



**FOURTEENTH REGULAR SESSION
FINANCE AND ADMINISTRATION COMMITTEE
Eleventh Session
Manila, Philippines
2 - 7 December 2017**

**AUDITOR'S REPORT FOR 2016 AND GENERAL ACCOUNT FUND
FINANCIAL STATEMENTS FOR 2016**

**WCPFC14-2017-FAC11-04
19 October 2017**

Purpose

1. The purpose of this paper is to table for the consideration of FAC11 and WCPFC14 the Auditor's Report for 2016 and the General Account fund financial statements for 2016.

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 2017. 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 2016 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 19 July 2017.

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 2016: the Working Capital Fund; Special Requirements Fund; Chinese Taipei Trust Fund; 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, 2016, 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 USD343,662. In addition to the surplus, prior years' contributions of USD438,056 were paid by some Members in 2016. In accordance with Financial Regulation 4.4 these balances were 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, 2016

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, 2016, and the related statements 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

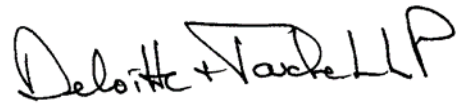
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general account fund of the Commission as of December 31, 2016, and the results of its operations and its cash flows for the year then ended on the basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes 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 June 30, 2017, 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 + Tuckers LLP". The signature is written in a cursive, stylized font.

June 30, 2017

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

General Account Fund
Statement of Assets, Liabilities and Fund Balance
December 31, 2016
(With Comparative Totals as of December 31, 2015)

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Cash and short-term deposits	\$ 1,753,506	\$ 1,390,712
Contributions receivable	134,339	438,056
Less provision for delayed contributions	(134,339)	(438,056)
Due from other funds	74,252	209,076
Accounts receivable	38,872	27,633
Other assets and advance payments	29,211	24,430
Total assets	<u>\$ 1,895,841</u>	<u>\$ 1,651,851</u>
<u>Liabilities and Fund Balance</u>		
Unliquidated obligations	\$ 623,670	\$ 432,817
Accounts payable	20,059	2,553
Member contributions in advance	122,323	87,219
Due to other funds	829,552	878,286
Accrued entitlements	290,075	243,480
Income tax payable	10,058	7,468
Capitalized security in social security	104	28
Total liabilities and fund balance	<u>\$ 1,895,841</u>	<u>\$ 1,651,851</u>

See accompanying notes to financial statements.



Feleti 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, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
<u>Income</u>		
Contributions:		
Assessed contributions	\$ 7,231,431	\$ 6,741,525
Total contributions income	7,231,431	6,741,525
Miscellaneous income:		
Interest	3,399	2,877
Other	491,573	786,169
Total income	<u>7,726,403</u>	<u>7,530,571</u>
<i>Less</i>		
Expenditures	<u>7,238,402</u>	<u>6,915,388</u>
Excess of income over expenditures	488,001	615,183
<i>Less</i>		
Delayed contributions	<u>134,339</u>	<u>438,056</u>
Net excess of income over expenditures	353,662	177,127
Fund balance at beginning of year	-	-
Transfer to Working Capital Fund	<u>(353,662)</u>	<u>(177,127)</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, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Net excess of income over expenditures	\$ 353,662	\$ 177,127
Decrease in other accounts receivable	123,585	31,061
Increase in other assets and advance payments	(4,781)	(8,641)
Increase (decrease) in advances from member states	35,104	(4,435)
Increase (decrease) in unliquidated obligations	190,853	(4,611)
Increase in other liabilities	18,033	359,444
Net cash provided by operating activities	716,456	549,945
Transfer to Working Capital Fund	(353,662)	(177,127)
Net change in cash and short-term deposits	362,794	372,818
Cash and short-term deposits at beginning of year	1,390,712	1,017,894
Cash and short-term deposits at end of year	<u>\$ 1,753,506</u>	<u>\$ 1,390,712</u>

