

**PHILADELPHIA YEARLY MEETING
OF THE RELIGIOUS SOCIETY OF
FRIENDS AND AFFILIATES**

Consolidated Financial Statements

September 30, 2016 and 2015

Kreischer
Miller

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**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**
September 30, 2016 and 2015

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Independent Auditors' Report

The Audit Committee
Philadelphia Yearly Meeting of the
Religious Society of Friends and Affiliates
Philadelphia, Pennsylvania

We have audited the accompanying consolidated financial statements of Philadelphia Yearly Meeting of the Religious Society of Friends and Affiliates, which comprise the consolidated statements of financial position as of September 30, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Philadelphia Yearly Meeting of the Religious Society of Friends and Affiliates as of September 30, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Kreischer Miller

Horsham, Pennsylvania
January 12, 2017

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**

**Consolidated Statements of Financial Position
September 30, 2016 and 2015**

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,070,272	\$ 726,958	\$ -	\$ 1,797,230
Cash held for Friends Pension Plan	-	-	-	-
Accounts receivable:				
Meetings	75,950	-	-	75,950
Annual fund	22,930	-	-	22,930
Other	40,055	-	-	40,055
Mary Jeanes loans receivable	-	30,000	-	30,000
Prepaid expenses	48,391	-	-	48,391
Total current assets	1,257,598	756,958	-	2,014,556
Deposits	-	-	-	-
Mary Jeanes loans receivable, net	-	105,934	-	105,934
Investments-PYM is the trustee	3,436,095	14,920,503	9,781,853	28,138,451
Investments-Friends Fiduciary Corporation is the trustee	6,851,235	3,256,832	6,386,575	16,494,642
Investment in Friend Center Corporation	3,023,000	-	-	3,023,000
Beneficial interests in trust agreements:				
Charitable remainder unitrust	-	332,334	2,674,226	3,006,560
Other various trusts	-	4,153,408	4,623,506	8,776,914
Property and equipment, net	2,783,718	-	-	2,783,718
	<u>\$ 17,351,646</u>	<u>\$ 23,525,969</u>	<u>\$ 23,466,160</u>	<u>\$ 64,343,775</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 327,938	\$ -	\$ -	\$ 327,938
Current portion of contribution payable to Friends Center Corporation	18,120	-	-	18,120
Deferred revenue	3,865	-	-	3,865
Funds held for Friends Pension Plan	-	-	-	-
Funds held for others	262,923	-	-	262,923
Total current liabilities	612,846	-	-	612,846
Contribution payable to Friends Center Corporation, long-term	142,703	-	-	142,703
Postretirement health benefit obligation	312,129	-	-	312,129
Pension benefit obligation	363,903	-	-	363,903
Total liabilities	<u>1,431,581</u>	<u>-</u>	<u>-</u>	<u>1,431,581</u>
Net assets:				
Unrestricted				
Operating	8,489,230	-	-	8,489,230
Designated:				
Operating reserves	1,054,117	-	-	1,054,117
Capital reserves	570,000	-	-	570,000
Net investment in property and equipment	5,806,718	-	-	5,806,718
Temporarily restricted	-	23,525,969	-	23,525,969
Permanently restricted	-	-	23,466,160	23,466,160
Total net assets	<u>15,920,065</u>	<u>23,525,969</u>	<u>23,466,160</u>	<u>62,912,194</u>
Total liabilities and net assets	<u>\$ 17,351,646</u>	<u>\$ 23,525,969</u>	<u>\$ 23,466,160</u>	<u>\$ 64,343,775</u>

See accompanying notes to consolidated financial statements.

2015			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 724,432	\$ 778,904	\$ -	\$ 1,503,336
4,210	.	-	4,210
151,488	-	-	151,488
21,834	-	-	21,834
51,334	-	-	51,334
-	40,000	-	40,000
24,094	-	-	24,094
977,392	818,904	-	1,796,296
11,717	-	-	11,717
-	118,397	-	118,397
3,158,526	13,579,158	9,780,486	26,518,170
6,452,521	2,997,427	6,014,503	15,464,451
3,106,000	-	-	3,106,000
-	306,495	2,500,907	2,807,402
-	4,010,516	4,507,369	8,517,885
2,850,260	-	-	2,850,260
\$ 16,556,416	\$ 21,830,897	\$ 22,803,265	\$ 61,190,578
\$ 311,422	\$ -	\$ -	\$ 311,422
18,120	-	-	18,120
27,849	-	-	27,849
4,210	-	-	4,210
283,643	-	-	283,643
645,244	-	-	645,244
152,514	-	-	152,514
305,439	-	-	305,439
20,323	-	-	20,323
1,123,520	-	-	1,123,520
7,950,036	-	-	7,950,036
831,294	-	-	831,294
695,306	-	-	695,306
5,956,260	-	-	5,956,260
-	21,830,897	-	21,830,897
-	-	22,803,265	22,803,265
15,432,896	21,830,897	22,803,265	60,067,058
\$ 16,556,416	\$ 21,830,897	\$ 22,803,265	\$ 61,190,578

PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES

Consolidated Statements of Activities
Years Ended September 30, 2016 and 2015

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in unrestricted net assets:				
Support and revenue:				
Support from meetings and members:				
Support from meetings	\$ 1,222,831	\$ -	\$ -	\$ 1,222,831
Gifts of support	119,585	188,092	-	307,677
Annual fund	341,078	-	-	341,078
Event and service fees	579,284	88,930	-	668,214
Interest and income from investments	813,396	1,030,220	-	1,843,616
Net assets released from restrictions	1,209,158	(1,209,158)	-	-
Total support and revenue	4,285,332	98,084	-	4,383,416
Expenses:				
Staff expenses	1,609,755	-	-	1,609,755
Pension fund accrual	407,922	-	-	407,922
Volunteer expenses	5,583	-	-	5,583
Contributions to others	40,049	-	-	40,049
Events and program expense	203,330	-	-	203,330
Professional and service fees	85,571	-	-	85,571
Copying, printing and posting	42,680	-	-	42,680
Rent and utilities	306,930	-	-	306,930
Computer and office support	72,193	-	-	72,193
Insurance and maintenance	113,141	-	-	113,141
Temporary fund expenses	1,209,158	-	-	1,209,158
Depreciation	186,130	-	-	186,130
Total expenses	4,282,442	-	-	4,282,442
Change in net assets before other changes	2,890	98,084	-	100,974
Other changes:				
Realized and unrealized income (loss) on investments-PYM is the trustee	168,127	1,377,821	1,367	1,547,315
Realized and unrealized income (loss) on investments-Friends Fiduciary Corporation is the trustee	399,152	259,405	372,073	1,030,630
Change in value of investment in Friends Center Corporation	(83,000)	-	-	(83,000)
Change in value of beneficial interests in trusts held by external trustees	-	168,732	289,455	458,187
Transfer of assets to the School of the Spirit	-	(208,970)	-	(208,970)
	484,279	1,596,988	662,895	2,744,162
Change in net assets	487,169	1,695,072	662,895	2,845,136
Net assets, beginning of year	15,432,896	21,830,897	22,803,265	60,067,058
Net assets, end of year	\$ 15,920,065	\$ 23,525,969	\$ 23,466,160	\$ 62,912,194

See accompanying notes to consolidated financial statements.

2015			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 1,228,793	\$ -	\$ -	\$ 1,228,793
51,117	179,141	-	230,258
394,190	-	-	394,190
602,597	100,823	-	703,420
757,160	1,007,659	-	1,764,819
1,261,333	(1,261,333)	-	-
4,295,190	26,290	-	4,321,480
1,625,571	-	-	1,625,571
-	-	-	-
11,232	-	-	11,232
60,595	-	-	60,595
236,980	-	-	236,980
60,559	-	-	60,559
43,206	-	-	43,206
288,244	-	-	288,244
88,097	-	-	88,097
106,326	-	-	106,326
1,261,333	-	-	1,261,333
186,596	-	-	186,596
3,968,739	-	-	3,968,739
326,451	26,290	-	352,741
(111,245)	(1,123,727)	1,118	(1,233,854)
(351,360)	(148,066)	(313,394)	(812,820)
(156,000)	-	-	(156,000)
-	(107,352)	(254,088)	(361,440)
-	-	-	-
(618,605)	(1,379,145)	(566,364)	(2,564,114)
(292,154)	(1,352,855)	(566,364)	(2,211,373)
15,725,050	23,183,752	23,369,629	62,278,431
\$ 15,432,896	\$ 21,830,897	\$ 22,803,265	\$ 60,067,058

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**

**Consolidated Statements of Cash Flows
Years Ended September 30, 2016 and 2015**

	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ 2,845,136	\$ (2,211,373)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized (gain) loss on investments	(1,547,315)	1,233,854
Realized and unrealized (gain) loss on investments-Friends Fiduciary Corporation is the trustee	(1,030,630)	812,820
Change in investment in Friends Center Corporation	83,000	156,000
Change in value of beneficial interests in trust agreements	(458,187)	361,440
Depreciation	186,130	186,596
(Increase) decrease in:		
Cash held for Friends Pension Plan	4,210	89,031
Accounts receivable	85,721	(177,434)
Loans receivable	22,463	35,900
Prepaid expenses	(24,297)	(9,534)
Inventory	-	6,823
Increase (decrease) in:		
Accounts payable	16,516	(69,780)
Contribution payable to Friends Center Corporation	(9,811)	(9,334)
Deferred revenue	(23,984)	23,444
Funds held for others (including Friends Pension Plan)	(24,930)	(103,349)
Postretirement health benefit obligation	6,690	(13,395)
Pension benefit obligation	343,580	20,323
Net cash provided by operating activities	474,292	332,032
Cash flows from investing activities:		
Decrease in deposits	11,717	11,716
Proceeds from sale of investments	901,987	1,300,360
Purchases of investments	(974,514)	(1,272,156)
Purchase of property and equipment	(119,588)	(52,411)
Net cash used in investing activities	(180,398)	(12,491)
Net increase in cash and cash equivalents	293,894	319,541
Cash and cash equivalents, beginning of year	1,503,336	1,183,795
Cash and cash equivalents, end of year	\$ 1,797,230	\$ 1,503,336

See accompanying notes to consolidated financial statements.

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES

Notes to Consolidated Financial Statements
September 30, 2016 and 2015

(1) Organization and Operations

Philadelphia Yearly Meeting of the Religious Society of Friends (PYM), a Pennsylvania nonprofit corporation, founded in 1681, and incorporated July 1, 2002, is the overarching organizational structure and faith community for Quakers in the area of Southeastern Pennsylvania, Delaware and Central and Southern New Jersey. PYM as an institution exists to offer opportunities for shared worship, growth and learning, and collective action for the members of these congregations. It also provides services to those Monthly Meetings and their members, and provides avenues for the collective expression-in service and witness-of their common faith.

Burlington Meeting House, Inc. (BMH) is a New Jersey nonprofit corporation. The Trustees of BMH hold title to the land and property known as the Burlington Meeting House. All Trustees and officers of BMH are appointed by PYM. At September 30, 2016, this facility was managed by the Trustees for the benefit of Quaker youth and families and the local community.

