

Report of the Finance and Administration Committee

The Finance and Administration (hereafter F&A) Committee met from 09:00–13:50 hours on October 22, 2014, under the chairmanship of Dr. John Stein.

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 provisional agenda circulated on August 20, 2014 (*F&A Endnote 2*). Canada requested adding a discussion of severance pay as related to PICES *Staff Rule 39* to Agenda Item 14.

AGENDA ITEM 3

Audited accounts for FY 2013

The *FY 2013* financial statements were submitted to the auditor Hale & Hughsman on March 31, 2014, and the audit was completed on May 9, 2014. The report (*F&A Endnote 3*) was sent out electronically to Contracting Parties on May 15, 2014. In the auditor's opinion, "*the financial statements present fairly, in all material respects, the financial position of the North Pacific Marine Science Organization as at December 31, 2013, and the results of its operations and changes in fund balances for the year then ended*". The Committee noted that the auditing process was in line with the PICES Financial Regulations (*Regulations 11(ii)* and *13*), and recommended that the Auditor's Report be approved by Governing Council (hereafter Council).

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*". A request for payment of the 2014 annual fees was circulated on October 28, 2013. All Contracting Parties met their financial obligations for *FY 2014*. Japan and the United States paid prior to the due date. The Canadian and Russian contribution arrived in the first quarter of the fiscal year, the Korean contribution was received in mid-April, and the Chinese contribution was paid in mid-July (*F&A Endnote 4*).

A historical analysis of annual contributions indicates that the total General Fund continues to grow faster than these contributions. In the 19 years from 1996 (when the number of Contracting Parties increased to the current six) to 2014, annual contributions have increased by approximately 46.2%. At the same time, the total General Fund has increased by about 72.0% because additional income has allowed for a significant transfer from the Working Capital Fund to the General Fund every year since 1999. The practice of transferring surpluses from the Working Capital Fund, in accordance with *Regulation 6(v)*, is a viable approach to balance accounts, although the Organization has come to depend on this additional income to conduct activities.

At PICES-2013, the F&A Committee recommended that Council consider an increase in the annual fee to keep pace with the increase in PICES science activities. To inform deliberations, Council requested the F&A

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Chairman and Executive Secretary to develop and present at PICES-2014 appropriate metrics to characterize the growth in science activities, as well as the formula for determining the size of the increase in annual contributions, and to develop alternative approaches (incremental or one time) for the increase (Decision 2013/A/2(iii)). The F&A Chairman presented the preliminary results of the analysis and pointed out the difficulty of the task. It is recommended that the F&A Chairman and Executive Secretary continue working on this assignment. In conducting additional analyses there should be greater consideration by the Secretariat in quantifying the activities that are needed to support expert groups at annual and inter-sessional meetings, co-sponsorship of a conference, or any other activity that requires use of Secretariat services so that the consequences of future changes (up or down) in overall financing for the Secretariat can be more clearly understood.

The Committee confirmed (1) the importance for all Contracting Parties to pay the annual fee by the January 1 deadline, and (2) that for planning of their funding requests for annual contributions, Contracting Parties 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.

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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, monetary and “in-kind”, are equally valuable to PICES.

The Executive Secretary reported on fund-raising efforts for the period since PICES-2013 (*F&A Endnote 5*) and summarized voluntary contributions and grants for PICES activities by ministries, agencies and institutions of Contracting Parties for the period from 2000–2014. It was noted in the discussion that this year all parties provided voluntary contributions, and Korea provided substantial additional funding for hosting PICES-2014. From a project-based summary it became evident that there are uneven voluntary contributions to PICES projects with, for example, the Intern Program receiving consistent annual support while contributions to the FUTURE Program have been irregular. It was suggested that Contracting Parties indicate to the Executive Secretary the areas they see as highest priority for voluntary contributions.

It was also pointed out that the level of external funding has increased significantly since 2000. In 2010–2012 and in 2014, the amount of funds from voluntary contributions, grants and partnerships for various activities initiated or sponsored by PICES exceeded the total annual contribution by Contracting Parties, indicating the Organization’s large dependence on outside funding offers, most of which have specific product and service requirements. However, the level of external funding in 2013 was ~2.5 times lower than in 2012, and in 2014 it was ~2.2 times higher than in 2012. This reflects the volatility in external funding and the risk to the Organization of being too dependent on this type of income to support PICES scientific activities and operations.

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* 2014, and the estimated amount of the encumbered funds for the fiscal year end.

AGENDA ITEM 7

Financing of high priority PICES projects

The F&A Committee reviewed activities proposed under high priority PICES initiatives such as (1) the PICES integrative science program on “*Forecasting and Understanding Trends, Uncertainty and Responses of North Pacific Ecosystems*” (FUTURE), (2) the North Pacific Ecosystem Status Report, and (3) capacity building.

Considering the number and scale of activities identified by the FUTURE roadmap and the likely restructuring of governance of the Program, augmenting the budget for FUTURE is warranted. The Committee recommends that a portion of the funds (estimated at \$64,624) available from the completed projects in the Working Capital Fund as of December 31, 2014, be allocated for this Program.

The North Pacific Ecosystem Status Report appears to have sufficient financial support in the near-term, and no actions are required at this time.

PICES normally uses the Trust Fund and the MAFF Fund to support capacity building activities. A special encumbered fund (ECS Fund) within the Working Capital Fund is established only for the ICES/PICES Conferences for Early Career Scientists (ECS), when substantial contributions from both organizations are required. In preparation for the 2017 ICES/PICES ECS Conference in Korea, the Committee recommends that \$25,000 from reserve operating funds in the Working Capital Fund be earmarked to start a special encumbered fund for the conference.

