

## REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE

The Finance and Administration (hereafter F&A) Committee met from 09:00–13:00 hours on October 27 and from 09:00–11:30 hours on October 28, 2010, under the chairmanship of Ms. Patricia Livingston.

### AGENDA ITEM 1

#### **Opening remarks**

The Chairman called the meeting to order, welcomed the participants and requested an introduction of members for each delegation. All Contracting Parties were present at the meeting (*F&A Endnote 1*).

### AGENDA ITEM 2

#### **Adoption of agenda**

The Committee reviewed and approved the draft agenda without modification (*F&A Endnote 2*).

### AGENDA ITEM 3

#### **Audited accounts for FY 2009**

The FY 2009 financial statements were submitted to *Flader, Hale & Hughesman* (formerly *Flader and Hale*, PICES external auditor for 2009–2011) on March 31, 2010, and the Auditor’s Report was completed on May 12, 2010. The report (*F&A Endnote 3*) was electronically circulated to all Contracting Parties on May 21, 2010. In the auditor’s opinion, the financial statements are an accurate representation of the financial position of the Organization as of December 31, 2009, and the results of its operations and changes in the fund balances are in accordance with Canadian generally accepted accounting principles. The Committee noted that the auditing process was in line with the PICES Financial Regulations (see *Regulation 11(ii)* and *Regulation 13*) and recommended that the Auditor’s Report be approved by Council.

### AGENDA ITEM 4

#### **Annual contributions**

As stated in *Regulation 5(ii)* of the PICES Financial Regulations, national contributions to PICES “shall be considered due as of the first day of the financial year (January 1) to which they relate”. The Executive Secretary reported on the 2010 annual fee payment dates, and provided information on the payment of national contributions from 2005 to 2010 (*Endnote 4*).

The Committee noted that all Contracting Parties met their financial obligations for FY 2010. Even though only Japan and the United States paid prior to the due date (January 1, 2010), the timeliness of payment from most other Contracting Parties is stable. The Committee again recommended that Council instruct the Executive Secretary to send a letter to Contracting Parties commending their performance in submitting annual contributions for FY 2010.

The Committee confirmed its previous recommendation that for planning purposes, Contracting Parties should continue to use the guideline generally accepted at PICES-1999 (Decision 1999/A/2(ii)), which states that “the annual contributions will increase at the rate of inflation in Canada”. This should assist Contracting Parties in preparing timely funding requests to cover annual contributions, and assist the Executive Secretary in developing future budgets.

### AGENDA ITEM 5

#### **Fund-raising activities**

As current funding constraints from an increase in annual contributions only at the rate of inflation in Canada can impede improvement and development of the Organization, fund-raising continues to be an important component of PICES activities. In 2010, the amount of funds from voluntary contributions, grants, and

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partnerships for various activities initiated or sponsored by PICES exceeded, for the first time, the total annual contribution by Contracting Parties. All types of contributions are equally valuable to PICES.

The Executive Secretary reported on fund-raising efforts for the period since PICES-2009 (*F&A Endnote 5*). Last year it was noted that there was a shortfall in meeting the target funding level of \$250,000 for the North Pacific Continuous Plankton Recorder (NP CPR) program. However, it now appears that this program is close to be fully funded through 2013. It was recommended that an annual status report on the NP CPR program be prepared and presented at future meetings so that the results and benefits to Contracting Parties would be more apparent. Maintaining full funding of this program beyond 2013 will require communication of its benefits and should be placed on the agenda of the F&A Committee meeting at PICES-2011.

### AGENDA ITEM 6

#### **Encumbered funds**

The Executive Secretary provided information on the amount of funds in the Working Capital Fund restricted for specific purposes (encumbered funds) at the beginning of *FY* 2010, and the estimated amount of the encumbered funds for the fiscal year end.

### AGENDA ITEM 7

#### **Financing of high priority projects**

At PICES-2007, the F&A Committee discussed the use of the encumbered funds designated for high-priority PICES projects and suggested that \$40,000 be earmarked for the development of the new PICES integrative scientific program, FUTURE (*Forecasting and Understanding Trends, Uncertainty and Responses of North Pacific Marine Ecosystems*), and the remainder (\$103,092) be assigned for the preparation of the next North Pacific Ecosystem Status Report (Decision 2007/A/3(v)). In 2008, additional funds for both these activities became available. Given current plans, the North Pacific Ecosystem Status Report appears to have sufficient financial support. However, the balance remaining for the development of FUTURE activities is small. There was some discussion about the financial needs of FUTURE. Last year it was suggested that it would be useful for Contracting Parties to receive a short list of desired activities for FUTURE that may require funding. However, to date it appears that only an inter-sessional workshop and two topic sessions at PICES-2011 have been identified by Science Board. It was recommended that a 3-year workplan be developed for FUTURE in order to assist the F&A Committee with making funding recommendations to Council and to assist Contracting Parties in identifying activities for which they may wish to provide additional funding. The Committee recommended that Council direct the Executive Secretary to send a letter to all Contracting Parties which contains the 3-year workplan of FUTURE activities and a request to make contributions to these activities.

