

**PRESENTATION OF THE FINANCIAL STATEMENTS OF NON-
PROFIT ENTITIES BASED ON ISAK 35 AT THE HATI GEMBIRA
INDONESIA FOUNDATION**

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Abstract

A non-profit organization is an organization whose primary objective is non-commercial, without any intention of making any profit. ISAK 35 is a guideline in the presentation of financial statements for non-profit oriented entities that has been approved by Board of Financial Accounting Standards of the Indonesian Institute of Accountants (DSAK IAI) and has been implemented since 1st January 2020. This study aims to determine the suitability of presenting financial statements based on ISAK 35 at the Hati Gembira Indonesia Foundation. Data collection techniques using secondary data. This research uses descriptive qualitative method as the method of analysis. The results of this study prove that Hati Gembira Indonesia Foundation has presented financial statements for the 2020 period in accordance with ISAK 35, but further adjustments are needed to produce quality financial reports.

Keywords: *Non-Profit Organizations, ISAK 35, Financial Statements*

1. INTRODUCTION

Accounting in the public sector has evolved rapidly. The accounting methods of public institutions, such as government agencies, state-owned or local businesses, non-governmental public organizations, and a variety of other public organizations, are currently receiving increased scrutiny (Rasyid, 2022). Consequently, the public has a heightened demand for transparency and accountability from public sector entities.

According to Andarsari (2016), public sector accounting is accounting utilized by public institutions as a form of public accountability. Institutionally, the public domain comprises government non-profit organizations and non-governmental organizations, such as volunteer organizations, hospitals, secondary schools, and universities, in addition to other non-governmental organizations (foundations, non-governmental organizations, religious organizations, political organizations, and so on).

A non-profit organization is an organization that has no goal of making a profit and whose primary objective is non-commercial. A non-profit organization is an organization whose primary objective is to support a problem in garnering public attention for a specified purpose without consideration for items that seek profit (monetary) (Glennardo, 2016). In addition to public schools, non-profit organizations consist of mosques, public hospitals and

clinics, political organizations, legal aid, voluntary service organizations, trade unions, professional organizations, research institutions, museums, and a few government agencies.

Human resources are the most valuable asset for non-profit organizations, as all of their activities are fundamentally from, by, and for humans. The capital of non-profit organizations comes from the contributions of members and other donors who do not expect anything in return.

In accordance with ISAK 35, which regulates the presentation of financial statements for non-profit organizations, the reports include statements of financial position, statements of comprehensive income, reports of changes in net assets, statements of cash flows, and notes to the financial statements. However, not all non-profits can generate financial statements in line with the Interpretation of Financial Accounting Standards (ISAK 35). The Financial Accounting Standards Board of the Indonesian Accounting Association (DSAK IAI) authorized ISAK 35 presentations of financial statements of non-profit oriented businesses on April 11, 2019. ISAK 35 becomes effective on January 1, 2020. ISAK 35 issued by DSAK IAI is an interpretation of PSAK 1; presentation of a financial statement paragraph 05 that provides an illustration of how a non-profit entity makes good adjustments; adjusting the description used for certain items in the financial statements and adjusting the description used for the financial statements themselves.

2. THEORETICAL BASIS

2.1. Accountancy

The American Accounting Association (AAA) explains that accounting is a process for identifying, measuring, and reporting information related to the economy to enable appropriate judgments and decisions (Suprianto & Harryoga, 2015). Meanwhile, the American Institute of Certified Public Accountants (AICPA) explains that accounting is the process of recording, classifying, and summarizing transactions of a financial nature and expressed in units of currency (Sari et al., 2018). Accounting is a process of recording, classifying, and calculating financial transactions that are carried out systematically and presented in the form of financial reports that are useful for parties who need these financial statements for decision making (Sastroatmodjo & Purnairawan, 2021).

From some of the above understanding, it can be concluded that accounting is a process of recording, identifying, and reporting information related to financial information that can be used as a basis for decision making.

2.2. Non-profit Organization

According to PSAK 45, a non-profit organization is an organization that receives funds from member donations without the expectation of profit but receives income from public service or investment activities. According to Widodo and Kustiawan in (Lelo, 2018), a non-profit organization is an organization that does not pursue profit or gain. According to PSAK 45, non-profit organizations possess the following qualities:

- a) Donors who do not expect to benefit from the resources they contribute serve as the primary source of funding.
- b) Organizations can create goods and services without expecting a profit, and if they do generate a profit, the benefit is never paid to the organization's contributors or owners.
- c) Do not have clear ownership, meaning that gifts cannot be sold, transferred, or returned to this nonprofit organization. When an organization is liquidated or dissolved, it will be redeveloped and will no longer reflect the proportion of distribution.

As for examples of non-profit organizations in Indonesia, which includes:

- a) Foundation, a legal entity that has no members and has social, humanitarian and religious purposes, education and others that can help the community.
- b) Joint Institution (Association), an organization formed because it has the same goals among members.
- c) Institute, an institution or organization established in the fields of education, social, culture, humanities, and so on.

2.3. Recording of Financial Statements for Foundations

Law (UU) No. 16 of 2001 explains that a foundation is a legal entity that does not have members consisting of separated assets and is intended to achieve certain goals in the social, religious and humanitarian fields. The Foundation has the obligation to prepare a written report in accordance with the applicable Financial Accounting Standards, namely ISAK 35 (replacing PSAK 45) in reporting and SAK ETAP (Now a Private Entity) or General SAK depending on its accountability.

