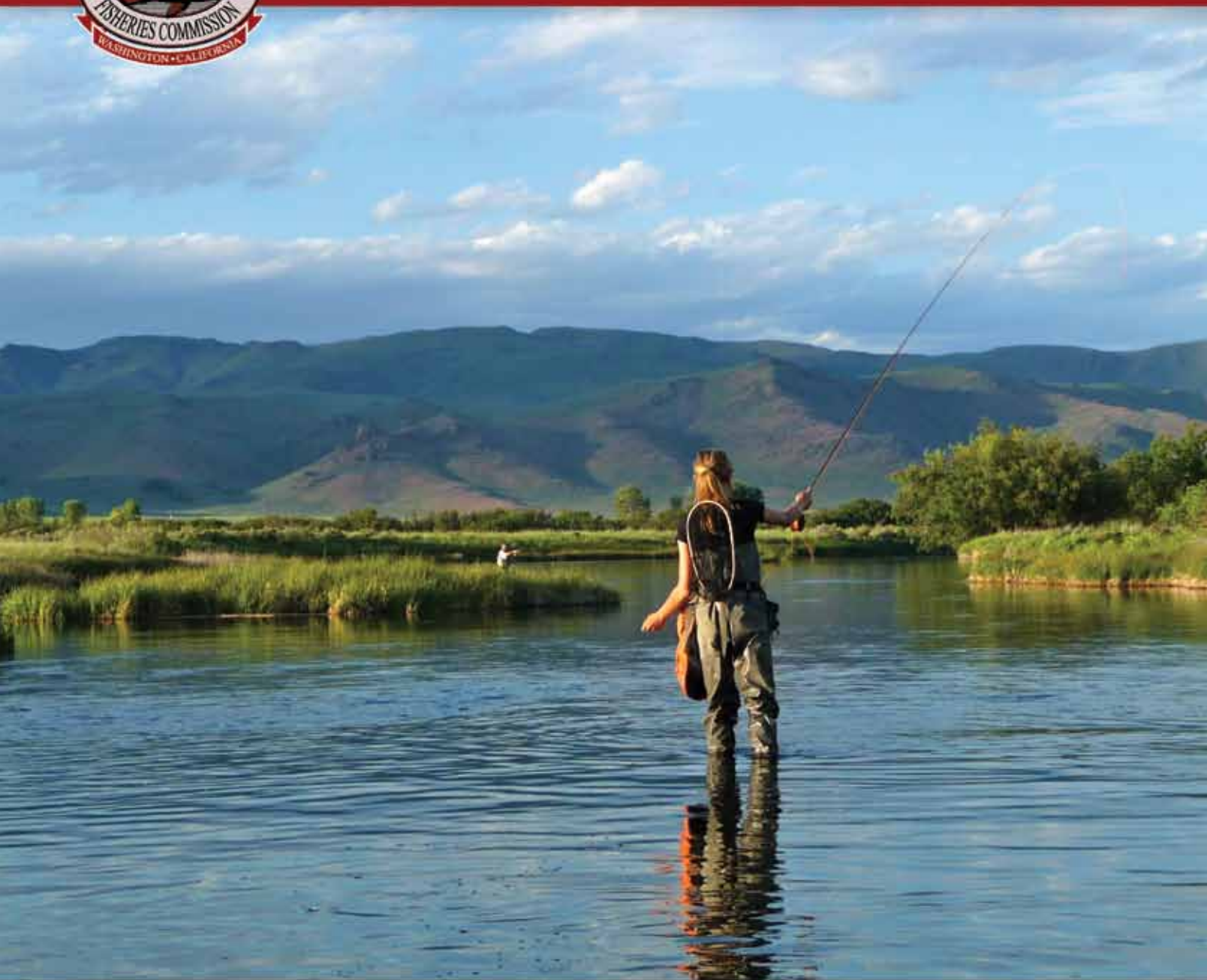




Pacific States Marine Fisheries Commission



2013 ANNUAL REPORT

PUBLISHED FOR THE CONGRESS OF THE UNITED STATES AND THE GOVERNORS AND LEGISLATURES OF
WASHINGTON, OREGON, CALIFORNIA, ALASKA AND IDAHO



66TH ANNUAL REPORT OF THE PACIFIC STATES MARINE FISHERIES COMMISSION

— Washington, Oregon, California, Alaska and Idaho —

2013

Presented by the Commissioners of the Pacific States Marine Fisheries Commission
in compliance with the State enabling acts creating the Commission
and Public Laws 232; 766; and 315
of the 80th; 87th; and 91st Congresses
of the United States.

Respectfully submitted,
PACIFIC STATES MARINE FISHERIES COMMISSION
Randy Fisher, *Executive Director*

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COMMISSIONERS, ADVISORS AND COORDINATORS 2013

State	Commissioners	Advisors	Coordinator
Alaska	Bryce Edgmon Eric Olson Sue Aspelund	Terry Johnson Don Lane Matthew Moir Herman Savikko Beverly Hoffman	Karla Bush (ADFG)
California	Charlton H. Bonham Thomas Harman Barbara Emley	Jim Caito Robert Fletcher Donald K. Hansen Mike McCorkle Aaron Newman Roger Thomas Kate Wing	Vacant
Idaho	Virgil Moore Eric Anderson Fred Trevey	Sharon Kiefer Ed Schriever Joe Stegner	Pete Hassemer (IDFG)
Oregon	Ed Bowles Betsy Johnson Jeff Feldner	Wayne Butler Steve Fick Liz Hamilton Paul Heikkila Rod Moore Brad Pettinger Frank Warrens	Maggie Sommer (ODFW)
Washington	Phil Anderson Brian Blake Harriet A. Spanel	Robert Alverson Mark Cedergreen Robert Jones Marion Larkin Irene Martin Bill Robinson	Heather Reed (WDFW)



MESSAGE FROM THE EXECUTIVE DIRECTOR

Randy Fisher, Executive Director

It is a pleasure to provide the 2013 Annual Report of the Pacific States Marine Fisheries Commission (PSMFC).

In addition to the PSMFC work that is reported here, we also joined with our sister Commissions to present our joint view to Congress regarding future funding priorities for the core missions of NOAA Fisheries.

The following is based on an important overview prepared by the Atlantic States Marine Fisheries Commission (ASMFC), the Pacific States Marine Fisheries Commission (PSMFC) and the Gulf States Marine Fisheries Commission (GSMFC), which collectively represent 27 coastal states on conservation and management issues relating to federal and state marine fisheries and the coastal environment. This summary lays out the major concerns that need to be addressed so the Commissions can effectively continue to perform their important functions in the years ahead. It bears repeating here.

Observations of the Three Marine Fisheries Commissions

The executive directors of the three Commissions are standing members of the federal Marine Fisheries Advisory Committee. Each of the Commissions serves as non-voting members of the Regional Fishery Management Councils (RFMCs) in their respective regions of the nation. Among their other missions, the Commissions have a lead role in the collection, assimilation, and distribution of fishery data used by NOAA Fisheries, the states, and the RFMCs as part of the regulation of commercial and recreational fisheries in Federal and State waters.

Work with and support for NOAA Fisheries

The Commissions are concerned about the erosion of the core mission capability of NOAA Fisheries caused by the current fiscal crisis. The Congress substantially increased the investments in NOAA Fisheries in Fiscal Years 2010 and 2011, but the cutbacks in 2012 and 2013 have forced the agency to scour its programs in search of savings. When adjusted for inflation, the budget for NOAA Fisheries in 2013 was actually lower than the enacted budget in Fiscal Year 2004. The agency is now operating with 280 fewer staff, making the role of the Commissions and the work that they do in support of NOAA's mission that much more important and difficult. The data collection programs managed by the three Commissions have remained level-funded for the last decade, with no upward adjustments to reflect inflationary pressures. NOAA Fisheries was able to supplement these programs with additional funds in 2010 and 2011, but the fiscal retrenchment in the last few years has forced the Commissions to again scale back these important data programs. Funding reductions, combined with modest inflationary pressure, are resulting in the erosion of data collection and analysis and are impeding efforts to improve stock abundance and trend information.

Sustainable fisheries produce jobs and promote economic development

One of the two core mandates of NOAA Fisheries is to "ensure the productivity and sustainability of fisheries and fishing communities through science-based decision-making and compliance with regulations". The Commissions recognize that this core mission is an economic driver for the regional economies in the coastal states and beyond. The combined employment

directly and indirectly related to the commercial and recreational fisheries of the United States was over 1.6 million jobs in 2011. The value of the commercial fisheries landings nationwide in 2011 exceeded \$5 billion, with roughly 9.6 billion pounds of fish and shellfish produced during the year. Recreational fishers made over 70 million fishing trips in 2011. This economic activity has a valuable ripple effect through coastal communities and regional economies. Moreover, the trends are showing strong growth in both jobs and economic value. There were over 150,000 new jobs created in the commercial and recreational fishing-related sectors between 2008 and 2011. The total revenues of commercial fisheries grew during the same period by over \$1 billion. The commercial and recreational fisheries have added over \$7 billion in value to the national economy since 2008. In addition, marine fisheries have been a steady force in helping to bring the nation out of the recent recession.

The Commissions understand the investment potential for future job creation and economic growth through continued investment in NOAA Fisheries core capabilities. The marine commercial and recreational fisheries are directly dependent on healthy fish stocks for their long-term prosperity. Under the Magnuson-Stevens Act, NOAA Fisheries and the RFMCs are obligated to conserve and manage fish stocks to produce maximum sustainable yield. This requires good data and analysis, improvements in fish stock assessments and abundance, the ability to observe and monitor the fisheries on the water and onshore, and sufficient enforcement resources. When investment in each of these core areas erodes, the conservation and management system assumes the worst and the fish quotas are reduced to hedge against uncertainty. The ultimate result is loss of jobs and curtailment of economic growth, which in turn results in lower tax revenues to the Federal Treasury. The investment in the NOAA Fisheries core mission helps to pay for itself by promoting economic activity around the nation. The Commissions will continue to discuss these important issues with key elected officials, agency staff and stakeholders in the years ahead. And PSMFC and its members will continue to foster cooperation and effective management of West Coast fisheries resources through the varied and important programs and projects covered in this report.



ANNUAL BUSINESS MEETING SUMMARY

Chair Sharon Kiefer of Idaho called the 66th annual PSMFC business meeting to order. In attendance were:

Sharon Kiefer, Chair, Idaho Advisor, representing Commissioner Virgil Moore
Eric Anderson, Idaho Commissioner
Fred Trevey, Idaho Commissioner
Phil Anderson, Washington Commissioner
Harriet Spanel, Washington Commissioner
Brian Blake, Washington Commissioner
Bryce Edgmon, Alaska Commissioner
Eric Olson, Alaska Commissioner
Sue Aspelund, Alaska Commissioner
Barbara Emley, California Commissioner
Richard Gordon, California Commissioner
Jeff Feldner, Oregon Commissioner
Steve Williams, Oregon, representing Commissioner Ed Bowles

Commission Action on Executive Committee Recommendations:

The Executive Committee's recommendation to approve the FY14 PSMFC budget as presented was adopted unanimously by the Commission. The Committee's recommendation to approve the 2012 Annual Business Meeting minutes was also adopted unanimously by the Commission. In addition, it was noted as an informational item that the Committee reviewed and accepted the PSMFC's independent audit for the period ending June 30, 2013.

Other Commission Actions

Issue 1, offered by Alaska, **reaffirming the importance of setting federal budget and funding priorities** to favor state and regional office needs **and Issue 7, reaffirming support for amendment of the Marine Mammal Protection Act to deal with marine mammal conflicts, including lethal removal.** Chair Kiefer recommended that, since Resolution numbers 1 and 7 were reaffirmations of previously adopted Commission positions, they could be considered together. Resolutions 1 and 7 were adopted unanimously.

The Adopted Language

Issue 1: In an era of reduced federal and state spending, PSMFC strongly supports the prioritization of funding for basic fisheries management over new initiatives that may compete for funding. Items such as stock surveys, research, in-season management, fisheries-dependent data, and observer programs should be fully funded first. Furthermore, NMFS regions' states' and RFMC's funding should be given priority when developing federal budgets. Lastly, if and when states are

delegated with management of federal fisheries and/or implementing federal initiatives, adequate federal funding must be provided to those states.

Issue 7: PSMFC reaffirms its support for amendment of the Marine Mammal Protection Act to provide states additional management authority to address marine mammal conflicts, including lethal removal.

After further discussion, it was concluded that previous Commission resolutions should remain in effect unless specifically rejected or modified by subsequent Commission action. It was further suggested that, in the future, resolutions that are being specifically reaffirmed for emphasis should include that fact within the resolution.

Issue 2, offered by Alaska, **supporting reliance on regional fishery management council processes in observer and monitoring programs.** The resolution was adopted with California, Idaho, Oregon and Alaska voting aye and Washington voting no.

The Adopted Language

The States support the regional fishery management council processes for determining observer and monitoring programs.

Issue 3, offered by Oregon, **favoring** a Magnuson Stevens Act amendment concerning **seafood sustainability certification.** After discussion and clarifications, including one to indicate that the certification could be replaced with a sustainability mark, and expressions of concerns about the costs and resource demands to secure certification, the resolution was defeated. California and Oregon voted aye; and Alaska, Washington and Idaho voted no. It was observed that this issue should be more fully vetted at next year's annual meeting.

The Motion Language

That the Pacific States Marine Fisheries Commission support an amendment to the MSA authorizing the National Marine Fisheries Service to provide the U.S. seafood industry with a mark which would provide the industry with the ability to promote and sell its seafood products, in both domestic and export markets, as sustainable based upon the requirements of the Act.

Issue 4, offered by Oregon, **raising concerns about** the consideration of **offshore wind energy project effects on fisheries.** After discussion, the resolution was amended to include Oregon's suggested language changes which broadened the range of issues that should be evaluated before siting offshore wind energy projects. It was adopted unanimously.

The Adopted Language

The PSMFC expresses concern over the development of offshore wind energy off the West coast, and believes that thorough analysis must be done of potential adverse economic, social and ecological impacts before wind energy projects proceed. PSMFC recommends that the Bureau of Ocean Energy and Minerals consult with the fishing community and other appropriate stakeholders before making wind energy siting decisions.

Issue 5, offered by California, providing for a Commission letter **supporting** collaborative efforts to evaluate and develop **non-lethal sea lion deterrence technologies,** in compliance with Marine Mammal Protection Act requirements. The resolution was adopted with California, Alaska, Washington and Oregon voting aye and Idaho abstaining.

The Adopted Language

The Commission supports the current collaborative efforts of the Sportfishing Association of California (SAC) and NOAA to develop an effective non-lethal seal lion deterrent device. Commission staff will express support to the developers of the device and keep track of progress for our member states.

Issue 6, offered by California, **calling for California Coastal Chinook Abundance-based Management.** After discussion, it was clarified that the Commission would write a letter to the appropriate authorities urging them to continue the work in pursuit of an abundance-based management approach. The resolution was adopted unanimously.

The Adopted Language

PSMFC supports continuation of the workshop held in 2012 (resolution 7) through the PFMC process. This would continue progress made in 2012 until data and management issues for this stock are resolved.

Issue 7, offered by Oregon, on reaffirming support for **amending the Marine Mammal Protection Act**, was adopted as part of the dual action on Issues 1 and 7 earlier in the meeting as noted previously.

Issue 8, offered by California, **advocating an extension of the moratorium on requiring National Pollution Discharge Elimination System permits** for certain recreational, commercial and charter vessel fishing operations. The resolution was adopted unanimously.

The Adopted Language

PSMFC supports continuing the moratorium on the requirement that sport, commercial and charter vessels less than 79 feet have to obtain an EPA permit for discharges.

Issue 9, offered by California, **supporting cooperative research on constraining stocks** and utilization of previously acquired data on constraining stocks to inform management decisions. After further requests for clarification and concerns about whether the issue was an appropriate one for Commission action, California withdrew the proposal.

The Motion Language (Withdrawn)

The Commission supports cooperative research focused on constraining stocks. PSMFC also encourages the utilization of data previously acquired through cooperative research to inform management decisions.

Issue 10, offered by Washington, supporting certain previously adopted resolutions. These resolutions addressed **funding for the Mitchell Act hatchery production, monitoring, evaluation and the funding of ongoing hatchery reform measures; and funding for the Pacific Coast Salmon Recovery Fund** at a level consistent with the FY 14 US Senate budget proposal. After discussion confirming that the resolutions went beyond simple reaffirmation of previous Commission positions on funding levels for these activities, the amended resolutions were adopted unanimously.

The Adopted Language

The Commission supports funding of Mitchell Act hatcheries sufficient to maintain current production levels, monitoring and evaluation, and funding to support ongoing hatchery reform measures. In addition, the Commission supports funding for PCSRF at a level that is consistent with the Senate's FY14 (\$65M) proposal.

Issue 11, offered by Oregon, expressing the Commission's support for the Pacific Fishery Management Council's **recommendation regarding** the Northwest Power and Conservation Council's **objectives for and studies of enhanced spill in the Columbia River fisheries restoration effort**. After discussion of economic analyses that might be needed and recognition that further consideration of the issue would likely occur in the future, the resolution failed. Alaska and Oregon voted aye; Idaho and Washington voted no; and California abstained.

The Motion Language

The PSMFC supports the PFMC's recommendation (PFMC letter to Tony Grover, Director, Fish & Wildlife, NPCC on 8/6/13) that the "NPCC maintain existing Basin-level Biological Objectives that set a smolt-to-adult return rate goal of 2-6 percent (average 4 percent). As called for in the current Program, the NPCC should proceed with a process to assess the value of quantitative biological objectives and to develop an updated and scientifically rigorous set of such quantitative objectives. The NPCC should also consider a study of higher spill levels to test the efficacy of spill in increasing adult returns to the Columbia Basin. Quantitative Performance Goals set by NPCC for smolt-to-adult return rates should also be emphasized, and performance assessed annually.

Issue 12, offered by Washington, on the Commission continuing **support for the Tri-State Dungeness Crab management** process. The resolution was adopted unanimously.

The Adopted Language

The Commission will continue to support the Tri-State Dungeness Crab process and encourages the participants to begin to develop a consensus position regarding the renewal of the state authority to manage Dungeness crab in federal waters that is scheduled to expire in 2016.

