

THE FINANCIAL VICE-PRESIDENT

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When I wrote this message a year ago, we had endured several years of financial stress; years when our membership and conference attendance were declining and we had drawn on our Reserve Fund to pay for operations, something we hoped never to do. But, this fund is for emergencies, so we used it. I discussed the various sources of revenue that the Society relies on for operations and that the two annual conferences are expected to be major revenue sources. After September 11, 2001, conference revenues hit all time lows. Even with severe cost containment, it was difficult to maintain positive margins on these events because of falling attendance. There was a great deal of discussion about ways to attract more attendees and to further reduce costs. Although not a popular alternative, we even considered dropping one of the conferences to stop the losses.

In 2004, there was the beginning of what we hope will be a long trend; we had two financially successful conferences. They didn't produce a great deal of money but they were profitable. The reasons are many, but key were good programs that attracted more attendees and generous sponsors that helped underwrite some of the costs. Without these sponsors it would be very difficult to provide the accommodations and the level of services that our conference attendees expect. We can never thank our sponsors enough.

In February of 2005 we had our first SMPTE/VidTrans Joint Conference, replacing the Advanced Motion Imaging Conference, usually held at this time. This was an experiment aimed at producing one financially strong conference out of two that were struggling to survive. There was the additional incentive that each group's constituencies wanted to better understand the other's technology. Although we don't yet have the final figures, it appears that this venture was financially very successful. Attendance was strong and the inclusion of exhibitors (not usual at the SMPTE AMI Conference) made for additional much needed revenue. A new venue/facility/services model was also used for the first time to keep costs as low as possible and still meet the needs of both groups. From a financial perspective it appears to have worked. It's now up to each organization's conference committees to determine if all of the other objectives were met and if we should do it again next year. I'm guessing that we will.

Beyond conferences there were other positive results that helped improve our financial situation. Individual one and three-year memberships were up, as were sustaining memberships. Revenue from the sale of Standards was up substantially, led by sales of the CD version. Our partnership in the IBC again produced a record payment that represents our share of the profit. As this event continues to grow we should be the beneficiaries of increasing payments. And, the Registration Authority (we sell UPIDs) generated a respectable sum. On the bad news side of the ledger, *Journal* advertising and subscriptions were well below plan. This is most likely the result of corporate and government cutbacks and should improve as the economy improves. So, from an operations cash flow basis, we broke even in 2004. As a non-profit organization this is o.k., however we do need to replace the money that was used from the Reserve Fund, as soon as possible.

Lastly, in prior messages in this space, there was a mention of the sale of the Society's headquarters building in White Plains, NY. Our outside financial consultant recommended this sale because the building was too large for our purposes and because of anticipated capital expenses that would have further depleted our resources. We will net a sizeable sum from this sale that will be placed into our Building Fund and then used to acquire a new facility. Any surplus will be used to replenish the Reserve Fund. There will be more news about the new facility in a future issue when details are certain.

Your input and suggestions are always welcome and encouraged. Please contact our headquarters staff or Executive Committee members with your comments by going to SMPTE's Contact Us page on our website.