



INTERNATIONAL PACIFIC
HALIBUT COMMISSION

IPHC–2024–FAC100–00

Last Update: 22 January 2024

**100th Session of the IPHC Finance and
Administration Committee (AM100) –
*Compendium of meeting documents***

22 January 2024, Anchorage, AK, U.S.A.

Commissioners

Canada	United States of America
Paul Ryall	Jon Kurland
Neil Davis	Robert Alverson
Peter DeGreef	Richard Yamada

Executive Director

David T. Wilson, Ph.D.

BIBLIOGRAPHIC ENTRY



INTERNATIONAL PACIFIC
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IPHC–2024–FAC100–00



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**PROVISIONAL: AGENDA FOR THE 100th SESSION OF THE IPHC
FINANCE AND ADMINISTRATION COMMITTEE (FAC100)**

Date: 22 January 2024

Location: Anchorage, AK, U.S.A.

Venue: [Hotel Captain Cook](#)

Time (PST): 09:00-12:00

Chairperson: Mr Jon Kurland (USA)

Vice-Chairperson: Mr Paul Ryall (Canada)

Notes:

- **Document deadline:** 23 December 2023 (30 days prior to the opening of the Session)
- All sessions are open to observers and the general public, unless the Commission specifically decides otherwise.
- All open sessions will be webcast. Webcast sessions will also take audience comments and questions as directed by the Chairperson of the Commission.

**AGENDA FOR THE 100th SESSION OF THE IPHC
FINANCE AND ADMINISTRATION COMMITTEE (FAC100)**

1. OPENING OF THE SESSION
2. ADOPTION OF THE AGENDA AND ARRANGEMENTS FOR THE SESSION
3. UPDATE ON ACTIONS ARISING FROM THE 99th SESSION OF THE IPHC FINANCE AND ADMINISTRATION COMMITTEE (FAC099)
4. FINANCIAL STATEMENT FOR FY2023
5. ANNUAL INDEPENDENT AUDITOR'S REPORT (2023)
6. FY2024 BUDGET – UPDATE
7. BUDGET ESTIMATES: FY2025 (for approval); FY2026 and FY2027 (for information)
8. IPHC FINANCIAL REGULATIONS (2024) - Revisions
9. IPHC RULES OF PROCEDURE (2024) - Revisions
10. OTHER BUSINESS
11. REVIEW OF THE DRAFT AND ADOPTION OF THE REPORT OF THE 100th SESSION OF THE IPHC FINANCE AND ADMINISTRATION COMMITTEE (FAC100)



**DRAFT: LIST OF DOCUMENTS FOR THE 100th SESSION OF THE IPHC
FINANCE AND ADMINISTRATION COMMITTEE (FAC100)**

Meeting documents	Title	Availability
IPHC-2024-FAC100-01	Agenda for the 100 th Session of the IPHC Finance and Administration Committee (FAC100)	✓ 5 June 2023
IPHC-2024-FAC100-02	List of Documents for the 100 th Session of the IPHC Finance and Administration Committee (FAC100)	✓ 5 June 2023 ✓ 12 Dec 2023
IPHC-2024-FAC100-03	Update on actions arising from the 99 th Session of the IPHC Finance and Administration Committee (FAC099) (D. Wilson)	✓ 5 June 2023
IPHC-2024-FAC100-04	Financial Statement for FY2023 (D. Wilson)	✓ 18 Dec 2023
IPHC-2024-FAC100-05	Report of the Independent auditors and Financial Statements (FY2023) (D. Wilson & A. Keikkala)	✓ 22 Dec 2023
IPHC-2024-FAC100-06	FY2024 Financial Budget – Update (D. Wilson & A. Keikkala)	✓ 20 Dec 2023
IPHC-2024-FAC100-07	Budget estimates: FY2025 (for approval), FY2026 and FY2027 (for information) (D. Wilson & A. Keikkala)	✓ 20 Dec 2023
IPHC-2024-FAC100-08	IPHC Financial Regulations (2024) - Draft (D. Wilson & A. Keikkala)	✓ 22 Dec 2023
IPHC-2024-FAC100-09	IPHC Rules of Procedure (2024) – Draft (D. Wilson)	✓ 12 Dec 2023
<i>Information papers</i>		
Nil	Nil	Nil



Update on actions arising from the 99th Session of the IPHC Finance and Administration Committee (FAC099)

PREPARED BY: IPHC SECRETARIAT (D. WILSON; 5 JUNE 2023)

PURPOSE

To provide the FAC with an opportunity to consider the progress made during the inter-sessional period in relation to the direct requests for action by the FAC during the 99th Session of the IPHC Finance and Administration Committee (FAC099, January 2023).

BACKGROUND

At the 99th Session of the IPHC Finance and Administration Committee (FAC099), Contracting Parties agreed on a series of actions to be taken as detailed in [Appendix A](#).

DISCUSSION

Noting that best practice governance requires the prompt delivery of core tasks assigned to the IPHC Secretariat by the Commission, at each subsequent session of the Commission and its subsidiary bodies, attempts will be made to ensure that any recommendations for action are carefully constructed so that each contains the following elements:

- 1) a specific action to be undertaken (deliverable);
- 2) clear responsibility for the action to be undertaken (i.e. a specific Contracting Party, the IPHC Secretariat staff, a subsidiary body of the Commission, or the Commission itself);
- 3) a desired time frame for delivery of the action (i.e. by the next session of a subsidiary body, or other date).

This involves numbering and tracking all action items (see [Appendix A](#)) from the FAC, as well as including clear progress updates and document reference numbers.

RECOMMENDATION/S

That the FAC:

- 1) **NOTE** paper IPHC-2024-FAC100-03, which provided the FAC with an opportunity to consider the progress made during the inter-sessional period, in relation to the direct requests for action by the FAC during the 99th Session of the IPHC Finance and Administration Committee (FAC099, January 2023).

APPENDICES

[Appendix A](#): Update on actions arising from the 99th Session of the IPHC Finance and Administration Committee (FAC099: January 2023).

APPENDIX A

Update on actions arising from the 99th Session of the IPHC Finance and Administration Committee (FAC099)

99 th Session of the IPHC Finance and Administration Committee (FAC099)		
Action No.	Description	Update
RECOMMENDATIONS		
FAC099-Rec.01 (para. 8)	Financial Statement for FY2022 The FAC RECOMMENDED that the Commission NOTE the Financial Statement for FY2022, as detailed in paper IPHC-2023-FAC099-04 .	Lead: Commission Status/Plan: Completed. IPHC-2023-AM099-R (para. 116) <i>The Commission NOTED the Financial Statements for FY2022 (financial period: 1 October 2021 to 30 September 2022), as detailed in paper IPHC-2023-FAC099-04.</i>
FAC099-Rec.02 (para. 11)	Annual independent auditor's report (2022) The FAC RECOMMENDED that the Commission accept the independent external auditors report for FY2022 (IPHC-2023-FAC099-05), as per Regulation 14 of the IPHC Financial Regulations (2021), by consensus.	Lead: Commission Status/Plan: Completed. IPHC-2023-AM099-R (para. 117) The Commission ACCEPTED the independent external auditors report for FY2022 (IPHC-2023-FAC099-05), as per Regulation 14 of the IPHC Financial Regulations (2021), by consensus.
FAC099-Rec.03 (para. 23)	FY2023 budget - update The FAC RECOMMENDED that the Commission adopt the amended FY2023 budget (1 October 2022 to 30 September 2023), as detailed in Appendix IV , noting that the amendments do not change the previously adopted Contracting Party contributions for FY2023: a) ADOPT the FY2023 budget (1 October 2022 to 30 September 2023), as detailed in Appendix IV , including contributions from the Contracting Parties to the General Fund as follows: i. Canada: Contribution to the General Fund: US\$900,407 ii. U.S.A.: Contribution to the General Fund: US\$4,157,760 iii. U.S.A.: Contribution to the headquarters building lease and maintenance costs: US\$489,250 b) NOTED the extra-budgetary (IFCP Fund deficit) contributions from each Contracting Party for FY2023 as follows: i. Canada: • 50% Contribution to the IFCP Fund deficit (former staff pension plan): US\$127,848 ii. U.S.A.:	Lead: Commission Status/Plan: Completed. IPHC-2023-AM099-R (para. 123 & 124) The Commission ADOPTED the revised FY2023 budget (1 October 2022 to 30 September 2023), as detailed in Appendix XII , noting that the amendments do not change the previously adopted Contracting Party contributions for FY2023, as follows: i. Canada: Contribution to the General Fund: US\$900,407 ii. U.S.A.: Contribution to the General Fund: US\$4,157,760 iii. U.S.A.: Contribution to the headquarters building lease and maintenance costs: US\$489,250. The Commission NOTED the extra-budgetary (IFCP Fund deficit) contributions from each Contracting Party for FY2023 as follows:

99th Session of the IPHC Finance and Administration Committee (FAC099)		
Action No.	Description	Update
	<ul style="list-style-type: none"> 50% Contribution to the IFCP Fund deficit (former staff pension plan): US\$127,848 	i. Canada: <ul style="list-style-type: none"> 50% Contribution to the IFCP Fund deficit (former staff pension plan): US\$127,848 ii. U.S.A.: <ul style="list-style-type: none"> 50% Contribution to the IFCP Fund deficit (former staff pension plan): US\$127,848
FAC099-Rec.04 (para. 30)	<p>Budget estimates: FY2024</p> <p>The FAC RECOMMENDED that the Commission AGREE for the two Contracting Parties to engage in inter-sessional discussions over the coming months to adopt a budget for FY2024 and the associated Contributions. In doing so, the Contracting Parties may consult with, and have requested assistance from the IPHC Secretariat.</p>	<p>Lead: Commission</p> <p>Status/Plan: Completed</p> <p>IPHC-2023-AM099-R (para. 128)</p> <p>The Commission AGREED for the two Contracting Parties to engage in inter-sessional discussions over the coming months to adopt a budget for FY2024 and the associated Contributions. In doing so, the Contracting Parties may consult with, and have requested assistance from the IPHC Secretariat.</p>
FAC099-Rec.05 (para. 35)	<p>IPHC Rules of Procedure (2023) - Revisions</p> <p>The FAC RECOMMENDED that the Commission adopt the International Pacific Halibut Commission Rules of Procedure (2023), as provided in IPHC-2023-FAC099-09, while taking into consideration any additional discussion at the AM099 on the proposed amendments.</p>	<p>Lead: Commission</p> <p>Status/Plan: Completed</p> <p>IPHC-2023-AM099-R (para. 132)</p> <p>The Commission ADOPTED the IPHC Rules of Procedure (2023), as provided in IPHC-2023-FAC098-09, and REQUESTED that the IPHC Secretariat finalise and publish them accordingly, with the following amendments: ...</p>
FAC099-Rec.06 (para. 36)	<p>Other business</p> <p>The FAC RECOMMENDED that the Commission AGREE for the two Contracting Parties to engage inter-sessionally to conduct a review of the budget and appropriations.</p>	<p>Lead: Commission</p> <p>Status/Plan: Completed</p> <p>IPHC-2023-AM099-R (para. 129)</p> <p>The Commission AGREED that the two Contracting Parties to engage inter-sessionally to conduct a review of the budget and appropriations.</p>
REQUESTS		
FAC099-Req.01 (para. 27)	<p>Budget estimates: FY2024</p> <p>The FAC REQUESTED that the Commission NOTE the proposed FY2024 budget (financial period: 1 October 2023 to 30 September 2024; Appendix V), presented by the IPHC Secretariat.</p>	<p>Lead: Commission</p> <p>Status/Plan: Completed</p> <p>IPHC-2023-AM099-R (para. 125)</p> <p>The Commission NOTED the proposed FY2024 budget (financial</p>

99 th Session of the IPHC Finance and Administration Committee (FAC099)		
Action No.	Description	Update
		period: 1 October 2023 to 30 September 2024; Appendix XIII), proposed by the IPHC Secretariat.
FAC099-Req.02 (para. 28)	<p>The FAC REQUESTED that the Commission NOTE the IPHC Secretariat proposed contributions from the Contracting Parties to the General Fund for FY2024 as follows:</p> <ul style="list-style-type: none"> • Canada: Contribution to the General Fund: US\$1,019,947.68 • U.S.A.: Contribution to the General Fund: US\$4,646,428.31 • U.S.A.: Contribution to the headquarters building lease and maintenance costs: US\$513,712.50. 	<p>Lead: Commission Status/Plan: Completed. IPHC-2023-AM099-R (para. 126)</p> <p>The Commission NOTED the IPHC Secretariat proposed contributions from the Contracting Parties to the General Fund for FY2024 as follows:</p> <ul style="list-style-type: none"> • Canada: Contribution to the General Fund: US\$1,019,947.68 • U.S.A.: Contribution to the General Fund: US\$4,646,428.31 • U.S.A.: Contribution to the headquarters building lease and maintenance costs: US\$513,712.50.



Financial Statement for FY2023

PREPARED BY: IPHC SECRETARIAT (D. WILSON, 18 DECEMBER 2023)

PURPOSE

To provide the Commission with an end of year financial statement for FY2023 (financial period: 1 October 2022 to 30 September 2023).

NOTE: Changes implemented to finalise the transition to US GAAP basis of accounting:

- Implementation of ASC 842, which is a new accounting standard requiring leases to be reported as 'right of 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 would have been reported as revenue in prior years 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\$6,126,082.29**

The total equity or combined fund balance at year-end closing totaled **US\$3,417,407.34**

Fund equity balances at year end:

- General Fund (10): **US\$706,071.80**
- Research Fund (20): **US\$39,686.72**
- Statistics Fund (30): **-US\$141,010.08**
- AK Cost Recovery (35): **US\$1,491,412.83**
- FISS Fund (40): **-US\$115,997.85**
- Reserve Fund (50): **US\$1,437,243.92**

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

For FY2023, the IPHC total income was **US\$12,545,952.41**, while the budgeted income was **US\$10,995,983.80**. [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

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\$10,862,976.33** which provided for a surplus in revenue over expenditures totalling **US\$1,682,976.08**.

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-2024-FAC100-04 which includes the 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)

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 Receivable	\$854,741.94
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		\$6,126,082.29
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	\$15,066.69
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		\$2,708,674.95
Equity		
30100	10 - General	\$706,071.80
30200	20 - Research	\$39,686.72
30300	30 - Statistics	\$-141,010.08
30350	35 - AK Cost Recovery	\$1,491,412.83
30400	40 - FISS	\$-115,997.85
30500	50 - Reserve	\$1,437,243.92
Total Equity		\$3,417,407.34
Total Liabilities + Total Equity		\$6,126,082.29

Appendix II Income Statement and Budget to Actuals (FY2023)

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
40055	Headquarters (Lease & Maintenance)	\$489,250.00	\$489,250.00
40060	Other Income	\$71,292.26	\$170,200.00
40100	Grants, Contracts & Agreements	\$2,582,339.55	\$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		\$12,545,952.41	\$10,995,983.80
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	\$2,116,428.52	\$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		\$10,862,976.33	\$11,311,015.61
Net Income (Loss)		\$1,682,976.08	\$-315,031.81

Appendix III Income Statement by Fund (FY2023)



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	\$ 257,443.19	\$ 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	\$ 1,152,065.81	\$ 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	\$ 2,050,038.85
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	\$ 4,628,299.96
Net Income (Loss)		\$ 330,645.47	\$ 179,568.27	\$ 122,233.11	\$ 1,485,208.60	\$ (345,934.37)
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	\$ 179,568.27	\$ 122,233.11	\$ 1,485,208.60	\$ (345,934.37)
= Ending Fund Balance		\$ 706,071.80	\$ 39,686.72	\$ (141,010.08)	\$ 1,491,412.83	\$ (115,997.85)



Report of the Independent auditors and Financial Statement (FY2023)

PREPARED BY: IPHC SECRETARIAT (D. WILSON & A. KEIKKALA; 22 DECEMBER 2023)

PURPOSE

To provide the Commission with the Independent External Auditors Report for FY2023, as per Regulation 14 of the IPHC Financial Regulations (2021).

