APPENDIX – 2

AUDITOR'S REPORT

2016: RETIREMENT & BENEFITS PLAN

EVANGELICAL PRESBYTERIAN CHURCH
403(8) DEFINED CONTRIBUTION RETIREMENT PLAN
Livonia, Michigan

FINANCIAL STATEMENTS
December 31, 2016 and 2015

CliftonlarsonAllen LLP

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INDEPENDENT AUDITORS' REPORT

General Assembly and
EPC Benefit Resources, Inc. Board of Directors
Evangelical Presbyterian Church
403(b) Defined Contribution Retirement Plan
Livonia, Michigan

We have audited the accompanying financial statements of Evangelical Presbyterian Church 403(b) Defined Contribution Retirement Plan (the Plan), which comprise the statements of net assets available for benefits - modified cash basis as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits - modified cash basis 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 the modified cash basis of accounting described in Note 2; 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.

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 auditors' 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 Plan'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 Plan'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.

General Assembly and
EPC Benefit Resources, Inc. Board of Directors
Evangelical Presbyterian Church
403(b) Defined Contribution Retirement Plan

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits - modified cash basis of the Plan as of December 31, 2016 and 2015, and the changes in net assets available for benefits - modified cash basis for the years then ended, in accordance with the basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 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 that matter.

CliftonLarsonAllen LLP

CliftonlarsonAllen LLP

Toledo, Ohio
April 20, 2017

EVANGELICAL PRESBYTERIAN CHURCH
403(8) DEFINED CONTRIBUTION RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS -
MODIFIED CASH BASIS
December 31, 2016 and 2015

	2016	2015
ASSETS		
CASH	$ 80,230	$ 139,361
INVESTMENTS, AT FAIR VALUE		
Mutual funds	94,731,598	82,175,790
Money market funds	5,266,886	5,404,519
Self-directed brokerage funds	2,302,330	2,048,627
Total investments	102,300,814	89,628,936
NET ASSETS AVAILABLE FOR BENEFITS	$ 102,381,044	$ 89,768,297

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

EVANGELICAL PRESBYTERIAN CHURCH
403(B) DEFINED CONTRIBUTION RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS-
MODIFIED CASH BASIS
Years Ended December 31, 2016 and 2015

	2016	2015
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Dividends and interest	$ 3,305,588	$ 4,755,880
Net appreciation (depreciation) in fair value of investments	2,963,341	(4,028,118)
Total investment income	6,268,929	727,762
Contributions:		
Church employer contributions	7,037,111	6,396,116
Participant contributions	1,641,728	1,521,314
Rollover contributions	377,017	2,397,856
Total contributions	9,055,856	10,315,286
Total additions	15,324,785	11,043,048
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid directly to participants	2,592,780	2,929,113
Administrative expenses	119,258	51,428
Total deductions	2,712,038	2,980,541
NET INCREASE	12,612,747	8,062,507
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	89,768,297	81,705,790
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	$ 102,381,044	$ 89,768,297

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

EVANGELICAL PRESBYTERIAN CHURCH
403(8) DEFINED CONTRIBUTION RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Evangelical Presbyterian Church 403(b) Defined Contribution Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution 403(b) plan pursuant to the Internal Revenue Code (IRC) Section 403(b)(9) and was amended and restated effective January 1, 2015. The Plan is also intended to be a "church plan" within the meaning of Section 414(e) of the IRC and Section 3(33) of the Employee Retirement Income Security Act of 1974 (ERISA), and is therefore, exempt from ERISA. The Board of Benefits of the Evangelical Presbyterian Church (the Church) shall act as the Plan Administrator and trustees and shall be responsible for the administration of the Plan through December 31, 2016 (see Note 9). Member churches and organizations that employ ministers credentialed by the Church, as defined, (individually and collectively "Employer") may adopt the Plan.

Eligibility

The Plan is available to any employees of the Employer. Any employee will be eligible to become a participant in the Plan on the date the participant meets the particular member church's eligibility conditions to become a participant. The Employer's eligibility conditions shall be set forth in its individual adoption agreement or in such other written document as may be permitted by the Plan Administrator.

