

Treasurer's Report
Paul W. Zitzewitz, Treasurer
January, 2011

“May you live be treasurer in interesting times” adapted from an inauthentic Chinese saying. These have indeed been very challenging times for the finances of the AAPT.

To understand the finances of our association, let's review what it does.

- 1) Communications. The AAPT publishes two journals, the eNNOUNCER, and maintains a website.
- 2) Meetings. It organizes two major meetings each year.
- 3) Grants. It provides financial and administrative services to members for grants. Among these are twenty-five years of PTRA grants, grants that support ComPADRE, the Advanced Lab Topical Conference, PhysTEC, the SPIN-UP programs, and the National Taskforce on Undergraduate Physics.
- 4) Programs. It sponsors the US Physics Team, Physics Bowl, Rocketry Challenge, Photo Contest, Apparatus Competition, Workshops for new four-year college/university faculty members and the new workshop for new two-year college faculty members.

What is the source of the money to support these activities?

The two major sources are membership dues and journal subscriptions. Your membership dues pay much of the cost of publication of the journals as well as the professionals at the Executive Office in the American Center for Physics who so ably make the organization run. Journals are also supported by subscriptions from libraries and consortia.

The structure of membership dues will change in 2011. All members will pay dues for membership and fees for receiving *Physics Today* and online subscriptions for both *The Physics Teacher* and the *American Journal of Physics*. Those who wish print copies of either or both journals will pay additional amounts. The membership dues are different for pre-college teachers from those in college, university, or industrial institutions. Retired and emeritus members will receive discounts for membership dues but not for journal subscriptions. These changes will better match income and expenditures.

While much of the cost of the annual meetings is covered by registration fees and fees paid by exhibitors, the costs of these meetings have exceeded income for many years. A typical meeting deficit is \$100 per participant.

The Association charges overhead costs for grants that pays for the time spent by office members who perform the services for the grants.

Some programs receive support from other organizations and grants, but the Association pays most of the costs of the programs.

The Board and Executive Office have worked hard to increase membership. Several programs have been tried to recruit new members, to retain present members, and to recover those who have dropped membership. Some of these have been successful, but we have not been able to sufficiently increase revenue from memberships. Because of financial conditions, many libraries have canceled their subscriptions or joined consortia, reducing this revenue stream. We have also worked hard to reduce expenses and increase income from the winter and summer meetings and to make programs self-supporting.

For at least ten years the Association's operating budget has been in the red. Membership dues and library subscriptions have not been sufficient to pay for the costs of the activities the Association provides for its members. For several years income and capital gains from its reserve funds were sufficient to cover the deficits, but in recent years the decline in the market has meant that we cannot continue to withdraw funds from the reserves without endangering our future. In 2009 we withdrew \$700,000 to cover the deficits in

the operations budget. This year we withdrew \$550,000. If we continue to withdraw at this rate we will have no undesignated reserve funds in three years.

The Board has adopted a 2011 budget that is very close to balanced. It includes no raises and benefit cuts for members of the Executive Office, reduced support for Executive Board members and Section Representatives, and replacement of face-to-face spring and fall Board meetings with telephone conference calls. An accounting position in the office has been eliminated and the hiring of an Associate Executive Officer has been delayed until next summer. Further reductions in force may be needed. The Office is trying to find a renter for excess space in the American Center for Physics and working with other organizations in the Center to reduce technology costs. The Board is considering either changing the structure of the winter meeting or cancelling it after 2012.

On the positive side, it has received funds to endow the three awards for excellence in teaching: pre-college, undergraduate, and graduate, and has transferred funds from the Dodge Fund to endow the Millikan, Klopsteg, Richtmeyer, and Oersted awards at \$60,000 each. As a result, the costs of these awards will no longer be charged to the operations budget.

These are trying times for the AAPT and we hope that our loyal members will continue to support the organization with their time and contributions.

Abbreviated financial statements for the operations budget for the year-to date as of November 30, 2010.

