Ninety-Ninth Annual Report of The American Phytopathological Society

REPORT OF THE TREASURER

The Financial Advisory Committee (FAC) and APS headquarters' staff met on 28 July 2007 in San Diego, CA, to review financial matters related to the operation of the Society and to refine the strategic financial plan. APS continues to make considerable progress in renewing the strategic plan to meet the mission and vision for the future. Council and the officers regularly analyze the external environment and make progress toward assigning responsibility for developing and executing strategies to attain the goals of the strategic plan. Having a strategic financial plan helps us, as a Society, provide a focus for our resources and it is used as a guide for the various committees and staff to do their jobs. Strategic targets help everyone know what is expected from their programs several years in advance so they can build and execute strategies over several budget years. The role of FAC in this process is not to get involved in strategy building, but rather to decide what the financial goals are and to build business plans to meet those goals. FAC continually asks the difficult questions, such as which programs should break even and which are expected to generate surplus to invest in our programs and services that best benefit our members? This plan continues to work for the Society, allowing us to invest in our future.

The FY07 budget was concluded with a surplus of \$295,285, which represents 6% of our total income for the period. The 11 income and expense categories for the Society are detailed in Table 1. Our total income (\$4,701,171) was derived from the sources as indicated in Figure 1, and our total operating expenses (\$4,405,886) incurred during FY07 were partitioned as indicated in Figure 2.

The income and expenses of the Society for the most recent 10 FYs are presented in Table 2. The total assets of the Society as of

TABLE 2. Comparison of The American Phytopathological Society fiscal years 1998 to 2007 after reserve allocation

Fiscal year	Income	Expenses	Surplus (deficit)
FY07	\$4,701,171	\$4,405,883	\$295,288
FY06	\$4,289,254	\$3,754,227	\$535,027
FY05	\$3,959,027	\$3,819,096	\$139,931
FY04	\$3,963,006	\$3,700,013	\$262,993
FY03	\$3,748,845	\$3,864,217	(\$115,372)
FY02	\$4,045,587	\$3,997,846	\$47,741
FY01	\$3,952,594	\$4,059,101	(\$106,507)
FY00	\$3,649,863	\$3,724,910	(\$75,047)
FY99	\$3,662,093	\$3,692,259	(\$30,166)
FY98	\$3,589,253	\$3,431,727	\$157,526

TABLE 1. Audited summary of income and expenses as related to function of The American Phytopathological Society

Function	Income				Expenses				Profit (loss)
	Actual	%	Budget	%	Actual	%	Budget	%	
Member Services	324,437	7%	314,600	7%	673,756	15%	767,932	18%	(349,319)
Short Courses	212,375	5%	89,375	2%	154,748	4%	73,568	2%	57,627
Phytopathology	847,161	18%	886,300	20%	337,912	8%	376,778	9%	509,249
Plant Disease	744,690	16%	774,000	18%	348,374	8%	406,250	9%	396,316
Phyto News	10,016	0%	8,265	0%	46,468	1%	63,255	1%	(36,452)
MPMI	591,308	13%	518,250	12%	344,958	8%	368,297	9%	246,350
PMN	206,365	4%	278,248	6%	269,988	6%	315,515	7%	(63,623)
Online Subscriptions	30,501	1%	41,900	1%	19,967	0%	32,932	1%	10,534
APS PRESS	854,064	18%	768,998	18%	627,677	14%	653,198	15%	226,387
Annual Meeting	707,616	15%	660,195	15%	580,993	13%	666,721	15%	126,623
G & A ^a	172,638	4%	7,500	0%	1,001,045	23%	603,167	14%	(828,407)
Total	4,701,171	100%	4,347,631	100%	4,405,886	100%	4,327,613	100%	295,285
Surplus (loss)									295,285

^a G & A is assigned to functions based on payroll dollars.

Fig. 1.

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Fig. 2.

30 June 2007, including restricted funds, were \$7.8 million and current liabilities totaled \$2.6 million. This resulted in total net assets of \$5.2 million.

The positive net income from programs and investments continue to be re-invested in the Society initiatives that continue to enhance member services, including *APSnet*, our Washington, DC presence (Eversole Associates), the increased use of reserves of the Society in supporting programming at the APS annual meeting, and investing in the Plant Management Network. The future of the Plant Management Network continues to look promising with increased content in four journals sponsored in part by more than 60 partners, while our presence in Washington continues to bring support to our discipline and Society. The Treasurer can be contacted at Rowe.4@OSU.edu.