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Statement of Appropriations and Expenditures
Year Ended December 31, 2016

WCPFC Budget Items 2016 Assessed and Voluntary Contributions General Account Fund Expenditure	Approved Budget 2016	Transfers	Revised Budget	Total Expenditures 31/12/16	Balance of Budget
Part 1 - Administrative Expenses of the Secretariat					
Sub-Item 1.1 Staff Costs					
Professional Staff Salary	973,064	(28,000)	945,064	889,150	55,914
Professional Staff Benefits and Allowances	987,338	(35,000)	952,338	828,076	124,262
Professional Staff Insurance	125,560	7,000	132,560	132,131	429
Recruitment/Repatriation	56,695	(22,000)	34,695	10,314	24,381
Support Staff	370,253	22,000	392,253	391,855	398
Total, sub-item 1.1	2,512,910	(56,000)	2,456,910	2,251,526	205,384
Sub-Item 1.2 Other Personnel Costs					
Temporary Assistance/Overtime	10,000	-	10,000	9,772	228
Chairs Expenses	20,000	3,300	23,300	23,253	47
Consultants	138,000	(3,300)	134,700	127,878	6,822
Total, sub-item 1.2	168,000	-	168,000	160,903	7,097
Sub-item 1.3 Official Travel	210,000	-	210,000	149,679	60,321
Sub-item 1.4 General Operating Expenses					
Electricity, Water, Sanitation	70,000	(19,100)	50,900	49,870	1,030
Communications/Courier	67,000	-	67,000	66,645	355
Office Supplies & Fuel	45,500	30	45,530	45,530	-
Publications and Printing	1,000	-	1,000	939	61
Audit	7,500	(500)	7,000	7,000	-
Bank Charges	6,500	3,600	10,100	10,076	24
Official Hospitality	20,000	420	20,420	20,419	1
Community Outreach	8,000	60	8,060	8,058	2
Miscellaneous Services	5,000	800	5,800	5,766	34
Security	83,303	12,590	95,893	95,491	402
Training	25,000	-	25,000	7,683	17,317
Total, sub-item 1.4	338,803	(2,100)	336,703	317,477	19,226
Sub-item 1.5 Capital Expenditure					
Vehicles	20,000	200	20,200	20,183	17
Information Technology	58,678	-	58,678	58,573	105
Website New Projects/Enhancements	8,000	(2,000)	6,000	6,000	-
Furniture and Equipment	32,000	3,900	35,900	35,842	58
Total, sub-item 1.5	118,678	2,100	120,778	120,598	180
Sub-item 1.6 Maintenance					
Vehicles	5,800	1,800	7,600	7,588	12
Information and Communication Technology	78,500	55,500	134,000	133,560	440
Buildings & Grounds	56,500	(5,400)	51,100	51,054	46
Gardeners and Cleaners	77,074	800	77,874	77,849	25
Insurance	23,000	3,300	26,300	26,230	70
Total, sub-item 1.6	240,874	56,000	296,874	296,281	593
Sub-item 1.7 Meeting Services					
Annual Session	165,000	60,000	225,000	216,847	8,153
Scientific Committee	192,000	(33,900)	158,100	150,102	7,998
Northern Committee	18,000	(6,900)	11,100	9,086	2,014
Technical and Compliance Committee	159,800	(9,300)	150,500	150,462	38
IWG FADs	50,000	(15,800)	34,200	33,333	867
WCPFC Planning Framework	39,500	5,900	45,400	45,373	27
Total, sub-item 1.7	624,300	-	624,300	605,203	19,097
TOTAL, Part 1/Item 1	4,213,565	-	4,213,565	3,901,667	311,898

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Statement of Appropriations and Expenditures, Continued
Year Ended December 31, 2016

