# System Dynamics Society VP Finance Narrative Report January 2011 Meeting Submitted by David F. Andersen

Summary: This report is based on three financial reports developed each year by the Society's home office staff: (1) Revenue & Expense, 2010 Budget Comparison (2) Revenue & Expense, 2010 & 2009 Comparison, (3) Revenue & Expense, 2010 by Cost Centers. I have not included a draft balance sheet this year because I expect that our final balance sheet will change after final year-end adjustments are made by our CPA (our unaudited total assets as of December 31, 2010 are \$864,113). Indeed, all of my figures and reports are unaudited and will change somewhat after being reviewed.

I am presenting an abbreviated report this winter--I am on sabbatical leave and not able to attend the Winter PC meeting in person. I thank the home office staff, Roberta Spencer, Robin Langer, and Navid Ghaffarzadegan for their help in putting this and other financial reports together.

So What Happened Overall? In a nutshell, the Society is performing well financially. Three major factors dominate these financial reports. First our investments performed well. Second, the Korea conference performed well and was able to contribute to our financial success this year (my thanks to the hard work of the Korean organizing committee). Third, our beer game sales are the lowest in over 12 years, and declining over the past two years. We continue employing the full accrual accounting method and hence I expect to see some changes after our end of the year investments are posted and we have accrual adjustments made in our audit review.

**Narrative on Revenue & Expense, 2010 Budget Comparison**. Compared to our budget for last year, we have done better than expected. When including our investment income, the report shows we performed quite well last year. I am sure that after our CPA's review of our books, some of these figures will move about—I will update these figures at the annual meeting next summer.

Narrative on Revenue & Expense, 2010 & 2009 Comparison. When I compare 2010 to 2009, I see that the Society had less revenue and fewer expenses in 2010 than in 2009--much of this is related to a smaller conference. I draw you attention to several features of this report that summarizes how the Society performed in 2010:

- 1. Conference income, conference expense and Professional Fees are all lower due to a smaller conference.
- 2. Although sponsor dues and donations continue to be stable in each sponsorship year, due to accrual in the calendar year we show a decline in 2010.
- 3. Due to slow beer game sales over the past two years, there have been no major cost of goods expenses.
- 4. Under "Contracted Expenses at UAlbany", the amount for 2010 are more stable since the accrual adjustments are starting to balance out. As for the past few years, we will no longer see the expenditures being just equal to the actually contracted amounts shown in the annual budget.
- 5. Credit card fees are lower because we have renegotiated our contract.
- 6. Shipping and Postage Expenses are now bundled in with the "Contracted Expenses at UAlbany" for more competitive prices through the NY State contract.

Narrative Summary of Revenue & Expense, 2010 by Cost Centers. The Revenue and Expense report broken out by Cost Centers shows a continuing pattern of cross-subsidy between various areas of Society operations. As has always been the case, our Core Operations, those expenses necessary to keep the home office operating (not counting costs associated with running our conferences) is subsidized by other activities of the Society. Note that the "Investment" cost center is now providing a significant subsidy to other areas of activity within

the Society, especially core operations. Indeed, were it not for the strong performance of our investments, the Society would be performing at a loss for 2010.

Other Financial Issues—Investment and Cash Flow Policies. I continue to work with the Administrative Committee to fine tune two aspects of the Society's performance. First, a sub-committee of the Administrative Committee is working on a formal draft of the Society's investment policies as well as a possible change in our professional investment advising consultant. Second, I am also working with the home office and the Administrative Committee to look into cash flow policies and procedures. The Society's expenses and income are not evenly paced throughout the year and we are now relying on some investment income to support all other operations. Hence, from time to time it will continue to be necessary to move funds back and forth between our most liquid cash accounts and some of our investment accounts. I plan to provide more details on each of these on-going studies with the Administrative Committee in future reports to the Policy Council.

#### Attachments:

- 1. Revenue & Expense, 2010 Budget Comparison (Pre CPA Year-End Adjustments)
- 2. Revenue & Expense, 2010 & 2009 Comparison (Pre CPA Year-End Adjustments)
- 3. Revenue & Expense, 2010 by Cost Centers (Pre CPA Year-End Adjustments)

