

PREPARATION A CASH FLOW STATEMENT AT THE MURIA COOPERATIVE, KUDUS REGENCY IN 2021

Bernika Artamevia¹, Didiek Susilo Tamtomo², Zulaika Putri Rokhimah³

AFFILIATIONS

¹Accounting, Semarang State Polytechnic, Indonesian

²Accounting, Semarang State Polytechnic, Indonesian

³Accounting, Semarang State Polytechnic, Indonesian

*Corresponding Author E-mail: bernikaartaa@gmail.com

Abstract: The purpose of this research is to compile and analyze cash flow reports at the Muria Cooperative Kudus Regency in 2021. The data used in the preparation of this research are secondary data, namely comparative balance sheets as of December 31, 2021 and 2020, remaining operating result for the year ended December 31, 2021, and selected data transactions in the form of a list of fixed assets in 2021 and the distribution of the remaining operating results in 2020. Data collection was obtained through interviews and documentaries. The data processing method used is description and exposition. The result of the preparation of this research is that the Cash Flow Statement at the Muria Cooperative Kudus Regency in 2021 has been prepared and in positive cash flows from operating activities and investing activities, and negative cash flows from financing activities. Muria Cooperative Kudus Regency in 2021 has a free cash flow of Rp 13.416.912, shows that the cooperative uses cash flow from operating activities to support operational needs and business development. Muria Cooperative's cash shows good condition and is in a growing phase in business development.

Keywords: Cash Flow Statements, Operating Activities, Investing Activities, Financing Activities, Cash Flow Statement Analysis.

INTRODUCTION

Introduction

Muria Cooperative is the primary cooperative of Civil Servants in Kudus Regency and Retired Regional Government of Kudus Regency, which is engaged in savings and loan businesses, trade partnerships, and pioneering tours of Karimunjawa, which is located at Simpang Tujuh street number 1, Kota District, Kudus Regency.

According to the Regulation of the Minister of Cooperatives and Small and Medium Enterprises Number 12/Per/M.KUKM/IX/2015 CHAPTER III Number 4, Cooperatives in the real sector must present financial reports that are issued at least 1 (one) month before the Annual Member Meeting (RAT). To analyze the ability of cooperatives to generate residual operating income (SHU) for its members, clear information regarding the cooperative's cash flow is needed. Free cash flow is the amount of company cash flow to buy additional investments, pay off debt, buy treasury shares or just to increase company liquidity. In addition, to assess the strength of the company required cash flow statement analysis.

However, during operation Muria Cooperative Kudus Regency has not yet compiled a cash flow statement, it is necessary to prepare a cash flow statement on Muria Cooperative Kudus Regency in 2021.

Research purposes

The purpose of this research is as follows:

1. Prepare a Cash Flow Report at the Muria Cooperative Kudus Regency in 2021.
2. Calculate free cash flow and analyze the Cash Flow Statement at the Muria Cooperative Kudus Regency in 2021.

LITERATURE REVIEW

1. **Definition of Cash, Equivalents Cash, and Statement of Cash Flows**

In Statement of Financial Accounting Standards (PSAK) Number 2 states that Cash consists of cash on hand and demand deposits, meanwhile Equivalents Cash are investments that are highly liquid, short term and quickly converted into cash in a certain amount without facing significant risk of changes in value.

The Indonesian Institute of Accountants in SAK ETAP (2019:7.1) explains that the cash flow statement presents information on historical changes in an entity's cash and cash equivalents, which shows separately the changes that occurred during one period from operating, investing and financing activities.
2. **Purpose and Benefits of a Cash Flow Statement**

Martani et al (2016:147) stated that the purpose of preparing a cash flow statement is to provide relevant information about cash receipt and cash disbursement from an entity during a certain period. Meanwhile, according to Kieso et al (2018:362) the main purpose of the cash flow statement is to provide information about the company's cash receipts and cash payments for a period.

According to Kieso et al (2018: 1847) the benefits of the cash flow statement are:

 - a. The entity's ability to generate future cash flows.
 - b. The entity's ability to pay dividends and settle its obligations. Simply put, cash is very important.
 - c. The reason for the difference between net income and net cash flows from operating activities.
 - d. Cash and non-cash transactions on investments and financing during the period.
3. **Methods in Preparation of Statements of Cash Flows**

In the Financial Accounting Standards, entities report cash flows from operating activities using one of the direct or indirect methods. In PSAK No. 2 (2019:19) entities are recommended to report cash flows from operating activities using the direct method, because information about the main groups of gross cash receipts and gross cash payments can be determined. The direct and indirect methods are only used in the presentation of operating activities. The following is an explanation of each direct method and indirect method.

