

Friends Meeting of Washington

Financial Statements

For The Years Ended
June 30, 2016 And 2015



HERTZBACH
certified public accountants • consultants

Friends Meeting of Washington

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For The Years Ended June 30, 2016 And 2015

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Independent Auditors' Report

**To The Board Of Trustees
Friends Meeting of Washington**
2111 Florida Avenue NW
Washington, DC 20008-1912

We have audited the accompanying financial statements of Friends Meeting of Washington (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, changes in net assets, and cash flows 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 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 entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends Meeting of Washington as of June 30, 2016, and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of Friends Meeting of Washington as of June 30, 2015, were reviewed by other accountants and their report thereon, dated November 3, 2015, stated they were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion of the financial statements.

Hertzbach & Company, P.A.

Owings Mills, Maryland
November 15, 2016

**FINANCIAL
STATEMENTS**

Friends Meeting of Washington Statements Of Financial Position

June 30,	2016 (Audited)	2015 (Reviewed)
Assets		
CURRENT ASSETS		
Cash And Cash Equivalents	\$ 361,429	\$ 340,653
Accounts Receivable	16,850	8,279
Prepaid Expenses	15,149	13,319
Total Current Assets	<u>393,428</u>	<u>362,251</u>
PROPERTY AND EQUIPMENT		
Land	231,888	231,888
Buildings And Improvements	1,105,968	1,085,342
Furniture And Equipment	10,065	19,357
Construction In Progress	376,899	311,244
	<u>1,724,820</u>	<u>1,647,831</u>
Less: Accumulated Depreciation	<u>833,836</u>	<u>811,287</u>
Property And Equipment, Net	<u>890,984</u>	<u>836,544</u>
OTHER ASSETS		
Antique Collection	12,000	12,000
Investments	1,948,414	2,019,374
Total Other Assets	<u>1,960,414</u>	<u>2,031,374</u>
TOTAL ASSETS	<u><u>\$ 3,244,826</u></u>	<u><u>\$ 3,230,169</u></u>

The Accompanying Notes Are An Integral Part Of These Financial Statements

Friends Meeting of Washington
Statements Of Financial Position

June 30,	2016 (Audited)	2015 (Reviewed)
Liabilities And Net Assets		
CURRENT LIABILITIES		
Accounts Payable And Accrued Expenses	\$ 15,996	\$ 21,409
Security Deposits	6,598	11,038
Deferred Revenue	13,384	5,483
Total Current Liabilities	<u>35,978</u>	<u>37,930</u>
NET ASSETS		
Unrestricted		
Meeting Designated	714,551	669,915
Net Investment In Property And Equipment	890,984	836,544
Undesignated	239,569	288,144
Total Unrestricted	1,845,104	1,794,603
Temporarily Restricted	1,061,822	1,095,714
Permanently Restricted	301,922	301,922
Total Net Assets	<u>3,208,848</u>	<u>3,192,239</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,244,826</u></u>	<u><u>\$ 3,230,169</u></u>

Friends Meeting of Washington
Statements Of Activities And Changes In Net Assets

For The Year Ended June 30, 2016 (Audited)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions	\$ 327,457	\$ 66,345	\$ -	\$ 393,802
Bequests And Memorials	5,645	-	-	5,645
Use Of Facilities	182,415	-	-	182,415
Literature And Project Sales	658	1,180	-	1,838
Interest And Dividend Income	84,246	-	-	84,246
Net Unrealized Losses	(27,248)	(53,764)	-	(81,012)
Other Income	457	-	-	457
Net Assets Released From Restrictions	47,653	(47,653)	-	-
Total Revenue And Support	621,283	(33,892)	-	587,391
EXPENSES				
Program Costs	79,739	-	-	79,739
Personnel And Consultants	208,178	-	-	208,178
Site Costs	144,899	-	-	144,899
Office Expenses	8,887	-	-	8,887
Apportionment	62,780	-	-	62,780
Depreciation	47,361	-	-	47,361
Property Tax	10,314	-	-	10,314
Other	8,624	-	-	8,624
Total Expenses	570,782	-	-	570,782
Change In Net Assets	50,501	(33,892)	-	16,609
Net Assets - Beginning Of Year	1,794,603	1,095,714	301,922	3,192,239
Net Assets - End Of Year	\$ 1,845,104	\$ 1,061,822	\$ 301,922	\$ 3,208,848

