

# **EAAF Partnership Secretariat**

**Statement of Received Income and Expenditures**

**For the year ended December 31, 2020**

**with  
Independent Auditors' Report**

# EAAF Partnership Secretariat

## Contents

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<b>Independent Auditors' Report</b>	<b>3</b>
<b>Statement of Received Income and Expenditures</b>	<b>4</b>
<b>Notes to the Statement</b>	<b>5</b>



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## Independent Auditors' Report

To the Chair of the partnership of the East Asian-Australasian Flyway

### Opinion

In our opinion, the financial statement presents fairly, in all material respects, the cash receipts and disbursement of the East Asian-Australasian Flyway Partnership Secretariat for the year ended December 31, 2020 in accordance with the cash receipts and disbursements basis of accounting described in Note 2.

We have audited the accompanying statement of received income and expenditures of the East Asian-Australasian Flyway Partnership Secretariat (the "Secretariat") for the year ended December 31, 2020 all expressed in Korean won and a summary of significant accounting policies and other explanatory information (together "the financial statement").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 independent of the EAAF Partnership Secretariat within the meaning of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to Note 2 to the financial statement, which describes the basis of accounting. The financial statement is prepared to provide information to users who are informed about the cash basis accounting practices established by East Asian-Australasian Flyway Partnership and Metropolitan City of Incheon of the Republic of Korea. As a result, the statement may not be suitable for another purpose.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash receipts and disbursements basis of accounting described in Note 2; this includes determining that the cash receipts and disbursements basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances, and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the financial statement.

*Grant Thurston Daejo*

May 25, 2021  
**Seoul, Korea**

**EAAF Partnership Secretariat**  
**Statement of Received Income and Expenditures**  
(In Korean won)

**Statement of Received Income and Expenditures**

For the year ended December 31, 2020	Budget(KRW)	Actual(KRW)	Balance (KRW)	Remarks
<b>Received Income</b>				
Contributions	579,000,000	1,062,292,187	(483,292,187)	
Carried over	897,036,579	897,036,579	0	
Miscellaneous	-	19,402,478	(19,402,478)	
<b>Total</b>	<b>1,476,036,579</b>	<b>1,978,731,244</b>	<b>(502,694,665)</b>	
<b>Expenditures</b>				
Office operations	107,000,000	101,031,844	5,968,156	
Partnership activity	483,475,000	200,108,139	283,366,861	
Extra Projects				
Hwaseong city	200,000,000	148,271,548	51,728,452	
Incheon-HongKong BFS	50,000,000	18,460,340	31,539,660	
Local project (KOEN & Foundation)	90,000,000	74,619,914	15,380,086	
Personnel cost	347,874,825	306,331,492	41,543,333	
Contingency fund	113,718,706	-	113,718,706	
<b>Total</b>	<b>1,392,068,531</b>	<b>848,823,277</b>	<b>543,245,254</b>	
<b>Balance</b>	<b>83,968,048</b>	<b>1,129,907,967</b>	<b>(1,045,939,920)</b>	

*See accompanying notes to the Statement of Received Income and Expenditures.*

# EAAF Partnership Secretariat

## Notes to the Statement(Continue)

(In Korean won)

### 1. DESCRIPTION OF NON-PROFIT BUSINESS

The Secretariat of Partnership for the East Asian-Australasian Flyway ( the “EAAFP” or “Secretariat”) is a non-profit organization, which aims to conserve migratory water birds across the EAAF for the benefit of people and biodiversity, and to provide a flyway wide framework to promote dialogue, cooperation and collaboration between a range of stakeholders including all levels of governments, site managers, multilateral environment agreements, technical institutions, UN agencies, industrial and private sector, academe, non-government organizations, community groups and local people to conserve migratory waterbirds and their habitats. The Secretariat was incorporated and hosted in Incheon, South Korea to facilitate effective communication and coordination of the Partnership and to coordinate activities across the Flyway on July 1, 2009 in accordance with Memorandum of Understanding (the ”MOU”) among the EAAFP , the Ministry of Environment of the Republic of Korea and the Incheon City Government dated May 8, 2009. The Secretariat’s office is located in Incheon, South Korea. The EAAF Partnership is composed of 37 international Partners including 18 national Governments, several global organizations and an international private enterprise. The Secretariat is operated by the subsidy or donation from partners.

