

Northwest Atlantic



Fisheries Organization

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(Revised)

26th ANNUAL MEETING – SEPTEMBER 2004

Administrative Report and Financial Statements
for the fiscal year ending 31 December 2004
(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 Sept 2003-Sept. 2005)	- D. Bevan (Canada)
Vice-Chair of the General Council (elected for the term Sept. 2003-Sept. 2005)	- T. Lobach (Norway)
Chair 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-Chair 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)
Chair of the Standing Committee on Finance and Administration (STACFAD) (elected for the term Sept. 2003-Sept. 2005)	- G. F. Kingston (EU)
Vice-Chair of the Standing Committee on Finance and Administration (STACFAD) (elected for the term Sept. 2003-Sept. 2005)	- D. Warner-Kramer (USA)

Chair of the Scientific Council (elected for the term Sept. 2003-Sept. 2005)	- M. J. Morgan (Canada)
Vice-Chair of the Scientific Council (elected for the term Sept. 2003-Sept. 2005)	- A. Vazques (EU-Spain)
Chair of the Standing Committee on Fisheries Science (STACFIS) (elected for the term Sept. 2003-Sept. 2005)	- H. Murua (EU-Spain)
Chair of the Standing Committee on Research Coordination (STACREC) (elected for the term Sept. 2003-Sept. 2005)	- A. Vazques (EU-Spain)
Chair of the Standing Committee on Publications (STACPUB) (elected for the term Sept. 2003-Sept. 2005)	- M. Stein (EU-Germany)
Chair of the Standing Committee on Fisheries Environment (STACFEN) (elected for the term Sept. 2003-Sept. 2005)	- E. Colbourne (Canada)
Chair of the Fisheries Commission (elected for the term Sept. 2003-Sept. 2005)	- D. Swanson (USA)
Vice-Chair of the Fisheries Commission (elected for the term Sept. 2003-Sept. 2005)	- B. F. Prischepa (Russia)
Chair of the Standing Committee on International Control (STACTIC) (elected for the term Sept. 2003-Sept. 2005)	- M. Newman (EU)
Vice-Chair of the Standing Committee on International Control (STACTIC)	- M. Nedergaard (Denmark in respect of Faroe Islands and Greenland)

3. Secretariat

Executive Secretary	- Johanne Fischer
Deputy Executive Secretary	- Tissa Amaratunga
Fisheries Scientist	- Ricardo Federizon
Administration Officer & Meeting Coordinator	- Forbes Keating
Finance Officer	- Stan Goodick
Personal Assistant to the Executive Secretary	- Beverly McLoon
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 Information Officer	- Cindy Kerr

4. NAFO Meetings (Sept. 2003-Aug. 2004)

Scientific Council Geostatistical Workshop, Dartmouth, N.S., Canada, 10-12 September 2003.
 NAFO 25th Annual Meeting, Dartmouth, N.S., Canada, 15-19 September 2003.
 Scientific Council Meeting on Shrimp Assessment, NAFO Headquarters, Dartmouth, N.S., Canada, 5-11 November 2003.
 FC Working Group on the Management of Div. 3O Redfish, St. John's, NL, Canada, 30-31 March 2004.
 International Fisheries Commissions Pension Society Annual Meeting, Washington, D.C., USA, 29-30 April 2004.
 Scientific Council Limit Reference Point Study Group, Lorient, France, 15-20 April 2004.
 Scientific Council and its Standing Committees, Dartmouth, N.S., Canada, 3-17 June 2004.
 STACFAC Meeting, Copenhagen, Denmark, 15-16 and 18 June 2004.
 Joint STACFAC/STACTIC Meeting, Copenhagen, Denmark, 17-18 June 2004.
 STACTIC Meeting, Copenhagen, Denmark, 21-23 June 2004.

5. Publications

During the period of September 2003 – August 2004, the NAFO Secretariat prepared, posted to the web and/or printed the publications listed below:

NAFO Conservation and Enforcement Measures (binder format) (105 pages)
Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries (30 pages)
Annual Report for 2003
NAFO Scientific Council Studies 37 (378 pages)
NAFO Meeting Proceedings for 2003/2004 (266 pages).
Supplement to NAFO Scientific Council Reports for 2002/2003 (383 pages).

NAFO Journal of Northwest Atlantic Fishery Science Volume 31 (466 pages).
NAFO Journal of Northwest Atlantic Fishery Science Volume 32 (72 pages).
NAFO Journal of Northwest Atlantic Fishery Science Volume 33 (214 pages).
NAFO Journal of Northwest Atlantic Fishery Science Volume 34 (120 pages).

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.

