

## REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE

The Finance and Administration (hereafter F&A) Committee met from 09:00–13:30 hours on October 19, 2011, 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*). China was requested to clarify the status of the designated F&A Committee members who no longer attend PICES Annual Meetings.

### AGENDA ITEM 2

#### **Adoption of agenda**

The Committee reviewed and approved the provisional agenda (circulated on August 2, 2011) without modification, although it was agreed to have a discussion of the PICES Visiting Scientist Program under Agenda Item 15 (*F&A Endnote 2*).

### AGENDA ITEM 3

#### **Audited accounts for FY 2010**

The FY 2010 financial statements were submitted to *Flader, Hale & Hughesman* (formerly *Flader and Hale*, PICES external auditor for FYs 2009–2011) on March 23, 2011, and the Auditor's Report was completed on April 21, 2011. The report (*F&A Endnote 3*) was electronically circulated to all Contracting Parties on May 10, 2011. In the auditor's opinion, the financial statements are an accurate representation of the financial position of the Organization as of December 31, 2010, 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 (*Regulation 11(ii)* and *Regulation 13*) and recommended that the Auditor's Report be approved by Council.

The Committee also discussed the procedure for selecting an external auditor for FYs 2012–2014 and recommended that Governing Council (hereafter Council) authorize the Executive Secretary to sign a new 3-year contract with the current auditor, given their familiarity with PICES operations.

### AGENDA ITEM 4

#### **Annual contributions**

As stated in *Regulation 5(ii)* of the PICES Financial Regulations, all 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 pointed out that a letter commending Contracting Parties for their performance in submitting annual contributions for FY 2010, and describing difficulties that late and /or partial payment causes the Organization (Decision 2010/A/2(i)) was sent on November 15, 2010, simultaneously with a request for payment of the 2011 annual fees. He also reported on the 2011 annual fee payment dates, and provided information on the payment of national contributions for the period from 2005 to 2011 (*Endnote 4*). The Committee noted that all Contracting Parties met their financial obligations for FY 2011. Even though only Japan and the United States paid prior to the due date (January 1, 2011), the timeliness of payment from most other Contracting Parties is stable.

## F&A 2011

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. The Committee discussed the method for computing the Consumer Price Index (CPI) and recommended that the average of the monthly values from July of the previous year to July of the current year be used for determining the rate of increase in the future.

### AGENDA ITEM 5

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

Annual contributions increasing only at the rate of inflation in Canada can impede improvement and development of the Organization. Therefore, fund-raising continues to be an important component of PICES activities. All types of contributions are equally valuable to PICES.

The level of external funding has increased significantly over the last several years. In 2010, the amount of funds from voluntary contributions, grants, and partnerships for various activities initiated or sponsored by PICES exceeded, for the first time, the total annual contributions by Contracting Parties. In 2011, these two numbers are expected to be close, indicating the Organization’s large dependence on outside funding.

The Executive Secretary reported on fund-raising efforts for the period since PICES-2010 and pointed out that special emphasis was put on fund raising for the 2011 Zooplankton Production Symposium on “*Population connections, community dynamics, and climate variability*” (Pucón, Chile), 2012 PICES/ICES/IOC Symposium on “*Effects of climate change on the world’s oceans*” (Yeosu, Korea), the North Pacific Continuous Plankton Recorder (NP CPR) survey, and capacity building activities (*F&A Endnote 5*). With respect to the NP CPR program, it was noted that it appears to have relatively secure funding until 2013 and some funding available into 2016. It was also indicated that the report on the program’s achievements is useful to Contracting Parties as they seek to obtain continued funding for the program. There was discussion about the interest of Contracting Parties who are not currently supporting the program in expanding or revising the program to include transects that might encourage their involvement in and support of the program. Contracting Parties agreed that they would report to the Committee at PICES-2012 about their interests and what the conditions might be for funding the program in the future.

### 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* 2011, and the estimated amount of the encumbered funds for the fiscal year end. It was indicated that the residual funds from the 2010 Sendai Symposium on “*Climate change effects on fish and fisheries: Forecasting impacts, assessing ecosystem responses, and evaluating management strategies*” that had been allocated for funding the 2012 PICES/ICES Early Career Scientists (ECS) Conference (Decision 2010/A/3(vii)), were instead, after consultation with ICES colleagues, donated for the recovery of the fisheries and marine sciences in the Tohoku region impacted by the March 11 Great East Japan Earthquake and tsunami. This donation was used as a core contribution to a fund established by the Japanese Society of Fisheries Oceanography (JSFO). To compensate for that, \$45,000 of the PICES-2010 Fund surplus were transferred to the 2012 ESC Conference Fund.

## AGENDA ITEM 7

**Financing of high priority projects**

At PICES-2007, the 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 07/A/3(v)). In 2008, additional funds for both these activities became available. A transfer of \$21,996 from the High Priority Projects Fund to the FUTURE fund was made in 2010 (Decision 2010/A/3(v)). Given current plans, the North Pacific Ecosystem Status Report appears to have sufficient financial support in the near-term. However, the balance remaining for the development of FUTURE activities is small (\$7,189). There was some discussion about the financial needs of FUTURE. Last year, 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. Receipt of this workplan continues to be a priority in order to make informed decisions about the use of PICES funds in the coming years. Korea indicated that they are aware that FUTURE Advisory Panels submitted a set of three proposals for the Yeosu project funding that were not successful and indicated that there may be another opportunity to resubmit proposals in early 2012. Given the current lack of funding allocated specifically to FUTURE, the Committee recommended the approval by Council for the available balance of funds from completed projects in the Working Capital Fund as of December 31, 2011 be allocated to FUTURE, with the provision that the funds should be used over the next three years.

