



TECHNICAL BULLETIN OF GOVERNMENT ACCOUNTING STANDARDS

TECHNICAL BULLETIN 01 PREPARATION OF CENTRAL GOVERNMENT OPENING BALANCE SHEET

**THE GOVERNMENT ACCOUNTING STANDARDS
COMMITTEE (KSAP)**



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GOVERNMENT ACCOUNTING
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PREPARATION OF CENTRAL GOVERNMENT
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*Technical Bulletin on Preparation of Local Government
Opening Balance Sheet*

**The Government Accounting Standards Committee
(KSAP)**

In accordance with article 3 of Government Regulation No. 24 of 2005 on the Government Accounting Standards, which provides:

1. That the Statement of Government Accounting Standards (PSAP) shall be complemented by Technical Bulletins that form an integral and inseparable part of the Government Accounting Standards;
2. That the said Technical Bulletins shall be prepared and issued by the KSAP.

the KSAP hereby issues Technical Bulletin No. 02 of 2005 on the preparation of a Local Government Opening Balance Sheet to serve as a guide for Local Government agencies in preparing Opening Balance Sheets in accordance with the Government Accounting Standards.

Jakarta, 27 September 2005
The Government Accounting Standards Committee

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CHAPTER I INTRODUCTION

A. Reform of Local Government Financial Management

The Government of Indonesia has embarked on a process of reforming governmental financial management at both the central and local levels with the enactment of a package of laws governing the state financial management system, namely, the State Finances Act 2003 (Act No. 17 of 2003), the State Treasury Act 2004 (Act No. 1 of 2004) and the State Financial Management and Accountability Audit Act 2004 (No. 15 of 2004).

Prior to the enactment of this legislative packages, the Central Government had already taken steps to develop the local government financial management system through the enactment of the Local Government Act 1999 (No. 22 of 1999) and the Central-Local Government Revenue Sharing Act 1999 (No. 25 of 1999), and the issuance of Government Regulation No. 105 of 2000 on fundamental provisions concerning management and accountability for local government finances. However, these earlier provisions encountered various problems at the practical implementation level, including a lack of guidelines/manuals on how they were to be put into effect.

In consequence of these problems, the Minister of Finance established the Central-Local Government Revenue Sharing Evaluation and Acceleration Committee under Decree No. 355/KMK.07/2001. The said committee then established the Local Government Finances Information and Financing Evaluation Working Group, which designed a Local Government Financial Accounting System to serve as a prototype for the local-government accounting system. In addition, the Minister of Home Affairs attempted to fill the vacuum regarding implementing regulations through the issuance of Minister of Home Affairs Decree No. 29 of 2002 on guidelines for the administration, accountability, and supervision of Local Government finances, and procedures for the preparation of local government budgets and local government financial management.

Following the enactment of the aforesaid legislative package governing the financial management field, Local Governments now have a solid legal basis for reforming their financial management systems. This package was followed in 2004 by the enactment Local Government Act No. 32 of 2004 and the Central-Local Government Fiscal Balance Act No. 33 of 2004, which superseded Acts No. 22 of 1999 and No. 25 of 1999.

Under the said legislation, local governments are required to account for their financial management by preparing Financial Statements in the form of a Budget Execution Report, Balance Sheet, Cash Flow Statement, and Notes to the Financial Statements, all of which must comply with the Government Accounting Standards.

For the purpose of facilitating the implementation of the Government Accounting Standards, the Government Accounting Standards Committee (KSAP) considers it necessary to provide guidelines so as to help overcome the various accounting difficulties that are likely to be encountered by accounting and reporting entities during the preparation of an Opening Balance Sheet.

Accordingly, this Technical Bulletin sets out guidelines for accounting entities and reporting entities in resolving the accounting difficulties that may arise during the preparation of the Opening Balance Sheet. It has been written having regard to, and in compliance with, the scope of the Conceptual Framework and the Statement of Government Accounting Standards, and has been designed systematically based on the Balance Sheet accounts, namely, Current Assets, Long-Term Investments, Fixed Assets, Other Assets, Liabilities and Fund Equity. An explanation is

given for each account, consisting of a definition, classification, brief description (including recognition, measurement and disclosure), and a discussion of specific issues related to each component and how these may be resolved. A description is provided as to how the opening balance for each account is to be determined. A sample journal entry is also provided so that the opening Ledger balance for each account can be identified. In the final part of this Bulletin, the reader will find a sample Opening Balance Sheet.

B. The Balance Sheet

The Balance Sheet is the component of the Financial Statements that describes the financial position of the reporting entity at a particular point of time. By "financial position" is meant the entity's position with regard to Assets, Liabilities and Fund Equity.

For the purposes of this Technical Bulletin, an asset may be defined as a resource that is capable of providing economic and/or social benefit, and which is owned and/or controlled by a local government. Meanwhile, a Liability is defined as a debt that must be settled by the Local

Government in the future, and, finally, Fund Equity is defined as net local government assets, representing the difference between assets and liabilities.

The presentation of Assets, Liabilities and Fund Equity in a Local Government's balance sheet covers all items acquired since the establishment of the local government. The recording of Assets and Liabilities to date has been based on the single-entry bookkeeping system so that it has not been possible to produce a Balance Sheet directly. In addition, the recording of assets has historically been conducted in a fragmented and non-integrated manner, with a large number of different sub-systems being involved. Thus, the information produced suffers from a lack of reliability. Consequently, for the purposes of producing a Balance Sheet for the first time, Local Governments will need to adopt appropriate approaches and conducted inventories of their Assets and Liabilities.

The reliability of the information on Assets, Liabilities and Equity in the Opening Balance Sheet is extremely important to the building of a reliable Local Government accounting system as the amounts presented in the Opening Balance Sheet will represent the opening balances and will be carried forward into the subsequent accounting period.

CHAPTER II: THE BALANCE SHEET

A. Definition

The Balance Sheet is that component of the Financial Statements that describes the financial position of the reporting entity at a particular point of time. By "financial position" is meant the entity's position as regards Assets, Liabilities and Fund Equity.

An asset may be defined as a resource that is capable of providing economic and/or social benefit, which is owned and/or controlled by government, and which is capable of being measured in monetary terms. Non-financial resources that are required to provide services to the public and resources that are maintained for historical or cultural reasons also come within the definition of asset. Examples of assets include Cash, Accounts Receivable, Inventory, and Buildings and Properties.

A Liability is defined as a debt that arises from an event in the past that resulted in the outlay of government economic resources. Liabilities include debts arising from loans and financing, and other forms of debts that must be repaid. Examples of Liabilities include debts to the Central Government, debts to other governmental entities,

and debts to financial institutions, and third-party liabilities withheld.

Meanwhile, Fund Equity is defined as net government wealth, representing the difference between government assets and liabilities. Examples of Fund Equity include the Surplus after Budget Financing and Investment Fund Equity.

A. Accounting Equation

The Balance Sheet reflects the generally accepted accounting equation, namely:

$$\text{Assets} = \text{Liabilities} + \text{Equity}$$

Government equity is referred to as Fund Equity. Government Fund Equity differs from equity in the commercial sector, which reflects the origin of the resources owned by the company, whereas government Fund Equity represents the difference between assets and liabilities. As a result, the accounting equation becomes:

$$\text{Assets} - \text{Liabilities} = \text{Fund Equity}$$

The accounts in the Balance Sheet are developed on a double-entry basis, with each account having a contra account. Thus, the Asset and Liability accounts correspond to the accounts in Fund Equity. For example, Cash

corresponds to Surplus after Budget Financing, Inventory to Inventory Provision, Accounts Receivable to Receivables Provision, and Long-Term Investments to Long-Term Investment Disposals, Fixed Assets to Fixed Asset Disposals, and Short-Term Liabilities to Short-Term Provisions.

B. Balance Sheet Structure

The Balance Sheet presents the Asset, Liability and Fund Equity positions. Assets are differentiated into Current Assets and Non-Current Assets. Current Assets consist of cash and other assets that can be converted into cash or which are expected to be fully exhausted in the 12 months ahead, while Non-Current Assets consist of Long-Term Investments, Fixed Assets and Other Assets.

Liabilities are differentiated into Short-Term Liabilities and Long-Term Liabilities. Short-Term Liabilities consist of liabilities that will become due for payment or mature within 12 months or less from the reporting date, while Long-Term Liabilities are those that will become due for payment or mature not less than 12 months after the reporting date.

Meanwhile, Fund Equity is differentiated into Current Fund Equity, Investment Fund Equity, and Reserved Fund Equity.

Local Government XX's Balance Sheet

Per 31 December 200X

Assts		Liabilities	
Current Assets	XXX	Short-Term Liabilities	XXX
Long-Term Investments	XXX	Long-Term Liabilities	XXX
Fixed Assets	XXX	Total Liabilities	XXX
Reserve Funds	XXX		
Other Assets	XXX	Fund Equity	
		Current Fund Equity	XXX
		Investment Fund Equity	XXX
		Reserved Fund Equity	XXX
		Total Fund Equity	XXX
		Total Liabilities and	
Total Assets	XXX	Fund Equity	XXX

Source: PSAP 01 on Presentation of Financial Statements

CHAPTER III: PREPARATION OF OPENING BALANCE SHEET

An Opening Balance Sheet is a Balance Sheet that is prepared for the first time by Government, and presents the value of Assets, Liabilities and Fund Equity as per the date on which it was prepared.

