CALVIN THEOLOGICAL SEMINARY

CALVIN THEOLOGICAL SEMINARY

Financial Statements
With Independent Auditors' Report

June 30, 2019 and 2018

CALVIN THEOLOGICAL SEMINARY

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CAPINCROUSE LLP

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Calvin Theological Seminary
Grand Rapids, Michigan

Report on Financial Statements
We have audited the accompanying financial statements of Calvin Theological Seminary, which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, 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 from material misstatement, whether due to fraud or error.

Auditors' 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Board of Trustees
Calvin Theological Seminary
Grand Rapids, Michigan

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Calvin Theological Seminary as of June 30, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 18 to the financial statements, certain errors resulting in improperly reported net asset classes, as of June 30, 2017, were identified during the current year. Accordingly, a retrospective adjustment has been made to correct beginning net assets from net assets with donor restrictions to net assets without donor restrictions as of June 30, 2017.

Calvin Theological Seminary has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, as described in Note 2. This had a material effect on the presentation of the June 30, 2019 and 2018 financial statements. Our opinion is not modified with respect to these matters.

Capin Crouse LLP

Grand Rapids, Michigan
January 14, 2020

CALVIN THEOLOGICAL SEMINARY

Statements of Financial Position

	June 30, 2019	June 30, 2018 (Restated)
ASSETS:		
Cash and cash equivalents	**$ 1,576,199**	$ 700,010
Receivables:		
Student accounts–net of allowance (Note 2)	**42,308**	30,112
Student loans–net of allowance (Note 5)	**1,468,755**	1,586,626
Contributions (Note 4)	**100,000**	850,000
Other	**136,543**	85,054
Prepaid expenses	**224,274**	274,030
Investments (Note 6)	**52,813,706**	48,935,891
Cash value of life insurance	**122,264**	117,770
Plant assets–net (Note 7)	**9,892,428**	10,259,317
Total Assets	**$ 66,376,477**	$ 62,838,810
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	**$ 187,580**	$ 326,560
Refundable advances	**76,890**	221,988
Accrued expenses and other liabilities	**98,795**	146,056
Accrued retiree medical benefits	**1,268,661**	1,174,534
Student funds received in advance	**124,801**	125,493
Annuity contracts	**133,343**	146,610
Federal Perkins Loan advances	**109,420**	108,325
Capital lease obligation (Note 8)	**47,281**	69,561
Total liabilities	**2,046,771**	2,319,127
Net assets (Note 12):		
Net assets without donor restrictions	**20,953,023**	20,908,415
Net assets with donor restrictions:		
Restricted by purpose or time	**18,184,255**	17,851,021
Restricted in perpetuity	**25,192,428**	21,760,247
Total net assets with donor restrictions	**43,376,683**	39,611,268
Total net assets	**64,329,706**	60,519,683
Total Liabilities and Net Assets	**$ 66,376,477**	$ 62,838,810

See notes to financial statements

CALVIN THEOLOGICAL SEMINARY

Statement of Activities

Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:			
Tuition and fees	$ 2,565,937	$ -	$ 2,565,937
Less tuition financial aid	(1,394,803)	-	(1,394,803)
Net tuition and fees	1,171,134	-	1,171,134
Auxiliary revenues	798,926	-	798,926
Less housing financial aid	(22,800)	-	(22,800)
Net auxiliary revenues	776,126	-	776,126
Denominational ministry shares	2,276,738	-	2,276,738
Private gifts and grants	1,770,857	5,498,162	7,269,019
Investment income appropriated for operations	429,911	1,083,353	1,513,264
Changes in the value of split-interest agreements	(2,902)	-	(2,902)
Other revenues	153,943	-	153,943
Total operating revenues	4,628,547	6,581,515	11,210,062
Total Revenues before Release from Restrictions	6,575,807	6,581,515	13,157,322
Net Assets Released from Restrictions:			
Satisfaction of purpose and time restrictions	3,239,207	(3,239,207)	-
	9,815,014	3,342,308	13,157,322
EXPENSES:			
Instructional	4,502,622	-	4,502,622
Public service	127,035	-	127,035
Academic support	1,396,272	-	1,396,272
Student services	881,250	-	881,250
Institutional support	1,919,218	-	1,919,218
Other financial aid	147,665	-	147,665
Auxiliary enterprises	703,009	-	703,009
	9,677,071	-	9,677,071
Change in Net Assets from Operating Activities	137,943	3,342,308	3,480,251
Non-Operating Activities			
Investment income, net of appropriations for operations	82,847	423,107	505,954
Actuarial change in post retirement benefit obligation other than net periodic costs	(176,182)	-	(176,182)
Change in Non-Operating Activities	(93,335)	423,107	329,772
Total Change in Net Assets	44,608	3,765,415	3,810,023
NET ASSETS:			
Beginning of Year	20,908,415	39,611,268	60,519,683
End of Year	$ 20,953,023	$ 43,376,683	$ 64,329,706

