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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

► The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable
☑ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization
PREACHERS' AID SOCIETY OF NEW ENGLAND

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
225 WATER STREET NO B110

City or town, state or country, and ZIP + 4
PLYMOUTH, MA 02360

D Employer identification number
04-6037997

E Telephone number
(508)830-9500

G Gross receipts $ 10,131,726

F Name and address of principal officer
THOMAS J GALLEN
225 WATER STREET SUITE B110
PLYMOUTH,MA 02360

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) **Are all affiliates included?** ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ►

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◄ (insert no) ☐ 4947(a)(1) or ☐ 527

J **Website:** ► WWW PREACHERSAID ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ► | L Year of formation 1858 | M State of legal domicile MA

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
TO PROVIDE SUPPORT AND NURTURE FOR THE PURPOSE OF ENRICHING THE QUALITY OF LIFE FOR MINISTERS

2 Check this box ► ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	17
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	9
6	Total number of volunteers (estimate if necessary)	6	12
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	255,240	251,658
	9	Program service revenue (Part VIII, line 2g)	62,264	107,280
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	898,892	1,095,280
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	37,765	586
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,254,161	1,454,804
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	450,089	433,258
	14	Benefits paid to or for members (Part IX, column (A), line 4)	12,173	22,285
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	389,834	438,360
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ►176,733		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	601,346	638,314
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,453,442	1,532,217
	19	Revenue less expenses Subtract line 18 from line 12	-199,281	-77,413
Net Assets or Fund Balances			**Beginning of Current Year**	**End of Year**
	20	Total assets (Part X, line 16)	33,726,333	33,479,149
	21	Total liabilities (Part X, line 26)	3,023,886	3,217,875
	22	Net assets or fund balances Subtract line 21 from line 20	30,702,447	30,261,274

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

► ****** | 2012-11-12
Signature of officer | Date

► THOMAS J GALLEN EXECUTIVE DIRECTOR
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ► DONALD J TROY CPA PC	Date	Check if self-employed ► ☐	Preparer's taxpayer identification number (see instructions) P00322664
Firm's name (or yours if self-employed), address, and ZIP + 4 ► DICICCO GULMAN & COMPANY LLP, 150 PRESIDENTIAL WAY SUITE 510, WOBURN, MA 01801			EIN ► 04-3296226
			Phone no ► (781) 937-5300

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . ☐

1 Briefly describe the organization's mission

TO PROVIDE SUPPORT AND NURTURE FOR THE PURPOSE OF ENRICHING THE QUALITY OF LIFE FOR MINISTERS IN THE NEW ENGLAND ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH WITH SPECIAL EMPHASIS ON THE NEEDS OF THE AGED AND INFIRM, THEIR SURVIVING SPOUSES AND DEPENDENT CHILDREN

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 1,008,428 including grants of $) (Revenue $ 107,280)

IN-HOME VISITATION PROGRAMS, FINANCIAL PLANNING PROGRAMS, HOUSING ASSISTANCE, SPIRITUAL/EMOTIONAL LIFE ENRICHMENT AND WELL-BEING PROGRAMS, FELLOWSHIP PROGRAMS, AND SUBSTANTIAL EMERGENCY FINANCIAL ASSISTANCE PROGRAMS FOR INDIVIDUALS AND FAMILIES, ESPECIALLY IN AREAS RELATED TO HEALTH CARE

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶$ 1,008,428

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		No
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	28c		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34		No
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a 10			
b	Enter the number of Forms W-2G included in line 1a *Enter -0- if not applicable*	1b 0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a 9			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state		13a		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the aggregate amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a** 17			
b	Enter the number of voting members included in line 1a, above, who are independent	**1b** 17			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		**5**		No
6	Did the organization have members or stockholders?		**6**		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		**7a**		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		**7b**		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?		**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		**9**		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	**12c**	Yes	
13	Did the organization have a written whistleblower policy?	**13**		No
14	Did the organization have a written document retention and destruction policy?	**14**		No
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**	Yes	
b	Other officers or key employees of the organization	**15b**		No
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶MA

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☑ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

DRTHOMAS J GALLEN EXEC DIRECTOR
225 WATER STREET SUITE B110
PLYMOUTH, MA 02360
(508) 830-9500

Part VII Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) C ARTHUR HUGHES DIRECTOR	2 00	X						0	0	0
(2) CLINTON H BLOOD DIRECTOR	2 00	X						0	0	0
(3) DR DAVID MACMAHON DIRECTOR/PRESIDENT	6 00	X		X				0	0	0
(4) KIRK E BIRRELL DIRECTOR	2 00	X						0	0	0
(5) TOMMYE L REEDE DIRECTOR/TREASURER	2 00	X		X				0	0	0
(6) THOMAS S HEMMENDINGER ESQ DIRECTOR	2 00	X						0	0	0
(7) BARBARA HUSCHER COHEN DIRECTOR/SECRETARY	2 00	X		X				0	0	0
(8) WILLIAM EMMONS DIRECTOR	2 00	X						0	0	0
(9) ELIZABETH FRANKLIN DIRECTOR	2 00	X						0	0	0
(10) DR ALAN M KUZIRIAN DIRECTOR/FIRST VP	2 00	X		X				0	0	0
(11) MARSHA HOFFMAN DIRECTOR/SECOND VP	2 00	X		X				0	0	0
(12) FREDERICK T MILLER DIRECTOR	2 00	X						0	0	0
(13) MILDRED BEANE DIRECTOR	2 00	X						0	0	0
(14) EVELYN JOHNSON-MOORE DIRECTOR	2 00	X						0	0	0
(15) DR THOMAS J GALLEN EXECUTIVE DIRECTOR	40 00	X		X				90,728	0	26,134
(16) DR OSCAR W HARRELL DIRECTOR	2 00	X						0	0	0
(17) DR STEPHEN L VINCENT DIRECTOR	2 00	X						0	0	0

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(18) JOSEPH MOSER ESQ DIRECTOR	2 00	X						0	0	0

		(D)	(E)	(F)
1b	**Sub-Total** . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . ▶	90,728	0	26,134

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶0

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**		No
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
YORK COUNTY BUILDERS 159 HARVEST LANE WELLS, ME 04090	BUILDING CONTRACTOR	770,673

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶1

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 251,658				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . ▶		251,658			
Program Service Revenue			Business Code				
	2a	RENT	531110	98,426	98,426		
	b	OTHER REVENUE	900099	8,854	8,854		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . ▶		107,280			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . . ▶		717,798			717,798
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . ▶					

		(i) Real	(ii) Personal
6a	Gross rents		
b	Less rental expenses		
c	Rental income or (loss)		
d	Net rental income or (loss) . . . . ▶		

		(i) Securities	(ii) Other
7a	Gross amount from sales of assets other than inventory	9,054,404	
b	Less cost or other basis and sales expenses	8,676,922	
c	Gain or (loss)	377,482	

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
7d	Net gain or (loss) . . . . ▶		377,482	377,482		
8a	Gross income from fundraising events (not including $ of contributions reported on line 1c) See Part IV, line 18 . . . a					
b	Less direct expenses . . . b					
c	Net income or (loss) from fundraising events . . ▶					
9a	Gross income from gaming activities See Part IV, line 19 . . . a					
b	Less direct expenses . . . b					
c	Net income or (loss) from gaming activities . . . ▶					
10a	Gross sales of inventory, less returns and allowances . a					
b	Less cost of goods sold . . b					
c	Net income or (loss) from sales of inventory . . ▶					
	Miscellaneous Revenue	Business Code				
11a	SERVICE FEE REVENUE	900099	586			586
b						
c						
d	All other revenue					
e	**Total.** Add lines 11a–11d . . . . . . ▶		586			
12	**Total revenue.** See Instructions . . . ▶		1,454,804	484,762	0	718,384

