


ISAK NUMBER 35 : NON-PROFIT ORGANIZATION IN FINANCIAL REPORTING

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Article Info	ABSTRACT
<p>Article history: Received May 15, 2024 Revised May 20, 2024 Accepted Juni 10, 2024</p> <p>Keywords: Mosque, Financial report, ISAK 35, Non-Profit Organization</p>	<p>This study aims to determine the suitability of the financial statements presented by the Al Falah Mosque Foundation in Surabaya with the Interpretation of Financial Accounting Standards (ISAK) Number 35 concerning Presentation of Financial Statements of Non-Profit Oriented Entities. This research uses qualitative research with an interpretive approach. Data collection techniques through interviews, observation and documentation. The results obtained from this research are that Based on the results and discussion of research conducted by researchers, it can be concluded that, the financial statements of the Al Falah Mosque Foundation Surabaya have been presented in accordance with ISAK 35, namely concerning the Presentation of Financial Statements of Non-Profit Oriented Entities and prepared in accordance with Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP). This can be seen from the financial statements that have been presented by the AL Falah Surabaya Mosque Foundation have fulfilled the elements of ISAK 35, namely: (1) The statement of financial position has been classified into several sections, namely current assets and non-current assets, liabilities and net assets; (2) The comprehensive income report has been classified in accordance with its restrictions, namely unbound and temporarily bound, it's just that there is a difference in the mention of terms in the comprehensive income report into an activity report; (3) The report on changes in net assets is made into 1 (one) with activity reports; (4) The cash flow statement is prepared using the direct method; and (5) Notes to the financial statements of Masjid Al Falah Foundation do not record the receipt of endowments and grants that have been received. The financial statements of the Al Falah Mosque Foundation Surabaya are only intended for the internal foundation, namely to the Trustees, unless the foundation has a loan at the bank, the financial statements are also reported to the bank.</p> <p style="text-align: right;">This is an open-access article under the CC-BY 4.0 license.</p> <div style="text-align: right;">  </div>

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INTRODUCTION

Mosques are attached to religious activities because they are the cultural center of Muslims. In Indonesia, the number of people who are Muslims is very large when compared to people who embrace religions other than Islam (Nasution & Harahap, 2021). The mosque comes from Arabic *sajada* which means place of prostration or place of worship of Allah SWT. Every Muslim may pray in any area except above the grave. The values in life are not only to strengthen at the level of worship to the Khalik but also to create a strength among Muslims to achieve prosperity in the world. Mosque is a place of worship for Muslims, where Muslims are located there must be a place of worship around it. Seeing the function of the mosque used as a place of worship, the mosque can also be used as a place to commemorate Muslim holidays. The mosque also has many functions, one of which is a place for religious learning, a place for discussion, a place for marriage contracts, and various activity centers. The mosque gets funding either from private citizens in the form of piggy banks or donations (Satria, 2021). One of the non-profit oriented organizations is the Mosque. Non-profit organizations allocate funds from donors and donations from the community. Non-profit organizations are non-profit organizations or in their activities are not for profit (profit). The mosque belongs to a non-profit organization that in its existence is not for profit. The characteristics of non-profit organizations are certainly different from organizations that seek profit (profit). The most basic difference lies in the receipt of resources that will be needed to carry out its operating activities (Octisari et al., 2021). In non-profit organizations there is no such thing as absolute organizational ownership, because non-profit oriented organizations are founded by a group or several people. His capital to establish a non-profit organization can also be obtained with debt (Ula et al., 2021). The purpose of the mosque is not to seek profit or profit from its activities. However, even though it is a non-profit oriented organization that does not seek profit, mosques also need financial statements so that the management of the organization can assess how far the management of the mosque has carried out the responsibility of donors to prepare sources of funds (Fizaini & Nastiti, 2022). Financial statements made by Takmir Masjid (people who manage mosques on the basis of local community beliefs) with or without remuneration (Is'adi, 2015). Mosque financial statements usually only use simple bookkeeping statements such as monthly or annual cash. Cash income and expenditure where the financial practices and management of mosque funds are usually based on trust (Pratami, Yuztitya Asmaranti, Ninuk Dewi K, Widya Rizky Eka, 2018). Financial statements or accounting reports that include the process of collecting, recording, classifying, analyzing and reporting all transactions in a non-profit organization will provide information for managers and donors (Kurniawati et al., 2021). Research conducted (Is'adi, 2015) said that there are some people who do not care about mosques because of the lack of transparency of mosque administrators or managers to the surrounding community. In fact, the expectations of the surrounding community towards the management or Takmir of the Mosque are more transparent and accountable in providing information on mosque financial statements (Is'adi, 2015). Non-profit oriented financial management requires a clear Accounting Basis or Standard to be used as guidance in non-profit oriented financial reporting. Financial statements are financial information in an organization whose activities in a period can explain the performance of the company or organization.

