

**Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2014 and 2013**

YAYASAN EKOTURISME INDONESIA

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**BOARDS OF MANAGEMENT'S STATEMENT
REGARDING THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
OF YAYASAN EKOTURISME INDONESIA
AS OF DECEMBER 31, 2014 AND FOR THE YEAR THEN ENDED**

We, the undersigned:

Name : **I Komang Kurniawan**
Office Address : Jalan Tunjung Sari No. 2YZ Padangsambian,
Denpasar
Phone Number : 0361- 410071
Position : Chairman of Board of Management

Name : **David John Booth**
Office Address : Jalan Tunjung Sari No. 2YZ Padangsambian,
Denpasar
Phone Number : 0361- 410071
Position : Founder

Declare that:

1. We are responsible for the preparation and presentation of the financial statements;
2. The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information contained in the financial statements is complete and truthful manner;
b. The financial statements do not contain any incorrect information or material facts, nor do they omit information or material facts;
4. We are responsible for Yayasan Ekoturisme Indonesia's internal control system.

This statement is made in all truth.

Denpasar, August 7, 2015

Bank Account Details:

Rupiah Account:
Bank Name: BNI Capem Jl. Kamboja, Denpasar
Address: Jl. Kamboja, No.5, Denpasar, Bali
Acc. Name: Yayasan Ekoturisme Indonesia
Acc. No: 0055 295 647
Swift code: BNI NI DJA RNN

US\$ Account:
Bank Name: ABN AMRO Bank NV, Denpasar, Bali
Address: Jl. Teuku Umar No. 10, Blok A1-A3,
Denpasar, Bali, Indonesia
Acc. Name: Yayasan Ekoturisme Indonesia or
'East Bali Poverty Project'
Acc. No: 3601 034 157 USD
Swift code: AB N A I D J A

For and on behalf of the Board of Management



I Komang Kurniawan
Chairman

David John Booth
Founder & Trustee

First registered in Indonesia as:
Yayasan Ekoturisme Indonesia
by Indonesian Social Department,
Depsos No. 162/BBS/OS//1999

Established by Notary Public
Meiyane Halimatussjadiah SH,
No 96 dated 25th July 1998

Independent Auditors' Report

Report No. AD15/P.TY2/08.07.01

The Supervisory Board and Management
Yayasan Ekoturisme Indonesia

We have audited the accompanying financial statements of Yayasan Ekoturisme Indonesia (the "Foundation"), which comprise the statement of financial position as of December 31, 2014, and the statements of activities 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 such 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 misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on such 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such 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 auditors' 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 auditors consider 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 qualified audit opinion.

Basis for Qualified Opinion

As disclosed in Note 10, the Foundation has not applied the Statement of Financial Accounting Standards No. 24 (Revised 2010), "Employee Benefits" for the purpose of estimating its liability for employee benefits.

Y. Santosa dan Rekan

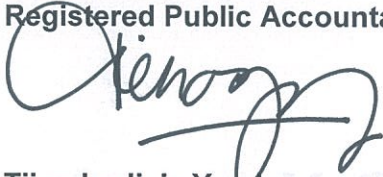
Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Yayasan Ekoturisme Indonesia as of December 31, 2014, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other Matter

The financial statements as of December 31, 2013 and for the year then ended were audited by other independent auditors who expressed a qualified opinion on such financial statements on November 24, 2014. The basis of qualified opinion of such financial statements is that the Foundation has not applied the Statement of Financial Accounting Standards No. 24 (Revised 2010), "Employee Benefits" for the purpose of estimating its liability for employee benefits.

Y. Santosa dan Rekan
Registered Public Accountants



Tjiendradjaja Yamin
Public Accountant Registration No. AP.0384

August 7, 2015

NOTICE TO READERS

The accompanying financial statements are not intended to present the financial position, results of activities and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards, procedures and practices utilized to audit such financial statements may differ from those generally accepted in countries and jurisdictions other than Indonesia. Accordingly, the accompanying financial statements and the auditors' report thereon are not intended for use by those who are not informed about Indonesian accounting principles and auditing standards, and their application in practice.