The recording system that has been used to date in Indonesia has not enable the entity to produce a Balance Sheet so that it is now necessary to determine the amounts that will be presented in the Balance Sheet. This involves the identification of Balance Sheet amounts through the conducting of physical inventories, and the use of records, reports and other documentary resources.

Accounting policies need to be framed for the preparation of the Opening Balance Sheet. These accounting policies will set out the rules to be employed in preparing an Opening Balance Sheet, such as definition, measurement and other important matters that need to be disclosed in the Balance Sheet. Should the Opening Balance Sheet fail to fulfill all of the requirements set out in the PSAP, then the necessary adjustments may be made at some time in the future.

The preparation and presentation of the Financial Statements must be in accordance with the Government Accounting Standards, as required by article 32(1) of Act no. 17 of 2003. However, the putting in place of this requirement was not immediately followed by the issuance of a Government Regulation on the Government Accounting Standards. This has given rise to various problems regarding the preparation of the Balance Sheet. In responding to these, different local governments have tended to focus on different references in preparing their Opening Balance Sheets. As a consequence, local government Balance Sheets exhibit great variety and are frequently not in accordance with the Government Accounting Standards.

Among the references that have been employed by local governments in preparing their Opening Balance Sheets are commercial financial accounting standards, the draft Government Accounting Standards, Minister of Home Affairs Decree No. 29 of 2002 on administrative guidelines for management, accountability and supervision of local government finances and the preparation of local government budgets, and the International Public Sector Accounting Standards.

Besides the wide variety of references employed by local governments, another problem has been the lack of trained accounting staff in local governments. While many local governments work with consultants and other third parties in preparing their accounts, many of these third parties do not properly understand governmental accounting, and, as a result, interpretations of the regulations vary widely. Consequently, one regulation or manual may be subject to a wide variety of interpretations.

Given the generally unreliable situation as regards the recording of Assets and Liabilities from the perspectives of accuracy, comprehensiveness, location and valuation, in preparing its Opening Balance Sheet a local government will need to take a number of structured, gradual, clear, easily understood and practical steps, including:

1. Determining the scope of the work;
2. Designing the necessary standard forms and instructions on how they should be completed;
3. Providing clear explanations to the team charged with drawing up the Opening Balance Sheet;
4. Collecting data and conducting inventories of Assets and Liabilities;

5. Processing data and classifying Assets and Liabilities based on the Government Accounting Standards;
6. Measuring the value of Assets and Liabilities
7. Presenting the Asset, Liabilities and Equity accounts, and the amounts thereof, in accordance with the Balance Sheet format.

The above steps can be arranged based on the scheme set out in this Technical Bulletin, which covers the Balance Sheet accounts, their scope, the collection of data and source documents, recording, valuation, presentation and disclosure. Consequently, it is expected that a local government that does not have an Opening Balance Sheet can avail of this Technical Bulletin as a guide, while Local Governments that already have Opening Balance Sheets that were prepared prior to the issuance of the Government Regulation on the Government Accounting Standards can make the necessary corrections based on the references set out herein, which are intended to help Local Governments ensure that their Balance Sheets are in compliance with the Government Accounting Standards.

CHAPTER IV: CURRENT ASSETS

Assets are economic resources controlled and/or owned by the government as a result of past events and from which economic and/or social benefits in the future are expected to be obtained, either by the government or by the public, and can be measured in monetary units, including the non-financial resources which are needed to provide services to the public and resources that are maintained for historical and cultural reasons.

An asset is classified as a Current Asset if:

- It is expected to be realized, consumed or held for sale within 12 (twelve) months after the reporting date; or
- It takes the form of cash or cash equivalents.

Current Assets, as defined above, include:

1. Cash and Cash Equivalents;
2. Short-Term Investments;
3. Accounts Receivable; and
4. Inventory

A. Cash and Cash Equivalents

Cash comprises cash-on-hand and demand deposits that can be called upon at any time to finance government operations. Every governmental entity is obliged to present its cash balance at the time when it is required to prepare its Opening Balance Sheet. Cash includes banknotes and coins, as well as Advanced Cash to be Accounted For and Petty Cash that has yet to be accounted for as per the date of the Opening Balance Sheet. Bank deposits that may be classified as cash consist of those that may at any time be withdrawn on demand or used for the making of payments. The definition of cash also extends to cash equivalents consisting of highly liquid Short-Term Investments that are free from the risk of significant fluctuations and which can easily be converted into cash, such as those that mature within three months or less.

Local Government cash covers cash-on-hand, cash that is controlled and under the responsibility of the Local Government General Treasurer, and cash that is controlled and under the responsibility of parties other than the Local Government General Treasurer.

Local government cash that is controlled and under the responsibility of the General Treasurer consists of:

1. Local Government account cash balances, that is, cash balances in bank accounts designated by the governor, district head or mayor for accommodating revenues and expenditures;
2. Cash equivalents, including Central Government bonds and deposits with maturities of less than 3 months, that are managed by the Local Government General Treasurer;
3. Cash in the Local Government General Treasury.

In determining the opening balances of its accounts, the local government should ask the relevant banks to forward the statements of account as per the date of the Balance Sheet. The value of cash equivalents is determined based on the nominal value of the deposits or Treasury Bills. According to Act No. 1 of 2004, a Local Government may only invest its funds in Central Government Treasury Bills. However, in practice it may be the case that a Local Government has parked its surplus funds in time deposits. Thus, a Local Government's opening cash balance will also include time deposits with maturities of less than three

months. The details of the cash in the Local Government Treasury are described in the Notes to the Financial Statements.

Cash is recorded at nominal value, meaning that it is presented based on its rupiah value. Should cash be in the form of foreign currency, it will be converted into rupiah at the median central bank rate on the date of the Balance Sheet.

However, the Local Government's cash balance may not all be the entitlement of the local government itself, such as in the case of unpaid claims owned by third parties resulting from deductions made by the local government. Such claims are classified as Third Party Liabilities Withheld.

The journal entry for a local government's Opening Cash balance will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Cash in the Local Government Treasury	XXX	
XXXX	Third Party Liabilities Withheld		XXX
XXXX	Surplus after Budget Financing		XXX

Note: Surplus after Budget Financing is included in the Current Fund Equity Account.

Example:

The physical inventory and reconciliation of the Local Government's current account balances produced a figure of Rp 5,000,000,000. Of this amount, deductions had been made amounting to Rp 1,000,000 in respect of article 21 income tax, Rp 500,000 in premiums for the Askes health security scheme, and Rp 100,000 for contributions to the Taperum housing savings scheme. These deductions had yet to be paid over to the relevant third parties. Accordingly, the total deductions of Rp 1,600,000 were presented in the Balance Sheet as Third Party Liabilities Withheld in the Short-Term Liabilities account. The remaining Rp 4,998,400,000 was classified as Surplus after Budget Financing.

In this case, the journal entry will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Cash at the Local Government Treasury	5,000,000,000	
XXXX	Third Party Liabilities		1,600,000

	Withheld		
XXXX	Surplus after Budget Financing		4,998,400,000

A more detailed explanation of Third Party Liabilities Withheld is presented in Chapter XI (Liabilities).

Local Government cash controlled by parties other than the Local Government General Treasurer consists of:

1. Cash at Disbursing Treasurers/Cash Holders
2. Cash at Receiving Treasurers

Cash at Disbursing Treasurers/Cash Holders represents advanced cash that is controlled, managed and under the responsibility of Disbursing Treasurers/Cash Holders and which must be accounted for, or petty cash that has yet to be accounted for and repaid into the Local Government Treasury as per the date of the Balance Sheet. Cash at Disbursing Treasurers/Cash Holders covers all balances in a Disbursing Treasurer/Cash Holder's accounts, banknotes, coins and other forms of cash. The Cash at Disbursing Treasurers/Cash Holders Account must accurately reflect the true cash position as per the date of the Balance Sheet. Should there be cash in the form of foreign currency, this

will be converted into rupiah at the median central bank rate on the date of the Balance Sheet.

In order to obtain the cash balance at Disbursing Treasurers/Cash Holders, the following steps need to be taken:

1. A physical inventory to determine the cash balance as per the date of the Balance Sheet in respect of all paper money and coins controlled by all Disbursing Treasurers/Cash Holders and which originates from advanced cash to be accounted for and petty cash.
2. The collection of data on the current accounts of all Disbursing Treasurers/Cash Holders as per the date of the Balance Sheet so as to identify the balance of all local government funds for which Disbursement Treasurers and Cash Holders are responsible and which originate from advanced cash to be accounted for/petty cash.
3. A reconciliation of the records kept by the Disbursing Treasurers and Cash Holders so as to identify the actual amounts of advance payment balances.

The journal entry for Opening Cash Balances at Disbursing Treasurers/Cash Holders will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Cash at Disbursing Treasurers/Cash Holders	XXX	
XXXX	Surplus after Budget Financing		XXX

Note: Surplus after Budget Financing is included in the Current Equity Account.