Regulation 14 – External Audit

“1. The accounts of the Commission shall be audited annually by external auditors recommended by the FAC and appointed by the Commission. The Auditors shall be appointed for a term of three (3) years, and may be reappointed to multiple terms.”

BACKGROUND

25 May 2023: In accordance with Regulation 14.1 of the IPHC Financial Regulations (2021), the IPHC Secretariat requested an intersessional recommendation from the IPHC Finance and Administration Committee (FAC), and a subsequent appointment decision by the Commission, of a Statement Auditor for the next three (3) fiscal years (FY2023-FY2025). Ref. [IPHC-2023-CR-009](#).

5 June 2023: [IPHC-2023-CR-010](#): (IPHC-2023-ID003): *The Commission ENDORSED the appointment of the external auditor ‘Clark Nuber’ to audit the accounts of the IPHC for FY2023, FY2024, and FY2025.*

25 July 2023: The IPHC Executive Director signed a three (3) year *Master assurance, accounting and consulting services agreement* (the Agreement) with Clark Number, to undertake and complete annual Statement Audits for FY2023, FY2024, and FY2025.

25 September 2023: The IPHC Secretariat provides initial Trial Balances to Clark Nuber.

In accordance with paragraph 2, Regulation 14, of the IPHC Financial Regulations (2021) (shown below) the IPHC Secretariat commenced the provision of the initial Provided By Client (PBC) list of items to the independent external auditor.

(para. 2) *“The contents identified in the Auditors Provided By Client (PBC) list shall be submitted by the Executive Director to the Auditors appointed by the Commission not later than **sixty (60)** days after the end of a fiscal year.”*

23 October 2023: Clark Number commenced their ‘field’ work auditing process.

22 December 2023: In accordance with paragraph 7, Regulation 14, of the IPHC Financial Regulations (2021) (shown below) the independent external auditors provided the final report to the IPHC Secretariat on 22 December 2023 (83 days after the end of the FY2023 fiscal year, 7 days ahead of the deadline set-forth in the IPHC Financial Regulations, to ensure adequate review time).

(para. 7) *“The Auditors shall prepare a report on the accounts certified, and shall discuss their report with the Executive Director prior to submission to the FAC and Commission. The Auditors shall submit their report to the Commission, via the FAC, no later than **90 days** following the end of the fiscal year to which the accounts relate.”*

Next steps: As in previous years, the auditors will present their findings to the Commission via weblink in early 2024. The final report will then be provided to the FAC100 in late January 2024 for consideration, and then potential endorsement by the Commission at AM100 as a Rev_1 to this current paper.

RECOMMENDATIONS

That the FAC:

- 1) **NOTE** paper IPHC-2024-FAC100-05 which provided the independent external auditors report for FY2023, as per Regulation 14 of the IPHC Financial Regulations (2021).
- 2) **RECOMMEND** that the Commission accept the independent external auditors report for FY2023, as per Regulation 14 of the IPHC Financial Regulations (2021).

APPENDICES

Appendix I: Report of the Independent Auditors and Financial Statement (FY2023) – Clark Nuber.

APPENDIX I

INTERNATIONAL PACIFIC HALIBUT COMMISSION

Financial Statements

For the Year Ended September 30, 2023

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Independent Auditor's Report

**To the Commissioners
International Pacific Halibut Commission
Seattle, Washington**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of International Pacific Halibut Commission (the Commission), which comprise the statement of net position as of September 30, 2023, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as of September 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of revenues, expenses, and changes in net position by fund is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Clark Nuber P.S.

Certified Public Accountants
December 18, 2023

INTERNATIONAL PACIFIC HALIBUT COMMISSION

Management's Discussion and Analysis For the Year Ended September 30, 2023

Our discussion and analysis of the International Pacific Halibut Commission (the Commission) financial performance provides an overview of the Commission's financial activities for the fiscal year ended 30 September 2023. This Management Discussion and Analysis (MD&A) is designed to assist readers of financial statements in focusing on significant financial activities and issues in the financial statements as a whole.

The Organization

The Commission is a public international organization so designated via Presidential Executive Order 11059 and established by a Convention between Canada and the United States of America (the Convention). The Convention was signed on March 2, 1923, ratified on July 21, 1924, and came into effect on October 21, 1924 upon exchange. The Convention has been revised several times since, to extend the Commission's authority and meet new conditions in the fishery. The most recent change occurred in 1979 and involved an amendment to the 1953 Halibut Convention. The 1979 amendment, termed a "protocol", was precipitated in 1976 by Canada and the United States of America extending their jurisdiction over fisheries resources to 200 miles. The 1979 Protocol along with the U.S. legislation that gave effect to the Protocol (Northern Pacific Halibut Act of 1982) has affected the way the fisheries are conducted and redefined the role of the Commission in the management of the fishery. Canada does not require specific enabling legislation to implement the protocol.

The Commission is a 509(a)(3) not-for-profit organization (determination by the IRS on February 26, 1987), formed to provide for the health and well-being of Pacific halibut in the Convention Area.

Objective: To develop the stocks of Pacific halibut in the Convention waters to those levels which will permit the optimum yield from the fishery and to maintain the stocks at those levels.

Functions and Responsibilities: As detailed in the Convention, the Commission shall:

- Divide the Convention waters into areas;
- Establish one or more open or closed seasons as to each area;
- Limit the size of the fish and the quantity of the catch to be taken from each area within any season during which fishing is allowed;
- During both open and closed seasons, permit, limit, regulate or prohibit the incidental catch of Pacific halibut that may be taken, retained, possessed, or landed from each area or portion of an area, by vessels fishing for other species of fish;
- Fix the size and character of Pacific halibut fishing appliances to be used in any area;
- Make such regulations for the licensing of vessels and for the collection of statistics on the catch of Pacific halibut as it shall find necessary to determine the condition and trend of the Pacific halibut fishery and to carry out the other provisions of this Convention;
- Close to all taking of Pacific halibut any area or portion of an area that the Commission finds to be populated by small, immature Pacific halibut and designates as nursery grounds.

Overview of the Financials

On average, approximately 50% of the Commission's annual income is provided by the two (2) Contracting Parties to the Convention, Canada and the United States of America. A further approximately 50% on average is received through the sale of Pacific halibut and bycatch species caught during our annual Fishery- Independent Setline Survey (FISS), grants, and interest income.

INTERNATIONAL PACIFIC HALIBUT COMMISSION

Management's Discussion and Analysis (Continued) For the Year Ended September 30, 2023

Overview of the Financials (Continued)

The Commission issues financial statements comprising two components: 1) basic financial statements and 2) notes to the financial statements.

The Commission's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). These financial statements cover the year ended September 30, 2023.

The financial statements include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows and Notes to Financial Statements.

The Statement of Net Position provides a record, or snapshot, of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Commission at the close of the year. They provide information about the nature and amounts of assets and obligations to other parties or liabilities.

The Statement of Revenues, Expenses and Changes in Net Position presents the results of the Commission's activities over the course of the year. This information can be used to determine whether the Commission has successfully recovered all its costs through Contracting Party contributions, fish sale revenue, grants, and other charges.

The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operating, financing, and investing activities over the course of the year. The statement reports cash inflows and disbursements during the year and reconciles to the ending cash balance.

The Notes to Financial Statements provide useful information regarding the Commission's account balances and activities, certain material risks, estimates, obligations, commitments, contingencies, and subsequent events, if applicable.

Financial Highlights for Fiscal Year 2023

At the year ended September 30, 2023, operating expenses for the Commission were \$9,266,311 and operating revenues were \$9,859,922. Operating revenues were overbudget, while operating expenses were under budget. The decreased operating expenses compared to budget can be attributed primarily to reduced spending in most budget areas.

In addition, fish sale income was approximately 4.9% lower than budgeted, primarily due to lower than projected catches and fish prices received.

Total revenues were \$685,660 greater than 2022 due to increases in funding from the National Oceanic and Atmospheric Association (NOAA). Total expenditures were \$386,555 greater than 2022 due to increases in programmatic activity related to NOAA funding.

INTERNATIONAL PACIFIC HALIBUT COMMISSION

Management's Discussion and Analysis (Continued) For the Year Ended September 30, 2023

Financial Highlights for Fiscal Year 2023 (Continued)

Total assets increased \$1,148,718 due to an increase in capital assets of \$876,955, increase overall receivables of \$503,754, and decrease in cash and prepaids of \$231,991. Capital assets increased due to the implementation of a new accounting standard and recognition of \$1,219,097 of lease related right-to-use assets, along with purchases of \$55,929, and offset by depreciation and amortization expense of \$398,071. Receivables increased due to the timing of payments on grants and contracts. The decrease in cash and prepaids is due to the timing of payments.

Total liabilities increased by \$921,507 due to the increase in lease liabilities of \$850,921, an increase in accounts payable and unearned grant revenue of \$230,567, offset by an overall decrease in payroll and compensated absences liabilities of \$159,981.

Financial Analysis

Condensed Financial Statement Statements of Net Position September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Total assets	\$ 6,131,471	\$ 4,982,753
Total liabilities	2,208,869	1,285,839
Total net position	3,922,602	3,696,914

Condensed Financial Statement Statements of Revenues, Expenses and Changes in Net Position September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Total revenues	\$ 11,001,443	\$ 10,315,783
Total expenditures	10,775,755	10,387,677
Total changes in net position	225,688	(71,894)

Requests for Information

Questions concerning any of the information provided in this report or requests for additional information should be addressed to Dr David Wilson, Executive Director, or Ms. Andrea Keikkala, Assistant Director, phone 206-632-2983, email secretariat@iphc.int.

INTERNATIONAL PACIFIC HALIBUT COMMISSION

Statement of Net Position September 30, 2023

Assets:	
Cash	\$ 2,827,913
Accounts receivable	1,456,359
Grants receivable	860,131
Prepaid expenses and other assets	<u>94,830</u>
Total Current Assets	5,239,233
Capital assets, net	<u>892,238</u>
Total Assets	<u>\$ 6,131,471</u>
Liabilities:	
Accounts payable	\$ 541,566
Payroll liabilities	398,827
Compensated absences	331,705
Lease liabilities, current portion	391,448
Unearned grant revenue	<u>72,371</u>
Total Current Liabilities	1,735,917
Compensated absences	13,479
Lease liabilities, net	<u>459,473</u>
Total Liabilities	<u>\$ 2,208,869</u>
Net Position:	
Unrestricted	\$ 3,881,285
Net investment in capital assets	<u>41,317</u>
Total Net Position	<u>\$ 3,922,602</u>

See accompanying notes.

INTERNATIONAL PACIFIC HALIBUT COMMISSION

Statement of Revenues, Expenses and Changes in Net Position For the Year Ended September 30, 2023

Revenue:	
Fish sales	\$ 4,127,214
Contracting party contributions	5,661,417
Grants, contracts and agreements	1,126,576
Interest income	15,315
Other income	71,291
Unrealized losses	(370)
	<hr/>
Total Revenue	11,001,443
Expenses:	
General expenses-	
Personnel expense	4,485,217
Benefits	1,298,980
Training and education	56,627
Personnel related expenses	10,827
	<hr/>
Total general expenses	5,851,651
Operating expenses-	
Publications	5,166
Mailing and shipping	110,619
Travel	198,454
Meetings	163,886
Technology	106,239
	<hr/>
Total operating expenses	584,364
Fees and contract expenses-	
Professional fees	152,150
Vessel expenses	428,329
Other fees and charges	80,139
Leases and contracts	2,116,428
Communications	37,671
	<hr/>
Total fees and contract expenses	2,814,717
Facilities and equipment expenses-	
Equipment expense	26,373
Supplies expense	880,004
Maintenance and utilities	51,819
Facilities rentals	549,725
	<hr/>
Total facilities and equipment expenses	1,507,921
Other expenses	17,102
	<hr/>
Total Expenses	10,775,755
	<hr/>
Change in Net Position	225,688
Net position, beginning of the year	3,696,914
	<hr/>
Net Position, End of Year	\$ 3,922,602

See accompanying notes.

INTERNATIONAL PACIFIC HALIBUT COMMISSION

Statement of Cash Flows For the Year Ended September 30, 2023

Operating Activities:	
Cash received from customers	\$ 10,483,454
Other operating cash receipts	71,291
Cash paid to employees	(5,942,655)
Cash paid to suppliers of goods and services	<u>(4,498,718)</u>
Net Cash Provided by Operating Activities	113,372
Capital and Related Financing Activities:	
Payments on lease liability	(368,176)
Purchases of capital assets	<u>(55,929)</u>
Net Cash Used in Capital and Related Financing Activities	(424,105)
Cash Flows From Investing Activities:	
Receipt of interest	<u>15,315</u>
Net Cash Provided by Investing Activities	15,315
Change in Cash and Cash Equivalents	(295,418)
Cash and Cash Equivalents Balance:	
Beginning of year	<u>3,123,331</u>
End of Year	<u>\$ 2,827,913</u>
Reconciliation of Change in Net Position to Net Cash (Used in) Provided by Operating Activities:	
Net operating income	\$ 225,688
Adjustments to reconcile change in net position to cash flows from operating activities-	
Depreciation and amortization	398,071
Interest income	(15,315)
Changes in assets and liabilities:	
Accounts receivable	(1,104,776)
Grants receivable	673,393
Prepaid expense	(63,427)
Accounts payable	158,196
Payroll liabilities	(137,045)
Compensated absences	<u>(21,413)</u>
Net Cash Provided by Operating Activities	<u>\$ 113,372</u>

See accompanying notes.

INTERNATIONAL PACIFIC HALIBUT COMMISSION

Notes To Financial Statements For the Year Ended September 30, 2023

Note 1 - Summary of Significant Accounting Policies

Nature of the Organization - The International Pacific Halibut Commission (the Commission) is an International Organization (IO) created in 1923 by a convention between the United States of America and Canada to manage the Pacific halibut fishery. Each country appoints three Commissioners who in turn appoint an Executive Director to supervise the Secretariat staff.

The Commission conducts scientific studies on Pacific halibut and, after consultation with the industry, proposes annual regulations to the governments of Canada and the United States of America for the Pacific halibut fishery. Fishermen of both countries must comply with the adopted regulations under the supervision of the Federal enforcement agencies of their respective governments. All financial records are denominated in U.S. dollars.

The Commission has adopted a fiscal year ending September 30.

Basis of Presentation - The financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to special-purpose governments. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Commission is a government enterprise. Enterprise funds are accounted for on the economic resources measurement focus using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Cash - For purposes of reporting cash flows, cash includes cash on hand and on deposit with financial institutions. The Commission considers all liquid investments with original maturities of less than three months at the date of acquisition and all nonnegotiable certificates of deposit to be cash equivalents. Cash on hand was \$2,827,913 for the year ended September 30, 2023 respectively.

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the Commission would not be able to recover deposits or will not be able to recover collateral securities that at in possession of an outside party. The Commission's cash deposits are mostly covered by the Federal Depository Insurance Corporation (FDIC).

Grants and Accounts Receivables - Receivable consists of amounts from private individuals or organizations for goods and services and earned grant amounts. Management provides for probable uncollectible amounts through a charge to change in net position and a credit to a valuation allowance based on its assessment of current status of individual accounts. Balances outstanding after reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants or accounts receivable. As of September 30, 2023, an allowance for doubtful accounts was not considered necessary.

Leases - The Commission is a lessee for noncancelable leases. The Commission recognizes a lease liability and an intangible right-to-use lease capital asset in the financial statements.

At the commencement of a lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized using the straight-line basis over its useful life.

INTERNATIONAL PACIFIC HALIBUT COMMISSION

Notes To Financial Statements For the Year Ended September 30, 2023

Note 1 - Continued

Key estimates and judgements related to lease include how the Commission determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Commission uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Commission generally uses its incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Commission is reasonably certain to exercise. The Commission monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Capital Assets - Equipment is recorded at acquisition cost. Maintenance and repairs are charged to expenditures when incurred. The Commission generally capitalizes assets with a cost greater than \$5,000. Depreciation is computed using the straight-line method over the estimated useful lives of 5 - 7 years for furniture, fixtures and equipment. Amortization of right-to-use assets is recognized on a straight-line basis over the noncancelable term of the lease. Depreciation and amortization expense for the fiscal year ended September 30, 2023 was \$398,223.

