



Isak 35 Practice on Financial Statements of Organizations non-Profit at the Cathedral Church St. Theresia Lisieux Sibolga

Sahala Purba^{1*}, Calista²

Universitas Methodist Indonesia

Corresponding Author: Sahala Purba sahala824@gmail.com

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ABSTRACT

Cathedral Church of St. Theresia Lisieux and other non-profit organizations rely on the preparation and delivery of financial reports, so professional groups that provide support to Indonesian Accountants (IAI) must provide new interpretations of financial reporting norms. PSAK 1 Amendment to the Presentation of Financial Reports IAI publishes an explanation of Accounting Standards Number 35 (ISAK 35) to improve understanding of the financial reports prepared and submitted. Cathedral Church of St. Theresia Lisieux would benefit from this. in obtaining external financial support. The purpose of this research is to compare the financial statements of St. Theresia Lisieux's financial reports comply with the ISAK 35 financial reporting framework. This research uses qualitative technical methods; Practice at Cathedral Church of St. Theresia Lisieux Descriptive analysis was used to compare Theresa Lisieux's theory and ISAK 35. Data for this research was collected through observation. Financial report of St. Cathedral Church Theresia Lisieux pointed out that the church has not yet developed its financial reporting mechanism in line with current requirements, especially ISAK 35, because the church only covers income and expenditure reports

INTRODUCTION

Nonprofit organizations include houses of worship, health care facilities, educational institutions, and non-profit organizations. Similar to St. Mary's Cathedral Church Theresa Lisieux, relies on donations from members and other unpaid donors to fund her events. Church ministries, non-profit organizations (NGOs), health facilities, and educational institutions are examples of non-profit organizations. Through partisan support and others who did not ask for compensation, including the Cathedral Church of St. Theresa Lisieux, the church is one of the religious organizations that receives resources to run its various events.

Cathedral Church of St. Theresa Lisieux is a religious institution that provides spiritual services or religious events for its adherents. Cathedral Church of St. Theresa Lisieux is a non-profit organization. Church administration and the congregation or church audience receive financial information to ensure that the funds they provide are used as desired and in accordance with the congregation's goals. They are also effective before Almighty God in managing the treasury, Church leadership, and God's servants growing in Christ and being blessed by Him. While the Cathedral Church of St. Theresa Lisieux, costs and income are documented monthly and annually, the financial statements are still understandable. The financial report of a non-profit organization must contain comments on the financial report, balance sheet, comprehensive income statement, change in net worth report, and cash flow report in accordance with ISAK No. 35

In addition, St. Petersburg's financial arrangements Theresa Lisieux is not specifically mentioned. This includes receipts for collections, gifts, bid proceeds, and capital contributions from churches and non-church organizations. ISAK 35 requires St. Theresa Lisieux to provide financial reporting that describes the real work of nonprofits, but the church has not done so.

According to the Al-Mabrur Mosque, one of the non-profit institutions that is required to comply with ISAK 35 (Lasfita & Muslimin, 2020) emphasized that the financial reports of mosques in Surabaya only contain income and expenses. This makes sense considering what was said (Maulana & Rahmat, 2021) in fact, cash is still used for reporting at the Al-Atqiyah Grand Mosque. The mosque microphone reports the amount of money coming in and going out every Friday. In terms of financial reports, the Baitul Hidayah Mosque follows the same procedures as mosques in general, namely recording the income received. Only routine expenses such as water and electricity are documented, as are Friday alms, Eid al-Fitr alms and Eid al-Adha alms. (Ula et al., 2021). Same as (Zakiah & Meirini, 2022) This includes financial information and information about donors, cooperatives and BOS funds, indicating that the implementation of ISAK 35 is not complete in this regard. Apart from that, the An-Nahl Foundation's financial reports are also considered inadequate (Afifah & Faturrahman, 2021). Ibrahimy University handles monthly, quarterly, incidental and annual financial statistics. It is located under the foundation of the Sukorejo Situbondo Salafiyah Syafi'iyah Islamic Boarding School. Based on these statistics, university reporting still depends on funding and has not actually adopted ISAK 35.