Cash at Receiving Treasurers consists of cash, whether cash-in-bank or cash-on-hand, that is under the control and responsibility of a Receiving Treasurer and which originates from the operation of government. This cash balance reflects cash collected from fees and levies that has been received by the Receiving Treasurer but has yet to be paid into the Local Government Treasury. The Cash at Receiving Treasurers Account in the Balance Sheet must reflect the correct cash position as per the date of the Balance Sheet.

Cash at Receiving Treasurers is presented in rupiah terms. Should there be cash in the form of foreign currency, it will be converted into rupiah at the median central bank rate on the date of the Balance Sheet.

While Cash at Receiving Treasurers should be paid into the Local Government Treasury within not more than 24 hours, there is always the possibility that this might not happen.

The cash balance at a Receiving Treasurer is obtained from the Receiving Treasurer's Cash Position Report.

The journal entry to record the opening cash balance at a Receiving Treasurer will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Cash at Receiving Treasurer	XXX	
XXXX	Deferred Revenues		XXX

Note: Deferred Revenues is included in the Current Fund Equity Account.

B. Short-Term Investments

Government investments that can be easily converted into cash are referred to as Short-Term Investments. The Short-Term Investment Account covers, among other things, time deposits with maturities of between 3 (three) and 12 (twelve) months, and readily tradable securities. Short-Term Investments are recognized at the time when ownership arises, that is, at the time when proof of the investment is received, and are recorded based on their acquisition

value, that is, the value stated on the investment certificate or other evidence of the investment. Information on these matters can be obtained from those responsible for managing Short-Term Investments.

The opening balance journal entry for Short-Term Investments will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Short-Term Investments	XXX	
XXXX	Surplus after Budget Financing		XXX

Note: Surplus after Budget Financing is included in Current Fund Equity.

For a more detailed description of Short-Term Investments, see Chapter V on Investments.

C. Accounts Receivable

Accounts Receivable refers to the government's claims to payments from other entities, including taxpayers and those required to pay for government services. Receivables are classified into Current Receivables from Installment Sales, Current Loans to Central/Local Government Business Enterprises, Current Treasury/Indemnity Claims, Taxes

Receivable, Fees Receivable, Fines Receivable and Other Receivables.

C.1. Current Receivables from Installment Sales

Local Governments frequently sell fixed assets that they directly manage, such as selling vehicles by auction or the selling of official residences. Normally, such sales are made to employees on an installment basis. Sales of such assets, normally on a 12-month installment basis, are covered by the Current Receivables from Installment Sales account, which represents a reclassification of long-term claims as Short-Term Receivables. This reclassification is necessary as there will be long-term installments falling due in the year subsequent to the date of the Opening Balance Sheet, and it serves to reduce the size of Receivables from Installment Sales. All installments that become due and owing over the course of one year or less are recognized as Current Receivables from Installment Sales, and are recorded at nominal value, that is, the value of the installments that are payable over the course of one year.

In order to obtain the Current Receivables from Installment Sales balance, the value of Receivables from Installment

Sales that will be payable over the course of the coming year needs to be determined when preparing the Balance Sheet. This data can usually be obtained from the Local Government's Finance Bureau or Equipment Section.

The opening balance journal entry for Current Receivables from Installment Sales will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Current Receivables from Installment Sales	XXX	
XXXX	Receivables Provision		XXX

Note: Receivables Provision is included in Current Fund Equity.

C.2. Current Loans to Central/Local Government Business Enterprises

Receivables that originate from loans extended by government to Central/Local Government Business Enterprises are grouped under investments in the Loans to Central/Local Government Business Enterprises account. Such loans are in general repayable over a period of more than one year.

Current Loans to Central/Local Government Business Enterprises represents a reclassification of Debts owed by

Central/Local Government Business Enterprises that are due to mature over the course of the coming year. This reclassification serves to reduce the value of Debts owed by Central/Local Government Business Enterprises. Current Loans to Central/Local Government Business Enterprises are recorded based on their nominal value, that is, the rupiah amount that is due to mature in the coming year.

In determining the balance of Current Loans to Central/Local Government Business Enterprises, the value of the loans that are due to mature in the coming year needs to be determined when preparing the Opening Balance Sheet. This information will normally be obtainable from the Local Government's Finance Bureau.

The opening balance journal entry for Current Loans to Central/Local Government Business Enterprises will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Current Loans to Central/Local Government Business Enterprises	XXX	
XXXX	Receivables Provision		XXX

C.3. Current Treasury/Indemnity Claims

Treasurers, other civil servants and third parties who inflict financial losses on the state/local government due to negligence or malfeasance are required to indemnify the state/local government in respect of such losses. The obligation to make restitution in the case of Treasurers is referred to as a Treasury Claim, while in the case of other persons such obligation is referred to as an Indemnity Claim. Such Treasury/Indemnity Claims must normally be settled within not more than 24 (twenty-four) months and so are treated in the Balance Sheet as Other Assets.

Current Treasury/Indemnity Claims represents a reclassification as Current Assets of Long-Term Treasury/Indemnity Claims that are due to be settled within the coming year. This reclassification is undertaken for the sole purpose of preparing the Balance Sheet as the settlement of Treasury/Indemnity Claims will reduce the size of the Treasury/Indemnity Claims account. Current Treasury/Indemnity Claims are presented based on their nominal value, that is, the rupiah value of the compensation payments that will be received over the coming year.

In determining the opening balance for Current Treasury/Indemnity Claims, it will be necessary to calculate the value of those claims which are due to be settled within the coming year.

The opening balance journal entry for Current Treasury/Indemnity Claims will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Current Treasury/Indemnity Claims	XXX	
XXXX	Receivables Provision		XXX

Note: Receivables Provision is included in Current Fund Equity.

C.4. Taxes Receivable

Taxes Receivable are recorded based on Tax Assessments (SKP) that have not been paid as of the date of the Balance Sheet. Taxes Receivable are recorded based on the nominal value of all outstanding Tax Assessments as per the date of the Balance Sheet.

Information on the Taxes Receivable balance can normally be obtained from the Revenue Agency or the agency responsible for issuing tax demands.

The opening balance journal entry for Taxes Receivable will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Taxes Receivable	XXX	
XXXX	Receivables Provision		XXX

Note: Receivables Provision is included in Current Fund Equity.

C.5. Other Receivables

The Other Receivables account is used to record transactions involving receivables that are not covered by Current Receivables from Installment Sales, Current Loans to Central/Local Government Business Enterprises, Current Treasury/Indemnity Claims, and Taxes Receivable.

Other Receivables are recorded based on the nominal rupiah value of all outstanding claims.

Information on the Other Receivables balance should be collected from all of the relevant local government line units.

The opening balance journal entry for Other Receivables will appear as follows:

Account Code	Description	Debit	Credit
--------------	-------------	-------	--------

XXXX	Other Receivables	XXX	
XXXX	Receivables Provision		XXX

Note: Receivables Provision is included in Current Fund Equity.

D. Inventory

Inventory consists of Current Assets in the form of goods and supplies that are intended to be used in support of government operations, and goods that are stored for sales or to be delivered to the public in the course of rendering governmental activities over a period of 12 months from the reporting date. Inventory is recorded based on acquisition value if the goods or supplies in question have been acquired by way of purchase, standard costs if acquired through self-production, or fair value if obtained in other ways, such as donation or seizure.

The acquisition cost of Inventory includes the purchase price, transportation costs, handling costs and other costs that can be directly charged to the acquisition of inventory. The most recent purchase price is that which is employed.

The opening balance journal entry for Inventory will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Inventory	XXX	
XXXX	Inventory Provision		XXX

Note: Inventory Provision is included in Current Fund Equity.

Examples:

- On 31 December 2003, XYZ Local Government conducted a physical inventory on its stationary supplies, and found that it had 100 reams of paper. This consisted of:
 - o 70 reams that were purchased on 1 June 2003 at a price of Rp 25,000 per ream.
 - o 30 reams purchased on 1 December 2003 at a price of Rp 30,000 per ream.

The value of the said Inventory will be recorded in the Balance Sheet at Rp 3,000,000.00 [100 x Rp 30,000.00 (the most recent purchase price)].

In this case, the journal entry to record the Inventory will be as follows:

Account Code	Description	Debit	Credit
XXXX	Inventory	3,000,000	
XXXX	Inventory Provision		3,000,000

- On 31 December 2004, a Local Government purchased 3,000 books @ Rp 1,500.00 to be distributed to the public, and 2,000 books to be given to libraries. In the case of the 3,000 books, these will be presented in the Balance Sheet as Inventory, while the other 2,000 books will be presented as Other Fixed Assets.

In this case, the journal entry for inventory will be as follows:

Account Code	Description	Debit	Credit
XXXX	Inventory	4,500,000	
XXXX	Inventory Provision		4,500,000

While the journal entry for other fixed assets will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Other fixed assets	3,000,000	
XXXX	Disposals of other fixed assets		3,000,000

CHAPTER V: INVESTMENTS

Investments may be defined as assets that are intended to produce economic benefits, such as interest, dividends and royalties, or social benefits, so as to strengthen the capacity of Government in providing services to the public. Government investments are differentiated into two types, namely, Long-Term Investments, and Short-Term Investments. Short-Term Investments are classified as Current Assets, while Long-Term Investments are classified as Non-Current Assets.

