

# Eighty-ninth Annual Report of The American Phytopathological Society

## REPORT OF THE TREASURER

The Financial Advisory Committee and APS headquarters' staff members met on 28 February and 2 and 3 June in St. Paul, MN, and on 8 August 1997 in Rochester, NY, to review financial matters related to the operation of the Society and to prepare the budget for FY98. The approved minutes of the March and June meetings were distributed to the division councilors and are on file at APS headquarters. The minutes of the August meeting have not been distributed, but the most significant agenda items of these three meetings are summarized in this report.

1) The reserves of the Society have developed under the leadership of Dr. Stan Pennypacker, treasurer of the Society for the previous 6 years. To assure that the reserves are managed for the best benefit of the Society, the services of First Bank of Minneapolis, MN, have been obtained. In July 1997, \$500,000 were transferred from the operating reserve to an account at First Bank for management with the investment objectives of obtaining both growth and income from these funds to serve the future needs of our Society.

2) A simplified accounting report was developed that provides committee members the necessary information, in a succinct fashion,

on income and expenses of member services, the journals, *Phytopathology News*, APS Press, and the Annual Meeting. This information is presented in Table 1.

3) The Financial Advisory Committee recommended that support for the APS Foundation and the National Plant Pathology Board be increased by \$4,000 and \$5,000, respectively. In addition, the Financial Advisory Committee recommended that a total

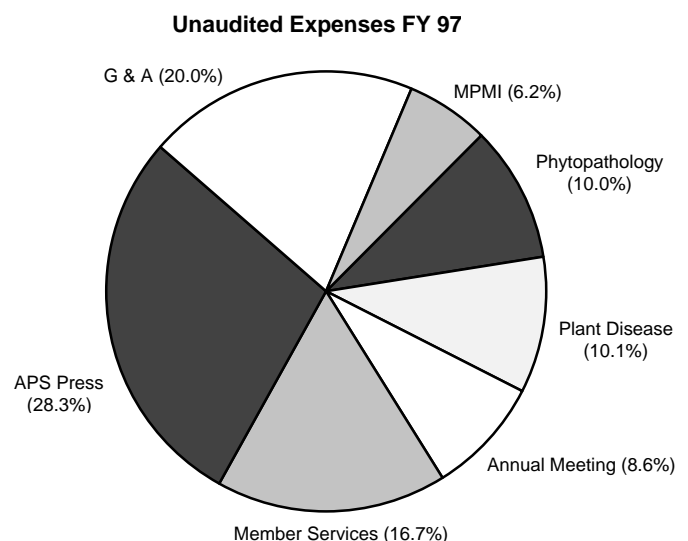
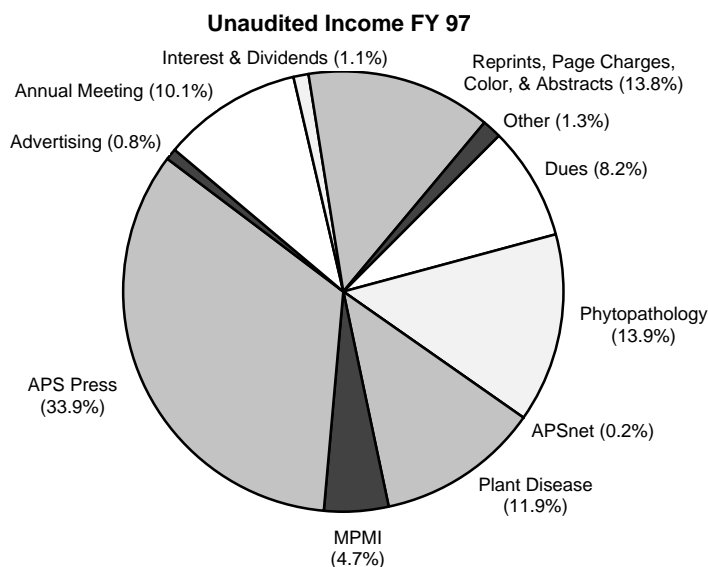
TABLE 2. Comparison of The American Phytopathological Society fiscal years 1988 to 1997 before reserve allocation

Fiscal year	Income	Expenses	Surplus (deficit)
FY97	\$3,418,515	\$3,216,584	\$201,931
FY96	\$3,198,990	\$2,974,105	\$224,885
FY95	\$3,152,468	\$2,907,285	\$245,183
FY94	\$3,062,160	\$2,902,793	\$159,367
FY93	\$2,843,296	\$2,574,006	\$269,290
FY92	\$2,689,171	\$2,565,571	\$123,600
FY91	\$2,436,386	\$2,471,744	(\$35,358)
FY90	\$2,260,693	\$2,258,159	\$2,534
FY89	\$2,213,691	\$2,177,068	\$36,623
FY88	\$1,903,918	\$1,897,972	\$5,946

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

Function	Income				Expenses				Y-T-D profit (loss)
	Actual	%	Budget	%	Actual	%	Budget	%	
Member services	\$338,719	9.91	\$373,525	11.43	\$646,918	20.10	\$659,451	20.05	(\$308,199)
Phytopathology	\$655,064	19.16	\$643,120	19.68	\$413,976	12.87	\$469,408	14.27	\$241,088
Plant Disease	\$587,631	17.19	\$563,897	17.26	\$409,484	12.73	\$483,751	14.70	\$178,147
Phytopathology News	\$16,404	0.48	\$17,200	0.53	\$82,212	2.56	\$70,681	2.15	(\$65,808)
MPMI	\$284,121	8.31	\$226,285	6.93	\$247,919	7.71	\$277,064	8.42	\$36,202
APS Press	\$1,163,116	34.02	\$1,079,607	33.04	\$1,087,732	33.82	\$1,009,263	30.68	\$75,384
Annual meeting	\$346,364	10.13	\$346,977	10.62	\$328,342	10.21	\$320,121	9.73	\$18,022
G & A <sup>a</sup>	\$27,096	0.79	\$17,000	0.52	\$0		\$0		\$27,096
Total	\$3,418,515	100.00	\$3,267,611	100.00	\$3,216,584	100.00	\$3,289,737	100.00	
Operating surplus (loss)									\$201,931

<sup>a</sup> G & A is assigned to functions based on payroll dollars.



of \$1,000 be provided for the Diversity Committee over the next 2 years.

