



# January 2022 Management Committee Meeting Notes Friday, January 14, 2022

## **Participants:**

### Management Committee Members:

In-person: Leanne Roulson, Cecil Jennings, April Croxton, Patrick Shirey, Mark, Brian Nerbonne, Marybeth Brey, Melissa Wuellner, Laurie Earley, Lian Guo, Randy Schultz (Constitutional Consultant, non-voting), Doug Austen (Executive Director, non-voting)

Emerging Leaders:, Christina Murphy, Brian Gallagher, Dan Mosier

AFS Staff: Dan Cassidy, Lauren Maza, Beth Beard, Kelly Kotche, Drue Winters

## **Minutes of the Meeting:**

1. **Quorum established** by Constitutional Consultant Randy Schultz at 11:06 a.m. and meeting called to order by Leanne Roulson.
2. **Review of agenda** – accepted by unanimous consent.
3. **Review and approval of minutes from the Management Committee** meeting on December 17, 2021 – Accepted without modifications by unanimous consent.
4. **Future dates and times for Management Committee meetings** – Currently the MC meets on the 2<sup>nd</sup> Friday of each month at 11:00 a.m. However, due to teaching schedules for some member, this time does not work for the next several months.  
The February meeting has been tentatively set for 3:00 p.m. on Friday, February 11  
Austen was asked to send out a Doodle poll to find a consistent meeting time for the remainder of the spring semester.
5. **Constitutional Consultant Report** - (Randy Schultz) – No items to report
6. **Financial Report and Discussion** (Dan Cassidy, Troy Brandt, Leanne Roulson)
  - A. Financial update report (Attachment A) – The report provides a financial update through October 2022 and does not include continuing close-out items for the year, including the annual meeting. Based upon current reports and projected financial results of the Baltimore meeting, AFS should have a successful year. Staff are still working with Cvent to address a refund for service problems. Only about one-half of the roughly \$46,000 fee has been refunded with the balance credited for 2022 use by AFS units for their annual meetings. The application for full forgiveness of the second PPP loan is moving forward and we anticipate but cannot guarantee success with that request. AFS still has outstanding debt to pay on its line of credit but have repaid \$30,000 of the \$120,000 amount. This was accessed to address cash-flow issues resulting from the late date of the delayed annual meeting.

- B. FPPC Procedures Manual discussion – Defining an obligated reserve fund (ORF).
1. Results of survey on obligated reserve options. (**Attachment B**) – Leanne Roulson reviewed the responses to the Survey Monkey developed to determine the general sense of MC members on several key issues that need resolution for the final resolution of Obligated Reserve language in the updated Procedures Manual revisions.
    - a) **Question 1** – Focused on determining the amount of funds that an obligated reserve should maintain in relation to the period of time that it should cover with regard to operational expenses of AFS. This was adjusted to remove contractually guaranteed income with the primary source being the Wiley publications contract which provides AFS with roughly \$900,000 in funds annually. After discussion a vote of the MC members was taken and a one-year period was recommended by a 5-2 vote as the base for calculation of the ORF amount.
    - b) **Question 2** – Focused on establishing a target period of time for AFS to fully meet the ORF goal amount as established in question 1 (one year of operating fund less the Wiley contract amount). After discussion, a vote was taken and a 5-2 majority approved a seven year period as the target time period for fully funding the ORF. However, it was clearly noted that the Management Committee will review the budget each year and make a determination on the amount of funds moved to the ORF such that those funds will not deleteriously impact AFS operations or approved programs (see next question for additional notes)
    - c) **Question 3** – Focused on the establishment of a minimum annual contribution to the ORF. Although the survey results suggested that the MC members generally desired some minimum contribution, the discussion reflected a desire to allow the MC and AFS leadership to have more flexibility in the decision on ORF contribution. It was noted that there could be years where AFS finances are very healthy and a large contribution could be made. Alternatively, some years with small annual meetings and/or poor market performance, could result in little or no contribution to the ORF. After deliberation a vote was taken on the question of, “should AFS establish a minimum annual contribution to the ORF?” The result was that all MC members, with one exception, voted to not establish a minimum ORF contribution.
    - d) **Question 4** – Focused on how frequently the MC should review the AFS finances and contribution to the ORF. Suggestions on this ranged from three times per year to leaving the MC to determine on an as-needed basis when to have these discussions. It was noted by Leanne that we need to ensure that new MC members are adequately informed on these and related financial issues so that they can fully understand and make informed decisions on future ORF fund contributions.
  2. Development of acceptable obligated reserve draft language for Procedures Manual. Based upon these discussions and the recommendations of the MC members on the key issues identified in the survey, it was requested that AFS staff work with the FPPC to provide revised language for the Procedures Manual that can be considered at the February MC meeting.
7. **President/Officers activities report** – Due to the extended discussions on financial issues, the officer reports were not provided at this meeting.
8. **Executive Director and AFS staff reports**
- A. Policy update and key activities (Drue Winters)
    1. Science communications training is ongoing through the CAP and the State Agency MSCG program

