

Financial Activities Report

Lausanne, October 2002

David E. Orin
Vice President for Finance



IEEE Robotics and Automation Society

Financial Activities Report

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- Six-year Surplus Figures
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- Co-sponsored Conferences Surplus
- 2002/2003 Budgets
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Robotics and Automation Society Budget Report

David Orin, VP for Finance
Lausanne, October 5, 2002

Income (\$1,000)	1996 Actuals	1997 Actuals	1998 Actuals	1999 Actuals	2000 Actuals	2001 Actuals	2002 Budget	2003 Budget
<i>Member Fees</i>	90.8	84.2	85.0	88.6	91.7	96.6	108.3	115.9
<i>Transactions</i>								
Subscriptions -- Member		21.3	17.7	16.5	16.2	15.3	16.6	23.3
Subscriptions -- Nonmember Individual	100.0	110.0	130.8	142.2	145.4	157.5	167.9	177.0
Subscriptions -- All Periodicals Package	109.9	140.8	168.6	199.0	190.9	252.0	243.5	263.0
Voluntary Page Charges	3.3	6.3	7.0	11.7	6.2	9.2	7.7	7.9
Mandatory Overlength Page Charges	30.8	39.2	37.8	49.6	30.2	42.2	41.7	30.0
Other	7.8	3.1	6.3	2.6	1.3	1.9	3.0	3.1
<i>Subtotal:</i>	<i>251.8</i>	<i>320.7</i>	<i>368.2</i>	<i>421.6</i>	<i>390.2</i>	<i>478.1</i>	<i>480.4</i>	<i>504.3</i>
<i>Magazine</i>								
Subscriptions -- Nonmember Individual	4.7	6.4	7.1	10.5	11.8	12.6	13.5	24.5
Subscriptions -- All Periodicals Package	33.4	42.1	48.8	57.4	70.4	80.6	76.9	102.1
Advertising	41.8	34.2	43.2	35.1	45.3	35.8	47.6	40.0
<i>Subtotal:</i>	<i>79.9</i>	<i>82.7</i>	<i>99.1</i>	<i>103.0</i>	<i>127.5</i>	<i>129.0</i>	<i>138.0</i>	<i>166.6</i>
<i>Conferences</i>								
ICRA	385.3	463.7	496.5	417.7	642.6	490.6	485.1	499.0
MEMS	12.2	10.8	0.0	5.1	14.7	24.6		6.7
IROS		1.9	15.1	4.6	8.4	18.5		3.4
Book Broker	(0.1)	16.1	53.1	132.7	116.1	148.4	223.9	239.1
Other	5.3	0.6	11.7	(16.2)	16.6	(12.5)	(9.5)	1.6
<i>Interest Income</i>	4.4	14.0	19.5	30.1	51.5	28.2	0.0	0.0
<i>Other</i>	3.4	1.7	0.3	0.7	0.0	0.0	0.0	0.0
Total Income:	833.0	996.4	1,148.5	1,187.9	1,459.3	1,401.5	1,426.2	1,536.6



Expenses (\$1,000)	1996 Actuals	1997 Actuals	1998 Actuals	1999 Actuals	2000 Actuals	2001 Actuals	2002 Budget	2003 Budget
<i>Transactions</i>	249.4	210.8	203.0	241.8	182.6	208.5	254.0	258.5
<i>Magazine</i>	136.7	122.0	130.4	149.3	164.4	183.3	187.8	221.5
<i>Periodical Related</i>	17.6	17.4	17.1	16.9	18.9	45.6	25.8	41.1
<i>ICRA</i>	286.3	336.7	304.5	306.9	635.1	447.4	396.5	430.4
<i>IEEE Administration</i>	36.3	26.9	36.0	32.5	62.8	73.7	425.6	370.4
<i>AdCom</i>	41.7	35.1	64.6	58.7	72.1	108.2	108.7	164.5
<i>Other</i>	9.4	4.3	10.1	1.4	1.5	1.9	2.2	2.0
Total Expenses:	777.4	753.2	765.7	807.5	1,137.4	1,068.6	1,400.6	1,488.4
Operating surplus for the year:	55.6	243.2	382.8	380.4	321.9	332.9	25.6	48.2

