

REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE

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The Finance and Administration Committee (F&A) met from 1400-1730 hours on October 24, and from 1400-1730 on October 26, under the chairmanship of Dr. Richard J. Marasco. Drs. Alexander S. Bychkov and Stewart (Skip) M. McKinnell acted as rapporteurs (see *F&A Endnote 1* for list of participants).

Agenda Item 1. Opening by the Chairman

The Chairman called the meeting to order and welcomed the participants. He emphasized that the job of the Committee is to review financial and administrative matters in accordance with the Financial Regulations and Rules of Procedure of the Organization, and to provide a report to the Governing Council for consideration and adoption.

Agenda Item 2. Adoption of agenda

The Committee reviewed and adopted the agenda without change (*F&A Endnote 2*).

Agenda Item 3. Annual contributions

As stated by Regulation 5(ii) of the Financial Regulations, all national contributions to PICES “shall be considered due as of the first day of the financial year (January 1) to which they relate”. Untimely payments create problems for day-to-day operations of the Secretariat, and result in much lower interest income in PICES accounts.

At the Eighth Annual Meeting, the Committee and Council already discussed historical statistics on the payment schedule of annual fees to the Organization (Decision 99/A/3). In November 1999, a formal letter was sent to each Contracting Party indicating the importance of prompt payment of annual contributions and requesting payment by the first day of the PICES fiscal year.

The Executive Secretary reported the payment dates of the 2000 annual fees. He noted some

improvements in submitting annual fees, but indicated that only one country had paid the annual contribution by January 1, 2000 (see *GC Endnote 3*).

The Committee recommends that Council direct the Executive Secretary to send a letter to member countries commending them for improved performance in submitting annual contributions in 2000, and advising on the benefits of paying contributions on time. Canada further proposed allowing installment payments if annual fees cannot be paid in a lump sum at the beginning of the year.

The F&A Chairman provided a comparison of national annual contributions by some PICES member nations to PICES, ICES (International Council for the Exploration of the Sea) and NPAFC (North Pacific Anadromous Fish Commission), as information for guidance of the Organization.

Agenda Item 4. Audited accounts for fiscal year 1999

The Auditor’s Report for FY 1999 (*F&A Endnote 3*) was reviewed and adopted by the Committee. The Committee recommends that Council approve the Report and retain the accounting firm of *Flader & Greene* as auditor for another year.

Agenda Item 5. Budget

a. Estimated accounts for fiscal year 2000

The Committee reviewed and discussed the estimated accounts for FY 2000. It was noted that the estimated surplus of \$19,500 is due to unexpected contributions to the Beyond El Niño Conference and deferral of costs associated with a journal publication to 2001. The Committee recommends that Council accept the estimated expenditures for FY 2000.

b. Budget for fiscal year 2001

The Committee reviewed the proposed FY 2001 budget (*F&A Endnote 4*) and recommends its approval by Council. The budget of \$606,000 is 2.7% above the FY 2000 budget of \$590,000. This modest increase is consistent with the guideline generally accepted at the Eighth Annual Meeting (see Decision 99/A/2(ii)). The transfer of \$58,200 from the Working Capital Fund reduces the total annual contribution to \$547,800, setting the 2001 fees at \$91,300 per Contracting Party (3.0% higher than in 2000). The amount of \$58,200 includes \$26,200 of the Working Capital Fund surplus and the grant of \$32,000 from the Alfred F. Sloan Foundation that will be used to finance the PICES Census of Marine Life Workshop and subsequent report.

It was noted that the proposed budget is not sufficient to cover expenditures for the Intern Program and various high priority PICES scientific projects currently under consideration by the Science Board (see Science Board Report for details).

The Japanese Government considers that, as many member countries are under severe financial conditions, in order to continue financial contribution to international organizations, the budget of international organizations should be the minimum necessary. Therefore, the Japanese Government is requesting to many international organizations to keep basically *nominal zero increase* of budget, and PICES cannot be an exception.

Canada requested that significant budget changes or unusual deviations among years should be described in footnotes and financial tables.

c. Forecast budget for fiscal year 2002

The FY 2002 forecast budget of \$624,000, prepared under guidelines adopted by Council in 1999 (Decision 99/A/2(ii)), was examined by the Committee and is submitted to Council for information only. The FY 2002 budget will be further considered at PICES X.

d. Interest and other income

During a fiscal year, the amount of funds in PICES accounts may be increased by miscellaneous income (GST rebate, income tax levies from foreign staff and bank interest) or voluntary contributions or grants.