Arch Street Meeting House Preservation Trust (ASMHPT) is a Pennsylvania nonprofit corporation organized in 2011, as a supporting organization to PYM in the maintenance, operation, renovation, improvement and preservation of the historic building, site and artifacts of the Arch Street Meeting House and grounds. ASMHPT's activities include: publishing and dissemination of materials, provision of programs and education about the history and use of the historic property, the raising of funds for, and the financing of, any or all of the foregoing, and doing anything necessary or desirable to carry out the foregoing purposes. All Trustees and officers of ASMHPT are appointed by PYM.

Collectively, PYM, BMH and ASMHPT are referred to as the Yearly Meeting.

Effective August 2016, the School of the Spirit, a former program of PYM, took action to become independent from PYM and will now function self-sufficiently under its own governance structure. In conjunction with the transition, PYM has transferred \$208,970 of temporarily restricted net assets, previously held by PYM on behalf of the School of the Spirit, to the School of the Spirit entity. The cash transfer is recorded in the accompanying consolidated statement of activities.

Continued...

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES

Notes to Consolidated Financial Statements
September 30, 2016 and 2015

(1) Organization and Operations, Continued

Program Services

Program services consist of the following internal boards:

Arch Street Meeting House Preservation Trust

The Arch Street Meeting House Preservation Trust is responsible for ensuring that the programs operating out of the Arch Street Meeting House provide the best support possible for the Ministry of the Yearly Meeting in outreach to visitors and as a home for the activities of the Yearly Meeting community and Monthly Meeting of Friends of Philadelphia.

Administrative Council

The Administrative Council holds full authority and responsibility for managing the affairs of PYM except for the authority and responsibility assigned to the Quaker Life Council or reserved to Yearly Meeting in session, the yearly meeting officers, or staff.

The Administrative Council's authority and responsibility shall include, but not be limited to: property, finance, budget preparation, audit, investments, development, grant-making, personnel and periodic strategic planning. The Council may appoint and lay down its own committees as needed, assigning responsibilities, and appointing committee members who need not be members of the Administrative Council but are asked to do related work. The Council holds committees and other structures under its care accountable to their charge.

Quaker Life Council

Members of the Quaker Life Council undertake a solemn responsibility to help provide the yearly meeting community with humble leadership in Quaker faith and practice. With divine assistance and in relationship with other council members, Friends on the Quaker Life Council maintain the health and integrity of the community, spiritual depth and relationships within Philadelphia Yearly Meeting.

The Quaker Life Council oversees the programs and activities of Yearly Meeting Friends, including nurturing monthly and quarterly meetings, supporting Friends work for peace and justice, bringing members across meetings together to collaborate on projects of common interest.

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES

Notes to Consolidated Financial Statements September 30, 2016 and 2015

(2) Summary of Significant Accounting Policies

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and include the accounts of PYM and its affiliates, BMH and ASMHPT. All significant inter-organization transactions have been eliminated in consolidation.

Basis of Presentation

The Yearly Meeting presents its consolidated financial statements in accordance with Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. Accordingly, the Yearly Meeting reports information regarding its financial position and activities according to the following three classes of net assets:

Unrestricted Net Assets

Unrestricted net assets are net assets that are not subject to donor imposed restrictions. Unrestricted net assets may include designated funds that can be re-designated.

Temporarily Restricted Net Assets

Temporarily restricted net assets are net assets that are subject to donor imposed restrictions or legal restrictions that will be satisfied by actions of the Yearly Meeting and/or the passage of time. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as "net assets released from restrictions."

Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by the nonprofit organization receiving the contribution. Generally, the donor intends for the original contribution to be held in perpetuity. The related income and/or gains are available for the Yearly Meeting's use as specified by the donor.

For permanently restricted net assets not held by a third party trustee, the original contribution is recorded as permanently restricted. The undistributed portion of income and gains (total return) is recorded as temporarily restricted. Each year, the Yearly Meeting receives a cash distribution which is determined using a spending rate as allowed by Pennsylvania law. Donor restrictions as to the use of income must also be met before funds are distributed.

Continued...

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES

Notes to Consolidated Financial Statements
September 30, 2016 and 2015

(2) Summary of Significant Accounting Policies, Continued

Permanently Restricted Net Assets, Continued

Investment income earned in the current year, which is subject to donor restriction, is recorded as unrestricted to the extent the restrictions are met in the current year.

As described further below, beneficial interest in trust agreements and investments-Friends Fiduciary Corporation is the trustee, are net assets held by third party trustees. All gains and interest on beneficial interest in trust agreements and gains and interest on the permanently restricted portion of investments-Friends Fiduciary Corporation is the trustee, are recorded each year as changes to permanently restricted net assets on the consolidated statements of activities.

Use of Estimates

The preparation of financial statements in accordance 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Yearly Meeting considers temporary cash investments and all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Cash Held for Friends Pension Plan

Cash held for Friends Pension Plan consists of amounts held separately for Friends Pension Plan short term obligations (see Note 10). Prior to January 1, 2013, PYM staff had day to day administrative responsibility for the plan with cash outlays being reimbursed from plan investments held at Friends Fiduciary Corporation. As of January 1, 2013, routine administrative functions were outsourced to the plan's actuarial firm. The Friends Pension Plan Committee authorized the establishment of a separate bank account under the normal rules of PYM to fund distributions and expenses as incurred by the actuarial firm and its subcontractors.

Continued...

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES

Notes to Consolidated Financial Statements September 30, 2016 and 2015

(2) Summary of Significant Accounting Policies, Continued

Investments

Investments in equity securities with readily determinable fair value and all investments in debt securities are reported at their fair value as determined by quoted market prices, with gains and losses included in the consolidated statement of activities. Investment income is recorded as earned.

Fair Value Measurements of Assets and Liabilities

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America. FASB ASC 820 requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories based on the inputs to their valuation techniques:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

For the years ended September 30, 2016 and 2015, the application of valuation techniques applied to similar assets and liabilities has been consistent.

