

Treasurer's Report - March 2005 AESS Board of Governors Meeting
22 February 2005

Because of the early March date for the first 2005 BoG meeting and the late distribution by TAB Finance Dept. of financial results from 2004, many of the data and recommended actions that usually comprise the bulk of the Treasurer's Spring report are not available for this report. I expect that I will electronically distribute a supplemental report later in March or April to cover this missing information.

2004 FINANCIAL RESULTS

No year end financial summaries, not even the early pre-audit results, are available. My best estimate for 2004 surplus is over \$200k

B- AESS FINANCIAL HISTORY

The five year history, through 1993, of the Society's revenues, expenses, surpluses, and reserves prior to 2004 follows. In this data, we have stated the AESS revenues and expenses without the gross revenue and expenses of our sponsored conferences, but showing booked conference surplus as AESS revenue. IEEE financial reports include the total conference revenues and expenses, but I believe that the basis used here gives a clearer picture of funds that are under direct AESS control. Another peculiarity in the expense line of the five year figures results from the IEEE accounting practice since 2001 of showing the AESS share of IEEE investment income as negative expense. This practice increased expenses in 2001 and 2002, when investment returns were poor, and much reduced expenses in 2003.

Year 2003

Revenues	\$ 950K
Expenses	\$ 337K
Surplus	\$ 613K
Reserve	\$1414K

Year 2002

Revenues	\$ 864K
Expenses	\$ 905K
Surplus	(\$ 41K)
Reserve	\$ 801K

Year 2001

Revenues	\$ 847K
Expenses	\$ 988K
Surplus	(\$ 142K)
Reserve	\$ 840K

Year 2000

Revenues	\$710K
Expenses	\$601K
Surplus	\$109K
Reserve	\$983K

Year 1999

Revenues	\$979K
Expenses	\$578K
Surplus	\$401K
Reserve	\$872K

2005 BUDGET

The final AESS budget for 2005 shows a net surplus of \$169K with a zero entry for investment returns. At this early time, the largest uncertainty in the budget is the amount of distribution that AESS will receive from the Aerospace Conference. I do not see further significant problems in accounts controlled by AESS.

As we have seen in recent years, TAB infrastructure expenses and APP/Book Broker income can have serious impact on our final result. These accounts have total annual values that are about \$800K in revenue and \$400K in expenses.

In November 2004, TAB reduced the estimated infrastructure costs and urged each society to use the resultant infrastructure in ways that would benefit the members. We recommended a late Fall revision to the AESS 2005 budget to add \$25K of additional committee expense.. In a preliminary assignment of these revised expense budgets, about \$5K per committee was added to the budgets of the Chapter, Distinguished Lecturer, and Education Committees. These revised expense budgets are shown in the 2005 Budget column of the Officer's Budget Table that is separately posted. Final approval of these budget increases will be made by the Executive Committee and the Board.

2006 BUDGET.

The budget cycle for 2006 will not start until April. In addition to the usual decisions on dues, fees and publication page counts that can be handled by e-mail, the BoG should consider by April whether there any initiatives planned for 2006 with cost impact greater than \$5K above the 2005 budget.

Charles H. Gager,
Treasurer

Officer's Expense Budgets

Responsibility Account		2004 Budget	2004 Actuals Year-End	2005 Budget
President	Pres Office	\$17.6K	\$9.8K	\$18.0K
	Public Relations	\$4.7K**	\$1.9K	\$4.5K
Ex-VP	History	\$5.0K	\$0.2K	\$5.0K
Secretary	BoG Mtgs	\$2.7K	\$8.0K	\$3.3K
VP Technical	Tech Comm	\$1.7K		0 \$1.0K
	Dist Lecturer	\$4.8K	\$2.6K	\$8.5K
VP Member A	Membership	\$2.6K	\$0.1K	\$2.7K
	Awards	\$10.6K	\$8.0K	\$11.0K
VP Chapters	Chapter Comm	\$6.2K	\$3.1K	\$11.5K
VP Education	Ed Comm	\$4.0K**	\$0.5K	\$9.3K
VP Administration	Web Site	\$1.5K**	\$1.1K	\$1.6K