

## **Analysis of the Implementation of Private Entity Financial Accounting Standards in the Presentation of Financial Statements of PT BPRS Puduarta Insani**

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### **Abstract**

This study aims to determine the Analysis of the Application of Private Entity Financial Accounting Standards (SAK EP) in the Presentation of Financial Statements of PT BPRS Puduarta Insani. The preparation of SAK EP is intended to meet the financial reporting needs of private entities, where the entity is not accountable to the public so that the publication of reports is intended for the general public. The data analysis method in this study is descriptive with a case study based on secondary data from the financial statements of PT BPRS Puduarta Insani. Based on the analysis that has been presented in the discussion above, it can be concluded that The entity at BPRS Puduarta Insani has presented complete financial statements in accordance with the Financial Accounting Standards for Private Entities (SAK EP), namely the balance sheet, income statement, statement of changes in equity, statement of cash flows, and notes to the financial statements. In the notes to the financial statements, there is a statement that the financial statements are prepared in accordance with SAK EP, which is intended to ensure that the financial statements fairly present the financial position, performance, and cash flows, so that the objectives of the financial statements can be achieved. This statement explains that the BPRS has prepared financial statements by applying the rules in accordance with SAK EP.

**Keywords:** *BPRS, Private Entity Financial Accounting Standards (SAK EP), Presentation of Financial Statements.*

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## **INTRODUCTION**

Financial reports must comply with applicable accounting standards. For businesses with significant public and/or cross-border responsibilities, financial reports must refer to General Financial Accounting Standards (GAAP). Financial reports are a structured presentation of an entity's financial position and performance. They also demonstrate management's accountability for the use of the resources entrusted to them (Supriyadi, 2020) .

According to the Financial Services Authority (OJK), a Rural Bank (BPR) is a bank that operates conventionally or based on Sharia principles, but does not provide services in payment transactions. BPR activities are much smaller than those of commercial banks, as BPRs are prohibited from accepting current accounts, foreign

exchange transactions, and insurance. Meanwhile, a Sharia Rural Bank (BPRS) is a bank that operates based on Sharia principles, but does not provide services in payment transactions (Marliyah, 2019) .

An economic activity that produces a definite end result is known as a financial report. This type of report contains a structured explanation of an entity's financial position and performance. The scope of explanations in financial reports is not limited to financial information but also includes other information regarding the accounting system, such as economic resources, liabilities, recurring income, and so on, which are conveyed directly or indirectly. (Jannah, 2020) . Accounting standards are crucial in preparing financial statements, ensuring they adhere to current standards and not to personal preferences. In Indonesia, there are four main pillars of financial accounting standards: General Financial Accounting Standards (SAK), Sharia SAK, ETAP SAK, and Government Accounting Standards (SAK) (Izzati and Nuraeni, 2022). The application of SAK is intended to help readers and auditors easily understand each unit in a company's financial statements. In the banking world, SAK can serve as a crucial reference for evaluating and deciding which loans to grant (Soemitra, 2015) .

Based on the IAI website on June 30, 2021, the Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK IAI) has ratified the Private Entity Financial Accounting Standards (SAK EP) on June 30, 2021. This SAK EP is the result of the adoption of the International Financial Reporting Standard for Small and Medium-Sized Entities through a process of consideration and adjustment to the Indonesian situation. The implementation of this type of SAK will begin on January 1, 2025, intended for bookkeeping beginning on or after January 1, 2022. Through the ratification of SAK EP, all entities are required to use SAK EP, both those previously using SAK ETAP and SAK EMKM (Antonio, 2020) .

The preparation of SAK EP is intended to meet the financial reporting needs of private entities, where the entity is not accountable to the public, so the publication of reports is intended for the general public (general purpose financial statements). It should be noted that public entities can obtain a permit. use of SAK EP if Authorities issue regulations permitting their use. Another accounting standard, the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP), is a standalone standard without reference to general SAK. SAK ETAP tends to remain unchanged for several years and presents increasingly simplified adjustments to accounting processes, measurement, presentation, and information. An entity without public accountability indicates a lack of public accountability and the failure to publish general-purpose financial reports to external parties (Siddiq, 2021) .

