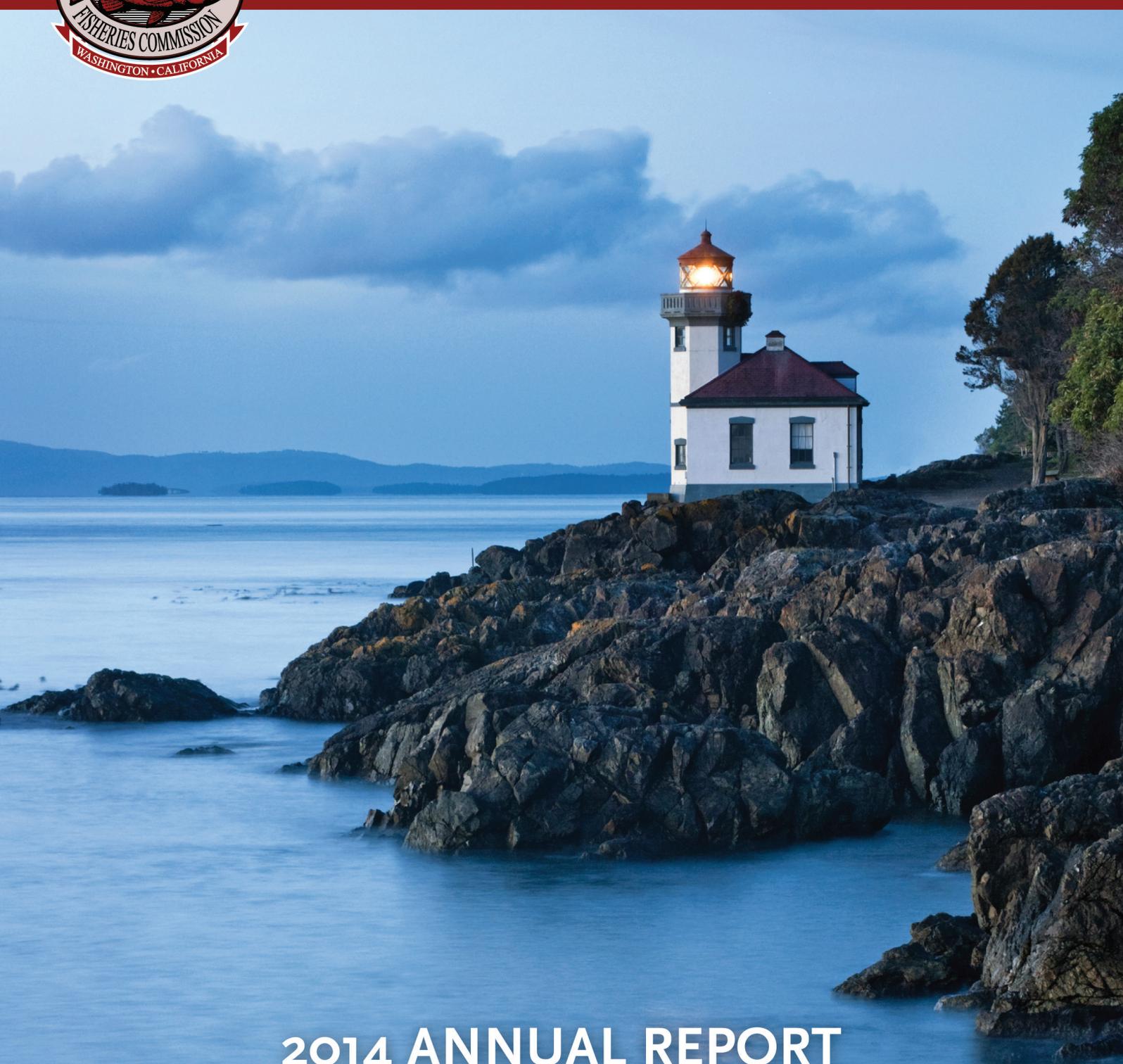




Pacific States Marine Fisheries Commission



2014 ANNUAL REPORT

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



67TH ANNUAL REPORT OF THE PACIFIC STATES MARINE FISHERIES COMMISSION

— Alaska, California, Idaho, Oregon and Washington —

2014

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*

Headquarters
205 SE Spokane Street, Suite 100
Portland, Oregon 97202-6413

COMMISSIONERS, ADVISORS AND COORDINATORS 2014

| State | Commissioners | Advisors | Coordinator |
|-------------------|---|--|-------------------------|
| Alaska | Cora Campbell Cathy Giessel Eric Olson | Terry Johnson Don Lane Matthew Moir Herman Savikko Beverly Hoffman | Karla Bush (ADFG) |
| California | Charlton H. Bonham Richard Gordon Barbara Emley | Jim Caito Robert Fletcher Donald K. Hansen Mike McCorkle Roger Thomas Kate Wing | Marci Yaremko (CDFW) |
| Idaho | Virgil Moore Eric Anderson Fred Trevey | Sharon Kiefer Ed Schriever Joe Stegner | Pete Hassemer (IDFG) |
| Oregon | Roy Elicker Jeff Feldner Vacant | Walter Chuck Steve Fick Liz Hamilton Dorothy Lowman Rod Moore Brad Pettinger Frank Warrens | Maggie Sommer (ODFW) |
| Washington | Phil Anderson Brian Blake Harriet A. Spanel | Robert Alverson Mark Cedergreen Marion Larkin Irene Martin Bill Robinson Robert Jones | Heather Reed (WDFW) |



MESSAGE FROM THE EXECUTIVE DIRECTOR

Randy Fisher, Executive Director

It is a pleasure to provide the 2014 Annual Report of the Pacific States Marine Fisheries Commission.

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 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, and a slight increase in 2014 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 described in this report.



ANNUAL BUSINESS MEETING SUMMARY

Chair Harriet Spanel, Washington Commissioner, called the 67th annual PSMFC business meeting to order. In attendance were:

Phil Anderson, Washington Commissioner
Harriet Spanel, Washington Commissioner
Brian Blake, Washington Commissioner
Sharon Kiefer, Chair, Idaho Advisor, representing Commissioner Virgil Moore
Eric Anderson, Idaho Commissioner
Fred Trevey, Idaho Commissioner
Cora Campbell, Alaska Commissioner
Eric Olson, Alaska Commissioner
Marci Yaremko, California, representing Commissioner Charlton Bonham
Barbara Emley, California Commissioner
Ed Bowles, Oregon, representing Commissioner Roy Elicker
Jeff Feldner, Oregon Commissioner

Chair Spanel noted that the PSMFC Executive Committee had reviewed and approved the proposed PSMFC budget and financial statements. The Committee action was approved by unanimous vote.

The minutes of the previous annual meeting were approved unanimously.

The Commission deliberated on the eleven resolutions forwarded from the State meetings.

ISSUE 1, introduced by Oregon, concerning reauthorization of MSFMA and the Commission's desire to retain the authority for the states of Washington, Oregon and California to manage the Dungeness Crab fishery. With the understanding that the Commission would support use of another legislative vehicle if needed and inclusion of California's interest in expanding this jurisdiction to the full EEZ, the resolution was adopted unanimously.

The Adopted Language:

STATE AUTHORITY TO MANAGE THE WEST COAST DUNGENESS CRAB FISHERY (Meeting Issue 1)

PSMFC strongly supports the extension of the provision in the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act of 2007, pertaining to “Authority of States of Washington, Oregon, and California to manage Dungeness crab fishery” (16 U.S.C. 1856 note), retaining the authority of these three states to manage this resource by repealing the sunset date for the provision (currently September 30, 2016) and retaining the expiration date definition, which is that the States’ authorities expire on the effective date of a fishery management plan under the Magnuson-Stevens Fishery Conservation and Management Act. This is consistent with recommendations made on this single issue by the State of Washington (letter to Senators Begich and Rubio, dated June 3, 2014), and the Pacific Fisheries Management Council (letter to Chairman Doc Hastings, dated March 26, 2014), and is also consistent with the current Senate discussion draft of the Act (dated July 18, 2014).

ISSUE 2, introduced by Oregon, seeking clarification that the MSFMA is the primary authority for management of National Marine Sanctuaries, was adopted by unanimous vote.

The Adopted Language:

NATIONAL MARINE SANCTUARIES (Issue 2)

The Pacific Fishery Management Council and the Council Coordinating Committee representing all eight regional fishery management councils have noted the lack of clarity regarding who is responsible for fisheries management in the National Marine Sanctuaries, including who has the authority to establish areas closed to fishing and fishery regulations in marine protected areas. The Pacific States Marine Fisheries Commission supports amending relevant federal laws, including the Magnuson-Stevens Fishery Conservation and Management Act and the National Marine Sanctuaries Act to make clear that the Magnuson Stevens Act is the primary authority for federal fisheries regulation within the National Marine Sanctuaries, including closed areas and marine protected areas.

ISSUE 3, introduced by Idaho, urging continued current levels of NOAA funding for habitat conservation and restoration projects, was adopted by unanimous vote.

The Adopted Language:

SUPPORT FOR CONTINUATION OF NOAA FUNDING FOR HABITAT CONSERVATION AND RESTORATION (Issue 3)

Support for current funding level for habitat restoration projects through NOAA. This is in response to the zero budget in the House markup.

ISSUE 4, advanced by Idaho, seeking to add Quagga mussels to the Lacey Act injurious species list, was adopted by unanimous vote, with corrected language in the name of the two bills from HB 1823 to HR 1823 and SB 2530 to S 2530.

The Adopted Language:

SUPPORT PROTECT OUR LAKES AGAINST QUAGGAS (PLAQ) BILLS HR 1823 AND S 2530 (Issue 4)

Support for including quagga mussels to the injurious species list of the Lacey Act.

ISSUE 5, introduced by California, advocating NOAA studies on the population status of California sea lions and Harbor seals, was adopted unanimously.

The Adopted Language:

CALIFORNIA SEA LION AND HARBOR SEAL POPULATION STATUS DETERMINATION (Issue 5)

PSMFC’s Executive Director draft a letter to NOAA Fisheries requesting they provide a population status of California sea lion and harbor seal populations (OSP determination) and to respond within a designated time period.

ISSUE 6, brought forward by Alaska, addressing the National Saltwater Recreational Fishing Policy and raising concerns about arbitrary timelines for review of allocation decisions, was amended by deleting the first sentence and the term “Further” at the beginning of the second sentence. It was then adopted unanimously. It was also understood that the resolution should not be construed as covering all Recreational Fishing Policy matters on which the states might choose to comment.

The Adopted Language:

Arbitrary timelines for allocation/reallocation decisions can have significant impacts or unintended consequences on a variety of stakeholders that depend on a given species. PSMFC encourages NOAA to increase their existing efforts on outreach not only to recreational fishers, but also to all stakeholders.

ISSUE 7, raised by Washington, was largely a reaffirmation of the Commission’s previous position on NMFS budget priorities. After discussion centered on the continued importance of expressing positive support for priorities, it was withdrawn.

The Motion Language:

PSMFC reaffirms its position of support for prioritizing funding for basic fisheries management over new initiatives that may compete for funding as outlined in Resolution 1 from 2013 Approved Resolutions. Development of a National Saltwater Recreational Fishery Policy is not a priority and may be better handled at the regional level.

ISSUE 8, was brought forward by Washington to support continued BPA funding of marking programs. After discussion, it was adopted on a 4-1 vote, with Idaho voting in the negative.

The Adopted Language:

BPA FUNDING FOR MARKING AND CODED WIRE TAG COSTS (Issue 8)

The marking of hatchery fish and the coded-wire-tag (CWT) program are key elements of the scientific monitoring and analyses essential to mitigate for the impacts on salmonid populations resulting from the Bonneville Power Administration (BPA) power generation system. The importance of the BPA contribution to funding these activities has been recognized for decades by the Northwest Power and Conservation Council (NWPPC) and funded through the BPA Fish and Wildlife Program. The CWT insertion and recovery programs along with state supported analysis and management processes have provided the foundation for continued harvest of hatchery fish and protection of wild populations listed under the Endangered Species Act (ESA). This important dataset has allowed managers to defend U.S. interests in the Pacific Salmon Commission, fairly share harvestable surplus with the Tribes and neighboring states, and monitor abundance of hatchery salmon and wild salmon listed under the ESA. The PSMFC believes these activities are essential components of the FCRPS BiOp and further will support efforts made by the states and the NWPPC to ensure that BPA meets its obligations by providing full funding for marking, sampling and CWT insertion including production from Lower Columbia River hatchery programs.

