



FINANCE AND ADMINISTRATION COMMITTEE
Sixteenth Session
Da Nang, Vietnam
27 November - 3 December 2022

**THE AUDITOR'S REPORT FOR 2021 AND THE GENERAL ACCOUNT
FUND FINANCIAL STATEMENTS FOR 2021**

WCPFC19-2022-FAC16-06
18 October 2022

Purpose

1. The purpose of this paper is to table for the consideration of FAC16 and WCPFC19 the Auditor's Report for 2021 and the General Account Fund Financial Statements for 2021 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 2021 financial period were submitted to the Auditor on 13 April 2022. Under Finance Regulation 12, the financial statements are due to the auditor by 31 March 2022. The final audit was circulated to the

Commission members on 13 October 2022. The audit was delayed significantly due to travel difficulties for officials of the independent auditor to visit the Secretariat office and other operational challenges the Auditor's office encountered.

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 2021: 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; and the Voluntary Contributions 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) "In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as of December 31, 2021 and 2020..."; and
 - 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.

Financial results

8. For the General Account Fund, the financial statements show that there was a deficit of income over expenditure of USD432,184. In addition, prior years' contributions of USD474,085 were paid by some Members in 2021. In accordance with Financial Regulation 4.4 the balance was transferred to the Working Capital Fund.

Recommendation

9. The Committee is invited to consider the audited financial statements and make the necessary recommendation to WCPFC19.

**WESTERN AND CENTRAL PACIFIC
FISHERIES COMMISSION**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

YEAR ENDED DECEMBER 31, 2021

Independent Auditors' Report

The Chair
Western and Central Pacific Fisheries Commission:

Opinion

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, 2021, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as of December 31, 2021 and 2020, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

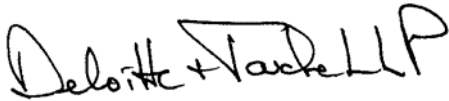
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 October 12, 2022, 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.

October 12, 2022

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

General Account Fund
Statement of Assets, Liabilities and Fund Balance
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	2021	2020
<u>Assets</u>		
Cash and short-term deposits	\$ 2,062,342	\$ 2,614,984
Contributions receivable	1,391,729	576,445
Less provision for delayed contributions	(1,391,729)	(576,445)
Due from other funds	1,527,515	578,395
Accounts receivable	23,750	24,673
Other assets and advance payments	79,904	11,200
Total assets	\$ 3,693,511	\$ 3,229,252
 <u>Liabilities and Fund Balance</u>		
Unliquidated obligations	\$ 629,054	\$ 605,972
Accounts payable	12,873	13,269
Member contributions in advance	55,291	72,565
Due to other funds	2,477,775	2,145,619
Accrued entitlements	513,979	387,635
Income tax payable	227	243
Capitalized security in social security	4,312	3,949
Total liabilities and fund balance	\$ 3,693,511	\$ 3,229,252

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, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021	2020
<u>Income</u>		
Contributions:		
Assessed contributions	\$ 6,696,183	\$ 7,566,550
Total contributions income	6,696,183	7,566,550
Miscellaneous income:		
Interest	1,071	2,341
Other	1,458,603	592,103
Total income	8,155,857	8,160,994
<i>Less</i>		
Expenditures	7,295,672	6,746,799
Excess of income over expenditures	860,185	1,414,195
<i>Less</i>		
Delayed contributions	1,292,369	576,369
Net excess of (expenditures) income over (income) expenditures	(432,184)	837,826
Fund balance at beginning of year	-	-
Transfer from (to) Working Capital Fund	432,184	(837,826)
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, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Net excess of (expenditures) income over (income) expenditures	\$ (432,184)	\$ 837,826
Increase in other accounts receivable	(948,197)	(151,113)
(Increase) decrease in other assets and advance payments	(68,704)	19,239
(Decrease) increase in advances from member states	(17,274)	18,289
Increase (decrease) in unliquidated obligations	23,082	(7,770)
Increase in other liabilities	<u>458,451</u>	<u>1,923,341</u>
Net cash (used in) provided by operating activities	(984,826)	2,639,812
Transfer from (to) Working Capital Fund	<u>432,184</u>	<u>(837,826)</u>
Net change in cash and short-term deposits	(552,642)	1,801,986
Cash and short-term deposits at beginning of year	<u>2,614,984</u>	<u>812,998</u>
Cash and short-term deposits at end of year	<u><u>\$ 2,062,342</u></u>	<u><u>\$ 2,614,984</u></u>

