

FINANCE COMMITTEE REPORT TO  
THE AEG BOARD OF DIRECTORS FOR THE SEPTEMBER 2018 MEETING

August 22, 2018

Per the AEG Charter of the Finance Committee (FC):

“The FC is charged with evaluation of and advising to the Board of Directors (BoD) on budgets and financial statements for areas of improvement in fiscal management and program performance to include:

- Informing the BoD Members of their findings from the review, and
  - Advising BoD members as to suggested changes to the budget.”
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**GENERAL**

This reporting is being submitted for the BoD Meeting to be held in conjunction with the 2018 AEG Annual Meeting. This report is being submitted with the FC Fiscal Summary for the 3Q 2018 AEG Financials.

**TOPIC** – Proposed 2019 Budget

The proposed 2019 budget has been set to the Finance Committee (FC) for review. The AEG FC held a meeting on August 22, 2018 with the AEG EC and contractor answered all the questions the FC had about the proposed 2019 Budget.

**RECOMMENDATION**

The FC finds that that the proposed 2019 budget appears to be a well-drafted proposal. The FC does not have any recommended changes to the 2019 budget.

**TOPIC** – 3<sup>rd</sup> Quarter Financials

The Association has provided the actual financial records through the end of June of 2018.

**RECOMMENDATION**

The FC does not have any changes for the remainder of the fiscal year based on the 3<sup>rd</sup> Quarter financial results. The FC recommends that both the EC and BoD continue to look at the monthly financial reports, on at least a bi-monthly basis, for anomalies and trends.

**TOPIC** – Treasurer’s Reserve.

The Treasurer’s Reserve (TR) has passed its goal of having one year of Association operating reserves, indicated at \$300,000.

**RECOMMENDATION**

The recommendation is to maintain the TR at one-year’s reserve with at least a yearly review to determine if the amount needs to be adjusted to maintain the reserves at one year Association operating expenses. If an increase is needed, then surplus funds can be added to the TR, in the same manner as previously accomplished. An annual increase of 3-5% in the TR is suggested to account of inflation and other potential cost increases. If a decrease is warranted, then the excess

funds could be withdrawn and used for the advancement of the Association based on the determination of the EC.

**TOPIC** – 2018 Joint AEG/IAEG Meeting.

This year's (2018) annual meeting is scheduled to be much larger meeting both financially in terms of number of participants than normally hosted by the AEG. While the Association can gain financially from this meeting, the potential for ensuring financial losses from the meeting cannot be discounted at this time. Discussion with the Contractor and AEG EC on 22-August-2018 suggests that the Annual Meeting committee and EC have been diligent in trying to minimize losses for this meeting.

**RECOMMENDATION**

The FC recommends that the BoD evaluate the impact of any losses or surpluses after the 2018 annual meeting concludes.

**CONCLUDING RECOMMENDATION**

The FC recommends that the Association's accounts be maintained conservatively. Maintaining sufficient reserves to deal with any shortfall from the AM must be maintained.