



THIRTEENTH REGULAR SESSION
FINANCE AND ADMINISTRATION COMMITTEE
Tenth Session
Denarau, Fiji
4 - 9 December 2016

AUDITOR'S REPORT FOR 2015 AND GENERAL ACCOUNT FUND
FINANCIAL STATEMENTS FOR 2015

WCPFC13-2016-FAC10-04
4 November 2016

Purpose

1. The purpose of this paper is to table for the consideration of FAC10 and WCPFC13 the Auditor's Report for 2015 and the General Account fund financial statements for 2015.

Introduction

2. The Commission's Financial Regulations require that an independent external auditor issue a report on the audit of the annual financial statements and relevant schedules relating to the accounts of the Commission (Finance Regulation 12.6). Following consideration of the audited financial statements and audit report, the Commission shall signify its acceptance of the audited financial statements or take such other action as it may consider appropriate (Financial Regulation 13.1).

3. In undertaking the audit, the auditor is required to report on all relevant matters, including:

- whether the statements are based on proper accounts and records;
- whether the statements are in agreement with the accounts and records;
- whether income, expenditure and investment of moneys and the acquisition and disposal of assets by the Commission during the year were in accordance with the Regulations; and
- provide observations with respect to the efficiency and economy of the financial procedures and conduct of business, the accounting system, internal financial controls and the administration and management of the Commission.

4. The audit and compliance documents, which comprise the formal communications from the external auditor, were circulated to all Commission Members, Cooperating Non-Members and Participating Territories in July 2016. The audit, compliance reports and annual financial statements are attached for reference. They show a compliant and unqualified set of accounts and reports.

External Audit Timing Requirements

5. The Commission's annual financial statements for the 2015 financial period were submitted to the Auditor prior to 15 May 2016. Under Finance Regulation 12, the financial statements are due to the auditor by 31 March, 2016. The delay in submitting the financial

statements to the auditor was due to a late statement from one overseas bank. The final audit was submitted to the Commission on 20 July 2016.

Scope

6. The primary reporting focus of the financial statements is the Commission's General Account Fund established in accordance with Financial Regulation 6.1 (a). However, detailed information about the other funds in existence as at 31 December 2015: the Working Capital Fund; Special Requirements Fund; US Funds for Supporting E-Monitoring and E-Reporting; West Pacific East Asia Oceanic Fisheries Management Project; the Japan Trust Fund; the Fees and Charges Trust Fund; the Voluntary Contributions Fund; and the Food and Agriculture Organization's Area's Beyond National Jurisdiction Project Fund was provided to the auditor and addressed in Note 7 to the Financial Statements. These other funds were therefore subject to the same audit process as the General Account Fund. The reporting format for the other funds was adopted on the recommendation of the external auditor.

Audit findings

7. The audit report and compliance report provide:

- the external auditor's opinion was that the "financial statements referred to above present fairly, in all material respects, the financial position of the General Account fund of the Commission as of December 31, 2015, and the results of its operations and its cash flows for the year...";
- a statement that there was no instances of noncompliance with the Commission's Financial Regulation 12.4 (c) which requires an opinion on compliance in relation to income, expenditure, the investment of moneys and the acquisition and disposal of assets; and
- a statement that there was no instances of noncompliance with the Commission's Financial Regulation 12.4 (d) which requires an opinion on efficiency and economy of the financial procedures and conduct of business, the accounting system, internal financial controls and the administration and management of the Commission.

Financial results

8. For the General Account Fund, the financial statements show that there was an excess of income over expenditure of USD177,127. In addition to the surplus, prior years' contributions of USD455,279 were paid by some Members in 2015 and the liability for unliquidated obligations was reduced by USD4,611 in 2015. Thus, the General Account Fund balance at the end of the year was USD637,017. In accordance with Financial Regulation 4.4 this balance was transferred to the Working Capital Fund.

Recommendation

9. The Commission is invited to consider the audited financial statements.

**WESTERN AND CENTRAL PACIFIC
FISHERIES COMMISSION**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

YEAR ENDED DECEMBER 31, 2015

Independent Auditors' Report

The Chair
Western and Central Pacific Fisheries Commission:

We have audited the accompanying financial statements of Western and Central Pacific Fisheries Commission (the "Commission"), which comprise the general account fund statement of assets, liabilities and fund balance as of December 31, 2015, and the related statement of income and expenditures and changes in fund balance, of cash flows and of appropriations and expenditures for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Commission's financial regulation 12.4; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards, which are consistent with the generally accepted auditing standards referred to in the Commission's financial regulation 12.4, require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

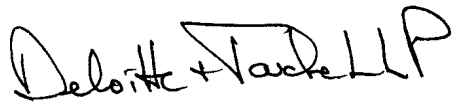
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general account fund of the Commission as of December 31, 2015, and the results of its operations and its cash flows for the year then ended on the basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 to the financial statements, which describe the basis of accounting. The financial statements were prepared in conformity with financial regulations of the Commission and certain accounting standards adopted by other international organizations, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Other Matters

We have also issued our report dated July 13, 2016, on the Commission's compliance with financial regulation 12.4(c) and our consideration of the Commission's internal control over financial reporting as required by the Commission's financial regulation 12.4(d).

A handwritten signature in black ink that reads "Deloitte + Touche LLP". The signature is written in a cursive, flowing style.