02/08/11 **Accrual Basis** 

## System Dynamics Society #1 Rev & Exp Budget Compare (Pre CPA Year-End Adj) January through December 2010

|   | Jan - Dec 10 | Budget           | \$ Over Bu | % of Budget |
|---|--------------|------------------|------------|-------------|
| Ordinary Income/Expense                             |              |                  |            |             |
| Income DM Investment Inc                            | 2,490        | 1,200            | 1,290      | 208%        |
| INC Conferences                                     |              | 1,200<br>161,524 | 12,037     | 107%        |
|   | 173,561      | 17,000           | 85,963     | 606%        |
| Investment Income                                   | 102,963      | ,                | 11,978     | 127%        |
| Journal Income                                      | 56,292       | 44,314           |            | 94%         |
| Membership Dues                                     | 58,741       | 62,468           | -3,727     | 60%         |
| Products  | 67,970       | 113,756          | -45,786    | 506%        |
| Publications Sales                                  | 1,620        | 320              | 1,300      |             |
| Shipping and Handling Income                        | 17,691       | 22,751           | -5,060     | 78%         |
| Sponsor Dues and Donations Vendor Collection Credit | 18,500       | 32,965           | -14,465    | 56%         |
| vendor Collection Credit                            | 1            |                  |            |             |
| Total Income  | 499,827      | 456,298          | 43,529     | 110%        |
| Cost of Goods Sold                                  |              |                  |            |             |
| Beer Game (Management Game)                         | 10,331       |                  |            |             |
| Cost of Goods Sold                                  | 0            | 23,979           | -23,979    | 0%          |
| Elec Oracle   | 526          |                  |            |             |
| Fireside Chat                                       | -1,627       |                  |            |             |
| Forrester PhD Seminar Series                        | 1,985        |                  |            |             |
| MIT Collection                                      | -1,001       |                  |            |             |
| Proceedings   | 0            |                  |            |             |
| Total COGS  | 10,214       | 23,979           | -13,765    | 43%         |
| Gross Profit  | 489,613      | 432,319          | 57,294     | 113%        |
| Expense   |              |                  |            |             |
| Awards  | 6,900        | 6,705            | 195        | 103%        |
| Awards-Dana Meadows                                 | 1,200        | •                |            |             |
| Bank Adjustments (Expense)                          | 1,544        | 1,548            | -4         | 100%        |
| Contracted Expenses at UAlbany                      | 261,719      | 280,497          | -18,778    | 93%         |
| Credit card fees                                    | 8,054        | 14,473           | -6,419     | 56%         |
| Depreciation Expense                                | 0            | 263              | -263       | 0%          |
| Electronic Presence Support                         | 867          | 1,583            | -716       | 55%         |
| EXP Conferences                                     | 62,350       |                  |            |             |
| Foreign Taxes                                       | 81           | 100              | -20        | 81%         |
| Insurance   | 1,354        |                  |            |             |
| Journal Expense                                     | 20,000       | 20,000           | 0          | 100%        |
| Membership Directory Exp                            | 2,074        | 2,033            | 41         | 102%        |
| Membership Services                                 | 1,060        | 1,670            | -610       | 63%         |
| Miscellaneous Expense                               | 1,805        | 250              | 1,555      | 722%        |
| Office Equipment Purchases                          | 0            | 40               | -40        | 0%          |
| Officer Expenses                                    | 5,417        | 6,910            | -1,493     | 78%         |
| Printing & Duplicating                              | 1,005        | 2,783            | -1,778     | 36%         |
| Product Development                                 | 0            | 444              | -444       | 0%          |
| Professional Fees                                   | 32,338       | 38,826           | -6,488     | 83%         |
| Shipping and Postage Expense                        | 1,684        | 19,751           | -18,067    | 9%          |
| Supplies  | 1,016        | 1,000            | 16         | 102%        |
| Uncategorized Expenses                              | 0            | 25,000           | -25,000    | 0%          |
| Total Expense                                       | 410,467      | 423,876          | -13,409    | 97%         |
| Net Ordinary Income                                 | 79,147       | 8,443            | 70,704     | 937%        |
| Net Income  | 79,147       | 8,443            | 70,704     | 937%        |
|   |              |                  |            |             |

