CHAPTER 2 - THE ACCOUNTING PLAN AND PROCEDURES

SECTION A - GENERAL PROVISIONS

Each fund is an entirely separate entity. Transactions between funds must be carefully recorded and fully supported by issuing receipts and warrants. Transfers may be made between funds in the form of temporary loans as provided by law. These will also be supported by issuing receipts and warrants. [IC 36-1-8-4]

CORRELATION OF BUDGETS AND ACCOUNTS

The law requires the annual enactment of a balanced budget. Appropriation accounts used in such budget shall be the framework of subsequent accounting for receipts and disbursements.

ACCOUNTS EXCLUDED FROM THE BUDGET

In form, a budget is a tabulation of appropriations and estimated revenues. In a cash basis system of accounts, estimated revenue is synonymous with estimated receipts, except for “nonrevenue receipts.”

Nonrevenue receipts include borrowing for which securities are issued, i.e., bonds and notes. Such items, and the contemplated disbursement of their proceeds, are excluded from the budget except for repayment of bond principal and interest and the interest only on temporary loans. Bond proceeds, with the exception of revenue bonds, must be appropriated in the regular legal manner before being expended.

Proprietary Funds and Agency Funds by their nature are excluded from budgets.

INTERFUND TRANSACTIONS

The resources of a particular fund may be used only for the purposes for which the fund was created or as otherwise authorized by law. Therefore, one of the fundamentals of good accounting is that a proper charge be made for all substantial interfund services and that an adequate record be made for all interfund receipts and disbursements. For example, hydrant rental furnished to the city or town must be billed by the Water Utility. In brief, such billings should be made by all funds concerned and warrants drawn from one fund to another in payment thereof, so that each fund will show its correct financial position.

Incidental services and supplies given by one fund to another shall be billed to and paid for by the fund receiving such services and supplies. In case an employee of one fund works part-time for another fund, the pay of that employee shall be divided in recording the payroll, and the proper amount charged to each fund.

RECEIPTS AND DISBURSEMENTS

Receipts within each fund, fund type and account group are classified by:

Source
Revenue Receipts
Nonrevenue Receipts

Disbursements are classified in two manners:

1. In cities and towns with departmentalized budgets, disbursements are classified by function or program and activity, organization unit, object of expense, and major budget classification. See numbering system explanation starting on Page 7-1. Minor budget classifications are provided for more detailed accounting and greater information.

2. In small towns with non-departmentalized budgets, disbursements are classified by object of expense and major budget classification. Minor budget classifications are also provided for more detailed accounting and further information.

FUNDS

See Pages 7-1 and 7-2 for fund types and a description of each type.

See Pages 7-2 through 7-6 for fund classifications and fund names.

SECTION B - ACCOUNTS PROVIDED

NUMBERING THE ACCOUNTS

The following numbering system is used for numbering all accounts. Refer to Page 11-4 for the complete prescribed Chart of Accounts. Following is the key for the numbers, explanations, and some examples.

Key	ABC-DEF-GHI.JKL
Numbers	XXX-XXX-XXX.XXX

Key	Explanation
A	Fund type. Fund types are numbered and titled pursuant to types suggested in GAAFR. See Pages 7-1 and 7-2 for definitions and numbers assigned.
BC	Fund name. Funds are numbered and classified by fund type. See Pages 7-2 through 7-6 for numbers and listing.
DEF	Organization unit. Organization units (departments) are numbered and classified by function, program, and/or activity. See Pages 7-6 through 7-7 for numbers and listing.
GHI.JKL	Chart of Accounts. The chart of accounts follows closely the chart of accounts numbers suggested in GAAFR with some slight modifications. The chart of accounts includes assets, other debits, liabilities, other credits, fund equity, revenues, other financing sources, expenditures, and other financing uses. The municipality will use those accounts needed for their accounting needs. See Pages 11-1 through 11-11 for complete chart of accounts.

FUND TYPES
-A-

Prescribed
Number

Governmental Funds – The funds through which most government functions typically are financed.

1. General Fund - The General Fund is the chief operating fund of the municipality. Tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures of the municipality are paid from the general fund.

2. Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted to expenditures for specific purposes. See Pages 7-2 and 7-3 for examples.

3. Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest. See Pages 7-3 and 7-4 for examples.

4. Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. See Pages 7-4 and 7-5 for examples.

5. Permanent Funds - Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (i.e., for the benefit of the government or its citizenry).

6. Governmental Activities - (government-wide financial reporting). Governmental Activity funds are used to account for balances related to governmental funds that are only reported in the government-wide statement of net assets.

7. Proprietary Funds – The funds used to account for a government's business-type activities (activities supported at least in part by fees or charges).

   7.1 Enterprise Funds. Enterprise Funds are used to account for activities for which a fee is charged to external users for goods or services.

   7.2 Internal Service Funds. Internal Service Funds are used to account for the financing of goods or services provided by one fund, department, or agency to other funds, departments, or agencies of the financial reporting entity, or to other governments, on a cost-reimbursement basis.

8. Fiduciary Funds – The funds used to account for assets held by the government as trustee or agent and that cannot be used to support the government's own programs.

   8.1 Pension (and other employee benefit) Trust Funds. Pension Trust funds are used to account for assets of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans held by a government in a trustee capacity.

   8.2 Investment Trust Funds. Investment Trust funds are used to account for the external portion of investment pools (including individual investment accounts) reported by sponsoring government.

   8.3 Private-Purpose Trust Funds. Private Purpose Trust funds are used to account for trust arrangements, including those for escheat property, where principal and income benefit individuals, private organizations, or other governments.

   8.4 Agency Funds. Agency Funds are used to account for assets held by a government in a purely custodial capacity.

9. Capital Asset Accounts
   901 Land
   902 Infrastructure
   903 Improvements Other than Buildings
   904 Machinery and Equipment
   905 Construction in Progress

10. Unclassified Funds

The following prescribed fund names are required by statute or are currently in use by municipalities pursuant to annual reports filed with the State Board of Accounts. Further funds will be added as required. Fund numbers shall be used as listed. Numbers include fund type. For instance, (2)01, etc.

General Funds (101-199):
101 General Fund

Special Revenue Funds (201-299):

201	Motor Vehicle Highway
202	Local Road and Street
204	Park and Recreation - Operating
205	Cemetery Operating (operating mostly with tax revenue support - not user fees)
206	Aviation (operation mostly with tax revenue support – not user fees)
207	Parking Meter
208	Levy Excess
209	County Economic Development Income Tax (CEDIT)
210	Thoroughfare (where used for maintenance and repairs instead of new construction)
211	Park Nonreverting Operating
212	Health
213	Alcohol and Drug Services
214	Mental Health
215	Supplemental Adult Probation Services
216	Emergency Medical Services (where used for operations and funded by tax revenues instead of for purchase of equipment or qualifying as enterprise fund.)
217	Donation (if used for other than capital items)
218	Economic Development (Operating)
219	Building Demolition
220	Planning and Zoning
221	Plan Commission
222	Animal Shelter
223	Landfill
224	Crime Control
225	Sanitation (operating mostly from tax revenues - not user fees)
226	Parking (not construction)
227	Transportation (operating mostly from tax revenues)
228	Abandoned Vehicle
229	Civil Defense
230	Federal Grants - Operating (not capital projects or debt service)
231	Community Development
232	Housing Authority (operating with tax revenues)
233	Local Law Enforcement Continuing Education Fund
235	Motor Vehicle Registration Penalties Fund
236	Clerk's Record Perpetuation Fund
237	Enhanced Access Fund
238	Electronic Map Generation Fund
239	Deferral Program
240	Election
241	Unsafe Building
242	Riverboat (unless restricted to infrastructure uses)
243	State Grant
244	Emergency Telephone System
245	Rainy Day
246	Certified Technology Park
247	Hazardous Materials Response
248	Credit Card Service Fee
249	LOIT – Public Safety
250	County Slot Machine Wagering Fee
251	Excess Welfare Distribution
252	Fire Protection Territory
253	Local Major Moves Construction
254	Residential Lease Regulation
255-269	Reserved For Future Statutory Funds
270-299	Other Funds not listed

