

YAYASAN EKOTURISME INDONESIA  
FINANCIAL STATEMENT  
AS OF DECEMBER 31, 2005

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**AUDIT REPORT**

**YAYASAN EKOTURISME INDONESIA**

**FOR THE YEAR ENDED DECEMBER 31, 2005**

**NO : 01/AUD/YEI/BW/VII/2006**



# BAYUDI WATU & REKAN

## **YAYASAN EKOTURISME INDONESIA** KANTOR PUBLIK **FINANCIAL STATEMENT** KANTOR PUBLIK ACCOUNTANTS **AS OF DECEMBER 31, 2005**

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DR. BAYUDI WATU & REKAN

DR. Bayudi Watu, dr.  
Lisensi No. 001/0000

Jakarta, 2006

### NOTICE TO READERS

The accompanying financial statements are prepared on the basis of the financial position, results of the activities and cash flow of Yayasan Ekoturisme Indonesia as of December 31, 2005 and the results of its activities, and its cash flow for the year then ended in conformity with generally accepted accounting principles.

Kantor Pusat : J. Raya No. 70 Jakarta Pusat 10150 Pn : (021) 6342242-45/6342243-44

Fax : (021) 6342243 E-mail : bayudi@bayudi.com.id

Kantor Cabang : J. Raya No. 85 Bandung 40153 Pn : (021) 5242181

Fax : (021) 5242181 E-mail : bayudi@bandung.bayudi.com



## BAYUDI WATU & REKAN

KANTOR AKUNTAN PUBLIK  
REGISTERED PUBLIC ACCOUNTANTS

Nomor Izin Usaha KAP : KEP-596/KM.17/1998

### INDEPENDENT AUDITORS' REPORT

No : 01/AUD/YEI/BW/VII/2006

The Organs of Foundation  
**Yayasan Ekoturisme Indonesia**

We have audited the financial position of Yayasan Ekoturisme Indonesia as of December 31, 2005 and the related statement of activities and cash flows for the year then ended. These financial statements are responsibility of the Foundation's executives. The financial statements of Yayasan Ekoturisme Indonesia for the year ended December 31, 2004 were audited by other independent auditor whose report dated April 25, 2005 expressed an unqualified opinion on those statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards established by the Indonesian Instituted of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by executives, as well as evaluating the overall financial position presentations. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respect the financial position of Yayasan Ekoturisme Indonesia as of December 31, 2005 and the results of its activities, and its cash flow for the year then ended in conformity with generally accepted accounting principles.

**DRS. BAYUDI WATU & REKAN**

Drs. Bayudi Watu, Ak  
License No. 98.1.0030

July 25, 2006

#### NOTICE TO READERS

The accompanying financial statements are intended to present the financial position, results of the activities and cash flows in accordance with accounting principles and practices generally accepted in Indonesia and not those of any other jurisdictions. The standards, procedures and practices applied to audit such financial statements are those generally accepted and applied in Indonesia.

Kantor Pusat : Jl. Sangihe No. 10, Jakarta Pusat 10150, Ph : (021) 63863065, 63863067, 63863321

Fax : (021) 6324242 E-mail : [kapbw@indosat.net.id](mailto:kapbw@indosat.net.id)

Kantor Cabang : Jl. Dr. Wahidin No. 85, Semarang 50253, Ph : (024) 8444183

Fax : (024) 8316901 E-mail : [suzynovi@telkom.net](mailto:suzynovi@telkom.net)

**YAYASAN EKOTURISME INDONESIA**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2005**  
**(With Comparative Figures For 2004)**

