



Application of ISAK 35 in the Presentation of Financial Statements of Non-Profit Entities in the Catholic Church

Indri Fadila Veronica Watugilir*, Rachman Kurniawan, Wildoms Sahusilawane

Faculty of Economics and Business, Universitas Terbuka, Indonesia

*Corresponding author e-mail: 041948586@ecampus.ut.ac.id

Abstract

This study aims to determine the form of existing financial reporting and also to determine the implementation of financial reporting in the Catholic Church of St. Joseph Rumah Tiga and St. John the Evangelist Catholic Church Masohi based on ISAK No. 35. The method used is descriptive qualitative. Data sources using primary and secondary data were collected by researchers using interviews, observation, and documentation techniques. In this study, researchers conducted data analysis by collecting data, reducing, testing the validity of the data, and presenting until they could draw a conclusion. The results showed that the financial records of the Catholic Church of St. Joseph's Rumah Tiga and St. John the Evangelist Catholic Church Masohi still use a simple method. Financial recording is only carried out in the event of cash in and cash out (cash base). Then the preparation of financial statements of the Catholic Church of St. Joseph Rumah Tiga and St. John the Evangelist Catholic Church Masohi prepared based on ISAK No. 35 resulted in more structured and more detailed financial statements related to cash in and cash out.

Keywords: Financial Accounting Standards, ISAK No. 35, Non-profit Entity, Church Financial Statement

1. Introduction

Non-profit organizations or non-profit organizations are different from business organizations where the goal of the business organization is to achieve the maximum profit while for non-profit is an organization that aims non-commercially, without any attention to things that seek profit. According to Glennardo (2016), non-profit organizations generally have two groups, namely government organizations and non-governmental non-profit organizations.

Accounting standards are general guidelines for the preparation of financial statements which are official statements on accounting issues, issued by authorized bodies and the applicable role of accounting in terms of financial management of an organization is increasingly realized by various parties, be it non-profit oriented organizations.

Non-profit organizations include religious organizations, hospitals, public schools, and volunteer organizations. Since 1997, the financial reporting of non-profit organizations has been regulated by PSAK 45. And in 2019, PSAK 45 has been replaced with ISAK 35. With the issuance of this new regulation, non-profit organizations are required to present their financial statements. corresponds to ISAK 35. The presentation of financial statements to the church is often faced with a dilemma between being more professional and accountable according to standards, or staying afloat by relying on mutual trust among fellow church administrators (Purba, 2021). Based on the



statement of financial accounting standards no. 45 consisting of paragraphs 01 to 36 which has been replaced by ISAK no. 35, the content of this statement is a special standard for non-profit organizations that non-profit organizations must and have the right to make financial statements and report to users of financial statements. Good financial records are very important because it involves the trust of the congregation who contribute funds for church operational needs and other needs related to church activities where St. Joseph's Parish Catholic Church Rumah Tiga and St. John the Evangelist Parish Catholic Church Masohi carry out financial reporting every final period to the people. This provides a trigger for the author to conduct research on the application of isak 35 to the presentation of financial statements of non-profit entities in the Catholic Church of St. Joseph's Parish of Rumah Tiga and the Parish Catholic Church of St. John the Evangelist Masohi.

2. Research Method

Research Using qualitative methods. According to Miles and Huberman, qualitative research is: The data that appears is in the form of *words* and not a series of numbers. The data may have been collected in a variety of ways (observations, interviews, docunnen digests, tapes), and are usually "processed" approximately before they are ready for use (through recording, typing, editing, or transcribing), but qualitative analysis still uses words, which are usually organized into expanded text.

Data sources in qualitative research are by way of interviews, observations, photos or documentation, and others. In order for the information obtained to be maximized, this study uses primary data sources and secondary data sources.

Primary Data

Primary data are data directly obtained from the research location including the results of field observations and in-depth interviews with informants. The type of research data obtained is based on what informants know and provide, in the form of opinions, behaviors, facts and knowledge.

