

YAYASAN TEMAN BAIK

**FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND
FOR THE YEAR THEN ENDED**

**WITH
INDEPENDENT AUDITOR'S REPORT**

**DIRECTORS' STATEMENT LETTER
REGARDING THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS OF
YAYASAN TEMAN BAIK
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED**

The undersigned:

Name : Ari Widodo
Office address : Yayasan Teman Baik
Jl. Tebet Timur I No. 4, RT. 10/RW. 5, Tebet Timur Kec. Tebet, Kota
Jakarta Selatan, Daerah Khusus Ibukota Jakarta 12820
Title : Country Program Director

declare that:

- 1) We are responsible for the preparation and presentation of the financial statements of Yayasan Teman Baik;
- 2) The financial statements of Yayasan Teman Baik have been prepared and presented in accordance with Indonesian Financial Accounting Standards for Non-Profit Entity;
 - a. all information has been fully and correctly disclosed in Yayasan Teman Baik's financial statements;
 - b. the financial statements of Yayasan Teman Baik do not contain materially misleading information or facts, and do not conceal any material information or facts;
- 3) We are responsible for Yayasan Teman Baik's internal control system.

This statement is made in all truth.

Jakarta, October 4, 2023

For and on behalf of the Board of Directors



Ari Widodo
Country Program Director

No. 00426/2.1011/AU.1/11/1013-2/1/X/2023

Independent Auditor's Report

Board of Management, Directors and Supervisors Yayasan Teman Baik

Opinion

We have audited the financial statements of Yayasan Teman Baik ("the Foundation"), which comprise the statement of financial position as of December 31, 2022, and the statement of comprehensive income, statement of changes in net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022, and its financial performance and its cash flows for the year then ended, in accordance with modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles in Indonesia.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting as disclosed in Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

ARIA KANAKA & REKAN
Registered Public Accountants

Dudi Hadi Santoso
No. AP.: 1013

October 4, 2023



YAYASAN TEMAN BAIK
TABLE OF CONTENTS

	<u>Page</u>
DIRECTOR'S STATEMENT	
INDEPENDENT AUDITOR'S REPORT	
FINANCIAL STATEMENTS	
1. Statement of Financial Position	1
2. Statement of Comprehensive Income	2
3. Statement of Changes in Net Assets	3
4. Statement of Cash Flows	4
5. Notes to Financial Statements	5

YAYASAN TEMAN BAIK
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022
(Expressed in Indonesian Rupiah, unless otherwise stated)

	Notes	2022	2021
<u>ASSETS</u>			
CURRENT ASSETS			
Cash on hand and in banks	2c,2e,3,17,18a	110,128,454	1,642,234,949
Advances	2d,2e,4,18a	15,180,000	13,735,000
Other receivables	2d,2e,4,17,18a	74,789,363	13,500,000
Prepayments		34,500,000	34,500,000
Total Current Assets		<u>234,597,817</u>	<u>1,703,969,949</u>
NON-CURRENT ASSETS			
Other non-current assets	2e,5,17,18a	10,000,000	10,000,000
Total Non-Current Assets		<u>10,000,000</u>	<u>10,000,000</u>
TOTAL ASSETS		<u>244,597,817</u>	<u>1,713,969,949</u>
<u>LIABILITIES AND NET ASSETS</u>			
SHORT-TERM LIABILITIES			
Taxes payable	2e,6	1,977,387	1,310,077
Social security	2e,7	8,886,828	6,055,222
Deferred Income	2e,8	366,875,000	-
Funding Payable	2e,9,17	158,613,511	-
Total Short-Term Liabilities		<u>536,352,726</u>	<u>7,365,299</u>
NET ASSETS			
Restricted		(739,870,741)	621,406,304
Unrestricted		448,115,832	1,085,198,346
Total Net Assets		<u>(291,754,909)</u>	<u>1,706,604,650</u>
TOTAL LIABILITIES AND NET ASSETS		<u>244,597,817</u>	<u>1,713,969,949</u>

See accompanying notes to financial statements, which are an integral part of these financial statements.

