

Northwest Atlantic Fisheries Organization



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18TH ANNUAL MEETING - SEPTEMBER 1996

Administrative Report and Financial Statements

for the fiscal year ending 31 December 1996

(as of 31 July 1996)

by

Executive Secretary

1. The Contracting Parties of NAFO (16) constitute the following membership to the NAFO three main bodies:

General Council (16)

Bulgaria
Canada
Cuba
Denmark (in respect of the Faroe
Islands and Greenland)
Estonia
European Union (EU)
Iceland
Japan
Republic of Korea (Korea)
Latvia
Lithuania
Norway
Poland
Romania
Russian Federation (Russia)
United States of America (USA)

Scientific Council (16)

Bulgaria
Canada
Cuba
Denmark (in respect of the Faroe
Islands and Greenland)
Estonia
European Union (EU)
Iceland
Japan
Republic of Korea (Korea)
Latvia
Lithuania
Norway
Poland
Romania
Russian Federation (Russia)
United States of America (USA)

Fisheries Commission (13)

Canada
Cuba
Denmark (in respect of the Faroe
Islands and Greenland)
Estonia
European Union (EU)
Iceland
Japan
Republic of Korea (Korea)
Latvia
Lithuania
Norway
Poland
Russian Federation (Russia)

Note: The United States of America became the 16th member of NAFO on 29 November 1995.

2. NAFO Officers

President of NAFO and Chairman of the General Council

(elected for the term Sept. 1995-Sept. 1997)

Vice-Chairman of the General Council

(elected for the term Sept. 1995-Sept. 1997)

Chairman of the Standing Committee on Fishing Activities of non-Contracting

Parties in the Regulatory Area (STACFAC)

(elected for the term Sept. 1994-Sept. 1996)

Vice-Chairman of the Standing Committee on Fishing Activities of non-Contracting

Parties in the Regulatory Area (STACFAC)

(elected for the term Sept. 1994-Sept. 1996)

Chairman of the Standing Committee on Finance and Administration (STACFAD)

(elected for the term Sept. 1995-Sept. 1997)

Vice-Chairman of the Standing Committee on Finance and Administration (STACFAD)

(elected for the term Sept. 1995-Sept. 1997)

Chairman of the Scientific Council

(elected for the term Sept. 1995-Sept. 1997)

Vice-Chairman of the Scientific Council

(elected for the term Sept. 1995-Sept. 1997)

Chairman of the Standing Committee on Fisheries Science (STACFIS)

(elected for the term Sept. 1994-Sept. 1996)

- A. Rodin (Russia)

- R. Dominguez (Cuba)

- C. C. Southgate (EU)

- H. Fischer (Denmark in respect of the
Faroe Islands and Greenland)

- J. Quintal-McGrath (Canada)

- G. F. Kingston (EU)

- W. R. Bowering (Canada)

- H. P. Cornus (EU)

- W. B. Brodie (Canada)

Chairman of the Standing Committee on Research Coordination (STACREC) (elected for the term Sept. 1995-Sept. 1997)	- D. Power (Canada)
Chairman of the Standing Committee on Publications (STACPUB) (elected for the term Sept. 1995-Sept. 1997)	- H. P. Cornus (EU)
Chairman of the Standing Committee on Fisheries Environment (STACFEN) (elected for the term Jan. 1995-Sept. 1996)	- M. Stein (EU)
Chairman of the Fisheries Commission (elected for the term Sept. 1995-Sept. 1997)	- H. Koster (EU)
Vice-Chairman of the Fisheries Commission (elected for the term Sept. 1995-Sept. 1997)	- P. Gullestad (Norway)
Chairman of the Standing Committee on International Control (STACTIC) (elected for the term Sept. 1995-Sept. 1997)	- D. Bevan (Canada)

3. Secretariat

Executive Secretary	- Leonard I. Chepel
Assistant Executive Secretary	- Tissa Amaratunga
Administrative Assistant	- Forbes D. Keating
Accounting Officer	- Stan M. Goodick
Senior Secretary	- Beverly J. Cruikshank
Statistical Officer	- Gordon M. Moulton
Desktop Publishing/Documents Clerk	- Fern E. Perry
Graphic Arts/Printing Technician	- Ronald A. Myers
Graphic Arts/Printing Technician	- Barry T. Crawford
Clerk-Typist	- Dorothy C. Auby
Statistical Clerk	- Barbara L. Marshall
Statistical Clerk	- Cynthia L. Kerr

4. NAFO Meetings

The Standing Committee on Fishing Activity of Non-Contracting Parties in the Regulatory Area (STACFAC), Brussels, Belgium, 22-24 May 1996.

