

Application Of The Fixed Asset Depreciation Method At SD 102076 Juhar Village

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Article Info	ABSTRACT
Keywords:	The aim of this research is to determine: Application of the Fixed Asset
shrinkage,	Depreciation Method at SD 102076 Juhar Village. The purpose of this
fixed assets,	research is to determine whether there are differences in the influence
financial statements,	of depreciation methods in calculating the amount of depreciation of
depreciation	non-building tangible assets on reports. This research was conducted
	at a school. This type of research is a case study. Data was obtained by
	conducting interviews and documentation. The data analysis technique
	used is quantitative analysis technique. The data analysis method used
	is descriptive, where the information used is a transaction recap report.
	The results of the research show that it will occur more/less in 2022 in
	2023. The data analysis method used is descriptive, where the
	information used is a recap report so that the school must make
	corrections in the month and year concerned.
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INTRODUCTION

A school that will be established or has already been established must have the aim of being able to survive in the long term. This means that the school can maintain its continuity by achieving optimal goals (Ramen Antonov Purba, 2021b; Suyana et al., 2024). A goal can be implemented well if the school is managed well, so that it is in accordance with what is expected and determined by the school (Erfiyana et al., 2024).

The goal in a school is to obtain a Fixed asset is one of the items on the balance sheet alongside current assets, long-term investments, reserve funds and other assets. Fixed assets have a very important role because they have quite significant value when compared to other balance sheet components (Kharisah, 2024; Ramen Antonov Purba, 2022). In general, the economic value of a fixed asset will decrease due to use, damage and obsolescence due to economic and technical factors, so this asset requires special policy management, both in use, maintenance, control and recording, accounting and influences an important role in activities (Amrih et al., 2024; Faridh & Marsella, 2021).

As time passes, the economic value of a fixed asset must be able to be charged appropriately and one way is to determine the depreciation method. For this reason, it is necessary to know whether the depreciation method applied by the company has had an effect on the company's profits and how the effect differs for each method used, which is caused by the passage of time or the decline in the benefits provided by these fixed assets



(Ramen Antonov Purba, 2021a; Sadewa et al., 2024). So to find out whether the fixed asset depreciation method used can reflect the reasonable value of fixed assets and whether it affects the size of the profit obtained by the company. Therefore, it is necessary to conduct an analysis of the depreciation method applied by the company to its fixed assets. In general, the economic value of a fixed asset will experience a decrease due to use and damage, obsolescence due to economic and technical factors (br Ginting et al., 2022).

An entity requires a financial report to summarize its financial position. The balance sheet is one of the basic financial reports that is usually prepared for use by investors, creditors and other external decision makers (Ramen A Purba et al., 2022; Setiadi, 2020). The balance sheet describes the financial position with assets (properties/assets) and liabilities (liabilities and capital) components. Assets consist of current assets, fixed assets and other assets. The depreciation costs of a fixed asset will affect the financial statements and school performance results in an accounting period. So when depreciating fixed assets, use the straight line method, because in this method all costs of the same asset are allocated to each accounting period during the useful life of the asset (Ramen Antonov Purba et al., 2024; Siswanti & Sibarani, 2022).

Fixed assets are assets whose physical existence can be seen and are relatively permanent and have a long useful life. Fixed assets are tangible assets, different from intangible assets, which do not have a physical form and are produced as a result of a legal, economic or social contract (Ramen A Purba et al., 2020; Rahmawaty et al., 2021). The acquisition price of fixed assets includes the entire amount spent to obtain the asset. Fixed assets will be reported on the balance sheet not only at the purchase price, but also including all costs incurred until the fixed assets are ready for use. An example is a production machine where the acquisition price does not only come from the purchase price but also includes taxes, transportation costs, insurance costs during transit, installation costs and testing costs, until the machine can actually be operated and utilized (Rini, 2020).

Depreciation is defined as the accounting process of allocating the cost of tangible assets to expenses in a systematic and rational manner over the period that is expected to benefit from use. Allocating the acquisition price is necessary so that an appropriate match can be made between income and costs, as required by the matching principle (Afriansyah, 2020; Nazah et al., 2022; R. A. Purba et al., 2020). Depreciation is a process of allocating cost, not an asset valuation process. Changes in prices of fixed assets that occur in the market do not need to be recorded in the company's books because fixed assets are owned by the company for use, not for resale. Therefore, the book value of an asset (cost minus accumulated depreciation) can be very different from the market price of the asset in question (Mulyana et al., 2024).

The research objectives that the author wishes to achieve in this study are as follows: to find out whether there is a difference in the influence of depreciation methods in calculating the amount of depreciation of non-building tangible assets on fiscal profit, How to Apply the Fixed Asset Depreciation Method at SD Negeri No. 102076 Kampung Juhar for the 2020 to 2022 tax year.



METHOD

The type of research carried out is a case study where the research will be carried out at a school through interviews with the school and documentation of data from the school. The data needed to discuss the problems in this research are as follows (Suliyanto & MM, 2017):

- a. List of fixed assets owned and controlled by the school;
- b. School financial reports for the accounting period 2020 to 2024;

The data collection techniques used in this research are:

1. Interview

Interviews are used to find out about the general description and history of the school. This method is carried out by holding questions and answers to related parties.

2. Documentation

Documentation is used to collect data in the form of a list of fixed assets, financial reports, application of the Fixed Asset Depreciation Method at SD 102076 Juhar Village

To discuss the problems in this research, quantitative data analysis techniques will be used where data is obtained in the data collection process using number calculations. The steps in the data analysis technique are as follows: (Ramen Antonov Purba & Sondang, 2022; Sugiyono, 2010):

- 1. Group fixed assets owned by the school based on categories according to fixed asset regulations.
- 2. Calculate depreciation of non-building tangible assets using the straight-line method for 2020 to 2023.
- 3. Calculate depreciation of non-building tangible assets using the declining balance method for 2020 to 2023.
- 4. Make a fiscal reconciliation for the profit and loss statement for 2020 to 2024, where the profit and loss statement in terms of depreciation costs uses the straight line and declining balance method.

