

Implementation of Financial Reports in Accordance with EMKM SAK in an Effort to Improve the Performance of Mejiku Florist UMKM in Makassar

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ABSTRACT

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This research aims to explore the implementation of financial statements in accordance with SAK EMKM in an effort to improve the performance of Mejiku Florist Micro, Small, and Medium Enterprises (MSMEs) in Makassar. Using qualitative approaches and case study methods, this study collected data through participatory observation, in-depth interviews, and documentation. The results of the study show that although the owner of Mejiku Florist is aware of the importance of financial statements, the recording practices carried out are still simple and not fully in accordance with applicable accounting standards. Obstacles faced include a low understanding of accounting, lack of formal training, and limited human resources. These findings indicate that to improve the performance of MSMEs, a better understanding of financial statements and greater support from related parties is needed. This research provides important insights for stakeholders in formulating more effective strategies to support the development of MSMEs in Indonesia.

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the Indonesian economy, contributing to gross domestic product (GDP) and creating jobs. One promising sector is the creative industry, including florist businesses.

The application of SAK EMKM in financial reports is very important for MSMEs, because it provides a clear picture of the financial condition of the business. Good financial reports help business owners in decision making and increase transparency in the eyes of stakeholders. With reports that meet standards, Mejiku Florist can identify the strengths and weaknesses of the business and plan more effective development strategies [1].

This study aims to examine good financial reporting policies as an effort to improve the performance of MSMEs in Makassar. The focus of the study is on the understanding of MSME owners/managers of financial reports and how this affects the quality of preparation and utilization of financial reports. This study is expected to provide insight for MSME actors and related parties in developing more sustainable and competitive development strategies.

1.1 Background

Financial reports are a form of accountability for an entity's financial resources, and for MSMEs, this report reflects financial performance in a certain period. Currently, MSMEs in Indonesia use the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM) to prepare comparable financial reports. The quality of financial reports is very important, because accurate and relevant reports help MSME owners in making the right business decisions, including in determining the proportion of profits and the balance between rights and obligations [2].

MSMEs have a significant role in Indonesia's economic growth, contributing 60.5% to Gross Domestic Product (GDP) and absorbing 96.6% of the workforce. However, many MSMEs face obstacles in effective financial management, often caused by low financial literacy and understanding of accounting. Many MSME actors consider preparing financial reports as additional work, so they ignore invisible costs [3].

1.2 Problem Statement

Based on the background, the formulation of the problem in this study is:

1. How does the Micro, Small and Medium Enterprises (MSMEs) Mejiku Florist implement financial reports in its operations?
2. How is the performance of the Micro, Small and Medium Enterprises (MSMEs) Mejiku Florist in implementing its financial reports?
3. What are the obstacles in preparing financial reports at the Micro, Small and Medium Enterprises (MSMEs) Mejiku Florist?

The knowledge gap that this study aims to address includes several important aspects related to the implementation of financial reports in Micro, Small and Medium Enterprises (MSMEs) Mejiku Florist. First, although many studies emphasize the importance of financial reports, there is still a lack of understanding about the implementation of financial reports according to SAK EMKM in daily practice. This study aims to explore the process of implementing financial reports in Mejiku Florist's operations and the factors that influence its success.

Second, although MSME performance is often measured from a financial aspect, there is still little research that links Mejiku Florist's performance with the quality of the financial reports prepared. Therefore, this study aims to explore how the implementation of good financial reports can contribute to improving business performance and identify relevant performance indicators.

Third, many MSMEs face obstacles in preparing financial reports, but research that explores the specific obstacles faced by Mejiku Florist is still limited. Thus, this study aims to identify and analyze these obstacles, both in terms of financial literacy and accounting understanding. By addressing this knowledge gap, it is hoped that this research can provide a significant contribution to understanding the dynamics of financial reporting implementation in MSMEs and provide practical recommendations to improve business performance and sustainability.

1.3 Objectives and Scope

The purpose of this study is

- a. To find out how the Micro, Small and Medium Enterprises (MSMEs) Mejiku Florist implement financial reports in its operations.

