

To: Policy Council of the System Dynamics Society

From: David Andersen, VP Finance

Subject: VP Finance Report for July, 2008

Date: July 15, 2008

*Summary: Several important changes in how the Society looks at its finances have occurred this year: (1) 2008 is the first year of our new tiered dues structure, and (2) In 2008 our books shifted from a cash basis to an accrual basis (mandate of the State of Massachusetts, not my idea ☺), (3) We have moved a staff person at the Home Office from “professional services” into the UAlbany contract, and (4) We have increased support for the journal’s editorial board.. That said, I believe that the Society is still in good financial health with our total assets at the beginning of this year (now on an accrual basis) at \$750,073, up \$54,251 from the previous year.*

I regret that I will not be able to present this report in person due to some personal family matters. I try to present a more complete report to help answer possible questions. After a brief discussion of some changes in our financial procedures, I organize this report around six documents that are attached.

## **Part I: Discussion of Changes in Society Financial Procedures**

### **Impact of Tiered Dues Structure**

We will not be able to fully evaluate the impact of the new tiered dues structure because the first fiscal year is not yet closed and this is not a controlled experiment. But I believe that there have been four overall impacts.

- A small number of high income members have expressed displeasure at the change. Articulated concerns seem less addressed at the actual increase in dues and more at the need to disclose salary ranges.
- As of this writing, we have seen a slight increase (69 versus 61) in low income members to the Society. So I would say that if our goal is to increase low income membership, we still have an opportunity that needs to be developed.
- As of this writing (with 88% of the expected renewals now complete) our membership renewals as a percentage and as an absolute number are not significantly different from last year. It is possible that memberships would have risen had we not changed the dues structure and it is also possible that they may not have risen (because Athens is a less attended conference than Boston, 2007). We will probably never know.
- As of this writing total dues income is up by a slight amount compared to last year (about \$5,000).

### **Shift from Cash to Accrual Accounting Methods**

The State of Massachusetts, where we are incorporated as a not-for-profit organization, has mandated this change. This will have its most important impact on pre-payments that we make for conferences one or more years in advance. You will notice that our balance sheet for December 31, 2007 shows an asset of \$38,938 in “Prepaid conference Fees”. This accounting

shift will make our assets at the end of the year in 2007 seem greater and our expenditures for 2007 seem less by an equal amount. These accounting shifts will continue to make small differences in reported amounts for the next several years without changing our underlying financial position in any way.

#### **Personnel Shifts at the Home Office.**

Jennifer Rowe, a long term full time employee of the Society is leaving to go to law school in the fall. We will miss her and wish her well. She is being replaced by Erin Sheehan. There are no financial impacts from this change. In addition, Robin Langer is continuing with the Society and still performs her same functions. However, to be in compliance with IRS regulations, she has moved from being a professional services consultant to a part time employee. We are now paying Robin benefits and her salary has University indirect costs associated with it. The contract with the University at Albany is rising this year to cover this increase as well as cost of living increases over the past several years. The contract with the University at Albany has not increased for several years because the Society has been holding a balance of funds within University Accounts. I anticipate that these balances will be spent down by the end of 2009 (leaving only a small cash buffer for contingencies).

#### **Increased Support for the Journal's Editorial Board.**

As the Winter PC meeting, we voted to increase support for the editorial function of the journal from \$12,000 to \$20,000 annually.

## **Part II: Discussion of Society Financial Reports**

### **(1) Key Trends in Society Finances since 1984**

This plot of key variables over time shows that the Society has grown into a period of stable and sound economic health.

### **(2) System Dynamics Society Profit & Loss Budget Comparison, (unaudited, but reviewed) January through December 2007**

This is essentially the same report that I explained in my report for the Winter Policy Council meeting. However, this report shows Net Income at \$96,998 for 2007, up from \$57,570—the amount that I reported in January. This change is due to the change in accounting stance.

### **(3) System Dynamics Society Balance Sheet, Previous Year Comparison (unaudited, but reviewed), as of December 31, 2007**

I present this revised balance sheet because our reported total assets using an accrual accounting method are up to \$750,073 from what I reported in January—\$710,645. Again this change is due primarily to the change in accounting stance discussed above.

