

EAAF Partnership Secretariat

Statement of Received Income and Expenditures

For the year ended December 31, 2017

**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, 2017 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, 2017, on the basis of accounting described in Note 2.

Grant Thornton Daejoo

Seoul, Korea
June 27, 2018

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

For the year ended December 31, 2017	Budget	Actual	Balance
Received Income(Note 3):	KRW	KRW	KRW
Contribution	579,000,000 -	644,546,209	(65,546,209)
Carried over	677,737,273 -	677,737,273 -	- -
Miscellaneous	- -	7,935,406	(7,935,406)
	1,256,737,273 -	1,330,218,888	(73,481,615)
Expenditures:	KRW	KRW	KRW
Office operations	107,000,000 -	86,280,147 -	20,719,853 -
Partnership activity	395,500,000 -	140,874,336 -	254,625,664 -
Personnel	272,000,000 -	221,261,389 -	50,738,611 -
	774,500,000 -	448,415,872	326,084,128
Balance (Note 4)	482,237,273	881,803,016	(399,565,743)

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 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 36 international Partners including 18 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 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, 2017 are as follows:

Source of funds	Project	Contribution
	2017 2017 ICG core operational funds	509,000,000
Incheon City	Carried Balance of 2016 ICG Partnership Activity Funds	114,578,631
	Carried Balance of 2016 ICG Operational Funds(OP)	81,769,562
	Carried Balance of 2010~2014 ICG Operational Funds	186,586,549
Republic of Korea	2017 Korea MoE	70,000,000
	2017 Donation from Chadwick Shcool for saving SBS(PA)	494,800
	2017 Korea South-East Power Co.(YEONGHEUNG)(PA)	5,000,000
	Carried Korea MoE Flyway 2011~2016	190,405,208
	2017 Japan MoE Flyway	39,694,640 (USD 35,128)
Japan	Carried Japan MoE Flyway 2010~2014	1,463,312
Refund	2017 Refund	5,927,181
	2017 Refund	2,050,950 (USD 1,815)
	Carried Unused 2013~2016	62,000,420
Australia	Carried Shorebird Booklet Printing	5,841,467
Singapore	2017 NPB	2,254,350 (USD 1,995)
CMS/UNEP	Carried Balance of CMS/UNEP contribution	256,295
New Zealand	Carried New Zealand grant for the partnership	5,650,000 (USD 5,000)
	Carried New Zealand grant for the partnership 2013	5,686,500
USA	2017 Support of administration of the Partnership	11,300,000 (USD 10,000)
	Carried US FWS Grant for the Partnership	16,218,890 (USD 14,353)

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

NGO Partner	2017	WWT	4,520,000 (USD 4,000)
	2017	ICF	2,282,600 (USD 2,020)
Miscellane	Carried	Miscellaneous income	2,640,759
	2017	IBK a/c interest	1,951,941
Interest income	2017	IBK a/c interest	5,334 (USD 4.72)
	Carried	IBK a/c interest 2016	1,074 (USD 0.95)
	Carried	IBK a/c interest 2013~2016	4,638,606
Total			1,330,218,888

4. THE UNUSED BALANCE

The unused balance of ₩ 881,803,016(including US\$ 66,260) as of December 31, 2017 shall be carry forwarded to subsequent year.