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)
Check if Schedule O contains a response to any question in this Part IX . . . . ☐

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	300,000	300,000		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	133,258	133,258		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members	22,285	22,285		
5	Compensation of current officers, directors, trustees, and key employees	90,728	63,728	13,500	13,500
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	243,617	147,761	42,502	53,354
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	58,803	52,853	2,450	3,500
9	Other employee benefits	24,081	24,081		
10	Payroll taxes	21,131	9,359	8,061	3,711
11	Fees for services (non-employees)				
a	Management				
b	Legal	1,548		1,548	
c	Accounting	63,785		63,785	
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	31,535			31,535
12	Advertising and promotion				
13	Office expenses	48,655	7,856	40,799	
14	Information technology				
15	Royalties . .				
16	Occupancy	44,441	11,978	32,463	
17	Travel	59,018	23,910	3,841	31,267
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	39,890	25,641	14,249	
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	44,836	44,836		
23	Insurance				
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	INVESTMENT FEES	111,295		111,295	
b	HOUSING PROGRAM EXPENSE	29,912	29,912		
c	PRINTING AND PUBLICATIO	24,866			24,866
d					
e					
f	All other expenses	138,533	110,970	12,563	15,000
25	**Total functional expenses.** Add lines 1 through 24f	1,532,217	1,008,428	347,056	176,733
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

					(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			300,202	1	212,538
	2	Savings and temporary cash investments			44,651	2	1,051,656
	3	Pledges and grants receivable, net			107,790	3	171,238
	4	Accounts receivable, net			12,278	4	0
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			87,514	5	81,357
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net			132,488	7	127,588
	8	Inventories for sale or use				8	
	9	Prepaid expenses and deferred charges				9	
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a	4,448,449			
	b	Less accumulated depreciation	10b	53,213	3,328,695	10c	4,395,236
	11	Investments—publicly traded securities			26,660,484	11	25,307,222
	12	Investments—other securities See Part IV, line 11			1,066,605	12	186,290
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets See Part IV, line 11			1,985,626	15	1,946,024
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)			33,726,333	16	33,479,149
Liabilities	17	Accounts payable and accrued expenses			99,728	17	113,542
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*				22	
	23	Secured mortgages and notes payable to unrelated third parties			1,483,153	23	1,960,322
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			1,441,005	25	1,144,011
	26	**Total liabilities.** Add lines 17 through 25			3,023,886	26	3,217,875
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**					
	27	Unrestricted net assets			26,080,486	27	25,631,417
	28	Temporarily restricted net assets			411,548	28	486,953
	29	Permanently restricted net assets			4,210,413	29	4,142,904
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			30,702,447	33	30,261,274
	34	Total liabilities and net assets/fund balances			33,726,333	34	33,479,149

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	1,454,804
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,532,217
3	Revenue less expenses Subtract line 2 from line 1	3	-77,413
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	30,702,447
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-363,760
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	30,261,274

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other ____________ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☑ Separate basis ☐ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b		

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SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization	Employer identification number
PREACHERS' AID SOCIETY OF NEW ENGLAND	04-6037997

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☑ A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?	**11g(i)**		
(ii) a family member of a person described in (i) above?	**11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
Total									

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) | 12 | |

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f)) | 14 | |

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 | 15 | |

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2010.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶☐

Part III **Support Schedule for Organizations Described in IRC 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	**(a)** 2007	**(b)** 2008	**(c)** 2009	**(d)** 2010	**(e)** 2011	**(f)** Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	**(a)** 2007	**(b)** 2008	**(c)** 2009	**(d)** 2010	**(e)** 2011	**(f)** Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	**15**	
16 Public support percentage from 2010 Schedule A, Part III, line 15	**16**	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	**17**	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	**18**	

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PREACHERS' AID SOCIETY OF NEW ENGLAND

Employer identification number
04-6037997

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ ________

4 Number of states where property subject to conservation easement is located ▶ ________

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ ________

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ ________

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ________

(ii) Assets included in Form 990, Part X ▶ $ ________

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ________

b Assets included in Form 990, Part X ▶ $ ________

Form 990 Schedule B, Part 1 - Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
19	KEVIN RILEY 5 MACINTOSH DRIVE LONDONDERRY, NH 03053	$ 6,500	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
20	DAVID AND MAUREEN SHERWIN 29 CENTURY LANE LITCHFIELD, NH 03052	$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
21	MARK AND TAMMY LEE TENNEY 16 KING RICHARD DRIVE LONDONDERRY, NH 03053	$ 14,400	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
22	TIMOTHY AND MARILYN WADE 11 BEAR RUN LITCHFIELD, NH 03052	$ 12,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
23	STAN AND JANET WHEATON 39 PLEASANT STREET WINDHAM, NH 03087	$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	24,826,126	23,490,782	19,728,657	31,259,759	
b Contributions	50,205	75	54,505	7,250	
c Investment earnings or losses	345,852	3,195,408	5,111,160	-8,580,024	
d Grants or scholarships					
e Other expenditures for facilities and programs	1,804,591	1,860,139	1,403,540	2,958,328	
f Administrative expenses					
g End of year balance	23,417,592	24,826,126	23,490,782	19,728,657	

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ▶ 80 880 %

b Permanent endowment ▶ 17 690 %

c Term endowment ▶ 1 430 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,828,993		1,828,993
b Buildings		1,675,728	53,213	1,622,515
c Leasehold improvements				
d Equipment		18,034		18,034
e Other		925,694		925,694
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				4,395,236

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DEPOSITS	1,505,225
(2) EDUCATION LOANS RECEIVABLE	424,424
(3) PREPAID EXPENSES	16,375
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	1,946,024

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
SECURITY DEPOSITS	10,011
PROMISE TO GIVE	1,134,000
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	1,144,011

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,454,804
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,532,217
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-77,413
4	Net unrealized gains (losses) on investments	4	-663,760
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	300,000
9	Total adjustments (net) Add lines 4 - 8	9	-363,760
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-441,173

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	791,044
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-663,760		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	-663,760
3	Subtract line **2e** from line **1**			3	1,454,804
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	1,454,804

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	1,232,217
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	1,232,217
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	300,000		
c	Add lines **4a** and **4b**			4c	300,000
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	1,532,217

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE SOCIETY'S ENDOWMENT CONSISTS OF 6 INDIVIDUAL FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES ITS ENDOWMENT INCLUDES BOTH DONOR-RESTRICTED ENDOWMENT FUNDS AND FUNDS DESIGNATED BY THE BOARD OF DIRECTORS TO FUNCTION AS ENDOWMENTS
PART XI, LINE 8 - OTHER ADJUSTMENTS		PAYMENT ON PROMISE TO GIVE 300,000
PART XIII, LINE 4B - OTHER ADJUSTMENTS		PAYMENT ON PROMISE TO GIVE 300,000
		FIN 48 (ASC 740) FOOTNOTE - ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA PRESCRIBE THE THRESHOLD A TAX POSITION IS REQUIRED TO MEET BEFORE BEING RECOGNIZED IN THE FINANCIAL STATEMENTS THE TAX-EXEMPT STATUS OF AN ENTITY IS CONSIDERED A TAX POSITION AN ADDITIONAL LIABILITY FOR UNCERTAIN TAX POSITIONS ("UTPS") IS RECOGNIZED AND RECORDED AS A COMPONENT OF CURRENT INCOME TAX EXPENSE FOR DIFFERENCES BETWEEN FINANCIAL AND INCOME TAX REPORTING POSITIONS, WHICH DO NOT MEET THIS THRESHOLD ANY INTEREST AND PENALTIES RELATED TO THE UTPS ARE RECORDED AS A COMPONENT OF INCOME TAX EXPENSE THE SOCIETY HAS NOT TAKEN ANY TAX POSITIONS INCLUDING ANY TAX POSITIONS THAT WOULD JEOPARDIZE ITS TAX EXEMPT STATUS, WHICH WOULD HAVE A MATERIAL EFFECT, INDIVIDUALLY OR IN THE AGGREGATE, ON ITS FINANCIAL STATEMENTS, AND THUS HAS NOT RECORDED A LIABILITY AT DECEMBER 31, 2011 OR 2010 THE SOCIETY FILES TAX RETURNS IN FEDERAL AND STATE JURISDICTIONS THE SOCIETY IS NO LONGER SUBJECT TO EXAMINATIONS BY TAX AUTHORITIES FOR YEARS PRIOR TO 2008 CURRENTLY, THERE ARE NO TAX AUDITS IN PROCESS