The implementation of SAK EP for companies provides a more comprehensive accounting policy model option than SAK ETAP, such as a fixed asset measurement model that allows rural banks to use a revaluation model for fixed assets, which SAK ETAP does not allow. SAK EP also allows for the preparation of consolidated financial statements, which are not regulated in SAK ETAP. Furthermore, SAK EP also regulates deferred taxes and discusses financial assets and liabilities more comprehensively than SAK ETAP. (Sulhan and Elly Siswanto, 2018) .

SAK EP differs in the use of report types from SAK ETAP, where SAK EP uses a statement of financial position, a comprehensive income statement, and a profit and loss statement including details of net income and other comprehensive income elements while SAK ETAP uses the terms balance sheet and profit and loss statement.

Furthermore, in SAK EP, the preparation of cash flow statements can be done directly or indirectly, while SAK ETAP can only be done indirectly. Another difference is that SAK ETAP is able to briefly explain the balance between costs and benefits, while SAK EP has a fairly lengthy explanation regarding the concept of costs or efforts (Nursantri, 2018) . In terms of reserves, SAK ETAP regulates Allowance for Productive Asset Losses (PPAP) to anticipate losses from asset write-offs, while SAK EP regulates Allowance for Impairment Losses (CKPN) to cover asset declines, which shows differences in accounting approaches between the two standards (Ministry of Finance, October 26, 2022).

It is hoped that by implementing SAK EP, BPRS can prepare their own financial reports and be audited to obtain an audit opinion. The financial information is simple but provides reliable information. This financial accounting standard is simpler than PSAK-IFRS, making it easier to implement. Despite the implementation of SAK EP in BPRS, concerns remain regarding its application in presenting financial reports due to the influence of other regulators involved in the presentation of financial reports (Muhammad, 2020) .

Various studies related to the analysis of the application of accounting standards from SAK ETAP to SAK EP show diverse results or a research gap. The results of Saputri et al.'s (2022) study indicate that the Bhakti Karya Cooperative did not analyze and use SAK ETAP financial statements to replace SAK EP. Similar results were found in the study of Suhendar et al., (2023) that the Company does not understand and has not implemented the Private Entity accounting standards because the SAK is still new. In contrast to the results of the study by Maulana et al. (2023) who have implemented SAK EP and the difference is recognized in accounting for investments in subsidiaries and affiliated entities, salaries and post-employment, and the application of income tax. Deferred income when calculating income tax. In line with the research conducted by Fadillah and Nuraeni (2022) which found differences in the financial statements of PDAM Kota X in the liabilities section regarding income tax and employee benefits. Based on SAK ETAP regarding employee benefits is a separation based on other short-term liability accounts, the company recorded Rp5,322,307.59 in 2021 and Rp3,969,110.35 in 2020. After the establishment of SAK EP, there were other short-term liabilities amounting to Rp4,153,433.28 for 2021 and Rp3,702,745.58 for 2020. And finally, research from Nurul Musfirah Khairiyah, Dessy Handa Sari, Ramli (2024), The results of this study are the recognition, measurement and presentation carried out by the CNS Cooperative are in accordance with SAK EP such as assets, liabilities, equity, income and expenses. Where presented at nominal value and using the cash-based accounting method and there are still several components in SAK EP that have not been implemented. Components that have not been implemented include notes to financial statements that have not been organized.

Based on the background and research gaps described above, the researcher felt compelled to conduct further research. This study differs from previous research in that it uses different sample types and time periods.

This research was conducted at BPRS Puduarta Insani, an entity without public accountability, so its financial reporting process is still based on SAK ETAP. BPRS Puduarta Insani will begin implementing SAK EP on January 1, 2025, according to the official IAI website. SAK EP is considered simpler than IFRS-based General SAK but has significant differences with SAK ETAP.