Like the Nobel Pelita Anak Bangsa care center, which accepts invoices as testimony of participation, this orphanage also prohibits donations from being raised, thereby hampering the orphanage's ability to grow. However, orphanage administrators must supplement their practices by providing financial reports that fuel donors' confidence. It is also similar at the Sendoro and Gelora Kasih orphanages which are still disclosing the amount of money received and spent for their financial reporting. (Purba, Nazara, et al., 2022b); (Anjani & Bharata, 2022); (Sari et al., 2022); (Setiadi, 2021); (Shoimah et al., 2021); (Abidin & Rahma, 2020). The Baitul Hidayah Mosque, like other mosques, records all receipts and expenditures, including water and electricity (Ula et al., 2021).

Balance regarding financial reporting in the church also deserves to be reviewed. All churches in North Sumatra have received instructions to disclose their financial information. Churches usually keep very simple records, with financial information only covering income and expenses, which are reported in the congregation's bulletin every Sunday (Purba, Nazara, et al., 2022b); (Anjani & Bharata, 2022); (Sari et al., 2022); (Setiadi, 2021); (Shoimah et al., 2021); (Abidin & Rahma, 2020); (Napitupulu et al., 2023); (Purba & Manullang, 2023); (Purba & Sitanggang, 2022); (Purba, Natalia, et al., 2022); (Simanjuntak & Purba, 2022); (Purba & Manullang, 2023); (Purba, Nazara, et al., 2022). In addition, LKSA Bina Yatim only records incoming and outgoing funds as specified in (Fitriani & Afriandy, 2021). Only incoming and outgoing funds are reported by the HKBP Pagaribuan Church (Purba, Tobing, et al., 2022). This research shows that non-profit companies in Indonesia rarely use ISAK 35. That's because they have never seen it before (Setiadi, 2021). Yet another study (Atok et al., 2018) shows that the NGO Bengkel APPEK NTT follows ISAK 35 regulations regarding the disclosure of financial information.

LITERATURE REVIEW

Based on this analysis, it can be concluded that the lack of interpretation skills regarding the uniformity of financial data is the main reason why many non-profit organizations have not fulfilled ISAK 35 (Setiadi, 2021). Statement by St. Paul's Cathedral Church Theresia Lisieux has synchronized on ISAK 35 Accounting Standards and this review will explain it. We hope that churches in Indonesia, especially in North Sumatra, will be able to present their financial data in accordance with applicable Accounting Standards, rather than relying solely on cash which only shows income and expenses.

METHODOLOGY

This research was carried out at the Cathedral Church of St. Theresia Lisieux whose address is Jalan Brigjen Katamso No. 21, Sibolga (22513) in October 2023 in order to review the composition of St. Theresia Lisieux. The aim is to comply with ISAK 35 which regulates the preparation of financial reporting for non-profit institutions. Descriptive analysis is used in this qualitative research. Through observations, interviews, and reading literature, the author collected data for his research. This study involved the church finance section, nuns, priests, legion leader, daily church administrators, KBG chairman, 4 active members of the church.

RESULT

At the Cathedral of St. Theresia Lisieux discovered after observation and research that her financial bookkeeping only included: money received and used and then this was presented in the church's financial report (table 1).

The weakness of the results of this experiment is that this assessment was compiled from the active responses of the sources which apparently did not visualize the factual situation.

Table 1. St. Mary's Church Cash Report Theresia Lisieux

Cash Report Cathedral Church of St. Theresa Lisieux September 2023 period		
No.	Information	Amount
1	income from making certificates of bathing, communion, strengthening chrismation, marriage	Rp 4,800,000
2	Sunday Mass collection session 1	Rp 8,280,000
3	Sunday Mass collection session 2	Rp 7,225,000
4	Friday Mass collection	Rp 2,860,000
5	Saturday Mass collection	Rp 2,220,000
6	requiem mass collection	Rp 570,000
7	collective kbg base church community	Rp 6,000,000
8	Homecoming donations from weekly cake sales	Rp 800,000
9	marriage blessing collection	Rp 1,425,000
10	mass collection from elementary school children	Rp 1,440,000
11	Mass collection from junior high school children	Rp 9,000,000
12	Mass collection from high school children	Rp 9,250,000
13	government donations for the purchase of chairs	Rp20,000,000
14	Legion offerings in the form of fans	Rp 350,000
15	Legion's offering is a loudspeaker	Rp 550,000
16	offerings for victims of natural disasters	Rp10,000,000
17	church window renovation offering	Rp 550,000
Total Income		Rp85,320,000
18	thanksgiving to the priest	Rp 350,000
19	seat purchase costs	Rp20,000,000
20	electrical load	Rp 400,000
21	water load	Rp 180,000
22	janitor's salary	Rp 2,000,000
23	sound system service costs	Rp 600,000
24	costs of purchasing wine, hosts, and incense	Rp 1,200,000
25	social money for bereavement	Rp 1,750,000
26	social money for the sick	Rp 900,000
27	priest/nun transportation costs	Rp 1,520,000
28	craftsman's salary	Rp 200,000
29	cost of purchasing window locks	Rp 150,000
30	church equipment costs	Rp 300,000
31	cost of photocopying religious services	Rp 150,000
32	vehicle repair costs	Rp 520,000
33	cost of purchasing cleaning equipment (household)	Rp 200,000
34	Pastor's farewell souvenir	Rp 1,500,000
Total Expenditures		Rp31,920,000
Ending balance		Rp53,400,000

