

**THE CORAL TRIANGLE INITIATIVES
ON CORAL REEFS, FISHERIES AND
FOOD SECURITY (CTI-CFF)
REGIONAL SECRETARIAT**

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015

**CTI-CFF REGIONAL SECRETARIAT
TABLE OF CONTENTS**

	P a g e
EXECUTIVE DIRECTOR'S STATEMENT	
INDEPENDENT AUDITOR'S REPORT	i - ii
STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2015	1
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2015	2
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2015	3
NOTES TO FINANCIAL STATEMENTS	4 - 17
SUPPLEMENTARY INFORMATION	
EXHIBIT I : FUND ACCOUNTABILITY STATEMENT FOR CTI-CFF MEMBER CONTRIBUTIONS	
II : FUND ACCOUNTABILITY STATEMENT FOR YAYASAN WWF INDONESIA	
III : FUND ACCOUNTABILITY STATEMENT FOR AUSTRALIAN DEPARTMENT OF ENVIRONMENT (DOE)	



**REGIONAL SECRETARIAT OF CTI-CFF STATEMENTS
OF RESPONSIBILITIES ON
THE FINANCIAL STATEMENTS OF
THE CORAL TRIANGLE INITIATIVES ON CORAL REEFS, FISHERIES AND FOOD SECURITY (CTI-CFF)**

We, the undersigned below:

1. Name : Widi Agoes Pratikto, Ph.D
Office Address : Gedung Mina Bahari 2, Lt 17
Kementerian Kelautan dan Perikanan
Jl. Medan Merdeka Timur No. 16, Jakarta Pusat
Telephone Number : 021-3522520
Position : Executive Director
2. Name : Cepy Fuad Syahda
Office Address : Gedung Mina Bahari 2, Lt 17
Kementerian Kelautan dan Perikanan
Jl. Medan Merdeka Timur No. 16, Jakarta Pusat
Telephone Number : 021-3522520
Position : Head of Finance and Operation

declare that:

1. We are responsible for the preparation and presentation of the Financial Statements;
2. The Coral Triangle Initiatives on Coral, Reefs, Fisheries and Food Security (CTI-CFF)' Financial Statements have been prepared and presented in conformity with generally accepted accounting principles;
3. a. All information presented in the Coral Triangle Initiatives on Coral, Reefs, Fisheries and Food Security (CTI-CFF)' Financial Statements have been completely and properly disclosed;
b. The Coral Triangle Initiatives on Coral, Reefs, Fisheries and Food Security(CTI-CFF)' Financial Statements do not contain any incorrect material information or facts nor omit any material information or facts;
4. We are responsible for the internal control system of The Coral Triangle Initiatives on Coral, Reefs, Fisheries and Food Security (CTI-CFF)'.

We certify that our Statements are true.

J A K A R T A
March 30, 2016

For and on behalf of Regional Secretariat the Coral Triangle Initiatives on Coral, Reefs, Fisheries and Food Security (CTI-CFF)

Widi Agoes Pratikto, Ph.D
Executive Director

Cepy F. Syahda
Head of Finance and Operation





INDEPENDENT AUDITOR'S REPORT

Report No. 16242-A3Y/JMM1.JY1

The Executive Director
CTI-CFF REGIONAL SECRETARIAT

We have audited the accompanying Financial Statements of **CTI-CFF Regional Secretariat**, 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 the summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with the cash basis of accounting described in Note 2, determining that the cash basis of accounting is an acceptable basis for the preparation of the Financial Statements in the circumstances 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 Standards on Auditing established by the Indonesian Institute of Certified Public Accountants (IICPA). 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 audit opinion.



