CIVL Financial Secretary Interim Financial Report to the 2013 CIVL Plenary

Introduction

This report and the attached spreadsheet are based on financial transactions data provided by the FAI office up to October 25 2012. Since that date, the FAI office has not been able to provide any further financial data to the CIVL financial secretary. The performance of the FAI in providing financial data to the CIVL financial secretary during 2012 has been unsatisfactory. The CIVL financial secretary has requested to the FAI more than once that transaction data be provided on a monthly basis. In practice, the FAI has provided the transaction data twice during 2012. One set of transaction data was provided in April 2012. A second set of transaction data was provided in late October 2012, shortly before the CIVL bureau's autumn meeting. Detailed inspection of the second data set and comparison with the first data set has uncovered mismatching, missing and other anomalous transactions, totalling over 11,000 Euro, which the CIVL financial secretary brought to the attention of the CIVL bureau and the FAI secretary general in December, immediately after the analysis was completed. The request by the CIVL financial secretary for the FAI office to examine and explain the problem transactions has not yet resulted in any detailed response from the FAI office.

The FAI Secretary General assures the CIVL bureau that this situation has been caused by problems with the accounting software which FAI changed to during 2012, and which the FAI has determined is not meeting their needs, but that the FAI is in the process of changing to a different accounting software system, which is hoped will better meet the needs of FAI (and one hopes, CIVL).

This report is therefore an interim report until data covering transactions from October 25 2012 to December 31 2012 can be provided by the FAI office.

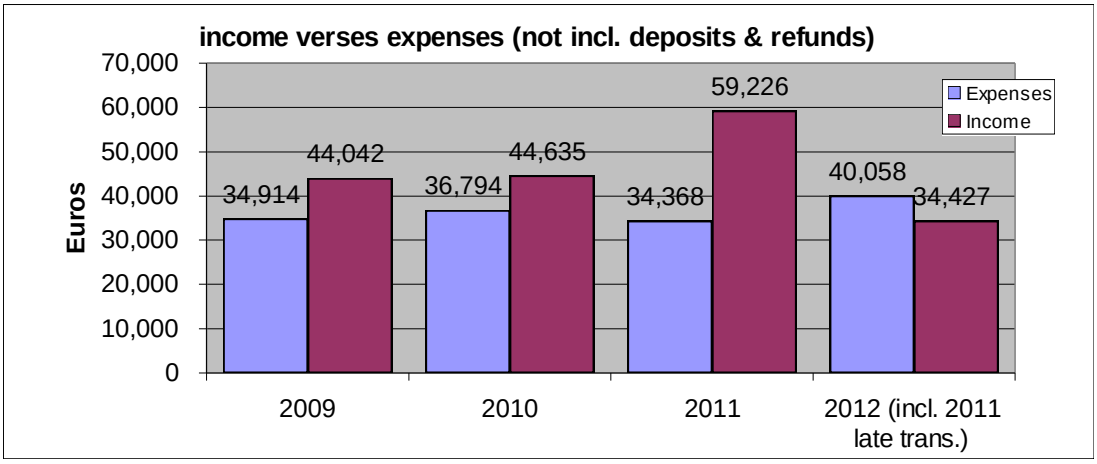
Summary financial data for the year 2012 up to 25 October, and comparison with the budget figures for the 2012, along with budget and actual data for 2011 and 2010 are included in the attached spreadsheet :
"CIVL 2013_Financial SummaryFigures-revised07122012hb.xls"

1. Income and Expenditure

According to the data available, for 2012 CIVL's income has been less than expenditure, with total income (not including deposits of team entry fees for cat 1 championships, which belong to the competition organisers and therefore do not count as CIVL income) of 34,427 Euro, compared to total expenses of 40,058 Euro.

