

Date: 24 June 2007

To: BSA Council

From: Kent Holsinger, Treasurer

The Botanical Society is in very healthy financial condition. Although institutional print subscriptions to the *American Journal of Botany* continue to decline slowly, income associated with the journal remains sufficient not only to continue its operations but also to expand and improve them and to allow the Society to expand and improve its operations. The Society also has substantial financial assets, the income from which could also be used to support new or expanded program initiatives for the Society.

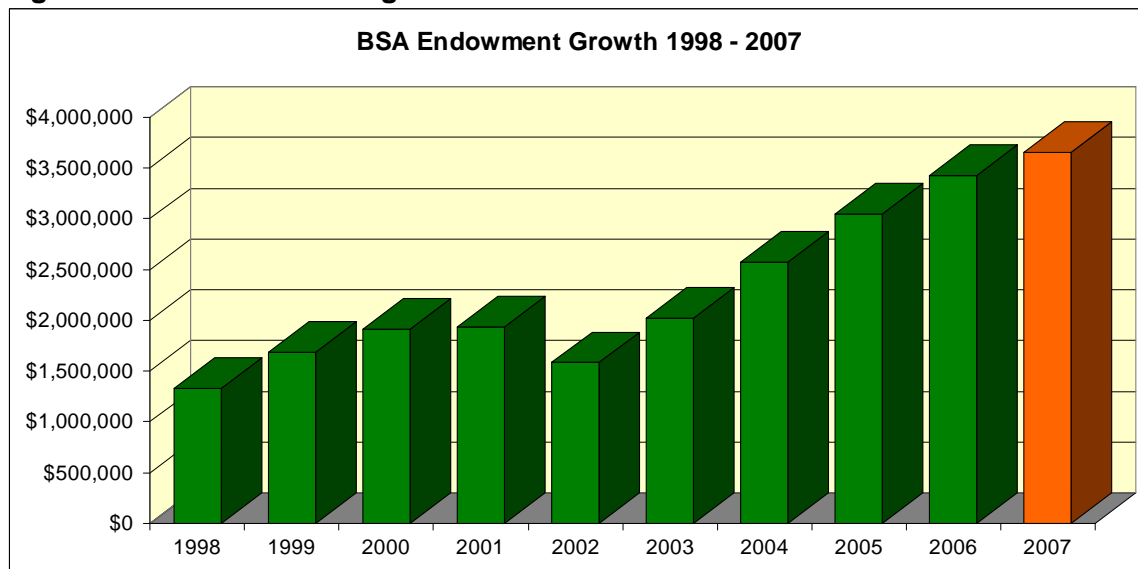
Assets

As of 1 June 2007, assets in the Society's investment accounts totaled nearly \$3.7M (Table 1), an increase of nearly \$600K from 30 June 2006. All of that increase was the result of investment returns (approximate annual rate of return 19.4%). The Society's investments are distributed among domestic equities (62%), international equities (15%), and fixed income securities (11%). The cash balance (12%) reflects funds in equity accounts from dividends or sales that has not yet been re-invested. Figure 1 provides a history of endowment growth since 1998. Total investment growth over that period is \$2.3M, of which \$1.3M represents returns on investment and \$1.0M represents additions from BSA operating surpluses.

Table 1: Investment fund balances for the Botanical Society of America

Investment funds balance 30 June 2005	\$3,103,576
Dividends, interest, and appreciation	562,746
Additions	0
Investment funds balance 30 June 2006	\$3,666,322

Figure 1: BSA Endowment growth 1998 - 2007



Income and expenses

The budget approved for 2006/2007 included budgeted income of \$1.22M and budgeted expenses of \$1.31M *versus* year-to-date totals of \$1.30M and \$0.56M, respectively (Table 3). The Society budgeted investment income (dividends plus capital gains) *very* conservatively at \$66K. The actual investment income of \$383K is primarily responsible for the difference between budgeted and actual income. Expenses are on track to be slightly lower than the \$1.20M budgeted for the Society's fiscal year, which ends on 30 September 2007.