Financial statements are records of financial information in a company in a certain period to describe the company's performance (Prasetyo et al., 2020). Financial statements are considered very important because they show the performance of an organization in a period (Pratami, Yuztitya Asmaranti, Ninuk Dewi K, Widya Rizky Eka, 2018). Understanding of financial statements is considered very important as financial responsibility and can increase public confidence and donors who provide financial funding sources to the mosque to improve the smooth running of mosque activities (Dharma et al., 2023). The purpose of financial statements is to provide explanations (data) to parties who need about the condition of an organization or company (Andarsari, 2017). In the opinion (Dwikasmanto, 2020) the purpose of Financial Statements is to convey relevant information related to accounting activities. In addition, its main purpose is to be used as a provider of information that will be useful for the needs of stakeholders (Dwikasmanto, 2020). According to PSAK No. 45 the purpose of financial statements is to present information on the amount and nature of assets, liabilities and net assets of non-profit oriented entities. In financial reporting, it is important to pay attention to how the process is compiled so that it can provide clear information for those who use it (Dinanti & Nugraha, 2018). Financing and finance are one of the main factors that support the success of the program in mosque activities. The existence of income or receipt of funds that can provide convenience in running the mosque program that has been made. Thus, mosque activities can be managed, socialized and developed so that the mosque becomes crowded and full of worshippers. With funds, mosques can be cared for and preserved from slums and damage (Muh et al., 2016).

Financial Accounting standards on non-profit oriented financial reporting are constantly changing. Starting from December 20, 1997 made a Statement of Financial Accounting Standards (PSAK) Number 45 and was ratified by the Central Board of the Indonesian Institute of Accountants on December 23, 1997. Then there are changes to PSAK Number 45 which has been ratified and recognized by the Financial Accounting Standards Board (DSAK) on April 8, 2011. Until now, it has been changed to the Interpretation of Financial Accounting Standards (ISAK) Number 35 concerning the Presentation of Financial Statements of Non-Profit Oriented Entities, which was ratified by DSAK on September 26, 2018 and then runs effectively in the period of the financial year to begin or after January 1, 2020 (Maulana & Rahmat, 2021). Financial statements in non-profit organizations are different from the financial statements of business organizations in general. The first difference is how the organization gets a source of funds (income) that will be used in various kinds of operating activities. Non-profit organizations get their funding sources from donations from donors and donations from people who do not want remuneration (rewards) from the organization. The assistance collected is based on the services that have been provided by the organization or company (Shonhadji et al., 2023). The financial statements of organizations with non-profit entities include statements of financial position, statements of comprehensive income, statements of changes in net assets, statements of cash flows for a reporting period and notes to financial statements. The statement of financial position of a non-profit entity consists of 3 elements, namely Assets, Liabilities, and Net Assets on information about the relationship between these elements at a certain time (Biduri et al., 2019). The Comprehensive Income Report according to the Interpretation of Financial Accounting Standards Number 35 is another word for "Comprehensive Income Report" as a substitute

for the "Activity Report" in PSAK Number 45. The Comprehensive Income Report shows the increase and decrease in economic benefits of a non-profit entity derived from income or receipts and expenses or expenses. The term Net Asset Change Statement is an adjustment form of the Statement of Changes in Equity. The Cash Flow Statement for non-profit organizations is actually the same as the Cash Flow Statement for business organizations, where cash flow is divided into 3 activities, namely investment, operation and funding activities. Notes to Financial Statements (CALK) describe financial statements in detail. The purpose of the Notes to Financial Statements is so that all information deemed necessary to be known by the reader and can be revealed (Mutammimah et al., 2019). Recording on the mosque's financial statements usually only includes the receipts and expenditures of the mosque's treasury without including the number of assets owned by the mosque (Afifah, 2022). Therefore, in the preparation of financial statements at the mosque it is necessary because from the Financial Statements it can show how the financial management has been done by the mosque (Kwalepa et al., 2022).

The mosque administrator is someone who is obliged to work together to carry out all existing activities. The mosque administrator is usually called Takmir which means someone who receives the mandate by the mosque congregation to manage the mosque properly. The treasurer of the mosque is someone who has a more important role and task regarding financial management (Octisari et al., 2021). As a form of responsibility for funds that have been managed by the Takmir of the mosque or other administrators, it is necessary to present financial statements in accordance with applicable financial accounting standards. The financial statement guideline in accordance with non-profit organizations is Interpretation of Financial Accounting Standards (ISAK) Number 35. According to previous research conducted (Maulana & Rahmat, 2021) said that the existence of Financial Accounting Standard Interpretation (ISAK) No. 35 guidelines can provide financial information needed by donors clearly. In Indonesia, ISAK Number 35 has been used as the main standard and reference for non-profit organizations in making financial statements. However, the level of implementation of these standards is still considered low and causes financial statements in non-profit organizations to still use simple methods so that they are not in accordance with applicable accounting standards in Indonesia. Then human resources are also considered to be one of the factors hampering the suitability of financial statements in the implementation of ISAK Number 35 (Ade Irma Suryani Lating, 2023). (Octisari et al., 2021) argues that accounting practices used as a tool of transparency and accountability in mosques are still considered to have received less attention. Meanwhile, the practice of openness (transparency) and accountability to mosques is needed to carry out administrative arrangements including announcements and accountability for financial statements (Octisari et al., 2021).

