

A STRONG ASSOCIATION

APA FINANCE, OPERATIONS and ADMINISTRATION

Membership

The total number of members continued to increase throughout the year due to significant recruitment activity in 2008, and reached a high of 37,584 in September. However, the new dues payment deadline of October 31 had an effect on the membership total and the year ended with 35,619 members.

Membership Recruitment and Retention

Approximately 120 members referred a colleague for membership through the Member-Get-a-Member Campaign which will be extended into 2009. Nearly 50 members joined the APA through the Annual Meeting Rebate Program and 13 members joined through the joint membership campaign with the American Association for Geriatric Psychiatry. Targeted mailings were sent to non-member psychiatrists throughout the year, including residents, psychiatrists insured through the APA-endorsed program, and Annual Meeting registrants. APA exhibited at several psychiatry meetings to promote membership, including the Canadian Psychiatric Association, the American Academy of Child and Adolescent Psychiatry, the American Association for Geriatric Psychiatry, and the U.S. Psychiatric and Mental Health Congress.

A series of four promotional postcards was developed in 2008 highlighting important APA activities and benefits. The postcards are centered on the APA tagline "Member driven. Science based. Patient focused." and were mailed to targeted membership groups on a quarterly basis beginning in the summer. The postcard mailings will continue into 2009.

Member Benefits

Several new affinity programs were added to the list of member benefits in 2008, including financial and retirement planning through Merrill Lynch, the HealthCare Notification Network (HCNN), a service that delivers FDA-mandated drug Alerts instantly online, discounts on Penny-Wise office products, discounts on Fed-Ex shipping services, and PsychSites, a Web site that is an online therapist referral

directory where APA members receive a free three-year trial of a personal page with biography, photo and links through the Web site.

Branded Merchandise

Membership operated an APA Store at the annual meeting offering a selection of merchandise with the APA name and/or seal. Popular items included baseball hats, polo shirts, jackets, and executive fountain pens.

Information Technology

The year 2008 resulted in many technological accomplishments and challenges with respect to the continued implementation and live use of the APA's association management system, TMA Resources Integrated Member Services Solution (TIMSS). The team continued efforts to resolve outstanding issues with implementing the new finance system. They also worked on planning stages of bringing APPI into the association management system fold. Initial efforts focus on a business needs discovery to provide documentation of the current systems in place.

IT has nearly completed the development of the new District Branch and State Association Web site system, which will provide participating district branches with a Web site and contact management system. The completion of the sites will be finalized and district branches notified of the availability of this service in 2009.

Financial Outlook

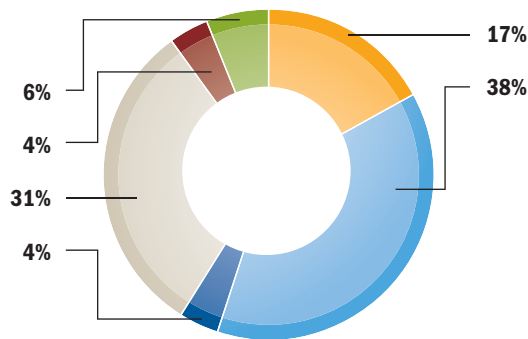
Association operating funds come from three main funding sources: membership dues, publications, and the annual meeting. Total association operating revenues and grants for fiscal year 2008 were \$65 million. Net assets were \$64 million, down from \$77 million in 2007, most of which was due to the decline in the investment market. Several years ago, the association eliminated its reliance on investment income to support current operations. As a result, we were

not forced to precipitously cut activities as a result of the downturn in the market.

Last year, we reported that uncertainty in the economic environment was likely to affect our revenue and cost streams; and indeed 2008 was a challenging year. Although revenues from membership and the meetings were generally on target, there are declines in advertising receipts. The association has a

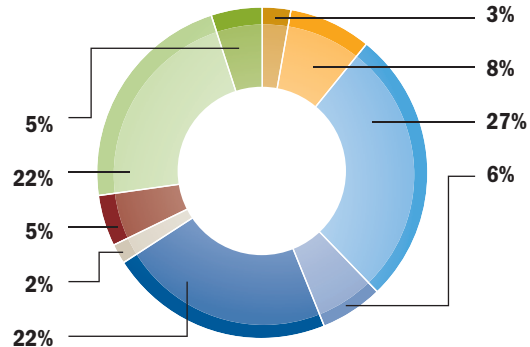
long-standing contingency plan to address anticipated shortfalls, and took steps early in the year. As a result, on a consolidated basis, the association ended the year with a surplus, though smaller than what was budgeted.

APA members can find more detailed financial data in the Members Corner section of the APA Web site, www.psych.org.



2008 Operating Revenues*

Membership	11.1
Publishing	25.7
Federal Awards, Research & OMNA	2.4
Continuing Medical Education	20.1
Foundation & Other	2.3
Private Award Revenue	3.7
Total Revenue	65.3



2008 Operating Expenses*

Membership	1.7
External Affairs	5.3
Publishing	16.5
Federal Awards, Research & OMNA	4.0
Continuing Medical Education	14.3
Foundation	1.0
Private Award Expenses	3.2
Business Operations	14.1
Governance & Components	3.4
Total Central Office Expenses	63.5

*Dollar amounts are expressed in millions.



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