Contributions

The Plan is fully funded from contributions received from participants in salary reduction agreements or Employers on behalf of their employees. Employee contributions may be pre-tax or Roth contributions, as elected by the employee. The Employer's contribution conditions shall be set forth in its individual adoption agreement or in such other written document as may be permitted by the Plan Administrator. The Employer is required to make a contribution of not less than 10% of base salary plus housing allowance for ordained pastors of the Church. The Plan allows participants to contribute amounts representing distributions from other qualified defined benefit or contribution plans (rollovers).

Neither the Plan trustees nor the Church shall be required to determine if the Employer has made a contribution or if the amount contributed is in accordance with the resolution or other Employer action adopting this Plan or the IRC. The Employer shall have sole responsibility in this regard.

EVANGELICAL PRESBYTERIAN CHURCH
403(8) DEFINED CONTRIBUTION RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 - DESCRIPTION OF THE PLAN (continued)

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of Employer contributions, if any, Plan earnings (losses) and administrative expenses. Allocations are based on participant compensation, participant earnings or account balances, or participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Vesting

Participants are immediately vested in all contributions plus actual earnings thereon.

Payment of Benefits

On termination of service due to death, retirement or other reasons, a participant with a vested balance of less than $1,000 will receive a lump sum distribution without the participant's consent. If the balance of the terminated participant's account is between $1,000 and $5,000, the Plan Trustees may authorize that the benefit payment be rolled into an individual retirement account in the participant's name. Terminated participants or their beneficiaries who have a balance greater than $5,000 will receive the total vested balance in a joint and survivor annuity, unless the participant elects, with consent of their spouse, to receive the benefit in a lump sum, installment distribution, eligible direct rollover to an eligible retirement plan or to leave the balance in the Plan until minimum distribution is required. Participants may withdraw voluntary or Employer contributions from their accounts by reason of financial hardship under specific guidelines set forth in the Plan. Distributions for housing allowance are also allowed for participants who are a minister of the gospel as defined in IRC Section 107. The Plan also allows for in-service distributions if a participant reaches the normal retirement age of 59 ½.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting records of the Plan are maintained on the modified cash basis of accounting whereby revenue and the related assets are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred.

EVANGELICAL PRESBYTERIAN CHURCH
403(8) DEFINED CONTRIBUTION RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in Accounting Principle

In July 2015, the Financial Accounting Standards Board (FASS) issued Accounting Standards Update 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part Ill) Measurement Date Practical Expedient.* Parts I and Ill are not applicable to the Plan. Part II eliminates the requirements to disclose individual investments that represent 5% or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies the level of disaggregation of investments that are measured at fair value. Plans will continue to disaggregate investments that are measured at fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics, and risks. Further, the disclosure of information about fair value measurements should be provided by general type of plan asset. The ASU is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. Part II is to be retrospectively applied. The Plan has elected to adopt Part II.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in accordance with the modified cash basis of accounting requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Investment Valuation and Income Recognition

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

EVANGELICAL PRESBYTERIAN CHURCH
403(8) DEFINED CONTRIBUTION RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Employer or Church and are excluded from these financial statements. Transaction charges for benefit payment transactions are paid by the Plan by reducing the balances of participants initiating the transactions. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

NOTE 3 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

Quoted prices for similar assets or liabilities in active market;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liabilities;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

EVANGELICAL PRESBYTERIAN CHURCH 403(8)
DEFINED CONTRIBUTION RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 3 - FAIR VALUE MEASUREMENTS (continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Money market funds: Valued at a stable $1.00 NAV, which is the value at which the fund is traded and approximates fair value of the underlying investments.

Self-Directed Brokerage Account: Self-directed brokerage accounts consist of mutual funds and money market funds that are valued on the basis of readily determinable market prices.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015:

	2016			
	Level 1	Level2	Level3	Total
Money Market Funds	$ 5,266,886	$	$	$ 5,266,886
Mutual Funds	94,731,598			94,731,598
Self-Directed Brokerage Funds	2,302,330			2,302,330
Total Investments at Fair Value	$ 102,300,814	$	$	$ 102,300,814

	2015			
	Level 1	Level2	Level3	Total
Money Market Funds	$ 5,404,519	$	$	$ 5,404,519
Mutual Funds	82,175,790			82,175,790
Self-Directed Brokerage Funds	2,048,627			2,048,627
Total Investments at Fair Value	$ 89,628,936	$	$	$ 89,628,936

EVANGELICAL PRESBYTERIAN CHURCH
403(8) DEFINED CONTRIBUTION RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 4-PLAN TERMINATION

Although it has not expressed intent to do so, the Plan trustees may, subject to the prior approval of the General Assembly of the Church, terminate the Plan and the trust at any time. An adopting Employer may terminate participation in this Plan in accordance with rules and procedures defined by the Plan.

