



SIM USA, INC.

Combined Financial Statements
With Independent Auditors' Report

September 30, 2016 and 2015

SIM USA, INC.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Combined Financial Statements	
Combined Statements of Financial Position	3
Combined Statements of Activities	4
Combined Statements of Cash Flows	6
Notes to Combined Financial Statements	7
Supplemental Information	
Independent Auditors' Report on Supplemental Information Sudan Interior Mission, Inc.—Segregated Gift Annuity Fund	33
Statements of Financial Position	34
Statements of Activities	35

INDEPENDENT AUDITORS' REPORT

Board of Directors
SIM USA, Inc.
Charlotte, North Carolina

We have audited the accompanying combined financial statements of SIM USA, Inc., which comprise the combined statements of financial position as of September 30, 2016 and 2015, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

Board of Directors
SIM USA, Inc.
Charlotte, North Carolina

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of SIM USA, Inc. as of September 30, 2016 and 2015, 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.

Correction of Error

As discussed in Note 14 to the combined financial statements, during the current fiscal year, SIM USA, Inc. identified errors affecting the amounts presented in prior year combined financial statements. Accordingly, the 2015 financial statements have been restated to correct the errors. Our opinion is not modified in respect to this matter.

Capin Crouse LLP

Columbia, South Carolina
March 3, 2017

SIM USA, INC.

Combined Statements of Financial Position

	September 30,	
	2016	2015
ASSETS:		
Cash and cash equivalents	\$ 342,502	\$ 245,379
Deposits with related organization	5,892,093	5,662,912
Investments	43,524,094	41,361,017
Property and equipment–net	6,475,640	6,777,392
Other assets	372,802	537,190
Total Assets	\$ 56,607,131	\$ 54,583,890
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 404,392	\$ 358,522
Deferred rental revenue	169,943	283,238
Missionary personal accounts	727,331	786,322
Deferred compensation payable	1,232,364	1,254,864
Annuity and trust liabilities	17,088,110	17,539,274
	19,622,140	20,222,220
Net assets:		
Unrestricted	14,335,201	13,767,202
Temporarily restricted	20,023,518	17,968,196
Permanently restricted–endowment	2,626,272	2,626,272
	36,984,991	34,361,670
Total Liabilities and Net Assets	\$ 56,607,131	\$ 54,583,890

See notes to combined financial statements

SIM USA, INC.

Combined Statements of Activities

	Year Ended September 30,							
	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
INCOME:								
Support and revenue:								
Contributions	\$ 397,329	\$ 50,679,377	\$ -	\$ 51,076,706	\$ 810,423	\$ 49,740,546	\$ -	\$ 50,550,969
Rental, sales, and other	1,388,224	-	-	1,388,224	1,690,820	-	-	1,690,820
	1,785,553	50,679,377	-	52,464,930	2,501,243	49,740,546	-	52,241,789
Investment income and change in value of annuities and trusts:								
Net investment gains (losses)	1,163,115	245,443	-	1,408,558	(1,299,512)	(195,485)	-	(1,494,997)
Interest and dividend income	460,416	53,468	-	513,884	434,155	64,380	-	498,535
Change in value of annuities and trusts	55,274	(105,006)	-	(49,732)	(166,860)	(482,028)	-	(648,888)
	3,464,358	50,873,282	-	54,337,640	1,469,026	49,127,413	-	50,596,439
RECLASSIFICATIONS:								
Net assets released from time and use restrictions	48,817,960	(48,817,960)	-	-	49,453,534	(49,453,534)	-	-

(continued)

See notes to combined financial statements

SIM USA, INC.

Combined Statements of Activities

(continued)

	Year Ended September 30,							
	2016			2015				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
EXPENSES:								
Program services:								
Church growth and evangelism	10,663,836	-	-	10,663,836	10,619,066	-	-	10,619,066
Grants to other SIM ministries	10,813,400	-	-	10,813,400	11,450,920	-	-	11,450,920
Education ministry	7,189,366	-	-	7,189,366	7,204,124	-	-	7,204,124
Relief and rehabilitation	6,373,848	-	-	6,373,848	6,706,405	-	-	6,706,405
Media and translation ministry	1,996,640	-	-	1,996,640	1,974,534	-	-	1,974,534
Home ministry	2,208,221	-	-	2,208,221	2,137,740	-	-	2,137,740
Service	2,866,137	-	-	2,866,137	3,415,555	-	-	3,415,555
	<u>42,111,448</u>	<u>-</u>	<u>-</u>	<u>42,111,448</u>	<u>43,508,344</u>	<u>-</u>	<u>-</u>	<u>43,508,344</u>
Supporting activities:								
Management and general	7,187,621	-	-	7,187,621	6,565,645	-	-	6,565,645
Fund-raising	2,415,250	-	-	2,415,250	2,462,516	-	-	2,462,516
	<u>9,602,871</u>	<u>-</u>	<u>-</u>	<u>9,602,871</u>	<u>9,028,161</u>	<u>-</u>	<u>-</u>	<u>9,028,161</u>
Total Expenses	<u>51,714,319</u>	<u>-</u>	<u>-</u>	<u>51,714,319</u>	<u>52,536,505</u>	<u>-</u>	<u>-</u>	<u>52,536,505</u>
Change in Net Assets	<u>567,999</u>	<u>2,055,322</u>	<u>-</u>	<u>2,623,321</u>	<u>(1,613,945)</u>	<u>(326,121)</u>	<u>-</u>	<u>(1,940,066)</u>
Net Assets, Beginning of Year								
As previously reported	13,767,202	17,968,196	2,626,272	34,361,670	15,083,015	18,294,317	2,626,272	36,003,604
Prior period adjustment	-	-	-	-	298,132	-	-	298,132
As restated	<u>13,767,202</u>	<u>17,968,196</u>	<u>2,626,272</u>	<u>34,361,670</u>	<u>15,381,147</u>	<u>18,294,317</u>	<u>2,626,272</u>	<u>36,301,736</u>
Net Assets, End of Year	<u>\$ 14,335,201</u>	<u>\$ 20,023,518</u>	<u>\$ 2,626,272</u>	<u>\$ 36,984,991</u>	<u>\$ 13,767,202</u>	<u>\$ 17,968,196</u>	<u>\$ 2,626,272</u>	<u>\$ 34,361,670</u>

