



Application Of Preparing Financial Reports For Micro, Small And Medium Enterprises Based On Entity Accounting Standards Without Public Accountability (SAK ETAP)

Tania Tania

Universitas Wijaya Kusuma Surabaya

E-mail : tania@uwks.ac.id

Erna Hendrawati

Universitas Wijaya Kusuma Surabaya

E-mail : hendrawati@uwks.ac.id

Lilik Pirmaningsih

Universitas Wijaya Kusuma Surabaya

E-mail : lilikpirmaningsih@uwks.ac.id

E-mail correspondence: hendrawati@uwks.ac.id

Abstract: Financial Accounting Standards for Entities Without Public Accountability are standards for preparing financial reports for MSMEs with the aim of making it easier for creditors and investors to view financial reports so that MSMEs can get loans to increase capital and make their business more advanced. The implementation of the preparation of financial statements by UD. X is not in accordance with the financial statements based on SAK ETAP. The purpose of this study is to find out (1) What are the obstacles faced by UD. X in compiling financial reports based on SAK ETAP (2) What are the impacts of not compiling financial reports based on SAK ETAP (3) Implementation of financial statement preparation at UD. X. This research uses qualitative method with case study method. The techniques used for data collection are interviews, observation, and documentation. The results of this study are (1) Lack of human resources so that they cannot prepare financial reports properly and correctly (2) Owners do not understand the importance of financial statements properly so they cannot make the right decisions (3) Recording of financial statements is recorded simply, not yet based on SAK ETAP.

Keywords: Accounting Standards for Entities Without Public Accountability (SAK ETAP), Micro, Small and Medium Enterprises (MSMEs), Implementation of financial statement preparation.

INTRODUCTION

In this research, Micro, Small and Medium Enterprises are shortened to MSMEs, which is an economic activity carried out by the majority of Indonesian people, which has a very important role in economic growth in Indonesia. This important part can be obtained from other important levels and functions which can simultaneously be seen or equated with business entities, whether state-owned or private, in carrying out business to achieve prosperity for the entire community. The function of MSMEs is to act as an effort to unite, direct and create various creations, and the entrepreneurial power of citizens who have limited abilities in their economic field can, as a result, participate in activities related to economic improvement. Apart from that, MSMEs have a role in improving the quality of life and can create jobs aimed at the community (Yuniarta, 2013).

MSMEs located in Indonesia must strive to improve their quality so they can compete in the world. They need to pay great attention to the development of MSMEs so they can develop together with other economic actors. When carrying out the activities of his own business, the manager feels that there are difficulties when recording all transactions that occur in his business operations. The company records only by calculating profit and loss with the difference in the amount recorded in incoming and outgoing money, monthly sales reports and receivables, not see that the expenditure in the form of money that will be used comes from the allocation of business and non-business activities, while the indicator of a company's success is not only seen from its income, it requires measuring the transactions and incidents experienced when the transactions are summarized, so that MSMEs can know how much If you gain profits, you must know how to manage them appropriately, so that you get big profits to develop your business.

Recording is important information in the process of subsequent accounting activities, but if there is no further processing of transactions that occur then MSMEs cannot measure their own business performance. How can a company be more advanced and should the company be able to run better (effectively), because the company is a place for job seekers, it is necessary to implement a good recording process to find out the results of work at this company.

MSMEs are expected to have synchronous financial reports based on the recording rules of MSMEs so that they get the same information in financial reporting at the company so that it will be useful for all users of financial reports. Some weaknesses in implementing financial reports properly and correctly are caused by low education, business owners do not understand the recording of financial reports based on SAK and there are also no regulations for MSMEs to prepare financial reports correctly, information on the company's financial position and the performance results of a company that have been achieved can be obtained from the results of the financial reports, which will be reported at the end of the period as an accountability report answers so that they are used to process the company's financial reports (Auliyah, 2012).

The biggest cause of problems that affect the development goals of MSMEs is the preparation of financial reports. According to (Indrawan & Yaniawati, 2016) One of the vulnerabilities of MSMEs in preparing financial reports is due to their low level of education, not understanding SAK ETAP, and the lack of guidance on how to prepare financial reports. MSMEs which are not companies registered on the capital market and do not have public accountability and do not need to prepare financial reports using General SAK, require financial accounting standards with a simple structure derived from IFRS-based General SAK.

The Financial Accounting Standards Board of the Indonesian Accountants Association (DSAK IAI) as of January 1 2011 became effective, and has created Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) aimed at companies that do not have public accountability, with the existence of SAK ETAP, MSMEs can prepare their own financial reports, so that they can be audited and obtain an audit opinion, which will expand access to funds.