Investments-Friends Fiduciary Corporation

Friends Fiduciary Corporation (FFC) is a Quaker nonprofit corporation that provides investment and trusteeship services for Friends meetings, schools and other nonprofit, tax-exempt organizations. FFC serves as the trustee and custodian for many trusts that name the Yearly Meeting as the beneficiary. The value of the trusts are equal to the fair value of the underlying assets in the trusts. These assets are invested in units of FFC's Consolidated Fund and FFC's Short Term Investment Fund (FFC Funds). FFC's Consolidated Fund is a co-mingled socially responsible investment fund sponsored by FFC. FFC's Consolidated Fund's investment objective is to provide long-term total return by investing its assets in a balanced portfolio of common stock, real estate investment trusts and fixed income investments. FFC's Short Term Investment Fund is a diversified, socially responsible, fixed income investment fund sponsored by FFC and offers low volatility and a competitive return for short-term funds.

Continued...

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES

Notes to Consolidated Financial Statements
September 30, 2016 and 2015

(2) Summary of Significant Accounting Policies, Continued

Investments-Friends Fiduciary Corporation, Continued

PYM approves nominees for FFC's Board of Directors. The final choice of members elected to that Board, however, is by FFC, which alone has the ultimate right of selection. Therefore, PYM does not have a controlling interest in FFC. Accordingly, FFC's assets and activity are not included in these consolidated financial statements.

Beneficial Interests in Trust Agreements

Beneficial interests in trust agreements are reported at fair value based on Yearly Meeting's share of assets held in trust by third parties other than FFC. Distributions from trusts to the Yearly Meeting are recorded as interest and income from investments on the consolidated statement of activities.

Property and Equipment

The Yearly Meeting capitalizes all expenditures for property and equipment in excess of \$5,000. Property and equipment are recorded at cost. Donated property and equipment are recorded at fair value at the time of donation. Depreciation is computed over the estimated useful lives of the assets on a straight-line basis.

Support and Contributions

Support and contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire within the fiscal year in which the contributions are received. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending upon the nature of the restrictions. When a restriction expires (that is when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are transferred to unrestricted net assets.

Unconditional support and contributions are recognized as revenue when the related promise to give is received. Conditional support and contributions are recognized as revenue when the conditions are satisfied.

Continued...

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**

**Notes to Consolidated Financial Statements
September 30, 2016 and 2015**

(2) Summary of Significant Accounting Policies, Continued

Donated Services

The Yearly Meeting administers its programs with support from donated services from a substantial number of unpaid volunteers. The value of these donated services is not reflected in these consolidated financial statements since they do not meet the criteria for recognition. Committee members and other volunteers recorded approximately 22,959 and 30,460 hours of donated services for the years ended September 30, 2016 and 2015, respectively.

Functional Allocation of Expenses

The costs of providing the programs and supporting services have been summarized on a functional basis in the following schedule. Accordingly, certain costs have been allocated among the programs and supporting services benefited as follows for the years ended September 30:

	2016	2015
Program expenses	\$ 3,302,749	\$ 3,127,838
Administrative expenses	746,840	648,019
Development expenses	232,853	192,882
	<u>\$ 4,282,442</u>	<u>\$ 3,968,739</u>

Income Taxes

PYM and BMH are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision or liability for income taxes is recorded in the accompanying consolidated financial statements. As religious organizations, PYM and BMH are not required to file a Federal Form 990 related to its tax exempt status.

ASMHPPT is a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code. As such, ASMHPPT will not incur any liability for federal income taxes on exempt activities; unrelated business activities were not conducted during the years ended September 30, 2016 and 2015.

ASMHPPT files Federal Form 990. With few exceptions, ASMHPPT is no longer subject to U.S. federal or state and local income tax examinations by tax authorities for years before fiscal year 2013. It is difficult to predict the final timing and resolution of any particular uncertain tax position. Management is unaware of any uncertain tax positions.

Continued...

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES

Notes to Consolidated Financial Statements September 30, 2016 and 2015

(2) Summary of Significant Accounting Policies, Continued

Concentrations of Credit Risk

Financial instruments which potentially subject the Yearly Meeting to concentrations of credit risk are cash and cash equivalents, accounts receivable and investments. The Yearly Meeting maintains its cash at various high-quality financial institutions. At times, such deposits may exceed federally-insured limits. Accounts receivable consist primarily of amounts expected to be collected from Meetings and loans receivable, the composition of which is more fully described in Note 3.

Investments are exposed to market and credit risk. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in the near term would materially affect investment balances and the amounts reported in the consolidated financial statements.

Recent Accounting Pronouncement

On May 1, 2015, the FASB issued *Accounting Standards Update* (ASU) No. 2015-07 (ASU 2015-07) *Fair Value Measurement (Topic 820): Disclosure for Investments in Certain Entities That Calculate Net Asset Value (NAV) per Share (or Its Equivalent)*. ASU 2015-07 removes the requirement to categorize, within the fair value hierarchy (Note 4), all investments for which fair value is measured using the NAV per share practical expedient. However, sufficient information must be provided to permit reconciliation of the fair value of assets categorized within the fair value hierarchy to the amounts presented in the consolidated statements of financial position. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV per share practical expedient. The amendments in this update are effective for fiscal years beginning after December 15, 2017. Early adoption is permitted. Upon adoption, the amendments shall be applied retrospectively to all periods presented. PYM has elected to forego early adoption of ASU 2015-07 for the year ended September 30, 2016.

Subsequent Events

The Yearly Meeting has performed an evaluation of subsequent events through January 12, 2017, which is the date the consolidated financial statements were available to be issued.

