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UNIVERSITAS LANCANG KUNING PEKANBARU EMBRACES ISAK 35: A LEAP TOWARDS TRANSPARENT FINANCIAL REPORTING

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Abstract: Non-profit financial reporting standards are intended to improve transparency, comparability, and accountability; however, systematic evidence on the extent to which Indonesian private universities substantively comply with ISAK 35 remains limited. This study evaluates Lancang Kuning University (UNILAK) financial reporting for 2023–2024 using a quantitative descriptive single-case design and a ten-indicator ISAK 35 compliance matrix, supported by audited financial statements and validation interviews. The analysis yields a total score of 47 out of 50, equivalent to 94.0% (mean 4.70/5), indicating very high compliance. Seven indicators achieved full compliance, including statement structure, net-asset classification, cash-flow presentation, accounting-policy disclosure, comparative presentation, and accrual-basis reporting, while activity reporting, donor-fund restriction disclosure, and performance reporting each scored 4 and remain priority areas for refinement. The study contributes an operational indicator-based framework for evaluating ISAK 35 implementation in higher education and demonstrates how formal standard adoption can be distinguished from remaining disclosure-quality gaps in a non-profit university context.

Keywords: ISAK 35, non-profit financial reporting, accountability, compliance, higher education.

INTRODUCTION

The role of accounting in the financial management of an entity is increasingly recognized by various parties, both for-profit and non-profit organizations. The most fundamental function of accounting is to provide a variety of information and answers related to all financial activities. Essentially, non-profit entities have distinct characteristics from business entities. Although not intended to generate profits, non-profit entities are still closely involved in financial matters because they maintain budgets, pay employees, pay electricity and telephone bills, and handle various other financial transactions.

Across jurisdictions, non-profit financial reporting faces a common challenge: accounting standards must provide decision-useful information while reflecting mission-driven objectives and accountability to donors, regulators, beneficiaries, and governing bodies. Recent international evidence shows that the usefulness and credibility of non-profit reporting depend on sector-appropriate presentation, governance quality, disclosure practices, and assurance quality (Gilchrist et al., 2023; Elmagrhi & Ntim, 2023; Yang & Simnett, 2023). In Indonesia, ISAK 35 provides the presentation framework for non-profit-oriented entities and therefore serves as an important mechanism for strengthening

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transparency, comparability, and accountability. As a private non-profit university, Lancang Kuning University Pekanbaru (UNILAK) is accountable for the stewardship of resources derived from educational fees, grants, assistance, and community contributions.

A clear research gap remains between formal adoption of ISAK 35 and systematic evidence on the extent of substantive compliance with its specific presentation and disclosure requirements. Indonesian research has documented persistent accountability and disclosure challenges in non-governmental organizations (Yuesti & Adnyana, 2022), while institution-level studies of ISAK 35 are still predominantly descriptive and rarely operationalize compliance through a structured indicator-based assessment. At UNILAK, ISAK 35 has been adopted, but the degree of conformity of the 2023–2024 financial statements has not previously been evaluated using a transparent scoring framework. A systematic assessment is therefore needed to distinguish formal standard adoption from remaining disclosure-quality gaps.

Accordingly, based on these research gaps, this study addresses whether UNILAK has implemented ISAK 35 in its 2023–2024 financial statements and, more importantly, the extent to which those financial reports conform to and comply with the specific presentation and disclosure requirements of ISAK 35.

LITERATURE REVIEW

Statement of Financial Accounting Standards 45 (PSAK 45), previously used for non-profit financial reporting in Indonesia, was revoked through PPSAK 13 and replaced by Interpretation of Financial Accounting Standards 35 (ISAK 35), an interpretation of PSAK 1 issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants. ISAK 35 became effective for fiscal years beginning on or after January 1, 2020 (IAI, 2019). The transition is important because a standardized presentation and disclosure framework enhances understandability, comparability, transparency, and accountability for resource providers, regulators, beneficiaries, and governing bodies. International non-profit research likewise indicates that reporting quality depends not only on formal compliance but also on whether financial reports communicate financial position, resource restrictions, governance, and performance in ways that stakeholders can understand and use (Gilchrist et al., 2023; Elmagrhi & Ntim, 2023).

