

Eighty-fifth Annual Report of The American Phytopathological Society

This year the Annual Report appears in a new format. *Phytopathology News* carries the Introduction (covering the annual meeting, summaries of selected groups, society affairs, and APS affiliations), the Report of Council Meetings, and the Report of the Business Meeting. *Phytopathology* carries the APS Council and Division Officers, the Report of the Treasurer, the President's Address, as well as the Fellows and Awards biographies. The remainder of the reports (APS Officers, APS Foundation, National Plant Pathology Board, Office of International Programs, Society publications, representatives/liasons to other agencies, APS committees, and division councilors) are available on request from the Senior Staff Administrator, as well as on the APS electronic bulletin board, 1/612/454-7661.

REPORT OF THE TREASURER

The Financial Advisory Committee and APS headquarters staff members met at St. Paul on 19 March 1993 and 22–23 May 1993 to review the finances of the society, discuss potential means of increasing income and decreasing expenses, review the long-range financial goals of the society, discuss new concepts for publishing our journals, establish an APS/IS-MPMI financial agreement on *MPMI*, and prepare the budget for FY94.

The Society completed FY93 with an audited operating surplus (before reserve allocations) of \$269,290 compared to our FY93 budget, which was approved with a surplus of only \$4,444.

A review of the financial activity of the Society over the past twelve years discloses that in FY93 we generated the largest surplus since 1982 (Table 1). Income generated during this past year totaled \$2,843,296, which was our greatest income on record. This record level of income and record surplus was generated by holding expenses to within \$8,435 of FY92 expenses. The favorable surplus associated with our FY93 budget resulted primarily from both increasing our income by \$114,062 and reducing total operating expenses by \$150,784 below that budgeted during June 1992. Although the financial security of the Society has been strengthened over the past two years, our current operating reserve of \$200,013 is only approximately 14% of that recommended by our Manual of Operations as compiled by former council members. Each year 5% of our annual budget should be used to increase our operation reserves. For our Society, these reserves should total approximately 50% of the annual budget, approximately \$1,420,000. During the past two years, our Society has accomplished much in addition to paying off the mortgage on the headquarters building. In continuing our effort to increase the operating reserve, I encourage you to propose new avenues your Society can take to enhance our income and please assist me in encouraging your councilors to curtail spending.

Our total income (\$2,843,296) was derived from 10 sources (Fig. 1).

- Membership dues, representing 16.1% of the total income, were up compared to FY92.
- Nonmember and library subscriptions to the three journals are shown individually. Income from the three journals represented 26.1% of our total income and was down only 0.4% from last year. The proportions of income generated by each journal were similar to FY92.
- As during past years, the greatest level of income to our Society was provided by APS Press. Its contribution of \$825,020 represented 29.0% of our total income.
- Other income was derived from:
 - the annual meeting, at 11.7%
 - reprints, page charges, and back issues, at 11.3%
 - advertising sales, at 1.6%
 - interest and dividends, at 0.5%
 - miscellaneous or other, at 3.6%.

A review of past and current dues and APS Press components of our income discloses that as of 30 June 1993 the total APS membership among the eight categories available totaled 4,702. This represents an increase of 136 members from June 1992.

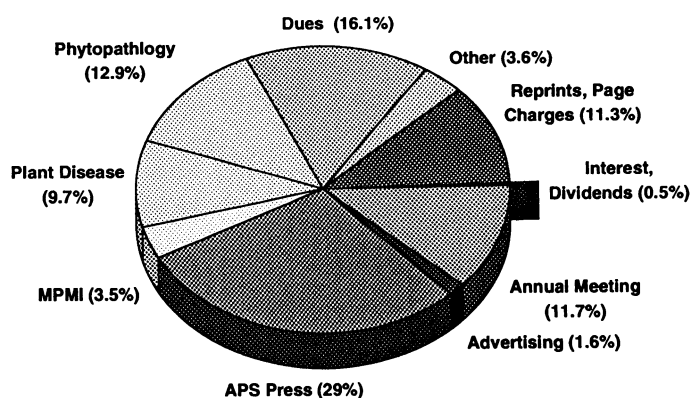
During the 11-yr period from FY83 to FY93, our total membership increased an average of 59 per year.

While the total membership has increased, student membership has decreased an average of 25.5 per year. We lost 68 student members in FY93. This was the second highest loss encountered during 1 yr since 1985 when student membership decreased by 123. The 521 students registered as members on 30 June 1993, represent 12.5% of our total membership.

