

## REPORT OF THE TREASURER AND OF THE FINANCE COMMITTEE

GRAZ, AUSTRIA

*April 18, 2015*

The Finance committee met in Graz on Saturday, April 18, 2015.

The agenda was circulated between the members of the committee (*annex 1*).

The attendance list was circulated and is attached (*annex 2*)

The minutes of the previous meeting have been sent to the members of the finance committee, and were approved by the finance committee.

### ***Budget 2014: final accounts***

The realized budget for 2014, including the general fund, is presented to the delegates. It has been audited on March 16 by the accountant. All expenses have been accepted. There is technically more income than expenses for that year, because the French vacuum society paid the 40 k€ donation to IUVSTA for IVC Paris only beginning of 2014 (and not in 2013). The finance committee approved these final accounts.

### ***Status of member societies***

Most of the societies have paid their fees for 2014, and many of them have already paid for 2015. The treasurer points out that despite his emails, he has no response from Russia (which did not pay for 2014 and gives no response for 2015). He suggests that the President writes an email to the Russian Vacuum Society. Australia has still some fees to pay from the remaining triennium, and some action should be taken there also. The list of the current subscription status is circulated.

### ***Status of financial accounts***

Since ECM Dubrovnik (October 2014), the treasurer had to pay a few schools and workshops that impacted the general fund. The new investment strategy (initiated after the Trento meeting) starts to be fruitful. Most of the funds that we have invested in have performed well. The main "historical" strategy, which consists in diversifying gave decently good results. According to our analysis, this is due to the strong US economy, which brings the stock exchange market(s) to records. This impacts in a positive way the Fund invested in stocks. The US Dollar increased a lot increasing from 1,27 USD/EUR to 1,08 USD/EUR. That impacts positively the value in Euro of the investments in bonds in USD (105.000 USD invested), the funds located in AVS (196.000 USD). Beginning of this calendar year, the Swiss central bank decided to break the 1,20 CHF/1 EUR parity. As a consequence, the Swiss Franc increase to be close to a 1:1 parity with the Euro. That has a positive impact on the euro value of the funds in Swiss franc, and the accounts in Swiss francs. The Economy in Europe is also slowly recovering, which pushed the stock market to local records.

The main risks for IUVSTA are now in the political situation in the south of Europe, with the Greek problem still present and poisoning the Eurozone. The Federal reserve in the US might increase its interest rates in June, thanks to the solid economy in America. That will decrease the value of the bonds labeled in USD (at least), and will have probably some impact on the stock market. Having fixed interests of 4% net is not realistic any more for the

moment, and one should think about sell and buy procedure of assets. In total, the general fund was on April 15 over 671.000 € which is an increase of more than 100.000 € since October 2014.

Finally, it is noted that, as an example of the volatility of the world economy, the fund dropped of 20 k€ in one day (yesterday).

The **investment subcommittee** will continue to discuss on a regular base to find the appropriate investments.

### ***Budget 2015***

The proposed budget for 2015 has been sent in due time to the IUVSTA website. 3 items should be noted : a transfer (decrease) of the money allocated to the educational activities of 10.000 € to the budget for workshop and schools (increase), where there is currently more and more demands, a good sign of the dynamism of IUVSTA, a provision of 4.000 € for the tax, bank charges and various, and more expenses than income. This item, which is high compared to previous years is dedicated to face a tax on the IUVSTA assets which is due by all non profit organization, the amount of which is still unknown. The transfer from education to workshop should be validated by the AGM this Sunday. The “unbalanced” budget will need injection from the general fund of around 30.000 €. The treasurer reminds that the final budget from 2014 lead to a transfer to the general fund of more than 38.000 €.

The proposed budget will allow, in total, 5 workshops for 2015. 3 have already been assigned. If more workshops / schools need to be sponsored, some anticipated transfer from 2016 (same budget line) could be done, and some other flexibility from unused budget lines can be proposed. However, such flexibility allowed to the treasurer should be voted at the AGM of this Sunday.

The treasurer reminds that, in order to fund all IUVSTA activities without decreasing the capital, a general fund of approximatively 900 k€ is needed. We are now about 650, still increasing.

The finance committee approved the proposed budget for 2015.

*François Reniers*

*Treasurer*