Unearned Grant Revenue - Funds received but not yet earned or the conditions of entitlement have not been met under the various research grants or contracts are reported as unearned revenue. As of September 30, 2023 all unearned revenue related to federal contributions.

Payroll Liabilities - These accounts consist of accrued wages and accrued employee benefits.

Compensated Absences - Compensated absences are absences for which employees will be paid, such as vacation and sick leave. Eligible employees are able to accumulate up to 240 hours; however, compensated absences may be accumulated above the maximum allowed between the time 240 hours is accrued and the employee's anniversary date of employment.

The Commission allows unlimited accumulation of sick leave for the period of employment. Accumulated sick leave is paid out upon termination at a rate of 25% of unused sick leave or 15% of annual salary on the date of termination, whichever is less.

Net Position Classification - The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Sometimes the Commission will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Commission's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Income Taxes - The Commission, is exempt from federal, state and provincial income taxes. Accordingly, no provision for income taxes is necessary.

INTERNATIONAL PACIFIC HALIBUT COMMISSION

Notes To Financial Statements For the Year Ended September 30, 2023

Note 1 - Continued

Use of Estimates - The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events - The Commission has performed an evaluation of subsequent events through December 18, 2023, which is the date the financial statements were available to be issued.

Note 2 - General and Program Funds

The Commission's operations are funded by the governments of Canada and the United States of America. The Commission receives advances from each government during its fiscal year unless otherwise recommended by the Commission.

The Commission maintains the following programs:

20 Research - Research and development to study biological, historical aspects of the Pacific halibut species and the efficiency and conservation practices of fishing and processing industry.

30 Statistics - Gathering analysis and compilation of harvest data for fishery management.

35 AK Cost Recovery - International Pacific Halibut Commission Directed Commercial Catch Sampling of Pacific halibut in Alaska.

40 FISS - Fishery-Independent Setline Survey revenues arise from the sale of fish, which are caught during research studies, and from external contracts and grants. The FISS Fund is used for specific scientific programs to assess biological movement and abundance of the Pacific halibut species.

50 Reserve - Provides funds to respond to unforeseen contingencies that cannot be met by the General Fund.

At year end September 30, 2023, program balances were comprised of:

	10 - General	20 - Research	30 - Statistics	35 - AK Cost Recovery	40 - FISS	50 - Reserve	Total
Cash	\$ 1,218,196	\$ 246,722	\$ 157,604	\$ 859,991	\$ (1,091,844)	\$ 1,437,244	\$ 2,827,913
Accounts receivable	12,858				1,443,501		1,456,359
Grants receivable				860,131			860,131
Prepaid expenses and other assets	58,731	4,015	1,038	25,799	5,247		94,830
Capital assets, net	788,883	23,083		67,311	12,961		892,238
Accounts payable	(98,400)	(50)	943	(61,959)	(382,100)		(541,566)
Payroll liabilities	(191,037)	(61,096)	(58,006)	(62,352)	(26,336)		(398,827)
Compensated absences	(122,865)	(78,427)	(99,099)	(18,650)	(26,143)		(345,184)
Lease liabilities	(782,459)			(68,462)			(850,921)
Unearned grant revenue				(72,371)			(72,371)
Net Position	\$ 883,907	\$ 134,247	\$ 2,480	\$ 1,529,438	\$ (64,714)	\$ 1,437,244	\$ 3,922,602

INTERNATIONAL PACIFIC HALIBUT COMMISSION

Notes To Financial Statements For the Year Ended September 30, 2023

Note 3 - Capital Assets

Capital assets, including furniture, fixtures and equipment and right-to-use assets activity as of and for the year ended September 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not Being Depreciated:				
Work in progress	\$ -	\$ 31,320	\$ -	\$ 31,320
Capital Assets, Being Depreciated/Amortized:				
Furniture, fixtures and equipment	16,250	24,609		40,859
Intangible right-to-use asset, buildings	1,219,097			1,219,097
Less Accumulated Depreciation/Amortization for:				
Furniture, fixtures and equipment	967	3,848		4,815
Intangible right-to-use asset, buildings		394,223		394,223
Capital Assets, Net	<u>\$ 1,234,380</u>	<u>\$ (342,142)</u>	<u>\$ -</u>	<u>\$ 892,238</u>

Note 4 - Employee Benefits

One current employee of the Commission participates in a multi-employer, participatory, defined benefit pension plan (the Plan). All employers participating in the Plan are required to remain fully funded. The contribution for the year ended September 30, 2023, was \$18,740. All new employees participate in an employee sponsored 403(b) plan. The Commission contributes a base amount of 7% of salary, plus up to 5% additional matching funds. The total amount contributed for the year ended September 30, 2023, was \$384,625.

All employees of the Commission are eligible for post-retirement healthcare benefits, provided they have been continuously employed for the ten years immediately preceding their retirement. Expenses related to these post-retirement healthcare benefits for the year ended September 30, 2023, were \$55,007.

Note 5 - Long-Term Liabilities

Long-term liabilities activity as of and for the year ended September 30, 2023 is as follows:

	Beginning of Year	Additions	Subtractions	End of Year	Amounts Due Within One Year
Long-Term Liabilities:					
Lease liabilities	\$ 1,219,097	\$ -	\$ 368,176	\$ 850,921	\$ 391,448
Compensated absences	366,597	33,271	54,684	345,184	331,705
Total Long-Term Liabilities	<u>\$ 1,585,694</u>	<u>\$ 33,271</u>	<u>\$ 422,860</u>	<u>\$ 1,196,105</u>	<u>\$ 723,153</u>

INTERNATIONAL PACIFIC HALIBUT COMMISSION

Notes To Financial Statements For the Year Ended September 30, 2023

Note 6 - Commitments and Contingencies

Lease - The Commission leases office, lab facility, and living space under noncancelable lease agreements with expiration dates through March 31, 2027. Total lease amounts paid for the year ended September 30, 2023 are \$567,655.

Future minimum payments under noncancelable leases are as follows:

For the Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 391,449	\$ 28,398	\$ 419,847
2025	420,534	11,320	431,854
2026	28,529	1,006	29,535
2027	10,409	128	10,537
Total Minimum Rental Payments	<u>\$ 850,921</u>	<u>\$ 40,852</u>	<u>\$ 891,773</u>

Rent expense for noncancelable leases for the year ended September 30, 2023 are as follows:

Lease Expense:

Amortization expense by class of underlying asset buildings	<u>\$ 394,223</u>
Total amortization expense	394,223
Interest on lease liabilities	43,003
Variable lease expense	<u>129,130</u>
	<u>\$ 566,356</u>

Litigation - At times, the Commission may be involved in litigation and contingencies arising in the normal course of business. After consultation with legal counsel, management estimates that no matters exist that could have a significant impact to the Commission's financial position.

Note 7 - Concentrations

During the year ended September 30, 2023, approximately 52% of the Commission's revenue was from the United States government agencies and approximately 13% was from one customer for fish sales. In addition, at September 30, 2023, all grant receivables were due from the United States government agencies and approximately 80% of accounts receivable was due from 3 customers. Loss of this funding could have a material effect on the Commission; however, management of the Commission does not anticipate a significant loss of such funding.

Note 8 - Related Party Transactions

The Commission has one commissioner that also works for a United States Agency that has provided approximately \$1,050,000 in contribution and grant revenues, respectively, in the year ended September 30, 2023.

SUPPLEMENTARY INFORMATION

INTERNATIONAL PACIFIC HALIBUT COMMISSION

Statement of Revenues, Expenses and Changes in Net Position by Fund For the Year Ended September 30, 2023

	10 - General	20 - Research	30 - Statistics	35 - AK Cost Recovery	40 - FISS	50 - Reserve	Total
Operating Revenue:							
Contracting party contributions	\$ 3,523,605	\$ 887,686	\$ 1,136,126	\$ -	\$ 114,000	\$ -	\$ 5,661,417
Other income	18,980	6,937	17,602	20,535	7,237		71,291
Grants, contracts and agreements		237,545		854,742	34,289		1,126,576
Interest income	15,315						15,315
Fish sales					4,127,214		4,127,214
Unrealized gains/losses	230		(226)		(374)		(370)
Fund transfer	88,745					(88,745)	
Total Income	3,646,875	1,132,168	1,153,502	875,277	4,282,366	(88,745)	11,001,443
Expenses:							
General expenses-							
Personnel expense	1,620,977	620,916	784,474	504,618	954,232		4,485,217
Benefits	504,744	227,220	227,175	184,312	155,529		1,298,980
Training and education	32,221	1,317	4,758	10,011	8,320		56,627
Personnel related expenses	1,527		900	3,100	5,300		10,827
Total general expenses	2,159,469	849,453	1,017,307	702,041	1,123,381		5,851,651
Operating expenses-							
Publications	4,037	561	148	420			5,166
Mailing and shipping	7,445	5,051	1,200	1,334	95,589		110,619
Travel	56,596	15,140	6,653	21,067	98,998		198,454
Meetings	163,705				181		163,886
Technology	98,141	348	1,456		6,294		106,239
Total operating expenses	329,924	21,100	9,457	22,821	201,062		584,364
Fees and contract expenses-							
Professional fees	147,952	543			3,655		152,150
Vessel expenses					428,329		428,329
Other fees and charges	47,753		787	8,651	22,948		80,139
Leases and contracts	13,899	46,000	1,359	14,758	2,040,412		2,116,428
Communications	34,775		384	942	1,570		37,671
Total fees and contract expenses	244,379	46,543	2,530	24,351	2,496,914		2,814,717
Facilities and equipment expenses-							
Equipment expense		4,535	637	11,893	9,308		26,373
Supplies expense	40,249	52,705	691	32,176	754,183		880,004
Maintenance and utilities	47,957	2,229	647		986		51,819
Facilities rentals	499,747			32,653	17,325		549,725
Total facilities and equipment expenses	587,953	59,469	1,975	76,722	781,802		1,507,921
Other expenses	10,358	(4,967)			11,711		17,102
Total Expenses	3,332,083	971,598	1,031,269	825,935	4,614,870		10,775,755
Change in Net Position	314,792	160,570	122,233	49,342	(332,504)	(88,745)	225,688
Net position, beginning of the year	569,115	(26,323)	(119,753)	1,480,096	267,790	1,525,989	3,696,914
Net Position, End of Year	\$ 883,907	\$ 134,247	\$ 2,480	\$ 1,529,438	\$ (64,714)	\$ 1,437,244	\$ 3,922,602

See independent auditor's report.



FY2024 Financial Budget - Update

PREPARED BY: IPHC SECRETARIAT (D. WILSON & A. KEIKKALA, 20 DECEMBER 2023)

PURPOSE

To provide the FAC with an update on the approved FY2024 budget (financial period: 1 October 2023 to 30 September 2024) and suggested amendments to 1) accommodate the final 2024 FISS design tentatively adopted at IM099; and 2) revise other funds to accommodate changes implemented since the budget was adopted.

BACKGROUND

In accordance with Rule 11, paragraphs 4-10 'Intersessional decision-making' of the IPHC Rules of Procedure (2023), the following intersessional Commission decision was made in relation to the FY2024 budget ([IPHC-2023-CR-019](#)):

Budget Estimates: FY2024

IPHC-2023-ID008: The Commission:

- 1) **NOTED** paper [IPHC-2023-ID008](#) that provided the budget estimates for FY2024 (1 October 2023 to 30 September 2024) for adoption.
- 2) **ADOPTED** the FY2024 budget (1 October 2023 to 30 September 2024) as detailed in Appendix I, including the contributions from the Contracting Parties to the General Fund for FY2024 as follows:
 - Canada: Contribution to the General Fund: **US\$927,419.21**
 - U.S.A.: Contribution to the General Fund: **US\$4,282,492.80** (subject to appropriations)
 - U.S.A.: Contribution to the headquarters building lease and maintenance costs: **US\$513,712.50**
- 3) **NOTED** the optional extra-budgetary (IFCP Fund deficit) contributions from each Contracting Party for FY2024 as follows:
 - Canada:
 - 50% Contribution to the IFCP Fund deficit (former staff pension plan): **US\$127,848**
 - U.S.A.:
 - 50% Contribution to the IFCP Fund deficit (former staff pension plan): **US\$127,848**

DISCUSSION

FY2024 BUDGET (US\$) UPDATE (AS OF 20 DECEMBER 2023)

INCOME AND EXPENSES: The IPHC approved budget for FY2024 and expenditures as of

20 December 2023 are provided in [Appendix II](#). Current expenditure for the first quarter of FY2024 are in-line with the approved budget ([IPHC-2023-CR-019](#)).

FY2024 FINANCIAL BUDGET (US\$) – PROPOSED AS AMENDED FOR ADOPTION

1) Fund 40 – FISS: At the 99th Session of the IPhC Interim Meeting (IM099), the Commission agreed to an optimized 2023 FISS design with caveats, as follows:

IPHC-2023-IM099-R (para. 51) The Commission AGREED on an optimized design for the 2024 FISS as provided at Appendix IV, that balances the Commission’s primary and secondary objectives for the FISS. Specifically, the 2024 design shall include Options 1, 2, and 3 from Table 2. In addition, Option 4 shall be included in the RFT process but is not yet endorsed. Once bids are received and evaluated in February 2024, the Commission will make a final decision on whether to proceed or not with Option 4, based on bids and logistical constraints at that time and potentially a new option for IPhC Regulatory Area 4CDE.

IPHC-2023-IM099-R (para. 54) The Commission AGREED to consider whether to maintain the oceanographic sampling program to provide a continuous source of data on environmental conditions experienced by Pacific halibut, and whether to staff the NOAA trawl surveys, in January 2024.

IPHC-2023-IM099-R (para. 58). The Commission AGREED that supplementary funding is likely needed to sustain the FISS moving forward and AGREED to explore options for funding, e.g. from Contracting Parties or external partners.

Key points: The design is described in paper [IPHC-2023-AM100-13](#).

1) The design agreed to is estimated to result in a total:

- a. Income of **US\$2,429,762.50**.
- b. Expense: **US\$2,824,348.36**.
- c. Balance: **-US\$394,585.86**.

2) Assumptions:

- a. Catch rates = **5%** decline from 2023.
- b. Fish price = **0%** change from 2023.

3) No oceanographic monitoring (water profilers).

4) No deployment of Secretariat staff on the NOAA trawl surveys in Alaska.

2) Adjustments to general operating: The FY2024 budget for all other Funds has been updated to better reflect known costs given we are approaching the end of the 1st quarter of the fiscal year, and the expected expense for Fund 35 – AK Costs recovery, which is the grant between the IPhC and NOAA Fisheries, which was approved at the start of the fiscal year. The following are noteworthy amendments:

a) **Fund 35 – AK Cost-Recovery:** This Fund was created for the first time in FY2023, noting the ongoing funding by NOAA for our port related activities in Alaska. The Grant,

titled “*International Pacific Halibut Commission Directed Commercial Catch Sampling of Pacific halibut in Alaska*” is for a five-year period covering our activities in FY2022, FY2023, FY2024, FY2025, and FY2026 (Grant Number: NOAA-NMFS-AK-2023-2007663). This means we are not reimbursed (cost-recovered) for activities conducted until 2 fiscal years later. i.e. our current IPHC FY2024 (1 Oct 2023 to 30 Sept 2024) expenses won’t be reimbursed until 1 October 2025 (FY2026).

- b) **Fund 30 – Statistics:** In prior years, this Fund included the income and expenses from Fund 35, however, to provide a more transparent means of accounting of the grant income and expenses, noting the delay in reimbursement, Fund 30 now only includes income and expenses from activities not covered by the grant (e.g. in-port activities on the USA-west coast, Canada, and non-IFQ expenses in Alaska). The reallocation has not resulted in any change to the Contracting Party contributions for FY2024.