2.4. Basic Concepts of ISAK 35

ISAK 35 (Interpretation of Financial Accounting Standards) was approved by the Financial Accounting Standards Board of the Indonesian Accounting Association (DSAK IAI) on April 11, 2019. ISAK 35 regulates the presentation of financial statements of non-profit-oriented entities that are effective for the financial year period starting on 1 January 2020 where previously for non-profit organizations it was regulated by Statement of Financial Accounting Standards 45 (PSAK 45) revised 2017 and replaced due to conformity and other things because it was felt by many entities to ignore the provisions of other related SAKs and only based on this one SAK.

2.5. Scope of ISAK 35

The following is included under the scope of ISAK 35:

- 1) Regulate the scope of presentation of financial statements of non-profit entities regardless of the legal entity form of the entity.
- 2) It can also be applied by non-profit entities that use the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) which has now been changed to Private Entity.
- 3) This interpretation is specifically stipulated for the presentation of financial statements.

Meanwhile, ISAK 35 has several issues, such as the interpretation discusses the non-profit-oriented entity system in adjusting the presentation of financial statements, adjustment of the description used by certain items in the financial statements as well as the adjustment of the description used in the financial statements themselves.

2.6. Interpretation of ISAK 35

- 1) The preparation of financial statements of non-profit oriented entities takes into account the requirements, report structure and minimum requirements stipulated in PSAK 1. (par 09)
- 2) Non-profit entities can adjust the description that will be used by certain items in the financial statements, for example: resource restrictions. (par 10)
- 3) Non-profit oriented entities can adjust the description used for the financial statements, for example the title of the statement of changes in net assets to reflect a function that is more in line with the content of the financial statements. (par 11)
- 4) Non-profit entities consider the facts and circumstances in presenting the financial statements, including in the notes to the financial statements, so that it does not affect the quality of the information to be presented in the financial statements.

2.7. Financial Statements of Non-Profit Organizations Based on ISAK 35

2.7.1. Statement of Financial Position

aa The statement of financial position of non-profit organizations has 2 writing formats, namely: (Figure 1)

- 1) Format A, presents information on other comprehensive income as part of net assets without restrictions from resource providers, but if other comprehensive income comes from net assets with restrictions, then information on other comprehensive income is presented according to the net asset class.
- 2) Format B, presents information on other comprehensive income separately.

ENTITAS XYZ Laporan Posisi Keuangan per 31 Desember 20X2 (dalam jutaan rupiah)			ENTITAS XYZ Laporan Posisi Keuangan per 31 Desember 20X2 (dalam jutaan rupiah)		
	20X2	20X1		20X2	20X1
ASET					
<i>Aset Lancar</i>					
Kas dan setara kas	xxxx	xxxx	Kas dan setara kas	xxxx	xxxx
Piutang bunga	xxxx	xxxx	Piutang bunga	xxxx	xxxx
Investasi jangka pendek	xxxx	xxxx	Investasi jangka pendek	xxxx	xxxx
Aset lancar lain	xxxx	xxxx	Aset lancar lain	xxxx	xxxx
Total Aset Lancar	xxxx	xxxx	Total Aset Lancar	xxxx	xxxx
<i>Aset Tidak Lancar</i>					
Properti investasi	xxxx	xxxx	Properti investasi	xxxx	xxxx
Investasi jangka panjang	xxxx	xxxx	Investasi jangka panjang	xxxx	xxxx
Aset tetap	xxxx	xxxx	Aset tetap	xxxx	xxxx
Total Aset Tidak Lancar	xxxx	xxxx	Total Aset Tidak Lancar	xxxx	xxxx
TOTAL ASET	xxxx	xxxx	TOTAL ASET	xxxx	xxxx
LIABILITAS					
<i>Liabilitas Jangka Pendek</i>					
Pendapatan diterima di muka	xxxx	xxxx	Pendapatan diterima di muka	xxxx	xxxx
Utang jangka pendek	xxxx	xxxx	Utang jangka pendek	xxxx	xxxx
Total Liabilitas Jangka Pendek	xxxx	xxxx	Total Liabilitas Jangka Pendek	xxxx	xxxx
<i>Liabilitas Jangka Panjang</i>					
Utang jangka panjang	xxxx	xxxx	Utang jangka panjang	xxxx	xxxx
Liabilitas imbalan kerja	xxxx	xxxx	Liabilitas imbalan kerja	xxxx	xxxx
Total Liabilitas Jangka Panjang	xxxx	xxxx	Total Liabilitas Jangka Panjang	xxxx	xxxx
Total Liabilitas	xxxx	xxxx	Total Liabilitas	xxxx	xxxx
ASET NETO					
<i>Tanpa pembatasan (without restrictions) dari pemberi sumber daya</i>					
Surplus akumulasi	xxxx	xxxx	Surplus akumulasi	xxxx	xxxx
Penghasilan komprehensif lain*	xxxx	xxxx	Penghasilan komprehensif lain**	xxxx	xxxx
Dengan pembatasan (with restrictions) dari pemberi sumber daya (catatan B)	xxxx	xxxx	Dengan pembatasan (with restrictions) dari pemberi sumber daya (catatan B)	xxxx	xxxx
Total Aset Neto	xxxx	xxxx	Total Aset Neto	xxxx	xxxx
TOTAL LIABILITAS DAN ASET NETO	xxxx	xxxx	TOTAL LIABILITAS DAN ASET NETO	xxxx	xxxx

*) entitas menyajikan informasi penghasilan komprehensif lain tersebut sesuai dengan kelas aset netonya (misalnya, jika penghasilan komprehensif lain berasal dari aset neto dengan pembatasan, maka disajikan dalam kelas aset neto dengan pembatasan).