The Accompanying Notes Are An Integral Part Of These Financial Statements

Friends Meeting of Washington
Statements Of Activities And Changes In Net Assets
(Continued)

For The Year Ended June 30, 2015 (Reviewed)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions	\$ 403,653	\$ 71,497	\$ -	\$ 475,150
Bequests And Memorials	2,400	-	-	2,400
Use Of Facilities	202,998	-	-	202,998
Literature And Project Sales	1,307	-	-	1,307
Interest And Dividend Income	80,431	-	-	80,431
Net Unrealized Losses	(1,413)	(3,033)	-	(4,446)
Other Income	804	-	-	804
Net Assets Released From Restrictions	114,906	(114,906)	-	-
Total Revenue And Support	805,086	(46,442)	-	758,644
EXPENSES				
Program Costs	63,127	-	-	63,127
Personnel And Consultants	182,605	-	-	182,605
Site Costs	134,478	-	-	134,478
Office Expenses	12,242	-	-	12,242
Apportionment	57,770	-	-	57,770
Depreciation	42,240	-	-	42,240
Property Tax	3,218	-	-	3,218
Other	8,526	-	-	8,526
Total Expenses	504,206	-	-	504,206
Change In Net Assets	300,880	(46,442)	-	254,438
Net Assets - Beginning Of Year	1,493,723	1,142,156	301,922	2,937,801
Net Assets - End Of Year	\$ 1,794,603	\$ 1,095,714	\$ 301,922	\$ 3,192,239

The Accompanying Notes Are An Integral Part Of These Financial Statements

Friends Meeting of Washington
Statements Of Cash Flows

For The Years Ended June 30,	2016 (Audited)	2015 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change In Net Assets	\$ 16,609	\$ 254,438
Adjustments to Reconcile Change In Net Assets To		
Net Cash Provided By Operating Activities:		
Depreciation	47,361	42,241
Net Realized And Unrealized Losses	81,012	4,446
Contributions Of Stock	(10,052)	-
(Increase) Decrease In Operating Assets:		
Accounts Receivable	(8,571)	(7,534)
Prepaid Expenses	(1,830)	7,558
Increase (Decrease) In Operating Liabilities:		
Accounts Payable And Accrued Expenses	(5,413)	(24,046)
Security Deposits	(4,440)	805
Deferred Revenue	7,901	(2,191)
Net Cash Provided By Operating Activities	<u>122,577</u>	<u>275,717</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale Of Investments	-	46,083
Purchase Of Investments	-	(80,431)
Construction Costs Paid	(73,635)	-
Purchase Of Property And Equipment	(28,166)	(201,126)
Net Cash Used In Investing Activities	<u>(101,801)</u>	<u>(235,474)</u>
NET INCREASE IN CASH	20,776	40,243
CASH - BEGINNING OF YEAR	<u>340,653</u>	<u>300,410</u>
CASH - END OF YEAR	<u>\$ 361,429</u>	<u>\$ 340,653</u>

The Accompanying Notes Are An Integral Part Of These Financial Statements

Friends Meeting of Washington

Notes To Financial Statements

For The Years Ended June 30, 2016 (Audited) And 2015 (Reviewed)

1. NATURE OF THE MEETING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF THE MEETING – Friends Meeting of Washington (the Meeting) was organized in Washington, D.C. as a non-stock, nonprofit corporation on June 20, 1930 to foster simple spiritual worship and such activities in various fields of service as the Meeting members and attenders may feel themselves called to undertake. As a help to these ends the Meeting maintains a place of worship where members and others who are like-minded may meet in religious fellowship and seek through a silent worship the renewal of their spiritual lives and the quickening of their powers of service to the Divine and to their fellow human beings.

