

System Dynamics Society
VP Finance Narrative Report
January 2014 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, 2013 & 2012 Comparison, and (2) Balance Sheet, 2013 & 2012 Comparison. A full report with more detailed reports will be presented at the July Policy Council meeting.

How Did the Society Do Overall in 2013? In 2013, the System Dynamics Society had a successful financial performance--we posted a Net Income of \$166,888 and our Total Assets grew by \$166,689. 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 2013, 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:

- Working with members of the Administrative Committee, we continue work on how to more clearly portray distinctions between how the Society is performing in real terms versus how our assets are performing. As I mentioned last July, this involves paying more attention to formal designations of uses for our assets.
- I am working with the home office on policies and procedures to fairly share risks and possible net revenues for the annual conference under the new default site arrangements.
- We are seeking ways to encourage and grow activities in the Asia-Pacific region while at the same time managing an ever increasing workload at the home office. I am trying to avoid at this point having to hire new staff for this function.
- We continue to work with transitions in the long term staff working at the Home office. This has meant making a new part time hire and now transitioning knowledge and tasks from Robin Langer to Kara James.

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, 2013 & 2012 Comparison (Pre CPA Year-End Adjustments and Review)
2. Balance Sheet, 2013 & 2012 Comparison (Pre CPA Year-End Adjustments and Review)

02/10/14

Accrual Basis

System Dynamics Society
(1) Rev & Exp, Prev Year Comparison (Pre CPA Y/E Adj-Review)
 January through December 2013

	<u>Jan - Dec 13</u>	<u>Jan - Dec 12</u>
Ordinary Income/Expense		
Income		
INC Conferences	303,765	327,607
Journal Income	80,881	84,889
Membership Dues	64,487	59,968
Other Income	725	0
Products	49,828	47,170
Shipping and Handling Income	7,320	9,829
Sponsor Dues and Donations	33,150	40,106
Total Income	<u>540,155</u>	<u>569,569</u>
Cost of Goods Sold		
Cost of Goods	10,249	11,161
Total COGS	<u>10,249</u>	<u>11,161</u>
Gross Profit	529,906	558,408
Expense		
Awards-Dana Meadows	750	1,200
Awards-Others	0	4,998
Bank & CC Fees	12,528	13,080
Chapter Dev (\$20K Max)	6,405	0
Contracted Expenses at UAlbany	298,280	277,709
EXP Conferences	133,283	149,801
Insurance	4,645	5,595
Journal Expense	20,000	20,000
Membership Directory Exp	615	2,340
Miscellaneous Expense	683	1,996
Office Expense	4,416	3,354
Officer Expenses (=Travel CPA)	9,876	9,614
PHD Luncheon @ Conf	1,000	0
Product Dev.	0	0
Professional Fees	35,132	40,761
Total Expense	<u>527,611</u>	<u>530,448</u>
Net Ordinary Income	2,295	27,960
Other Income/Expense		
Other Income		
Investment Income	161,659	96,556
DM Investment Inc	2,933	3,673
Total Other Income	<u>164,593</u>	<u>100,229</u>
Net Other Income	<u>164,593</u>	<u>100,229</u>
Net Income	<u><u>166,888</u></u>	<u><u>128,189</u></u>

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(2) Balance Sheet, Prev Yr Comparison (PreCPA Y/E Adj-Rev.)

Accrual Basis

As of December 31, 2013

	Dec 31, 13	Dec 31, 12	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Bank of America Checking 2474	54,748	115,862	-61,114	-53%
Elec. Transfer BOA Check 5757	10,638	10,018	620	6%
Bank Paypal	1,131	2,151	-1,020	-47%
Companion Savings - BoA	75,631	5,485	70,145	1,279%
Travel Cash	111	111	0	0%
Charles Schwab-Windhaven	240,647	49,690	190,957	384%
UBS Financial (was PaineWebber)	25,409	23,938	1,471	6%
Vanguard Society (88008478957)	657,777	699,699	-41,922	-6%
Total Checking/Savings	1,066,091	906,955	159,136	18%
Accounts Receivable				
Accounts Receivable	0	334	-334	-100%
Total Accounts Receivable	0	334	-334	-100%
Other Current Assets				
Accounts Receivable - Wiley	59,750	62,319	-2,569	-4%
Inventory	26,220	19,844	6,376	32%
Prepaid Expenses	74,889	81,782	-6,893	-8%
Cash-Undeposited Funds	140	1,390	-1,250	-90%
Total Other Current Assets	160,999	165,334	-4,335	-3%
Total Current Assets	1,227,090	1,072,624	154,466	14%
Fixed Assets				
Accumulated Depreciation	-1,263	-1,263	0	0%
Equipment	1,263	1,263	0	0%
Total Fixed Assets	0	0	0	0%
Other Assets				
Vanguard DMA (88006930361)	104,465	92,242	12,223	13%
Total Other Assets	104,465	92,242	12,223	13%
TOTAL ASSETS	1,331,555	1,164,865	166,689	14%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	837	1,652	-815	-49%
Total Accounts Payable	837	1,652	-815	-49%
Other Current Liabilities				
Deferred Revenue	46,079	46,199	-120	-0%
Due to Conference Host	9,225	9,900	-675	-7%
Membership Sub Payable 2005+	12,825	12,466	359	3%
PPD Journal Editor	2,044	967	1,077	111%
Sales Tax Payable	66	91	-25	-27%
Total Other Current Liabilities	70,240	69,623	617	1%
Total Current Liabilities	71,077	71,275	-198	-0%
Total Liabilities	71,077	71,275	-198	-0%
Equity				
Net Assets - Temp Rest (DMA)	104,465	92,242	12,223	13%
Net Assets	989,126	873,160	115,966	13%
Net Income	166,888	128,189	38,699	30%
Total Equity	1,260,478	1,093,591	166,888	15%
TOTAL LIABILITIES & EQUITY	1,331,555	1,164,865	166,689	14%