At the local government level, the management of all investments is the responsibility of the Local Government's financial management unit.

A. Short-Term Investments

Short-Term Investments are investments that can be readily converted into cash and which have maturities of 12 (twelve) months or less. Government Short-Term Investments must display the following characteristics:

1. Are readily tradable/convertible into cash;
2. Are intended in the context of cash management; and

3. Are low risk in nature.

Investments that may be categorized as short term include the following:

1. Time deposits of between 3 (three) and 12 (twelve) months;
2. Short-term securities issued by the Central Government/Local Governments; and
3. Other Short-Term Investments.

A.1. Short-Term Time Deposits

A Short-Term Time Deposit is one that can only be redeemed at the date of maturity. In this context, by Time Deposit we mean one that has a maturity of between 3 (three) and 12 (twelve) months.

An investment in the form of a Short-Term Time Deposit is recorded at the nominal value of the deposit.

In the case of Local Government, Short-Term Investments are managed by the Local Government Secretariat, or other designated line units. The supporting documents that provide the basis for the recording of deposits include the relevant deposit certificates.

As part of the management of local government cash, it is necessary to differentiate between Time Deposits with maturities of less than 3 months and those of more than 3 months but less than 12 months. In the case of deposits with maturities of less than 3 months, they are entered in the Cash and Cash Equivalents account, while those of more than 3 months but less than 12 months are entered in the Short-Term Investments account.

The opening balance journal entry for Short-Term Investments-Deposits will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Short-Term Investments-Deposits		XXX
XXXX	Surplus Budget Balance		XXX

Note: Surplus Budget Balance is included in Current Fund Equity.

A.2. Short-Term Bonds

By investments in Short-Term Bonds, we are referring to investments by Local Governments in bonds and other securities issued by the Central Government that have maturities of less than twelve months.

Such investments are recorded at acquisition value.

In the case of the Local Governments, management of Short-Term Investments is the responsibility of the Local Government Secretariat or designated line units. The supporting documents that provide the basis for the recording of such investments consist of the security certificates.

The opening balance journal entry for Short-Term Investments-Bonds will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Short-Term Investments-Bonds	XXX	
XXXX	Surplus Budget Balance		XXX

Note: Surplus Budget Balance is included in Current Fund Equity.

A.3. Other Short-Term Investments

Other Short-Term Investments consist of investments with maturities of 12 months or less other than deposits and securities. Such Other Short-Term Investments are recorded at acquisition value.

In the case of Local Governments, the management of Other Short-Term Investments is the responsibility of the Local Government Secretariat or designated line units. The

supporting documents that provide the basis for the recording of such investments consist of Payment Orders (Indonesian acronym: SPM).

The opening balance journal entry for Other Short-Term Investments will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Other Short-Term Investments	XXX	
XXXX	Surplus Budget Balance		XXX

Note: Surplus Budget Balance is included in Current Fund Equity.

B. Long-Term Investments

Long-Term Investments are investments that will be held for more than 12 months. Such investments are classified based on whether they are non-permanent or permanent.

B.1. Non-Permanent Investments

Non-Permanent Investments are Long-Term Investments that are intended to be held on a non-permanent basis. Such investments are expected to end at a certain time, such as in the case of Investments in Revolving Funds, Investments in Securities and Capital Investments in Development Projects.

B.1.1. Revolving Funds

A Revolving Fund consists of funds that are lent to a community group, small or medium enterprise units and local government business enterprises for a specific purpose, with repayments to the fund being used anew for the same purpose.

The value of a Local Government's investment in a Revolving Fund is recorded based on net realizable value, that is, the value of the cash held by the management unit, plus the value of the loans that are expected to be recovered.

Data on a Revolving Fund can be obtained from the line unit responsible for its management. In the case of Local Governments, such Line Units include the Local Government Cooperatives and SME Agency.

The opening balance journal entry for Revolving Funds will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Revolving Funds	XXX	
XXXX	Long-Term Investment Disposals		XXX

Note: Long-Term Investment Disposals is included in Investment Fund Equity.

B.1.2. Investments in Securities

Local Government investments in securities consist of the purchase of securities that are expected to be held for more than twelve months, such as when a local government purchases bonds issued by the Central Government. In such case, the Local Government in question is investing in the Central Government to the extent of the nominal value of the bonds that have been purchased.

The opening balance journal entry for Investments in Securities will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Investments in Securities		XXX
XXXX	Long-Term Investment Disposals		XXX

Note: Long-Term Investment Disposals is included in Investment Fund Equity.

B.1.3. Capital Investment in Development Projects

Capital Investment in Development Projects refers to the cumulative funding that has been invested in development projects in respect of which all or part of the ownership is expected to be transferred to third parties after the

project has reached a certain stage. An example of such a project is the Community Plantation Scheme.

Capital investment in development projects is recorded based on acquisition value, plus additional costs associated with the securing of legal title to the investment. Acquisition values denominated in foreign currency must be converted into rupiah based on the Central Bank's median rate on the date of the transaction.

Data on such investments may be obtained from the line units responsible for managing them.

The opening balance journal entry for Capital Investment in Development Projects will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Capital Investment in Development Projects		XXX
XXXX	Long-Term Investment Disposals		XXX

B.2. Permanent Investments

Permanent Investments are Long-Term Investments that are intended to be maintained on a long-term basis. Permanent Investments consist of:

1. Equity participation by Local Governments in central/local government business enterprises, state financial institutions, and other legal entities.
2. Other Permanent Investments, namely, Permanent Investments that are not covered by paragraph 1 above.

B.2.1. Local Government Equity Participation

For the purpose of improving public services, a Local Government may establish enterprises to manage particular assets on a separate basis. When establishing such enterprises, the local government pays in a certain amount of capital, and this is recorded in the deed of incorporation of the enterprise. The Local Government Equity Participation account reflects the total amount of such capital that has been paid into Central/Local Government Business Enterprises. An enterprise may be classified as a Local Government Business Enterprise if the Local Government holds a majority or more than 51% of the shares in the enterprise. However, in a situation where the Local Government holds only a small stake in the enterprise but retains the right to exercise control over the company, such capital participation is not included in this category.

Local Government Equity Participation is recorded based on acquisition value if the Local Government's ownership is less than 20 percent and it does not have significant control. If the Local Government's stake is less than 20 percent but it does have significant control, or the Local Government's stake is more than 20 percent, then Local Government Equity Participation is recorded proportionately to the value of its equity stake as recorded in the Financial Statements of the company/institution concerned.

Data on Local Government Equity Participation may be obtained from local government ordinances, the deeds of incorporation, and amendments thereto, of enterprises, and documents evidencing the equity investments made by the Local Government. For recording using the equity method, the value of the Local Government's equity participation is calculated based on the equity set out in the Financial Statements of the enterprise concerned, multiplied by the percentage of ownership. Information on Local Government equity participation may also be obtained from the line units responsible for managing such investments.

The opening balance journal entry for Local Government Equity Participation will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Local Government Equity Participation		XXX
XXXX	Long-Term Investment Disposals		XXX

Note: Long-Term Investment Disposals is included in Investment Fund Equity.

Among the matters that must be disclosed in the Financial Statements in connection with Local Government equity participation are the value and the nature of each investment, and the accounting policies that are applied in respect thereof.

Example:

- Based on the deed of incorporation of Local Government Enterprise A, the Local Government owns 60 percent of its share capital. The Financial Statements of the enterprise reveal that it has total equity of Rp 500,000,000, and retained earnings of Rp 100,000,000, as per the date of the Balance Sheet. Consequently, the value of the government's equity participation, based on the equity method, will be $60\% \times (\text{Rp } 500,000,000 + \text{Rp } 100,000,000) = \text{Rp } 360,000,000$. This is recorded as follows:

Account Code	Description	Debit	Credit
XXXX	Local Government Equity Participation	360,000,000	
XXXX	Long-Term Investment Disposals		360,000,000

B.2.2. Other Permanent Investments

Other Permanent Investments consist of those investments that cannot be included in the Government Equity Participation category. These investments are recorded based on acquisition value, plus other relevant costs.

Information on Other Permanent Investments can be obtained from the Local Government Line Units responsible for managing such investments.

The opening balance journal entry for Other Permanent Investments will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Other Permanent Investments		XXX
XXXX	Long-Term Investment Disposals		XXX

Note: Long-Term Investment Disposals is included in Investment Fund Equity.

CHAPTER VI: FIXED ASSETS

Fixed Assets are defined as tangible assets that have a useful life of more than 12 months and which are used for the purpose of government operations or for the benefit of the public.

Fixed Assets consist of:

1. Land;
2. Equipment and Machinery;
3. Buildings and Properties;
4. Road, Irrigation and Transmission Networks;
5. Other Fixed Assets; and
6. Construction in Progress.

A. Land

Land that may be included in the Fixed Assets category consists of that which is owned or has been acquired for the purpose of being used in government operations and which is in ready-to-use condition, such as land on which buildings and properties, and road, irrigation and transaction networks are constructed.

For the purpose of preparing the Opening Balance Sheet of an entity, land will be valued based on its fair value as per the date of the Opening Balance Sheet. By "fair value" is meant the acquisition price of the land if purchased within one year or less of the date of the Opening Balance Sheet.