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; for 2003 – Cuba, Faroe Islands, 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, Ukraine and USA; for 2002 – Cuba Faroe Islands, Greenland, Norway, EU-Portugal, Lithuania, Ukraine and USA. For 2003, STATLANT 21B reports were received from France (SP), EU-Germany, Iceland, Japan, EU-Great Britain, Latvia, Lithuania, EU-Portugal and Russia.

7. Financial Statements**STATEMENT I**

Budget Appropriations. Obligations Incurred and Unliquidated Balances of Appropriations
For the Year Ending 31 December 2004
(Estimated from 31 July 2004)
(Canadian Dollars)

	Approved Budget for 2004	Obligations Incurred and Liquidated to 31 July 2004	Expenses Estimated for Remainder of Fiscal Year	Total Obligations for Fiscal Year	Estimated Unliquidated Balance of Appropriations
Personal Services					
a) Salaries	\$842,000	\$467,241	\$374,759	\$842,000	\$ - ^a
b) Superannuation and Annuities	78,000	44,498	35,502	80,000	(\$2,000)
c) Group Medical and Insurance Plans	88,000	43,385	29,115	72,500	15,500
d) Termination Benefits	50,000	-	50,000	50,000	- ^b
e) Accrued Vacation Pay	1,000	-	1,000	1,000	-
f) Termination Benefits Liability	10,000	-	10,000	10,000	-
g) Clerical (CR) Retroactive Salary Liability	27,000	26,740	260	27,000	-
Travel	19,000	10,331	7,169	17,500	1,500
Transportation	1,000	296	704	1,000	-
Communications	30,000	19,192	9,808	29,000	1,000
Publications	20,000	16,600	13,400	30,000	(10,000)
Other Contractual Service	50,000	25,251	24,749	50,000	-
Additional Help	1,000	-	1,000	1,000	-
Materials and Supplies	30,000	17,249	12,751	30,000	-
Equipment	20,000	15,351	1,649	17,000	3,000
Meetings					
Annual General Meeting and Scientific Council Meetings	75,000	16,380	60,620	77,000	(2,000)
Inter-sessional Meetings	45,000	33,596	2,404	36,000	9,000 ^c
Symposium	5,000	-	5,000	5,000	-
Computer and Web Services					
Computer and Web Services	33,000	20,756	12,244	33,000	-
Vessel Monitoring System	75,000	72,074	6,926	79,000	(4,000)
Total Ordinary Budget	<u>\$1,500,000</u>	<u>\$828,940</u>	<u>\$659,060</u>	<u>\$1,488,000</u>	<u>\$12,000</u>

a Contract negotiations within the Public Service of Canada for position classifications followed by NAFO staff are still ongoing and salary increases are being delayed until the contracts are ratified.

b This figure is for 2004 credits and conforms with NAFO Staff Rule 10.4(a).

c See page 2, item 4 (NAFO Meetings) for listing of meetings held during the year 2004.

STATEMENT II

Statement of Assessed Contributions and Expenditures for the Year Ending 31 December 2004 (Estimated from 31 July 2004) (Canadian Dollars)

Contracting Parties Assessed:

Bulgaria	\$ 24,266.74
Canada	560,157.53
Cuba	24,266.74
Denmark (in respect of Faroe Islands and Greenland)	146,480.20
Estonia	34,167.56
European Union	59,827.20
France (in respect of St. Pierre et Miquelon)	27,403.72
Iceland	28,722.10
Japan	27,154.47
Republic of Korea	24,266.74
Latvia	27,236.98
Lithuania	30,949.80
Norway	37,220.32
Poland	24,926.80
Russian Federation	48,358.75
Ukraine	24,596.77
United States of America	<u>225,112.58</u>
Assessed Contributions for the year ending 31 December 2004	\$ 1,375,115.00
Transferred from Accumulated Surplus Account	<u>124,885.00</u> ^a
Approved Budget for 2004	1,500,000.00
Total Obligations to be Incurred - Statement I	<u>1,488,000.00</u>
Amount to be transferred to Accumulated Surplus Account	<u>\$ 12,000.00</u>

^a Excess of revenue over expenditures during the 2003 fiscal year (includes ex gratia grant; staff assessments; sales of publications; bank interest and balance of appropriations not expended).

STATEMENT III

Balance Sheet for the Year Ending 31 December 2004

(Estimated from 31 July 2004)

(Canadian Dollars)

ASSETS		LIABILITIES	
Current		Current	
Cash	\$ 90,305	Accounts Payable and Accrued Liabilities	\$ 10,000
Contributions receivable from Contracting Parties (Note 1)	234,112	Provision for Accrued Employee Vacation Pay	12,803
Prepaid Expenses	<u>1,640</u>		<u>22,803</u>
	326,057		
Long-Term Investment		Long-Term	
Employee Termination Benefit Investments (Note 2)	<u>486,233</u>	Provision for Employee Termination Benefits (Note 3)	<u>486,233</u>
			509,036
MEMBERS' NET ASSETS			
		Accumulated Surplus	<u>303,254</u>
	<u>\$ 812,290</u>		<u>\$ 812,290</u>

Note 1: This amount represents amounts due from Cuba (\$24,266.74); France (in respect of St. Pierre et Miquelon) (\$27,403.72); Lithuania (\$19,368.00); Poland (\$24,926.80); Russian Federation (\$48,358.75) and the United States of America (\$89,787.64).

