

**INDONESIAN INTERNATIONAL EDUCATION
FOUNDATION**

**FINANCIAL STATEMENTS AS OF DECEMBER 31, 2016 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, 2016
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, 2016.
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



INDEPENDENT AUDITOR'S REPORT

Report No. 18165-A3Y/JMM4.JY4

The Board of Members
INDONESIAN INTERNATIONAL EDUCATION FOUNDATION

We have audited the accompanying Financial Statements of **Indonesian International Education Foundation (IIEF)**, which comprise the Statement of Financial Position as of December 31, 2016, 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 **Indonesian International Education Foundation** as of December 31, 2016 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.

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, 2016 AND 2015

A S S E T S					
	Notes	2 0 1 6		2 0 1 5	
		IDR	USD	IDR	USD
CURRENT ASSETS					
Cash on Hand and in Banks	3	15,505,921,842	1,154,057	9,295,275,791	673,815
Accounts Receivable	4	17,176,224,319	1,278,366	25,852,294,427	1,874,036
I n v e n t o r i e s	5	1,798,412,766	133,851	503,810,506	36,521
Prepaid Expenses	6	176,424,164	13,131	400,296,853	29,018
Refundable Deposits	7	516,607,911	38,450	421,718,541	30,570
A d v a n c e s	8	284,162,893	21,149	227,640,594	16,502
Prepaid Tax		462,039,797	34,387	182,370,145	13,220
Total Current Assets		35,919,793,692	2,673,390	36,883,406,857	2,673,682
NON CURRENT ASSETS					
Fixed Assets - Net of Accumulated Depreciation amounting to IDR 1,053,571,012 or USD 101,830 and IDR 777,829,907 or USD 79,523 as of December 31, 2016 and 2015, respectively	3c& 9	902,295,595	70,368	1,093,036,700	86,155
Deferred Tax		346,650,160	25,800	346,650,160	25,129
Total Non Current Assets		1,248,945,755	96,168	1,439,686,860	111,284
TOTAL ASSETS		37,168,739,447	2,769,558	38,323,093,717	2,784,966
CURRENT LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Taxes Payable	10	464,072,313	34,539	325,601,029	23,602
Accrued Expenses	11	308,817,427	22,984	194,939,081	14,131
Accounts Payable	12	224,040,969	16,675	234,475,162	16,998
Unearned Revenue	13	211,322,074	15,728	114,898,640	8,329
Accounts Payable to Institute of International Education	14	26,841,514,656	1,997,734	28,998,918,941	2,102,133
Estimated Post-Employment Benefits	15	4,627,397,744	344,403	3,692,851,504	267,695
Total Current Liabilities		32,677,165,183	2,432,063	33,561,684,357	2,432,888
NET ASSETS					
Unrestricted	2c	(96,695,812)	(7,196)	258,184,995	18,717
Temporary Restricted	2c	4,588,270,076	341,491	4,503,224,365	326,439
Difference in Foreign Currency Translation	2d	-	3,200	-	6,922
Total Net Assets		4,491,574,264	337,495	4,761,409,360	352,078
TOTAL CURRENT LIABILITIES AND NET ASSETS		37,168,739,447	2,769,558	38,323,093,717	2,784,966