Miscellaneous income in 2000 was greater than in 1999, mainly because more interest was earned due to improved timeliness of annual contributions. The Committee also noted a significant increase in voluntary contributions and external funding for various activities initiated by PICES. This is the result of fund-raising efforts by the Science Board and the Secretariat.

Canada suggested that in the future, monies that are constrained to certain projects must be identified as such so that it is clear how much discretionary funds are available.

e. Working Capital Fund

In FY 2000, the estimated miscellaneous income credited to the Working Capital Fund is about \$42,500. In addition, the FY 2000 budget surplus of \$19,500 will be transferred to the Fund at the end of the fiscal year. Voluntary contributions and grants received for financing special events in 2000 and 2001 that are credited to the Working Capital Fund are reflected in the Report on Administration (*GC Endnote 3*).

The Working Capital Fund is forecast to be \$228,230 at the end of 2000. The Committee recommends that the amount of \$58,200 (comprising \$26,200 of the estimated Working Capital Fund surplus and a grant of \$32,000 from the Sloan Foundation) be transferred to the General Fund, and that the residual surplus of \$23,740 be transferred to the Trust Fund. After these transfers, the Working Capital Fund will total \$146,290, including the \$100,000 mandatory balance and \$46,290 in voluntary contributions for the PICES Tenth Anniversary.

The Committee also recommends reformatting the table on estimated income and expenditures to identify clearly the constraints on contributions and grants.

f. Home Leave Relocation Fund

The status of the Home Leave Relocation Fund was reviewed. It was noted that all expenditures in FY 2000 were offset by bank interest to adjust the Fund to a target maximum level of \$110,000 at the end of the fiscal year.

g. Trust Fund

The Executive Secretary reported that in FY 2000, approximately \$53,000 from the Trust Fund will be used to bring Chinese, Russian and young scientists to the PICES Ninth Annual Meeting, to support the pilot project “Ecosystem Study of the Japan/East Sea”, to provide a grant to Working Group 12, and to finance the Intern Program. These expenditures will be compensated only partially by the voluntary contributions by Canada and U.S.A. for the Intern Program, a personal contribution by Dr. Hyung-Tack Huh, a grant from SCOR for PICES IX, and bank interest (for details see *GC Endnote 3*).

The Trust Fund is forecast to be \$76,260 at the end of 2000 (the Fund was reduced by about \$10,500 in FY 1999 and is estimated to decrease by about \$12,360 in FY 2000). The Committee recommends that the residual Working Capital Fund surplus of \$23,740 be transferred to the Trust Fund to recover all 2000 expenditures and to restore the Trust Fund to a level of \$100,000.

Japan enquired about why the proposed expenditures from the Trust Fund to support travel to the Annual Meeting are greater in

2001 than in 2000. The Executive Secretary indicated that the total expenditures for travel in 2000 were actually greater, but part of that was supported by SCOR funding. This source of travel funds has not been confirmed for 2001 although a proposal to SCOR has been made. The Executive Secretary noted that should these funds arrive, the amount taken from the Trust Fund would be decreased.

Working Capital Fund surpluses have allowed the Trust Fund to be replenished for the last several years. It is unlikely that surpluses of this magnitude will exist in the future, so activities supported by the Trust Fund will need to be reduced accordingly, unless other sources of funds can be found.

Agenda Item 6. Report of the Fund-Raising Committee

The Fund-Raising Committee met from 1400-1730 hours on October 22, under the chairmanship of Dr. Marasco, who presented the report and recommendations to the Finance and Administration Committee.

The Committee supports the theme adopted by the Fund-Raising Committee, “To advance scientific knowledge of the ocean environment”, and five projects identified for attention in 2001 (see Fund-Raising Committee Report for text). The Committee also recommends the addition of a sixth project proposed by Canada, and entitled “PICES support of young scientist participation in scientific meetings”.

Agenda Item 7. Tenth anniversary of PICES

The Convention for a North Pacific Marine Science Organization entered into force on March 24, 1992, and the First Annual Meeting was held in October 1992, in Victoria, Canada. In October 2001, PICES will hold its Tenth Annual Meeting. This Anniversary Meeting will be hosted by the Secretariat at the location of PICES I (Decision 99/A/4).