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PREACHERS' AID SOCIETY OF NEW ENGLAND

Employer identification number
04-6037997

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . ☑ **Yes** ☐ **No**

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . ▶ ☐

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
(1) NEW ENGLAND CONFERENCE OF THE UNITED METHODIST CHURCH276 ESSEX STREET LAWRENCE, MA 01840	04-2234128	501(C)(3)	300,000	0			THE COMMITTMENT IS FOR THE "TOGETHER FOR TOMORROW" CAMPAIGN ON THE BASIS OF 0 50 CENTS FOR EACH DOLLAR FOR A MAXIMUM OF $2 5 MILLION THE FUNDS RECEIVED FROM THE SOCIETY WILL GO DIRECTLY TO THE RETIREE HEALTH CARE ENDOWMENT, WITH NO CAMPAIGN ADMISITRATIVE EXPENSES OR OPERATING COSTS BEING ALLOCATED TO THE FUNDS DONATED

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶

3 Enter total number of other organizations listed in the line 1 table . . . ▶

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	**(b)** Number of recipients	**(c)** Amount of cash grant	**(d)** Amount of non-cash assistance	**(e)** Method of valuation (book, FMV, appraisal, other)	**(f)** Description of non-cash assistance
(1) EMERGENCY MEDICAL ASSISTANCE		133,258	0		GRANTS ARE MADE BY STAFF FOLLOWING GUIDELINES ESTABLISHED BY THE BOARD OF DIRECTORS

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	**Return Reference**	**Explanation**

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Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

► Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.
► Attach to Form 990 or Form 990-EZ. ►See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PREACHERS' AID SOCIETY OF NEW ENGLAND

Employer identification number
04-6037997

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
		Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . ► $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . ► $

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
(1) DR THOMAS J GALLEN PURCHASE OF PROPERTY		X	77,949	77,949		No	Yes		Yes	
(2) DR THOMAS J GALLEN HOME IMPROVEMENTS TO LOWER ENERGY COSTS		X	5,000	3,408		No	Yes		Yes	
Total . . . . ► $				81,357						

Part III Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV **Business Transactions Involving Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No

Part V **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation

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SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PREACHERS' AID SOCIETY OF NEW ENGLAND

Employer identification number
04-6037997

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE BOARD OF DIRECTORS REVIEWS THE 990 TAX RETURN
	FORM 990, PART VI, SECTION B, LINE 12C	THE EXECUTIVE DIRECTOR MONITORS THE CONFLICT OF INTEREST POLICY
	FORM 990, PART VI, SECTION B, LINE 15A	THE REVIEW OF THE EXECUTIVE DIRECTOR IS PERFORMED BY THE EXECUTIVE COMMITTEE THE SALARY IS VOTED UPON BY THE FULL BOARD OF DIRECTORS AFTER REVIEW OF OTHER SALARIES OF EXECUTIVE DIRECTORS OF THE 52 OTHER UNITED METHODIST RELATED FOUNDATIONS IN THE UNITED STATES
	FORM 990, PART VI, SECTION C, LINE 19	THE DOCUMENTS ARE MADE AVAILABLE UPON REQUEST THE AUDIT COMMITTEE ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -663,760 PAYMENT ON PROMISE TO GIVE 300,000 TOTAL TO FORM 990, PART XI, LINE 5 -363,760

PREACHERS' AID SOCIETY OF NEW ENGLAND

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2011 AND 2010
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

PREACHERS' AID SOCIETY OF NEW ENGLAND

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

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[redacted]

Professional Excellence On A Personal Level ™

Independent Auditors' Report

To the Board of Directors
Preachers' Aid Society of New England

We have audited the accompanying statements of financial position of Preachers' Aid Society of New England (a Massachusetts nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended These financial statements are the responsibility of the Society's management Our responsibility is to express an opinion on these financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Preachers' Aid Society of New England as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Di Cicco, Gulman & Company LLP

October 11, 2012

PREACHERS' AID SOCIETY OF NEW ENGLAND

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31,	2011	2010
ASSETS		
Cash and cash equivalents	**$ 1,154,928**	$ 1,206,616
Restricted cash	**109,266**	46,829
Pledges receivable	**171,238**	107,790
Investments, at fair value	**25,493,512**	26,818,497
Land and buildings, net	**3,469,542**	2,511,692
Construction in progress	**925,694**	817,003
Notes receivable		
Education loans notes receivable	**424,424**	478,451
Other loan program notes receivable	**127,588**	132,488
Related party notes receivable	**81,357**	87,514
Deposit	**1,500,000**	1,500,000
Other assets	**21,600**	19,453
	$ 33,479,149	$ 33,726,333
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 113,542**	$ 99,728
Promise to give	**1,134,000**	1,434,000
Notes payable	**1,960,322**	1,483,153
Security deposits	**10,011**	7,005
Total liabilities	**3,217,875**	3,023,886
Net assets:		
Unrestricted		
Board designated - endowment	**18,939,358**	20,315,430
Investment in retirement community units	**2,416,880**	1,845,542
Operations	**4,275,179**	3,919,514
Total unrestricted	**25,631,417**	26,080,486
Temporarily restricted	**486,953**	411,548
Permanently restricted	**4,142,904**	4,210,413
Total net assets	**30,261,274**	30,702,447
	$ 33,479,149	$ 33,726,333

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

PREACHERS' AID SOCIETY OF NEW ENGLAND

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011				2010			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:								
Interest and dividends	$ 669,620	$ 48,178	$ -	$ 717,798	$ 582,388	$ 41,415	$ -	$ 623,803
Trust income	27,458	-	-	27,458	25,262	-	-	25,262
Fundraising revenue	54,596	91,041	-	145,637	33,835	111,265	-	145,100
Service fee revenue	586	-	-	586	12,503	-	-	12,503
Contributions from churches, individuals, memorials and bequests	28,358	50,205	-	78,563	110,065	75	-	110,140
Program revenue, rental	98,426	-	-	98,426	62,264	-	-	62,264
Program revenue, other	8,854	-	-	8,854	-	-	-	-
Gains on sales of investments, net	218,462	-	159,020	377,482	167,527	-	107,562	275,089
Unrealized (losses) gains on investments	(439,303)	2,072	(226,529)	(663,760)	2,121,385	18,771	250,500	2,390,656
Net assets released from restrictions	116,091	(116,091)	-	-	50,045	(50,045)	-	-
Total support and revenue	783,148	75,405	(67,509)	791,044	3,165,274	121,481	358,062	3,644,817
Functional expenses:								
Program services	708,428	-	-	708,428	602,169	-	-	602,169
Management and general	347,056	-	-	347,056	312,971	-	-	312,971
Fundraising	176,733	-	-	176,733	238,302	-	-	238,302
Total functional expenses	1,232,217	-	-	1,232,217	1,153,442	-	-	1,153,442
Change in net assets	(449,069)	75,405	(67,509)	(441,173)	2,011,832	121,481	358,062	2,491,375
Net assets, beginning of year	26,080,486	411,548	4,210,413	30,702,447	24,068,654	290,067	3,852,351	28,211,072
Net assets, end of year	$ 25,631,417	$ 486,953	$ 4,142,904	$ 30,261,274	$ 26,080,486	$ 411,548	$ 4,210,413	$ 30,702,447