Public Sector Accounting

Public sector accounting is not merely a technical process for recording transactions; it is an institutional accountability mechanism through which organizations demonstrate stewardship of entrusted resources. In universities and other public-interest entities, financial reporting supports governance oversight, reduces information asymmetry between managers and stakeholders, and provides evidence that resources are used consistently with institutional objectives. From an agency perspective, formal reporting and assurance constrain information advantages held by managers, whereas stewardship theory emphasizes responsible resource management and alignment with the organization's mission. Recent evidence from non-profit higher education shows that stronger governance quality is associated with more extensive risk and governance

disclosure (Elmagrhi & Ntim, 2023). Accordingly, ISAK 35 compliance at a private university should be understood as both a financial-reporting requirement and a mechanism for accountability, governance, and stewardship.

Nonprofit Organizations

The characteristics of nonprofit organizations differ from those of business organizations, which are primarily oriented toward profit. The main fundamental difference lies in how nonprofit organizations obtain the resources needed to carry out their operational activities (IAI, 2019). Nonprofit organizations obtain resources from donations from members and other contributors who do not expect compensation. As a result of these characteristics, certain transactions occur in nonprofit organizations that rarely or never occur in business organizations, such as receiving donations. Universities are one such nonprofit organization in the educational sector. Based on Law Number 12 of 2012 concerning higher education, a university is an educational unit that provides higher education.

Financial Reports

Financial statements are central accountability instruments because they communicate how resources are obtained, used, restricted, and safeguarded. Recent evidence shows that the usefulness of non-profit financial statements can be reduced by sector-specific reporting complexity and limited financial literacy among key stakeholders (Gilchrist et al., 2023); that governance quality shapes risk and governance disclosure in higher-education non-profits (Elmagrhi & Ntim, 2023); and that assurance quality remains important for credible charity reporting (Yang & Simnett, 2023). Evidence from the United States also links conservative non-profit financial reporting with higher future contributions, suggesting that reporting choices can influence resource-provider confidence (Altamuro & Harris, 2023).

Thus, financial reporting quality in non-profit entities encompasses compliance, understandability, transparency, comparability, credibility, and accountability rather than the mere production of annual statements.

Under ISAK 35, non-profit entities present financial information through a statement of financial position, statement of comprehensive income, statement of changes in net assets, statement of cash flows, and notes to the financial statements. Net assets are distinguished according to whether resource-provider restrictions apply, while revenues and expenses are recognized on an accrual basis and cash flows are classified into operating, investing, and financing activities (IAI, 2019). These requirements provide the principal benchmark used in this study to evaluate UNILAK's financial reporting.

Notes to the Financial Statements

According to (Fatih, 2015), the notes to the financial statements in a non-profit entity's financial statements present information not presented in the statement of financial position, statement of activities, and statement of cash flows. For example, information on the depreciation of an entity's non-current assets is presented. The notes to the financial statements describe several sub-notes to an entity's financial statements. These sub-notes are interrelated. For example, Note A describes the required disclosure policy, which requires Note B to be presented. Notes C, D, and E provide information recommended for disclosure by non-profit entities (IAI, 2019).

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Agency Theory and Stewardship Theory

Agency theory explains the relationship between shareholders and management, which is depicted in a principal-agent relationship. What gives rise to a conflict of interest between the agent and the principal is the difference in interests between the two. This conflict then becomes a trigger for management's attention (Tumiwa et al., 2022). The agent has more information than the principal, resulting in information asymmetry. This information asymmetry is a condition of imbalance in information acquisition between management as the information provider and shareholders/stakeholders as the information users. According to (Jaradat et al., 2021), there are two types of information asymmetry:

a. Adverse selection
b. Moral Hazard

Stewardship theory describes the condition of managers who are motivated by the primary outcome targets of the organization, rather than by their personal interests (Tahir et al. 2025). (Lestari et al., 2023) explains that trustworthiness, integrity, honesty, loyalty, and responsibility are human traits that form the basis for developing stewardship theory. Stewardship theory explains that entity performance can improve due to the existence of trustworthiness, integrity, honesty, loyalty, and responsibility for the entity's commitments.

