

Preparation of Financial Statements in Accordance with SAK EMKM in the UD Restu Jaya Cracker Business, Puger District, Jember Regency

Atika Puspita Sari¹, Yulinartati², Ibna Kamilia Fiel Afroh³

^{1,2,3}University of Muhammadiyah Jember

Article Info

Article history:

Received July, 2024

Revised July, 2024

Accepted July, 2024

Keywords:

MSME

Financial Report

SAK EMKM

ABSTRACT

The objective of this investigation is to evaluate the implementation of financial accounting standards for micro, small, and medium enterprises (SAK EMKM) at UD Restu Jaya Puger. MSMEs that specialize in the production of crackers were the focus of this investigation. This investigation implements a qualitative methodology that employs a descriptive methodology. The data for this study was acquired through observation, interviews, and documentation. The findings of this investigation indicate that UD Restu Jaya's financial records are still manual and simplistic. This is due to the fact that the owner has not comprehended the process of preparing financial statements in accordance with SAK EMKM and has not received any socialization regarding the SAK EMKM that has been defined. It is anticipated that this research will offer guidance to MSME proprietors regarding the implementation of financial statements in accordance with SAK EMKM.

This is an open access article under the [CC BY-SA](#) License.



Corresponding Author:

Name: Atika Puspita Sari

Institution Address: Universitas Muhammadiyah Jember

e-mail: atikapuspitasari04@gmail.com

1. INTRODUCTION

Business development in Indonesia is currently growing. One type of business that is currently developing in Indonesia is the Small and Medium Micro Business (MSME). MSMEs are one of the drivers of the nation's economy and have an important role in the economy in Indonesia because they can encourage and improve the economy continuously and continuously. MSMEs are expected to be able to control the national and international market share, by providing quality and reliable products in order to be able to advance and create jobs for the

community which can later generate income for the community.

The existence of Micro, Small and Medium Enterprises (MSMEs) can improve the country's economy and can reduce the unemployment rate in a country. Well-managed MSMEs will create a good system for future business development and well-managed MSMEs have a strong understanding of financial management. Perform accurate records and monitor financial performance regularly. Good financial management helps MSMEs in

making the right decisions about spending and business development.

Some of the results of research by Pinasti, Hariyanto, Idrus, Marbun in [1] show that the weakness of small businesses in Indonesia in general is that small business managers do not master and do not implement an adequate financial system. Business actors rarely use proper accounting records and arrangements such as orderly and systematic bookkeeping. In fact, with the use of adequate accounting, it is able to make it easier to provide credit by creditors. Basically, the principle of small business thinking is how to get a lot of profit without thinking about how to apply accounting and most business actors think that accounting information is less important and costs a lot. Many micro, small, and medium business actors also often use their personal capital such as profits which are the turnover of money on business results and result in business development that is carried out only with the capital they have.

By using financial statements as a form of conveying accounting information, business owners can also find out how their position and performance are finances. Not only that, business owners will find it easier to calculate taxes. Some MSMEs have financial statements but financial and tax statements have not been prepared simply and in accordance with applicable rules [2]. In presenting a good report and in accordance with applicable rules, it can also make it easier for entrepreneurs to get an injection of funds to the bank. As proof of the application of accounting principles, a business needs to prepare financial reports for its MSMEs.

The current accounting standard that can be used by MSME entrepreneurs is the use of EMKM Financial Accounting Standards. Given that the Indonesian Accounting Association (IAI) developed a new financial statement standard in 2016 called Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) that is intended for entities that are either unable or have not met the accounting requirements outlined in SAK ETAP. In addition, SAK EMKM is intended to be created for an entity

without a public accountant and does not publish its financial statements for general purposes for external users. The external users referred to here are parties that are not directly involved in both the processing of business and the relationship in the element of business reduction [3].

SAK EMKM is quite different from the generally accepted PSAK, this can be proven from the publication in the EMKM Financial Accounting Standards by the Standards Board of the Indonesian Accounting Institute (DSAK IAI), which is only about 18 chapters with a total of 37 pages [4]. This standard is also prepared in a simpler and more complex way, but is able to present reliable financial statement information from its output. For example, the owner only needs to record assets and liabilities of acquisition costs in his recording, considering that SAK EMKM uses historical measurements. With these facilities, MSME entrepreneurs do not need to use PSAK which applies in general as a reference for their financial reporting standards.

