



INTERNATIONAL PACIFIC



HALIBUT COMMISSION

# Financial Statement for FY2019

Agenda Item 4

IPHC-2020-FAC096-04 Rev\_3

# Summary

- Consolidated Financial Statement
- Income Sources (General)
  - Canadian & USA Contributions
  - Grants & Contracts
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# Consolidated Financial Statement

<b>Income</b>				<b>Expenses</b>			
	Actual	Budget	% Budget		Actual	Budget	% Budget
<b>Contributions</b>				<b>Core IPHC Activities</b>			
United States of America	\$ 4,395,000	\$ 4,400,000	100%	Administration	\$ 2,269,515	\$ 2,357,002	96%
Canada	\$ 848,720	\$ 848,720	100%	Scientific	\$ 3,533,955	\$ 3,474,342	102%
Canada Pension Funding	\$ -	\$ 111,250	0% **	Catch Sampling	\$ 614,041	\$ 625,276	98%
<b>Fish Sales</b>				<b>Vessel Activity</b>			
FISS	\$ 4,888,284	\$ 6,167,162	79%	FISS Expenses	\$ 5,583,654	\$ 5,508,098	101%
Research	\$ 27,437	\$ 102,370	27%	FISS Personnel	\$ 618,480	\$ 637,608	97%
<b>Other Income</b>				<b>Research Activities</b>			
Grants & Contracts	\$ 751,051	\$ 604,301	124%	Other Research	\$ 269,721	\$ 734,220	37%
Interest Income	\$ 32,561	\$ 6,125	532%	Field Experiments	\$ -	\$ -	0%
Misc. Income	\$ 41,752	\$ 10,000	0%	<b>Restricted Accounts</b>	\$ 137,508	\$ -	0%
<b>FY2019 Income</b>	<b>\$ 10,984,805</b>	<b>\$ 12,249,928</b>	<b>90%</b>	<b>FY2019 Expenses</b>	<b>\$ 13,026,874</b>	<b>\$ 13,336,546</b>	<b>98%</b>

\*\* In 2013, Canada agreed to an annual pension liability payment schedule. Canada have indicated that as a result of additional payments in 2017, they are now \$400,537 ahead of the agreed schedule. As a result, no additional funds were contributed in 2019.



# Income Sources (General)

INCOME	Actual	Budget	Budget	Notes
General				
Carry over from Prior FY	\$ 252,436	\$ 252,436	100%	
U.S.A. Contribution - General	\$ 3,876,728	\$ 3,881,728	99.9%	
U.S.A. Contribution - Pension	\$ 139,424	\$ 139,424	100%	
U.S.A. Contribution - Headquarters	\$ 378,848	\$ 378,848	100%	
CDN Contribtion - General	\$ 848,720	\$ 848,720	100%	
CDN Contribution - Pension	\$ -	\$ 111,250	0%	
U.S. Federal Grant	\$ 666,948	\$ 557,901	120%	NOAA grant off budget
DMR Classification - Fish Sales	\$ 27,437	\$ 102,370	27%	Saltonstall-Kennedy grant
Interest	\$ 5,968	\$ 5,000	119%	Under performed
Other income	\$ 41,752	\$ -	0%	NPRB Grant 1704 not budgeted
<b>FY Income Sub-total</b>	<b>\$ 5,985,825</b>	<b>\$ 6,025,241</b>	<b>99%</b>	
<b>TOTAL GENERAL FUND INCOME</b>	<b>\$ 6,238,261</b>	<b>\$ 6,277,677</b>	<b>99%</b>	