Debt Service Funds (301-399):

301 Bond and Interest Redemption
302 Fire and Police Equipment Debt Payment
303 Loan and Interest Payment
304 Capital Improvement Bond (Sinking)
305 Fire Equipment Bond (Sinking)
306 Corporation Bond (Sinking)
307 Bond, General (Sinking)
308 Sewer Bond (Sinking)
309 Bridge Bond (Sinking)
310 Urban Renewal Bond (Sinking)
311 Redevelopment Bond (Sinking)
312 Park Bond (Sinking)
313 Transportation Bond (Sinking)
314 Thoroughfare Bond (Sinking)
315 Airport Bond (Sinking)
316 Industrial Loan (Repayment)
317 Flood Control Bond (Sinking)
318 Lease Rental Payment
319 Fire Equipment Debt
320 Police Equipment Debt

Capital Projects Funds (401-499):

401 Cumulative Capital Improvement - Cigarette Tax
402 Cumulative Capital Development
403 Park Nonreverting Capital
404 Thoroughfare (mostly used for construction, not repairs and maintenance)
405 Public Improvement
406 Redevelopment Capital
407 Industrial Park (construction projects, not operating costs)
408 Industrial Development (capital projects costs, not operating)
409 Police Equipment (equipment costs, not debt service)
410 Fire Equipment (equipment costs, not debt service)
411 Flood Control - Construction
412 Federal Grants (capital projects, not operating, special revenue or debt service)
413 Fire Equipment Bond (Proceeds)
414 Corporation Bond (Proceeds)
415 Sewer Bond (Proceeds)
416 Bridge Bond (Proceeds)
417 Urban Renewal Bond (Proceeds)
418 Redevelopment Bond (Proceeds)
419 Park Bond (Proceeds)
420 Transportation Bond (Proceeds)
421 Thoroughfare Bond (Proceeds)
422 Airport Bond (Proceeds)
423 Cumulative Bridge
424 Cumulative Capital Improvement - Tax Levy
425 Cumulative Building
426 Cumulative Fire
427 Cumulative Capital Improvement - Special Fire
428 Cumulative Capital Improvement - Special Sewer
429 Cumulative Sewer
430 Cumulative Sewage Treatment
431 Cumulative Drainage
432 Cumulative Sewer and Streets
433 Cumulative Police and Fire
434 Cumulative Equipment

435 Cumulative Revolving Improvement
436 Cumulative Park
437 Cumulative Redevelopment
438 Flood Control Bond (Proceeds)
439 Storm Sewer - Nonreverting (Capital Expenditures)
440 Medic - Nonreverting (Capital Expenditures)
441 City Hall - Nonreverting (Capital Expenditures)
442 Cumulative Industrial Development
443 General Improvement
444 County Economic Development Income Tax (CEDIT)
445 Donation
446 Riverboat
447 State Grant
448 Rainy Day
449 Food and Beverage Tax
450 Local Major Moves Construction
451 Local Venture Capital
452 Sewer Improvement and Extension
453 City Ticket Tax
454 Impact Fee Fund
455 Fire Protection Equipment Replacement
456-470 Reserved For Future Statutory Funds
471-499 Other Funds Not Listed

Permanent Funds (501-599):
501 Endowment

<u>Proprietary Funds</u>
Enterprise Funds (601-699):
601 Water Utility Operating
602 Water Utility Bond and Interest Sinking
603 Water Utility Depreciation
604 Water Utility Meter Deposit
605 Water Utility Construction (in progress)
606 Sewage Utility Operating
607 Sewage Utility Bond and Interest Sinking
608 Sewage Utility Depreciation
609 Sewage Utility Construction (in progress)
610 Electric Utility Operating
611 Electric Utility Bond and Interest Sinking
612 Electric Utility Depreciation
613 Electric Utility Meter Deposit
614 Electric Utility Construction (in progress)
615 Gas Utility Operating
616 Gas Utility Bond and Interest Sinking
617 Gas Utility Depreciation
618 Gas Utility Meter Deposit
619 Gas Utility Construction (in progress)
620 Sanitation (if operating mostly from user fees)
621 Transportation (if operating mostly from user fees)
622 Airport (if operating mostly from user fees)
623 Trash and Garbage Pickup (if operating mostly from user fees)
624 Cemetery (if operating mostly from sale of lots and other user fees)
625 Emergency Medical Service (if operating mostly from user fees)
626 Storm Water Utility Operating
627 Storm Water Bond and Interest Sinking

628 Storm Water Depreciation
629 Storm Water Construction
630 Sewage Meter Deposit

Internal Service (701-799):
701 Information Technology Services (where not special revenue and reimbursed)
702 Garage (where reimbursed for services from other departments)
703 Purchasing (where costs allocated and reimbursed by other departments)
704 Self-Insurance
745-755 Reserved For Future Statutory Funds
765-799 Other Funds Not Listed

Fiduciary Funds (801-899):
Trust Funds
801 Fire Pension
802 Police Pension
803 Utility Pension
804 Sanitary Officers' Pension

Agency Funds
805 Public Employees' Retirement Fund - Employee Deductions
806 Payroll
807 Payroll Withholding (when maintained apart from payroll fund)
810 Construction Retainage
811 User Fee Fund

Capital Asset Accounts (901-999):
901 Land
902 Infrastructure
903 Buildings
904 Improvements Others Than Buildings
905 Machinery and Equipment
906 Construction in Progress
Unclassified (001-099):

ORGANIZATION UNITS
- DEF -

The following prescribed organization units are either required by statute or are currently in use by municipalities as found in annual reports filed with the State Board of Accounts. Further department names will be added as required. Unit numbers will be assigned by the municipality to accommodate its needs. For instance, 001-Plan Commission; 002-Controller; etc.

001-199 General Government:
Plan Commission
Weights and Measures Inspector
Government Building
Information Technology Services
Controller
City Council
Town Council
Purchasing
Board of Public Works
Public Affairs
Community Planning and Development
Planning and Zoning
Clerk-Treasurer
City/Town Hall
City/Town Court
Law Department

Administration
Board of Public Works and Safety
Clerk
Human Resources
Cemetery
Building Department
Mayor
City/County Annex
Engineer
Records
Council of Governments
Building Maintenance
Institutional Services
Board of Zoning Appeals
City/Town Attorney

200-299 Public Safety:
Jail
Emergency Ambulance/Medical Service
Emergency Management
Board of Public Safety
Police Merit Board/Commission
Fire Department
Police Department
Emergency Services
Communications Department
Traffic Department
Police Reports
Fire Reports
Parking Administration
Parking Meter
School Patrol
Federal Fire Academy
Fire Commission
Police Pension
Fire Pension
Crime Control
Juvenile Aid
Hydrant Rental
Volunteer Fire

300-399 Public Works:
Highway, Streets and Roads
Sanitation

400-499 Health and Welfare:
Health
Welfare

500-599 Culture-Recreation:
Parks and Recreation

630-649 Urban Redevelopment and Housing

650-699 Economic Development and Assistance

900-949 Miscellaneous

950-999 Other

(This page intentionally left blank.)