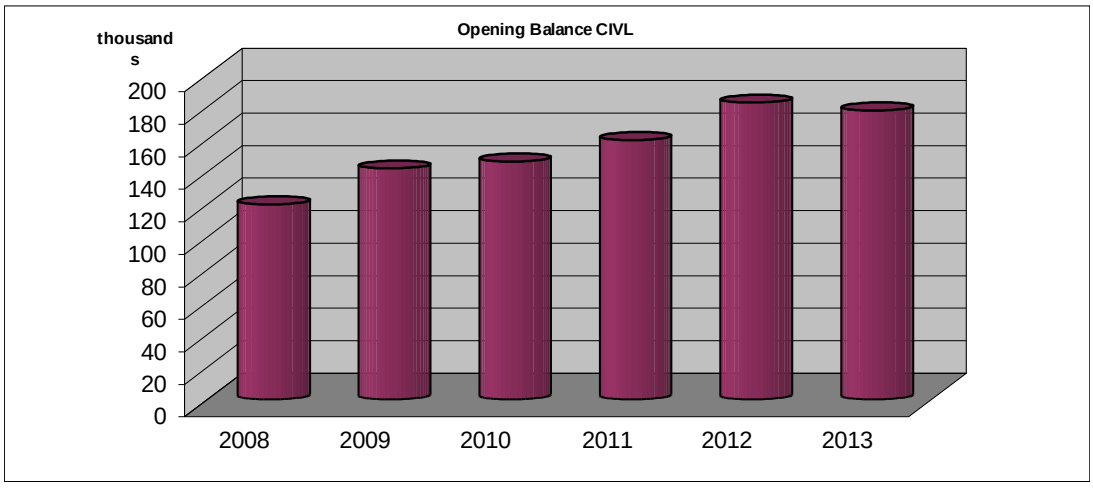
Additional expenditure transactions remain to be included in the data from 25 Oct to 31 December, including several cat 1 steward/judge/trainee steward fees, the consolidated (ARISF-subsidised) judging

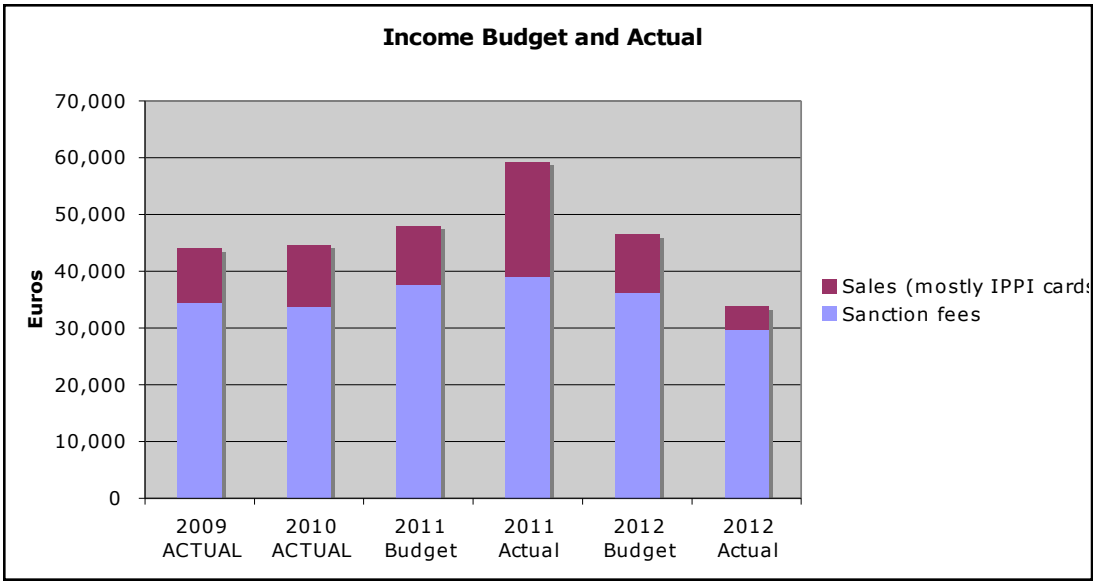
training expenditure of the aerobatics subcommittee, and (new for this year) the travel cost of the bureau members to the nominally half-year (but was actually more like the ¾ year) bureau meeting which was held in Iceland.