UD Priyan Perkasa or often called Priyan Meubel is a trading company and operates in the field of *furniture* or furniture suppliers, the types of goods provided by this company include dining tables, dining chairs, office tables and chairs , guest tables, dressing tables, chairs waiting room, bar stools, filing cabinets, and so on. UD Priyan Perkasa only keeps records by calculating profit and loss between the difference between sales and expenses. From the interviews that took place, several problems were obtained that were currently occurring in MSMEs, namely problems in terms of financial recording. Therefore, it is very important to implement the preparation of financial reports at UD Priyan Perkasa, so that it can develop its business to be even more advanced. Efforts to improve this quality include carrying out the preparation of financial reports based on the applicable SAK ETAP, and becoming the basis for preparing MSME financial reports. . Based on the description above, the researcher is interested in taking the title "APPLICATION OF FINANCIAL REPORTING FOR SMALL AND MEDIUM MICRO ENTERPRISES BASED ON FINANCIAL ACCOUNTING STANDARDS FOR ENTITIES WITHOUT PUBLIC ACCOUNTABILITY (SAK ETAP) CASE STUDY AT UD. X”.

LITERATURE REVIEW

1. Understanding Accounting

Accounting is the art of recording, classifying, summarizing and interpreting the results of events that have several financial characteristics and are said to be directly in the form of money, so that you can directly interpret the results (Munawir, 2005). Accounting is a system of financial information, which has the aim of being able to report relevant information to various stakeholders. In other words, accounting is an information system that provides reports to stakeholders about the activities and economic situation of a company. It can be categorized as the process of recording, classifying, summarizing financial transactions and interpreting the results of the process (Kartikahadi, 2016). Accounting is the process of collecting transactions, then identifying these transactions, and summarizing financial data and then reporting it to the parties who will use the report, as a

result they can interpret it to make economic decisions (Harahap, 2011). There have been visible changes in society and the complex language used by society from year to year until now to interpret the process of recording, summarizing and interpreting preliminary economic data is used by parties who need these reports.

From the definition of accounting above, it leads to the conclusion that the definition of accounting is an activity of recording, identifying, measuring and presenting information about all transactions that occur in a company so that the company can make decisions and make appropriate considerations. Thus, accounting is not only a reporting or measurement of performance and accountability, but can also be a standard for choosing strategies in a company.

2. *Financial statements*

A financial report is a report that will be prepared and addressed to those tasked with making decisions at the company, most importantly parties outside the company, regarding the company's financial position and results. Financial reports are not only a testing tool, but also as a basis so that you can determine and assess the company's financial position, by using the results of the analysis those interested parties can make decisions using the company's final analysis, so that financial reports are very necessary (Soemarsono, 2004). According to the Indonesian Accountants Association (IAI, 2009), the general definition of financial reporting is the financial reporting process which consists of a balance sheet, profit and loss report, change in equity report, financial position report, notes to financial reports and explanatory theory and is part of a financial report. According to (Kasmir, 2014) financial reports are reports that show the company's current or future financial position. So, the purpose of preparing financial reports is to represent or show where the financial position of an MSME is.

Based on a certain understanding of the meaning of financial reports, we can conclude that financial reports are part of the accounting process covering the financial position of a company for a certain period of time. There are 5 types of financial reports, namely balance sheets, profit and loss reports, capital changes reports, cash flow reports, and notes to financial reports.

3. *Accounting cycle*

The accounting cycle is the stages of activity starting from the occurrence of transactions to using the preparation of financial reports so that transactions can be recorded in the next period and occur repeatedly (Soemarso, 2004). According to (Fany, 2012) the accounting cycle is a process where transactions are recorded, then classified, summarized

and presented in a report containing all financial transactions that occur in a certain period.

The accounting cycle is as follows:

- 1) Identification stage, This stage means identifying transactions that occur in a company in one period. This stage is the earliest step in compiling a journal.
- 2) The recording stage in question is that all transactions that occur in one period have been recorded and recorded, then compiled into a general journal, all forms of evidence of transactions from the smallest to the largest must be reported and then can be recorded (Soemarsono, 2004).
- 3) The summary stage is the stage where there are many more specific notes for reporting. (Shiro, 2015).

4. *Purpose of Financial Reports*

According to (IAI, 2009:2.1) financial reports aim as a means of presenting information on a company's financial position, financial performance, and cash flow reports on an entity which will be useful for several users to be able to make economic decisions by anyone who is not in a position to obtain special financial reports that are used to complement certain information needs. Another objective of financial reports is to provide information related to financial position, performance, and to be able to know the results of financial positions in order to make appropriate decisions. Financial reports will provide all information accurately and reliably about changes experienced by the company. Hendrawati, E. (2017) .

