

**INDONESIAN INTERNATIONAL EDUCATION
FOUNDATION**

**FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015 AND
FOR THE YEAR THEN ENDED WITH INDEPENDENT AUDITOR'S REPORT**

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
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MANAGEMENT BOARD'S STATEMENT
ON THE RESPONSIBILITY FOR THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2015
INDONESIAN INTERNATIONAL EDUCATION FOUNDATION (IIEF)

We, the undersigned below:

1. Name : Diana Kartika Jahja
Office Address : Menara Imperium Lt 28 Suite C, Jl HR
Rasuna Said Kav 1, Kuningan, Jakarta
Selatan 12980
Telephone Number : 021 – 8317330
Title : Director
2. Name : Jenny Gunawan
Office Address : Menara Imperium Lt 28 Suite C, Jl HR
Rasuna Said Kav 1, Kuningan, Jakarta
Selatan 12980
Telephone Number : 021 – 8317330
Title : Finance and Administration Manager

declare that :

1. We are responsible for the preparation and presentation of IIEF's Financial Statements for the year ended December 31, 2015.
2. IIEF's Financial Statements have been prepared and presented in accordance with generally accepted accounting principles applied in Indonesia.
3. a. All information has been fully and correctly disclosed in IIEF's Financial Statements; and
b. IIEF's Financial Statements do not contain materially misleading information or facts, and do not conceal any information or facts.
4. We are responsible for IIEF's internal control system.

This statement has been made truthfully.

Jakarta, March 9, 2018


Diana Kartika


Jenny Gunawan


METERAI
TEMPEL
TGL
20180309
6000
ENAM RIBU RUPIAH
Indonesian
International
Education
Foundation



KANTOR AKUNTAN PUBLIK
JOHAN MALONDA MUSTIKA & REKAN
Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

Report No. 18164-A3Y/JMM3.JY3

The Board of Members
INDONESIAN INTERNATIONAL EDUCATION FOUNDATION

We have audited the accompanying Financial Statements of the **Indonesian International Education Foundation (IIEF)**, which comprise the Statement of Financial Position as of December 31, 2015, and the Statements of Activities and Changes in Net Assets and Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Indonesian Financial Accounting Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, 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 Statements 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 made by management, as well as evaluating the overall presentation of the Financial Statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis for Qualified Opinion

Our audit did not include the Foundation's taxation.



JOHAN MALONDA MUSTIKA & REKAN

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION

Qualified Opinion

In our opinion, except for the matter described in the preceding Basis for Qualified Opinion paragraph and the impacts on the Financial Statements, the Financial Statements referred to above present fairly in all material respects, the Financial Position of the **Indonesian International Education Foundation** as of December 31, 2015 and the Statements of Activities and Changes in Net Assets and Cash Flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other Matter

As disclosed in Note 23 to the Financial Statements, effective January 1, 2015, the Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 24 (2013 Revision), "Employee Benefits", concerning the change of the method from the Corridor method to the Other Comprehensive Income method. Due to such a change, the Statements of Financial Position as of December 31, 2014 and 2013 and the Statements of Activities and Changes in Net Assets and Cash Flows for the year ended December 2014 have been restated to match conform with the presentation of the Financial Statements as of December 31, 2015 and for the year then ended. Our opinion is not modified in this respect.

JOHAN MALONDA MUSTIKA & REKAN

Licence No. 951/KM.1/2010

Drs Johan Yoranouw
Public Accountant Registration AP. 0732

March 9, 2018

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015 AND 2014

A S S E T S							
Notes	2 0 1 5		2 0 1 4 *		January 1, 2014		
	IDR	USD	IDR	USD	IDR	USD	
CURRENT ASSETS							
Cash on Hand and in Banks	3	9,295,275,791	673,815	12,537,380,584	1,007,828	6,656,006,312	546,052
Accounts Receivable	4	25,852,294,427	1,874,036	20,486,995,262	1,646,872	28,466,338,949	2,335,413
Inventories	5	503,810,506	36,521	456,699,768	36,712	88,056,262	7,222
Prepaid Expenses	6	400,296,853	29,018	429,972,108	34,567	385,190,649	31,602
Refundable Deposits	7	421,718,541	30,570	440,040,540	35,373	329,429,910	27,027
Advances	8	227,640,594	16,502	61,590,895	4,951	114,409,000	9,386
Prepaid Tax		182,370,145	13,220	11,983,735	963	2,521,260	207
Total Current Assets		36,883,406,857	2,673,682	34,424,662,892	2,767,266	36,041,952,342	2,956,911
NON CURRENT ASSETS							
Fixed Assets - Net of Accumulated Depreciation amounting to IDR 777,829,907 or USD 79,523 and IDR 690,155,447 or USD 72,798 as of December 31, 2015 and 2014, respectively	3c& 9	1,093,036,700	86,155	107,700,760	22,433	209,249,140	32,450
Deferred Tax		346,650,160	25,129	346,650,160	27,866	346,650,160	28,439
Total Non Current Assets		1,439,686,860	111,284	454,350,920	50,299	555,899,300	60,889
TOTAL ASSETS		38,323,093,717	2,784,966	34,879,013,812	2,817,565	36,597,851,642	3,017,800
CURRENT LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Taxes Payable	10	325,601,029	23,602	202,881,826	16,308	256,581,450	21,050
Accrued Expenses	11	194,939,081	14,131	96,297,566	7,741	206,778,642	16,963
Accounts Payable	12	234,475,162	16,998	230,029,997	18,491	298,057,617	24,453
Unearned Revenue	13	114,898,640	8,329	-	-	1,229,964,520	100,908
Accounts Payable to Institute of International Education	14	28,998,918,941	2,102,133	27,130,167,228	2,180,882	30,985,006,842	2,542,048
Estimated Post-Employment Benefits	15	3,692,851,504	267,695	3,314,769,118	266,460	2,456,362,605	201,523
Total Current Liabilities		33,561,684,357	2,432,888	30,974,145,735	2,489,882	35,432,751,676	2,906,945
NET ASSETS							
Unrestricted	2c	258,184,995	18,717	2,303,680,646	185,183	1,183,391,218	87,306
Temporary Restricted	2c	4,503,224,365	326,439	1,601,187,431	128,713	(18,291,252)	(1,501)
Difference in Foreign Currency Translation	2d	-	6,922	-	13,787	-	25,050
Total Net Assets		4,761,409,360	352,078	3,904,868,077	327,683	1,165,099,966	110,855
TOTAL CURRENT LIABILITIES AND NET ASSETS		38,323,093,717	2,784,966	34,879,013,812	2,817,565	36,597,851,642	3,017,800

* Restated (Note 23)

See accompanying Notes to Financial Statements
which are an integral part of these Statements

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
AS OF DECEMBER 31, 2015 AND 2014