See notes to financial statements

CALVIN THEOLOGICAL SEMINARY

Statement of Activities

Year Ended June 30, 2018, as Restated

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:			
Tuition and fees	$ 2,428,019	$ -	$ 2,428,019
Less tuition financial aid	(1,379,888)	-	(1,379,888)
Net tuition and fees	1,048,131	-	1,048,131
Auxiliary revenues	805,045	-	805,045
Less housing financial aid	(22,350)	-	(22,350)
Net auxiliary revenues	782,695	-	782,695
Denominational ministry shares	2,405,000	-	2,405,000
Private gifts and grants	2,104,109	2,517,808	4,621,917
Investment income appropriated for operations	379,894	1,270,816	1,650,710
Changes in the value of split-interest agreements	(4,931)	-	(4,931)
Other revenues	125,421	-	125,421
Total operating revenues	5,009,493	3,788,624	8,798,117
Total Revenues before Release from Restrictions	6,840,319	3,788,624	10,628,943
Net Assets Released from Restrictions:			
Satisfaction of purpose and time restrictions	3,314,942	(3,314,942)	-
	10,155,261	473,682	10,628,943
EXPENSES:			
Instructional	4,406,799	-	4,406,799
Research	92,882	-	92,882
Public service	69,367	-	69,367
Academic support	1,416,963	-	1,416,963
Student services	832,742	-	832,742
Institutional support	1,890,665	-	1,890,665
Other financial aid	161,369	-	161,369
Auxiliary enterprises	630,147	-	630,147
	9,500,934	-	9,500,934
Change in Net Assets from Operating Activities	654,327	473,682	1,128,009
Non-Operating Activities			
Investment income, net of appropriations for operations	147,355	594,697	742,052
Actuarial change in post retirement benefit obligation other than net periodic costs	20,830	-	20,830
Change in Non-Operating Activities	168,185	594,697	762,882
Total Change in Net Assets	822,512	1,068,379	1,890,891
NET ASSETS:			
Beginning of Year as previously stated	14,436,164	44,192,628	58,628,792
Prior period adjustment (Note 18)	5,649,739	(5,649,739)	
Beginning of Year as restated	20,085,903	38,542,889	58,628,792
End of Year	$ 20,908,415	$ 39,611,268	$ 60,519,683

See notes to financial statements

CALVIN THEOLOGICAL SEMINARY

Statements of Functional Expenses

	Years Ended June 30,							
	2019				2018, Restated			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and benefits	**$ 3,580,406**	**$ 1,144,082**	**$ 317,916**	**$ 5,042,404**	$ 3,691,014	$ 1,049,137	$ 314,913	$ 5,055,064
Occupancy	**1,009,304**	**287,094**	**5,000**	**1,301,398**	1,005,154	220,573	5,000	1,230,727
Other	**613,397**	**77,812**	**13,123**	**704,332**	546,577	146,702	-	693,279
Grants and awards	**538,932**	**-**	**-**	**538,932**	374,949	-	-	374,949
Depreciation and amortization	**331,279**	**88,341**	**22,085**	**441,705**	326,829	87,155	21,789	435,773
Professional fees	**307,331**	**73,196**	**11,144**	**391,671**	297,283	92,676	8,390	398,349
Travel	**126,389**	**107,636**	**52,238**	**286,263**	158,419	66,020	66,659	291,098
Advertising and promotion	**114,023**	**18,170**	**123,937**	**256,130**	117,530	16,849	88,494	222,873
Conferences and conventions	**205,818**	**4,869**	**1,961**	**212,648**	284,023	11,762	2,956	298,741
Equipment and maintenance	**153,492**	**46,618**	**6,522**	**206,632**	155,843	48,650	7,135	211,628
Printing and duplicating	**92,549**	**16,967**	**21,791**	**131,307**	62,288	-	35,735	98,023
Office supplies	**73,196**	**26,375**	**11,493**	**111,064**	71,954	35,703	20,503	128,160
Subscriptions and memberships	**6,278**	**12,932**	**33,375**	**52,585**	10,585	16,976	34,709	62,270
Total Expenses	**$ 7,152,394**	**$ 1,904,092**	**$ 620,585**	**$ 9,677,071**	$ 7,102,448	$ 1,792,203	$ 606,283	$ 9,500,934

See notes to financial statements

CALVIN THEOLOGICAL SEMINARY

Statements of Cash Flows

	Year Ended June 30, 2019	Year Ended June 30, 2018 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students for tuition, fees, and auxiliary enterprises	**$ 2,088,315**	$ 1,936,195
Gifts and grants received for operations	**6,812,037**	5,479,997
Interest and dividends received	**236,039**	43,000
Cash paid to suppliers and employees	**(9,729,391)**	(8,777,463)
Net Cash Used By Operating Activities	**(593,000)**	(1,318,271)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Student loans advanced	**(84,705)**	(177,023)
Student loans collected	**104,138**	181,111
Proceeds from dispositions of investments	**45,178,563**	17,951,400
Acquisition of investments	**(47,041,661)**	(18,605,794)
Proceeds from sale of investments for annuity payments	**16,170**	18,185
Acquisition and construction of plant assets	**(97,097)**	(249,071)
Net Cash Used By Investing Activities	**(1,924,592)**	(881,192)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Gifts restricted in perpetuity	**3,432,231**	841,290
Payments on capital lease obligation or debt	**(22,280)**	(22,494)
Annuity payments	**(16,170)**	(18,185)
Net Cash Provided By Financing Activities	**3,393,781**	800,611
Change in Cash and Cash Equivalents	**876,189**	(1,398,852)
Cash and Cash Equivalents, Beginning of Year	**700,010**	2,098,862
Cash and Cash Equivalents, End of Year	**$ 1,576,199**	$ 700,010
NONCASH ACTIVITY:		
Fixed assets in accounts payable	**$ -**	$ 32,708

See notes to financial statements

1. NATURE OF ORGANIZATION:
In 1876, Calvin Theological Seminary (Seminary) was founded as the theological school of the Christian Reformed Church in North America (CRCNA). The Seminary's primary purpose is the preparation of ordained ministers of the Word for the CRCNA and the world, and instruction for the preparation of professors of Reformed theology. The Seminary is supported primarily by denominational ministry shares, charitable contributions, tuition and fees from students, and earnings from endowments. The Seminary has been accredited by the Association of Theological Schools in the United States and Canada. The Seminary is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Seminary qualifies for charitable contribution deductions under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PRESENTATION
The financial statements of the Seminary have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed are described below.

OPERATING AND NON-OPERATING ACTIVITIES
The statements of activities presents the changes in net assets of the Seminary from operating activities and from non-operating activities. Operating revenues and expenses relate primarily to educational programs. The portion of investment income appropriated for operations on investments held for endowments and similar purposes under the Seminary's total return spending policy is considered operating revenue.