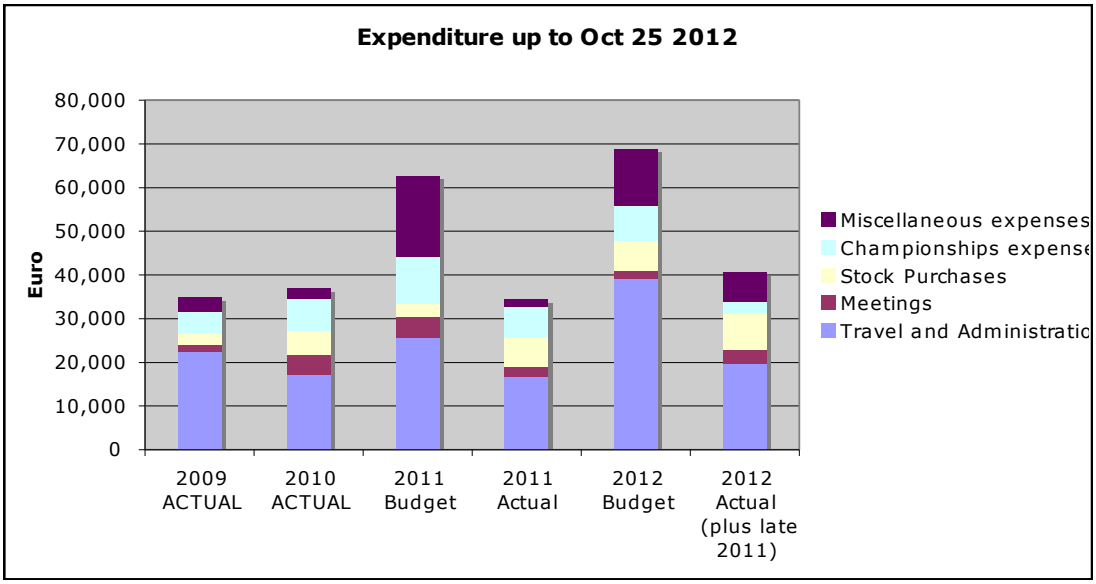


Additional income items which remain to be included may include further sanction fee income and IPPI card income additional to that received up to October 25. Significantly, IPPI card income in 2012 has been only a small fraction of that in 2011.

Addition of the late transactions from 2011 (a liability of 11,518 Euro) to the income and expenditure totals up to October 25 indicates at this point a reduction in the CIVL opening balance for year 2013 to 177,412Euro.







Expenditure Notes

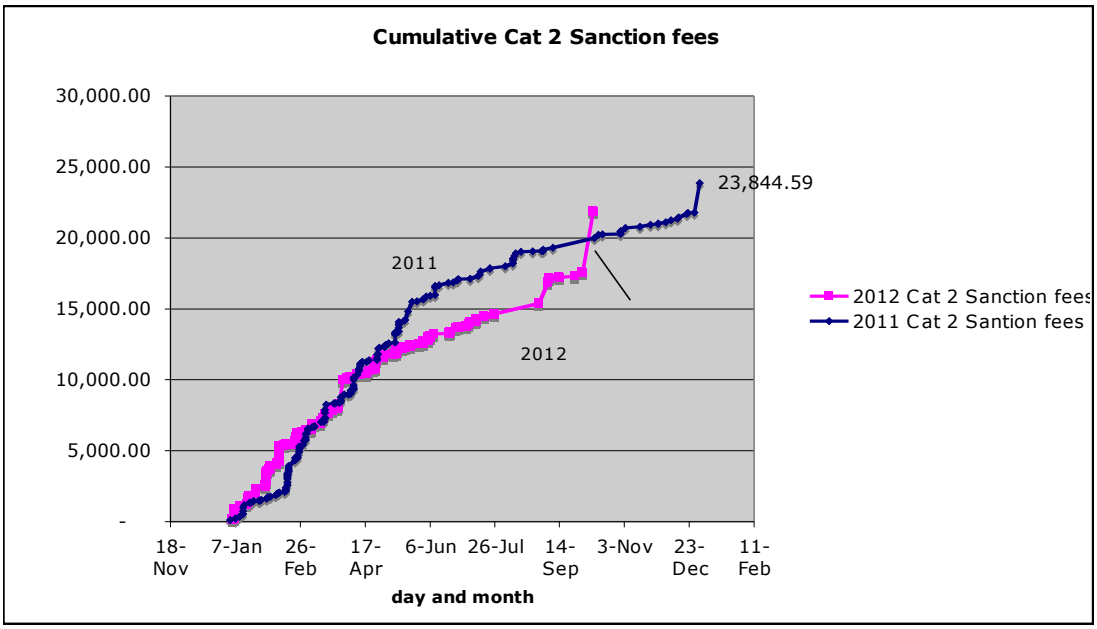
- The large categories of Travel/Admin, while at this stage appearing to have a significant under-spend compared to budget, is expected to arrive close to or slightly over budget, as major items such as the autumn bureau meeting travel, and ARISF training (in which aerobatics has slightly exceeded budget, after underspending in 2011), and money which was allocated for CIVL official travel to the Cali World Games event are still to be included in the transaction data post-October 25.
- Despite in the past having absorbed bank charges itself, the FAI has retrospectively added bank fees for CIVL's 2011 transactions to the 2012 accounts data, and charged bank fees for 2012 transactions, totalling 1270 Euros. The budget line is titled "interest and bank charges", however despite CIVL's large cash balance, zero

interest has been credited to the CIVL account. The CIVL bureau is pursuing this matter with FAI to determine when the bank charges policy was changed, how this was documented (by decision of the FAI executive or otherwise?) and to determine when FAI will credit CIVL with the interest on CIVL's cash assets.

