

## **International Comanche Society**

### **2013 Financial Report**

Financially 2013 was a very good year for ICS with a profit of just \$9,354 and an increase in our net worth of \$2,827 to \$247,136. The profit was the result of 1) increased efficiencies (read this as reduced cost) in the 'front office' and printing, 2) dues increase, 3) our web master Dave Fitzgerald's tight wad operation, and 4) the generous contributions of some of our members. The financial gain was in spite of the continued slide in membership from 2261 at the beginning of January 2013 to 2173 in January 2014 -- a reduction of 88 precious members.

The specifics are shown in the attached tables. Some of the reasons for the differences between 2012 and 2013 Profit & Loss Statements are:

- Membership income is down due to reduced membership
- Advertising income is down principally in the member's classified due to the reduction of the number of ads. The price was recently halved for members in an attempt to gain more use by members.
- Inventory sales is up due to sales at Airventure and the addition of Hans Neubert new landing gear DVD.
- Interest income continued its decline as higher earning CDs are rolled into lower interest rates,
- Flyer Magazine decreased due mainly the 13 issues reflected in 2012 versus the 12 issues in 2013. Some cost saving measures were masked by the cost of the additional issue.
- Village Press Management Expense reductions are due to many incremental changes in our effort to reduce cost without sacrificing service to the membership.
- Cost of items sold increased due to the increase in sales.
- Oshkosh Airventure expenses were up as there was no cost sharing by CFF as in the past.
- Web site operation continued to be very frugal.
- Federal taxes were not paid as the necessary "non-relevant" (interest) income was properly segregated.

Some of the reasons for the differences between 2012 and 2013 Balance Sheet Statements are:

- Checking/Savings increased as income was more than outgo. New CDs were opened at a different institution (United Credit Union) in order to take advantage of higher interest rates. The 53 securities account is shown at a level amount (\$35K), but is actually an FDIC insured, Barclay's CD invested in 10 stocks, which like most of the stock market are doing well. As of December 31st the market value of this CD was just over \$37K and will mature in December 2016. Since this amount will fluctuate with the stock market and has no bearing on our other financial positions, a level amount is reflected.
- Accounts receivable is significantly down which is a good thing. It means people are paying the bill.

- Undeposited PayPal should be treated like cash as it reflects funds that haven't be transferred over to our Checking account. A lot of people renewed in December and I didn't transfer until January.
- Inventory assets are down and this is another good thing as we try to reduce the items on hand sitting in storage.
- Current Deferred Membership reflects the remaining services ICS owes the membership for the next twelve months. The reduction is a reflection of the fewer members.
- LT (long term) deferred membership reflects the remaining services ICS owes the members for the next thirteen to twenty-four months. As before the reduction is a reflection of the fewer members.
- Net income reflects the bottom line from the Profit & Loss which when added to the previous year's total equity (retained earnings) generates the new total equity.

Bottom line – this year was a good one for ICS. The next few years will be increasingly difficult as we are forced to make changes due to the reduced Comanche airframes with corresponding reduction in ICS membership, aging airframes, the Flyer cost per capita, and the transition to a more digitally oriented membership.

Respectfully submitted,

*Patrick Donovan*

Treasurer