

Reconstruction of Financial Statements Based on SAK EMKM at UD. Langkap Jaya Situbondo

Yusuf Permadi¹, Yulinartati², Gardina Aulin Nuha³

^{1,2,3}Universitas Muhammadiyah Jember

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ABSTRAK

Komponen penting dalam kemajuan bisnis adalah pengelolaan keuangan. Penelitian ini bertujuan penelitian ini adalah untuk merekonstruksi pelaporan keuangan". UMKM UD Langkap Jaya menggunakan Standar Akuntansi Usaha Mikro, Kecil dan Menengah (SAK EMKM). Penelitian ini menggunakan penelitian kualitatif dengan menggunakan data primer dari hasil observasi lapangan serta wawancara. Penelitian ini menyimpulkan bahwa pencatatan keuangan perusahaan masih sangat sederhana dan manual, menggunakan nota yang dibukukan untuk mencatat penerimaan kas dari penjualan tahu dan pengeluaran kas seperti pembelian bahan baku dan beban operasional. Kendala utama adalah sumber daya manusia yang tidak memadai karena kurangnya pengetahuan mengenai penyusunan laporan keuangan sesuai standar, serta kurangnya sosialisasi dari dinas terkait bentuk laporan yang benar.

ABSTRACT

An important component in business progress is financial management. The purpose of this research is to reconstruct financial reporting". UD Langkap Jaya MSMEs use the Accounting Standards for Micro, Small and Medium Enterprises (SAK EMKM). This study uses qualitative research using primary data from field observations and interviews. This study concludes that the company's financial records are still very simple and manual, using the notes booked to record cash receipts from the sale of tofu and cash expenses such as the purchase of raw materials and operational expenses. The main obstacle is inadequate human resources due to lack of knowledge about the preparation of financial statements according to standards, as well as lack of socialization from the agency regarding the correct form of reporting.

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Corresponding Author:

Name: Yusuf Permadi

Institution: Muhammadiyah University of Jember

Email: yusufpermadi3105@gmail.com

1. PENDAHULUAN

MSMEs stand for Medium, Small and Micro Enterprises. The definition of MSMEs is determined by the government and the criteria for MSMEs in MSME Law No. 20 of 2008. SMEs are businesses run by individuals, households, or small businesses and the classification of SMEs is limited to annual turnover, balance sheet volume, and number of employees. The role of SMEs is very important for the country's economy, for example in 1998 the major economic crisis experienced by Indonesia caused the bankruptcy of large companies, but at the time of the economic crisis the SME sector continued to function and became the savior of the economy. The country's 1998 economic crisis In 2021, around 64.2 million SMEs trapped in Indonesia's economic crisis accounted for 61.07 percent of the economy. 8,574 tons.

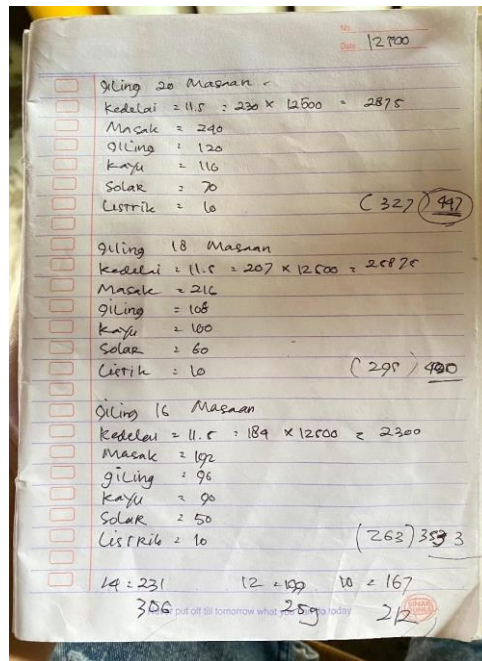
In particular, the enthusiasm of the people of East Java Province to start their own businesses has encouraged the growth of SMEs in Indonesia. According to the Ministry of Cooperatives and Small and Medium Enterprises (2020), there are 7,558,652 small and medium enterprises (SMEs) in East Java. In addition, in accordance with the schedule of technical guidance activities available on the official website of the East Java Provincial Cooperatives and MSMEs Office (www.depkop.go.id). According to Fatmawati (2018), one of the important components in business progress is financial management. Accounting is a system designed to generate financial data that allows its users to make decisions. During MSMEs, the use of money as a medium of exchange in the field of accounting is very important because it provides several benefits for MSMEs, namely MSMEs can know the performance of their business activities, MSMEs can know, sort and separate company finances. companies and their owners, SMEs can find out the location and source and users, SMEs can make the right budget, SMEs can calculate taxes, SMEs can find out cash flow in a certain period of time Susan, M. (2020).

