

**MINUTES - WADA FINANCE AND ADMINISTRATION COMMITTEE  
MEETING HELD IN MONTREAL ON 20 SEPTEMBER 2004**

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**PRESENT:** Craig Reddie, Chairman  
Tomas Johansson  
Sue Neill  
Valéry Genniges  
Willi Kaltschmitt

**ALSO IN  
ATTENDANCE:** David Howman  
Olivier Niggli  
Andrew Belton  
Maria Pisani

**APOLOGIES:** Raja Randhir Singh  
Thierry Sprunger (Observer)

**1. Audited Accounts**

The accounts for the year 31 December 2003, having been approved by the WADA Foundation Board, were tabled along with the internal memorandum from the WADA auditors.

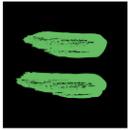
Explanation on the changes related to IFRS was given to the Committee as well as full details on how research grants are now accounted for.

The finance Committee was satisfied with the presentation of accounts and with the fact that the recommendation from the auditors had been properly implemented.

**2. 2004 Quarterly Accounts/Cash Position**

The mid-year figures to 30 June 2004 were tabled and the following observations were made:

- The accounts show good contribution collection as of 30 June 2004.
- The salaries are between 5%-10% above forecast, mainly due to the exchange rate between the U.S. and Canadian dollar.
- The research grant expenditures are clearly summarized in a separate table which provides a reconciliation of what has been spent on a yearly basis and what is still committed.



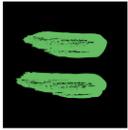
### **3. 2004 Revised Budget**

A revised budget, in light of the first six months of operation, was discussed by the Committee. Such budget presented, on the one hand, a re-adjustment of expenses within the initial budget and an allocation of an extra \$1.4 million to research and \$300,000 to out of competition testing in relation to better collection than expected. Such re-allocation to research and out of competition testing is in line with decisions taken by the Board during its November meeting. The revised budget showed the following:

- Better than expected contribution, including some payments from previous years.
- An expenditure increase from \$17.6 million to \$19.1 million justified by increased collection and allocated to research and out of competition testing.
- Legal and Finance Department's budget showed almost no change, except for an adjustment in salaries.
- The Executive Office budget showed a reduction in the ADAMS project by \$600,000 and an increase in Board and Executive Committee meeting costs of \$100,000 and an increase in expenditures for Athens of \$123,000.
- The Information and Communications Department showed a modest increase for website development and the outreach program, as well as the Athens outreach program.
- The Science Department showed a major increase for the research grants of \$1.4 million and a re-allocation of funds from projects to meeting costs in particular for the List and Lab Committees.
- The Education Department showed a modest reduction in expenditures.
- The Standards and Harmonization Department showed an increase of \$300,000 for out of competition testing.
- Operational costs remained the same.
- The Lausanne Office showed an increase in salaries due to hiring of temporary staff in relation to TUE and payment of outstanding social charges in relation to WADA's previous Director General.
- The Tokyo Regional Office has lowered its costs with administrative facilities being provided by the Japanese government and salaries being slightly lower than expected.

### **4. Government Contributions**

In 2004, overall contributions to WADA's budget represent 79.15% of the 2004 WADA budget. This number will rise to 93% after receipt of the United States'



contribution. This contribution is expected in October. Six countries have been identified as not fulfilling their dues: Mexico, Venezuela, Argentina, India, Pakistan and Thailand.

It was agreed that efforts would be made through the Commonwealth Organization as well as through the Francophone Organization to help in collection of dues in Africa.

## **5. 2005 Draft Budget**

The 2005 Draft Budget has been discussed by the Finance Committee and a draft has been agreed upon to be recommended to the Executive Committee. This draft calls for an increase of 7.26% in overall contributions, which represents an additional \$735,000 from the Olympic Movement and \$735,000 from the governments of the world. For real buying power, taking into account the difference in exchange rates between the Canadian and U.S. dollar, this means an increase of 4.3% from the 2004 budget. It is noted that the inflation for 2003 was approximately 2% and the inflation for 2004 is forecasted at 3%. Therefore, in real terms, WADA will be operating in 2005, if the draft budget is accepted, with less money than in 2003.

The Committee particularly highlighted the fact that the WADA's range of activities had greatly increased as a result of the introduction of the World Anti-Doping Code. The new activities include, *inter alia*, accreditation of the laboratories, publication of the List, WADA's role in relation to the UNESCO Convention, education undertaken by WADA on a worldwide level, particularly in countries less advanced in the fight against doping.

With respect to each Department, the following remarks can be made:

### *Legal and Finance*

The overall budget is slightly reduced by 1.11%.

### *Executive Office*

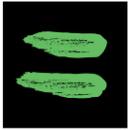
The overall costs are reduced, in particular the ADAMS Project, which is reduced by 15%.

### *Communications*

The budget is reduced by 14%.

### *Science*

The budget is increased by 15%, with research grants up by \$600,000.



### *Education*

The budget is increased by 31%, with a series of Education projects to be developed over a long-term period.

### *Standards and Harmonization*

The budget is increased by 20%, particularly with an increase in budget for out of competition tests.

And, finally, operational costs have been increased by 13%, this forecast the introduction of a document management software program, an increased cost in insurance, increased costs in postage, printing and telecommunications.

The Lausanne Office budget is increased by 21%. They foresee a new employee in relation to TUE as well as the organization of a symposium for International Federations.

The Cape Town and Tokyo offices foresee a small increase.

The Finance and Administration Committee is satisfied that this budget and the increase from 2004, reflect the additional work requested of the Agency and proposes the approval of such budget by the Executive Committee and the Foundation Board.

## **6. Exchange Exposure Management**

WADA currently operates in five different currencies, Swiss Franc, Canadian dollar, U.S. dollar, Euro, and Japanese Yen. It was recommended by the Finance Committee that WADA keeps avoiding speculation in any exchange rate fluctuation and therefore maintain its actual practice. The Committee is satisfied that WADA is presently dealing in a satisfactory manner with the exchange exposure.

## **7. Investment Policy**

The Committee has looked into possible investment of WADA capital. The possibility of acquiring premises in the House of Lausanne has been mentioned. However, the Committee is of the opinion that it is premature for WADA to invest in non liquid investments such as real estate. Another possibility would be to invest in treasury bonds. The Committee recommended that management look into possible bonds with UBS and invest in a portfolio its actual capital.

## **8. Further Business**

No further business was brought forward.

## **9. Future meetings**

The date of a future meeting be set at the beginning of 2005.