Opinion

The opinion in question is in the form of a response from the informant concerned about the application of financial statement reporting of non-profit organizations in accordance with ISAK 35 in the catholic church of St. Joseph's parish House Three and the catholic church of St. John the Evangelist Masohi.

The behavior in question is about what actions have been taken, and what will be done by the parish pastoral council in this case the parish treasurer in reporting financial statements.



Fact

Facts related to the background of problems that occur with the characteristics of the Informer relating to the application of financial statement reporting of non-labar organizations in accordance with ISAK 35 in the Catholic Church of St. Joseph's Parish House Three and the Catholic Church of St. John the Evangelist Masohi.

Secondary Data

Secondary data is a type of research data obtained through written data sourced from financial cash statement books at St. Joseph's Catholic Church, House of Three and St. John the Evangelist Catholic Church. The data is a financial recapitulation for one accounting period.

3. Results and Discussions

Results The results of research conducted at Santi Joseph Rumah Tiga Catholic Church and St. John the Evangelist Catholic Church Masohi were taken data using each Stasi Church as a data sample in accordance with the direction and permission of the Parish Priest in each church. The following is an accounting recording of the financial statements of each station:

Financial Statements of the Catholic Church Stasi Most Holy Trinity Koryano

Recording is done monthly and reported monthly according to the financial reporting schedule set by the parish council. The report consists of monthly income and expense reports.

**Table 1. Financial recapitulation
(1 January - 31 December 2022)**

Financial Recapitulation	
Sunday Donation	IDR 23,481,000.00
Holiday Donation	IDR 2,334,000.00
Alms of the Way of the Cross	IDR 800,000.00
Donation Blessing	IDR 281,000.00
Funeral Donations	IDR 2,033,000.00
Development Donation	IDR 976,000.00
Gratitude Envelope	IDR 2,785,000.00
Family Tithes	IDR 1,500,000.00
Donate Our	IDR 650,000.00
	IDR 34,840,000.00
Stipendium Cost	IDR 4,400,000.00
Shop for Mass Supplies	IDR 13,343,000.00
Copy	IDR 191,000.00
Koster Wages	IDR 1,100,000.00
Ntt Peduli Deposit	IDR 240,000.00
Pay Development Donations	IDR 1,212,000.00
Our Enterprising Fees	IDR 500,000.00
Consumption	IDR 1,078,000.00
Transportation	IDR 500,000.00
Operational	IDR 4,328,000.00



Financial Recapitulation

Envelope	IDR 1,000,000.00	
Imperata Deposit	IDR 9,550,000.00	
Kk Dues, Duku Funds, Endowment Funds 2021	IDR 2,721,000.00	
		IDR 40,163,000.00
Starting Balance 2022	IDR 21,562,000.00	
Final Balance 2022	IDR 16,239,000.00	

Financial Statements of Stasi Christus Salvator Catholic Church Mundi Waiheru

The results of the research conducted that the accounting recording of the financial statements of Christus Salvator Mundi Church still records receipts and expenses, as below:

**Table 2. Financial recapitulation
(1 January - 31 December 2022)**

Description	Inclusion	Expense
Sunday Collection	IDR 29,900,100.00	
Non-Sunday Collection	IDR 16,425,200.00	
Tithe	IDR 19,585,000.00	
Donated Keyboard	IDR 3,750,000.00	
Cooperative Interest	IDR 1,332,295.00	
Fast Action Development (App)	IDR 8,080,000.00	
30% Deposit Jan-Dec 2022		IDR 3,930,000.00
Imperata Deposit Jan-Nov 2022		IDR 3,595,000.00
App Deposit Year 2022		IDR 5,750,000.00
Stole/Stipendium Dues (Pastor)		IDR 9,965,000.00
Stole/Stipendium Dues (Brothers)		IDR 5,300,000.00
Koster		IDR 6,905,000.00
Pastor Operations		IDR 4,613,000.00
Stasi Operations		IDR 27,058,200.00
Pastoral Equipment/Mass		IDR 2,130,000.00
Secretariat		IDR 2,762,000.00
Social (Ministry of The Sick & Bereaved)		IDR 6,975,000.00
Consumption		IDR 3,075,000.00
Transportation		IDR 2,595,000.00
Bank Withdrawals for Enterprising Chrism		IDR 5,000,000.00
Bank Withdrawals to Buy Generators And Christmas Activities		IDR 7,400,000.00
Inclusion	IDR 78,099,595.00	IDR 97,053,200.00
Starting Balance in 2022	IDR 45,886,076.00	
Total Revenue January-December 2022	IDR 123,985,671.00	
Bank		IDR 5,500,000.00
Cooperation		IDR 18,328,089.00
Treasury		IDR 3,104,382.00
Balance Period 1 January-31 December 2022		IDR 26,932,471.00
Note:		
Total Bank Mandiri	IDR 93,650,000.00	
Cooperation	IDR 18,328,089.00	
Total Independent + Cooperative	IDR 111,978,089.00	



The recommended financial statements for the Catholic Church in accordance with ISAK 35 are as follows:

Financial Statements of the Catholic Church in accordance with ISAK 35

Comprehensive Report

The Catholic Church's comprehensive income report Koryano station and Waiheru Station consist of income and expenses. The income of the Catholic Church at Koryano Station and Waiheru Station is the total of collections/donations, tithes, envelopes of thanksgiving and donations without limitation or with limitation. While the total burden without limitation or with limitation is the total of the operating costs of the church, the obligations of Imperata, duku, endowment funds and stipendium costs and mass needs, and construction. The total surplus or deficit in the comprehensive income statement is the total of income minus expenses and will be included in the statement of changes in net assets.

**Table 3. Comprehensive reports
(December 31, 2022)**

<i>Comprehensive Reports</i>	
Without Restrictions	
INCOME	
Weekday Donation	IDR 23.481.000,00
Development Donation	IDR 976.000,00
Gratitude Envelope	IDR 2.785.000,00
Our Donations	IDR 650.000,00
Total Revenue without Restrictions	IDR 27.892.000,00
BURDEN	
Koster Wages	IDR 1.100.000,00
Stipendium Cost	IDR 4.400.000,00
Copy	IDR 191.000,00
Pay Development Donations	IDR 1.212.000,00
Imperata Deposit	IDR 9.550.000,00
Kk Dues, Duku Funds, Endowment Funds 2021	IDR 2.721.000,00
Total Load Without Restrictions	IDR 19.174.000,00
Surplus/Deficit without Restrictions	IDR 8.718.000,00
With Restrictions	
INCOME	
Hari Raya Donation	IDR 2.334.000,00
Cross Road Donation	IDR 800.000,00
Donation Blessing	IDR 281.000,00
Funeral Donations	IDR 2.033.000,00
Pfamily Dozens	IDR 1.500.000,00
Total Revenue with Restrictions	IDR 6.948.000,00



Comprehensive Reports	
BURDEN	
Shop for Mass Supplies	IDR 13.343.000,00
NTT Peduli Deposit	IDR 240.000,00
Our Enterprising Fees	IDR 500.000,00
Consumption	IDR 1.078.000,00
Transportation	IDR 500.000,00
Operational	IDR 4.328.000,00
Envelope	IDR 1.000.000,00
Total Load with Throttling	IDR 20.989.000,00
Surplus/Deficit with Restrictions	-IDR 14.041.000,00
Other Comprehensive Income	
Total Comprehensive Earnings	-IDR 5.323.000,00

