

Treasurer's report 2015

Lorenzo Richiardi, March 2016

1st draft circulated for the IEA Executive Council Meeting, April 2015

2nd draft prepared for the IEA Full Council Meeting, Oxford October 2015

Last version – prepared for IEA Executive Council Meeting, Oxford March 2016

The 2015 Treasurer's report was first submitted to the Executive Council on April 2015 and then updated for the Full Council Meeting on October 2015 and finalized on March 2016 for the Executive Council Meeting. All versions are available.

1. Budget

a) Overall summary of IEA finances over the last 4 years (2011-2014) – prepared on April 2015

Table 1. IEA annual income and expenses between 2011 and 2014

| | 2011 | 2012 | 2013 | 2014 |
|----------------------|----------|---------|----------|----------|
| Income | 357,000 | 377,461 | 306,052 | 348,818 |
| Expenses | 501,000 | 379,244 | 426,283 | 518,525 |
| Net | -144,000 | -1,783 | -120,231 | -169,707 |
| Cash reserves | 791,000 | 764,000 | 682,000 | 537,000 |

Data for the period 2011-2014 are obtained from FirstPoint's annual financial statements. Since IEA has been over-spending according to the EC's decision in 2009 to decrease accumulated reserves, a decrease in cash reserves from 2011 to 2014 was expected. At the end of 2014, the available cash reserve was \$ 537,000.

b) Projections for 2015-2017 – prepared on April 2015

These projections had been prepared for the IEA EC meeting, April 2015.

Table 2. Projection of IEA annual income and expenses for the period 2015-21017*

| | 2015 | 2016 | 2017 |
|-----------------------------|----------|---------|----------|
| Income^a | 448,337 | 447,000 | 447,000 |
| Expenses^a | 581,856 | 522,356 | 602,356 |
| Net | -133,519 | -75,356 | -155,356 |
| Cash reserves | 403,481 | 328,125 | 172,769 |

*based on ongoing activities in 2014

^a From 2015 onwards, both income and expenses include £62,485 (\$90-95,000) for IJE, which were previously paid directly from OUP to IJE, and not included in IEA accounts.

c) Revised 2015 budget – prepared on October 2015

A revised 2015 budget was submitted to the Full Council Meeting on October 2015.

Table 3. Summary of the IEA 2015 budget, October 2015

| | 2015 |
|----------------------|-------------|
| Income | 456,500 |
| Expenses | 456,171 |
| Net | 329 |
| Cash reserves | 537,329 |

The revised budget shows a substantial change in income and expenses compared to the April estimates, including:

- 1) Small changes in the income due to royalties from the Dictionary of Epidemiology and variations in the GBP - USD exchange rate
- 2) Reductions in the Councilor's expenses.
- 3) A new contract between IEA and the University of Bristol for editorial costs associated with the International Journal of Epidemiology (note: the annual amount paid by IEA to IJE for 12 months from 1st January 2015 is \$170,000, but \$37,000 were already transferred in 2014 and do not appear in the 2015 budget – the previous contract between IEA and the University of Bristol expired on March 2015, while the current 12-month contract starts on January 2015, with an overlap of 3 months).
- 4) Financial and governance reviews commissioned by IEA
- 5) Cancellation of the EC meeting and the IEA international course that were planned to be held in Pokhara, Nepal, at the end of April 2015 (days after the massive earthquake).

d) 2015 actual budget – prepared on March 2016

The detailed 2015 actual budget is reported in the Appendix 1. A summary is reported in Table 4

Table 4. Summary of the IEA 2015 actual budget

| | 2015 |
|----------------------|-------------|
| Income | 440,378 |
| Expenses | 424,508 |
| Net | 15,870 |
| Cash reserves | 552,870 |

There are small differences between the 2015 actual budget and the budget prepared in October 2015 (see section 1c) due to changes in the GBP-USD exchange rate, decreased expenses of some Councilors and decreased costs associated with the Full Councilor Meeting. There are also some differences between the figures reported in this section (and in the Appendix) and those reported in the 2015 FirstPoint financial statement. This is mainly due differences in considering loans and expected reimbursements/expenses that have not been finalized yet.

e) Sources of income – revised on March 2016

The main sources of income are royalties associated with the International Journal of Epidemiology and membership dues. These two sources have been fairly constant in the past years.