# Income Sources (Supplemental)

INCOME	Actual	Budget	% of Budget	Notes
<b>Supplemental</b>				
Carryover from prior FY	\$ 1,915,609	\$ 2,242,920	85%	
<b>Fish Sales</b>				
Sale of Pacific halibut - FISS	\$ 4,782,610	\$ 6,110,811	78%	
Sale of Bycatch - FISS	\$ 105,674	\$ 56,351	188%	
<b>Grants and Contracts</b>				
DFO Rockfish Contract	\$ 61,603	\$ 34,820	177%	
WDFW - Bycatch Sampling	\$ 22,500	\$ 11,580	194%	Area 2A rockfish sampling
<b>Other Income</b>				
Interest	\$ 13,476	\$ 1,125	1198%	
<b>Current Year Income</b>	<b>\$ 4,985,863</b>	<b>\$ 6,214,687</b>	<b>80%</b>	
<b>Internal Transfers</b>				
Rollover from Reserve	\$ 5,618	\$ 10,000	56%	
<b>Supplemental Total</b>	<b>\$ 6,907,090</b>	<b>\$ 8,467,607</b>	<b>82%</b>	



# FISS – Sales by Region 2019

## Landings by IPHC Reg. Area

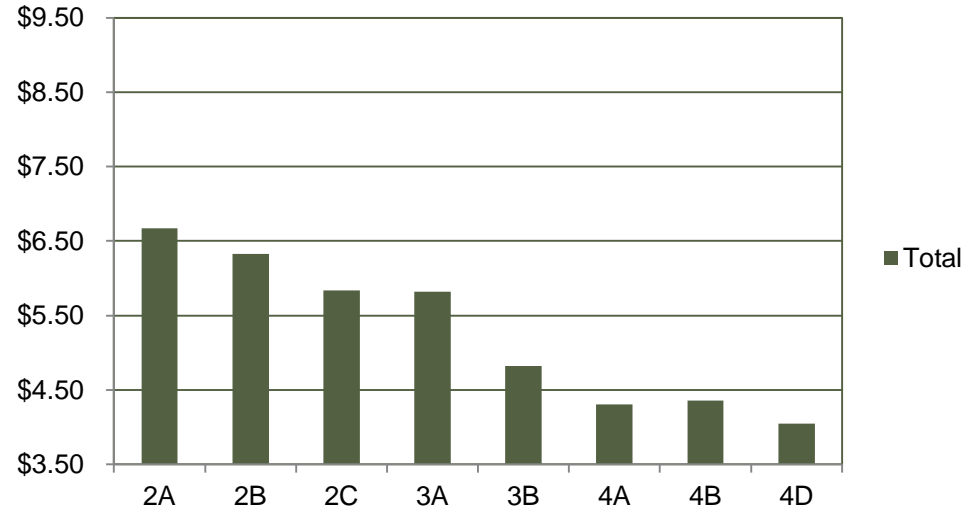
note: CAD landings converted at \$0.75 until deposited

Prior year price \$ 6.18 90%

Region (All)   
 Species Pacific Halibut

Region <input type="button" value="v"/>	Avg Price-Lb	2019 Budget	% of Budget
2A <input type="button" value="v"/>	\$ 6.67	\$ 5.88	113%
2B <input type="button" value="v"/>	\$ 6.33	\$ 6.36	99%
2C <input type="button" value="v"/>	\$ 5.83	\$ 6.06	96%
3A <input type="button" value="v"/>	\$ 5.82	\$ 5.96	98%
3B <input type="button" value="v"/>	\$ 4.82	\$ 4.70	103%
4A <input type="button" value="v"/>	\$ 4.31	\$ 3.91	110%
4B <input type="button" value="v"/>	\$ 4.36	\$ 4.04	108%
4D <input type="button" value="v"/>	\$ 4.05	\$ 4.34	93%
<b>Grand Total</b>	<b>\$ 5.59</b>	<b>\$ 5.75</b>	<b>97%</b>

## Price per Lb. by Reg. Area



# Expenses (General & Supplemental)

General	Actual	Budget	% of Budget
Personnel	\$ 5,006,607	\$ 5,235,428	96%
Programs	\$ 415,052	\$ 429,835	97%
Administration	\$ 877,473	\$ 1,191,967	74%
Supplies	\$ 345,890	\$ 333,610	104%
Prior Fiscal Year	\$ 42,211	\$ -	0%
<b>Sub-total</b>	<b>\$ 6,687,232</b>	<b>\$ 7,190,840</b>	<b>93%</b>

