

IAHS TREASURER'S REPORT, JULY 2017

Change

The second half of 2016 saw major changes in how IAHS deals with its finances as the former treasurer, Chuck Onstad, prepared to retire and Cate Gardner took over. Previously, and for many years, IAHS funds have been held in two places, the USA and UK, and legally controlled by IAHS Inc and IAHS Ltd, respectively. Since late 2016, all funds are held and controlled by IAHS Ltd.

In autumn 2016, IAHS Inc funds were transferred to IAHS Ltd and then at the end of the year, IAHS Inc was wound up. Thus, as of late 2016, all IAHS funds became the responsibility of IAHS Ltd which is a UK registered company and charity. This means that all IAHS finance is now handled through the IAHS office in Wallingford, UK (i.e. by Claire Lupton, IAHS Executive Secretary, with oversight by the treasurer) and everything is subject to scrutiny by the Charity Commission for England and Wales and Companies House (London), and the associated legislation. IAHS finances are also reported to IUGG.

2016 Finances

In summarizing our financial position I refer to the report of the finances of IAHS for 2016 submitted to IUGG – see appendix. The figures for 31 December 2016 are the same as those being finalised by the IAHS Ltd accountants for submission to Companies House and the Charities Commission, except they exclude advance payments made to the President, incoming President and Secretary General to fund their travel on behalf of IAHS (note, officers have to account for how those monies are spent).

Bringing together the IAHS Inc and IAHS Ltd monies resulted in a total fund of \$346,579 (€330,142) at 31 December 2016. This compares with \$317,695 (€302,567) reported for the combined IAHS Inc and IAHS Ltd funds at 31 December 2015.

The main income sources for IAHS are royalties paid by Taylor & Francis (T&F) for sales of *Hydrological Sciences Journal* subscriptions and the annual subvention from IUGG (respectively \$155,500 (€148,192) and \$40,500 (€38,596) in 2016). Our expenditure is mainly on staff salaries, travel by IAHS officers, especially the Secretary General, and other Bureau costs, office rental and *HSJ* related costs. Note that the internet fraud resulting in a \$28,500 (€27,160) loss by IAHS Inc in 2016 was immediately reported to the authorities and FBI in the USA, the banks involved and IUGG. Mike Acreman (former trustee to IAHS Ltd), at the request of the IAHS President, prepared a full report of what happened, making recommendations to prevent such happening again. The recommendations are being followed especially with checking by telephone/text of requests for funds from IAHS.

Reserves Policy

Any organisation needs to hold a reserve sufficient to enable it to continue running if times are bad. Previously, IAHS Ltd built up a reserve sufficient to keep the Wallingford office going for a year or so, and IAHS Inc held enough funds to keep the Association operating for more than a year. The IAHS Ltd reserve now considered necessary for this, \$192,000* (€170,400) is greater given that the responsibility is also to keep the Association going. However, there are enough funds for that.

At a meeting in February this year, the trustees considered the new financial situation and agreed to make use of the surplus capital (approx. \$153,560†, €136,300) over the next few years rather than invest it, because such investment would only yield a small income. Thus the intention is to use

about \$12,800 (€11,360) per annum of the surplus for grants, especially for hydrologists of financially disadvantaged countries and/or early career hydrologists to assist them to participate in the endeavours of the international hydrological community. The grants awarded will be in addition to those derived from normal IAHS revenue. This policy will be reviewed annually.

2017 Finances

In 2017, our income from Taylor & Frances has increased to \$190, 600 (€169,300) due to an increase in the journal subscription income, but the IUGG grant was smaller, \$31,594 (€27,100).

Overall our expenditure will be greater than last year, and will include the cost of the Editorial Retreat held prior to the IAHS2017 Scientific Assembly at Port Elizabeth, South Africa (for which T&F gave a contribution in 2016), and expenses associated with funding the registration and travel of persons from financially disadvantaged countries for IAHS2017. In addition to the \$15,000 (€13,300) allocated for supporting travel to IAHS2017, \$10,200 (€9,100) was awarded to WaterNet in Southern Africa specifically to help fund the travel costs of WaterNet students/young staff attending IAHS2017. Also, the World Meteorological Organization (WMO) is granting funds to IAHS to support participants attending IAHS2017 from developing countries or countries with economies in transition.