YAYASAN TEMAN BAIK
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Indonesian Rupiah, unless otherwise stated)

	Notes	2022			2021		
		Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
REVENUES							
Donor funding	2g.10	419,957,677	-	419,957,677	978,245,752	-	978,245,752
Private donations		-	-	-	-	1,061,239,627	1,061,239,627
Consultancy income		500,036,884	7,464,752	507,501,636	449,382,676	11,007,809	460,390,485
Other income		-	16,673,515	16,673,515	-	15,358,410	15,358,410
Total Revenues		919,994,561	24,138,267	944,132,828	1,427,628,428	1,087,605,846	2,515,234,274
EXPENSES							
Personnel	2g.11	1,129,070,280	79,611,729	1,208,682,009	914,113,969	104,108,177	1,018,222,146
Direct costs	2g.12	106,802,200	472,529,220	579,331,420	202,905,530	15,932,300	218,837,830
Equipment / assets	2g.13	17,928,900	2,845,700	20,774,600	-	-	-
Indirect costs	2g.14	261,639,162	105,834,132	367,573,294	185,491,485	223,397,244	408,888,729
Travel and training	2g.15	207,677,600	350,000	208,027,600	1,062,400	45,000	1,107,400
Transfer to program	2g.16	558,103,464	-	558,103,464	192,901,058	(46,537,411)	146,363,647
Total Expenses		2,281,271,606	661,220,781	2,942,492,387	1,496,474,442	296,945,310	1,793,419,752
SURPLUS (DEFICIT)		(1,361,277,045)	(637,082,514)	(1,998,359,559)	(68,846,014)	790,660,536	721,814,522
OTHER COMPREHENSIVE INCOME (LOSS)							
		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)							
		-	-	-	-	-	-

See accompanying notes to financial statements, which are an integral part of these financial statements.

YAYASAN TEMAN BAIK
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Indonesian Rupiah, unless otherwise stated)

	2022	2021
UNRESTRICTED NET ASSETS		
Beginning balance	1,085,198,346	294,537,810
Surplus (deficit) for the year	(637,082,514)	790,660,536
Ending balance of unrestricted net assets	448,115,832	1,085,198,346
Other comprehensive income		
Ending balance of other comprehensive income	-	-
TEMPORARILY RESTRICTED NET ASSETS		
Beginning balance	621,406,304	690,252,318
Deficit for the year	(1,361,277,045)	(68,846,014)
Ending balance of temporarily restricted net assets	(739,870,741)	621,406,304
TOTAL NET ASSETS	(291,754,909)	1,706,604,650

See accompanying notes to financial statements, which are an integral part of these financial statements.

YAYASAN TEMAN BAIK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Indonesian Rupiah, unless otherwise stated)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase (decrease) in Net Assets	(1,998,359,559)	721,814,522
Changes in assets and liabilities		
Decrease (increase) in assets:		
Advances and other receivables	(1,445,000)	(10,985,000)
Other receivables	(61,289,363)	260,216,696
Prepayments	-	(11,500,000)
Increase (decrease) in liabilities:		
Taxes payable	667,310	(1,311,756)
Social security	2,831,606	(3,472,612)
Deferred Income	366,875,000	-
Funding payable	158,613,511	(297,000)
Net Cash Provided by (Used for) Operating Activities	(1,532,106,495)	954,464,850
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANK	(1,532,106,495)	954,464,850
CASH ON HAND AND IN BANK AT BEGINNING OF YEAR	1,642,234,949	687,770,099
CASH ON HAND AND IN BANK AT END OF YEAR	110,128,454	1,642,234,949

See accompanying notes to financial statements, which are an integral part of these financial statements.

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED
(Expressed in Indonesian Rupiah, unless otherwise stated)

1. GENERAL

a. Foundation's Background

Yayasan Teman Baik (the "Foundation") is a non-profit organization which was established on March 26, 2013, based on Notarial Deed No. 366 of Dini Lestari Siburian S.H. dated August 1, 2013, and has been approved by the Ministry of Law and Human Rights of the Republic of Indonesia with its decree No. AHU-5596.01.04 dated September 26, 2013.

The Foundation is domiciled in Jalan Tebet Timur 1, No. 4, Kelurahan Tebet Timur, Kecamatan. Tebet Jakarta Selatan, DKI Jakarta, Indonesia.

b. Scope and Activities

In accordance with Article 2 of the Articles of Incorporation, the Foundation is mainly engaged in working with all members of the society (children, youth, families, communities) in order to:

1. Save lives: protecting and preventing children and youth from all form of abuses.
2. Build futures: supporting marginalized urban children youth and caregivers to become functional, productive citizen of their country.

