AMERICAN BAPTIST HOME MISSION SOCIETIES

COMBINED FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

DECEMBER 31, 2016 AND 2015

AMERICAN BAPTIST HOME MISSION SOCIETIES

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of American Baptist Home Mission Societies
Valley Forge, Pennsylvania

We have audited the accompanying combined financial statements of the American Baptist Home Mission Societies (the "Societies"), which comprise the combined statements of financial position as of December 31, 2016 and 2015, and the related combined statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

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

Auditors' Responsibility
Our responsibility is to express an opinion on these combined 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 audits 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 for 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 combined financial statements referred to above present fairly, in all material respects, the financial position of the Societies as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental information on pages 23 through 25 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
June 12, 2017

AMERICAN BAPTIST HOME MISSION SOCIETIES

COMBINED STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 4,239,129	$ 4,890,445
Assets held for others, current	1,649,883	1,372,045
Receivables, net (Publishing)	136,345	122,855
Receivables due from Baptist related organizations, net – current	223,711	463,898
Pledges receivables, current	14,515	20,645
Mortgage loans receivable, net – current	77,784	75,283
Interest receivable	6,135	57,470
Inventory (Publishing)	658,482	817,439
Prepaid expenses and other assets	218,291	180,607
Total Current Assets	7,224,275	8,000,687
NONCURRENT ASSETS		
Receivables due from Baptist related organizations, net – noncurrent	809,046	741,789
Pledges receivables, net – noncurrent	2,545	11,124
Mortgage loans receivable, net – noncurrent	1,351,279	1,396,954
Investments	170,045,007	162,716,838
Investment in limited partnership	-	6,714,845
Investment in limited liability company	54,313	-
Assets restricted for annuity obligations	897,955	845,611
Assets held for others, noncurrent	47,182,107	44,407,190
Property and equipment, net	7,171,407	521,370
Total Assets	$ 234,737,934	$ 225,356,408
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 261,592	$ 252,042
Equity note payable, current	91,966	85,766
Accrued expenses	713,248	752,932
Allowance for sales returns (Publishing)	222,980	254,741
Funds held for others, current	1,649,883	1,372,045
Total Current Liabilities	2,939,669	2,717,526
NONCURRENT LIABILTIES		
Actuarial liability for annuity obligations	44,468	53,091
Equity note payable, noncurrent	2,876,531	2,968,497
Funds held for others, noncurrent	47,182,107	44,407,190
	53,042,775	50,146,304
NET ASSETS		
Unrestricted	46,341,489	44,895,878
Temporarily restricted	97,176,951	92,138,282
Permanently restricted	38,176,719	38,175,944
Total Net Assets	181,695,159	175,210,104
Total Liabilities and Net Assets	$ 234,737,934	$ 225,356,408

AMERICAN BAPTIST HOME MISSION SOCIETIES

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2016 (with comparative 2015 totals)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
Revenues and Gains					
Contributions:					
United Mission	$ 392,102	$ -	$ -	$ 392,102	$ 428,086
America for Christ Offering	789,819	-	-	789,819	828,584
One Great Hour of Sharing	-	394,211	-	394,211	302,927
Other contributions	195,116	110,414	775	306,305	1,267,599
Other investment income	1,870,774	1,226,978	-	3,097,752	3,896,959
Mortgage interest income	99,717	-	-	99,717	97,234
Net realized gains on sale of investments, in excess of / (Used to meet) spending policy	7,009,358	(4,588,842)	-	2,420,516	11,114,460
Legacies, terminated trusts and trust fund income	577,903	-	-	577,903	1,267,621
Publishing sales, net of cost of goods sold of $630,604 and $584,329, respectively	652,568	-	-	652,568	738,117
Net assets released from restrictions:					
Satisfaction of program restrictions	1,158,204	(1,158,204)	-	-	-
Total revenues and gains	12,745,561	(4,015,443)	775	8,730,893	19,941,587
Expenses					
Management and general	3,628,033	-	-	3,628,033	3,618,957
Fundraising	303,590	-	-	303,590	303,349
Program Services	6,905,964	-	-	6,905,964	6,918,373
Publishing Ministry	1,245,971	-	-	1,245,971	1,311,112
Total expenses	12,083,558	-	-	12,083,558	12,151,791
Income (Loss) from operations	662,003	(4,015,443)	775	(3,352,665)	7,789,796
Other Changes					
Net unrealized gains (losses)	822,054	9,045,489	-	9,867,543	(17,226,770)
Change in beneficial interest in annuities	(38,446)	-	-	(38,446)	(130,014)
Actuarial change on annuity obligations	-	8,623	-	8,623	10,737
Total Other Changes	783,608	9,054,112	-	9,837,720	(17,346,047)
Change in Net Assets	1,445,611	5,038,669	775	6,485,055	(9,556,251)
Net Assets at beginning of year	44,895,878	92,138,282	38,175,944	175,210,104	184,766,355
Net Assets at end of year	$ 46,341,489	$ 97,176,951	$ 38,176,719	$ 181,695,159	$ 175,210,104