YAYASAN EKOTURISME INDONESIA
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013
(Expressed in Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
ASSETS			
CURRENT ASSETS			
Cash and banks	4	706,511,452	982,890,252
Other receivables	5	10,858,289	10,913,525
Advances and prepaid expenses	6	<u>137,919,551</u>	<u>170,909,419</u>
Total Current Assets		855,289,292	1,164,713,196
NON-CURRENT ASSET			
Fixed assets - net	7	<u>458,473,192</u>	<u>619,231,007</u>
TOTAL ASSETS		<u><u>1,313,762,484</u></u>	<u><u>1,783,944,203</u></u>
LIABILITIES AND NET ASSETS			
SHORT-TERM LIABILITIES			
Accrued expenses	8	87,102,488	62,870,341
Tax payable	9	<u>10,858,289</u>	<u>6,223,872</u>
Total Short-term Liabilities		97,960,777	69,094,213
LONG-TERM LIABILITY			
Employee benefits liability	10	<u>467,900,690</u>	<u>380,777,427</u>
Total Liabilities		<u>565,861,467</u>	<u>449,871,640</u>
NET ASSETS			
Unrestricted		<u>747,901,017</u>	<u>1,334,072,563</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>1,313,762,484</u></u>	<u><u>1,783,944,203</u></u>

The accompanying notes to the financial statements are an integral part of these financial statements.

YAYASAN EKOTURISME INDONESIA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
CHANGES IN UNRESTRICTED NET ASSETS			
REVENUES			
	11		
Donations		3,682,484,536	3,758,149,465
Others		39,998,627	8,601,856
Total Revenues		<u>3,722,483,163</u>	<u>3,766,751,321</u>
PROGRAM EXPENSES			
Integrated education		1,156,278,842	1,047,887,820
Sustainable community health improvement		630,482,082	568,271,955
Vetiver development		260,186,783	260,136,517
Infrastructure		231,183,050	252,737,902
Site transport to facilitate all programs		238,809,743	186,866,905
Bamboo development and reforestation		248,286,758	174,594,731
Organic vegetables gardens for food security and sustainable community development		123,797,570	88,065,655
Insurance for staffs		46,326,340	82,946,164
Solar power system		47,719,222	61,235,322
Community safe water supply		58,375,313	46,340,850
Others		103,874,735	123,811,451
Total Program Expenses		<u>3,145,320,438</u>	<u>2,892,895,272</u>
General and administrative expenses	12	1,162,337,417	1,056,176,177
Other expenses		996,854	2,272,325
Total Expenses		<u>4,308,654,709</u>	<u>3,951,343,774</u>
DECREASE IN NET ASSETS BEFORE PROVISION FOR INCOME TAX			
		(586,171,546)	(184,592,453)
PROVISION FOR INCOME TAX			
	14	-	-
DECREASE IN NET ASSETS			
		(586,171,546)	(184,592,453)
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR			
		<u>1,334,072,563</u>	<u>1,518,665,016</u>
UNRESTRICTED NET ASSETS AT END OF YEAR			
		<u><u>747,901,017</u></u>	<u><u>1,334,072,563</u></u>

The accompanying notes to the financial statements are an integral part of these financial statements.

YAYASAN EKOTURISME INDONESIA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in Rupiah, unless otherwise stated)

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net decrease in unrestricted net assets	(586,171,546)	(184,592,453)
Adjustments for:		
Depreciation	237,282,649	263,995,126
Employee benefits expense	87,123,263	74,406,863
Decrease in:		
Other receivables	55,236	31,961,515
Advances and prepaid expenses	32,989,868	45,844,222
Increase (decrease) in:		
Accrued expenses	24,232,147	37,235,015
Tax payable	4,634,417	(7,535,332)
Net Cash Flows Provided by (Used in) Operating Activities	<u>(199,853,966)</u>	<u>261,314,956</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Acquisition of fixed assets	<u>(76,524,834)</u>	<u>(110,773,150)</u>
NET INCREASE (DECREASE) IN CASH AND BANKS	<u>(276,378,800)</u>	<u>150,541,806</u>
CASH AND BANKS AT BEGINNING OF YEAR	<u>982,890,252</u>	<u>832,348,446</u>
CASH AND BANKS AT END OF YEAR	<u><u>706,511,452</u></u>	<u><u>982,890,252</u></u>

The accompanying notes to the financial statements are an integral part of these financial statements.