5. *Types of Financial Reports*

According to (Kasmir, 2008) In general, there are five types of financial reports that should be prepared, namely: balance sheet, profit and loss report, change in equity report, cash flow report, notes report to financial statements. There are 5 types of financial reports that measure the feasibility of a company, namely:

1) Balance sheet

The balance *sheet* is a financial report prepared to determine the financial position in a predetermined period. Financial position is referred to as the final sum of the assets (treasures) and liabilities (liabilities and equity) positions in the company.

2) Profit and Loss Statement

A profit and loss statement or income statement is a financial report that contains the results of a company's operations for a certain period. This income statement shows the amount of income and sources of income obtained.

3) Capital Change Report

The report on changes in capital (equity), namely the financial report, contains the total value of equity and the types of equity that the company has, to determine the amount of capital in a certain period.

4) Cash Flow Statement

The cash flow statement is a financial report that presents changes in cash in one period and covers all aspects of the entity's activities that can affect cash.

5) Notes to Financial Reports

Notes to financial reports refer to notes to reports that contain information and prepared if there are financial reports that are not included in the financial statements.

6. *SAK ETAP*

The Indonesian Accounting Association (IAI) has ratified SAK ETAP through the Financial Accounting Standards Board (DSAK) on May 19 2009, that SAK ETAP is intended for entities without public accountability, namely MSMEs, starting from January 1 2011. IFRS-based SAK (General SAK) is designated for companies with important public tasks. This general SAK is complicated to understand and prepare for most MSMEs in Indonesia. SAK ETAP is a SAK that does not refer to General SAK, meaning that because it stands alone and is simple from an accounting perspective, the form of regulation has remained relatively unchanged over the years. In some cases SAK ETAP offers more convenience than SAK, which has more complex reporting requirements. In accordance with the scope of SAK ETAP, this standard is used by entities without public accountability. The entity without public accountability in question is an entity that does not have significant public accountability and publishes financial reports for general purposes to external users. Examples include creditors and rating agencies that are not directly involved in running the business.

7. *Micro, Small and Medium Enterprises (MSMEs)*

The following is the definition of MSMEs in accordance with Law number 20 of 2008 article 1, namely:

- 1) Micro Business is a productive economic business owned by an individual and/or individual business entity that meets the criteria for micro business as regulated in this Law.
- 2) Small businesses are independent, productive and individual economic businesses or business entities that are not part of a subsidiary or affiliate of a company that will be owned, controlled or become part of the company. Small businesses, whether directly or

indirectly from medium or small businesses Large that meets the small business criteria specified in this Law.

- 3) Medium Business is an independent productive economic business carried out by an individual or business entity which is not a subsidiary or affiliate of a company which directly or indirectly owns, controls or is part of a small business either directly or indirectly with the business small or large company.

8. *Principles and Objectives of MSME Empowerment*

Referring to Law article 4 number. 20 of 2008 states that the principle of empowering MSMEs is to develop unity, independence, and be able to run the business of MSMEs to run their own businesses, implement public policies that are open, responsible and fair, develop businesses that are in accordance with the capabilities of MSMEs based on local potential and businesses that can market their products, increase very high competition, organize activities so that they can be implemented, planned and controlled.

9. *General Description of Financial Reports According to SAK ETAP*

According to the Indonesian Accountants Association (IAI) in SAK ETAP, financial reports are a part of the financial reporting process that complements financial reports, namely:

a. Balance Sheet

The balance sheet will present assets, liabilities and equity at the beginning of the period or a predetermined date until the end of the period. When the balance sheet is said to be balanced, it means that the total assets presented are the same as the total

Figure 1.
Balance Sheet Presentation

LAPORAN POSISI KEUANGAN			
UD. xxx.xxx			
PER xxx.xxx			
Aktiva		Passiva	
Aktiva Lancar		Kewajiban	
Kas	Rp xxx.xxx.xxx	Hutang Dagang	Rp xxx.xxx.xxx
Piutang	Rp xxx.xxx.xxx		
Persediaan	Rp xxx.xxx.xxx		
Aktiva Tetap		Ekuitas	
Nilai Perolehan	Rp xxx.xxx.xxx	Modal Pemilik	Rp xxx.xxx.xxx
Akumulasi Penyusutan	Rp xxx.xxx.xxx	Laba Berjalan	Rp xxx.xxx.xxx
Jumlah	Rp xxx.xxx.xxx	Jumlah	Rp xxx.xxx.xxx

b. Income statement

The income statement will initially present income or sales, then deduct COGS to obtain gross profit, then reduce expenses so that net profit (loss) can be obtained before tax.

