

INTERNATIONAL PACIFIC



HALIBUT COMMISSION

Report of the 102nd Session of the IPHC Finance and Administration Committee (FAC102)

Agenda item: 3.7
IPHC-2026-FAC102-R
(D. Wilson)



RECOMMENDATIONS

Financial Statement for FY2025

FAC102-Rec.01 ([para. 8](#)) The FAC **RECOMMENDED** that the Commission **NOTE** the Financial Statement for FY2025, as detailed in paper [IPHC-2026-FAC102-04](#).

7. The FAC **NOTED** that the total Equity or combined fund balance at year-end closing totalled **US\$3,317,406.35**, up from **US\$2,278,394.22** at the end of FY2024. Fund equity balances at year-end in Funds 40 FISS and 50 Reserve are:

- Fund 40 - FISS: **US\$712,345.10**
- Fund 50 - Reserve: **US\$3,428,799.39**



RECOMMENDATIONS

Annual independent auditor's report (2025)

FAC102-Rec.02 ([para. 11](#)) The FAC **RECOMMENDED** that the Commission **NOTE** and **ACCEPT** the independent external auditor's report for FY2025 ([IPHC-2026-FAC102-05](#)), as per Regulation 14 of the [IPHC Financial Regulations \(2024\)](#), by consensus.

10. The FAC **RECALLED** that the report of the Independent External Auditors for FY2025 (1 October 2024 – 30 September 2025), was presented directly by Clark Nuber PS to the Commission via video conference on 14 January 2026, who offered their '**unmodified opinion**'. [Note: *An unmodified opinion implies that the auditor was satisfied with the financial statements audited. This means that the statements met the requirements demanded by all regulations and they were prepared in accordance with appropriate accounting principles, criteria, and standards.*]



RECOMMENDATIONS

FY2026 budget - update

FAC102-Rec.03 ([para. 19](#)) The FAC **RECOMMENDED** that the Commission:

- a) **ADOPT** the amended FY2026 budget (1 October 2025 to 30 September 2026), as detailed in [Appendix IV](#), noting that the amendments do not change the previously adopted Contracting Party contributions for FY2026:
 - i. Canada: Contribution to the General Fund: **US\$1,019,136.94**
 - ii. U.S.A.: Contribution to the General Fund: **US\$4,642,734.94** (subject to appropriations)
 - iii. U.S.A.: Contribution to the headquarters building lease and maintenance costs: **US\$418,599.43**



RECOMMENDATIONS

- b) **NOTE** the optional extra-budgetary (International Fisheries Commission Pension Fund (IFCPF) deficit contributions from each Contracting Party for FY2026 as follows:
 - i. Canada: 50% Contribution to the IFCP Fund deficit (former staff pension plan): **US\$150.573**; and
 - ii. U.S.A.: 50% Contribution to the IFCP Fund deficit (former staff pension plan): **US\$150,573.**
- c) **NOTE** that Fund 35 – AK Cost-Recovery expenses are budgeted at **US\$1,003,239.00** for FY2026, however, the amount that NOAA Fisheries has since indicated that they will provide for use in FY2026, and that which is to reimburse for IPHC's FY2024 expenses has been indicated at **US\$838,153.91**. The shortfall of **US\$159,485.09** has been moved from the contingency budget line.

16. The FAC **NOTED** Canada's expression of intent to make a supplementary contribution of CAD\$1m (~US\$720,000) in FY2026 towards 2026 (or future) FISS operating expenses.



RECOMMENDATIONS

Budget estimates: FY2027 (for approval); FY2028 and FY2029 (for information)

