

**Friends Committee on National Legislation and  
Affiliates**

Consolidated Financial Statements

June 30, 2023



## **Independent Auditors' Report**

**To the Executive Committee of  
Friends Committee on National Legislation  
and Affiliates**

### ***Opinion***

We have audited the accompanying consolidated financial statements of Friends Committee on National Legislation and Affiliates, (collectively, the "Organization") which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2023, and the consolidated changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Adoption of New Accounting Principle***

As discussed in Note 2 to the consolidated financial statements, the Organization adopted Financial Accounting Standards Board ("FASB") Topic 842, *Leases*, which resulted in the recognition of a right-of-use asset and related lease liability, effective July 1, 2022. Our opinion is not modified with respect to that matter.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 28-29 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements.

**To the Executive Committee of  
Friends Committee on National Legislation  
and Affiliates**

Page 3

**Report on Supplementary Information (*continued*)**

Such information is the responsibility of management, and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*PKF O'Connor Davies, LLP*

Bethesda, MD  
May 31, 2024

**Friends Committee on National Legislation  
and Affiliates**

Consolidated Statement of Financial Position  
June 30, 2023

**ASSETS**

Current Assets

Cash and cash equivalents	\$ 2,421,679
Contributions receivable, net	1,086,695
Employee advances and other receivables	115,841
Prepaid expenses and other assets	<u>168,229</u>
Total Current Assets	3,792,444

Investments	25,658,203
Beneficial interest in planned giving agreements, net	33,992
Right-of-use asset, operating lease	179,006
Cash surrender value of life insurance	23,131
Property and equipment, net	<u>7,954,574</u>
	<u><u>\$ 37,641,350</u></u>

**LIABILITIES AND NET ASSETS**

Current Liabilities

Accounts payable and accrued expenses	\$ 920,029
Planned giving agreement obligations, current portion	314,965
Operating lease liability, current portion	149,790
Loans payable	<u>79,782</u>
Total Current Liabilities	1,464,566

Planned giving agreement obligations, net of current portion	2,663,826
Operating lease liability, net of current portion	<u>82,622</u>
Total Liabilities	<u><u>4,211,014</u></u>

Net Assets

Without donor restrictions	17,363,553
With donor restrictions	<u>16,066,783</u>
Total Net Assets	<u><u>33,430,336</u></u>

\$ 37,641,350

See notes to consolidated financial statements

**Friends Committee on National Legislation  
and Affiliates**

Consolidated Statement of Activities  
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING REVENUE AND SUPPORT</b>			
Contributions	\$ 4,251,460	\$ 1,429,240	\$ 5,680,700
Donated securities	233,562	-	233,562
Bequests	1,747,944	-	1,747,944
Lodging	246,957	-	246,957
Rental revenue	72,228	-	72,228
Meeting registration	91,430	-	91,430
Other revenue	9,292	-	9,292
Net assets released from restrictions	3,419,890	(3,419,890)	-
Total Operating Revenue and Support	10,072,763	(1,990,650)	8,082,113
<b>EXPENSES</b>			
Program Services			
Advocacy and outreach	4,029,852	-	4,029,852
Legislative and educational	482,979	-	482,979
Young adult program	2,831,381	-	2,831,381
Friend's place	762,525	-	762,525
Total Program Services	8,106,737	-	8,106,737
Supporting Services			
Management and general	1,029,945	-	1,029,945
Fundraising	2,648,458	-	2,648,458
Total Supporting Services	3,678,403	-	3,678,403
Total Expenses	11,785,140	-	11,785,140
Change in Net Assets Before Nonoperating Activities	(1,712,377)	(1,990,650)	(3,703,027)
<b>NONOPERATING ACTIVITIES</b>			
Investment income, net	1,439,796	834,345	2,274,141
Contributions to planned giving	82,600	-	82,600
Change in value of interest paid in planned giving agreements	(106,035)	-	(106,035)
Change in Net Assets	(296,016)	(1,156,305)	(1,452,321)
<b>NET ASSETS</b>			
Beginning of year, as restated	17,659,569	17,223,088	34,882,657
End of year	\$ 17,363,553	\$ 16,066,783	\$ 33,430,336

