**2024 ANNUAL REPORT OF THE**

**TRUSTEES OF BALTIMORE YEARLY MEETING**

**Summary:** The Trustees are responsible for BYM’s legal and investment activities, including:

* Monitor BYM’s overall financial health and resources,
* Oversee BYM’s investments to preserve and protect them,
* Monitor the Yearly Meeting’s insurance needs and policies, and
* Arrange for the audit of BYM’s financial statements for the year just ended.

The Trustees believe the Yearly Meeting is in good financial condition, and has effective and responsible leadership. The Yearly Meeting’s financial resources have been buoyed in 2023 and early 2024 by a favorable stock market. BYM has been blessed with generous gifts from donors, especially for the new camp facilities at the Rolling Ridge Conservancy. Simplified financial reporting has improved information flows within the organization. We continue to invest for the future, and we benefit from the support of our monthly meetings and active membership.

**Members of the Trustees:** Nine Friends serve as BYM Trustees, and have been meeting every other month in 2023-24. Seven Trustees are nominated and approved by the BYM membership. These include Marion Ballard (Bethesda), Dante Bucci (FMW), Tom Farquhar (Sandy Spring), Clerk Rich Liversidge (Sandy Spring), Tacy Roby (Bethesda), Rich Thayer (Charlottesville), and Victor Thuronyi (Adelphi). The Presiding Clerk Steph Bean (Adelphi) and Treasurer Jim Riley (Hopewell Center) serve ex-officio. Rich Liversidge and Dante Bucci step down at the end of the 2024 Annual Session. We look forward to the approval of two nominees at Annual Session.

Trustee participation on the board of the Rolling Ridge Conservancy has helped the Trustees better understand BYM’s obligations and responsibilities to preserve and maintain Rolling Ridge as an environmentally sound community resource into the future. Looking ahead, we expect to participate in RRC Board discussions regarding land and forest management and functioning consistent with the RRC environmental easement held by the Appalachian Trail Conservancy.

**BYM’s Financial Condition:**  Monitoring the Yearly Meeting’s financial condition and investing BYM’s financial assets are core responsibilities of the Trustees. BYM’s financial condition is strong, as reflected in our year-end financial statements. This strong base lets the Yearly Meeting develop and restructure our programs to build for the future. The generosity of Camping Program donors and the restructured fee structures for both camps and Annual Session have increased and broadened participation in our activities while covering operating costs.

**BYM’s Investments:**  A Trustees’ Investment Committee oversees BYM’s investments in two portfolios. One portfolio is a balanced fund of the Friends Fiduciary Corporation (FFC) (75% of total investments) that is managed by several advisory firms. FFC is a balanced fund with a mix of equities (large-cap, small-cap, international, utilities, and emerging markets) and bonds. The FFC portfolio fund has distributed 4% of the 3-year average year-end balance to BYM.

The second portfolio is a smaller portfolio of mutual and index funds managed by Morgan Stanley Wealth Management (MSWM) (25%). In 2018, the Trustees and MSWM restructured this portfolio to include a mix of large-cap, small-cap, emerging market, and international investment index funds and exchange-traded funds (ETFs)s. Both portfolios are managed following Socially Responsible Investment (SRI) and Environmental, Social and Governmental (ESG) procedures.

BYM’s combined portfolio recovered from a Covid-period low of $1.3 million in mid-2020 to a present market value of $2.1 million, up about 60%. A degree of price volatility returned in 2023 and 2024, but gains have continued through mid-year 2024. The Trustees are discussing the pros and cons of combining the two portfolios to improve flexibility and fund management. Those discussions are expected to continue at least through 2024. BYM’s Investment Policy Statement was last updated in 2021 and will be reevaluated in 2024-25.

**BYM’s Reserves:** The Trustees monitor BYM’s Unrestricted Reserves to assure the availability of funds for program purposes. This helps protect the Yearly Meeting’s financial condition. The Trustees have a policy to recommend setting aside from Unrestricted Reserves an amount equal to 25% of the incoming budgeted operating expenses for contingencies. This serves as a buffer for any reductions in program revenues or investment market values, and other unforeseen risks.

**Audit of BYM’s Financial Statements:** Our auditors have just completed the draft audit of BYM’s financial statements, and it is being reviewed by the Treasurer and the Trustees. When the audit is final, it will be included in BYM’s Yearbook.

**BYM’s Insurance Coverage.** The Trustees and the General Secretary periodically review and revise the insurances carried by BYM to protect our assets, staff, programs, and any liabilities.

**Friends Burial Grounds:** Trustee Tom Farquhar has continued the work of identifying and tending burial ground properties under our care. Ownership of several burial grounds reverted to BYM when meetings were laid down. Progress continues for several of these properties as the maintenance and repair needs and the clarity of ownership are addressed.

**Liaison Activities:** Trustees liaise with certain other committees. These include the Camp Property Committee and the Development Committee. The Treasurer is an ex-officio member of the Stewardship and Finance Committee. During Annual Session, the Trustees meet with the Stewardship and Finance Committee about areas of mutual interest.

**Youth Safety Policy (YSP):**  BYM, our staff and our volunteers value the children in our care and do everything we can to keep them safe. BYM’s Youth Safety Policy has been in place for over 20 years. The YSP Working Group is convened by a BYM Trustee. It seasons and broadens the scope of our youth safety policy as needed. Last year, the policy was updated to include any intentional emotional, physical, or sexual abuse of our youth through social media. Recommendations are brought forward to the Trustees, and then to the Yearly Meeting.

Final as of July 23, 2024