

**WESTERN AND CENTRAL PACIFIC
FISHERIES COMMISSION**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

YEAR ENDED DECEMBER 31, 2007

Independent Auditors' Report

The Chairman
Western and Central Pacific Fisheries Commission:

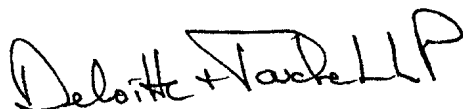
We have audited the accompanying general account fund statements of assets, liabilities and fund balance of the Western and Central Pacific Fisheries Commission (the Commission) as of December 31, 2007, and the related statements of income and expenditures and changes in the fund balance, of cash flows and of appropriations and expenditures for the year then ended. These financial statements are the responsibility of the Commission's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, such financial statements present fairly, in all material respects, the financial position of the general account fund of the Commission as of December 31, 2007, and the results of its operations and its cash flows for the year then ended, on the basis of accounting described in Note 2.

We have also issued our report dated May 29, 2008, 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).

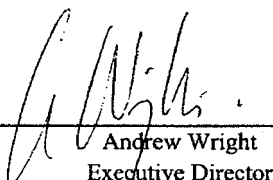


May 29, 2008

General Account Fund
Statement of Assets, Liabilities and Fund Balance
December 31, 2007
(With Comparative Totals as of December 31, 2006)

<u>Assets</u>	<u>2007</u>	<u>2006</u>	<u>Note</u>
Cash and term deposits	\$ 652,158	\$ 266,531	3
Contributions receivable	2007 \$ 141,475		
Less provision for delayed contributions	<u>(141,475)</u>	-	4
Accounts receivable	11,610	2,667	
Other assets and advance payments	<u>26,156</u>	<u>22,203</u>	
Total assets	<u>\$ 689,924</u>	<u>\$ 291,401</u>	
 <u>Liabilities and Fund Balance</u>			
Unliquidated obligations	\$ 227,532	\$ 109,649	
Other accounts payable	-	10,488	
Member contributions in advance	49,644	724	
Accrued entitlements	44,720	39,810	
Income tax withheld	1,130	574	
Social security tax withheld	1,731	898	
Provision for medical expenses	30,000	-	
Provision for 2008 deferred income	334,000	-	
Fund balance	<u>1,167</u>	<u>129,258</u>	
Total liabilities and fund balance	<u>\$ 689,924</u>	<u>\$ 291,401</u>	

See accompanying notes to financial statements.


 Andrew Wright
 Executive Director

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

General Account Fund

**Statement of Income and Expenditure and Changes in Fund Balance
Year Ended December 31, 2007**

(With Comparative Totals for the Year Ended December 31, 2006)

<u>Income</u>	<u>2007</u>	<u>2006</u>	<u>Note</u>
Contributions:			
Assessed contributions	\$ 2,700,259	\$ 1,551,783	4
Japanese Trust Fund	215,000	-	
Transfer from Working Capital Fund	85,000	-	
	3,000,259	1,551,783	
Voluntary contributions	12,000	207,995	
	3,012,259	1,759,778	
Total contributions income			
Miscellaneous income:			
Interest	33,381	9,190	
Other	15,730	194	
	3,061,370	1,769,162	
Total income			
<i>Less</i>			
Expenditure	2,664,508	1,694,611	<i>(refer Statement of Appropriations & Expenditures, page 5)</i>
Excess of income over expenditure	396,862	74,551	
<i>Less</i>			
Delayed contributions	141,475	63,698	4
Net Excess of income over expenditure	255,387	10,853	
<i>add</i>			
Prior year Contributions paid in current year	70,772	118,405	
Fund balance at beginning of year	129,258	263,630	
Transfer to Working Capital Fund	(129,258)	(263,630)	
Savings on prior year obligations	9,008	-	
Deferred 2008 income	(334,000)	-	
	\$ 1,167	\$ 129,258	
Fund balance at end of year			

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

**General Account Fund
Statement of Cash Flows**

Year Ended December 31, 2007

(With Comparative Totals for the Year Ended December 31, 2006)

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Net excess of income over expenditure	\$ 255,387	\$ 10,853
(Increase) decrease in other accounts receivable	(8,943)	10,784
(Increase) decrease in other assets	(3,953)	(18,154)
Increase (decrease) in advances from member states	48,920	113
Increase (decrease) in unliquidated obligations	126,891	70,970
Increase (decrease) in other liabilities	25,811	48,320
Previous year's contributions paid	<u>70,772</u>	<u>118,405</u>
Net cash from operating activities	514,885	241,291
Transfer to Working Capital Fund	<u>(129,258)</u>	<u>(263,630)</u>
Net increase (decrease) in cash and short term deposits	385,627	(22,339)
Cash and short term deposits at the beginning of the year	<u>266,531</u>	<u>288,870</u>
Cash and short term deposits at the end of the year	<u><u>\$ 652,158</u></u>	<u><u>\$ 266,531</u></u>