#### 02/08/11 **Accrual Basis**

### **System Dynamics Society** #2 Rev & Exp Prev Year Compare (Pre CPA Year-End Adj) January through December 2010

| Drivestment Inc   Income   |   | Jan - Dec 10 | Jan - Dec 09                          | % Change |
|--|---|--------------|---------------------------------------|----------|
| INC Conferences  |   |              |                                       |          |
| Investment Income  | DM Investment Inc                       | 2,490        | 1,833                                 | 36%      |
| Journal Income   56,292   51,963   8%  | INC Conferences                         | 173,561      | 233,148                               | -26%     |
| Membership Dues   58,741   57,389   2%   Other Income   0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0  | Investment Income                       | 102,963      | 103,461                               | -1%      |
| Other Income<br>Products         0         0         0%<br>Products           Publications Sales<br>Shipping and Handling Income         1,620         750         116%<br>Shipping and Handling Income         17,691         13,878         28%<br>Sponsor Dues and Donations         18,500         30,125         -39%<br>Vendor Collection Credit         1         17         -96%           Total Income         499,827         563,450         -11%           Cost of Goods Sold<br>Beer Game (Management Game)         10,331         12,578         -18%<br>Cost of Goods Sold         0         0         0         0%<br>Cost of Goods Sold         0         0         0         0%<br>Cost of Goods Sold         0         0         0         0%<br>Cost of Goods Sold         0         0         0         0         0%<br>Cost of Goods Sold         0         0         0         0%<br>Cost of Goods Sold         0         0         0         0         0%<br>Cost of Goods Sold         0         0         0         0%<br>Cost of Goods Sold         0 |   |              | 51,963                                |          |
| Products         67,970         70,887         -4%           Publications Sales         1,620         750         116%           Shipping and Handling Income         17,691         13,878         28%           Sponsor Dues and Donations         18,500         30,125         -39%           Vendor Collection Credit         1         1         7         -96%           Total Income         499,827         563,450         -11%           Cost of Goods Sold         0         0         0         0           Beer Game (Management Game)         10,331         12,578         -18%           Cost of Goods Sold         0         0         0         0           Elec Oracle         526         -2,763         119%           Fireside Chat         -1,627         -198         -722%           Forrester PhD Seminar Series         1,985         -5,973         133%           MIT Collection         -1,001         -80         -1,155%           Proresedings         0         0         0         0           Total COGS         10,214         3,564         187%           Bexpense         Awards         6,900         0         100%   | •                                       | •            | · · · · · · · · · · · · · · · · · · · |          |
| Publications Sales         1,620         750         116%           Shipping and Handling Income         17,691         13,878         28%           Sponsor Dues and Donations         18,500         30,125         39%           Vendor Collection Credit         1         17         -96%           Total Income         499,827         563,450         -11%           Cost of Goods Sold         8         0         0         0         0           Beer Game (Management Game)         10,331         12,578         -18%           Cost of Goods Sold         0         0         0         0           Elec Oracle         526         -2,763         119%           Fireside Chat         -1,627         -198         -722%           Forrester PhD Seminar Series         1,985         -5,973         133%           MIT Collection         -1,001         -80         -1,155%           Proceedings         0         0         0         0           Total COGS         10,214         3,564         187%           Gross Profit         489,613         559,886         -13%           Expense         Awards         6,900         0         100%  |   | _            | _                                     |          |
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| Sponsor Dues and Donations   |   | ·            |                                       |          |
| Vendor Collection Credit         1         17         -96%           Total Income         499,827         563,450         -11%           Cost of Goods Sold         Beer Game (Management Game)         10,331         12,578         -18%           Cost of Goods Sold         0         0         0         0%           Elec Oracle         526         -2,763         119%           Fireside Chat         -1,627         -198         -722%           Forrester PhD Seminar Series         1,985         -5,973         133%           MIT Collection         -1,001         -80         -1,155%           Proceedings         0         0         0         0%           Total COGS         10,214         3,564         187%           Gross Profit         489,613         559,886         -13%           Expense         4wards         6,900         0         100%           Awards-Dana Meadows         1,200         1,00         0%           Bank Adjustments (Expense)         1,544         2,404         -36%           Contracted Expenses at UAlbany         261,719         253,739         3%           Credit card fees         8,054         12,688         -37%      <  |   | ·            |                                       |          |
| Total Income         499,827         563,450         -11%           Cost of Goods Sold         Beer Game (Management Game)         10,331         12,578         -18%           Cost of Goods Sold         0         0         0         0%           Elec Oracle         526         -2,763         119%           Fireside Chat         -1,627         -198         -722%           Forrester PhD Seminar Series         1,985         -5,973         133%           MIT Collection         -1,001         -80         -1,155%           Proceedings         0         0         0         0%           Total COGS         10,214         3,564         187%           Gross Profit         489,613         559,886         -13%           Expense         4wards         6,900         0         100%           Awards Alustments (Expense)         1,544         2,404         -36%           Contracted Expenses at UAlbany         261,719         253,739         3%           Credit card fees         8,054         12,688         -37%           Electronic Presence Support         867         976         -11%           EXP Conferences         62,350         92,754         -33% </th <th></th> <th>·</th> <th></th> <th></th>   |   | ·            |                                       |          |