In fact, MSMEs are faced with various obstacles caused by several factors, namely low education, lack of understanding of information technology and lack of reliability of financial report characteristics [5]. Small sector business actors should understand information technology to facilitate their business development and in the preparation of financial statements should meet the qualitative characteristics of financial statements [6]. According to Muchid [5], the weaknesses of MSMEs cannot be separated from the profile of the economic sector when viewed from the aspects of capital and finance. This is in line with the research of Lestari, et al. [7] who stated that MSMEs often have difficulty recording that occurs in their business operations. The obstacles that often occur in financial recording are influenced by educational background, understanding of information technology, and lack of understanding in the preparation of financial statements.

Many MSMEs, particularly those in the services, manufacturing, or commerce sectors, fail to enhance the quality of their

MSMEs, despite the numerous challenges that have been identified. In the same vein as UD cracker MSMEs. The accounting recording process is not founded on accounting standards due to the dearth of knowledge in the compilation of financial statements, and Restu Jaya is one of the MSMEs engaged in production, specifically the manufacture of uncooked tempeh crackers with a fairly broad marketing scale. From the survey conducted that the UD MSMEs. Restu Jaya only records cash outflows and cash inflows which results in invalid financial statements because the financial records are not in accordance with the current standards. Income and expenses recorded at UD are moderate. Restu Jaya is sometimes an obstacle to making decisions, one of which is in determining the payment of employee salaries every month.

UD. Restu Jaya was carried out by Mr. Abd. Wahab since 1975 has been a hereditary business. Located in Krajan 2 Puger Kulon Hamlet, Puger Kulon District, Jember Regency. However, UD. Restu Jaya has not been able to implement financial statements based on financial accounting standards for micro, small and medium-sized entities, due to the limitations of thinking about the management of financial statements and the limited human resources (HR) that are inadequate in compiling a financial report, where UD. Restu Jaya only records important things both when there is income and cash expenditure so that it is not able to provide adequate financial information, thus this can have a bad impact on activities that are not well controlled or activities that are not structured in financial statements that meet standards.

Therefore, the researcher proposed the idea of preparing financial statements in accordance with the applicable standard, namely SAK EMKM, since it came into effect on January 1, 2018. Therefore, this study adopts SAK EMKM because it is simpler and more practical. The implementation of UD. The financial statements of Restu Jaya are still very simple and only involve the calculation of income and expenses. So that the financial statements expected by UD owners. Restu

Jaya may serve as a business evaluation and decision-making framework.

The aforementioned context leads to the conclusion that financial statements must be possessed by every company in order to facilitate the preparation of financial statements. This is due to the existence of SAK EMKM. Consequently, the researcher was motivated to pursue a study titled "Preparation of Financial Statements in Accordance with SAK EMKM in the Ud, Restu Jaya Cracker Business, Puger District, Jember Regency".

2. LITERATURE REVIEW

2.1 Accounting Definition

In the book Zamzami et al., [8] Accounting can be interpreted as a set of knowledge that studies the engineering of service provision in the form of quantitative financial information of an organizational unit and how to convey (report) the information to interested parties to be used as a basis for economic decision-making.

The American Institute of Certified Public Accountant (AICPA) Committee defines accounting as follows: "Accounting is the art of recording, classifying, and summarizing in a significant way and expressed in monetary value of transactions and events that are at least financial in nature and interpret the results" [9].

2.2 Financial Report

The final result of the collection and processing of business transaction data is financial statements. It is anticipated that an accountant will be capable of managing all accounting data in order to generate financial statements, as well as interpreting and analyzing the financial statements that are generated. In essence, financial statements are the culmination of the accounting process and can be employed as a means of communicating financial data or company activities to interested parties. According to another statement, these financial statements function as an information tool that connects the company with interested parties, which determines the financial health and performance of the company [10].

Financial statements are information that describes the financial condition of a company, where the information can be used as an overview of the financial performance of a company. According to Munawair, financial statements are a very important tool to obtain information in relation to the financial position and results that have been achieved by the company concerned, so financial statements are expected to help users to make financial economic decisions [11].

