

# Ninety-Seventh Annual Report of The American Phytopathological Society

## REPORT OF THE TREASURER

The Financial Advisory Committee (FAC) and APS headquarters' staff met on 29 July 2005 in Austin to review financial matters related to the operation of the Society and to refine the strategic financial plan. APS has made considerable progress in renewing the strategic plan. We have a 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. A long-range financial plan provides APS with the practical considerations to bridge the gap from the current budget to support the goals of the APS strategic plan. Having a strategic financial plan will help us, as a Society, provide a focus for our resources. This process has advantages for guiding the various committees and staff to do their jobs. They will 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. What programs do we expect to generate surplus revenues to pay for the services and benefits to our members and those that cannot pay their own way? What programs should breakeven or lose money? Where should our focus be?

The FY05 budget was concluded with a surplus of \$139,931, which represents 4% of our total income for the period. The 11 income and expense categories for the Society are detailed in Table 1. Our total income (\$3,959,027) was derived from six sources as indicated in Figure 1, and our total operating expenses (\$3,819,096) incurred during FY05 were partitioned as indicated in Figure 2.

The income and expenses of the Society for the most recent 11 FYs are presented in Table 2. The total assets of the Society as of 30 June 2005, including restricted funds, were \$5,992,551 and current liabilities totaled \$1,986,762. This resulted in total net assets of \$4,005,789 (Report of the Auditor).

TABLE 2. Comparison of The American Phytopathological Society fiscal years 1996 to 2005 after reserve allocation

Fiscal year	Income	Expenses	Surplus (deficit)
FY05	\$3,959,027	\$3,792,326	\$139,931
FY04	\$3,963,006	\$3,700,013	\$262,993
FY03	\$3,748,873	\$3,863,643	(\$114,770)
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

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	321,670	8%	385,950	9%	657,224	17%	781,205	18%	(335,554)
Short Courses	0	0%	0	0%	2,539	0%	1,403	0%	(2,539)
Phytopathology	848,914	21%	868,600	20%	286,627	8%	352,779	8%	562,287
Plant Disease	760,522	19%	770,100	18%	304,053	8%	363,081	8%	456,469
Phyto News	9,655	0%	8,265	0%	57,387	2%	61,366	1%	(47,732)
MPMI	544,315	14%	544,400	12%	290,808	8%	327,901	7%	253,507
PMN	135,910	3%	294,912	7%	260,525	7%	296,029	7%	(124,615)
Online Subscriptions	29,882	1%	29,100	1%	16,532	0%	33,826	1%	13,350
APS Press	721,930	18%	805,656	18%	534,996	14%	648,566	15%	186,934
Annual Meeting	560,629	14%	651,725	15%	534,079	14%	530,155	12%	26,550
G & A <sup>a</sup>	25,600	1%	7,250	0%	874,326	23%	1,006,355	23%	(848,726)
Total	3,959,027	100%	4,365,958	100%	3,819,096	100%	4,402,666	100%	139,931
Surplus (loss)									139,931

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

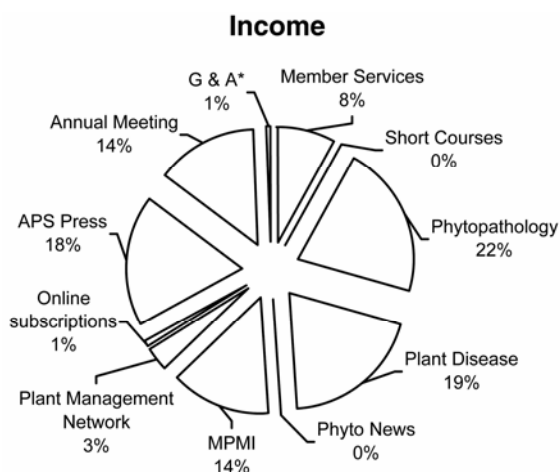


Fig. 1.

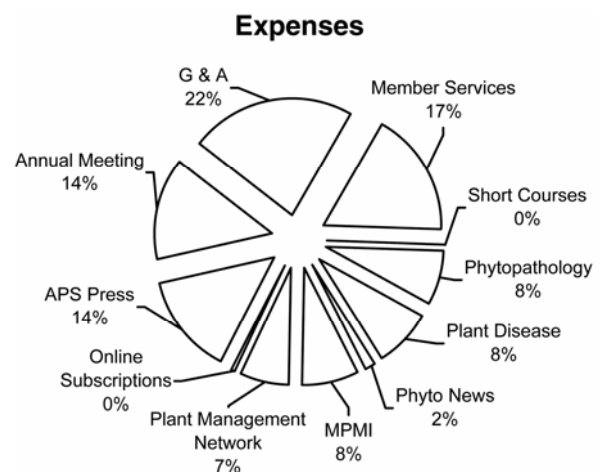


Fig. 2.