AMERICAN BAPTIST HOME MISSION SOCIETIES

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total
Revenues and Gains				
Contributions:				
United Mission	$ 428,086	$ -	$ -	$ 428,086
America for Christ Offering	828,584	-	-	828,584
One Great Hour of Sharing	-	302,927	-	302,927
Other contributions	193,770	1,073,829	-	1,267,599
Other investment income	2,059,150	1,837,809	-	3,896,959
Mortgage interest income	97,234	-	-	97,234
Net realized gains on sale of investments, in excess of spending policy	8,759,373	2,355,087	-	11,114,460
Legacies, terminated trusts and trust fund income	1,267,621	-	-	1,267,621
Publishing sales, net of cost of goods sold of $584,329	738,117	-	-	738,117
Net assets released from restrictions:				
Satisfaction of program restrictions	664,665	(664,665)	-	-
Total revenues and gains	15,036,600	4,904,987	-	19,941,587
Expenses				
Management and general	3,618,957	-	-	3,618,957
Fundraising	303,349	-	-	303,349
Program Services	6,918,373	-	-	6,918,373
Publishing Ministry	1,311,112	-	-	1,311,112
Total expenses	12,151,791	-	-	12,151,791
Income from operations	2,884,809	4,904,987	-	7,789,796
Other Changes				
Net unrealized losses	(5,424,389)	(11,802,381)	-	(17,226,770)
Change in beneficial interest in annuities	(130,014)	-	-	(130,014)
Actuarial change on annuity obligations	-	10,737	-	10,737
Total Other Changes	(5,554,403)	(11,791,644)	-	(17,346,047)
Change in Net Assets	(2,669,594)	(6,886,657)	-	(9,556,251)
Net Assets at beginning of year	47,565,472	99,024,939	38,175,944	184,766,355
Net Assets at end of year	$ 44,895,878	$ 92,138,282	$ 38,175,944	$ 175,210,104

AMERICAN BAPTIST HOME MISSION SOCIETIES

COMBINED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 6,485,055	$ (9,556,251)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	80,232	46,045
Change in value of annuity obligations	(8,623)	(10,737)
Net realized and unrealized (gains) losses on investments	(12,288,059)	6,112,310
Reserve for loan losses	26,989	(394,165)
(Increase) decrease in Receivables (Publishing)	(13,490)	11,865
(Increase) decrease in Receivables from Baptist related organizations	172,930	257,235
(Increase) decrease in Prepaid expenses and other assets	(37,684)	537,444
(Increase) decrease in Inventory (Publishing)	158,957	119,023
(Increase) decrease in Interest receivable	51,335	40,718
(Increase) decrease in Pledges receivable	14,709	27,395
Increase (decrease) in Accounts payable	9,550	(71,124)
Increase (decrease) in Accrued expenses	(39,684)	260,205
Increase (decrease) in Allowance for sales returns	(31,761)	(26,460)
Net cash used in operating activities	(5,419,544)	(2,646,497)
CASH FLOWS FROM INVESTING ACTIVITIES		
Mortgage loans issued	(272,316)	(53,972)
Collections on mortgage loans	288,501	900,205
Purchases of property and equipment	(86,508)	(65,158)
Purchases of investments	(49,461,016)	(67,263,816)
Proceeds from sale of investments	54,385,333	69,841,993
Net cash provided by investing activities	4,853,994	3,359,252
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments made on equity note	(85,766)	(80,018)
Net cash used in financing activities	(85,766)	(80,018)
Net (decrease) increase in cash and cash equivalents	(651,316)	632,737
Cash and Cash Equivalents - Beginning of year	4,890,445	4,257,708
Cash and Cash Equivalents - End of year	$ 4,239,129	$ 4,890,445
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 213,766	$ 217,492
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES		
Transfer of interest in property and equipment upon dissolution of 588 Associates LP	$ 6,643,761	$ -

(1) GENERAL

The American Baptist Home Mission Society ***("ABHMS")*** and Woman's American Baptist Home Mission Society ***("WABHMS")*** are operated collectively as the American Baptist Home Mission Societies (collectively, the ***"Societies"***). ABHMS was established for the purpose of promoting the preaching of the gospel; the establishing, maintaining, or aiding Baptist churches or missions; the acquisition of sites in contemplation of the erection of houses of worship and other buildings; and establishing, maintaining, assisting in the establishing or maintaining of schools and other institutions of learning in connection with its missionary work in North America. WABHMS was established to proclaim and witness to the Christian Faith in the United States and elsewhere in North America through the establishment, maintenance and assistance of churches, missions, and institutions of care or learning; to promote spiritual life and worship; and to minister to persons of special need in all ways its Board of Directors may deem appropriate. That work is carried on today through ministries of discipleship, community and justice. The accompanying combined financial statements include the activities of the Societies. All intercompany transactions have been eliminated.

Significant publishing activities are carried out by Judson Press, which serves as a trademark and imprint for the preparation for publication, printing and promoting the use of lesson texts, books, and other resource materials in support of the program of Christian education in the home, the local parish, and the community. The activities associated with Judson Press are reflected in the combined financial statements.

The Common Investment Fund ***("CIF")*** was established in 1962 to manage the assets of the Societies. In 1975, it was expanded to allow American Baptist churches and certain related agencies, boards, societies, conventions, institutions and administrative units of the American Baptist Churches in the U.S.A. (***"ABC-USA"***) to participate. As a pooled investment vehicle it offers investors the benefits of participating in a professionally managed fund at lower costs, due to economies of scale. The minimum initial deposit in the CIF by any eligible organization is $5,000. The investor balances included within the CIF are reflected in the Combined Statements of Financial Position as "Assets held for others" with a corresponding liability in "Funds held for others".

The Internal Revenue Service ***("IRS")*** has determined the Societies to be "associations of churches" and, therefore, exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The IRS has further determined that contributions made to the Societies are deductible by the donors to the extent allowed by law. Management has reviewed their tax positions and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying combined financial statements of the Societies have been prepared using the accrual basis of accounting. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred.

NET ASSETS

For accounting and reporting purposes, the Societies classifies its resources into three net asset categories according to externally (donor) imposed restrictions. A description of the three net asset categories follows:

Unrestricted Net Assets – Net assets that are available for the support of operations and whose use is not externally restricted.