- b. To find out how the performance of the Micro, Small and Medium Enterprises (MSMEs) Mejiku Florist in implementing its financial reports.
- c. To find out the obstacles in preparing financial reports at the Micro, Small and Medium Enterprises (MSMEs) Mejiku Florist.

The limitations or constraints of the scope of this study include several important aspects. First, this study will be limited to Micro, Small and Medium Enterprises (MSMEs) Mejiku Florist in Makassar, so that the findings cannot be generalized to all MSMEs in Indonesia.

Second, the focus of the study is on the implementation of financial statements in accordance with the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM), without discussing other accounting standards.

Third, this study will identify obstacles in the preparation of financial statements, but will not discuss solutions to overcome these obstacles. Thus, the scope of this study is designed to provide an in-depth understanding of the implementation of financial statements at Mejiku Florist, while considering the existing limitations.

2. Literature Review

- a. Resource Based View (RBV) Theory (Wernervelt, 1984): This theory emphasizes the importance of valuable, rare, and difficult-to-imitate resources in creating competitive advantage for companies. In the context of MSMEs, RBV helps business actors identify and utilize existing resources to improve performance through the implementation of good financial reporting. Previous research shows that a deep understanding of internal resources can help MSMEs formulate effective strategies [4].
- b. Definition and Criteria of MSMEs: Based on Law No. 20 of 2008, MSMEs are divided into micro, small, and medium enterprises with clear criteria related to net assets and annual sales results. Previous research shows that understanding these criteria is important for classifying and providing appropriate support for MSMEs [5].
- c. Financial Reports According to EMKM SAK: Financial reports prepared in accordance with EMKM SAK are very important for MSMEs to provide accurate and transparent information regarding their financial position. Research shows that the implementation of EMKM SAK can make it easier for MSMEs to access funds from third parties and increase accountability [6].
- d. Objectives and Components of Financial Reports: Financial reports aim to provide useful information for economic decision-making. Complete financial report components, such as financial position statements, income statements, and cash flow statements, provide a comprehensive picture of the company's performance and financial position. Previous studies have emphasized that good financial reports can help MSMEs plan and manage their businesses more effectively [7].
- e. Knowledge Gap: Although many studies have discussed the importance of financial reporting and the implementation of EMKM SAK, there is still a gap in understanding how SMEs, especially Mejiku Florist, implement financial reporting in their daily practices and how this affects their performance. In addition, research on the specific barriers faced by SMEs in

preparing financial reports is still limited. Therefore, this study aims to fill this gap by exploring the implementation of financial reporting, SME performance, and the barriers faced in the context of Mejiku Florist.

2.1 Related Work

Similarities:

- a. The purpose of this study is in line with the research of Ferby Mutia Edwy et al. (2023) [8] and Dini Aylulliyah & Naz'aina (2022) [9] which also highlighted the implementation of financial reports in MSMEs and the challenges faced in financial management.
- b. This study and the research of Sasmita Irawan & Afrizal Nilwan (2024) [10] and Hidayati Nasrah & Ikhwani Ratna (2024) [11] show that many MSME actors have not adopted SAK EMKM due to limited knowledge and resources.
- c. All studies emphasize the importance of training and support to improve the ability of MSME actors to prepare good financial reports.

Differences:

- a. This study focuses on the MSME Mejiku Florist, while previous studies covered various MSMEs in different locations and contexts, such as Tenggo Coffee and Ceplis Melinjo.
- b. This study seeks to explore the specific obstacles faced by Mejiku Florist, which may have unique characteristics compared to other MSMEs studied.
- c. This study can provide recommendations that are more focused on the context of Mejiku Florist, while previous studies may not consider specific local factors.

2.2 Research Gap

Special Implementation of Financial Reports: Although many previous studies have stated that MSMEs have not implemented financial reports in accordance with SAK EMKM, there has been no study that has examined in depth how it is implemented, especially in MSME Mejiku Flower. This study will fill this gap by analyzing how financial reports are implemented in MSME Mejiku Flower.

Implementation of MSMEs in the Surrounding Environment: Previous studies have mostly examined the implementation of MSMEs in general without focusing on a particular surrounding environment. This study will investigate the implementation of Mejiku Florist in executing financial reports, providing deeper knowledge about how financial reports affect the implementation of trade at the local level.

