

Treasurer’s Report: 2023 Annual Meeting
To: Board of Directors and the Assembly of Delegates

This Treasurer’s report covers the fiscal year 2023; the period from July 1, 2022– June 30, 2023. The Society’s Treasurer is pleased to present this report on behalf of the Committee on Finances (COF).

The COF exercises prudent and expert-informed financial stewardship and oversight of all Society assets and liabilities to assure asset preservation and growth.

During the year, a quorum of the COF* met following each calendar quarter to review investment portfolio performance with the external investment manager, review the annual budget for Board approval, monitor monthly cash flow and expenditures, including travel, in relation to Board-approved annual budget; review external financial audit report on appropriate internal accounting practices and internal Committee on Audit Review report, and adopt necessary practice corrections.

Assets, Liabilities, and Net Worth

As of June 30, 2023, the value of the Society’s invested assets was \$14.7 million. Net worth as of June 30, 2023, was \$13.7 million. By comparison, net worth on June 30, 2022, was \$13.8 million; based on assets of \$17.4 million and liabilities of \$3.7 million. Thus, the net worth of the Society decreased by \$136 thousand at the end of the fiscal year 2023 than it was at the end of the fiscal year 2022.

The Society’s total investment return for the fiscal year ending June 30, 2023, was 12.35%. This was due to favorable markets in three out of four quarters in FY2023. The total account fees were \$35,741 during the fiscal 2023.

| Society’s Investment Returns | |
|---|--------|
| The assumed rate of return | +5.00% |
| 1-year total investment return (thru June 30, 2023) | 12.35% |
| 3-year total investment return (July 1, 2020 - June 30, 2023) | 25.88% |

Fiscal 2023 Operating Budget Summary

The Board of Directors approved an operational budget of \$5.7 million for the fiscal year 2023 with a deficit of (\$1.8 million) at the recommendation of the Committee on Finances.

As of June 30, 2022, the operating revenues were down by (2%) from the budget while expenses decreased by (11%) resulting in a net deficit of (\$1.3 million). Contributions without donor restrictions were included in the operating budget while contributions with donor restrictions were added to restricted investments to meet donor’s instructions.

Fiscal 2024 Operating Budget

The Committee on Finances recommended an operational budget of \$5.4 million with a deficit of (\$1.7 million) for the fiscal year 2023 to the Board of Directors. The Board of Directors requested it be reduced by \$600K and a revised budget of \$4.8 million was approved in June 2023.

| Operating Revenues | Amount in US\$ |
|--|-----------------------|
| Annual Contribution | \$ 400,000 |
| Investment Allowance | 774,254 |
| Dues and Fees | 1,996,865 |
| Annual Meeting Registration Income | 110,350 |
| Revenues from <i>American Scientist</i> | 376,500 |
| Programs and Other revenues | 40,500 |
| Grants Overhead | 35,000 |
| Total Operating Revenues | \$3,733,469 |
| | |
| Operating Expenses | |
| <i>American Scientist</i> and Science Publications | \$ 1,154,846 |
| Membership and Chapter Services | 521,599 |
| Society Programs (GIAR, Prizes, Awards, and Other) | 661,435 |
| Business Meeting | 160,079 |
| International Forum on Research Excellence (IFoRE) | 357,281 |
| Headquarter Lease | 181,124 |
| Fundraising Expenses | 478,741 |
| Management and General (Governance/Finance/Admin/IT) | 1,366,429 |
| Total Operating Expenses | \$ 4,881,534 |
| Operating (Deficit) | (\$1,148,065) |

The Board of Directors of the Corporation approved a capital budget of \$201,200 for a new database. The current database provider has retired and closed his business effective December 31, 2022. This necessitated looking for and moving to a new membership database.

Respectfully submitted,
David W. Baker, Ph.D.
Treasurer

*COF Membership FY2023: D. Baker (Chair), C. Gouin, D. Mason, A. Paterson, M. Peeples, N. Peppas, G. Siegal, M. Strojnik, J. Vernon, and J White