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Statement of Appropriations and Expenditures Year Ended December 31, 2007

WCPFC Budget Items 2007 Assessed and Voluntary Contributions General Account Fund Expenditure	Approved Budget (USD)	Transfers	Revised Budget	Total Expenditure 31/12/07	Balance of Budget
Part 1 Section 1 (Item 1) Administrative Expenses					
Sub-item 1.1 - Staff costs					
Established Posts	1,079,508	(100,107)	979,401	936,979	42,422
General temporary assistance	6,000		6,000	1,405	4,595
Overtime	10,000		10,000	5,474	4,526
Consultants	150,000		150,000	134,139	15,861
Total sub-item 1.1	1,245,508	(100,107)	1,145,401	1,077,997	67,404
Sub-item 1.2 : Staff Travel	120,000	10,554	130,554	130,554	0
Sub-item 1.3 - General Operating Expenses					
Electricity, water, sanitation	112,500	(100,000)	12,500	12,000	500
Communications	40,000		40,000	28,779	11,221
Office supplies & fuel	25,000	2,863	27,863	27,863	0
Publications & Printing	30,000		30,000	29,594	406
Audit	12,500		12,500	6,000	6,500
Bank charges	5,000		5,000	4,528	472
Official hospitality	15,000		15,000	14,484	516
Security	20,000		20,000	0	20,000
Training	10,000		10,000	1,396	8,604
Miscellaneous	12,500		12,500	12,292	208
Total sub-item 1.3	282,500	(97,137)	185,363	136,935	48,428
Sub-item 1.4 - Capital expenditure					
Vehicles	25,000		25,000	23,995	1,005
Information & communications technology	75,000		75,000	49,492	25,508
Sound system	40,000		40,000	32,238	7,762
Furniture and Office Equipment	50,000		50,000	49,206	794
Total sub-item 1.4	190,000	0	190,000	154,931	35,069
Sub-item 1.5 - Maintenance					
Vehicles	2,500		2,500	1,323	1,177
Information & communications technology	25,000		25,000	16,555	8,445
Buildings & grounds	25,000	182,977	207,977	207,977	0
Insurance	37,500		37,500	19,463	18,037
Total sub-item 1.5	90,000	182,977	272,977	245,318	27,659
Sub-item 1.6 - Meeting services					
Annual session	90,000	23,960	113,960	113,960	0
Scientific Committee	105,000	(2,377)	102,623	102,623	0
Northern Committee	15,750	(10,240)	5,510	5,510	0
Technical and Compliance Committee	90,000	(7,630)	82,370	82,370	0
Total sub-item 1.6	300,750	3,713	304,463	304,463	0
Sub-total Section 1 (Item 1)	2,228,758	0	2,228,758	2,050,198	178,560
Part 2 (Item 2) Science & Technical & Compliance Programme	Approved budget			Total Expenditure	Balance of Budget
Sub-item 2.1 - Scientific services (OFF-SPC)	297,500	1,350	298,850	298,850	0
Sub-item 2.2 - Scientific research					
Biological studies-TDRs & hook timers	50,000		50,000	50,000	0
Investigation of alternative stock status reference points	10,000	3,663	13,663	13,663	0
Ecological risk analysis-including PSA	100,000		100,000	100,000	0
Turtle/seabird interactions and fishery overlaps	30,000		30,000	30,000	0
Indonesia/Philippines data collection project	45,000		45,000	44,963	37
Independent review of Science structure & functions	80,000		80,000		80,000
Total sub-item 2.2	315,000	3,663	318,663	238,626	80,037
Sub-item 2.3 - Technical and Compliance Programme					
Vessel registry	15,000	865	15,865	15,865	0
Observer Programme	55,000		55,000	9,016	45,984
Port State measures	20,000		20,000		20,000
Implementation issues- by catch mitigation	20,000		20,000	20,000	0
Vessel Monitoring System	55,000	(5,878)	49,122	31,952	17,170
Total sub-item 2.3	165,000	(5,013)	159,987	76,833	83,154
Total Section 2/Item 2	777,500	0	777,500	614,309	163,191
Total Parts 1 and 2	3,006,258	0	3,006,258	2,664,508	341,750

The funds transfers primarily result from the need to hold WCPFC4 in Guam rather than Pohnpei as originally planned and the need for a preparatory works programme required prior to occupancy of the headquarters building. Funds were available primarily because of the Commission's inability to recruit an ICT Manager and because the headquarters building was unable to be occupied due to delays in obtaining the necessary lease and grant authorities

* USD334,000 has been returned to CCMs as a reduction in assessed contributions for 2008.