Barriers to Financial Report Planning: Many studies have identified common barriers faced by MSMEs in planning financial reports, but none have specifically acknowledged the barriers faced by Mejiku Florist owners. This study will focus on these barriers, both in terms of financial capacity and bookkeeping understanding.

Required Support and Preparation: Previous studies have emphasized the need for preparation and support to advance the capacity of MSMEs to plan financial reports. However, no research has investigated the types of support and preparation that are most successful for Mejiku Florist owners. This study will identify specific preparation needs that can offer assistance to Mejiku Florist specialists to advance their financial reporting goals.

3. Methodology

This study uses a qualitative approach with a case study type to understand the meaning and dynamics of social phenomena from the perspective of the subjects studied. This approach does not focus on numbers, but on an in-depth understanding of complex phenomena [12].

The case study type was chosen to explore the application of financial reports to MSME actors in Makassar and their contribution to business performance. This method allows researchers to explore various aspects that influence the preparation and use of financial reports by MSME actors [13].

The selection of a qualitative approach is based on understanding the experiences and practices of MSME actors in financial recording. This approach also provides flexibility to explore social, economic, and cultural factors that influence financial practices in the field.

The explanation above is in line with the objectives of the study which want to know the application of financial reports, performance, and obstacles faced by MSME Mejiku Florist. The qualitative approach and case study allow researchers to explore in depth how Mejiku Florist applies financial reports in its operations and how it contributes to business performance. In addition, this study can also identify obstacles in the preparation of financial reports, by considering various social, economic, and cultural factors that influence financial practices. Thus, the approach used is very relevant to achieve the research objectives that have been set.

3.1 Data Collection

Data collection techniques are carried out through three main methods:

a. Participatory Observation

The researcher conducts direct observation of the financial recording and reporting activities of MSMEs. This observation includes the business environment, the financial behavior of the actors, and the tools and documents used.

b. In-depth Interview

The semi-structured interview technique is used to explore the perceptions, understanding, and experiences of MSME actors related to financial reports. Interviews are conducted directly and recorded or recorded (with permission).

c. Documentation

Documentation in the form of financial reports, transaction records, receipts, and other documents are used to complete the data from observations and interviews.

3.2 Analysis Techniques

Data analysis using the model (Matthew B. Miles, A. Michael Huberman, 2014) consisting of the following three stages:

a. Data Reduction

The process of sorting, summarizing, and simplifying raw data obtained from the field to focus more on aspects relevant to the research.

b. Data Display

Presentation of data in the form of narratives, matrices, or charts to make it easier for researchers to see patterns and relationships between data categories.

c. **Conclusion Drawing & Verification**

The interpretive process carried out to draw meaning from the data that has been compiled, accompanied by verification through triangulation of sources, methods, and time to ensure the validity of the research results [14].

3.3 Validation

Validation of the explanation above can be seen from several important aspects that support the methodology, data collection, and analysis in this study. First, the methodology used, namely the qualitative approach and case study, is very appropriate for the purpose of the study to understand the implementation of financial reports in the Mejiku Florist MSME. This method allows researchers to explore the experiences and practices of MSME actors in depth.

Second, comprehensive data collection techniques include participant observation, in-depth interviews, and documentation that provide reliable data. Observation provides direct context, interviews explore perceptions, and documentation complements the information obtained.

Third, the systematic data analysis process uses a model (Matthew B. Miles, A. Michael Huberman, 2014) through data reduction, data presentation, and drawing conclusions. This process ensures a focus on relevant information and facilitates the identification of patterns, with verification through triangulation to ensure the reliability of the results.

Finally, the research findings have high relevance to MSME practices, providing insights that can be used to improve financial practices and business performance. Thus, all of these aspects support each other and strengthen the validity of the research as a whole.

4. Results

Mejiku Florist was founded by Mrs. Sri Dewi Fortuna in 2019 in Makassar. Before starting this business, Mrs. Sri Dewi considered many things, especially because of the difficulty in getting a job after graduating from college. Initially, Mejiku Florist operated online with a target market of students. However, after some time, Mrs. Sri Dewi decided to open a physical store on September 1, 2023 at Jl. Talasalapang No. 2c, which allows this business to reach the general public.

