

## **Financial Report 2011 Budget 2012**

Report to FME membership  
12 February 2012  
Formal Methods Europe

Prepared by Marcel Verhoef (Treasurer)

### **Introduction**

This document provides:

- A look at the past: the budget 2011 (this budget was corrected and approved at the 52<sup>nd</sup> FME meeting, AGM 2011, held at 18 February 2011 at CNAM, Paris. Minutes are available on [www.fmeurope.org](http://www.fmeurope.org))
- A look at the present: the financial performance of the association in the fiscal year 2011 and a comparison to the approved budget 2011
- A look at the future: the proposed budget 2012

The association is financially healthy. We have sufficient means to cover the potential financial risks involved in organizing our future symposia, while supporting the formal methods community at large by sponsoring additional events and running the association itself.

The treasurer proposes to consolidate the financial position of FME in the year 2012, meaning that apart from the usual sponsoring of other formal methods related events (to a capped budgetary limit of 5000 Euro), no other significant investments are initiated in this fiscal year. This position will be reconsidered again in 2013, depending on the financial outcome of the FM2011 (final report due) and FM2012 symposia.

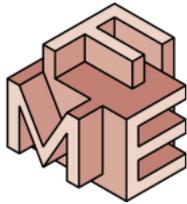
This document is offered for review to the independent financial examiners: Alessandro Fantechi and Marie Claude Gaudel (FME members) on 15 January 2012. Their letters of approval have been received on 10 and 5 February 2012 respectively; they are included as appendices to this report.

This document will be submitted to the FME membership, together with the comments received from the independent financial examiners (see appendices, pages 6 and 7), at the FME 2012 Annual General Meeting to be held on Thursday 16 February 2012 at BCS, London, UK. The treasurer of FME requests approval of this report by the membership of FME and asks for discharge of his duties for the financial year 2011.

Den Haag,

12 February 2012

dr. ir. M.H.G. Verhoef  
Treasurer

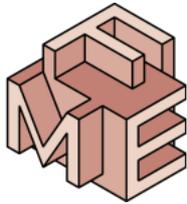


**Approved Budget Fiscal Year 2011**

Figure 1 shows the budget for FME as it was approved by the membership at the Annual General Meeting, which was held at CNAM, Paris, France on 18 February 2011 (see minutes of the 52<sup>nd</sup> meeting, available on-line at <http://www.fmeurope.org>).

<b>FME BUDGET FISCAL YEAR 2011</b>					
no	description	profit & loss		balance sheet	
		debit	credit	debit	credit
01	Assets regular account (31-12-11)			708.27	
02	Assets savings account (31-12-11)			58000.00	
03	Total assets end 2010				64908.27
	<i>Administrative items</i>				
04	Interest received on deposito account		2400.00		
05	Interest received on regular account		0.00		
06	Banking cost	100.00			
	<i>Operational items</i>				
07	Surplus FM'11 (Limerick)		5000.00		
08	Operational cost FME	250.00			
09	Travel cost FME board	5000.00			
10	Sponsoring ICSE 2011 student competition	2500.00			
11	Sponsoring grants 2011	4000.00			
	- SAFECOMP 2011 (Flammini)	1000.00			
12	Joint BCS-FACS / FME seminar	750.00			
	Subtotals	13600.00	7400.00	58708.27	64908.27
13	Net loss		<b>6200.00</b>	6200.00	
	Totals	13600.00	13600.00	64908.27	64908.27

Figure 1: corrected and approved FME budget 2011



## Financial Report Fiscal Year 2011

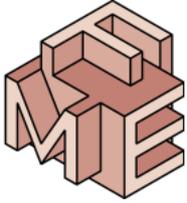
An overview of the profit & loss and the balance sheet for the fiscal year 2011 is presented in Figure 2.

