



FINANCE AND ADMINISTRATION COMMITTEE

Nineteenth Session

Manila, Philippines (Hybrid)

30 November to 5 December 2025

AUDITOR'S REPORT FOR 2024 AND THE GENERAL ACCOUNT FUND FINANCIAL STATEMENTS FOR 2024

**FAC19-2025-05
22 October 2025**

Submitted by the Secretariat

Purpose and Introduction

1. The purpose of this paper is to provide information for FAC19 and WCPFC22 on the Auditor's Report for 2024, and the General Account Fund Financial Statements for 2024 (see attached).
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 (CCMs) on 2 July 2025 in Circular 2025/42. The audit, compliance reports, and annual financial statements are attached for reference.

External Audit Timing Requirements

5. The Commission's annual financial statements for the 2024 financial period were available to the auditor by 31 March 2025 per the Financial Regulation 12.

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). In addition, detailed information about the other funds in existence as at 31 December 2024 were provided to the auditor and addressed in Note 7 to the Financial Statements:
 - a. Working Capital Fund
 - b. Special Requirements Fund
 - c. Chinese Taipei Trust Fund
 - d. West Pacific East Asia Oceanic Fisheries Management Project
 - e. Japan Trust Fund
 - f. Fees and Charges Trust Fund
 - g. Voluntary Contributions Fund

These other funds were 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, 2024 and 2023, and the results of its operations and cash flows for the year..."*; and
 - b. a statement that there was compliance 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.
8. The qualification from last year's audit was resolved and no additional qualifications were identified in the audit of the 2024 Financial Statements.

Financial results

9. For the General Account Fund, the financial statements show that there was an excess of income over expenditure of **USD590,080**. In addition, prior years' contributions of **USD720,932** were paid by some Members in 2024. In accordance with Financial Regulation 4.4, the balance was transferred to the Working Capital Fund.

Recommendation

10. The Committee is invited to consider the audited financial statements and make the necessary recommendation to the Commission for consideration at WCPFC22.

Financial Statements and Supplementary Information

**Western and Central Pacific
Fisheries Commission**

*Years Ended December 31, 2024 and 2023
with Report of Independent Auditors*



Western and Central Pacific Fisheries Commission
Financial Statements and Supplementary Information
Years Ended December 31, 2024 and 2023

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Report of Independent Auditors

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 statements of assets, liabilities and fund balance as of December 31, 2024 and 2023, and the related statements of income and expenditures and changes in fund balance, cash flows, and appropriations and expenditures for the years 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, 2024 and 2023, 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). 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting described in Note 2, 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.

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 of 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.

Other Matters

We have also issued our report dated June 30, 2025, 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).

Restriction on Use

This report is intended solely for the information and use of the management and Commission Members of Western and Central Pacific Fisheries Commission and is not intended to be and should not be used by anyone other than these specified parties.

Ernst + Young LLP

June 30, 2025

Western and Central Pacific Fisheries Commission

Statements of Assets, Liabilities and Fund Balance

	December 31,	
	<u>2024</u>	<u>2023</u>
Assets		
Cash and short-term deposits	\$1,877,751	\$1,767,606
Contributions receivable	1,475,705	980,721
Less provision for delayed contributions	(1,475,705)	(980,721)
Due from other funds	256,525	216,642
Accounts receivable	32,348	24,279
Other assets and advance payments	<u>26,329</u>	<u>96,567</u>
Total assets	<u>\$2,192,953</u>	<u>\$2,105,094</u>
Liabilities and Fund Balance		
Unliquidated obligations	\$1,169,510	\$ 982,987
Accounts payable and others	145,400	108,427
Member contributions in advance	12,877	53,356
Due to other funds	355,607	540,987
Accrued entitlements	506,347	416,487
Income tax payable	488	507
Capitalized security in social security	<u>2,724</u>	<u>2,343</u>
Total liabilities	<u>2,192,953</u>	<u>2,105,094</u>
Fund balance	<u>---</u>	<u>---</u>
Total liabilities and fund balance	<u>\$2,192,953</u>	<u>\$2,105,094</u>

See accompanying notes.

Western and Central Pacific Fisheries Commission

Statements of Income and Expenditures and Changes in Fund Balance

	Year ended December 31,	
	<u>2024</u>	<u>2023</u>
Income		
Contributions:		
Assessed contributions	\$ <u>8,338,587</u>	\$ <u>7,602,725</u>
Total contributions income	8,338,587	7,602,725
Miscellaneous income:		
Interest	726	899
Other	<u>1,025,627</u>	<u>1,302,700</u>
Total income	<u>9,364,940</u>	<u>8,906,324</u>
Less		
Expenditures	<u>8,739,104</u>	<u>8,274,447</u>
Excess of income over expenditures	625,836	631,877
Less		
Delayed contributions	<u>1,215,916</u>	<u>772,996</u>
Net excess of expenditures over income	(590,080)	(141,119)
Fund Balance at beginning of the year	---	(21)
Transfer from Working Capital Fund	<u>590,080</u>	<u>141,140</u>
Fund balance at end of year	\$ <u>---</u>	\$ <u>---</u>

See accompanying notes.

Western and Central Pacific Fisheries Commission

Statements of Cash Flows

	Year ended December 31,	
	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net excess of expenditures over income	\$(590,080)	\$(141,119)
(Increase) decrease in accounts receivables and due from other funds	(47,952)	1,446,015
Decrease (increase) in other assets and advance payments	70,238	(12,548)
Increase in unliquidated obligations	186,523	168,393
Decrease in member contributions in advance	(40,479)	(6,815)
Decrease in other liabilities and due to other funds	(<u>58,185</u>)	(<u>1,932,202</u>)
Net cash used in operating activities	(479,935)	(478,276)
Transfer from Working Capital Fund	<u>590,080</u>	<u>141,140</u>
Net change in cash and short-term deposits	110,145	(337,136)
Cash and short-term deposits at beginning of year	<u>1,767,606</u>	<u>2,104,742</u>
Cash and short-term deposits at end of year	\$ <u>1,877,751</u>	\$ <u>1,767,606</u>

See accompanying notes.