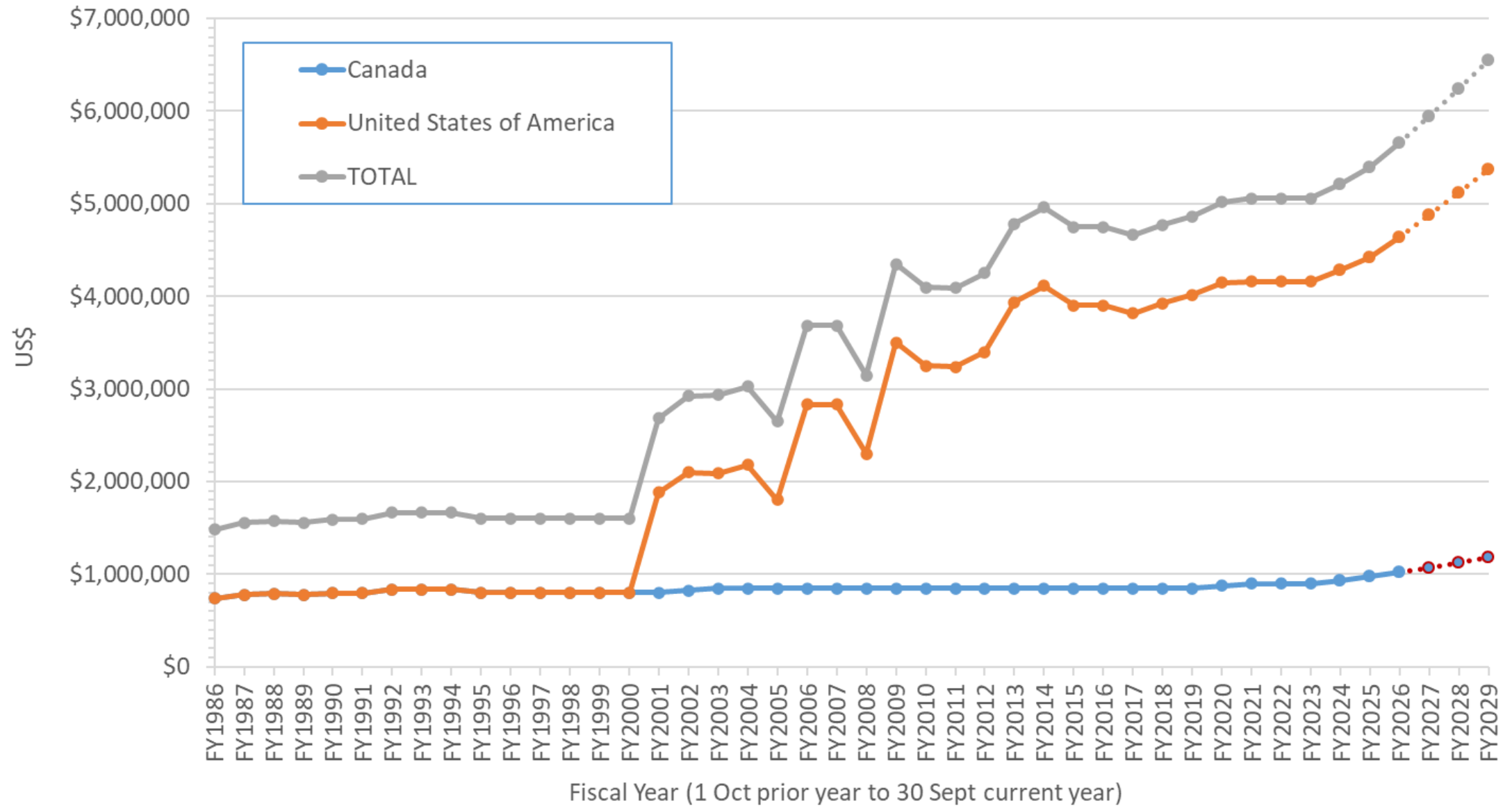
FAC102-Rec.04 ([para. 23](#)) The FAC **RECOMMENDED** that the Commission **ADOPT** the proposed FY2027 budget (1 October 2026 to 30 September 2027) as detailed in [Appendix V](#), including the contributions from the Contracting Parties to the General Fund for FY2027 (noting [para. 20](#) above) as follows:

- a) Canada: Contribution to the General Fund: **US\$1,070,093.78** (Canada).
- b) U.S.A.: Contribution to the General Fund: **US\$4,874,871.69** (subject to appropriations).
- c) U.S.A.: Contribution to the headquarters building lease and maintenance costs: **US\$432,540.62**.

