

# **FISCAL YEAR 2015 ANNUAL REPORT OF THE TRUSTEES OF FRIENDS MEETING OF WASHINGTON (FMW)**

June, 2017

FMW's overall financial position strengthened in FY15 (July 1, 2015 – June 30, 2016). FMW revenue decreased but our spending did not. Despite this, we concluded FY15 with a modest increase in our investments, significant improvements in property maintenance and a minimal increase in operating costs. Our detailed report and analysis is attached and summarized below. The integrity of our financial records for FY15 is attested in the attached *audit review* for FY15.

## **FY 15 REVENUE**

In FY15 support from Friends and attenders increased. We received revenue of \$199,000 for ongoing operation of Meeting. Space rental earned the Meeting \$203,000; an additional \$71,500 was donated for specific projects including the Simpson Scholarship Fund, the Personal Aid Fund and the Shoebox Project. In addition, Friends donated \$209,000 to our Capital Campaign Fund for accessibility, greening and flood prevention improvements. We gained a net \$76,000 in FY15 from our investments, though there were unrealized losses.

## **FY15 SPENDING**

FMW FY15 total spending was \$663,000. Personnel, office and other expenses, and program support accounted for \$266,000. Deferred maintenance and other property spending, including the early work on the renovation project, accounted for \$249,000 of the total. This increased spending has been accompanied by a significant increase in revenue from rental of our space. Another large expenditure is our \$58,000 assessment in support of Baltimore Yearly Meeting. Property tax, incurred because some of our tenants serve people outside the District of Columbia, was \$3,200. The Meeting spent \$87,000 for planning services to reduce construction project costs and to comply with more stringent new stormwater regulations.

## **2005 - 2015 TRENDS**

Between 2005 and 2015 our revenue increased. Unrestricted contributions, however, have decreased. Our investments increased \$1.6 million from both market changes and additional investments but the fluctuation in market value resulted in a below-average return of \$76,000 in FY15. Annual donations for meeting operations rose through 2009 but have fallen from that high point. Gifts to fund the renovation project have increased. Donations to support Meeting operations has decreased by 20.3% from the 2009 high-point and by 7.5% from the 2005 level of support. Fortunately, revenue from space rentals, which had been consistent in the early years of the past decade, has increased by over 300% since 2009. Spending fluctuates from year to year, but we incurred significant increases in property spending, as the Meeting addressed long deferred property maintenance and improvements. Our spending for operations, including personnel and programs, has remained much the same during this 10-year period. We expect rental revenue to fall during our renovation and construction project, then rise significantly as the appeal and utility of our campus becomes known.

## **INTEGRITY OF FMW FINANCIAL RECORDKEEPING**

The Meeting's financial records are audited independently every third year and subjected to an *annual financial review* by outside auditors the other two years. Our last full audit, in FY 2013, found that the financial statements fairly presented our financial condition in all material respects

and that our records are being kept in accord with generally accepted accounting principles. The FY15 *financial review* found that our FY15 financial statements conform with generally accepted US accounting principles. Our FY16 financial records have been audited and Trustees will submit an Annual Report on the FY16 audit and the Meeting's financial condition in the next few months.

Copies of FMW financial reviews and audits are available in the Library. Electronic copies are posted on the Meeting's website at: [www.quakersdc.org/Finance and Stewardship](http://www.quakersdc.org/Finance_and_Stewardship) .

Trustees recognize and very much appreciate the assistance of the Finance and Stewardship Committee, the Capital Improvement Task Force, Laurie Wilner, Meeting Bookkeeper and Debby Churchman, Meeting Administrative Secretary in preparing this report.

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