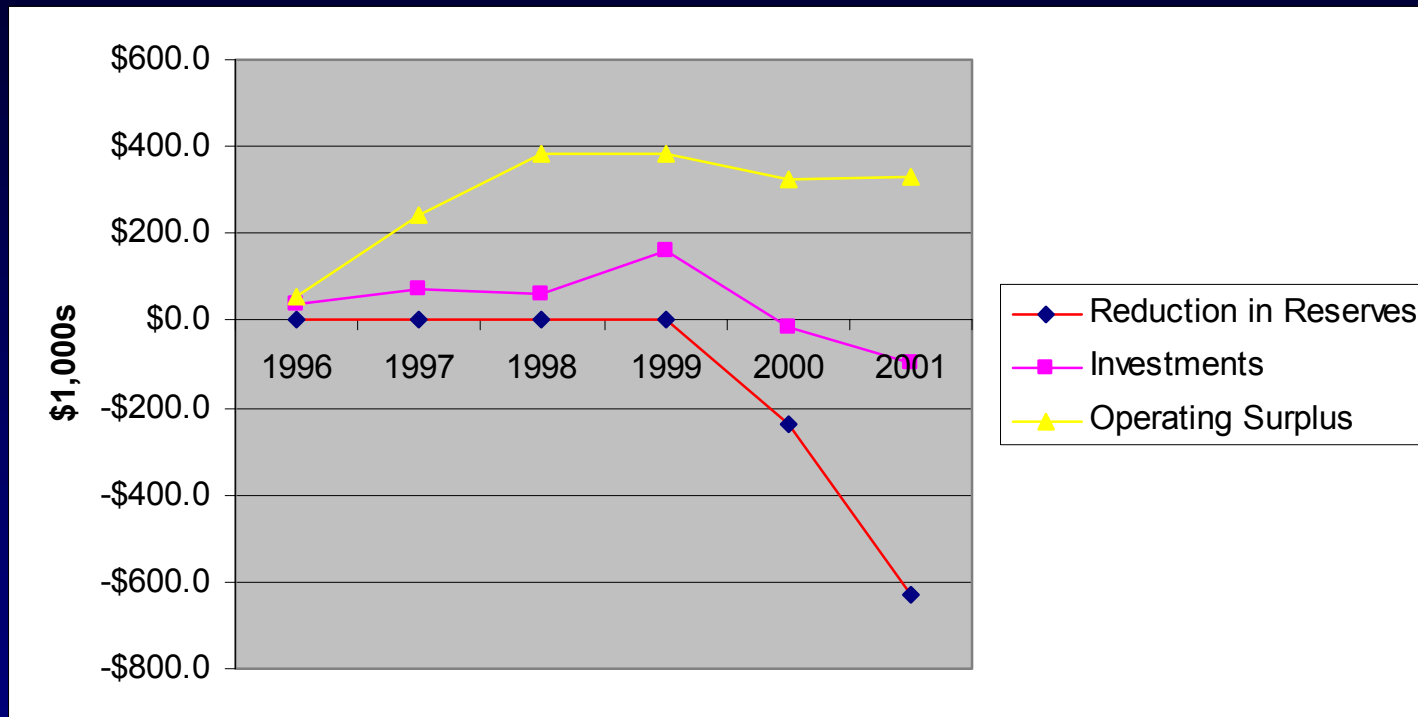


Net Worth

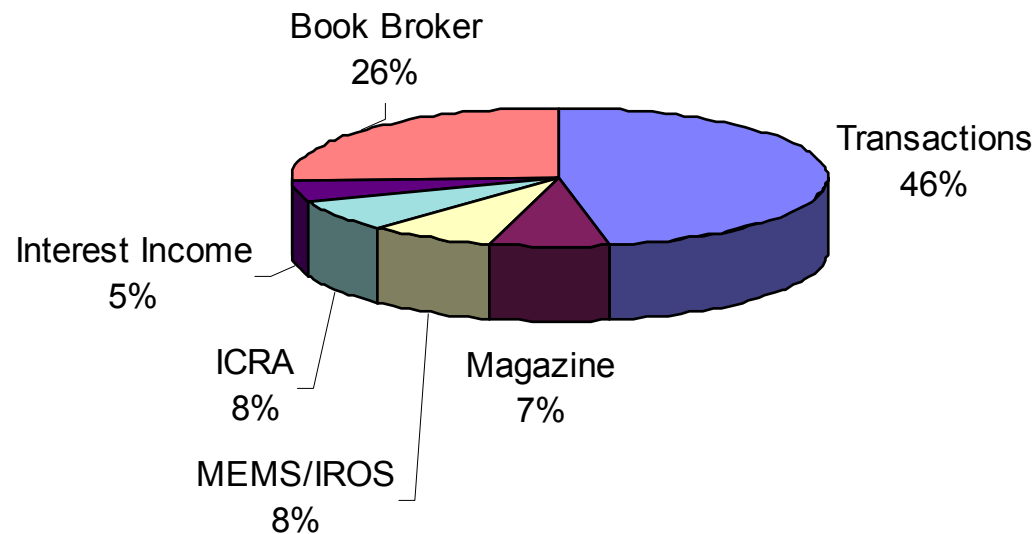
	1996 Actuals	1997 Actuals	1998 Actuals	1999 Actuals	2000 Actuals	2001 Actuals	2002 Budget	2003 Budget
<i>Operating surplus for the year:</i>	55.6	243.2	382.8	380.4	321.9	332.9	25.6	48.2
<i>Long Term Investments</i>	36.9	70.8	59.4	160.5	(14.7)	(99.0)	0.0	0.0
<i>Increase in net worth for the year:</i>	92.5	314.0	442.2	540.9	307.2	233.9	25.6	48.2
<i>Adjustments for IEEE Reports (Conferences, etc.)</i>								
1992 ICRA	(1.5)							
1994 ICRA	30.0							
1996 ICRA	(3.4)	3.4						
1997 ICRA		(12.0)	12.0					
1998 ICRA			(35.8)	35.8				
1999 ICRA				10.9	(10.9)			
1996 MEMS	(12.2)	12.2						
