



As I write this I am gazing out at our cold snowy streets and thinking about the Christmas shopping I must tackle in the next week or so. Times are tough out there and I have to think there are a lot of people in this city that will struggle to get through the festive season without some financial concessions. As a rule, business has suffered this past year and so have incomes. The CSEG is no exception.

This is the time of year that our budget is formulated and put forth for executive approval. That was done today and the 2010 budget has been accepted and approved as presented. I worked on the 2009 Budget with the 2008 Finance Director (Larry Herd) and it was a tough go then. The world markets had just collapsed, the price of oil and gas were both depressed and we had the daunting task of anticipating where we would all be a year later. Larry is a smart guy and rightfully pushed our budget towards a significant downturn in income through 2009. While this might sound straight forward, how much revenue to cut, what effect this would have on expenses and which committees this would affect was not so easy to predict. In the end, it looks like our bottom line will be about break even which is \$50,000 above budget.

So, now in the second year of the director cycle, I have Kelly Jamison as assistant Director. What a bright and capable guy he is! This society has so many smart, responsible and hard working volunteers it is no wonder the CSEG is a model of technical society success. The behind the scenes activities of the CSEG are astounding and we should all be thankful to those that dedicate countless hours of their valuable time to steer this wonderful organization.

So, that said, back to finance. I want to touch briefly on the significant financial aspects of the society. The CSEG provides important scientific, educational and social value to its members in a not for profit spirit. This does not mean that every event is run at break even as with any business, administrative overhead also has to be covered. Some of our committees are run at a slight loss so that they are within reach of the broadest spectrum of our membership (luncheons for instance). Other events produce positive cash flow (the convention) and are vital to our financial well being.

*Looking into 2010, the most significant changes we see affecting our finances are as follows:*

**Convention:** Singly the largest revenue source of the CSEG. The 2010 convention will see eight societies participating vs. the three we have become accustomed to. This is a perfect example of where the CSEG strives to provide value at the expense of profit. While this convention will open our eyes to several disciplines we don't often see, it also means the revenues will be shared by many. The expected impact of this shared revenue will see our share drop to about 55% of what we received in 2009. The 2009 revenue was already down from 2008 and significantly down from 2007.

**Continuing Education:** In 2009 we held the Microseismic workshop and this was the most significant revenue generator of this committee. Without this, 2010 is looking at a drop in revenue to 30% of the previous year. After expenses we are looking to make about \$4400 down from a profit of nearly 22,000 last year. In addition to wonderful sponsorship, including the SEG's financial involvement the organizing committee and many volunteers were instrumental in promoting the success of this Endeavour.

**Luncheons:** While we are looking to see a slight drop in numbers this year, we implemented a modest increase in ticket prices in September. We are anticipating this will help improve our loss of \$22,000 in 2009 to a loss of \$15,000 in 2010.

**Outreach:** While Outreach has been moved under the umbrella of the Foundation, there is very little revenue generated here in relation to expenses. The CSEG continues to cover the shortfall after expenses which we anticipate to be slightly lower at \$57,000.

**RECORDER:** The recorder works very hard to adjust to diminished advertising while still maintaining the "meat and potatoes" of this stellar publication. We are projecting a slightly increased loss in 2010 to the tune of \$25,000 from just under \$20,000 in 2009.

**Member Services, Distinguished Instructor, Administrative and Committee** expenses are looking to remain pretty much unchanged.

Many cuts were made last year and the CSEG is running pretty lean already. The budget approved by the board of directors today is anticipating a significant loss to the tune of \$130,000. Is that bad? Perhaps, but then losing money is never favourable. Do we have the resources to weather this kind of loss? Definitely. But if this trend continues over the long term more significant cuts will have to be made and the result may be painful. This society has wisely anticipated and prepared for rainy days (or blizzards for that matter) and I can assure you its robust and healthy balance sheet will endure. The Past Presidents Advisory Council recently demonstrated strong support for the utilization of these funds to ensure the level of services the CSEG has worked so hard to provide to its membership are not compromised even if it means we have to do this for a few years. For the sake of all of us let's hope we see a turnaround sooner than that.

My message in closing is simple. The Canadian Geophysical Industry is very tough. We have endured many storms and they have only served to make us stronger. Attitude is huge and by keeping our spirits high, our noses down and practicing sound business policies we can get through this again. I know many people that have found themselves temporarily out of work and many others that are working but not making any money.

Look out for your neighbour. Lend a helping hand and reach out to those that need it. Together we are all stronger than individually. While there are opportunities to take advantage of others, in the long term it will come back and bite you. We need what few people we have left in this business.

I want to thank Jon and Francios for working so tirelessly in guiding the CSEG through this tough time and it is encouraging to see John Townsley's strengths step up to the plate for next year. Finance is in the very capable hands of Kelly Jameson as I step down this spring and I want to thank him for his support and enthusiasm over this past year. To the rest of the directorship, it has been a real pleasure getting to know you all a little better. I have great respect for the hard work you all put forth and know the CSEG has done as well as it has thanks to your efforts. Jim and Sheryl, both have their hearts in their jobs. They are a great resource and really do care about our society's well being. **R**

*Best regards and Happy New Year to you all,*

*Brock Hassell  
Director of Finance*