ISSUE 9, was introduced by California to encourage NMFS efforts to develop, in conjunction with the states, ER/EM programs. After discussion, the resolution was amended to delete the specific call for a Commission letter, while retaining the importance of minimizing costs to the fishing industry.

The Adopted Language:

EM/ER ENFORCEMENT NEEDS AND COSTS TO THE INDUSTRY (Issue 9)

PSMFC supports NMFS’ efforts to develop regional data plans and work in concert with States and Councils to adopt EM/ER programs. PSMFC strongly encourages NOAA to create standards for ER/EM that allow Councils and States the flexibility to design EM/ER programs that meet federal data and enforcement requirements and also accommodate the specific needs of the fisheries in their jurisdiction to address the needs of enforcement as relates to EM/ER while minimizing costs to the fishing industry.

ISSUE 10, brought forward by Washington to emphasize the importance of sufficient funding for the Pacific Salmon Treaty and the Mitchell Act hatcheries, was adopted by a vote of 4-0, with California abstaining.

The Adopted Language:

CURRENT PSC AND MITCHELL ACT FUNDING INSUFFICIENT (Issue 10)

Current PSC and Mitchell Act funding levels are static and are insufficient to meet the escalating costs of the production and demands associated with implementing the PST obligations. The Commission will provide support for an increase in the funding of these essential activities provided to the States and the Tribes.

ISSUE 11, was introduced by California, to promote cross-state collaboration in the review of off-shore development projects. After discussion of workload issues, the role of the Commission and Tribal and Treaty issues, it was agreed that this item would be placed on the agenda for the next annual meeting. The proposed resolution was withdrawn.

The Motion Language:

In the event that no cross-state interagency meeting is held to review the evaluation of off-shore development projects (wind, wave, aquaculture...) PSMFC will convene such a meeting to ensure that the views of the fishing industry are heard at a point in time that they can influence project development and protect their historic fishing access.

Chair Spanel and others expressed appreciation to staff for the work on and quality of the annual meeting. Chair Spanel noted that the Commission will be sending a questionnaire on the process and structure of future meetings and encouraged Commissioners to provide feedback to the staff.

The meeting was adjourned at 9:30 am.

NEXT MEETING

The 68th meeting of the Pacific States Marine Fisheries Commission will be held at the Alyeska Resort in Girdwood, Alaska on August 23-25, 2015.

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 2014 Award to:

Steve Watrous



“Fisher Advocate”, PFMC/Recreational Fisherman

Steve has been a member of the Pacific Fishery Management Council’s Salmon Advisory Sub-panel for over 20 years representing recreational salmon fishers along the entire Washington coast. He has donated thousands of hours and dollars during these years and has demonstrated a rare quality in terms of his willingness to work cooperatively with commercial fishers.



PACIFIC FISHERIES INFORMATION NETWORK (PACFIN)

The **Pacific Fisheries Information Network (PacFIN)** provides timely and accurate data essential for effective 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 Network combines the collected information 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 2014 the PacFIN office updated the central database with regular datafeeds from nine data sources and responded to over 80 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 2014:

Internal system upgrades

Internal system upgrades were performed. 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 table access and assist with data retrievals from the PacFIN server environment.

Software development support

Resource Data Inc. (RDI) was retained on contract for software development and varied programming support.

Database Redevelopment

Work to redesign the source data acquisition and loading processes continued with the implementation of the state agency fish ticket datafeeds. The new design incorporates a web-based application for loading and monitoring data updates. Programs have been redeveloped to maintain the newly designed data warehouse and data marts needed to support user access and reporting.

Special Funding to incorporate federal trawl logbook and Biological sample (BDS) data into the new data acquisition framework was awarded to PacFIN by NMFS with work scheduled to begin in the 2016 fiscal year.

PacFIN web query tool development

Development of Oracle Business Intelligence software to query the PacFIN database continued. The Oracle Answers tool was used to develop various user-specific queries and build customized user dashboards for generating specific reports and data sets on demand. The PacFIN Answers tool and PacFIN Explorer tool were enhanced to select from new comprehensive data tables as part of the redevelopment process. These web based query tools allow PacFIN users to directly access the database with an easy to use interface.

PacFIN public web report development

Redevelopment of PacFIN public reports from static text files to an interactive web based design using APEX tools was initiated. The enhanced reporting system will be available to the public on the PacFIN web site.

NOAA Vessel Buy Back program table modification

The data set in PacFIN which is maintained for use by the NOAA federal Vessel Buy Back program for verifying fee collections was revised. The modification adds fixed gear IFQ landings data to groundfish trawl permitted landings in accordance with the IFQ gear switching provision in the federal regulations.

Federal Limited Entry Permit data access changes

The PacFIN office returned to weekly updates of federal limited entry permit data by implementing a new protocol to select current year permit data from permit tables on the NWR website and insert into the PacFIN Limited Entry Permit table. The new procedure replaces an ad hoc method for capturing data as needed since the NWR moved away from a weekly delivery service that was dependent on a retired SQL Server database.

Inseason Reporting Redevelopment

New software development to replace the existing Quota Species Monitoring (QSM) sub-system, with a new inseason reporting system within the redeveloped PacFIN database was initiated at the request of the Pacific Council's Groundfish Management Team (GMT).

PacFIN Workgroups

PacFIN workgroup activity included: Highly Migratory Species (HMS), working principally in support of the HMS SAFE document data assemblages; Groundfish Management Team (GMT), working to plan and implement inseason reporting protocols; PacFIN Data Management, coordinating data collection, delivery and validation operations between the PacFIN central office and all data sources.

Report from Groundfish Catch Monitoring and data systems in California

The program monitors and provides California commercial groundfish data for effective fisheries management. Fisheries Technicians report landings of commercial groundfish species under numerical quota or harvest guidelines to PacFIN within seven days of landing. They sample commercial groundfish landings to determine species compositions of landings and collect biological data on size, sex, and reproductive condition of those species. They key that data into a statewide groundfish sampling program database. They also key groundfish trawl logs into a database. The data analyst and managers generate monthly and annual estimates of species, age, length and sex composition from the statewide groundfish sampling program and submit the data to PacFIN. Considerable effort must be expended to satisfy in season and between-season management needs dictated by the Groundfish Fishery Management Plan.

Meetings and seminars

The PacFIN Annual meeting was held on October 15 – 16, 2014 in Portland, OR. Internal meetings with PacFIN staff and the PacFIN Program Manager were conducted weekly. Work group meetings with PacFIN partners were conducted by teleconference as needed.



Mitchell Point Sunset



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.

Staff

AKFIN is comprised of a small cohesive team of six staff located in Anchorage at the NPFMC office, Seattle at the AFSC and Portland at the PSMFC's head office. Four staff are funded by the AKFIN grant and two by other NMFS sponsored projects.

Highlights of work completed by the AKFIN-SC in 2014 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 2014 was focused in the following areas:

- Gulf of Alaska (GOA) and Aleutian Islands (AI) trawl survey data from the Resource Assessment and Conservation Engineering (RACE) Division has been incorporated into the AKFIN database. The data was restructured to create reports in AKFIN Answers that allow stock assessors access to these data. Staff continues to work with RACE to acquire Bering Sea and Crab survey data. When successful, all NMFS survey data will be available to stock assessment authors in a single location.
- AKFIN responded to multiple requests for additional fields and features to be included and provided ongoing user support.
- AKFIN staff traveled to Juneau in February to meet with Auke Bay Lab users. A complete review of the dashboard reports was completed and future tasks identified and prioritized.
- Development began on a new web-based interactive reporting tool to be used for publically available data. The tool will be developed in APEX, an Oracle based software included in the database licensing. When completed will provide a robust and cost effective method of delivering data to users.

2012 Alaska Salmon Fishery Disaster Relief Program

Staff provided analysis and data support to PSMFC and NMFS for the coordination and administration of relief funds to commercial fishermen in the Yukon and Kuskokwim Rivers and Cook Inlet fisheries that were directly impacted by the salmon disaster of 2012.

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

Staff provided data to the NMFS ST to fulfill 2014 reporting requirements for non-confidential, commercial groundfish and non-groundfish landings and revenue in Alaska. Data provided includes:

- AKFIN provided 2013 Alaska recreational and statewide harvest survey data
- Analysis to explain increase in catch shown in the 2013 FUS report
- Response to pricing/value differences between FUS and SAFE reports
- AKFIN reprogrammed a number of database views to break out ancillary/primary surimi production.
- Commercial Landings Statistics (CLS) – A series of data reports that are used to source an NMFS ST online reporting system and include:
 - Catch by Species Month
 - Catch by Gear and Month
- 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.

Summary of Data Services Provided to NPFMC

Listed below are the subjects to which AKFIN-SC supplied data management, programming, and data analytical support for NPFMC Staff and agency analysts working on council related activities:

- Aleutian Island Pacific Cod Regional Delivery Analysis
- Gulf of Alaska (GOA) Sablefish Longline Pot Request
- GOA Trawl Bycatch Management Request
- Community Development Quota (CDQ) Pacific Cod Retention
- Analytical Support for A80 Five Year Review
- GOA Skate Maximum Retainable Amounts (MRA) Revisions Analysis
- Limited Access Privilege Programs (LAPP) Cost Recovery Analysis
- Bering Sea/Aleutian Island (BSAI) Halibut Prohibited Species Catch (PSC) Limit Analysis
- American Fisheries Act (AFA) Retention of Yellowfin and A80 Retention of Pollock Analysis
- GOA Pacific Cod Pot Request
- Round Island Transit Walrus Protection Analysis
- Crab Stock PSC Analysis
- GOA Tendering Analysis
- Norton Sound Red King Crab License Limitation Program Analysis
- Groundfish Specifications for Regulatory Flexibility Act Analysis
- Freezer Long-line GOA Pacific Cod Sideboard
- Sea Bird interaction Analysis
- GIS Maps of Snow Crab Bycatch in BSAI
- Observer Coverage for Vessels Delivering to Tenders Analysis
- Stellar Sea Lion Environmental Impact Statement

Summary of Other Projects and Contributions

Listed below are the subjects to which AKFIN-SC supplied data management, programming, and data analytical support:

- AKFIN Staff, in collaboration with the AFSC-REFM division, completed the 2014 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.
- Reporting of productivity and performance metrics for nine Alaska non-catch share and catch share program fisheries for NMFS/AFSC/AKRO
- Data support for Economic Data Reporting (EDR) program, including development of validation procedures for the Amendment 80 data collection, with validation work on other programs (Amendment 91, BSAI crab) ongoing
- Data analysis to support other AFSC/ESSRP activities, including research and/or data collection on the Alaska CDQ program, BSAI crab rationalization, regional economic impacts of Alaska fisheries, and GOA trawl fishery participants, among other issues
- Reprogramming of the Alaska and West Coast vessel revenue table for economists at the Alaska Fisheries Science Center. All data were refreshed and additional information about crew size and fishing duration were added. Both AKFIN and PacFIN data were used and are needed to maintain this table.
- Miscellaneous data support to NMFS AKRO, including crab bycatch estimate database programming for AKRO; ex-vessel price reporting for IFQ; vessel gross revenue estimates to support regulatory flexibility analyses.
- Provided data analysis and support for research and/or data collection on the Alaska charter sector, regional economic impacts of Alaska fisheries and Alaska catch share programs; provided pricing and revenue data to support essential fish habitat assessment prioritization, AFSC groundfish survey design, and AKRO regulatory flexibility analyses.
- AKFIN provided 2013 AFA data along with West Coast at-sea whiting data to AFSC for an analysis on the efficacy of rights-based fisheries. This work was a continuation from 2013.
- Completed an annual request for a series of reports that provides commercial catch information to the Alaska Department of Labor (DOL) for determining fisheries crew statistics. This series of reports includes commercial catch by catcher/processor and catcher/vessel.



RECREATIONAL FISHERIES INFORMATION NETWORK

The **Recreational Fisheries Information Network Program (RecFIN)** continued in 2014. 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 partially 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.

2014 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 2014 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 2014, 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 2014 in Oregon. These estimates were posted to the RecFIN database.

Field testing of new electronic data collection devices continued in 2014 in Washington funded through the Marine Recreational Information Program (MRIP). 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. Early results indicate that some useful electronic tools can be developed. Further testing will occur in 2015.

The state of Washington conducted their Ocean Boat Survey and the Puget Sound Boat Survey in 2014. 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. In addition, the Washington Ocean Sampling Program (OSP) estimation program has been modified to generate estimates of

recreational groundfish catch by depth bin. These changes will assist the fishery managers in evaluating and modifying depth based mortality impacts from the results of barotrauma injuries.