2. RAWA – House mark-up is moving forward. Briefing planned for mid-February in conjunction with TWS and NWF. House bill has 145 co-sponsors including Congressman Don Young (AK) who has never before supported RAWA.
3. WOTUS – February 7 deadline for interim rule. This will be temporary rule going back to pre-2015 language. AFS supports this interim approach but prefers a longer term, more durable rule. This likely won't happen until later this year.
4. Offshore Aquaculture is a continuing issue and has active bills in both the House and Senate.

B. Membership update (Kelly Kotche, Membership Program Manager)

1. Current membership numbers in comparison with last year, shows that our numbers are substantially lower. At this time last year, we had 5,949 renewals but this year we only have 2,574.
2. The Membership Committee and staff are working on renewal notices to all non-renewals as well as advertisements in Fisheries magazine. Information and advertisements are being created for use by the chapters and other units to work on membership renewals.
3. Current membership grace period ends January 31 but we are considering extending to February 28 to allow more time for renewals without loss of AFS benefits.
4. AFS also has a number of people who have started the membership renewal process but didn't finalize renewal and payment. Kelly is working on reaching out to these potential members to encourage full renewal.
5. Webinars as a marketing tool – Three webinars will be identified and marketed to non-members and encourage them joining AFS. This is a "Three for Free" package of marketing efforts.

**9. Additional Updates**

1. Spokane – Encourage all AFS units to submit symposium abstracts

**10. Reminder of planned MC and GB meetings for remainder of 2021**

- A. MC calls set for 2<sup>nd</sup> Friday of the month – 3:00 p.m., on Friday, February 11.
- B. Mid-year GB meeting – fully virtual – Thursday, January 20 (No Friday session). Please review the word clouds that were sent by Leanne as preparatory material for the meeting.

**11. Additional Topics - None**

**12. Adjourned at 12:35 p.m. ET**

# Attachment A – Financial Report



*American Fisheries Society*  
 Organized in 1870 to Promote the Conservation, Development and Wise Utilization of Fisheries  
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Leanne Roulson  
*President 2021-2022*

Douglas J. Austen, PhD  
*Executive Director*

## October 2021 Financial Update – 1/12/22

**Summary.** The Society’s financial position improves again this month on the strength of the investment portfolio, Baltimore meeting income and lower overall expenses.

### Notable Financial Position Items:

- Assets total \$6,185,000 and rose by \$98,000 this month from- investment account appreciation of 5%, remittances from our meetings vendor of \$55,000 and Wiley’s quarterly editorial support of \$34,000.
- Net of expenses, the month of October had positive net revenue of \$124,000. On a purely operating basis (removing investment gains/losses and the PPP gain), operating activities returned a \$128,000 YTD loss versus a \$193,000 loss last year.
- Financial markets have risen steadily this year and the S+P was up 7% in October alone and by 24% year to date. The AFS investment account is tracking ahead of its benchmark over the longer monitoring periods as noted in the chart below. The investment account balance now exceeds \$5,300,000 another all-time high.



