

# **FWCC SoA Treasurer's Report**

## **Section Meeting**

**March 21-24, 2019**

As your outgoing treasurer, I would like to thank Robin and her staff for all their help, especially Heather who stepped in and has exceeded expectations this year. Together, we bring to the body financial reports that are simpler and more transparent than in prior years. Accuracy has been increased and depth of understanding of the FWCC finances has done likewise. Over the last two years we have delved deeply into old documents and files to make sure that we truly understand what we are presenting, and we have been successful. It has been a pleasure doing this work with the staff for FWCC SoA.

### **Audit:**

At the last Section Meeting in 2017, we passed a resolution moving the every-other-year audit from the year after the Section Meeting to the year just before the Section Meeting. This means that we can provide audited financial statements for the last fiscal year, which ended on April 30, 2018. An audit provides the body with a level of surety that its financial statements represent accurately the financial condition of the organization. Our audit went well. We have the highest level of surety that auditors can bestow: a clean opinion. As of the audit, our net assets had increased from \$1,604,501 (Fiscal 2015 audit) to \$1,752,470 (Fiscal 2018 audit). More significantly, our Unrestricted Net Assets grew from \$444,285 to \$469,190 during the same period. Our Executive Secretary is very good with managing expenses and obtaining grants to forward our work.

### **Net Assets:**

Unfortunately, the net assets have fallen in the months since that audit. That is mostly because our assets at Friends Fidelity have suffered a \$100,000 unrealized loss after growing about the same in the year before the audit. While all organizations are required to report Unrealized Gains and Losses, this is not something that any entity can control. Unfortunately, this loss makes our income statements (Statements of Activity) look worse.

Then, unique to FWCC SoA is the fact that our largest program for the year, the Section Meeting, is not yet included in our financial records. This also makes our current income statements look worse. Consequently, we are also presenting you with Projected Financial Statements for FY19. The Year-End Projected Financial Statement focuses on our Unrestricted Funds. The Unrestricted Funds are the funds that are used to run our organization. Restricted funds support the organization by transferring funds into operations as they are spent on our programs. Unfortunately, we are also projecting a slight loss in the Unrestricted Funds projected for year-end.

At this time the anticipated deficit is estimated at almost \$12,000 at the end of April. Please give generously in response to our March appeal letter, or in the collection box at the Section Meeting, even if you need to write a pledge note while you are here. We will need your generosity to close the gap. We are hoping that as a result of the Section Meeting, donors may be inspired to give more than we are currently projecting.

There is still a lot of uncertainty about the final income and expenses as of the writing of this report. Section Meeting and the Traveling Ministry Corps annual training are going to happen during the same week in Kansas

