

## 2013 Third Quarter Treasurer's Report

As of the May report given at the convention, ICS had lost \$1600 since January.

- **Membership Income** is not comparable to last year as the method of recording dues income has changed. Total membership is DOWN 128 from September of 2012 (2319 => 2191). Therefore dues income is less than last year by approximately \$9,200 at this point in time and has not grown from last year.
- **Donations** – CFF Donations are a pass through and not relevant. Donations to ICS were from Heritage Aero (\$500) for hanging an advertising sign at Airventure and Pro-Flight Aviation (\$750, host of the 2013 ICS convention in Renton, WA) who asked the contribution be put toward the 2014 convention.
- **Advertising Income** is down about \$3,000.
- **Inventory Sales** is up slightly thanks to the Neubert Gear DVD and a second edition of the Creech Manual.
- **Interest Income** continues to decline as older, higher interest rate CDs are rolled into lower rate CDs. Note that we are still running above \$1K of interest which translates to non-relevant income in the eyes of the IRS. This means that we will again need to vote to set aside interest earnings about \$1K for educational expenses or as a donation to CFF.
- **Special Projects Income** is down as the sale of Killough Manuals is slower this year. The Neubert Gear DVDs sold last year under this category were thought to be a onetime situation. We have now incorporated them into our normal 'goodies' inventory and realigned those sales to account 40305.
- **Flyer Magazine** costs are down. \$14k is due to the reduced number of issues from last year; we are correctly showing 9 issues versus 10 at this time last year. Printing costs have been reduced due to the lighter weight paper, but the effects are offset by the new **Technical Articles** category.
- **VP Management** costs are down substantially for a number of reasons:
  - **601101** and **60105** accounts reflect an adjustment of the cost accounting. The totals are in line with only a slight increase.
  - **Weekly Synchronization** was cut from once per week to twice per month (\$480 => \$220) a savings of \$900 so far this year.
  - **Bookkeeping** was reduced from \$300 to \$200 per month for a net savings of \$600 so far this year.
  - **Postage** is down by about \$900.
  - **Administrative storage** is down slightly as we have reduced the amount of materials where possible.
  - **VP Management Expense Other** reflects the printing of some materials for renewals and new member packets.
  - **Cost of Items Sold** is up due to the addition of the Neubert Gear DVD.

- **Bank charges** are down because the membership transactions are down and folks are buying less. The bank charge rate has not changed.
- **Oshkosh** expenses are artificially lower as some expenses were incorrectly listed elsewhere. This will be tracked down and corrected.
- **Tool Loan Program** is showing a negative as there was a refund to a purchase last year that came in this year.
- **Website Operations** is way under budget and under spent compared to last year.
- **Federal Income tax** is correctly shown as \$0 as we are now operating in a manner to avoid those taxes paid in 2012 for 2009 and 2010.

### Bottom Line

- The \$7K positive income is correct for now, but will be offset by large upcoming expenses later this year. I believe that year end will show a loss in the neighborhood of \$4,000.
- We have not paid the President's \$1K travel budget
- We have not made a departing gift to former President Zach Grant.
- We have not paid for the ICS space at 2014 Airventure. This will be done in October and run about \$3K
- We did not receive a donation from CFF to partially cover the Airventure expenses this year. \$2,500 had been budgeted as anticipated income.
- D&O insurance is due \$1600.

**Interest Rates** are expected to remain very low for the next 2-3 years.

**Security Investment** is CDs at Barclay's Bank with returns based on the stock market price of 10 stocks which means the value fluctuates. The stock market overall is doing very well right now. As of the end of August, our \$35K investment is worth about \$38K. The maturity date is 29 Dec 2016.

**2012 Tax Return** has been filed with the IRS. However, the return does not balance internally in the manner it should. I have rechecked it many times and had it checked by a tax firm without any success at locating the discrepancy. The IRS may come back to us for the next three years to request additional information. Regardless, I do not feel that ICS is at risk as far as owing taxes are concerned.

**An external review of the finances will be performed at the end of the year.**

Respectfully Submitted,

*Pat Donovan, Treasurer*