



Grant Thornton

Financial Statements

Torngat Wildlife, Plants and Fisheries Secretariat

March 31, 2019

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Contents

	Page
Statement of Responsibility	1
Independent Auditor's Report	2-3
Statements of Operations and Accumulated Surplus	4
Statement of Financial Position	5
Statement of Changes in Net Debt	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-11
Statement of Operations – Torngat Joint Fisheries Board	12
Statement of Operations – Torngat Wildlife and Plants Co-Management Board	13
Statement of Expenses – Torngat Wildlife, Plants and Fisheries Secretariat	14
Statement of Expenses – Research Expenses	15
Schedule of Reconciliation of the Financial Plan to the Budget	16

Statement of Responsibility

The accompanying financial statements are the responsibility of the management of the Torngat Wildlife, Plants and Fisheries Secretariat (the "Board") and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Board met with management and its external auditors to review a draft of the financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized financial statements.

Grant Thornton LLP as the Board's appointed external auditors, have audited the financial statements. The auditor's report is addressed to the Directors of the Board and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of the Board in accordance with Canadian public sector accounting standards.



Chair



Chair

Independent auditor's report

To the Directors of the Board of
Torngat Wildlife, Plants and Fisheries Secretariat

Opinion

We have audited the financial statements of Torngat Wildlife, Plants and Fisheries Secretariat ("the Entity"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, change in net debt and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Torngat Wildlife, Plants and Fisheries Secretariat as at March 31, 2019, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matter

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The schedules on pages 12 – 15 are presented for purposes of additional information and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

St. John's, Canada
June XX, 2019

Chartered Professional Accountants

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT
Statements of Operations and Accumulated Surplus
Year ended March 31

	(Note 8)		
	2019 Budget	2019	2018
Revenue			
Government of Canada	\$ 381,318	\$ 376,584	381,318
Government of Newfoundland and Labrador	381,318	376,584	381,318
Nunatsiavut Government	381,318	376,584	381,318
Social Sciences & Humanities Research Council	-	94,246	-
Miscellaneous	-	67,225	45,566
	<u>1,143,954</u>	<u>1,291,223</u>	<u>1,189,520</u>
Expenses			
Joint Secretariat (Schedule 3)	640,400	642,076	631,328
Members honoraria	40,942	23,161	27,960
Employers share of CPP and EI	-	462	671
Airfare and car rental	30,368	25,573	40,174
Meals and incidentals	4,200	10,117	8,324
Accommodations	12,600	8,014	8,735
Meeting site rental	4,000	4,042	1,804
Other Board costs	46,898	34,755	30,788
Research (Schedule 4)	306,904	482,864	369,495
Insurance and other professional expenses	17,962	38,464	27,808
Legal fees	10,100	751	2,059
Audit fees	12,080	17,444	13,228
Amortization	19,000	19,324	32,351
	<u>1,145,454</u>	<u>1,307,047</u>	<u>1,194,725</u>
Deficiency of revenue over expenses	(1,500)	(15,824)	(5,205)
Accumulated surplus, beginning of year	<u>102,838</u>	<u>102,838</u>	<u>108,043</u>
Accumulated surplus, end of year	\$ <u>101,338</u>	\$ <u>87,014</u>	<u>102,838</u>

See accompanying notes to the financial statements.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT
Statement of Financial Position
As at March 31

	2019	2018
Financial assets		
Cash and cash equivalents	\$ 114,522	170,305
Accounts receivable	48,174	-
HST receivable	<u>39,851</u>	<u>41,099</u>
Total financial assets	<u>202,547</u>	<u>211,404</u>
Liabilities		
Payables and accrued liabilities (Note 4)	154,249	164,102
Deferred revenue (Note 5)	<u>28,637</u>	<u>30,527</u>
Total liabilities	<u>182,886</u>	<u>194,629</u>
Net debt	<u>\$ 19,661</u>	<u>16,775</u>
Non-financial assets		
Tangible capital assets (Note 3)	\$ 57,958	73,488
Prepaid expenses	<u>9,395</u>	<u>12,575</u>
Total non-financial assets	<u>67,353</u>	<u>86,063</u>
Accumulated surplus	<u>\$ 87,014</u>	<u>102,838</u>

Approved:  _____ Director
 _____ Director

See accompanying notes to the financial statements.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT