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**

**Notes to Consolidated Financial Statements
September 30, 2016 and 2015**

(3) Mary Jeanes Loans Receivable

The Yearly Meeting made loans to individuals for educational purposes from a fund established by a contribution from Anna T. Jeanes. This loan program was discontinued in fiscal year 2013. The loans are non-interest bearing and are expected to be collected within five years after graduation. The loans receivable balance at September 30, 2016 and 2015 of \$135,934 and \$158,397, respectively, are net of an allowance for doubtful accounts of \$76,605 and \$77,538, respectively, and a discount, calculated at 4%, of \$24,323 and \$28,345, respectively.

(4) Assets Measured at Fair Value on a Recurring Basis

The following is a summary of assets measured at fair value on a recurring basis and the valuation inputs used to value them at September 30:

	2016			
	Total	Level 1	Level 2	Level 3
Assets:				
Investments in the FFC Funds - PYM trustee	\$ 28,138,451	\$ -	\$ 28,138,451	\$ -
Investments in the FFC Funds - FFC trustee	16,494,642	-	16,494,642	-
Beneficial interest in trust agreements	11,783,474	-	-	11,783,474
	<u>\$ 56,416,567</u>	<u>\$ -</u>	<u>\$ 44,633,093</u>	<u>\$ 11,783,474</u>
	2015			
	Total	Level 1	Level 2	Level 3
Assets:				
Investments in the FFC Funds - PYM trustee	\$ 26,518,170	\$ -	\$ 26,518,170	\$ -
Investments in the FFC Funds - FFC trustee	15,464,451	-	15,464,451	-
Beneficial interest in trust agreements	11,325,287	-	-	11,325,287
	<u>\$ 53,307,908</u>	<u>\$ -</u>	<u>\$ 41,982,621</u>	<u>\$ 11,325,287</u>

The fair value of the investments in the Fund - PYM trustee and investments in the FFC Funds - FFC trustee are valued at the NAV of units held by the Yearly Meeting at September 30, 2016 and 2015 based on the market value of its underlying investments. Although the investments in the FFC Funds - PYM trustee and investments in the FFC Funds - FFC trustee are not available in an active market, the NAV of the units are approximately based on the quoted prices of the underlying investments that are traded in an active market.

Continued...

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**

**Notes to Consolidated Financial Statements
September 30, 2016 and 2015**

(4) Assets Measured at Fair Value on a Recurring Basis, Continued

The fair value of the beneficial interest in perpetual trusts is based on the fair value of the assets held by the trust as reported by the trustees.

There were no significant transfers among investment levels during the years ended September 30, 2016 and 2015.

The changes in level 3 assets measured at fair value are summarized below:

	Beneficial Interest in Trust Agreements
Balance, September 30, 2014	\$ 11,686,727
Unrealized loss on investments included in changes in net assets	(361,440)
Balance, September 30, 2015	\$ 11,325,287
Unrealized gain on investments included in changes in net assets	458,187
Balance, September 30, 2016	\$ 11,783,474

(5) Investment in Friends Center Corporation

Friends Center Corporation (the Center) is a nonprofit organization that was formed by an agreement among PYM and two other Quaker nonprofit organizations – American Friends Services Committee (AFSC) and Central Philadelphia Monthly Meeting (CPMM), to manage the real estate complex in Center City Philadelphia in which PYM, AFSC and CPMM are located.

PYM's investment in the Center is reported using the equity method as defined in the aforementioned agreement and is equal to a percentage of the Center's net assets. If PYM elects to withdraw from the Center, PYM would forfeit 10% of its equity investment. Management does not anticipate withdrawal over the next 12 months.

The agreement requires PYM to pay rent to the Center for the portion of the real estate complex that it occupies. Rent expense for the years ended September 30, 2016 and 2015 was \$252,995 and \$214,108, respectively.

Effective July 1, 2014, PYM is required to pay a fixed portion of the Center's debt based on occupancy ratios. The future minimum payments related to this obligation amount to \$96,323 for each of the next five years and \$1,613,403 thereafter.

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**

**Notes to Consolidated Financial Statements
September 30, 2016 and 2015**

(6) Property and Equipment

Property and equipment at September 30 consist of the following:

	2016	2015
Land	\$ 289,100	\$ 289,100
Buildings	354,000	354,000
Property improvements	5,303,274	5,246,669
Equipment	521,147	458,164
	<u>6,467,521</u>	<u>6,347,933</u>
Accumulated depreciation	(3,683,803)	(3,497,673)
	<u>\$ 2,783,718</u>	<u>\$ 2,850,260</u>

Depreciation expense for the years ended September 30, 2016 and 2015 was \$186,130 and \$186,596, respectively.

(7) Contribution Payable to Friends Center Corporation

The contribution payable to the Center represents the amount that PYM has promised to pay to the Center to finance a renovation project to the real estate complex in which PYM is located (See Note 5). The contribution payable is expected to be paid as follows:

Due within one year	\$ 18,120
Due within two to five years	72,480
Due after five years	122,419
	<u>213,019</u>
Discount at 5%	(52,196)
	<u>\$ 160,823</u>

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES

Notes to Consolidated Financial Statements September 30, 2016 and 2015

(8) Pooled Life Income Fund and Funds Held for Others

The Yearly Meeting manages a pooled life income fund to which donors transfer assets and name a noncharitable beneficiary to receive the income for life. The assets are recorded in investments - PYM is the trustee on the consolidated statement of financial position. Upon the death of the beneficiary, the assets are transferred to the Yearly Meeting or to other Quaker organizations as specified by the donor. Changes in the fair value of the pooled life income fund, is determined using a discount rate of 5% and the donor's estimated life expectancy, and are included in realized and unrealized income (loss) on investments - PYM is trustee in the accompanying consolidated statement of activities. At September 30, 2016 and 2015 the Yearly Meeting recorded a liability of \$262,923 and \$283,643, respectively, for the assets specified by donors to be transferred to other Quaker organizations.