### **(4) System Dynamics Society, Inc. Financial Statements for the Years Ended December 31, 2007 and 2006 (statements from our CPA)**

Each year, our CPA firm reviews our financial statements. I have enclosed a copy of the report from our CPA for this year. Each year, we use this statement to align our operating books with CPA recommendations, leading to the reported changes I have discussed above.

### **(5) 2009 Proposed Budget for the System Dynamics Society**

I have built this basic budget using essentially the same approach used in the recent past. Several items are probably worth paying attention to:

- I have very little confidence in my predictions about the performance of our investment income. The predicted growth of \$35,478 is more or less made up. I do not know how to predict the performance of mutual funds. Our investment pattern remains, in my opinion, solid and unchanged.
- Society support for the editorial board of the journal has grown from \$12,000 to \$20,00 following a vote of the Policy Council at its Winter Meeting.
- Under the items surrounding the “Contract with UAlbany” there is a line, “Adjustments from previous year. This line is the amount that we intend to spend down the current balance at the University at Albany accounts, leaving a cash buffer “rainy day fund” of \$10,000. Hence, I expect that in 2009 we will spend more at UAlbany than we will receive through the contract. We have been working to reduce this balance for several years, first incurred when a planned graduate assistant position went vacant for over a year.
- The line indicating “Total Conferences Unduplicated in Society Budget” appears to be down 52% this year from last year and is quite a bit lower than in any previous year. In part, this can be explained by the shift of Robin Langer to the UAlbany account (putting more conference funds elsewhere into the budget). Also, I am working from an older conference proposal rather than a refined conference budget, so I suspect this figure may be off somewhat (but I don’t know exactly how ☺).

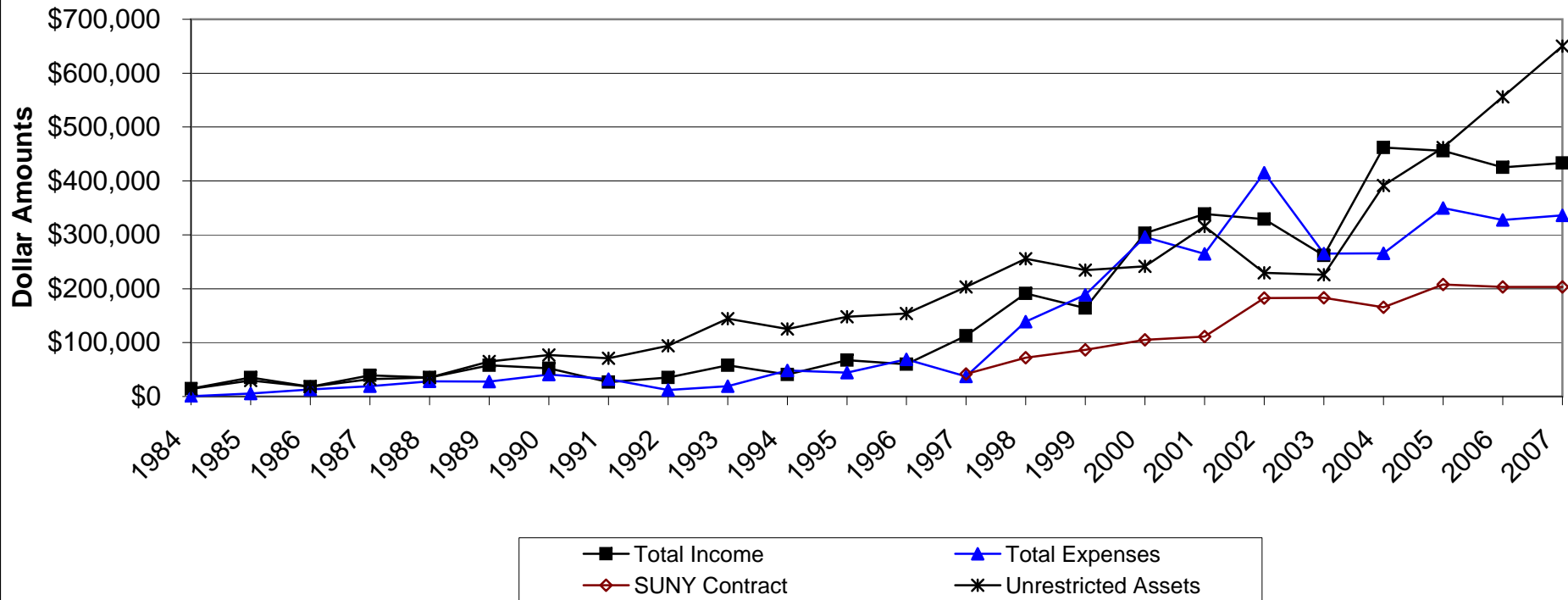
#### **(6) 2009 Proposed Budget for the System Dynamics Society by Cost Centers**