RESEARCH METHODS

This study adopts a quantitative descriptive single-case study design to evaluate the conformity of Lancang Kuning University (UNILAK) Pekanbaru's financial reporting with ISAK 35. UNILAK is treated as the single empirical case, and no claim is made that it is statistically representative of all private universities in Indonesia. The unit of analysis is UNILAK's financial reporting for the 2023–2024 fiscal years. Quantitative compliance scoring is the primary analytical approach, while structured interviews are used only to verify documentary evidence and support triangulation.

The assessment instrument is a compliance matrix comprising ten ISAK 35 indicators derived from the principal presentation and disclosure requirements examined in this study. Each indicator is evaluated against audited financial statements and supporting accounting documents and assigned a score from 1 to 5. The overall compliance percentage is calculated as the total obtained score divided by the maximum possible score (50), multiplied by 100.

A comparative document analysis is then conducted between ISAK 35 requirements and UNILAK's actual financial reporting practices. The assessment matrix is adapted from (Putra, 2021). Structured interviews with relevant finance, accounting, and audit personnel are used as a validation mechanism to confirm documentary interpretation and scoring consistency rather than as a separate qualitative research strand.

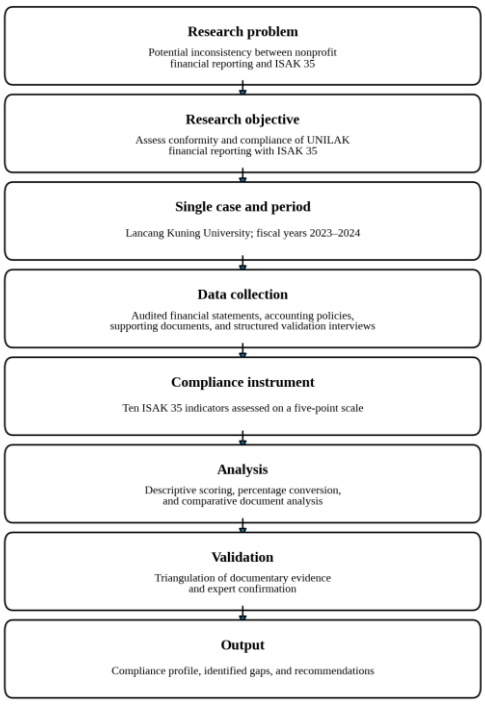


Figure 1. Research Procedure
Source: Authors' design based on the research procedure (2025)

The research procedure consisted of problem identification, case and period selection, documentary data collection, compliance scoring, comparative analysis, validation, and interpretation. Each of the ten indicators was scored on a five-point scale, where 1 indicates non-compliance and 5 indicates full and consistent implementation. Scores were converted into percentages, and documentary interpretations were triangulated through structured interviews with finance, accounting, and audit personnel.

RESULTS AND DISCUSSION

ISAK 35 Compliance Assessment Results

The evaluation of ten ISAK 35 indicators shows that seven indicators are highly compliant (score 5), while three indicators—activity reporting, disclosure of donor-fund restrictions, and performance reporting—are mostly compliant (score 4) and require limited improvement. No indicator received a score below 4. The detailed indicator-level results are presented in Table 1.

Table 1. Lancang Kuning University's ISAK 35 Compliance Assessment (2023–2024

ISAK 35 indicator	Score	Compliance level
Statement of financial position	5	Highly compliant
Net asset classification	5	Highly compliant
Activity report	4	Mostly compliant
Cash flow statement	5	Highly compliant
Notes to financial statements	5	Highly compliant
Accounting policy disclosure	5	Highly compliant
Donor-fund restrictions	4	Mostly compliant
Performance reporting	4	Mostly compliant
Comparative presentation	5	Highly compliant
Accrual basis	5	Highly compliant
Overall average	4.70	Very high (94.0%)

Source: Authors' assessment based on ISAK 35 (IAI, 2019) and UNILAK audited financial statements for 2023–2024 (2025)

Based on Table 1, the average compliance score is 4.70 out of a maximum of 5, equivalent to 94.0%. This places UNILAK in the very high compliance range. The strongest areas are the statement structure, net-asset classification, cash-flow presentation, accounting-policy disclosure, comparative presentation, and accrual basis. The remaining improvement priorities are activity reporting, donor-fund restriction disclosures, and performance reporting.