Non-operating activities consist primarily of (a) investment income, net of appropriations for operations, (b) and actuarial change in post retirement benefit obligation other than net periodic costs.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents represent cash on hand, cash in checking and savings accounts, and all highly liquid investments purchased with original maturities of three months or less. At June 30, 2019 and 2018, the Seminary's cash balances exceeded federally insured limits by $1,044,467 and $198,974, respectively. The Seminary has not experienced any loss on these accounts and does not believe that it is exposed to any significant risk.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

STUDENT ACCOUNTS AND OTHER RECEIVABLES
Students are billed for tuition by semester and rent by month. Student accounts receivable are reported net of any anticipated losses due to uncollectible accounts. The Seminary considers an account to be past due when items billed on the account have not been paid by the due date. Past due accounts are subject to internal collection efforts but remain classified as active student accounts until graduation or enrollment for a new term. The Seminary charges $50 per month on past due receivables of active student accounts, unless the student has an approved financial plan that is kept current. Uncollectible accounts are recognized as additions to the allowance for bad debts in the period it is determined the amounts could become uncollectible. The allowance for doubtful accounts is based on management's evaluation of the collectability of the receivable portfolio, including the nature of the portfolio, trends in historical loss experience, payment patterns from the students, and general economic conditions.

The allowance is maintained at a level that, in management's judgment, is adequate to absorb potential losses inherent in the receivable portfolio. At June 30, 2019 and 2018, student accounts receivable past due 90 days or more totaled $39,545 and $25,595, respectively.

CONTRIBUTIONS RECEIVABLE (see also Note 4)
Unconditional promises to give are recognized as income when made and reported at fair value based upon estimated future cash flows. Conditional promises to give are recognized as income to the Seminary when the conditions are met. Uncollectible pledges are reported as an allowance for bad debts when it is determined the amounts could become uncollectible. The allowance for uncollectible accounts was $-0- at June 30, 2019 and 2018.

Unconditional promises to give that are expected to be collected within one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in future years are reported at the present value of their estimated future cash flows. When applicable, the discounts on those amounts are computed using risk adjusted interest rates applicable to the years in which the promises are expected to be received. At June 30, 2019 and 2018, the amounts due in greater than one year are not significant. Therefore, a discount was not recorded. Additionally, all balances are deemed fully collectable, therefore no allowance for doubtful accounts was recognized.

INVESTMENTS (see also Note 6)
Investments are carried at fair value (including net asset value) and cost. Donated investments are reported at market value at the date of donation and therefore carried in accordance with the above policy. Investments held for long-term purposes relate to the endowment, annuities, or trusts. Realized and unrealized gains and losses, dividends and interest, are included in investment income used in operations without donor restrictions in the statements of activities unless a donor or state law restricts their use.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SEMINARY MINISTRY INCENTIVE PROGRAM LOANS AND PERKINS LOANS
Student loans consist primarily of loans extended from the Seminary Ministry Incentive Program, a revolving loan fund. This ministry incentive program was established in 1985, whereby the Seminary offers a loan forgiveness program for these loans to its ordained graduates who become employed in the ministry of the CRCNA or certain related organizations. Under this program, upon ordination, 5% of the original loan balance is forgiven each year during the first ten years following graduation with a Master of Divinity degree. However, loan forgiveness discontinues when an individual is no longer performing service in a qualified ministry. The potentially forgivable portion of these loans is included in the student loan receivable total that is reported on the statements of financial position. Each year this balance is reduced to reflect the amount that becomes eligible for forgiveness. Amounts forgiven for the years ended June 30, 2019 and 2018, totaled $100,387 and $101,055, respectively.

The Seminary considers a Ministry Incentive Program loan payment to be past due when it has not been received within thirty days of the payment due date. Loans for which payments are past due beyond twelve months are considered to be in default. Past due accounts are subject to internal collection efforts for a period of twelve months. Thereafter, the loan may be deferred or written-off, depending on the facts and circumstances surrounding the default. At June 30, 2019 and 2018, Ministry Incentive Program loans receivable considered past due but not in default totaled $103,303 and $75,780, respectively. At June 30, 2019 and 2018, Ministry Incentive Program loans receivable considered to be technically in default totaled $325,540 and $180,382, respectively. Student loans also consist of loans extended under the Federal Perkins Loan Program. The United States government provides advances to the Seminary to cover a portion of the amount loaned to students. Advances from the federal government under the Perkins Loan Program are refundable to the United States government upon liquidation of the program and thus are reflected as a liability in the accompanying statements of financial position.

The Seminary considers a Perkins Loan receivable to be past due when a payment has not been received within thirty days of the payment due date. Loans for which payments are past due beyond nine months are considered to be in default. Past due accounts are subject to internal collection efforts for a period of twelve months and are subsequently placed with third party collection agencies for two years. If an account is still delinquent after the two-year collection period, the note is assigned to the Department of Education.

The Perkins Loan Program has provisions for the deferment, forbearance, and cancellation of individual loans. Interest continues to accrue while the loan is placed with a collection agency. Interest and fee income on loan receivables is recognized when it is assessed to receivable accounts.

Ministry Incentive Program loan and Perkins Loan receivables are reported net of any anticipated losses due to uncollectible accounts. The allowance for loan losses is based on management's evaluation of the collectability of the overall loan portfolio, including trends in historical loss experience, payment patterns from the borrowers, and general economic conditions. The allowance is maintained at a level that, in management's judgment, is adequate to absorb potential losses inherent in the loan portfolios.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

PLANT ASSETS

Plant assets costing at least $1,000 are reported at cost when purchased or at the fair market value as of the date of a gift. Depreciation is computed by the straight-line method based on the estimated useful lives of the related assets, ranging from three to eighty years. Expenditures for maintenance and repairs are charged to expense. Planned major maintenance projects are not begun until funding is secured or the cost is budgeted.

STUDENT FUNDS RECEIVED IN ADVANCE

Student funds received in advance results primarily from deposits received for fall enrollment and grant revenue received from grants to be used in future years.

REFUNDABLE ADVANCES

Grant revenue is recognized as earned as the eligible expenses are incurred. Grant money received in excess of that earned is recorded as refundable advances on the statements of financial position. The refundable advances are restricted on behalf of the Lilly Financial Formation grant and the Lilly Improved Preaching grant. Any portion of the grants unexpended at the end of the grant period (December 31, 2019) may be repaid to the grantor. Total grant related expenses incurred and recognized as revenue were $145,098 and $197,321, at June 30, 2019 and 2018, respectively.

CLASSES OF NET ASSETS

The financial statements report amounts separately by class of net assets.