	Notes	2005	2004
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and banks	2,3,10	Rp 301,421,587	Rp 619,484,437
Other current assets	2,4	301,561,326	47,879,167
<b>Total Current Assets</b>		<b>602,982,913</b>	<b>667,363,604</b>
<b>NON CURRENT ASSETS</b>			
Due from related parties	2,5	1,128,011	1,484,375
Deferred tax assets	2,7	27,611,822	27,611,822
Property and equipment - net of accumulated depreciation	2,6,9	460,943,184	538,928,999
<b>Total Non Current Assets</b>		<b>489,683,017</b>	<b>568,025,196</b>
<b>TOTAL ASSETS</b>		<b>Rp 1,092,665,930</b>	<b>Rp 1,235,388,800</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accrued expenses		Rp 5,355,668	Rp 30,942,370
Tax payable	2,7	1,128,011	1,484,375
<b>Total Liabilities</b>		<b>6,483,679</b>	<b>32,426,745</b>
<b>NON CURRENT LIABILITIES</b>			
Provision for retirement and employee benefits	2,11	92,039,405	92,039,405
<b>NET ASSETS</b>			
Unrestricted		( 723,031,457 )	( 360,456,886 )
Restricted - temporary		1,717,174,303	1,471,379,536
<b>Total Net Assets</b>		<b>994,142,846</b>	<b>1,110,922,650</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>Rp 1,092,665,930</b>	<b>Rp 1,235,388,800</b>

*See accompanying Notes to Financial Statements which  
are an integral part of the financial statements.*



**YAYASAN EKOTURISME INDONESIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**  
**(With Comparative Figures For 2004)**

	Notes	2005	2004
<b>CHANGE IN UNRESTRICTED NET ASSETS:</b>			
Revenue			
Donations	2,8	Rp 141,485,404	Rp 156,799,868
Others		81,948,125	21,907,462
Total Unrestricted Revenue		<u>223,433,529</u>	<u>178,707,330</u>
Expenses			
General and administrative	2		
Others	6,9	576,835,992	626,756,334
Total Unrestricted Expenses		<u>586,008,100</u>	<u>636,423,475</u>
Decrease in Unrestricted Net Assets		<u>( 362,574,571 )</u>	<u>( 457,716,145 )</u>
<b>CHANGE IN TEMPORARY RESTRICTED NET ASSETS:</b>			
Revenue from donations			
	2,8	<u>1,412,388,489</u>	<u>2,006,534,521</u>
Program Expenses			
Education program	2	453,049,780	269,101,278
Educational art story book program		153,798,450	74,681,625
Water supply program		161,005,075	230,965,407
Health program		84,444,689	37,981,634
Agriculture program		79,700,611	51,774,939
Vetiver program		75,699,660	151,133,098
Infrastructure program		67,461,802	80,179,080
EBPP centre program		46,339,300	18,661,125
School uniform program		16,615,200	23,162,385
Independence day celebration		10,289,855	-
Bamboo development		8,809,050	-
Library development program		6,186,950	29,208,350
Goat breeding program		3,193,300	4,390,930
Cubang covers program		-	24,061,100
Total Program Expenses		<u>1,166,593,722</u>	<u>995,300,951</u>
Increase in Temporary Restricted Net Assets		<u>245,794,767</u>	<u>1,011,233,570</u>
<b>INCREASE (DECREASE) IN NET ASSETS BEFORE PROVISION FOR INCOME TAX</b>		<u>( 116,779,804 )</u>	<u>553,517,425</u>
<b>PROVISION FOR INCOME TAX - DEFERRED</b>	7	<u>-</u>	<u>27,611,822</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		<u>( 116,779,804 )</u>	<u>581,129,247</u>
<b>NET ASSETS AT BEGINNING OF YEAR</b>		<u>1,110,922,650</u>	<u>529,793,403</u>
<b>NET ASSETS AT END OF YEAR</b>		<u>Rp 994,142,846</u>	<u>Rp 1,110,922,650</u>

*see accompanying Notes to Financial Statements which  
are an integral part of the financial statements.*