BPRS Puduarta Insani is a bank that carries out business activities based on sharia principles, which in its activities does not provide payment traffic services. The phenomenon that occurs is that BPRS Puduarta Insani is included in the entity that does not have public accountability so that BPRS Puduarta Insani has used SAK ETAP as the basis for preparing financial statements. With the implementation of SAK EP, BPRS Puduarta Insani is included in the entities that are required to apply SAK EP. In accordance with the explanation contained in the official IAI website, SAK EP is simpler than the General SAK which is based on IFRS but has significant differences with SAK ETAP. By comparing SAK ETAP and SAK EP, researchers can find out and learn more about the differences between SAK ETAP and SAK EP and their impact on the preparation of entity financial statements when applying SAK EP.

This change in accounting standards has become a topic of interest, particularly in terms of whether there will be a difference in value. in the report finance, with The main focus is on the difference in reserve values, namely the Provision for Productive Asset Write-Offs (PPAP) and the Allowance for Impairment Losses (CKPN). Therefore, a study entitled "Analysis of the Application of Private Entity Financial Accounting Standards (SAK EP) in the Presentation of PT BPRS Puduarta Insani's Financial Statements" is proposed.

## **THEORETICAL STUDY**

### **Sharia People's Financing Bank**

Sharia banks are banks whose business activities are based on sharia principles and according to their type consist of Sharia commercial banks and Sharia people's financing banks. Sharia commercial banks are Sharia banks that in their activities provide services in payment transactions (Siregar, 2019) .

Meanwhile, the Sharia People's Financing Bank (BPRS) is a sharia bank that does not provide services in payment transactions. Based on regulations Service Authority Article 2 of Financial Services Authority Regulation Number 3/POJK.03/2016 concerning BPRS states that BPRS must be a Limited Liability Company. Article 4 states that BPRS may only be established and conduct business activities after obtaining a permit from the Financial Services Authority (Imsar, Rahmah Nur Dongoran, 2022) .

BPRS stands for Sharia Rural Bank. A BPRS is a type of bank that operates based on Sharia principles and does not provide payment transaction services. It is also part of the Rural Bank (BPR), which operates under Sharia principles. BPRS operates in accordance with Sharia principles, which prohibit riba (interest), maisir (gambling), and gharar (uncertainty) in its business activities. BPRS focuses on collecting and distributing funds based on a profit-sharing principle, as well as providing financing to micro, small, and medium enterprises (MSMEs ) (Aqwa Naser Daulay, 2023) .

### **SAK EP (Financial Accounting Standards for Private Entities)**

SAK EP stands for Private Entity Financial Accounting Standards. These are accounting standards applied to private entities (entities without public accountability and issuing general-purpose financial statements) in Indonesia. SAK EP replaces SAK ETAP (Entities Without Public Accountability) and will be effective on January 1, 2025, although earlier adoption is permitted (Senoaji, 2019) .

SAK EP will be effective on January 1, 2025, therefore companies currently using SAK ETAP (Financial Accounting Standards for Entities without Public Accountability) must prepare themselves when it becomes effective to prepare financial reports in accordance with SAK EP (Financial Accounting Standards for Private Entities). BPR/BPRS including preparing LK (Financial Reports) using BPR Accounting Guidelines which are based on SAK ETAP. Automatically, even though PA BPR (BPR Accounting Guidelines) has not been changed, BPR must adjust LK using SAK EP because in PA BPR it is regulated that the preparation of LK follows new regulations and standards without waiting for changes to PA BPR (Senoaji, 2019)

Significant changes and additions in SAK EP compared to SAK ETAP are in the arrangement of financial instruments; investments in other entities including business combinations and consolidation, presentation of other comprehensive income; impairment; income tax and special arrangements for agriculture, exploration and evaluation of mineral resources and service concession agreements. (Nursantri, 2018)

BPR is greatly affected because BPR currently uses SAK EP, the financial instrument component is very dominant in the financial position report, in addition to general changes, BPR credit analysts must also understand SAK EP because the majority of companies that will request BPR funding use SAK ETAP (Djanegara, 2019)

### **Financial statements**

Financial statements are the primary tool formally used to convey financial information to parties outside the company. Financial statements are general-purpose financial reports, provided to a variety of users, such as shareholders, creditors, suppliers, employees, and the government (Kamilah, 2019) .