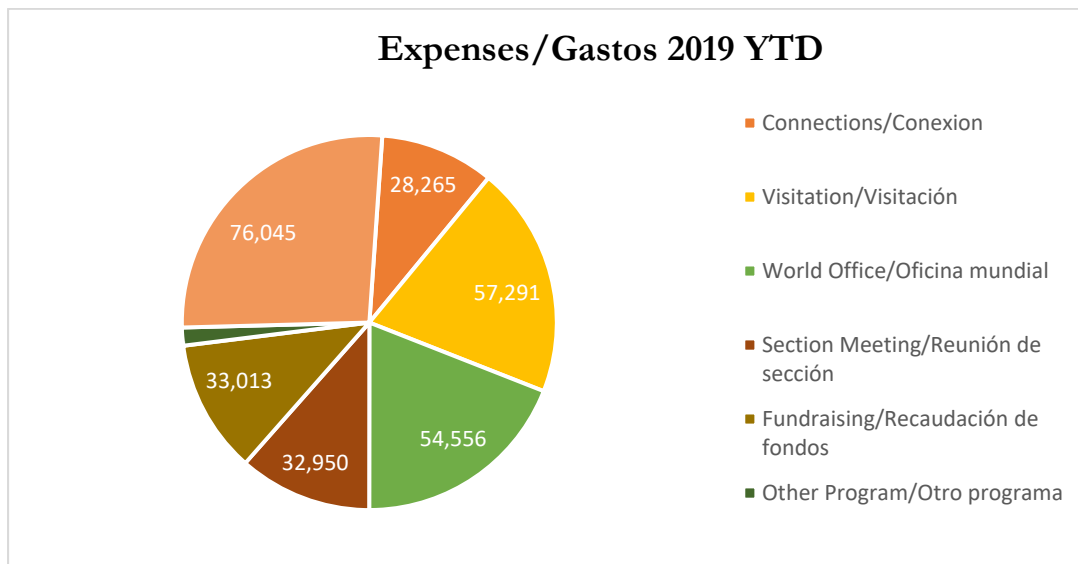
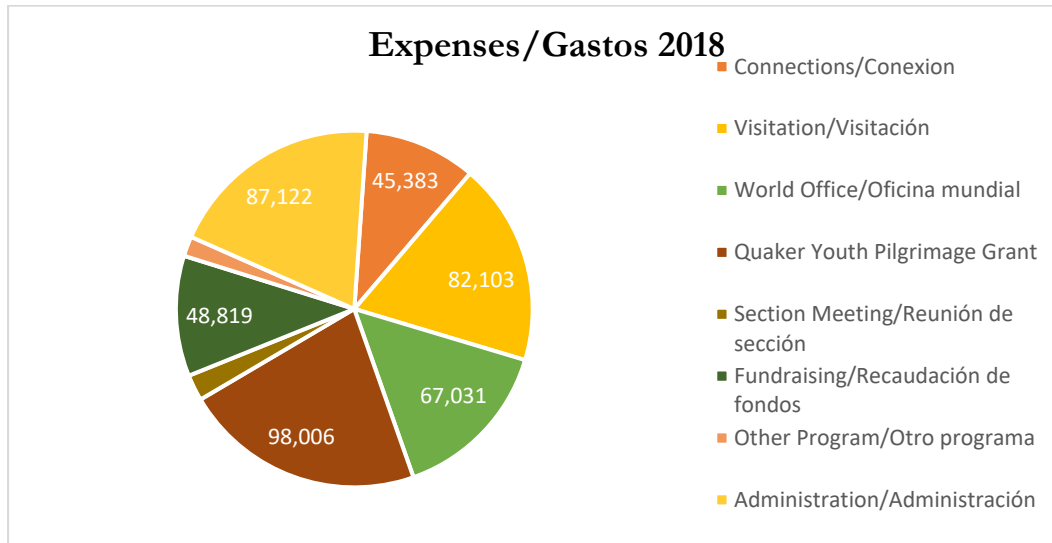
City. Both have large uncertainties related to them. How many people will attend? How many will be prevented by their Boeing jets being grounded? In addition, \$15,000 more was spent than was budgeted this year on in-person committee meetings, largely due to the increased participation of Latin American Friends and lower income North American Friends on our committees but also because of better accounting for the real expenses of in-person meetings. Finally, less money was raised than expected for the Committee Travel Fund as we hoped. This will be mitigated next year, but, in the meantime, FWCC wants to continue to build on the success of our North-South integration initiative.

So, in summary, while things continue to be tight, there is energy and life. We are at a tipping point and with the continued good work by the staff to hold expenses and us, to donate, we can move forward successfully.

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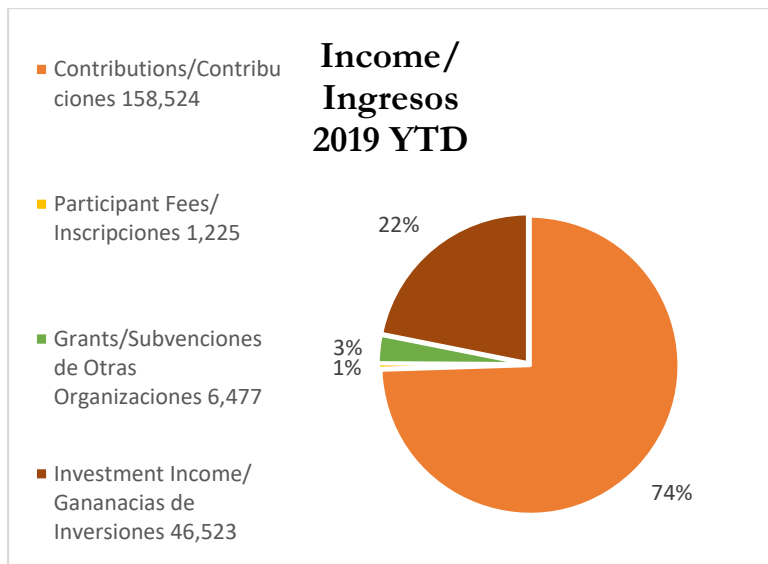
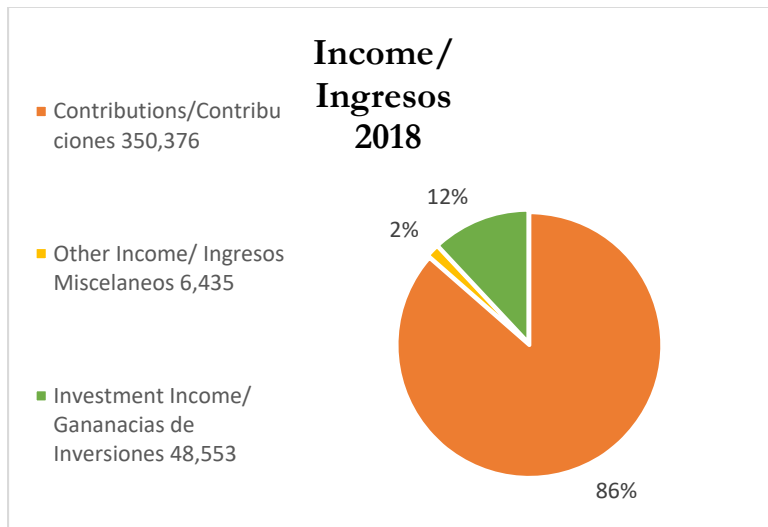
**Expenses:**

