

Northwest Atlantic



Fisheries Organization

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Administrative Report and Financial Statements

for the fiscal year ending 31 December 1997

(as of 31 July 1997)

by

Executive Secretary

1. The Contracting Parties of NAFO (17) constitute the following membership to the NAFO three main bodies:

General Council (17)

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

Scientific Council (17)

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

Fisheries Commission (15)

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

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. 1996-Sept. 1998)
Vice-Chairman of the Standing Committee on Fishing Activities of non-Contracting
Parties in the Regulatory Area (STACFAC)
(elected for the term Sept. 1996-Sept. 1998)
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) (temp. until June 1997)

- A. Rodin (Russia)
- R. Dominguez (Cuba)
- J.-P. Plé (USA)

- B. Buch (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 Sept. 1996-Sept. 1998)	- 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	- Ferne 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), NAFO Headquarters, Dartmouth, N.S., Canada, 4-7 February 1997.

The Working Group on Dispute Settlement Procedures (DSP), NAFO Headquarters, Dartmouth, N.S., Canada, 14-16 April 1997.

The Standing Committee on Fishing Activity of Non-Contracting Parties in the Regulatory Area (STACFAC), Brussels, Belgium, 15-16 May 1997.

The International Fisheries Commissions Pension Society Annual Meeting, Victoria, B.C., Canada, 21-23 May 1997. 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, 4-19 June 1997.

The Standing Committee on International Control (STACTIC), Copenhagen, Denmark, 24-26 June 1997.

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 1997.

NAFO Annual Report for the year 1996 (152 pages) was distributed in April 1997.

NAFO Meeting Proceedings for the year 1996 (157 pages) was distributed in January 1997.

NAFO Scientific Council Reports for 1996 (226 pages) was distributed in January 1997.

NAFO Journal of Northwest Atlantic Fishery Science Volume 19 (145 pages) was distributed in September 1996.

NAFO Journal of Northwest Atlantic Fishery Science Volume 20 (143 pages) was distributed in September 1996.

NAFO Journal of Northwest Atlantic Fishery Science Volume 21 (83 pages) was distributed in April 1997.

NAFO Scientific Council Studies Number 25 (91 pages) was distributed in July 1996.

NAFO Scientific Council Studies Number 26 (129 pages) was distributed in December 1996.

NAFO Scientific Council Studies Number 27 (81 pages) was distributed in December 1996.

NAFO Scientific Council Studies Number 28 (105 pages) was distributed in December 1996.

NAFO Scientific Council Studies Number 29 (125 pages) was distributed in May 1997.

NAFO Newsletter "NAFO News" was published in two (2) editions: No. 5 for July-December 1996 was issued in January 1997 and No. 6 for January-June 1997 was issued in July 1997.

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 - Korea, Lithuania (partial) and USA (partial); for 1995 - Denmark (Faroes), Estonia, Lithuania, and USA; for 1996 - Denmark (Faroes), Estonia, EU-Denmark, Korea, Lithuania, Poland 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 1993 - Denmark (Faroes) and USA; for 1994 - Denmark (Faroes), Korea, Lithuania and USA; for 1995 - Estonia, Denmark (Faroes), Lithuania and USA. For 1996, STATLANT 21B reports have only been received from Cuba, EU-Germany, EU-Ireland, France (M), France (SP), Iceland, Japan, Latvia and Russia.

7. Major NAFO substantive issues and decisions through 1995

a) The General Council:

- New members of the Fisheries Commission - France (in respect of St. Pierre et Miquelon) and United States of America; total membership - 15 Contracting Parties.
- Modification of the boundaries of the NAFO statistical division, Div. 3P.
- Endorsement of the UN Resolutions 50/24 and 50/25 December 1995 re the UN Agreement on Straddling and Highly Migratory Fish Stocks; and on large-scale pelagic driftnet fishing.
- Dispatch diplomatic demarches to non-Contracting Parties fishing in the Regulatory Area - Belize, Honduras, Panama and Sierra Leone.
- Two intersessional STACFAC Meetings (at NAFO Headquarters and Brussels).

b) The Fisheries Commission:

- Amendment of the Conservation and Enforcement Measures: discard/retention rule; experimental 90mm redfish fishery; shrimp 3M effort limitation; report "target species", management of 2J3KL Cod fishery is resumed.
- Adoption of the following TACs for regulated stocks in the Regulatory Area for 1997: Cod in Div. 3M-6000t; Redfish in Div. 3M-26000t; Redfish in Div. 3LN-11000t; Squid in Subareas 3+4-150000t; Greenland halibut 3LMNO-20,000t;
- "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.
- Regulate 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. 97/14, Section IX.1a) and consideration was given to precautionary measures and criteria for reopening fisheries, Section IX.1b).
- On summaries and conclusion for stocks as requested by Coastal States.
- On overview of environmental conditions in the NAFO area in 1996.
- Analyses of distribution and abundance of non-traditional species recorded in the extensive survey databases be presented to the Scientific Council in June 1998;
- On fishery statistics and inter-agency harmonization of data, the Assistant Executive Secretary should attend the intersessional meeting of CWP in Rome, Italy.
- The importance of timely submission of STATLANT statistical data for the work of the Scientific Council.
- For the scientific and statistical information dissemination, the establishment and operation of a website at NAFO Secretariat.
- The examination of current fishing effort definitions.
- The Journal publication should accept colour graphic presentations.

