

Ninety-Fourth Annual Report of The American Phytopathological Society

REPORT OF THE TREASURER

The Financial Advisory Committee (FAC) and APS headquarters' staff members met 24 August 2001 in Salt Lake City and 25 October 2001 and 1 March 2002 in St. Paul, MN during FY01-02 to review financial matters related to the operation of the Society. The notes from these meetings have been approved by FAC and notes of all meetings are on file at APS headquarters.

After allocations for maintenance reserves, operating reserves, and capital improvement expenses, FY01-02 was concluded with a surplus of \$47,741, which represents 1.2% of income; a very positive change after 3 years of expenses exceeding revenues. The deficits over the previous 3 years resulted from significant investment in our Society moving into the digital and electronic age. New software to enhance efficiency at headquarters was installed, we sought new alliances to enhance our business operation, we have begun to move from a hardcopy perspective to an electronic perspective, our web presence has become conspicuous, and new initiatives to support research, education, extension, and public policy have been established. During this same period, author page charges were significantly reduced, dues are linked to the consumer price index and thus have minimally increased, and prices of other products are set to be as affordable as possible. Our primary source of income continues to be the high quality

journals. Our renewed financial vigor comes primarily from containing expenses. Much of this containment of expenses is from the leadership provided by APS headquarters that works closely with the elected and appointed membership in a recurring self study and planning process. The 11 income and expense categories for the Society are detailed in Table 1. Our total income (\$4,045,587) was derived from nine sources as indicated in Figure 1, and our total operating expenses (\$3,997,846) incurred during FY01-02 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

TABLE 2. Comparison of The American Phytopathological Society fiscal years 1993 to 2002 before reserve allocation

Fiscal year	Income	Expenses	Surplus (deficit)
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
FY97	\$3,418,515	\$3,216,088	\$202,427
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

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	\$305,234	8%	\$306,500	7%	\$581,704	15%	\$601,723	14%	(\$276,470)
Short course	\$15,613	0%	\$4,500	0%	\$14,848	0%	\$17,264	0%	\$765
Phytopathology	\$797,389	20%	\$738,950	18%	\$298,172	7%	\$342,939	8%	\$499,217
Plant Disease	\$656,333	16%	\$632,750	15%	\$360,171	9%	\$375,687	9%	\$296,162
Phyto News	\$9,334	0%	\$3,800	0%	\$62,724	2%	\$73,081	2%	(\$53,390)
MPMI	\$448,522	11%	\$417,200	10%	\$321,228	8%	\$315,517	8%	\$127,294
Plant Management Network	\$89,846	2%	\$179,357	4%	\$230,951	6%	\$183,523	4%	(\$141,105)
APS Press	\$1,099,738	27%	\$1,287,356	31%	\$779,763	20%	\$938,749	22%	\$319,975
Annual meeting	\$564,567	14%	\$538,112	13%	\$431,434	11%	\$461,770	11%	\$133,133
Online products	\$37,960	1%	\$26,600	1%	\$24,252	1%	\$30,401	1%	\$13,708
G & A ^a	\$21,051	1%	\$32,100	1%	\$892,599	21%	\$909,682	21%	(\$871,548)
Total	\$4,045,587	100%	\$4,167,225	100%	\$3,997,846	100%	\$4,250,336	100%	
Operating surplus (loss)									\$47,741

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

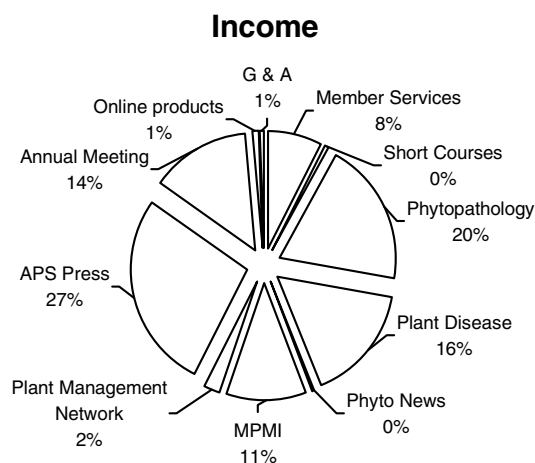


Fig. 1.

