

Friends World Committee for Consultation, Section of the Americas

Financial Statements
Year Ended April 30, 2020



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FRIENDS WORLD COMMITTEE FOR CONSULTATION, SECTION OF THE AMERICAS

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INDEPENDENT AUDITOR'S REPORT

**Executive Committee
Friends World Committee for Consultation,
Section of the Americas
Philadelphia, Pennsylvania**

We have audited the accompanying financial statements of Friends World Committee for Consultation, Section of the Americas (a nonprofit organization), which comprise the statement of financial position as of April 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends World Committee for Consultation, Section of the Americas as of April 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

BBD LLP

**Philadelphia, Pennsylvania
October 5, 2020**

FRIENDS WORLD COMMITTEE FOR CONSULTATION, SECTION OF THE AMERICAS

STATEMENT OF FINANCIAL POSITION

April 30, 2020

ASSETS

| | |
|--|----------------------------|
| Cash | \$ 272,323 |
| Contributions receivable | 10,718 |
| Prepaid expenses and other assets | 7,030 |
| Investments | 756,623 |
| Beneficial interest in charitable remainder trusts | 83,400 |
| Beneficial interest in perpetual trusts | <u>601,890</u> |
| Total assets | <u>\$ 1,731,984</u> |

LIABILITIES

| | |
|---|-----------------------|
| Accounts payable and accrued expenses | \$ 14,023 |
| Contributions payable to the World Office | 129,003 |
| Funds held for others | <u>48,000</u> |
| Total liabilities | <u>191,026</u> |

NET ASSETS

| | |
|---|----------------------------|
| Without donor restrictions | |
| Operating | 69,121 |
| Board designated | 405,165 |
| With donor restrictions | <u>1,066,672</u> |
| Total net assets | <u>1,540,958</u> |
| Total liabilities and net assets | <u>\$ 1,731,984</u> |

See accompanying notes

FRIENDS WORLD COMMITTEE FOR CONSULTATION, SECTION OF THE AMERICAS

STATEMENT OF ACTIVITIES

Year ended April 30, 2020

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|---------------------|
| REVENUE AND SUPPORT | | | |
| Support from meetings and members | \$ 394,391 | \$ 22,399 | \$ 416,790 |
| Events and other income | 1,062 | - | 1,062 |
| Income distributions from investments and from beneficial interest in perpetual trusts | 16,771 | 37,950 | 54,721 |
| Net assets released from restrictions | <u>125,370</u> | <u>(125,370)</u> | <u>-</u> |
| Total revenue and support | <u>537,594</u> | <u>(65,021)</u> | <u>472,573</u> |
| EXPENSES | | | |
| Program services | | | |
| Section programs | 246,051 | - | 246,051 |
| Supporting services | | | |
| Management and general | 94,630 | - | 94,630 |
| Fundraising | <u>102,171</u> | <u>-</u> | <u>102,171</u> |
| Total expenses | <u>442,852</u> | <u>-</u> | <u>442,852</u> |
| Change in net assets before other changes | <u>94,742</u> | <u>(65,021)</u> | <u>29,721</u> |
| OTHER CHANGES | | | |
| Net realized and unrealized loss on investments | (21,653) | (24,011) | (45,664) |
| Change in value of beneficial interest in charitable remainder trusts | - | (1,800) | (1,800) |
| Change in value of beneficial interest in perpetual trusts | <u>-</u> | <u>(39,199)</u> | <u>(39,199)</u> |
| Total other changes | <u>(21,653)</u> | <u>(65,010)</u> | <u>(86,663)</u> |
| CHANGE IN NET ASSETS | 73,089 | (130,031) | (56,942) |
| NET ASSETS | | | |
| Beginning of year | <u>401,197</u> | <u>1,196,703</u> | <u>1,597,900</u> |
| End of year | <u>\$ 474,286</u> | <u>\$ 1,066,672</u> | <u>\$ 1,540,958</u> |

