

**THE PRESBYTERY OF DETROIT, INC.**

Financial Statements  
Independent Auditor's Report  
with Comparative and Supplementary Information  
December 31, 2016 and 2015

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Anita R. Tellis, CPA, MST

15 E. Kirby St., Suite 106  
Detroit, Michigan 48202  
(313) 873-3812  
(313) 873-3816 Fax  
[www.tellisandcompanycpas.com](http://www.tellisandcompanycpas.com)

## Independent Auditor's Report

To the Presbytery Board of Trustees of  
The Presbytery of Detroit, Inc.

We have audited the accompanying financial statements of The Presbytery of Detroit, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2016 and the related statements of activities, and statements of cash flows for the year 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 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 of 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, except for the effects of the unrecorded net book value of capital assets, the depreciation expense and the related entities excluded from the report as in Note 1 to the financial statements, the financial statements referred to above present fairly, in all material respects, the financial position of The Presbytery of Detroit, Inc. as of December 31, 2016 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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A PROFESSIONAL LIMITED LIABILITY COMPANY

Members of Private Companies Practice Section of the American Institute of Certified Public Accountants and Michigan Association of Certified Public Accountants

### **Report on Summarized Comparative Information**

We have previously audited The Presbytery of Detroit, Inc. 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 31, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matters**

As more fully described in Note 5 to the financial statements, certain capital expenditures were not capitalized or depreciated as assets by The Presbytery of Detroit, Inc. Also, as discussed in Note 1, not all entities under the control of The Presbytery of Detroit are included. Accounting principles generally accepted in the United States of America require that such assets be capitalized and depreciated, and all entities are included in consolidated reporting. The effect of these departures from generally accepted accounting principles on financial position, results of operations, and cash flows has not been determined.

### **Supplementary Information**

The accompanying additional information on page 14 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Tellis and Company, PLLC*

Detroit, Michigan  
August 15, 2017

# THE PRESBYTERY OF DETROIT, INC.

Statements of Financial Position  
As of December 31, 2016 and 2015

	<b>Assets</b>	
	<u>2016</u>	<u>2015</u>
<b>Cash and Cash Equivalents</b>	\$ 351,024	\$ 1,759,600
<b>Presbyterian Investment Loan Program</b> (Note 2)	528,504	527,200
<b>Investment Securities</b> (Notes 3 and 7)	20,030,954	17,510,238
<b>Notes Receivable</b> (Note 1)		
Notes Receivable	<u>1,577,723</u>	<u>1,638,539</u>
Total Notes and Land Contracts Receivable	<u>1,577,723</u>	<u>1,638,539</u>
<b>Other Assets</b>		
Other Receivables (Note 1)	<u>2,540,545</u>	<u>3,084,565</u>
<b>Total Assets</b>	<u>\$ 25,028,750</u>	<u>\$ 24,520,142</u>
	<b>Liabilities and Net Assets</b>	
<b>Liabilities:</b>		
Notes Payable to Presbyterian Church (U.S.A.) (Note 1)	\$ 2,481,837	\$ 2,806,134
General Mission payable	98,688	135,579
Accrued Liabilities	<u>256</u>	<u>-</u>
Total Liabilities	<u>2,580,781</u>	<u>2,941,713</u>
<b>Net Assets:</b>		
Unrestricted		
General Operating (Deficit)	(50,416)	(61,899)
Designated for Long-Term Investment and Other (Note 10)	5,802,537	5,598,434
Temporarily Restricted (Note 8)	1,722,612	1,616,814
Permanently Restricted (Note 9)	<u>14,973,236</u>	<u>14,425,080</u>
Total Net Assets	<u>22,447,969</u>	<u>21,578,429</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 25,028,750</u>	<u>\$ 24,520,142</u>

The accompanying notes are an integral part of these financial statements.

