

**Financial Statements
With Independent Auditors' Report
December 31, 2013 and 2012 and
January 1, 2012/December 31, 2011, and
For the Years Ended December 31, 2013 and 2012**

YAYASAN EKOTURISME INDONESIA

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Name

Office Address

Domestic telephone number (in ID Card)

Phone Number

Position

David John Fongg

Jalan Tanjung Sari No. 212

Pasarjambon Kota Depok

Jl. Tanjung Sari, Tanjung Sari, Hutan

Kampung, Depok, Jawa Barat, Indonesia

021-4118777

Founder & Founder

Under this

We are responsible for the preparation and presentation of the financial statements.

The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards.

All information contained in the financial statements is complete and truthful.

The financial statements do not contain any material information or material facts, not all they and information is material facts.

We are responsible for Yayasan Ekowisata Inkuntia internal control system.

This statement is made in all truth

Depok, December 31, 2013

Signature of the Board of Management

DAVID JOHN FONGG

Founder

DAVID JOHN FONGG

Founder



**BOARD OF MANagements' STATEMENT
REGARDING THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
OF YAYASAN EKOTURISME INDONESIA
AS OF DECEMBER 31, 2013 AND FOR THE YEAR THEN ENDED**

P.O. Box 3850 Denpasar,
Bali, Indonesia
Phone: (62) (361) 410071
Fax: (62) (361) 430785

E-mail: info@eastbalipovertyproject.org
http://www.eastbalipovertyproject.org

We, the undersigned:

1. Name : I Komang Kurniawan
Office Address : Jalan Tunjung Sari No. 2YZ
Padangsambian Kaja, Denpasar
Domicile as stated in ID Card : Br. Tunas Sari, Tianyar Timur, Kubu,
Karangasem.
Phone Number : 0361- 410071
Position : Chairman of Board of Management

2. Name : David John Booth
Office Address : Jalan Tunjung Sari No. 2YZ
Padangsambian Kaja, Denpasar
Domicile as stated in ID Card : Jl. Tibung Sari Gang Sula Bali, Br.
Kwanji, Dalung, Kuta Utara, Badung.
Phone Number : 0361- 410071
Position : Founder & Trustee

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, November 24, 2014

For and on behalf of the Board of Managements

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: 0065 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: ABNAIDJA



I Komang Kurniawan
Chairman

David John Booth MBE
Founder & Trustee

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

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



Independent Auditors' Report

Report No. 2014/T1/11.24.01

The Boards of Trustees 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, 2013, 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 11, the Foundation has not applied the “projected-unit-credit” actuarial valuation method as required by Statement of Financial Accounting Standards (SFAS) No. 24 (Revised 2010), “Employee Benefits” for the purpose of estimating its liability for employee benefits as provided under Labor Law No. 13/2003 dated March 25, 2003 (the “Law”).

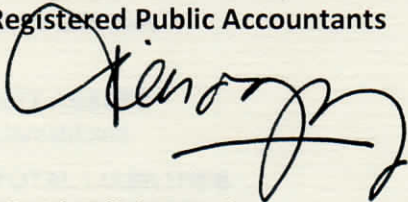
Qualified Opinion

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, 2013, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other Matter

We have been appointed as auditors of the Foundation for the accompanying financial statements as of December 31, 2013 and for the year then ended. The financial statements as of December 31, 2012 and for the year then ended were audited by other independent auditors who expressed a qualified opinion on such financial statements on September 12, 2013. As disclosed in Note 4, the Foundation has restated its financial statements for year ended December 31, 2012 and 2011.

Tjiendradjaja & Handoko Tomo
Registered Public Accountants



Tjiendradjaja Yamin
Public Accountant License No. AP.0384

November 24, 2014

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, 2013 AND 2012 AND JANUARY 1, 2012/
 DECEMBER 31, 2011
 (Expressed in Rupiah, unless otherwise stated)

