Notes to financial statements

(1) Organization and purpose:
The society's constitution states the following: The society shall be organized within the Institute of Electrical and Electronics Engineers, Inc. ("IEEE") and shall be scientific, literary, and educational in character. The society shall strive to advance the theory, practice, and application of computer and information processing science and technology, and shall maintain a high professional standing among its members. The society shall promote cooperation and exchange of technical information among its members and to this end shall hold meetings for the presentation and discussion of technical papers, shall publish technical journals, and shall, through its organization and other appropriate means, provide for the needs of its members.

(2) Summary of significant accounting policies:
Reporting entity. The accompanying financial statements include all IEEE accounts attributed to the society's activities, including those maintained at the society's offices in Silver Spring, Maryland, and Los Alamitos, California. Certain general, administrative, and other expenses of IEEE Headquarters are not allocated to the society. The books and records of the society's chapters are maintained by the respective chapter treasurers and are not included in the accompanying financial statements.
Income recognition. Income from membership fees and yearly periodical subscriptions is recognized during the year to which it pertains.
Expense classification. General and administrative expenses incurred directly by the society have been allocated to the various activities of the society in the accompanying financial statements.
Depreciation. Depreciation is provided on a straight-line basis over estimated useful lives of the assets. A life of thirty years is used for buildings and lives of five to ten years are used for office furniture and equipment.

(3) Investments:
Investments consist of unrestricted deposits with IEEE which bear interest based on United States Treasury bill rates.

(4) Land, building, and equipment:
Fixed assets and related accumulated depreciation at December 31, 1983 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Accumulated Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>$497,700</td>
<td>$58,000</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>550,000</td>
<td>162,100</td>
</tr>
<tr>
<td>Land</td>
<td>123,200</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,170,900</strong></td>
<td><strong>$220,100</strong></td>
</tr>
</tbody>
</table>

Depreciation expense amounted to $102,800 in 1983.

(5) Notes payable:
Notes payable at December 31, 1983, are comprised of the following:
Note payable to bank—monthly installments of $2,083
plus interest at 1% above prime
Other notes payable

The note payable to bank is collateralized by equipment with a net book value of approximately $83,000 at December 31, 1983.

(6) Commitment:
At December 31, 1983, minimum rental commitment under a non-cancelable operating lease for office space is $18,455. Such lease expires May 31, 1984. Total rent expense for 1983 was $44,275.

(7) Pension plan:
IEEE has a defined benefit pension plan covering substantially all of its employees, including those working on the society's activities. IEEE's pension expense was $512,600 in 1983. The society's share of this pension expense was approximately $47,700. Net assets of the plan available for benefits exceeded the actuarial present value of accumulated plan benefits at December 31, 1983.

(8) Pending distribution:
In 1983, the American Federation of Information Processing society (one of the sponsoring organizations of the National Computer Conference) distributed $112,302 that has not been credited to the society as of December 31, 1983. Such amount will be included in the society's 1984 income.

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table, home, executive, small business, and Fortune 1000 microcomputers.

(6) Alfred Ricomini of Texas Instruments chairs the educational and societal issues track, which will illustrate the impact of new technology on where we work, learn, and meet and on how we access sensitive data.

(7) The information-processing management track is chaired by Eugene Smith of Texas A&M University Systems; it will focus on concerns of the information processing manager.

(8) Darrell Ward of Hypergraphics is the chairman of the database management track. This track will present database panels and papers on new developments in the base area.

(9) The artificial intelligence track is chaired by James Miller of Computer Thought. This track will explore artificial intelligence research and applications and their implications for the computing environment.

(10) Neal Lautz of Ford Motor Company is handling the computer communications track, which will cover a range of communications issues from satellite links to local area networks to down-loading programmable controllers in manufacturing plants.

Erratum

In the April issue of Computer, Figures 2 and 3 of the article "Computer Use in Precollege Education" depict incorrect percentages for micro use. The percentages for Figure 2, p. 49, for elementary school students should be "Over one hour, 2%; 31 to 60 minutes, 22%; 16 to 30 minutes, 45%; and No more than 15 minutes, 31%.
" The percentages for secondary school students should be "Over one hour, 37%; 31 to 60 minutes, 27%; 16 to 30 minutes, 15%; and No more than 15 minutes, 21%.
" The percentages for Figure 3, p. 51, for elementary school students should be "Over 5 hours, 14%; 3.1 to 5 hours, 25%; 1.1 to 3 hours, 34%; and no more than 1 hour, 26%.
" The percentages for secondary school students should be "Over 5 hours, 19%; 3.1 to 5 hours, 23%; 1.1 to 3 hours, 38%; and No more than 1 hour, 20%.
"