

# **EAAF Partnership Secretariat**

**Statement of Received Income and Expenditures**

**For the year ended December 31, 2018**

**with  
Independent Auditors' Report**

# EAAF Partnership Secretariat

## Contents

---

<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>

## 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, 2018 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, 2018 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 Australasian Flyway Partnership, the Ministry of Environment of the Republic of Korea, 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 Daejeon*

July 22, 2019  
**Seoul, Korea**

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

For the year ended December 31, 2018	Budget	Actual	Balance
<b>Received Income(Note 3):</b>	<b>KRW</b>	<b>KRW</b>	<b>KRW</b>
Contribution	509,000,000 -	714,483,932	(205,483,931)
Carried over	881,803,016 -	881,803,016 -	- -
Miscellaneous	- -	11,125,462	(11,125,462)
	<b>1,390,803,016 -</b>	<b>1,607,412,410</b>	<b>(216,609,394)</b>
<b>Expenditures:</b>	<b>KRW</b>	<b>KRW</b>	<b>KRW</b>
Office operations	107,000,000 -	104,587,909 -	2,412,091 -
Partnership activity	423,750,000 -	391,087,299 -	32,662,701 -
Personnel	337,423,807 -	251,903,582 -	85,520,225 -
	<b>868,173,807 -</b>	<b>747,578,790</b>	<b>120,595,017</b>
<b>Balance (Note 4)</b>	<b>522,629,209</b>	<b>859,833,620</b>	<b>(337,204,411)</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.

### 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 Australasian Flyway Partnership, the Ministry of Environment of the Republic of Korea, 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 2017 and 2018 audited annual financial statements to the partner’s general meeting in 2019. For the purpose of better comparison and alleviating the complexity of currency translation, foreign currency transactions are translated into the functional currency using the 2017 annual average exchange rates prevailing at the dates of the transaction (US\$ 1.00 = KRW 1,130) and not re-measured at year end date.

# EAAF Partnership Secretariat

## Notes to the Statement(Continue)

(In Korean won)

### 3. CONTRIBUTIONS FROM INCHEON CITY GOVERNMENT

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

Sources of contributions for the year ended December 31, 2018 are as follows:

Category	Year	Source of Funds	Amount	
Incheon City Government (ICG)	2018	2018 ICG core operational funds	509,000,000	
	Carried	Incheon City Government (ICG) carried over	491,301,399	
Partner Funds	2018	Ministry of Environment Korea	75,000,000	
		Ministry of the Environment, Government of Japan	39,734,190 (USD 35,163)	
		New Zealand	2,260,000 (USD 2,000)	
		The United States of America	For EAAFP website migration	10,476,888
			Voluntary contribution	10,372,654 (USD 9,179.3)
		Non-Governmental Organization (NGO) ICF	2,260,000 (USD 2,000)	
		National Parks Board, Singapore	2,254,350 (USD 1,995)	
	Carried	Partner Funds Carried over	KRW	234,718,188
			USD	72,816,070 (USD 64,439)
	Private Donation	2018	Korea South-East Power Co. (YEONGHEUNG)	25,000,000
National Geographic Society (for the WMBD Seminar)			10,000,000	
Chadwick School for saving SBS(PA)			277,000	
Sony Electronics Asia Pacific PTE LTD			22,600,000 (USD 20,000)	
Voluntary contribution from LOTEK for MOP10			4,514,350 (USD 3,995)	
Voluntary contribution from ECOTONE for MOP10			734,500 (USD 650)	
Carried		Private Donations Carried over	5,494,800	
Miscellaneous Income	2018	PAYPAL	419,006	
		Refund including reimbursement and allowances	KRW	3,726,515
			USD	3,641,662 (USD 3,222.71)
	Carried	Miscellaneous Fund Carried over	KRW	68,824,655
			USD	2,050,950 (USD 1,815)

# EAAF Partnership Secretariat

## Notes to the Statement(Continue)

(In Korean won)

<b>Interest Income</b>	2018	Main account (KRW)		3,332,177
		Account for USD		6,102 (USD 5.40)
	Carried	Bank Interest Carried over	KRW	6,590,547
			USD	6,407 (USD 5.67)
<b>Total</b>				<b>1,607,412,410</b>

#### 4. THE UNUSED BALANCE

The unused balance of ₩ 859,833,620 (including USD 43,965) as of December 31, 2018 shall be carry-forwarded to subsequent year.