 - a. **Direct Method**

Kieso et al (2018: 1868) stated that the direct method or usually called income statement method presenting cash in and cash out from operating activities, the net cash flow from operating activities is the difference between cash receipt and cash disbursements. The direct method provides useful information for estimating future cash flows that can't be generated by the indirect method.
 - b. **Indirect Method**

According to Kieso et al (2018:1855) states that the indirect method or reconcil method started with net income and converts it to net cash flows from operating activities. The indirect method adjusts net profit or items reported net income, but don't affect cash.
4. **Classification of Statements of Cash Flows**

The Indonesian Institute of Accountants (IAI) in SAK ETAP (2019:7.3) states that entities present cash flow statements that report cash flows for a period and classify them according to operating activities, investing activities, and financing activities. The following is an explanation of the classification of cash flows:

 - a. **Operating Activities**

Cash flow from operating activities especially obtained from activity producer main income. Because of that, the cash flow in general originated from transactions and

PREPARATION A CASH FLOW STATEMENT AT THE MURIA COOPERATIVE, KUDUS REGENCY IN 2021

Bernika Artamevia, Didiek Susilo Tamtomo, Zulaika Putri Rokhimah

other events and conditions that affect determination profit or loss. Examples of cashflows from operating activities are: Cash payments to suppliers of goods and services;Cash payments or income tax, etc.

b. Investing Activities

Cash flows from investing activities reflect cash disbursements in relation to resourcesintended to generate future income and cash flows. Examples of cash flows from investing activities are: Cash payments to acquire fixed assets, intangible assets and other long-term assets, etc.

c. Financing Activities

For examples payment dividend, payment bank loans, cash receipt from publishing share, payment residual income for member and employees, etc.

5. Free Cash Flow

According to Kieso et al (2018:374) states "Free cash flow (Free Cash Flow) is the amount of discretionary cash flow owned by the company". The data used to calculate free cash flow are net cash provided by operating activities, capital expenditures, and distribution of SHU. The free cash flow formula is net cash provided by operating activities less capital expenditures and the division of SHU. Capital expenditure can be in the form of purchase of fixed assets. The following is a formula for calculating free cash flow.

RESEARCH METHODOLOGY

In this research, quantitative data and qualitative data are used. The quantitative data used in this study are the Comparative Balance as of December 31, 2021 and 2020, the Report on Calculation of Operating Results for the period ending December 31, 2021, and selected transaction data for 2021 and 2020 at the Muria Cooperative Kudus Regency. While the qualitative data used in this study is the history of the establishment of the Muria Kudus Cooperative, the vision and mission, and the organizational structure of the Muria Kudus Cooperative.

RESULTS AND ANALYSIS

Short History of Cooperatives

The Muria Cooperative of Kudus Regency has been registered in the general register of cooperatives with Legal Entity Number No. 9245A/BH/IV/IX/94 dated September 30, 1994 and the amendment deed No. 06 dated February 10, 2016. The Muria Cooperative of Kudus Regency received a certificate of results from the Health Assessment of the "Sufficiently Healthy" Cooperative Savings and Loan Unit in 2014 from the Department of Industry, Cooperatives and UMKM, Kudus Regency. The Muria Cooperative of Kudus Regency has a Savings and Loan Business License Number 08/SIUP.SP/10/2016 and a Certificate of Cooperative Identification Number (NIK) Number 3319020060045 in 2016.

Data Required to Prepare a Cash Flow Statement

The data needed to prepare a cash flow statement are as follows:

a. Comparative Balance Sheet

The balance sheet presents information regarding changes in assets, liabilities, and equity for the current year and previous periods. This change was obtained by comparing the balance of the Muria Cooperative of Kudus Regency as of December 31, 2021 and as of December 31, 2020.

b. Income statement

The report on the calculation of operating results presents information on the amount of income minus expenses that result in the remaining operating results at the Muria Cooperative, Kudus Regency in 2021. This report is used to determine the amount of

PREPARATION A CASH FLOW STATEMENT AT THE MURIA COOPERATIVE, KUDUS REGENCY IN 2021

Bernika Artamevia, Didiek Susilo Tamtomo, Zulaika Putri Rokhimah

cash received from or used in the preparation of the cash flow statement.

c. Selected data transaction

Selected data transaction is information about changes that occur in assets, liabilities, and equity that are not related to cash. The selected data transaction used in the preparation of the cash flow statement at the Muria Cooperative Kudus Regency in 2021 are as follows:

- 1) Distribution of Remaining Operating Results
The remaining operating income (SHU) obtained by the Muria Cooperative of Kudus Regency in 2020.
- 2) Depreciation is selected data transaction that is needed in the preparation of cash flow statements because it causes changes in the accumulated depreciation account that are not related to cash. The balance of the accumulated depreciation account at the Muria Cooperative Kudus Regency from 2020 to 2021 has increased by Rp10.787.820.

