

The Twenty-fourth Session of the Intergovernmental Meeting on the
Acid Deposition Monitoring Network in East Asia (EANET)
24-25 November 2022, Hybrid (on-site/online), Manila, Philippines

FINANCIAL REPORT OF THE SECRETARIAT AND THE NETWORK CENTER IN 2021

I. INTRODUCTION

1. This document presents the Financial Report of the Secretariat and the Network Center in 2021. In principle, the budget and expenditures of the Secretariat and the NC in 2021 were based on the Work Programme and Budget of the EANET for 2021 and in line with the Medium Term Plan for the EANET (2021-2025).
2. The Financial Report of the Secretariat and the Network Center in 2021 is available in the Attachment.

II. ACTIONS REQUIRED

3. The Twenty-fourth Session of the Intergovernmental Meeting on the EANET is invited to review the Financial Report of the Secretariat and the NC in 2021 and may wish to discuss, consider, provide guidance, and approve the report, as appropriate.

ATTACHMENT

**FINANCIAL REPORT OF THE SECRETARIAT AND THE NETWORK
CENTER IN 2021**

I. INTRODUCTION

1. This report presents the Financial Report of the Secretariat and the Network Center (NC) in 2021. In principle, the budget and expenditures of the Secretariat and the NC in 2021 were based on the Work Programme and Budget of the EANET in 2021 and in line with the Medium Term Plan (MTP) for the EANET (2021-2025).

II. FINANCIAL REPORT OF THE SECRETARIAT IN 2021

2. The Financial Report of the Secretariat was based on the Work Programme and Budget of the EANET in 2021, which includes the financial contributions received and the disbursements made in 2021. The report follows the same format in previous financial reports but includes additional supplementary information in response to the recommendations at the Working Group Meeting in 2022.
3. The budget of the Secretariat in 2021 to implement its 2021 Work Programme under the arrangements of the Secretariat for the EANET at UN Environment Programme (UNEP) as decided by the Fifteenth Session of the Intergovernmental Meeting (IG15) on the EANET in 2013 and the Framework between the United Nations Environment Programme and the Acid Deposition Monitoring Network in East Asia (EANET) on Arrangements for UNEP's Provision of Secretariat Services to the EANET. The grand-total Secretariat budget in 2021 approved by IG22 is US\$ 625,900.

II-1 Voluntary Financial Contributions from the Participating Countries

4. The total voluntary financial contributions received from the Participating Countries to the Secretariat budget in 2021 were US\$ 535,074. Details of the amount and timing of the contributions received from the Participating Countries in 2021 are provided in supplementary Table 1.a and 1.b.
5. In line with the Decision of IG15, China provides an in-kind cash contribution as much as US\$ 106,000 per year to the Secretariat towards the costs of a Technical Consultant to work at the Secretariat. China withheld their in-kind financial contribution in 2021 upon the

advise of the Secretariat, that it was unable to recruit a new technical consultant after the contract of the previous consultant Ms. Jia Haiping's ended in March 2020. contract (EANET consultant funded from the China in-kind financial contribution) ended, due to the mobility restrictions brought about by the COVID-19 pandemic. This was due to UN and host government restriction on international travel during the Covid-19 pandemic. There was no expenditures related to the China in-kind financial contribution in 2021.

6. The Secretariat continued to receive administrative and substantive support from UNEP (as well as UNON and UNESCAP) with respect to HR, Financial, Legal, Communications and Programmatic matters.

II-2 Expenditures

7. The total expenditures and commitments of the Secretariat for the EANET in 2021, including programme support cost, were US\$ 436,683, as detailed in the financial report (Annex 1).
8. In 2021, a small-scale funding agreement between UNEP and RRC.AP was signed by following the Decision of IG15. Under this SSFA, RRC.AP provides support to the Secretariat in the implementation of activities, including convening the SAC21 in October 2021, the working group meetings, and the IG23 in November 2021. UNEP supported two full time staff from RRC.AP, one programme officer and one administrative assistant to support the Secretariat in implementing the EANET's activities. The certified interim financial statement of RRC.AP as of December 2021 is presented in Table 1 of Annex 2.
9. The Secretariat also made a small-scale funding agreement between UNEP and the Japan Environment and Sanitation Center (JESC), the parent organization of Asia Center for Air Pollution Research (ACAP) and the Network Center (NC) to support the implementation of the EANET Research Fellowship Programme in 2021 with the amount of US\$ 38,000. This amount is not considered part of the Core Budget of the Secretariat.