July 13, 2016

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

General Account Fund
Statement of Assets, Liabilities and Fund Balance
December 31, 2015
(With Comparative Totals as of December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash and short-term deposits	\$ 1,390,712	\$ 1,017,894
Contributions receivable	438,056	455,279
Less provision for delayed contributions	(438,056)	(455,279)
Due from other funds	209,076	239,617
Accounts receivable	27,633	28,153
Other assets and advance payments	24,430	15,789
Total assets	<u>\$ 1,651,851</u>	<u>\$ 1,301,453</u>
<u>Liabilities and Fund Balance</u>		
Unliquidated obligations	\$ 432,817	\$ 437,428
Accounts payable	2,553	6,947
Member contributions in advance	87,219	91,654
Due to other funds	878,286	563,722
Accrued entitlements	243,480	201,647
Income tax payable (withheld)	7,468	(21)
Social security tax withheld	28	76
Total liabilities and fund balance	<u>\$ 1,651,851</u>	<u>\$ 1,301,453</u>

See accompanying notes to financial statements.



Feliti Teo
Executive Director

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

General Account Fund
 Statement of Income and Expenditures and Changes in Fund Balance
 Year Ended December 31, 2015
 (With Comparative Totals for the Year Ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Income</u>		
Contributions:		
Assessed contributions	\$ 6,741,525	\$ 6,729,143
Voluntary contributions	-	35,168
	<u>6,741,525</u>	<u>6,764,311</u>
Total contributions income	6,741,525	6,764,311
Miscellaneous income:		
Interest	2,877	2,236
Other	786,169	575,730
	<u>789,046</u>	<u>577,966</u>
Total income	<u>7,530,571</u>	<u>7,342,277</u>
<i>Less</i>		
Expenditures	<u>6,915,388</u>	<u>6,696,599</u>
Excess of income over expenditures	615,183	645,678
<i>Less</i>		
Delayed contributions	<u>438,056</u>	<u>448,779</u>
Net excess of income over expenditures	177,127	196,899
Fund balance at beginning of year	-	-
Transfer to Working Capital Fund	<u>(177,127)</u>	<u>(196,899)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

General Account Fund
Statement of Cash Flows
Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Net excess of income over expenditures	\$ 177,127	\$ 196,899
Decrease (increase) in other accounts receivable	31,061	(231,339)
(Increase) decrease in other assets and advance payments	(8,641)	569
Decrease in advances from member states	(4,435)	(63,912)
Increase (decrease) in unliquidated obligations	(4,611)	27,528
Increase (decrease) in other liabilities	<u>359,444</u>	<u>(25,803)</u>
Net cash provided by (used in) operating activities	549,945	(96,058)
Transfer to Working Capital Fund	<u>(177,127)</u>	<u>(196,899)</u>
Net change in cash and short-term deposits	372,818	(292,957)
Cash and short-term deposits at the beginning of the year	<u>1,017,894</u>	<u>1,310,851</u>
Cash and short-term deposits at the end of the year	<u>\$ 1,390,712</u>	<u>\$ 1,017,894</u>

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Statement of Appropriations and Expenditures
Year Ended December 31, 2015

WCPFC Budget Items 2015 Assessed and Voluntary Contributions General Account Fund Expenditure	Approved Budget 2015	Transfers	Revised Budget	Total Expenditures 31/12/15	Balance of Budget
Part 1 - Administrative Expenses of the Secretariat					
Sub-Item 1.1 Staff Costs					
Professional Staff Salary	991,340	(18,600)	972,740	903,543	69,197
Professional Staff Benefits and Allowances	984,190	(50,300)	933,890	859,884	74,006
Professional Staff Insurance	134,590	-	134,590	122,570	12,020
Recruitment/Repatriation	51,130	(8,200)	42,930	35,139	7,791
Support Staff	364,269	8,200	372,469	372,445	24
Total, sub-item 1.1	2,525,519	(68,900)	2,456,619	2,293,581	163,038
Sub-Item 1.2 Other Personnel Costs					
Temporary Assistance/Overtime	10,000	3,700	13,700	13,609	91
Chairs Expenses	20,000	800	20,800	20,762	38
Consultants	148,000	18,000	166,000	165,874	126
Total, sub-item 1.2	178,000	22,500	200,500	200,245	255
Sub-item 1.3 Official Travel					
	210,000	(4,500)	205,500	152,828	52,672
Sub-item 1.4 General Operating Expenses					
Electricity, Water, Sanitation	72,000	(6,300)	65,700	65,623	77
Communications/Courier	64,000	7,600	71,600	71,518	82
Office Supplies & Fuel	45,500	(6,500)	39,000	35,362	3,638
Publications and Printing	1,000	2,000	3,000	2,930	70
Audit	7,500	-	7,500	7,000	500
Bank Charges	6,000	3,900	9,900	9,803	97
Official Hospitality	11,000	700	11,700	11,607	93
Community Outreach	5,000	500	5,500	5,483	17
Miscellaneous Services	5,000	100	5,100	4,850	250
Security	64,360	15,000	79,360	79,075	285
Training	30,000	(17,000)	13,000	12,398	602
Total, sub-item 1.4	311,360	-	311,360	305,649	5,711
Sub-item 1.5 Capital Expenditure					
Vehicles	-	-	-	-	-
Information Technology	58,678	13,000	71,678	71,338	340
Website New Projects/Enhancements	8,000	5,800	13,800	13,739	61
Furniture and Equipment	32,000	23,500	55,500	55,168	332
Total, sub-item 1.5	98,678	42,300	140,978	140,245	733
Sub-item 1.6 Maintenance					
Vehicles	5,800	(3,000)	2,800	2,743	57
Information and Communication Technology	78,500	16,350	94,850	94,849	1
Buildings & Grounds	55,000	(6,250)	48,750	48,721	29
Gardeners and Cleaners	64,836	5,600	70,436	70,361	75
Insurance	27,000	(4,100)	22,900	22,866	34
Total, sub-item 1.6	231,136	8,600	239,736	239,540	196
Sub-item 1.7 Meeting Services					
Annual Session	173,000	(10,000)	163,000	162,727	273
Scientific Committee	160,000	(10,000)	150,000	145,317	4,683
Northern Committee	18,000	-	18,000	10,175	7,825
Technical and Compliance Committee	159,800	-	159,800	158,943	857
MOW Workshop	-	25,000	25,000	24,953	47
IWG ROP	70,000	(5,000)	65,000	4,975	60,025
IWG FADs	100,000	-	100,000	16,249	83,751
Total, sub-item 1.7	680,800	-	680,800	523,339	157,461
TOTAL, Part 1/Item 1	4,235,493	-	4,235,493	3,855,427	380,066

