



The Financial Accounting Standards Towards Small Middle Enterprise to The Financial Statement

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Abstract—The Micro, Small and Medium Enterprises (MSMEs) play a pivotal role in driving Indonesia's economy due to their ability to adapt to rapid market changes, an advantage that large corporations lack. Supporting MSMEs is vital to ensure their sustainable growth, while opening up more business and employment opportunities. This research adopted a qualitative approach and was conducted in Pari City, focusing on MSMEs as the research subjects. Data were collected through observations, interviews, and documentation, then analyzed using reduction, presentation, and conclusion techniques. Despite this, Kota Pari's Gula Merah MSMEs still face obstacles in financial management, especially related to the unavailability of financial reports in accordance with standards. Financial management is also still inadequate, with the lack of accounting recording practices, indicating a lack of understanding of the importance of systematization in financial recording and reporting. Although efforts have been made to monitor trade receivables, there is no record of cash disbursements, potentially resulting in a lack of control over business cash flow. Based on the existing financial statements, it can be concluded that the financial statements of Pari City MSMEs do not fully comply with the Micro and Small Financial Accounting Standards (SAK EMKM), still relying on the cash basis. Further efforts are needed to improve the financial management of MSMEs to ensure better business sustainability and growth.

Keywords: SME; Financial Statement; Suistanable; Ability

1. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are one of the the mover economy society that has war important in development and growth economy in Indonesia. This is because Micro, Small and Medium Enterprises (MSMEs) can adapt self to market conditions that sometimes changed so fast compared to with company scale big. The existence of Micro, Small and Medium Enterprises must still supported to continue develop so that can expand chance business and also expand field work (Febriana & et al. , 2020) .

Currently, Micro, Small and Medium Enterprises (MSMEs) activities are growing very rapidly. Many actors businesses that are involved in the business world. Micro, Small and Medium Enterprises (MSMEs) must know its role besides play a very big role to resilience and formation growth Indonesian economy, Micro, Small and Medium Enterprises (MSMEs) also play a role important in create field work in the country (Herwiyanti et al. , 2020) . Based on data from the Ministry of Cooperatives and SMEs, the number of MSMEs currently This reached 64. 2 million with contribution to GDP by 61. 07 percent or worth 8,573. 89 trillion rupiah. The contribution of MSMEs to the Indonesian economy includes ability absorb 97 percent of total power existing work as well as can to collect up to 60. 4% of total investment (Coordinating Ministry for field Economy Republic of Indonesia, 2023).

Increasing the number of MSMEs in Indonesia is also not let go from existing obstacles. One of them obstacles that still exist faced by UMKM actors in management finance. This is Because Still many have not realize importance compilation report finance and only focus on marketing activities, profit as well as development product. As for the constraints in finance is lack of business capital, no There is plan a well thought out budget, no having a mentor, lack of innovation, ignoring report finance and still do bookkeeping conventional. So that the development of MSMEs continues increase as well as can overcome problem or obstacles faced by MSMEs in compilation report finance, then Bond Indonesian Accounting (IAI) has publish Standard Accountancy Finance Entity Micro, Small and Medium Enterprises (SAK EMKM) (Arnita et al. , 2023) .

Standard Accountancy Finance Entity Micro, Small and Medium Enterprises (SAK EMKM) has applicable in a way effective since January 1, 2018. SAK EMKM was prepared in a way simple to make it easier MSME actors in use it. Components contained in report SAK EMKM finance only consists of from the Balance Sheet, Income Statement and notes on report finance. Although Enough brief, no Lots change the general principles has implemented moment This. Implementation Standard accountancy This expected can give description performance MSME management in the past and prospects in the future front, so that can trusted and reliable Good MSME owners and other UMKM members as well as party external which has other related interests with MSMEs. But in reality level The need for SAK EMKM for MSMEs is still very low and SAK EMKM is also considered burdensome for business small and medium. This is because of the entrepreneurs small No own knowledge accounting and many more between they Not yet understand importance recording and bookkeeping for continuity business they (Rangkut et al. , 2024) .