The PICES Intern Program aims at the professional development of marine scientists and managers from Contracting Parties and increasing the capacity of the Secretariat to support the work of the Organization. The Program was approved in 1999 (Decision 1999/A/7) and commenced in 2000. From May 2000, a total of 14 people from three countries (5 from China, 5 from Korea and 3 from Russia) have worked as interns at the PICES Secretariat. At PICES-2013, the Executive Secretary was requested to develop a report on the implementation of the Intern Program, including information on the current status of former interns as a measure of the Program value (Decision 2013/A/7(iii)). If it is decided by Council to continue the Program, the Committee recommends consideration of raising the stipend up to \$3,000 per month (the current stipend of \$2,000 per month has not changed since the inception of the Program) effective January 1, 2015. In addition, the Committee recommends inviting Contracting Parties to provide voluntary contributions to the Trust Fund to support the Intern Program in 2015 and beyond.

AGENDA ITEM 8

Schedule, structure and financing of future Annual Meetings

Following the request by Council (Decision 2013/A/4(ii)), China agreed to host the 2015 PICES Annual Meeting (PICES-2015) from October 15–25, in Qingdao, with the First Institute of Oceanography of the State Oceanic Administration (SOA) responsible for local arrangements. Information on the status of preparations for PICES-2015 was presented by the Chinese delegation. The Committee recommends that Council accept the proposed dates, and approve China’s request for \$40,000 to partially cover costs for this meeting. A site visit to China by the staff of the Secretariat in early 2015 is required to finalize the venue selection.

Previously, the United States had indicated their intention to host PICES-2016. However, because the U.S. delegate could not be present at the 2013 F&A Committee meeting due to the partial shutdown of the U.S. federal government, no update on the status of planning was available at PICES-2013. Following the request by Council (Decision 2013/A/4(ii)), Dr. John Stein, in his letter of June 3, 2014, informed the Secretariat that the United States is willing to host PICES-2016 at a site on the west coast of the United States. The U.S. government has acknowledged the special nature of the 25th Anniversary Annual Meeting and highlighted the importance to working with the Anniversary Planning Committee on special activities to commemorate the occasion. After receiving brief information on the status of preparations for PICES-2016 provided by the U.S.

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delegation, the Committee recommends that Council approve the offer from the United States to hold PICES-2016 in San Diego, California, with the dates and specific venue to be proposed in spring 2015.

The Committee recommends that, in keeping with the established 6-year rotation cycle (Decision 1994/A/6), Council invite Russia to explore the possibility of hosting PICES-2017, and inform the Secretariat on this matter by March 31, 2015.

The Committee reviewed various approaches to financing the annual meetings developed by the F&A Chairman and Executive Secretary (see Decision 2013/A/4(iv)), and recommends that each Contracting Party be requested to inform the Executive Secretary by January 31, 2015, which of the following approaches works best for the Party to fund the annual meeting when it is the responsibility of the Contracting Party: (1) the existing approach when substantial expenditures from a Contracting Party are required once every six years for hosting the meeting, (2) an approach through supplemental annual contributions by each Contracting Party, or (3) a hybrid approach of the first two options.

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 and recommends keeping the same structure for PICES-2015 as for PICES-2010 through PICES-2014:

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

At PICES-2005, 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 2014. Science Board has already indicated the importance of having an inter-sessional meeting in 2015, and Korea has expressed their willingness to host the meeting in late April or early May. The Committee supports the request by Science Board and recommends it to Council for approval.

AGENDA ITEM 9

Report and recommendations of the Planning Committee for the 25th Anniversary of PICES

The PICES Convention entered into force on March 24, 1992, and the 1st PICES Annual Meeting was held October 12–17, 1992, in Victoria, Canada. The approaching 25th Anniversary of PICES (the 25th PICES Annual Meeting will be held in 2016 at a site on the west coast of the United States) provides an important opportunity for the Organization and its Contracting Parties to recognize the accomplishments to date and to look forward to the next 25 years.

At PICES-2012, Council agreed to form a committee to (1) direct the planning of events, activities and products, and (2) prepare a budget and plan fund-raising for the PICES 25th Anniversary year (Decision 2012/A/5).

Several members of the Anniversary Planning Committee (APC) and representatives of Contracting Parties met on October 12, 2013, at PICES-2013 (Nanaimo, Canada) to discuss potential activities, products and symbols for the anniversary, but the first formal APC meeting was held on October 21, 2014, at PICES-2014. The F&A Committee received the APC preliminary report (*F&A Endnote 6*) on the development of the anniversary program and budgeting and fund-raising for this program. The Committee reiterated the importance for each Contracting Party to raise at least \$25,000 for the 25th Anniversary of the Organization (Decision 2013/A/5(i)).

The Committee also recommends to earmark \$50,000 of reserve operating funds in the Working Capital Fund and to re-allocate \$20,000 available from completed projects in the Working Capital Fund as of December 31, 2014, for 25th Anniversary activities.

AGENDA ITEM 10

Budget

Estimated accounts for FY 2014 (Agenda Item 10a)

The Committee reviewed the estimated accounts for FY 2014 and recommends their acceptance by Council.

Interest and other income (Agenda Item 10b)

In FY 2013, the total income was \$433,477. This amount includes \$193,851 in voluntary contributions and grants (\$133,342 credited to the Working Capital Fund and \$60,509 credited to the Trust Fund).

In FY 2014, the estimated total income is \$917,808. This amount includes \$727,112 in voluntary contributions and grants (\$662,800 credited to the Working Capital Fund and \$64,312 credited to the Trust Fund).

These numbers do not include funding provided by the Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF: \$130,036 in 2013 and \$83,553 in 2014) and the Japanese Ministry of the Environment (MoE: \$1,099,691 in 2014).