III. FINANCIAL REPORT OF THE NETWORK CENTER (NC) IN 2021

10. The NC's budget in 2021 was estimated to be US\$ 592,000 for the Core Budget Activities and US\$ 370,110 for the Non-Core Budget Activities.

III-1 Balance between Revenue and Expenditures

11. Actual total revenue, total expenditures, and the balance between revenue and expenditure of the NC in 2021 are shown in Table 1 of Annex 3.

III-2 Revenue for the NC

12. Actual total revenue, including a voluntary financial contribution from the Participating Countries of the NC Core Budget in 2021, is shown in Table 1 and Table 2 of Annex 3. All of the voluntary financial contributions from the Participating Countries to the NC in 2021 were transferred to the Japan Environmental Sanitation Center (JESC) bank account directly.
13. Table 1 of Annex 3 also shows other revenue of the NC in 2021 amounting to US\$ 133,983 based on the financial support from the Niigata Prefecture, including the rental fee of the ACAP building.

III-3 Actual Expenditures of the NC Core and Additional Budget Activities, etc.

14. Actual expenditures of the NC Core and Non-Core Budget Activities of each activity item in 2021 are shown in Table 3 and 4 of Annex 3, respectively. The amounts of expenditures were US\$ 468,048 for the Core Budget activities and US\$ 195,943 for the Non-Core Budget Activities.

Annex 1

Table 1.a. Voluntary Contributions to the Core Budget of the Secretariat in 2021 from the Participating Countries

Countries	Voluntary Contributions in 2021	
	Estimated (based on UN scale of assessment 2019-2021)	Actual
Cambodia ^{a b}	134	200
China	272,602	203,730
Indonesia	12,332	-
Japan ^c	194,468	203,768
Lao PDR ^a	115	-
Malaysia	7,742	7,742
Mongolia ^{a b}	115	200
Myanmar ^b	225	225
Philippines	4,657	4,657
R.O. Korea	51,478	51,220
Russia	54,612	54,612
Thailand	6,971	6,971
Viet Nam ^b	1,749	1,749
Total Contribution	607,200	535,074 ^b

Notes:

- (a) The minimum amount of voluntary financial contribution is US\$ 200 as recommended and specified in the Procedures for Financial Contributions to the EANET Trust Fund (Core Budget of the Secretariat) to support the Activities of the Acid Deposition Monitoring Network in East Asia.
- (b) The contribution amount presented in the UNEP HQ Certified Financial Report for the FY2021 is US\$ 536,827. The difference is due to the recording of 2020 contributions of some Participating Countries in UNEP account for the EANET Trust Fund in FY2021.
- (c) Including non-core contribution of US\$ 9,300.

Table 1.b Timing of Voluntary Contribution Received from Participation Countries in 2021 to the Core Budget of the Secretariat

Countries	Estimated	Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cambodia ^{ab}	134	200							x					
China	272,602	203,730						x						
Indonesia	12,332	-												
Japan ^c	194,468	203,768						x						
Lao PDR ^a	115	-												
Malaysia	7,742	7,742									x			
Mongolia ^{ab}	115	200	x											
Myanmar ^b	225	225	x											
Philippines	4,657	4,657								x				
R.O. Korea	51,478	51,220								x				
Russia	54,612	54,612	x											
Thailand	6,971	6,971	x											
Viet Nam ^b	1,749	1,749											x	
Total Contribution	607,200	535,074^b	62,008					460,506	469,706	525,583	533,325		535,074	
Contribution (%) by period		88%	10%					67%	0%	9%	1%		1%	

Notes:

- (a) The minimum amount of voluntary financial contribution is US\$ 200 as recommended and specified in the procedures for Financial Contributions to the EANET Trust Fund to support the Activities of the Acid Deposition Monitoring Network in East Asia.
- (b) The contribution amount presented in the financial report for the FY2021 is US\$ 536,827. This difference is due to the recording of 2020 contribution of some countries in UNEP account for the EANET Trust Fund in FY2021.
- (c) The contribution of US\$ 9,300 from Japan was for non-core activities.

