

Friends General Conference, Inc.

Financial Statements

Year Ended September 30, 2015



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FRIENDS GENERAL CONFERENCE, INC.

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INDEPENDENT AUDITOR'S REPORT

**The Central Committee
Friends General Conference, Inc.
Philadelphia, Pennsylvania**

We have audited the accompanying financial statements of Friends General Conference, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

As explained in Note 2 to the financial statements, the financial statements of Friends General Conference, Inc. are not consolidated with the financial statements of the Friends Meeting House Fund. In our opinion, in order to conform with U.S. generally accepted accounting principles, Friends General Conference, Inc.'s financial statements should be consolidated with the financial statements of the Friends Meeting House Fund. The effects on the financial statements of this departure are not reasonably determinable.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Friends General Conference, Inc. as of September 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Report on Summarized Comparative Information

We have previously audited Friends General Conference Inc.'s 2014 financial statements, and we expressed a qualified audit opinion on those audited financial statements in our report dated May 20, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

BBO, LLP.

**Philadelphia, Pennsylvania
August 10, 2016**

FRIENDS GENERAL CONFERENCE, INC.

STATEMENT OF FINANCIAL POSITION

September 30, 2015 with comparative totals for 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash	\$ 187,721	\$ 280,625
Accounts receivable		
Contributions receivable	109,785	114,683
Other	12,051	34,026
Inventory	58,604	84,003
Prepaid expenses and other	70,393	85,989
Investments	4,266,176	4,746,954
Property and equipment, net	416,453	450,285
Beneficial interest in charitable remainder trusts	103,000	99,100
Beneficial interest in perpetual trusts	<u>305,000</u>	<u>321,000</u>
Total assets	<u>\$5,529,183</u>	<u>\$6,216,665</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 113,503	\$ 125,273
Deferred revenue	<u>36,887</u>	<u>29,999</u>
Total liabilities	<u>150,390</u>	<u>155,272</u>
NET ASSETS		
Unrestricted	4,085,670	4,567,457
Temporarily restricted	586,123	770,936
Permanently restricted	<u>707,000</u>	<u>723,000</u>
Total net assets	<u>5,378,793</u>	<u>6,061,393</u>
Total liabilities and net assets	<u>\$5,529,183</u>	<u>\$6,216,665</u>

See accompanying notes

FRIENDS GENERAL CONFERENCE, INC.

STATEMENT OF ACTIVITIES

Year ended September 30, 2015 with comparative totals for 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>	
				<u>2015</u>	<u>2014</u>
REVENUE AND SUPPORT					
Contributions and grants	\$ 822,695	\$ 75,988	\$ -	\$ 898,683	\$ 939,584
Gathering program service fees	729,463	-	-	729,463	583,572
Distribution sales (net of cost of goods sold of \$92,536 and \$96,661 in 2015 and 2014)	56,153	-	-	56,153	53,493
Other	101,434	-	-	101,434	103,166
Net assets released from restriction	<u>276,551</u>	<u>(276,551)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>1,986,296</u>	<u>(200,563)</u>	<u>-</u>	<u>1,785,733</u>	<u>1,679,815</u>
EXPENSES					
Program services					
Gathering	694,743	-	-	694,743	585,527
Distribution and publications	187,131	-	-	187,131	285,739
New meetings	163,584	-	-	163,584	132,986
Quaker quest	48,520	-	-	48,520	124,201
Communications	189,453	-	-	189,453	210,327
Committee for Nurturing Ministries	283,071	-	-	283,071	247,935
Other programs	178,349	-	-	178,349	173,363
Supporting services					
Management and general	340,595	-	-	340,595	345,249
Fundraising	<u>389,104</u>	<u>-</u>	<u>-</u>	<u>389,104</u>	<u>291,146</u>
Total expenses	<u>2,474,550</u>	<u>-</u>	<u>-</u>	<u>2,474,550</u>	<u>2,396,473</u>
Change in net assets before other changes	<u>(488,254)</u>	<u>(200,563)</u>	<u>-</u>	<u>(688,817)</u>	<u>(716,658)</u>
OTHER CHANGES					
Investment income	6,467	11,850	-	18,317	768,866
Change in value of beneficial interest in charitable remainder trusts	-	3,900	-	3,900	22,100
Change in value of beneficial interest in perpetual trusts	<u>-</u>	<u>-</u>	<u>(16,000)</u>	<u>(16,000)</u>	<u>17,300</u>
Total other changes	<u>6,467</u>	<u>15,750</u>	<u>(16,000)</u>	<u>6,217</u>	<u>808,266</u>
CHANGE IN NET ASSETS	<u>(481,787)</u>	<u>(184,813)</u>	<u>(16,000)</u>	<u>(682,600)</u>	<u>91,608</u>
NET ASSETS					
Beginning of year	<u>4,567,457</u>	<u>770,936</u>	<u>723,000</u>	<u>6,061,393</u>	<u>5,969,785</u>
End of year	<u>\$4,085,670</u>	<u>\$ 586,123</u>	<u>\$707,000</u>	<u>\$5,378,793</u>	<u>\$6,061,393</u>