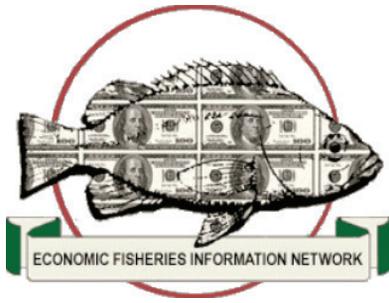
All catch and effort information for each sampling month from the various surveys is loaded into the RecFIN database maintained at the Commission with a one-month lag time. Access is available to the catch and effort information for all three states through the Commission website, www.psmfc.org. Detailed 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]. In addition, the PSMFC staff embarked on a major conversion of the RecFIN data base from a SAS based format to a MS-SQL. Results of this database conversion will improve fishery manager and stock assessors access and use of the data. Project activities will continue in 2015 utilizing the expertise of the RecFIN Technical Committee as well as other frequent users of the database to guide the efforts.

The final report of the Northern and Southern California study designed to determine the effectiveness of recreational private boat anglers at identifying their released catch was completed in 2014. The study utilized distribution of disposable cameras to anglers at the start of their trip and asked them to photograph all released fish. Results of the study show that anglers' identification of prohibited species such as canary rockfish is very good. However, individual species identification of the bulk of the other discarded rockfish is poor. Study results strongly suggest that efforts to assist both recreational anglers in identifying their catch and providing creel samplers the tools to assist them with this identification should be a priority in the future.

MOUNT RAINIER OVER THE PORT OF TACOMA, WA

Almost 70,000 angler trips were sampled in 2014 from four distinct fishing modes.





FISHERIES ECONOMICS DATA PROGRAM (EFIN) AK ECONOMIC DATA REPORT (EDR) COLLECTION 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 2014, EFIN staff worked on the following:

- **2013 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 2014-2015 season that was updated with reports from California, Washington and Oregon.

Alaska Crab Rationalization Economic Data Report (EDR) Collection Program 2014

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

2013 EDR was a streamlined design and was collected in June and July 2014. 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 2013 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 2013 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, standardize variables and conduct 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/processers 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/processers 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 2014, the 2013 annual EDRs were mailed to catcher/processers 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, 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 2014, the 2013 data were collected, tracked and reviewed for completeness. This data collection has a June 1 deadline and 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.

- Oversee auditing firm that reviews data to make sure all submissions are valid and supported.
- 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.

For the 2013 data collected in 2014, 1,243 phone calls were made and over 2,242 individual items were mailed in order to collect data on the 2013 season. The survey response rate was over 22% with 125 completed survey submissions out of the 564 recipients. The survey was administered to businesses that possessed a 2013 Alaska Charter Business License and were active during the 2013 charter season.

2013 Alaska Community Survey

In 2014, PSMFC conducted the Alaska Community Survey on behalf of the Alaska Fisheries Science Center (AFSC). The Alaska Community Survey gathered information about each community's involvement in fishing, including revenues derived from fisheries and related support sector businesses, population fluctuations, fisheries infrastructure available in the community, community participation in fisheries management and effects of fisheries management decisions on the community.

As part of the process of revising the Community Profiles for North Pacific Fisheries – Alaska document (Sepez et al 2005), community input was sought on how the profiles can be revised to better represent communities and their ties to North Pacific fisheries. Much of the input received at the community meetings comprised suggestions for new types of socio-economic data that should be collected to better represent the interests of communities in the fisheries management process and to be used in socio-economic impact analyses. However, a large amount of the data requested by communities for inclusion is not obtainable from other sources and is therefore being requested directly from communities through the implementation of this survey.

PSMFC's role in survey implementation:

- Reproduction and distribution of respondent mailings
- Perform data entry with data integrity protocol design and implementation
- Provide phone support with calls made to non-respondent contacts
- 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.

This is the third time this survey has been fielded, it was also administered by PSMFC in 2012 – 2013 and by ICF Macro in 2010-2011. The survey had a total population of 374 with working contact information and was made up of community contacts gathered by AFSC and PSMFC. One hundred eighty-three of the total population completed the survey, giving a final response rate of 49.01%. PSMFC mailed over 1,300 records and made over 1,572 phone calls in administering the survey.



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 Pacific States Marine Fisheries Commission (PSMFC). Data are contributed from regional agencies and are accessible to all entities. This project is an important, prerequisite component of all PIT Tag research conducted for the Fish and Wildlife Program. 2014 marks the 26th year of this program.

The PTAGIS program's responsibilities include direct operations and maintenance of 27 large scale interrogation sites throughout the Columbia Basin that provide the majority of 175 million observation events available in the database system. PTAGIS also maintains the Separation-by-Code (SbyC) systems at eight of these sites that selectively segregate individual PIT-tagged fish from other tagged and non-tagged fish.

Coordination and Data Management for RM&E

In addition to the on-going work described below, four significant milestones were delivered in 2014:

- Data loading processes, validation and notifications were significantly enhanced
- Two new adult detection sites were installed at Little Goose and Lower Monumental dams
- Coordinated and planned 2015 PIT Tag Workshop
- Increased quality assurance sample rate to 3% for all PIT tags distributed to FWP

Operate and Maintain the PTAGIS System

In 2014, PTAGIS processed 538,249 interrogation files and 30,790 tagging files from data contributors. When a file is processed it is opened, the format is validated, the data are validated and if the file passes validation, the data is inserted or updated in the database. Notification emails are sent to data contributors with the final status of file load process.

2014 data contributions into PTAGIS were similar in terms of quantity and composition as compared to the past few years:

- Over 2 million new tagged fish
 - 68% Chinook, 25% Steelhead, 4% Sockeye, 2% Coho, 1% others
 - 73% Hatchery, 24% Wild, 3% Unknown
- Over 12.6 million detections (observations) representing 927,189 unique fish
- 86,000 fish were reported as recaptured
- 36,000 recoveries/mortalities reported at year's end

Data validation procedures were enhanced to improve the quality of data being loaded into the database. Notifications to data contributors were enhanced to provide more information for verifying data and for correcting validation issues. Data loading processes were enhanced to improve error handling and notifications about unforeseen errors to the database administrator. Database backup processes were enhanced to streamline data recovery processes in the case of catastrophic failure.

Install, Operate and Maintain Interrogation System in Field Locations

The two new adult interrogation sites at Little Goose and Lower Monumental operated at 99-100% detection efficiency using the new thin wall antenna technology innovated by PTAGIS and are now considered permanent installations.

Established interrogation sites operated and maintained by PTAGIS had an overall 98-100% detection efficiency, with the exception of BCC. Eighty-nine 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 the auto-tuning capabilities.

Through rigorous testing and evaluation of various design builds in 2014, the FS3001 BCC transceiver was finally approved

by PTAGIS as a production unit. Since acceptance, it has proven to be stable and reliable. The detection efficiency is projected to be significantly higher than the previous generation reader. The efficiency was verified daily by the Kennewick staff by monitoring 10 independent online reports that monitor all aspects of the system performance. These reports were created by the PTAGIS Portland staff. Future live-fish testing will be needed however, to confirm the level of increased efficiency.

Staff coordinated and implemented 17 SbyC projects for various researchers in 2014. Overall SbyC diversion efficiency was 98-99%.

Administration, Management and Coordination

All funding packages and other contract-related deliverables were provided to BPA on schedule. The PTAGIS administrative assistant retired in May 2014 and a software engineer was hired in December 2014. The new engineer will work on next generation field software and internal development projects.

PTAGIS distributed over 1.4 million tags to various FWP in 2014 using an online request/approval service featured on the new website. The sample rate for quality assurance testing of those tags was increased to 3% from 1%.

The PIT Tag Forecaster application was beta-tested, completed and released in 2014. PTAGIS is providing the technical resources to maintain this application and the Action Agencies, NPCC and NOAA 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-nine 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; meeting minutes for the Data Standards Work Group and the PSC Data Sharing Committee were posted; and other relevant material is added as requested or needed. See: <http://www.rmpec.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.

Annual Meeting of the Regional Committee on Marking and Tagging

The annual Mark Meeting was held April 29 and 30, 2014, at the NOAA Fisheries Science Center in Santa Cruz, California and was hosted by the California Department of Fish and Wildlife. The meeting minutes and presentations are available at: <http://www.rmpec.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 presentation on the Columbia Basin Marking and Tagging Report & Maps; a demonstration of the new InfoMap service which displays coded wire tagged fish release location and subsequent recovery locations by tag code; a presentation on the implementation and status to date of the California Hatchery Scientific Review Group recommendations; a discussion of the California drought situation and possible ramifications; an update on

proposed reduced BPA funding of coded wire tag programs in the Columbia River basin; and update and discussion of the PSC funded Coded Wire Tag Improvement Team (CWTIT) proposals and expenditures; agency updates on marking and tagging programs; an update on the activities of the PSC Data Standards Working Group; a presentation about the NOAA Fisheries Alaska High Seas Sampling and Recovery Program and salmon by-catch in Alaskan ground fisheries; Carrie Cook-Tabor gave a presentation on PSC Selective Fisheries Evaluation Committee activities; Northwest Marine Technology gave a presentation on their new tag detection handheld “T” wands (500 had been delivered worldwide) which included a discussion of tuning the wands to be less sensitive and eliminating false positive detections.

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 2014:

- Releases 1,196 rows
- Recoveries 274,172 rows
- Catch/Sample 3,738 rows
- Locations 192 rows

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.

This was a very busy data management year again. Alaska and Canada made significant updates and corrections to their historical data sets. Washington reported the most coded wire tag recoveries at 76,634 in 2014.

Specialized Data Requests

Throughout the year, specialized requests were received and processed for all CWT recoveries for specific sets of tag codes. These “brood reports” summarized tag recoveries across all fisheries, agencies and recovery years. In addition, numerous data users were assisted in retrieving “raw” recovery records. These data subsets were then processed by the respective data users in a variety of ways to build their own in-house PC databases and generate customized reports, etc.

SPRING CHINOOK SALMON, ROCK CREEK HATCHERY, OREGON

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.



StreamNet provides access to regional fish data by maintaining a coordinated, standardized, web-based distributed information network. The need for regionally coordinated and readily accessible data has been identified by the Northwest Power and Conservation Council (NPCC), the Bonneville Power Administration (BPA), and the National Oceanic and Atmospheric Administration’s National Marine Fisheries Service (NOAA-NMFS).

StreamNet works cooperatively with the agencies that create the data through StreamNet-supported technical staff inside these agencies and by leading or coordinating a number of initiatives to aid in assuring a regional approach to data management.

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 (BiOp). Accomplishments in 2014 included the development of Data Exchange Standards (DES) for key natural origin fish indicators and metrics. High Level Indicator Data for the CA project started to flow to StreamNet in 2014. States and tribes provided estimates of available data for the first indicators which should be provided to StreamNet in 2015. This table shows the data estimates for just the ESA listed populations, as outlined by the Technical Recovery Teams (TRT);

216 TRT populations listed in the Interior Columbia & Lower Columbia/Willamette Recovery Domains

Predicted reporting for TRT populations in FY 2015

| Indicator | Predicted/ Total TRT | Pred./Ttl % | ODFW | IDFG ¹ | WDFW | Tribes ² |
|----------------------------------|-------------------------|----------------|------|-------------------|------|---------------------|
| Natural Origin Spawner Abundance | 133/216 | 61.6 | 40 | 29 | 63 | 1 |
| Recruits per Spawner | 34/216 | 15.7 | 19 | 15 | | |
| Smolt to Adult Ratio | 3/216 | 1.4 | 1 | 1 | 1 | |
| Juvenile Abundance | 25/216 | 11.6 | | | | |

¹Includes estimates coordinated with ISEMP and/or NPT

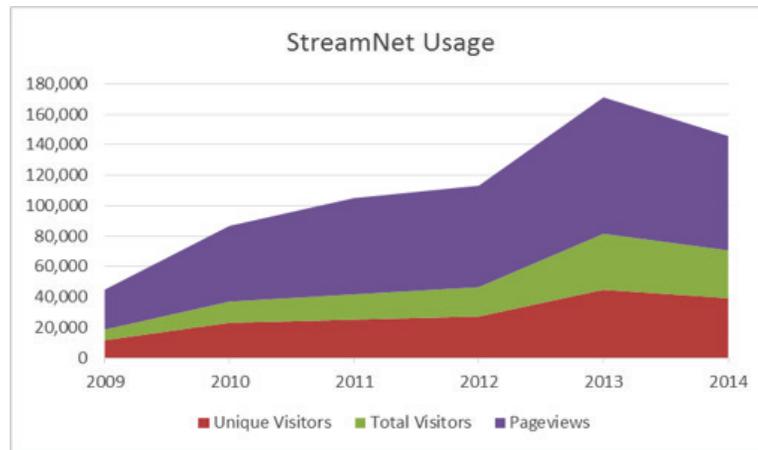
²Comprehensive only for StreamNet Partner Tribes

Staff at PSMFC and subcontracting agencies also provided leadership in other projects in 2014, including implementation of a BPA initiative to ensure that data collected with BPA funding were protected in secure data repositories. StreamNet made revisions to the Data Store to make it more accessible as a “Repository of Last Resort” for any BPA projects without specified repositories that were identified in the 2013 Database Backup Assessment and Inventory. Staff also provided leadership and support for a successful workshop on handheld technology for fish data projects in collaboration with PNAMP and Sitka Technologies. This was a direct outgrowth of the Device Trials project which was instituted to test automated data flow and hardware capability in field projects. StreamNet staff also led a database integration workshop involving the BPA-sponsored data management projects located at PSMFC. Improvements were made to multiple systems as a direct result.