These financial reports are used by users to better understand a company's financial position and performance. From a cost-benefit perspective, general-purpose financial reports provide highly useful information at a low cost (Roslinda Harahap et al., 2023)

The preparation of financial statements results from the application of accounting concepts. The recording system is organized into items called accounts. A specific account is used based on the type of transaction (I Harahap, 2022) . Next, accounts are grouped and their amounts adjusted to meet future needs. Accounting allows for the identification of which accounts should be grouped. Analysis can be based not only on account balance movements but also on their groups. This allows for a clearer analysis of records (Randa, 2019)

The purpose of financial statements is to provide information about the financial position and cash flows of an entity that is useful to a wide range of users in decision-making by anyone who is not in a position to request special financial statements to meet specific information needs. In fulfilling its purpose, financial statements also show what management has done ( *stewardship* ) or management's accountability for the resources entrusted to it (Fauzi Arif Lubis, 2023)

## **RESEARCH METHODS**

This research uses a descriptive approach, which means that in the qualitative analysis process, it is an analytical approach that details and describes the situation that is the object of research, without involving statistical calculations or numerical data (Ph.D. Ummul Aiman et al., 2022) . This research was conducted at PT BPRS

Puduarda Insani, located at Jl. Besar Tembung No. 13 A, Deli Serdang, North Sumatra. The analytical method used in this study was descriptive analysis. Data analysis is the process of systematically searching for and organizing data obtained from interviews, field notes, and documentation. In this case, the data found is presented as is. The object of research that the author examined was the annual financial report of PT BPRS Puduarda Insani in 2024. Then it was collected and then compiled so that it could be studied and compared with relevant theories related to the problem discussed and finally a conclusion was drawn (Sujawerni, 2019)

## RESEARCH RESULTS AND DISCUSSION

### A. Overview of BPRS Puduarda Insani

In 1992, when Brigadier General Drs. HA Nazri Adlani was the Rector of IAIN North Sumatra, he presented an idea to IAIN leaders about how IAIN could do something tangible in the community. This idea was well-received and immediately followed up by organizing a Sharia Banking course under the auspices of FKEBI (Forum Kajian Ekonomi dan Perbankan Islam), a non-structural institution under IAIN North Sumatra that had been established since 1990.

FKEBI successfully held four courses, each lasting three months, with approximately 40 participants per class. At that time, H. Nazri Adlani served as the chairman of the board of trustees, Prof. Dr. HM Yasir Nasution as Director, and Syahrul Muda Siregar as the Director of Education and Training of FKEBI.

After holding 4 (four) classes, the activity to realize something real in the community was continued with plans to establish a BPRS (Sharia People's Credit Bank), where the staff will be appointed from this banking course.

When submitting the application for deed approval to the Minister of Justice, the name PT Bank Perkreditan Rakyat Syariah Insani was proposed. However, it was discovered that the name BPR Syariah Insani already existed. To expedite the process, someone at the Ministry of Justice proposed adding the name to PT Bank Perkreditan Rakyat Syariah Puduarda Insani. According to information, the word "Puduarda" comes from the Bantenese language (Serang) and means "House of Wealth." The Minister of Justice's approval was obtained on December 20, 1994, under Decree Number 02-18.631.HT.01.01 of 1994.

PT Bank Pembiayaan Rakyat Syariah Puduarda Insani (hereinafter abbreviated as BPRS) is located at Jl. Besar Tembung No. 13 A, Percut Sei Tuan District, Deli Serdang Regency. BPRS began operations on June 18, 1996. The operational inauguration at that time was carried out by SEKWILDASU HA Wahab Dalimunthe, SH (representing the Governor of North Sumatra). The BPRS code number is 60.441.1.