See notes to consolidated financial statements

**Friends Committee on National Legislation  
and Affiliates**

Consolidated Statement of Functional Expenses  
Year Ended June 30, 2023

	Program Services					Supporting Services			
	Advocacy and Outreach	Legislative and Educational	Youth Adult Program	Friend's Place	Total	Management and General	Fundraising	Total	Total
Salaries and wages	\$ 2,345,333	\$ 153,048	\$ 1,166,325	\$ 197,074	\$ 3,861,780	\$ 382,309	\$ 1,126,198	\$ 1,508,507	\$ 5,370,287
Benefits	637,828	47,811	319,242	55,086	1,059,967	106,254	297,953	404,207	1,464,174
Occupancy	87,120	6,473	42,104	395,407	531,104	57,854	34,146	92,000	623,104
Travel and meetings	114,232	48,994	868,758	7,483	1,039,467	15,701	74,380	90,081	1,129,548
Printing	61,632	4,493	30,205	453	96,783	41,250	480,577	521,827	618,610
Postage and list rental	53,940	2,942	14,287	38	71,207	18,403	228,817	247,220	318,427
Other	10,268	735	5,021	4,885	20,909	7,208	33,069	40,277	61,186
Telephone and internet	48,082	689	25,941	4,209	78,921	14,364	13,458	27,822	106,743
Supplies	13,645	-	27,839	34,414	75,898	7,875	7,665	15,540	91,438
Advertising memberships and subscriptions	92,990	6,507	35,069	5	134,571	49,464	38,471	87,935	222,506
Media	19,298	1,406	9,385	-	30,089	13,205	7,907	21,112	51,201
Data research	-	-	-	-	-	-	9,873	9,873	9,873
Software	125,207	9,927	37,982	1,297	174,413	12,203	51,694	63,897	238,310
Professional fees	262,840	92,663	165,748	2,417	523,668	137,789	113,690	251,479	775,147
Contract labor	3,071	950	1,146	-	5,167	1,545	130,560	132,105	137,272
Depreciation	154,366	106,341	82,329	59,757	402,793	164,521	-	164,521	567,314
<b>Total Expenses</b>	<b>\$ 4,029,852</b>	<b>\$ 482,979</b>	<b>\$ 2,831,381</b>	<b>\$ 762,525</b>	<b>\$ 8,106,737</b>	<b>\$ 1,029,945</b>	<b>\$ 2,648,458</b>	<b>\$ 3,678,403</b>	<b>\$ 11,785,140</b>

See notes to consolidated financial statements

**Friends Committee on National Legislation  
and Affiliates**

Statement of Cash Flows  
Year Ended June 30, 2023

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (1,452,321)
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation	567,314
Amortization of right-of-use asset, operating lease	114,032
Change in discount and allowance for unfulfilled promises to give	(3,823)
Net realized and unrealized gain on investments	(1,863,117)
Contributions for long-term purposes	(116,826)
Change in fair value of beneficial interest in planned giving agreements	(107)
Change in fair value of planned giving agreement obligations	106,035
Loans payable converted to contributions	(42,000)
Donated securities	(233,562)
Changes in operating assets and liabilities	
Contributions receivable	451,401
Employee advances and other receivables	(41,908)
Prepaid expenses and other assets	19,762
Accounts payable and accrued expenses	137,445
Operating lease liability	<u>(142,515)</u>
 Net Cash from Operating Activities	 <u>(2,500,190)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	(11,529,975)
Proceeds from sales of investments	14,404,969
Purchase of property and equipment	<u>(101,536)</u>
 Net Cash from Investing Activities	 <u>2,773,458</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Payments to planned giving agreement beneficiaries	(347,589)
Contributions for long-term purposes	<u>116,826</u>
 Net Cash from Financing Activities	 <u>(230,763)</u>
 Net Change in Cash and Cash Equivalents	 42,505
 <b>CASH AND CASH EQUIVALENTS</b>	
Beginning of year	<u>2,379,174</u>
End of year	<u>\$ 2,421,679</u>
See notes to consolidated financial statements	



# Friends Committee on National Legislation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2023

## 1. Nature of Organization and Tax Status

The Friends Committee on National Legislation (“FCNL”) brings the concerns and values of the Religious Society of Friends (“Friends”) to bear on public policy in our nation’s capital. These activities are funded primarily from contributions and bequests. FCNL is a nonprofit organization exempt from income taxes pursuant to Section 501(c)(4) of the Internal Revenue Code as determined in an exemption letter dated September 10, 1946.

The FCNL Education Fund (the “Education Fund”) is a nonprofit entity organized under the laws of the District of Columbia on May 28, 1982. The Education Fund is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as an organization that is not a private organization as defined under Section 509(a)(1) of the Internal Revenue Code. The Education Fund exists in parallel with FCNL to support the research, analysis and education for which FCNL is known and respected. It operates a broad outreach and education program with members of Friends and other citizens and conducts analysis and research on issues of concern to Friends, including peace, social justice, human rights and the environment. The Education Fund is governed by a separate board which is appointed by the Executive Committee of FCNL.

The Education Fund has two subsidiaries: 205 C Street NE LLC and the William Penn House. 205 C Street NE LLC (the “Company”) is a limited liability company incorporated under the laws of the District of Columbia. It is treated as a disregarded entity for tax purposes, and, therefore, its financial activities are included in the tax return of the Education Fund. The Education Fund is its sole member. The purpose and nature of the Company is to own, manage and lease the real property located at 205 C Street, NE, Washington, D.C.

The William Penn House (“WPH”) was incorporated as a nonprofit corporation in the District of Columbia on November 12, 1993. Prior to this date, WPH operated under the Friends Meeting of Washington, a nonprofit organization incorporated in the District of Columbia. During the year ended June 30, 2021, the Executive Committee approved a plan to register WPH with the District of Columbia under the new trade name of Friend’s Place on Capitol Hill (“Friend’s Place”). The purpose of Friend’s Place is to promote the Quaker vision of a peaceful and just society by providing educational seminars, opportunities for dialogue, and simple, inexpensive lodging for those who come to the area to learn or serve.

## 2. Summary of Significant Accounting Policies

### *Principles of Consolidation*

The consolidated financial statements include the accounts of the entities as described in note 1, which are collectively referred to as the “Organization.” All significant intercompany balances and transactions have been eliminated.

