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Assistance in the Preparation of Financial Reports Based on SAK-EMKM for MSMEs in Watesprojo Village, Kemlagi District, Mojokerto Regency

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A B S T R A K

The purpose of this community service activity is to provide understanding and knowledge of MSMEs in Watesprojo Village in preparing financial reports based on SAK EMKM so that they understand and are able to apply proper financial reporting. Assistance in preparing financial reports was carried out on May 19, 2025 through counseling and training activities. The results of this community service activity are an increase in the understanding and skills of participants in preparing financial reports based on SAK EMKM. By looking at the results of participants' practices in applying the preparation of financial reports based on SAK EMKM. This is an ongoing evaluation carried out by the community service team so that the understanding of MSMEs in Watesprojo Village continues to increase

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INTRODUCTION

Indonesia has abundant natural resources, including minerals, agriculture, and marine, which can be the basis for various economic sectors such as mining, agriculture, and fisheries. Improving the quality of human resources, technological innovation, and policies that support investment and exports also play an important role in economic growth. The creative economy sector, which includes various creative industries such as art, design, and entertainment, has great potential to increase income and employment. The trade sector has an important role in distributing products and services, creating jobs, and increasing income.

MSMEs are one of the most important pillars of the Indonesian economy. Based on data from the Ministry of Cooperatives and SMEs in 2024, the number of MSMEs in Indonesia reached more than 65 million business units. These businesses are spread across various sectors, such as trade, manufacturing, agriculture, and services and also include culinary, fashion, handicrafts, and digital technology. The existence of MSMEs is very important, especially in remote areas, because they are able to create jobs, distribute income, and encourage local economic growth.

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in the Indonesian economy. With a contribution of more than 60% to Gross Domestic Product (GDP) and absorbing almost 97% of the workforce, this sector is the backbone of the national economy. MSMEs absorb most of the workforce in Indonesia, helping to reduce unemployment by creating jobs and improving community welfare. Therefore, MSMEs must be able to compete and be able to seize every opportunity that exists in order to continue to exist in the national economy. However, MSMEs often face various challenges, such as limited capital, market access, and minimal managerial skills. In addition, the challenge often faced by micro business actors is the lack of understanding and skills in preparing financial reports in accordance with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM).

In improving their performance, MSMEs face various obstacles caused by MSMEs focusing more on operational activities and often ignoring recording and reporting, so that MSME performance is not easy to evaluate. Without good records and reports, MSME performance evaluation is not easy to do. In carrying out business activities, MSME managers often find it difficult to record what happens in their business operations (Shonhadji et al., 2017)

In carrying out business or non-business activities, measurements and assessments must be made of the activities that occur. Often in small and medium-sized businesses, business results are said to be good if current income is higher than previous income. In fact, indicators of success are not only measured by income, measurements and grouping of transactions or activities that occur and a summary of these transactions are required.

Financial management is one of the important aspects in managing and developing a business. Financial management can be obtained through accounting with a simple financial bookkeeping system for MSMEs. As long as MSMEs still use money as a means of transaction, accounting is very much needed by MSMEs. MSMEs will benefit from accounting, including: 1. Knowing the financial performance of the business, 2. Knowing, sorting, and distinguishing business assets and owner assets, 3. Knowing the financial position of both sources and uses, 4. As a reference in making the right budget, 5. Can be used to calculate taxes; 6. Information on cash flow during a certain period.

Seeing the benefits provided by accounting, MSMEs should realize that accounting is important for companies to measure their progress. MSMEs plan to increase profits by using accounting, with growing profit levels, the development of MSMEs will be better, so that MSMEs will truly become one of the solutions to economic problems in Indonesia. Currently, there are still many MSMEs that have not used accounting to support their business activities. The reasons why MSMEs do not use accounting include accounting being considered difficult and unimportant. Several MSMEs say that even without accounting, the company still runs smoothly and always makes a profit.