Table 2.a – Detailed expenditures of the EANET Secretariat for the Period of 01 January 2021 to 31 December 2021 (in US\$)

Items	Budget	Expenditure and Commitment
1. Personnel Cost^a		
1.1. Personnel costs	195,000	190,705
1.2. Consultant ^b	75,000	83,730
Sub-total	270,000	274,435
2. Travel		
2.1. Travel of Secretariat staff ^c	20,000	(608)
2.2. Other travels directly managed by the Secretariat ^c	53,900	(94)
Sub-total	73,900	(702)
3. Contractual services		
3.1. Contractual services directly managed by the Secretariat for meetings, printing, etc. ^d	50,000	10,448
Sub-total	50,000	10,448
4. Grants for implementing partners		
4.1. SSFA with RRC.AP/AIT ^e	140,000	43,315
4.2. SSFA with the NC ^f	0	38,000
Sub-total	140,000	81,315
5. Operating and other direct costs		
5.1. Operating and other direct costs including office supplies and communication	20,000	20,949
Sub-Total	20,000	20,949
Total Direct Expenditures	553,900	386,445
Programme Support Cost	72,000	50,238
Total Expenditures	625,900	436,683

Notes:

- (a) The expenditure includes a full-time coordinator, a part-time admin assistant, a communications consultant, a consultant for the Terminal Review of EANET Medium Term Plan (2016-2020) and a moderator for the Awareness Workshop in 2021 and Science and Policy Dialogue
- (b) Includes consultants expenditure of US\$ 1,768 under non-core contribution from Japan (total US\$ 9,300)
- (c) Includes travel refund from 2020 official missions
- (d) Includes meeting arrangement expenditure of US\$ 7,532 under non-core contribution from Japan (total US\$ 9,300)
- (e) Includes liquidation of 2020 commitments
- (f) Non-core activity to support the EANET fellowship program in 2021

Table 2.b - Balance between Voluntary Contributions & Expenditures as at 31 December 2021 (in US\$)

Total Contributions Received ^{b c}	4,169,164
Total Expenditure	3,135,134
Cash Balance before exchange rate	1,034,030
Exchange Rate gain/(loss)	(15)
Cash Balance ^a	1,034,015

Notes:

- (a) Cash balance includes an estimated US\$ 379,429 for China in-kind contribution, thus estimated cash balance for the secretariat core budget is US\$ 654,586
- (b) UNEP has received the voluntary contributions from the Participating Countries after the Framework Agreement between UNEP and EANET was signed in 2015. The total contributions are cumulative since 2015.
- (c) In previous Financial Reports of the EANET, the terms used for Contributions were “Revenue”, and for Available Cash Balance, “Surplus”. The replacement of these terminologies is made in order to be consistent with the terminologies used in the UNEP certified financial report found in Table 2.c.

Table 2.c. Certified Interim Financial Report of the EANET Secretariat for the Period of 01 January 2021 to 31 December 2021 (in US\$)



1000/32CPL - TF Ctrpart Ctrs Supp Envrmt Activities

MI-32CPL-000284 - Institutional Measure and Technical Assistance to Address Ai

140000030 - Group of Sponsors

Interim Certified Financial Statements (IMIS + Umoja) for the period ended 31 December 2021

(Expressed in US dollars)

	<u>Cumulative to 2020</u>	<u>Fiscal Year 2021</u>	<u>Cumulative to 2021</u>
Income			
Contributions received	3,632,336.97	536,827.00	4,169,163.97
Total Income	3,632,336.97	536,827.00	4,169,163.97
Expenditures			
Staff and other personnel cost	927,170.64	273,705.25	1,200,875.89
Supplies, Commodities and Materials	561.00	-	561.00
Equipment, Vehicles and Furniture	1,878.00	1,669.00	3,547.00
Contractual Services	47,644.49	509.25	48,153.74
Travel	96,219.25	(702.01)	95,517.24
Transfers and Grants	1,195,391.00	81,315.42	1,276,706.42
General Operating and Other Direct Costs	119,145.15	29,948.30	149,093.45
Total direct expenditures	2,388,009.53	386,445.21	2,774,454.74
Indirect Support Costs (United Nations) ^a	310,441.24	50,237.88	360,679.12
Total indirect support costs	310,441.24	50,237.88	360,679.12
Total expenditures	2,698,450.77	436,683.09	3,135,134
Net excess/(shortfall) income over expenditure	933,886.20	100,143.91	1,034,030.11
Exchange rate (loss)/gain	(9.12)	(5.92)	(15.04)
Available Balance	933,877.08	100,137.99	1,034,015.07

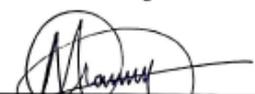
^a Indirect Support Costs (United Nations) has been manually adjusted in lieu of pending full PSC batch run in 2022.