Should land be acquired more than one year prior to the date of the Opening Balance Sheet, then its fair value will be determined based on the average transaction price for similar land in similar areas involving independent parties around the date of the Balance Sheet. Should few land purchase transactions have taken place around the date of the Balance Sheet, then the price fetched during one land sale transaction involving independent parties may be taken as representative of the market price.

Should it prove impossible to ascertain the fair value of the land, the entity may use the most recent taxable value of the land (Indonesian acronym: NJOP). Should there be good grounds for not employing taxable value, then the value of the land may be assessed by a competent appraisal firm or appraisal team.

In determining fair value, consideration also needs to be given to questions of cost and benefit.

The Notes to the Financial Statements need to disclose the basis employed in determining the value of land, other significant information related to the land recorded in the Opening Balance Sheet, and the number of current land acquisition commitments, if any.

The opening balance journal entry for Land will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Land	XXX	
XXXX	Fixed Asset Disposals		XXX

Note: Fixed Asset Disposals is included in Investment Fund Equity.

B. Equipment and Machinery

Equipment and Machinery encompasses, among other things, heavy machinery, transportation equipment, workshop equipment, measuring equipment, agricultural equipment, office and household equipment, studio equipment, communications equipment, broadcasting equipment, medical and healthcare equipment, laboratory equipment, weaponry, computers, exploration equipment, drilling equipment, production equipment, processing and refining equipment, occupational health and safety equipment, audiovisual equipment, and production process units that have useful

lives of more than 12 months and which are in ready-to-use condition.

For the purpose of preparing the Opening Balance Sheet, Equipment and Machinery is recorded based on the acquisition price if the equipment is purchased within a year or less of the date of the Balance Sheet, or a comparison of market prices for similar equipment in similar condition. Should it prove impossible to ascertain the fair value of the Equipment and Machinery, then the services of a competent appraisal firm or team of appraisers may be employed. Should this approach turn out to be too expensive or time consuming, then the standard prices set by the relevant government agency may be employed.

The Notes to the Financial Statements need to disclose the basis employed in determining the value of Equipment and Machinery, other significant information related to the Equipment and Machinery recorded in the Opening Balance Sheet, and the number of current acquisition commitments for Equipment and Machinery, if any.

The opening balance journal entry for Equipment and Machinery will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Equipment and Machinery		XXX
XXXX	Fixed Asset Disposals		XXX

Note: Fixed Asset Disposals is included in Investment Fund Equity.

C. Buildings and Properties

Buildings and Properties covers all Buildings and Properties acquired or constructed for the purpose of being used in government operations and which are in ready-to-use condition. For the purposes of the Balance Sheet, Buildings and Properties also includes monuments, towers, road signs, etc.

For the purpose of preparing the Opening Balance Sheet, the reasonable value of Buildings and Properties is determined based on the acquisition price if the building or structure was purchased or built one year or less from the date of the Opening Balance Sheet.

If the building or structure was acquired more than one year prior to the date of the Opening Balance Sheet, fair value will be determined based on the most recent taxable valuation (Indonesian acronym: NJOP). Should there be good reasons for not using the taxable valuation, then the

services of a competent appraisal firm or team of appraisers may be employed.

The Notes to the Financial Statements need to disclose the basis employed in determining the value of Buildings and Properties, other significant information related to Buildings and Properties recorded on the Opening Balance Sheet, and the amount of acquisition commitments for Buildings and Properties, if any.

The opening balance journal entry for Buildings and Properties will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Buildings and Properties		XXX
XXXX	Fixed Asset Disposals		XXX

Note: Fixed Asset Disposals is included in Investment Fund Equity.

Example:

- A construction contract that is to be paid in more than one installment, where the Fixed Asset in question has already been constructed and delivered prior to the end of the contract, subject to the requirement that the government continues to make

payments based on the agreed schedule. While this is not strictly permitted under the regulations, should such an eventuality nevertheless occur the Fixed Asset that has already been delivered must be recorded as Local Government property in the Balance Sheet to the extent of the overall value of the contract at the time of delivery, and the remaining unpaid installments must be recognized as Liabilities. For example, Local Government XXX entered into a construction contract with PT Pembangunan in 2003. The contract price was Rp 1,000,000,000 and the work was expected to be completed on 31 March 2005. Payment was to be made in five installments. In fact, the construction work was completed on 31 December 2004 and the asset immediately handed over to the government, while the remaining outstanding installment of Rp 200,000,000 was to be paid on 31 March 2005. In respect of this transaction, the Opening Balance Sheet as per 1 January 2005 must record a Fixed Asset worth Rp 1,000,000,000 and a Liability amounting to Rp 200,000,000.

In such a situation, the journal entry as per 1 January 2005 will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Buildings and Properties	1,000,000,000	
XXXX	Fixed Asset Disposals		1,000,000,000
XXXX	Short-Term Provisions	200,000,000	
XXXX	Accounts Payable		200,000,000

Note: Short-Term Provisions is included in Current Fund Equity (serves to reduce Current Fund Equity).

D. Road, Irrigation and Transmission Networks

The Road, Irrigation and Transmission Networks account covers Road, Irrigation and Transmission Networks that have been constructed and are controlled by government, and which are in ready-to-use condition. Road, Irrigation and Transmission Networks includes roads and bridges, waterworks and installations, and transaction networks. This account does not, however, include land acquired for the construction of Road, Irrigation and Transmission Networks, which is instead recorded in the Land account.

For the purpose of the Opening Balance Sheet, the fair value of Road, Irrigation and Transmission Networks is determined by a competent appraisal firm or team of

appraisers using standard costs or technical calculation norms (which should take into account such things as the function and condition of the asset) prepared by the relevant government agency within not less than one year prior to the date of the Balance Sheet.

The Notes to the Financial Statements need to disclose the basis employed in determining the value of Road, Irrigation and Transmission Networks, other significant information related to the Road, Irrigation and Transmission Networks recorded on the Opening Balance Sheet, and the amount of acquisition commitments for Road, Irrigation and Transmission Networks, if any.

The opening balance journal entry for Road, Irrigation and Transmission Networks will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Road, Irrigation and Transmission Networks		XXX
XXXX	Fixed Asset Disposals		XXX

Note: Fixed Asset Disposals is included in Investment Fund Equity.

E. Other Fixed Assets

The Other Fixed Assets account covers Fixed Assets that are incapable of being included in any of the other Fixed Asset categories, and which have been acquired or are being used for government operations and are in ready-to-use condition. Other Fixed Assets in the Balance Sheet include, for example, library collections, and items of cultural, sporting or artistic importance.

For the purpose of preparing the Opening Balance Sheet, Other Fixed Assets are recorded based upon their fair value as per the date of the Balance Sheet if the asset in question has been purchased.

The Notes to the Financial Statements need to disclose the basis employed in determining the value of Other Fixed Assets, other significant information related to the Other Fixed Assets recorded on the Opening Balance Sheet, and the amount of acquisition commitments for Other Fixed Assets, if any.

The opening balance journal entry for Other Fixed Assets will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Other Fixed Assets	XXX	
XXXX	Fixed Asset		

	Disposals		XXX
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Note: Fixed Asset Disposals is included in Investment Fund Equity.

F. Construction in Progress

The Construction in Progress account covers Fixed Assets that are in the process of being constructed and which had not been completed as per the date of the Opening Balance Sheet.

Construction in Progress is recorded based on cumulative expenditure as per the date of the Balance Sheet in respect of all types of Fixed Assets under construction. For the purposes of the Opening Balance Sheet, the source documents for determining the overall value of Construction in Progress consist of the Payment Orders (SPM) that have been issued for each asset as per the date of the Balance Sheet.

Upon completion and delivery, Construction in Progress assets are reclassified as Fixed Assets based on the relevant Fixed Asset category.

The Notes to the Financial Statements need to disclose the valuation basis, accounting policies for capitalization and expenditures incurred in respect of each Fixed Asset

account for every Ongoing Construction Project listed in the Opening Balance Sheet.

The opening balance journal entry for Construction in Progress will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Construction in Progress		XXX
XXXX	Fixed Asset Disposals		XXX

Note: Fixed Asset Disposals is included in Investment Fund Equity.

CHAPTER VII: RESERVE FUNDS

Should the Local Government require relatively large amounts of funding for a particular purpose, it may establish a Reserve Fund. A Reserve Fund consists of monies that are set aside over the course of a number of fiscal years for future expenditure needs.

The establishment or utilization of a Reserve Fund must be governed by Local Government Ordinance so that the monies that have been set aside are not used for other purposes. Reserve funds are normally established by Local Governments to finance such things as the construction of hospitals, markets, or sports arenas.

Should a Local Government establish more than one Reserve Fund, then each fund must be disclosed and described in accordance with its purpose.

The value of a Reserve Fund is recorded at nominal value. Should the Reserve Fund have realized gains during the preceding period, this is treated as an increase in the value of the Reserve Fund. For example, in a situation where the funds in the Reserve Fund are invested in time deposits, the interest on the deposits is recorded as an increase in the amount of the Reserve Fund. Conversely, all

costs that arise in connection with the management of the Reserve Fund are treated as reductions in the value of the fund (such as in the case of deposit administration fees).