3) **Ongoing discussions:** The Commission via the two Contracting Parties, are currently seeking supplementary funding for both the general operations of the Commission, as well as to support the Fishery-Independent Setline Survey (FISS). The IPHC has identified the following needs for immediate supplementary funding in FY2024, and on an ongoing basis that would be revisited on an annual basis:

- a) **US\$1,500,000** annually to subsidize the FISS to ensure robust sampling in all IPHC Regulatory Areas.
- b) **US\$100,000-500,000** annually for a contribution to the FISS Reserve Fund, which is meant to address contingencies and build the FISS reserve back to a prudent level. The reserve currently has a negative balance and the Commissioners have set a target of maintaining a US\$2,000,000 balance to ensure IPHC can cover cost fluctuations and the FISS does not need to be curtailed in years when costs are especially high and/or revenues are especially low. This amount would be increased or decreased based on Commission annual review and fund rebuilding.
- c) **US\$430,000** for an ~10% inflationary adjustment to the US\$4.3M annual USA contribution to the IPHC General Fund (for non-FISS costs of IPHC), reflecting that the USA made no inflationary adjustments to its contributions from 2020-2022.
- d) **US\$93,000** for an ~10% inflationary adjustment to the US\$927K annual Canadian contribution to the IPHC General Fund (for non-FISS costs of IPHC), reflecting that Canada made no inflationary adjustments to its contributions from 2020-2022.

RECOMMENDATION/S

That the FAC:

- 1) **NOTE** paper IPHC-2024-FAC100-06 which provided a 1st quarter update on the FY2024 budget (financial period: 1 October 2023 to 30 September 2024) as well as proposing a revised budget be adopted based on the final 2024 FISS design, and other amendments.
- 2) **RECOMMEND** that the Commission adopt the amended FY2024 budget (1 October 2023 to 30 September 2024), as detailed in [Appendix III](#), noting that the amendments do not change the previously adopted Contracting Party contributions for FY2024:
 - a. Canada: Contribution to the General Fund: **US\$927,419.21**
 - b. U.S.A.: Contribution to the General Fund: **US\$4,282,492.80** (subject to appropriations)
 - c. U.S.A.: Contribution to the headquarters building lease and maintenance costs: **US\$513,712.50**
- 3) **NOTE** the optional extra-budgetary (IFCP Fund deficit) contributions from each Contracting Party for FY2024 as follows:
 - a. Canada: 50% Contribution to the IFCP Fund deficit (former staff pension plan): **US\$127,848**
 - b. U.S.A.: 50% Contribution to the IFCP Fund deficit (former staff pension plan): **US\$127,848**
- 4) **NOTE** that Fund 35 – AK Cost-Recovery expenses are budgeted at **US\$947,210** for FY2024, however, the amount that NOAA fisheries will agree to reimburse for our FY2024 expenses will not be known until March/April 2025, and the IPHC will not be reimbursed until 1 October 2025 (FY2026), two fiscal years after the expenses were incurred. Thus, as a precautionary measure, the heads of delegation have directed the Secretariat to include an estimated **US\$875,000** to be reimbursed through the cost-recovery program and a further **US\$72,210** to be provided in supplementary income from NOAA fisheries.
- 5) **RECOMMEND** that the NOAA Grant, “*International Pacific Halibut Commission Directed Commercial Catch Sampling of Pacific halibut in Alaska*” be renewed prior to IPHC fiscal year FY2027 that commences on 1 October 2026, noting that the current five-year grant period covering IPHC activities is for IPHC FY2022, FY2023, FY2024, FY2025, and FY2026. The IPHC Secretariat and NOAA shall work together to provide a draft grant agreement to the Commission for review at the AM101 (January 2026).

APPENDICES

- [Appendix I](#): FY2024 Financial Budget (Adopted 11 August 2023)
- [Appendix II](#): FY2024 Financial Statement – as of 20 December 2023
- [Appendix III](#): FY2024 Financial Budget – Proposed as amended for decision



APPENDIX I
FY2024 FINANCIAL BUDGET (ADOPTED 11 AUGUST 2023)
IPHC-2023-ID008: [IPHC-2023-CR-019](#)

FY2024: Proposed for ID008	10 - General	20 - Research	30 - Statistics	35 - AK Cost-Recovery	TOTAL
Account Number	FY2024	FY2024	FY2024	FY2024	(10,20,30,35) FY2024
Income					
40000 Contracting Party Contributions					
40000.01 - Canada	\$ -	\$ -	\$ -	\$ -	\$ 927,419.21
40000.02 - United States of America	\$ -	\$ -	\$ -	\$ -	\$ 4,282,492.80
40000 - Contracting Party Contributions	\$ 3,215,671.11	\$ 1,123,178.73	\$ 871,062.17	\$ -	\$ 5,209,912.01
40055 - Headquarters (Lease and Maintenance)	\$ 513,712.50	\$ -	\$ -	\$ -	\$ 513,712.50
40055 - Headquarters (Lease & Maintenance)	\$ 513,712.50	\$ -	\$ -	\$ -	\$ 513,712.50
40060 Other Income					
40060.01 - GAAP Conversion - Income	\$ -	\$ -	\$ -	\$ -	\$ -
40060.05 - Recoupment leave expenses	\$ 82,400.00	\$ 23,381.00	\$ 56,032.00	\$ -	\$ 161,813.00
40060.06 - Rent - Dutch Harbor	\$ -	\$ -	\$ 5,600.00	\$ -	\$ 5,600.00
40060 - Other Income	\$ 82,400.00	\$ 23,381.00	\$ 61,632.00	\$ -	\$ 167,413.00
40100 Grants, Contracts & Agreements					
40100.01 - 802 - Directed Commercial Catch Sampling of Pacific halibut in Alaska	\$ -	\$ -	\$ -	\$ 875,000.00	\$ 875,000.00
40100.09 - Supplementary funding	\$ -	\$ -	\$ -	\$ 72,371.00	\$ 72,371.00
40100 - Grants, Contracts & Agreements	\$ -	\$ -	\$ -	\$ 947,371.00	\$ 947,371.00
40200 Interest Income					
40200.01 - Bank Interest	\$ 772.50	\$ -	\$ -	\$ -	\$ 772.50
Total 40200 - Interest Income	\$ 772.50	\$ -	\$ -	\$ -	\$ 772.50
40350 Fish Sales					
40350.01 - Fish Sales - Pacific Halibut	\$ -	\$ -	\$ -	\$ -	\$ -
40350.02 - Fish Sales - Byproduct	\$ -	\$ -	\$ -	\$ -	\$ -
40350 - Fish Sales	\$ -	\$ -	\$ -	\$ -	\$ -
Total Income	\$ 3,812,556.11	\$ 1,146,559.73	\$ 932,694.17	\$ 947,371.00	\$ 6,839,181.01
Expense					
Personnel Expenses					
50000 - Salary & Wages	\$ 1,623,052.89	\$ 664,706.33	\$ 658,680.45	\$ 577,324.87	\$ 3,523,764.54
50100 - Benefits	\$ 678,399.30	\$ 250,225.40	\$ 230,708.15	\$ 178,739.41	\$ 1,338,072.26
50200 - Training & Education	\$ 43,000.00	\$ 18,477.00	\$ 16,200.87	\$ 16,200.87	\$ 93,878.74
50300 - Personnel Related Expenses	\$ 5,665.00	\$ -	\$ -	\$ 1,000.00	\$ 6,665.00
Total Personnel Expenses	\$ 2,350,117.19	\$ 933,408.73	\$ 905,589.47	\$ 773,265.15	\$ 4,962,380.54
Operational Expenses					
5000 - Publications	\$ 5,000.00	\$ 7,500.00	\$ 211.00	\$ 1,789.00	\$ 14,500.00
51100 - Mailing and Shipping	\$ 3,500.00	\$ 7,000.00	\$ 1,750.00	\$ 6,310.13	\$ 18,560.13
51200 - Travel	\$ 98,700.00	\$ 14,825.00	\$ 2,200.00	\$ 35,500.00	\$ 151,225.00
51300 - IPHC Meetings	\$ 191,200.00	\$ -	\$ -	\$ -	\$ 191,200.00
51400 - Technology	\$ 144,049.80	\$ -	\$ 11,000.00	\$ 6,000.00	\$ 161,049.80
Total Operational Expenses	\$ 442,449.80	\$ 29,325.00	\$ 15,161.00	\$ 49,599.13	\$ 536,534.93
Fees and Contract Expenses					
52000 - Professional Fees	\$ 227,100.00	\$ -	\$ -	\$ 20,263.00	\$ 247,363.00
52100 - Vessel Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
52200 - Other Fees and Charges	\$ 53,842.96	\$ -	\$ 1,135.38	\$ 14,034.00	\$ 69,012.34
52300 - Leases and Contracts	\$ 42,164.00	\$ 39,019.00	\$ -	\$ 24,121.00	\$ 105,304.00
54000 - Communications	\$ 35,500.00	\$ -	\$ 3,060.00	\$ 340.00	\$ 38,900.00
Total Fees and Contract Expenses	\$ 358,606.96	\$ 39,019.00	\$ 4,195.38	\$ 58,758.00	\$ 460,579.34
Facilities and Equipment Expenses					
54000 - Equipment Expense	\$ 6,600.00	\$ -	\$ 5,371.82	\$ 18,626.45	\$ 30,598.27
54000 - Supplies Expense	\$ 44,000.00	\$ 144,807.00	\$ 1,096.50	\$ 18,225.50	\$ 208,129.00
54000 - Maintenance and Utilities	\$ 53,500.00	\$ -	\$ 1,280.00	\$ 4,534.00	\$ 59,314.00
54000 - Facility Rentals	\$ 483,151.16	\$ -	\$ -	\$ 24,362.77	\$ 507,513.93
Total Facilities and Equipment Expenses	\$ 587,251.16	\$ 144,807.00	\$ 7,748.32	\$ 65,748.72	\$ 805,555.20
Other Expenses					
55000 - Budget Contingency	\$ 74,131.00	\$ -	\$ -	\$ -	\$ 74,131.00
Other Expenses	\$ 74,131.00	\$ -	\$ -	\$ -	\$ 74,131.00
Total Expense	\$ 3,812,556.11	\$ 1,146,559.73	\$ 932,694.17	\$ 947,371.00	\$ 6,839,181.01
Net Income (Loss)	\$ -	\$ -	\$ -	\$ -	\$ (0.00)

APPENDIX II
FY2024 BUDGET – UPDATE AS OF 20 DECEMBER 2023

INTERNATIONAL PACIFIC



HALIBUT COMMISSION

International Pacific Halibut Commission
 Budget: Year to Date
 for the period of 10/01/2023 to 12/20/2023

Account Number	Account Name	Actual	Annual Budget	Annual Budget %
Income				
40000	Contracting Party Contributions	\$5,303,912.01	\$5,209,912.01	101.8%
40055	Headquarters (Lease & Maintenance)	\$513,712.50	\$513,712.50	0.0%
40060	Other Income	\$5,152.45	\$167,413.00	3.08%
40100	Grants, Contracts & Agreements	\$0.00	\$947,371.00	0.0%
40200	Interest Income	\$7,494.17	\$772.50	970.12%
40350	Fish Sales	\$280,794.92	\$0.00	0.0%
42000	Gain/Loss	\$-1.13	\$0.00	0.0%
Total Income		\$6,111,064.92	\$6,839,181.01	89.35%
Expense				
50000	Salaries & Wages	\$779,229.87	\$3,523,764.54	22.11%
50100	Benefits	\$142,383.18	\$1,338,072.26	10.64%
50200	Training & Education	\$2,200.00	\$93,878.74	2.34%
50300	Personnel Related Expenses	\$26.95	\$6,665.00	0.4%
51000	Publications	\$0.00	\$14,500.00	0.0%
51100	Mailing and Shipping	\$2,378.45	\$18,560.13	12.81%
51200	Travel	\$20,976.33	\$151,225.00	13.87%
51300	IPHC Meetings	\$32,093.91	\$191,200.00	16.79%
51400	Technology	\$32,130.30	\$161,049.80	19.95%
52000	Professional Fees	\$51,111.59	\$247,363.00	20.66%
52100	Vessel Expenses	\$56,108.36	\$0.00	0.0%
52200	Other Fees and Charges	\$6,151.44	\$69,012.34	8.91%
52300	Leases and Contracts	\$104,705.86	\$105,304.00	99.43%
54000	Communications	\$7,863.48	\$38,900.00	20.21%
53000	Equipment Expense	\$1,183.56	\$30,598.27	3.87%
53100	Supplies Expense	\$198,221.17	\$208,129.00	95.24%
53200	Maintenance and Utilities	\$5,312.62	\$59,314.00	8.96%
53300	Facility Rentals	\$128,226.47	\$507,513.93	25.27%
55000	Budget Contingency	\$0.00	\$74,131.00	0.0%
55100	Other Expenses	\$149.00	\$0.00	0.0%
Total Expense		\$1,570,452.54	\$6,839,181.01	22.96%
Total		\$4,540,612.38	\$0.00	0.0%



