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## Budget Estimates for FY2021 (for approval) and tentatively for FY2022

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### PURPOSE

To provide the FAC with the budget estimates for FY2021 for recommendation to the Commission, and tentatively for FY2022 for information (financial periods: 1 October 2020 to 30 September 2021 & 1 October 2021 to 30 September 2022, respectively).

### PROPOSED EXPENDITURES FOR THE FY2021 AND FY2022 BUDGETS (US\$)

**FY2021 INCOME AND EXPENSES** – The IPHC budget for FY2021 has a proposed US\$492K in expenses above the projected income for the fiscal year (**Appendix I**).

The contributions include a 3% annual increase from FY2020 for both Contracting Parties to US\$4.2M and US\$900K respectively. The USA overall contribution includes an anticipated change in headquarter lease costs starting in October 2020 of approximately 30%.

Change in income (and expenses) for the IPHC Fishery-Independent Setline Survey (FISS) is based on the projected redesign of the FISS. Change in income and expenses for fish sales is based on the projected redesign.

Other general cost assumptions include a 2.5% increase in salaries (based on cost of living and step increases) and an 8% increase in health care costs (**Appendix I**).

**FY2022 INCOME AND EXPENSES** – The IPHC notional budget for FY2022 is based on a 3% increase in general contributions for Canada and U.S.A. to cover expected matching increases in costs, including a 2.5% increase in salaries (based on cost of living and step increases) and a 5% increase in health care costs.

### RECOMMENDATION/S

That the FAC:

- 1) **NOTE** paper IPHC-2020-FAC096-07 which provided the FAC with the budget estimates for FY2021 for recommendation to the Commission, and tentatively for FY2022 for information (financial periods: 1 October 2020 to 30 September 2021 & 1 October 2021 to 30 September 2022, respectively);
- 2) **RECOMMEND** the Commission adopt the FY2021 budget (financial period: 1 October 2020 to 30 September 2021), and note the tentative budget for FY2022 (1 October 2021 to 30 September 2022), as detailed in **Appendix I**.

### APPENDICES

**Appendix I:** FY2021 Financial Budget – Proposed

APPENDIX I

TABLE 1. Consolidated Statement

***IPHC Income and Expenses***

Consolidated General & Supplemental  
 FY2021 Budget  
 1 Oct. 2020 to 30 Sept. 2021

**General Fund**

***Income***

**Contributions**

United States!	\$4,767,960!	<sup>1,2</sup>
Canada	\$1,011,657	<sup>1</sup>

**Other Income**

Grants & Contracts	\$478,599
Interest Income	\$5,000
Misc. Income	\$0

***General Fund Total***

\$6,263,216

***Expenses***

**Core IPHC Activities**

Administration	\$2,402,610
Scientific	\$3,427,938
Catch Sampling	\$646,945

**Research Activities**

Field Research	\$0
Other Research	\$575,000

FISS Cost Recovery (\$417,214)

***General Fund Total***

\$6,635,279

***General Fund - Gain/Loss (\$372,063)***

***Year-end Carryover \$62,891***

**Supplemental Fund**

***Income***

**Fish Sales Income**

FISS!	\$5,010,798
Other Research	\$46,400

**Other Income**

Interest	\$1,125
Rollover from Reserve Account	\$25,000

***Supplemental Fund Total***

\$5,083,323

***Expenses***

**FISS Expenses**

FISS	\$4,608,624
FISS Cost Recovery	\$417,214

***Supplemental Fund Total***

\$5,025,838

***Supplemental Fund - Gain/Loss \$57,485***

***Year-end Carryover \$673,921***

**Combined General/Supplemental Funds**

***Combined Gain/Loss (\$314,578)***

***Year-end Combined Balance \$736,812***

Notes: <sup>1</sup> - Includes Pension Funding Payment

<sup>2</sup> - Includes Headquarters Lease Payments

TABLE 2. IPHC Income & Expense

International Pacific Halibut Commission  
 General Operations  
 Income and Expenses - FY2021 Budget