Therefore, it can be concluded that financial statements are information that describes the financial position of a company or organization, this information is then used to evaluate the performance and operational activities in a company. In addition, the existence of financial statements can also help company owners in making decisions for the future. Financial statements are prepared for a specific period of time, namely monthly, quarterly, and yearly.

2.3 Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM)

SAK EMKM is an independent financial accounting standard that can be implemented by companies that meet the criteria for companies without significant public liability as defined in SAK ETAP and the criteria set out in Law No. 20 of 2008 on Micro, Small and Medium Enterprises (MSMEs) that meet the described characteristics. SAK EMKM clearly defines the concept of business entity as one of its basic assumptions. Consequently, in order to generate financial statements based on SAK EMKM, an entity must be capable of distinguishing between the personal wealth of the owner and the assets and business results of the entity, as well as between a business/entity and another business/entity.

When compared to other SAKs, SAK EMKM is a standard that is made simple because it regulates general transactions carried out by EMKM and the basis of its measurement is purely using historical costs so that EMKM can simply record its assets and liabilities as much as its acquisition costs. Entities that meet the requirements for using the SAK EMKM still need to consider whether

the provisions stipulated in the SAK EMKM are in accordance with and meet the financial reporting needs of the entity. Consequently, entities must evaluate the financial reporting framework to be implemented, whether it is based on SAK EMKM or other SAKs, by considering the information requirements of consumers of the entity's financial statements and the convenience provided by SAK EMKM. SAK EMKM is a simplified financial accounting standard that was ratified by IAI on October 24, 2016 and is effective as of January 1, 2018 [4].

The Financial Accounting Standards for Micro, Small, Medium, and Macro Entities (SAK EMKM) are a set of financial accounting standards that are specifically intended to serve as a benchmark for MSMEs. IAI, or the Indonesian Accounting Association, is a professional organization that supervises all accountants in Indonesia. It is responsible for the compilation and ratification of this Financial Standard. A new SAK, SAK EMKM, will be implemented by DSAK IAI on January 1, 2018. This SAK is specifically designed for Micro, Small, and Medium Entities. To assist EMKM in Indonesia, which presently number 57 million and contribute to the country's economic development of up to 60%, SAK EMKM was issued. The majority of these EMKMs are small business actors who possess business prospects but lack access to funding sources, particularly banks, due to the absence of acceptable financial statements that would enable banks or other financial institutions to provide loans.

There are several standard specificities in SAK EMKM, some of which are components of EMKM financial statements consisting only of balance sheets, income statements and notes on financial statements, the basis for measuring elements of financial statements only on a historical cost basis, no recognition of impairment except for entities in the financial services sector that follow the provisions of the relevant regulators, fixed assets are depreciated by the straight-line method or the balance decreases without taking into account the residual value, Comparative statements are simply presented with only 1 previous period, the impact of

corrections on errors and changes in accounting policies is treated not as part of profit or loss in the period of change, the entity that prepares the statement of impairment using the basic assumption of cash changes the financial statements to accrual by making adjustments at the end of the reporting period, and so on. With the issuance of SAK EMKM by DSAK, besides being expected to provide convenience to EMKM business actors in compiling financial statements so that later it can be the basis for decision-making by EMKM management and other parties (banks, financial institutions, and others), this SAK is also expected to be a bridge for EMKM entities that are used to using a cash basis to accrual.

In SAK EMKM, financial statements only consist of financial position statements, profit and loss statements and notes on financial statements.

2.3.1 EMKM Financial Position Report

The report of EMKM's financial position consists of assets, liabilities and equity. Listed assets also consist of tangible and intangible assets. Liability is an obligation owned by an entity, both those that have a character as a legal obligation and a constructive obligation. Legal obligations, for example, are tax debts, and constructive obligations, one of which is the delivery of assets other than cash. Equity itself is a claim against an entity that is not included in liability.

2.3.2 Income Statement

In the profit and loss account, according to the SAK EMKM, it is the same as other SAKs, including income and expenses. Subtracting income and expenses gives the amount of profit generated by the company.

2.3.3 Notes on Financial Statements

The annual financial statements according to SAK EMKM include an overview of accounting and valuation methods, a statement on the preparation of the annual financial statements according to SAK EMKM and other information on significant and material business transactions.

2.4 Purpose of Financial Statements

According to Indonesian Institute of Accountants, [4] in PSAK No.1 it is stated that

the financial statements aim to be compared with the financial statements of the previous period and financial statements for other similar businesses.