Supplemental	Actual	Budget	% of Budget
Personnel	\$ -	\$ -	n/a
Programs	\$ -	\$ -	n/a
Administration	\$ 131	\$ -	n/a
Equipment & Supplies	\$ -	\$ -	n/a
Transfer to Restricted Accounts	\$ -	\$ -	n/a
<b>Sub-Total</b>	<b>\$ 131</b>	<b>\$ -</b>	
FISS Personnel	\$ 721,437	\$ 637,608	113%
FISS Programs	\$ 299,334	\$ 194,570	154%
FISS Vessels and Contracts	\$ 4,195,863	\$ 4,068,297	103%
FISS Supplies	\$ 973,746	\$ 1,245,231	78%
Prior Fiscal Year	\$ 11,622		
<b>Sub-total FISS</b>	<b>\$ 6,202,003</b>	<b>\$ 6,145,706</b>	<b>101%</b>



# Expenses – Organization Wide

	10	20	30	60	50				% of
<b>Personnel</b>	Administration	Scientific	Statistics	Other Research	FISS		<b>Actuals</b>	<b>Budget</b>	<b>Budget</b>
Related Expenses	\$ 7,061	\$ 604	\$ 12,464	\$ -	\$ 522		\$ 20,650	\$ 43,808	47%
Salaries	\$ 575,155	\$ 2,415,977	\$ 333,065	\$ -	\$ 651,454		\$ 3,975,652	\$ 3,936,948	101%
Benefits	\$ 445,267	\$ 821,194	\$ 91,962	\$ -	\$ 26,708		\$ 1,385,132	\$ 1,578,140	88%
Taxes	\$ 39,233	\$ 181,442	\$ 19,873	\$ -	\$ 42,753		\$ 283,301	\$ 281,521	101%
Other	\$ 16,686	\$ -	\$ -	\$ -	\$ -		\$ 16,686	\$ 25,200	66%
Contracted	\$ 46,623	\$ -	\$ -	\$ -	\$ -		\$ 46,623	\$ -	0%
<b>Subtotal</b>	<b>\$ 1,130,026</b>	<b>\$ 3,419,217</b>	<b>\$ 457,364</b>	<b>\$ -</b>	<b>\$ 721,437</b>		<b>\$ 5,728,044</b>	<b>\$ 5,865,617</b>	<b>98%</b>
<b>Programs</b>									
Meetings & Conferences	\$ 237,581	\$ 15	\$ -	\$ -	\$ -		\$ 237,596	\$ 154,500	154%
Travel	\$ 39,134	\$ 33,691	\$ 44,305	\$ 11,495	\$ 152,101		\$ 280,726	\$ 321,490	87%
Communications	\$ 18,973	\$ -	\$ 7,502	\$ 2,670	\$ 147,234		\$ 176,379	\$ 115,915	152%
Publications	\$ 17,682	\$ 2,003	\$ -	\$ -	\$ -		\$ 19,685	\$ 32,500	61%
<b>Subtotal</b>	<b>\$ 313,370</b>	<b>\$ 35,709</b>	<b>\$ 51,808</b>	<b>\$ 14,165</b>	<b>\$ 299,334</b>		<b>\$ 714,386</b>	<b>\$ 624,405</b>	<b>114%</b>
<b>Administration</b>									
Contracts	\$ 210,536	\$ 47,707	\$ 40,093	\$ 32,979	\$ 3,578,434		\$ 3,909,748	\$ 3,865,534	101%
Maintenance	\$ 3,755	\$ 11,208	\$ -	\$ 924	\$ 131		\$ 16,019	\$ 44,502	36%
Facility Rentals	\$ 20,148	\$ -	\$ 2,880	\$ -	\$ 19,720		\$ 42,748	\$ 23,917	179%
Building Lease & Maintenance	\$ 398,666	\$ -	\$ -	\$ -	\$ -		\$ 398,666	\$ 378,848	105%
Training & Education	\$ 18,245	\$ 6,203	\$ 16,340	\$ -	\$ 49,388		\$ 90,176	\$ 66,050	137%
Fees	\$ 50,649	\$ -	\$ 6,679	\$ -	\$ 548,322		\$ 605,649	\$ 729,926	83%
Contingencies	\$ 10,462	\$ -	\$ -	\$ -	\$ -		\$ 10,462	\$ 47,585	22%
<b>Subtotal</b>	<b>\$ 712,461</b>	<b>\$ 65,118</b>	<b>\$ 65,992</b>	<b>\$ 33,903</b>	<b>\$ 4,195,994</b>		<b>\$ 5,073,468</b>	<b>\$ 5,156,362</b>	<b>98%</b>
<b>Supplies &amp; Equipment</b>									
Equipment	\$ 43,265	\$ 9,723	\$ 33,260	\$ 11,505	\$ 86,663		\$ 184,416	\$ 94,129	196%
Supplies	\$ 28,375	\$ 4,188	\$ 5,426	\$ 210,148	\$ 887,082		\$ 1,135,219	\$ 1,596,033	71%
<b>Subtotal</b>	<b>\$ 71,640</b>	<b>\$ 13,911</b>	<b>\$ 38,685</b>	<b>\$ 221,653</b>	<b>\$ 973,746</b>		<b>\$ 1,319,635</b>	<b>\$ 1,690,162</b>	<b>78%</b>
<b>Prior FY Expenses</b>	<b>\$ 42,018</b>	<b>\$ -</b>	<b>\$ 192</b>	<b>\$ -</b>	<b>\$ 11,622</b>		<b>\$ 53,833</b>	<b>\$ -</b>	<b>0%</b>
<b>Restricted Accounts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 137,508</b>	<b>\$ -</b>	<b>0%</b>
<b>Grand Total</b>	<b>\$ 2,269,515</b>	<b>\$ 3,533,955</b>	<b>\$ 614,041</b>	<b>\$ 269,721</b>	<b>\$ 6,202,134</b>		<b>\$ 13,026,874</b>	<b>\$ 13,336,546</b>	<b>98%</b>