- The cash position is stable after being challenging much of the year from a later annual meeting, lower publication sales and a slow start to membership renewals, all despite lower expenses. AFS presently has \$95,000 open on its bank credit line (as of Jan 12, 2022) and intends to pay it off in early 2022.
- PPP Loan
  - PPP Loan #2 application for loan forgiveness is pending (as of this writing).
  - AFS received confirmation the \$381,000 PPP loan issued in May 2020 has been forgiven
  - AFS received \$303,000 from PPP Loan 2 on March 9, 2021 and is seeking forgiveness
  - These loans are recognized as unrestricted income in the applicable year.

### Notable Operating Statement Items:

\* Note: keep in mind the impact covid had on 2020 operating results when comparing 2021 to last year

#### Revenue:

- Revenue totals \$3,163,000 and stands \$1,173,000 higher this year than last, with the increase reflecting investment account, PPP loan forgiveness gains and marginally higher program revenues.

- Investment account appreciation is \$555,000 year to date.
- Hutton/Grants income higher from more project activity this year
- Meetings income now tracking well ahead of the entire 2020 Virtual Meeting.
- Membership is about even with last year, though all individual member categories are lower, with Strategic Partner organization members making up the difference.
- Jobs income is ahead of last year, though on higher costs.
- Books sales are significantly lower with many older titles remaining in inventory and no institutional ebook subscription sales to date.
- Journals income is lower pending the posting the remaining Wiley 4<sup>th</sup> quarter payment.

Expenses:

- Total expenses are lower by \$74,000 from reduced administration costs and timing difference related to web site, grants, membership and meeting expenses.
- Awards is a timing difference related to the Berkeley award
- Hutton variance reflects more student payments
- Membership variance reflects later unit dues and rebate remittances plus higher database support costs (related to CVENT – iMIS integration).

Other Updates (as of January 2022):

- AFS continues to work with CVENT on closing out the Baltimore meeting finances. In December, AFS negotiated release from its Year 2 term and a \$23,000 refund for half the year one contract fees with the balance available for AFS chapter meeting use as a financial credit in 2022.
- The office building condo board (on which AFS holds a seat) approved pursuing rezoning the building property for potential sale to all interested parties, whereas currently the property is zoned for use by 501(c) 3 nonprofit organizations only. The net sales price for the condo could exceed \$1M and disposing the physical office would save AFS \$75,000+ in administrative and utility costs.
- AFS is working with its accounts payable vendor to finish processing 2020-unit dues and rebates remittances electronically, as system integration and process issues have made this project challenging.