Bulgaria's outstanding contributions (2004-\$24,266.74; 2003-\$21,479.52) have been recorded as a doubtful account and applied against accounts receivable.

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, 2004 the additional liability resulting from this enhancement will amount to approximately \$10,300, 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 (25th Annual Meeting, September 2003).

STATEMENT IV

Statement of Accumulated Surplus for the Year Ending 31 December 2004^a (Estimated from 31 July 2004) (Canadian Dollars)

Accumulated Surplus - Beginning of 2004		\$ 249,885
Add: Staff Assessments	\$ 128,000 ^b	
Province of Nova Scotia - <i>ex gratia</i> grant	63,000	
Interest	14,000	
Balance of appropriations not expended in 2004	12,000	
Sales of Publications	7,000	224,000
		<u>473,885</u>
Less: Amount appropriated 1 January 2004	\$ 124,885	
Contributions deemed uncollectible 2004 (Bulgaria)	45,746	170,631
		<u></u>
Accumulated Surplus - End of 2004		<u>\$ 303,254</u>
Appropriated to maintain minimum balance (to be authorized by G.C.)	\$ 125,000	
Unappropriated balance available	178,254	
		<u></u>
Total Accumulated Surplus		<u>\$ 303,254 ^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:

- i) excess of receipts over expenditures at the end of the financial year;
- ii) unexpended balances at the end of the 12-month period specified in Rule 3.2 for prior year obligations, but not disbursed;
- iii) 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.

^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 \$303,254 would be valid subject to payment of outstanding contributions by Cuba - \$24,266.74, France (in respect of St. Pierre et Miquelon) - \$27,403.72, Lithuania - \$19,368.00; Poland - \$24,926.80; Russian Federation - \$48,358.75 and the United States of America \$89,787.64, total - \$234,111.65 during 2004).

STATEMENT V

**Preliminary calculation of billing for Contracting Parties
against the proposed estimate of \$1,524,000 for the 2005
financial year (based on 13 Contracting Parties to NAFO).
(Canadian Dollars)**

Budget Estimate	\$1,524,000.00
Deduct: Amount from Accumulated Surplus Account	<u>178,254.00</u>
Funds required to meet 2005 Administrative Budget	<u>\$1,345,746.00</u>

60% of funds required =	\$807,447.56
30% of funds required =	403,723.84
10% of funds required =	134,574.60

Contracting Parties	Nominal Catches for 2002	% of Total Catch in the Convention Area	10%	30%	60%	Amount Billed
Bulgaria	-	-	-	\$31,055.68	-	\$31,055.68
Canada	507,877	54.04%	\$83,550.74	\$31,055.68	\$436,344.67	550,951.09
Cuba	-	-	-	\$31,055.68	-	31,055.68
Denmark (in respect of Faroe Islands and Greenland) (1,2)	143,532	15.27%	23,612.42	\$31,055.68	123,297.24	177,965.34
European Union (1)	68,935	7.33%	-	\$31,055.68	59,185.90	90,241.58
France (in respect of St. Pierre et Miquelon)	3,196	0.34%	525.77	\$31,055.68	2,745.31	34,326.76
Iceland	6,878	0.73%	-	\$31,055.68	5,894.36	36,950.04
Japan	3,256	0.35%	-	\$31,055.68	2,826.07	33,881.75
Republic of Korea	-	-	-	\$31,055.68	-	31,055.68
Norway (1)	14,362	1.53%	-	\$31,055.68	12,353.95	43,409.63
Russian Federation	28,412	3.02%	-	\$31,055.68	24,384.92	55,440.60
Ukraine	-	-	-	\$31,055.68	-	31,055.68
United States of America (1)	163,429	17.39%	26,885.67	\$31,055.68	140,415.14	198,356.49
	939,877	100.00%	\$134,574.60	\$403,723.84	\$807,447.56	<u>\$1,345,746.00</u>
Funds required to meet 1 January - 31 December 2005 Administrative Budget						<u>\$1,345,746.00</u>

(1) Provisional Statistics used when calculating 2002 nominal catches which have not been reported from Contracting Parties.

(2) Faroe Islands = 9,149 metric tons
Greenland = 134,383 metric tons