The International Fisheries Commissions Pension Society Annual Meeting, Washington, D.C., USA, 14-15 May 1996. The NAFO Secretariat was represented by Mr. F. D. Keating and Mr. S. M. Goodick.

The Scientific Council and its Standing Committees, Keddy's Dartmouth Inn, 5-19 June 1996.

5. Publications

The publications listed below are prepared and printed in the NAFO Secretariat. It is estimated that 900,000 pages of printed material will be distributed in publications and an additional 600,000 pages of printed material distributed in documents/circular letters before the end of 1996.

NAFO Annual Report for the year 1995 (219 pages) was distributed in April 1996.

NAFO Meeting Proceedings for the year 1995 (263 pages) was distributed in February 1996.

NAFO Scientific Council Reports for 1995 (244 pages) was distributed in January 1996.

NAFO Journal of Northwest Atlantic Fishery Science Volume 18 (115 pages) was distributed in April 1996.

NAFO Scientific Council Studies Number 23 (95 pages) was distributed in September 1995.

NAFO Scientific Council Studies Number 24 (155 pages) was distributed in January 1996.

NAFO Statistical Bulletin 1992 Volume 42 (310 pages) was distributed in October 1995.

NAFO Newsletter "NAFO News" was published in two (2) editions: No. 3 for June-December 1995 was issued in December 1995 and No. 4 for January-June 1996 was issued in July 1996.

NAFO Handbook (108 pages) was distributed in May 1996.

Fisheries in the Northwest Atlantic Ocean, 2nd Edition (26 pages) was distributed in June 1996.

6. Fishery Statistics and other outstanding issues

The NAFO statistical database is at the NAFO Secretariat and available in computer diskette form or hard copies to the Contracting Parties.

Noting data reports are due on 15 May, for the preceding year of fishing, STATLANT 21A reports (preliminary annual catches in the NAFO Convention Area by species and divisions), have not been received from: for 1994 - Cuba, Korea, Lithuania and USA; for 1995 - Cuba, Denmark (Faroes and Greenland), EU-Denmark, Estonia, Lithuania, EU-Spain and USA.

Noting data reports are due on 30 June, for the preceding year of fishing, STATLANT 21B reports (final annual catches in the NAFO Convention Area by species, month, effort), have not been received from: for 1989 - EU-France (M); for 1990 - EU-France (M) and France (SP); for 1991-1992 - France (SP); for 1993 - Denmark (Faroes), France-SP, Norway and USA; for 1994 - Cuba, Denmark (Faroes and Greenland), EU (Denmark and Great Britain, France (SP), Korea, Lithuania, Norway and USA. For 1995, STATLANT 21B reports have only been received from Canada (Q), Japan, Latvia and Russia.

7. Major NAFO substantive issues and decisions through 1995

a) The General Council resolved:

- Members of the Fisheries Commission should be thirteen (13) - all Contracting Parties except Bulgaria and Romania;
- At the Second World Fisheries Congress in Brisbane, Australia, 1996, NAFO will be represented by one of the Contracting Parties;
- To delegate a NAFO observership at NAMMCO (North Atlantic Marine Mammal Commission) to Norway;
- New Rule (2.1) of Procedure: The quorum shall not include the Contracting Parties which have no right of casting votes under the provisions of Article XVI.9 of the Convention.
- To dispatch diplomatic demarches to non-Contracting Parties fishing in the Regulatory Area - Belize, Honduras, Sierra Leone, New Zealand;
- To call an intersessional STACFAC Meeting in Brussels in May, 1996.