The use of accounting knowledge that is very useful for MSME actors is actually a point to increase awareness of MSME actors. This is because the use of accounting can be used to support the financial progress of MSMEs. Profit increases can also be planned using accounting. With increasing profit levels, the development of MSMEs will be better so that MSMEs will truly become one of the solutions to economic problems in Indonesia. Although the MSME SAK set in January 2018 seems simple, it can provide reliable information in presenting financial reports. The preparation of financial reports based on financial accounting standards (SAK) is a form of improving the quality of financial reports that will have a positive impact on increasing the credibility of financial reports so that they can be used by stakeholders, especially company owners and creditors/banks.

SAK EMKM (Financial Accounting Standards for Micro, Small, and Medium Entities) is a special financial accounting standard designed for MSMEs. This standard simplifies the preparation of financial statements to make them easier to understand and apply by MSMEs. SAK EMKM aims to improve the quality of MSME financial reporting, facilitate understanding and application of accounting principles, and increase the credibility of MSME financial statements. In addition, SAK EMKM can help facilitate MSME actors in applying accounting to their businesses, so that they can easily prepare financial statements in accordance with standards. SAK EMKM aims to improve the quality of MSME financial reporting, facilitate understanding and application of accounting principles, and increase the credibility of MSME financial statements. By using SAK EMKM, MSMEs can prepare financial statements that are more accurate, transparent, and relevant to stakeholders, such as investors, banks, and the government.

Partners in the community service program are micro and small businesses, namely grocery stores that sell various kinds of daily necessities, such as basic necessities, toiletries, cleaning tools, and other needs. Some grocery stores also offer additional services such as credit top-ups, bill payments, and other services.

Watesprojo Village, as one of the areas with economic potential based on micro-enterprises, has many business actors who still manage their finances in a simple and unstructured manner. As a result, they often have difficulty in measuring business performance, applying for capital loans, and fulfilling administrative and tax obligations. Seeing this need, this community service program is designed to provide assistance in preparing financial reports in accordance with accounting standards to micro-entrepreneurs in Watesprojo Village. This program aims to improve financial management, encourage transparency, and strengthen the competitiveness of micro-enterprises in the village.

The target in implementing this activity is micro-enterprise entrepreneurs in Watesprojo Village. Based on the results of a field survey conducted in Watesprojo Village, Mojokerto Regency, most MSMEs, especially grocery stores, have constraints in terms of administration and financial reports so that they do not have good bookkeeping reports. This situation is caused by the development of MSMEs starting from individual businesses or businesses, which then develop and take the form of small and medium-scale bodies. In addition, MSME actors also feel that the business they are running has been running normally, but the MSMEs are actually not developing.

This community service activity is a mentoring activity that can help Partners Prepare financial reports based on SAK EMKM. Mentoring assistance in preparing financial reports based on SAK EMKM can contribute to the country to be able to calculate exactly how much tax must be paid to the state treasury. In addition, this Community Service is also a forum for lecturers and universities in carrying out the tridharma of higher education, namely community service. Other needs from companies/partners are still quite a lot, but the proposing team can make other requests from partners in the Community Service activities in the following semester.

The proposing team hopes that this Community Service can be useful and encourage other Community Service activities in MSMEs in other regions so that they can prepare financial reports in accordance with SAK EMKM. The partner's problem is What is a good solution for preparing financial reports based on SAK EMKM? The solution to the problem that can be provided by the PKM proposing team to Partners is to provide knowledge on how to mentor and assist in preparing good financial reports in accordance with the applicable SAK EMKM so that the resulting financial reports can be used for interested parties. The condition of partners in recording using accounting methods in general where they only add up the total purchases and sales, cash receipts and expenses. The general condition of the partner's financial report already exists but does not comply with EMKM financial accounting standards.

IMPLEMENTATION AND METHODS

The implementation method used in this Community Service (PKM) activity is counseling with materials on MSMEs, financial reports, and SAK EMKM, as well as mentoring in preparing financial reports in accordance with SAK EMKM.