Net assets without donor restrictions result from all other activities not classified as net assets with donor restrictions. Net assets without donor restrictions are comprised generally of the educational and residence hall operations of the Seminary. Also included are general contributions, research grants, quasi endowments, and investment income (including quasi-endowment earnings in excess of amounts designated or gifted).

Net assets with donor restrictions- restricted by purpose or time result from contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or satisfaction of the stipulations. Net assets with donor restrictions- restricted by purpose or time are comprised generally of gifts made for the acquisitions or construction of plant assets, currently funded scholarships, and specific institutional activities. Also included are gifts made to the institutional loan fund, Ministry Incentive Program, which contains a loan forgiveness provision and investment income (including endowment earnings in excess of amounts spent, donor restricted by purpose or time, or gifted).

Net assets with donor restrictions- held in perpetuity result from contributions whose use is limited by donor-imposed stipulations or by state law that neither expire by passage of time nor can be removed by actions of the Seminary. These net assets are comprised generally of gifts made to the endowment fund of the Seminary.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

REVENUE AND EXPENSES

Revenues from CRCNA (described as denominational ministry shares in the accompanying statements of activities) and other outside donors are recognized when earned and when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Seminary.

The Seminary reports gifts of cash and other assets as restricted revenue if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

Gifts of plant assets are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of plant assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire plant assets are reported as restricted support. Absent any donor stipulations, these restrictions expire when the asset is acquired or placed in service, and a reclassification is made from net assets with donor restrictions to net assets without donor restrictions at that time.

FUNCTIONAL CLASSES OF EXPENSES

Program services include expenses directly related to the instruction and support of the educational experience, campus operations, student development, auxiliary and other expenses. Support services include management and general expenses that are required to maintain an adequate working environment, provide proper executive and administrative support, as well as manage the financial and human resources of the Seminary and the structure necessary to encourage and secure support from external sources. Fund-raising costs consist of salaries, fringe benefits, brochures, and other costs incurred by the Seminary. Expenses related to the operation and maintenance of the physical plant, including depreciation of plant assets, are reported in either the program or support services category in the accompanying statements of activities, based on the square footage of facilities. The Seminary incurred no joint costs for the years ended June 30, 2019 and 2018.

RECENTLY ADOPTED ACCOUNTING STANDARDS

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* . The Seminary adopted the provisions of this new standard during the year ended June 30, 2019. Significant changes include:

• Unrestricted net asset class is now referred to as net assets without donor restrictions.

• Temporarily restricted and permanently restricted net asset classes are now referred to as net assets with donor restrictions.

• The financial statements include a new disclosure regarding liquidity and the availability of resources.

• Statements of functional expenses by functional and natural classification was added and disclosures related to the functional allocation were expanded.

• Disclosures related to operating and non-operating activities were expanded.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects the Seminary's financial assets as of June 30, 2019, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The following table represents liquidity at June 30, 2019:

Financial assets:	
Cash and cash equivalents	**$ 1,576,199**
Receivables	**1,747,606**
Investments	**52,813,706**
Financial assets, at year end	**56,137,511**
Less those unavailable for general expenditures within on year, due to:	
Net assets restricted in perpetuity	**(25,192,428)**
Net assets restricted by purpose, net of amounts to be appropriated within the year	**(16,439,455)**
Contributions receivable to be collected beyond one year	**(50,000)**
Board designated funds	**(9,296,396)**
	(50,978,279)
Financial assets available to meet cash needs for general expenditures within one year	**$ 5,159,232**

As part of the Seminary's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. With board approval, the board designated funds could be made available for general expenditures within the next 12 months, if needed.

4. CONTRIBUTIONS RECEIVABLE:

These unconditional promises to give are reported as contributions receivable in the accompanying statements of financial position, and recognized as contributions with donor restrictions in the accompanying statements of activities.

Contributions receivable are expected to mature as follows:

	June 30,	
	2019	2018
Amounts due in:		
Less than one year	**$ 50,000**	$ 750,000
One year to five years	**50,000**	100,000
Estimated future cash flows of contributions receivable	**$ 100,000**	$ 850,000

At June 30, 2019, 100% of the contributions receivable was due from one donor. At June 30, 2018, 82% of the contributions receivable was due from one donor.

5. STUDENT LOANS RECEIVABLE:

The Seminary's student loan receivables consist of a revolving loan fund for Federal Perkins Loans for which the Seminary acts as an agent for the federal government in administering the loan program and an institutional loan fund created by the Seminary to assist students in funding their education. As an agent for the federal government, the loan portfolio is guaranteed by the United States Department of Education. There are, therefore, no impaired loans, no nonperforming loans and no modifications to loan terms executed by the Seminary because amounts that become old or past due are in due course turned back over to the Department of Education. Funds advanced by the federal government of $109,420 and $108,325 at June 30, 2019 and 2018, respectively, are ultimately refundable to the government and are classified as liabilities in the statements of financial position. Allowances for estimated loan losses relate to the institutional portion of the loan fund contributed by the Seminary.

The Seminary determined their allowance for estimated losses on these student loans by looking at historical default rates and analyzing the aging of the past due loans.

The aging of the student loan portfolio by classes of loans as of June 30, 2019, is presented as follows:

	Federal Agency Receivables	Institutional Loans	Total
Not in repayment	$ 11,650	$ 734,623	$ 746,273
Current	31,898	486,999	518,897
Greater than 30 days but less than 240 days past due	3,685	103,303	106,988
Greater than 240 days but less than 2 years past due	9,368	149,276	158,644
Greater than 2 years but less than 5 years past due	4,728	43,780	48,508
Greater than 5 years past due	1,868	28,577	30,445
	63,197	1,546,558	1,609,755
Less allowance for uncollectability	(15,000)	(126,000)	(141,000)
	$ 48,197	$ 1,420,558	$ 1,468,755

The following presents the recorded investment by credit quality indicator:

	Federal Agency Receivables	Institutional Loans	Total
Performing	$ 63,197	$ 1,221,018	$ 1,284,215
Nonperforming	-	325,540	325,540
	$ 63,197	$ 1,546,558	$ 1,609,755