Certified by:


Ahmed Khan
Fund Management Officer
UN Environment Programme

Date: 03/08/2022

Cleared by:


Miriam Nanyonga
Chief, Financial Reporting Unit, BFMS, UN
United Nations Office at Nairobi
ACCOUNTS SECTION

Date: 02/08/2022

Approved by:


Kathleen Creavalle
Chief, Financial Management Services
UN Environment Programme

Budget and Financial
Management Service

Date: 05.08.2022

Note:

This is the format of the UNEP Headquarters certified report. Expenditure from RRC.AP and NC is incorporated under Transfers and Grants Budget line

Annex 2

Table 1. Scanned Copy of Original Letter of Certified Final Financial Statement of RRC.AP/AIT under small-scale funding agreement (SSFA) between UNEP and AIT in 2021 (in US\$)

Final Expenditure Report

Partners Name: Asian Institute of Technology
 Budget line: SB-012975.04.03
 Title of the project: Acid Deposition Monitoring Network in East Asia (EANET)
 SSFA starting date: 11/02/2021
 Reporting period: From 11/02/2021 to 31/12/2021
 Cumulative amount already transferred from UNEP to the Partner as of this reporting date: USD 100,000

Activity	Original Budget (USD)	Accumulative Expenditures for previous reporting period (as at 31/07/2021) (USD)	Expenditures incurred for the current reporting period (USD)	Total Expenditures (USD)	Comments (if the expenditures were different from what was originally planned, please provide a short explanation)
<i>Activity 1: Support organization of the SAC21 and IG23 meetings</i>					
Staff & Other Personnel Costs	24,012.50	14,007.29	10,005.21	24,012.50	
Travel	15,000.00	0.00	0.00	0.00	Travel and DSA budget were unspent as SAC22 & IG23 meetings were held virtually
Contractual Service	20,000.00	875.00	625.00	1,500.00	
General Operating	8,950.00	5,220.83	3,729.17	8,950.00	
Sub-total	67,962.50	20,103.13	14,359.38	34,462.50	
<i>Activity 2: Support organization of national and regional awareness events in 2021</i>					
Staff & Other Personnel Costs	24,012.50	14,007.29	10,005.21	24,012.50	
Sub-total	24,012.50	14,007.29	10,005.21	24,012.50	
<i>Activity 3: Support development of EANET communication materials for the awareness activities and circulation of EANET members list</i>					
Staff & Other Personnel Costs	24,012.50	14,007.29	10,005.21	24,012.50	
Sub-total	24,012.50	14,007.29	10,005.21	24,012.50	
<i>Activity 4: Monthly coordination meeting of EANET Secretariat</i>					
Staff & Other Personnel Costs	24,012.50	14,007.29	10,005.21	24,012.50	
Sub-total	24,012.50	14,007.29	10,005.21	24,012.50	
TOTAL COST	140,000.00	62,125.00	44,375.00	106,500.00	

Summary	Amount (USD)
First Installment	100,000.00
Less Expenditure	106,500.00
Balance	(6,500.00)

Signature of a duly Authorized Officer:



Name: Dr. Naoya Tsukamoto
 Position: Director, RRC.AP
 Date: 28 December 2021



Tomi Haryadi
 EANET Coordinator

I hereby certify that the goods and/or services covered by this invoice have been received and accepted and are in accordance with the relevant agreement(s) for which the relevant amount was approved; can be met from the available balance of the relevant allotment(s) with due regard to foreseeable future commitments.