Activities are conducted via direct outreach on the streets and in vulnerable communities where the most marginalized children and families live and work.

The main activities of the Foundation are:

- a. Research and mapping of the issues faced by the children and the existing services;
- b. Life skills education sessions to teach children and youth how to protect themselves from risks they face (hygiene, risk of abuse and exploitation, road safety, etc.);
- c. Supporting children, youth and families to obtain legal registration papers (birth certificate, ID Card, etc.) so they can have access to existing government services;
- d. Support to out-of-school children to be reintegrated to public school if possible, or alternative forms of education;
- e. Support to unemployed youth to access vocational training or direct placement into employment;
- f. Support to parents or other caretakers of vulnerable children to improve the economic condition of families through placement into employment or micro-business start-up;
- g. Overall collaboration with a network partner (national and local government, civil society organization, private sector companies, and key community members) to build a network of holistic protection and reintegration services.

c. Board of Management

The composition of the Foundation's Board of Management as of December 31, 2022 and 2021 was as follows:

Board of Directors

Chairman	- Mr. Wilfried Schneider
Treasurer	- Mr. Leonard Coster
Secretary	- Mr. Michael Laurence Gilmore Ms. Vivian Hannah Gee
Member	- Mr. Timothee Lucien Pierre Wagener

Board of Supervisor

Chairman	- Mr. Sebastian Marot
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Board of Management

Chairman	- Mr. Ari Widodo
Secretary	- Mr. Tupa S
Treasurer	- Mr. Ivan Wijaya Putra

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED
(Expressed in Indonesian Rupiah, unless otherwise stated)

1. GENERAL (Continued)

As of December 31, 2022 and 2021, the Foundation had 15 and 11 employees (unaudited).

c. Completion of the Financial Statements

The management of the Foundation is responsible of the preparation of these financial statements which have been authorized for issue by the Directors on October 4, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The financial statements have been prepared in accordance with ISAK No. 35 "Financial Reporting for Non-Profit Organizations".

The financial statements have been prepared based on modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles in Indonesia.

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

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

The statements of cash flows, which have been prepared using the indirect method, present receipts and disbursements of cash on hand and in bank classified into operating, investing and financing activities.

The financial statements as of December 31, 2022 and for the year then ended have been prepared solely to assist the Foundation to meet the requirements of the donor, and is not intended to be, and should not be, used by anyone other than this specified party.

b. New and Revised Statements and Interpretation of Financial Accounting Standards Effective in the Current Year

The application of the following revised accounting standards and interpretation of the accounting standards, which are effective from January 1, 2022 and relevant for Foundation, but did not result in substantial changes to the Foundation's accounting policies and had no material effect on the amounts reported for the current year financial statements:

- PSAK No. 57 (Amendment) Provisions, Contingent Liabilities and Assets related with onerous contracts – Cost of Fulfilling a Contract
- PSAK No. 22 (Amendment) Business Combinations Reference to Conceptual Framework
- PSAK No. 71 (Annual Improvement) – Financial Instruments
- PSAK No. 69 (Annual Improvement) - Agriculture
- PSAK No. 73 (Annual Improvement) - Leases

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Cash on hand and in bank

This account consists of cash on hand and in bank that are not pledge as collateral nor restricted in use.

d. Advances and other receivables

Advances and other receivables represent funds given to staff (field team/management) to support all of the program activities and will be charged to expense upon presentation of documents supporting this expense.

e. Financial Instruments

Financial assets

The Foundation has applied PSAK No. 71, which set the requirements in classification and measurement, impairment in value of financial assets and hedging accounting.

Classification and measurement of financial assets are based on business model and contractual cash flows - whether from solely payment of principal and interest.

Financial assets are classified into the three categories as follows:

- Financial assets at amortised cost;
- Financial assets at Fair Value Through Profit or Loss ("FVTPL");
- Financial assets at Fair Value Through Other Comprehensive Income ("FVTOCI").

The Foundation determines the classification of its financial assets at initial recognition and cannot change the classification made at initial adoption.