DISCUSSION

This is the recommended financial transaction and reporting model; given the privacy of the church, the amounts given are entirely hypothetical.

1. Comprehensive Report

Comprehensive income reporting is news that is related to business reporting and contains two main parts, namely the number of achievements and institutional costs over an estimated time period.

Table 2. Comprehensive Report

Comprehensive Income Report		
Cathedral Church of St. Theresia Lisieux Sibolga		
As of September 2023		
Without Restrictions from Resource Providers		
Income Without Restrictions		
KBG Collection Income	WOR	Rp 6,000,000
Income of the Mass Collection from Elementary School Student	WOR	Rp 1,440,000
Income of the Mass Collection from highschool student	WOR	Rp 9,250,000
Income of the Mass Collection from junior highschool student	WOR	Rp 9,000,000
Friday Mass collection income	WOR	Rp 2,860,000
Sunday Mass collection income session 1	WOR	Rp 8,280,000
Sunday Mass collection income session 2	WOR	Rp 7,225,000
Requiem Mass collection income	WOR	Rp 570,000
Saturday Mass collection income	WOR	Rp 2,220,000
Income of the Marriage Blessing Collection	WOR	Rp 1,425,000
Income from Making Deeds	WOR	Rp 4,800,000
Homecoming Contribution Income	WOR	Rp 800,000
Total Income Without Restrictions		Rp 53,870,000
Expenses		
Expenses Without Restrictions		
Water Load	WOR	Rp 180,000
Worship Order Photocopying Expenses	WOR	Rp 150,000
Electrical Load	WOR	Rp 400,000
Expenses for Purchasing Cleaning Equipment (Household)	WOR	Rp 200,000
Expenses for Purchasing Wine, Hosts, and Frankincense	WOR	Rp 1,200,000
Cleaning Staff Salary Expenses	WOR	Rp 2,000,000
Vehicle Repair Expenses	WOR	Rp 520,000
Sound System Service Expenses	WOR	Rp 600,000
Priest/Nun Transportation Expenses	WOR	Rp 1,520,000
Social Money Burden for Bereavement	WOR	Rp 1,750,000
Social Money Burden for Those Who Are Sick	WOR	Rp 900,000
The Burden of Thanksgiving for Pastors	WOR	Rp 350,000
Pastor's Farewell Souvenir	WOR	Rp 1,500,000
Total Expenses Without Restrictions		Rp 11,270,000
surplus (deficit) without restrictions		Rp 42,600,000
With Restrictions On Resources		
Income With Restrictions		
Offering Income for Church Window Renovation	WR	Rp 550,000
Legion Contributions	WR	Rp 350,000
Legion Contributions	WR	Rp 550,000
Government Contribution for Purchasing Chairs	WR	Rp 20,000,000
Total Income With Restrictions		Rp 21,450,000
Total income		Rp 75,320,000
Expenses With Restrictions		
Craftman's Salary Expenses	WR	Rp 200,000
Window Lock Purchase Expenses	WR	Rp 150,000
Chair Purchase Expenses	WR	Rp 20,000,000
Total Expenses With Restrictions		Rp 20,350,000
Total Expenses		Rp 31,620,000
surplus (deficit) with restrictions		Rp 1,100,000
Other Comprehensive Income		Rp -
Total Comprehensive Income		Rp 43,700,000

2. Nett Asset Change Report

The net worth transfer report contains information about the resource provider's net worth both without limits and with limits. For example, all income from restricted net assets is shown in the restricted net asset class.