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, 2016 AND 2015

		2 0 1 6											
		(Temporarily Restricted)				Unrestricted							
Notes		PRESTASI Project		Others		Institutional Test Program		Institutional		Total		2 0 1 5	
		IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD
REVENUES													
	16	-	-	-	-	26,183,080,232	1,962,044	-	-	26,183,080,232	1,962,044	18,363,357,924	1,373,657
	17	22,155,868,063	1,661,893	10,155,066,674	761,060	4,913,060	359	-	-	32,315,847,797	2,423,312	35,041,110,315	2,570,218
	18	11,820,897,023	881,716	6,432,379,082	480,268	3,780,833,788	289,242	1,936,115,582	145,116	23,970,225,475	1,796,342	25,763,296,569	2,016,366
		33,976,765,086	2,543,609	16,587,445,756	1,241,328	29,968,827,081	2,251,645	1,936,115,582	145,116	82,469,153,505	6,181,698	79,167,764,808	5,960,241
		-	-	-	-	16,660,918,099	1,248,095	-	-	16,660,918,099	1,248,095	13,858,577,397	1,036,446
COST OF GOODS SOLD (COGS)													
COSTS INCURRED													
	19	22,062,773,247	1,651,502	10,887,030,536	814,559	4,913,060	358	101,544	7	32,954,818,387	2,466,426	36,072,461,415	2,658,427
	20	11,518,046,027	864,091	8,858,443,733	638,454	3,780,833,788	289,242	(678,664,079)	(31,727)	23,478,659,469	1,760,060	25,862,916,783	1,951,174
		721,853,124	46,307	-	-	-	-	(446,901,834)	(27,250)	274,951,290	19,057	(758,377,823)	46,825
		(410,953,023)	(30,541)	-	-	-	-	625,000	46	(410,328,023)	(30,495)	373,663,592	27,985
		33,891,719,375	2,531,359	19,745,474,269	1,453,013	3,785,746,848	289,600	(1,124,839,369)	(58,924)	56,298,101,123	4,215,048	61,550,663,967	4,684,411
		-	-	-	-	-	-	(257,807,245)	(19,188)	(257,807,245)	(19,188)	27,105,706	1,965
Actuarial Gain (Loss) on Post Employee Benefits		-	-	-	-	-	-	(257,807,245)	(19,188)	(257,807,245)	(19,188)	27,105,706	1,965
	21	-	-	-	-	(9,522,162,134)	(713,950)	-	-	(9,522,162,134)	(713,950)	(4,504,780,527)	(337,211)
CHANGES IN NET ASSETS		85,045,711	12,250	(3,158,028,513)	(211,685)	-	-	2,803,147,706	184,852	(269,835,096)	(14,583)	(719,151,377)	(95,862)
NET ASSETS BALANCE		4,503,224,365	397,874	-	-	-	-	258,184,995	(45,796)	4,761,409,360	352,078	3,904,868,077	327,684
Correction		-	-	-	-	-	-	-	-	-	-	1,575,692,660	120,256
Transfer to IIEF (Unrestricted)		-	-	3,158,028,513	211,685	-	-	(3,158,028,513)	(211,685)	-	-	-	-
Gain (Loss) on Foreign Exchange due to Foreign Currency Translation		-	(68,633)	-	-	-	-	-	65,432	-	(3,200)	-	(6,922)
NET ASSETS BALANCE, ENDING		4,588,270,076	341,491	-	-	-	-	(96,695,812)	(7,197)	4,491,574,264	334,295	4,761,409,360	345,156

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, 2016 AND 2015

	Notes	2016		2015	
		IDR	USD	IDR	USD
CASH FLOWS FROM OPERATING ACTIVITIES					
Changes in Net Assets		(269,835,096)	(14,583)	(719,151,377)	(95,862)
Adjustments to Reconcile Changes in Net Assets					
Net Cash Provided by (Used in) Operating Activities:					
Correction	21	-	-	1,575,692,660	120,256
Loss on Fixed Asset Disposal		-	-	6,891,581	6,064
Depreciation Expense		275,741,103	22,307	299,273,842	31,066
Provision for Inventories					
Decrease (Increase) in:					
Accounts Receivable		8,676,070,108	595,670	(5,365,299,165)	(227,164)
Inventories		(56,522,299)	(4,648)	(47,110,738)	191
Prepaid Expenses		(1,294,602,259)	(97,329)	29,675,255	5,549
Refundable Deposits		(94,889,370)	(7,879)	18,321,999	4,803
Advances		223,872,689	15,887	(166,049,699)	(11,551)
Prepaid Tax		(279,669,652)	(21,166)	(170,386,410)	(12,257)
Deferred Tax		-	(671)	-	2,737
Taxes Payable		138,471,285	10,936	122,719,203	7,294
Accrued Expenses		113,878,346	8,853	98,641,515	6,390
Accounts Payable		(10,434,193)	(323)	4,445,165	(1,493)
Unearned Revenues		96,423,434	7,399	114,898,640	8,329
Accounts Payable to Institute of International Education		(2,157,404,285)	(104,398)	1,868,751,713	(78,749)
Estimated Post-Employment Benefits		934,546,240	76,707	378,082,386	1,235
Net Cash Provided by (Used in) Operating Activities		6,295,646,051	486,762	(1,950,603,430)	(233,161)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of Fixed Assets		(85,000,000)	(6,520)	(1,291,501,363)	(100,852)
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS		6,210,646,051	480,242	(3,242,104,793)	(334,013)
CASH ON HAND AND IN BANKS, BEGINNING		9,295,275,791	673,815	12,537,380,584	1,007,828
CASH ON HAND AND IN BANKS, ENDING		15,505,921,842	1,154,057	9,295,275,791	673,815