Capacity-building activities requiring funding support were discussed. It did not appear that additional funding was needed for any activities, except for the usual level of travel support that is provided to students and early career scientists out of the Trust Fund. If there are Summer Schools that have FUTURE-related goals, those could be funded by FUTURE.

The Committee reviewed the current status of the Intern Program. It is estimated that at the end of FY 2011, the Organization will be holding about \$23,000 for the Program. With the current stipend level of \$2,000 per month (Decision 07/A/6(iii)), this amount is sufficient to maintain the Program for only 9 months in 2012. Contracting Parties were invited to provide voluntary contributions to support the Program in 2012. Korea and the United States indicated their intention to provide funding at the typical level (\$10,000 and \$15,000, respectively) in the coming year, pending availability of funds. This would be sufficient to support the completion of the current intern's term and for a full year of a new intern's term. Thus, given that it is China's turn for an intern, they are expected to submit the necessary paperwork in order to begin the process, subject to Council's approval. The next term of the new PICES intern was requested to begin no earlier than June 2012, given the Secretariat's involvement in the Yeosu symposium just prior to that time. The Committee also recommended that Council instruct the Executive Secretary to invite voluntary contributions from Contracting Parties in support of the Intern Program for 2012 and beyond.

## AGENDA ITEM 8

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

PICES-2012 will be held from October 12-21, 2012, in Hiroshima, Japan. The Japanese delegation confirmed that they will be requesting \$40,000 from PICES to partially cover meeting costs. The Committee supports provision of this amount from the PICES budget.

Canadian representatives reported on the status of preparations for PICES-2013. Planning appears to be well underway for this meeting, and Canada 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

## F&A 2011

Council accept the offer of Canada to host PICES-2013 from October 11-20, 2013, at the Vancouver Island Conference Centre in Nanaimo, British Columbia.

The Committee recommended that, in keeping with the 6-year rotation cycle (Decision 1994/A/6), Council invite China to explore the possibility of hosting PICES-2014, and inform the Secretariat on this matter by March 31, 2012.

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)). The Committee discussed 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 2012.

| Type of registration fee | CDN \$ |
|--------------------------|--------|
| Regular                  | 275    |
| Early                    | 200    |
| Student                  | 50     |
| Spousal                  | 50     |

There was some discussion about adding a 1-day registration fee. The Committee does not recommend that this fee 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.

At PICES-2009, Council adopted (Decision 2009/A/6(i)) the final report of the Study Group on *Restructuring of the PICES Annual Meeting* (SG-RAM). Most of the proposed changes in the format of the Annual Meeting, with the exception of the number of concurrent sessions (3 instead of 4) due to the limited capacity of the venue in Khabarovsk, were implemented at PICES-2011. It is expected that the structure of PICES-2012 will be in accordance with the entire suite of SG-RAM recommendations. The Committee recommended that Council discuss the effectiveness of the approved changes at this and the next Annual Meeting.

At PICES-2005 (Vladivostok, Russia), Council re-iterated its support for the concept of inter-sessional Science Board 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 2011.

Science Board has already indicated the importance of having an inter-sessional meeting in 2012, to be held in conjunction with a FUTURE workshop. The Committee supported this request and recommended it to Council for approval. Russia has indicated its willingness to host ISB-2012.

### 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 these. Last year, it was agreed that additional employer contributions to the IFC Pension Plan in 2010 and beyond be made in advance in order to reduce future payments. An additional lump sum employer contribution of \$20,000 to the IFC Pension was approved to pay down the unfunded liabilities (Decision 2010/A/3(ix)). Given the projected growth in the deficits seen in the 2011 Actuarial Report of the IFC Pension Plan released in April, the Committee recommended that Council approve the additional employer contribution of \$20,000 to the IFC Pension Plan be made from the PICES 2012 budget to pay down unfunded liabilities.

## AGENDA ITEM 10

**Budget**Estimated accounts for FY 2011 (Agenda Item 10a)

The Committee reviewed the estimated accounts for FY 2011 and recommended their acceptance by Council, noting that the expenses for “foreign exchange loss/gain” are only estimates at this time.

Interest and other income (Agenda Item 10b)

In FY 2010, the total income was \$1,057,820. This amount includes \$857,561 in voluntary contributions and grants (\$804,859 credited to the Working Capital Fund and \$52,702 credited to the Trust Fund). In FY 2011, the estimated total income is \$772,980. This amount includes \$592,710 in voluntary contributions and grants (\$546,457 credited to the Working Capital Fund and \$46,253 credited to the Trust Fund).

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 \$100,841 on December 31, 2011, a transfer is not necessary this year. There appear to be sufficient funds to maintain the balance through 2012, when home-leave expenses for the Executive Secretary will be utilized.

Trust Fund (Agenda Item 10d)

In FY 2011, the total Trust Fund (TRF) income is estimated at \$46,274 and estimated expenses are \$76,484. The Committee recommended that Council approve a transfer from the Working Capital Fund to recover the 2011 expenses and restore the Trust Fund to the level of \$110,000.

In addition to the contributions of agencies/institutions and organizations to the Trust Fund, there is now a special fund established by Dr. Bernard Megrey’s family and friends with a purpose to provide travel awards to graduate students and early career scientists to attend PICES Annual Meetings and conferences co-sponsored by the Organization. For accounting purposes, these funds are not included in the \$110,000 total.

Japanese Trust Fund (Agenda Item 10e)

The Committee reviewed the financial report for *Year 4* (April 1, 2010 to March 31, 2011) 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 28, 2011, and the notice on report acceptance was received on August 3, 2011.