Western and Central Pacific Fisheries Commission

Statement of Appropriations and Expenditures

Year Ended December 31, 2024

	<i>Approved budget 2024</i>	<i>Transfers</i>	<i>Revised Budget</i>	<i>Total Expenditures 31/12/24</i>	<i>Balance of Budget</i>
Part 1 - Administrative Expenses of the Secretariat					
Sub-Item 1.1	<i>Staff Costs</i>				
Professional Staff Salary	\$ 983,173	\$ ---	\$ 983,173	\$ 966,446	\$ 16,727
Professional Staff Benefits and Allowances	990,655	---	990,655	788,968	201,687
Professional Staff Insurance	181,521	(2,000)	179,521	132,697	46,824
Recruitment/Repatriation	25,565	2,000	27,565	27,506	59
Support Staff	563,423	(10,050)	553,373	516,109	37,264
Total, sub-item 1.1	2,744,337	(10,050)	2,734,287	2,431,726	302,561
Sub-Item 1.2	<i>Other Personnel Costs</i>				
Temporary Assistance/Overtime	16,500	(2,500)	14,000	13,835	165
Chairs Expenses	60,000	---	60,000	28,011	31,989
Consultants	153,000	(9,450)	143,550	134,044	9,506
Total, sub-item 1.2	229,500	(11,950)	217,550	175,890	41,660
Sub-item 1.3	200,000	(9,400)	190,600	157,901	32,699
Sub-item 1.4	<i>General Operating Expenses</i>				
Electricity, Water, Sanitation	42,000	2,700	44,700	44,607	93
Communications/Courier	84,000	(2,700)	81,300	80,114	1,186
Office Supplies & Fuel	41,000	(2,850)	38,150	37,298	852
Audit	7,000	5,800	12,800	12,742	58
Bank Charges	13,000	(1,000)	12,000	11,378	622
Official Hospitality	10,000	(1,800)	8,200	8,136	64
Community Outreach	8,000	1,350	9,350	9,313	37
Miscellaneous Services	6,000	1,200	7,200	7,159	41
Security	110,867	(9,000)	101,867	100,325	1,542
Training	12,000	2,300	14,300	14,251	49
Total, sub-item 1.4	333,867	(4,000)	329,867	325,323	4,544
Sub-item 1.5	<i>Capital Expenditure</i>				
Vehicles	22,000	---	22,000	10,076	11,924
Information Technology	48,400	11,000	59,400	58,444	956
Furniture and Equipment	32,000	(12,000)	20,000	19,874	126
Total, sub-item 1.5	102,400	(1,000)	101,400	88,394	13,006
Sub-item 1.6	<i>Maintenance</i>				
Vehicles	6,000	4,300	10,300	10,220	80
Information and Communication Technology	169,039	17,700	186,739	186,698	41
Website Hosting	20,130	6,800	26,930	26,877	53
Buildings & Grounds	63,000	5,900	68,900	67,818	1,082
Gardeners and Cleaners	92,568	(11,300)	81,268	81,264	4
Insurance	28,500	---	28,500	28,119	381
Total, sub-item 1.6	379,237	23,400	402,637	400,996	1,641
Sub-item 1.7	<i>Meeting Services</i>				
Annual Session	205,000	51,500	256,500	256,442	58
Scientific Committee	220,000	(24,550)	195,450	185,403	10,047
Northern Committee	18,000	5,650	23,650	23,604	46
Technical and Compliance Committee	174,800	(19,600)	155,200	154,734	466
Total, sub-item 1.7	617,800	13,000	630,800	620,183	10,617
TOTAL, Section 1/Item 1	\$ 4,607,141	\$ ---	\$ 4,607,141	\$ 4,200,413	\$ 406,728

See accompanying notes.

Western and Central Pacific Fisheries Commission

Statement of Appropriations and Expenditures, continued

Year Ended December 31, 2024

	<i>Approved budget 2024</i>	<i>Transfers</i>	<i>Revised Budget</i>	<i>Total Expenditures 31/12/24</i>	<i>Balance of Budget</i>
Part 2 - Science & Technical & Compliance Programme					
Section 2 (Item 2)					
Sub-item 2.1 Scientific Services (SPC)	\$ 1,000,734	\$ ---	\$ 1,000,734	\$ 1,000,734	\$ ---
Sub-item 2.2 <i>Scientific Research</i>					
Additional Resourcing SPC	180,204	---	180,204	180,204	---
SPC 1st additional stock assessment scientist	165,000	---	165,000	165,000	---
P35b Pacific Marine Specimen Bank	107,373	---	107,373	107,373	---
P42 Pacific Tuna Tagging Project	800,000	---	800,000	800,000	---
P90 Fish Lengths/Weights Conversion Analyses	20,000	---	20,000	20,000	---
P108 WCPO silky shark assessment	100,000	---	100,000	100,000	---
P113b Template for stock status/manag. advice	40,000	---	40,000	40,000	---
P114 Improved cannery receipt data	60,000	---	60,000	60,000	---
P19X5 Updated reproductive biol. of trop. tunas	44,000	---	44,000	44,000	---
P19X7 Scoping study on longline effort creep	30,000	---	30,000	30,000	---
P19X8 Scoping next generation of assess. software	50,000	---	50,000	50,000	---
P19X10 Oceanic whetip assessment	60,000	---	60,000	60,000	---
Total, sub-item 2.2	1,656,577	---	1,656,577	1,656,577	---
Sub-item 2.3 Technical & Compliance Programme					
ROP Travel for Audits and Training	35,000	(1,350)	33,650	19,029	14,621
ROP - Consultancy	85,000	1,350	86,350	86,303	47
ROP Data Management	923,904	---	923,904	923,904	---
Vessel Monitoring System - Capital Costs	20,000	---	20,000	---	20,000
Vessel Monitoring System	200,000	---	200,000	177,950	22,050
Vessel Monitoring System - Airtime	214,527	---	214,527	207,420	7,107
IT Security Audit	10,500	---	10,500	---	10,500
Information Management System	120,000	---	120,000	101,347	18,653
AR Part 2/CMS Online Host. and Pub.	40,000	(830)	39,170	32,100	7,070
CMS Future Work	50,000	16,000	66,000	65,633	367
Enhance Secretariat Analytical Capacity	80,000	830	80,830	80,830	---
Compliance and Monitoring Analyst Consultant	30,000	(10,000)	20,000	17,600	2,400
E-Monitoring and E-Reporting Activities	30,000	10,000	40,000	39,264	736
CCM/Staff VMS Training	25,000	(8,000)	17,000	---	17,000
Targeted Capacity Building	40,000	(8,000)	32,000	---	32,000
Workshops/IATTC Cross Endor. Train.	10,000	---	10,000	---	10,000
Regional Capacity Building Workshops	130,000	---	130,000	130,000	---
Total, item 2.3	2,043,931	---	2,043,931	1,881,380	162,551
TOTAL, Section 2/Item 2	4,701,242	---	4,701,242	4,538,691	162,551
Total, Parts 1 & 2	\$ 9,308,383	\$ ---	\$ 9,308,383	\$ 8,739,104	\$ 569,279