- Software allocations have again been underspent, with expenditure of only 1000 Euro out of 9000 Euro budget up to October 25.

Sanction Fee Analysis

The following chart indicates the cumulative cat 2 sanction fee income for the year to date, compared with that of 2011. The large up-tick at the end of the 2012 data (end of October) is due to multiple paypal sanction fee income coming into the CIVL account as a single consolidated transaction. If the flow of cat 2 sanction fee income for 2012 continues as it did for 2011, a similar total of cat 2 sanction fee income is likely for the entire 2012 calendar year.

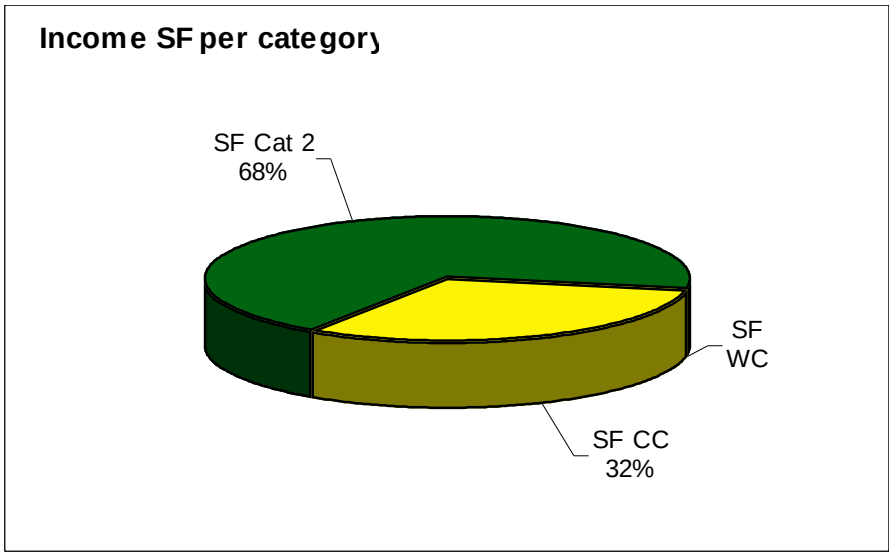


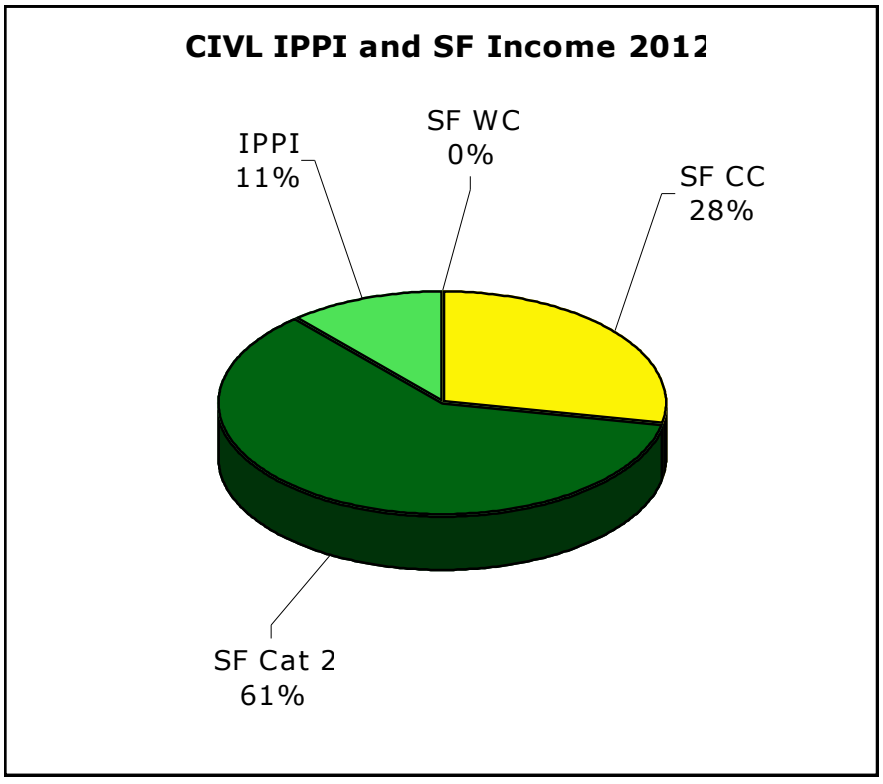
Sanction Fees by Category