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

PREACHERS' AID SOCIETY OF NEW ENGLAND

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011				2010			
	Program Services	**Management and General**	**Fundraising**	**Total**	Program Services	Management and General	Fundraising	Total
Functional expenses:								
Accounting fees	$ -	$ 22,560	$ -	$ 22,560	$ -	$ 21.173	$ -	$ 21.173
Administrative salary and benefits	-	44,952	-	44,952	-	41.272	-	41.272
Audit fees	-	41,225	-	41,225	-	12.550	-	12.550
Bank charges	-	1,168	-	1,168	-	728	-	728
Depreciation expense	44,836	-	-	44,836	8.377	-	-	8.377
Development	-	-	159,522	159,522	-	-	218.764	218.764
Education, housing and other programs	128,439	-	-	128,439	97.980	-	-	97.980
Executive director salary and benefits	89,862	13,500	13,500	116,862	99.979	-	17.333	117.312
Grants and assistance to pastors and families	133,258	-	-	133,258	118.829	-	-	118.829
Insurance	-	11,395	-	11,395	-	10.039	-	10.039
Investment management fees	-	111,295	-	111,295	-	131.786	-	131.786
Legal expenses	-	1,548	-	1,548	-	4.852	-	4.852
Meetings and conferences	-	14,249	-	14,249	-	21.922	-	21.922
Office equipment and maintenance	-	7,272	-	7,272	-	5.196	-	5.196
Office rent	-	32,463	-	32,463	-	26.942	-	26.942
Office supplies and postage	-	33,527	-	33,527	-	32.474	-	32.474
Pastoral care	280,389	-	-	280,389	253.023	-	-	253.023
Payments to beneficiaries of Pooled Income Fund	10,287	-	-	10,287	1.824	-	-	1.824
Payments to holders of annuities	11,998	-	-	11,998	10.349	-	-	10.349
Payroll taxes	9,359	8,061	3,711	21,131	11.808	3.001	2.205	17.014
Travel	-	3,841	-	3,841	-	1.036	-	1.036
Total functional expenses	**$ 708,428**	**$ 347,056**	**$ 176,733**	**$ 1,232,217**	$ 602.169	$ 312.971	$ 238.302	$ 1.153.442

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

PREACHERS' AID SOCIETY OF NEW ENGLAND

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,	2011	2010
Cash flows from operating activities:		
Change in net assets	**$ (441,173)**	$ 2,491,375
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	**44,836**	8,377
Realized gains on sale of investments	**(377,482)**	(275,089)
Unrealized losses (gains) on investments	**663,760**	(2,390,656)
Change in operating assets and liabilities		
Pledges receivable	**(63,448)**	(107,790)
Other assets	**(2,147)**	(14,581)
Accounts payable	**(148,234)**	(13,882)
Promise to give	**(300,000)**	(300,000)
Total adjustments	**(182,715)**	(3,093,621)
Net cash used in operating activities	**(623,888)**	(602,246)
Cash flows from investing activities:		
Restricted cash	**(62,437)**	(13,572)
Proceeds from sale of investments	**11,075,293**	13,360,685
Purchases of investments	**(10,036,586)**	(12,113,013)
Purchases of land and buildings	**(23,635)**	(132,936)
Expenditures for construction in progress	**(925,694)**	(719,953)
Payments (advances) on education notes receivable, net	**54,027**	(3,586)
Payments on other loan program notes receivable, net	**4,900**	2,052
Payments (advances) on related party notes receivable, net	**6,157**	(1,400)
Security deposits	**3,006**	4,505
Net cash provided by investing activities	**95,031**	382,782
Cash flows from financing activities:		
Net proceeds from notes payable	**477,169**	514,969
Net cash provided by financing activities	**477,169**	514,969
Net (decrease) increase in cash and cash equivalents	**(51,688)**	295,505
Cash and cash equivalents, beginning of year	**1,206,616**	911,111
Cash and cash equivalents, end of year	**$ 1,154,928**	$ 1,206,616

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

PREACHERS' AID SOCIETY OF NEW ENGLAND

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Activities and Organization

The Preachers' Aid Society of New England (the "Society"), a nonprofit organization, was organized to help provide for the retirement and welfare of United Methodist clergy, their spouses, and their dependents in New England With the Board of Pensions of the United Methodist Church, it also provides a support network for needy clergy families

The Society's assets are derived from individual gifts, bequests, offerings from churches, and the sale of annuity contracts Investments are made pursuant to guidelines established by the Investment Committee of the Society The guidelines are based on the Social Principles of the United Methodist Church These principles lead to the exclusion of investments in securities of entities engaged primarily in alcohol, tobacco, gambling and certain other industries

The Society is the recipient of the income from several individual trusts, which are administered by others outside the Society, who may or may not invest in socially responsible organizations

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America

Use of 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 reported amounts and disclosures Actual results could differ from these estimates

Subsequent Events
The Society has evaluated subsequent events through October 11, 2012, the date the financial statements were approved and authorized for issuance by management, and determined that there have been no subsequent events that would require recognition in the financial statements or disclosure in the notes to the financial statements

Cash and Cash Equivalents
The Society considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents The Society maintains its cash and cash equivalents, at various financial institutions, which at times, may exceed federally insured limits The Society has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risks on its cash and cash equivalent accounts

Restricted Cash
The Society has approximately $100,000 and $41,000 on deposit with the New England United Methodist Federal Credit Union under a loan guarantee program at December 31, 2011 and 2010, respectively The loan guarantee program is available to clergy with severe financial hardship whose circumstances can be assisted through utilization of a personal loan The Society also includes security deposits remitted by tenants of the retirement community housing units as a component of restricted cash

Note 2 - Summary of Significant Accounting Policies (Continued)

Pledges Receivable
Unconditional promises to give are included in the financial statements as pledges receivable and support for the appropriate net asset category subject to a discount, if applicable, when a donor makes a promise that is, in substance, unconditional The Society evaluates its pledges receivable for collectability on a periodic basis and establishes an allowance based on prior experience and an analysis of specific promises made

At December 31, 2011 and 2010, the Society considers its pledges receivable to be fully collectible Accordingly, no allowance for doubtful accounts has been recorded

Investments
Investments consisting of shares in equity and fixed income mutual funds and private equities are carried at fair value Realized gains and losses on portfolio transactions are accounted for on the first-in first-out cost method Unrealized gains and losses are included in the change in net assets See Note 9 for the balance required to be maintained in a certain investment account under a note payable agreement the Society has with a bank

Investments, with a fair market value of $2,075,920 and $1,992,371 as of December 31, 2011 and 2010, respectively, are held at the United Methodist Foundation of New England ("UMFNE") Under the note payable agreement the Society has with UMFNE (see Note 9), 80% of the fair value on deposit is collateral for amounts outstanding under the note payable

Fair Value of Financial Instruments
The Financial Accounting Standards Board has established a framework for measuring fair value which provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value The highest priority is assigned to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements) The three levels of the fair value hierarchy are as follows

> Level 1 Unadjusted quoted prices in active markets that are accessible as of the measurement date for identical assets or liabilities,
>
> Level 2 Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability,
>
> Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i e , supported by little or no market activity)

A financial asset's or liability's classification within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurements

Note 2 - Summary of Significant Accounting Policies (Continued)

Land and Buildings, Net
Land and buildings are recorded at cost All other acquisitions are recorded at cost, if purchased, or at estimated fair value at the date of gift, if donated Major additions and improvements are capitalized, while maintenance and repairs, which do not extend the useful lives of the respective assets, are expensed in the year incurred Depreciation is computed using the straight-line method over the estimated useful lives of the related assets

