



EMD Treasurer's Mid-Year Report

David E. Tabet, Treasurer
November 9, 2011

July 1, 2011 - June 30, 2012

EMD FY12 Budget

	Income FY12 <u>Bowker Estimate</u>	Income FY12 <u>AAPG Estimate</u>	Income FY12 <u>Actual Qtr1*</u>	Annualized <u>Qtr1(x4)</u>
Dues	\$0	\$0	\$0	\$0
Coal Certification Dues	\$100	\$100	\$0	\$0
Publication Sales	\$3,500	\$1,500	\$934	\$3,736
2011 Houston ACE	\$15,000	\$12,678	\$0	\$0
Investment Interest	\$1,500	\$100	\$4	\$16
Dues grant from AAPG	<u>\$27,000</u>	<u>\$27,000</u>	<u>\$0</u>	<u>\$27,000</u>
TOTAL INCOME	\$47,100	\$41,378	\$938	\$30,752

	Expense FY12 <u>Bowker Estimate</u>	Expense FY12 <u>AAPG Estimate</u>	Expense FY12 <u>Actual Qtr1*</u>	Annualized <u>Qtr1(x4)</u>
Employee Salaries	\$17,151	\$10,041	\$12,496	\$49,986
Employee Benefits	\$13,275	\$4,194	\$2,842	\$11,370
General Office Exp	\$3,000	\$500	\$308	\$1,234
Mailing and postage	\$400		\$9	\$38
Web/Internet expense	\$10,000			
Professional fees	\$2,500	\$1,875		
Outside mailing cost	\$300			
phone/teleconference	\$2,000			
postage/shipping	\$750	\$0		
staff travel	\$8,000	\$500	\$139	\$557
professional travel	\$27,000	\$6,250	\$1,867	\$7,468
display (booth cost)	\$1,650			
awards/grants (ACE)	\$300			
miscellaneous	\$3,100	\$1,000	\$183	\$732
depreciation	<u>\$300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL EXPENSES	\$89,726	\$24,360	\$17,846	\$71,384
NET (Income-Expense)	-\$42,626	\$17,018	-\$16,908	-\$40,632

* first quarter FY12 expenses are unadited preliminary numbers from AAPG

Discussion of Reported Results

Account balance – AAPG has not finished its audit of FY2011 (July 1, 2010 – June 30, 2011) accounts, thus EMD does not have a current balance of its accounts. Last reported EMD account balance, as of June 30, 2010, was reported by past EMD Treasurer Kent Bowker as \$300,963 for FY2010; this was down about \$9,308 from the FY2009 balance. Based on budget projections and recent performance it is likely that EMD had another deficit year in FY2011 so our account balance is likely below \$300,000. For FY2012, past Treasurer Bowker estimated a budget deficit of more than \$40,000; for the same year limited data from AAPG has projected an annual budget surplus of slightly more than \$17,000. Unaudited first quarter FY2012 results of income and expenses for EMD provided by AAPG accountant Bryan Haws show a deficit of almost \$17,000, which when projected for the full year (assuming a dues grant from AAPG of \$27,000) would result in a FY2012 deficit for EMD of about \$40,000, or comparable to the Bowker estimate.

Income – With the cessation of dues collection over a year ago, EMD now relies on AAPG Headquarters for a large source of its income, a grant in lieu of dues, which has been \$27,000 for the past two years. Revenues from the AAPG ACE are often the second largest source of EMD revenue, but are quite variable, ranging from \$34,957 for the 2008 AAPG Denver ACE, to \$65 from the 2009 New Orleans ACE. Treasurer Bowker estimated EMD revenues from the 2011 ACE in Houston at \$15,000, while a September 29, 2011 email from Norma Newby indicates the EMD partner payout from the Houston ACE should be \$12,677.52, but this amount is not reflected as yet as income reported to me by AAPG accounting. It is vital for EMD income to remain very active in organizing revenue generating activities at future Annual AAPG meetings. Publication sales can also be a significant source of EMD revenue, but also vary from year to year and are estimated for FY2012 to be \$3500; multiplying first quarter sales by 4 indicates EMD revenue from publication sales for the full year could be \$3736.

Expenses – EMD's largest budgeted expense (Bowker estimate) is for travel, with \$27,000 for professional travel and \$8,000 for staff travel. Recent communications from AAPG President Weimer indicate that AAPG Executive Committee will be scrutinizing travel expenses more closely in the future in an attempt to rein in overall AAPG expenses. If EMD's first quarter FY2012 travel expenditures are projected for the full fiscal year, total EMD annual travel expense could be as low as about \$8,000. Prudent control of travel costs could be a big savings for EMD and AAPG. EMD's second largest budgeted expense (Bowker estimate) is for AAPG staff support, with \$17,151 for salaries and \$13,275 for benefits (total \$30,426). First quarter FY2012 EMD staff expenses reported by AAPG totaled \$15,338 (\$12,496 salary and \$2842 benefits), or about half of Bowker's annual estimate. Hopefully these costs are front loaded on our budget by AAPG and will not continue at the same rate or EMD has grossly under budgeted AAPG staff support expenses. I will seek clarification from AAPG Headquarters about what future staff expenses EMD can expect from AAPG for the remainder of FY2012. Past Treasurer Bowker estimated a significant EMD annual expense for Web/Internet charges of \$10,000; EMD should look for ways to lower this expense, which could use up 20% of our annual income. EMD should look to ways to keep other expenses to a minimum to keep overall annual expenses more closely in line with annual income so that we don't deplete our account balance over the space of several years with large deficits.