Many people are less sympathetic to mosques, because mosque users who are not transparent in providing information related to financial statements and poor mosque management cause many mosque worshippers to leave. The problem that often occurs is that there are still many mosques that do not record detailed financial statements related to cash income and expenditure. Most of the still in the financial statements are only recorded limited to cash receipts and expenditures without detailing the source of funds

used for anything. So in this case it can cause suspicion and lack of public trust in mosque administrators (Andarsari, 2017). The financial management of the mosque will be better if the money obtained if much is used for the benefit of the people. Not hoarded or buried for too long or stored in a bank account for too long which of course the benefits are not maximally distributed. Therefore, better financial management and mosque arrangement are priorities (Khudhori, 2022).

The phenomenon of low quality of financial reporting in non-profit organizations, especially the implementation of ISAK Number 35, can be proven by previous research conducted by [15] in his research conducted at the Al-Atqiyah Grand Mosque, North Moyo District, showing that financial records at the Al-Atqiyah Grand Mosque still use a very simple method. In recording the preparation of Financial Statements, it will be carried out if there are cash in and cash out transactions. Furthermore, the results of cash in, cash out, and total cash are delivered using the mosque microphone which is delivered every Friday (Maulana & Rahmat, 2021). Research conducted by (Dwi Krismontiyah et al., 2021) at the Baitul Makmur Situbondo Mosque also stated that the mosque had not recorded financial statements in accordance with ISAK Number 35. The mosque only makes a cash book infaq Takmir Masjid Baitul Makmur and Monthly Financial Statements which in its financial statements only record income and expenditure transactions (Dwi Krismontiyah et al., 2021). The same results also occurred in the object of research conducted by (F. Djailani & Rondonuwu, 2022) at the Miftahul Jannah Mosque which stated that the mosque only recorded income and expenditure. Then presented in 2 forms of reports, namely the financial statements of the Ta'Mirul Agency of the Miftahul Jannah Mosque and the Report on the Construction of the Miftahul Jannah Mosque. Overall, the mosque is still not in accordance with financial statement standards or has not followed ISAK guidelines Number 35 (F. Djailani & Rondonuwu, 2022). In research conducted by (F. Djailani & Rondonuwu, 2022) at the Baitul Hidayah Puger Mosque, Jember also has not practiced recording Financial Statements in accordance with ISAK NO. 35. The reception system of the Baitul Hidayah Puger Jember Mosque is obtained from infaq on Friday, on Eid al-Fitr, on Eid al-Adha and from donors. Then the Expenditure System has not been compiled in detail every month, for example expenses that are routinely used to pay for water, electricity and salaries for mosque cleaning administrators (F. Djailani & Rondonuwu, 2022). Then about changes in Financial Accounting Standards for non-profit entities which were initially regulated in PSAK Number 45 then in 2019 changed to ISAK Number 35 which became effective in 2020. So that research that discusses ISAK Number 35 using mosque objects is still considered rarely carried out (Ririn Rumiatiy, 2022). However, the research conducted by (Ririn Rumiatiy, 2022) obtained slightly different results from previous studies where mosque financial statements were only made by the method of receiving and disbursing cash. Research conducted by (Afifah, 2022) at the Jamik Mosque in Sumenep Regency shows that financial management and financial information systems are quite good because it can be seen from making operational reports using a single entry method. The financial report was made by the treasurer of Jamik Sumenep Mosque (Afifah, 2022). The object of this study is different from previous research in order to obtain valid and diverse results. This research was conducted at Al-Falah Mosque Surabaya. This study aims to find out how the Financial Statements of Masjid Al-Falah Surabaya are in accordance

with applicable standards in Indonesia, namely the Interpretation of Financial Accounting Standards Number 35.

Theoretical Framework and Hypothesis Development

Due to the high level of uncertainty and environmental instability faced by various organizations, a good planning system is needed in any way. The role of accounting in terms of financial management of an organization is increasingly realized by various parties, both non-profit and profit-oriented organizations. (Jusuf, 2005) states that non-profit organizations are non-profit organizations such as religious organizations, foundations or educational institutions. Although such organizations are not for profit, they still deal with financial matters because they have a budget, pay labor, pay electricity and rent, and other financial matters.

Nature of Non-Profit Organization

Non-profit organizations have different entity sectors, where the owners are public and private, philanthropists and self-promoting, obtain tax exemptions and/or can be taxed. Non-profit organizations are one among four categories: VHWO, hospitals, colleges and universities, and other non-profit organizations (such as churches, mosques, museums, mass organizations and others) (Andarsari, 2017).

