

Treasurer's Report

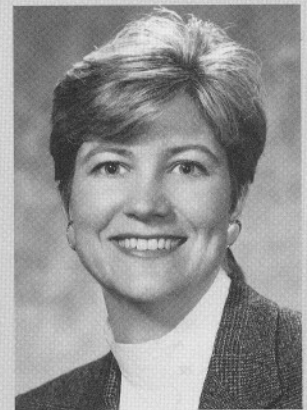
Included below is the balance sheet as of our most recently completed year-end, June 30, 1997, compared to that of a year ago. Overall, fund balance has increased by \$683,684. This large increase is solely the result of favorable results from the equity market which raised our endowment fund value. Those of you who have followed the financial reporting of the Society will note that our investments are now presented at fair market value versus historical cost. This change comes as a result of a change in accounting rules for all nonprofit organizations. While we are fortunate indeed to see this large increase, we should be mindful of

the fact that the equity markets can be volatile. Due to the strong performance by the stock market, the fund is currently invested approximately 77% in equities and the remainder in fixed income. Our spending from endowment is based on 5.5% of the endowment value measured on a three year average.

Periodically, the Board of Directors reviews our investment guidelines with our investment advisor, the Frank Russell Company, and we will be meeting with a representative at our annual meeting in September.

Operating fund balance decreased this past year due primarily to expenses

incurred in the search for a new president and needed equipment purchases. I am very pleased to have Steve Anderson in place as our new president and I look forward to working with him in addressing our financial challenges.



FOREST HISTORY SOCIETY, INC.

Balance Sheet • June 30, 1997 (with Comparative Totals for 1996)

	Operating Fund	Plant Fund	Endowment Fund	1997 Total All funds	1996 Total All funds
Assets					
Cash	\$ 10,230	\$ 5,982	\$ 2,723	\$ 18,935	\$ 65,859
Accounts Receivable	18,139	—	—	18,139	18,809
Pledges Receivable	15,000	—	—	15,000	334
Inventories	44,014	—	—	44,014	33,905
Prepaid Expenses	3,233	—	—	3,233	3,638
Deposits	418	256	—	674	987
Short term investments	143,720	—	4,883,731	5,027,451	4,287,847
Fixed assets at cost less accumulated depreciation of \$206,033 and \$194,252	—	389,690	—	389,690	394,262
Total Assets	\$234,754	\$395,928	\$4,886,454	\$5,517,136	\$4,805,641
Liabilities and Fund Balances					
LIABILITIES					
Accounts Payable & Accrued Expenses	\$ 16,872	—	\$ 2,829	\$ 19,701	\$ 7,486
Deferred Income	930	—	—	930	0
Deferred Pledges	15,000	—	—	15,000	334
	32,802	—	2,829	35,631	7,820
FUND BALANCES					
Unrestricted					
Undesignated	119,022	—	2,317,132	2,436,154	1,742,475
Restricted-Expendable	82,930	—	—	82,930	97,768
Endowment	—	—	2,566,493	2,566,493	2,563,108
Net investment in plant	—	395,928	—	395,928	394,450
Total fund balances	\$201,952	\$395,928	\$4,883,625	\$5,481,505	\$4,797,821
Total liabilities and fund balances	\$234,754	\$395,928	\$4,886,454	\$5,517,136	\$4,805,641