The Accounting Standards Board of the Accounting Association (DSAK IAI) in 2009 responded to the needs of MSME actors. DSAK IAI prepares and ratifies standards taken from the International Financial Reporting Standard for Small and Medium Enterprises (IFRS for SMEs) or better known as the name. Financial accounting standards of an economic entity. Without community responsibility (SAK-ETAP). However, since it was ratified, the implementation of SAK-ETAP has not been optimal. To assist MSMEs in financial reporting, they prepared and ratified the Draft Accounting Standard Conversion on October 24, 2016 for Micro, Small and Medium Entities (SAK-EMKM) which took effect from January 1, 2018 and is considered simpler and simpler than SAK-ETAP.

Situbondo has an area of 3,115 km² and is one of the districts in East Java Province. Situbondo has a varied climate. To the north, Situbondo has a sea territory. The Netherlands is also suitable for growing crops such as coffee, rice, and corn. Situbondo is one of the tobacco-producing areas, no wonder many tall bamboo houses are used as storage places for freshly harvested tobacco. Situbondo has many small and medium enterprises (SMEs). One of the UD Small and Medium Enterprises (MSMEs). Langkap Jaya is located in Besuk District, Situbondo. UD. Langkap Jaya is an MSME engaged in the food industry and mainly produces raw tofu. Based on an interview with the owner of the UD company. Langkap Jaya may be the beginning of the establishment of UD's business. Langkap Jaya in 2000, then UD. Langkap Jaya, which has five employees, only prepares financial statements in the form of expenses and income. Currently, the tofu industry produces one ton of tofu per day in each production. As well as more advanced machine resources such as boiler engines and milling machines. In addition, Situbondo and Paiton Probolinggo have up to 30 loyal customers, traders in various regions.

UD Langkap Jaya wants development and progress, such as increasing the number of products sold or opening new branches in other areas. To support this so that it can be implemented, UD. Langkap Jaya needs additional capital. Capital acquisition through external parties such as banks or cooperation with non-banks is being explored. However, the financial statements on UD. Interested parties questioned the credibility of Langkap Jaya. UD Langkap Jaya also does not know

whether the financial statements they make have met the current standards or not. This can be shown in the image below.



Picture 1. UD Recording. Langkap Jaya

The results of the above recording show that UD. Langkap Jaya has not implemented the SAK EMKM on micro, small, and medium enterprises (MSMEs). In the financial management of UD. Langkap Jaya uses the accrual basic recording method. Based on the description above, the author wishes to conduct a research with the title "Reconstruction of the preparation of MSME financial statements based on SAK EMKM in the UD case study. Langkap Jaya Situbondo". Based on this research is How UD's financial statements. Langkap Jaya Situbondo made in accordance with SAK EMKM? The purpose of this study is to reconstruct financial reporting". UD Langkap Jaya MSMEs use the Accounting Standards for Micro, Small and Medium Enterprises (SAK EMKM)

2. TINJAUAN PUSTAKA

2.1 MSMEs

Law Number 9 of 1995 concerning Small Businesses which is implemented by Government Regulation Number 44 of 1997 concerning Partnerships. where the definition of SMEs is regulated in the 1995 Law in the Constitution as follows:

- 1) Small businesses are the economic activities of people who are small in size and meet the criteria of net worth or annual sales and property rights specified in this law.
- 2) Medium and large enterprises are economic sectors whose net worth or annual sales revenue criteria are greater than those of small companies. from.