Submitted by,

Daniel Cassidy  
Deputy Directly

American Fisheries Society  
Statement of Financial Position  
As of 10/31/2021

	2021	2020	Variance
<b>ASSETS</b>			
Checking	\$53,921	\$138,577	(\$84,656)
Accounts Receivable	137,475	59,184	78,291
Allowance of doubtful accounts	(5,149)	(14,170)	9,021
Inventory	230,847	253,526	(22,679)
Prepaid Expenses	75,801	12,834	62,967
Current Assets	<u>492,895</u>	<u>449,951</u>	<u>42,944</u>
Property and Equipment	1,211,915	1,204,663	7,252
Accumulated Depreciation	(856,988)	(817,007)	(39,981)
Net Property and Equipment	<u>354,927</u>	<u>387,656</u>	<u>(32,729)</u>
Long-Term Investments	5,329,598	4,183,164	1,146,434
Other Assets	7,300	7,300	0
Total Long Term Assets	<u>5,336,898</u>	<u>4,190,464</u>	<u>1,146,434</u>
<b>TOTAL ASSETS</b>	<u><u>6,184,720</u></u>	<u><u>5,028,071</u></u>	<u><u>1,156,649</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
Current Liabilities			
Accounts Payable, Accrued Expenses, Accrued Benefits, Hold	240,064	127,535	112,529
Payroll Salary and Taxes	(3,500)	(368)	(3,132)
Loan Payable	428,617	381,012	47,605
Deferred Royalty Revenue	407,143	535,714	(128,571)
Deferred Revenue	465	2,910	(2,445)
Other Current Liabilities	0	3	(3)
Subunits Dues Payable	104,737	87,576	17,161
Subunits Books Payable	12,271	(8,703)	20,974
Deferred Membership Dues	26,199	63,814	(37,615)
Deferred Revenue - Other	91,375	83,462	7,913
Total Current Liabilities	<u>1,307,371</u>	<u>1,272,955</u>	<u>34,416</u>
Total Other Liabilities	<u>312,664</u>	<u>272,093</u>	<u>40,571</u>
<b>TOTAL LIABILITIES</b>	<u>1,620,035</u>	<u>1,545,048</u>	<u>74,987</u>
Net Assets - Unrestricted	1,595,904	1,736,512	(140,608)
Net Assets - Temporarily Restricted	2,156,849	2,154,720	2,129
Change in Unrestricted Net Assets - Curr Year	811,932	(408,209)	1,220,141
Total Net Assets - End. Balance	<u>4,564,685</u>	<u>3,483,023</u>	<u>1,081,662</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$6,184,720</u></u>	<u><u>\$5,028,071</u></u>	<u><u>\$1,156,649</u></u>

**American Fisheries Society  
Summary of All Units  
For the Ten Months Ending 10/31/2021**

te	October - Actual			Year to Date - Actual			Budget	2020 Annual	
	2021	2020	Var \$	2021	2020	Var \$	2021 BUDGET vs YTD Actual	Actual	
<b>Revenue</b>									
Administration	\$213,547	(\$55,981)	\$269,529	\$557,912	(\$180,431)	\$738,343	\$45,000	\$512,912	\$357,921
Web	0	0	0	7,810	4,560	3,250	5,000	2,810	4,560
Continuing Education	300	0	300	2,400	9,075	(6,675)	12,000	(9,600)	9,275
Certification	0	850	(850)	3,070	4,450	(1,380)	5,000	(1,930)	4,944
Other Education	0	0	0	0	0	0	8,000	(8,000)	0
Hutton	0	0	0	141,310	37,750	103,560	125,000	16,310	37,750
Multi State Grants	0	0	0	33,904	38,800	(4,896)	163,000	(129,096)	62,961
Grey Literature	0	0	0	26,734	0	26,734	0	26,734	0
Standard Sampling-Multi-State (Phase 2)	0	0	0	43,177	0	43,177	0	43,177	0
Blue Book	0	0	0	15,435	0	15,435	0	15,435	0
Web Tool	0	0	0	27,750	9,250	18,500	0	27,750	9,250
Web Agenda	14,036	0	14,036	19,736	0	19,736	0	19,736	0
Other Grants & Contracts	0	0	0	381,012	0	381,012	198,000	183,012	0
Annual Meeting	55,167	(64)	55,231	350,344	257,903	92,441	966,000	(615,656)	292,950
Membership	0	0	0	522,497	523,946	(1,449)	532,000	(9,503)	523,946
Awards	0	0	0	1,351	3,672	(2,322)	3,000	(1,650)	4,096
Mem Other	55	525	(470)	7,122	12,435	(5,313)	15,000	(7,878)	16,504
Jobs	3,418	1,950	1,468	24,011	20,750	3,261	55,000	(30,989)	28,250
Policy	0	0	0	750	250	500	0	750	250
Advocacy	0	0	0	13,857	0	13,857	0	13,857	0
Books	3,469	23,709	(20,240)	64,012	139,970	(75,958)	160,000	(95,988)	113,979
Journals	44,316	255,702	(211,387)	919,235	1,108,144	(188,909)	1,141,000	(221,765)	1,129,658
Fisheries	0	50	(50)	20	50	(30)	0	20	50
<b>Total Revenue</b>	<b>334,308</b>	<b>226,741</b>	<b>107,567</b>	<b>3,163,449</b>	<b>1,990,574</b>	<b>1,172,876</b>	<b>3,433,000</b>	<b>(269,550)</b>	<b>2,596,344</b>
<b>Expenses</b>									
Administration	20,661	51,626	30,965	245,968	275,928	29,959	319,000	73,032	300,140
Staff Costs	151,683	143,827	(7,856)	1,621,390	1,626,396	5,006	1,793,000	171,610	1,947,319
Technology	6,246	4,197	(2,049)	39,385	36,243	(3,143)	45,000	5,615	43,267
Communication	0	91	91	2,810	2,074	(737)	7,500	4,690	2,503
Web	379	2,763	2,384	17,101	27,638	10,537	34,500	17,399	32,093
Development	0	0	0	0	0	0	3,500	3,500	0
Continuing Education	0	2,000	2,000	2	2,052	2,050	9,000	8,998	2,052
Certification	0	0	0	381	133	(248)	500	119	171
Other Education	0	0	0	0	0	0	3,000	3,000	0
Board	1,294	0	(1,294)	8,597	23,656	15,058	31,000	22,403	23,698
Hutton	0	0	0	103,341	51,792	(51,548)	101,000	(2,341)	35,562
Multi State Grants	0	0	0	57,366	71,050	13,684	0	(57,366)	80,300
Grey Literature	274	9,524	9,250	20,198	10,620	(9,578)	0	(20,198)	11,585
Blue Book	0	0	0	12,685	0	(12,685)	0	(12,685)	0
Web Tool	0	0	0	0	9,250	9,250	0	0	9,250
Web Agenda	0	0	0	5,700	0	(5,700)	0	(5,700)	0
Cornell	0	0	0	0	(1,307)	(1,307)	0	0	(1,307)
Other Grants & Contracts	0	0	0	0	0	0	0	0	244