The Yearly Meeting receives semi-annual distributions from FFC and annual assessments from participating employers to fund the requirements of its participation in Friends Pension Plan (see Note 10). Amounts received and not yet remitted to the Friends Pension Plan amounted to \$7,065 and \$4,210 at September 30, 2016 and 2015, respectively.

(9) Postretirement Health Benefit Obligation

The Yearly Meeting sponsors a defined benefit postretirement health insurance plan, subject to annual review by the Personnel and Finance Committees, which covers all full-time employees. To receive benefits, the participants must reach 65, have completed at least ten years of service by June 30, 2005, and have no intervening employment after leaving the Yearly Meeting. Funding for the plan is provided on a monthly basis by paying a predetermined premium per person, as established by the insurance provider up to a maximum of \$252 per month. Contributions to the plan were \$26,504 and \$26,258, respectively, for the years ended September 30, 2016 and 2015.

The postretirement benefit obligation was determined using a discount rate of 3.25% and 4.0% for 2016 and 2015, respectively, and a medical trend rate of 0% for 2016 and 3.0% for 2015.

Continued....

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**

**Notes to Consolidated Financial Statements
September 30, 2016 and 2015**

(9) Postretirement Health Benefit Obligation, Continued

The following table sets forth the plan's status reconciled with the amount shown on the consolidated statement of financial position as of September 30:

	2016	2015
Accumulated postretirement benefit obligation, fully vested:		
Retirees	\$ 220,950	\$ 227,333
Fully eligible active participants	-	-
Other plan participants	90,186	95,084
	<u>\$ 311,136</u>	<u>\$ 322,417</u>
Plan assets at fair value	<u>\$ -</u>	<u>\$ -</u>
Accumulated postretirement obligation in excess of plan assets	\$ 311,136	\$ 322,417
Unrecognized net gain (loss) from experience different from assumed and changes in assumptions	993	(16,978)
Accrued postretirement benefit cost in the consolidated statement of financial position	<u>\$ 312,129</u>	<u>\$ 305,439</u>

The following table sets forth the components of the net postretirement benefit cost for the years ended September 30:

	2016	2015
Service cost	\$ 3,840	\$ 3,775
Interest cost on accumulated postretirement benefit obligation	12,376	12,161
Amortization of (gain) loss	16,978	(3,073)
Postretirement benefit	<u>\$ 33,194</u>	<u>\$ 12,863</u>

The estimated net gain that will be amortized into net periodic postretirement benefit cost in 2017 is \$993.

Continued...

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**

**Notes to Consolidated Financial Statements
September 30, 2016 and 2015**

(9) Postretirement Health Benefit Obligation, Continued

The expected annual benefit payments for the next five years individually and the following five years in aggregate are as follows:

Year Ending September 30,	Amount
2017	\$ 27,000
2018	\$ 31,000
2019	\$ 28,000
2020	\$ 26,000
2021	\$ 24,000
2022-2026	\$ 97,000

PYM expects to contribute \$27,000 in 2017 for reimbursement of benefit payments.

(10) Pension Plan

PYM is a participant in Friends Pension Plan (the Plan) a multiple-employer, noncontributory, defined benefit pension plan covering substantially all of PYM's employees. PYM's relative position in this Plan is not readily determinable. The Plan is jointly sponsored by PYM and Friends General Conference who appoint a board to act as trustee.

Under governmental regulations, in the event of plan termination or employer withdrawal, an employer may be liable for a portion of the Plan's unfunded vested benefits. PYM does not anticipate withdrawal from the Plan, nor is PYM aware of any unexpected plan terminations.

PYM used a measurement date of January 1, for September 30, 2016 and 2015 disclosures. The following table sets forth the combined Plan's funded status as of January 1:

	2016	2015
Benefit obligation	\$ 11,303,336	\$ 10,754,882
Fair value of plan assets	9,963,743	10,672,955
Funded status	<u>\$ (1,339,593)</u>	<u>\$ (81,927)</u>

Continued...

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**

**Notes to Consolidated Financial Statements
September 30, 2016 and 2015**

(10) Pension Plan, Continued

PYM has an accrued pension liability of \$363,903 and \$20,323 at September 30, 2016 and 2015, respectively. The benefit obligation at January 1, 2016 was determined by using a discount rate of 6.50%, an annual salary increase of 3.00% and a blend of the Internal Revenue Service (IRS) 2016 Static Mortality Table and Adjusted RP-2014 White Collar Mortality Table. The benefit obligation at January 1, 2015 was determined by using a discount rate of 6.50%, an annual salary increase of 3.00% and the IRS 2015 Static Mortality Table.

Benefits paid by the Plan were \$810,112 and \$727,114 for the years ended January 1, 2016 and 2015, respectively. Total contributions to the Plan for the years ended January 1, 2016 and 2015 were \$240,587 and \$257,091, respectively. PYM's contributions to the Plan as determined by an actuary aggregated \$112,130 and \$88,488 for years ended September 30, 2016 and 2015, respectively.

The Plan's assets at January 1, 2016 and 2015 consist of a checking account and an investment in FFC's Consolidated Fund. The checking account held separately by PYM manages funds for the Plan's short-term obligations, as described in Note 2. FFC's Consolidated Fund's investment objective is to provide long-term total return by investing its assets in a balanced portfolio of common stock, financial trusts such as real estate investment trusts and fixed income investments.