NOTE 5 - RELATED PARTY TRANSACTIONS

Investment related fees incurred by the Plan are included in net appreciation (depreciation) in fair value of the investment. Fees paid by the Plan to Fidelity Management Trust Company (Fidelity), custodian, for administrative costs amounted to $482 and $675 for the years ended December 31, 2016 and 2015, respectively. The Plan also reimbursed the Evangelical Presbyterian Church Benefits Plan, a separate plan sponsored by the Church, for Plan administrative and other expenses which were paid for by the Church or for services performed by Church employees on behalf of the Plan, in the amount of $58,700 and $50,753 for the years ended December 31, 2016 and 2015, respectively.

NOTE 6-TAX STATUS

The Plan is intended to be a church plan, as defined in Section 414(e) of the IRC, and is exempt from taxes.

The modified cash basis of accounting requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). The Plan administrator believes the Plan is not subject to income tax examinations due to the tax-exempt status.

NOTE 7-RISKS AND UNCERTAINTIES

The Plan invests in various investment securities which are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits - Modified Cash Basis.

EVANGELICAL PRESBYTERIAN CHURCH
403(8) DEFINED CONTRIBUTION RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 8- RECLASSIFICATION

Certain amounts in the 2015 financial statements have been reclassified to conform with the 2016 presentation. These reclassifications do not affect net assets available for benefits - modified cash basis as previously reported.

NOTE9-SUBSEQUENTEVENTS

Management evaluated subsequent events through April 20, 2017, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2016, but prior to April 20, 2017 that provided additional evidence about conditions that existed at December 31, 2016, have been recognized in the financial statements for the year ended December 31, 2016. Events or transactions that provided evidence about conditions that did not exist at December 31, 2016 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2016.

Effective January 1, 2017, EPC Benefit Resources, Inc., a wholly owned subsidiary of the Church, was established. The entity was established to support the mission and operations of the Church and its member churches by administering Church Plans, including this Plan. EPC Benefit Resources, Inc. was appointed Plan Administrator of the Plan and trustee of the EPC 403(b)(9) Defined Contribution Retirement Trust, also established January 1, 2017 to hold the assets of the Plan. The Plan was amended effective January 1, 2017 to reflect these changes.

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EVANGELICAL PRESBYTERIAN CHURCH
BENEFITS PLAN
Livonia, Michigan

FINANCIAL STATEMENTS
December 31, 2016 and 2015

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INDEPENDENT AUDITORS' REPORT

General Assembly and
EPC Benefit Resources, Inc. Board of Directors
Evangelical Presbyterian Church Benefits Plan
Livonia, Michigan

We have audited the accompanying financial statements of Evangelical Presbyterian Church Benefits Plan (the Plan), which comprise the statements of net assets available for benefits and of benefit obligations as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits and of changes in benefit obligations 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 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 auditors' 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 Plan'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 Plan'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.

General Assembly and
EPC Benefit Resources, Inc. Board of Directors

Evangelical Presbyterian Church Benefits Plan

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2016 and 2015, and the changes in financial status for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonlarsonAllen LLP

Toledo, Ohio
April 20, 2017

EVANGELICAL PRESBYTERIAN CHURCH EMPLOYEE BENEFITS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2016 and 2015

	2016	2015
ASSETS		
CASH AND CASH EQUIVALENTS	$ 1,032,311	$ 713,196
INVESTMENTS, AT FAIR VALUE		
Money market funds	1,135,326	2,637,843
Fixed income	2,382,298	1,533,350
Mutual funds	796,313	494,964
Common stock	2,105,388	1,551,664
Total investments	6,419,325	6,217,821
RECEIVABLES		
Drug rebates	10,006	
Stop loss refunds	109,274	28,483
Total receivables	119,280	28.483
OTHER ASSETS		
Deposits	160,818	156,718
Prepaid expenses	10,960	7,601
Total other assets	171 778	164 319
Total assets	7,742,694	7,123.819
LIABILITIES		
Accounts payable for administrative expenses	83,044	22,864
Net excess contributions received from participating churches	7 139	11 534
Total liabilities	90 183	34,398
NET ASSETS AVAILABLE FOR BENEFITS	$ 7,652,511	$ 7,089,421

