

Northwest Atlantic



Fisheries Organization

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25<sup>th</sup> ANNUAL MEETING – SEPTEMBER 2003

Administrative Report and Financial Statements  
for the fiscal year ending 31 December 2003  
(as at 31 July)

by

Executive Secretary

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

<u>General Council (17)</u>	<u>Scientific Council (17)</u>	<u>Fisheries Commission (16)</u>
Bulgaria	Bulgaria	Canada
Canada	Canada	Cuba
Cuba	Cuba	Denmark (in respect of the Faroe Islands and Greenland)
Denmark (in respect of the Faroe Islands and Greenland)	Denmark (in respect of the Faroe Islands and Greenland)	Estonia
Estonia	Estonia	European Union (EU)
European Union (EU)	European Union (EU)	France (in respect of St. Pierre et Miquelon)
France (in respect of St. Pierre et Miquelon)	France (in respect of St. Pierre et Miquelon)	Iceland
Iceland	Iceland	Japan
Japan	Japan	Republic of Korea (Korea)
Republic of Korea (Korea)	Republic of Korea (Korea)	Latvia
Latvia	Latvia	Lithuania
Lithuania	Lithuania	Norway
Norway	Norway	Poland
Poland	Poland	Russian Federation (Russia)
Russian Federation (Russia)	Russian Federation (Russia)	Ukraine
Ukraine	Ukraine	United States of America (USA)
United States of America (USA)	United States of America (USA)	

2. NAFO Officers

President of NAFO and Chairman of the General Council (elected for the term Jan. 2002-Sept. 2003)	- E. Oltuski (Cuba)
Vice-Chairman of the General Council (elected for the term Jan. 2002-Sept. 2003)	- P. Chamut (Canada)
Chairman of the Standing Committee on Fishing Activities of non-Contracting Parties in the Regulatory Area (STACFAC) (elected for the term Sept. 2002-Sept. 2004)	- D. Silvestre (France in respect of St. Pierre et Miquelon)
Vice-Chairman of the Standing Committee on Fishing Activities of non-Contracting Parties in the Regulatory Area (STACFAC) (elected for the term Sept. 2002-Sept. 2004)	- N. Bouffard (Canada)
Chairman of the Standing Committee on Finance and Administration (STACFAD) (elected for the term Jan. 2002-Sept. 2003)	- G. F. Kingston (EU)
Vice-Chairman of the Standing Committee on Finance and Administration (STACFAD) (elected for the term Jan. 2002-Sept. 2003)	- D. Warner-Kramer (USA)

Chairman of the Scientific Council (elected for the term Sept. 2001-Sept. 2003)	- R. Mayo (USA)
Vice-Chairman of the Scientific Council (elected for the term Sept. 2001-Sept. 2003)	- M. J. Morgan (Canada)
Chairman of the Standing Committee on Fisheries Science (STACFIS) (elected for the term Sept. 2001-Sept. 2003)	- D. Stansbury (Canada)
Chairman of the Standing Committee on Research Coordination (STACREC) (elected for the term Sept. 2001-Sept. 2003)	- M. J. Morgan (Canada)
Chairman of the Standing Committee on Publications (STACPUB) (elected for the term Sept. 2001-Sept. 2003)	- M. Stein (EU-Germany)
Chairman of the Standing Committee on Fisheries Environment (STACFEN) (elected for the term Sept. 2001-Sept. 2003)	- E. Colbourne (Canada)
Chairman of the Fisheries Commission (elected for the term Jan. 2002-Sept. 2003)	- D. Swanson (USA)
Vice-Chairman of the Fisheries Commission (elected for the term Jan. 2002-Sept. 2003)	- B. F. Prischepa (Russia)
Chairman of the Standing Committee on International Control (STACTIC) (elected for the term Jan. 2002-Sept. 2003)	- D. Bevan (Canada)

### 3. Secretariat

Executive Secretary	- Johanne Fischer
Deputy Executive Secretary	- Tissa Amaratunga
Administration Officer & Meeting Coordinator	- Forbes Keating
Finance Officer	- Stan Goodick
Personal Assistant to the Executive Secretary	- Beverly Cruikshank
Conservation and Enforcement Measures Officer	- Gordon Moulton
Publications and Archives Officer	- Ferne Perry
Graphic Arts/Printing Technician	- Ron Myers
Graphic Arts/Printing Technician	- Barry Crawford
Office Secretary	- Dorothy Auby
Information and Web Manager	- Barb Marshall
Fisheries Statistics/Conservation & Enforcement Measures Assistant	- Cindy Kerr

### 4. NAFO Meetings

Scientific Council Workshop on the Precautionary Approach to Fisheries Management, St. John's, Nfld., Canada, 31 March – 4 April.