The authorized capital of BPRS according to Deed No. 13 dated May 23, 2007 is Rp. 5 billion, and has been paid up to Rp. 3,345,755 thousand, with the ownership composition consisting of: UIN North Sumatra (30.82%), BAZNAZ North Sumatra (21.37%), Hj. Sariani Amiraden Siregar (13.12%) Dr. H. Maratua Simanjuntak (12.33%) and the public (22.36%).

PT BPRS Puduarda Insani is currently led by Mailiswarti, SE., MA as President Director, Marwan Siregar as Director, the Board of Commissioners consists of: Dr. H. Maratua Simanjuntak (President Commissioner), Dr. H. Saparuddin Siregar, SE.Ak., SAS., MA. (Member), the Sharia Supervisory Board consists of: Prof. Dr. Ahmad Qorib, MA (Chairman), and Dr. H. Azhari Akmal Tarigan, M. Ag (Member).

The employees of PT BPRS Puduarta Insani currently consist of: 2 Directors, 1 Branch Manager, 2 Supervisors and 8 permanent employees, 6 contract employees, and 5 non-administrative employees, namely a cleaning officer, and 2 office guards plus 1 Security Guard and 1 Office Boy from the outsourcing company PT CNM.

The office network of PT BPRS Puduarta Insani until the end of December 2011 consisted of 1 (one) Head Office at Jl. Besar Tembung No. 13 A, and 1 (one) Branch Office at the IAIN North Sumatra Campus, Jl. Williem Iskandar Pasar V Medan Estate. This branch office began operating on July 1, 2011.

## B. Research result

### 1) Presentation of financial reports of PT BPRS Puduarta Insani

In conducting data analysis, the author used data from BPRS Puduarta Insani, located at Jl. Besar Tembung No. 13 A, Deli Serdang, North Sumatra. This study aims to determine the extent of the implementation of the Private Entity Financial Accounting Standards (SAK EP).

The primary data used in this study is the 2024 financial statements of PT BPRS Puduarta Insani. These statements consist of the Balance Sheet, Income Statement, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements. These data will be compared with the provisions of SAK EP to determine the suitability of the application of SAK EP to the presentation of PT BPRS Puduarta Insani's financial statements. After the comparison, the results of the comparison will be analyzed descriptively. PT BPRS Puduarta Insani presents financial statement formats including the Balance Sheet, Income Statement, Statement of Changes in Equity, and Statement of Cash Flows.

**Table 1. Comparison of Financial Reports of PT BPRS Puduarta Insani**

| No               | Item Which Compared | SAK EP  | PT BPRS Puduarta Human                          | Information   |
|------------------|---------------------|---|---|---------------|
| A. BALANCE SHEET |                     |   |   |               |
| 1                | Basics of Recording | Base recording balance sheet using base accrual | Base recording balance sheet using base accrual | In accordance |

|   |            |   |   |               |
|---|------------|---|---|---------------|
| 2 | Asset      | <p>Asset minimum serve the following posts:</p> <ul style="list-style-type: none"> <li>a. Cash And cash equivalents</li> <li>b. Accounts receivable and other receivables</li> <li>c. Supply</li> <li>d. Property investment</li> <li>e. Asset still</li> <li>f. Asset No tangible</li> </ul> | <p>Post - asset post presented by BPRS:</p> <ul style="list-style-type: none"> <li>a. Cash</li> <li>b. Placement at another bank</li> <li>c. Accounts receivable</li> <li>d. Asset still</li> <li>e. Appearance - appearance asset</li> </ul> | In accordance |
| 3 | Obligation | <p>Obligation minimum serving posts include:</p> <ul style="list-style-type: none"> <li>a. Debt business and debt other</li> <li>b. Asset And obligation tax</li> <li>c. Obligation estimated</li> </ul>  | <p>Obligation serve posts :</p> <ul style="list-style-type: none"> <li>a. Liabilities paid immediately</li> <li>b. Wadiah savings</li> </ul>  | In accordance |
|   |            |   | <ul style="list-style-type: none"> <li>c. Funds investment not bound</li> <li>d. Liabilities to other banks</li> <li>e. Loan received</li> <li>f. Appearance - appearance liabilities</li> </ul>  |               |
| 4 | Equity     | Entity serve post, title, and other sub-amounts   | <ul style="list-style-type: none"> <li>a. Capital deposited that is placed.</li> <li>b. Capital loan</li> <li>c. Reserves general</li> <li>d. Profit detained</li> <li>e. Profit current year</li> </ul>                                      | In accordance |