APPENDIX II
FY2024 FINANCIAL BUDGET: PROPOSED AS AMENDED FOR ADOPTION

FY2024: Proposed for FAC100	10 - General	20 - Research	30 - Statistics	35 - AK Cost-Recovery	TOTAL (10,20,30,35)	40 - FISS	TOTAL (All Funds)
Account Number	FY2024	FY2024	FY2024	FY2024	FY2024	FY2024	FY2024
Income							
40000 Contracting Party Contributions							
40000.01 - Canada	\$ -	\$ -	\$ -	\$ -	\$ 927,419.21	\$ -	\$ 927,419.21
40000.02 - United States of America	\$ -	\$ -	\$ -	\$ -	\$ 4,282,492.80	\$ -	\$ 4,282,492.80
40000 - Contracting Party Contributions	\$ 3,062,239.28	\$ 1,073,364.05	\$ 1,074,308.68	\$ -	\$ 5,209,912.01	\$ -	\$ 5,209,912.01
40055 - Headquarters (Lease and Maintenance)	\$ 513,712.50	\$ -	\$ -	\$ -	\$ 513,712.50	\$ -	\$ 513,712.50
40055 - Headquarters (Lease & Maintenance)	\$ 513,712.50	\$ -	\$ -	\$ -	\$ 513,712.50	\$ -	\$ 513,712.50
40060 Other Income							
40060.05 - Recoupment leave expenses	\$ 14,930.27	\$ 7,297.53	\$ 18,517.20	\$ 14,930.27	\$ 55,675.27	\$ 7,762.50	\$ 63,437.77
40060.06 - Rent - Dutch Harbor	\$ -	\$ -	\$ -	\$ -	\$ 5,600.00	\$ -	\$ 5,600.00
40060 - Other Income	\$ 14,930.27	\$ 7,297.53	\$ 18,517.20	\$ 20,530.27	\$ 61,275.27	\$ 7,762.50	\$ 69,037.77
40100 Grants, Contracts & Agreements							
40100.01 - 802 - Directed Commercial Catch Sampling of Pacific halibut in Alaska	\$ -	\$ -	\$ -	\$ 875,000.00	\$ 875,000.00	\$ -	\$ 875,000.00
40100.02 - MoU WDFW Rockfish sampling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40100.07 - Supplementary funding	\$ -	\$ -	\$ -	\$ 72,210.00	\$ 72,210.00	\$ -	\$ 72,210.00
40100 - Grants, Contracts & Agreements	\$ -	\$ -	\$ -	\$ 947,210.00	\$ 947,210.00	\$ -	\$ 947,210.00
40200 Interest Income							
40200.01 - Bank Interest	\$ 15,000.00	\$ -	\$ -	\$ -	\$ 15,000.00	\$ -	\$ 15,000.00
Total 40200 - Interest Income	\$ 15,000.00	\$ -	\$ -	\$ -	\$ 15,000.00	\$ -	\$ 15,000.00
40350 Fish Sales							
40350.01 - Fish Sales - Pacific Halibut	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,375,000.00	\$ 2,375,000.00
40350.02 - Fish Sales - Byproduct	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,000.00	\$ 47,000.00
40350 - Fish Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,422,000.00	\$ 2,422,000.00
Total Income	\$ 3,605,882.05	\$ 1,080,661.58	\$ 1,092,825.88	\$ 967,740.27	\$ 6,747,109.78	\$ 2,429,762.50	\$ 9,176,872.28
Expense							
Personnel Expenses							
50000 - Salary & Wages	\$ 1,541,300.75	\$ 611,737.73	\$ 751,299.57	\$ 559,866.82	\$ 3,464,204.87	\$ 663,547.52	\$ 4,127,752.39
50100 - Benefits	\$ 626,421.45	\$ 236,295.85	\$ 253,526.64	\$ 223,497.11	\$ 1,339,741.05	\$ 258,750.84	\$ 1,598,491.89
50200 - Training & Education	\$ 43,000.00	\$ 18,477.00	\$ 5,650.00	\$ 21,803.00	\$ 88,930.00	\$ 30,000.00	\$ 118,930.00
50300 - Personnel Related Expenses	\$ 5,000.00	\$ -	\$ 1,532.00	\$ 3,468.00	\$ 10,000.00	\$ 8,000.00	\$ 18,000.00
Total Personnel Expenses	\$ 2,215,722.20	\$ 866,510.58	\$ 1,012,008.21	\$ 808,634.93	\$ 4,902,875.92	\$ 960,298.36	\$ 5,863,174.28
Operational Expenses							
5000 - Publications	\$ 5,000.00	\$ 7,500.00	\$ 1,609.00	\$ 191.00	\$ 14,300.00	\$ 500.00	\$ 14,800.00
51100 - Mailing and Shipping	\$ 4,000.00	\$ 7,000.00	\$ 1,750.00	\$ 2,835.68	\$ 15,585.68	\$ 71,500.00	\$ 87,085.68
51200 - Travel	\$ 99,500.00	\$ 14,825.00	\$ 11,900.00	\$ 37,926.00	\$ 164,151.00	\$ 45,250.00	\$ 209,401.00
51300 - IPHC Meetings	\$ 194,755.32	\$ -	\$ -	\$ -	\$ 194,755.32	\$ -	\$ 194,755.32
51400 - Technology	\$ 144,049.80	\$ -	\$ 30,192.00	\$ 4,000.00	\$ 178,241.80	\$ 5,000.00	\$ 183,241.80
Total Operational Expenses	\$ 447,305.12	\$ 29,325.00	\$ 45,451.00	\$ 44,952.68	\$ 567,033.80	\$ 122,250.00	\$ 689,283.80
Fees and Contract Expenses							
52000 - Professional Fees	\$ 230,600.00	\$ -	\$ -	\$ 3,183.00	\$ 233,783.00	\$ 4,000.00	\$ 237,783.00
52100 - Vessel Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000.00	\$ 300,000.00
52200 - Other Fees and Charges	\$ 39,124.66	\$ -	\$ 1,258.35	\$ 9,178.00	\$ 49,561.01	\$ 31,200.00	\$ 80,761.01
52300 - Leases and Contracts	\$ 44,564.00	\$ 39,019.00	\$ 19,300.00	\$ 13,290.00	\$ 116,173.00	\$ 1,106,000.00	\$ 1,222,173.00
54000 - Communications	\$ 35,500.00	\$ -	\$ 3,060.00	\$ -	\$ 38,560.00	\$ 1,600.00	\$ 40,160.00
Total Fees and Contract Expenses	\$ 349,788.66	\$ 39,019.00	\$ 23,618.35	\$ 25,651.00	\$ 438,077.01	\$ 1,442,800.00	\$ 1,880,877.01
Facilities and Equipment Expenses							
54000 - Equipment Expense	\$ 3,000.00	\$ -	\$ 5,371.82	\$ 5,018.00	\$ 13,389.82	\$ 15,000.00	\$ 28,389.82
54000 - Supplies Expense	\$ 42,000.00	\$ 144,807.00	\$ 1,096.50	\$ 5,745.32	\$ 193,648.82	\$ 265,500.00	\$ 459,148.82
54000 - Maintenance and Utilities	\$ 55,337.50	\$ -	\$ 1,280.00	\$ 848.00	\$ 57,465.50	\$ 1,000.00	\$ 58,465.50
54000 - Facility Rentals	\$ 478,151.16	\$ 1,000.00	\$ 4,000.00	\$ 31,128.75	\$ 514,279.91	\$ 17,500.00	\$ 531,779.91
Total Facilities and Equipment Expenses	\$ 578,488.66	\$ 145,807.00	\$ 11,748.32	\$ 42,740.07	\$ 778,784.05	\$ 299,000.00	\$ 1,077,784.05
Other Expenses							
55000 - Budget Contingency	\$ 60,339.00	\$ -	\$ -	\$ -	\$ 60,339.00	\$ -	\$ 60,339.00
55250 - Indirect costs	\$ (80,812.00)	\$ -	\$ -	\$ 80,812.00	\$ -	\$ -	\$ -
Other Expenses	\$ (20,473.00)	\$ -	\$ -	\$ 80,812.00	\$ 60,339.00	\$ -	\$ 60,339.00
Total Expense	\$ 3,570,831.64	\$ 1,080,661.58	\$ 1,092,825.88	\$ 1,002,790.68	\$ 6,747,109.78	\$ 2,824,348.36	\$ 9,571,458.14
Net Income (Loss)	\$ 35,050.41	\$ 0.00	\$ (0.00)	\$ (35,050.41)	\$ (0.00)	\$ (394,585.86)	\$ (394,585.86)



Budget Estimates: FY2025 (for approval), FY2026 and FY2027 (for information)

PREPARED BY: IPHC SECRETARIAT (D. WILSON & A. KEIKKALA, 20 DECEMBER 2023)

PURPOSE

To provide the FAC with the budget estimates for FY2025 (1 October 2024 to 30 September 2025) for recommendation to the Commission (for approval), and for FY2026 and FY2027 (for information) (1 October 2025 to 30 September 2026, & 1 October 2026 to 30 September 2027, respectively).

BACKGROUND

In accordance with Regulation 5, para. 3, of the IPHC Financial Regulations (2021) (shown below), the next three (3) fiscal years consist of FY2025, FY2026, and FY2027, noting that we are at the end of the 1st quarter of FY2024.

*(Para. 3) "The Executive Director shall prepare and submit to the FAC, Contracting Parties, and Commissioners, no later than **30 days before the FAC meeting**, budget estimates for the next three fiscal years."*

DISCUSSION

PROPOSED EXPENDITURES FOR THE FY2025, FY2026 AND FY2027 BUDGETS (US\$)

FY2025 INCOME AND EXPENSES – The IPHC financial budget for FY2025 is proposed at [Appendix I](#). A detailed presentation will accompany this paper at FAC100.

Base Contributions (to the IPHC General Fund): The contributions include a 3.5% increase from FY2024 for both Contracting Parties to **US\$970,606.61 (Canada)** and **US\$4,421,652.32 (United States of America)**.

- Other general cost assumptions include increases in operation costs, salaries and wages (5%, based on cost of living and step increases) and health care costs (~12%) ([Appendix I](#)).

Headquarters Lease and Maintenance (to the IPHC General Fund):

- The headquarters costs to the USA will decrease to **\$458,608.60** in FY2025 in accordance with the new building lease signed in 2023.

Deficit payments to the IFC Pension Fund (to the IFCP Fund):

- The extra-budgetary deficit payments to the IFC Pension Fund (closed in 2001 to new participants), will increase in FY2025 to **\$150,573** for each Contracting Party. This increase was determined through the updated actuarial report and 10-year amortization of the total deficit which stands at US\$3,011,460.

FISS: Income (and expenses) for the IPHC Fishery-Independent Setline Survey (FISS) are tentative as they are based on the design noted at the 99th Session of the IPHC Interim Meeting

(IM099) and will likely change substantially prior to the 2025 FISS season.

FY2026 AND FY2027 INCOME AND EXPENSES – The IPHC provisional budgets for FY2026 and FY2027 ([Appendix II](#)) are based on a nominal 5% increase in general contributions for Canada and U.S.A. to cover expected matching increases in operations expenses, cost in salaries (based on cost of living and step increases) and health care costs.

RECOMMENDATION/S

That the FAC:

- 1) **NOTE** paper IPHC-2024-FAC100-07 which provided the budget estimates for FY2025 (1 October 2024 to 30 September 2025) for recommendation to the Commission (for approval), and for FY2026 and FY2027 (for information) (1 October 2025 to 30 September 2026, & 1 October 2026 to 30 September 2027, respectively).
- 2) **RECOMMEND** the Commission **ADOPT** the FY2025 budget (1 October 2024 to 30 September 2025) as detailed in [Appendix I](#), including the contributions from the Contracting Parties to the General Fund for FY2025 as follows:
 - Canada: Contribution to the General Fund: **US\$970,606.61** (Canada).
 - U.S.A.: Contribution to the General Fund: **US\$4,421,652.32** (subject to appropriations).
 - U.S.A.: Contribution to the headquarters building lease and maintenance costs: **US\$458,608.60**.
- 3) **NOTE** the optional extra-budgetary (IFCP Fund deficit) contributions from each Contracting Party for FY2024 as follows:
 - Canada:
 - 50% Contribution to the IFCP Fund deficit (former staff pension plan): **US\$150,573**
 - U.S.A.:
 - 50% Contribution to the IFCP Fund deficit (former staff pension plan): **US\$150,573**
- 4) **NOTE** the tentative budgets for FY2026 and FY2027 (1 October 2025 to 30 September 2026, & 1 October 2026 to 30 September 2027, as detailed in [Appendix I](#) and [Appendix II](#), respectively.

APPENDICES

[Appendix I](#): FY2025 Financial Budget – Proposed for adoption

[Appendix II](#): FY2026 & FY2027 Financial Budgets – Proposed for noting

Appendix I FY2025 Financial Budget – Proposed for adoption

FY2025: Proposed for FAC100 Account Number	10 - General FY2025	20 - Research FY2025	30 - Statistics FY2025	35 - AK Cost-Recovery FY2025	TOTAL (10,20,30) FY2025	40 - FISS FY2025	TOTAL (All Funds) FY2025
Income							
40000 Contracting Party Contributions							
40000.01 - Canada	\$ -	\$ -	\$ -	\$ -	\$ 970,606.61	\$ -	\$ 970,606.61
40000.02 - United States of America	\$ -	\$ -	\$ -	\$ -	\$ 4,421,652.32	\$ -	\$ 4,421,652.32
40000 - Contracting Party Contributions	\$ 3,161,820.41	\$ 1,134,240.13	\$ 1,096,198.39	\$ -	\$ 5,392,258.93	\$ -	\$ 5,392,258.93
40055 - Headquarters (Lease and Maintenance)	\$ 458,608.60	\$ -	\$ -	\$ -	\$ 458,608.60	\$ -	\$ 458,608.60
40055 - Headquarters (Lease & Maintenance)	\$ 458,608.60	\$ -	\$ -	\$ -	\$ 458,608.60	\$ -	\$ 458,608.60
40060 Other Income							
40060.05 - Recoupment leave expenses	\$ 15,452.83	\$ 7,552.95	\$ 19,165.30	\$ 15,452.83	\$ 57,623.90	\$ 7,762.50	\$ 65,386.40
40060.06 - Rent - Dutch Harbor	\$ -	\$ -	\$ -	\$ 5,941.60	\$ 5,941.60	\$ -	\$ 5,941.60
40060 - Other Income	\$ 15,452.83	\$ 7,552.95	\$ 19,165.30	\$ 21,394.43	\$ 63,565.50	\$ 7,762.50	\$ 71,328.00
40100 Grants, Contracts & Agreements							
40100.01 - 802 - Directed Commercial Catch Sampling of Pacific halibut in Alaska	\$ -	\$ -	\$ -	\$ 999,847.00	\$ 999,847.00	\$ -	\$ 999,847.00
40100.02 - MoU WDFW Rockfish sampling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,803.00	\$ 37,803.00
40100.07 - Supplementary funding	\$ -	\$ -	\$ -	\$ 63,925.60	\$ 63,925.60	\$ -	\$ 63,925.60
40100 - Grants, Contracts & Agreements	\$ -	\$ -	\$ -	\$ 1,063,772.60	\$ 1,063,772.60	\$ 37,803.00	\$ 1,101,575.60
40200 Interest Income							
40200.01 - Bank Interest	\$ 17,000.00	\$ -	\$ -	\$ -	\$ 17,000.00	\$ -	\$ 17,000.00
Total 40200 - Interest Income	\$ 17,000.00	\$ -	\$ -	\$ -	\$ 17,000.00	\$ -	\$ 17,000.00
40350 Fish Sales							
40350.01 - Fish Sales - Pacific Halibut	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,468,249.24	\$ 2,468,249.24
40350.02 - Fish Sales - Byproduct	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,645.00	\$ 48,645.00
40350 - Fish Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,516,894.24	\$ 2,516,894.24
Total Income	\$ 3,652,881.83	\$ 1,141,793.08	\$ 1,115,363.69	\$ 1,063,772.60	\$ 6,973,811.20	\$ 2,562,459.74	\$ 9,536,270.94
Expense							
Personnel Expenses							
50000 - Salary & Wages	\$ 1,618,065.79	\$ 642,324.62	\$ 784,634.88	\$ 587,860.16	\$ 3,632,885.44	\$ 679,270.50	\$ 4,312,155.94
50100 - Benefits	\$ 675,303.42	\$ 258,960.98	\$ 275,101.43	\$ 244,000.39	\$ 1,453,366.23	\$ 285,070.53	\$ 1,738,436.76
50200 - Training & Education	\$ 44,225.00	\$ 19,123.70	\$ 5,847.75	\$ 23,132.98	\$ 92,329.43	\$ 31,050.00	\$ 123,379.43
50300 - Personnel Related Expenses	\$ 5,122.50	\$ -	\$ 1,532.00	\$ 3,679.55	\$ 10,334.05	\$ 8,280.00	\$ 18,614.05
Total Personnel Expenses	\$ 2,342,716.71	\$ 920,409.29	\$ 1,067,116.06	\$ 858,673.08	\$ 5,188,915.14	\$ 1,003,671.03	\$ 6,192,586.17
Operational Expenses							
5000 - Publications	\$ 5,000.00	\$ 7,500.00	\$ 1,609.00	\$ 202.65	\$ 14,311.65	\$ 500.00	\$ 14,811.65
51100 - Mailing and Shipping	\$ 4,140.00	\$ 7,245.00	\$ 1,811.25	\$ 3,008.66	\$ 16,204.91	\$ 74,002.50	\$ 90,207.41
51200 - Travel	\$ 102,982.50	\$ 15,343.88	\$ 12,316.50	\$ 40,239.49	\$ 170,882.36	\$ 46,833.75	\$ 217,716.11
51300 - IPHC Meetings	\$ 201,571.76	\$ -	\$ -	\$ -	\$ 201,571.76	\$ -	\$ 201,571.76
51400 - Technology	\$ 149,091.54	\$ -	\$ 11,000.00	\$ 4,244.00	\$ 164,335.54	\$ 5,175.00	\$ 169,510.54
Total Operational Expenses	\$ 462,785.80	\$ 30,088.88	\$ 26,736.75	\$ 47,694.79	\$ 567,306.22	\$ 126,511.25	\$ 693,817.47
Fees and Contract Expenses							
52000 - Professional Fees	\$ 238,671.00	\$ -	\$ -	\$ 3,377.16	\$ 242,048.16	\$ 4,140.00	\$ 246,188.16
52100 - Vessel Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,500.00	\$ 310,500.00
52200 - Other Fees and Charges	\$ 41,080.89	\$ -	\$ 1,321.27	\$ 9,737.86	\$ 52,140.02	\$ 32,760.00	\$ 84,900.02
52300 - Leases and Contracts	\$ 46,123.74	\$ 40,384.67	\$ 4,863.00	\$ 14,100.69	\$ 105,472.10	\$ 1,144,710.00	\$ 1,250,182.10
54000 - Communications	\$ 36,742.50	\$ -	\$ 3,167.10	\$ -	\$ 39,909.60	\$ 1,656.00	\$ 41,565.60
Total Fees and Contract Expenses	\$ 362,618.13	\$ 40,384.67	\$ 9,351.37	\$ 27,215.71	\$ 439,569.88	\$ 1,493,766.00	\$ 1,933,335.88
Facilities and Equipment Expenses							
54000 - Equipment Expense	\$ 3,105.00	\$ -	\$ 5,559.83	\$ 5,324.10	\$ 13,988.93	\$ 15,525.00	\$ 29,513.93
54000 - Supplies Expense	\$ 43,470.00	\$ 149,875.25	\$ 1,134.88	\$ 6,095.78	\$ 200,575.91	\$ 274,792.50	\$ 475,368.41
54000 - Maintenance and Utilities	\$ 57,274.31	\$ -	\$ 1,324.80	\$ 899.73	\$ 59,498.84	\$ 1,035.00	\$ 60,533.84
54000 - Facility Rentals	\$ 432,041.44	\$ 1,035.00	\$ 4,140.00	\$ 33,027.60	\$ 470,244.04	\$ 18,112.50	\$ 488,356.54
Total Facilities and Equipment Expenses	\$ 535,890.75	\$ 150,910.25	\$ 12,159.51	\$ 44,447.49	\$ 743,407.99	\$ 309,465.00	\$ 1,052,872.99
Other Expenses							
55000 - Budget Contingency	\$ 34,611.97	\$ -	\$ -	\$ -	\$ 34,611.97	\$ -	\$ 34,611.97
55200 - Fund Cost Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55250 - Indirect costs	\$ (85,741.53)	\$ -	\$ -	\$ 85,741.53	\$ -	\$ -	\$ -
Other Expenses	\$ (51,129.56)	\$ -	\$ -	\$ 85,741.53	\$ 34,611.97	\$ -	\$ 34,611.97
Total Expense	\$ 3,652,881.83	\$ 1,141,793.08	\$ 1,115,363.69	\$ 1,063,772.60	\$ 6,973,811.20	\$ 2,933,413.28	\$ 9,907,224.48
Net Income (Loss)	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (370,953.54)	\$ (370,953.54)

