



ANNUAL REPORT

2017

AGU
100
ADVANCING EARTH
AND SPACE SCIENCE



Mission

The purpose of the American Geophysical Union (AGU) 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

AGU is a leader, collaborator, and sought-after partner for scientific innovation, rigor, and interdisciplinary focus on global issues.

SCIENCE AND SOCIETY

AGU 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

AGU 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, AGU 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 2017. Tate & Tryon conducted the 2017 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 2017, at \$158.0 million, which equates to an increase of approximately 50.8% over 2016. AGU showed a positive change in net assets of \$34.2 million for the fiscal year. A onetime contract renewal payment from Wiley and favorable effects of market conditions on the investment portfolio were the primary causes 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 \$110.6 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 2017 financial reserves gained \$14.9 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. In addition, AGU staff are 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.

Statement of Financial Position

31 December	2017	2016
Assets		
Cash and cash equivalents	10,331,890	\$ 5,524,848
Investments	110,646,075	86,653,047
Debt Service Reserve Fund and other escrows	—	604,206
Receivables, net	14,223,264	2,378,044
Prepaid expenses and other assets	1,397,511	809,085
Property and equipment, net	21,416,401	8,826,467
Arts and precious stones	3,667	3,667
Total assets	\$ 158,018,808	\$ 104,799,364
Liabilities and net assets		
Liabilities		
Accounts payable and accrued expenses	\$ 7,011,990	\$ 6,388,360
Deferred revenue	2,705,069	1,289,295
Postretirement health benefits	3,702,247	3,366,293
Security deposits	2,000	6,977
Interest rate collar	—	363,706
Bonds payable, net	20,892,043	3,909,761
Total liabilities	34,313,349	15,324,392
Net assets		
Unrestricted		
Undesignated	73,683,531	41,112,038
Designated	41,179,779	40,510,916
Total unrestricted	114,863,310	81,622,954
Temporarily restricted	8,080,609	7,121,470
Permanently restricted	761,540	730,548
Total net assets	123,705,459	89,474,972
Total liabilities and net assets	\$ 158,018,808	\$ 104,799,364

Statement of Activities

31 December	2017	2016
Unrestricted activities		
Revenue and support		
Publications	\$ 42,142,923	\$ 17,570,485
Meetings	10,574,415	13,332,320
Member dues	1,940,334	1,924,758
Grants and contracts	501,552	221,930
Contributions	229,366	197,520
Other	53,340	248,434
Royalty income	3,235	5,890
Rental income	—	231,421
Net assets released from restrictions	413,235	398,737
Total unrestricted revenue and support	55,858,400	34,131,495
Expenses		
Program services		
Meetings	11,093,995	12,918,488
Marketing, communication, and digital media	8,600,826	8,360,357
Publications	6,521,775	5,997,259
Science and Talent Pool	4,529,045	4,453,576
Membership	901,215	900,564
Total program services	31,646,856	32,630,244
Supporting services		
Fund-raising and development	2,020,878	1,906,074
General and administration	850,558	808,759
Building	1,965,786	1,576,107
Total supporting services	4,837,222	4,290,940
Total expenses	36,484,078	36,921,184
Change in unrestricted net assets from operations	19,374,322	(2,789,689)
Investment income	14,183,905	5,756,653
Net gain on interest rate collar	18,006	122,584
Postretirement health benefit (expense) credit	(335,877)	78,051
Net transfer from unrestricted net assets	—	(22,943)
Change in unrestricted net assets	33,240,356	3,144,656
Temporarily restricted activities		
Investment income	1,164,104	509,339
Contributions	208,270	280,152
Net assets released from restrictions	(413,235)	(398,737)
Net transfers from unrestricted net assets	—	22,943
Change in temporarily restricted net assets	959,139	413,697
Permanently restricted activities		
Contributions	30,992	84,258
Change in permanently restricted net assets	30,992	84,258
Change in net assets	34,230,487	3,642,611
Net assets, beginning of year	89,474,972	85,832,361
Net assets, end of year	\$ 123,705,459	\$ 89,474,972

The logo features the letters 'AGU' in a dark blue, bold, sans-serif font. A light blue horizontal bar is positioned behind the 'AGU' text, extending slightly beyond the 'A' on the left and the 'U' on the right. Below this, the number '100' is displayed in a large, bold, light blue sans-serif font. Underneath the '100' is the text 'ADVANCING EARTH AND SPACE SCIENCE' in a smaller, bold, dark blue sans-serif font, arranged in two lines.

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**ADVANCING EARTH
AND SPACE SCIENCE**

2000 Florida Avenue NW, Washington DC 20009

phone: +1 202.462.6900 • www.agu.org