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, 2016 AND 2015

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 29 and 30 employees in 2016 and 2015, respectively.

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

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. Equipment

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, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Equipment (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, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Estimated Post-Employment Benefits (Continued)

The Foundation applied SFAS No. 24 (Revised 2013), "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, 2016 and 2015, the middle rates of Bank Indonesia used are IDR 13,436 and IDR 13,795 for USD 1, respectively.

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

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, 2016 AND 2015

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, 2016 AND 2015

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:

	2016		2015	
	IDR	USD	IDR	USD
Cash on Hand				
Indonesian International Education Foundation	1,012,118	75	160,600	12
Indonesian International Education Foundation (USD)	1,343,600	100	-	-
PRESTASI Project	3,000,000	223	407,860	30
Total Cash on Hand	5,355,718	398	568,460	41
Cash in Banks				
Rupiah Account				
Indonesian International Education Foundation				
- Bank CIMB Niaga, Account No. 800086935900 (previously - No. 341-02-00049-00-1), Rupiah Account	8,814,044,182	656,002	4,844,754,699	351,196
- PT Bank Mandiri, Tbk, Account No. 124-00-0605190-9, Rupiah Account	63,217,821	4,705	196,964,742	14,278
PRESTASI Project				
- Bank CIMB Niaga, Account No. 341-01-00094-006, Rupiah Account	-	-	492,919,089	35,732
- Bank CIMB Niaga, Account No. 341-01-00084-00-1, Rupiah Account	189,708,904	14,119	-	-
US Dollar Account				
Indonesian International Education Foundation				
- Bank CIMB Niaga, Account No. 800050428440 (previously - No. 173-02-00095-00-5), US Dollar Account	2,116,067,483	157,492	1,205,695,830	87,401
- PT Bank Mandiri, Tbk, Account No. 124-00-0678492-1, US Dollar Account	208,647,644	15,529	214,057,015	15,517
PRESTASI Project				
- Bank CIMB Niaga, Account No. 341-02-00004-00-8, US Dollar Account	-	-	2,340,315,956	169,650
- Bank CIMB Niaga, Account No. 341-02-00007-00-6, US Dollar Account	4,108,880,089	305,811	-	-
Total Cash in Bank	15,500,566,124	1,153,659	9,294,707,331	673,774
Total Cash on Hand and in Banks	15,505,921,842	1,154,057	9,295,275,791	673,815

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
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4. ACCOUNTS RECEIVABLE

The details as of December 31, are as follows:

	2016		2015	
	IDR	USD	IDR	USD
Indonesian International Education Foundation				
ITP Test and Scoring	1,314,073,886	97,802	452,757,624	32,821
Non ITP	3,265,356,006	243,023	1,689,992,785	122,509
Others	47,215,869	3,514	27,928,417	2,025
PRESTASI Project				
United States Agency International Development/I (USAID/I)-P2	12,367,302,510	920,460	23,553,953,151	1,707,427
United States Agency International Development/I (USAID/I)-P3	182,276,048	13,566	127,662,450	9,254
T o t a l	17,176,224,319	1,278,366	25,852,294,427	1,874,036

5. INVENTORIES

The details as of December 31, are as follows:

	2016		2015	
	IDR	USD	IDR	USD
Indonesian International Education Foundation				
Institutional Testing Program Books	1,606,788,130	119,589	386,847,115	28,043
Institutional Certificate	191,624,636	14,262	116,963,391	8,479
T o t a l	1,798,412,766	133,851	503,810,506	36,521

6. PREPAID EXPENSES

The details as of December 31, are as follows:

	2016		2015	
	IDR	USD	IDR	USD
Indonesian International Education Foundation				
Office and Warehouse Rentals	120,330,213	8,956	22,525,000	1,633
Others	51,160,304	3,808	25,008,679	1,813
Health Insurance	4,933,648	367	74,439,491	5,396
PRESTASI Project				
Office Rentals	-	-	53,199,998	3,856
Health Insurance	-	-	225,123,685	16,319
T o t a l	176,424,164	13,131	400,296,853	29,018

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NOTES TO FINANCIAL STATEMENTS
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7. REFUNDABLE DEPOSITS

The details as of December 31, are as follows:

	2016		2015	
	IDR	USD	IDR	USD
Indonesian International Education Foundation				
Office Rentals	506,407,911	37,691	411,518,541	29,831
Apartment Rentals	10,200,000	759	10,200,000	739
T o t a l	516,607,911	38,450	421,718,541	30,570

8. ADVANCES

The details as of December 31, are as follows:

	2016		2015	
	IDR	USD	IDR	USD
Indonesian International Education Foundation				
Room UPA and Meeting	276,687,892	20,593	217,730,163	15,783
Travel	3,200,000	238	-	-
Others	4,275,001	318	-	-
PRESTASI Project				
Travel Advances	-	-	2,910,433	211
Post Training Program Advances	-	-	6,999,998	507
T o t a l	284,162,893	21,149	227,640,594	16,502

9. FIXED ASSETS

The details as of December 31, are as follows:

	2016							
	Beginning Balance		Addition		Deduction		Ending Balance	
	IDR	USD	IDR	USD	IDR	USD	IDR	USD
At Cost								
Furniture	152,782,085	18,920	-	-	-	-	152,782,085	18,920
Office Equipment	456,810,160	48,133	85,000,000	6,520	-	-	541,810,160	54,653
Vehicle	231,274,363	17,732	-	-	-	-	231,274,363	17,732
Renovation	1,030,000,000	80,893	-	-	-	-	1,030,000,000	80,893
T o t a l	1,870,866,608	165,678	85,000,000	6,520	-	-	1,955,866,607	172,198
Accumulated Depreciation								
Furniture	150,774,585	18,710	2,007,500	209	-	-	152,782,085	18,919
Office Equipment	399,373,352	42,973	38,824,308	3,703	-	-	438,197,660	46,676
Vehicle	21,681,972	1,662	28,909,295	2,217	-	-	50,591,267	3,879
Renovation	206,000,000	16,178	206,000,000	16,178	-	-	412,000,000	32,356
T o t a l	777,829,909	79,523	275,741,103	22,307	-	-	1,053,571,012	101,830
Net Book Value	1,093,036,699	86,155					902,295,595	70,368

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

9. FIXED ASSETS (Continued)

	2 0 1 5							
	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
Vehicle	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
Total	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
Vehicle	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
Total	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

Depreciation charged to activities for the years ended December 31, 2016 and 2015 amounted to IDR 275,741,103 (USD 22,307) and IDR 299,273,842 (USD 31,066), respectively.

10. TAXES PAYABLE

The details as of December 31, are as follows:

	2 0 1 6		2 0 1 5	
	IDR	USD	IDR	USD
Indonesian International Education Foundation				
Income Tax Article 21	48,079,163	3,578	10,563,284	766
Income Tax Article 4 (2)	94,226,895	7,013	136,170,183	9,870
Income Tax Article 23	14,753,923	1,098	-	-
Dorporate Income Tax	-	-	2,594,675	188
PRESTASI Project				
Income Tax Article 21	-	-	18,160,187	1,316
Income Tax Article 23	-	-	1,664,173	121
VAT Out	307,012,332	22,850	156,448,527	11,341
Total	464,072,313	34,539	325,601,029	23,602

11. ACCRUED EXPENSES

The details as of December 31, are as follows:

	2 0 1 6		2 0 1 5	
	IDR	USD	IDR	USD
Indonesian International Education Foundation	278,817,427	20,751	185,310,981	13,433
PRESTASI Project	30,000,000	2,233	9,628,100	698
Total	308,817,427	22,984	194,939,081	14,131