**) mencakup jumlah penghasilan komprehensif lain (entitas menyajikan informasi penghasilan komprehensif lain tersebut sesuai dengan kelas aset netonya, misalnya, jika penghasilan komprehensif lain berasal dari aset neto dengan pembatasan, maka disajikan dalam kelas aset neto dengan pembatasan).

A) Lihat Laporan Perubahan Aset Neto.

B) Lihat Laporan Perubahan Aset Neto.

Source: ISAK 35 Exposure Draft

Figure 1 Format A and Format B Statement of Financial Position

2.7.2. Comprehensive Income Report

The non-profit organization's comprehensive income report is a report that presents information about the organization's income and expenses for a certain period (Maulana & Rahmat, 2021). The comprehensive income report is divided into two parts, namely without restrictions from resource providers and with restrictions from resource providers. The comprehensive income report of non-profit organizations has 2 writing formats, namely:

- 1) Format A, presents information in the form of a single column to facilitate the preparation of reports based on comparisons.
- 2) Format B, presenting information according to the grouping of net assets.

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ENTITAS XYZ Laporan Penghasilan Komprehensif untuk tahun yang berakhir pada tanggal 31 Desember 20X2 (dalam jutaan rupiah)			ENTITAS XYZ Laporan Penghasilan Komprehensif untuk tahun yang berakhir pada tanggal 31 Desember 20X2 (dalam jutaan rupiah)					
	20X2	20X1	20X2			20X1		
			Tanpa Pembatasan dari Pemberi Sumber Daya	Dengan Pembatasan dari Pemberi Sumber Daya	Jumlah	Tanpa Pembatasan dari Pemberi Sumber Daya	Dengan Pembatasan dari Pemberi Sumber Daya	Jumlah
TANPA PEMBATASAN DARI PEMBERI SUMBER DAYA								
Pendapatan								
Sumbangan	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Jasa layanan	XXXX	XXXX	XXXX	-	XXXX	XXXX	-	XXXX
Penghasilan investasi jangka pendek (catatan D)	XXXX	XXXX	XXXX	-	XXXX	XXXX	-	XXXX
Penghasilan investasi jangka panjang (catatan D)	XXXX	XXXX	XXXX	-	XXXX	XXXX	-	XXXX
Lain-lain	XXXX	XXXX	XXXX	-	XXXX	XXXX	-	XXXX
Total Pendapatan	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Beban								
Gaji, upah	XXXX	XXXX	XXXX	-	XXXX	XXXX	-	XXXX
Jasa dan profesional	XXXX	XXXX	XXXX	-	XXXX	XXXX	-	XXXX
Administratif	XXXX	XXXX	XXXX	-	XXXX	XXXX	-	XXXX
Depresiasi	XXXX	XXXX	XXXX	-	XXXX	XXXX	-	XXXX
Bunga	XXXX	XXXX	XXXX	-	XXXX	XXXX	-	XXXX
Lain-lain	XXXX	XXXX	XXXX	-	XXXX	XXXX	-	XXXX
Total Beban (catatan E)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Kerugian akibat kebakaran	XXXX	XXXX	XXXX	-	XXXX	XXXX	-	XXXX
Total Beban	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Surplus (Defisit)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
DENGAN PEMBATASAN DARI PEMBERI SUMBER DAYA								
Pendapatan								
Sumbangan	XXXX	XXXX	XXXX	-	XXXX	XXXX	-	XXXX
Penghasilan investasi jangka panjang (catatan D)	XXXX	XXXX	XXXX	-	XXXX	XXXX	-	XXXX
Total Pendapatan	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Beban								
Kerugian akibat kebakaran	XXXX	XXXX	XXXX	-	XXXX	XXXX	-	XXXX
Surplus (Defisit)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
PENGHASILAN KOMPREHENSIF LAIN	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
TOTAL PENGHASILAN KOMPREHENSIF	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

Source: ISAK 35 Exposure Draft

Figure 2 Format A and B Comprehensive Income Statement

2.7.3. Statement of Changes in Net Assets

The statement of changes in net assets of non-profit organizations is a report that provides information regarding the adjustment of changes in equity in the financial statements of business entities (Pasaribu et al., 2022). Within non-profit organizations, Maulana & Rahmat (2021) explain that net assets are grouped into two parts, namely net assets without restrictions from resource providers and net assets with restrictions from resource providers. The following is an example of a report format for changes in net assets for a non-profit organization based on ISAK 35:

ENTITAS XYZ Laporan Perubahan Aset Neto untuk tahun yang berakhir pada tanggal 31 Desember 20X2 (dalam jutaan rupiah)		
	20X2	20X1
ASET NETO TANPA PEMBATASAN DARI PEMBERI SUMBER DAYA		
Saldo awal	xxxx	xxxx
Surplus tahun berjalan	xxxx	xxxx
Aset neto yang dibebaskan dari pembatasan (catatan C)	xxxx	xxxx
Saldo akhir	xxxx	xxxx
Penghasilan Komprehensif Lain		
Saldo awal	xxxx	xxxx
Peghasilan komprehensif tahun berjalan ^{***}	xxxx	xxxx
Saldo akhir	xxxx	xxxx
Total	xxxx	xxxx
ASET NETO DENGAN PEMBATASAN DARI PEMBERI SUMBER DAYA		
Saldo awal	xxxx	xxxx
Surplus tahun berjalan	xxxx	xxxx
Aset neto yang dibebaskan dari pembatasan (catatan C)	(xxxx)	(xxxx)
Saldo akhir	xxxx	xxxx
TOTAL ASET NETO	xxxx	xxxx

***) entitas menyajikan informasi penghasilan komprehensif lain tersebut sesuai dengan kelas aset netonya (misalnya jika penghasilan komprehensif lain berasal dari aset neto dengan pembatasan, maka disajikan dalam kelas aset neto dengan pembatasan).