The Foundation has financial assets classified as financial assets at amortized cost. Financial assets at amortized cost consist of cash, and trade and other receivables. Financial assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current. Financial assets at amortized cost are recognized initially at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate method.

Subsequent measurement

Financial assets at amortized cost are subsequently measured using the Effective Interest Rate ("EIR") method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition fees or costs that are an integral part of the EIR. The EIR amortization is included in the profit or loss. The losses arising from impairment are also recognized in the profit or loss.

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED
(Expressed in Indonesian Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets

At each reporting date, the Foundation assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Foundation use the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Foundation compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions, that is indicative of significant increases in credit risk since initial recognition.

The Foundation applied a simplified approach to measure such expected credit loss for trade receivables and contract assets without significant financing component.

Derecognition of financial assets

The Foundation shall derecognize financial assets when, and only when: the contractual rights to receive the cash flows from the financial asset expire; or 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 they assume a contractual obligation 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.

Financial liabilities

Financial liabilities within the scope of PSAK 71 are classified as follows:

- Financial liabilities at amortized cost.
- Financial liabilities at FVTPL or FVOCI.

The Foundation determines the classification of its financial liabilities at initial recognition. As of December 31, 2022 and 2021, the Foundation classified its financial liabilities as financial liabilities at amortised cost.

Subsequent measurement

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains or losses are recognized in the profit or loss.

Derecognition of financial liabilities

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments measured at amortized cost

Amortized cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. 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.

f. Fixed Assets

All purchased of fixed assets are directly expensed in the period of the acquisition and not capitalized nor depreciated over the useful life of the assets. The cost of any repairs and maintenance is charged to profit or loss as incurred.

g. Revenues and Expenses Recognition

Revenue from contracts with customers

The Foundation has applied PSAK No. 72, which requires revenue recognition to fulfill five (5) steps of assessment:

1. Identify contract(s) with a customer.
2. Identify the performance obligations in the contract. A performance obligation may be satisfied at the following (a) a point in time (b) over time.
3. Determine the transaction price.
4. Allocate the transaction price to each performance.
5. Recognize revenue when performance obligation is satisfied by transferring a promised goods or services to a customer (which is when the customer obtains control of that goods or services).

Revenue is recognized in the year in which the funds are received from the donor.

Expenses are recognized in the period benefited and/or modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles in Indonesia.

h. Employee Benefits

The Foundation determines and recognizes the cost of employee benefits when the employee retires from service.

i. Foreign Currency Transactions and Balances

Transactions in foreign currencies are translated into the Foundation's functional currency (Rp) at the rates of exchange prevailing at transaction date. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated using exchange rate at the date of the transaction.

Foreign currency gains and losses on translation of monetary assets and liabilities that arise from operating activities are generally recognized in profit or loss.

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED
(Expressed in Indonesian Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As of December 31, 2022 and 2021, the closing exchange rates used were as follows:

	<u>2022</u>	<u>2021</u>
US Dollar 1/Rupiah	15,731	14,269

j. Leases

The Foundation has applied PSAK 73, which set the requirement for the recognition of lease liabilities in relation to leases which had been previously classified as "operating lease". This policy is applied to contracts entered into or changed, on or after January 1, 2020.

At the inception of a contract, the Foundation assesses whether the contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

The Foundation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Foundation's incremental borrowing rate. Generally, the Foundation uses its incremental borrowing rate as the discount rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Foundation has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Foundation recognizes the leases payments associated with these leases as an expense on a straight-line basis over the lease term.

3. CASH ON HAND AND IN BANK

This account consists of:

	<u>2022</u>	<u>2021</u>
Cash on hand	15,763,100	373,700
Cash in bank		
PT Bank Mandiri (Persero) Tbk	94,365,354	1,641,861,249
Total	<u>110,128,454</u>	<u>1,642,234,949</u>

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED
(Expressed in Indonesian Rupiah, unless otherwise stated)

4. ADVANCES AND OTHER RECEIVABLES

This account consists of:

	<u>2022</u>	<u>2021</u>
Other receivables	74,789,363	13,500,000
Advances to employees	15,180,000	13,735,000
Total	<u>89,969,363</u>	<u>27,235,000</u>

5. OTHER NON-CURRENT ASSETS

This account consists of security deposits related to the rental of the office to be returned at the end of the lease contract amounted to Rp 10,000,000 as of December 31, 2022 and 2021.

