

INTERSTATE PEST CONTROL COMPACT
FEBRUARY 28, 1998
WESTIN CITY HOTEL
WASHINGTON, DC

MEMBERS PRESENT:

Arizona—Sheldon Jones
California—Ann Veneman
Delaware—Jack Tarburton
Illinois—Becky Doyle
Kansas—Carol Jordan
Maine—Ed McLaughlin
Maryland—Henry Virts
North Dakota—Roger Johnson

Puerto Rico—Miguel Munoz
South Carolina—David Tompkins
South Dakota—Darrell Cruca
Texas—John Sneed
Virginia—Carlton Courter
West Virginia—Gus Douglass

OTHERS PRESENT:

Donald Davidsen of New York
Nate Rogers of New York
Bill Metterhouse, Executive Director, IPCC

CALL TO ORDER:

Commissioner Carlton Courter called the meeting to order at 11:00 am. The secretary then took the roll.

READING OF MINUTES:

The minutes of the September 21, 1997, meeting at the Hotel Dupont in Wilmington, Delaware were approved as submitted.

CHAIRMAN'S REPORT:

The Chairman noted that he did not have a report. He did remind the membership that elections for officers would be held during the September meeting.

TREASURER'S REPORT:

Becky Doyle of Illinois provided the financial report on the Insurance Fund. The report is attached to and made a part of these minutes.

**INTERSTATE PEST CONTROL COMPACT
MINUTES
FEBRUARY 22, 1998
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EXECUTIVE DIRECTOR'S REPORT:

Bill Metterhouse began his report by giving a status report on recruiting new member states. He noted that no new states had joined the Compact in the previous six months. In addition to recruiting new members, he is also trying to solicit gifts to the compact.

He reported that \$70,000 from the compact had been used for a two-year program to study and develop biological controls for Tropical Soda Apple. The work is being done in Florida. A suggestion was made that Florida provide the compact with a report on the project's progress at a future meeting.

Mr. Metterhouse also reported that a proposal had been received from Kansas concerning the eradication of the Grecian Fox Glove. The request was for a one-year program with a cost of \$12,092.95. A motion was made by Ed McLaughlin to send the proposal to the Technical Advisory Committee and to follow their recommendations. The motion received a second from Gus Douglass and passed by unanimous vote.

OLD BUSINESS:

Donald Davidson of New York reported on the status of the Asian Longhorn Beetle. He noted that New York had spent \$1,000,000 removing infested trees. He also noted that the problem is continuing and that they are still finding trees harboring the beetle. He said that they had recently expanded the Long Island quarantine zone.

NEW BUSINESS:

A discussion took place concerning the Golden Nematode and its impact on the potato industry. It was noted that a management program was needed with surveys being done every three years. USDA has reduced funding and the current program is in jeopardy. USDA is being asked to provide additional funding for enforcing quarantines and for research. It was suggested that NASDA support these efforts. Gus Douglass indicated that the Animal and Plant Industry Committee would be interested in preparing a policy statement on the issue.

Gus Douglass also lead a discussion on the "Slow the Spread" program on Gypsy Moth. He noted that the budget for the program had been eliminated at the federal level. He further noted that funds were needed to sustain a buffer zone. It was stated that biological controls are working and now is not the time to cut back on efforts.

ADJOURNMENT:

The meeting adjourned at 11:35 am.

Mid-Winter Interstate Pest Control Compact Meeting
The Westin City Center Hotel
Washington, D.C.
February 28, 1998

No new states joined the Compact since the Annual meeting. Presently there are 28 states that are members of the Compact. As the Director I spent approximately 15 hrs a month in the administration of the Compact. Much of my time is spent in the recruitment of states and seeking funding from agricultural organizations. Most states are interested in joining the Compact, however, budgetary restraints hinder their membership. Only two states Iowa and Louisiana have indicated their lack of interest in joining.

The States of Washington and Wisconsin have passed legislation, however, have still not allocated the monies for membership. New York has the monies set aside but is still awaiting approval by their legislature. I have been working with several New York legislators which hopefully will be productive. I also have commitments from the States of Nevada and South Dakota to join.

Efforts are continuing to seek funding from agricultural organizations. Thus far we have received gifts from the National Crop Protection Association and the Bartlett Tree Company. I have contacted the American Forest Paper Association, Weyerhaeuser, Biotech Producers Association, DuPont, Pioneer Seed Co. and Monsanto. In contacts with some of the Companies I have received some feedback that they do not support right grants. They are more inclined to give to organizations that provide monies on a 50% cost sharing basis or revolving funds.

In 1997 we did provide a grant to the State of Florida for \$70,000 spread over two years .