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12. ACCOUNTS PAYABLE

The details as of December 31, are as follows:

	2016		2015	
	IDR	USD	IDR	USD
Indonesian International Education Foundation				
Others	-	-	9,108,092	661
PRESTASI Project				
Others	224,040,969	16,675	225,367,070	16,337
T o t a l	224,040,969	16,675	234,475,162	16,998

13. UNEARNED REVENUES

The details as of December 31, are as follows:

	2016		2015	
	IDR	USD	IDR	USD
Aceh Education Center	-	-	114,898,640	8,329
Prestasi 3	97,263,936	7,239	-	-
ITP Virtual Account	114,058,138	8,489	-	-
T o t a l	211,322,074	15,728	114,898,640	8,329

14. ACCOUNTS PAYABLE TO INSTITUTE OF INTERNATIONAL EDUCATION

The details as of December 31, are as follows:

	2016		2015	
	IDR	USD	IDR	USD
Indonesian International Education	19,911,523,598	1,481,953	16,131,266,986	1,169,356
PRESTASI Project	6,929,991,058	515,781	12,867,651,955	932,777
T o t a l	26,841,514,656	1,997,734	28,998,918,941	2,102,133

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
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15. ESTIMATED POST-EMPLOYMENT BENEFITS

Estimated post-employment benefits for the years ended December 31, 2016 and 2015 are determined based on the calculation of, PT Sigma Prima Solusindo, an independent actuary, for 14 and 19 entitled employees based on the following assumptions:

	<u>2 0 1 6</u>	<u>2 0 1 5</u>
Normal Pension Age	56 Years	56 Years
Annual Salary Increment Rate	10.00%	10.00%
Annual Discount Rate	7.93%	9.03%
Mortality Rate	TMI-III 2011	TMI-III 2011
Disability Rate	5% X Mortality	5% X Mortality
Resignation Rate	0 - 5%	0 - 5%
Valuation Method	Projected Unit Credit	Projected Unit Credit

The present value of estimated post-employment benefits as of December 31, 2016 and 2015 amounted to IDR 4,627,397,744 or USD 344,403 and 3,692,851,504 or USD 267,695, respectively.

The changes in employee benefits liabilities are as follows:

	<u>December 31, 2 0 1 6</u>	<u>December 31, 2 0 1 5</u>
Beginning Balance	3,692,851,504	3,314,769,117
Provision for the Year	676,738,995	642,971,666
Payment for Employee Benefits	-	(237,783,573)
Actuarial Loss (Gain) on Post-Employment Benefits Recognized in Other Comprehensive Income	257,807,245	(27,105,706)
Exchange Rate Difference		
Ending Balance	<u><u>4,627,397,744</u></u>	<u><u>3,692,851,504</u></u>

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

	<u>2 0 1 6</u> IDR	<u>2 0 1 5</u> IDR
Current Service Cost	343,643,789	481,520,634
Interest Cost	333,095,206	298,992,174
Increase/Decrease Transition Liabilities	-	(137,541,142)
T o t a l	<u><u>676,738,995</u></u>	<u><u>642,971,666</u></u>

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

INDONESIAN INTERNATIONAL EDUCATION FOUNDATION
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15. ESTIMATED POST-EMPLOYMENT BENEFITS (Continued)

The sensitivity analysis of defined benefits liabilities for the changes in principal actuarial assumptions, if the discount rate as of December 31, 2016 had increased or decreased by 1%, the change in the present value of the defined employee benefits liabilities would have decreased by 6.93% to Rp 341,494,189 or increased by 10.02% to Rp (295,357,654). 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 (291,173,302) or increased by 11% to Rp 301,943,341.

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.

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.

16. INSTITUTIONAL TEST PROGRAM

This account represents the Institutional Test Program sales amounting to IDR 26,183,080,232 or USD 1,962,044 and IDR 18,363,357,924 or USD 1,373,657 in 2016 and 2015, respectively.