The StreamNet subprojects in the state agencies all contributed to development or improvement of agency data storage systems

in 2014. Additional resources were allocated to partners at ODFW, IDFG, and WDFW through cost savings made at PSMFC. This was made possible in part through PSMFC assumption of additional BPA contracts in 2014, including the Habitat Evaluation Procedures project (HEP) and the Fish Data Products project. StreamNet is also a subcontractor to WDFW for the EPA Coordinated Assessments grant.

A wide variety of data was disseminated through the StreamNet website in 2014 (www.streamnet.org). Overall visits to the site decreased somewhat in the past year, possibly because data updates have slowed and CA data has not yet been made publicly available;



2014 was the first year of the project’s Executive Committee. Management and policy level specialists at tribes, states, and federal agencies were recruited to serve on this committee. Their primary function is to provide guidance and leadership to the StreamNet project to ensure that data management resources and work efforts are aligned with agency and regional priorities. The initial accomplishments of the group included drafting of a Strategic Plan for StreamNet and establishing FY 2015 priorities for the CA project.

Photos courtesy of Tony Grover

A major update to the StreamNet website was completed in 2014. Below is an “infographic” from the new site providing an overview of StreamNet project priorities;

The infographic is set against a background of a scenic river valley with mountains. It features five circular icons and text boxes arranged in a grid. The top row has two circular images: one of a fish with a line graph overlaid, and another of a boat on a river. The middle row has a central circular icon of a padlock on a grid. The bottom row has three circular icons: a laptop with a person icon, an open book, and a book cover with the StreamNet logo. Text boxes describe each priority.

REGIONAL COORDINATION FORUM

StreamNet serves as a primary regional coordination forum for fish and aquatic habitat information management and data sharing.

PROJECT ASSISTANCE

StreamNet provides services and leadership to regionally important initiatives that improve data quality, consistency, and sharing.

INFRASTRUCTURE AND TRAINING

StreamNet provides funding and training for data management professionals embedded within partner states and tribes to assist in data management.

SECURE DATA STORAGE

The StreamNet Data Store is a regional data archive and secure repository that provides storage and easy access to a variety of data sets that do not fit the StreamNet regional data formats.

LIBRARY

The StreamNet library is managed in partnership with CRITFC and serves to maintain the historical record of fish and wildlife management in the Columbia Basin.

Photos courtesy of Tony Grover



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 2014 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. This will ensure that best management practices are implemented throughout the sequence of control actions for a dreissenid introduction will maximize cost-effectiveness of actions, minimize impacts to non-target organisms and the environment, and result in a coordinated, effective response that achieves the goal of controlling the introduction, where it is possible. In 2014 PSMFC developed "Best Management Practices and Effects Analysis" and Decision Matrix" tools to help in the response to a mussel control action. See <http://preventinganinvasion.psmfc.org/rapid-response-workgroup/> and refer to "Regional Response Planning Documents."

Vulnerability Assessment

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 PSMFC ANS program contractor Lisa DeBruyckere, completed "[Strategies To Conduct Vulnerability Assessments for High Priority Columbia River Basin Hydropower and Dam Facilities](#)" in April of 2014. 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 4,500 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 a one day course 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. In recent years, Level Two trainings have expanded and have been held at Lake Powell, AZ, Lake Pleasant, AZ and Lake Havasu, AZ.

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; Quagga Zebra Action Plan (QZAP) Committee and the Green Crab Technical Group.

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 13 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.westernais.org/> videos and the webpage includes “B Roll” and “Interviews” files from the making of the 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 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. By 2014 the monitoring data now includes Idaho, Washington, Oregon, Montana, Wyoming, Utah and British Columbia. For more information, see: <http://crbais.psmfc.org/monitoring/monitoring-for-aquatic-animals/proposed-zebraquagga-mussel-2014>

Website

The PSMFC renovated its invasive species website in 2014. The new website can be found @ <http://www.westernais.org/> and also includes the Pacific Ballast Water Group website



CALIFORNIA/IDAHO FISHERIES SUPPORT PROJECTS

The **California Cooperative Fish and Aquatic Habitat Data Program (CalFish)** website (www.calfish.org) -- 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. A major focus in this past year was on the North Coast of California. Many of the following projects, have data and information available through the CalFish site:

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 is made available via the CalFish website.

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

PSMFC worked with CDFW 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 aging data in combination with coded-wire tag recovery data to reconstruct the size of each returning brood year.

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 the correction of them 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 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 running video monitoring stations and fish traps, conducting salmon carcass surveys and collecting biological data.

PSMFC provided technical assistance and field staff for the **Coastal Restoration Monitoring and Evaluation** project. The 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.

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

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

screening and monitoring entrainment of salmon into water diversions.

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 with **Constant Fractional Marking (CFM) 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 assisted the **Heritage and Wild Trout Program** in California by providing technical staff, expertise, supplies and support services to assist with conducting high priority native trout resource assessment and monitoring projects, and supported the steelhead **Acoustic surveys on the Yuba River**.

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

PSMFC provided staff assistance to conduct monitoring studies for **South Fork Eel River Coho**.

PSMFC personnel assisted CDFW with the **migration of their web mapping technologies** from ArcIMS to an ArcGIS environment.

PSMFC provided assistance to complete the **Big Basin/ San Mateo Regional Area Spawning Ground Surveys** in order to estimate salmonid escapement in coastal streams.

PSMFC assisted with the installation and implementation of **DIDSON Monitoring Stations** on Southern California streams, and assisted with field implementation of the **South Coast Steelhead Monitoring Plan**.

PSMFC will be providing assistance to the **Battle Creek Fish and Ladder Monitoring Program** once several restoration projects are completed.

PSMFC assisted the USFWS and CDFW collect data, monitor and report on **Salmon Redd Dewatering** on the upper mainstem of the Sacramento River.

PSMFC provided personnel assistance for the **Lower Eel and Van Duzen Rivers Salmonid Spatial Structure Project for Coho Salmon**.

PSMFC personnel assisted USFWS with their **Rotary Screw Trap Assistance and Monitoring** program to assess the abundance and production of juvenile Chinook and Steelhead on the American River.

PSMFC provided staff and technical expertise to conduct **Salmonid Habitat Enhancement and Monitoring** for Trout Unlimited, Nature Conservancy and CDFW in Pudding and Caspar Creeks.

PSMFC provided administrative, coordination and technical support to the **Pacific Marine and Estuarine Fish Habitat Partnership** and the **California Fish Passage Forum Partnership**.

PSMFC provided personnel to **Livingston Stone National Fish Hatchery** in Shasta Lake, CA to assist the USFWS with the rearing of additional winter run chinook salmon.

Idaho projects:

PSMFC provided personnel to assist the **IDFG Nampa Research Lab** with their fisheries research, field activities and data management needs.

PSMFC provided personnel, technical and administrative support to implement and conduct the **IDFG Marking and Tagging Program**.

PSMFC provided 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.

PSMFC provided 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**.

PSMFC provided personnel to assist with collecting **DNA Genetic Samples in the Lower Columbia** for IDFG.

PSMFC staff provides technical staff expertise to the **Nez Perce Tribal Data Network**.

PSMFC also provided:

PSMFC provided technical expert assistance for the development of monitoring and evaluation strategies to support the **NMFS Salmon Recovery Plan** implementation.

PSMFC provided data stewardship and technical services for the **NMFS Habitat Restoration Project Tracking Database**.

PSMFC continued to assist BPA with the **Habitat Evaluation Procedures** (HEP) project. HEP is used to evaluate wildlife habitat losses and mitigation credits associated with the federal hydropower system. Primary focus this year has been moving several thousand documents into a secure and accessible electronic repository on StreamNet.

PSMFC staff assisted, through a grant with WDFW and the Environmental Protection Agency (EPA) to facilitate electronic transfer and sharing of fisheries data from the **Coordinated Assessments** (CA) project. CA focuses on the key population indicators for implementation of the Federal Columbia River Power System Biological Opinion.

PSMFC also manages a project funded by BPA to build and update **High Level Indicators** and **Sub-basin Dashboards** that depict the status of fish populations on the Northwest Power and Conservation Council (NPCC) website.

2014 FISH HABITAT PROGRAM



The **PSMFC Fish Habitat Program** works to protect habitat for salmon and other marine fish species. It is supported by funding from the Wallop-Breaux Sport Fish Restoration program managed by the U.S. Fish and Wildlife Service (USFWS) and NOAA's inter-jurisdictional funds.

The Habitat Program works to support cooperative, non-regulatory groups to advance conservation and restoration programs, actions, science and policies. Program manager, Fran Recht, works with non-profit groups such as watershed councils and land trusts, inter-agency or inter-state groups such as the west coast governor's alliance on ocean health (marine debris group), National Forest stewardship groups, and the Pacific Marine

Estuarine Fish Habitat Partnership. She helps foster action by active participation in the groups' meetings and work, serving on committees and boards, and by taking on duties and projects for the groups. She also works on the habitat committee of the Pacific Fishery Management Council, where in 2014 she served as co-chair.

Activities in 2014 included:

Watershed Restoration Support

PSMFC is an active member of Pacific Marine Estuarine Fish Habitat Partnership (PMEP) (<http://www.pacificfishhabitat.org/>) with the participation of Stan Allen and Fran Recht on its steering committee. Fran also serves on the outreach subcommittee and on the estuarine prioritization subcommittee. Van Hare, Brett Holycross and Kiira Siitari offer research, GIS and support to the assessment and prioritization committees, and PSMFC hosts the website. Stan additionally serves on Randy Fisher's behalf on the National Fish Habitat Partnership Board.

PMEP is a diverse partnership that includes federal, tribal, state, and non-governmental members in Washington, Oregon, and California. 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. It supports restoration and conservation projects focused on these topics with funding from the National Fish Habitat Partnership and is advancing the science on juvenile fish habitat needs by conducting estuarine assessments using 15 focal fish species, representing a diversity of estuarine nursery habitat needs.



Salmon Fry



Herring Eggs

Photos Nile Creek Enhancement Society

The Habitat Program helps watershed councils, soil and water conservation districts and tribal groups put restoration projects 'on the ground' through managing the Oregon Watershed Enhancement Board's North Coast small grant team and its grant

review and approval process. The geographic area covered are the watersheds from the coast range to the ocean, from the Siuslaw River to the Salmon River. In 2014, nine small grants were approved by the group, allowing water quality and fish habitat improvements through large wood placement, riparian restoration and invasive control, off-channel water development and treatments designed to improve water quality on grazed lands including manure storage and erosion control.

Stewardship groups are multi-party groups that work cooperatively with the U.S. Forest Service to put habitat 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 National Forests and on surrounding private lands if there is a direct benefit to the forest watershed, fish and other species. The Habitat Program actively participated in the Alsea Stewardship Group in 2014, advancing the use of beaver as a salmon and habitat restoration tool within the restoration planning process, reviewing national forest restoration projects such as road decommissioning for erosion control and on private lands (riparian planting and invasive control) for funding. It also helped to design and edit the outreach poster for the group called Stewardship in the Siuslaw National Forest. See: http://www.cascadepacificstewardship.org/smartlist_41/meetings-publications/meetings-publications.



Photo credit ODFW

The Habitat Program also provides administrative and technical support for groups working on the ground to conserve and restore fish habitat on the Oregon coast. It provides support by direct engagement on the boards, committees, and working groups of the non-profit organizations. The program works with MidCoast Watersheds Council, Salmon Drift Creek Watersheds Council, and 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.

