

Independent Auditor's Report

**Members of the Finance and
Budget Advisory Team
The Synod of the Trinity
Presbyterian Church (U.S.A)**

We have audited the accompanying financial statements of The Synod of the Trinity (Synod), a nonprofit organization, which comprise the statement of financial position - modified cash basis as of December 31, 2017, and the related statement of activities - modified cash basis for the year then ended, and the

related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets of the Synod as of December 31, 2017 and its cash receipts and cash disbursements for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Report on Summarized Comparative Information

We have previously audited the Synod's 2016 financial statements, and we expressed an unmodified audit opinion on those audited modified cash basis financial statements in our report dated June 1, 2017. In our opinion, the summarized comparative information presented herein, as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses - modified cash basis on page 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Maher Duessel

Harrisburg, Pennsylvania
May 17, 2018

THE SYNOD OF THE TRINITY

STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS

DECEMBER 31, 2017

(With Comparative Totals at December 31, 2016)

Assets	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$ 514,832	\$ 508,912
Investments	<u>6,612,526</u>	<u>6,386,284</u>
Total Assets	<u>\$ 7,127,358</u>	<u>\$ 6,895,196</u>
Net Assets		
Unrestricted	\$ 6,428,759	\$ 6,272,731
Temporarily restricted	<u>698,599</u>	<u>622,465</u>
Total Net Assets	<u>\$ 7,127,358</u>	<u>\$ 6,895,196</u>

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

THE SYNOD OF THE TRINITY

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2017

(With Comparative Totals For Year Ended December 31, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2017</u>	<u>Total 2016</u>
Cash Receipts:				
National agency receipts and Presbytery Mission treasury services	\$ 138,151	\$ -	\$ 138,151	\$ 156,055
Apportionments	334,314	-	334,314	355,599
Designated general mission	18,210	-	18,210	20,578
Project income	51,374	-	51,374	63,236
Investment income	722,611	90,237	812,848	490,999
Miscellaneous	29,763	-	29,763	30,324
Net assets released from restrictions	14,103	(14,103)	-	-
Total cash receipts	<u>1,308,526</u>	<u>76,134</u>	<u>1,384,660</u>	<u>1,116,791</u>
Cash Disbursements:				
Program	723,456	-	723,456	599,215
Management and general	429,042	-	429,042	427,027
Total cash disbursements	<u>1,152,498</u>	<u>-</u>	<u>1,152,498</u>	<u>1,026,242</u>
Excess Cash Receipts Over Cash Disbursements	156,028	76,134	232,162	90,549
Net Assets:				
Beginning of year	<u>6,272,731</u>	<u>622,465</u>	<u>6,895,196</u>	<u>6,804,647</u>
End of year	<u>\$ 6,428,759</u>	<u>\$ 698,599</u>	<u>\$ 7,127,358</u>	<u>\$ 6,895,196</u>

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