PRESBYTERIAN CHILDREN'S HOMES AND SERVICES
OF MISSOURI
AUDITED FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS
December 31, 2017 and 2016

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI

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PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Presbyterian Children's Homes and Services of Missouri
St. Louis, Missouri

We have audited the accompanying financial statements of Presbyterian Children's Homes and Services of Missouri (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities 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 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 of 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 audits 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.

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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 Presbyterian Children's Homes and Services of Missouri as of December 31, 2017 and 2016, 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 Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule on page 33 is presented for purposes of additional analysis and is 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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
July 26, 2018

FINANCIAL STATEMENTS

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PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
STATEMENTS OF FINANCIAL POSITION
December 31, 2017 and 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,797,526	$ 153,190
Short-term investments	1,064	-
Receivables		
Bequests from estates and trusts	903,700	210,700
Gov't and local agencies, net of allowance	609,064	498,387
Related party	44,014	-
Contributions, net of allowance	76,732	76,339
Prepaid expenses	33,466	38,249
Total current assets	4,465,566	976,865
Investments, at fair value	509,886	655,494
Investments, at cost	7,000	7,000
Other assets	56,736	58,104
Scholarship loans	6,323	6,323
Property and equipment, net of accum depreciation	4,727,334	4,884,849
Assets held in charitable remainder trusts	518,449	459,762
Beneficial interests in third-party trusts		
Charitable remainder trusts	164,681	145,254
Perpetual trusts	1,479,379	1,371,073
Total assets	$ 11,935,354	$ 8,564,724
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Lines of credit	195,935	100,000
Current portion of long-term debt	1,739,561	161,188
Accounts payable	133,036	157,041
Accrued expenses	411,238	320,100
Due to affiliate	228,892	218,131
Related party payable	-	108,420
Current portion of annuities payable	25,684	37,192
Total current liabilities	2,734,346	1,102,072
Long-term debt	2,020,642	3,507,906
Long-term annuities payable	122,284	149,997
Total liabilities	4,877,272	4,759,975
NET ASSETS		
Unrestricted	3,308,794	134,401
Temporarily restricted	1,081,518	1,199,158
Permanently restricted	2,667,770	2,471,190
Total net assets	7,058,082	3,804,749
Total liabilities and net assets	$ 11,935,354	$ 8,564,724

The accompanying notes are an integral part of this statement.

PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2017 and 2016

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUES				
Contributions				
Public	$ 582,732	$ 53,963	$ -	$ 636,695
Estates and trusts	2,439,703	50,000	-	2,489,703
Related organizations	77,778	-	-	77,778
Total contributions	3,100,213	103,963	-	3,204,176
Fees and grants from gov't and local agencies	2,917,505	144,805	-	3,062,310
Program service fees	4,596,056	-	-	4,596,056
Interest and dividends	33,464	992	6,475	40,931
Gain on investments	33,808	3,676	86,302	123,786
Gain on charitable remainder trusts	-	78,114	-	78,114
Gain (Loss) from perpetual trusts	-	-	108,306	108,306
Gain on sale of assets	888,203	-	-	888,203
Gain (Loss) on annuities	9,109	-	-	9,109
Other income	224,755	-	-	224,755
Net assets released from restrictions	449,190	(449,190)	-	-
Total public support and revenues	12,252,303	(117,640)	201,083	12,335,746
EXPENSES				
Program services				
Residential treatment	3,821,485	-	-	3,821,485
Professional services	3,954,160	-	-	3,954,160
Total program services	7,775,645	-	-	7,775,645
Supporting services				
Management and general	921,675	-	4,503	926,178
Development and public relations	380,590	-	-	380,590
Total support services	1,302,265	-	4,503	1,306,768
Total expenses	9,077,910	-	4,503	9,082,413
CHANGES IN NET ASSETS	3,174,393	(117,640)	196,580	3,253,333
NET ASSETS, Beginning	134,401	1,199,158	2,471,190	3,804,749
NET ASSETS, Ending	$ 3,308,794	$ 1,081,518	$ 2,667,770	$ 7,058,082

The accompanying notes are an integral part of this statement.

2016			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
$ 534,551	$ 79,527	$ -	$ 614,078
21,480	210,700	-	232,180
77,662	-	-	77,662
633,693	290,227	-	923,920
2,982,608	-	-	2,982,608
4,304,659	-	-	4,304,659
21,555	890	6,293	28,738
16,287	4,057	26,033	46,377
-	52,511	-	52,511
-	-	(1,406,701)	(1,406,701)
3,843	-	-	3,843
(27,175)	-	-	(27,175)
303,988	-	-	303,988
4,850	(4,850)	-	-
8,244,308	342,835	(1,374,375)	7,212,768
3,702,373	-	-	3,702,373
3,686,598	-	-	3,686,598
7,388,971	-	-	7,388,971
764,640	-	6,905	771,545
383,035	-	-	383,035
1,147,675	-	6,905	1,154,580
8,536,646	-	6,905	8,543,551
(292,338)	342,835	(1,381,280)	(1,330,783)
426,739	856,323	3,852,470	5,135,532
$ 134,401	$ 1,199,158	$ 2,471,190	$ 3,804,749

The accompanying notes are an integral part of this statement.

