

**FISCAL YEAR 2019-2020 ANNUAL REPORT  
OF THE TRUSTEES OF  
FRIENDS MEETING OF WASHINGTON (FMW)**

**October 10,2021**

FMW's overall financial position was mixed during FY 2019-20 (July 1, 2019– June 30, 2020). Revenue and spending both increased and the meeting's net assets decreased slightly. FMW revenue from all sources increased about \$724 thousand to about \$854 thousand. Unrestricted contributions increased from about \$355 thousand to about \$500 thousand while restricted contributions increased from about \$75 thousand to \$90 thousand. Our expenses increased significantly, from approximately \$582 thousand to \$1.02 million. We concluded FY20 with an decrease in net assets of about \$200 thousand, from about \$4.2 to \$4.0 million. This decrease in net assets was due to an increase in expenses, primarily due to mortgage interest expense, Program Costs, Personnel and Consultants, and Site Costs.

**FY20 REVENUE INCREASED**

In FY20, Friends donated about \$590 thousand, up from approximately \$430 thousand in FY19. Our total revenue and support was \$854 thousand, up \$100 thousand from FY19. Space rental income earned the Meeting about \$202 thousand dollars, \$46 thousand more than the previous fiscal year due to construction in the Meetings rental spaces.

**FY 20 SPENDING INCREASED**

FMW FY20 total spending was about \$1.02 million, about \$437 thousand more than in FY19. The largest expenses were mortgage interest expense, which increased by \$119 thousand; personnel and consultants, which increased by \$75 thousand; site costs, which increased by \$58 thousand; and program costs, which increased by \$26 thousand.

**FY20 LONG-TERM DEBT**

In FY 2020, liabilities totaled approximately \$3.39 million. 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 \$318 thousand in FY 2020, to \$1.57 million, and the Meeting's net assets decreased slightly overall. The Meeting's net assets, without donor restrictions, decreased by \$200 thousand, to \$2.3 million in fiscal year 2020. Net assets with donor restrictions increased to \$1.67 million for total net assets of \$4.0 million at the end of FY 2020.

## **ALEX MATTHEWS ESTATE**

Our beloved, long-time member Alexander (Alex) Mathew died October 30, 2019. Several years prior to his death, Alex prepared a will leaving one-third of his residual estate to the Friends Meeting of Washington, and smaller amounts to nieces, a nephew, and neighbors. Shortly before his death from a relapse of pancreatic cancer, he was convinced to sign another will. Trustees made a decision to challenge the second will having determined that the second will did not represent Alex's true wishes. A trial was held and the D.C. judge determined that Alex did not have testamentary capacity to make the second will. That decision was appealed and the appeal was denied. The personal representative is now in the process of liquidating the estate, mostly comprised of Alex's personal residence at 1327 Monroe St. NE, Washington, DC. When funds are received, Trustees will need to determine how to use them.

## **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 electronically on the Meeting's website at [www.quakersdc.org/Trustees](http://www.quakersdc.org/Trustees)

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 Briggs, in preparing this report.