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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY
RESTORATION PROJECTS INFORMATION

Members, *Exxon Valdez* Oil Spill Trustee Council,
Anchorage, Alaska:

We have audited the financial statements of the *Exxon Valdez* Oil Spill Trustee Council, Trust Funds as of and for the year ended September 30, 1999, as listed in the accompanying table of contents, and have issued our report thereon dated February 10, 2000. These financial statements are the responsibility of the *Exxon Valdez* Oil Spill Trustee Council'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the *Exxon Valdez* Oil Spill Trustee Council, Trust Funds, taken as a whole. The accompanying Schedules of Expenditures and Obligations - Budget and Actual, and Schedule of Fiscal 1998 *Work Plan* Status as of September 30, 1999 on pages 21 through 31, are presented for purposes of additional analysis and are not a required part of the financial statements. With the exception of the Schedule of Fiscal 1998 *Work Plan* Status as of September 30, 1999, on page 31 on which we express no opinion and which are marked "unaudited," the information in these schedules has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Elgee, Rehfeld & Funk, LLC

February 10, 2000

Exxon Valdez Oil Spill Trustee Council
 Alaska Department of Fish and Game
 Schedule of Expenditures and Obligations - Budget and Actual
 Fiscal Year Ending September 30, 1999

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
99025	Mechanisms of Impact and Potential Recovery of Nearshore Vertebrate Predators (NVP)	\$ 48,800	\$ 48,800	\$ -
99052A	Community Involvement	243,400	243,279	121
99052B	Traditional Ecological Knowledge	38,900	38,876	24
99064	Monitoring, Habitat Use, and Trophic Interactions of Harbor Seals in Prince William Sound	263,300	262,481	819
99100	Administration, Science Management, and Public Information	1,553,600	1,482,766	70,834
99126	Habitat Protection and Acquisition Support	22,400	21,923	477
99127	Tatitlek Coho Salmon Release	10,700	10,700	-
99131	Chugach Native Region claim Restoration	306,200	306,111	89
99139A2	Port Dick Creek Tributary Restoration and Development	85,800	85,735	65
99162A	Investigation of Disease Factors Affecting Declines of Pacific Herring Populations: Manuscripts/Conference Attendance (Part A)	58,600	58,600	-
99162B	Investigation of Disease Factors Affecting Declines of Pacific Herring Populations: Manuscripts/Conference Attendance (Part B)	13,400	13,400	-
99163L	APEX: Historical Data Review	29,100	29,103	(3)
99163T	APEX: Aerial Surveys	58,200	58,200	-
99188-CLO	Otolith thermal Mass Marking of Hatchery Reared Pink Salmon in Prince William Sound	185,200	185,282	(82)
99190	Construction of Linkage Map for the Pink Salmon Genome	270,000	270,000	-
99191A-CLO	Field Examination of Oil-Related Embryo Mortalities in Pink Salmon Populations in Prince William Sound	58,400	58,400	-
99196-CLO	Genetic Structure of Prince William Sound Pink Salmon	50,000	46,989	3,011
99210	Youth Area Watch	150,400	150,362	38
99225	Port Graham Pink Salmon Subsistence Project	75,600	75,600	-
99245	Community-Based Harbor Seal Management and Biological Sampling	70,700	68,056	2,644
99247	Kametolook River Coho Salmon subsistence Project	20,800	19,986	814
99250	Project Management	239,000	199,636	39,364
99252	Investigations of Genetically Important Conservation Units of Rockfish and Walleye Pollock	308,300	273,124	35,176
99256B	Sockeye Salmon Stocking at Solf Lake	39,100	38,220	880
99263	Assessment, Protection and Enhancement of Salmon Streams in Lower Cook Inlet	42,100	42,044	56
99273	Surf Scoter Life History and Ecology: Linking Satellite Technology with Traditional Knowledge to Conserve the Resource	206,200	206,317	(117)
99278	Development of an Ecological Characterization and Site Profile for Kachemak Bay/Lower Cook Inlet	70,000	68,990	1,010
99311	Pacific Herring Productivity Dependencies in the Prince William Sound Ecosystem Determined with Natural Stable Isotop Tracers	90,000	89,982	18
99320E-CLO	SEA: Salmon and Herring Predation	91,700	91,572	128
99320G-CLO	SEA: Phytoplankton and Nutrients	74,900	74,900	-