Temporarily Restricted Net Assets – Net assets whose use by the Societies has been limited by donors to a specific time period or purpose.

Permanently Restricted Net Assets – Net assets that the donor stipulates must be maintained by the Societies in perpetuity.

CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, the Societies consider all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

CONCENTRATIONS OF CREDIT RISK

ABHMS has significant investments in stocks, bonds, and mutual funds and is therefore subject to concentrations of credit risk. Investments are made by investment managers engaged by ABHMS and the investments are monitored for ABHMS by an investment committee. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes its investment policies are prudent for the long-term welfare of ABHMS and its beneficiaries.

In addition, certain financial instruments potentially subject ABHMS to concentrations of credit risk. These financial instruments consist primarily of cash and cash equivalents and mortgage loans receivable. ABHMS places its cash and cash equivalents with high credit quality financial institutions. Concentrations of credit risk with respect to loans receivable are generally diversified due to the large number of borrowers comprising the ABHMS customer base and their dispersal across geographical regions.

ASSETS HELD FOR OTHERS

Assets held for others include amounts held by the Societies for the administration and management of assets in revocable charitable remainder trusts. They also include amounts held for The American Baptist Service Corporation ***("ABSCO")*** and The New Baptist Covenant ***("NBC")*** for which the Societies act as custodian. In addition, American Baptist churches and related American Baptist agencies can invest in the CIF. These funds are held in a fiduciary capacity and reflected as a liability (Funds of others) in the combined statements of financial position.

ACCOUNTS RECEIVABLE FROM BAPTIST RELATED ORGANIZATIONS

Accounts receivable due from Baptist related organizations consists of loans, funds held by related organizations, and amounts due to the Societies for mission fund support, net of allowance for doubtful accounts. Allowance for doubtful accounts is determined by review of the aged accounts receivable listing for balances that are specifically identifiable as a credit risk or uncollectible.

INVENTORY

Inventories, consisting principally of printed materials and merchandise held for sale, are stated at cost less an estimated reserve for obsolescence, but not in excess of net realized value. The first-in, first-out method is used for inventory tracking and valuation.

INVESTMENTS

Investments are stated at fair value. Donated securities are recorded at fair value on the date of receipt. Investments consist principally of certificates of deposit, U.S. Government and fixed income securities, corporate obligations, marketable equity securities, mutual funds, and alternative investments. Alternative investments may include asset managers, partnerships or other similar vehicles investing in domestic and international securities (either buying long or selling short), venture capital investments, private equity, high yield, distressed securities, mezzanine debt, loans, real estate and timber.

Investment income is recorded on the accrual basis of accounting and investment transactions are recorded on trade date. Investment income including realized and unrealized gains and losses on investments are recognized as increases or decreases in unrestricted net assets unless their use is temporarily restricted by explicit donor stipulations or law.

ABHMS' custodial bank computes gains and losses on sales using the FIFO method. ABHMS computes withdrawals from the CIF using the LIFO method. The CIF makes distributions to participating funds at a rate determined annually based on a 20 quarter average net asset value (NAV) approved by the Board of Directors. The annual payout rate for 2016 and 2015 was 5%.

INVESTMENT IN PARTNERSHIP AND COMPANY

In 2008, ABHMS entered into a limited partnership agreement with the American Baptist Foreign Missions Society ***("ABFMS")***, ABC-USA, and the Ministers and Missionaries Benefits Board ***("MMBB")*** to form 588 Associates, LP (the ***"Partnership"***), a Pennsylvania limited partnership, for the purpose of the acquisition of the Mission Center (the ***"Sale"***), and 588 Associates, LLC (the ***"Company"***), a Pennsylvania limited liability company, for the purpose of managing the activities and serving as the General Partner of the Partnership. ABHMS held a 34.65% interest in the Partnership and maintains a 35% interest in the Company, which held a 1% interest in the Partnership. ABHMS had reported its investment in the Partnership based on the equity method of accounting.

The Partnership agreed to dissolve effective September 30, 2016 in accordance with the Tenants in Common Agreement signed by ABHMS, ABC-USA, ABFMS and MMBB. Per the agreement, the land, building and equipment and the interest in all lease agreements were distributed to the partners based on their respective share in the partnership. The total fair value of the land, building and equipment transferred totaled $18,982,176 and ABHMS's value based on its 34.65% ownership in the Partnership and 35% ownership in the Company was $6,643,761.

The Company now provides the management of the property and the related leases distributed under the Tenants in Common Agreement. ABHMS reports its investment in the Company based on the equity method of accounting which amounted to $54,313 as of December 31, 2016.

PROPERTY, EQUIPMENT AND DEPRECIATION

Property and equipment are recorded at cost or, if donated, at fair value at the date of receipt. Depreciation is computed on a straight-line basis and is charged to expense over the estimated useful lives of the assets. Gains and losses on the disposition of assets are recognized in the Statement of Activities in the period of disposition. Repair and maintenance costs are expensed when incurred, while improvements that extend the life of the assets are capitalized.

The Societies reviews its assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable.

ANNUITY OBLIGATIONS

The actuarial liability for annuity payments is computed as required by New York State insurance law under the 1990 CM Standard IRS Annuity Tables, assuming a 6% reserve. The life expectancy of annuitants determines the actuarial obligations. If the life expectancy of the pool of annuitants differs from these assumptions, an actuarial loss or gain on annuity obligations can result.

CONTRIBUTIONS AND DONATIONS

Contributions which are unconditional are recognized when received. Contributions restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related disclosures. Actual results could differ from those estimates.

