



DRAFT: Financial Statement for FY2023

PREPARED BY: IPHC SECRETARIAT (D. WILSON, 31 OCTOBER & 28 NOVEMBER 2023)

PURPOSE

To provide the Commission with a DRAFT end of year financial statement for FY2023 (financial period: 1 October 2022 to 30 September 2023), noting the accounts are still being finalised and audited for FY2023.

NOTE: Changes being implemented for US GAAP:

- Implementation of ASC 842, which is a new accounting standard requiring leases to be reported as right to use assets and liabilities on the Balance Sheet instead of rent and lease expense on the Income Statement. Time value of money is considered in the calculation and amortized over the life of the lease. This creates more expense reported at the beginning of the lease and less expense reported toward the end of the lease. Historically, lease expenses have been equal payment per the lease agreements.
- Proper period cut off for matching income and expense of grants. Historically, the Commission reported grant funds as revenue when the cash was received in the bank account. For FY23, grant revenue has been accrued for when the criteria was met, which is when costs covered under the grant agreement are expended. Due to the conversion to GAAP financial reporting, cash received during FY23 should have been reported as revenue in a prior year instead of FY23. A reclass entry has been prepared and provided to the audit firm to be made in the audit system and audit report. The amounts will remain in the Commission's books and records as the income had not been accrued in past periods. The timing of the AK Cost Recovery grant from NOAA was a significant factor as the amounts have not been funded in past periods and multiple periods were awarded in 2023. Cash amounts expected to be received in FY2024 have been accrued as of FY2023 when the costs were expended.

1. STATEMENT OF FINANCIAL POSITION - [APPENDIX I](#), BALANCE SHEET

The total Assets at year-end closing totaled **US\$6,092,183.71**.

The total equity or combined fund balance at year-end closing totaled **US\$3,393,135.19**.

Fund equity balances at year end:

- General Fund (10): **US\$706,071.80**
- Research Fund (20): **US\$5,788.14**
- Statistics Fund (30): **-US\$141,010.08**
- AK Cost Recovery (35): **US\$1,491,412.83**
- FISS Fund (40): **-US\$106,371.42**
- Reserve Fund (50): **US\$1,437,243.92**

2. STATEMENT OF ACTIVITIES - [APPENDIX II](#), INCOME STATEMENT

For FY2023, the IPHC total income was **US\$12,512,053.83**, while the budgeted income was **US\$11,251,679.80**. [Appendix III](#) provides the Income Statement by Fund.

Carryover from the previous fiscal year (FY2022) by Fund was as follows:

- 10 - General Fund: US\$789,516.16
- 20 - Research Fund: -US\$17,113.02
- 30 - Statistics Fund: -US\$175,332.57
- 40 - FISS Fund: US\$202,928.06
- 50 - Reserve Fund: US\$928,918.35

The total carryover will be provided on the audited Statement of Activities which will be published on 22 December 2023.

3. STATEMENT OF FUNCTIONAL EXPENSES - [APPENDIX II](#), BUDGET TO ACTUALS

The budget to actual report is provided in [Appendix II](#).

The total expenditures were **US\$10,853,349.90** which provided for a surplus in revenue over expenditures totalling **US\$1,658,703.93**.

4. NOTES TO FINANCIAL STATEMENTS

For FY2023 we refer the Commission to paper IPHC-2023-FAC100-05 Report of the Independent auditors and Financial Statement (FY2023) for annotations to the Financial Statement, which is expected to be published no later than 23 December 2023.

RECOMMENDATION/S

That the Commission:

- 1) **NOTE** paper IPHC-2023-IM099-16 Rev_1 which includes the DRAFT Financial Statements and supporting documentation for the financial period 01 October 2022 to 30 September 2023 (FY2023).

APPENDICES

[Appendix I](#): Balance Sheet (FY2023)

[Appendix II](#): Income Statement and Budget to Actuals (FY2023)

[Appendix III](#): Income Statement by Fund (FY2023)