5. STUDENT LOANS RECEIVABLE, continued:

The allowance for estimated losses on loans by portfolio segment as of June 30, 2018, is presented as follows:

	Federal Agency Receivables	Institutional Loans	Total
Not in repayment	$ 8,200	$ 560,688	$ 568,888
Current	30,441	816,266	846,707
Greater than 30 days but less than 240 days past due	12,898	75,780	88,678
Greater than 240 days but less than 2 years past due	5,977	28,651	34,628
Greater than 2 years but less than 5 years past due	13,108	68,936	82,044
Greater than 5 years past due	7,571	99,110	106,681
	78,195	1,649,431	1,727,626
Less allowance for uncollectability	(15,000)	(126,000)	(141,000)
	$ 63,195	$ 1,523,431	$ 1,586,626

The following presents the recorded investment by credit quality indicator:

	Federal Agency Receivables	Institutional Loans	Total
Performing	$ 78,195	$ 1,469,049	$ 1,547,244
Nonperforming	-	180,382	180,382
	$ 78,195	$ 1,649,431	$ 1,727,626

For student loans, the credit quality indicator is performance determined by delinquency status and, for Federal Perkins Loans, origination and servicing of the loan. Delinquency status is updated monthly by the Seminary's loan servicer. Federal Perkins Loans that are originated and serviced properly under Department of Education regulations can be assigned to the Department of Education when deemed no longer collectible. The Seminary is not aware of any material amount of loans not properly originated or serviced under Department of Education regulations.

6. INVESTMENTS:

A table describing the Seminary's investments utilizing the valuation techniques based on inputs to measure the fair value of the Seminary's investment instruments is presented in this section.

Fees paid to the Seminary's external advisors related to the management and custody of the Seminary's investments totaled approximately $272,000 and $274,000 in 2019 and 2018, respectively, and have been netted against investment income in the accompanying statements of activities. These fees are in addition to the mutual fund expenses that are included in the pricing of the respective funds.

Legal, tax, and regulatory changes could occur during the term of the Seminary's fund investments. The regulatory environment for private equity and hedge funds is evolving, and changes in the regulation of these funds may adversely affect the value of investments held by the Seminary. The Seminary believes that the effect of any future regulatory change on the Seminary's assets would likely not be substantial.

Investments held under annuity agreements had carrying values of $207,458 and $226,008, as of June 30, 2019 and 2018, respectively.

Fair Value of Financial Instruments Disclosure:

The *Fair Value Measurements and Disclosure* topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of two broad levels:

Level 1- Inputs consist of quoted prices (unadjusted) in active markets for identical assets and have the highest priority.

Level 2- Inputs consist of observable inputs other than quoted prices for identical assets.

The Seminary uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Seminary measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Alternative investment valuations may not be readily available and have been valued in accordance with the valuation policy described below. Additionally, certain alternative investments may be valued by a single market maker. Those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material. The alternative investments in partnerships are subject to various risk factors arising from the investment activities of the underlying vehicles including market, credit, and currency risk.

Equity securities - The fair value of these financial instruments is based on quoted market prices.

Fixed income and other investments - The value is based on yields currently available on comparable securities of issuers with similar credit ratings.

6. INVESTMENTS, continued:

Land and real estate - The value is based on an independent appraisal using comparable market exit prices.

Investments held at fair value using NAV: The value is based upon estimated fair value per the net asset value (NAV) as reported by fund managers, which represents the Seminary's proportionate interest in the capital of the invested funds.

Investment portfolio by valuation hierarchy:

	Fair Value Disclosure		
	Total	**Level 1**	**Level 2**
June 30, 2019:			
Equity securities (Wells Fargo):			
Global equities funds	**$ 4,203,453**	**$ 4,203,453**	**$ -**
Global fixed income	**2,260,492**	**2,260,492**	**-**
Emerging markets	**2,660,423**	**2,660,423**	**-**
	9,124,368	**9,124,368**	**-**
Fixed income securities	**4,054,535**	**-**	**4,054,535**
Land and real estate	**1,050,000**	**-**	**1,050,000**
	5,104,535	**-**	**5,104,535**
	$ 14,228,903	**$ 9,124,368**	**$ 5,104,535**
Investments held at fair value using NAV:			
Investments held at Commonfund	**47,155**		
Investments held at Barnabas Foundation	**207,458**		
Investments held at Wells Fargo	**36,932,448**		
	37,187,061		
Investments held at cost:			
Cash held at First National Bank	**12,799**		
Cash and cash equivalents held at Chemical Bank	**1,158,533**		
Cash and cash equivalents held at D.A. Davidson	**2,548**		
Cash and cash equivalents held at Wells Fargo	**223,862**		
	1,397,742		
	$ 52,813,706		

6. INVESTMENTS, continued:

Investment portfolio by valuation hierarchy, continued:

	Fair Value Disclosure		
	Total	Level 1	Level 2
June 30, 2018:			
Equity securities (Wells Fargo):			
Global equities funds	$ 4,754,135	$ 4,754,135	$ -
Emerging markets equities	1,926,580	1,926,580	-
	6,680,715	6,680,715	-
Fixed income securities	1,893,749	-	1,893,749
Land and real estate	1,050,000	-	1,050,000
Other investments	12,673	-	12,673
	2,956,422	-	2,956,422
	$ 9,637,137	$ 6,680,715	$ 2,956,422
Investments held at fair value using NAV:			
Investments held at Commonfund	45,948		
Investments held at Barnabas Foundation	213,335		
Investments held at Wells Fargo	38,944,769		
	39,204,052		
Investments held at cost:			
Cash held at First National Bank	5,880		
Cash and cash equivalents held at Wells Fargo	88,822		
	94,702		
	$ 48,935,891		

6. INVESTMENTS, continued:

The Seminary follows the NAV provisions of the *Fair Value Measurements and Disclosures* topic of the FASB ASC. The Seminary uses the NAV to determine the fair value of all the underlying investments which do not have a readily determinable fair value. These statements are consistent with the measurement principles or attributes of an investment company. The following table lists investments by major category.