I always find the cost center page to present an interesting picture of Society operations. We see that conferences (+\$21,529) and sales (+68,777) subsidize core operations (-18,000) and Web development and maintenance (-32,434). Our recent contract changes with Wiley have put the publications cost center at a near break even point this year. All of these allocation figures are based on estimates, not hard accounting figures, and need to be read with a “grain of salt”.

Attached please find:

1. Key Trends in Society Finances since 1984
2. System Dynamics Society Profit & Loss Budget Comparison, (unaudited) January through December 2007
3. System Dynamics Society Balance Sheet, Previous Year Comparison (unaudited), as of December 31, 2007
4. System Dynamics Society, Inc. Financial Statements for the Years Ended December 31, 2007 and 2006 (statements from our CPA)
5. 2009 Proposed Budget for the System Dynamics Society
6. 2009 Proposed Budget for the System Dynamics Society by Cost Centers

# Key Trends in Society Finances since 1984



07/03/08  
Accrual Basis

## System Dynamics Society Profit & Loss, Budget Comparison (unaudited) January through December 2007

	Jan - Dec 07	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
DM Investment Inc	2,954			
INC Conferences	264,081	243,584	20,497	108%
Investment Income	42,147	26,000	16,147	162%
Journal Income	9,860			
Membership Dues	93,112	55,463	37,649	168%
Other Income	0	39,537	-39,537	0%
Products	112,272	105,251	7,021	107%
Publications Sales	700	500	200	140%
Shipping and Handling Income	19,671	17,109	2,562	115%
Sponsor Dues and Donations	27,595	27,962	-367	99%
Vendor Collection Credit	16			
Conversion from Accrual to Cash	137	-722	859	-19%
<b>Total Income</b>	<b>572,544</b>	<b>514,684</b>	<b>57,860</b>	<b>111%</b>
<b>Cost of Goods Sold</b>				
Cost of Goods Sold	0			
Beer Game (Management Game)	22,319	20,963	1,356	106%
Biblio Exp-not COGS as of 2006	0	500	-500	0%
Electronic Oracle	4,843			
Proceedings	918	1,992	-1,074	46%
SD Review Reprints	2,167	1,500	667	144%
<b>Total COGS</b>	<b>30,247</b>	<b>24,955</b>	<b>5,292</b>	<b>121%</b>
<b>Gross Profit</b>	<b>542,298</b>	<b>489,729</b>	<b>52,569</b>	<b>111%</b>
<b>Expense</b>				
Awards	5,244	7,000	-1,756	75%
Awards-Dana Meadows	1,200			
Bank Adjustments (Expense)	3,240	605	2,635	535%
Contract with Univ at Albany	203,356	203,356	0	100%
Credit card fees	13,572	10,844	2,728	125%
Depreciation Expense	62	1,209	-1,147	5%
Electronic Presence Support	1,323	520	803	254%
EXP Conferences	116,894	125,744	-8,850	93%
Foreign Taxes	98			
Journal Expense	12,000	12,000	0	100%
Membership Directory Exp	1,812	2,000	-188	91%
Membership Services	955	1,000	-45	96%
Membership Subsidies	0	2,517	-2,517	0%
Miscellaneous Expense	244	150	94	162%
Office Equipment Purchases	159	5,000	-4,841	3%
Officer Expenses	6,108	13,000	-6,892	47%
Phone, Fax, E-mail Services	20	0	20	100%
Printing & Duplicating	1,755	4,272	-2,517	41%
Professional Fees	61,411	62,325	-914	99%
Shipping and Postage Expense	15,483	15,705	-222	99%
Supplies	365	1,000	-635	36%
<b>Total Expense</b>	<b>445,300</b>	<b>468,247</b>	<b>-22,947</b>	<b>95%</b>
<b>Net Ordinary Income</b>	<b>96,998</b>	<b>21,482</b>	<b>75,516</b>	<b>452%</b>
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
Prior Period Adjustment	0			
<b>Total Other Expense</b>	<b>0</b>			
<b>Net Other Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Net Income</b>	<b>96,998</b>	<b>21,482</b>	<b>75,516</b>	<b>452%</b>