Table 5. Main IEA sources of income

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------------|
| Membership dues net ^a | 74,512 | 93,542 | 37,765 | 41,580 | 39,863 |
| IJE royalties | 264,331 | 260,980 | 249,389 | 262,242 | 287,115 ^b |
| Investment account | 18,336 | 15,193 | 14,793 | 13,483 | 13,895 |
| Total | 357,179 | 369,715 | 301,947 | 317,305 | 340,873 |

^a After exclusion of European Epidemiological Federation (EEF) dues

^b In addition to the IJE royalties, in 2015 Oxford University Press has sent \$95,000 funds to IEA to cover editorial costs for the IJE that had previously been sent directly to the IJE editorial office.

In 2013, the income from membership dues decreased substantially but this change was partly or mainly due to the green campaign to shift from the printed version of IJE to on-line only. OUP will increase IJE subscription charges in 2016 by ~10% but other major changes in income are not expected (and revenues could decrease due a general contraction of institutional subscriptions to print journals).

A minor income comes for the investment account (approximately \$14,000 in 2015).

f) Councilors' activities, Councilors' meetings and management – revised on March 2016

Expenses for Councilors' activities, meetings and management costs are reported in the table below. These expenses are core costs that do not vary largely on the basis of planned annual activities.

Table 6. Councilors' and management expenses

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------------------|----------------|----------------|----------------|----------------|---------------------|
| Councillors' activities | 58,616 | 78,099 | 56,884 | 35,093 | 46,779 |
| Councillors' meetings | 20,320 | 60,130 | 9,899 | 67,755 | 14,986 ^a |
| FirstPoint management | 83,605 | 57,255 | 63,122 | 57,213 | 52,820 |
| Other manag expenses | 6,174 | 10,931 | 9,303 | 8,837 | 32,353 ^b |
| Total | 168,714 | 206,414 | 139,209 | 168,899 | 146,938 |

^a it was planned \$35,000 for 2015 but the EC meeting in Pokhara was cancelled because of the massive earthquake in Nepal.

^b it includes \$ 22,915 for external reviews of financial procedures and governance

g) Contribution to the International Journal of Epidemiology

Until 2014, Oxford University Press had sent directly to the Editorial office of IJE funds to cover editorial costs. In addition, IEA contributed \$132,647 in 2011, \$139,279 in 2012, \$146,800 in 2013, and \$147,747 in 2014 to the IJE Editorial office.

Since 2015, OUP sends funds to cover editorial costs to IEA, and IEA transfers these funds to the IJE Editorial office. In 2015, IEA received from OUP \$95,000 to cover editorial costs. For the calendar year 2015, IEA contributed a total of \$170,000 to the IJE Editorial office.

h) Other IEA activities - revised on March 2016

Over the years, the difference between the total income and councilors' and management expenses has been varying from a minimum of less than 0 to a maximum of about \$100,000 (mean 2011-2015: \$43,000). A higher net income is expected in the years between two WCEs.

(the WCE is associated with increased costs, including an additional \$25,000 for the full council meeting and possible unforeseen organizational costs for the congress).

i) Revised *projections for 2016-2017 – March 2016*

The 2016 budget and the projections for 2017 will be provided in the 2016 Treasurer's report

2. World Congress of Epidemiology (WCE) – revised on March 2016

Table 7 summarizes expenses associated with the 2014 WCE. Data are obtained from FirstPoint. Due to difficulties in reconstructing the actual items-costs the figures reported in the table should be regarded as estimates.

Table 7. IEA expenses related with the 2014 WCE (estimates)

| ITEM | |
|------------------------------------|----------------|
| Loan | 75,000 |
| Extra-contribution - 2015 | 25,000 |
| World Congress - Hotel/Venue | 36,600 |
| World Congress - Travel Costs | 42,000 |
| Pre-Congress Course - Travel Costs | 1,500 |
| Pre-congress course management | 28,000 |
| Richard Doll prize | 30,000 |
| Editing of WCE abstracts | 15,600 |
| | |
| TOTAL | 253,700 |