| Cost of Goods Sold   Beer Game (Management Game)   10,331   12,578   -18%   Cost of Goods Sold   0   0   0   0%   Elec Oracle   526   -2,763   119%   Fireside Chat   -1,627   -198   -722%   Forrester PhD Seminar Series   1,985   -5,973   133%   MIT Collection   -1,001   -80   -1,155%   Proceedings   0   0   0   0%   0%   0%   0%   0%  | vendor Collection Credit                | 1            | 17                                    | -96%     |
| Beer Game (Management Game)         10,331         12,578         -18%           Cost of Goods Sold         0         0         0%           Elec Oracle         526         -2,763         119%           Fireside Chat         -1,627         -198         -722%           Forrester PhD Seminar Series         1,985         -5,973         133%           MIT Collection         -1,001         -80         -1,155%           Proceedings         0         0         0         0%           Total COGS         10,214         3,564         187%           Gross Profit         489,613         559,886         -13%           Expense  | Total Income                            | 499,827      | 563,450                               | -11%     |
| Cost of Goods Sold         0         0         0%           Elec Oracle         526         -2,763         119%           Fireside Chat         -1,627         -198         -722%           Forrester PhD Seminar Series         1,985         -5,973         133%           MIT Collection         -1,001         -80         -1,155%           Proceedings         0         0         0         0%           Total COGS         10,214         3,564         187%           Gross Profit         489,613         559,886         -13%           Expense         -4         489,613         559,886         -13%           Expenses         -1,200         0         0         0   | Cost of Goods Sold                      |              |                                       |          |
| Elec Oracle         526         -2,763         119%           Fireside Chat         -1,627         -198         -722%           Forrester PhD Seminar Series         1,985         -5,973         133%           MIT Collection         -1,001         -80         -1,155%           Proceedings         0         0         0         0%           Total COGS         10,214         3,564         187%           Gross Profit         489,613         559,886         -13%           Expense         -   |   | 10,331       | 12,578                                | -18%     |
| Fireside Chat         -1,627         -198         -722%           Forrester PhD Seminar Series         1,985         -5,973         133%           MIT Collection         -1,001         -80         -1,155%           Proceedings         0         0         0%           Total COGS         10,214         3,564         187%           Gross Profit         489,613         559,886         -13%           Expense   |   | -            | 0                                     |          |
| Forrester PhD Seminar Series   1,985   -5,973   133%   MIT Collection   -1,001   -80   -1,155%   Proceedings   0   0   0   0   0   0   0   0   0   |   |              |                                       |          |
| MIT Collection Proceedings         -1,001         -80         -1,155% Proceedings           Total COGS         10,214         3,564         187%           Gross Profit         489,613         559,886         -13%           Expense         6,900         0         100%           Awards Dank Adjustments (Expense)         1,200         1,200         0%           Awards Dank Adjustments (Expense)         1,544         2,404         -36%           Contracted Expenses at UAlbany         261,719         253,739         3%           Credit card fees         8,054         12,688         -37%           Electronic Presence Support         867         976         -11%           EXP Conferences         62,350         92,754         -33%           Foreign Taxes         81         58         39%           Insurance         1,354         0  |   | ,            |                                       |          |
| Proceedings         0         0         0%           Total COGS         10,214         3,564         187%           Gross Profit         489,613         559,886         -13%           Expense         489,613         559,886         -13%           Expense         6,900         0         100%           Awards-Dana Meadows         1,200         1,200         0%           Bank Adjustments (Expense)         1,544         2,404         -36%           Contracted Expenses at UAlbany         261,719         253,739         3%           Credit card fees         8,054         12,688         -37%           Electronic Presence Support         867         976         -11%           EXP Conferences         62,350         92,754         -33%           Foreign Taxes         81         58         39%           Insurance         1,354         0         100%           Journal Expense         20,000         20,000         0%           Membership Directory Exp         2,074         1,958         6%           Membership Services         1,060         2,765         -62%           Miscellaneous Expense         5,417         5,955         -9% <th></th> <th>•</th> <th>- ,</th> <th></th>   |   | •            | - ,                                   |          |
| Total COGS         10,214         3,564         187%           Gross Profit         489,613         559,886         -13%           Expense   |   |              |                                       |          |
| Gross Profit         489,613         559,886         -13%           Expense         Awards         6,900         0         100%           Awards-Dana Meadows         1,200         1,200         0%           Bank Adjustments (Expense)         1,544         2,404         -36%           Contracted Expenses at UAlbany         261,719         253,739         3%           Credit card fees         8,054         12,688         -37%           Electronic Presence Support         867         976         -11%           EXP Conferences         62,350         92,754         -33%           Foreign Taxes         81         58         39%           Insurance         1,354         0         100%           Journal Expense         20,000         20,000         0%           Membership Directory Exp         2,074         1,958         6%           Membership Services         1,060         2,765         -62%           Miscellaneous Expense         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,  | Proceedings                             |              |                                       |          |
