

Calculation of Depreciation on Fixed Assets for the Youth, Sports and Tourism Office of Bontang City

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Abstract—This study aims to prove the application of Governor Regulation Number 64 of 2020 concerning Accounting Policies of the Government of East Kalimantan Province to the depreciation of fixed assets of office equipment in 2023. This research data is in the form of a list of office equipment expenditures in 2023 contained in the Youth, Sports and Tourism Office of Bontang City. The analysis method uses the straight line method and the depreciation rate adjusts Governor Regulation Number 64 of 2020 concerning Accounting Policies for the Government of East Kalimantan Province, which is 5 years for office equipment. The results of the study show the suitability of depreciation of office equipment assets in 2023, namely depreciation per year for a color photocopier of Rp15,590,000.00; LCD Projector of Rp2,760,000.00; Projector Screen of Rp364,000.00; Work Desk of Rp206,460.00; and Swivel Chair of Rp220,000.00 in accordance with the Implementation of East Kalimantan Governor Regulation Number 64 of 2020 concerning Accounting Policies of the Government of East Kalimantan Province.

Keywords— Implementation, Depreciation, Governor Regulation, Fixed Assets

I. INTRODUCTION

Fixed assets at the Bontang Youth Sports and Tourism Department has a very important position, so to obtain it requires large funds invested over a very long period of time long. The use of fixed assets in the form of office equipment is very necessary for all agencies, because apart from supporting smooth operations and efficiency work, these assets also contribute to increased productivity as well ensure that administrative tasks can be completed properly and on time.

The use of office equipment at the Bontang Youth, Sports and Tourism Department, it is very important to support operations and services to the community. However, with intensive use, fixed assets such as office equipment experience depreciation in value over time. Therefore, accurate depreciation calculations are necessary to keep an organization's finances and assets well managed.

The Youth, Sports and Tourism Department of Bontang City has created depreciation based on accounting policies according to SIPD (Information System Regional Apparatus) but the Governor of East Kalimantan issued Governor's Regulation Number 64 of 2020 [1] for depreciation is necessary. An analysis was carried out on whether the calculations had been carried out by the Youth, Sports and Sports Department Bontang City Tourism is the same as in the governor's regulations.

II. LITERATURE REVIEW

This section contains a literature review which the author quotes from several sources.

A. Public Sector Accounting

Public sector accounting has a major role in preparing reports finance as a form of implementing public accountability. In Indonesia Public sector accounting has experienced quite rapid development over time relatively short. Public sector accounting is urgently needed to provide information in the context of financial management carried out by the government considering how important non-profit organizations are, especially government organizations who are engaged in public service activities so that they can be organized.

Public Sector Accounting is an accounting system used by public organizations as a means of reporting to the public. Bastian [2] stated that Public Sector accounting is defined as a technical mechanism and accounting analysis in high state institutions and subordinate departments, regional governments, BUMN, BUMD, NGOs and social foundations, as well as public and private sector collaboration projects. Meanwhile, according to Mardiasmo [3], public sector accounting is an information tool for both the government as management and an information tool for the public.

B. Government Accounting

Government accounting is the application of accounting in the financial sector State (public finance), especially at the budget implementation stage execution), which includes all the impacts it causes, whether permanent or temporary at all levels and units' government [4]. Government accounting according to Fitri et al. [5] is a service activity that provides something in the form of information government finances based on recording, classification, summarization of government financial transactions and interpretation of the financial information. Government accounting is application of accounting in the field of government finance, especially in stages of budget implementation, including all the impacts they cause at all levels or units of government, whether temporary or permanent [6]. Government accounting defined as an activity of providing services to provide information government finances based on the process of recording, classifying, summary, a government financial transaction and interpretation of its financial information [7].

The specific objectives of government accounting according to Fitri et al. [5] is divided as follows:

1. Accountability, information on transactions that occur can be conveyed by administrators and management honestly and responsibly.
2. Managerial, planning in preparing the APBN budget can be done using government accounting and strategies for carrying out development can be designed.
3. Supervision, BPK can supervise government finances easily.

Halim stated that government accounting has several objectives [8]:

1. Accountability and stewardship. The aim of accountability is to provide complete, accurate financial information, in the right form and time, which is useful for those responsible for the operations of government units. Furthermore, the purpose of this accountability requires that each person or entity must managing state finances provides accountability or calculation.
2. Managerial. Managerial objectives mean that government accounting must be provide financial information necessary for planning, budgeting, implementation, monitoring, budget control, formulation policy, decision making, and government performance assessment.
3. Supervision. The purpose of supervision means that government accounting must allow for inspections by supervisory authorities functional effectively and efficiently.