Relocation and Home Leave Fund (Agenda Item 10c)

At PICES-2007, Council approved the recommendation that the level of the Relocation and Home Leave Fund be allowed to fluctuate between \$90,000 and \$110,000 to minimize the need for small transfers between funds (Decision 2007/A/3(iii)). Noting substantial expenses from the Relocation and Home Leave Fund in 2014, the Committee recommends that Council approve a transfer from the Working Capital Fund to the Relocation and Home Leave Fund in order to bring the balance of the Relocation and Home Leave Fund to the minimum required level of \$90,000.

Trust Fund (Agenda Item 10d)

In FY 2013, the Trust Fund income was \$64,431 and expenses were \$58,358. Therefore, it was no need for an approved transfer from the Working Capital Fund to recover the 2013 expenses, and to restore the Trust Fund to the level of \$110,000 by the end of the financial year (Decision 2013/A/3(iv)).

In FY 2014, the estimated Trust Fund income is \$64,482 and estimated expenses are \$80,485. The Committee recommends that Council approve a transfer from the Working Capital Fund to the Trust Fund to recover 2014 expenses and restore the Trust Fund to the level of \$110,000.

Japanese Trust Fund (Agenda Item 10e)

The Executive Secretary presented the report on two projects supported by the Japanese Trust Fund: the PICES/MAFF project on "*Marine ecosystem health and human well-being*" and the PICES/MoE project on "*Effects of marine debris caused by the Great Tsunami of 2011*".

Working Capital Fund (Agenda Item 10f)

After all inter-fund transfers, the amount of funds available in the Working Capital Fund on January 1, 2014, was \$771,415. This includes \$294,530 in encumbered funds and \$476,885 in "operating" funds. In FY 2014,

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the total Working Capital Fund income and expenses are estimated at a level of \$852,926 (\$662,800 are voluntary contributions and grants) and \$463,060, respectively. After the recommended inter-fund transfers, the amount of funds available in the Working Capital Fund at the financial year end is estimated at \$1,005,074. This includes \$689,678 in encumbered funds, and \$315,396 in “reserve operating” funds.

Budget for FY 2015 and forecast budget for FY 2016 (Agenda Item 10g)

The Committee reviewed the proposed FY 2015 budget of \$884,000 (*F&A Endnote 7*) and recommends its approval by Council. The amount of \$129,200 will be transferred from the Working Capital Fund to balance the budget, setting the total annual contribution at \$754,800, and the 2015 annual fee at \$125,800 per Contracting Party. The annual fee increase of 1.45% from the FY 2014 level is based on the monthly average Consumer Price Index from July 2013 to June 2014 reported by Statistics Canada.

The Executive Secretary presented a forecast FY 2016 budget of \$897,000 and noted that this budget is prepared based on preliminary information available as of August 15, 2014, and is approximately 1.47% higher than the FY 2015 budget.

AGENDA ITEM 11

F&A Committee Action Plan

The PICES Strategic Plan, approved at PICES-2011 (Decision 2011/A/4(i)), mandates the preparation of 3-year Action Plans not only by Scientific and Technical Committees, but also by Executive Committees (F&A Committee and Science Board). These Action Plans are to describe specific actions and tasks needed to achieve the goals identified in the Strategic Plan. The Committee reviewed the F&A Committee Action Plan for 2012–2015 approved at PICES-2012, and determined that the Plan does not need to be revised.

AGENDA ITEM 12

Administrative matters

Facilities and services for the Secretariat

PICES has a Headquarters Agreement with the Government of Canada that entered into force on December 15, 1993. Under this agreement, the Department of Fisheries and Oceans (DFO) hosts the PICES Secretariat at the Institute of Ocean Sciences (IOS, Sidney, British Columbia) by providing office space and some basic (janitorial/maintenance) services. The Executive Secretary reported on current arrangements between PICES and DFO/IOS and local companies on general administrative services. He also indicated that the Organization will have a new Special Projects Coordinator position and its first Visiting Scientist, and thus extra space (two offices) was requested from DFO for their housing (ideally, these two rooms should be in close proximity to the main Secretariat office to insure their access to PICES’ own internet system and other office equipment). Canada will work with the Secretariat on implementing this request.

Income tax levies

Tax levies are an important source of alternative revenue for international organizations. The addition of *Regulation 12(vi)* to the PICES Financial Regulations in 2006, to allow the extension of the tax levy practice for federal taxes to staff members of the Secretariat who are citizens and permanent residents of Canada, has resulted in an increase of revenue from \$22,000–25,000 in FYs 2003–2005 to more than \$75,000 in FY 2009–2014. Higher revenue can be expected if the tax levy practice for provincial income taxes is implemented for Canadian employees of PICES (the amount of provincial taxes remitted annually to Revenue Canada is ~\$17,000). Unfortunately, there is no provision in the *British Columbia Income Tax Act* (different from the

Canadian Income Tax Act) that allows an employee of an international organization, who is a Canadian citizen or a permanent resident, a tax credit for provincial taxes.

The Committee discussed the progress on the status of negotiations regarding the possibility of obtaining an *exgratia grant* from the British Columbia government to PICES equal to the amount of the provincial personal income taxes remitted. Due to the economic situation in recent years and structural changes in the provincial government, the application was not viewed favorably and the grant has not been approved yet. The Executive Secretary noted that assistance from Canadian members of Council may be needed to facilitate the process for the coming year.

AGENDA ITEM 13

Appointment of F&A Committee Chairman

The Committee recommends that Council re-appoint Dr. John Stein (USA) to a second term of office as F&A Committee Chairman. Dr. Stein indicated his willingness to serve the second term, pending no other nominations.