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PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
STATEMENTS OF CASH FLOWS
Year Ended December 31, 2017 and 2016

	Years Ended December 31, 2017	2016
OPERATING ACTIVITIES		
Change in net assets	$ 3,253,333	$ (1,330,783)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Bad debts	55,112	1,576
Depreciation	213,088	203,035
Gain on sale of assets	(888,203)	(3,843)
Gain on investments	(123,786)	(46,377)
Gain from charitable remainder trusts	(78,114)	(52,511)
Loss (gain) from perpetual trusts	(108,306)	1,406,701
Losses (gains) on annuities	(9,109)	27,175
Changes in:		
Receivables		
Bequests from estates and trusts	(693,000)	(210,700)
Government and local agencies	(165,265)	42,715
Contributions	(917)	21,848
Related party	(44,014)	-
Prepaid expenses	4,783	13,687
Other assets	1,368	8,961
Assets held in charitable remainder trusts	(58,687)	(46,982)
Scholarship loans	-	130
Beneficial interests in third-party trusts	58,687	46,982
Accounts payable	(24,005)	23,848
Due to affiliate	10,761	9,184
Related party payable	(108,420)	78,445
Accrued expenses	91,138	10,017
Annuities payable	(30,112)	(37,192)
Net cash provided by operating activities	1,356,332	165,916
INVESTING ACTIVITIES		
Purchase of property and equipment	(69,974)	(75,017)
Proceeds from sale of property and equipment	902,604	3,843
Proceeds from sale of investments	337,199	70,244
Purchase of investments	(68,869)	(78,015)
Net cash provided by (used in) investing activities	1,100,960	(78,945)
FINANCING ACTIVITIES		
Borrowings on lines of credit	720,000	375,000
Repayment on lines of credit	(624,065)	(450,000)
Borrowings on long term debt	252,433	22,702
Repayment of long term debt	(161,324)	(153,810)
Net cash provided by (used in) financing activities	187,044	(206,108)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,644,336	(119,137)
CASH AND CASH EQUIVALENTS, Beginning	153,190	272,327
CASH AND CASH EQUIVALENTS, Ending	$ 2,797,526	$ 153,190
SUPPLEMENTAL DISCLOSURE:		
Interest paid	$ 155,788	$ 147,787

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NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Presbyterian Children's Homes & Services of Missouri (PCHAS-MO) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the significant policies.

History

PCHAS-MO, a Missouri non-profit corporation, was formerly Children's Foundation of Mid-America, Inc. It was established in 1914 and changed its name to PCHAS-MO in 2013 upon affiliation with Presbyterian Children's Homes and Services (PCHAS-TX). PCHAS-MO provides Christ-centered care and support to children and families in need through residential treatment programs for adolescents, professional services such as community based case management programs for children of all ages that are from troubled family backgrounds and other related family services.

PCHAS-MO program services are provided in the following locations.

Residential Treatment	Professional Services Community Based/Case Management
Columbia	Columbia
Farmington	Joplin
Springfield	Springfield
	St. Louis

Estimates

In the preparation of financial statements in conformity with GAAP, management uses estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and the reported revenue and expenses. While management believes these estimates to be reasonable, actual results could differ from those estimates. Significant estimates in the financial statements relate to determination of the allowance for uncollectible receivables, student loans and pledges, depreciable lives of property and equipment, valuation of annuities payable and fair value of investments.

Financial Statement Presentation

The financial statements of PCHAS-MO were prepared using the accrual basis of accounting. Under this basis, revenue is recorded when earned and expenses are recorded at the time liabilities are incurred.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

PCHAS-MO resources are classified for accounting and reporting purposes into three asset categories according to externally (donor) imposed restrictions. A description of the three net asset categories is as follows:

> **Unrestricted Net Assets** - Represent those net assets that are not restricted by donors. All contributions are considered to be available for unrestricted use and available for operations unless specifically restricted by the donor.
>
> **Temporarily Restricted Net Assets** - Represent those net assets whose use has been limited by donor-imposed stipulations that either specify expenditures, expire by passage of time, or can be fulfilled and removed by actions of the Board pursuant to those stipulations. Net assets in this classification are primarily related to time and program restrictions.
>
> **Permanently Restricted Net Assets** - Represent those net assets that must be maintained in perpetuity, the income from which can be spent for operations except for the Park Fund and beneficial interest in third-party trusts. The income from these funds is subject to restrictions.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, PCHAS-MO considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents. Cash equivalents are stated at cost, which approximates market value.

PCHAS-MO maintains its cash in several financial institutions. All bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per financial institution. Based upon cash balances at a single financial institution, the federally-insured deposit limits are exceeded as of December 31, 2017 by $2,365,428 and were fully insured as of December 31, 2016.

PCHAS-MO has money market mutual funds, which are not federally insured, but are subject to Securities Investor Protection Coverage (SIPC) as of December 31, 2017 and December 31, 2016.

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Receivables are deemed to be past due once they are more than 60 days old. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts.

Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables (Continued)

Changes in the allowance for doubtful accounts, including receivables from government and local agencies, contributions, and scholarship loans, are as follows:

	As of and for the Years Ended December 31,	
	2017	2016
Balance - beginning	$ 29,200	$ 80,262
Provision for doubtful accounts	55,112	1,576
Accounts written off	(7,851)	(52,638)
Balance - ending	$ 76,461	$ 29,200

Investments

Investments in marketable securities are carried at market value based on the closing prices on the stock exchange as of the last day of the period. Net realized and unrealized gains are reported as changes in unrestricted or temporarily restricted net assets based on any donor restrictions. PCHAS-MO also has an investment in a related party that is recorded at cost.

Scholarship Loans

PCHAS-MO provides educational loans to eligible residents and former resident students based on restricted net assets. Educational loans to residents and former residents are non-interest bearing and are funded through donor restricted funds. The practice of extending educational loans with a simple interest rate of 5% to former and current employees and their families was discontinued in 2013.

Student loans are stated at cost when awarded. The student is obligated to start repaying the loans upon graduation. Generally, repayment of loans is scheduled over five years. No interest is charged or accrued on loans while a student is actively enrolled in school.

There was no change in the allowance for uncollectible accounts for scholarship loans from 2016 to 2017. From 2015 to 2016 the allowance decreased by $13,573.

Property and Equipment

Purchases of property and equipment with values of $2,000 or more and a useful life of five years or more are capitalized, while all other purchases are recorded as expense in the year purchased. Property and equipment is recorded at cost, if purchased, or at estimated fair market value on the date of receipt, if donated.

Depreciation of property and equipment is provided on the straight-line method over the following estimated useful lives:

	Years
Buildings and building improvements	40
Furniture, fixtures and equipment	5 - 10
Vehicles	3

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Unconditional promises-to-give cash and other assets are reported at fair value at the date the promise is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are temporarily restricted as to use by the donor are reported as unrestricted when the restriction is fulfilled in the same time period in which the contribution is received.

Contributions that have been pledged but not received as of the end of an accounting period are reported at the net present value of the future cash flows of such pledges. Contributions that are conditional upon some event are not reported until such time as the condition has been met. Certain grants may qualify as contributions and, accordingly, they are recognized as support when made.

Designation of Unrestricted Net Assets

It is the policy of the Board of Trustees to review its plans for future property and improvements and acquisitions from time to time and to designate appropriate sums of unrestricted net assets to assure adequate financing of such improvements and acquisitions.

Program Service Fees and Grants from Governmental and Local Agencies

Fees and grants from governmental and local agencies are generally recognized as revenue in the period that specific services are performed.

Program service fees are recognized when the services are provided and are reported at the net realizable amounts from private payers, third-party payers, and others.

Contributions, Investment Income and Gains Restricted by Donors

PCHAS-MO reports gifts or investment income and gains as restricted income if it is received with donor stipulation that restricts the gift's use or income to a specific purpose or has a time restriction. When a restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. If these restrictions are met in the same period in which the gift or income is earned, the gift or income is recorded as unrestricted support.

Estate Bequests and Beneficial Interest

PCHAS-MO records contributions from donors for legacies and bequests as it is notified and the amounts are determinable. Additionally, PCHAS-MO records contributions from donors for charitable gift annuities.

PCHAS-MO is a beneficiary of trusts in which the donors have established perpetual trusts administered by third-party trustees. PCHAS-MO has the irrevocable right to receive the income earned on the trust assets in perpetuity. The amount recorded in the Statements of Financial Position represents the estimated fair value of the contributions based on its percentage interest of the fair value of the trust assets.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estate Bequests and Beneficial Interest (Continued)

PCHAS-MO is a beneficiary of charitable remainder trusts. PCHAS-MO has the irrevocable right to receive the distributions for a specified period of time and/or principal of the trust at the death of the donors or beneficiaries. The amount recorded in the statement of financial position represents the estimated fair value of the contribution measured as the present value of the principal based upon the actuarial lives of the donors.

Donated Materials

PCHAS-MO records the value of donated materials as contributions when there is an objective basis available to measure their fair value. As donated items are used by our programs, a corresponding expense is recorded.

Donated Services

Donated services are recognized as contributions if the services create or enhance non-financial assets or if the services require specialized skills, are performed by people with those skills, and would otherwise be purchased by PCHAS-MO. In addition, volunteers provide assistance with specific programs, fundraising, and work on many committees that is not recognized as revenue since the recognition criteria were not met.

Advertising

Advertising costs are charged to operations when incurred and were $30,017 and $4,821 for the years ended December 31, 2017 and 2016, respectively.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. PCHAS-MO determines the fair values of its financial instruments based on the fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets or liabilities. Level 2 financial instruments are valued using quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data of substantially the full term of the assets or liabilities. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable and when determination of the fair value requires significant management judgment or estimation.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 from prior periods.

> Corporate stocks, bond and equity funds, and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded. Mutual funds are valued at the net asset value (NAV) of shares held at the end of the year.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while PCHAS-MO believes its valuation methods are appropriate and 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.

Income Tax Status

PCHAS-MO is exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purpose (unless that income is otherwise excluded by the IRC). PCHAS-MO has concluded that no tax benefits or liabilities are required to be recognized in accordance with generally accepted accounting principles. The last three tax years remain open to examination by taxing authorities.