**American Fisheries Society  
Summary of All Units  
For the Ten Months Ending 10/31/2021**

te	October - Actual			Year to Date - Actual			Budget	2020 Annual	
	2021	2020	Var \$	2021	2020	Var \$	2021 BUDGET vs YTD Actual	Actual	
Annual Meeting	25,157	17,253	(7,904)	32,550	58,709	26,160	743,000	710,450	74,989
WCF World Council of Fisheries	0	0	0	1,033	1,464	431	0	(1,033)	1,464
Membership	442	1,497	1,055	62,239	108,091	45,852	94,000	31,761	90,027
Awards	94	41	(53)	1,382	17,344	15,962	4,000	2,618	21,153
Mem Other	9	11	2	804	627	(177)	1,000	196	708
Jobs	0	0	0	18,089	11,278	(6,811)	12,000	(6,089)	14,479
Units	0	0	0	0	69	69	0	0	69
Policy	0	0	0	2,735	3,058	323	7,000	4,265	3,058
Books	1,126	3,884	2,758	13,424	19,958	6,534	55,000	41,576	33,618
Journals	1,975	4,170	2,195	69,718	61,815	(7,903)	133,000	63,282	83,062
Fisheries	1,250	0	(1,250)	11,889	11,568	(321)	10,000	(1,889)	15,383
Other Publications	0	0	0	6,662	0	(6,662)	0	(6,662)	0
<b>Total Expenses</b>	<b>210,590</b>	<b>240,884</b>	<b>30,294</b>	<b>2,355,449</b>	<b>2,429,506</b>	<b>74,058</b>	<b>3,406,000</b>	<b>1,050,551</b>	<b>2,824,887</b>
<b>Net Change from Operations</b>	<b>123,718</b>	<b>(14,143)</b>	<b>137,861</b>	<b>808,000</b>	<b>(438,932)</b>	<b>1,246,933</b>	<b>27,000</b>	<b>781,001</b>	<b>(228,543)</b>
				<b>(2,736,461)</b>	<b>(2,429,506)</b>				
<b>Non Operating (shown on a net basis)</b>									
Restricted contributions	551	350	200	3,931	30,723	(26,792)	0	3,931	91,108
Total Non Operating	551	350	200	3,931	30,723	(26,792)	0	3,931	91,108
<b>TOTAL NET CHANGE</b>	<b>124,269</b>	<b>(13,793)</b>	<b>138,062</b>	<b>811,931</b>	<b>(408,209)</b>	<b>1,220,141</b>	<b>27,000</b>	<b>784,932</b>	<b>(137,435)</b>