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

EVANGELICAL PRESBYTERIAN CHURCH EMPLOYEE BENEFITS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years Ended December 31, 2016 and 2015

	2016	2015
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	$ 89,138	$ (127,678)
Dividends and interest	144 747	69,705
	233,885	(57,973)
Less investment expenses	32,346	20,501
Net investment income (loss)	201,539	(78,474)
Contributions:		
Premiums from participating churches	15,229,678	13,478,435
Total additions	15,431,217	13,399,961
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Claims	12,498,881	11,507,720
Premiums	1,252,723	1,355,798
Administrative expenses	1,116,523	1,231,762
Total deductions	14,868,127	14,095,280
NETINCREASE(DECREASE)	563,090	(695,319)
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	7,089,421	7 784 740
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	$ 7,652,511	$ 7,089,421

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

EVANGELICAL PRESBYTERIAN CHURCH EMPLOYEE BENEFITS PLAN
STATEMENTS OF BENEFIT OBLIGATIONS
December 31, 2016 and 2015

	2016	2015
AMOUNTS CURRENTLY PAYABLE		
Claims payable and claims incurred but not reported	$ 1,426,333	$ 1,358,188
Premiums due to insurers	113,720	
Total amounts currently payable	1,540,053	1,358,188
POSTRETIREMENT BENEFIT OBLIGATIONS, NET OF AMOUNTS CURRENTLY PAYABLE		
Retired participants	45,096	69,322
Other participants fully eligible for benefits	51,543	308,624
Participants not yet fully eligible for benefits	344,938	114,054
Total postretirement benefit obligations	441,577	492,000
TOTAL BENEFIT OBLIGATIONS	$ 1,981,630	$ 1,850,188

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

EVANGELICAL PRESBYTERIAN CHURCH EMPLOYEE BENEFITS PLAN
STATEMENTS OF CHANGES IN BENEFIT OBLIGATIONS
Years Ended December 31, 2016 and 2015

	2016	2015
AMOUNTS CURRENTLY PAYABLE		
Balance, beginning of year	$ 1,358,188	$ 1,137,634
Claims and premiums incurred	13,933,469	13,084,072
Claims and insurance premiums paid	(13,751,604)	(12,863,518)
Balance, end of year	1,540,053	1,358,188
POSTRETIREMENT BENEFIT OBLIGATIONS, NET OF AMOUNTS CURRENTLY PAYABLE		
Balance, beginning of year	492,000	423,000
Benefits earned	77,472	65,200
Actuarial (gain) loss and change in assumptions	(132,539)	24,930
Interest	18,573	14,200
Benefits paid	(20,316)	(35,330)
Increase due to change in assumptions	6,387	
Balance, end of year	441,577	492,000
TOTAL BENEFIT OBLIGATIONS, END OF YEAR	$ 1,981,630	$ 1,850,188

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

EVANGELICAL PRESBYTERIAN CHURCH BENEFITS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 - PLAN DESCRIPTION

The following description of the Evangelical Presbyterian Church Benefits Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a complete description of the Plan's provisions.

General

The Plan is a document describing benefits of the Evangelical Presbyterian Church (the Church). The Plan's benefits are available to any full-time employees of member churches and their families, certain missionaries and their families, as defined, under the oversight of the Committee on World Outreach or Committee on National Outreach, and clergy and their families of the Church. Retired employees are entitled to medical benefits under the Plan if they have attained at least age 59 ½, have served at least five years in a Church presbytery approved ministry, and make the required monthly premium contributions.

Effective January 1, 2015, a wrap plan document was executed to combine the medical benefits of the Plan with the additional insurance benefits provided to eligible employees.

Benefits

The Plan consists principally of a self-insured group medical plan providing health and prescription drug benefits. Retired employees are entitled to similar benefits (in excess of Medicare coverage).

In addition to the health and prescription drug benefits, the Plan also provides the following other kinds of insurance made available to eligible employees: term life insurance, accidental death and dismemberment insurance, long-term disability insurance, vision insurance, and dental insurance. The Plan fully insures all of the benefits, excluding the health and prescription drug benefits. The Church purchases insurance contracts for these insured benefits. Premiums for insured benefits are collected by the Plan from member churches and participants and paid from the assets of the Plan.