| Expense         Awards         6,900         0         100%           Awards-Dana Meadows         1,200         1,200         0%           Bank Adjustments (Expense)         1,544         2,404         -36%           Contracted Expenses at UAlbany         261,719         253,739         3%           Credit card fees         8,054         12,688         -37%           Electronic Presence Support         867         976         -11%           EXP Conferences         62,350         92,754         -33%           Foreign Taxes         81         58         39%           Insurance         1,354         0         100%           Journal Expense         20,000         20,000         0%           Membership Directory Exp         2,074         1,958         6%           Membership Services         1,060         2,765         -62%           Miscellaneous Expense         1,805         253         612%           Officer Expenses         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,33  | Total COGS                              | 10,214       | 3,564                                 | 187%     |
| Awards         6,900         0         100%           Awards-Dana Meadows         1,200         1,200         0%           Bank Adjustments (Expense)         1,544         2,404         -36%           Contracted Expenses at UAlbany         261,719         253,739         3%           Credit card fees         8,054         12,688         -37%           Electronic Presence Support         867         976         -11%           EXP Conferences         62,350         92,754         -33%           Foreign Taxes         81         58         39%           Insurance         1,354         0         100%           Journal Expense         20,000         20,000         0%           Membership Directory Exp         2,074         1,958         6%           Membership Services         1,060         2,765         -62%           Miscellaneous Expense         1,805         253         612%           Officer Expenses         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284  | Gross Profit                            | 489,613      | 559,886                               | -13%     |
| Awards-Dana Meadows         1,200         1,200         0%           Bank Adjustments (Expense)         1,544         2,404         -36%           Contracted Expenses at UAlbany         261,719         253,739         3%           Credit card fees         8,054         12,688         -37%           Electronic Presence Support         867         976         -11%           EXP Conferences         62,350         92,754         -33%           Foreign Taxes         81         58         39%           Insurance         1,354         0         100%           Journal Expense         20,000         20,000         0%           Membership Directory Exp         2,074         1,958         6%           Membership Services         1,060         2,765         -62%           Miscellaneous Expense         1,805         253         612%           Officer Expenses         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,   | Expense                                 |              |                                       |          |
| Bank Adjustments (Expense)         1,544         2,404         -36%           Contracted Expenses at UAlbany         261,719         253,739         3%           Credit card fees         8,054         12,688         -37%           Electronic Presence Support         867         976         -11%           EXP Conferences         62,350         92,754         -33%           Foreign Taxes         81         58         39%           Insurance         1,354         0         100%           Journal Expense         20,000         20,000         0%           Membership Directory Exp         2,074         1,958         6%           Membership Services         1,060         2,765         -62%           Miscellaneous Expense         1,805         253         612%           Officer Expenses         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016  | Awards                                  | 6,900        | 0                                     | 100%     |
| Contracted Expenses at UAlbany         261,719         253,739         3%           Credit card fees         8,054         12,688         -37%           Electronic Presence Support         867         976         -11%           EXP Conferences         62,350         92,754         -33%           Foreign Taxes         81         58         39%           Insurance         1,354         0         100%           Journal Expense         20,000         20,000         0%           Membership Directory Exp         2,074         1,958         6%           Membership Services         1,060         2,765         -62%           Miscellaneous Expense         1,805         253         612%           Officer Expenses         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016         1,336         -24%           Total Expense         410,467 <t< th=""><th>Awards-Dana Meadows</th><th>1,200</th><th>1,200</th><th>0%</th></t<>  | Awards-Dana Meadows                     | 1,200        | 1,200                                 | 0%       |
| Credit card fees         8,054         12,688         -37%           Electronic Presence Support         867         976         -11%           EXP Conferences         62,350         92,754         -33%           Foreign Taxes         81         58         39%           Insurance         1,354         0         100%           Journal Expense         20,000         20,000         0%           Membership Directory Exp         2,074         1,958         6%           Membership Services         1,060         2,765         -62%           Miscellaneous Expense         1,805         253         612%           Officer Expenses         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016         1,336         -24%           Total Expense         410,467         448,475         -9%           Net Ordinary Income         79,147         111,412 </th <th></th> <th></th> <th>2,404</th> <th></th>  |   |              | 2,404                                 |          |
| Electronic Presence Support         867         976         -11%           EXP Conferences         62,350         92,754         -33%           Foreign Taxes         81         58         39%           Insurance         1,354         0         100%           Journal Expense         20,000         20,000         0%           Membership Directory Exp         2,074         1,958         6%           Membership Services         1,060         2,765         -62%           Miscellaneous Expense         1,805         253         612%           Officer Expenses         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016         1,336         -24%           Total Expense         410,467         448,475         -9%           Net Ordinary Income         79,147         111,412         -29%  |   | ·            |                                       |          |
