

SEMINARIO EVANGÉLICO DE PUERTO RICO, INC.
(A Nonprofit Organization)
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2016

SEMINARIO EVANGÉLICO DE PUERTO RICO, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

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PO Box 11044 | T • 787-706-4422
San Juan, PR 00922 | M • 787-486-3246
dfigueroa@dfarmaiz.com | F • 787-706-4422

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Seminario Evangélico de Puerto Rico, Inc.
San Juan, Puerto Rico

Report on the Financial Statements

I have audited the accompanying financial statements of Seminario Evangélico de Puerto Rico, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

DAVID FIGUEROA ARMAIZ
Certified Public Accountant

1501 Américo Miranda Ave.
Calle 7 • Suite C
Caparra Terrace
San Juan PR 00921

An audit involves performing procedures to 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 purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seminario Evangélico de Puerto Rico, Inc. (a nonprofit organization) as of December 31, 2016 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



March 23, 2017
San Juan, Puerto Rico

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affixed to the original



SEMINARIO EVANGELICO DE PUERTO RICO, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

ASSETS

Current Assets	
Cash (Note 3)	\$ 94,197
Certificated of deposit	50,000
Accounts receivable - net of allowance for doubtful accounts	
Tuition (Note 4)	139,002
Rent and other (Note 4)	27,092
Prepaid expenses and deferred charges	102,271
Total current assets	412,562
Investments (Note 5)	1,089,728
Property and equipment, net of accumulated depreciation (Note 6)	1,952,980
Other	35,633
TOTAL ASSETS	\$ 3,490,903

LIABILITIES AND NET ASSETS

Current Liabilities	
Line of credit (Note 7)	\$ 38,787
Long-term debt - current portion (Note 8)	29,984
Accounts Payable	83,160
Accrued expenses and payroll withholdings (Note 9)	16,346
Deferred revenues (Note 10)	276,824
Total Current Liabilities	445,101
Long-term debt (Note 8)	971,407
Rent deposits	9,775
TOTAL LIABILITIES	1,426,283
<u>NET ASSETS:</u>	
Unrestricted	800,764
Temporarily restricted	-
Permanently restricted	1,263,856
TOTAL NET ASSETS	2,064,620
TOTAL LIABILITIES AND NET ASSETS	\$ 3,490,903

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

SEMINARIO EVANGELICO DE PUERTO RICO, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT				
Tuition and fees	\$ 625,453	\$ -	\$ -	\$ 625,453
Donations and private grants	192,477	51,724	4,616	248,817
Investments Income	18,365	-	23,338	41,703
Other income	22,239	-	-	22,239
Net assets released from restrictions-Temporarily	51,724	(51,724)	-	-
Net assets released from restrictions-Permanently	9,943	-	(9,943)	-
TOTAL REVENUE AND OTHER SUPPORT	920,201	-	18,011	938,212
OPERATING EXPENSES				
Faculty and registry	403,008	-	-	403,008
Library	106,370	-	-	106,370
General and administrative expenses	233,054	-	-	233,054
Building maintenance	173,501	-	-	173,501
Utilities	71,816	-	-	71,816
Special projects	16,879	-	-	16,879
Presidency and development	129,223	-	-	129,223
TOTAL OPERATING EXPENSES	1,133,851	-	-	1,133,851
CHANGES IN NET ASSETS BEFORE OTHER INCOME AND EXPENSES				
	(213,650)	-	18,011	(195,639)
OTHER INCOME (EXPENSES)				
Dormitory, housing and office rent	146,933	-	-	146,933
Interests	(48,411)	-	-	(48,411)
Realized gain on investments	1,835	-	1,596	3,431
Investment's management fees	-	-	(16,638)	(16,638)
Unrealized gain (loss) on investments	(10,368)	-	17,287	6,919
TOTAL OTHER INCOME (EXPENSES)	89,989	-	2,245	92,234
CHANGES IN NET ASSETS	(123,661)	-	20,257	(103,404)
NET ASSETS, AT BEGINNING OF YEAR	924,425	-	1,243,599	2,168,024
NET ASSETS, AT END OF YEAR	\$ 800,764	\$ -	\$ 1,263,856	\$ 2,064,620