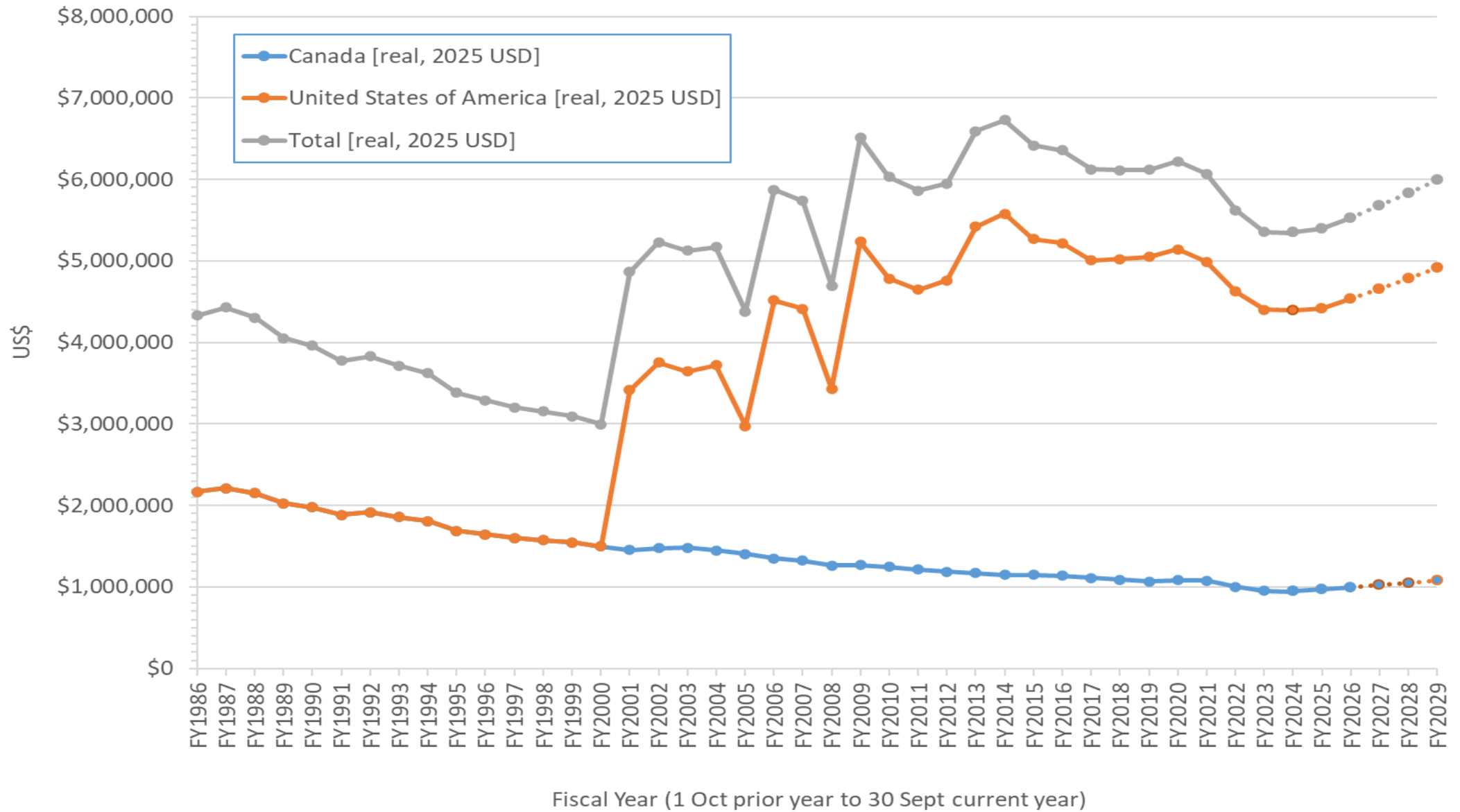
20. The FAC **NOTED** the divergence in contributions from the two Contracting Parties compared to that stated in the IPHC Convention, and that discussions between the two Contracting Parties would occur over the coming year:

[1979 Protocol Amending the Convention](#): Article III, para. 1. “*Joint expenses incurred by the Commission shall be paid by the two Parties in equal shares. However, upon recommendation of the Commission, the Parties may agree to vary the proportion of such joint expenses to be paid by each Party after March 31, 1981.*”

Contracting Party Contributions to the General Fund (FY1986-FY2029)



Contracting Party Contributions to the General Fund (FY1986-FY2029) adjusted for inflation



RECOMMENDATIONS

FAC102-Rec.05 ([para. 24](#)) The FAC **RECOMMENDED** that the Commission **NOTE** the proposed optional extra-budgetary (IFCP Fund deficit) contributions from each Contracting Party for FY2027 as follows:

a) Canada:

- i. 50% Contribution to the IFCP Fund deficit (former staff pension plan):
US\$150,573.

b) U.S.A.:

- ii. 50% Contribution to the IFCP Fund deficit (former staff pension plan):
US\$150,573.