Issue 13, offered by Washington, concerning the Commission’s position on a variety of **aquaculture-related issues** of particular concern to West Coast fisheries. The resolution provided that:

The Pacific States Marine Fisheries Commission reaffirms its support for states’ abilities to “opt-in” to aquaculture by time, area, species, and/or gear, and extending it to the full exclusive economic zone (EEZ). Further, any federal framework for EEZ aquaculture should:

1. Ensure that funding for any aquaculture initiative come from new sources, not existing federal fisheries research and management funds;
2. Recognize that aquaculture is not a “commercial fishery” under the MSA and requires its own distinct statutory and regulatory structures;
3. Recognize that salmonid hatchery programs are not aquaculture and are adequately regulated by other means;
4. Require meaningful consultation with regional fisheries management councils and affected states; and
5. Require NEPA (or equivalent) analysis of socio-economic and environmental impacts.

The resolution was amended to delete the phrase “and are adequately regulated by other means” and was then adopted unanimously.

The Adopted Language

The Pacific States Marine Fisheries Commission reaffirms its support for states’ abilities to “opt-in” to aquaculture by time, area, species, and/or gear, and extending it to the full exclusive economic zone (EEZ). Further, any federal framework for EEZ aquaculture should:

1. Ensure that funding for any aquaculture initiative come from new sources, not existing federal fisheries research and management funds;
2. Recognize that aquaculture is not a “commercial fishery” under the MSA and requires its own distinct statutory and regulatory structures;
3. Recognize that salmonid hatchery programs are not aquaculture;
4. Require meaningful consultation with regional fisheries management councils and affected states; and
5. Require NEPA (or equivalent) analysis of socio-economic and environmental impacts.

Issue 14, offered by Idaho, Pacific Coast Salmon Recovery Fund budget for FY14. Given the previous action on PCSRF funding at this meeting, Idaho withdrew the resolution.

The Motion Language (Withdrawn)

The Commission supports funding for PCSRF at the \$65 Million proposal.

Future Meeting Content

There was a general discussion about the structure and content of the next annual meeting. It was suggested that the meeting agenda incorporate more opportunities for discussion among Commissioners in place of at least one presentation. The Commission delegated further work on the concept of increased member interaction to the Executive Director. There was also some discussion of new member orientation for new members and advisors.

Next Meeting

The next meeting will be in Washington State at Skamania Lodge. Commissioners and the Executive Director extended their thanks to Sue Aspelund for her service on the Commission and her many contributions to the work of the Commission. The retirement of Russell Porter was noted and his contributions to the Commission were acknowledged. The Commission thanked the Executive Director and staff for a successful annual meeting.

Adjournment

The meeting was adjourned at 8:20 am.

ANNUAL AWARD RECIPIENT

The Pacific States Marine Fisheries Commission presents an annual award that honors an individual, agency, or organization from the host state for outstanding contributions in support of Pacific Coast marine fisheries resources.

The Pacific States Marine Fisheries Commission is pleased to present the 2013 Award to:

Merrill Beyeler



Merrill Beyeler is a long time rancher from Leadore, Idaho. Merrill runs Beyeler Ranches, a cow-calf operation along with his wife, Sharal, and their three sons and their families. Merrill is dedicated to improving the vitality of Leadore and other rural communities, through sustainable agriculture practices and common sense resource protection.

Merrill has been an ardent supporter of fish recovery and fish habitat restoration efforts and initiated one of the first Lemhi River fish habitat projects in 1994. Since that time, Merrill has assisted multiple agencies, including the Upper Salmon Basin Watershed Project with additional stream habitat protection efforts including: fish passage projects; tributary stream reconnects; water savings efforts in both the mainstem Lemhi River and tributaries; and permanent conservation easements on his own properties in the upper Lemhi River. Merrill has been instrumental in helping to educate both agency personnel and other ranchers by providing an example of how collaboration and progressive ideas can benefit both fish restoration and productive and affordable agricultural operations. His example to other agricultural operators has led to many of the habitat successes that have been implemented in the last 20 years in the Lemhi River watershed.

Merrill is active in his community and sits on the Board of Directors of the Lemhi Regional Land Trust. He is also a member of the Central Idaho Rangelands Network.

He is a worthy recipient of the PSMFC Annual Award for 2013.



PACIFIC FISHERIES INFORMATION NETWORK (PACFIN)

The **Pacific Fisheries Information Network (PacFIN)** provides timely and accurate data essential for effective West Coast fisheries management. The nation's first regional fisheries data network, PacFIN is a joint federal and state data collection and

information management project. It is funded by a grant from the National Marine Fisheries Service (NMFS). Cooperative agency and industry partners supply data from fisheries off the coasts of Washington, Oregon, California, Alaska, and British Columbia. These statistics are recorded in the PacFIN central database, which includes fish-ticket and vessel registration data from state fishery agencies in Washington, Oregon and California and species-composition and catch-by-area proportions from port sampling and trawl logbook data systems. NMFS supplies the central database with limited-entry permit data and daily summaries for the West Coast at-sea fishery developed from tow-by-tow observations. The collected information is combined in order to provide accurate estimates of commercial catch and value for the West Coast. This regional data source allows state and federal fisheries agencies to manage regional fisheries and fishery resources more effectively and enables research by industry, non-governmental organizations and universities.

In 2013, the PacFIN office updated the central database with regular data feeds from eleven data sources and responded to over 90 requests for information. Various PacFIN reports were generated weekly and monthly and uploaded to the PSMFC and PacFIN website.

Following are highlights of PacFIN central office activities in 2013:

Internal system upgrades

Internal system upgrades were implemented. These activities included database performance improvements, new production automation and retrieval scripts, new documentation and metadata.

Oracle database support

Contracted services were employed to provide database administration support, including: Oracle software maintenance services to apply critical patches and database upgrades when necessary; database monitoring to include regularly scheduled checks of logs; backup procedures; and statistics and consultation regarding performance, upgrades and database tools and functionality.

PacFIN user support

PacFIN staff worked with clients to establish accounts, grant access and assist with data retrievals from the PacFIN server environment. Ten new users from state and federal agencies requested and were granted direct database access during this period.

Software development support

Resource Data Inc. (RDI) was retained on contract during this period for software development and varied programming support. Projects included database table and retrieval software enhancements to incorporate West Coast Individual Fishing Quota (IFQ) record matching into production fish ticket and vessel summary tables as well as upgrades to groundfish sector reporting (aka dahl_sectors). Web query tools were enhanced to enable access to IFQ flagged fish ticket data and to incorporate new dahl_sectors. A review of the current source data acquisition process was documented in a new dataflow diagram as a prelude to an initiative to redesign source data acquisition and loading system processes and procedures. The new design will implement a staging model and employ APEX applications for loading, staging and production updates and Data Marts for user access and reporting.

PacFIN Web query tool development

Development of Oracle Business Intelligence software to query the PacFIN database continued during this period. The Oracle Answers tool was used to develop various user-specific queries and build customized user dashboards that allow PacFIN users to directly access the database with easy to use, customized Web-based tools.

Groundfish sectors reporting application development

Enhancements to sector reporting applications continued during this period, including the addition of a fixed gear Individual

Fishing Quota sector. This effort included coordination to insure consistency across reporting platforms and to identify landings according to fishery components that are used in management. These components, or sectors, are defined through a combination of species composition of landings, gear type and permit status, among other factors.

At-Sea Whiting table development

Extensive development of new software to enhance the At-Sea Whiting fishery data summary tables in PacFIN continued during this period. Debriefed source data are now being captured to improve data summaries previously derived only from raw observer data. A new report, titled “Pacific Whiting Fishery Summary, At-Sea Sectors” created with the PacFIN Answers reporting application has been added to PacFIN web reports. The report source is the re-developed At-Sea Whiting summary table.

Federal Limited Entry Permit data access changes

A new method of retrieval of federal limited entry permit data is under development to replace the discontinued weekly data deliveries from the NMFS Northwest Region (NWR) source SQL Server database. The new data access requirement is being driven by the re-development of the federal permits office source database in an Oracle environment. After review of various access methods, NWR has decided to explore the potential to provide a Web Service utility for access on demand. In the meantime, less frequent data file uploads will keep the permit data as current as needed to support PacFIN inseason reporting.

HMSMT species group changes

The Highly Migratory Species Management Team has requested a change in management group assignment of bigeye and pelagic thresher sharks as they are no longer managed by the Council’s fisheries management plan for highly migratory species. They also requested that spearfish be dropped from the HMS management group as it is not managed by the Council’s plan for highly migratory species. After review, it was determined that the changes are appropriate and will have limited impact on historical time series reporting. The changes will be implemented and documented in future PacFIN reporting.

Meetings and seminars

Internal meetings with AKFIN/PacFIN staff and individual meetings with the AKFIN/PacFIN Program Manager were conducted weekly.



ALASKA FISHERIES INFORMATION NETWORK

The **Alaska Fisheries Information Network (AKFIN)** is one of five regional co-operative state/federal programs that provide a framework to consolidate and support the collection, analysis, and reporting of a variety of information important for management of U.S. fisheries. Funding for the program is provided by an annual grant from National Marine Fisheries Service (NMFS) to the Pacific States Marine Fisheries Commission. These funds support the AKFIN Support Center (AKFIN-SC) and an annual subcontract with the Alaska Department of Fish and Game (ADFG) for related tasks.

The AKFIN-SC supports the data needs of fisheries analysts and economists by consolidating commercial fisheries data and dispensing those data upon request using custom programming services and online tools. Information is aggregated from the ADFG Division of Commercial Fisheries, Commercial Fisheries Entry Commission (CFEC), NMFS Alaska Region, Alaska Fisheries Science Center, North Pacific Fishery Management Council (NPFMC), and PSMFC.

AKFIN-SC reports catch data, harvest and value from commercial fisheries in Alaska using the best available data from data source agencies. Once these data are incorporated into its system, AKFIN reports information which are used to identify and quantify impacts related to changes in fisheries management. These include species, area, gear, vessel, processor, community, fleet, and fishery participants by season.

Highlights of work completed by the AKFIN-SC in 2013 include:

AKFIN Online Reporting and Analysis Tool Development

AKFIN Answers is an online reporting tool that provides authorized stock assessors, social scientists, and economists with direct access to the program's analytical database and metadata resources. This tool allows users to access prepared reports and to formulate ad hoc queries that can be saved and shared with other analysts. Development in 2013 has focused in the following areas.

AKFSC Community Profiles

AKFIN continued work on the community profiles repository for the Economic and Social Sciences Research Program of the Alaska Fisheries Science Center. Work in this period includes the addition of historic metrics extending the existing Business Intelligence Repository and reports from 2000-2010 to include the earlier period, 1991-1999, as well as an update for 2011.

These data were used to revise and improve the NOAA Technical Memorandum, *Community Profiles for North Pacific Fisheries – Alaska*, which profiles the social and economic characteristics of some 200 fishing communities in Alaska. Additionally, these data will be used for vulnerability studies in compliance with National Standard 8 along with other community-based analyses. The following tasks were completed by the program:

- Obtained, loaded, and cleansed historic federal fishing and processor permits, census, and subsistence sources.
- Reprogrammed commercial sources to account for changes to reporting logic historically.
- Supported analysts by researching data anomalies. Acted as a liaison with agency representatives to resolve anomalies and obtain other sources as needed.
- Analysis and loading of subsistence halibut and Community Subsistence Information system data from ADF&G.
- Inclusion of a new consolidated source for federal fishing and processing permits.
- Supplied a separate analysis to report subsistence and recreational statistics for Whale Pass and Port Protection, Alaska.

Stock Assessment Dashboard Development

AKFIN continued work with the Stock Assessment team of the NMFS Alaska Fisheries Science Center to support their assessments and fisheries evaluations. Several types of data were provided on a series of Oracle Answers dashboards and report pages to provide a view of fishing activity including:

- Catch Data
 - Modified the Groundfish Total Catch by Fishery report.

- o Developed a modified version of the Thompson – Pacific Cod Total Catch by Jurisdiction with an added breakdown by season.
- Observer Data
 - o Analyzed debriefed mammal data sources for inclusion in the Oracle Business Intelligence Repository.
 - o Added vessel length to the NORPAC Catch, NORPAC Haul Hook Count, and NORPAC Length reports.
 - o Analyzed haul hook count source for revisions and modified the subject area and report accordingly.
- Longline Survey Data
 - o Modified Longline Survey data load process along with Oracle Business Intelligence Repository objects and AKFIN Answers reports to support the addition of the new strata definitions.
 - o Implemented the Longline Survey – Stations View Subject Area and associated reporting dashboard.
 - o Modified the Area Efforts reporting dashboard.
- RACE Trawl Survey Data
 - o Worked with users and survey data providers to scope out a new data feed for AKFIN to provide trawl survey data on the Stock Assessment dashboard.

2013 Stock Assessment and Fishery Evaluation (SAFE) Reporting

AKFIN Staff, in collaboration with the AFSC-REFM division, completed the 2013 Economic Groundfish and Crab SAFE reports. Primary responsibility of the AKFIN staff was to compile tabular data, including programming new tables and reprogramming existing tables, as well as related validation and analytical tasks.

NMFS Office of Science and Technology (NMFS ST) Annual Request

Staff provided data to the NMFS ST to fulfill 2012 reporting requirements for non-confidential, commercial groundfish and non-groundfish landings and revenue in Alaska. This work included a reprogram of the process to take advantage of improved data sources and a new ex-vessel pricing algorithm with a refresh of 2009-2011 data to standardize historical reports. Data provided includes:

- Commercial Landings Statistics – Two data feeds that support the online reporting system: (1) Catch by Species/Month; and (2) Catch by Species/Gear.
- A separate report on the top groundfish and non-groundfish species for the port of Dutch Harbor.
- Fisheries of the U.S. – A suite of data reports that are compiled into a larger process for reporting on national fisheries statistics that include:
 - Alaska Landings by Distance from Shore
 - Alaska Landings by Disposition
 - Alaska Landings by Port
 - Vessel Licensing
 - Halibut by State
 - Kodiak Fishmeal
- Fisheries One-stop Shop – A single data report that summarizes data by species that are used to source the NMFS ST online reporting system.

Fishery Performance Metrics Reporting for NMFS

AKFIN collaborated with Alaska Fisheries Science Center and NMFS Alaska Region staff to report fisheries economic performance indicators for five North Pacific catch share programs (IFQ sablefish and halibut, the Bering Sea and Aleutian Islands Crab Rationalization Program, American Fisheries Act pollock, Central Gulf of Alaska rockfish, and Amendment 80 non-pollock trawl catcher/processors), as well as three non-catch share fisheries (Alaska weathervane scallop, Bering Sea and Aleutian Island freezer-longliner Pacific cod, and Gulf of Alaska rockfish fisheries excluded from the Central Gulf of Alaska rockfish program). Results for the five catch share programs will be published later this year in a NMFS Office of Science and Technology report.

This reporting is part of a nationwide effort implemented in 2011 by NMFS to monitor the overall performance of fisheries using standardized economic indicators. Current metrics for annual reporting describe catch and harvest, fishing effort and revenue. Development of additional metrics for fishery productivity is underway. Future work to be undertaken by AKFIN staff includes expanding this reporting to additional North Pacific fisheries; development of a trips dataset to facilitate reporting of trip-based metrics; and integrating the metrics into the annual Groundfish Economic Stock Assessment and Fishery Evaluation report.

Analytical Support for Economic Data Reporting Programs

In the first half of 2013, AKFIN work in support of AFSC economic data collection programs included analyses and integration of data gathered from the Amendment 80 Economic Data Report (EDR) and the Alaska Saltwater Sport Fishing Charter Business Survey with other agency data sources. AKFIN datasets and tools will facilitate validation and use of the economic survey data by survey administrators and other analysts.

Crab Bycatch Estimation

AKFIN worked with staff of the Alaska Region Office to develop and implement new bycatch estimation procedures for Bering Sea and Aleutian Islands crab caught incidentally in the North Pacific groundfish fisheries. Results of the modified estimation process, which generates more spatially granular estimates of crab bycatch, were made available to crab stock assessment biologists using the AKFIN Answers online reporting tool.

NPFMC Data Requests

Listed below are the subjects on which AKFIN-SC supplied data management, programming, and data analytical support for NPFMC staff and agency analysts:

- Bering Sea Flatfish Specifications
- Round Island Transit Request Corridors
- Community Quota Entity Small Entity Blocks Analysis
- Donated Chinook Average Weight Request
- Sablefish A Share Caps Request
- Crab Stock Prohibited Species Catch (PSC) Request
- BSAI Crab Protection Issues - PSC limits and Bristol Bay Red King Crab Closure Areas
- Freezer Long-Line Gulf of Alaska (GOA) Pacific Cod Sideboard Request
- GOA Halibut Prohibited Species Catch Request
- GOA Trawl Bycatch Management Request
- Kodiak Community Profile Request
- Pribilof and Zhemchug Canyons Request
- GOA Tendering Request
- Halibut Landings in Sablefish Pots
- GOA Chinook Bycatch Measures for Non-Pollock Trawl Fisheries
- AFA Vessel Replacement Gulf of Alaska Sideboards – Initial Review
- Limited Access Privilege Program Cost Recovery
- Stellar Sea Lion Environmental Impact Statement
- Crab Rationalization
- Bering Sea Chinook PSC Analysis
- Crab Co-op Gross Earnings Request
- SAFE Fishing Effort Report
- GOA Halibut PSC Initial Regulatory Flexibility Analysis (IRFA) Request
- Aleutian Island Pacific Cod Regional Delivery Analysis
- Flow Scales Data Request
- BSAI and GOA Vessel Specifications Request
- BSAI Halibut PSC Request
- ADFG Halibut Landings by Area Request
- GOA Pacific Cod Pot Request
- Steelhead Council Request
- Parallel Waters Trawling Request



RECREATIONAL FISHERIES INFORMATION NETWORK

The **Recreational Fisheries Information Network Program (RecFIN)** continued in 2013. The Pacific States Marine Fisheries Commission works cooperatively with the National Marine Fisheries Service (NMFS), and state fish and wildlife agencies from California, Oregon and Washington to maintain robust and accurate recreational fishery data collection and data base programs for the Pacific Coast. The four goals of RecFIN are:

- Develop and implement a State/Federal cooperative program for a coast-wide marine recreational fisheries data system;
- Coordinate collection, management, and dissemination of Pacific Coast marine recreational fishery data;
- Provide the data in a central location on a timely basis in the format needed to support state and federal work on Pacific marine recreational fisheries; and
- Reduce and avoid duplication of data collection efforts between RecFIN members.