Table 3. Net Asset Change Report

Net Asset Change Report Cathedral Church of St. Theresia Lisieux Sibolga As of September 2023	
Unrestricted Net Assets of the Resource Provider	
Beginning balance	Rp -
Surplus (Deficit) Current Year	Rp 42,600,000
Ending Net Asset Balance Without Limitation	Rp 42,600,000
Net Assets With Restrictions From Resources	
Beginning balance	Rp -
Surplus (Deficit) Current Year	Rp 1,100,000
Ending Net Asset Balance With Limitation	Rp 1,100,000
Total Nett Assets	Rp 43,700,000

3. Financial Position Report

The description of the financial mechanism, also known as the balance sheet, contains information about the financial condition, especially the position of the company's assets and responsibilities at a limited time.

Table 4. Financial Position Report

Financial Position Report Cathedral Church of St. Theresia Lisieux Sibolga As of September 2023	
Assets/Current Assets	
Cash (WR)	Rp 52,300,000
Cash (WOR)	Rp 200,000
receivables	Rp -
Church Supplies	Rp 300,000
Total Current Assets	Rp 52,800,000
Aset Tidak Lancar	
Inventaris	Rp 900,000
Total Aset Tidak Lancar	Rp 900,000
Total Aset	Rp 53,700,000
Liabilities	
Trust Fund for Victims of Natural Disasters	Rp 10,000,000
Total Liabilities	Rp 10,000,000
Asset	
Net Assets Without Restrictions	Rp 42,600,000
Net Assets With Restrictions	Rp 1,100,000
Total Net Assets	Rp 43,700,000
Total Liabilities and Net Assets	Rp 53,700,000

4. Cash Flow Report

Connoisseurs of financial information benefit from information regarding sources of funds because they serve as a basis for assessing the church's ability to manifest cash and cash equivalents as well as predicting the desires of users of those sources of funds.

Table 5. Cash Flow Report
 Cash flow statement
 Cathedral Church of St. Theresia Lisieux Sibolga
 As of September 2023

OPERATIONAL ACTIVITIES	
Reconciliation of Surplus (Deficit) to Net Cash from Operating Activities	
Changes In Net Assets	Rp 43,700,000
Adjustments For Reconciliation For Net Assets Used For Operating Activities	Rp -
Equipment Increase	-Rp 300,000
Increase in Deposit Funds	Rp 10,000,000
Cash Flow From Operating Activities	Rp 53,400,000
INVESTMENT ACTIVITIES	
Increase in Investment	-Rp 900,000
Cash Flow from Increased Investment	-Rp 900,000
FUNDING ACTIVITIES	
Cash Increase	Rp 52,500,000
Cash at the Beginning of the Month	Rp -
Cash At The End Of The Month	Rp 52,500,000

CONCLUSION

Search for the categorization of financial reporting at St. Cathedral Church. Theresia Lisieux produced findings: a) Church financial data collection is still very conventional, only recording income and expenses; b) Financial report of St. Cathedral Church. Theresia Lisieux is still compiled manually and the results are very limited. Therefore, additional financial reports must be prepared. Create account and transaction codes, transfer journal entries to the general ledger, and compile transaction receipts.

Limitations

a) The study only explores one church; b) As a result of one or more things that require the researcher's focus to be resolved, the writing of this study is far from perfect due to the researcher's passivity regarding deepening the concept; and c) The researcher's weak ability to speak in public places creates difficulties for researchers in gathering information during questions and answers with correspondents who have little knowledge of accounting;

RECOMMENDATION

Researchers hope that non-profit organizations, especially St. Theresia Lisieux to implement ISAK No. 35 by conducting research and presenting financial reports. In the future, financial reports should be more organized and comprehensive. This research also shows how church finances are actually reported.

For future researchers, they should first explore the research object so that it will be easier to design a question-and-answer scheme and focus on the research being carried out. When using a similar technique, it would be good before conducting field research to carry out a pre-survey.

FURTHER STUDY

This research still has limitations, so it is necessary to carry out further research related to the topic of Isak 35 Practice on Financial Statements of Organizations non-Profit in order to improve this research and add insight to readers

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