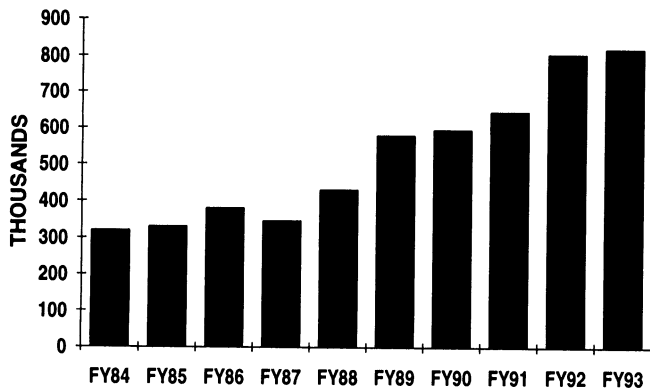
TABLE 1. Comparison of American Phytopathological Society fiscal years 1982–1993 before reserve allocations

Fiscal year	Income	Expense	Surplus (deficit)
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
FY87	1,666,154	1,669,779	(3,625)
FY86	1,618,355	1,622,224	(3,869)
FY85	1,588,998	1,502,827	86,171
FY84	1,569,615	1,419,205	150,410
FY83	1,423,638	1,331,042	92,596
FY82	1,129,634	1,129,541	93

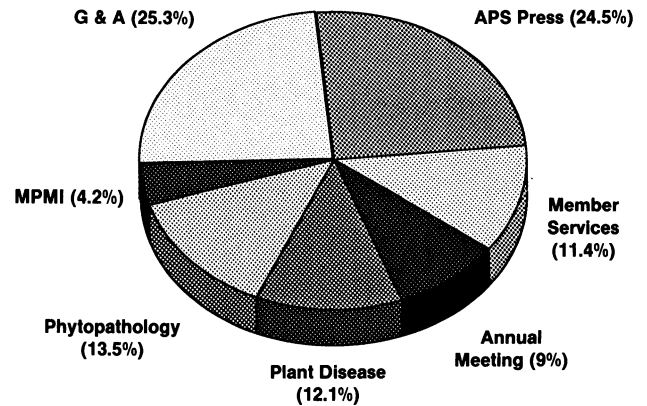
APS - Audited Income FY 93



APS Press Sales



APS - Audited Expense FY93



Also, having generated 29.0% of our total income for FY93, APS Press continues to provide significant financial support for the operation of our society (Fig. 2). With the exception of FY87, sales have increased yearly since FY84. The sale of books and slides in FY93 equaled approximately \$825,020, which was only \$10,020 more than was realized in FY92. For many years the financial stability of our Society has relied on profits generated by APS Press. We thank members and nonmembers for their continued and increasing acceptance of the titles being published. Because the Society relies very heavily on income generated from APS Press, we need to be very cautious of the financial effects we may suffer due to the potential acceptance of alternate means of publishing and distributing information. The electronic age may cause us to significantly alter the way our Society currently operates.

Our total operating expense (\$2,574,006) may be partitioned into seven categories (Fig. 3) similar to those that were shown for our total income:

- Production costs associated with the three journals accounted for 29.8% of our expenses in FY93.
- The cost of administration (G&A) was 25.3%, and expenditures incurred for the Annual Meeting held in Portland accounted for 9.0% of our total expenses.
- Member services, at 11.4%, encompasses expenditures associated with:
 - 1) Services to APS Divisional Units
 - 2) Staff support to APS officers and committees
 - 3) Department head support for the annual survey

- 4) Preparation of the membership directory, membership brochures, career brochures
- 5) Mailings for nomination and election of officers
- 6) Recording changes of address and associated records
- 7) Awards programs
- 8) Placement service
- 9) Electronic bulletin board
- 10) Outreach to affiliated organizations
- 11) Support for the National Plant Pathology Board, APS Foundation, and Office of International Programs.

The total assets as of 30 June 1993, excluding restricted funds, were \$1,717,462 and liabilities were \$895,842, producing a membership equity of \$821,620.

During FY93, we paid off the APS share of the principal on the headquarters-building mortgage. The advanced payment toward the principal was made possible by a combination of membership contributions and reserve funds. The financial success we experienced during both FY92 and FY93, which allowed us to increase our reserves and pay off the mortgage, is due in large part to the professional services provided by Steve Nelson, Larry Hartman, and all the staff members at our headquarter office in St. Paul, MN. The early retirement of the mortgage has significantly improved our financial well-being and will assist us in both 1) increasing our reserve funds and 2) allowing our Society to support other areas of importance.

The audited financial statement for FY93 appears in this issue of *Phytopathology*.

The proposed budget for FY94 anticipates an operating surplus of \$90,711 before allocation of a reserve, from a total budget of approximately \$2.9 million. The budget was presented to council for adoption.