According to Kasmir [12], in his book *Financial Statement Analysis*, there are seven reasons why business units must publish financial statements, namely:

- Displays information about the type and amount of debt and capital that the company currently has
- Displays information about the company's current assets
- Displays information about changes that occur to the company's assets, assets, and capital
- Displays information about the type and amount of revenue earned by the company in a given period
- Displays information about the notes on the financial statements
- Displays information about the performance of the company's management resources in a specific period
- Display other financial information deemed necessary

The explanation above shows that shareholders, lenders, investors, and the government need information from the company in the form of performance and an overview of the company presented in the financial statements presented in full by the company's management. The information will be used by all users of financial statements in determining future economic decisions [13].

2.5 Micro, Small and Medium Enterprises

Micro, Small and Medium Enterprises MSMEs are independent productive business units, carried out by individuals or Business Entities in all economic sectors. In principle, the distinction between Micro Enterprises (UMi), Small Enterprises (UK), and Medium Enterprises (UM) is generally based on the value of initial assets (excluding land and buildings), average turnover per year or the number of permanent workers. In Indonesia, the definition of MSMEs is regulated based on Law of the Republic of Indonesia Number 20 of 2008 concerning Micro, Small, and Medium

Enterprises. The definition according to Law No. 20 of 2008 is as follows:

2.5.1 Micro

Productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises as regulated in this Law. Small Business is an independent productive economic enterprise, carried out by an individual or business entity that is not a subsidiary or not a branch of a company owned, controlled, or is part either directly or indirectly of a medium or large business that meets the criteria for Small Business as intended in the Law. Micro business is a business unit that has assets of up to IDR 50,000,000, excluding land and buildings where the business is located, with annual sales of up to IDR 300,000,000.

2.5.2 Small Business

Small businesses are expected to be able to provide new jobs. If the growth of labor absorption by the large and medium business sectors is consistent, then the target of unemployment even if the development of entrepreneurship and the growth of new business units are carried out optimally, open unemployment will be suppressed. The existence of jobs and increasing incomes is expected to help realize a prosperous Indonesian society. It is difficult to realize this when people live in poverty and high unemployment rates, due to the inequality of control of productive resources is still very real. Small businesses with an asset value of more than Rp. 50,000,000 to a maximum of assets of Rp. 500,000,000 excluding land and buildings where the business is located have annual sales revenue from Rp. 300,000,000 to a maximum of Rp. 2,500,000,000.

2.5.3 Medium Enterprises

Medium Enterprises are stand-alone productive economic enterprises, carried out by natural persons or business entities that are not subsidiaries or branches of companies owned, controlled, or part either directly or indirectly with Small Enterprises or large enterprises with the amount of net worth or annual sales as regulated in the Law. Medium enterprises are companies with a net worth of more than Rp.500,000,000 to a maximum of

Rp.100,000,000,000,000 with annual sales above Rp.2,500,000,000,000,000 billion to a maximum of Rp.500,000,000,000.

2.5.4 Micro, Small and Medium Enterprises (MSMEs)

The definition of small business in Indonesia is still very diverse. According to the Ministry of Industry and Bank Indonesia (1990), a small business is defined based on the value of its assets, namely a business whose assets (excluding land and buildings) are valued at less than Rp 600,000,000. Meanwhile, the Department of Trade defines small businesses as businesses with a working capital of less than Rp 25,000,000 According to the Central Statistics Agency (BPS), small industries are industrial businesses that involve a workforce of between 5 and 19 people. Meanwhile, the household industry is an industrial business that employs less than 5 people. In general, the definition of micro, small and medium enterprises (MSMEs) is a business that produces goods and services that use the main raw materials based on the utilization of natural resources, talents and traditional works of art from the local area. The characteristics of MSMEs are that raw materials are easy to obtain, use simple technology so that it is easy to transfer technology, basic skills are generally possessed from generation to generation, are labor-intensive or absorb a considerable amount of labor, market opportunities are quite wide, most of the products are absorbed in the local or domestic market and not closed, some others have the potential to be exported, certain commodities have characteristics related to cultural works of art local area and involve the local economically weak community economically and profitably [14].