SECTION C - ORGANIZATION UNITS

The various offices, departments, divisions or boards of general city or town government and their activities have been classified functionally as Organization Units. An Organization Unit shall be used as the primary description of each appropriation and disbursement in conjunction with objects of expense.

A city or town is, therefore, required to use organization units in its budget and in all accounting.

It is not the intent of this manual that elaborate cost systems be maintained to prorate indirect expenses. Direct expenses only shall be charged to each organization unit and those types of expenditures that are easily applicable.

See Pages 7-6 through 7-7 for prescribed listing and classification of organization units.

DIRECT DISTRIBUTION OF DISBURSEMENTS

Direct distribution for the purpose of this section shall mean the salary expenses of an employee or employees applicable to an organization unit; or the amount of a claim or of a specific item on a claim which is applicable to an organization unit. No proration of such direct expense is required unless specifically required by the explanations which follow or unless a different fund is affected.

Under the theory of direct expenses, the salary of an employee shall be charged entirely to the organization unit principally concerned with his service. Claims for other expenses are also required to be charged to the organization unit which is principally concerned.

When ordering supplies or materials, the order should show what portion should be charged to each organization unit or fund concerned and the city or town authorities should insist that the invoice be rendered in the same manner.

(This page intentionally left blank.)

SECTION D - OBJECTS OF EXPENSE

Objects of expense have been defined to mean an expenditure classification which applies to the article purchased or the service obtained. An object of expense is always used in conjunction with an organization unit and the proper fund. Major classifications of expenditures used with each organization unit and fund are as follows:

1 PERSONAL SERVICES
This classification includes expenditures for salaries, wages and related employee benefits provided for all persons employed. Employee benefits include employer contributions to a retirement system, group health and life insurance, unemployment compensation, uniform allowance, self-insurance and similar benefits.

2 SUPPLIES
This classification includes articles and commodities which are consumed or materially altered when used. Supplies should include office supplies, operating supplies, repair and maintenance supplies and other similar supplies.

3 OTHER SERVICES AND CHARGES
This classification includes expenditures for services other than personal services which are required by the city or town in the carrying out of its assigned functions or which are legally or morally obligatory on it. Types of services and charges would include professional services, communication and transportation, printing and advertising, insurance (other than group health, life and self-insurance), utility services, contracted repairs and maintenance, rentals, debt service expenditures for principal and interest payments and general long-term debt and other similar services and charges.

4 CAPITAL OUTLAYS
This classification should include expenditures for acquisition of, or addition to, assets such as land, infrastructure, buildings, improvements other than buildings, and machinery and equipment.

For a more detailed listing of minor accounts which fall under these four major classifications, see Pages 11-7 through 11-11. For definitions of budget classifications see Pages 48-1 through 48-3

(This page intentionally left blank.)

SECTION E - ACCOUNTING RECORDS

SINGLE ENTRY CASH BASIS

Accounting records maintained on a cash basis are discussed and illustrated in subsequent chapters. The following basic forms are referred to in this section to state their purpose of implementing legal and accounting requirements as previously outlined.

City and Town Form No. 208 - Ledger of Receipts, Disbursements and Balances
City and Town Form No. 209 - Ledger of Appropriations, Encumbrances, Disbursements and Balances

The Ledger of Receipts, Disbursements and Balances, frequently referred to as the fund ledger, is used for the purpose of listing chronological entries to disclose receipts, disbursements and balances of cash.

The Ledger of Appropriations, Encumbrances, Disbursements and Balances are used for the classification of disbursements and also controls and limits disbursements to budgetary appropriations. This form is designed for use with purchase orders.

Chapter 4 - Forms, Page 42-1, lists and explains use of all prescribed forms.

DOUBLE-ENTRY MODIFIED ACCRUAL BASIS ACCOUNTING SYSTEM

A double-entry modified accrual basis accounting system has been prescribed and is available for use of all cities and towns.

ACCOUNTING BASIS

The accounting basis to be followed in recording transactions in the various funds will vary according to the purpose for which the fund was established. Generally, the funds can be classified into two categories:

1. Funds using accrual basis:

   (a) Proprietary Funds:

      (1) Enterprise funds (particularly utilities)
      (2) Internal Service Funds

   (b) Fiduciary Funds:

      (1) Pension Trust Funds
      (2) Investment Trust Funds
      (3) Private Purpose Trust Funds
      (4) Agency Funds

2. Funds using modified accrual basis:

      (1) General Fund
      (2) Special Revenue Funds
      (3) Debt Service Funds
      (4) Capital Projects Funds
      (5) Permanent Funds

Characteristics of the modified accrual basis include:

(a) Revenues are recorded as received in cash except:

(1) Revenues susceptible to accrual which are those revenues that are both measurable and available, with “available” meaning collectible within the current period or soon enough thereafter to be used to pay liabilities of the current year. Few types of revenues in budgetary funds have the characteristics of being both measurable and available.
(2) Revenues of a material amount that are not received at the normal time.

(b) Expenditures are recorded on the accrual basis except for:

(1) Inventory type disbursements, which may be considered expenditures at the time of purchase or at the time the items are used.
(2) Prepaid expenses, which are not normally recorded.
(3) Interest on long-term debt, which should be normally an expenditure when due.
(4) The encumbrance method of accounting, which may be adopted as an additional modification.

RECORDS OF UTILITIES OR ENTERPRISES

When complete double-entry systems are kept by the bookkeeping department of the utility or enterprise, it will not be necessary for the chief disbursing officer of the governmental unit to maintain similar accounts for the utility or enterprise. However, the chief disbursing officer of the governmental unit must maintain, at a minimum, a cash account for each fund of the utility or enterprise plus a fund balance account. This procedure will result in the cash balance(s) being equal to the fund balance(s). If this procedure is followed, the bookkeeping department of the utility or enterprise must maintain the records in accordance with generally accepted accounting principles.

It is also acceptable for the chief disbursing officer to keep within his records a complete double-entry system for a utility or enterprise.

ADDITIONAL RECORDS REQUIRED

All existing prescribed or approved records are continued. For some cities and towns additional records will be necessary to summarize financial transactions to develop monthly totals for posting to the general ledger. Cities and towns using data processing equipment can probably develop this monthly summary information with little, if any, changes in the programs. New records, or program revisions, may be necessary to provide the following:

1. General Ledger - is to be established, posted monthly on the double-entry basis with a self-balancing group of accounts for each fund. The general ledger will usually contain only control accounts if detail accounts are maintained in subsidiary ledgers.

2. Cash Receipts Journal - is to be kept for each fund and will provide a systematic means of accumulating cash receipt information to be posted to the General Ledger. If detail receipt (revenue) accounts are maintained in the present accounting records from which the receipts for each month can be obtained for posting to the general ledger, the use of this form will not be required; however, cities and towns may use this journal in lieu of the present ledger accounts, if desired.

3. Accounts (Claims) Payable Journal - is designed to accumulate expenditure and accounts payable information month to month for posting to the General Ledger and Appropriation Ledger or at year end if expenditures are recorded on a cash basis throughout the year.

4. Cash Disbursements Journal - provides a means for summarizing cash expenditures for posting to the General Ledger. If the present ledger contains appropriation, encumbrance and expenditure accounts in the detail currently prescribed, such record will provide the information for summarizing cash expenditures for posting to the general ledger, and accounts payable are recorded only at year end, this journal will not be required.