See accompanying notes

FRIENDS WORLD COMMITTEE FOR CONSULTATION, SECTION OF THE AMERICAS

STATEMENT OF FUNCTIONAL EXPENSES

Year ended April 30, 2020

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>2020</u> |
|------------------------------|-----------------------------|-----------------------------------|--------------------|-------------------|
| Salaries and fringe benefits | \$ 86,814 | \$ 45,685 | \$ 84,803 | \$ 217,302 |
| Contracted services | 14,481 | 23,932 | 2,013 | 40,426 |
| Event costs | 7,643 | 567 | - | 8,210 |
| Grants and contributions | | | | |
| World Office | 95,800 | - | - | 95,800 |
| Other | 8,165 | - | - | 8,165 |
| Office expenses | 6,473 | 5,319 | 10,749 | 22,541 |
| Rent | 6,728 | 2,395 | 2,281 | 11,404 |
| Telephone | 787 | 280 | 267 | 1,334 |
| Travel | 16,028 | 10,640 | 2,058 | 28,726 |
| Miscellaneous | 3,132 | 5,812 | - | 8,944 |
| Total expenses | <u>\$ 246,051</u> | <u>\$ 94,630</u> | <u>\$ 102,171</u> | <u>\$ 442,852</u> |

See accompanying notes

FRIENDS WORLD COMMITTEE FOR CONSULTATION, SECTION OF THE AMERICAS

STATEMENT OF CASH FLOWS

Year ended April 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets \$ (56,942)

Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities

Net realized and unrealized loss on investments 45,664

Change in value of split interest agreements 40,999

Change in discount on contributions payable to the World Office 2,100

(Increase) decrease in

Contributions receivable 54,638

Prepaid expenses and other assets (3,128)

Increase (decrease) in

Accounts payable and accrued expenses 9,884

Contributions payable to the World Office 18,157

Net cash provided by operating activities 111,372

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments (306,772)

Proceeds from sale of investments 226,098

Net cash used for investing activities (80,674)

Net increase in cash 30,698

CASH

Beginning of year 241,625

End of year \$ 272,323

See accompanying notes

FRIENDS WORLD COMMITTEE FOR CONSULTATION, SECTION OF THE AMERICAS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

(1) NATURE OF OPERATIONS

Friends World Committee for Consultation, Section of the Americas ("**FWCC**"), a nonprofit organization, was formed in 1937 to encourage fellowship among all the branches of the Religious Society of Friends. In the Americas, the Quaker community extends from the Arctic to the Andes, spanning a rich diversity of regional cultures, beliefs and styles of worship. FWCC offers programs that unite Friends across the hemisphere through Spirit-led fellowship.

(2) SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

FWCC reports information regarding its financial position and activities according to the following classes of net assets:

Without donor restrictions

Net assets that are not subject to donor-imposed restrictions.

With donor restrictions

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of FWCC and/or the passage of time. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Also included in this category are net assets subject to donor-imposed restrictions that require the net assets to be maintained indefinitely while permitting FWCC to expend the income generated in accordance with the provisions of the contribution.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Fair Value Measurements of Assets and Liabilities

Generally accepted accounting principles ("**GAAP**") define fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of FWCC. Unobservable inputs reflect FWCC's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that FWCC has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not entail a significant degree of judgment.

FRIENDS WORLD COMMITTEE FOR CONSULTATION, SECTION OF THE AMERICAS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect FWCC's own assumptions.

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, as determined by quoted market prices, with gains and losses included in the statement of activities. Interest and dividends are recorded as earned.

FWCC invests in a professionally managed portfolio that contains various types of securities (**See Note 3**). Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in the near term would materially affect investment balances and the amounts reported in the financial statements.

Beneficial Interest in Charitable Remainder Trusts

The beneficial interest in charitable remainder trusts is reported at the fair value of the related assets less the present value of the payments expected to be made to other beneficiaries.

Beneficial Interest in Perpetual Trusts

The beneficial interest in perpetual trusts is reported at fair market value and is equal to FWCC's share of the assets in the trusts.

Support from Meetings and Members

Support from meetings and members received is recorded as net assets without donor restrictions or with donor restrictions depending on the absence or existence and nature of any donor restrictions. Donor-restricted support from meetings and members whose restrictions are satisfied in the same period are reported as net assets without donor restrictions.

Unconditional support from meetings and members is recognized as revenue when the related promise to give is received. Conditional support from meetings and members is recognized as revenue when the conditions are satisfied.