	Approved Budget 2016	Transfers	Revised Budget	Total Expenditures 31/12/16	Balance of Budget
Part 2 - Science & Technical & Compliance Programme					
Sub-item 2.1 <i>Scientific Services (SPC)</i>	871,200	-	871,200	871,200	-
Sub-item 2.2 <i>Scientific Research</i>					
Additional Resourcing SPC	160,000	-	160,000	160,000	-
Pacific Tuna Tagging Project	10,000	-	10,000	10,000	-
Refinement of BET Biological Parameters	50,000	5,000	55,000	55,000	-
Limit Reference Points	25,000	-	25,000	-	25,000
WPEA Project Co-finance	25,000	-	25,000	25,000	-
Skipjack Impacts on Margins of Conv. Area	40,000	-	40,000	40,000	-
Paired Sampling and Unloading Data Comparison	50,000	-	50,000	50,000	-
Maintenance of WCPFC Tissue Bank	80,000	-	80,000	80,000	-
Shark Monte Carlo Mitigation Analysis	25,000	-	25,000	25,000	-
Technical Support for the MOW	30,000	(5,000)	25,000	9,032	15,968
Total, sub-item 2.2	495,000	-	495,000	454,032	40,968
Sub-item 2.3 <i>Technical & Compliance Programme</i>					
ROP - Audit/Remediation	15,000	(10,000)	5,000	1,833	3,167
ROP - Special Projects and Research Activities	30,000	(20,000)	10,000	-	10,000
ROP - Training, Assistance & Development	20,000	(4,000)	16,000	7,912	8,088
Observer CMM booklet	15,000	(3,000)	12,000	11,882	118
ROP Data Management	923,904	-	923,904	923,904	-
Vessel Monitoring System - Capital Costs	20,000	-	20,000	1,600	18,400
Vessel Monitoring System - SLA Costs	450,000	(35,000)	415,000	411,957	3,043
Vessel Monitoring System - Airtime	131,125	86,000	217,125	216,658	467
Vessel Monitoring System - Security Audit	7,500	-	7,500	7,041	459
CCM/Staff VMS Training	60,000	-	60,000	59,346	654
VMS Redundancy Provision	18,700	(10,000)	8,700	6,000	2,700
Information Management System	100,000	1,000	101,000	100,778	222
Workshops/IATTC Cross Endor. Train.	28,000	1,600	29,600	29,519	81
AR Part 2/CMS Online Host. and Pub.	18,000	(1,600)	16,400	10,000	6,400
Targeted Capacity Building	50,000	-	50,000	16,086	33,914
Catch Documentation Workshop	35,000	-	35,000	7,654	27,346
E-Monitoring and E-Reporting Workshop	25,000	3,000	28,000	27,096	904
Port Coordinators	75,000	(8,000)	67,000	45,000	22,000
Regional Capacity Building Workshops	130,000	-	130,000	127,237	2,763
Total, sub-item 2.3	2,152,229	-	2,152,229	2,011,503	140,726
TOTAL, Part 2/Item 2	3,518,429	-	3,518,429	3,336,735	181,694
Total, Parts 1 & 2	7,731,994	-	7,731,994	7,238,402	493,592

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2016
(With Comparative Totals as of December 31, 2015)

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, 2016
(With Comparative Totals as of December 31, 2015)

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;
- Special Requirements Fund;
- Japanese Trust Fund;
- Fees and Charges Trust Fund;
- Voluntary Contributions Fund;
- FAO- ABNJ Project Fund; and
- Chinese Taipei Trust Fund

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 2016.

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, 2016
(With Comparative Totals as of December 31, 2015)

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 interest 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, 2016
(With Comparative Totals as of December 31, 2015)

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 \$13,382,303. These funds are:

<u>Fund</u>	<u>2016</u>	<u>2015</u>
Working Capital Fund	\$ 2,346,768	\$ 1,845,353
Western Pacific East Asia Oceanic Fisheries Management Project Fund	4,901,470	1,948,771
U.S. Funds for Supporting E-Monitoring and E-Reporting	-	9,992
Special Requirements Fund	48,819	12,427
Japanese Trust Fund	15,851	15,765
Fees and Charges Trust Fund	293,518	221,143
Voluntary Contributions Fund	1,582,413	1,113,048
FAO- ABNJ Project Fund	2,193,464	2,509,585
Chinese Taipei Trust Fund	<u>2,000,000</u>	<u>-</u>
Total	\$ <u>13,382,303</u>	\$ <u>7,676,084</u>