Coordinating officer: 
 Ahmed Khan
 Name of receiving officer: _____ Date: 14.01.2022

Annex 3

**FINANCIAL STATEMENT OF THE NETWORK CENTER
JANUARY - DECEMBER 2021**

Table 1. Revenue and Expenditures of the Network Center in 2021 (US\$)

Items	Revenue		Expenditures		Balance
	Estimated	Actual	Estimated	Actual	Actual
NC Core Activities	592,000	439,961	592,000	468,048	(28,087)
Support from Niigata Prefecture and Niigata City	4,500	0	4,500	0	0
Support for NC activities from Niigata Prefecture (Office rental)	119,581	133,983	119,581	133,983	0
NC Non-Core Activities	370,110	223,397	370,110	195,943	27,454
Total	1,086,191	797,341	1,086,191	797,974	(633)

Table 2. Voluntary Financial Contribution of Participating Countries to the Network Center Core Budget in 2021

Participating Countries	UN scale of assessment 2019-2021 (%)	Scale of EANET burden sharing (%)	Network Center	
			Estimated annual contribution (US\$)	Actual contribution (US\$)
Cambodia*	0.006	0.022	121	200
China	12.005	44.895	246,384	102,170
Indonesia	0.543	2.031	11,146	0
Japan	8.564	32.027	175,764	277,210
Lao PDR *	0.005	0.019	104	0
Malaysia	0.341	1.275	6,997	0
Mongolia*	0.005	0.019	104	200
Myanmar	0.01	0.037	203	203
Philippines	0.205	0.767	4,209	4,209
Republic of Korea	2.267	8.478	46,527	0
Russia	2.405	8.994	49,359	49,359
Thailand	0.307	1.148	6,300	4,829
Viet Nam	0.077	0.288	1,581	1,581
Total	----	100	548,799	439,961

Table 3. Expenditures of the Network Center for Core Activities in 2021 (US\$)

Activities	Budget (Jan.~Dec. 2021)			Expenditures (Jan.~Dec. 2021)		
	Personnel cost	Direct expenses	Total	Personnel cost	Direct expenses	Total
Objective 1. Monitoring of Acid deposition	132,000	40,000	172,000	127,252	17,599	144,851
(1) Continuation and improvement of EANET monitoring	48,000	15,000	63,000	46,274	0	46,274
(2) Development/revision of guidelines, technical manuals and documents	12,000	0	12,000	11,568	0	11,568
(3) Development/revision of strategy papers for guidance on the future direction of the monitoring,	6,000	0	6,000	5,784	0	5,784
(4) Implementation of QA/QC activities	24,000	20,000	44,000	23,137	17,599	40,736
(5) Management of data and maintenance of the database	42,000	5,000	47,000	40,489	0	40,489
Objective 2. Promotion of data utilization and dissemination	66,000	60,000	126,000	63,626	17,353	80,979
(6) Conduct annual assessment of the state of acid deposition using trend analysis, numerical models	18,000	0	18,000	17,353	2,483	19,836
(7) Development of Periodic Report on the State of Acid Deposition in East Asia (PRSAD)	36,000	50,000	86,000	34,705	0	34,705
(8) Regular updating of the website	12,000	10,000	22,000	11,568	14,870	26,438
Objective 4. Enhancement of outreach activities	18,000	3,000	21,000	17,353	98	17,451
(10) Promotion of public awareness on acid deposition including other priority chemical species	18,000	3,000	21,000	17,353	98	17,451
Objective 5. Enhancement of cooperation and collaboration	108,000	105,000	213,000	104,115	4,287	108,402
(11) Arrangements for the EANET Sessions	78,000	105,000	183,000	75,195	4,286	79,481
(12) Consideration on future development of the EANET	6,000	0	6,000	5,784	1	5,785
(13) Review of the arrangements of the EANET Secretariat and the NC	6,000	0	6,000	5,784	0	5,784

Activities	Budget (Jan.~Dec. 2021)			Expenditures (Jan.~Dec. 2021)		
	Personnel cost	Direct expenses	Total	Personnel cost	Direct expenses	Total
(15) Review of the MTP (2016-2020), revision of the MTP (2021-2025) if necessary, and development of the next MTP for the EANET (2026-2030)	12,000	0	12,000	11,568	0	11,568
(16) Sharing a common understanding on atmospheric environment issues among the scientific community	6,000	0	6,000	5,784	0	5,784
Sub Total	324,000	208,000	532,000	312,346	39,337	351,683
(17) Administrative works	60,000	0	60,000	57,842	58,523	116,365
Grand Total	384,000	208,000	592,000	370,188	97,860	468,048