Ⓐ Lihat Laporan Posisi Keuangan (Format A).

Ⓑ Lihat Laporan Posisi Keuangan (Format B).

Source: ISAK 35 Exposure Draft

Figure 3 Statement of Changes in Net Assets

2.7.4. Cash flow statement

Wati et al. (2016) explain that a non-profit organization cash flow statement is a report that presents information about cash receipts, cash disbursements and cash equivalents in a certain period which is grouped into three activities, namely:

- 1) Operational activities, namely activities related to the organization's operations.
- 2) Investment activities, namely activities related to long-term assets and other investment activities that are not included in cash equivalents.
- 3) Funding activities, namely activities related to funding obtained from resource providers.

The method of preparing cash statements is divided into two, namely the direct method and the indirect method (Tukunang et al., 2014). The following is an example of presenting the cash flow statement format using the direct method and the indirect method for a non-profit organization based on ISAK 35:

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ENTITAS XYZ Laporan Arus Kas untuk tahun yang berakhir pada tanggal 31 Desember 20X2 (dalam jutaan rupiah)			ENTITAS XYZ Laporan Arus Kas untuk tahun yang berakhir pada tanggal 31 Desember 20X2 (dalam jutaan rupiah)		
	20X2	20X1	20X2	20X1	
AKTIVITAS OPERASI			AKTIVITAS OPERASI		
Kas dari sumbangan	xxxx	xxxx	Rekonsiliasi surplus (defisit) menjadi kas neto dari aktivitas operasi:		
Kas dari pendapatan jasa	xxxx	xxxx	Surplus	xxxx	
Bunga yang diterima	xxxx	xxxx	Penyesuaian untuk:		
Penerimaan lain-lain	xxxx	xxxx	Depresiasi	xxxx	
Bunga yang dibayarkan	xxxx	xxxx	Penurunan piutang bunga	xxxx	
Kas yang dibayarkan kepada karyawan	xxxx	xxxx	Penurunan dalam utang jangka pendek	xxxx	
<i>Kas neto dari aktivitas operasi</i>	<u>xxxx</u>	<u>xxxx</u>	Penurunan dalam pendapatan diterima di muka	xxxx	
			<i>Kas neto dari aktivitas operasi</i>	<u>xxxx</u>	
AKTIVITAS INVESTASI			AKTIVITAS INVESTASI		
Ganti rugi dari asuransi kebakaran	xxxx	xxxx	Ganti rugi dari asuransi kebakaran	xxxx	
Pembelian peralatan	(xxxx)	(xxxx)	Pembelian peralatan	(xxxx)	
Penerimaan dari penjualan investasi	xxxx	xxxx	Penerimaan dari penjualan investasi	xxxx	
Pembelian investasi	(xxxx)	(xxxx)	Pembelian investasi	(xxxx)	
<i>Kas neto yang digunakan untuk aktivitas investasi</i>	<u>(xxxx)</u>	<u>(xxxx)</u>	<i>Kas neto yang digunakan untuk aktivitas investasi</i>	<u>(xxxx)</u>	
			AKTIVITAS PENDANAAN		
AKTIVITAS PENDANAAN			<i>Penerimaan dari sumbangan dibatasi untuk:</i>		
<i>Penerimaan dari sumbangan yang dibatasi untuk:</i>			Investasi dalam dana abadi (endowment)	xxxx	
Investasi dalam dana abadi (endowment)	xxxx	xxxx	Investasi dalam bangunan	xxxx	
Investasi bangunan	xxxx	xxxx		<u>xxxx</u>	
	<u>xxxx</u>	<u>xxxx</u>	<i>Aktivitas pendanaan lain:</i>		
<i>Aktivitas pendanaan lain:</i>			Bunga dibatasi untuk reinvestasi	xxxx	
Bunga dibatasi untuk reinvestasi	xxxx	xxxx	Pembayaran liabilitas jangka panjang	(xxxx)	
Pembayaran liabilitas jangka panjang	(xxxx)	(xxxx)		<u>(xxxx)</u>	
	<u>(xxxx)</u>	<u>(xxxx)</u>	<i>Kas neto yang digunakan untuk aktivitas pendanaan</i>	<u>(xxxx)</u>	
<i>Kas neto yang digunakan untuk aktivitas pendanaan</i>	<u>(xxxx)</u>	<u>(xxxx)</u>			
			KENAIKAN (PENURUNAN) NETO KAS DAN SETARA KAS	<u>xxxx</u>	
KENAIKAN (PENURUNAN) NETO KAS DAN SETARA KAS	<u>xxxx</u>	<u>xxxx</u>			
			KAS DAN SETARA KAS PADA AWAL PERIODE	<u>xxxx</u>	
KAS DAN SETARA KAS PADA AWAL PERIODE	<u>xxxx</u>	<u>xxxx</u>			
			KAS DAN SETARA KAS PADA AKHIR PERIODE	<u>xxxx</u>	
KAS DAN SETARA KAS PADA AKHIR PERIODE	<u>xxxx</u>	<u>xxxx</u>			

Source: ISAK 35 Exposure Draft

Figure 4 Direct and Indirect Method

2.7.5. Notes to Financial Statements

Notes to financial statements are reports that provide detailed information (Septa, 2018). There are several types of notes used by non-profit organizations in the notes to financial statements, including:

- 1) Note A, which is to present a report on grants or waqf which can be in the form of land, buildings and equipment.
- 2) Note B, which presents a report on net assets with restrictions from resource providers that are limited in purpose or period.
- 3) Note C, which is to present a statement of net assets that are freed from restrictions on resource providers due to certain expenses.
- 4) Note D, which is to present a report on investments recorded at fair value.
- 5) Note E, which is to present a report on expenses.