Statement of Changes in Net Debt

Year ended March 31

	(Note 8) 2019 Budget	2019	2018
Deficiency of revenue over expenses	\$ <u>(1,500)</u>	\$ <u>(15,824)</u>	<u>(5,205)</u>
Acquisition of tangible capital assets	-	(3,794)	(27,277)
Amortization of tangible capital assets	19,000	19,324	32,351
Decrease in prepaid expenses	<u>-</u>	<u>3,180</u>	<u>2,517</u>
	<u>19,000</u>	<u>18,710</u>	<u>7,591</u>
Change in net debt	17,500	2,886	2,386
Net debt, beginning of the year	<u>16,775</u>	<u>16,775</u>	<u>14,389</u>
Net debt, end of year	\$ <u>34,275</u>	\$ <u>19,661</u>	<u>16,775</u>

See accompanying notes to the financial statements.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT
Statement of Cash Flows
Year ended March 31

	2019	2018
Cash flow:		
Operations:		
Deficiency of revenue over expenses	\$ (15,824)	(5,205)
Amortization of tangible capital assets - net	<u>19,324</u>	<u>32,351</u>
	3,500	27,146
Changes in:		
Accounts receivable	(48,174)	2,300
HST receivable	1,248	(13,242)
Prepaid expenses	3,180	2,518
Payables and accruals	(9,853)	(138,142)
Deferred revenue	<u>(1,890)</u>	<u>(11,654)</u>
	<u>(51,988)</u>	<u>(131,074)</u>
Capital:		
Purchase of tangible capital assets	<u>(3,794)</u>	<u>(27,277)</u>
Net (decrease) increase in cash and cash equivalents	(55,782)	(158,351)
Cash and cash equivalents:		
Beginning	<u>170,305</u>	<u>328,656</u>
Ending	\$ <u>114,522</u>	<u>170,305</u>

See accompanying notes to the financial statements.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT

Notes to the Financial Statements

March 31, 2019

1. Nature of operations:

The Secretariat provides administrative support for the Torngat Wildlife and Plants Co-Management Board and the Torngat Joint Fisheries Board. The expenditures for this secretariat are shared equally between each Board.

The Torngat Wildlife and Plants Co-Management Board is responsible for recommendations to the responsible Minister for the conservation and management of Wildlife, Plants and Habitat in the Labrador Inuit Settlement Area and is composed of members appointed by the Federal, Provincial and Nunatsiavut Governments.

The Torngat Joint Fisheries Board is responsible for recommendations to the responsible Minister for the conservation of species and stocks of fish, aquatic plants and fish habitat and the management of fisheries in the Labrador Inuit Settlement area, other than the Inuit Domestic Fishery and the Inuit Domestic Harvest Level, and is composed of members appointed by the Federal, Provincial and Nunatsiavut Governments.

2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS") of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies.

(a) Revenue

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements that relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Statement of Financial Position.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, and short term investments with maturities of three months or less. Bank borrowings are considered to be financing activities.

(c) Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is provided annually at rates calculated to write off the assets over their estimated useful life as follows, except in the year of acquisition when one half of the rate is used.

Computer equipment	3 year straight line
Furniture and equipment	20% declining balance
Vehicles	30% declining balance

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT

Notes to the Financial Statements

March 31, 2019

(d) Use of estimates

In preparing the financial statements in conformity with Canadian public sector accounting standards, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenditures during the year. Items requiring the use of significant estimates include the useful life of tangible capital assets, rates of amortization and impairment of assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

(e) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives generally extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual deficit, provides the change in net debt for the year.

(f) Financial Instruments

The Secretariat considers any contract creating a financial asset, liability, or equity instrument as a financial instrument, except in certain limited circumstances. The Secretariat accounts for the following as financial instruments: cash and cash equivalents, accounts receivable, and payables.

A financial asset or liability is recognized when the Secretariat becomes party to contractual provisions of the instrument.

The Secretariat initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Secretariat subsequently measures its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at fair value include cash and cash equivalents. Financial assets measured at cost include accounts receivable.

Financial liabilities measured at cost include payables.

The Secretariat removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net accumulated surplus.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT

Notes to the Financial Statements

March 31, 2019

3. Tangible capital assets:

	2019			2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 217,029	197,436	19,593	27,254
Furniture and equipment	225,032	187,457	37,575	45,106
Vehicle	32,902	32,112	790	1,128
	<u>\$ 474,963</u>	<u>417,005</u>	<u>57,958</u>	<u>\$ 73,488</u>

During the year, the Secretariat purchased equipment in the amount of \$3,794 (2018 - \$27,277) from operating funds provided by the three funding governments.