Budget for 2007/2008

Budgeted income is projected at \$1.32M in 2007/2008 *versus* \$1.22M in 2006/2007. The increase reflects primarily special contributions associated with providing business services to the Society for Economic Botany and anticipated income associated with an increase in institutional subscription rates for the *American Journal of Botany*. Budgeted expenses are projected at \$1.31M in 2007/2008 *versus* \$1.20M in 2006/2007. The increase reflects primarily expenses associated with providing business services to the Society for Economic Botany and transitional expenses associated with moving the *American Journal of Botany* and *Plant Science Bulletin* from Allen Press to Sheridan Press.

Table 2: Summary of income and expenses for the Botanical Society of America

	Budgeted 2006/2007	Actual YTD 2006/2007	Budgeted 2007/2008
Income	\$1,221,502	\$1,298,923	\$1,325,075
Operational income	1,042,052	915,679	1,141,075
Investment income	61,000	383,243	66,000
Meetings income	118,000	0*	118,000
Expenses	1,196,342	\$ 562,693	\$1,308,013
Operational expenses	1,118,822	527,787	1,230,493
Investment expenses	36,000	32,145	36,000
Meetings expenses	41,520	2,761*	41,520
Balance	10,178	\$ 736,230	11,471

*Figures for 2007 are not included because of timing



BOTANICAL SOCIETY OF AMERICA

<i>2007-2008 Budgets</i>	Budget	Budget	Actual
<i>Budget Comparison Sheet</i>	2007-2008	2006-2007	2006/7 YTD
Income			
4000 BSA OPERATIONAL INCOME			
4100 BSA Membership Income	117,100	134,900	115,839
4200 Section Dues	3,500	3,500	
4300 Special Funds Contributions	51,700	16,700	3,928
4400 AJB Income	858,195	776,822	787,713
4500 Meeting Income	10,580	10,580	
4600 Other/Grant Income	100,000	100,000	8,199
7000 INVESTMENT INCOME	41,000	41,000	49,942
7200 GAIN / (LOSS) SSB FUNDS	25,000	20,000	333,302
8000 BOTANY CONFERENCE INCOME	118,000	118,000	
TOTAL INCOME	1,325,075	1,221,502	1,298,923
Total Income	1,325,075	1,221,502	1,298,923
Operational Income	1,141,075	1,042,502	915,679
Investment Income	66,000	61,000	383,243
Meetings Income	118,000	118,000	-
Expenses			
5000 EMPLOYMENT EXPENSES	631,853	552,142	281,823
5100 TRAVEL & MEETINGS	43,580	43,580	22,919
5200 FACILITY EXPENSES	23,360	22,400	15,203
5300 INFRASTRUCTURE EXPENSES	7,500	7,500	4,330
5400 OFFICE EXPENSES	21,500	21,500	5,326
5500 OTHER EXPENSES	23,200	23,200	12,565
5600 PUBLICATIONS	369,400	353,400	169,768
5700 DEVELOPMENT	110,100	95,100	15,853
7500 INVESTMENT EXPENSES	36,000	36,000	32,145
8000 Conference Expenses	41,520	41,520	2,761

TOTAL EXPENDITURE	1,308,013	1,196,342	562,693
--------------------------	------------------	------------------	----------------

Total Expense	1,308,013	1,196,342	
Operational Expense	1,230,493	1,118,822	527,787
Investment Expense	36,000	36,000	32,145
Meetings Expense	41,520	41,520	2,761

Consolidated BSA Operations

Income	1,141,075	1,042,502	915,679
Expense	1,129,605	1,032,324	527,787
Balance	11,471	10,178	387,892

Botany Conference Series

Income	118,000	118,000	-
Expense	112,408	103,018	2,761
Balance	5,592	14,983	(2,761)

BSA Investment

Income	66,000	61,000	383,243
Expense	66,000	61,000	32,145
Balance	-	-	351,098

TOTAL

Income	1,325,075	1,221,502	1,298,923
Expense	1,308,013	1,196,342	562,693
Balance	17,063	25,160	736,230