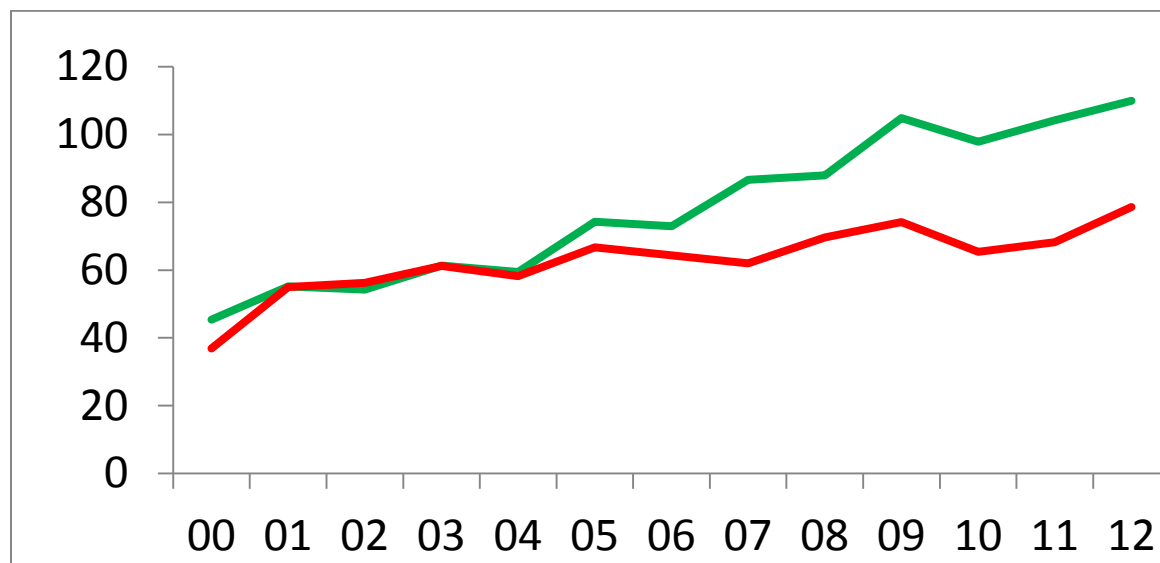


Waterbird Society - Treasurer's Report – 2013 (July)

Prepared by: Christine M. Custer

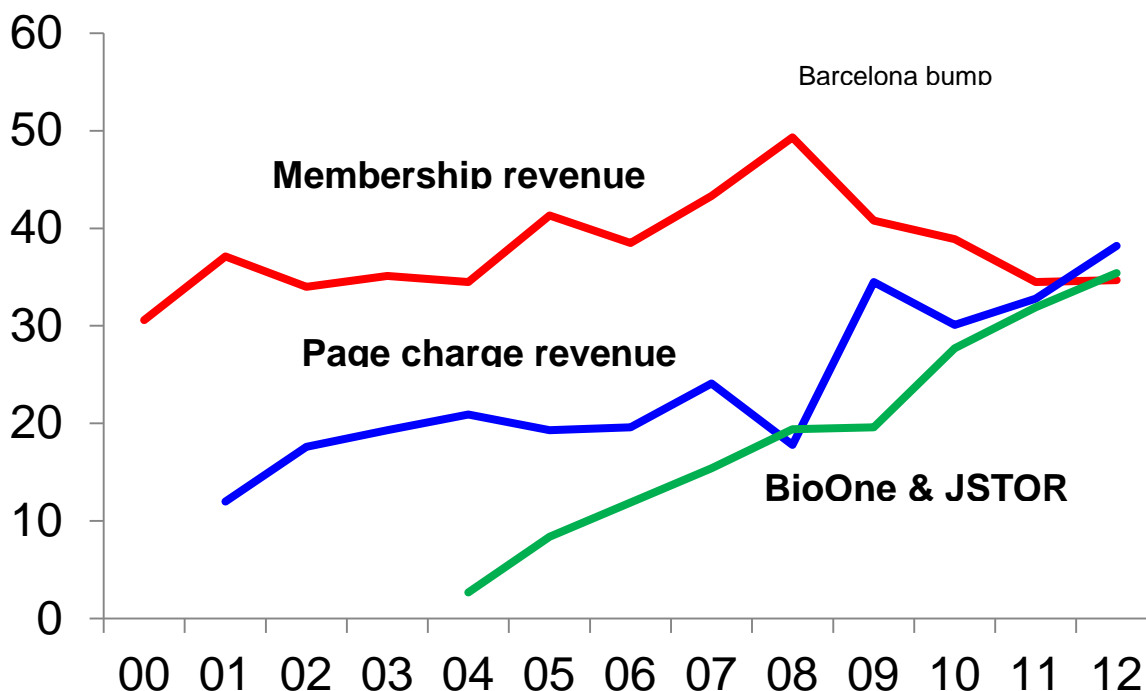
Overview –Based on revenue and expenses to date (July 2013) and a comparison to the same expenditures and revenue at this same time last year, we will finish the year similar to previous years, i.e. in excellent financial shape. Our expenses and revenues are continuing to increase at the same rate so we are maintaining a positive gap between the two (Fig. 1). All annual financial reports are available at www.waterbirds.org with the last 5 years available in the appendix of this report.