**AFS Restricted Funds  
as of September 30, 2021**

<b>Fund Name</b>	<b>9/30/2021</b>	<b>12/31/2020</b>	<b>Change</b>
Skinner Memorial Fund *	\$506,683	\$466,465	\$40,218
Publications Endowment Fund	\$1,039,656	\$964,857	\$74,799
J. Francis Allen Scholarship Fund	\$334,944	\$308,445	\$26,499
Snieszko Endowment Fund	\$90,749	\$83,642	\$7,107
Sully Fund	\$11,976	\$9,835	\$2,142
CRS/International Fisheries Endow. Fd	\$394,000	\$363,145	\$30,855
Mote Scientific Foundation	\$54,248	\$50,000	\$4,248
Shelby Gerking Education Fund	\$109,472	\$100,831	\$8,640
Hutton Fund	\$228,189	\$185,542	\$42,647
Steve Berkeley Fellowship	\$451,355	\$418,157	\$33,198
AFS 2000 Fund	\$165,485	\$152,526	\$12,959
Obligated Reserve	\$192,921	\$177,813	\$15,108
DJV National Park Foundation	\$16,430	\$15,143	\$1,287
<b>Totals</b>	<b>\$3,596,108</b>	<b>\$3,296,402</b>	<b>\$299,706</b>
Joan Duffy	\$456	\$420	\$36
Developing Countries	\$1,345	\$1,048	\$298
Disaster Relief Fund	\$0	\$0	\$0
World Council of Fisheries	\$1,376	\$1,145	\$232
Past president's Endowment Fund	\$65,127	\$54,490	\$10,637
Puerto Rico Fund	\$0	\$0	\$0
Combined Federal Campaign/ Disaster Relief	\$0	\$0	\$0
<b>Totals</b>	<b>\$68,305</b>	<b>\$57,103</b>	<b>\$11,202</b>
TN Chapter	\$15,586	\$14,365	\$1,221
North Central Division (NCD)	\$23,404	\$21,550	\$1,854
ICTALURID Tech Committee	\$23,869	\$21,978	\$1,891
Nebraska Chapter	\$7,956	\$7,326	\$630
MS Chapter	\$16,212	\$14,928	\$1,284
Wisconsin Chapter -***	\$38,018	\$35,007	\$3,012
IL Chapter- ***	\$15,205	\$14,001	\$1,205
NY Chapter	\$15,209	\$14,004	\$1,205
MN Chapter	\$38,022	\$35,010	\$3,012
GA Chapter	\$30,417	\$28,008	\$2,410
MI Chapter	\$15,209	\$14,004	\$1,205
Education Sec	\$30,417	\$28,008	\$2,410
Indiana Chapter	\$15,188	\$13,985	\$1,203
Southern Division	\$13,301	\$12,247	\$1,054
Walleye Technical Committee	\$10,158	\$9,354	\$805
AL Chapter	\$11,759	\$10,827	\$932
Kansas Chapter	\$11,717	\$10,788	\$928
Invasive and Introduced Species Section	\$10,860	\$0	\$10,860
<b>Total Unit Investments</b>	<b>\$342,509</b>	<b>\$305,389</b>	<b>\$37,120</b>
Books Contributions FY 2017 -2021	\$48,820	\$44,620	\$4,200
<b>TOTAL ALL FUNDS</b>	<b>\$4,055,742</b>	<b>\$3,703,514</b>	<b>\$352,228</b>



GRETCHEN S. BOLTON, CFP®, CLU, ChFC®  
Financial Advisor

October 15, 2021

CERTIFIED FINANCIAL PLANNER™ professional

**MEMORANDUM**

To: Douglas Austen, Executive Director,  
and Dan Cassidy, Deputy Exec. Dir.,  
American Fisheries Society

From: Gretchen S. Bolton,  
CFP®, CLU, ChFC

Subject: **American Fisheries Society 3rd Quarter 2021 Review**

The 3rd Quarter Review for 2021 of AFS Long Term Investment and Collateral Reserves is based on figures from Equitable Advisors/LPL Performance Appraisals through September 30, 2021.<sup>1</sup> A Morningstar Snapshot report is also sent herewith. The most authoritative sources for account information are your monthly statements, which have been sent to you separately.