1998 MEMS			(0.2)	0.2				
2001 MEMS						(24.6)	24.6	
1997 IROS		(1.9)		1.9				
1998 IROS			(15.1)	15.1				
1999 IROS				(4.6)	4.6			
2000 IROS					(8.4)	8.4		
2001 IROS						(18.5)	18.5	
RIMCC Grant	15.0	(5.8)						
2003 Other Conference Income								481.1
2003 Other Conference Expense								(481.1)
<i>Increase in net worth (IEEE report):</i>	120.4	309.9	403.1	600.2	297.1	200.2	68.7	48.2
<i>Reduction in Reserves*</i>					(235.8)	(631.7)		
<i>Net Worth (IEEE report):</i>	477.0	786.9	1,190.0	1,790.2	1,851.5	1,420.0	1,488.7	1,536.9
(\$356.6K 12/31/95)								
*Due to operating deficit in IEEE Corporate								



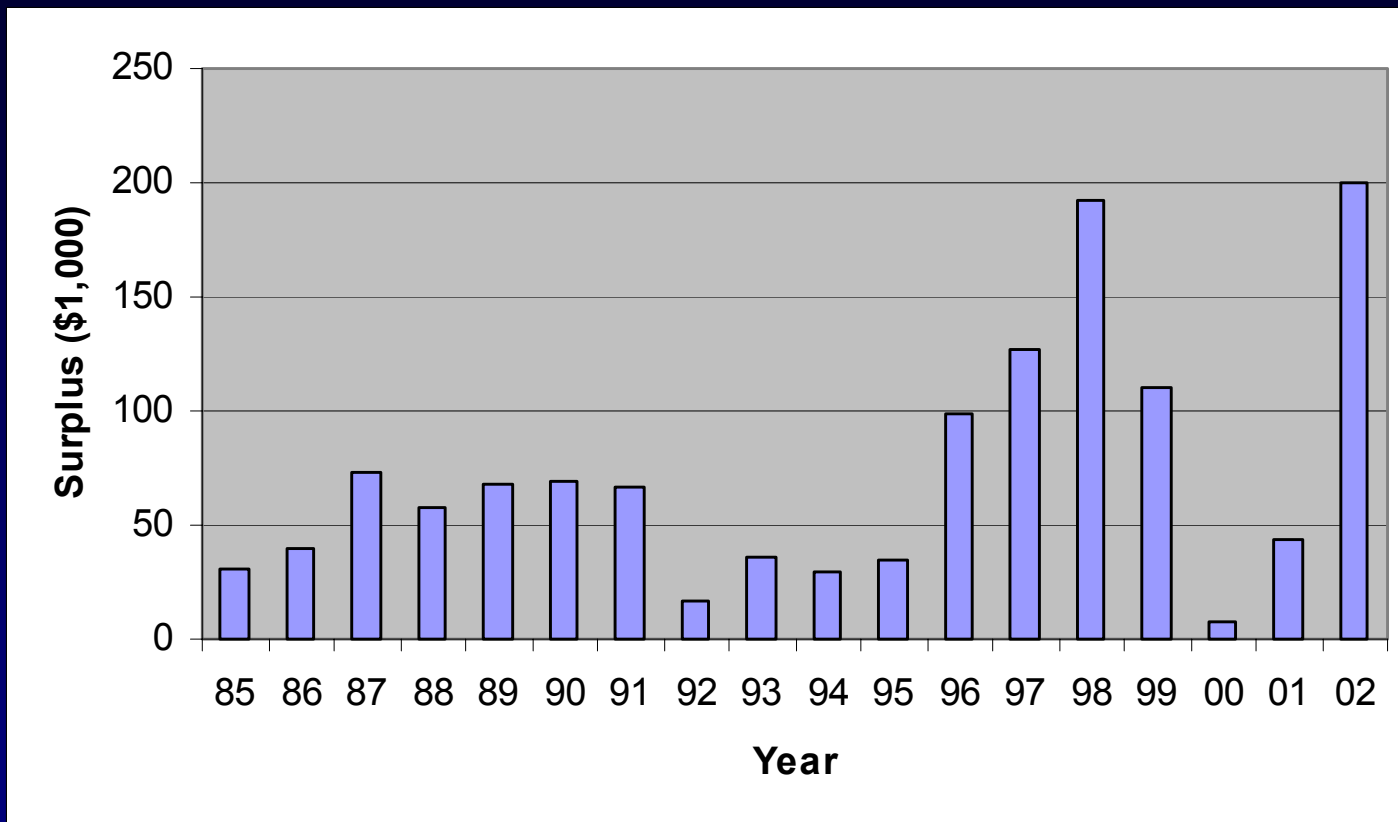
Surplus (1996-2001)