(Continued)

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

Exxon Valdez Oil Spill Trustee Council
Alaska Department of Fish and Game
Schedule of Expenditures and Obligations - Budget and Actual
Fiscal Year Ending September 30, 1999

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
(Continued)				
99320H-CLO	SEA: Role of Zooplankton	54,800	54,800	-
99320R-CLO	SEA: Trophodynamic Modeling and Remote Sensing	74,900	74,900	-
99320T-CLO	SEA: Juvenile Herring Growth and Habitats	160,500	160,500	-
99320T-SUP	SEA: Supplement - Herring Traditional Ecological Knowledge	25,100	25,100	-
99320U-CLO	SEA: Somatic Energetics	74,900	74,900	-
99320Z1-CLO	Sound Ecosystem Assessment (SEA)	89,900	89,900	-
99325-BAA	Assessment of Injury to Intertidal and Nearshore Subtidal Communities Following EVOS: Preparation of Manuscripts for Publication	18,500	18,500	-
99327	Pigeon Guillemot Restoration Research at the Alaska SeaLife Center	17,800	17,762	38
99340	Toward Long-Term Oceanographic Monitoring of the Gulf of Alaska Ecosystem	91,400	91,378	22
99341	Harbor Seal Recovery: Controlled Studies of Health and Diet	356,800	356,800	-
99348	Response of River Otters to Oil Contamination: A controlled Study of Biological Stress Markers	316,600	316,600	-
99366	Improved Salmon Excipement Enumeration Using Remote Video and Time-Lapse Recording Technology	52,000	51,807	193
99367	Synthesis and Publication of Fisheries Research	73,100	9,547	63,553
99371	Effects of Harbor Seal Metabolism on Stable Isotope Ratio Tracers	120,000	120,000	-
99375	Effect of Herring Egg Distribution and Ecology on Year-Class Strength and Adult Distribution	76,500	76,500	-
99379	Assessment of Risk Caused by Residual Oil in Prince William Sound Using P450 Activity in Fishes	115,500	115,500	-
99441	Harbor Seal Recovery: Effects of Diet on Lipid Metabolism and	158,400	158,400	-
99462	Effects of Disease on Pacific herring Population Recovery in Prince William Sound	75,100	69,646	5,454
99470	10 Year Symposium and Related Events and Materials	160,700	123,456	37,244
99471	Updating the Status of Services Reduced or Lost Due to the Oil Spill	195,000	188,702	6,298
Alaska Department of Fish and Game Totals		<u>\$ 7,082,300</u>	<u>\$ 6,814,132</u>	<u>\$ 268,168</u>

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

Exxon Valdez Oil Spill Trustee Council
 Alaska Department of Environmental Conservation
 Schedule of Expenditures and Obligations - Budget and Actual
 Fiscal Year Ending September 30, 1999

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
99100	Administration, Science Management and Public Information	\$ 61,200	\$ 59,130	\$ 2,070
99250	Project Management	12,700	12,700	-
99291-CLO	Chenega Shoreline Residual Oiling Reduction : Final Report Writing	9,300	5,632	3,668
99391	Cook Inlet Information Management/Monitoring System	88,700	87,757	943
99514	Lower Cook Inlet Waste Management Plan	54,500	53,560	940
	Alaska Department of Environmental Conservation Totals	<u>\$ 226,400</u>	<u>\$ 218,779</u>	<u>\$ 7,621</u>

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

Exxon Valdez Oil Spill Trustee Council
 Alaska Department of Natural Resources
 Schedule of Expenditures and Obligations - Budget and Actual
 Fiscal Year Ending September 30, 1999

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
99007A	Archaeological Index Site Monitoring	\$ 91,800	\$ 83,825	\$ 7,975
99100	Administration, Science Management and Public Information	555,100	518,393	36,707
99126	Habitat Protection and Acquisition Support	316,500	252,657	63,843
99149	Archaeological Site Stewardship	9,900	9,890	10
99180	Kenai Habitat Restoration & Recreation Enhancement	199,600	26,306	173,294
99250	Project Management	25,500	21,951	3,549
99300	Synthesis of the Scientific Findings from EVOS Restoration Program	80,300	75,489	4,811
99314	Homer Mariner Park Habitat Assessment and Restoration Design	99,500	99,454	46
99339	Prince William Sound Human Use and Wildlife Disturbance Model	13,500	12,519	981
99391	Cook Inlet Information Management/Monitoring system	238,700	237,111	1,589
	Alaska Department of Natural Resources Totals	<u>\$ 1,630,400</u>	<u>\$ 1,337,595</u>	<u>\$ 292,805</u>