I am pleased to report that our Society completed FY97 with an unaudited balanced budget of \$201,931 after allocating to our reserves, capital improvement expenses, and cash assets. Our total income (\$3,418,515) was derived from eleven sources (unaudited income FY 97), and our total operating expenses (\$3,216,584) incurred during FY97 are partitioned into seven categories (unaudited expenses FY 97). After allocating \$26,771 for maintenance reserves and capital improvement expenses, our operating surplus totaled

\$175,656 compared with our FY97 budget that was approved with a net loss of \$48,896. The favorable surplus resulted from reduced total operating expenses and increased revenues from what was budgeted in June 1996. The income and expenses of the Society for the most recent 10 FYs, before reserve allocation, are presented in Table 2.

The total assets as of 30 June 1997, excluding restricted funds, were \$3,163,157 and current liabilities totaled \$2,193,429, producing a membership equity of \$969,728.

The audited financial statement for FY97 appears in this issue of *Phytopathology*.

## 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 Phillips and Swanson, St. Paul, MN. Due to recent changes in reporting requirements by the American Institute of Certified Public Accountants for nonprofit organizations, the full audit has become extensive and has undergone changes in format. Consequently, only the Balance Sheet and Income and Expense Statement as of June 30, 1997, 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 June 30, 1997 (with comparative totals for 1996)

	1997	1996
<b>Assets</b>		
Cash (note 3 <sup>a</sup> )	\$ 1,481,855	\$ 1,377,908
Interest receivable	4,318	5,822
Accounts receivable, net (note 17)	140,658	128,099
Investments (note 4)	332,289	401,895
Prepaid expenses (note 5)	140,648	201,623
Inventory	624,702	481,232
Loan receivable	...	19,500
Prepaid pension (note 14)	29,340	27,651
Property and equipment, net (note 6)	517,178	541,383
<b>Total assets</b>	<b>\$ 3,270,988</b>	<b>\$ 3,185,113</b>
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
Accounts payable (note 17)	\$ 200,648	\$ 221,993
Accrued pension expense	48,260	49,260
Deferred revenues (note 7)	828,613	993,246
Long-term debt (note 8)	9,335	...
<b>Total liabilities</b>	<b>1,086,856</b>	<b>1,264,499</b>
<b>Net assets</b>		
Unrestricted (note 9)	2,103,859	1,854,671
Temporarily restricted (note 10)	60,778	46,563
Permanently restricted (note 11)	19,495	19,380
<b>Total net assets</b>	<b>2,184,132</b>	<b>1,920,614</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,270,988</b>	<b>\$ 3,185,113</b>

<sup>a</sup> There are accompanying notes that are an integral part of this financial statement and are available upon request.

### The American Phytopathological Society Statement of Changes in Net Assets Year ended June 30, 1997 (with comparative totals for 1996)

	1997	1996
<b>Unrestricted net assets</b>		
<b>Revenue</b>		
Membership dues	\$ 301,394	\$ 477,215
Subscriptions	1,023,629	843,500
Reprints	93,675	83,537
Abstracts	29,545	26,310
Page charges	214,367	200,579
Processing fees	68,400	40,850
Back issues	21,330	25,216
Color charges	64,521	44,210
Advertising	28,031	32,025
Books and slides	1,159,161	1,052,320
Annual reviews	6,685	6,719
Annual meeting	346,364	314,026
Investment income (note 4)	79,591	76,364
Loss on sale of equipment	(523)	...
Loss on sale of investments (note 4)	(1,392)	(1,577)
Unrealized gain on investments (note 4)	1,447	2,458
Other	23,391	16,934
<b>Total revenue</b>	<b>3,459,616</b>	<b>3,240,686</b>
<b>Net assets released from restrictions</b>		
Restrictions satisfied by payments	31,140	29,492
<b>Expenses</b>		
<b>Program services</b>		
Member services	503,317	502,375
Journals	916,237	915,268
Books	908,321	747,191
Annual meeting	276,791	260,778
<b>Total program services</b>	<b>2,604,666</b>	<b>2,425,612</b>
<b>Supporting services</b>		
Management and general	636,902	576,732
<b>Total expenses</b>	<b>3,241,568</b>	<b>3,002,344</b>
<b>Increase in unrestricted net assets</b>	<b>249,188</b>	<b>267,834</b>
<b>Temporarily restricted net assets</b>		
Support for books	10,226	6,250
Support for annual meeting socials	17,050	14,450
Support for virus list	16,500	4,000
Investment income (note 4)	1,579	1,232
Restrictions satisfied by payments	(31,140)	(29,492)
<b>Increase (decrease) in temporarily restricted net assets</b>	<b>14,215</b>	<b>(3,560)</b>
<b>Permanently restricted net assets</b>		
Unrealized gain (loss) on investments (note 4)	115	(378)
<b>Increase in net assets</b>	<b>263,518</b>	<b>263,896</b>
<b>Net assets, beginning of year</b>	<b>1,920,614</b>	<b>1,656,718</b>
<b>Net assets, end of year</b>	<b>\$ 2,184,132</b>	<b>\$ 1,920,614</b>

<sup>a</sup> There are accompanying notes that are an integral part of this financial statement and are available upon request.