Appendix 1. 2015 actual budget*

| | Actual |
|---|-------------------|
| | 2015 |
| Income | |
| Membership Dues | 41,033.72 |
| Royalties - Dictionary of Epidemiology | 2,574.08 |
| Royalties - Modern Epidemiology | 21.90 |
| Royalties - International Journal of Epidemiology | 287,115.42 |
| OUP contribution to support Editorial costs | 95,737.92 |
| Investment Income | 13,895.17 |
| Unrealized Gain/(Loss) on Investment Appraisals | 0.00 |
| Miscellaneous Income | 0.00 |
| Total Income | 440,378.21 |
| Expenses | |
| Councilors' expenses | |
| President's Office Support | 5,000.00 |
| Admin/Office Supplies | 0.00 |
| Wire Fee | 0.00 |
| Treasurer's Office Support | 382.07 |
| Communication/Website Maintenance | 0.00 |
| Admin/Office Supplies | 0.00 |
| Wire Fee | 0.00 |
| Secretary's Office Support | 3,525.00 |
| Communication/Website Maintenance | 0.00 |
| Admin/Office Supplies | 0.00 |
| President Elect Office Support | 0.00 |
| Past President's Office | 0.00 |
| Contract Services | 0.00 |
| Rapid Response - "Epi Blog" | 0.00 |
| Early Career Epidemiologists | 2,525.00 |
| Travel | 0.00 |
| Wire Fee | 0.00 |
| Regional Councilors' Budget Allocation | 31,458.90 |
| Project Management | 0.00 |
| Communication/Website Maintenance | 0.00 |
| Admin/Office Supplies | 0.00 |
| Travel | 0.00 |
| Scholarship | 0.00 |
| Wire Fee | 0.00 |
| CIOMS Ethical guidelines (2013-2015 meetings) | 3,888.50 |
| European Epidemiological Federation | 1,170.80 |
| Western Europe Membership Dues | 1,170.80 |
| Subtotal, Councilors' Expenses | 47,950.27 |
| FirstPoint Management Resources Expenses | |
| Management Fees | 47,130.96 |
| Audit/Accounting | 1,000.00 |
| IT Services | 907.50 |
| Office Supplies | 268.37 |
| Telephone | 80.00 |
| Postage/UPS | 73.72 |
| Copies | 31.20 |
| Printing | 0.00 |
| Staff/Member Travel Reimbursements | 3,274.22 |
| Graphics | 55.00 |
| Subtotal, FPMR Expenses | 52,820.97 |

| | |
|---|-------------------|
| Other management expenses | |
| Website | 3,199.37 |
| Bank Service Charges | 3,475.66 |
| Bank Merchant Fees | 2,699.02 |
| Investment Service Charges | 20.00 |
| Investment Commissions and Fees | 44.00 |
| Joyce and Company-CPA review IEA financial procedures | 5,400.00 |
| Sue Thorn Consulting - governance review | 17,515.00 |
| Subtotal, Other management Expenses | 32,353.05 |
| IEA Councillors' meetings | |
| Executive Committee Meeting (during the IEA intl course) | 2,077.01 |
| Full Councillors' Meetings | 12,909.00 |
| Council Meeting - Other Costs | 0.00 |
| WCE Full Councillors (incoming & outgoing) | 0.00 |
| Subtotal, IEA Councillors' Expenses | 14,986.01 |
| IEA annual activities | |
| Regional Meetings | |
| SEA | 23,492.30 |
| EEF meeting - Maastricht | 5,722.88 |
| Support To the African Federation | 35,025.00 |
| IEA International Course - management | 14,832.84 |
| Other costs for the Nepal course non-EC faculty travel | 1,487.93 |
| IEA Sponsored Event (Congress of Americas 2016) | 15,000.00 |
| (IEA event Oxford) | 1,135.85 |
| (EEPE fellowships) | 6,000.00 |
| Subtotal, IEA annual activities | 102,696.80 |
| WCE | |
| World Congress - Hotel/Venue | 0.00 |
| World Congress - Scholarship | 0.00 |
| World Congress - Travel Costs | 0.00 |
| Loan | 0.00 |
| Richard Doll Prize | 0.00 |
| Pre-Congress Course - | 0.00 |
| WCE abstracts | 15,637.67 |
| WC Executive Committee Meeting Other Costs | 25,000.00 |
| Subtotal, WCE | 40,637.67 |
| Publications | |
| International Journal of Epidemiology - Editorial | 133,063.00 |
| IEA Epi Dictionary | 0.00 |
| Miscellaneous, Other Meetings, etc, | 0.00 |
| Subtotal, International Journal of Epidemiology Expenses | 133,063.00 |
| Total expenses | 424,507.77 |
| Net Income(- for loss) | 15,870.44 |

Loans: \$ 25,000 to The Congress of the Americas 2016

*Note: There are some differences between the figures reported in this Appendix and those reported in the 2015 FirstPoint Financial Statement. This is mainly due differences in considering loans and expected reimbursements/expenses that have not been finalized yet.