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Statement of Appropriations and Expenditures
Year Ended December 31, 2021

WCPFC Budget Items 2021 Assessed and Voluntary Contributions General Account Fund Expenditure	Approved budget 2021	Transfers	Revised Budget	Total Expenditures 31/12/21	Balance of Budget
Part 1 - Administrative Expenses of the Secretariat					
Sub-Item 1.1 Staff Costs					
Professional Staff Salary	943,750	51,000	994,750	994,385	365
Professional Staff Benefits and Allowances	865,790	(51,000)	814,790	802,092	12,698
Professional Staff Insurance	142,020	19,000	161,020	160,212	808
Recruitment/Repatriation	35,330	(19,000)	16,330	-	16,330
Support Staff	457,838	-	457,838	457,237	601
Total, sub-item 1.1	2,444,728	-	2,444,728	2,413,926	30,802
Sub-Item 1.2 Other Personnel Costs					
Temporary Assistance/Overtime	16,500	-	16,500	7,226	9,274
Chairs Expenses	-	-	-	-	-
Consultants	138,000	-	138,000	128,084	9,916
Total, sub-item 1.2	154,500	-	154,500	135,310	19,190
Sub-item 1.3 Official Travel	122,500	-	122,500	11,323	111,177
Sub-item 1.4 General Operating Expenses					
Electricity, Water, Sanitation	42,000	-	42,000	36,773	5,227
Communications/Courier	78,000	12,400	90,400	90,363	37
Office Supplies & Fuel	41,000	-	41,000	35,205	5,795
Audit	7,000	-	7,000	7,000	-
Bank Charges	10,000	-	10,000	7,770	2,230
Official Hospitality	10,000	-	10,000	8,045	1,955
Community Outreach	8,000	(3,500)	4,500	1,733	2,767
Miscellaneous Services	6,400	1,600	8,000	7,969	31
Security	100,500	(14,000)	86,500	86,094	406
Training	10,000	3,500	13,500	13,468	32
Total, sub-item 1.4	312,900	-	312,900	294,420	18,480
Sub-item 1.5 Capital Expenditure					
Vehicles	-	-	-	-	-
Information Technology	49,373	9,600	58,973	57,880	1,093
Website New Projects/Enhancements	13,320	2,500	15,820	15,721	99
Furniture and Equipment	32,000	(3,000)	29,000	28,541	459
Total, sub-item 1.5	94,693	9,100	103,793	102,142	1,651
Sub-item 1.6 Maintenance					
Vehicles	6,000	2,600	8,600	8,501	99
Information and Communication Technology	152,077	(12,000)	140,077	139,635	442
Buildings & Grounds	56,500	25,500	82,000	81,750	250
Gardeners and Cleaners	82,500	(4,500)	78,000	77,582	418
Insurance	27,500	1,300	28,800	28,737	63
Total, sub-item 1.6	324,577	12,900	337,477	336,205	1,272
Sub-item 1.7 Meeting Services					
Annual Session	165,000	(14,000)	151,000	1,407	149,593
Scientific Committee	212,000	(4,000)	208,000	5,490	202,510
Northern Committee	18,000	-	18,000	140	17,860
Technical and Compliance Committee	159,800	(4,000)	155,800	4,523	151,277
Total, sub-item 1.7	554,800	(22,000)	532,800	11,560	521,240
Total, sub-item 1.8 Future Work - Commission	-	-	-	-	-
TOTAL, Section 1/Item 1	4,008,698	-	4,008,698	3,304,886	703,812

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Statement of Appropriations and Expenditures
Year Ended December 31, 2021