The implementation of community service in the socialization activities for the preparation of financial reports in accordance with SAK EMKM is divided into the following 5 (five) stages:

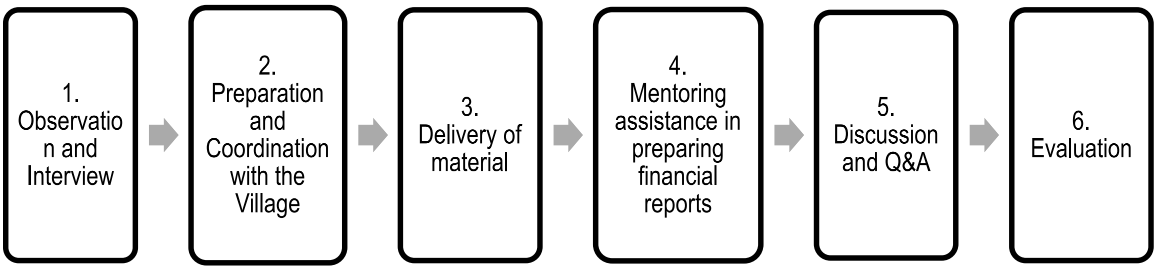

Figure 1. Stages of Implementing Community Service Activities

The Types of Activities that will be Carried out in this Series of Activities Include:

a) **Observasi dan Wawancara**

The initial stage carried out by the Community Service (PKM) team is observation activities. Initial observations are carried out by coming to the service location to see the situation and conditions at the service location. Then the community service team conducts interviews to dig up information related to existing problems and to find out to what extent MSME actors know about financial preparation in accordance with SAK EMKM

b) **Preparation and Coordination with Partners**

The Community Service Team made preparations and coordinated with Watesprojo Village.

c) **Delivery of Material by the Speaker**

The speakers and team at the Community Service (PKM) activity in Watesprojo Village conveyed information.

d) **Practice of Preparing Financial Reports in Accordance with SAK EMKM**

The speakers and Community Service (PKM) activity team provided mentoring in preparing financial reports based on SAK EMKM.

e) **Discussion and Q & A**

The Community Service Team (PKM) opened a discussion and question and answer session for participants so that they could understand how to prepare finances in accordance with SAK EMKM

f) **Evaluasi**

The Community Service Team (PKM) carries out direct mentoring by visiting and assisting UMKM members of Wateprojo Village so that they are better able to practice preparing finances in accordance with SAK EMKM.

This Community Service activity is fully supported by the Mayjen Sungkono University through funds provided to the Community Service proposal team. The proposal team is a team that has become a permanent lecturer, so that every semester they will definitely carry out the Tri Dharma of Higher Education, one of which is Community Service activities. The Community Service activities that have been carried out by the last proposal team are activities that are in accordance with their field of specialization, namely Financial Accounting, Taxation, Management Accounting, Financial Management, and Audit. The participation of partners in this Community Service activity is to provide time and place for us, the proposal team, to be able to prepare financial reports based on SAK EMKM so that we can measure the performance of MSMEs.

Figure 2. Stages of Observation and Interview Implementation

RESULTS AND DISCUSSION

Community Service Activities (PKM) were carried out in Watesprojo Village on May 19, 2025. The object of this community service activity was small and medium enterprises (UMKM) in Watesprojo Village, Kemlagi District, Mojokerto Regency. Business actors in this village cover various sectors such as agriculture, handicrafts, food and beverages, and small trade, who have difficulty in preparing financial reports. This activity was attended by the village head and staff and of course UMKM actors in Watesprojo Village, Kemlagi District, Mojokerto Regency. Aspects of the problems designed to increase the capacity of business actors in Watesprojo Village.

The training program for preparing financial reports in accordance with SAK EMKM includes materials on SAK EMKM, financial reports, assistance in preparing financial reports based on SAK EMKM. The participants were very enthusiastic to participate in the activity, as evidenced by their punctual arrival. Enthusiasm was also seen in listening to the explanations from the speakers and the many questions asked about the material provided.

