

**Treasurer’s Report: 2021 Annual Meeting
To: Board of Directors and the Assembly of Delegates**

This Treasurer’s report covers fiscal year 2021; the period from July 1, 2020– June 30, 2021. The Society’s Treasurer is pleased to present this report on behalf of the Committee on Finances (COF).

The COF exercises prudent and expert informed financial stewardship and oversight of all Society assets and liabilities to assure asset preservation and growth.

During the year, a quorum of the COF* met following each calendar quarter to review investment portfolio performance with the external investment manager, review annual budget for Board approval, monitor monthly cash flow and expenditures, including travel, in relation to Board-approved annual budget; review external financial audit report on appropriate internal accounting practices and internal Committee on Audit Review report, and adopt necessary practice corrections.

Assets, Liabilities and Net Worth

As of June 30, 2021, the value of the Society’s invested assets was \$17.7 million. Net worth as of June 30, 2021, was \$17.0 million. By comparison, net worth on June 30, 2020, was \$13.1 million; based on assets of \$15.9 million and liabilities of \$2.7 million. Thus, the net worth of the Society increased by \$3.8 million at the end of fiscal year 2021 than it was at the end of fiscal year 2020.

The Society’s total investment return for the fiscal year ending June 30, 2021, was 32.27%. There was increase of 29.15% from FY2020 return due to favorable market conditions. The overall estimated fee was 25 basis points (0.25%), and the total account fees were \$29,685 during fiscal 2021.

Society’s Investment Returns	
Assumed rate of return	+5.00%
1-year total investment return (thru June 30, 2021)	32.27%
3-year total investment return (July 1, 2018 - June 30, 2021)	42.62%

Fiscal 2021 Operating Budget Summary

The Board of Directors approved an operational budget of \$4.5 million for fiscal year 2021 with a deficit of (\$0.78 million) at the recommendation of the Committee on Finances.

As of June 30, 2021, the operating revenues were down by (8.8%) from the budget while expenses decreased by (10.4%) resulting in a net deficit of (\$0.64 million). Contributions without donor restrictions were included in operating budget while contributions with donor restrictions were added to restricted investments to meet donor’s instructions.

Paycheck Protection Loan update

The first Paycheck Protection Program (PPP) loan taken by the Society in the amount of \$371,500 to address the COVID-19 Pandemic’s impact on revenue, was fully forgiven by the Small Business Administration in December 2020.

Due to ongoing COVID-19 Pandemic’s impact on revenue, in February 2021, the Society took a second loan from Truist Bank, Inc, in the amount of \$387,943 under the Paycheck Protection Program 2.0 (PPP2) as part of the Consolidated Appropriations Act. The loan forgiveness conditions were met, and the loan was fully forgiven by the Small Business Administration in September 2021.

Fiscal 2022 Operating Budget

The Committee on Finances recommended an operational budget of \$5.19 million with a deficit of (\$1.5 million) for fiscal year 2022 to the Board of Directors. The Board of Directors approved the recommended budget at its May 2021 virtual meeting.

The fiscal year 2022 budget is based on conservative projections of anticipated revenues from memberships (\$2.13 million), contributions (\$0.48 million), subscriptions (\$0.20 million), advertisers and underwriters (\$0.16 million), program income and overhead from grants and contracts (\$0.16 million) plus 5% of the average of the previous 3 years (12 quarters) of investment returns (\$0.61million).

Society’s Approved FY 2021 Budget (\$ in millions)	
Science Communications & Publications (<i>American Scientist</i> , etc.)	\$1.17
Programs (GIAR, Awards, etc.)	\$0.71
Annual Conference	\$0.45
Membership & Chapter Services	\$0.44
Governance, Finance & Administration	\$1.36
Headquarters Rent	\$0.27
Fundraising	\$0.79
Total Operating Budget	\$5.19

Respectfully submitted,
David W. Baker, Ph.D.
Treasurer

*COF Membership FY2021: D. Baker (Chair), C. Gouin, D. Mason, A. Paterson, M. Peeples, R. Pennock, S Smith, G. Siegal, J. Vernon, and J White