According to the Central Statistics Agency (BPS) which defines SMEs into two categories, namely

- 1) In terms of turnover, small businesses are companies with fixed assets of less than IDR 200 million and annual turnover of less than IDR 1 billion.
- 2) According to the number of employees, a small business is a company that employs 5-9 people.

In general, SMEs are engaged in two (two) sectors, namely the industrial sector and the goods and services sector. Presidential Decree No. 127 on sectors/types of businesses in the field of industry and trade open to small and medium enterprises since 2001

- 1) The processed food and beverage industry that preserves by salting, salting, sweetening, smoking, drying, boiling, frying and fermenting in the traditional way.
- 2) Industries that process yarn from artificial fibers into patterned/dyed yarns related to hand tools.
- 3) The textile industry includes weaving, knitting, batik and embroidery, the characteristics of which are made with ATB or hand tools such as batik, hats, skulls, and others.
- 4) Processing of non-edible forest and garden products; Building or household materials: bamboo, nipah, shingles, charcoal, coconut; Industrial materials: latex, tree bark, natural silk, gambier.
- 5) Industrial hand tools or semi-machine hand tools for carpentry and cutting. 6. Agricultural manila industry is required for cultivation, production process, harvesting, post-harvest and processing, excluding hoes and shovels.
- 6) Making glazed and glazeless pottery for household use.
- 7) The maintenance and repair industry, which includes automobiles, marine vessels of less than 30 GT, electronics and household appliances, which is done manually or semi-automatically.
- 8) The craft industry with a rich regional cultural heritage has artistic value by using natural raw materials or simulations. from

2.2 Financial Accounting Standards for Micro, Small, and Menengan Entities (SAK-EMKM)

Micro, Small and Medium Enterprises (MSMEs) are business entities that do not have large public obligations and meet the definition and criteria of micro, small, and medium enterprises according to laws and regulations in Indonesia for at least two consecutive years. Financial Reporting Standards (SAK) are guidelines for the preparation of generally accepted accounting reports. Accounting standards include agreements, procedures, and terms that are established and approved by an official institution at a given time. Accounting standards outline what transactions must be recorded, how to record them, and how they are presented in the financial statements presented. Therefore, all financial statements issued by MSMEs must be in accordance with applicable accounting standards so that they are easily understood by stakeholders

The Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM), which is intended for entities without public accountability, are as follows.

- 1) Lack of significant public accountability
- 2) Issue general purpose financial statements for external users. What is meant by external users here is owners who are not directly involved in business management, creditors, and credit rating agencies.

2.3 Financial Statements According to SAK-EMKM

2.3.1. Financial Position Report

In the development of a business, financial statements are a benchmark in preparing a future business plan. One way is to look at financial position reports. Financial statements present information about the assets, liabilities, and equity of an economic entity at the end of the financial year (SAK EMKAM, 2016:9). The following are the definitions of the sections of financial statements:

- a. Assets are resources that can be enjoyed financially by the company due to past events and that can be expected for future business operations, such as money and bank receivables, invoices, inventories, and fixed assets (SAK EMKM 2016:3).
- b. Liabilities are obligations arising from past business activities that affect cash flow with the effectiveness of these resources, such as invoices and bank debts (SAK EMKM, 2016:3).
- c. Equity is the difference between assets and minus all liabilities (SAK EMKM, 2016 :3).

Figure 1. Financial Report

ASSETS	20X8	20X7
Cash and Cash Equivalentents	xxxx	xxxx
Cash	xxxx	xxxx

Giro	xxxx	xxxx
Warehouse	xxxx	xxxx
Amount of cash and cash equivalents	Xxxx	Xxxx
Accounts Receivable	Xxxx	Xxxx
Supplies	Xxxx	Xxxx
Prepaid expenses	Xxxx	Xxxx
Fixed Assets	Xxxx	Xxxx
Accumulated Depreciation	(xxxx)	(xxxx)
NUMBER OF ASSETS	Xxxx	Xxxx
OBLIGATION		
Accounts Payable	Xxxx	Xxxx
Bank Debt	Xxxx	Xxxx
Number of Liabilities	Xxxx	Xxxx
EQUITY		
Capital	Xxx	Xxx
Profit Balance (Deficit)	Xxx	Xxx
Total Equity	Xxx	Xxx
SUM	Xxx	Xxx
OBLIGATION AND EQUITY		

2.3.2. Income Statement

All revenue and expenses recognized over a given period are reported in the income statement. Except for SAK EMKM, the effects of corrections and errors and changes in accounting principles are presented retroactively compared to the previous reporting period, not as part of the profit and loss of the change period.

