

**Report to the 27th General Assembly
FIG Working Week in Paris, 22-27 May 2004**

**Financial Report
Accounts 2003 and Budgets 2004 and 2005**

1. Financial situation at the end of 2003

Based on the decision of the General Assembly in Paris in April 2003 the official currency of FIG will be Euro from 1 January 2004. Thus the fiscal year 2003 will be the last year when the accounts are presented in Swiss francs. To help the members to compare different years' accounts and budgets the accounts and budgets are presented this time both in Swiss francs and Euros (in addition to Danish crone (DKK)).

At the end of 2003 FIG has a financial reserve of CHF 464,714 (EUR 298,007) compared to CHF 330,091 in 2002, which is good compared to the situation some years ago. It is about the level of one year's expenditure, which has been the minimum goal of the Council. In the strategic plan of the current Council the goal is to collect a financial reserve which covers expenditure for 1.5 years. The budgets for 2004 and 2005 are expected hardly to reach break-even level. The total assets at the end of 2003 were CHF 551,520 (EUR 353,673) compared to CHF 397.199 in 2002.

Even though the current financial situation can be considered reasonably good there are some observations to be made. First of all we continuously have quite a lot of membership fees in arrears. This amount was at the end of 2002 CHF 73,406 (EUR 47,073) in total, which is more than in 2002 (CHF 54,450), which is about 16 per cent of the annual membership fees. Fortunately most of these arrears will be paid during the next years, but they have a negative impact on the cash flow.

Secondly, there has been a very positive development in the membership of FIG. We have got new member associations, academic members and especially corporate members. The new member associations are for obvious reasons quite small as most big countries and large surveying associations are already members of FIG. Because some current members are losing members at the same time, the increase in the income is not as large as we could wish.

2003 was the first year when the member associations from the poorest countries got a 50 per cent discount on their membership fees. The impact of this to the total income was smaller than expected in the budget. It also allowed some member associations from developing countries to continue their membership.

Third concern is the risk that FIG – like other international associations – is linked to the changes in exchange rates. In 2003 FIG lost totally about CHF 40,686 because of the weak US dollar and weakening Swiss franc. For example Corporate and some other members were charged in US dollars and some member associations also paid their membership fees in US dollars. When our expenditure is mostly in Euro or in Danish crone (which is linked to Euro within 1-2 percent margin limit) this increases the risk of the US dollar. This risk will be much

smaller in 2004 and thereafter when the official currency is now Euro. The result also includes also provisions of bad debts (CHF 25,278). Both the bad debts and the net adjustment of exchange rates are included under administration in the accounts, which explains most of the difference to the budget.

The fourth concern is about the years 2004-2006. FIG has got remarkable support from Denmark during the establishment phase of the permanent office. Part of this support was promised only for the first five years while the other part e.g. office space and other services provided free of charge by DdL will continue permanently. The support from KMS ended at the end of last year. In 2004 we need to create new income to reach the same level as we have in 2003. This has happened by increasing the role of the FIG office in organising events. Already in 2003 this income was bigger than budgeted and in 2004 the office will be involved in organising the Working Week, Regional Conference in Jakarta and three international workshops and symposia. This is the reason why we can consider making a surplus also in 2004.

As mentioned already in the report of 2003, the final concern is about the income basis. At the moment FIG is too dependent on the income from membership dues. To secure the finances of the Federation FIG absolutely needs to broaden its income basis. In the first stage this means bigger involvement in organising FIG events, first and foremost income from the work provided by FIG, but FIG also needs to take more responsibility in organising the events. For this reason the staff of the permanent office was increased to three persons in March 2003.

Accounts 2003

The operational result from 2003 is showing a surplus of CHF 72,385 (EUR 46,418) compared to CHF 127,848 in 2002. This includes increased income from external projects (Working Weeks 2003 and 2004 and the Regional Conference in Marrakech and remaining part from FIG Congress 2002).

Budget 2004

The revised budget for 2004 shows a surplus of 27,600 €. The main reason for this is increase in the income from external projects including the Working Week, Regional Conference, two commission workshops and the UN/FIG/PC Workshop in Mexico. In the income there is slight increase in the membership subscriptions based on new members.

Budget 2005

The budget 2005 shows a surplus of 32,600 €. The surplus is very much depending on the income from FIG events, which are at the moment the FIG Working Week and GSDI Conference in Cairo and Regional Conference in South America.