Investment Category	Total June 30, 2019	Investments Held at Commonfund	Investments Held at Wells Fargo		Investments Held at Barnabas
Strategy		Distressed debt	Hedge funds of funds, private equity, direct lending, distressed real estate	Commingled funds, global equity, emerging markets equity, fixed income, multi-asset class and real assets	Commingled funds, global equity, emerging markets equity, fixed income, multi-asset class and real assets
Fair Value Determined Using NAV	**$ 37,187,061**	**$ 47,155**	**$ 5,693,017**	**$ 31,239,431**	**$ 207,458**
Remaining Life		1 to 12 years	1 to 9 years	NA	NA
Unfunded Commitments	**$ 701,991**	**$ 81,599**	**$ 620,392**	**$ -**	**$ -**
Timing to Draw Down		1 to 12 years	1 to 3 years	NA	NA
Redemption Terms		Private equity - cannot be readily liquidated	Private equity - cannot be readily liquidated	Daily, weekly or monthly	Daily, weekly or monthly
Redemption Restrictions		Investments are illiquid	Investments are illiquid	None	None
Redemption Restrictions at Year End		Investments are illiquid	Investments are illiquid	None	None

6. INVESTMENTS, continued:

Investments by major category (continued):

Investment Category	Total June 30, 2018	Investments Held at Commonfund	Investments Held at Wells Fargo		Investments Held at Barnabas
Strategy		Distressed debt	Hedge funds of funds, private equity, direct lending, distressed real estate	Commingled funds, global equity, emerging markets equity, fixed income, multi-asset class and real assets	Commingled funds, global equity, emerging markets equity, fixed income, multi-asset class and real assets
Fair Value Determined Using NAV	$ 39,204,052	$ 45,948	$ 5,553,446	$ 33,391,323	$ 213,335
Remaining Life		1 to 12 years	1 to 9 years	NA	NA
Unfunded Commitments	$ 879,547	$ 81,599	$ 797,948	$ -	$ -
Timing to Draw Down		1 to 12 years	1 to 3 years	NA	NA
Redemption Terms		Private equity - cannot be readily liquidated	Private equity - cannot be readily liquidated	Daily, weekly or monthly	Daily, weekly or monthly
Redemption Restrictions		Investments are illiquid	Investments are illiquid	None	None
Redemption Restrictions at Year End		Investments are illiquid	Investments are illiquid	None	None

CALVIN THEOLOGICAL SEMINARY

Notes to Financial Statements

June 30, 2019 and 2018 (Restated)

7. PLANT ASSETS:

Plant assets are summarized by major classification as follows:

	June 30,	
	2019	2018
Land	**$ 245,000**	$ 245,000
Buildings	**14,091,370**	14,045,022
Furniture and equipment	**3,886,608**	3,835,860
	18,222,978	18,125,882
Less accumulated depreciation and amortization	**(8,330,550)**	(7,866,565)
Net plant assets	**$ 9,892,428**	$ 10,259,317

8. CAPITAL LEASE OBLIGATION:

The Seminary has a capital lease agreement for certain office equipment. The capitalized lease obligation net of accumulated amortization as of June 30, 2019 and 2018, was $47,281 and $69,561, respectively.

Minimum payments under capital lease as of June 30:

2020	$ 22,629
2021	22,628
2022	3,772
Total future minimum lease payments	49,029
Less amount representing interest	(1,748)
Present value of net minimum capital lease payments	**$ 47,281**

9. EMPLOYEE BENEFIT PLANS:

The Seminary participated in a defined contribution retirement plan, which covers substantially all full-time employees. Usually, the Seminary contributes 10% of participants' salaries on a monthly basis to the Teachers Insurance and Annuity Association (TIAA). Total contributions to this plan for the years ended June 30, 2019 and 2018, were $297,734 and $301,247, respectively. All contributions are vested immediately. Employees may also make voluntary contributions to this plan up to certain limits allowed by law.

10. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS:

The Seminary currently provides prescription, dental, and health care benefits to qualified retired employees under a 50% employee 50% Seminary contributory plan. Eligible employees retiring prior to age 65 receive 100% hospital preferred benefits with co-pay provisions until age 65 and Medicare supplemental benefits thereafter. With 10 years of service, but fewer than 20, the retiree receives the insurance benefit for the number of years served.

On May 22, 2014, the Board of Trustees approved an amendment to the retiree health care plan. Under the amended plan, rather than paying 50% of an insurance premium, the Seminary will pay retirees a fixed annual stipend which the retiree can use to secure health insurance. The amount and duration of the annual stipend is dependent on the retiree's years of service.

At June 30, 2019 and 2018, there were no assets set aside to fund the benefit obligation; the Seminary funds the cost of these benefits as incurred. The employer contributions and benefits paid were approximately $89,000 and $86,000 in 2019 and 2018, respectively. No contributions other than those needed to pay current retiree benefits are expected. The Seminary accrues the estimated cost of such retiree benefits, in accordance with accounting principles generally accepted in the United States of America, during its employees' active service periods. The benefit obligation of the plan is calculated based on a measurement date of June 30th.

The following table sets forth the amounts reported in the statements of financial position:

	June 30, **2019**	June 30, 2018
Accumulated postretirement benefit obligation (APBO):		
Retired participants	**$ (978,021)**	$ (927,923)
Active employees fully eligible to retire	**(186,513)**	(168,175)
Active employees not yet eligible to retire	**(104,127)**	(78,436)
	(1,268,661)	(1,174,534)
Plan assets	**-**	-
Unfunded obligation	**(1,268,661)**	(1,174,534)
Unrecognized prior service cost	**(941,309)**	(1,089,171)
Unrecognized net loss from past experience different from that assumed and from changes in assumptions	**486,466**	368,876
Accrued postretirement benefit cost	**$ (1,723,504)**	$ (1,894,829)

10. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS, continued:

Intangible assets and accumulated comprehensive income:

	June 30, 2019	June 30, 2018
Beginning of year	**$ 720,295**	$ 798,383
Reclassified during the year:		
Prior service cost	**(147,862)**	(147,862)
Gain	**19,678**	23,143
Total	**(128,184)**	(124,719)
Arising during the year:		
Gain (loss)	**(137,268)**	46,631
Total	**(137,268)**	46,631
End of year accumulated comprehensive gain	**$ 454,843**	$ 720,295