**Table 4. Comprehensive reports
(December 31, 2022)**

Comprehensive Reports	
Without Restrictions	
INCOME	
Sunday Collection	IDR 29,900,100.00
Non-Sunday Collection	IDR 16,425,200.00
Tithe	IDR 19,585,000.00
Cooperative Interest	IDR 1,332,295.00
	IDR 67,242,595.00
BURDEN	
30% Deposit Jan-Dec 2022	IDR 3,930,000.00
Imperata Deposit Jan-Nov 2022	IDR 3,595,000.00
Stole/Stipendium Dues (Pastor)	IDR 9,965,000.00
Stole/Stipendium Dues (Brothers)	IDR 5,300,000.00
Koster	IDR 6,905,000.00
Secretariat	IDR 2,762,000.00
Total Load without Restrictions	IDR 64,480,595.00
Surplus/Deficit without Restrictions	IDR 3,075,000.00
With Restrictions	
INCOME	
Donated Keyboard	IDR 3,750,000.00
Fast Action Development (App)	IDR 8,080,000.00
Total Recitation with Restrictions	IDR 11,830,000.00
BURDEN	
App Deposit Year 2022	IDR 5,750,000.00
Bank Withdrawals for Enterprising Chrism	IDR 5,000,000.00
Bank Withdrawals to Buy Generators and Christmas Activities	IDR 7,400,000.00
Pastor Operations	IDR 4,613,000.00
Stasi Operations	IDR 27,058,200.00
Pastoral Equipment/Mass	IDR 2,130,000.00



Comprehensive Reports	
Social (Ministry of The Sick & Bereaved)	IDR 6,975,000.00
Consumption	IDR 3,075,000.00
Transportation	IDR 2,595,000.00
Total Load with Throttling	IDR 64,596,200.00
Surplus/Deficit with Restrictions	-IDR 52,766,200.00
Other Comprehensive Income	
Total Comprehensive Earnings	IDR 55,841,200.00

Cash Flow Statement

The cash flow statements of Catholic Church of Koryano Station and Waiheru Station consist of, operating activities, investment activities, and funding activities. This cash flow statement only presents cash in and out. The cash flow statement must also match how much cash and cash equivalents are in the statement of financial position. If a discrepancy is obtained, it is likely that a misrecord occurred. Below is a report on the cash flow of Catholic Church Stasi Koryano and Stasi Waiheru.

**Table 5. Cash flow statement
(December 31, 2022)**

Cash Flow Statement	
Reconciliation of Surplus into Net Cash From Operating Activities	
Changes in Net Assets	IDR 16,239,000.00
Adjustments for Reconciliation of Net Assets Used	
Operation Activity	IDR -
Increase (Decrease) in Net Assets in Cash and Cash Equivalents	IDR 16,239,000.00
Cash Flow from Operating Activities	IDR -
Cash Flow from Investment Activities	IDR -
Cash Flow from Funding Activities	IDR -
Cash And Initial Cash at The Beginning of The Month	IDR -
Net Cash Received for Funding Activities	IDR -
Cash And Initial Cash at The End of The Month	IDR 16,239,000.00

**Table 6. Cash flow statement
(December 31, 2022)**

Cash Flow Statement	
Reconciliation Of Surplus into Net Cash From Operating Activities	
Changes in Net Assets	IDR 26,932,471.00
Adjustments for Reconciliation of Net Assets Used	
Operation activity	IDR -
Increase (decrease) in net assets in cash and cash equivalents	IDR 26,932,471.00
Cash Flow from Operating Activities	IDR -
Cash Flow from Investment Activities	IDR -
Cash Flow from Funding Activities	IDR -
Cash and Initial Cash at the beginning of the month	IDR -
Net cash received for funding activities	IDR -
Cash and Initial cash at the end of the month	IDR 26,932,471.00



Net Asset Change Report

The report of changes in net assets consists of net assets with restrictions and without restrictions of resources at the beginning of the period, current year surplus or deficit and final balance. The starting balance on the statement of changes in net assets is the sum of net assets with limits and without limitations. While the current year's surplus or deficit comes from the comprehensive income statement, and the final balance is the sum of the initial balance minus the surplus or deficit.