Appendix II FY2026 & FY2027 Financial Budgets – Proposed for noting

FY2026: Proposed for FAC100 Account Number	10 - General FY2026	20 - Research FY2026	30 - Statistics FY2026	35 - AK Cost-Recovery FY2026	TOTAL (10,20,30) FY2026	40 - FISS FY2026	TOTAL (All Funds) FY2026
Income							
40000 Contracting Party Contributions							
40000.01 - Canada	\$ -	\$ -	\$ -	\$ -	\$ 1,019,136.94	\$ -	\$ 1,019,136.94
40000.02 - United States of America	\$ -	\$ -	\$ -	\$ -	\$ 4,642,734.94	\$ -	\$ 4,642,734.94
40000 - Contracting Party Contributions	\$ 3,297,627.63	\$ 1,199,363.09	\$ 1,164,881.16	\$ -	\$ 5,661,871.88	\$ -	\$ 5,661,871.88
40055 - Headquarters (Lease and Maintenance)	\$ 417,765.64	\$ -	\$ -	\$ -	\$ 417,765.64	\$ -	\$ 417,765.64
40055 - Headquarters (Lease & Maintenance)	\$ 417,765.64	\$ -	\$ -	\$ -	\$ 417,765.64	\$ -	\$ 417,765.64
40060 Other Income							
40060.05 - Recoupment leave expenses	\$ 15,993.68	\$ 7,817.30	\$ 19,836.09	\$ 15,993.68	\$ 59,640.74	\$ 7,762.50	\$ 67,403.24
40060.06 - Rent - Dutch Harbor	\$ -	\$ -	\$ -	\$ 6,304.04	\$ 6,304.04	\$ -	\$ 6,304.04
40060 - Other Income	\$ 15,993.68	\$ 7,817.30	\$ 19,836.09	\$ 22,297.71	\$ 65,944.78	\$ 7,762.50	\$ 73,707.28
40100 Grants, Contracts & Agreements							
40100.01 - 802 - Directed Commercial Catch Sampling of Pacific halibut in Alaska	\$ -	\$ -	\$ -	\$ 1,054,530.00	\$ 1,054,530.00	\$ -	\$ 1,054,530.00
40100.02 - MoU WDFW Rockfish sampling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,693.15	\$ 39,693.15
40100.07 - Supplementary funding	\$ -	\$ -	\$ -	\$ 75,466.61	\$ 75,466.61	\$ -	\$ 75,466.61
40100 - Grants, Contracts & Agreements	\$ -	\$ -	\$ -	\$ 1,129,996.61	\$ 1,129,996.61	\$ 39,693.15	\$ 1,169,689.76
40200 Interest Income							
40200.01 - Bank Interest	\$ 17,850.00	\$ -	\$ -	\$ -	\$ 17,850.00	\$ -	\$ 17,850.00
Total 40200 - Interest Income	\$ 17,850.00	\$ -	\$ -	\$ -	\$ 17,850.00	\$ -	\$ 17,850.00
40350 Fish Sales							
40350.01 - Fish Sales - Pacific Halibut	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,565,959.68	\$ 2,565,959.68
40350.02 - Fish Sales - Byproduct	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,347.58	\$ 50,347.58
40350 - Fish Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,616,307.26	\$ 2,616,307.26
Total Income	\$ 3,749,236.95	\$ 1,207,180.39	\$ 1,184,717.25	\$ 1,129,996.61	\$ 7,271,131.20	\$ 2,663,762.91	\$ 9,934,894.11
Expense							
Personnel Expenses							
50000 - Salary & Wages	\$ 1,698,669.08	\$ 674,440.85	\$ 828,307.78	\$ 617,253.17	\$ 3,818,670.87	\$ 731,407.39	\$ 4,550,078.26
50100 - Benefits	\$ 728,953.04	\$ 284,076.80	\$ 298,871.63	\$ 266,684.75	\$ 1,578,586.22	\$ 314,331.85	\$ 1,892,918.07
50200 - Training & Education	\$ 45,492.88	\$ 19,793.02	\$ 6,052.42	\$ 24,544.09	\$ 95,882.42	\$ 32,136.75	\$ 128,019.17
50300 - Personnel Related Expenses	\$ 5,249.29	\$ -	\$ 1,585.62	\$ 3,904.00	\$ 10,738.91	\$ 5,356.13	\$ 16,095.03
Total Personnel Expenses	\$ 2,478,364.28	\$ 978,310.67	\$ 1,134,817.45	\$ 912,386.01	\$ 5,503,878.41	\$ 1,083,232.12	\$ 6,587,110.53
Operational Expenses							
5000 - Publications	\$ 4,000.00	\$ 7,500.00	\$ 1,609.00	\$ 215.01	\$ 13,324.01	\$ 500.00	\$ 13,824.01
51100 - Mailing and Shipping	\$ 4,284.90	\$ 7,498.58	\$ 1,874.64	\$ 3,192.18	\$ 16,850.30	\$ 76,592.59	\$ 93,442.89
51200 - Travel	\$ 108,500.00	\$ 15,880.91	\$ 12,747.58	\$ 42,694.09	\$ 179,822.58	\$ 48,472.93	\$ 228,295.51
51300 - IPHC Meetings	\$ 217,071.13	\$ -	\$ -	\$ -	\$ 217,071.13	\$ -	\$ 217,071.13
51400 - Technology	\$ 154,309.75	\$ -	\$ 11,385.00	\$ 4,502.88	\$ 170,197.63	\$ 5,356.13	\$ 175,553.76
Total Operational Expenses	\$ 488,165.77	\$ 30,879.49	\$ 27,616.22	\$ 50,604.18	\$ 597,265.66	\$ 130,921.64	\$ 728,187.30
Fees and Contract Expenses							
52000 - Professional Fees	\$ 247,024.49	\$ -	\$ -	\$ 3,583.17	\$ 250,607.65	\$ 4,284.90	\$ 254,892.55
52100 - Vessel Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 321,367.50	\$ 321,367.50
52200 - Other Fees and Charges	\$ 43,134.94	\$ -	\$ 1,387.33	\$ 10,331.87	\$ 54,854.14	\$ 34,398.00	\$ 89,252.14
52300 - Leases and Contracts	\$ 47,738.07	\$ 41,798.13	\$ 5,033.21	\$ 14,960.83	\$ 109,530.24	\$ 1,184,774.85	\$ 1,294,305.09
54000 - Communications	\$ 38,028.49	\$ -	\$ 3,277.95	\$ -	\$ 41,306.44	\$ 1,713.96	\$ 43,020.40
Total Fees and Contract Expenses	\$ 375,925.98	\$ 41,798.13	\$ 9,698.48	\$ 28,875.87	\$ 456,298.46	\$ 1,546,539.21	\$ 2,002,837.67
Facilities and Equipment Expenses							
54000 - Equipment Expense	\$ 3,213.68	\$ -	\$ 5,754.43	\$ 5,648.87	\$ 14,616.97	\$ 16,068.38	\$ 30,685.35
54000 - Supplies Expense	\$ 44,991.45	\$ 155,120.88	\$ 1,174.60	\$ 6,467.63	\$ 207,754.55	\$ 284,410.24	\$ 492,164.79
54000 - Maintenance and Utilities	\$ 59,278.91	\$ -	\$ 1,371.17	\$ 954.61	\$ 61,604.69	\$ 1,071.23	\$ 62,675.92
54000 - Facility Rentals	\$ 390,268.64	\$ 1,071.23	\$ 4,284.90	\$ 35,042.29	\$ 430,667.05	\$ 18,746.44	\$ 449,413.49
Total Facilities and Equipment Expenses	\$ 497,752.68	\$ 156,192.10	\$ 12,585.09	\$ 47,158.78	\$ 713,688.66	\$ 320,296.28	\$ 1,033,984.93
Other Expenses							
55000 - Budget Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55200 - Fund Cost Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55250 - Indirect costs	\$ (90,971.77)	\$ -	\$ -	\$ 90,971.77	\$ -	\$ -	\$ -
Other Expenses	\$ (90,971.77)	\$ -	\$ -	\$ 90,971.77	\$ -	\$ -	\$ -
Total Expense	\$ 3,749,236.95	\$ 1,207,180.39	\$ 1,184,717.25	\$ 1,129,996.61	\$ 7,271,131.19	\$ 3,080,989.25	\$ 10,352,120.44
Net Income (Loss)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.01	\$ (417,226.34)	\$ (417,226.33)

FY2027: Proposed for FAC100		10 - General	20 - Research	30 - Statistics	35 - AK Cost-Recovery	TOTAL (10,20,30)	40 - FISS	TOTAL (All Funds)
Account Number		FY2027	FY2027	FY2027	FY2027	FY2027	FY2027	FY2027
Income								
40000 Contracting Party Contributions								
40000.01 - Canada		\$ -	\$ -	\$ -	\$ -	\$ 1,070,093.78	\$ -	\$ 1,070,093.78
40000.02 - United States of America		\$ -	\$ -	\$ -	\$ -	\$ 4,874,871.69	\$ -	\$ 4,874,871.69
	40000 - Contracting Party Contributions	\$ 3,446,878.23	\$ 1,269,099.89	\$ 1,228,987.35	\$ -	\$ 5,944,965.47	\$ -	\$ 5,944,965.47
40055 - Headquarters (Lease and Maintenance)		\$ 428,632.36	\$ -	\$ -	\$ -	\$ 428,632.36	\$ -	\$ 428,632.36
	40055 - Headquarters (Lease & Maintenance)	\$ 428,632.36	\$ -	\$ -	\$ -	\$ 428,632.36	\$ -	\$ 428,632.36
40060 Other Income								
40060.05 - Recoupment leave expenses		\$ 16,553.46	\$ 8,090.91	\$ 20,530.35	\$ 16,553.46	\$ 61,728.17	\$ 7,762.50	\$ 69,490.67
40060.06 - Rent - Dutch Harbor		\$ -	\$ -	\$ -	\$ 6,688.58	\$ 6,688.58	\$ -	\$ 6,688.58
	40060 - Other Income	\$ 16,553.46	\$ 8,090.91	\$ 20,530.35	\$ 23,242.04	\$ 68,416.75	\$ 7,762.50	\$ 76,179.25
40100 Grants, Contracts & Agreements								
40100.01 - 802 - Directed Commercial Catch Sampling of Pacific halibut in Alaska		\$ -	\$ -	\$ -	\$ 1,178,754.14	\$ 1,178,754.14	\$ -	\$ 1,178,754.14
40100.02 - MoU WDFW Rockfish sampling		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,677.81	\$ 41,677.81
40100.07 - Supplementary funding		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	40100 - Grants, Contracts & Agreements	\$ -	\$ -	\$ -	\$ 1,178,754.14	\$ 1,178,754.14	\$ 41,677.81	\$ 1,220,431.95
40200 Interest Income								
40200.01 - Bank Interest		\$ 18,000.00	\$ -	\$ -	\$ -	\$ 18,000.00	\$ -	\$ 18,000.00
	Total 40200 - Interest Income	\$ 18,000.00	\$ -	\$ -	\$ -	\$ 18,000.00	\$ -	\$ 18,000.00
40350 Fish Sales								
40350.01 - Fish Sales - Pacific Halibut		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,667,089.99	\$ 2,667,089.99
40350.02 - Fish Sales - Byproduct		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,109.74	\$ 52,109.74
	40350 - Fish Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,719,199.73	\$ 2,719,199.73
	Total Income	\$ 3,910,064.04	\$ 1,277,190.80	\$ 1,249,517.70	\$ 1,201,996.18	\$ 7,638,768.72	\$ 2,768,640.04	\$ 10,407,408.76
Expense								
Personnel Expenses								
	50000 - Salary & Wages	\$ 1,783,302.53	\$ 708,162.89	\$ 865,059.95	\$ 648,115.83	\$ 4,004,641.20	\$ 748,741.97	\$ 4,753,383.17
	50100 - Benefits	\$ 787,895.08	\$ 311,924.47	\$ 325,082.70	\$ 291,799.24	\$ 1,716,701.49	\$ 346,877.65	\$ 2,063,579.15
	50200 - Training & Education	\$ 43,000.00	\$ 20,485.78	\$ 6,264.26	\$ 26,041.28	\$ 95,791.32	\$ 33,261.54	\$ 129,052.86
	50300 - Personnel Related Expenses	\$ 5,380.51	\$ -	\$ 1,500.00	\$ 4,142.14	\$ 11,022.66	\$ 5,543.59	\$ 16,566.25
	Total Personnel Expenses	\$ 2,619,578.12	\$ 1,040,573.14	\$ 1,197,906.91	\$ 970,098.50	\$ 5,828,156.67	\$ 1,134,424.75	\$ 6,962,581.42
Operational Expenses								
	5000 - Publications	\$ 4,000.00	\$ 7,500.00	\$ 1,609.00	\$ 228.13	\$ 13,337.13	\$ 500.00	\$ 13,837.13
	51100 - Mailing and Shipping	\$ 4,434.87	\$ 7,761.03	\$ 1,940.26	\$ 3,386.91	\$ 17,523.06	\$ 79,273.33	\$ 96,796.39
	51200 - Travel	\$ 107,158.31	\$ 16,436.74	\$ 13,193.74	\$ 45,298.43	\$ 182,087.23	\$ 50,169.48	\$ 232,256.71
	51300 - IPHC Meetings	\$ 212,500.00	\$ -	\$ -	\$ -	\$ 212,500.00	\$ -	\$ 212,500.00
	51400 - Technology	\$ 159,710.59	\$ -	\$ 11,783.48	\$ 4,777.56	\$ 176,271.62	\$ 5,543.59	\$ 181,815.21
	Total Operational Expenses	\$ 487,803.77	\$ 31,697.77	\$ 28,526.47	\$ 53,691.03	\$ 601,719.04	\$ 135,486.40	\$ 737,205.44
Fees and Contract Expenses								
	52000 - Professional Fees	\$ 255,561.62	\$ -	\$ -	\$ 3,801.74	\$ 259,363.37	\$ 4,434.87	\$ 263,798.24
	52100 - Vessel Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 332,615.36	\$ 332,615.36
	52200 - Other Fees and Charges	\$ 45,291.68	\$ -	\$ 1,456.70	\$ 10,962.11	\$ 57,710.49	\$ 36,117.90	\$ 93,828.39
	52300 - Leases and Contracts	\$ 49,408.90	\$ 43,261.06	\$ 5,209.37	\$ 15,873.44	\$ 113,752.78	\$ 1,226,241.97	\$ 1,339,994.75
	54000 - Communications	\$ 39,359.48	\$ -	\$ 3,392.68	\$ -	\$ 42,752.16	\$ 1,773.95	\$ 44,526.11
	Total Fees and Contract Expenses	\$ 389,621.70	\$ 43,261.06	\$ 10,058.74	\$ 30,637.30	\$ 473,578.80	\$ 1,601,184.05	\$ 2,074,762.85
Facilities and Equipment Expenses								
	54000 - Equipment Expense	\$ 3,326.15	\$ -	\$ 5,955.83	\$ 5,993.45	\$ 15,275.44	\$ 16,630.77	\$ 31,906.20
	54000 - Supplies Expense	\$ 44,728.72	\$ 160,550.11	\$ 1,215.71	\$ 6,862.15	\$ 213,356.69	\$ 294,364.60	\$ 507,721.28
	54000 - Maintenance and Utilities	\$ 61,353.68	\$ -	\$ 1,419.16	\$ 1,012.84	\$ 63,785.68	\$ 1,108.72	\$ 64,894.39
	54000 - Facility Rentals	\$ 400,172.96	\$ 1,108.72	\$ 4,434.87	\$ 37,179.87	\$ 442,896.41	\$ 19,402.56	\$ 462,298.98
	Total Facilities and Equipment Expenses	\$ 509,581.50	\$ 161,658.83	\$ 13,025.57	\$ 51,048.31	\$ 684,265.90	\$ 331,506.64	\$ 1,015,772.55
Other Expenses								
55000 - Budget Contingency		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55200 - Fund Cost Recovery		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55250 - Indirect costs		\$ (96,521.04)	\$ -	\$ -	\$ 96,521.04	\$ -	\$ -	\$ -
	Other Expenses	\$ (96,521.04)	\$ -	\$ -	\$ 96,521.04	\$ -	\$ -	\$ -
	Total Expense	\$ 3,910,064.05	\$ 1,277,190.80	\$ 1,249,517.70	\$ 1,201,996.18	\$ 7,638,768.72	\$ 3,202,601.85	\$ 10,841,370.57
	Net Income (Loss)	\$ (0.00)	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (433,961.81)	\$ (433,961.81)



IPHC Financial Regulations (2024) - Draft

PREPARED BY: IPHC SECRETARIAT (D. WILSON, A, KEIKKALA; 22 DECEMBER 2023)

PURPOSE

To provide the FAC with the opportunity to consider proposed amendments to the IPHC Financial Regulations.