3. RESEARCH METHOD

This study uses quantitative methods. The technique used in conducting this research is to use primary data, the data is collected through a questionnaire that has been tested, then the questionnaire is distributed to respondents using Google Forms with questions related to each indicator in the questionnaire. The population that will be used is all students of the Faculty of Economics, State University of Jakarta totaling 503 people. By using proportional random sampling method, 205 students were obtained.

This study employs descriptive qualitative methodology. This approach is utilized to provide an overview of the suitable type of financial management at the Hati Gembira Indonesia Foundation based on ISAK 35. Using qualitative descriptive methodology, this study does not propose a hypothesis.

In data collection, researchers utilized secondary data. Secondary data are data gained indirectly from the subject or object of research; often, secondary data are derived from sources created by earlier researchers. This study utilized secondary data in the form of ISAK 35-related financial reports, the Internet (website), laws and regulations, and periodicals.

4. RESULT AND DISCUSSION

Hati Gembira Indonesia Foundation (Happy Hearts Indonesia) is the worldwide arm of the 2005-founded Happy Hearts Fund. Hati Gembira Indonesia Foundation is a non-profit organization in accordance with Law (UU) No. 16 of 2001, which states that a foundation is a legally authorized organization that has no members and distinct assets meant to achieve certain aims in the social, religious, and humanitarian spheres. This charity searches for and identifies schools damaged by natural catastrophes, then rebuilds them with a variety of facilities to create a secure and comfortable learning environment. This helps to mitigate the negative consequences of natural disasters and poverty in Indonesia. This charity collaborates with organizations and individuals to provide a variety of program facilities.

Hati Gembira Indonesia Foundation is required to prepare financial reports in accordance with ISAK 35, the applicable standard for non-profit organizations. In this article, the author employs data collecting techniques to gather financial information from the Indonesian Heart Foundation's website (id.happyheartsindonesia.org) via secondary data. As of January 1, 2020, certain revisions and adjustments to accounting standards for non-profit organizations are in effect, hence the financial reporting period is 2020. The presentation of the financial accounts of the Indonesian Hati Gembira Foundation as of December 30, 2020 has adopted ISAK 35 in compliance with the most recent rules. appropriate. This is stated in Notes to Financial Statements number two addressing the description of key accounting policies underlying the financial statements' presentation.

Referring to ISAK 35, the type and format of the foundation's financial statements are appropriate in the presentation of each element of the financial statements which include:

- 1) Statement of Financial Position,
- 2) Comprehensive Income Statement,
- 3) Statement of Changes in Net Assets,
- 4) Cash Flow Statement, and
- 5) Notes to Financial Statements.

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4.1. Statement of Financial Position of Hati Gembira Indonesia Foundation

YAYASAN HATI GEMBIRA INDONESIA LAPORAN POSISI KEUANGAN Tanggal 31 Desember 2020 (Dinyatakan dalam Rupiah, kecuali dinyatakan lain)		YAYASAN HATI GEMBIRA INDONESIA STATEMENT OF FINANCIAL POSITION As of December 31, 2020 (Expressed in Rupiah, unless otherwise stated)		
	2020	Catatan/ Notes	2019	
ASET				ASSETS
ASET LANCAR				CURRENT ASSETS
Kas dan setara kas	7.093.859.097	2, 3	8.484.930.630	Cash and cash equivalents
Piutang lain-lain	40.000	4	16.000	Other receivables
Biaya dibayar di muka	40.836.820	2, 5	41.739.421	Prepaid expenses
Uang muka	56.440.000	6	54.000.000	Advances
Persediaan	40.905.900	7	-	Inventory
Total Aset Lancar	7.232.081.817		8.580.686.051	Total Current Assets
ASET TIDAK LANCAR				NON-CURRENT ASSETS
Aset tetap - neto	616.716.749	2, 8	943.005.755	Fixed assets - net
Total Aset Tidak Lancar	616.716.749		943.005.755	Total Non-Current Assets
TOTAL ASET	7.848.798.566		9.523.691.806	TOTAL ASSETS
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS JANGKA PENDEK				CURRENT LIABILITIES
Biaya masih harus dibayar	44.000.000	2, 9	22.000.000	Accrued expenses
Utang pajak	19.437.237	10	52.298.782	Taxes payable
Utang lain-lain	16.638.500	11	109.217.888	Other payables
Total Liabilitas Jangka Pendek	80.075.737		183.516.670	Total Current Liabilities
ASET NETO	7.768.722.829		9.340.175.136	NET ASSETS
TOTAL LIABILITAS DAN ASET NETO	7.848.798.566		9.523.691.806	TOTAL LIABILITIES AND NET ASSETS