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**2. Summary of Significant Accounting Policies (continued)**

***Basis of Presentation and Use of Estimates***

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

***Adoption of New Accounting Principle***

***Leases***

The Organization adopted Financial Accounting Standards Board (“FASB”) Topic 842, Leases, using the effective date method with July 1, 2022, as the date of initial adoption. In adopting Topic 842, the Organization elected to use the modified retrospective transition method, which applies the provisions of the standard at the effective date. The Organization adopted the following practical expedients and elected the following accounting policies related to this standard: Carry forward of historical lease classifications and accounting treatment. The Organization will recognize lease payments on a straight-line basis over the lease term and variable payments in the period when the corresponding obligation is incurred.

As a result of the adoption of the new lease accounting guidance on July 1, 2022, the Organization recognized an operating lease liability of \$374,927 that represents the present value of the remaining operating lease payments of \$388,157, discounted with a risk-free interest rate using the treasury bond rate of 2.85%, and an operating lease right-of-use (“ROU”) asset of \$293,038, that represents the discounted operating lease liability less lease liability incentives.

The adoption of Topic 842 had a material impact on the Organization’s consolidated statement of financial position but did not have a material impact on its consolidated statements of activities and cash flows. The most significant impact was the recognition of ROU asset and operating lease liability.

***Net Assets***

***Net Assets Without Donor Restrictions***

Net assets without donor restrictions are available for use at the discretion of the Organization’s Executive Committee and management for general operating purposes. From time to time, the Executive Committee may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management’s discretion.

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**2. Summary of Significant Accounting Policies (continued)**

***Net Assets (continued)***

***Net Assets With Donor Restrictions***

Net assets with donor restrictions are those resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. The Organization reports gift of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a spending policy approved by the Executive Committee.

***Cash and Cash Equivalents***

The Organization considers all highly liquid debt instruments with a maturity of three months or less at the time of purchase to be cash equivalents.

***Contributions Receivable***

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions receivable on the consolidated statement of activities. Conditional promises to give are not included as support until the conditions are substantially met.

Contributions receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction in accounts receivable. At June 30, 2023, the allowance for uncollectible receivables was \$9,295.

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**2. Summary of Significant Accounting Policies (continued)**

***Fair Value Measurement***

The Organization follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or other inputs which can corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

***Investment Valuation***

Investments are carried at fair value. Assumptions to estimate fair value for the year ended June 30, 2023 are as follows:

*Equities, real estate funds and equity mutual funds; and Pooled life income fund* – recorded at fair value based on quoted market prices in active markets.

*Fixed-income securities* – recorded at fair value by discounting the related cash flows based on current yields of similar instruments with comparable characteristics.

*Beneficial interest in planned giving agreements* – recorded at fair value based on future distributions expected to be received over the term of the charitable gift annuity agreements. The expected future cash inflows from the interest in charitable gift annuities are based on the fair value of the investments, the future expected investment returns and the donor's life expectancy, using a discount rate of 2.2% and applicable mortality tables. The investments of the charitable gift annuities include variable annuities, equities and options, and cash equivalents.

***Leases***

The Organization accounts for leases under Topic 842 and determines if an arrangement is a lease at inception. Operating leases are included in operating ROU asset and operating lease liability in the consolidated statement of financial position.

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**2. Summary of Significant Accounting Policies (continued)**

***Leases (continued)***

ROU asset represents the right to use an underlying asset for the lease term and the lease liability represents the obligation to make lease payments arising from the lease. Operating ROU asset and lease liability are recognized at the lease commencement date based on the present value of the lease payments over the lease term. When leases do not provide an implicit borrowing rate, the Organization uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease term may include options to extend the lease and when it is reasonably certain that the Organization will exercise that option, such amounts are included in ROU asset and lease liability. Lease expense for the lease payments is recognized on a straight-line basis over the lease term. The Organization's lease agreement does not contain any material residual value guarantee or material restrictive covenants.

***Property and Equipment***

The Organization follows the practice of capitalizing all expenditures for property and equipment which exceed \$2,500. Property and equipment are recorded at cost, or if received by donation, at estimated fair value at the time such items are received. Expenditures for maintenance and repairs are expensed as incurred. Expenditures that improve or extend the estimated useful lives are capitalized. Depreciation is recognized using the straight-line method over the estimated useful lives of such assets as follows:

Building and improvements	30 years
Furniture and fixtures	5-10 years
Computer equipment	5 years

***Impairment of Long-Lived Assets***

Long-lived assets such as property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Organization records impairment losses on long-lived assets used in operations when the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. No impairment charges were required to be recognized as of June 30, 2023.

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**2. Summary of Significant Accounting Policies (continued)**

***Conditional Asset Retirement***

An asset retirement obligation represents a legal obligation associated with the retirement of tangible long-lived asset that is incurred upon the acquisition, construction, development or normal operation of that long-lived asset. Asset retirement obligations are recorded in the period in which they are incurred and reasonably estimable, including those obligations for which the method of settlement are conditional on a future event that may or may not be within the control of the Organization. Retirement of assets may involve such efforts as removal of leasehold improvements, contractually required demolition, and other related activities, depending on the nature and location of the assets. In identifying asset retirement obligations, the Organization considers identification of legally enforceable obligations, changes in existing law, estimates of potential settlement dates, and the calculation of an appropriate discount rate to be used in calculating the fair value of the obligations. For those assets where a range of potential settlement dates may be reasonably estimated, obligations are recorded. The Organization routinely reviews and reassesses its estimates to determine if an adjustment to the value of the asset retirement obligation is required. No asset retirement obligations were recorded to date.

