

System Dynamics Society
VP Finance Narrative Report
January 2013 Meeting
Submitted by David F. Andersen

Summary: This report is based on two financial reports developed each year by the Society's home office staff: (1) Revenue & Expense, 2012 & 2011 Comparison, and (2) Balance Sheet, 2012 & 2011 Comparison. A full report with more detailed reports will be presented at the July Policy Council meeting.

How Did the Society Do Overall in 2012? In 2012, the System Dynamics Society had a successful financial performance--we posted a Net Income of \$122,032 and our Total Assets grew by \$141,398. The attached reports come directly from the Quick Books system that is maintained by the Home Office staff. These reports have not been reviewed by our CPA and I am not attaching any additional commentary because all of that will be completed for the annual meeting in July. However, if officers or members of the PC have questions about how the Society performed in 2012, I will be happy to try and answer your questions or get an answer ASAP. *Please note, figures and reports may change somewhat after CPA review.*

What Else Is Going on with Society Finances? Overall, I believe that the Society is in sound fiscal health. From time to time I become involved in projects with the Home Office staff to "tune up" or improve some aspect of our financial operation. This year, here are some of the things that we are working on:

- At last July's PC meeting you all approved a set of investment goals that reflect a kind of plan for how and why we seek to reserve some of our assets. This year, we will be working on a formal designation system so that these goals can be more clearly reflected in our routine accounting statements.
- Also at last July's PC meeting you all approved using a limited amount of income from our net assets to support several specific functions such as the Jay Forrester Award, the PhD student luncheon, and what we are now starting to call the Field Development Fund. We are working to make these relationships between our budget, our routine expenditures and income statements, and our routine balance sheet statements to be a clearer statement of financial priorities.

If you have any further questions about the Society's financial health, please do not hesitate to be in touch with me directly.

Attachments:

1. Revenue & Expense, 2012 & 2011 Comparison (Pre CPA Year-End Adjustments and Review)
2. Balance Sheet, 2012 & 2011 Comparison (Pre CPA Year-End Adjustments and Review)

System Dynamics Society Revenue & Expense Prev Year Comparison January through December 2012

	Jan - Dec 12	Jan - Dec 11
Ordinary Income/Expense		
Income		
INC Conferences	327,606.75	303,462.98
Journal Income	86,940.62	85,514.00
Membership Dues	54,118.43	63,636.04
Other Income	19.23	0.00
Products	47,176.08	75,106.49
Shipping and Handling Income	9,737.71	11,393.75
Sponsor Dues and Donations	40,106.00	41,001.00
Total Income	<u>565,704.82</u>	<u>580,114.26</u>
Cost of Goods Sold		
Cost of Goods	11,016.42	14,246.26
Total COGS	<u>11,016.42</u>	<u>14,246.26</u>
Gross Profit	554,688.40	565,868.00
Expense		
Awards-Dana Meadows	1,200.00	1,200.00
Awards-Others	4,998.00	0.00
Bank & CC Fees	13,104.82	13,608.69
Chapter Dev (\$20K Max)	0.00	4,000.00
Contracted Expenses at UAlbany	281,490.06	279,399.74
EXP Conferences	149,523.19	121,090.54
Freight	145.00	0.00
Insurance	5,595.10	2,013.12
Journal Expense	20,000.00	19,763.00
Membership Directory Exp	2,340.00	2,170.36
Miscellaneous Expense	1,883.50	815.96
Office Expense	3,634.02	5,234.86
Officer Expenses (=Travel CPA)	9,614.07	10,196.61
Product Dev.	0.00	0.00
Professional Fees	40,667.37	38,952.84
Total Expense	<u>534,195.13</u>	<u>498,445.72</u>
Net Ordinary Income	20,493.27	67,422.28
Other Income/Expense		
Other Income		
Investment Income	96,442.79	27,864.70
DM Investment Inc	3,673.13	2,825.84
Total Other Income	<u>100,115.92</u>	<u>30,690.54</u>
Net Other Income	100,115.92	30,690.54
Net Income	<u><u>120,609.19</u></u>	<u><u>98,112.82</u></u>

System Dynamics Society
Balance Sheet Prev Year Comparison
As of December 31, 2012

	Dec 31, 12	Dec 31, 11
ASSETS		
Current Assets		
Checking/Savings		
Bank of America Checking 2474	115,862.04	54,461.04
Elec. Transfer BOA Check 5757	10,018.00	0.00
Bank Paypal	2,151.36	153.35
Companion Savings - BoA	5,485.44	105,475.56
Travel Cash	110.80	102.49
Charles Schwab-Windhaven	49,690.39	0.00
UBS Financial (was PaineWebber)	23,938.40	24,012.87
Vanguard Society (88008478957)	699,698.96	612,249.72
Total Checking/Savings	906,955.39	796,455.03
Accounts Receivable		
Accounts Receivable	334.00	0.00
Total Accounts Receivable	334.00	0.00
Other Current Assets		
Inventory	19,843.50	25,970.32
Prepaid Expenses	81,500.28	54,558.02
Cash-Undeposited Funds	1,390.00	150.00
Total Other Current Assets	102,733.78	80,678.34
Total Current Assets	1,010,023.17	877,133.37
Fixed Assets		
Accumulated Depreciation	-1,263.00	-1,263.00
Equipment	1,263.00	1,263.00
Total Fixed Assets	0.00	0.00
Other Assets		
Vanguard DMA (88006930361)	92,241.81	83,733.88
Total Other Assets	92,241.81	83,733.88
TOTAL ASSETS	1,102,264.98	960,867.25
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	1,652.26	5,459.02
Total Accounts Payable	1,652.26	5,459.02
Other Current Liabilities		
Accrued Payroll	3,500.00	0.00
Deferred Revenue	52,048.92	43,321.32
Due to Conference Host	9,900.00	0.00
Membership Sub Payable 2005+	12,466.08	10,679.20
PPD Journal Editor	967.00	262.00
Sales Tax Payable	90.69	114.87
Total Other Current Liabilities	78,972.69	54,377.39
Total Current Liabilities	80,624.95	59,836.41
Total Liabilities	80,624.95	59,836.41
Equity		
*Net Assets (QB)	0.00	719,257.02
Net Assets - Temp Rest (DMA)	92,241.81	83,661.00
Net Assets - Unrestricted	808,789.03	0.00
Net Income	120,609.19	98,112.82
Total Equity	1,021,640.03	901,030.84
TOTAL LIABILITIES & EQUITY	1,102,264.98	960,867.25