income	691	-	691
Net Appreciation	4,380	-	4,380
Amounts Appropriated for Expenditure	(5,071)	-	(5,071)
Endowment Net Assets - End of Year	$ -	$ 79,758	$ 79,758

NOTE 3 - RELATED PARTY TRANSACTIONS

The Presbytery has oversight of sixty-one area churches from which it receives per capita income. The Presbytery received total per capita income of $268,598 and $287,070 for the years ended December 31, 2014 and 2013, respectively.

NOTE 4 - COMMITMENTS

The Presbytery is the guarantor on a loan from the Presbyterian Church (USA) to the First Presbyterian Church of Ontario. The maximum liability under this guaranty is $20,000 exclusive of interest, penalties, costs and fees. This agreement terminates on July 25, 2018.

PRESBYTERY OF GENEVA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014
(Continued)

NOTE 5 - INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair market value. Unrealized gains or losses on securities result from differences between the cost and fair market value of securities on a specified valuation date.

Investment securities are exposed to various risks, such as interest rate, market, economic conditions, world affairs and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the accompanying financial statements.

Investments are held in investment funds managed by professional investment advisors. A summary of investments at market value at December 31 are as follows:

2014

	Level 1	Level 2	Level 3	Totals
Mutual Funds	$ 85,245	$ -	$ -	$ 85,245

2013

	Level 1	Level 2	Level 3	Totals
Money Market Funds	$ 75,998	$ -	$ -	$ 75,998
Equity	15,187	-	-	15,187
Mutual Funds	-	2,651	-	2,651
Bond Investments	2,137	-	-	2,137
Totals	$ 93,322	$ 2,651	$ -	$ 95,973

PRESBYTERY OF GENEVA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014
(Continued)

NOTE 6 - RETIREMENT PLAN

The Presbytery contributes 11% of each eligible employee's compensation to a 403(b) Retirement Plan of the employee's choice. All regular lay employees and ordained employees are eligible. The Board of Pensions - Presbyterian Church USA administers the plan. For the years ended December 31, 2014 and 2013, contributions to the plan by the Presbytery were $21,637 and $24,355, respectively.

NOTE 7 - DONATED SERVICES AND GOODS

The Presbytery receives donated services that, although substantial, do not meet the criteria for recording as revenue and expense under accounting principles generally accepted in the United States of America. For the years ended December 31, 2014 and 2013, volunteers provided approximately 5,700 and 3,000 hours of service, respectively, serving on various committees.

NOTE 8 - LONG TERM DEBT

Long-term debt consists of the following at December 31:

	2014	2013
Note payable to Community Bank, National Associate, originally in the amount of $164,000. This note bears interest at a rate of 4.75%. The note is secured by the property located at 2266 Route 54A in Penn Yan, New York. Principal and interest are payable in monthly installments of $1,105. There is a balloon payment due at maturity in May of 2018.	$ 131,441	$ 137,360
Less: Current Maturities	7,171	6,110
Long-Term Portion	$ 124,270	$ 131,250

Maturities of long-term debt for the years after December 31, 2015 are as follows:

Year	Amount
2016	$ 7,520
2017	7,885
2018	108,865
Total	$ 124,270

NOTE 9 - TRUST HELD BY THIRD PARTIES

Beneficial Interest in Life Income Charitable Gifts

The Presbytery is a beneficiary under a trust held by a third party. Under the terms of the related trust agreement, annual distributions will be made to the donor based on a fixed percentage. After the donor's death, the trust assets will be transferred to the Presbytery. The Presbytery's beneficial interest in the trust is measured at the present value of the expected future cash flows from the trust's assets, using a discount rate of 4%.

NOTE 10 - RECLASSIFICATION OF NET ASSETS

A reclassification of net assets affecting the year ended December 31, 2014 was made. The adjustment was necessary to properly record Unrestricted, Temporarily Restricted and Permanently Restricted net assets. The net adjustment was an increase of $1,051 in Unrestricted Net Assets, a decrease of $80,809 in Temporarily Restricted Net Assets, and an increase of $79,758 in Permanently Restricted Net Assets.

NOTE 11 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 28, 2015, which is the date the statements were available for issuance.