5. Purchase Order Register - This form provides the monthly totals of encumbrances (purchase orders issued) and purchase orders liquidated for posting to the General Ledger. If encumbrances and liquidations are recorded in the present prescribed ledgers, from which the monthly totals may be obtained for posting to the general ledger, the use of this register will not be required.

6. General Journal - This form is to be used to make entries into the General Ledger that are not made from other journals, ledgers or registers.

7. Capital Assets Ledger - This ledger is to provide a record of the capital assets of the governmental unit.

(This page intentionally left blank.)

SECTION F - CHART OF ACCOUNTS

Following is the chart of accounts and some illustrative journal entries. The chart of accounts for expenditures follows the numbering system of the budget forms except the number 4 has been added as the first digit. Suggested numbers for hand posted systems are also included.

ASSETS

Current Assets (Other Than Fixed - Current, Long-Term Receivables, Deferred Charges):

- 101 Cash
  - 101.1 Petty Cash
  - 101.2 Cash Change
- 102 Cash With Fiscal Agent
- 103 Investments
- 104 Interest Receivable
- 105 Taxes Receivable
  - 105.1 Allowance for Uncollectible Taxes
- 113 Other Revenues Receivable
- 115 Accounts Receivable
  - 115.1 Allowance for Uncollectible Accounts Receivable (Credit)
- 121 Special Assessments Receivable
- 125 Interest Receivable - Special Assessments
- 126 Intergovernmental Receivable
- 130 Due From Other Funds
- 141 Inventory of Materials and Supplies
  - 141.1 Materials
  - 141.2 Supplies
  - 141.3 Parts
- 143 Prepaid Items
- 149 Deferred Charges
- 151 Investments-Noncurrent
  - 151.1 Unamortized Premiums on Investments
  - 151.2 Unamortized Discounts on Investments (Credit)

Capital Assets:

- 161 Land
- 162 Infrastructure
  - 162.1 Accumulated Depreciation – Infrastructure (Credit)
- 163 Buildings
  - 163.1 Accumulated Depreciation - Buildings (Credit)
- 164 Improvements Other Than Buildings
  - 164.1 Accumulated Depreciation - Improvements Other Than Buildings (Credit)
- 165 Machinery and Equipment
  - 165.1 Accumulated Depreciation - Machinery and Equipment (Credit)
- 166 Construction in Progress

Other Debits:
- 171 Estimated Revenues
- 172 Revenues (Credit)
- 174 Improvements Authorized - Special Assessments

LIABILITIES

Current Liabilities and Deferred Charges (Other Than Long-Term Debt):
- 202 Accounts Payable
- 203 Compensated Absences Payable
- 204 Claims and Judgments Payable
- 205 Contracts Payable
- 206 Retainage Payable
- 208 Due to Other Funds

- 212 Matured Bonds Payable
- 213 Matured Interest Payable
- 214 Accrued Interest Payable
- 216 Accrued Wages Payable
- 217 Accrued Taxes Payable

- 221 Due to Fiscal Agent
- 222 Deferred Revenues
  - 222.1 Taxes Collected in Advance
  - 222.2 Revenues Collected in Advance
- 225 Bonds Payable (Current)
  - 225.1 General Obligation Bonds Payable
  - 225.2 Special Assessments Bonds Payable
  - 225.3 Revenue Bonds Payable
- 226 Capital Leases Payable - Current
- 227 Other Current Liabilities
  - 227.1 Payroll Taxes Payable
    - 227.11 Federal Withholding Tax
    - 227.12 State Withholding Tax
    - 227.13 Social Security (FICA) Tax
    - 227.14 County Withholding Tax
  - 227.2 Other Payroll Withholdings
    - 227.21 Medical Insurance
    - 227.22 Life Insurance
    - 227.23 Union Dues
  - 227.3 Notes Payable
  - 227.4 State Sales Tax Collected
- 228 Customer Deposits

Long-Term Liabilities:
- 231 Bonds Payable - Noncurrent
  - 231.1 General Obligation Bonds Payable
  - 231.2 Special Assessment Bonds Payable
  - 231.3 Revenue Bonds Payable
- 232 Unamortized Premiums on Bonds
- 233 Unamortized Discounts on Bonds (Debit)
- 237 Capital Leases Payable - Noncurrent
- 238 Net Pension Obligation
- 239 Other Noncurrent Liabilities

240 Other Credits:
Appropriation
Expenditures (Debit)
Encumbrances (Debit)

Fund Balance:
241 Reserved for Debt Service
242 Reserved for Endowments
244 Reserved for Encumbrances
245 Reserved for Inventories
250 Reserved for _____
253 Unreserved

Net Assets:
261 Net Assets – Invested in Capital Assets, Net of Related Debt
262 Net Assets – Restricted For _____
263 Net Assets – Held in Trust for Pension Benefits
266 Net Assets – Unrestricted
267 Net Assets – General Government

REVENUES AND OTHER FINANCING SOURCES

310 Taxes
311 General Property Taxes
312 Other Taxes

* All of the following listed revenue accounts should be used in hand posted and machine accounting single entry cash basis systems where applicable. Use only those accounts which apply to your municipality.

320 Licenses and Permits
321 Business Licenses and Permits
321.1 Amusement Park Licenses
321.2 Auctioneer Licenses
321.3 Bicycle Licenses
321.4 Bowling Alley Licenses
321.5 Dance Hall Licenses
321.6 Dog Licenses

- 321.7 Electrician Licenses
- 321.8 Junk Dealer Licenses
- 321.9 Parking Lot Licenses
- 321.10 Pawnbroker Licenses
- 321.11 Peddler Licenses
- 321.12 Plumber Licenses
- 321.13 Pool Hall Licenses
- 321.14 Restaurant
- 321.15 Skating Rink Licenses
- 321.16 Taxi Licenses
- 321.17 Theater Licenses

322 Nonbusiness Licenses and Permits

- 322.1 Building Permits
- 322.2 Demolition Permits
- 322.3 Electrical Permits
- 322.4 Moving Permits
- 322.5 Plumbing Permits
- 322.6 Sign Permits
- 322.7 Street and Curb Cut Permits

330 Intergovernmental Revenues

331 Federal Government Grants

- 331.1 General Government
- 331.2 Public Safety
- 331.3 Highways and Streets
- 331.4 Sanitation
- 331.5 Health
- 331.6 Welfare
- 331.7 Culture - Recreation
- 331.8 Conservation of Natural Resources
- 331.9 Urban Development and Assistance
- 331.10 Economic Development and Assistance
- 331.11 Transportation
- 331.12 Water
- 331.13 Other

332 Federal Shared Revenues

- 332.1 Entitlements
- 332.2 Other

333 Federal Payments in Lieu of Taxes

334 State Government Grants

- 334.1 General Government
- 334.2 Public Safety
- 334.3 Highways and Streets
- 334.4 Sanitation
- 334.5 Health
- 334.6 Welfare
- 334.7 Culture - Recreation
- 334.8 Conservation of Natural Resources
- 334.9 Urban Development and Assistance
- 334.10 Economic Development and Assistance
- 334.11 Transportation
- 334.12 Water
- 334.13 Industrial Development
- 334.14 Other

NOTE: See footnote, Page 11-3.

