

## **WCRP Joint Climate Research Fund**

### Financial Statements for year 2018

The JSC is requested to:

- Note information contained in the document, and take it into account in the discussion on the implementation for 2019 and thereafter.

### **Background**

The operation of WCRP is based on the Joint Climate Research Funds (JCRF), a special account within WMO. The establishment and administration of JCRF follows the agreement among the Co-sponsors as described in Annex B of the Agreement between the World Meteorological Organization (WMO), the International Council of Scientific Unions (ICSU) and the Intergovernmental Oceanographic Commission (IOC) of UNESCO, signed in 1993:

*'... 5. Budget estimates for activities of the JSC and its supporting staff in the following biennium shall be prepared by the Joint Scientific Committee, and submitted for approval to the executive bodies of WMO, IOC and ICSU...'*

Under the above-noted Agreement, WMO Staff and Financial Regulations and Rules apply to the administration of JCRF, under the responsibility of the Secretary-General of the WMO. The financial statements of JCRF have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS) using the historic cost convention, submitted and approved at the external audit of WMO accounting.

This report contains the financial statements of JCRF for the year 2018 (and the status as at 31 December 2018) prepared by the WMO and submitted to the WMO external audit. These statements are based on the new International Public Sector Accounting (IPSAS) Standards. The final report in its entirety is expected to be approved and made available before July 2019.

**STATEMENT I:**

**Joint Climate Research Fund (JCRF)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**  
*(in Swiss Francs)*

|                                   | <u>Note</u> | <u>2018</u>             | <u>2017</u>             |
|-----------------------------------|-------------|-------------------------|-------------------------|
| <b>ASSETS</b>                     |             |                         |                         |
| <b>Current assets</b>             |             |                         |                         |
| Funds held by WMO                 | 3.1         | 981,974                 | 852,654                 |
| Contribution receivable           | 3.2         | 59,730                  | 49,076                  |
| Advance for projects and meetings | 3.3         | 50,801                  | -                       |
| Other receivables                 | 3.4         | 28,728                  | 210,065                 |
|                                   |             | <u>1,121,233</u>        | <u>1,111,795</u>        |
| <b>Non-current assets</b>         |             |                         |                         |
| Contribution receivable           | 3.2         | -                       | 15,629                  |
|                                   |             | -                       | 15,629                  |
| <b>Total assets</b>               |             | <b><u>1,121,233</u></b> | <b><u>1,127,424</u></b> |
| <b>LIABILITIES</b>                |             |                         |                         |
| <b>Current liabilities</b>        |             |                         |                         |
| Payables and accruals             | 3.5         | 36,706                  | 26,764                  |
| Deferred Revenue                  | 3.6         | 36,763                  | 32,829                  |
| Other liabilities                 | 3.7         | -                       | 824                     |
|                                   |             | <u>73,469</u>           | <u>60,417</u>           |
| <b>Non-current liabilities</b>    |             |                         |                         |
| Deferred Revenue                  | 3.6         | -                       | 15,629                  |
|                                   |             | -                       | 15,629                  |
| <b>Total liabilities</b>          |             | <b><u>73,469</u></b>    | <b><u>76,046</u></b>    |
| <b>Net assets</b>                 |             | <b><u>1,047,764</u></b> | <b><u>1,051,378</u></b> |
| <b>NET ASSETS/EQUITY</b>          |             |                         |                         |
| Fund balances                     | Stmmt III   | 1,047,764               | 1,051,378               |
| <b>Total net assets/equity</b>    |             | <b><u>1,047,764</u></b> | <b><u>1,051,378</u></b> |

The accompanying notes form an integral part of these financial statements.

### Note 3.1: Funds held by WMO

30. JCRF does not maintain its own bank accounts. Its funds are administered by WMO. Funds held by WMO represents the amount of JCRF funds in WMO bank accounts.

### Note 3.2: Other receivables

|                                | 2018                | 2017           |
|--------------------------------|---------------------|----------------|
|                                | <i>Swiss Francs</i> |                |
| Education Grant Advances       | 25,369              | 23,557         |
| Travel expenses due to WMO     | 3,235               | 3,860          |
| Prepaid expenses               | 124                 | 4,429          |
| Home Country Taxation          | -                   | 178,219        |
| <b>Total other receivables</b> | <b>28,728</b>       | <b>210,065</b> |

31. Employees entitled to grants for the education of their eligible dependents may request an advance at the beginning of the school year. The amount of advance which is accrued at 31 December 2018 is based on the number of months of attendance relative to the school year.

