FIXED ASSET ACCOUNTING APPLICATION IN REGIONAL DRINKING WATER COMPANY

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Abstract

This study aims to analyze the application of fixed asset accounting in the Pocong Regional Water Supply Company. Fixed assets are one important component in the company, both in terms of value and in terms of order to support its operational activities. For this reason, a very good plan and supervision is needed in determining a policy for applying fixed asset accounting based on PSAK No. 16. The purpose of this research is to find out and analyze how the application of fixed asset accounting in the Pocong Drinking Water Regional Company. Pocong Sumber Drinking Water Regional Company is one of the Regionally Owned Enterprises that is engaged in the distribution of clean water to the general public, established with the aim of carrying out excellent drinking water services and has the aim of making a profit or profit. The method in this study uses descriptive analysis techniques using quality research. Based on the results of the study, that the Regional Water Company has not fully implemented PSAK No. 16. This is because there are several characteristics of fixed assets of regional water companies that are not included in PSAK No. 16. The company should be more careful in applying its fixed asset accounting based on PSAK No. 16.

Keyword: Fixed Assets, PSAK No. 16

INTRODUCTION

A company is an organization founded by a group of people or other bodies that have certain activities to achieve goals. In supporting the development of an increasingly advanced business, the company requires equipment or equipment, one of which is fixed assets. Every company must also have fixed assets, because the role of fixed assets is very important and very large in a company. Accounting is a process even the science of recording, categorizing, summarizing and presenting in certain ways, financial transactions that occur in companies or other organizations and the interpretation of the results (Mulyadi, 2015: 1).

Fixed assets are tangible assets used in the operational activities of a company, have material value, and are not intended to be sold to customers. Fixed assets can be in the form of land, land development, buildings, vehicles, machinery and equipment (Jin, 2018: 240). Tangible fixed assets are tangible assets acquired in a ready-to-use form or by being built earlier. These assets are used in company operations not for sale in the context of normal company activities and have a useful life of more than one year (Feliana, 2006: 127).

As is the case for other assets, the cost of a fixed asset is recognized as an asset if and only if: (1) it is probable that the future economic benefits associated with the asset will flow to the entity, and (2) the cost of assets can be measured reliably. This is the general recognition principle for fixed assets. This principle is applied at the initial recognition of an asset, when certain parts of the asset are replaced, and if certain expenses are incurred in relation to the asset over its useful life. If these expenditures generate economic benefits in the future, they can be recognized as assets (Siregar, 2017: 272).
Fixed assets are valued at cost. If the valuation of fixed assets using cost is not possible, the value of the property, plant and equipment is based on fair value at the time of acquisition. The cost of fixed assets built in a self-managed manner includes direct costs including planning and supervision costs, equipment, electricity, equipment leases, and all other costs incurred in connection with the construction of these fixed assets (Mursyidi, 2009: 185).

All types of fixed assets, except land, will decrease in their ability to provide services over time. Some of the factors that influence the decline in this capability are usage, wear, imbalance of capacity available and demanded and technological backwardness. Reduced capacity means reduced value of the fixed assets concerned. This should be noted and reported. Recognition of impairment of tangible fixed assets is called depreciation (depreciation). Depreciation can be calculated on a monthly basis or postponed until the end of the year. If monthly interim financial reports are made, monthly depreciation will better reflect the company's financial position and results of operations in the month concerned (Soemarsono, 2017: 24).

METHOD
This study uses a qualitative research method using descriptive analysis designed to determine the application of fixed asset accounting at PDAM Sumber Pocong. The data source used in this study is the primary data source, where the data is obtained first-hand by individual researchers. Data collection techniques in this study were interviews and documentation. The data analysis technique in this study is to collect data that has been obtained, to compare with PSAK, and to analyze the results of the comparison.

RESULTS AND DISCUSSION

Table 1. List of Fixed Assets PDAM Sumber Pocong Bangkalan Regency

<table>
<thead>
<tr>
<th>No.</th>
<th>Type of Asset</th>
<th>Value (Rp)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Soil</td>
<td>Rp. 790,330,928</td>
</tr>
<tr>
<td>2.</td>
<td>Building</td>
<td>Rp. 1,659,931,350</td>
</tr>
<tr>
<td>3.</td>
<td>Source and Pump Installation</td>
<td>Rp. 24,915,852,059</td>
</tr>
<tr>
<td>4.</td>
<td>Vehicles and Transportation</td>
<td>Rp. 1,868,594,924</td>
</tr>
<tr>
<td>5.</td>
<td>Office inventory</td>
<td>Rp. 2,428,277,985</td>
</tr>
<tr>
<td>6.</td>
<td>Equipment and Supplies</td>
<td>Rp. 198,846,531</td>
</tr>
<tr>
<td></td>
<td>Total Assets</td>
<td>Rp. 31,861,833,777</td>
</tr>
</tbody>
</table>

PDAM Sumber Pocong to achieve its goals, every company must have assets, because these fixed assets are very important for the operational activities of a company. However, not every company asset can be classified as fixed assets, because fixed assets have different characteristics from other assets owned by a company. The classification of fixed assets at PDAM Sumber Pocong consists of: 1. Land, 2. Buildings, 3. Installing Sources and Pumps, 4. Office Inventory, 5. Vehicles and Transportation, 6. Equipment and Supplies.

Initially, PDAM Sumber Pocong recorded fixed assets based on cost. The cost includes all costs incurred until the assets are ready for use. Fixed asset initially recorded at cost, based on data from PDAM Source Pocong in acquiring fixed assets by way of cash and made his own.
Tabel 2. Decreasing asset PDAM Sumber Pocong

<table>
<thead>
<tr>
<th>Fixed assets</th>
<th>Acquisition cost</th>
<th>Akm. Depreciation</th>
<th>Book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soil</td>
<td>Rp. 790,330,928</td>
<td>-</td>
<td>Rp. 790,330,928</td>
</tr>
<tr>
<td>Equipment and Supplies</td>
<td>Rp. 198,846,831</td>
<td>Rp. 166,149,534</td>
<td>Rp. 32,697,297</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td><strong>Rp. 82,015,378,276</strong></td>
<td><strong>Rp. 50,474,600,154</strong></td>
<td><strong>Rp. 31,540,778,422</strong></td>
</tr>
</tbody>
</table>

Source: Data Processed by Researchers 2020

Depreciation of fixed assets is the systematic allocation of depreciable assets over their useful life. PDAM Sumber Pocong calculates depreciation using two methods, namely the declining balance method, to determine the amount of depreciation expense for each period. The use of this method is applied to all property, plant and equipment owned by the company, except for land because it is not depreciated by dividing the acquisition cost of the fixed assets by their useful lives without any residual value.

CONCLUSION

The results of this research can be concluded that PDAM Sumber Pocong in carrying out its accounting activities is guided by accounting policies which in principle are close to the Statement of Financial Accounting Standards (PSAK) No. 16. PDAM Sumber Pocong in terms of recognition of fixed assets is in accordance with PSAK No. 16, namely the company recognizes fixed assets as assets that have a useful life of more than one period and the cost of fixed assets can be measured reliably. In the event that the measurement of fixed assets carried out at PDAM Sumber Pocong is in accordance with PSAK No. 16, namely the Company capitalizes all expenses related to the creation of fixed assets until the fixed assets are ready for use, and depreciation of fixed assets used by PDAM Sumber Pocong is in accordance with PSAK No. 16, The company has declining balances except for land, the straight-line method and calculates all depreciation assets using the two methods only.

REFERENCES


