

2014 ATBC Financial Report

Patricia D. Sampaio, Treasurer | July 2015

2014 SUMMARY

(Please refer to tables at the end of document for more details)

 **ATBC continues to receive steady income from Wiley, University of Chicago and JSTOR royalties.** In 2014, these totaled \$33,292. Royalties from Wiley Blackwell are going to stay around \$25,000 to \$28,000 per year. JSTOR income is likely to remain around \$4,000 and University of Chicago around \$100 -150 annually.

 **ATBC helped support the 2015 Asia Pacific (AP) Chapter Meeting by receiving registration fees through the Association's PayPal account and transferring them to the meeting chair.** ATBC received a total of \$19,800 in registration fees. The only expense the AP had in 2014 was a \$643 bank fee from registration processing by PayPal. The majority of the registration money and transfers to the AP Chapter chair, as well as ATBC's \$3,000 contribution to support travel awards for students to attend the meeting, took place in the 2nd quarter of 2015 (not reported here).

 **Total ATBC income for 2014 was \$72,615;** this includes the AP meeting registration fees paid in the period. The Association's main sources of income were Royalties (\$33,292) and Gains, Dividends and Interest (\$18,692). Other sources of income were the sales of ATBC 50 year's commemorative scarves at the Cairns meeting and \$300 donated by Lube Foundation to fund the Bacardi Award.

 **The Association's portfolio began the year at \$148,378 and finished at \$164,700 (return of 11.0%)** reflecting a good year for the US Stock Market. ATBC continues to work with Baird Private Wealth; see a more detailed investment report below.

 **There were no expenses associated with Evans or Sodhi funds, which currently have available \$59,478 and \$5,215, respectively.** I propose that the Evans funds be moved from savings to BAIRD to create an endowed fund, which will generate \$2,000 yearly to support Latin Americanists' travel to attend ATBC's annual meeting (*as per* the donor's intent for the funds).

 **ATBC's main expense category was those associated with its Annual Meetings.** The breakdown is as follows:

- \$27,665 to local annual meeting organizers (\$10,000 for Hawaii-2015 and \$17,665 for France-2016).
- \$9,407 in student travel support and awards (i.e., Gentry and Bacardi)

- \$12,921 in costs associated with the council meeting and strategic planning in Australia, non- student awards (e.g., Fellows), travel support for officers and councilors, and miscellaneous expenses (e.g., bank fees, printing, supplies).

 **ATBC has started to use a new email communication system – Constant Contact – to better connect with its members.** The subscription costs \$600/year, which together with the annual webpage charges (email, web hosting and domains) of \$500, totaled \$1,100.

 **ATBC's Administrative costs were a total of \$9400.** These included annual insurance policy, memberships, accounting services, bank, PayPal fees and service charges, and office supplies.

 The total income for 2014 was \$72,615, minus \$60,493 of total expense, **ATBC finished the year with a net income (balance) of \$12,121.**

 **AT the end of 2014, ATBC had \$331,456 in total assets:** \$166,780 in unrestricted funds (bank accounts); \$64,743 in restricted funds (Evans and Sodhi); and \$ 164,676 in the investment account.

REVISED BUDGET FOR 2015

(Please refer to tables at the end of document for more details)

 The Wiley, JSTOR and U. Chicago royalties should remain approximately the same amount as previous years and continue to be deposited into ATBC's account at the start of the 2nd quarter (April) of each year.

 The gains on investments are projected to be less than those from 2013 and 2014 due to a less favorable market (note the 1st quarter unrealized loss of \$1,000). Given that the last two years' gains have been excellent, this should not be a major concern for the ATBC's budget.

 We should continue to receive \$300 per year from Lube Bat Conservancy Foundation to fund ATBC's Bacardi Conservation Award at the Annual meetings.

 The Annual Meeting income projected for 2015 includes the \$25,000 gift received from Moore Foundation to support capacity building at the Hawaii meeting, the refund of \$8,500 of seed money from the Australia meeting organizers, and the refund of \$10,000 in seed money from the Hawaii meeting organizers. These totaled \$43,500.