- a. Income is an increase in economic benefits in the form of an increase in assets, an increase in cash flow, or a decrease in liabilities, which causes an increase in equity during an accounting period that is not derived from capital.
- b. Cost is the resource that an entity (economy) owns as a result of past events that result from it and that are expected to provide financial benefits in the future. Tangible assets and intangible assets are two classes of assets

Table 2. Income Statement

INCOME	20X820X7
Operating Income	XxxxXxxx
Miscellaneous income	xxxx xxxx
TOTAL INCOME	xxxx xxxx
BURDEN	
Business expenses	xxxx xxxx
Miscellaneous Expenses	xxxx xxxx
LOAD AMOUNT	xxxx xxxx

Profit (Loss) Before Income Tax	
Income tax burden	xxxx xxxx
Profit (Loss) After Income Tax xxxx xxxx	

2.3.3. Appendix to Financial Statements

which contains additional posts and details specific material posts. Based on SAK EMKM (2016:13) The attachment to the annual accounting report contains:

- a. explanation that the annual accounting report is prepared according to SAK EMKM
- b. Additional information and details specific headings describing important and significant events to help users understand financial statements.

The Financial Accounting Standards for Micro, Small, and Medium Enterprises (SAK EMKM) is a standard used as a reference or guideline for MSMEs in presenting or creating financial information so that the financial statements are reliable and useful for users.

3. METODE PENELITIAN

This study uses qualitative research. The purpose of qualitative research is to describe and explain an event by collecting information. According to Angrito and Setiawan (2018:9), qualitative research does not use statistics, but through data collection, analysis and then interpretation. The method used in this study is a descriptive method. Suryana (Octavia, 2019) stated that "the implementation uses survey techniques, document analysis, case studies, time and movement studies, behavioral analysis and comparative studies". In this study, the author collects data by conducting interviews or interviews with respondents to obtain data

UD. Langkap Jaya, a company that produces tofu in Besuk District, Situbondo Regency. He has five employees who help with transportation every day.

Silalahi (2006:265) states that data sources are divided into two parts, namely primary data sources and secondary data sources. The type of data used in this study uses two types of primary data and secondary data:

a. Data primer

According to Hasan (2002:82), primary data is information obtained or collected directly in the field by researchers or parties who need it. Primary data can come from informants, namely individuals, or individuals such as the results of research interviews. This primary data includes: Records of interview results, field observation results and data about informants. This study uses primary data through observation and direct interviews with UD owners. Langkap Jaya, how

b. Data Seconds

Secondary data according to Silalah (2006:266) is data obtained or collected from sources that already existed before the research was conducted. Secondary data is usually in the form of evidence, records or historical reports that are well organized in published and unpublished archives. This study uses secondary data to complement the data that has been collected through interviews and observations of UD owners. Langkap Jaya Effort. Here the researcher uses financial or accounting information used by UD. Langkap Jaya Business with one recent incident in the form of records, namely UD's financial information. Langkap Jaya business and data, namely transaction data such as cash deposits and withdrawals, goods, commodities and others

3.1. Data Collection Techniques

The data used in this study was obtained through survey techniques, interviews, and documentation. The survey technique used here is to visit the respondents to see if they meet the criteria as expected by the researcher. In this case, data collection is carried out both by means of interviews and by viewing and documenting financial statements prepared by SMEs, which are used as objects, namely as raw data. According to Nur Indriantoro (2013), primary data is a source of research information obtained directly from the original source (not through intermediaries of other parties).

3.2. Data Analysis Techniques

Data analysis is a planning procedure where systematically collects information in the form of data obtained from the results of interviews, field notes and documentation, combines all data into groups produced into parts, synthesizes, plans into formulations and shows what is prioritized and what is considered in making a conclusion, so that it is easily accessible and understood both for oneself and others, based on the opinion of Sugiyono (2014).