During FY05, several initiatives continued to enhance member services that include our Washington, DC presence (Eversole Associates) and the increased activity of the Public Policy Board, 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 looks much more promising with increased content (including for peer reviewed journals), partners, and subscribers, and our increased presence in Washington has brought benefit to our discipline and membership. The Treasurer can be contacted at [elstrom@vt.edu](mailto:elstrom@vt.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 2005, 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 2005 (with comparative totals for 2004)

	2005	2004
<b>Assets</b>		
Cash (note 3)	2,539,945	2,278,108
Accounts receivable	300,624	266,732
Unconditional promises to give	7,850	—
Investments (note 4)	1,818,920	1,690,348
Prepaid expense (note 5)	270,173	254,799
Inventory	665,696	685,145
Prepaid pension (note 14)	33,345	3,892
Property and equipment (notes 2, 6, 8, and 18)	355,998	354,442
<b>Total assets</b>	<b>5,992,551</b>	<b>5,533,466</b>
<b>Liabilities</b>		
Accounts payable (note 17)	326,582	212,905
Accrued pension expense	82,544	86,744
Agency funds payable	12,453	11,510
Deferred revenues (note 7)	1,564,402	1,536,423
Long-term debt (notes 8 and 18)	781	3,474
<b>Total liabilities</b>	<b>1,986,762</b>	<b>1,851,056</b>
<b>Net assets</b>		
Unrestricted (note 9)	2,846,750	2,630,381
Temporarily restricted (note 10)	149,898	141,067
Permanently restricted (note 11)	1,009,141	910,962
<b>Total net assets</b>	<b>4,005,789</b>	<b>3,682,410</b>
<b>Total liabilities and net assets</b>	<b>\$5,992,551</b>	<b>\$5,533,466</b>

### The American Phytopathological Society Statement of Changes in Net Assets Year ended 30 June 2005 (with comparative totals for 2004)

	2005	2004
<b>Unrestricted net assets (support and revenue)</b>		
Federal financial assistance	49,000	—
Contributions	4,346	13,382
Membership dues	286,628	285,718
Subscriptions	1,775,368	1,715,647
Reprints and demand articles	74,492	83,349
Abstracts	9,470	7,240
Page charges	208,470	214,495
Processing fee	102,902	97,959
Back issues	7,898	10,017
Color charges	127,284	137,871
Advertising	39,914	54,510
Books, slides, and CD-Rom	704,192	773,920
Annual meeting	560,629	530,328
Royalty income	21,755	19,070
Investment income (note 4)	59,224	34,468
Gain (loss) on sale of investments (note 4)	18,514	(128,552)
Unrealized gain (loss) on investments (note 4)	47,629	238,104
Loss on disposal of property	(3,384)	—
Other	17,734	26,655
<b>Total revenue</b>	<b>4,112,065</b>	<b>4,114,181</b>
<b>Net assets released from restrictions</b>		
Restrictions satisfied by payments	68,721	41,799
<b>Expenses</b>		
<b>Program services</b>		
Member services	668,245	671,189
Journals	1,199,402	1,171,960
Books	547,465	583,710
Annual meeting	602,151	474,814
Grants and awards	30,781	26,249
Short courses	43,039	162
Online services	16,531	17,930
<b>Total program services</b>	<b>3,107,614</b>	<b>2,946,014</b>
<b>Supporting services</b>		
Management and general	854,760	833,184
Fundraising	2,043	1,903
<b>Total supporting services</b>	<b>856,803</b>	<b>835,087</b>
<b>Total expenses</b>	<b>3,964,417</b>	<b>3,781,101</b>
<b>Decrease in unrestricted net assets</b>	<b>216,369</b>	<b>374,879</b>
<b>Temporarily restricted net assets</b>		
Support for books	25,530	7,979
Support for annual meeting socials	19,028	18,587
Support for student travel	4,718	4,620
Investment income (note 4)	18,145	11,512
Loss on sale of investments (note 4)	7,027	(31,119)
Unrealized gain (loss) on investments (note 4)	3,104	75,285
Restrictions satisfied by payments	(68,721)	(41,799)
<b>Increase (decrease) in temporarily restricted net assets</b>	<b>8,831</b>	<b>45,065</b>
<b>Permanently restricted net assets</b>		
Support for operations	10,531	5,254
Support for student travel	78,291	43,409
Support for student speakers	70	120
Support for research and education	1,600	3,928
Support for awards	—	10
Support for international travel	7,227	450
Unrealized gain (loss) on investments (note 4)	460	(476)
<b>Increase in permanently restricted net assets</b>	<b>98,179</b>	<b>52,695</b>
<b>Increase in net assets</b>	<b>323,379</b>	<b>472,639</b>
<b>Net assets, beginning of year, as previously reported</b>	<b>3,682,410</b>	<b>3,124,114</b>
<b>Prior period adjustment (note 18)</b>	<b>—</b>	<b>85,657</b>
<b>Net assets, beginning of year, as restated</b>	<b>3,682,410</b>	<b>3,209,771</b>
<b>Net assets, end of year</b>	<b>4,005,789</b>	<b>3,682,410</b>