07/03/08  
Accrual Basis

## System Dynamics Society

# Balance Sheet, Prev Year Comparison (unaudited)

As of December 31, 2007

	Dec 31, 07	Dec 31, 06	\$ Change	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
Bank of America Checking	13,949	119,338	-105,388	-88%
Bank Paypal	326	2,813	-2,487	-88%
Companion Savings - BoA	16,456	27,772	-11,316	-41%
Travel Cash	611	650	-39	-6%
UBS Financial (was PaineWebber)	22,214	21,318	895	4%
Vanguard Society (88008478957)	573,150	453,508	119,642	26%
<b>Total Checking/Savings</b>	<b>626,705</b>	<b>625,398</b>	<b>1,307</b>	<b>0%</b>
<b>Other Current Assets</b>				
Prepaid Conference Fees	38,938	0	38,938	100%
Undeposited Funds	11,273	0	11,273	100%
<b>Total Other Current Assets</b>	<b>50,211</b>	<b>0</b>	<b>50,211</b>	<b>100%</b>
<b>Total Current Assets</b>	<b>676,916</b>	<b>625,398</b>	<b>51,518</b>	<b>8%</b>
<b>Fixed Assets</b>				
Accumulated Depreciation	-11,025	-10,963	-62	-1%
Equipment	11,046	11,046	0	0%
<b>Total Fixed Assets</b>	<b>21</b>	<b>83</b>	<b>-62</b>	<b>-75%</b>
<b>Other Assets</b>				
UBS DM CD	29,492	29,143	350	1%
Vanguard DMA (88006930361)	43,644	41,198	2,446	6%
<b>Total Other Assets</b>	<b>73,136</b>	<b>70,341</b>	<b>2,795</b>	<b>4%</b>
<b>TOTAL ASSETS</b>	<b>750,073</b>	<b>695,822</b>	<b>54,251</b>	<b>8%</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Other Current Liabilities</b>				
Advance on Journal Royalty	5,000	5,000	0	0%
Due from(to) ED	0	3	-3	-100%
Foreign Currency Checking	0	32,674	-32,674	-100%
Membership Sub Payable 2005+	21,823	32,068	-10,245	-32%
Restricted Conf.Scholar/Awards	0	-140	140	100%
Sales Tax Payable	85	49	36	74%
<b>Total Other Current Liabilities</b>	<b>26,907</b>	<b>69,653</b>	<b>-42,746</b>	<b>-61%</b>
<b>Total Current Liabilities</b>	<b>26,907</b>	<b>69,653</b>	<b>-42,746</b>	<b>-61%</b>
<b>Total Liabilities</b>	<b>26,907</b>	<b>69,653</b>	<b>-42,746</b>	<b>-61%</b>
<b>Equity</b>				
Net Assets - Restricted (DMA)	73,136	70,341	2,795	4%
Net Assets - Unrestricted	553,032	458,337	94,695	21%
Net Income	96,998	97,490	-492	-1%
<b>Total Equity</b>	<b>723,166</b>	<b>626,168</b>	<b>96,998</b>	<b>16%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>750,073</b>	<b>695,822</b>	<b>54,251</b>	<b>8%</b>