See notes to combined financial statements

SIM USA, INC.

Combined Statements of Cash Flows

	Year Ended September 30,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,623,321	\$ (1,940,066)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Non-cash contribution	-	(242,105)
Net investment (gains) losses	(1,824,894)	1,813,339
Actuarial change—annuities	(114,175)	(329,791)
Change in value of trust assets	105,006	482,028
Payments of annuity obligations	318,469	356,113
Realized losses on sale of property and equipment	14,186	45,223
Depreciation	480,463	411,231
Changes in operating assets and liabilities:		
Deposits with related organization	(229,181)	133,795
Other assets	164,388	(55,236)
Accounts payable and accrued expenses	45,870	(130,578)
Deferred rental revenue	(113,295)	283,238
Missionary personal accounts	(58,991)	(130,990)
Net Cash Provided by Operating Activities	1,411,167	696,201
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(239,397)	(826,169)
Proceeds from sale of property and equipment	46,500	308,382
Purchases of investments	(1,689,106)	(681,091)
Proceeds from sales of investments	958,540	1,245,508
Net Cash (Used) Provided by Investing Activities	(923,463)	46,630
CASH FLOWS FROM FINANCING ACTIVITIES:		
Investment income (losses) on trust assets	212,394	(116,366)
Payments of annuity and trust obligations	(667,512)	(922,479)
Face value of new annuities, less gift portion	64,537	17,866
Net Cash Used by Financing Activities	(390,581)	(1,020,979)
Net Change in Cash and Cash Equivalents	97,123	(278,148)
Cash and Cash Equivalents, Beginning of Year	245,379	523,527
Cash and Cash Equivalents, End of Year	\$ 342,502	\$ 245,379

See notes to combined financial statements

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

1. NATURE OF ORGANIZATION:

SIM USA, Inc. (SIM USA), a church and religious order associated with churches of the Protestant faith, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and classified as a publicly supported organization, which is not a private foundation, under Section 509(a)(1) of the Code. As such, it is also exempt from state income tax, and contributions by the public are deductible for income tax purposes.

The Purpose and Mission Statement of SIM USA says:

Convinced that no one should live and die without hearing God's good news, we believe that He has called us to make disciples of the Lord Jesus Christ in communities where He is least known.

Therefore, compelled by God's great love and empowered by the Holy Spirit...

- We cross barriers to proclaim the crucified and risen Christ, expressing His love and compassion among those who live and die without Him
- We make disciples who will trust and obey Jesus and become part of Christ-centered churches
- We work together with churches to fulfill God's mission across cultures locally and globally
- We facilitate the participation in cross-cultural ministry of those whom God is calling

SIM USA also owns and operates a retirement village for the benefit of its missionaries located in Sebring, Florida. SIM USA's primary source of revenue is contributions from the public.

The SIM International group (SIM) is subject to the joint ministry management committee and the SIM board of governors, who are composed of a majority of external board members who are representatives of the home administrations plus elected members of the mission worldwide. The participants in SIM are subject to the policies and procedures established in the SIM Manual and International Finance Manual.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The combined financial statements of SIM USA are prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the combined financial statements to the reader. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the combined financial statements. Actual results could differ from those estimates.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PRINCIPLES OF COMBINATION

These combined financial statements reflect only the activities and financial position of SIM USA, including its branch operation, which is Sebring Retirement Village. SIM USA consists of a number of predecessor organizations which no longer have operations but are retained to provide for the transfers of estates to SIM USA. One of the predecessor organizations, Sudan Interior Mission (the New York Corporation), operates the annuity fund activity. All of these organizations have the same board as SIM USA. As described above, SIM USA is a voluntary participant in SIM International, providing funding and missionary personnel to accomplish SIM USA ministry objectives worldwide. Although SIM USA has substantial economic interest in SIM, it does not have majority board control, thus, consolidation is not required under current accounting standards.

CLASSES OF NET ASSETS

The combined financial statements report income and net assets by class:

Unrestricted net assets are currently available for ministry purposes under the direction of the board, designated by the board for specific use, or resources invested in property and equipment.