PCHAS-MO has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, *Accounting for Uncertainty in Income Tax*. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in financial statements. It also provides guidance for derecognition, classification, interest and penalties, accounting and interim periods, disclosure, and transition. Management believes there were none. In addition, PCHAS-MO qualifies for the charitable contribution deduction under Section 170 and has been classified as an organization other than a private foundation under Section 509(a)3.

Reclassifications

Certain prior period amounts have been reclassified to conform to current period presentations. Such reclassifications had no effect on previously reported change in net assets.

Compensated Absences

Full-time employees accrue 18 to 34 days per year of Earned Time Off (ETO) based upon their position and length of service. The maximum balance allowed is 42 days. Upon termination, employees are paid up to 100% of their unused ETO balance depending on their length of service.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

PCHAS-MO allocates expenses on a functional basis among its various program and supporting services. Expenses that can be directly associated with a specific program are allocated directly according to their functional expense classification. Other expenses that are common to several functions are allocated by various statistical bases. Management and general expenses include those expenses that are not directly identifiable with any other specific program function but provide for the overall support and direction of PCHAS-MO as a whole.

New Accounting Pronouncements

In May 2014, FASB issued Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606).* The purpose of this update was to provide a standard that increases consistency of revenue recognition for similar contracts, regardless of industry. It also provides for common revenue recognition standards for both GAAP and the International Accounting Standards Board (IASB). This update affects any organization recognizing revenue through various contracts with customers. The standard will become effective for PCHAS-MO for fiscal years beginning after Dec 15, 2018.

In its simplest form, the new standard is a single, contract-based approach in which revenue is recognized when an entity satisfies its obligation to its customers, which occurs when controls over a good or service is transferred to a customer. Revenue and cost might change from current revenue recognition practices as it relates to the time and the amount recognized.

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842),* which applies to two types of leases: capital (or finance) leases and operating leases. While the requirements for a lessor under the new standard will remain similar to the current guidance, the requirements for a lessee are expanded. Previously, a lessee was only required to recognize capital leases on its balance sheet, however, the new standard now requires that a lessee recognize on the balance sheet assets and liabilities for leases with terms of more than 12 months, regardless of the type of lease. Leases with terms of less than 12 months are exempt from the new standard, if the organization makes the accounting policy election. The standard will become effective for PCHAS-MO for fiscal years beginning after Dec 15, 2019.

The required recognition, measurement and presentation of cash flows by a lessee depend on the type of lease:

(a) for capital or finance leases, lessees will recognize amortization of the right-of-use asset separately from interest on the lease liability.

(b) for operating leases, lessees will recognize a single total lease expense calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis.

For both types of leases, lessees will recognize a right-of-use asset and a lease liability.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements (Continued)

In August 2016, FASB issued ASU No. 2016-14, *Not-for-Profit entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* The new guidance provides for the following changes and will be effective for PCHAS-MO for fiscal years beginning after December 15, 2017.

(a) reduces the net asset classification from three to two categories: with donor restrictions and without donor restrictions, and expands the required disclosures about the nature and amount of any donor restrictions;

(b) updates required disclosures for underwater endowments;

(c) requires net presentation of investment expenses against investment return on the statement of activities and eliminates the requirement to disclose investment expenses that have been netted;

(d) requires the presentation of expenses by nature as well as function, including an analysis of expenses showing the relationship between the functional and natural classification for all expenses;

(e) requires qualitative disclosures on how a not-for-profit manages its available liquid resources;

(f) requires quantitative disclosures that communicate the availability of financial assets to meet the cash needs for general expenditures within one year of the balance sheet date;

(g) allows for a choice between the direct and indirect method of reporting operating cash flows and no longer requires the indirect reconciliation if the direct method is used.

Affiliation with Presbyterian Children's Homes and Services

Effective January 15, 2013, PCHAS-TX, a Texas nonprofit corporation, entered into an affiliation agreement with PCHAS-MO, formerly Children's Foundation of Mid-America, a Missouri nonprofit corporation. Under this affiliation, PCHAS-MO and PCHAS-TX remain separate corporations and operate programs independently. On January 15, 2013, PCHAS-MO and PCHAS-TX entered into a shared services agreement through which specified areas of knowledge and expertise are mutually shared. PCHAS-TX provides supervision and oversight to several PCHAS-MO departments including the human resources, administrative, finance, development and quality assurance staff. PCHAS-MO provides information technology support and some administrative support services to PCHAS-TX. As of December 31, 2017 and 2016, PCHAS-MO has a net payable of $228,892 and $218,131 to PCHAS-TX, respectively. In 2017, PCHAS-TX provided $74,510 of labor for administrative, development and financial support services to PCHAS-MO and the reimbursement of travel expenses and affiliated material purchases. In addition, PCHAS-MO provided $63,749 of technology, mentoring program and accreditation support services to PCHAS-TX.

PCHAS-TX has also provided an $850,000 line of credit to PCHAS-MO which accrues interest at the prime rate plus 0.5% and matures December 31, 2018. The balance under this line of credit was $890,327 and $637,895 at December 31, 2017 and 2016, respectively. The current balance includes principal of $828,733 and accumulated interest of $61,594.