**YAYASAN EKOTURISME INDONESIA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(With Comparative Figures For 2004)**

	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from donations	Rp 1,553,873,893	Rp 2,163,334,389
Cash paid for project expenses	( 1,166,593,722 )	( 991,300,951 )
Cash received from operations	387,280,171	1,172,033,438
Cash received from interest	16,671,148	17,254,903
Cash paid for general and administration expenses	( 679,628,904 )	( 399,995,143 )
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>( 275,677,585 )</b>	<b>789,293,198</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceed from sale of vehicles and equipment	81,900,000	-
Purchase of property and equipment	( 124,285,265 )	( 440,399,368 )
<b>Net Cash Used in Investing Activities</b>	<b>( 42,385,265 )</b>	<b>440,399,368</b>
<b>NET INCREASE (DECREASE) IN CASH AND BANKS</b>	<b>( 318,062,850 )</b>	<b>348,893,830</b>
<b>CASH AND BANKS AT BEGINNING OF YEAR</b>	<b>619,484,437</b>	<b>270,590,607</b>
<b>CASH AND BANKS AT END OF YEAR</b>	<b>Rp 301,421,587</b>	<b>Rp 619,484,437</b>
Activity not affecting cash flows:		
Acquisition of property and equipment from trade-in	Rp -	Rp 909,271

As at December 31, 2005, the members of the organs of the Foundation are as follows:

- |                    |  |
|--------------------|--|
| President          | See accompanying Notes to Financial Statements which are an integral part of the financial statements. |
| Chairman           |  |
| Member             | Standing Members   |
| Executive Chairman | David John Brady   |
| Secretary          | Geza Nugrah Indraguna Prastika   |
| Treasurer          | I Chut Nugrah Adi Supriatna  |
| Executive Director | John Scott Younger   |

The Foundation had 52 and 41 employees in 2005 and 2004, respectively.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Financial Statements**

The Foundation adopted the accounting policies and prepared the financial statements based on the Statement of Financial Accounting Standards (SFAS) No. 48, "Financial Reporting for Non-Profit Organizations", and the principles and practices generally accepted in Indonesia.

The financial statements have been prepared on the historical cost basis of accounting. The basis of acquisition for financial statements preparation is accrual basis. The statement of cash flows records cash received and payments classified into operating, investing and financing activities. The cash flow from operating activities are measured using the direct method.



**YAYASAN EKOTURISME INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended December 31, 2005**  
**(With Comparative Figures 2004)**

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**1. GENERAL**

Yayasan Ekoturisme Indonesia (the Foundation) was established based on notarial deed No. 96 of Meiyane Halimatussyariah, S.H. dated July 25, 1998. The deed of establishment was registered at the Denpasar Public Court in its Report List No. 26 dated August 11, 1998. The Foundation's Articles of Association have been amended several times, most recently by notarial deed No. 6 dated October 4, 2005 of Meiyane Halimatussyariah, S.H., to conform with Law No. 16 year 2001 regarding Foundation. The deed of amendment was approved by the Minister of Justice and Human Right of the Republic of Indonesia in his decision letter No. C-HT.01.09-250 dated October 19, 2005.

The purposes and objectives of the Foundation are to be active in the social sector, particularly improving the welfare of village communities through information that can improve knowledge and awareness of these communities, of their village potential or the community potential, in a voluntary and non-profit manner.

The Foundation has two Secretariats: one is located in Jalan Tunjung Sari No. 2YZ, Padangsambian, Denpasar, and the other in Dusun Ban, Ban Village, Kecamatan Kubu, Karangasem, Bali Province, Indonesia.

As of December 31, 2005, the members of the organs of the Foundation are as follows:

Patrons

Chairman : Ketut Arthana  
Member : Endang Husnaeni

Executives

Chairman : David John Booth  
Secretary : Gede Ngurah Indraguna Pinatih  
Treasurer : I Gusti Ngurah Adi Suputra

Supervisor : John Scott Younger

The Foundation had 52 and 41 employees in 2005 and 2004, respectively.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Financial Statements

The Foundation adopted the accounting policies and presented the financial statements based on the Statement of Financial Accounting Standards (SFAS) No. 45, "Financial Reporting for Non Profit Organizations", and the principles and practices generally accepted in Indonesia.

The financial statements have been prepared on the historical cost basis of accounting. The basic assumption for financial statements preparation is accrual basis. The statement of cash flows present cash received and payments classified into operating, investing and financing activities. The cash flows from operating activities are presented using the direct method.