**Table 7. Net asset change report
(December 31, 2022)**

Net Assets without Restrictions	
Starting Balance	IDR -
Current Year Surplus	IDR 3,075,000.00
Ending Balance of Net Assets without Restrictions	IDR 3,075,000.00
Net Assets with Restrictions	
Starting Balance	IDR -
Current Year Surplus (deficit)	-IDR 52,766,200.00
Ending Balance of Net Assets with Restrictions	-IDR 52,766,200.00
Total Net Assets	-IDR 49,691,200.00

Statement of Financial Position

The statement of financial position is a presentation of assets, liabilities, and net assets. The current assets of Catholic Church Koryano Stasi and Waiheru Stasi consist of cash and cash equivalents, receivables, and church supplies. Non-current assets consist of church inventory. Please note that Koryano Catholic Church and Waiheru Station have no liabilities and there are only limited and unlimited net assets whose amounts come from the report of changes in net assets.

**Table 9. Statement of financial position
(December 31, 2022)**

Statement Of Financial Position	
Current Assets/Assets	
Cash and Cash Equivalents	IDR 16,239,000.00
Receivables	IDR -
Church Supplies	IDR -
Total Current Assets	IDR 16,239,000.00
Non-Current Assets	
Inventory	IDR -
Total Non-Current Assets	IDR -
Total Assets	IDR 16,239,000.00
Liability	
Debt	IDR -
Total Liabilities	IDR -



Statement Of Financial Position	
Net Assets	IDR 16,239,000.00
Net Assets Without Restrictions	IDR 8,718,000.00
Net Assets with Restrictions	-IDR 14,041,000.00
Total Net Assets	-IDR 5,323,000.00
Total Liabilities and Net Assets	IDR 16,239,000.00

**Table 10. Statement of financial position
(December 31, 2022)**

Statement Of Financial Position	
Current Assets/Assets	
Cash and Cash Equivalents	IDR 26,932,471.00
Receivables	IDR -
Foundation	IDR -
Supplies	
Total Current Assets	IDR 26,932,471.00
Non-Current Assets	
Inventory	IDR -
Total Non-Current Assets	IDR -
Total Assets	IDR 26,932,471.00
Liability	
Debt	IDR -
Total Liabilities	IDR -
Net Assets	IDR 26,932,471.00
Net Assets without Restrictions	IDR 3,075,000.00
Net Assets with Restrictions	-IDR 52,766,200.00
Total Net Assets	-IDR 49,691,200.00
Total Liabilities and Net Assets	IDR 26,932,471.00

Notes to Financial Statements

PSAK No. 1 (2022) states that the notes to the financial statements contain additional information on what is presented in the statement of financial position, income statement and other comprehensive income, statement of changes in equity, and statement of cash flows. Notes to the financial statements provide a narrative description or separation of items presented in the financial statements and information about items that do not meet the recognition criteria in the financial statements.



4. Conclusions

The presentation of financial statements in non-profit organizations in accordance with ISAK 35 issued by IAI is a reference for the Catholic Church as one of the non-profit organizations. In the study, it was found that the presentation of financial statements at St. Joseph Parish Catholic Church Rumah Tiga and St. John the Evangelist Catholic Church Masohi was still presented in the form of cash books in and out. The preparation of financial statements is fairly simple because it still relies on the general knowledge of the treasurer so that the financial statements presented are not in accordance with ISAK 35 which contains comprehensive reports, cash flow statements, net asset statements, statements of financial position and notes to financial statements. This is because there are no guidelines from the diocese on how to prepare and present church financial statements. The financial reporting of the Catholic Church is still limited to the scope of the church and donors only. With this research, it is hoped that the Catholic Church of St. Joseph's Parish of Rumah Tiga and St. John the Evangelist Catholic Church of Masohi can compile and present church financial statements in accordance with ISAK 35 as presented in this study.

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