

FRIENDS MEETING OF WASHINGTON

FINANCIAL STATEMENTS AND
ACCOUNTANTS' REVIEW REPORT

JUNE 30, 2009 AND 2008

STRACK | STANFIELD, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRIENDS MEETING OF WASHINGTON

CONTENTS

	<u>Page</u>
ACCOUNTANTS' REVIEW REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	2
STATEMENT OF ACTIVITIES	3-4
STATEMENTS OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS	6-9

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ACCOUNTANTS' REVIEW REPORT

To the Board of Trustees
FRIENDS MEETING OF WASHINGTON

We have reviewed the accompanying statements of financial position of FRIENDS MEETING OF WASHINGTON as of June 30, 2009 and 2008, and the related statements of activities and changes in net assets for the years then ended in accordance with Statement of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of FRIENDS MEETING OF WASHINGTON.

A review consists principally of inquiries of management personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with U.S. generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with U.S. generally accepted accounting principles.



Rockville, Maryland
August 13, 2009

FRIENDS MEETING OF WASHINGTON
 STATEMENTS OF FINANCIAL POSITION
 (SEE ACCOUNTANTS' REVIEW REPORT)
 JUNE 30 2009 AND 2008

ASSETS

	2009	2008
Cash and cash equivalents	\$ 202,751	\$ 177,635
Accounts receivable	500	1,410
Prepaid expenses	14,659	4,174
Investments (NOTE 3)	1,342,636	1,737,789
Antique collection	12,800	12,800
Land, buildings and equipment, net of depreciation (NOTE 4)	509,875	481,461
TOTAL ASSETS	\$ 2,083,221	\$ 2,415,269

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 33,753	\$ 30,494
Deposits	520	520
Deferred income	500	-
Agency funds	1,194	1,194
Total Liabilities	35,967	32,208
NET ASSETS		
Unrestricted		
Meeting designated (NOTE 6)	393,815	534,438
Net investment in plant	522,675	494,261
Endowment earnings	643,383	921,596
Undesignated	71,066	83,381
Total unrestricted	1,630,939	2,033,676
Temporarily restricted (NOTE 7)	114,393	47,463
Permanently restricted	301,922	301,922
Total Net Assets	2,047,254	2,383,061
TOTAL LIABILITIES AND NET ASSETS	\$ 2,083,221	\$ 2,415,269

The accompanying notes are an integral part
of these financial statements

FRIENDS MEETING OF WASHINGTON
STATEMENT OF ACTIVITIES
(SEE ACCOUNTANTS' REVIEW REPORT)
FOR THE YEAR ENDED JUNE 30, 2009 WITH COMPARABLE TOTALS FOR 2008

	2009			2008 TOTAL
	UNRESTRICTED	RESTRICTED TEMPORARILY	PERMANENTLY	
REVENUES AND SUPPORT				
Contributions	\$ 246,997	\$ 117,854	-	\$ 364,851
Bequests and memorials	750	-	-	750
Use of facilities	49,251	-	-	49,251
Literature and projects sales	1,223	3,324	-	4,547
Interest and dividend income	102,262	750	-	103,012
Net realized and unrealized gains on investments	(395,137)	-	-	(395,137)
Other	<u>540</u>	<u>-</u>	<u>-</u>	<u>750</u>
TOTAL REVENUE AND SUPPORT	5,886	121,928	-	127,814
NET ASSETS RELEASED FROM RESTRICTIONS	<u>54,998</u>	<u>(54,998)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE, SUPPORT AND RECLASSIFICATIONS	\$ <u>60,884</u>	\$ <u>66,930</u>	-	\$ <u>127,814</u>

The accompanying notes are an integral part
of these financial statements

FRIENDS MEETING OF WASHINGTON
STATEMENT OF ACTIVITIES (CONTINUED)
(SEE ACCOUNTANTS' REVIEW REPORT)
FOR THE YEAR ENDED JUNE 30, 2009 WITH COMPARABLE TOTALS FOR 2008

	2009			2008	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	TOTAL
EXPENSES					
Personnel and consultants	\$ 175,713	-	\$ -	\$ 175,713	\$ 157,987
Program costs	78,869	-	-	78,869	73,953
Site costs	92,360	-	-	92,360	72,686
Office expenses	18,358	-	-	18,358	34,853
Apportionment	59,500	-	-	59,500	56,250
Depreciation	35,559	-	-	35,559	44,672
Other expenses	<u>3,262</u>	<u>-</u>	<u>-</u>	<u>3,262</u>	<u>3,687</u>
Total Expenses	<u>463,621</u>	<u>-</u>	<u>-</u>	<u>463,621</u>	<u>444,088</u>
CHANGE IN NET ASSETS	(402,737)	66,930	-	(335,807)	(236,347)
BEGINNING OF YEAR	<u>2,033,676</u>	<u>47,463</u>	<u>301,922</u>	<u>2,383,061</u>	<u>2,619,408</u>
END OF YEAR	<u>\$ 1,630,939</u>	<u>\$ 114,393</u>	<u>\$ 301,922</u>	<u>\$ 2,047,254</u>	<u>\$ 2,383,061</u>

