



EAAF Partnership Secretariat

Statement of Received Income and Expenditures

For the year ended December 31, 2022

**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, 2022 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, 2022 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 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 26, 2023
Seoul, Korea

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

For the year ended December 31, 2022		Budget	Actual	Balance
Received Income				
Contributions	Note 3	609,000,000	758,872,685	(149,872,685)
Carried over	Note 4	994,688,185	994,688,185	-
Miscellaneous		-	164,437,593	(164,437,593)
Extra Project	Hwaseong City	110,000,000	110,000,000	-
	Incheon-Hongkong BFS	50,000,000	50,000,000	-
	Domestic small grant programme (Foundation)	10,524,937	10,524,937	-
Subtotal		1,774,213,122	2,088,523,400	(314,310,278)
Expenditures				
Office operations	Note 4	116,715,423	125,399,937	(8,684,514)
Partnership activity		980,783,476	324,917,906	655,865,570
Extra Project	Hwaseong City	110,036,620	110,036,620	-
	Incheon-Hongkong BFS	50,000,000	31,505,762	18,494,238
	Local Project (Foundation)	93,922,944	246,383,023	(152,460,079)
Personnel cost		353,661,330	349,805,555	3,855,775
Cash		1,559,932	338,814	1,221,118
Contingency fund		78,368,706	2,400,000	75,968,706
Subtotal		1,785,048,431	1,190,787,617	594,260,814
Total		(10,835,309)	897,735,783	(908,571,092)

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 40 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 2022 audited annual financial statements to the partner’s general meeting in 2023. Until 2021 to simplify currency translation, foreign currency transactions were converted into the functional currency using the average exchange rate

EAAF Partnership Secretariat

Notes to the Statement

(In Korean won)

of the previous year. However, starting from the current year, the year-end exchange rate is applied for currency conversion into the functional currency.

At the year-end, The Secretariat holds USD 7,402.16. The year-end exchange rate is US\$ 1.00 = KRW 1,267.3. Therefore, when converting the foreign currency into the functional currency, it amounts to KRW 9,380,763.59.

If The Secretariat applies the previous valuation method, the exchange rate used is US\$ 1.00 = KRW 1,144.42. Accordingly, the converted amount would be KRW 8,471,185.57 KRW.

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(ICG) has provided a budget contribution to support the Secretariat as follows:

The first year (2009) : KRW 708 million
Subsequent years : KRW 539 million each year thereafter

3.2 Sources of contributions for the year ended December 31, 2022 are as follows:

Category	Sources of Income	KRW(a)	USD(b)	(a)+(b) as KRW
ICG	2022 ICG Core operational funds	539,000,000	-	539,000,000
	Subtotal	539,000,000	-	539,000,000
Partners	MOEK Voluntery Contribution 2022	70,000,000	-	70,000,000
	USFWS	-	20,000	22,920,000
	ICF	-	1,996	2,287,359
	AWSG	-	2,000	2,618,000
	PMNT	-	200	254,200
	Wetlands International	-	1,995	2,542,000
	HSF	501,918	-	501,918
	Subtotal	70,501,918	26,191	101,123,477
Private Donations	KOEN	50,000,000	-	50,000,000
	Taehwa river conservation society(Hyundai Motor company)	10,000,000	-	10,000,000
	S-OIL	10,000,000	-	10,000,000
	Korea petrochemical Ind. Co. Ltd.	10,000,000	-	10,000,000
	Kyungdong city gas	10,000,000	-	10,000,000
	Criple Communication(Lotte Chilsung)	1,350,000	-	1,350,000
	Individual Donation	2,322,944	-	2,322,944
	LIVE BY GL EVENTS	-	681	909,884
	Douglas Watkins	5,000,000	-	5,000,000
	Olango flooding restoration	864,211	-	864,211
	Subtotal	99,537,155	681	100,447,039
Miscellaneous fund	Refund, Bank Interests and etc	164,431,470	7	164,437,593
	Carried over from last year(ICG, MOEK and etc)	830,797,265	138,246	994,688,185
	Subtotal	995,228,735	138,253	1,159,125,778
Project funding	Hwasung city	110,000,000	-	110,000,000
	ICG (IC-HK sister site)	50,000,000	-	50,000,000

EAAF Partnership Secretariat

Notes to the Statement (continued)

(In Korean won)

Domestic small grant programme (Foundation)	10,524,937	-	10,524,937
Birdlife international (RFI)	-	15,970	18,302,170
Subtotal	170,524,937	15,970	188,827,107
Total	1,874,792,745	181,096	2,088,523,400

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

4. THE UNUSED BALANCE

The unused balance of KRW 897,735,783 (including USD 7,402.16) as of December 31, 2022 shall be carry-forwarded to subsequent year.