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

SEMINARIO EVANGELICO DE PUERTO RICO, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in net assets	\$ (103,404)
Adjustment to reconcile changes in net assets to net cash provided in operating activities:	
Depreciation	65,157
Net unrealized (gain) loss on investments	(10,350)
Bad debt expense	18,239
Decrease (increase) in:	
-Accounts receivable	(48,857)
-Prepaid expenses and deferred charges	(73,971)
Increase (decrease) in:	
-Accounts payable	17,117
-Accrued expenses payroll withholdings	(1,818)
-Deferred revenues	150,484
-Rent deposits	(835)
Net cash provided by operating activities:	11,762

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	(53,429)
Proceed from certificate of deposit	51,041
Purchase of certificate of deposit	(50,000)
Proceeds from investments	141,579
Net return on investments capitalized	(25,972)
Advance to Federal Department of Education	(35,633)
Net cash provided by in investing activities	27,586

CASH FLOWS FROM FINANCING ACTIVITIES:

Principal Payments on long-term debt	(28,628)
Proceeds from line of credit	136,466
Payments on line of credit	(97,679)
Net cash provided by financing activities	10,159

Net Increase in Cash	49,507
Cash at Beginning of Year (Note 12)	44,690
Cash at End of Year	\$ 94,197

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

SEMINARIO EVANGÉLICO DE PUERTO RICO, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 1 – NATURE OF ORGANIZATION

The Seminario Evangélico de Puerto Rico, Inc. (the Seminary) is a nonprofit ecumenical theological institution, founded in September 1919 and incorporated on July 13, 1981 under the laws of the Commonwealth of Puerto Rico. The Seminary is accredited by the Association of Theological Schools in the U.S. and Canada (“ATS”) and the Middle States Association (“MSA”), also it has the license of the Council of Education of Puerto Rico for the Master of Arts and Religion.

The Seminary has the support of the following Christian denominations, both of their United States mission boards, and its Puerto Rico churches: Puerto Rico Baptist Churches/The American Baptist Churches, Puerto Rico Christian Church (Disciples of Christ)/Christian Church (Disciples of Christ-USA), Boriquén Presbyterian Synod of Puerto Rico/Presbyterian Church (USA), Puerto Rico Methodist Church/The United Methodist Church, Puerto Rico United Evangelical Church/United Church of Christ in USA – Canada and through a cooperative agreement, the Caribbean Synod of Evangelical Lutheran Church/Evangelical Lutheran Church of America.

Among the academic offerings of the Seminary, it includes: Master of Divinity, Master of Arts and Religion, Doctorate of Ministry with specialization in Pastoral Care of Families and a graduate program in Christian Education and Missions.

The Seminary’s main purpose is the integral formation of pastors and lay leaders, both men and women, to serve the ministry and mission from God to the people of Puerto Rico, the Caribbean, Latin America and the United States of America.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The Seminary prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). This basis of accounting comprises the application of the accrual method in which income and gains are recognized when earned and the expenses and losses are recognized when incurred.

(Continues)

SEMINARIO EVANGÉLICO DE PUERTO RICO, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Financial Statements Presentation

The Financial Accounting Standards Board established guidelines for preparing financial statements of non-profit organizations, and requires the organization to prepare a statement of financial position, a statement of activities and change in net assets and a statement of cash flows. It also requires that net assets, and revenues, expenses, gains and losses, be classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Seminary and changes there in are classified as follows:

1. Unrestricted – are amounts that are regularly available at the discretion of the Board of Directors for use in operations and those resources invested in equipment.
2. Temporarily restricted – net assets temporarily represent restricted contributions made by external donors for a specific use or for a future period. When the stipulated time restriction ends or when the purpose of the constraint is satisfied, temporarily restricted assets are reclassified as unrestricted active and is presented in the statement of activities and changes in net assets as net assets released from restrictions.
3. Permanently restricted – these are net assets subject to donor imposed stipulations that must be maintained permanently by the Seminary. Generally, the donor of these assets permit the Seminary to use all or part of the income earned or related investment for general or specific purposes. Permanently restricted net assets include funds received by the Foundation “Presbyterian Church (USA) Foundation” on behalf of the Seminary. Those funds are invested in securities that are managed by the Foundation; they are presented at market value at the date of financial statements.

All contributions are considered available for unrestricted use, unless specifically restricted by the donor or subject to other legal restrictions.

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SEMINARIO EVANGÉLICO DE PUERTO RICO, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks, money market accounts and all highly liquid investments with original maturities of three months or less. Certain items, which meet the definition of cash equivalents but are part of a large pool of investments that are restricted or designated for long-term investment, are included in investments.

d. Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Receivables are stated net of estimated allowances for uncollectible accounts. The Seminary maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable based on type of receivables and expectations of repayment. In establishing the required allowance, management considers the Seminary's experience with uncollectible accounts in prior years.

e. Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. The Seminary follows the practice of capitalizing, at cost, all expenditures for property and equipment more than \$250. Depreciation is computed using the straight-line method over the estimated useful time of the assets, which is between 5 and 50 years.

Cost of repairs and maintenance are charged directly to expenses and improvement costs are capitalized. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is credited or charged to income.

f. Donated property and improvements

Donated property and improvements representing contributions presented in the accompanying financial statements at their estimated fair values at the time they are received.

(Continues)

SEMINARIO EVANGÉLICO DE PUERTO RICO, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Deferred Revenue

The Seminary recognizes revenue from tuition and teaching in the period in which instruction is offered. For this reason, enrollment and teaching charged belonging to the next academic term is deferred until the instruction begins.

h. Contributions

According to the Financial Accounting Standard Board, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence and / or nature of any restrictions established by the donor.

The contribution that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the accounting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets restricted temporary or permanent, depending on the nature of the restriction. When the restriction expires, that is, when the time stipulated for the restriction or fulfills the purpose of the restriction, temporarily restricted net assets are reclassified to unrestricted net assets and is presented in the Statement of Activities as net assets released restriction.

i. Investments

Financial statements presentation follows the provisions of the Financial Accounting Standards Board, "Accounting for Certain Investments Held by Not-for-Profit Organizations". Under those standards, investments in marketable securities with readily determinable fair values and all investments in debt and equity securities are reported at their fair values in the statement of financial position and any realized or unrealized gain or loss should be reported in the statement of activities and changes in net assets. The market value of the investments is determined using the quoted market value at the date of the financial statements.

(Continues)

SEMINARIO EVANGÉLICO DE PUERTO RICO, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Income tax

The Seminary, is exempt from the imposition and payment of income tax under Section 1101.01(a)(2)(A)(iv) of the Internal Revenue Code of Puerto Rico of 2011 (Code), as amended. Contributions to the Seminary are tax deductible within the limitation prescribed by the Code.

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on technical merits, that the position will be sustained upon examination. The most significant tax positions of the Seminary are its assertion that it is exempt from income taxes and its determination about whether amounts are subject to unrelated business tax (UBIT). All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities.

The Seminary's income tax return is subject to review and examination by the Puerto Rico Department of Treasury. The income tax return is subject to examination generally for four years after they are filed.

k. Pension Plan

As part of the compensation plan for its employees, the Seminary makes payments to different pension plan systems of the Christian denominations. During 2016, payments amounted to approximately \$41,500.

l. Concentration of credit risk

The Seminary maintains its cash balances in financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC), up to \$250,000. The balance at sometimes during the year may exceed the federally insurance limit. As of December 31, 2016, there was no excess over \$ 250,000.