Table 4 Expenditure of the Network Center for Non-Core Activities in 2021 (in US\$)

Activities	Network Center					
	Budget (Jan. ~ Dec. 2021)			Expenditures (Jan. ~ Dec. 2021)		
	Personnel cost	Direct expenses	Total	Personnel cost	Direct expenses	Total
Objective 1. Monitoring of Acid deposition	36,000	40,000	76,000	34,704	13,838	34,704
(4) Research on analysis of long term trend and acid deposition	12,000	20,000	32,000	11,568	0	11,568
(6) Promotion of studies on the effects of acid deposition	24,000	20,000	44,000	23,136	13,838	23,136
Objective 3. Promotion of capacity building	114,000	130,000	244,000	109,898	2,798	109,898
(15) Promotion of capacity building for personnel of the participating countries	42,000	45,000	87,000	40,489	1,501	40,489
(16) Promotion of technical support to participating countries	42,000	65,000	107,000	40,489	1,297	40,489
(18) Promotion of research and technical cooperation on emission inventory to support the capacity building.	12,000	0	12,000	11,568	0	11,568
(20) Conduct fellowship research program.	18,000	20,000	38,000	17,352	0	17,352
Objective 4. Enhancement of outreach activities	12,000	3,000	15,000	11,568	0	11,568
(24) Publication of EANET Science Bulletin	12,000	3,000	15,000	11,568	0	11,568
Objective 5. Enhancement of cooperation and collaboration	24,000	11,110	35,110	23,136	1	23,136
(26) Providing information and policy recommendations to policy makers	18,000	9,343	27,343	17,352	0	17,352
(27) Promotion of communication, collaboration and cooperation	6,000	1,767	7,767	5,784	1	5,784
Grand Total	186,000	184,110	370,110	179,306	16,637	195,943

Audit Report for the Financial Report of the Network Center in 2021

独立監査人の監査報告書

2022年5月25日

一般財団法人 日本環境衛生センター
理事長 南川 秀樹 殿

清泉監査法人
東京都中央区
指定社員
業務執行社員

公認会計士

辻本 厚

監査意見

当監査法人は、一般社団法人及び一般財団法人に関する法律第124条第2項第1号の規定に基づく監査に準じて、一般財団法人日本環境衛生センターの2021年4月1日から2022年3月31日までの2021年度の貸借対照表、正味財産増減計算書及び財務諸表に対する注記並びに附属明細書について監査し、あわせて、正味財産増減計算書内訳表（以下、これらの監査の対象書類を「財務諸表等」という。）について監査を行った。

当監査法人は、上記の財務諸表等が、我が国において一般に公正妥当と認められる公益法人会計の基準に準拠して、当該財務諸表等に係る期間の財産及び正味財産増減の状況を、全ての重要な点において適正に表示しているものと認める。

監査意見の根拠

当監査法人は、我が国において一般に公正妥当と認められる監査の基準に準拠して監査を行った。監査の基準における当監査法人の責任は、「財務諸表等の監査における監査人の責任」に記載されている。当監査法人は、我が国における職業倫理に関する規定に従って、法人から独立しており、また、監査人としてのその他の倫理上の責任を果たしている。当監査法人は、意見表明の基礎となる十分かつ適切な監査証拠を入手したと判断している。

その他の記載内容

その他の記載内容は、事業報告及びその附属明細書である。理事者の責任は、その他の記載内容を作成し開示することにある。また、監事の責任は、その他の記載内容の報告プロセスの整備及び運用における理事の職務の執行を監視することにある。

当監査法人の財務諸表等に対する監査意見の対象にはその他の記載内容は含まれておらず、当監査法人はその他の記載内容に対して意見を表明するものではない。

財務諸表等の監査における当監査法人の責任は、その他の記載内容を通読し、通読の過程において、その他の記載内容と財務諸表等又は当監査法人が監査の過程で得た知識との間に重要な相違があるかどうかを検討すること、また、そのような重要な相違以外にその他の記載