4. Provision for Delays in the Receipt of Contributions Receivable

The provisions of \$134,339 in 2016 are derived as follows:

	<u>2016</u>	<u>2015</u>
Assessed member contributions for the approved current year budget	\$ 7,231,431	\$ 6,741,525
<u>Add</u> outstanding contributions as at beginning of year	<u>438,056</u>	<u>455,279</u>
Total member contributions available for collection	7,669,487	7,196,804
<u>Less</u> current year contributions received	<u>7,097,092</u>	<u>6,303,469</u>
Provision for delayed contributions	572,395	893,335
<u>Less</u> prior year contributions received in current year	<u>438,056</u>	<u>455,279</u>
Total provision as at end of year	\$ <u>134,339</u>	\$ <u>438,056</u>

The Commission collected \$111,819 of delayed contributions after December 31, 2016, but before the date the financial statements were available to be issued.

5. Transfer of Excess Funds to the Working Capital Fund

Transfers of \$998,773 did not take place in the 2016 calendar year but will take place at the beginning of the 2017 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, 2016
(With Comparative Totals as of December 31, 2015)

7. Other Funds

Working Capital Fund

The balance of the Working Capital Fund as at December 31, 2016 totaled \$2,346,768. 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, 2016 totaled \$4,901,470. A copy of the financial statements related to the fund is at page 14.

Special Requirements Fund

The balance of the Special Requirements Fund as at December 31, 2016 totaled \$48,819. A copy of the financial statements related to the fund is on page 15.

Japanese Trust Fund

The balance of the Japanese Trust Fund as at December 31, 2016 totaled \$15,851. A copy of the financial statements related to the fund is on page 16.

Fees and Charges Trust Fund

The balance of the Fees and Charges Trust Fund as at December 31, 2016 totaled \$293,518. A copy of the financial statements related to the fund is on page 17.

Voluntary Contributions Fund

The balance of the Voluntary Contributions Fund as at December 31, 2016 totaled \$1,582,413. U.S. Funds for E-Monitoring and E-Reporting were transferred to Voluntary Contributions Fund during 2016. A copy of the financial statements related to the fund is on page 18.

FAO - ABNJ Project Fund

The balance of the FAO-ABNJ Project Fund as at December 31, 2016 totaled \$2,193,464. A copy of the financial statements related to the fund is on page 19.

Chinese Taipei Trust Fund

The balance of the Chinese Taipei Trust Fund as at December 31, 2016 totaled \$2,000,000. 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, 2016
 (With Comparative Totals as of December 31, 2015)

7. Other Funds, Continued

Working Capital Fund
 Schedule of Income and Expenditures and Changes in Fund Balance
 Year Ended December 31, 2016
 (With Comparative Totals for the Year Ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
Income and Other Additions:		
Balance brought forward from prior year	\$ 1,845,353	\$ 1,770,933
General Account Surplus, savings on prior year obligations and prior year contributions received	849,866	673,501
Interest	<u>1,569</u>	<u>1,607</u>
Total income	<u>2,696,788</u>	<u>2,446,041</u>
Expenditures	<u>350,020</u>	<u>600,688</u>
Fund balance	\$ <u>2,346,768</u>	\$ <u>1,845,353</u>

Working Capital Fund
 Schedule of Assets, Liabilities and Fund Balance
 December 31, 2016
 (With Comparative Totals as of December 31, 2015)