The Secretariat set up a non-profit foundation in October 2019 to issue donation receipt to the donor in accordance with the relevant regulation in Korea. However the foundation accounted as internal transactions within the Secretariat.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Secretariat in the preparation of its financial statement are summarized below:

#### **Basis of Financial Statement Presentation**

The Secretariat maintains its accounting records in Korean won and prepares its statement on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than the basis under generally accepted accounting principles. Accordingly, this statement is intended for use by those who are informed about the cash basis accounting practices established by East Asian-Australasian Flyway Partnership, and Metropolitan City of Incheon of the Republic of Korea.

#### **Income and Expenditures Recognition**

The Secretariat recognizes income when the contributions or donations from partners are received and expenditures when the expenditures are paid.

#### **Foreign Currency Translation**

The Secretariat reports the 2020 audited annual financial statements to the partner’s general meeting in 2021. For the purpose of alleviating the complexity of currency translation, foreign currency transactions are translated into the functional currency using the 2019 annual average exchange rates (US\$ 1.00 = KRW 1,165.00 ).

# EAAF Partnership Secretariat

## Notes to the Statement(Continue)

(In Korean won)

### 3. CONTRIBUTIONS FROM INCHEON CITY GOVERNMENT , PARTNERS AND OTHER SOURCES

3.1 In accordance with the said MOU to host the Secretariat in Incheon City, the Mayor of Incheon City Government has provided a budget contribution to support the Secretariat as follows:

The first year (2009) : ₩ 708 million

Subsequent years : ₩ 509 million each year thereafter

3.2 Sources of contributions for the year ended December 31, 2020 are as follows:

USD1=KRW1,165

Category	Sources of Income	KRW(a)	USD(b)	(a)+(b) as KRW
ICG	2020 Incheon city government Core operational funds	509,000,000		509,000,000
Subtotal		509,000,000	-	509,000,000
Partners	Ministry Of Environment Korea(MOEK)	70,000,000		70,000,000
	Ministry Of Environment Japan(MOEJ)		35,163	40,964,895
	International Crane Foundation(ICF)		2,000	2,330,000
	ASEAN Center for Biodiversity(ACB)		1,995	2,324,175
	Australasian Wader Studies Group-BirdLife Australia(AWSG)		2,000	2,330,000
	Hanns Seidel Foundation(HSF)	17,006,010	-	17,006,010
Subtotal		87,006,010	41,158	134,955,080
Private Donations	Korea South-East Power CO.(KOEN)	90,000,000		90,000,000
	Individual Donations	733,136		733,136
Subtotal		90,733,136	-	90,733,136
Miscellaneous fund	Refund, Bank Interests and etc	19,388,801	12	19,402,478
	Carried over from last year(ICG, MOEK and etc)	790,579,687	103,592	911,264,579
Subtotal		809,968,488	103,604	151,961,090
Project funding	Hwaseong City	200,075,551		200,075,551
	Project : IC-HK sister site	50,000,000		50,000,000
	SONY Global treasury-2019 Photo contest, Bird Race(Thailand)	-	14,228,000	56,563
	Contributions for CSR project(NEA)		9,985	11,632,525
Subtotal		235,847,551	66,548	930,667,057
<b>Total</b>		<b>1,732,555,185</b>	<b>211,310</b>	<b>1,978,731,244</b>

**EAAF Partnership Secretariat**  
**Notes to the Statement(Continue)**  
**(In Korean won)**

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**4. THE UNUSED BALANCE**

The unused balance of ₩ 1,129,907,967 (including USD 150,627.00) as of December 31, 2020 shall be carry-forwarded to subsequent year.