|                            |   |   |   |   |
|----------------------------|---|---|---|---|
| 5                          | Classification asset and obligations  | The entity shall present assets current and non-current assets, short-term liabilities and long-term liabilities, as a separate classification in the balance sheet, except If presentation based on liquidity provide information reliable And more relevant   | The entity presents assets and liabilities as one classification is not separated in the balance sheet, but presentation Based on information liquidity.  | Appropriate, though asset and unclassified liabilities- Right separately  |
| 6                          | Information presented in the balance sheet or notes to the financial statements | The entity shall present in the balance sheet or notes to the financial statements, subclassifications of the items presented:<br>a. Group asset still<br>b. Employee benefit obligations and other estimated liabilities<br>c. Equity groups, such as paid-in capital, additional capital deposited, bonus share, And balance profit | a. Asset still<br>b. Employee benefit obligations and other estimated obligations such as obligations due immediately and other obligations<br>c. Equity groups include capital deposited, capital loan, balance profit | In accordance   |
| <b>B. INCOME STATEMENT</b> |   |   |   |   |
| 1                          | Information which is served   | Report profit make a loss at least present the following posts:<br>a. Income<br>b. Burden finance<br>c. Part profit or make a loss from investment Which using the equity method<br>d. Burden tax   | Report profit/loss presents the following items:<br>a. Income And operational expenses<br>b. Income And burden non-operational<br>c. Burden tax   | Appropriate, although there are differences Name account, namely financial burden becomes operational burden and non-operating burden operational |

|  |                                       |  |   |               |
|--|---------------------------------------|--|---|---------------|
|  |                                       | d. Profit or make a loss net   | d. Profit (Make a loss) net   |               |
| 2  | Information presented                 | Entity must presenting items, titles and other subtotals on the income statement if such presentation is relevant For understand performance entity finances .                 | Entities present headings, titles, and other subheadings .  | In accordance |
| <b>C. STATEMENT OF CHANGES IN EQUITY</b> |                                       |  |   |               |
| 1  | Information presented which is served | The entity presents a statement of changes equity which shows :<br>a. Profit or period loss<br>b. Income And burden Which presented directly in equity                         | Report change equity presents profit or loss, and income and expenses that served direct in equity, like : capital increase and dividend distribution | In accordance |
| <b>D. CASH FLOW REPORT</b>               |                                       |  |   |               |
| 1  | Presentation of cash flow statements  | Entity serve report current cash flow that reports cash flows for a period and classifies them according to activity operation, investment activities , And funding activities | Entity presenting cash flow statements according to operating activities, investing activities, and financing activities.                             | In accordance |

|   |                     |   |   |               |
|---|---------------------|---|---|---------------|
| 2 | Activity Operation  | Cash flows from operating activities are primarily derived from the entity's principal revenue-generating activities.                   | Cash flow from operating activities is obtained from the settlement of receivables, placement on other banks, And various assets                      | In accordance |
| 3 | Activity Investment | Cash flows from investing activities reflect cash outlays related to resources acquired. aim For produce income And current cash future | Cash flows from investing activities reflect cash outlays for the purpose of earn income And current cash the future is purchase/sale of fixed assets | In accordance |
| 4 | Funding Activities  | Cash flow can come from cash receipts, cash payments, and loan repayments.  | Cash flow from financing activities comes from receipts/payments of capital loan And dividend distribution  | In accordance |

