

Engineering Retirees Society, Office of Finance

Financial Committee report for Feb 28th, 2011 Board Meeting Stuart M Buchan

Basis:

The basis of financial data for the February committee meeting came from these sources.

Summary

This report is the result of the finance committee meeting February 16th at SPEEA.

Dave Watt, Dwight Russo, Ed Stanley and Stuart Buchan attended.

The 2010 budget and actual income/expenses and the 2011 budget were reviewed and compared.

2010 Budget and Actual Income and Expenses

The budget income was based on 700 members, the resulting income for the year was for 644 members, no additional members and interest on savings was reduced to \$244. Total actual income was \$9,904

The expenses were budgeted at \$11,800 and actual were much lower at \$9,882, thus preserving a balanced account.

2011 Budget review

The budget income of \$12,024 was based on 752 members, using 672 paid in 2010 and assuming 80 previously unpaid members fulfill their obligations, and we gain 20 new members. Interest was assumed to be higher at \$444. This is a reasonably optimistic forecast, given the 2010 actual results.

The expenses were also increased commensurate with the income side to remain balanced. We need to lower expectations and carefully monitor the expense side going into the first quarter, after the majority of members dues are in. We should have a good basis for the major expense items by then. We should lower the value of the NRLN dues basis to last years actual, at 644 for this year.

The ERS savings account assets held in the bank should be reduced and shifted more to CD's to raise some income, to better meet the target interest set. Need to establish the minimum savings to pay expenses after the first quarter, then decide how much to reallocate to CD's.

Conclusions

ERS financial situation remains stable at this time, and based on the achievements in 2010, we can expect 2011 to be very similar, with lower income and expenses, yet balanced, than budgeted.

Yours faithfully, Stuart Buchan, dated 2/28/2011