Analysis of Compliance Indicators

Presentation of the Statement of Financial Position and Classification of Net Assets

The presentation indicators for the statement of financial position and classification of net assets each received a maximum score of 5. This indicates that

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UNILAK has presented assets, liabilities, and net assets in a structured manner in accordance with ISAK 35, including a clear separation between unrestricted and restricted net assets. This practice increases the transparency of the financial position and makes it easier for stakeholders to assess the institution's financial health.

This finding is consistent with (Sari & Muslim, 2023), who emphasized that standardizing the presentation of the statement of financial position is a key prerequisite for improving the accountability of public universities.

Activity Report and Performance Reporting

The activity report and performance report each received a score of 4. This indicates that UNILAK has adequately presented information on revenue, expenses, and changes in net assets. However, there is still room for improvement, particularly in the integration of non-financial performance indicators. (Ebrahim & Rangan, 2014) emphasize that comprehensive performance reporting, including strategic narratives and non-financial achievements, plays a critical role in strengthening stakeholder trust.

Cash Flow Statement, Accrual Basis, and Comparative Presentation

These three indicators received a score of 5, reflecting UNILAK's full compliance with presenting cash flows based on operating, investing, and financing activities, as well as the use of the accrual basis and presentation of comparative data between periods. These practices support the comparability and consistency of financial statements over time.

Disclosure of Accounting Policies and Donor Fund Restrictions

Accounting policy disclosure received the maximum score, while disclosure of donor fund restrictions received a score of 4. Although information regarding restricted funds has been presented, the depth of the narrative and the clarity of the context in which the funds are used can still be improved (Makawekes et al., 2025). They emphasize the importance of narrative reporting to complement the quantitative information in the financial statements of non-profit entities.

Research Data Visualization

To facilitate interpretation, the indicator-level compliance scores are presented in complementary bar and radar visualizations. The bar chart enables direct comparison of the ten indicator scores, while the radar chart summarizes the overall institutional compliance profile and highlights the three areas that remain at score 4.

General Discussion

Overall, the results indicate a very high level of conformity between UNILAK's financial reporting and the assessed ISAK 35 requirements. The strongest evidence concerns statement structure, accrual-based reporting, comparative presentation, and accounting-policy disclosure. This pattern reflects institutional attention to transparency and accountability and is consistent with (Sitanggang et al., 2021), who report that ISAK 35 implementation can strengthen the quality of financial reporting at private universities in Indonesia.

However, this study also identified areas requiring further attention, particularly in performance reporting and qualitative disclosures related to donor funding

restrictions. Strengthening these areas would improve the function of financial reports as tools for public accountability and strategic decision-making.

Visualization of the Compliance Profile

Figures 2 and 3 complement Table 1 by presenting the same compliance data in visual form. The graphics are prepared in English and use the indicator scores derived from the compliance matrix.

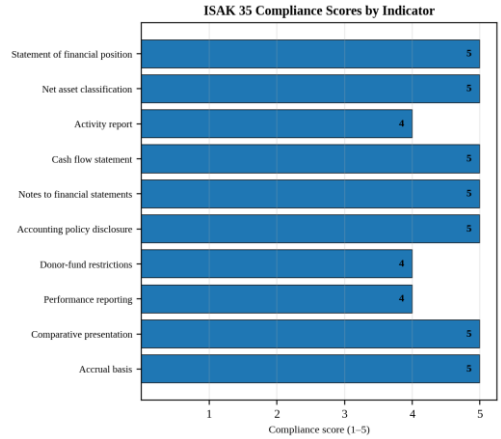


Figure 2. ISAK 35 Compliance Scores by Indicator

Source: Authors' visualization based on the compliance assessment in Table 1. (2025)

The horizontal bar chart compares the ten ISAK 35 indicators on a 1–5 scale. Seven indicators reach score 5, whereas activity reporting, donor-fund restrictions, and performance reporting receive score 4. This presentation makes the remaining improvement areas immediately visible.