Mejiku Florist offers a variety of flower products with creative designs, such as flower bouquets, doll bouquets, graduation doll trophies, and snack bouquets. Mrs. Sri Dewi Fortuna always pays attention to the quality of the materials and tools used, and listens to customer desires to ensure that the products produced are of high quality. The prices of the products offered are also affordable, making them easily accessible to customers. The Mejiku Florist shop is located in a strategic location, close to restaurants, stationery stores, and the Muhammadiyah University of Makassar campus. This strategic location facilitates marketing and access for customers, so that this business is increasingly well-known and growing.

The following researcher makes financial statements in accordance with the standards imposed in Indonesia based on financial statements obtained from Mejiku Florist MSMEs.

The following research can be taken as an assessment of the financial statements of Mejiku Florist MSMEs:

a. Financial Position Report

This financial position report is made for Mejiku Florist MSMEs, in the financial position report includes accounts such as cash and cash equivalents, receivables, inventories, fixed assets, accounts receivable, bank debt, and equity.

MEJIKU FLORIST FINANCIAL POSITION REPORT PER 30 November 2023			
Assets:		Liability:	
Cash	IDR 3,000,000	Debt	Rp-
Printer	IDR 3,000,000		
Laptop	IDR 7,000,000		
Store Supplies	IDR 852,000	Equity:	
		Capital	IDR 13,852,000
		Total Liabilities +	
Total Assets	IDR 13,852,000	Equity	IDR 13,852,000

Source: Data processed, 2025

Based on the data in the table above, it can be seen that Mejiku Florist has an asset balance in 2023 of IDR 13,852,000, a liability balance of 0 and an equity balance of IDR 13,852,000. The balance of liabilities and equity, if added together, is IDR 13,852,000, which means that the figure *is balanced* and in accordance with the basic equation of attenancy (asset = liability + equity). The 2023 cash amount is IDR 3,000,000 which comes from sales which are then deducted from operating expenses. For 2023 receivables there is none.

Fixed assets are in the form of Printers of IDR 3,000,000, Laptops of IDR 7,000,000, and Store Supplies of IDR 852,000. These fixed assets are owned by business owners and are used in their operations to generate income, not to be resold in normal business activities.

Equity of IDR 13,852,000 is obtained from owner's capital data, this equity is the right to own the assets of a company after deducting liabilities or debts. In simple language, equity is the net worth of a company owned by its owners.

b. Income Statement

The following income statement is intended for Mejiku Florist with several elements in it, namely sales, cost of goods sold, and expenses. The data needed in making the profit and loss report include: data on all Mejiku Florist sales in 2023, data on all costs or expenses incurred by Mejiku Florist in 2023. The following is the profit and loss report for Mejiku Florist MSMEs.

MEJIKU FLORIST INCOME STATEMENT PER 30 November 2023

Sales		IDR 3,947,000
Net Sales		IDR 3,947,000
Cost of Goods Sold		
Initial Merchandise Inventory	Rp-	
Purchase	IDR 2,700,000	
Purchase Transport Costs	Rp-	
Purchase Returns	Rp-	
	IDR	
Net Purchase	2,700,000	
	IDR	
Ready-to-Sell Items	2,700,000	
Final Inventory of Merchandise	Rp-	
Cost of Goods Sold		IDR 2,700,000
Sales Gross Profit		IDR 1,247,000
Operating Expenses		
	IDR	
Rental Load	1,750,000	
Load LAT Shop	IDR 104,000	
Load Fixtures	IDR 295,000	
Fuel load	IDR 50,000	
Total Load		IDR 2,199,000
Net Loss		-IDR 952,000

Based on the table above, Mejiku Florist shows sales of IDR 3,947,000 for 3 months obtained from sales data in November 2023. Sales are all the value or results of sales obtained during 2023. Meanwhile, cost of goods sold is the total direct cost incurred to produce the product sold.