<b>INCOME</b>	<b>FY 2021</b>
US Contributions	
General	\$ 4,214,482
Pension Funding	\$ 167,598
Headquarters Lease	\$ 385,880
CDN Contributions	
General	\$ 900,407
Pension Funding	\$ 111,250
Interest	\$ 5,000
Grants and Contracts	
NMFS - Port Sampling	\$ 478,599
<b>TOTAL INCOME</b>	<b>\$ 6,263,216</b>
<b>EXPENSES</b>	
<b>Operations</b>	
Personnel	\$ 5,224,501
Programs	\$ 420,747
Administration	\$ 1,082,748
Supplies	\$ 324,497
<b>TOTAL EXPENSES</b>	<b>\$ 7,052,493</b>
<b>FISS COST RECOVERY</b>	<b>-\$ 417,214</b>
<b>OPERATIONS FISCAL YEAR NET</b>	<b>\$ (372,063)</b>
<b>PRIOR YEAR OPERATIONS CARRYOVER</b>	<b>\$ 434,954</b>
<b>GENERAL FUND CARRYOVER \$ 62,891</b>	

Comments

- inclusion of anticipated HQ lease increases

TABLE 3. Operations

## International Pacific Halibut Commission

Fiscal Year Actuals and Budgets

Year 2021

	10	20	30	40	60	Operations	FY2020	% of
Personnel	Administration	Science	FSSB	Special Projects	Research	Total	Budget	Budget
Related Expenses	\$ 15,300	\$ 1,800	\$ 16,430	\$ -	\$ -	\$ 33,530	\$ 33,530	100%
Salaries	\$ 601,426	\$ 2,338,530	\$ 347,707	\$ -	\$ 117,000	\$ 3,404,663	\$ 3,555,187	96%
Benefits	\$ 547,705	\$ 821,626	\$ 121,905	\$ -	\$ 29,077	\$ 1,520,313	\$ 1,559,412	97%
Taxes	\$ 42,430	\$ 177,877	\$ 20,487	\$ -	\$ -	\$ 240,794	\$ 252,299	95%
Other	\$ 25,200	\$ -	\$ -	\$ -	\$ -	\$ 25,200	\$ 25,200	100%
Contracted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
<b>Subtotal</b>	<b>\$ 1,232,062</b>	<b>\$ 3,339,832</b>	<b>\$ 506,530</b>	<b>\$ -</b>	<b>\$ 146,077</b>	<b>\$ 5,224,501</b>	<b>\$ 5,425,628</b>	<b>96%</b>
<b>Programs</b>								
Meetings	\$ 154,500	\$ -	\$ -	\$ -	\$ -	\$ 154,500	\$ 154,500	100%
Travel	\$ 82,200	\$ 57,000	\$ 46,000	\$ -	\$ 12,000	\$ 197,200	\$ 197,200	100%
Communications	\$ 17,450	\$ 300	\$ 4,515	\$ -	\$ 9,782	\$ 32,047	\$ 32,047	100%
Publications	\$ 25,000	\$ 5,000	\$ -	\$ -	\$ 7,000	\$ 37,000	\$ 37,000	100%
<b>Subtotal</b>	<b>\$ 279,150</b>	<b>\$ 62,300</b>	<b>\$ 50,515</b>	<b>\$ -</b>	<b>\$ 28,782</b>	<b>\$ 420,747</b>	<b>\$ 420,747</b>	<b>100%</b>
<b>Administration</b>								
Contracts	\$ 160,612	\$ -	\$ 34,050	\$ -	\$ 136,500	\$ 331,162	\$ 306,162	108%
Maintenance	\$ 161,421	\$ -	\$ -	\$ -	\$ -	\$ 161,421	\$ 158,510	102%
Facility Rentals	\$ 389,880	\$ -	\$ 5,700	\$ -	\$ -	\$ 395,580	\$ 299,008	132%
Training & Education	\$ 26,000	\$ 18,750	\$ 22,300	\$ -	\$ -	\$ 67,050	\$ 67,050	100%
Fees	\$ 34,750	\$ -	\$ 5,600	\$ -	\$ -	\$ 40,350	\$ 40,350	100%
Contingencies	\$ 78,935	\$ -	\$ 8,250	\$ -	\$ -	\$ 87,185	\$ 87,225	100%
<b>Subtotal</b>	<b>\$ 851,598</b>	<b>\$ 18,750</b>	<b>\$ 75,900</b>	<b>\$ -</b>	<b>\$ 136,500</b>	<b>\$ 1,082,748</b>	<b>\$ 958,306</b>	<b>113%</b>
<b>Supplies &amp; Equipment</b>								
Equipment	\$ 18,300	\$ 229	\$ 10,000	\$ -	\$ 22,481	\$ 51,010	\$ 51,010	100%
Supplies	\$ 21,500	\$ 6,827	\$ 4,000	\$ -	\$ 241,160	\$ 273,487	\$ 273,487	100%
<b>Subtotal</b>	<b>\$ 39,800</b>	<b>\$ 7,056</b>	<b>\$ 14,000</b>	<b>\$ -</b>	<b>\$ 263,641</b>	<b>\$ 324,497</b>	<b>\$ 324,497</b>	<b>100%</b>
<b>Prior FY Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n/a</b>
<b>Grand Total</b>	<b>\$ 2,402,610</b>	<b>\$ 3,427,938</b>	<b>\$ 646,945</b>	<b>\$ -</b>	<b>\$ 575,000</b>	<b>\$ 7,052,493</b>	<b>\$ 7,129,178</b>	<b>99%</b>
<b>FY2021 Budget</b>	<b>\$ 2,288,847</b>	<b>\$ 3,652,199</b>	<b>\$ 638,132</b>	<b>\$ -</b>	<b>\$ 550,000</b>	<b>\$ 7,190,840</b>		
<b>% of Budget</b>	<b>105%</b>	<b>94%</b>	<b>101%</b>	<b>n/a</b>	<b>105%</b>	<b>98%</b>		