See accompanying notes

FRIENDS GENERAL CONFERENCE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2015 with comparative totals for 2014

	<u>Gathering</u>	<u>Distribution and Publications</u>	<u>New Meetings</u>	<u>Quaker Quest</u>	<u>Communications</u>	<u>Committee for Nurturing Ministries</u>	<u>Other Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>	
										<u>2015</u>	<u>2014</u>
Salaries and benefits	\$ 164,659	\$ 105,370	\$ 116,137	\$ 30,829	\$ 167,224	\$ 145,113	\$ 121,594	\$ 217,023	\$ 257,274	\$ 1,325,223	\$ 1,378,214
Advertising	2,325	3,151	1,082	980	1,442	2,940	5,458	980	980	19,338	17,902
Bank and credit card fees	14,439	2,371	-	16	139	238	-	1,477	2,143	20,823	15,434
Condominium fees	5,090	8,357	1,540	817	1,696	4,461	2,671	3,644	3,142	31,418	30,152
Contracted services	10,718	5,221	3,627	3,465	7,635	10,850	11,501	41,262	4,513	98,792	90,527
Depreciation	5,481	8,999	1,658	880	1,827	4,804	2,876	3,925	3,382	33,832	35,200
Insurance	1,873	1,523	281	149	309	813	486	2,202	573	8,209	4,798
Inventory write-off	-	-	-	-	-	-	-	-	-	-	5,878
Postage and mailing	5,419	15,302	68	354	428	216	10	1,948	9,038	32,783	38,607
Printing	15,265	366	444	1,258	366	899	557	-	14,221	33,376	48,426
Professional fees	-	6,075	203	-	363	63,455	128	9,500	63,341	143,065	86,183
Repairs and maintenance	2,232	5,833	915	822	934	2,723	1,777	25,237	1,117	41,590	53,646
Room and board	389,035	-	-	-	-	-	240	-	-	389,275	319,821
Supplies	4,280	296	41	36	293	356	118	2,712	977	9,109	8,719
Telephone	1,443	607	815	405	425	2,855	1,050	2,102	964	10,666	13,157
Travel	21,335	3,196	30,664	8,355	5,568	42,037	25,978	25,144	25,776	188,053	183,341
Utilities	842	922	244	154	279	734	438	1,074	518	5,205	6,222
Miscellaneous	<u>50,307</u>	<u>19,542</u>	<u>5,865</u>	<u>-</u>	<u>525</u>	<u>577</u>	<u>3,467</u>	<u>2,365</u>	<u>1,145</u>	<u>83,793</u>	<u>60,246</u>
Total expenses	<u>\$ 694,743</u>	<u>\$ 187,131</u>	<u>\$ 163,584</u>	<u>\$ 48,520</u>	<u>\$ 189,453</u>	<u>\$ 283,071</u>	<u>\$ 178,349</u>	<u>\$ 340,595</u>	<u>\$ 389,104</u>	<u>\$ 2,474,550</u>	<u>\$ 2,396,473</u>

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See accompanying notes

FRIENDS GENERAL CONFERENCE, INC.