Sanction fees for 2012 up to October 25 have totalled 28,872 Euros. A small amount of additional sanction fee income (565 Euro) was also added to the 2012 accounts due to late transactions from the 2011 accounts.

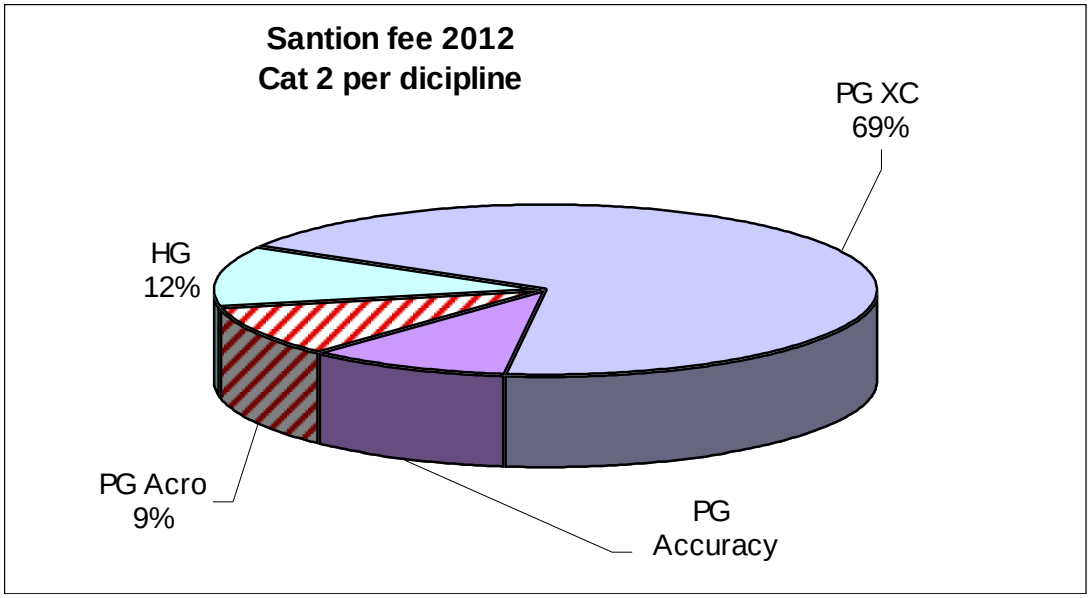
Charts showing the split of sanction fee income by category (World Championship and Continental Championship cat 1 events, and category 2 events) and by discipline (HG, PG XC, Aerobatics, PG Accuracy) are included below. Note that deposits including bid fee deposits, cat 1 team entry deposits, and refunds to organisers are kept completely separate from the

rest of the CIVL income and expenditure and have not been included in any of these or the above charts but are instead accounted for separately.