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

Exxon Valdez Oil Spill Trustee Council
Department of Agriculture, United States Forest Service
Schedule of Expenditures and Obligations - Budget and Actual
Fiscal Year Ending September 30, 1999

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
98180	Kenai Habitat and Restoration and Recreation Enhancement	\$ 21,400	\$ 21,400	\$ -
99007A	Archeological Index Site Monitoring	28,000	21,773	6,227
99043B-CLO	Monitoring of Cutthroat Trout and Dolly Varden Habitat Improvement Structures	9,500	9,572	(72)
99100	Administration, Science Management, and Public Information	54,400	31,892	22,508
99126	Habitat Protection and Acquisition Support	248,600	214,715	33,885
99145-CLO	Cutthroat Trout and Dolly Varden: Relation Among and Within Populations of Anadromous and Resident Forms	50,100	50,100	-
99180	Kenai Habitat and Restoration and Recreation Enhancement	100,000	78,609	21,391
99250	Project Management	22,400	15,602	6,798
99256B	Sockeye Salmon Stocking at Solf Lake	29,200	23,120	6,080
99320Q-CLO	SEA: Avian Predation on Herring SP	11,300	11,300	-
99339	Western Prince William Sound Human Use and Wildlife Disturbance Model	48,500	32,792	15,708
99346	Publication of an Indexed Bibliography of the Genus Ammodytes (Sand Lance)	10,400	-	10,400
99368	Maps Depicting Environmentally Sensitive Areas in Prince William Sound (Summary Seasonal Maps Only)	5,200	4,856	344
99381	Status of Seabird Colonies in Northeastern Prince William Sound	13,000	11,958	1,042
99391	Cook Inlet Information Management/Monitoring System	7,600	6,167	1,433
99470	10 Year Symposium and Related Events and Materials	10,100	4,490	5,610
Department of Agriculture, United States Forest Service Totals		<u>\$ 669,700</u>	<u>\$ 538,346</u>	<u>\$ 131,354</u>

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

Exxon Valdez Oil Spill Trustee Council
Department of Interior, Fish and Wildlife Service
Schedule of Expenditures and Obligations - Budget and Actual
Fiscal Year Ending September 30, 1999

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
99007A	Archaeological Index Site Monitoring	\$ 16,500	\$ 16,454	\$ 46
99144A	Common Murre Population Monitoring	72,600	63,530	9,070
99149	Archaeological Site Stewardship	5,300	4,882	418
99159	Surveys to Monitor Marine Bird Abundance in Prince William Sound During Winter and Summer: Report and Publication	37,000	38,558	(1,558)
99163B	APEX: Seabird Interactions	120,900	120,633	267
99163E	APEX: Kittiwakes	312,800	304,254	8,546
99163F	APEX: Guillemots	188,500	189,842	(1,342)
99163J	APEX: Barren Islands Seabird Studies	115,700	108,281	7,419
99163K	APEX: Large Fish as Samplers	12,000	11,339	661
99163R	APEX: Marbled Murrelet Productivity	114,700	112,591	2,109
99339	Western Prince William Sound Human Use and Wildlife Disturbance Model	5,200	-	5,200
99434	East Amatuli Island Remote Video Link	75,800	75,539	261
Department of Interior - Fish and Wildlife Service Totals		<u>\$ 1,077,000</u>	<u>\$ 1,045,903</u>	<u>\$ 31,097</u>

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

Exxon Valdez Oil Spill Trustee Council
Department of Interior, U.S. Geological Survey
Schedule of Expenditures and Obligations - Budget and Actual
Fiscal Year Ending September 30, 1999