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Statement of Appropriations and Expenditures, Continued
Year Ended December 31, 2015

	Approved Budget 2015	Transfers	Revised Budget	Total Expenditures 31/12/15	Balance of Budget
Part 2 - Science & Technical & Compliance Programme					
Sub-item 2.1 Scientific Services (SPC)	871,200	-	871,200	871,200	-
Sub-item 2.2 Scientific Research					
Additional Resourcing SPC	160,000	-	160,000	160,000	-
Regional Tagging	10,000	-	10,000	10,000	-
Refinement of BE Tuna Biological Parameters	75,000	-	75,000	75,000	-
Limit Reference Points	25,000	-	25,000	15,478	9,522
WPEA Project Co-finance	25,000	-	25,000	25,000	-
Mitigation options for longline shark Bycatch	25,000	-	25,000	25,000	-
Technical Support for the MOW	30,000	-	30,000	-	30,000
Review skipjack fisheries on margins of conv. area	40,000	-	40,000	40,000	-
Total, sub-item 2.2	390,000	-	390,000	350,478	39,522
Sub-item 2.3 Technical & Compliance Programme					
ROP - Audit/Remediation	15,000	-	15,000	10,493	4,507
ROP - Special Projects and Research Activities	15,000	(5,000)	10,000	-	10,000
ROP - Training, Assistance & Development	30,000	-	30,000	22,896	7,104
Observer CMM booklet	8,500	5,000	13,500	12,562	938
ROP Data Management	923,904	-	923,904	923,904	-
Vessel Monitoring System - Capital Costs	20,000	(20,000)	-	-	-
Vessel Monitoring System - SLA Costs	405,000	6,000	411,000	410,447	553
Vessel Monitoring System - Airtime	95,000	80,000	175,000	173,881	1,119
Vessel Monitoring System - Security Audit	7,500	-	7,500	7,321	179
CCM/Staff VMS Training	40,000	(1,000)	39,000	10,954	28,046
VMS Redundancy Provision	18,700	(6,000)	12,700	6,350	6,350
Information Management System	100,000	1,000	101,000	100,998	2
Workshops/IATTC Cross Endor. Train.	25,000	-	25,000	19,483	5,517
AR Part 2/CMS Online Host. and Pub.	18,000	-	18,000	17,680	320
Targeted Capacity Building	13,000	-	13,000	11,031	1,969
Catch Documentation Workshop	50,000	(20,000)	30,000	10,609	19,391
E-Monitoring and E-Reporting Workshop	100,000	(20,000)	80,000	39,674	40,326
PS Improvement of Catch Composition	10,000	-	10,000	-	10,000
Port Coordinators	100,000	(20,000)	80,000	60,000	20,000
Regional Capacity Building Workshops	65,000	-	65,000	-	65,000
Total, item 2.3	2,059,604	-	2,059,604	1,838,283	221,321
TOTAL, Part 2/Item 2	3,320,804	-	3,320,804	3,059,961	260,843
Total, Parts 1 & 2	7,556,297	-	7,556,297	6,915,388	640,909

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2015
(With Comparative Totals as of December 31, 2014)

1. Organization

The Western and Central Pacific Fisheries Commission (the Commission) is an international organization established under the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the western and central Pacific Ocean. The Commission came into existence on 19th of June 2004 through force of the Convention. The Secretariat was established in September 2005 when the Executive Director took up his post.

The Commission is the organization through which state parties to the Convention seek to ensure, through effective management, the long term conservation and sustainable use of highly migratory fish stocks in the western and central Pacific Ocean in accordance with the United Nations Convention on the Law of the Sea of 10 December 1982 and the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks.

The subsidiary bodies of the Commission are a Scientific Committee, a Technical and Compliance Committee, a Northern Committee and a Finance and Administration Committee.

The Commission is currently concentrating on:

- (i) Implementing the decisions of the Annual Sessions of the Commission in relation to conservation and management measures;
- (ii) Monitoring the effect of the conservation and management measures adopted in terms of supporting the sustainable use, conservation and management of western and central Pacific fish stocks and improving data acquired from fisheries in the Convention Area as a basis for monitoring the fisheries supported by members;
- (iii) Operationalising an integrated system for monitoring, control and surveillance, as provided for in the Convention, including establishment of the Commission's Vessel Record and Authorizations to Fish, Procedures for Listing Vessels that have undertaken IUU fishing activities in the Convention Area, implementation of the High Seas Boarding and Inspection scheme, the satellite-based vessel monitoring system and the Regional Observer Programme;
- (iv) Administration of relationships with other Regional Fisheries Management Organizations;
- (v) Monitoring initiatives to establish an international convention for straddling fish stocks and discrete high seas fish stocks in the southern Pacific Ocean;
- (vi) Supporting efforts to improve data collection and research associated with tuna fisheries and the WCPO ecosystem including initiatives to scale up tuna tagging programmes;
- (vii) Supporting efforts to promote an ecosystems approach to fisheries (EAF) and its application to WCPO;
- (viii) Supporting efforts to mitigate the impacts of tuna fishing on non-target species and the marine ecosystem;
- (ix) Supporting initiatives to evaluate management options for WCPO tuna resources including the matter of allocation;
- (x) Monitoring and engagement with global efforts to address tuna fishing capacity concerns;
- (xi) Monitoring developments in the tuna industry; and
- (xii) The establishment of a fully functional Secretariat.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2015
(With Comparative Totals as of December 31, 2014)