The rental expense is IDR 1,750,000 where rent is paid monthly. Rental expense is an expense that must be incurred to use assets that are not one's own, this rental expense reduces the owner's equity and is recorded as an expense in the income statement.

The LAT Toko load is IDR 104,000 obtained from the payment of electricity, water, and telephone expenses in November 2023. This LAT load is a type of expenditure that is routinely disbursed to meet basic needs. Electrical load is the cost paid for the use of electrical energy, water load is the cost incurred for the use of clean water, while telephone load is the cost incurred for the use of telecommunications in the business being carried out.

The equipment cost of Rp 295,000 was obtained from the payment of goods used to support the operational process of Mejiku Florist's business. The load of this equipment is a burden that must be incurred every month to meet the needs in running a business.

The fuel expense is Rp 50,000 which is obtained from expenses when making deliveries or when buying business interests. Fuel load is the cost that must be incurred to buy fuel oil that the

vehicle needs when it wants to be used, this is an important component that will help the smooth operation of Mejiku Florist's business.

c. Notes on Financial Statements

The following is a Record of Financial Reports intended for Mejiku Florist:

**MEJIKU FLORIST
NOTES ON FINANCIAL STATEMENTS
AS OF 30 NOVEMBER 2023**

1. GENERAL

Mejiku Florist is located on Jl. Talasalapang No 2c, Makassar City. It is integrated with restaurants, office stationery stores (ATK) and is close to the campus of the University of Muhammadiyah Makassar so that it is easy in terms of marketing.

2. OVERVIEW OF IMPORTANT ACCOUNTING POLICIES

a. Compliance Questions

Financial statements are prepared using the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM).

b. Preparation Policy

The basis for compiling financial statements is historical costs and using actual basic assumptions. The presentation currency used for the preparation of financial statements is Rupiah.

c. Receivables

Accounts receivable are presented as the amount of bills.

d. Fixed Assets

Fixed assets are recorded as the cost of acquisition if the assets are legally owned by Mejiku Florist. Fixed assets are depreciated in accordance with ministerial regulation number 96/PMK.03/2009 using the straight line method with no residual value.

e. Purchase

Purchases are presented in the amount paid.

f. Recognition of Income and Expenses

Sales revenue is done to customers. Burden is acknowledged when it occurs.

3. KAS

2023

Cash	IDR 3,000,000	
4. ACCOUNTS RECEIVABLE		<u>2023</u>
Accounts Receivable	-	
5. ACCOUNTS PAYABLE		<u>2023</u>
Business debt	-	
6. BANK DEBT		<u>2023</u>
Bank debt	-	
7. PROFIT BALANCE		
Profit Balance is the accumulated difference between income and expenses		<u>2023</u>
Slab balance	IDR 1,247,000	
8. SALES REVENUE		<u>2023</u>
Sales revenue	IDR 3,947,000	
9. PURCHASE		<u>2023</u>
Purchase	IDR 2,700,000	
10. LOAD		<u>2023</u>
Rental Load	IDR 1,750,000	
Load LAT Shop	IDR 104,000	
Load Fixtures	IDR 295,000	
Fuel load	IDR 50,000	

Total Load

IDR 2,199,000

4.1 Key Findings

The main findings from observations and interviews with the owner of the Mejiku Florist MSME showed that the practice of recording financial reports was not carried out consistently. Although the owner initially recorded finances manually and used Excel, limited manpower and time caused the recording to stop. Currently, financial recording is done informally, relying on bank account mutations to track income and expenses.

The business owner understands the importance of financial reports, such as profit and loss statements, balance sheets, and cash flow, but in-depth understanding is still limited. Managing the business entirely by himself makes financial recording not a priority, and the owner has never received formal training or consultation related to financial management. This reflects the gap between understanding and implementation.

The recording carried out by Mejiku Florist is very simple and does not comply with correct accounting principles, so it can only be understood by the owner. Recording and preparation of financial reports are only carried out at the beginning of the business. Therefore, the researcher prepared financial reports in accordance with the standards applicable in Indonesia based on data obtained from the Mejiku Florist MSME.

