

FINANCE REPORT – JANUARY 2021

2020

As you are all aware, ISC held no competitions in 2020. The Budget I so optimistically presented to you in Moscow bears little resemblance to the outcome for the year. This is the summary; the details appear in following pages.

PLANNED 2020	€	ACTUAL 2020	€
Income:	135.300	Income:	0
Expenses:	-137.291	Expenses:	-11.956
Deduction from Savings Reserve:	-1.991	Deduction from Savings Reserve:	-11.956

2021

For 2021 the Plenary approved a Draft Budget which now cannot be achieved. In uncertain times, I present the 2021 Plenary with two optional Budgets, one in which the Mondial in Russia proceeds, and one, for caution, without it. See following pages.

In light of these uncertainties and potentially zero income again, I contacted all parties with an approved expense in the 2020 Budget and asked if they wished to carry it over to 2021 or remove it. The majority of Committees either cancelled or postponed their expenses to other years, the Bureau cut theirs to a minimum and the Media Group seeks your further opinion on the value of our social media presence in a time when competitions cannot provide that.

2021 with Russia *	€	2021 without Russia *	€
Income:	79.200	Income:	0
Expenses:	-81.080	Expenses:	-11.880
Deduction from Savings Reserve:	-1.880	Deduction from Savings Reserve:	-11.880

* Includes zero income from Indoor Skydiving.

Obviously the “with Russia” Budget shows expenses predominantly for Judging, some other travel, Media and Records Processing, and the one without the Russian Mondial shows predominantly Media (-€8.500 of the total). You will be asked to approve “with Russia” as the only legal Draft Budget – we cannot predict the future.

2022

I will present the Plenary with a Draft 2022 Budget as in the rules but cannot forecast at this time where the competitions will be located, so it is necessarily vague. Please note I use 2019 expenses as the baseline for 2022, uplifted for inflation. I can only offer what we *used to have* in terms of competitor numbers for WPC years (#1.110) and slightly increased travel costs, plus an additional two Chief Judges for competitions not yet approved, as agreed by the 2020 Plenary (CP and CP/FS) and no reduction for Juries as that proposal is not yet approved by the Plenary.

2022	€
Income:	121.000
Expenses:	-143.200
Deduction from Savings Reserve:	-22.200

TRENDS

As usual I have projected these figures forward, allowing for:

- Fewer competitors in 2021 due to travel restrictions
- Higher costs of travel for Judges, Jury and Officials due to global recession
- No Indoor Skydiving competition in 2021 as notified
- A resumption of competition in 2022 with near-2019 normal levels of competitors
- A resumption of near-normal 2019 expenses by Committees and Officials
- The Sanction Fee remaining at €110 until 2024.

Sadly, I project with two years of zero income, and negative returns in those and subsequent years, the ISC Reserve is emptied by 2023 or 2024. We are bankrupt, unless the FAI is first! More on that later.

I therefore request that any Budget Requests are postponed until we can project a year of normal income, and that the Committees pull in their belts while I offer two proposals below to try and protect our Special Reserve. Most all Committees have been accepting of this request and we should all be exceedingly grateful to those who have complied with the request to minimise expenditure.

PROPOSALS

1. The informal, volunteer Jury Discussion Group commissioned by the Extended Bureau has done a scientific, evidence-based and thorough piece of work to examine how we may reduce the travel costs of Juries. This is supported by rule changes proposed by the Rules and Regulations Committee. While these will not take effect until 2022, I ask that Delegates vote for the Committee's and Group's solutions as agreed by the Committee Chairs and Bureau. *I declare my Conflict of Interest as I was the Team Leader of that Group.*
2. The Finance Working Group proposes that the work presently done by Juries to process and pay for every World Record and every Continental Record at competitions is reduced to paying, on behalf of claimants, for *World Records* only. The Group makes no comment on who should process the claims but suggests this could be investigated; this proposal addresses only the financial aspect.

Under an agreement with FAI made in 2016 to remove the backlog of records and reduce the costs paid by individual continental regions, the then-IPC struck a deal to pay FAI 80CHF per record. In 2019 these figures applied:

World & Continental Records cost:	€ 6,662.85
World-only Records cost:	€ 1,674.40
(some of these are also Continental = € 0)	
TOTAL SAVINGS REPRESENTED	€ 4,988.45

For the NACs, this change would mean that claims for Continental records will be paid for by the Continental Region, if important to them. If the Continental Record is also a World Record, there will be zero cost as ISC will continue to pay for combination World/Regional Record claims.