STATEMENT OF CASH FLOWS

Year ended September 30, 2015 with comparative totals for 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ (682,600)	\$ 91,608
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	33,832	35,200
Net realized and unrealized (gain) loss on investments	46,533	(702,050)
Change in value of beneficial interest in charitable remainder trusts	(3,900)	(22,100)
Change in value of beneficial interest in perpetual trusts	16,000	(17,300)
(Increase) decrease in		
Accounts receivable	26,873	80,256
Inventory	25,399	13,218
Prepaid expenses and other	15,596	(13,906)
Increase (decrease) in		
Accounts payable and accrued expenses	(11,770)	2,712
Deferred revenue	6,888	4,169
Net cash used for operating activities	<u>(527,149)</u>	<u>(528,193)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(117,449)	(189,856)
Proceeds from sale of investments	551,694	452,723
Net cash provided by investing activities	<u>434,245</u>	<u>262,867</u>
Net decrease in cash	(92,904)	(265,326)
CASH		
Beginning of year	<u>280,625</u>	<u>545,951</u>
Ending of year	<u>\$ 187,721</u>	<u>\$ 280,625</u>

See accompanying notes

FRIENDS GENERAL CONFERENCE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

(1) NATURE OF OPERATIONS

Friends General Conference, Inc. (the "**Organization**"), is a nonprofit organization whose purpose is to provide resources and opportunities that educate and invite members to experience God's living presence, and to discern and follow God's leadings.

(2) SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

U.S. generally accepted accounting principles require a nonprofit organization to consolidate the financial statements of affiliated nonprofit organizations when it has (a) certain kinds of control, or (b) other kinds of control coupled with an economic interest. A review of the control and financial structures of the Friends Meeting House Fund resulted in a conclusion that Friends General Conference, Inc. is required by U.S. generally accepted accounting principles to include the Friends Meeting House Fund in its financial statements. Management has elected not to consolidate the Friends Meeting House fund because it believes it would make the financial statements misleading.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to the following three classes of net assets:

Unrestricted net assets

Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Organization 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 statement of activities as "**net assets released from restriction.**"

Permanently restricted net assets

Net assets that are subject to donor-imposed restrictions that neither expire by passage of time, nor can be satisfied by actions of the Organization.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

FRIENDS GENERAL CONFERENCE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Fair Value Measurements of Assets and Liabilities

Generally accepted accounting principles ("**GAAP**") define fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect the Organization's own assumptions.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$1,000. Property and equipment is carried at cost if purchased and at fair value at the date of donation if contributed. Depreciation is computed using the straight-line method over the estimated lives of the assets.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements. The Organization does not charge interest on outstanding balances.

Investments and Investment Income

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

The Organization invests in professionally managed portfolios that contain various types of securities (**See Note 4**). Such investments are exposed to various risks such as market and credit. 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 financial statements.

Beneficial Interest in Charitable Remainder Trusts

The beneficial interest in charitable remainder trusts is reported at the fair value of the related assets less the present value of the payments expected to be made to other beneficiaries.

FRIENDS GENERAL CONFERENCE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Beneficial Interest in Perpetual Trusts

The beneficial interest in perpetual trusts is reported at fair value and is equal to the Organization's share of the assets in the trusts.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions. Donor-restricted contributions whose restrictions are satisfied in the same period are reported as unrestricted.

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

Functional Allocation of Expenses

The costs of providing various program and supporting services have been presented on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited based primarily upon the relative time spent by the Organization's employees on each function.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

The Organization has adopted an accounting standard regarding uncertain tax positions. The standard prescribes a minimum threshold that a tax position is required to meet in order to be recognized in the financial statements. The Organization believes that it had no uncertain tax positions as defined in the standard.

Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk are cash, contributions and accounts receivable. The Organization maintains cash deposits at various high-quality banks and financial institutions. At times, such deposits may exceed federally-insured limits. Accounts receivable consists primarily of amounts due from sales of the Organization's publications. Contributions receivable are from a capital campaign and the majority is expected to be collected by 2016. Management performs ongoing evaluations of accounts receivable for potential credit losses. Collateral is not required.

(3) CONTRIBUTIONS RECEIVABLE

Amount due in:

	<u>2015</u>	<u>2014</u>
Less than one year	\$107,629	\$ 62,704
One to five years	<u>11,300</u>	<u>64,750</u>
	118,929	127,454
Less discount to net present value	-	(3,627)
Less allowance for uncollectible promises	<u>(9,144)</u>	<u>(9,144)</u>
	<u>\$109,785</u>	<u>\$114,683</u>

FRIENDS GENERAL CONFERENCE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

(4) INVESTMENTS

Investments consisted of the following at September 30,:

	<u>2015</u>	<u>2014</u>
Money market funds	\$ 124,937	\$ 336,109
Note receivable – Friends Meeting House Fund	45,000	45,000
Obligations of U.S. Government Agencies	726,610	794,999
Units in The Consolidated Fund of Friends Fiduciary Corporation	507,321	513,334
Marketable equity securities	<u>2,862,308</u>	<u>3,057,512</u>
	<u>\$4,266,176</u>	<u>\$4,746,954</u>

The Consolidated Fund (the "**Fund**") is a co-mingled investment fund sponsored by Friends Fiduciary Corporation ("**Fiduciary**"). Fiduciary is a Quaker nonprofit corporation which qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Fiduciary's mission is to provide investment and trusteeship services for Friends meetings, schools and other nonprofit, tax-exempt organizations. The Fund's investment objective is to provide long-term total return by investing its assets in a balanced portfolio of common stocks and fixed income investments.

Investment income consisted of the following for the year ended September 30,:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 87,342	\$ 88,504
Realized and unrealized gain (loss)	(46,533)	702,050
Management fees	<u>(22,492)</u>	<u>(21,688)</u>
	<u>\$ 18,317</u>	<u>\$768,866</u>

(5) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30,:

	<u>2015</u>	<u>2014</u>
Land	\$ 267,500	\$ 267,500
Building and improvements	811,113	811,113
Equipment	<u>79,095</u>	<u>79,095</u>
	1,157,708	1,157,708
Less accumulated depreciation	<u>(741,255)</u>	<u>(707,423)</u>
	<u>\$ 416,453</u>	<u>\$ 450,285</u>

(6) BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUSTS

The Organization has been named as remaining beneficiary of several irrevocable charitable remainder trusts administered by third party administrators. The agreements provide for the lead beneficiaries to receive annual distributions until their death, and that, upon their death, the Organization is to receive the remainder. The amounts of the remainder and payments to be made to the lead beneficiaries are estimated and have been reduced to present value.

(7) BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Organization is the income beneficiary of two perpetual trusts. Fiduciary serves as trustee of these trusts. The principal portions of the trusts are permanently restricted and the income distributions are unrestricted.