32. Travel expenses due to WMO represent advance that were sent to travelers who were not able to participate to the JCRF meetings which should be reimburse to WMO.

33. Prepaid expenses represent payment in advance for goods and services receivable in future years.

34. Home country taxation represents advances made for staff to pay incomes taxes required by their home country governments, as well as refunds due from governments.

### Note 3.3: Advance for projects and meetings

35. Advances for the organization of JCRF meetings represent advances given to institutions for the organization of JCRF meetings held outside of Geneva, based on a Letter of Agreement in which the recipient organization commits, inter alia, to providing an expenditure report for the advance within three months of the conclusion of the meeting. The advances are recognized as expenditure when the meeting is held. In 2018, Advance were made for projects and meetings amounting to CHF 50,801 (no advance made in 2017).

### Note 3.4: Contributions receivable

36. Contributions receivable in the amount of CHF 59,730 represents voluntary contributions – pledged revalued at 31 December 2018. CHF 59,730 are voluntary contributions pledged short-term (CHF 49,076 in 2017); there were no voluntary contributions pledged long-term in 2018 (CHF 15,629 in 2017).

### Contingent Assets

37. There are Contingent Asset amounting to CHF 292,099 in 2018. Contingent Assets represents revenue from agreements which have been entered into with donors for contributions for future years but where that future year funding is still subject to some parliamentary budget approval.

### Note 3.5 Payables and Accruals

|                                    | <b>2018</b>         | <b>2017</b>   |
|------------------------------------|---------------------|---------------|
|                                    | <i>Swiss Francs</i> |               |
| Payables                           | 30,781              | 21,809        |
| Accruals                           | 5,925               | 4,955         |
| <b>Total payables and accruals</b> | <b>36,706</b>       | <b>26,764</b> |

38. Payables relate to amounts due for goods and services for which invoices have been received less amounts due from participants who were paid but did not attend meetings.

39. Accruals represent the cost of goods and services received by JCRF and for which supplier invoices had not arrived as of the reporting date.

### Note 3.6 Deferred Revenue

40. JCRF has deferred revenue relating to cash voluntary contribution covered by agreements with conditions as at 31 December 2018 amounting to CHF 36,763 (all short-term). There was no deferred revenue long-term as at 31 December 2018 (In 2017, there were CHF 32,829 short term and CHF 15,629 long term deferred revenue).

## STATEMENT II

**Joint Climate Research Fund (JCRF)**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**  
*(in Swiss Francs)*

|                                               | <u>Note</u> | <u>2018</u>      | <u>2017</u>      |
|-----------------------------------------------|-------------|------------------|------------------|
| <b>Revenue</b>                                |             |                  |                  |
| Voluntary contributions                       | 5.1         | 1,782,526        | 1,894,953        |
| In-kind contributions                         | 5.2         | 207,285          | 116,526          |
| Other revenue                                 | 5.3         | 4,056            | 1,307            |
| <b>Total Revenue</b>                          |             | <b>1,993,867</b> | <b>2,012,786</b> |
| <b>Expenses</b>                               |             |                  |                  |
| Salaries and employee benefits                | 6.1         | 1,059,346        | 1,612,641        |
| Travel                                        | 6.2         | 365,497          | 313,083          |
| In-kind expenditure                           | 6.3         | 207,285          | 116,526          |
| Meetings                                      | 6.4         | 181,454          | 165,616          |
| Supplies, consumables and other running costs | 6.5         | 105,497          | 62,318           |
| Other expenditures                            | 6.6         | 78,402           | 20,190           |
| <b>Total Expenses</b>                         |             | <b>1,997,481</b> | <b>2,290,374</b> |
| <b>Deficit for the year</b>                   |             | <b>(3,614)</b>   | <b>(277,588)</b> |

The accompanying notes form an integral part of these financial statements.

### Note 5.1: Voluntary contributions

|                                                                          | <b>2018</b>         | <b>2017</b>      |
|--------------------------------------------------------------------------|---------------------|------------------|
|                                                                          | <i>Swiss Francs</i> |                  |
| WMO's Contributions                                                      | 1,600,619           | 1,593,300        |
| Other Voluntary contributions and ISC's<br>(former ICSU's) Contributions | 167,572             | 235,026          |
| Voluntary contributions-pledged                                          | 14,335              | 8,187            |
| IOC/UNESCO's Contributions                                               | -                   | 58,440           |
| <b>Total Voluntary contributions</b>                                     | <b>1,782,526</b>    | <b>1,894,953</b> |