Dr.-Ing. Ralf Schroth
Vice President

FIG ACCOUNTS FOR 2003

	Result 2003 Euro	Budget 2003 Euro¹⁾	Result 2002 Euro¹⁾
		General Assembly 2003	
INCOME			
Subscriptions			
Member associations ²⁾	212,153	202,321	216,197
Affiliates	3,152	3,527	3,369
Corporate members ³⁾	69,357	55,149	47,766
Academic members ⁴⁾	11,346	9,940	9,484
Total	296,008	270,937	276,815
Other income:			
Advertising	0	1,283	1,034
Sale of publications	1,034	641	857
Interest income	6,364	7,054	1,274
External projects ⁵⁾	65,899	44,248	27,780
Various ⁶⁾	42,785	38,476	39,293
Total Income	412,090	362,638	347,053
EXPENDITURE			
Administration, FIG Office and Council ⁷⁾	135,554	86,571	69,398
Council Meetings	29,414	25,010	21,778
FIG Meetings ⁸⁾	46,781	39,117	40,543
Member support ⁹⁾	28,102	51,943	40,449
Commission activity ¹¹⁾	41,403	63,486	37,891
Promotion ¹²⁾	33,143	31,422	27,443
External Projects	52,275	32,705	27,508
Total expenditure	365,672	330,254	265,010
Result for the year	46,418	32,384	82,043

Notes:

- 1) To enable comparison between budgets and results made in Swiss Francs, those have been converted to Euro using the same exchange rate as in the results of 2003 (1 Euro = 1.56 CHF).
- 2) The income from member associations in 2003 is higher than budgeted because the impact from member changes and the discounted membership fees for the poorest countries was not as bad as we had expected.
- 3) Four new corporate members joined during 2003: Intergraph joined as a Platinum level member, AED-SICAD Aktiengesellschaft as a Gold level member, Geoexpert as a Basic level member and Institut Cartogràfic de Catalunya as a Regional level member. The existing member ESRI upgraded from silver level to Platinum level.
- 4) Fourteen new academic members joined FIG in 2003 instead of budgeted ten.
- 5) External projects include remaining compensation from FIG 2002 to FIG office, income from the work FIG provided for WW2003, WW2004 (partly) and 2nd Regional Conference in Marrakech. It includes also reimbursement of costs from participation in the ESRI User Conference and UN ECOSOC meeting.
- 6) Various include financial support to permanent office from KMS, Denmark which will terminate at the end of 2003.
- 7) Administration includes part of wages, most of the office expenses such as accounting, telephone, insurance, supplies, banking costs etc. Two large expenditure items are losses on exchange rates because of the weak US dollar rate and provisions of bad debts.
- 8) FIG meetings include costs of the General Assembly and administrative costs directly linked to the General Assembly and the Regional Conference.
- 9) Expenditure for member support includes assistance to member associations, visits to member associations and project costs directly related to members. It also includes most of the up-date costs of the website. The savings is mostly because it was given up to produce printed version of the Bulletin.
- 10) Commission grants, ACCO meetings and support to commission projects.
- 11) Promotion includes costs occurred in promoting FIG at the UN and international meetings and promotion to get new members. This includes events like UN 19th Session Committee Human Settlement in Nairobi, two ISO TC 211 meetings, and the South American Registration Congress (SUNARP) in Lima, Peru.
- 12) Expenditure for external projects includes FIG Office assistance to the Local Organizing Committees of WW2003 and 2nd Regional Conference. It also includes external expenditure directly related to the projects, i.e. production and printing of CD-ROMS and flyers. Besides costs for site visits to events in 2003, the item also includes costs for site visit to venues of future events and their preparations.

FIG BUDGET FOR 2004

	Budget 2004 Euro	Budget 2004 Euro*¹⁾	Result 2003 Euro	Budget 2003 Euro¹⁾	Result 2002 Euro¹⁾
	General Assembly 2004	General Assembly 2003		General Assembly 2003	
INCOME					
Subscriptions					
Member associations ²⁾	219,000	216,108	212,153	202,321	216,197
Affiliates	4,000	3,848	3,152	3,527	3,369
Corporate members ³⁾	74,500	58,997	69,357	55,149	47,766
Academic members ⁴⁾	13,500	11,543	11,346	9,940	9,484
Total	311,000	290,495	296,008	270,937	276,815
Other income:					
Advertising	1,000	1,283	0	1,283	1,034
Sale of publications	1,000	641	1,034	641	857
Interest income	9,500	8,337	6,364	7,054	1,274
External projects ⁵⁾	72,000	25,651	65,899	44,248	27,780
Various	0	0	42,785	38,476	39,293
Total Income	394,500	326,407	412,090	362,638	347,053
EXPENDITURE					
Administration, FIG Office and Council ⁶⁾	96,000	85,930	135,554	86,571	69,398
Council Meetings	30,200	19,879	29,414	25,010	21,778
FIG Meetings ⁷⁾	52,900	39,759	46,781	39,117	40,543
Member support ⁸⁾	31,400	55,791	28,102	51,943	40,449
Commission activity ⁹⁾	58,800	57,394	41,403	63,486	37,891
Promotion ¹⁰⁾	26,200	34,629	33,143	31,422	27,443
External Projects	71,400	24,368	52,275	32,705	27,508
Total expenditure	366,900	317,749	365,672	330,254	265,010
Result for the year	27,600	8,657	46,418	32,384	82,043