4. HASIL DAN PEMBAHASAN

Probolinggo, precisely in West Krajan Hamlet, Langkap Village, Besuki District, Situbondo Regency. The industry has been established for about 24 years since 2000 and currently employs 5 employees who assist in the day-to-day operational activities in the production field, which are divided according to their respective duties.

Since its establishment, tofu production in this industry has continued to increase, despite facing various challenges at the beginning of its establishment. Initially, this tofu industry operated on a small scale or as a household industry with only a few employees. The management is fully carried out by Nur Faida as the owner. However, as the number of consumers increases, the tofu industry grows bigger and bigger and employs more employees. Today, the owner is no longer directly involved in the day-to-day management but pays employees to manage finances and supervision.

Currently, UD. Langkap Jaya is able to produce one ton of tofu every day by using more sophisticated machine assets such as boiler engines and milling machines. In addition, there are more than 30 traders who are regular consumers and spread across various regions in Situbondo and Paiton Probolinggo.

The company's vision is to remind the public that the healthiest food is a "four healthy five perfect" diet, which is rich in vitamins and proteins, all contained in tofu. Therefore, we should be proud as Indonesia citizens who have one of these extraordinary masterpieces.

Mission Expanding marketing reach is not only limited to regions, but also reaches major cities. This aims to make it easier for consumers to get original Indonesia tofu.

Financial management or reporting is very interesting to research, especially in the Micro, Small, and Medium Enterprises (MSMEs) sector. This is based on the urgency of financial reporting, especially for MSMEs as decision-making and can also see how far the existing MSMEs are developing. Researchers are interested in conducting research on UD MSMEs. Langkap Jaya belongs to Mrs. Nur Faida in West Krajan Hamlet, Langkap Village, Besuki District, Situbondo Regency.

4.1 Interviews, observations and documentation

The results of interviews and observations, it can be seen that UD. Langkap Jaya conducts financial records manually and simply. This recording only includes cash receipts from the sale of tofu and cash expenditures for the purchase of raw materials and operational costs. This can be seen from the records in their financial books. In the book, it is recorded that every day, the owner records the number of tofu sold, the selling price per unit, and the total income from sales. In addition, they also recorded daily expenses for the purchase of raw materials such as soybeans, coagulants, as well as other operational costs such as employee salaries, diesel, and electricity.

The results of the interview show that UD. Langkap Jaya has not implemented the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM). Business owners admit that they do not have enough knowledge about accounting and how to prepare financial statements that comply with these standards. The main obstacles faced are the lack of human resources who are experts in the field of accounting and the lack of socialization from the MSME office regarding the accounting standards that must be applied.

From the existing records, it can be seen that financial recording is carried out simply and manually, which causes the recording to be inaccurate and unstructured. For example, on December

1, 2023, there were 220 pieces of tofu sold with a total revenue of IDR 2,376,000. Expenses on the same day included the purchase of soybean raw materials of IDR 240,000, wood (coagulant) of IDR 120,000, employee salaries of IDR 110,000, diesel costs of IDR 70,000, and electricity costs of IDR 10,000, with a total expenditure of IDR 1,394,000. This recording provides a rough overview of daily income and expenses, but it does not cover other important aspects of standardized financial statements.

Limited accounting knowledge among UD staff and owners. Langkap Jaya results in the recording that is often inaccurate. Additionally, manual record-keeping also increases the risk of human error, such as errors in calculating total income or expenses, as well as loss or damage to records. This results in the resulting financial statements not being able to provide an accurate picture of the company's financial condition. The lack of socialization from the MSME office regarding the accounting standards that must be applied is also a factor that hinders the implementation of SAK EMKM at UD. Langkap Jaya. Socialization and training from the MSME office is very important to help MSMEs such as UD. Langkap Jaya in understanding and implementing accounting standards. Without adequate socialization, MSMEs will continue to experience difficulties in compiling financial statements that meet standards.

The implementation of a computer-based accounting system can be a solution for UD. Langkap Jaya to improve the accuracy and efficiency of financial records. By using accounting software, transaction recording can be done in a more structured and automated manner, thereby reducing the risk of human error and facilitating the preparation of financial statements that comply with standards. Many accountings software designed specifically for MSMEs is easy to use and affordable.