### Note 5.2: In-kind contributions

48. a. Remuneration costs: Contributions in-kind relates to the remuneration of the WCRP/JPS Director (CHF 102,985 in 2018 and CHF 24,522 in 2017 in respect to the Ad Interim WCRP/JPS Director).

b. Office space: Office space is provided by WMO (CHF 104,300 in 2018 and in 2017). Calculation is based on current rental fee charged to WMO tenants, which also includes rental for common areas.

c. Administrative support: In accordance with the Memorandum of Understanding between WMO and JCRF, WMO also provides various administrative support facilities free of charge to JCRF.

d. WCRP meetings and workshops: JCRF also receives contributions in-kind from members, which are not recognized in these accounts as JCRF did not have control over those contributions in-kind and could not measure their fair value reliably. The services in-kind which are provided by members, relate to the support provided for JCRF meetings held in their countries.

e. In-kind contributions are expensed at the same time as they are recognized as revenue.

### NOTE 5.3: Other revenue

|                      | <b>2018</b>         | <b>2017</b>  |
|----------------------|---------------------|--------------|
|                      | <i>Swiss Francs</i> |              |
| Unrealized Gain      | 2,318               | -            |
| Interest             | 914                 | 428          |
| Travel refund        | 824                 | 879          |
| <b>Other revenue</b> | <b>4,056</b>        | <b>1,307</b> |

## NOTE 6: EXPENSES

|                                                                                                                                                                                                              | 2018                | 2017             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------|
|                                                                                                                                                                                                              | <i>Swiss Francs</i> |                  |
| <b>6.1 Salaries and employee benefits</b>                                                                                                                                                                    |                     |                  |
| Staff costs (Higher in 2017 due to termination indemnities paid, compensated by the departure of JCRF's Director as of 30 June 2017)                                                                         | 1,059,346           | 1,612,641        |
|                                                                                                                                                                                                              | <b>1,059,346</b>    | <b>1,612,641</b> |
| <b>6.2 Travel</b>                                                                                                                                                                                            |                     |                  |
| Travel - other (Slight decrease in 2018)                                                                                                                                                                     | 257,395             | 236,577          |
| Travel of staff (Increase in 2018 due to increase in ad hoc travel of staffs to attend non-WMO meetings)                                                                                                     | 108,102             | 76,506           |
|                                                                                                                                                                                                              | <b>365,497</b>      | <b>313,083</b>   |
| <b>6.3 In-kind expenditure</b>                                                                                                                                                                               |                     |                  |
| Remuneration costs (The remuneration cost in 2017 was booked in December for the whole year)                                                                                                                 | 102,985             | 12,226           |
| Rental of office space                                                                                                                                                                                       | 104,300             | 104,300          |
|                                                                                                                                                                                                              | <b>207,285</b>      | <b>116,526</b>   |
| <b>6.4 Grants and Contributions for organization of meetings</b>                                                                                                                                             |                     |                  |
| Contributions for organization of meetings (In 2018 increase in contribution to other funds and grants and contributions for organization of meetings)                                                       | 181,454             | 165,616          |
|                                                                                                                                                                                                              | <b>181,454</b>      | <b>165,616</b>   |
| <b>6.5 Supplies, consumables and other running costs</b>                                                                                                                                                     |                     |                  |
| Information/Telecommunications (ICT Charges) (Change in calculation in 2018)                                                                                                                                 | 50,108              | 26,990           |
| Common Services/Utilities (COS Charges) (Change in calculation in 2018)                                                                                                                                      | 46,215              | 27,500           |
| Rental of furniture and equipment                                                                                                                                                                            | 5,296               | -                |
| Stationery and Supplies                                                                                                                                                                                      | 3,878               | 7,828            |
|                                                                                                                                                                                                              | <b>105,497</b>      | <b>62,318</b>    |
| <b>6.6 Other expenditures</b>                                                                                                                                                                                |                     |                  |
| Loss on currency exchange:                                                                                                                                                                                   |                     |                  |
| Realized                                                                                                                                                                                                     | 2,081               | 2,703            |
| Unrealized                                                                                                                                                                                                   | -                   | 8,297            |
|                                                                                                                                                                                                              | 2,081               | 11,000           |
| Finance costs                                                                                                                                                                                                | 2,995               | 2,065            |
| Write off (CHF 66,791 denied amounts under US Tax reimbursement claims for years 2014 to 2016; CHF 2,107 related to unrecoverable amount due to WMO from travelers who were not able to attend GEO meetings) | 68,898              | -                |
| Public information                                                                                                                                                                                           | 3,605               | 5,202            |
| Hospitality (no Hospitality in 2018)                                                                                                                                                                         | 823                 | 1,923            |
| Staff Training (no Staff training in 2018)                                                                                                                                                                   | -                   | -                |
|                                                                                                                                                                                                              | <b>78,402</b>       | <b>20,190</b>    |