**THE PRESBYTERY OF DETROIT, INC.**  
**Statements of Activities and Changes in Net Assets**  
**For the Years Ended December 31, 2016 and 2015**

	Unrestricted						
	General Operating	Designated	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2016	Total 2015
<b>Changes in Net assets</b>							
Revenue, gains, and other support							
Per capita apportionments	\$ 328,653	\$ -	\$ 328,653	\$ -	\$ -	\$ 328,653	\$ 368,927
Presbytery Mission giving	253,489	-	253,489	-	-	253,489	196,192
Grants	24,273	36,650	60,923	-	-	60,923	52,936
Offerings/Donations	27,447	146,124	173,571	-	-	173,571	207,261
Other Income (Loss)	2,000	-	2,000	34,507	-	36,507	2,516
Net realized and unrealized gains	-	48,580	48,580	67,621	598,654	714,855	(845,509)
Sale, Disposal of Fixed Assets	-	(2,134)	(2,134)	-	-	(2,134)	(158,285)
Interest and dividends	2,090	90,257	92,347	-	-	92,347	59,026
Endowment income	228,525	51,261	279,786	55,105	487,236	822,127	740,631
Net assets released from restrictions-							
Satisfaction of program restrictions	597,169	(8,000)	589,169	(51,435)	(537,734)	-	-
<b>Total revenue, gains, and other support</b>	<b>1,463,646</b>	<b>362,738</b>	<b>1,826,384</b>	<b>105,798</b>	<b>548,156</b>	<b>2,480,338</b>	<b>623,695</b>
Expenses:							
Program expenses (Note 12)	1,316,363	158,635	1,474,998	-	-	1,474,998	1,721,893
Management and general (Note 12)	131,123	4,677	135,800	-	-	135,800	124,834
<b>Total expenses</b>	<b>1,447,486</b>	<b>163,312</b>	<b>1,610,798</b>	<b>-</b>	<b>-</b>	<b>1,610,798</b>	<b>1,846,727</b>
<b>Increase (Decrease) in Net Assets - Before transfers</b>	<b>16,160</b>	<b>199,426</b>	<b>215,586</b>	<b>105,798</b>	<b>548,156</b>	<b>869,540</b>	<b>(1,223,032)</b>
<b>Transfers</b>	<b>(4,677)</b>	<b>4,677</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase (Decrease) in Net Assets</b>	<b>11,483</b>	<b>204,103</b>	<b>215,586</b>	<b>105,798</b>	<b>548,156</b>	<b>869,540</b>	<b>(1,223,032)</b>
<b>Net Assets - January 1,</b>	<b>(61,899)</b>	<b>5,598,434</b>	<b>5,536,535</b>	<b>1,616,814</b>	<b>14,425,080</b>	<b>21,578,429</b>	<b>22,801,461</b>
<b>Net Assets - December 31,</b>	<b>\$ (50,416)</b>	<b>\$ 5,802,537</b>	<b>\$ 5,752,121</b>	<b>\$ 1,722,612</b>	<b>\$ 14,973,236</b>	<b>\$ 22,447,969</b>	<b>\$ 21,578,429</b>

The accompanying notes are an integral part of these financial statements.

**THE PRESBYTERY OF DETROIT, INC.**  
**Statements of Cash Flows**  
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ 869,540	\$ (1,223,032)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	-	-
Net realized and unrealized (gains) losses on investments (Net of Income and Transfers)	(1,120,290)	943,788
<b>Changes in assets and liabilities:</b>		
(Increase) Decrease in Presbytery causes receivable	60,816	428,888
(Increase) Decrease in other receivables	544,020	294,581
Increase (Decrease) in general mission payable	(36,891)	92,906
Increase (Decrease) in accrued liabilities	247	-
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	317,442	537,131
	<hr/>	<hr/>
<b>Cash Flows In Investing Activities</b>		
Net (Purchases) Sales of investment securities	(1,401,721)	40,956
Issuance (Proceeds) from receipt of payment on notes receivables from churches	(324,297)	(169,037)
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	(1,726,018)	(128,081)
	<hr/>	<hr/>
<b>Cash Flows In Financing Activities</b>	-	-
Net Increase in Cash and Cash Equivalents	(1,408,576)	409,050
Cash and Cash Equivalents - Beginning of year	1,759,600	1,350,550
	<hr/>	<hr/>
Cash and Cash Equivalents - End of year	\$ 351,024	\$ 1,759,600
	<hr/> <hr/>	<hr/> <hr/>