Figure 1. Summary of revenue expenses from 2000 to 2012. Y-axis is times \$1000



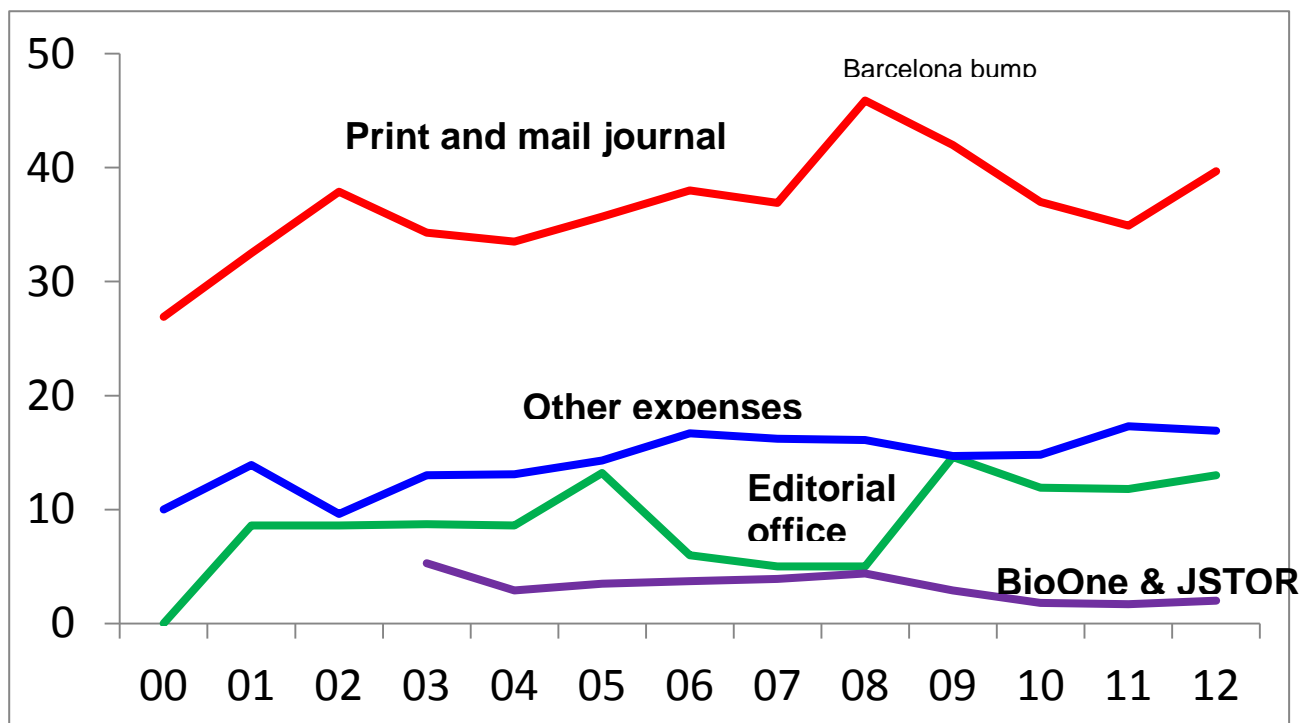
Revenue – Our three main sources of revenue are now approximately equal in importance (Fig. 2). Whereas membership dues and page charge revenues were traditionally the most important revenue sources in the early years of our society, our electronic revenue sources (BioOne and JSTOR) have now closed that gap, providing us a tripartite revenue stream. That is a healthy situation, i.e. to be more diversified in our revenue streams. Ignoring the ‘Barcelona bump’ our trajectory for membership revenue is basically flat and may be slightly declining. The revenue generated from membership dues is similar to what it was a decade ago. This is because we have not increased our dues for nearly 10 years and our membership remains roughly stable. Although subscription revenue has been declining slowly, it is more than offset by BioOne and JSTOR revenue which seems to be maintaining a steady upward trajectory. It is likely that many libraries are opting for electronic subscription packages, such as BioOne and JSTOR, rather than continuing to purchase paper copies of journals. Page charge revenues also continue to increase as authors understand the necessity of paying these charges.