The Habitat Program also participated and assisted Central Coast Estuary Collaborative during this, their first year of organizational efforts. This effort led by The Nature Conservancy (TNC), has 42 federal, state, agency, tribal governments, academic scientist and non-profit participants with multiple goals, including sharing information for more effective, larger scale restoration activities, securing larger scale funding, and gaining community support. An Open Standards for Conservation Planning tool was used to identify goals, objectives and limiting factors and to set priority actions. Work identified as priorities has already been fostered including a sea level rise in estuaries project headed up by PSMFC in collaboration with the Estuary Technical Group and an assessment of roads and rail passage barriers being undertaken by TNC.

Educational Field Tours

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 Recovery Strategies for Coastal Salmonids and was in Santa Barbara, California. Field tours included a Southern Santa Barbara Coastal Streams Tour - Fish Passage on Agricultural and Urban Streams; Santa Clara River Watershed - Anadromous Fish Habitat Restoration Projects; Steelhead and Beaver Interactions Workshop and Tour to Santa Ynez River Projects; Ventura River Parkway Tour; and a Santa Ynez River and Gaviota Coast Fish Passage Tour. Each tour was attended by 20-25 restoration practitioners. The tours allow those working on restoration projects to learn from each other and encourage new participants in these important efforts.



A field tour to beaver ponds in Ventura County showed their value to maintaining water in the creeks and banks

In March, the Habitat Program conducted a Roads/Beaver Workshop for city, county and state transportation officials, which also attracted private, tribal, state and federal forest land managers as well as state park resource managers on Oregon's coast. This workshop, a combination of a morning of presentations followed by a field tour, provided 20 people with practical information on dealing with beaver issues and also emphasized the importance of not creating salmon passage problems. The workshop covered the benefits of beaver to coho, steelhead and cutthroat salmon, wildlife, and water quality and quantity; information from surveys of public attitudes about beaver; and information on beaver mitigation devices and fish passage concerns.

The Habitat Program also created educational posters which have been made available to watershed groups.

PROTECT YOUR TREES OR GARDEN

ABRAISIVE PAINTING

Materials:
 Exterior latex with color to match bark
 Mason Sand 30 mil - 70 mil

**Mix 5 oz sand per quart of paint
 Mix in small batches, or press sand on by hand after painting.**



Marine Debris

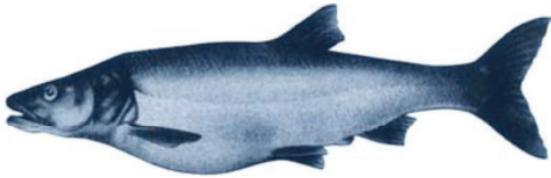
PSMFC continues to serve on the West Coast Governor's Alliance on Ocean Health Marine Debris alliance team. Fran Recht became co-chair of the steering committee in 2014 and will continue to promote work towards curtailment of land based and ocean based debris. Members of the team share programs, policies and support funding on priority efforts including derelict fishing gear removal efforts.

Pacific Fishery Management Council

Fran Recht serves on the Council's Habitat Committee where, in 2014 she served as co-chair of the committee. (Dave Hanson also serves on the Council as a non-voting member and parliamentarian as well as being chair of the Council's Legislative Committee). Habitat issues tackled in 2014 included California water issues, Columbia River flow issues, desalination, offshore aquaculture, citing of wave and wind energy proposals, deep sea coral protections, California Current ecosystem, National Marine Sanctuary expansion and essential fish habitat for salmon and groundfish.



Moonrise near Cigar Rock



NORTHERN PIKEMINNOW PREDATOR CONTROL PROGRAM

The **Northern Pike minnow 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 2014 season marked the 24th 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 2014 Season include:

A season total of 164,058 fish were harvested in the sport-reward fishery.

Vouchers for 163,037 fish of the 164,058 total catch were submitted for payment with rewards totaling \$1,186,274.

Rewards were paid at \$4 for each of the first 100 fish caught by an angler during the season; \$5 for each 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 1,164 anglers who registered were successful in catching one or more fish in 2014. The top Pike minnow angler for 2014 caught 9,114 fish and was paid \$73,698 for his efforts. The 2014 season ran from May 1 through September 30.

A total of 172 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. This resulted in tag reward payments of \$86,000.

A total of 103 tag-loss fish were paid a bonus reward of \$100. The total season tag-loss bonus totaled \$10,300.

System-wide exploitation of Northern Pike minnow during the Sport-Reward fishery was 11.5 percent (95 percent confidence interval; 6.9–16.1 percent). Using the model of Friesen and Ward (1999), the estimated 2014 predation levels were 32 percent (range: 16–49 percent) lower than pre-program levels.

PSMFC staff spent some time upgrading and enhancing the Northern Pike minnow Sport Reward Program website (www.pikeminnow.org). A number of enhancements designed to assist anglers in learning about where and how to catch pikeminnow were added to the site. These included aerial views of the entire Columbia River showing likely locations where pikeminnow may be caught as well as tide table charts, river depth contour lines and check station locations. In addition, changes were made which make it easier for users to compare catches between areas by week, month and year. Preliminary evaluations indicate an increased number of visits and more time spent viewing the new improved website.



2014 WEST COAST GROUND FISH OBSERVER PROGRAM (WCGOP)

The **West Coast Groundfish Observer Program (WCGOP)** continued its efforts to collect data to support the management of the West Coast groundfish fisheries during 2014 by working collaboratively with NOAA Fisheries. 2014 was the thirteenth year the program has deployed observers in a variety of West Coast groundfish fisheries. The program remains flexible to the data needed to support the management and science needs of West Coast groundfish and other protected species. Observers collect scientific, management and other data through measurements of selected portions of the catch and fishing gear; on-board interviews with vessel captains and crew; observations of fishing operations; and collection of biological samples. In addition, a variety of other information is collected by observers on protected species and species of concern, including seabirds, marine mammals and sea turtles.

In 2014, PSMFC worked with NOAA Fisheries to administer a total of two 3-week trainings and seven 4-day briefings to prepare observers to collect data in the field. A total of 111 observers were trained or briefed in 2014, 90 of whom were for the catch share fisheries, not including the at sea-hake fisheries and 21 for the non-catch share fisheries (NCS). The At Sea Hake Observer Program (ASHOP) component (Catcher Processors and Motherships), conducted three trainings that prepared 53 observers for deployment. The catch share observer training is 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.

PSMFC debriefers assure for observer data quality through review of observer data and periodic in person meetings with observers during the year. NCS observer effort is coordinated by PSMFC field coordinators who manage observer resources to meet the coverage goals established for each fishery.

In addition, PSMFC staff worked to procure and manage observer gear to equip observers to carry out their duties. This gear includes safety and sampling gear. PSMFC manages the gear, computers and software used by the observers to complete sampling activities and access the NOAA observer database to enter their data and report activities.

In 2014, WCGOP observers spent 8,290 days at sea: 4,203 in the catch share fisheries (excluding at-sea hake), 2,476 in the hake shoreside and mothership catcher vessels, and 1,611 in the non-catch share fisheries. Non-catch share fisheries are all other groundfish fisheries not included in the catch share fishery. For the ASHOP component of the program in 2014 there were 1,652 sea days (2 observers per vessel), 1,018 of which were on catcher processors and 634 were on Motherships. In 2014, PSMFC had 14 full-time and one half-time staff working for the program, including 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 2014, Newport Ageing Lab personnel:

- Continued ageing to support 8 US West Coast groundfish stock assessments.
- Aged 26,891 otoliths from 11 species of West Coast groundfish including rockfish (canary, China, darkblotched, Pacific Ocean perch, sunset, vermilion and widow); flatfish (Dover sole and Petrale sole); and roundfish (Pacific hake and sablefish).
- Released 17,615 ages from nine different species.
- Two age lab personnel participated in the 2014 NOAA-NWFSC 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 historic records to the database.
- Added 15,452 specimen records from 47 different species collected from NWFSC programs. This archive now has 401,767 structures collected from 84 species between 1983 and 2014. 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 state: 2,616 otoliths from California (4 species); 20,754 otoliths from Oregon (9 species); and 4,800 otoliths from Washington (5 species). These structures will ultimately be sent back to the originating state agency after they are aged.
- Continued to age vermilion 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 14,835 new otolith weights have been added to the database, which now has a total of 52,183 otolith weight records. These weights might be used to develop mathematical relationships to allow weight to be used as a proxy for age.
- The Age Lab received a micromill and grinder in the fall of 2014. The equipment will be used to mechanically extract a portion of the otolith for subsequent chemical analysis. Portions can be extracted as either powder or as 'chunks' (e.g. first year). This will potentially allow for the validation of age estimates on a range of US west coast groundfish species.

SUNRISE BEHIND MT. BAKER IN THE CASCADE MOUNTAIN RANGE

*In 2014, Newport Ageing Lab personnel Added
15,452 specimen records from 47 different species
collected from NWFSC programs.*

**PACIFIC STATES MARINE
FISHERIES COMMISSION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2014

**PACIFIC STATES MARINE FISHERIES COMMISSION
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2014**

| | |
|--|-----------|
| BOARD OF COMMISSIONERS | 1 |
| INDEPENDENT AUDITORS' REPORT | 2 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 5 |
| FINANCIAL STATEMENTS | |
| COMMISSION-WIDE FINANCIAL STATEMENTS | |
| STATEMENT OF NET POSITION | 10 |
| STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION | 11 |
| GOVERNMENTAL FUNDS FINANCIAL STATEMENTS | |
| BALANCE SHEET – GOVERNMENTAL FUNDS | 12 |
| RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION | 13 |
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS | 14 |
| RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION | 15 |
| STATEMENT OF NET POSITION – PROPRIETARY FUNDS | 16 |
| STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION – PROPRIETARY FUNDS | 17 |
| STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS | 18 |
| NOTES TO FINANCIAL STATEMENTS | 19 |
| 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 <i>GOVERNMENT AUDITING STANDARDS</i> | 31 |
| 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 | 33 |
| SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 35 |
| NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 39 |
| SCHEDULE OF FINDINGS AND QUESTIONED COSTS | 40 |
| SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS | 42 |

**PACIFIC STATES MARINE FISHERIES COMMISSION
BOARD OF COMMISSIONERS
JUNE 30, 2014**

California

Charlton H. Bonham
California Department of Fish and Game
1416 Ninth Street, Room 1205
Sacramento, CA 95814-5510

Richard S. Gordon
California State Assembly
P.O. Box 942849
Sacramento, CA 94249-0021

Barbara Emley
535 Ramsell Street
San Francisco, CA 94132

Alaska

Eric A. Olson
North Pacific Fishery Management Council
1016 West 6th Avenue, Suite 301
Anchorage, AK 99501

Cathy Giessel
Alaska State Senate
716 West Fourth Avenue
Anchorage, AK 99501-2133

Washington

Phil Anderson
Washington Department of Fish and Wildlife
600 Capital Way North
Olympia, WA 98501-1091

Harriet A. Spanel
903 Liberty Street
Bellingham, WA 98225

Brian Blake
Washington House of Representatives
P.O. Box 40600
Olympia, WA 98504-0600

Oregon

Ed Bowles
Oregon Department of Fish and Wildlife
4034 Fairview industrial Drive SE
Salem, OR 97302

Jeff Feldner
470 Killdeer Drive
Siletz, OR 97380

Idaho

Virgil Moore
Idaho Department of Fish and Game
P.O. Box 25
Boise, ID 83707-0025

Eric Anderson
Idaho House District 1
33 Match Ray Road
Priest Lake, ID 83856-5049

Fred Trevey
6626 Cougar Ridge Road
Lewiston, ID 83501



CliftonLarsonAllen LLP
 CLAconnect.com

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, 2014, 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.