Construction in Progress
During 2007, the Society purchased land for the construction of 21 retirement community housing units in Wells, Maine The Society capitalizes all costs incurred for the construction of the units During 2011 and 2010, two residential units were completed in each year and placed into service, and four units were in process in each year See Note 9 for commitments made by the Society for unit construction financing

Notes Receivable
The Society's notes receivable consist of low interest rate financing arrangements offered to clergy to assist with higher education loans, dental work, pre-purchase of heating fuel, and home improvements to lower energy costs

The Society carries its notes receivable at the amount advanced less an allowance for doubtful accounts, if required The Society provides appropriate provisions for doubtful accounts based upon factors surrounding the credit risk and activity of specific borrowers, historical trends, and other information In the opinion of the Society's management, an allowance for doubtful accounts was not deemed necessary as of December 31, 2011 and 2010

Net Assets
The Society reports information regarding its financial position and activities according to three classes of net assets as follows

Unrestricted
The unrestricted net asset group includes board designated endowment, investment in retirement community units and operations which management and the Board of Directors of the Society retain full control to use in achieving any of their organizational purposes

Temporarily Restricted
Temporarily restricted net assets include funds restricted by outside sources, which may only be utilized in accordance with the purposes and/or time periods established by the donor of such funds

Permanently Restricted
Permanently restricted net assets include funds permanently restricted by outside sources, which require that the principal be invested in perpetuity and only the income be utilized by the Society Income may be utilized for unrestricted purposes, temporarily restricted purposes and in certain cases permanently restricted purposes as established by the donor of such funds

Note 2 - Summary of Significant Accounting Policies (Continued)

Endowment Funds

The Society follows the accounting standard, "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, and Enhanced Disclosures for All Endowment Funds", which provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") In addition, this standard improves disclosures about an organization's endowment funds, both donor-restricted endowment funds and board-designated endowment funds (See Note 11)

During 2009, the Commonwealth of Massachusetts enacted a version of UPMIFA, which eliminates the historical dollar threshold and establishes prudent spending guidelines that consider both the duration and preservation of the fund As a result of this enactment, subject to the donor's intent as expressed in a gift agreement or similar document, a Massachusetts charitable organization may now spend the amount of the principal and income of the endowment fund, even from an underwater fund, after considering the factors listed in the Act

Revenue Recognition

All contributions are considered to be available for use by the various programs and general operations of the Society unless specifically restricted by the donor Contributions, including unconditional promises to give, are recognized as support in the period received Conditional promises to give are not recognized until they become unconditional, that is at the time when the conditions on which they depend are substantially met Contributions of assets other than cash are reported at their estimated fair value Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction, until the restriction expires, at which time, temporarily restricted net assets are reclassified to unrestricted net assets

Income Taxes

The Society is exempt from income taxes under Internal Revenue Code (IRC) Section 501(c)(3) The Society is not classified as a private foundation Contributions made to the Society are deductible by donors as provided in IRC Section 170

Accounting principles generally accepted in the United States of America prescribe the threshold a tax position is required to meet before being recognized in the financial statements The tax-exempt status of an entity is considered a tax position An additional liability for uncertain tax positions ("UTPs") is recognized and recorded as a component of current income tax expense for differences between financial and income tax reporting positions, which do not meet this threshold Any interest and penalties related to UTPs are recorded as a component of income tax expense

The Society has not taken any tax positions, including any tax positions that would jeopardize its tax exempt status, which would have a material effect, individually or in the aggregate, on its financial statements and thus has not recorded a liability at December 31, 2011 or 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)
The Society files income tax returns in federal and state jurisdictions The Society is no longer subject to examinations by tax authorities for years prior to 2008 Currently, there are no income tax audits in process

Functional Expenses
The costs of providing for various programs and supporting services have been summarized on a functional basis Accordingly, certain costs have been allocated among the programs and supporting services benefited

Reclassifications
Certain 2010 financial statement amounts have been reclassified in order to conform to the 2011 presentation There has been no change in the previously reported change in net assets and net assets

Note 3 - Pledges Receivable

At December 31, 2011, pledges receivable consisted of amounts

Due in one year	$ 62,207
Due in two to five years	109,031
	$ 171,238

Pledges that are receivable more than one year from the statement of financial position date have not been discounted as the impact is immaterial to the financial statements

Note 4 - Investments

Investments are carried at fair value, and realized and unrealized gains and losses are reflected in the statement of activities

The cost, cumulative unrealized gains and losses, and fair value for the investments by major security classification as of December 31, 2011 and 2010 are as follows

December 31, 2011	Cost	Cumulative Unrealized Gains (Losses)	Fair Value
Equity mutual funds	$ 18,553,352	$ 1,345,510	$ 19,898,862
Fixed income mutual funds	4,908,178	212,700	5,120,878
Private equities	409,993	63,779	473,772
	$ 23,871,523	$ 1,621,989	$ 25,493,512

Note 4 - Investments (Continued)

December 31, 2010	Cost	Cumulative Unrealized Gains (Losses)	Fair Value
Equity mutual funds	$ 19,540,987	$ 2,019,003	$ 21,559,990
Fixed income mutual funds	4,769,549	219,685	4,989,234
Private equities	222,212	47,061	269,273
	$ 24,532,748	$ 2,285,749	$ 26,818,497

Investment management fees for the years ended December 31, 2011 and 2010 were approximately $111,000 and $132,000, respectively, and are included in management and general on the statement of functional expenses

Fair value of investments in equity and fixed income mutual funds at December 31, 2011 and 2010 were measured utilizing quoted prices in active markets (Level 1 inputs)

Fair value of investments in private equities at December 31, 2011 and 2010 were measured utilizing valuation techniques that use significant inputs that are unobservable as they are supported by little or no market activity (Level 3 inputs)

The table below is a rollforward of the investments classified by the Society within Level 3 of the fair value hierarchy (See Note 2)

	2011	2010
Fair value, January 1,	**$ 269,273**	$ -
Realized losses	**-**	(2,603)
Unrealized gains	**55,101**	48,216
Net purchases, sales and settlements	**149,398**	223,660
Fair value, December 31,	**$ 473,772**	$ 269,273

During 2010, the Society committed to invest $1,000,000 in Energy Capital Investors Fund II, LLC, a private equity fund As of December 31, 2011 and 2010, the Society's remaining commitment was approximately $599,000 and $786,000, respectively

Note 5 - Land and Buildings, Net

Land and buildings, net consist of the following at December 31, 2011 and 2010

	2011	2010
Land	$ 1,828,993	$ 1,828,993
Buildings	1,675,728	691,076
Furniture and equipment	18,034	-
	3,522,755	2,520,069
Less accumulated depreciation	53,213	8,377
Land and Buildings, net	$ 3,469,542	$ 2,511,692

Note 6 - Deposit

Under an agreement with the Deaconess Abundant Life Communities ("Deaconess"), the Society has $1,500,000 on deposit for the right to occupy 8 residential units, located in Gilford, New Hampshire, for an indefinite period of time If at any time the Society determines there is no further use of any number of the units, Deaconess will refund the deposits on those units within ten business days of occupancy by a new resident not under the Society's sponsorship

Pursuant to this agreement, the Society is also responsible for a monthly service fee to the Deaconess During the year ended December 31, 2011 and 2010, the Society paid Deaconess approximately $67,000 and $65,000, respectively, and reported these amounts as a component of program services on the statements of activities

The Society rents these units on a tenant-at-will basis to its clergy During 2011 and 2010, the Society rented 8 units Total rental income for the years ended December 31, 2011 and 2010 was approximately $60,000 and $59,000, respectively