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
99025	Mechanisms of Impact and Potential Recovery of Nearshore Vertebrate Predators (NVP)	\$ 402,200	\$ 396,114	\$ 6,086
99163L	APEX: Barren Island Survey & Historical Data Review	22,800	22,800	-
99163M	Response of Seabirds to Forage Fish Density	267,700	267,700	-
99169	Genetic Study of Murres, Guillemots and Murrelets	92,700	92,700	-
99306	Ecology and Demographics of the Pacific Sand Lance in Lower Cook Inlet	30,000	30,000	-
99327	Pigeon Guillemot Restoration Research at the Alaska SeaLife Center	160,600	160,600	-
99338	Survival of Adult Murres and Kittiwakes in Relation to Forage Fish Abundance	57,900	58,600	(700)
99423	Pattern and Processes of Population Change in Sea Otters	60,000	60,000	-
99459	Residual Oiling of Armored Beaches and Mussel Beds in the Gulf of Alaska	114,500	113,175	1,325
99466	Recovery Status of Barrow's Goldeneyes	12,200	12,200	-
99479	Effects of Food Stress on Survival and Reproductive Performance of Seabirds	84,700	84,700	-
Department of Interior - U.S. Geological Survey Totals		<u>\$ 1,305,300</u>	<u>\$ 1,298,589</u>	<u>\$ 6,711</u>

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

Exxon Valdez Oil Spill Trustee Council
 Department of Interior, National Park Service
 Schedule of Expenditures and Obligations - Budget and Actual
 Fiscal Year Ending September 30, 1999

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
99007A	Archaeological Index Site Monitoring	\$ 15,200	\$ -	\$ 15,200
	Department of Interior - National Park Service Totals	<u>\$ 15,200</u>	<u>\$ -</u>	<u>\$ 15,200</u>

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

Exxon Valdez Oil Spill Trustee Council
 Department of Interior, Office of the Secretary
 Schedule of Expenditures and Obligations - Budget and Actual
 Fiscal Year Ending September 30, 1999

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
99100	Administration, Science Management and Public Information	\$ 189,100	\$ 175,893	\$ 13,207
99126	Habitat Protection and Acquisition Support	182,900	112,421	70,479
99250	Project Management	<u>72,500</u>	<u>72,329</u>	<u>171</u>
	Department of Interior - Bureau of Indian Affairs, Office of the Secretary Totals	<u>\$ 444,500</u>	<u>\$ 360,643</u>	<u>\$ 83,857</u>

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

Exxon Valdez Oil Spill Trustee Council
U.S. Department of Commerce, National Oceanic and Atmospheric Administration
Schedule of Expenditures and Obligations - Budget and Actual
Fiscal Year Ending September 30, 1999

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
99012A-BAA	Comprehensive Killer Whale Investigation in Prince William Sound	\$ 85,400	\$ 85,400	\$ -
99025	Mechanisms of Impact and Potential Recovery of Nearshore Vertebrate Predators (NVP)	49,000	46,600	2,400
99090	Monitoring of Oiled Mussel Beds in Prince William Sound	150,000	147,600	2,400
99100	Administration, Science Management and Public Information	82,300	65,300	17,000
99163A	APEX: Forage Fish Assessment	272,400	262,100	10,300
99163G	APEX: Seabird Energetics	179,100	194,100	(15,000)
99163I	APEX: Project Management	98,800	67,700	31,100
99163L	APEX: Historical Data Review	38,300	42,400	(4,100)
99163O	APEX: Statistical Review	32,100	32,100	-
99163Q	APEX: Modeling	72,200	72,200	-
99163S	APEX: Jellyfish as Competitors and Predators of Fishes	116,800	116,800	-
99195	Pristane Monitoring in Mussels	96,700	99,600	(2,900)
99250	Project Management	94,800	93,500	1,300
99289-BAA	Status of Black Oystercatchers in Prince William Sound	8,600	8,600	-
99290	Hydrocarbon Data Analysis, Interpretation, and Database Maintenance	58,900	55,700	3,200
99320M-CLO	SEA: Physical Oceanography	62,500	62,500	-
99320N-CLO	SEA: Nekton and Plankton Acoustics	51,100	51,100	-
99320Y-CLO	Bird Predation on Salmon Fry	10,700	10,700	-
99320Z2-CLO	SEA Synthesis and Integration	69,600	69,600	-
99325-BAA	Assessment of Injury to Intertidal and Nearshore Subtidal Communities: Preparation of Manuscripts	22,600	22,600	-
99328	Synthesis of the Toxicological and Epidemiological Impacts of the Oil Spill on Pacific Herring	46,100	41,400	4,700
99329	Synthesis of the Toxicological Impacts on Pink Salmon	68,900	66,800	2,100
99330-BAA	Mass-Balance Model of Trophic Fluxes in EVOS-Impacted Areas	149,800	149,800	-
99347	Fatty Acid Profile and Lipid Class Analysis for Estimating Diet Composition and Quality at Different Trophic Levels	92,600	91,600	1,000
99361-BAA	Dynamic Graphical Techniques for Ecosystem Synthesis, Communication and Product Delivery	25,600	20,000	5,600
99368	Maps Depicting Environmentally Sensitive Areas in Prince William Sound (Summary Seasonal Maps Only)	32,100	32,100	-
99393-BAA	Prince William Sound Food Webs: Structure and Change	125,000	125,000	-
99401	Assessment of Spot Shrimp Abundance in Prince William Sound	38,300	37,300	1,000
99459	Residual Oiling of Armored Beaches and Mussel Beds in the Gulf of Alaska	10,400	-	10,400
99468-BAA	FEATS: Fundamental Estimations of Acoustic Target Strength	146,600	146,600	-
99476	Effects of Oiled Incubation Substrate on Pink Salmon Reproduction	74,100	70,900	3,200
U.S. Department of Commerce, National Oceanic and Atmospheric Administration Totals		\$ 2,461,400	\$ 2,387,700	\$ 73,700