335 State Shared Revenues
- 335.1 Financial Institutions Tax
- 335.2 Auto and Aircraft Excise Taxes
- 335.3 Certified Shares (Local Option Tax)
- 335.4 Property Tax Replacement Credit (Local Option Tax)
- 335.5 County Option Income Tax
- 335.6 Wheel Tax/Surtax
- 335.7 Commercial Vehicle Excise Tax
- 335.8 Liquor Excise Tax Distributions
- 335.9 Liquor Gallonage Tax Distributions
- 335.10 Cigarette Tax Distributions - General Fund
- 335.11 Cigarette Tax Distributions - Cumulative Capital Improvement Fund
- 335.12 Cigarette Tax Distributions - Fire Pension Fund
- 335.13 Cigarette Tax Distributions - Police Pension Fund
- 335.14 Gasoline Tax – Motor Vehicle Highway Fund
- 335.15 Gasoline Tax – Local Road and Street Fund
- 335.16 PDIF Interest – Fire Pension Fund
- 335.17 PDIF Interest – Police Pension Fund
- 335.18 Wagering Tax Distributions
- 335.19 Food and Beverage Tax Distributions
- 335.20 Major Moves Construction Fund Distributions
- 335.21 LOIT - Public Safety
- 335.22 County Economic Development Income Tax (CEDIT)
- 335.23 County Slot Machine Wagering Fee
- 335.24 Other

336 State Payments in Lieu of Taxes
337 Local Government Grants
338 Local Government Shared Revenues
339 Local Government Payments in Lieu of Taxes

340 Charges for Services

341 General Government
- 341.1 Court Costs, Fees, and Charges
- 341.2 Plan Commission Charges
- 341.3 Building Department Charges
- 341.4 Copies of Public Records
- 341.5 Sale of Maps and Publications

342 Public Safety
- 342.1 Accident Report Copies
- 342.2 Gun Permit Applications
- 342.3 Traffic Signal Maintenance
- 342.4 Burglary Alarm Charges
- 342.5 Fire Inspection
- 342.6 Fire Protection Contracts

343 Highways and Streets
- 343.1 Parking Meter Receipts
- 343.2 Parking Space Rental
- 343.3 Street Lighting
- 343.4 Parking Meter Fines - Penalties
- 343.5 Mowing Weeds
- 343.6 Sweeping Streets

344 Sanitation
- 344.1 Sewage Fees
- 344.2 Garbage and Trash Collection Fees

345 Health
- 345.1 Dog Pound Fees
- 345.2 Vital Statistics
- 345.3 Health Inspection Fees
- 345.4 Emergency Medical Services

347 Culture - Recreation
- 347.1 Park Receipts
  - 347.11 Swimming Pool
  - 347.12 Golf Course
  - 347.13 Concession Stand(s)
  - 347.14 Lease of Coliseum

NOTE: See footnote, Page 11-3.

349 Other
- 349.1 Sale of Cemetery Lots
- 349.2 Airport Revenues
- 349.3 Contractual Services
- 349.4 In Lieu of Taxes - Municipal Utilities
- 349.5 Federal Reimbursement for Services
- 349.6 State Reimbursement for Services
- 349.7 County Reimbursement for Services
- 349.8 Opening and Closing Graves

350 Fines, Forfeitures and Fees
- 351 Fines
  - 351.1 Infractions
  - 351.2 Ordinance Violations
- 352 Forfeits
  - 352.1 Bond Forfeitures
- 353 Court Docket Fees
- 355 Special Assessments
  - 355.1 Barrett Law
  - 355.2 General Improvement Fund

360 Miscellaneous Revenues
- 361 Interest on Investments
- 362 Rental of Property
- 364 Cable TV Franchise
- 367 Contributions and Donations From Private Sources

390 Other Financing Sources
- 391 Interfund Transfers
  - 391.1 Transfer From Parking Meter Fund
  - 391.2 Transfer From Cumulative Capital Improvement Fund
  - 391.3 Transfer From Dormant Fund
- 392 Proceeds of Capital Asset Disposition
  - 392.1 Sale of Capital Assets
  - 392.2 Compensation for Loss of Capital Assets
    - 392.21 Insurance Reimbursements
    - 392.22 Other Damage Reimbursements
- 393 Proceeds From Long-Term Debt
  - 393.1 General Obligation Bond Proceeds
  - 393.2 Premiums on Bonds Sold
- 394 Temporary Loan From _____ Fund
- 395 Sale of Investments
- 396 Refunds
- 399 Other

NOTE: If the foregoing revenue accounts are maintained in subsidiary ledgers, only a revenue control account will be maintained in the general ledger.

EXPENDITURES AND OTHER FINANCING USES

410 Personal Services
- 411 Salaries and Wages (All Cities and Departmentalized Towns, Note 1)
  - 411.01 Department
    - 411.011 Department Head
    - 411.012 Deputies
    - 411.013 Regular
    - 411.014 Temporary
    - 411.015 Other
    - 411.016 Overtime Excess Compensation

NOTES:
1. For departmentalized municipalities. .01 to .99 should be used for numbering each department. .011 to .991, .012 to .992, etc., should be used for each corresponding department.

2. For towns without departmental budgets, only those accounts needed under 412, Salaries and Wages, should be used.

410 Personal Services
- 412 Salaries and Wages (Towns Without Departmentalized Budget, Note 2)
  - 412.01 Salaries of Town Council Member
  - 412.02 Salary of Clerk-Treasurer
    - 412.021 Salary of Clerk-Treasurer
    - 412.022 Deputies
    - 412.023 Regular
    - 412.024 Temporary
    - 412.025 Other
    - 412.026 Overtime Excess Compensation
  - 412.03 Salary of Town Manager
    - 412.031 Town Manager
    - 412.033 Regular
    - 412.034 Temporary
    - 412.035 Other
    - 412.036 Overtime Excess Compensation
  - 412.04 Salary of Town Marshal
    - 412.041 Town Marshal
    - 412.042 Deputies
    - 412.043 Regular
    - 412.044 Temporary
    - 412.045 Other
    - 412.046 Overtime Excess Compensation
  - 412.05 Salary of Fire Chief
    - 412.051 Fire Chief
    - 412.052 Fireman
    - 412.053 Regular
    - 412.054 Temporary
    - 412.055 Other
    - 412.056 Overtime Excess Compensation

412.06 Salary of Street Superintendent
- 412.061 Superintendent
- 412.062 Assistant Superintendent
- 412.063 Regular
- 412.064 Temporary
- 412.065 Other
- 412.066 Overtime Excess Compensation

412.07 Salary of Town Attorney
- 412.071 Town Attorney
- 412.072 Deputies
- 412.073 Regular
- 412.074 Temporary
- 412.075 Other
- 412.076 Overtime Excess Compensation

NOTES:
1. All municipalities shall use those accounts beginning with account 413 and all following accounts that apply to their unit.