INTERSTATE PEST CONTROL
COMPACT INSURANCE FUND

FINANCIAL REPORT
(Reviewed)

December 31, 1996 and 1997

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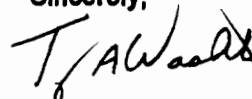
**Board of Trustees
Interstate Pest Control Compact Insurance Fund
Springfield, IL**

I have reviewed the accompanying Statements of Financial Position of Pest Control Compact Insurance Fund as of December 31 1996 and 1997, and the related statements of activities for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Pest Control Compact Insurance Fund.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principals.

Sincerely,



Troy A. Washko, CPA, PC

February 23, 1998

PEST CONTROL COMPACT INSURANCE FUND
STATEMENT OF FINANCIAL POSITION
December 31, 1996 and 1997

	1996	1997
Assets		
Cash and cash equivalents	\$ 185,239	\$ 22,406
Accounts receivable	25,851	12,603
Certificate of Deposit investment	10,000	0
Securities at market value	857,238	986,789
Accounts receivable long-term	44,350	31,747
Total assets	\$ 1,122,678	\$ 1,053,545
 Liabilities and net assets		
Accounts Payable	\$ 35,231	\$ 397
 Net assets		
Unrestricted	\$ 1,087,447	\$ 1,053,148
Total net assets	1,087,447	1,053,148
Total liabilities and net assets	\$ 1,122,678	\$ 1,053,545

PEST CONTROL COMPACT INSURANCE FUND
STATEMENT OF ACTIVITIES
Year Ended December 31, 1997

Revenues and gains:		
Investment income	66,001	
Gift income	3,000	
Net unrealized gain on investments	12,360	
Total revenue	\$ <u>81,361</u>	
Expenses:		
Management and general	15,237	
Claims	<u>100,000</u>	
Change in net assets	(33,876)	
Net assets at beginning of year	<u>1,087,024</u>	
Net assets at end of year	\$ <u><u>1,053,148</u></u>	

See notes to reviewed financial statements.

**PEST CONTROL COMPACT INSURANCE FUND
SUPPLEMENTAL STATEMENT
Year Ended December 31, 1997
See Accountant's Report**

Management and general expenses

Administrator costs	\$	9,657
Usage fee		1,000
Insurance		100
Printing costs		1,128
Miscellaneous		340
Bank fees		88
Fiduciary Fees and expenses		<u>2,924</u>
	\$	<u><u>15,237</u></u>

**PEST CONTROL COMPACT INSURANCE FUND
STATEMENT OF ACTIVITIES
Year Ended December 31, 1996**

Revenues:	
Investment income	\$ <u>74,680</u>
Total revenue	<u>74,680</u>
Expenses and losses:	
Management and general	16,994
Claims	70,000
net unrealized loss on investments	<u>25,003</u>
Change in net assets	(37,317)
Net assets at beginning of year	<u>1,124,764</u>
Net assets at end of year	\$ <u><u>1,087,447</u></u>

See notes to reviewed financial statements.

**PEST CONTROL COMPACT INSURANCE FUND
SUPPLEMENTAL STATEMENT
Year Ended December 31, 1996
See Accountant's Report**

Management and general expenses

Administrator costs	\$	11,140
Usage fee		2,000
Insurance		100
Bank fees		86
Miscellaneous		248
Fiduciary Fees and expenses		<u>3,420</u>
	\$	<u><u>16,994</u></u>

**INTERSTATE PEST CONTROL COMPACT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 1996 and 1997**

NOTE A--NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Interstate Pest Control Compact Insurance Fund is a nonprofit organization instituted in 1968 under the Council of State Governments to bridge economic and jurisdictional gaps among state and federal governments, to enable agencies to respond to plant pest infestations. The Compact, through the Insurance Fund it administers, provides financial assistance to address:

- *new and economically significant destructive plant pest outbreaks;
- *plant pest infestations outside the control or means of a single jurisdiction; or
- *destructive single-state outbreaks which could affect other states if allows to spread.

Funding

A one time contribution is due once a state joins. This contribution is paid in a lump-sum or can be extended over a six year period and is determined based on 1/10th of the total budget of \$1 million in equal shares, and the remainder in proportion to the value of agricultural and forest crops, and products, excluding animals and animal products produced in each party state.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash

At various times during the years ended December 31, 1996 and 1997, the Compact's cash in bank balances exceeded the Federally insured limits. At December 31, 1996, the Compact's uninsured cash balances totalled \$84,205.

NOTE B--INVESTMENT SECURITIES

Investments are stated at fair value and consist primarily of mutual funds as follows as of December 31, 1996:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized (Depreciation)</u>
Parkstone U.S. Government Income Fund	\$915,846	\$857,238	\$(58,609)

Investments are stated at fair value and consist primarily of mutual funds as follows as of December 31, 1997:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized (Depreciation)</u>
Parkstone U.S. Government Income Fund	\$1,033,038	\$986,789	\$(46,249)

NOTE C--ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 1996 and 1997 consisted of membership fees which were due but had not yet been received. No new members joined during 1996 or 1997; therefore, no membership fee income was recognized during 1996 or 1997.