Report finance is product end from a series of processes for recording and summarizing transaction data business. A accountant expected capable For organize all accounting data until produce report finance and even must can interpret as well as analyze report the finances he made (Hery, 2016: 3) . In compiling report finance usually report format finance consists of from Report Position Finance, Profit and Loss Report, Report Cash Flow, Report Change Equity, and Notes to the Statement Finance. While according to SAK EMKM, the report Minimum UMKM finance consists of from Report Position Finance at the end period, Profit and Loss Report during period and Notes to the



Report Finance. In the report position SAK EMKM finances do not determine the format or order to the posts presented although Thus, the entity can presenting asset items based on order liquidity and liability items based on due. According to Kasmir in the writing (Wardiyah, 2016) , in general complete information presented in position finance includes: 1) Types of assets or assets owned 2) The amount of rupiah for each type of asset or assets (assets) 3) Types obligation or debt (*liability*) 4) The amount of rupiah for each type obligation or debt (*liability*) 5) Types of capital (*equity*).

According to The Legend of Zelda (2012) report profit make a loss is the report that regulates success performance company during period certain. There are two elements in report profit loss, namely income as increase benefit economy in form income or improvement assets or decline obligation company during period certain. According to Kieso et al (2011) in the writing (Wardiyah, 2016) , activities report finance cash flow through three type activity following: 1) Cash flow from activity operational, namely cash flow from transactions that affect profit net 2) Cash flow from activity investment, namely cash flow from transaction influence investment in assets No smooth 3) Cash flow from funding, namely cash flow from transactions that affect company equity and debt

Compilation report SME finance can done in a way computerized so that will more effective and efficient. There are many application programs that are currently This used For help compile report finance, one of them namely the excel for accounting (EFA) program. Excel for accounting (EFA) is the right application For help in make report UMKM finance according to standard, because this program can customized with existing conditions (Kania & Irawan, 2023) . Comparing the numbers that are interconnected related in report finance it seems more useful. Cashmere (in Luciana & Gunawan, 2023) . Comparison numbers the known with term analysis ratio finance According to statement (Aisyah et al. , 2013) the most common method used For measure performance finance company is method ratio finance. In order to reach objective said, a report finance serve information about company includes: 1) Assets 2) Liabilities 3) Equity 4) Income and expenses including advantages and disadvantages 5) Cash flow (Suhendar et al. , 2020) .

In research conducted by Isnayanti R (2020), the recording process carried out is only limited to knowledge owner business like cash income and cash expenditure only. This is what causes management in UMKM is not accurate in the make profit and control cost as well as management No can make report finance in a way exactly the right fit with guidelines or standards that have been determined. This is in line with research conducted by Nurlaila (2018) that the UMKM that he thorough Not yet implementing SAK EMKM in recording report its finances. The measurements used in SAK EMKM is based on cost historical so that Enough take notes its assets and liabilities as big as cost acquisition (IAI, 2016) .

With existence report finance expected in the future No only as separator between finance personal and financial effort, but can help owner with easy take decision in achieve the initial target of MSMEs (Widiastiawati & Hambali, 2020) . In addition, in matter finance with existence report finance owner can know with clear Where to direction development of business targets, providing information about profit from period to period and as material evaluation performance For condition furthermore (Diana et al. , 2024) . Report finances made by MSMEs can used For measure How performance in operate business (Rangkuti & Arnita, 2023) . Report finance can help MSME actors and have an important role when arranged with Correct in accordance standard (Lubis, 2017) . However Still There are MSMEs that have not understand standards used For compile report his finances. For help SMEs create report Standards Board finance Accountancy Finance Bond Indonesian accountants in 2016 compiled and ratified standard accountancy finance entity micro, small, and medium enterprises (SAK EMKM) (Simanjuntak et al. , 2021). This SAK EMKM based on on need standard more accounting simple Because limited source Power human. The implementation of SAK EMKM is active as of January 1, 2018, which aims to For help MSME actors compile report finance so that make it easier get access funding from various institution finance. Therefore that, research This aiming For know How compilation report finances carried out by MSMEs and whether report finances that have been made has in accordance with SAK EMKM. In addition, research This also provides description obstacles faced by MSMEs when must implementing SAK EMKM in make report his finances.