(3) ASSETS HELD FOR OTHERS

Assets whose use is limited at December 31, 2016 and 2015 are designated as follows:

	2016	2015
Custodial Funds:		
Assets held for The American Baptist Service Corporation	$ 1,323,043	$ 1,323,043
Assets held for The New Baptist Covenant	326,840	49,002
Assets held for others through the Common Investment Fund	46,924,755	44,059,074
	48,574,638	45,431,119
Assets held under trust agreements	257,352	348,116
	48,831,990	45,779,235
Less current portion	(1,649,883)	(1,372,045)
Noncurrent portion	$ 47,182,107	$ 44,407,190

(4) RECEIVABLES DUE FROM BAPTIST RELATED ORGANIZATIONS

ABHMS has loaned funds to other related organizations to be used for the redemption of debts and payment of operating expenses. In addition, as described in Note 6, ABHMS's mortgage loans are administered by the American Baptist Extension Corporation ***("ABEC")***. Amounts due from ABEC for loans collected in excess of the amounts due to ABEC for loan disbursements are recorded as receivables.

The collectability of these loans is dependent upon (1) the ability of these organizations to liquidate their assets for amounts at least equal to their liabilities and (2) the portion of these organizations' losses that are borne by other Baptist related organizations.

Gift annuities are administered by the American Baptist Foundation and are recorded as receivables.

As of December 31, 2016 and 2015, the receivables from these organizations include:

	2016	2015
American Baptist Extension Corporation	$ 270,886	$ 312,215
American Baptist Service Corporation	1,932,885	1,932,885
American Baptist Foundation	228,977	267,423
American Baptist Churches USA	214,973	128,979
American Baptist Historical Society	39,848	47,070
American Baptist Assembly	243,000	350,000
Other	35,073	100,000
	2,965,642	3,138,572
Less: Allowance for doubtful receivables	(1,932,885)	(1,932,885)
	1,032,757	1,205,687
Less: current portion	(223,711)	(463,898)
Noncurrent portion	$ 809,046	$ 741,789

(5) PLEDGES RECEIVABLE

Unconditional promises to give are included in the financial statements as pledges receivable. Pledges are recorded after discounting to the present value of the future cash flows.

Unconditional promises to give at December 31, 2016 and 2015 are expected to be realized as follows:

	2016	2015
In one year or less	$ 35,193	$ 40,990
In one to five years	10,622	28,823
Greater than five years	-	-
	45,815	69,813
Less discount to present value	(2,699)	(7,377)
Less reserve	(26,056)	(30,667)
Net contributions receivable	$ 17,060	$ 31,769

(6) MORTGAGE LOANS RECEIVABLE

The Societies mortgage loan portfolio was made up of 33 loans as of December 31, 2016 and 2015. The average rate on these loans as of December 31, 2016 and 2015 was 4.86% and 5.02%, respectively. Interest income on these mortgage loans is recorded on the accrual basis of accounting. These loans are geographically dispersed throughout the United States and are administered by ABEC ***(See Note 4)***.

Scheduled maturities of mortgage loans receivable are as follows:

Year Ending December 31,	
2017	$ 77,784
2018	81,484
2019	85,460
2020	89,631
2021	94,006
Thereafter	1,619,874
Subtotal	2,048,239
Less reserve	(619,176)
Total	$ 1,429,063

(7) INVESTMENTS

The Societies carries its investments at fair value. The Societies utilize various methods to measure the fair value of most 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 at the measurement date for identical assets and/or liabilities. An active market is one in which transactions for assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. This category includes contracts traded on active exchange markets valued using unadjusted prices quoted directly from the exchange.

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 – Assets or liabilities whose fair value is estimated based on internally developed models or methodologies using inputs that are generally less readily observable and supported by little, if any, market activity at the measurement date. Unobservable inputs are developed based on the best available information and subject to cost benefit constraints.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, amortized cost approximates the current fair value of a security, but since the value is not obtained from a quoted price in an active market, such securities are reflected as Level 2.

EQUITIES

For its investments with asset managers that hold public common and preferred stocks, the Societies have position-level transparency into individual holdings. These investments are priced by the Societies' custodians using observable market data and are classified as Level 1.

FIXED INCOME

The Societies also have investments with two fixed income managers.

Garcia Hamilton is a separate account fixed income manager. Investments consist mainly of corporate bonds, U.S. Treasury obligations, mortgage and asset backed securities, foreign currency – denominated issues, and financial derivatives. These are classified as Level 2.

The KDP High Yield Bond account consists of US dollar corporate high yield bonds rated BB or B. While each of the securities held by this fund is valued on the basis of quoted prices in active markets at the statement of financial position date, the practice in the United States is to include all instruments that are traded on an over-the-counter basis (such as the fixed income instruments held by the fund) within Level 2 regardless of the pricing source and methodology used.

ABEC investments held by ABHMS are non-negotiable notes that mature between September 2017 and March 2019 with interest rates ranging from 1.10% to 1.55%. ABEC is a New York not-for-profit corporation that exists to promote and support church extension and to assist churches and other related entities with acquisition, construction, and renovation of property for the spreading and sharing of the Gospel of Jesus Christ. Because fair value of these investments is based on internally developed models or methodologies using unobservable inputs they have been classified as Level 3.

COMINGLED FUNDS

The Colchester Global Bond Fund includes, among others, the domestic sovereign debt of the higher quality smaller countries such as Australia, Brazil, Hungary, Mexico, New Zealand, Norway, Poland and Czech Republic. Bain Capital Senior Loan Fund invests in senior, variable rate loans. While each of the securities held by the respective funds is valued on the basis of quoted prices in active markets at the statement of financial position date the emerging practice in the United States is to include all instruments that are traded on an over-the-counter basis (such as the fixed income instruments held by the fund) within Level 2 regardless of the pricing source and methodology used.

