



FINANCE AND ADMINISTRATION COMMITTEE
Thirteenth Session
Port Moresby, Papua New Guinea
4 – 11 December 2019

**THE AUDITOR'S REPORT FOR 2018 AND THE GENERAL ACCOUNT
FUND FINANCIAL STATEMENTS FOR 2018**

WCPFC16-2019-FAC13-04
31 October 2019

Purpose

1. The purpose of this paper is to table for the consideration of FAC13 and WCPFC16 the Auditor's Report for 2018 and the General Account Fund financial statements for 2018 which are attached to this paper.

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:

- a) whether the statements are based on proper accounts and records;
- b) whether the statements are in agreement with the accounts and records;
- c) 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
- d) 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. 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 2018 financial period were submitted to the Auditor prior to 1 May 2019. Under Finance Regulation 12, the financial statements are due to the auditor by 31 March, 2019. 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 2 August 2019.

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 2018: 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 were also 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 that:
- a) 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, 2018, and the results of its operations and its cash flows for the year...";
 - b) 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
 - c) 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 a deficit of income over expenditure of USD181,226. In addition to the surplus, prior years' contributions of USD634,769 were paid by some Members in 2018. In accordance with Financial Regulation 4.4 these balances were transferred to the Working Capital Fund.

Recommendation

9. The Committee is invited to consider the audited financial statements and make the necessary recommendation to WCPFC16.

July 15, 2019

The Chair
Western and Central Pacific Fisheries Commission

Dear Chair:

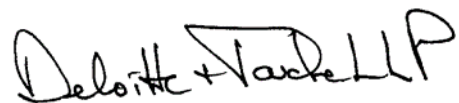
We have performed an audit of the financial statements of Western and Central Pacific Fisheries Commission (the Commission) as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America ("generally accepted auditing standards") and have issued our report thereon dated July 15, 2019.

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, slightly 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 November 8, 2018, 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 2018 financial statements. During the year ended December 31, 2018, there were no significant changes in previously adopted accounting policies or their application.

We have evaluated the significant qualitative aspects of the Commission's accounting practices, including accounting policies, accounting estimates and financial statement disclosures and concluded that the policies are appropriate, adequately disclosed, and consistently applied by management.

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, 2018.

OTHER INFORMATION IN THE ANNUAL REPORT

The 2018 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 2018 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 2018.

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 I, 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, 2018.

* * * * *



July 15, 2019

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, 2018, 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 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 financial 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 from January 1, 2018 up to the date of this letter.

Except where otherwise stated below, matters less than \$84,200 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 \$324,711 of delayed contributions after December 31, 2018, but before the date the financial statements were available to be issued.
14. Transfers of \$462,001 did not take place in the 2018 calendar year but will take place at the beginning of the 2019 calendar year.
15. Accounts receivable recorded in the financial statements includes long-outstanding balances aggregating \$3,715,769 from countries or organizations arising on or before balance sheet date and have been appropriately reduced to their estimated realizable value.
16. No events have occurred subsequent to the balance sheet date and to the date of this letter that could require adjustment to or disclosure in the financial statements.
17. 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.
18. 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

**WESTERN AND CENTRAL PACIFIC
FISHERIES COMMISSION**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

YEAR ENDED DECEMBER 31, 2018

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, 2018, 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

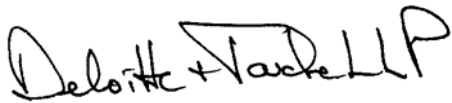
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general account fund of the Commission as of December 31, 2018, and the results of its operations and its cash flows for the year then ended on the basis of accounting described 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 July 15, 2019, 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 + Tatchell LLP". The signature is written in a cursive, slightly stylized font.