b) The Fisheries Commission resolved:

- To introduce a Pilot Project for observers and satellite tracking during the period 01 January 1996 to 31 December 1997;
- To adopt new measures for Conservation and Enforcement: minimum size for G. halibut - 30cm; advance notification of apparent infringements; processed length for cod, plaice, flounder; catch reports; mesh size; port inspections; effort plans for shrimp/G. halibut and catch reporting; major infringements.
- To adopt the following TACs for regulated stocks in the Regulatory Area for 1996: Cod in Div. 3M-11000t; Redfish in Div. 3M-26000t; Redfish in Div. 3LN-11000t; Squid in Subareas 3+4-150000t; Greenland halibut 3LMNO-20,000t;
- To impose "no directed fishing" for the following stocks: Cod in Div. 3NO, A. plaice in Div. 3M and 3LNO, Yellowtail flounder in Div. 3LNO, Witch flounder in Div. 3NO, Capelin in Div. 3NO, and Cod in Div. 3L of the Regulatory Area.
- To introduce regulatory measures for shrimp fishing in Div. 3M (bar space 22 mm, by catch 5%, minimum mesh size 40 mm), and "no directed fishing" in 3LNO.

c) The Scientific Council recommended:

- On stock assessments, the summaries and conclusions for each stock formulated in NAFO SCS Doc. 96/16, Section IX;
- Coordinated research on Greenland halibut;
- Further measures to protect juvenile fish of regulated species (area/seasonal closings);
- Analyses of distribution and abundance of non-traditional species be conducted for the extensive survey database and presentation to the Scientific Council in June 1997;
- On fishery statistics, the Assistant Executive Secretary should attend the 17th Session of CWP in Hobart, Australia;
- Timely submission of STATLANT statistical data had deteriorated and seriously stifled the work of the Scientific Council;
- The scientific and statistical line for Div. 3Ps as given in the Convention, Annex III be revised.

8. Financial Statements

STATEMENT I

Budget Appropriations, Obligations Incurred and Unliquidated Balances of Appropriations
 For the Year Ending 31 December 1996
 (Estimated from 31 July 1996)
 (Canadian Dollars)

	Appropriated by Organization at Annual Meeting 1995	Obligations Incurred and Liquidated to 31 July 1996	Expenses Estimated for Remainder of Fiscal Year	Total Obligations for Fiscal Year	Unliquidated Balance of Appropriations (Estimated)
Personal Services:					
a) Salaries	\$596,500	\$342,293	\$249,707	\$592,000	\$ 4,500 ^a
b) Superannuation and Annuities	85,000	50,706	32,694	83,400	1,600
c) Additional Help	500	-	-	-	500
d) Group Medical and Insurance Plans	41,000	24,608	15,392	40,000	1,000
e) Termination Benefits	26,000	-	19,800	19,800	6,200 ^b
f) Accrued Vacation Pay	1,000	-	(400)	(400)	1,400
g) Termination Benefits Liability	10,000	-	10,000	10,000	-
Travel	18,000	22,472	428	22,900	(4,900) ^c
Transportation	1,000	388	612	1,000	-
Communications	62,000	38,377	27,623	66,000	(4,000) ^d
Publications	22,000	17,749	7,751	25,500	(3,500)
Other Contractual Services	48,000	40,162	1,338	41,500	6,500 ^e
Materials and Supplies	30,000	18,074	12,826	30,900	(900)
Equipment	5,000	-	5,000	5,000	-
Annual General Meeting and Scientific Council Meeting	35,000	30,088	40,512	70,600	(35,600) ^f
Computer Services	<u>15,000</u>	<u>8,625</u>	<u>4,175</u>	<u>12,800</u>	<u>2,200</u>
Total Ordinary Budget	<u>\$996,000</u>	<u>\$593,542</u>	<u>\$427,458</u>	<u>\$1,021,000</u>	<u>\$(25,000)</u>

^a A 1.5% Cost of Living Adjustment was budgeted for as of June 15, 1996, although, the Canadian Government's wage freeze on COLA's remains in place for 1996.

^b This figure is interdependent on salary levels (see note a).