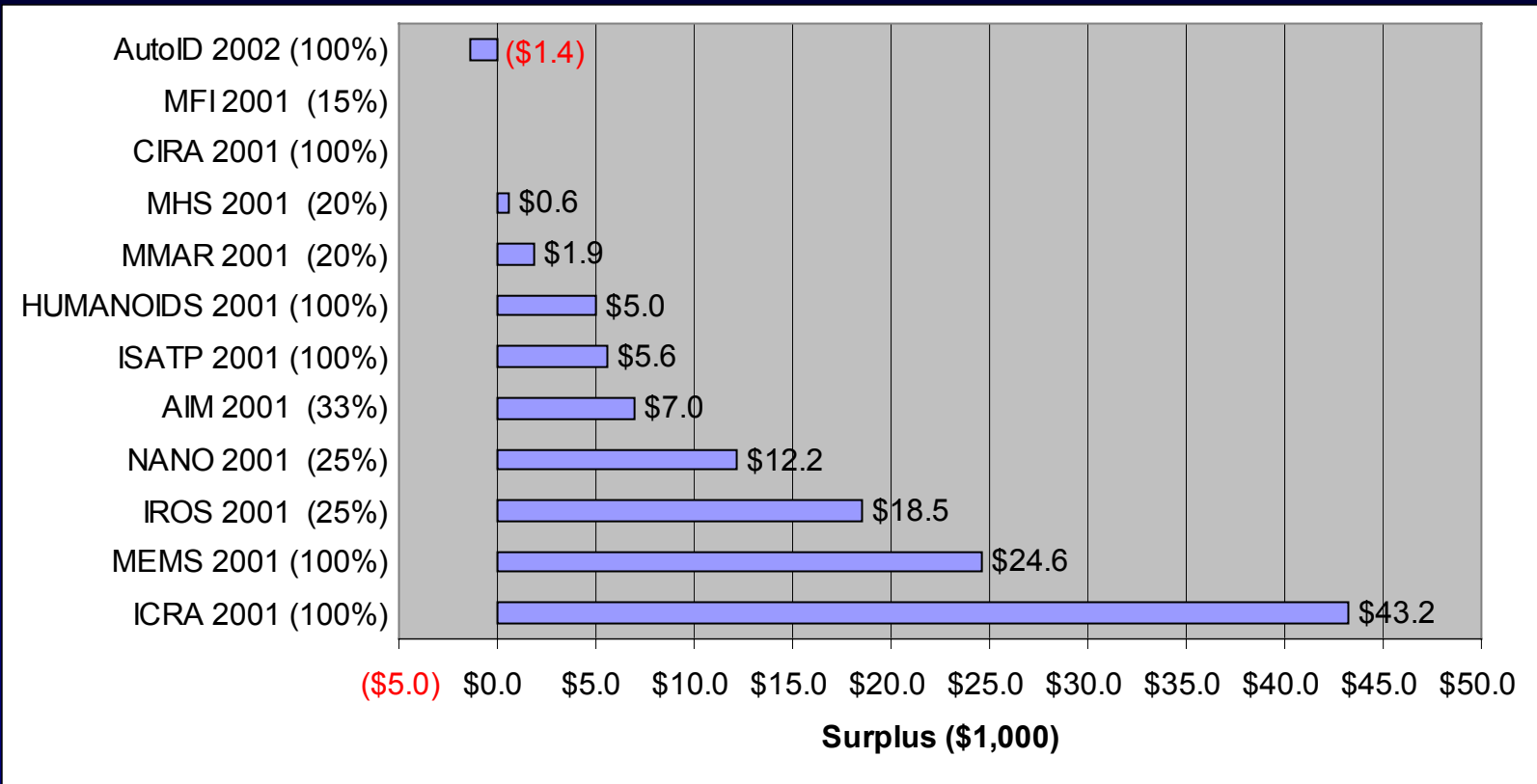
Operating Surplus-Producing Cost Centers (2001)