Postretirement health care expense consisted of the following components:

	June 30, 2019	June 30, 2018
Service cost-benefits earned during the period	**$ 3,515**	$ 5,044
Interest cost on accumulated postretirement benefit obligation	**42,613**	43,024
Prior service cost	**(147,862)**	(147,862)
Amortization of unrecognized net gain	**19,678**	23,143
Net periodic postretirement benefit cost	**$ (82,056)**	$ (76,651)

Components of postretirement health care expense anticipated for the year ending June 30, 2020, are as follows:

Service cost-benefits earned during the period	$ 4,441
Interest cost on accumulated postretirement benefit obligation	37,747
Prior service cost	(147,862)
Amortization of unrecognized net loss	25,798
Net periodic postretirement benefit cost	$ (79,876)

10. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS, continued:

Estimated future benefit payments (based on lump sum value) are:

Year		
2020	$	107,200
2021		108,734
2022		103,462
2023		100,399
2024		98,453
2025-2029		432,431
	$	950,679

Weighted-average assumptions and method disclosures include:

	June 30,	
	2019	2018
Discount rate:		
Liability	**4.25%**	4.00%
Net periodic benefit cost	**4.00%**	3.75%

11. ANNUITY CONTRACTS:

Annuity agreements provide for a fixed annual payment for the life of the donor or designated beneficiary. Under the annuity agreements, a donor makes a payment to the Seminary and is entitled to annual payments from the Seminary until death. The excess of the amount paid by the donor over the present value of estimated annual payments is recorded as contribution revenue and the present value of the estimated payments is recorded as a liability at the inception of the agreement. Annuity net assets are classified as unrestricted.

The discount rate used to calculate the present value of the annuity contracts was 5.0%, with actuarial assumptions based on published life expectancy tables adopted by the Internal Revenue Service.

12. NET ASSETS:

Net assets consist of:

	June 30, 2019	June 30, 2018
Net assets without donor restrictions:		
Available for operations	**$ 11,441,353**	$ 11,710,548
Board designated for student loan funds	**563,761**	563,761
Quasi-endowment funds and accumulated earnings in excess of amounts appropriated	**8,732,635**	8,426,223
Gift portion of annuities held in the annuity fund	**215,274**	207,883
	20,953,023	20,908,415
Net assets with donor restrictions:		
Restricted by purpose and time:		
Accumulated endowment earnings	**11,474,860**	11,166,533
Scholarships	**4,088,448**	3,992,951
Student loan funds	**2,620,947**	2,691,537
	18,184,255	17,851,021
Restricted in perpetuity:		
Endowment funds	**25,192,428**	21,760,247
	$ 64,329,706	$ 60,519,683

13. RELATED PARTY TRANSACTIONS:

The Seminary receives services from Calvin College (College), with which it is affiliated through the CRCNA. The Seminary is located on the College campus. Of the expenses common to both institutions, the College allocated approximately $771,000 and $769,000 for the fiscal years 2019 and 2018, respectively, to the Seminary. The College processes various transactions for the benefit of the Seminary, which are reimbursed on a monthly basis. At June 30, 2019 and 2018, the Seminary owed the College approximately $125,000 and $217,000, respectively. These amounts are included in accounts payable on the statements of financial position.

The Seminary received approximately $2,276,000 and $2,405,000 in denominational ministry shares from the CRCNA during fiscal years 2019 and 2018, respectively. During fiscal years 2019 and 2018, the Seminary paid approximately $771,000 and $56,000, respectively, to the CRCNA for various services.

14. CONCENTRATIONS:

One funding source provided approximately 13% of total revenue for the year ended June 30, 2019. No such concentration existed for the year ended June 30, 2018.

15. LETTER OF CREDIT:

The Seminary issued a letter of credit to the state of Michigan for payment of unemployment benefits. The letter of credit expires on December 31, 2019. At June 30, 2019 and 2018, the letter was in the amount of $165,651 with no balance outstanding.

16. COMMITMENTS:

The Seminary participates in an endowment investment pool, in venture and private equity investment programs managed by Commonfund Asset Management Company, Inc., a wholly owned subsidiary of The Commonfund for Nonprofit Organizations. As of June 30, 2019, the Seminary has committed to invest $500,000 in this program, of which the remaining $81,599 could be invested in one or more installments and on dates specified by the private equity manager. As of June 30, 2019, the Seminary has also committed to invest a total of $4,100,000 in limited partnerships through PSC Credit Opportunities II, LP, Siguler Guff Distressed Real Estate Opportunities Fund II, LP, Clareant EDL II GP, and Landmark Equity Partners XV, LP. Of this amount, $620,392 could be invested in one or more installments and on dates specified by the fund manager.

17. ENDOWMENT FUNDS:

The state of Michigan enacted UPMIFA (the Uniform Prudent Management of Institutional Funds Act) effective September 15, 2009, for all nonprofit Michigan organizations. The intent of UPMIFA is to substantiate, by disclosure, that endowment investment policies and endowment spending policies will assure the preservation of the gift principal as the donor or state law stipulates.

The following are the required disclosures for net assets associated with endowment funds, including funds designated by the Board of Trustees of the Seminary to function as endowments, which are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Seminary interpreted the Michigan UPMIFA statute as requiring the preservation of the fair value of gifts as of the gift date. As a result of this interpretation, the Seminary classifies as net assets with donor restrictions- restricted in perpetuity (a) the original value of gifts donated to the endowment and (b) the original value of subsequent gifts to the endowment. Investment income, absent donor restriction, is classified as net assets with donor restrictions until appropriated for expenditure by the Seminary in a manner consistent with the standard of prudence described by Michigan UPMIFA.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions- restricted in perpetuity is classified as net assets with donor restrictions- restricted by purpose or time until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. Using this standard to determine how and when to appropriate or accumulate donor-restricted endowments, the Seminary considers the duration and preservation of the fund, the purpose for use, the general economic conditions, the effect of inflation and deflation, anticipated investment return, the investment policy of the Seminary and management's prudence.