C. Fixed Assets

Based on Governor's regulation Number 64 [1] to be recognized as fixed assets, an asset must be tangible and meet the criteria:

- 1) Has a useful life of more than 12 (twelve) months;
- 2) The cost of the asset can be measured reliably;
- 3) Not intended for sale in the normal course of the entity's operations;
- 4) Acquired or constructed with the intention of being used; And
- 5) Has a minimum value of the capitalization limit and above.

The main purpose of acquiring fixed assets is for use by regional government in supporting its operational activities and not intended for sale/delivery. Reliable recognition of fixed assets if assets ownership rights have been received or surrendered and/or at the time control is transferred with the Minutes of Handover. Moment Fixed asset recognition will be more reliable if there is evidence that it has been there is a legal transfer of ownership rights and/or control, for example land certificate and proof of motor vehicle ownership. When acquiring assets still not yet supported by legal evidence because there is still a required administrative process, such as the purchase of land which still needs to be completed by the sale and purchase process (deed) and the ownership certificate at the agency authority, then the fixed assets must be recognized when there is evidence that control over the asset has been transferred, for example payment has occurred and control over land certificates in the name of the previous owner. In terms of there is no significant time difference

between the dates of receipt of rights ownership of fixed assets and realization of payments in the form of cash, assets can still be recognized upon realization.

Based on Governor's regulation Number 64 of 2020 [1], assets still valued at acquisition cost. If fixed assets cannot be assessed using cost, the value of the asset remains at fair value at the time it was acquired. Cost is the amount of cash or cash equivalents paid or the fair value of other consideration provided for acquire an asset at the time of acquisition or construction of the asset is in a condition and place that is ready for use. Acquisition costs a fixed asset consists of its purchase or construction price, including import duties and any costs that can be directly attributed/allocated within bring those assets to a condition that makes them workable intended use.

Costs that can be directly attributed/allocated include:

1. Site preparation costs;
2. Initial delivery costs and handling costs;
3. Installation costs;
4. Professional fees such as architects and engineers;
5. Construction costs; And
6. Committee fees

Land is recognized first at its acquisition cost. Acquisition costs include the purchase price or land acquisition costs, costs incurred in order to obtain rights, costs for preparation, measurement, stockpiling, and other costs incurred until the land is ready for use. The land value also includes the value of the old building located on the purchased land if the old building is intended to be demolished. The cost of acquiring equipment and machinery describes the amount of expenditure that has been made to obtain the machine until it is ready for use. These costs include, among other things, the purchase price, transportation costs, installation costs, and other direct costs to obtain and prepare the equipment and machines until they are ready for use.

D. Depreciation of Fixed Assets

Depreciation according to Governor Regulation Number 64 of 2020 is systematic allocation of the value of a depreciable fixed asset assets) during the useful life of the asset in question. Understanding asset depreciation according to Bachtiar [9] is a reduction in the capacity of an asset continues to provide economic benefits gradually in line with time travel. Meanwhile, according to Hery [10] depreciation is an allocation periodically and systematically from the acquisition price of assets over periods different parties who benefit from the use of the asset in question. Temporary. According to Putra [11], depreciation expense is a recognition of use the potential benefits of an asset. Allocation of the acquisition price of fixed assets is carried out by debiting the depreciation expense account and crediting the accumulated depreciation account. The depreciation expense account appears in the income statement and the depreciation account appears in the balance sheet.

III. RESEARCH METHOD

This research was conducted at the Sports, Youth and

Tourism Department of Bontang City. The author has studied the calculation of depreciation of fixed assets using the linear method. The assets studied by the author are office equipment assets such as photocopier machines Color, LCD Projector, Projector Screen, Work Desk, and Swivel Chair.

Researchers carry out documentary data collection to obtain information with collecting data related to the problem researched at the Youth Sports and Tourism Department of Bontang City. Documentation is carried out by collecting equipment shopping lists office and depreciation list of the Youth Sports and Tourism Department of Bontang City in 2023, History of the establishment and organizational structure of youth sports and tourism services in Bontang City.

The analytical tool used is the depreciation method. The fair value depreciation method is one of the most commonly used methods by Indonesian companies. This straight line method assumes fixed assets will provide contribution evenly throughout its use period, so that the asset remains will experience the same level of decline in function from period to period until the assets are withdrawn from use in the operations of the company/organization/institution.