6. TAXES PAYABLE

This account consists of:

	<u>2022</u>	<u>2021</u>
Income taxes		
Article 21	1,977,387	1,310,077
Total	<u>1,977,387</u>	<u>1,310,077</u>

7. SOCIAL SECURITY

This account consists of:

	<u>2022</u>	<u>2021</u>
Social security	8,886,828	6,055,222
Total	<u>8,886,828</u>	<u>6,055,222</u>

8. DEFERRED INCOME

This account consists of:

	<u>2022</u>	<u>2021</u>
Deferred Income	366,875,000	-
Total	<u>366,875,000</u>	<u>-</u>

This account related to donor funding from Boeing that was received in advance and the project will start in January 1, 2023.

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED
(Expressed in Indonesian Rupiah, unless otherwise stated)

9. FUNDING PAYABLE

This account consists of:

	<u>2022</u>	<u>2021</u>
Funding payables	158,613,511	-
Total	<u>158,613,511</u>	<u>-</u>

This account pertains to payable to headquarter (Friends International in Cambodia) for the services performed by headquarter employees in relation to the project of the Foundation.

10. RECEIPTS

This account consists of:

	<u>2022</u>	<u>2021</u>
Donor funding	419,957,677	978,245,752
Private donations	-	1,061,239,627
Consultancy income	507,501,636	460,390,485
Other income	16,673,515	15,358,410
Total	<u>944,132,828</u>	<u>2,515,234,274</u>

11. PERSONNEL

This account consists of:

	<u>2022</u>	<u>2021</u>
National staff	1,088,868,821	878,461,763
Health & Pensions	107,943,189	78,682,384
Stipend	2,250,000	-
Consultancies/Professional fees	8,975,000	60,725,000
Staff COVID testing	645,000	353,000
Total	<u>1,208,682,010</u>	<u>1,018,222,147</u>

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED
(Expressed in Indonesian Rupiah, unless otherwise stated)

12. DIRECT COSTS

This account consists of:

	2022	2021
Hygiene costs	1,880,800	982,600
Medical costs	8,632,400	1,539,300
IEC material	2,633,000	
Non-formal education materials	3,632,900	1,879,900
Food/drinks for beneficiaries	9,376,000	9,147,000
Family support	11,466,500	6,335,900
Other activity cost	4,808,520	4,893,900
Case manager travel	480,000	1,440,000
Recreational Activity Support	537,500	-
Outreach materials	2,106,600	1,069,000
School reintegration support	69,414,400	13,089,000
Vocational training materials/referrals	220,788,000	101,641,950
Job placement support	60,761,000	9,300,000
Childsafe activities	25,270,600	8,650,300
Staff uniforms	4,360,000	-
Micro-enterprise support	75,500,300	40,900,980
Beneficiary transport	54,263,500	17,968,000
Beneficiary trainings/meetings	1,756,500	-
Community event costs	20,394,200	-
Beneficiary COVID testing	1,268,700	-
Total	579,331,420	218,837,830

13. EQUIPMENT / ASSETS

This account consists of:

	2022	2021
IT / Computers	19,190,700	-
Furnitures and fittings	1,583,900	-
Total	20,774,600	-

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED
(Expressed in Indonesian Rupiah, unless otherwise stated)

14. INDIRECT COSTS

This account consists of:

	2022	2021
Communications	39,806,000	30,752,669
Transport / Gasoline / Maintenance	79,652,100	40,453,300
Maintenance and renovations	2,389,000	3,544,000
Office supplies	25,845,500	12,024,283
Rent	132,250,000	123,150,000
Utilities	9,700,500	5,809,697
Printing / photocopy	709,000	1,044,100
Postage and shipping	21,500	-
Bank charges	4,276,274	3,558,630
External audit	63,000,000	-
Subscriptions	5,038,264	5,094,267
Donor / staff / authority relations	2,114,000	1,950,000
Other expenses	2,771,156	181,507,783
Total	367,573,294	408,888,729

15. TRAVEL AND TRAINING

This account consists of:

	2022	2021
International travel	350,000	-
National travel	22,431,600	-
Staff training	69,700	-
Workshops / meetings	185,176,300	1,107,400
Total	208,027,600	1,107,400

16. TRANSFER TO PROGRAM

This account consists of management to headquarters amounted to Rp 558,103,464 and Rp 146,363,646 for the years ended December 31, 2022 and 2021, respectively.