**YAYASAN EKOTURISME INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS (Continue)**  
**For The Year Ended December 31, 2005**  
**(With Comparative Figures 2004)**

The reporting currency used in the financial statements is the Indonesian Rupiah.

Transactions with Related Parties

The Foundation has transactions with certain parties, which are regarded as having special relationship, as defined under SFAS No. 7, "Related Parties Disclosures".

All significant transactions with related parties, whether or not conducted under similar price, term and conditions as those with third parties, are disclosed in the notes to financial statements.

Allowance for Doubtful Accounts

Allowance for doubtful accounts is provided based on a review of the collectibility of the receivable accounts at the end of the year.

Prepaid Expenses

Prepaid expenses (presented in as part of "Other Current Assets") are amortized over periods benefited using the straight-line method.

Property and Equipment

Property and equipment are stated at cost, except for property and equipment from donations, which is stated at estimated cost, less accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets as follows:

	<u>Years</u>
Office equipment	4 and 8
Vehicles	4 and 8

The cost of maintenance and repairs is charged in the statements of activities as incurred; significant renewals and betterments, which extend their useful lives or result in an increase in the future economic benefits are capitalized. When assets are retired or otherwise disposed of, their cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is credited or charged to current operations.

Impairment of assets

Assets is reviewed for impairment losses whenever events or charges. In circumstances indicate that the carrying amount may not be recoverable An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use.

Revenue and Expense Recognition

Revenue from donations is recognized when received from donors. Expenses are recognized as incurred (accrual basis).



**YAYASAN EKOTURISME INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS (Continue)**  
**For The Year Ended December 31, 2005**  
**(With Comparative Figures 2004)**

Foreign Currency Transactions and Balances

Transactions involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At balance sheet date, assets and liabilities denominated in foreign currencies are adjusted to reflect the average buying and selling rates prevailing at such date as published by Bank Indonesia and any resulting gains or losses are credited or charged to current operations.

As of December 31, 2005 and 2004, the exchange rate using for US\$ 1 are Rp 9,830, and Rp 9,290, respectively.

Provision for Income Tax

The Foundation uses the deferred income tax method in accounting for income tax, in accordance with SFAS No. 46, "Accounting for Income Taxes", which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between tax bases and financial reporting bases of assets and liabilities and for the carry forward of fiscal losses. The tax effects of temporary differences and fiscal loss carry forwards, which individually are either assets or liabilities, are shown at the applicable net amounts.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires executives to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could be different from these estimates.

**3. CASH AND BANKS**

This account consists of the following:

	2005	2004
Cash on hand	Rp 4,995,497	Rp 7,226,639
Cash in bank:		
PT Bank Negara Indonesia (Persero) Tbk	295,611,871	608,775,999
ABN - AMRO Bank, N.V. (US\$ 82.83 in 2005 and US\$ 374.79 in 2004)	814,219	3,481,799
Total	Rp 301,421,587	Rp 619,484,437

There was no restriction on the usage of the Foundation's funds or either in banks.

**4. OTHER CURRENT ASSETS**

This account mainly represents prepaid rent for office building and land, prepaid insurance, and other expense.

**YAYASAN EKOTURISME INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS (Continue)**  
**For The Year Ended December 31, 2005**  
**(With Comparative Figures 2004)**

**5. DUE FROM RELATED PARTIES**

This account represents receivables from employees which bears no interest, with no collateral and no payment schedule.

No allowance for doubtful account was provided on due from related parties, as the executives believe that all such receivables are collectible.