METHOD OF ACCOUNTING – The Meeting's financial statements are prepared on the accrual method of accounting, which recognizes income when it is earned and expenses when they are incurred.

BASIS OF PRESENTATION – The Meeting conforms with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-For-Profit Entities* and is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Due to purpose restrictions, \$1,061,822 and \$1,095,714 of the Meeting's funds at June 30, 2016 and 2015, respectively, are temporarily restricted and \$301,922 of the Meeting's funds at June 30, 2016 and 2015 are permanently restricted, but all other net assets of the Meeting are unrestricted.

CONTRIBUTIONS – Contributions received, if any, are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support in the accompanying statement of activities. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

ACCOUNTS RECEIVABLE – Accounts receivable are stated at the amount management expects to collect for balances outstanding at year-end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts deemed uncollectible are charged off based on specific circumstances of the parties involved. As of June 30, 2016 and 2015, management has determined that all significant receivables are collectible. Therefore, an allowance for doubtful accounts has not been established.

PROPERTY AND EQUIPMENT – Property and equipment are stated at cost. The cost of repairs and maintenance is charged to operations as incurred. Major renewals, betterments, and additions are capitalized. Depreciation is computed using the straight-line method over 10 to 40 years for buildings and improvements and 3 years for furniture and equipment.

When assets are sold or otherwise disposed of, the cost of the asset and related accumulated depreciation are removed from the accounts and the resulting gain or loss is credited or charged to income.

INVESTMENTS – The Meeting conforms with FASB ASC 958, *Not-For-Profit Entities*, where investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the changes in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

ANTIQUA COLLECTION – An antique collection in the amount of \$12,000 was recorded June 30, 1981 at the approximate fair value. The collection is not subject to depreciation.

Friends Meeting of Washington Notes To Financial Statements (Continued)

For The Years Ended June 30, 2016 (Audited) And 2015 (Reviewed)

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES – The Meeting is exempt from income taxes as a religious organization described under Section 501(c)(3) of the Internal Revenue Code, except for unrelated business income as defined in the Code. There was no unrelated business income during the years ended June 30, 2016 and 2015.

CASH AND CASH EQUIVALENTS – For the purpose of these statements, the Meeting considers time deposits and all highly liquid investments with an original maturity of three months or less to be cash equivalents. There were no cash equivalents as of June 30, 2016 and 2015.

ESTIMATES – 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

DONATED GOODS – The Meeting receives donated equipment, supplies, and other items from various donors in support of its programs and records these items at their estimated fair value at the date of donation. During the years ended June 30, 2016 and 2015, the Meeting received in-kind donations of equipment, supplies, and other goods valued at \$5,978 and \$1,634, respectively, which are included in contributions on the accompanying statements of activities and changes in net assets.

FUNCTIONAL ALLOCATION OF EXPENSES – The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Estimates may be used in developing allocation of expenses by function.

RECLASSIFICATIONS – Reclassifications have been made to the prior year balances to conform to the current year presentation.

2. CONCENTRATION OF CREDIT RISK

The Meeting maintains its cash balances in several accounts at various financial institutions. At times, these balances may exceed the federal insured limits; however, the Meeting has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at June 30, 2016 and 2015.

Friends Meeting of Washington Notes To Financial Statements (Continued)

For The Years Ended June 30, 2016 (Audited) And 2015 (Reviewed)

3. INVESTMENTS

FASB ASC 820 *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework 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 measurement) and the lowest priorities to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are describes as follows:

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

Level 2 Inputs to valuation methodology include a) quoted prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets or liabilities in inactive markets; c) inputs other than quoted prices that are observable for the asset or liability; and d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies use during June 30, 2016 or 2015.

The Meeting invests its funds in a co-mingled trust fund with allocations to equities, fixed income, and real estate investment trusts. The co-mingled trust fund has a standard income distribution policy based on the fund's total return. Fair value of the funds are based on the fair values of the underlying assets and are provided by the Meeting's investment fund managers.