The database contains recreational fishery data for the years 1980-89 and 1993 to the present. The primary source of data in the RecFIN database comes from the following five state sampling programs: The Oregon Recreational Boat Survey (ORBS); the Oregon Shore and Estuary Boats Survey, currently inactive due to funding shortage; the Washington Ocean Sampling Program (OSP); the Washington Puget Sound Boat Survey; and the California Recreational Fisheries Survey (CRFS). These programs are funded by NMFS and supplemented with state agency funding in all three states. The survey is spread out over approximately 800 fishing access points coast-wide in the three states. Of these sites, about 57 percent are in California, 10 percent in Oregon and 33 percent in Washington.

2013 Highlights include:

The state of California continued collection of recreational finfish harvest from six geographical districts through the CRFS program. Almost 70,000 angler trips were sampled in 2013 from four distinct fishing modes -- (private and rental boats, party and charter boats, man-made structures, and beaches and banks) and three water areas (ocean offshore, nearshore, and inland marine/estuarine).

The Commission provided partial funding for recreational fishery sampling in Oregon and Washington through RecFIN. Sampling was conducted by the state fish and wildlife agencies in both states. Approximately 35-40 percent of all ocean boat angler trips were sampled in Oregon in 2013, where sampling occurred from March through October. A pilot survey funded by the Marine Recreational Information Program (MRIP) through NMFS allowed for sampling of minor ports that has not occurred in a few years. As a result, sampling was expanded to these sites in 2013 in Oregon. These estimates were posted to the RecFIN database.

Field testing of new electronic data collection devices continued in 2013 in California funded through the Marine Recreational Information Program (MRIP). Field testing will expand to OSP sampling in Washington in 2014. The goal of the project is to develop and deploy an electronic data collection platform that will increase the efficiency and accuracy of recreational fishery data collection as well as remain functional under use in the harsh outdoor environment.

The state of Washington conducted their Ocean Boat Survey and the Puget Sound Boat Survey in 2013. Sampling occurred throughout the year in Puget Sound and from March through October on the coast as a result of an MRIP project that allowed for off-season sampling during the early spring and fall months. Sampling rates totaled about 40 percent of all ocean boat trips.

Two states continue to utilize their angler license frame for estimation of fishing effort in certain modes of fishing. These include Puget Sound boat trips in Washington and shore and private access and night boat effort in California. All other modes of fishing in the three states are estimated from direct field counts of boats exiting the harbors each day.

The Washington Department of Fish and Wildlife continues its efforts to improve the information contained in their recreational fishing license database. Funding from the Commission provided through the MRIP is being used to update angler license holder profiles with current addresses and phone numbers. As a result of the project, over 1,500,000 angler profiles have been evaluated and consolidated, updated or verified.

All catch and effort information for each sampling month from the various surveys is loaded into the RecFIN database maintained at the Commission with a one-month lag time. Access is available to the catch and effort information for all three states through the Commission website, www.psmfc.org. Detailed explanations of the sampling conducted, sampling methodology and estimation statistics of the various sampling programs along with catch and effort estimates by month are also available on the RecFIN website [www.recfin.org].



ODFW Recreational Fishery Sampler



FISHERIES ECONOMICS DATA PROGRAM (EFIN) ALEUTIAN ISLANDS CRAB ECONOMICS PROJECT

Fisheries Economics Data Program (EFIN)

The Fisheries Economics Data Program is a cooperative data collection effort that addresses the needs of fisheries managers and industry for economic data and information for the West Coast and Alaska. This project is being conducted by the PSMFC as part of a cooperative agreement with the National Marine Fisheries Service (NMFS) and with the help of the Pacific and North Pacific Fishery Management Councils. The

goal is to provide reliable and timely data to assist with monitoring and measuring the economic performance of the harvesting and processing components of West Coast and Alaska fisheries.

In 2013, EFIN staff worked on the following:

- **2012 Fuel Report:** An annual summary of collected fuel price data from the prior year was prepared and distributed to survey participants and other interested parties.
- **Fuel Price Collection:** Program staff continued collection and maintenance of the West Coast and Alaska monthly fuel price survey through monthly phone and email contacts.
- **EFIN Web Page:** The program continued to collect data and update the EFIN web page. Updates include Gross Domestic Product data, Consumer Price Index, Producer Price Index, State Labor Data and the Employment Cost Index.
- **Tri-State Crab Website Maintenance:** The program also archived the prior year's website and created a new website for the 2013-2014 season that was updated with reports from California, Washington and Oregon.

Alaska Crab Rationalization Program 2013

The PSMFC functions as the Independent Third Party Data Collection Agent for the Bering Sea/Aleutian Islands (BSAI) Crab Rationalization Program. The purpose of the economic data collection is to aid the North Pacific Fishery Management Council and NMFS in assessing the success of this program and to provide data that are used in developing amendments necessary to mitigate unintended consequences of management decisions. Specifically, the data will be used to examine two aspects of the program: (1) the distribution of benefits between harvesters and processors arising under the harvest share/processor share allocations and arbitration system; and (2) the distribution of landings of different harvest share types.

The North Pacific Fishery Management Council is interested in ensuring that it will be able to adequately assess the impact of the program on affected parties, including harvesters, processors and communities. Existing data collection programs have not provided the information required to understand the economic performance of crab fishermen, to determine how this performance has changed after rationalization or to specify the aspects of these changes that are attributable to crab rationalization. This data collection program will substantially reduce the types of analytical difficulties that were encountered in the past in attempting to assess the effects of the halibut/sablefish Individual Fishing Quota (IFQ) program and the American Fisheries Act.

At the beginning of this program in 2005, historical Economic Data Reports (EDRs) were collected for the years 1998, 2001 and 2004. In each subsequent year, EFIN staff collected data in an annual report. Historical EDRs captured pre-program implementation data for comparison to the economics of harvesting and processing before and after program implementation. The annual reports capture economic data on an annual basis at the conclusion of each calendar year's crab fisheries. The 2012 EDR was a streamlined design and was collected in June and July 2013. Participation in the data collection program is mandatory for all participants in the BSAI crab fisheries. All owners and leaseholders of a vessel or processor that harvested, processed or had crab harvested and processed for them in any of the BSAI crab fisheries during 2012 were required to submit an annual report.

EDR forms were mailed to crab processing plants and vessels and were collected, tracked and reported to the Restricted Access Management Program (RAM) for permit and quota issuance. They were also reviewed for completeness. The EDR data were

entered, archived and submitted to NMFS for analysis. PSMFC hired AKT, LLC to conduct random and outlier audits on the 2012 annual EDRs. These audits are conducted to verify the quality of data collected in the EDRs as well as to provide guidance on improving future reports. This process is repeated every year for the prior year's fishery.

AKFIN built a database to house data, standardized variables, and conducted metric analysis to help describe the data. Reports and forms are being developed to allow permitted researchers to access the data.

Amendment 80 Economic Data Reports

Amendment 80 was adopted by the North Pacific Fishery Management Council in June 2006. The final rule implementing Amendment 80 was published in the Federal Register on September 14, 2007. This action allocates several BSAI non-pollock trawl groundfish species among trawl fishery sectors, and facilitates the formation of harvesting cooperatives in the non-American Fisheries Act (non-AFA) trawl catcher/processor sector.

The Council adopted Amendment 80 to meet the following broad goals: (1) improving retention and utilization of fishery resources by the non-AFA trawl catcher/processor fleet by extending the groundfish retention standard to non-AFA trawl catcher/processor vessels of all lengths; (2) allocating fishery resources among BSAI trawl harvesters in consideration of historical and present harvest patterns and future harvest needs; (3) authorizing the allocation of groundfish species to harvesting cooperatives and establishing a limited access privilege program for the non-AFA trawl catcher/processors to reduce potential Groundfish Retention Standard compliance costs, encourage fishing practices with lower discard rates, and improve the opportunity for increasing the value of harvested species; and (4) limiting the ability of non-AFA trawl catcher/processors to expand their harvesting capacity into other fisheries not managed under a limited access program.

The groundfish species in the BSAI areas directly affected by Amendment 80 include: Atka mackerel, Aleutian Islands Pacific ocean perch, Flathead sole, Pacific cod, Rock sole and Yellowfin sole.

In addition, Amendment 80 would modify the management of halibut and crab prohibited species catch limits.

PSMFC has been designated by NMFS as the Data Collection Agent for the Amendment 80 program. The first annual Amendment 80 reports were collected in June 2010 for the 2009 calendar year.

In 2013, the 2012 annual EDRs were mailed to catcher/processors and were collected, tracked, and reported to RAM for permit and quota issuance. They were reviewed for completeness. The data were entered, archived and submitted to NMFS for further analysis. PSMFC hired McGladrey, Inc. to conduct audits on the reports. These audits are conducted to verify the quality of data collected in the EDRs as well as to provide guidance on improving future EDRs. This process is repeated every year for the prior year's fishery.

AKFIN built a database to house data, standardized variables, and conducted metric analysis to help describe the data. Reports and forms are being developed to allow permitted researchers to access the data.

Amendment 91 Chinook EDR for the AFA Pollock Fishery Economic Data Reports

Amendment 91 to the BSAI Fishery Management Plan established a hard cap of 60,000 Chinook salmon caught per year for the Bering Sea pollock fishery beginning in 2011, with the additional requirement that annual Chinook bycatch must not exceed 47,591 more than twice in any 7-year period. The bycatch quota is allocated to sectors of the fleet proportional to both the pollock allocation and historic bycatch. The bycatch quota can be allocated by cooperatives to individual vessels and is transferable across the fleet and will improve economic efficiency.

Following the recommendation of Amendment 91 in April 2009, the North Pacific Fishery Management Council asked the Alaska Fisheries Science Center to develop "a data collection program for the pollock fleet that would provide the information necessary to evaluate the salmon bycatch program to ensure that it is meeting the Council's intent." The goal of this project is to collect information on the amount of money vessel operators are paying to acquire salmon bycatch quota, and assess the way in which fishing changes as a result of the new restrictions on salmon bycatch. Because there is the potential for large financial impacts to some vessel operators who will have to purchase salmon bycatch quota to harvest their allocation of pollock and who may have to incur additional travel expenses to fish in areas where salmon are less concentrated, an additional goal of this project is to estimate how costs of salmon bycatch avoidance may increase in the pollock fishery.

In addition, this data collection effort is aimed at understanding the steps vessel captains undertake to avoid salmon bycatch during the fishing seasons.

PSMFC has been designated by NMFS to be the data collection agent for the Amendment 91 EDR program. The first annual Amendment 91 EDRs were collected in June 2013 for the 2012 calendar year.

In 2013, the 2012 web form was created and made available to the A91 AFA fleet; data were collected, tracked; and reviewed for completeness. In late 2013, the web form was re-opened to collect 2013 skipper survey data only; and in April of 2014, the remaining elements of the EDR were opened with a June 1 deadline. This process is repeated every year for the prior year's fishery.

A database was built on AKFIN servers to house collected data, standardize variables and conduct metric analysis to help describe the data. Reports and forms are being built to allow researchers access to the data.

Alaska Saltwater Sport Fishing Charter Business Survey

In 2011, a Catch Share Plan was adopted for the guided sport and commercial fisheries for Pacific halibut in waters of International Pacific Halibut Commission Regulatory Areas 2C (Southeast Alaska) and 3A (Central Gulf of Alaska). This catch sharing plan changed the annual process of allocating halibut between the guided sport and commercial fisheries in those areas, established allocations for each sector, and specified harvest restrictions for guided sport anglers that are intended to limit harvest to the annual guided sport fishery catch limit. In order to provide flexibility for individual commercial and guided sport fishery participants, the catch sharing plan authorized annual transfers of commercial halibut quota to charter halibut permit holders for harvest in the guided sport fishery. This action was necessary to achieve the halibut fishery management goals of the council.

To evaluate the economic impact of this share plan, the Alaska Fisheries Science Center, Economics and Social Sciences Research Program developed a survey research project that collected voluntary economic information from Alaska sport fishing charter boat operators about their costs, earnings, and employment during the 2011, 2012, and 2013 seasons. The program designated the PSMFC to administer the survey.

PSMFC's role is to:

- Develop a .NET web application based on the science center questionnaire and database design and integration.
- Administer full implementation of the mixed-mode survey with web-based and paper forms. This included reproduction and distribution of respondent mailings, phone support with calls made to non-respondent contacts, and data entry with data integrity protocol design and implementation.
- Prepare a summary report documenting survey implementation milestones, paradata, and problems and recommendations identified by PSMFC staff and survey respondents during the course of the survey administration process.

1,200 phone calls were made and over 2,100 individual items were mailed in order to collect data on the 2012 season. The survey response rate was over 24.06% with 141 completed survey submissions out of the 586 recipients. The survey was administered to businesses that possessed a 2012 Alaska Charter Business License and were active during the 2012 charter season.

The 2011 season survey was deemed sufficiently successful by the science center to warrant repeat surveys for information on the 2012 and 2013 sport fishing charter seasons. PSMFC is currently in the process of administering the survey for the 2013 charter season.



PIT Tag Information System
Columbia Basin | ptagis.org

The **Columbia Basin PIT Tag Information System (PTAGIS)** is a coordination and data management project of the PSMFC. Data are contributed from regional agencies and are accessible to all entities. This project is an important component of all PIT Tag research conducted for the Columbia River Basin Fish and Wildlife Program. 2013 marked the 25th anniversary of the tagging program.

The PTAGIS program's responsibilities include direct operation and maintenance of 25 large-scale fish tag interrogation sites throughout the Columbia Basin. These sites provide the majority of the 160 million observations available in the database. At eight of these sites, PTAGIS also maintains the Separation-by-Code (SbyC) systems that selectively segregate individual PIT-tagged fish from other tagged and non-tagged fish.

Coordination and Data Management for Research, Monitoring and Evaluation Projects

In addition to ongoing work, three significant milestones were met in 2013:

- A multi-year effort to upgrade the database and web system infrastructure was completed without any adverse impacts on data collection, delivery or integrity.
- Two new adult detection sites were installed at The Dalles Dam using a highly efficient and low-cost thin wall antenna innovated by PTAGIS.
- The new M4 interrogation software, deployed at all large-scale interrogation sites, was evaluated and determined to be successful.

Operation and Maintenance of the PTAGIS System

2013 data contributions into the database were similar in quantity and composition to the past few years:

- Over 2 million new tagged fish
 - 73% Chinook, 23% Steelhead, 3% Coho, <1% others
 - 71% Hatchery, 27% Wild, <2% Unknown
- Over 11 million detections representing 883,536 unique fish
- 92,000 fish were reported as recaptured
- 60,000 recoveries and mortalities were reported at year end

The infrastructure upgrade included the database and web server platforms as well as interrogation software operating in the field. The only legacy component remaining is the field tagging software called P3. Evaluating the new systems required operating the legacy counterparts in complete redundancy throughout the year to ensure data continuity and integrity. The evaluation was made even more challenging due to an unplanned budget cut that accelerated the schedule and increased workload. Adverse effects within the user community were mitigated during the upgrade process with effective coordination using email campaigns, webinars, surveys, forums and online training videos.

The new infrastructure is built upon available, cost-effective and extensible technology that will be further refined and documented in the future. Some of the data and metadata have already been enhanced in the new system. However, effective evolution of the PTAGIS data model will require upgrading the field tagging software which is the highest priority for next year. The true measure of success will be the system's ability to adapt to the evolving needs of the community it serves.

Installation, Operation and Maintenance of Interrogation Systems in Field Locations

The two new adult sites at The Dalles Dam operated at nearly 100 percent detection efficiency using the new thin wall antenna technology and are now considered permanent installations. There are discussions on whether this technology will be installed in adult fishways at Lower Monumental, Little Goose and Ice Harbor dams in the next year or two.

Other established interrogation sites operated and maintained by PTAGIS had an overall 99+ percent detection efficiency. All of the automated reporting tools used by PTAGIS staff for site operations and maintenance were re-created and validated as part of the infrastructure upgrade. Seventy transceivers (readers) at sites with adult fishways were upgraded to the

FS2020 model that improved detection efficiency and require less on-site maintenance due to new auto-tuning capabilities.

The M4 interrogation software evaluation was successful at all large scale interrogation sites. The legacy platforms used for the evaluation will be removed from these sites in 2014. The legacy software -- MiniMon -- will be supported through 2014 until the M4 interrogation software can be refined and documented for use by other agencies at smaller sites.

PSMFC staff coordinated and implemented 17 SbyC projects for various researchers in 2013. This was the first year juvenile lamprey were targeted for separation. The new interrogation software was used to operate the 17 SbyC diversion gates and had an impressive overall efficiency rate of nearly 99 percent.

Administration, Management and Coordination

All funding packages and other contract-related deliverables were provided to BPA on schedule. The regional market for technical positions has become much more competitive in the last few years and there are now concerns about retaining project staff and the availability of qualified subcontractors. A new inventory management system was procured and deployed this year to manage the project's 1,400 assets at 27 separate locations. Technical support and data contributor coordination activities were enhanced with new features included in the infrastructure upgrade.

Staff have been coordinating and evaluating the development of a new Biomark FS3001 transceiver as a much-needed replacement for the first generation 'one-off' transceiver designed almost a decade ago to operate the large antenna at the Bonneville Corner Collector interrogation site. The schedule for delivering a stable FS3001 has been pushed into 2014 and PTAGIS will most likely have to rely on the existing transceiver inventory, associated failures, and additional maintenance resources.

Additional data validation has been implemented to identify spurious tags (spontaneously generated in larger antenna fields) as well as to discourage the use of substandard tagging technology within the basin. As a shared concern among PSMFC staff and the PIT Tag Steering Committee, this validation process will be enhanced next year and additional technical coordination will be provided to educate the nearby community.