Please also vote for this Proposal designed to save ISC's money, or to have other ideas on cost reductions for Records.

SPECIAL RESERVE

Through the year I attended a number of email meetings and two Zoom meetings with FAI to learn about their new accounting system, *Run my Accounts* (RmA). FAI has replaced its auditor, its software, its codes and its processes, and I am keen to bring ISC's financial processes into line with FAI's to make end of year balancing easier.

Subject: ISC Finance Working Group Annual Report 2020
Author: Mrs. Gail Bradley, ISC Finance Secretary
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I note that at the end of 2019, the FAI Accountant and I balanced in 15 minutes and came up with the same sum in the ISC Special Reserve, our “savings account”, of **€105.144**. With 2020 expenses of €11.955 now deducted (of which there were only 23 payments in and out for the year to date), the Special Reserve now must be **€93.189**.

FAI

FAI Secretariat was amazingly supportive and rapid in their responses though the year. Our 23 payments were made quickly. There was no confusion about exchange rates and questions were promptly answered. We are getting great service. They even asked if they could distribute ISC's *Expense Reimbursement Policy* as “best practice” for the other Commissions, and they applauded the way ISC and FAI had managed to work the same way. I was happy to support them in their efforts and confidently praised them at a meeting of Air Sport Commission Finance Secretaries.

But sadly, the FAI has mucked it up again. When the 2019 ISC Special Reserve had been audited by October 2020, I found the new auditor had inflated our 2019 income by over €7.500, our Expenses by over €5.500 and our Special Reserve by ~€42.000 to **€146.916**; (note this Reserve also appears in the FAI Annual Report as CHF157.200 at end of 2019, and in an August 2020 document as ~€135.000).

I am still awaiting an explanation other than “they may have combined 2019 and 2020 year-to-date numbers to arrive at a 9 September 2020 rolled up figure”. That is not helpful, especially being told ISC “may just have to accept that is the number”. After years of meticulous accounting by ISC's Finance Secretaries, that is really not acceptable. And as we had no income in 2020, that is also impossible. Nor is it explained by the (then) €23.569 the FAI held for us in trust for pre-paid Application Fees and (then) Deposits. The numbers are madness and FAI's accounting is still opaque to all the Commissions.

Nor can I explain the Special Reserve total of €146.916 or CHF157.200 (which roughly equate) which may be either a correct refund of IPETA's losses to ISC due to FAI being the shareholder (as I have long requested and which the new auditor may have realised) or more likely is the proportionate share of chairs, tables, computers and other FAI assets, part-owned by ISC along with other Commissions. As these are not “real” cash that we can spend from our bank account, I shall pin my faith behind **€93.189** being our actual Reserve as at the end of 2020 and €105.144 at end of 2019.

The worst is yet to come however. The 2019 audit of FAI showed FAI ran at a loss of (€339.778). As they had a (smaller! Unbelievable!) loss the previous year also, their retained earnings are now negative (€223.812). The only way I believe they can fund their loss is by shuffling around the cash they hold on behalf of the Commissions, the ASC's Special Reserves.

FAI holds €15.179 in ISC trust funds (on paper) for Application Fees paid. It now takes Deposits directly into our bank account and uses them to fund cash flow. When I ask for a Deposit to be refunded, I have to cross my fingers and hope the FAI can find the cash from somewhere else, because it no longer resides in our bank account, having been used to pay our expenses. ISC has €2.600 in the bank account in cash. I fear the loss of these sums, and all of ISC's fictitious Special Reserve if FAI were to go bankrupt which could happen as early as 2021.

Suffering depletion in Member Subscriptions, reductions of Classes of Member subscriptions, non-renewals of Members and little income from competitions, significant change is required at the FAI to bring them back to a sound footing. By the time this Plenary report has been published, after the General Conference, we hope that it is the case.

CONCLUSION

It has been a quiet year for the Finance Working Group of Buzz Bennett, Patrice Girardin and honorary consultant Doris Merz. We have had no meetings or discussions, but the Group approves this report. I thank them for being there if needed.

Best wishes to all for a safe and healthy year. Blue skies

Gail Bradley
ISC Finance Secretary
15 November 2020

ANNEX FWG1: APPROVED AND ACTUAL BUDGET 2020.

