

IEEE Region 8 Financial Report For the Year 2011

The IEEE Region 8 Financial Report for the year ending 31st December, 2011 has been completed.

Summary:

The financial results for the year 2011 show to a large extent the volatile nature of the financial environment in which Region 8 is operating.

The Region realized a largely balanced result for Cash Transactions with a small excess of expenditure over income of less than \$500 on a turnover of some \$1.5 M. This was achieved against the cost of ensuring good Region 8 representation at the Sections' Congress in San Francisco and a full Region 8 Committee Meeting earlier in the year at London, Heathrow.

However, as Region 8 trades USD currency to buy local currency to finance its operations it is sensitive to exchange rate fluctuations. As at the 31st December, 2011 there was a loss in the Net Worth of the Region as compared with the start of year which was equivalent to \$24,620:29. (For the year ending 2010 there was a gain of \$10,565:78).

Similarly, as at the 31st December, 2011 the Region 8 Long Term Investment Fund was down by \$23,291:83. (The previous year saw a gain of \$38,638:68).

Taking into account these movements the Net Worth of Region 8 as at the 31st December, 2011 was \$451,735:87 (As at 31st December, 2010 was \$499,171:40).

Income:

The Income to IEEE Region 8 in 2011 was \$786,660:70. (2010 was \$545,972:22).

1. The bulk of Region 8 revenue continues to come from the Regional Assessment levied on the Region 8 membership and a Rebate from MGA.
2. There is some slow but positive progress in the endeavor to diversify the sources of income to the Region. It will be seen that the administration fee charged by Region 8 for its technical co-sponsorship of conferences (Received from Corporations) is beginning to make a greater contribution.
3. The effect on Region 8 of the administration change made by MGA in the year 2010 is now clearly seen; with a reduced Assessment income in the year 2010 of \$198,941:58. Region 8 members should appreciate that this has had the effect of reducing Region 8 Net Worth at year end by some \$300,000. Without this burden a Net Worth figure of at least \$751,000 would have been reported for this year. This would have exceeded the figure of \$633,000 reported for 2009 and demonstrated that growth was being achieved.

4. The donations to the VCF fund (Received from Individuals) continue to be a concern with a further decline shown during the year 2011. However, we will endeavor to continue Region 8 support at the past levels to our needy students.
5. The bank interest received continues to be at a low level during the present global financial market conditions.

Income to end of December 2011 (USD)

Receipts:	Actual (2011)	Ratio	Prior Year (2010)	Variance
Received from Individuals	10,489:04	1.33	11,122:30	(633:26)
Received from Corporations	6,031:29	0.77	3,560:39	2,470:90
Received from Foundations	0:00	0.00	1,872:86	(1,872:86)
Meetings and Social Events	40,496:89	5.15	0:00	40,496:89
Conference Revenue	1,599:97	0.20	0:00	1,599:97
Project Revenue	9,368:46	1.19	0:00	9,368:46
Rebate from MGA	158,328:00	20.13	151,800:00	6,528:00
Regional Assessment	528,575:47	67.19	198,941:58	329,633:89
Sections' Congress Receipts	5,377:73	0.68	106,000:00	(100,622:27)
Receipts from MGA & Major Boards	0:00	0.00	4,482:27	(4,482:27)
IEEE HQ and Societies	38,954:99	4.95	19,604:87	19,350:12
Interest	806:50	0.10	602:85	203:65
Dividends	9,924:19	1.26	9,346:42	577:77
Unrealized Gain/(Loss) on Investments	(23,291:83)	(2.96)	38,638:68	(61,930:51)
	786,660:70	100.00	545,972:22	240,688:48

Expenditure:

The Net expenditure of Region 8 for the year against all captions was \$834,096:23. (2010 was \$679,409:02).

During 2011 the balance of expenditures was directed towards financing Region 8 Committee and Appointed Members to attend the Sections' Congress meeting in San Francisco. However, it was still possible to support a reasonable level of activity in the areas of Membership, Technical, and Student Activity.

1. Sections' Congress Expenses have distorted some of the comparisons with past year figures. The Sections' Congress Expenses include both Hotel and Travel expenditure, which has contributed to an apparent reduction of \$68,245:90 in the Travel caption. It will be remembered that primary delegate travel to San Francisco was also supported by a grant of \$106,000 from MGA (paid in 2010).

2. The figures for Meetings and Social Events in 2011 include a late application for payment by the Agent for the Prague Committee meeting in 2010.
3. Student Activity expenses were reduced in 2011 since the bi-annual Region 8 Student Branch Congress is not due until 2012.
4. In general the funds used for Membership, Technical, and Student activity were reduced; except for Professional Activity which was increased.
5. 'Other Management and General Expenses' and 'Other Programme Expenses' are both held below 5% of total expenditures.

The year of 2012 will include support for the Region 8 Jubilee Celebrations and a Student Branch Congress in Madrid.

The increasingly frequent changes being imposed on Region 8 by MGA continue to be of concern to the Region 8 Committee and have a potentially damaging effect on Volunteer's motivation to inject the vitality into the Region and extend the scope of its technical activity.

Summary of Expenditures to end of December 2011 (USD)

Expenditures:	Actual (2011)	Ratio	Prior Year (2010)	Variance
Meetings and Social Events	179,192:38	22.78	156,515:51	22,676:87
Publication Expenses	66,700:78	8.48	71,114:24	(4,413:46)
Advertising - IEEE	368:08	0.05	0:00	368:08
Conference Expenses	8,144:82	1.04	5,667:36	2,477:46
Educational Activities	3,637:26	0.46	9,430:96	(5,793:70)
Professional Activities	22,609:87	2.87	20,368:92	2,240:95
Student Activities	27,452:00	3.49	111,791:77	(84,339:77)
Grants and Awards	7,296:27	0.93	9,346:40	(2,050:13)
Other Programme Expenses	37,580:69	4.78	41,120:88	(3,540:19)
Sections' Congress Expenses	289,996:58	36.86	0:00	289,996:58
Travel	69,219:15	8.80	137,465:05	(68,245:90)
Support to Sections/Chapters	7,845:63	1.00	28,644:15	(20,798:52)
MGA/Major Board Expenses	50,147:50	6.37	35,002:16	15,145:34
Other Mgt. & General Exp.	39,284:93	4.99	63,507:40	(24,222:47)
Foreign Exchange gain/loss	24,620:29	3.13	(10,565:78)	35,186:07
	834,096:23	106.03	679,409:02	154,687:21
Net Profit/(Loss) for Region 8	(47,435:53)	(6.03)	(133,436:80)	86,001:27

Summing up:

The Region 8 Treasurer is of the opinion that the financial position of the Region remains sound and that it is able to support a full programme of activity and of Region 8 Committee Meetings under the normal circumstances.

The good financial health of the Region is however sensitive to global financial events and to the increasingly frequent changes imposed by MGA; and made without any consultation on the conditions pertaining in Region 8 whatsoever. These include but are not limited to:

1. The change of administrative process by MGA which resulted in some \$300,000 being withheld from the Region during the latter part of year 2010; and will not be returned.
2. An inherent requirement to support IEEE Staff pensions from within Sections and Region funds.
3. A mixed reception to the imposed introduction of NetSuite to replace a much simplified L50 reporting system as introduced the previous year; without consultation and consideration to the standards within Region 8. This resulting in some well established Sections at risk for their rebate bonus.
4. The past damage to the Region 8 Voluntary Contributions Fund that has not recovered.

B. R. HARRINGTON
Treasurer: Region 8

March, 2012.