内容に重要な誤りの兆候があるかどうか注意を払うことにある。

当監査法人は、実施した作業に基づき、その他の記載内容に重要な誤りがあると判断した場合には、その事実を報告することが求められている。

その他の記載内容に関して、当監査法人が報告すべき事項はない。

財務諸表等に対する理事者及び監事の責任

理事者の責任は、我が国において一般に公正妥当と認められる公益法人会計の基準に準拠して財務諸表等を作成し適正に表示することにある。これには、不正又は誤謬による重要な虚偽表示のない財務諸表等を作成し適正に表示するために理事者が必要と判断した内部統制を整備及び運用することが含まれる。

財務諸表等を作成するに当たり、理事者は、継続組織の前提に基づき財務諸表等を作成することが適切であるかどうかを評価し、我が国において一般に公正妥当と認められる公益法人会計の基準に基づいて継続組織に関する事項を開示する必要がある場合には当該事項を開示する責任がある。

監事の責任は、財務報告プロセスの整備及び運用における理事の職務の執行を監視することにある。

財務諸表等の監査における監査人の責任

監査人の責任は、監査人が実施した監査に基づいて、全体としての財務諸表等に不正又は誤謬による重要な虚偽表示がないかどうかについて合理的な保証を得て、監査報告書において独立の立場から財務諸表等に対する意見を表明することにある。虚偽表示は、不正又は誤謬により発生する可能性があり、個別に又は集計すると、財務諸表等の利用者の意思決定に影響を与えると合理的に見込まれる場合に、重要性があると判断される。

監査人は、我が国において一般に公正妥当と認められる監査の基準に従って、監査の過程を通じて、職業的専門家としての判断を行い、職業的懐疑心を保持して以下を実施する。

- ・ 不正又は誤謬による重要な虚偽表示リスクを識別し、評価する。また、重要な虚偽表示リスクに対応した監査手続を立案し、実施する。監査手続の選択及び適用は監査人の判断による。さらに、意見表明の基礎となる十分かつ適切な監査証拠を入手する。
- ・ 財務諸表等の監査の目的は、内部統制の有効性について意見表明するためのものではないが、監査人は、リスク評価の実施に際して、状況に応じた適切な監査手続を立案するために、監査に関連する内部統制を検討する。
- ・ 理事者が採用した会計方針及びその適用方法の適切性、並びに理事者によって行われた会計上の見積りの合理性及び関連する注記事項の妥当性を評価する。
- ・ 理事者が継続組織を前提として財務諸表等を作成することが適切であるかどうか、また、入手した監査証拠に基づき、継続組織の前提に重要な疑義を生じさせるような事象又は状況に関して重要な不確実性が認められるかどうか結論付ける。継続組織の前提に関する重要な不確実性が認められる場合は、監査報告書において財務諸表等の注記事項に注意を喚起すること、又は重要な不確実性に関する財務諸表等の注記事項が適切でない場合は、財務諸表等に対して除外事項付意見を表明することが求められている。監査人の結論

は、監査報告書日までに入手した監査証拠に基づいているが、将来の事象や状況により、法人は継続組織として存続できなくなる可能性がある。

- ・ 財務諸表等の表示及び注記事項が、我が国において一般に公正妥当と認められる公益法人会計の基準に準拠しているかどうかとともに、関連する注記事項を含めた財務諸表等の表示、構成及び内容、並びに財務諸表等が基礎となる取引や会計事象を適正に表示しているかどうかを評価する。

監査人は、監事に対して、計画した監査の範囲とその実施時期、監査の実施過程で識別した内部統制の重要な不備を含む監査上の重要な発見事項、及び監査の基準で求められているその他の事項について報告を行う。

利害関係

法人と当監査法人又は業務執行社員との間には、公認会計士法の規定により記載すべき利害関係はない。

以 上

Independent Auditor's Report
(Provisional translation)

May 25, 2022

The Board of Directors of
Japan Environmental Sanitation Center

Seisen Audit Corporation
Chuo-ku, Tokyo, Japan

Atsushi Hentona
Certified Public Accountant
Designated and Engagement Partner

The Audit Opinion

In accordance with the audit based on the provisions of Article 124, paragraph (2), item (i), of the Act on General Incorporated Associations and General Incorporated Foundations, we have audited the financial statements of Japan Environmental Sanitation Center ("JESC"), which comprise the balance sheet as of March 31, 2021, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules for the fiscal year from April 1, 2021, through March 31, 2022. In addition, we have audited the detailed balance sheet as of March 31, 2022, and the detailed statement of changes in net assets for the fiscal year then ended. These documents subject to audit are hereinafter referred to as "financial statements, etc."