Figure 2.
Presentation of Profit and Loss Statements

LAPORAN LABA RUGI	
UD. xxx.xxx	
PERIODE xxx.xxx	
Penjualan	Rp xxx.xxx.xxx
HPP	Rp xxx.xxx.xxx
Laba Kotor	Rp xxx.xxx.xxx
Biaya Administrasi	Rp xxx.xxx
Biaya Parkir	Rp xxx.xxx
Biaya Internet	Rp xxx.xxx
Biaya Keamanan	Rp xxx.xxx
Biaya Kebersihan	Rp xxx.xxx
Biaya Bensin	Rp xxx.xxx
Gaji Karyawan	Rp xxx.xxx
Beban Penyusutan laptop	Rp xxx.xxx
Beban Penyusutan printer	Rp xxx.xxx
Beban Penyusutan pesawat telfon	Rp xxx.xxx
Total Beban	Rp xxx.xxx.xxx
Laba bersih sebelum pajak	Rp xxx.xxx.xxx

c. Statement of Changes in Equity

The statement of changes in equity will present the final capital, followed by the amount of profit or loss. If there is a deduction for personal needs then it is deducted in this report, so that you will get the capital at the end of the period. Example of presenting a report on changes in equity based on SAK ETAP.

Figure 3.
Presentation of Equity Changes Report

UD. xxx.xxx		
Laporan Perubahan Ekuitas Pemilik		
Periode xxx.xxx		
Modal Awal		Rp xxx.xxx.xxx
Penambahan :		
Saldo laba (Rugi) ditahan	Rp xxx.xxx.xxx	
Total penambahan		Rp xxx.xxx.xxx
Pengurangan :		
Prive	Rp xxx.xxx	
Saldo laba (Rugi) berjalan	Rp xxx.xxx	
Rugi bersih xxx.xxx	Rp xxx.xxx	
Total Pengurangan		Rp xxx.xxx
Modal akhir		Rp xxx.xxx

d . Cash flow statement

The cash flow report will present cash activities, namely cash receipts, cash payments and classification based on operating activities, investment activities and financing activities. The cash flow statement reports:

1. Effect of operating cash.
2. Funding transactions.
3. Increase and decrease in net cash, and
4. The amount of cash at the end of the period

Figure 4.
Presentation of Cash Flow Statements

UD. xxx.xxx		
LAPORAN ARUS KAS		
Per xx xx xx		
Arus kas dari aktivitas operasi		
Arus Kas Masuk :		
Penjualan Selama Periode xxx		xxx.xxx.xxx
Arus Kas Keluar		
Pembelian Barang Dagang	(xxx.xxx.xxx)	
Pembayaran Gaji	(xxx.xxx.xxx)	
Pembayaran Hutang Melalui Kas di Bank	(xxx.xxx.xxx)	
Jumlah Arus Kas Keluar		(xxx.xxx.xxx)
Jumlah arus kas untuk aktivitas operasi		xxx.xxx.xxx
Arus kas dari aktivitas investasi :		
Kas Dari Penjualan Aktiva Tetap		xxx.xxx.xxx
Dikurangi :		
Kas dibayar untuk pembelian aktiva tetap	(xxx.xxx.xxx)	
Jumlah arus kas untuk aktivitas investasi		xxx.xxx.xxx
Arus kas dari aktivitas pendanaan :		
Kas diterima dari penjualan saham		
Kas diterima dari hutang jangka panjang		
Dikurangi:		
Kas dibayar untuk deviden		(xxx.xxx.xxx)
Jumlah arus kas dari aktivitas pendanaan		
Kenaikan (Penurunan) kas		xxx.xxx.xxx
Kas awal xxx		xxx.xxx.xxx
Kas akhir xx xxx		xxx.xxx.xxx

e. Notes to Financial Reports

Notes to financial statements include additional information presented in the financial statements and provide information about items that do not meet the recognition criteria in the financial statements.

RESEARCH METHODOLOGY

1. *Operational definition*

The method used in this research is a qualitative method. The research design used is descriptive qualitative research. Descriptive research is research that describes the condition of the company and the data needed to be able to create financial reports using SAK ETAP. Descriptive research is included in research that does not use or is non-hypothetical. By using qualitative research methods and descriptive qualitative research, it can be seen how the preparation of MSME financial reports is implemented.

2. *Data Types and Sources*

The type of data used is qualitative data, which means the data contains all records relating to the company's financial transactions in the current year obtained from informants who have a crucial role at UD. Priyan Perkasa, especially regarding financial data & transactions that occur at the company. The data source used is internal data, meaning the data is obtained based on existing data within the company and consists of two data, namely primary data & secondary data.

3. *Data Collection Procedures*

The data collection method used is observation carried out by researchers going into the field so they can observe activities and operational activities at the research location. Interviews were conducted in order to get answers related to research in depth, carried out using a question and answer method with the owner of the company, namely Mr. Priyanto. Documentation is a record of past events with the aim of finding data about past records, delivery documents, notes on agendas, etc. Researchers take documents in the form of writing, namely financial records, while documents in the form of images, namely, evidence of sales transactions for goods, merchandise inventory, data on cash expenditures for operations, photos with sources at business locations, and so on, which are forms of taking documentation. This research uses triangulation techniques using data collection techniques, namely conducting observations, interviews & documentation for the same data sources, then combining them into one.