IV. RESEARCH RESULT

The authors obtained related data with research based on observations that have been carried out with seek data directly from the Youth Sports and Tourism Department of Bontang City.

Samples of office equipment were taken using a random method sampling, this office equipment is often used in work and make it easier or provide efficiency in working and delivering employee comfort at work. Table I presents a sample shopping list for office equipment for the Youth and Sports and Tourism Department of Bontang City.

TABLE I. Office Equipment Shopping List

Asset	Date	Quantity	Price	Total
Photocopy Machines	17/11/2023	2	77,950,000	155,900,000
LCD Projector	10/11/2023	1	13,800,000	13,800,000
Projector Screen	04/12/2023	1	1,820,000	1,820,000
Work Table	10/07/2023	4	1,032,300	4,129,200
Work Chair	04/12/2023	4	1,100,000	4,400,000

Table II presents a list of office equipment depreciation for the youth sports and tourism department of Bontang city in 2023 for 5 samples of fixed assets and depreciation is carried out per semester or every 6 months.

TABLE II. Office Equipment Depreciation List

Asset	Useful Period	Earned Value	Depreciation	Accumulated Depreciation	Book Value
Photocopy Machines	5	77,950,000	7,790,500	7,790,500	70,155,000
LCD Projector	5	13,800,000	1,380,000	1,380,000	12,420,000
Projector Screen	5	1,820,000	182,000	182,000	1,638,000
Work Table	5	1,032,300	103,230	103,230	929,070
Work Chair	5	1,100,000	110,000	110,000	990,000

Implementation of East Kalimantan Governor Regulation Number 64 of the year 2020 concerning Government Accounting Policy which is in attachment XIII Accounting Policy No. 12 Asset Accounting explains presentation all assets in financial statements with general purposes prepared and presented on an accrual basis, this policy is applied only by the entity local government accounting and reporting entities, excluding corporations regions, as well as regulating the accounting treatment of regional government assets includes definition, recognition, measurement and disclosure of assets. Regulation Governor of East Kalimantan No. 64 of 2020 concerning Accounting Policy in calculating the value of depreciation for each recognized period as depreciation expense and recorded in Accumulated Depreciation of Fixed Assets as a reduction in the value of fixed assets.

East Kalimantan Governor Regulation Number 64 of 2020 Appendix XIII Accounting Policy Number 12 Asset Accounting. The useful life depreciation rate for the Office and Household Equipment groups is 5 (five) years using the straight line method with the same value. The straight-line method has been established in government entities.

This research was conducted at government agencies located in Bontang, the Youth Sports and Tourism Office of Bontang City, with carry out appropriate depreciation calculations for office equipment fixed assets East Kalimantan Governor Regulation Number 64 of 2020. Analysis calculation of depreciation using the straight line method with the application of the Policy East Kalimantan Provincial Government Accounting Number 64 of 2020, shown in table III.

TABLE III. Comparison of Office Equipment Depreciation

Asset	Earned Value	Office Equipment Depreciation	
		Governor's Regulation	Youth and Sports Department
Photocopy Machines	77,950,000	15,590,000	15,590,000
LCD Projector	13,800,000	2,760,000	2,760,000
Projector Screen	1,820,000	364,000	364,000
Work Table	1,032,300	206,460	206,460
Work Chair	1,100,000	220,000	220,000

Based on Table III above, if the depreciation from the Bontang City Youth, Sports and Tourism Department (Dispora) is made into one year, we can see that the comparison of depreciation per year from the East Kalimantan Governor's regulation Number 64 of 2020 and the Youth, Sports and Tourism Office of Bontang City shows no there are differences in the depreciation value of these assets (which are used as samples).

V. CONCLUSION

Based on the results of research conducted at the Youth Sports and Tourism Office of Bontang City, then you can take it conclusion as follows:

1. Calculation of depreciation for fixed assets using the line method straight is to divide the depreciable value by the mass benefit. At the Youth Sports and Tourism Office of

Bontang City, method straight line is used to calculate depreciation of all types of fixed assets in the form of office equipment.

2. The analysis method uses the straight line method and the depreciation rate adapts to the Regulation of the Governor of East Kalimantan, namely 5 years for office equipment. The research results show that the calculation of depreciation on fixed assets at the Sports Youth Service using the straight line method is appropriate. The results of the research show that there is no difference with the implementation of East Kalimantan Governor Regulation Number 64 of 2020.

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