^c This figure includes non-budgeted travel costs in the amount of \$6,260 for the Executive Secretary and Administrative Assistant's visit to St. Petersburg on an annual meeting planning trip.

^d Increase in costs due to increased membership and communication of hail reports.

^e Savings is due to the budgeted upgrade of the Graphic Arts/Publishing Departments computer system being delayed until halfway through 1996 and the cancellation of a maintenance agreement on the old equipment.

^f Additional costs incurred as a result of: Special Meeting of STACFAC, Brussels, Belgium, 22-24 May 1996; and the change in venue of the 18th Annual Meeting to St. Petersburg, Russia, September, 1996.

STATEMENT II

Statement of Assessed Contributions and Expenditures
for the Year Ending 31 December 1996
(Estimated from 31 July 1996)
(Canadian Dollars)

Contracting Parties Assessed:

Bulgaria	\$ 15,944.93	
Canada	374,560.96	
Cuba	17,210.13	
Denmark (in respect of Faroe Islands and Greenland)	79,229.92	
Estonia	19,535.98	
European Union	52,198.16	
Iceland	17,073.54	
Japan	19,057.10	
Republic of Korea	15,944.93	
Latvia	20,387.58	
Lithuania	17,996.96	
Norway	22,906.00	
Poland	15,944.93	
Romania	15,944.93	
Russian Federation	24,534.23	
United States of America	<u>117,499.56</u>	\$845,970
Add: Advance payments		9,041
Add: Transfer from Accumulated Surplus Account		<u>140,989^a</u>
Budget Total		996,000
Total Obligations to be Incurred - Statement I		<u>1,021,000</u>
Amount to be transferred from Accumulated Surplus Account		<u>\$ (25,000)</u>

^a Excess of revenue over expenditures during the 1995 fiscal year (includes *ex gratia* grant for 1994; staff assessments; sales of publications; bank interest; and balance of appropriations not expended).

STATEMENT III

Balance Sheet for the Year Ending 31 December 1996
 (Estimated from 31 July 1996)
 (Canadian Dollars)

<u>ASSETS</u>		<u>LIABILITIES</u>	
<u>Current</u>		<u>Current</u>	
Cash	\$336,384	Accounts Payable and Accrued Liabilities	\$ 4,000
Certificates of Deposit	20,000	Provision for Accrued Employee Vacation Pay	<u>14,988</u>
Contributions receivable from Contracting Parties (Note 1)	88,332		18,988
Accrued Interest Receivable	150		
		<u>Long-term</u>	
		Provision for Employee Termination Benefits (Note 2)	<u>230,342</u>
			<u>249,330</u>
		<u>EQUITY</u>	
		Accumulated Surplus	<u>195,536</u>
	<u>\$444,866</u>		<u>\$444,866</u>

Note 1: This amount represents amounts due from Cuba (1996-\$17,210.13; 1995-\$29,673.10); Republic of Korea (\$15,944.93); and Lithuania (1996-\$17,996.96; 1995-\$7,507.38). Applied against accounts receivable for 1996 Allowance for Doubtful Accounts has been Bulgaria (\$16,031.46) and Romania (\$16,031.46).

Note 2: At the annual meeting in September, 1991, the General Council approved in the Staff Rules an enhanced employee termination benefit package to be effective January 1, 1992. At December 31, 1996 the additional liability resulting from this enhancement will amount to approximately \$90,300, which amount has not been recorded in the accounts of the Organization.

The Organization is funding this liability at the rate of \$10,000 per annum as approved by the General Council (16th Annual Meeting, September, 1994).

