

28th ANNUAL MEETING – SEPTEMBER 2006

Administrative Report for the period September 2005 to August 2006
and Financial Statements for the fiscal year ending 31 December 2006

by

NAFO Secretariat

1. The Contracting Parties of NAFO (13) constitute the following membership to the NAFO three main bodies:

<u>General Council (13)</u>	<u>Scientific Council (13)</u>	<u>Fisheries Commission (12)</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)	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)	Norway
Norway	Norway	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 2005-Sept. 2007)	- D. Bevan (Canada)
Vice-Chair of the General Council (elected for the term Sept. 2005-Sept. 2007)	- T. Lobach (Norway)
Chair of the Standing Committee on Fishing Activities of non-Contracting Parties in the Regulatory Area (STACFAC)	- Vacant
Vice-Chair of the Standing Committee on Fishing Activities of non-Contracting Parties in the Regulatory Area (STACFAC) (elected for the term Sept. 2004-Sept. 2006)	- G. Martin (USA)
Chair of the Standing Committee on Finance and Administration (STACFAD) (elected for the term Sept. 2005-Sept. 2007)	- G. F. Kingston (EU)
Vice-Chair of the Standing Committee on Finance and Administration (STACFAD) (elected for the term Sept. 2005-Sept. 2007)	- F. Schmidt (Denmark in respect of Faroe Islands & Greenland)
Chair of the Scientific Council (elected for the term Sept. 2005-Sept. 2007)	- A. Vazquez (Canada)
Vice-Chair of the Scientific Council (elected for the term Sept. 2005-Sept. 2007)	- K. Gorchinsky (Russia)
Chair of the Standing Committee on Fisheries Science (STACFIS) (elected for the term Sept. 2005-Sept. 2007)	- D. Power (Canada)
Chair of the Standing Committee on Research Coordination (STACREC) (elected for the term Sept. 2005-Sept. 2007)	- K. Gorchinsky (Russia)
Chair of the Standing Committee on Publications (STACPUB) (elected for the term Sept. 2005-Sept. 2007)	- M. Stein (EU-Germany)
Chair of the Standing Committee on Fisheries Environment (STACFEN) (elected for the term Sept. 2005-Sept. 2007)	- E. Colbourne (Canada)

Chair of the Fisheries Commission (elected for the term Sept. 2005-Sept. 2007)	- V. Shibanov (Russia)
Vice-Chair of the Fisheries Commission (elected for the term Sept. 2005-Sept. 2007)	- K. Arnason (Iceland)
Chair of the Standing Committee on International Control (STACTIC) (elected for the term Jun 2006 -Sept. 2008)	- M. Nedergaard (Denmark in respect of Faroe Islands and Greenland)
Vice-Chair of the Standing Committee on International Control (STACTIC)	- vacant

3. Secretariat

Executive Secretary	- Johanne Fischer
Fisheries Commission Coordinator	- Ricardo Federizon
Scientific Council Coordinator	- Anthony Thompson
Senior Finance and Staff Administrator	- Stan Goodick
Personal Assistant to the Executive Secretary	- Beverly McLoon
Senior Publications Manager	- Ferne Perry
Senior Publications Manager	- Barry Crawford
Office Manager	- Dorothy Auby
Information Manager	- Barb Marshall
Fisheries Information Manager	- Cindy Kerr

4. NAFO Meetings

Sept. 2005-Aug. 2006:

NAFO 27th Annual Meeting, Tallinn, Estonia, 19-23 September 2005
 Scientific Council Meeting on Shrimp Assessment, Dartmouth, N.S., Canada, 26 October – 3 November 2005
 International Fisheries Commissions Pension Society Annual Meeting, La Jolla, CA, USA, 5-7 April 2006
 WG on the Reform of NAFO, Montreal, QC, Canada, 25-28 April 2006
 Scientific Council and its Standing Committees, Dartmouth, N.S., Canada, 1-15 June 2006
 STACTIC Meeting, Copenhagen, Denmark, 12-15 June 2006

Future Meetings:

Scientific Council Meeting on Shrimp Assessment, Copenhagen, Denmark, 25 Oct – 02 Nov 2006
 International Fisheries Commissions Pension Society Annual Meeting, Ottawa, ON, Canada, 19-20 April 2007
 Scientific Council and its Standing Committees, Dartmouth, N.S., Canada, 7-21 June 2007
 NAFO 29th Annual Meeting, Dartmouth, N.S., Canada, 24-28 September 2007
 Scientific Council Special Session, Dartmouth, N.S., Canada, 1-3 October 2007

5. Publications

During the period of September 2005 – August 2006, the NAFO Secretariat prepared, posted to the web and/or printed the publications listed below:

NAFO Conservation and Enforcement Measures (134 pages)
Annual Report for 2005 (booklet – 30 pages)
NAFO Meeting Proceedings for 2005/2006 (294 pages)
Scientific Council Reports for 2005 (359 pages)
NAFO Journal of Northwest Atlantic Fishery Science Volume 36 (partial – 9 Articles uploaded)
NAFO Journal of Northwest Atlantic Fishery Science Volume 37 (partial – 8 Articles uploaded)

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 through 2000 - USA (partial); for 2001 – Cuba and USA (partial); for 2002 – Cuba and USA; for 2003 – Cuba and USA; for 2004 – Cuba and USA; for 2005 – Canada-M, Cuba, EU-Spain, Greenland 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 August* have not been received from: 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, Greenland, Lithuania and USA; for 2002 – Cuba, Lithuania and USA; for 2003 – Cuba, Lithuania and USA; for 2004 – Cuba, France-SP, Lithuania and USA. For 2005, STATLANT 21B reports were received from Canada-N, EU-Denmark, EU-Estonia, EU-Germany, EU-Latvia, EU-Spain, EU-Poland, EU-Portugal, Faroe Islands, Iceland, Japan, Norway and Russia.

* In June 2006, it was decided that the deadline for submission of STAT 21B be changed from 30 June to August 30.

7. Financial Statements**STATEMENT I**

Budget Appropriations. Obligations Incurred and Unliquidated Balances of Appropriations
For the Year Ending 31 December 2006
(Estimated from 31 July 2006)
(Canadian Dollars)

	Approved Budget for 2006	Obligations Incurred and Liquidated to 31 July 2006	Obligations Estimated for Remainder of Fiscal Year	Total Obligations for Fiscal Year	Estimated Unliquidated Balance of Appropriations
Personal Services					
a) Salaries	\$792,000	\$413,344	\$328,656	\$742,000	\$50,000
b) Superannuation and Annuities	86,000	36,576	35,424	72,000	14,000
c) Group Medical and Insurance Plans	93,300	47,628	30,672	78,300	15,000
d) Termination Benefits	32,000	-	24,000	24,000	8,000
e) Accrued Vacation Pay	1,000	-	1,000	1,000	-
f) Clerical (CR) Retroactive Salary Liability	27,700	27,696	4	27,700	-
g) Overtime Pay	12,000	2,397	3,603	6,000	6,000
Travel	40,000	7,668	2,332	10,000	30,000
Transportation	1,000	262	738	1,000	-
Communications	30,000	10,667	13,333	24,000	6,000
Publications	20,000	2,692	12,308	15,000	5,000
Public Relations	7,000	-	-	-	7,000
Other Contractual Service	43,000	25,544	26,456	52,000	(9,000)
Additional Help	15,000	-	-	-	15,000
Materials and Supplies	30,000	5,427	9,573	15,000	15,000
Equipment	10,000	900	4,100	5,000	5,000
Meetings					
Annual General Meeting and Scientific Council Meetings	81,500	16,855	54,645	71,500	10,000
Inter-sessional Meetings	30,000	10,574	2,426	13,000	17,000
Scientific Council Special Session	7,500	-	2,500	2,500	5,000
Annual Meeting Reception	20,000	-	-	-	20,000
Hospitality Allowance	5,000	339	661	1,000	4,000
Computer and Web Services					
Computer and Web Services	31,000	4,357	11,643	16,000	15,000
Vessel Monitoring System	76,000	41,920	23,080	65,000	11,000
Recruitment and Relocation	28,000	22,743	257	23,000	5,000
Total Ordinary Budget	\$1,519,000	\$677,589	\$587,411	\$1,265,000	\$254,000^a

^a A number of outstanding contributions from Contracting Parties forced the Secretariat to implement a strict savings plan to reduce expenditures because of cash flow concerns and the possibility of not being able to meet its financial obligations. This was to some extent achievable by delaying and/or not implementing the hiring of staff, travel, projects and purchases.

STATEMENT II

**Statement of Assessed Contributions and Expenditures
for the Year Ending 31 December 2006
(Estimated from 31 July 2006)
(Canadian Dollars)**

Contracting Parties Assessed:	
Bulgaria	\$30,418.75
Canada	521,401.43
Cuba	30,576.94
Denmark (in respect of Faroe Islands and Greenland)	164,276.82
European Union	94,322.47
France (in respect of St. Pierre et Miquelon)	34,102.80
Iceland	36,508.59
Japan	33,028.68
Republic of Korea	30,418.75
Norway	47,501.92
Russian Federation	55,964.42
Ukraine	30,735.11
United States of America	<u>208,889.32</u>
Assessed Contributions for the year ending 31 December 2006	\$1,318,146.00
Transferred from Accumulated Surplus Account	<u>200,854.00</u> ^a
Approved Budget for 2006	1,519,000.00
Total Obligations to be Incurred - Statement I	<u>1,265,000.00</u>
Amount to be transferred to Accumulated Surplus Account	<u>\$254,000.00</u>