**Supplemental Cash Flow Disclosures**

Cash Paid During the Year for Interest	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

**THE PRESBYTERY OF DETROIT, INC.**  
Notes to Financial Statements  
For the Years Ended December 31, 2016 and 2015

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**Note 1 - Nature of Operations and Significant Accounting Policies:**

The Presbytery of Detroit, Inc. (the "Presbytery") is one of the presbyteries that comprise the Synod of the Covenant, which is a member of the Presbyterian Church (U.S.A.). The Presbytery consolidation policy is to include all entities under its common control. These financial statements include: the "Presbytery" only. These financial statements exclude the following related entity: "Presbyterian Women in the Presbytery of Detroit" (PWPD). The effect on the consolidated report as of December 31, 2016 and 2015 has not been determined.

In addition to starting and sustaining new churches in southeastern Michigan, the Presbytery provides program leadership and resources to help meet the educational needs of the churches.

Effective as of July 1, 2016 "Howell Nature Center, LLC", (in which the Presbytery was the Managing Member) had a structure change, and transferred all of its assets to "Howell Nature Center", an independent entity. Therefore; "Howell Nature Center" is not included in these financial statements.

**Significant accounting policies are as follows:**

The financial statements of the Presbytery have been prepared on the accrual basis of accounting. The Presbytery records transactions based on the nature of the activity as unrestricted, temporarily restricted, or permanently restricted.

**Unrestricted Assets** - Unrestricted net assets of the Presbytery consist of general operations and programs. Unrestricted designated funds consist of amounts received or receivable that the Presbytery, Council, or Trustees have earmarked for a specific purpose. Unrestricted property and equipment consist of the Presbytery's investment in tangible property.

Gifts of cash or other assets that must be used to acquire long-lived assets initially are reported as restricted support. Absent donor stipulations about how long these long-lived assets must be maintained, the Presbytery reports expirations of donor restrictions when the acquired long-lived assets are placed in service.

**Temporarily Restricted Assets** - Temporarily restricted assets of the Presbytery consist of amounts received from donors who have specified the time and purpose for which the funds are to be spent. When a donor restriction is accomplished, temporarily restricted net assets are released to unrestricted net assets.

**Permanently Restricted Assets** - Permanently restricted assets of the Presbytery consist of amounts received from donors who have specified that the principal of the donation is to remain intact for investment purposes. Realized and unrealized gains on these assets are also permanently restricted. Annual earnings on these assets are released to unrestricted or temporarily restricted net assets.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses and changes in net assets during the reporting period. Actual results could differ from those estimates.

**Cash Equivalents** – The Presbytery considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.



**THE PRESBYTERY OF DETROIT, INC.**  
Notes to Financial Statements  
For the Years Ended December 31, 2016 and 2015

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**Note 1 - Nature of Operations and Significant Accounting Policies: (Continued)**

**Functional Basis and Allocation** – Indirect costs have been allocated between the program and support services based on activity-based costing methods. Although the methods of allocation used are considered appropriate other methods could be used that would produce different amounts.

**Concentration of Credit Risk Arising From Deposit** – The Presbytery maintains cash balances with different banks. Accounts at each institution are insured by Federal Deposit Insurance Corporation (FDIC). At, December 31, 2016 the Operating Account had deposits of \$76,635 in excess of the FDIC limits.