2. Summary of Significant Accounting and Financial Reporting Policies of the Commission Scope

These financial statements primarily reflect the assets, liabilities and transactions relating to the General Account Fund. The Commission administers the following other funds:

- Working Capital Fund;
- Western Pacific East Asia Oceanic Fisheries Management Project Fund;
- U.S. Funds for Supporting E-Monitoring and E-Reporting
(Former Regional Observer Programme Support Fund)
- Special Requirements Fund;
- Japanese Trust Fund;
- Fees and Charges Trust Fund;
- Voluntary Contributions Fund; and
- FAO- ABNJ Project Fund

The Fees and Charges Trust Fund was established in 2010 following a decision by the Commission at WCPFC6 to impose a fee on non-member carrier and bunker vessels.

The accounts of the Commission are maintained in accordance with the financial regulations of the Commission and administrative instructions issued by the Executive Director of the Commission. They also take into account certain accounting standards adopted by the United Nations Common System.

The Commission accounts are maintained on a fund accounting basis. The funds are maintained as distinct financial and accounting entities.

The financial period of the Commission consists of a calendar year. The financial statements presented are for the calendar year 1 January to 31 December 2015.

Generally, income, expenditure, assets, and liabilities are recognized on the accrual basis of accounting (please refer "Assets" hereunder).

The accounts of the Commission are presented in United States Dollars (USD). Accounts maintained in other currencies are translated into USD at the time of the translation at the current rates of exchange.

Income

The amounts necessary to finance the activities of the Commission are assessed to Member States according to the agreed scale of assessments set out in the Commission's Financial Regulations. Interest income includes interest earned on various bank accounts and term deposits.

Expenditure

All General Account Fund expenditures are recorded against allocated lines of budgetary appropriation.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements

December 31, 2015

(With Comparative Totals as of December 31, 2014)

2. Summary of Significant Accounting and Financial Reporting Policies of the Commission Scope, Continued

Assets

Cash and short-term deposits comprise of funds on deposit in operating accounts, interest bearing bank accounts, and petty cash holdings.

The asset Contributions receivable is matched by a Provision for delays in collection of the outstanding contributions, in accordance with United Nations System Accounting Standards. This is done in the interests of prudence and no judgment is made about collectability.

Acquisition of capital assets are charged against expenditure accounts in the year of purchase, hence furniture, equipment and other non-expendable property are not included in the assets of the Commission appearing in the Statement of Assets, Liabilities, and Fund Balance. The estimated total of non-expendable property held by the Commission is stated in note 6.

Use of Estimates

The preparation of financial statements may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and any adjustments that may be necessary would be reflected in the year in which actual results are known.

Taxation

The Commission is exempt from taxes and custom duties as follows:

Within the scope of the official activities, the Commission, its property, premises and assets and its income, including contributions made to the Commission under the Convention, shall be exempt from all national taxes. Goods, including the Commission's publications, motor vehicles and items for official entertainment purposes that are intended for the official use of the Commission shall be exempt from all customs and excise duties payable at customs, except payment for services.

Goods imported or purchased under an exemption shall not be sold or otherwise disposed of in the Federated States of Micronesia, except under conditions agreed in advance with the Government.

The Commission is subject to Pohnpei State Tax but has an arrangement in place with the national government for that tax to be reimbursed.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2015
(With Comparative Totals as of December 31, 2014)

3. Cash and Short-Term Deposits

Funds being held in the name of the Commission but which are not included in the General Account Fund statements amounted to \$7,676,084. These funds are:

<u>Fund</u>	<u>2015</u>	<u>2014</u>
Working Capital Fund	\$ 1,845,353	\$ 1,770,933
Western Pacific East Asia Oceanic Fisheries Management Project Fund	1,948,771	2,334,108
U.S. Funds for Supporting E-Monitoring and E-Reporting	9,992	27,528
Special Requirements Fund	12,427	77,846
Japanese Trust Fund	15,765	15,472
Fees and Charges Trust Fund	221,143	269,994
Voluntary Contributions Fund	1,113,048	918,413
FAO- ABNJ Project Fund	<u>2,509,585</u>	<u>3,196,139</u>
Total	\$ <u>7,676,084</u>	\$ <u>8,610,433</u>

4. Provision for Delays in the Receipt of Contributions Receivable

The provisions of \$438,056 in 2015 are derived as follows:

	<u>2015</u>	<u>2014</u>
Assessed member contributions for the approved current year budget	\$ 6,741,525	\$ 6,729,143
<u>Add</u> Outstanding contributions as at beginning of year	<u>455,279</u>	<u>171,822</u>
Total member contributions available for collection	7,196,804	6,900,965
<u>Less</u> current year contributions received	<u>6,303,469</u>	<u>6,280,364</u>
Provision for delayed contributions	893,335	620,601
<u>Less</u> prior year contributions received in current year	<u>455,279</u>	<u>165,322</u>
Total provision as at end of year	\$ <u>438,056</u>	\$ <u>455,279</u>

5. Transfer of Excess Funds to the Working Capital Fund

Transfers of \$1,096,279 did not take place in the 2015 calendar year but will take place at the beginning of the 2016 calendar year.