The claims for self-insured health benefits are processed by the Plan's third party claims processor under an administrative services only (ASO) arrangement. The claims processor pays claims directly to or on behalf of participants and is then reimbursed by the Plan. Despite the Plan's utilization of a third-party claims processor, ultimate responsibility for payments to providers and participants is retained by the Plan. The claims processor also acts as the pharmacy benefit manager (PBM). The PBM periodically makes refunds to the Plan based on the Plan's actual utilization pattern of specific drugs.

EVANGELICAL PRESBYTERIAN CHURCH BENEFITS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 - PLAN DESCRIPTION (continued)

Benefits (continued)

The Plan has a health savings account arrangement (HSA) that is funded solely through participant and member church contributions. The HSA allows eligible participants to be reimbursed tax free for qualified medical expenses subject to a specified ceiling. Amounts remaining at the end of the year can generally be carried over to the next year. The account may be used for non-qualified expenses, but such withdrawals are generally subject to income tax and a 20% penalty; and remaining amounts are portable upon termination once the employee leaves the Church.

Stop Loss Coverage

The Plan has entered into a stop-loss insurance arrangement in an effort to limit its exposure for self-insured benefits (individual participant claims over a specific dollar amount, as well as its aggregate exposure for all claims). Under the agreement, the specific stop loss coverage begins when claims reach $275,000 and $250,000 per covered participant for the years ended December 31, 2016 and 2015, respectively, with a flat corridor amount of $50,000 for the year ended December 31, 2016. The aggregate stop loss coverage began when claims reached $14,026,795 for the year ended December 31, 2015. There is no aggregate stop loss coverage for the year ended December 31, 2016.

Premium Revenue

The Plan is fully funded from premiums charged to the participants and member churches at rates determined by the Board of Benefits of the Church with the advice of an actuary. The costs of the postretirement benefit plan are shared by retirees. Retiree contribution rates are determined by the Board of Benefits of the Church with the advice of an actuary. The Board of Benefits, which consists of a group of appointed individuals who have oversight responsibility of the Plan, may divide participants into different classes and may require different contribution amounts for each class.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

EVANGELICAL PRESBYTERIAN CHURCH BENEFITS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in Accounting Principle

In July 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part Ill) Measurement Date Practical Expedient.* Parts I and Ill are not applicable to the Plan. Part II eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies the level of disaggregation of investments that are measured at fair value. Plans will continue to disaggregate investments that are measured at fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics, and risks. Further, the disclosure of information about fair value measurements should be provided by general type of plan asset. The ASU is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. Part II is to be retrospectively applied. The Plan has elected to adopt Part II.

Use of Estimates in Preparing Financial Statements

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 of assets, benefit obligations and changes therein, claims incurred but not reported, claims payable, liabilities, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Plan considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. However, short-term investments with maturities at the date of purchase of three months or less, which are subject to investment management direction, are treated as investments rather than cash.

The Federal Deposit Insurance Corporation (FDIC) insures deposits in any one financial institution up to $250,000. Balances in excess of FDIC limits are uninsured. At times during the year, the Plan has uninsured amounts on deposit. The Plan has not experienced any losses with regards to uninsured deposits.

EVANGELICAL PRESBYTERIAN CHURCH BENEFITS PLAN
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Contributions Receivable

Contributions receivable, if any, generally require payment on a monthly basis. Management reviews individual receivable balances that are past due and based on assessment of current credit worthiness, estimates the portion, if any, of the balance that will not be collected. All outstanding accounts, if any, or portions thereof deemed to be uncollectible are written off to the allowance for losses. Contributions receivable and excess contributions received from participating churches are accounted for by premium type for each member church. At December 31, 2016 and 2015, gross contributions receivable amounted to $11,192 and $40,434, respectively, and gross excess contributions received from participating churches amounted to $18,331 and $51,968, respectively, resulting in net excess contributions received from participating churches. Management has reviewed the accounts and believes they are all collectible and no provision for uncollectible accounts has been provided at December 31, 2016 and 2015.

Deposits

The Plan's third party claims processor requires a deposit based on the amount of average claims payable. Total deposits at December 31, 2016 and 2015 were $160,818 and $156,718, respectively.

Payment of Benefits

Premium payments for the insured benefits, paid by either the Church or the Plan, are recorded as premium payments in the accompanying Statements of Changes in Net Assets Available for Benefits.

