

2012 Second Quarter Treasurer's Report

Attached are two reports depicting the status of ICS finances through the end of the 2nd quarter of 2012. The first report details the Profit & Loss coupled with a comparison to the 2012 Budget as approved at the September 2011 annual meeting. The second report compares our position Balance Sheet between 2011 at the end of June and this year at the end of June. When reviewing both reports you need to consider 1) the accounts are not necessarily the same and 2) the budgetary amounts are sometimes distributed over the entire year and sometimes just in one month as appropriate. For example, dues income occurs monthly, tribe rebates only occur once. Thus while the 2012 budget grand total currently shows a negative number for June, the December figure is positive and in agreement with the approved budget.

So let's look at the Profit & Loss report. Account 40100 Membership Income is pretty close to being on track with the budget. Account 40200 Advertising Income is considerably under (\$5K) the anticipated and budgeted amount. Account 40400 Inventory (Goodie) Shipping was not specifically budgeted for and was probably included elsewhere. Account 40600 Interest Income is under projections and will continue to run considerably short due to the very low current interest rate; we had two CDs with high interest rates that matured and are now earning next to nothing. Account 41002 Killbough Manual sales are running higher than projected. Total income is therefore \$6.5K behind the budget projection.

Looking at expenses, account 60000 Flyer Magazine is higher than projected because because it reflects seven months of expenses versus the six months budgeted. Account 60100 VP Management is slightly under budget; you may note there are new sub-accounts not previously tracked that were added to better understand what we were spending our money on. For example account 601092 Phone Call Charges reflects the cost every time a member calls in to Village Press or Village Press returns a call. Account 60300 Cost of Items (Goodies) Sold is running higher than budgeted because I added expenses previously buried elsewhere (Storage and Shipping). Account 63400 Event Promotion budget was approved as zero and was probably included elsewhere. Account 63500 Special Expenses have been under budget as the Board held its meeting at a private home and incurred minimal cost. Account 66900 Reconciliation Discrepancies will go to zero after a bank deposit error is corrected with the July statement. Account 68000 Bad Debts is currently zero and under budget; however, there is one debt by Ada Aircraft Painting that is believed uncollectable and will be written off during the third quarter. Account 69600 Federal Income Tax reflects the 2009 and 2010 tax paid in arrears due to misinformation by the bookkeeper; I do not expect a repetition.

Bottom line, ICS is slightly over budget and currently running at a loss principally due to the Federal taxes, reduced advertising, and reduced interest income. While the full year

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approved budget shows a net profit of \$2500, I actually expect ICS will finish the year with a loss of about \$2500; so the total difference is about \$5,000 due to a continuation of the same reasons we are running short now.

Looking at the Balance Sheet, Account 101056 53 Securities is listed as \$35K. This is a CD with Barclays Bank and based upon the value of five stocks versus the usual fixed interest rate. As the stocks fluctuate in value, the current value of the CD fluctuates. The shown amount of \$35K was the purchase amount. When the CD matures, ICS will receive an amount commensurate with the stock value. The current value of the stocks is about \$1.3K less than shown.

The equity accounts reflect internal movement of our funds and not any significant change to our status.

Bottom line, ICS is in solid financial shape. However, we need to be careful, perhaps adjust the 2013 Budget as proposed, consider cost reduction possibilities, and consider a very modest increase in dues.

All questions are good questions; so do not feel embarrassed to request clarification. I can be reached at icstreasurer@centurylink.net.

Respectfully Submitted,

Pat Donovan, Treasurer