TABLE 4. Other Accounts I & E

Opening Fund Balance as of October 1, 2020

**Temporarily Restricted Accounts Leave Liability (30) - To be**

<b>elimiated</b>		Notes
Beginning Balance	\$ 62,348	
Interest Earned	\$ 1,559	
Expenses	\$ -	
Funds Transferred	\$ -	
<b>Fund Balance</b>	<b>\$ 61,791</b>	

**Medical Annuitants (40) - To be eliminated**

Beginning Balance	\$ 428,538
Interest Earned	\$ 10,713
Expenses	\$ (86,002)
Funds Transferred	\$ -
<b>Fund Balance</b>	<b>\$ 353,249</b>

**Reserve Account (50)**

Beginning Balance	\$ 1,000,000	
Interest Earned	\$ 25,000	
Expenses	\$ -	
Funds Transferred	\$ (25,000)	To Supplemental
<b>Fund Balance</b>	<b>\$ 1,000,000</b>	

**Scholarship Account (60) - To be eliminated**

Beginning Balance	\$ 249,759
Interest Earned	\$ 6,244
Expenses	\$ (6,000)
Funds Transferred	\$ -
<b>Fund Balance</b>	<b>\$ 250,003</b>

**Total Reserve Funds \$ 1,665,043**

Expected Investment Rate	2.50%
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## TABLE 5. Supplemental I & E

### International Pacific Halibut Commission

Income and Expenses - Supplemental  
FY2021 (Oct. 2020 - Sept. 2021)