ALTERNATIVE INVESTMENTS

- <u>Hedge Fund</u> - The fund consists of two funds. Bogle and Owl Creek Socially Responsible Investment Funds are respective individual hedge funds that invest consistent with the Societies' Socially Responsible Investment Policy. The fair value of these investments is determined by the administrator in consultation with each investment manager. These assets are classified as Level 3 because the Societies do not have position-level transparency into the underlying managers.

- Real Estate - The Societies are a Limited Partner investor in the CrossHarbor Institutional Partners II and Patron Capital IV & V funds. Each fund is a distressed equity real estate investor, primarily in North America and Europe respectively. The funds are designed to acquire and dispose of properties to generate an IRR that is consistent with the Societies long term investment goals. All properties are appraised independently each year. These holdings are classified as Level 3 because either quoted prices or readily observable market comparable prices are not available on valuation date.

- Forestland REIT - The Societies are a Limited Partner in Heartwood Forestland REIT. Heartwood Forestland engages in acquiring a diversified portfolio of commercial forestlands to provide current income from the management and operations of such forestlands and to realize capital appreciation of the forestlands. Valuations are made by the General Partner during the first three years after acquisition (the initial acquisition date was September 30, 2007). An independent appraiser will establish value at the end of every three year cycle. The assets are classified as Level 3 because the Societies do not have either quoted prices or readily observable market comparable prices as of the valuation date.

Unfunded commitments for alternative investments at December 31, 2016 are as follows:

CrossHarbor Institutional Partners II	$ 235,294
Patron Capital IV	384,819
Patron Capital V	1,619,705
	$ 2,239,818

OTHER INVESTMENTS

This category consists of investments placed with the American Baptist Foundation that the Societies received from the dissolution of Education Ministries Pooled Income and Annuity Fund. The assets of the Pooled Income fund are invested in the Wellington Admiral Fund and the Annuity Fund is invested in the Dodge & Cox Balanced Fund. Both of these are classified as Level 2.

Also included in this category are investments in community development loan funds that are held as part of the Societies' Mission Directed Funds. These investments serve as an expression of ABHMS' concern for the economic development and empowerment of low-income and minority communities. The hope is to provide such financial institutions with resources to further the economic growth of the communities in which they serve while at the same time earning a reasonable rate of return. Because fair value is based on internally developed models or methodologies using unobservable inputs these have been classified as Level 3.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Societies believe its valuation methods are consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair values of the investment securities (including assets held for others and assets restricted for annuity obligations) and the associated fair value measurements as of December 31, 2016 and 2015, are as follows:

2016	**Total**	**Level 1**	**Level 2**	**Level 3**
Investment Type				
Equities	$ 145,015,028	$ 145,015,028	$ -	$ -
Fixed Income	27,662,490	2,165,155	23,995,869	1,501,466
Comingled Funds	22,318,455	-	22,318,455	-
Alternative Investments	16,329,481	-	-	16,329,481
Other	952,952	-	528,937	424,015
Cash Equivalents	7,496,546	7,496,546	-	-
	$ 219,774,952	$ 154,676,729	$46,843,261	$ 18,254,962

2015	**Total**	**Level 1**	**Level 2**	**Level 3**
Investment Type				
Equities	$ 133,123,962	$ 133,123,962	$ -	$ -
Fixed Income	28,594,155	2,175,009	24,917,680	1,501,466
Comingled Funds	20,909,048	-	20,909,048	-
Alternative Investments	15,524,822	-	-	15,524,822
Other	934,025	-	510,010	424,015
Cash Equivalents	10,255,672	10,255,672	-	-
	$ 209,341,684	$ 145,554,643	$46,336,738	$ 17,450,303

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Fixed Income (ABEC Note)	**Alternative Investments**	**Other**	**Total**
Beginning Balance 12/31/15	$ 1,501,466	$ 15,524,822	$ 424,015	$ 17,450,303
Investments made during year	-	348,552	-	348,552
Withdrawals made during year	-	(184,172)	-	(184,172)
Unrealized/Realized Gain	-	640,279	-	640,279
Ending Balance 12/31/16	$ 1,501,466	$ 16,329,481	$ 424,015	$ 18,254,962

	Fixed Income (ABEC Note)	**Alternative Investments**	**Other**	**Total**
Beginning Balance 12/31/14	$ 1,500,000	$ 16,133,927	$ 425,020	$ 18,058,947
Investments made during year	-	884,357	-	884,357
Withdrawals made during year	-	(63,000)	-	(63,000)
Unrealized/Realized Gain(Loss)	1,466	(1,430,462)	(1,005)	(1,430,001)
Ending Balance 12/31/15	$ 1,501,466	$ 15,524,822	$ 424,015	$ 17,450,303

(8) DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

In accordance with Topic 815, the Societies disclose the following information: The Societies use derivative instruments for the purpose of adjusting the degree of risk in the Societies' portfolio. The fair value of these investments is determined by each manager using either an in-house valuation team or a third-party administrative service. The financial statements of the investees are audited annually by independent auditors. The Societies record its derivative activities at fair value, based on third-party valuations. These amounts are included in total investments and assets held for others in the statements of financial position. Gains and losses from derivative financial instruments are included in net realized and unrealized gains and losses from investments in the statement of activities and assets held for others.