4. Payables and accrued liabilities:

	2019	2018
Trade	\$ 114,593	\$ 123,563
Payroll deductions	15,987	14,816
Accrued wages	23,669	25,723
	<u>\$ 154,249</u>	<u>\$ 164,102</u>

5. Reconciliation of deferred revenue:

	2019	2018
Deferred revenue - beginning balance:		
Government of Canada	\$ -	-
Nunatsiavut Government	-	-
Miscellaneous Revenue	30,527	42,181
	<u>30,527</u>	<u>42,181</u>
Add amounts received in the year:		
Government of Canada	381,318	381,318
Government of Newfoundland and Labrador	376,584	381,318
Nunatsiavut Government	381,318	381,318
Social Sciences & Humanities Research Council	95,430	-
Other miscellaneous amounts	54,978	34,043
	<u>1,289,628</u>	<u>1,177,997</u>
Sub-total	1,320,155	1,220,178
Adjustments:		
Expenses for both Boards as per the Statement of Operations	(1,307,047)	(1,194,725)
Amortization expense as per Statement of Operations (non-cash)	19,324	32,351
Capital purchases as per Note 3	(3,795)	(27,277)
	<u>(1,291,518)</u>	<u>(1,189,651)</u>
Total	<u>\$ 28,637</u>	<u>30,527</u>
Made up of:		
Deferred revenue - Fisheries	711	12,527
Deferred revenue - Wildlife and Plants	27,926	18,000
	<u>\$ 28,637</u>	<u>30,527</u>

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT

Notes to the Financial Statements

March 31, 2019

6. Financial instruments:

The Secretariat's financial instruments consist of cash and cash equivalents, receivables, payables and accrued liabilities. The book value of cash and cash equivalents, receivables, and payables approximate fair value due to their short term maturity date.

Risks and concentrations

The Secretariat is exposed to various risks through its financial instruments. The following analysis provides a measure of the Secretariat's risk exposure and concentrations at March 31, 2019.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill payment obligations. The Secretariat's credit risk is attributable to receivables in the amount of \$48,174 (2018 - \$Nil). Management believes that the credit risk concentration with respect to financial instruments included in receivables is low and not material. There has been no significant change in risk exposure from prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Secretariat is exposed to this risk mainly in respect of its payables and accruals in the amount of \$154,249 (2018 - \$164,102), which are due no later than one year from the date of these financial statements. The Secretariat reduces its exposure to liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet obligations and liabilities. In the opinion of management the liquidity risk exposure to the Secretariat is low and not material. There has been no significant change in risk exposure from the prior year.

7. Economic Dependence:

The Secretariat's activities are funded by the Government of Newfoundland and Labrador, the Government of Canada, and the Nunatsiavut Government. The most recent 10 year agreement has expired and a new 10 year agreement is currently being negotiated. Until such a time as a new agreement is signed, the Secretariat has been operating on a annual funding agreement with the three governments. The Secretariat's operations are dependent upon receiving these funds from the respective governments.

8. Budget figures:

The reconciliation between the Secretariat's approved financial plan and the PSAS budget figures used in these statements is disclosed in the Schedule of Reconciliation of the Financial Plan to the Budget.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT

Statement of Operations - Torngat Joint Fisheries Board

Year ended March 31

Schedule 1

	(Note 8)		
	2019 Budget	2019	2018
Revenue			
Government of Canada	\$ 190,659	190,659	190,659
Government of Newfoundland and Labrador	190,659	190,659	190,659
Nunatsiavut Government	190,659	190,659	190,659
Social Sciences & Humanities Research Council	-	48,816	-
Miscellaneous	-	35,721	24,163
	<u>571,977</u>	<u>656,514</u>	<u>596,140</u>
Expenses			
Joint Secretariat (Schedule 3)	\$ 320,200	321,038	315,664
Members honoraria	20,471	15,130	20,000
Employers share of CPP and EI	-	186	410
Airfare and car rental	15,184	16,372	23,660
Meals and incidentals	2,100	7,505	5,796
Accommodations	6,300	6,137	6,167
Meeting site rental	2,000	1,647	1,535
Other Board costs	23,449	24,940	19,021
Research (Schedule 4)	162,202	245,117	170,810
Insurance and other professional expenses	8,981	10,316	14,443
Legal fees	5,050	239	409
Audit fees	6,040	8,722	6,614
Amortization	9,500	9,662	16,175
	<u>581,477</u>	<u>667,011</u>	<u>600,704</u>
Deficiency of revenue over expenses	<u>\$ (9,500)</u>	<u>(10,497)</u>	<u>(4,564)</u>

See accompanying notes to the financial statements.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT
Statement of Operations - Torngat Wildlife and Plants Co-Management Board
Year ended March 31