Source: Financial Report

Figure 5 Statement of Financial Position

4.2. Comprehensive Income Statement of Hati Gembira Indonesia Foundation

YAYASAN HATI GEMBIRA INDONESIA LAPORAN PENGHASILAN KOMPREHENSIF Tahun Yang Berakhir Pada Tanggal 31 Desember 2020 (Dinyatakan dalam Rupiah, kecuali dinyatakan lain)		YAYASAN HATI GEMBIRA INDONESIA STATEMENT OF COMPREHENSIVE INCOME For The Year Ended December 31, 2020 (Expressed in Rupiah, unless otherwise stated)		
	2020	Catatan/ Notes	2019	
PENDAPATAN				REVENUES
Hibah dan sumbangan	8.852.815.048	2, 12	17.515.249.974	Grants and donations
Penghasilan bunga	214.209.372	2	277.151.027	Interest income
Laba Penjualan aset tetap	24.270.833	2, 8	-	Gain on disposal of fixed asset
Laba selisih kurs - neto	17.398.702	2	-	Foreign exchange gain - net
Lain-lain	1.182.130		-	Others
Total Pendapatan	9.109.876.085		17.792.401.001	Total Revenues
BEBAN				EXPENSES
Program layanan	8.962.419.777	2, 13	14.497.448.344	Program services
Administrasi dan umum	1.411.146.623	2, 15	1.301.630.596	General and administrative
Penggalangan dana dan pengembangan	303.273.561	2, 14	590.514.790	Fundraising and development
Biaya keuangan	4.488.431	2	6.974.549	Finance cost
Rugi selisih kurs - neto	-	2	77.712.102	Foreign exchange loss - net
Rugi penjualan aset tetap	-	2, 8	20.933.333	Loss on disposal of fixed asset
Lain-lain	-		119.751	Others
Total Beban	10.681.328.392		16.495.333.425	Total Expenses
KENAIKAN (PENURUNAN) ASET NETO	(1.571.452.307)		1.297.067.576	NET (DECREASE) INCREASE IN NET ASSETS

Source: Financial Report

Figure 6 Comprehensive Income Statement

4.3. Statement of Changes in Net Assets of Hati Gembira Indonesia Foundation

		Catatan/ Notes			
	2020		2019		
YAYASAN HATI GEMBIRA INDONESIA LAPORAN PERUBAHAN ASET NETO Tahun Yang Berakhir Pada Tanggal 31 Desember 2020 (Dinyatakan dalam Rupiah, kecuali dinyatakan lain)				YAYASAN HATI GEMBIRA INDONESIA STATEMENT OF CHANGES IN NET ASSETS For The Year Ended December 31, 2020 (Expressed in Rupiah, unless otherwise stated)	
PENDAPATAN TIDAK TERIKAT				UNRESTRICTED REVENUES	
Saldo awal	9.340.175.136		8.043.107.560	<i>Beginning balance</i>	
Surplus (defisit) tahun berjalan	(1.571.452.307)		1.297.067.576	<i>Surplus (deficit) in the current year</i>	
Saldo Akhir	7.768.722.829		9.340.175.136	<i>Ending Balance</i>	

Source: Financial Report

Figure 7 Statement of Changes in Net Assets

In ISAK 35, the statement of changes in net assets is essential to the presentation of the parts of the financial statements, whereas under the prior standards, this report was optional. The presentation of the Hati Gembira Indonesia Foundation report on changes in net assets consists mainly of unrestricted income, which describes the starting balance and the deficit for the current year. Referring to ISAK 35, the statement of net changes details the allocation of net assets with limits and net assets without restrictions. In the report of the foundation, there is no mention of such a payout, although it does indicate that the foundation has unrestricted income. The grouping of net assets is in accordance with the previous rule, PSAK 45, which separates resources into three categories, including unconstrained net assets, temporarily bound net assets, and permanently bound net assets. Regarding ISAK 35, there are only two classifications: with limits and without restrictions. In the report on the changes in the net assets of the Hati Gembira Indonesia Foundation, the distribution of resource limits has not been modified to reflect the transition to new laws.

PRESENTATION OF THE FINANCIAL STATEMENTS OF NON-PROFIT ENTITIES BASED ON ISAK 35 AT THE HATI GEMBIRA INDONESIA FOUNDATION

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4.4. Cash Flow Statement of Hati Gembira Indonesia Foundation

YAYASAN HATI GEMBIRA INDONESIA LAPORAN ARUS KAS Tahun Yang Berakhir Pada Tanggal 31 Desember 2020 (Dinyatakan dalam Rupiah, kecuali dinyatakan lain)		YAYASAN HATI GEMBIRA INDONESIA STATEMENT OF CASH FLOWS For The Year Ended December 31, 2020 (Expressed in Rupiah, unless otherwise stated)	
	2020	Catatan/ Notes	2019
ARUS KAS DARI AKTIVITAS OPERASI			
Kenaikan (penurunan) aset neto	(1.571.452.307)		1.297.067.576
Penyesuaian kenaikan (penurunan) aset neto terhadap kas bersih diperoleh dari (digunakan untuk) aktivitas operasi:			
Penyusutan aset tetap (Laba) rugi	139.938.839	8	166.389.135
penjualan aset tetap (Laba) rugi kurs mata uang valuta asing	(24.270.833)		20.933.333
Pendapatan bunga	(17.398.702)		77.712.102
	(214.209.372)		(277.151.027)
Penurunan (kenaikan) aset:			
Piutang lain-lain	(24.000)		(16.000)
Persediaan	(40.905.900)		-
Biaya dibayar di muka	(2.440.000)		2.443.958
Uang muka	902.601		483.570.000
Kenaikan (penurunan) liabilitas:			
Biaya masih harus dibayar	22.000.000		(3.441.892)
Utang pajak	(32.861.545)		717.120
Utang lain-lain	(92.579.388)		42.448.499
Kas diperoleh dari (digunakan untuk) aktivitas operasi	(1.833.300.607)		1.810.672.804
Penerimaan bunga	214.209.372		277.151.027
Kas Bersih Diperoleh dari (Digunakan untuk) Aktivitas Operasi	(1.619.091.235)		2.087.823.831
ARUS KAS DARI AKTIVITAS INVESTASI			
Hasil penjualan aset tetap	230.000.000		243.400.000
Perolehan aset tetap	(19.379.000)	8	(181.270.363)
Kas Bersih Diperoleh dari Aktivitas Investasi	210.621.000		62.129.637
EFEK KURS MATA UANG ASING KAS DAN SETARA KAS	17.398.702		(77.712.102)
KENAIKAN (PENURUNAN) BERSIH KAS DAN SETARA KAS	(1.391.071.533)		2.072.241.366
KAS DAN SETARA KAS AWAL TAHUN	8.484.930.630		6.412.689.264
KAS DAN SETARA KAS AKHIR TAHUN	7.093.859.097	3	8.484.930.630

