



ATTACHMENT IV

GOVERNMENT REGULATION OF THE REPUBLIC OF INDONESIA  
NUMBER 24 YEAR 2005  
DATE 13 JUNE 2005

**GOVERNMENT ACCOUNTING STANDARDS  
STATEMENT NO.02**

**STATEMENT OF BUDGET  
REALIZATION**



PRESIDEN  
REPUBLIK INDONESIA

## TABLE OF CONTENTS

	Paragraph
<b>PREFACE</b> .....	1-5
Objective .....	1-2
Scope .....	3-5
<b>BENEFITS OF BUDGET REALIZATION INFORMATION</b> .....	6-7
<b>DEFINITIONS</b> .....	8
<b>STRUCTURE OF STATEMENT OF BUDGET REALIZATION</b> .....	9-10
<b>REPORTING PERIOD</b> .....	11
<b>TIMELINESS</b> .....	12
<b>THE CONTENT OF THE STATEMENT OF BUDGET REALIZATION</b> .....	13-16
<b>INFORMATION PRESENTED IN THE STATEMENT OF BUDGET REALIZATION OR IN THE NOTES TO THE FINANCIAL STATEMENTS</b> .....	17-18
<b>BUDGETARY ACCOUNTING</b> .....	19-21
<b>ACCOUNTING FOR REVENUES</b> .....	22-30
<b>ACCOUNTING FOR EXPENDITURES</b> .....	31-46
<b>ACCOUNTING FOR SURPLUS/DEFICIT</b> .....	47-49
<b>ACCOUNTING FOR FINANCING</b> .....	50
<b>ACCOUNTING FOR FINANCING RECEIPTS</b> .....	51-54
<b>ACCOUNTING FOR FINANCING DISBURSEMENTS</b> .....	55-57
<b>ACCOUNTING FOR NET FINANCING</b> .....	58-59
<b>ACCOUNTING FOR SURPLUS/DEFICIT AFTER BUDGET FINANCING (SiLPA/SiKPA)</b> .....	60-61
<b>FOREIGN CURRENCY TRANSACTIONS</b> .....	62
<b>REVENUES, EXPENDITURES, AND FINANCING TRANSACTIONS IN THE FORM OF GOODS AND SERVICES</b> .....	63
<b>EFFECTIVE DATE</b> .....	64



**Attachment:**

**Attachment IV.A: Illustrated Format for the Statement of Budget Realization of the Central Government**

**Attachment IV.B: Illustrated Format for the Statement of Budget Realization of the Province Government**

**Attachment IV.C: Illustrated Format for the Statement of Budget Realization of the District/City Government**

1           **GOVERNMENT ACCOUNTING STANDARDS**  
2           **STATEMENT NO.02**

3           **STATEMENT OF BUDGET REALIZATION**

4           *The standards, which have been set in bold italic type, should be read in*  
5           *the context of the commentary paragraphs in this Standard, which are in*  
6           *plain type, and in the context of the Conceptual Framework of the*  
7           *Government Accounting.*

8           **PREFACE**

9           **Objective**

10                   1. The objective of the Statement of Budget Realization is to  
11                   determine the principles of presentation of the Statement of Budget  
12                   Realization for the government in order to meet the accountability objective as  
13                   determined by the prevailing regulations.

14                   2. The objective of the budget realization reporting is to provide  
15                   comparable information concerning the realization and the budget of a  
16                   reporting entity. The comparison between the budget and its realization  
17                   shows the levels of achievement of targets, which have been agreed upon  
18                   between the legislatives and the executives in accordance with the prevailing  
19                   regulations.

20           **Scope**

21                   3. *This Standard is applied in the presentation of the*  
22                   *Statement of Budget Realization, which is prepared and presented in*  
23                   *cash basis accounting.*

24                   4. *This Standard is applicable for every reporting entity,*  
25                   *whether it is central or local government, which receives budget based*  
26                   *on the Revenue and Expenditure Budget for Central Government*  
27                   *(APBN)/Revenue and Expenditure Budget for Local Government*  
28                   *(APBD), excluding Central Government Business Enterprise*  
29                   *(BUMN)/Local Government Business Enterprise (BUMD).*