REPORT OF THE AUDITOR

The American Phytopathological Society has its accounts audited annually by a certified public accountant. In recent years, the accounting firm has been Lethert, Skwira, Schultz, & Co., St. Paul, MN. Only the Balance Sheet and the Statement of Changes in Net Assets, as of 30 June 2007, are being published in detail. Any member wishing a copy of the full audit may obtain one on request.

The American Phytopathological Society Balance Sheet Year ended 30 June 2007 (with comparative totals for 2006)

	2007	2006
Assets		
Cash (note 3)	1,239,172	1,008,526
Accounts receivable, net (notes 2 and 15)	407,554	479,109
Unconditional promises to give	53,412	69,879
Investments (note 4)	4,753,607	4,067,542
Prepaid expenses (note 5)	387,485	442,036
Inventory	633,688	619,517
Prepaid pension (note 12)	60,702	47,617
Property and equipment, net (note 6)	409,809	360,632
Total assets	7,945,429	7,094,858
Liabilities and net assets		
Accounts payable (note 15)	320,387	253,466
Accrued payroll and payroll taxes	43,930	40,757
Accrued pension expense	81,144	81,844
Agency funds payable	15,341	13,442
Deferred revenues (note 7)	1,866,273	1,847,490
Underfunded pension plan liability (note 12)	41,773	—
Total liabilities	2,368,848	2,236,999
Net assets		
Unrestricted (note 8)	4,052,703	3,495,852
Temporarily restricted (note 9)	408,770	321,301
Permanently restricted (note 10)	1,115,108	1,040,706
Total net assets	5,576,581	4,857,859
Total liabilities and net assets	\$7,945,429	7,094,858

The American Phytopathological Society Statement of Changes in Net Assets Year ended 30 June 2007 (with comparative totals for 2006)

	2007	2006
Unrestricted net assets (support and revenue)		
Federal financial assistance	28,699	44,051
Contributions	98,626	75,950
Membership dues	284,078	282,910
Subscriptions	1,867,109	1,847,557
Reprints and demand articles	61,045	67,144
Abstracts	7,020	8,575
Page charges	204,860	219,014
Processing fees	114,920	116,210
Back issues	10,749	8,278
Color charges	142,771	118,803
Advertising	45,896	47,417
Books, slides, CD-Roms, and clothing	848,359	838,016
Annual meeting	707,616	533,267
Short courses	43,575	39,825
Royalty income	9,182	27,491
Investment income (note 4)	176,847	87,937
Gain on sale of investments (note 4)	10,473	189,491
Unrealized gain (loss) on investments (note 4)	331,668	(112,682)
Other	16,692	20,974
Total support and revenue	5,010,185	4,460,228
Net assets released from restrictions		
Restrictions satisfied by payments	87,347	65,799
Expenses		
Program services		
Member services	700,938	688,594
Journals	1,347,698	1,226,883
Books	642,990	670,697
Annual meeting	646,874	413,024
Grants and awards	42,000	29,970
Short courses and workshops	107,237	98,002
Online services	19,967	18,314
Total program services	3,507,704	3,145,484
Supporting services		
Management and general	987,126	730,690
Fundraising	4,077	751
Total supporting services	991,203	731,441
Total expenses	4,498,907	3,876,925
Increase in unrestricted net assets	598,625	649,102
Temporarily restricted net assets		
Support for books	12,689	30,119
Support for annual meeting socials	25,040	145,689
Support for student travel	6,052	5,216
Investment income (note 4)	42,735	22,572
Gain on sale of investments (note 4)	2,352	77,198
Unrealized gain (loss) on investments (note 4)	85,947	(43,592)
Restrictions satisfied by payments	(87,347)	(65,799)
Increase in temporarily restricted net assets	87,468	171,403
Permanently restricted net assets		
Support for operations	34,314	4,730
Support for student travel	38,259	25,698
Support for student speakers	270	235
Support for research and education	1,195	1,243
Support for international travel	200	480
Unrealized gain (loss) on investments (note 4)	164	(821)
Increase in permanently restricted net assets	74,402	31,565
Increase in net assets	760,495	852,070
Net assets, beginning of year	4,857,859	4,005,789
Change in unfunded pension liability (note 12)	(41,773)	—
Net assets, end of year	5,576,581	4,857,859