Figure 2. Main revenue sources from 2000 to 2012. Y-axis is times \$1000



Expenses – Our largest expense is to print and mail our journal (Fig. 3). The ‘Barcelona bump’ occurred because more paper copies were printed and mailed to all of the new members acquired via that meeting compared to the year before or the year after. Our current policy is that new members, that we acquire via the meeting registration process, will be ‘electronic only’ members. That will smooth out the ‘Print and Mail’ expenditures line and keep that expenditure more predictable in the future. An important reason that our publication costs have remained essentially flat since about 2002 is because of our dues structure. More than $\frac{3}{4}$ ’s of students and approximately $\frac{1}{4}$ of regular members are electronic-only members. This equates to nearly 200 paper copies that are neither printed (~ cost \$5.00 each) nor mailed resulting in a substantial savings annually (\$4000 + postage costs). Our ‘other expenses’ for general operating costs, web page hosting, dues to ONSA for membership services, insurance, etc., have remained fairly stable over the past decade. The up’s and down’s in the costs associated with the editorial office are dependent on the level of institutional support provided by the Editor’s employer. Our BioOne and JSTOR costs have actually decreased because some of those costs to convert files to the appropriate electronic format are now being born by the respective companies.

Figure 3. Main expenses by category from 2000 to 2012. Y-axis is times \$1000



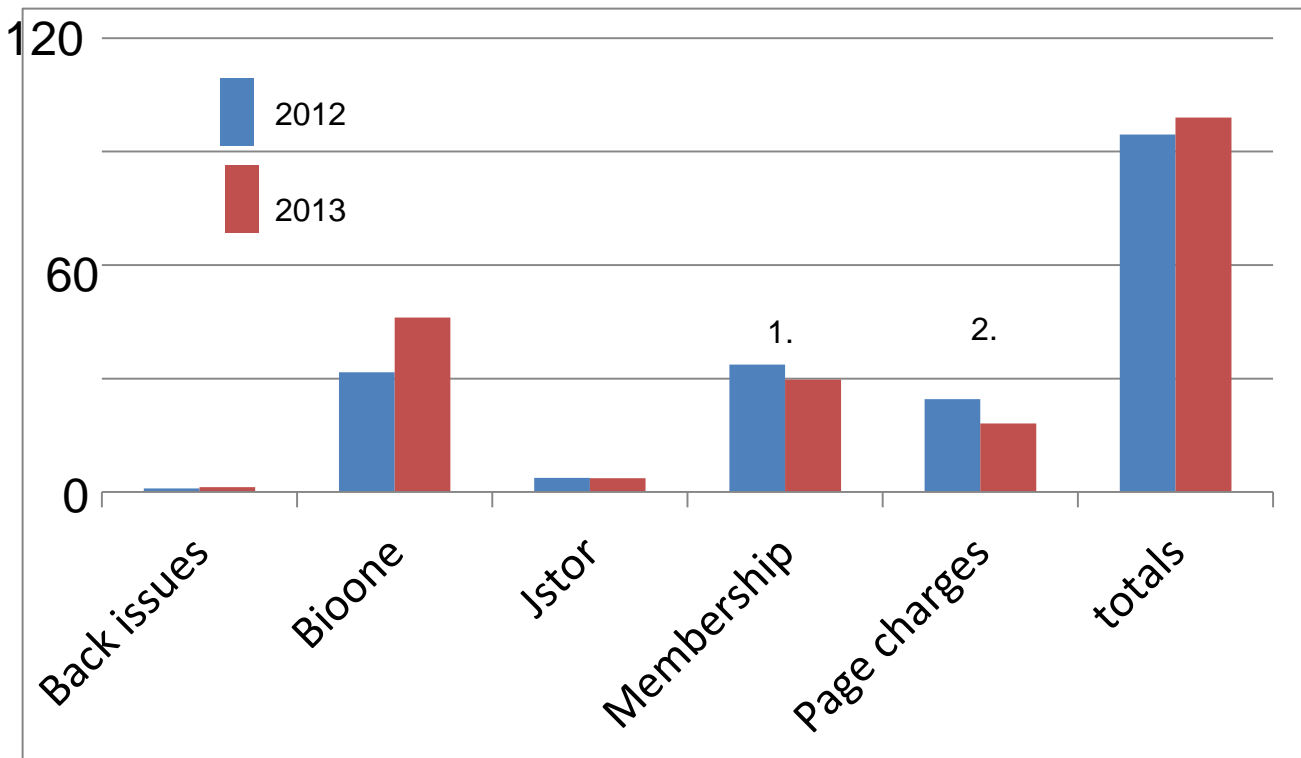
Specifics - The 2013 year-to-date report (Table 1) only covers ½ of the fiscal (=calendar) year. Most of the revenue has already been collected except for some page charges, whereas many of the expenses remain outstanding. Current revenues and expenses to date are illustrated for the major classes in Figs. 4 and 5 and compared expenditures/revenue compared to the same time period in 2012. As those two figures indicate, we are on track with last year for both revenues and expenditures, so I project that we will finish the year with the approximately the same level of surplus that we had last year.