2. RESEARCH METHODOLOGY

2.1 Basic Research Framework

In research this, type research used is study Qualitative. Research qualitative aiming describe and explain a events that occur with method collect data. According to English: Anggitto & Setiawan (2018: 9) study qualitative No use statistics, but through data collection, analysis, then interpreted. The method used in study This method descriptive. Suryana (in Octavia, 2019) state that " in implementation carried out with survey techniques, analysis documentary, study case study about time and motion, analysis behavior behavior and study comparative ". The method used in study This method descriptive. In research This writer will collect data through interview or survey to Respondent so that generate data. Author will manage the data so that become report finance and provide related advice study this is the one entitled analysis compilation report finance based on SAK EMKM. The research location chosen by the researcher that is MSME actors in Pari City.

Data collection techniques are method or the process for get data or information in the field needed by researchers (Sugiyono, 2017) . In the research This The data sources used are primary data and secondary data whereas technique data collection used observation, interviews, and documentation. Researchers do observation with objective



For knowing UMKM, to know understanding related report finance based on SAK EMKM and for know How compilation as well as presentation report finance as well as performance finances that have been applied. In research this, researcher do interview with Respondents. Respondents in study This Alone that is UMKM owners. Researchers will submit question related formulation problems raised by researchers as well as around existing questions the relation with study This like history establishment, obstacles faced and so on. Interview will done look at advance in a way direct with hope Respondent will give valid and accurate information. Documentation done For support the truth of research data and as proof that researcher truly do A research. documentation used such as transaction notes, notes transaction, record results interview, photo interviews, and documentation others that will obtained along he did research. Technique this data collection aiming For obtain data or appropriate information need so that researcher generate data or information validly and accurately Good in a way oral and written.

For process a data, sorting data into data that can be managed, found what is related with problem research and decide what is related with study This become easy For understandable and also useful For find solution problems, which are mainly is the problem about A study (Bungin, 2015) . In the research This use technique data analysis data reduction, data presentation and data extraction conclusion. In the research this, researcher will collect result data related observations and interviews with compilation report MSME finance based on EMKM SAK and performance finances which then to summarize points important as well as merge results documentation that has been obtained. Presentation of data in study This with method researcher explain results related research with compilation report finances in MSMEs in Pari City. In terms of this, researcher will interesting conclusion from various related data and information with compilation report MSME finances based on SAK EMKM, both primary and secondary data secondary.

3. RESULTS AND DISCUSSION

3.1 Results

3.1.1 Overview of Brown Sugar Business in Pari City

In Kota Pari Village, Deli Serdang Regency, the majority its population in a way down hereditary has involved in business processing sap into Brown Sugar. This business has become part life they during more from four decade. Although brown sugar products produced own quality good and easy accepted in the market, but matter This No always produce welfare for the perpetrators business. Many of they, especially mothers House ladder with help teenager princess, running business This while the husbands they more choose work in another profession as work main. Although results Brown Sugar sales are sufficient high, but No sufficient For fulfil need family.

Study This will investigate problem the from perspective management finance business, especially in matter importance compilation and availability report finance For continuity and progress future business. Report finance own vital role in taking decisions, whether by banks, investors, or UMKM actors themselves For evaluate performance and predicting the future effort. However, the availability of report finance This depends on ability and awareness will the importance of the accounting process, not only by the perpetrator business but also by source Power humans in the MSME.

Processing business in Pari City is partly big managed by women, including Mother House stairs and teenagers daughter with average education is only junior high school or high school, even There are those who only graduated from elementary school. This business be one of support economy family, even though his income relatively low, ranging between Rp 105,000 to Rp 157,000 per month. Income can increase If perpetrator business own more Lots tree sap Alone without must rent, but matter This seldom happen Because most only own a number of small tree sap. Amount turnover also depends on price Sell Brown Sugar on the market.

3.1.2 Proof of transaction

Proof of transaction is element key in the process of recording every transactions that occur in a entity business. With existence proof transaction, owner or manager responsible answer on accuracy and validity notes made. At the Brown Sugar UMKM in Pari City, sales notes made into as proof transaction main. However, the prevailing practice is note taking only done For sale in amount big or For delivery goods (delivery), while sale cash generally No documented with a note. Although Thus, if There is request special from customer, sales note cash still made. On the other hand, evidence transaction purchase kept by the owner, while proof transaction other like purchase equipment and payment contribution security No in a way consistent saved.

Election type proof documented transactions according to The policies implemented in the Brown Sugar UMKM in Pari City show importance efficiency and affordability in the administrative process. Although Thus, the policy the Possible can increase risk inaccuracy or incompleteness in recording, especially in transactions small or sale cash that is not documented routinely. In addition, the decision For keep proof transaction purchase However No For transaction other can cause gap in monitoring and control on cash flow and assets company in a way overall.