JOHAN MALONDA MUSTIKA & REKAN

CTI-CFF REGIONAL SECRETARIAT

Opinion

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the Financial Position of **CTI-CFF Regional Secretariat** as of December 31, 2015, and its Financial Performance and Cash Flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 of the Financial Statements, which describes the basis of accounting. As described in Note 2, CTI-CFF Regional Secretariat prepares its Financial Statements on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in Indonesia. As a result, the Financial Statements may not be suitable for another purpose. Our report is intended solely for CTI-CFF Regional Secretariat, CTI members, Yayasan WWF Indonesia and Australian Department of Environment and should not be distributed to or used by parties other than CTI-CFF Regional Secretariat, CTI members, Yayasan WWF Indonesia and Australian Department of Environment.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the Financial Statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic Financial Statements. The information has been subjected to the procedures applied in the audit of the Financial Statements and, in our opinion, is fairly stated in all material respects in relation to the Financial Statements taken as a whole.

JOHAN MALONDA MUSTIKA & REKAN

Licence No. 951/KM.1/2010

Drs Johan Yoranouw
Public Accountant Registration AP. 0732

March 30, 2016

**CTI-CFF REGIONAL SECRETARIAT
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015
(Expressed in United States Dollar)**

A S S E T S

	Notes	2 0 1 5
CURRENT ASSETS		
Cash on Hand and in Banks	3	742,801
Staff Receivables		365
Total Current Assets		743,166
 TOTAL ASSETS		 743,166

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Unearned Revenues	4	200,771
 NET ASSETS		
Temporarily Restricted Funds	8	542,395
 TOTAL LIABILITIES AND NET ASSETS		 743,166

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

CTI-CFF REGIONAL SECRETARIAT
STATEMENT OF ACTIVITIES AND CHANGES NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States Dollar)

	Notes	2 0 1 5
REVENUES - TEMPORARILY RESTRICTED		
Grantors	2f & 5	103,749
Contributions	2f & 6	701,512
Interest Income	2f	1,030
Other Income	2f	323
Total Revenues - Temporarily Restricted		806,614
EXPENDITURES - TEMPORARILY RESTRICTED		
Office Costs	2f & 7	17,329
Salaries	2f & 8	185,632
Support to Activities	2f & 9	5,583
Seeking Partnership	2f & 10	27,057
Program Activities	2f & 11	6,055
SOM 11 Expenses	2f & 12	22,563
Total Expenditures - Temporarily Restricted		264,219
CHANGES IN NET ASSETS		542,395
NET ASSETS - TEMPORARILY RESTRICTED, AT BEGINNING OF YEAR		-
NET ASSETS - TEMPORARILY RESTRICTED, AT END OF YEAR		542,395

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

**CTI-CFF REGIONAL SECRETARIAT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States Dollar)**

	2015
CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in Net Assets	542,395
Decrease (Increase) in:	
Staff Receivables	(365)
Increase (Decrease) in:	
Unearned Revenue	200,771
Net Cash Used in Operating Activities	742,801
NET DECREASE IN CASH ON HAND AND IN BANKS	742,801
CASH ON HAND AND IN BANKS, BEGINNING	-
CASH ON HAND AND IN BANKS, ENDING	742,801

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

**CTI-CFF REGIONAL SECRETARIAT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States Dollar)**

1. GENERAL

The governments of the Republic of Indonesia, Malaysia, the Independent State of Papua New Guinea, the Republic of the Philippines, Salomon Islands and the Democratic Republic of Timor Leste (CT6), acknowledge the vast marine, coastal and small islands ecosystems and the unique biodiversity of the Coral Triangle region of the Indo Pacific, which provide invaluable livelihood and food security benefits for our couple.

The Coral Triangle Initiative Leader's Declaration on Coral Reefs, Fisheries and Food Security, signed on May 15, 2009 in Manado, Indonesia, inter alia, emphasized the need to establish a secretariat to service the ongoing Coral Triangle Initiative on Coral Reef, Fisheries and Food Security (CTI-CFF) implementation process. The CTI-CFF Regional Secretariat commenced operations in 2015.

The CTI-CFF Regional Secretariat (the Secretariat) was established in the Republic of Indonesia as the Host Country. The funds of the Secretariat are from:

1. Contributions by the Parties;
2. Voluntary contributions and
3. Any other funds to which the Secretariat may become entitled or may receive, including income from investment.