6. Non-Expendable Property

A lease and grant for the Commission's headquarters building were obtained at no charge during 2007. The cost value of the building has been estimated at \$2.9 million.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2015
(With Comparative Totals as of December 31, 2014)

7. Other Funds

Working Capital Fund

The balance of the Working Capital Fund as at December 31, 2015 totaled \$1,845,353. A copy of the financial statements related to the Working Capital Funds is on page 13.

Western Pacific East Asia Oceanic Fisheries Management Project Fund

The balance of the Western Pacific East Asia Oceanic Fisheries Management Project Fund as at December 31, 2015 totaled \$1,948,771. A copy of the financial statements related to the fund is at page 14.

U.S. Funds for Supporting E-Monitoring and E-Reporting

The balance of the U.S. Funds for Supporting E-Monitoring and E-Reporting as at December 31, 2015 totaled \$9,992. A copy of the financial statement related to the fund is on page 15.

Special Requirements Fund

The balance of the Special Requirements Fund as at December 31, 2015 totaled \$12,427. A copy of the financial statements related to the fund is on page 16.

Japanese Trust Fund

The balance of the Japanese Trust Fund as at December 31, 2015 totaled \$15,765. A copy of the financial statements related to the fund is on page 17.

Fees and Charges Trust Fund

The balance of the Fees and Charges Trust Fund as at December 31, 2015 totaled \$221,143. A copy of the financial statements related to the fund is on page 18.

Voluntary Contributions Fund

The balance of the Voluntary Contributions Fund as at December 31, 2015 totaled \$1,113,048. A copy of the financial statements related to the fund is on page 19.

FAO - ABNJ Project Fund

The balance of the FAO-ABNJ Project Fund as at December 31, 2015 totaled \$2,509,585. A copy of the financial statements related to the fund is on page 20.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2015
(With Comparative Totals as of December 31, 2014)

7. Other Funds, Continued

Working Capital Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
Income and Other Additions:		
Balance brought forward from prior year	\$ 1,770,933	\$ 1,730,167
General Account Surplus, savings on prior year obligations and prior year's contributions received	673,501	418,486
Interest	<u>1,607</u>	<u>2,280</u>
Total income	<u>2,446,041</u>	<u>2,150,933</u>
Expenditures	<u>600,688</u>	<u>380,000</u>
Fund balance	\$ <u>1,845,353</u>	\$ <u>1,770,933</u>

Working Capital Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2015
(With Comparative Totals as of December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash at bank	\$ 471,957	\$ 752,703
Money market account	718,185	717,471
Due from General Account Fund	<u>655,211</u>	<u>418,531</u>
Total assets	<u>1,845,353</u>	<u>1,888,705</u>
<u>Liabilities</u>		
Liabilities	<u>-</u>	<u>117,772</u>
<u>Fund balance</u>	\$ <u>1,845,353</u>	\$ <u>1,770,933</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2015
(With Comparative Totals as of December 31, 2014)

7. Other Funds, Continued

Western Pacific East Asia Oceanic Fisheries Management Project Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
Income and Other Additions:		
Balance brought forward from prior year	\$ 2,334,108	\$ 268,111
Contribution:		
UNDP	-	2,233,578
Japan Trust Fund	-	38,180
WCPFC GAF co-financing	25,000	25,000
Interest	<u>232</u>	<u>211</u>
Total income	<u>2,359,340</u>	<u>2,565,080</u>
Expenditures	<u>410,569</u>	<u>230,972</u>
Fund balance	\$ <u>1,948,771</u>	\$ <u>2,334,108</u>

Western Pacific East Asia Oceanic Fisheries Management Project Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2015
(With Comparative Totals as of December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash at bank	\$ 103,242	\$ 179,139
Money market account	76,852	76,808
Prepaid expense	566	566
Tranche payment from UNDP	1,813,101	2,065,178
Due from Japanese Trust Fund	-	38,180
Due from General Account Fund	<u>25,000</u>	<u>-</u>
Total assets	<u>2,018,761</u>	<u>2,359,871</u>
<u>Liabilities</u>		
Accounts payable	-	1,973
Due to General Account Fund	<u>69,990</u>	<u>23,790</u>
Total liabilities	<u>69,990</u>	<u>25,763</u>
<u>Fund balance</u>	\$ <u>1,948,771</u>	\$ <u>2,334,108</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
 December 31, 2015
 (With Comparative Totals as of December 31, 2014)

7. Other Funds, Continued

U.S. Funds for Supporting E-Monitoring and E-Reporting
 (Former Regional Observer Programme Support Fund)
 Schedule of Income and Expenditures and Changes in Fund Balance
 Year Ended December 31, 2015
 (With Comparative Totals for the Year Ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
Income and Other Additions:		
Balance brought forward from prior year	\$ 27,528	\$ 118,799
Interest	<u>64</u>	<u>133</u>
Total income	<u>27,592</u>	<u>118,932</u>
Expenditures	<u>17,600</u>	<u>91,404</u>
Fund balance	\$ <u>9,992</u>	\$ <u>27,528</u>

U.S. Funds for Supporting E-Monitoring and E-Reporting
 (Former Regional Observer Programme Support Fund)
 Schedule of Assets, Liabilities and Fund Balance
 December 31, 2015
 (With Comparative Totals as of December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash at bank	\$ 18,675	\$ 79,032
Due from Voluntary Contributions Fund	<u>8,917</u>	<u>-</u>
Total assets	<u>27,592</u>	<u>79,032</u>
<u>Liabilities</u>		
Unliquidated obligations	17,600	36,517
Due to General Account Fund	<u>-</u>	<u>14,987</u>
Total liabilities	<u>17,600</u>	<u>51,504</u>
<u>Fund balance</u>	\$ <u>9,992</u>	\$ <u>27,528</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
 December 31, 2015
 (With Comparative Totals as of December 31, 2014)