Source: Financial Report

Figure 8 Cash flow statement

Generally, the statement of cash flows includes three operations: operating activities, investment activities, and financing activities. The only components of Hati Gembira Indonesia Foundation cash flow statement are operational and investing operations. In addition, based on the Notes to the Financial Statements concerning the description of significant accounting policies in the basic portion of the presentation of the financial statements, the foundation prepares the statement of cash flows using the indirect method.

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4.5. Notes to Financial Statements of Hati Gembira Indonesia Foundation

YAYASAN HATI GEMBIRA INDONESIA CATATAN ATAS LAPORAN KEUANGAN Tanggal 31 Desember 2020 Serta Tahun Yang Berakhir Pada Tanggal Tersebut (Disajikan dalam Rupiah, kecuali dinyatakan lain)		YAYASAN HATI GEMBIRA INDONESIA NOTES TO THE FINANCIAL STATEMENTS As of December 31, 2020 and For The Year Then Ended (Expressed in Rupiah, unless otherwise stated)	
13. PROGRAM LAYANAN (lanjutan)		13. PROGRAM SERVICES (continued)	
Akun ini terdiri dari: (lanjutan)		This account consists of: (continued)	
	2020	2019	
Gaji dan upah	1.548.365.973	1.305.983.000	Salaries and wages
Tunjangan kerja	467.235.244	410.233.104	Employment allowances
Pemberian perabotan sekolah	307.887.500	655.860.000	Granting school furnitures
Transportasi	141.429.317	326.070.988	Transportation
Acara peresmian dan penyambutan	95.879.778	119.854.180	Inauguration and welcoming event
Pemberian perlengkapan materi pendidikan	68.387.645	91.860.250	Granting education material supplies
Pemberian merchandise	57.550.000	385.535.000	Granting merchandise
Pemberian seragam	40.410.000	-	Granting uniform
Pemberian alat tulis kantor	12.000.235	111.000	Granting office stationery
Pemberian biaya pelatihan	7.624.000	6.718.200	Granting training fees
Entertainment	3.017.393	6.492.363	Entertainment
Perbaikan dan pemeliharaan	2.944.000	31.924.350	Repair and maintenance
Lain-lain	4.300.100	52.348.500	Others
Total	8.962.419.777	14.487.448.344	Total
14. PENGALANGAN DANA DAN PENGEMBANGAN		14. FUNDRAISING AND DEVELOPMENT	
Akun ini terdiri dari:		This account consists of:	
	2020	2019	
Acara penggalangan dana	135.722.500	140.637.710	Fundraising event
Gaji, upah dan bonus	122.816.966	179.637.431	Salaries, wages and bonus
Kampanye	21.093.326	158.504.679	Campaign cost
Perjalanan dinas dan transportasi	13.127.865	96.979.302	Travelling and transportation
Tunjangan kerja	9.357.904	12.155.220	Employee allowances
Komunikasi	1.100.000	1.595.000	Communication
Pengiriman surat dan kurir	55.000	1.005.448	Mailing and courier
Total	353.083.561	690.558.800	Total
YAYASAN HATI GEMBIRA INDONESIA CATATAN ATAS LAPORAN KEUANGAN Tanggal 31 Desember 2020 Serta Tahun Yang Berakhir Pada Tanggal Tersebut (Disajikan dalam Rupiah, kecuali dinyatakan lain)		YAYASAN HATI GEMBIRA INDONESIA NOTES TO THE FINANCIAL STATEMENTS As of December 31, 2020 and For The Year Then Ended (Expressed in Rupiah, unless otherwise stated)	
12. HIBAH DAN SUMBANGAN (lanjutan)		12. GRANTS AND DONATIONS (continued)	
Akun ini terdiri dari (lanjutan):		This account consists of (continued):	
	2020	2019	
Donasi uang (lanjutan)			Donation in funds (continued)
Chin Chin	-	15.000.000	Chin Chin
James Huang	-	15.000.000	James Huang
Jimmy Mochri	-	14.760.000	Jimmy Mochri
Patricia Miriam K	-	13.112.870	Patricia Miriam K
Johannus Nangoi	-	12.500.000	Johannus Nangoi
Sumharjo	-	12.500.000	Sumharjo
Daddy	-	12.000.000	Daddy
Kelly Tandiono	-	11.300.000	Kelly Tandiono
Event Preloved Bazaar Neo Soho	-	10.846.600	Event Preloved Bazaar Neo Soho
Iwan Setiawan	-	10.000.000	Iwan Setiawan
Sowandhi Soekanto	-	10.000.000	Sowandhi Soekanto
Lain-lain (masing-masing dibawah Rp 10.000.000)	72.717.453	606.664.232	Others (each account below Rp 10,000,000)
Donasi barang			Donation in kind
PT Asia Tile	50.000.000	-	PT Asia Tile
PT Jutun Indonesia	10.000.000	-	PT Jutun Indonesia
Total	8.852.815.048	17.515.249.974	Total
13. PROGRAM LAYANAN		13. PROGRAM SERVICES	
Akun ini terdiri dari:		This account consists of:	
	2020	2019	
Pembangunan sekolah:			School construction:
SMPN 6 Amasari	385.253.000	-	SMPN 6 Amasari
SDN Bambang	380.010.000	-	SDN Bambang
PAUD Wali Ate	336.007.000	-	PAUD Wali Ate
SDN Nanganale	333.785.000	240.988.000	SDN Nanganale
SDN Wikoo Ronggo	322.012.000	-	SDN Wikoo Ronggo
PAUD Embun Kasih	288.677.000	-	PAUD Embun Kasih
PAUD Restorasi	278.203.500	-	PAUD Restorasi
PAUD Landy	263.518.000	-	PAUD Landy
TK Al Ikhwan	253.100.000	-	TK Al Ikhwan
PAUD Mentari	252.894.000	-	PAUD Mentari
PAUD Hidayat	252.530.000	-	PAUD Hidayat
PAUD St. Maria	251.498.000	-	PAUD St. Maria
PAUD Bina Karya	243.420.000	-	PAUD Bina Karya
TK Al Falah	239.240.808	-	TK Al Falah
PAUD Nurul Anshory	238.318.858	-	PAUD Nurul Anshory
PAUD Cahaya Permesta	234.951.000	-	PAUD Cahaya Permesta
PAUD Benih Senesta	233.952.258	-	PAUD Benih Senesta
PAUD Cahaya Bintang	230.070.000	-	PAUD Cahaya Bintang
PAUD Etate	198.588.750	-	PAUD Etate
PAUD Aladdin	187.022.701	-	PAUD Aladdin
PAUD Magdalena	186.572.701	-	PAUD Magdalena
PAUD Buah Hati	186.336.751	-	PAUD Buah Hati
SDN Amalia	94.956.300	1.482.001	SDN Amalia
SMP Deo Gloriam	85.765.000	-	SMP Deo Gloriam
SDN Terbau	86.015.163	-	SDN Terbau
SDK Rise	32.866.000	340.559.673	SDK Rise
PAUD Benih Bangsa	13.700.000	-	PAUD Benih Bangsa
PAUD Harapan Bunda	12.709.500	234.475.000	PAUD Harapan Bunda
PAUD Barokah 1	10.000.000	-	PAUD Barokah 1
PAUD Evitha Galuh	10.000.000	7.375.000	PAUD Evitha Galuh
PAUD Maulana Hasanudin 1	10.000.000	-	PAUD Maulana Hasanudin 1
PAUD Wikuri	10.000.000	2.699.898	PAUD Wikuri
SLB Insan Mulia	10.000.000	354.794.796	SLB Insan Mulia
SD Wali Ate	3.817.000	256.742.000	SD Wali Ate