The accompanying notes are an integral part
of these financial statements

FRIENDS MEETING OF WASHINGTON
STATEMENTS OF CASH FLOWS
(SEE ACCOUNTANTS' REVIEW REPORT)
FOR THE YEARS ENDED JUNE 30 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (335,807)	\$ (236,347)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net realized and unrealized losses from investments	395,137	226,097
Depreciation	35,559	44,672
Loss on disposition of fixed assets	-	453
Decrease (increase) in accounts receivable	910	(1,276)
(Increase) in prepaid expenses	(10,485)	(1,779)
Decrease in deposits	-	100
Increase in accounts payable and accrued expenses	3,259	11,073
Increase in deferred revenue	500	-
(Decrease) in agency funds	<u>-</u>	<u>(100)</u>
Net Cash Provided By Operating Activities	<u>89,073</u>	<u>42,893</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments purchased	-	(40,000)
Fixed asset acquisitions	<u>(63,957)</u>	<u>-</u>
Net Cash (Used For) Investing Activities	<u>(63,957)</u>	<u>(40,000)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	25,116	2,893
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>177,635</u>	<u>174,742</u>
End of year	<u>\$ 202,751</u>	<u>\$ 177,635</u>

FRIENDS MEETING OF WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30 2009 AND 2008

1. ORGANIZATION AND PURPOSE

The Friends Meeting of Washington is a non-profit corporation organized in Washington, D.C. on June 20, 1930. The Meeting was established to provide a place of worship for all people.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Meeting have been prepared on the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized as the obligations are incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Meeting is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. SFAS No. 117 also requires the Meeting to report expenses as a decrease in unrestricted net assets whether they are incurred to satisfy a donor's restrictions or not.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalentents

The term cash as used in the accompanying financial statements includes currency on hand, demand deposits, and highly liquid investments purchased with Financial Institutions with a maturity of three months or less. Balances in bank accounts at June 30, 2009 did not exceed \$250,000, which is the maximum amount covered by federal depository insurance.

Antique Collection

An antique collection in the amount of \$12,800 was recorded June 30, 1981 at the approximate fair market value. The collection is not subject to depreciation.

FRIENDS MEETING OF WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30 2009 AND 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are recorded at market value. Unrealized gains and losses are included in the Statements of Activities.

Land, Buildings and Equipment

Land, buildings and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Additions of \$2,500 or more are generally capitalized.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

Contributed Services

The Meeting receives a substantial amount of services donated by its members in carrying out the Meeting's activities. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, "Accounting for Contributions Received and Contributions Made."

Income Taxes

The Meeting is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) on any net income derived from activities related to its exempt purpose and is not a private foundation within the meaning of Section 509(a) of the Code. Accordingly, no provision for federal income taxes has been made.

Comparative Information

The statement of activities includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Meeting's financial statement for the year ended June 30, 2008, from which the summarized information was derived.

FRIENDS MEETING OF WASHINGTON
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30 2009 AND 2008

3. INVESTMENTS

Investments are carried at fair market value and are comprised of funds in managed amounts through the Friends Fiduciary Corporation, a nonprofit corporation. Participation in the funds is represented by units which are valued quarterly, at which time new participations and withdrawals are recorded. Cash paid out or received prior to these dates is adjusted by the appropriate interest charge or credit.

4. LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consists of the following:

	2009	2008
Land	\$ 231,888	\$ 231,888
Buildings and improvements	896,404	832,431
Furniture and equipment	19,357	19,357
	1,147,649	1,083,676
Less: Accumulated depreciation	(637,774)	(602,215)
	\$ 509,875	\$ 481,461

Depreciation expense was \$35,559 and \$44,672 for the years ended June 30, 2009 and 2008, respectively.

5. RETIREMENT PLAN

The Meeting has a contributory retirement plan for substantially all employees and contributes 5% of the eligible employees' salary. An eligible employee is a full or part time permanent employee who also makes a 5% contribution. The Meeting's cost was \$5,147 and \$4,875 for years ended June 30, 2009 and 2008, respectively.

FRIENDS MEETING OF WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30 2009 AND 2008

6. DESIGNATED UNRESTRICTED NET ASSETS

The Meeting designated a portion of unrestricted net assets for various purposes which are summarized as follows:

	2009	2008
Property Reserve	\$ 102,769	\$ 117,678
Trustees' Reserve	291,046	416,760
	\$ 393,815	\$ 534,438

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2009	2008
History Project	\$ 1,475	\$ 1,475
Personal Aid	10,367	9,142
Fund for Sufferings	3,545	3,545
Garden Improvements	-	1,982
Senior Center	6,432	6,432
Shoebox Fund	64,024	3,201
Financial Aid	26,818	20,528
Miscellaneous	1,732	1,158
	\$ 114,393	\$ 47,463

8. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities are summarized on a functional basis herein. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

	2009	2008
Program Expenses	\$ 355,295	\$ 340,534
General and administrative expenses	105,990	96,717
Fundraising expenses	2,336	6,837
Total expenses	\$ 463,621	\$ 444,088