-  The total Annual Meeting budgeted expenses are \$25,000 to be spent in capacity building and \$5,000 to cover the Association's Council meeting and training activities for officers and councilors at the 2015 Hawaii meeting.
-  There is \$15,000 budgeted for students' travel grants and awards, besides other travel costs related to the Annual meeting.
-  The amount budgeted for administration costs remains the same as in previous years.
-  ATBC has hired a team of student graphic designers, mentored by Prof. Gaby Hernandez from the University of Houston-Downtown, to redesign the Association & Biotropica visual identities (e.g., logos, business cards and letterhead, journal cover design, web page template). The total cost of the project, which includes a member survey and market research, is \$3,000. The first payment of \$1,500 was in the 1st quarter of 2015 and the balance is due upon delivery at the end of 2015 or start of 2016.
-  The AP Chapter received \$38,450 in registration fees in the first quarter of 2015. This amount, added to what was received in 2014 (\$19,800), was transferred to the AP meeting chair in three payments. The first two happened in the 1st quarter of 2015 and the third and last was in 2nd quarter of 2015 (not reported here).
-  **Note:** ATBC's sources of income only entered our account in April 2015 and are therefore not included in this report. This is the reason why the net income at the end of the 1st quarter was negative (-\$12,612).

INVESTMENT REPORT

(By Justin Rees, BAIRD and Patricia Sampaio)

 The Association's portfolio began the year at \$148,378 and finished at \$164,676 (return of 11.0%) reflecting a good year had by the US Stock Market. The 2013 and 2014 returns were considered relatively high and hence the Association should not count on similar high returns in future years. As of this writing, June 23, 2015, the Association's current portfolio balance is \$165,327.

 The Association's current investment strategy is to invest in large, mature companies with strong cash positions, low debt levels and consistent management teams. The companies in the portfolio all pay dividends and have a history of increasing dividends over time. They are diversified across multiple sectors, though they avoid energy and mining sectors to stay in line with the Association's mission.

 The Association's portfolio is managed under a fixed fee agreement of 1.5% per year. In 2014, the Association paid a total of \$2,312 in planning and management fees.

ALTERNATIVE INVESTMENT FUND FOR ATBC

 The current ATBC investment strategy is what specialists call "avoiding the negative" – they reflect a choice not to invest in the sectors known to be contrary to the Association's values (The list of companies currently in the portfolio is available upon request). The opposite strategy would be to "choose the positive", seeking out companies that meet specific criteria with regard to ATBC's values and mission. The second one seems to be what the Association want to migrate to in terms of its investments.

 BAIRD suggests that **The Calvert fund** would be a good option for the Association if it decides to choose an investment strategy more aligned with its mission and philosophy. Its approach is described as "comprises two distinct research frameworks: a rigorous review of financial performance, and a thorough assessment of environmental, asocial and governance performance". Please refer to the attached "Calvert Investment and Equity Portfolio" document for more information on the fund.

 There are trade-offs involved in changing the focus of the investments in this manner, the most important of which is the increase in volatility (risk). However, the performance of both strategies has been very good in the past several years. As in any investment, there is no guarantee this performance will continue.

 An alternative approach would be to allocate some (but not all) funds from the current portfolio to the Calvert fund. This would allow the Association to monitor the performance of the fund without fully committing all capital to the new manager.