THE SYSTEM DYNAMICS SOCIETY, INC.  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2007 AND 2006

THE SYSTEM DYNAMICS SOCIETY, INC.  
REPORT ON REVIEW OF FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

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# MURPHY~HALL & COMPANY

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Policy Council  
The System Dynamics Society, Inc.  
Albany, New York

We have reviewed the accompanying statements of financial position of The System Dynamics Society, Inc., (a non-profit organization) as of December 31, 2007 and 2006 and the related statements of activities, functional expenses and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of The System Dynamics Society, Inc.

A review consists principally of inquiries of Society personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based upon our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

*Murphy Hall & Company CPAs*  
Certified Public Accountants

March 28, 2008

THE SYSTEM DYNAMICS SOCIETY, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 42,615	\$ 150,573
Money market mutual funds	17,678	16,829
Marketable securities	577,686	457,997
Prepaid expenses	38,938	-
Total current assets	<u>676,917</u>	<u>625,399</u>
PROPERTY		
Furniture and equipment	11,046	11,046
Less: Accumulated depreciation	(11,025)	(10,963)
	<u>21</u>	<u>83</u>
OTHER ASSETS		
Restricted marketable securities	43,644	41,198
Restricted certificate of deposit	29,492	29,143
	<u>73,136</u>	<u>70,341</u>
Total assets	<u>\$ 750,074</u>	<u>\$ 695,823</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accrued expenses	\$ -	32,536
Memberships subscriptions payable	21,823	32,068
Sales tax payable	85	49
Royalty payable	5,000	5,000
Total current liabilities	<u>26,908</u>	<u>69,653</u>
NET ASSETS		
Unrestricted - General fund	\$ 650,030	\$ 555,829
Permanently restricted	73,136	70,341
	<u>723,166</u>	<u>626,170</u>
Total net assets	<u>\$ 750,074</u>	<u>\$ 695,823</u>

See accompanying notes and accountants' report.

THE SYSTEM DYNAMICS SOCIETY, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
CHANGES IN UNRESTRICTED NET ASSETS		
Revenues and gains		
Conferences	\$ 147,187	\$ 133,417
Bibliographies and teaching games	90,090	84,453
Donations	27,595	40,284
Membership dues and subscriptions	93,112	78,579
Postage	19,671	20,191
Interest and dividends	16,830	11,926
Publications	10,560	16,909
Unrealized gain on securities	23,976	34,095
Miscellaneous	16	166
Total unrestricted revenues and gains	<u>429,037</u>	<u>420,020</u>
EXPENSES		
Administration	203,356	203,355
Bank fees	16,812	11,659
Depreciation	62	273
Foreign taxes	98	70
Grants	6,444	5,086
Membership mailings and services	2,767	2,965
Office expenses	2,111	2,293
Professional fees	61,411	58,573
Publications	20,765	14,010
Seminars	918	8,288
Shipping and postage	15,484	14,638
Travel	6,108	6,633
Total expenses	<u>336,336</u>	<u>327,843</u>
INCREASE IN UNRESTRICTED NET ASSETS	92,701	92,177
Other changes in permanently restricted net assets		
Donations	-	100
Interest and dividends	2,954	2,818
Unrealized gain on securities	1,341	2,396
INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	<u>4,295</u>	<u>5,314</u>
NET ASSETS - beginning of year	<u>626,170</u>	<u>528,679</u>
NET ASSETS - end of year	<u>\$ 723,166</u>	<u>\$ 626,170</u>

THE SYSTEM DYNAMICS SOCIETY, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2007, WITH COMPARATIVE TOTALS FOR 2006

	<u>Program Services</u>	<u>Supporting Services</u>	<u>2007</u>	<u>2006</u>
EXPENSES				
Administration	\$ 101,678	\$ 101,678	\$ 203,356	\$ 203,355
Bank fees	-	16,812	16,812	11,659
Depreciation	-	62	62	273
Foreign taxes	-	98	98	70
Grants	6,444	-	6,444	5,086
Membership mailings	2,767	-	2,767	2,965
Office expenses	-	2,111	2,111	2,293
Proceedings	918	-	918	-
Professional fees	20,559	40,852	61,411	58,573
Publications	18,598	-	18,598	14,010
Seminars	2,167	-	2,167	8,288
Shipping and postage	12,387	3,097	15,484	14,638
Travel	-	6,108	6,108	6,633
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	<u>\$ 165,518</u>	<u>\$ 170,818</u>	<u>\$ 336,336</u>	<u>\$ 327,843</u>

See accompanying notes and accountants' report.

