



# **EAAF Partnership Secretariat**

**Statement of Received Income and Expenditures**

**For the year ended December 31, 2016**

**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

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, 2016 all expressed in Korean won. This statement is the responsibility of the Secretariat's Management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with Special Considerations—Audits of Financial Statements Prepared in accordance with Special Purpose Frameworks generally accepted in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, this statement of received income and expenditures was prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than the basis under generally accepted accounting principles.

In our opinion, the statements referred to above present fairly, in all material respects, Secretariat's received income collected and expenditures paid for the year ended December 31, 2016, on the basis of accounting described in Note 2.

*Grant Thornton Daejeo*

**Seoul, Korea**  
March 31, 2017

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

For the year ended December 31, 2016	Budget	Actual	Balance
Received Income(Note 3):	KRW	KRW	KRW
Contribution	509,000,000 -	616,595,978	(107,595,978)
Carried over	575,446,082 -	575,446,082 -	- -
Miscellaneous	- -	1,942,013	(1,942,013)
	<b>1,084,446,082 -</b>	<b>1,193,984,073</b>	<b>(109,537,991)</b>
Expenditures:	KRW	KRW	KRW
Office operations	107,000,000 -	70,032,094 -	36,967,906 -
Partnership activity	335,682,154 -	169,980,824 -	165,701,330 -
Personnel	272,000,000 -	275,914,577 -	(3,914,577) -
	<b>714,682,154 -</b>	<b>515,927,495</b>	<b>198,754,659</b>
<b>Balance (Note 4)</b>	<b>369,763,928</b>	<b>678,056,578</b>	<b>(308,292,650)</b>

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

# 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 habits. 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 35 international Partners including 17 national Governments, several global organizations and on 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 Korean cash basis non-profit organization accounting practices.

#### **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**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction ( KRW 1,000 = US\$ 0.85) and not re-measured at year ended 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, 2016 are as follows:

Source of funds	Project	Contribution
	2016 2016 ICG core operational funds	509,000,000
	Carried Balance of 2015 ICG Partnership Activity Funds	62,839,197
Incheon City	Carried Balance of 2015 ICG Operational Funds(OP)	44,801,656
	Carried Balance of 2012 ICG Personnel Expenditure	22,274,479
	Carried Balance of 2010~2014 ICG Operational Funds	186,586,549
	2016 Korea MoE	70,000,000
Republic of Korea	Carried Korea MoE Contribution for AI CEPA project	18,943,648
	Carried Korea MoE Flyway 2011~2015	168,178,387
Japan	Carried Japan MoE Flyway 2010~2014	1,463,312
	2016 Refund	8,764,322
Refund	Carried Unused 2013~2015	53,236,098
Australia	Carried Shorebird Booklet Printing	5,841,467
CMS/UNEP	Carried Balance of CMS/UNEP contribution	256,295
	2016 New Zealand grant for the partnership	5,843,150 (USD 5,000)
New Zealand	Carried New Zealand grant for the partnership 2013	5,686,500
USA	2016 US FWS Grant for the Partnership	22,988,506 (USD20,000)
	2016 Sales revenue	182,138
Miscellaneous	Carried Miscellaneous income	2,458,621
	2016 IBK a/c interest	1,759,875
Interest income	Carried IBK a/c interest 2013~2015	2,879,873
Total		1,193,984,073

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

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**4. THE UNUSED BALANCE**

The unused balance of ₩ 678,056,578(including US\$ 19,354) as of December 31, 2016 shall be carry forwarded to subsequent year.