July 15, 2019

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

General Account Fund
Statement of Assets, Liabilities and Fund Balance
December 31, 2018
(With Comparative Totals as of December 31, 2017)

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash and short-term deposits	1,253,559	\$ 623,400
Contributions receivable	539,114	634,769
Less provision for delayed contributions	(539,114)	(634,769)
Due from other funds	746,364	707,932
Accounts receivable	34,070	32,526
Other assets and advance payments	49,565	7,164
Total assets	<u>\$ 2,083,558</u>	<u>\$ 1,371,022</u>
<u>Liabilities and Fund Balance</u>		
Unliquidated obligations	807,568	\$ 602,730
Accounts payable	158,418	63,285
Member contributions in advance	268,492	117,230
Due to other funds	463,823	242,035
Accrued entitlements	374,398	319,188
Income tax payable	9,665	9,937
Capitalized security in social security	1,194	16,617
Total liabilities and fund balance	<u>\$ 2,083,558</u>	<u>\$ 1,371,022</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, 2018
 (With Comparative Totals for the Year Ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
<u>Income</u>		
Contributions:		
Assessed contributions	<u>7,521,075</u>	<u>\$ 7,242,070</u>
Total contributions income	7,521,075	7,242,070
Miscellaneous income:		
Interest	1,540	2,976
Other	<u>556,954</u>	<u>530,770</u>
Total income	<u>8,079,569</u>	<u>7,775,816</u>
<i>Less</i>		
Expenditures	<u>7,721,830</u>	<u>7,240,646</u>
Excess of income over expenditures	357,739	535,170
<i>Less</i>		
Delayed contributions	<u>538,965</u>	<u>614,581</u>
Net excess of expenditures over income	(181,226)	(79,411)
Fund balance at beginning of year	-	-
Transfer from Working Capital Fund	<u>181,226</u>	<u>79,411</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<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, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Net excess of expenditures over income	\$ (181,226)	\$ (79,411)
Increase in other accounts receivable	(39,976)	(627,334)
(Increase) decrease in other assets and advance payments	(42,401)	22,047
Increase (decrease) in advances from member states	151,262	(5,093)
Increase (decrease) in unliquidated obligations	204,838	(20,940)
Increase (decrease) in other liabilities	<u>356,436</u>	<u>(498,786)</u>
Net cash provided by (used in) operating activities	448,933	(1,209,517)
Transfer from Working Capital Fund	<u>181,226</u>	<u>79,411</u>
Net change in cash and short-term deposits	630,159	(1,130,106)
Cash and short-term deposits at beginning of year	<u>623,400</u>	<u>1,753,506</u>
Cash and short-term deposits at end of year	<u>\$ 1,253,559</u>	<u>\$ 623,400</u>

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Statement of Appropriations and Expenditures
Year Ended December 31, 2018