#### D. NOTES TO THE FINANCIAL STATEMENTS

|   |           |   |   |               |
|---|-----------|---|---|---------------|
| 1 | Structure | Normally the order of presentation of notes to financial statements is: <ul style="list-style-type: none"> <li>a. Summary policy significant accounting applied</li> <li>b. Information that supports financial statement items, in accordance with with order presentation of each component of the financial report</li> <li>c. Disclosure other</li> </ul> | The order of presentation of notes to the financial statements of PT BPRS Puduarta Insani: <ul style="list-style-type: none"> <li>a. Description general</li> <li>b. Overview accounting policies</li> <li>c. Explanation balance sheet items</li> <li>d. Attachment</li> </ul> | In accordance |
|---|-----------|---|---|---------------|

2) Analysis of the comparison of the financial statements of PT BPRS Puduarta Insani with the financial statements according to SAK EP

a. Balance Sheet

In general, the presentation of financial statements in the balance sheet components complies with SAK EP regulations. The balance sheet of PT BPRS Puduarta Insani presents assets, liabilities, and equity. This is in accordance with SAK EP regulations, which present assets, liabilities, and equity as of a specific date, namely December, which is recognized as the end of the reporting period.

The following is an explanation of the components of the balance sheet:

1) Asset

Assets are resources controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity (SAK EP Paragraph 2.12). Assets are recognized in the balance sheet because the future economic benefits will flow to the entity and the assets have a value or cost that can be measured reliably. The entity is not yet in accordance, namely PT BPRS Puduarta Insani does not classify assets and liabilities separately into current assets and non-current assets, as well as long-term liabilities and short-term liabilities. However, presentation based on liquidity can provide reliable and relevant information. This is in accordance with SAK EP Paragraph 4.5 in the qualification of assets and liabilities that presentation based on liquidity is permitted if it provides reliable and relevant information.

2) Cash

Cash is rupiah banknotes and coins that are still valid as legal tender. In the accounting treatment of the entity, in this case PT BPRS Puduarta Insani, cash transactions are recognized and measured at their nominal value. Cash is presented in a separate account, and the details of the cash amounts are disclosed. This is in accordance with paragraph 2.12 of SAK EP.

3) Placement in other banks

Placements with other banks are placements of BPRS (Subjects/Deposits) or deposits with other banks with the aim of supporting the smooth running of operational activities and generating income. This is in accordance with SAK EP Paragraph 2.12, which states that income from other banks can provide future economic benefits, namely the smooth running of operational activities.

4) Fixed assets

Fixed assets are tangible assets held for use in the provision of services or for administrative purposes and are expected to be used for more than one period. Upon initial recognition, fixed assets must be measured at cost (SAK EP chapter 15). The acquisition cost is expressed in fixed assets through exchange, and depreciation for each period is recognized as an expense for the period in question. Fixed assets are presented at cost less accumulated depreciation and impairment losses. Fixed assets are depreciated systematically over their useful lives. Depreciation begins when an asset is

available for use and ceases when the asset is derecognized. This is in accordance with SAK EP chapter 15 on Fixed Assets.

5) Obligation

Liabilities are present obligations of the BPRS arising from past events, the settlement of which is expected to result in an outflow from the BPRS's resources and embody economic benefits. The entity has implemented the general liability items that BPRS must have in accordance with the provisions of SAK EP. However, the entity does not classify liabilities into short-term and long-term liabilities but rather presents them based on their maturity date. This is in accordance with the regulations in SAK EP because liabilities can be presented based on their maturity date or liquidity.

6) Liabilities payable immediately

Liabilities due soon are obligations that are due and/or immediately collectible by the owner and must be paid immediately. Liabilities due soon arise from activities supporting BPRS operations, both with the public and with other banks. Liabilities due soon are presented at the amount due. This is in accordance with paragraph 2.35 of SAK EP.

7) Liabilities to other banks

Liabilities to other banks represent BPRS obligations to other banks, in the form of savings and time deposits. Savings transactions are recognized at the nominal value of deposits or withdrawals made by other banks, while time deposit transactions are recognized at the nominal value stated on the deposit slip. This provides benefits to the entity, as the amount to be settled can be measured reliably.

