

**Minutes of the
WADA Finance and Administration Committee Meeting**

**Wednesday 20 June 2012
Lausanne, Switzerland**

PRESENT : Craig Reddie, Chairman
Patrick Chamunda
Tomas Johansson
Austin Sealy
Barbara Spindler
Natalia Zhelanova
Trevor Burgess

**ALSO IN
ATTENDANCE:** David Howman
Olivier Niggli
Maria Pisani
Giuseppe Foglietta (Observer, IOC)

APOLOGIES: Michael Gottlieb
Robert De Vries

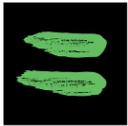
1. Welcome and Apologies

The Chairman welcomed the Committee members, in particular new members Trevor Burgess from Australia and IOC observer Giuseppe Foglietta to the Finance Committee.

Apologies were received from Michael Gottlieb and Robert De Vries. It was noted that this was to be Robert De Vries' last meeting as his term ends this year. Thanks were given to Robert for his many years of attendance and valuable contribution to the Committee, and good wishes for a speedy recovery were sent.

2. 2011 Audited Accounts and Internal Memorandum

The 2011 audited accounts and the auditors' detailed assurance report were presented to the Committee. The Committee was made aware of the change in the auditing partner for WADA's mandate. It was noted that the detailed assurance report highlighted no control deficiencies again this year and the Committee was pleased with the clean assurance report WADA received, and commended the WADA Finance team.



3. Government Contributions 2012

The good rate of collection was noted particularly in comparison to the same time last year. The percentage contribution received is higher than last year despite the non payment to date of a few major paying countries. They are: Italy, Brazil, Mexico, Venezuela, Brunei, Turkey and Ukraine.

In the lead up to this Finance committee meeting, both Italy and Mexico had communicated that their contribution was forthcoming.

4. 2012 Accounts to May 31, 2012

The accounts as of May 31, 2012 were presented and reviewed by the Committee. No specific question or concern arose.

5. 2012 Revised Budget

The 2012 revised budget was discussed and reviewed in detail. A discussion took place on the additional income received, and whether this additional income should be allocated for expenditure in the revised budget. The Committee was of the opinion that as long as the revised budget does not increase the deficit approved by the Foundation Board in November, then funds should be allocated as needed.

Income was increased by US414,908 due to contributions received from 2011 dues and additional grants received from a number of countries.

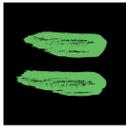
Additional expenditures on the revised budget consists of: transition cost for new IT service provider and a provision for potential taxes, benefits and registration fees due for the Montevideo Office.

The revised budget was approved by the Finance Committee for recommendation to the Executive Committee in September.

6. 2013 Draft Budget

Four options were presented to the Finance Committee for the 2013 Draft Budget. The range of options was 0, 2, 3 and 4% increase in contribution with the same level of expenditures. The 3% and 4% options were not reviewed nor recommended by the Finance Committee.

Both the 0 and 2% options, together with the Strategic and Operational plan explanations, were discussed in detail by Committee members. In addition, the Committee received and considered a full analysis of the WADA activities and projects with appropriate reference to these mandated by the Code and those approved by the Executive and Foundation Board. After much discussion and debate, the Committee submitted the following recommendations:



- 1) Present both the 0 and 2 % budget increase to the Executive Committee;
- 2) The Finance Committee feels that the current deficit shown on the draft budget for both scenarios of 0 and 2% is too high and should be reduced. However it is reluctant to state what amount is acceptable in view of the enormous number of activities required of WADA, and wishes for the Executive Committee to make the recommendation;
- 3) The Committee is of the view that savings could be made in the following areas:
 - Reduction in the Science Research Budget
 - Reduction in the number of Committee members on various committees to reduce travel and meeting costs;
- 4) The Committee is of the view that further cuts in other fields of activities would result in reduced activities for WADA and it is not in a position to make such decisions;
- 5) The Committee is of the view that it is for the Executive Committee to decide on which activity they are willing to forego and the level of deficit it is prepared to accept.

In conclusion, though the Committee has reviewed the 2013 draft budget and accepts the budgeting process and the costs of all activities, it strongly feels it cannot accept the present deficit, and the consequence of the drain on WADA's unallocated cash. It is felt that it does not have the entitlement to reduce WADA's activities mandated by the Executive Committee. Therefore it leaves the decision to the Executive Committee of what activities or areas to reduce.

7. 2012-2015 Forecast

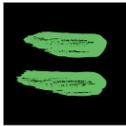
The cash forecast for 2012-2015 was analysed and discussed. As mentioned above, the Committee is of the view that the unallocated cash should be used to subsidize a reasonable deficit, thus ensuring that WADA has sufficient cash reserves to see it through to 2015.

8. Investments Overview

The Committee reviewed WADA's investments and sees no reason for concern. Investments are held in bonds and structured products, and WADA continues to follow its policy of no-risk investments.

9. Alternative Sources of Revenue

WADA continues to strive to find alternative sources of revenue. Alternative funding could come from many sources, some of which were discussed at the meeting. It was brought to



the Committee's attention that WADA already receives additional contributions from some of its stakeholders, which are allocated directly to activities and meetings. It was felt however that other additional revenue sources must be found, whether it is in the form of funds made available by the research monies held by the European Commission for a European grant, which could subsidize research in Europe for example, or from the private sector for specific projects.

10. Other Business

No other business was discussed.

11. Future Meeting

A future meeting date was not established, however, tentative dates will be proposed to the Committee at a later stage.