30                   5. *Reporting entity that applies accrual basis accounting and*  
31                   *accrual basis financial statements should apply a cash basis Statement*  
32                   *of Budget Realization.*



## 1       **BENEFITS       OF       BUDGET       REALIZATION** 2       **INFORMATION**

3               6. The Statement of Budget Realization provides information  
4       concerning the realization of revenues, expenditures, transfers,  
5       surplus/deficit, and financing of a reporting entity, where each of them is  
6       compared with its respective budget. That information is useful for the users  
7       in evaluating decisions concerning the allocation of economic resources,  
8       accountability, and the compliance of the reporting entity to the budget by:

- 9       (a) providing information concerning sources, allocation, and application of  
10       economic resources;
- 11       (b) providing information concerning comprehensive budget realization that is  
12       useful in evaluating government performance in its efficiency and  
13       effectiveness of budget application.

14              7. The Statement of Budget Realization provides information that  
15       is useful in predicting economic resources that will be received to finance the  
16       activities of central and local governments in the future by presenting a  
17       comparative report. The Statement of Budget Realization provides  
18       information to users concerning the indicators of acquisition and application of  
19       economic resources, whether they:

- 20       (a) have been efficiently, effectively, and economically executed;
- 21       (b) have been executed in accordance with the budget (Revenue and  
22       Expenditure Budget for Central/Local Government (APBN/APBD)); and
- 23       (c) have been executed in accordance with the prevailing regulations.

## 24       **DEFINITIONS**

25              8. *The following terms are used in this Standard with the*  
26       *meanings specified:*

27              *Account for Central Government Cash* *is an account which is*  
28       *determined by the Minister of Finance as Central Government*  
29       *General Treasurer to keep all receipts of state funds and to pay all*  
30       *state disbursements in central bank.*

31              *Account for Local Government Cash* *is an account which is*  
32       *determined by the government/district head (bupati)/mayor to keep*  
33       *all receipts of local funds and to pay all local disbursements in an*  
34       *appointed bank.*

35              *Accounting Policies* *are the specific principles, bases, conventions,*  
36       *rules, and practices adopted by a reporting entity in preparing and*  
37       *presenting financial statements.*



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1 **Allotment** is a document of budget execution that shows parts of  
2 **appropriation** made available to the agencies and is used to obtain  
3 **cash** from the Central/Local Government General Treasurer  
4 **(BUN/BUD)** in order to finance disbursements during the period of  
5 **allotment**.

6 **Appropriation** is a budget approved by the Central/Local House of  
7 **Representatives (DPR/DPRD)** which constitutes a mandate to the  
8 **President/governor/district head (bupati)/mayor** to spend in  
9 **accordance with the specified objectives**.

10 **Budget** is a guideline for government actions comprising plan of  
11 **revenues, expenditures, transfers, and financing** that are measured  
12 **in Rupiah**, which is systematically prepared according to certain  
13 **classifications for one period**.

14 **Cash Basis** means a basis of accounting under which transactions  
15 **and other events** are recognized when cash or its equivalent is  
16 **received or paid**.

17 **Central Government Business Enterprise (BUMN)** is a legal business  
18 **entity, which all or part of its capital is owned by the central**  
19 **government**.

20 **Central Government Cash** is the depository of central government  
21 **money as determined by the Minister of Finance as Central**  
22 **Government General Treasurer (BUN)** to keep all the central  
23 **government receipts and disbursements**.

24 **Expenditures** are all disbursements from the Central/Local  
25 **Government Cash Account** that reduce the current equity in the  
26 **related budget year period for which repayment will not be received**  
27 **by the government**.

28 **Financing** is any receipt that needs to be repaid and/or  
29 **disbursements that should be re-received, either during the budget**  
30 **year or the subsequent budget years, which in government**  
31 **budgeting is mainly intended to cover deficits or to make use of**  
32 **budget surplus**.

33 **Foreign exchange** is the exchange ratio of two currencies.

34 **Gross Principle** is a principle that does not allow an organization unit  
35 **to record the receipt in net after being deducted by the disbursement**  
36 **or does not allow to record the disbursement after conducting**  
37 **compensation between receipt and disbursement**.

38 **Local Government Business Enterprise (BUMD)** is a legal business  
39 **entity, which all or part of its capital is owned by the local**  
40 **government**.