THE SYSTEM DYNAMICS SOCIETY, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities		
Cash received	\$ 388,231	\$ 372,781
Cash paid to suppliers and employees	(417,957)	(285,848)
Interest and dividends	<u>19,784</u>	<u>14,744</u>
Net cash provided by operating activities	(9,942)	101,677
 Cash flows from investing activities		
Acquisition of securities	<u>(98,016)</u>	<u>(83,252)</u>
Net cash (used) in investing activities	<u>(98,016)</u>	<u>(83,252)</u>
 Net increase (decrease) in cash	(107,958)	18,425
 Cash beginning of year	<u>150,573</u>	<u>132,148</u>
 Cash at end of year	<u>\$ 42,615</u>	<u>\$ 150,573</u>

Reconciliation of increase in net assets  
used by operating activities

Increase in net assets	\$ 96,996
 Adjustments to reconcile net income to net cash provided by operating activities	
Add: Depreciation	62
Less: Prepaid expenses	(38,938)
Less: Decrease in current liabilities	(42,745)
Less: Unrealized gain	<u>(25,317)</u>
Total adjustments	<u>(106,938)</u>
 Cash used by operating activities	<u>\$ (9,942)</u>

See accompanying notes and accountants' report.

THE SYSTEM DYNAMICS SOCIETY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

A. NATURE OF ACTIVITIES

The System Dynamics Society, Inc., incorporated on November 7, 1985, as an international non-profit corporation, was organized to encourage the development and use of system dynamics in solving problems in such areas as environmental change, economic development, social unrest, urban decay, psychology, and physiology.

B. SIGNIFICANT ACCOUNTING POLICIES

Contributed Services – Certain contributed services are recorded as support and expenses as fair market value when determinable, otherwise at values indicated by the donor.

Use of estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and equipment and depreciation – Property and equipment are recorded at cost. Expenditures for maintenance, repairs, and renewals are charged to expense as incurred whereas betterments are capitalized. Depreciation is computed using accelerated methods over the estimated useful lives of the assets.

Financial statement presentation – Under statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organization*, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions – Under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions.

Taxes – The Organization is a non-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

THE SYSTEM DYNAMICS SOCIETY, INC.  
NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

B. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted and unrestricted income – Contributions received are recorded as increases in unrestricted or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

Administrative expenses – The Society has a contract with the University of New York at Albany for administrative support services. In 2007 and 2006 the Society paid \$203,356 and \$203,355, respectively, to the University for the necessary support service.

Cash and cash equivalents – The Society maintains operating cash balances at one bank. The account at this institution is insured by the Federal Deposit Insurance Corporation up to \$100,000. The Society also maintains a money market mutual fund account at an investment company, with balances insured up to \$500,000 (with a limit of \$100,000 for cash) by the Securities Investor Protection Corporation. The company has not experienced any losses in such accounts. The company believes it is not exposed to any significant credit risk on cash and cash equivalents.