AGENDA ITEM 14

Other business

Pension Plan

At PICES-2010, 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, and agreed that additional employer contributions to the IFC Pension Plan in 2010 and beyond be made in advance in order to reduce future payments. The Committee recommends that Council approve: (1) a lump sum employer contribution of \$20,000 to the IFC Pension Plan be made from the *FY* 2015 budget to pay down unfunded liabilities, (2) an additional lump sum payment (up to \$25,000) be paid to the IFC Pension Plan, if there is a *FY* 2014 surplus in the General Fund, as determined by the Auditor's Report for 2014, and (3) this practice be continued until PICES receives the next actuarial valuation, which is currently expected in 2017.

Severance pay

At the request of Canada, the Committee addressed whether severance provisions in PICES should be revised to maintain alignment with the Public Service of Canada. The PICES *Staff Rule 39(a)*, states that "*Severance pay will be paid to staff in accordance with the appropriate group collective agreement of the public sector of the host State.*" Further, *Regulation 12(i)* of the PICES Financial Regulations indicates that "The Council shall adopt a salary scale and benefits for the Executive Secretary and the staff based, to the extent possible, on the salary scale, position classification system, and benefits of the public service of the host state."

Due to the complexity of this issue, the Committee agreed to present two alternative sets of recommendations for consideration and discussion by Council. Alternative (a), which has no specific timeline and would allow a more informed discussion on the severance pay policy issue for PICES employees, with the Committee recommending Council to (1) arrange for a review of the PICES Staff Rules to assess consistency with PICES Financial Regulations and the Public Service of Canada and (2) instruct the Secretariat to prepare financial analysis of current staff's severance status. The review and analysis will be circulated to Contracting Parties at least one month prior to PICES-2015. Alternative (b), which is more specific in regard to the relevant rule in the PICES Staff Rules, with the Committee recommending Council to (1) freeze accruals of severance pay on January 1, 2016, and task the F&A Chairman, the Executive Secretary and Chairman of PICES to develop a plan for implementing this change on the effective date or as soon as practical thereafter, and (2) independently, instruct the F&A Chairman, Executive Secretary and Chairman of PICES to conduct a

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review of the Staff Rules to assess consistency with PICES Financial Regulations and the Public Service of Canada and to evaluate the extent to which they currently address the need for effective operation of an international science organization in 2015 and beyond. The implementation plan and review will be circulated to Contracting Parties at least one month prior to PICES-2015.

AGENDA ITEM 15

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

A set of recommendations was circulated and approved by all F&A members. The F&A report was brought forward by Dr. Stein at the first session of Council on October 25, 2014.

F&A Endnote 1**2014 F&A Committee meeting participation list**Canada

Robin Brown (F&A member)
David Gillis (F&A member)
Darlene Smith (advisor)

Japan

Ken Mori (F&A member)
Akihiko Yatsu (advisor)

People's Republic of China

Yafeng Yang (advisor)
Rui Zheng (F&A member)

Republic of Korea

Chul Park (F&A member)
Naesun Park (advisor)
Gidong Yeo (advisor)

Russian Federation

Igor Shevchenko (F&A member)

U.S.A.

Patricia Livingston (F&A member)

Other

John Stein (F&A Chairman)
Laura Richards (PICES Chairman)
Alexander Bychkov (Executive Secretary)

F&A Endnote 2**2014 F&A Committee meeting agenda**

1. Welcome and opening remarks
2. Adoption of agenda and meeting procedures
3. Audited accounts for *FY* 2013
4. Annual contributions
5. Fund-raising activities
6. Encumbered funds for PICES activities
7. Financing of PICES high priority initiatives
 - a. Implications of restructuring of the second PICES integrative scientific program, FUTURE
 - b. North Pacific Ecosystem Status Report
 - c. Capacity building
8. Schedule, structure and financing of future Annual Meetings
9. Report and recommendations of the Planning Committee for the 25th Anniversary of PICES
10. Budget
 - a. Estimated accounts for *FY* 2014
 - 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* 2015 and forecast budget estimates for *FY* 2016
11. F&A Committee Action Plan
12. Administrative matters
13. Appointment of F&A Committee Chairman
14. Other business
15. 2014 F&A report and recommendations to Governing Council

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F&A Endnote 3

**NORTH PACIFIC MARINE SCIENCE ORGANIZATION
FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2013 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 financial statements in accordance with the North Pacific Marine Science Organization's Financial Regulations 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 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.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 in the financial statements, which describes the basis of accounting. The financial statements are prepared to comply with the North Pacific Marine Science Organization's Financial Regulations as referred to above.

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, 2013, and the results of its operations and changes in fund balances for the year then ended.

Sidney, B.C.
May 9, 2014



Hale Hughesman
Chartered Accountants

NORTH PACIFIC MARINE SCIENCE ORGANIZATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

ASSETS

	2013	2012
CURRENT ASSETS		
Cash and short term deposits (note 4)	\$ 1,530,256	\$ 1,586,896
Accounts receivable	129,771	191,825
Prepaid expenses	4,192	2,676
	\$ 1,664,219	\$ 1,781,397

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 182,070	\$ 191,923
Funds held for Contracting Parties (note 3)	248,000	245,600
	430,070	437,523

FUND BALANCES

WORKING CAPITAL FUND (note 4)	902,415	1,047,949
TRUST FUND	116,073	110,000
RELOCATION AND HOME LEAVE FUND	110,000	100,000
MINISTRY OF AGRICULTURE, FORESTRY AND FISHERIES FUND	105,661	85,925
	1,234,149	1,343,874
	\$ 1,664,219	\$ 1,781,397