**Risks and Uncertainties** – The Presbytery invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that change in the values of investment securities may occur in the near term and those changes could materially affect the amounts reported in the consolidated statement of financial position.

**Notes Receivable, Other Receivables and Payable** - The Presbyterian Church (U.S.A.) makes loans to various churches within The Presbytery of Detroit, Inc.'s jurisdiction, and the Presbytery cosigns for these loans. Included in notes receivable balance from Presbytery churches is \$2,617,046 and \$3,181,447 at December 31, 2016 and 2015. Of this amount \$2,481,837 for December 31, 2016 and \$2,806,134 for December 31, 2015 is due on Presbyterian Church (U.S.A.) loans. Principal and interest payments on these loans are made directly by the churches to the Presbyterian Church (U.S.A.), and include interest rates from 3 percent to 5 percent due at various maturity dates through 2037. The Notes receivable are reviewed periodically throughout the year and assessed for collectability. An allowance for doubtful accounts is set-up once a receivable collectability is in doubt. The allowance (shown net) is \$0 for the year ended December 31, 2016 and \$36,423 as of December 31, 2015.

**Property, Building, and Equipment** - As further discussed in Note 5, certain capital expenditures are not recorded as assets by the Presbytery.

**Investment Fees** - The investment management fee is paid by a reduction in trust principal only.

**Income Tax Status** - The Presbytery is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code and did not conduct any unrelated business activities during the calendar year. Therefore, The Presbytery has no provision for federal income taxes in the accompanying financial statements.

**Donated Property and Services** – The Presbytery records donated property at its estimated market value only. Additionally, the Presbytery members provided volunteer services in many activities of the entity. These volunteers have a significant impact on making the ministry effective. However, the values of those services are not reflected herein inasmuch as the amount of services provided is indeterminable.

**Subsequent Events** - The Presbytery management has evaluated events and transactions for potential recognition or disclosure through the date of the auditor's report August 15, 2017, which is the same date the financial statements were available to be issued.

**Pension Plan** - Certain members of the Presbytery's staff are participants in a pension plan that is administered by the Board of Pensions, which is governed by the Presbyterian Church (U.S.A.). The Presbytery's contributions are calculated as a percentage of eligible wages and are funded as accrued. Pension expense was \$14,031 and \$13,728 for the years ended December 31, 2016 and 2015. While contributions are based on fixed rates, federal laws impose certain contingent liabilities on contributors to multiemployer plans. In the event of withdrawal from the plan and under certain other conditions, a contributor to a multiemployer pension plan may be liable to the plan in accordance with formulas established by law.

**THE PRESBYTERY OF DETROIT, INC.**  
Notes to Financial Statements  
For the Years Ended December 31, 2016 and 2015

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**Note 1 - Nature of Operations and Significant Accounting Policies: (Continued)**

**Trustee Expenses** – These expenses represent non-salaried expenses used to run the day-to-day operation of the Presbytery office.

**Note 2 - Investment Loan Program**

At December 31, 2016 and 2015, the Presbytery has \$528,504 and \$527,200 in a money market fund with the Presbytery Church (U.S.A.) Investment Program. Under this program, loans are made to churches for capital investments or improvements. The investments are available for allocation to reduce interest charged on loans to local churches participating in the program. Under, this program the Presbytery is required to maintain a balance of twenty-five percent (25%) of the outstanding balance in liquid assets. The Presbytery is contingently liable for the full amount of the loan outstanding should an individual church default on its loan and the proceeds from the liquidation of the collateral is insufficient to satisfy the outstanding balance. Periodic assessments are made to determine the exposure to the Presbytery for this contingency.