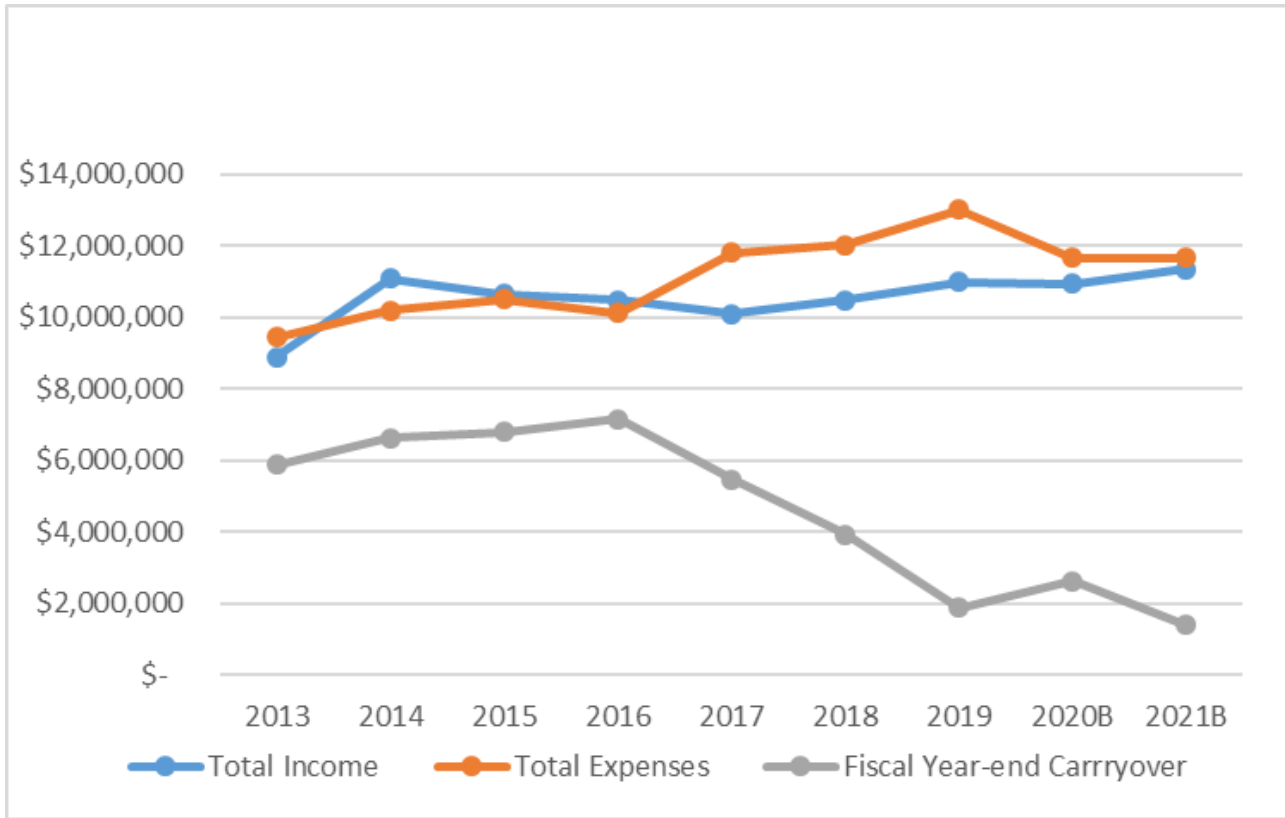


# General and Supplemental Fund Balances

	30 Sept 2019			30 Sept 2018
	Appropriated Fund	Supplemental Funds	Total	Total
Cash checking	\$ 581,353	\$ 611,176	\$ 1,192,529	\$ 1,462,940
Cash in savings	\$ -	\$ -	\$ -	\$ -
Cash on hand	\$ 245	\$ -	\$ 245	\$ 160
Investments - Undesignated	\$ -	\$ 500,369	\$ 500,369	\$ 750,000
Investments - Designated	\$ -	\$ 1,682,975	\$ 1,682,975	\$ 2,267,969
Accounts Receivable	\$ 33,142	\$ 243,893	\$ 277,036	\$ 1,192,548
Travel Advances	\$ -	\$ -	\$ -	\$ -
Deposits	\$ 30,558	\$ -	\$ 30,558	\$ 13,894
Prepaid Expenses	\$ 40,376	\$ -	\$ 40,376	\$ 62,700
Other	\$ -	\$ -	\$ -	\$ -
Advance (from)/to Supplemental	\$ 1,364,638	\$ (1,364,638)	\$ -	\$ -
Advance - Canada Contributions	\$ -	\$ -	\$ -	\$ (270,516)
Accounts Payable	\$ (1,788,127)	\$ (54,847)	\$ (1,842,974)	\$ (1,557,031)
<b>Fund Balance</b>	<b>\$ 262,186</b>	<b>\$ 1,618,927</b>	<b>\$ 1,881,113</b>	<b>\$ 3,922,664</b>
<b>Fund Balance</b>				
Designated	\$ -	\$ 1,628,128	\$ 1,628,128	\$ 1,755,123
Undesignated	\$ 262,186	\$ (9,200)	\$ 252,986	\$ 2,167,541
	<b>\$ 262,186</b>	<b>\$ 1,618,927</b>	<b>\$ 1,881,113</b>	<b>\$ 3,922,664</b>



# IPHC Carryover – Time Series



# Assessment, Corrections and Write-offs

## IPHC Financial Regulations (2019) Regulation 12 – Internal Controls (Para 4)

The Executive Director may, after full investigation, authorize the writing off of losses of cash, stores, and other assets, provided that a statement explaining the losses shall be submitted to the Commission and the Auditors with the annual accounts”.

## Adair Business Consulting

We partnered with Adair Business Consulting to conduct a financial and accounting assessment to bring our books and records current in preparation for the audits. As a result of their work, Adair Business Consulting recommended various corrections and write-offs for FY2018 and FY2019.

## Corrections and Write-offs

- FY2018 Corrections and write-offs
- FY2019 Corrections
- FY2019 write-offs



# FY2018 Corrections and Write-offs

Subsequent to the FY2019 assessment, Adair Business Consulting recommended the following corrections and write-offs. These changes were considered necessary to align the books and records and in order to prepare for the audits.