An independent member of Nexia International

(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, 2014, 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 16, 2014, 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 16, 2014

(4)

**PACIFIC STATES MARINE FISHERIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014**

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, 2014. 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, 2014**

Overview of the Financial Statements (Continued)

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, Grants and Contracts, 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:

| | <u>2014</u> | <u>2013</u> |
|---|----------------------|----------------------|
| ASSETS | | |
| Other Assets | \$ 19,464,815 | \$ 19,854,575 |
| Capital Assets | 1,089,529 | 1,036,169 |
| Total Assets | <u>\$ 20,554,344</u> | <u>\$ 20,890,744</u> |
| LIABILITIES | | |
| Current Liabilities | \$ 7,748,254 | \$ 8,536,953 |
| Long-Term Liabilities | 2,481,860 | 2,464,922 |
| Total Liabilities | <u>10,230,114</u> | <u>11,001,875</u> |
| NET POSITION | | |
| Invested in Capital Assets, Net of Related Debt | 992,982 | 877,171 |
| Unrestricted | 9,331,248 | 9,011,698 |
| Total Net Position | <u>10,324,230</u> | <u>9,888,869</u> |
| Total Liabilities and Net Position | <u>\$ 20,554,344</u> | <u>\$ 20,890,744</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, 2014**

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>2014</u> | <u>2013</u> |
|-----------------------------------|----------------------|---------------------|
| REVENUE | | |
| Grants and Contracts | \$ 52,524,102 | \$ 54,668,048 |
| General Revenue | 239,048 | 262,768 |
| Total Revenue | <u>52,763,150</u> | <u>54,930,816</u> |
| EXPENSES | | |
| Fisheries Related Programs | 52,322,097 | 54,508,077 |
| Other Expenses | 5,692 | 10,305 |
| Total Expenses | <u>52,327,789</u> | <u>54,518,382</u> |
| INCREASE IN NET POSITION | 435,361 | 412,434 |
| Net Position - Beginning of Year | <u>9,888,869</u> | <u>9,476,435</u> |
| NET POSITION - END OF YEAR | <u>\$ 10,324,230</u> | <u>\$ 9,888,869</u> |

The net position increased by \$435,361 during the current fiscal year in comparison with an increase in the prior year of \$412,434. The primary factors contributing to the increase in the current fiscal year were: 1) internal operating efficiencies resulting in a reduction of operating costs, and 2) 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 an unrestricted fund balance of \$9,331,248 as of June 30, 2014. 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, 2014**

Financial Analysis of the Commission's Funds (Continued)

Proprietary Fund

The proprietary fund reported a cash balance at June 30, 2014 of \$2,756,752 for future payouts of vacation and sick leave liabilities to employees upon termination or retirement. During the fiscal year ended June 30, 2014, the cash balance decreased by \$246,518 as the result of several retirement distributions.

Capital Assets and Long-Term Debt

Capital Assets

The Commission's investment in capital assets, net of accumulated depreciation, amounted to \$1,089,529 and includes a broad range of assets (see the table below). Depreciation charges for this fiscal year totaled \$382,538.

| | 2014 | 2013 |
|--------------------------------|---------------------|---------------------|
| Computers | \$ 215,834 | \$ 194,538 |
| Furniture and Office Equipment | 26,563 | 37,587 |
| Leasehold Improvements | 118,871 | 129,718 |
| Field and Scientific Equipment | 433,887 | 363,803 |
| Truck/Boat | 294,374 | 310,523 |
| Total | <u>\$ 1,089,529</u> | <u>\$ 1,036,169</u> |

The additions to capital assets for the year ended June 30, 2014 totaled \$435,898. There are no planned future acquisitions of any significance.

Long-Term Debt

During the current fiscal year, the Commission acquired outstanding debt of \$19,740, related to a contract for a vehicle acquired during the 2014 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. 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 their 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.

(8)

**PACIFIC STATES MARINE FISHERIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014**

Response to Office of Inspector General Audit (Continued)

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.

During fiscal year 2013, 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."

During fiscal year 2014, the National Oceanic and Atmospheric Administration Grants Management Division (NOAA GMD) contracted with the Defense Contract Audit Agency (DCAA) to examine the Commission's indirect cost rate proposals for fiscal years ended June 30, 2002 and 2003 to determine the allowability of indirect costs. The audit questioned \$49,701 of the \$2,503,013 indirect costs for fiscal year 2002 and \$30,644 of the \$2,500,189 indirect costs for fiscal year 2003. Minor adjustments were recommended to the Commission's submitted indirect cost rates.

Subsequent to the fiscal year-end, the Commission received a letter from NOAA GMD stating that, based on the DCAA audit and as part of the original determination, all applied administrative pass-through charges for fiscal years 2004 through 2013 would be disallowed. The Commission disagrees with the basis for the disallowance and has responded with substantial documentation supporting the administrative pass-through rate. The Commission continues to vigorously pursue these audits and believes they have operated in compliance with all applicable requirements.

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 ACTIVITIES AND CHANGE IN NET POSITION
YEAR ENDED JUNE 30, 2014**

| | <u>Governmental Activities</u> |
|-----------------------------------|------------------------------------|
| PROGRAM REVENUES | |
| Grants and Contracts | \$ 52,524,102 |
| PROGRAM EXPENSES | |
| Fisheries Management: | |
| Materials and Services | 27,660,640 |
| Personal Services | 22,178,020 |
| Sport Rewards | 1,200,572 |
| Capital Outlay Not Capitalized | 900,327 |
| Interest Expense | 5,692 |
| Depreciation | 382,538 |
| Total Program Expenses | <u>52,327,789</u> |
| NET PROGRAM REVENUES | 196,313 |
| GENERAL REVENUES | |
| State Dues | 106,000 |
| Interest and Other Income | 133,048 |
| Total General Revenues | <u>239,048</u> |
| CHANGE IN NET POSITION | 435,361 |
| Net Position - Beginning of Year | <u>9,888,869</u> |
| NET POSITION - END OF YEAR | <u><u>\$ 10,324,230</u></u> |

See accompanying Notes to Financial Statements.

(11)

**PACIFIC STATES MARINE FISHERIES COMMISSION
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2014**

| | General | Grants and Contracts | Total |
|--------------------------------------|---------------|-------------------------|---------------|
| ASSETS | | | |
| Cash and Investments | \$ 6,918,457 | \$ - | \$ 6,918,457 |
| Due from Other Funds | 5,553,090 | 1,208,565 | 6,761,655 |
| Receivables: | | | |
| Grants and Contracts | - | 5,553,090 | 5,553,090 |
| Other | 4,129,137 | - | 4,129,137 |
| Prepaid Expenses | 107,379 | - | 107,379 |
| Total Assets | \$ 16,708,063 | \$ 6,761,655 | \$ 23,469,718 |
| LIABILITIES AND FUND BALANCES | | | |
| Due to Other Funds | \$ 1,208,565 | \$ 5,553,090 | \$ 6,761,655 |
| Accounts Payable | 5,096,236 | - | 5,096,236 |
| Payroll Liabilities | 778,535 | - | 778,535 |
| Unearned Rent | 293,479 | - | 293,479 |
| Unearned Revenues | - | 1,208,565 | 1,208,565 |
| Total Liabilities | 7,376,815 | 6,761,655 | 14,138,470 |
| Nonspendable Fund Balances | 107,379 | - | 107,379 |
| Fund Balances, Unassigned | 9,223,869 | - | 9,223,869 |
| Total Fund Balances | 9,331,248 | - | 9,331,248 |
| Total Liabilities and Fund Balances | \$ 16,708,063 | \$ 6,761,655 | \$ 23,469,718 |

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, 2014**

| | |
|------------------------------------|--------------|
| Fund Balances - Governmental Funds | \$ 9,331,248 |
|------------------------------------|--------------|

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 | 3,735,304 |
| Less: Accumulated Depreciation | <u>(2,645,775)</u> |
| Total | 1,089,529 |

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

| | |
|--|-----------------|
| | <u>(96,547)</u> |
|--|-----------------|

Net Position

| | |
|--|-----------------------------|
| | <u><u>\$ 10,324,230</u></u> |
|--|-----------------------------|

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, 2014**

| | General | Grants and Contracts | Total |
|---|---------------------|-------------------------|---------------------|
| REVENUES | | | |
| Grants and Contracts | \$ - | \$ 52,524,102 | \$ 52,524,102 |
| State Dues | 106,000 | - | 106,000 |
| Interest and Other Income | 133,048 | - | 133,048 |
| Total Revenues | <u>239,048</u> | <u>52,524,102</u> | <u>52,763,150</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Personal Services | 2,561,332 | 19,616,688 | 22,178,020 |
| Materials and Services | 1,106,989 | 26,553,651 | 27,660,640 |
| Sport Rewards | - | 1,200,572 | 1,200,572 |
| Capital Outlay | 73,799 | 1,262,426 | 1,336,225 |
| Debt Service: | | | |
| Principal | - | 82,191 | 82,191 |
| Interest | - | 5,692 | 5,692 |
| Total Expenditures | <u>3,742,120</u> | <u>48,721,220</u> | <u>52,463,340</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (3,503,072) | 3,802,882 | 299,810 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from Long-Term Debt | - | 19,740 | 19,740 |
| Indirect Cost/Administration Transfers In | 3,822,622 | - | 3,822,622 |
| Indirect Cost/Administration Transfers Out | - | (3,822,622) | (3,822,622) |
| Total Other Financing Sources (Uses) | <u>3,822,622</u> | <u>(3,802,882)</u> | <u>19,740</u> |
| EXCESS OF REVENUES AND OTHER SOURCES (USES) OVER EXPENDITURES AND OTHER SOURCES (USES) | 319,550 | - | 319,550 |
| Fund Balance - Beginning of Year | <u>9,011,698</u> | <u>-</u> | <u>9,011,698</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 9,331,248</u> | <u>\$ -</u> | <u>\$ 9,331,248</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, 2014**

Net Change in Fund Balances - Total Governmental Funds \$ 319,550

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 | 1,336,225 |
| Less: Capital Outlay Not Capitalized | (900,327) |
| Less: Current Year Depreciation | <u>(382,538)</u> |
| Total | <u>53,360</u> |

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:

| | |
|------------------------|---------------|
| Capital Lease Payments | <u>80,679</u> |
| Total | <u>80,679</u> |

Repayment of long-term debt 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:

| | |
|--|-----------------|
| Proceeds from Long-Term Debt Obligations | (19,740) |
| Long-Term Debt Payments | <u>1,512</u> |
| Total | <u>(18,228)</u> |

| | |
|------------------------|--------------------------|
| Change in Net Position | <u><u>\$ 435,361</u></u> |
|------------------------|--------------------------|

See accompanying Notes to Financial Statements.

(15)

**PACIFIC STATES MARINE FISHERIES COMMISSION
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2014**

| | Governmental Activities- Internal Service Fund Type <hr/> Compensated Absences |
|------------------------------|---|
| ASSETS | |
| Cash and Cash Equivalents | \$ 2,756,752 |
| LIABILITIES | |
| Accrued Compensated Absences | <hr/> 2,756,752 |
| NET POSITION | |
| Unrestricted | <hr/> <hr/> \$ - |

See accompanying Notes to Financial Statements.

(16)

**PACIFIC STATES MARINE FISHERIES COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION –
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014**

| | Governmental Activities- Internal Service Fund Type <u>Compensated Absences</u> |
|-----------------------------------|---|
| OPERATING REVENUES | |
| Charges for Services | \$ 393,280 |
| OPERATING EXPENSES | |
| Compensated Absences Expense | <u>393,280</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, 2014**

| | Governmental Activities- Internal Service Fund Type <u>Compensated Absences</u> |
|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Charges for Services | \$ 393,280 |
| Cash Paid to Employees for Services | <u>(639,798)</u> |
| Net Cash Used by Operating Activities | (246,518) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (246,518) |
| Cash and Cash Equivalents - Beginning of Year | <u>3,003,270</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 2,756,752</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES | |
| Operating Income | \$ - |
| Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities: | |
| Changes in Assets and Liabilities: | |
| Decrease in Compensated Absences | <u>(246,518)</u> |
| Net Cash Used by Operating Activities | <u>\$ (246,518)</u> |

See accompanying Notes to Financial Statements.

(18)

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014**

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, 2014**

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.

Unavailable revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned 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 unearned 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, 2014**

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, 2014**

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 \$9,061,429 in cash that was exposed to uninsured deposit risk at June 30, 2014. 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, 2014**

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.

Unearned Rent

The Commission recognized escalating rent provisions on straight-line basis over the lease term.

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 a Northwest Plan Services, Inc. IRC 457 Plan. The plan permits employees to voluntarily defer a portion of their compensation. The Commission makes no contributions to this plan. Northwest Plan Services, Inc., 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.