On the revenue side, our initial BioOne payment was \$35,423 which compares to the initial payment of \$24,094 in 2012. We also received a supplemental payment \$10,740 compared to a supplemental payment of \$7563 in 2012. In contrast, JSTOR payments were approximately equal in 2012 and 2013 (\$3671). JSTOR provides revenue for articles published before 2000, so it is reasonable that those remain fairly constant from year to year. Our membership dues have mostly been received, however, I anticipate some additional revenue (<\$1000) for the remainder of the year. Endowment donations, list rental fees, life membership payments have mostly been transferred to the endowment with the remainder to be transferred later in the year. We have collected page charges for three issues, with collections for Vol 36(2) just beginning. There are always some payments received for earlier issues of *Waterbirds*, and those are listed accordingly in Table 1. The complete data for page charge collections for those years can be found in Appendix 1 under the appropriate year. Our revenues this year should

exceed last year because of good collections of page charge payments so far this year, and the increases from BioOne. The \$1549 collected from the silent auction in Annapolis, MD and the \$881 from the NAOC meeting, Vancouver, BC are being used this year for student travel awards. Some supplemental funds were appropriated by Council to bring the total being disbursed for student travel awards to \$3390.00.

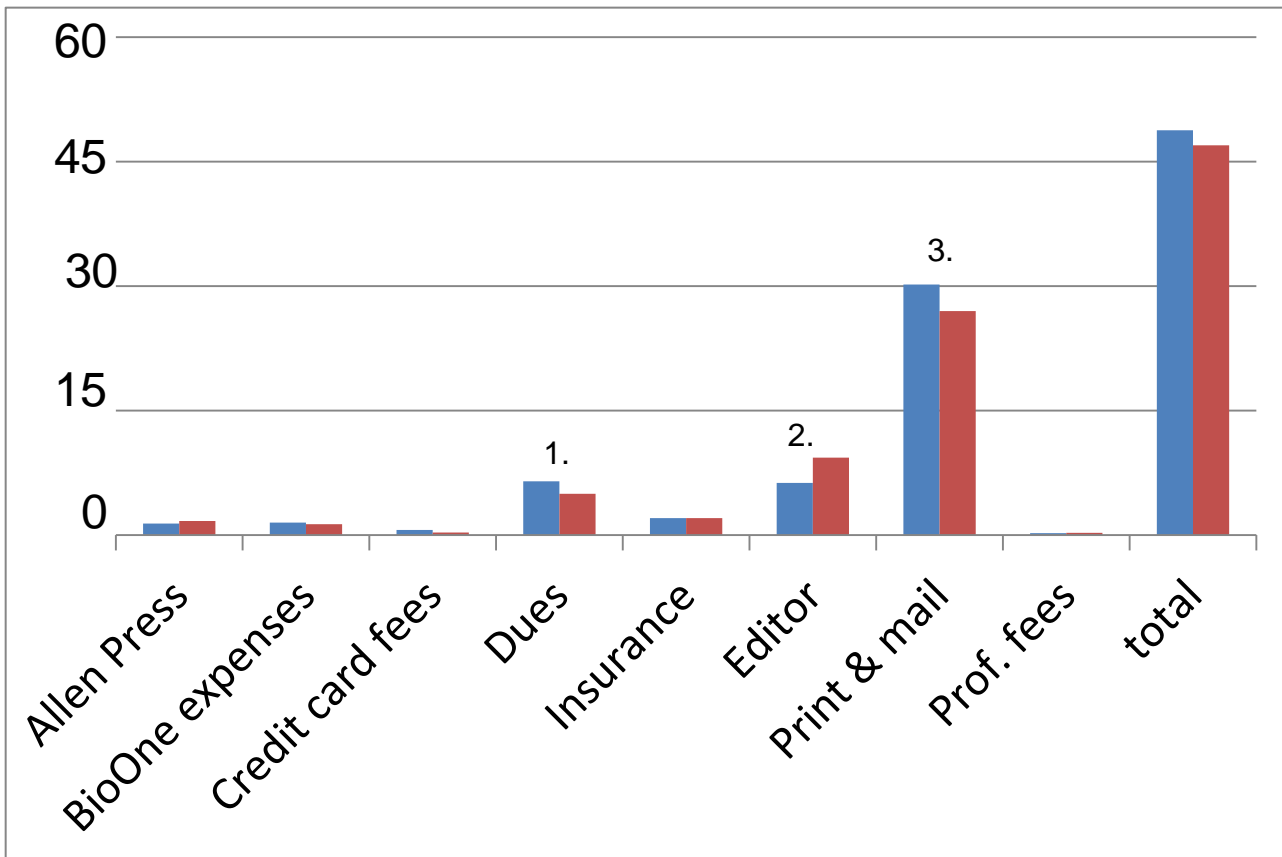
On the expense side, items such as Allen Press, BioOne expenses, and credit card fees will approximately double by the end of the year. Our dues to ornithological interests such as OSNA, OC, and ABC still have some outstanding payments due, primarily to OSNA (\$1429.75/quarter). Expenses for the editor and editorial assistance will not quite double to cover costs associated with Volumes 36(3) and 36(4) of *Waterbirds*. I anticipate ~\$75,000 in expenses until the end of the year, which leaves us with a sizable surplus anticipated again from the operating budget (\$25 - \$30K). The exact amount is dependent, at this point in the calendar year, on page charge collections for the remaining issues to be published later this year. Because page charge payments are voluntary, the amount is difficult to predict. It has ranged from a low of \$900 for an issue, up to \$15,000. A revised Profit & Loss Statement reflecting the accounts through early Sept. will be provided at the Council meeting in September.

Fig. 4. Comparison of 2012 and 2013 revenue for the first 7 months of each year. Y-axis is times \$1000



1. Should still receive some membership revenue
2. Still have one additional issue for which page charges will be collected.

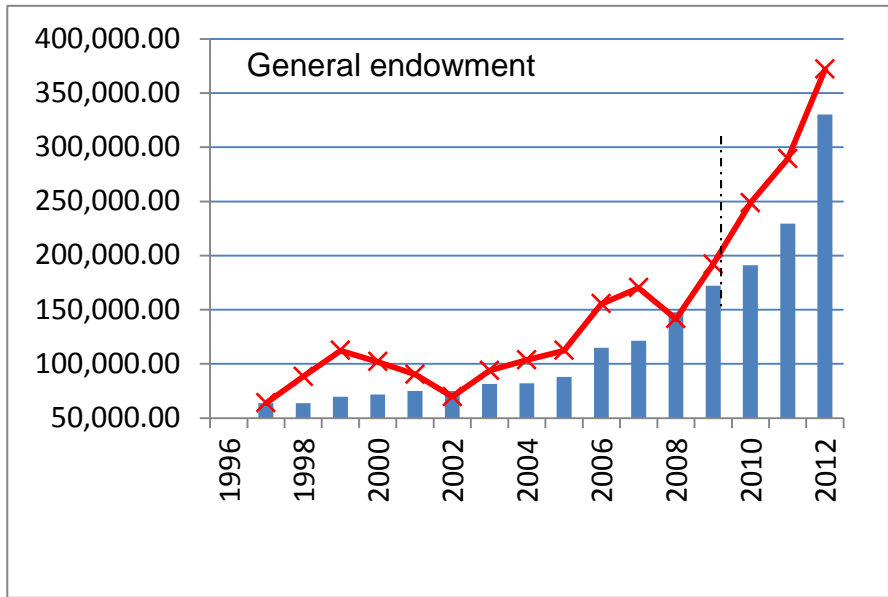
Fig. 5. Comparison of 2012 and 2013 expenses for the first 7 months of each year. Y-axis is times \$1000