ATBC's 2014 ACTUAL, 2015 REVISED AND 2016 PROJECTED BUDGETS

	2014 approv. Budget	2014 actual	Revised 2015 approv. budget	2015 up- to-date (Jan-Mar 15)	2016 proposed budget	Notes
INCOME						
Grants and Donations	\$300	\$831	\$300	\$0	\$300	Lubee Found. + sale of scarves in 2014
Publications (royalties)	\$32,000	\$33,292	\$33,000	\$0	\$32,500	Royalty payments from Wiley, JSTOR and U. Chicago. Only dep. in 2nd Q (Apr-June). As per July 2015, ATBC has received \$32,216.
Asia Pacific Chapt. Meeting	n/a	\$19,800	\$38,450	\$38,450	n/a	This will zero out in 2015 as all registration \$ will be transferred to AP chapter
Annual Meeting	\$20,000	\$0	\$43,500	\$0	\$27,500	2014: hasn't received any reimbursement from Annual Meeting seed \$ 2015: Potential reimbursement of Annual Meeting seed \$ from Australia (\$8,500) + Hawaii (\$10K) PLUS Gift from Moore foundation for ATBC cap. bldg. in Hawaii 2016: Reimbursement from France (\$17.5K) + potential fund raising (\$10K) for cap. bldg. component
Interest Income	\$50	\$50	\$50	\$11	\$50	savings account
Capital Gains & Dividends	\$2,000	\$6,228	\$2,000	\$966	\$4,000	Dividends, currently put back into investment
Unrealized Gains (losses)	\$3,000	\$12,413	\$5,000	-\$1,046	\$5,000	Gain/loss in stock values for shares in mutual funds
TOTAL INCOME	\$57,350	\$72,615	\$122,300	\$38,380	\$69,350	
EXPENSES						
Asia Pacific Chapt. Meeting	n/a	\$643	\$59,200	\$47,952	n/a	Last transfer of left over registration fee \$ to AP chapt. + \$3K from ATBC to support student travel to the meeting happened in 2nd Q. 2015 (therefore not shown here yet)
Annual Meeting	\$30,000	\$35,435	\$30,000	\$0	\$15,000	2014: Seed \$ for Hawaii (\$10K); France (\$17.5K) and council meeting and travel expenses in Australia 2015: cap.bldg. Activities (\$25K) in Hawaii + council training 2016: \$10K projected raised funds to be spent in cap. Bldg. activities + \$5K projected expenses with councilor and officers meeting and travel.
Program Services (student and non-student awards, travel grants, memberships and etc.)	\$16,000	\$14,320	\$15,000	\$200	\$20,000	Includes AP Chapter student travel support (\$3K)

	2014 approv. Budget	2014 actual	Revised 2015 approv. budget	2015 up- to-date (Jan-Mar 15)	2016 proposed budget	
EXPENSE (cont.)						
insurance		\$2,611	\$3,000	\$0	\$3,000	Continue with same Insurance policy as in 2013
Website management	\$500	\$1,099	\$1,000	\$88	\$500	GoDaddy \$500/year + Constant Contact \$600/year
Accounting	\$3,000	\$2,400	\$3,000	\$550	\$3,000	
Visual identity			\$3,000	\$1,500	\$1,500	New project started in 2015 to end in 2016
Supplies and Postage	\$2,000	\$1,356	\$1,000	\$0	\$1,000	All office supplies, permanent equip. and etc. Includes "depreciation" expense
Bank Service Charges	\$2,000	\$2,629	\$3,000	\$702	\$3,000	wire transfers, PayPal and bank fees
TOTAL EXPENSES	\$53,500	\$60,493	\$118,200	\$50,991	\$47,000	
Net Income	\$3,850	\$12,121	\$4,100	-\$12,611	\$22,350	
Net gain on investments	\$5,000	\$18,641	\$7,000	-\$81	\$9,000	
BREAKDOWN ROYALTIES						
Wiley	\$27,000	\$28,388	\$28,300	\$0	\$27,500	
JSTOR	\$4,500	\$4,754	\$4,550	\$0	\$4,850	
U. Chicago	\$150	\$151	\$150	\$0	\$150	
TOTAL	\$31,650	\$33,292	\$33,000	\$0	\$32,500	

ATBC 2014 SUMMARY OF ASSETS

ATBC Assets (as of Dec. 31,2014)	Amount
BANK OF AMERICA	
Checking 3096	\$7,619.34
Savings 3106	\$137,019.34
PayPal 5419	\$22,141.37*
Total unrestricted	\$166,780.05
FUNDS	
Evans Meggers Fund	\$59,478
Sodhi Research Fund	\$5,215
Total restricted	\$64,743
BAIRD INVESTMENT	
Securities	\$146,273.73
Advisor Cash	\$16,090.40
Management and planning fee	\$2,312.00
Total investment	\$164,676.13
TOTAL ASSETS	\$331,456.18

* Amount relative to 2015 AP Chapter Meeting registration fees, which was wired to meeting chair later in 2015.