History of ICRA Surplus



Co-Sponsored Conferences Surplus



2003 Budget

- Total operating surplus budgeted: \$48.2K
- Initiative:
 - Xplore Initiative (archiving old pubs) \$8.9K
 - Transactions on Automation Sciences & Engineering \$25.0K
- Expansion:
 - Distinguished Lecture Program \$6.0K (up from \$4.5K)
 - Education Committee \$11.5K (up from \$10K)
 - Magazine page count increase (from 288 to 304 pages)



Reallocation of Budgets 2003

- Education Committee:

Graduate Program/Course on Robotics \$4,500 (of \$11,500)

- Technical Activities Board:

Technical Committee Award \$500 maximum (of \$10,000)



Variable Costs of Membership and Transactions

- At the June 2002 Board Meeting, TAB approved the following motion:

That TAB endorses the concept that, in general, member fees and prices should at least cover the relevant variable costs. To that end, each S/C will annually be provided with the appropriate variable costs and shall consider them seriously in setting member fees and prices.

- Data now provided by TAB Finance with budgets: guide for setting Society membership fee and Transactions subscription rate



Variable Costs

- Calculations include variable cost of producing each incremental copy:
 - Postage & mailing
 - Production – paper, press work, binding
 - Customer service
- Calculations DO NOT include fixed costs:
 - Editorial costs
 - Intellectual property creation expenses – composition, etc.
 - Costs that generally DO NOT change based on volume



Variable Costs of Transactions

Postage & Mailing	\$31.0K	<i>(\$20K non-US)</i>
Production	\$27.4K	
Text Paper	8.3K	
Press Work	16.5K	
Binding	2.6K	
Customer Service	<u>\$4.5K</u>	<i>(\$1.52 per subscription)</i>
	Total: \$62.9K	<i>(of \$258.5K total for Transactions expenses)</i>
Total Print Subscriptions:	2959*	
Cost per Print Subscription:	\$21.26	<i>(\$29.76 with \$8.50 member-related Corporate Allocation)</i>

* Total Subscriptions: Members + nonmembers + affiliates + 500 (ASPP)



Transactions 2003 Subscription Rates

	Print	Electronic
2003 Member Rate	\$10	\$5
2003 Student Rate	\$8	\$4



Top Fixed Costs of Transactions

RAS Editors Expenses	\$65.3K
Headquarters Editorial Expenses	\$63.0K
Composition	\$30.7K
Manuscript Central	\$17.5K



Variable Costs of Magazine

Postage & Mailing	\$43.4K	<i>(\$33.3K non-US)</i>
Production	\$58.4K	
<i>Text Paper</i>	<i>10.7K</i>	
<i>Press Work</i>	<i>47.7K</i>	
Customer Service	<u>\$10.3K</u>	<i>(\$1.52 per subscription)</i>
	Total: \$112.1K	<i>(of \$221.5K total for Magazine expenses)</i>

Total Print Subscriptions: 6764*

Cost per Print Subscription: \$16.58

* Total Subscriptions: Members + nonmembers + affiliates + 500 (ASPP)



Top Fixed Costs of Magazine

Headquarters Editorial Expenses	\$45.6K
Composition	\$30.1K
RAS Editor's Fee	\$19.8K
RAS Editors Expenses	\$6.5K



Cost of Membership

Magazine	\$16.58
Net Magazine Advertising Revenue	-\$5.60 *
Member Processing Fee	\$8.50 **
Xplore	<u>\$2.46 *</u>
Total:	\$21.94

* Based on total membership of 6099

** Corporate Allocation for New Member Processing and Renewal (including IT costs)

	2003
Member Fee	\$21
Student Fee	\$11



Summary

- Substantial decrease in net worth in 2001: \$435.3K
- Large reduction in reserves (IEEE "tax"): \$634.6K
- MEMS and IROS Conferences generating surplus
- Membership fee almost covers the variable costs of membership; students continue to be subsidized
- Transactions subscription rate for print copies is still substantially below the variable cost per subscription