CTI-CFF Regional Secretariat (the Secretariat) supports projects from a fund derived from contributions of CTI members and donations from development organizations such as Yayasan WWF Indonesia and Australian Department of Environment (DOE).

The Executive Director as of December 31, 2015 is Mr. Widi A. Pratikto.

The Secretariat had 14 employees in 2015.

The Secretariat is domiciled at Jl. Medan Merdeka Timur 16, Jakarta 10110, Indonesia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Secretariat prepares its Financial Statements in accordance with the cash basis of accounting which is a comprehensive of accounting other than generally accepted accounting principles applied in Indonesia. 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 Board of Financial Accounting Standards of the Indonesian Institute of Accountants.

The Financial Statements are prepared in accordance with Statement of Financial Accounting Standards ("SFAS") No. 45, "Financial Reporting for Non-Profit Organizations".

**CTI-CFF REGIONAL SECRETARIAT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States Dollar)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Basis of Preparation of the Financial Statements (Continued)

This statement establishes certain basic information presented in the Financial Statements of non-profit entities. Arrangements not regulated in this statement refer to SFAS No. 1 (2013 revision), "Presentation of Financial Statements".

The Financial Statements have been prepared using the Cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles. Revenues are recorded when received and costs incurred are recorded when paid.

The Statements of Cash Flows, which are prepared using the Indirect method, present receipts and disbursements of cash and cash equivalents classified into operating activities.

The reporting currency used in the preparation of the Financial Statements is United States Dollar (USD) which is the functional currency of the Secretariat.

b. Foreign Currency Transactions and Balances

Effective January 1, 2012, 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 Secretariat determined that its functional currency is United States Dollar, and therefore the initial adoption of the revised SFAS No. 10 had no impact on the Secretariat's financial reporting.

Transactions in the current year denominated in currencies other than United States Dollar are translated at the Bank Mandiri transaction rate of the previous month.

c. Receipt and Expenditure Recognition

The Secretariat adopted SFAS No. 45 (2011 Revision), "Financial Reporting for Non-Profit Organizations".

Temporary restriction is restriction on the use of resources by the donors who do not expect a repayment requiring that such resources be retained up to a certain period or until a certain condition is fulfilled. Restricted resources are resources whose use is restricted for a certain purpose by the donors who do not expect a repayment. Such restriction is temporarily imposed.

Temporarily restricted contributions (funds) from donors are recorded as "Program Liabilities" and temporarily restricted revenues (contributions) are recognized at the amount equal to the expenditure amount.

Expenses are recognized when paid using the Cash basis.

Funds received whose use is restricted based on an agreement with the donor are classified as temporarily restricted receipts. Fund disbursement is presented as restricted based on the fund use classification.

**CTI-CFF REGIONAL SECRETARIAT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States Dollar)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Taxation

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.

e. Financial Assets and Liabilities

Effective January 1, 2012, the Secretariat adopted SFAS No. 50 (2014 Revision), "Financial Instruments: Presentation", SFAS No. 55 (2014 Revision), "Financial Instruments: Recognition and Measurement", and SFAS No. 60, "Financial Instruments : Disclosures".

In applying SFAS No. 50 (2014 Revision), SFAS No. 55 (2014 Revision) and SFAS No. 60 (2014 Revision), the Secretariat classifies financial instruments into financial assets and financial liabilities.

Financial Assets

The management determines the classification of its financial assets at initial recognition in accordance with the purpose for which the financial assets were acquired. The classification of financial assets is as follows:

(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 Secretariat had no financial assets at fair value through profit or loss.

(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 Statements of Activities and Changes in Net Assets when the loans and receivables are derecognized or impaired, as well as through the amortization process.

The Secretariat had loan and receivables, consisting of cash on hand and in banks and staff receivables.