The fair value of the Plan's assets by asset category are as follows as of January 1, 2016:

	Total	Level 1	Level 2	Level 3
Cash	\$ 342,875	\$ -	\$ 342,875	\$ -
Units in the Consolidated Fund of FFC	9,620,868	-	9,620,868	-
	<u>\$ 9,963,743</u>	<u>\$ -</u>	<u>\$ 9,963,743</u>	<u>\$ -</u>

The fair value of the Plan's assets by asset category are as follows as of January 1, 2015:

	Total	Level 1	Level 2	Level 3
Cash	\$ 535,754	\$ -	\$ 535,754	\$ -
Units in the Consolidated Fund of FFC	10,137,201	-	10,137,201	-
	<u>\$ 10,672,955</u>	<u>\$ -</u>	<u>\$ 10,672,955</u>	<u>\$ -</u>

The estimated net loss of the combined Plan that will be amortized into net periodic postretirement benefit cost in the future is \$171,791. The expected contribution to the Plan for 2017 is \$361,983, PYM's portion is estimated at \$176,078.

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**

**Notes to Consolidated Financial Statements
September 30, 2016 and 2015**

(11) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30:

	2016		
	Temporarily Restricted Cash	Other Temporarily Restricted Assets	Total
Aging programs	\$ 96,905	\$ 9,127,054	\$ 9,223,959
Education programs	243,214	2,843,435	3,086,649
Purposes subject to trustee approval	-	6,242,515	6,242,515
Meeting House projects	98,209	1,248,734	1,346,943
Outreach programs	246,772	2,428,229	2,675,001
Peace programs	41,858	269,220	311,078
For future periods	-	639,824	639,824
	<u>\$ 726,958</u>	<u>\$ 22,799,011</u>	<u>\$ 23,525,969</u>

	2015		
	Temporarily Restricted Cash	Other Temporarily Restricted Assets	Total
Aging programs	\$ 85,407	\$ 8,160,419	\$ 8,245,826
Education programs	202,000	2,612,483	2,814,483
Purposes subject to trustee approval	-	5,961,370	5,961,370
Meeting House projects	99,611	1,116,050	1,215,661
Other programs	185,926	27,697	213,623
Outreach programs	148,345	2,288,657	2,437,002
Peace programs	57,615	253,854	311,469
For future periods	-	631,463	631,463
	<u>\$ 778,904</u>	<u>\$ 21,051,993</u>	<u>\$ 21,830,897</u>

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**

**Notes to Consolidated Financial Statements
September 30, 2016 and 2015**

(12) Permanently Restricted Net Assets

Permanently restricted net assets, the income from which is available for unrestricted or temporarily restricted use of the Yearly Meeting as specified by the donor, consists of the following funds at September 30:

	2016	2015
Aging programs	\$ 13,091,464	\$ 12,747,950
Education programs	1,120,455	1,119,201
General programs	4,937,737	4,811,660
Meeting House projects	1,280,029	1,279,126
Outreach programs	313,282	298,084
Peace programs	21,694	20,430
For future periods	2,701,499	2,526,814
	<u>\$ 23,466,160</u>	<u>\$ 22,803,265</u>

(13) Endowment Funds

The Yearly Meeting accounts for its endowment funds in accordance with FASB Staff Position 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds* now incorporated in FASB ASC 958-205. The Commonwealth of Pennsylvania has not yet adopted the provisions of the UPMIFA, but the Yearly Meeting is required by FASB ASC 958-205 to disclose certain matters associated with its endowment funds. Endowment funds subject to FASB ASC 958-205 include permanently restricted and certain board designated net assets for which the Yearly Meeting is Trustee. Management of the Yearly Meeting does not consider any other fund, whether temporarily restricted or board designated (unrestricted) to be subject to FASB ASC 958-205.

Return Objectives and Risk Parameters

In accordance with Pennsylvania statutes, the Yearly Meeting has adopted investment and spending policies for its endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of these endowment assets over the long-term. The Yearly Meeting's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes.

Continued...

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**

**Notes to Consolidated Financial Statements
September 30, 2016 and 2015**

(13) Endowment Funds, Continued

Spending Policy

During the year ended September 30, 2016, the Yearly Meeting, for funds for which it is the Trustee, elected not to accept FFC's default investment spending policy that calculates the amount of money annually distributed from the permanently restricted endowment fund to support various programs. FFC's current spending policy is to distribute an amount equal to 4.25% of a three-year average of the fair value of the endowment fund. Instead, the Yearly Meeting elected to require a distribution spending policy of an amount equal to 4.50% of a three-year average of the fair value of the endowment fund.

The changes in the endowment net assets for the years ended September 30, 2016 and 2015 are summarized in the accompanying consolidated statement of activities.

SUPPLEMENTARY INFORMATION

PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES

Cash Flows by Restrictions
Years Ended September 30, 2016 and 2015

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Cash flows from operating activities:				
Change in net assets	\$ 487,169	\$ 1,695,072	\$ 662,895	\$ 2,845,136
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Realized and unrealized (gain) loss on investments	(168,127)	(1,377,821)	(1,367)	(1,547,315)
Realized and unrealized (gain) loss on investments - Friends Fiduciary Corporation is the trustee	(399,152)	(259,405)	(372,073)	(1,030,630)
Change in investment in Friends Center Corporation	83,000	-	-	83,000
Change in value of beneficial interests in trust agreements	-	(168,732)	(289,455)	(458,187)
Depreciation	186,130	-	-	186,130
(Increase) decrease in:				
Cash held for Friends Pension Plan	4,210	-	-	4,210
Accounts receivable	85,721	-	-	85,721
Loans receivable	-	22,463	-	22,463
Prepaid expenses	(24,297)	-	-	(24,297)
Inventory	-	-	-	-
Increase (decrease) in:				
Accounts payable	16,516	-	-	16,516
Contribution payable to Friends Center Corporation	(9,811)	-	-	(9,811)
Deferred revenue	(23,984)	-	-	(23,984)
Funds held for others (including Friends Pension Plan)	(24,930)	-	-	(24,930)
Postretirement health benefit obligation	6,690	-	-	6,690
Pension benefit obligation	343,580	-	-	343,580
Net cash provided by (used in) operating activities	562,715	(88,423)	-	474,292
Cash flows from investing activities:				
Decrease in deposits	11,717	-	-	11,717
Proceeds from sale of investments	499,655	402,332	-	901,987
Purchases of investments	(608,659)	(365,855)	-	(974,514)
Purchase of property and equipment	(119,588)	-	-	(119,588)
Net cash provided by (used in) investing activities	(216,875)	36,477	-	(180,398)
Net increase (decrease) in cash and cash equivalents	345,840	(51,946)	-	293,894
Cash and cash equivalents, beginning of year	724,432	778,904	-	1,503,336
Cash and cash equivalents, end of year	\$ 1,070,272	\$ 726,958	\$ -	\$ 1,797,230