***Definition of Operations***

Operating revenue and expenses generally reflect those revenues and expenses that arise from the Organization's activities and exclude changes in present value of interest paid in planned giving agreements; contributions to planned giving; investment income, which the Organization defines as all interest, dividends, realized and unrealized gains and losses; and investment fees from long-term investments.

***Revenue***

***Contributions***

Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

***Bequests***

The Organization recognizes bequests in the year in which the promise to give becomes unconditional, which is the year in which the probate court declares the will valid and the proceeds are measurable in amount. Irrevocable split-interest agreements, including charitable remainder trusts and pooled income funds, are recorded as revenue and support when the trust agreements are executed.

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**2. Summary of Significant Accounting Policies (continued)**

***Revenue (continued)***

*Lodging*

Lodging represents reservations and hospitality at Friend's Place and are recognized at the point of time the services are received by the customer.

*Rental Revenue*

Rental revenue includes the rental of office space and is recognized over the period of time the services are provided and consumed by customer.

*Meeting Registration*

Meeting registration consists of revenue from registration fees for meetings and conferences and is recognized at the point in time that the meetings or conferences take place. Revenue from these activities, received in advance of the meetings or conferences, is reported as contract liabilities in the accompanying consolidated statement of financial position. As of June 30, 2023, no such advances were received.

*Other Revenue*

Other income consists of fees relating to educational programs and honoraria which are recognized at the time the program event takes place.

*Investment Income*

Purchases and sales of securities are recorded on a trade-date basis. Interest revenue is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Net realized and unrealized gains and losses are included in the determination of the change in net assets.

***Donated Securities***

Securities donated to the Organization are recorded as contributions at their estimated fair values at the date of donation.

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**2. Summary of Significant Accounting Policies (continued)**

***Functional Allocation of Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Expenses directly attributable to a specific functional area of the Organization are reported as direct expenses to those functional areas, while costs that benefit more than one function are allocated among the various functional areas based on a basis of estimated time and effort or other reasonable basis determined by management to be equitable. Accordingly, certain costs, such as salaries and wages, and benefits have been allocated proportionately among the programs and supporting services benefitted. General and administrative expenses, such as travel and meetings, printing, and professional fees are allocated based on proportionate programmatic direct cost totals.

***Advertising***

The Organization expenses advertising costs as incurred. Advertising costs for the year ended June 30, 2023 was \$167,108.

***Accounting for Uncertainty in Income Taxes***

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is subject to examinations by applicable taxing jurisdictions for all periods since June 30, 2020.

***Subsequent Events***

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date which is the date that the consolidated financial statements were available to be issued, which is May 31, 2024.

**3. Concentrations of Credit Risk**

The credit risks of the Organization arise from cash. The Organization maintains balances with a financial institution which, at times, may exceed the Federal Deposit Insurance Corporation insurance limits. There was an uninsured portion of approximately \$1,700,000 at June 30, 2023. The investment portfolio is diversified by type of investments and industry concentration so that no individual or group of investments represents a significant concentration risk.

The Organization earned approximately 73% of its revenue from contribution revenue for the year ended June 30, 2023.



**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**4. Contributions Receivable**

All unconditional pledges and contributions receivable due in more than one year have been discounted to their present value using a rate of 3%, which approximates the risk and expected timing of future grant payments. The receivables are comprised of the following at June 30, 2023:

Due in less than one year	\$ 1,094,173
Allowance for unfulfilled promises to give	<u>(7,478)</u>
	<u>\$ 1,086,695</u>

**5. Investments**

Investments categorized by the fair value hierarchy consist of the following at June 30, 2023:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equities	\$ 16,621,582	\$ -	\$ -	\$ 16,621,582
Fixed income securities	-	8,204,223	-	8,204,223
Pooled life income fund	-	800,656	-	800,656
Equity mutual funds	31,742	-	-	31,742
Beneficial interest in planned giving agreements	-	-	33,992	33,992
Total Investments	<u>\$ 16,653,324</u>	<u>\$ 9,004,879</u>	<u>\$ 33,992</u>	<u>\$ 25,692,195</u>

During the year ended June 30, 2023, there were no transfers in or out of fair value hierarchy levels.

**6. Beneficial Interest in Planned Giving Agreements**

The Organization receives charitable gift annuities that are initiated and issued by donors through the Friends Fiduciary Corporation and Lincoln National Financial. These donors listed the Organization as one of the charitable beneficiaries. The assets contributed by these donors are held by and are under the control of the Friends Fiduciary Corporation and Lincoln National Financial. Accordingly, the Organization has recognized this beneficial interest in charitable gift annuities at its present value of \$33,992 at June 30, 2023.

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**6. Beneficial Interest in Planned Giving Agreements (continued)**

The planned giving agreements are measured at fair value using significant unobservable inputs (Level 3) as discussed in Note 2. The following is a reconciliation of the planned giving activity for the year ended June 30, 2023:

Beginning balance	\$ 33,885
Increase in value due to change in discount to present value	<u>107</u>
Ending balance	<u>\$ 33,992</u>

The change in value of planned giving agreements is included in nonoperating activities in change in value of interest in planned giving agreements in the accompanying consolidated statement of activities and pertains to planned giving agreement obligations held at year-end.

**7. Property and Equipment**

Property and equipment consists of the following at June 30, 2023:

Land	\$ 600,466
Building and improvements	12,023,097
Furniture and fixtures	1,175,040
Computer equipment	<u>81,131</u>
	13,879,734
Accumulated depreciation	<u>(5,925,160)</u>
	<u>\$ 7,954,574</u>

Depreciation expense totaled \$567,314 for the year ended June 30, 2023. Assets with a cost basis and accumulated depreciation of \$36,169 were disposed of during the year ended June 30, 2023.