Western and Central Pacific Fisheries Commission

Statement of Appropriations and Expenditures

Year Ended December 31, 2023

	Approved budget 2023	Transfers	Revised Budget	Total Expenditures 31/12/23	Balance of Budget
Part 1 - Administrative Expenses of the Secretariat					
Sub-Item 1.1	<i>Staff Costs</i>				
Professional Staff Salary	\$ 1,021,558	\$ ---	\$ 1,021,558	\$ 971,971	\$ 49,587
Professional Staff Benefits and Allowances	1,010,690	---	1,010,690	809,220	201,469
Professional Staff Insurance	182,106	---	182,106	172,225	9,881
Recruitment/Repatriation	45,130	---	45,130	28,407	16,723
Support Staff	527,023	---	527,023	462,692	64,331
Total, sub-item 1.1	2,786,507	---	2,786,507	2,444,515	341,992
Sub-Item 1.2	<i>Other Personnel Costs</i>				
Temporary Assistance/Overtime	16,500	4,000	20,500	20,287	213
Chairs Expenses	20,000	41,000	61,000	60,192	808
Consultants	153,000	(9,460)	143,540	137,039	6,501
Total, sub-item 1.2	189,500	35,540	225,040	217,518	7,522
Sub-item 1.3	210,000	(35,000)	175,000	140,343	34,657
Sub-item 1.4	<i>General Operating Expenses</i>				
Electricity, Water, Sanitation	42,000	---	42,000	40,019	1,981
Communications/Courier	84,000	(3,000)	81,000	80,278	722
Office Supplies & Fuel	41,000	(2,000)	39,000	35,065	3,935
Audit	7,000	350	7,350	7,322	28
Bank Charges	10,000	3,000	13,000	12,934	66
Official Hospitality	10,000	---	10,000	9,964	36
Community Outreach	8,000	---	8,000	4,590	3,410
Miscellaneous Services	6,000	---	6,000	2,498	3,502
Security	105,525	(6,000)	99,525	99,318	207
Training	12,000	---	12,000	4,877	7,123
Total, sub-item 1.4	325,525	(7,650)	317,875	296,865	21,010
Sub-item 1.5	<i>Capital Expenditure</i>				
Vehicles	22,000	---	22,000	9,706	12,294
Information Technology	48,400	(10,000)	38,400	28,603	9,797
Furniture and Equipment	32,000	(6,500)	25,500	25,288	212
Total, sub-item 1.5	102,400	(16,500)	85,900	63,596	22,304
Sub-item 1.6	<i>Maintenance</i>				
Vehicles	6,000	3,700	9,700	9,644	56
Information and Communication Technology	167,863	10,000	177,863	176,945	918
Website Hosting	20,130	---	20,130	20,130	---
Buildings & Grounds	60,000	16,400	76,400	76,344	56
Gardeners and Cleaners	88,110	(6,500)	81,610	81,248	362
Insurance	28,500	10	28,510	28,507	3
Total, sub-item 1.6	370,603	23,610	394,213	392,817	1,396
Sub-item 1.7	<i>Meeting Services</i>				
Annual Session	260,000	7,200	267,200	267,004	196
Scientific Committee	232,000	---	232,000	212,122	19,878
Northern Committee	18,000	---	18,000	18,000	---
Technical and Compliance Committee	174,800	(7,200)	167,600	140,818	26,782
Support for IWGs and Science Managers Dialog	---	---	---	---	---
Total, sub-item 1.7	684,800	---	684,800	637,944	46,856
Sub-item 1.8	<i>Future Work</i>				
	---	---	---	---	---
TOTAL, Section 1/Item 1	\$ 4,669,335	\$ ---	\$ 4,669,335	\$ 4,193,599	\$ 475,736

See accompanying notes.

