

A person in a dark jacket stands on a vast field of blue icebergs under a cloudy sky. The scene is captured from a low angle, looking up at the person and the horizon. The icebergs are large and jagged, with a deep blue hue. The sky is filled with soft, white clouds, and the overall atmosphere is serene and majestic.

2016 ANNUAL REPORT

 **AGU**
American Geophysical Union®

Mission

The purpose of the American Geophysical Union is to promote discovery in Earth and space science for the benefit of humanity.

Vision

AGU galvanizes a community of Earth and space scientists that collaboratively advances and communicates science and its power to ensure a sustainable future.

Strategic Goals

Scientific Leadership and Collaboration

The American Geophysical Union is a leader, collaborator, and sought after partner for scientific innovation, rigor, and interdisciplinary focus on global issues.

Science and Society

The American Geophysical Union engages members, shapes policy, and informs society about the excitement of Earth and space science and its role in developing solutions for the sustainability of the planet.

Talent Pool

The American Geophysical Union is a diverse and inclusive organization that uses its position to build the global talent pool in Earth and space science.

Organizational Excellence

As a scientific society, the American Geophysical Union operates within a new business model that is sustainable, transparent, and inclusive in ways that are responsive to members and stakeholders.



Financial Summary

AGU completed another fiscal year on 31 December 2016. Tate & Tryon conducted the 2016 audit and gave AGU an unqualified opinion, indicating that AGU's financial statements fairly represented the organization's financial position and were in accordance with generally accepted accounting principles. Assets and liabilities were in balance on 31 December 2016 at \$104.8 million, which equates to an increase of approximately 2.2% over 2015. AGU showed a positive change in net assets of \$3.6 million for the fiscal year. The favorable effect of market conditions on the investment portfolio was the primary cause of this gain. This coupled with the strategic initiative spending led to the overall gain. The strategic initiatives are focused on AGU's continued improvements in products, services, and information offered to members and society. AGU continued to implement new technology and improved business processes during the year to meet these goals.

To fund strategic initiatives in support of the Union's mission and to protect against business disruptions, AGU held financial reserves of over \$86.7 million at year's end. AGU's investment portfolio is continually monitored to ensure that appropriate levels of safeguards and risks are in place to take full advantage of the market and to meet the long-term needs of the organization. The organization's 2016 financial reserves gained \$6.3 million.

Revenues from membership, publications, and meetings were used to support the AGU mission of promoting discovery in Earth and space science for the benefit of humanity through programs focusing on scientific leadership and collaboration, science and society, Talent Pool enhancement, and organizational excellence. Additionally, AGU staff is actively engaged in the development of new member, business, and societal opportunities that will support the mission, vision, and future needs of the organization.

AGU leadership and management remain mindful of the changing U.S. and world economies and their impact on the Union and its members and are prepared to modify the fiscal strategies of the organization to meet the ever-changing needs of the membership.

Statements of Financial Position

31 December	2016	2015
Assets		
Cash and cash equivalents	\$5,524,848	\$5,899,615
Investments	86,653,047	85,694,413
Debt Service Reserve Fund and other escrows	604,206	616,927
Receivables, net	2,378,044	2,020,667
Prepaid expenses	809,085	1,031,273
Property and equipment, net	8,826,467	7,239,018
Arts and precious stones	3,667	3,667
Total assets	\$104,799,364	\$102,505,580
Liabilities and net assets		
Liabilities		
Accounts payable and accrued expenses	\$6,388,360	\$6,089,108
Deferred revenue	1,289,295	2,273,908
Postretirement health benefits	3,366,293	3,444,344
Security deposits	6,977	7,077
Interest rate collar	363,706	486,290
Bonds payable, net	3,909,761	4,372,492
Total liabilities	\$15,324,392	\$16,673,219
Net assets		
Unrestricted:		
Undesignated	\$41,134,981	\$42,421,202
Designated	40,510,916	36,057,096
Total unrestricted	81,645,897	78,478,298
Temporarily restricted	7,098,527	6,707,773
Permanently restricted	730,548	646,290
Total net assets	\$89,474,972	\$85,832,361
Total liabilities and net assets	\$104,799,364	\$102,505,580

Statements of Activities

31 December

2016

2015

Unrestricted activities

Revenue and support

Publications	\$17,570,485	\$17,423,976
Meetings	13,332,320	10,871,031
Member dues	1,924,758	1,942,159
Other	248,434	223,732
Rental income	231,421	423,100
Grants and contracts	221,930	145,649
Contributions	197,520	153,829
Royalty income	5,890	6,482
Net assets released from restrictions	398,737	438,743
Total unrestricted revenue and support	\$34,131,495	\$31,628,701

Expense

Program services

Meetings	\$13,223,737	\$11,472,654
Marketing, communication, and engagement	8,557,901	8,054,886
Publications	6,138,967	6,604,640
Science	4,558,808	4,211,903
Membership	921,843	1,247,733
Federal grant subawards	—	115,685
Total program services	\$33,401,256	\$31,707,501

Supporting services

Fundraising and development	\$1,951,112	\$2,168,537
General and administration	808,759	939,716
Building	760,057	802,503
Total supporting services	\$3,519,928	\$3,910,756
Total expense	\$36,921,184	\$35,618,257

Change in unrestricted net assets from operations	\$(2,789,689)	\$(3,989,556)
Investment income (loss)	5,756,653	(2,992,805)
Net gain on interest rate collar	122,584	91,013
Postretirement health benefit credit	78,051	1,861,069
Change in unrestricted net assets	\$3,167,599	\$(5,030,279)

Temporarily restricted activities

Investment income (loss)	\$509,339	\$(309,207)
Contributions	280,152	220,202
Net assets released from restrictions	(398,737)	(438,743)
Transfers to permanently restricted net assets	—	(23,250)
Change in temporarily restricted net assets	\$390,754	\$(550,998)

Permanently restricted activities

Contributions	\$84,258	\$17,620
Transfers from temporarily restricted net assets	—	23,250
Change in permanently restricted net assets	84,258	40,870

Change in net assets	\$3,642,611	\$(5,540,407)
Net assets, beginning of year	85,832,361	91,372,768
Net assets, end of year	\$89,474,972	\$85,832,361



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