WCPFC Budget Items 2018 Assessed and Voluntary Contributions Account Fund Expenditure	General	Approved budget 2018	Transfers	Revised Budget	Total Expenditures 31/12/18	Balance of Budget
Part 1 - Administrative Expenses of the Secretariat						
Sub-Item 1.1 Staff Costs						
Professional Staff Salary		957,069	(4,500)	952,569	952,325	244
Professional Staff Benefits and Allowances		942,273	(89,000)	853,273	853,070	203
Professional Staff Insurance		123,219	11,000	134,219	133,069	1,150
Recruitment/Repatriation		25,565	(20,000)	5,565	5,055	510
Support Staff		410,632	(23,000)	387,632	379,906	7,726
Total, sub-item 1.1		2,458,758	(125,500)	2,333,258	2,323,425	9,833
Sub-Item 1.2 Other Personnel Costs						
Temporary Assistance/Overtime		16,500	-	16,500	11,181	5,319
Chairs Expenses		25,000	(7,700)	17,300	17,270	30
Consultants		148,000	(24,600)	123,400	123,389	11
Total, sub-item 1.2		189,500	(32,300)	157,200	157,840	5,360
Sub-item 1.3 Official Travel						
Total, sub-item 1.3		210,000	(32,000)	178,000	167,626	10,374
Sub-item 1.4 General Operating Expenses						
Electricity, Water, Sanitation		60,000	(7,000)	53,000	52,722	278
Communications/Courier		76,000	5,000	81,000	80,930	70
Office Supplies & Fuel		43,000	(16,000)	27,000	26,503	497
Audit		7,000	-	7,000	7,000	-
Bank Charges		9,500	-	9,500	8,364	1,136
Official Hospitality		10,000	-	10,000	9,927	73
Community Outreach		8,000	(1,675)	6,325	6,325	-
Miscellaneous Services		6,400	(2,500)	3,900	3,867	33
Security		93,000	-	93,000	89,099	3,901
Training		15,000	(13,500)	1,500	1,424	76
Total, sub-item 1.4		327,900	(35,675)	292,225	286,161	6,064
Sub-item 1.5 Capital Expenditure						
Vehicles		22,000		22,000	21,086	914
Information Technology		56,753	21,800	78,553	78,526	27
Website New Projects/Enhancements		8,000	6,000	14,000	13,938	62
Furniture and Equipment		32,000	-	32,000	24,374	7,626
Total, sub-item 1.5		118,753	27,800	146,553	137,924	8,629
Sub-item 1.6 Maintenance						
Vehicles		6,000	2,160	8,160	8,153	7
Information and Communication Technology		128,638	(5,344)	123,294	120,612	2,682
Buildings & Grounds		56,500	1,640	58,140	58,140	-
Gardeners and Cleaners		77,074	1,265	78,339	78,339	-
Insurance		23,000	3,454	26,454	26,454	-
Total, sub-item 1.6		291,212	3,175	294,387	291,698	2,689
Sub-item 1.7 Meeting Services						
Annual Session		165,000	233,500	398,500	397,555	945
Scientific Committee		236,200	(29,000)	207,200	206,364	836
Northern Committee		18,000	(2,000)	16,000	13,947	2,053
Technical and Compliance Committee		187,800	(8,000)	179,800	158,887	20,913
Total, sub-item 1.7		607,000	194,500	801,500	776,753	24,747
TOTAL, Section 1/Item 1		4,203,123	-	4,203,123	4,135,427	67,696

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Statement of Appropriations and Expenditures
Year Ended December 31, 2018

WCPFC Budget Items 2018 Assessed and Voluntary Contributions Account Fund Expenditure	General	Approved budget 2018	Transfers	Revised Budget	Total Expenditures 31/12/18	Balance of Budget
Part 2 - Science & Technical & Compliance Programme						
Section 2 (Item 2)						
Sub-item 2.1 Scientific Services (SPC)		888,624	-	888,624	888,624	-
Sub-item 2.2 <i>Scientific Research</i>						
Additional Resourcing SPC		163,200	-	163,200	163,200	-
Pacific Tuna Tagging Project		500,000	-	500,000	500,000	-
Limit Reference Points		25,000	-	25,000	20,000	5,000
Estimation of Seabird Mortality		22,500	-	22,500	22,500	-
Maintenance of WCPFC Tissue Bank		97,200	-	97,200	97,200	-
Further work on bigeye tuna age and growth		30,000	-	30,000	30,000	-
Yellowfin tuna age and growth		100,000	-	100,000	100,000	-
Total, sub-item 2.2		937,900	-	937,900	932,900	5,000
Sub-item 2.3 Technical & Compliance Programme						
ROP - Audit/Remediation		15,000	5,200	20,200	20,195	5
ROP - Special Projects and Research Activities		30,000	-	30,000	-	30,000
ROP - Training, Assistance & Development		30,000	-	30,000	8,289	21,711
Observer CMM booklet		13,000	-	13,000	11,671	1,329
ROP Data Management		923,904	-	923,904	923,904	-
Vessel Monitoring System - Capital Costs		20,000	-	20,000	-	20,000
Vessel Monitoring System - SLA Costs		265,000	-	265,000	209,120	55,880
Vessel Monitoring System - Airtime		190,000	-	190,000	195,812	(5,812)
Vessel Monitoring System - Security Audit		8,400	-	8,400	7,003	1,397
CCM/Staff VMS Training		40,000	(7,400)	32,600	6,214	26,386
Information Management System		100,000	-	100,000	99,594	406
Workshops/IATTC Cross Endor. Train.		28,000	-	28,000	24,272	3,728
AR Part 2/CMS Online Host. and Pub.		18,000	-	18,000	3,200	14,800
Targeted Capacity Building		50,000	-	50,000	1,343	48,657
E-Monitoring and E-Reporting Workshop		60,000	-	60,000	12,149	47,851
E-Monitoring/E-Reporting Activities		124,590	2,200	126,790	112,113	14,677
Regional Capacity Building Workshops		130,000	-	130,000	130,000	-
Total, item 2.3		2,045,894	-	2,045,894	1,764,879	281,015
TOTAL, Section 2/Item 2		3,872,418	-	3,872,418	3,586,403	286,015
Total, Parts 1 & 2		8,075,541	-	8,075,541	7,721,830	353,711