Table 1
Cash Flow Statement Muria Cooperative Kudus Regency in 2021 (Direct Method)

MURIA COOPERATIVE KUDUS REGENCY CASH FLOW STATEMENT For The Year Ended in December, 31, 2021			
Cash Flows From Operating Activities			
Cash in Flows:			
Cash Receipt From Main Income	Rp	711.390.513	
Cash Receipt From Other Income	Rp	51.232.603	
Amount of Cash in Flow			Rp 762.623.116
Cash Out Flows:			
Cash Payment to Employees, Manager, and Supervisors	Rp	(167.203.229)	
Cash Payment for Operational Expense	Rp	(409.320.192)	
Cash Payment for Interest	Rp	(9.212.328)	
Cash Payment for Tax	Rp	(4.531.693)	
Amount of Cash out Flows			Rp (590.267.442)
Net Cash Flows From Operating Activities			Rp 172.355.674
Cash Flows From Investing Activities			
Cash in Flows:			
Cash Receipt From Deposits	Rp	250.000.000	
Cash Receipt From Loan Receivable Short Term	Rp	1.200.500.000	
Cash Receipt From Loan Receivable Long Term	Rp	4.600.950.000	
Amount of Cash in Flows			Rp 6.051.450.000
Cash Out Flows:			
Cash Payment for Mandatory Deposits in PKPRI	Rp	(21.000.000)	
Cash Payment for Loan Receivable Short Term	Rp	(1.406.568.799)	
Cash Payment for Loan Receivable Long Term	Rp	(4.186.365.560)	
Cash Payment for Purchase Equipment	Rp	(36.338.259)	
Amount of Cash Out Flows			Rp (5.650.272.618)
Net Cash Flows From Investing Activities			Rp 401.177.382
Cash Flows From Financing Activities			
Cash in Flows:			
Cash Receipt from End of Year Deposits	Rp	18.629.616	
Cash Receipt from Mandatory Deposit	Rp	190.893.700	
Cash Receipt from Additional Reserve Deposits	Rp	86.672.041	
Cash Receipt from Social Fund	Rp	470.475	
Cash Receipt from Work Area Development Fund	Rp	1.458.375	
Amount of Cash in Flows			Rp 298.124.207
Cash Out Flows:			
Cash Payment of Remaining Business Result for Member According Savings	Rp	(54.081.320)	
Cash Payment of Remaining Business Result for Member According Special Savings	Rp	(36.054.212)	
Cash Payment of Remaining Business Result for Managers and Supervisors	Rp	(18.027.107)	
Cash Payment of Remaining Business Result for Employees	Rp	(10.816.264)	
Use of Educational Fund	Rp	(3.621.600)	
Cash Payment for Feast Day Deposits	Rp	(341.670.000)	
Cash Payment to Return Back Principal Deposits	Rp	(1.200.000)	
Amount of Cash Out Flows			Rp (465.470.503)
Net Cash Flows Used to Financing Activities			Rp (167.346.296)
Increase Cash and Equivalent Cash			Rp 406.186.760
Cash and Equivalent Cash in December, 31, 2020			Rp 901.614.047
Cash and Equivalent Cash in December, 31, 2021			Rp 1.307.800.807

Source: Data processed from the Muria Cooperative Kudus Regency, 2022.

PREPARATION A CASH FLOW STATEMENT AT THE MURIA COOPERATIVE, KUDUS REGENCY IN 2021

Bernika Artamevia, Didiek Susilo Tamtomo, Zulaika Putri Rokhimah

Table 2
Cash Flow Statement Muria Cooperative Kudus Regency in 2021 (Indirect Method)