The Executive Secretary reported on various activities being planned to commemorate the anniversary and potential costs for special events associated with PICES X:

1. The total cost to support 1 keynote speaker for the Opening Session and 4 invited speakers from outside of the PICES community for the Science Board Anniversary Symposium is estimated to be about \$15,000.
2. Invitations, without financial commitments, will be sent by the Secretariat to the founders of PICES. Lists of names will be sent by member countries to the Secretariat by November 15, 2000.
3. The total cost for the PICES book on the history of the scientific exploration of the North Pacific, is estimated to be about \$100,000. Funds totaling \$45,000 have been provided by the National Marine Fisheries Service (NOAA, U.S.A.), leaving a currently unfunded amount of \$55,000. Funds to complete the project will be sought by the Secretariat following the Annual Meeting.
4. A total of \$3,500 will be paid from the 2000 budget to organize an ocean exhibition to be held in conjunction with PICES X. The exhibition has a potential to raise \$24,000 in income.
5. An open house may be held on scientific research vessels during PICES X. If member countries are planning to send a vessel to the open house, they should notify the Secretariat by December 1, 2000. The feasibility of this activity should be evaluated further by the Secretariat and Canada. Members of the Committee will be informed of the result of this study.
6. A public communication/lecture series may be held in conjunction with PICES X. It was suggested that TV stations and/or newspapers should be approached to raise public awareness. Canada offered to assist by providing communications support.
7. A welcoming reception and a banquet for 400 people is expected to cost \$40,000.

The Committee supports the items suggested by the Secretariat. It is noted that the FY 2001 budget does not include these items. Voluntary contributions and funds obtained from the 2001 Ocean Exhibition will be used to support these activities. The Committee recommends that Council send a request to member countries and agencies for voluntary contributions to support these special events.

Agenda Item 8. PICES Intern Program

At the Eighth Annual Meeting, Council approved the PICES Intern Program (Decision 99/A/7) and its commencement in 2000. The Intern Program was advertised within PICES member countries immediately after the meeting, and the Executive Secretary received two nominations prior to the deadline. Mr. Gong-Ke Tan (People's Republic of China) was selected as the first Intern in March 2000. The recommended period of appointment from June 22 to December 20, 2000, is meant to give him the opportunity to be involved in all major PICES activities including the organizing of the PICES Ninth Annual Meeting in Hakodate, Japan. The duration of the Intern's term is limited by funding and, to a certain extent, by Canadian visa regulations.

The Executive Secretary reported that the presence of an additional professional increased the capacity of the Secretariat to support the work of PICES. At the same time, Mr. Tan's work with the Secretariat allowed him to gain experience in the operations of an intergovernmental scientific organization, and to further his professional development as a marine scientist and manager. The Committee concluded that the first results demonstrate that PICES and member countries benefit from the Intern Program, and that it should be continued.

PICES was able to start the Intern Program in FY 2000 because Canada and U.S.A., in addition to their annual fees, contributed \$7,500 and \$7,000, respectively, to the Trust Fund to finance the Program. At the moment, there is no special allocation for the Intern Program in the

proposed FY 2001 budget and forecast FY 2002 budget. Assuming a 6-month term for the Intern, total expenses for the Program including stipend and travel, are between \$16,000-18,000 (depending on the Annual Meeting location). If this amount was included in the annual budget, each country will be responsible for an additional *ca.* \$3,000, which is already about the agreed 3% increase of the annual contribution. Moreover, Science Board is concerned that financing the Intern Program from the Trust Fund means reducing Trust Fund support for other activities. Permanent funding for the Intern Program requires replenishing the Trust Fund on a regular basis or developing some other mechanism to support it.

Although the member countries made no firm commitments, Canada indicated a willingness to contribute if funds become available at fiscal year end. Canada does not intend to be the sole contributor indefinitely and suggested that the PICES Intern Program should gradually be built into the budget. There was a lack of consensus on the inclusion of this program into the annual budget and members will continue to consider ways to fund it. The Committee recommends that Council invite member countries to make voluntary contributions to support the PICES Intern Program in 2001.

In August, PICES Delegates were reminded that according to the Guidelines for Selection Procedure, they should invite and review applications for the 2001 PICES Internship from their home country and submit their nominations to the Executive Secretary by the date of the first Governing Council meeting at PICES IX (October 23, 2000). Since no nominations were received and several member countries indicated a desire to submit nominations, the Committee recommends that the deadline for applications be extended to December 7, 2000.