The Reporting Endowment Funds topic of the FASB ASC further requires a discussion of the polices in place for funds with deficiencies, return objectives and parameters, strategies employed for achieving long-term objectives, and spending policies and how the investment objectives relate to spending policy as a part of the disclosure. Discussion of these policies is found subsequently in this note.

17. ENDOWMENT FUNDS, continued:

The following are in compliance with the *Reporting Endowment Funds* topic:

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 law requires in a fund of perpetual duration. Reasons this may result are from unfavorable market fluctuations, especially for funds that have been invested for a short duration, or funds where the contribution was small. Another reason funds may result in a deficiency occurs when the Board of Trustees or the donor prudently directs continued appropriations for the critical restricted purpose (such as vital programs or scholarships). With the adoption of ASU 2016-14, deficiencies of this nature are reported in net assets with donor restrictions (the portion of the endowment that may be spent to achieve the restricted purpose). There were not funds with deficiencies as of June 30, 2019 and 2018.

Return objectives and risk parameters: The Board of Trustees has delegated to the Investment Committee, the responsibility for formulating and adopting an Investment Policy Statement. The goal of the policy is to provide a predictable stream of funding for programs supported by its endowment. The endowment assets are invested in a manner that is intended to produce an annualized rate of return equal to or greater than the rate of inflation plus any payout requirement of the Seminary's spending policy while assuming a prudent level of investment risk.

Strategies employed for achieving objectives: To satisfy its long-term rate-of-return objectives, the Investment Committee relies on the services of an investment consultant, NEPC, LLC, to manage endowment investments in accordance with the Seminary's Investment Policy Statement. NEPC has constructed a portfolio of investments which is expected to achieve the long-term return objectives within prudent risk constraints.

Spending policies and how the investment objectives relate to spending policy: The Seminary has a policy of appropriating a set percentage of its endowment fund's rolling three-year average net asset value measured at June 30 for the calendar year end preceding the fiscal year in which the distribution is planned (4.5%). In establishing this policy, the Seminary considered the long-term expected return on its endowment. In addition, the Seminary began assessing an administrative fee of 14 basis points (0.14%) to offset the expense of managing the endowments and investments.

17. ENDOWMENT FUNDS, continued:

Endowment net asset composition by type of fund as of June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions: Original Gift Amount	With Donor Restrictions: Accumulated Gains (Losses) and Other	With Donor Restrictions: Total With Donor Restrictions	Total Funds
Donor-restricted funds	$ -	$ 25,192,428	$ 11,474,860	$ 36,667,288	$ 36,667,288
Board-designated funds	8,732,635	-	-	-	8,732,635
	$ 8,732,635	$ 25,192,428	$ 11,474,860	$ 36,667,288	$ 45,399,923

Changes in endowment net assets for the year ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions: Original Gift Amount	With Donor Restrictions: Accumulated Gains (Losses) and Other	With Donor Restrictions: Total With Donor Restrictions	Total Funds
Endowment net assets, beginning of year	$ 8,426,223	$ 21,760,247	$ 11,166,533	$ 32,926,780	$ 41,353,003
Investment return, net	405,553	-	1,391,630	1,391,630	1,797,183
Contributions	233,859	3,432,181	50	3,432,231	3,666,090
Amounts appropriated for expenditure	(333,000)	-	(1,083,353)	(1,083,353)	(1,416,353)
	306,412	3,432,181	308,327	3,740,508	4,046,920
Endowment net assets, end of year	$ 8,732,635	$ 25,192,428	$ 11,474,860	$ 36,667,288	$ 45,399,923

17. ENDOWMENT FUNDS, continued:

Endowment net asset composition by type of fund as of June 30, 2018:

		With Donor Restrictions			
	Without Donor Restrictions	Original Gift Amount	Accumulated Gains (Losses) and Other	Total With Donor Restrictions	Total Funds
Donor-restricted funds	$ -	$ 21,760,247	$ 11,166,533	$ 32,926,780	$ 32,926,780
Board-designated funds	8,426,223	-	-	-	8,426,223
	$ 8,426,223	$ 21,760,247	$ 11,166,533	$ 32,926,780	$ 41,353,003

Changes in endowment net assets for the year ended June 30, 2018:

		With Donor Restrictions			
	Without Donor Restrictions	Original Gift Amount	Accumulated Gains (Losses) and Other	Total With Donor Restrictions	Total Funds
Endowment net assets, beginning of year as previously stated	$ 2,013,402	$ 20,914,560	$ 16,863,055	$ 37,777,615	$ 39,791,017
Prior period adjustment (Note 18)	$ 5,649,739	$ -	$ (5,649,739)	$ (5,649,739)	$ -
Endowment net assets, beginning of year as restated	$ 7,663,141	$ 20,914,560	$ 11,213,316	$ 32,127,876	$ 39,791,017
Investment return, net	486,325	-	1,833,994	1,833,994	2,320,319
Contributions	599,082	841,540	-	841,540	1,440,622
Amounts appropriated for expenditure	(322,325)	-	(1,270,816)	(1,270,816)	(1,593,141)
Reclassification	-	4,147	(609,961)	(605,814)	(605,814)
	763,082	845,687	(46,783)	798,904	1,561,986
Endowment net assets, end of year	$ 8,426,223	$ 21,760,247	$ 11,166,533	$ 32,926,780	$ 41,353,003

18. PRIOR PERIOD ADJUSTMENT:

Certain errors resulting in misclassification of previously reported net assets, as of June 30, 2017, were identified during the current year. The fair value of donor restricted endowment funds previously recorded underwater (deficit to net assets without donor restrictions), totaling $5,649,739, were no longer less than the original gift amounts and the deficit previously recorded was not reversed as of June 30, 2017. A retrospective adjustment has been made to decrease net assets with donor restrictions and increase net assets without donor restrictions in the amount of $5,649,739; there was no other impact on the prior reported statements of financial position, statements of activities, and statements of cash flow. There is no total net asset impact as a result of these adjustments.

19. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through January 14, 2020, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.