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Meeting's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Friends Meeting of Washington Notes To Financial Statements

For The Years Ended June 30, 2016 (Audited) And 2015 (Reviewed)

3. INVESTMENTS (CONTINUED)

The following table presents the Meeting's fair value hierarchy for the underlying assets and liabilities measured at fair value on a recurring basis as of June 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Domestic Bonds	\$ -	\$ 302,005	\$ -	\$ 302,005
Global Bonds	-	132,492	-	132,492
Short Term Investment Funds	-	42,865	-	42,865
Large Cap Equity Funds	-	570,885	-	570,885
Mid Cap Equity Funds	-	183,151	-	183,151
Small Cap Equity Funds	-	157,822	-	157,822
International Equity Funds	-	438,393	-	438,393
Real Estate Investment	-	105,214	-	105,214
Cash Held For Investment	15,587	-	-	15,587
	<u>15,587</u>	<u>-</u>	<u>-</u>	<u>15,587</u>
Total Investments	<u>\$ 15,587</u>	<u>\$ 1,932,828</u>	<u>\$ -</u>	<u>\$ 1,948,414</u>

The following table presents the Meeting's fair value hierarchy for the underlying assets and liabilities measured at fair value on a recurring basis as of June 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Domestic Bonds	\$ -	\$ 302,905	\$ -	\$ 302,905
Global Bonds	-	127,221	-	127,221
Short Term Investment Funds	-	40,387	-	40,387
Large Cap Equity Funds	-	597,735	-	597,735
Mid Cap Equity Funds	-	181,744	-	181,744
Small Cap Equity Funds	-	169,627	-	169,627
International Equity Funds	-	494,747	-	494,747
Real Estate Investment	-	84,814	-	84,814
Cash Held For Investment	20,194	-	-	20,194
	<u>20,194</u>	<u>-</u>	<u>-</u>	<u>20,194</u>
Total Investments	<u>\$ 20,194</u>	<u>\$ 1,999,180</u>	<u>\$ -</u>	<u>\$ 2,019,374</u>

The Meeting invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. 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 those changes could materially affect, in the future, amounts reported in the statements of financial position.

Friends Meeting of Washington Notes To Financial Statements

For The Years Ended June 30, 2016 (Audited) And 2015 (Reviewed)

4. MEETING DESIGNATED UNRESTRICTED NET ASSETS

The Meeting designated a portion of unrestricted net assets for various purposes, which are summarized as follows:

	<u>2016</u>	<u>2015</u>
Capital Reserve Fund	\$ 106,730	\$ 122,278
Murray Bequest Fund	85,209	90,556
Capital Improvement Authorization	-	8,357
Building Campaign Fund	522,612	448,724
	\$ 714,551	\$ 669,915
Total Designated Net Assets	\$ 714,551	\$ 669,915

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Fair Trade Coffee	\$ 167	\$ 57
Personal Aid	13,147	13,612
Fund For Sufferings	3,545	3,545
Senior Center	6,432	6,432
Shoe Box	36,293	34,337
Simpson Fund	96,615	79,284
Endowment - Investment Income	902,335	956,098
Other	3,288	2,349
	\$ 1,061,822	\$ 1,095,714
Total Temporarily Restricted Net Assets	\$ 1,061,822	\$ 1,095,714

6. SCHEDULE OF SHOEBOX FUND ACTIVITY

	<u>2016</u>	<u>2015</u>
Revenue And Support		
Restricted Contributions	\$ 23,914	\$ 30,534
Releases		
Releases For Program	(21,958)	(22,121)
Expenditures	(21,958)	(22,121)
Change In Net Assets	1,956	8,413
Net Assets, Beginning Of Year	34,337	25,924
Net Assets, End Of Year	\$ 36,293	\$ 34,337

Friends Meeting of Washington

Notes To Financial Statements

For The Years Ended June 30, 2016 (Audited) And 2015 (Reviewed)

7. ENDOWMENT

As regulated by FASB ASC 958-205, net assets associated with donor restricted endowment funds held by organizations that are subject to the enacted District of Columbia Uniform Prudent Management of Institutional Funds Act (UPMIFA) are classified and reported based on the existence or absence of donor-imposed restrictions.