		2 0 1 5															
		Temporarily Restricted				Unrestricted								2 0 1 4 *		2 0 1 3 *	
Notes		PRESTASI Project		Others		ITP Program		Institutional		Total				IDR	USD	IDR	USD
		IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD
REVENUES																	
	16	-	-	-	-	18,363,357,924	1,373,657			18,363,357,924	1,373,657	16,332,154,262	1,381,565	12,906,618,148	1,254,629		
	17	29,290,399,382	2,164,100	5,750,710,933	406,118	-	-	-	-	35,041,110,315	2,570,218	38,758,508,256	3,267,071	31,920,039,926	3,088,140		
	18	11,372,171,375	946,849	9,651,028,437	720,097	2,899,596,828	219,758	1,840,499,929	129,662	25,763,296,569	2,016,366	21,135,671,477	1,820,310	23,431,736,584	2,135,778		
		40,662,570,757	3,110,949	15,401,739,370	1,126,215	21,262,954,752	1,593,415	1,840,499,929	129,662	79,167,764,808	5,960,241	76,226,333,995	6,468,946	68,258,394,658	6,478,547		
COST OF GOODS SOLD (COGS)		-	-	-	-	13,858,577,397	1,036,446	-	-	13,858,577,397	1,036,446	11,224,905,661	947,576	7,999,355,768	792,407		
COSTS INCURRED																	
	19	29,273,937,486	2,165,420	6,755,565,929	490,076	-	-	42,958,000	2,931	36,072,461,415	2,658,427	35,248,875,751	2,972,439	33,651,998,038	3,284,081		
	20	12,319,412,452	943,064	9,542,984,043	701,480	2,899,596,828	219,758	1,100,923,460	86,872	25,862,916,783	1,951,174	23,465,764,112	1,972,265	23,310,586,578	2,228,815		
		(654,004,577)	359	-	-	-	-	(104,373,246)	46,466	(758,377,823)	46,825	(13,678,567)	44,938	3,189,951,634	11,936		
		3,381,467	255	-	-	-	-	370,282,125	27,730	373,663,592	27,985	370,541,549	32,128	430,839,582	44,549		
		40,942,726,828	3,109,098	16,298,549,972	1,191,556	2,899,596,828	219,758	1,409,790,339	163,999	61,550,663,967	4,684,411	59,071,502,845	5,021,770	60,583,375,832	5,569,381		
		-	-	-	-	-	-	27,105,706	1,965	27,105,706	1,965	(279,469,691)	(22,466)	1,069,877,814	87,774		
		-	-	-	-	(4,504,780,527)	(337,211)	-	-	(4,504,780,527)	(337,211)	(5,064,793,023)	(430,547)	(4,608,027,238)	(447,599)		
CHANGES IN NET ASSETS		(280,156,071)	1,851	(896,810,602)	(65,341)	-	-	457,815,296	(32,372)	(719,151,377)	(95,862)	585,662,775	46,587	(3,862,486,366)	(243,066)		
NET ASSETS BALANCE, BEGINNING		1,601,187,431	128,713	-	-	-	-	2,303,680,646	198,971	3,904,868,077	327,684	1,165,099,966	110,854	(716,244,991)	(72,308)		
	21	3,182,193,005	267,310	-	-	-	-	(1,606,500,345)	(147,054)	1,575,692,660	120,256	2,154,105,336	170,242	5,743,831,323	426,229		
		-	-	896,810,602	65,341	-	-	(896,810,602)	(65,341)	-	-	-	-	-	-		
	2d	-	(71,435)	-	-	-	-	-	64,513	-	(6,922)	-	(13,787)	-	(25,050)		
NET ASSETS BALANCE, ENDING		4,503,224,365	326,439	-	-	-	-	258,184,995	18,717	4,761,409,360	345,156	3,904,868,077	313,896	1,165,099,966	85,805		

* Restated (Note 23)

See accompanying Notes to Financial Statements
which are an integral part of these Statements

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	Notes	2015		2014*		2013*	
		IDR	USD	IDR	USD	IDR	USD
CASH FLOWS FROM OPERATING ACTIVITIES							
Changes in Net Assets		(719,151,377)	(95,862)	585,662,775	46,587	(3,862,486,366)	(243,066)
Adjustments to Reconcile Changes in Net Assets							
Net Cash Provided by (Used in) Operating Activities:							
Correction	21	1,575,692,660	120,256	2,154,105,336	170,242	5,743,831,323	426,229
Loss on Fixed Asset Disposal		6,891,581	6,064	-	-	22,893,818	(5,820)
Depreciation Expense		299,273,842	31,066	101,548,380	10,017	110,585,438	10,584
Provision for Inventories							
Decrease (Increase) in:							
Accounts Receivable		(5,365,299,165)	(227,164)	7,979,343,688	688,541	3,008,466,691	919,479
Inventories		(47,110,738)	191	(368,643,506)	(29,488)	(19,430,259)	436
Prepaid Expenses		29,675,255	5,549	(100,542,198)	(7,540)	315,791,170	39,697
Refundable Deposits		18,321,999	4,803	(54,849,891)	(3,771)	(131,933,349)	(5,412)
Advances		(166,049,699)	(11,551)	52,818,104	4,435	216,365,008	24,257
Prepaid Tax		(170,386,410)	(12,257)	(9,462,475)	(756)	(2,521,260)	(207)
Deferred Tax		-	2,737	-	573	-	7,408
Taxes Payable		122,719,203	7,294	(53,699,624)	(4,741)	172,597,500	12,364
Accrued Expenses		98,641,515	6,390	(110,481,076)	(9,223)	(444,824,638)	(50,420)
Accounts Payable		4,445,165	(1,493)	(68,027,620)	(5,962)	(1,722,440,533)	(184,492)
Unearned Revenues		114,898,640	8,329	(1,229,964,520)	(100,908)	(12,486,669,390)	(1,317,565)
Accounts Payable to Institute of International Education		1,868,751,713	(78,749)	(3,854,839,614)	(361,166)	7,052,984,932	67,175
Estimated Post-Employment Benefits		378,082,386	1,235	858,406,513	64,937	2,456,362,605	201,523
Net Cash Provided by (Used in) Operating Activities		(1,950,603,430)	(233,161)	5,881,374,272	461,776	429,572,690	(97,830)
CASH FLOWS FROM INVESTING ACTIVITIES							
Acquisition of Fixed Assets		(1,291,501,363)	(100,852)	-	-	(63,583,500)	(6,590)
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS		(3,242,104,793)	(334,013)	5,881,374,272	461,776	365,989,190	(104,420)
CASH ON HAND AND IN BANKS, BEGINNING		12,537,380,584	1,007,828	6,656,006,312	545,052	6,290,017,122	650,472
CASH ON HAND AND IN BANKS, ENDING		9,295,275,791	673,815	12,537,380,584	1,007,828	6,656,006,312	546,052

* Restated (Note 23)

See accompanying Notes to Financial Statements
which are an integral part of these Statements

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

The Indonesian International Education Foundation ("the Foundation") was established on May 1, 1992 based on Notarial Deed No. 3 of Amrul Partomuan Pohan, SH., LLM, notary in Jakarta, along with Amendment Deeds dated January 4, 2001 Nos. 1 and 2 of Suprpta, SH., the substitute notary of Amrul Partomuan Pohan, SH., LLM.

The Foundation's Articles of Association were amended to comply with Law No. 28 of 2004, pursuant to Deed of Minutes of Meeting No. 09 dated 25 April 2006, as amended by Deed No. 15 dated July 27, 2006, both prepared by Muhani Salim, SH., notary in Jakarta, as approved by the Minister of Law and Human Rights under Decision Letter No. C-HT .0.09-324 dated August 10, 2006, published in State Gazette of the Republic of Indonesia No. 83 dated October 27, 2006, Supplement No. 685.

Based on Notarial Deed No. 51 dated January 17, 2014 of Aryanti Artisari. S.H., the composition of the Foundation's Board as of December 31, 2013 and 2012 is as follows:

Trustee Board

Chairwoman	:	Mrs. Shanti Lasminingsih
Members	:	Mr. Prof. Dr. Kartomo Wirosohardjo Mr. Sudjarwadi Mr. Kevin P. Hangerty Mr. Steven Duane Dorsey

Management Board

Chairwoman	:	Mrs. Diana Kartika
Treasurer	:	Mr. Yonata Mustika Syarief (Former)
Secretary	:	Mrs. Fenty Setiasih

Supervisory Board

Member	:	Mr. Jason Raymond Kelleher
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Such changes in the Board Members have been registered in the Ministry of Law and Human Rights of the Republic of Indonesia and are still in the process of obtaining the Registration Letter from the Ministry of Law and Human Rights.