7. Other Funds, Continued

Special Requirements Fund
 Schedule of Income and Expenditures and Changes in Fund Balance
 Year Ended December 31, 2015
 (With Comparative Totals for the Year Ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
Income and Other Additions:		
Balance brought forward from prior year	\$ 77,846	\$ 83,906
Interest	<u>60</u>	<u>100</u>
Total income	<u>77,906</u>	<u>84,006</u>
Expenditures:		
Project expenditures	65,479	-
TCC Chair travel to WCPFC11	<u>-</u>	<u>6,160</u>
Total expenditures	<u>65,479</u>	<u>6,160</u>
Fund balance	\$ <u>12,427</u>	\$ <u>77,846</u>

Special Requirements Fund
 Schedule of Assets, Liabilities and Fund Balance
 December 31, 2015
 (With Comparative Totals as of December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash at bank	\$ <u>32,905</u>	\$ <u>77,846</u>
Total assets	<u>32,905</u>	<u>77,846</u>
<u>Liabilities</u>		
Due to General Account Fund	<u>20,478</u>	<u>-</u>
<u>Fund balance</u>	\$ <u>12,427</u>	\$ <u>77,846</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2015
(With Comparative Totals as of December 31, 2014)

7. Other Funds, Continued

Japanese Trust Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
Income and Other Additions:		
Balance brought forward from prior year	\$ 15,472	\$ 15,477
Contribution from Japan	151,950	354,195
Interest	<u>298</u>	<u>-</u>
Total income	<u>167,720</u>	<u>369,672</u>
Expenditures:		
Payments for projects	140,554	354,200
Administrative expenditures	<u>11,401</u>	<u>-</u>
Total expenditures	<u>151,955</u>	<u>354,200</u>
Fund balance	\$ <u>15,765</u>	\$ <u>15,472</u>

Japanese Trust Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2015
(With Comparative Totals as of December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash at bank	\$ <u>40,222</u>	\$ <u>102,820</u>
Total assets	<u>40,222</u>	<u>102,820</u>
<u>Liabilities</u>		
Unliquidated obligations	24,457	62,637
Due to General Account Fund	<u>-</u>	<u>24,711</u>
Total liabilities	<u>24,457</u>	<u>87,348</u>
<u>Fund balance</u>	\$ <u>15,765</u>	\$ <u>15,472</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2015
(With Comparative Totals as of December 31, 2014)

7. Other Funds, Continued

Fees and Charges Trust Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2015
(With Comparative Totals as of December 31, 2014)

	<u>2015</u>	<u>2014</u>
Income and Other Additions:		
Balance brought forward from prior year	\$ 269,994	\$ 415,871
Carrier and bunker fees		-
Contributing non-members	183,237	177,889
Interest	<u>199</u>	<u>289</u>
Total income	<u>453,430</u>	<u>594,049</u>
Expenditures:		
Fund transfer	174,773	195,730
Bank fees and other charges	40	-
Write off of CNM prior year unpaid contributions	<u>57,474</u>	<u>128,325</u>
Total expenditures	<u>232,287</u>	<u>324,055</u>
Fund balance	\$ <u>221,143</u>	\$ <u>269,994</u>

Fees and Charges Trust Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2015
(With Comparative Totals as of December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash at bank	\$ 223,000	\$ 107,564
Uncollected contributions from CNMs	13,552	57,474
Due from General Fund	<u>-</u>	<u>120,395</u>
Total assets	<u>236,552</u>	<u>285,433</u>
<u>Liabilities</u>		
Advance payments by CNMs	2,867	2,897
Carrier and bunker fees to be returned	<u>12,542</u>	<u>12,542</u>
Total liabilities	<u>15,409</u>	<u>15,439</u>
<u>Fund balance</u>	\$ <u>221,143</u>	\$ <u>269,994</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2015
(With Comparative Totals as of December 31, 2014)

7. Other Funds, Continued

Voluntary Contributions Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2015
(With Comparative Totals as of December 31, 2014)

	<u>2015</u>	<u>2014</u>
Income:		
Balance brought forward from prior year	\$ 918,413	\$ 157,353
Contribution from China	25,000	24,796
Western Pacific Reg'l Fishery Mtg Council contribution	-	160,000
FSM TCC and SC contribution	5,000	2,500
FAO	52,423	-
ISSF	60,000	-
USA	85,000	-
Australia	15,546	-
NFA-PNG Project 30	-	10,000
Korea- Tagging Project	345,846	89,752
European Union	609,550	631,021
Interest	<u>276</u>	<u>256</u>
Total income	<u>2,117,054</u>	<u>1,075,678</u>
Expenditures:		
Project expenditures	<u>1,004,006</u>	<u>157,265</u>
Total expenditures	<u>1,004,006</u>	<u>157,265</u>
Fund balance	\$ <u>1,113,048</u>	\$ <u>918,413</u>