Appendix I Balance Sheet (FY2023): DRAFT

INTERNATIONAL PACIFIC



HALIBUT COMMISSION

International Pacific Halibut Commission
Balance Sheet
as of 09/30/2023

Account Number	Account Name	Amount
Assets		
10000	Cash in Bank (Wells Fargo)	\$2,827,913.14
11000	Accounts Receivable	\$1,456,358.77
11200	Grants Recievable	\$820,843.36
13000	Prepaid Expenses	\$88,449.26
14000	Deposits	\$6,380.77
15000	Furniture, Fixtures and Equipment	\$40,859.00
15100	Work in progress	\$31,320.00
15700	Lease Assets	\$1,219,097.26
15888	Accumulated Amortization	\$-394,223.28
15999	Accumulated Depreciation	\$-4,814.57
Total Assets		\$6,092,183.71
Liabilities		
20000	Purchase Card - US Bank	\$17,395.97
20100	Travel Card - US Bank	\$13,349.92
20200	AK Airlines Card - Bank of America	\$587.06
21000	Accounts Payable	\$507,239.77
21001	Accrued expenses	\$5,440.26
21002	Deferred revenue	\$72,371.00
22000	Payroll Tax Liabilities	\$-12,357.43
22100	Payroll Benefit Liabilities	\$1,238,990.49
22300	Payroll Reimbursement Clearing	\$2,117.86
23300	Lease Liabilities	\$850,921.21
23500	Interest Payable	\$2,992.41
Total Liabilities		\$2,699,048.52
Equity		
30100	10 - General	\$706,071.80
30200	20 - Research	\$5,788.14
30300	30 - Statistics	\$-141,010.08
30350	35 - AK Cost Recovery	\$1,491,412.83
30400	40 - FISS	\$-106,371.42
30500	50 - Reserve	\$1,437,243.92
Total Equity		\$3,393,135.19
Total Liabilities + Total Equity		\$6,092,183.71

Appendix II

Income Statement and Budget to Actuals (FY2023): DRAFT

INTERNATIONAL PACIFIC



HALIBUT COMMISSION

International Pacific Halibut Commission
Income Statement
for the period of 10/01/2022 to 09/30/2023

Account Number	Account Name	Amount	Annual Budget
Income			
40000	Contracting Party Contributions	\$5,172,167.00	\$5,058,167.00
40050	IFC Pension	\$0.00	\$255,696.00
40055	Headquarters (Lease & Maintenance)	\$489,250.00	\$489,250.00
40060	Other Income	\$71,292.26	\$170,200.00
40100	Grants, Contracts & Agreements	\$2,548,440.97	\$853,849.30
40200	Interest Income	\$15,315.52	\$772.50
40350	Fish Sales	\$4,127,213.30	\$4,335,000.00
42000	Gain/Loss	\$-370.22	\$0.00
4998	Fund Transfer	\$88,745.00	\$88,745.00
Total Income		\$12,512,053.83	\$11,251,679.80
Expense			
50000	Salaries & Wages	\$4,483,693.18	\$4,437,665.82
50100	Benefits	\$1,298,980.11	\$1,681,928.37
50200	Training & Education	\$56,627.36	\$120,527.00
50300	Personnel Related Expenses	\$10,827.43	\$21,965.00
51000	Publications	\$5,166.48	\$13,100.00
51100	Mailing and Shipping	\$110,617.16	\$133,650.00
51200	Travel	\$198,453.60	\$301,819.73
51300	IPHC Meetings	\$163,885.15	\$128,500.00
51400	Technology	\$106,240.10	\$165,050.00
52000	Professional Fees	\$152,150.50	\$222,058.48
52100	Vessel Expenses	\$428,328.88	\$544,000.00
52200	Other Fees and Charges	\$80,138.24	\$87,500.57
52300	Leases and Contracts	\$2,106,802.09	\$1,770,183.00
54000	Communications	\$37,670.95	\$38,890.00
53000	Equipment Expense	\$26,372.87	\$42,100.00
53100	Supplies Expense	\$880,003.91	\$905,985.00
53200	Maintenance and Utilities	\$51,818.95	\$131,285.00
53300	Facility Rentals	\$549,725.67	\$476,062.64
55100	Other Expenses	\$396.53	\$0.00
55400	Capitalized Fixed Assets	\$-6,493.00	\$0.00
55410	Depreciation Expense	\$3,847.31	\$0.00
5998	Fund Transfer	\$88,745.00	\$88,745.00
56444	AR Adjustments	\$19,351.43	\$0.00
Total Expense		\$10,853,349.90	\$11,311,015.61
Net Income (Loss)		\$1,658,703.93	\$-59,335.81

Appendix III Income Statement by Fund (FY2023): DRAFT



International Pacific Halibut Commission
Income Statement by Fund
for the period of 10/01/2022 to 09/30/2023