The status of the MAFF account, for the period from April 1 to December 31, 2010, was assessed during the regular PICES audit for FY 2010. The financial statements for the rest of *Year 4* (January 1 to March 31, 2011) and for part of *Year 5* (April 1 to December 31, 2011) of the MAFF project will be evaluated during the regular PICES audit for FY 2011.

The current funding expires on March 31, 2012, and cannot be renewed for the same purpose. Japanese representatives indicated that a proposal for MAFF funding has been submitted for a new project related to ecosystem fishery management in coastal regions, and it has not yet been approved.

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, 2011, was \$759,650. This includes \$515,000 in encumbered funds and \$244,650 in “reserve operating” funds. In FY 2011, the total WCF income and expenses are estimated at a level of \$725,865 (\$546,457 are in extra-budgetary contributions and grants) and \$663,948, respectively. After the recommended inter-fund transfers, the amount of funds available in WCF at the fiscal year end is estimated at \$674,995. This includes \$411,750 in encumbered funds, and \$263,245 in “reserve operating” funds.

## **F&A 2011**

### Budget for FY 2012 and forecast budget for FY 2013 (Agenda Item 10g)

The Committee reviewed the proposed FY 2012 budget of \$838,000 (*F&A Endnote 6*) and recommended its approval by Council. The Committee also recommended a transfer of \$118,600 from the Working Capital Fund to balance the budget, setting the total annual contribution at \$719,400, and the 2012 fees at \$119,900 per Contracting Party. These are a 3.2% increase from the FY 2011 level and the increase is based on the average CPI from March to August of 2011 reported by Statistics of Canada.

The Committee also discussed the option of having a “step” increase in the annual contributions from each Contracting Party, as was recently approved in another international organization with most of the same Contracting Parties as PICES. Participants indicated that such an increase was difficult to consider at the present time.

The Executive Secretary presented the forecast FY 2013 budget of \$852,000 and noted that this budget is prepared based on preliminary information available as of August 15, 2011, and is approximately 1.7% higher than the FY 2012 budget.

### AGENDA ITEM 11

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

The Committee reviewed the updated PICES Strategic Plan and discussed whether changes to the Rules of Procedure were required, given the Plan mandates the preparation of 3-year Action Plans by Executive Committees, Scientific and Technical Committees, and the Secretariat. After discussion, it appears that there is language in the Chairman’s Handbook on “Roles and Responsibilities of Chairmen and Members of PICES Groups” that might partly suffice. The F&A Chairman offered to review the language in the Handbook and provide some alternatives for consideration by the Committee after PICES-2011.

### AGENDA ITEM 12

#### **Progress report on implementation of the PICES Publication Program Action Plan**

The Committee reviewed the progress on implementing the Action Plan for the PICES Publication Program and discussed the options regarding publication of the PICES newsletter given the proposal for a more frequent PICES electronic newsletter to be provided via email. The Committee recommended that Council approve electronic publishing of the PICES newsletter. The option for obtaining hard copies of the PICES Annual Meeting abstract book should continue for at least one more year.

### AGENDA ITEM 13

#### **Administrative matters**

The Committee discussed the progress reported on the status of negotiations regarding the possibility of obtaining an *ex gratia grant* from the British Columbia government to PICES equal to the amount of the provincial personal income taxes remitted and encouraged the Executive Secretary to continue his efforts to request this tax rebate. Canadian members of the F&A Committee will investigate whether they might be able to assist in this process.

### AGENDA ITEM 14

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

PICES has a 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. There appears to be no change in the current arrangements at this time.

#### AGENDA ITEM 15

##### **Other business**

The Committee discussed the PICES Visiting Scientist Program and reasons for inactivity since its inception in 2002. The Committee members expressed an interest in reviewing the language regarding the rationale, objectives, *etc.* of the program to see if those might need revision given the current PICES structure and needs, particularly with respect to the FUTURE program. It was recommended that the Committee review the program language inter-sessionally and prepare a revised description of the program to present at ISB-2012 and determine potential tasks for a visiting scientist and initiate advertisement, if appropriate, after ISB-2012. Further, it was noted that assignment of a visiting scientist could be done either virtually (*i.e.*, the scientist remain in their host country) or by actual relocation to the Secretariat.

#### AGENDA ITEM 16

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

The draft report was circulated and approved by all F&A members. All recommendations to Council were brought forward by Ms. Livingston at the first session of Council on October 22, 2011.

## F&A 2011

### F&A Endnote 1

#### F&A participation list

##### Canada

David Gillis (F&A member)  
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)  
Gongke Tan (advisor)

##### Republic of Korea

Dosoo Jang (advisor)  
Hyun Taek Lim (F&A member)  
Chul Park (F&A member)

##### Russian Federation

Igor Shevchenko (F&A member)

##### U.S.A.

Elizabeth Phelps (alternate 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* 2010
4. Annual contributions
5. Fund-raising activities
6. Encumbered funds for PICES activities
7. Financing of high priority PICES projects
  - a. PICES integrative science program, FUTURE
  - b. 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* 2011
  - 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* 2012 and forecast budget estimates for *FY* 2013
11. Changes in PICES Rules of Procedure
12. Progress report on implementation of the PICES Publication Program Action Plan
13. Administrative matters
14. Space, facilities and services for the Secretariat office
15. Other business
  - a. PICES Visiting Scientist Program
16. 2011 F&A report and recommendations to Governing Council



**NORTH PACIFIC MARINE SCIENCE ORGANIZATION  
FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

## INDEPENDENT AUDITORS' REPORT

To the Council of the  
North Pacific Marine Science Organization

We have audited the accompanying financial statements of the North Pacific Marine Science Organization, which comprise the statement of financial position as at December 31, 2010 and the statement of operations and changes in fund balances for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian standards for not-for-profit organizations 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.