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Cash at bank	\$ 786,836	\$ 471,957
Money market account	718,985	718,185
Due from General Account Fund	829,551	655,211
Due from Japanese Trust Fund	<u>11,396</u>	<u>-</u>
Total assets	<u>2,346,768</u>	<u>1,845,353</u>
<u>Liabilities</u>	<u>-</u>	<u>-</u>
<u>Fund balance</u>	\$ <u>2,346,768</u>	\$ <u>1,845,353</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2016
(With Comparative Totals as of December 31, 2015)

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, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
Income and Other Additions:		
Balance brought forward from prior year	\$ 1,948,771	\$ 2,334,108
Contribution:		
NZ MFAT	3,514,283	-
WCPFC GAF co-financing	25,000	25,000
Interest	<u>220</u>	<u>232</u>
Total income	<u>5,488,274</u>	<u>2,359,340</u>
Expenditures	<u>586,804</u>	<u>410,569</u>
Fund balance	\$ <u>4,901,470</u>	\$ <u>1,948,771</u>

Western Pacific East Asia Oceanic Fisheries Management Project Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2016
(With Comparative Totals as of December 31, 2015)

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Cash at bank	\$ 128,103	\$ 103,242
Money market account	86,870	76,852
Prepaid expense	566	566
Tranche payment from UNDP	1,211,900	1,813,101
Tranche payment from NZ	3,514,283	-
Due from General Account Fund	<u>-</u>	<u>25,000</u>
Total assets	<u>4,941,722</u>	<u>2,018,761</u>
<u>Liabilities</u>		
Unliquidated obligations	30,000	-
Due to General Account Fund	<u>10,252</u>	<u>69,990</u>
Total liabilities	<u>40,252</u>	<u>69,990</u>
Fund balance	\$ <u>4,901,470</u>	\$ <u>1,948,771</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2016
(With Comparative Totals as of December 31, 2015)

7. Other Funds, Continued

Special Requirements Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
Income and Other Additions:		
Balance brought forward from prior year	\$ 12,427	\$ 77,846
Donation from USA	20,000	-
Donation from Chinese Taipei	20,020	-
Interest	<u>32</u>	<u>60</u>
Total income	<u>52,479</u>	<u>77,906</u>
Expenditures:		
Project expenditures	<u>3,660</u>	<u>65,479</u>
Total expenditures	<u>3,660</u>	<u>65,479</u>
Fund balance	\$ <u>48,819</u>	\$ <u>12,427</u>

Special Requirements Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2016
(With Comparative Totals as of December 31, 2015)

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Cash at bank	\$ <u>48,819</u>	\$ <u>32,905</u>
Total assets	<u>48,819</u>	<u>32,905</u>
<u>Liabilities</u>		
Due to General Account Fund	<u>-</u>	<u>20,478</u>
<u>Fund balance</u>	\$ <u>48,819</u>	\$ <u>12,427</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2016
(With Comparative Totals as of December 31, 2015)

7. Other Funds, Continued

Japanese Trust Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
Income and Other Additions:		
Balance brought forward from prior year	\$ 15,765	\$ 15,472
Contribution from Japan	151,950	151,950
Interest	<u>92</u>	<u>298</u>
Total income	<u>167,807</u>	<u>167,720</u>
Expenditures:		
Payments for projects	140,555	140,554
Administrative expenditures	<u>11,401</u>	<u>11,401</u>
Total expenditures	<u>151,956</u>	<u>151,955</u>
Fund balance	\$ <u>15,851</u>	\$ <u>15,765</u>

Japanese Trust Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2016
(With Comparative Totals as of December 31, 2015)

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Cash at bank	\$ <u>51,704</u>	\$ <u>40,222</u>
Total assets	<u>51,704</u>	<u>40,222</u>
<u>Liabilities</u>		
Unliquidated obligations	24,457	24,457
Due to Working Capital Fund	<u>11,396</u>	<u>-</u>
Total liabilities	<u>35,853</u>	<u>24,457</u>
<u>Fund balance</u>	\$ <u>15,851</u>	\$ <u>15,765</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2016
(With Comparative Totals as of December 31, 2015)

7. Other Funds, Continued

Fees and Charges Trust Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2016
(With Comparative Totals as of December 31, 2015)