As part from effort improvement and enhancement of the recording process, is important for Brown Sugar UMKM in Pari City review return policy recording transaction them. Steps like consider standard more recording comprehensive, implementing system more recording structured, and provide training to employee about importance



accurate and consistent record keeping can help increase compliance and reliability information finance company. With Thus, the MSMEs can strengthen base taking decisions and improve performance finance they in a way overall.

3.1.3 Notes Transaction

Brown Sugar UMKM in Pari City is still constrained with absence report finance which is aspect important in manage business with effective. Management activity business Not yet covers practice recording proper accounting, indicating lack of awareness will importance systematization in recording and reporting finance. As far as Here, the recording is very simple, limited only on transactions sale cash, without recording For transaction purchase or activity operational others. Although There is effort in bookkeeping with notes small. For supervise receivables trade, but No There is recording For transaction cash expenditures that can be result in lack of control on business cash flow.

Limitations in recording accountancy the cause various risk, especially related with ambiguity information finance and control on source Power company. Without report structured finance, managers and owners of UMKM Gula Merah Kota Pari may difficulty in monitor performance finance, evaluate profitability, and take decision the right strategy. Lack of understanding to finance companies can also hamper the planning and growth process sustainable business.

For overcome challenge this, steps repair and improvement system recording and reporting finance need quick implemented. The UMKM must prioritize formation report accurate and orderly financial reporting, which includes all transaction relevant finances. In addition, it is necessary coaching and training for managers and employees related practice accountancy basic, and importance strong understanding about How proper record keeping can support management effective finance. With repair system recording and reporting finance, Brown Sugar UMKM in Pari City can increase transparency, control and performance his finances, so that can strengthen position they are in the market and support growth sustainable business.

3.2 Discussion

3.2.1 Notes Transaction

The following data This is part from the data explained by the owner, then analyzed by researchers. Owner choose For do data recording simple Because practicality and convenience implementation. Another reason the owner choose approach recording simple is Because complexity standard perceived recording complicated and frequent cause confusion in grouping accounts certain. Required training additional for the owner capable understand in a way more in-depth manufacturing process report proper finances.

Table 1. Business Transactions in 2023

No	Date	Information
1	10/6/2023	Raw Material Cost of Rp. 360.000.000 Direct Labor Cost of Rp. 120.000.000 Purchase of Wood Fuel Rp. 250.000.000 Sales of Ant Sugar of Rp. 900.000.000 Raw Material Cost of Rp. 180.000.000
2	6/22/2023	Direct Labor Cost of Rp. 60.000.000 Sales of Ant Sugar of Rp. 460.000.000 Raw Material Cost of Rp. 270.000.000
3	1/7/2023	Direct Labor Cost of Rp 90.000.000 Sales of Ant Sugar of Rp. 562.500.000 Raw Material Cost of Rp. 270.000.000
4	12/7/2023	irect Labor Cost of Rp 90.000.000 Sales of Ant Sugar of Rp. 675.000.000 Raw Material Cost of Rp. 270.000.000
5	7/20/2023	Direct Labor Cost of Rp 90.000.000 Sales of Ant Sugar of Rp. 720.000.000 Raw Material Cost of Rp. 180.000.000
6	7/27/2023	Direct Labor Cost of Rp. 60.000.000 Sales of Ant Sugar of Rp. 500.000.000 Raw Material Cost of Rp. 180.000.000
7	2/8/2023	Direct Labor Cost of Rp. 60.000.000 Sales of Ant Sugar of Rp. 450.000.000 Raw Material Cost of Rp. 180.000.000
8	8/15/2023	Direct Labor Cost of Rp. 60.000.000 Sales of Ant Sugar of Rp. 472.500.000 Raw Material Cost of Rp. 270.000.000
9	8/30/2023	Direct Labor Cost of Rp 90.000.000 Sales of Ant Sugar of Rp. 700.000.000