Financial Statements

The main purpose of financial statements according to PSAK No. 45 is to provide relevant information to meet the interests of donors, members of organizations, creditors, and other parties who provide resources for non-profit organizations (Andarsari, 2017). Financial statements of non-profit organizations include statements of financial position, statements of comprehensive income, statements of changes in net assets, statements of cash flows and notes to financial statements. Therefore, making mosque financial statements is very important because the financial statements will show how financial management has been carried out (Ula et al., 2021).

Foundations are one example of a non-profit organization. Like profit organizations, non-profit organizations also need accounting knowledge to record their income expenditures. In order to provide a form of accountability and accountability to the community, the foundation is also required to be able to compile financial statements in accordance with existing rules or standards. In the era of globalization like today, accounting can also be used by foundations to assist in making important decisions in the financial sector. The decisions that have been taken not only affect the financial condition in the yayasa, but also parties interested in the foundation. The concrete form carried out by the foundation is by improving its administration and publishing its financial statements every year (Rizky, 2013).

Mosque Financial Reporting

Mosques are publicly-owned institutions whose property ownership belongs to the people entrusted to their managers (takmirs). The mosque organization is a non-profit organization, that is, in running a business not for profit, but only to serve the interests of the people. The capital owned by the mosque is usually quite large, there is a piece of land and building value, as well as equipment and equipment in the mosque. The source of income of mosques usually consists of infaq zakat, shodaqoh and waqf (Andarsari, 2017). Takmir carries out his role based on the trust of the people, so financial statements which are a form of accountability for mosque administrators or takmirs are needed to fulfill the trust that has been given. The mosque organization report provides information including assets, liabilities/debts, equity/capital, income, and cash flow. (Andarsari, 2017).

METHODS

This study focuses on determining whether the financial statements that have been managed by the Takmir or Management of Al-Falah Mosque Surabaya are in accordance with the Interpretation of Financial Accounting Standards (ISAK) Number 35 concerning the Presentation of Financial Statements of Non-Profit Oriented Entities. The type of research used is qualitative to understand what phenomena are experienced by research subjects such as perception, behavior, action, motivation and so on (Kwalepa et al., 2022). Where this research will be carried out at Al-Falah Mosque Surabaya. The method in this study used is qualitative because it can describe the form of Financial Management in accordance with the Financial Accounting Standards applicable in Indonesia, namely the Interpretation of Financial Accounting Standards (ISAK) NO. 35 in mosque non-profit organizations.

This study uses an interpretive approach method, which views social reality as something holistic or whole, dynamic, complex, full of meaning and interactive symptom relationships (Dan, n.d.). The sources of data conducted in this study are secondary data and primary data. Secondary data is supporting data obtained from outside and collected by other parties so that researchers get data by reading some literature related to this study (Sodikin, 2021). Secondary data in this study is literature in the form of reading books related to accounting, articles about accounting published through the media. Primary data are data collected and data processed by the author on the object to be studied by observation, namely by observing the object to be studied directly and participating in recording the data needed in the research carried out, especially the data needed and to be discussed in the research (Sodikin, 2021). The primary data in this study is data taken from the Al-Falah Mosque Foundation Surabaya such as organizational structure and financial statement data in 2020 and 2019. Test the validity of data using triangulation by examining data from different ways and times (Khudhori, 2022).

Data collection methods in this qualitative research are interviews, observations, and documentation. The interview technique in this study is to use a semi-structured

method, namely in its implementation more freely (Dwikasmanto, 2020). The purpose of this interview is to find a more open issue. Where the interviewee will be asked to argue about his experience in managing the financial statements of the Surabaya Masjid Al Falah Foundation. The interview that will be conducted by the author with the resource person is to discuss the data on the mosque's financial statements in 2020 and 2019, and its organizational structure. Observation techniques are observations made directly on the activities or objects to be studied in order to obtain maximum results (Khudhori, 2022). The observation made in this study is that the author observed several things related to financial statements such as mosque income and expenditure. The documentation in this study is data related to the financial statements of the mosque. The key informants used in this study were mosque takmirs, mosque treasurers and mosque worshippers. The selected informants consist of various sources. This is done because it is part of triangulation.

RESULTS AND DISCUSSION

Overview of the Research Object

Al-Falah Mosque Foundation Surabaya which is the object of this research is a mosque located at Jalan Raya Darmo 137 A Surabaya. The inauguration of its establishment was carried out on 1 Ramadan 1393 Hijri which coincided with September 27, 1973. Legally, the Al Falah Mosque Surabaya Foundation consists of: Trustees, Supervisors and Administrators, and the distinctiveness of Al Falah is the Sharia Council. There are institutions under the auspices of the Surabaya Al Falah Mosque Foundation, namely: Al Falah Mosque, Al Falah Education Institute (LPF) Surabaya, Al Quran Al Falah Course Institute (LKF) Surabaya, Al Falah Biz, Al Falah Polyclinic and Al Falah Waqaf Institute. Masjid Al Falah Foundation is an Islamic Non-Government Institution founded by H. Abdul Karim, H. Isngadi Sjafei established based on deed No. 47 dated March 17, 1976 from Anwar Mahayudin, SH., notary in Surabaya. The Foundation's articles of association have been amended several times, most recently by deed No. 10 dated July 17, 2004 from Miftachul Machsun, SH., notary in Surabaya, regarding changes to the Foundation's articles of association to be in accordance with Law No. 16 of 2001, juncto Law No. 28 of 2004 concerning Foundations.