2. Use only those accounts that are needed for your municipality.

410 Personal Services

413 Employee Benefits (All Units, Note 1)
- 413.01 Employer's Share of Social Security (FICA)
- 413.02 Employer's Share of Medicare Tax
- 413.03 Employer's Share of Retirement (PERF)
- 413.04 Unemployment Compensation
- 413.05 Employer's Share Group Insurance - Health and Accident
- 413.06 Employer's Share Group Insurance - Life
- 413.07 Clothing Allowance
- 413.08 Auto Allowance - Volunteer Firemen
- 413.09 Employer's Share of 1977 Firemen's Pension Contributions
- 413.10 Employer's Share of 1977 Policemen Pension Contributions
- 413.11 Other Employee Benefits

414 Self-Funded Insurance
- 414.01 Administrative Fee (Claim Processing Charge)
- 414.02 Claims - Physicians and Surgeons
- 414.03 Claims - Hospitals and Other Providers

415 Other Personal Services

420 Supplies (All Units, Note 2)

421 Office Supplies
- 421.01 Official Records
- 421.02 Stationery and Printing
- 421.05 Other Office Supplies

422 Operating Supplies

422.01 Fuel and Ice
- 422.011 Coal
- 422.012 Fuel Oil
- 422.013 Bottled Gas
- 422.014 Ice
- 422.015 Other

- 420 Supplies (All Units, Note 2)
  - 422 Operating Supplies
    - 422.02 Garage and Motor
      - 422.021 Gasoline
      - 422.022 Oil
      - 423.023 Tires and Tubes
      - 422.025 Other
    - 422.03 Institutional and Medical
      - 422.031 Household, Laundry, Cleaning
      - 422.032 Medical, Surgical, Dental
      - 422.035 Other
  - 423 Repair and Maintenance Supplies
    - 423.01 Materials
      - 423.011 Building Materials
      - 423.012 Street and Alley Materials
        - 423.0121 Gravel
        - 423.0122 Sand
        - 423.0123 Cement
        - 423.0124 Bituminous Materials
        - 423.0125 Other
    - 423.01 Materials
      - 423.013 Sewer Materials
        - 423.0131 Gravel
        - 423.0132 Sand
        - 423.0133 Cement
        - 423.0135 Other
    - 423.02 Repair Parts
    - 423.03 Small Tools and Minor Equipment
  - 429 Other Supplies

- 430 Other Services and Charges
  - 431 Professional Services
    - 431.01 Legal
    - 431.02 Engineering
    - 431.03 Architectural
    - 431.05 Other
  - 432 Communication and Transportation
    - 432.01 Freight, Express, Drayage
    - 432.02 Postage
    - 432.03 Travel Expense
    - 432.04 Telephone and Telegraph
    - 432.05 Other
  - 433 Printing and Advertising
    - 433.01 Printing Other Than Office Supplies
    - 433.02 Publication of Legal Notices
    - 433.05 Other
  - 434 Insurance
    - 434.01 Workmen's Compensation
    - 434.02 Liability
    - 434.03 Fire
    - 434.05 Other

NOTE: Use only those accounts needed for your municipality.

- 430 Other Services and Charges
  - 435 Utility Services
    - 435.01 Electric
    - 435.02 Gas
    - 435.03 Heat
    - 435.04 Water
    - 435.05 Sewage
    - 435.09 Other
  - 436 Repairs and Maintenance
    - 436.01 Repairs and Maintenance
    - 436.02 Equipment
    - 436.03 Repair and Maintenance of Streets and Alleys by Contract
    - 436.05 Other
  - 437 Rentals
    - 437.01 Hydrant Rental
    - 437.02 Equipment
    - 437.03 Office Space
    - 437.05 Other
  - 438 Debt Service
    - 438.01 Principal
    - 438.02 Interest
    - 438.03 Paying Agent Fees
  - 439 Other Services and Charges
    - 439.01 Refunds, Awards, Indemnities
    - 439.02 Pension Benefits
      - 439.021 Pensions to Retired Firemen - Prior
      - 439.022 Pensions to Retired Firemen - Becoming Eligible During Current Year
      - 439.023 Pensions to Dependents of Deceased Firemen
      - 439.024 Death Benefits - Deceased Firemen
      - 439.025 Disability Benefits
      - 439.026 Pensions to Retired Policemen - Prior
      - 439.027 Pensions to Retired Policemen - Becoming Eligible During Current Year
      - 439.028 Pensions to Dependents of Deceased Policemen
      - 439.029 Death Benefits - Deceased Policemen
      - 439.030 Disability Benefits
    - 439.03 Subscriptions
    - 439.04 Premiums on Official Bonds
    - 439.05 Grants and Subsidies
    - 439.06 Garbage and Trash Collection Contract
    - 439.07 Election Expense
    - 439.08 Organization Memberships and Dues
    - 439.09 Other
      - 439.091 Education
      - 439.092 Construction or Improvement of Streets and Alleys by Contract

- 440 Capital Outlay
  - 441 Land
    - 441.01 Rights of Way
  - 442 Infrastructure
  - 443 Buildings
    - 443.01 City or Town Hall
    - 443.02 Garage
    - 443.03 Street
    - 443.05 Other

NOTE: Use only those accounts needed for your municipality.

440 Capital Outlay
- 444 Improvements Other Than Buildings
  - 444.01 Fencing
  - 444.02 Parking Lots
  - 444.05 Other
- 445 Machinery and Equipment
  - 445.01 Furniture and Fixtures
  - 445.02 Motor Equipment
  - 445.03 Office Equipment
  - 445.04 Street Machinery and Equipment
  - 445.05 Other
- 449 Other Capital Outlays

450 Other Financing Uses
- 451 State Board of Accounts
  - 451.01 Audit
  - 451.02 Typing and Processing
  - 451.03 Conferences
    - 451.031 Registration
    - 451.032 Travel
- 452 Interfund Operating Transfers
- 453 Temporary Loan to _____ Fund
- 454 Purchase of Investments
  - 454.01 Service Charges
- 459 Other

Note: Use only those accounts needed for your municipality.

ILLUSTRATED ENTRIES

In order to show the interrelationship of the balance sheet accounts and the method of posting them, some typical journal entries are illustrated below for the General Fund. Entries would be similar for other budgetary funds.

The first group of entries are those that would be required to initially set up the double-entry system.

The second group illustrates various transactions. These entries are presented in summary form for an entire period. Actual entries would be made from totals of postings to subsidiary ledgers or journals on a monthly basis.

The third group illustrates the method of closing the nominal or temporary accounts at the end of the year.

The following accounts have been selected from the chart of accounts to present the illustrated entries:

Asset and Budgetary Accounts That Carry Debit Balances

101 Cash
101.1 Petty Cash
101.2 Cash Change
141 Inventories - Materials and Supplies
151 Investments - Noncurrent

171 Estimated Revenues

24 #Expenditures
243 #Encumbrances

Liability, Budgetary and Fund Balance Accounts That Carry Credit Balances

172 #Revenues
202 Accounts Payable

241 #Appropriations
244 Fund Balance Reserved for Encumbrances - Current Year
245 Fund Balance Reserved for Encumbrances - Prior Year
246 Fund Balance Reserved for Inventories

These are control accounts for which detailed subsidiary accounts are provided in the budgetary accounting system previously prescribed.

ILLUSTRATED JOURNAL ENTRIES

Opening Entries

(1)	Cash	10,000	
	Petty Cash	100	
	Cash Change	500	
	Fund Balance		10,600
	To set up cash balances and fund balance.		
(2)	Investments - Noncurrent	5,000	
	Fund Balance		5,000
	To set up cost of investments not previously recorded.		
(3)	Inventories - Materials and Supplies	2,000	
	Reserved for Inventories		2,000
	To set up initial materials and supplies inventory (These accounts are optional and would not ordinarily be used).		
(4)	Fund Balance	1,500	
	Accounts Payable		1,000
	Reserve for Encumbrances - Prior Year		500
	Set up prior year encumbrances and accounts payable to be carried forward to current year. This entry would be made only when double entry records are established for the first time. The Reserve for Encumbrance Account will ordinarily be carried forward from the previous year.		

The above entries set up the basic General Ledger for the first time.

