

# IEA 2020 TREASURER'S REPORT

January – December 31<sup>st</sup>, 2020

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## INTRODUCTION

This report summarizes the financial performance for the period of January 1<sup>st</sup>-December 31<sup>st</sup> of 2020 (hereafter referred to as “the Period”). The basic accounting rules are essentially the same as those applied in previous years. However, the following are noted for clarification:

1. Banking and financial services:
  - 1.1. The IEA has consolidated its banking at UBS in Switzerland, where it now has:
    - 1.1.1. a basic US\$ denominated checking account opened in Oct/2017
    - 1.1.2. a basic CHF denominated checking account opened in Oct/2017
    - 1.1.3. a fiduciary account for investment purposes, opened with a US\$200,000. Monthly interest from this investment is credited to the US\$ checking account.
2. Membership dues of previous years paid during Year 2020 are booked with Y2020 membership dues.
3. Membership dues for Y2021 and beyond paid during Year 2020 are booked as Liabilities.
4. Whenever possible expenses are allocated the various IEA committees rather than to “Representation & Outreach”.
5. The “Representation & Outreach” classification holds only (but not all) expenses specifically related to IEA Executive Committee activities:
  - 5.1. Some of IEA officers’ travel for “Representation & Outreach” is being partially covered by the host society or by the officer’s local society.
  - 5.2. Most host societies are already covering accommodation, food, and local transportation, and some of them have started to cover air travel as well.

6. IEA accounting system

6.1. The following accounting titles are used in the P&L Statement.

Revenue items	Expense items
<ul style="list-style-type: none"> <li>● Member ship dues (FS and AS combined)</li> <li>● Sustaining member contributions</li> <li>● Capitation fees</li> <li>● Interest</li> <li>● Funds Contribution</li> <li>● Miscellaneous</li> </ul>	<ul style="list-style-type: none"> <li>● Meeting</li> <li>● Representation &amp; Outreach</li> <li>● Office</li> <li>● Awards Committee</li> <li>● ID Committee</li> <li>● PSE Committee</li> <li>● STP Committee</li> <li>● DP Committee</li> <li>● CPR Committee</li> <li>● Grants</li> <li>● Historian</li> <li>● Bank charges</li> <li>● Website</li> <li>● Exchange rate and clearing fee</li> <li>● Miscellaneous</li> </ul>

BALANCE SHEET (BS)

Tables 1 & 2 show IEA's Balance Sheets on December 31<sup>st</sup>, 2019 and December 31<sup>st</sup>, 2020, to allow for easier comparison.

Table 1: Balance Sheet on December 31<sup>st</sup>, 2019.

<b>Balance Sheet – Dec 31<sup>st</sup>, 2019 – (us\$)</b>			
<b>Assets</b>		<b>Liabilities</b>	
Cash and Cash Equivalents	\$124,066	Dues Advanced Received	\$484
Term Deposit	\$200,000	Accounts Payable	\$12,209
Seed Money Receivable	\$15,000	Earmarked Funds	\$15,355
Prepaid Expenses	\$1,033	<b>Total Liabilities</b>	<b>\$28,048</b>
		<b>Equity</b>	
		<b>Total Equity</b>	<b>\$312,051</b>
<b>TOTAL</b>	<b>\$340,099</b>	<b>TOTAL</b>	<b>\$340,099</b>

Table 2: Balance Sheet on December 31<sup>st</sup>, 2020.

<b>Balance Sheet – Dec 31<sup>st</sup>, 2020 - (US\$)</b>			
<b>Assets</b>		<b>Liabilities</b>	
Savings Account	\$154,712	Dues Advanced Received	\$225
Term Deposit	\$200,000	Accounts Payable	\$19,607
Seed Money Receivable	\$15,000	Earmarked Funds	\$15,355
		<b>Total Liabilities</b>	<b>\$35,187</b>
		<b>Equity</b>	
		<b>Total Equity</b>	<b>\$334,526</b>
<b>TOTAL</b>	<b>\$369,712</b>	<b>TOTAL</b>	<b>\$369,712</b>

IEA's equity increased US\$22,475 during 2020, from US\$312,051 on Dec 31<sup>st</sup>, 2019, to US\$334,526 on December 31<sup>st</sup>, 2020, due to travel expense reductions due to the CoViD-19 prevention response.

