



**Report by Robert CLIPSHAM Executive Director Finance
to the 108th General Conference
Pattaya, 17-18 October 2014**

2015 FAI BUDGET REPORT

Dear Delegates, Mr. President, Ladies and Gentlemen,

I am presenting the Budget for the HO and ASC operations, the Classifications of Members, the Scale of Subscriptions and the Voting rights for each Class for 2015 to the 108th Annual General Conference under FAI Statutes 4.2.2.5, 4.2.2.6. and 6.2.1.4 for the Executive Board.

The Budget is in a transition phase, moving toward a project based presentation of the Budget.

Through this we are taking into account the comments:

- made in General Conference in KL in 2013
- received from the Air Sport Commissions

During yesterday we discussed the proposed work to be carried out in 2015. This included the many competitions of the Air Sport Commissions and the Multi Sport Events including the WAG.

Additionally there are investments of the Commissions to further develop their Sports.

Also you heard about the plans for Marketing and Communications that need additional financial resources.

And we know the limitations on the sources of Funds available to carry out this work.

I invite Conference to consider the details that are being provided in this presentation and to provide comments so that Conference can approve a Budget for the 2015 FAI Operations.

1) Scale of Subscriptions and Votes

The 2015 Scale of Subscriptions and Votes is in Appendix F which was circulated to you in September with the agenda.

Adjustments for changes in FAI membership are shown. The total of the subscriptions will be revised to include the decisions on membership taken in this Conference.

2) FAI Budget 2015

The budget was prepared in August in collaboration with the Secretary General and has been reviewed by the Executive Board, and is based on the anticipated HO and ASC operations for 2015.

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The draft budget is in **Annex G Version 1** and was submitted to you in September and you have a printed copy in the Conference documents.

The income from Members Subscriptions, **CHF 1,065,594** may be realized.

The revenues derived from Competition Revenues including Air Sport operations and the World Air Games are projected to be **CHF 834,639**.

The revenue from Commercial operations including projected Merchandizing and known Sponsorship revenues is **CHF 666,888**.

Other Income including World Air Games Reserve, Records, MSI Provision, Office Rental and Provisions etc. are **CHF 238,332**.

Operational Income of **CHF 2,811,615** is budgeted.

The draft budget **Annex G Version 2** is now submitted for your consideration and is on the Delegates tables.

This **Version 2** has in Other Income from Air sport Commission Reserves **CHF 112,614**.

This is a proposed transfer of **CHF 112,000** from the Air sport Commission Reserve Fund intended to balance the 2015 deficit budgets of the Air sport Commissions.

The revised Operational Income of **CHF 2,921,067** is now budgeted.

The graphs indicate the comparisons of income 2013 Actual, Budget 2014 and Budget 2015

Budget 2015 – Sources of Funds

- Membership Subscriptions
- Competition Revenues
- Commercial Revenue
- Other Income

Use of Funds

The expenditures proposed for 2015 have been set out considering the known and proposed activities and the proposed staff levels.

During 2011 the office operations were relocated to the new offices that have been purchased by FAI at MSI. The budgeted amounts take into account the financial service and maintenance charges at MSI. A portion of the new office space is sublet which provides revenue which offsets the overall office costs accordingly.

The operating expenses are projected to be **CHF 2,906,752**.

The graphs indicate the comparisons of expenditure 2013 Actual, Budget 2014 and Budget 2015:

- Administration Expenses
- Operating Expenses
- Marketing / Communication

- Financial Costs
- Others

Budget 2015 – Use of Funds – Main Items Sports Operations Operating Expenses:

- CIMA
- IGC
- IPC
- CIA
- CIMA
- CIA

IGC Eric Mozer commented on the general operations of the Air sport Commissions and explained the approximately CHF 112,000 proposed use of Commission reserve fund in 2015 to balance the Commission's deficit 2015 budgets.

Budget 2015 Use of Funds Main Items Head Office

- Administration Expenses
- Operating Expenses
- Marketing / Communication

FAI Operations 2015 Source of Funds / Use of Funds

The 2015 Budgets of the Air Sport Commissions are shown on the graph.

- Income
- Expenditures / Investments
- Reserves of the Commissions
- CHF 112,000 will be used to balance the 2015 deficit budgets

Graph of Air sports Commission Reserves since 1998 – 2013

Financial Result

The results of operations of the Air Sport Commissions are projected to be a balanced Budget considering the transfer from the Reserves of **CHF 112,641** into income.

The operations of the Head Office are projected to be a gain of **CHF 14,315**.

The total budgeted result is positive, **CHF 14,315**.

The final 2015 budget will be prepared considering the approved 2015 subscription amounts and any other financial matters that may come before this Conference

Mr. President, I request that this budget for FAI operations in 2015 and the Scale of Subscriptions and Votes for 20115 be submitted to the General Conference for approval as set out in Statute 3.4.