1. Still have 2 OSNA payments, but other ornithological dues are paid for the year
2. Still have editor and editorial assistant costs for 1 more issue of *Waterbirds*
3. Still have to print and mail 1 issue of *Waterbirds*

The investment information on the balance sheet (page 2 of Table 1) are the Jan. 1, 2012 balances. For general information and historic perspective, the balances for both principal and end-of-year values are included in Fig. 6 for the three endowments. Approximately \$200,000 of excess operating dollars have been added to the general endowment since 2006. I. & S. Nisbet continue to make annual contributions to the Nisbet Research Fund. The Kushlan Fund has not received contributions since 2007. See the Finance and Investment Committee Report for more detail.

Figure 6. Investment summary since inception



■ Principal = WbS money added through time (meeting proceeds, life memberships, operating excess, etc.) or money donated by Nisbet and Kushlan to their respective funds.

× Current value based on number of shares owned and the value of those shares on that day.

--- Financial management moved to Parsec Financial

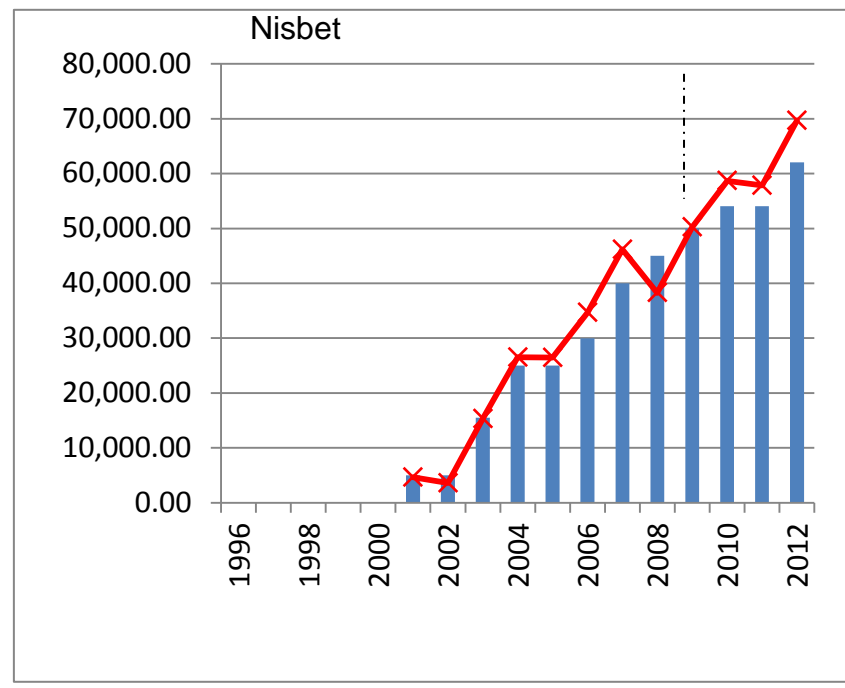
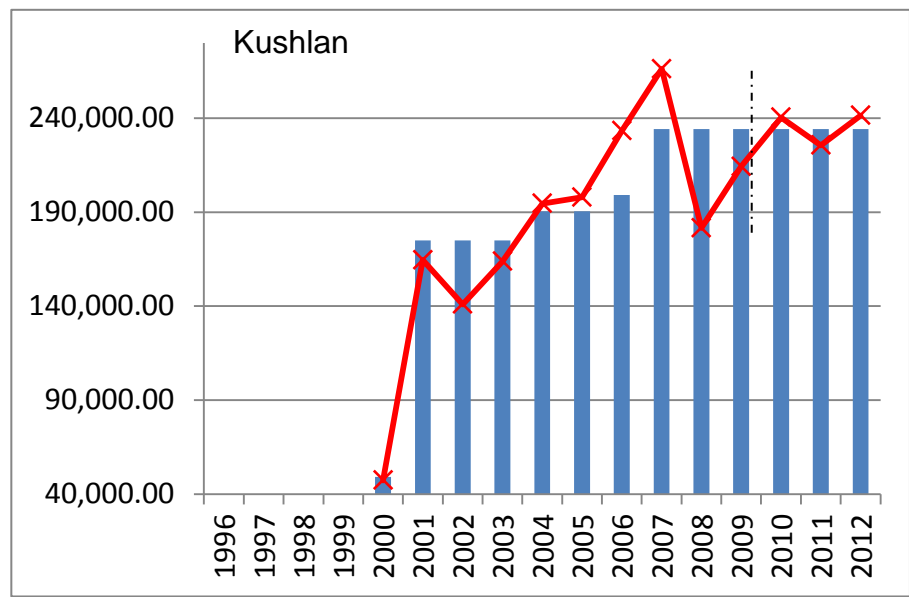