Income	Budget	Prior Year	% Notes
<b>Supplemental</b>			
Carryover from prior FY	\$ 558,949	\$ 1,267,765	44%
<b>Current Year Income</b>			
<b>Fish Sales</b>			
Sale of Halibut - FIS survey	\$ 4,954,447	\$ 4,848,231	102%
Sale of Bycatch - FIS survey	\$ 56,351	\$ 56,351	100%
<b>Grants and Contracts</b>			
DFO - Rockfish Contract	\$ 34,820	\$ 34,820	100% Area 2B rockfish sampling
WDFW - Rockfish Contract	\$ 11,580	\$ 11,580	100% Area 2A rockfish sampling
<b>Other Income</b>			
Misc. Income	\$ -	\$ -	n/a
Interest	\$ 1,125	\$ 1,125	100%
<b>Internal Transfers</b>			
Rollover from Reserve	\$ 25,000	\$ 10,000	250% Transfer of funds in excess of reserve limit
<b>Current Year Income</b>	<b>\$ 5,083,323</b>	<b>\$ 4,962,106</b>	<b>102%</b>
<hr/>			
<b>Supplemental Total</b>	<b>\$ 5,642,272</b>	<b>\$ 6,229,871</b>	<b>91%</b>
<hr/>			
<b>Expenses</b>			
<b>Supplemental</b>			
Personnel	\$ 504,570	\$ 500,629	101%
Programs	\$ 194,570	\$ 194,570	100%
Administration	\$ 2,987,578	\$ 2,922,396	102%
Equipment & Supplies	\$ 921,905	\$ 921,905	100%
Prior FY Expenses	\$ -	\$ -	n/a
<b>Sub-Total</b>	<b>\$ 4,608,624</b>	<b>\$ 4,539,500</b>	<b>102%</b>
<hr/>			
<b>General Fund Expenses</b>	<b>\$ 417,214</b>	<b>\$ 397,346</b>	<b>105%</b>
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<b>Total Expenses</b>	<b>\$ 5,025,837</b>	<b>\$ 4,936,847</b>	<b>102%</b>
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<b>Fiscal Year Net Gain/Loss</b>	<b>\$ 57,486</b>	<b>\$ 25,260</b>	
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<b>SUPPLEMENTAL FUND CARRYOVER</b>	<b>\$ 616,435</b>	<b>\$ 1,293,024</b>	<b>48%</b>

**TABLE 6 FISS Operations**  
**International Pacific Halibut Commission**  
 FY2021 Fiscal Year Totals and Budgets

<b>Personnel</b>	<b><i>FIS Program Total</i></b>	<b><i>Prior Fiscal Year Budget</i></b>	<b><i>% of Budget</i></b>
Related Expenses	\$ 7,770	\$ 7,770	100%
Salaries	\$ 421,547	\$ 417,984	101%
Benefits	\$ 14,131	\$ 14,025	101%
Taxes	\$ 32,248	\$ 31,975	101%
Other	\$ 34,644	\$ 34,644	100%
Contracted	\$ 2,000	\$ 2,000	100%
<b>Subtotal</b>	<b>\$ 504,570</b>	<b>\$ 500,629</b>	<b>101%</b>
<b>Programs</b>			
Meetings & Conferences	\$ -	\$ -	n/a
Travel	\$ 111,920	\$ 111,920	100%
Communications	\$ 82,650	\$ 82,650	100%
Publications	\$ -	\$ -	n/a
<b>Subtotal</b>	<b>\$ 194,570</b>	<b>\$ 194,570</b>	<b>100%</b>
<b>Administration</b>			
Contracts	\$ 2,312,754	\$ 2,258,194	102%
Maintenance	\$ 40,000	\$ 40,000	100%
Facility Rentals	\$ 20,000	\$ 20,000	100%
Training & Education	\$ 52,000	\$ 52,000	100%
Fees	\$ 562,824	\$ 552,202	102%
<b>Subtotal</b>	<b>\$ 2,987,578</b>	<b>\$ 2,922,396</b>	<b>102%</b>
<b>Supplies &amp; Equipment</b>			
Equipment	\$ 32,400	\$ 32,400	100%
Supplies	\$ 889,505	\$ 889,505	100%
<b>Subtotal</b>	<b>\$ 921,905</b>	<b>\$ 921,905</b>	<b>100%</b>
<b>Prior FY Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n/a</b>
<b>Grand Total</b>	<b>\$ 4,608,624</b>	<b>\$ 4,539,500</b>	<b>102%</b>