8. Financial Statements

STATEMENT I

Budget Appropriations, Obligations Incurred and Unliquidated Balances of Appropriations
For the Year Ending 31 December 1997
(Estimated from 31 July 1997)
(Canadian Dollars)

	Appropriated by Organization at Annual Meeting 1996	Obligations Incurred and Liquidated to 31 July 1997	Expenses Estimated for Remainder of Fiscal Year	Total Obligations for Fiscal Year	Unliquidated Balance of Appropriations (Estimated)
Personal Services:					
a) Salaries	\$614,500	\$349,881	\$252,619	\$602,500	\$12,000 ^a
b) Superannuation and Annuities	86,200	44,869	32,131	77,000	9,200 ^b
c) Additional Help	500	-	500	500	-
d) Group Medical and Insurance Plans	42,000	26,455	16,745	43,200	(1,200)
e) Termination Benefits	22,000	-	16,500	16,500	5,500 ^c
f) Accrued Vacation Pay	1,000	-	1,000	1,000	-
g) Termination Benefits Liability	10,000	-	10,000	10,000	-
Travel	11,300	10,889	511	11,400	(100)
Transportation	1,000	508	492	1,000	-
Communications	67,000	29,462	27,938	57,400	9,600 ^d
Publications	26,000	19,523	7,277	26,800	(800)
Other Contractual Services	38,000	21,473	14,527	36,000	2,000
Materials and Supplies	32,000	17,535	13,865	31,400	600
Equipment	5,000	4,518	482	5,000	-
Annual General Meeting and Scientific Council Meeting	35,000	31,836	25,464	57,300	(22,300) ^e
Computer Services	<u>15,000</u>	<u>8,196</u>	<u>6,804</u>	<u>15,000</u>	<u>-</u>
Total Ordinary Budget	<u>\$1,006,500</u>	<u>\$565,145</u>	<u>\$426,855</u>	<u>\$ 992,000</u>	<u>\$ 14,500</u>

^a A 2.0% Cost of Living Adjustment was budgeted for 1997, although, no COLA increases have been received to date within the Canadian Government.

^b The 1997 budget provided for a 3% increase in employer's contributions, while the actual premiums decreased by 10%.

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

^d A series of cost cutting measures were introduced to reduce communication costs which included: (1) reducing the mailing distribution list of circular letters; (2) eliminating the duplication of faxing and then mailing letters, where possible; and (3) eliminating the duplication of faxing hail reports.

^e Unbudgeted costs incurred as a result of: Special Meeting of STACFAC, Brussels, Belgium, 15-16 May 1997; and Special Meeting of STACTIC, Copenhagen, Denmark, 24-26 June 1997.

STATEMENT II

Statement of Assessed Contributions and Expenditures
for the Year Ending 31 December 1997
(Estimated from 31 July 1997)
(Canadian Dollars)

Contracting Parties Assessed:

Bulgaria	\$ 15,002.75	
Canada	347,022.89	
Cuba	15,576.06	
Denmark (in respect of Faroe Islands and Greenland)	98,279.22	
Estonia	15,788.81	
European Union	62,137.14	
France (in respect of St. Pierre et Miquelon)	15,382.01	
Iceland	16,673.68	
Japan	17,234.91	
Republic of Korea	15,002.74	
Latvia	15,315.59	
Lithuania	15,620.38	
Norway	23,027.65	
Poland	15,002.75	
Romania	15,002.76	
Russian Federation	21,259.19	
United States of America	<u>139,587.05</u>	\$862,916
Add: Advance payments		5,052
Add: Transfer from Accumulated Surplus Account		<u>138,532^a</u>
Budget Total		1,006,500
Total Obligations to be Incurred - Statement I		<u>992,000</u>
Amount to be transferred to Accumulated Surplus Account		<u>\$ 14,500</u>

^a Excess of revenue over expenditures during the 1996 fiscal year (includes *ex gratia* grant for 1995; staff assessments; sales of publications; bank interest; and balance of appropriations not expended).