So, what are we spending our money on? Following are charts showing where our funds went during FY18 and FY19 to date.



So, what does this tell us? We spend about 70% of our resources on our programs, which are: Traveling Ministry Corp (under Visitation), Connections, World Office grants, and the Section Meeting. Given our very small staff and numerous volunteers, this seems right. All the work that the volunteers do does not have a financial impact, meaning that the time spent is neither counted as revenue or expense to FWCC SoA. Most of the work the volunteers do would be considered program expenses. So, costs for the staff are more likely coded to administration and fundraising needed to support the volunteers doing the programs. Most of the charity watchdogs no longer say X percent should go to program because there isn't a one-size-fits-all. Small organizations with lots of volunteers are going to have a larger percentage of their expenses going to administration and fundraising. These are the costs that support the infrastructure that makes FWCC SoA work.

**Revenues:**



Not surprisingly, we are funded by contributions although our investment income is not insignificant. These charts do not include unrealized gains and losses.

**Other Items:****Receipt of two large Gifts from Friends who have passed:**

In the meantime, we are receiving cash from two prior gifts. Two long-term donors, Friend Ruth Lofgren and Friend Samuel Snipes, have sadly passed away but they have also left FWCC, an organization they loved, gifts that will help us going forward. These two gifts also present an opportunity for us to address a structural issue underlying our financial situation—namely, the ongoing challenge of raising enough funds to adequately support our mission within the Section of the Americas, especially in the areas of major gifts and planned giving. Committing some of this windfall to finance additional development efforts for the SoA could bring significant relief to the financial concerns of both the SoA and, through revenue sharing, the World Office (WO). This would be in line with Goal #3 of our strategic plan: to find new sources of funding to sustain the staffing and programs necessary to advance our mission. This will be especially important as FWCC builds up to the next World Plenary Meeting in 2023.

**Policy Changes with regards to the WO Revenue Sharing:**

On to policy changes. During the last two years we have reviewed our policies regarding transfers to the World Office (WO). We have been working closely with the WO to do coordinated fundraising, using the services of Michael Wadja, formerly Associate Secretary for Development for Friends General Conference. He is now retiring, which is part of the reason we are using the bequests mentioned earlier to hire someone to help continue the work that he has done for FWCC. One significant change, starting with these two gifts, is that the SoA will no longer set aside large gifts and give to the WO their 25% share when the funds are spent, but rather, we will from now on be giving them their 25% share as part of the annual revenue sharing between the Section and the World Office. This will help both sides of the Atlantic, as it will send needed funds more quickly to the WO while making SoA accounting simpler and more transparent.

**Grant to the WO for the Quaker Youth Pilgrimage:**

Also, during this last two years, FWCC SoA granted to the WO \$95,770 as of April 30, 2018 as well as \$61,982 during December 2017 (a total of \$157,752) to help fund the Quaker Youth Pilgrimage. These were funds received through BYM for the QYP which the combined FWCC organizations agreed was best managed by the WO. The Europe and Middle East Section, also a beneficiary, forwarded their share of the funds to the WO as well so that the WO can use the funds to operate the QYP going forward.