## FY2018 Corrections

- Wells Fargo General Cash Account - \$315,802: The WF cash account does not reconcile to the general ledger. For purposes of FY2018, a high level reconciliation was performed, outside of the ERP, in order to calculate a “close” balance. A more detailed reconciliation was performed for FY2019.

## FY2018 Write-offs

- University of Washington (UW) Receivable - \$67,265: Initial Relocation and Separation agreement between U.S. Department of State (acting on behalf of IPHC) and UW (signed in 2010) has not been honored by the UW. Numerous letters have been sent to the university to no avail. Amount is considered uncollectable.
- Grants funds recorded as receivables - \$575,822: Of this amount, \$452,397 relates to a grant receivable recorded in FY2018 where IPHC did not have a right to the asset until FY2019, and therefore, the receivable was removed. Funds were requested and received in FY2019.



# FY2019 Corrections

While there were many changes to the general ledger at FY2019, the following represent the most significant.

## FY2019 Corrections

- Wells Fargo General Cash Account – (\$97,339): The WF cash account does not reconcile to the general ledger. For purposes of FY2019, we performed a detailed reconciliation outside of the ERP in order to determine the book basis cash balance.
- Various other asset accounts: Other asset accounts such as prepaids, travel advances, and other minor accounts were corrected to actual amounts.
- AP – General – (\$81,399): Purchasing module in the financial system (Microsoft GP (Great Plains)) has not been used correctly leaving a significant amount of uncleared transactions going back to system launch date. A review of outstanding accounts payable at FY2019 was performed and the account was subsequently corrected.
- AP – Agency Revenue Sharing ODFW – (\$33,264): Correct account due to entries being made to wrong account.
- Other AP accounts: Various other “payable” accounts were corrected to bring current. This included HRA, retirement, payroll and related benefits, and credit cards.
- Research Fish Sales Revenue – (\$222,188): An increase (credit) to fish sales revenue was recorded in order to agree with actual sales per POS (Point Of Sale) database (i.e. STOP).



# FY2019 Write-offs

## FY2019 Write-offs

- Advance – CDN – \$270,516: This asset account had a credit balance, representing a liability to Canada. As IPHC does not owe the funds back to Canada, the liability can be removed.
- Western Groundfish Conf Funds – (\$18,635): Does not represent a right of use, prepaid, or amount due from a third party. Cash account has a balance for the conference, therefore, this amount can be written off.
- AR – General – \$498,170: This asset account had a credit balance, representing a liability to a third party. Per research, the balance does not represent an amount due to anyone, and therefore, can be removed (debited) from the general ledger.
- U.S. Federal Grants – (\$675,033): This change increases grant revenue in FY2019 due to funds incorrectly recorded in FY2018. It is a partial offset of the grant fund write-off in FY2018. Additional funds of \$239,870 were not recorded.



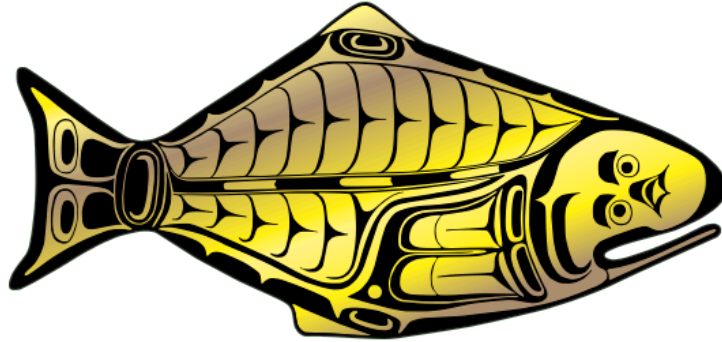
# Recommendations

That the FAC:

- a) **NOTE** paper IPHC-2020-FAC096-04 Rev\_3 which includes the Financial Statement and supporting documentation for the financial period 01 October 2018 to 30 September 2019
- b) **RECOMMEND** that the Commission **NOTE** the financial statement for FY2019, as detailed in paper IPHC-2020-FAC096-04 Rev\_3.



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