Business Activities

Since its establishment, the Foundation has developed expertise in four core areas: Scholarship and Fellowship Management; Capacity Development Initiatives: Services to Education; and Testing and Certification. Over the years, the Foundation has been in partnership on many programs with the Institute of International Education (IIE), a leading private non profit institution for the international exchange of people and ideas, based in the United States of America with global network in Asia, Pacific, Europe, Africa and MENA

The Foundation's office is located at Menara Imperium, 28th Floor, Suite A-B, Jln. H.R. Rasuna Said Kav. 1, Kuningan, South Jakarta, 12980 Indonesia.

The Foundation had 37 and 33 employees in 2015 and 2014, respectively.

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Foundation prepared its Financial Statements in accordance with generally accepted accounting principles applied in Indonesia. The significant accounting policies applied consistently are as follows:

a. Basis of Preparation of the Financial Statements

The Financial Statements have been prepared in accordance with Indonesian Financial Accounting Standards, which comprise the Statements and Interpretations issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants. As disclosed further in the relevant succeeding Notes, several amended and published accounting standards were adopted effective January 1, 2012 and 2011.

The Financial Statements are prepared in accordance with Statement of Financial Accounting Standards ("SFAS") No. 1 (2009 Revision), "Presentation of Financial Statements", adopted on January 1, 2011.

The accounting policies adopted in the preparation of the Financial Statements are consistent with those used in the preparation of the Financial Statements for the year ended December 31, 2012, except for the adoption of several amended SFASs effective January 1, 2013 as disclosed in Note 2 to the Financial Statements.

The said adoption of SFAS No. 1 (2009 Revision) had no significant impact on the related presentation and disclosures in the Financial Statements.

The Financial Statements are prepared under the Accrual basis of accounting, whereby revenues and costs are recorded when incurred. The reporting currency used in the preparation of the Financial Statements is Indonesian Rupiah (IDR) which is the functional currency of the Association.

The accompanying Financial Statements are prepared on the Historical Cost basis of accounting.

The Statements of Cash Flows present cash receipts and disbursements classified into operating and investing activities using the Indirect method.

The Foundation's functional currency is Indonesia Rupiah, however United States Dollar has been added in the preparation of the Financial Statements.

b. Inventories

Inventories are stated at the lower of cost or selling price less cost to complete and sell. The Foundation uses the First-In-First-Out method.

c. Fixed Assets

The Foundation's fixed assets are presented using the Cost model as the measurement of fixed assets in applying SFAS No. 16 (2011 Revision), "Fixed Assets".

The adoption of this revised SFAS had no significant impact on the Financial Statements.

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Fixed Assets (Continued)

Fixed assets are recorded at cost less accumulated depreciation. Depreciation is calculated using the Straight-line method based on their estimated useful lives as follows:

Furniture	25 % per annum
Computers	25 % per annum
Vehicles	12.5 % per annum

The cost of ordinary repairs or maintenance is charged to expense as incurred, while improvements that increase the value (utility) and the estimated useful lives of the assets and significant renewals are capitalized. When assets are retired or otherwise disposed of, the carrying value and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the Statement of Activities and Net Assets for the year.

The Foundation prospectively adopted SFAS No. 48 (2009 Revision), "Impairment of Assets".

Based on SFAS No. 48, "Impairment of Assets", the carrying amount of assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the current year's Statement of Activities and Net Assets. The recoverable amount is the higher of the asset net selling price or value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length basis net of the related expenses. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit.

d. Estimated Post-Employment Benefits

The preparation of the Financial Statements are in conformity with generally accepted accounting principles which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could be different from these estimates.

The Foundation calculates estimated liabilities for employee benefits based on Government of the Republic of Indonesia Labor Law No. 13 dated March 25, 2003, regarding the settlement of employment termination and determination of severance, gratuity and compensation payments by entities. Previously, Decree of the Minister of Manpower No. 150/Men/2000 as amendment to Decree No. 03/Men/1996 was applied. Should there be any employment termination, an entity is obliged to settle any severance, gratuity and compensation payment based on the years of service of the respective employees and in accordance with the conditions stated in the Decree.

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Estimated Post-Employment Benefits (Continued)

The Foundation adopted SFAS No. 24 (2013 Revision), "Employee Benefits. This SFAS provides, among others, the elimination of the "corridor approach" permitted under the previous version and significant changes in the recognition, presentation and disclosure of post-employment benefits which, among others, are as follows:

- Actuarial gains and losses are now required to be recognized in other comprehensive income (OCI) and excluded permanently from profit or loss.
- Expected returns in plan assets will no longer be recognized in profit or loss. Expected returns are replaced by recognizing interest income (or expense) on the net defined benefit plan (or liability) in profit or loss, which is calculated using the discount rate used to measure the pension obligation.
- Unvested past service costs can no longer be deferred and recognized over the future vesting period. Instead, all past service cost will be recognized at the earlier of when the amendment/curtailment occurs or when.

e. Foreign Currency Transactions and Balances

The Foundation adopted SFAS No. 10 (2010 Revision), "The Effects of Changes in Foreign Exchange Rates". The revised SFAS No. 10 principally establishes the functional currency determination, account translation in foreign currency to functional currency and the use of presentation currency which is different from the functional currency. The Foundation determined that its functional currency is Indonesian Rupiah and the Foundation's books of accounts are maintained in Indonesian Rupiah and United States Dollar.

Transactions during the year involving foreign currencies are recorded in Indonesian Rupiah based on the Bank Indonesia monthly exchange rates determined in the beginning of the month.

Transactions involving foreign currencies are recorded into Indonesian Rupiah at the rates of exchange prevailing at the time the transactions are made.

Monetary assets and liabilities denominated in foreign currencies are translated into Indonesian Rupiah at the rates of exchange prevailing at the Statement of Financial Position date. Gain or loss on foreign exchange is recognized in the Statement of Activities for the year, except for foreign exchange difference resulting from the translation of the Foundation's Financial Statements which is presented separately as part of the Statements of Financial Position and Statements of Activities and Changes in Net Assets.

As of December 31, 2015 and 2014, the middle rates of Bank Indonesia used are IDR 13,795 and IDR 12,440 for USD 1, respectively.

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Transactions with Related Parties

In the ordinary course of operations, Foundation has entered into transactions with entities which are regarded as having a special relationship as defined in SFAS No. 7, "Related Party Disclosures".

All transactions with related parties, which have been made at normal terms and conditions as those given to third parties or otherwise, are properly disclosed in the Financial Statements.

g. Revenue and Expense Recognition (for ITP sales)

Revenues from the Institutional Test Program (ITP) sales are recognized when the Sales Orders are issued.

Expenses are recorded based on the Accrual basis.

The net excess of Revenues over Expenses of ITP sales is recorded as Account Payable to Institute of International Education.

h. Provision for Income Tax

The Foundation adopted SFAS No. 46 (2010 Revision), "Income Taxes". The revised SFAS No. 46 prescribes the accounting treatment for income taxes to account for the current and future tax consequences of the future recovery (settlement) of the carrying amount of assets (liabilities) that are recognized in the Statements of Financial Position, and transactions and other events of the current period that are recognized in the Financial Statements.

The adoption of this revised SFAS had no significant impact on the Financial Statements.

Provision for Income Tax is determined based on the estimated taxable income for the year.

Based on SFAS No. 46, "Accounting for Income Taxes", the Deferred Income Tax method is applied to reflect the timing differences between financial and income tax reporting purposes and accumulated fiscal losses resulting in taxable amount or deductible amount in the future calculation of fiscal gain when the carrying value of assets is recovered or when the carrying value of liabilities is settled.