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

Exxon Valdez Oil Spill Trustee Council
Schedule of Fiscal 1998
Work Plan Status as of September 30, 1999
(Unaudited)

	Budget	Actual Expenditures & Obligations as of 9/30/99	Unobligated Balance as of 9/30/99
Alaska Departments of:			
Fish & Game	\$ 8,627,600	\$ 7,938,647	\$ 688,953
Environmental Conservation	61,200	61,200	-
Natural Resources	1,415,100	1,226,260	188,840
Total State of Alaska	<u>10,103,900</u>	<u>9,226,107</u>	<u>877,793</u>
United States Departments of:			
Agriculture, United States Forest Service	805,800	712,423	93,377
Interior:			
Fish & Wildlife Service	1,358,500	1,162,095	196,405
U.S. Geological Survey	1,722,000	1,666,854	55,146
National Park Service	22,100	18,564	3,536
Office of the Secretary	123,300	93,864	29,436
Bureau of Indian Affairs	90,200	84,300	5,900
Commerce, National Oceanic & Atmospheric Administration	<u>3,729,700</u>	<u>3,688,701</u>	<u>40,999</u>
Total United States	<u>7,851,600</u>	<u>7,426,801</u>	<u>424,799</u>
Totals	<u>\$ 17,955,500</u>	<u>\$ 16,652,908</u>	<u>\$ 1,302,592</u>

See Note 5 of the Notes to Supplementary Information Related to Restoration Projects on Page 34 for additional discussion relating to this schedule.

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

NOTES TO SUPPLEMENTARY INFORMATION RELATED TO RESTORATION PROJECTS

Fiscal Year Ended September 30, 1999

1. PRESENTATION

The information presented in the accompanying Schedules of Expenditures and Obligations - Budget and Actual present the budgets for each project approved by the *Exxon Valdez* Trustee Council (Council) as included in the Council's *Fiscal Year 1999 Work Plan*, and any amendments approved thereto, along with expenditures and obligations incurred by the Trustee Agencies in carrying out the Fiscal 1999 restoration projects, only. The information presented is not intended to present the results of operations of any other activities conducted by the Trustee Agencies. Expenditures incurred by the Trustee Agencies in Fiscal 1999 relating to restoration projects of prior years and to the liquidation of prior year encumbrances, are also not presented. The procedures used to develop and implement the project budgets for Fiscal 1999 are discussed in Note 6 to the Trust Fund Financial Statements.

The schedules titled "Department Total" for each agency reflect total budgets, expenditures and obligations for each Trustee Agency.

2. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues, expenditures and the related assets and liabilities are recorded in the accounts and financial statements. Specifically, it relates to the timing of the financial measurements made, regardless of the measurement focus applied.

As discussed in Note 2 to the Trust Fund Financial Statements, the State of Alaska accounts for the expenditure of funds from the State of Alaska, Exxon Valdez Oil Spill Settlement Trust (Settlement Trust) on the modified accrual basis of accounting.

