

Polanyi Society Treasurer's Report 2021-2022

Operating Revenue: \$3,637.22 (from dues, libraries, royalties and donations to “any need”) + **\$5,229.94** (Endowment “draw” of 2.4%) = **\$8,867.17**

Revenue from dues totaled \$2,045. There were 58 people who paid (this was down from last year's 59, the prior year's 64, and the year prior to that's 74). There were 7 libraries that paid their \$25 subscription (down from last year's 8, the prior year's 11, and the year prior to that's 13) adding \$175 to the coffers. An additional \$269.45 came in royalties (some of this was from the prior year but was not distributed to PS until this fiscal year). This brings income revenue to \$2,489.45 before donations. With the addition of \$1,147.77 in donations for “any needs,” our normal operating revenue was at \$3,637.22. Since it was decided that we should draw some percentage from Endowment to comply better with standard requirements, and because we anticipated higher expenses surrounding payments for editing TAD, some Endowment money was moved into the General Account. If that money, \$5,229.94 (2.4% of Endowment avg.), is counted towards operating revenue, the grand total is \$8,867.16.

Expenses (TAD, Web expenses, Paypal fees): \$2,364.74

Faithlab production expenses for Tradition and Discovery are running at about \$425 per issue. We did not get the July bill (for TAD 48:2) until September, so the actual amount paid is deceptively lower, at \$854.90. Including 48:2 would add \$456.50 to TAD expenses. There were also some charges for copy editing paid to a contractor, at \$242.50. Payments to a general editor were smaller than expected, at \$0 since Paul Lewis, Phil Mullins, and Walt Gulick stepped up to temporarily replace David Stewart as general editors. Payment to a review editor were also lower than expected, as Jean Bocharova received two payments, but only cashed one payment of \$833.33 before retiring from the position. One miscellaneous postage fee of \$1.76, brings total TAD production expenses to \$1,932.50. Web expenses were at \$369.76 (\$43.88 to Go Daddy, \$70 in Zoom and video production expenses, and \$155.88 for Adobe software). Paypal commissions (or bank fees) were at \$52.90, an amount was offset by a credit of \$1.67 from the closing of a Missouri Western account. The Annual Corporate Report of \$11.25 capped off operating expenses at **\$2,364.74**.

Normal Operating Revenue less Expenses (\$3,637.22- \$2,364.74): \$1,272.48

We are in the black this year thanks to generous donations and reduced expenses. We started with \$4,520.34 in the General Account (formerly BB&T, now Truist). With the net addition of \$1,272.48, and the transfer in of \$1,229.94 in dividends from Endowment held in stocks, and another \$4,000 from Endowment donations that (fortunately) were not transferred to the Vanguard account, the ending balance in the General Account on 8/31/21 was \$11,022.76.

Special Projects & Travel Fund (Mead-Gelwick-Scott): \$5,415.97 (no change)

Endowment: \$4,000 in Donations, plus **\$1,427.54** in gains from E-trade, **minus a market loss of \$28,714.71** from Vanguard. **Ending Cumulative balance of all accounts: \$232,038.06.**

The Endowment benefited from \$4,000 in donations from 2 different parties. The Endowment's Savings Account (Capital 360) increased from \$23,774.55 to \$23,798.33 due to \$23.78 in interest (about .1%). The Vanguard Brokerage Account started at about \$200,461.44 (total at 8/26/21) but the investments took loss of \$28,714.71 (approximately 14%). The E-Trade

stocks began at \$7,802.07 (8/24/21) and ended at \$9,229.61 (on 9/16/22) for a gain of \$1,427.54 (18% increase).

The loss from Vanguard, and gain from E-trade, provided a net loss of \$27,287.17, which was offset by the donations of \$4,000, and some small interest of \$23.78. The total endowment loss was thus \$23,263.39. The cumulative total of all the Endowment funds at the end of the fiscal year was down to \$204,774.67. This was lower than the \$232,038.0 we had at the beginning of the fiscal year, in Sept 2021, but still higher than the \$180,749.58 in Sept 2020.

As decided at the last board meeting, \$1,229.50 that was sitting in dividends in E-Trade was transferred into the General Account to be made available for (anticipated) increases expenses. We also had decided to begin the process of drawing down from the Endowment in order to comply with standard Endowment management practices. So both the \$4,000 in Endowment donations and the \$1,229.50 in dividends from E-Trade counted as “drawn from Endowment.” This \$5,229.50 amounts to 2.4% of the average in the endowment during the fiscal year (\$218,406.37).

Recommendations:

I recommend we vote to transfer \$5,000 from the General Account into the Vanguard Endowment Fund. This will leave us with \$6,000 in the General Account and since we still have close to \$24,000 in the Capitol 360 Endowment Account, we will have plenty of liquidity to draw down from the Endowment as needed.

I also recommend we pursue alternate revenue streams through Patreon and posting U-tube video content.