Based on Law No. 17 of 2000 as amended by Law No. 36 of 2008 concerning the estimated income tax for foundations or similar organizations, donations received from grantors or donors are excluded from taxable objects provided that they are not related to the business, employment, ownership or control between the parties concerned.

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Temporarily Restricted Funds

The Foundation adopted SFAS No. 45 (2011 Revision), "Non Profit Financial Reporting".

The adoption of this revised SFAS had no significant impact on the Financial Statements.

Temporarily restricted funds represent funds received which are subject to a limitation on time limit or use of fund.

Funds received for limited usage as required by the contributors are presented as "Restricted Funds" in the Net Assets.

j. Unrestricted Funds

The Foundation adopted SFAS No. 45 (2011 Revision), "Non Profit Financial Reporting".

The adoption of this revised SFAS had no significant impact on the Financial Statements.

Fund receipts that may be utilized at the discretion of the Board of Trustees are presented as "Unrestricted Funds".

k. Financial Instruments

The Foundation adopted SFAS No. 50 (2010 Revision), "Financial Instruments: Presentation", SFAS No. 55 (2011 Revision), "Financial Instruments: Recognition and Measurement", and SFAS No. 60, "Financial Instruments: Disclosures".

SFAS No. 50 was revised to only cover the principles for presentation of financial instruments, while the principles for disclosures of financial instruments are removed to SFAS No. 60.

Financial Assets

The Foundation classifies its financial assets in the following categories: (i) at fair value through profit or loss, (ii) loans and receivables, (iii) held to maturity and (iv) available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing them in the near term. Derivative assets are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit or loss are carried in the Statements of Financial Position at fair value with gains or losses recognized in the Statements of Activities and Changes in Net Assets.

The Foundation had no financial assets at fair value through profit or loss.

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Financial Instruments (Continued)

Financial Assets (Continued)

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortized cost using the Effective Interest Rate method less impairment. Interest is recognized by applying the Effective Interest Rate method, except for short-term receivables when the recognition of interest would be immaterial. Gains and losses are recognized in the Statement of Activities and Changes in Net Assets when the loans and receivables are derecognized or impaired, as well as through the amortization process.

The impairment loss is provided based on the review of the status of individual accounts at year-end.

The Foundation's cash on hand and in banks, accounts receivable and bank accounts were included in this category.

(iii) Held-to-Maturity (HTM) Financial Assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as HTM when the Foundation has the positive intention and ability to hold them to maturity. After initial measurement, HTM financial assets are measured at amortized cost using the Effective Interest Rate method. This method uses an effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Gains and losses are recognized in the Statement of Activities and Changes in Net Assets when the financial assets are derecognized or impaired, as well as through the amortization process.

The Foundation had no HTM financial assets.

(iv) Available-for-Sale (AFS) Financial Assets

AFS financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, AFS financial assets are measured at fair value. Gains and losses arising from changes in fair value are recognized in the equity with the exception of impairment losses, interest calculated using the Effective Interest Rate method, and foreign exchange gains and losses on monetary assets, which are recognized in the Statement of Activities and Changes in Net Assets. Where the financial assets are disposed of or are determined to be impaired, the cumulative gain or loss previously accumulated in the equity is reclassified to the Statement of Activities and Changes in Net Assets.

The Foundation had no AFS financial assets.

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Financial Instruments (Continued)

Financial Liabilities

Financial liabilities are classified as (i) financial liabilities at fair value through profit or loss and (ii) financial liabilities at amortized cost.

(i) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss are financial liabilities which are held for trading. Financial liabilities are classified as held for trading if they are acquired principally for the purpose of selling or repurchasing them in the near term and for which there is evidence of a recent actual pattern on short-term profit taking.

(ii) The Foundation had no financial liabilities at fair value through profit or loss.

Financial liabilities not classified as financial liabilities at fair value through profit or loss are categorized and measured at amortized cost using the Effective Interest Rate method.

The Foundation's accounts payable were included in this category.

3. CASH ON HAND AND IN BANKS

The details as of December 31, are as follows:

	2015		2014	
	IDR	USD	IDR	USD
Cash on Hand				
Indonesian International Education Foundation	160,600	12	876,000	70
PRESTASI Project	407,860	30	3,000,000	241
Total Cash on Hand	568,460	41	3,876,000	311
Cash in Banks				
Rupiah Account				
Indonesian International Education Foundation				
- Bank CIMB Niaga, Account No. 341-02-00049-00-1, Rupiah Account	4,844,754,699	351,196	6,606,986,461	531,108
- PT Bank Mandiri, Tbk, Account No. 124-00-0605190-9, Rupiah Account	196,964,742	14,278	420,083,763	33,769
PRESTASI Project				
- Bank CIMB Niaga, Account No. 341-01-00094-006, Rupiah Account	492,919,089	35,732	402,269,643	32,337
US Dollar Account				
Indonesian International Education Foundation				
- Bank CIMB Niaga, Account No. 173-02-00095-00-5, US Dollar Account	1,205,695,830	87,401	237,016,956	19,053
- PT Bank Mandiri, Tbk, Account No. 124-00-0678492-1, US Dollar Account	214,057,015	15,517	186,674,640	15,006
PRESTASI Project				
- Bank CIMB Niaga, Account No. 341-02-00007-00-6, US Dollar Account	2,340,315,956	169,650	4,680,473,121	376,244
Total Cash in Bank	9,294,707,331	673,774	12,533,504,584	1,007,517
Total Cash on Hand and in Banks	9,295,275,791	673,815	12,537,380,584	1,007,828

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

4. ACCOUNTS RECEIVABLE

The details as of December 31, are as follows:

	2015		2014	
	IDR	USD	IDR	USD
Indonesian International Education Foundation				
ITP Test and Scoring	452,757,624	32,821	161,105,118	12,951
Non ITP	1,689,992,785	122,509	834,573,984	67,088
Others	27,928,417	2,025	3,275,237	264
PRESTASI Project				
United States Agency International Development/I (USAID/I)-P2	23,553,953,151	1,707,427	19,488,040,923	1,566,569
United States Agency International Development/I (USAID/I)-P3	127,662,450	9,254	-	-
T o t a l	25,852,294,427	1,874,036	20,486,995,262	1,646,872

5. INVENTORIES

The details as of December 31, are as follows:

	2015		2014	
	IDR	USD	IDR	USD
Indonesian International Education Foundation				
Institutional Testing Program Books	386,847,115	28,043	408,461,429	32,835
Institutional Certificate	116,963,391	8,479	48,238,339	3,877
T o t a l	503,810,506	36,521	456,699,768	36,712

6. PREPAID EXPENSES

The details as of December 31, are as follows:

	2015		2014	
	IDR	USD	IDR	USD
Indonesian International Education Foundation				
Office and Warehouse Rentals	22,525,000	1,633	110,399,996	8,875
Health Insurance	74,439,491	5,396	61,162,241	4,920
Others	25,008,679	1,813	27,495,718	2,210
PRESTASI Project				
Office Rentals	53,199,998	3,856	47,599,998	3,826
Health Insurance	225,123,685	16,319	183,314,155	14,736
T o t a l	400,296,853	29,018	429,972,108	34,567

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

7. REFUNDABLE DEPOSITS

The details as of December 31, are as follows:

	2015		2014	
	IDR	USD	IDR	USD
Indonesian International Education Foundation				
Office Rentals	411,518,541	29,831	429,840,540	34,553
Apartment Rentals	10,200,000	739	10,200,000	820
T o t a l	421,718,541	30,570	440,040,540	35,373

8. ADVANCES

The details as of December 31, are as follows:

	2015		2014	
	IDR	USD	IDR	USD
Indonesian International Education Foundation				
Travel	-	-	1,400,000	113
Room UPA and Meeting	217,730,163	15,783	55,915,894	4,495
Others	-	-	4,275,001	343
PRESTASI Project				
Travel Advances	2,910,433	211	-	-
Post Training Program Advances	6,999,998	507	-	-
T o t a l	227,640,594	16,502	61,590,895	4,951

9. FIXED ASSETS

The details as of December 31, are as follows:

	2015							
	Beginning Balance		Addition		Deduction		Ending Balance	
	IDR	USD	IDR	USD	IDR	USD	IDR	USD
At Cost								
Furniture	220,136,375	27,070	-	-	67,354,290	8,150	152,782,085	18,920
Office Equipment	562,725,833	61,178	30,227,000	2,227	136,142,673	15,272	456,810,160	48,133
Vehicles	14,994,000	6,983	231,274,362	17,732	14,994,000	6,983	231,274,362	17,732
Renovation	-	-	1,030,000,000	80,893	-	-	1,030,000,000	80,893
T o t a l	797,856,207	95,231	1,291,501,362	100,852	218,490,963	30,405	1,870,866,607	165,678
Accumulated Depreciation								
Furniture	204,217,422	21,640	11,385,496	4,944	64,828,334	7,874	150,774,584	18,710
Office Equipment	470,944,025	49,513	60,206,375	8,282	131,777,048	14,822	399,373,352	42,973
Vehicles	14,994,000	1,645	21,681,971	1,662	14,994,000	1,645	21,681,971	1,662
Renovation	-	-	206,000,000	16,178	-	-	206,000,000	16,178
T o t a l	690,155,447	72,798	299,273,842	31,066	211,599,382	24,341	777,829,907	79,523
Net Book Value	107,700,760	22,433					1,093,036,700	86,155

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

9. FIXED ASSETS (Continued)

	2 0 1 4							
	Beginning Balance		Addition		Deduction		Ending Balance	
	IDR	USD	IDR	USD	IDR	USD	IDR	USD
At Cost								
Furniture	224,594,475	27,659	-	-	4,458,100	589	220,136,375	27,070
Office Equipment	614,315,833	66,866	-	-	51,590,000	5,688	562,725,833	61,178
Vehicles	14,994,000	6,983	-	-	-	-	14,994,000	6,983
Total	853,904,307	101,508	-	-	56,048,100	6,277	797,856,207	95,231
Accumulated Depreciation								
Furniture	186,805,898	20,072	21,869,624	2,157	4,458,100	589	204,217,422	21,640
Office Equipment	442,855,269	47,341	79,678,756	7,860	51,590,000	5,688	470,944,025	49,513
Vehicles	14,994,000	1,645	-	-	-	-	14,994,000	1,645
Total	644,655,167	69,058	101,548,380	10,017	56,048,100	6,277	690,155,447	72,798
Net Book Value	209,249,140	32,450					107,700,760	22,433

Depreciation charged to activities for the years ended December 31, 2015 and 2014 amounted to IDR 299,273,842 (USD 31,066) and IDR 101,548,380 (USD 10,017), respectively.

10. TAXES PAYABLE

The details as of December 31, are as follows:

	2 0 1 5		2 0 1 4	
	IDR	USD	IDR	USD
Indonesian International Education Foundation				
Income Tax Article 21	10,563,284	766	11,769,301	946
Income Tax Article 4 (2)	136,170,183	9,870	154,941,668	12,455
Income Tax Article 23	-	-	3,623,218	291
Corporate Income Tax	2,594,675	188	3,773,283	303
PRESTASI Project				
Income Tax Article 21	18,160,187	1,316	28,660,325	2,304
Income Tax Article 23	1,664,173	121	114,031	9
VAT Out	156,448,527	11,341	-	-
Total	325,601,029	23,602	202,881,826	16,308

11. ACCRUED EXPENSES

The details as of December 31, are as follows:

	2 0 1 5		2 0 1 4	
	IDR	USD	IDR	USD
Indonesian International Education Foundation				
	185,310,981	13,433	94,161,381	7,569
PRESTASI Project	9,628,100	698	2,136,185	172
Total	194,939,081	14,131	96,297,566	7,741

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

12. ACCOUNTS PAYABLE

The details as of December 31, are as follows:

	2015		2014	
	IDR	USD	IDR	USD
Indonesian International Education Foundation				
Others	9,108,092	661	8,737,947	702
PRESTASI Project				
Others	225,367,070	16,337	221,292,050	17,789
T o t a l	234,475,162	16,998	230,029,997	18,491

13. UNEARNED REVENUES

This account represent the unearned revenues of Aceh Education Center amounting to IDR 114,898,080 or USD 8,329 in 2015.

14. ACCOUNTS PAYABLE TO INSTITUTE OF INTERNATIONAL EDUCATION

The details as of December 31, are as follows:

	2015		2014	
	IDR	USD	IDR	USD
Indonesian International Education	16,131,266,986	1,169,356	13,507,317,168	1,085,797
PRESTASI Project	12,867,651,955	932,777	13,622,850,060	1,095,085
T o t a l	28,998,918,941	2,102,133	27,130,167,228	2,180,882

15. ESTIMATED POST-EMPLOYMENT BENEFITS

Estimated post-employment benefits for the years ended December 31, 2015 and 2014 are determined based on the calculation of PT Sigma Prima Solusindo, an independent actuary, for 19 entitled employees based on the following assumptions:

	2015	2014	2013
Normal Pension Age	56 Years	56 Years	56 Years
Annual Salary Increment Rate	10.00%	10.00%	10.00%
Annual Discount Rate	9.03%	8.00%	9.02%
Mortality Rate	TMI-III 2011	TMI-III 2011	TMI-III 2011
Disability Rate	5% X Mortality	5% X Mortality	5% X Mortality
Resignation Rate	0 - 5%	0 - 5%	0 - 5%
Valuation Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit

The present value of estimated post-employment benefits as of December 31, 2015 and 2014 amounted to IDR 3,692,851,504 or USD 267,695 and IDR 3,314,769,118 or USD 266,460, respectively.

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

15. ESTIMATED POST-EMPLOYMENT BENEFITS (Continued)

The changes in employee benefits liabilities are as follows:

	December 31, 2015 IDR	December 31, 2014 (Restated) IDR	December 31, 2013 (Restated) IDR
Beginning Balance	3,314,769,118	2,456,362,605	2,985,907,560
Provision for the Year	642,971,666	639,192,415	741,021,922
Payment for Employee Benefits	(237,783,574)	(60,255,594)	(200,689,063)
Actuarial Loss (Gain) on Post-Employment Benefits Recognized in Other Comprehensive Income	(27,105,706)	279,469,691	(1,069,877,814)
Exchange Rate Difference			
Ending Balance	<u>3,692,851,504</u>	<u>3,314,769,118</u>	<u>2,456,362,605</u>

The details of provision for the current year are as follows:

	2015 IDR	2014 (Restated) IDR
Current Service Cost	481,520,634	442,683,407
Interest Cost	298,992,174	196,509,008
Increase/Decrease in Transition Liabilities	(137,541,142)	-
T o t a l	<u>642,971,666</u>	<u>639,192,415</u>

Provision for employee benefits charges are presented in the Administration Expenses.

For the sensitivity analysis of defined benefits liabilities for the changes in principal actuarial assumptions, if the discount rate as of December 31, 2015 had increased or decreased by 1%, the change in the present value of the defined employee benefits liabilities would have decreased by 8.02% to Rp 329,771,153 or increased by 10.02% to Rp (293,989,278). And if the salary rate as of December 31, 2015 had increased or decreased by 1%, the change in the present value of the defined employee benefits liabilities would have decreased by 9% to Rp (279,033,784) or increased by 11% to Rp 307,221,163.