Given the current lack of funding allocated specifically to FUTURE, the Committee recommended that the funds in the PICES High Priority Projects Fund (\$21,966) be allocated specifically to FUTURE in order to partially support a 3-day inter-sessional workshop proposed for 2011. There was discussion in the Committee about providing specific funding support in this PICES High Priority Projects Fund for FUTURE topic sessions to be held as part of the PICES Annual Meeting. F&A recommended that such funding be provided out of the regular PICES budget for the Annual Meeting.

Capacity-building activities requiring additional funding support were discussed. The 2012 PICES/ICES Conference for Early Career Scientists (ECS) still needs additional funding of about \$75,000 in order to have participation comparable to the last ECS conference in 2007. The Committee recommended that the remainder of the unused funds from the 2010 PICES/ICES/FAO symposium on “*Climate change effects on fish and fisheries*” (estimated at approximately \$25,000) be allocated to the 2012 ECS conference. The Committee also recommended that approximately \$20,000 out of the PICES budget be used for PICES SSC members and a coordinator to attend the conference.

The Committee reviewed the status of the Intern Program. It is estimated that at the end of FY 2010, the Organization will be holding about \$22,000 for the Intern Program. With the current stipend level of \$2,000 per month (Decision 2007/A/6(iii)), this amount is sufficient to maintain the Program for only 8 months in 2011. At the meeting, Contracting Parties were invited to provide voluntary contributions to support the Intern Program in 2011, however, they were not in a position to make commitments at this time. The Committee recommended that the new PICES intern, currently expected to begin on March 1, 2011, be offered only a 6-month term. The intern's term could be extended, pending additional contributions from Contracting Parties that might be received. There was some discussion about using registration fees for this purpose, and it was decided that these only be used to extend the term through the period of PICES-2011 if no other contributions were received.

The Committee also recommended that Council instruct the Executive Secretary to invite Contracting Parties to provide voluntary contributions to support the Intern Program for 2011 and beyond.

The Committee discussed the funding requested for two capacity building activities in 2011, the joint NOWPAP/PICES/WESTPAC training course on "*Remote sensing data analysis*" and the 5<sup>th</sup> International SOLAS Summer School. The Committee recommended that a total of \$15,000 be allocated out of the PICES budget to support these activities, with Science Board providing the recommendation with respect to the amounts to be allocated to each event.

#### AGENDA ITEM 8

#### **Schedule, structure and financing of future Annual Meetings**

PICES-2011 will be held in Khabarovsk, Russia. The Russian delegation confirmed that \$40,000 will be requested from PICES to partially cover meeting costs. The F&A Committee supported provision of this amount from the PICES budget. Potential meeting dates for PICES-2011 are either October 14–22 or October 7–15. Discussion on the feasibility of these two dates showed that there appeared to be no problems with either week. However, it was noted that Russia should attempt to provide notification to the Secretariat of the final dates by mid-November in order to facilitate preparation of meeting materials, advertisements, and planning of other international organizations such as ICES and NPAFC.

Japanese representatives presented the status of planning for PICES-2012. Hiroshima is the site presently under consideration and proposed dates are October 12–21, 2012, a return to the more traditional time frame of the Annual Meeting. Planning appears to be well underway for this meeting, and Japan will be asked next year about their needs with respect to additional funding from PICES that may be required in order to host the meeting. The Committee recommended that Council accept the offer of Japan to host PICES-2012 from October 12–21, 2012 in Hiroshima. The proposed theme of the meeting is "*Scientific challenge to the North Pacific ecosystem: Understanding and mitigation of the effects of natural and anthropogenic stress*" will be considered by Science Board.

The Committee recommended that, in keeping with the 6-year rotation cycle (Decision 1994/A/6), Council invite Canada to explore the possibility of hosting PICES-2013, and inform the Secretariat on this matter by March 31, 2011.