Western and Central Pacific Fisheries Commission

Statement of Appropriations and Expenditures, continued

Year Ended December 31, 2023

			Approved budget 2023	Transfers	Revised Budget	Total Expenditures 31/12/23	Balance of Budget
Part 2 - Science & Technical & Compliance Programme							
Section 2 (Item 2)							
Sub-item 2.1	Scientific Services (SPC)	\$	981,112	\$ ---	\$ 981,112	\$ 981,112	\$ ---
Sub-item 2.2	<i>Scientific Research</i>						
	Additional Resourcing SPC		176,670	---	176,670	176,670	---
	P35b Maintenance of WCPFC Tissue Bank		105,268	---	105,268	105,268	---
	P42 Pacific Tuna Tagging Project		730,000	---	730,000	730,000	---
	P108 WCPO silky shark assessment		50,000	---	50,000	50,000	---
	P18X1 (P17X1) Billfish Research Plan 2023 - 2027		55,000	---	55,000	55,000	---
	P18X2 (P17X4) Ensemble model SA uncertainty		30,000	---	30,000	30,000	---
	P18X3 Improved coverage of cannery receipt data		35,000	---	35,000	35,000	---
	P18X4 Evidence for increasing trend in SKJ rec.		20,000	---	20,000	20,000	---
	P18X8 Shark Research Plan midterm review		30,000	---	30,000	30,000	---
Total, sub-item 2.2			1,231,938	---	1,231,938	1,231,938	---
Sub-item 2.3	Technical & Compliance Programme						
	ROP - Audit/Remediation		15,000	(6,000)	9,000	6,901	2,099
	ROP - Training, Assistance & Development		10,000	(4,000)	6,000	4,721	1,279
	ROP Data Management		923,904	---	923,904	923,904	---
	Vessel Monitoring System - Capital Costs		20,000	(10,000)	10,000	---	10,000
	Vessel Monitoring System		200,000	(25,000)	175,000	105,581	69,419
	Vessel Monitoring System - Airtime		206,810	---	206,810	202,885	3,925
	Vessel Monitoring System - Security Audit		11,900	---	11,900	10,454	1,447
	CCM/Staff VMS Training		25,000	400	25,400	25,367	33
	Information Management System		120,000	30,000	150,000	147,622	2,378
	Workshops/IATTC Cross Endor. Train.		10,000	---	10,000	10,000	---
	AR Part 2/CMS Online Host. and Pub.		20,000	5,500	25,500	25,500	---
	Targeted Capacity Building		40,000	(5,000)	35,000	29,875	5,125
	Enhance Secretariat Analytical Capacity		80,000	5,700	85,700	85,677	23
	E-Monitoring and E-Reporting Activities		30,000	-	30,000	---	30,000
	CMS Future Work		80,000	13,000	93,000	92,802	198
	Compliance and Monitoring Analyst Consultant		80,000	(4,600)	75,400	66,509	8,891
	Regional Capacity Building Workshops		130,000	---	130,000	130,000	---
Total, item 2.3			2,002,614	---	2,002,614	1,867,798	134,816
TOTAL, Section 2/Item 2			4,215,664	---	4,215,664	4,080,848	134,816
Total, Parts 1 & 2		\$	8,884,999	\$ ---	\$ 8,884,999	\$ 8,274,447	\$ 610,552

Western and Central Pacific Fisheries Commission

Notes to Financial Statements

Years Ended December 31, 2024 and 2023

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 and operates in Pohnpei, Federated States of Micronesia.

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) Operationalizing 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;
 - Supporting efforts to improve data collection and research associated with tuna fisheries and the WCPO ecosystem including initiatives to scale up tuna tagging programmes;
- (v) Supporting efforts to promote an ecosystems approach to fisheries (EAF) and its application to WCPO;
- (vi) Supporting efforts to mitigate the impacts of tuna fishing on non-target species and the marine ecosystem;

Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

1. Organization, continued

- (vii) Supporting initiatives to evaluate management options for WCPO tuna resources including the matter of allocation;
- (viii) Monitoring and engagement with global efforts to address tuna fishing capacity concerns; and
- (ix) Monitoring developments in the tuna industry.

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; 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 years ended 31 December 2024 and 2023.

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.

Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

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

Expenditure

All General Account Fund expenditures are recorded against allocated lines of budgetary appropriation. Expenditures are recorded in the period obligated through an executed contract or other purchase agreements, which may be for goods and services to be received in a future period.

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 Statements of Assets, Liabilities and Fund Balance. A lease and grant for the Commission's headquarters building were obtained at no charge during 2007. The value of the building was estimated at \$2.9 million.

Accounting 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, continued

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 \$6,134,018 and \$4,605,008 as of December 31, 2024 and 2023, respectively. These funds are:

<u>Fund</u>	<u>2024</u>	<u>2023</u>
Working Capital Fund	\$1,409,403	\$2,134,125
Western Pacific East Asia Oceanic Fisheries Management Project Fund	2,605,742	585,167
Voluntary Contributions Fund	1,598,011	1,299,940
Fees and Charges Trust Fund	220,646	286,030
Chinese Taipei Trust Fund	191,833	229,445
Special Requirements Fund	67,085	34,850
Japanese Trust Fund	<u>41,298</u>	<u>35,451</u>
Total	<u>\$6,134,018</u>	<u>\$4,605,008</u>

Refer to Note 8 for the respective funds' financial statements.

4. Provision for Delays in the Receipt of Contributions Receivable

The provisions in 2024 and 2023, are derived as follows:

	<u>2024</u>	<u>2023</u>
Assessed member contributions for the approved current year budget	\$8,338,587	\$7,602,725
<u>Add</u> outstanding contributions as at beginning of year	<u>980,721</u>	<u>362,289</u>
Total member contributions available for collection	9,319,308	7,965,014
<u>Less</u> current year contributions received	<u>(7,122,671)</u>	<u>(6,829,729)</u>
Provision for delayed contributions	2,196,637	1,135,285
<u>Less</u> prior year contributions received in current year	<u>(720,932)</u>	<u>(154,564)</u>
Total provision at end of year	<u>\$1,475,705</u>	<u>\$ 980,721</u>

The Commission collected \$200,297 of delayed contributions after December 31, 2024, but before the date the financial statements were available to be issued.

Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

5. Due from Other Funds

At December 31, 2024 and 2023, due from other funds are comprised of the following:

<u>Fund</u>	<u>2024</u>	<u>2023</u>
Voluntary Contributions Fund	\$108,360	\$ 37,827
Special Requirements Fund	67,203	9,227
Western Pacific East Asia Oceanic Fisheries Management Project Fund	63,222	32,486
Japanese Trust Fund	12,636	16,279
Working Capital Fund	5,104	---
Fees and Charges Trust Fund	---	113,872
Chinese Taipei Trust Fund	---	<u>6,951</u>
Total	<u>\$256,525</u>	<u>\$216,642</u>

6. Due to Other Funds

At December 31, 2024 and 2023, due to other funds are comprised of the following:

<u>Fund</u>	<u>2024</u>	<u>2023</u>
Voluntary Contributions Fund	\$219,935	\$195,000
Working Capital Fund	79,851	324,862
Special Requirements Fund	53,358	21,000
Western Pacific East Asia Oceanic Fisheries Management Project Fund	<u>2,463</u>	<u>125</u>
Total	<u>\$355,607</u>	<u>\$540,987</u>

At December 31, 2024 and 2023, \$79,851 and \$324,862 relate to pending transfer of excess funds to the Working Capital Funds. The transfers were completed subsequent to December 31, 2024 and 2023, respectively.

7. Non-Expendable Property

A lease and grant for the Commission's headquarters building were obtained at no charge during 2007. The value of the building has been estimated at \$2.9 million. The lease agreement with the Pohnpei Public Lands Trust is for a term of 55 years and automatically renewable for another 55 years.

Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

8. Other Funds

Working Capital Fund

Schedule of Income and Expenditures and Changes in Fund Balances

	Year ended December 31,	
	<u>2024</u>	<u>2023</u>
Income and other additions:		
Balance brought forward from prior year	\$2,134,125	\$2,922,837
General Account Surplus, savings on prior year obligations and prior year contributions received	79,851	1,065,248
Interest	---	726
Voluntary contributions	---	2,204
Miscellaneous revenue	<u>531</u>	<u>2,485</u>
Total income and other additions	2,214,507	3,993,500
Expenditures	<u>805,104</u>	<u>1,859,375</u>
Fund balance	<u>\$1,409,403</u>	<u>\$2,134,125</u>

Working Capital Fund

Schedule of Assets, Liabilities and Fund Balances

	December 31,	
	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Cash at bank	\$1,334,656	\$1,759,160
Money market account	---	43,436
Due from General Account Fund (GAF)	79,851	324,862
Due from WPEA0FM	<u>---</u>	<u>6,667</u>
Total assets	<u>1,414,507</u>	<u>2,134,125</u>
<u>Liabilities</u>		
Due to GAF	<u>5,104</u>	<u>---</u>
Total liabilities	<u>5,104</u>	<u>---</u>
Fund balance	<u>\$1,409,403</u>	<u>\$2,134,125</u>

Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

8. Other Funds, continued

Western Pacific East Asia Oceanic Fisheries Management Project Fund

Schedule of Income and Expenditures and Changes in Fund Balances

	Year ended December 31,	
	<u>2024</u>	<u>2023</u>
Income and other additions:		
Balance brought forward from prior year	\$ 585,167	\$1,050,078
Contribution for WCPFC GAF co-financing		
Voluntary contributions	2,809,219	192,375
Interest	145	221
Internal incoming transfers	<u>---</u>	<u>71,441</u>
Total income and other additions	<u>3,394,531</u>	<u>1,314,115</u>
Expenditures:		
Internal outgoing transfers	<u>---</u>	<u>72,038</u>
Expenditures	<u>788,789</u>	<u>656,910</u>
Total expenditures	<u>788,789</u>	<u>728,948</u>
Fund balance	<u>\$2,605,742</u>	<u>\$ 585,167</u>

Western Pacific East Asia Oceanic Fisheries Management Project Fund

Schedule of Assets, Liabilities and Fund Balances

	December 31,	
	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Cash at bank - NZ account	\$ 519,454	\$ 551,475
Cash at bank - WPEA account	57,367	---
Money market account	2,098,257	71,459
Due from General Account Fund	2,463	125
Other assets and advance payments	<u>112</u>	<u>1,261</u>
Total assets	<u>2,677,653</u>	<u>624,320</u>
<u>Liabilities</u>		
Due to Working Capital Fund	---	6,667
Due to General Account Fund	63,222	32,486
Accounts payable	<u>8,689</u>	<u>---</u>
Total liabilities	<u>71,911</u>	<u>39,153</u>
Fund balance	<u>\$2,605,742</u>	<u>\$ 585,167</u>

Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

8. Other Funds, continued

Voluntary Contributions Fund

Schedule of Income and Expenditures and Changes in Fund Balance

	Year ended December 31,	
	<u>2024</u>	<u>2023</u>
Income and other additions:		
Balance brought forward from prior year	\$1,299,940	\$1,167,654
Canada	130,153	---
European Union	416,737	---
Korea	149,887	148,969
United States	75,454	195,000
Chinese Taipei	20,000	---
ISSF	22,000	---
Savings on prior year obligations	45,403	---
Interest	<u>2,409</u>	<u>364</u>
Total income and other additions	<u>2,161,983</u>	<u>1,511,987</u>
Expenditures:		
Project expenses and other charges	563,972	(220,511)
Refunds to project	<u>---</u>	<u>432,558</u>
Total expenditures	<u>563,972</u>	<u>212,047</u>
Fund balance	<u>\$1,598,011</u>	<u>\$1,299,940</u>

Voluntary Contributions Fund

Schedule of Assets, Liabilities and Fund Balance

	December 31,	
	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Cash at bank - USD accounts	\$1,412,384	\$1,391,454
Cash at bank - Euro accounts	281,623	1,094
Tranche payment owed to Commission	344,017	210,340
Due from General Account Fund	<u>219,935</u>	<u>195,000</u>
Total assets	<u>2,257,959</u>	<u>1,797,888</u>
<u>Liabilities</u>		
Unliquidated obligations	551,588	309,148
Due to General Account Fund	108,360	37,827
Account Payables	---	148,969
Unidentified Deposits	<u>---</u>	<u>2,004</u>
Total liabilities	<u>659,948</u>	<u>497,948</u>
Fund balance	<u>\$1,598,011</u>	<u>\$1,299,940</u>

Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

8. Other Funds, continued

Fees and Charges Trust Fund

Schedule of Income and Expenditures and Changes in Fund Balance

	Year ended December 31,	
	<u>2024</u>	<u>2023</u>
Income and other additions:		
Balance brought forward from prior year	\$286,030	\$242,596
Contributions from non-members	195,624	193,953
Observer fees	15,702	13,548
Interest	<u>108</u>	<u>92</u>
Total income and other additions	<u>497,464</u>	<u>450,189</u>
Expenditures:		
Transfer to General Account Fund	276,549	163,872
Bank fees and other charges	194	287
Write-off of prior year CNM unpaid contributions	<u>75</u>	<u>---</u>
Total expenditures	<u>276,818</u>	<u>164,159</u>
Fund balance	<u>\$220,646</u>	<u>\$286,030</u>

Fees and Charges Trust Fund

Schedule of Assets, Liabilities and Fund Balance

	December 31,	
	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Cash at bank	\$223,391	\$385,226
Uncollected Contributions from CNMs	<u>---</u>	<u>14,731</u>
Total assets	<u>223,391</u>	<u>399,957</u>
<u>Liabilities</u>		
Due to Special Requirements Fund	2,605	---
Due to General Account Fund	---	113,872
Advance payments by CNMs	<u>140</u>	<u>55</u>
Total liabilities	<u>2,745</u>	<u>113,927</u>
Fund balance	<u>\$220,646</u>	<u>\$286,030</u>

Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

8. Other Funds, continued

Chinese Taipei Trust Fund

Schedule of Income and Expenditures and Changes in Fund Balance

	Year ended December 31,	
	<u>2024</u>	<u>2023</u>
Income and other additions:		
Balance brought forward from prior year	\$229,445	\$328,865
Interest	<u>170</u>	<u>207</u>
Total income and other additions	<u>229,615</u>	<u>329,072</u>
Expenditures:		
Expenditures	37,782	92,676
Internal Outgoing Transfers	<u>---</u>	<u>6,951</u>
Total expenditures	<u>37,782</u>	<u>99,627</u>
Fund balance	<u>\$191,833</u>	<u>\$229,445</u>

Chinese Taipei Trust Fund

Schedule of Assets, Liabilities and Fund Balance

	December 31,	
	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Cash at bank	<u>\$525,214</u>	<u>\$658,977</u>
<u>Liabilities</u>		
Unliquidated obligations	333,381	422,581
Due to General Account Fund	<u>---</u>	<u>6,951</u>
Total liabilities	<u>333,381</u>	<u>429,532</u>
Fund balance	<u>\$191,833</u>	<u>\$229,445</u>

Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

8. Other Funds, continued

Special Requirements Fund

Schedule of Income and Expenditures and Changes in Fund Balances

	Year ended December 31,	
	<u>2024</u>	<u>2023</u>
Income and other additions:		
Balance brought forward from prior year	\$ 34,850	\$286,701
Transferred from other funds	151,000	---
Donation from Australia	---	21,000
Donation from Canada	65,000	---
Donation from China	21,000	---
Donation from USA	60,000	---
Refunds to Programs	---	27,420
Interest	<u>22</u>	<u>56</u>
Total income and other additions	<u>331,872</u>	<u>335,177</u>
Expenditures:		
Expenses	234,499	300,327
Transfers to other funds	<u>30,288</u>	<u>---</u>
Total expenditures	<u>264,787</u>	<u>300,327</u>
Fund balance	<u>\$ 67,085</u>	<u>\$ 34,850</u>

Special Requirements Fund

Schedule of Assets, Liabilities and Fund Balances

	December 31,	
	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Cash at bank	\$ 78,971	\$23,077
Due from General Account Fund	53,358	21,000
Due from Fees and Charges Trust Fund	<u>2,605</u>	<u>---</u>
Total assets	<u>134,934</u>	<u>44,077</u>
<u>Liabilities</u>		
Accounts payable	646	---
Due to General Account Fund	<u>67,203</u>	<u>9,227</u>
Total	<u>67,849</u>	<u>9,227</u>
Fund balance	<u>\$ 67,085</u>	<u>\$34,850</u>

Western and Central Pacific Fisheries Commission

Notes to Financial Statements, continued

8. Other Funds, continued

Japanese Trust Fund

Schedule of Income and Expenditures and Changes in Fund Balance

	Year ended December 31,	
	<u>2024</u>	<u>2023</u>
Income and other additions:		
Balance brought forward from prior year	\$ 35,451	\$ 39,889
Contribution from Japan	168,474	217,787
Interest	<u>21</u>	<u>23</u>
Total income and other additions	<u>203,946</u>	<u>257,699</u>
Expenditures:		
Payments for projects	150,013	205,913
Administrative expenditures	12,635	56
Outgoing Transfers	<u>---</u>	<u>16,279</u>
Total expenditures	<u>162,648</u>	<u>222,248</u>
Fund balance	\$ <u>41,298</u>	\$ <u>35,451</u>

Japanese Trust Fund

Schedule of Assets, Liabilities and Fund Balance

	December 31,	
	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Cash at bank	\$53,934	\$51,730
<u>Liabilities</u>		
Due to General Account Fund	<u>12,636</u>	<u>16,279</u>
Fund balance	\$ <u>41,298</u>	\$ <u>35,451</u>

Report of Independent Auditors on Compliance

The Executive Director
Western and Central Pacific Fisheries Commission

We have audited, in accordance with auditing standards generally accepted in the United States of America, 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, 2024 and 2023 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, with qualified opinion thereon, dated June 30, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the Commission failed to comply with the terms, covenants, provisions, or conditions inclusive of the Commission's financial regulation 12.4(c), insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Commission's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the Indenture insofar as they relate to accounting matters.

Restriction on Use

This report is intended solely for the information and use of the management and Commission Members of Western and Central Pacific Fisheries Commission and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

June 30, 2025

*The Auditor's Communication With Those Charged
With Governance*

**Western and Central Pacific
Fisheries Commission**

Year Ended December 31, 2024





Ernst & Young LLP
P.O. Box 753
Kolonja Pohnpei, FSM 96941

Tel: 691 320 2781/5206
Fax: 691 320 5402
ey.com

June 30, 2025

The Chair
Western and Central Pacific Fisheries Commission:

We have performed an audit of the financial statements of Western and Central Pacific Fisheries Commission, as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States and have issued our report thereon dated June 30, 2025.

Provided below is a summary of required communications between the audit team and those charged with governance, as required by AICPA Clarified US Auditing Standard (AU-C) 260, *"The Auditor's Communication With Those Charged With Governance"*, and other applicable auditing standards.

At EY, we are committed to delivering the highest quality audit services, and we continually evaluate the quality of our professionals' work in order to meet or exceed your expectations.

This communication is intended solely for the information and use of the Commission. It is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Ernst & Young LLP

REQUIRED COMMUNICATIONS

Auditor's responsibility under generally accepted auditing standards, including a discussion of the type of auditor's report we are issuing and the reasons for any modification to our report

Our responsibilities are included in our audit engagement agreement. A copy of such agreement has previously been provided to you.

We issued an unqualified opinion on the Commission's financial statements as of and for the year ended December 31, 2024.

Changes to the audit strategy, timing of the audit and significant risks identified

Our audit strategy is consistent with the plan communicated during the May 2025 meeting.

Matters relevant to our evaluation of the entity's ability to continue as a going concern

We did not identify any events or conditions that led us to believe there was substantial doubt about the Commission's ability to continue as a going concern.