FME PROFIT & LOSS AND BALANCE SHEET FISCAL YEAR 2011					
no	description	profit & loss		balance sheet	
		debit	credit	debit	credit
01	Assets regular account (31-12-2011)			176.39	
02	Assets deposito account (31-12-2011)			51500.00	
03	(reservation) Joint BCS-FACS / FME seminar 2010				500.00
04	Total assets end 2010				64408.27
	<i>Administrative items</i>				
05	Interest received on deposito account		1155.62		
06	Banking cost	75.95			
	<i>Operational items</i>				
07	Operational cost FME	141.74			
08	Travel cost FME board	4696.49			
09	Sponsoring VECOS 2010	1200.00			
10	Sponsoring ICSE SCORE 2011	2500.00			
11	Sponsoring SAFECOMP 2011	1000.00			
12	Sponsoring AVOCS 2011	911.30			
13	Sponsoring ICTAC 2011	1000.00			
14	Sponsoring ACSD 2011	1547.69			
15	Sponsoring PSI 2011	814.33			
16	Sponsoring ICFEM 2011	500.00			
17	Subtotals	14387.50	1155.62	51676.39	64908.27
18	Net loss		<b>13231.88</b>	13231.88	
19	Totals	14387.50	14387.50	64908.27	64908.27

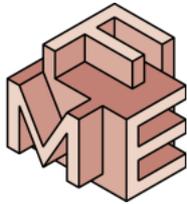
Figure 2: financial report fiscal year 2011

With respect to this report, the following observations can be made:

- Financial result is far worse than expected; the main reasons for this are:
  - Financial closure of FM2011 has not happened in 2011, so the expected surplus is moved to the 2012 budget
  - We anticipated receiving the 2010 and 2011 interest on the savings account this year, but only the 2010 interest was received; it seems the bank has changed their interest payment policy from quarterly to yearly, in the first month of the next fiscal year.
  - The board had already approved the VECOS 2010 sponsoring early in 2010, but payment materialized in 2011. It was not shown in the 2011 financial report; this mistake was detected at the AGM 2011 by professor Barkaoui and corrected in the minutes.
  - The ACSD conference was relocated from Japan to UK due to the problems with the nuclear power plant after the earth quake and tsunami. An urgent request to support the conference was granted by the board of FME, which overruled the agreed budget.
- FME provided four PhD student bursaries of 300 Euro each to support the VECOS 2010 event.
- FME sponsored the ICSE SCORE student competition (Honolulu, USA) by providing a travel grant and a prize for the team that has applied formal methods in the most convincing way during the competition.



4. FME sponsored an invited talk by Gerald Holzmann at SAFECOMP 2011 (Napoli, Italy).
5. FME sponsored an invited talk by Tom Maibaum at AVOCS 2011 (Newcastle, UK).
6. FME sponsored an invited talk by Jayadev Misra at ICTAC 2011 (Johannesburg, South Africa).
7. FME sponsored an invited talk by Ugo Montanari at PSI 2011 (Novosibirsk, Russia).
8. FME sponsored an invited talk by Jifeng He at ICFEM 2011 (Durham, UK).
9. FME provided financial support to assist in the relocation of the Petri Nets / ACSD conferences from Kanazawa, Japan to Newcastle, UK, because of the problems with the nuclear power plant after the earth quake and tsunami. We sponsored the invited talk by Tomohiro Yoneda.



## Proposed Budget Fiscal Year 2012

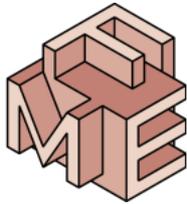
The total gross available assets of the association on 01/01/2012 are 51676.39 Euro. This value is the starting point for the budget 2012, as shown below in Figure 3.