BUDGET 2020 – Moscow Plenary		as at:	13/11/2020	ACTUAL
Sanction Fee:		110 €		ACTUAL €
INCOME:				INCOME:
WPC AE - Artistic Events	Russia		€ 4,400	€ 0
WPC CF - Canopy Formation	Russia		€ 8,800	€ 0
WPC CP - Canopy Piloting & CPFS	Russia		€ 11,000	€ 0
WPC FS - Formation Skydiving	Russia		€ 27,500	€ 0
WC IS - Indoor Skydiving	Belgium		€ 44,000	€ 0
WPC SP - Speed Skydiving	Russia		€ 3,850	€ 0
WPC ST & AL - Style and Accuracy	Russia		€ 27,500	€ 0
WPC WS - Wingsuit Flying	Russia		€ 8,250	€ 0
Sale of Merchandise				€ 0
Protest Fees			€ 0	€ 0
Total Income			€ 135,300	€ 0
Balancing item from ASC Reserve			-€ 1,991	-€ 11,956
Total Expenditure			-€ 137,291	-€ 11,956
EXPENDITURE:			2020 BUDGET	ACTUAL
FAI General Conference 2020	€ 1,500			
ISC Plenary 2020	€ 2,026			-€ 2,201
Extended Bureau - Plenary 2020	€ 285			-€ 285
ISC Midyear Bureau Meeting	€ 500			
Officer Expenses	€ 1,000			
ISC Bureau Representation	€ 3,000			
ASC and other ISC President	€ 4,000			-€ 243
Wind Tunnel Conference	€ 10,000			
Sub-Total ISC			-€ 22,311	-€ 2,729
ISC Committees and WGs				
- Artistic Events	€ 1,500			
- Dynamic	€ 1,000			
- Judges	€ 5,250			
- Media & Promotion WG	€ 8,200			-€ 8,274
- Style & Accuracy	€ 200			-€ 200
Sub-Total Committees			-€ 16,150	-€ 8,474
FAI for Comp'n Records Processing	€ 7,000			
World Games provision	€ 2,000			
FAI Jury	€ 15,480			
FAI Judges	€ 72,700			-€ 112
IT Development - one-off	€ 1,000			
IT Computing Costs - ongoing	€ 650			-€ 641
Sub-Total Officials & Other			-€ 98,830	-€ 753
Total Expense			-€ 137,291	-€ 11,956

ANNEX FWG2: DRAFT BUDGET FOR 2021 – WITH MONDIAL; WITHOUT IS

WITH MONDIAL - DRAFT BUDGET 2021	as at:	13/11/2020
Sanction Fee:	110 €	ENTRIES
INCOME:		
WPC AE - Artistic Events	Russia	€ 4,400 40
WPC CF - Canopy Formation	Russia	€ 6,600 60
WPC CP - Canopy Piloting & CPFS	Russia	€ 8,800 80
WPC FS - Formation Skydiving	Russia	€ 25,300 230
WC IS - Indoor Skydiving	NONE	€ 0 0
WPC PS - Para-Ski	NONE	€ 0 0
WPC SP - Speed Skydiving	Russia	€ 3,300 30
WPC ST & AL - Style and Accuracy	Russia	€ 24,200 220
WPC WS - Wingsuit Flying	Russia	€ 6,600 60
Sale of Merchandise		€ 0
Protest Fees		€ 0
Total Income		€ 79,200
Balancing item from ASC Reserve		-€ 1,880
Total Expenditure		-€ 81,080
EXPENDITURE:		
ISC Plenary 2021	€ 0	
Extended Bureau - Plenary	€ 0	
ISC Midyear Bureau Meeting	€ 0	
Officer Expenses	€ 500	
ASC and other ISC President	€ 2,000	
FAI General Conference 2021	€ 0	
ISC Bureau Representation	€ 0	
Sub-Total ISC		€ 2,500
* Wind Tunnel Conference	€ 0	
ISC Committees and WGs		
- Artistic Events	€ 0	
- Dynamic	€ 0	
- Formation Skydiving	€ 0	
- Judges	€ 250	<i>Video Librarian</i>
Sub-Total Committees		€ 250
FAI for Competition Records Processing	€ 1,600	(if approved)
FAI Jury	€ 9,600	
FAI Judges	€ 58,000	
World Games	€ 0	
IT Development	€ 0	
Licences/Updates	€ 170	<i>Zoom, Domain name</i>
Hosting and maintenance	€ 460	<i>InTime, Web</i>
Media & Promotion	€ 8,500	
Sub-Total Officials & Other		€ 78,330
Total Expense		€ 81,080
* Changes made from Approved Draft Budget 2021		