**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General Fund	Working Capital Fund	Trust Fund	Relocation and Home Leave Fund	Ministry of Agriculture, Forestry and Fisheries Fund	2013 Total	2012 Total
FUND BALANCES, beginning of year	\$ -	\$ 1,047,949	\$ 110,000	\$ 100,000	\$ 85,925	\$ 1,343,874	\$ 1,154,393
SOURCES OF FUNDS							
Contributions from Contracting Parties	736,800	-	-	-	-	736,800	719,400
Budgeted transfer to General Fund (note 5)	113,200	(113,200)	-	-	-	-	-
Voluntary contributions and grants (note 6)	-	133,342	60,509	-	130,036	323,887	834,107
Interest and other income (note 7)	-	233,998	3,922	1,706	450	240,076	229,567
	850,000	254,140	64,431	1,706	130,486	1,300,763	1,783,074
FUND BALANCES, before expenditures	850,000	1,302,089	174,431	101,706	216,411	2,644,637	2,937,467
EXPENDITURES							
Personnel services	563,487	46,156	-	-	-	609,643	596,532
Annual Meeting	15,741	151,780	-	-	-	167,521	81,288
Special meetings/travel	123,404	-	31,603	-	-	155,007	432,796
Publications	29,643	3,156	-	-	-	32,799	43,428
Communication	35,397	-	-	-	-	35,397	32,740
Office and administration	28,563	1,209	31	-	-	29,803	23,972
Projects (note 8)	-	246,706	-	-	-	246,706	188,840
Intern program	-	-	26,724	-	-	26,724	28,472
Relocation	-	-	-	-	-	-	11,248
MAFF Fund expenditures (note 9)	-	-	-	-	110,750	110,750	155,057
Foreign exchange gain (note 10)	(3,862)	-	-	-	-	(3,862)	(780)
	792,373	449,007	58,358	-	110,750	1,410,488	1,593,593
NET FUNDS AVAILABLE	57,627	853,082	116,073	101,706	105,661	1,234,149	1,343,874
TRANSFER TO							
WORKING CAPITAL FUND (note 4)	(57,627)	57,627	-	-	-	-	-
INTERFUND TRANSFERS (note 5)	-	(8,294)	-	8,294	-	-	-
FUND BALANCES, end of year	\$ -	\$ 902,415	\$ 116,073	\$ 110,000	\$ 105,661	\$ 1,234,149	\$ 1,343,874

NORTH PACIFIC MARINE SCIENCE ORGANIZATION**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2013****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. 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 \$4,086 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.

(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, the fair value of which approximates their carrying value. 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 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. FUNDS HELD FOR CONTRACTING PARTIES

The funds held for Contracting Parties are advance contributions from Japan in the amount of \$124,000 and the U.S.A. in the amount of \$124,000.

4. WORKING CAPITAL FUND

Of the total amount in the Working Capital Fund, \$294,530 of cash and short term deposits is restricted for specific designated projects.

Pursuant to decision 2013/A/3(ii) of the Governing Council, \$131,000 of the funds held in the Working Capital Fund will be transferred to the General Fund at the beginning of the 2014 fiscal year to balance the budget, setting the total annual contribution at \$744,000, and the 2014 annual fee at \$124,000 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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5. INTERFUND TRANSFERS

The Governing Council approved the transfer of \$113,200 at the beginning of 2013 from the Working Capital Fund to the General Fund (Decision 2012/A/3/ii) to balance the budget, setting the total annual contribution at \$736,800, and the 2013 annual fee at \$122,800 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 2013 (Decision 2013/A/3/iv). No amount was transferred in 2013.

The Governing Council approved the transfer of funds from the Working Capital Fund to restore the Relocation and Home Leave Fund to \$110,000 (Decision 2013/A/3/iii). The amount of the transfer was \$8,294.

6. VOLUNTARY CONTRIBUTIONS AND GRANTS

	Working Capital	
	Fund	Trust Fund
Contributions for the North Pacific CPR Project		
DFO (Canada)	\$ 50,000	\$ -
NPRB (U.S.A.)	54,955	-
2013 inter-sessional FUTURE Workshop		
ICES	5,068	-
Contributions for PICES 2012:		
SCOR travel grant	-	5,205
Contributions for PICES 2013:		
IMBER	3,123	-
Contributions to part time Secretariat position:		
KIOST (Korea)	20,196	-
Contributions to Intern program:		
DFO (Canada)	-	10,000
KIOST (Korea)	-	5,202
NOAA (U.S.A.)	-	24,188
Contributions for 2013 PICES Summer School:		
IMBER	-	2,965
NPRB (U.S.A.)	-	4,961
SCOR	-	5,100
SOLAS	-	2,888
	\$ 133,342	\$ 60,509

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7. INTEREST AND OTHER INCOME

	Working Capital Fund	Trust Fund	Relocation and Home Leave Fund	Ministry of Agriculture, Forestry and Fisheries Fund
Interest income	\$ 12,418	\$ 330	\$ 1,706	\$ 450
Income tax levies	80,221	-	-	-
GST/HST & PST rebates	13,724	-	-	-
Overhead from MAFF Project	16,905	-	-	-
Overhead from PICES - 2013	10,000	-	-	-
Overhead from WOA	25,194	-	-	-
PICES 2013 registration fees	75,536	-	-	-
PICES - 2012 LOC Contribution	-	3,498	-	-
Miscellaneous income	-	94	-	-
	\$ 233,998	\$ 3,922	\$ 1,706	\$ 450

8. PROJECTS

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

	2013	2012
ESSAS Annual Meeting	4,403	-
Development of FUTURE	45,784	9,299
North Pacific CPR Project	103,905	178,931
Climate Change Symposium Series	22,225	-
World Ocean Assessment	70,325	-
North Pacific Ecosystem Status Report	64	610
	\$ 246,706	\$ 188,840