Our views about the qualitative aspects of the entity's significant accounting practices, including:

- Accounting policies
- Accounting estimates

Management has not selected or changed any significant policies or changed the application of those policies in the current year.

A discussion of sensitive accounting estimates has been included in footnote 2 of the financial statements.

Related party relationships and transactions

We noted no significant matters regarding the Commission's relationships and transactions with related parties to the financial statements.

Changes to the terms of the audit with no reasonable justification for the change

None.

Significant unusual transactions

We are not aware of any significant unusual transactions executed by the Commission.

Difficult or contentious matters subject to consultation outside of the audit team

There were no difficult or contentious matters that required consultation outside of the audit team.

Material corrected misstatements related to accounts and disclosures

None.

Uncorrected misstatements related to accounts and disclosures, considered by management to be immaterial

None.

Significant deficiencies and material weaknesses in internal control over financial reporting

No material weaknesses have been identified.

Fraud and noncompliance with laws and regulations (illegal acts)

We are not aware of any matters that require communication.

Obtain information relevant to the audit

Inquiries regarding matters relevant to the audit were performed during the June 2025 meeting and at the update status meetings during the audit.

Independence matters

We are not aware of any matters that in our professional judgment would impair our independence.

Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention

We are not aware of any matters that require communication.

Disagreements with management and significant difficulties encountered in dealing with management when performing the audit

There were no difficulties encountered in dealing with management in performing the audit.

Management's consultations with other accountants

We are not aware of any consultations made by management with other accountants or specialists.

Other material written communications with management

None.

Other matters

There are no other matters arising from the audit that are significant and relevant to those charged with governance regarding the oversight of the financial reporting process.

AICPA ethics ruling regarding third-party service providers

There are no significant matters arising from the audit that required us to subcontract portions of the Audit Services to other EY firms and that required participation of personnel from an affiliate of EY or another EY firm or any of their respective affiliates, or from independent third-party service providers.

Representations we are requesting from management

We have obtained from management a representations letter related to the audit and a copy of the management representations letter is included in Appendix A.

Appendix

A – Management Representations Letter

Appendix A - Management Representations Letter



June 30, 2025

Ernst & Young LLP
231 Ypao Road
Suit 201 Ernst & Young Building
Tamuning, Guam 96913

In connection with your audit(s) of the Western and Central Pacific Fisheries Commission (the Commission) as of December 31, 2024 and 2023 and for the periods then ended, and the related notes to the financial statements, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Commission in accordance with the financial regulations of the Commission and certain accounting principles adopted by other international organizations, which is a basis of accounting other than accounting principles generally accepted in the United States of America (US GAAP).

Certain representations in this letter are described as 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 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.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

Management's responsibilities

We have fulfilled our responsibilities, as set forth in the terms of the audit engagement agreement dated January 29, 2025, for the preparation and fair presentation of the financial statements (including disclosures) in accordance with a basis consistent with that of the preceding periods.

We acknowledge our responsibility for the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. We have provided you with:

- Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters. This responsibility includes identifying the use of new technologies or techniques in preparing such information (e.g., the use of generative artificial intelligence), and additional details you may require regarding the use of any such technologies and techniques in order to perform your audit procedures.
- Additional information that you have requested from us for the purpose of the audit.
- Unrestricted access to persons within the Commission from whom you determined it necessary to obtain evidence.

Appendix A - Management Representations Letter, continued

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

From July 18, 2024 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

Uncorrected misstatements

There are no uncorrected misstatements (including the effects of correcting or reversing prior period uncorrected misstatements), or uncorrected misstatements in disclosures relating to the current period financial statements.

Internal control

We are not aware of any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting.

Minutes and contracts

The dates of meetings of directors, committees of directors and important management committees, from January 1, 2025 through the date of the report are as follows:

- Twentieth Regular Session, December 4 to 8, 2023, Released March 21, 2024
- Twenty First Regular Session, November 28 to December 3, 2024,
Released March 14, 2025

We have made available to you all minutes of the meetings of directors and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

We also have made available to you all significant agreements and contracts, including amendments, and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that have a material effect on the financial statements.

Methods, significant assumptions, and data used in making accounting estimates

The appropriateness of the methods, the consistency in application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in developing accounting estimates and related disclosures, including those measured at fair value, are reasonable and supportable.

Appendix A - Management Representations Letter, continued

Risks and uncertainties

There are no risks and uncertainties related to significant estimates or current vulnerabilities due to material concentrations that have not been disclosed in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 275, *Risks and Uncertainties*.

Ownership and pledging of assets

No security agreements have been executed under the provisions of the Uniform Commercial Code, and there are no liens or encumbrances on assets, nor has any asset been pledged. All assets to which the Commission has satisfactory title appear on the balance sheets.

Receivables and revenues

Receivables have been determined in accordance with United Nations System Accounting Standards. This is done in the interest of prudence and no judgement is made about collectability.

Appropriate provision has been made for losses, costs and expenses that may be incurred subsequent to the balance sheet dates that may be incurred in the collection of receivables at that those dates.

Side agreements and other arrangements

There have been no side agreements or other arrangements (either written or oral) that have not been disclosed to you.

Arrangements with financial institutions

Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements have been properly recorded or disclosed in the financial statements.

Contingent liabilities

There are no unasserted claims or assessments, including those our lawyers have advised us of, that are probable of assertion and must be disclosed in accordance with ASC 450-20, *Contingencies – Loss Contingencies*.

There have been no violations or possible violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

There have been no internal investigations or communications from regulatory agencies or government representatives in any jurisdiction concerning investigations or allegations of noncompliance with laws or regulations, noncompliance with or deficiencies in financial reporting practices, or other matters that could affect the financial statements.

There are no other liabilities or gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued or disclosed by ASC 450, *Contingencies*, nor are there any accruals for loss contingencies included in the balance sheets or gain contingencies reflected in earnings that are not in conformity with the provisions of ASC 450.

Appendix A - Management Representations Letter, continued

Non-compliance with laws and regulations, including fraud

We acknowledge that we are responsible to determine that the Commission's business activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws or regulations, including fraud.

We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We have disclosed to you all known actual or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.

We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Commission's internal control over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees where the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Commission.

Independence

We have communicated to you the names of all the Commission's affiliates, as defined in the AICPA Code of Professional Conduct, officers and directors.