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014:

| | |
|---------------------------------------|----------------------------|
| Petty Cash | \$ - |
| Deposits with Financial Institutions: | |
| Demand Deposits | 2,859,699 |
| Money Market | 110,823 |
| Savings | <u>6,704,687</u> |
| Total Cash and Investments | <u><u>\$ 9,675,209</u></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, 2014:

| | |
|--|----------------------------|
| Uninsured and Uncollateralized | \$ 9,061,429 |
| Uninsured and Collateral Held by Pledging Bank's Trust | |
| Department not in the Commission's Name | - |
| Total | <u><u>\$ 9,061,429</u></u> |

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 3 CAPITAL ASSETS

Capital asset activity was as follows at June 30:

| | Balance June 30, 2013 | Additions | Deletions | Balance June 30, 2014 |
|---|-----------------------------|------------------|----------------|-----------------------------|
| Capital Assets: | | | | |
| Computers | \$ 1,166,096 | \$ 128,925 | \$ 381,832 | \$ 913,189 |
| Furniture and Office Equipment | 166,571 | - | 14,988 | 151,583 |
| Leasehold Improvements | 399,664 | 10,500 | - | 410,164 |
| Field and Scientific Equipment | 1,474,089 | 219,446 | 57,131 | 1,636,404 |
| Truck/Boat | 546,937 | 77,027 | - | 623,964 |
| Total Capital Assets | <u>3,753,357</u> | <u>435,898</u> | <u>453,951</u> | <u>3,735,304</u> |
| Accumulated Depreciation: | | | | |
| Computers | 971,558 | 107,629 | 381,832 | 697,355 |
| Furniture and Office Equipment | 128,984 | 11,024 | 14,988 | 125,020 |
| Leasehold Improvements | 269,946 | 21,347 | - | 291,293 |
| Field and Scientific Equipment | 1,110,286 | 149,362 | 57,131 | 1,202,517 |
| Truck/Boat | 236,414 | 93,176 | - | 329,590 |
| Total Accumulated Depreciation | <u>2,717,188</u> | <u>382,538</u> | <u>453,951</u> | <u>2,645,775</u> |
| Total Assets | <u>\$ 1,036,169</u> | <u>\$ 53,360</u> | <u>\$ -</u> | <u>\$ 1,089,529</u> |

NOTE 4 LONG-TERM LIABILITIES

Compensated Absences

The following is a schedule of the compensated absences as of June 30, 2014:

| | |
|---------------------|---------------------|
| Balance - Beginning | \$ 3,003,270 |
| Incurred | 393,280 |
| Retired | (639,798) |
| Balance - Ending | <u>\$ 2,756,752</u> |
| Due Within One Year | <u>\$ 294,381</u> |
| Long-Term Portion | <u>\$ 2,462,371</u> |

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

Capital Lease Obligation

At June 30, 2014, the fair value of the assets under capital leases was \$273,824 and accumulated amortization of \$158,752. The following is a schedule of the capital lease obligations as of June 30, 2014:

| | | |
|---------------------|----|-------------------------|
| Balance - Beginning | \$ | 158,998 |
| Additions | | - |
| Payments | | <u>(80,679)</u> |
| Balance - Ending | | <u><u>\$ 78,319</u></u> |

The total interest incurred for the year ended June 30, 2014 was \$5,408.

Minimum future lease payments are as follows:

| Year Ending June 30, | Amount |
|---|------------------------|
| 2015 | \$ 72,694 |
| 2016 | <u>7,620</u> |
| Total Minimum Lease Payments | 80,314 |
| Less: Amounts Representing Interest | <u>1,995</u> |
| Present Value of Minimum Lease Payments | 78,319 |
| Less: Current Portion | <u>70,769</u> |
| Total Long-Term Portion | <u><u>\$ 7,550</u></u> |

Long-Term Debt

The following is a schedule of the long-term debt as of June 30, 2014:

| | | |
|---------------------|----|-------------------------|
| Balance - Beginning | \$ | - |
| Additions | | 19,740 |
| Payments | | <u>(1,512)</u> |
| Balance - Ending | | <u><u>\$ 18,228</u></u> |

Long-term debt consisted of the following at June 30, 2014:

| Description | Security | Amount |
|--|-----------------------|-------------------------|
| U.S. Bank Equipment Finance, Monthly Installments of \$566.64, with Interest at 5.9%; Maturing February 2017 | 2014 Jeep Latitude | \$ 18,228 |
| Less: Current Portion | | <u>(6,289)</u> |
| Total Long-Term Debt | | <u><u>\$ 11,939</u></u> |

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

Long-Term Debt (Continued)

Scheduled principal payments of the long-term debt are as follows:

| Year Ending June 30, | Amount |
|----------------------|-----------|
| 2015 | \$ 6,289 |
| 2016 | 6,670 |
| 2017 | 5,269 |
| Total | \$ 18,228 |

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.

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, 2014, the Commission contributed \$1,693,531 to the Plan, net of forfeitures. There were 333 participants in the Plan at June 30, 2014.

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 three years.

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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 \$572,116 for the year ended June 30, 2014.

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 |
|----------------------|--------------|
| 2015 | \$ 577,499 |
| 2016 | 485,873 |
| 2017 | 457,526 |
| 2018 | 456,877 |
| 2019 | 360,970 |
| Thereafter | 1,092,829 |
| Total | \$ 3,431,574 |

NOTE 8 NOTES RECEIVABLE

The Commission had two notes receivable with companies who were overpaid federal grant funds. One note in the amount of \$21,000 at June 30, 2013 was payable in yearly installments of \$21,000, and was paid in full on January 15, 2014, at zero percent interest.

The other note in the amount of \$39,500 at June 30, 2013, was payable in monthly installments of \$1,000 with a final installment payment of \$25,000 due on October 1, 2012. The payer did not adhere to the terms of the payment plan; however, the balance was paid in full on November 20, 2013.

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.

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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 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 cooperated fully with the OIG during their audits.

In the audit of NOAA Cooperative Agreements to the Commission, dated June 10, 2011, the OIG 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 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 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)).

During fiscal year 2014, NOAA Grants Management Division (NOAA GMD) contracted with the Defense Contract Audit Agency (DCAA) to perform an audit of the Commission's final fiscal years 2002 and 2003 indirect cost proposals and related records. On March 6, 2014 DCAA submitted Audit Report No. 4411-2013P17900004 to NOAA GMD with questioned costs of \$80,345 resulting in reductions in the Commission's indirect cost rates of 0.16 percent and 0.10 percent for fiscal years 2002 and 2003, respectively.

On July 28, 2014, the Commissions received a letter from NOAA GMD stating that, based on the DCAA audit and as part of the original determination, all applied administrative pass-through charges for fiscal years 2004 through 2013 would be disallowed. An invoice for the aforementioned \$80,345 plus the disallowed pass-through charges would be billed by NOAA Finance Services Division in the amount of \$2,991,365. The Commission was given 30 days due process to provide written explanation and supporting documentation for the questioned costs. The Commission submitted a written response on August 19, 2014, disagreeing with the statements in the July 28, 2014, letter and provided substantial documentation supporting the administrative pass-through rate and a copy of the previously approved Indirect Cost Negotiated Agreement for the Department of Commerce for the rates applied by the Commission.

The Commission continues to vigorously pursue 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 has been made as of June 30, 2014, for any potential adverse outcome.



CliftonLarsonAllen LLP
 CLAAconnect.com

**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 (the Commission), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated September 16, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.



An independent member of Nexia International

(31)

Board of Commissioners
Pacific States Marine Fisheries Commission

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 16, 2014



CliftonLarsonAllen LLP
CLAconnect.com

**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 (the Commission) 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 the Commission's major federal programs for the year ended June 30, 2014. The 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 the 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 the 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 the 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, 2014.



An independent member of Nexia International

(33)

Report on Internal Control Over Compliance

Management of the 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 the 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 the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 16, 2014

**PACIFIC STATES MARINE FISHERIES COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014**

| 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 AND QUAGGA MUSSEL PREVENTION IN THE COLUMBIA | 81.Unknown | 00049365 | \$ 328,199 |
| COWLITZ FALLS FISH FACILITY | 81.Unknown | 00050217 | 321,532 |
| STREAMNET FY12 | 81.Unknown | 00054765 | (2,718) |
| NORTHERN PIKEMINNOW MANAGEMENT PROGRAM | 81.Unknown | 00056795 | (1,759) |
| PTAGIS | 81.Unknown | 00057188 | 1,609,692 |
| CHUM SALMON SPAWNING BELOW 4 LOWER DAMS | 81.Unknown | 00059478 | 4,727 |
| COMPARATIVE SURVIVAL STUDY | 81.Unknown | 00059584 | 159,296 |
| FISH PASSAGE CENTER | 81.Unknown | 00059621 | 635,381 |
| BPA CODED WIRE TAG | 81.Unknown | 00059767 | 989,299 |
| BPA COLUMBIA RIVER TAGGING | 81.Unknown | 00059976 | 540,204 |
| STREAMNET FY2013 | 81.Unknown | 00060412 | 690,597 |
| SMOLT MONITORING PROGRAM | 81.Unknown | 00060650 | 1,494,532 |
| NORTHERN PIKEMINNOW MANAGEMENT | 81.Unknown | 00061037 | 2,343,051 |
| STREAMNET 2014 | 81.Unknown | 00063021 | 1,172,313 |
| CHUM SPAWNING BELOW BONNEVILLE | 81.Unknown | 00063058 | 9,551 |
| COMPARATIVE SURVIVAL STUDY | 81.Unknown | 00063203 | 258,308 |
| FISH PASSAGE CENTER 2014 | 81.Unknown | 00063416 | 823,845 |
| BPA CODED WIRE TAG | 81.Unknown | 00063610 | 53,300 |
| BPA COLUMBIA RIVER TAGGING | 81.Unknown | 00064046 | 270,580 |
| NORTHERN PIKEMINNOW MANAGEMENT | 81.Unknown | 00064365 | 1,293,494 |
| HABITAT EVALUATION PROJECT (HEP) | 81.Unknown | 00064637 | 83,819 |
| PTAGIS | 81.Unknown | 00064846 | 759,234 |
| SMOLT MONITORING PROGRAM | 81.Unknown | 00064847 | 812,334 |
| Subtotal - Direct Awards - Bonneville Power Administration | | | 14,648,811 |
| <i>Pass-Through Awards from CRITFC</i> | | | |
| GENETIC ASSESSMENT OF COL RIVER STOCK | 81.999 | V1302 | 33,464 |
| CRITFC GENETIC ASSESSMENT OF CR STOCK | 81.999 | V1406 | 30,552 |
| Subtotal - Pass-Through Awards from CRITFC | | | 64,016 |
| <i>Pass-Through Awards from State of Washington</i> | | | |
| FY 13 CHUM BIOP PROJECT | 81.999 | 12-1784 | 63 |
| FY14 LCR CHUM BIOP | 81.999 | 13-1830 | 61,748 |
| Subtotal - Pass-Through Awards from State of Washington | | | 61,811 |
| Total U.S. Department of Energy | | | 14,774,638 |
| <u>U.S. Department of Commerce</u> | | | |
| <i>Direct Awards</i> | | | |
| IJFA | 11.407 | NA10NMF4070441 | 352,671 |
| PSMFC SALMON AND AQUATIC INVASIVE SPECIES PGM | 11.417 | NA08OAR4170927 | 928 |
| SALMON HABITAT RESTORATION | 11.436 | NA10NMF4360439 | 143,233 |
| MONITORING SALMON HABITAT RESTORATION | 11.436 | NA12NMF4360202 | 1,168,294 |
| Subtotal | | | 1,311,527 |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**PACIFIC STATES MARINE FISHERIES COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2014**

