Financial Report Format Development Base on Financial Accounting Standard of Indonesia for Snake Fruit (Salaccazalacca (Gaert.) Voss.) Supply Chain

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Abstract

Business practice of Snake Fruit in Sleman Region especially in Turi, Tempel, and Pakem District is potential due to high productivity reaching 97.61% from total production in Sleman Region. One of the problems faced along supply chain is less financial document to support decision making. This research aims to develop financial report format base on Indonesia Financial Accounting Standard adjusted to the need of each tier in snake fruit supply chain. There are three main stages in this research, they are identifying snake fruit supply chain and its financial need, developing of financial report, and measuring the acceptance of developed form in each tier. The result shows developed financial report acceptance percentage of farmer is 81.98%, middleman is 80.67%, seller is 78.24% and association is 86.43%. The acceptance then describes into highly positive acceptability.

Keywords: *Accounting Standard, Financial Report, Snake Fruit, Supply Chain.*

1. INTRODUCTION

Snake Fruit is one of main export commodity from Indonesia (Arianto, 2017), its productivity covered 5.65% from national fruit production in 2014. Its export volume was increasing year by year. Based on data collected by Ministry of Agriculture in 2014, snake fruit export volume in 2012 was 760,227 kg or equal to $996,952. Furthermore, the number of exports is 747,274 kg or equal to $1,455,411 (Taufik, 2014).

However, decision making process along snake fruit supply chain is challenging due to low awareness from each tier to do financial documentation, while they need financial data for balancing snake fruit supply and demand, determining cost of goods sold, and knowing the position of their business in each period (Jack, 2007). Each tier has their own financial record and report. So thus this research aimed to: (1) Identify snake fruit supply chain in Sleman Region; (2) Develop financial report form suitable for each tier based on SME Accounting standard of Indonesia adjusted to the need of each tier; (3) Identify developed financial report form acceptability in each tier.

2. METHOD

Data were collected in Turi, Pakem, and Tempel District as the highest producer of snake fruit in Sleman Region from January to March 2017. The data were collected through observation, deep interview, and literature study. Furthermore, development of financial report form for each tier was conducted and continued with validation of financial report form content by expertise (Lawshe, 1975). The final stage of this research was measuring acceptability of developed financial report form from sample user in each tier.

3. RESULT AND DISCUSSION

3.1 Snake Fruit Supply Chain Identification

There are two types of supply chain, i.e. supply chain for domestic market (Figure 1) and export market (Figure 2). Each system consists of five tiers and each of them has their unique characteristic. Domestic market supply chain was formed by four different schemes while export market supply chain was formed by one scheme. For export market supply

chain there are two export associations which are "MitraTurindo" and "Sleman Prima Sembada", these two have different scopes. "Mitra Turindo" only serves and accepts products from Turi District, while "Sleman Prima Sembada" has wider areas which are Turi, Pakem, and Tempel Districts as the highest producer of snake fruit in Sleman Region. From two figure of supply chain, there are four main supply chain doers that will be the target of this research, i.e. farmer, middleman, seller, and export association.
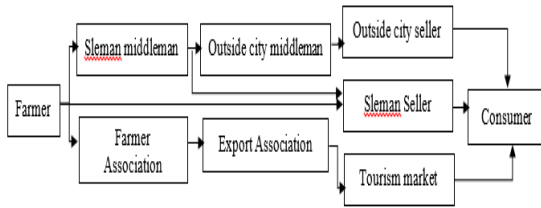

Figure 1. Domestic Market Supply Chain

Figure 2. Export Market Supply Chain

3.2 Financial Needs Identification

From previous stage, there are four main supply chain doers. Each of them has their own financial need. In existing condition only three over four doers who already applied simple financial record on their daily activities, they are Farmer, Middle man, and Export Association. Since the existing format did not comply with Accounting Standard of Indonesia, financial need identification is needed before development stage was conducted. Table 1 shows existing financial reporting posts from each doers and its weakness analysis compare to Accounting Standard of Indonesia.

Financial need identification in each tier result shows only some of financial report statement were needed because each of them has different financial record and report needs. Refer to Accounting Standard for Small and Medium Enterprises of Indonesia published in 2009 (IAI, 2009), there are five main elements which are statement of balance sheet, statement of cash flow, statement of profit and loss, statement of change in equity, and Notes to the financial statement. Table 2 shows financial report statement need for each supply

chain doer.

Table 1. Existing Financial Reporting Posts

Supply Chain Doer	Financial Posts Item	Weakness
Farmer	Selling Price (IDR)	- Cannot track relation between revenue and expanses (profit/loss) - Did not record other income from other activities. - Cannot track cash flow
	Quantity (Kg)	
	Cultivation Facilities Items (ea)	
	Price of Cultivation Facilities (IDR)	
Middleman	Quantity (Kg)	- Cannot track revenue - Cannot track expenses - Cannot track Profit/loss - Cannot track cash flow
Export Association	Order Quantity (Kg)	- Cannot track expenses - Cannot track profit/loss - Cannot track cash flow
	Order Capacity/group (Kg)	
	Selling Price (IDR)	

Table 2. Financial Report Statement Need for Each Supply Chain Doer

No	Financial Report Statement	Supply Chain Doer			
		Farmer	Middleman	Seller	Export Association
1.	Statement of Profit and Loss	√	√	√	√
2.	Statement of Cash Flow	√	√	√	√
3.	Statement of Balance Sheet	-	-	-	√

Statement of change in equity is not included because the business owned by individual, there is no assets and capital come from other shareholder. So, they do not need to report any change in equity. Statement of profit and loss might representative enough to give information about financial position of their business in the previous accounting period.