Working Group on the Allocation of Fishing Rights to the Contracting Parties of NAFO, Miami, Florida, USA, March 26-27, 2003.

International Fisheries Commissions Pension Society Annual Meeting, Halifax, N.S., Canada, 30 April – 02 May 2003. The NAFO Secretariat was represented by Forbes Keating and Stan Goodick.

Meeting of the Standing Committee on International Control (STACTIC), Copenhagen, Denmark, 16-19 June 2003.

Scientific Council and its Standing Committees, Dartmouth, N.S., Canada, 5-19 June 2003.

### 5. Publications

In 2003 (to August), the NAFO Secretariat prepared, posted to the web and/or printed the publications listed below:

*NAFO Scientific Council Studies* 35 (68 pages)  
*NAFO Scientific Council Studies* 36 (320 pages)  
*NAFO Meeting Proceedings* for the year 2002 (453 pages).  
*NAFO Meeting Proceedings for 2002/2003* (225 pages).  
*NAFO Scientific Council Reports* for 2002 (323 pages).  
*NAFO Scientific Council Reports* for 2002/2003 (383 pages).  
*NAFO Journal of Northwest Atlantic Fishery Science* Volume 30 (91 pages).  
*NAFO Newsletter "NAFO News"* No. 17 for July-December 2002.

## 6. Fishery Statistics

The NAFO statistical database is at the NAFO Secretariat and available in computer diskette form or hard copies to the Contracting Parties, and from 1999, the statistical data of catches have been posted on the NAFO website [www.nafo.int](http://www.nafo.int).

The data reports for the preceding year of fishing, STATLANT 21A reports (preliminary annual catches in the NAFO Convention Area by species and divisions), due 15 May have not been received from: for 1994 – USA (partial); for 1995 – USA (partial); for 1996 – USA (partial); for 1997 – USA (partial); for 1998 – USA (partial); for 1999 – USA (partial); for 2000 – USA (partial); for 2001 – Cuba, Lithuania and USA (partial); for 2002 – Cuba, Ukraine and USA.

The data reports for the preceding year of fishing, STATLANT 21B reports (final annual catches in the NAFO Convention Area by species, month, effort), due 30 June have not been received from: for 1989 EU-France (M); for 1994 - USA; for 1995 - USA; for 1996 - USA; for 1997 – USA; for 1998 - USA; for 1999 – USA; for 2000 – Greenland and USA; for 2001 – Cuba, Faroe Islands, Greenland, Lithuania, Norway, Ukraine and USA. For 2002, STATLANT 21B reports have been received from EU-Denmark, EU-Spain, France (SPM), Iceland, Japan, Poland, Korea, Latvia, Estonia and Russia.

7. Financial Statements

## STATEMENT I

Budget Appropriations. Obligations Incurred and Unliquidated Balances of Appropriations  
For the Year Ending 31 December 2003  
(Estimated from 31 July 2003)  
(Canadian Dollars)

	Approved Budget for 2003	Obligations Incurred and Liquidated to 31 July 2003	Expenses Estimated for Remainder of Fiscal Year	Total Obligations for Fiscal Year	Estimated Unliquidated Balance of Appropriations
Personal Services:					
a) Salaries	\$ 759,000	\$ 438,660	\$ 315,340	\$ 754,000	\$ 5,000 <sup>a</sup>
b) Superannuation and Annuities	73,000	43,795	31,205	75,000	(2,000)
c) Group Medical and Insurance Plans	76,000	45,885	29,115	75,000	1,000
d) Termination Benefits	22,000	-	11,000	11,000	11,000 <sup>b</sup>
e) Accrued Vacation Pay	1,000	-	1,000	1,000	-
f) Termination Benefits Liability	10,000	-	10,000	10,000	-
Travel	19,000	21,645	355	22,000	(3,000)
Transportation	1,000	510	490	1,000	-
Communications	59,000	22,083	17,917	40,000	19,000 <sup>c</sup>
Publications	30,000	27,325	2,675	30,000	-
Other Contractual Services	58,400	24,854	33,146	58,000	400
Additional Help	1,000	-	1,000	1,000	-
Materials and Supplies	30,000	19,516	10,484	30,000	-
Equipment	5,000	3,990	1,010	5,000	-
Meetings					
Annual General Meeting and Scientific Council Meetings	76,000	25,256	53,744	79,000	(3,000)
Inter-sessional Meetings	40,000	42,849	151	43,000	(3,000) <sup>d</sup>
Symposium	5,000	1,391	3,609	5,000	-
Computer Services	120,000	86,993	24,007	111,000	9,000 <sup>e</sup>
Recruitment and Relocation	-	29,018	9,982	39,000	(39,000) <sup>f</sup>
Total Ordinary Budget	<u>\$1,385,400</u>	<u>\$ 833,770</u>	<u>\$ 556,230</u>	<u>\$1,390,000</u>	<u>(\$ 4,600)</u>