The sensitivity analysis was based on a changes in the actuarial assumption, while holding all other assumptions constant. In practice, it is unlikely to occur and changes in some assumptions may be correlated. In calculating the sensitivity of employee benefits liabilities on the principal actuarial assumptions, the same method had been applied.

The management has reviewed the assumptions used and believes that all assumptions are adequate. The management believes that the employee benefits liabilities are adequate to cover the Foundation's employee benefits liabilities.

The actuarial calculation in regard to the defined benefits expense adheres to the current value principle from the total payment of compensation due to retirement, demise and disability. The calculation of current value is obtained from the use of various actuarial assumption, not only based on level of interest but also based on salary increment, mortality, disability and resignation levels.

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

16. INSTITUTIONAL TEST PROGRAM

This account represents the Institutional Test Program sales amounting to IDR 18,363,357,924 or USD 1,373,657 and IDR 16,332,154,262 or USD 1,381,565 in 2015 and 2014, respectively.

17. PROGRAMS

The details as of December 31, are as follows:

	2015							
	Temporarily Restricted				Unrestricted			
	PRESTASI Project		Others		Institution		Total	
	IDR	USD	IDR	USD	IDR	USD	IDR	USD
IIEF Sub Program	-	-	3,419,058,774	240,584	-	-	3,419,058,774	240,584
IIEF Prime Program	3,967,593,497	292,809	-	-	-	-	3,967,593,497	292,809
IIE Sub Program	25,322,805,885	1,871,291	2,407,000	180	-	-	25,325,212,885	1,871,471
Third Party Program	-	-	2,329,245,159	165,354	-	-	2,329,245,159	165,354
Total	29,290,399,382	2,164,100	5,750,710,933	406,118	-	-	35,041,110,315	2,570,218

	2014							
	Temporarily Restricted				Unrestricted			
	PRESTASI Project		Others		ITP		Total	
	IDR	USD	IDR	USD	IDR	USD	IDR	USD
IIEF Sub Program	-	-	875,568,683	72,766	214,587,583	17,685	1,090,156,266	90,451
IIEF Prime Program	4,236,363,501	356,782	-	-	-	-	4,236,363,501	356,782
IIE Sub Program	27,430,513,319	2,316,182	311,869,617	26,502	-	-	27,742,382,936	2,342,684
IIEF/IFF Program	-	-	7,263,000	600	-	-	7,263,000	600
Third Party Program	-	-	5,682,342,553	476,554	-	-	5,682,342,553	476,554
Total	31,666,876,820	2,672,964	6,877,043,853	576,422	214,587,583	17,685	38,758,508,256	3,267,071

18. ADMINISTRATION

The details as of December 31, are as follows:

	2015									
	Temporarily Restricted				Unrestricted				Total	
	PRESTASI Project		Others		ITP		Institution		Total	
	IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD
IIEF Sub Administration	-	-	5,277,449,229	395,483	2,899,596,828	219,758	236,254,088	17,044	8,413,300,145	632,285
IIEF Prime Administration	5,882,111,423	530,284	392,054,768	31,864	-	-	-	-	6,274,166,191	562,148
IIE Sub Administration	5,427,625,081	410,137	61,674,261	4,928	-	-	-	5	5,489,299,342	415,070
Third Party Administration	-	-	3,919,850,179	287,822	-	-	(125,938,634)	(7,953)	3,793,911,545	279,869
Fixed Fees	22,339,019	3,390	-	-	-	-	-	-	22,339,019	3,390
Interest	40,095,852	3,038	-	-	-	-	65,656,934	4,948	105,752,786	7,986
Other Revenues	-	-	-	-	-	-	1,664,527,541	115,617	1,664,527,541	115,617
Total	11,372,171,375	946,849	9,651,028,437	720,097	2,899,596,828	219,758	1,840,499,929	129,661	25,763,296,569	2,016,365

	2014									
	Temporarily Restricted				Unrestricted				Total	
	PRESTASI Project		Others		ITP		Institution		Total	
	IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD
IIEF Sub Administration	-	-	706,540,567	59,191	2,174,025,017	183,414	34,672,545	2,827	2,915,238,129	245,432
IIEF Prime Administration	7,305,861,862	649,587	-	-	-	-	-	-	7,305,861,862	649,587
IIE Sub Administration	5,919,522,427	499,740	804,789,283	68,085	-	-	-	-	6,724,311,710	567,825
Third Party Administration	-	-	359,207,048	30,221	-	-	40,641,432	3,369	399,848,480	33,590
Fixed Fees	-	-	-	-	-	-	304,826,309	25,983	304,826,309	25,983
Interest	-	-	-	-	-	-	86,867,743	6,334	86,867,743	6,334
Other Revenues	-	-	-	-	-	-	3,398,717,244	291,559	3,398,717,244	291,559
Total	13,225,384,289	1,149,327	1,870,536,898	157,497	2,174,025,017	183,414	3,865,725,273	330,072	21,135,671,477	1,820,310

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

19. PROGRAM COSTS

The details as of December 31, are as follows:

	2015									
	Temporarily Restricted				Unrestricted					
	PRESTASI Project		Others		ITP		Institution		Total	
	IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD
Grantee Stipends and Grants	1,383,686,301	103,664	2,610,722,389	187,465	-	-	42,958,000	2,931	4,037,366,690	294,060
Tuitions, Books and Fees	468,814,686	35,095	1,562,432,103	115,170	-	-	-	-	2,031,246,789	150,265
Enrichment programs	-	-	64,925,115	4,607	-	-	-	-	64,925,115	4,607
Grantee Travel	1,246,177,316	90,744	1,439,839,794	102,524	-	-	-	-	2,686,017,110	193,268
Sub Contract Program - IIE	25,322,805,886	1,871,291	-	-	-	-	-	-	25,322,805,886	1,871,291
Participant Selection Costs	710,719,157	54,186	-	-	-	-	-	-	710,719,157	54,186
Others	141,734,140	10,440	1,077,646,528	80,310	-	-	-	-	1,219,380,668	90,750
T o t a l	29,273,937,486	2,165,420	6,755,565,929	490,076	-	-	42,958,000	2,931	36,072,461,415	2,658,427

	2014									
	Temporarily Restricted				Unrestricted					
	PRESTASI Project		Others		ITP		Institution		Total	
	IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD
Grantee Stipends and Grants	1,875,504,665	159,165	959,021,181	80,920	8,627,383	749	14,137,236	1,207	2,857,290,665	242,041
Tuitions, Books and Fees	443,692,962	37,010	1,163,452,523	97,232	300,000	25	-	-	1,607,445,485	134,267
Grantee Travel	1,018,171,337	86,921	176,701,670	14,911	6,152,200	517	3,588,573	306	1,204,613,780	102,655
Sub Contract Program - IIE	27,336,733,678	2,306,484	-	-	-	-	-	-	27,336,733,678	2,306,484
Participant Selection Costs	872,261,996	73,147	-	-	-	-	-	-	872,261,996	73,147
Others	121,158,594	10,284	1,049,846,054	87,165	199,508,000	16,394	17,500	2	1,370,530,148	113,845
T o t a l	31,667,523,432	2,673,011	3,349,021,428	280,228	214,587,583	17,685	17,743,309	1,515	35,248,875,751	2,972,439

20. ADMINISTRATION COSTS

The details as of December 31, are as follows:

	2015									
	Temporarily Restricted				Unrestricted					
	PRESTASI Project		Others		ITP		Institution		Total	
	IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD
Employee Salaries	4,377,378,988	333,321	6,235,568,022	463,123	1,846,351,781	142,350	(489,555,333)	(47,397)	11,969,743,458	891,397
Employee Benefits	376,884,776	30,371	342,126,559	28,802	142,972,705	12,048	149,471,152	5,062	1,011,455,192	76,283
Occupancy	895,267,045	69,186	206,704,281	15,242	20,059,954	1,453	1,335,342,787	101,028	2,457,374,067	186,909
Travel, Meals and Benefits	606,377,823	45,448	1,149,735,766	85,535	492,237,641	36,484	745,592,279	64,730	2,993,913,509	232,197
Professional and Consulting Fees	211,717,132	15,325	141,601,533	10,554	15,595,236	1,192	399,571,167	29,640	768,485,088	56,711
Communications	118,560,433	8,941	331,337,328	23,268	95,620,000	6,963	52,031,675	3,981	597,549,436	43,153
Technology	60,827,091	4,726	37,711,493	2,906	29,356,023	2,253	61,158,586	4,640	189,053,193	14,525
Tax Expense	(9,007,694)	(744)	-	-	300,000	19	12,027,560	897	3,319,866	172
Sub Contract Administration - IIE	5,427,620,181	410,136	-	-	-	-	-	-	5,427,620,181	410,136
Miscellaneous Expenses	253,786,677	26,354	1,098,199,061	72,050	257,103,489	16,996	(1,164,686,433)	(75,709)	444,402,794	39,691
T o t a l	12,319,412,452	943,064	9,542,984,042	701,480	2,899,596,829	219,758	1,100,923,460	86,872	25,862,916,783	1,951,174

	2014									
	Temporarily Restricted				Unrestricted					
	PRESTASI Project		Others		ITP		Institution		Total	
	IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD
Employee Salaries and Benefits	2,867,950,418	241,332	861,312,142	72,144	732,169,568	61,425	2,757,572,895	232,575	7,219,005,023	607,476
Occupancy	660,413,620	52,824	71,510,500	5,960	38,084,644	3,169	1,324,308,366	110,365	2,094,317,130	172,318
Travel, Meals and Benefits	594,001,621	49,934	451,266,292	37,950	515,740,100	43,676	558,134,320	49,289	2,119,142,333	180,849
Professional and Consulting Fees	344,161,021	29,334	22,731,633	1,890	-	-	400,967,493	33,003	767,860,147	64,227
Communications	1,155,627,740	94,798	80,109,355	6,743	81,172,565	6,900	996,062,129	81,390	2,312,971,789	189,831
Technology	-	-	1,014,500	86	227,000	19	60,757,347	5,153	61,998,847	5,258
Tax Expense	5,111,081	446	-	-	682,500	56	135,507,916	10,922	141,301,497	11,424
Sub Contract Administration - IIE	5,880,706,132	495,739	511,623,809	43,365	-	-	-	-	6,392,329,941	539,104
Miscellaneous Expenses	2,188,992,847	185,147	114,579,591	9,627	805,948,640	68,169	(752,683,673)	(61,165)	2,356,837,406	201,778
T o t a l	13,696,964,480	1,149,554	2,114,147,822	177,765	2,174,025,017	183,414	5,480,626,793	461,532	23,465,764,112	1,972,265

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
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20. ADMINISTRATION COSTS (Continued)

	2013									
	Temporarily Restricted				Unrestricted				T o t a l	
	PRESTASI Project		Others		ITP		Institution			
	IDR	USD	IDR	USD	IDR	USD	IDR	USD		
Employee Salaries and Benefits	2,631,752,108	257,337	1,100,817,764	107,170	522,217,364	50,877	4,511,529,937	424,433	8,766,317,173	839,817
Occupancy	814,086,823	80,969	404,076,582	36,177	80,880,500	8,115	792,744,710	79,241	2,091,788,615	204,502
Travel, Meals and Benefits	751,842,627	73,148	200,614,917	19,456	311,667,205	30,677	190,872,434	18,429	1,455,197,163	141,710
Professional and Consulting Fees	586,891,802	55,492	10,380,203	761	-	-	1,624,782,531	136,631	2,222,054,536	192,884
Communications	303,060,808	29,634	51,553,797	5,007	32,163,250	3,252	14,997,516	1,420	401,775,371	39,313
Technology	24,415,500	2,513	6,451,000	664	1,114,000	108	48,167,021	4,600	80,147,521	7,885
Tax Expense	42,917,203	4,700	8,417,966	775	438,900	42	358,386,876	32,230	410,160,945	37,747
Sub Contract Administration - IIE	4,171,991,457	407,861	1,839,539,498	182,662	-	-	-	-	6,011,530,955	590,523
Miscellaneous Expenses	1,838,889,260	171,753	2,715,566,751	243,083	1,376,390,416	122,194	(4,059,232,148)	(362,595)	1,871,614,279	174,435
T o t a l	11,165,847,588	1,083,408	6,337,418,478	595,755	2,325,071,635	215,265	3,482,248,877	334,389	23,310,586,578	2,228,817

21. CORRECTION

The details as of December 31, are as follows:

	2015	
	IDR	USD
Temporarily Restricted:		
Correction - JV 0441/XII/2015 and JV 0165/V/2015	2,075,761,240	150,472
Reclassification - IIEF to Prestasi	1,106,431,765	116,838
Total Temporarily Restricted	3,182,193,005	267,310
Unrestricted:		
Accounts Payable to IIE	(318,858,762)	(16,378)
Beginning Balance IIEF	(42,455,578)	(3,442)
Corrections JV 0441/XII/2015 and JV 0165/V/2015	16,345,635	1,253
Unallowable	51,473,000	4,269
Reclassifications Cargil Fund 2014	1,339,491	103
Reclassifications IIEF to Prestasi	(1,106,431,765)	(116,838)
Closing - RELO Program	(212,336,284)	(16,342)
Write-off Other Payable	4,423,918	321
Total Unrestricted	(1,606,500,345)	(147,054)
Total	1,575,692,660	120,256
	2014	
	IDR	USD
Temporarily Restricted:		
Unbilled Operational Expenses 2013	259,341,407	20,847
Unrestricted:		
Unbilled General and Administration 2012 - 2013	952,346,816	77,654
Intercompany Balance	120,409,228	9,756
Unearned Balance	954,931,634	73,778
Closing - RELO Program	(132,923,750)	(11,793)
Total Unrestricted	1,894,763,929	149,395
Total	2,154,105,336	170,242

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
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22. FINANCIAL ASSETS AND LIABILITIES

Financial Risk Management

The financial risks that might be faced by the Foundation are price risk, liquidity risk and foreign exchange rate risk. Attention to managing these risks has significantly increased in light of the considerable change and volatility in Indonesian and international markets.

i. Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Foundation monitors the price movement and ensures that the mutual funds still have gains that can be used for operational support.

ii. Liquidity Risk

The management has established an appropriate liquidity risk management framework for the management of the Foundation's short, medium and long-term funding and liquidity management requirements. The Foundation manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The management also monitors and maintains the amount of cash deemed adequate to finance the Foundation's operations and to mitigate the effects of fluctuations in cash flows.

iii. Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Foundation's financial instruments potentially exposed to foreign exchange rate risk are cash on hand and in banks and long-term investment.

Classification of Financial Assets and Liabilities

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial assets and financial liability and equity instrument are disclosed in Note 2j.

Classification of financial assets as of December 31, 2015, is as follows:

	Financial Assets at Fair Value through Profit or Loss		Loans and Receivables		Held-to-Maturity Financial Assets		Available-for-Sale Financial Assets		Total	
	IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD
Cash on Hand and in Banks	-	-	9,295,275,791	673,815	-	-	-	-	9,295,275,791	673,815
Accounts Receivable	-	-	25,852,294,427	1,874,036	-	-	-	-	25,852,294,427	1,874,036
Total	-	-	35,147,570,218	2,547,851	-	-	-	-	35,147,570,218	2,547,851

As of December 31, 2015, the fair values of financial assets were in accordance with the carrying amounts.