At PICES-2001 (Victoria, Canada), Council approved the charging of a registration fee for future Annual Meetings of the Organization and indicated that the registration fee structure should be reviewed annually (Decision 2001/A/4(iv)). It was agreed that the fees have to be collected by the Secretariat and used to support high priority projects and the Intern Program, and to cover costs associated with Annual Meetings; the allocation among these three purposes should be flexible and decided by the Executive Secretary (Decision 2004/A/5(iv)). The Committee reviewed the current registration fee structure that was changed in 2010 to include an increase in the regular and early registration categories and recommended there be no change in these for 2011.

<b>Type of registration fee</b>	<b>2010 CDN \$</b>
Regular	275
Early	200
Student	50
Spousal	50

There was some discussion about adding a 1-day registration fee or a non-attendee fee. The Committee does not recommend either of these two fees be instituted. Allowing a 1-day registration fee would: (1) not provide much savings to individuals attending the meetings, (2) fragment participation at meetings, and (3) possibly result in reduced registration fee revenue for the Organization. With respect to the non-attendee fee, some Contracting Parties noted that it would be difficult for scientists to obtain reimbursement from their institutions for such a fee.

At PICES-2005 (Vladivostok, Russia), Council re-iterated its support for the concept of inter-sessional Science Board (ISB) meetings with the participation of Council members, but suggested that the need for such a meeting should be evaluated each year and that, given meeting costs (including time commitment of the members), an inter-sessional meeting should be held only if the agenda is substantive. The Committee confirmed these views in 2010.

Science Board has already indicated the importance of having an inter-sessional meeting in April 2011, in conjunction with the FUTURE workshop on “*Ecological indicators for ecosystem structure, function, resilience and vulnerability.*” The Committee supported this request and recommended that Council approve the 2-day inter-sessional Science Board meeting in conjunction with the workshop. United States indicated a willingness to host ISB-2011, with potential meeting location being Honolulu.

#### AGENDA ITEM 9

##### **Financial issues related to the Pension Plan for PICES employees**

The Committee received a report from the Executive Secretary about the deficiency in the pension funds for PICES employees and the recommendations of the International Fisheries Commissions (IFC) Pension Society for addressing this. It was recommended that additional employer contributions to the IFC Pension Plan in 2010 and beyond be made in advance in order to reduce future payments that will be required to remove the deficiency. The Committee also recommended that an additional lump sum employer contribution of \$20,000 to the IFC Pension Plan be made from the PICES 2011 budget to pay down unfunded liabilities.

The Committee also acknowledged that PICES will be required to pay any pension benefits accruing in excess of those that can be paid under the IFC Pension Plan because of Canadian Income Tax Act limitations. These benefits would become payable at the time of retirement and beyond of the individual working at the Secretariat.

#### AGENDA ITEM 10

##### **Budget**

##### Estimated accounts for FY 2010 (Agenda Item 10a)

The Committee reviewed the estimated accounts for FY 2010 and recommended their acceptance by Council, noting that the expenses for “foreign exchange loss” are only estimated at this time.

##### Interest and other income (Agenda Item 10b)

In FY 2009, the total income was \$552,456. This amount includes \$340,304 in voluntary contributions and grants (\$298,749 credited to the Working Capital Fund and \$41,555 credited to the Trust Fund). In FY 2010, the estimated total income is \$980,690. This amount includes \$799,985 in voluntary contributions and grants

(\$753,717 credited to the Working Capital Fund and \$46,268 credited to the Trust Fund). The amount of interest earned in 2010 continues to decline from previous years.

#### Relocation and Home Leave Fund (Agenda Item 10c)

At PICES-2007, Council approved the F&A Committee recommendation that the level of the Relocation and Home Leave Fund (RHLF) be allowed to fluctuate between \$90,000 and \$110,000 to minimize the need for small transfers between funds (Decision 2007/A/3(iii)). Given the estimated fund balance of \$92,746 on December 31, 2010, a transfer of approximately \$7,254 was recommended to restore the fund balance to the level of \$100,000 on January 1, 2011. This should provide sufficient funds to maintain the balance in the next two years, after home-leave expenses will be utilized in 2012.

#### Trust Fund (Agenda Item 10d)

In *FY* 2010, the total Trust Fund (TRF) income and expenses are estimated at \$46,300 and \$70,850, respectively. The Committee recommended that Council approve a transfer from the Working Capital Fund to recover the 2010 expenses and restore the Trust Fund to the level of \$110,000.

#### Japanese Trust Fund (Agenda Item 10e)

The Committee reviewed the financial report for *Year 3* (April 1, 2009 to March 31, 2010) of the project on “*Development of the prevention systems for harmful organisms’ expansion in the Pacific Rim*” supported by the voluntary contribution from the Ministry of Agriculture, Forestry and Fisheries (MAFF) of Japan. This report was submitted to the Fisheries Agency of Japan on July 26, 2010, and the notice on report acceptance was received on July 29.