**Budget:**

The budget was completed earlier and is clearer than in prior years. We are now focusing only on budgeting for our operations (unrestricted funds). Thanks to the staff and the Budget Subcommittee of the Finance Committee for their good work.

Following are the January 31, 2019 Statement of Financial Position, the January 31, 2019 Statement of Activity and the Projected Unrestricted Undesignated Income Statement for April 30, 2019. If you have any questions, please feel free to join the Finance Committee and Treasurer at dinner Saturday evening.

**Friends World Committee for Consulation (Comité Mundial de Consulta de los Amigos)**  
**Statement of Financial Position/Balance Sheet (Estado de situación financiera/Balance)**

As of January 31, 2019 (Al 31 de enero de 2019)

	<b>Accrual Basis</b>	
	<b>(base de periodiación)</b>	
	<b>Jan 31, 19</b>	<b>Apr 30, 18</b>
<b>ASSETS (Activos Financieros)</b>		
Checking/Savings( Efectivo )	89,460	134,554
Pledges Receivable, net of discount of \$6350 (promesas, netas de descuento)	36,882	70,472
Accrued Income (ingresos acumulados)	9,313	9,313
Prepaid Expenses (Gastos pre-pagados)	20,400	4,080
Friends Fiduciary Investments (Fondo Consolidado - Friends Fiduciary)	1,210,602	1,435,650
Fixed Assets (activos fijos)	5,562	7,792
Beneficial Interest in CRT's (Interés beneficioso en CRT)	117,800	117,800
Cash Value of Life Insurance (Valor en efectivo del seguro de vida)	158,366	158,217
Beneficial Interest in CRUT (Interes beneficioso en CRUT)	31,100	31,100
<b>TOTAL ASSETS (Total Activos Financieros)</b>	<b>1,679,485</b>	<b>1,968,978</b>
<b>LIABILITIES &amp; EQUITY ( PASIVOS Y ACTIVOS NETOS)</b>		
<b>Liabilities (Pasivos)</b>		
Accounts Payable & Accrued Liabilities	6,083	8,006
Due to Europe and Middle East Section EMES (Debido a la EMES)	70,563	
Due to the World Office (Debido a la oficina mundial)		
FY18 Revenue Sharing (FY18 de ingresos compartidos)	17,645	62,548
FY19 Revenue Sharing (FY19 de ingresos compartidos)	35,566	0
Quaker Youth Pilgrimage grant to World Office Beca QYP a la oficina mundial)	0	98,006
Reconciling Acct. WO (Cuenta de Reconciliación Oficina Mundial)	7,290	245
WO retroactive liability net of Discount (Obligación Oficina Mundial net Descuento de Obligacion OM))	37,703	47,703
Total Due to the World Office (Total pendiente de pago a la oficina mundial)	98,204	208,502
<b>Total Liabilities (Total de pasivos)</b>	<b>174,850</b>	<b>216,508</b>
<b>Net Assets (Activos netos)</b>		
Unrestricted Net Assets (Activos netos no restringidos)	339,351	469,190
Temporarily Restricted (Activos netos restringidos temporalmente)	553,280	620,193
Permanently Restricted (Activos netos restringidos permanentemente)	612,004	663,087
<b>Total Net Assets (Total de activos netos)</b>	<b>1,504,635</b>	<b>1,752,470</b>
<b>TOTAL LIABILITIES &amp; EQUITY (TOTAL PASIVOS Y ACTIVOS NETOS)</b>	<b>1,679,485</b>	<b>1,968,978</b>

Friends World Committee on Consultation  
**Statement of Activity**  
 May 1, 2018 through January 31, 2019  
 Beginning Balances, April 30, 2018 (per Audit)

Comité Mundial de Consulta de los Amigos  
**(Estado de Actividad)**  
 1 de mayo, 2018 hasta el 31 de enero de 2019  
 Saldos iniciales, 30 de abril de 2018 (por auditoría)