2.6 Types of Businesses in MSMEs

Within the scope of MSMEs themselves based on the Indonesian Chamber of Commerce and Industry, there are four types of business outlines that are pursued in accordance with the products that will be produced and the activities carried out, namely the existence of trade, agriculture, industry and service businesses [15]. Of the four businesses, there are the following criteria according to Bank Indonesia, namely:

- A trading enterprise that operates as an agency, such as a newspaper agent, shoes, or clothing, is an example. A few examples of retailers are those who sell oil, produce, and fundamental necessities. Local and international products are examples of exports and imports. For instance, the informal sector involves the collection of used products, pavements, and other items.
- Service Business: This category encompasses a variety of businesses, including consulting services such as law and tax, workshops like electronics and motor vehicle workshops, transportation services like public transportation and travel, and restaurants.
- Industrial Business: This category encompasses a variety of businesses, including traditional cuisine and catering, mining (such as limestone quarrying), and craftsmen (such as metal and leather craftspeople). Koveksi is a type of embroidery.
- Agricultural Business Where the business is in the form of a business that includes farming such as nurseries, fruit or vegetable gardens and others; Fisheries such as shrimp ponds and fish ponds that produce fish or marine products or processing; Livestock such as chickens, cattle and the scope of supervision of the department

2.7 Financial Position Statement at the End of the Period

A company's balance sheet contains information about the company's assets, liabilities, and equity as of a specific date. The definitions of the sections are as follows:

The following headings are included in the Statement of the entity's financial position:

2.7.1 Cash and cash equivalents

Cash and cash equivalents are deposits in banks and cash in the possession of the Revenue Treasurer that can be utilized at any time to finance local government

activities or short-term investments that are highly liquid and ready to be disbursed into cash, free from the risk of significant changes in value.

2.7.2 Receivables

According to PSAK no.9: "Accounts receivable include receivables arising from the sale of products or the delivery of services in the context of the company's normal business activities. Accounts receivable and others are expected to be collected in one or another normal business cycle classified as current assets".

Receivables are in the form of claims or bills in the form of money or other forms to a person or a company. Receivables are bills both to individuals and to other companies that will be received in the form of cash".

2.7.3 Supplies

Inventory is an asset that a company owns and is available for sale in business interests or is an item that will be used to produce goods that are available for sale. Thus, inventory is a very important asset component for the company because inventory is the main source in realizing the company's profit.

2.7.4 Fixed assets

Fixed assets based on PSAK Number 16 paragraph 06 effective January 1, 2018 are assets owned that are subsequently used for the production or provision of goods and services to be leased to other parties or for administrative purposes and used for more than one period. As an Accounting Education student who will work as an accounting teacher or work in a company, they must master financial accounting.

2.7.5 Accounts payable

Pursuant to Agoes, 2017, accounts receivable is a company's short-term obligations to third parties, which are due or must be repaid in less than or equal to one year, usually using the company's current assets. Accounts payable is also usually affected by high transaction volumes and is therefore very susceptible to misstatements. It is possible for the management of a company to manipulate debt, because by setting debt too low in order to report a more favorable financial position.

2.7.6 Bank debt

Bank debt or bank loan is a type of long-term debt in the form of loans obtained by companies from certain types of banks as a working capital of the company. In general, this bank debt is used for various strategic things such as for expansion or merger of a company.

2.7.7 Equity

Equity is the company's wealth consisting of paid-up wealth or that comes from outside the company and the equity is the result of business activities itself. If we look at the balance sheet of a company, there are concrete equity and abstract equity which also describe Equity, namely the balance sheet of one party shows Equity according to its form (next to debits) while the other party describes its source (next to credit).

3 METHODS

Location and Time of Research This research was carried out based on the results of observations on one of the Micro, Small and Medium Enterprises located in Krajan 2 Puger Kulon Hamlet, Puger District, Jember Regency, East Java Province.

The type of research used is qualitative descriptive research. In this study, the type of research carried out is in the form of field research with a descriptive qualitative method. Qualitative research is a research method that basically looks at the condition of an object naturally and the researcher is the key to an instrument [16]. The use of qualitative methods can make it easier for researchers to achieve their goals, because the data obtained is more complete, deep, and meaningful [16]. The results of this study are presented in the form of descriptions in the form of words or sentences that can be subsequently comprehended by the researcher. This enables the researcher to comprehend the financial statements of Mona Embroidery and to construct financial statements that are consistent with SAK EMKM.