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED
(Expressed in Indonesian Rupiah, unless otherwise stated)

17. FINANCIAL INSTRUMENTS

The following table presents the carrying values and the estimated fair values of the financial instruments carried on the statements of financial position as of December 31, 2022 and 2021:

	2022	
	Carrying Amount	Fair Value
<u>Financial Assets</u>		
Cash on hand and in banks	110,128,454	110,128,454
Other receivables	74,789,363	74,789,363
Other non-current assets	10,000,000	10,000,000
Total Financial Assets	194,917,817	194,917,817
<u>Financial Liabilities</u>		
Funding payable	158,613,511	158,613,511
Total Financial Liabilities	158,613,511	158,613,511
2021		
	Carrying Amount	Fair Value
<u>Financial Assets</u>		
Cash on hand and in banks	1,642,234,949	1,642,234,949
Other receivables	13,500,000	13,500,000
Other non-current assets	10,000,000	10,000,000
Total Financial Assets	1,665,734,949	1,665,734,949
<u>Financial Liabilities</u>		
Funding payable	6,055,222	6,055,222
Total Financial Liabilities	6,055,222	6,055,222

Based on PSAK No. 60, "Financial Instruments: Disclosures", there are levels of fair value hierarchy as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from market prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The fair values of short-term financial instruments with remaining maturities of one year or less (cash, other receivables, other non-current assets, and funding payable) approximate to their carrying amounts largely due to their short-term maturities. The fair value of other non-current assets approximates its carrying amount and not discounted.

YAYASAN TEMAN BAIK
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND FOR THE YEAR THEN ENDED
(Expressed in Indonesian Rupiah, unless otherwise stated)

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Foundation is affected by various financial risks, including credit risk and liquidity risk. The Foundation's overall risk management objectives are to effectively manage these risks and minimize potential adverse effects on its financial performance.

a. Credit risk

The Foundation's exposure to credit risk arises from the default of other parties, with maximum exposure equal the carrying amount of its financial assets, as follows:

	<u>2022</u>	<u>2021</u>
Cash in banks	94,365,354	1,641,861,249
Other receivables	74,789,363	13,500,000
Other non-current assets	10,000,000	10,000,000
Total	<u>179,154,717</u>	<u>1,665,361,249</u>

The Foundation's cash in banks are place into credit-worthy financial institution.

b. Liquidity risk

The Foundation would be exposed to liquidity risk if there is a significant mismatch in timing of receivables collection and the settlement of payables. The Foundation manages this liquidity risk by performing ongoing monitoring of the projected and actual cash flows.

19. NEW / REVISED ACCOUNTING STANDARDS PRONOUNCEMENTS

DSAK-IAI has released revisions to several accounting standards that may have certain impacts on the financial statements.

The following new standard and amendment issued that are effective for the period commencing from on or after January 1, 2023:

- PSAK No. 16 (Amendment) Property, Plant and Equipment – Proceeds before Intended use
- PSAK No. 1 (Amendment) Presentation of Financial Statements – Classification of Liabilities
- PSAK No. 1 (Amendment) Presentation of Financial Statements – Disclosure of Accounting Policies that change the term significant to material and provide explanations of material accounting policies
- PSAK No. 25 (Amendment) Accounting Policies, Changes in Accounting Estimates and Error – The Definition of Accounting Estimates and their Explanations
- PSAK No. 46 (Amendment) Income Tax – Deferred Tax related to Assets and Liabilities arising from a Single Transactions
- PSAK No. 107 (Amendment) Ijarah Accounting

The following new standard and amendment issued that are effective for the period commencing from on or after January 1, 2025, but early adoption is permitted:

- PSAK No. 74 – Insurance Contracts
- PSAK No. 74 (Amendment) – Insurance Contracts – Initial application of PSAK No. 74 and PSAK No. 71 Comparative Information

The Foundation is still evaluating the impact of these new and revised standards on the Foundation's financial statements.