Claim payments are recorded when submitted to the Plan by the third-party claims processor for reimbursement. Amounts due to the claims processor that have yet to be reimbursed by the Plan are included in "claims payable and claims incurred but not reported" in the accompanying Statements of Benefit Obligations.

EVANGELICAL PRESBYTERIAN CHURCH BENEFITS PLAN
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Stop Loss

Premiums for stop loss insurance are included in premium payments in the accompanying Statements of Changes in Net Assets Available for Benefits. Stop loss refunds totaling $373,085 and $265,309 have been netted with claims in the accompanying Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2016 and 2015, respectively. Stop loss refunds due as of the financial statement date are reported as a receivable, with the offset being netted against claims.

Refunds

Refunds due from the Plan's PBM are recorded when earned. Refunds due as of the financial statement date have been reported as a receivable, if any, with the offset being netted against claims. Pharmacy rebates totaling $100,120 and $67,927 have been netted with claims in the accompanying Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2016 and 2015, respectively. At December 31, 2016 refunds due of $10,006 were reported as a receivable. At December 31, 2015, there were no refunds due.

Administrative Expenses

The Plan pays administrative expenses that consist primarily of administrative fees paid to the Church and various service providers. These expenses are reported on the Statements of Changes in Net Assets Available for Benefits as "administrative expenses". Any administrative expenses not paid by the Plan are paid by the Church on behalf of the Plan.

Claims Incurred but not Reported

Plan obligations at December 31 for health claims incurred by participants but not reported at that date are estimated by the Plan's actuary in accordance with accepted actuarial principles based on claims data provided by the Plan's third-party administrators. These amounts are paid by the Plan only if claims are submitted and approved for payment.

EVANGELICAL PRESBYTERIAN CHURCH BENEFITS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 3-FAIRVALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liabilities;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Money market funds: Valued and transacted at a stable $1.00 net asset value (NAV), which approximates fair value of the underlying assets within the fund.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

EVANGELICAL PRESBYTERIAN CHURCH BENEFITS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 3 - FAIR VALUE MEASUREMENTS (continued)

Fixed income: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar securities, the security is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote is available.

Common stock: Valued at the closing price reported on the active market on which the individual securities are traded.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015:

	2016			
	Level 1	Level2	Level3	Total
Money Market Funds	$ 1,135,326	$	$	$1,135,326
Mutual Funds	796,313			796,313
Fixed Income		2,382,298		2,382,298
Common Stock	2,105,388			2,105,388
Total Investments at Fair Value	$ 4,037,027	$ 2,382,298	$	$6,419,325

	2015			
	Level 1	Level2	Level3	Total
Money Market Funds	$ 2,637,843	$	$	$2,637,843
Mutual Funds	494,964			494,964
Fixed Income		1,533,350		1,533,350
Common Stock	1,551,664			1,551,664
Total Investments at Fair Value	$ 4,684,471	$ 1,533,350	$	$ 6,217,821

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NOTE 4 - POSTRETIREMENT BENEFIT OBLIGATIONS

The amount reported as the postretirement benefit obligations represents the actuarial present value of those estimated future benefits attributed by the terms of the Plan to employees' service rendered to the date of the financial statements, reduced by the actuarial present value of premium contributions expected to be received in the future from current Plan participants. Postretirement benefits include future benefits expected to be paid to or for (1) currently retired or terminated employees and their beneficiaries and dependents and (2) active employees and their beneficiaries and dependents after retirement from service with the Church. The costs of the postretirement benefits are shared by the Church and retirees. Retirees are expected to contribute approximately 70% of estimated costs of providing postretirement benefits. The postretirement benefit obligations represent the amount that is to be funded by contributions from the Church and from existing Plan assets.

The actuarial present value of the postretirement benefit obligations is determined by an actuary and is the amount that results from applying actuarial assumptions to historical claims-cost data to estimate future annual incurred claims costs per participant and to adjust such estimates for the time value of money and the probability of payment between the valuation date and the expected date of payment.

For measurement purposes, the assumed annual rate of increase in the per capita cost of covered health care benefits was 5.0% for 2016 and 5.4% for 2015. The rate decreases to 4.7% in the year 2084 and beyond. An assumed mortality rate was based on the RP-2014 healthy mortality table with generational projection per modified scale MP-2014.

The following were other significant assumptions used in the valuations as of December 31, 2016 and 2015.

