

ELM Trust annual report June 30, 2017

Dennis Warner, Secretary  
Paul Wadsworth, Treasurer  
Justin Shiver, Trustee  
Jack Kurdzionak, Chairman

The following paragraphs are from the Trust's constitution which explains its purpose.

Sec. 1. This Trust shall be organized and operated as a charitable trust to aid in advancing the art and science of horology through activities in education. Its purposes shall be:

- (a) Lend all practical assistance to schools who engage in the teaching of horology.
- (b) To establish a horological library.
- (c) To establish a horological museum.
- (d) To encourage and assist students in their horological studies.

Sec. 2. If there should be any net earnings from any activities aforesaid, the same shall accrue solely to said trust and can only be expended under the terms of section 501 (c) (3) of the Internal Revenue Code of 1954 and for such purposes as are also constituted as public charitable purposes under the laws of trusts in the State of Ohio.

Since our last meeting held at Harrison OH in July 2016 and in accordance with the Trust policy of removing from inventory duplicate items, items which are not suitable for the Trust's displays, and items irrelevant to the Trust's purpose, the Trust has done the following:

- a. Sold an 18KT gold watch case.
- b. Auctioned a small collection of empty base metal watch cases.
- c. Auctioned several Antique Swiss pocket watches.
- d. Auctioned a roll top watchmaker's bench.
- e. Sold a large collection of miscellaneous old tools and supplies.
- f. Donated several lathes, watchmaking tools, equipment and supplies to AWCI's educational department as per our agreement with Jordan and Tom that AWCI would have right of first refusal to all tools, equipment and supplies before any items were auctioned or sold.
- g. Determined that one watch in our collection (A watch purported to be a Warren model from the original Waltham Watch Company circa 1853) was a later model remanufactured and re-engraved to make it appear to be the valuable original Warren model, which it is not. The Trustees have decided to utilize its gold case for sale and, either destroy the watch movement, or permanently mark it as a counterfeit and put it on display as an example of a counterfeit.
- h. Arranged for Brad Wellmann to confirm that our physical inventory of clocks, watches, and miscellaneous items accurately matches our inventory as shown on our inventory list. Brad and an assistant will be compensated by the Trust for this service.

The Trustees expect to meet again in Harrison later this year to continue the consolidation of its watch and clock collection with the goal of focusing the collection on

articles that have significance to American watch manufacture and their relationship to watchmaking in America.

During the annual 2016 AWCI meeting the Trust indicated it was willing to sell some watches, at a price to be negotiated based upon the value of the precious metal cases, from its collection to AWCI for its educational program. As of this writing, no request for these watches has been received from AWCI.

We will be formulating an annual budget beginning this year utilizing a QuickBooks program.

We have two outstanding financial obligations:

- a. A guarantee of \$5000 to AWCI to support the establishment of the position of clock repair instructor.
- b. A grant to AWCI to cover its expenses in obtaining a donation of heavy machinery for clock making from a Dr. Shugar in NY. The grant will match AWCI's cost on a dollar for dollar basis not to exceed \$5000 and the entire transaction must take place by December 7, 2017. The offer expires at that time if not utilized.

Our current finances include:

1. \$22,926.69 Northway bank checking account.
2. \$46,717.56 Johnson Investment Counsel.

Total funds on hand \$69,644.25