PTAGIS distributed over 1.6 million tags to various Columbia River Basin Fish and Wildlife Program projects in 2013 using an online request/approval service featured on the new website. Of those tags, 1% were sampled for quality assurance (QA). Staff are making progress on enhancing the automation of the QA process to improve the sample to 3-5%, which would raise the probability of detecting short-run manufacturing defects.

Progress has also been made on the redevelopment of a PIT Tag forecaster application that was requested by the action agencies this year to help quantify future marking efforts on various populations of fish. PTAGIS is providing the technical resources to deliver this application in early 2014 and the action agencies will provide the necessary technical coordination to ensure that regional entities update the forecasts annually.



REGIONAL MARK PROCESSING CENTER

The **Regional Mark Processing Center (RMPC)** serves federal, state, tribal and private fisheries agencies on the Pacific Coast by processing and exchanging coded wire tag (CWT) release, recovery and associated catch sample information. The RMPC adopts new data formats and implements software, hardware and personnel enhancements, in order to meet evolving CWT informational needs by the Pacific Salmon Commission (PSC) and other agencies, in support of the Pacific Salmon Treaty. In addition, the RMPC has the responsibility of serving as the single United States database to exchange CWT information with Canada in PSC format on a regular basis. The RMPC maintains the Regional Mark Information System (RMIS) database and coordinates the acquisition and validation of these data from the various agencies. Funding is provided by the U.S. Fish and Wildlife Service and the Bonneville Power Administration. Over 60 million coded wire tagged fish are now released coast-wide every year, with approximately 1,200 different tag codes.

Data Validation

The CWT data load programs were again upgraded to perform more rigorous cross-table checks of tag releases in format version 4.1 when validating newly submitted tag recovery datasets. This is an ongoing project as data uploading errors are identified and corrected. The staff continues to work closely with several agencies to implement improved validation of new data before it is merged with RMIS and to correct historical data already in the database.

Data Integrity

Maintaining data integrity is an important aspect of maintaining large databases and considerable time was spent working with the various data reporting agencies to resolve various inconsistencies found in the CWT data sets. While the number of errors was relatively small, it took considerable effort to resolve the causes of the errors and correct them. Also substantial effort was put into adding GPS coordinates (latitudes and longitudes) for land-based release and recovery locations. This provides for more accurate mapping of the data.

RMPC Web Site

New updated information has been added to the RMPC website. Fifty-eight years of the proceedings of the Northwest Fish Culture Conference are now available; scientific papers related to the use of coded wire tags have been added; and other relevant material is added as requested or needed. See: <http://www.rmpc.org>

Missing Recovery Data

Missing freshwater tag recovery data for certain areas have been identified. The RMPC continues to work closely with the responsible agencies to coordinate the filling of those data gaps.

Fish Tagging Forum

Staff participated in the Northwest Power and Conservation Council's Fish Tagging Forum which was formed to study the efficacy of the various tagging strategies being used in the Columbia River Basin. The forum was tasked to make recommendations to the Council for future tagging strategies and funding. The final report was completed in 2013. There were 17 consensus recommendations that were forwarded to the Northwest Power and Conservation Council for their consideration. One of the recommendations was to discontinue tagging sockeye and steelhead with coded wire tags as a money saving measure, since those species experience very low harvest rates in the ocean fisheries. It was also recommended to evaluate opportunities to increase efficiency of tag use in a way that minimizes costs and reduces the number of fish tagged. The report and recommendations are available at: <http://www.nwcouncil.org/media/6877460/Fish-Tagging-Forum-Council-Decision-letter-August-2013-4-.pdf>

Annual Meeting of the Regional Committee on Marking and Tagging

The annual Mark Meeting was held April 3 and 4, 2013, in Troutdale, Oregon and was hosted by the Oregon Department of Fish and Wildlife. The meeting minutes and presentations are available at: <http://www.rmpc.org/annual-mark-meeting-minutes.html>. Agenda items included updates on the RMPC activities; the status of coded wire tag data; updated RMPC publications; a report on the Selective Fishery Evaluation Committee and the associated Analytical Working Group and the

Regional Coordination Working Group; analyses of tagging levels for Coho and Chinook indicator stocks; agency updates on marking and tagging programs; an update of the new Chief Joseph Hatchery being operated by the Colville Confederated Tribes; a discussion of the CWT Implementation Team program status and project funding; and a presentation and discussion of double index tagging. Fisheries and Oceans Canada (DFO) led a discussion of tag placement problems they have observed in the CWT recovery lab. Northwest Marine Technology gave a presentation on their new tag detection handheld “T” wands (70 had been delivered worldwide) and a redesign of tags by adding a ¼ turn on every 4th row to maintain readability when or if the wire is scratched.

Regional Coordination

RMPC staff participated in Pacific Salmon Commission committees and regional science and management teams to assist with coordinating coded wire tagging activities and providing CWT data. The RMPC continues working closely with Idaho Department of Fish and Game in providing PSMFC staff to assist with their hatchery data under a contract with the Lower Snake River Compensation Plan and with Oregon and Washington Departments of Fish and Wildlife to implement the coded wire tag recovery program in sampling sport, commercial and tribal fisheries for salmon and steelhead carrying tags under a Bonneville Power Administration-funded contract. The recovered tags are read and decoded and the information is added to the RMIS database for use by fish management agencies to make science-based decisions regarding populations of salmon and steelhead in the region. Staff also assisted research biologists in the region in acquiring the CWT data they need for a variety of projects.

Coded Wire Tag Data

Work continued full time on expediting the processing of new data sets (CWT releases, recoveries, catch/sample, etc.) as they were supplied by the various reporting agencies.

There were a number of new data rows added to RMIS tables during calendar year 2013:

• Releases	3,120 rows
• Recoveries	304,755 rows
• Catch/Sample	11,522 rows
• Locations	-1,122 rows

Note: The number of location codes decreased due to a consolidation of location codes in the database that was submitted by DFO in 2013.

These data were received from multiple agencies within the member states of the Commission, were processed and validated to ensure accuracy, and were uploaded to the RMIS server and shared with Canada. All data are available to fisheries scientists and the public via the RMPC web site within 24 hours of receipt.



ODFW Recreational Fishery Sampler



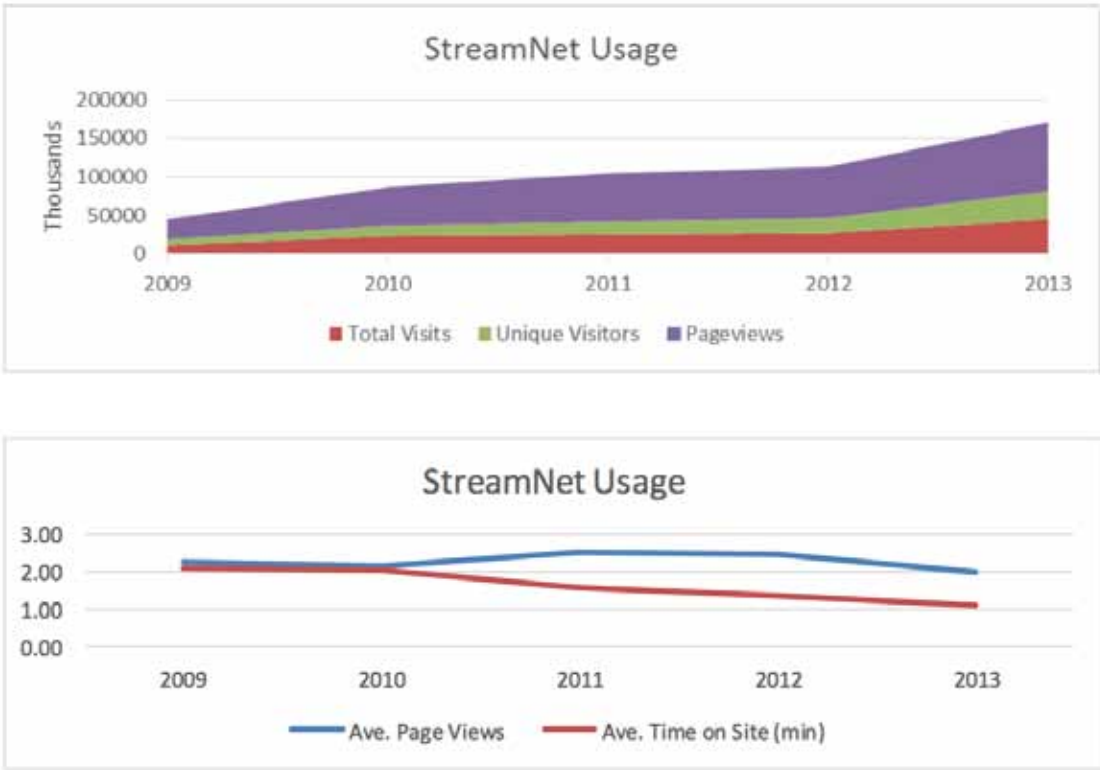
The **Streamnet Project** provides access to regional fish data by maintaining a web-based distributed information network. StreamNet works cooperatively with the agencies that create the data by funding data management staff inside the agencies and by helping to lead a number of regional initiatives to improve fish data management. During 2013, long-time StreamNet Program Manager Bruce Schmidt retired. Chris Wheaton, previously Northwest Regional Manager with the Oregon Department of Fish and Wildlife, became Program Manager in November.

StreamNet continued to help lead implementation of the Coordinated Assessments (CA) project. CA focuses on the key population indicators for implementation of the Federal Columbia River Power System Biological Opinion. Accomplishments in 2013 included the development of Data Exchange Standards (DES) for key natural origin fish indicators and metrics. For most agencies, updates to standard data types were largely put on hold during the year, in order to focus on the CA project. During the year new funding was sought for the CA project, and at the close of 2013, a \$500,000 grant from the Environmental Protection Agency to StreamNet subcontractor Washington Fish and Wildlife appeared imminent.

Staff at PSMFC and in subcontracting agencies also provided leadership in other projects in 2013, including a database backup assessment and data repository inventory for all BPA sponsored projects collecting fish data. Another project of interest was the initiation of trials to test the utility and durability of hand held data collection devices in a variety of field project conditions.

The StreamNet subprojects in the state agencies all contributed to development or improvement of agency data storage systems in 2013. In addition to CA, the focus continues to be on increased speed and efficiency of data conversion to the regional standard StreamNet DES, and expedited submission to the StreamNet database. The long term goal is to develop the capacity for the agencies to host data in the regional standard and share it via web services and/or to transfer data to StreamNet via web services.

A wide variety of data were disseminated through the StreamNet website in 2013 (www.streamnet.org). Overall visits to the site increased substantially over past years, while time on the site decreased.



We provided several data query approaches used to locate, display and download data from the StreamNet main database, including the Integrated Query System which integrates both tabular and map based query approaches into a single system. The

Data Store online data archive provides access to non-standardized data from any source, and is a data repository identified as a secure data storage location for projects throughout the region.

The project continued to focus on implementing priorities identified by project sponsor BPA. As the work of the Columbia Basin Fish and Wildlife Foundation (CBFWF) winds down, StreamNet has also been approached by BPA to serve as a possible home for several data projects previously managed by the Foundation. At the close of 2013, these discussions were continuing.



AQUATIC NUISANCE SPECIES PROGRAM

Aquatic nuisance (or invasive) species (ANS) are non-indigenous species that threaten the diversity or abundance of native species or the ecological stability of infested waters, or commercial, agricultural, aquacultural or recreational activities dependent on the region's waters. These species may occur in inland, estuarine and marine waters and can threaten ecological processes and natural resources. In addition to adversely affecting activities dependent on waters of the United States, invasive species can adversely affect individuals and their health.

One important criterion that the Pacific States Marine Fisheries Commission uses to judge a species as a nuisance is whether it can harm commercial and recreationally important fisheries.

Highlights in 2013 for the Commission's Aquatic Nuisance Species Program include:

Rapid Response Planning

With funding from BPA and USFWS, PSMFC continued to lead the effort for zebra and quagga (dreissenid) mussel rapid response planning in the Columbia River Basin. The plan, which was updated in Fall of 2013, can be viewed at http://www.100thmeridian.org/Columbia_RBT.asp. Related to the rapid response plan is the eradication of a dreissenid mussel population if discovered in the Columbia River Basin. To address this need, PSMFC held an eradication scenario exercise with the states of Oregon and Washington in December 2013 in Vancouver, Washington. Presentations and the report from that meeting as well as updated permitting information, control technologies and the newly released Oregon and Washington dreissenid response plans at can be found at <http://preventinganinvasion.psmfc.org/rapid-response-workgroup/>.

Vulnerability Assessments

PSMFC has also led the preparations of the region's hydro and fish facilities for a potential dreissenid mussel invasion. Vulnerability assessments itemize and inspect all hydropower facility structures and components that come into contact with raw water, and determine the degree to which dreissenid mussels could impair the performance of the structures and their components. Understanding these factors in advance of an introduction can best prepare the facility to both prevent and deal with an introduction. A Vulnerability Assessment Team was formed after the May 15, 2013 regional "Preventing an Invasion" meeting. The team, led by contractor Lisa DeBruyckere, completed "Strategies To Conduct Vulnerability Assessments for High Priority Columbia River Basin Hydropower and Dam Facilities." This document and other assessment related documents can be accessed at <http://preventinganinvasion.psmfc.org/vat/>

Watercraft Inspection/Decontamination Training

It is generally agreed that the most effective means to prevent the spread of dreissenid mussels is by mandatory inspection stations at key highway points for all recreational watercraft. However, to implement such a program is cost-prohibitive, though the gravity of the dreissenid expansion in the West is causing states to take another look at inspection stations. Therefore, resource managers have been using available resources to increase the capacity for law enforcement and marine safety personnel to detect and intercept contaminated watercraft.

The continued spread of dreissenid mussels has increased the emphasis on Watercraft Inspection Training (WIT). WIT began in 2006, with USFWS and BPA funding, to train boating law enforcement personnel in the western U.S. on the background, biology and impacts of zebra mussels; how to identify high risk watercraft and conduct an inspection of all types of watercraft; how to perform a vessel decontamination; and the legal authority to stop, detain, and require decontamination of watercraft suspected of harboring zebra mussels. To date, over 100 WIT training courses have been delivered in 19 western states and Canada to approximately 4500 individuals representing well over 100 different state, federal, local and tribal agencies and organizations.

Beginning in April 2007, training was divided into two levels. Level One (or basic) training is two-hour courses and consists of an overview on the dreissenid threat, viewing of the "Don't Move a Mussel" video, hands-on watercraft inspection, and a written exam. Level Two training is more intensive and is designed for professionals in all fields that expect to be involved in the inspection and decontamination of trailered watercraft and those who wish to become trainers within their state or work group. Level Two training is delivered over two days (12 hours) at Lake Mead on the Nevada/Arizona Border near Las Vegas and is instructed by Dee Davis. This course focuses on actual field inspection of various types of watercraft which may

be contaminated with quagga mussels and the decontamination of those watercraft requiring it. The instruction includes the use of portable, low-cost temperature-controlled power wash units and a large permanent multi-station self-contained power wash system. Beginning in 2013, the ANS program also began providing targeted training to Lake Mead National Recreation Area staff and contractors (e.g., marina concessionaires) and in cooperation with the Arizona Game and Fish Department at Lake Pleasant, Arizona.

Coordination

The ANS program is providing administrative support, staffing and participation in numerous ANS interjurisdictional efforts, including the Columbia and Missouri River Basin 100th Meridian Initiative Groups; the Pacific Ballast Water Group; Invasive Species Advisory Committee; the Western Regional Panel on Aquatic Nuisance Species; and the Green Crab Technical Group. Green crab were discovered in the Strait of Juan De Fuca (Sooke Basin, Canada) in 2012. This is significant as for the first time a population was found on the inside waters of the Puget Sound Basin. The Green Crab Technical Group is helping to coordinate preventive actions on this infestation, which includes assisting the state of Washington with monitoring efforts that are tentatively scheduled to begin in the Summer of 2014.

Outreach and Education

Recreational watercraft are the most likely means by which zebra/quagga mussels will be spread into other western watersheds. PSMFC and cooperating agencies have ANS information and education campaigns that target recreational anglers, boaters, marinas, enforcement personnel and others on the zebra/quagga mussel threat. For the past 12 years, PSMFC has attended sport and commercial fishing shows throughout the region (e.g., Boise, Portland, Seattle, Sacramento) exhibiting its booth and distributing information to those most likely to come into contact with nuisance species. A highly popular zebra mussel education and watercraft inspection and decontamination training video “Don’t Move a Mussel” was produced in 2008, followed by “Don’t Move a Mussel, Seaplanes” in 2010. In 2012, the Commission re-released the video with new information on the impacts of these mussels, as well as updated watercraft decontamination information. The video can be found at <http://www.aquaticnuisance.org/video>

Monitoring

For the past 11 years, PSMFC has partnered with Portland State University in a zebra mussel monitoring program. Beginning in 2010, with funding from the BPA, PSMFC and PSU began partnering with the U.S. Army Corps of Engineers to expand monitoring at Corps projects in the Columbia River Basin. In 2010, PSMFC, in cooperation with U.S. Geological Survey, also began to host a monitoring database and map for the Columbia River Basin states of Idaho, Washington, Oregon and Montana. For more information, see: <http://crbais.psmfc.org/monitoring/monitoring-for-aquatic-animals/zebraquagga-mussel-2010>

Website

The PSMFC also manages several websites related to aquatic nuisance species:

<http://www.aquaticnuisance.org/>

<http://www.psmfc.org/ballast/>

<http://crbais.psmfc.org/monitoring/monitoring-for-aquatic-animals>

<http://preventinganinvasion.psmfc.org/>



CALIFORNIA/IDAHO FISHERIES SUPPORT PROJECTS

The **California Cooperative Fish And Aquatic Habitat Data Program (CalFish)** – a multi-agency cooperative fisheries information site – is designed to gather, maintain, and disseminate fish and aquatic habitat data and data standards, and provides access to a growing number of fish and aquatic habitat datasets, through both geographical and tabular queries. Many of the following projects have data and information available through the CalFish site. See the website at www.calfish.org.

The **California Habitat Restoration Project Database (HRPD)** effort continued to maintain and add data for projects funded through the California Anadromous Fish Restoration Grants Program. Work also continued with CALFED, a state/federal partnership conducting restoration efforts in the Central Valley. HRPD data are made available via the CalFish web site.