1 **Local Government Cash** is the depository of local government  
2 money as determined by the Local Government General Treasurer  
3 (BUD) to keep all the local government receipts and disbursements.

4 **Reporting Entity** is a government unit consisting of one or more  
5 accounting entities which according to the statutory regulations is  
6 obliged to prepare and submit accountability reports in the form of  
7 financial statements.

8 **Reserved Funds** are funds reserved to cover the needs that require  
9 relatively large funds which cannot be fulfilled within one budget  
10 year.

11 **Revenue and Expenditure Budget for Central Government (APBN)** is  
12 an annual financial plan that has been approved by the Central  
13 House of Representatives (DPR).

14 **Revenue and Expenditure Budget for Local Government (APBD)** is  
15 an annual financial plan that has been approved by the Local House  
16 of Representatives (DPRD).

17 **Revenues** are all receipts of the Central/Local General Government  
18 Cash which add the current equity in the related budget year period  
19 that become the right of the government and with no repayment  
20 obligation by the government.

21 **Surplus/Deficit** is the residual difference between revenues and  
22 expenditures during one reporting period.

23 **Transfer** is receipt or disbursement of cash from a reporting entity to  
24 or from other reporting entity, including fiscal balance funds and  
25 revenue sharing funds.

## 26 **STRUCTURE OF STATEMENT OF BUDGET** 27 **REALIZATION**

28 9. ***The Statement of Budget Realization presents information***  
29 ***on the realization of revenues, expenditures, transfers, surplus/deficit,***  
30 ***and financing, where each of them is compared with its respective***  
31 ***budget within one period.***

32 10. ***In the Statement of Budget Realization, the following***  
33 ***information must be clearly identified, and repeated in every page of the***  
34 ***report, if necessary:***

35 (a) ***the name of the reporting entity or other identification;***

36 (b) ***the scope of the reporting entity;***

37 (c) ***reporting period;***



- 1        **(d) reporting currency; and**  
2        **(e) unit of measurement.**

### 3        **REPORTING PERIOD**

4                    **11. The Budget Realization Period is presented at least once a**  
5        **year. In a certain situation when a report date of an entity is changed**  
6        **and the Statement of Budget Realization is presented with a period**  
7        **longer or less than one year, the entity discloses the following**  
8        **information:**

- 9        **(a) the reason for using a reporting period other than one year;**  
10        **(b) facts that comparative numbers in the Statement of Budget**  
11        **Realization and the related notes are not comparable.**

### 12        **TIMELINESS**

13                    12. The benefit of Statement of Budget Realization is diminished if  
14        the statement is not available on time. Factors such as the complexity of  
15        government operations cannot be used to justify the inability of the reporting  
16        entity to present the financial statements on time. A reporting entity should  
17        present the Statement of Budget Realization at no later than 6 (six) months  
18        after the end of the budget year.

### 19        **THE CONTENT OF THE STATEMENT OF** 20        **BUDGET REALIZATION**

21                    13. The Statement of Budget Realization is presented in such a  
22        way that it shows elements of revenues, expenditures, transfers,  
23        surplus/deficit, and financing that are necessary for fair presentation. The  
24        Statement of Budget Realization presents comparative information on the  
25        realization of revenues, expenditures, transfers, surplus/deficit, and financing,  
26        to its respective budget. The Statement of Budget Realization is explained  
27        further in the Notes to the Financial Statements, which elaborate matters that  
28        affect the budget execution such as fiscal and monetary policies, the causes  
29        of significant differences between the budget and its realization, and lists of  
30        further details of figures that are considered necessary to be explained.

31                    **14. The Statement of Budget Realization at least includes the**  
32        **following accounts:**

- 33        **(a) Revenues**  
34        **(b) Expenditures**  
35        **(c) Transfers**





- 1        **(d) Surplus or deficit**
- 2        **(e) Financing receipt**
- 3        **(f) Financing disbursement**
- 4        **(g) Net Financing; and**
- 5        **(h) Surplus/Deficit after Budget Financing (SiLPA/SiKPA).**

6                    **15. Accounts, titles, and other sub totals are presented in the**  
7                    **Statement of Budget Realization if they are obligated by this Standard,**  
8                    **or if such presentation is necessary to fairly present the Statement of**  
9                    **Budget Realization.**

10                    16. Illustrated format of the Statement of Budget Realization are  
11                    presented in Attachment IV.A-C of this Standard. The attachment is just an  
12                    illustration and it is not part of the Standard. Its purpose is to show the  
13                    application of the Standard and to assist the users in clarifying the meaning.