4.2 Interpretation of Results

Mejiku Florist is a business in the field of florists and handicrafts managed by Mrs. Sri Dewi Fortuna with the help of a friend. Although the owner has a high awareness of the importance of financial statements to monitor cash flow and assess the health of the business, the accounting information system implemented is still very simple and informal. The current financial record depends on bank account mutations and is not in accordance with the SAK EMKM, in the absence of a complete type of financial statement.

Inhibiting factors in the implementation of SAK EMKM-based financial recording include limited owner knowledge, lack of formal training, and limited manpower, because this business is managed by only two people. This creates a gap between knowledge and practice, where owners focus more on operational activities than administration.

This research is in line with the Resource Based View (RBV) Theory, which emphasizes the importance of strategies to increase productivity and operational efficiency. However, many MSME actors, including Mejiku Florist, have difficulty implementing this strategy due to the lack of access to training and technology. Although financial recording is still simple, it still plays an important role in business management.

The significance of the above findings is very relevant to the research objectives that have been set, namely:

- a. Application of Financial Statements in Mejiku Florist MSME Operations: Findings show that although Mrs. Sri Dewi Fortuna is aware of the importance of financial statements, the recording practice is still very simple and informal. This reflects that the implementation of

financial statements at Mejiku Florist has not been optimal, which is the main focus of the research to understand how financial statements are applied in daily operations.

- b. Performance of Mejiku Florist MSMEs in the Implementation of Financial Statements: This study reveals that although the owner has an awareness of the importance of financial statements to assess business performance, limitations in knowledge and resources hinder the ability to prepare financial statements in accordance with the SAK EMKM. These findings provide an overview of Mejiku Florist's performance in terms of financial management, which is one of the objectives of the research.
- c. Obstacles in the Preparation of Financial Statements: The findings also identify some of the obstacles Mejiku Florist faces, such as limited knowledge, manpower, and implementation capacity. This shows that there is a gap between knowledge and practice which is the main barrier in the preparation of appropriate financial statements.

This study aims to explore these barriers in depth, so as to provide recommendations for improvement. Overall, these findings provide valuable insights into the real conditions faced by Mejiku Florist in the management of financial statements. By understanding the implementation, performance, and existing barriers, this research can contribute to the development of better strategies for MSMEs in improving their accounting practices and financial management. This is in line with the Resource Based View (RBV) theory, which emphasizes the importance of the right resources and strategies to achieve a competitive advantage.

5. Discussion

5.1 Comparison with Prior Research

The implications of the findings of the research on Mejiku Florist show that even though the owner has awareness of the importance of financial statements, the recording practice carried out is still very simple and not in accordance with the applicable accounting standards, namely SAK EMKM. This reflects the challenges faced by many MSMEs in managing their finances effectively.

Here's an explanation of how these findings align with or contradict previous research:

- a. Alignment with Previous Research
 - 1) Awareness of the Importance of Financial Reports: These findings are in line with the research of Ferby Mutia Edwy et al. (2023) and Dini Aylulliyah & Naz'aina (2022), which also highlights that many MSME actors are aware of the importance of financial reports. However, despite this awareness, effective implementation is still a challenge. This shows that awareness alone is not enough to encourage good accounting practices, and additional support is needed to assist MSMEs in implementing appropriate financial statements.
 - 2) Limited Knowledge and Resources: These findings are also in line with the research of Sasmita Irawan & Afrizal Nilwan (2024) and Hidayati Nasrah & Ikhwan Ratna (2024), which shows that many MSME actors have not adopted SAK EMKM due to limited knowledge and resources. This study confirms that limitations in knowledge and access to training are the main barriers to effective financial management among MSMEs.
- b. Conflict with Previous Research
 - 1) Different Levels of Implementation: Although many previous studies have shown awareness of the importance of financial reporting, the findings in Mejiku Florist highlight

that the record-keeping practices carried out are very simple and informal. This may contradict some studies that show that some MSMEs have successfully implemented better accounting practices, despite the challenges at hand. This shows that not all MSMEs are at the same level in terms of the implementation of financial statements.

- 2) Focus on Operational Activities: These findings emphasize that Mejiku Florist owners are more focused on operational activities than administration, which may not have been always emphasized in previous research. Some studies may have more highlighted the administrative and managerial aspects of financial management, while these findings suggest that in practice, many MSME owners are stuck in their daily operational routines, thus ignoring the importance of systematic financial records.