As discussed in Note 2 to the Trust Fund Financial Statements, the United States accounts for the U.S. Department of the Interior, Fish and Wildlife Service, Natural Resources Damage Assessment and Restoration Fund (NRDA&R) on the cash basis of accounting. However, the United States Trustee Agencies use modified accrual accounting to account for the expenditure of funds within each agency. Expenditures are recorded when the related liability is incurred. Encumbrance (obligation) accounting, under which purchase orders and contracts for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary integration of the United States Government. Encumbrances (obligations) outstanding at year-end are included in the Actual Expenditures & Obligations column in the accompanying Schedules of Expenditures and Obligations - Budget and Actual.

3. FINANCIAL OPERATING PROCEDURES

On September 21, 1992, the Council adopted Financial Operating Procedures (Procedures) to be used by the United States and State of Alaska Trustee Agencies in conducting restoration projects. The objective of the Procedures was to ensure public trust and accountability while maximizing the Council's ability to use settlement funds for approved restoration activities. On August 29, 1996, the Trustee Council adopted Procedures that supersede the Operating Procedures adopted by the Trustee Council September 21, 1992. The purpose of the adopted Procedures was to provide guidance regarding the authorities and responsibilities of agencies that receive Joint Trust Funds approved by the Trustee Council.

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

NOTES TO SUPPLEMENTARY INFORMATION RELATED TO RESTORATION PROJECTS

Fiscal Year Ended September 30, 1999

3. FINANCIAL OPERATING PROCEDURES (Continued)

Adjustments

The Procedures allow Trustee Agencies to transfer funds into or out of projects up to the cumulative amount of \$25,000 or up to ten percent of the authorized level of funding for each affected project, whichever is less, provided that such transfers will not alter the underlying scope or objectives of the project. Transfers in excess of this amount must be approved by the Council. The budget amounts presented include transfers made between projects by the agencies, which were approved by the Executive Director or were made in accordance with the Procedures.

Single Project Budget Transfers

The Procedures authorize Trustee Agencies to transfer, within a single project, budgeted funds between object classes (such as personnel, travel and contractual costs), and may change detailed items of expenditure, including specific personnel, to accommodate circumstances encountered during budget implementation, provided that such transfers will not alter the underlying scope or objectives of the project. The budget amounts presented do not include such transfers made by the agencies.

General Administration

The Procedures include a provision for general administration costs to be included in the budgets of the restoration projects. Actual recovery of general administrative costs shall be in proportion to actual direct costs and is limited to:

1. Fifteen percent of each project's actual personnel costs; and
2. Seven percent of the first \$250,000 of each projects actual contractual costs, plus two percent of project's actual contractual costs in excess of \$250,000.

Amounts budgeted and expended on projects for general administration are included in the personnel and contractual lines as appropriate in the accompanying Schedules of Expenditures and Obligations - Budget and Actual.

4. SETTLEMENT TRUST RECONCILIATION

Total Current Operating Expenditures reflected in the State of Alaska, *Exxon Valdez* Oil Spill Settlement Trust (Settlement Trust), Statement of Revenues, Expenditures and Changes in Fund Balances reconcile to Actual Expenditures and Obligations reflected in the accompanying "Department Totals" Schedules of Expenditures and Obligations - Budget and Actual for each State Trustee Agency as follows:

Actual Expenditures and Obligations, "Department Totals"	
Schedules of Expenditures and Obligations - Budget and Actual,	
Alaska Department of Fish and Game	\$ 6,814,132
Alaska Department of Environmental Conservation	218,779
Alaska Department of Natural Resources	<u>1,337,595</u>
Total	8,370,506
Add: Prior Years' Encumbrances Liquidated During Fiscal 1998	1,289,581
Less: Encumbrances Outstanding at September 30, 1999 Relating to Fiscal 1999 Restoration Projects	<u>(777,468)</u>
Total Current Operating Expenditures, Settlement Trust Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 8,882,619</u>

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

NOTES TO SUPPLEMENTARY INFORMATION RELATED TO RESTORATION PROJECTS

Fiscal Year Ended September 30, 1999

5. CURRENT STATUS OF 1998 *WORK PLAN* RESTORATION PROJECTS

Total expenditures and obligations relating to *1998 Work Plan* Restoration Projects for each agency as of September 30, 1999 is presented on pages 31. This information is included in order to reflect any changes in expenditures and obligations from amounts previously reported.

The significant changes in the amounts previously reported, are due to encumbrances existing at September 30, 1998 which, during fiscal 1999, were liquidated due to incurring less expenditures under contracts than the amounts originally anticipated by the agencies.