	<u>2016</u>	<u>2015</u>
Income and Other Additions:		
Balance brought forward from prior year	\$ 221,143	\$ 269,994
Contributions from CNMs	210,706	183,237
Interest	<u>349</u>	<u>199</u>
Total income	<u>432,198</u>	<u>453,430</u>
Expenditures:		
Fund transfer	138,563	174,773
Bank fees and other charges	45	40
Write off of CNM prior year unpaid contributions	<u>72</u>	<u>57,474</u>
Total expenditures	<u>138,680</u>	<u>232,287</u>
Fund balance	\$ <u>293,518</u>	\$ <u>221,143</u>

Fees and Charges Trust Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2016
(With Comparative Totals as of December 31, 2015)

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Cash at bank	\$ 282,261	\$ 223,000
Uncollected contributions from CNMs	<u>76,556</u>	<u>13,552</u>
Total assets	<u>358,817</u>	<u>236,552</u>
<u>Liabilities</u>		
Advance payments by CNMs	2,757	2,867
Carrier and bunker fees to be returned	12,542	12,542
Due to General Account Fund	<u>50,000</u>	<u>-</u>
Total liabilities	<u>65,299</u>	<u>15,409</u>
<u>Fund balance</u>	\$ <u>293,518</u>	\$ <u>221,143</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2016
(With Comparative Totals as of December 31, 2015)

7. Other Funds, Continued

Voluntary Contributions Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2016
(With Comparative Totals as of December 31, 2015)

	<u>2016</u>	<u>2015</u>
Income:		
Balance brought forward from prior year	\$ 1,113,048	\$ 918,413
China	25,000	25,000
Western Pacific Reg'l Fishery Mtg Council contribution	15,000	-
FSM TCC and SC contribution	2,500	5,000
FAO	-	52,423
ISSF	30,000	60,000
USA	-	85,000
Australia	-	15,546
Korea	166,666	345,846
European Union	669,476	609,550
Transfer of U.S. Funds for E-Monitoring and E-Reporting	27,618	-
Interest	<u>455</u>	<u>276</u>
Total income	<u>2,049,763</u>	<u>2,117,054</u>
Expenditures:		
Project expenditures	<u>467,350</u>	<u>1,004,006</u>
Total expenditures	<u>467,350</u>	<u>1,004,006</u>
Fund balance	\$ <u>1,582,413</u>	\$ <u>1,113,048</u>

Voluntary Contributions Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2016
(With Comparative Totals as of December 31, 2015)

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Cash in USD accounts	\$ 552,379	\$ 385,419
Cash in Euro accounts	506,603	284,677
Tranche payment owed to Commission	837,132	582,771
Due from General Account Fund	-	198,075
Due from other funds	<u>27,618</u>	<u>-</u>
Total assets	<u>1,923,732</u>	<u>1,450,942</u>
<u>Liabilities</u>		
Unidentified Deposits	17,732	15,332
Due to U.S. Funds for Supporting E-Monitoring and E-Reporting	-	8,917
Unliquidated obligations	323,587	224,123
Due to General Account Fund	<u>-</u>	<u>89,522</u>
Total liabilities	<u>341,319</u>	<u>337,894</u>
<u>Fund balance</u>	\$ <u>1,582,413</u>	\$ <u>1,113,048</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2016
(With Comparative Totals as of December 31, 2015)

7. Other Funds, Continued

FAO- ABNJ Project Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2016
(With Comparative Totals as of December 31, 2015)

	<u>2016</u>	<u>2015</u>
Income:		
Balance brought forward from prior year	\$ 2,509,585	\$ 3,196,139
Interest	<u>115</u>	<u>492</u>
Total income	<u>2,509,700</u>	<u>3,196,631</u>
Expenditures:		
Project expenditures	<u>316,236</u>	<u>687,046</u>
Total expenditures	<u>316,236</u>	<u>687,046</u>
Fund balance	\$ <u>2,193,464</u>	\$ <u>2,509,585</u>

