

INAF Report 2022

– *Thomas Hsiang, Executive Director*
January 6, 2023

Financial report for 2022

Financial assessment

2021-2022 spending

Activities for 2021-2022

Proposed Budget for 2022-2023

Proposed activities for 2022-2023

INAF Financial Summary

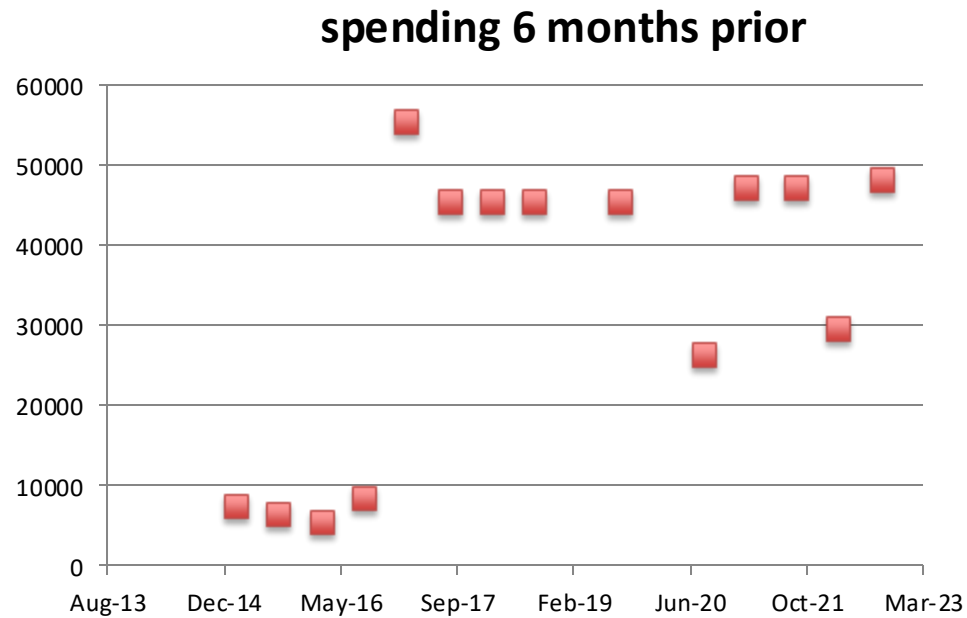
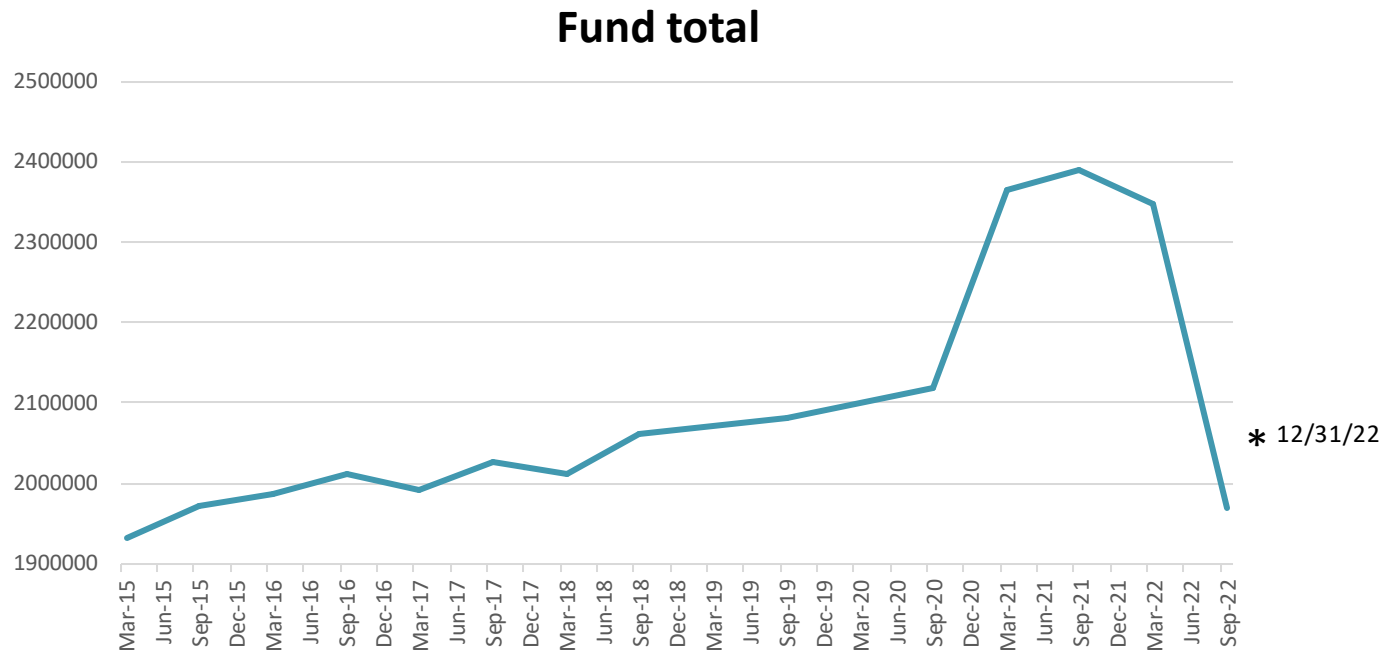
Balance as of 9/30/2022