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
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FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

22. FINANCIAL ASSETS AND LIABILITIES (Continued)

Classification of financial liabilities as of December 31, 2015 is as follows:

	Financial Liabilities at Fair Value through Profit or Loss		Amortized Cost		Total	
	IDR	USD	IDR	USD	IDR	USD
Accounts Payable	-	-	234,475,162	16,997	234,475,162	16,997
Accounts Payable to IIE	-	-	28,998,918,941	2,102,133	28,998,918,941	2,102,133
T o t a l	-	-	29,233,394,103	2,119,130	29,233,394,103	2,119,130

As of December 31, 2015, the fair values of financial liabilities were in accordance with the carrying amounts.

The Fair Values of Financial Assets and Liabilities

The fair values of financial assets and liabilities are determined by using valuation techniques and assumptions. The fair values of cash on hand and in banks, receivables, long-term investment and payables approximated the same as their carrying amount due to their short-term nature.

23. RESTATEMENT OF THE FINANCIAL STATEMENTS AND RECLASSIFICATION

Effective January 1, 2015, the Foundation adopted SFAS No. 24 (2013 Revision), "Employee Benefits". This revision of the SFAS removes the corridor mechanism and replaces the disclosure of contingency liabilities with simplified disclosure and classifications. Due to this revision adoption the Statements of Financial Position as of December 31, 2014 and 2013 and the Statements of Activities and Changes in Net Assets and Cash Flows as of December 31, 2014 have been restated retrospectively.

In 2015, the Foundation reclassified several accounts in the Financial Statements as of December 31, 2014 and 2013 to conform with the presentation of the Financial Statements as of December 2015.

The comparative figures in the Financial Statements have been restated with the following details:

Statements of Financial Position as of December 31, 2014 and 2013

	December 31, 2014					
	Before Restated		Restated/Reclassification		After Restated/Reclassification	
	IDR	USD	IDR	USD	IDR	USD
CURRENT LIABILITIES						
Estimated Post-Employment Benefits	3,976,427,352	319,649	(661,658,234)	(53,189)	3,314,769,118	266,460
NET ASSETS						
Unrestricted	3,243,209,843	260,709	(959,529,197)	(75,525)	2,303,680,646	185,184
Temporarily Restricted	-	-	1,601,187,431	128,713	1,601,187,431	128,713
Difference in Foreign Currency Translation	-	13,785	-	2	-	13,787

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

23. RESTATEMENT OF THE FINANCIAL STATEMENTS AND RECLASSIFICATION (Continued)

Statements of Financial Position as of December 31, 2014 and 2013 (Continued)

	December 31, 2013					
	Before Restated		Restated/Reclassification		After Restated/Reclassification	
	IDR	USD	IDR	USD	IDR	USD
CURRENT LIABILITIES						
Accounts Payable to Institute of International Education	31,303,865,604	2,558,426	(318,858,762)	(16,378)	30,985,006,842	2,542,048
Estimated Post-Employment Benefits	3,463,793,975	284,174	(1,007,431,370)	(82,651)	2,456,362,605	201,523
NET ASSETS						
Unrestricted	(161,190,166)	(13,224)	1,344,581,384	100,530	1,183,391,218	87,306
Temporarily Restricted	-	-	(18,291,252)	(1,501)	(18,291,252)	(1,501)

Statements of Activities and Changes in Net Asstes as of December 31, 2014

	December 31, 2014					
	Before Restated		Restated/Reclassification		After Restated/Reclassification	
	IDR	USD	IDR	USD	IDR	USD
COSTS INCURRED						
Institutional Test Program Costs	5,064,793,023	430,547	(5,064,793,023)	(430,547)	-	-
Administration Costs	23,399,460,667	1,966,938	66,303,445	5,327	23,465,764,112	1,972,265
Actuarial Gain (Loss) on Post - Employment Benefits	-	-	279,469,691	22,466	279,469,691	22,466
Transfer for Institute of International Education	-	-	5,064,793,023	430,547	5,064,793,023	430,547
CHANGES IN NET ASSETS	931,435,912	76,048	(345,773,136)	(29,461)	585,662,776	46,587
Gain (Loss) on Foreign Exchange due to Foreign Currency Translation	-	(13,785)	-	(2)	-	(13,787)

Statements of Cash Flows as of December 31, 2014

	December 31, 2014					
	Before Restated		Restated/Reclassification		After Restated/Rec:assification	
	IDR	USD	IDR	USD	IDR	USD
Changes in Net Assets	931,435,911	76,048	(345,773,136)	(29,461)	585,662,775	46,587
Transfer for Institute of International Education	318,858,762	16,378	(318,858,762)	(16,378)	-	-
Estimated Post-Employment Benefits	512,633,377	35,475	345,773,136	29,462	858,406,513	64,937
Accounts Payable to Institute of International Education	4,173,698,376	377,544	(318,858,762)	(16,378)	3,854,839,614	361,166

24. SUBSEQUENT EVENTS

- IIEF and PERADI entered into Agreement No. 003/IIEF/PERADI/II/2016, whereby IIEF shall organize the Professional Advocate Examination for the year 2016 on May 7, 2016. The service amounted to IDR 502,500,000. This agreement was effective from March 8, 2016 to June 30, 2016.
- IIEF and PERADI entered into Agreement No. 015/IIEF/PERADI/XI/2016, whereby IIEF shall organize the Professional Advocate Examination 2017 on February 11, 2017. The service amounted to IDR 502,500,000. This agreement was effective from November 4, 2016 through March 16, 2017.

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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24. SUBSEQUENT EVENTS (Continued)

PERADI changed Agreement No. No. 015/IIEF/PERADI/XI/2016 through Addendum No. 1 dated December 19, 2016, contained in Article 1, Point 5 and Article 3, Point 1 regarding the cities to conduct the examination.

- IIEF and PERADI entered into Agreement No. 026/IIEF/PERADI/V/2017, whereby IIEF shall organize the Professional Advocate Examination 2017 for the second phase on October 28, 2017. The service amounted to IDR 502,500,000. This agreement was effective from June 6, 2017 to November 30, 2017.
- IIEF and Georgetown University entered into Contract No. CON-0004443, whereby IIEF shall organize and support the Indonesia Fellows Mod-Year conference and event for university teachers in Dili, Timor L'este from February 4 to 8, 2016. The services amounted to USD 51,186.80. The contract was valid from November 15, 2015 through March 8, 2016.
- IIEF and Georgetown University entered into Contract No. CON-0004826, whereby IIEF shall organize and support the US Embassy's education goals through a meeting of the English language fellows, their counterparts and department chairs to discuss cross cultural communication and teaching practices in Bogor on April 14-17, 2016. The service amounted to USD 35,465.33. The contract was valid from February 16, 2016 to May 17, 2016.
- IIEF and Georgetown University entered into Contract No. CON-0005698, whereby IIEF shall organize and support the Indonesia in-country orientation in Jakarta from October 13 – 16, 2016 and support their participation at the ELITE Conference in Jakarta from September 17-19, 2016. The service amounted to USD 29,488. The contract was valid from July 18, 2016 to November 18, 2016.
- Based on the Federal Assistance Award from US Department State, IIEF shall organize and support the Indonesia in-country orientation in Jakarta from October 13 – 16, 2016 and support their participation at the ELITE Conference in Jakarta from September 17-19, 2016. The service amounted to USD 29,488. The contract was valid from July 18, 2016 to November 18, 2016.

25. COMPLETION OF THE FINANCIAL STATEMENTS

The management of the Foundation is responsible for the preparation of the Financial Statements which were completed on March 9, 2018.