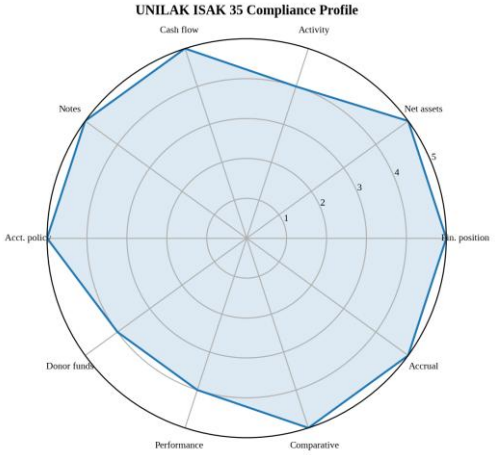


Figure 3. UNILAK's ISAK 35 Compliance Profile

Source: Authors' visualization based on the compliance assessment in Table 1. (2025)

The radar chart summarizes the ten indicator scores in a single institutional profile. Scores are concentrated between 4 and 5, indicating consistently high conformity with ISAK 35 while also showing the relative gaps in activity reporting, donor-fund restrictions, and performance reporting.

Table 2. ISAK 35 Compliance Level Classification

Score range	Category	Interpretation
1.00–2.00	Very low	Major requirements not implemented; substantial corrective acti
2.01–3.00	Moderate	Partial implementation; material gaps remain.
3.01–4.00	High	Most requirements implemented; minor corrections required.
4.01–5.00	Very high	Consistent implementation; only limited refinement needed.

Source: Authors' classification based on the five-point compliance scoring framework and ISAK 35. (2025)

Table 2 classifies average compliance scores into four interpretive ranges. Under this classification, UNILAK's average score of 4.70 falls within the very high compliance category, while still allowing specific score-

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4 indicators to be identified as priorities for refinement.

This visual presentation supports the principles of clarity, readability, and analytical depth as recommended in international public sector accounting publications (Sari & Muslim, 2023).

Together, the tables and figures support a clearer comparison between indicator-level scores and the broader institutional compliance profile, while the subsequent discussion interprets the remaining gaps in relation to public-sector and nonprofit accounting literature.

Comparative Analysis of UNILAK's Compliance with ISAK 35

Based on a systematic document review of the audited financial statements of Lancang Kuning University (UNILAK) for the 2023–2024 financial year, this study found that UNILAK has generally adopted most of the structural, recognition, measurement, and disclosure provisions set out in the Interpretation of Financial Accounting Standards (ISAK) 35 concerning the Presentation of Financial Statements of Non-Profit Entities. This finding indicates a relatively high level of institutional awareness of the importance of transparency and accountability in the management of financial resources, particularly educational funds derived from student tuition fees, research grants, government assistance, and contributions from the community and other stakeholders.

Therefore, an analysis of compliance with ISAK 35 not only assesses the appropriateness of the financial statement format, but also encompasses the economic substance of transactions, the clarity of net asset classification, and the quality of disclosure of relevant financial information for report users, including donors, regulators, auditors, and the wider public (Connolly & Hyndman, 2013; Cordery & Simpkins, 2016).

Compliance of Financial Statement Structure and Components

The comparative analysis shows that UNILAK has prepared financial statements with the main components required by ISAK 35, namely: (1) statement of financial position, (2) statement of comprehensive income, (3) statement of changes in net assets, (4) statement of cash flows, and (5) notes to the financial statements. This structure has formally replaced the old format that referred to PSAK 45, thus demonstrating a relatively adaptive accounting policy transition process to changes in financial accounting standards in Indonesia.

From a best practices perspective, this structural conformity is a crucial fundamental step because public and non-profit sector accounting literature emphasizes that format compliance is a minimum prerequisite for achieving comparability and understandability of financial reports (Christiaens et al., 2015; Ebrahim, 2019). Therefore, the implementation of a financial statement structure consistent with ISAK 35 at UNILAK can be seen as a good practice that supports more accountable institutional governance.