First Republic Investment	\$ 1,952,137
First Republic Checking	\$ 18,214
Total	\$ 1,970,351
Previous (9/30/2010)	\$ 2,390,816
Expense for prior 12 months	\$ (77,157)
Investment gain (<i>before spending</i>)	\$ (343,234) (~14.3% loss)

Current portfolio (managed by *First Republic Private Client Group*)

Equities	53%	(2021 – 63%)
Fixed income	45%	(2021 – 35%)
Alternatives and cash	2%	

INAF finance history



Assessment of INAF Financial Status

- For the 2021-22 fiscal year, the INAF accounts generated about \$365,000 in income and realized capital gain. The 2020-21 INAF spending budget was (\$98,850); the actual spending was \$77,157.
- The initial INAF fund was ~\$1.94M on 1/1/2015. As of 9/30/2022 it is ~\$1.97M, after spending ~\$530,000. The average annual **growth rate of 4.6%** is slightly above the spending rate of 4.5% (*net growth ~0.1%*). (*First Republic calculates the growth rate to be 5.3%*).
- Last year the fund suffered a 14.3% loss, reflecting a global decline in equity market. (*For the same period, S&P was down 17.8%, DOW down 12.1%, NASDAQ down 29.9%*).
- The financial status of INAF is *steady*, awaiting the equity market's recovery. Our investment profile was shifted somewhat from equity toward fixed-income.
- For 2022-23, the spending is pegged at 4.5% of the 3-year running average of INAF assets for a total of \$100,610, a 1.8% **increase** from 2021-2022.

Prognosticating 2023

- Broader stock index (S&P) is projected to end 2023 at 3,600 to 4,500, most common at ~4,000, for a growth of ~4% from the end-of-2022 number of ~3,850. Together with an average S&P dividend of ~1.5%, this would mean a growth of ~5.5%.
- Currently the short-term bonds are yielding ~4%.
- Our balanced portfolio then would yield ~4.8%.
- First Republic managers forecast 5 to 5.5% for INAF. *(We will save this slide for end of 2023 BM...)*
- Deutsche Bank, Goldman Sachs, Merrill, all predict market upturn in 2024.
- Overall, the First Republic investment strategy seems to be sound.

2021-2022 Spending Breakdown

National Go Center	\$55,000
Accountant	\$ 1,850
Webmaster	\$ 0
Web management, license, mailing	\$ 0
Lawyer (Adler-Colvin)	\$ 307
Nihon Kiin projects	\$10,000
North American non-NGC projects <i>(Trans-Atlantic pro tournament)</i>	\$10,000
TOTAL	\$77,157
 Budgeted spending	 \$98,850
Balance forwarded (unspent budget)	\$21,693

2021-2022 Spending Details

(from Terri Schurter)