### *Auditors' Responsibility*

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of the North Pacific Marine Science Organization as at December 31, 2010, and the results of its operations and changes in fund balances for the year then ended.

Sidney, B.C.  
April 21, 2011

*Flader Hale Hughesman*  
Chartered Accountants

**NORTH PACIFIC MARINE SCIENCE ORGANIZATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2010**

**ASSETS**

|                                       | <b>2010</b>  | <b>2009</b>  |
|---------------------------------------|--------------|--------------|
| <b>CURRENT ASSETS</b>                 |              |              |
| Cash and short term deposits (note 5) | \$ 1,319,408 | \$ 1,271,519 |
| Accounts receivable                   | 237,835      | 46,182       |
| Prepaid expenses                      | 1,337        | 3,215        |
|                                       | \$ 1,558,580 | \$ 1,320,916 |
|                                       | \$ 1,558,580 | \$ 1,320,916 |

**LIABILITIES**

**CURRENT LIABILITIES**

|   |            |            |
|---|------------|------------|
| Accounts payable                            | \$ 126,046 | \$ 119,426 |
| Megrey Student Fund (note 3)                | 5,771      | -          |
| Funds held for Contracting Parties (note 4) | 232,400    | 229,000    |
|   | 364,217    | 348,426    |
|   | 364,217    | 348,426    |

**FUND BALANCES**

|   |              |              |
|---|--------------|--------------|
| <b>WORKING CAPITAL FUND</b> (note 5)                            | 876,450      | 684,770      |
| <b>TRUST FUND</b>   | 110,000      | 110,000      |
| <b>RELOCATION AND HOME LEAVE FUND</b>                           | 100,000      | 101,529      |
| <b>MINISTRY OF AGRICULTURE,<br/>FORESTRY AND FISHERIES FUND</b> | 107,913      | 76,191       |
|   | 1,194,363    | 972,490      |
|   | \$ 1,558,580 | \$ 1,320,916 |

**NORTH PACIFIC MARINE SCIENCE ORGANIZATION**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

|   | General Fund   | Working Capital Fund | Trust Fund        | Relocation and Home Leave Fund | Ministry of Agriculture, Forestry and Fisheries Fund | 2010 Total          | 2009 Total        |
|---|----------------|----------------------|-------------------|--------------------------------|--|---------------------|-------------------|
| <b>FUND BALANCES, beginning of year</b>     | \$ -           | \$ 684,770           | \$ 110,000        | \$ 101,529                     | \$ 76,191  | \$ 972,490          | \$ 851,749        |
| <b>SOURCES OF FUNDS</b>                     |                |                      |                   |                                |  |                     |                   |
| Contributions from Contracting Parties      | 687,000        | -                    | -                 | -                              | -  | 687,000             | 695,525           |
| Budgeted transfer to General Fund (note 6)  | 110,000        | (110,000)            | -                 | -                              | -  | -                   | -                 |
| Voluntary contributions and grants (note 7) | -              | 804,859              | 46,931            | -                              | 187,505  | 1,039,295           | 527,809           |
| Interest and other income (note 8)          | -              | 199,653              | 101               | 505                            | 306  | 200,565             | 212,407           |
|   | 797,000        | 894,512              | 47,032            | 505                            | 187,811  | 1,926,860           | 1,435,741         |
| <b>FUND BALANCES, before expenditures</b>   | <b>797,000</b> | <b>1,579,282</b>     | <b>157,032</b>    | <b>102,034</b>                 | <b>264,002</b>                                       | <b>2,899,350</b>    | <b>2,287,490</b>  |
| <b>EXPENDITURES</b>                         |                |                      |                   |                                |  |                     |                   |
| Personnel services                          | 518,014        | 17,464               | -                 | -                              | -  | 535,478             | 526,305           |
| Annual Meeting                              | 21,256         | -                    | -                 | -                              | -  | 21,256              | 51,555            |
| Special meetings/travel                     | 130,719        | -                    | 36,455            | -                              | -  | 167,174             | 164,739           |
| Publications                                | 48,465         | -                    | -                 | -                              | -  | 48,465              | 65,631            |
| Communication                               | 35,605         | -                    | -                 | -                              | -  | 35,605              | 33,289            |
| Office and administration                   | 24,335         | -                    | -                 | -                              | -  | 24,335              | 18,705            |
| Projects (note 9)                           | -              | 666,819              | -                 | -                              | -  | 666,819             | 215,617           |
| Intern program                              | -              | -                    | 28,238            | -                              | -  | 28,238              | 30,587            |
| Relocation                                  | -              | -                    | -                 | 9,097                          | -  | 9,097               | -                 |
| MAFF Fund expenditures (note 10)            | -              | -                    | -                 | -                              | 156,089  | 156,089             | 189,435           |
| Foreign exchange loss (note 11)             | 12,431         | -                    | -                 | -                              | -  | 12,431              | 19,137            |
|   | 790,825        | 684,283              | 64,693            | 9,097                          | 156,089  | 1,704,987           | 1,315,000         |
| <b>NET FUNDS AVAILABLE</b>                  | <b>6,175</b>   | <b>894,999</b>       | <b>92,339</b>     | <b>92,937</b>                  | <b>107,913</b>                                       | <b>1,194,363</b>    | <b>972,490</b>    |
| <b>TRANSFER TO</b>                          |                |                      |                   |                                |  |                     |                   |
| <b>WORKING CAPITAL FUND (note 5)</b>        | <b>(6,175)</b> | <b>6,175</b>         | <b>-</b>          | <b>-</b>                       | <b>-</b>   | <b>-</b>            | <b>-</b>          |
| <b>INTERFUND TRANSFERS (note 6)</b>         | <b>-</b>       | <b>(24,724)</b>      | <b>17,661</b>     | <b>7,063</b>                   | <b>-</b>   | <b>-</b>            | <b>-</b>          |
| <b>FUND BALANCES, end of year</b>           | <b>\$ -</b>    | <b>\$ 876,450</b>    | <b>\$ 110,000</b> | <b>\$ 100,000</b>              | <b>\$ 107,913</b>                                    | <b>\$ 1,194,363</b> | <b>\$ 972,490</b> |