Note 7 - Notes Receivable

At December 31, 2011 and 2010, notes receivable consisted of the following

	2011	2010
Note receivable from the Executive Director, secured by a second mortgage on the director's personal property, payable upon the earlier of the sale of the property or within 180 days of the termination of employment In lieu of interest, the Society is due a portion of either the sale price or the appraised value of the property, as defined in the note	$ 77,949	$ 77,949
Note receivable from the Executive Director was payable at the discretion of the Executive Director over the term of the note, with interest of 1% per annum The note was repaid in 2011	-	4,565
Green loan receivable from the Executive Director is a one-time loan, due over a period not to exceed 10 years and bears interest at a rate of 1 5% per annum	3,408	5,000
Education notes receivable are due over a period not to exceed 15 years and bear interest, as modified, at a rate of 1 5% per annum	424,424	478,451
Other loan program notes receivable are due over periods ranging from 10 months to 10 years and bear interest at rates ranging from 1 5% to 4 0% per annum	127,588	132,488
	$ 633,369	$ 698,453

The advances under the green loan, education notes and other loan program notes are unsecured

Note 8 - Promise to Give

In 2007, the Society made a matching pledge of $2,500,000, to the New England Annual Conference Capital Campaign ("NEACCC") to fund the New England Annual Conference's retiree health care endowment Payments of $300,000 were made on this commitment for the years ended December 31, 2011 and 2010 The remaining liability can be paid over a period not to exceed 10 years from the initial commitment date at the discretion of the Society

Note 9 - Notes Payable

At December 31, 2011 and 2010, notes payable consisted of the following

	2011	2010
Revolving line-of-credit agreement with UMFNE, allows for maximum borrowings up to $1,500,000, is due on demand, is secured by investments held with UMFNE, and bears interest at 1 2% above the one-year LIBOR rate (1 97% at December 31, 2011)	**$ 1,160,322**	$ 1,483,153
Two revolving line-of-credit agreements (the "Lines") with Boston Private Bank & Trust Company (the "Bank"), allows for maximum borrowings up to $2,500,000 and $3,000,000, respectfully, for the purpose of constructing retirement community housing units in Wells, Maine The Lines are secured by a certain investment account (the "pledged account"), and bear interest at 1 5% above the 90 day LIBOR rate with an interest rate floor of 3 25%, and a fixed rate of 5 25%, respectively No withdrawals shall be made from the pledged account that would result in the pledged account having a balance less than $8,200,000	**800,000**	-
	$ 1,960,322	$ 1,483,153

During 2012, the Society amended its agreement with the Bank to provide for the following the $2,500,000 line was cancelled and the $3,000,000 line was increased to $4,500,000 at a fixed interest rate of 3 21%, and a maturity date of April 5, 2017 The balance required to be maintained in the pledged account was increased to $10,500,000 The Society repaid the balance due to UMFNE using proceeds from the line with the Bank

Note 10 - Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes on December 31, 2011 and 2010

	2011	2010
Annuity Trust Agreements	**$ 253,267**	$ 214,057
Beneficiaries of Pooled Income Fund	**63,312**	70,787
Taylor Fellowship Grant	**18,751**	15,439
Because They Serve Campaign	**151,623**	111,265
Total temporarily restricted net assets	**$ 486,953**	$ 411,548

Note 10 - Net Assets (Continued)

Permanently Restricted Net Assets
For the years ended December 31, 2011 and 2010, permanently restricted net assets are restricted to investment in perpetuity The income generated from these assets is expendable to support needy, active or retired clergy and their families as stipulated in the individual agreements A number of the agreements have provisions that require that growth of the principal amount, or all gains resulting from investment of the principal and additions to the principal, will remain permanent until such time as the Society shall terminate

Accordingly, the Society believes that, because of the donor explicit or implicit restrictions, realized and unrealized gains on these assets are required to be classified as permanently restricted net assets

As of December 31, 2011 and 2010, the balances by fund are as follows

	2011	2010
Benjamin J and Lydia J Sargent Fund	**$ 2,567,209**	$ 2,608,324
Clergy and Family Assistance	**1,265,756**	1,292,235
Taylor Fellowship Fund	**309,939**	309,854
Total permanently restricted net assets	**$ 4,142,904**	$ 4,210,413

Net Assets Released from Restrictions
Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows

	2011	2010
Annuity Trust Agreements	**$ 11,998**	$ 10,349
Beneficiaries of Pooled Income Fund	**10,287**	1,824
Taylor Fellowship Grant	**7,000**	6,500
Because They Serve Campaign	**50,683**	-
Support for needy, active or retired clergy	**36,123**	31,372
Total net assets released from restrictions	**$ 116,091**	$ 50,045

Note 12 - Operating Leases

The Society leases its office facility in Plymouth, Massachusetts under a non-cancellable arrangement effective June 2010 through December 2012 The related rent expense was approximately $32,000 and $27,000 for the years ended December 31, 2011 and 2010, respectively The future minimum lease payment for the year ending December 31, 2012 is $28,440

Note 13 - Employee Retirement Plan

The Society participates in a multi-employer defined contribution retirement plan covering substantially all of its employees The plan is administered by the General Board of Pensions and Health Benefits of The United Methodist Church Pension expense for the years ended December 31, 2011 and 2010 was approximately $61,000 and $55,000, respectively

Note 14 - Concentrations of Credit and Market Risk

Financial instruments, which potentially subject the Society to concentrations of credit and market risk, consist principally of investments, cash equivalents and restricted cash

Investments and cash equivalents consist of a diversified portfolio of money market, equity and fixed income mutual funds, and private equities which are managed by a professional investment company which, management believes, minimizes the Society's market risks

Note 15 - Contingencies

Periodically, the Society is involved in various claims and legal actions arising in the normal course of operations In the opinion of Management, based upon current facts and circumstances and on consultation with legal counsel, losses, if any, from these matters, are covered by insurance or are immaterial to the financial position of the Society

Note 16 - Supplemental Cash Flow Information

For the years ended December 31, 2011 and 2010, $64,998 and $97,050 of capitalized expenditures for the Wells, Maine property are included in accounts payable and accrued expenses

SUPPLEMENTARY INFORMATION

[redacted]

Professional Excellence On A Personal Level ™

Independent Auditors' Report on Supplementary Information

To the Board of Directors
Preachers' Aid Society of New England

We have audited the financial statements of Preachers' Aid Society of New England (a Massachusetts nonprofit organization) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated October 11, 2012, which contained an unqualified opinion on those financial statements Our audits were performed for the purpose of forming an opinion on the financial statements as a whole The accompanying supplementary information as of and for the year ended December 31, 2011, with comparative totals for 2010, contained on pages 22-27 is presented for the purposes of additional analysis and is not a required part of the 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 financial statements Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it

Di Cicco, Gulman & Company LLP

October 11, 2012

PREACHERS' AID SOCIETY OF NEW ENGLAND

UNAUDITED STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS AND SUPPLEMENTAL MARKET VALUE INFORMATION BY FUND DECEMBER 31, 2011 WITH COMPARATIVE TOTALS FOR 2010