| Federal Grantor Direct Awards | CFDA No. | Entity Identifying Number | Federal Expenditures |
|--|----------|------------------------------|-------------------------|
| U.S. Department of Commerce (Continued) | | | |
| BSAI CRAB FISHERIES COOPERATIVE ECONOMIC DATA PGM | 11.437 | NA08NMF4370485 | \$ 46,638 |
| NATIONAL VMS DATA COLLECTION | 11.437 | NA08NMF4370657 | 2,863,289 |
| 2008-2013 GROUND FISH AGE READER PROGRAM | 11.437 | NA08NMF4370660 | 346,879 |
| FISHSET-FISHERIES SPATIAL ECONOMIC TOOLBOX | 11.437 | NA10NMF4370286 | 221,165 |
| COST EARNINGS EFIN | 11.437 | NA10NMF4370440 | 295,967 |
| RECFIN | 11.437 | NA10NMF4370449 | 387,517 |
| AKFIN | 11.437 | NA10NMF4370459 | 2,806,319 |
| PACFIN | 11.437 | NA10NMF4370460 | 3,244,269 |
| GF TRAWL OBSERVER COMPLIANCE MONITORING | 11.437 | NA10NMF4370469 | 2,413,763 |
| EDR COLLECTION FOR BSAI RATIONALIZED CRAB | 11.437 | NA11NMF4370169 | 245,948 |
| W COAST GF FISHING INDUSTRY | 11.437 | NA11NMF4370198 | 417,212 |
| PAC. COAST FISHERIES MANAGEMENT SUPPORT | 11.437 | NA11NMF4370212 | 2,597,423 |
| W COAST GF OBSERVER PROGRAM | 11.437 | NA11NMF4370255 | 46,563 |
| WEST COAST GROUND FISH OBSERVER PROGRAM | 11.437 | NA12NMF4370222 | 3,093,195 |
| RECFIN | 11.437 | NA12NMF4370239 | 2,666,269 |
| BSAI CRAB FISHERIES COOP ECONOMIC | 11.437 | NA13NMF4370035 | 70,910 |
| GROUND FISH AGEING ASSISTANCE 2013-2017 | 11.437 | NA13NMF4370183 | 112,577 |
| PACFIN | 11.437 | TEMP-440 | 58,581 |
| Subtotal | | | <u>21,934,484</u> |
| | | | |
| PINNIPED POPULATION STUDIES | 11.439 | NA11NMF4390206 | 225,760 |
| | | | |
| KLAMATH SALMON FISHERIES DISASTER | 11.454 | NA07NMF4540337 | 2,446 |
| | | | |
| BREP CHINOOK SALMON BYCATCH 2012 | 11.472 | NA12NMF4720248 | 52,565 |
| 2012 BREP ROCKFISH BYCATCH | 11.472 | NA12NMF4720257 | 19,495 |
| REDUCING ESA-LISTED EULACHON BYCATCH | 11.472 | NA13NMF4720268 | 22,118 |
| REDUCING SABLEFISH AND ROCKFISH BYCATCH | 11.472 | NA13NMF4720276 | 55,773 |
| Subtotal | | | <u>149,951</u> |
| | | | |
| Subtotal - Direct Awards | | | 23,977,767 |
| | | | |
| Pass-Through Awards from State of California | | | |
| N COAST RESTORATION MONITORING 2010-2013 | 11.438 | P0910534 | 97,224 |
| COASTAL WATERSHED PLANNING/ASSESSMENT | 11.438 | P0910535 | 15,272 |
| BIG BASIN/SAN MATEO SPAWNING GROUND SURVEYS | 11.438 | P0930411 | 5,632 |
| STREAMFLOW MONITORING LWR BIG SUR RIVER | 11.438 | P0940402 | 20,632 |
| 09/10 ADAPTIVE WATERSHED PROJECTS | 11.438 | P0981300 | (334) |
| S FORK EEL RIVER COHO POPULATION MONITORING | 11.438 | P1010503 | 56,438 |
| PUBLIC OUTREACH SOUTH COAST WATERSHEDS | 11.438 | P1081009 | (2,105) |
| CA COASTAL WATERSHED PLAN/ACCESS | 11.438 | P1110518 | 104,045 |
| JUVENILE SALMONID USE RYAN CREEK SLOUGHS | 11.438 | P1110524 | 74,869 |
| COASTAL MENDOCINO SALMONID MONITORING | 11.438 | P1210327 | 420,046 |
| NORTH COAST RESTORATION MONITORING | 11.438 | P1210328 | 40,197 |
| SALMONID SPATIAL STRUCTURE-LWR ELL/VAN DUZEN RVRS | 11.438 | P1210516 | 17,642 |
| SC STEELHEAD MONITORING-SANTA YNEZ | 11.438 | P1250012 | 261,771 |
| Subtotal - Pass-Through Awards from State of California | | | <u>1,111,329</u> |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**PACIFIC STATES MARINE FISHERIES COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2014**

| Federal Grantor Direct Awards | CFDA No. | Entity Identifying Number | Federal Expenditures |
|--|----------|------------------------------|-------------------------|
| <u>U.S. Department of Commerce (Continued)</u> | | | |
| <i>Pass-Through Awards from Other Sources</i> | | | |
| N PAC FISHERY MGMT COUNCIL | 11.441 | 2012-4 | \$ 483 |
| N PAC FISHERY MGMT COUNCIL | 11.441 | 2013-4 | 13,128 |
| N PAC FISHERY MGMT COUNCIL | 11.441 | 2014-4 | 9,169 |
| PFMC LIAISON | 11.441 | 05-13 | 18,888 |
| PFMC LIAISON | 11.441 | 05-14 | 24,102 |
| Subtotal | | | 65,770 |
| WEST COAST GOVERNORS AGREEMENT ON OCEAN HEALTH | 11.473 | PS09022 | 16,353 |
| Subtotal - Pass-Through Awards from Other Sources | | | 82,123 |
| Total U.S. Department of Commerce | | | 25,171,219 |
| <u>U.S. Department of Defense</u> | | | |
| <i>Direct Awards</i> | | | |
| HARBOR SEAL TEMPERATURE DEPTH PROFILING | 12.300 | N000141310145 | 37,160 |
| Total U.S. Department of Defense | | | 37,160 |
| <u>U.S. Department of the Interior</u> | | | |
| <i>Direct Awards</i> | | | |
| COLEMAN/NIMBUS CONSTANT FRACTIONAL MARKING | 15.512 | R10AP20714 | 557,092 |
| CFM AT TRINITY RIVER FISH HATCHERY | 15.512 | R11AC20083 | 442 |
| UPPER SACRAMENTO RIVER CHINOOK MONITORING | 15.512 | R11AC20089 | 546,685 |
| FWS CAMP DATA | 15.512 | F09AC00463 | 79,979 |
| FWS CAMP DATA | 15.512 | F09AC00464 | 103,388 |
| AMERICAN RIVER ROTARY TRAP ASSISTANCE | 15.512 | F13AC00053 | 116,245 |
| Subtotal | | | 1,403,831 |
| RECFISH | 15.605 | F13AP00105 | 115,803 |
| RECFISH | 15.605 | F14AP00093 | 7,796 |
| Subtotal | | | 123,599 |
| DREISSENID MUSSEL REMOVAL PROTOCOLS | 15.608 | F09AP00096 | 436 |
| WATERCRAFT DREISSENID MUSSEL ELIMINATION | 15.608 | F10AP00301 | 97,107 |
| PMEP COORDINATOR | 15.608 | F12AC00472 | 34,977 |
| PASSAGE ASSESSMENT DATABASE ASSISTANCE 2012-2013 | 15.608 | F12AC00585 | 8,622 |
| MARK CENTER USFWS SUPPORT | 15.608 | F12AC00660 | 241,887 |
| RAPID RESPONSE-100TH MERIDIAN | 15.608 | F12AC00747 | 62,145 |
| CA FISH PASSAGE FORUM PARTNERSHIP | 15.608 | F12AC00949 | 34,840 |
| FISH PASSAGE INSPECTION COORD PGRM | 15.608 | F13AC00130 | 9,472 |
| WESTERN NATIVE TROUT INITIATIVE | 15.608 | F13AC00614 | 31,898 |
| Subtotal | | | 521,384 |
| PILOT REDD DEWATERING STUDY | 15.648 | F10AC00779 | 10,376 |
| REDD DEWATERING PROJECT | 15.648 | F12AC00838 | 112,963 |
| Subtotal | | | 123,339 |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

(37)

**PACIFIC STATES MARINE FISHERIES COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2014**

| Federal Grantor Direct Awards | CFDA No. | Entity Identifying Number | Federal Expenditures |
|--|----------|------------------------------|-------------------------|
| <u>U.S. Department of the Interior (Continued)</u> | | | |
| IDAHO DATA MANAGEMENT | 15.661 | F13AC00032 | \$ 150,405 |
| LSRCP HATCHERY EVALUATION ASSISTANCE | 15.661 | F13AC00033 | 87,428 |
| IDAHO DATA MANAGEMENT | 15.661 | F14AC00011 | 347,234 |
| ID HATCHERY EVALUATION | 15.661 | F14AC00012 | 215,102 |
| Subtotal | | | 800,169 |
| Subtotal - Direct Awards | | | 2,972,322 |
| <i>Pass-Through Awards from State of California</i> | | | |
| BIOGRAPHIC DATA BRANCH-GIS DATA CONSERVATION | 15.634 | P1084003 | 117,265 |
| Subtotal - Pass-Through Awards from State of California | | | 117,265 |
| <i>Pass-Through Awards from State of Oregon</i> | | | |
| OR RECFIN SUPPLEMENTAL | 15.605 | 29612 | 47,988 |
| OR RECFIN SUPPLEMENTAL | 15.605 | 36313 | 143,365 |
| Subtotal - Pass-Through Awards from State of Oregon | | | 191,353 |
| Total U.S. Department of the Interior | | | 3,280,940 |
| <u>Environmental Protection Agency</u> | | | |
| <i>Pass-Through Awards from State of Washington</i> | | | |
| HABITAT LIMITS PUGET SOUND PACIFIC HERRING | 66.123 | 748391 | 62,142 |
| EPA COLUMBIA RVR SALMON DATA EXCHANGE - STREAMNET | 66.608 | 13-2095 | 21,554 |
| Subtotal - Pass-Through Awards from State of Washington | | | 83,696 |
| Total Environmental Protection Agency | | | 83,696 |
| Total Expenditures of Federal Awards | | | \$ 43,347,653 |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

(38)

**PACIFIC STATES MARINE FISHERIES COMMISSION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2014**

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, the Environmental Protection Agency, and the U.S. Department of Energy provided awards to subrecipients as follows:

| Program Title | Federal CFDA Number | Amount Provided to Subrecipients |
|---|------------------------|--|
| Interjurisdictional Fisheries Act of 1986 | 11.407 | \$ 84,461 |
| Columbia River Fisheries Development Program | 11.436 | 1,252,383 |
| Pacific Fisheries Data Program | 11.437 | 5,988,033 |
| Pacific Coast Salmon Recovery-Pacific Salmon Treaty Program | 11.438 | 20,325 |
| Marine Mammal Data Program | 11.439 | 134,671 |
| Coastal Services Center | 11.473 | 14,000 |
| Basic and Applied Scientific Research | 12.300 | 15,965 |
| Fish and Wildlife Management Assistance | 15.608 | 15,672 |
| Environmental Information Exchange Network Grant Program and Related Assistance | 66.608 | 370 |
| Bonneville Power Administration Environment, Fish and Wildlife Program | 81.Unknown | 5,553,612 |

**PACIFIC STATES MARINE FISHERIES COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014**

Section I – Summary of Auditors’ Results

Financial Statements

| | | |
|---|-------------------|------------------------------|
| Type of auditors’ report issued: | <u>Unmodified</u> | |
| Internal control over financial reporting: | | |
| Material weakness(es) identified? | _____ yes | _____ <u>X</u> no |
| Significant deficiency(ies) identified that are not considered to be material weakness(es)? | _____ yes | _____ <u>X</u> none reported |
| Noncompliance material to financial statements noted? | _____ yes | _____ <u>X</u> no |

Federal Awards

| | | |
|---|-------------------|------------------------------|
| Internal control over major programs: | | |
| Material weakness(es) identified? | _____ yes | _____ <u>X</u> no |
| Significant deficiency(ies) identified that are not considered to be material weakness(es)? | _____ yes | _____ <u>X</u> none reported |
| Type of auditors’ report issued on compliance for for major programs? | <u>Unmodified</u> | |
| Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? | _____ yes | _____ <u>X</u> no |

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|--|
| 11.437 | Pacific Fisheries Data Program |
| 11.436 | Columbia River Fisheries Development Program |

| | |
|-----------------------------------|--|
| BPA Cluster: 81.Unknown | Bonneville Power Administration Environment, Fish and Wildlife Program |
|-----------------------------------|--|

| | |
|--|--------------------------------|
| Dollar threshold used to distinguish between type A and type B programs: | _____ <u>\$1,300,430</u> _____ |
| Auditee qualified as low-risk auditee? | _____ yes _____ <u>X</u> no |

**PACIFIC STATES MARINE FISHERIES COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2014**

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

(41)

**PACIFIC STATES MARINE FISHERIES COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2014**

SECTION II –Financial Statement Findings

None

**Section III – Federal Award Findings and Questioned Costs
Finding 2013-001:**

U.S. DEPARTMENT OF COMMERCE
Pacific Fisheries Data Program – CFDA No. 11.437
U.S. DEPARTMENT OF ENERGY
Bonneville Power Administration – CFDA No. 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.

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.

Current Year Status

Implemented.

HEADQUARTERS STAFF 2014

Randy Fisher, *Executive Director*

Pam Kahut, *Fiscal Manager*

Shannon Quinn, *Human Resources Manager*

— Program Managers —

Steve Williams, *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*

Commercial Fisheries Data Programs

Stephen Phillips, *Senior Program Manager*

Aquatic Nuisance Species Programs

