



## **Item 10.1 Finance and Audit Board Congress Report**

### **Robert C.W. Smith, Chairman May 2015 Board Members: Rolf Lind and Hilda Gibson**

Dear World Archery President, Executive Board Members, Secretary General, Congress delegates and friends in Archery,

The Finance and Audit Board continues its work as constituted by the decision of Congress in 2009. The Board meets twice yearly usually in the World Archery Office, Lausanne, Switzerland, with the attendance of Mr Tom DIELEN, Secretary General, and Ms Caroline MURAT, Finance Manager. In 2015 the Board will also meet following the conclusion of Congress.

The Board functions within the scope of budgetary matters on a long-term basis with reviews of recent past performance. Professionals, who are better able to determine the appropriateness or legality of financial dealings, do the technical audit of the books and accounts on an annual basis.

The transition of the accounts from our former bank to our current bank that were discussed in the 2013 Congress report has been completely finished. To date WA is very pleased with its dealings with Banque Cantonale de Vaud, a Swiss regional bank centred in Lausanne, and with their more customized approach to our operations.

WA continues to budget and plan in Swiss francs since the largest portion (on the order of 75 – 80%) of WA expenditures is paid in Swiss francs. Investments have been very conservative as WA has very little tolerance for loss of principal. These investments have been in fixed income bonds and in Dual Currency Certificates. The return on principal reflects the nature of these investments and provides WA with its greatest level of safety.

The sources of income to WA are the distributions from Olympic Games. The chief source of revenue between Olympic Games is commercial revenue. Our sponsorship program is a substantial source of on-going income to WA. Much of our income from Olympic Games and commercial revenues is paid in US dollars and this currency, relative to the Swiss franc, has not been consistent over the years. Finally, one aspect of the Olympic Games income is that WA is now the owner of its suite of offices in Lausanne and this means that the organisation does not have the expenses of mortgage payments and interest.

WA Expenses during the period since our last report have shown an increase of operating costs that mainly reflect an increase of staff to handle the new responsibilities that WA has taken on.



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These new responsibilities and operations are directed to the future and reflect a pattern of growth that WA has undertaken. There are new and substantial costs for television production and distribution, the large costs of transportation of equipment to events locations, merchandising, communications, and a new start-up in the Internet, which has shown enormous growth. WA's new television production and distribution has seen an increase in revenue directly related to this activity.

WA has also begun an outside fundraising effort to move our sponsorship efforts into new frontiers of potential income from non-archery related individuals, companies, and areas. We are hopeful that this effort will pay large dividends in the future.

When WA began its new venture into the new TV production and distribution, it was hoped that it would eventually become self-sustaining and pay for itself. To date, that has not yet happened. Our outside fund-raising effort may well provide the necessary means to support and sustain this effort. WA has been taking the necessary steps to bring expenses and income into line so that we can maintain a forward-looking and affordable means of development that will keep archery in its elevated status within the International Olympic Programme. For your information, the projected WA financial status is found in the table at section 10.4.

We hope that this information is of use to Congress in its deliberations.

On behalf of the Finance and Audit Board, it has been an honour and pleasure to serve World Archery in this capacity.

Respectfully submitted,

Robert C.W. Smith