WCPFC Budget Items 2021					Total	
Assessed and Voluntary Contributions		Approved		Revised	Expenditures	Balance of
General Account Fund Expenditure		budget 2021	Transfers	Budget	31/12/21	Budget
Part 2 - Science & Technical & Compliance Programme						
Section 2 (Item 2)						
Sub-item 2.1	Scientific Services (SPC)	943,015	-	943,015	943,015	-
Sub-item 2.2	<i>Scientific Research</i>					
	Additional Resourcing SPC	169,810	-	169,810	169,810	-
	P35b Maintenance of WCPFC Tissue Bank	101,180	-	101,180	101,180	-
	P42 Pacific Tuna Tagging Project	730,000	-	730,000	730,000	-
	P60 Improving purse seine species composition	40,000	-	40,000	40,000	-
	P88 Acoustic FAD analyses	15,000	-	15,000	15,000	-
	P90 Fish weights/lengths for scientific analyses	20,000	-	20,000	20,000	-
	P104 - LRPs for SW Pacific marlin / billfish	31,000	-	31,000	31,000	-
	P105 - Bomb radiocarbon age validation for BE / YF	97,980	-	97,980	97,980	-
	P107 - SP blue shark assessment	20,000	-	20,000	20,000	-
	P109 - Training observers for elasmobranch sampling	25,000	-	25,000	25,000	-
	Total, sub-item 2.2	1,249,970	-	1,249,970	1,249,970	-
Sub-item 2.3	Technical & Compliance Programme					
	ROP - Audit/Remediation	15,000	(10,000)	5,000	-	5,000
	ROP - Special Projects and Research Activities	2,000	-	2,000	-	2,000
	ROP - Training, Assistance & Development	10,000	(6,000)	4,000	-	4,000
	ROP Data Management	923,904	-	923,904	923,904	-
	Vessel Monitoring System - Capital Costs	20,000	(8,500)	11,500	-	11,500
	Vessel Monitoring System	270,000	16,000	286,000	285,975	25
	Vessel Monitoring System - Airtime	206,646	8,500	215,146	215,098	48
	Vessel Monitoring System - Security Audit	8,400	-	8,400	5,500	2,900
	CCM/Staff VMS Training	25,000	-	25,000	-	25,000
	Information Management System	100,000	-	100,000	86,350	13,650
	Workshops/IATTC Cross Endor. Train.	10,000	(400)	9,600	-	9,600
	AR Part 2/CMS Online Host. and Pub.	18,000	400	18,400	18,400	-
	Targeted Capacity Building	40,000	-	40,000	-	40,000
	E-Monitoring and E-Reporting Activities	30,000	-	30,000	-	30,000
	CMS Future Work	50,000	-	50,000	39,200	10,800
	Regional Capacity Building Workshops	260,000	-	260,000	223,374	36,626
	Total, item 2.3	1,988,950	-	1,988,950	1,797,801	191,149
	TOTAL, Section 2/Item 2	4,181,935	-	4,181,935	3,990,786	191,149
	Total, Parts 1 & 2	8,190,633	-	8,190,633	7,295,672	894,961

See accompanying notes to financial statements.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2021
(With Comparative Totals as of December 31, 2020)

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) Supporting efforts to improve data collection and research associated with tuna fisheries and the WCPO ecosystem including initiatives to scale up tuna tagging programmes;
- (vi) 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, 2021

(With Comparative Totals as of December 31, 2020)

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. The Commission 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 2021.

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, 2021

(With Comparative Totals as of December 31, 2020)

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 income and expenditures 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, 2021

(With Comparative Totals as of December 31, 2020)

3. Fund Balance

Funds being held in the name of the Commission but which are not included in the General Account Fund statements amounted to \$6,348,592 and \$9,508,744 as of December 31, 2021, respectively. These funds are:

<u>Fund</u>	<u>2021</u>	<u>2020</u>
Working Capital Fund	\$ 2,240,213	\$ 3,481,012
Western Pacific East Asia Oceanic Fisheries Management Project Fund	1,628,458	2,310,609
Special Requirements Fund	407,515	423,355
Japanese Trust Fund	39,881	272,661
Fees and Charges Trust Fund	204,415	146,716
Voluntary Contributions Fund	1,278,133	2,133,047
FAO - ABNJ Project Fund	-	-
Chinese Taipei Trust Fund	<u>549,977</u>	<u>741,344</u>
Total	\$ <u>6,348,592</u>	\$ <u>9,508,744</u>