However, a more in-depth analysis shows that although the report structure is appropriate, there is still room for improvement in the consistency of terminology and the depth of explanation in some report items. For example, some accounts still use terminology that implicitly reflects a commercial orientation, potentially creating conceptual ambiguity for non-

accountant users of financial statements. This aligns with previous research findings that suggest that the adoption of new standards is often symbolic in the initial stages, before reaching substantive internalization (Lapsley et al., 2009; Moll, 2023).

Recognition and Measurement of Assets, Liabilities, and Net Assets.

In terms of recognition and measurement, UNILAK's financial statements demonstrate a relatively good level of compliance with the PSAK principles referred to in ISAK 35. Assets are recorded on a historical cost basis and, in certain cases, have been adjusted to comply with consistent depreciation and amortization policies. Liabilities are clearly recognized, particularly short-term obligations related to educational operations and long-term obligations arising from specific contracts or agreements.

The classification of net assets into "unrestricted" and "restricted" categories, as recommended by ISAK 35, has also been implemented. This practice reflects UNILAK's efforts to provide more relevant information regarding the flexibility of the use of financial resources, particularly those derived from grants and donations for specific purposes. International literature confirms that the classification of net assets is a key element in enhancing the accountability of non-profit entities because it enables donors and stakeholders to assess the appropriateness of the use of funds for their intended purposes (Parsons, 2007; Behn et al., 2010).

Nonetheless, this study identified weaknesses in the level of granularity of disclosures related to funding restrictions. This gap has the potential to reduce the quality of financial information and contradicts the spirit of ISAK 35, which emphasizes economic substance and transparency in fund management.

Presentation of Non-Commercial Revenue and Expenses

In terms of revenue presentation, UNILAK has classified non-commercial revenue, such as grants, government assistance, and community donations, separately from routine operating income. This separation aligns with the principles of ISAK 35 and international practices that emphasize the importance of differentiating funding sources based on their nature and level of sustainability (Froelich et al., 2000; Yetman & Yetman, 2012).

A comparative analysis indicates that this practice is one of UNILAK's best practices, as it allows for a more accurate evaluation of the institution's dependence on specific funding sources. However, this study also found that the allocation of expenses to education, research, and community service programs has not been fully presented in detail. In fact, education sector accountability literature emphasizes that program-based reporting is crucial for assessing the efficiency and effectiveness of fund use (Jones & Pendlebury, 2010).

Disclosures and Notes to Financial Statements

The notes to UNILAK's financial statements generally cover the principal accounting policies, the basis for preparing the statements, and relevant additional information. This demonstrates compliance with the minimum disclosure requirements stipulated in ISAK 35 and related PSAKs. The existence of audited financial statements also strengthens the credibility of the financial information presented, as emphasized in the literature on the role of audits in enhancing public trust in non-profit

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entities (O'Dwyer & Unerman, 2016).

Compared to the ideal requirements of ISAK 35, disclosure of financial risks, long-term funding uncertainty, and risk management policies remains relatively limited. This limitation reflects the gap between formal compliance and substantive compliance, which is often found in the context of the adoption of new accounting standards in higher education institutions (Christiaens et al. 2010).

Synthesis of Findings: Gaps, Weaknesses, and Best Practices

Overall, the results of this study indicate that UNILAK is on the right track in implementing ISAK 35, particularly in the aspects of financial statement structure, net asset classification, and non-commercial income segregation. These practices can be categorized as initial best practices, reflecting an institutional commitment to transparent and accountable financial governance.

However, the comparative analysis also revealed several gaps and weaknesses, particularly in the depth of disclosure, consistency of terminology, and presentation of program- and risk-based information. These gaps indicate that the implementation of ISAK 35 at UNILAK still tends to focus on formal compliance aspects and has not yet fully achieved the level of substantive compliance expected by international standards and best practices.

Overall, UNILAK's 2023–2024 financial statements demonstrate substantial conformity with the presentation framework of ISAK 35, particularly in statement structure, net-asset classification, comparative presentation, and accrual-based reporting. The principal remaining gaps concern the depth of disclosure and integration of program and risk-based information. Table 3 summarizes the audited financial statement components reviewed as documentary evidence for the compliance assessment.