At the end of May 2017, our funds were healthy as both the T&F payments and the IUGG grant had been received, and our expenditure was within budget.

On-going

There have been concerns that it might be necessary to introduce membership fees for IAHS because of uncertainty regarding the IUGG allocation in future. As we have a good income from T&F for publishing *Hydrological Sciences Journal*, that is unlikely to be necessary in the immediate future. However, it is important for IAHS that *Hydrological Sciences Journal* continues to thrive and that IAHS members continue to support it and the co-editors in their endeavours.

Because transactions are made in euros, dollars and other currencies, as well as pounds sterling, IAHS finances are complicated. As treasurer, I greatly appreciate the work of Claire Lupton in maintaining the IAHS Ltd accounts.

*£150,000, exchange rate at 24 June 2017

†£120,000, exchange rate at 24 June 2017

Cate Gardner June 2017

IAHS Association Financial Report for 2016

All figures in dollar equivalent and adjusted to 31 Dec 2016 exchange rates:

1.00GBP=\$1.23, and 1.00 Euro=\$1.05

BALANCE		01-Jan-16	31-Dec-16
IAHS Inc	Bank of the West	150,988	0
Euros held by IAHS Officers		8,682	12,458
	Exch. rate adj. *, Euro to \$, 1.07 to 1.05	-162	
IAHS Ltd	Lloyds 1	12,698	28,724
	Lloyds 2	66,746	25,700
	Lloyds Business reserv	15,109	12,696
	Lloyds Fixed term deposits	117,165	147,600
	Lloyds 32 day	14,716	12,428
	Lloyds euro	0	53,108
	Nationwide Fixed term deposit	0	86,100
	Euros petty cash	0	484
	Balance credits to - funds owed by IAHS Ltd	-38,024	-32,648
	Exch. rate adj. *, £ to \$, 1.465 to 1.23	-30,223	
Association balance at start and end 2016		317,695	346,649

*Exchange rates used in 2015 accounts were 1.00GBP=\$1.465, and 1.00 Euro=\$1.07

CASH FLOW

IAHS Inc

Income

Interest	96
Book sales	4,916
Total income	<u>5,012</u>

Expenses and transfers

Bank fees	603
Treasurer to Paris (CAO)	4,350
Fraud loss	28,540
Refund to USGS	112
Book sales expenses	5,001
Tax preparation	560
Transfer to President (HS)	10,000
Transfer to Sec-General (CC)	16,767
Transfer to President-elect (GB)	5,000
Transfer to S Africa	10,000
Transfer to IAHS Ltd, GBP	40,908
Transfer to IAHS Ltd, Euros	<u>34,158</u>
Total outgoing	<u>155,999</u>

Net income-expenditure -150,987

IAHS Officers' Euros

Income (from IAHS Inc)	30,214
Expenditure	26,293
Net income-expenditure	<u>3,921</u>

IAHS Ltd**Income**

Book sales	3,316
HSJ	155,534
Interest	1,211
Donations	26,825
IUGG grant	40,509
Transfers from IAHS Inc	67,651
Miscellaneous	7,795
Total income	<u>302,841</u>

Expenditure

Salaries and related pension and NIC	53,650
CEH fee	15,990
HSJ editing, etc.	17,063
Editors expenses	2,540
Copernicus	5,906
Website	355
Bureau	20,879
Office costs	4,109
Bank charges	370
Miscellaneous	3,125
Travel	3,110
Accountants fees	2,168
Euro exchange differences and medal adj.	-2,374
	<u>126,891</u>

Net income-expenditure	<u>175,950</u>
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Net surpluses

IAHS Inc	-150,987
Officers	3,921
IAHS Ltd	175,950
Association's total surplus	<u>28,884</u>

Balance brought forward from 2015	317,695
plus 2016 surplus for whole Association	28,884
	<u>346,579</u>