Balance Sheet		Income Statement	
Assets	\$3,614,254	Total Income	\$4,469,564
Liabilities	\$2,307,142	Total Expenses	\$4,732,867
Net Assets	\$1,307,112	Net Income	\$(263,303)

The projected December 31 deficit is \$250,000.

Summary of long-term and short-term reserves as of November 30, 2010. Note that these reserves are included in the assets listed above.

Designated Funds	}	Long-term reserves	\$1,162,859
		Short-term reserves	\$414,437
Undesignated Funds		Long-term reserves	\$1,420,132

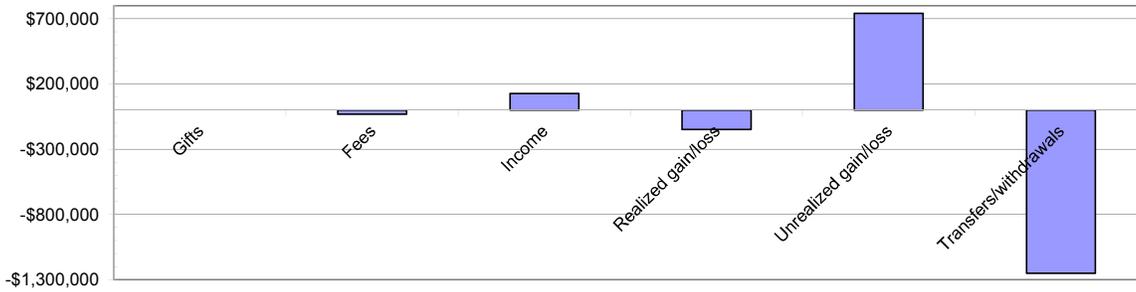
Details of investments in TIAA-CREF accounts

Fund Name and Symbol	Value	Percent
S&P 500 Index TISPX	\$776,454	30.06%
International Equity TIEX	\$304,937	11.81%
Real Estate Securities TIREX	\$250,481	9.70%
Small-Cap Equity TISEX	\$265,234	10.27%
Mid-Cap Growth TRPWX	\$109,685	4.25%
Mid-Cap Value TIMVX	\$103,546	4.01%
Total Equity Funds	\$1,810,337	70.09%
Bond Fund TIBDX	\$335,088	12.97%
Inflation-Linked Bond Fund TIKRX	\$252,542	9.78%
High-Yield Fund TIHYX	\$179,765	6.96%
Total Fixed-Income Funds	\$782,574	29.71%
Cash	\$5,258	0.20%
Total Long-Term Reserves	\$2,582,991	100.00%
Cash	\$124,519	30.04%
Short-term Bond TISIX	\$289,917	69.96%
Total Short-term Reserves	\$414,437	100.00%
Grand Total	\$2,997,428	