Weighted-average discount rate:	
2016	3.75%
2015	3.90%
Retirement rates:	
59-61	10.0%
62-63	15.0%
64	10.0%
65	50.0%
66-69	**40.0%**
70 and older	100.0%

The valuation excludes current post-65 actives and retirees who are paying 100% of the premium. The independent actuary assumed that there is no implicit rate subsidy associated with these benefits.

EVANGELICAL PRESBYTERIAN CHURCH BENEFITS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 4-POSTRETIREMENT BENEFIT OBLIGATIONS (continued)

For 495 active participants as of January 1, 2015, the Church was unable to provide the independent actuary with either an actual date of hire or an initial effective date of medical coverage that is a reasonable proxy for date of hire. For these records, the actuary assumed that the participant had six years of service as of January 1, 2015, which is consistent with the approximately 5.8 years of average service for the active records that were reported with an actual date of hire. If an actual date of hire were to be used for these active participants, the actual valuation results could be different than the results reported by the independent actuary.

The liability for postretirement benefits depends heavily on actuarial assumptions. The impact of changes to the actuarial assumptions would result in the benefit obligations increasing by approximately $48,000 and $51,000, as of December 31, 2016 and 2015, respectively, with a 1% increase in the annual health care cost trend assumptions.

The foregoing assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the postretirement benefit obligations.

NOTE 5 - ADMINISTRATIVE EXPENSES AND RELATED PARTY TRANSACTIONS

Included in administrative expenses for the years ended December 31, 2016 and 2015 is $175,409 and $184,270, respectively, of amounts the Plan reimbursed to the Church for Plan administrative and other expenses which were paid for by the Church or for services performed by Church employees on behalf of the Plan. The Plan was reimbursed by the Evangelical Presbyterian Church 403(b) Defined Contribution Retirement Plan for its share of the Church administrative expenses. Reimbursements amounted to $58,700 and $50,753 for the years ended December 31, 2016 and 2015 and are included in administrative expenses. Also included in expenses at December 31, 2016 and 2015 is $68,161 and $99,108, respectively, of amounts paid related to the Affordable Care Act.

NOTE 6 - PLAN TERMINATION

Although it has not expressed any intention to do so, the Church has the right under the Plan to modify the benefits provided to, and contributions required of, participants to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of the Plan agreement. In the event of termination of the Plan, remaining assets will be applied in a uniform and nondiscriminatory manner toward the provision of benefits for or on account of the participants.

EVANGELICAL PRESBYTERIAN CHURCH BENEFITS PLAN
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NOTE 7 - INCOME TAX STATUS

The Plan is a "Church Plan", as defined in Section 414(e) of the Internal Revenue Code, and is exempt from taxes.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator believes the Plan is not subject to income tax examinations due to the tax-exempt status.

NOTE 8 - RISKS AND UNCERTAINTIES

Plan investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to the changes in the values of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the Statements of Benefit Obligations and Net Assets Available for Benefits and the Statements of Changes in Benefit Obligations and Changes in Net Assets Available for Benefits.

The postretirement benefit obligation is reported based on certain assumptions pertaining to the interest rates, health care trend rates, and employee demographics, all of which are subject to change. The estimate for claims incurred but not reported is based on certain assumptions pertaining to health care trend rates, claims lag, and historical claims data. Due to uncertainties inherent in the estimates and assumptions process, it is at least reasonably possible that changes in the estimates and assumptions in the near term would be material to the financial statements.

NOTE 9 - SUBSEQUENT EVENTS

Management evaluated subsequent events through April 20, 2017, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2016, but prior to April 20, 2017 that provided additional evidence about conditions that existed at December 31, 2016, have been recognized in the financial statements for the year ended December 31, 2016. Events or transactions that provided evidence about conditions that did not exist at December 31, 2016 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2016.

EVANGELICAL PRESBYTERIAN CHURCH BENEFITS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 9 - SUBSEQUENT EVENTS (continued)

Effective January 1, 2017, the Plan changed insurance carriers for the dental and vision benefits and also changed the Plan's PBM. Also, effective January 1, 2017, EPC Benefit Resources, Inc., a wholly owned subsidiary of the Church, was established. The entity was established to support the mission and operations of the Church and its member churches by administering Church Plans, including this Plan. EPC Benefit Resources, Inc. was appointed plan administrator of the Plan and trustee of the EPC Benefits Plan Trust, also established January 1, 2017 to hold the assets of the Plan.

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