

EAAF Partnership Secretariat

Statement of Received Income and Expenditures

For the year ended December 31, 2021

**with
Independent Auditors' Report**

EAAF Partnership Secretariat

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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, 2021 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, 2021 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 Thornton Daejoo

June 27, 2022
Seoul, Korea

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

For the ended December 31, 2021	Budget	Actual	Balance
Received Income			
Contributions (See Note 3)	579,000,000	727,566,590	(148,566,590)
Carried over (See Note 4)	1,129,432,245	1,129,432,245	-
Miscellaneous	-	43,261,939	(43,261,939)
Extra Project			
Hwaseong City	110,000,000	110,037,495	(37,495)
Incheon-Hongkong BFS	50,000,000	50,000,000	-
Subtotal	1,868,432,245	2,060,298,269	(191,866,024)
Expenditures			
Office operations (See Note 4)	128,754,986	128,754,986	-
Partnership activity	695,020,000	301,793,548	393,226,452
Extra Project			
Hwaseong City 2021	110,037,495	110,000,875	36,620
Hwaseong City 2020	57,695,003	57,695,003	-
Incheon-Hongkong BFS 2021	50,000,000	25,213,539	24,786,461
Incheon-Hongkong BFS 2020	26,608,108	26,608,108	-
Local Project (KOEN&Foundation)	59,000,000	47,965,132	11,034,868
Local Project carried over (KOEN&Foundation)	48,530,670	18,221,430	30,309,240
Personnel cost	352,353,900	314,664,062	37,689,838
Contingency fund (See Note 5)	113,718,706	35,350,000	78,368,706
Subtotal	1,641,718,868	1,066,266,683	575,452,185
Total	226,713,377	994,031,586	(767,318,209)

EAAF Partnership Secretariat

Notes to the Statement (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 2021 audited annual financial statements to the partner’s general meeting in 2022. For the purpose of alleviating the complexity of currency translation, foreign currency transactions are translated into the functional currency using the 2020 annual average exchange rates (US\$ 1.00 = KRW 1,180.00).

EAAF Partnership Secretariat

Notes to the Statement (continued)

(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) : KRW 708 million

Subsequent years : KRW 509 million each year thereafter

3.2 Sources of contributions for the year ended December 31, 2021 are as follows:

Category	Sources of Income	KRW(a)	USD(b)	(a)+(b) as KRW
ICG	2021 ICG Core operational funds	509,000,000	-	509,000,000
Subtotal		509,000,000	-	509,000,000
Partners	MOEK Voluntary Contribution 2021	70,000,000	-	70,000,000
	MOEJ	-	35,163	41,492,340
	USFWS	-	30,000	35,400,000
	ICF	-	1,995.6	2,354,808
	NewZealand	-	1,995.5	2,354,690
	AWSG	-	2,000	2,360,000
	PMNT	-	200	236,000
	Subtotal	70,000,000	71,354	154,197,838
Private Donations	KOEN	51,754,746	-	51,754,746
	Individual	5,660,266	-	5,660,266
	Subtotal	57,415,012	-	57,415,012
Miscellaneous fund	Refund, Bank Interests and etc	36,067,750	6,097	43,261,939
	Carried over from last year(ICG, MOEK and etc)	951,692,748	150,627	1,129,432,245
	Subtotal	987,760,498	156,723	1,172,694,184
Project funding	Hwaseong city	110,037,495		110,037,495
	Project : IC-HK sister site	50,000,000	-	50,000,000
	Conservation Fund of Zoo Augsburg(SSM Project)	-	5,893	6,953,740
	Subtotal	160,037,495	5,893	166,991,235
	Total	1,784,213,005	233,971	2,060,298,269

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

4. OFFICE OPERATIONS

The original expenditure budget of Office operation of KRW 108,377,682 approved were not enough to cover actual expenditure, therefore additional budget of KRW 20,377,304 were increased from Carried over budget (Local projects' secretariat operation fee - Hwaseong City, IC-HK sister site, etc.) to be approved by the financial-sub-committee.

5. THE USE OF CONTINGENCY FUND

The contingency of KRW 35,350,000 was used for office renovation.

6. THE UNUSED BALANCE

The unused balance of KRW 994,031,586 (including USD 138,427.00) as of December 31, 2021 shall be carry-forwarded to subsequent year.