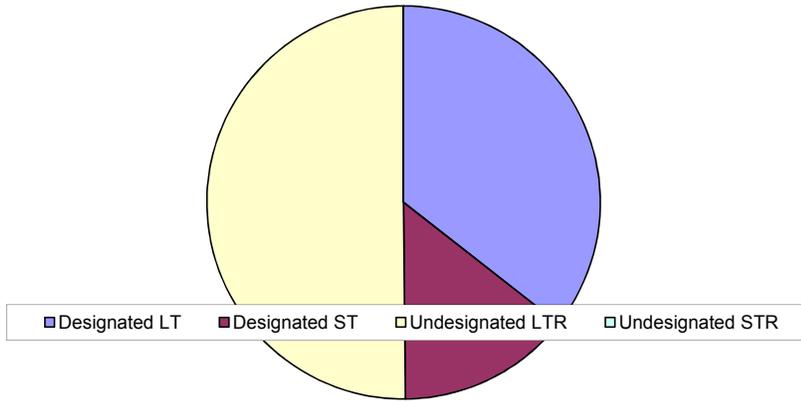
Total Value: LT+ST Investment Funds



Changes in 2009-2010



30 November 2010



Undesignated Long-term and Short-term Reserves

	2008	2009	2010
31-Dec	\$4,670,360	\$2,369,046	\$2,150,041
31-Jan	\$4,482,315	\$2,060,586	\$2,147,566
29-Feb	\$4,406,397	\$2,099,795	\$2,145,231
31-Mar	\$4,097,693	\$2,190,919	\$2,259,210
30-Apr	\$4,018,208	\$2,393,087	\$1,909,805
31-May	\$4,054,624	\$2,393,669	\$1,825,878
30-Jun	\$3,810,820	\$2,391,369	\$1,745,251
31-Jul	\$3,680,061	\$2,237,269	\$1,841,128
31-Aug	\$3,710,582	\$2,319,569	\$1,454,433
30-Sep	\$3,229,664	\$2,414,059	\$1,556,140
31-Oct	\$2,752,320	\$2,013,309	\$1,406,681
30-Nov	\$2,470,289	\$2,098,517	\$1,405,732
31-Dec	\$2,369,046	\$2,150,041	