Primary and secondary research methodologies are implemented in this investigation. Primary research in MSMEs at

UD Restu Jaya entails the direct collection of data from original sources, such as interviews with resource persons who are directly involved in the process of recording and compiling financial statements. On the other hand, the research also uses secondary data sources, such as financial statements and additional records that reflect MSME accounting information at UD Restu Jaya. By combining these two types of data sources, research can gain comprehensive insights into the topic being studied, by combining the direct perspectives of the actors involved with verified data, so that it can compile strong and in-depth findings.

In the method or technique of data collection carried out, namely by conducting interviews, documentation, and observations. Interviews themselves are a data collection technique with relevant parties and authorities directly and in-depth in order to find data that will meet the needs for prantiwi research. To get the right results, researchers have made a list of questions first before conducting the study. In this study, interviews will be conducted with those who record and compile financial reports in cracker MSMEs at UD Restu Jaya.

The next data collection method is a data collection method in the form of documentation. The compilation of documentation data is conducted by gathering data in the form of numerous pertinent documents and archives to satisfy research requirements. The data compiled in the study includes company profiles and financial statements, such as financial position reports.

The researcher will also collect data through observation, in addition to conducting interviews and documenting the process. Observation itself is carried out not only by using the sense of vision but also by using other senses. The data collection procedure in this study was carried out through a field survey. Where this field survey is carried out in order to obtain valid data, namely by directly observing the research object and supported by the evidence that has been available in this research object, namely interviews and documentation.

According to Sugiyono [17], data analysis is the process of systematically searching for and compiling data obtained from the results of interviews, field notes, and other materials, so that it can be easily understood, and the findings can be informed to others. Data analysis is carried out by organizing data, describing it into units, synthesizing, organizing into patterns, choosing which ones are important and what will be learned, and making conclusions that are easy to understand by yourself and others.

The analysis steps for the research are as follows:

1. Collect data and evidence of transactions obtained from UD. Blessing Jaya, like the history of UD. Restu Jaya, financial statements, and other evidence that has been obtained.
2. Draft a financial statement in accordance with the Financial Accounting Standards for Micro, Small, and Medium Entities, which commences with the following:
 - Creating a general journal

- Posting a general journal to the ledger
 - Preparing a balance sheet
- Report preparation in accordance with SAK EMKM, which includes:
- Income statement
 - Financial position report
 - Notes on financial statements.

4 RESULTS AND DISCUSSION

4.1 Presentation Analysis

The presentation of financial statements that prioritize honesty in the influence of transactions, events, and conditions is the presentation of reasonable financial statements. SAK EMKM mandates that micro, small, and medium-sized enterprises maintain three financial statements: a profit and loss statement, a financial position statement, and annotations on financial statements. Nevertheless, the financial presentation is still not evident in the UD Restu Jaya company.

Table 1. Completeness of Financial Statements

No.	Element	Present/None
1.	Financial position statement	None
2.	Income statement	None
3.	Notes on financial statements	None

Source: Processed primary data (2024)

4.2 Financial Statements in Accordance with SAK EMKM

Table 2. Financial Position Report

UD Restu Jaya		
Financial Position Report		
As of 31 December 2023		
CURRENT ASSETS		
Cash	IDR 989,200,000	
Supplies	IDR 654,500,000	
Number of Current Assets		IDR 1,643,700,000
FIXED ASSETS		
Soil	IDR 630,000,000	
Building	IDR 700,000,000	
Accumulation of building depreciation	IDR (560,000,000)	
Cracker Cutting Machine	IDR 42,000,000	
Accumulated Shrinkage of cracker cutter	IDR (36,750,000)	
Stove	IDR 60,000,000	

Accumulated shrinkage of the furnace	IDR (45,000,000)	
Cookware (Pan)	IDR 30,000,000	
Accumulated shrinkage of the pan	IDR (22,500,000)	
Emblek/Cracker Drying Tool	IDR 8,000,000	
Accumulated shrinkage of Emblek/Cracker Drying Tool	IDR (6,000,000)	
Number of Fixed Assets		IDR 799,750,000
Total Assets		IDR 2,443,450,000
LIABILITY		
Accounts Payable	IDR -	
EQUITY		
Final Capital	IDR 1,798,500,000	
Prive	IDR (115,500,000)	
Profit	IDR 760,450,000	
Total Equity		IDR 2,443,450,000
Total Liabilities and Equity		IDR 2,443,450,000