Bogle Opportunity Fund II SRI, L.P, Newton, MA and Owl Creek Socially Responsible Investment Fund Ltd., New York, New York are respective individual hedge funds, and both have social responsible mandates focused on faith based, ethical principles. Both firms have strong teams and long term investment performance track records. Each fund's objective is long term capital appreciation with moderate volatility and lower correlation to global equity and fixed income markets. To this end, the funds make allocations to individual equity and fixed income strategies respectively that may involve derivatives and short selling.

FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

The Societies' investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The following is not intended to be a comprehensive summary of all risks, but rather to highlight primary underlying risk exposure categories.

Market Risk – Market risk represents the potential loss that can be caused by a change in the fair value of the Societies' financial instruments. The Societies' exposure to market risk is determined by a number of factors, including market volatility. The Societies' exposure to market risk is monitored by the Finance Committee with support from its investment consultants at Colonial Consulting.

Credit Risk – All deposits and securities owned by the Societies are held by its custodian or by custodians engaged by certain investment managers. The Societies are subject to credit risk should broker-dealers be unable to repay amounts owed, or if the custodians are unable to fulfill their obligations to the Societies. It is the policy of the Societies to transact its investment activity with high credit quality financial institutions and broker-dealers the Societies consider to be well established. While both the U.S. Bankruptcy Code and the Federal Deposit Insurance Corporation seek to protect customer assets in the event of a failure, insolvency or liquidation of a bank, there is no certainty that, in the event of a failure of a bank that has custody of the Societies' assets that the Societies would not incur losses.

Currency Risk – Although the majority of the Societies' investments are denominated in U.S. Dollars, the Societies may invest in assets denominated in currencies other than its reporting currency, the United States Dollar. Consequently, the Societies may be exposed to risks that the exchange rate of the U.S. Dollar relative to other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Societies' assets and liabilities which are denominated in currencies other than the U.S. Dollar.

Interest Rate Risk – Debt obligations are subject to interest rate risk. Interest rate risk is the risk that the Societies may incur losses due to adverse changes in interest rates. Fluctuations in interest rates have a direct impact on the market value of debt obligations. The Societies' exposure is determined by a number of factors including term to maturity for investments.

Liquidity Risk – Liquidity risk represents the possibility that the Societies may not be able to rapidly adjust the size of its positions in times of high volatility and financial stress at a reasonable price.

Money Market Fund Risk – An investment in money market funds is exposed to the risk that a fund will not be able to maintain a net asset value per share of $1.00 at all times. The investments in money market funds are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. In addition, money market funds are exposed to market risk, credit risk, interest rate risk, and liquidity risk.

Off Balance Sheet Risk – Off balance risk exists when the maximum potential loss on a particular investment is greater than the value of such investment as reflected in the Fund's statement of assets and liabilities.

(9) PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2016 and 2015 consists of the following:

	2016	2015
Computer equipment	$ 898,499	$ 813,138
Furniture and fixtures	488,501	487,355
Schools, Missions, Christian Centers and other properties	6,729,219	2,885,457
Land	3,092,068	292,068
	11,208,287	4,478,018
Less accumulated depreciation	(4,036,880)	(3,956,648)
Property and equipment, net of depreciation	$ 7,171,407	$ 521,370

On September 30, 2016, as a result of the dissolution of 588 Associates, LP, land, buildings and equipment valued at $6,643,761 was transferred to ABHMS.

Depreciation expense of property and equipment was $80,232 and $46,045 in 2016 and 2015, respectively.

(10) EQUITY NOTE PAYABLE

ABHMS entered into a note payable in connection with their acquisition of a 34.65% interest in 588 Associates, LP (the ***"Partnership"***), a Pennsylvania limited partnership, and a 35% interest in its general partner. The Partnership acquired the ABC Mission Center from ABC-USA for the purchase price of twenty million dollars ($20,000,000). At that time, the Societies paid ABC-USA $3,500,000 cash and entered into a 25-year equity financing agreement with ABCUSA for $3,500,000 to finance the other half of its share of the acquisition. Under the terms of this agreement, the equity note is payable to ABC-USA in monthly installments of $24,737, including interest at 7% per annum, through March 1, 2034.

The Partnership agreed to dissolve effective September 30, 2016 in accordance with the Tenants in Common Agreement signed by ABHMS, ABC-USA, ABFMS and MMBB. Per the agreement, the land, building and equipment and the interest in all lease agreements were distributed to the partners based on their respective share in the partnership.

The equity note payable matures as follows:

Year Ending December 31,	
2017	$ 91,966
2018	98,614
2019	105,743
2020	113,387
2021	121,584
Thereafter	2,437,203
Total	$ 2,968,497

(11) ANNUITY AND LIFE INCOME FUNDS

The Insurance Law of the State of New York requires the segregation of annuity fund assets separate and distinct from all other funds of the Societies. Such assets are not available for payment of debts of the Societies other than for annuity benefits. The insurance law also requires prescribed minimum reserves for annuity contracts equal to the greater of the actuarial reserve, or $100,000. The last annual report was filed in 2005 when the Societies' annuity fund assets fell below the State of New York reporting threshold of $500,000. The Actuarial Liability for annuity obligations was $44,468 and $53,091 at December 31, 2016 and 2015, respectively.

