

Report of the Treasurer

It is my pleasure to present the Treasurer's report to the Annual General Assembly of ICOMOS.

This report covers a review of the audit and financial statements for the previous year (January to December 2020), as well as some remarks on the financial situation as experienced during the course of this year – 2021, and concludes with the budget proposed for the upcoming triennium – years 2022-2024.

1 AUDIT FOR THE PAST YEAR AS UNDERTAKEN BY THE AUDITING FIRM OF COMMISSAIREAUXCOMPTE.FR

The report from the auditors raises no issues as our annual accounts are considered fair and accurate based on French law and are consistent with the information given to the Board on the financial position and the financial statements. The annual financial statements were circulated and adopted by the Board at the meeting held on 9th March 2020. They, therefore, require ratification by the Annual General Assembly.

The financial year ending December 2020 ended almost breakeven with a net profit of €5,758 as opposed to the previous year (2019) that resulted in a net profit of €81,426. The Covid pandemic has had a moderate impact on the financial condition of ICOMOS. The pandemic that began in March 2020 and has had the effect to slow everything down. ICOMOS membership fees, which represent 45% of our unrestricted operating funds, have been more-or-less stable with an income of €439,830 vs. €446,845 in 2019. Since activities also slowed down, our expenses were also less: €850,969 vs. €885,100 in 2019. Personnel expenses were also lower in 2020: €454,506 vs. €465,886 in 2019.

The continuing generosity of the French government allows ICOMOS to occupy offices at the Médiathèque de l'architecture et du patrimoine rent-free; we only pay for the maintenance and upkeep expenses (€42,454 in 2020).

As a result of the pandemic, there has been a postponement of the expected appeal judgment for the legal action by a former employee dismissed in 2018. The exceptional provision of €81,000 has been maintained to cover this risk.

2 REMARKS ON THE CURRENT FINANCIAL YEAR - 2021

It is assumed that the effects of the ongoing pandemic will have a greater impact on 2021 than 2020. At this point, it appears that the organization may end the year with a negative balance of €20,000-€50,000. This deficit will be mainly a result of the postponement of some projects and/or the slowdown of activities. In terms of membership fees, which represent 45% of ICOMOS's unrestricted funds, they were until October 15% lower than last year at the same time but we were very pleased to note in the past weeks that this shortfall was being covered by late fees.

The postponement of projects, such as Connecting Practice Phase IV and Innova Concrete, is thus having a negative impact since the net resources they provide are only recorded at the end of each project. Therefore, if these projects are carried over into 2022 instead of being completed in 2021 as was initially assumed, the corresponding budgeted income will be carried forward to 2022. The slowdown of other activities, like the World Heritage monitoring missions organized by UNESCO, will also have a negative impact because the overhead they produce is a proportional function of volume. The reserves built up over the last few years allow us to cope easily with this situation in the short term; however, it is clear that a return to the pre-COVID level of contributions and activities is a required condition for the survival of ICOMOS.

In addition to the above, we are pleased to announce that the Board has engaged a team of fundraising consultants. A questionnaire has already been developed and circulated to the Board to define each Board member's knowledge of fundraising and capacity to implement the various tasks that have been identified. Four fundraising workshops have been scheduled: two before the end of this year and two in the spring of 2022. The purpose of the workshops is to train the Board in fundraising and to assist in crafting a message to appeal to funders. The short-term goal is to raise €1,000,000 by 2025, the 60th anniversary of the founding of ICOMOS, while the ultimate goal is to raise €10,000,000 over a decade. This special fund will ensure the financial stability of the organization allowing ICOMOS to develop programs as well as invest in the Emerging Professionals of the organization so that there is continuity of expertise that is vital to ICOMOS long-term sustainability.

3 SOME REMARKS REGARDING THE TRIENNIAL BUDGET 2022-2024

As is customary at this time of the year, the draft budget is still only an estimate that will need to be refined before being presented to the Board. In view of the current context and uncertainties, it does not seem useful to present a detailed three-year budget. No one knows how quickly the pace of activities will return to pre-pandemic levels. By trying to be too precise, we risk relying on faulty assumptions.

Only the 2022 budget is presented in detailed form. The basic assumption is that contributions will return to their 2019 level in 2022. This may be overly optimistic, but together, we are going to have to make sure that reality converges with this optimistic scenario as this is a question of the survival for the organization.

For 2022, the following assumptions are being made that underly the simplified budgets presented:

- Expense growth:
 - Personnel: 1.5% per year
 - Computer and internet: 1.5% per year
- Revenue:
 - Membership fees: 1.5% per year

Pamela Jerome: Treasurer-General
October 2021