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2018
(With Comparative Totals as of December 31, 2017)

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 the 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; and
- (xi) Monitoring developments in the tuna industry.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2018
(With Comparative Totals as of December 31, 2017)

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;
- Food and Agriculture Organization (FAO) of the United Nations - Areas Beyond National Jurisdiction (ABNJ) Tuna 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 2018.

Generally, income, expenditure, assets, and liabilities are recognized on the accrual basis of accounting (please refer to "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, 2018
(With Comparative Totals as of December 31, 2017)

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.

Contributions receivable are 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, 2018
(With Comparative Totals as of December 31, 2017)

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 \$9,257,419 as of December 31, 2018. These funds are:

<u>Fund</u>	<u>2018</u>	<u>2017</u>
Working Capital Fund	\$ 2,145,521	\$ 2,029,813
Western Pacific East Asia Oceanic Fisheries Management Project Fund	3,677,050	4,245,143
Special Requirements Fund	89,270	143,307
Japanese Trust Fund	259,812	15,858
Fees and Charges Trust Fund	162,265	228,937
Voluntary Contributions Fund	1,418,477	2,137,511
FAO - ABNJ Project Fund	168,590	1,211,572
Chinese Taipei Trust Fund	<u>1,336,434</u>	<u>1,681,907</u>
Total	\$ <u>9,257,419</u>	\$ <u>11,694,048</u>

4. Provision for Delays in the Receipt of Contributions Receivable

The provisions of \$539,114 in 2018 are derived as follows:

	<u>2018</u>	<u>2017</u>
Assessed member contributions for the approved current year budget	\$ 7,521,075	\$ 7,242,070
<u>Add</u> outstanding contributions as at beginning of year	<u>634,769</u>	<u>134,339</u>
Total member contributions available for collection	8,155,844	7,376,409
<u>Less</u> current year contributions received	<u>6,982,036</u>	<u>6,627,489</u>
Provision for delayed contributions	1,173,808	748,920
<u>Less</u> prior year contributions received in current year	<u>634,694</u>	<u>114,151</u>
Total provision as at end of year	\$ <u>539,114</u>	\$ <u>634,769</u>

The Commission collected \$324,711 of delayed contributions after December 31, 2018, but before the date the financial statements were available to be issued.

5. Transfer of Excess Funds to the Working Capital Fund

Transfers of \$462,001 did not take place in the 2018 calendar year but will take place at the beginning of the 2019 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, 2018
(With Comparative Totals as of December 31, 2017)

7. Other Funds

Working Capital Fund

The balance of the Working Capital Fund at December 31, 2018 totaled \$2,145,521. 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 at December 31, 2018 totaled \$3,677,050. A copy of the financial statements related to the fund is at page 14.

Special Requirements Fund

The balance of the Special Requirements Fund at December 31, 2018 totaled \$89,270. A copy of the financial statements related to the fund is on page 15.