4. Provision for Delays in the Receipt of Contributions Receivable

The provisions of \$1,391,729 and \$576,445 in 2021 and 2020, respectively, are derived as follows:

	<u>2021</u>	<u>2020</u>
Assessed member contributions for the approved current year budget	\$ 6,696,183	\$ 7,566,550
<u>Add</u> outstanding contributions as at beginning of year	<u>576,445</u>	<u>1,262,722</u>
Total member contributions available for collection	7,272,628	8,829,272
<u>Less</u> current year contributions received	<u>5,403,814</u>	<u>6,990,181</u>
Provision for delayed contributions	1,868,814	1,839,091
<u>Less</u> prior year contributions received in current year	<u>477,085</u>	<u>1,262,646</u>
Total provision as at end of year	\$ <u>1,391,729</u>	\$ <u>576,445</u>

The Commission collected \$411,007 of delayed contributions after December 31, 2021, but before the date the financial statements were available to be issued.

5. Transfer of excess funds to the Working Capital Fund

Transfers of \$2,185,089 did not take place in the 2021 calendar year but will take place at the beginning of the 2022 calendar year.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements

December 31, 2021

(With Comparative Totals as of December 31, 2020)

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.

7. Other Funds

Working Capital Fund

The balance of the Working Capital Fund at December 31, 2021 totaled \$2,240,213. A copy of the financial statements related to the Working Capital Funds is on page 14.

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, 2021 totaled \$1,628,458. A copy of the financial statements related to the fund is at page 15.

Special Requirements Fund

The balance of the Special Requirements Fund at December 31, 2021 totaled \$407,515. A copy of the financial statements related to the fund is on page 16.

Japanese Trust Fund

The balance of the Japanese Trust Fund at December 31, 2021 totaled \$39,881. A copy of the financial statements related to the fund is on page 17.

Fees and Charges Trust Fund

The balance of the Fees and Charges Trust Fund at December 31, 2021 totaled \$204,415. A copy of the financial statements related to the fund is on page 18.

Voluntary Contributions Fund

The balance of the Voluntary Contributions Fund at December 31, 2021 totaled \$1,278,133. U.S. Funds for E-Monitoring and E-Reporting were transferred to Voluntary Contributions Fund during 2019. A copy of the financial statements related to the fund is on page 19.

FAO - ABNJ Project Fund

The balance of the FAO-ABNJ Project Fund at December 31, 2021 totaled \$0. A copy of the financial statements related to the fund is on page 20.

Chinese Taipei Trust Fund

The balance of the Chinese Taipei Trust Fund at December 31, 2021 totaled \$549,977. A copy of the financial statements related to the fund is on page 21.

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2021

(With Comparative Totals as of December 31, 2020)

7. Other Funds, Continued

Working Capital Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Income and other additions:		
Balance brought forward from prior year	\$ 3,481,012	\$ 1,663,417
General Account Surplus, savings on prior year obligations and prior year contributions received	108,262	2,166,101
Interest	<u>954</u>	<u>1,544</u>
Total income and other additions	3,590,228	3,831,062
Expenditures	<u>1,350,015</u>	<u>350,050</u>
Fund balance	\$ <u>2,240,213</u>	\$ <u>3,481,012</u>

Working Capital Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash at bank	\$ 648,220	\$ 931,137
Money market account	743,542	742,815
Due from General Account Fund	2,185,089	2,111,508
Due from ABNJ Fund	-	25,613
Due from Chinese Taipei Trust Fund	<u>13,362</u>	<u>19,939</u>
Total assets	<u>3,590,213</u>	<u>3,831,012</u>
<u>Liabilities</u>		
Due to General Account Fund	<u>1,350,000</u>	<u>350,000</u>
<u>Fund balance</u>	\$ <u>2,240,213</u>	\$ <u>3,481,012</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements

December 31, 2021

(With Comparative Totals as of December 31, 2020)

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, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Income and other additions:		
Balance brought forward from prior year	\$ 2,310,609	\$ 2,966,110
Contribution for WCPFC GAF co-financing Interest	<u>499</u>	<u>1,079</u>
Total income and other additions	2,311,108	2,967,189
Expenditures	<u>682,650</u>	<u>656,580</u>
Fund balance	\$ <u>1,628,458</u>	\$ <u>2,310,609</u>

Western Pacific East Asia Oceanic Fisheries Management Project Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash at bank - NZ account	\$ 1,606,214	\$ 849,729
Money market account	71,425	71,388
Due from General Account Fund	-	34,111
Tranche payment from NZ	<u>-</u>	<u>1,397,434</u>
Total assets	<u>1,677,639</u>	<u>2,352,662</u>
<u>Liabilities</u>		
Unliquidated obligations	37,187	31,587
Due to General Account Fund	<u>11,994</u>	<u>10,466</u>
Total liabilities	<u>49,181</u>	<u>42,053</u>
<u>Fund balance</u>	\$ <u>1,628,458</u>	\$ <u>2,310,609</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2021

(With Comparative Totals as of December 31, 2020)

7. Other Funds, Continued

Special Requirements Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Income and other additions:		
Balance brought forward from prior year	\$ 423,355	\$ 236,140
Donation from Australia	-	66,780
Donation from USA	40,000	47,500
Donation from Canada	-	75,000
Donation from China	22,500	-
Interest	<u>110</u>	<u>254</u>
Total income and other additions	485,965	425,674
Expenditures	<u>78,450</u>	<u>2,319</u>
Fund balance	\$ <u>407,515</u>	\$ <u>423,355</u>

Special Requirements Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash at bank	\$ 345,015	\$ 425,523
Due from General Account Fund	22,500	-
Voluntary Contributions Fund	<u>40,000</u>	<u>-</u>
Total assets	<u>407,515</u>	<u>425,523</u>
<u>Liabilities</u>		
Due to General Account Fund	<u>-</u>	<u>2,168</u>
<u>Fund balance</u>	\$ <u>407,515</u>	\$ <u>423,355</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2021
(With Comparative Totals as of December 31, 2020)

7. Other Funds, Continued

Japanese Trust Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Income and other additions:		
Balance brought forward from prior year	\$ 272,661	\$ 39,729
Contribution from Japan	-	465,642
Interest	<u>31</u>	<u>111</u>
Total income and other additions	<u>272,692</u>	<u>505,482</u>
Expenditures:		
Payments for projects	215,359	215,359
Administrative expenditures	<u>17,452</u>	<u>17,462</u>
Total expenditures	<u>232,811</u>	<u>232,821</u>
Fund balance	\$ <u>39,881</u>	\$ <u>272,661</u>

Japanese Trust Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash at bank	\$ 57,333	\$ 290,113
<u>Liabilities</u>		
Due to General Account Fund	<u>17,452</u>	<u>17,452</u>
<u>Fund balance</u>	\$ <u>39,881</u>	\$ <u>272,661</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2021
(With Comparative Totals as of December 31, 2020)

7. Other Funds, Continued

Fees and Charges Trust Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2021
(With Comparative Totals as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
Income and other additions:		
Balance brought forward from prior year	\$ 146,716	\$ 159,257
Contributions from non-members	190,605	179,824
Observer fees	8,290	5,890
Interest	<u>79</u>	<u>250</u>
Total income and other additions	<u>345,690</u>	<u>345,221</u>
Expenditures:		
Transfer to General Account Fund	141,050	198,310
Bank fees and other charges	150	120
Write off of CNM prior year unpaid contributions	<u>75</u>	<u>75</u>
Total expenditures	<u>141,275</u>	<u>198,505</u>
Fund balance	\$ <u>204,415</u>	\$ <u>146,716</u>