**NORTH PACIFIC MARINE SCIENCE ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

**1. PURPOSE OF ORGANIZATION**

The North Pacific Marine Science Organization (PICES) is an intergovernmental non-profit scientific Organization whose present members include Canada, Japan, the People's Republic of China, the Republic of Korea, the Russian Federation and the United States of America. The purpose of the Organization is to promote and coordinate marine scientific research in order to advance scientific knowledge of the North Pacific and adjacent seas.

**2. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with the North Pacific Marine Science Organization's Financial Regulations and are prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of the significant accounting policies used in the preparation of these financial statements:

(a) Fund Accounting

The Working Capital Fund represents the accumulated excess of contributions provided from Contracting Parties over expenditures in the General Fund. The purposes of the General Fund and Working Capital Fund are established by Regulation 6 of the Organization Financial Regulation.

The Trust Fund was established in 1994 for the purpose of facilitating participation of a broad spectrum of scientists in activities of the Organization.

The Relocation and Home Leave Fund was established in 1995 to pay relocation and home leave expenses of new employees and their dependents to the seat of the Secretariat and removal after period of employment has ended, and to provide home leave for international staff. The fund balance must be maintained between \$90,000 and \$110,000.

The Ministry of Agriculture, Forestry and Fisheries Fund was established in 2007. The Ministry of Agriculture, Forestry and Fisheries of Japan, through the Fisheries Agency has provided voluntary contributions for a project dedicated to the development of the prevention systems for harmful organisms in the Pacific Rim.

(b) Capital Assets

Capital assets acquired by the Organization are expensed in the year of acquisition. During the current year the Organization purchased \$45,170 of capital assets.

(c) Contributions

Contributions from Contracting Parties are recorded in the year in which they relate to. All other contributions and grants are recorded in the year received. Refer to Note 4 for contributions restricted for specific designated projects.

(d) Income Tax

The Organization is a non-taxable Organization under the Privileges and Immunities (International Organizations) Act (Canada).

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(e) Foreign Exchange

Transactions originating in foreign currencies are translated at the exchange rate prevailing at the transaction dates. Assets and liabilities denominated in foreign currency are translated to equivalent Canadian amounts at the current rate of exchange at the statement of financial position date.

(f) Financial Instruments

The Organization's financial instruments consist of cash and short term deposits, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks.

(g) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**3. MEGREY STUDENT FUND**

During the year the organization received \$5,771 to establish the Megrey Student Fund which are trust funds held to cover student travel.

**4. FUNDS HELD FOR CONTRACTING PARTIES**

The funds held for Contracting Parties are advance contributions from Japan in the amount of \$116,200 and the U.S.A. in the amount of \$116,200.

**5. WORKING CAPITAL FUND**

Of the total amount in the Working Capital Fund, \$515,000 of cash and short term deposits is restricted for specific designated projects.

Pursuant to decision 2010/A/3(ii) and (iii) of the Governing Council, \$116,800 of the funds held in the Working Capital Fund will be transferred to the General Fund at the beginning of the 2011 fiscal year to balance the budget, setting the total annual contribution at \$697,200, and the 2011 annual fee at \$116,200 per Contracting Party.

Pursuant to Financial Regulation 6 (iii), the Working Capital Fund is to be increased/decreased by the surplus/deficit in the General Fund.

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**6. INTERFUND TRANSFERS**

The Governing Council approved the transfer of \$110,000 at the beginning of 2010 from the Working Capital Fund to the General Fund (Decision 09/A/3/ii) to balance the budget, setting the total annual contribution at \$687,000, and the 2010 annual fee at \$114,500 per Contracting Party.

The Governing Council approved the transfer of funds from the Working Capital Fund to restore the Trust Fund to \$110,000 by the end of 2010 (Decision 2010/A/3/iii). The amount of the transfer was \$17,661.

The Governing Council approved the transfer of funds from the Working Capital Fund to restore the Relocation and Home Leave Fund to \$100,000 (Decision 2010/A/3/iii). The amount of the transfer was \$7,063.