## 14                    **INFORMATION                    PRESENTED                    IN                    THE** 15                    **STATEMENT OF BUDGET REALIZATION OR IN** 16                    **THE NOTES TO THE FINANCIAL STATEMENTS**

17                    **17. The reporting entity presents classifications of revenues**  
18                    **according to types of revenues in the Statement of Budget Realization,**  
19                    **and presents further details of types of revenues in the Notes to the**  
20                    **Financial Statements.**

21                    **18. The reporting entity presents classifications of**  
22                    **expenditures according to types of expenditures in the Statement of**  
23                    **Budget Realization. Expenditure classifications according to**  
24                    **organizations are presented in the Statement of Budget Realization or in**  
25                    **the Notes to the Financial Statements. Expenditure classifications**  
26                    **according to the functions are presented in the Notes to the Financial**  
27                    **Statements.**

## 28                    **BUDGETARY ACCOUNTING**

29                    19. Budgetary accounting is a tool of accountability and  
30                    management control which is used to assist the government in managing its  
31                    revenues, expenditures, transfers, and financing.

32                    20. Budgetary accounting is carried out in accordance with the  
33                    budget structure, which consists of revenues, expenditures, and financing  
34                    budgets. Revenue budget includes estimated revenue that is broken down to  
35                    allocations of estimated revenues. Expenditure budget consists of



1 appropriation that is broken down to budget credit authorization (allotment).  
2 Financing budget consists of financing receipt and financing disbursement.

3 21. Budgetary accounting is carried out at the time the budget is  
4 approved and at the time the budget is allocated.

## 5 **ACCOUNTING FOR REVENUES**

6 **22. Revenues are recognized by the time they are received by**  
7 **the Account for Central/Local Government Cash.**

8 **23. Revenues are classified according to types of revenues.**

9 **24. Transfer-in is money received from other reporting**  
10 **entities, for example, receipt of balanced funds from the central**  
11 **government and revenue sharing funds from the local government.**

12 **25. Accounting for Revenues is applied based on gross**  
13 **principle, which records the gross receipt, and does not record the net**  
14 **amount (after it is compensated with expenses).**

15 **26. In the Public Services Body (BLU), revenues are**  
16 **recognized by referring to the prevailing statutory regulations on the**  
17 **Public Services Body (BLU).**

18 **27. Normal and recurring refund of revenues of the current**  
19 **period or of the previous periods are recorded as a deduction to the**  
20 **revenues.**

21 **28. Correction and refund, of non-recurring nature of**  
22 **revenues received in the period the revenues are received, are recorded**  
23 **as a deduction to the revenues in the same period.**

24 **29. Correction and refund, of non-recurring nature of**  
25 **revenues received which take place in the previous period, are recorded**  
26 **as a deduction to the current equity in the period the said correction**  
27 **and refund are found.**

28 30. Accounting for Revenues is prepared to fulfill the need of  
29 accountability in accordance with the regulations and for management control  
30 purpose of the central and local governments.

## 31 **ACCOUNTING FOR EXPENDITURES**

32 **31. Expenditures are recognized at the time of disbursement**  
33 **from the Account for Central/Local Government Cash.**

34 **32. Specifically for disbursements through the disbursing**  
35 **treasurer, the recognition takes place at the time the accountability of**



1 ***the mentioned disbursements is approved by the unit which has a***  
2 ***function of a treasurer.***

3 ***33. In Public Services Body (BLU), expenditures are***  
4 ***recognized by referring to prevailing statutory regulations on the Public***  
5 ***Services Body (BLU).***

6 ***34. Expenditures are classified according to economic***  
7 ***classifications (types of expenditures), organizations, and functions.***

8 35. Economic classification is the grouping of expenditures based  
9 on types of expenditures to conduct an activity. Economic classifications for  
10 central government are employee expenditures, goods expenditures, capital  
11 expenditures, interests, subsidies, grants, social aids, and miscellaneous  
12 expenditures. Economic classifications for local government consist of  
13 employee expenditures, goods expenditures, capital expenditures, interests,  
14 subsidies, grants, social aids, and unexpected expenditures.