FME BUDGET FISCAL YEAR 2012					
no	description	profit & loss		balance sheet	
		debit	credit	debit	credit
01	Assets regular account (31-12-12)			276.39	
02	Assets savings account (31-12-12)			51000.00	
03	Total assets end 2011				51676.39
	<i>Administrative items</i>				
04	Interest received on deposito account		1200.00		
05	Banking cost	100.00			
	<i>Operational items</i>				
06	Surplus FM'11 (Limerick)		5000.00		
07	Surplus FM'12 (Paris)		5000.00		
08	Travel cost FME board	5000.00			
09	Sponsoring grants 2012	2000.00			
	- IFM/ABZ 2012 (Fantechi)	750.00			
	- ICTAC 2012 (Souza / Roychoudhury)	1000.00			
	- QAPL 2012 (Massink / Wiklicky)	500.00			
	- formSERA (Plat et al)	750.00			
10	Joint BCS-FACS / FME seminar (2)	1500.00			
	Subtotals	11600.00	11200.00	51276.39	51676.39
11	Net loss		400.00	400.00	
	Totals	11600.00	11600.00	51676.39	51676.39

Figure 3: proposed budget FME 2011

A few remarks about this budget:

- The FM2011 symposium was held in June 2011, the financial closure will be realized in 2012.
- The FM2012 symposium will be held in August 2012, we expect that the financial closure can be realized in 2012.
- The joint BCS-FACS / FME seminar for 2011 was moved to 2012, therefore we budget two events in this fiscal year.
- Travel cost of the FME board will be high, since there are two physical meetings this year (the AGM in London, UK, and a business meeting at FM 2012 in Paris, France).
- We propose to keep the sponsoring budget for 2012 at the same level as the last five years.



END OF REPORT

Appendices (to be added):

1. Independent financial examiners' report by prof. dr. Alessandro Fantechi, Universita' degli Studi di Firenze (Italy)
2. Independent financial examiners' report by prof. dr. Marie Claude Gaudel, Université de Paris-Sud, Orsay (France)



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Firenze, 10 February 2012

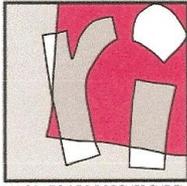
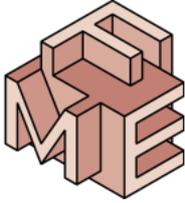
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Dear members of the FME Board,

this is to let you know that I have inspected the FME financial records and have found them perfectly in order. I therefore have no further questions or comments.

Best regards,

Prof. Alessandro Fantechi



LABORATOIRE DE RECHERCHE EN  
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to FME membership

February 5, 2012

**Review of the financial records of Formal Methods Europe, year 2011.**

This examination is based on the following documents:

- The statements of the two bank accounts
- The financial report prepared by the treasurer
- The FME profit & loss and balance sheet for fiscal year 2011
- An Excel file where all the financial operations are reported and classified according to the line where they appear in the sheet above.

I have checked that the net loss reported corresponds to the difference between the amounts of the bank account at the beginning and at the end of the year.

I have checked that all the transactions reported on the bank statements are present in the FME profit & loss and balance sheet for fiscal year 2011. The excel file was extremely useful for that. Therefore, I am convinced that the Financial Report 2011 accurately reflects the financial activity of our association during year 2011.

Without any doubt, the reported transactions fit with the aims of the association, since they support scientific events devoted to the improvement and dissemination of formal methods.

I thank the treasurer for the clarity of the documents that were provided.

Moreover, I noticed that the bank accounts are very well managed, keeping a maximum of money on the saving account.

I have a personal comment on the financial position of the association: the reserves amount to a bit more of 50 000 Euros. I understand that this year was not good because of the delays in getting the surplus of FM'11 (5000) and the interests of the bank accounts. Thus, the true loss is about 8000 Euros. At this pace, we can function six years. It is not dramatic, but it is something to be kept in mind.

Concerning the proposed budget for 2012, I think that it is optimistic to include the surplus of FM'12. The symposium will take place at the very end of August 2012, and it is very likely that the surplus will arrive at the beginning of 2013.

Finally I thank the treasurer for his excellent work.

Marie-Claude Gaudel