Table 1. Operating and balance sheet for 2013, year-to-date.

Waterbird Society
Profit & Loss
 January 1 through July 24, 2013

is

	Jan 1 - Jul 24, 13
Ordinary Income/Expense	
Income	
Auction/Raffle Proceeds	2,430.00
Back Issue Sales	1,274.33
BioOne	46,163.00
Interest Income	156.98
JSTOR	3,670.75
Membership Dues	
credit card fees	-1,126.82
donations	40.00
Endowment donations	0.00
Family Dues	145.00
Life Dues	0.00
List rental	0.00
OSNA miscel.	802.00
Regular Dues	22,605.00
Student Dues	2,440.00
Subscriptions	4,720.00
Total Membership Dues	29,625.18
Page Charges	
Vol35(3)	1,348.00
Vol35(4)	5,610.00
Vol36(1)	5,570.00
vol36(2)	5,640.00
Total Page Charges	18,168.00
Total Income	101,488.24
Expense	
Allen Press	1,700.69
BioOne-expenses	1,308.00
Credit Card fees	592.00
Dues	4,995.92
ELAN - credit card fees	325.99
Insurance	2,047.00
Journal Editor Expenses	9,325.00
Officer Expenses	
Treasurer	172.20
Total Officer Expenses	172.20
Printing & Postage	
Vol35(4)	10,468.14
Vol36(1)	8,139.77
Vol36(2)	8,388.17
Total Printing & Postage	26,996.08
Professional Fees	269.70
Total Expense	47,732.58
Net Ordinary Income	53,755.66
Net Income	53,755.66

Allen Press = back issue storage & claims
 Dues are for OSNA = \$1429.75/quarter, OC = \$2000/yr;
 OE = \$251/yr)
 ELAN = credit card fees mainly for page charges
 Treasurer = \$172.20 for postage stamps
 Professional fees = web page & domain name fees

Table 1 continued.

9:05 AM
07/26/13
Accrual Basis

Waterbird Society
Balance Sheet
As of July 26, 2013

	Jul 26, 13
ASSETS	
Current Assets	
Checking/Savings	
Cash in Checking	2,520.13
Money Market	85,456.65
Parsec	<u>Jan. 1, 2013</u>
Kushlan - cash	5,358.14
Kushlan Amer. Fund EuroPacific	9,482.95
Kushlan Artisan Small Cap	17,932.23
Kushlan Columbia Dividend	54,212.17
Kushlan Fidelity contra	52,742.09
Kushlan Metro. West Bond	33,434.48
Kushlan Oppenheim. Int. Bond	5,283.13
Kushlan Perkins Mid Cap	21,128.71
Kushlan PIMCO Low Duration	4,058.82
Kushlan PIMCO Total	7,452.68
Kushlan Thornburg Int. Value	9,679.08
Kushlan Vanguard Inflation	20,569.58
Nisbet - cash	2,910.11
Nisbet Amer. Fund EuroPacific	5,603.21
Nisbet Artisan Small Cap	5,668.47
Nisbet Columbia Dividend	24,259.82
Nisbet Matt. Pacific Tiger	3,201.92
Nisbet Perkins Mid Cap	6,968.44
Nisbet Pimco total	12,444.69
Nisbet Vanguard Inflation Proof	8,208.49
Society - cash	48,158.35
Society Amer. Fund EuroPacific	18,245.14
Society Artisan Midcap	6,028.99
Society Artisan Small Cap	21,425.17
Society Columbia Dividend	93,624.29
Society Fidelity Contra	62,419.65
Society Matt. Pacific Tiger	14,263.91
Society Metro. west Bond	34,391.28
Society Perkins Mid Cap	25,625.71
Society PIMCO Low Duration	12,696.88
Society PIMCO Total	17,593.76
Society Templeton Global	16,144.42
Society Thornburg Int. Value	13,712.35
Society Vanguard InflationProof	28,016.52
Total Parsec	<u>722,945.63</u>
Total Checking/Savings	<u>810,922.41</u>
Total Current Assets	<u>810,922.41</u>
TOTAL ASSETS	<u>810,922.41</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Holding Cormorant	-1,153.45
Holding WoodStork	11,606.22
Total Other Current Liabilities	<u>10,452.77</u>
Total Current Liabilities	<u>10,452.77</u>
Total Liabilities	10,452.77