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2007

(With Comparative Totals as of December 31, 2006)

1. Organization

The Western and Central Pacific Fisheries Commission (the Commission) is an international organisation 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 upon entry into force of the Convention. The Secretariat was established in September 2005 when the Executive Director took up his post.

The Commission is the organisation 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 and a Northern 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, 2007

(With Comparative Totals as of December 31, 2006)

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;
- Special Requirements Fund
- Regional Observer Programme Support Fund
- Indonesia – Philippines Data Collection Project Fund
- Japanese Trust Fund
- Headquarters Building Fund

Two new funds, the Japanese Trust Fund (JTF) and the Headquarters Building Fund (HBF) were established in 2007. The JTF has been set up to help administer funds provided under a project agreement between the Commission and the Government of Japan. The HBF has been set up to help administer a voluntary contribution from the Government of the Federated States of Micronesia to enable necessary works to the headquarters building.

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 January 1 to December 31, 2007.

Generally, income, expenditure, assets, and liabilities are recognised on the accrual basis of accounting (please refer to “Assets” hereunder).

The accounts of the Commission are presented in United States Dollars (\$). Accounts maintained in other currencies are translated into \$'s 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 Members, cooperating non-Members, and participating territories (CCM's) 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.

Expenditures

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

Notes to Financial Statements
December 31, 2007

(With Comparative Totals as of December 31, 2006)

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

Assets

Cash and term deposits comprise 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. This is done in the interest of prudence and no judgment is made about collectability.

Acquisitions 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, Reserves and Fund Balance. The estimated total of non-expendable property held by the Commission is stated in note 5.

Provisions

In addition to the Provision for delays in collection of the outstanding contributions mentioned above, provision has been made to return \$334,000 to members by way of reduced contributions in 2008 as a result of a WCPFC4 budget financing decision and \$30,000 has been provided as a contingency for medical treatment of expatriate staff and their dependents while suitable health insurance cover can be identified and obtained.

Use of Estimates

The preparation of financial statements can 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 (FSM), except under conditions agreed in advance with the FSM National Government.

The Commission is subject to Pohnpei State Tax and is working with the national government to implement a reimbursement arrangement for those taxes.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements

December 31, 2007

(With Comparative Totals as of December 31, 2006)

3. Cash and Term Deposits

Funds being held in bank accounts in the name of the Commission but which are not included in the General Account Fund statements amounted to \$746,404 in 2007 and \$638,697 in 2006. These funds are in respect of:

<u>Fund</u>	<u>2007</u>	<u>2006</u>
Working Capital Fund	\$ 461,073	\$ 416,848
Indonesia-Philippines Data Collection Project	7,659	66,524
Regional Observer Program Support Fund	132,985	99,005
Special Requirements Fund	96,517	56,320
Headquarters Building Fund	30,004	-
Japanese Trust Fund	<u>18,166</u>	<u>-</u>
Total	\$ <u>746,404</u>	\$ <u>638,697</u>

4. Provision for Delays in the Receipt of Contributions Receivable

The provisions of \$141,475 in 2007 and \$70,772 in 2006, respectively, are derived as follows:

	<u>2007</u>	<u>2006</u>
Assessed member contributions for the approved current year budget	\$ 2,700,259	\$ 1,804,350
<u>Add</u> Outstanding Contributions as at beginning of year	<u>70,772</u>	<u>252,567</u>
Total member contributions available for collection	2,771,031	1,551,783
<u>Less</u> current year Contributions received	<u>2,558,784</u>	<u>1,488,085</u>
Provision for delayed contributions	212,247	63,698
<u>Less</u> prior year contributions received in current year	<u>70,772</u>	<u>7,074</u>
Total provision as at end of year	\$ <u>141,475</u>	\$ <u>70,772</u>

5. Non-Expendable Property

At December 31, 2007 and 2006, the estimated value at cost of non-expendable property totalled \$329,817 and \$154,821, respectively. 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 dollars.