BACKGROUND

In accordance with Regulation 19, paragraph 1 of the IPHC Financial Regulations (2021), the IPHC Secretariat has revised and suggested edits to the IPHC Financial Regulations to align the regulations with best practice governance.

Regulation 19 (para 1) *“These Financial Regulations should be reviewed for their consistency and appropriateness at least biennially.”*

At the 97th Session of the IPHC Annual Meeting (AM097) the Commission made the following request of the IPHC Secretariat:

AM097–Req.06 (para. 105) *“The Commission **REQUESTED** that the IPHC Secretariat will undertake an inter-sessional review and recommend further improvements to the Financial Regulations of the Commission, including the basis of accounting to better align with GAAP standards while maintaining regulatory compliance.”*

At the 98th Session of the IPHC Finance and Administration Committee (FAC098), the FAC agreed to defer amendment of the Financial Regulations under the transition from an OCBOA basis of accounting, to a GAAP basis of accounting was completed.

DISCUSSION

The Independent Auditors (Clarke Nuber) along with the IPHC’s contracted accounting Firm, Sommerville and Associates (S&A) have identified a number of areas for further improvement to the IPHC Financial Regulations.

Provided at **Appendix I** are proposed revisions to the IPHC Financial Regulations (2021). Each is relatively self-explanatory, however the Secretariat will present and discuss each at the FAC100.

RECOMMENDATIONS

That the FAC:

- a) **NOTE** paper IPHC-2024-FAC100-08, that proposed revisions to the IPHC Financial Regulations;
- b) **RECOMMEND** that the Commission Endorse and Adopt the International Pacific Halibut Commission Financial Regulations (2024).

APPENDICES

Appendix I: DRAFT: International Pacific Halibut Commission Financial Regulations (2024)

INTERNATIONAL PACIFIC HALIBUT COMMISSION FINANCIAL REGULATIONS

(202~~14~~)

INTERNATIONAL PACIFIC



HALIBUT COMMISSION

Commissioners

Canada	United States of America
Paul Ryall	Glenn Merrill Jon Kurland
Neil Davis	Robert Alverson
Peter DeGreef	Richard Yamada

Executive Director

David T. Wilson, Ph.D.

BIBLIOGRAPHIC ENTRY

IPHC 202~~14~~. International Pacific Halibut Commission Financial Regulations (202~~14~~). *IPHC-202~~14~~-FR2~~14~~,
13~~XX~~-pp.*



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Regulation 1 – Definitions

For the purpose of these Financial Regulations, the following definitions apply:

Convention: the Convention between Canada and the United States of America and for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Ottawa, Canada on 2 March 1953, as amended by the Protocol Amending the Convention, signed at Washington 29 March 1979, and includes the regulations promulgated thereunder.

Commission: the International Pacific Halibut Commission provided for by Article III, paragraph 1 of the Convention.

Contracting Parties: Consisting of the two Members, Canada and the United States of America (3 Commissioners from each Party).

Executive Director: the Director of the Commission.

Pacific halibut: fish of the species *Hippoglossus stenolepis*.

Restricted / Unrestricted Funds: Funds that are received and set aside for a specific purpose are considered restricted. Restricted Funds may be designated as restricted by the Board of Commissioners or the grantor if monies were received through a grant.

Rules of Procedure: The [Rules of Procedure](#) (2023~~1~~, or subsequent revision) of the Commission.

Session: Any meeting of the Commission or its subsidiary bodies

Regulation 2 – Authority, Purpose, and Scope

1. **Authority:** These Financial Regulations consist of regulations adopted by the International Pacific Halibut Commission, hereinafter referred to as “the Commission,” pursuant to the *Convention between Canada and the United States of America for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea*, hereinafter referred to as “[the Convention](#),” signed first in 1923 and revised several times since, most recently in 1953, as amended by the Protocol signed by both countries, hereinafter referred to as “the Contracting Parties,” in 1979.
2. **Purpose:** The purpose of this document is to provide the regulations to govern the financial administration of the International Pacific Halibut Commission and its Secretariat, as established pursuant to the Commission’s [Rules of Procedure](#) (2023~~1~~, or any subsequent revision).



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3. **Scope:** The IPHC Secretariat, Commission and all subsidiary bodies shall operate under the Rules of Procedure of the Commission *mutatis mutandis*, except where specific provisions are laid down in [the Convention](#) or in these Financial Regulations.

Regulation 3 – Finance and Administration Committee

1. The Commission shall designate a Finance and Administration Committee (FAC) derived from the current Commissioners, tasked with reviewing and making recommendations on financial matters. The FAC recommendations shall be considered and approved by the Commission subject to Article III, Paragraph 1 of [the Convention](#).
2. In addition to general oversight of financial matters and other duties specified in these Regulations, the FAC shall carry out the following duties on behalf of the Commission:
 - a) Overseeing the financial reporting style and methodology;
 - b) Overseeing accounting policies and practices;
 - c) Approving the hiring, performance, and independence of the external auditor;
 - d) Discussing financial risk management policies and practices with the IPHC Secretariat.

Regulation 4 – Fiscal Year, ~~and~~ Currency, and Accounting Principles

1. The fiscal year shall be the period from 1 October to the following 30 September, both dates inclusive. Funds may be held in either U.S. (USD) or Canadian (CAD) dollars. All monetary figures in these Regulations are expressed in U.S. dollars, and all financial accounting of the Commission shall be in U.S. dollars.
2. The IPHC shall comply with the accounting standards set by the Governmental Accounting Standards Board (GASB). Specifically, the IPHC shall apply the generally accepted accounting principles (GAAP), established for entities operating in the United States of America. This regulatory body establishes and improves accounting and financial reporting standards to enhance the transparency, consistency, and reliability of financial information. GASB's guidelines ensure that entities follow uniform accounting principles, facilitating better decision-making and accountability while promoting fiscal responsibility and transparency in the use of public funds.



Regulation 5 – Budget

1. Annual budget estimates shall cover income and expenditures for the fiscal year to which they relate.
2. Annual budget estimates shall be divided into categories by the approved Chart of Accounts. Each category shall be accompanied by such information, annexes and explanatory statements as may be requested on behalf of the Commission, and such further annexes or statements as the Executive Director may deem necessary and useful.
3. The Executive Director shall prepare and submit to the FAC, Contracting Parties, and Commissioners, no later than **30 days before** the FAC meeting, budget estimates for the next three fiscal years.
4. The FAC shall review actual income and expenses for the prior fiscal year, and review and recommend changes to the budget estimates for the next three fiscal years. The FAC shall provide its recommendations to the Commission.
5. At its regular Annual Meeting, the Commission shall review the report of the FAC, including income and expense results for the prior fiscal year, proposed budgets for the next two fiscal years, and budget estimates for the third subsequent fiscal year. The FAC may recommend to the Commission to amend or adjust the budgets as necessary to reflect changing priorities or contingencies.
6. In preparing budget estimates for consideration of the FAC, the Executive Director shall fully take into account any surplus funds including funds in cash and investment accounts carried over from previous years' Contracting Party contributions, and any other income, which may be available for expenditure in the year for which the budget estimates are prepared.
7. The Executive Director shall notify Contracting Parties of their contribution based on the budget adopted by the Commission in accordance with Article III, Paragraph 1 of [the Convention](#).
8. Should either of the Contracting Parties not approve its invoiced contribution in whole or in part, the Executive Director shall forthwith notify the other Contracting Party and, after consulting with the Chairperson of the Commission, shall recommend revisions to the budget as may appear necessary.
9. Any revisions to a budget or supplementary estimates shall be prepared by the Executive Director and submitted to the Chairperson and Vice-Chairperson for approval. Subject to consultation with the other Commissioners, the Chairperson and Vice-Chairperson may approve the revisions, obtain the Commissioners' approval through the established procedures for Intersessional decision-making (Rule 11 – Decision making; IPHC [Rules of Procedure](#)



(2021), or any subsequent revision), or call a special session, to collect a vote. After approval, the estimates shall be acted upon in the same manner as regular budgets or estimates.

10. The Executive Director may, in any fiscal year, reallocate funds in an amount not exceeding 5% of total income between budget expense categories within the current fiscal year's approved budget. The Chairperson of the Commission may, in any fiscal year, authorize the Executive Director to reallocate funds in an amount exceeding 5% to meet mission needs.

Regulation 6 – Publication of Budget

1. A summary of the budget of the Commission shall be available at the Commission's website and by other electronic communication means approved by the Commission.

Regulation 7 – Contracting Party Contributions

1. The receipt of contributions from the Contracting Parties shall constitute an authorization to the Executive Director to incur obligations and make payments for the benefit of the Commission.
2. The Executive Director may use existing funds to incur obligations before a budget is approved or before Contracting Party contributions are adopted by the Commission, when such obligations are necessary for the continued effective functioning of the Commission and provided such obligations do not exceed the most recent approved budget. The Executive Director must obtain approval from the Chairperson and Vice-Chairperson of the Commission for deviations greater than 5% of the approved budget.

Regulation 8 – Provision of Funds

1. The Commission operations shall be financed by contributions in U.S. dollars made by the Contracting Parties, in accordance with Article III, Paragraph 1 of the Convention. Pending the receipt of such contributions, the operations may be financed from the General and Reserve Funds as described in Regulation 10.
2. After the Commission has adopted a budget, revisions to a budget, or a supplementary budget, the Executive Director shall:
 - a) Transmit to the Contracting Parties such documents and information as may be required by the government departments responsible for approving IPHC contributions and appropriating the funds;



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- b) Request that the funds be remitted in accordance with procedures agreed upon by each of the Contracting Parties.
3. At the end of the twelve-month period, any obligation incurred in the prior year which remains unliquidated shall be cancelled, or where the obligation remains a valid charge, transferred as an obligation against current-year funds. Any balance in funds shall be accounted for in accordance with the provisions of Regulations 5.10 and 10.7.

Regulation 9 – Other Income

1. The Commission may receive revenue from the sales of fish harvested during the course of research or other scientific operations, pursuant to Article III, Paragraph 2 of the Convention. Revenue from the sale of fish related to the IPHC's Fishery-Independent Setline Survey (FISS) shall be credited to the 40 - FISS Fund. Revenue from the sale of fish for Pacific halibut research or operations not related to the IPHC's FISS shall be credited to the 10 - General Fund.
2. The Commission may receive, on occasion, income in addition to those received from the Contracting Parties to fund the Commission's annual budget. Such funds may be from contracted or granted research agreements or from private organizations or other government agencies for the purpose of funding Pacific halibut research or operations.

Regulation 10 - Funds

1. All monetary holdings shall be subject to the Funds and Investment Policy of the Commission as follows:
- a. Cash accounts – Funds will be maintained in a checking account. Funds in excess of annual operating expenses will be held in the Savings Account or an Investment Account. Funds in the Investment Account shall be in a Money Market or Certificate of Deposit (CD). Certificates of Deposit shall not extend beyond 12-months. Cash account type requirements include:
- i. Checking Account – Federally insured (FDIC/NCUA) institutional interest-bearing checking account. Institution defined as state or federally chartered bank or credit union.
- ii. Savings Account – Federally insured (FDIC/NCUA) institutional interest-bearing saving account. Institution defined as state or federally chartered bank or credit union.



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- iii. Certificates of Deposit (CD) – Federally insured (FDIC/NCUA) institutional time deposit. Institution defined as state or federally chartered bank or credit union.
 - iv. Money Market Mutual Funds – Mutual Fund investing in short-term debt securities and U.S. treasury obligations for preservation of capital and maintaining liquidity.
- b. Retirement accounts – Funds held in the Commission retirement accounts will be subject to the recommendations of the Financial Advisors and executed by the plan administrator. The Commission’s goal is to achieve a total return of 6% after inflation over a 3-5 year period. Risk levels in the retirement accounts offer employees an option to choose aggressive, moderate, or conservative investments.
2. There shall be a checking, savings and investment account for the purposes of holding all monetary funds received. Other accounts may be established by the Commission as necessary.
 3. Fund accounting ~~will shall be applied~~~~be established~~ to track assets, liabilities, equity, income, and expenses called 10 - General, 20 - Research, 30 - Statistics, 35 – AK Cost-Recovery, 40 - FISS, and 50 - Reserve.
 4. The General Fund shall be a Contracting Party contributions fund and shall be used to support the general operations and administrative expenditures of the Commission.
 5. The following funds shall be credited to the 10 - General Fund:
 - a) Contributions received from the Contracting Parties;
 - b) Receipts from the sale of surplus Commission property purchased from the General Fund;
 - c) Interest income earned by the checking and savings cash accounts;
 - d) Receipts from the sale of fish related to Pacific halibut research or operations, and not related to the FISS;
 - e) Salaries and benefits for the Ssecretariat staff-related to the general administration of the IPHC.
 6. The following funds shall be credited to the 20 - Research Fund:
 - a) Receipts from grants and contracts related to Pacific halibut research;
 - b) Contributions received from Contracting Parties as internal Fund transfers from the General fund;
 - c) Salaries and benefits for the Ssecretariat staff-related to research.
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7. The following funds shall be credited to the 30 - Statistics Fund:

- a) Receipts from ~~grants and~~ contracts related to the IPHC portion of catch effort statistics of Pacific halibut;
- b) Contributions received from Contracting Parties as internal Fund transfers from the General fund;
- c) Salaries and benefits for the IPHC portion of Ssecretariat ~~staff~~ related to catch effort statistics.

7bis. The following funds shall be credited to the 35 - AK Cost-Recovery Fund:

- a) Receipts from grants and contracts related to catch effort statistics of Pacific halibut;
- b) Contributions received from Contracting Parties as internal Fund transfers from the General fund;
- c) Salaries and benefits for the Secretariat eligible for cost-recovery through the NOAA IFQ Cost-Recovery program, related to catch effort statistics.