NORTH PACIFIC MARINE SCIENCE ORGANIZATION

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9. MINISTRY OF AGRICULTURE, FORESTRY AND FISHERIES FUND EXPENDITURES

2007-2012 PICES/MAFF Project: Development of the prevention systems for harmful organisms' expansion in the Pacific Rim

	2013	2012
Special meetings/travel	\$ -	\$ 45,081
Contractual services	-	20,278
Equipment	-	24,357
Miscellaneous	-	19
	\$ -	\$ 89,735

2012-2017 PICES/MAFF Project: Marine ecosystem health and human well being

	2013	2012
Special meetings/travel	\$ 51,815	\$ 36,685
Contractual services	41,950	8,960
Equipment/supplies	-	146
Overhead to PICES	16,905	19,484
Miscellaneous	80	47
	\$ 110,750	\$ 65,322
Total MAFF expenses	\$ 110,750	\$ 155,057

10. FOREIGN EXCHANGE GAIN/LOSS

At year end all funds held in foreign currency (US \$38,370) are converted to Canadian dollars using the December 31st exchange rate. A foreign exchange gain 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 (2013 = 1.0636, 2012 = 0.9908), and not by the actual purchase or sale of any foreign currencies.

11. UNFUNDED PENSION LIABILITY

The Organization holds a pension plan for its employees with the International Fisheries Commissions Pension Society. The actuarial valuation report was prepared as at January 1, 2014 and showed an unfunded pension liability for PICES of \$177,000. The unfunded pension liability of \$268,000 reported in the 2011 actuarial valuation has been reduced due to monthly instalments and voluntary lumpsum payments approved by the Governing Council. It is expected that payments to the plan will continue on a similar basis. The next actuarial valuation is expected January 1, 2017.

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

12. ANNUAL LEAVE AND OVERTIME LIABILITY

The Organization accrues annual leave not taken and overtime worked for its employees on a per hour basis. No amount has been recorded in the financial statements with regards to the total 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&A Endnote 4***Payment schedule of annual fees, 2005–2014¹**

	<i>Canada</i>	<i>China</i>	<i>Japan</i>	<i>Korea</i>	<i>Russia</i>	<i>USA</i>
<i>2005</i>	Dec. 24, 04	Sept. 22, 05²	Mar. 02, 05	Mar. 30, 05	Mar. 31, 05³	Jan. 10, 05
<i>2006</i>	Dec. 28, 05	Aug. 01, 06	Dec. 15, 05	Feb. 08, 06	Feb. 28, 06	Jan. 30, 06
<i>2007</i>	Jan. 23, 07	July 03, 07	Dec. 05, 06	Apr. 03, 07	Feb. 13, 07	Jan. 10, 07
<i>2008</i>	Jan. 16, 08	May 15, 08	Dec. 20, 07	Feb. 15, 08	Feb. 13, 08	Jan. 07, 08⁴
<i>2009</i>	Jan. 05, 09	June 03, 09	Dec. 11, 08	Apr. 01, 09	Mar. 27, 09	Dec. 24, 08
<i>2010</i>	Apr. 01, 10	Aug. 05, 10	Dec. 14, 09	Mar. 02, 10	Mar. 26, 10	Dec. 11, 09
<i>2011</i>	Feb. 08, 11	June 30, 11	Dec. 03, 10	Mar. 25, 11⁵	Feb. 09, 11	Dec. 07, 10
<i>2012</i>	Jan. 03, 12	Aug. 31, 12	Nov. 22, 11	Oct. 11, 12	Mar. 29, 12	Nov. 16, 11
<i>2013</i>	Jan. 07, 13	Oct. 11, 13	Nov. 21, 12	May 14, 13	Apr. 12, 13	Dec. 17, 12
<i>2014</i>	Feb. 18, 14	July 11, 14	Dec. 06, 13	Apr. 11, 14	Mar. 05, 14	Dec. 20, 13

¹ Late (after March 31) or partial payments are indicated in bold;

² Partial (86%) payment, remainder paid December 30, 2005;

³ Partial (96.6%) payment, remainder paid April 25, 2005;

⁴ Partial (92.3%) payment, remainder paid on May 22, 2009;

⁵ Partial (88.1%) payment, remainder paid on September 20, 2011.

*F&A Endnote 5***External funding and voluntary contributions received since PICES-2013**

For the period since PICES-2013, the following external funding and voluntary contributions were provided or committed for various activities of the Organization:

Special projects

- The overall goal of the PICES project on “*Marine ecosystem health and human well-being*”, funded by the Ministry of Agriculture, Forestry and Fisheries of Japan (MAFF), through the Fisheries Agency of Japan, is to identify the relationships between sustainable human communities and productive marine ecosystems in the North Pacific, under the concept of fishery social-ecological systems. The duration of the project is 5 years, starting on April 1, 2012, with an ending date of March 31, 2017. The budget allocated for *Year 3* (April 1, 2014 – March 31, 2015) of the project is \$83,553.
- The overall goal of the PICES project on “*Effects of marine debris caused by the Great Tsunami of 2011*”, funded by Ministry of the Environment of Japan (MoE), is to assess and forecast the effects of debris generated by the tsunami that followed the 2011 Great East Japan Earthquake, especially those related to alien species invasion, on ecosystem structure and function, the coastlines and communities of the west coast of North America and Hawaii. The duration of the project is 3 years, starting on April 15, 2014, with an ending date of March 31, 2017. The budget allocated for *Year 1* (April 1, 2014 – March 31, 2015) of the project is \$1,099,691.
- Recognizing the Continuous Plankton Recorder (CPR) data as the only long-term biological indicator of global change on the scale of the North Pacific, PICES has endorsed the North Pacific CPR (NP CPR) survey in 1999 and, since 2008, manages the Funding Consortium that supports this regional activity. PICES also maintains, under its Technical Committee on Monitoring (MONITOR), an Advisory Panel on *Continuous Plankton Recorder Survey in the North Pacific* (AP-CPR) comprising scientists representing interested Contracting Parties (Dr. Sonia Batten, project PI, is an *ex-officio* member of the Panel representing SAHFOS). The Panel meets annually to contribute advice and oversee the project; AP-CPR reports are available at http://www.pices.int/members/advisory_panels/cpr.aspx. The following five agencies have committed their resources for the project:

- The Department of Fisheries and Oceans (DFO, Canada), a member of the consortium since 2008, provided \$50,000 for the period from April 1, 2014 to March 31, 2015. The contribution at the same level is expected to continue for several more years.
- The North Pacific Research Board (NPRB, USA) joined the consortium in 2009 and committed \$50,000 US per year for 5 years (until May 31, 2014) to support operations of the project. This year, NPRB launched the Long-term Monitoring (LTM) program to support new or existing time-series research that enhances understanding of variability in marine ecosystems and its effects on marine resources. Thirty-six pre-proposals were received, with six groups of applicants invited to submit full proposals. After the external peer review and review by the NPRB Advisory and Science Panels, the Board chose to fund three projects, including the NP CPR survey. The project #1425 is for 5 years, with the amount of \$60,777 US for *Year 1* (July 1, 2014 – June 31, 2015).
- The *Exxon Valdez* Oil Spill Trustee Council (EVOSTC, USA) provided \$188,600 US for operations of the NP CPR project in 2010–2012, and report writing in 2013 (project on “*Measuring inter-annual variability in the herring’s forage base from the Gulf of Alaska*”). A new project on “*Long-term monitoring of zooplankton populations on the Alaskan Shelf and Gulf of Alaska using Continuous Plankton Recorders*” was approved as a part of a Long Term Monitoring Program of EVOSTC for 2013–2016 (also called Gulf Watch Alaska), with the amount of \$63,130 US for 2014. Funding in subsequent years will be incremented slightly for cost of living increases.
- The Japanese Society for Promotion of Science (JSPS) awarded a grant (2009–2017) 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.
- The CPR parent organization, the Sir Alister Hardy Foundation for Ocean Science (SAHFOS, UK), contributes the remaining funds required to operate the survey at its current level. SAHFOS has initiated a Global Alliance of CPR Surveys (GACS) program, and the Pacific survey is an important component of this program, so it is currently in SAHFOS interests to support the survey. Further funding from the Pacific region would be desirable however, and would help ensure that sampling effort remains at the current level, if SAHFOS was unable to provide the additional support.

At PICES-2010, the F&A Committee recommended that an annual status report on the NP CPR survey be presented at future meetings so that the achievements/benefits would be more apparent to Contracting Parties.

Symposia/sessions/workshops

- The State Oceanic Administration (SOA, China) and the National Oceanic and Atmospheric Administration (NOAA, USA) provided ~\$16,500 and \$39,000, respectively, for the 2014 FUTURE Open Science Meeting (April 14–18, 2014, Kohala Coast, Hawaii, USA).
- The National Marine Fisheries Service of NOAA (USA) hosted the 2014 inter-session Science Board meeting (April 19–21, 2014, Kohala Coast, Hawaii, USA).
- Several international and national 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 scientific sessions and workshops held at PICES-2014 (October 15–26, 2014, Yeosu, Korea): “*Tipping points: defining reference points for ecological indicators of multiple stressors in coastal and marine ecosystem*” (S3: ICES and IMBER), “*Ecosystem considerations in fishery management of cod and other important demersal species*” (S5: ICES), “*Recent assessments of climate change impacts on marine ecosystems*” (S7: ICES and IPCC), “*Marine debris in the Ocean: Sources, transport, fate and effects of macro- and micro-plastics*” (S8: GESAMP, ICES and NOWPAP), “*Variability in advection and its biological consequences for Subarctic and Arctic ecosystems*” (S9: ICES), “*Dynamics of pelagic fish in the North Pacific under climate change*” (W1: ISC), “*Linkages between the winter distribution of Pacific salmon and their marine ecosystems and how this might be altered with climate change*” (W2: NPAFC), “*Networking ocean observatories around the North Pacific Ocean*” (W4: Ocean Networks Canada), “*SOLAS into the Future: Designing the next phase of the Surface Ocean-Lower Atmosphere Study within the context of the Future Earth Program*” (W5: SOLAS).

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- The following organizations/agencies committed funding for the 3rd PICES/ICES/IOC Symposium on “*Effects of climate change on the world’s oceans*” to be held March 21–27, 2015, Santos, Brazil (funds marked by * will be handled by PICES):
 - Department of Fisheries and Oceans (DFO), Canada – \$20,000*
 - Integrated Marine Biogeochemistry and Ecosystem Research (IMBER) – \$3,000 US*
 - Intergovernmental Oceanographic Commission of UNESCO (IOC) – \$10,000 US*
 - International Atomic Energy Agency (IAEA), Ocean Acidification International Coordination Centre (OA-ICC) – 15,000 €*
 - International Council for the Exploration of the Sea (ICES) – 10,000 €+ publication in IJMS
 - National Marine Fisheries Service of NOAA (NMFS), USA – \$50,000 US*
 - North Pacific Research Board (NPRB), USA – \$15,000 US*
 - Scientific Committee on Oceanic Research (SCOR) – \$5,000 US
 - Surface Ocean-Lower Atmosphere Study (SOLAS) – \$3,000 €*
- The Department of State (USA) provided \$87,500 for the PICES Annual Meeting to be held in October 2016, at a site on the west coast of the United States.

