

**FISCAL YEAR 2018-2019 ANNUAL REPORT
OF THE TRUSTEES OF
FRIENDS MEETING OF WASHINGTON (FMW)**

July 18, 2021

FMW's overall financial position was mixed during FY 2018-19 (July 1, 2018– June 30, 2019). Revenue decreased and spending increased while the meeting's net assets increased, primarily thanks to capital improvements. FMW revenue from all sources decreased about \$985 thousand to about \$724 thousand. Unrestricted contributions decreased from about \$460 thousand to about \$355 thousand while restricted contributions increased from about \$62 thousand to \$75 thousand. Our expenses increased somewhat, from approximately \$536 to \$583 thousand. We concluded FY19 with an increase in net assets of about \$200 thousand, from about \$4.0 to \$4.2 million. This increase in net assets was due to capital campaign contributions and, in particular, capital improvements.

FY19 REVENUE DECREASED

In FY19, Friends donated about \$430 thousand, down from approximately \$521 thousand in FY18, although restricted contributions increased, from about \$62 thousand to about \$75 thousand. Our total revenue and support was \$724 thousand. Space rental income earned the Meeting about \$156 thousand dollars, \$91 thousand less than the previous fiscal year due to construction in the Meetings rental spaces, and an additional \$175 thousand was donated for the Simpson Scholarship, the Personal Aid Fund and the Shoebox Project. Our investments had net unrealized gains of about \$38 thousand, about \$62 thousand less than FY18.

FY 19 SPENDING INCREASED

FMW FY19 total spending was about \$583 thousand, about \$47 thousand more than \$536 thousand in FY18. The largest changes were a \$24 thousand increase in personnel and consultant costs and a \$21 thousand increase in site costs. Office expenses also increased slightly, and other expenses remained approximately level.

FY19 LONG-TERM DEBT

In FY 2019, liabilities totaled \$3,166,672. Cash flow from the mortgage increased by \$2,800,906 in this fiscal year, all of which was used to pay costs of our renovation. In the fiscal year 2019 the Meeting began drawing on a loan with Sandy Spring Bank, in a maximum amount of \$3.6 million and carrying interest at a fixed rate of 4.35% per annum. We made interest-only payments through and including September 1, 2019. On September 1, 2019, the construction loan converted to a permanent mortgage at a balance of \$3,350,000. Principal and interest payments are due monthly in the amount of \$18,456, based on a 25-year amortization schedule beginning October 1, 2019, with the mortgage terminating on June 1, 2032. By that date, the Meeting will refinance the amount remaining, which would be approximately \$2,000,000 without additional payments made in the interim period.

ASSETS

The value of the Meeting's investment portfolio decreased by \$39,479 in FY 2019, to \$1,885,917, though the Meeting's assets increased overall. The Meeting's net assets, without donor restrictions, increased by \$82,494, to \$2,531,401 in fiscal year 2019. Net assets with donor restrictions increased also, to \$1,631,362 for total net assets of 4,162,763 at the end of FY 2019.

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/TrusteesFinance and Stewardship](http://www.quakersdc.org/TrusteesFinance%20and%20Stewardship)

Trustees recognize and appreciate the assistance of the Finance and Stewardship Committee, the Capital Improvement Task Force, Accountant Henok Tedla, Former Bookkeeper Laurie Wilner, and our Meeting Administrative Secretary, Barbara Brigg, in preparing this report.