4. *Data analysis technique*

Data analysis is an activity of searching and then systematically compiling the data obtained based on interview output, field notes and documentation, by organizing it according to categories, breaking it down into units, carrying out synthesis, arranging it in patterns, determining what is crucial and creating conclusions so that it is easy. understood independently and also by other people (Sugiyono, 2014: 89). The method used is the

descriptive analysis method, which means describing the phenomenon being experienced by the research subject, then analyzing it using existing theories. According to Sugiyono (2014:90) there are 2 data analysis processes, namely:

1) Analysis before going to the field

Qualitative research analyzes the data first before the research goes directly into the field. Analysis is carried out on preliminary study output data or secondary data that will be used to choose the focus of the research.

2) Analysis during the field

Data analysis was carried out in the field, researchers conducted interviews and then analyzed the answers. If the answer is unsatisfactory, the researcher asks the question again, reaches a certain stage, and obtains data that is considered credible.

5. *Data Validity Test*

The definition of qualitative results in data findings that are declared valid for the research object if there are no differences between what is reported and what actually occurs. According to (Sugiyono, 2014:121-131)

1) Test Credibility

The credibility test is a test to determine the level of trust regarding the data that has been studied. The stages carried out by researchers tested the credibility of the data.

2) Transferability Test

Transferability testing is carried out so that the results of the research can be applied, so that researchers will make detailed reports, presented clearly, and of course can be trusted. So that readers can clearly understand the results of the research presented.

3) Dependability Test

This dependability test is applied by cross -checking all the researcher's activities in conducting research, so that the research is reliable, it can be said to be reliable in research if other people are able to repeat and replicate the research process.

4) Confirmability Test

In qualitative research, confirmability tests are like using dependability tests, as a result the tests can be carried out simultaneously. Namely testing the results of research that is linked using the research process. If the research output is a function based on the research process carried out, then the research has met confirmability standards. In research, the results should not only be available but there will be no process carried out.

RESEARCH RESULTS AND DISCUSSION

1. General Description of Research Objects

Capital is a very necessary part of developing a business, so that the business can continue to grow, limited capital has a big influence on developing the business, MSMEs are individual businesses that use capital as a source even though their own capital is limited in total, but if they borrow capital from banks or financial lending institutions others cannot be obtained because they do not meet administrative requirements, these requirements relate to the availability of financial reports, namely incomplete proof of transactions, unstructured recording, and not according to the rules for preparing financial reports based on the applicable SAK ETAP.

This research will discuss problems regarding the preparation of MSME financial reports by examining the UD case. Priyan Perkasa located in Sidoarjo. This research was carried out to obtain more complete, credible and meaningful information and data so that the research objectives could be achieved. The key informant in this research was the Manager of UD. Priyan Perkasa and several administrative staff related to financial reports.

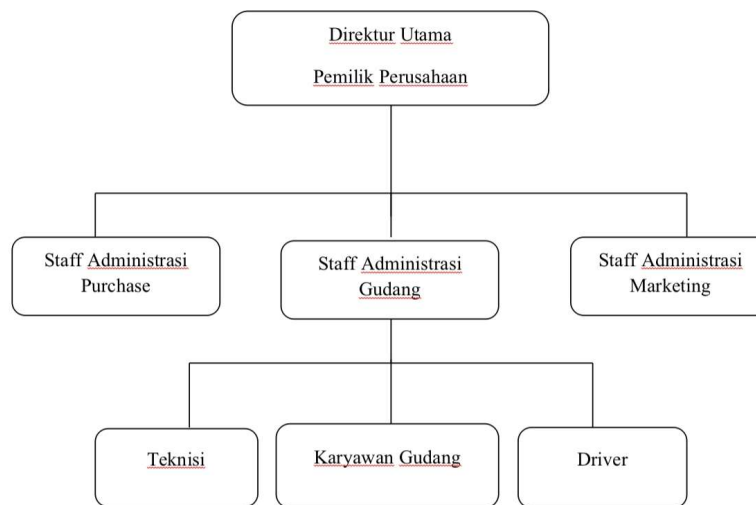
2. *Brief Profile of Research Objects*

The business called UD. X is owned by a person named This business was founded in the first place because Mr. Priyanto is someone who is of Chinese descent, and masters Mandarin, so he collaborated with his friend who was in Indonesia to import goods from that country and had extensive relationships and eventually opened his own business which was given UD's name. X. Sales of MSMEs reach 3.5 billion per year. The marketing strategy carried out by this business is through all online media, especially the internet. Initially, they made visits by offering goods to shops including furniture suppliers in certain areas. Until finally this business has sent goods outside Java, namely Kalimantan, Sulawesi, Bali, Lombok, Ambon and Papua, from these various islands there are several consumers of this MSME.