(12) TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily and permanently restricted net assets consisted of the following at December 31:

Temporarily Restricted Net Assets	2016	2015
Unexpended income and principal for capital expenditures, mortgage loans, student financial aid, endowment of schools, education purposes, operating programs and annuity life income funds	$ 97,176,951	$ 92,138,282

	2016	2015
Permanently Restricted Net Assets		
Donor restricted endowments required to be maintained in perpetuity	$ 38,176,719	$ 38,175,944

During the years ended December 31, 2016 and 2015, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes for program or time as follows:

	2016	2015
One Great Hour of Sharing	$ 381,355	$ 343,942
Support of schools and colleges	174,828	163,490
In Support of Excellence program	155,458	-
Other operating programs	446,563	157,233
	$ 1,158,204	$ 664,665

(13) ENDOWMENT

The Societies' endowment consists of individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

INTERPRETATION OF RELEVANT LAW

ABHMS is incorporated in the states of New York and Massachusetts. WABHMS is incorporated in the state of Illinois. All three of these states have enacted the Uniform Prudent Management of Institutional Funds Act ***("UPMIFA")***, which governs endowment funds for not-for-profit corporations. The Societies have interpreted the applicable state standards and guidelines for the prudent management of an endowment fund 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 Societies classify as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) 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 (i.e. the accumulated realized and unrealized gains/losses) 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 Societies. The Societies consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Societies and the donor-restricted endowment fund
(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 Societies
(7) The investment policies of the Societies.

RETURN OBJECTIVES AND RISK PARAMETERS

The Societies' endowment funds are invested in its CIF. According to policy approved by the Board of Directors, CIF assets 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 stated below. Additionally, the total rate of return (net of fees) is expected to equal or exceed a passive investment in commonly quoted market indices (benchmarks) based on a long-term optimal asset allocation.

To satisfy its long-term rate-of-return objectives, the Societies rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Societies target a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

SPENDING POLICY

The Societies have a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior 20 quarters ending on June 30 preceding the fiscal year in which the distribution is planned. This policy is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

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 state standards require the Societies to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2016 and 2015.

ENDOWMENT NET ASSET COMPOSITION BY TYPE OF FUND AS OF DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 88,955,994	$ 38,176,719	$ 127,132,713
Board-designated endowment funds	32,819,353	-	-	32,819,353
Total	$ 32,819,353	$ 88,955,994	$ 38,176,719	$ 159,952,066

CHANGES IN ENDOWMENT NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 30,957,156	$ 83,997,261	$ 38,175,944	$ 153,130,361
Contributions	-	-	775	775
Investment return:				
Investment income	312,554	1,210,612	-	1,523,166
Net appreciation (realized and unrealized)	2,578,150	9,988,938	-	12,567,088
Total	2,890,704	11,199,550	-	14,090,254
Appropriation of endowment assets for expenditure	(1,028,507)	(6,240,817)	-	(7,269,324)
Endowment net assets, end of year	$ 32,819,353	$ 88,955,994	$ 38,176,719	$ 159,952,066

ENDOWMENT NET ASSET COMPOSITION BY TYPE OF FUND AS OF DECEMBER 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 83,997,261	$38,175,944	$ 122,173,205
Board-designated endowment funds	30,957,156	-	-	30,957,156
Total	$ 30,957,156	$ 83,997,261	$ 38,175,944	$ 153,130,361

CHANGES IN ENDOWMENT NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 32,067,309	$ 92,257,420	$ 38,175,944	$ 162,500,673
Investment return:				
Investment income	465,155	1,833,043	-	2,298,198
Net depreciation (realized and unrealized)	(978,415)	(3,855,653)	-	(4,834,068)
Total	(513,260)	(2,022,610)	-	(2,535,870)
Appropriation of endowment assets for expenditure	(596,893)	(6,237,549)	-	(6,834,442)
Endowment net assets, end of year	$ 30,957,156	$ 83,997,261	$38,175,944	$ 153,130,361

* *The Societies' endowment funds are invested in its Common Investment Fund ("CIF"), which is a unitized fund. The net asset values for each individual fund are tracked separately based on (a) the original value of gifts donated, (b) accumulated net investment returns, and (c) distributions for expenditure. These amounts are reflected in the statement of activities through investment activity and net realized and unrealized gains and losses.*

(14) RETIREMENT PLAN

The Societies employees participate in the American Baptist Churches Retirement Plan (a defined contribution plan). All staff are covered and vested under the plan immediately upon employment. Pension expense was $661,587 and $688,502 for the years ended December 31, 2016 and 2015, respectively.

(15) COMMITMENTS AND CONTINGENCIES

The Societies entered into an operating lease agreement for office space with an original term that commenced March 2009 and terminated in February 2011. Extension options will be exercised annually unless otherwise agreed to by either party. The Societies paid $315,119 and $306,005 in rental expense for the years ended December 31, 2016 and 2015, respectively.

The Societies leases a copier under an operating lease agreement expiring in August 2019. The total rental expense for the years ended December 31, 2016 and 2015 was $30,426 and $47,262, respectively.

As of December 31, 2016, the future minimum lease payments under the lease are as follows:

2017	$ 20,386
2018	20,386
2019	13,590
	$ 54,362

The Societies are from time to time involved in litigation arising in the ordinary course of business. At December 31, 2016 and 2015, there was no outstanding litigation or potential losses outstanding, therefore, no accrual has been recorded.

(16) SUBSEQUENT EVENTS

The Societies evaluated its December 31, 2016 combined financial statements for subsequent events through June 12, 2017, the date the combined financial statements were available to be issued.

On March 20, 2017, ABHMS entered into an Agreement of Sale to purchase land, together with the building and improvements thereon, in King of Prussia, Pennsylvania for $6,500,000. ABHMS expects to close the purchase in June 2017. The property will serve as the new corporate offices for ABHMS, with related Baptist Organizations leasing space in the building for their corporate offices. Additionally, ABHMS will lease space to an unrelated party, whose existing lease will be acquired through the purchase.