Table 3. Income Statement

OUT. RESTU JAYA PUGER		
LOSS LOSSES		
Sunday, 31 December 2023		
SALES:		
Sales	IDR 8,946,000,000	
Total revenue		IDR 8,946,000,000
Finished Goods Inventory(Preliminary)	IDR 105,500,000	
Cost of production		
Raw Materials		
Raw material supply (Early)		IDR 105,500,000
Purchase of raw materials	IDR 7,261,300,000	
Purchase returns	Rp-	
Total raw material purchases		IDR 7,261,300,000
Availability of raw materials ready for production		IDR 7,366,800,000
Final raw material availability		IDR (105,500,000)
Total Raw Material Cost		IDR 7,261,300,000
BURDEN:		
Salary Cost	IDR 720,000,000	
Electricity Costs	IDR 24,000,000	
Prive	IDR 115,500,000	
Building shrinkage load	IDR 35,000,000	

Shrinkage Load of Cracker Cutting Equipment	IDR 5,250,000	
Equipment Shrinkage Load (Furnace)	IDR 15,000,000	
Equipment Shrinkage Load (Pan)	IDR 7,500,000	
Equipment Shrinkage Load (Emblek/Cracker Drying Tool)	IDR 2,000,000	
Total load		IDR 924,250,000
Profit		IDR 760,450,000

Table 4. Notes on Financial Statements

UD Restu Jaya Notes on Financial Statements 31 December 2023	
1. COMMON	UD Restu Jaya is a business in the field of production owned by Mr. Abd Wahab which has been a hereditary business since 1975, which is located in Puger Village, Puger District, Jember Regency, East Java Province.
2. INCOME OVERVIEW	<p>a. Compliance Statement This report was prepared using the Accounting Standards for the Financials of Kecil and Meeneengah Micro Entities (SAK EeMKM).</p> <p>b. Procurement Policy The basis for the arrangement of the papoeran keeuangan is the histoerical cost and the peenyajian currency used for the arrangement of the papoeran keeuangan is the rupiah.</p> <p>c. Supplies The cost of raw material inventory includes the cost of purchasing necessities during production. The peer inventory used during the UD Restu Jaya production process consists of: Purchase of raw materials IDR 7,261,300,000</p> <p>d. Fixed Assets The fixed assets presented in the reportUD Restu Jaya are recorded as aof the cost. Aseteetap is arranged usinga straight line meetoedee without a re value. Fixed assets owned by UD Restu Jaya consist of: Land IDR 630,000,000 Building IDR 700,000,000 Equipment IDR 140,000,000</p> <p>e. Recognition of Pe and Be Sales income is recognized when there is a sale to a consumer or buyer. And the burden is recognized when the load occurs.</p>
3. CASH	The cash owned by UD Restu Jaya was obtained from cracker sellers. Below is the amount of cash that took place in early January-December 2023. Cash IDR 989,200,000,-
4. LABA BALANCE	

Profit balance is the accumulation of income and income after deducting the co-attribution of the profit. The profit balance from UD Restu Jaya is as follows:

- | | |
|--|-----------------|
| 5. Profit balance | IDR 760,450,000 |
| 6. SALES REVENUE | |
| total income in January until December is Rp 8,946,000,000,- | |

5. CONCLUSION

Based on research that has been conducted on UD Restu Jaya, it can be concluded that the financial statements of UD Crackers. Restu Jaya is not in compliance with the current financial accounting standards of EMKM due to the owner's lack of knowledge and comprehension regarding SAK EMKM. UD. Restu Jaya's financial statements consist solely of straightforward documentation in the form of daily currency inflows and outflows. In light of the issues that transpired in UD. The author is also involved in the construction process and the analysis of financial statements, which involves the following steps:

- Classify transactions.
- Establish procedures for acknowledgment, measurement, and presentation of each transaction.

- Create account classification.
- Starting with a general journal, ledger, balance sheet before adjustment, adjustment journal verse, balance sheet after adjustment, and ultimately compiling MSME financial statements in accordance with SAK EMKM.