6. Other Funds

Working Capital Fund

The Commission's Working Capital Fund at December 31, 2007 and 2006 totaled \$461,065 and \$416,807, respectively. A copy of the financial statements related to the Working Capital Funds is at page 10.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements

December 31, 2007

(With Comparative Totals as of December 31, 2006)

6. Other Funds, Continued

Indonesia-Philippines Data Collection Project

The balance of this fund at December 31, 2007 and 2006 totaled \$7,659 and \$66,524, respectively. A copy of the financial statements related to the Fund is at page 11.

Regional Observer Program Support Fund

The balance of this fund at December 31, 2007 and 2006 totaled \$132,985 and \$99,005, respectively. A copy of the financial statements related to the Fund is at page 12.

Special Requirements Fund

The balance of the Special Requirements Fund at December 31, 2007 and 2006 totaled \$96,517 and \$56,320, respectively. Financial statements related to the Fund are presented on page 13.

Japanese Trust Fund

The balance of the Japanese Trust Fund as at December 31, 2007 was \$6,699. A copy of the financial statements related to the Fund is at page 14.

Headquarters Building Fund

The balance of the Headquarters Building Fund as at December 31, 2007 was \$30,004. A copy of the financial statements related to the Fund is at page 15.

Working Capital Account Fund
Schedule of Income and Expenditure and Changes in Fund Balance
Year Ended December 31, 2007
(With Comparative Totals as of December 31, 2006)

	<u>2007</u>	<u>2006</u>
Income and Other Additions:		
Balance b/fwd from prior year	\$ 416,807	\$ 153,177
Current year General Account Surplus	<u>129,258</u>	<u>263,630</u>
Total income and other additions	<u>546,065</u>	<u>416,807</u>
Less Transfer:		
To General Account Fund as per Finance regulation 5.2	<u>85,000</u>	<u>-</u>
Net transfers	<u>85,000</u>	<u>-</u>
Fund Balance	\$ <u>461,065</u>	\$ <u>416,807</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements

December 31, 2007

(With Comparative Totals as of December 31, 2006)

6. Other Funds, Continued

Working Capital Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2007
(With Comparative Totals as of December 31, 2006)

	<u>2007</u>	<u>2006</u>
<u>Assets</u>		
Cash at bank	\$ 10,073	\$ 10,041
Interest bearing deposit	451,000	406,807
Total Assets	\$ <u>461,073</u>	\$ <u>416,848</u>
<u>Liabilities</u>		
Interest due to General Account Fund	8	41
Total Liabilities	8	41
Fund balance	\$ <u>461,065</u>	\$ <u>416,807</u>

Indonesia Philippines Data Collection Project Fund
Schedule of Income and Expenditure and Changes in Fund Balance
Year Ended December 31, 2007
(With Comparative Totals as of December 31, 2006)

	<u>2007</u>	<u>2006</u>
<u>Income</u>		
Balance of Indonesia/Philippines Project funds b/fwd from prior year	\$ 66,524	\$ 76,892
Contribution from France	-	50,803
Interest	239	174
Total income	<u>66,763</u>	<u>127,869</u>
Expenditure	<u>59,104</u>	<u>61,345</u>
Fund Balance	\$ <u>7,659</u>	\$ <u>66,524</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements

December 31, 2007

(With Comparative Totals as of December 31, 2006)

6. Other Funds, Continued

Indonesia Philippines Data Collection Project Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2007
(With Comparative Totals as of December 31, 2006)

	<u>2007</u>	<u>2006</u>
<u>Assets</u>		
Interest bearing deposit	\$ -	\$ 40,800
Cash at bank	<u>7,659</u>	<u>25,724</u>
Total Assets	\$ <u>7,659</u>	\$ <u>66,524</u>
Fund Balance	\$ <u>7,659</u>	\$ <u>66,524</u>

The 2007 expenditure of \$59,104 comprises:

Payment in relation to the MOU with The National Fisheries Research and Development Institute of the Philippines (18 January):	\$ 14,169
Payment in relation to the MOU with The Bureau of Agricultural Statistics of the Philippines (18 January):	32,259
Eastern Indonesia Data Collection Workshop – provision of support	4,179
Payment to SPC for P. Williams & T. Lawson travel costs January 2007; and amount due from November 2005.	<u>8,497</u>
	\$ <u>59,104</u>

Regional Observer Program Support Fund
Schedule of Income and Expenditure and Changes in Fund Balance
Year Ended December 31, 2007
(With Comparative Totals as of December 31, 2006)