15 36. Operating expenditures are budgeted disbursements for daily  
16 activities of central/local government, which provide short-term benefits.  
17 Operating expenditures consist of employee expenditures, goods  
18 expenditures, interests, subsidies, grants, social aids.

19 37. Capital expenditures are budgeted disbursements for  
20 acquisition of fixed assets and other assets, which provide benefits for more  
21 than one accounting period. Capital expenditures consist of capital  
22 expenditures for acquisition of land, building and property, equipments, and  
23 intangible assets.

24 38. Other/unexpected expenditures are budgeted disbursements  
25 for activities of irregular nature and are not expected to recur, such as natural  
26 disasters relief, social disasters relief, and other unexpected expenditures that  
27 are highly necessary in order to implement central/local government authority.

28 39. Examples of classification of expenditures based on economy  
29 (types of expenditures) are as follow:

30 Operating Expenditures:

- |    |                         |     |
|----|-------------------------|-----|
| 31 | - Employee Expenditures | xxx |
| 32 | - Goods Expenditures    | xxx |
| 33 | - Interests             | xxx |
| 34 | - Subsidies             | xxx |
| 35 | - Grants                | xxx |
| 36 | - Social Aids           | xxx |

37

38 Capital Expenditures:

- |    |                             |     |
|----|-----------------------------|-----|
| 39 | - Fixed Assets Expenditures | xxx |
|----|-----------------------------|-----|



- 1 - Other Assets Expenditures xxx  
2 - Other/Unexpected Expenditures xxx

3 **40. Transfer out is disbursement of money from one reporting**  
4 **entity to another, such as disbursement of balanced funds by the**  
5 **central government and revenue sharing funds by the local government.**

6 41. Classification according to organization is classification based  
7 on organization units that utilize the budget. The classifications of  
8 expenditures according to organizations in the central government are for  
9 example expenditures for each line ministry/institution and their respected  
10 organization units. Classification of expenditures according to organization in  
11 the local government is expenditures of the Secretary of the Local House of  
12 Representative (DPRD), Secretary of the province/district/city government,  
13 province/ district/city level governmental unit, and province/district/city  
14 technical agencies.

15 42. Classifications according to functions are classifications based  
16 on primary functions of central/local government in providing services to the  
17 public.

18 43. Examples of classifications of expenditures according to  
19 functions are as follow:

20 Expenditures:

- 21 - Public Services xxx  
22 - Defense xxx  
23 - Order and Safety xxx  
24 - Economy xxx  
25 - Environment Protection xxx  
26 - Housing and Residential xxx  
27 - Health xxx  
28 - Tourism and Culture xxx  
29 - Religion xxx  
30 - Education xxx  
31 - Social Protection xxx

32 **44. Realization of expenditure budget is reported in**  
33 **accordance with the classifications determined in the budget**  
34 **documentation.**

35 **45. Correction on disbursed expenditure (receipt on corrected**  
36 **expenditures) that takes place in the period that the expenditures are**  
37 **made is recorded as expenditure deduction in the same period. If**



1 ***received in the subsequent period, correction on disbursed***  
2 ***expenditures is recorded as other revenues.***

3 46. Accounting for Expenditures is prepared not only to fulfill the  
4 accountability in accordance with the regulations, but it can also be developed  
5 for control purposes for the management which allows measurement of such  
6 expenditure activities.

## 7 **ACCOUNTING FOR SURPLUS/DEFICIT**

8 47. Surplus is the positive difference between revenues and  
9 expenditures during one reporting period.

10 48. Deficit is the negative difference between revenues and  
11 expenditures during one reporting period.

12 ***49. A positive/negative difference between revenues and***  
13 ***expenditures during one reporting period is recorded in the***  
14 ***Surplus/Deficit account.***

## 15 **ACCOUNTING FOR FINANCING**

16 50. Financing covers all government financial transactions, either  
17 receipts or disbursements, which should be paid or should be re-received,  
18 which in the government budget is primarily intended to cover the deficit and  
19 or make use of the budget surplus. Financing receipts can originate from  
20 loans and proceeds of divestment. Meanwhile, financing disbursements are  
21 utilized to pay back loan principals, provide loans to other entities, and  
22 investment placement by the government.