PSMFC continued to assist the California **Coastal Watershed Planning and Assessment Program** by providing field and technical staff and other assistance to conduct stream habitat surveys and prepare watershed assessment plans for the northern and southern coasts.

Continuing assistance was provided to the California **Ocean Salmon Program** by employing fisheries technicians at various coastal ports to sample commercial salmon fisheries and collect biological data and coded wire tag information. Data collected were incorporated into the management and season setting for salmon fisheries coastwide.

The **California Passage Assessment Database (PAD)** locates and documents anadromous fish passage sites in all California coastal watersheds. This multi-agency cooperative effort has led to better information on known and suspected fish passage issues, and ultimately their correction through prioritized restoration projects and funding.

PSMFC continued to provide technical assistance and field staff for collecting and compiling data on the movement and timing of juvenile Chinook and Coho salmon and other species in the **Humboldt Bay Tributary Estuary Sampling Program**.

With funding provided by the California Department of Water Resources (CDWR), PSMFC assisted CDWR and California Department of Fish and Wildlife (CDFW) with the **Feather River Monitoring** project. Work includes data collection and analysis for the Feather River and Central Valley.

PSMFC Fisheries Technicians on the **Upper Sacramento Technical Assistance** projects continued to assist CDFW with video monitoring stations and fish traps, salmon carcass surveys, and biological data collection.

PSMFC provided technical assistance and field staff for the **Coastal Restoration Monitoring and Evaluation** project. Staff monitors pending and completed coastal watershed restoration projects in California, collects habitat information, and compiles data. This information is used by managers to assess the success of restoration activities.

PSMFC's **Southern California Habitat Assistant** identified habitat restoration projects, such as erosion control, removal of fish barriers, and removal of non-native vegetation in order to improve fish habitat and establish funding for the projects.

The Commission continued to provide fisheries technicians in Mendocino County to assist in a project designed to develop, test, and implement the sampling scheme and field surveys described in the **California Coastal Salmonid Monitoring Plan**.

PSMFC assisted with escapement surveys on the **Lower American River** to generate an estimate of spawners and their distribution; and with coded wire tag surveys to accurately estimate occurrence of coded wire tagged fish in-river and to obtain detailed information on sex and spawning status.

In the **San Joaquin River Basin**, PSMFC assisted in collecting water temperature data; conducting the Stanislaus River Chinook salmon carcass survey; spawning Merced River Hatchery fall-run Chinook salmon; reading coded wire tags; entering data; and fish screening and monitoring entrainment of salmon into water diversions.

PSMFC worked with CDFW and the CDWR Head Lab to determine the **Age Structure of Central Valley Chinook Salmon populations** by conducting scale analysis, assisting in the field collection of scales in Chinook escapement surveys, and using the ageing data in combination with coded wire tag recovery data to reconstruct the size of each returning brood year.

PSMFC's assistance contributed to the successful completion of the sixth year of the **Central Valley Constant Fractional Marking Program**. The program is responsible for annually coded wire tagging/adipose fin clipping 25% of the Fall Chinook salmon production in the Central Valley hatcheries.

At the **Coleman National Fish Hatchery**, PSMFC provided seasonal personnel and services to assist the U.S. Fish and Wildlife Service mark and coded wire tag juvenile Winter-run and Late-Fall Chinook salmon and steelhead.

PSMFC assisted in the implementation of the **Heritage and Wild Trout Program** by providing technical staff, expertise, supplies, and support services to assist with conducting high priority native trout resource assessment and monitoring projects.

The Commission worked with the **Yuba County Water Agency, CDFW**, and other partners to implement field studies, monitoring, and other projects on the Lower Yuba River, including rotary screw traps, escapement surveys, and the operation of the VAKI Riverwatcher Installation.

PSMFC also cooperated with the U.S. Army Corps of Engineers to survey, monitor, and map **Yuba River Redds** to evaluate the success of their gravel augmentation program.

PSMFC assisted with **Constant Fractional Marking at Iron Gate Hatchery** and **Trinity River Hatchery** and provides staff and equipment to clip and tag 25 percent of all Chinook salmon released from the facility, which will provide critical harvest information to coastal Chinook life cycle monitoring programs.

PSMFC staff assisted the **USFWS Comprehensive Assessment and Monitoring Program** by providing statistical analysis, database development and support of California Central Valley monitoring efforts.

On numerous other projects, PSMFC provided:

- staff assistance to conduct monitoring studies for **South Fork Eel River Coho**.
- support to the Heritage and Wild Trout Program's **acoustic surveys on the Yuba River**.
- assistance to complete the **Big Basin/ San Mateo Regional Area Spawning Ground Surveys** in order to estimate salmonid escapement in coastal streams.

PSMFC also assisted with:

- the installation and implementation of **DIDSON Monitoring Stations** on Southern California streams.
- CDFW **migration of its web mapping technologies** from ArcIMS to an ArcGIS environment.
- the **Battle Creek Fish and Ladder Monitoring Program**.
- the **Sacramento Steelhead Monitoring Plan**.
- USFWS and CDFW data collection and monitoring of **Salmon Redd Dewatering** on the mainstem Sacramento River.
- field implementation of the CDFW **South Coast Steelhead Monitoring Plan**.
- the **Lower Eel and Van Duzen Rivers Salmonid Spatial Structure Project for Coho salmon**.
- administrative and coordination support for the **Pacific Marine and Estuarine Fish Habitat Partnership**.

- the USFWS **Rotary Screw Trap Assistance and Monitoring** program that assesses the abundance and production of juvenile Chinook and Steelhead on the American River.

PSMFC also provided:

- staff and technical expertise to conduct **Salmonid Habitat Enhancement and Monitoring** for the Nature Conservancy and Trout Unlimited in Pudding and Caspar Creeks.
- expert technical assistance for the development of monitoring and evaluation strategies to support the **NMFS Salmon Recovery Plan** implementation.
- data stewardship services for the **NMFS Habitat Restoration Project Tracking Database**.
- personnel to assist the **IDFG Nampa Research Lab** with fisheries research, field activities, and data management needs.
- technical and administrative support to implement the **IDFG Marking Program**.
- personnel and technical support to assist the **Lower Snake River Fish and Wildlife Compensation Plan** in managing hatchery data, and monitoring and evaluating hatchery efforts.
- personnel to assist with the implementation of fisheries management and research activities in the **IDFG Natural Production Section, Fisheries Management Section, and Eagle Fish Genetics Lab**.
- personnel to assist with collecting **DNA Genetic Samples in the Lower Columbia** for IDFG.



FISH HABITAT PROGRAM

The **PSMFC Fish Habitat Program** works to protect habitat for salmon and other marine fish species. Funding for these programs came primarily from two sources: the Wallop-Breaux Sport Fish Restoration program managed by the U.S. Fish and Wildlife Service and NOAA's interjurisdictional funds.

The program supports cooperative, non-regulatory working groups such as non-profit watershed councils, land trusts and national forest stewardship groups to advance conservation and restoration programs and activities by active participation with the groups: serving on boards, taking on projects, and participating in or helping to organize activities. It conducts tours of restoration and conservation projects for decision makers, the media and others to increase awareness of on-the-ground work; and holds workshops to promote habitat con-

servation. It helps update and advance essential fish habitat designations, ecosystem-based fishery management policies, water use and salmon habitat protection and other issues through the Habitat Committee of the Pacific Fishery Management Council. The program also encourages habitat conservation through participation in other regional groups such as the Pacific Marine Estuarine Fish Habitat Partnership and works to support marine debris abatement activities.

Activities in 2013 included:

Watershed Restoration Support: PSMFC is an active member of the steering committee of the Pacific Marine Estuarine Fish Habitat Partnership (PMEP), a diverse partnership that includes federal, tribal, state, and non-governmental members. The partnership is focusing its initial work on juvenile fish habitat in estuarine and nearshore areas, assuring connectivity between nearshore and tidal wetland areas, and maintaining water quality and fresh water inflow into these estuarine and nearshore environments. See the partnership website at: <http://www.pacificfishhabitat.org/>

In 2013, the program helped to update the group's logo, educational outreach flyers and posters; craft standards and a procedure for reviewing funding proposal requests; and planned a juvenile fish habitat assessment workshop. This workshop will select representative estuarine dependent fish and shellfish species. It will collect and assimilate data on nursery requirements, timing of estuarine residence, biophysical needs, key threats, and presence/abundance information. It will identify key data and research gaps and help achieve consensus on how best to coordinate existing fish data and habitat assessments on West Coast juvenile fish species to support restoration and management needs.



The Habitat Program provided administrative and technical assistance to further on-the-ground restoration and conservation projects of the MidCoast Watersheds Council, the Salmon Drift Creek Watershed Council, and other watershed councils and soil and water conservation districts from the Siuslaw to the Salmon river watersheds through management of Oregon Watershed Enhancement Board's North Coast small grant team. In 2013, it administered three restoration grant funding awards, and the work was managed by MidCoast Watersheds Council, Lincoln Soil and Water Conservation District, and Oregon Department of Fish and Wildlife. These restoration projects improved fish habitat through placement of large wood; improved fish passage by replacing culverts; worked to stabilize and shade stream sides through controlling invasive and planting native riparian plants and protecting them from grazing; and protected stream water quality by controlling manure and sediment run-off. Work also included maintaining the multi-group website, conducting a meeting to determine priorities, and helping develop operating rules and bylaws for the upcoming biennial grants.



A horse pasture receiving heavy use feeds manure and sediment into a high value stream. A small grant proposal will use manure storage, rocks, culverts and plants to protect the salmon stream.

The program also assisted the Alsea Stewardship Group, a multi-party group that works cooperatively with the U.S. Forest Service to put restoration projects on the ground. Under federal stewardship contracting authority (commonly termed the Wyden Authority), a portion of timber sale receipts (e.g. from commercial cuts or thinning sales) can be re-invested in habitat restoration projects within the Siuslaw National Forest and on surrounding private lands if there is a direct benefit to the forest watershed, fish and other species. In 2013, the group helped to review five restoration projects and recommend funding. It also has worked to promote a forest-wide beaver and salmon project. To gain support for this focus, it led a field trip to show participants projects where beaver mitigation devices had been installed. A pond leveler and a beaver deceiver (culvert protector) device were visited in the field.



In preparation for installing a beaver deceiver (alternate dam site above the culvert), the existing plugged culvert is cleared.

Beaver ponds are very important for threatened Oregon Coast Coho. They help address the over-wintering habitat limiting factor and maintain cooler water in summer and fall. There is concern about the estimated 60-70 percent decline in winter-stable beaver ponds on the central Oregon Coast. In addition to the field trip noted above, the habitat program conducted a Roads/Beaver Workshop for city, county and state transportation officials, and private, tribal and state forest land managers

as well as resource agencies on the central Oregon Coast. This workshop provided 20 transportation maintenance workers and officials practical information on dealing with beaver issues, but also emphasized the importance of not creating salmon passage problems. The workshop covered the benefits of beaver to salmon, wildlife and watersheds; information from surveys of public attitudes about beaver; and information on beaver mitigation devices and fish passage concerns. The presentations were followed by a discussion of a decision template for how to think about when and where maintain beavers on the landscape considering topographic, hydrological, and sociological factors and other issues. The workshop received almost 100 percent positive evaluations. Similar workshops in different locations will be planned for next year.

The Habitat Program also provides administrative and technical support for groups working on the ground to conserve and restore fish habitat. It provides support by direct engagement on the boards, committees, and working groups of the non-profit organizations. The program works with the MidCoast Watersheds Council, the Salmon Drift Creek Watersheds Council and the Central Coast Land Conservancy to assure that high priority projects can be put in place. It does this by participating in meetings, conference calls, and email communications; by reviewing plans; and by drafting documents and proposals outside of these meetings. Other program work includes coordination and involvement with The Wetlands Conservancy, Native Fish Society, The Nature Conservancy, watershed councils, and South Slough Estuarine Research Reserve on estuarine conservation management planning.

Each year, the program also helps sponsor watershed tours for restoration practitioners at California's Salmonid Restoration Federation conference. This year, the conference topic was Innovative Approaches to Fish Restoration and was held in Fortuna, California. Field tours included a Community Based Forestry and Watershed Management Tour; Instream and Upslope Restoration Tour in Bull Creek; an Off-Channel Habitat Tour in the Lower Klamath; Aquatic Restoration in the Mad River Watershed; Humboldt Bay Eel River Estuary Enhancement and Off-channel Habitat Tour; and a Headwaters to Tidewaters Restoration Tour of Salmon Creek. The tours allow those working on restoration projects to learn from each other and encourage new participants in these important efforts.



Field tour site included an off-channel habitat restoration area in the lower Klamath (photo courtesy SRF)

Tsunami marine debris awareness: PSMFC continues to promote marine debris abatement, tsunami awareness and debris cleanup. This year it continued to work to provide signage and bag stations in 15 locations and helped organize local volunteer coordinators to staff the stations, assure debris cleanup, and replace cleanup bags if necessary. As of December 2013 only a small amount of tsunami debris appears to have made landfall.



NORTHERN PIKEMINNOW PREDATOR CONTROL PROGRAM

The **Northern Pikeminnow Predator Control Program** is a joint effort between the fishery agencies of the states of Washington and Oregon and the Pacific States Marine Fisheries Commission. Funding for

the program is provided by the Bonneville Power Administration. The 2013 season marked the 22nd consecutive year of the Sport Reward Fishery program. The Washington Department of Fish and Wildlife operated the sport-reward registration/creel check stations throughout the river and handled all fish checked into the program. Oregon Department of Fish and Wildlife provided fish tagging services, population studies, food habit and reproductive studies, as well as exploitation rate estimates. The Commission provided fiscal and contractual oversight for all segments of the Program and processed all reward vouchers for sport-reward anglers. Maintenance of the website (www.pikeminnow.org) is provided by the Commission.

Highlights of the 2013 Season:

A season total of 162,079 fish were harvested in the sport-reward fishery.

Vouchers for 160,757 fish of the 162,079 total catch were submitted for payment, with rewards totaling \$1,138,251.

Rewards were paid at \$4 each for the first 100 fish caught by an angler during the season, \$5 for fish caught in the 101-400 range, and \$8 for each fish caught by an angler above 400 fish during the month of May.

A total of 1,130 anglers who registered were successful in catching one or more fish in 2013. The top pikeminnow angler for 2013 caught 9,229 fish and was paid \$76,478 for his efforts. The 2013 season ran from May 1 through September 30.

A total of 162 tagged fish were caught. Anglers were issued a special tagged fish voucher for all tagged fish brought to the registration station. The tag voucher was then sent in with the tag for verification. A payment of \$500 was then made for each tagged fish. Of 162 tag vouchers, 161 were submitted for payment. This resulted in tag reward payments of \$80,500.

System-wide exploitation of Northern Pikeminnow during the Sport-Reward fishery was 10.8 percent (95 percent confidence interval; 6.9–14.7 percent). Exploitation rates were adjusted using an estimated tag loss of 1.1 percent. Using the model of Friesen and Ward (1999), the estimated 2013 predation levels were 35 percent (range: 20–53 percent) lower than pre-program levels.



The **West Coast Groundfish Observer Program (WCGOP)** continued its efforts to collect discard data in the West Coast groundfish fisheries during 2013. 2013 was the twelfth year the WCGOP deployed observers in a variety of groundfish fisheries. The program remains flexible to the data needs to support the management and science of West Coast groundfish. Observers collect scientific, management, and other data through on-board interviews with vessel captains and crew, observations of fishing operations, measurements of selected portions of the catch and fishing gear and collection of biological samples. In addition, a variety of other information is collected by observers with regards to protected species and species of concern, including seabirds, marine mammals, and sea turtles.

In 2013, PSMFC worked with NOAA Fisheries to administer a total of three 3-week trainings and ten 4-day briefings to prepare observers to collect data in the field. A total of 112 observers were trained or briefed in 2013, 88 of which were for the catch share fisheries not including the at-sea hake fisheries and 24 for the non-catch share fisheries. “Non-catch share” fisheries are all other groundfish fisheries not included in the catch share fishery. Observer trainings are coordinated with the catch monitor program as nearly every observer is also trained to serve as a catch monitor by PSMFC’s catch monitor program which provides dockside monitoring of catch share trip offloads. In addition, observer-collected discard data for the catch share fishery is combined with landing data from the catch monitoring program in the NOAA Fisheries Vessel Account System, which tracks quota utilization for the catch share fishery.

In addition, PSMFC staff worked to procure and manage observer gear to supply the observers. This gear includes safety and sampling gear. The computers and software used by the observers to access the NOAA observer database and enter their data into the system are managed by PSMFC.

In 2013, WCGOP observers spent 9,015 days at sea -- 7,565 in the catch share fisheries (excluding at-sea hake) and 1,450 in the non-catch share fisheries. In 2013, PSMFC had 14 full time and one half-time staff working for the program which included debriefers, coordinators, a gear technician, a data analyst and a program manager.

COOPERATIVE AGEING PROJECT

The **Newport Ageing Lab** is a collaborative effort by NOAA Fisheries and PSMFC. It was established to production-age marine groundfish structures. The lab is located in Newport, Oregon, at the Northwest Fisheries Science Center, Barry Fisher Building. Otoliths, collected from federal surveys, observer programs and commercial catch, are the primary structures aged by this lab and are used to directly support West Coast stock assessments. Age specific estimates of biomass, mortality and population trends are required to rigorously estimate the status of a fish stock. While this lab is primarily a production age reading lab, there are opportunities on an annual basis to conduct age-related research and assist in NMFS directed at-sea surveys.