The implementation of SAK EMKM will provide many benefits for UD. Langkap Jaya. With standardized financial statements, business owners can get a clear picture of the company's financial condition, including profits generated, operating costs, and cash flow. A good financial report will also make it easier for UD. Langkap Jaya in applying for loans or financing from financial institutions, because they can show the credibility and financial health of the company.

4.2 Journaling

Table 3. Journaling

Information	Debit	Credit
Cash	2.376.000,00	
Sales		2.376.000,00
Buying soybeans	240.000,00	
Purchase of Wood	120.000,00	
Salary	110.000,00	
Purchasing Solar	70.000,00	-
Purchase of Electricity	10.000,00	
Cash		1.394.000,00

The general journal records all financial transactions that occur at UD. Langkap Jaya during June 2023, starting from sales, merchandise purchases, salary expenses, revenue from the sale of tofu pulp, to payment of electricity bills can reduce profits or profits.

4.3 Ledger

Table 4. Cash Account

Information	Debit	Credit	Balance
Sales	2.376.000,00	-	2.376.000,00
Soybean		240.000,00	2.136.000,00
Payroll burden		120.000,00	2.016.000,00
Sales revenue		110.000,00	1.906.000,00

Payment of electrical loads		70.000,00	1.836.000,00
Electricity		10.000,00	1826.000,00

Table 5. Balance Sheet

Account	Debit	Credit
Cash	5.316.000,00	
Sales		7.841.000,00
Soybean Purchase	768.000,00	
Purchase of wood	384.000,00	
salary	1.140.000,00	
Purchasing Solar	190.000,00	
Purchase of Electricity	40.000,00	
Total	7.841.000,00	7.841.000,00

Financial statements are an important tool that describes business conditions, both progress and setbacks, which are urgently needed by every business activity. According to Sadeli (2011), financial statements are written reports that provide information about financial positions and their changes, as well as results achieved in a certain period. Financial statements are part of the accounting cycle that starts with the analysis and recording of transactions, and ends with summarizing and reporting the transactions (Warren, 2006).

Several previous studies that became a reference or reference related to the implementation of SAK EMKM in Micro, Small, and Medium Enterprises (MSMEs) showed that most small and medium business actors do not have financial statements that are in accordance with applicable standards, namely SAK EMKM. This is due to the lack of human resource capabilities that do not support the preparation of relevant financial statements.

In Ningtyas (2017) research entitled "Preparation of MSME Financial Statements Based on Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM) (Case Study in Bintang Malam MSMEs)", it was found that Bintang Malam MSMEs experienced difficulties in compiling financial statements that were in accordance with the applicable standards in Indonesia because the company only used notes that were booked. Difficulties in accounting records are caused by the limited accounting knowledge of entrepreneurs, so they do not apply Financial Accounting Standards (SAK).

The results of this study show that UD. Langkap Jaya has not implemented Financial Accounting Standards for Micro, Small and Medium Entities. Financial management at UD. Langkap Jaya is very simple and manual, and does not meet the criteria for financial statements that meet the SAK EMKM standards. The recording carried out by UD. Langkap Jaya only includes cash receipts from sales and income from the sale of tofu dregs, as well as cash expenditures such as the purchase of merchandise and payment of expenses. Bookkeeping reports are made by the owner of UD. Langkap Jaya, because the owner also acts as the finance department.

Based on an interview with the owner of UD. Langkap Jaya, it was revealed that the process of recording financial records at UD. Langkap Jaya is currently still very simple and manual. The owner stated, "Currently, financial records at UD. Langkap Jaya is still very simple and manual. We

only record cash receipts from sales and cash expenditures for the purchase of goods as well as payment of expenses." Regarding the application of SAK EMKM accounting standards, the owner admitted, "Not yet. We have not implemented SAK EMKM accounting standards due to limited knowledge and ability in the field of accounting." The main obstacles faced in compiling financial statements that are in accordance with standards are the lack of human resources who are experts in the field of accounting and the lack of socialization regarding the appropriate form of financial statements from the MSME office. The owner added, "The main obstacle is the lack of human resources who are experts in the field of accounting and the lack of socialization regarding the appropriate form of financial statements from the MSME office."