Source of Financing for Masjid Al Falah Surabaya Foundation

The source of foundation financing comes from the amount of wealth separated in the form of money or goods. In addition, the foundation receives non-binding donations or assistance, such as endowments and grants.

Financial Report of Masjid Al Falah Foundation Surabaya

The following is the format of the financial statements of the Al Falah Mosque Foundation Surabaya as of December 31, 2020 and 2019 that have been presented:

Table 1. Statement of Financial Position

AL FALAH MOSQUE FOUNDATION SURABAYA STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2020 AND 2019		
	December 31, 2020	December 31, 2019 *)
	Rp	Rp
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	22.995.361.923	19.762.190.023
Receivables - <i>after deducting the allowance for receivables amounted to IDR 1,222,433,848 in 2020 and IDR 1,072,805,798 in 2019</i>	1.368.793.724	1.596.163.157
Service loan receivables - <i>after deducting allowance receivables of IDR 612,000,000 in 2020 and 2019</i>	31.791.000	31.791.000
Prepaid fees	123.220.000	123.750.000
Other current assets	44.304.000	46.176.000
Total Current Assets	24.563.470.647	21.560.070.180
NON- CURRENT ASSETS		
Fixed assets - <i>after deducting accumulated depreciation amounted to IDR 23,276,055,348 in 2020 and IDR 20,484,985,644 in 2019</i>	37.933.621.899	38.233.259.563
Total Non-Current Assets	37.933.621.899	38.233.259.563
AMOUNT OF ASSETS	62.497.092.546	56.793.329.743

<u>LIABILITIES AND NET ASSETS</u>		
SHORT-TERM LIABILITIES		
Tax debt	153.096.485	12.470.450
Accrued fees	90.899.412	170.060.296
Income received upfront	2.099.686.215	2.948.068.501
Other short-term liabilities	820.498.717	484.263.988
Total Short-Term Liabilities	<u>3.164.180.829</u>	<u>3.614.863.235</u>
LONG-TERM LIABILITIES		
Employee benefit liability	9.153.896.703	14.826.348.817
Other long-term liabilities	1.374.148.981	1.379.082.481
Total Long-Term Liabilities	<u>10.528.045.684</u>	<u>16.205.431.298</u>
NET ASSETS		
Unbound	43.791.651.137	35.376.883.321
Temporarily bound	3.782.214.896	3.365.151.891
Permanently bound	1.231.000.000	1.231.000.000
Total Net Assets	<u>48.804.866.033</u>	<u>39.973.035.212</u>
TOTAL LIABILITIES AND NET ASSETS	<u>62.497.092.546</u>	<u>59.793.329.743</u>

Source : Report on Financial Position of Yayasan Masjid Al Falah Surabaya Year 2020 and 2019

Table 2. Net Asset Activity and Change Report

AL FALAH MOSQUE FOUNDATION SURABAYA NET ASSET ACTIVITY AND CHANGE REPORT FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019		
	December 31, 2020	December 31, 2019 *)
	Rp	Rp
CHANGES IN UNBOUND NET ASSETS		
Income		

Institution	25.990.925.079	30.509.684.469
Course institutions	2.800.902.801	4.927.288.052
Mosque	2.875.734.522	4.806.448.554
Miscellaneous	<u>587.188.197</u>	<u>649.400.877</u>
Total Revenue	32.254.750.599	40.892.821.951
Burden		
Operational of educational institutions	19.177.593.077	24.352.033.985
Course institute operations	2.866.145.961	4.121.348.688
Mosque Operations	905.459.799	2.021.409.092
General and administrative	(2.263.166.839)	339.343.280
Depreciation	2.791.069.704	2.057.702.648
Miscellaneous	<u>362.881.126</u>	<u>1.296.588.072</u>
Number of Loads	<u>23.839.982.783</u>	<u>34.188.425.766</u>
Increase in Untied Net Assets	<u>8.414.767.816</u>	<u>6.704.396.186</u>
CHANGES IN TEMPORARY TIED NET ASSETS		
Income		
Institution	1.424.346.671	1.387.190.000
Mosque	<u>364.098.191</u>	<u>1.224.332.130</u>
Total Revenue	1.788.444.862	2.611.522.130
Burden		
Operational of educational institutions	1.263.977.196	532.974.827
Mosque operations	<u>107.404.661</u>	<u>1.509.997.836</u>
Number of Loads	<u>1.371.381.857</u>	<u>2.042.972.663</u>
Increase in Temporarily Tied Net Assets	<u>417.063.005</u>	<u>568.549.467</u>
INCREASE IN NET ASSETS		
	8.831.830.821	7.272.945.653