YAYASAN EKOTURISME INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in Rupiah, unless otherwise stated)

1. GENERAL

a. Foundation's Establishment

Yayasan Ekoturisme Indonesia (the "Foundation") or The East Bali Poverty Project - EBPP was established on July 25, 1998, domiciled in Kuta, based on Notarial Deed No. 96 dated July 25, 1998 of Ny Meiyane Halimatussyadiah, S.H., Notary in Jakarta and registered at the Denpasar Public Court, Report List No. 26, dated August 11, 1998. The Foundation's Articles of Association have been amended several times, the most recent being based on Notarial Deed No. 1 dated July 1, 2005 of Ny Meiyane Halimatussyadiah, S.H., Notary in Jakarta, concerning the changes of all the Foundation's Articles of Association to comply with the Law no. 16 year 2001.

The objectives and activities of the Foundation are in the social field in particular:

- a. improve the welfare of village communities through information that can improve the knowledge and awareness of communities of their village potential and the community potential, in a voluntary and non-profit manner;
- b. aid communities particularly in the least developed villages by motivating the community to find, develop or improve the potential of the village, whether the social, economy, cultural potentials or human resources;
- c. provide training on the know-how or instruction in the framework of improving the potential of villagers;
- d. disseminate information or instruction on issues relating to the environment (nature conservation) and culture or tradition;
- e. cooperate with government institutions or other country, social institutions, associations, Foundations, organizations and/or other individuals inside or outside Indonesia in relation to the aforementioned activities; and
- f. use any other efforts to promote the above activities.

The Foundation has two (2) secretariats: one is located in Jalan Tunjung Sari No. 2YZ Padangsambian, Denpasar, Bali and another in Ban hamlet, Ban Village, Kubu District, Karangasem Regency, Bali. Since 2002, the Foundation's registered office has been in Ban Hamlet, Ban Village, Kubu District, Karangasem Regency, Bali.

b. Organs of the Foundation and Employees

The members of the Organs of the Foundation as of December 31, 2014 and 2013 were as follows:

Board of Trustees

Chairman : Mr. Ketut Arthana
Members : Mr. David John Booth (Founder of the Foundation)
Mr. Endang Husnaeni

Board of Management

Chairman : Mr. I Komang Kurniawan
Vice Chairman : Mr. Tri Budiyo
Secretary : Mr. Gede Ngurah Indraguna Pinatih
Treasurer : Mr. I Gusti Ngurah Adi Suputra

Board of Supervisor : Mr. John Scott Younger

The composition of the Organ of the Foundation as of December 31, 2014 and 2013 was based on Board of Trustees Meeting dated February 7, 2007, as stated in the Minutes of Board of Trustees Meeting Deed No. 3 dated December 15, 2008 of Ny Meiyane Halimatussyadiah, S.H., Notary in Jakarta, and registered at Ministry of Law and Human Right under number AHU-AH. 1.08-396 dated 23 June 2009.

As of December 31, 2014 and 2013, the Foundation had 104 and 99 employees, respectively (unaudited).

YAYASAN EKOTURISME INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in Rupiah, unless otherwise stated)

1. GENERAL *(Continued)*

c. Completion of the Financial Statements

The management of the Foundation is responsible for the preparation of these financial statements, which have been authorized for issue by the Board of Management of the Foundation on August 7, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of the Financial Statements and Statement of Compliance

The financial statements have been prepared in accordance with Financial Accounting Standards ("SAK"), which comprise the Statements and Interpretations issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants.

The financial statements, except for the statements of cash flows, have been prepared on an accrual basis of accounting using the historical cost concept, except for certain accounts that are measured on the bases described in the related accounting policies.

The statements of cash flows are prepared using the indirect method, being classified into operating, investing and financing activities.

The reporting currency used in the preparation of the financial statements is Indonesian Rupiah ("Rp"), which is also the functional currency of the Foundation.

The Foundation preserved all funds generated in the statements of activities in accordance with PSAK No. 45 "Non-Profit Organization," the sources of fund are defined as follows:

1. Permanent restriction is limitation on the use of resources determined by the contributors to maintain the resources permanently; however, the non-profit organization is permitted to use part or all income or other economic benefits generated from using those resources.
2. Temporary restriction is limitation on the use of resources determined by the contributors to maintain the resources until a particular date or condition has been reached.
3. Unrestricted are resources whose the use is unlimited.

b. Cash and Banks

Cash and banks consist of cash on hand and in banks that are not pledged as collateral or restricted in use.

c. Prepaid Expenses

Prepaid expenses are amortized over the periods benefited using the straight-line method.

d. Fixed Assets

The Foundation has chosen the cost model as the accounting policy for its fixed assets measurement wherein fixed assets are stated at cost less accumulated depreciation and any impairment in value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Years
Solar power system	10
Vehicles	4 - 8
Office equipment	4 - 8

YAYASAN EKOTURISME INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

The assets' useful lives and methods of depreciation are reviewed and adjusted if appropriate, at each statement of financial position date.