**Note 3 - Investment Securities**

	<u>2016</u>	<u>2015</u>
The fair market value of securities is as follows:		
Corporate stocks and bonds	\$11,555,254	\$ 9,887,821
Mutual Funds	8,093,571	7,335,988
Money market securities	<u>382,129</u>	<u>286,429</u>
Total	<u>\$20,030,954</u>	<u>\$17,510,238</u>

Net investment income for the period consist of:

	<u>2016</u>	<u>2015</u>
Net realized and unrealized gains (losses) on investments	\$ 714,855	\$( 845,509)
Dividends and Interest	906,319	799,657
Investment fees	<u>( 62,680)</u>	<u>( 71,877)</u>
	<u>\$1,558,494</u>	<u>\$(_ 117,729)</u>

**THE PRESBYTERY OF DETROIT, INC.**  
Notes to Financial Statements  
For the Years Ended December 31, 2016 and 2015

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**Note 3 - Fair Value Measurement (Continued)**

The Presbytery adopted the Fair Value Measurements of its Investments. This accounting standard establishes a fair value hierarchy that measures the difference market participant assumptions developed based on market data obtained from sources independent of the Presbytery (observable inputs) and the reporting Presbytery's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The Fair Value measurement also include an adjustment for risk if market participants would include one in pricing the related asset or liability, even if the adjustment is difficult to determine. Fair Value further reports and discloses its results on one of the three levels:

Level 1 – Quoted market prices in an active market for the same 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.

The Presbytery holds investments in corporate stock and bonds, Mutual Funds and Money Market Securities. These investments are based upon quoted prices and determined to be Level 1's for the year ended December 31, 2016.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate Stock and bonds	\$11,555,254	\$ -	\$ -	\$11,555,254
Mutual Funds	8,093,571	-	-	8,093,571
Money Market Securities	<u>382,129</u>	<u>-</u>	<u>-</u>	<u>382,129</u>
Totals	<u>\$20,030,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$20,030,954</u>

**Note 4 – Property, Buildings, and Equipment**

As further discussed in Note 5, certain capital expenditures are not recorded as assets by the Presbytery.

**Note 5 – Depreciation of Assets**

During 1989, Accounting Standards "Accounting For Depreciation of Assets" became effective for all not-for-profit organizations. This statement required the Presbytery to record as assets all capital expenditures since inception, and record depreciation charges each year over their estimated useful lives. Prior to 2010 the Presbytery recorded, as assets, all expenditures of a capital nature since 1983 and was recognizing their cost over the estimated useful lives through depreciation charges. In 2010 the Presbytery removed all of their assets from their books. Effective as of July 1, 2016 "Howell Nature Center, LLC", (in which the Presbytery was the Managing Member) had a structure change, and transferred all of its assets to "Howell Nature Center, Inc.", an independent entity.

**THE PRESBYTERY OF DETROIT, INC.**  
Notes to Financial Statements  
For the Years Ending December 31, 2016 and 2015

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**Note 6 – Leases**

The Presbytery rents its office facility from a member church under a thirty-six month lease commencing January 1, 2010 and expiring August 31, 2015. This lease was renewed on September 1, 2015 for another thirty-six months, with options for renewal for two (2) extended terms of twelve (12) month's each. Rent expense, including costs of security, was \$42,974 for 2016 and \$42,047 for 2015. The Presbytery also leases photocopier equipment under an operating lease agreement expiring October, 2018, with monthly payments of \$1,795. The lease expense for the year ended December 31, 2016 amounted to \$66,854.

Future minimum lease payments required under all of the leases are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	\$ 65,136
2018	64,021
2019	47,921
2020	<u>32,772</u>
Total	<u>\$ 209,850</u>

**Note 7 – Net Assets (Endowment Funds)**

As described in Notes 8 and 9, the Presbytery has temporarily and permanently restricted net assets. These funds are invested in a common account managed by Comerica Bank according to investment policies determined by the Presbytery. The primary objective of these policies is to outline the investment objective of the Presbytery so that a maximum total rate of return will be realized given a level of risk consistent with the preservation of capital and anticipated future cash flow requirements. This objective is accomplished utilizing a balanced strategy of equities, fixed income securities and cash equivalents in a mix which is conducive to participation in rising markets while allowing for adequate protection in falling markets. Certain investments commonly known as alternatives are generally not allowed in the portfolio.