The principle of economic entities, which governs financial segregation, considers companies as economic entities that are independent and separate from their owners. As a result, accounting avoids fraud by separating all transaction records, including the company's wealth and liabilities from the owner's personal (Care & Fire, 2008). Therefore, finance at UD. Langkap Jaya must be separated between the owner and the finance department. This is important because separating personal finances from company finances will make the bookkeeping clearer and reflect the actual state of the company. Business will also become easier for the owner.

Judging from the conditions for recording financial statements that have been made by UD. Langkap Jaya, it is very minimal to know how much profit is earned every month. UD. Langkap Jaya urgently needs the preparation of good financial statements and in accordance with financial reporting standards. Thus, the report prepared based on the SAK EMKM will reflect UD's operational activities. Langkap Jaya more accurately and the financial statements prepared will be easier to understand by users, both UD. Langkap Jaya and various institutions that provide loans, as well as provide an overview for the continuity of their business.

In the income statement, the owner will find out whether the company is running a profit or loss by reducing the expenses that have been incurred by the company during business activities. Obstacles in the process of preparing financial statements are the lack of expert and adequate human resources in the field of accounting, as well as the lack of socialization from the MSME office regarding the appropriate and correct form of financial statements. By making UD's financial statements. Langkap Jaya is in accordance with the standards, both manually and computerized, it is hoped that the report can be used as an example for financial statements in the following year and help understand the importance of financial statements for operational continuity. The preparation of financial statements in accordance with Indonesia's accounting standards, SAK EMKM, is carried out based on transactions and data obtained from research objects, either directly or indirectly. UD's financial statements. Langkap Jaya is prepared in accordance with accounting standards, including Financial Position Statement, Profit and Loss Statement, and Notes on Financial Statements.

The preparation of financial statements follows standards to ensure uniformity and ease of understanding for internal and external parties. For MSMEs, the preparation of financial statements uses the SAK EMKM reference which includes three main components: financial position statement, profit and loss statement, and notes on financial statements (SAK EMKM, 2016).

4.4 Reconstruction of UD's Financial Statements. Langkap Jaya Based on SAK EMKM

Financial position statements include accounts such as cash, loans, inventories, fixed assets, trade loans, and shareholders. The company presents financial statements and parts of the financial position statement when the presentation is important to understand the company's financial position. EMKM SAK does not specify the order or format of delivery. Companies can provide value calculations through due orders and due reports.

UD. LANGKAP JAYA	
FINANCIAL POSITION STATEMENT	
AS OF 31 DECEMBER 2023,	
ASSETS	
Cash and cash equivalent	118.564.000

Supplies	60.146.000
Number of Assets	178.710.000
Soil	90.160.000
Building	110.000.000
Accumulation of building depreciation	(5.000.000)
Equipment	7.000.000
Accumulated equipment shrinkage	(1.400.000)
Machine	60.000.000
Accumulated shrinkage of the machine	(7.500.000)
NUMBER OF ASSETS	431.970.000
LIABILITY	
	43.000.000
Number of liabilities	
EQUITY	
Capital	288.173.000
Net Profit	100.797.000
SUM LIABILITIES AND EQUITY	431.970.000

4.5 Income Statement

Profit and loss can include income, financial, and tax accounts. The company presents the accounts and the account section in the income statement if the presentation is important to understand the company's financial results.

INCOME	
Sales	97,200,000
Total revenue	97,200,000
BURDEN	
Cost of Goods Sold	
Raw Material Load	54.076.000
Electrical load	300.000
Solar purchase expenses	1.140.000
Burden of purchasing firewood	4.000.000
TKL Load	7.188.000
Cost of Goods Sold	66.734.000
Gross Profit	30.496.000
Non-operational load	

Building Depreciation Costs	1.000.000
Equipment Depreciation Cost	280.000
Machine Depreciation Cost	1.500.000
Total Expenses	2.780.000
Net Profit After Tax	27.716.000