The cost of repairs and maintenance is charged to statement of activities as incurred; replacement or major inspection costs are capitalized when incurred if it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be reliably measured. An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of activities in the year the asset is derecognized.

e. Impairment of Non-financial Assets

The Foundation evaluates at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Foundation estimates the recoverable amount of the asset. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Whenever the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. The impairment loss is recognized immediately in the statement of activities.

f. Financial Instruments

1. Financial assets

Initial recognition

The Foundation classifies all of its financial assets under the loans and receivables category, which are recognized initially at fair value plus transaction costs.

Subsequent measurement

Loans and receivables are carried at amortized cost using the effective interest method, less any impairment. Gains and losses are recognized in the statement of activities when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Impairment of financial assets

The Foundation evaluates at each reporting date whether any of its financial assets are impaired. If there is objective evidence of impairment, the amount of loss, which is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the effective interest rate computed at initial recognition of the asset, is recognized to profit or loss.

Derecognition of financial assets

The Foundation shall derecognize financial assets when, and only when: the contractual rights to the cash flows from the financial asset expire, the contractual rights to receive the cash flows of the financial asset are transferred to another entity or the contractual rights to receive the cash flows of the financial asset are retained but a contractual obligation is assumed to pay the cash flows to one or more recipients in an arrangement that meets certain conditions. When the Foundation transfers a financial asset, it shall evaluate the extent to which it retains the risks and rewards of ownership of the financial asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2. Financial liabilities

Initial recognition

The Foundation classifies all of its financial liabilities under financial liabilities measured at amortized cost, which are recognized initially at fair value and inclusive of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities in this category are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of activities when the liabilities are derecognized, as well as through the amortization process.

Derecognition of financial liabilities

The Foundation derecognizes financial liabilities when, and only when, the Foundation's obligations are discharged, cancelled or expired.

3. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4. Financial instruments measured at amortized cost

Amortized cost is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

g. Revenues and Expenses Recognition

Unrestricted revenue

Unrestricted revenue represents grants received that the Foundation may freely use for whatever purpose it may deem fit.

Unrestricted revenue may be classified as either inappropriate or appropriate. Inappropriate unrestricted revenue is that whose use of assets is not designated for a specific purpose. Appropriated unrestricted revenue is that whose use of assets has been restricted for a specific purpose.

Unrestricted revenue is recognized as revenue in the year in which the grants are pledged, as long as collection is probable and when the donor imposed conditions are met.

Restricted revenue

Restricted revenue may either be temporarily or permanently restricted. Temporarily restricted revenue is that whose use by the Foundation has been limited by donors to later periods of time or after specified dates or for specific purposes. Permanently restricted revenue is that whose donor-imposed restriction limits the Foundation's use of assets or its economic benefits and neither expires with the passage of time nor can be removed by the Foundation's meeting certain requirements.

YAYASAN EKOTURISME INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Restricted revenue is recognized as revenue to the extent that the grant conditions have been met and the related expenses have been incurred. Restricted revenue received, for which the expenses have not yet been incurred as at the date of the financial position, are classified as current liabilities.

Other revenues and expenses

Revenues from projects and services are recognized when the projects are undertaken and services are rendered.

Interest income is recognized when earned.

Expenses are recognized when incurred (accrual basis).

h. Income Taxes

The Foundation's revenues are mostly donations that are not subjected to income tax.

i. Transactions and Balances in Foreign Currency

Transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the time the transactions are made. At the end of reporting period, monetary assets and liabilities denominated in foreign currencies are adjusted to the functional currency to reflect the middle exchange rate published by Bank Indonesia on the last banking transaction date of the year. The gains or losses resulting from such adjustment or settlement of each monetary asset and liability denominated in foreign currencies are credited or charged to current year statement of activities.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements, in conformity with Indonesian Financial Accounting Standards, requires management to make judgments, estimations and assumptions that affect amounts reported therein. Due to the inherent uncertainty in making estimates, actual results reported in future periods may differ from those estimates.