ANNEX FWG3: DRAFT BUDGET FOR 2021 – WITHOUT MONDIAL OR IS

NO EVENTS DRAFT BUDGET 2021	as at:	13/11/2020
Sanction Fee:	110 €	ENTRIES
INCOME:		
WPC AE - Artistic Events	NONE	€ 0 0
WPC CF - Canopy Formation	NONE	€ 0 0
WPC CP - Canopy Piloting & CPFS	NONE	€ 0 0
WPC FS - Formation Skydiving	NONE	€ 0 0
WC IS - Indoor Skydiving	NONE	€ 0 0
WPC PS - Para-Ski	NONE	€ 0 0
WPC SP - Speed Skydiving	NONE	€ 0 0
WPC ST & AL - Style and Accuracy	NONE	€ 0 0
WPC WS - Wingsuit Flying	NONE	€ 0 0
Sale of Merchandise		€ 0
Protest Fees		€ 0
Total Income		€ 0
Balancing item from ASC Reserve		-€ 11,880
Total Expenditure		-€ 11,880
EXPENDITURE:		
ISC Plenary 2021	€ 0	
Extended Bureau - Plenary	€ 0	
ISC Midyear Bureau Meeting	€ 0	
Officer Expenses	€ 500	
ASC and other ISC President	€ 2,000	
FAI General Conference 2021	€ 0	
ISC Bureau Representation	€ 0	
Sub-Total ISC		€ 2,500
* Wind Tunnel Conference	€ 0	
ISC Committees and WGs		
- Artistic Events	€ 0	
- Dynamic	€ 0	
- Formation Skydiving	€ 0	
- Judges	€ 250	<i>Video Librarian</i>
Sub-Total Committees		€ 250
FAI for Competition Records Processing	€ 0	
FAI Jury	€ 0	
FAI Judges	€ 0	
World Games	€ 0	
IT Development	€ 0	
Licences/Updates	€ 170	<i>Zoom, Domain name</i>
Hosting and maintenance	€ 460	<i>InTime, Web</i>
Media & Promotion	€ 8,500	
Sub-Total Officials & Other		€ 9,130
Total Expense		€ 11,880
* Changes made from Approved Draft Budget 2021		

ANNEX FWG4: DRAFT BUDGET FOR 2022

INCOME:		
AE - Artistic Events	€ 4,400	40
CF - Canopy Formation	€ 7,700	70
CP - Canopy Piloting & CPFS	€ 11,000	100
FS - Formation Skydiving	€ 24,200	220
IS - Indoor Skydiving	€ 36,300	330
PS – Para-Ski	€ 6,600	60
SP - Speed Skydiving	€ 3,300	30
ST & AL - Style and Accuracy	€ 20,900	190
WS - Wingsuit Flying	€ 6,600	60
Sale of Merchandise	€ 0	
Protest Fees	€ 0	
Total Income	€ 121,000	
Balancing item from ASC Reserve	-€ 22,200	
Total Expenditure	-€ 143,200	
EXPENDITURE:		
ISC Plenary 2022	€ 3,000	
Extended Bureau - Plenary	€ 2,500	
ISC Midyear Bureau Meeting	€ 500	
Officer Expenses	€ 1,500	
ASC and other ISC President	€ 5,000	
FAI General Conference	€ 1,200	
ISC Bureau Representation	€ 3,500	
Sub-Total ISC	-€ 17,200	
ISC Committees and WGs		
- Artistic Events	€ 1,000	
- Canopy Formation		
- Canopy Piloting		
- Dynamic		
- Finance WG		
- Formation Skydiving	€ 1,000	
- Indoor Skydiving		
- Judges	€ 5,250	
- Para Ski		
- Rules & Regulations		
- Speed Skydiving		
- Style & Accuracy		
- Technical & Safety		
- Wingsuit Flying		
Sub-Total Committees	-€ 7,250	
FAI for Competition Records Processing	€ 1,600	(if approved)
FAI Jury	€ 12,800	(if approved)
FAI Judges	€ 89,000	(now includes all CJs)
World Games	€ 4,000	
IT Development	€ 2,000	
Licences/Updates	€ 190	
Hosting and maintenance	€ 460	
Media & Promotion	€ 8,700	
Sub-Total Officials & Other	-€ 118,750	
Total Expense	-€ 143,200	