The status of the MAFF account, for the period from April 1 to December 31, 2009, was assessed during the regular PICES audit for *FY* 2009. In the auditor’s opinion, the financial statements are an accurate representation of the financial position of the Organization as of December 31, 2009, and the results of its operations and changes in the fund balances are in accordance with the Canadian generally accepted accounting principles. The financial statements for the rest of *Year 3* of the MAFF project will be evaluated during the regular PICES audit for *FY* 2010.

#### Working Capital Fund (Agenda Item 10f)

After all approved inter-fund transfers, the amount of funds available in the Working Capital Fund (WCF) on January 1, 2010, was \$574,770. This includes \$376,168 in encumbered funds and \$198,602 in “reserve operating” funds. In *FY* 2010, the total WCF income and expenses are estimated at a level of \$924,038 (\$740,657 are in extra-budgetary contributions and grants) and \$792,749, respectively. After the recommended inter-fund transfers, the amount of funds available in WCF at the fiscal year end will be \$547,590. This includes \$352,844 in encumbered funds, and \$194,746 in “reserve operating” funds.

#### Budget for *FY* 2011 and forecast budget for *FY* 2012 (Agenda Item 10g)

The Committee reviewed the proposed *FY* 2011 budget of \$814,000 (*F&A Endnote 6*) and recommended its approval by Council. The Committee also recommended a transfer of \$116,800 from WCF to balance the budget, setting the total annual contribution at \$697,200, and the 2011 fees at \$116,200 per Contracting Party. These are a 1.5% higher than in *FY* 2010, and the increase rate was based on the increase in the annual Total Consumer Price Index (June/July indexes were used) reported by Statistics of Canada.

It was also noted that this is the third time in PICES history that the WCF transfer has reached the \$110,000 level, and this may continue if mandatory salary increases persist while annual fees remain constant.

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The Executive Secretary presented the forecast *FY* 2012 budget of \$830,000 and indicated that this budget is prepared based on preliminary information available as of August 1, 2010, and is approximately 2% higher than the *FY* 2011 budget.

### AGENDA ITEM 11

#### **U.S. proposal on new membership category in PICES**

The Committee discussed the proposal regarding the new “corresponding” membership category in PICES and noted that the current Rules of Procedure do not prevent such membership. Therefore, the Committee does not recommend amendment of the Rules of Procedure to explicitly add this category of membership.

### AGENDA ITEM 12

#### **Changes in PICES Rules of Procedure**

Proposed changes to the Rules of Procedure were provided with respect to a specific review period and a clause on the Chairmanship for Sections. The Committee reviewed the suggested amendments and recommended that Council approve the changes as proposed, with the exception of changing the time period for review and Co-Chairmen terms to be three years instead of the proposed five years (changes are shown in red in boxes below):

- Including a specific review period for a Section by the parent Scientific Committee [*Rule 13(iii)(d)*]

Section

(d) shall be responsible to and reviewed regularly (**every three years**) by the parent Scientific Committee.

- Adding a clause on the chairmanship for a Section [*Rule 17*]

**For Sections, Co-Chairmen are selected from the membership by the Science Board for approval by the Council to serve for a term of three years, and shall be eligible for re-appointment;**

### AGENDA ITEM 13

#### **Report on PICES Publication Program Action Plan**

The Committee reviewed the progress on implementing the Action Plan for the PICES Publication Program and indicated the notable progress being made on the Plan, especially with respect to (1) PICES branding on the article level in special issues of primary journals, and (2) enhancing access to PICES publications by establishing agreements with professional indexers and by developing a PICES digital document library using geo-network software. The Committee looks forward to seeing further progress in the coming year.

### AGENDA ITEM 14

#### **Administrative matters**

The Committee was pleased to note the progress reported on the status of negotiations regarding the possibility of obtaining an *ex gratia* grant to PICES equal to the amount of the provincial personal income taxes remitted.

### AGENDA ITEM 15

#### **Space, facilities and services for the PICES Secretariat office**

PICES has the Headquarters Agreement with the Government of Canada that entered into force on December 15, 1993. In accordance with this agreement, Fisheries and Oceans Canada (DFO) hosts the PICES Secretariat at the Institute of Ocean Sciences (IOS) in Sidney, British Columbia, Canada. The Executive Secretary provided a report on current arrangements between PICES and DFO/IOS and local companies on general administrative services.

## AGENDA ITEM 16

**Appointment of F&A Committee Chairman**

Ms. Livingston indicated her willingness to serve a second term as Committee Chairman, pending no other nominations. The Committee recommended that Council re-appoint Ms. Livingston to a second term of office as F&A Committee Chairman, to begin November 1, 2010.