We are not aware of any business relationship between the Commission and Ernst & Young LLP or any other member firm of the global Ernst & Young organization (any of which, an "EY Firm"), other than one pursuant to which an EY Firm performs professional services.

We are not aware of any reason that Ernst & Young LLP would not be independent for purposes of the Commission's audits.

Other Matters

We have received a draft copy of our financial statements as of and for the year ended December 31, 2024 and 2023. The accuracy and completeness of the financial statements, including footnote disclosures, are responsibility of the Commission.

You have assisted in the preparation of the Commission's financial statements based on information in the Commission's trial balance and accounting records. It is our understanding that:

- Our underlying books and records are maintained by our accounting department and that the final trial balance prepared by us is complete and,
- All adjusting journal entries posted to the trial balance have been approved by us, and
- We have designated a competent representative to oversee your services and that our personnel have sufficient financial competence who are able to challenge and review

Appendix A - Management Representations Letter, continued

the completeness and accuracy of the financial statements, including footnote disclosures.


We acknowledge that we have reviewed the draft financial statements for accuracy and completeness, and we take responsibility for them.

Subsequent events

Subsequent to December 31, 2024, no events or transactions as outlined in Appendix A, have occurred or are pending that would have a material effect on the financial statements at that date or for the period then ended, or that are of such significance in relation to the Commission's affairs to require mention in a note to the financial statements in order to make them not misleading regarding the financial position, results of operations or cash flows of the Commission.

We understand that your audits were conducted in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants and were, therefore, designed primarily for the purpose of expressing an opinion on the financial statements as a whole, and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

Very truly yours,



Aaron Nighswander, *Finance and Administrative Manager*

Merisa Delcampo, *Finance Officer*

Appendix A - Management Representations Letter, continued

Western and Central Pacific Fisheries Commission
December 31, 2024 audit
Subsequent Events Questionnaire

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Coverage: For the period from January 01, 2025 to audit report date

Question	Response Yes or No	If yes, please provide additional information
1 Have there been any business combinations, acquisitions of significant assets, segment disposals, disposals of significant assets or extraordinary, unusual or infrequently occurring transactions, except as disclosed in the financial statements? Have any other significant unusual transactions been entered into?	No	
2 Have any significant contingent liabilities or commitments arisen, except as disclosed in the audited financial statements?	No	
3 Have any significant changes occurred in trends in sales/revenues or costs that could affect accounting estimates (e.g., valuation of receivables or inventories, realization of deferred charges, provisions for warranties or employee benefits or unearned income)?	N/A	
4 Have any significant changes occurred, or are pending, in the capital accounts, long term debt, including debt covenants and compliance with them, or working capital, except as disclosed in the financial statements?	No	
5 Have any significant changes occurred in the status of items, including contingent liabilities and commitments that were accounted for on the basis of tentative, preliminary or inconclusive data?	No	
6 Have any significant unusual or non-recurring adjustments been recorded (or are necessary)?	No	
7 Have any communications, written or oral, occurred with regulatory agencies with which the entity files financial statements?	N/A	
8 Have there been any changes in the entity's related parties?	No	
9 Have any significant new related party transactions occurred?	No	
10 Have any other events occurred, other than those disclosed in response to the previous questions or those reflected or disclosed in the financial statements that could have a material effect on the audited financial statements? This includes appropriate inquiries regarding subsequent events of material investees accounted for by the equity method.	No	
11 Any significant new contracts or agreements (including amendments) and written communications with the SEC or other regulatory agencies (if applicable) with which the entity files financial statements, that could have an effect on the audited financial statements. Please list in the space provided or in a separate attachment.	N/A	
12 Any meetings held subsequent to the balance sheet date, for which minutes are not yet available? If yes, please provide minutes of the meeting. If no minutes are not yet available, please provide us a summary of matters discussed.	No	
13 Are you aware of any fraud or suspected fraud affecting the Commission involving (1) management, (2) employees who have significant roles in internal control or (3) others, when the fraud could have a material effect on the audited financial statements?	No	
14 Are you aware of any allegations of financial improprieties, including fraud or suspected fraud (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), when such allegations could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Commission?	No	
15 Are you aware whether conditions or events have occurred, that individually or collectively, may raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time?	No	
16 Are you aware of any close relationships, or business, employment or other relationships that could bear on EY's independence (e.g., business/financial relationships, litigation with EY, family relationship, employment, loans, cooperative arrangements, etc.)?	No	

Western and Central Pacific Fisheries Commission
December 31, 2024 audit
Subsequent Events Questionnaire

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Coverage: For the period from January 01, 2025 to audit report date

Aaron Nighswander, Finance and Administrative Manager

Merisa Delcampo, Finance Officer

June 30, 2025

Date _____

June 30, 2025

Date _____

Management Letter

**Western and Central Pacific
Fisheries Commission**

Year ended December 31, 2024



June 30, 2025

The Executive Director
Western and Central Pacific Fisheries Commission

In planning and performing our audit of the financial statements of Western and Central Pacific Fisheries Commission (hereinafter referred to as the Commission) as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

During our audit, we noted the following deficiencies in internal control as described above and other matters:

Leave Entitlement

The Commission monitors annual leaves manually and discrepancies were noted in the review of leave balances as of December 31, 2024.

We recommend that the Commission improve its policies and procedures in monitoring employee leaves to ensure accuracy of leave balances and accrual of leave entitlement at year-end.

Other matters:

Brisbane Bank Account

The Commission's Brisbane bank account with a balance of \$14,054 as of December 31, 2024, is dormant and the latest bank statement that the Commission received was February 2022. Management noted that the Commission has been working to get access to this account for a number of years; however, it requires a lot of work as management needs to visit the branch in Australia.

We recommend that the Commission continues its effort to resolve this matter, closing unused account to prevent unauthorized access or misuse or obtain the necessary approval to write off the unsupported asset balance.

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

We commend management for their continuous effort to improve certain internal control procedures in the accounting and operations department.

At this time, we would like to extend our appreciation to the management, and the rest of the accounting staff for the excellent cooperation extended to us during our audit.

We would be pleased to discuss the above matters or to respond to any questions, at your convenience.

Sincerely,

Ernst + Young LLP