

Treasurer's Report  
AESS October 2003 Board of Governors Meeting

26 September 2003

1 - 2002 FINANCIAL RESULTS

In the final 2002 results, the AESS net loss was reduced to \$41K. This compares to a \$53K net loss given as preliminary results in my May report. The improvement resulted from a reduction in the IEEE/TAB infrastructure charges. The AESS Net Worth on 1 January 2003 was \$801K.

2 - 2003 FINANCIAL STATUS

The AESS budget for 2003 has a net surplus of \$234K with a zero entry for investment returns. I currently forecast that the net surplus at the end of 2003 will be about \$200K without investment returns. This estimate considers (1) above budget expenses for Systems Magazine, (2) below budget publication revenues, and (3) above budget conference net revenue.

- (1)- The 2003 budget does not include increased Systems Magazine expenses that have resulted from the 2002 BoG decision to increase the quality of this publication. Net Impact - (\$30K)
- (2)- Both member and non-member subscription sales of both publications are sharply reduced from past years. This is an IEEE-wide problem, particularly non-member sales. Net Impact - (\$50K)
- (3)- Conferences whose books have already closed in 2003, and those expected to close this year have surplus greater than that budgeted Net Impact - (\$40K)

In addition to these factors, year-end AESS Book Broker revenue and IEEE investment returns will unpredictably impact my estimate of the year-end AESS net surplus. TAB expects that the Book Broker sales will be less than their estimate at the beginning of the year, resulting in AESS revenue that is lower than budget. However, this loss may be offset better investment results in 2003 that can reduce IEEE infrastructure charges.

3 - 2004 BUDGET

The development of the 2004 budget has had few problems. The budget cycle for 2004 is well advanced and AESS has received and accepted a "Second Pass" budget from TAB with a net budget surplus of \$199K. This budget includes (a) increases of member dues and Transactions fees to \$25, (b) net conference revenue of \$110K, and (c) no AES income from investments. In my opinion, this budget is reasonable as long as we continue our recent policies of conservative expenditures.

4 - SUGGESTED ACTIONS

Several activities have been discussed at recent BoG meetings where increased expenditures may result in benefits to the society. I suggest that we develop plans and proposed budgets for these activities by March 2004 so that they may be considered next Spring in the 2005 budget.

Charles H. Gager,  
Treasurer