Temporarily restricted net assets are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

Permanently restricted net assets are contributed with donor restrictions requiring they be held in perpetuity as endowment, with income to be used as stipulated in the endowment agreement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, checking, savings, and money market accounts as well as certificates of deposit with original maturity dates of less than three months. These accounts may, at times, exceed the federally insured limits. SIM USA has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. The majority of the cash and cash equivalents are held by a related party, SIM International. SIM USA also uses sweep accounts, and funds are transferred automatically as needed.

DEPOSITS WITH RELATED ORGANIZATION

The deposits with a related organization consist of funds transferred to SIM International and carried at cost plus accrued interest. SIM USA may access the funds, as needed. The deposits earn interest at the current rate; which for the year ended September 30, 2016 and 2015, was 1.13% and .77% respectively. Due to SIM USA's ability to access the funds without penalty, these assets are treated as an operating asset.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

LONG-TERM INVESTMENTS

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value with gains and losses reported in the combined statements of activities. Donated investments are recorded at fair value on the date of donation and thereafter carried in accordance with the above provisions. Where market values are not available, cost values have been used that approximate fair value. SIM USA follows the investment guidelines and decisions of the grantors of the revocable and charitable trusts.

Alternative investments consist of investments in Silver Creek Capital Management, LLC (Silver Creek), and Lucent Insurance, Ltd. (Lucent). Investments in Silver Creek are carried at fair value, as determined by the funds managers based on information provided by the funds' professional managers. In determining fair value, the manager utilizes the valuation of the underlying investment entities reflected on the audited financial statements of the funds. The underlying investment entities value securities and other financial instruments at market value, when possible, or at fair value determined by the respective entities' general partner or manager when no market value is determinable. The estimated fair values of certain investments of the underlying investment entities, which include private placements and other securities for which prices are not readily available, may not reflect amounts that could be realized upon an immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair value may differ significantly from the values that would have been used had a ready market existed for these investments. See Note 3 for the valuation of investments in Lucent.

INVESTMENT IN REAL ESTATE

Investment in real estate includes missionary housing, gifts of property, and purchases of property for investment. These investments are recorded at cost if purchased or fair market value at the date of the gift if donated. Joint equity arrangements are agreements where SIM USA co-owns a percentage of real property. The cost or fair market value of the SIM USA percentage in the joint equity arrangements is recorded as long-term investments. Upon sale of these properties, SIM USA will receive their percentage of the total proceeds. Such assets are not income producing, and they are not used in the operations (ministry) of the organization.

PROPERTY AND EQUIPMENT, AND DEPRECIATION

Items capitalized as property and equipment are recorded at cost if purchased or fair value if donated. SIM USA capitalizes all property and equipment with a cost or value exceeding \$10,000. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets, ranging from 5 to 40 years. Depreciation expense is allocated to the various program services and supporting activities.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ANNUITY AND TRUST LIABILITIES

SIM USA has established a gift annuity plan whereby donors may contribute assets to the organization in exchange for the right to receive a fixed dollar annual return during their lifetimes. A portion of the transfer is considered to be a charitable contribution for income tax purposes. The difference between the amount provided for the gift annuity and the present value of future payment, determined on an actuarial basis, is recognized as support at the date of the gift. The annuity liability is revalued annually based upon actuarially computed present values. Resulting actuarial gain or loss is recorded as change in value of annuities and trusts. Certain states require reserves to be held in excess of the liability. Such amounts are reported as unrestricted net assets (Note 8).

As trustee, SIM USA administers revocable (grantor) trusts that provide for a beneficial interest to SIM USA or other beneficiary at the grantor's death. Because the trusts are revocable at the discretion of the grantor, the principal amounts provided are recorded as liabilities. All trust income, deductions, and credits are reportable by the grantor for tax purposes. At the grantor's death, the remaining trust assets, if designated for SIM USA, will be recorded as contributions income. Any trust designated for other beneficiaries will be distributed in accordance with the trust agreement.

As trustee, SIM USA administers irrevocable trusts, including charitable remainder unitrusts and annuity trusts. These trusts provide the payment of lifetime distributions to the grantor or other designated beneficiaries. The present value of the income interests are reported as trust liabilities using federal discount and mortality tables ranging from 4.6 to 7.6 percent. For trusts with a term of years, thus meeting the definition of a derivative financial instrument as described above, the liability for these trusts are computed using the current market rate instead of the rate at inception. At the death of the lifetime beneficiaries, the trusts provide for the distribution of assets to designated remaindermen. The present value of the remainder interest of SIM USA is reported as temporarily restricted contributions in the period received, temporarily restricted net assets, and reclassification to the unrestricted net assets when the trust matures. Certain trusts contain provisions to distribute assets to remaindermen other than SIM USA. The portion attributable to others is reflected as a part of trust liabilities on the combined statements of financial position (Note 7). During the year ended September 30, 2016, SIM USA received \$49,786 and \$17,134 in annuity and trust contributions, respectively.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND EXPENSES

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to SIM USA. It is SIM USA's policy not to accept unconditional promises, and none were received or recognized in the reporting periods.

SIM USA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities as net assets released from restrictions.