3. *UD Organizational Structure. Priyan Mighty*

The organizational structure is a framework that is prepared and will divide tasks and authority regarding what is the responsibility of a job. In a company, activities will be carried out that cannot be carried out by one person, but must work together in order to achieve business goals. Organizational structure at UD. X is:

Figure 5.
Organizational structure



4. Analysis of Recording and Preparing Financial Reports and the Importance of Financial Recording for UD Priyan Perkasa

The financial reports used by UD. X is only a simple financial statement, in the recording not in accordance with SAK ETAP, which is still using the pattern understood by the business owner, the company's employees compile financial reports only based on the knowledge of business owners. Next, the researcher asked questions to the same different source, namely Mrs. Gandis, as the administrative staff in the *purchasing department* or who keeps records of the transactions that occur. This company does not record financial reports properly and correctly, only records sales and expenses, to get profit or loss only by subtracting sales from expenses, even though expenses, rent, assets are not included in expenses, so profit or loss obtained from sales and deductions are incorrect results, this company prepares a general journal at the end of each period, recording is carried out routinely, but the transactions recorded are not in accordance with SAK ETAP.

Based on the interviews conducted, the researcher concluded that the preparation of financial reports carried out by UD. X is still very simple, not based on the standards for preparing good MSME financial reports. They only record sales, which means income and expenses, for the evidence they keep is the sales note which is used to collect when it is due. The owner does not separate personal accounts from company accounts which means that profit or loss cannot be clearly known. The owner understands that recording good financial

reports is very important for MSMEs, but does not do so because he does not have adequate human resources.

5. *Form or Model of Financial Arrangement*

The form or model of financial preparation for MSMEs is generally prepared practically and is easy to understand, especially for company owners without applying certain financial report preparation standards in its preparation. The educational background of MSME owners is also one of the factors that influences the form or model of preparing financial reports so that one MSME has different forms and models. It can be seen that the preparation of UD's financial reports. X is very simple and practical so that it is easy to understand, although only with a simple financial statement the owner of MSMEs also acknowledged that the report is very useful, because it can find out profit or loss. However, on the other hand, the report could be inaccurate, because it only reduces income and expenditure, and also if you want to borrow banking capital, you certainly can't, because it has problems with financial reporting. In fact, preparing MSME financial reports in accordance with SAK ETAP is something that must be implemented by business owners. Financial reports at UD. Priyan Perkasa is not based on good and correct Accounting Standards.

6. Preparation of Financial Reports at UD. X

These MSMEs do not have financial reports, they only record sales transactions, purchase transactions, receipt transactions, cash disbursements and very simple profit and loss reports. Based on the results of the interviews that have been conducted, there are several obstacles experienced by MSMEs in preparing financial reports, namely the lack of (HR) which means that these MSMEs do not have employees who are educated in the field of accounting, or who have taken part in accounting activities or training, resulting in a lack of knowledge. owned, the administrative staff only records transactions that occur, then there is no good system in the company, meaning the owner gives directions to his employees to record transactions according to what the owner wants, not based on the rules for preparing good financial reports. From the results of the interview process, documentation and observations regarding the preparation of financial reports currently used by UD. X, there are several financial reports prepared, presented in the following figure:

Figure 6.
UD Preliminary Balance Sheet. X

NERACA		
UD. PRIYAN PERKASA		
31 Des 2020		
AKTIVA		2020
AKTIVA LANCAR		
KAS DI TANGAN	Rp	20,000,000.00
KAS DI BANK	Rp	1,071,648,000.00
PIUTANG USAHA	Rp	623,000,000.00
CAD. KERUGIAN PIUTANG		
PERSEDIAAN	Rp	587,565,000.00
AKTIVA TETAP		
KENDARAAN	Rp	100,000,000.00
PERALATAN	Rp	41,500,000.00
TOTAL AKTIVA		Rp2,443,713,000.00
HUTANG & EKUITAS		
HUTANG USAHA	Rp	500,000,000.00
HUTANG GAJI		
MODAL PEMILIK	Rp	1,943,713,000.00
TOTAL HUTANG DAN EKUITAS		Rp2,443,713,000.00

Source: Data processed by the author

In the picture above you can see the balance sheet for the period 31 December 2020 which has been prepared by this MSME which will be used to prepare financial reports for the following period. The researcher obtained data from observations and interviews conducted during the research, from data obtained in accordance with frequent transaction activities. done, then a list of my names is compiled as follows.