CTI-CFF REGIONAL SECRETARIAT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States Dollar)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Financial Assets and Liabilities (Continued)

Financial Assets (Continued)

(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 Secretariat 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 Statements of Activities and Changes in Net Assets when the financial assets are derecognized or impaired, as well as through the amortization process.

The Secretariat had no Held-to-Maturity financial assets.

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

Available-for-sale financial assets are non-derivative financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or that do not meet the criteria for other categories.

Available-for-sale financial assets are initially recognized at fair value, plus transaction costs, and measured subsequently at fair value, until the financial assets are derecognized. Unrealized gains and losses are recognized in the Statements of Activities and Changes in Net Assets, except for impairment losses and foreign exchange gains and losses. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognized in net assets will be recognized in the Statements of Activities and Changes in Net Assets. Interest income is calculated using the Effective Interest Rate method, and foreign currency gains or losses on monetary assets classified as available-for-sale are recognized in the Statements of Activities and Changes in Net Assets.

The Secretariat had no available-for-sale financial assets.

Financial Liabilities

The classification of financial liabilities is as follows:

(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. A financial liability is classified as held for trading if it is acquired principally for the purpose of selling or repurchasing it in the near term and for which there is evidence of a recent actual pattern on short-term profit taking.

**CTI-CFF REGIONAL SECRETARIAT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States Dollar)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Financial Assets and Liabilities (Continued)

Financial Liabilities (Continued)

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

The Secretariat had no financial liabilities at fair value through profit or loss.

(ii) Financial Liabilities at Amortized Cost

Financial liabilities that are 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 Secretariat had financial liabilities at amortized cost consisting of unearned revenues.

f. Net Assets

Net assets represent the net revenues less expenses accumulated during the period. Net assets are presented as restricted and unrestricted based on the source of funds.

3. CASH ON HAND AND IN BANKS

The details as of December 31, are as follows:

	2 0 1 5
Cash on Hand	
Petty Cash (IDR 6,000,000)	438
Cash in Banks	
US Dollar	
PT Bank Mandiri Tbk - Account No. 103000645339	735,006
R u p i a h	
PT Bank Mandiri Tbk - Account No. 103000645339 (IDR 100,797,456)	7,357
Total Cash in Banks	742,363
Total Cash on Hand and in Banks	742,801

4. UNEARNED REVENUES

This account represents the contributions from Timor Leste to the Secretariat which have not been used amounting to USD 200,771. This amount will be calculated in the following period of contributions.

**CTI-CFF REGIONAL SECRETARIAT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States Dollar)**

5. GRANTORS

The details as of December 31, are as follows:

	2015
Yayasan WWF Indonesia	32,000
Australian Department of Environment	71,749
T o t a l	103,749

Yayasan WWF Indonesia

On June 9, 2015, Yayasan WWF Indonesia directly awarded the Secretariat through Agreement No. 093/WWF-10/161-GRA/V/2015 USD 32,000 to provide support for a program entitled "Support for the Hiring of a Communication and Information Specialist at the Regional Secretariat of the CTI-CFF". The period of the agreement was from June 1, 2015 through May 31, 2016.

Australian Department of Environment

On September 23, 2015, the Australian Department of Environment through Contract No. ABN 34 190 894 983 awarded the Secretariat AUD 217,752 to support the establishment of the Permanent Regional Secretariat of the Coral Triangle Initiative (CTI). The period of the agreement was from September 23, 2015 through February 29, 2016.

6. CONTRIBUTIONS

Based on the declaration of CT6, all parties will contribute to the General Fund of the Secretariat on the following basis:

- a. The total amount to be contributed will be determined by the CTI-COM based on the draft budget provided by the Secretariat;
- b. Sixty percent of the amount identified in paragraph a of the Schedule will be contributed by each of the parties in equal shares, and:
- c. The remainder of the total amount identified in paragraph a of the Schedule will be divided between the parties based upon the relative size of their gross domestic product (GDP) as calculated by the most recent year for which GDP figures are available for all parties.