SIM USA reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, SIM USA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

SIM USA receives indications of intent to support ministries that are faith promise commitments to provide monthly, quarterly, or annual gifts of a specified amount. These commitments are open ended and subject to unilateral change by the donor. Because the commitments do not express a term or period, the amount of the commitment is not measurable. Considering these factors, the commitments are not considered to be unconditional promises to give and are not recognized prior to receipt of the contribution.

Expenses are reported when costs are incurred, including advertising and promotion totaling approximately \$455,510 and \$516,526 for the years ended September 30, 2016 and 2015, respectively.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities of SIM USA have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. SIM USA incurred joint costs that include fund-raising appeals as follows:

Year Ended September 30, 2016:

	Program Services	Management and general	Fund-raising	Total
Furlough salary and housing	\$ 3,875,753	\$ 610,663	\$ 438,431	\$ 4,924,847
Furlough medical	726,123	298,912	15,199	1,040,234
Retired missionary	2,430,917	241,049	12,257	2,684,223
Employee benefit plan	319,425	31,674	1,611	352,710
Ministry promotion	1,296,501	81,846	121,938	1,500,285
Depreciation	382,165	103,389	9,460	495,014
	\$ 9,030,884	\$ 1,367,533	\$ 598,896	\$ 10,997,313

Year Ended September 30, 2015:

	Program Services	Management and general	Fund-raising	Total
Furlough salary and housing	\$ 3,718,161	\$ 468,770	\$ 545,653	\$ 4,732,584
Furlough medical	880,592	5,783	304	886,679
Retired missionary	2,238,301	208,810	10,990	2,458,101
Employee benefit plan	255,916	23,874	1,257	281,047
Ministry promotion	1,311,325	76,030	128,085	1,515,440
Depreciation	226,455	103,483	9,299	339,237
	\$ 8,630,750	\$ 886,750	\$ 695,588	\$ 10,213,088

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the combined financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in the expenses in the combined statements of activities. As of September 30, 2016 and 2015, respectively, SIM USA had no uncertain tax positions that qualify for recognition in the combined financial statements.

RECLASSIFICATION

Certain financial statement and footnote information from the prior year combined financial statements has been reclassified to conform to the current year presentation.

3. INVESTMENTS:

Investments consist of:

	September 30,	
	2016	2015
At fair value:		
Restricted cash and cash equivalents	\$ 1,171,894	\$ 4,222,674
Exchange traded products	8,590,324	7,292,744
Common stocks	355,091	277,665
Mutual funds	31,069,937	22,552,845
Fixed income securities	246,463	4,804,495
Precious metals	129,500	-
Privately held entities	508,535	686,668
	<u>42,071,744</u>	<u>39,837,091</u>
Not at fair value:		
Privately held captive entity, at equity method	747,199	583,586
Real estate, at cost	705,151	940,340
	<u>747,199</u>	<u>940,340</u>
	<u>\$ 43,524,094</u>	<u>\$ 41,361,017</u>

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

3. INVESTMENTS, continued:

Investments are held for:

	September 30,	
	2016	2015
Operating funds	\$ 18,496,893	\$ 16,013,260
Annuities	3,145,615	3,090,192
Nonqualified deferred compensation plan	1,232,364	1,254,864
Trust assets	17,138,756	17,645,288
Endowment assets:		
Board designated	745,645	733,101
Donor restricted	2,764,821	2,624,312
	\$ 43,524,094	\$ 41,361,017

Investment income consists of:

	Year Ended September 30,	
	2016	2015
Net investment gains (losses):		
Realized gains	\$ 490,364	\$ 605,982
Unrealized gains (losses)	1,004,406	(1,990,098)
Disbursements and investment fees	(86,212)	(110,881)
	1,408,558	(1,494,997)
Interest and dividend income	513,884	498,535
	\$ 1,922,442	\$ (996,462)

INVESTMENT IN CAPTIVE INSURANCE COMPANY:

SIM USA invests, along with several other nonprofit organizations, in a captive insurance holding company, Lucent. SIM USA is accounting for this investment using the equity method because it more clearly approximates fair value. The initial investment was \$250,000, and with the exception of reinvested dividends and earnings, no additional funds have been invested. Equity at September 30, 2016 and 2015, was \$747,199 and \$583,586, respectively. Lucent insures claims relating to workers' compensation, general liability, property and automobile liability, and physical damage. Claim experience is identified to each participating entity and subsequent premiums are modified based upon an entity's claim experience. Dividend income from Lucent for the years ended September 30, 2016 and 2015, was reinvested.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

4. FAIR VALUE MEASUREMENTS:

SIM USA uses appropriate valuation techniques to determine fair value based on inputs available. The levels are defined as follows: Level 1 – based on quoted prices for identical assets in active markets; Level 2 – based on observable inputs other than quoted prices in active markets; and Level 3 – based on significant unobservable inputs. When available, SIM USA measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

Fair values of assets measured on a recurring basis at September 30, 2016 and 2015, are as follows:

	Fair Value Measurements at September 30, 2016			
	Total	Level 1	Level 2	Level 3
Investments:				
Cash and cash equivalents	\$ 1,171,894	\$ 1,171,894	\$ -	\$ -
Exchange traded products	8,590,324	8,590,324	-	-
Common stocks:				
Consumer goods	13,885	13,885	-	-
Energy	38,911	38,911	-	-
Financial	197,031	197,031	-	-
Insurance	16,662	16,662	-	-
Utilities	52,764	52,764	-	-
Other commons stocks	35,838	35,838	-	-
Total common stocks	355,091	355,091	-	-
Fixed income securities:				
Corporate bonds	173,313	-	173,313	-
Municipal bonds	73,150	-	73,150	-
Total fixed income securities	246,463	-	246,463	-

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

4. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at September 30, 2016			
	Total	Level 1	Level 2	Level 3
Mutual funds:				
Emerging markets	2,963,856	2,963,856	-	-
Foreign large blend	1,533,036	1,533,036	-	-
Global	628,350	628,350	-	-
Fixed Income	10,250,723	10,250,723	-	-
International	6,222,021	6,222,021	-	-
Absolute return	1,307,228	1,307,228	-	-
Hedge equity	2,764,384	2,764,384	-	-
High yield	1,358,843	1,358,843	-	-
Small blend	190,172	190,172	-	-
Large cap	2,069,117	2,069,117	-	-
Small cap	1,423,021	1,423,021	-	-
Other	359,186	359,186	-	-
Total mutual funds	<u>31,069,937</u>	<u>31,069,937</u>	<u>-</u>	<u>-</u>
Precious metals	<u>129,500</u>	<u>129,500</u>	<u>-</u>	<u>-</u>
Privately held entities	<u>508,535</u>	<u>-</u>	<u>-</u>	<u>508,535</u>
Total investments at fair value	<u>\$ 42,071,744</u>	<u>\$ 41,316,746</u>	<u>\$ 246,463</u>	<u>\$ 508,535</u>

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

4. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at September 30, 2015			
	Total	Level 1	Level 2	Level 3
Investments:				
Cash and cash equivalents	\$ 4,222,674	\$ 4,222,674	\$ -	\$ -
Exchange traded products	7,292,744	7,292,744		
Common stocks:				
Consumer goods	13,883	13,883	-	-
Financial	166,599	166,599	-	-
Insurance	16,660	16,660	-	-
Utilities	52,756	52,756	-	-
Other common stocks	27,767	27,767	-	-
Total common stocks	277,665	277,665	-	-
Fixed income securities:				
Corporate bonds	4,764,627	-	4,764,627	-
Municipal bonds	39,868	-	39,868	-
Total fixed income securities	4,804,495	-	4,804,495	-

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

4. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at September 30, 2015			
	Total	Level 1	Level 2	Level 3
Mutual funds:				
Emerging markets	3,278,872	3,278,872	-	-
Foreign large blend	198,550	198,550	-	-
Global	121,020	121,020	-	-
Bond Fund	5,114,857	5,114,857	-	-
International	8,464,854	8,464,854	-	-
Large blend	397,875	397,875	-	-
Large cap growth	392,695	392,695	-	-
Large cap value	391,162	391,162	-	-
Small cap	1,145,839	1,145,839	-	-
Small cap growth	165,582	165,582	-	-
Small cap value	886,852	886,852	-	-
Small blend	1,994,687	1,994,687	-	-
Total mutual funds	22,552,845	22,552,845	-	-
Privately held entities	686,668	-	-	686,668
Total investments at fair value	\$ 39,837,091	\$ 34,345,928	\$ 4,804,495	\$ 686,668

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

4. FAIR VALUE MEASUREMENTS, continued:

	(Level 3) Privately Held Entity September 30,	
	<u>2016</u>	<u>2015</u>
Beginning balance	\$ 686,668	\$ 926,500
Purchases, sales, issuances, and settlements	(148,468)	(251,634)
Total gains or losses (realized and unrealized) included in changes in net assets	<u>(29,665)</u>	<u>11,802</u>
Ending balance	<u>\$ 508,535</u>	<u>\$ 686,668</u>
The amount of total gains or losses for the period included in changes in net assets, attributable to the change in unrealized gains or losses related to assets still held at the reporting date.	<u>\$ (29,665)</u>	<u>\$ 11,802</u>

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

4. FAIR VALUE MEASUREMENTS, continued:

The following table lists investments in other investment companies (in partnership format) by major category at September 30, 2016:

Investment Category	Strategy	Fair Value Determined Using NAV	\$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions	Redemption Restrictions in Place at Year End
Hedge Fund-of-Funds	Absolute Return	<u>\$ 508,535</u>	<u>\$ -</u>	NA	Investment is in liquidation mode	Fund is currently in the process of liquidation	Fund is currently in the process of liquidation

The following table lists investments in other investment companies (in partnership format) by major category at September 30, 2015:

Investment Category	Strategy	Fair Value Determined Using NAV	\$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions	Redemption Restrictions in Place at Year End
Hedge Fund-of-Funds	Absolute Return	<u>\$ 686,668</u>	<u>\$ -</u>	NA	Investment is in liquidation mode	Fund is currently in the process of liquidation	Fund is currently in the process of liquidation

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

4. FAIR VALUE MEASUREMENTS, continued:

Methods and assumptions used by SIM USA in estimating fair values are as follows:

Valuation techniques: Fair values for common stocks, mutual funds, precious metals, and exchange traded products are based on quoted market prices in an active market. The fair value of fixed income securities is based on yields currently available for comparable securities of issuers with similar credit ratings. Fair values of privately-held entities are based on the net asset value (NAV) of the underlying investments in the fund.