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**8. Planned Giving Agreement Obligations**

The Organization's planned giving agreements include a charitable gift annuity program, several charitable remainder trusts and a pooled life income fund.

Charitable gift annuities are arrangements between donors and the Organization in which the donors contribute assets to the Organization in exchange for promises by the Organization to pay a fixed amount for a specified period of time to the donors or individuals designated by the donors. The present value of the estimated future payments for the year ended June 30, 2023, was calculated using a discount rate of 2.2% based on Internal Revenue Service Publication 1457 and the Annuity 2010 mortality table. For the year ended June 30, 2023, contribution revenue from charitable gift annuities totaled \$82,600. As of June 30, 2023, the Organization's obligations to donors or individuals designated by donors under these charitable gift annuity arrangements totaled \$2,224,878 and is included in planned giving agreement obligations in the accompanying consolidated statement of financial position. As of June 30, 2023, the assets of the gift annuities totaled \$4,559,740 and are included in investments in the accompanying consolidated statement of financial position.

Charitable remainder trusts are arrangements in which donors establish and fund trusts with specified distributions to be made to designated beneficiaries over the trust's term. Upon termination of each trust, the Organization receives the assets remaining in the trust. The Organization may ultimately have unrestricted use of these assets, or the donors may place permanent or temporary restrictions on their use. The present value of the estimated future payments for the year ended June 30, 2023, was calculated using a discount rate of 2.2% and applicable mortality tables. As of June 30, 2023, the present value of the estimated future payments of the trusts totaled \$369,324 and is included in planned giving agreement obligations in the accompanying consolidated statement of financial position. As of June 30, 2023, the assets of the charitable remainder trusts totaled \$1,178,225, and they are included in investments in the accompanying consolidated statement of financial position.

The Organization has established a pooled life income fund. This fund is divided into units, and donors are assigned a specific number of units based on the proportion of the fair value of their contributions to the total fair value of the pooled income fund on the date of the donor's entry to the pooled fund. Until a donor's death, the donor is paid the actual income earned on the donor's assigned units. Upon the donor's death, the value of the units is available to the Organization for its unrestricted use. The present value of these units is calculated by discounting the fair value using a discount rate of 3.377% and applicable mortality tables. As of June 30, 2023, the present value of the estimated future payments of the pooled life income fund totaled was \$384,589, and is included in planned giving agreement obligations in the accompanying consolidated statement of financial position. As of June 30, 2023, the fair value of the pooled life income fund totaled \$795,613 and it is included in investments in the accompanying consolidated statement of financial position.

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**9. Loans Payable**

The Organization receives financial support from individual lenders in the form of both interest and interest-free loans, which range from \$500 to \$20,000 and are due upon demand by the lender. For each loan, the outstanding balance or any portion thereof is returned to the lender or converted to a gift upon request by the lender. In case of death of a lender, the balance is either returned to the lender's estate or converted to a gift according to the terms of the loan. During the year ended June 30, 2023, the Organization received no new loans, made no principal payments and converted \$42,000 of existing loans to gifts which is reported as contributions in the accompanying consolidated statement of activities. The balance outstanding for all loans at June 30, 2023 was \$79,782. The Organization did not have any interest expense for the year ended June 30, 2023.

**10. Commitments and Contingencies**

Leases

The Organization entered into a noncancelable operating office space lease at 518 C Street, NE, Washington, DC. The lease term is for 76 months, with an expiration date on December 15, 2024. The lease was subject to a 4% annual rent escalation during the first four lease years and 3% during the last three lease years, and also requires the Organization to pay as additional rent its proportional share of increases in building operating expenses and real estate taxes. Rent expense amounted to \$114,032 for the year ended June 30, 2023.

The ROU asset consists of the following at June 30, 2023:

ROU Asset	\$ 293,038
Accumulated amortization	<u>(114,032)</u>
	<u>\$ 179,006</u>

The future minimum lease payments under this operating lease are as follows for the years ending June 30:

2024	\$ 156,291
2025	<u>80,876</u>
Total minimum lease payments	237,167
Less present value discount	<u>(4,755)</u>
Present value of lease liability	<u>\$ 232,412</u>

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**10. Commitments and Contingencies (continued)**

Supplemental cash flow information related to the operating lease are as follows for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of operating lease liability	\$ 150,990
ROU asset recognized upon adoption of lease guidance	\$ 293,038

The weighted average discount rate used for the operating lease is 2.85% for the year ended June 30, 2023. The weighted average remaining lease term for the year ended June 30, 2023 was 1.50 years.

**11. Endowment Funds**

***Interpretation of Relevant Law***

The Organization's Executive Committee has interpreted the District of Columbia Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets restricted in perpetuity: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets restricted in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Organization and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Organization.
- The investment policies of the Organization.

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**11. Endowment Funds (continued)**

***Return Objectives and Risk Parameters***

The Organization has adopted investment policies for 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 the endowment assets. Under this policy, as approved by the Executive Committee, the endowment assets are invested in funds to achieve steady income growth without exposing the principal of the funds to significant fair value fluctuations. Actual returns in any given year may vary. The Organization has invested the donor restricted assets in perpetuity in investment vehicles with a preferred asset allocation of 70% to 80% equity, with the remainder in fixed income. The portfolio should be consistent with the Organization's risk tolerance, cash flow needs and Guidelines for Socially Responsible Investing.