NOTES TO FIG BUDGET FOR 2004

1. To enable comparison between budgets and results originally made in Swiss Francs, those have been converted to Euro using the same exchange rate as in the results of 2003 (1 Euro = 1.56 CHF).
2. The income from member associations in 2004 is based on the membership changes in 2003, including the 50% deduction for members from the poorest countries. Modest increase in new members equal to 1,000 new individuals in 2004. In addition the minimum fee has been raised from 133 Euro to 200 Euro.
3. Eimar Arabia Real Estate Development Co. Ltd., bronze level member and GEO:connexion Ltd, basic level member, have already joined in 2004 and it is expected that one more silver level member will join in 2004.
4. 10 new academic members are assumed to join in 2004, of which two new members have already joined. By the end of 2004 we will then have 75 academic members.
5. External projects include compensation from FIG 2004 and income from the Regional Conference in Jakarta to FIG office for the work FIG is providing. It is expected to get income from two commission events, like Commission 6 symposium in Nottingham and Bratislava. In addition FIG is handling the UN/FIG/PC-IDEA workshop in Mexico October 2004. Expenditure to external suppliers in connection with the projects that FIG Office has paid for will be added to the invoice.
6. Administration includes a part of the wages for the staff of the FIG Office, besides most of the office expenses such as accounting, telephone, insurance, supplies, bank costs etc.
7. FIG meetings include costs of the General Assembly and administrative costs directly linked to the working week and administrative meetings.
8. Expenditure for member support includes costs for the Annual Report and visits to member associations and project costs related directly to members. It also includes a constant up-date of the website.
9. Commission grants, ACCO meetings and support to commission projects.
10. Promotion includes costs occurred in promoting FIG at the UN and international meetings and promotion to get new members. This includes events like GSDI 7, Bangalore, India, World Urban Forum II organised by UN-HABITAT, XXII Congress of the International Society for Mine Surveying in China and the XX ISPRS Congress in Istanbul.

FIG BUDGET FOR 2005

	Budget 2005 Euro	Budget 2004 Euro	Result 2003 Euro
	General Assembly 2004	General Assembly 2004	
INCOME			
Subscriptions			
Member associations ¹⁾	227,000	219,000	212,153
Affiliates	4,800	4,000	3,152
Corporate members ²⁾	78,500	74,500	69,357
Academic members ³⁾	15,200	13,500	11,346
Total	326,000	311,000	296,008
Other income:			
Advertising	1,000	1,000	0
Sale of publications	1,000	1,000	1,034
Interest income	11,000	9,500	6,364
External projects	55,000	72,000	65,899
Various	0	0	42,785
Total Income	394,000	394,500	412,090
EXPENDITURE			
Administration, FIG Office and Council ⁴⁾	93,7000	96,000	135,554
Council Meetings ⁵⁾	33,400	30,200	29,414
FIG Meetings ⁶⁾	54,300	52,900	46,781
Member support ⁷⁾	36,800	31,400	28,102
Commission activity ⁸⁾	62,100	58,800	41,403
Promotion ⁹⁾	27,500	26,200	33,143
External projects ¹⁰⁾	53,600	71,400	52,275
Total expenditure	361,400	366,900	365,672
Result for the year	32,600	27,600	46,418

NOTES TO FIG BUDGET FOR 2005

1. The income from member associations in 2005 is based on the membership changes in 2003, including the 50% deduction for members from the poorest countries. Modest increase in new members equal to 1,000 new individuals in 2005 and the adopted fee increases.
2. It is estimated that 1 new category C and 2 new category E members will join in 2005.
3. 10 new academic members are assumed to become members in 2005, arriving to a total number of 85 members.
4. External projects include compensation from FIG/GSDI 2005 in Cairo to FIG office for the work FIG is providing which includes the handling of registrations and preparing the website. Included is income from the Regional Conference and two minor commission events, for example the 12th International Symposium on Deformation Measurement in China. Expenditure to external suppliers in connection with FIG events that FIG Office has paid for will be added to the invoice.
5. Administration includes a part of the wages for the staff of the FIG Office, besides most of the office expenses such as accounting, telephone, insurance, supplies, bank costs etc.
6. FIG meetings include costs of the General Assembly and administrative costs directly linked to the working week and administrative meetings.
7. Expenditure for member support includes costs for the Annual Review and visits to member associations and project costs related directly to members. It also includes a constant up-date of the website.
8. Commission grants, ACCO meetings and support to commission projects.
9. Promotion includes costs occurred in promoting FIG at the UN and international meetings and promotion to get new members.