<sup>a</sup> Contract negotiations within the Public Service of Canada for position classifications followed by NAFO staff have just been initiated. Assumed contracts would not be ratified during 2003, therefore delaying salary increases until 2004.

<sup>b</sup> This figure is for 2002 credits and conforms with NAFO Staff Rule 10.4(a).

<sup>c</sup> Reduction in postage and fax costs due to increased use of electronic communications (email and website).

<sup>d</sup> See page 2, item 4 (NAFO Meetings) for listing of meetings held during the year.

<sup>e</sup> Programming changes to Vessel Monitoring System (VMS) were under budget.

<sup>f</sup> Recruitment and relocations costs were budgeted for the 2002 fiscal year although costs were incurred in 2002 and 2003. (2002 Budget - \$73,000; 2002 Actual - \$22,863).

## STATEMENT II

Statement of Assessed Contributions and Expenditures  
for the Year Ending 31 December 2003  
(Estimated from 31 July 2003)  
(Canadian Dollars)

## Contracting Parties Assessed:

Bulgaria	\$ 21,479.52
Canada	517,328.69
Cuba	21,552.56
Denmark (in respect of Faroe Islands and Greenland)	133,897.54
Estonia	32,537.10
European Union	51,890.14
France (in respect of St. Pierre et Miquelon)	26,516.41
Iceland	29,146.51
Japan	23,814.09
Republic of Korea	21,479.52
Latvia	24,257.08
Lithuania	24,773.09
Norway	24,759.89
Poland	22,877.89
Russian Federation	39,808.18
Ukraine	21,479.52
United States of America	<u>179,575.27</u>
Assessed Contributions for the year ending 31 December 2003	\$1,217,173.00
Transferred from Accumulated Surplus Account	<u>168,227.00<sup>a</sup></u>
Approved Budget for 2003	1,385,400.00
Total Obligations to be Incurred - Statement I	<u>1,390,000.00</u>
Amount to be transferred from Accumulated Surplus Account	<u>\$ (4,600.00)</u>

<sup>a</sup> Excess of revenue over expenditures during the 2002 fiscal year (includes *ex gratia* grant for 2001; staff assessments; sales of publications; bank interest; balance of appropriations not expended; and recovery of Bulgaria's 2001 assessed contribution previously recorded as uncollectible).

## STATEMENT III

Balance Sheet for the Year Ending 31 December 2003  
(Estimated from 31 July 2003)  
(Canadian Dollars)

ASSETS		LIABILITIES	
<b>Current</b>		<b>Current</b>	
Cash	\$ 162,415	Accounts Payable and Accrued Liabilities	\$ 10,000
Contributions receivable from Contracting Parties (Note 1)	132,820	Provision for Accrued Employee Vacation Pay	14,729
Prepaid Expenses	<u>1,957</u>		<u>          </u>
	297,192		24,729
<b>Long-Term Investment</b>		<b>Long-Term</b>	
Employee Termination Benefit Investments (Note 2)	425,354	Provision for Employee Termination Benefits (Note 3)	<u>425,354</u>
			<u>450,083</u>
		<b>EQUITY</b>	
	<u>          </u>	Accumulated Surplus	<u>272,463</u>
	<u>\$ 722,546</u>		<u>\$ 722,546</u>

Note 1: This amount represents amounts due from Bulgaria (\$21,479.52); Cuba (\$21,552.56); and the United States of America (\$89,787.64).

Note 2: Termination Benefit Funds have been invested in a Scotiabank Premium T-Bill account.