^a Excess of revenue over expenditures during the 2005 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 2006
(Estimated from 31 July 2006)
(Canadian Dollars)

Assets		Liabilities	
Current		Current	
Cash	\$124,577	Accounts Payable	
Contributions receivable from		and Accrued Liabilities	\$20,000
Contracting Parties (Note 1)	418,163	Provision for Accrued Employee	
Prepaid Expenses	2,005	Vacation Pay	22,762
Province of Nova Scotia			
Ex gratia grant receivable	70,000		
	<u>614,745</u>		<u>42,762</u>
Long-Term Investment		Long-Term	
Employee Termination Benefit		Provision for Employee Termination	
Investments (Note 2)	242,125	Benefits	242,125
			<u>284,887</u>
		Members' Net Assets	
		Accumulated Surplus	571,983
			<u>571,983</u>
	<u>\$856,870</u>		<u>\$856,870</u>

Note 1.

Contributions receivable from Contracting Parties

Bulgaria		\$30,419	
Cuba		30,577	
Korea		30,419	
Ukraine	2006	\$30,735	
	2005	<u>31,175</u>	61,910
United States of America			
	2006	\$152,891	
	2005	<u>142,366</u>	295,257
			<u>448,582</u>

Less amounts deemed uncollectible

Bulgaria		<u>(30,419)</u>	
			<u>\$418,163</u>

STATEMENT IV

**Statement of Accumulated Surplus
for the Year Ending 31 December 2006^a
(Estimated from 31 July 2006)
(Canadian Dollars)**

Accumulated Surplus - Beginning of 2006		\$325,854
Add:		
Balance of appropriations not expended in 2006	\$254,000	
Staff Assessments	130,000	
Province of Nova Scotia - <i>ex gratia</i> grant	70,000 ^b	
Interest	20,000	
Sales of Publications	3,402	\$477,402
		<u>803,256</u>
Less:		
Amount appropriated 1 January 2006	\$200,854	
Contributions deemed uncollectible (Bulgaria)	30,419	231,273
		<u></u>
Accumulated Surplus - End of 2006		<u>\$571,983</u>
Cost savings measures to be maintained	\$254,000	
Appropriated to maintain minimum balance (to be authorized by G.C.)	125,000	
Unappropriated balance available	192,983	
		<u></u>
Total Accumulated Surplus		<u>\$571,983 ^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.

^c See Statement III - Contributions receivable from Contracting Parties (this amount of \$571,983 would be valid subject to payment of outstanding contributions by Cuba - \$30,577, Korea - \$30,419, Ukraine - \$61,910 and the United States of America \$295,257, total - \$418,163 during 2006).

STATEMENT V

**Preliminary calculation of billing for Contracting Parties
against the proposed estimate of \$1,456,000 for the 2007
financial year (based on 12 Contracting Parties to NAFO).
(Canadian Dollars)**

Budget Estimate	\$1,456,000.00
Deduct: Amount from Accumulated Surplus Account	192,983.00
Funds required to meet 2007 Administrative Budget	<u>\$1,263,017.00</u>

60% of funds required =	\$757,810.14
30% of funds required =	378,905.16
10% of funds required =	126,301.70

Contracting Parties	Nominal Catches for 2004	% of Total Catch in the Convention Area	10%	30%	60%	Amount Billed
Canada (1)	565,991	52.63%	\$73,088.08	\$31,575.43	\$398,835.50	503,499.01
Cuba (1)	1,114	0.10%	-	31,575.43	757.80	32,333.23
Denmark (in respect of Faroe Islands and Greenland) (2)	180,771	16.81%	23,343.49	31,575.43	127,387.88	182,306.80
European Union (1)	56,019	5.22%	-	31,575.43	39,557.68	71,133.11
France (in respect of St. Pierre et Miquelon))1)	5,534	0.51%	714.62	31,575.43	3,864.82	36,154.87
Iceland	7,588	0.71%	-	31,575.43	5,380.44	36,955.87
Japan	1,861	0.17%	-	31,575.43	1,288.28	32,863.71
Republic of Korea	-	-	-	31,575.43	-	31,575.43
Norway	12,430	1.16%	-	31,575.43	8,790.60	40,366.03
Russian Federation	17,684	1.64%	-	31,575.43	12,428.09	44,003.52
Ukraine	579	0.05%	-	31,575.43	378.91	31,954.34
United States of America (1)	225,779	21.00%	29,155.51	31,575.43	159,140.14	219,871.08
	1,075,350	100.00%	\$126,301.70	\$378,905.16	\$757,810.14	<u>\$1,263,017.00</u>
Funds required to meet 1 January - 31 December 2007 Administrative Budget						<u>\$1,263,017.00</u>

(1) Provisional Statistics used when calculating 2004 nominal catches which have not been reported from Contracting Parties.

(2) Faroe Islands = 6,944 metric tons
Greenland = 173,827 metric tons