## 23 **ACCOUNTING FOR FINANCING RECEIPTS**

24 51. Financing receipts are all receipts in the Account for  
25 Central/Local Government Cash, for example receipt from loan, sale of  
26 government bonds, proceeds of privatization of Central/Local Government  
27 Business Enterprise (BUMN/BUMD), receipt of repayment of loans provided  
28 to the third parties, sale of other permanent investments, and liquidation of  
29 reserved funds.

30 ***52. Financing receipts are recognized at the time they are***  
31 ***received by the Account for Central/Local Government Cash.***

32 ***53. Accounting for financing receipts is implemented based***  
33 ***on gross principle, which records gross receipts, and does not record***  
34 ***the net amount (after compensation with disbursements).***



1                   54. Receipts from Reserved Fund Liquidation offset the related  
2 Reserved Funds.

### 3                   **ACCOUNTING                   FOR                   FINANCING** 4                   **DISBURSEMENTS**

5                   55. Financing disbursements are all disbursements of the Account  
6 for Central/Local Government Cash, such as the granting of loans to the third  
7 parties, the placement of investment by the government, the payment of loan  
8 principal in a certain budget period, and the establishment of reserved funds.

9                   ***56. Financing disbursements are recognized at the time they***  
10 ***are disbursed from the Account for Central/Local Government Cash.***

11                   57. Establishment of Reserved Funds adds the amount of the  
12 respective Reserved Funds. Proceeds that are received from the operation of  
13 the Reserved Funds in the local government are addition to the Reserved  
14 Funds. Those proceeds are recorded as revenues in the account of Other  
15 Local Original Revenues.

### 16                   **ACCOUNTING FOR NET FINANCING**

17                   58. Net Financing is the difference between financing receipt and  
18 financing disbursement in a certain budget period.

19                   ***59. Positive/negative difference between receipt and***  
20 ***disbursement financing in one period of reporting is recorded in the Net***  
21 ***Financing account.***

### 22                   **ACCOUNTING FOR SURPLUS/DEFICIT AFTER** 23 **BUDGET FINANCING (SILPA/SIKPA)**

24                   60. Surplus/deficit after budget financing is the surplus/deficit  
25 difference between the realization of all receipts and all disbursements in one  
26 reporting period.

27                   ***61. Surplus/deficit balance between realization of all receipts***  
28 ***and all disbursements in one reporting period is recorded in the***  
29 ***SiLPA/SiKPA account.***



1       **FOREIGN CURRENCY TRANSACTIONS**

2                   ***62. Transactions in foreign currencies should be recorded in***  
3       ***Rupiah by converting the amount of the foreign currency with the Bank***  
4       ***Indonesia (BI) mid-rate on the transaction date.***

5       **REVENUES, EXPENDITURES, AND FINANCING**  
6       **TRANSACTIONS IN THE FORM OF GOODS AND**  
7       **SERVICES**

8                   ***63. Revenues, expenditures, and financing transactions in the***  
9       ***form of goods and services should be reported in the Statement of***  
10       ***Budget Realization by estimating the values of the goods and services***  
11       ***at the date of transaction. Besides, these kinds of transactions should***  
12       ***also be properly disclosed in the Notes to the Financial Statements, so***  
13       ***they will provide all relevant information concerning the forms of***  
14       ***revenues, expenditures, and financing. Examples of transactions in the***  
15       ***form of goods and services are grants in the form of goods, confiscated***  
16       ***goods, and consulting services.***

17       **EFFECTIVE DATE**

18                   ***64. This Government Accounting Standard becomes effective***  
19       ***for the financial statements covering periods beginning with budget***  
20       ***year of 2005.***

THE PRESIDENT OF THE REPUBLIC OF INDONESIA  
(Signed)

**Dr. H. SUSILO BAMBANG YUDHOYONO**

The similar copy to the original

THE STATE SECRETARIAT OF THE RI

Head of Administration Bureau,

(Signed)

**Sugiri, S.H.**