5.2 Limitations

Research Limitations

- a. Focus on One Case: This study focuses on one case (Mejiku Florist), which can limit the generalization of findings to other MSMEs with different characteristics. Further research with a larger and diverse sample is needed to get a more comprehensive picture of financial management challenges and practices among MSMEs.
- b. Methodology Used: If this study uses qualitative methods, such as interviews and observations, the results may be influenced by the subjectivity of the researcher and respondent. Therefore, it is important to consider the use of quantitative or mixed methods to obtain more objective and representative data.
- c. Limitations in Data Access: This study may face limitations in accessing more in-depth data on other MSME financial practices, which may provide a broader context for the findings obtained.

5.3 Future Research

Suggestions for future research based on the results of your research:

- a. Develop a more comprehensive methodology to improve the validity of the results.
- b. Multi-MSME Case Study with a larger sample for generalization of findings, conduct research that includes several MSMEs from different sectors, such as food, handicrafts, and services. This will provide a broader perspective on financial management challenges and practices, as well as allow for the identification of factors that affect the success in the implementation of financial statements.
- c. Financial Training Impact Analysis, focus research on the evaluation of financial training programs that have been implemented for MSMEs. This research can measure changes in financial management knowledge and practices after participating in the training, as well as their impact on business performance. This will help in designing a more effective training program.

6. Conclusion

This study discusses the implementation of financial reports in accordance with SAK EMKM from Mejiku Florist, a micro, medium and medium enterprise (MSME) in Makassar, Indonesia. Mejiku

Florist MSME does not record financial reports in accordance with SAK EMKM, Mejiku Florist's business performance is still unstable, both in terms of quality and quantity. Although the owner is aware of the importance of financial records to monitor cash flow and assess business health, the accounting information system implemented is still simple and informal, relying on bank account mutations without appropriate financial reports. Therefore, it is necessary to increase knowledge and access to training so that financial management can be more effective, dan Obstacles in Mejiku Florist's financial reporting include the owner's limited knowledge of financial management in accordance with SAK EMKM, as well as limited manpower, because the business is managed by two people without employees. This makes it difficult to record more complex financial records and results in priority being given to operational activities rather than administrative ones.

Using a qualitative approach, this study uses a case study method that involves participatory observation in interviews and document analysis. The results show challenges in consistent financial reporting practices, mainly due to low financial literacy, lack of formal training, and feeling that financial reporting is an additional burden. The owner acknowledges the importance of financial statements, but the application remains informal and does not comply with the SAK EMKM standards.

The effectiveness of this study shows the need for targeted training programs and the development of user-friendly financial management tools tailored to MSMEs. By addressing the identified gaps in knowledge and practice, this study contributes to understanding the dynamics of financial reporting in MSMEs and provides practical recommendations to improve financial management practices.

7. Recommendation

Based on the findings of this study, several recommendations were proposed to improve the financial reporting practices of Mejiku Florist and other MSMEs. Implement target training programs:

- a. It is essential to develop and implement training programs that focus on SAK EMKM according to the specific requirements and capabilities of MSME owners. These programs should highlight practical applications and provide hands-on experience in financial reporting.
- b. User-Friendly Financial Management Tools: Creating a simple and accessible financial management application greatly encourages the financial reporting process of MSME Owners. These tools should be designed with the end user in mind to ensure easy use and integration with existing business practices.
- c. Promotion of support from stakeholders: Collaboration with state agencies, financial institutions, and non-governmental organizations is essential to provide sustainable support and resources for MSMEs. This includes access to financial capacity programs, funding options and key initiatives.

By addressing these recommendations, stakeholders can significantly improve their MSME financial management capabilities, ultimately leading to improved business performance and sustainability. This study highlights the importance of coordinated efforts in strengthening MSMEs as a critical contribution to Indonesia's economic growth.

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Appendix

The following documentation attachments serve as additional evidence to support the research.



Figure 1 Interview



Figure 2 Group Photo



Figure 3 Mejiku Florist Products