SUPPLEMENTAL INFORMATION

WOMAN'S AMERICAN BAPTIST HOME MISSION SOCIETY

SCHEDULES OF FINANCIAL POSITION

December 31, 2016 and 2015

	2016	2015
ASSETS		
Investment in the Common Investment Fund	$ 6,169,604	$ 5,897,152
Property and equipment, net of accumulated depreciation	11,201	11,201
Total Assets	$ 6,180,805	$ 5,908,353
LIABILITIES		
Payable to the American Baptist Home Mission Society	$ 6,784	$ 6,784
NET ASSETS		
Net Assets:		
Unrestricted	3,974,103	3,701,651
Permanently restricted	2,199,918	2,199,918
Total Net Assets	6,174,021	5,901,569
Total Liabilities and Net Assets	$ 6,180,805	$ 5,908,353

SCHEDULES OF ACTIVITIES AND CHANGES IN NET ASSETS

For the years ended December 31, 2016 and 2015

	2016	2015
REVENUES		
Investment income	$ 871,228	$ 810,343
Trust fund income	5,531	4,400
Total Revenues	876,759	814,743
EXPENSES		
Contribution to Baptist related organization:		
Disbursements to The American Baptist Home Mission Society	604,307	570,202
Total Expenses	604,307	570,202
Change in net assets	272,452	244,541
Net Assets at beginning of year	5,901,569	5,657,028
Net Assets at end of year	$ 6,174,021	$ 5,901,569

COMMON INVESTMENT FUND

SCHEDULES OF FINANCIAL POSITION

December 31, 2016 and 2015

	2016		
	Societies	Funds of Others	Total
ASSETS			
Cash, cash equivalents and investments at fair value	$ 163,828,290	$ 46,996,585	$ 210,824,875
Total Assets	163,828,290	46,996,585	210,824,875
LIABILITIES			
Accounts payable	3,876,224	71,830	3,948,054
Total Liabilities	3,876,224	71,830	3,948,054
Assets less liabilities	$ 159,952,066	$ 46,924,755	$ 206,876,821
NET ASSETS			
Participating funds	$ 60,874,044	$ 35,006,987	$ 95,881,031
Undistributed net realized gains	65,391,241	4,565,288	69,956,529
Accumulated market value over cost	33,686,781	7,352,480	41,039,261
Total net assets	$ 159,952,066	$ 46,924,755	$ 206,876,821

	2015		
	Societies	Funds of Others	Total
ASSETS			
Cash, cash equivalents and investments at fair value	$ 157,432,247	$ 44,119,729	$ 201,551,976
Total Assets	157,432,247	44,119,729	201,551,976
LIABILITIES			
Accounts payable	4,301,886	60,655	4,362,541
Total Liabilities	4,301,886	60,655	4,362,541
Assets less liabilities	$ 153,130,361	$ 44,059,074	$ 197,189,435
NET ASSETS			
Participating funds	$ 60,283,837	$ 33,846,273	$ 94,130,110
Undistributed net realized gains	68,877,921	5,654,696	74,532,617
Accumulated market value over cost	23,968,603	4,558,105	28,526,708
Total net assets	$ 153,130,361	$ 44,059,074	$ 197,189,435

* Based on market values, the unit value was $369.445 and $355.035 at December 31, 2016 and 2015, respectively.

COMMON INVESTMENT FUND

SCHEDULES OF ACTIVITIES AND CHANGES IN NET ASSETS

For the years ended December 31, 2016 and 2015

	2016		
	Societies	**Funds of Others**	**Total**
REVENUES AND GAINS			
Contributions	$ 770,742	$ 1,780,636	$ 2,551,378
Investment income	2,750,115	796,559	3,546,674
Net realized gains on sale of investments	2,303,520	672,411	2,975,931
Net unrealized gains	9,718,178	2,794,375	12,512,553
Total revenues and gains	15,542,555	6,043,981	21,586,536
EXPENSES, PAYMENTS AND LOSSES			
Withdrawals	180,535	619,922	800,457
Operating expenses	1,226,949	355,526	1,582,475
Distribution to participants	7,269,324	2,104,239	9,373,563
Gains paid to participants	44,042	98,613	142,655
Total expenses, payments and losses	8,720,850	3,178,300	11,899,150
Changes in net assets	6,821,705	2,865,681	9,687,386
Net assets at beginning of year	153,130,361	44,059,074	197,189,435
Net assets at end of year	$ 159,952,066	$ 46,924,755	$ 206,876,821

	2015		
	Societies	**Funds of Others**	**Total**
REVENUES AND GAINS			
Contributions	$ 671,276	$ 3,495,882	$ 4,167,158
Investment income	3,605,859	1,003,684	4,609,543
Net realized gains on sale of investments	10,815,630	3,002,391	13,818,021
Net unrealized losses	(16,278,459)	(4,719,256)	(20,997,715)
Total revenues and gains (losses)	(1,185,694)	2,782,701	1,597,007
EXPENSES, PAYMENTS AND LOSSES			
Withdrawals	11,666	947,859	959,525
Operating expenses	1,307,661	344,029	1,651,690
Distribution to participants	6,834,442	1,902,897	8,737,339
Gains paid to participants	30,849	507,907	538,756
Total expenses, payments and losses	8,184,618	3,702,692	11,887,310
Changes in net assets	(9,370,312)	(919,991)	(10,290,303)
Net assets at beginning of year	162,500,673	44,979,065	207,479,738
Net assets at end of year	$ 153,130,361	$ 44,059,074	$ 197,189,435

* Income distribution is based on an annual payment rate of $16.826 per unit in 2016 and $15.872 per unit in 2015.