Totals		11/30/2010	10/31/2010	9/30/2010	8/31/2010	7/31/2010	6/30/2010	5/31/2010	4/30/2010	3/31/2010	2/28/2010	1/31/2010	12/31/2009	
Fund														
Annual Award	S-T								0	\$502	\$503		500.11	
Bauder	L-T	\$296,054	\$296,027	\$285,164	\$266,347	\$272,838	\$258,467	\$265,923	\$282,446	\$280,553	\$266,246		\$266,518	
Corporate Sponsorship	L-T	\$8,981	\$8,980	\$8,651	\$8,080	\$8,277	\$7,841	\$8,067	\$8,568	\$546	\$518		\$518	
Dodge	L-T	\$303,437	\$303,410	\$292,276	\$272,989	\$279,642	\$264,914	\$272,555	\$289,491	\$309,698	\$293,904		\$294,205	
Exc. Pre-College Award	L-T	\$6,627	\$6,627	\$6,576	\$6,142	\$6,292	\$5,961	\$6,133	\$6,514	\$546	\$518		\$518	
Exc. Undergrad Award	L-T	\$6,627	\$6,627	\$6,576	\$6,142	\$6,292	\$5,961	\$6,133	\$6,514	\$546	\$518		\$518	
Fuller	L-T	\$32,108	\$32,105	\$30,927	\$28,886	\$25,590	\$28,031	\$28,840	\$30,632	\$29,486	\$27,983		\$28,011	
J.D. Jackson Award	L-T	\$34,333	\$34,330	\$33,070	\$30,888	\$31,641	\$29,974	\$30,839	\$32,755	\$9,452	\$8,970		\$8,979	
Klopsteg	L-T	\$586	\$586	\$565	\$528	\$540	\$512	\$527	\$559	\$546	\$518		\$519	
Lotze	L-T	\$343,623	\$343,592	\$330,983	\$309,143	\$316,677	\$299,998	\$308,651	\$327,829	\$328,100	\$311,368		\$311,686	
Melba Phillips Award	L-T	\$9,448	\$9,447	\$9,101	\$8,500	\$8,707	\$8,248	\$8,486	\$9,014	\$546	\$518		\$518	
Member Sponsorship	L-T	\$4,879	\$4,879	\$4,700	\$4,390	\$4,497	\$4,260	\$4,383	\$4,655	\$546	\$518		\$518	
Memorial Fund	L-T	\$4,545	\$4,545	\$4,378	\$4,089	\$4,189	\$3,968	\$4,083	\$4,336	\$546	\$518		\$518	
Millikan Award	L-T	\$586	\$586	\$565	\$528	\$540	\$512	\$527	\$559	\$546	\$518		\$518	
New Teacher Fund	L-T	\$1,630	\$1,630	\$1,570	\$1,467	\$1,503	\$1,423	\$1,464	\$1,555	\$546	\$518		\$518	
Oersted Award	L-T	\$4,836	\$4,835	\$4,658	\$4,351	\$4,457	\$4,222	\$4,344	\$4,614	\$546	\$518		\$518	
PER	S-T	\$89,978	\$90,321	\$90,057	\$89,790	\$89,517	\$89,064	\$88,431	\$88,271	\$21,956	\$21,982		\$21,873	
Phys Undergrad Ed Fund	L-T	\$8,655	\$8,654	\$8,336	\$7,786	\$7,976	\$7,556	\$7,774	\$8,257	\$546	\$518		\$518	
Betty Preece Sees Memorial Fund	L-T	\$871	\$871	\$839	\$784	\$803	\$760	\$782	\$831					
PTRA Continuation	S-T	\$322,488	\$323,719	\$322,722	\$321,813	\$320,837	\$319,221	\$316,943	\$316,369	\$5,020	\$5,026		\$5,001	
Richtmyer Mem Award	L-T	\$586	\$586	\$565	\$527	\$540	\$512	\$527	\$559	\$546	\$518		\$518	
Rossing Fund	S-T	\$32,354	\$32,351	\$31,163	\$29,107	\$29,816	\$28,246	\$29,061	\$30,867	\$30,120	\$30,156		\$30,006	
Special Projects	S-T	\$2,613	\$2,523	\$2,515	\$2,508	\$2,500	\$2,488	\$2,470	\$2,466	\$2,387	\$2,389		\$2,378	
Student Fund	L-T	\$2,481	\$2,481	\$2,390	\$2,232	\$2,287	\$2,166	\$2,229	\$2,367	\$546	\$518		\$518	
Venture	L-T	\$75,469	\$75,462	\$72,693	\$67,896	\$69,551	\$65,887	\$67,788	\$72,000	\$75,504	\$71,654		\$71,727	
Designated LT	L-T	\$1,146,365	\$1,146,260	\$1,104,582	\$1,031,694	\$1,052,838	\$1,001,174	\$1,030,054	\$1,094,056	\$1,039,889	\$986,857		\$987,867	
Designated ST	S-T	\$415,079	\$416,563	\$415,295	\$414,110	\$412,854	\$410,773	\$407,844	\$407,105	\$59,985	\$60,056		\$59,758	
Undesignated LTR	L-T	\$1,405,732	\$1,406,681	\$1,556,140	\$1,454,433	\$1,841,128	\$1,745,251	\$1,825,878	\$1,909,805	\$2,259,210	\$2,145,231		\$2,150,041	
Undesignated STR	S-T	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	\$0	\$0		\$0	
Short-term reserve	S-T	\$414,979	\$416,563	\$415,345	\$414,110	\$412,854	\$410,763	\$407,844	\$407,105	\$59,985	\$60,056	\$59,978	\$59,758	
Long Term Reseve	L-T	\$2,999,830	\$3,002,255	\$2,691,886	\$2,515,234	\$2,927,782	\$2,774,672	\$2,855,931	\$3,034,727	\$3,299,099	\$3,132,088	\$3,054,923	\$3,137,907	
Total		\$3,414,809	\$3,418,818	\$3,107,231	\$2,929,345	\$3,340,636	\$3,185,434	\$3,263,776	\$3,441,833	\$3,359,084	\$3,192,144	\$3,114,901	\$3,197,665	
Changes in month														
	Total since Dec 08													
Gifts		\$0					\$0	\$0	0	\$0	\$0	\$0	\$0	
Fees		(\$30,019)	(\$1,250)	(\$1,294)	(\$1,219)	(\$1,391)	(\$1,326)	(\$1,359)	(\$1,433)	(\$1,399)	(\$1,329)	(\$1,296)	(\$1,331)	(\$1,299)
Income		\$126,770	\$2,401	\$2,461	\$4,823	\$2,754	\$2,956	\$7,079	\$3,043	\$2,626	\$6,528	\$3,483	\$3,435	\$32,877
Realized gain/loss		(\$146,639)	\$0	\$2,795	\$0	(\$9,486)	\$0	\$682	\$0	(\$4,942)	(\$7,145)		\$0	
Unrealized gain/loss		\$742,823	(\$3,577)	\$91,061	\$174,283	(\$53,169)	\$153,573	(\$84,744)	(\$179,667)	\$86,463	(\$168,855)	\$75,056	(\$84,868)	\$44,173
Transfers/withdrawals		(\$1,249,986)	\$0	(\$200,000)	\$0	(\$350,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