INTERPRETATION OF RELEVANT LAW -

The Board of Trustees of the Meeting has interpreted the District of Columbia Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift at the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Meeting classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as a temporarily restricted net assets until those amounts are appropriated for prudence by UPMIFA. In accordance with UPMIFA, the Meeting considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

- 1) The duration and preservation of the fund
- 2) The purpose of the Meeting's and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The executed total return from income and the appreciation of the investments
- 6) Other resources of the Meeting
- 7) The investment policies of the Meeting

RETURN OBJECTIVES AND RISK PARAMETERS

The Meeting has adopted investment and spending and policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while seeking to maintain the purchasing power of the endowment assets. Endowment funds include those assets of the donor-restricted funds that the Meeting holds in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that yield revenue while assuming a moderate level of investment risk. Actual returns in any given year may vary.

FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA required the Meeting to retain as a fund of perpetual duration. Deficiencies of this nature have not occurred since the inception of the endowment.

SPENDING POLICY

In accordance with the donor's stipulations, earnings on the original principal are restricted to up-keep and maintenance expenses of the Meeting's property. Any difference between actual investment income and the amounts distributed is retained to support the restricted purpose in future years.

Friends Meeting of Washington Notes To Financial Statements

For The Years Ended June 30, 2016 (Audited) And 2015 (Reviewed)

7. ENDOWMENT (CONTINUED)

Changes in endowment net assets for the year ended June 30, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor Restricted Endowment, Beginning Of Year	\$ -	\$ 956,098	\$301,922	\$1,258,020
Interest And Dividends	-	55,142	-	55,142
Change In Fair Value	-	(53,763)	-	(53,763)
Appropriations	-	(55,142)	-	(55,142)
Donor Restricted Endowment, End Of Year	<u>\$ -</u>	<u>\$ 902,335</u>	<u>\$ 301,922</u>	<u>\$ 1,204,257</u>

Changes in endowment net assets for the year ended June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor Restricted Endowment, Beginning Of Year	\$ -	\$1,039,131	\$301,922	\$1,341,053
Interest And Dividends	-	53,212	-	53,212
Change In Fair Value	-	(3,033)	-	(3,033)
Appropriations	-	(133,212)	-	(133,212)
Donor Restricted Endowment, End Of Year	<u>\$ -</u>	<u>\$ 956,098</u>	<u>\$ 301,922</u>	<u>\$ 1,258,020</u>

8. RETIREMENT PLAN

The Meeting maintains a 401(k) plan (the "Plan") under the Internal Revenue Code to provide retirement benefits for its employees. Employee contributions are limited to a maximum annual amount as set periodically by the Internal Revenue Service. The Plan provides for discretionary contributions as determined by the Board of Trustees. The Meeting made contributions of \$6,335 and \$5,024 to the Plan for the years ended June 30, 2016 and 2015, respectively.

Friends Meeting of Washington Notes To Financial Statements

For The Years Ended June 30, 2016 (Audited) And 2015 (Reviewed)

9. FUNCTIONAL ALLOCATION OF EXPENES

The costs of providing various programs and other activities are summarized on a functional basis as follows:

	<u>2016</u>	<u>2015</u>
Program Expenses	\$ 468,151	\$ 403,755
General And Administrative Expenses	43,596	72,627
Fundraising Expenses	<u>59,035</u>	<u>27,824</u>
Total Expenses	<u>\$ 570,782</u>	<u>\$ 504,206</u>

10. SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the statement of financial position date for potential recognition or disclosure through the independent auditors' report date, the date the financial statements were available to be issued. There were no events that required recognition or disclosure in the financial statements.