RECOMMENDATIONS

Budget estimates: FY2028 and FY2029 (for information)

FAC102-Rec.06 ([para. 25](#)) The FAC **RECOMMENDED** that the Commission **NOTE** the tentative budgets for FY2028 and FY2029 (1 October 2027 to 30 September 2028, and 1 October 2028 to 30 September 2029, as detailed in [Appendix VI](#) and [Appendix VII](#), respectively, and that they 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 and wages (based on cost of living and step increases), and health care costs, and other inflationary costs.



RECOMMENDATIONS

Decision - aspirational reserve targets

FAC102-Rec.07 ([para. 29](#)) The FAC **RECOMMENDED** the Commission **ADOPT** the following aspirational targets for reserve funds:

- a) Fund 50 – Reserve: **US\$4,000,000** (~50% of the annual budget for Funds 10, 20, 30, 35);
- b) Fund 40 – FISS: **US\$4,000,000** (~50% of the annual budget for Fund 40 over two (2) years of the Base-Block design).



RECOMMENDATIONS

Fund 50 – Reserve (general operating)

27. The FAC **NOTED** that:

- a) International best practice for retaining operating reserve funds is between 6-12 months as a common target, for stability against shortfalls, funding delays, emergencies, or grant gaps.
- b) With current uncertainty in funding timing within the financial year, and a highly uncertain grant environment, the Secretariat recommends a minimum of six (6) months of operating expenses be held in reserve (Fund 50 – Reserve).
- c) The FY2027 operating expenses for Funds 10, 20, 30, and 35 combined are proposed at **US\$7,984,575.14** (composed of US\$7,547,348.95 (general expenses) + US\$136,880.19 (Fund 35 overheads) + US\$150,173 (IFCPF-CAN) + US\$150,173 (IFCPF-USA)).
- d) Thus, 6 months (50%) of expenses for FY2027 equate to ~**US\$4,000,000**.
- e) The IPHC Secretariat is recommending an aspirational target for Fund 50 - Reserve of **US\$4,000,000**.



Fund 40 – FISS (Reserve)

28. The FAC **NOTED** that:

- a) Based on recent trends in catch rates and fish prices, it is clear that at best, the FISS will be revenue neutral in the short term without voluntary contributions from other sources.
- b) In FY2025, the FISS total expenses were **US\$2,884,502.46**, while total income excluding voluntary contributions from Contracting Parties was **US\$2,909,847.61**, essentially revenue neutral. This was during a year of high fish prices being obtained.
- c) In addition, the Secretariat has determined that the desired Base-Block FISS design will incur annual expenses of ~US\$3,500,000, while income from fish sales is estimated to be ~US\$1,800,000 (for 2026), a shortfall of **US\$1,700,000**.
- d) While an aspirational target reserve for the FISS of **US\$2,000,000** would cover one (1) year of a budget deficit for the base-block FISS design, it would not cover any subsequent years should there be declines in fish prices and catch rates.
- e) Thus, a higher aspirational target reserve for the FISS should be considered, while also seeking stable, ongoing, regular budgetary contributions from the Contracting Parties.
- f) The IPHC Secretariat is recommending an aspirational target for Fund 40 - FISS of **US\$3,000,000-\$4,000,000**.



RECOMMENDATIONS

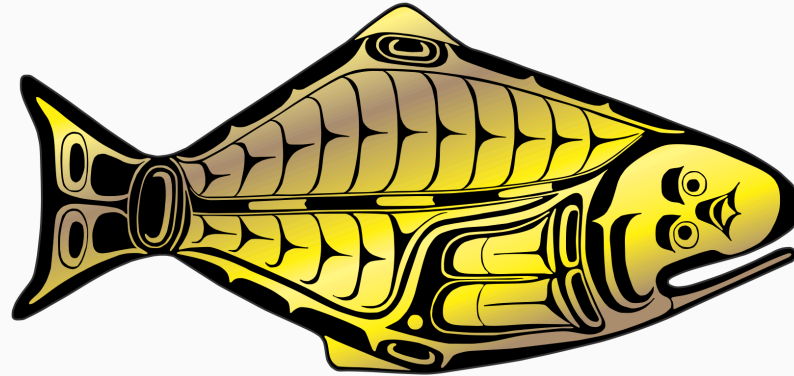
Decision - aspirational reserve targets

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