Changes in valuation techniques: None.

Gains and losses (realized and unrealized) related to investments are included in the change in net assets and are reported in investment income. Gains and losses (realized and unrealized) related to the annuities and charitable lead trusts are reported in change in value of annuities and trusts. Gains and losses (realized and unrealized) related to charitable remainder trusts and revocable living trusts are included in the change in value of assets and liabilities on the combined statements of financial position.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

5. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net, at cost, consist of:

	September 30,	
	2016	2015
Charlotte property and equipment:		
Land and land developments	\$ 1,709,323	\$ 1,638,291
Buildings	3,578,892	3,578,892
Furniture and equipment	1,475,766	1,392,150
Airplanes and vehicles	1,781,111	1,830,218
	<u>8,545,092</u>	<u>8,439,551</u>
Less accumulated depreciation	<u>(3,588,809)</u>	<u>(3,232,784)</u>
	4,956,283	5,206,767
Construction in process	69,644	11,643
	<u>5,025,927</u>	<u>5,218,410</u>
Retirement property, Sebring, Florida:		
Land and land developments	159,749	159,749
Buildings	4,370,745	4,370,745
Furniture and equipment	37,683	37,683
	<u>4,568,177</u>	<u>4,568,177</u>
Less accumulated depreciation	<u>(3,118,464)</u>	<u>(3,009,195)</u>
	<u>1,449,713</u>	<u>1,558,982</u>
	<u>\$ 6,475,640</u>	<u>\$ 6,777,392</u>

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

6. ANNUITY LIABILITIES:

Annuity liabilities consist of:

	September 30,	
	2016	2015
Computed present value of annuity liabilities	\$ 1,996,763	\$ 2,046,401
Less current portion	(302,691)	(310,538)
Long-term portion	\$ 1,694,072	\$ 1,735,863

Change in value of annuities includes:

	Year Ended September 30,	
	2016	2015
Realized and unrealized gains (losses)	\$ 182,539	\$ (245,972)
Investment income	77,029	105,434
Actuarial change	114,175	329,791
Payments to beneficiaries and other expenses	(318,469)	(356,113)
	\$ 55,274	\$ (166,860)

7. TRUST LIABILITIES:

Trust liabilities consist of:

	September 30,	
	2016	2015
Revocable trusts	\$ 14,543,761	\$ 14,913,644
Irrevocable trusts—other remaindermen and lifetime interests	547,586	579,229
Total trust liabilities	\$ 15,091,347	\$ 15,492,873

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

7. TRUST LIABILITIES, continued:

Change in value of trusts includes:

	Year Ended September 30,	
	2016	2015
Interest and dividends	\$ 64,809	\$ 66,884
Realized gains	23,518	141,337
Unrealized gains (losses)	124,067	(324,587)
Actuarial change	31,643	200,704
Payments to beneficiaries	(349,043)	(566,366)
	\$ (105,006)	\$ (482,028)

8. NET ASSETS:

Net assets consist of:

	September 30,	
	2016	2015
Unrestricted:		
Undesignated	\$ 5,309,771	\$ 4,633,609
Designated:		
State required annuity reserves	529,142	542,296
Quasi-endowments	745,645	733,101
Annuity investment reserve	619,710	501,495
Captive insurance reserve	497,199	333,586
Equipment reserve	157,783	253,355
Management reserve	10,093	10,109
	2,559,572	2,373,942
Equity in property and equipment:		
Invested in property and equipment	5,025,927	5,218,410
Invested in retirement properties	1,449,713	1,558,982
Less capital lease obligation	(9,782)	(17,741)
	6,465,858	6,759,651
Total unrestricted net assets	14,335,201	13,767,202

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

8. NET ASSETS, continued:

Net assets consist of, continued:

	September 30,	
	2016	2015
Temporarily restricted:		
Projects	2,332,022	1,154,330
Ministry funds	10,724,474	10,041,067
Future support	5,488,226	5,352,527
Endowments	138,549	-
Charitable remainder trusts	472,569	456,063
Irrevocable trusts	867,678	964,209
	20,023,518	17,968,196
Permanently restricted—endowment	2,626,272	2,626,272
	\$ 36,984,991	\$ 34,361,670

9. LEASE REVENUE:

At September 30, 2016 and 2015, SIM USA leased airplanes, owned by SIM USA, to an unrelated party. The lessees are responsible for all repairs, maintenance and insurance. The lease term is three years. Rental revenue related to these leases was \$113,295 and \$56,648 for the years ended December 31, 2016 and 2015, respectively.

Future rental income to be earned is as follows:

Years Ending September 30,	Amounts
2017	\$ 113,295
2018	56,648
	\$ 169,943

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

10. TRANSACTIONS WITH RELATED PARTIES:

SIM INTERNATIONAL AND OTHER AFFILIATES

In accordance with international policy, all national divisions of SIM USA make payments to SIM International Administration for salary allowance, missionary area care, administrative costs, and undesignated contributions that exceed \$5,000 for the years ended September 30, 2016 and 2015, to be used for specific ministries. In addition, missionary support received by one affiliate for another is remitted to the appropriate affiliate.