Account Number	Account Name	10 - General	20 - Research	30 - Statistics	35 - AK Cost Recovery	40 - FISS
Income						
40000	Contracting Party Contributions	\$ 3,034,355.43	\$ 887,685.80	\$ 1,136,125.77	\$ 0.00	\$ 114,000.00
40055	Headquarters (Lease & Maintenance)	\$ 489,250.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
40060	Other Income	\$ 18,980.59	\$ 6,936.82	\$ 17,601.90	\$ 20,535.37	\$ 7,237.58
40100	Grants, Contracts & Agreements	\$ 0.00	\$ 223,544.61	\$ 0.00	\$ 2,290,607.36	\$ 34,289.00
40200	Interest Income	\$ 15,315.52	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
40350	Fish Sales	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 4,127,213.30
42000	Gain/Loss	\$ 229.66	\$ 0.00	\$ (225.59)	\$ 0.00	\$ (374.29)
4998	Fund Transfer	\$ 88,745.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Income		\$ 3,646,876.20	\$ 1,118,167.23	\$ 1,153,502.08	\$ 2,311,142.73	\$ 4,282,365.59
Expense						
50000	Salaries & Wages	\$ 1,619,453.76	\$ 620,916.52	\$ 784,473.82	\$ 504,617.53	\$ 954,231.55
50100	Benefits	\$ 504,744.13	\$ 227,219.51	\$ 227,175.32	\$ 184,311.74	\$ 155,529.41
50200	Training & Education	\$ 32,221.32	\$ 1,316.72	\$ 4,758.32	\$ 10,011.12	\$ 8,319.88
50300	Personnel Related Expenses	\$ 1,527.43	\$ 0.00	\$ 900.00	\$ 3,100.00	\$ 5,300.00
51000	Publications	\$ 4,037.36	\$ 560.72	\$ 148.03	\$ 420.37	\$ 0.00
51100	Mailing and Shipping	\$ 5,005.03	\$ 5,051.17	\$ 1,199.52	\$ 1,334.14	\$ 98,027.30
51200	Travel	\$ 56,596.04	\$ 15,139.69	\$ 6,652.83	\$ 21,066.55	\$ 98,998.49
51300	IPHC Meetings	\$ 163,704.10	\$ 0.00	\$ 0.00	\$ 0.00	\$ 181.05
51400	Technology	\$ 98,141.71	\$ 348.00	\$ 1,456.00	\$ 0.00	\$ 6,294.39
52000	Professional Fees	\$ 147,952.11	\$ 543.39	\$ 0.00	\$ 0.00	\$ 3,655.00
52100	Vessel Expenses	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 428,328.88
52200	Other Fees and Charges	\$ 47,752.93	\$ 0.00	\$ 786.45	\$ 8,650.95	\$ 22,947.91
52300	Leases and Contracts	\$ 4,272.51	\$ 46,000.00	\$ 1,359.42	\$ 14,757.74	\$ 2,040,412.42
54000	Communications	\$ 34,775.24	\$ 0.00	\$ 384.50	\$ 941.68	\$ 1,569.53
53000	Equipment Expense	\$ 0.00	\$ 4,534.66	\$ 637.25	\$ 11,892.82	\$ 9,308.14
53100	Supplies Expense	\$ 39,349.09	\$ 53,605.39	\$ 690.32	\$ 32,175.96	\$ 754,183.15
53200	Maintenance and Utilities	\$ 47,956.88	\$ 2,228.88	\$ 647.19	\$ 0.00	\$ 986.00
53300	Facility Rentals	\$ 498,382.59	\$ 0.00	\$ 0.00	\$ 32,653.53	\$ 18,689.55
55100	Other Expenses	\$ 396.53	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
55400	Capitalized Fixed Assets	\$ 0.00	\$ (6,493.00)	\$ 0.00	\$ 0.00	\$ 0.00
55410	Depreciation Expense	\$ 0.00	\$ 1,525.89	\$ 0.00	\$ 0.00	\$ 2,321.42
56444	AR Adjustments	\$ 9,961.97	\$ 0.00	\$ 0.00	\$ 0.00	\$ 9,389.46
Total Expense		\$ 3,316,230.73	\$ 972,497.54	\$ 1,031,268.97	\$ 825,934.13	\$ 4,618,673.53
Net Income (Loss)		\$ 330,645.47	\$ 145,669.69	\$ 122,233.11	\$ 1,485,208.60	\$ (336,307.94)
Summary						
Beginning Fund Balance		\$ 789,516.16	\$ (17,113.02)	\$ (175,332.57)	\$ 0.00	\$ 202,928.06
+ Other Fund Balance Movements		\$ (414,089.83)	\$ (122,768.53)	\$ (87,910.62)	\$ 6,204.23	\$ 27,008.46
+ Net Income / (Loss)		\$ 330,645.47	\$ 145,669.69	\$ 122,233.11	\$ 1,485,208.60	\$ (336,307.94)
= Ending Fund Balance		\$ 706,071.80	\$ 5,788.14	\$ (141,010.08)	\$ 1,491,412.83	\$ (106,371.42)