FAO- ABNJ Project Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2016
(With Comparative Totals as of December 31, 2015)

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Cash in bank	\$ 2,039	\$ 180,297
Tranche payment from FAO	<u>2,271,525</u>	<u>2,596,500</u>
Total assets	<u>2,273,564</u>	<u>2,776,797</u>
<u>Liabilities</u>		
Unliquidated obligations	66,100	238,125
Due to General Account Fund	<u>14,000</u>	<u>29,087</u>
Total liabilities	<u>80,100</u>	<u>267,212</u>
<u>Fund balance</u>	\$ <u>2,193,464</u>	\$ <u>2,509,585</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2016
(With Comparative Totals as of December 31, 2015)

7. Other Funds, Continued

Chinese Taipei Trust Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2016

	<u>2016</u>
Income:	
Balance brought forward from prior year	\$ -
Chinese Taipei	<u>2,000,000</u>
Total income	<u>2,000,000</u>
Expenditures:	
Expenditures	_____ -
Total expenditures	_____ -
Fund balance	\$ <u>2,000,000</u>

Chinese Taipei Trust Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2016

	<u>2016</u>
<u>Assets</u>	
Cash in bank	\$ -
Tranche payment from Chinese Taipei	<u>2,000,000</u>
Total assets	<u>2,000,000</u>
<u>Liabilities</u>	_____ -
<u>Fund balance</u>	\$ <u>2,000,000</u>

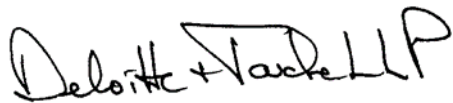
Assets of \$2,000,000 comprised \$800,000 of current assets and \$1,200,000 of noncurrent assets.

**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, 2016 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 June 30, 2017.

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, stylized font.

June 30, 2017

June 30, 2017

The Chair
Western and Central Pacific Fisheries Commission

Dear Chair:

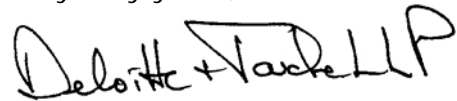
We have performed an audit of the financial statements of Western and Central Pacific Fisheries Commission (the Commission) as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America ("generally accepted auditing standards") and have issued our report thereon dated June 30, 2017.

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.

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, stylized font.

Cc: To Management of Western and Central Pacific Fisheries Commission

OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS

Our responsibility under generally accepted auditing standards has been described to you in our engagement letter dated October 26, 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 2016 financial statements. During the year ended December 31, 2016, 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, 2016.

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 2016 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 2016 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 2016.

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, 2016.

* * * * *

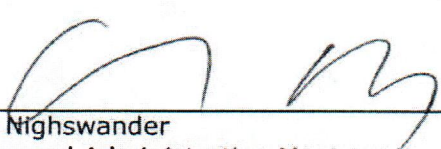
Attachment I

Journal Entries - AJE

Name	Debit	Credit
1 AJE Foreign exchange conversion of BNC Voluntary Fund		
10240.1 GAF Operating (BoG Checking)	70,354.86	-
28150 Unliquidated Obligations	-	70,354.86
	<u>70,354.86</u>	<u>70,354.86</u>

To adjust cash transactions in the subsequent period

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



Aaron Nighswander
Finance and Administration Manager



June 30, 2017

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

Gentlemen:

In connection with your audit of the general account fund statement of assets, liabilities and fund balance as of December 31, 2016, 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 has 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 \$49,800 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. Contributions receivable recorded in the financial statements represent valid contributions from countries or organizations arising on or before the balance-sheet date and have been appropriately reduced to their estimated realizable value.
13. The Commission collected \$111,819 of delayed contributions after December 31, 2016, but before the date the financial statements were available to be issued.
14. 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.
15. 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.
16. 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.

Sincerely,



Feleti Teo
Executive Director



Aaron Nighswander
Finance and Administration Manager