Table 3. English Summary of Audited Financial Statement Components Reviewed (2023–2024)

Financial statement	Key components reviewed	Assessment relevance
Statement of financial position	Assets, liabilities, net assets; 2024–2023 cor	Statement structure and net-asset clas
Statement of comprehensive in	Revenue/expenses by resource restriction; s	Activity reporting and resource restric
Statement of changes in net ass	Opening balance; surplus/deficit; closing ba	Changes in restricted and unrestricted
Statement of cash flows	Operating, investing, financing; opening and	Cash-flow classification and presenta

Source: Lancang Kuning University audited financial statements for the years ended 31 August 2024 and 31 August 2023; English summary by the authors (2025)

CONCLUSION AND SUGGESTION

Based on the research results, it can be concluded that, overall, UNILAK has demonstrated a high level of compliance with ISAK 35. The implementation of this standard is reflected in the comprehensive financial statement structure, consistent use of the accrual basis of accounting, presentation of the statement of financial position and cash flow statement in accordance with regulations, and adequate disclosure of accounting policies and notes to the financial statements.

However, this study also found that several aspects still require strengthening, particularly in the performance reporting dimension and disclosure of donor funding restrictions. Although quantitatively, this information has been presented, the depth of narrative and integration between financial and non-financial information do not fully reflect the holistic reporting approach idealized in public sector and non-profit accounting literature. Therefore, UNILAK's

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compliance with ISAK 35 can be categorized as high compliance with the need for improvements in disclosure quality.

Academically, this study's findings strengthen the empirical evidence that the implementation of ISAK 35 has positively contributed to improving the quality of financial reporting at private universities in Indonesia. This study also demonstrates that non-profit accounting standards play a significant role in strengthening the financial governance and accountability of higher education institutions, consistent with international research findings in the context of universities and other public sector entities.

Although this study was systematically designed and implemented, there are several limitations that require consideration when interpreting the results. First, this study focused on a single research object, namely Lancang Kuning University. Therefore, the results cannot be broadly generalized to all private universities or non-profit entities in Indonesia, which have varying institutional characteristics, funding sources, and levels of operational complexity.

Second, although structured interviews were used to validate documentary interpretation and scoring, their scope was limited and they were not analyzed as an independent qualitative data set. Consequently, the study does not capture internal implementation factors in depth, including human-resource capacity, accounting information systems, and managerial decision-making dynamics that may influence the quality of ISAK 35 implementation.

Third, the Likert-scale-based scoring approach, although providing a standardized quantitative measure, still contains an element of researcher subjectivity in assessing the level of compliance of each indicator. Therefore, the results of this study should be understood as a representation of the level of compliance based on the assessment framework used, rather than as an absolute measure.

Based on the research findings and identified limitations, several suggestions can be put forward for the development of practice and further research. First, UNILAK is advised to improve the quality of narrative disclosures in its financial statements, particularly regarding donor funding restrictions and the relationship between fund use and the achievement of the university's strategic programs. Strengthening these aspects will enhance the informative value of the financial statements and strengthen accountability to stakeholders.

Second, the integration between financial reporting and non-financial performance reporting needs to be developed more systematically. Presenting relevant non-financial performance indicators, such as the achievement of the Tri Dharma of Higher Education, can complement financial information and provide a more comprehensive picture of the institution's performance as a non-profit entity.

Third, future researchers are advised to expand their research by including more than one university or comparing public and private universities. A cross-institutional comparative approach will enrich understanding of the factors influencing the successful implementation of ISAK 35 in the higher education sector.

Fourth, future research can combine quantitative approaches with qualitative methods, such as in-depth interviews and case studies, to delve deeper into the dynamics of nonprofit accounting standard implementation and the practical challenges

faced by institutions.

More broadly, the managerial implications of this study are also relevant for regulators and policymakers in the fields of higher education and accounting. The findings of this study can be used as input in the preparation of technical guidelines, training, and supervision of the implementation of ISAK 35, so that the quality of financial reporting of non-profit entities in Indonesia can be improved evenly and sustainably.

THE USE OF AI OR AI-ASSISTED TECHNOLOGIES

The authors did not use any AI tools in the preparation of this work.

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