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SEMINARIO EVANGÉLICO DE PUERTO RICO, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Seminary maintains other deposits at the Cooperativa Metodista, which is also insured up to \$ 250,000 by the Puerto Rico Cooperatives Supervision and Insurance Corporation (COSSEC, as acronym Spanish). As of December 31, 2016, there was no excess in the Cooperative over the limits insured by COSSEC. Deposits in the Mission Investment Fund are not insured.

Investments in securities primarily represent mutual funds and securities of federal agencies, so that management considers that the concentration of risk is limited.

The Seminary has recorded an allowance for doubtful accounts for expected losses on its accounts receivable, based on historical trends and other information. As result, that statement of financial position has an insignificant risk of loss, after considering the allowance for doubtful accounts.

m. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the accounting period. Actual results may differ from those estimates.

n. Impairment of long-lived assets

The current value of long-term fixed assets is evaluated periodically. At the time that the current value is deemed to undermine the market value assets, a loss is recognized in the books in the current period. The Seminary considered that there is no significant impairment of its long-lived assets at December 31, 2016.

o. Date of management of subsequent events review

Subsequent events were evaluated until March 23, 2017, which is the date the financial statements were available to be issued. No events were identified that required adjustment or disclosure in the financial statements.

SEMINARIO EVANGÉLICO DE PUERTO RICO, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 3 – CASH

The balance of cash in the financial statements presented as of December 31, 2016 is as follows:

Operating account (overdraft)	\$(9,836)
Checking account – Restricted funds	90,680
Saving account	832
Checking account – Endowment fund	6,915
Checking account – Student loans	5,231
Petty Cash	<u>375</u>
Total	<u>\$94,197</u>

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2016, include the following:

	<u>Tuition</u>	<u>Other</u>
Tuition and education	\$ 224,106	\$ 28,821
Less provision for doubtful accounts	<u>(85,104)</u>	<u>(1,729)</u>
Accounts receivable, net	<u>\$ 139,002</u>	<u>\$ 27,092</u>

NOTE 5 – INVESTMENTS

Investments are presented at fair value in accordance with GAAP. Cash and short-term investments are recorded at cost, which approximates fair value, and include cash in bank accounts, institutional money market funds, and other temporary investments held for working capital purposes with maturities of three months or less. Cash and short-term investments do not include cash balances held as collateral by the Seminary. Cash and short-term investment balances designated for investment purposes are included in the “Investment portfolio, at fair value” in the Statement of Financial Position.

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SEMINARIO EVANGÉLICO DE PUERTO RICO, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 5 – INVESTMENTS (CONTINUED)

The majority of the Seminary's investments are managed by Presbyterian Foundation, a pooled fund that consists primarily of Presbyterian Endowment Fund and other securities. Certain other investments are managed separately. These other investments consist primarily of cash, short-term investments, and asset backed securities (Federal Home Loan Mortgage Corporation).

The Seminary's investment holdings as of December 31, 2016 are summarized in the following table:

	<u>Cost</u>	<u>Market</u>
Money Market	\$ 25,420	\$ 27,538
Presbyterian Endowment Fund	547,676	555,109
Bonds Funds	16,528	16,657
US Equity Funds	20,160	20,495
Asset Backed Securities	262,000	269,112
Mission Investment Fund E.L.C.A.	200,492	200,492
American Electricity P.A.	325	325
	<u>\$ 1,072,601</u>	<u>\$ 1,089,728</u>

The investments are allocated as follows:

Unrestricted	\$ 325
Seminary's Endowment	51,863
Permanently restricted	148,629
	<u>\$ 200,817</u>

FAIR VALUE MEASUREMENT:

When available, the Seminary measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used when active markets for the investments are not available. Level 3 inputs are used only when Level 1 or Level 2 inputs are not available.