			2012 (Restated - Note 4)	January 1, 2012/ December 31, 2011 (Restated - Note 4)
ASSETS	Notes	2013		
CURRENT ASSETS				
Cash and banks	5	982,890,252	832,348,446	773,476,989
Other receivables	6	10,913,525	42,875,040	54,511,466
Advances and prepaid expenses	7	170,909,419	216,753,641	88,825,546
Total Current Assets		1,164,713,196	1,091,977,127	916,814,001
NON-CURRENT ASSET				
Fixed assets - net	8	619,231,007	772,452,983	961,496,870
TOTAL ASSETS		1,783,944,203	1,864,430,110	1,878,310,871
LIABILITIES AND NET ASSETS				
SHORT-TERM LIABILITIES				
Accrued expenses	9	62,870,341	25,635,326	5,294,256
Tax payable	10	6,223,872	13,759,204	12,036,940
Total Short-term Liabilities		69,094,213	39,394,530	17,331,196
LONG-TERM LIABILITY				
Employee benefits liability	11	380,777,427	306,370,564	286,441,556
Total Liabilities		449,871,640	345,765,094	303,772,752
NET ASSETS				
Unrestricted		1,334,072,563	1,518,665,016	1,574,538,119
TOTAL LIABILITIES AND NET ASSETS		1,783,944,203	1,864,430,110	1,878,310,871

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, 2013 AND 2012
(Expressed in Rupiah, unless otherwise stated)

	<u>Note</u>	<u>2013</u>	<u>2012</u> <u>(Restated -</u> <u>Note 4)</u>
CHANGES IN UNRESTRICTED NET ASSETS			
REVENUES			
	12		
Donations		3,758,149,465	4,090,440,307
Others		8,601,856	25,023,200
Total Revenues		<u>3,766,751,321</u>	<u>4,115,463,507</u>
PROGRAM EXPENSES			
Integrated education		1,047,887,820	1,058,364,009
Sustainable community health improvement		568,271,955	512,009,206
Vetiver development		260,136,517	390,900,490
Infrastructure		252,737,902	384,278,550
Site transport to facilitate all programs		186,866,905	145,539,547
Bamboo development and reforestation		174,594,731	175,622,513
Organic vegetables gardens for food security and sustainable community development		88,065,655	101,056,750
Insurance for staffs		82,946,164	63,278,749
Solar power system		61,235,322	58,025,372
Community safe water supply		46,340,850	49,114,633
Others		123,811,451	108,238,906
Total Program Expenses		<u>2,892,895,272</u>	<u>3,046,428,725</u>
General and administrative expenses	13	1,056,176,177	1,088,814,913
Other expenses		<u>2,272,325</u>	<u>36,092,972</u>
Total Expenses		<u>3,951,343,774</u>	<u>4,171,336,610</u>
DECREASE IN NET ASSETS BEFORE PROVISION FOR INCOME TAX			
		(184,592,453)	(55,873,103)
PROVISION FOR INCOME TAX			
	15	-	-
DECREASE IN NET ASSETS			
		(184,592,453)	(55,873,103)
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR			
		<u>1,518,665,016</u>	<u>1,574,538,119</u>
UNRESTRICTED NET ASSETS AT END OF YEAR			
		<u><u>1,334,072,563</u></u>	<u><u>1,518,665,016</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, 2013 AND 2012
(Expressed in Rupiah, unless otherwise stated)

I. GENERAL

A. Foundation's Management

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net decrease in unrestricted net assets	(184,592,453)	(55,873,103)
Adjustments for:		
Depreciation	263,995,126	286,492,493
Employee benefits expense	74,406,863	19,929,008
Gain from sale of fixed assets	-	(6,221,106)
Decrease (increase) in:		
Other receivables	31,961,515	11,636,426
Advances and prepaid expenses	45,844,222	(127,928,095)
Increase (decrease) in:		
Accrued expenses	37,235,015	20,341,070
Tax payable	(7,535,332)	1,722,264
Net Cash Flows Provided by Operating Activities	261,314,956	150,098,957
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(110,773,150)	(98,307,500)
Proceeds from sale of fixed assets	-	7,080,000
Net Cash Flows Used in Investing Activities	(110,773,150)	(91,227,500)
NET INCREASE IN CASH AND BANKS	150,541,806	58,871,457
CASH AND BANKS AT BEGINNING OF YEAR	832,348,446	773,476,989
CASH AND BANKS AT END OF YEAR	982,890,252	832,348,446

B. Organs of the Foundation and Employees

The members of the Organs of the Foundation as at December 31, 2013 and 2012 are as follows:

Board of Trustees

Chairman: Mr. Haidar Widada
 Member: Mr. Dwiyo Jati Soeh (Formerly of the Foundation)
 Mr. Soediro Mangrove

Board of Management

Chairman: Mr. I. Komara Kumara
 Vice Chairman: Mr. Tri Sulaksana
 Secretary: Mr. Gede Ngurah Anandana Pratiwi
 Treasurer: Mr. I Gusti Ngurah Ari Widada

Board of Inspector Mr. Agus Sudi Dharma

As at December 31, 2013 and 2012, the Foundation had 25 and 171 employees respectively (including unpaid).

C. Description of the Financial Statements

The management of the Foundation is responsible for the preparation of these financial statements and have been authorized by the Board of Management of the Foundation on December 31, 2013.

YAYASAN EKOTURISME INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(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 and was 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. 03 dated December 15, 2008 of Ny Meiyane Halimatussyadiah, S.H., Notary in Jakarta, concerning the changes of the composition of Organs of the Foundation.

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

- a. improve the welfare of village community 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 the community 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 the other 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, 2013 and 2012 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
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As of December 31, 2013 and 2012, the Foundation had 99 and 105 permanent employees, respectively (unaudited).

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 November 24, 2014.

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 applied from the month when such assets were placed into service. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

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

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.

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

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. 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.

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

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 expire.

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.

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.

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

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.

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 disclosed in Note 2.

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

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. Further details are disclosed in Note 14.

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. Further details are disclosed in Notes 2 and 8.

Determining income taxes

Significant judgment is involved in determining provision for corporate income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Foundation recognizes liabilities for expected corporate income tax issues based on estimates as to whether additional corporate income tax will be due. Further details are disclosed in Note 15.

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. RESTATEMENT

The Foundation has restated the financial statements for the years ended December 31, 2012 and 2011 when preparing the financial statements for year ended December 31, 2013 due to misrecording of accrued expenses that should be recorded in 2012 and other payables that should be recorded in 2010.

YAYASAN EKOTURISME INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Expressed in Rupiah, unless otherwise stated)

4. RESTATEMENT (Continued)

The following is the comparison of the financial information for years ended December 31, 2012 and 2011:

	Previously Reported 2012	Restated 2012
<u>Financial Position</u>		
Other payables	28,223,895	-
Accrued expenses	4,333,160	25,635,326
Net assets - unrestricted	1,511,743,287	1,518,665,016
<u>Statement of Activities</u>		
General and administrative expenses	1,067,512,747	1,088,814,913

	Previously Reported 2011	Restated 2011
<u>Financial Position</u>		
Other payables	28,223,895	-
Net assets - unrestricted	1,546,314,224	1,574,538,119

5. CASH AND BANKS

	2013	2012
Cash on hand	61,455,477	40,850,334
Cash in banks		
PT Bank Negara Indonesia (Persero) Tbk	921,434,775	789,519,630
PT Bank ANZ Indonesia	-	1,978,482
Subtotal	921,434,775	791,498,112
Total	982,890,252	832,348,446

6. OTHER RECEIVABLES

Other receivables represent receivables from employees amounting to Rp10,913,525 and Rp42,875,040 as of December 31, 2013 and 2012, respectively.

7. ADVANCES AND PREPAID EXPENSES

	2013	2012
Prepaid expenses	167,009,419	210,953,641
Advances to employees	3,900,000	5,800,000
Total	170,909,419	216,753,641

YAYASAN EKOTURISME INDONESIA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
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8. FIXED ASSETS

	2013			
	Beginning Balance	Additions	Disposals	Ending Balance
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>
	2012			
	Beginning Balance	Additions	Disposals	Ending Balance
Acquisition Costs				
Vehicles	1,571,695,950	51,600,000	13,000,000	1,610,295,950
Office equipment	794,245,333	46,707,500	1,329,900	839,622,933
Solar power system	367,613,216	-	-	367,613,216
Total Acquisition Costs	<u>2,733,554,499</u>	<u>98,307,500</u>	<u>14,329,900</u>	<u>2,817,532,099</u>
Accumulated Depreciation				
Vehicles	986,028,555	178,366,250	13,000,000	1,151,394,805
Office equipment	647,114,517	71,364,921	471,006	718,008,432
Solar power system	138,914,557	36,761,322	-	175,675,879
Total Accumulated Depreciation	<u>1,772,057,629</u>	<u>286,492,493</u>	<u>13,471,006</u>	<u>2,045,079,116</u>
Carrying Amounts	<u>961,496,870</u>			<u>772,452,983</u>

Depreciation expenses charged to statements of activities amounted to Rp263,995,126 in 2013 and Rp286,492,493 in 2012.