As described in Note 21 Subsequent Events, PCHAS-TX and PCHAS-MO merged effective January 1, 2018 after five years of affiliation.

NOTE 2 — CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	December 31, 2017	December 31, 2016
Checking	$ 2,753,751	$ 111,820
Money market mutual funds	43,775	41,370
	$ 2,797,526	$ 153,190

NOTE 3 — INVESTMENTS

Investments consist of the following:

	December 31, 2017	December 31, 2016
Investments, at fair value		
Corporate stocks	$ 65,406	$ 59,741
Bond funds	444,288	595,534
U.S. government obligations	192	219
	$ 509,886	$ 655,494
Investments, at cost		
Investment in Missouri Alliance for Children and Families, L.L.C.	$ 7,000	$ 7,000

NOTE 4 — PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	December 31, 2017	December 31, 2016
Land	$ 1,287,235	$ 1,301,635
Buildings and building improvements	6,332,875	6,262,902
Furniture, fixtures and equipment	893,242	893,242
Vehicles	165,421	165,421
	8,678,773	8,623,200
Less accumulated depreciation	(3,951,439)	(3,738,351)
	$ 4,727,334	$ 4,884,849

Depreciation expense for the years ended December 31, 2017 and 2016 was $213,088 and $203,035, respectively. PCHAS-MO reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There were no impairments of assets indicated in 2017 or 2016, respectively.

NOTE 5 — ASSETS HELD IN CHARITABLE REMAINDER TRUSTS

Donors have established charitable remainder trusts, naming the PCHAS-MO as the trustee. Charitable remainder trusts provide for the payment of distributions to designated beneficiaries over the trusts' terms. At the end of the trusts' terms, the remaining assets are to be available for PCHAS-MO's use, subject to donor-imposed restrictions. Assets held in charitable remainder trusts at December 31, 2017 and 2016 totaled $518,449 and $459,762, respectively, and are reported at fair value in the Statements of Financial Position. These trust assets, which are invested and administered by bank trustees, are invested generally in equity securities (83%), fixed income securities (10%), and cash equivalents (7%).

Income from charitable remainder trusts including gains is reflected in the Statements of Activities. On an annual basis, PCHAS-MO reviews the need to re-evaluate the liability to make distributions to the designated beneficiaries based on actuarial assumptions. There were no changes in actuarial assumptions resulting in revaluations during the years ended December 31, 2017 and 2016. There was no liability under the unitrust as of December 31, 2017.

NOTE 6 — BENEFICIAL INTEREST IN THIRD-PARTY TRUSTS

Donors have also established trusts with third party financial institutions naming PCHAS-MO as the beneficiary of charitable remainder trusts. At the time of the donors' deaths, the trusts terminate and remaining trust assets are distributed to PCHAS-MO and other entities, based upon formulas set forth in the trusts.

Charitable Remainder Trusts

Based upon donor life expectancy, the present value of future benefits expected to be received is estimated to be $164,681 and $145,254 at December 31, 2017 and 2016, respectively. These trust assets, which are invested and administered by bank trustees, are invested generally in equity securities (76%), alternative strategies (10%), fixed income securities (12%), and cash equivalents (2%).

Changes in the fair value of charitable reminder trusts are reflected as changes in temporarily restricted net assets in the Statements of Activities.

Perpetual Trusts

PCHAS-MO is the beneficiary of various trusts created by donors, the assets of which are not in the its possession. PCHAS-MO has legally enforceable rights and claims to such assets, including the sole right to income. These trust assets, which are invested and administered by bank trustees, are invested generally in equity securities (68%), fixed income securities (28%), and cash equivalents (3%).

The change in fair value related to the beneficial interests is reported as changes in permanently restricted net assets based on explicit donor stipulations. The fair value at December 31, 2017 and 2016 of those beneficial interest was $1,479,379 and $1,371,073 respectively.

NOTE 7 — LINES OF CREDIT

PCHAS-MO holds a $200,000 line of credit with a bank that is secured by property. Interest on this line of credit is payable monthly at prime rate plus 0.50% and is subject to 4.75% floor. The principal and interest are due April 9, 2018. The balance of this line of credit was $195,935 and $100,000 as of December 31, 2017 and 2016, respectively.

The prime rate at December 31, 2017 and 2016 was 4.50% and 3.75%, respectively. Interest paid on lines of credit for the years ended December 31, 2017 and 2016 was $14,213 and $6,075, respectively.

NOTE 8 — LONG-TERM DEBT

Long-term debt consists of the following:	December 31,	
	2017	2016
$1,162,982 term loan with bank; payable in monthly installments of $7,598, including interest, payable at 4.85%; final payment due November 21, 2027 - collateralized by real property	$ 716,637	$ 771,600
$750,000 term loan with bank; payable in monthly installments of $4,544, including interest, at lender's 1 yr. CD rate of .75% plus 3.5%; final payment due October 9, 2029 - collateralized by real property	504,678	536,677
$2,000,000 term loan with bank; payable in monthly installments of $12,618, including interest, payable at 4.5%; final payment due in January 15, 2018 - collateralized by real property	1,648,561	1,722,922
$850,000 line of credit with an affiliated organization; interest payable monthly at prime rate plus 0.50%; principal and interest due December 31, 2018, secured by property.	$ 890,327	$ 637,895
	3,760,203	3,669,094
Less current portion of long-term debt	1,739,561	161,188
	$ 2,020,642	$ 3,507,906

The $2,000,000 term loan was renewed for 5 years in January of 2018.