MURIA COOPERATIVE KUDUS REGENCY CASH FLOW STATEMENT For The Year Ended in December, 31, 2021		
Cash Flows From Operating Activities		
Remaining Operating Results (SHU) after Taxes	Rp	238.756.866
Depreciation Assets	Rp	10.787.820
Increase Inventory	Rp	(7.620.237)
Increase Income Still to be Received	Rp	(60.544.924)
Decrease Account Payable	Rp	(1.600.000)
Decrease Credit Risk	Rp	(7.423.851)
Net Cash Flows From Operating Activities		Rp 172.355.674
Cash Flows From Investing Activities		
Cash Receipt From Deposits	Rp	250.000.000
Cash Payment for Loan Receivable Short Term	Rp	(1.406.568.799)
Cash Receipt From Loan Receivable Short Term	Rp	1.200.500.000
Cash Payment for Loan Receivable Long Term	Rp	(4.186.365.560)
Cash Receipt From Loan Receivable Long Term	Rp	4.600.950.000
Cash Payment for Mandatory Deposits in PKPRI	Rp	(21.000.000)
Cash Payment for Purchase Equipment	Rp	(36.338.259)
Net Cash Flows From Investing Activities		Rp 401.177.382
Cash Flows From Financing Activities		
Cash Receipt from End of Year Deposits	Rp	18.629.616
Cash Receipt from Mandatory Deposits	Rp	190.893.700
Cash Receipt from Additional Reserve Deposits	Rp	86.672.041
Cash Receipt from Social Fund	Rp	470.475
Cash Receipt from Work Area Development Fund	Rp	1.458.375
Cash Payment of Remaining Business Result for Member According Savings	Rp	(54.081.320)
Cash Payment of Remaining Business Result for Member According Special Savings	Rp	(36.054.212)
Cash Payment of Remaining Business Result for Managers and Supervisors	Rp	(18.027.107)
Cash Payment of Remaining Business Result for Employees	Rp	(10.816.264)
Use of Educational Fund	Rp	(3.621.600)
Cash Payment for Feast Day Deposits	Rp	(341.670.000)
Cash Payment to Return Back Principal Deposits	Rp	(1.200.000)
Net Cash Flows Used to Financing Activities		Rp (167.346.296)
Increase Cash and Equivalent Cash		Rp 406.186.760
Cash and Equivalent Cash in December, 31, 2020		Rp 901.614.047
Cash and Equivalent Cash in December, 31, 2021		Rp 1.307.800.807

Source: Data processed from the Muria Cooperative Kudus Regency, 2022.

Table 3
Free Cash Flow Muria Cooperative Kudus Regency 2021

MURIA COOPERATIVE KUDUS REGENCY FREE CASH FLOW STATEMENT For The Year Ended in December, 31, 2021	
Net Cash Flow from Operating Activities	Rp 172.355.674
Purchase of Equipment	Rp (36.338.259)
Cash Payment of Remaining Business Result for Member According Savings	Rp (54.081.320)
Cash Payment of Remaining Business Result for Member According Special Savings	Rp (36.054.212)
Cash Payment of Remaining Business Result for Managers and Supervisors	Rp (18.027.107)
Cash Payment of Remaining Business Result for Employees	Rp (10.816.264)
Use of Educational Fund	Rp (3.621.600)
Free Cash Flow	Rp 13.416.912

Source: Data processed from the Muria Cooperative Kudus Regency, 2022.

PREPARATION A CASH FLOW STATEMENT AT THE MURIA COOPERATIVE, KUDUS REGENCY IN 2021

Bernika Artamevia, Didiek Susilo Tamtomo, Zulaika Putri Rokhimah

Table 4
Cash Flow Pattern

Description	Cash Flow	Amount
Operating Activities	+	Rp 172.355.674
Investing Activities	+	Rp 401.177.382
Financing Activities	-	Rp (167.346.296)

Source: Data processed from the Muria Cooperative Kudus Regency, 2022.

The pattern above illustrates that the Muria Cooperative Kudus Regency in 2021 is in a growth phase in its business development. Muria Cooperative Kudus Regency has positive cash flow from operating activities and investing activities. This shows that the Muria Cooperative Kudus Regency is able to carry out its operational activities and also gets a lot of income from investment activities, repayment loans and disbursement of deposits so can distribute the remaining operating results to members.

CONCLUSION

From the results of the discussion above, it can be concluded as follows:

- The Cash Flow Statement for the Muria Cooperative Kudus Regency in 2021 has been compiled and shows positive cash flows from operating and investing activities, meanwhile financing activities has negative cash flow.
- Muria Cooperative Kudus Regency has a positive free cash flow of Rp. 13.416.912, this indicates that excess cash can be used to support operational needs and business development. The cash flow report pattern of the Muria Cooperative Kudus Regency in 2021 shows the use of cash flows from operating and investment activities to pay for the cooperative's operational costs, increase assets and distribute the remaining operating results (SHU) to members.

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