8) Loan received

Loans received are funds received from commercial banks and other BPRS, Bank Indonesia, or other parties with repayment obligations in accordance with the terms of the loan agreement. Loans received are recognized at the principal amount plus transaction costs directly attributable to the acquisition of the loan, less discounts, and presented at the outstanding loan balance at the reporting date, along with unamortized transaction costs and discounts.

9) Equity

Equity is the residual right to BPRS assets after deducting all liabilities.

a) Capital

Capital consists of paid-in capital and loan capital. Paid-in capital is capital that has been effectively received by the bank at the nominal value of the shares. Paid-in capital is recognized upon receipt of capital deposits, whether in the form of cash or non-cash assets. Loan capital is debt supported by instruments or documents that have capital-like characteristics. It is considered equivalent to fully paid-in capital. It

cannot be repaid or withdrawn at the owner's initiative without the approval of Bank Indonesia.

b) Income statement

The profit and loss statement is a report that shows all of a BPRS's income and expenses during a period. Income consists of operational and non-operational income, while expenses consist of operational and non-operational expenses. An entity's profit and loss statement includes at least the following items: revenue, allowance for possible losses, depreciation, finance section, operating profit/loss section, tax expense, and net profit/loss. The entity complies with SAK EP because all income and expense items have been recognized in the profit and loss statement.

c) Statement of changes in equity

The statement of changes in equity is a report that shows changes in the equity of a BPRS, depicting the increase or decrease in net assets or assets of the BPRS during the reporting period. The entity presents a statement of changes in equity that shows the profit or loss for the reporting period as well as income and expenses recognized directly in equity. The statement of changes in equity of a BPRS includes, among other things: increases in share capital and retained earnings. This is in accordance with the provisions of SAK EP Chapter 6 regarding the statement of changes in equity.

d) Cash flow statement

The cash flow statement is a report that shows the cash receipts and disbursements of a BPRS during a specific period, grouped into operating activities, investing activities, and financing activities. The entity has grouped these into three cash flows: cash flow from operating activities, cash flow from investing activities, and cash flow from financing activities. This is in accordance with paragraph 7.7 of SAK EP. Operating activities are the primary revenue-generating activities of a BPRS and other activities that are not investment and financing activities. Cash flows from operating activities include the provision and repayment of BPRS funding products, receipt and payment of deposits, placement and withdrawal of deposits with other banks, and receipt and repayment of loans received from commercial banks, BPRS, and other parties.

Investing activities are the acquisition and disposal of long-term assets and other investments that are not cash equivalents. Investing activities consist of purchases of fixed assets and inventory, sales/reductions of fixed assets and inventory, and purchases/sale of intangible assets. Financing activities are activities that result in changes in the amount and composition of capital and loans of BPRS. Cash flows from financing activities include receipts/repayments of loans, receipts of

capital payments, and payments for production services. This is in accordance with SAK EP Chapter 7 regarding cash flow statements.

e) Notes to the financial statements.

The notes to the financial statements are an integral part of the BPRS financial statements. They include an explanation of the BPRS's general overview, a summary of accounting policies, explanations of balance sheet items, explanations of profit and loss items, and appendices. The notes to the financial statements state that the financial statements are prepared in accordance with SAK EP, which is intended to ensure that the financial statements fairly present the financial position, performance, and cash flows, thereby achieving the objectives of the financial statements. This statement explains that the BPRS has prepared the financial statements by applying the rules in accordance with SAK EP.

## CONCLUSION

Based on the analysis that has been presented in the discussion above, it can be concluded in general that The entity at BPRS Puduarta Insani has presented complete financial statements in accordance with the Financial Accounting Standards for Private Entities (SAK EP), namely the balance sheet, income statement, statement of changes in equity, statement of cash flows, and notes to the financial statements. In the notes to the financial statements, there is a statement that the financial statements are prepared in accordance with SAK EP, which is intended to ensure that the financial statements fairly present the financial position, performance, and cash flows, so that the objectives of the financial statements can be achieved. This statement explains that the BPRS has prepared financial statements by applying the rules in accordance with SAK EP.

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