2015			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ (292,154)	\$ (1,352,855)	\$ (566,364)	\$ (2,211,373)
111,245	1,123,727	(1,118)	1,233,854
351,360	148,066	313,394	812,820
156,000	-	-	156,000
-	107,352	254,088	361,440
186,596	-	-	186,596
89,031	-	-	89,031
(177,434)	-	-	(177,434)
-	35,900	-	35,900
(9,534)	-	-	(9,534)
6,823	-	-	6,823
(69,780)	-	-	(69,780)
(9,334)	-	-	(9,334)
23,444	-	-	23,444
(103,349)	-	-	(103,349)
(13,395)	-	-	(13,395)
20,323	-	-	20,323
269,842	62,190	-	332,032
11,716	-	-	11,716
173,311	1,127,049	-	1,300,360
(176,206)	(1,095,950)	-	(1,272,156)
(52,411)	-	-	(52,411)
(43,590)	31,099	-	(12,491)
226,252	93,289	-	319,541
498,180	685,615	-	1,183,795
\$ 724,432	\$ 778,904	\$ -	\$ 1,503,336

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**

**Temporarily Restricted Revenue and Net Assets Released from Restrictions
Years Ended September 30, 2016 and 2015**

	2016	2015
Support and revenue:		
Gifts of support	\$ 188,092	\$ 179,141
Event and service fees	88,930	100,823
Interest and income from investments	1,030,220	1,007,659
	<u>1,307,242</u>	<u>1,287,623</u>
Expenses:		
Staff expenses	131,463	62,515
Volunteer expenses	1,196	999
Contributions to others	840,936	916,209
Events and program expense	197,339	234,828
Professional and service fees	4,496	15,354
Copying, printing and posting	612	391
Rent and utilities	18,504	2,749
Insurance and maintenance	14,612	28,288
	<u>1,209,158</u>	<u>1,261,333</u>
Change in net assets before other changes	<u>\$ 98,084</u>	<u>\$ 26,290</u>

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**

**Schedule of Financial Position - Arch Street Meeting House Preservation Trust
September 30, 2016 and 2015**

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS				
Current assets:				
Cash	\$ -	\$ 41,729	\$ -	\$ 41,729
Due from affiliate	-	13,187	-	13,187
Investments-PYM is the trustee	-	26,693	31,179	57,872
	<u>\$ -</u>	<u>\$ 81,609</u>	<u>\$ 31,179</u>	<u>\$ 112,788</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Due to affiliate	\$ -	\$ -	\$ -	\$ -
Net assets:				
Temporarily restricted	-	81,609	-	81,609
Permanently restricted	-	-	31,179	31,179
Total net assets	<u>-</u>	<u>81,609</u>	<u>31,179</u>	<u>112,788</u>
Total liabilities and net assets	<u>\$ -</u>	<u>\$ 81,609</u>	<u>\$ 31,179</u>	<u>\$ 112,788</u>

2015				
Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
\$ -	\$ 78,462	\$ -	\$ 78,462	
-	-	-	-	
-	21,036	31,179	52,215	
\$ -	\$ 99,498	\$ 31,179	\$ 130,677	
\$ -	\$ 20,323	\$ -	\$ 20,323	
-	79,175	-	79,175	
-	-	31,179	31,179	
-	79,175	31,179	110,354	
\$ -	\$ 99,498	\$ 31,179	\$ 130,677	

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATES**

**Schedule of Activities - Arch Street Meeting House Preservation Trust
Years Ended September 30, 2016 and 2015**

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in unrestricted net assets:				
Support and revenue:				
Support from meetings and members:				
Gifts of support	\$ -	\$ 43,168	\$ -	\$ 43,168
Event and service fees	-	7,115	-	7,115
Interest and income from investments	-	2,396	-	2,396
Net assets released from restrictions	53,565	(53,565)	-	-
Total support and revenue	53,565	(886)	-	52,679
Expenses:				
Staff expense	37,877	-	-	37,877
Events and program expense	11,711	-	-	11,711
Professional and service fees	3,920	-	-	3,920
Computer and office support	57	-	-	57
Total expenses	53,565	-	-	53,565
Change in net assets before other changes	-	(886)	-	(886)
Other changes:				
Realized and unrealized gain (loss) on investments-PYM is the trustee	-	3,320	-	3,320
	-	3,320	-	3,320
Change in net assets	-	2,434	-	2,434
Net assets, beginning of year	-	79,175	31,179	110,354
Net assets, end of year	\$ -	\$ 81,609	\$ 31,179	\$ 112,788

2015			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ -	\$ 29,085	\$ -	\$ 29,085
-	7,964	-	7,964
-	2,288	-	2,288
54,916	(54,916)	-	-
54,916	(15,579)	-	39,337
24,307	-	-	24,307
15,888	-	-	15,888
14,574	-	-	14,574
147	-	-	147
54,916	-	-	54,916
-	(15,579)	-	(15,579)
-	(2,791)	-	(2,791)
-	(2,791)	-	(2,791)
-	(18,370)	-	(18,370)
-	97,545	31,179	128,724
\$ -	\$ 79,175	\$ 31,179	\$ 110,354