In 2013, Newport Ageing Lab personnel:

- Continued ageing to support 5 West Coast groundfish stock assessments.
- Aged 26,185 otoliths from 8 species of West Coast groundfish including rockfish (aurora, darkblotched, Pacific Ocean perch, rougheye, sunset and vermillion); flatfish (Petrable sole); and roundfish (Pacific hake).
- Re-Aged 5,763 Petrable sole that were previously surface aged. The break and burn technique was used because it provides a more accurate age estimate than surface ageing. This technique involves breaking the otolith through the center of nucleus and then toasting one-half over an ethanol flame. The flame chars the protein layers in the otolith and allows the growth rings to be more easily identified.
- Released 27,707 ages from six different species.
- Six age-reading specialists attended the 2013 Committee of Age Reading Experts (C.A.R.E) in Seattle, WA. The Sablefish and Spiny Dogfish Workshops were attended by four personnel from the Newport Ageing Lab.
- One age reader participated in the 2013 Acoustic Survey.
- Continued to populate the database that was put in place in 2010. This database allows the lab to track all data associated with a single specimen. The lab went 14 years without having this type of data management in place and continues to add historical records to the database.
- Added 38,459 specimen records from 60 different species collected from NWFSC programs. This archive now has 372,465 structures collected from 84 species between 1983 and 2013. The sources of these structures are from the following: At-Sea Hake Observer Program, West Coast Groundfish Bottom Trawl Survey, Pot Survey, Acoustic Survey and the Hook and Line Survey.
- Received the following number of age structures from the states: 806 otoliths from California (2 species); 14,431 otoliths from Oregon (seven species); and 2,292 otoliths from Washington (four species). These structures will ultimately be sent back to the originating state agency after they are aged.
- Continued to age vermillion and sunset rockfish as part of a broader collaborative project to determine their life history. The age and growth data will be included in a larger research project that is planned for future submission to a peer-reviewed journal.
- Continued efforts at weighing otoliths. Since the last report, approximately 13,100 new otolith weights have been added to the database which now has a total of 37,348 otolith weight records. These weights might be used to develop mathematical relationships to allow weight to be used as a proxy for age.

**PACIFIC STATES MARINE
FISHERIES COMMISSION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2013

**PACIFIC STATES MARINE FISHERIES COMMISSION
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Pacific States Marine Fisheries Commission
Portland, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the commission-wide governmental activities, each major governmental fund, and the aggregate remaining fund information of Pacific States Marine Fisheries Commission, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 is sufficient and appropriate to provide a basis for our audit opinions.



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(2)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the commission-wide governmental activities, each major governmental fund, and the aggregate remaining fund information of Pacific States Marine Fisheries Commission as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

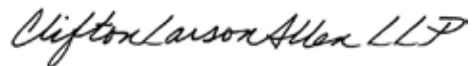
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pacific States Marine Fisheries Commission's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Commissioners
Pacific States Marine Fisheries Commission

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2013, on our consideration of Pacific States Marine Fisheries Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pacific States Marine Fisheries Commission's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Bellevue, Washington
September 19, 2013

**PACIFIC STATES MARINE FISHERIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

This discussion and analysis of the Pacific States Marine Fisheries Commission's (the Commission) financial performance provides an overview of the Commission's financial activities for the year ended June 30, 2013. Please read it in conjunction with the accompanying basic financial statements and notes to the financial statements.

Overview of the Financial Statements

This discussion and analysis is an introduction to the Commission's basic financial statements, which comprise three components: 1) Commission-wide financial statements, 2) governmental fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Commission-Wide Financial Statements (Reporting the Commission as a Whole)

The Commission-wide financial statements are designed to be similar to private sector businesses in that all Commission activities are consolidated. These statements combine fund financial resources with capital assets and long-term obligations.

The statement of net position presents information on all the Commission's assets and liabilities, with the difference between the two reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allowance for depreciation.

The statement of activities and change in net position presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occur, regardless of when cash is received or paid.

This report also includes two schedules that reconcile the amounts reported in the governmental fund financial statements (modified accrual accounting) with activities on the Commission-wide statements (accrual accounting).

The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in Commission activities are not reported on governmental fund statements.
- Unless due and payable, long-term liabilities such as capital lease obligations, notes payable, and others, only appear as liabilities in the Commission-wide statements.
- Capital outlay spending results in capital assets on the Commission-wide statements and are depreciated over their estimated useful lives, but are reported as expenditures on the governmental fund statements.
- Repayment of debt principal decreases liabilities on the Commission-wide statements, but is reported as an expenditure on the governmental fund statements.
- Gains and losses from disposal of capital assets are reported on the Commission-wide statements, but the total proceeds from such disposals are reported as other financing sources on the governmental fund statements.

**PACIFIC STATES MARINE FISHERIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

Fund Financial Statements (Reporting the Commission's Major Funds)

The fund financial statements provide information about the major individual funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the Commission uses to keep track of specific sources of funding and spending for a particular purpose.

The Commission's basic services are reported in the funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for future spending. The fund financial statements provide a short-term view of the Commission's general operations and the basic services it provides. Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs.

These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Commission's funds include the General, Special Revenue and Proprietary funds.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Commission-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements.

Commission-Wide Condensed Financial Information

The following table reflects the condensed statement of net position at June 30:

	2013	2012
ASSETS		
Other Assets	\$ 19,854,575	\$ 19,133,818
Capital Assets	1,036,169	1,084,129
Total Assets	<u>\$ 20,890,744</u>	<u>\$ 20,217,947</u>
LIABILITIES		
Current Liabilities	\$ 8,536,953	\$ 8,131,653
Long-Term Liabilities	2,464,922	2,609,859
Total Liabilities	<u>11,001,875</u>	<u>10,741,512</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	877,171	937,860
Unrestricted	9,011,698	8,538,575
Total Net Position	<u>9,888,869</u>	<u>9,476,435</u>
Total Liabilities and Net Position	<u>\$ 20,890,744</u>	<u>\$ 20,217,947</u>

The Commission's net position, referred to as unrestricted, may be used to meet the ongoing obligations of the Commission. The remaining net position reflects investment in capital assets used to provide services to programs; consequently, these assets are not available for future spending.

**PACIFIC STATES MARINE FISHERIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

Commission-Wide Condensed Financial Information (Continued)

The following condensed financial information was derived from the Commission-wide statement of activities and change in net position and reflects how the Commission's net position changed during the fiscal year.

	<u>2013</u>	<u>2012</u>
REVENUE		
Grants and Contracts	\$ 54,668,048	\$ 55,776,158
General Revenue	262,768	175,894
Total Revenue	<u>54,930,816</u>	<u>55,952,052</u>
EXPENSES		
Fisheries Related Programs	54,508,077	56,240,225
Other Expenses	10,305	6,957
Total Expenses	<u>54,518,382</u>	<u>56,247,182</u>
INCREASE (DECREASE) IN NET POSITION	412,434	(295,130)
Net Position - Beginning of Year	<u>9,476,435</u>	<u>9,771,565</u>
NET POSITION - END OF YEAR	<u><u>\$ 9,888,869</u></u>	<u><u>\$ 9,476,435</u></u>

The net position increased by \$412,434 during the current fiscal year as opposed to a decrease in the prior year of \$295,130. The primary factors contributing to the difference between years were: 1) an increase in the 2013 indirect cost rate applied to grants and contracts administered to compensate for an under-recovery of indirect fee income collected in 2012; and 2) an increase in fixed price agreements that were successfully managed such that costs were less than the agreed-upon fixed price.

Financial Analysis of the Commission's Funds

General Fund and Grants and Contracts Fund

The focus of the Commission's funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, the unrestricted fund balance may serve as a useful measure of the Commission's net resources available for spending at the end of the fiscal year.

As the Commission completed the year, its general fund reported a fund balance of \$9,011,698 as of June 30, 2013. This amount constitutes the unreserved fund balance, which is available for appropriation for the general purposes of the fund. The excess revenues of the special revenue fund (grants and contracts) are transferred to the general fund at the end of the year resulting in a zero fund balance at the end of the year. The Commission has no legal requirement for a budget, though budget estimates are prepared for the general fund. Certain contracts and grants have budget requirements, which must be monitored; however, these budgets are not program wide. Accordingly, budgetary information has not been included in the basic financial statements.

**PACIFIC STATES MARINE FISHERIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

Capital Assets and Long-Term Debt

Capital Assets

The Commission's investment in capital assets, net of accumulated depreciation, amounted to \$1,036,169 and includes a broad range of assets (see the table below). Depreciation charges for this fiscal year totaled \$438,154.

	2013	2012
Computers	\$ 194,538	\$ 244,182
Furniture and Office Equipment	37,587	49,720
Leasehold Improvements	129,718	150,424
Field and Scientific Equipment	363,803	423,599
Truck/Boat	310,523	216,204
Total	<u>\$ 1,036,169</u>	<u>\$ 1,084,129</u>

The additions to capital assets for the year ended June 30, 2013 totaled \$390,194. Approximately one-half of the capital assets acquired were for project vehicles and boats. There are no planned future acquisitions of any significance.

Long-Term Debt

During the current fiscal year, the Commission acquired outstanding debt of \$118,938, related to capital leases for vehicles and boats acquired during the 2013 fiscal year. The Commission has encountered no problems in obtaining financing as needed.

Economic Expectations

The Commission receives the majority of its revenue from the administration of contracts and grants related to fisheries resources management. The Commission expects stable funding in these services. Most costs associated with administering these agreements have been reasonably stable (allowing for inflation). The Commission has been working diligently to moderate these costs where possible. The Commission's prudent use of resources continues to position it well in providing services to its customers and member states of Alaska, California, Idaho, Oregon, and Washington.

Response to Office of Inspector General Audit

The Commission cooperated fully with the Office of the Inspector General (OIG) during the conduct of the field work for both audits in 2009.

The Commission has complied with the instructions in OMB Circular A-87 (2 CFR 230, Appendix E, Section D(1)(b)) concerning submission of indirect cost plans.

In accordance with generally accepted government auditing standards, OMB Circular A-50, and Department of Commerce audit follow-up procedures, the Commission submitted detailed responses to the two audit reports. As of the date of this report, the Commission has not been requested to provide any additional information.

**PACIFIC STATES MARINE FISHERIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

Response to Office of Inspector General Audit (Continued)

Subsequent to the OIG audits, Bonneville Power Administration (BPA) audited the Commission to review and gain an understanding of the Commission's current policies, procedures and internal controls over indirect and direct costs. BPA issued a memorandum in May 2013 stating, "Through review of the Commission's official response communications, discussions with involved personnel (at DOC, DOC-IG, the Commission, and the National Oceanic and Atmospheric Administration) and other procedures, we found the Commission appears to have provided diligent attention and actions to address the recommendations [of the OIG audits]." In addition, BPA stated, "Indirect rate proposals for FY12 and FY13 were prepared in conformance with A-87 cost principals and were properly certified by the Finance Officer. As required by A-87, the Commission's certified methodology for preparing the proposed indirect rates is consistent with how actual indirect costs were accumulated and rates applied."

Requests for Information

This financial report is designed to provide a general overview of the Pacific States Marine Fisheries Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Department of Finance, Accounting Division, 205 SE Spokane Street, Suite 100, Portland, Oregon 97202-6413.

**PACIFIC STATES MARINE FISHERIES COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2013**

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and Investments	\$ 8,974,710
Receivables:	
Grants and Contracts	6,710,418
Other	3,951,102
Notes Receivable, Current Portion	60,500
Prepaid Expenses	157,845
Total Current Assets	<u>19,854,575</u>
NONCURRENT ASSETS	
Capital Assets, Net of Accumulated Depreciation	<u>1,036,169</u>
Total Assets	<u>20,890,744</u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	6,298,676
Payroll Liabilities	738,229
Compensated Absences, Current Portion	616,667
Capital Lease Obligation, Current Portion	80,679
Unearned Rent	252,149
Unearned Revenues	550,553
Total Current Liabilities	<u>8,536,953</u>
LONG-TERM LIABILITIES (Due in More than One Year)	<u>2,464,922</u>
Total Liabilities	<u>11,001,875</u>
NET POSITION	
Investment in Capital Assets, Net of Related Debt	877,171
Unrestricted	9,011,698
Total Net Position	<u>\$ 9,888,869</u>

See accompanying Notes to Financial Statements.

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**PACIFIC STATES MARINE FISHERIES COMMISSION
STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION
YEAR ENDED JUNE 30, 2013**

	Governmental Activities
PROGRAM REVENUES	
Grants and Contracts	\$ 54,668,048
PROGRAM EXPENSES	
Fisheries Management:	
Materials and Services	27,166,463
Personal Services	23,555,026
Salmon Disaster Relief	1,485,318
Sport Rewards	1,177,861
Capital Outlay Not Capitalized	685,255
Interest Expense	10,305
Depreciation	438,154
Total Program Expenses	<u>54,518,382</u>
NET PROGRAM REVENUES	149,666
GENERAL REVENUES	
State Dues	106,000
Interest and Other Income	156,768
Total General Revenues	<u>262,768</u>
CHANGE IN NET POSITION	412,434
Net Position - Beginning of Year	<u>9,476,435</u>
NET POSITION - END OF YEAR	<u><u>\$ 9,888,869</u></u>

See accompanying Notes to Financial Statements.

(11)

**PACIFIC STATES MARINE FISHERIES COMMISSION
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2013**

	General	Grants and Contracts	Total
ASSETS			
Cash and Investments	\$ 5,971,440	\$ -	\$ 5,971,440
Due from Other Funds	6,710,418	550,553	7,260,971
Receivables:			
Grants and Contracts	-	6,710,418	6,710,418
Other	4,011,602	-	4,011,602
Prepaid Expenses	157,845	-	157,845
Total Assets	<u>\$ 16,851,305</u>	<u>\$ 7,260,971</u>	<u>\$ 24,112,276</u>
LIABILITIES AND FUND BALANCES			
Due to Other Funds	\$ 550,553	\$ 6,710,418	\$ 7,260,971
Accounts Payable	6,298,676	-	6,298,676
Payroll Liabilities	738,229	-	738,229
Unearned Rent	252,149	-	252,149
Unearned Revenues	-	550,553	550,553
Total Liabilities	<u>7,839,607</u>	<u>7,260,971</u>	<u>15,100,578</u>
Nonspendable Fund Balances	157,845	-	157,845
Fund Balances, Unassigned	8,853,853	-	8,853,853
Total Fund Balances	<u>9,011,698</u>	<u>-</u>	<u>9,011,698</u>
Total Liabilities and Fund Balances	<u>\$ 16,851,305</u>	<u>\$ 7,260,971</u>	<u>\$ 24,112,276</u>

See accompanying Notes to Financial Statements.

(12)

**PACIFIC STATES MARINE FISHERIES COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2013**

Fund Balances - Governmental Funds	\$ 9,011,698
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds:

Capital Assets	3,753,357
Less: Accumulated Depreciation	<u>(2,717,188)</u>
Total	1,036,169

Long-term debt obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds

(158,998)

Net Position

\$ 9,888,869

See accompanying Notes to Financial Statements.

(13)

**PACIFIC STATES MARINE FISHERIES COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013**

	General	Grants and Contracts	Total
REVENUES			
Grants and Contracts	\$ -	\$ 54,668,048	\$ 54,668,048
State Dues	106,000	-	106,000
Interest and Other Income	156,768	-	156,768
Total Revenues	<u>262,768</u>	<u>54,668,048</u>	<u>54,930,816</u>
EXPENDITURES			
Current:			
Personal Services	2,695,785	20,859,241	23,555,026
Salmon Disaster Relief	-	1,485,318	1,485,318
Materials and Services	1,221,561	25,944,902	27,166,463
Sport Rewards	-	1,177,861	1,177,861
Capital Outlay	72,439	1,003,010	1,075,449
Debt Service:			
Principal	-	106,209	106,209
Interest	-	10,305	10,305
Total Expenditures	<u>3,989,785</u>	<u>50,586,846</u>	<u>54,576,631</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,727,017)	4,081,202	354,185
OTHER FINANCING SOURCES (USES)			
Proceeds from Capital Leases	-	118,938	118,938
Indirect Cost/Administration			
Transfers In	4,200,140	-	4,200,140
Indirect Cost/Administration			
Transfers Out	-	(4,200,140)	(4,200,140)
Total Other Financing Sources (Uses)	<u>4,200,140</u>	<u>(4,081,202)</u>	<u>118,938</u>
EXCESS OF REVENUES AND OTHER SOURCES (USES) OVER EXPENDITURES AND OTHER SOURCES (USES)	473,123	-	473,123
Fund Balance - Beginning of Year	<u>8,538,575</u>	<u>-</u>	<u>8,538,575</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 9,011,698</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,011,698</u></u>

See accompanying Notes to Financial Statements.

(14)

**PACIFIC STATES MARINE FISHERIES COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCES TO THE STATEMENT OF
ACTIVITIES AND CHANGE IN NET POSITION
YEAR ENDED JUNE 30, 2013**

Net Change in Fund Balances - Total Governmental Funds	\$ 473,123
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Amounts reported for governmental activities in the statement of revenues, expenditures, and change in fund balances are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of revenues, expenditures, and change in fund balances, the cost of those assets is capitalized and depreciated over their estimated useful lives.

Capital Outlay	1,075,449
Less: Capital Outlay Not Capitalized	(685,255)
Less: Current Year Depreciation	(438,154)
Total	(47,960)

The loss on the sale of assets is reported in the Commission-wide statements but not in the fund statements	-
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Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment of principal reduces long-term liabilities in the statement of net position and the amount representing interest is included as an expense in the statement of revenues, expenditures, and change in fund balances:

Change in Capital Lease Obligations	(118,938)
Capital Lease Payments	106,209
Total	(12,729)

Change in Net Position	\$ 412,434
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See accompanying Notes to Financial Statements.

(15)

**PACIFIC STATES MARINE FISHERIES COMMISSION
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2013**

	Governmental Activities- Internal Service Fund Type
	<u>Compensated Absences</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,003,270
LIABILITIES	
Accrued Compensated Absences	<u>3,003,270</u>
NET POSITION	
Unrestricted	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

(16)

**PACIFIC STATES MARINE FISHERIES COMMISSION
STATEMENT OF REVENUE, EXPENSES, AND CHANGE IN NET POSITION –
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2013**

	Governmental Activities- Internal Service Fund Type <u>Compensated Absences</u>
OPERATING REVENUES	
Charges for Services	\$ 742,048
OPERATING EXPENSES	
Compensated Absences Expense	<u>742,048</u>
OPERATING INCOME	-
Net Position - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

(17)

**PACIFIC STATES MARINE FISHERIES COMMISSION
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2013**

	Governmental Activities- Internal Service Fund Type <u>Compensated Absences</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 742,048
Cash Paid to Employees for Services	<u>(254,251)</u>
Net Cash Provided by Operating Activities	487,797
NET CHANGE IN CASH AND CASH EQUIVALENTS	487,797
Cash and Cash Equivalents - Beginning of Year	<u>2,515,473</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 3,003,270</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ -
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Compensated Absences	<u>487,797</u>
Net Cash Provided by Operating Activities	<u><u>\$ 487,797</u></u>

See accompanying Notes to Financial Statements.