The primary investment objective, over the long term, is to earn an average annual return net of investment manager fees and transaction costs of at least 4% plus the inflation rate (as measured by the national Consumer Price Index). This goal allows the investment portfolio to generate income needed for various purposes and protect the purchasing power of the principal.

***Strategies Employed for Achieving Objectives***

To satisfy its long-term rate objectives within the established risk parameters the Organization's assets are divided into asset classes consisting of money markets, equities, securities, fixed income, bonds and mutual funds.

The Organization maintains various donor-restricted funds whose purpose is to provide long term support for its charitable programs. In classifying such funds for financial statement purposes as either with or without restrictions, the Executive Committee looks to the explicit directions of the donor where applicable and provisions of the laws of the District of Columbia.

***Spending Harvesting Policy***

Investment earnings on the endowment are available to fund the operations of the Organization. The investment earnings on the fund are considered to be appropriated for expenditure upon the approval of expenditures made in accordance with the Executive Committee's approval of the annual budget. All interest, dividends, and realized and unrealized capital gains on the endowment account will be retained in this account until expended. This account will be valued as of June 30 each year, and 5% of the average value of the endowment for the prior three years will be placed in the annual operating budget for the fiscal year that begins July 1 of that year. On October 3, 2020, the Executive Committee approved a change in the Harvesting Policy for endowment spending to the date of endowment valuation. Effective December 31, 2020, endowment accounts will no longer be valued at June 30, but instead at December 31. Therefore, 5% of the average value of the endowment for the prior three years, ending December 31, will be placed in the annual operating budget for the fiscal year that begins July 1 of that year.

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**11. Endowment Funds (continued)**

***Spending Harvesting Policy (continued)***

The aim is to provide steady yield from the endowment for programs while allowing the endowment to keep pace with inflation. In no year will payment be made that would reduce the value of the account below the aggregate value of all donations to the endowment account. If these aims are not realized over time, then the 5% figure will be reconsidered.

***Funds with Deficiencies***

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. The Organization's policy is based on its interpretation of UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. There were no funds with such deficiency as of June 30, 2023.

The following is the donor restricted funds composition of historical gift value and appreciation as of June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Historical gift value	\$ -	\$ 4,616,558	\$ 4,616,558
Appreciation	-	7,531,781	7,531,781
	<u>\$ -</u>	<u>\$ 12,148,339</u>	<u>\$ 12,148,339</u>

At June 30, 2023, original donor restricted endowment gift amounts required to be retained by the donor total \$4,616,558. Accumulated investment gains on endowment funds are as follows as of June 30, 2023:

With donor restrictions - purpose	\$ 7,155,192
Without donor restrictions	376,589
	<u>\$ 7,531,781</u>

The following is a reconciliation of the investment activity in the donor restricted funds for the year ended June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, June 30, 2022	\$ -	\$ 11,274,507	\$ 11,274,507
Contributions	-	116,826	116,826
Investment return	-	1,262,957	1,262,957
Amounts appropriated for expenditure	-	(505,951)	(505,951)
Balance, June 30, 2023	<u>\$ -</u>	<u>\$ 12,148,339</u>	<u>\$ 12,148,339</u>

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**12. Net Assets**

***Net Assets Without Donor Restrictions***

The Organization's net assets without donor restrictions are composed of undesignated amounts and designated amounts by the Executive Committee for a working capital reserve. The Organization's net assets without donor restrictions are as follows at June 30, 2023:

Undesignated	<u>\$ 3,829,321</u>
Designated by the Executive Committee	
Annuities	4,559,740
Plant and equipment	7,954,574
Building maintenance reserve	996,787
Life insurance policies	<u>23,131</u>
Total Designated by the Executive Committee	<u>13,534,232</u>
Total Net Assets Without Donor Restrictions	<u><u>\$ 17,363,553</u></u>

Net assets are designated by the Executive Committee for the following purposes:

- Annuities - represents the excess of assets (investments) of charitable gift annuities agreements and the related obligations to donor or donor-specified beneficiaries.
- Plant and equipment - represents the total book value (carrying value) of all property and equipment of the Organization.
- Building maintenance reserve - represents the accumulated investment income on unrestricted funds for the purpose of providing a source of funds for capital and major repairs to the Organization's buildings.
- Life insurance policies - represents the value of life insurance policies donated to the FCNL Education Fund, which is the policy beneficiary and owner.



**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**12. Net Assets (continued)**

***Net Assets With Donor Restrictions***

The Organization's net assets with donor restrictions are restricted for the following purposes at June 30, 2023:

**Purpose**

Donor restricted endowment income	\$ 7,531,781
Native American	185,580
Youth adult leadership	1,269,245
Friends in Washington	56,022
Strategic advocacy	70,375
Pooled income fund	416,067
Trust fund	512,723
Other	26,511
Nuclear disarmament and calendar	224,365
Immigration	110,846
Mass incarceration	6,893
Middle East	105,000
Education	383,574
Election integrity	385,160
	<u>11,284,142</u>
<b>Passage of Time</b>	
General operating support for future periods	<u>166,083</u>

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**12. Net Assets (continued)**