8. The following funds shall be credited to the 40 - FISS Fund:

- a) Receipts from the sale of fish related to the IPHC's FISS;
- b) Receipts from the sales of surplus Commission property purchased from the FISS Fund;
- c) Receipts from grants and contracts related to the IPHC's FISS;
- d) Salaries and benefits for the Ssecretariat ~~staff~~ related to the FISS.

9. The 50 - Reserve Fund is a restricted fund intended to stabilize the Commission's operations when expected or unexpected events occur. The Reserve Fund may be used when Contracting Party contributions are not received when invoiced. The Reserve Fund may also be used as working capital to support the IPHC's FISS and approved research. The goal of the Reserve fund is to carry a balance equivalent to 6 months' worth of expenses.

10. The Executive Director may authorize transfers from the 50 - Reserve Fund to the 10 - General Fund, 20 - Research Fund, 30 - Statistics Fund, 35 - AK Cost-Recovery Fund, or 40 - FISS Fund to the extent necessary to finance approved budgetary obligations and associated expenditures.

11. The Executive Director may authorize transfers between funds as allowed by the approved budget and defined purposes, limits, and rules of use for each.



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12. Previous year's surplus funds shall be retained in the 10 - General and 40 - FISS Funds based on the stated policy in this section. Surplus funds shall be reviewed by the FAC, in conjunction with review of the previous year's expenses.

Regulation 11 – Custody of Funds

1. The Executive Director shall designate the bank or banks in which the funds of the Commission shall be kept and shall report the identity of the bank or banks so designated to the Commission.

Regulation 12 – Internal Controls

1. The Executive Director shall be accountable to the Commission for the proper management of the Commission's financial resources in accordance with the Commission's [Rules of Procedure](#) (202~~31~~, or any subsequent revision) and these Regulations.
2. No obligations shall be incurred until allotments or other appropriate authorizations have been made in writing under the authority of the Executive Director. In emergent situations the Executive Director may give verbal approval to incur the obligation. In emergent situations the verbal authorization must be documented within 24-hours of the authorization.
3. The Executive Director shall:
- Establish detailed financial procedures to ensure effective financial administration and financial stability;
 - Sign on behalf of the Commission for all financial and ordinary business matters of the Commission, up to authorization levels;
 - Cause all payments to be made on the basis of supporting invoices and other documents and ensure that services or goods contracted for have been received;
 - Designate in writing the Commission's Secretariat staff who may receive monies, incur obligations, sign on behalf of the Commission, and make payments on behalf of the Commission up to the threshold defined by the Executive Director, but not exceeding individual authorized levels.
4. The Executive Director may, after full investigation, authorize the writing off of losses of cash and other assets above \$1,000, via an internal memorandum, as soon as they are probable and measurable. provided that aLosses below \$1,000 will be recognized by the Executive Director or delegate throughout the fiscal year, via periodic memorandum. A statement explaining the losses shall be submitted to the FAC annually.



- 4.5. The Executive Director shall ensure that a depreciation and capitalization policy is developed and maintain in line with GAAP standards. This policy necessitates tracking capitalized equipment for all assets with a minimum acquisition cost of \$5,000. The Executive Director's delegate shall manage decisions for property and asset tracking and will track and depreciate all capitalized assets in the core accounting system. Capitalized property will be maintained outside the core accounting system. Assets are recorded at acquisition cost. Maintenance and repairs are charged to expenditures when incurred. Depreciation follows the straight-line method spanning estimated useful lives of 5-7 years for equipment.
- 5.6. The Executive Director may, with the approval of the Chairperson of the Commission, authorize the transfer of unused or surplus equipment and/or supplies to charitable organizations or to scientific societies associated with the Commission. The record of all such transfers shall be available for the independent External Auditors.
- 6.7. For the issuance of purchase orders and contracts in excess of \$250,000 and all vessel charter agreements the Executive Director shall obtain the approval of the Chairperson and Vice-Chairperson.
- 7.8. In the case of unforeseen conditions, the Executive Director may deviate from approved total budget levels at the discretion of the Chairperson and Vice-Chairperson.
- 8.9. The Executive Director is responsible for upholding an organization-wide Conflict of Interest policy. In cases where staff engage in research funded by grants, additional Financial Conflict of Interest (FCOI) documentation will be mandated if the financial benefits, including monetary compensation, paid travel, honorarium payment, etc., surpass a Significant Financial Interest (SFI) threshold of \$5,000. IPHC, in collaboration with federal grant administrators, is dedicated to upholding the public's trust by ensuring that research is conducted impartially and following the highest scientific and ethical standards. Records containing such information will be securely maintained for a minimum period of three (3) years. Comprehensive details regarding conflicts of interest and FCOI are provided in the IPHC employee manual, and website for public inspection.
- 9.10. The Executive Director will review the whistle-blower policy annually to ensure its effectiveness and compliance with any regulatory changes. Any revisions and updates will be communicated to all employees and stakeholders. The whistle-blower policy is provided in the IPHC employee manual, and on the website for public inspection.
- 10.11. The Executive Director will review the Document Retention Policy (IPHC Records Management Policy), annually to ensure its effectiveness and compliance with any regulatory changes. The policy is established to ensure, legal compliance and the systematic, consistent, and secure management of organizational documents, data, and records. The document



retention policy is provided in the IPHC employee manual, and on the website for public inspection.

Regulation 13 - Reporting

1. The Executive Director shall maintain such accounting records as are necessary for each fiscal year and shall submit to the Contracting Parties annual accounting records for the fiscal year to which they relate, including the following:
 - a) Outstanding obligations and receivables at the beginning and end of the year;
 - b) Changes in balances at the beginning and end of the year;
 - c) The status of all funds, including:
 - i. The budgeted funding for the year;
 - ii. The Contracting Party contributions as modified by any transfers;
 - iii. Income Sources, if any, other than Contracting Party contributions;
 - iv. The income and expenditures for the 10 - General Fund, 20 - Research Fund, 30 - Statistics Fund, 35 - AK Cost-Recovery Fund, -and the 40 - FISS Fund, and of any other fund that has been established;
 - v. The balance sheet for the 50 - Reserve Fund and a statement regarding working capital available to meet cash needs for expenditures in the next fiscal year.
 - vi. Such other information as may be appropriate to indicate the current financial position of the Commission.

Regulation 14 – External Audit

1. The accounts of the Commission shall be audited annually by external auditors recommended by the FAC and appointed by the Commission. The Auditors shall be contracted for a term of three (3) years, and may be extended to multiple terms.
2. The contents identified in the Auditors Provided By Client (PBC) list shall be provided by the Executive Director to the Auditors contracted by the Commission not later than sixty (60) days after the end of a fiscal year.
3. The Auditors shall perform such an audit as they deem necessary to determine:



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- a) That the financial statements fairly present the financial activities and position of the Commission as of year-end;
 - b) That the financial transactions reflected in the statements are in accordance with these Financial Regulations;
 - c) That the monies on deposit and on hand are vouched for by the Commission's depositories or by actual count, with exception of petty cash.
 - d) That assets, liabilities, equity, income, and expenses are tracked by fund (10 - General, 20 - Research, 30 - Statistics, 35 - AK Cost-Recovery, 40 - FISS, and 50 - Reserve).
4. The Auditors shall be sole judges as to the acceptance in whole or in part of such financial records provided by the Executive Director or their delegate, and they may proceed to detailed examination and verifications of such financial records as they choose.
 5. The Auditors, in addition to certifying the correctness of the accounts, may make such observations as they deem desirable with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls, and in general, the financial consequences of administrative practices.
 6. The Auditors shall, if required, recommend changes or adjustments to the books and records to the Executive Director.
 7. The Auditors shall prepare a report on the accounts certified, and shall discuss their report with the Executive Director prior to submission to the FAC and Commission. The Auditors shall submit their report to the Commission, via the FAC, no later than 90 days following the end of the fiscal year to which the accounts relate.
 8. The Commission may request the Auditors to perform certain specific examinations and issue separate reports regarding the books and records.

Regulation 15 – Bonding

1. The Executive Director and such other members of the IPHC Secretariat as may be deemed necessary shall be bonded in United States currency by a reputable bonding company in amounts determined by the Commission. The cost of the premiums for bonding shall be assumed by the Commission.



Regulation 16 – Insurance

1. The Executive Director shall acquire suitable insurance policies with reputable financial institutions against normal risks to its assets, operations, and personnel. The cost of the premiums for insurance shall be assumed by the Commission.

Regulation 17 – Delegation of Authority

1. The Executive Director may delegate to other members of the IPHC Secretariat or the Commission such of their powers as they consider necessary for the effective implementation of these Regulations.

Regulation 18 – Interpretation

1. The Chairperson may rule, after such consultation with the Commissioner's as the Chairperson deems necessary, in cases of doubt as to the interpretation and application of any of these Regulations.

Regulation 19 – General Provisions

1. These Financial Regulations should be reviewed for their consistency and appropriateness at least biennially.
2. These Financial Regulations may be amended from time to time by vote of the Commission in accordance with the voting procedure noted in Rule 11 of the IPHC [Rules of Procedure](#) (2023~~4~~, or any subsequent revision), provided such amendment is not inconsistent with the provisions of the Convention.
3. Copies of superseded Financial Regulations shall be archived by the Executive Director.
4. These Financial Regulations were adopted by consensus on ~~29~~ **DD** January 202~~4~~, and supersede those previously adopted by the Commission on ~~29 January 3 March 2021~~**0**.



IPHC Rules of Procedure (2024) - Draft

PREPARED BY: IPHC SECRETARIAT (D. WILSON; 12 DECEMBER 2023)

PURPOSE

To provide the Commission with proposed amendments to the current IPHC Rules of Procedure (2023) to include a new rule on Diversity, Equity, Inclusion, and Accessibility (DEIA) to the current IPHC Rules of Procedure (2023) (as Rule 2).

BACKGROUND AND DISCUSSION

In accordance with Rule 19, paragraph 1 of the IPHC Rules of Procedure (2023), which states:

“1. These Rules of Procedure should be reviewed for their consistency and appropriateness at least biennially.”

Rule 2 – Diversity, Equity, Inclusion, and Accessibility

This is a new rule to be added to the IPHC Rules of Procedure as Rule 2. Currently Rule 1 consists of definitions that would become preambular text to the Rules of Procedure, and thus, would not be assigned a Rule number.

The current Rule 2 - Authority, Purpose and Scope, would be elevated to Rule 1.

Justification: In 2021, the IPHC Secretariat adopted an internal policy of promoting Diversity, Equity, Inclusion, as well as accessibility, in our staff regulations. However, we would like to expand this policy to include the broader Commission, more specifically to cover the officers of the IPHC, meeting participants, employees, and broader stakeholder engagements, given that collectively we are the most valuable asset the IPHC as an organisation possesses.

The overarching goal of the new organisational DEIA rule, would be to ensure that every person, regardless of their gender, race, ethnicity, age, sexual orientation, physical ability, or socioeconomic status, feels welcome and to thrive in the IPHC community.

Diversity supports our mission, and our collective success can only occur in an open and inclusive environment. We believe that the IPHC is already fully committed to these principles, and thus, the inclusion of this new Rule would send a positive message to both internal and external parties.

RECOMMENDATION/S

That the FAC:

- 1) **NOTE** paper IPHC-2024-FAC100-09 that proposed to include a new rule on Diversity, Equity, Inclusion, and Accessibility (DEIA) to the current IPHC Rules of Procedure (2023) (as Rule 2).
- 2) **RECOMMEND** that the Commission adopt revised Rules of Procedure that include a DEIA as Rule 2; the movement of the Definitions from Rule 1 to preambular text, and the existing Rule 2 - Authority, Purpose and Scope, to Rule 1.

APPENDICES

Appendix I: IPHC Rules of Procedure (2024) – Draft revisions to Rule 2

Appendix A

Rule 2 – Diversity, Equity, Inclusion, and Accessibility

The IPHC places the highest value on fostering, cultivating and preserving a culture of diversity, equity, inclusion, and accessibility. Every person, regardless of gender, race, ethnicity, age, sexual orientation, physical ability, or socioeconomic status, deserves to feel welcome and to thrive in our community. Diversity supports our mission, and our collective success can only occur in an open and inclusive environment. The IPHC is fully committed to these principles.

The individuals within the IPHC - its officers, meeting participants, employees, and wider stakeholders - are our most valuable assets. The collective sum of our individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities, and talent that we invest in the IPHC's mission enriches our discussions of scientific and socioeconomic issues. These attributes represent a significant part of not only our organizational culture, but also define our reputation and achievement as an international organisation.

In our commitment to these principles, we embrace and encourage differences in age, colour, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socioeconomic status, veteran status, and other characteristics that make people unique.

The principles of diversity, equity, inclusion, and accessibility guide our practices and policies in all areas, including the appointment of members of the Commission's subsidiary bodies and their conduct, recruitment and selection at the IPHC Secretariat, and to every facet of the IPHC's work.

Every officer of the IPHC, employee, and stakeholder participating in IPHC business, is responsible for treating others with dignity and respect, and for exhibiting conduct that is inclusive towards all others.

Ultimately, our commitment to diversity, equity, inclusion, and accessibility is about creating a community where every individual can contribute their best in an environment that values and respects their unique perspectives.



WRITE-OFF STATEMENT – FOR FAC100

Date of Invoice	Date of Write Off	Vendor	Amount	Notes – Technically all adjustments are write offs – multiple write-offs occurred due to invalidated invoices (administrative correction) which are noted.
15 Oct 2021	Pending	Shipp, LLC	\$18,089.31	Write-off – Vessel contracted to conduct work for FISS in 2022. Lengthy bankruptcy proceeding occurred in 2023. Vessel and IFQs seized in September 2023.
05 Aug 2022	31 Dec 2022	Cold Fish Seafoods	\$9.99	Write-off outstanding balance at end of year. Cause - daily conversation rates from US to CAN payments fluctuate.
30 Sept 2022	31 Dec 2022	FAS Seafood Producers, Inc.	\$20.00	Write-off outstanding balance at end of year. Cause – daily conversation rates from USA to CAN payments fluctuate.
2020	31 Jan 2023	US Treasury	\$186.19	Write-off – Difference in the 2020 941 issue when that was resolved (letter to IRS dated 29 Apr 2022). When the final amount was received from the IRS, they determined that the amount due to IPHC was \$186.19 less than figured.
30 Sept 2022	31 Jan 2023	FAS Seafood Producers, Inc.	\$5,760.00	Invalidated Invoice – Bait was in poor quality. Did not purchase
28 Oct 2022	16 May 2023	Ryan Johnston	\$3,600	Invalidated Invoice – Bait was in poor quality. Did not purchase.
26 Feb 2021	16 May 2023	Colorado Department of Revenue	\$30.40	Invalidated Invoice – The IPHC was paying Colorado Dept. of Revenue (remote employee) – Once no longer needed, check was not cashed, that was written 26 Feb 2021 (#14286). Therefore, CO does not owe IPHC the funds.
Established starting balances in APLOS. No invoice date available	16 May 2023	UW Purchasing	\$5,544.05	Write-off – Collection efforts span back from 2020. The IPHC paid up front for mail center services. The balance when contract was terminated was not refunded and collection efforts over multiple years were not successful.
Established starting balances in APLOS. No invoice date available	16 May 2023	Instant Card – ID Card	166.45	Write-off – Collection efforts span back from 2019. Concerted effort in 2023 before writing it off. Collection was not fruitful. Had a balance on account for ID card creation, company policy is not to refund balance on a dormant account past 6 months.

Established starting balances in APLOS. No invoice date available	16 May 2023	Port of Seattle	\$4,050.00	\$4,050 was a starting balance in APLOS. Working directly with the Port of Seattle, the MIC security deposit was changed to \$4,230.00 (lease agreement). APLOS modified and the smaller number voided.
21 Aug 2023	1 Sept 2023	Trident Seafoods Corp – Sandpoint	\$0.53	Invalid Invoice - There was an overpayment of 0.53 cents on the invoice after the tax deduction was taken that was not on the invoice. \$43,269.20 was originally invoiced; corrected revenue packet showed \$42403.82. \$42404.34 was paid.
17 Jul 2023	Requested 10 Oct 2024	Jorg Schmeisser	\$151.80	Invalidated Invoice - Individual did not purchase fish from the offload.