**6. PROPERTY AND EQUIPMENT**

The details of property and equipment are as follows:

	2005			
	Beginning Balance	Additions	Deductions	Ending Balance
<u>Carrying Value</u>				
Vehicles	Rp 638,840,950	Rp 76,700,000	Rp 150,000,000	Rp 565,540,950
Office equipment	218,653,652	47,585,265	10,990,000	255,248,917
<b>Total Carrying Value</b>	<b>857,494,602</b>	<b>124,285,265</b>	<b>160,990,000</b>	<b>820,789,867</b>
<u>Accumulated Depreciation</u>				
Vehicles	204,344,535	130,172,457	131,250,000	203,266,992
Office equipment	114,221,068	45,971,748	3,613,125	156,579,691
<b>Total Accumulated Depreciation</b>	<b>318,565,603</b>	<b>176,144,205</b>	<b>134,863,125</b>	<b>359,846,683</b>
<b>Net Book Value</b>	<b>Rp 538,928,999</b>			<b>Rp 460,943,184</b>
	2004			
	Beginning Balance	Additions	Deductions	Ending Balance
<u>Carrying Value</u>				
Vehicles	Rp 256,626,950	Rp 382,214,000	Rp -	Rp 638,840,950
Office equipment	172,154,013	59,094,639	12,595,000	218,653,652
<b>Total Carrying Value</b>	<b>428,780,963</b>	<b>441,308,639</b>	<b>12,595,000</b>	<b>857,494,602</b>
<u>Accumulated Depreciation</u>				
Vehicles	122,693,777	81,650,758	-	204,344,535
Office equipment	78,876,601	42,015,614	6,671,147	114,221,068
<b>Total Accumulated Depreciation</b>	<b>201,570,378</b>	<b>123,666,372</b>	<b>6,671,147</b>	<b>318,565,603</b>
<b>Net Book Value</b>	<b>Rp 227,210,585</b>			<b>Rp 538,928,999</b>

Depreciation for the years ended December 31, 2005 and 2004 was charged to operations amounting to Rp 176,144,205 and Rp 123,666,372 (see Note 9), respectively.



**YAYASAN EKOTURISME INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS (Continue)**  
**For The Year Ended December 31, 2005**  
**(With Comparative Figures 2004)**

Deduction of property and equipment for the years 2005 and 2004 are as follows:

	2005	2004
Net book value	Rp 26,126,875	Rp 5,923,853
Sales price	81,900,000	909,271
Loss (Gain) on sale of property and equipment	(Rp 55,773,125)	Rp 5,014,582

Vehicles are covered by insurance against losses by accident amounting to Rp 250,000,000 in 2005. Management believes the insurance is sufficient to cover possible losses arising from such risk.

Based on the executives' assessment, there are no events or changes in circumstances, which may indicate impairment in value of property and equipment as of December 31, 2005 and 2004.

## 7. TAX PAYABLE

This account represents Income Tax payable article 21.

The reconciliation between net increase (decrease) in net assets before provision for Income Tax, as shown in the statements of activities, and the estimated fiscal loss for the years ended December 31, 2005 and 2004 are as follows:

	2005	2004
Net increase (decrease) in net assets before Provision for Income Tax	(Rp 116,779,804)	Rp 553,517,425
Timing difference:		
Employee benefit	-	92,039,405
Permanent differences:		
Rental	38,540,000	55,160,000
Salaries and wages	27,718,223	13,790,085
Loss on write-off of property and equipment	4,751,042	5,014,582
Donations received	( 1,553,873,893)	( 2,163,334,389)
Interest income already subjected to final tax	( 16,671,148)	( 21,907,462)
Estimated fiscal loss before fiscal loss carry-forward	( 1,616,315,580)	( 1,465,720,354)
Fiscal loss carry-forward		
- 2001	( 588,198,546)	( 588,198,546)
- 2002	( 942,920,319)	( 942,920,319)
- 2003	( 940,455,840)	( 940,455,840)
- 2004	( 1,465,720,354)	-
Estimated fiscal loss	(Rp 5,553,610,639)	(Rp 3,937,295,059)



**YAYASAN EKOTURISME INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS (Continue)**  
**For The Year Ended December 31, 2005**  
**(With Comparative Figures 2004)**

In accordance to Law No. 17 Year 2000, donations to recipient parties are not tax objects as long as the donations are not received under relations of business, ownership or controlling relations between relevant parties.

Under the taxation laws of Indonesia, the Foundation submits tax return on the basis of self-assessment. The tax authorities may assess or amend taxes within ten years from the date the tax becomes due.