**STATEMENT III**

**Joint Climate Research Fund (JCRF)**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**  
*(in Swiss Francs)*

|                                                       | <b>Fund Balance /<br/>Net Assets</b> |
|-------------------------------------------------------|--------------------------------------|
| <b>Net assets at 31 December 2017</b>                 | <b>1,051,378</b>                     |
| <b>Movement in fund balances and Reserves in 2018</b> |                                      |
| Deficit for the year                                  | (3,614)                              |
| <b>Total movements during the year</b>                | <b>(3,614)</b>                       |
| <b>Total net assets at 31 December 2018</b>           | <b>1,047,764</b>                     |
|                                                       |                                      |
|                                                       | <b>Fund Balance /<br/>Net Assets</b> |
| <b>Net assets at 31 December 2016</b>                 | <b>1,328,966</b>                     |
| <b>Movement in fund balances and Reserves in 2017</b> |                                      |
| Deficit for the year                                  | (277,588)                            |
| <b>Total movements during the year</b>                | <b>(277,588)</b>                     |
| <b>Total net assets at 31 December 2017</b>           | <b>1,051,378</b>                     |

The accompanying notes form an integral part of these financial statements.



**STATEMENT IV**

**Joint Climate Research Fund (JCRF)**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**  
*(in Swiss Francs)*

|                                                           | <u>2018</u> | <u>2017</u> |
|-----------------------------------------------------------|-------------|-------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                |             |             |
| (Deficit) for the year                                    | (3,614)     | (277,588)   |
| (Increase) decrease in funds held by WMO                  | (129,320)   | 204,549     |
| (Increase) decrease in other receivable                   | (10,654)    | (2,639)     |
| (Increase) decrease in Advance for projects and meetings  | (50,801)    | 64,600      |
| (Increase) decrease in contribution receivable            | 196,966     | (56,505)    |
| Increase (decrease) in Deferred income                    | (11,695)    | 48,458      |
| Increase (decrease) in payables and accruals              | 9,942       | 19,125      |
| Increase (decrease) in other liabilities                  | (824)       | -           |
| <b>Net cash flows from operating activities</b>           | <u>-</u>    | <u>-</u>    |
| <b>Net increase in cash and cash equivalents</b>          | -           | -           |
| <b>Cash and cash equivalents at beginning of the year</b> | -           | -           |
| <b>Cash and cash equivalents at end of the year</b>       | <u>-</u>    | <u>-</u>    |

The accompanying notes form an integral part of these financial statements.

**STATEMENT V**

**Joint Climate Research Fund (JCRF)**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**FOR THE TWELVE MONTHS ENDING 31 DECEMBER 2018**  
*(in Swiss Francs)*

| Project budget line item                             | 2018<br>Budget   | Expenditure*<br>on<br>comparable<br>basis | % of<br>annual<br>budget<br>spent | Differences:<br>final budget<br>and actual |
|------------------------------------------------------|------------------|-------------------------------------------|-----------------------------------|--------------------------------------------|
| 1 JPS operations                                     | 338,000          | 164,345                                   | 48.6                              | 173,655                                    |
| 2 JSC                                                | 100,000          | 36,624                                    | 36.6                              | 63,376                                     |
| 3 CliC                                               | 60,000           | 45,706                                    | 76.2                              | 14,294                                     |
| 4 CLIVAR                                             | 60,000           | 56,258                                    | 93.8                              | 3,742                                      |
| 5 GEWEX                                              | 60,000           | 54,712                                    | 91.2                              | 5,288                                      |
| 6 SPARC                                              | 60,000           | 72,276                                    | 120.5                             | (12,276)                                   |
| 7 CORDEX                                             | 50,000           | 50,000                                    | 100.0                             | -                                          |
| 8 Modelling                                          | 60,000           | 38,146                                    | 63.6                              | 21,854                                     |
| 9 Observations                                       | 30,000           | 43,608                                    | 145.4                             | (13,608)                                   |
| 10 Grand Challenges                                  | 70,000           | 49,339                                    | 70.5                              | 20,661                                     |
| 11 Education &<br>Capacity<br>Development            | 10,000           | 12,609                                    | 126.1                             | (2,609)                                    |
| 12 Regional/Urban<br>activities                      | 20,000           | 6,339                                     | 31.7                              | 13,661                                     |
| 13 WMO Annual<br>charges (ICT & COS<br>charges)      | 93,000           | 92,430                                    | 99.4                              | 570                                        |
| 14 Institutional Support<br>to WCRP - Staffing<br>** | 892,000          | 1,059,284                                 | 118.8                             | (167,284)                                  |
| <b>Total<br/>expenditures</b>                        | <b>1,903,000</b> | <b>1,781,676</b>                          | <b>94</b>                         | <b>121,324</b>                             |