Schedule 2

	(Note 8)		
	2019 Budget	2019	2018
Revenue			
Government of Canada	\$ 190,659	\$ 185,925	190,659
Government of Newfoundland and Labrador	190,659	185,925	190,659
Nunatsiavut Government	190,659	185,925	190,659
Social Sciences & Humanities Research Council	-	45,430	-
Miscellaneous	-	29,842	21,403
	<u>571,977</u>	<u>633,047</u>	<u>593,380</u>
Expenses			
Joint Secretariat (Schedule 3)	\$ 320,200	\$ 321,038	315,664
Members honoraria	20,471	8,031	7,960
Employers share of CPP and EI	-	276	261
Airfare and car rental	15,184	9,201	16,514
Meals and incidentals	2,100	2,612	2,528
Accommodations	6,300	1,877	2,568
Meeting site rental	2,000	2,395	269
Other Board costs	23,449	9,815	11,767
Research (Schedule 4)	162,202	237,747	198,685
Insurance and other professional expenses	8,981	28,148	13,365
Legal fees	5,050	512	1,650
Audit fees	6,040	8,722	6,614
Amortization	9,500	9,662	16,176
	<u>581,477</u>	<u>640,036</u>	<u>594,021</u>
Deficiency of revenue over expenses	<u>\$ (9,500)</u>	<u>\$ (6,989)</u>	<u>(641)</u>

See accompanying notes to the financial statements.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT
Statement of Expenses - Torngat Wildlife, Plants and Fisheries Secretariat
Year ended March 31

Schedule 3

	(Note 8)		
	2019 Budget	2019	2018
Staff salaries	\$ 410,356	397,521	401,526
Benefits	61,553	88,566	65,609
Mandatory employment related costs	28,655	25,377	25,976
Travel	48,600	37,015	45,994
Rent - building	39,620	39,619	39,942
Communications	15,420	19,697	14,454
Training	15,488	13,249	15,674
Office equipment and supplies	12,455	15,821	14,562
Publications and advertising	2,000	1,172	1,786
Books and periodicals	-	272	776
Website fees	753	613	580
Professional services	5,000	1,730	4,148
Bank charges	500	1,424	301
Total expenses	\$ 640,400	642,076	631,328
		<u>2019</u>	<u>2018</u>
Allocated as follows:			
Torngat Joint Fisheries Board		<u>321,038</u>	<u>315,664</u>
Torngat Wildlife and Plants Co-management Board		<u>321,038</u>	<u>315,664</u>
		<u>642,076</u>	<u>631,328</u>

See accompanying notes to the financial statements.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT

Statement of Expenses - Research Expenses

Year ended March 31

Schedule 4

	2019 Budget	2019	2018
Torngat Joint Fisheries Board:			
Natural Sciences Research Program	\$ 77,500	89,042	56,444
Spatial Research and Analysis	42,202	39,545	42,071
Public Consultation and Policy Research	36,500	27,402	39,840
Stewardship and Education	6,000	4,591	8,294
Miscellaneous	-	84,537	24,161
	<u>\$ 162,202</u>	<u>245,117</u>	<u>170,810</u>
Torngat Wildlife and Plants Co-Management Board:			
Natural Sciences Research Development	\$ 80,000	98,289	56,421
Spatial Research and Analysis	35,197	36,636	46,814
Public Consultation and Policy Research	32,500	10,173	42,614
Stewardship and Education	14,505	17,377	31,433
Miscellaneous	-	75,272	21,403
	<u>\$ 162,202</u>	<u>237,747</u>	<u>198,685</u>
Total	<u>\$ 324,404</u>	<u>482,864</u>	<u>369,495</u>

See accompanying notes to the financial statements.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT
Schedule of Reconciliation of the Financial Plan to the Budget
Year ended March 31

Schedule 5

	Financial Plan	Adjustments	PSAS Budget
Revenue			
Government of Canada	\$ 381,318	-	\$ 381,318
Government of Newfoundland and Labrador	381,318	-	381,318
Nunatsiavut Government	381,318	-	381,318
Miscellaneous	-	-	-
	<u>1,143,954</u>	<u>-</u>	<u>1,143,954</u>
Expenses			
Joint Secretariat (Schedule 3)	640,400	-	640,400
Members honoraria	40,942	-	40,942
Airfare and car rental	30,368	-	30,368
Meals and incidentals	4,200	-	4,200
Accommodations	12,600	-	12,600
Meeting site rental	4,000	-	4,000
Other Board costs	46,898	-	46,898
Research	306,904	-	306,904
Insurance and Other Professional Expenses	17,962	-	17,962
Legal fees	10,100	-	10,100
Audit fees	12,080	-	12,080
Amortization	-	19,000	19,000
	<u>\$ 1,126,454</u>	<u>19,000</u>	<u>\$ 1,145,454</u>
Deficiency of revenue over expenses	<u>\$ -</u>	<u>(19,000)</u>	<u>\$ (1,500)</u>

Note : Adjustment of \$19,000 represents amortization that was not budgeted.