

Bookkeeper's Report

7-16-13

The year-end financial work is nearly complete and ready for the auditors. The only known items that remain outstanding are the April 1 – June 30 property tax bill, Jon Dewitt's (repairman/contractor) bill and Saval (the supplier of food for the SOME breakfasts.) Of these the only material item is the tax bill which Steve Coleman might be able to estimate for you.

Despite contributions being less than expected, the year ends in a good place. Recognizing that these costs are outstanding, I still believe the year will end solidly. I have given a more detailed recap of the reports below.

P&L Overview:

As F&S has reported, contributions from known members & attenders fell short; FMW only received 83% of what was budgeted. This could have been a truly difficult year had the building revenue not been so strong and had personnel costs not been less than projected. Fortunately, more people rented the building for various occasions that we anticipated. Additionally helpful was the delay in and pay/benefit difference associated with hiring Debby and reduced utility costs.

Additional savings were realized in committee budgets. R/E alone saved over \$15,000 – most in payroll and consultant costs. These savings came from a workshop consultant that apparently did not happen, a delay in hiring Windy, and child care providers that did not work the hours expected. The Building Campaign/Task Force used less than \$3,000 of their \$7,000 consultant budget; what they did spend was for Wealth Engine a fund raising consultant that analyzed the FMW donor data base and provided the task force with information on potential donors.

As explained above, the last quarter tax bill is not in but will be accrued. I understand that both a change in the percentage of the building taxed and the valuation of the property are being discussed. I expect the accrued tax expense to be at least \$5,700. Since \$29,000 was budgeted and less than \$17,000 has been charged I believe it is safe to assume that the tax cost will be below budget for the year.

Lastly, below the first "net" line are two items: depreciation and unrealized gains. These are not actually budgeted since F&S budgets a reserve transfer instead of depreciation. Unrealized gains and losses are not considered in the budget process at all but do impact the financial statements. The gains reported here are only on the unrestricted portion of the portfolio; the other gains are recorded in and out of income so they can be reflected in the appropriate Trustee fund balance. This year's improvement in the market shows total gains of approximately \$116,103 despite fourth quarter losses of more than \$14,000. That is a gain of approximately 7% on a portfolio that also provided income of about \$76,000 – better than 4.5% of the portfolio value at 6/30/12.

Balance Sheet Overview:

Assets

Cash in the bank is now very high – over \$200,000. This includes nearly \$97,000 raised for the capital campaign that is not invested. I await Trustee's decision on how best to invest this.

Other changes to note include a reclassification of some costs for architects; these are now out of Building and into the new Renovation Start Up Costs. Also noteworthy is a transaction involving the antiques; Grant Thompson purchased two Native American vases for \$800. This is reflected wholly in the value of antiques, no gain or loss was reported because no information is available to determine what is included in this figure.

Liabilities

You will notice that payables are significantly reduced from this time last year. This is almost entirely related to the building. Not only is the payable for the Fourth – Sixth Month real estate tax not yet accrued but we also do not have a lot of construction work going on this year as we did last year. Another change of note in the liabilities is a significant increase in the deferred income. The space use has increased and many deposits for future use have been received. The money is not recognized as income until the use date. Also related to the building is the change in deposits received. These are deposits from our monthly tenants.

Net Assets

The operating fund (unrestricted cash reserves) has increased significantly. This is from the year's net revenue as well as due to transfers made from the Property Reserve and Bequest Funds as the renovation work was being done. You should note that the Other Bequest Fund is completely used up. Market gains offset the \$12,000 used from the Murray Bequest Fund. The only other noteworthy item not yet addressed is the Simpson Fund. Bethesda Meeting and the Fund's Clerk, Anne Kendall, have been fund raising for the scholarships. The Barbara Nnoka memorial luncheon here at FMW, Bethesda Meeting, and a few family foundations and individuals provide a significantly amount of funding for these scholarships. In addition, FMW provides \$1,000 from its annual budget and all the accounting work to help enable a handful of the city's poorest students to attain a college education.

Peace,
Laurie