\* Including actuals and obligations as per UNSAS

\*\* Budget amount from Regular Budget staff costs contribution

The accompanying notes form an integral part of these financial statements.

## NOTE 7: STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

49. JCRF's financial statements are prepared on full IPSAS accrual basis using classification based on the nature of expenses in the Statement of Financial Performance (Statement II), whereas the Statement of Comparison of Budget and Actual Amounts (Statement V) is prepared using classification by activity.

50. As required under IPSAS-24, where the financial statements and the budget are not prepared on a comparable basis, the actual amounts presented on a comparable basis to the budget shall be reconciled to the actual amounts presented in the financial statements.

51. The reconciliation between the actual amounts on a comparable basis in the Statement of Comparison of Budget and Actual Amounts (Statement V) and the actual amounts in the Statement of Financial Performance for the year ended 31 December 2018 is presented below:

|                                                                       | <b>Note</b> | <b>Swiss Francs</b> |
|-----------------------------------------------------------------------|-------------|---------------------|
| <b>Amount of expenditure, Statement V</b>                             |             | 1,781,676           |
| <u>Plus:</u>                                                          |             |                     |
| In-kind expenditure                                                   | 6.3         | 207,285             |
| Write off                                                             | 6.6         | 68,898              |
| Loss in currency exchange (realized) not included in Sttmt V          | 6.6         | 1,038               |
| <u>Less:</u>                                                          |             |                     |
| Obligations included in Statement V but not in Statement II           |             | (54,628)            |
| Prior year expenditure reported in prior Statement V (as obligations) |             | (6,788)             |
| <b>Amount of expenditure, Statement II</b>                            |             | <b>1,997,481</b>    |

## NOTE 8: VARIANCES BETWEEN BUDGET AND ACTUAL AMOUNTS BY CATEGORY

52. Variances between Budget and Actual amount by item category:

Item 1 (JPS coordination): a large part of the temporary staffing cost (consultant) was executed by other WCRP co-sponsor (IOC/UNESCO), instead of WMO/JCRF

Item 2 (JSC): major cost saving at the regular session (JSC-39), plus a large part of expenditure combined with JPS operation (item 1)

Item 3 (CliC): a few activities have been conducted in collaboration with other core-projects and/or working groups (items 7 and 8)

Item 6 (SPARC): Understated budget allotment, missing financial support for a major/4-yearly conference (SPARC General Assembly).

Item 8 (Modelling): Several planned activities were postponed to 2019 due to the schedule conflict.

Item 9 (Observations): represent payment in arrear for the LoA related to an activity in 2017 (ICR5 workshop)

Item 10 (Grand Challenges): Several activities were postponed to 2019 due to the schedule conflict – expenditure in FY2019 is expected. Expenses relating to "Polar Challenge" are included within.

Item 11 (Education/CD): Expenses were combined with regional/urban (item 12)

Item 12 (regional/urban): Expenses were combined with education/CD (item 11)

Item 13 (Institutional support): WMO decision on decreased allotment due to the (UN-wide) salary cut, as well as that the staff costs of one GS level position was not counted within. A part of increased expenditure is due to the new payment for JPO salary (for 4th year).

...

56. The Director of the WCRP/JPS is the only member of key management who has the authority and responsibility for planning, directing and controlling the activities of JCRF. Since 30 June 2017, the Director of JCRF retired and has not been replaced but his responsibilities are assumed by the Acting Director of WCRP until his appointment. His remuneration for the period acting as ad interim Director of WCRP/JPS is booked under in-kind expenditures. As of 1 September 2018, the Chief Scientist / Director Research WMO takes the managerial responsibility of JCRF.

...

60. JCRF's reporting date is 31 December 2018. On the date of signing of these financial statements, there have been no material events, favourable or unfavourable, incurred between the financial statements' date and the date when the financial statements have been authorized for issue that would have impacted these statements.

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