	Capital Fund		Annuity Fund		Benjamin J and Lydia J Sargent Fund		Lois and Blaine Taylor Fellowship	
	Cost or Contributed Value	Market Value	Cost or Contributed Value	Market Value	Cost or Contributed Value	Market Value	Cost or Contributed Value	Market Value
Investments								
Stocks, bonds, money market funds short-term investments, other & cash equivalents	$ 18,404,747	$ 19,865,551	$ 134,765	$ 186,290	$ 2,475,337	$ 2,571,979	$ 294,699	$ 323,214
Investments, restricted (UMFNE)	2,053,770	2,075,920	-	-	-	-	-	-
Total investments	20,458,517	21,941,471	134,765	186,290	2,475,337	2,571,979	294,699	323,214
Cash								
United Methodist Credit Union	99,755	99,755	-	-	-	-	-	-
Bank of America	139,014	139,014	-	-	-	-	-	-
Middlesex Savings Bank	85,535	85,535	-	-	-	-	-	-
Pledges receivable	171,238	171,238	-	-	-	-	-	-
Land and buildings, net	3,469,542	3,469,542	-	-	-	-	-	-
Construction in progress	925,694	925,694	-	-	-	-	-	-
Educational loans notes receivable	424,424	424,424	-	-	-	-	-	-
Other loan program notes receivable	127,588	127,588	-	-	-	-	-	-
Related party notes receivable	81,357	81,357	-	-	-	-	-	-
Deposits	1,500,000	1,500,000	-	-	-	-	-	-
Other assets	21,600	21,600	-	-	-	-	-	-
Accounts payable and accrued expenses	(113,542)	(113,542)	-	-	-	-	-	-
Promise to give	(1,134,000)	(1,134,000)	-	-	-	-	-	-
Notes payable	(1,960,322)	(1,960,322)	-	-	-	-	-	-
Security deposits	(10,011)	(10,011)	-	-	-	-	-	-
	3,827,872	3,827,872	-	-	-	-	-	-
Net assets, end of year	$ 24,286,389	$ 25,769,343	$ 134,765	$ 186,290	$ 2,475,337	$ 2,571,979	$ 294,699	$ 323,214
Net assets, beginning of year	$ 24,266,752	$ 26,167,111	$ 107,684	$ 158,013	$ 2,360,423	$ 2,611,436	$ 276,865	$ 319,866

PREACHERS' AID SOCIETY OF NEW ENGLAND

UNAUDITED STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS AND SUPPLEMENTAL MARKET VALUE INFORMATION BY FUND (CONTINUED) DECEMBER 31, 2011 WITH COMPARATIVE TOTALS FOR 2010

	Pooled Income Fund		Clergy and Family Assistance Fund		Total All Funds			
					2011		2010	
	Cost or Contributed Value	Market Value	Cost or Contributed Value	Market Value	Cost or Contributed Value	Market Value	Cost or Contributed Value	Market Value
Investments								
Stocks, bonds, money market funds								
short-term investments, other & cash equivalents	**$ 58,578**	**$ 60,535**	**$ 1,307,130**	**$ 1,349,913**	**$ 22,675,256**	**$ 24,357,482**	$ 23.367.621	25.734.718
Investments, restricted (UMFNE)	-	-	-	-	**2,053,770**	**2,075,920**	1.993.154	1.992.371
Total investments	**58,578**	**60,535**	**1,307,130**	**1,349,913**	**24,729,026**	**26,433,402**	25.360.775	27.727.089
Cash								
United Methodist Credit Union	-	-	-	-	**99,755**	**99,755**	40.825	40.825
Bank of America	-	-	-	-	**139,014**	**139,014**	129.726	129.726
Middlesex Savings Bank	-	-	-	-	**85,535**	**85,535**	174.302	174.302
Pledges receivable	-	-	-	-	**171,238**	**171,238**	107.790	107.790
Land and buildings, net	-	-	-	-	**3,469,542**	**3,469,542**	2.511.692	2.511.692
Construction in progress	-	-	-	-	**925,694**	**925,694**	817.003	817.003
Educational loans notes receivable	-	-	-	-	**424,424**	**424,424**	478.451	478.451
Other loan program notes receivable	-	-	-	-	**127,588**	**127,588**	132.488	132.488
Related party notes receivable	-	-	-	-	**81,357**	**81,357**	87.514	87.514
Deposits	-	-	-	-	**1,500,000**	**1,500,000**	1.500.000	1.500.000
Other assets	-	-	-	-	**21,600**	**21,600**	19.453	19.453
Accounts payable and accrued expenses	-	-	-	-	**(113,542)**	**(113,542)**	(99.728)	(99.728)
Promise to give	-	-	-	-	**(1,134,000)**	**(1,134,000)**	(1.434.000)	(1.434.000)
Notes payable	-	-	-	-	**(1,960,322)**	**(1,960,322)**	(1.483.153)	(1.483.153)
Security deposits	-	-	-	-	**(10,011)**	**(10,011)**	(7.005)	(7.005)
	-	-	-	-	**3,827,872**	**3,827,872**	2.975.358	2.975.358
Net assets, end of year	**$ 58,578**	**$ 60,535**	**$ 1,307,130**	**$ 1,349,913**	**$ 28,556,898**	**$ 30,261,274**	$ 28.336.133	$ 30.702.447
Net assets, beginning of year	$ 68.150	$ 67.407	$ 1.256.259	$ 1.378.614	$ 28.336.133	$ 30.702.447		

PREACHERS' AID SOCIETY OF NEW ENGLAND

UNAUDITED STATEMENT OF REVENUES COLLECTED, EXPENSES PAID, PRINCIPAL ADDITIONS, AND CHANGES IN FUND BALANCES AND SUPPLEMENTAL INFORMATION DECEMBER 31, 2011 WITH COMPARATIVE TOTALS FOR 2010

	Capital Fund	Annuity Fund	Benjamin J and Lydia J Sargent Fund	Lois and Blaine Taylor Fellowship Fund	Pooled Income Fund	Clergy and Family Assistance Fund	Total All Funds 2011	Total All Funds 2010
Revenues collected	$ 623,404	$ -	$ 75,343	$ 10,057	$ 2,551	$ 33,901	$ 745,256	$ 649,065
Expenses paid or accrued	1,093,125	11,998	73,684	7,000	10,287	36,123	1,232,217	1,153,442
(Deficiency) excess of revenues collected over expenses before principal additions	(469,721)	(11,998)	1,659	3,057	(7,736)	(2,222)	(486,961)	(504,377)
Principal additions								
Contributions from churches, individuals, memorials and bequests	28,358	50,000	-	205	-	-	78,563	110,140
Gain on sales of investments, net	218,462	-	98,273	14,571	-	46,176	377,482	275,089
Unrealized (loss) gain on investments	(439,303)	1,208	(139,389)	(14,485)	864	(72,655)	(663,760)	2,390,656
Fundraising revenue	145,637	-	-	-	-	-	145,637	145,100
Service fee revenue	586	-	-	-	-	-	586	12,503
Program revenue, rental	98,426	-	-	-	-	-	98,426	62,264
Program revenue, other	8,854	-	-	-	-	-	8,854	-
(Deficiency) excess of revenues collected over expenses	(408,701)	39,210	(39,457)	3,348	(6,872)	(28,701)	(441,173)	2,491,375
Net assets, beginning of year	26,167,111	158,013	2,611,436	319,866	67,407	1,378,614	30,702,447	28,211,072
Net asset transfer	10,933	(10,933)	-	-	-	-	-	-
Net assets, end of year	$ 25,769,343	$186,290	$ 2,571,979	$ 323,214	$60,535	$ 1,349,913	$ 30,261,274	$ 30,702,447
Net assets at end of year are comprised of								
Principal								
Capital fund	$ 31,961,566	$ -	$ -	$ -	$ -	$ -	$ 31,961,566	$ 31,889,613
Annuities	-	251,091	-	-	-	-	251,091	210,816
Other funds	-	-	2,571,979	345,140	76,223	1,345,317	4,338,659	4,403,440
Accumulated (deficiency) excess of revenues collected over expenses	(6,192,223)	(64,801)	-	(21,926)	(15,688)	4,596	(6,290,042)	(5,801,422)
Net assets, end of year	$ 25,769,343	$186,290	$ 2,571,979	$ 323,214	$60,535	$ 1,349,913	$ 30,261,274	$ 30,702,447