**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, 1993, 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, 1993
(with comparative totals for 1992)**

	Current Funds			Total All Funds	
	Unrestricted Undesignated	Restricted and Board Designated	Endowment Funds	1993	1992
Assets					
Current Assets					
Cash	\$ 492,369	\$105,344	\$...	\$ 597,713	\$ 682,650
Accounts receivable, net	116,793	...	...	116,793	103,243
Interest receivable	...	20	...	20	712
Inventory	387,740	...	...	387,740	398,037
Prepaid expenses	66,129	...	...	66,129	91,249
Total current assets	<u>1,063,031</u>	<u>105,364</u>	<u>...</u>	<u>1,168,395</u>	<u>1,275,891</u>
Property and Equipment, net	<u>634,431</u>	<u>...</u>	<u>...</u>	<u>634,431</u>	<u>604,490</u>
Investments	<u>20,000</u>	<u>196,648</u>	<u>20,000</u>	<u>236,648</u>	<u>129,681</u>
Total Assets	<u>\$1,717,462</u>	<u>\$302,012</u>	<u>\$20,000</u>	<u>\$2,039,474</u>	<u>\$2,010,062</u>
Liabilities and Fund Balances					
Current Liabilities					
Accounts payable	\$ 126,651	\$...	\$...	\$ 126,651	\$ 84,686
Accrued pension expense	44,000	...	...	44,000	44,000
Accrued property taxes	42,061	...	...	42,061	33,144
Deferred revenues	683,130	...	...	683,130	858,361
Current portion of long-term debt	...	...	...	...	7,442
Total current liabilities	<u>895,842</u>	<u>...</u>	<u>...</u>	<u>895,842</u>	<u>1,030,633</u>
Long-Term Debt, net of current portion	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>107,967</u>
Total liabilities	<u>895,842</u>	<u>...</u>	<u>...</u>	<u>895,842</u>	<u>1,138,600</u>
Fund Balances					
Unrestricted					
Undesignated	821,620	...	...	821,620	643,770
Board-designated	...	260,339	...	260,339	153,657
Restricted	...	41,673	...	41,673	44,035
Endowment	...	...	20,000	20,000	20,000
Total fund balances	<u>821,620</u>	<u>302,012</u>	<u>20,000</u>	<u>1,143,632</u>	<u>871,462</u>
Total Liabilities and Fund Balances	<u>\$1,717,462</u>	<u>\$302,012</u>	<u>\$20,000</u>	<u>\$2,039,474</u>	<u>\$2,010,062</u>

The American Phytopathological Society
Statement of Support, Revenue, Expenses, and Changes in Fund Balances
Year Ended June 30, 1993
(with comparative totals for 1992)

	Current Funds			Total All Funds	
	Unrestricted Undesignated	Restricted and Board Designated	Endowment Funds	1993	1992
Public Support and Revenue					
Public Support					
Contributions	\$ 372	\$ 770	\$...	\$ 1,142	\$ 6,676
Revenue					
Membership dues	468,432	...	...	468,432	435,444
Subscriptions	743,628	...	...	743,628	711,548
Reprints	82,247	...	...	82,247	89,345
Abstracts	28,360	...	...	28,360	36,610
Page charges/processing fees	211,113	...	...	211,113	205,459
Back issues	23,404	...	...	23,404	6,481
Books	747,130	...	...	747,130	769,782
Color charges	41,049	...	...	41,049	29,609
Annual reviews	11,218	...	...	11,218	14,320
Annual meeting	331,394	...	...	331,394	259,793
Advertising	45,305	...	...	45,305	47,544
Investment income	14,489	8,832	...	23,321	27,473
Loss on sale of investments	...	(688)	...	(688)	...
Unrealized depreciation of marketable securities	...	...	...	...	(1,874)
Other	95,155	...	...	95,155	63,908
Total revenue	<u>2,842,924</u>	<u>8,144</u>	<u>...</u>	<u>2,851,068</u>	<u>2,695,442</u>
Total public support and revenue	<u>2,843,296</u>	<u>8,914</u>	<u>...</u>	<u>2,852,210</u>	<u>2,702,118</u>
Expenses					
Program services					
Annual meeting	241,395	...	...	241,395	182,461
Member services	305,595	2,971	...	308,566	277,663
Books	655,486	...	...	655,486	623,387
Journals	798,234	...	...	798,234	801,942
Total program services	<u>2,000,710</u>	<u>2,971</u>	<u>...</u>	<u>2,003,681</u>	<u>1,885,453</u>
Supporting services					
Management and general	576,359	...	...	576,359	683,351
Total expenses	<u>2,577,069</u>	<u>2,971</u>	<u>...</u>	<u>2,580,040</u>	<u>2,568,804</u>
Excess (Deficiency) of Public Support and Revenue over Expenses	266,227	5,943	...	272,170	133,314
Fund Balances, beginning of year	653,770	197,692	20,000	871,462	738,148
Fund Transfers	(98,377)	(98,377)	...	...	...
Fund Balances, end of year	<u>\$ 821,620</u>	<u>\$302,012</u>	<u>\$20,000</u>	<u>\$1,143,632</u>	<u>\$ 871,462</u>