You had a total of \$5,124,461.72 in Reserves on 9/30/2021. The Long-Term Reserve balance was \$4,170,7790.56, and the Collateral Reserve account balance \$953,671.16. The Collateral Reserve balance was \$278,671.16 greater than the balance required by your bank, \$675,000. Your aggregate return year to date in diversified portfolios was up 6.81% to end of 3<sup>rd</sup> quarter, but this was down 1.54% from the end of 2<sup>nd</sup> quarter. The S&P 500 index to September 30 was up 15.92% ytd. The Bloomberg US Aggregate Float Adjusted Bond index was down -1.62% ytd.<sup>2</sup> Past performance is no guarantee of future performance.

The stock markets have been very volatile, especially in September and to date in October. By way of example, in the past week the Dow averages lost and gained more than 1000 points, some of the biggest weekly gains since March. For this week alone, the S&P 500 is up 1.6% and the Dow 1.3%, on track for their best showings since July and June, respectively, according to the midday Wall Street Journal report. Your accounts, two weeks after the end of the quarter, were up 9.24% ytd through Oct. 14, for an aggregate balance of \$5,240,652.62.

Allocations in the accounts continue to be as planned in the Moderately Aggressive benchmark of stock holdings to bond holdings, at an aggregate proportion of 70.8% equity to 29.2% fixed income/bond and cash. The market continues to show a sector reallocation toward value stocks, so that bank earnings reports were, for example, part of the basis for the market surge at end of this week.

Fixed income holdings are estimated to yield \$34,968 (some reinvested, some going to cash) over the next 12 months. Another \$38,025 will come from dividends on stock fund holdings (most of which are reinvested), bringing the projected annual cash yield to 1.41% for the portfolios. We have had rock-bottom interest rates over the last few years, but inflation and with the Feds tapering support will lead to rising rates in the near future, and bond net asset values will fall. The September 30 cash balances totaled \$36,634.56, or 0.71% of the accounts.

We are able to evaluate the quality of your investments and their performance through the hypothetical Morningstar Snapshot. It demonstrates what the performance of your portfolio's current specific

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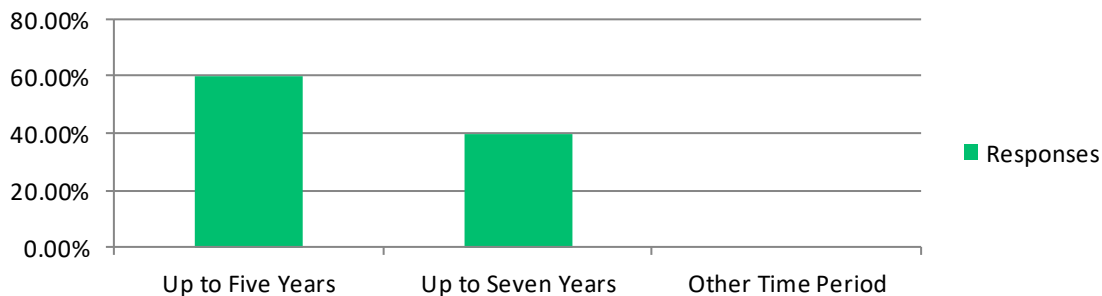


## Management Committee Questions on Obligated Reserve Fund

Background for Question 2- How long to reach benchmark? Despite some uncertainty in our annual budget and income, AFS needs to set goals for achieving the ORF in the near-term. The goal would be to meet the timeline and the MC would have some discretion to contribute more or less each year if there are exceptional circumstances. The ORF would be an investment fund and potential gains or losses might change the annual contribution target. See Image / Table below. Question 2: How long to take to reach the benchmark in #1: Rebuilding the Unrestricted Funds to achieve the Obligated Reserve goal may take \_\_\_\_\_ years.