Deferred

The computation of deferred income tax for the years ended December 31, 2005 and 2004 using the maximum tax rate of 30% is as follows:

	2005		2004
Employee benefit	Rp	-	Rp 27,611,822

The deferred tax assets as of December 31, 2005 and 2004 are as follows:

	2005		2004
Employee benefit	Rp	27,611,822	Rp 27,611,822

In 2005 and 2004, the Foundation did not recognize deferred tax assets on fiscal losses amounting to Rp 1,666,083,192 and Rp 1,181,188,518, respectively, because the fiscal losses are considered unrecoverable.

## 8. DONATIONS

This account represents unrestricted and temporary restricted donations received from donor. The details of this account are as follows:

	2005		2004
Unrestricted:			
Private	Rp	123,246,403	Rp 138,459,718
Regional Institutions		10,962,500	12,232,650
Others		7,276,501	6,107,500
		<u>141,485,404</u>	<u>156,799,868</u>
Temporary Restricted:			
Education program		510,879,123	461,083,836
EBPP centre		258,429,876	74,992,500
Health program		180,152,500	158,821,505
Educational art story book program		172,166,500	112,167,000
Site transport to all programs		167,397,500	-
Agriculture program		49,629,607	162,217,000
Vetiver development program		34,703,785	117,441,680

**YAYASAN EKOTURISME INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS (Continue)**  
**For The Year Ended December 31, 2005**  
**(With Comparative Figures 2004)**

	2005		2004	
Infrastructure program	Rp	20,880,012	Rp	149,460,000
Independence day		12,545,001		-
School uniform program		5,604,585		27,256,000
Water supply program		-		485,895,000
Cubang covers program		-		118,000,000
Library development program		-		96,100,000
Goat breeding program		-		43,100,000
		<u>1,412,388,489</u>		<u>2,006,534,521</u>
Total	Rp	<u>1,553,873,893</u>	Rp	<u>2,163,334,389</u>

**9. GENERAL AND ADMINISTRATIVE**

This account consists of the following:

	2005		2004	
Depreciation (see Note 6)	Rp	176,144,205	Rp	123,666,372
Salaries and employee benefit		149,049,036		158,849,605
Public relation, marketing and fundraising		55,612,248		22,106,829
Media and communication		48,931,304		56,800,358
Transportation		44,824,045		89,787,800
Rental		31,510,500		40,385,000
Office supplies		31,142,640		97,341,617
Electricity and water		19,509,825		13,560,580
Others		20,112,189		24,258,173
Total	Rp	<u>576,835,992</u>	Rp	<u>626,756,334</u>

The amounts above include the expenses of field site office operational costs to service all the programmes amounting to Rp 95,304,586 in 2005 and Rp 306,276,035 in 2004 which was not provided in specific budgets or allocated to programmes expenses.

**10. ASSETS IN FOREIGN CURRENCY**

As of December 31, 2005 and 2004, the Foundation has cash in bank denominated in foreign currency amounting to US\$ 82.83 and US\$ 374.79, which is equivalent Rp 814,219 and Rp 3,481,799, respectively.

**YAYASAN EKOTURISME INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS (Continue)**  
**For The Year Ended December 31, 2005**  
**(With Comparative Figures 2004)**

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**11. EMPLOYEE BENEFITS**

The Foundation recorded an accrual for termination, gratuity and compensation expenses amounting to Rp 92,039,405 as of December 31, 2005 and 2004, respectively, as provided under the Labor Law No. 13/2003 March 25, 2003. The accrual has been determined based on the following assumptions:

Annual discount rate	:	9% pa in 2005 and 7% pa in 2004
Annual salary increase	:	10% pa
Retirement age	:	55 years

Such benefits were presented as salaries and employee benefit account in general and administrative expenses in statement of activities and accrued expenses account in statement of financial position.

The Foundation's executives believe that the amount of accrual made is adequate to cover the related liabilities arising from this decree.

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**13. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements are the responsibility of the foundation's executives and have been approved for issued on July 25, 2006.