Transaction Entries

(5)	Estimated Revenues	100,000	
	Appropriations		95,000
	Fund Balance		5,000
	To establish estimated revenues and appropriations at the beginning of the budget year.		
(5a)	Cash	102,000	
	Revenues		102,000
	To record revenue received.		
(6)	Encumbrances	70,000	
	Fund Balance - Reserved for Encumbrances - Current Year		70,000
	To record purchase orders issued. Amount should be taken from Purchase Order Register or Ledger of Appropriations, Encumbrances, Disbursements and Balances.		
(6a)	Fund Balance - Reserved for Encumbrance - Prior Year	400	
	Expenditures	69,000	
	Accounts Payable		69,400
	To record the claims filed per the Register of Claims.		
(6b)	Expenditures	22,000	
	Cash		22,000
	To record payroll paid. (May be recorded through Accounts Payable.)		
(6c)	Fund Balance - Reserved for Encumbrances - Current Year	69,000	
	Encumbrances		69,000
	To record encumbrances (Purchase Orders) liquidated for current year.		
(7)	Accounts Payable	65,000	
	Cash		65,000
	To record the payment of vendors claims.		
(8)	Fund Balance - Reserved for Encumbrances - Prior Year	100	
	Fund Balance		100
	This entry cancels the encumbrances bought forward from the prior year and credits fund balance with the excess of the encumbrances brought forward over the actual expenditures made against the encumbrance.		

NOTE: Rather than recording encumbrances and accounts payable throughout the year in the general ledger, the encumbered balance and the amount of accounts payable may be recorded at year end only. This would be done by the following entries:

Encumbrances	1,000	
Fund Balance - Reserved for Encumbrances		1,000
To record the outstanding encumbrance at year end.		
Expenditures	5,400	
Accounts Payable		5,400
To record unpaid bills at year end.		

If this procedure is followed cash disbursements throughout the year would be debited to expenditures. It is expected that most cities and towns will use this method initially.

(9)	Cash	2,600	
	Investments		2,500
	Revenues		100
	To record liquidation of investments and interest received.		
(10)	Investments	3,000	
	Cash		3,000
	To record purchase of investments.		

Closing Entries

(a)	Appropriations	95,000	
	Fund Balance		3,000
	Expenditures		91,000
	Encumbrances		1,000
(b)	Revenues	102,100	
	Estimated Revenue		100,000
	Fund Balance		2,100

NOTE: It may be desirable for the governmental unit to set up a separate appropriation sheet in the appropriation ledger in the new year in the amount of the encumbrance carried forward from the prior year for each expenditure classification. By doing this all expenditures would be matched with an appropriation rather than the expenditures relating to prior year encumbrances being charged directly to Reserve for Encumbrances.

GENERAL LEDGER ACCOUNTS SHOWING
ILLUSTRATED JOURNAL ENTRIES

General Ledger Account - Cash #101	Debit	Credit	Balance
(1)	10,000.00		10,000.00
(5a)	102,000.00		102,000.00
(6b)		12,000.00	90,000.00
(7)		65,000.00	25,000.00
(9)	2,600.00		27,600.00
(10)		3,000.00	24,600.00

General Ledger Account - Petty Cash #101.1	Debit	Credit	Balance
(1)	100.00		100.00

General Ledger Account - Cash Change #101.2	Debit	Credit	Balance
(1)	500.00		500.00

General Ledger Account - Inventory of Materials and Supplies #141	Debit	Credit	Balance
(3)	2,000.00		2,000.00

General Ledger Account - Investments #151	Debit	Credit	Balance
(2)	5,000.00		5,000.00
(9)		2,500.00	2,500.00
(10)	3,000.00		5,500.00

General Ledger Account - Estimated Revenues #171	Debit	Credit	Balance
(5)	100,000.00		100,000.00
(b)		100,000.00	0.00

General Ledger Account - Revenues #172	Debit	Credit	Balance
(5a)		102,000.00	(102,000.00)
(9)		100.00	(102,100.00)
(b)	102,100.00		0.00

General Ledger Account - Accounts Payable #202	Debit	Credit	Balance
(4)		1,000.00	(1,000.00)
(6a)		69,400.00	(70,400.00)
(7)	65,000.00		(5,400.00)

General Ledger Account - Appropriations #241	Debit	Credit	Balance
(5)		95,000.00	95,000.00
(a)	95,000.00		0.00

General Ledger Account - Expenditures #242	Debit	Credit	Balance
(6a)	69,000.00		69,000.00
(6b)	22,000.00		91,000.00
(a)		91,000.00	0.00

General Ledger Account - Encumbrances #243	Debit	Credit	Balance
(6)	70,000.00		70,000.00
(6c)		69,000.00	1,000.00
(a)		1,000.00	0.00

General Ledger Account – Fund Balance-Reserved for Encumbrances - Current #244	Debit	Credit	Balance
(6)		70,000.00	(70,000.00)
(6c)	69,000.00		(1,000.00)

General Ledger Account – Fund Balance-Reserved for Encumbrances - Prior Year #245	Debit	Credit	Balance
(4)		500.00	(500.00)
(6a)	400.00		(100.00)
(8)	100.00		0.00

General Ledger Account – Fund Balance-Reserved for Inventories #246	Debit	Credit	Balance
(3)		2,000.00	(2,000.00)

General Ledger Account - Fund Balance #271	Debit	Credit	Balance
(1)		10,600.00	(10,600.00)
(2)		5,000.00	(15,600.00)
(4)	1,500.00		(14,100.00)
(5)		5,000.00	(19,100.00)
(8)		100.00	(19,200.00)
(a)		3,000.00	(22,200.00)
(b)		2,100.00	(24,300.00)

NOTE: Amounts shown in parenthesis ( ) denote credit balance.

LIST OF BALANCE SHEET ACCOUNTS

Following is a list of balance sheet accounts and an explanation of which fund types and funds might contain account activity. The fund types and account groups are abbreviated in the following manner:

G	General Fund
SR	Special Revenue
DS	Debt Service
CP	Capital Projects
PF	Permanent Funds
EF	Enterprise Funds
IS	Internal Service
PT	Pension Trust
IT	Investment Trust
PP	Private-Purpose Trust
AF	Agency Funds

(This page is intentionally left blank)

LIST OF BALANCE SHEET ACCOUNTS

	Governmental Funds			Proprietary Funds		Fiduciary Funds			
	G & SR	DS	CP	EF	IS	PT	IT	PP	AF
A. Assets									
101 Cash	X	X	X	X	X	X	X	X	X
101.1 Petty Cash	X			X	X				
101.2 Cash Change Fund	X			X	X				
102 Cash With Fiscal Agent	X	X		X					
103 Investments	X	X		X					
104 Interest Receivable - Investments	X	X	X	X		X	X	X	
105 Taxes Receivable	X	X							X
105.1 Allowance for Uncollectible Taxes	X	X							X
113 Other Revenues Receivable				X	X	X			
115 Accounts Receivable	X			X	X				
115.1 Allowance for Uncollectible Accounts Receivable (Credit)	X			X	X				
121 Special Assessments Receivable									
125 Interest Receivable - Special Assessments									
130 Due From Other Funds	X	X	X	X	X	X	X	X	X
141 Inventory of Materials and Supplies	X			X	X				
141.1 Materials	X			X	X				
141.2 Supplies	X			X	X				
141.3 Parts	X			X	X				
143 Prepaid Items				X					
149 Deferred Charges	X			X	X				
151 Investments-Noncurrent	X	X	X	X		X	X	X	
151.1 Unamortized Premiums - Investments				X		X	X	X	
151.2 Unamortized Discounts - Investments (Credit)				X		X	X	X	
B. Capital Assets									
161 Land	X			X	X				
162 Infrastructure	X								
162.1 Accumulated Depreciation-Infrastructure	X								
163 Buildings	X			X	X				
163.1 Accumulated Depreciation-Buildings (Credit)	X			X	X				
164 Improvements Other Than Buildings	X			X	X				
164.1 Accumulated Depreciation - Improvements Other Than Buildings (Credit)	X			X	X				
165 Machinery and Equipment	X			X	X				
165.1 Accumulated Depreciation - Machinery and Equipment (Credit)	X			X	X				
166 Construction in Progress	X			X	X				