Answer Choices	Responses					
Up to Five Years	60.00%	6				
Up to Seven Years	40.00%	4				
Other Time Period	0.00%	0				
	<b>Answered</b>	<b>10</b>				
	<b>Skipped</b>	<b>0</b>				

Background for Question 2- How long to reach benchmark? Despite some uncertainty in our annual budget and income, AFS needs to set goals for achieving the ORF in the near-term. The goal would be to meet the timeline and...

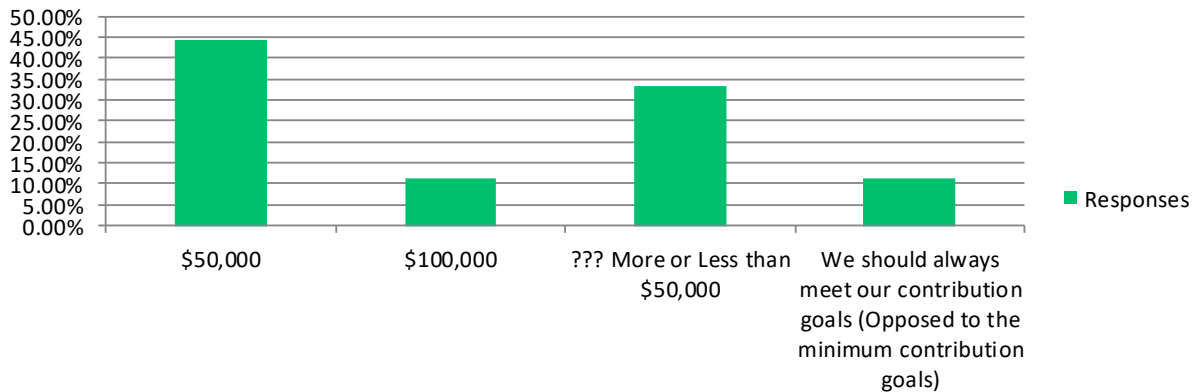


## Management Committee Questions on Obligated Reserve Fund

Background for Question 3- Minimum Contribution Option: Once reached, AFS leadership may vote to spend potential gains and would not need to make annual contributions except in the case of investment losses, or to adjust the total target to reflect increases in budgets or expenses. The minimum contribution would only be invoked if AFS had a year where meeting the planned contribution was not feasible without eliminating other necessary spending. The MC would need to vote to replace the planned contribution with a minimum contribution. Question 3: Minimum Contribution: The MC makes a commitment to fund the ORF each year at a minimum level of \$\_\_\_\_\_ until it is fully funded. This option would only be available in years where AFS is unable to meet the contribution goals set above.

Answer Choices	Responses	
\$50,000	44.44%	4
\$100,000	11.11%	1
??? More or Less than \$50,000	33.33%	3
We should always meet our contribution goals (Opposed to the n	11.11%	1
	<b>Answered</b>	<b>9</b>
	<b>Skipped</b>	<b>1</b>

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## Management Committee Questions on Obligated Reserve Fund

Background for Question 4- Evaluation of ORF Progress: The MC will need to evaluate our progress toward the ORF goals periodically. The FPPC procedures also include evaluations of AFS programs and other financial information to provide a better picture of where AFS earns and spends funds. Question 4: How frequently should the MC and AFS leadership review the ORF? Minimum Contribution:

Answer Choices	Responses	
Annually at the mid-year Meeting	44.44%	4
Semi-annually at the MC meetings immediately prior to the GB in	55.56%	5
Quarterly on the Management Committee calls	0.00%	0
	<b>Answered</b>	<b>9</b>
	<b>Skipped</b>	<b>1</b>

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