SIM USA made the following payments to SIM International and other affiliates:

	Year Ended September 30,	
	2016	2015
Salary allowance	\$ 171,267	\$ 178,740
Administrative costs	930,829	964,984
Specific ministries	7,888,526	8,489,682
Missionary support for other affiliates	1,822,778	1,817,514
	<u>\$ 10,813,400</u>	<u>\$ 11,450,920</u>

11. CONTINGENCY:

In accordance with the terms of the lease agreement with an unrelated party (see Note 9) if SIM USA elects to terminate the agreement and operate the airplane on its own or lease the airplane to a different entity, SIM USA agrees to pay the unrelated party \$340,000. In the event that SIM USA elects to sell the airplane, SIM USA agrees to pay the unrelated party 24% of the sale price of the airplane. In the event that the unrelated party elects to terminate or not renew the lease, SIM USA has no obligation to the unrelated party, until such time as SIM USA elects to sell the airplane, at which point SIM USA agrees to pay the unrelated party 24% of the sales proceeds. SIM USA does not currently intend to terminate the lease or sell the airplane.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

12. MEMBER BENEFIT PLANS:

MEDICAL BENEFITS

SIM USA maintains a self-insured employee benefit plan covering certain employees for dental and vision costs and providing for certain limitations and restrictions on coverage. As of September 30, 2016 and 2015, claims incurred but not reported were not estimated to be material to the combined financial statements.

RETIREMENT BENEFITS

SIM USA offers continued support to those members of the mission reaching the designated retirement age and having completed thirty years of active service, subject to funds available in the retirement allowances pool. Partial benefits may be received by those members having served between twenty and thirty years. Support may include a housing allowance or housing provided, certain medical payments, and a supplement to the extent social security benefits are deemed to be inadequate. Support amounts vary from period to period based on the level of retirement funds available. SIM intends that support received will not exceed costs of benefits, and the plan is being treated as a nonqualified defined contribution arrangement.

13. ENDOWMENTS:

SIM USA's endowments consist of 3 individual funds established for a variety of purposes as a result of donor contributions and board designations. Net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of trustees of SIM USA has interpreted the North Carolina Uniform Prudent Management of Institutional Funds Act (NCUPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, SIM USA 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 as temporarily restricted net assets until those amounts are appropriated for expenditure by SIM USA in a manner consistent with the standard of prudence prescribed by NCUPMIFA. In accordance with NCUPMIFA, SIM USA considers the following factors in making a determination to appropriate or accumulated donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of SIM USA 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 SIM USA
7. The investment policies of SIM USA

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

13. ENDOWMENTS, continued:

Endowment net asset composition by type of fund as of September 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Donor-restricted endowment funds	\$ -	\$ 138,549	\$ 2,626,272
Board designated endowment funds	745,645	-	-
	\$ 745,645	\$ 138,549	\$ 2,626,272

Changes in endowment net assets for the year ended September 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Endowment net assets, beginning of year	\$ 731,141	\$ -	\$ 2,626,272
Investment return:			
Interest and dividends	17,536	53,468	-
Net gains (realized and unrealized)	41,562	245,443	-
Total investment return	59,098	298,911	-
Contributions	-	-	-
Amounts appropriated for expenditure	(44,594)	(160,362)	-
Reclassification of underwater endowments	-	-	-
Endowment net asset, end of year	\$ 745,645	\$ 138,549	\$ 2,626,272

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

13. ENDOWMENTS, continued:

Endowment net asset composition by type of fund as of September 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Donor-restricted endowment funds	\$ (1,960)	\$ -	\$ 2,626,272
Board designated endowment funds	733,101	-	-
	\$ 731,141	\$ -	\$ 2,626,272

Changes in endowment net assets for the year ended September 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Endowment net assets, beginning of year	\$ 821,576	\$ 162,379	\$ 2,626,272
Investment return:			
Interest and dividends	17,218	64,380	-
Net losses (realized and unrealized)	(53,501)	(195,485)	-
Total investment return	(36,283)	(131,105)	-
Contributions	-	-	-
Amounts appropriated for expenditure	(52,192)	(33,234)	-
Reclassification of underwater endowments	(1,960)	1,960	-
Endowment net assets, end of year	\$ 731,141	\$ -	\$ 2,626,272

Year Ended September 30,

2016	2015
------	------

Permanently restricted net assets:

The portion of perpetual endowment funds that are required to be retained permanently either by explicit donor stipulations or by NCUPMIFA

\$ 2,626,272	\$ 2,626,272
--------------	--------------

Temporarily restricted net assets:

The portion of perpetual endowment funds subject to a time restriction under NCUPMIFA

\$ 138,549	\$ -
------------	------

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

13. ENDOWMENTS, continued:

Return Objectives and Risk Parameters—SIM USA 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 SIM USA must hold in perpetuity or for a donor-specified period(s) 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 an inflation adjusted income stream to grow the corpus above the inflation rate. SIM USA expects its endowment funds, over time, to provide an average rate of return of approximately 9% annually. Actual returns in any given year may vary from this amount.