As of December 31, 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.

9. ACCRUED EXPENSES

Accrued expenses represent mainly relate to ongoing projects and regular activities amounting to Rp62,870,341 and Rp25,635,326 as of December 31, 2013 and 2012, respectively.

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10. TAX PAYABLE

Tax payable represents income tax payable article 21 amounting to Rp6,223,872 and Rp13,759,204 as of December 31, 2013 and 2012, respectively.

11. EMPLOYEE BENEFITS LIABILITY

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

	<u>2013</u>	<u>2012</u>
Beginning balance	306,370,564	286,441,556
Employee benefits expense	74,406,863	19,929,008
Ending Balance	<u>380,777,427</u>	<u>306,370,564</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.

12. REVENUES

	<u>2013</u>	<u>2012</u>
Donations		
Integrated education	1,345,445,573	1,469,429,123
Sustainable community health improvement	729,610,882	785,145,631
Bamboo development and reforestation	506,915,300	60,792,000
Vetiver development	384,795,240	454,617,061
Head Office operational and overhead costs	288,149,254	337,805,658
Organic vegetables gardens for food security and sustainable community development	199,788,200	184,448,628
Site transport to facilitate all programs	132,000,000	113,419,530
Infrastructure	87,110,700	619,875,295
Community safe water supply	30,299,200	-
Others	54,035,116	64,907,381
Subtotal	<u>3,758,149,465</u>	<u>4,090,440,307</u>
Others		
Interest Income	6,078,027	11,575,781
Gain from sale of fixed assets	-	6,221,106
Others	2,523,829	7,226,313
Subtotal	<u>8,601,856</u>	<u>25,023,200</u>
Total	<u>3,766,751,321</u>	<u>4,115,463,507</u>

13. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2013</u>	<u>2012</u>
Salaries and employee benefits	526,187,530	436,191,467
Depreciation	84,816,670	105,137,874
Media and communication	60,431,025	64,318,129

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13. GENERAL AND ADMINISTRATIVE EXPENSES *(Continued)*

	<u>2013</u>	<u>2012</u>
Public relation, marketing and fundraising	55,499,207	92,372,005
Office supplies	52,213,446	105,270,835
Rental	44,866,666	58,483,728
Professional fee	40,000,000	13,500,000
Electricity and water	24,651,036	34,298,532
Transportation	17,330,843	58,829,439
Insurance	1,658,413	10,693,933
Others	148,521,341	109,718,971
Total	<u>1,056,176,177</u>	<u>1,088,814,913</u>

14. 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>2013</u>		<u>2012</u>	
	<u>Carrying Amounts</u>	<u>Fair Values</u>	<u>Carrying Amounts</u>	<u>Fair Values</u>
Financial Assets				
Cash and banks	982,890,252	982,890,252	832,348,446	832,348,446
Other receivables	10,913,525	10,913,525	42,875,040	42,875,040
Total Financial Assets	<u>993,803,777</u>	<u>993,803,777</u>	<u>875,223,486</u>	<u>875,223,486</u>
Financial Liability				
Accrued expenses	62,870,341	62,870,341	25,635,326	25,635,326

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.

15. PROVISION FOR INCOME TAX

A reconciliation between decrease in net assets before provision for income tax, as shown in the statements of activities, and taxable income for the years ended December 31, 2013 and 2012 was as follows:

	<u>2013</u>	<u>2012</u>
Decrease in net assets before provision for income tax as per statements of activities	(184,592,453)	(55,873,103)
Permanent differences:		
Revenue which are not subjected to income tax	(3,766,751,321)	(4,115,463,507)
Non-deductible expenses	3,951,343,774	4,171,336,610
Taxable Income	<u>-</u>	<u>-</u>