C. MARKETABLE DEBT AND EQUITY SECURITIES

Cost and fair value marketable debt and equity securities at December 31, 2007 are as follows:

Available for sale:	<u>Cost</u>	Unrealized Appreciation (Depreciation)	Fair Value
Money market funds-unrestricted	\$ 17,678	\$ 0	\$ 17,678
Stock/bond mutual fund-unrestricted	510,016	63,134	573,150
Stock equities-unrestricted	4,122	414	4,536
Certificate of deposit-restricted	30,000	(508)	29,492
Stock/bond funds – restricted	<u>39,270</u>	<u>4,374</u>	<u>43,644</u>
	<u>\$601,086</u>	<u>\$67,414</u>	<u>\$668,500</u>

## SYSTEM DYNAMICS SOCIETY

7/14/2008

## 2009 Proposed Budget

previous year comparison and % increase/decrease

	2007 Actual Profit /Loss	2008 Budget Approved	2009 Budget Proposed	% Changed
<b>Income</b>				
Products	112,288	109,366	114,982	5%
Total INC Conferences	264,081	244,708	204,400	-16%
Investment Income	45,101	47,168	35,478	-25%
Net Membership Dues	93,112	51,290	53,567	4%
Journal Royalty Payments (Wiley)	0	0	34,484	NA
Journal Support from Wiley	9,860	42,107	9,930	-76%
Publications Sales	700	2,721	700	-74%
Shipping and Handling	19,671	21,873	22,996	5%
Sponsor Dues and Donations	27,595	28,896	26,545	-8%
Conversion from Accrual to Cash	137	0	0	NA
<b>Total Income</b>	<b>572,545</b>	<b>548,129</b>	<b>503,085</b>	<b>-8%</b>
<b>Cost of Goods Sold</b>				
Proceedings	918	750	1,222	63%
Bibliography Update Expense	0	500	0	-100%
Electronic Oracle Reprint	4,843	0	0	NA
Management Game	22,319	21,084	23,886	13%
Reprint Outdated SDR/Proceedings	2,167	8,000	3,685	-54%
<b>Total COGS</b>	<b>30,247</b>	<b>30,334</b>	<b>28,793</b>	<b>-5%</b>
<b>Gross Profit</b>	<b>542,298</b>	<b>517,795</b>	<b>474,292</b>	<b>-8%</b>
<b>Expense</b>				
Awards	6,444	7,000	6,907	-1%
Bank Adjustments/Foreign Tax (Expense)	3,338	800	1,269	59%
Conf Expenses Unduplicated in Society Budget	116,894	105,063	50,458	-52%
Contract w/ UAlbany				
Office Expenses through UAlbany		22,507	23,304	4%
IFR Indirect Costs		19,111	23,964	25%
Salaries & Fringe		191,109	239,640	25%
Adjustments (from previous year)		(29,371)	(23,554)	-20%
<b>Total Contract w/ UAlbany</b>	<b>203,356</b>	<b>203,356</b>	<b>263,354</b>	<b>30%</b>
Credit card fees	13,572	13,411	13,202	-2%
Depreciation Expense	62	1,500	633	-58%
Electronic Presence Support	1,323	1,500	813	-46%
Foreign Taxes	0	0	100	NA
Journal Expense	12,000	12,000	20,000	67%
Membership Directory Exp	1,812	2,000	2,000	0%
Membership Services (Newsletter)	955	1,218	1,252	3%
Membership Subsidies	0	3,000	0	-100%
Miscellaneous Exp.(MA fees, gifts)	244	150	400	167%
Office Equipment Purchases	159	7,500	1,915	-74%
Officer Expenses	6,108	8,000	7,122	-11%
Phone, Fax, E-mail Services	20	0	20	NA
Printing & Duplicating	1,755	4,000	3,229	-19%
Product Development	0	1,000	0	-100%
Professional Fees	61,411	64,596	25,876	-60%
Shipping /Postage Expense	15,483	19,191	20,598	7%
Staff Expenses (training)	0	5,000	1,500	-70%
Staff Salary Market Adjustment	0	11,234	12,473	11%
Supplies	365	2,000	1,920	-4%
<b>Total Expense</b>	<b>445,301</b>	<b>473,519</b>	<b>435,041</b>	<b>-8%</b>
<b>Net Ordinary Income (restricted/unrestricted assets)</b>	<b>96,997</b>	<b>44,276</b>	<b>39,250</b>	<b>-11%</b>
less Restricted DMA donations and interest inc/exp	0	1,500	1,500	0%
<b>Net Income (unrestricted assets)</b>	<b>96,997</b>	<b>45,776</b>	<b>40,750</b>	<b>-11%</b>