The source documents employed in recording reserve funds when preparing the Opening Balance Sheet consist of the reserve fund account statements.

The opening balance journal entry for a Reserve Fund will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Reserve Fund	XXX	
XXXX	Reserve Fund Disposals		XXX

Note: Reserve Fund Disposals is included in Reserved Fund Equity.

Example:

- Based on a Local Ordinance of District XYZ, the Local Government is required to establish a Reserve Fund of Rp 3,000,000,000 for the construction of a public hospital. The Reserve Fund is to be financed over the course of 3 years, with Rp 1,000,000,000 being paid in each year. In 2004, the XYZ Local Government set up the Reserve Fund and deposited Rp 1,000,000,000 in an

account with Bank BNI, which had earned Rp 30,000,000 in interest by the end of 2004.

The journal record for this Reserve Fund will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Reserve Fund	1,030,000,000	
XXXX	Reserve Fund Disposals		1,030,000,000

CHAPTER VII: OTHER ASSETS

Other Assets consist of government assets other than Current Assets, Long-Term Investments, Fixed Assets and Reserve Funds.

Other Assets include:

1. Intangible Assets
2. Receivables from Installment Sales
3. Treasury/Indemnity Claims
4. Partnerships with third parties
5. Miscellaneous Assets.

A. Intangible Assets

Intangible Assets are identifiable non-financial assets that have no physical form and are owned for the purpose of producing goods or services, or for other purposes. Such assets include intellectual property rights.

Intangible Assets comprise, among other things:

1. Computer software;
2. Licenses and franchises;

3. Copyrights, patents and other similar rights; and

4. The findings of research and studies that provide long-term benefit.

By licenses is meant permissions or rights granted by the holders of patents to third parties based on an agreement that allows the licensee to enjoy economic benefits from a particular patent for a certain period and subject to certain conditions.

By copyright is meant the exclusive right of the creator of an original work, or his assignee or licensee, to publish or reproduce/duplicate the said work subject to the provisions of the laws and regulations in effect.

The term "patent" refers to a grant made by the State that confers upon the creator of an invention the sole right to make, use, and sell that invention for a set period of time.

The findings of research and studies that provide long-term benefit refers to research findings that provide economic and/or social benefits into the future and which can be identified as assets. Should research findings not be capable of being identified or not provide economic and/or

social benefit, they will not be capable of being capitalized as Intangible Assets.

The documentary sources employed in determining the value of Intangible Assets are the relevant Payment Orders (SPM) for non-physical capital expenditure (after the deduction of other costs that are incapable of being capitalized).

The opening balance journal entry for Intangible Assets will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Intangible Assets	XXX	
XXXX	Other Asset Disposals		XXX

Note: Other Asset Disposals is included in Investment Fund Equity.

Example:

- In 2003, Local Government XYZ developed a computer application for population administration that produces Family Registration and Identity Cards automatically. The cost of designing the application was Rp 50,000,000.

In this case, the opening balance journal entry for Intangible Assets will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Intangible Assets	50,000,000	
XXXX	Other Asset Disposals		50,000,000

B. Receivables from Installment Sales

The Receivables from Installment Sales account records the amounts that will be received in respect of sales of assets by installment to government employees. Examples of such sales include the sale of official residences and vehicles.

The value of such receivables is recorded at the nominal value of the sale contract/agreement after the deduction of installments that have already been paid into the State/Local Government Treasury, or from the Installment Sales balance.

In preparing the Opening Balance Sheet, the documentary sources to be used in determining the value of Receivables from Installment Sales are the relevant lists of installments receivable, which reflect the amounts contained in the asset sale agreements after the deduction of installments that have already been paid. These

documents can be obtained from the Line Unit responsible for financial management or other relevant Line Units.

The opening balance journal entry for Receivables from Installment Sales will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Receivables from Installment Sales		XXX
XXXX	Other Asset Disposals		XXX

Note: Other Asset Disposals is included in Investment Fund Equity.

Example:

- Based on the Minutes of Asset Sale No. BA-456/XYZ/2003, Local Government XYZ sold official residences worth Rp 500,000,000 to its staff members, to be paid by installment. As of the end of December 2004, the total installments paid by the purchasers amounted to Rp 50,000,000.

In this case, the opening balance journal entry for Receivables from Installment Sales will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Receivables from		

	Installment Sales	450,000,000	
XXXX	Other Asset Disposals		450,000,000

C. Treasury/Indemnity Claims

A Treasury Claim represents a process taken against a Treasurer for the purpose of recovering losses suffered by the state as a direct or indirect result of an illegal act committed by the Treasurer in question, or misfeasance/negligence in the performance of his duties.

A Treasury Claim is valued based on the nominal amount set out in the Indemnity Demand after the deduction of sums already paid by the Treasurer into the State Treasury.

The source documents to be employed in determining the overall value of Treasury Claims consist of the relevant Indemnity Demands and receipts for payments already made. Documents concerning Treasury/Indemnity Claims can be obtained from the financial bureaus/sections responsible for managing such claims.

An Indemnity Claim represents a process taken against a civil servant other than a Treasurer for the purpose of obtaining indemnity in respect of losses suffered by the

State as a direct or indirect result of an illegal act committed by the civil servant in question, or misfeasance/negligence in the performance of his duties.

An Indemnity Claim is valued based on the nominal amount set out in the Determination of Accountability after the deduction of sums already paid by the civil servant into the State/Local Government Treasury.

The source documents to be employed in determining the overall value of Treasury Claims consist of the relevant Determinations of Accountability and proofs of payments already made.

The opening balance journal entry for Treasury Claims and Indemnity Claims will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Treasury Claims	XXX	
	Indemnity Claims	XXX	
XXXX	Other Asset Disposals		XXX

Note: Other Asset Disposals is included in Investment Fund Equity.

Example:

- Based on Determination of Accountability No. SK-01/SKTM/XYZ/2003, Local Government XYZ lodged a claim

for indemnity against one of its employees for Rp 100,000,000 in respect of a misappropriated official vehicle. The employee in question agreed to pay the Indemnity Claim by monthly installment. As per the end of December 2004, a total of Rp 3,000,000 had already been paid by the employee.

In this case, the opening balance journal entry will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Indemnity Claim	97,000,000	
XXXX	Other Asset Disposals		97,000,000

D. Partnerships with Third Parties

Partnerships with Third Parties consist of agreements between two or more parties to undertake certain activities that are jointly controlled using assets and/or commercial rights that they own.

The source documents to be used in recording Partnerships with Third Parties consist of the contracts with the third parties in question.

The types of partnerships covered by this account are Built, Operate, Transfer, and Build, Transfer, Operate schemes.

D.1. Build, Operate, Transfer (BOT) Agreements

A Build, Operate, Transfer agreement is a collaborative venture involving the use of government assets by a third party/investor, with the third party/investor undertaking to construct an infrastructural facility, and to operate it for a certain period of time, and to subsequently transfer it to the government after the expiry of the concession period. Under such an agreement, recording is conducted separately by each party.

At the end of the concession period, ownership of the asset is transferred by the third party/investor to the government, normally without any need for payment on the part of the government. Should payment be required of the government, such payment will be very small. The transfer and payment terms for BOT assets must be provided for in the relevant agreement/contract.

Build, Operate, Transfer schemes are recorded based on the value of the assets handed over by the government to the third party/investor for the purpose of facilitating the

development of the BOT asset. The government assets covered by a BOT scheme are presented separately from Fixed Assets.

The opening balance journal entry for BOT assets will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Partnerships with Third Parties		XXX
XXXX	Other Asset Disposals		XXX

Note: Other Asset Disposals is included in Investment Fund Equity.

Example:

- For the purpose of improving public services, Local Government XYZ entered into a BOT agreement with PT Abadi Jaya for the building of a sports arena. The total value of the assets handed over by the government as part of the agreement amounted to Rp 100,000,000.

In this case, the journal entry will be as follows:

Account Code	Description	Debit	Credit
XXXX	Partnerships with Third Party	100,000,000	
XXXX	Other Asset Disposals		100,000,000

D.2. Build, Transfer, Operate Agreements

A Build, Transfer, Operate agreement is one where a government asset in the form of an infrastructural facility is used by a third party/investor after the third party/investor has constructed the said infrastructural facility and transferred it to the government. The government then allows the third party/investor to operate it for a certain period of time. The transfer of the asset to the government is accompanied by an obligation on the part of the government to make payment to the third party/investor. A Build, Transfer, Operate agreement may also involve profit-sharing arrangements between the third party/investor and the government.

A Build, Transfer, Operate asset is valued based on the acquisition value of the asset, that is, the value of the asset that has been transferred to the government plus the value of the assets employed by the third party/investor in the construction of the facility.

The opening balance journal entry for assets acquired under BTO arrangements will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Partnerships with Third Parties		XXX
XXXX	Other Asset Disposals		XXX
XXXX	Long-Term Provisions	XXX	
XXXX	Other Long-Term Liabilities		XXX

Note: Other Asset Disposals is included in Investment Fund Equity.