All of the temporarily and permanently restricted net assets are restricted by the donor whereby only the income may be spent for the purpose stipulated by the donor. The principal of the permanently restricted fund may not be spent below its original amount. The Presbytery has also followed the guideline that the principal amount of the temporarily restricted fund may also not be spent below its original amount.

Expenditures from the funds are dictated by the donor for the stated purpose and amount. Amounts are determined based on the investment performance of the managed Comerica account.

A summary of the activity in the Comerica account for the years ended December 31, 2016 and 2015 is as follows:

	<u>2016</u>	<u>2015</u>
Account balance, beginning of the year	\$17,510,238	\$18,479,787
Contributions	2,608,030	11,715
Investment gain (loss)	714,270	( 289,240)
Distributions	( 738,904)	( 613,982)
Expenses	<u>( 62,680)</u>	<u>( 78,042)</u>
Account balance, end of year	<u>\$20,030,954</u>	<u>\$17,510,238</u>

**THE PRESBYTERY OF DETROIT, INC.**  
Notes to Financial Statements  
For the Years Ending December 31, 2016 and 2015

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**Note 8 – Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes:

Presbytery of Detroit – Ranney-Balch Fund are available to provide aid to the aged, poor, and/or for the benefit of Christian work among Italian, Negro, and other underprivileged groups within the boundaries specified in this fund.

Presbytery of Detroit - Mission Fund represents funds (per capita, shared and directed missions, offerings, etc.) collected from the various church entities on behalf of General Assembly and the Synod. The fund balances as of December 31, 2016 and 2015 reflects excess dollars paid out during this time period than collected. The excess represents a temporary timing difference.

	<u>2016</u>	<u>2015</u>
Ranney-Balch Fund	\$1,742,012	\$1,670,721
Mission Fund	<u>( 19,400)</u>	<u>( 53,907)</u>
	<u>\$1,722,612</u>	<u>\$1,616,814</u>

**Note 9 – Permanently Restricted Net Assets**

Permanently restricted net assets are investments of the following amounts. The income on such investments is specified by the donor to be used for the purposes noted:

	<u>2016</u>	<u>2015</u>
McKay Fund - Provide funding for new Presbyterian churches and Missions within the city of Detroit	\$ 465,954	\$ 451,500
James Joy Fund - Provide funding to support the Fort Street Presbyterian Church, and missions of the Presbyterian throughout Michigan		
- Fort Street Presbyterian has a (50%) ownership interest		
- Presbytery of Detroit, Inc. has a (40%) ownership interest		
- And (10%) ownership interest is shared between Lake Michigan, Lake Huron and Mackinaw Presbyterian Churches	13,902,160	13,390,910
Connor Fund - Earnings used to support Fort Street Presbyterian Church	<u>605,122</u>	<u>582,670</u>
Total permanently restricted net assets	<u>\$14,973,236</u>	<u>\$14,425,080</u>

**THE PRESBYTERY OF DETROIT, INC.**  
Notes to Financial Statements  
For the Years Ending December 31, 2016 and 2015

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**Note 10 - Designated Net Assets**

Certain unrestricted gifts and revenue have been designated for specific purposes by the Presbytery for unique causes sponsored by the Presbytery. The specific purposes are as follows:

	<u>2016</u>	<u>2015</u>
Funds available to provide financial assistance to new and Established churches – Capital Fund	\$5,645,677	\$5,462,497
Funds designated for Presbytery projects	<u>156,860</u>	<u>135,937</u>
Total designated net assets	<u>\$5,802,537</u>	<u>\$5,598,434</u>

**Note 11 – Transfers**

The transfers represent revenue and expense transferred within the unrestricted net assets funds for 2016. These funds were transferred during the year because the Presbytery maintains only one operating checking account.