**7. VOLUNTARY CONTRIBUTIONS AND GRANTS**

|  | Working Capital<br>Fund | Trust Fund |
|--|-------------------------|------------|
| Contributions for the 2010 Climate Forecasting Symposium:          |                         |            |
| DFO (Canada)   | 20,000                  | -          |
| FAO  | 20,575                  | -          |
| World Bank   | 20,460                  | -          |
| IOC  | 7,582                   | -          |
| SCOR   | 5,284                   | -          |
| Australian Marine Adaptation Network                               | 3,656                   | -          |
| Registration fees  | 90,311                  | -          |
| Contributions for the North Pacific CPR Project                    |                         |            |
| DFO (Canada)   | 87,500                  | -          |
| NPRB (U.S.A.)  | 33,125                  | -          |
| EVOS (U.S.A.)  | 42,310                  | -          |
| Contributions for PICES 2010:                                      |                         |            |
| Department of State (U.S.A.)                                       | 62,400                  | -          |
| NMFS (U.S.A.)  | 31,001                  | -          |
| NPFMC (U.S.A.)   | -                       | 5,025      |
| SCOR Travel grant  | -                       | 4,969      |
| Contributions for the 2011 Zooplankton Production Symposium:       |                         |            |
| DFO (Canada)   | 10,000                  | -          |
| NMFS (U.S.A.)  | 52,135                  | -          |
| NPRB (U.S.A.)  | 4,031                   | -          |
| Registration fees  | 48,125                  | -          |
| Contributions for the 2011 ESSAS Open Science Meeting:             |                         |            |
| NPRB (U.S.A.)  | 30,153                  | -          |
| ADFG (U.S.A.)  | 5,214                   | -          |
| NPFMC (U.S.A.)   | 7,635                   | -          |
| Registration fees  | 145                     | -          |
| Contributions to the 2012 Climate Change Symposium (Yeosu, Korea): |                         |            |
| Expo-2012 Organizing Committee                                     | 44,539                  | -          |
| Contributions to the 2012 PICES/ICES ECS Conference:               |                         |            |
| NMFS (U.S.A.)  | 52,125                  | -          |

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|   |                   |                  |
|---|-------------------|------------------|
| Contributions to the FUTURE Program::                 |                   |                  |
| KORDI   | 37,200            | -                |
| Contributions to the Cohen Commission (Canada report) | 89,353            | -                |
| Contributions to the Intern Program:                  |                   |                  |
| DFO (Canada)  | -                 | 10,000           |
| MLTM (Korea)  | -                 | 10,230           |
| NMFS (U.S.A.)   | -                 | 15,007           |
| Voluntary contributions:                              | -                 | 1,700            |
|   | <b>\$ 804,859</b> | <b>\$ 46,931</b> |

**8. INTEREST AND OTHER INCOME**

|                                | Working Capital<br>Fund | Trust<br>Fund | Relocation and<br>Home Leave<br>Fund | Ministry of<br>Agriculture,<br>Forestry and<br>Fisheries Fund |
|--------------------------------|-------------------------|---------------|--------------------------------------|---|
| Interest income                | \$ 4,210                | \$ 101        | \$ 505                               | \$ 306  |
| Income tax levies              | 75,357                  | -             | -                                    | -   |
| Overhead from Cohen Commission | 10,922                  | -             | -                                    | -   |
| Overhead from MAFF project     | 24,376                  | -             | -                                    | -   |
| PICES 2010 registration fees   | 84,788                  | -             | -                                    | -   |
|                                | <b>\$ 199,653</b>       | <b>\$ 101</b> | <b>\$ 505</b>                        | <b>\$ 306</b>   |

**9. PROJECTS**

The expenditures in the Working Capital Fund for projects funded by voluntary contributions designated for the respective projects are as follows:.

|                                       | <b>2010</b>       | <b>2009</b>       |
|---------------------------------------|-------------------|-------------------|
| 2008 Climate Change Symposium         | \$ -              | \$ 16,681         |
| 2010 Climate Change Symposium         | 219,968           | 4,498             |
| Development of FUTURE                 | 27,991            | 30,515            |
| North Pacific CPR Project             | 159,500           | 109,706           |
| North Pacific Ecosystem Status Report | 113,455           | 51,029            |
| PICES 2010                            | 98,227            | 3,188             |
| Cohen Commission Report               | 20,388            | -                 |
| 2011 ESSAS Open Science Meeting       | 17,099            | -                 |
| 2011 Zooplankton Production Symposium | 10,191            | -                 |
|                                       | <b>\$ 666,819</b> | <b>\$ 215,617</b> |



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**10. MINISTRY OF AGRICULTURE, FORESTRY AND FISHERIES FUND EXPENDITURES**

|                      | <b>2010</b>       | <b>2009</b>       |
|----------------------|-------------------|-------------------|
| Special meetings     | \$ 68,195         | \$ 68,693         |
| Contractual services | 26,649            | 65,205            |
| Equipment            | 36,526            | 14,915            |
| Overhead to PICES    | 24,376            | 40,522            |
| Miscellaneous        | 343               | 100               |
|                      | <b>\$ 156,089</b> | <b>\$ 189,435</b> |

**11. FOREIGN EXCHANGE GAIN / LOSS**

At year end all funds held in foreign currency (US \$65,457) are converted to Canadian dollars using the December 31<sup>st</sup> exchange rate. A foreign exchange loss has been reported on the current year financial statements; this amount is an unbudgeted item which has been caused by the ongoing fluctuations in the US dollar (2010 = 0.9946, 2009 = 1.0466), and not by the actual purchase or sale of any foreign currencies.

**12. UNFUNDED PENSION LIABILITY**

The Organization holds a pension plan for its employees with the International Fisheries Commissions Pension Society. An actuarial valuation report was prepared as at January 31, 2008 and showed an unfunded pension liability for PICES of \$208,000. This liability is being paid in monthly installments over a period of 15 years. The total amount payable for 2011 is \$25,200.

A new actuarial valuation report will be prepared in 2011 to determine the new unfunded pension liability. The unfunded pension liability along with the repayments are expected to increase as a result of this new actuarial report. This new payment schedule will begin January 2012.

No amount has been recorded in the financial statements with regards to the total unfunded liability.

**13. FINANCIAL STATEMENTS**

A statement of cash flows has not been presented, as the required information is readily apparent from the other financial statements presented and the notes to the financial statements.