STATEMENT IV

Statement of Accumulated Surplus
for the Year Ending 31 December 1996^a
(Estimated from 31 July 1996)
(Canadian Dollars)

Accumulated Surplus - Beginning of 1996		\$215,989
Add: Province of Nova Scotia - <i>ex gratia</i> grant for 1995	\$ 47,000 ^b	
Sales of Publications	7,500	
Interest	23,000	
Staff Assessments	<u>100,000</u>	<u>177,500</u>
		393,489
Less: Amount appropriated 1 January 1996	\$140,989	
Contributions deemed uncollectible 1996 (Romania/Bulgaria)	32,063	
Excess of Appropriations over expended in 1996	<u>25,000</u>	<u>198,052</u>
		<u>\$195,437</u>
Appropriated to maintain minimum balance (to be authorized by G.C.)	\$ 75,000	
Unappropriated balance available	<u>120,437</u>	
Total Accumulated Surplus		<u>\$195,437^c</u>

^a Provisions for the Accumulated Surplus Account from the NAFO Financial Regulations:

Rule 4.2 Within the books of accounts, there shall be established an accumulated surplus account to which shall be credited:

- a) excess of receipts over expenditures at the end of the financial year;
- b) unexpended balances at the end of the 12-month period specified in Rule 3.2 for prior year obligations, but not disbursed;
- c) refunds, from any source, of prior year's expenditures of the Organization.

Rule 4.3 Monies in the accumulated surplus account may be used temporarily to the extent necessary to finance appropriations pending receipt of annual payments by Contracting Parties.

^b This amount represents the Provincial portion of income tax paid by NAFO employees. Although the Province of Nova Scotia has refunded the Provincial portion of income tax each year there is no guarantee that this practice will be followed every year.

^c See Statement III - Contributions receivable from Contracting Parties (this amount of \$195,437 would be valid subject to payment of outstanding contributions by Cuba - \$46,883.23, Republic of Korea - \$15,944.93, and Lithuania - \$25,504.34, total - \$88,332.50 during 1996).

STATEMENT V

Preliminary calculation of billing for Contracting Parties
against the proposed estimate of \$1,006,500.00 for the 1997
financial year (based on 16 Contracting Parties to NAFO).
(Canadian Dollars)

Budget Estimate.....	\$1,006,500.00
Deduct: Amount from Accumulated Surplus Account.....	120,437.00
Funds required to meet 1997 Administrative Budget.....	<u>\$ 886,063.00</u>

60% of funds required = \$531,637.80
30% of funds required = 265,818.90
10% of funds required = 88,606.30

Contracting Parties	Nominal Catches for 1994	% of Total Catch in the Convention Area				Amount Billed
			10%	30%	60%	
Bulgaria	-	-	-	\$16,613.68	-	\$ 16,613.68
Canada ¹	415,836	53.08	\$54,719.24	16,613.68	\$282,178.11	353,511.03
Cuba	2,765	0.35	-	16,613.68	1,876.27	18,489.95
Denmark (Faroes and Greenland) ^{1,2}	103,185	13.17	13,577.96	16,613.68	70,019.31	100,210.95
Estonia	1,186	0.15	-	16,613.68	804.80	17,418.48
European Union ¹	69,608	8.89	-	16,613.68	47,234.62	63,848.30
Iceland	2,460	0.31	-	16,613.68	1,669.31	18,282.99
Japan ¹	4,105	0.52	-	16,613.68	2,785.57	19,399.25
Republic of Korea ³	3,720	0.48	-	16,613.68	2,524.32	19,138.00
Latvia	473	0.06	-	16,613.68	320.97	16,934.65
Lithuania ³	3,904	0.50	-	16,613.68	2,649.18	19,262.86
Norway ¹	12,689	1.62	-	16,613.68	8,610.51	25,224.19
Poland	-	-	-	16,613.68	-	16,613.68
Romania	-	-	-	16,613.68	-	16,613.68
Russian Federation	9,187	1.17	-	16,613.69	6,234.11	22,847.80
United States of America ¹	154,338	19.70	20,309.10	16,613.69	104,730.72	141,653.51
	783,456	100.00	\$88,606.30	\$265,818.90	\$531,637.80	<u>\$886,063.00</u>
Funds required to meet 1 January - 31 December 1997 Administrative Budget						<u>\$886,063.00</u>

¹ Provisional Statistics used when calculating 1994 nominal catches due to outstanding reports from some Contracting Parties.

² Faroe Islands = 10,011 metric tons
Greenland = 93,174 metric tons

³ No statistics have been received and therefore provisional statistics are based upon their 1993 nominal catches.