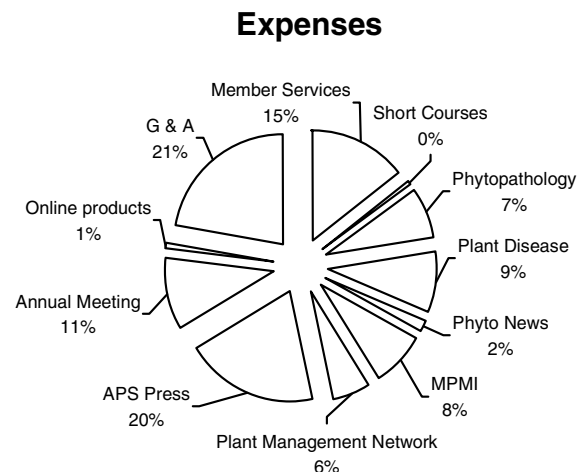


Fig. 2.

of 30 June 2002, including restricted funds, were \$4,949,167 and current liabilities totaled \$3,771,983, producing a membership equity of \$1,177,183 that includes the FY01-02 surplus of \$47,741. During FY01-02, several initiatives continued under development to enhance member services and improve outreach that included the Plant Management Network, the Education

Center, and the increased use of reserves of the Society in supporting the APS Annual Meeting. Your recommendations related to the activities of APS should be expressed to members of the APS Council. The Treasurer can be contacted at sherwood@uga.edu. The audited financial statement for FY01-02 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 Lethert, Skwira, Schultz, & Co., St. Paul, MN. Only the Balance Sheet and the Statement of Changes in Net Assets, as of 30 June 2002, 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 2002 (with comparative totals for 2001)

	2001	2002
Assets		
Cash (note 3) ^a	\$ 1,251,883	\$ 1,399,870
Interest receivable	306	–
Accounts receivable, net (notes 2 and 17)	203,914	368,549
Unconditional promise to give	–	–
Investments (note 4)	1,513,547	1,407,670
Prepaid expenses (note 5)	346,766	244,516
Inventory	753,924	785,516
Prepaid pension (note 14)	75,781	35,973
Property and equipment, net (note 6)	546,379	521,934
Total assets	\$ 4,692,500	4,764,048
Liabilities and net assets		
Liabilities		
Accounts payable (note 17)	\$ 247,226	\$ 272,770
Accrued pension expense	39,660	56,860
Agency funds payable	10,931	10,003
Deferred revenues (note 7)	1,110,356	1,238,302
Long-term debt (note 8)	792	4,000
Total liabilities	1,408,965	1,581,935
Net assets		
Unrestricted (note 9)	2,469,806	\$ 2,381,838
Temporarily restricted (note 10)	199,159	104,767
Permanently restricted (note 11)	614,570	695,508
Total net assets	3,283,535	3,182,113
Total liabilities and net assets	\$ 4,692,500	\$ 4,764,048

^a 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 30 June 2002 (with comparative totals for 2001)

	2001	2002
Unrestricted net assets		
Support and revenue		
Federal financial assistance	\$ 25,371	\$ 10,000
Contributions	3,534	4,345
Membership dues	285,741	275,199
Subscriptions	1,345,576	1,506,678
Reprints and demand articles	89,578	78,856
Abstracts	20,795	36,320
Page charges	156,655	182,497
Processing fees	98,215	78,620
Back issues	16,435	16,696
Color charges	112,885	108,015
Advertising	33,035	40,170
Books, slides, and CD-Roms	1,289,099	1,070,136
Annual meeting	392,553	564,567
Short courses	39,419	15,603
Royalty income	25,569	20,871
Investment income (note 4) ^a	95,959	48,272
Gain on sale of investments (note 4)	34,607	(27,723)
Unrealized gain (loss) on investments (note 4)	(148,107)	(89,804)
Other	31,567	17,662
Total revenue	3,948,483	3,956,990
Net assets released from restrictions		
Restrictions satisfied by payments	61,053	106,408
Expenses		
Program services		
Member services	617,399	594,139
Journals	1,210,343	1,273,244
Books	1,003,428	804,653
Annual meeting	403,058	530,297
Grants and awards	25,786	36,850
Short courses	18,677	14,847
Online services	–	24,251
Total program services	3,278,691	3,278,281
Supporting services		
Management and general	841,653	870,851
Fundraising	(381)	4,234
Total supporting services	841,272	875,085
Total expenses	4,119,963	4,153,366
Increase in unrestricted net assets	(110,427)	(89,968)
Temporarily restricted net assets		
Support for books	48,855	14,426
Support for annual meeting socials	5,400	21,450
Support for conversion on changes	–	–
Support for Virology Committee	10,700	1,000
Support for student travel	11,430	5,016
Investment income (note 4)	20,981	14,740
Gain (loss) on sale of investments (note 4)	3,852	(9,610)
Unrealized gain (loss) on investments (note 4)	(36,780)	(33,006)
Restrictions satisfied by payments	(61,053)	(106,408)
Increase in temporarily restricted net assets	3,385	(92,392)
Permanently restricted net assets		
Support for operations	7,529	4,444
Support for student travel	49,601	32,468
Support for student speaker	10,075	20,285
Support for research	1,340	3,478
Support for awards	32,225	20,000
Unrealized loss on investments (note 4)	591	263
Increase in permanently restricted net assets	101,361	80,938
Decrease in net assets	(5,681)	(101,422)
Net assets, beginning of year	3,289,216	3,283,535
Net assets, end of year	\$3,283,535	\$3,182,113

^a There are accompanying notes that are an integral part of this financial statement and are available upon request.