PREACHERS' AID SOCIETY OF NEW ENGLAND

UNAUDITED STATEMENT OF REVENUES COLLECTED

DECEMBER 31, 2011 WITH COMPARATIVE TOTALS FOR 2010

	Capital Fund	Annuity Fund	Benjamin J and Lydia J Sargent Fund	Lois and Blaine Taylor Fellowship Fund	Pooled Income Fund	Clergy and Family Assistance Fund	Total All Funds 2011	Total All Funds 2010
Revenues collected								
Interest and dividends	$ 595,946	$ -	$ 75,343	$ 10,057	$ 2,551	$ 33,901	$ 717,798	$ 623,803
Trust income								
Goulding Trust	14,689	-	-	-	-	-	14,689	12,598
Twombly Trust	409	-	-	-	-	-	409	805
Getchell Trust	286	-	-	-	-	-	286	1,052
Bowden Trust	1,816	-	-	-	-	-	1,816	2,026
F Pierce Trust	4,348	-	-	-	-	-	4,348	2,611
Miscellaneous	5,910	-	-	-	-	-	5,910	6,170
Total trust income	27,458	-	-	-	-	-	27,458	25,262
Total income	$ 623,404	$ -	$ 75,343	$ 10,057	$ 2,551	$ 33,901	$ 745,256	$ 649,065

PREACHERS' AID SOCIETY OF NEW ENGLAND

UNAUDITED STATEMENT OF EXPENSES PAID OR ACCRUED

FOR THE YEAR ENDED DECEMBER 31, 2011

	Capital Fund	Annuity	Benjamin J. and Lydia J. Sargent Fund	Lois and Blaine Taylor Fellowship Fund	Pooled Income Fund	Clergy and Family Assistance Fund	Total
Expenses paid:							
Pastoral care expenses:							
Director of Clergy and Family Services							
Salary	$ 134,002	$ -	$ -	$ -	$ -	$ -	$ 134,002
Pension and health expense	27,257	-	-	-	-	-	27,257
Travel	20,902	-	-	-	-	-	20,902
Continuing education	1,593	-	-	-	-	-	1,593
Office rent	11,978	-	-	-	-	-	11,978
Office supplies and postage	5,728	-	-	-	-	-	5,728
Housing initiatives	17,714	-	-	-	-	-	17,714
Payments to holders of annuities	-	11,998	-	-	-	-	11,998
Payments to beneficiaries of Pooled Income Fund	-	-	-	-	10,287	-	10,287
Payments to pastors and families	137,870	-	-	-	-	-	137,870
Taylor Fellowship Grant	-	-	-	7,000	-	-	7,000
Education expenses:							
Associate Executive Director							
Salary and education	86,030	-	-	-	-	-	86,030
Travel	3,008	-	-	-	-	-	3,008
Pension expense	8,126	-	-	-	-	-	8,126
Program development	12,591	-	-	-	-	-	12,591
Consulting expense	1,192	-	-	-	-	-	1,192
Higher education loan program	4,395	-	-	-	-	-	4,395
UMFNE program expenses	25,000	-	-	-	-	-	25,000
Executive Director							
Salary and housing	90,001	-	-	-	-	-	90,001
Health insurance/pension contribution	26,134	-	-	-	-	-	26,134
Travel	31,994	-	-	-	-	-	31,994
Materials and supplies	19,254	-	-	-	-	-	19,254
Administrative & general expenses:							
Investment management fees	111,295	-	-	-	-	-	111,295
Administration, office rent	32,463	-	-	-	-	-	32,463
Administration, travel	3,841	-	-	-	-	-	3,841
Payroll taxes	21,131	-	-	-	-	-	21,131
Secretarial services	44,952	-	-	-	-	-	44,952
Office supplies and postage	33,527	-	-	-	-	-	33,527
Office equipment and maintenance	7,272	-	-	-	-	-	7,272
Housing program expense	114,166	-	-	-	-	-	114,166
Other programs expense	1,185	-	-	-	-	-	1,185
Accounting fees	22,560	-	-	-	-	-	22,560
Consultants	37,013	-	-	-	-	-	37,013
Insurance	9,545	-	1,850	-	-	-	11,395
Legal expenses	1,239	-	309	-	-	-	1,548
Audit fees	41,225	-	-	-	-	-	41,225
Meetings and conferences	8,586	-	-	-	-	-	8,586
Bank charges	1,168	-	-	-	-	-	1,168
Depreciation expense	44,836	-	-	-	-	-	44,836
Pastoral Care Contribution from Clergy and Family Fund	(107,648)	-	71,525	-	-	36,123	-
Total expenses paid	$ 1,093,125	$ 11,998	$ 73,684	$ 7,000	$ 10,287	$ 36,123	$ 1,232,217

PREACHERS' AID SOCIETY OF NEW ENGLAND

UNAUDITED STATEMENT OF EXPENSES PAID OR ACCRUED

FOR THE YEAR ENDED DECEMBER 31, 2010

	Capital Fund	Annuity Fund	Benjamin J and Lydia J Sargent Fund	Lois and Blaine Taylor Fellowship Fund	Pooled Income Fund	Clergy and Family Assistance Fund	Total
Expenses paid:							
Pastoral care expenses:							
Director of Clergy and Family Services							
Salary	$ 117,416	$ -	$ -	$ -	$ -	$ -	$ 117,416
Pension expense	36,904	-	-	-	-	-	36,904
Travel	12,374	-	-	-	-	-	12,374
Continuing education	1,402	-	-	-	-	-	1,402
Office equipment and maintenance	1,912	-	-	-	-	-	1,912
Office supplies and postage	4,775	-	-	-	-	-	4,775
Housing initiatives	124	-	-	-	-	-	124
Clergy family programs	6,059	-	-	-	-	-	6,059
Payments to holders of annuities	-	10,349	-	-	-	-	10,349
Payments to beneficiaries of Pooled Income Fund	-	-	-	-	1,824	-	1,824
Payments to pastors and families	98,829	-	-	-	-	-	98,829
Taylor Fellowship Grant	-	-	-	6,500	-	-	6,500
Visitations	525	-	-	-	-	-	525
Education expenses:							
Associate Executive Director							
Salary and education	55,593	-	-	-	-	-	55,593
Travel	4,478	-	-	-	-	-	4,478
Pension expense	4,323	-	-	-	-	-	4,323
Program development	12,719	-	-	-	-	-	12,719
Higher education loan program	6,711	-	-	-	-	-	6,711
UMFNE program expenses	20,000	-	-	-	-	-	20,000
Executive Director							
Salary and housing	90,500	-	-	-	-	-	90,500
Health insurance/pension contribution	26,217	-	-	-	-	-	26,217
Travel	26,306	-	-	-	-	-	26,306
Materials and supplies	5,300	-	-	-	-	-	5,300
Administrative & general expenses:							
Investment management fees	131,786	-	-	-	-	-	131,786
Administration, office rent	26,942	-	-	-	-	-	26,942
Administration, travel	1,036	-	-	-	-	-	1,036
Payroll taxes	17,014	-	-	-	-	-	17,014
Secretarial services	41,272	-	-	-	-	-	41,272
Office supplies and postage	32,474	-	-	-	-	-	32,474
Office equipment and maintenance	5,196	-	-	-	-	-	5,196
Housing program expense	65,156	-	-	-	-	-	65,156
Capital campaign program expense	12,532	-	-	-	-	-	12,532
Other programs expense	26,213	-	-	-	-	-	26,213
Accounting fees	21,173	-	-	-	-	-	21,173
Consultants	172,483	-	-	-	-	-	172,483
Insurance	8,189	-	1,850	-	-	-	10,039
Legal expenses	4,398	-	454	-	-	-	4,852
Audit fees	12,550	-	-	-	-	-	12,550
Meetings and conferences	12,479	-	-	-	-	-	12,479
Bank charges	728	-	-	-	-	-	728
Depreciation expense	8,377	-	-	-	-	-	8,377
Pastoral Care Contribution from Clergy and Family Fund	(90,749)	-	54,377	-	-	36,372	-
Total expenses paid	$ 1,041,716	$ 10,349	$ 56,681	$ 6,500	$ 1,824	$ 36,372	$ 1,153,442

Additional Data

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Special Condition Description