***Net Assets With Donor Restrictions (continued)***

**Held in Perpetuity**

Native American	\$ 470,422
Intern endowment	463,006
General endowment	441,069
Freeman intern	280,431
Pickett endowment for Quaker leadership	159,950
Lepke Intern endowment	104,784
Elder endowment	100,000
Paxton endowment	100,000
James R. Bennett endowed fund	100,000
Builders of a Better World	78,485
Youth involvement	46,668
Levering fund	41,855
	<hr/>
	2,386,670
Capital Campaign	
Youth involvement	1,396,074
Laura Wilcox fund	564,922
Young adult leadership	102,285
Friends in Washington	98,087
Sustain Lobbying	68,520
	<hr/>
	4,616,558
	<hr/> <hr/>
	\$ 16,066,783

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**12. Net Assets (continued)**

***Net Assets With Donor Restrictions (continued)***

Net assets were released from donor restrictions for the following purposes during the year ended June 30, 2023:

Native American	\$ 28,136
Capital Campaign	1,395,317
Nuclear disarmament and calendar	59,181
Youth Adult leadership	15,017
Strategic Advocacy	717,125
Renovation costs	334,123
Other	282,281
Economic inequality	220,000
Peaceful prevention of conflict	85,000
Immigration	30,500
Mass incarceration	48,107
Middle East	10,000
Election	10,000
	<u>3,234,787</u>
<b>Passage of Time</b>	
General operating support for future periods	<u>185,103</u>
	<u><u>\$ 3,419,890</u></u>

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**13. Liquidity and Availability of Financial Resources**

The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditures are as follows at June 30, 2023:

Cash and cash equivalents	\$ 2,421,679
Contributions receivable, net	1,086,695
Employee advances and other receivables	115,841
Investments	<u>25,658,203</u>
Total Financial Assets	<u>29,282,418</u>
 Less:	
Amounts not available to be used within one year:	
Net assets with donor restrictions	(16,066,783)
Net assets designated by the Executive Committee (see Note 12)	(13,534,232)
 Add:	
Endowment earnings appropriated for the following year	351,846
Net assets designated by the Executive Committee expected to be spent in less than one year	996,787
Investment earnings from split interest agreements to be spent in less than one year	<u>400,000</u>
	<u>(27,852,382)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 1,430,036</u>

*Liquidity Management*

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year. This is done through monitoring and reviewing the Organization's cash flow needs on a weekly basis. As a result, management is aware of the cyclical nature of the Organization's cash flow related to the Organization's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. As part of its liquidity plan, excess cash is invested in publicly traded investment vehicles, including mutual funds, fixed income securities, real estate funds and equity securities. The Organization can liquidate its investments anytime, other than the amounts restricted by donors above, and therefore the investments are available to meet current cash flow needs. Additionally, the Organization has net assets designated by the Executive Committee that could be available for current operations with the approval of the Executive Committee, if necessary.

**Friends Committee on National Legislation  
and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2023

**14. Line of Credit**

The Organization has a revolving line of credit with a financial institution for \$500,000 which matures on June 9, 2024. Funds drawn against the line of credit accrue interest at the bank's prime rate plus 1% with a minimum rate of 4.25% and are secured by all of Organization's cash accounts held with the financial institution and all business assets. At June 30, 2023, there was no outstanding balance on the line and no funds were drawn during the year.

**15. Pension**

The Organization maintains a defined contribution plan pursuant to Section 401(k) of the Internal Revenue Code for its employees. Participation by employees in the Plan is voluntary. The Organization contributes 10% of the salary of each participant who has completed one year of service. Employees are fully vested after two years of service. The Organization makes a 3% safe harbor, nonelective contribution, which is fully vested at all times. During the year ended June 30, 2023, the Organization's contributions totaled \$474,831.

**16. Restatement**

The Organization restated net assets as of July 1, 2022 to reclassify net assets without donor restrictions of \$1,909,894 to net assets with donor restrictions to properly reflect donor intentions.