Japanese Trust Fund

The balance of the Japanese Trust Fund at December 31, 2018 totaled \$259,812. 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 at December 31, 2018 totaled \$162,265. A copy of the financial statements related to the fund is on page 17.

Voluntary Contributions Fund

The balance of the Voluntary Contributions Fund at December 31, 2018 totaled \$1,418,477. U.S. Funds for E-Monitoring and E-Reporting were transferred to Voluntary Contributions Fund during 2018. 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 at December 31, 2018 totaled \$168,590. 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 at December 31, 2018 totaled \$1,336,434. 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, 2018
(With Comparative Totals as of December 31, 2017)

7. Other Funds, Continued

Working Capital Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
Income and other additions:		
Balance brought forward from prior year	\$ 2,029,813	\$ 2,346,768
General Account Surplus, savings on prior year obligations and prior year contributions received	501,075	56,148
Interest	<u>2,644</u>	<u>1,902</u>
Total income and other additions	<u>2,533,532</u>	<u>2,404,818</u>
Expenditures	<u>388,011</u>	<u>375,005</u>
Fund balance	\$ <u>2,145,521</u>	\$ <u>2,029,813</u>

Working Capital Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2018
(With Comparative Totals as of December 31, 2017)

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash at bank	\$ 1,321,099	\$ 1,634,853
Money market account	740,421	719,699
Due from General Account Fund	462,001	50,261
Due from Japanese Trust Fund	<u>-</u>	<u>-</u>
Total assets	<u>2,523,521</u>	<u>2,404,813</u>
<u>Liabilities</u>	<u>378,000</u>	<u>375,000</u>
<u>Fund balance</u>	\$ <u>2,145,521</u>	\$ <u>2,029,813</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2018
(With Comparative Totals as of December 31, 2017)

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, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
Income and other additions:		
Balance brought forward from prior year	\$ 4,245,143	\$ 4,901,470
Contribution for WCPFC GAF co-financing	-	25,000
Interest	<u>1,251</u>	<u>1,271</u>
Total income and other additions	<u>4,246,394</u>	<u>4,927,741</u>
Expenditures	<u>569,344</u>	<u>682,598</u>
Fund balance	\$ <u>3,677,050</u>	\$ <u>4,245,143</u>

Western Pacific East Asia Oceanic Fisheries Management Project Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2018
(With Comparative Totals as of December 31, 2017)

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash at bank - UNDP account	\$ 91,593	\$ 6,118
Cash at bank - NZ account	673,843	958,646
Money market account	168,080	142,930
Prepaid expense	1,370	1,936
Due from General Account Fund	29,002	29,002
Tranche payment from UNDP	361,318	651,602
Tranche payment from NZ	<u>2,509,553</u>	<u>2,509,553</u>
Total assets	<u>3,834,759</u>	<u>4,299,787</u>
<u>Liabilities</u>		
Unliquidated obligations	72,793	30,000
Due to General Account Fund	<u>84,916</u>	<u>24,644</u>
Total liabilities	<u>157,709</u>	<u>54,644</u>
<u>Fund balance</u>	\$ <u>3,677,050</u>	\$ <u>4,245,143</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2018
(With Comparative Totals as of December 31, 2017)

7. Other Funds, Continued

Special Requirements Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
Income and other additions:		
Balance brought forward from prior year	\$ 143,307	\$ 48,819
Donation from USA	30,000	35,000
Donation from Chinese Taipei	-	-
Donation from Canada	70,000	50,000
Transfer from Fees Trust Fund	9,995	100,000
Interest	<u>171</u>	<u>61</u>
Total income and other additions	<u>253,473</u>	<u>233,880</u>
Expenditures	<u>164,203</u>	<u>90,573</u>
Fund balance	\$ <u>89,270</u>	\$ <u>143,307</u>

Special Requirements Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2018
(With Comparative Totals as of December 31, 2017)