Agenda Item 9. Proposed changes to Handbook for Chairmen and Convenors

At last year's meeting in Vladivostok, the Science Board identified changes that should be made to the PICES Handbook for Chairmen and Convenors, and the Science Board Chairman was instructed to draft these changes for consideration by the Scientific and Technical Committees and the CCCC Program at their business meetings during PICES IX.

The Committee reviewed the changes proposed by the Science Board, and determined that they are consistent with the existing Rules of Procedure and Financial Regulations. The Committee recommends that Council approve the changes to the Handbook after some editorial changes are made.

Agenda Item 10. Time and place of future Annual Meetings of the Organization

At the Eighth Annual Meeting, Council agreed to have the Secretariat host the Tenth Annual Meeting in Victoria, Canada (Decision 99/A/4). Later, by correspondence, the dates October 7-17, 2001 (with the Opening Session on October 10, Wednesday), were accepted for PICES X. Immediately prior to the Ninth Annual Meeting, the Victoria Conference Centre informed the Secretariat of a possibility to start the meeting two days earlier (with the Opening Session on October 8, Monday). The Committee reviewed the choices and recommends to Council that PICES X be held October 5-13, 2001.

PICES received a few letters from the People's Republic of China expressing interest in hosting the PICES Eleventh Annual Meeting in 2002. The dates and place of the meeting are not identified yet. After reviewing the funding request received from China and the history of PICES contributions, the Committee recommends that Council approve the proposal by the People's Republic of China to host the Eleventh Annual Meeting and indicate a willingness to provide \$40,000 to partially cover meeting costs.

The Executive Secretary pointed out that at PICES III, Council adopted the practice of

advance planning over three years to improve budgeting and arrangement for the Annual Meetings (Decision 94/A/6). He further suggested that in keeping with the six-year rotation cycle, the Republic of Korea should be invited to explore the feasibility of hosting the Twelfth Annual Meeting in 2003. Korea indicated a willingness to consider hosting PICES XII and will notify the Secretariat of its final decision by the end of 2000. The Committee recommends that sufficient budgetary information should be provided to facilitate FY 2002 budget planning.

Agenda Item 11. Space, facilities & services

Space, general services and communications are provided to the Secretariat by the Government of Canada through the Department of Fisheries and Oceans (DFO). This agreement commenced on April 1, 1992, and continues indefinitely with a review every three years. Since 1998, PICES has been paying a comprehensive fixed cost of \$4,000 per year for office space/services at the Institute of Ocean Sciences (IOS).

In 1998, the Canadian Government provided new accommodation for the PICES Secretariat at IOS. It was expected that this higher profile and larger space should be sufficient for the Secretariat's needs over the next few years. But as a result of implementing the PICES Intern Program, the number of people in the Secretariat increased and new arrangements must be made. The Committee recommends that PICES approach Canada on this issue.

DFO intends to discontinue the domain "ios.bc.ca" that PICES has been using for its e-mail and website on December 31, 2000. The Committee recommends that discretion be given to the Executive Secretary to deal with the e-mail/website issue in the most cost-effective and efficient way.

**Agenda Item 12. Other business
Appointment of F&A Chairman**

The Executive Secretary reported that Dr. Marasco (U.S.A.) was appointed as the F&A Chairman at the PICES Seventh Annual Meeting in 1998, and his term would come to an end at PICES IX. According to the Rules of Procedure (Rule 15), the Chairman of the Finance and Administration Committee shall be appointed by the Council from amongst the Committee's members for a term of two years and shall be eligible for re-appointment only once for a successive term. In that regard, Dr. Marasco stated that if the Committee was satisfied with his performance, he would be prepared to serve for a second term. The Committee recommends that Council re-appoint Dr. Marasco as the F&A Chairman.

Agenda item 13. Adoption of F&A Report and recommendations to Council

The Committee approved the F&A Report and its recommendations to Council.

F&A Endnote 1

Participation List

Canada

William G. Doubleday
Laura Richards

Japan

Tadashi Inada
Takayuki Koike
Koji Harunari
Tokio Wada

People's Republic of China

Qian-Fei Liu
Zheng-Lin Wei

Republic of Korea

Lae-Hyung Hong
Jin-Yeong Kim

Russia

Alexander A. Kurmazov
Igor I. Shevchenko
Vadim L. Minin

U.S.A.