| EXP Conferences         62,350         92,754         -33%           Foreign Taxes         81         58         39%           Insurance         1,354         0         100%           Journal Expense         20,000         20,000         0%           Membership Directory Exp         2,074         1,958         6%           Membership Services         1,060         2,765         -62%           Miscellaneous Expense         1,805         253         612%           Officer Expenses         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016         1,336         -24%           Total Expense         410,467         448,475         -9%           Net Ordinary Income         79,147         111,412         -29%   |   | ·            |                                       |          |
| Foreign Taxes         81         58         39%           Insurance         1,354         0         100%           Journal Expense         20,000         20,000         0%           Membership Directory Exp         2,074         1,958         6%           Membership Services         1,060         2,765         -62%           Miscellaneous Expense         1,805         253         612%           Officer Expenses         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016         1,336         -24%           Total Expense         410,467         448,475         -9%           Net Ordinary Income         79,147         111,412         -29%  | • |              |                                       |          |
| Insurance         1,354         0         100%           Journal Expense         20,000         20,000         0%           Membership Directory Exp         2,074         1,958         6%           Membership Services         1,060         2,765         -62%           Miscellaneous Expense         1,805         253         612%           Officer Expenses         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016         1,336         -24%           Total Expense         410,467         448,475         -9%           Net Ordinary Income         79,147         111,412         -29%  |   | ·            | •                                     |          |
| Journal Expense         20,000         20,000         0%           Membership Directory Exp         2,074         1,958         6%           Membership Services         1,060         2,765         -62%           Miscellaneous Expense         1,805         253         612%           Officer Expenses         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016         1,336         -24%           Total Expense         410,467         448,475         -9%           Net Ordinary Income         79,147         111,412         -29%   | <u> </u>                                |              |                                       |          |
| Membership Directory Exp         2,074         1,958         6%           Membership Services         1,060         2,765         -62%           Miscellaneous Expense         1,805         253         612%           Officer Expenses         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016         1,336         -24%           Total Expense         410,467         448,475         -9%           Net Ordinary Income         79,147         111,412         -29%  |   | ·            | _                                     |          |
| Membership Services         1,060         2,765         -62%           Miscellaneous Expense         1,805         253         612%           Officer Expenses         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016         1,336         -24%           Total Expense         410,467         448,475         -9%           Net Ordinary Income         79,147         111,412         -29%  |   | ·            |                                       |          |
| Miscellaneous Expense         1,805         253         612%           Officer Expenses         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016         1,336         -24%           Total Expense         410,467         448,475         -9%           Net Ordinary Income         79,147         111,412         -29%   |   | ·            | ,                                     |          |
| Officer Expenses         5,417         5,955         -9%           Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016         1,336         -24%           Total Expense         410,467         448,475         -9%           Net Ordinary Income         79,147         111,412         -29%  |   | ·            |                                       |          |
| Phone, Fax, E-mail Services         0         10         -100%           Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016         1,336         -24%           Total Expense         410,467         448,475         -9%           Net Ordinary Income         79,147         111,412         -29%   |   | •            |                                       |          |
| Printing & Duplicating         1,005         1,805         -44%           Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016         1,336         -24%           Total Expense         410,467         448,475         -9%           Net Ordinary Income         79,147         111,412         -29%  |   | - ,          | · · · · · · · · · · · · · · · · · · · |          |
| Professional Fees         32,338         40,284         -20%           Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016         1,336         -24%           Total Expense         410,467         448,475         -9%           Net Ordinary Income         79,147         111,412         -29%  |   | _            | _                                     |          |
| Shipping and Postage Expense         1,684         10,290         -84%           Supplies         1,016         1,336         -24%           Total Expense         410,467         448,475         -9%           Net Ordinary Income         79,147         111,412         -29%   | <b>.</b>                                |              |                                       |          |
| Supplies         1,016         1,336         -24%           Total Expense         410,467         448,475         -9%           Net Ordinary Income         79,147         111,412         -29%  | Shipping and Postage Expense            |              | •                                     |          |
| Net Ordinary Income 79,147 111,412 -29%  | Supplies                                | 1,016        | 1,336                                 | -24%     |
| ·  | Total Expense                           | 410,467      | 448,475                               | -9%      |
| Net Income 79,147 111,412 -29%   | Net Ordinary Income                     | 79,147       | 111,412                               | -29%     |
|  | Net Income                              | 79,147       | 111,412                               | -29%     |