Figure 7.
List of transactions and accounts involved

JENIS TRANSAKSI	DEBET	KREDIT
PEMBELIAN BARANG DAGANG HUTANG	PEMBELIAN	HUTANG USAHA
RETUR PEMBELIAN TUNAI	PEMBELIAN	RETUR PEMBELIAN
RETUR PEMBELIAN KREDIT	KAS DI TANGAN	RETUR PEMBELIAN
PENJUALAN TUNAI	KAS DI TANGAN	PENJUALAN
PENJUALAN KREDIT	PIUTANG USAHA	PENJUALAN
PEMBAYARAN GAJI	BEBAN GAJI	KAS DI TANGAN
PEMBAYARAN TELP, AIR, LISTRIK,WIFI DLL	BEBAN TELP, AIR, LISTRIK, WIFI, DLL	KAS DI TANGAN
PEMBAYARAN HUTANG MELALUI KAS DI TANGAN	HUTANG USAHA	KAS DI TANGAN
PEMBAYARAN HUTANG MELALUI BANK	HUTANG USAHA	KAS DI TANGAN
PEMBAYARAN TRANSPORTASI	BEBAN TRANSPORTASI	KAS DI TANGAN
DISETOR MODAL TUNAI	KAS DI TANGAN	MODAL PEMILIK
PENYETORAN UANG DI BANK	KAS DI BANK	KAS DI TANGAN
DEPRESIASI PERALATAN	BEBAN PENYUSUTAN PERALATAN	AKUMULASI PENYUSUTAN PERALATAN
DEPRESIASI KENDARAAN	BEBAN PENYUSUTAN KENDARAAN	AKUMULASI PENYUSUTAN KENDARAAN

Source: Data processed by the author

7. Evaluation of Financial Report Preparation

After presenting the financial report recorded by UD. X, it can be seen that the report is not in accordance with the rules of SAK ETAP, then the researcher will then evaluate and implement financial statements based on SAK ETAP. The steps for preparing financial reports carried out in accordance with SAK ETAP are:

a. Create an initial balance sheet

The first step in creating a balance sheet is to look at or identify the financial condition of MSMEs at the end of the year or end of the period. The data obtained from interviews will be used to prepare financial reports for the 2021 period.

Figure 8.
UD's 2021 Period Balance Sheet. X

NERACA UD. PRIYAN PERKASA PERIODE 2021			
Aktiva		Passiva	
Aktiva Lancar :		Kewajiban Jangka Panjang :	
Kas/Bank	Rp 1,198,505,100.00	Hutang Usaha	Rp 424,948,700.00
Piutang Usaha	Rp 623,000,000.00		
Persediaan	Rp 587,565,000.00		
Jumlah Aktiva Lancar	Rp 2,409,070,100.00	Jumlah Kewajiban Jangka Panjang	Rp 424,948,700.00
Aktiva Tetap :		Ekuitas :	
Peralatan	Rp 41,500,000.00	Modal Pemilik	Rp 1,220,764,300.00
Akumulasi Penyusutan Peralatan	Rp (4,300,000.00)	Laba Tahun Berjalan	Rp 896,057,100.00
Kendaraan	Rp 100,000,000.00		
Akumulasi Penyusutan Kendaraan	Rp (4,500,000.00)		
Jumlah Aktva Tetap	Rp 132,700,000.00	Jumlah Pasiva Tetap	Rp 2,116,821,400.00
Total Aktiva	Rp 2,541,770,100.00	Total Passiva	Rp 2,541,770,100.00

Source: Data processed by the author

b. Preparing Profit and Loss Reports and Retained Earnings

The presentation in the company's SAK ETAP will show the profit and loss report and retained earnings to replace the profit and loss report and capital changes report. Changes experienced by an entity are in the profit and loss statement, dividend payments, correction of errors in previous periods, and changes in accounting policies during the period in which the company's financial statements are presented, profit and loss statements and retained earnings statements as a substitute for financial statements can be presented.

Figure 9.
2021 Profit and Loss Report UD. X

UD. PRIYAN PERKASA LAPORAN LABA RUGI PERIODE 2021			
MODAL PEMILIK 31 DES 2020			Rp 1,220,764,300.00
			2021
PENJUALAN			Rp 4,151,390,100.00
Retur Penjualan			Rp -
Pendapatan Bersih			Rp 4,151,390,100.00
Pembelian Barang Dagang			Rp 2,654,685,000.00
Retur Pembelian			Rp -
Beban Pokok Penjualan			Rp 2,654,685,000.00
LABA KOTOR			Rp 1,496,705,100.00
BEBAN USAHA			
Beban Gaji			Rp 276,850,000.00
Beban Telp, Listrik, Air dan Wifi			Rp 27,148,000.00
Beban Transportasi			Rp 4,850,000.00
Beban Penyusutan Peralatan			Rp 4,300,000.00
Beban Penyusutan Kendaraan			Rp 4,500,000.00
Beban Lain-Lain			Rp 283,000,000.00
TOTAL BEBAN			Rp 600,648,000.00
LABA SEBELUM PAJAK			Rp 896,057,100.00
PAJAK PPh			Rp -
TOTAL LABA TAHUN BERJALAN			Rp 896,057,100.00
MODAL PEMILIK PERIODE 2021			Rp 2,116,821,400.00

Source: Data processed by the author

c. Statement of Changes in Equity

The change in equity report will present all changes that occur in owner's equity during a certain time period. The time period reported will be the same as the income statement.