	<u>2007</u>	<u>2006</u>
<u>Income</u>		
Balance brought forward from prior year	\$ 99,005	\$ -
Voluntary contribution - USA	99,000	99,000
Interest	<u>2,287</u>	<u>5</u>
Total income	200,292	99,005
Less expenditure	<u>67,307</u>	<u>-</u>
Fund Balance	\$ <u>132,985</u>	\$ <u>99,005</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements

December 31, 2007

(With Comparative Totals as of December 31, 2006)

6. Other Funds, Continued

Regional Observer Program Support Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2007

(With Comparative Totals as of December 31, 2006)

	<u>2007</u>	<u>2006</u>
<u>Assets</u>		
Cash at bank or interest bearing deposit	\$ 32,985	\$ 10,005
Interest bearing deposit	<u>100,000</u>	<u>89,000</u>
Total assets	\$ <u>132,985</u>	\$ <u>99,005</u>
<u>Fund balance</u>	\$ <u>132,985</u>	\$ <u>99,005</u>

Special Requirements Fund
Schedule of Income and Expenditure and Changes in Fund Balance
Year Ended December 31, 2007

(With Comparative Totals as of December 31, 2006)

	<u>2007</u>	<u>2006</u>
<u>Income:</u>		
Balance brought forward from 2006 into 2007 (2005 into 2006)	\$ 56,320	\$ 35,121
Voluntary contribution - USA	50,000	55,000
Interest	<u>1,293</u>	<u>219</u>
Total income	<u>107,613</u>	<u>90,340</u>
<u>Expenditure:</u>		
SPC MOU	-	34,000
RMI National Observer Program Coordinator SC3 participation	4,042	-
FSM Participation in WCPFC4	7,051	-
Bank fees	<u>3</u>	<u>20</u>
Total expenditure	<u>11,096</u>	<u>34,020</u>
Fund balance	\$ <u>96,517</u>	\$ <u>56,320</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2007
(With Comparative Totals as of December 31, 2006)

6. Other Funds, Continued

Special Requirements Fund
Schedule of Assets, Liabilities and Fund Balances
December 31, 2007
(With Comparative Totals as of December 31, 2006)

	<u>2007</u>	<u>2006</u>
Assets:		
Cash at bank	\$ 1,517	\$ 11,320
Interest bearing deposit	<u>95,000</u>	<u>45,000</u>
Total assets	\$ <u>96,517</u>	\$ <u>56,320</u>
Fund balance	\$ <u>96,517</u>	\$ <u>56,320</u>

Japanese Trust Fund
Schedule of Income and Expenditure and Changes in Fund Balance
Year Ended December 31, 2007

Income:	
Contribution from Japan	\$ 443,851
Interest	<u>3,303</u>
Total income	<u>447,154</u>
Expenditure:	
To General Account Fund per WCPFC3 decision	215,000
Administrative expenses	66,058
Payments for projects	<u>159,397</u>
Total expenditure	<u>440,455</u>
Fund balance	\$ <u>6,699</u>

Japanese Trust Fund
Schedule of Assets, Liabilities and Fund Balances
December 31, 2007

Assets:	
Cash at bank	\$ <u>18,166</u>
Total assets	<u>18,166</u>
Liabilities:	
Due to General Account Fund for Administrative Fee	<u>11,467</u>
Total liabilities	<u>11,467</u>
Fund balance	\$ <u>6,699</u>

Notes to Financial Statements
December 31, 2007
(With Comparative Totals as of December 31, 2006)

6. Other Funds, Continued

Headquarters Building Fund
Schedule of Income and Expenditure and Changes in Fund Balance
Year Ended December 31, 2007

Income:	
Contribution from FSM	\$ 30,000
Interest	<u>4</u>
Total income	<u>30,004</u>
Expenditure	<u>-</u>
Fund balance	\$ <u>30,004</u>

Headquarters Building Fund
Schedule of Assets, Liabilities and Fund Balances
December 31, 2007

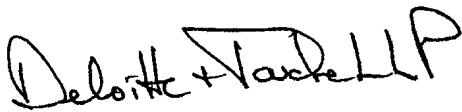
Assets:	
Cash at bank	\$ <u>30,004</u>
Total assets	<u>30,004</u>
Liabilities	<u>-</u>
Fund balance	\$ <u>30,004</u>

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

The Executive Director
Western and Central Pacific Fisheries Commission:

We have audited the general account fund statement of assets, liabilities and fund balance of the Western and Central Pacific Fisheries Commission (the Commission) as of December 31, 2007 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 May 29, 2008.

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



May 29, 2008