	Unrestricted/ Undesignated (Unrestricted)	Board Designated (Unrestricted)	Total Unrestricted	Temp Restricted	Perm Restricted	TOTAL
<b>Ordinary Income/Expense (Ingresos/gastos ordinarios)</b>						
<b>Income (Ingresos)</b>						
Contributions (Contribuciones)	159,116	-	159,116	-	-	159,116
Participant Fees (Cuotas de los participantes)	1,225	-	1,225	-	-	1,225
Grants (Subvenciones de Otras Organizaciones)	6,477	-	6,477	-	-	6,477
Other Income (Ingresos Miscelaneos)	8	-	8	(600)	-	(592)
Investment Income (Ingresos de inversión restringidos)	2,414	10,623	13,037	33,486	-	46,523
<b>Total Income (Total ingresos)</b>	<b>169,240</b>	<b>10,623</b>	<b>179,863</b>	<b>32,886</b>	<b>-</b>	<b>212,749</b>
<b>Expense (Gastos)</b>						
Personnel Costs (Personal)	120,454	-	120,454	-	-	120,454
Professional Fees (Cargos Profesionales)	45,350	-	45,350	-	-	45,350
Committee Costs (Gastos de Comites Administrativos)	22,469	-	22,469	-	-	22,469
Program Costs (Costos de Programas, incluyendo comités)	19,116	-	19,116	-	-	19,116
General Office (Oficina General)	19,335	-	19,335	-	-	19,335
Grants to Projects (Subvenciones a Proyectos)	-	740	740	3,685	-	4,425
World Office (Compartimiento con la Oficina Mundial)	53,210	-	53,210	-	-	53,210
Miscellaneous Expenses (Costos Miscelaneos)	2,186	-	2,186	-	-	2,186
<b>Total Expense (Total Gastos)</b>	<b>282,120</b>	<b>740</b>	<b>282,860</b>	<b>3,685</b>	<b>-</b>	<b>286,546</b>
<b>Net Ordinary Income (ingresos ordinarios netos)</b>	<b>(112,880)</b>	<b>9,883</b>	<b>(102,997)</b>	<b>29,201</b>	<b>-</b>	<b>(73,797)</b>
<b>Other Income/Expense (Otros ingresos y gastos)</b>						
<b>Other Income (Otros ingresos)</b>						
Change in Cash Value of Life Insurance (Cambio en el valor en efectivo del seguro de vida)	-	149	149	-	-	149
Release from Program Funds ( Liberación de los fondos del programa)*	17,530	(17,530)	-	-	-	-
Realized Gain/Loss-Investment (Ganancias/Perdidas Realizados de Inversiones)	13	-	13	-	-	13
Unrealized Gain/Loss-Investment (Ganancias/Perdidas No Realizados de Inversiones)	(4,988)	(17,888)	(22,876)	(25,551)	(51,085)	(99,512)
<b>Total Other Income (total Otros ingresos)</b>	<b>12,555</b>	<b>(35,269)</b>	<b>(22,714)</b>	<b>(25,551)</b>	<b>(51,085)</b>	<b>(99,350)</b>
<b>Other Expense (Otros gastos)</b>						
Depreciation Expense ( Gasto de depreciación)	4,125	-	4,125	-	-	4,125
Reclass CRT due to EMES (CRT de Reclass debido a EMES)**	-	-	-	70,563	-	70,563
<b>Total Other Expense (Total Otro gasto)</b>	<b>4,125</b>	<b>-</b>	<b>4,125</b>	<b>70,563</b>	<b>-</b>	<b>74,688</b>
<b>Net Income (Ingresos net)</b>	<b>(104,450)</b>	<b>(25,386)</b>	<b>(129,836)</b>	<b>(66,913)</b>	<b>(51,085)</b>	<b>(247,835)</b>
<b>Beginning Balance Net Assets (Saldo inicial activos netos)</b>	<b>(25,124)</b>	<b>494,313</b>	<b>469,189</b>	<b>620,193</b>	<b>663,089</b>	<b>1,752,470</b>
<b>Ending Balance Net Assets (Saldo final de activos netos)</b>	<b>(129,574)</b>	<b>468,927</b>	<b>339,353</b>	<b>553,280</b>	<b>612,004</b>	<b>1,504,635</b>

\*The transfers from Restricted Funds to Unrestricted Funds and from Designated Funds to Undesignated Funds occurs at the end of the fiscal year. Once these are done, the balance in the Unrestricted Undesignated Fund will not be negative \$129,574.

\* Las transferencias de fondos restricted a fondos sin restricción y de fondos designados a fondos no designados se producen al final del año fiscal. Una vez hecho esto, el saldo en el fondo no designado sin restricciones no será negativo \$129.574.