We recognize that the financial statements, etc. listed above present fairly, in all material respects, the state of the assets and increase or decrease in net assets for the period to which they relate, in accordance with the standards of accounting for public-interest corporations generally accepted in Japan.

Basis for the Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility in these auditing standards is described in the section "Auditor's Responsibility in the Audit of Financial Statements". We are independent from legal entities and fulfill our other ethical responsibilities as an auditor in accordance with the rules of professional ethics in Japan. We believe that we have obtained sufficient and appropriate audit evidence to form the basis for our opinion.

Other Descriptions

The other descriptions are the business report and attached specifications. The directors are responsible for the preparation and disclosure of the other descriptions. The auditors are also responsible for monitoring the directors' performance of their duties in the development and operation of the other descriptions reporting process.

Our audit opinion on the financial statements doesn't include a reading of the other descriptions. In the course of that reading, we consider whether there are critical differences between the other descriptions and the financial statements, or our knowledge obtained in the audit, and we alert to whether there are indications of critical errors in the other descriptions other than such critical differences.

Based on the work performed, if we determine that there are critical errors in the other

descriptions, we are required to report those facts.

We have no matters to report with respect to the other descriptions.

Responsibility of Directors and Audit & Supervisory Board Members for Financial Statements, etc.

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the accounting standards for public interest corporations generally accepted in Japan. This includes the development and operation of internal control determined by the directors to be necessary for the preparation and proper presentation of the financial statements, etc. that are free from material misstatement due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing whether it is appropriate to prepare the financial statements based on the assumption of going concern, and for disclosing matters relating to going concern in accordance with public-interest corporation accounting standards generally accepted in Japan, if necessary.

The responsibility of the audit & supervisory board members is to monitor the directors' performance of their duties in the development and operation of the financial reporting process.

Responsibility of the auditor in the audit of financial statements

It is the auditor's responsibility to obtain reasonable assurance about whether the financial statements and other financial statements, taken as a whole, are free of material misstatement, whether due to fraud or error, based on the audit performed by the auditor, and to express an opinion on the financial statements and other financial information in the auditor's report from an independent standpoint. Misstatements can be caused by fraud or error, and are deemed important when they are reasonably expected to affect the decision-making of users' financial statements, etc. when aggregated individually or as a whole.

Throughout the course of the audit, in accordance with auditing standards generally accepted in Japan, the auditor shall exercise professional judgment and maintain professional skepticism in performing the following tasks;

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and implement audit procedures corresponding to the risks of material misstatement. The selection and application of audit procedures shall be at the discretion of the auditor. In addition, the auditor shall obtain sufficient and appropriate audit evidence to form the basis for its opinion.
- Although the purpose of the audit of the financial statements is not to express an opinion on the effectiveness of internal control, the auditor shall consider internal control relevant to the audit in making the risk assessment, in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of the accounting policies adopted by the directors and the method of their application, and the reasonableness of the accounting estimates made by the directors and the appropriateness of the related notes.
- Conclude whether it is appropriate for the directors to prepare the financial statements on a going concern basis, and based on the audit evidence obtained, whether there is a material uncertainty about events or circumstances that would cast significant doubt on the assumption of going concern. If there is a material uncertainty about the assumption of continuing organization, the auditor is required to draw attention to the notes to the financial statements in

the auditor's report, or, if the notes to the financial statements are not adequate to address the material uncertainty, to express an opinion with exclusions on the financial statements. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report; however, future events and circumstances may prevent the corporation from continuing as a going concern.

- Evaluate whether the presentation and notes to the financial statements comply with public-interest corporation accounting standards generally accepted in Japan, and whether the presentation, structure and content of the financial statements, including the related notes, and the transactions and accounting events on which the financial statements are based, are fairly presented.

The auditor shall report to the audit & supervisory board member on the scope and timing of the planned audit, significant audit findings, including significant deficiencies in internal control identified during the course of the audit, and other matters required by auditing standards.

Conflicts of Interest

We have no interest in the corporation to be disclosed under the provisions of the Certified Public Accountants Act.