Proposed 2014 budget

The 2013 budget is outlined on the first page in Appendix including a year-do-date comparison of spent vs. actual. The 2014 budget (Table 2 below) uses the 2013 budget numbers as the starting point with some additions for inflation and other known increases or expected decreases. The 2014 budget at this point in time always contains uncertainty because the actual revenue and expenses for 2013 are not yet known, and those form the basis for the 2014 budget. I've used the average rate of increase (20%) for BioOne / JSTOR revenue for an anticipated total of \$55K from those two sources. I'm always uncomfortable using the 20% increase with BioOne, but the data are what the data are and we can only hope that we continue to have increasing revenue from these two sources. I've reduced the revenue from membership dues which I think is reasonable, although we may add more new members via our upcoming meeting in Germany than we lose by attrition. I've used \$5000/issue for the page charge revenue which can be highly variable issue to issue. We should then collect ~\$113K. On the expense side the editor's expenses will remain at \$16.5K. Our biggest expense, of course, is to print and mail our journal. I've left that at 2013 levels as no postage increase is expected. Our cost for OSNA's, Ornithological Council, and Ornithology Exchange services should remain comparable to 2013. The proposed budget is projected to be nicely in the black.

Table 2. 2014 budget

Ordinary Income/Expense	Jan - Dec	
	'14	
Income		
Auction/Raffle Proceeds	unknown	
BioOne	55,000.00	+ 20% increase
JSTOR	3,700.00	
Interest	300.00	
Membership Dues	29,000.00	slight decrease
Page Charges	25,000.00	
Total Income	113,000.00	
Expense		
Allen Press	1,900.00	
Awards (student travel)	unknown	
BioOne-expenses	2,00.00	
Dues (OSNA, ABS, OC)	8,050.00	
Credit card fees	750.00	
Insurance (D&O and general liability)	2,047.00	
Journal Editor Expenses	16,500.00	
Mailing Ballots/Meeting Notices	100.00	Decrease, electronic now

Miscellaneous Expenses (wire fees, etc.)	100.00
Officer Expenses	1,000.00
Printing & Postage	35,000.00
Professional Fees (web page, accountant fees)	1,500.00
Total expenses	66,947.00
Net	46,053.00

New budget items

See Decision Tree examples in the appendix for special project funding items as well as those that may be included in Committee reports. One in particular I wanted to mention as part of this report is money to pay for programming services by our web page hosting company. We allocated \$2000 for this purpose in 2013, but the bid to add this programming to our existing web page was going to be an additional \$2000. It is apparent to me, by having part of our 2010 Council meeting held via conference call and electronically, and discussions with Chip W. as he organizes out-year meetings, that there are issues with finding individuals to take on the task of organizing and hosting our annual scientific meeting. If we are to be successful in this regard we may need to simplify the process for the local committee. One way to do that would be to have an individual (meeting coordinator) to help take care of all of the mundane, but necessary details associated with hosting a meeting. This individual would work closely with the local committee and assist by taking certain responsibilities off the local committee to make their job easier. As it stands now, each local committee either has to become familiar with how to perform all of the essential tasks associated with a meeting (creating a budget, printing name tags, accepting registrations and money, printing out and /mailing/emailing receipts, designing and printing the abstract book, etc. etc. etc.) or else pay a third-party \$20 - \$50 per registrant for these services. This drives up the cost for meeting participants, and in some cases these services may not be readily available. Additionally, the learning curve can be steep and a local committee may not be able to put that amount of extra time into what is already a large time commitment on their part. Meeting software could be purchased (not readily available based on my research), or Maine Hosting, our current web host provider, could be paid to program this feature into our existing web page. They already host many web pages that sell goods and services, so it is well within their capabilities. It would be the responsibility of the meeting coordinator and the Treasurer to research the options for meeting software and to make recommendations to Council for its purchase or programming.