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, 2003 the additional liability resulting from this enhancement will amount to approximately \$20,300, 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 (24<sup>th</sup> Annual Meeting, September 2002).

## STATEMENT IV

Statement of Accumulated Surplus  
for the Year Ending 31 December 2003<sup>a</sup>  
(Estimated from 31 July 2003)  
(Canadian Dollars)

Accumulated Surplus - Beginning of 2003		\$243,227
Add: Province of Nova Scotia - <i>ex gratia</i> grant for 2002	\$ 60,000 <sup>b</sup>	
Sales of Publications	7,000	
Interest	18,000	
Staff Assessments	<u>117,000</u>	<u>202,000</u>
		445,227
Less: Amount appropriated 1 January 2003	\$168,227	
Balance of appropriations over expended in 2003	4,600	<u>172,827</u>
		<u>\$272,400</u>
Appropriated to maintain minimum balance (to be authorized by G.C.)	\$ 75,000	
Unappropriated balance available	<u>197,400</u>	
Total Accumulated Surplus		<u>\$272,400<sup>c</sup></u>

<sup>a</sup> 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 available in the accumulated surplus account may be used temporarily to the extent necessary to finance appropriations pending receipt of annual payments by Contracting Parties.

<sup>b</sup> 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.

<sup>c</sup> See Statement III - Contributions receivable from Contracting Parties (this amount of \$272,400 would be valid subject to payment of outstanding contributions by Bulgaria - \$21,479.52; Cuba - \$21,552.56, and the United States of America \$89,787.64, total - \$132,819.72 during 2003).

## STATEMENT V

Preliminary calculation of billing for Contracting Parties  
against the proposed estimate of \$1,399,000 for the 2004  
financial year (based on 17 Contracting Parties to NAFO).  
(Canadian Dollars)

Budget Estimate..... \$ 1,399,000.00  
Deduct: Amount from Accumulated Surplus Account..... 197,400.00  
Funds required to meet 2004 Administrative Budget..... \$1,201,600.00

60% of funds required = \$720,959.93

30% of funds required = 360,480.07

10% of funds required = 120,160.00

Contracting Parties	Nominal Catches for 2001	% of Total Catch in the Convention Area	10%	30%	60%	Amount Billed
Bulgaria	-	-	-	\$ 21,204.71	-	\$ 21,204.71
Canada	510,917	54.59	\$ 74,698.87	21,204.71	\$393,572.05	489,475.63
Cuba <sup>1</sup>	-	-	-	21,204.71	-	21,204.71
Denmark (in respect of Faroes and Greenland) <sup>1,2</sup>	116,499	12.45	17,032.79	21,204.71	89,759.51	127,997.01
Estonia	11,228	1.20	-	21,204.71	8,651.51	29,856.22
European Union	40,301	4.31	-	21,204.71	31,073.37	52,278.08
France (in respect of St. Pierre et Miquelon)	2,969	0.32	434.08	21,204.71	2,307.06	23,945.85
Iceland	5,077	0.54	-	21,204.71	3,893.17	25,097.88
Japan	3,290	0.35	-	21,204.71	2,523.35	23,728.06
Republic of Korea	-	-	-	21,204.71	-	21,204.71
Latvia	3,330	0.36	-	21,204.71	2,595.46	23,800.17
Lithuania <sup>1</sup>	7,592	0.81	-	21,204.71	5,839.78	27,044.49
Norway <sup>1</sup>	14,713	1.57	-	21,204.71	11,319.07	32,523.78
Poland	758	0.08	-	21,204.71	576.77	21,781.48
Russian Federation	27,332	2.92	-	21,204.71	21,052.03	42,256.74
Ukraine <sup>1</sup>	405	0.04	-	21,204.71	288.38	21,493.09
United States of America <sup>1</sup>	191,472	20.46	27,994.26	21,204.71	147,508.42	196,707.39
	935,883	100.00%	\$120,160.00	\$360,480.07	\$720,959.93	<u>\$1,201,600.00</u>
Funds required to meet 1 January - 31 December 2004 Administrative Budget						<u>\$1,201,600.00</u>

<sup>1</sup> Provisional Statistics used when calculating 2001 nominal catches which have not been reported from some Contracting Parties.

<sup>2</sup> Faroe Islands = 13,142 metric tons  
Greenland = 103,357 metric tons