To draw conclusions:

- 1. Group fixed assets owned by the school based on categories according to fixed asset regulations.
- 2. There are differences in the influence of non-building tangible asset depreciation methods in calculating the amount of depreciation costs on fiscal profit, Fixed Asset Depreciation Method at SD 102076 Juhar Village.

RESULTS AND DISCCUSION

The rules for classifying fixed assets in the form of non-building tangible assets are based on the Minister of Finance Decree Number 138/KMK.03/2002 which regulates the Classification of tangible assets. Depreciation is a process of allocating the cost of fixed assets to costs over their useful life in a rational and systematic manner. Meanwhile, according to PSAK No. 17, depreciation is the allocation of the amount of an asset that can be depreciated over its estimated useful life. The amount of depreciation for an accounting



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period is charged to income either directly or indirectly. The following is a list of school fixed assets until 2023:

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I able 1. Asset Condition						
No	Fixed assets	Amount	Year	Acquisition cost		
1	Water Heater Rinnai	1	2023	370.000,00		
2	Electric Typewriter	2	2023	1.050.000,00		
3	Modulator	1	2023	250.000,00		
4	Typewriter	1	2023	360.000,00		
5	Canon Photocopier	1	2023	5.000.000,00		
6	Speaker CSD 505	1	2023	450.000,00		

It could be said that the most common and popular depreciation method is the straight line method. Praised for its simplicity, this method works by reducing the value of an asset by the same amount every year over its lifetime. This method is calculated as follows: Depreciation cost = (cost price – residual value) / useful life. The amount that can be depreciated is allocated to each accounting period during the useful life of the asset using various systematic methods and applied consistently/respectfully, regardless of the level of company profitability and tax considerations in order to provide comparability of company affiliate results from period to period.

The calculation of the amount of depreciation costs per year based on the declining balance method can be seen in attachments 6 (six) to attachments 9 (nine). Based on the attachment, it can be seen that the amount of depreciation costs per year is different for each type of non-building tangible assets. As non-building tangible assets increase every year, the total depreciation costs increase.

The increase in depreciation costs from year to year is quite significant in terms of amount. This shows that using the declining balance method will cause the depreciation costs for the first year of use to be large (this is reinforced because the declining balance depreciation rate based on taxation regulations for class I is 50%, and class II is 25%).

According to Income Tax Law Number 17 of 2000 Article 11, there are 2 (two) types of depreciation methods permitted for depreciating non-building tangible assets, namely: straight line method and declining balance method. By using different depreciation methods to depreciate non-building tangible assets, the depreciation costs for the current period will be different.

From the results of calculating non-building depreciation costs, it can be seen that the declining balance depreciation method produces greater depreciation costs compared to the straight-line depreciation method. The factor that drives the large depreciation costs using the declining balance method is the purchase of non-building tangible assets that the company makes every year. The declining balance depreciation method results in greater depreciation costs in the initial years of using the declining balance depreciation method. The declining-balance depreciation method differs from the straight-line method because it distributes the asset's depreciation unevenly over its useful life. This method has higher costs in the early years based on the assumption that the asset has higher productivity now



compared to later years in its life. It can be seen that the amount of depreciation each year is the same for each type of non-building tangible assets. The total depreciation costs for nonbuilding tangible assets for each year are different, this is because there are additional nonbuilding tangible assets for each year.

Table 2. Commercial Profit and Fiscal Profit						
Year	Difference	Straight line	Decreased	Fiscal Profit		
			Balance			
2020	Rp. 98.124.683	Rp. 79.209.647	Rp. 71.879.953	Rp		
				57.562.573		
2021	Rp.	Rp. 98.012.325	Rp. 64.274.67	Rp		
	120.163.980			44.317.358		
2022	Rp.	Rp.	Rp. 73.039.036	Rp		
	116.227.761	103.273.129		60.476.249		
2023	Rp.	Rp.	Rp. 101.826.188	Rp		
	134.975.599	117.576.845		83.467.412		

Commercial profits and fiscal profits with depreciation costs using the declining balance method will produce lower commercial profits and fiscal profits compared to commercial profits and fiscal profits with depreciation costs using the straight line method. This is due to the nature of the declining balance depreciation method which will result in greater depreciation costs at the beginning of the period. The large depreciation costs using declining balances are because every year the company invests in group I and II fixed assets, causing the company's commercial profit and fiscal profit to be lower from year to year compared to using the straight-line depreciation method.

Table 3. Commercial Profit						
Year	Difference	Straight line	Decreased Balance			
2020	Rp.79.209.647	Rp.57.562.574	Rp.21.647.074			
2021	Rp.98.012.326	Rp.44.317.358	Rp.53.694.968			
2022	Rp.103.273.129	Rp.60.476.250	Rp.42.796.880			
2023	Rp.117.576.846	Rp.83.467.413	Rp.34.109.433			

CONCLUSION

The increase in depreciation costs from year to year is quite significant in terms of amount. This shows that using the declining balance method will cause the depreciation costs for the first year of use to be large (this is reinforced because the declining balance depreciation rate based on taxation regulations for class I is 50%, and class II is 25%). From the results of calculating non-building depreciation costs, it can be seen that the declining balance depreciation method produces greater depreciation costs compared to the straight-line depreciation method. The factor that drives the large depreciation costs using the declining balance every year. The declining balance depreciation method results in greater depreciation costs in the initial years of using the declining balance depreciation method.



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