4.6 Notes on Financial Statements

1. General Information: UD Langkap Jaya is a business engaged in the production and sale of raw tofu. This business is located in Langkap, Besuki, Situbondo, East Java, and was established in 2000.
2. Significant Accounting Policy
 - a. Basis for Preparation of Financial Statements: Financial statements are prepared based on the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM).
 - b. Revenue Recognition: Revenue is recognized at the time the sale is known.
 - c. Expense Acknowledgement: Expense is recognized at the time of the transaction.
 - d. Inventory: Inventory consists of tofu (soybean) raw materials and goods in process. Inventory is assessed based on acquisition costs.
 - e. Fixed Assets: Fixed assets (land, buildings, equipment, and machinery) are valued based on acquisition costs minus accumulated depreciation.
 - Building: 20 years old
 - Equipment: 5 years
 - Engine: 10 years
 - f. Cash and Cash Equivalents as of December 31, 2023: IDR 118,564,000
 - g. Inventory consists of raw materials and goods in process (as of December 31, 2023: IDR 60,146,000)
 - h. Fixed Assets: Assets remain consisting of land, buildings, equipment and machinery used
 - Land: IDR 90,160,000
 - Building: IDR 110,000,000
 - Accumulated building depreciation: IDR (5,000,000)
 - Equipment: IDR 7,000,000
 - Accumulated depreciation of equipment: IDR (1,400,000)
 - Engine: IDR 60,000,000
 - Accumulated depreciation of the engine: Rp (7,500,000)
 - i. Liabilities: Liabilities reflect the liabilities and other liabilities that must be paid by the company.
 - j. Equity: Equity consists of capital and net profit generated by the business.
 - Capital: IDR 288,173,000
 - Net profit as of December 31, 2023: IDR 100,797,000
 - k. Revenue: obtained from the sale of raw tofu. Total revenue for December 2023: IDR 97,200,000.
 - l. Cost of Goods: Cost of goods sold consists of soybean costs, cooking costs, TKL costs, diesel costs, and electricity costs.
 - m. Business Expenses: consists of depreciation costs of buildings, equipment and machinery. Total operating expenses in December 2023: IDR 2,780,000.
 - n. Net profit: for December 2023: IDR 27,716,000.

5. KESIMPULAN

Research on Financial Statement Reconstruction Based on SAK EMKM at UD Langkap Jaya concluded that the company's financial records are still very simple and manual, using notes booked

to record cash receipts from tofu sales and cash expenditures such as purchases of raw materials and operational expenses. The main obstacle is inadequate human resources due to lack of knowledge about the preparation of financial statements according to standards, as well as lack of socialization from the agency regarding the correct form of reporting. The preparation of financial statements in accordance with SAK EMKM involves collecting data, journaling, general ledgers, balance sheets, and making financial position reports, profit and loss statements, and notes on financial statements. The financial statements prepared show total current assets of IDR 60,000,000.00 without fixed assets or liabilities, so that total equity is also IDR 60,000,000.00. The income statement shows a total net income of IDR 60,000,000.00. Owners are aware of the importance of recording and preparing financial statements that meet standards but do not fully understand how to do it.

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BIOGRAPHIES OF AUTHORS

	<p>Yusuf Permadi    </p> <p>Nama saya Yusuf Permadi, biasa di panggil yusuf, saya merupakan mahasiswa dari prodi akuntansi Universitas Muhammadiyah Jember dari Program Studi Akuntansi. Saya lahir di kota situbondo 31 mei 2000, alamat rumah saya di desa demung. Kecamatan besuki kabupaten situbondo. Email: yusufpermadi3105@gmail.com</p>
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	<p>Dra. Yulinartati, SE.,MM    </p> <p>S1 Unibaraw Malang jurusan akuntansi 1985 s/d 1991 dan S2 Unej jurusan Management 2008 s/d 2010</p> <p>ID Scopus: 57209458315.. E-mail: yulinartati@unmuhjember.ac.id</p>
	<p>Gardina Aulin Nuha, SE., M.Akun.    </p> <p>S1 Akuntansi Universitas Jember S2 Akuntansi Universitas Jember e-mail : gardina@unmuhjember.ac.id</p>