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash at bank	\$ 122,476	\$ 153,841
Due from General Account Fund	<u>30,000</u>	<u>35,000</u>
Total assets	<u>152,476</u>	<u>188,841</u>
<u>Liabilities</u>		
Due to General Account Fund	<u>63,206</u>	<u>45,534</u>
<u>Fund balance</u>	\$ <u>89,270</u>	\$ <u>143,307</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2018
(With Comparative Totals as of December 31, 2017)

7. Other Funds, Continued

Japanese Trust Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
Income and other additions:		
Balance brought forward from prior year	\$ 15,858	\$ 15,851
Contribution from Japan	372,118	139,290
Interest	<u>701</u>	<u>86</u>
Total income and other additions	<u>388,677</u>	<u>155,227</u>
Expenditures:		
Payments for projects	128,850	128,922
Administrative expenditures	<u>15</u>	<u>10,447</u>
Total expenditures	<u>128,865</u>	<u>139,369</u>
Fund balance	\$ <u>259,812</u>	\$ <u>15,858</u>

Japanese Trust Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2018
(With Comparative Totals as of December 31, 2017)

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash at bank	\$ <u>284,269</u>	\$ <u>50,762</u>
Total assets	<u>284,269</u>	<u>50,762</u>
<u>Liabilities</u>		
Unliquidated obligations	24,457	24,457
Due to Working Capital Fund	<u>-</u>	<u>10,447</u>
Total liabilities	<u>24,457</u>	<u>34,904</u>
<u>Fund balance</u>	\$ <u>259,812</u>	\$ <u>15,858</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2018
(With Comparative Totals as of December 31, 2017)

7. Other Funds, Continued

Fees and Charges Trust Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2018
(With Comparative Totals as of December 31, 2017)

	<u>2018</u>	<u>2017</u>
Income and other additions:		
Balance brought forward from prior year	\$ 228,937	\$ 293,518
Contributions from non-members	168,749	143,910
Observer fees	16,200	50,131
Miscellaneous revenue	12,542	-
Interest	<u>462</u>	<u>411</u>
Total income and other additions	<u>426,890</u>	<u>487,970</u>
Expenditures:		
Transfer to General Account Fund	101,077	145,323
Transfer to Special Requirements Fund	100,000	100,000
Transfer to other funds	34,078	-
Bank fees and other charges	244	70
Write off of CNM prior year unpaid contributions	<u>29,226</u>	<u>13,640</u>
Total expenditures	<u>264,625</u>	<u>259,033</u>
Fund balance	\$ <u>162,265</u>	\$ <u>228,937</u>

Fees and Charges Trust Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2018
(With Comparative Totals as of December 31, 2017)

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash at bank	\$ 363,307	\$ 352,659
Due from General Account Fund	-	34,143
Uncollected contributions from CNMs	<u>35</u>	<u>-</u>
Total assets	<u>363,342</u>	<u>386,802</u>
<u>Liabilities</u>		
Carrier and bunker fees to be returned	-	12,542
Due to General Account Fund	<u>201,077</u>	<u>145,323</u>
Total liabilities	<u>207,077</u>	<u>157,865</u>
<u>Fund balance</u>	\$ <u>162,265</u>	\$ <u>228,937</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2018
(With Comparative Totals as of December 31, 2017)

7. Other Funds, Continued

Voluntary Contributions Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2018
(With Comparative Totals as of December 31, 2017)

	<u>2018</u>	<u>2017</u>
Income and other additions:		
Balance brought forward from prior year	\$ 2,137,511	\$ 1,582,413
China	25,000	-
FSM TCC and SC contribution	-	2,500
FAO	52,000	96,912
United States	121,000	-
Canada	-	50,000
Korea	175,479	173,590
European Union	-	823,004
New Zealand	61,068	31,742
Transfer of U.S. Funds for E-Monitoring and E-Reporting	55,000	-
Interest	<u>1,443</u>	<u>710</u>
Total income and other additions	<u>2,628,501</u>	<u>2,760,871</u>
Expenditures	<u>1,210,024</u>	<u>623,360</u>
Fund balance	\$ <u>1,418,477</u>	\$ <u>2,137,511</u>