## F&amp;A Endnote 4

PAYMENT SCHEDULE OF ANNUAL FEES, 2005–2011<sup>1</sup>

|      | <i>Canada</i> | <i>China</i>                    | <i>Japan</i> | <i>Korea</i>                   | <i>Russia</i>                  | <i>USA</i>                    |
|------|---------------|---------------------------------|--------------|--------------------------------|--------------------------------|-------------------------------|
| 2005 | 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                   |
| 2006 | Dec. 28, 05   | <b>Aug. 1, 06</b>               | Dec. 15, 05  | Feb. 8, 06                     | Feb. 28, 06                    | Jan. 30, 06                   |
| 2007 | Jan. 23, 07   | <b>July 3, 07</b>               | Dec. 5, 06   | Apr. 3, 07                     | Feb. 13, 07                    | Jan. 10, 07                   |
| 2008 | 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> |
| 2009 | Jan. 5, 09    | <b>June 3, 09</b>               | Dec. 11, 08  | Apr. 1, 09                     | Mar. 27, 09                    | Dec. 24, 08                   |
| 2010 | Apr. 1, 10    | <b>Aug. 5, 10</b>               | Dec. 14, 09  | Mar. 2, 10                     | Mar. 26, 10                    | Dec. 11, 09                   |
| 2011 | Feb. 8, 11    | <b>June 30, 11</b>              | Dec. 3, 10   | <b>Mar. 25, 11<sup>5</sup></b> | Feb. 9, 11                     | Dec. 7, 10                    |

<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

<sup>5</sup> Partial (88.1%) payment, remainder paid on September 20, 2011

## F&amp;A Endnote 5

## External funding and voluntary contributions received since PICES-2010

For the period since PICES-2010, 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 \$164,641CAD for *Year 5* (to be completed by March 31, 2012) of the project on “*Development of the prevention systems for harmful organisms’ expansion in the Pacific Rim*”.
- A contract with the Canadian Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River (Cohen Commission) for PICES to develop a technical report on “*The decline of Fraser River sockeye salmon *Oncorhynchus nerka* (Steller, 1743) in relation to marine ecology*” was amended to a total amount of \$109,666 CAD instead of the original \$100,275 CAD.
- In October 2007, PICES initiated a funding consortium to support the North Pacific Continuous Plankton Recorder (NP CPR) survey. The following organizations have committed their resources for the project:
  - Fisheries and Oceans Canada, a member of the consortium since 2008, provided \$50,000 CAD for the period from April 1, 2010 to March 31, 2011. This support is intended to continue for another 3 years (until March 2014) at the level of \$50,000 CAD per year.
  - The North Pacific Research Board (USA) joined the consortium in 2009 and committed support for operations of the NP CPR project 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 project in 2010–2013 (project on “*Measuring Interannual Variability in the Herring’s Forage Base from the Gulf of Alaska*”), with the amount of \$58,300 US for 2011.
  - The Japanese Society for Promotion of Science (JSPS) provided a 5-year (2009–2013) grant for CPR work to Dr. Sanae Chiba (JAMSTEC). While funds are not passed to the PICES consortium, this project provides in-kind support by taking over the analysis of samples from the western Pacific and is equivalent to a financial contribution of about \$37,500 US per year.
  - To ensure that as much money as possible go into sampling, the Sir Alister Hardy Foundation for Ocean Science (SAHFOS, UK) continued to cover the salary for the Principle Investigator in 2011.

At PICES-2010, the F&A Committee agreed that maintaining full funding of this project beyond 2013 will require communication of its benefits to Contracting Parties and recommended that an annual status report on the NP CPR survey be presented at future meetings so that the results and benefits would be more apparent. The 2011 report by Dr. Sonia Batten, NP CPR project Principle Investigator, is included in this section.

#### Symposia/sessions/workshops

- The following organizations/programs/agencies/institutions provided financial support for the 5<sup>th</sup> Zooplankton Production Symposium on “*Population connections, community dynamics, and climate variability*”, held March 14–18, 2011, in Pucón, Chile (funds marked by \* were handled by PICES):
    - EUR-OCEANS Consortium (2011) – 5,000 €\*
    - Fisheries and Oceans Canada (2010) – \$10,000 CAD\*
    - Global Ocean Ecosystem Dynamic (2011) – 3,000 €
    - Institut de Recherche pour le Développement, France (2011) – 3,000 €\*
    - Intergovernmental Oceanographic Commission of UNESCO (2011) – \$4,000 US\*
    - International Council for the Exploration of the Sea (ICES) – 10,000 €+ publication in *IJMS*
    - National Marine Fisheries Service of NOAA, USA (2010) – \$50,000 US\*
    - North Pacific Research Board, USA (2010) – \$4,000 US\*
    - University of Concepción, Chile – ~\$15,000 US (covered many local services but the exact amount is not known)
  - The following organizations/programs/agencies/institutions provided financial support for the 2<sup>nd</sup> ESSAS Open Science Meeting on “*Comparative studies of climate effects on polar and sub-polar ecosystems: Progress in observation and prediction*”, held May 22–26, 2011, in Seattle, USA (funds marked by \* were handled by PICES):
    - Alaska Department of Fish and Game, USA (2010) – \$5,000 US\*
    - Arctic Section, NOAA, USA (2011) – \$10,000 US
    - Global Ocean Observing System (2011) – \$10,000 US\*
    - Integrated Marine Biogeochemistry and Ecosystem Research (2011) – \$14,000 US
    - International Council for the Exploration of the Sea (2011) – 10,000 €+ publication in *IJMS*
    - National Science Foundation, USA (2011) – \$31,200 US\* (only part of this grant was handled by PICES)
    - National Marine Fisheries Service, NOAA, USA (2011) – \$10,000 US\*
    - North Pacific Fisheries Management Council, USA (2010) – \$7,500 US\*
    - North Pacific Research Board, USA (2010) – \$30,000 US\*
    - School of Aquatic and Fishery Sciences, University of Washington, USA (2011) – \$5,000 US
  - Several international organizations/programs were invited, and subsequently agreed, to co-sponsor (by covering travel of additional invited speakers and/or convenors for these events) the following sessions and workshops relevant to their scientific interests: “*Mechanisms of physical-biological coupling forcing biological hotspots*” (ICES), “*Recent changes of North Pacific climate and marine ecosystems: Implications for dynamics of the dominant species*” (ICES), “*Land-sea interactions and anthropogenic impacts on biological productivity of North Pacific Ocean coastal ecosystems*” (NOWPAP), “*Linking migratory fish behavior to end-to-end models*” (ICES), “*How well do our models really work and what data do we need to check and improve them?*” (IMBER), “*Pollutants in a changing ocean: Refining indicator approaches in support of coastal management*” (GESAMP, ICES and IOC).
  - The following organizations/agencies/institutions provided financial support for the 2<sup>nd</sup> PICES/ICES/IOC Symposium on “*Effects of climate change on the world’s oceans*”, to be held May 15–19, 2012, in Yeosu, Korea, as one of the official events related to the Ocean Expo-2012:
    - Expo-2012 Organizing Committee – 100,000,000 KRW (\$44,539 CAD in 2010 and \$44,414 CAD in 2011)
    - Fisheries and Oceans Canada – \$15,000 CAD
    - International Pacific Halibut Commission – \$6,000 US
    - National Marine Fisheries Service of NOAA, USA – \$50,000 US
    - North Pacific Research Board, USA – \$15,000 US
- A number of organizations/programs/agencies/institutions committed funds for the symposium:
- Food and Agriculture Organization – \$10,000 US
  - Global Ocean Observing System – \$10,000 US