\* \* \* \* \*

**Friends Committee on National Legislation and  
Affiliates**

Supplementary Information

June 30, 2023

**Friends Committee on National Legislation  
and Affiliates**

Consolidating Statement of Financial Position  
June 30, 2023

	FCNL Education Fund					Total
	FCNL	FCNL Education Fund	205 C Street NE LLC	Friend's Place	Eliminations	
<b>ASSETS</b>						
Current Assets						
Cash and cash equivalents	\$ 914,755	\$ 1,029,822	\$ 23,010	\$ 454,092	\$ -	\$ 2,421,679
Contributions receivable, net	773,334	313,361	-	-	-	1,086,695
Employee advances and other receivables	22,164	75,127	-	18,550	-	115,841
Due from affiliates	-	5,079,213	-	-	(5,079,213)	-
Prepaid expenses and other assets	<u>75,277</u>	<u>92,083</u>	<u>-</u>	<u>869</u>	<u>-</u>	<u>168,229</u>
Total Current Assets	1,785,530	6,589,606	23,010	473,511	(5,079,213)	3,792,444
Investments	4,442,032	21,216,069	-	102	-	25,658,203
Investment in subsidiary	-	3,233,980	-	-	(3,233,980)	-
Beneficial interest in planned giving agreements, net	-	33,992	-	-	-	33,992
Right-of-use asset, operating lease	-	179,006	-	-	-	179,006
Cash surrender value of life insurance	-	23,131	-	-	-	23,131
Property and equipment, net	<u>-</u>	<u>2,898,149</u>	<u>3,214,680</u>	<u>1,841,745</u>	<u>-</u>	<u>7,954,574</u>
	<u>\$ 6,227,562</u>	<u>\$ 34,173,933</u>	<u>\$ 3,237,690</u>	<u>\$ 2,315,358</u>	<u>\$ (8,313,193)</u>	<u>\$ 37,641,350</u>
<b>LIABILITIES AND NET ASSETS</b>						
Current Liabilities						
Accounts payable and accrued expenses	\$ 578,061	\$ 260,063	\$ 3,710	\$ 78,195	\$ -	\$ 920,029
Planned giving agreement obligations, current portion	-	314,965	-	-	-	314,965
Operating lease liability, current portion	-	149,790	-	-	-	149,790
Due to affiliate	3,158,629	-	-	1,920,584	(5,079,213)	-
Loans payable	<u>2,000</u>	<u>77,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,782</u>
Total Current Liabilities	3,738,690	802,600	3,710	1,998,779	(5,079,213)	1,464,566
Planned giving agreement obligations, net of current portion	-	2,663,826	-	-	-	2,663,826
Operating lease liability, net of current portion	<u>-</u>	<u>82,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,622</u>
Total Liabilities	<u>3,738,690</u>	<u>3,549,048</u>	<u>3,710</u>	<u>1,998,779</u>	<u>(5,079,213)</u>	<u>4,211,014</u>
Net Assets						
Without donor restrictions	898,765	16,513,362	3,233,980	(48,574)	(3,233,980)	17,363,553
With donor restrictions	<u>1,590,107</u>	<u>14,111,523</u>	<u>-</u>	<u>365,153</u>	<u>-</u>	<u>16,066,783</u>
Total Net Assets	<u>2,488,872</u>	<u>30,624,885</u>	<u>3,233,980</u>	<u>316,579</u>	<u>(3,233,980)</u>	<u>33,430,336</u>
	<u>\$ 6,227,562</u>	<u>\$ 34,173,933</u>	<u>\$ 3,237,690</u>	<u>\$ 2,315,358</u>	<u>\$ (8,313,193)</u>	<u>\$ 37,641,350</u>

See independent auditors' report

**Friends Committee on National Legislation  
and Affiliates**

Consolidating Statement of Activities  
Year Ended June 30, 2023

	FCNL Education Fund					Total
	FCNL	FCNL Education Fund	205 C Street NE LLC	Friend's Place	Eliminations	
<b>OPERATING REVENUE AND SUPPORT</b>						
Contributions	\$ 2,358,838	\$ 2,999,292	\$ -	\$ 322,570	\$ -	\$ 5,680,700
Donated securities	-	233,562	-	-	-	233,562
Bequests	68,611	1,679,333	-	-	-	1,747,944
Lodging	-	-	-	246,957	-	246,957
Rental revenue	-	-	72,228	-	-	72,228
Meeting registration	91,430	-	-	-	-	91,430
Other revenue	858	3,894	-	4,540	-	9,292
Total Operating Revenue and Support	<u>2,519,737</u>	<u>4,916,081</u>	<u>72,228</u>	<u>574,067</u>	<u>-</u>	<u>8,082,113</u>
<b>EXPENSES</b>						
Program Services						
Advocacy and outreach	1,318,410	2,673,533	37,909	-	-	4,029,852
Legislative and educational	87,971	368,893	26,115	-	-	482,979
Young adult program	911,098	1,900,065	20,218	-	-	2,831,381
Friend's place	-	-	-	762,525	-	762,525
Total Program Services	<u>2,317,479</u>	<u>4,942,491</u>	<u>84,242</u>	<u>762,525</u>	<u>-</u>	<u>8,106,737</u>
Supporting Services						
Management and general	350,851	507,875	146,812	24,408	-	1,029,945
Fundraising	1,512,108	1,136,350	-	-	-	2,648,458
Total Supporting Services	<u>1,862,959</u>	<u>1,644,225</u>	<u>146,812</u>	<u>24,408</u>	<u>-</u>	<u>3,678,403</u>
Total Expenses	<u>4,180,438</u>	<u>6,586,716</u>	<u>231,053</u>	<u>786,933</u>	<u>-</u>	<u>11,785,140</u>
Change in Net Assets Before Nonoperating Activities	(1,660,701)	(1,670,635)	(158,825)	(212,866)	-	(3,703,027)
<b>NONOPERATING ACTIVITIES</b>						
Investment income, net	520,866	1,753,275	-	-	-	2,274,141
Investment income in subsidiary	-	(158,825)	-	-	158,825	-
Contributions to planned giving	-	82,600	-	-	-	82,600
Change in value of interest paid in planned giving agreements	-	(106,035)	-	-	-	(106,035)
Change in Net Assets	<u>(1,139,835)</u>	<u>(99,620)</u>	<u>(158,825)</u>	<u>(212,866)</u>	<u>158,825</u>	<u>(1,452,321)</u>
<b>NET ASSETS</b>						
Beginning of year, as restated	<u>3,628,707</u>	<u>30,724,505</u>	<u>3,392,805</u>	<u>529,445</u>	<u>(3,392,805)</u>	<u>34,882,657</u>
End of year	<u>\$ 2,488,872</u>	<u>\$ 30,624,885</u>	<u>\$ 3,233,980</u>	<u>\$ 316,579</u>	<u>\$ (3,233,980)</u>	<u>\$ 33,430,336</u>

See independent auditors' report