The activity began with an opening ceremony, presentation of material, explanation of the contents of the material, and mentoring for the preparation of financial reports based on SAK EMKM. The opening ceremony was led by Mrs. Ratna Agustina, S.E., M.M. The material was given in 3 sessions and ended with a question and answer session. The initial material was about SAK EMKM by Mr.

Dian Indrianto, S.E, M.SA. Next, Mrs. Dwi Dewianawati, S.E., M.M. delivered material on financial reports, then Mr. Buyung Cahya Perdana, S.E., M.S.A delivered material on how to prepare financial reports based on SAK EMKM. Before starting the presentation

Before starting the delivery of the material, the speaker first asked questions to find out the extent of the participants' knowledge and understanding in preparing financial reports. The questions given included whether the participants already knew about SAK EMKM, whether the participants had ever made financial reports, how to prepare financial reports based on SAK EMKM. From the initial questions submitted by the speaker, MSMEs in Watesprojo Village do not have financial reports, but only use notes as proof of receipts and expenses without any recording, making it difficult to calculate profits and losses easily.

The second material was delivered by Mrs. Dwi Dewianawati, S.E., M.M. The material provided was related to financial reports such as the definition of financial reports, then what is included in the financial reports including profit and loss reports, financial position reports (balance sheets), cash flow reports, equity change reports, and notes to the financial statements. In addition to measuring the performance of MSMEs, financial reports also help stakeholders understand the company's financial position, including assets, debts, and equity.

The third session began with a review of the two previous materials that had been delivered. Participants looked very enthusiastic, this was evident from their responses who still remembered the important things that could be taken from the two previous materials. In the third material, participants were given steps on how to prepare financial reports according to SAK EMKM systematically and provided examples of existing financial reports. Then participants were given the opportunity to practice preparing financial reports based on SAK EMKM led by Mr. Erry Setiawan, S.E., M.M. accompanied by the Community Service (PKM) team.

The last session of this community service activity was the Question and Answer Session. The participants actively asked several questions related to how to prepare financial reports based on SAK EMKM, such as how SAK EMKM differs from SAK Umum (Financial Accounting Standards)? What financial reports must be prepared based on SAK EMKM? What are the difficulties that may be faced in implementing SAK EMKM? How to identify and classify assets, liabilities, and capital based on SAK EMKM?

The Community Service (PKM) activity team also conducted a post-outreach activity evaluation by conducting direct visits and mentoring in preparing financial reports based on SAK EMKM at the business premises of UMKM members in Watesprojo Village.

CONCLUSION AND RECOMMENDATIONS

From the discussion above, before the implementation of community service activities, MSMEs in Watesprojo Village did not have financial reports, but only used notes as proof of receipts and expenditures without any recording, so that business profits and losses could not be easily detected. After the community service activities were held, namely compiling financial reports based on SAK EMKM, it can be concluded that MSME members in Watesprojo Village have been able to understand the material on financial reports according to SAK EMKM and are able to prepare simple financial reports according to SAK EMKM. This was discovered by the community service team through the evaluation activities carried out, both in the form of question and answer sessions, discussions, and practices in making financial reports even though they were still simple.

The evaluation results also showed an increase in knowledge from MSME members regarding financial reports and an increase in financial report preparation skills, although in a simple way. In practice, community members have difficulty practicing and preparing financial reports. This requires discipline and perseverance from community members to continue practicing the knowledge that has been taught. The results of this service are expected to motivate MSMEs in Watesprojo Village to continue implementing their financial report recording in accordance with the EMKM SAK that has been socialized and taught so that they will continue to know in real terms the active assets, profits, and losses that they have so that they can then be managed and used optimally.

Figure 3. Stages of Presentation of Material by Resource Person


Gambar 4. Tahapan mentoring langsung dan evaluasi

THANK-YOU NOTE

Thank you to the UMKM partners in Watesprojo Village and the Watesprojo Village Government, Kemlagi District, Mojokerto Regency for all the opportunities and cooperation in Community Service (PKM), as well as the academic community of Universitas Mayjen Sungkono in providing material and moral assistance in the implementation of Community Service (PKM).

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