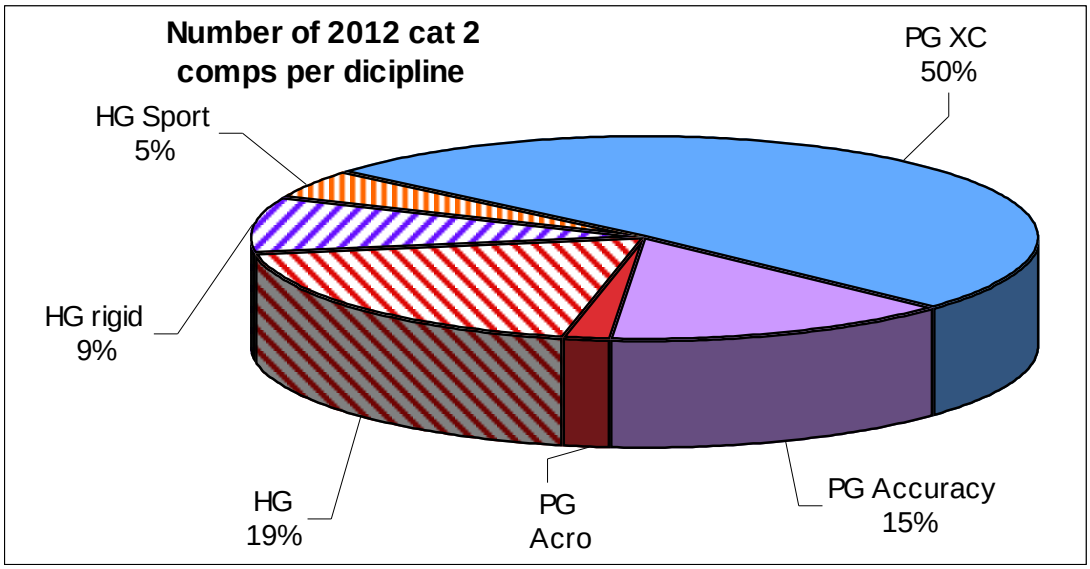




Category 2 sanctions were the main source of income for 2012 sanction fees, even more so than for the previous year, with IPPI card sales up to October 25 having been much lower than 2011.



Paragliding XC cat 2 sanctions have slightly increased their share of total sanction fee income, to 69% of total cat 2 SF income. Comparing this with the numbers of sanctioned competitions (data provided by the competitions coordinator), in which PG XC totals a smaller fraction of the number of competitions (50%), seems to indicate that PG XC and Acro competitions contribute more per event than other disciplines to the finances of CIVL.



Category 1 event profitability

Budget of Cat 1 events: based on the 2012 data, the average sanction fee for each of the 4 cat 1 championships held in 2012 was slightly under 2300 Euro. Costs for steward + 3 jury (averaging out over the 5 planned events) is about 1700 Euro/event. Medals costs per cat 1 event averages 1180 Euro. Thus:
Income (Sanction fee) = 2300 Euro
Expenditure = 2880 Euro.
In the past when Stewards and Jury were paid by the organiser, these basic parts of cat 1 events produced a slight profit for CIVL. Now each cat 1 event costs CIVL about 580 Euro. While in the short term CIVL's cash reserves can accommodate this deficit, in the long term the cost needs to be balanced by increased revenues from some.

Budget

The FAI requires CIVL to submit its budget using the FAI form, which is complex and does not make it easy for delegates to understand the elements of the budget.

The following tables therefore attempt to portray the cost and revenue elements building up the provisional 2014 budget in the simplest possible terms.

Provisional 2014 CIVL Revenue Budget

Revenues, Description			**Amounts**
Sanction Fees			
	Cat 1 Continental champs		12,000 €
	Cat 1 World champs		
	Cat 2 SF income		25,000 €
IPPI card sales	annual trend		9,500 €
TOTAL			**46,500 €**

Provisional 2014 CIVL Expenditure Budget

Expenditures, Description		**amount**	**Subtotals**
Plenary			
President, Plenary & General conf.	airfares	2,000 €	
	accomm	1,000 €	
	other connection & food	650 €	
Plenary, secretary	airfare	1,000 €	

Expenditures, Description		**amount**	**Subtotals**
	accomm	500 €	
	food & transport	325 €	
Plenary, FAI sec. gen.	airfare	0 €	
	accomm	0 €	
	food & transport	0 €	
Subtotal			**5,475 €**
Competitions coordinator			
Competitions Coordinator,	salary	15,000 €	
	computer	300 €	**15,300 €**
Bureau			
	telecomm.	1,120 €	
Bureau meeting 1/2 year	airfares	6,000 €	
	accomm	3,500 €	
	connections	900 €	
	food	1,225 €	
subtotal			**12,745 €**
Traineee Stewards			
	airfares	4,600 €	
	accomm	3,360 €	
	food	1,960 €	
subtotal			**9,920 €**
Continental champs			
	Steward	3,400 €	
	Jury *3	5,100 €	
	Medals	5,909 €	
subtotal			**14,409 €**
Paid Secretary			
	salary		
Proposed PR work	salary	6,000 €	
			6,000 €
Safety development		3,000 €	
			3,000 €
Accuracy & Acro	judging training		
Software	Scoring and ranking		**5,000 €**
TOTAL			**71,849 €**