The details as of December 31, are as follows:

	2015
Members of CTI-CFF:	
Indonesia	384,125
Malaysia	204,328
Timor Leste	113,059
T o t a l	701,512

CTI-CFF REGIONAL SECRETARIAT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States Dollar)

7. OFFICE COSTS

The details as of December 31, are as follows:

	2 0 1 5			
	CTI-CFF	Yayasan WWF Indonesia	Australian Department of Environment	T o t a l
Communications and Internet Connection	474	-	45	519
Office Supplies	1,071	203	-	1,274
Publication and Printing	978	-	-	978
Website and Maintenance	517	2,023	-	2,540
Postage and Courier	249	-	-	249
Vehicle Fuel and Maintenance	316	-	-	316
Hospitality	498	-	-	498
Miscellaneous	370	-	-	370
Furniture Repairs and Maintenance	60	-	-	60
Computer Repairs and Maintenance	3,176	-	2,484	5,660
Software and Licences	-	-	4,247	4,247
Mobiles and Telephone Systems	248	-	-	248
Land Repairs and Maintenance	370	-	-	370
T o t a l	8,327	2,226	6,776	17,329

8. SALARIES

The details as of December 31, are as follows:

	2 0 1 5			
	CTI-CFF	Yayasan WWF Indonesia	Australian Department of Environment	T o t a l
Salaries	88,622	10,736	80,351	179,709
Benefits	5,923	-	-	5,923
T o t a l	94,545	10,736	80,351	185,632

CTI-CFF REGIONAL SECRETARIAT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States Dollar)

9. SUPPORT TO ACTIVITIES

The details as of December 31, are as follows:

	2015		Total
	CTI-CFF	Australian Department of Environment	
Staff Airfare Expenses	1,522	-	1,522
Staff Accommodation Expenses	131	-	131
Staff Ground Transportation Expenses	1,293	100	1,393
Staff Perdiems	246	-	246
Meeting Hosting Costs	1,240	-	1,240
Foreign Exchange Loss	690	-	690
Bank Charges	361	-	361
Total	<u>5,483</u>	<u>100</u>	<u>5,583</u>

10. SEEKING PARTNERSHIP

The details as of December 31, are as follows:

	2015		Total
	CTI-CFF	Australian Department of Environment	
Staff Airfare Expenses	6,482	9,486	15,968
Staff Accommodation Expenses	3,270	1,229	4,499
Staff Perdiems	5,163	1,092	6,255
Staff Other Travel Expenses	335	-	335
Total	<u>15,250</u>	<u>11,807</u>	<u>27,057</u>

11. PROGRAM ACTIVITIES

The details as of December 31, are as follows:

	CTI-CFF
Staff Airfare Expenses	2,742
Staff Accommodation Expenses	889
Staff Ground Transportation Expenses	469
Staff Perdiems	1,955
Total	<u>6,055</u>

**CTI-CFF REGIONAL SECRETARIAT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States Dollar)**

12. SOM EXPENSES

The details as of December 31, are as follows:

	CTI-CFF
SOM Airfare Expenses	3,194
SOM Accommodation Expenses	1,649
SOM Ground Transportation Expenses	2,902
SOM Perdiems	8,655
SOM Other Travel Expenses	233
Meeting Hosting Costs	5,930
T o t a l	22,563

13. FINANCIAL ASSETS AND LIABILITIES

Financial Risk Management

The financial risks that might be faced by the Secretariat are 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. Liquidity Risk

The management has established an appropriate liquidity risk management framework for the management of the Secretariat's short, medium and long-term funding and liquidity management requirements. The Secretariat 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 Secretariat's operations and to mitigate the effects of fluctuations in cash flows.

ii. 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.

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 asset and financial liability and equity instrument are disclosed in Note 2e.