The Foundation based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Foundation. Such changes are reflected in the assumptions as they occur.

The following judgments, estimates and assumptions made by management in the process of applying the Foundation's accounting policies are those most likely to have significant effects on the amounts recognized in the financial statements:

Determining functional currency

The factors considered in determining the functional currency of the Foundation include, among others, the currency:

- that mainly influences labor, material and other costs of providing services;
- in which funds from financing activities are generated; and
- in which receipts from operating activities are usually retained.

YAYASAN EKOTURISME INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in Rupiah, unless otherwise stated)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

Determining classification of financial assets and financial liabilities

The Foundation determines the classification of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55 (Revised 2011). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Foundation's accounting policies.

Determining fair value and calculation of cost amortization of financial instruments

The Foundation records certain financial assets and liabilities at fair values and at amortized costs, which requires the use of accounting estimates. While significant components of fair value measurement and assumptions used in the calculation of cost amortization were determined using verifiable objective evidence, the fair value or amortization amount would differ if the Foundation utilized different valuation methodology or assumptions. Such changes would directly affect the Foundation's activities.

Assessing recoverable amounts of non-financial assets

The recoverable amount of fixed assets is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the assets. Estimated future cash flows include estimates of future revenues. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in adjustments to the provision of impairment already booked.

Determining depreciation method and estimated useful lives of fixed assets

The costs of fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management properly estimates the useful lives of these fixed assets to be within 4 to 10 years. These are common life expectancies applied in the areas in which the Foundation conducts its operations. Changes in the expected level of usage and technological development could impact on the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

Evaluating provisions and contingencies

The management exercises its judgment to distinguish between provisions and contingencies mainly through consultation with the Foundation's legal counsel handling those proceedings. The Foundation sets up appropriate provisions for its present legal or constructive obligations, if any, in accordance with its policies on provisions and takes the relevant risks and uncertainty into account.

4. CASH AND BANKS

	<u>2014</u>	<u>2013</u>
Cash on hand	13,260,969	61,455,477
Cash in banks		
PT Bank Negara Indonesia (Persero) Tbk	693,162,688	921,434,775
PT Bank Pembangunan Daerah Bali	87,795	-
Subtotal	693,250,483	921,434,775
Total	<u>706,511,452</u>	<u>982,890,252</u>

YAYASAN EKOTURISME INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in Rupiah, unless otherwise stated)

5. OTHER RECEIVABLES

Other receivables represent receivables from employees amounting to Rp10,858,289 and Rp10,913,525 as of December 31, 2014 and 2013, respectively.

6. ADVANCES AND PREPAID EXPENSES

	<u>2014</u>	<u>2013</u>
Prepaid expenses	130,893,551	167,009,419
Advances to employees	7,026,000	3,900,000
Total	<u>137,919,551</u>	<u>170,909,419</u>

7. FIXED ASSETS

	<u>2014</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	
Acquisition Costs				
Vehicles	1,610,295,950	-	-	1,610,295,950
Office equipment	950,396,083	76,524,834	-	1,026,920,917
Solar power system	367,613,216	-	-	367,613,216
Total Acquisition Costs	<u>2,928,305,249</u>	<u>76,524,834</u>	<u>-</u>	<u>3,004,830,083</u>
Accumulated Depreciation				
Vehicles	1,303,996,471	125,893,438	-	1,429,889,909
Office equipment	792,640,570	74,627,890	-	867,268,460
Solar power system	212,437,201	36,761,321	-	249,198,522
Total Accumulated Depreciation	<u>2,309,074,242</u>	<u>237,282,649</u>	<u>-</u>	<u>2,546,356,891</u>
Carrying Amounts	<u>619,231,007</u>			<u>458,473,192</u>
	<u>2013</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Acquisition Costs				
Vehicles	1,610,295,950	-	-	1,610,295,950
Office equipment	839,622,933	110,773,150	-	950,396,083
Solar power system	367,613,216	-	-	367,613,216
Total Acquisition Costs	<u>2,817,532,099</u>	<u>110,773,150</u>	<u>-</u>	<u>2,928,305,249</u>
Accumulated Depreciation				
Vehicles	1,151,394,805	152,601,666	-	1,303,996,471
Office equipment	718,008,432	74,632,138	-	792,640,570
Solar power system	175,675,879	36,761,322	-	212,437,201
Total Accumulated Depreciation	<u>2,045,079,116</u>	<u>263,995,126</u>	<u>-</u>	<u>2,309,074,242</u>
Carrying Amounts	<u>772,452,983</u>			<u>619,231,007</u>

Depreciation expenses charged to statements of activities amounted to Rp237,282,649 in 2014 and Rp263,995,126 in 2013.

