

NEW YORK QUARTERLY MEETING

of the Religious Society of Friends

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Memorandum

Date: January 21, 2018
To: Clerk, New York Quarterly Meeting (NYQM)
From: NYQM Audit & Budget Committee
Cc: NYQM Trustees
Re: NYQM Proposed 2018 Budget

Herewith a discussion of the proposed 2018 NYQM Budget (see attached PDF).

The Budget calls for a +77% increase versus 2017 Actual Total Income to \$3,467,630 (Operations/Contributions \$2,263,762, +83%; Investments \$761,993, +6%, Friends Seminary Capital Reserve Fund contribution \$441,875, N/A), a level below Total Expenses of \$4,150,641 (+128%; Operating \$1,491,131, +0%; Capital \$2,527,510, +1,206%; Distributions \$132,000, +0%) and resulting in a deficit of -\$683,011 when compared with 2017 Actual surplus of +\$143,691. Note the 2017 surplus follows on the 2016 loss of -\$197,007 which included Friends Seminary separation costs of \$472,875.

For Total Income the components of Operations/Contributions (65% of Total Income) reflect NYQM property rental income, the greatest source being that received from Friends Seminary (34% of Total Income) providing \$1,177,031 that is the combined total due for 2016-2018. Note that as the Friends Seminary separate incorporation has as of yet not received final legal approval, the Friends Seminary monies are in escrow meaning they are presently unavailable to fund NYQM activities in 2018. After Friends Seminary, there is the NYC Board of Education (\$918,128, 26% of Total Income). Investment Income (22% of Total Income) is derived from NYQM monies managed for the most part by Friends Fiduciary Corporation (FFC). The projected +6% increase reflects the 2017 +10% asset increase (+\$2,418,155 on 12/31/16 assets of \$23,232,442 (12/31/17 \$25,650,597)) and FFC's projection for 2018. The last element to Total Income is the Friends Seminary Capital Reserve Fund Contribution (13% of Total Income) which at \$441,875 is the combined 2016-2018 total due. These funds too remain in escrow.

For Total Expenses, the greatest component is Capital Expenses (61% of Total Expenses) with the largest project planned for 2018 being the Brooklyn Meeting Geothermal Project (35%, \$1,445,760, +1,004%) on which information is being gathered still. Operating Expenses (36% of Total Expenses) comprise Personnel (23%, \$941,691, +13%), Property (10%, \$395,000, +26%) and Other Expenses (4%, \$154,440, -55%). Salaries (21%, \$873,191, +15%) are rising due to benefit costs. Overall for 2018, Audit & Budget expects 2018 will be a productive year for completion of NYQM capital projects and the Committee plans to report back quarterly on the magnitude of and progress on the Brooklyn Meeting Geothermal Project.