Income Tax Status

FWCC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

GAAP requires entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on their tax returns. GAAP prescribes a minimum recognition threshold that a tax position is required to meet in order to be recognized in the financial statements. FWCC believes that it had no uncertain tax positions as defined in GAAP.

Functional Allocation of Expenses

The costs of providing various program and supporting services have been presented on a functional basis in the statements of activities and functional expenses. Expenses directly attributable to a specific functional area are reported as expenses of that functional area. Expenses not directly attributable to a specific functional area are allocated. Significant expenses that are allocated include salaries and benefits which are allocated based on estimates of time and effort.

FRIENDS WORLD COMMITTEE FOR CONSULTATION, SECTION OF THE AMERICAS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

Concentrations of Credit Risk

Financial instruments which potentially subject FWCC to concentrations of credit risk are cash and contributions receivable. FWCC maintains cash deposits at various high-quality banks and financial institutions. At times, such deposits may exceed federally-insured limits. Contributions receivable are expected to be collected through 2020.

Accounting Pronouncements Adopted

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The Organization adopted ASU 2014-09 on May 1, 2019 using the modified retrospective method approach.

The Organization performed an analysis of revenue streams and transactions under ASU 2014-09, including applying the portfolio approach as a practical expedient to group contracts with similar characteristics such that revenue for a given portfolio would not be materially different than if it were evaluated on a contract-by-contract basis. The impact of adopting ASU 2014-09 was not material to total revenues without donor restrictions, change in net assets, or total net assets.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies and improves the scope and accounting guidance for contributions received and made and assists entities in evaluating whether transactions should be accounted for as contributions within the scope of Topic 958, Not-for-Profit Entities, or as exchange transactions subject to other guidance, and in determining whether a contribution is conditional. The Organization adopted ASU 2018-08.

(3) INVESTMENTS

Investments at April 30, 2020, consisted of the following:

| | |
|--|------------------|
| Accrued income | \$ 10,380 |
| Units in The Quaker Growth and Income Fund of Friends Fiduciary Corporation | 442,511 |
| Units in The Quaker Green Fund of Friends Fiduciary Corporation | 243,653 |
| Units in The Short Term Investment Fund of Friends Fiduciary Corporation | <u>60,079</u> |
| | <u>\$756,623</u> |

The Quaker Growth and Income Fund, The Quaker Green Fund, and The Short Term Investment Fund are co-mingled investment funds sponsored by Friends Fiduciary Corporation ("**Fiduciary**"). Fiduciary is a Quaker nonprofit corporation which qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Fiduciary's mission is to provide investment and trusteeship services for Friends meetings, schools and other nonprofit, tax-exempt organizations.

FRIENDS WORLD COMMITTEE FOR CONSULTATION, SECTION OF THE AMERICAS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

The Quaker Growth and Income Fund's investment objective is to provide long-term total returns by investing its assets in a balanced portfolio of common stocks and fixed income investments. The Quaker Green Fund's investment objective is to provide exposure to the interconnected segments of clean energy and technology, while providing diversification to manage its overall risk and volatility profile. The Short-Term Investment Fund's investment objective is to provide consistent, low volatility performance with an emphasis on high credit quality, low risk and liquidity.

(4) BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUSTS

FWCC has been named as the remaining beneficiary of several irrevocable charitable remainder trusts. The agreements provide for the lead beneficiaries to receive annual distributions until their death, and that, upon their death, FWCC is to receive the remainder. The amounts of the remainder and payments to be made to the lead beneficiaries are estimated and have been reduced to present value. The Organization has recorded a liability for one charitable remainder trust for payments due to a related party upon distribution of the trust which is shown as funds due to others on the statement of financial position as April 30, 2020.

(5) BENEFICIAL INTEREST IN PERPETUAL TRUSTS

FWCC is the income beneficiary of two perpetual trusts. Fiduciary serves as trustee of these trusts. The principal portions of the trusts are restricted in perpetuity and the income distributions are both unrestricted and restricted for various programs (*See Note 7*).