## System Dynamics Society #3 Rev & Exp, Fiscal Yr, by Cost Centers (Pre CPA Year-End Adjustments)

January through December 2010

| Process  |            |                                |         |         | 2010    |        |        | MiscC  |      |       |         |        |             |           |       |          |         |
|--|------------|--------------------------------|---------|---------|---------|--------|--------|--------|------|-------|---------|--------|-------------|-----------|-------|----------|---------|
| No   |            |                                | y/e adj | 2011 DC | Korea   | 2014   | 2013   | 2012   | 2009 | onf   | Core    | Sales  | Publication | Investmts | DMC   | IFR Tnfr | TOTAL   |
| INC Conferences  | Ordinary I | ncome/Expense                  |         |         |         |        |        |        |      |       |         |        |             |           |       |          |         |
| Investment Income  | Income     | DM Investment Inc              | 0       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 0       | 0      | 0           | 0         | 2,490 | 0        | 2,490   |
| Membership Dues   0  |            | INC Conferences                | -7,150  | 9,150   | 169,742 | 0      | 0      | 0      | 313  | 1,506 | 0       | 0      | 0           | 0         | 0     | 0        | 173,561 |
| Membership Dues   0  |            | Investment Income              | 81      | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 16      | 0      | 0           | 99,879    | 2,988 | 0        | 102,964 |
| Products         0   |            | Journal Income                 | 0       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 0       | 0      | 56,292      | 0         | 0     | 0        | 56,292  |
| Publications Sales         0         0         0         0         0         0         0         10         0         10         0         10         0         10         0         10         0         10         10         0 </th <th></th> <th>Membership Dues</th> <th>0</th> <th>0</th> <th>0</th> <th>0</th> <th>0</th> <th>0</th> <th>0</th> <th>0</th> <th>58,741</th> <th>0</th> <th>0</th> <th>0</th> <th>0</th> <th>0</th> <th>58,741</th>   |            | Membership Dues                | 0       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 58,741  | 0      | 0           | 0         | 0     | 0        | 58,741  |
| Shipping and Handling Income   0   0   0   12   0   0   0   0   0   0   0   0   0  |            | Products                       | 0       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 0       | 67,970 | 0           | 0         | 0     | 0        | 67,970  |
| Total   To |            | Publications Sales             | 0       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 0       | 510    | 1,110       | 0         | 0     | 0        | 1,620   |
| Total Frome Total Form Total State Total S                     |            | Shipping and Handling Income   | 0       | 0       | 120     | 0      | 0      | 0      | 0    | 0     | 0       | 17,571 | 0           | 0         | 0     | 0        | 17,691  |
| Total COS         0  |            | Sponsor Dues and Donations     | -22,100 | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 40,600  | 0      | 0           | 0         | 0     | 0        | 18,500  |
| Cross Pr√F         -29,169         9,150         169,862         0         0         0         313         1,506         99,357         75,837         57,402         99,879         5,478         0         489,015           Expense Awards         Mawards         0 <th>Tota</th> <th>I Income</th> <th>-29,169</th> <th>9,150</th> <th>169,862</th> <th>0</th> <th>0</th> <th>0</th> <th>313</th> <th>1,506</th> <th>99,357</th> <th>86,051</th> <th>57,402</th> <th>99,879</th> <th>5,478</th> <th>0</th> <th>499,829</th>   | Tota       | I Income                       | -29,169 | 9,150   | 169,862 | 0      | 0      | 0      | 313  | 1,506 | 99,357  | 86,051 | 57,402      | 99,879    | 5,478 | 0        | 499,829 |
| Expense   Awards   | Tota       | I COGS                         | 0       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 0       | 10,214 | 0           | 0         | 0     | 0        | 10,214  |
| Awards-Dana Meadows         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         1,200         0         1,200         0         1,200         0         1,200         0         1,544           Contracted Expenses at UAlbany         -7,484         19,314         78,320         1,026         3,078         4,103         0         0         1,277         13,825         0         0         0         0         0         1,270         0         0         0         0         1,2960         19,427         13,825         0  | Gross Pro  | fit                            | -29,169 | 9,150   | 169,862 | 0      | 0      | 0      | 313  | 1,506 | 99,357  | 75,837 | 57,402      | 99,879    | 5,478 | 0        | 489,615 |
| Bank Adjustments (Expense)         -1         0         -181         0         0         1,00         1,650         0         0         75         0         0         1,544           Contracted Expenses at UAlbany         -7,484         19,314         78,320         1,026         3,078         4,103         0         0         19,427         13,825         0         0         507         261,720           Credit card fees         18         7         1,549         0         0         0         0         5,541         934         33         0         0         0         867           Electronic Presence Support         0         0         0         54         1,254         0 <th>Expense</th> <th>Awards</th> <th>0</th> <th>0</th> <th>0</th> <th>0</th> <th>0</th> <th>0</th> <th>0</th> <th>0</th> <th>6,900</th> <th>0</th> <th>0</th> <th>0</th> <th>0</th> <th>0</th> <th>6,900</th>   | Expense    | Awards                         | 0       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 6,900   | 0      | 0           | 0         | 0     | 0        | 6,900   |
| Contracted Expenses at UAlbany         -7,484         19,314         78,320         1,026         3,078         4,103         0         129,604         19,427         13,825         0         0         507         261,720           Credit card fees         18         7         1,549         0         0         0         0         5,541         934         3         0         0         0         8,652           Electronic Presence Support         0  |            | Awards-Dana Meadows            | 0       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 0       | 0      | 0           | 0         | 1,200 | 0        | 1,200   |
| Credit card fees         18         7         1,549         0         0         0         5,541         934         3         0         0         0         8,672           Electronic Presence Support         0         0         0         0         0         0         0         8,677         0         0         0         0         867           EXP Conferences         -2,582         3,131         60,493         0         54         1,254         0   |            | Bank Adjustments (Expense)     | -1      | 0       | -181    | 0      | 0      | 1      | 0    | 0     | 1,650   | 0      | 0           | 75        | 0     | 0        | 1,544   |
| Electronic Presence Support         0         0         0         0         0         0         0         867         0         0         0         0         867           EXP Conferences         -2,582         3,131         60,493         0         54         1,254         0 </th <th></th> <th>Contracted Expenses at UAIbany</th> <th>-7,484</th> <th>19,314</th> <th>78,320</th> <th>1,026</th> <th>3,078</th> <th>4,103</th> <th>0</th> <th>0</th> <th>129,604</th> <th>19,427</th> <th>13,825</th> <th>0</th> <th>0</th> <th>507</th> <th>261,720</th>  |            | Contracted Expenses at UAIbany | -7,484  | 19,314  | 78,320  | 1,026  | 3,078  | 4,103  | 0    | 0     | 129,604 | 19,427 | 13,825      | 0         | 0     | 507      | 261,720 |
| EXP Conferences         -2,582         3,131         60,493         0         54         1,254         0   |            | Credit card fees               | 18      | 7       | 1,549   | 0      | 0      | 0      | 0    | 0     | 5,541   | 934    | 3           | 0         | 0     | 0        | 8,052   |
| Foreign Taxes  |            | Electronic Presence Support    | 0       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 867     | 0      | 0           | 0         | 0     | 0        | 867     |