## AGENDA ITEM 17

**Other business**

The Committee discussed the intent of the Intern Program and reviewed the description of the Program. It was recommended that the first sentence in the introduction of the Program description be altered to read as follows: *“A PICES Intern Program will allow early career individuals from PICES member countries to gain experience in operations of intergovernmental scientific organizations and coordination of multidisciplinary international ecosystem research programs by working in the PICES Secretariat for periods of up to one year.”*

The Committee was informed of an issue that is of concern to the operation of the PICES Secretariat in the future. The terms of the Executive Secretary and Deputy Executive Secretary are now scheduled to end in the same year, 2014. Discussion is needed regarding how to ensure continued smooth operations of the Organization well in advance of this date. This may require the hiring of a replacement for the Executive Secretary in advance of this date in order to allow a sufficient training period. There are significant financial implications of such a decision.

## AGENDA ITEM 18

**Adoption of the F&A Committee report and recommendations to Governing Council**

The draft report was circulated and approved by all F&A Committee members. All recommendations were brought forward by Ms. Livingston at the first session of Council on October 30, 2010.

## F&A-2010

### F&A Endnote 1

#### F&A participation list

##### Canada

Laura Richards (F&A member)  
Darlene Smith (advisor)

##### Japan

Taro Ichii (F&A member)  
Yukimasa Ishida (advisor)

##### People's Republic of China

Yingren Li (alternate F&A member)

##### Republic of Korea

Chungmo Jung (advisor)  
Hyun-Young Kim (advisor)

Chul Park (F&A member)

##### Russian Federation

Ekaterina Kurilova (advisor; October 27 only)  
Vladimir Radchenko (advisor)  
Igor Shevchenko (F&A member)

##### U.S.A.

Elizabeth J. Tirpak (F&A member)

##### Other

Patricia Livingston (F&A Chairman)  
Alexander Bychkov (Executive Secretary)

### F&A Endnote 2

#### F&A Committee meeting agenda

1. Welcome and opening remarks
2. Adoption of agenda and meeting procedures
3. Audited accounts for *FY* 2009
4. Annual contributions
5. Fund-raising activities
6. Encumbered funds
7. Financing of PICES high priority activities
  - a. PICES integrative science program, FUTURE
  - b. North Pacific Ecosystem Status Report
  - c. Capacity building
8. Schedule, structure and financing of future Annual Meetings
9. Financial issues related to the Pension Plan for PICES employees
10. Budget
  - a. Estimated accounts for *FY* 2010
  - b. Interest and other income
  - c. Relocation and Home Leave Fund
  - d. Trust Fund
  - e. Japanese Trust Fund
  - f. Working Capital Fund
  - g. Proposed budget for *FY* 2011 and forecast budget estimates for *FY* 2012
11. U.S. proposal on a new membership category in PICES
12. Changes in PICES Rules of Procedure
13. Progress report on implementation of the PICES Publication Program Action Plan
14. Administrative matters
15. Space, facilities and services for the Secretariat office
16. Appointment of F&A Committee Chairman
17. Other business
  - a. Description of the Intern Program
  - b. Future of the PICES Secretariat
18. 2010 F&A Committee report and recommendations to Governing Council





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## AUDITORS' REPORT

To the Council of the  
North Pacific Marine Science Organization

We have audited the statement of financial position of the North Pacific Marine Science Organization as at December 31, 2009 and the statement of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance 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 the Organization's management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects. The financial position of the Organization as at December 31, 2009 and the results of its operations and changes in fund balances for the year then ended are in accordance with Canadian generally accepted accounting principles.