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 NCUPMIFA requires SIM USA to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets were \$0 and \$1,960 as of September 30, 2016 and 2015, respectively. These deficiencies resulted from unfavorable market fluctuations.

Strategies Employed for Achieving Objectives—To satisfy its long-term rate-of-return objectives, SIM USA 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). SIM USA targets a diversified asset allocation that places a greater emphasis on fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy—SIM USA has a policy of appropriating for distribution each year 5% of the value of each fund. This calculation is based upon the actual rate of return on the endowment funds for the previous calendar year. In establishing this policy, SIM USA's board considered long-term expected return on its endowment. This is consistent with the board's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment returns.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

14. PRIOR PERIOD ADJUSTMENT:

During the year ended September 30, 2016, it was determined SIM USA did not properly account for certain items in its prior year financial statements. Land held for investments was incorrectly valued in the prior years and certain assets were not properly capitalized in property and equipment. The correction of these items has been recorded as a prior period adjustment and had the following effect on the financial statements:

	As Previously Stated	Adjustment	As Restated
Investments	\$ 41,744,241	\$ (383,224)	\$ 41,361,017
Property and equipment–net	\$ 5,167,396	\$ 1,609,996	\$ 6,777,392
Deferred rental revenue	\$ -	\$ 283,238	\$ 283,238
Temporary-restricted contributions	\$ 50,721,668	\$ (981,122)	\$ 49,740,546
Net assets released from time and use restrictions	\$ (50,434,656)	\$ 981,122	\$ (49,453,534)
Rental, sales, and other revenue	\$ 837,920	\$ 852,900	\$ 1,690,820
Church growth and evangelism expenses	\$ 10,738,118	\$ (119,052)	\$ 10,619,066
Grants to other SIM ministries	\$ 11,900,918	\$ (449,998)	\$ 11,450,920
Education ministry expenses	\$ 7,279,427	\$ (75,303)	\$ 7,204,124
Relief and rehabilitation expenses	\$ 6,792,147	\$ (85,742)	\$ 6,706,405
Media and translation ministry expenses	\$ 1,991,766	\$ (17,232)	\$ 1,974,534
Home ministry expenses	\$ 2,150,537	\$ (12,797)	\$ 2,137,740
Service expenses	\$ 3,374,311	\$ 41,244	\$ 3,415,555
Management and general expenses	\$ 6,551,983	\$ 13,662	\$ 6,565,645
Fund-raising expenses	\$ 2,530,922	\$ (68,406)	\$ 2,462,516

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2016 and 2015

14. PRIOR PERIOD ADJUSTMENT, continued:

	<u>As Previously Stated</u>	<u>Adjustment</u>	<u>As Restated</u>
Unrestricted net assets	<u>\$ 12,823,668</u>	<u>\$ 943,534</u>	<u>\$ 13,767,202</u>
Change in unrestricted net assets	<u>\$ (2,259,347)</u>	<u>\$ 645,402</u>	<u>\$ (1,613,945)</u>

15. SUBSEQUENT EVENTS:

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

SUPPLEMENTAL INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION**

Board of Directors
SIM USA, Inc.
Charlotte, North Carolina

We have audited the combined financial statements of SIM USA, Inc. as of and for the years ended September 30, 2016 and 2015, and our report thereon dated March 3, 2017, which expresses an unmodified opinion on those combined financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Sudan Interior Mission, Inc.–Segregated Gift Annuity Fund statements of financial position and statements of activities as of and for the years ended September 30, 2016 and 2015, respectively, are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Capin Crouse LLP

Columbia, South Carolina
March 3, 2017

**SUDAN INTERIOR MISSION, INC.
SEGREGATED GIFT ANNUITY FUND**

Statements of Financial Position

	September 30,	
	2016	2015
ASSETS:		
Cash and cash equivalents	\$ 5,313	\$ 6,368
Investments	3,140,302	3,083,824
Total Assets	\$ 3,145,615	\$ 3,090,192
LIABILITIES AND NET ASSETS:		
Liabilities:		
Current portion of annuities payable	\$ 302,691	\$ 310,538
Annuities payable—net of current portion	1,694,072	1,735,863
Total liabilities	1,996,763	2,046,401
Net assets:		
Other	619,710	501,495
Required minimum reserve (New York)	529,142	542,296
Total net assets	1,148,852	1,043,791
Total Liabilities and Net Assets	\$ 3,145,615	\$ 3,090,192

**SUDAN INTERIOR MISSION, INC.
SEGREGATED GIFT ANNUITY FUND**

Statements of Activities

	Year Ended September 30,	
	2016	2015
INCOME:		
Net gains (losses) on investments	\$ 182,539	\$ (245,972)
Interest and dividend income	77,029	105,434
Actuarial change	114,175	329,791
New annuities	49,786	17,134
Total Income	423,529	206,387
EXPENSES:		
Payments to annuitants	304,855	337,271
Other	13,614	18,842
Total Expenses	318,469	356,113
Change in Net Assets	105,060	(149,726)
Net Assets, Beginning of Year	1,043,792	1,193,518
Net Assets, End of Year	\$ 1,148,852	\$ 1,043,792