Example:

- For the purpose of improving public services, the ABC District Government entered into a Build, Transfer, Operate agreement with PT Ranggataksaka for the construction of a hospital based on a profit-sharing arrangement. PT Ranggataksaka invested Rp 500,000,000 in the project, while the land supplied by the Local Government was valued at Rp 100,000,000. The BTO project was completed on time and duly transferred to the government. The government paid the investor Rp 50,000,000 under the profit-sharing arrangement, which reduced the value of the government's debt to the third party.

In this case, the journal entry will be as follows:

Account Code	Description	Debit	Credit
XXXX	Partnership with Third Party	600,000,000	
XXXX	Other Asset Disposals		600,000,000
XXXX	Long-Term Provisions	450,000,000	
XXXX	Debt to Third Party		450,000,000

E. Miscellaneous Assets

The Miscellaneous Assets account is used to record assets that are incapable of being classified as Intangible Assets, Installments Receivable on Assets Sales, Treasury/Indemnity Claims, and Partnerships with Third Parties. Examples include Fixed Assets that are no longer being used in active government service.

The opening balance journal entry for Miscellaneous Assets will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Miscellaneous Assets	XXX	
XXXX	Other Asset Disposals		XXX

Note: Other Asset Disposals is included in Investment Fund Equity.

Example:

- The records of Local Government XYZ's General and Supplies Bureau show that Fixed Assets (Equipment and Machinery) worth Rp 50,000,000 are no longer being used due to disrepair, but in respect of which the necessary Retirement Orders have yet to be issued.

In such case the opening balance journal entry for Miscellaneous Assets will be as follows:

Account Code	Description	Debit	Credit
XXXX	Miscellaneous Assets	50,000,000	
XXXX	Other Asset Disposals		50,000,000

CHAPTER VIII: LIABILITIES

Liabilities are present obligations that arise from past events, the settlement of which is expected to result in an outflow of government economic resources. A liability will be enforceable at law as a consequence of a binding contract or the provisions of the laws and regulations in effect. In Indonesian government practice to date, in general the only Liabilities recorded in government accounts are those that have arisen as a result of loans. Consequently, to be able to present a comprehensive picture of overall Liabilities, when preparing the Opening Balance Sheet a Local Government will need to conduct an inventory of all of its liabilities as per the date of the said Opening Balance Sheet.

The presentation of government liabilities in the Balance Sheet differentiates between Short-Term and Long-Term Liabilities. Government liabilities must be disclosed in detail in the form of schedules so as to provide more accurate information on the state of the government finances. Liabilities are recorded based on their nominal values. As per the date of each Balance Sheet, debts denominated in foreign currency must be converted into

rupiah using the central bank median rate prevailing on the balance sheet date.

A. Short-Term Liabilities

Short-Term Liabilities are those that are expected to be repaid or mature within 12 months subsequent to the date of the Balance Sheet. These Liabilities cover Liabilities arising from loans (Current Portion of Long-Term Liabilities and Accounts Payable), Accrued Interest, and Third Party Liabilities Withheld.

A.1. Current Portion of Long-Term Liabilities

Current Portion of Long-Term Liabilities consists of long-term liabilities that will mature or are expected to be repaid within twelve months subsequent to the date of the Balance Sheet. In general, this account concerns long-term loans, and units that have financial/debt management functions. Consequently, the taking of inventories of these liabilities will normally be carried out by financial management line units.

Recognition is effected at the time of the reclassification of long-term loans at the end of each accounting period. The amount stated in the Balance Sheet for Current Portion

of Long-Term Liabilities will be the total amount falling due within twelve months subsequent to the date of the Balance Sheet.

The opening balance journal entry for Current Portion of Long-Term Liabilities will be as follows:

Account Code	Description	Debit	Credit
XXXX	Short-Term Provisions		XXX
XXXX	Current Portion of Long-Term Liabilities		XXX

Note: Short-Term Provisions is included in Current Fund Equity (reduces Current Fund Equity).

Example:

Local Government debts arising from loans are generally long term, meaning that they have maturities of more than 12 months. For example, the Government of Pantura District received a loan in 2000 from the Central Government worth Rp 1,000,000,000 under Loan Agreement No. 111/DDDD/04/2000. The loan was to be repaid at 10% per year over 10 years commencing in 2004. Thus, as per 31 December 2003, the total debt due to mature in 2004, amounting to Rp 100,000,000, was presented in the Short-Term Liabilities

section of the Current Portion of Long-Term Liabilities account. The remaining Rp 900,000,000 was presented in the Long-Term Liabilities Account.

In such case, the journal entry will be as follows:

Account Code	Description	Debit	Credit
XXXX	Short-Term Provisions	100,000,000	
XXXX	Current Portion of Long-Term Liabilities		100,000,000

A.2. Accounts Payable

Accounts Payable consists of debts to third parties arising from contracts or purchases of goods and services that have yet to be paid as per the date of the Opening Balance Sheet. This account normally concerns spending line units as it is these that are generally responsible for the procurement of goods and services. Accordingly, an inventory of accounts payable needs to be undertaken in every such line unit.

Should a third party/contractor construct a facility or equipment based on an agreement with government, there is a

possibility that the work may have been delivered but not paid for in full by the government as per the date of the Balance Sheet. Consequently, the amount recorded in Accounts Payable represents the amount that has not yet been paid as per the date of the Balance Sheet.

The opening balance journal entry for Accounts Payable will be as follows:

Account Code	Description	Debit	Credit
XXXX	Short-Term Provisions		XXX
XXXXX	Accounts Payable		XXX

Note: Short-Term Provisions is included in Current Fund Equity (reduces Current Fund Equity).

Example:

- In December 2003, the Government of District XYZ requested PT DEF to conduct maintenance work on the Local Government Secretariat building under Work Order No. 250/12/SETDA/2003, dated 1 December 2003. The contract was worth Rp 10,000,000. The said work was completed by PT DEF, and was officially accepted by the Local Government Secretariat on 28 December 2003 as evidenced by Handover Report No. 260/12/SETDA/2003. However, as per 31 December 2003, the work had not

been paid for by the Local Government. This meant that the Local Government owed Rp 10,000,000 to PT DEF. Accounts Payable normally consist of Short-Term Liabilities that must be paid immediately after the goods/services have been delivered. Consequently, expenses payable of this nature are presented in the Balance Sheet under Short-Term Liabilities.

Based on the source documents in the form of the Work Order, Handover Report and receipts, the journal entry in this case will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Short-Term Provisions	10,000,000	
XXXX	Accounts Payable		10,000,000

A.3. Accrued Interest

The Accrued Interest account consists of interest that the Local Government is required to pay on its debts, including interest on bank loans and on bonds. This account in general concerns line units with financial/debt management functions. Consequently, an inventory of interest liabilities should be undertaken at the same time as the

inventory of loans. The amount recorded in the Balance Sheet for this account represents interest liabilities that have arisen but which have yet to be paid by the Local Government as per the date of the Opening Balance Sheet.

The opening balance journal entry for Accrued Interest will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Short-Term Provisions		XXX
XXXX	Accrued Interest		XXX

Note: Short-Term Provisions is included in Current Fund Equity (reduces Current Fund Equity).

Example:

- The Government of District XYZ received a loan from the Central Government worth Rp 1,000,000,000 at 4% interest per year, payable every 1 April and 1 October. This meant that as per 31 December, interest was owed for the October-December 2003 period (3 months). Thus, the Accrued Interest amounted to Rp $1,000,000,000 \times \frac{3}{12} \times 4\% = \text{Rp } 10,000,000$. This sum was payable on 1 April 2004, meaning that it is categorized as a Short-Term Liability.

In this case, the journal would record the opening balance for Accrued Interest as follows:

Account Code	Description	Debit	Credit
XXXX	Short-Term Provisions	10,000,000	
XXXX	Accrued Interest		10,000,000

A.4. Third Party Liabilities Withheld

Third Party Liabilities Withheld refer to liabilities that arise in respect of funds that have been collected by government for payment to third parties, but which have yet to be so paid. These Liabilities include premiums for the Taspen, Bapertarum and Askes schemes, which should be paid to PT Taspen, Bapertarum and PT Askes, with the amounts paid over being precisely the same as those collected. Tax deductions payable to the Central Government are also included in this category.

This account mostly concerns units with financial/debt management functions, and consequently inventories of such liabilities should be carried out by financial management units.

The amount recorded in the Balance Sheet for this account represents the balance of deductions that have yet to be paid to the relevant third parties as per the date of the Balance Sheet. As these deductions are included in the cash balance of the Local Government Treasury, they need to be recognized as Third Party Liabilities Withheld.

The opening balance journal entry for Third Party Liabilities Withheld is made at the same time as the opening entry for cash (see the illustrative journal entry for cash in Chapter II on Current Assets).

B. Long-Term Liabilities

Long-Term Liabilities are those that are due to be paid or to mature within a period of more than 12 months after the date of the Balance Sheet.

B.1. Domestic Liabilities - Bank

Domestic Liabilities-Bank consist of Long-Term Liabilities arising from loans extended by the domestic banking sector that are expected to be repaid not less than 12 months after the date of the Balance Sheet.

This account mostly concerns units with financial/debt management functions, and consequently inventories of

domestic loans should be carried out by financial management units.

The amount recorded in the Balance Sheet for Domestic Liabilities-Bank is the amount that has yet to be paid by the government and which will mature not less than 12 months subsequent to the date of the Balance Sheet.