Table 3. Financial Report Format Development Result.

Supply Chain Doer	Financial Report Statement	Element	Post	CVR Score
Farmer	Profit and Loss	Revenue	Net Sales	1
		Expenses	Cost of seeds	1
			Cultivation Facilities	1
			Labor Cost	1
			Land rent	0.5
			Transportation cost	1
	Cash Flow	Cash from operating activities	Receipt from customer	1
			Payment of land rent	1
			Payment of labor cost	1
			Payment of cultivation facilities	1
			Payment of transportation cost	1
Middleman	Profit and Loss	Revenue	Net Sales	1
		Expenses	Labor Cost	1
			Packaging Cost	1
			Transportation Cost	1
			Damage Cost	0.5
			Facilities depreciation	1
	Cash Flow	Cash from operating activities	Receipt from customer	1
			Payment of labor cost	1
			Payment of packaging cost	1
			Payment of transportation	0.5
			Payment of damage cost	1
		Cash from investing activities	Payment of facilities	1
			Receipt from selling facilities	0.5
Seller	Profit and Loss	Revenue	Net Sales	1
		Expenses	Transportation Cost	0.5
			Market Administration	1
			Facilities depreciation	1
	Cash Flow	Cash from operating activities	Receipt from customer	1
			Payment of transportation cost	1
			Payment of market administration	1
		Cash from investing activities	Payment for facilities	1
			Receipt from selling facilities	1
Export Association	Profit and Loss	Revenue	Net Sales	1
		Expenses	Communication Cost	0.5
			Transportation Cost	1
			Packaging Cost	1
			Labor Cost	0.5
			Facilities Depreciation	0.5
		Taxes	Building Taxes	0.5
	Cash Flow	Cash from operating activities	Receipt from customer	1
			Payment of communication	0.5
			Payment of transportation	1
			Payment of Buying Product from farmer	1
			Payment of packaging	1
			Payment of labor cost	1
		Cash from investing activities	Payment of facilities cost	1
			Receipt from facilities selling	1
		Cash from financing activities	Receipt capital from government and other institution	0.5
	Balance Sheet	Assets	Assets on hand	1
			Assets in bank	1
			Office facilities	0.5
			Office building	1
			Packaging Building	1
		Liabilities	Short term liabilities	1

Notes to the financial statement did not required because there is no significant information needed to clarify how can the business come in to a certain point.

3.3 Financial Report Format Development

In the development stage, deep interview result of financial record and report needs was then elaborated to be elements and posts. Post in each element was identified through activities analysis in each tier. Table 3 shows financial report development result. Each post will further analyze through content validity analysis by expertise. The expertise will give opinion in the questionnaire by giving one of this opinion: (a) important; (b) fit, but not important; (c) not important. In this research there are four expertise. Their opinion was calculated as Content Validity Ratio. The score will be lies between -1 to 1. Item with CVR less than and equal to 0 should be removed (Lawshe, 1975). Here is the formula to calculate CVR:

$$CVR = \frac{Ne - (N/2)}{(N/2)} \quad (1)$$

Ne= number of respondentwith "important" answer
N = Total number of respondent

3.4 User Acceptability Identification

The last stage in this research is to identify user acceptability of developed financial report form. Questioner was developed consist of three aspects which are easy to use, desire to use, and credibility to use. The User then full fill this questioner by giving score for 28 statements using likert scale from 1 to 4. 1 represent "strongly disagree", 2 represent "disagree", 3 represent "agree", and 4 represent "strongly agree". The acceptability percentage then was calculated by using these following formula (Dalimunthe and Himawan, 2013):

$$P = \frac{\sum SH}{\sum SK} \times 100\% \quad (2)$$

$\sum SH = total\ score$
$\sum SK = $Maximum score

The Acceptability percentage are classified in to four criteria, 0-25% represent highly negative acceptance; 26-50% represent negative acceptance; 51-75% represent positive acceptance; and 76-100% represent highly positive acceptance.

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The acceptance percentage from farmer is 80.54% then describe as highlypositive acceptance. Middleman acceptance percentage is 80.67% then describe as highly positive acceptance. Seller acceptance percentage is 78.24% then describe as highly positive acceptance. And the last but not least Export association acceptance percentage is 86.43% then describe as highly positive acceptance.

4. CONCLUSION

From this research there will be several conclusions: (1) There are two type of supply chain formed, which are domestic market supply chain and export market supply chain. Each of them has five tiers with four supply chain doers were identified as financial report formats development targets; (2) Financial report statement needed for farmer, middleman, and seller are statement of profit and loss and statement of cash flow. While export association need additional statement apart of that two statement which is statement of balance sheet; (3) User acceptability for developed financial report formats from farmer, middleman, seller, and export association are 80.54%, 80.67%, 78.24%, and 86.43% consecutively then were describes as highly positive acceptance.

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