The balance of the $850,000 line of credit with an affiliated organization includes principal of $828,733 and accumulated interest of $61,594.

Interest paid on long-term debt for the years ended December 31, 2017 and 2016 was $138,537 and $137,714, respectively.

NOTE 8 — LONG-TERM DEBT (Continued)

Future maturities of long-term debt are as follows:

Year Ending December 31,		
2018 - current portion		1,739,561
2019		985,692
2020		99,805
2021		104,729
2022		109,756
Thereafter		720,660
	$	3,760,203

NOTE 9 — ANNUITIES PAYABLE

PCHAS-MO receives donations from benefactors in exchange for annuities that provide income to a named beneficiary (or beneficiaries) until their death. The difference between the amount of the donation and the present value of expected future payments to the beneficiary is recognized as revenue in the year of the donation. The total expected annual payments are $25,684 and $37,192 at December 31, 2017 and 2016, respectively. In calculating the present value of the annuities, PCHAS-MO used a discount rate based on the applicable Internal Revenue Service (IRS) rate for the month the contributions were received, which were applied to the current expected payoff based on the annuitant's remaining expected life.

Future maturities of annuities payable are as follows:

Year Ending December 31,		
2018 - current portion		25,684
2019		24,055
2020		22,531
2021		20,277
2022		16,937
Thereafter		38,484
	$	147,968

NOTE 10 — TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	December 31,	
	2017	2016
Program and purpose restrictions		
Scholarships	$ 189,515	$ 189,515
Time restrictions	892,003	1,009,643
	$ 1,081,518	$ 1,199,158

NOTE 10 — TEMPORARILY RESTRICTED NET ASSETS (Continued)

Temporarily restricted net assets are released from donor restrictions by incurring expenses, satisfying the restricted purposes or by occurrence of other events specified by donors. For the years ended December 31, 2017 and December 31, 2016, respectively, net assets of $449,190 and $4,850 were released due to the satisfaction of program and purpose restrictions.

NOTE 11 — PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of the following:

	December 31, 2017	December 31, 2016
Endowment funds managed by PCHAS-MO	$ 1,188,391	$ 1,100,117
Beneficial interests in third-party trusts- managed by trust companies	1,479,379	1,371,073
	$ 2,667,770	$ 2,471,190

NOTE 12 — ENDOWMENT

Endowment

PCHAS-MO's endowment consists of various funds established for a variety of purposes. Its endowment includes donor restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor restrictions.

Uniform Prudent Management of Institutional Funds Act

The Uniform Law Commission (ULC) approved the Uniform Prudent Management of Institutional Funds Act (UPMIFA) that serves as a guideline for states to use in enacting legislation related to the UPMIFA. In response to the ULC's act the FASB issued Endowments of Not-for-Profit Organizations, which requires substantial additional disclosures relating to endowments. The State of Missouri passed legislation enacting a state version of the UPMIFA.

Interpretation of Relevant Law

The Board of Trustees of PCHAS-MO has interpreted State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, PCHAS-MO classifies 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 that is not classified in permanently restricted net assets is classified by temporarily restricted net assets until those amounts are appropriated for expenditure by PCHAS-MO in a manner consistent with the standard of prudence prescribed by SPMIFA.

NOTE 12 — ENDOWMENT (Continued)

Interpretation of Relevant Law (Continued)

In accordance with SPMIFA, the PCHAS-MO considers 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 organization 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 organization
(7) The investment policies of the organization

Return Objectives and Risk Parameters

PCHAS-MO has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Agency must hold in perpetuity or for a donor specified period as well as Board designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the appropriate index while assuring a moderate level of investment risk. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

PCHAS-MO has a policy of distributing capital gains to the extent the then-current market value of the fund principal exceeds the historical dollar value of the gift less any distributions of principal allowed under the terms of the gift, unless otherwise specified by the donor. In establishing this policy, the Agency considered the long-term expected return on its endowment. Accordingly, over the long-term, PCHAS-MO expects the current spending policy to allow its endowment to grow annually. This is consistent with the Agency'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 contributions and investment return.

NOTE 12 — ENDOWMENT (Continued)

Endowment net asset composition which are permanently restricted consists of the following:

	December 31,	
	2017	2016
Donor restricted endowment funds	$ 1,188,391	$ 1,100,117
Beneficial interest in third party trusts	1,479,379	1,371,073
Total	$ 2,667,770	$ 2,471,190

Donor restricted endowment funds are managed by PCHAS-MO. Donor restricted beneficial interest in third-party trusts are managed by trust companies.