## F&A 2011

- Integrated Marine Biogeochemistry and Ecosystem Research – \$5,000 US
- Intergovernmental Oceanographic Commission of UNESCO – \$10,000 US
- International Council for the Exploration of the Sea (2011) – 10,000 €+ publication in *IJMS*
- Korea Meteorological Administration – \$5,000 US
- Korea Ocean Research and Development Institute – symposium dinner
- Korean East Asian Seas Time Series Research Project – \$20,000 US
- Ministry of Land, Transport and Maritime Affairs, Korea – symposium welcome reception
- National Aeronautics and Space Administration, USA – \$20,000–30,000 US (through a grant system)
- National Fisheries Research and Development Institute, Korea – \$5,000 US
- North Pacific Anadromous Fish Commission – amount will be decided in October
- Pukyong National University, Korea – \$5,000 US
- Pusan National University, Korea – \$5,000 US
- Scientific Committee on Oceanic Research – \$5,000 US
- United Nations Environment Programme – amount will be decided in October
- World Climate Research Programme – 10,000 CHF
- Fisheries and Oceans Canada allocated \$50,000 CAD for the PICES Annual Meeting to be held October 11–20, 2013, in Nanaimo, British Columbia, Canada.

### Capacity building

- Several contributions were received/committed for the Trust Fund in support of the PICES Intern Program:
  - Fisheries and Oceans Canada – \$10,000 CAD;
  - Ministry of Land, Transport, and Maritime Affairs, Korea – \$10,000 US;
  - National Marine Fisheries Service of NOAA, USA – \$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-2011.

### Operations of the PICES Secretariat

- Korea Ocean Research and Development Institute contributed \$20,000 US to support a part-time contract position at the PICES Secretariat for assisting the Science Board Chairman.
- A 13% overhead (\$21,403) of the *Year 5* budget (\$164,641) for the PICES/MAFF 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.
- Due to the agreed amendments to the contract, the overhead (13%) retained to offset expenses related to the Secretariat’s involvement in the Cohen Commission project increased to \$11,830 CAD.
- A 13% overhead (\$9,239) of the registration fee revenue (\$71,760) was retained to compensate for the Secretariat’s involvement in providing organizational support (this included: maintaining the meeting website, handling major finances, on-line registration and abstract submission, compiling the book of abstracts, and arranging the logistics for the venue) for the 2<sup>nd</sup> ESSAS Open Science Meeting on “*Comparative studies of climate effects on polar and sub-polar ocean ecosystems: Progress in observation and prediction*” (May 22–26, 2011, Seattle, USA).

PROPOSED FY 2012 BUDGET

| <b>Sources for General Fund (GNF)</b> |                                   | <b>Amount</b>  |
|---------------------------------------|-----------------------------------|----------------|
| National contributions                |                                   | 719,400        |
| Transfer from Working Capital Fund    | (\$119,900 per Contracting Party) | 118,600        |
| <b>Total</b>                          |                                   | <b>838,000</b> |

  

| <b>Category</b>         | <b>GNF Allotment</b> | <b>WCF Allotments</b>   |
|-------------------------|----------------------|---|
| Personnel Services      | 554,000              | 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 | 150,000              | encumbered funds as needed/available  |
| Publications            | 40,000               |   |
| Communications          | 30,000               |   |
| Office/Administrative   | 24,000               | encumbered funds as needed/available  |
| Projects                |                      |   |
| <b>Total</b>            | <b>838,000</b>       |   |

  

|                                  |               |
|----------------------------------|---------------|
| <b>Guaranteed revenue</b>        | <b>90,000</b> |
| Net income tax levies            | 75,000        |
| Tax (GST, PST) rebate            | 5,000         |
| Interest                         | 10,000        |
| <b>Additional income</b>         | <b>75,000</b> |
| Registration fees for PICES-2011 | 75,000        |