Voluntary Contributions Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2015
(With Comparative Totals as of December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash in USD accounts	\$ 385,419	\$ 312,891
Cash in Euro accounts	284,677	84,927
Tranche payment owed to Commission	582,771	546,094
Due from General Account Fund	<u>198,075</u>	<u>24,796</u>
Total assets	<u>1,450,942</u>	<u>968,708</u>
<u>Liabilities</u>		
Unidentified Deposits	15,332	-
Due to U.S. Funds for Supporting E-Monitoring and E-Reporting	8,917	-
Due to General Account Fund	89,522	9,271
Unliquidated obligations	<u>224,123</u>	<u>41,024</u>
Total liabilities	<u>337,894</u>	<u>50,295</u>
<u>Fund balance</u>	\$ <u>1,113,048</u>	\$ <u>918,413</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2015
(With Comparative Totals as of December 31, 2014)

7. Other Funds, Continued

FAO- ABNJ Project Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2015
(With Comparative Totals as of December 31, 2014)

	<u>2015</u>	<u>2014</u>
Income:		
Balance brought forward from prior year	\$ 3,196,139	\$ -
FAO Funding	-	3,245,500
Interest	<u>492</u>	<u>7</u>
Total income	<u>3,196,631</u>	<u>3,245,507</u>
Expenditures:		
Project expenditures	<u>687,046</u>	<u>49,368</u>
Total expenditures	<u>687,046</u>	<u>49,368</u>
Fund balance	\$ <u>2,509,585</u>	\$ <u>3,196,139</u>

FAO- ABNJ Project Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2015
(With Comparative Totals as of December 31, 2014)

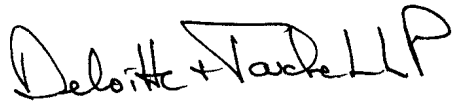
	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash in bank	\$ 180,297	\$ 649,007
Tranche payment from UNDP	<u>2,596,500</u>	<u>2,596,500</u>
Total assets	<u>2,776,797</u>	<u>3,245,507</u>
<u>Liabilities</u>		
Due to General Account Fund	29,087	49,063
Accounts payable	-	305
Unliquidated obligations	<u>238,125</u>	<u>-</u>
Total liabilities	<u>267,212</u>	<u>49,368</u>
<u>Fund balance</u>	\$ <u>2,509,585</u>	\$ <u>3,196,139</u>

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
SECTION 12.4(C) OF THE COMMISSION'S FINANCIAL REGULATIONS**

The Executive Director
Western and Central Pacific Fisheries Commission:

We have audited the general account fund statement of assets, liabilities and fund balance of the Western and Central Pacific Fisheries Commission (the Commission) as of December 31, 2015 and the related statements of income and expenditures and changes in fund balance, of cash flows and appropriations and expenditures for the year then ended, and have issued our report thereon dated July 13, 2016.

As a result of our audit, no instances came to our attention to indicate noncompliance with the Commission's financial regulation 12.4(c).

A handwritten signature in black ink that reads "Deloitte + Touche LLP". The signature is written in a cursive, slightly stylized font.

July 13, 2016



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Tamuning, GU 96913-3911
USA
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July 13, 2016

The Chair
Western and Central Pacific Fisheries Commission

Dear Chair:

We have performed an audit of the financial statements of Western and Central Pacific Fisheries Commission (the Commission) as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America ("generally accepted auditing standards") and have issued our report thereon dated July 13, 2016.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the Commission is responsible.

OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS

Our responsibility under generally accepted auditing standards has been described to you in our engagement letter dated March 14, 2016, a copy of which has been provided to you. As described in that letter, the objective of a financial statement audit conducted in accordance with generally accepted auditing standards is to express an opinion on the fairness of the presentation of the Commission's financial statements in conformity with the financial regulations of the Commission and certain accounting standards adopted by other international organizations, in all material respects. Our responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the financial statements that have been prepared by us with the oversight of management and the Board of Directors are presented fairly, in all material respects, in conformity with those accounting standards. The audit of the financial statements does not relieve management or the Board of Directors of their responsibilities.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether caused by fraud or error. In making those risk assessments, we considered internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the operating effectiveness of the Commission's internal control over financial reporting. Our consideration of internal control over financial reporting was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

SIGNIFICANT ACCOUNTING POLICIES

The Commission's significant accounting policies are set forth in note 2 to the Commission's 2015 financial statements. During the year ended December 31, 2015, there were no significant changes in previously adopted accounting policies or their application.

ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared with the oversight of management and are based on management's current judgments. Those judgments are ordinarily based on knowledge and experience about past and current events and on assumptions about future events. We are not aware of any significant changes in accounting estimates or in management's judgments relating to such estimates during the year ended December 31, 2015.

MATERIAL CORRECTED MISSTATEMENTS

Our audit of the financial statements was designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Included as Attachment I is a summary of corrected misstatements which were brought to the attention of management as a result of our audit procedures and were corrected by management during the current period.

OTHER INFORMATION IN THE ANNUAL REPORT

The 2015 audited financial statements were not included in documents containing other information such as the Commission's Annual Report as of the date of this letter.

DISAGREEMENTS WITH MANAGEMENT

We have not had any disagreements with management related to matters that are material to the Commission's 2015 financial statements.

OUR VIEWS ABOUT SIGNIFICANT MATTERS THAT WERE THE SUBJECT OF CONSULTATION WITH OTHER ACCOUNTANTS

We are not aware of any consultations that management may have had with other accountants about auditing and accounting matters during 2015.

SIGNIFICANT FINDINGS OR ISSUES DISCUSSED, OR SUBJECT OF CORRESPONDENCE, WITH MANAGEMENT PRIOR TO OUR RETENTION

Throughout the year, no routine discussions regarding the application of accounting principles or auditing standards were held with management in connection with transactions that have occurred, transactions that are contemplated, or reassessment of current circumstances. In our judgment, no such discussions were held in connection with our retention as auditors.