PICES 25th Anniversary

- The State Oceanic Administration (China) and the Department of Fisheries and Oceans (Canada) provided \$25,000 each for the 25th Anniversary of the Organization to be celebrated in 2016.

Publications

- The Department of Fisheries and Oceans (Canada) committed \$30,000 per year for 3 years (2014–2016) in support of the PICES Publication Program – for drafting, technical editing and publishing of reports in the PICES Scientific Report Series.

Capacity building

- Several contributions were received/committed for the Trust Fund in support of the PICES Intern Program:
 - Department of Fisheries and Oceans, Canada – \$10,000;
 - National Marine Fisheries Service of NOAA, USA – \$27,400;
 - Pacific Research Fisheries Centre (TINRO-Centre), Russia ~ \$5,500;
- The following organizations/programs co-sponsored the 2014 PICES Summer School on “*End-to-End models for marine resources management and research*” (August 26–29, 2014, Gangneung, Korea):
 - Several Korean organizations (Seoul National University, Gangneung-Wonju National University and Gangwon Sea Grant) – travel expenses for 3 lecturers and 4 students, and local expenses for all attendees (30 students and 5 lecturers);
 - Northwest Fisheries Science Center, NMFS (USA) – travel expenses for 2 lecturers;
 - Integrated Marine Biogeochemistry and Ecosystem Research (IMBER) – \$4,900 US;
 - North Pacific Research Board (USA) – \$5,000 US;
 - Scientific Committee on Oceanic Research (SCOR) – \$4,900 US;
- 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-2014.

Operations of the PICES Secretariat

- An overhead of \$10,862 of the *Year 2* budget (\$83,553) for the PICES/MAFF project on “*Marine ecosystem health and human well-being*” was retained to offset expenses related to the Secretariat’s involvement in the project.
- An overhead of \$142,960 of the *Year 1* budget (\$1,099,691) for the PICES/MoE project on “*Effects of marine debris caused by the Great Tsunami of 2011*” was retained to offset expenses related to the Secretariat’s involvement in the project.
- An overhead of \$3,000 of the *Year 1* budget (\$30,000) for the DFO contribution in support of the PICES Publication Program.

F&A Endnote 6**25th Anniversary Planning Committee Meeting**

PICES-2014
 Yeosu, Korea
 October 21, 2014

Theme – US Suggestion

“25 Years of PICES
 Celebrating the Past, Imagining the Future”

Elements of the Theme

- Taking stock of PICES science – regime shifts to science for ecosystem based management;
- Specific contributions in biophysical models, ROMs, species response to climate variability, *etc.*;
- Embarked on integrating social and natural sciences;
- Looking forward – North Pacific marine science in the Anthropocene;
- CCCC to FUTURE to the next major science program – what is on the horizon?
- Where do we see PICES science as most effective in assisting in climate adaptation by member countries?

Thoughts on Approach

- The next 25 years are going to be like no other 25 years that we (as humans) have seen (climate change);
- 20% reflective 80% forward looking (negotiable);
- Look to the promising ‘next gen’ scientists as keynote speakers, majority of speakers.

Accomplishments – Context

- We now have an ocean science research community that is vibrant and real;
- We are on the same page with our science capabilities, and largely on our priorities;
- Given the community we have developed and its scientific achievements, now how can we best address the challenge that's coming.

Venue

- San Diego California;
- Venue depends on the format of the meeting – more plenary or not?
 - SB to discuss format,
 - Suggesting a ‘super session’/evening session with 2–3 dynamic speakers to engage PICES community and invite local public.
- Also allows PICES to reach out to Mexican colleagues to see if interested in joining.

Ideas

Web products such as:

- [new website](#);
- [25th anniversary photo album highlighting people and events over PICES history](#);
- interactive historical timeline of PICES;
- 25 photos that depict 25 years of PICES, *etc.*;
- *video of PICES accomplishments (good idea?)*;
- *lecture series with focus on integrating the disciplines of physics, chemistry, biology, and human interactions with them.*

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Publications such as:

- book titled “*The Journey with PICES*”, dedicated to the development of the Organization from its 10th to its 25th Anniversary (F&A Appendix 4);
- special journal issue that highlights the science advancements of PICES and future of marine science in the North Pacific;
- 25th anniversary edition of PICES newsletter.

Events such as:

- lecture series in each member country;
- special scientific sessions at PICES-2016 that reflect on the progress in key areas germane to PICES;
- and a session devoted to the next 25 years of marine science in the North Pacific;
- 25th anniversary gala with invited dignitaries and scientists from PICES history and key partners, including ICES, IOC, SCOR, and others;
- dedicated surveys with research vessels arriving at the location of the Annual Meeting while the meeting is in progress (added based on recommendations from the 2013 APC meeting) (CPs will look into possibilities).

Symbols such as:

- 25th anniversary logo that would be on all PICES communications during the anniversary year/period (F&A Appendix 4);
- Logo option selected – Option 3.

F&A Endnote 7

PROPOSED FY 2015 BUDGET

Sources for General Fund (GNF)		Amount
National contributions		754,800
Transfer from Working Capital Fund	(\$125,800 per Contracting Party)	129,200
Total		884,000

Category	GNF Allotment	WCF Allotments
Personnel Services	570,000	benefit adjustments, liabilities reduction
Annual Meeting	40,000	registration fee revenue as needed/available
Special Meetings/Travel	188,000	encumbered funds as needed/available
Publications/Communications	50,000	
Office/Administrative	36,000	
Projects		encumbered funds as needed/available
Total	884,000	

Estimated interest and other income	
Net income tax levies	70,000
Tax (GST, PST) rebate	10,000
Interest	10,000
Registration fees for PICES-2015	65,000
Overhead from the PICES/MAFF project	10,000