(Continues)

SEMINARIO EVANGÉLICO DE PUERTO RICO, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 5 – INVESTMENTS (CONTINUED)

Fair value of assets measured on a recurring basis at December 31, 2016 are as follows:

	<u>Fair Value</u>	<u>Fair Value Measurements</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs Reflecting the Reporting Assumptions (Level 3)</u>
Money Market	\$ 27,538	\$ 27,538		
Presbyterian Endowment Fund	555,109	555,109		
Bonds Funds	16,657	16,657		
US Equity Funds	20,495	20,495		
Asset Backed Securities	269,112	269,112		
Mission Investment Fund E.L.C.A	200,492		200,492	
American Electricity P.A.	325	-	-	325
	<u>\$ 1,089,728</u>	<u>\$ 888,911</u>	<u>\$ 200,492</u>	<u>\$ 325</u>

NOTE 6 – PROPERTY AND EQUIPMENT

The following is a summary of the classifications of property and equipment and the total accumulated depreciation as of December 31, 2016:

Buildings and improvements	\$ 2,997,585
Road and parking	24,000
Equipment	317,947
Library books	<u>601,137</u>
	3,940,669
Accumulated depreciation	<u>(2,008,307)</u>
	1,932,362
Land lots at Florida, USA	<u>20,618</u>
Total	<u>\$ 1,952,980</u>

SEMINARIO EVANGÉLICO DE PUERTO RICO, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 7 LINE OF CREDIT

As of December 31, 2016, the Seminary has a secured revolving line of credit of \$50,000 with a financial institution. Interest is payable monthly at the fluctuating prime rate plus 1.50%. The line of credit is secured by the certificated of deposit in the same financial institution and securities at the Popular Security. As of December 31, 2016, the outstanding balance under the line of credit amounted to \$38,787.

NOTE 8 – LONG – TERM DEBT

Mortgage Loan secured with real property with an original principal of \$1,120,324. This loan is payable in installments of \$6,305 principal and interests at 4.625% per annum, through June 2037. The balance will be renegotiated every five years at the rates prevailing at the time of the renegotiation.

Principal maturities of long-term debt for the next five years and thereafter are as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2017	\$ 29,984
2018	31,400
2019	32,884
2020	34,433
2021	36,064
2022-2026	207,539
2027-2031	261,419
2032-2036	329,283
2037	<u>38,385</u>
Total	1,001,391
Less: Current portion	<u>29,984</u>
Long-term debt	<u>\$ 971,407</u>

SEMINARIO EVANGÉLICO DE PUERTO RICO, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 9 – ACCRUED EXPENSES AND PAYROLL WITHHOLDINGS

As of December 31, 2016, accrued expenses and payroll withholdings consist of the following:

Accrued vacations	\$ 10,564
Asume	140
Withholding social security and medicare	3,419
Withholding income tax	2,170
Other insurances	<u>53</u>
	<u>\$ 16,346</u>

NOTE 10 – DEFERRED REVENUES

As of December 31, 2016, deferred revenue consists of the following:

Tuition	\$ 150,998
Other programs	<u>125,826</u>
	<u>\$ 276,824</u>

NOTE 11 – CONTIGENCIES

The Seminary may be party to legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the ultimate outcome of the claims and litigation, if any, will not have a material adverse effect on the Seminary's financial position.

In addition, the Seminary participates in several financial assistance programs (federal and state). These programs are subject to audit and/or monitoring to compliance by grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Management believes the impact will not be material to the Seminary's financial statements.

SEMINARIO EVANGÉLICO DE PUERTO RICO, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 12 – SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION

Interest paid during the year ended December 31, 2016 amounted to \$48,411.

The following summarizes the changes to cash at the beginning of the year as previously reported in the statement of cash flows:

Cash as of December 31, 2015, as previously reported	\$ 308,228
Reclassification as investment:	
Money market	(13,706)
Mission Investment Fund E.L.C.A.	(198,791)
Reclassification as certificate of deposit	<u>(51,041)</u>
Cash as of December 31, 2015, as restated	<u>\$ 44,690</u>