Voluntary Contributions Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2018
(With Comparative Totals as of December 31, 2017)

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash at bank - USD accounts	\$ 911,190	\$ 535,120
Cash at bank - Euro accounts	376,439	1,075,760
Tranche payment owed to Commission	940,159	894,035
Due from General Account Fund	<u>-</u>	<u>44,700</u>
Total assets	<u>2,227,788</u>	<u>2,549,615</u>
<u>Liabilities</u>		
Unidentified deposits	17,732	17,732
Unliquidated obligations	720,387	297,910
Due to General Account Fund	<u>71,192</u>	<u>96,462</u>
Total liabilities	<u>809,311</u>	<u>412,104</u>
<u>Fund balance</u>	\$ <u>1,418,477</u>	\$ <u>2,137,511</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2018
(With Comparative Totals as of December 31, 2017)

7. Other Funds, Continued

FAO - ABNJ Project Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2018
(With Comparative Totals as of December 31, 2017)

	<u>2018</u>	<u>2017</u>
Income and other additions:		
Balance brought forward from prior year	\$ 1,211,572	\$ 2,193,464
Modification to FAO agreement	-	91,350
Interest	<u>134</u>	<u>579</u>
Total income and other additions	<u>1,211,706</u>	<u>2,285,393</u>
Expenditures	<u>1,043,116</u>	<u>1,073,821</u>
Fund balance	\$ <u>168,590</u>	\$ <u>1,211,572</u>

FAO - ABNJ Project Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2018
(With Comparative Totals as of December 31, 2017)

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash at bank	\$ 798,511	\$ 195,621
Tranche payment from FAO	157,276	1,258,371
Due from General Account Fund	<u>22,028</u>	<u>48,929</u>
Total assets	<u>977,815</u>	<u>1,502,921</u>
<u>Liabilities</u>		
Unliquidated obligations	809,225	280,827
Due to General Account Fund	<u>-</u>	<u>10,522</u>
Total liabilities	<u>809,225</u>	<u>291,349</u>
<u>Fund balance</u>	\$ <u>168,590</u>	\$ <u>1,211,572</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2018
(With Comparative Totals as of December 31, 2017)

7. Other Funds, Continued

Chinese Taipei Trust Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2018
(With Comparative Totals as of December 31, 2017)

	<u>2018</u>	<u>2017</u>
Income and other additions:		
Balance brought forward from prior year	\$ 1,681,907	\$ 2,000,000
Interest	<u>534</u>	<u>376</u>
Total income and other additions	<u>1,682,441</u>	<u>2,000,376</u>
Expenditures	<u>346,007</u>	<u>318,469</u>
Fund balance	\$ <u>1,336,434</u>	\$ <u>1,681,907</u>

Chinese Taipei Trust Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2018
(With Comparative Totals as of December 31, 2017)

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash at bank	\$ 302,489	\$ 223,917
Tranche payment from Chinese Taipei	<u>1,200,000</u>	<u>1,600,000</u>
Total assets	<u>1,502,489</u>	<u>1,823,917</u>
<u>Liabilities</u>		
Unliquidated obligations	138,875	142,010
Due to General Account Fund	<u>27,180</u>	<u>-</u>
Total liabilities	<u>166,055</u>	<u>142,010</u>
<u>Fund balance</u>	\$ <u>1,336,434</u>	\$ <u>1,681,907</u>

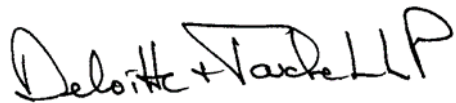
Assets of \$1,502,489 and \$1,823,917 as of December 31, 2018 and 2017 comprised \$400,000 and \$800,000, respectively, of current assets and \$1,102,489 and \$1,023,917, respectively, of noncurrent assets.

**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, 2018 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 have issued our report thereon dated July 15, 2019.

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.

July 15, 2019