**THE PRESBYTERY OF DETROIT, INC.**  
Notes to Financial Statements  
For the Years Ended December 31, 2016 and 2015

**Note 12 - Unrestricted Expenses**

Unrestricted program and management and general expenses for the year were as follows:

	<u>2016</u>	<u>2015</u>
Program expenses:		
Operations	\$ 1,316,363	\$ 1,498,649
Designated Funds:		
NCD Hispanic Ministry	9,965	-
Hand on Missions Project	3,561	25,156
Ecumenical Theological Seminary	-	2,550
Barnabas	-	4,100
Fort Street Open Door	15,426	15,260
Two Cents A Meal	13,490	2,250
Clergy in Transit	4,555	3,620
Helping Hand Fund	8,000	-
Social Economic Justice / Pro Literacy	25,000	-
Park United Roof	5,000	-
Presbyterian Village	-	3,928
Hunger Program	-	14,060
NCD Commuidad 4500 (Rent)	-	14,758
A Place of Refuge	2,350	1,500
Detroit Inbound Mission	13,455	2,320
Second Mile Center	24,355	56,700
Dexter/Chelsea NCD Grants Synod, PCUSA	-	46,509
Presbyterian Men	1,015	3,153
Other Expenses	<u>32,463</u>	<u>27,380</u>
Total Program Expenses	<u>\$ 1,474,998</u>	<u>\$ 1,721,893</u>
Management and general expenses:		
Trustees (Note 1)	\$ 131,123	\$ 118,669
Investment fees	<u>4,677</u>	<u>6,165</u>
Total Management and General Expenses	<u>\$ 135,800</u>	<u>\$ 124,834</u>

# **Supplementary Information**



**THE PRESBYTERY OF DETROIT, INC.**  
Schedule of Indebtedness of Churches and the Presbytery of Detroit  
to Other Presbyterian Organizations  
For the Year Ended December 31, 2016

Church Name	Loans from General Assembly	Grant Mortgage (Deferred Payment) Loans	Presbyterian Investment Loan Program	Loans from Presbytery	Total
Ann Arbor, Calvary	\$ -	\$ 5,000	\$ -	\$ -	\$ 5,000
Ann Arbor, Calvary	-	9,000	-	-	9,000
Detroit, St John's	15,093	-	-	-	15,093
Dearborn, Cherry Hill	-	28,940	-	-	28,940
Dearborn, Littlefield	-	17,083	-	-	17,083
Churches of Detroit					
Broadstreet	-	20,000	-	5,886	25,886
Calvin East	-	29,050	-	-	29,050
Grandale	-	20,000	-	-	20,000
Outer Drive	-	21,664	-	-	21,664
Eunmenical Center & International Residence	-	53,787	-	-	53,787
Farmington, First Presbyterian	-	-	237,147	-	237,147
Drayton Plains, Community	-	28,688	-	-	28,688
Howell, First Presbyterian	-	-	234,694	-	234,694
Livonia, St. Pauls	-	10,000	-	-	10,000
New Life Presbyterian	-	-	-	949	949
Northville, First Presbyterian	-	-	991,903	-	991,903
Novi, Faith Community	-	-	261,881	-	261,881
Pontiac, Joslyn Ave.	-	22,175	-	-	22,175
Redford, Village	-	11,418	-	-	11,418
Rochester University	-	-	679,711	-	679,711
Sterling Heights, Utica	24,499	-	-	-	24,499
Sterling Heights, Utica	36,909	-	-	-	36,909
Howell Nature Center	-	373,573	-	1,111,813	1,485,386
<b>Total Loans - Churches</b>	<b>\$ 76,501</b>	<b>\$ 650,378</b>	<b>\$ 2,405,336</b>	<b>\$ 1,118,648</b>	<b>\$ 4,250,863</b>