**CTI-CFF REGIONAL SECRETARIAT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Expressed in United States Dollar)**

13. FINANCIAL ASSETS AND LIABILITIES (Continued)

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
Cash on Hand and in Banks	-	742,801	-	-	742,801
Staff Receivables	-	365	-	-	365
T o t a l	-	743,166	-	-	743,166

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

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

	Financial Liabilities at Fair value through Profit or Loss	Amortized Cost	T o t a l
Unearned Revenues	-	200,771	200,771

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, staff receivables and unearned revenues are approximately the same as their carrying amount due to their short-term nature.

14. SUBSEQUENT EVENT

Up to the completion date of these Financial Statements by the management of the Secretariat, there was no significant subsequent event.

15. COMPLETION OF THE FINANCIAL STATEMENTS

The management of the Secretariat is responsible for the preparation of the accompanying Financial Statements that were completed on March 30, 2016.

**A PROJECT ADMINISTERED BY
CTI-CFF REGIONAL SECRETARIAT
FOR CTI-CFF MEMBER CONTRIBUTIONS**

**FUND ACCOUNTABILITY STATEMENT
For the Period from January 1, 2015 to December 31, 2015**

	<u>Budget</u>	<u>Current Year January 1, 2015 to December 31, 2015</u>	<u>Under (Over) Budget</u>
	USD	USD	USD
REVENUES			
Receipts from Members	822.638	701.512	121.126
COSTS INCURRED			
1. Office Costs	129.950	8.327	121.623
2. Salaries	542.688	94.545	448.143
3. Support to Activities Related to Deliverables and Previous SOMs Tasks	60.000	5.483	54.517
4. Representing Organization in International Forum to Seek Partnership	20.000	15.250	4.750
5. Program Activities	-	6.055	(6.055)
6. SOM-11 Expenses	70.000	22.563	47.437
Total Costs Incurred	822.638	152.223	670.415
EXCESS OF REVENUES OVER COSTS INCURRED	-	549.289	

**A PROJECT ADMINISTERED BY
CTI-CFF REGIONAL SECRETARIAT
FOR YAYASAN WWF INDONESIA**

**FUND ACCOUNTABILITY STATEMENT
For the Period from June 1, 2015 to December 31, 2015**

	<u>Budget</u>	<u>Current Year January 1, 2015 to December 31, 2015</u>	<u>Under (Over) Budget</u>
	USD	USD	USD
REVENUES			
Receipts	32.000	32.000	-
COSTS INCURRED			
1. Office Costs	4.000	2.226	1.774
2. Salaries	18.000	10.736	7.264
3. Support to Activities Related to Deliverables and Previous SOMs Tasks	10.000	-	10.000
4. Representing Organization in International Forum to Seek Partnership	-	-	-
5. Program Activities	-	-	-
6. SOM-11 Expenses	-	-	-
Total Costs Incurred	32.000	12.962	19.038
EXCESS OF REVENUES OVER COSTS INCURRED	<u>-</u>	<u>19.038</u>	

**A PROJECT ADMINISTERED BY
CTI-CFF REGIONAL SECRETARIAT
FOR AUSTRALIAN DEPARTMENT OF ENVIRONMENT**

**FUND ACCOUNTABILITY STATEMENT
For the Period from September 23, 2015 to December 31, 2015**

	<u>Budget</u>	<u>Current Year January 1, 2015 to December 31, 2015</u>	<u>Under (Over) Budget</u>
	USD	USD	USD
REVENUES			
Receipts	217.752	71.749	146.003
COSTS INCURRED			
1. Office Costs	-	6.776	(6.776)
2. Salaries	177.100	80.351	96.749
3. Support to Activities Related to Deliverables and Previous SOMs Tasks	26.652	100	26.552
4. Representing Organization in International Forum to Seek Partnership	14.000	11.807	2.193
5. Program Activities	-	-	-
6. SOM-11 Expenses	-	-	-
Total Costs Incurred	217.752	99.034	118.718
EXCESS OF COSTS INCURRED OVER REVENUES	<u>-</u>	<u>(27.285)</u>	