NET ASSETS AT THE BEGINNING OF THE YEAR	39.973.035.210	32.700.089.558
YEAR-END NET ASSETS	<u>48.804.866.031</u>	<u>39.973.035.210</u>
		<u>0</u>

Source : Report on Activities and Changes in Net Assets of Yayasan Masjid Al Falah Surabaya

Table 3. Cash Flow Statement

AL FALAH MOSQUE FOUNDATION SURABAYA CASH FLOW STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019		
	December 31, 2020*)	December 31, 2019 *)
	Rp	Rp
CASH FLOW FROM OPERATING ACTIVITIES		
Acceptance		
Cash receipts from services	26.452.086.132	35.547.742
Cash receipts from donors	2.270.887.513	5.840.016.350
Cash receipts from government aid	1.424.346.671	1.387.190.000
Cash receipts from profit sharing from current account services	306.968.621	329.220.347
Loan repayment	376.697.074	(78.457.864)
Receipt of other income - other	348.329.272	389.540.274
Acceptance of other short-term obligations	<u>1.006.551.803</u>	<u>1.612.928.638</u>
Number of Operating Activity Receipts	<u>32.185.867.086</u>	<u>45.037.009.487</u>
Expense		
Payment for the operation of the course institution	(2.893.154.416)	(3.938.973.338)

Payment for the operation and activities of the Mosque	(2.882.403.362)	(6.222.931.335)
School operating expenses	(21.372.961.730)	(25.475.260.499)
Payment for Hajj and Umrah employees	-	(179.162.000)
Expenses for recreation and gathering	-	(450.125.000)
Payment for polyclinic operations	(59.218.500)	(388.080.236)
Payment for foundation operations	(364.450.342)	-
Payment of other expenses	<u>(20.368.798)</u>	<u>(372.758.407)</u>
Total Operating Activity Expenditure	<u>(27.592.557.148)</u>	<u>(37.027.290.815)</u>
Net Cash Obtained from Operating Activities	<u>4.593.309.938</u>	<u>8.009.718.672</u>
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of fixed assets	<u>(1.360.138.038)</u>	<u>(1.001.475.622)</u>
Net Cash Used for Investment Activities	<u>(1.360.138.038)</u>	<u>(1.001.475.622)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3.233.171.900	7.008.243.051
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>19.762.190.023</u>	<u>12.753.946.973</u>
YEAR-END CASH AND CASH EQUIVALENTS	<u>22.995.361.923</u>	<u>19.762.190.023</u>
ADDITIONAL DISCLOSURES		
Investment activities that do not affect cash flow:		
Addition of fixed assets through grants	1.007.544.000	-

Source : Cash Flow Report of Masjid Al Falah Surabaya Foundation for 2020 and 2019

Table 3. Notes to Financial Statements

ACCOUNT	2020	2019	NOTE
Cash and cash equivalents	22.995.361.923	19.762.190.023	The balance at Bank Syariah Bukopin on December 31, 2020 and 2019 contains a balance for Old Age Allowance which will be given to employees of Course Institutions and Foundation Mosque Institutions when employees have entered retirement of IDR 1,374,148,981 and IDR 1,379,082,481 respectively
Receivables	1.368.793.724	1.596.163.157	There are student receivables, employee receivables and allowance for bad debts. Employee receivables are loans to Foundation employees for the purchase of motor vehicles, laptops, and Umrah loans. The allowance for bad debts in 2020 and 2019 amounted to IDR 149,628,050 and IDR 314,107,250 respectively.
Official loan receivables	31.791.000	31.791.000	European study tour receivables are official loan receivables that cannot be detailed and are not supported by adequate documents. In accordance with the Minutes of the Supervisory Meeting No.006/BA/Pembina/II/2020 on February 28, 2020 decided that, study tour receivables to Europe amounting to IDR 612,000,000 were set aside for receivables. Receivables to H. Sigit Prasetyo are receivables arising from donation transactions for treatment that have not been supported by adequate evidence and unclear liability.
Fixed assets	37.933.621.899	38.233.259.563	Fixed asset depreciation expense for 2020 and 2019 amounted to IDR 2,791,069,704 and IDR 2,057,702,648 respectively. On December 2, 2020 based on Deed of Grant No. 1 from Sonya Natalia, SH, notary in Surabaya the foundation