Changes in permanently restricted endowment net assets are as follows:

	December 31,	
	2017	2016
Beginning balance	$ 2,471,190	$ 3,852,470
Interest and dividends	6,475	6,293
Investment gains	86,302	26,033
Gain (loss) on perpetual trusts	108,306	(1,406,701)
Appropriated for expenditure/transfer	(4,503)	(6,905)
Ending balance	$ 2,667,770	$ 2,471,190

NOTE 13 — OPERATING LEASES

PCHAS-MO leases office space and equipment under operating leases which expire through 2022. The rent payments may be adjusted each calendar year for a pro rata share of the increase in taxes and operating expenses over the base year expenses.

Minimum payments on these operating leases are as follows:

Year Ending December 31	
2018	$ 76,065
2019	21,325
2020	2,873
2021	2,340
2022	2,340
	$ 104,943

Rent expense was $90,323 and $99,031 for the years ended December 31, 2017 and 2016, respectively, and is included in operating expense.

NOTE 14 — FEES AND GRANTS FROM GOVERNMENT AND LOCAL AGENCIES

Fees and grant revenues from government and local agencies consist of the following:

	Years Ended December 31,	
	2017	2016
Unrestricted		
State of Missouri	$ 1,908,140	$ 2,010,554
Missouri Alliance for Children and Families, L.L.C.	637,451	624,126
Other residential fees	323,884	303,605
	2,869,475	2,938,285
U.S. Department of Agriculture	48,030	44,323
Total unrestricted	$ 2,917,505	$ 2,982,608
Temporarily restricted grants	144,805	-
Total revenue from fees and grants	$ 3,062,310	$ 2,982,608

NOTE 15 — PROGRAM SERVICE FEES

Program service fees consist of the following:

	Years Ended December 31,	
	2017	2016
Unrestricted		
Missouri Alliance for Children and Families, L.L.C.	$ 2,350,566	$ 2,221,736
St. Louis County Children's Services Fund -		
Family Solutions for Kids	1,172,285	1,054,315
Therapeutic Mentoring and Family Support	843,328	821,113
Other - various	229,877	207,495
	$ 4,596,056	$ 4,304,659

NOTE 16 — RELATED PARTY TRANSACTIONS

PCHAS-MO is a member of Missouri Alliance for Children and Families, L.L.C. (the Alliance) in which it has a 12.5% equity interest. The Alliance contracts with most of its members to provide a variety of services, as well as with non-member agencies and organizations across the state. The Alliance currently provides services to the Missouri Children's Division under two contracts. Both contracts are reviewed with the state and revised and renewed periodically. Under the initial contract, the Alliance provides case management services to children in the care and custody of the state. PCHAS-MO contracts with the Alliance to provide certain services to these clients, including both residential and community-based care.

Under the second contract, the Alliance is the provider of record with the state, but acts primarily to provide administrative services to PCHAS-MO and four other member agencies. These five agencies provide foster care case management services to clients, essentially as subcontractors with the Alliance. The contract provides annually for bonuses and/or penalties. PCHAS-MO also provides other services for its clients and those of other private case management contractors across the state, as determined by the agency assigned to the case. These services include both residential and community-based services.

PCHAS-MO leases office space to the Alliance on a monthly basis. Total rent income received from the related party was $40,644 and $24,132 for the years ended December 31, 2017 and 2016, respectively.

Distributions from the Alliance are included in other revenues. Distributions of $102,983 were received from the Alliance in 2017, while no distributions were received 2016.

NOTE 17 — YOUTH OPPORTUNITIES PROGRAM

PCHAS-MO was awarded State of Missouri Youth Opportunities Program credits of $200,000 in 2017 and $250,000 in 2016. The award is for a two year period, with the current period ending June 30, 2019. Credits granted were to be distributed at a 50% rate in exchange for $400,000 and $500,000 in contributions for the years 2017 and 2016, respectively. Total donations and related program expenditures for the project were $153,341 and $112,100 for the years ended December 31, 2017 and 2016, respectively.

NOTE 18 — FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. For additional information on how PCHAS-MO measures fair value, see Note 1.

NOTE 18 — FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, PCHAS-MO assets at fair value as of December 31, 2017:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments	$ 516,886	$ 509,694	$ 192	$ 7,000
Charitable remainder trusts	518,449	518,449	-	-
Beneficial interests in third-party trusts				
Charitable remainder trusts	164,681	148,827	-	15,854
Perpetual trusts	1,479,379	1,460,061	-	19,318
Total	$ 2,679,395	$ 2,637,031	$ 192	$ 42,172

The following table sets forth a summary of changes in fair value of Level 3 assets for the year ending December 31, 2017:

Balance on January 1, 2017	288,931
Total gains included in earnings	1,355
Sales	(248,114)
Balance on December 31, 2017	$ 42,172

The following table sets forth by level, within the fair value hierarchy, PCHAS-MO assets at fair value as of December 31, 2016:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments	$ 662,494	$ 655,275	$ 219	$ 7,000
Charitable remainder trusts	459,762	459,762	-	-
Beneficial interests in third-party trusts				
Charitable remainder trusts	145,254	121,530	-	23,724
Perpetual trusts	1,371,073	1,112,866	-	258,207
Total	$ 2,638,583	$ 2,349,433	$ 219	$ 288,931