(6) NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD DESIGNATED

Net assets without donor restrictions are board designated for the following purposes:

| | |
|--|------------------|
| Elkinton Fund | \$ 90,776 |
| Founders Fund | 109,497 |
| Stewardship | 9,185 |
| Susan Bax Fund-support for women in ministry | 48,549 |
| Committee travel Fund | 36,079 |
| Green Fund | 25,429 |
| Personnel-support staff dedicated to advancement and fundraising | <u>85,650</u> |
| | <u>\$405,165</u> |

(7) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at April 30, 2020:

| | <u>Balance</u> <u>April 30, 2019</u> | <u>Additions/</u> <u>(Subtractions)</u> | <u>Releases</u> | <u>Balance</u> <u>April 30, 2020</u> |
|--|---|--|-----------------|---|
| Purpose restrictions | | | | |
| Personnel support | \$ 44,260 | \$ 10,057 | \$ (15,000) | \$ 39,317 |
| Program giving | 2,441 | - | (2,441) | - |
| Scholarly explorations of Christian mysticism | 162,723 | (2,245) | (6,148) | 154,330 |
| Travel | <u>199,493</u> | <u>18,848</u> | <u>(34,766)</u> | <u>183,575</u> |
| | <u>408,917</u> | <u>26,660</u> | <u>(58,355)</u> | <u>377,222</u> |

FRIENDS WORLD COMMITTEE FOR CONSULTATION, SECTION OF THE AMERICAS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

| | | | | |
|--|--------------------|-------------------|--------------------|--------------------|
| Time restrictions | | | | |
| Contributions receivable | 65,355 | 10,718 | (65,355) | 10,718 |
| Beneficial interest in charitable remainder trusts | <u>37,200</u> | <u>(1,800)</u> | <u>-</u> | <u>35,400</u> |
| To be maintained indefinitely | | | | |
| Endowment fund | | | | |
| A. Ward Applegate Visitation Fund | 44,141 | (1,039) | (1,660) | 41,442 |
| Beneficial interest in perpetual trusts | | | | |
| Anna G. Elkinton Trust | 637,659 | (38,990) | - | 598,669 |
| Laura & Augustus Cadwallader Fund | <u>3,431</u> | <u>(210)</u> | <u>-</u> | <u>3,221</u> |
| | <u>\$1,196,703</u> | <u>\$ (4,661)</u> | <u>\$(125,370)</u> | <u>\$1,066,672</u> |

Net assets to be maintained indefinitely consist of an endowment fund and beneficial interest in perpetual trusts. Income from the A. Ward Applegate Visitation Fund is restricted for visitation and travel to overseas Yearly meetings. Income from the Anna G. Elkinton Trust is restricted for travel and scholarships. Income from the Laura and Augustus Cadwallader Fund is unrestricted.

(8) ENDOWMENT FUND

An accounting standard was issued which provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act ("**UPMIFA**"). FWCC is not subject to this guidance since Pennsylvania has not enacted a version of UPMIFA. The standard also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

In accordance with Pennsylvania statutes, FWCC has adopted investment and spending policies for its endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. FWCC's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes.

The spending policy calculates the amount of money annually distributed from the permanently restricted endowment fund to support various programs. The current spending policy is to distribute an amount equal to 4.0% of a moving three-year average of the fair value of the endowment fund.

Changes in the endowment assets for the year ended April 30, 2020 is as follows:

| | |
|----------------------------------|---------------------------------------|
| | <u>With Donor Restrictions</u> |
| Endowment assets, April 30, 2019 | \$44,141 |
| Interest and dividends | 1,660 |
| Spending policy distribution | (1,660) |
| Realized and unrealized loss | <u>(2,699)</u> |
| Endowment assets, April 30, 2020 | <u>\$41,442</u> |

(9) CONTRIBUTIONS PAYABLE TO THE WORLD OFFICE

FWCC contributes 25% of its unrestricted support from meetings and members from the previous fiscal year to the World Office so it can carry out FWCC's mission on a global scale. For the year ended April 30, 2020, FWCC made an unconditional promise of \$95,800 to the World Office. This amount is expected to be paid during the year ended April 30, 2021.

FRIENDS WORLD COMMITTEE FOR CONSULTATION, SECTION OF THE AMERICAS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

In March 2012, FWCC and the World Office came to an agreement to pay \$115,803 to the World Office over the next eleven years. This contribution payable is recorded net of a discount of \$3,600 using a discount rate of 5%.