William T. Cocke

Other

Vera Alexander (Vice-Chairman, PICES)
Richard J. Marasco (Chairman, F&A)
Alexander S. Bychkov (Executive Secretary) (Rapporteur)
Stewart (Skip) M. McKinnell (Asst. Executive Secretary) (Rapporteur)

F&A Endnote 2

Agenda

1. Opening by F&A Chairman.
2. Adoption of agenda.
3. Annual contributions.
4. Audited accounts for fiscal year 1999.
5. Budget:
 - a. Estimated accounts for fiscal year 2000
 - b. Proposed budget for fiscal year 2001
 - c. Forecast budget for fiscal year 2002
 - d. Interest and other income
 - e. Working Capital Fund
 - f. Home Leave and Relocation Fund
 - g. Trust Fund
6. Report of Fund-Raising Committee.
7. Tenth anniversary of PICES.
8. PICES Intern Program.
9. Proposed changes to Handbook for Chairmen and Convenors.
10. Time and place of future Annual Meetings of the Organization.
11. Space, facilities and services.
12. Other business.
13. Adoption of F&A Report and recommendations to Council.

F&A Endnote 3

Auditor's Report (1999) to the Organization

Flader and Greene
Chartered Accounts
9768 Third Street
Sidney, B.C.,
Canada. V8L 3A4

To the Council of the North Pacific Marine Science Organization

We have audited the statement of financial position of North Pacific Marine Science Organization as at December 31, 1999 and the statement of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 1999 and the results of its operations and changes in fund balances for the year then ended in accordance with generally accepted accounting principles.

Sidney, B.C.
February 29, 2000

Flader and Greene
Chartered Accountants

**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 1999**

ASSETS	1999	1998
CURRENT ASSETS		
Cash and short term deposits	\$ 496,116	\$ 365,201
Accounts receivable	-	12,000
Due from contracting parties	-	7,376
Prepaid expenses (Note 3)	3,802	-
	\$ 499,918	\$ 384,577
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 7,318	\$ 12,800
Funds held for contracting parties (Note 4)	88,600	-
Funds held for Beyond El Nino conference (Note 5)	46,848	-
	142,766	12,800
FUND BALANCES		
WORKING CAPITAL FUND	158,400	162,621
TRUST FUND	88,752	99,156
HOME LEAVE RELOCATION FUND	110,000	110,000
	357,152	371,777
	\$ 499,918	\$ 384,577

**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General Fund	Working Capital Fund	Trust Fund	Home Leave Relocation Fund	1999 Total	1998 Total
FUND BALANCES , beginning of year	\$ -	\$ 162,621	\$ 99,156	\$ 110,000	\$ 371,777	\$ 357,312
SOURCES OF FUNDS						
Contributions from Contracting Parties	516,000	3,000	-	-	519,000	514,409
Budgeted transfer to General Fund	58,000	(58,000)	-	-	-	-
Interest and other income (Note 7)	29,968	3,331	2,654	3,597	39,550	37,351
FUND BALANCES , before expenditures	603,968	110,952	101,810	113,597	930,327	909,072
EXPENDITURES						
Personnel services	230,913	-	-	-	230,913	280,215
Travel	81,584	3,500	27,656	-	112,740	113,604
Communication	29,477	-	-	-	29,477	16,832
Contractual services	12,052	-	-	-	12,052	17,353
Printing	56,934	-	-	-	56,934	45,998
Supplies	6,756	-	-	-	6,756	6,311
Equipment	4,757	-	-	-	4,757	10,996
Annual Meeting	57,878	3,000	-	-	60,878	37,440
Workshops	39,998	-	-	-	39,998	-
Relocation	-	-	-	15,548	15,548	6,375
Miscellaneous	2,878	-	-	-	2,878	2,171
Unrealized losses on foreign exchange	244	-	-	-	244	-
	523,471	6,500	27,656	15,548	573,175	537,295
NET FUNDS AVAILABLE	80,497	104,452	74,154	98,049	357,152	371,777
TRANSFER TO WORKING CAPITAL FUND (Note 8)	(80,497)	80,497	-	-	-	-
INTERFUND TRANSFERS (Note 9)	-	(26,549)	14,598	11,951	-	-
FUND BALANCES , end of year (Note 10)	\$ -	\$ 158,400	\$ 88,752	\$ 110,000	\$ 357,152	\$ 371,777



NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999

1. PURPOSE OF ORGANIZATION

The North Pacific Marine Science Organization (PICES) is an intergovernmental non-profit scientific organization whose present members include Canada, Japan, the People's Republic of China, the Republic of Korea, the Russian Federation and the United States of America. The purpose of the organization is to promote and coordinate marine scientific research in order to advance scientific knowledge of the North Pacific and adjacent seas.

2. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the North Pacific Marine Science Organization's Financial Regulations and are prepared in accordance with generally accepted accounting principles. The following is a summary of the significant accounting policies used in the preparation of these financial statements:

(a) Fund Accounting

The Working Capital Fund represents the accumulated excess of contributions provided from Contracting Parties over expenditures in the general fund. The purposes of the General Fund and Working Capital Fund are established by Regulation 6 of the Organization Financial Regulation.

The Trust Fund was established in 1994 for the purpose of facilitating participation of a broad spectrum of scientists in activities of the Organization.

The Home Leave Relocation Fund was established in 1996 to pay relocation and home leave expenses of new employees and their dependants to the seat of the Secretariat and removal after period of employment has ended, and provide home leave for international staff. This fund is set at a maximum of \$110,000.

(b) Capital Assets

Capital assets acquired by the Organization are expensed in the year of acquisition.

(c) Income Tax

The Organization is a non-taxable organization under the Privileges and Immunities (International Organizations) Act (Canada).

(d) Foreign Exchange

Transactions originating in foreign currencies are translated at the exchange rate prevailing at the transaction dates. Assets and liabilities denominated in foreign currency are translated to equivalent Canadian amounts at the current rate of exchange at the statement of financial position date.

3. PREPAID EXPENSES

Prepaid expenses include expenditures for the Beyond El Niño Conference in 2000.

4. FUNDS HELD FOR CONTRACTING PARTIES

The funds held for contracting parties are advance contributions from Japan for their 2000 fees.

5. FUNDS HELD FOR BEYOND EL NIÑO CONFERENCE

Funds have been advanced to the organization for conference expenses to be incurred in 2000. The funds held have been converted to Canadian dollars and consist of contributions from:

IATTC	\$ 15,925
ISC	14,923
NPAFC	16,000
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	\$ 46,848

6. COMMITMENTS

General administrative and communications services are provided to the Secretariat of the Organization by the Government of Canada through the Department of Fisheries and Oceans. This agreement commenced April 1, 1992 and continues indefinitely with a review every three years. The fixed costs for services are \$4,000 per year. Services provided are invoiced quarterly.

7. INTEREST AND OTHER INCOME

	General Fund	Working Capital Fund	Trust Fund	Home Leave Relocation Fund
Interest income	\$ -	\$ 3,331	\$ 2,654	\$ 3,597
Income tax levies	25,757	-	-	-
GST rebates	4,211	-	-	-
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	\$ 29,968	\$ 3,331	\$ 2,654	\$ 3,597

8. TRANSFER TO WORKING CAPITAL FUND

Pursuant to Financial Regulation 6 (iii), the Working Capital Fund is to be increased by the surplus in the General Fund.

9. INTERFUND TRANSFERS

Pursuant to decision 99/A/2(iii) of the Governing Council, \$14,598 was transferred to the Trust Fund.

Pursuant to the decision of the Governing Council, \$11,951 was transferred to restore the Home Leave Relocation Fund to a maximum level of \$110,000.

10. WORKING CAPITAL FUND SURPLUS

Pursuant to decision 99/A/2(i) of the Governing Council, \$58,400 of the funds held in the Working Capital Fund will be transferred to the General Fund to reduce 2000 contributions.

11. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which use certain dates in 1999 to represent something other than a date.

The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to

significant systems failure, which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of contracting parties, suppliers, or other third parties, will be fully resolved.

F&A Endnote 4**Budget for fiscal year 2001**

Category	Allotment
Personnel Services	296,000
Annual Meeting	40,000
Special Meetings	61,000
Travel	80,000
Printing	63,000
Communication	34,000
Equipment	7,000
Supplies	7,500
Contractual Services	14,000
Miscellaneous	3,500
Total	606,000

Source	Contribution
Contributions from six Contracting Parties	547,800
Transfer of Working Capital Fund surplus	26,200
Grant from Alfred P. Sloan Foundation	32,000
Total	606,000

2001 Annual Fee for each Party	91,300
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