## REVENUES AND EXPENDITURES (P&L)

Table 3, shows the Revenues and Expenditures performed from Jan 1<sup>st</sup> to December 31<sup>st</sup>, 2020 as is conventional in the Treasurer's Report.

Table 3: 2020 Revenues and Expenditures to December 31<sup>st</sup>, 2020

<b>2020 P&amp;L Statement to December 31<sup>st</sup></b>			
<b>Revenues</b>		<b>Expenditures</b>	
FS & AS Membership Dues	\$42,070	Meeting	\$862
Sustaining Member Contributions	\$42,642	Representation & Outreach	\$0
Capitation Fees	\$0	Office	\$12,493
Funds Contribution	\$0	Awards Committee	\$28,500
Exchange Rate Gains	\$31	ID Committee	\$0
Interest	\$259	PSE Committee	\$0
Miscellaneous	\$5,756	STP Committee	\$0
		Historian	\$0
		DP Committee	\$0
		CPR Committee	\$0
		Grants	\$0
		Bank charges	\$462
		Website	\$21,968
		Miscellaneous	\$2,946
<b>Total Revenues</b>	<b>\$90,758</b>	<b>Total Expenditures</b>	<b>\$67,230</b>
<b>Summary of operations</b>			<b>\$23,528</b>

The IEA suffered an unexpected credit-card fraud expenditure in December 2020. A credit-card sent by registered mail from Switzerland to the USA was stolen in transit and used in the USA, where a PIN is not required to authenticate use. The full details of the case are still under investigation by the US authorities. Due to the specifics of the case, the IEA will have to bear the losses, part of which, USD2,931,00, were billed in December and booked against 2020 Miscellaneous Expenses. In response to this case, UBS has since agreed to send its credit cards directly to the US, an option previously unavailable.

## CASH FLOW

Early receipt of membership dues and sustaining member contributions and reduced meeting expenses have boosted the IEA's cash flow for the first part of 2020.

Table 5: Cash Flow to December 31<sup>st</sup>, 2020

Cash Flow (US\$)	
Summary of operations, Year 2020, up to December 31 <sup>st</sup>	
Forwarded from 2019 @ 2020 Exchange	<b>124,066</b>
Cash Revenues (+) (includes dues advanced this year, but does not include dues advanced in previous years)	90,758
Cash Expenses (-) (does not include depreciation)	-51,230
Seed moneys sent (-) and received (+)	0
Funds disbursed (-) and received (+)	0
Exchange rate and cost effects from account balances, transfers between currencies, refunds, etc.	31
Revenues (advanced)	225
<b>2020 Cash Flow</b>	<b>39,784</b>
Available to be forwarded to 2021 @ 2020 Exchange	<b>163,850</b>

## EXPLANATORY NOTE ABOUT EXCHANGE RATE VARIATION

Most of the IEA's financial assets are now held in US\$ denominated accounts. The IEA has a CHF denominated account due to local banking requirements and to support credit card operations, but the amounts maintained there are too small to warrant exchange rate tracking in this report (although the exchange rate and its variations are still taken into account in the IEA's books).

## REMARKS AND RECOMMENDATIONS

- It is necessary to continue to explore new and/or existing funding sources, in new ways, to guarantee sustainability.
- Member invoices were sent in the 1<sup>st</sup> quarter and payments have been received as usual.
- 93% of 2020 sustaining member contributions have been collected.
- 25 of 54 FS & AS members have already paid their 2020 membership dues, totaling approximately 60% of revenues expected from this source, despite the pandemic.
- 2019 accounting information for our 2020 tax returns has been provided to our Swiss accounting service using the Banana Accounting software.
- Detailed data (vs annualized summaries) for past years still remains to be migrated into Banana accounting (this is not required, but desirable for management tracking purposes).