			received a land and building grant located on Jalan Raya Ngagel Jaya Selatan I / 16 Surabaya City with proof of ownership in the form of Surat Ijo certificate No.188.45/04000P/436.608/2011. Until the date of reporting the land above is still in the process of changing the name to the name of the Foundation. The land of Masjid Al Falah located on Jl. Raya Darmo 137A Surabaya has not been certified under the name of the Mosque Foundation and is still in the process of being managed to become the name of the Foundation.
Tax debt	153.096.485	12.470.450	This account is an article 21 Income Tax debt deducted from the salaries and severance pay of Foundation employees. The balance on December 31, 2020 and 2019 was IDR 153,096,485 and IDR 12,470,450, respectively.
Accrued fees	90.899.412	170.060.296	The balance on December 31, 2020 and 2019 was IDR 90,899,412 and IDR 170,060,296, respectively.
Income received upfront	2.099.686.215	2.948.068.501	The student's upfront income is the receipt of tuition fees, activity fees and base money for 2021. The upfront income of the course institution is the upfront receipt of the registration fee from the students of the new Quran course starting the following year.
Other short-term liabilities	820.489.717	484.263.988	The balance on December 31, 2020 and 2019 was IDR 820,489,717 and IDR 484,263,988, respectively.
Employee benefit liability *recognized in activity reports * recognized in activity reports	(4.375.564.595) 9.153.896.703	(2.427.187.503) 14.826.348.817	The Foundation has calculated employee benefits based on Law of the Republic of Indonesia No. 13 of 2003 concerning Manpower and in accordance with SAK ETAP chapter 23. The calculation of employee benefit reserves was carried out by independent actuaries KKA I Gde Eka

			Sarmaja, FSAI & Rekan for 2020 and KKA Tubagus Syafril for 2019. The number of employees entitled to these employee benefits is 162 employees for 2020 and 188 employees for 2019.
Other long-term liabilities	1.374.148.981	1.379.082.481	This account is an Old Age Allowance that will be given to employees of Course Institutions and Foundation Mosque Institutions when employees have entered retirement. Based on Decree Number: 46/LKQ-YHMF/3-VI of 2013, the source of funding for Old Age Allowance for employees of the Foundation Course Institute comes from employee salary deductions and subsidies from the Course Institute of Rp 200,000 per month per employee in 2020 and 2019.
Net assets			Permanent tied net assets are additional permanent tied assets derived from donations from donors for the construction of the Surabaya Al Falah Mosque.
*Unbound	43.791.651.137	35.376.883.321	
*Bound Temporary	3.782.214.896	3.365.151.891	
*Bound permanent	1.231.000.000	1.231.000.000	
Revenue of educational institutions	27.415.271.750	31.896.874.469	The income of untied and temporarily tied educational institutions on December 31, 2020 and 2019 was IDR 27,415,271,750 and IDR 31,896,874,469, respectively.
Course institution revenue	2.800.902.801	4.927.288.052	It is income from receiving registration for regular course programs held at Al Falah Surabaya and income from Quran course programs held in several Institutions/Companies for 2020 and 2019 respectively amounting to IDR 2,800,902,801 and IDR 4,927,288,052.

Mosque revenue	3.239.832.713	6.030.780.684	The balance on December 31, 2020 and 2019 was IDR 3,239,713 and IDR 6,030,780,684 respectively
Miscellaneous income	587.188.197	649.400.877	The balance on December 31, 2020 and 2019 was IDR 587,188,197 and IDR 649,400,877 respectively
Operational expenses of educational institutions	20.441.570.273	24.885.008.812	The balance on December 31, 2020 and 2019 was IDR 20,441,570,273 and IDR 24,885,008,812 respectively
Operating expenses of the course institution	2.866.145.916	4.121.348.688	The balance on December 31, 2020 and 2019 was IDR 2,866,145,916 and IDR 4,121,348,688 respectively
Operational expenses of the mosque	1.012.864.460	3.531.406.928	The balance on December 31, 2020 and 2019 was IDR 1,012,864,460 and IDR 3,531,406,928 respectively
Administrative and general expenses	(2.263.166.839)	339.343.280	The balance on December 31, 2020 and 2019 was (IDR 2,263,166,839) and IDR 339,343,280 respectively
Depreciation expense	2.791.069.704	2.057.702.648	The balance on December 31, 2020 and 2019 was IDR 2,791,069,704 and IDR 2,057,702,648 respectively
Miscellaneous expenses	362.881.126	1.296.588.072	The balance on December 31, 2020 and 2019 was IDR 362,881,126 and IDR 1,296,588,072 respectively

Source : Notes to the financial statements of Yayasan Masjid Al Falah Surabaya

Source of Financing for Masjid Al Falah Surabaya Foundation

The source of financing for the foundation comes from a separate amount of wealth in the form of money or goods (Rizky, 2013). In addition, the foundation receives non-binding donations or assistance, such as endowments and grants.

Basic Preparation of Financial Statements

Based on observations at the Masjid Al Falah Surabaya Foundation, the Foundation established SAK ETAP as the basis for preparing financial statements and determining important accounting policies applied to recognize and measure transactions and events relevant to the Foundation. Financial statements are prepared

on the basis of continuity and historical costs. Financial statements are also prepared on an accrual basis, unless the cash flow statement is prepared on a cash basis.