SYSTEM DYNAMICS SOCIETY  
2009 Proposed Budget by Cost Centers

7/14/2008

	2009 Budget Proposed	Cost Centers				
		Conferences	Core	Web	Publications	Sales
<b>Income</b>						
Products	114,982					114,982
<b>Total INC Conferences</b>	204,400	<b>204,400</b>				
Investment Income	35,478		35,478			
Net Membership Dues	53,567		53,567			
Journal Royalty Payments (Wiley)	34,484				34,484	
Journal Support from Wiley	9,930		319		9,611	
Publications Sales	700				700	
Shipping and Handling	22,996					22,996
Sponsor Dues and Donations	26,545		26,545			
Conversion from Accrual to Cash	0					
<b>Total Income</b>	<b>503,085</b>	<b>204,400</b>	<b>115,910</b>		<b>44,795</b>	<b>137,979</b>
<b>Cost of Goods Sold</b>						
Proceedings	1,222					1,222
Bibliography Update Expense	0					0
Electronic Oracle Reprint	0					0
Management Game	23,886					23,886
Reprint Outdated SDR/Proceedings	3,685				3,685	
<b>Total COGS</b>	<b>28,793</b>				<b>3,685</b>	<b>25,108</b>
<b>Gross Profit</b>	<b>474,292</b>	<b>204,400</b>	<b>115,910</b>		<b>41,110</b>	<b>112,871</b>
<b>Expense</b>						
Awards	6,907		6,907			
Bank Adjustments/Foreign Tax Exp	1,269		634			634
<b>Conf Expenses Unduplicated in Home Office Budget</b>	<b>50,458</b>	<b>50,458</b>				
<b>Contract w/ UAlbany</b>						
Office Expenses through UAlbany	23,304	10,591	7,705	2,550	1,238	1,221
IFR Indirect Costs	23,964	10,891	7,923	2,622	1,273	1,256
Salaries & Fringe	239,640	108,907	79,226	26,218	12,732	12,557
Adjustments from previous year	-23,554	-10,704	-7,787	-2,577	-1,251	-1,234
<b>Total Contract w/ UAlbany</b>	<b>263,354</b>	<b>119,684</b>	<b>87,066</b>	<b>28,813</b>	<b>13,992</b>	<b>13,799</b>
Credit card fees	13,202		6,469		132	6,601
Depreciation Expense	633	288	209	69	34	33
Electronic Presence Support	813			813		
Foreign Taxes	100		100			
Journal Expense	20,000				20,000	
Membership Directory Exp	2,000		2,000			
Membership Services (Newsletter)	1,252		1,252			
Membership Subsidies	0		0			
Miscellaneous Exp.(MA fees, gifts)	400		400			
Office Equipment Purchases	1,915	870	633	209	102	100
Officer Expenses	7,122		4,273		2,849	
Phone, Fax, E-mail Services	20		20			
Printing & Duplicating	3,229		1,292		646	1,292
Product Development	0					0
Professional Fees	25,876	5,849	16,577	790	810	1,851
Shipping /Postage Expense	20,598		824		824	18,950
Staff Expenses (training)	1,500	682	496	164	80	79
Staff Salary Market Adjustment	12,473	5,669	4,124	1,365	663	654
Supplies	1,920	873	635	210	102	101
<b>Total Expense</b>	<b>435,041</b>	<b>133,913</b>	<b>133,910</b>	<b>32,434</b>	<b>40,232</b>	<b>44,094</b>
<b>Net Ordinary Income (restricted/unrestricted)</b>	<b>39,250</b>	<b>70,487</b>	<b>-18,000</b>	<b>-32,434</b>	<b>878</b>	<b>68,777</b>
<b>less Restricted DMA donations &amp; interest inc/exp</b>	<b>1,500</b>	<b>1,500</b>				
<b>Net Income (unrestricted assets)</b>	<b>40,750</b>	<b>71,987</b>	<b>-18,000</b>	<b>-32,434</b>	<b>878</b>	<b>68,777</b>