The opening balance journal entry for Domestic Liabilities-Bank will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Long-Term Provisions	XXX	
XXXX	Domestic Liabilities-Bank		XXX

Note: Long-Term Provisions is included in Investment Fund Equity (reduces Investment Fund Equity).

B.2. Other Long-Term Liabilities

Other Long-Term Liabilities are Long-Term Liabilities that are not capable of being included in the Domestic Liabilities-Bank, and Domestic Bond Liabilities, and include such things as Partnership Liabilities. These represent liabilities that arise from partnership arrangements entered into by government with third parties in the form Build, Transfer, Operate agreements.

A Build, Transfer, Operate agreement is one where a government asset (in cash or non-cash form) is used by a third party/investor after the third party/investor has constructed an infrastructural facility and transferred it to the government. The government then allows the third party/investor to operate it for a certain period of time. The transfer of the asset to the government is accompanied by an obligation on the part of the government to make payment to the third party/investor. A Build, Transfer, Operate agreement may also involve profit-sharing arrangements between the third party/investor and the government.

Partnership Liabilities under such agreements arise if payment to the investor is to be made by installment or where profit-sharing arrangements have been agreed on. Such liabilities are presented in the Balance Sheet as the funds expended by the investor on the construction of the asset. Should payment be made by way of profit-sharing, Partnership Liabilities (Other Liabilities) are presented as the amount of funds expended by the investor less the share of profits that it has been paid.

The opening balance journal entry for Other Liabilities will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Long-Term Provisions	XXX	
XXXX	Other Long-Term Liabilities		XXX

Note: Long-Term Provisions is included in Investment Fund Equity (reduces Investment Fund Equity).

Example:

- For the purpose of improving public services, the Government of District XYZ, under Agreement No. 123/KSO/1/2001, entered into a Build, Transfer, Operate agreement on 12 February 2001 with ABC for the construction of a hospital based on a profit-sharing arrangement. ABC invested Rp 500,000,000 in the project, while the land supplied by the government was valued at Rp 100,000,000. The BTO project was completed on time and duly transferred to the government. As per 31 December 2003, the Local Government had paid the investor Rp 50,000,000 under the profit-sharing arrangement.

From the above description, it will be seen that at the time of the transfer of the asset, a Liability arose amounting to the value of the third party's

investment, namely, Rp 500,000,000. The share of the profits paid by the Local Government to the investor reduced the amount of this debt, so that by the date of the Opening Balance Sheet the Partnership Liabilities of the Local Government stood at Rp 450,000,000 (Rp 500,000,000 - Rp 50,000,000). Thus, in this case the opening balance journal entry will appear as follows:

Account Code	Description	Debit	Credit
XXXX	Long-Term Provisions	450,000,000	
XXXX	Other Long-Term Liabilities		450,000,000

Chapter IX: Fund Equity

Fund equity is an account in the government Balance Sheet that accommodates the difference between the value of government assets and liabilities. Fund Equity consists of three categories, namely:

1. Current Fund Equity;
2. Investment Fund Equity; and
3. Reserved Fund Equity.

In this chapter we will discuss each of these categories of fund equity. As illustrative journal entries have already been provided in the chapters on Assets and Liabilities, it is considered unnecessary to provide further illustrations in this chapter.

A. Current Fund Equity

Current Fund Equity represents the difference between Current Assets and Current/Short-Term Liabilities, and consists of, among other things, Surplus Budget Balance, Surplus after Budget Financing, Deferred Revenue, Receivables Provision, Inventory Provision, and Short-Term Provisions.

Surplus Budget Balance and Surplus after Budget Financing are the accounts that correspond to Cash and Cash Equivalents, and Short-Term Investments, while Deferred Revenue corresponds to Cash at Receiving Treasurers, Receivables Provision to Accounts Receivable, and Inventory Provision to Inventory.

On the Short-Term Liabilities side, besides Third Party Liabilities Withheld (which serve to reduce the Surplus after Budget Financing, as explained earlier), there is also the Short-Term Provisions account.

B. Investment Fund Equity

Investment Fund Equity reflects the government's position as regards Long-Term Investments, Fixed Assets, and Other Assets, less Long-Term Liabilities. This account consists of:

1. Long-Term Investment Disposals, which corresponds to the Long-Term Investments account;
2. Fixed Asset Disposals, which corresponds to the Fixed Assets account;
3. Other Asset Disposals, which corresponds to the Other Assets account;
4. Long-Term Provisions, which corresponds to the Long-Term Liabilities account.

C. Reserved Fund Equity

Reserved Fund Equity reflects the amounts that the government has reserved for particular purposes based on the provisions of the laws and regulations in effect. This account corresponds to Reserve Funds.

Illustrative Local Government Balance Sheets

Per 31 December 20X1 and 20X0

(in rupiah)

No.	Description	20X1	20X0
1	Assets		
2			
3	Current Assets		
4	Cash at the Local Government Treasury	XXX	XXX
5	Cash at Disbursing Treasurers	XXX	XXX
6	Cash at Receiving Treasurers	XXX	XXX
7	Short-Term Investments	XXX	XXX
8	Taxes Receivable	XXX	XXX
9	Local-Government Charges Receivable	XXX	XXX
10	Current Loans to Central Government Business Enterprises	XXX	XXX
11	Current Loans to Local Government Business Enterprises	XXX	XXX
12	Current Loans to Central Government	XXX	XXX
13	Current Loans to Other Local Governments	XXX	XXX
14	Current Receivables from Installment Sales	XXX	XXX
15	Current Treasury/Indemnity Claims	XXX	XXX
16	Other Accounts Receivable	XXX	XXX
17	Inventory	XXX	XXX
18	Total Current Assets (3-17)	XXXX	XXXX
19			
20	Long-Term Investments		

21	Non-Permanent Investments	XXX	XXX
22	Long-Term Debts Receivable	XXX	XXX
23	Investments in Central Government Securities	XXX	XXX
24	Investments in Development Projects	XXX	XXX
25	Other Non-Permanent Investments	XXX	XXX
26	Total Non-Permanent Investments (22-25)	XXXX	XXXX
27	Permanent Investments		
28	Local Government Equity Participation	XXX	XXX
29	Other Permanent Investments	XXX	XXX
30	Total Permanent Investments (28-29)	XXXX	XXXX
31	Total Long-Term Investments (26+30)	XXXX	XXXX
32			
33	Fixed Assets		
34	Land	XXX	XXX
35	Equipment and Machinery	XXX	XXX
36	Buildings and Properties	XXX	XXX
37	Road, Irrigation and Transmission Networks	XXX	XXX
38	Other Fixed Assets	XXX	XXX
39	Construction in Progress	XXX	XXX
40	Accumulated Depreciation	(XXX)	(XXX)
41	Total Fixed Assets (34-40)	XXXX	XXXX
42			
43	Reserve Funds		
44	Reserve Funds	XXX	XXX
45	Total Reserve Funds (44)	XXX	XXX
46			
47	Other Assets		
48	Receivables from Installment Sales	XXX	XXX
49	Treasury/Indemnity Claims	XXX	XXX

50	Partnerships with Third Parties	XXX	XXX
51	Intangible Assets	XXX	XXX
52	Miscellaneous Assets	XXX	XXX
53	Total Other Assets (48-52)	XXXX	XXXX
54			
55	Total Assets (18+31+41+45+53)	XXXXX	XXXXX
56			
57	Liabilities		
58			
59	Short-Term Liabilities		
60	Third Party Liabilities Withheld	XXX	XXX
61	Accrued Interest	XXX	XXX
62	Current Portion of Long-Term Liabilities	XXX	XXX
63	Other Short-Term Liabilities	XXX	XXX
64	Total Short-Term Liabilities (60-63)	XXXX	XXXX
65			
66	Long-Term Liabilities		
67	Domestic Liabilities - Banking Sector	XXX	XXX
68	Domestic Bond Liabilities	XXX	XXX
69	Other Long-Term Liabilities	XXX	XXX
70	Total Long-Term Liabilities (67-69)	XXXX	XXXX
71	Total Liabilities (64+70)	XXXX	XXXX
72			
73	Fund Equity		
74			
75	Current Fund Equity		
76	Surplus after Budget Financing	XXX	XXX
77	Deferred Revenues	XXX	XXX
78	Receivables Provision	XXX	XXX
79	Inventory Provision	XXX	XXX

80	Short-Term Provisions	XXX	XXX
81	Total Current Fund Equity (76-80)	XXXX	XXXX
82			
83	Investment Fund Equity		
84	Long-Term Investment Disposals	XXX	XXX
85	Fixed Asset Disposals	XXX	XXX
86	Other Asset Disposals	XXX	XXX
87	Long-Term Provisions	XXX	XXX
88	Total Investment Fund Equity (84-87)	XXXX	XXXX
89			
90	Reserved Fund Equity		
91	Reserved Fund Equity Disposals	XXX	XXX
92	Total Reserved Fund Equity (91)	XXXX	XXXX
93	Total Fund Equity (81+88+92)	XXXX	XXXX
94			
95	Total Liabilities and Fund Equity (71+93)	XXXXX	XXXXX

Source: PSAP 01 on Presentation of the Financial Statements

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