*Flader Hale Hughesman*

CHARTERED ACCOUNTANTS

Sidney, B.C.  
May 12, 2010



**NORTH PACIFIC MARINE SCIENCE ORGANIZATION**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	General Fund	Working Capital Fund	Trust Fund	Relocation and Home Leave Fund	Ministry of Agriculture, Forestry and Fisheries Fund	2009 Total	2008 Total
<b>FUND BALANCES, beginning of year</b>	\$ -	\$ 563,021	\$ 110,000	\$ 100,862	\$ 77,866	\$ 851,749	\$ 823,165
<b>SOURCES OF FUNDS</b>							
Contributions from Contracting Parties	687,000	8,525	-	-	-	695,525	657,475
Budgeted transfer to General Fund (note 5)	98,000	(98,000)	-	-	-	-	-
Voluntary contributions and grants (note 6)	-	298,749	41,555	-	187,505	527,809	374,169
Interest and other income (note 7)	-	210,758	727	667	255	212,407	329,171
Foreign exchange gain (note 10)	-	-	-	-	-	-	28,831
	785,000	420,032	42,282	667	187,760	1,435,741	1,389,646
<b>FUND BALANCES, before expenditures</b>	<b>785,000</b>	<b>983,053</b>	<b>152,282</b>	<b>101,529</b>	<b>265,626</b>	<b>2,287,490</b>	<b>2,212,811</b>
<b>EXPENDITURES</b>							
Personnel services	512,494	13,811	-	-	-	526,305	500,080
Annual Meeting	40,119	11,436	-	-	-	51,555	51,991
Special meetings/travel	117,628	9,976	37,135	-	-	164,739	191,910
Publications	61,110	4,521	-	-	-	65,631	54,489
Communication	30,000	3,289	-	-	-	33,289	25,927
Office and administration	18,705	-	-	-	-	18,705	18,206
Projects (note 8)	-	215,617	-	-	-	215,617	237,575
Intern program	-	-	30,587	-	-	30,587	30,998
Relocation	-	-	-	-	-	-	10,471
MAFF Fund expenditures (note 9)	-	-	-	-	189,435	189,435	239,415
Foreign exchange loss (note 10)	19,137	-	-	-	-	19,137	-
	799,193	258,650	67,722	-	189,435	1,315,000	1,361,062
<b>NET FUNDS AVAILABLE</b>	<b>(14,193)</b>	<b>724,403</b>	<b>84,560</b>	<b>101,529</b>	<b>76,191</b>	<b>972,490</b>	<b>851,749</b>
<b>TRANSFER TO</b>							
<b>WORKING CAPITAL FUND (note 4)</b>	14,193	(14,193)	-	-	-	-	-
<b>INTERFUND TRANSFERS (note 5)</b>	-	(25,440)	25,440	-	-	-	-
<b>FUND BALANCES, end of year</b>	<b>\$ -</b>	<b>\$ 684,770</b>	<b>\$ 110,000</b>	<b>\$ 101,529</b>	<b>\$ 76,191</b>	<b>\$ 972,490</b>	<b>\$ 851,749</b>













**F&A Endnote 4****Payment schedule of annual contributions, 2005 to 2010<sup>1</sup>**

	<i>Canada</i>	<i>China</i>	<i>Japan</i>	<i>Korea</i>	<i>Russia</i>	<i>U.S.A.</i>
<i>2005</i>	Dec. 24, 04	<b>Sept. 22, 05<sup>2</sup></b>	Mar. 2, 05	Mar. 30, 05	<b>Mar. 31, 05<sup>3</sup></b>	Jan. 10, 05
<i>2006</i>	Dec. 28, 05	<b>Aug. 1, 06</b>	Dec. 15, 05	Feb. 8, 06	Feb. 28, 06	Jan. 30, 06
<i>2007</i>	Jan. 23, 07	<b>July 3, 07</b>	Dec. 5, 06	Apr. 3, 07	Feb. 13, 07	Jan. 10, 07
<i>2008</i>	Jan. 16, 08	<b>May 15, 08</b>	Dec. 20, 07	Feb. 15, 08	Feb. 13, 08	<b>Jan. 7, 08<sup>4</sup></b>
<i>2009</i>	Jan. 5, 09	<b>June 3, 09</b>	Dec. 11, 08	Apr. 1, 09	Mar. 27, 09	Dec. 24, 08
<i>2010</i>	Apr. 1, 10	<b>Aug. 5, 10</b>	Dec. 14, 09	Mar. 2, 10	Mar. 26, 10	Dec. 11, 09

<sup>1</sup> payments made later than the first quarter of the PICES fiscal year or partial payments are indicated in bold

<sup>2</sup> partial (86%) payment, remainder paid December 30, 2005

<sup>3</sup> partial (96.6%) payment, remainder paid April 25, 2005

<sup>4</sup> partial (92.3%) payment, remainder paid on May 22, 2009

**F&A Endnote 5****External funding and voluntary contributions received since PICES-2009**

For the period since PICES-2009, the following external funding and voluntary contributions were committed and/or received for various activities of the Organization:

Special projects

- The Ministry of Agriculture, Forestry and Fisheries (MAFF) of Japan, through the Fisheries Agency of Japan (JFA), contributed \$187,505 CAD for *Year 4* (to be completed by March 31, 2011) of the PICES project on “*Development of the prevention systems for harmful organisms’ expansion in the Pacific Rim*”. The anticipated duration of the project is 5 years (from April 1, 2007 to March 31, 2012), with a total funding at the level of approximately \$900,000.
- The Canadian Cohen Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River requested PICES’ advice in the form of a technical report on “*Marine ecology of Fraser River sockeye salmon*” and approved a contract of \$100,275 CAD for the development of the report to be completed by the end of 2010.
- In October 2007, PICES initiated a funding consortium to support the North Pacific Continuous Plankton Recorder (NP CPR) program. For full advantage of the information available in the data, funding at the level of \$250,000 per year (direct funding or in-kind support) is required. The following organizations have currently committed their resources:
  - Fisheries and Oceans Canada (DFO) joined the consortium in 2008 and provided \$75,000 CAD for operations of the NP CPR project in 2008–2009 and \$50,000 CAD for 2009–2010. This support is intended to continue into the future at the level of \$50,000 per year.
  - The North Pacific Research Board (NPRB, U.S.A.) joined the consortium in 2009 and committed support for operations of the NP CPR program at the level of \$50,000 US per year for 5 years (project #903 from June 1, 2009 to May 31, 2010; and project #1001 from June 1, 2010 to May 31, 2014).
  - The *Exxon Valdez* Oil Spill Trustee Council (EVOSTC) approved funding of \$188,600 US for operations of the NP CPR program in 2010–2013 (project on “*Measuring interannual variability in the herring’s forage base from the Gulf of Alaska*”), with the amount of \$56,800 US for 2010.
  - The Japanese Society for Promotion of Science (JSPS) provided a 5-year (2009–2013) grant equivalent to about \$400,000 US to analyze samples collected by the program for the western Pacific.
  - The Sir Alister Hardy Foundation for Ocean Science (SAHFOS, UK) covered salaries for a Principle Investigator (PI) and a technician for the NP CPR program in 2008 and 2009, to ensure that as much money as possible go into sampling. SAHFOS continued to cover the PI salary in 2010.

PICES integrative science program, FUTURE

- The Korea Ocean Research and Development Institute (KORDI) hosted and provided \$35,000 US for the inter-sessional FUTURE workshop held August 16–18, 2010, in Seoul, Korea.

Symposia/sessions/workshops

- The Fisheries Research Agency of Japan co-sponsored and hosted the 2010 inter-sessional Science Board meeting held April 23–24, in Sendai, Japan.
- The Food and Agriculture Organization of the United Nations (FAO) and the World Bank (WB) both increased their sponsorship to \$20,000 US (from initially committed \$10,000 US) for the PICES/ICES/FAO Symposium on “*Climate change effects on fish and fisheries: Forecasting impacts, assessing ecosystem responses, and evaluating management strategies*” held April 26–29, 2010, in Sendai, Japan. The complete list of all organizations/agencies/institutions that provided financial support for this symposium is included below (funds marked by \* were handled by PICES):
  - Australia’s National Climate Change Adaptation Research Facility’s Marine Biodiversity and Resources Network (NCCARF/MBRN) – \$3,656 CAD\*
  - Fisheries and Oceans Canada (DFO) – \$20,000 CAD\*
  - Fisheries Research Agency of Japan (JFA) – JPY 1,500,000
  - Food and Agriculture Organization of the United Nations (FAO) –\$20,000 US\*
  - Hokkaido University Global Center of Excellence Program (HUGCOE) – JPY 1,500,000
  - International Council for the Exploration of the Sea (ICES) – 10,000 €+ publication in *IJMS*
  - International Pacific Halibut Commission (IPHC) –\$6,000 US\* (paid in 2009)
  - Intergovernmental Oceanographic Commission of UNESCO (IOC) –\$7,500 US\*
  - Korea Ocean Research and Development Institute (KORDI) – \$2,700 CAD\* (paid in 2009)
  - National Institute of Environmental Studies of Japan (NIES) – \$7,000 US
  - National Marine Fisheries Service of NOAA (NMFS) –\$50,000 US\* (paid in 2009)
  - North Pacific Anadromous Fish Commission (NPAFC) –\$6,000 CAD\* (paid in 2009)
  - North Pacific Research Board (NPRB) –\$30,000 US\* (paid in 2009)
  - Pacific Salmon Foundation (PSF) –\$5,000 CAD\* (paid in 2009)
  - Scientific Committee on Oceanic Research (SCOR) – \$5,000 US\*
  - Sendai Tourism and Convention Bureau (STCB) – US\$8,000
  - University of Hamburg Integrated Climate System Analysis and Prediction (CLiSAP) – 4,000 €
  - The World Bank (WB) – \$20,000 US\*
- The PACIFICA Workshop on “*Carbon data synthesis II*” was supported by grants from the Ministry of Environment (Global Environment Research Fund) of Japan and the Japanese Society for the Promotion of Science, and hosted by JAMSTEC from June 2–3, 2010, in Tokyo, Japan.
- The U.S. Department of State provided \$60,000 US for the 2010 PICES Annual Meeting (PICES-2010) to be held October 22–31, 2010, in Portland, Oregon, U.S.A. [In 2009, the Department of State and National Marine Fisheries Service of NOAA provided \$51,000 US and \$50,000 US, respectively, for PICES-2010.]
- ICES (International Council for the Exploration of the Sea), IMBER (Integrated Marine Biogeochemistry and Ecosystem Research), CoML (Census of Marine Life), and SOLAS (Surface Ocean Low Atmosphere Study ) accepted PICES’ invitation to co-sponsor relevant sessions/workshops at PICES-2010 by covering travel of additional invited speakers and/or convenors for these events.
- DFO (Fisheries and Oceans Canada), NMFS (National Marine Fisheries Service of NOAA, U.S.A.) and NPRB (North Pacific Research Board, U.S.A.) provided \$10,000 CAD, \$50,000 US and \$4,000 US, respectively, for the Fifth Zooplankton Production Symposium on “*Population connections, community dynamics, and climate variability*”, to be held March 14–18, 2011, in Pucon, Chile.
- NPRB (North Pacific Research Board, U.S.A.), ADFG (Alaska Department of Fish and Game, U.S.A.) and NPFMC (North Pacific Fisheries Management Council, U.S.A.) contributed \$30,000 US, \$5,000 US and \$7,500 US, respectively, for the Second ESSAS Open Science Meeting on “*Comparative studies of climate effects on polar and sub-polar ecosystems: Progress in observation and prediction*”, to be held May 22–26, 2011, in Seattle, U.S.A.