NOTE 18 — FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth a summary of changes in fair value of Level 3 assets for the year ending December 31, 2016:

Balance on January 1, 2016	1,409,410
Total losses included in earnings	(982,073)
Sales	(138,406)
Balance on December 31, 2016	$ 288,931

Gains (losses) included in earnings are reported as follows:

	Years Ended December 31,	
	2017	2016
Realized gains on investments	$ 123,786	$ 46,377
Gain (loss) on charitable remainder trusts	78,114	52,511
Loss from perpetual trusts	108,306	(1,406,701)
	$ 310,206	$ (1,307,813)

NOTE 19 — CONTINGENCIES

Certain revenue received by PCHAS-MO is subject to compliance audits by appropriate governmental authorities. The findings of these audits could result in additional liabilities to PCHAS-MO. However, management believes that PCHAS-MO has complied with the provisions of each contract and the effect of such findings, if any, would not have a material impact on the financial statements.

PCHAS-MO is a party to certain claims arising out of the normal conduct of its business. While the ultimate resolution of these matters cannot be predicted with certainty, management does not expect that these matters will have a material adverse effect on the financial position of the organization.

NOTE 20 — EMPLOYEE DEFINED CONTRIBUTION PLAN

Prior to 2013 PCHAS-MO had offered a 403(b) deferred compensation plan to qualified employees, however this plan was terminated December 31, 2012. Effective January 1, 2016, PCHAS-MO reestablished a 403(b) deferred compensation plan. All employees are eligible to contribute by voluntary salary reduction upon employment. The employer may make, at its discretion, matching contributions for eligible employees. PCHAS-MO made discretionary matching contributions of $20,366 in 2017 and did not make matching contributions in 2016.

NOTE 21 — SUBSEQUENT EVENTS

Management of PCHAS-MO has evaluated subsequent events through July 26, 2018, the issuance date of this report.

Subsequent to year end, PCHAS-MO entered into an agreement to merge with PCHAS-TX, after five years of affiliation. PCHAS-TX is a non-profit corporation providing group home, foster care, adoption services, single parent family programs and community based services to children and families in need. The merger is effective January 1, 2018.

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SUPPLEMENTAL SCHEDULE

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PRESBYTERIAN CHILDREN'S HOMES AND SERVICES OF MISSOURI
SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended December 31, 2017

	Program Services				Support Services			
	Residential Treatment	Professional Services	Allocable Shared Services	Total Program Services	Management and General	Development and Public Relations	Total Support Services	Total
SALARIES AND EMPLOYEE BENEFITS								
Salaries and wages	$ 2,149,198	$ 2,385,997	$ 583,407	$ 5,118,602	$ 469,321	$ 217,290	$ 686,611	$ 5,805,213
Employee benefits	179,305	338,772	13,560	531,637	140,351	10,048	150,399	682,036
Payroll taxes and insurance	249,507	212,406	56,520	518,433	39,212	18,808	58,020	576,453
	2,578,010	2,937,175	653,487	6,168,672	648,884	246,146	895,030	7,063,702
OTHER OPERATING EXPENSES								
Allocation of shared services	370,577	383,442	(754,019)	-	-	-	-	-
Bad debts (recoveries)	-	-	54,588	54,588	-	524	524	55,112
Affiliated agency services	-	-	(56,382)	(56,382)	70,105	704	70,809	14,427
Development	4,687	1,313	774	6,774	2,346	60,024	62,370	69,144
Equipment	6,928	14,205	3,609	24,742	6,995	961	7,956	32,698
Food	163,500	1,750	-	165,250	-	-	-	165,250
Interest	37,509	55,823	5,195	98,527	54,164	3,097	57,261	155,788
Miscellaneous	11,238	28,777	(11,458)	28,557	15,206	7,042	22,248	50,805
Occupancy	260,047	190,154	24,938	475,139	24,925	15,317	40,242	515,381
Postal and delivery	580	2,119	646	3,345	3,199	3,665	6,864	10,209
Printing and production	-	145	2,228	2,373	38	18,353	18,391	20,764
Professional fees	39,962	24,227	4,661	68,850	54,000	399	54,399	123,249
Client care	62,112	55,788	157	118,057	-	-	-	118,057
Supplies and repairs	61,429	27,358	2,953	91,740	4,679	2,674	7,353	99,093
Telephone	25,411	51,536	6,737	83,684	6,236	6,688	12,924	96,608
Training, meetings and dues	10,888	8,961	38,832	58,681	2,965	6,058	9,023	67,704
Travel and transportation	39,555	145,537	17,682	202,774	1,587	6,973	8,560	211,334
Total expenses before depreciation	3,672,433	3,928,310	(5,372)	7,595,371	895,329	378,625	1,273,954	8,869,325
DEPRECIATION	149,052	25,850	5,372	180,274	30,849	1,965	32,814	213,088
TOTAL	$ 3,821,485	$ 3,954,160	$ -	$ 7,775,645	$ 926,178	$ 380,590	$ 1,306,768	$ 9,082,413
PERCENTAGE	42.1%	43.5%		85.6%	10.2%	4.2%	14.4%	100.0%

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