FRIENDS GENERAL CONFERENCE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

(8) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes and periods:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending Balance</u>
Purpose restrictions				
New meetings	\$190,712	\$ 869	\$(175,356)	\$ 16,225
Gathering – limited term endowment	69,483	2,814	(3,730)	68,567
Travel support – limited term endowment	61,588	1,281	(1,604)	61,265
Youth ministries	11,961	-	(11,961)	-
Western Yearly Meeting Scholarship Fund	6,423	2,000	(1,150)	7,273
Spiritual deepening	34,826	48,200	(53,474)	29,552
Gathering 2015	2,000	-	-	2,000
Publications Growth Fund	12,692	-	(3,228)	9,464
Other	<u>19,669</u>	<u>6,919</u>	<u>(8,895)</u>	<u>17,693</u>
	<u>409,354</u>	<u>62,083</u>	<u>(259,398)</u>	<u>212,039</u>
Time restrictions				
Unrestricted limited term endowment	170,485	3,677	(4,603)	169,559
Beneficial interest in charitable remainder trusts	99,100	3,900	-	103,000
Contributions receivable	24,383	18,000	(9,298)	33,085
Endowment appreciation	<u>67,614</u>	<u>4,078</u>	<u>(3,252)</u>	<u>68,440</u>
	<u>361,582</u>	<u>29,655</u>	<u>(17,153)</u>	<u>374,084</u>
	<u>\$770,936</u>	<u>\$91,738</u>	<u>\$(276,551)</u>	<u>\$586,123</u>

(9) PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consists of the following endowment funds and beneficial interest in perpetual trusts. Income from the permanently restricted net assets is unrestricted.

Endowment fund (\$76,700 is receivable at September 30, 2015)	\$402,000
Beneficial interest in perpetual trusts	
Laura & Augustus Cadwallader Fund	3,000
Susanna Parry Fund	<u>302,000</u>
	<u>\$707,000</u>

(10) ENDOWMENT FUNDS

In August 2008, a new accounting standard was issued which provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act ("**UPMIFA**"). The Organization is not subject to this guidance since Pennsylvania has not enacted a version of UPMIFA. The standard also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

In accordance with Pennsylvania statutes, the Organization 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 Organization's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes.

FRIENDS GENERAL CONFERENCE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Changes in the endowment assets for the year ended September 30, 2015 are as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$369,170	\$402,000	\$771,170
Spending policy distribution	(13,189)	-	(13,189)
Investment income	<u>11,850</u>	<u>-</u>	<u>11,850</u>
Endowment net assets, end of year	<u>\$367,831</u>	<u>\$402,000</u>	<u>\$769,831</u>

(11) RETIREMENT PLAN

Friends General Conference, Inc. participates in the Friends Pension Plan, a multi-employer defined benefit plan. Employees who customarily are employed for 1,000 hours or more per year are eligible to participate in the plan. Friends General Conference, Inc. contributed \$116,124 and \$156,131 to the plan for the years ended September 30, 2015 and 2014, respectively. Separate projected benefit liabilities and asset information are not determinable with respect to the Organization's participation in the plan.

(12) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

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

<u>Description</u>	<u>Balance September 30, 2015</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets				
Investments				
Money market funds	\$ 124,937	\$ 124,937	\$ -	\$ -
Note receivable				
Friends Meeting				
House Fund	45,000	-	45,000	-
Obligations of U.S.				
Government Agencies	726,610	-	726,610	-
Units in the Consolidated				
Fund of Friends				
Fiduciary Corporation	507,321	-	507,321	-
Marketable equity				
securities	<u>2,862,308</u>	<u>2,862,308</u>	<u>-</u>	<u>-</u>
Total investments	4,266,176	2,987,245	1,278,931	-
Contributions receivable	109,785	-	109,785	-
Beneficial interest in				
charitable remainder				
trusts	103,000	-	-	103,000
Beneficial interest in				
perpetual trusts	<u>305,000</u>	<u>-</u>	<u>-</u>	<u>305,000</u>
	<u>\$4,783,961</u>	<u>\$2,987,245</u>	<u>\$1,388,716</u>	<u>\$408,000</u>

FRIENDS GENERAL CONFERENCE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Level 3 assets (beneficial interests in charitable remainder trusts and perpetual trusts) had a \$12,100 loss in the statement of activities in 2015.

(13) SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 10, 2016, the date on which the financial statements were available to be issued. No material subsequent events have occurred that require recognition or disclosure in the financial statements.