Figure 10.
2021 Equity Change Report UD. X

LAPORAN PERUBAHAN EKUITAS UD. PRIYAN PERKASA PERIODE 2021		
Modal awal 31 Des 2020		Rp 1,220,764,300.00
Penambahan		
Laba Periode 2020	Rp 896,057,100.00	
Total Penambahan		Rp 2,116,821,400.00
Pengurangan		
prive		
Total Pengurangan		
Modal Akhir Periode 2021		Rp 2,116,821,400.00

Source: Data processed by the author

d. Prepare cash flow reports

The cash flow statement is a report that will provide information regarding cash and cash equivalents historically, and will show the increase or decrease in cash changes that occur during one period from operating activities, investment activities, and financing

activities. According to SAK ETAP, it is better to report cash flows using the indirect method.

Figure 11.
2021 Cash Flow Report UD. X

UD. PRIYAN PERKASA LAPORAN ARUS KAS PERIODE 2021		
ARUS KAS DARI AKTIVITAS OPERASI		
ARUS KAS MASUK		
Penjualan selama periode 2021	Rp	3,528,390,100.00
ARUS KAS KELUAR		
PEMBELIAN BARANG DAGANG	Rp	2,654,685,000.00
RETUR PENJUALAN		
PEMBAYARAN GAJI	Rp	276,850,000.00
PEMBAYARAN LISTRIK, AIR, DLL	Rp	27,148,000.00
PEMBAYARAN TRANSPORTASI	Rp	4,850,000.00
PEMBAYARAN HUTANG USAHA MELALUI KAS DI BANK	Rp	175,000,000.00
PEMBAYARAN ADMINISTRASI DAN OPERASI UMUM	Rp	283,000,000.00
ARUS KAS BERSIH DARI AKTIVITAS OPERASI		Rp 106,857,100.00
ARUS KAS DARI AKTIVITAS INVESTASI		
PEMBELIAN KENDARAAN		
PENJUALAN ASET TETAP	Rp	-
ARUS KAS BERSIH DARI AKTIVITAS INVESTASI		
ARUS KAS DARI AKTIVITAS PENDANAAN		
KENAIKAN/PENURUNAN KAS		
KAS AWAL PER 31 DESEMBER 2020	Rp	1,091,648,000.00
KAS AKHIR PERIODE 2021		Rp 1,198,505,100.00

Source: Data processed by the author

CONCLUSIONS AND SUGGESTIONS

Conclusion

This research aims to determine the application of preparing financial reports for Micro, Small and Medium Enterprises (MSMEs) at UD. X which is located in Sidoarjo. Based on the results of the discussion that has been presented, the following conclusions can be drawn :

1. At UD. Dr. , because employees are too focused on business operational activities, because company owners do not really know the importance of the benefits of preparing financial reports based on SAK ETAP so they can make the right decisions for their company.
2. The impact that occurred on UD. X If it does not apply financial statements based on SAK ETAP, which is not able to make the right decision when carrying out business activities, cannot borrow capital from the bank because it does not have a good and correct financial statements, does not know a little, even though they don't know the real benefits because they are often mixed with personal interests.
3. Implementation of the preparation of financial reports at UD. X, preparation of reports simply, collecting transaction proof, then recorded to sales and purchase reports only, using cash reports for operational activities simply, not in accordance with standard financial statements, the preparation of good and correct financial statements starts by gathering

evidence transactions, then prepare journals for all transactions that occur, then create financial reports. The preparation of financial reports for MSMEs is prepared based on SAK ETAP which is the standard for preparing financial reports for Micro, Small and Medium Enterprises (MSMEs).

Suggestion

To overcome the obstacles that occur at UD. X In preparing financial reports, MSMEs should pay attention to the following things:

1. For MSMEs:
 - a. To be more disciplined in recording all transactions that occur in business activities, and at that time a journal must be prepared immediately, without delaying the preparation time so that transactions can be missed and not entered into the books.
 - b. It is hoped that MSME owners understand the importance of preparing good and correct financial reports in accordance with MSME standards, so that the right decisions can be made for the progress of their business.
 - c. If you find it difficult to find Human Resources who understand the preparation of financial reports, then you should find out about a program to prepare financial reports automatically by simply entering transactions, so you can find out the company's actual financial position.
2. For Further Researchers

Future researchers might be able to take MSME research on service companies, not just trading companies, because trading companies and service companies have different treatment.

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