Source: Financial Report
Figure 9 Notes to Financial Statements

Notes to Financial Statements describe financial statements in great detail to aid consumers in comprehending their substance. This portion of the financial statements serves as supplemental information to construct superior financial reports. Details of transactions, such as grants and donations in the form of cash donations and goods donations, with their nominal amounts listed in the CALK report demonstrate the report's transparency. In addition, the Hati Gembira Indonesia Foundation service program includes the construction of schools as well as the funding of service-related fees. The description of fundraising and development proceeds follows. Hati Gembira Indonesia Foundation has organized the Notes to the Financial Statements in compliance with ISAK 35.

5. CONCLUSION

Based on the existing statements, it can be concluded that the type and format of the foundation's financial statements are appropriate in the presentation of each element of the financial statements which include:

- 1) Statement of Financial Position, the foundation does not present information on other comprehensive income items, both with restrictions and without restrictions on the net assets section because there is no description of net assets consisting of details of other comprehensive income originating from resource providers.
- 2) Comprehensive Income Report, if it is observed in the comprehensive income report of Hati Gembira Indonesia Foundation there is no separation, either with restrictions or without restrictions from resource providers. That is, the foundation only presents in general which includes income and expenses only.
- 3) Report on Changes in Net Assets, the presentation of the report on changes in net assets of the Hati Gembira Indonesia Foundation only consists of unrestricted income which describes the beginning balance and the amount of the deficit for the current year.
- 4) Cash Flow Statement, which forms the cash flow statement at Hati Gembira Indonesia Foundation, which only consists of operating activities and investing activities.
- 5) Notes on Financial Statements, transparency of reports is evidenced by the details of transactions such as grants and donations in the form of money donations to goods donations with the nominal stated in the CALK report.

Based on the explanation above, there are suggestions related to the activities of the Hati Gembira Indonesia Foundation, namely the need for funding activities with the aim that cash receipts activities that need to be paid and/or cash disbursements to be received affect changes in the value of long-term debts and receivables owned by the Hati Foundation. Happy Indonesia. In addition, making adjustments to the implementation of ISAK 35 further in presenting financial reports for the following year in order to improve the quality of the financial reports of the Hati Gembira Indonesia Foundation.

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