The results of the construction of financial statements made in accordance with SAK EMKM include income statements, financial position statements, and CALK (Notes on Financial Statements).

ACKNOWLEDGEMENTS

Thank you, the author's great hope, hopefully this thesis can be useful for all parties in need.

REFERENCES

- [1] Pinasti, M. (2013). The Effect of the Implementation and Use of Accounting Information on Small Entrepreneurs' Perception of Information. *Journal of Chemical Information and Modeling*.
- [2] Dharma, A. B., & Mastuti, D. N. (2019). *REAL ATMOSPHERE : Journal of Community Service* ISSN : 2580-844. 3(2), 144–149.
- [3] Ningtiyas, J. D. A. (2017). Preparation of MSME Financial Statements Based on Financial Accounting Standards for Micro, Small and Medium Entities (SAK_EMKM) (Case Study in Bintang Malam Pekelon MSMEs). *Accounting Research & Journal*, 2(1), 11–17.
- [4] Indonesian Institute of Accountants. (2016). *Financial Accounting Standards for Micro, Small, and Medium Entities*.
- [5] Muchid, A. (2015). *Preparation of MSME Financial Statements Based on SAK ETAP (Case at UD Mebel Novel'1 in Banyuwangi)*. Jember: University of Jember.
- [6] Sariningtyas, Pratiwi, Diah, & Tituk, W. (2012). *Financial Accounting Standards for Entities Without Public Accountability in Small and Medium Enterprises*. 1(1), 90–101.
- [7] Lestari, A. D., Yulinartati, & Fitriya, E. (2019). Reconstruction of financial statements based on financial accounting standards for micro, small and medium entities. *Journal of Social Sciences and Humanities*, 8(1), 7.
- [8] Zamzami, F., Nusa, N. D., & Faiz, I. A. (2017). *Accounting Information Systems*. Gadjah Mada University Press.
- [9] Zamzami, F., & Nusa, N. D. (2016). *Accounting: Introduction 1*. Gadjah Mada University Press.
- [10] Hery. (2016). *Analysis of Financial Statements Integrated and Comprehensive Edition*. PT Grasindo Member of IKAPI.
- [11] Hidayat. (2018). *Basics of Financial Statement Analysis*. Uwais Inspirasi Indonesia.
- [12] Kasmir, *Analisis Laporan Keuangan*. Jakarta: Rajawali Pers, 2017.
- [13] Purba, M. A. (2019). Analysis of the Application of Sak Emkm in the Preparation of MSME Financial Statements in Batam City. *Barelang Accounting Journal*, 3(2), 55–63.
- [14] Halim, A. (2020). The Influence of Micro, Small and Medium Enterprises Growth on the Economic Growth of Mamuju Regency. *Scientific Journal of Development Economics*, 1(2), 157–172.
- [15] Rahadiansyah, R. (2018). Application of Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) in MSMEs Tempeh Chips Rohani Sanan Malang City. *Journal of Accounting and Auditing Studies*, 15(1), 1–65.

[16] Moleong, L. (2017). *Qualitative Research Methodology* (Revised). PT. Remaja Rosdakarya.

[17] Sugiyono. (2018). *Evaluation Research Methods (Quantitative, Qualitative, and Combination Approaches)*. Alfabeta.

BIOGRAPHIES OF AUTHORS

	<p>Name : Atika Puspita Sari TTL : Magetan 06-04-2001 Email: atikapuspitasari04@gmail.com SMAN 1 KENCONG Currently pursuing a S1 in Accounting at the University of Muhammadiyah Jember</p>
	<p>namaa : yulinartati Email: yulinartati@unmuhjember.ac.id Id scopus : 57209458315 S1 Unibaraw Malang jurusan akuntansi 1985 s/d 1991 dan S2 Unej jurusan Management 2008 s/d 2010 link Scopus: https://www.scopus.com/authid/detail.uri?authorId=57209458315</p>
	<p>Name : Ibna Kamilia Fiel Afroh TTL : Jember, 28-02-1987 Address : Jl.H.Moh Nur 183, Rowo Indah, Ajung Email: ibna.kamelia@unmuhjember.ac.id S1 : Bachelor of Economics S2 : Master of Management S1 = 2005 - 2009 (University of Jember, Department of Economics/Accounting) S2 = 2010 - 2012 (University of Jember, Department of Management)</p>