17. PROGRAMS

The details as of December 31, are as follows:

2016								
Temporarily Restricted					Unrestricted		Total	
PRESTASI Project		Others		ITP				
	IDR	USD	IDR	USD	IDR	USD	IDR	USD
IIEF Sub Program	-	-	6,149,984,858	461,326	4,913,060	359	6,154,897,918	461,685
IIEF Prime Program	5,050,386,143	380,138	240,946,089	18,018	-	-	5,291,332,233	398,156
IIE Sub Program	17,105,481,920	1,281,755			-	-	17,105,481,920	1,281,755
Third Party Program	-	-	3,764,135,726	281,716	-	-	3,764,135,726	281,716
T o t a l	22,155,868,063	1,661,893	10,155,066,674	761,060	4,913,060	359	32,315,847,797	2,423,312

2015								
Temporarily Restricted					Unrestricted		Total	
PRESTASI Project		Others		Institutional				
	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
T o t a l	29,290,399,382	2,164,100	5,750,710,933	406,118	-	-	35,041,110,315	2,570,218

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18. ADMINISTRATION

The details as of December 31, are as follows:

	2016									
	Temporarily Restricted				Unrestricted				Total	
	PRESTASI Project		Others		ITP		Institutional		Total	
	IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD
IIEF Sub Administration	-	-	4,026,077,141	302,488	3,780,656,615	289,208	(74,400,131)	(5,707)	7,732,333,625	585,989
IIEF Prime Administration	8,122,103,967	605,487	200,846,213	15,010	-	-	-	-	8,322,950,180	620,497
IIE Sub Administration	3,532,717,886	263,911	-	-	-	-	-	-	3,532,717,886	263,911
Third Party Administration	-	-	2,205,455,728	162,770	177,173	34	119,284,592	9,084	2,324,917,493	171,888
Fixed Fees	157,610,890	11,685	-	-	-	-	236,558,000	17,268	394,168,890	28,953
Interest	8,464,281	634	-	-	-	-	47,161,679	3,541	55,625,960	4,175
Other Revenues	-	-	-	-	-	-	1,607,511,442	120,930	1,607,511,442	120,930
Total	11,820,897,023	881,716	6,432,379,082	480,268	3,780,833,788	289,242	1,936,115,582	145,116	23,970,225,475	1,796,342

	2015									
	Temporarily Restricted				Unrestricted				Total	
	PRESTASI Project		Others		ITP		Institutional		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	236,254,086	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	115,818	1,664,527,541	115,818
Total	11,372,171,375	946,849	9,651,028,437	720,097	2,899,596,828	219,758	1,840,499,929	129,562	25,763,296,569	2,016,366

19. PROGRAM COSTS

The details as of December 31, are as follows:

	2016									
	Temporarily Restricted				Unrestricted				Total	
	PRESTASI Project		Others		ITP		Institutional		Total	
	IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD
Grantee Stipends and Grants	1,613,780,442	121,719	4,082,538,835	306,705	1,340,000	101	-	-	5,697,659,277	428,525
Tuition, Books and Fees	411,354,758	31,836	2,238,624,151	166,118	-	-	-	-	2,649,978,909	197,854
Enrichment programs	-	-	154,326,390	11,676	-	-	-	-	154,326,390	11,676
Grantee Travel	1,625,688,150	123,964	2,618,906,886	195,804	3,569,560	257	-	-	4,248,164,597	320,025
Sub Contract Program - IIE	17,170,499,014	1,281,755	-	-	-	-	-	-	17,170,499,014	1,281,755
Participant Selection Costs	889,295,691	65,354	18,600,000	1,410	-	-	-	-	907,895,691	66,764
Others	352,155,191	26,874	1,774,034,274	132,846	3,500	-	101,544	7	2,126,294,509	159,727
Total	22,062,773,247	1,651,502	10,887,030,536	814,559	4,913,060	358	101,544	7	32,954,818,387	2,466,426

	2015									
	Temporarily Restricted				Unrestricted				Total	
	PRESTASI Project		Others		ITP		Institutional		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
Tuition, 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
Total	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

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20. ADMINISTRATION COSTS

The details as of December 31, are as follows:

	2016									
	Temporarily Restricted				Unrestricted					
	PRESTASI Project		Others		ITP		Institution		Total	
	IDR	USD	IDR	USD	IDR	USD	IDR	USD	IDR	USD
Employee Salaries	3,676,426,557	276,111	1,044,332,829	78,072	1,220,661	93	3,379,655,905	253,165	8,101,635,951	607,442
Employee Benefits	1,452,273,331	105,939	2,534,979,031	189,614	1,636,292,092	122,490	(2,129,892,277)	(159,971)	3,493,652,177	258,072
Occupancy	467,482,048	34,970	107,196,931	8,011	61,924,787	4,637	944,643,296	70,920	1,581,247,062	118,538
Travel, Meals and Benefits	280,395,593	20,752	968,426,779	72,335	504,298,569	37,832	966,603,980	73,986	2,719,724,921	204,905
Professional and Consulting Fees	844,175,806	62,489	206,533,394	15,479	35,610,391	2,665	559,191,233	41,325	1,645,510,824	121,958
Communications	5,506,658	322	114,976,434	8,523	149,963,823	11,278	102,020,321	7,653	372,467,236	27,776
Technology	1,043,868	80	3,270,000	241	16,916,470	1,296	34,414,186	2,561	55,644,524	4,178
Tax Expense	5,608,170	485	52,500	4	532,815,259	38,975	33,964,712	3,560	572,440,641	43,024
Sub Contract Administration - IIE	3,464,551,862	263,672	-	-	-	-	-	-	3,464,551,862	263,672
Miscellaneous Expenses	1,320,582,134	99,271	3,878,675,835	266,175	841,791,737	69,976	(4,569,265,435)	(324,926)	1,471,784,271	110,496
T o t a l	11,518,046,027	864,091	8,858,443,733	638,454	3,780,833,788	289,242	(678,664,078)	(31,727)	23,478,659,469	1,760,060

	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	45,446	1,149,735,766	85,535	492,237,641	36,484	745,562,279	64,730	2,993,913,510	232,197
Professional and Consulting Fees	211,717,132	15,325	141,601,533	10,554	15,595,236	1,192	399,571,187	29,640	768,485,089	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	253,766,677	26,354	1,098,199,061	72,050	257,103,488	16,996	(1,164,686,433)	(75,709)	444,402,792	39,691
T o t a l	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

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:		
Unallowable	51,473,000	4,269
Correction JV 0441/XII/2015 and JV 0165/V/2015	16,345,635	1,253
Reclassification Cargil Fund 2014	1,339,491	103
Reclassification IIEF to Prestasi	(1,106,431,765)	(116,838)
Account Payable to IIE	(318,858,762)	(16,378)
Closing RELO Program	(212,336,284)	(16,342)
Beginning Balance IIIIEF	(42,455,578)	(3,442)
Other Payable	4,423,918	321
Total Unrestricted	(1,606,500,345)	(147,054)
Total	1,575,692,660	120,256

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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 instruments are disclosed in Note 2k.

Classification of financial assets as of December 31, 2016, 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	-	-	15,505,921,842	1,154,057	-	-	-	-	15,505,921,842	1,154,057
Accounts Receivable	-	-	17,176,224,319	1,278,366	-	-	-	-	17,176,224,319	1,278,366
Total	-	-	32,682,146,161	2,432,423	-	-	-	-	32,682,146,161	2,432,423

As of December 31, 2016, the fair values of financial assets were in accordance with the carrying amounts.

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22. FINANCIAL ASSETS AND LIABILITIES (Continued)

Classification of financial liabilities as of December 31, 2016, is as follows:

	Financial Liabilities at Fair Value through Profit or Loss		Amortized Cost		Total	
	IDR	USD	IDR	USD	IDR	USD
Accounts Payable	-	-	224,441,512	16,675	224,441,512	16,675
Accounts Payable to IIE	-	-	26,841,514,656	1,997,734	26,841,514,656	1,997,734
T o t a l	-	-	27,065,956,168	2,014,409	27,065,956,168	2,014,409

As of December 31, 2016, 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. SUBSEQUENT EVENTS

IIEF and PERADI entered Into Agreement No. 026/IIEF/PERADI/V/2017, where IIEF shall organize the Professional Advocate Examination 2017 for second phase on October 28, 2017. The amount of these service is IDR 502,500,000. This Agreement effective from June 6, 2017 to November 30, 2017.

24. 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.