STATEMENT III

Balance Sheet for the Year Ending 31 December 1997
 (Estimated from 31 July 1997)
 (Canadian Dollars)

ASSETSLIABILITIESCurrentCurrent

Cash	\$157,180	Accounts Payable and Accrued Liabilities	\$ 7,500
Certificate of Deposit	20,000	Provision for Accrued Employee Vacation Pay	10,741
Contributions receivable from Contracting Parties (Note 1)	78,412		
Accrued Interest Receivable	4,062		
Prepaid Expenses	<u>6,324</u>		
	265,978		<u>18,241</u>

Long-Term InvestmentLong-Term

Employee Termination Benefit Trust Funds (Note 2)	240,000	Provision for Employee Termination Benefits (Note 3)	<u>256,841</u>
			275,082

EQUITY

Accumulated Surplus	230,896
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\$505,978\$505,978

Note 1: This amount represents amounts due from Cuba (1997-\$15,576.06; 1996-\$17,210.13); Republic of Korea (\$15,002.74); Lithuania (\$15,620.38) and Poland (15,002.75). Applied against accounts receivable for 1997 Allowance for Doubtful Accounts has been Bulgaria (\$15,317.08) and Romania (\$15,317.09).

Note 2: Termination Benefit Funds have been invested into Redeemable Guaranteed Investment Certificates with the Bank of Nova Scotia. The investments are for a one year term, maturing June 26, 1998, with an interest rate of 3.25%.

Note 3: 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, 1997 the additional liability resulting from this enhancement will amount to approximately \$80,300, 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 (18th Annual Meeting, September, 1996).

STATEMENT IV

Statement of Accumulated Surplus^a
for the Year Ending 31 December 1997
(Estimated from 31 July 1997)
(Canadian Dollars)

Accumulated Surplus - Beginning of 1997		\$213,532
Add: Province of Nova Scotia - <i>ex gratia</i> grant for 1997	\$ 45,000 ^b	
Sales of Publications	7,500	
Interest	14,000	
Staff Assessments	105,000	
Balance of Appropriations not expended in 1997	<u>14,500</u>	<u>186,000</u>
		399,532
Less: Amount appropriated 1 January 1997	\$138,532	
Contributions deemed uncollectible 1997 (Romania/Bulgaria)	<u>30,634</u>	<u>169,166</u>
		<u>\$230,366</u>
Appropriated to maintain minimum balance (to be authorized by G.C.)	\$ 75,000	
Unappropriated balance available	<u>155,366</u>	
Total Accumulated Surplus		<u>\$230,366^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 \$230,366 would be valid subject to payment of outstanding contributions by Cuba - \$32,786.19, Republic of Korea - \$15,002.74, Lithuania - \$15,620.38 and Poland - \$15,002.75, total - \$78,412.06 during 1997).

STATEMENT V

Preliminary calculation of billing for Contracting Parties
against the proposed estimate of \$1,042,000 for the 1998
financial year (based on 17 Contracting Parties to NAFO).
(Canadian Dollars)

Budget Estimate.....	\$1,042,000.00
Deduct: Amount from Accumulated Surplus Account.....	155,366.00
Funds required to meet 1998 Administrative Budget.....	<u>\$ 886,634.00</u>

60% of funds required = \$531,980.40
30% of funds required = 265,990.20
10% of funds required = 88,663.40

Contracting Parties	Nominal Catches for 1995	% of Total Catch in the Convention Area	10%	30%	60%	Amount Billed
Bulgaria	-	-	-	\$15,646.48	-	\$ 15,646.48
Canada	347,293	51.60	\$50,439.46	15,646.48	\$274,501.89	340,587.83
Cuba	2,236	0.33	-	15,646.48	1,755.54	17,402.02
Denmark (Faroes and Greenland) ^{1,2}	108,787	16.16	15,799.79	15,646.48	85,968.03	117,414.30
Estonia ³	1,186	0.18	-	15,646.48	957.56	16,604.04
European Union	23,228	3.45	-	15,646.48	18,353.32	33,999.80
France (in respect of St. Pierre et Miquelon)	60	0.01	8.71	15,646.48	53.20	15,708.39
Iceland	8,232	1.22	-	15,646.38	6,490.16	22,136.64
Japan	4,120	0.61	-	15,646.48	3,245.08	18,891.56
Republic of Korea	-	-	-	15,646.48	-	15,646.48
Latvia	983	0.15	-	15,646.48	797.97	16,444.45
Lithuania ³	900	0.13	-	15,646.48	691.57	16,338.05
Norway	12,013	1.79	-	15,646.48	9,522.45	25,168.93
Poland	-	-	-	15,646.49	-	15,646.49
Romania	-	-	-	15,646.49	-	15,646.49
Russian Federation	9,660	1.44	-	15,646.49	7,660.52	23,307.01
United States of America ³	154,338	22.93	22,415.44	15,646.49	121,983.11	160,045.04
	673,036	100.00	\$88,663.40	\$265,990.20	\$531,980.40	<u>\$886,634.00</u>
Funds required to meet 1 January - 31 December 1998 Administrative Budget						<u>\$886,634.00</u>

¹ Provisional Statistics used when calculating 1995 nominal catches due to outstanding reports from some Contracting Parties.

² Faroe Islands = 10,011 metric tons
Greenland = 98,776 metric tons

³ No statistics have been received and therefore provisional statistics are based upon their 1994 nominal catches.