OTHER SIGNIFICANT FINDINGS OR ISSUES ARISING FROM THE AUDIT DISCUSSED, OR SUBJECT OF CORRESPONDENCE, WITH MANAGEMENT

Throughout the period, routine discussions were held, or were the subject of correspondence, with management. In our judgment, such discussions or correspondence did not involve significant findings or issues requiring communication to the Board of Directors.

MANAGEMENT'S REPRESENTATIONS

We have made specific inquiries of the Commission's management about the representations embodied in the financial statements. Additionally, we have requested that management provide to us the written representations the Commission is required to provide to its independent auditors under generally accepted auditing standards. We have attached to this letter, as Attachment II, a copy of the representation letter we obtained from management.

SIGNIFICANT DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

In our judgment, we received the full cooperation of the Commission's management and staff and had unrestricted access to the Commission's senior management in the performance of our audit.

OTHER MATERIAL WRITTEN COMMUNICATIONS

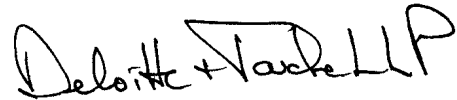
There were no other material written communications between management and us related to the audit of the financial statements for the year ended December 31, 2015.

* * * * *

We wish to thank the staff and management of the Commission for their cooperation and assistance during the course of this engagement.

This report is intended solely for the information and use of management, the Board of Directors and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Deloitte + Touche LLP". The signature is written in a cursive, slightly stylized font.

Attachment I

Journal Entries - AJE

GL	Name	Debit	Credit
1 AJE Foreign exchange conversion of BNC Voluntary Fund			
53097	Currency Gain/Loss	109,985.00	-
10230	BNC Voluntary Fund	-	109,985.00
		<u>109,985.00</u>	<u>109,985.00</u>
2 AJE Bank reconciliation			
10240.1	GAF Operating (BoG Checking)	211,506.00	-
28150	Unliquidated Obligations	-	211,506.00
		<u>0.00</u>	<u>109,985.00</u>

The above corrected misstatements do not represent fraud or illegal acts.



Aaron Nighswander
Finance and Administration Manager



July 13, 2016

Deloitte & Touche Inc.
P. O. Box 753
Kolonja, Pohnpei 96941

Gentlemen:

In connection with your audit of the general account fund statement of assets, liabilities and fund balance as of December 31, 2015, and the related statements of income and expenditures and changes in fund balance, cash flows and appropriations and expenditures for the year then ended of the Western and Central Pacific Fisheries Commission (the Commission or "WCPFC") for the purpose of expressing an opinion as to whether these statements present fairly the financial position, results of operations and cash flows of the Western and Central Pacific Fisheries Commission in conformity with accounting principles described in Note 2 to those financial statements, we confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. We are responsible for the fair presentation in the statements of financial position, activities, and cash flows in conformity with accounting principles described in Note 2 to the financial statements. We understand that, as is customary, your audit was made in accordance with auditing standards generally accepted in the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as you considered necessary in the circumstances for the purpose of expressing an opinion on the financial statements. We note that the auditing standards generally accepted in the United States of America are consistent with the generally accepted auditing standards mentioned in the Commission's finance regulation 12.4. We also confirm that we are responsible for the design and implementation of programs and controls to prevent and detect fraud. We also understand that certain representations in this letter are being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of the surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. We confirm, to the best of our knowledge and belief that the financial statements and additional information referred to above are fairly presented on the basis of accounting described in Note 2 to those financial statements.

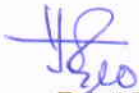
2. We have made available to you all -
 - a. Financial records and related data.
 - b. Rules of Procedures as adopted at the Inaugural Session, financial regulations, the Headquarters Agreement and the staff regulations pertinent to the operations of the Commission.
3. WCPFC has provided to you all relevant information and access as agreed in the terms of the audit engagement letter.
4. There have been no -
 - a. Fraud involving management or employees who have significant roles in the system of internal control.
 - b. Fraud involving other employees that could have a material effect on the financial statements.
 - c. Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.
5. There have been no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
6. We have advised you that there are no -
 - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
7. There are no unasserted claims or assessments that are probable of assertion and must be disclosed. We have not consulted an attorney concerning any such matters as we are not aware of any potential litigation or claims that are outstanding or that have been asserted.

Except where otherwise stated below, matters less than \$38,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to, or disclosure in, the financial statements.

8. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
9. WCPFC has satisfactory title to all owned assets and there are no liens or encumbrances on such assets nor has any asset been pledged.

10. We have complied with the aspects of contractual agreements that have a material effect on the financial statements in the event of noncompliance.
11. WCPFC has not performed a formal risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud. However, management has made available to you their understanding about the risks of fraud in WCPFC and do not believe that the financial statements are materially misstated as a result of fraud.
12. No events have occurred subsequent to the balance sheet date and to the date of our signatures below that could require adjustment to or disclosure in the financial statements.
13. In preparing the financial statements in conformity with the basis of accounting described in Note 2 to the financial statements, management makes estimates. The WCPFC secretariat is aware of its responsibilities to disclose in the financial statements all estimates where it is reasonably possible that the estimates will change in the near future and the effect of the change could be material to the financial statements. However, we do not believe that any events have occurred to the date of this letter, which would require revisions to the estimates used in the preparation of the aforementioned financial statements.
14. We have included certain comparative financial information from the prior year's financial statements in accordance with Section 11.2 of the Financial Regulations, which provides that the Executive Director shall give such other information as may be appropriate to indicate the financial position of the Commission.

Very truly yours,



Feleti Teo
Executive Director



Aaron Nighswander
Finance and Administration Manager