		Raw Material Cost of Rp. 180.000.000
10	7/9/2023	Direct Labor Cost of Rp. 60.00.000
		Purchase of Wood Fuel Rp. 250.000.000
		Sales of Ant Sugar of Rp. 300.000.000
		Raw Material Cost of Rp. 180.000.000
11	9/14/2023	Direct Labor Cost of Rp. 60.000.000
		Sales of Ant Sugar of Rp. 347.000.000
		Raw Material Cost of Rp. 90.000.000
12	9/21/2023	Direct Labor Cost of Rp. 30.000.000
		Sales of Ant Sugar of Rp. 225.000.000
		Raw Material Cost of Rp. 180.000.000
13	9/27/2023	Direct Labor Cost of Rp. 60.000.000
		Sales of Ant Sugar of Rp. 324.000.000
		Raw Material Cost of Rp. 90.000.000
14	4/10/2023	Direct Labor Cost of Rp. 30.000.000
		Sales of Ant Sugar of Rp. 202.500.000
		Raw Material Cost of Rp. 180.000.000
15	11/10/2023	Direct Labor Cost of Rp. 60.000.000
		Sales of Ant Sugar of Rp. 225.000.000
		Sales of Ant Sugar of Rp. 109.000.000
		Raw Material Cost of Rp. 90.000.000
16	10/20/2023	Direct Labor Cost of Rp. 30.000.000
		Sales of Ant Sugar of Rp. 40.000.000
		Raw Material Cost of Rp. 90.000.000
17	11/15/2023	Direct Labor Cost of Rp. 30.000.000
		Sales of Ant Sugar of Rp. 247.500.000
		Raw Material Cost of Rp. 90.000.000
18	11/23/2023	Direct Labor Cost of Rp. 30.000.000
		Sales of Ant Sugar of Rp. 185.000.000
		Raw Material Cost of Rp. 90.000.000
19	2/12/2023	Direct Labor Cost of Rp. 30.000.000
		Purchase of Wood Fuel Rp. 250.000.000
		Sales of Ant Sugar of Rp. 247.500.000

Table 2. Cost of Goods Production

Initial Raw Material Cost	
Raw Material Cost	3. 400.0000
Fuel Cost	650.0000
Use of Raw Materials	4. 050.0000
Direct Labor Cost	
Labor costs	1. 140.0000
Total Direct Labor Costs	1. 140.0000
Factory Overhead Costs	
Total Factory Overhead Costs	-
Cost of goods sold	5. 190.0000

Table 3. Balance Sheet

Account No.	Description	Debit	Credit
1. 1. 1	Cash	4. 852.0000	
1. 1. 2	Equipment	70.0000	
1. 2. 1	Cauldron	700.0000	
1. 2. 2	Digital Scales	200.0000	
1. 2. 3	Digital Blender	300.0000	
2. 1. 1	Capital		3. 380.0000
3. 1. 1	Sale		7. 932.0000
4. 1. 1	Raw Material Cost	3. 400.0000	
4. 1. 2	Fuel Cost	650.0000	
4. 1. 3	Labor costs	1. 140.0000	
	Total	11. 312.0000	11. 312.0000

Source: Processed data, 2024



Based on report finances that have been made by UMKM Kota Pari researchers conclude that report finances created Not yet in accordance with SAK EMKM. Report finances created Still using cash basis should be based on SAK EMKM (2016: 8) report finances created using the accrual basis. Type of report finances made by UMKM Kota Pari only report profit make a loss only. Based on SAK EMKM (2016: 8) report Finances made by MSMEs consist of at least from three type that is report position finance, report profit loss and notes on report finance. Owner only make report finance based on books given by the committee so that He No make report position finance and records on report finance. Owner feel No need second report finance said and feel that too complicated and tiring If must make Lots report finance. Based on data owned by the researcher's UMKM compile report finance in accordance with SAK EMKM as following:

From the data obtained, the author compiled a profit and loss report for the Brown Sugar UMKM in Pari City for the period December 2023. Next This Report profit the author 's loss serve:

Based on the data collected researcher compile report position finance as following:

Table 4. Profit and Loss Report of Brown Sugar UMKM in Pari City

Brown Sugar UMKM Pari City		
Income statement		
As of December 2023		
Revenue from Sales		
Sale	7. 93	2. 0000
Cost of goods sold	5. 190.0000	
Gross profit	2,742,000	
Burden		
Depreciation Expense of Cauldron	1 75. 0000	
Digital Scale Depreciation Charge	50,000	
Blender Depreciation Expense	75,000	
Total Load		225,000
Net profit		2.517.000