| Insurance  |            | EXP Conferences                | -2,582  | 3,131   | 60,493  | 0      | 54     | 1,254  | 0    | 0     | 0       | 0      | 0           | 0         | 0     | 0        | 62,350  |
| Journal Expense         0         0         0         0         0         0         0         0         20,000         0         0         0         20,000           Membership Directory Exp         0         0         0         0         0         0         0         0         0         2,074         0         0         0         2,074           Membership Services         0   |            | Foreign Taxes                  | 81      | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 0       | 0      | 0           | 0         | 0     | 0        | 81      |
| Membership Directory Exp         0         0         0         0         0         0         0         0         0         0         2,074         0         0         0         2,074           Membership Services         0 <t< th=""><th></th><th>Insurance</th><th>0</th><th>0</th><th>0</th><th>0</th><th>0</th><th>0</th><th>0</th><th>0</th><th>1,354</th><th>0</th><th>0</th><th>0</th><th>0</th><th>0</th><th>1,354</th></t<>  |            | Insurance                      | 0       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 1,354   | 0      | 0           | 0         | 0     | 0        | 1,354   |
| Membership Services         0         0         0         0         0         0         1,060         0         0         0         0         1,060           Miscellaneous Expense         0         0         0         0         0         0         0         1,060         <  |            | Journal Expense                | 0       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 0       | 0      | 20,000      | 0         | 0     | 0        | 20,000  |
| Miscellaneous Expense         0         0         0         0         0         0         0         1,805         0         0         0         0         1,805           Officer Expenses         11         0         0         0         0         0         0         3,185         0         2,222         0         0         0         5,418           Printing & Duplicating         5         0         0         0         0         0         0         845         155         0         0         0         1,005           Professional Fees         2,386         368         2,634         0         0         0         0         23,363         3,517         57         0         0         0         32,338           Shipping and Postage Expense         -41         0         0         0         0         0         0         1,353         372         0         0         0         1,684           Supplies         2         0         0         0         0         0         0         1,014         0         0         0         0         1,016           Total Expense         -7,605         22,820         142,815  |            | Membership Directory Exp       | 0       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 0       | 0      | 2,074       | 0         | 0     | 0        | 2,074   |
| Officer Expenses         11         0         0         0         0         0         3,185         0         2,222         0         0         0         5,418           Printing & Duplicating         5         0         0         0         0         0         0         845         155         0         0         0         0         1,005           Professional Fees         2,386         368         2,634         0         0         0         13         0         23,363         3,517         57         0         0         0         32,338           Shipping and Postage Expense         -41         0         0         0         0         0         0         1,353         372         0         0         0         1,684           Supplies         2         0         0         0         0         0         1,014         0         0         0         1,016           Total Expense         -7,605         22,820         142,815         1,026         3,132         5,358         13         0         178,541         24,405         38,181         75         1,200         507         410,468   |            | Membership Services            | 0       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 1,060   | 0      | 0           | 0         | 0     | 0        | 1,060   |
| Printing & Duplicating         5         0         0         0         0         0         845         155         0         0         0         1,005           Professional Fees         2,386         368         2,634         0         0         13         0         23,363         3,517         57         0         0         0         32,338           Shipping and Postage Expense         -41         0         0         0         0         0         1,353         372         0         0         0         1,684           Supplies         2         0         0         0         0         1,014         0         0         0         1,016           Total Expense         -7,605         22,820         142,815         1,026         3,132         5,358         13         0         178,541         24,405         38,181         75         1,200         507         410,468   |            | Miscellaneous Expense          | 0       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 1,805   | 0      | 0           | 0         | 0     | 0        | 1,805   |
| Professional Fees         2,386         368         2,634         0         0         13         0         23,363         3,517         57         0         0         0         32,338           Shipping and Postage Expense         -41         0         0         0         0         0         0         0         1,353         372         0         0         0         0         1,684           Supplies         2         0         0         0         0         0         0         1,014         0         0         0         0         1,016           Total Expense         -7,605         22,820         142,815         1,026         3,132         5,358         13         0         178,541         24,405         38,181         75         1,200         507         410,468  |            | Officer Expenses               | 11      | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 3,185   | 0      | 2,222       | 0         | 0     | 0        | 5,418   |
| Shipping and Postage Expense         -41         0         0         0         0         0         1,353         372         0         0         0         0         1,684           Supplies         2         0         0         0         0         0         1,014         0         0         0         0         0         1,016           Total Expense         -7,605         22,820         142,815         1,026         3,132         5,358         13         0         178,541         24,405         38,181         75         1,200         507         410,468  |            | Printing & Duplicating         | 5       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 845     | 155    | 0           | 0         | 0     | 0        | 1,005   |
| Supplies         2         0         0         0         0         0         0         1,014         0         0         0         0         0         1,016           Total Expense         -7,605         22,820         142,815         1,026         3,132         5,358         13         0         178,541         24,405         38,181         75         1,200         507         410,468   |            | Professional Fees              | 2,386   | 368     | 2,634   | 0      | 0      | 0      | 13   | 0     | 23,363  | 3,517  | 57          | 0         | 0     | 0        | 32,338  |
| Total Expense -7,605 22,820 142,815 1,026 3,132 5,358 13 0 178,541 24,405 38,181 75 1,200 507 410,468  |            |                                |         |         |         |        | 0      | 0      |      | 0     | 1,353   | 372    |             | 0         |       | 0        | 1,684   |
|  |            | Supplies                       | 2       | 0       | 0       | 0      | 0      | 0      | 0    | 0     | 1,014   | 0      | 0           | 0         | 0     | 0        | 1,016   |
| Net Ordinary Income  -21,564 -13,670 27,047 -1,026 -3,132 -5,358 300 1,506 -79,184 51,432 19,221 99,804 4,278 -507 79,147  | Tota       | I Expense                      | -7,605  | 22,820  | 142,815 | 1,026  | 3,132  | 5,358  | 13   | 0     | 178,541 | 24,405 | 38,181      | 75        | 1,200 | 507      | 410,468 |
|  | Net Ordina | ary Income                     | -21,564 | -13,670 | 27,047  | -1,026 | -3,132 | -5,358 | 300  | 1,506 | -79,184 | 51,432 | 19,221      | 99,804    | 4,278 | -507     | 79,147  |