Presentation of Financial Statements of Masjid Al Falah Foundation Surabaya

Based on observations at the Al Falah Mosque Foundation Surabaya, the presentation of the financial statements of the Al Falah Mosque Foundation Surabaya refers to ISAK 35, concerning the presentation of financial statements of non-profit oriented entities. The presentation of financial statements consists of:

- Statement of Financial Position,
- Activity Reports,
- Net Asset Change Report,
- Cash Flow Statement, and
- Notes to Financial Statements

The researcher conducted an interview with the treasurer of the mosque foundation, he said "Of course we use ISAK 35 because ISAK 35 is an obligation for the foundation (foundation's financial statements). Now applying ISAK 35 which is required usually in the financial statements there is a separation between the unbound and the bound. There are several financial statements that we use, namely statements of financial position, activity statements, statements of changes in net assets, cash flow statements and notes to financial statements. Financial statements are usually intended for internal foundations, if there are none. Usually financial statements are addressed to the Trustees, unless we (the foundation) have a loan to the bank for example, well that we will report to the bank later".

Statement of Financial Position

The statement of financial position is a report that presents information about assets, liabilities and net assets (Maulana & Rahmat, 2021). Information in the statement of financial position used with disclosures and information in other financial statements can help donors, members of the organization, creditors and others to assess the organization's ability to provide services in a sustainable manner and liquidity, financial flexibility, ability to meet its obligations, and external funding needs (Rizky, 2013). In the financial statements of Yayasan Masjid Al Falah Surabaya, the balance of current assets and non-current assets comes from the adjusted balance sheet. The financial position report of Yayasan Masjid Al Falah Surabaya is in accordance with ISAK 35, which presents assets, liabilities and net assets. Based on the financial statements of the Mosque Foundation which have been presented as of December 31, 2020 and 2019, between the total assets and the total net asset liabilities, the balance is IDR 62,497,092,546 in 2020 and IDR 59,793,329,743 in 2019.

Net Asset Activity and Change Report

The ISAK 35 report uses the term Comprehensive Income Report as a substitute for the term Activity Report, but both have the same meaning, namely presenting income and expenses. The comprehensive income report describes the increase and decrease in economic benefits derived from receipts or income and expenses or expenses either with restrictions or without restrictions (Medan, 2022). The activity report at the Masjid Al Falah Surabaya Foundation can be seen that the report is in

accordance with ISAK 35, which has presented between income and expenses, it's just that the report on changes in net assets is not presented alone but is used as one with the activity report.

Tied net assets are net assets in the form of economic resources whose use and/or time is limited to certain purposes and/or certain periods of time by the government or donors [28]. Such restrictions may be in the form of time limits and/or restrictions on the use of net assets by the Foundation. Unbound net assets are net assets in the form of resources whose use is not restricted for a specific purpose and/or period of time (Laporan et al., 2014). Generally includes income from services, sales of goods, donations, and dividends or investment returns minus the burden of obtaining these incomes. The Foundation may use all of these net assets in order to achieve its business objectives as stated in the Foundation's budget. The Foundation may use all of these net assets in order to achieve its business objectives as stated in the Foundation's budget.

Cash Flow Statement

A cash flow statement is a report that presents information about cash receipts and expenditures in a period (Ula et al., 2021). The method of preparing cash flow statements can use two methods, namely the direct method and the indirect method. (Langkah-, 2009) Yayasan Masjid Al Falah Surabaya presents cash flow statements using the direct method, namely by grouping cash flows in operating, investment and funding activities. The cash flow statement at the Masjid Al Falah Surabaya Foundation is in accordance with ISAK 35, which has grouped cash flows in operating, investment and funding activities.

Notes to Financial Statements

Notes to financial statements aim to present more detailed information that is not included in the financial statements and reveal accounting policies (Purba et al., 2022). The notes to the financial statements of the Mosque Foundation are in accordance with the ISAK 35 report, it can be seen that the Foundation has disclosed explanatory information on financial statements. Notes to financial statements are presented systematically.

CONCLUSION

Based on the results and discussion of research conducted by researchers, it can be concluded that, the financial statements of the Al Falah Mosque Foundation Surabaya have been presented in accordance with ISAK 35, namely concerning the Presentation of Financial Statements of Non-Profit Oriented Entities and prepared in accordance with Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP). This can be seen from the financial statements that have been presented by the AL Falah Surabaya Mosque Foundation have fulfilled the elements of ISAK 35, namely: (1) The statement of financial position has been classified into several sections, namely current assets and non-current assets, liabilities and net assets; (2) The comprehensive income report has been classified in accordance with its restrictions, namely unbound and

temporarily bound, it's just that there is a difference in the mention of terms in the comprehensive income report into an activity report; (3) The report on changes in net assets is made into 1 (one) with activity reports; (4) The cash flow statement is prepared using the direct method; and (5) Notes to the financial statements of Masjid Al Falah Foundation do not record the receipt of endowments and grants that have been received. The financial statements of the Al Falah Mosque Foundation Surabaya are only intended for the internal foundation, namely to the Trustees, unless the foundation has a loan at the bank, the financial statements are also reported to the ban.

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