Fees and Charges Trust Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash at bank	\$ 331,252	\$ 345,146
Uncollected Contributions from CNMs	14,013	-
Due from General Account Fund	<u>250</u>	<u>-</u>
Total assets	<u>345,515</u>	<u>345,146</u>
<u>Liabilities</u>		
Due to General Account Fund	141,050	198,310
Advance payments by CNMs	<u>50</u>	<u>120</u>
Total liabilities	<u>141,100</u>	<u>198,430</u>
<u>Fund balance</u>	\$ <u>204,415</u>	\$ <u>146,716</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements

December 31, 2021

(With Comparative Totals as of December 31, 2020)

7. Other Funds, Continued

Voluntary Contributions Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2021
(With Comparative Totals as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
Income and other additions:		
Balance brought forward from prior year	\$ 2,133,047	\$ 1,559,519
China	-	22,000
United States	45,000	163,500
Korea	167,936	166,952
European Union	-	495,965
Canada	-	270,000
ISSF	17,000	-
Interest	<u>403</u>	<u>792</u>
Total income and other additions	<u>2,363,386</u>	<u>2,678,728</u>
Expenditures	<u>1,085,253</u>	<u>545,681</u>
Fund balance	\$ <u>1,278,133</u>	\$ <u>2,133,047</u>

Voluntary Contributions Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash at bank - USD accounts	\$ 1,024,185	\$ 1,277,925
Cash at bank - Euro accounts	296,703	523,235
Tranche payment owed to Commission	497,478	497,478
Due from General Account Fund	<u>269,936</u>	<u>-</u>
Total assets	<u>2,088,302</u>	<u>2,298,638</u>
<u>Liabilities</u>		
Unidentified deposits	15,332	15,332
Unliquidated obligations	747,817	150,259
Due to General Fund	7,020	-
Due to Special Requirements Fund	<u>40,000</u>	<u>-</u>
Total liabilities	<u>810,169</u>	<u>165,591</u>
<u>Fund balance</u>	\$ <u>1,278,133</u>	\$ <u>2,133,047</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2021
(With Comparative Totals as of December 31, 2020)

7. Other Funds, Continued

FAO - ABNJ Project Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2021
(With Comparative Totals as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
Income and other additions:		
Balance brought forward from prior year	\$ -	\$ 56,919
Savings on prior year obligations	-	-
Interest	<u>-</u>	<u>34</u>
Total income and other additions	<u>-</u>	<u>56,953</u>
Expenditures	<u>-</u>	<u>56,953</u>
Fund balance	\$ <u>-</u>	\$ <u>-</u>

FAO - ABNJ Project Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash at bank	\$ -	\$ 25,613
<u>Liabilities</u>		
Due to Working Capital Fund	<u>-</u>	<u>25,613</u>
<u>Fund balance</u>	\$ <u>-</u>	\$ <u>-</u>

WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION

Notes to Financial Statements
December 31, 2021
(With Comparative Totals as of December 31, 2020)

7. Other Funds, Continued

Chinese Taipei Trust Fund
Schedule of Income and Expenditures and Changes in Fund Balance
Year Ended December 31, 2021
(With Comparative Totals as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
Income and other additions:		
Balance brought forward from prior year	\$ 741,344	\$ 1,026,618
Interest	<u>204</u>	<u>541</u>
Total income and other additions	<u>741,548</u>	<u>1,027,159</u>
Expenditures	<u>191,571</u>	<u>285,815</u>
Fund balance	\$ <u>549,977</u>	\$ <u>741,344</u>

Chinese Taipei Trust Fund
Schedule of Assets, Liabilities and Fund Balance
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash at bank	\$ 795,900	\$ 589,635
Tranche payment from Chinese Taipei	<u>-</u>	<u>400,000</u>
Total assets	<u>795,900</u>	<u>989,635</u>
<u>Liabilities</u>		
Unliquidated obligations	232,561	228,352
Due to Working Capital Fund	<u>13,362</u>	<u>19,939</u>
Total liabilities	<u>245,923</u>	<u>248,291</u>
<u>Fund balance</u>	\$ <u>549,977</u>	\$ <u>741,344</u>

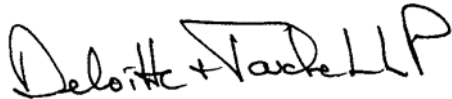
Assets of \$795,900 and \$989,635 as of December 31, 2021 and 2020, respectively, comprised \$795,900 and \$989,635 of current assets, respectively; and \$0 of noncurrent asset.

