

Date: 15 July 2008  
 To: BSA Council  
 From: Laura Galloway, Treasurer

The Botanical Society is in healthy financial condition. A big impact on the present year's budget is the receipt of \$682,129 in grants to support the Planting Science program (two from NSF, one from Monsanto and one from GEAR-UP St. Louis)! The budget was revised after last year's council meeting to accommodate the income and expenses associated with the grants, although net impact of the projects are nearly cost neutral for BSA. A second substantial impact on BSA's financial situation over the past year has been weakness in the financial markets that has eroded the gains the endowment has made in the past two years. Despite this change, the Society has substantial financial assets, the income from which could also be used to support new or expanded program initiatives.

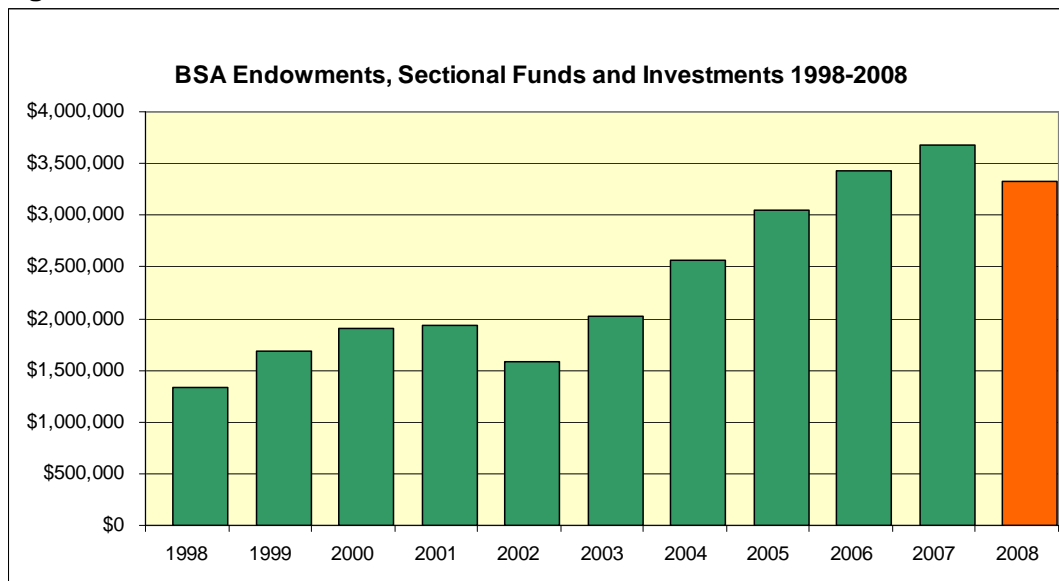
*Assets*

As of 15 July 2008, assets in the Society's investment accounts totaled nearly \$3.2M (Table 1), a decrease of approximately \$451K from 31 December 2007 (and \$437K from last year's report). The loss of funds in the first half of 2008 has been at approximately a -9.5% annual rate of return. This loss reflects the overall market trend. The Society's investments are distributed among domestic equities (55%), international equities (22%), fixed income securities (19%) and cash (4%). Figure 1 shows a history of endowment growth since 1998. Total investment growth over that period is \$2M, of which \$1M represents returns on investment and \$1M represents additions from BSA operating surpluses. The performance goal on the endowment is 9.44%, although recent performance has been off, overall gains exceed this goal.

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

Investment funds balance 30 June 2007	\$3,666,322
Dividends, interest, and appreciation	436,762
Additions	0
<b>Investment funds balance 15 July 2008</b>	<b>\$3,229,560</b>

**Figure 1: BSA Endowment 1998 - 2008**



***Income and expenses***

The budget approved for 2007/2008 included budgeted income of \$2.10M and budgeted expenses of \$2.08M *versus* year-to-date totals of \$1.41M and \$1.18M, respectively (Table 2). The Society budgeted investment income (dividends plus capital gains) at \$66K. As mentioned earlier, the only substantial change in our current finances relative to that budgeted is the loss of investment income.

***Budget for 2008/2009***

Budgeted income is projected at \$2.15M in 2008/2009 *versus* \$2.10M in 2006/2007. The modest increase in income reflects greater funds associated with *American Journal of Botany* (a 10.6% increase in institutional subscription rates). Budgeted expenses are projected at \$2.12M in 2008/2009 *versus* \$2.08M in 2007/2008. The budget reflects both grant associated income and expenditures for the next year.

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

<b>2008-2009 Budgets</b>	<b>Budgeted</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Increase/</b>	<b>%</b>
<b>Budget Comparison</b>	<b>2007-2008</b>	<b>2007-08 YTD*</b>	<b>2008-2009</b>	<b>Decrease</b>	<b>Change</b>
<b>Total Income</b>	<b>\$2,104,204</b>	<b>\$1,412,909</b>	<b>\$2,147,204</b>		
Operational Income	1,738,204	1,082,949	1,779,624	41,420	2.38%
Investment Income	66,000	-161,289	66,000	0	0.00%
Meetings Income	300,000	491,250	301,580	1,580	0.53%
<b>Total Expense</b>	<b>\$2,076,637</b>	<b>\$1,175,319</b>	<b>\$2,119,104</b>		
Operational Expense	1,822,779	764,698	1,868,000	45,221	2.48%
Investment Expense	36,000	74,869	36,000	0	0.00%
Meetings Expense	217,858	335,752	215,104	-2,754	-1.26%
<b>Consolidated BSA Operations</b>					
Income	1,738,204	1,082,949	1,779,624	41,420	2.38%
Expense	1,715,637	764,698	1,761,523	45,886	2.67%
Balance	22,567	318,251	18,101		
<b>Botany Conference Series</b>					
Income	300,000	491,250	301,580	1,580	0.53%
Expense	295,000	335,752	291,581	-3,420	-1.16%
Balance	5,000	155,498	10,000		
<b>BSA Investment</b>					
Income	66,000	-161,289	66,000	0	0.00%
Expense	66,000	74,869	66,000	0	0.00%
Balance	0	-236,158	0		
<b>TOTAL</b>					
Income	2,104,204	1,412,909	2,147,204	43,000	2.04%
Expense	2,076,637	1,175,319	2,119,104	42,467	2.04%
Balance	27,567	237,590	28,101		

\*as of 6/12/08