\*\*Reclass the CRT recorded as Temporarily Restricted to a Liability to Europe and Middle East Section.

\* \* Reclass el CRT registrado como restringido temporalmente a una responsabilidad a la sección de Europa y de Oriente Medio.

**Friends World Committee on Consultation**  
**Comité Mundial de Consulta de los Amigos**

	FY/AF18	FY/AF18	FY/AF19	FY/AF19	FY/AF19	FY/AF20	FY/AF21
	BUDGET	ACTUAL	BUDGET	ACTUAL	PROJECTED	BUDGET	BUDGET
	PRESUP.		PRESUP.	31 ENERO	PROYECTADO	PRESUP.	PRESUP.
				31 JAN			
Ordinary Income/Expense (Ingresos/Gastos Ordinarios)							
Income (Ingresos)							
5100 · Contributions (Contribuciones)	213,500	208,202	241,000	159,116	221,282	240,000	305,000
5110 · Participant Fees (Inscripciones)	0	0	44,000	1,225	50,885	0	45,700
5115 · Grants (Subvenciones de Otras Organizaciones)	10,000	19,994	10,000	6,477	8,000	37,000	47,000
5120 · Other Income (Ingresos Miscelaneos)	500	6,956	500	8	8	1,000	1,000
5125 · Investment Income (Ingreso de inversión no restringido)	2,042	1,838	2,175	2,414	2,414	2,920	2,970
Total Income (Ingresos ordinarios totales)	226,042	236,990	297,675	169,240	282,589	280,920	401,670
Expense (Gastos)							
6000 · Personnel Costs (Personal)	139,921	138,878	165,443	120,454	157,552	196,002	245,717
6110 · Professional Fees (Cargos Profesionales)	48,400	45,465	65,700	45,350	55,487	47,025	49,000
6123 · Committee Costs (Gastos de Comites Administrativos)	14,700	24,946	15,500	22,469	34,043	25,250	27,000
6125 · Program Costs (Costos de Programas, incluyendo comités)	25,600	27,297	113,500	19,116	90,029	26,550	125,720
6130 · General Office (Oficina General)	34,000	36,163	34,500	19,335	27,633	35,000	35,500
6140 · World Office (Compartimiento con la Oficina Mundial)	56,547	65,448	62,548	53,210	53,210	57,500	66,250
6145 · Miscellaneous Expenses (Costos Miscelaneos)	1,000	2,851	2,000	2,186	2,550	2,500	2,500
Total Expense (Gastos ordinarios totales)	320,168	341,048	459,191	282,120	420,504	389,827	551,687
Net Ordinary Income (Ingresos Ordinarios Netos)	(94,126)	(104,058)	(161,516)	(112,880)	(137,915)	(108,907)	(150,017)
Other Income/Expense (Otros Ingresos/Gastos)							
Other Income (Otros Ingresos)							
5935 · Releases (Liberacion de los fondos del programa)	103,671	104,355	161,675	17,530	131,530	175,013	156,137
4111 · Realized Gain/Loss-Investment (Ganancias/Perdidas No Realizados de Inversiones)	0	0	0	13	0	0	0
4099 · Unrealized Gain/Loss-Investment (Ganancias/Perdidas No Realizados de Inversiones)	0	(1,120)	0	(4,988)	0	0	0
Total Other Income (Otros ingresos totales)	103,671	103,235	161,675	12,555	131,530	175,013	156,137
Other Expense (Otros Gastos)							
8170 · Depreciation Expense (Gasto de depreciación)	0	5,500	0	4,125	5,500	5,720	5,750
Total Other Expense (Otros gastos totales)	0	5,500	0	4,125	5,500	5,720	5,750
Net Income (Ingresos Netos)	9,545	(6,323)	159	(104,450)	(11,885)	60,386	370
<b>Beginning Balance Net Assets, Unrestricted Undesignated</b>		(18,801)		(25,124)	(25,124)	(37,009)	23,377 *
(Activos netos de saldo inicial, no restringidos, no designados)							
<b>Ending Balance Net Assets, Unrestricted Undesignated</b>		(25,124)		(129,574)	(37,009)	23,377	23,747 *
(Activos netos de saldo final, no restringidos, no designados)							

**Notes:**

\* Budgeted Net Assets projected

**Notas:**

\*Activos netos presupuestados proyectados