(18)

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Pacific States Marine Fisheries Commission (the Commission) was authorized in 1947 by an Act of the Congress of the United States of America granting consent and approval to an interstate compact. The Commission is composed of five member states: Alaska, California, Idaho, Oregon, and Washington. While the Commission has no regulatory or management authority, it was created to provide collective participation by states to work on mutual problems of fisheries resource management. The Commission's principal offices are located in Portland, Oregon.

Financial Reporting Entity

The Commission is a quasi-governmental corporation governed by a 15-member board. As required by accounting principles generally accepted in the United States of America, these basic financial statements present the Commission (the primary government) and any component units. Component units, as established by Governmental Accounting Standards Board (GASB) Statement No. 14, are separate organizations that are included in the Commission's reporting entity because of the significance of their operational or financial relationships with the Commission. The Commission has no reportable component units.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Basis of Accounting and Measurement Focus

The accounts of the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Commission-Wide Financial Statements

The Commission-wide financial statements include the statement of net position and statement of activities and change in net position. These statements present summaries of governmental activities for the Commission.

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Commission-Wide Financial Statements (Continued)

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the Commission’s assets and liabilities, including capital assets and long-term liabilities are included in the accompanying statement of net position. The statement of activities and change in net position presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

Grants and contracts revenue are considered program revenues by the Commission.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All interfund balances in the statement of net position have been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and change in fund balances for the following governmental funds:

General Fund – This fund accounts for all financial resources and uses which are not included in the special revenue fund. Resources of the general fund are typically not restricted for use within specific projects. The fund’s principal revenue sources are indirect costs charged to the special revenue fund and state contributions.

Special Revenue Fund (Grants and Contracts) – This fund accounts for revenue and expenditures restricted for specific projects or programs. The fund’s principal revenue sources are grants and contracts from various federal and member state agencies.

All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the fund balance sheet. The statements of revenues, expenditures, and change in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position.

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Financial Statements (Continued)

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. Most revenue sources have been treated as susceptible to accrual by the Commission as the amounts due are known at year-end. Interest revenue and some other miscellaneous revenues are not susceptible to accrual because they are usually not measurable until received in cash. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Deferred revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when the Commission receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

Reconciliation of the governmental fund financial statements to the Commission-wide financial statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Proprietary Funds

Proprietary funds account for the operations that are financed and operated in a manner similar to private business, where the determination of operating income, change in net position, financial position, and cash flows is necessary. These funds utilize the accrual basis of accounting.

Internal Service Fund

Internal service funds are used to account for goods and services provided by one department or agency to other departments or agencies of the Commission on a cost reimbursement basis. The internal service fund includes the compensated absences balance of the Commission.

Fund Equity

GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB No. 54) effective for reporting periods after June 15, 2011. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

GASB No. 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

In addition to the nonspendable fund balance, GASB No. 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted – fund balances that are constrained by external parties, constitutional provisions enabling legislation.
- Committed – fund balances that contain self-imposed constraints of the Commission from its highest level of decision-making authority.
- Assigned – fund balances that contain self-imposed restraints of the Commission to be used for a particular purpose.
- Unassigned – fund balances of the Commission that are not constrained for any particular purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the Commission's policy to use restricted first, then unrestricted fund balances. When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the Commission's policy to use committed first, then assigned, and finally unassigned amounts.

Budgets

The Commission has no legal requirement for a budget, though budget estimates are prepared for the general fund. Certain contracts and grants have budget requirements which must be monitored; however, these budgets are not program-wide. Accordingly, budgetary information has not been included in the basic financial statements.

Grants

Unreimbursed grant expenditures due from grantor agencies are recorded in the Commission-wide financial statements as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability, unearned revenues, in the statement of net position.

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets, Including Equipment Leased Under Capital Leases

Capital assets are recorded at original cost or estimated original cost in the statement of net position. Acquisitions of general capital assets are recorded as expenditures at the major program levels in governmental fund types at the time of purchase. Maintenance, repairs, and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized. Upon disposal of capital assets, the related cost or estimated cost and any proceeds from such disposal are accounted for as other financing sources. At their inception, capitalized leases are recorded as capital assets at the net present value of future minimum lease payments to be made.

The portion of the payment applicable to principal, determined by using interest rates implicit in the lease, is reported as a reduction of the capitalized lease obligation.

Depreciation is recorded in the statement of activities and change in net position. The statement of net position reflects the cost of capital assets net of depreciation and is computed on the straight-line basis over the following estimated useful lives. Assets acquired by capital lease are amortized over their estimated useful lives using the straight-line basis. Amortization is included in depreciation expense in these financial statements.

Buildings and Improvements	30 Years
Computers, Furniture, Office, and Field Equipment	3 - 10 Years

Capital assets include assets which were purchased with funds from various federal and state agencies. Those funding agencies retain residual interests in certain assets, which are exercised upon disposal.

Cash and Investments

The Commission maintains its cash either in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor or in certain noninterest bearing accounts that are fully insured by the FDIC. The Commission had \$7,886,464 in cash that was exposed to uninsured deposit risk at June 30, 2013. To reduce its overall exposure, the Commission holds its funds in banks that participate in the Oregon Public Funds Collateralization Program. This program provides additional protection for public funds in Oregon, but does not guarantee the funds fully. The Commission has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Certificates of deposit are recorded at cost.

Grants and Contracts Receivable

The majority of receivables are comprised of claims for reimbursement of costs under various federal and state grant programs. The Commission considers all receivables to be substantially collectible. Accordingly, no allowance for doubtful accounts has been established.

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences

Vacation pay is vested when earned. Employees earn annual leave based on length of service to the Commission. Unpaid vested vacation and 50 percent of vested sick pay that is expected to be paid with current resources is shown as accrued compensated absences payable on the statement of net position and recorded as expenditures when earned.

Retirement Plans

Commission employees meeting eligibility requirements are participants in a defined contribution pension plan. Contributions to this plan are made on a current basis as required by the plan and are charged to expenditures as the related liabilities are incurred.

Employees of the Commission are also allowed to participate in the Nationwide Retirement Solution's IRC 457 Plan. The plan permits employees to voluntarily defer a portion of their compensation. The Commission makes no contributions to this plan. Nationwide Retirement Solutions, as the plan administrator, retains custody and fiduciary responsibility for all funds deposited into the plan.

Interfund Transactions

Activity between funds represent short-term receivables or payables in the normal course of the Commission's operations or are reimbursements for administrative expenses that are outstanding at the end of the fiscal year. All outstanding balances are reported as either due to or due from other funds in the fund financial statements.

New Accounting Pronouncements

Effective July 1, 2012, the Fund implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The Fund has already been following these standards.

Effective July 1, 2012, the Fund implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. As a result, net assets is now net position, the statement of net assets is now the statement of net position and the statement of net revenues, expenses and changes in fund net assets is now the statement of revenues, expenses, and change in net position.

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2 CASH AND INVESTMENTS

The Commission maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is reported on the statement of net position as cash and investments.

Cash and investments (recorded at cost) consisted of the following at June 30, 2013:

Petty Cash	\$ -
Deposits with Financial Institutions:	
Demand Deposits	1,578,582
Money Market	81,306
Savings	7,314,822
Total Cash and Investments	<u>\$ 8,974,710</u>

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission does not have a deposit policy for custodial credit risk. To reduce its overall exposure, the Commission holds its funds in banks that participate in the Oregon Public Funds Collateralization Program. This program provides additional protection for public funds in Oregon, but does not guarantee the funds fully. The Commission has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash. The Commission's bank balance was exposed to custodial credit risk as follows at June 30, 2013:

Uninsured and Uncollateralized	\$ 7,886,464
Uninsured and Collateral Held by Pledging Bank's Trust Department not in the Commission's Name	<u>-</u>
Total	<u>\$ 7,886,464</u>

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 3 CAPITAL ASSETS

Capital asset activity was as follows at June 30:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Capital Assets:				
Computers	\$ 1,094,504	\$ 77,710	\$ 6,118	\$ 1,166,096
Furniture and Office Equipment	171,463	-	4,892	166,571
Leasehold Improvements	399,664	-	-	399,664
Field and Scientific Equipment	1,362,922	115,958	4,791	1,474,089
Truck/Boat	350,411	196,526	-	546,937
Total Capital Assets	<u>3,378,964</u>	<u>390,194</u>	<u>15,801</u>	<u>3,753,357</u>
Accumulated Depreciation:				
Computers	850,322	127,354	6,118	971,558
Furniture and Office Equipment	121,743	12,133	4,892	128,984
Leasehold Improvements	249,240	20,706	-	269,946
Field and Scientific Equipment	939,323	175,754	4,791	1,110,286
Truck/Boat	134,207	102,207	-	236,414
Total Accumulated Depreciation	<u>2,294,835</u>	<u>438,154</u>	<u>15,801</u>	<u>2,717,188</u>
Total Assets	<u>\$ 1,084,129</u>	<u>\$ (47,960)</u>	<u>\$ -</u>	<u>\$ 1,036,169</u>

NOTE 4 LONG-TERM LIABILITIES

Compensated Absences

The following is a schedule of the compensated absences as of June 30, 2013:

Balance - Beginning	\$ 2,515,473
Incurred	742,048
Retired	<u>(254,251)</u>
Balance - Ending	<u>\$ 3,003,270</u>
Due Within One Year	<u>\$ 616,667</u>

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

Capital Lease Obligation

In 2013, the Commission entered into lease agreements for financing the acquisition of one vehicle and two boats, expiring in 2015 and 2016. Total minimum monthly capital lease payments are \$8,789, including interest. At June 30, 2013, the fair value of the assets under capital leases was \$303,851 and accumulated amortization of \$110,574. The following is a schedule of the capital lease obligations as of June 30, 2013:

Balance - Beginning	\$ 146,269
Additions	118,938
Payments	(106,209)
Balance - Ending	<u>\$ 158,998</u>

The total interest incurred for the year ended June 30, 2013 was \$10,305.

Minimum future lease payments are as follows:

Year Ending June 30,	Amount
2014	\$ 86,087
2015	72,694
2016	<u>7,620</u>
Total Minimum Lease Payments	166,401
Less: Amounts Representing Interest	<u>7,403</u>
Present Value of Minimum Lease Payments	158,998
Less: Current Portion	<u>80,679</u>
Total Long-Term Portion	<u>\$ 78,319</u>

NOTE 5 PENSION PLAN

The Commission sponsors the Pacific States Marine Fisheries Commission Employees Pension Plan (the Plan), which is a defined contribution pension plan.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments on those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account.

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 5 PENSION PLAN (CONTINUED)

Employees must meet eligibility requirements based upon hours and length of service to participate in the Plan. The Commission is required to contribute an amount equal to 14 percent of the eligible employee's gross earnings. Vesting is based on a schedule that provides 100 percent vesting at the end of five years of qualified employment. An employee who leaves the employment of the Commission is entitled to his or her vested interest in the Plan.

Forfeitures are used to reduce future contributions. For the year ended June 30, 2013, the Commission contributed \$1,596,115 to the Plan, net of forfeitures. There were 308 participants in the Plan at June 30, 2013.

NOTE 6 RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission purchases commercial insurance to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage for any of the past four years.

NOTE 7 OPERATING LEASES

The Commission, as lessee, leases office space, vehicles, and equipment under various operating leases. The total amount expended under such leases was \$579,153 for the year ended June 30, 2013.

Future minimum lease payments for the noncancellable leases with initial or remaining lease terms of one year or more are as follows:

Year Ending June 30,	Amount
2014	\$ 560,390
2015	531,804
2016	418,835
2017	364,700
2018	361,434
Thereafter	1,437,933
Total	<u>\$ 3,675,096</u>

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 8 NOTES RECEIVABLE

The Commission has two notes receivable with companies who were overpaid federal grant funds. One note in the amount of \$21,000 at June 30, 2013 is payable in yearly installments of \$21,000, and is to be paid in full by January 6, 2014, at zero percent interest.

The other note (note 2) in the amount of \$39,500 at June 30, 2013, is payable in monthly installments of \$1,000 with a final installment payment of \$25,000 due on October 1, 2012. If the payer adheres to the payment plan, no interest is charged on the note. However, if the payer does not adhere to the payment plan the note is charged 9 percent interest. The balance is expected to be paid in full; accordingly, no allowance is provided.

Subsequent to June 30, 2013, the payer of note 2 did not adhere to the terms of the payment plan. The Commission has filed a security interest in the debtor's assets pursuant to the settlement agreement and is preparing a confession of judgment and modified settlement agreement. The Commission and its legal counsel are unable to provide an evaluation as to the outcome of the matter as of the date of the audit report.

NOTE 9 COMMITMENTS AND CONTINGENCIES

As discussed in Note 1, the Commission holds capital assets for which granting agencies, principally federal agencies, have residual interests. The granting agencies, at their discretion upon disposition of these assets, are entitled to possession of the assets or the proceeds from their sale.

Substantially all amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Commission's management expects such amounts, if any, to be immaterial.

NOTE 10 OFFICE OF THE INSPECTOR GENERAL'S AUDIT

During 2009, the Office of Inspector General (OIG) began an audit of the Commission's indirect cost plans and rates and administrative rates for the fiscal years ended June 30, 2002 through 2008, as well as two cooperative agreements between the Commission and the National Oceanic and Atmospheric Association (NOAA). Both audits concluded in 2011 and two reports were issued, dated May 19, 2011 and June 10, 2011. The Commission has cooperated fully with the OIG during their audits of governmental awards.

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 10 OFFICE OF THE INSPECTOR GENERAL'S AUDIT (CONTINUED)

In the audit of NOAA Cooperative Agreements to the Commission, dated June 10, 2011, the OIG has recommended that NOAA's Director of Acquisition and Grants disallow and recover \$2,420,489 in questioned project costs. In the audit of indirect cost plans and rates of the Commission, dated May 19, 2011, the OIG has recommended that the Department of Commerce disallow and recover \$15.6 million in indirect costs and \$2.9 million in administrative fees charged by the Commission during the years 2002 through 2008.

The Commission has vigorously pursued these audits and believes that they have operated in compliance with all applicable requirements. As a result of their efforts, the Commission is not able to reasonably estimate an associated liability with the audits, therefore no accrual as been made as of June 30, 2013 for any potential adverse outcome.

The Commission has submitted detailed responses to the audit reports strongly disputing the validity of the findings. The Commission engaged a consultant to assist in developing responses to the audit reports in accordance with generally accepted government auditing standards, OMB Circular A-50, and Department of Commerce audit follow-up procedures. In addition, a consultant was engaged to perform an indirect cost rate study and prepare an updated indirect cost rate plan in accordance with OMB Circular A-87 (2 CFR 230, Appendix E, Section D(1)(b)).



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Pacific States Marine Fisheries Commission
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pacific States Marine Fisheries Commission, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Pacific States Marine Fisheries Commission's basic financial statements, and have issued our report thereon dated September 19, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pacific States Marine Fisheries Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pacific States Marine Fisheries Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Pacific States Marine Fisheries Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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Board of Commissioners
Pacific States Marine Fisheries Commission

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pacific States Marine Fisheries Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Bellevue, Washington
September 19, 2013



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners
Pacific States Marine Fisheries Commission
Portland, Oregon

Report on Compliance for Each Major Federal Program

We have audited Pacific States Marine Fisheries Commission's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Pacific States Marine Fisheries Commission's major federal programs for the year ended June 30, 2013. Pacific States Marine Fisheries Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Pacific States Marine Fisheries Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pacific States Marine Fisheries Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Pacific States Marine Fisheries Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, Pacific States Marine Fisheries Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.



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Report on Internal Control Over Compliance

Management of Pacific States Marine Fisheries Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Pacific States Marine Fisheries Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Pacific States Marine Fisheries Commission's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-01 that we consider to be a significant deficiency.

