

## Treasurer's Report

Included below is the balance sheet as of our most recently completed year end, June 30, 1998. We ended our fiscal year with a net surplus in all funds. Total fund balance between 1997 and 1998 increased \$987,000. The operating fund balance increased \$52,000 mostly as a result of restricted gifts and contracts. The remainder of the increase was primarily in our endowment fund.

Our endowment fund made healthy gains as a result of above average stock market performance. Our investment return for the year was approximately 24%. Spending from endowment is based on 5.5% of the endowment value measured on a three year average. This past year the

endowment contributed over one third of our operating budget.

Each year the Board of Directors reviews our investment guidelines and reviews our endowment performance with our investment advisor, the Frank Russell Company. Due to our outstanding stock market performance, our portfolio had risen to as high as 83% invested in equities. As can be seen from the activity of the recent weeks the market can fluctuate greatly. Although our heavy weighting in equities has resulted in strong returns in the portfolio, in order to be more conservative, the Board adopted an investment policy of having no more than 75% of our total portfolio invested



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### FOREST HISTORY SOCIETY, INC.

Balance Sheet • June 30, 1998 (with Comparative Totals for 1997)

	Operating Fund	Plant Fund	Endowment Fund	1998 Total All funds	1997 Total All funds
<b>Assets</b>					
Cash	\$ 31,181	\$ 16,936	\$ (2,605)	\$ 45,512	\$ 18,935
Interfund Receivable	53,426	—	—	53,426	—
Accounts Receivable	36,090	—	6,245	42,335	18,139
Pledges Receivable	—	—	—	—	15,000
Inventories	32,905	—	—	32,905	44,014
Prepaid Expenses	3,590	—	—	3,590	3,233
Deposits	349	256	—	605	674
Short term investments	123,591	—	5,871,477	5,995,068	5,027,451
Fixed assets at cost less accumulated depreciation of \$211,590 and \$206,033	—	385,038	—	385,038	389,690
<b>Total Assets</b>	<b>\$281,132</b>	<b>\$402,230</b>	<b>\$5,875,117</b>	<b>\$6,558,479</b>	<b>\$5,517,136</b>
<b>Liabilities and Fund Balances</b>					
<b>LIABILITIES</b>					
Interfund Payable	\$ —	—	\$ 53,426	\$ 53,426	\$ 0
Accounts Payable & Accrued Expenses	26,335	—	10,012	36,347	19,701
Deferred Income	—	—	—	—	930
Deferred Pledges	—	—	—	—	15,000
	26,335	—	63,438	89,773	35,631
<b>FUND BALANCES</b>					
Unrestricted					
Undesignated	120,386	—	3,245,186	3,365,572	2,436,154
Restricted-Expendable	134,411	—	—	134,411	82,930
Endowment	—	—	2,566,493	2,566,493	2,566,493
Net investment in plant	—	402,230	—	402,230	395,928
<b>Total fund balances</b>	<b>\$254,797</b>	<b>\$402,230</b>	<b>\$5,811,679</b>	<b>\$6,468,706</b>	<b>\$5,481,505</b>
<b>Total liabilities and fund balances</b>	<b>\$281,132</b>	<b>\$402,230</b>	<b>\$5,875,117</b>	<b>\$6,558,479</b>	<b>\$5,517,136</b>