**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, 2021 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 October 12, 2022.

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



October 12, 2022

October 12, 2022

The Chair
Western and Central Pacific Fisheries Commission

Dear Chair:

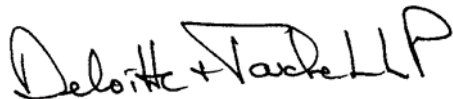
We have performed an audit of the financial statements of Western and Central Pacific Fisheries Commission (the Commission) as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America (“generally accepted auditing standards”) and have issued our report thereon dated October 12, 2022.

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (“generally accepted government auditing standards”), have been described in our engagement letter dated October 7, 2022, a copy of which has been provided to you. As described in that letter, the objectives of an audit conducted in accordance with the aforementioned standards are to:

- Express an opinion on whether the statement of assets, liabilities and fund balance of the Commission as of December 31, 2021 and the related statements of income and expenditures and changes in fund balance and of cash flows for the year then ended (the “financial statements”), are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”) in conformity with the financial regulations of the Commission and certain accounting standards adopted by other international organizations.

Our responsibilities under generally accepted auditing standards and generally accepted government auditing standards include forming and expressing an opinion about whether the financial statements that have been prepared with the oversight of management and the Board of Directors are presented fairly, in all material respects, in conformity with generally accepted accounting principles in conformity with the financial regulations of the Commission and certain accounting standards adopted by other international organizations. 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 over financial reporting 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 over financial reporting. Accordingly, we do not express an opinion on the 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 2021 financial statements. During the year ended December 31, 2021, 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, 2021.



UNCORRECTED 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. We have attached to this letter, as Appendix A to Attachment I, summaries of uncorrected misstatements that we presented to management during the current audit engagement pertaining to the latest period that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

OTHER INFORMATION IN THE ANNUAL REPORT

The 2021 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 2021 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 2021.

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 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.

OTHER MATERIAL WRITTEN COMMUNICATIONS

There was no other material written communications between management and us related to the audit of the financial statements for the year ended December 31, 2021.



October 12, 2022

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

Dear Gentlemen:

In connection with your audit of the general account fund statement of assets, liabilities and fund balance as of December 31, 2021, 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. We believe the effects of any uncorrected financial statement misstatements aggregated by you during the current audit engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of such uncorrected misstatements has been attached as Appendix A.
8. There are no unasserted claims or assessments that are probable of assertion and must be disclosed. We have not consulted the internal legal counsel 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, 2021 up to the date of this letter.

Except where otherwise stated below, matters less than \$63,600 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.

9. Except as listed in Appendix A, there are no transactions that have not been properly recorded in the accounting records underlying the financial statements.
10. WCPFC has satisfactory title to all owned assets and there are no liens or encumbrances on such assets nor has any asset been pledged.
11. We have complied with the aspects of contractual agreements that have a material effect on the financial statements in the event of noncompliance.

12. 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.
13. 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.
14. The Commission collected \$411,007 of delayed contributions after December 31, 2021, but before the date the financial statements were available to be issued.
15. Transfer of \$2,185,089 did not take place in the 2021 calendar year but will take place at the beginning of the 2022 calendar year.
16. As of December 31, 2021, accounts receivable recorded in the financial statements includes long-outstanding balances aggregating \$497,478 from countries or organizations arising on or before balance sheet date and have been appropriately reduced to their estimated realizable value.
17. 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.
18. 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.
19. 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,



Mr Feleti Penitala Teo, OBE
EXECUTIVE DIRECTOR



Aaron Nighswander
Finance and Administration Manager

APPENDIX A
Uncorrected Misstatements
Year ended December 31, 2021

SUMMARY OF UNCORRECTED MISSTATEMENTS									
Description of Misstatement	Assets		Liabilities		Equity		Income		TOTAL
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	
To record an unreleased check	40,199			(40,199)					-
Total Misstatements	40,199	-		(40,199)	-	-	-	-	-