- The World Ocean Expo-2012 Organizing Committee committed 100,000,000 KRW for the Second PICES/ICES/IOC Symposium on “*Effects of climate change on the world’s oceans*”, to be held May 14–18, 2012, in Yeosu, Korea, as one of the official events related to the World Ocean Expo-2012. The first payment of 50,000,000 KRW (\$44,549 CAD) was received in 2010.

#### Capacity building

- Several contributions were received/committed for the Trust Fund in support of the PICES Intern Program:
  - Pacific Research Institute of Fisheries and Oceanography (TINRO-Center), Russia – \$5,000 US;
  - Fisheries and Oceans Canada – \$10,000 CAD;
  - Ministry of Land, Transport, and Maritime Affairs, Korea – \$10,000 US;
  - National Marine Fisheries Service of NOAA, U.S.A. – \$15,000 US;
- The Scientific Committee on Oceanic Research (SCOR) provided a grant of \$5,000 US to support participation of scientists from countries with “economies in transition” in SCOR-relevant sessions and/or workshops at PICES-2010.
- The North Pacific Fishery Management Council (NPFMC, U.S.A) provided \$5,000 US to support participation of early career scientists from PICES Contracting Parties in PICES-2010.
- National Marine Fisheries Service of NOAA (U.S.A.) contributed \$50,000 US for the Second PICES/ICES Early Career Scientists Conference on “*Oceans of change*” to be held in spring 2012, in Spain.

#### Operations of the PICES Secretariat

- A 13% overhead (\$24,375 CAD) of the *Year 4* budget (\$187,505) for the PICES project on “*Development of the prevention systems for harmful organisms’ expansion in the Pacific Rim*” was retained to offset expenses related to the Secretariat’s involvement in the project.
- A 13% overhead for the Cohen Commission project (on the personal services category) will be retained by PICES to offset expenses related to the Secretariat’s involvement in the project.

F&A Endnote 6

Proposed FY 2011 budget

Sources for General Fund (GNF)		Amount
National contributions		697,200
Transfer from Working Capital Fund		116,800
<b>Total</b>		<b>814,000</b>

  

Category	GNF Allotment	WCF Allotments
Personnel Services	540,000	35,000 (benefits adjustments and additional contribution to the IFC Pension Plan)
Annual Meeting	40,000	registration fee revenue as needed/available
Special Meetings/Travel	116,000	encumbered funds as needed/available
Publications	55,000	
Communications	39,000	
Office/Administrative	24,000	
Projects		encumbered funds as needed/available
<b>Total</b>	<b>814,000</b>	

  

Guaranteed revenue	101,000
Net income tax levies	75,000
Overhead from MAFF project	21,500
Tax (GST, PST) rebate	3,000
Interest	1,500
<b>Additional income</b>	<b>60,000</b>
Registration fees for PICES-2011	60,000