Below is a summary of contributions and other payables to the World Office at April 30, 2020:

| | |
|--|------------------|
| Fiscal year ended April 30, 2020 support | \$ 96,800 |
| 2012 agreement | <u>32,203</u> |
| | <u>\$129,003</u> |

(10) RETIREMENT PLAN

FWCC participates in a defined benefit retirement plan, Friends Pension Plan, with other unrelated tax-exempt Quaker organizations. FWCC's contribution to the plan was \$14,361 for the year ended April 30, 2020. FWCC's relative position in this plan is not readily determinable.

(11) LEASE COMMITMENTS

FWCC leases its office space from another unrelated tax-exempt Quaker organization under an agreement that expires on June 30, 2022. Rent expense was \$ 11,404 under the agreement for the years ended April 30, 2020.

Minimum annual lease commitments in excess of one year are as follows:

Years ending April 30,

| | |
|------|-----------------|
| 2021 | \$11,650 |
| 2022 | 11,842 |
| 2023 | <u>1,980</u> |
| | <u>\$25,472</u> |

(12) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

The following is a summary of assets and liabilities measured at fair value on a recurring basis and the valuation inputs used to value them:

| <u>Description</u> | <u>Balance</u> <u>April 30, 2020</u> | <u>Quoted Prices in</u> <u>Active Markets</u> <u>(Level 1)</u> | <u>Significant Other</u> <u>Observable Inputs</u> <u>(Level 2)</u> | <u>Significant</u> <u>Unobservable</u> <u>Inputs (Level 3)</u> |
|--|---|--|--|--|
| Assets | | | | |
| Contributions receivable | \$ 10,718 | \$ - | \$ 10,718 | \$ - |
| Investments | 756,623 | - | 756,623 | - |
| Beneficial interest in charitable remainder trusts | 83,400 | - | - | 83,400 |
| Beneficial interest in perpetual trusts | <u>601,890</u> | <u>-</u> | <u>-</u> | <u>601,890</u> |
| Total assets | <u>\$1,452,631</u> | <u>\$ -</u> | <u>\$767,341</u> | <u>\$685,290</u> |

FRIENDS WORLD COMMITTEE FOR CONSULTATION, SECTION OF THE AMERICAS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

| Liabilities | | | | |
|---|-------------------|-------------|------------------|-------------|
| Funds held for others | \$ 48,000 | \$ - | \$ 48,000 | \$ - |
| Contributions payable to the World Office | <u>129,003</u> | <u>-</u> | <u>129,003</u> | <u>-</u> |
| Total liabilities | <u>\$ 129,003</u> | <u>\$ -</u> | <u>\$129,003</u> | <u>\$ -</u> |

Level 3 assets (beneficial interests in charitable remainder trusts and perpetual trusts) had losses of \$40,999 in the statement of activities in 2020.

(13) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects FWCC's financial assets as of the statement of financial position date, which has been reduced by financial assets not available within one year.

| | |
|---|-------------------|
| Cash | \$ 272,323 |
| Contributions receivable | 10,718 |
| Investments | <u>756,623</u> |
| Total financial assets | 1,039,664 |
| Less: financial assets not available for general operations within one year | |
| Restricted by donor for specific purposes or periods | (377,222) |
| Restricted by donor to be maintained indefinitely | <u>(41,442)</u> |
| Total financial assets available within one year | <u>\$ 621,000</u> |

Liquidity Management

As part of FWCC's liquidity management, it invests cash in excess of daily requirements in short-term investments, typically the Short Term Investment Fund of Friends Fiduciary Corporation.

(14) RISKS AND UNCERTAINTIES

The Organization is currently evaluating the recent introduction of the COVID-19 virus and its impact and has concluded that while it is reasonably possible that the virus could have a negative effect on the Organization's revenues and support, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. On May 1, 2020, the Organization received a Paycheck Protection Program ("**PPP**") loan in the amount of \$31,100 pursuant to the federal CARES Act passed in response to the COVID-19 crisis.

(15) SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 5, 2020, the date on which the financial statements were available to be issued. Except as noted in Note 14, no material subsequent events have occurred since April 30, 2020 that require recognition or disclosure in the financial statements.