



SFS Financial and Policy Report 2018

Craig W. Holden, Indiana University
SFS Secretary-Treasurer

Report is available online at sfs.org

SFS Balance Sheet

ASSETS

	12/31/2014	12/31/2015	12/31/2016	12/31/2017
Bank Funds				
Checking	\$197,479	\$317,083	\$184,123	\$175,692
Savings	\$601,278	\$601,792	\$602,122	\$0
Total Bank Funds	\$798,757	\$918,875	\$786,244	\$175,692
Investments (at Market Value)				
Short-Term Treasury Bond Index Fund	\$0	\$0	\$0	\$599,057
US S&P 500 Stock Index Fund	\$1,611,000	\$1,631,557	\$1,824,521	\$2,221,871
Developed Countries Stock Index Fund	\$1,306,755	\$1,344,728	\$1,468,928	\$2,008,790
Emerging Countries Stock Index Fund	\$1,278,805	\$1,142,382	\$1,428,542	\$2,079,341
Total Investments	\$4,196,560	\$4,118,667	\$4,721,992	\$6,909,059
TOTAL ASSETS	\$4,995,317	\$5,037,542	\$5,508,236	\$7,084,751
LIABILITIES (Banked Referee Fees)	\$325,160	\$389,110	\$454,160	\$524,100
SURPLUS	\$4,670,157	\$4,648,432	\$5,054,076	\$6,560,651
Arthur Warga Endowment (Part of Invest.)	\$29,365	\$28,676	\$30,577	\$35,666



SFS Income Statement

REVENUE	2014	2015	2016	2017
Journals				
Submission Revenue	\$291,290	\$304,050	\$376,770	\$381,567
Income from Oxford	\$419,915	\$437,778	\$442,204	\$426,279
Total Journals	\$711,205	\$741,828	\$818,974	\$807,846
Cavalcades				
Cavalcade Submission	\$28,550	\$37,150	\$42,800	\$61,758
Cavalcade Registration	\$27,535	\$29,035	\$38,255	\$47,771
Total Cavalcades	\$56,085	\$66,185	\$81,055	\$109,529
SFS Support	\$5,634	\$36,000	\$6,569	\$22,766
Investment Gains	\$114,748	(\$216,568)	\$355,107	\$1,334,223
TOTAL REVENUE	\$887,672	\$627,445	\$1,261,705	\$2,274,363

INCOME BY ACTIVITY	2014	2015	2016	2017
Journal Profit	\$1,232	\$175,059	\$162,999	\$63,700
Cavalcades Profit	\$7,625	\$17,115	\$41,737	\$40,943
SFS Support Profit	(\$21,757)	(\$17,740)	(\$41,581)	(\$22,176)
Investment Gains	\$114,748	(\$216,568)	\$355,107	\$1,334,223
NET INCOME	\$101,848	(\$42,133)	\$518,261	\$1,416,690

EXPENSES	2014	2015	2016	2017
Journals				
Paid Referee Fees	\$204,560	\$193,390	\$256,960	\$271,380
Change in Banked Referee Fees	\$83,700	\$63,950	\$65,050	\$69,940
Submission Refunds	\$16,780	\$15,860	\$16,233	\$19,120
Merchant Service and Bank Fees	\$8,735	\$9,959	\$12,830	\$11,435
Editorial Express	\$12,000	\$14,000	\$14,000	\$14,000
Journal Professional Fees	\$257,498	\$135,522	\$133,141	\$183,273
Payroll IRS/NC/VA Payments	\$29,520	\$48,983	\$53,756	\$51,718
Copy Editor fees	\$25,574	\$17,213	\$30,943	\$48,790
Journal Award Amounts	\$53,000	\$53,000	\$53,000	\$51,000
Journal Award Plaques and T-shirts	\$8,794	\$8,002	\$10,339	\$5,896
Council and Editors Dinner and Misc.	\$9,813	\$6,890	\$9,724	\$12,594
Journal-Specific Conferences	\$0	\$0	\$0	\$5,000
Total Journals	\$709,973	\$566,769	\$655,975	\$744,146
Cavalcades				
Cavalcade Submission Software	\$0	\$0	\$0	\$3,451
Cavalcade Professional Fees	\$0	\$0	\$0	\$19,971
Cavalcade Food and Transportation	\$21,384	\$33,497	\$21,348	\$22,729
Cavalcade Travel	\$1,397	\$1,561	\$2,600	\$5,078
Cavalcade Best Paper Awards	\$4,033	\$3,300	\$2,700	\$3,300
Cavalcade Misc. Expenses	\$21,646	\$10,712	\$12,670	\$14,056
Total Cavalcades	\$48,460	\$49,070	\$39,318	\$68,585
SFS Support				
Support of Other Conferences	\$15,000	\$25,993	\$37,191	\$36,060
Misc. Support Expenses	\$12,391	\$27,747	\$10,960	\$8,882
Total SFS Support	\$27,391	\$53,740	\$48,150	\$44,942
TOTAL EXPENSES	\$785,824	\$669,579	\$743,444	\$857,674
NET INCOME	\$101,848	(\$42,133)	\$518,261	\$1,416,690



Returns of Underlying SFS Investments

Investment	2014	2015	2016	2017	Expense Fee	10 Year Return
Capital Gain Returns						
US S&P 500 Stock Index Fund (FUSVX)	11.24%	-1.44%	9.11%	19.29%	5 Bpts	8.47%
Developed Countries Stock Index (FSIVX)	-8.48%	-3.47%	-1.70%	22.25%	8 Bpts	2.09%
Emerging Countries Stock Index (FPMAX)	-1.57%	-17.96%	9.59%	34.87%	14 Bpts	4.12%
Portfolio Average (1/3 weight in each)	0.40%	-7.62%	5.67%	25.47%	9 Bpts	4.89%
Dividend Yield						
ST Treasury Bond Index Fund (FSBAX)	1.13%	0.80%	0.88%	0.67%		

- The global stock market was excellent in 2017
- SFS Investment Policy is:
 - \$600K in a nearly riskfree asset (Treasury bond index account) and
 - Rest in three low-fee, index funds to approximate the global stock market



Policy Updates

- **Free student SFS memberships.** All doctoral students worldwide are offered a free three-year SFS membership. This provides three benefits:
 - Save \$60 on submissions to any SFS journal,
 - Save \$25 on NA or AP Cavalcade registration, and
 - Receive SFS email newsletter approximately monthly
- **SFS will charge a submission fee on the second (and any subsequent) refereed rounds at a journal of a dual submission process.** This will allow us to cover the cost of the referee!



Policy Updates

- **A new publishing contract with Oxford covering the period 2019-2021.** It includes two important changes:
 - A new joint process to decide on journal page budget growth each year
 - A new joint process to decide when to switch to online-only publication (i.e., when to end print subscriptions)



The Long-run Forecast

- Print is going away and will be completely gone in 2022

