

**FISCAL YEAR 2017-2018 ANNUAL REPORT
OF THE TRUSTEES OF FRIENDS MEETING OF WASHINGTON (FMW)**

February, 2019

FMW's overall financial position strengthened in FY 2017-18 (July 1, 2017– June 30, 2018). FMW revenue from all sources increased to about \$985 thousand. Unrestricted contributions increased from about \$388 thousand to about \$460 thousand while restricted contributions remained about the same. Our expenses decreased somewhat, from approximately \$591 to \$536 thousand. We concluded FY18 with an increase in net assets of about \$450 thousand, from about \$3.6 to \$4.1 million. This increase in net assets as was due to capital campaign contributions, capital improvements and investment income.

REVENUE INCREASED

In FY18 Friends and attenders donated about \$523 thousand, up from approximately \$452 thousand, although unrestricted contributions remained about the same, at about \$64 thousand. Our total revenue and support was \$985 thousand. Space rental income earned the Meeting about \$247 thousand dollars, over \$12,000 more than the previous fiscal year, and an additional \$189 thousand was donated for specific special projects including the Simpson Scholarship, the Personal Aid Fund and the Shoebox Project. Our investments had a net unrealized gains of about \$100 thousand, about \$72 thousand less than FY17.

FY 18 SPENDING DECREASED

FMW FY18 total spending was about \$536 thousand, about \$56 thousand less than expenses of \$591,198 in FY 17. The largest change was a \$40 thousand reduction in personnel and consultant costs. Program and site costs, as well as office expenses, also showed decreases. Another large expenditure was our \$64 thousand apportionment, a contribution in support of Baltimore Yearly Meeting. In all, we realized a gain of about \$450 thousand in net assets in FY 2018.

FY18 LONG-TERM DEBT

On June 27, 2017. the Meeting entered into a loan agreement with Sandy Spring Bank in a maximum amount of \$3.6 million and, carrying interest at a fixed rate of 4.35% per annum. Payments of interest-only are due through and including December 1, 2018, with the option to extend the interest-only period to May 1, 2019.

Financing fees related to the loan were about \$54 thousand. As of June 30, 2018 and 2017, no funds had been drawn on the loan.

INVESTMENTS

The value of the Meeting's investment portfolio decreased in FY 2018, to about \$1.9 million from \$2.2 million. This change was reflected in proportional decreases of all classes of investment and is due to stock market decreases during the year.

REVENUES

While interest and dividend income is slightly lower this year, increased contributions to the Meeting offset this decrease for the most part. Rental income was up by \$52 thousand, and rentals continue to be a major part of our operating revenue.

INTEGRITY OF FMW FINANCIAL RECORDKEEPING

The Meeting's financial records are audited independently every third year and subjected to a review in the other two years. No problems were identified by the auditors. Our financial review was considered satisfactory by the reviewing agency.

Copies of FMW financial reviews and audits are available in the Library and are electronically on the Meeting's website at www.quakersdc.org/Trustees.

The Trustees discussed, at the suggestion of the Meeting's bookkeeper, whether the Meeting will incur unrelated business income tax (UBIT) due to our acquisition of a mortgage. In FY 2017-2018, Trustees began to research the potential UBIT, to be brought clarity in the 2018-2019 fiscal year.

Trustees recognize and appreciate the assistance of the Finance and Stewardship Committee, the Capital Improvement Task Force, Former Bookkeeper Laurie Wilner, and our current and former Meeting Administrative Secretaries, Barbara Briggs and Debby Churchman, in preparing this report.