Pacific States Marine Fisheries Commission's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Pacific States Marine Fisheries Commission's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Bellevue, Washington
September 19, 2013

**PACIFIC STATES MARINE FISHERIES COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013**

Federal Grantor Direct Awards	CFDA No.	Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Energy</u>			
<i>Direct Awards - Bonneville Power Administration</i>			
ZEBRA MUSSEL/MITTEN CRAB PREVE	81.Unknown	00003373	\$ 194
PTAGIS	81.Unknown	00041401	830
ZEBRA AND QUAGGA MUSSEL PREVENTION IN THE COLUMBIA	81.Unknown	00049365	292,209
COWLITZ FALLS FISH FACILITY	81.Unknown	00050217	307,646
FISH PASSAGE CENTER	81.Unknown	00050744	743
CAP LYLE FALLS EQUIPMENT	81.Unknown	00051863	26,039
SMOLT MONITORING PROGRAM	81.Unknown	00052114	253
CHUM SPAWNING BELOW THE DAMS	81.Unknown	00054644	2,299
STREAMNET FY12	81.Unknown	00054765	1,024,843
COMPARATIVE SURVIVAL STUDY	81.Unknown	00055164	195,100
BPA CODED WIRE TAGS	81.Unknown	00055291	735,244
FISH PASSAGE CENTER 2012	81.Unknown	00055453	601,702
SMOLT MONITORING PROGRAM	81.Unknown	00056408	1,168,591
NORTHERN PIKEMINNOW MANAGEMENT PROGRAM	81.Unknown	00056795	2,220,684
PTAGIS	81.Unknown	00057188	2,254,482
BPA COLUMBIA RIVER TAGGING	81.Unknown	00057563	395,452
CHUM SALMON SPAWNING BELOW 4 LOWER DAMS	81.Unknown	00059478	6,328
COMPARATIVE SURVIVAL STUDY	81.Unknown	00059584	186,503
FISH PASSAGE CENTER	81.Unknown	00059621	822,999
BPA CODED WIRE TAG	81.Unknown	00059767	450,191
BPA COLUMBIA RIVER TAGGING	81.Unknown	00059976	270,253
STREAMNET FY2013	81.Unknown	00060412	709,840
SMOLT MONITORING PROGRAM	81.Unknown	00060650	622,538
NORTHERN PIKEMINNOW MANAGEMENT	81.Unknown	00061037	1,132,673
Subtotal - Direct Awards - Bonneville Power Administration			13,427,636
<i>Pass-Through Awards from CRITFC</i>			
GENETIC ASSESSMENT OF COL RVR STOCK	81.999	C1208	35,144
GENETIC ASSESSMENT OF COL RIVER STOCK	81.999	V1302	21,242
Subtotal - Pass-Through Awards from CRITFC			56,386
<i>Pass-Through Awards from State of Washington</i>			
FY 11 CHUM BIOP PROJECT	81.999	10-1648	2,534
FY 13 CHUM BIOP PROJECT	81.999	12-1784	101,673
Subtotal - Pass-Through Awards from State of Washington			104,207
Total U.S. Department of Energy			13,588,229

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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PACIFIC STATES MARINE FISHERIES COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2013

Federal Grantor Direct Awards	CFDA No.	Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
<u>Direct Awards</u>			
BRING BACK THE NATIVES - COASTAL CUTTHROAT TROUT	10.652	PNW11CA11261953023	\$ 38,974
Total U.S. Department of Agriculture			38,974
<u>U.S. Department of Commerce</u>			
<u>Direct Awards</u>			
IJFA	11.407	NA10NMF4070441	120,623
ATLANTIC SALMON & AQUATIC INVASIVE SPECIES PROGRAM	11.417	NA07OAR4170501	(2,393)
PSMFC SALMON AND AQUATIC INVASIVE SPECIES PGM	11.417	NA08OAR4170927	129,834
Subtotal			127,441
COOP ECONOMIC COLLECTION & MGMT	11.434	NA10NMF4340183	264
COL RIV RESTORATION MONITORING	11.436	NA06NMF4360290	28,081
SALMON HABITAT RESTORATION	11.436	NA10NMF4360439	790,552
MONITORING SALMON HABITAT RESTORATION	11.436	NA12NMF4360202	303,795
Subtotal			1,122,428
NATIONAL VMS DATA COLLECTION	11.437	NA06NMF4370224	(295)
RECFIN	11.437	NA06NMF4370241	1,442
COST EARNINGS DATA (EFIN)	11.437	NA06NMF4370274	334,605
FISHING INDUSTRY GF DATA COLLECTION	11.437	NA07NMF4370213	23,990
BSAI CRAB FISHERIES COOPERATIVE ECONOMIC DATA PGM	11.437	NA08NMF4370485	181,531
NATIONAL VMS DATA COLLECTION	11.437	NA08NMF4370657	1,294,373
2008-2013 GROUND FISH AGE READER PROGRAM	11.437	NA08NMF4370660	454,744
WEST COAST GROUND FISH TIQ	11.437	NA09NMF4370398	749
FISHSET-FISHERIES SPATIAL ECONOMIC TOOLBOX	11.437	NA10NMF4370286	324,681
COST EARNINGS EFIN	11.437	NA10NMF4370440	989
W COAST GF OBSERVER PROGRAM	11.437	NA10NMF4370448	11,446
RECFIN	11.437	NA10NMF4370449	597,575
AKFIN	11.437	NA10NMF4370459	2,791,744
PACFIN	11.437	NA10NMF4370460	2,708,961
GF TRAWL OBSERVER COMPLIANCE MONITORING	11.437	NA10NMF4370469	3,627,950
EDR COLLECTION FOR BSAI RATIONALIZED CRAB	11.437	NA11NMF4370169	129,393
W COAST GF FISHING INDUSTRY	11.437	NA11NMF4370198	641,960
PAC. COAST FISHERIES MANAGEMENT SUPPORT	11.437	NA11NMF4370212	1,842,135
W COAST GF OBSERVER PROGRAM	11.437	NA11NMF4370255	1,022,958
WEST COAST GROUND FISH CATCH SHARES PGM	11.437	NA11NMF4370257	264,758
WEST COAST GROUND FISH OBSERVER PROGRAM	11.437	NA12NMF4370222	1,813,706
RECFIN	11.437	NA12NMF4370239	2,223,883
Subtotal			20,293,278

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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**PACIFIC STATES MARINE FISHERIES COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

Federal Grantor Direct Awards	CFDA No.	Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Commerce (Continued)</u>			
PINNIPED POPULATION STUDIES	11.439	NA11NMF4390206	\$ 264,461
ENERGY SYMPOSIUM	11.441	NA10NMF4410466	(1,282)
YUKON RIVER COMMERCIAL FISHERY DISASTER RELIEF	11.452	NA10NMF4520479	1,234,959
UPPER SANTA YNEZ HABITAT ASSESSMENT	11.452	NA11NMF4000175	20,559
Subtotal			1,255,518
KLAMATH SALMON FISHERIES DISASTER	11.454	NA07NMF4540337	1,160,719
S FORK EEL RIVER COHO POPULATION MONITORING	11.472	NA10NMF4000296	18,024
BREP CHINOOK SALMON BYCATCH 2012	11.472	NA12NMF4720248	77,387
2012 BREP ROCKFISH BYCATCH	11.472	NA12NMF4720257	1,493
Subtotal			96,904
Subtotal - Direct Awards			24,440,354
<u>Pass-Through Awards from State of California</u>			
08/09 ADAPTIVE PROJECTS	11.438	P0810503	(12,037)
08-09 COASTAL RESTORATION MONITORING/EVALUATION	11.438	P0810526	45,769
CAMARILLO FISH HABITAT SPECIALIST	11.438	P0850015	824
CA HABITAT RESTORATION DATABASE 09-11	11.438	P0881016	1,349
PAD ANADROMOUS PASSAGE RESTOR 09-11	11.438	P0881017	31
2010 MENDICINO COUNTY SALMONID MONITORING	11.438	P0910305	352,270
N COAST RESTORATION MONITORING 2010-2013	11.438	P0910534	134,314
COASTAL WATERSHED PLANNING/ASSESSMENT	11.438	P0910535	14,373
BIG BASIN/SAN MATEO SPAWNING GROUND SURVEYS	11.438	P0930411	141,045
STREAMFLOW MONITORING LWR BIG SUR RIVER	11.438	P0940402	6,843
09/10 ADAPTIVE WATERSHED PROJECTS	11.438	P0981300	548,258
S FORK EEL RIVER COHO POPULATION MONITORING	11.438	P1010503	38,618
HUMBOLDT BAY JUVENILE TRENDS	11.438	P1010516	68,682
CAMARILLO FISH HABITAT SPECIALIST	11.438	P1050012	50,952
PUBLIC OUTREACH SOUTH COAST WATERSHEDS	11.438	P1081009	102,467
CA COASTAL WATERSHED PLAN/ACCESS	11.438	P1110518	109,156
JUVENILE SALMONID USE RYAN CREEK SLOUGHS	11.438	P1110524	21,690
PAD ANADROMOUS PASSAGE RESTORATION 12-13	11.438	P1181007	96,649
CA HABITAT RESTORATION DATABASE 12-13	11.438	P1181009	304,364
COASTAL MENDOCINO SLAMONID MONITORING	11.438	P1210327	16,729
NORTH COAST RESTORATION MONITORING	11.438	P1210328	5,670
Subtotal - Pass-Through Awards from State of California			2,048,016

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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**PACIFIC STATES MARINE FISHERIES COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

Federal Grantor Direct Awards	CFDA No.	Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Commerce (Continued)</u>			
<u>Pass-Through Awards from Other Sources</u>			
N PAC FISHERY MGMT COUNCIL	11.441	2012-4	\$ 29,546
N PAC FISHERY MGMT COUNCIL	11.441	2013-4	16,872
PFMC LIAISON	11.441	05-12	25,869
PFMC LIAISON	11.441	05-13	22,649
Subtotal			94,936
ALTERNATIVE CATCH MONITORING AK GF	11.472	1017	3,630
WEST COAST GOVERNORS AGREEMENT ON OCEAN HEALTH	11.473	PS09022	170,615
Subtotal - Pass-Through Awards from Other Sources			269,181
Total U.S. Department of Commerce			26,757,551
<u>U.S. Department of Defense</u>			
<u>Direct Awards</u>			
HARBOR SEAL TEMPERATURE DEPTH PROFILING	12.300	N000141310145	80,384
Total U.S. Department of Defense			80,384
<u>U.S. Department of the Interior</u>			
<u>Direct Awards</u>			
OR COASTAL CUTTHROAT TROUT DATABASE	15.231	L10AC20376	4,875
COLEMAN/NIMBUS CONSTANT FRACTIONAL MARKING	15.512	R10AP20714	591,675
CFM AT TRINITY RIVER FISH HATCHERY	15.512	R11AC20083	78,383
UPPER SACRAMENTO RIVER CHINOOK MONITORING	15.512	R11AC20089	587,313
FWS CAMP DATA	15.512	F09AC00459	36,304
FWS CAMP DATA	15.512	F09AC00463	68,103
FWS CAMP DATA	15.512	F09AC00464	119,478
AMERICAN RIVER ROTARY TRAP ASSISTANCE	15.512	F13AC00053	66,843
Subtotal			1,548,099
RECFISH	15.605	A-7	1,731
RECFISH	15.605	F12AP00238	123,214
RECFISH	15.605	F13AP00105	64,609
Subtotal			189,554

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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**PACIFIC STATES MARINE FISHERIES COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

Federal Grantor Direct Awards	CFDA No.	Entity Identifying Number	Federal Expenditures
<u>U.S. Department of the Interior (Continued)</u>			
FISH PASSAGE DECISION SUPPORT SYSTEM	15.608	F07AC00133	\$ 6,579
WATERCRAFT INSPECTION TRAINING	15.608	F07AP00035	1,830
DREISSENID MUSSEL REMOVAL PROTOCOLS	15.608	F09AP00096	7,566
FISH PASSAGE INPECTION COORD PGRM*	15.608	F10AC00018	3,674
WATERCRAFT DREISSENID MUSSEL ELIMINATION	15.608	F10AP00301	50,465
PMEP COORDINATOR	15.608	F12AC00472	14,214
PASSAGE ASSESSMENT DATABASE ASSISTANCE 2012-2013	15.608	F12AC00585	43,895
MARK CENTER USFWS SUPPORT	15.608	F12AC00660	218,934
CA FISH PASSAGE FORUM PARTNERSHIP	15.608	F12AC00949	17,149
FISH PASSAGE INPECTION COORD PGRM	15.608	F13AC00130	5,545
Subtotal			369,851
PILOT REDD DEWATERING STUDY	15.648	F10AC00779	20,955
RAPID RESPONSE-100TH MERIDIAN INITIATIVE	15.649	F07AC00004	56,064
CA HATCHERY REFORM	15.650	F10AP00316	87,295
RAPID RESPONSE-100TH MERIDIAN	15.650	F12AC00747	19,452
Subtotal			106,747
IDAHO DATA MANAGEMENT	15.661	F12AC00086	116,771
ID HATCHERY EVALUATION	15.661	F12AC00087	81,762
IDAHO DATA MANAGEMENT	15.661	F13AC00032	460,733
LSRCP HATCHERY EVALUATION ASSISTANCE	15.661	F13AC00033	287,644
Subtotal			946,910
Subtotal - Direct Awards			3,243,055
<i>Pass-Through Awards from State of California</i>			
SAN JOAQUIN DATA COLLECTION	15.517	P1040002	295,798
BIOGRAPHIC DATA BRANCH-GIS DATA CONSERVATION	15.634	P1084003	154,736
Subtotal - Pass-Through Awards from State of California			450,534
<i>Pass-Through Awards from State of Oregon</i>			
OR RECFIN SUPPLEMENTAL	15.605	02011265IGAFISH	49,509
OR RECFIN SUPPLEMENTAL	15.605	29612	146,380
Subtotal - Pass-Through Awards from State of Oregon			195,889
<i>Pass-Through Awards from State of Idaho</i>			
IDFG FISH MARKING	15.661	IDFG-857.12	613,650
IDFG RESEARCH & MANAGEMENT	15.661	IDFG-907.12	774,072
Subtotal - Pass-Through Awards from State of Idaho			1,387,722
<i>Pass-Through Awards from Other Sources</i>			
BASIS AYK SSI ANDREWS	15.FFA	AC303	(64)
Total U.S. Department of the Interior			5,277,136
Total Expenditures of Federal Awards			\$ 45,742,274

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013**

NOTE 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards presents the activity of all grant programs of Pacific States Marine Fisheries Commission and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts reported in, or used in the preparation of the financial statements.

NOTE 2 – Subrecipients

The following programs receiving funds from the U.S. Department of Commerce, the U.S. Department of the Interior, and the U.S. Department of Energy provided awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Columbia River Fisheries Development Program	11.436	\$ 1,112,375
Pacific Fisheries Data Program	11.437	5,582,506
Pacific Coast Salmon Recovery-Pacific Salmon Treaty Program	11.438	69,461
Marine Mammal Data Program	11.439	153,508
Unallied Management Projects	11.454	1,160,720
Coastal Services Center	11.473	168,909
Fish, Wildlife and Plant Conservation Resource Management	15.231	4,875
Sport Fish Restoration Program	15.605	73,077
Fish and Wildlife Management Assistance	15.608	36,730
Research Grants (Generic)	15.650	173,717
Bonneville Power Administration Environment, Fish & Wildlife Program	81.Unknown	4,780,827

**PACIFIC STATES MARINE FISHERIES COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes

_____ X _____ no

Significant deficiency(ies) identified that are not considered to be material weakness(es)?

_____ yes

_____ X _____ none reported

Noncompliance material to financial statements noted?

_____ yes

_____ X _____ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ yes

_____ X _____ no

Significant deficiency(ies) identified that are not considered to be material weakness(es)?

_____ X _____ yes

_____ none reported

Type of auditors' report issued on compliance for major programs?

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?

_____ yes

_____ X _____ no

Identification of major programs:

CFDA Number(s)

11.437

15.512

Name of Federal Program or Cluster

Pacific Fisheries Data Program

Central Valley Project Improvement Act, Title XXXIV

BPA Cluster:

81.Unknown

Bonneville Power Administration

Dollar threshold used to distinguish between type A and type B programs:

\$1,337,024

Auditee qualified as low-risk auditee?

_____ yes

_____ X _____ no

**PACIFIC STATES MARINE FISHERIES COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

Finding 2013-01:

U.S. DEPARTMENT OF COMMERCE
Pacific Fisheries Data Program – CFDA# 11.437
U.S. DEPARTMENT OF ENERGY
Bonneville Power Administration – CFDA# 81.Unknown

**Subrecipient Monitoring
Significant Deficiency, Internal Control over Compliance**

Condition:

During our testing of compliance with subrecipient monitoring, we noted subrecipients in our sample had submitted audit reports in accordance with OMB Circular A-133 and none of the subrecipients' audit reports reported findings. However, the Commission was not able to provide us with evidence that they had performed the appropriate procedures over the subrecipient audit reporting.

Criteria:

A pass-through entity is responsible for ensuring that subrecipients expending \$500,000 or more in federal awards during the subrecipient's fiscal year have met the audit requirements of OMB Circular A-133 and that those audits are completed within nine months of the end of the subrecipient's audit period. The pass-through entity is also responsible for issuing a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensuring the subrecipient takes timely and appropriate corrective action on all audit findings.

Effect:

Although it appears that the Commission monitored subrecipient audit reports, not documenting the procedures performed could allow procedures to be missed and not detected. This could allow noncompliance with subrecipient monitoring requirements.

Cause:

The Commission does not maintain sufficient documentation of procedures performed to monitor subrecipients.

Recommendation:

The Commission should considering adding sign-offs to existing compliance checklists or some other form of documentation that provides evidence of the procedures they perform over subrecipient monitoring over audit reporting.

View of Responsible Official:

We agree with the recommendation and will implement a process to provide evidence of subrecipient audit report monitoring.

**PACIFIC STATES MARINE FISHERIES COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2013**

SECTION II –Financial Statement Findings

Finding 2012-01: Restatement

Condition:

The Commission's controls over financial statement preparation are inadequate to ensure accurate accounting and financial reporting. The fund statements of the financial statements of the Commission incurred a material restatement of fund balance.

Recommendation:

The Commission should establish and maintain financial reporting processes to ensure that accurate data is presented in the Commission's financial statements.

Current Year Status

Implemented.

Finding 2012-02: Material Adjustments

Condition:

As part of the audit, we proposed audit adjustments to revise the Commission's books at year-end. These adjustments involved the recording of accruals.

Recommendation:

We recommend the Commission be consistently aware of all procedures and processes involved in recording receipts, disbursements, and accruals, and develop internal control policies to ensure proper recording of these items.

Current Year Status

Implemented.

Section III – Federal Award Findings and Questioned Costs

None

HEADQUARTERS STAFF 2013

Randy Fisher, *Executive Director*
Pam Kahut, *Fiscal Manager*
Shannon Quinn, *Human Resources Manager*

Program Managers

Russell Porter, *Senior Program Manager*
 Recreational Fisheries Information Network
 Northern Pikeminnow Management Program

Stan Allen, *Senior Program Manager*
 California Fisheries Database Projects

Dave Colpo, *Senior Program Manager*
 Economic Fisheries Information Network (EFIN)

Stephen Phillips, *Senior Program Manager*
 Aquatic Nuisance Species Program

Jim Benante, *Program Manager*
 West Coast Groundfish Observer Program

George Nandor, *Program Manager*
 Regional Mark Information System

Robert Ryznar, *Program Manager*
 Alaska Fisheries Information Network (AKFIN)

Bruce Schmidt, *Program Manager (retired November)*

Chris Wheaton, *Program Manager*
 StreamNet

Brad Stenberg, *Program Manager*
 Pacific Coast Fisheries Information Network (PacFIN)

Fran Recht, *Program Manager*
 Habitat Program

John Tenney and Don Warf
 PIT Tag Information System (PTAGIS)

Todd Kaehler and Chris Matthews
 IT Systems

Richard Masters, *Manager*
 Accounting Program

Matthew Robertson, *Administrator*
 Software Systems