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7. FIXED ASSETS *(Continued)*

As of December 31, 2014 and 2013, vehicles were covered by insurance against losses due to accident amounting to Rp750,000,000. The management believes that the amount of insurance was adequate to cover possible losses.

Based on an evaluation by the management, there were no events or changes in circumstances that indicated any impairment in the value of the Foundation's fixed assets.

8. ACCRUED EXPENSES

Accrued expenses mainly represent charges related to ongoing projects and regular activities amounting to Rp87,102,488 and Rp62,870,341 as of December 31, 2014 and 2013, respectively.

9. TAX PAYABLE

Tax payable represents income tax payable Article 21 amounting to Rp10,858,289 and Rp6,223,872 as of December 31, 2014 and 2013, respectively.

10. EMPLOYEE BENEFITS LIABILITY

The movements of employee benefits liability in the statements of financial position were as follows:

	<u>2014</u>	<u>2013</u>
Beginning balance	380,777,427	306,370,564
Employee benefits expense	87,123,263	74,406,863
Ending Balance	<u>467,900,690</u>	<u>380,777,427</u>

The Foundation did not use the "projected-unit-credit" actuarial valuation method to determine employee benefits liability. The Foundation is unable to fulfill the disclosure requirements under PSAK No. 24 (Revised 2010).

11. REVENUES

	<u>2014</u>	<u>2013</u>
Donations		
Integrated education	1,449,761,268	1,345,445,573
Sustainable community health improvement	954,740,736	729,610,882
Head office operational and overhead costs	321,081,165	288,149,254
Site transport to facilitate all programs	259,497,702	132,000,000
Infrastructure	211,123,583	87,110,700
Vetiver development	194,761,380	384,795,240
Organic vegetables gardens for food security and sustainable community development	155,168,382	199,788,200
Bamboo development and reforestation	105,875,300	506,915,300
Community safe water supply	80,000	30,299,200
Others	30,395,020	54,035,116
Subtotal	<u>3,682,484,536</u>	<u>3,758,149,465</u>

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11. REVENUES *(Continued)*

	<u>2014</u>	<u>2013</u>
Others		
Interest Income	13,253,517	6,078,027
Others	26,745,110	2,523,829
Subtotal	39,998,627	8,601,856
Total	<u>3,722,483,163</u>	<u>3,766,751,321</u>

12. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2014</u>	<u>2013</u>
Salaries and employee benefits	529,649,071	526,187,530
Transportation	96,106,547	17,330,843
Office supplies	95,254,927	52,213,446
Depreciation	88,063,444	84,816,670
Media and communication	69,900,776	60,431,025
Professional fee	55,000,000	40,000,000
Rental	44,750,000	44,866,666
Electricity and water	28,316,124	24,651,036
Public relation, marketing and fundraising	4,395,700	55,499,207
Others	150,900,828	150,179,754
Total	<u>1,162,337,417</u>	<u>1,056,176,177</u>

13. FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and estimated fair values of the Foundation's financial instruments that were carried on the statements of financial position:

	<u>2014</u>		<u>2013</u>	
	<u>Carrying Amounts</u>	<u>Fair Values</u>	<u>Carrying Amounts</u>	<u>Fair Values</u>
Financial Assets				
Cash and banks	706,511,452	706,511,452	982,890,252	982,890,252
Other receivables	10,858,289	10,858,289	10,913,525	10,913,525
Total Financial Assets	<u>717,369,741</u>	<u>717,369,741</u>	<u>993,803,777</u>	<u>993,803,777</u>
Financial Liability				
Accrued expenses	<u>87,102,488</u>	<u>87,102,488</u>	<u>62,870,341</u>	<u>62,870,341</u>

The carrying values of cash and banks, other receivables and accrued expenses approximate to their fair values largely due to the short-term maturity of these financial instruments.

14. PROVISION FOR INCOME TAX

Provision for income tax in 2014 and 2013 was nil.