Table 5. Report Position Pari City UMKM Finance

Brown Sugar UMKM Pari City		
Financial Position Statement		
As of December 2023		
Asset		
Current assets		
Cash	4. 852.0000	
Equipment	70.0000	
Total Current Assets		3. 922.0000
Fixed assets		
Cauldron	700.0000	
Accumulated Cauldron Depreciation	(175.0000)	
Digital scales	2000,000	
Accumulated depreciation		
Digital scales	(50.0000)	
Blender	300,000	
Blender Depreciation Accumulation	(75.0000)	
Total Fixed Assets		900.0000
Total Assets		5. 822.0000
Debt and Capital		
Debt		
Debt	-	
Total Debt		-
Capital		
Capital	3. 380.0000	
Profit	2. 517.0000	
Total Capital		5. 897.0000



Total Debt and Equity5. 897.0000

Table 6. Notes on the Report Finance

Brown Sugar UMKM Pari City Notes to the Financial Statements As of December 31, 2023	
1. General	Brown Sugar Business in Pari City is business home that has been move since 2013 and already running for 10 years long time, located in the Sepuluh Hamlet area in Kota Pari Village, Deli Serdang Regency.
2. Cash	business unit until December 31, 2023 is IDR 4. 852.0000.000, -
3. Retained Earnings	Retained earnings are the accumulated difference between income and expenses. Total profit of the business unit experienced a profit as of December 31, 2023 of Rp 2. 517.0000.000,-
4. Sales Revenue	Sales revenue of the Brown Sugar business unit is Rp 7. 932.0000.000,-
5. Load	the Brown Sugar business unit is Rp. 2. 250.0000.000, -

The Brown Sugar Business in Kota Pari is a home business that has been operating since 2013, indicating that this business has been running for 10 years. This business is located in Dusun Sepuluh, Kota Pari Village, Deli Serdang Regency. In running its operations until December 31, 2023, the Brown Sugar business unit has cash of Rp 4.852.000.000. This reflects the amount of cash owned by the business and ready to be used for operational or investment purposes. 3.380.000 Debt Current assets - Total Assets 5. Load As of December 2023 Profit Total Current Assets Brown Sugar UMKM Pari City Based on the data collected, the researcher compiled a financial position report as follows: Digital scales 300.000 Retained earnings are the accumulated difference between income and expenses. Total profit of the business unit experienced a profit of Rp 2.517.000.000 as of December 31, 2023. 2.517.000 The balance of this business profit, which is the accumulation of the difference between income and expenses, was recorded at IDR 2.517.000.000 as of December 31, 2023. This balance of profit shows that after deducting all expenses, this business still has significant profits. The sales revenue obtained by this business unit during 2023 was IDR 7.932.000.000. This figure reflects the total money received from the sale of brown sugar during the period. Meanwhile, the expenses incurred in running the business were only IDR 225.000.000, which includes all operational costs required for the production and sale of brown sugar. This financial condition shows that the Brown Sugar business in Pari City has healthy financial performance. The profit that is quite significant compared to the expenses incurred indicates high operational efficiency. Thus, this business is not only able to survive for 10 years but also shows the potential for sustainable growth.

4. CONCLUSION

Based on the results of the research and analysis that has been carried out, several important conclusions can be drawn regarding Brown Sugar MSMEs in Pari City. First, this MSME has never prepared financial reports. This is caused by a lack of understanding and knowledge of business owners regarding accounting concepts and financial reports. Apart from that, the owner's busy schedule in managing the operations of Brown Sugar MSMEs is also a limiting factor in implementing the preparation of financial reports based on the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM) to date. To overcome this problem, it is recommended to use a financial report design created with the help of Microsoft Excel software. This design is tailored to business needs and consists of several important elements, such as business profile, main menu, list of accounts, opening trial balance, fixed assets list, journal, ledger, work balance, profit and loss report, financial position report, notes to reports finance, and dashboard. With this design, it is hoped that MSMEs can start the process of preparing financial reports systematically and in accordance with applicable standards, even though they do not yet have in-depth knowledge in the field of accounting. As a suggestion for future researchers, it is important to provide assistance and training for MSME owners in using this software. Further research can also focus on the effectiveness of implementing this draft financial report in increasing the financial transparency and accountability of Brown Sugar MSMEs. Apart from that, examining other approaches that are easier to understand and apply by MSME owners with a non-accounting background could also be a relevant topic.

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