Check Number	Date	Recipient	Memo	Amount
1118	12/29/21	NGC	Bi-yearly payment	27,500
1119	1/6/22	Kaplan, CPA	Tax filing	1,850
1120	5/15/22	AGA	Transatlantic Go Tourney	10,000
1121	6/29/22	NGC	Bi-yearly payment	27,500
1122	7/1/22	Adler-Colvin	Lawyer service	307
Wire transfer	9/8/22	Nihon Kiin	Online projects	10,000

Summary of 2021-2022 Activities

- The National Go Center is now fully open. Regular club meetings have resumed, together with classes, tournaments, regional and national events. NGC also hosted the 2022 professional qualification tournament. *(For details, see Appendix 2, NGC report).*
- At the AGA election this year, NGC executive director Gurujeet Khalsa was elected the new President. *(Mr. Khalsa recused himself from the INAF Board for conflict of interest).*
- Projects on researching how Go impacts cognitive development are delayed into next year. The INAF Lifetime Merit Award has not yet started. Announcements for both projects and requests for application are out.
- Other sponsored-activity reports will be done by Ms. Lee and Mr. Urasoe.

Proposed Budget for 2022-23

10/1/2022 - 9/30/2023 budget			
Items	Budget	Details	
Operational expense	\$6,800		
Website rental, office		\$1,000	
Website maintenance		\$2,800	
Board meeting		\$1,000	
Accountant		\$2,000	
Project expense	\$92,250		
National Go Center		\$56,000	(1.8% increase 2021-2022)
NAGF pro qualification		\$10,000	(2nd part of previous commitment)
NAOL project		\$3,000	
Research project(s)		\$16,000	
Nihon Kiin project		\$10,000	
INAF Award		\$1,200	
Unspecifed projects		\$4,410	
Total spending budget	\$100,610		(1.8% increase from 2021-2022)
Designated draw from endowment		\$100,610	
(4.5% of three-prior-year average asset – \$2,236,000)			

Plans for the Next Fiscal Year

- In 2022-2023, it is proposed to support the NGC at \$56,000.
- The following projects have been previously approved:
 - Initiate the *INAF Lifetime Merit Award* for promotion of Go in North America.
 - Set up award(s) for university research on the linkage between Go and cognitive science.
 - Provide the second payment of \$10,000 for NAGF's professional qualification tournament.
- It is proposed to sponsor the software development for use in the North American Online League. (*See attached proposal from Nick Prince, Appendices 3A and 3B*).
- It is proposed to sponsor Nihon Kiin (inbound or outbound) project at \$10,000.



The INAF Lifetime Merit Award

(see Appendix 4)

- Background
 - Currently there are two awards for Go promotion in US: the AGF “Teacher of the Year Award” and the AGA “Edward Lasker Award” offered irregularly.
 - It appears desirable to have an award given *regularly* and covering *all North American regions*, including Canada, Mexico, Cuba, etc., to recognize ***outstanding lifelong achievement in Go promotion and organization in the North America region.***
- Contents
 - Award is in the form of a plaque with inscription of the citation and a trip for two to attend the award ceremony held at NGC or at another event such as the US Go Congress.
 - The candidates will be nominated and reviewed in the first few years by the INAF Board. Later, the process may expand to involve a subgroup of previous awardees.

INAF Grants for Research into the Relationship between Mind Sports and Cognitive Science *(See Appendix 5)*

- We seek to fund one or two university research projects for a comprehensive literature survey and review on the existing research linking mind sports with cognitive science, including how mind sports may contribute to the cognitive development of the youth and to the cognitive maintenance of the senior citizen.
- A review article, submitted to INAF and suitable for publication in a scientific journal, is the expected outcome. Student involvement is also strongly encouraged.
- The award amount, between \$6,000 to \$10,000 each, may be used for computers or related equipment, student support, or travel to conferences related to the research topic. An indirect (or pooled) cost, limited to 10%, may be charged to the award.
- Request for proposal and request for nomination of the INAF Award have been published on AGA e-journal and AGA and INAF websites.

Next Board Meeting

It may be advisable for us to gather for a short meeting next spring to decide on the INAF Lifetime Achievement Award and the INAF research grants.

Additionally, we may consider a Board meeting + dinner with the first INAF awardee at the 2023 US Go Congress, tentatively scheduled for July 8-16 in Cleveland, Ohio.

The regular annual meeting will be held in November 2023.