LIST OF BALANCE SHEET ACCOUNTS

	Governmental Funds			Proprietary Funds		Fiduciary Funds			
	G & SR	DS	CP	EF	IS	PT	IT	PP	AF
C. Other Debits									
171 Estimated Revenues	X			X	X				
172 Revenues (Credit)	X								
174 Improvements Authorized - Special Assessments	X								
D. Liabilities									
202 Accounts Payable	X		X	X	X				
203 Compensated Absences Payable	X			X					
204 Claims and Judgments Payable									X
205 Contracts Payable	X		X	X	X				
206 Retainage Payable			X	X					
207 Intergovernmental Payable	X		X	X	X		X		X
208 Due to Other Funds	X		X			X	X	X	X
212 Matured Bonds Payable	X	X		X					
213 Matured Interest Payable	X	X		X					
214 Accrued Interest Payable	X	X		X					
216 Accrued Wages Payable	X			X	X				
217 Accrued Taxes Payable	X			X	X				
221 Due to Fiscal Agent	X	X		X					
222 Deferred Revenues	X			X					
222.1 Taxes Collected in Advance	X	X							
222.2 Revenues Collected in Advance				X					
224 Notes Payable-Current	X			X					
225 Bonds Payable (Current)	X	X		X					
225.1 General Obligation Bonds Payable	X	X		X					
225.2 Special Assessments Bonds Payable	X	X							
225.3 Revenue Bonds Payable	X			X					
226 Capital Leases Payable-Current	X			X	X				
227 Other Current Liabilities	X			X	X				
227.1 Payroll Taxes Payable	X			X	X				
227.11 Federal Withholding Tax	X			X	X				
227.12 State Withholding Tax	X			X	X				
227.13 Social Security (FICA) Tax	X			X	X				
227.14 County Withholding Tax	X			X	X				
227.2 Other Payroll Withholdings	X			X	X				
227.21 Medical Insurance	X			X	X				
227.22 Life Insurance	X			X	X				
227.23 Union Dues	X			X	X				
227.3 Notes Payable	X			X	X				
227.4 State Sales Tax Collected	X			X					
228 Customer Deposits				X					

LIST OF BALANCE SHEET ACCOUNTS

		Governmental Funds			Proprietary Funds		Fiduciary Funds			
		G & SR	DS	CP	EF	IS	PT	IT	PP	AF
E.	231 Bonds Payable-Noncurrent				X					
	231.1 General Obligation Bonds Payable				X					
	231.2 Special Assessment Bonds Payable									
	231.3 Revenue Bonds Payable				X					
	233 Unamortized Discounts on Bonds				X					
	237 Capital Leases Payable-Noncurrent				X	X				
	238 Net Pension Benefit Obligation				X	X				
	239 Other Noncurrent Liabilities				X	X				
F.	Fund Balance									
	241 Fund Balance-Reserved for Debt Service		X							
	244 Fund Balance-Reserved for Encumbrances	X	X	X						
	245 Fund Balance-Reserved for Inventories	X								
	253 Fund Balance-Unreserved	X	X	X						
G.	Net Assets									
	261 Net Assets, Invested in Capital Assets, Net of Related Debt	X			X	X				
	262 Net Assets, Restricted for _____	X			X	X				
	262.1 Net Assets, Restricted for _____	X			X	X				
	262.2 Net Assets, Restricted for _____	X								
	263 Net Assets, Held in Trust for Pension Benefits						X			
	266 Net Assets, Unrestricted	X			X	X				
	267 Net Assets, General Government	X								
H.	310 Taxes									
	311 General Property Taxes	X	X				X			
	312 Other Taxes	X	X				X			
I.	320 Licenses and Permits	X								
	321 Business Licenses and Permits	X								
	321.1 Amusement Park Licenses	X								
	321.2 Auctioneer Licenses	X								
	321.3 Bicycle Licenses	X								
	321.4 Bowling Alley Licenses	X								
	321.5 Dance Hall Licenses	X								
	321.6 Dog Licenses	X								
	321.7 Electrician Licenses	X								
	321.8 Junk Dealer Licenses	X								
	321.9 Parking Lot Licenses	X								
	321.1 Pawnbroker Licenses	X								
	321.11 Peddler Licenses	X								
	321.12 Plumber Licenses	X								
	321.13 Pool Hall Licenses	X								
	321.14 Restaurant Licenses	X								
	321.15 Skating Rink Licenses	X								
	321.16 Taxi Licenses	X								
	321.17 Theater Licenses	X								

LIST OF BALANCE SHEET ACCOUNTS

			Governmental Funds			Proprietary Funds		Fiduciary Funds			
			G & SR	DS	CP	EF	IS	PT	IT	PP	AF
I.	320	Licenses and Permits (Continued)	X								
	322	Nonbusiness Licenses and Permits	X								
	322.1	Building Permits	X								
	322.2	Demolition Permits	X								
	322.3	Electrical Permits	X								
	322.4	Moving Permits	X								
	322.5	Plumbing Permits	X								
	322.6	Sign Permits	X								
	322.7	Street and Curb Cut Permits	X								
J.	330	Intergovernmental Revenues	X								
	331	Federal Operating Grants	X								
	331.1	General Government	X								
	331.2	Public Safety	X								
	331.3	Highways and Streets	X								
	331.4	Sanitation	X								
	331.5	Health	X								
	331.6	Welfare	X								
	331.7	Culture - Recreation	X								
	331.8	Conservation of Natural Resources	X								
	331.9	Urban Development and Assistance	X								
	331.1	Economic Development and Assistance	X								
	331.11	Transportation	X								
	331.12	Water	X								
	331.13	Other									
	332	Federal Shared Revenues	X								
	332.1	Entitlements	X								
	332.2	Other	X								
	333	Federal Payments in Lieu of Taxes	X								
	334	State Operating Grants	X								
	334.1	General Government	X								
	334.2	Public Safety	X								
	334.3	Highways and Streets	X								
	334.4	Sanitation	X								
	334.5	Health	X								
	334.6	Welfare	X								
	334.7	Culture - Recreation	X								
	334.8	Conservation of Natural Resources	X								
	334.9	Urban Development and Assistance	X								
	334.10	Economic Development and Assistance	X								
	334.11	Transportation	X								
	334.12	Water	X								
	334.13	Industrial Development	X								
	334.14	Other									
	335	State Shared Revenues	X	X				X			
	335.1	Financial Institutions Tax	X	X				X			
	335.2	Auto and Aircraft Excise	X	X				X			
	335.3	Certified Shares (Local Option Tax)	X	X				X			

				Governmental Funds			Proprietary Funds		Fiduciary Funds			
				G & SR	DS	CP	EF	IS	PT	IT	PP	AF
J.	330	Intergovernmental Revenues (Continued)										
		335.4	Property Tax Replacement Credit (Local Option Tax)	X	X				X			
		335.5	County Option Income Tax	X	X				X			
		335.6	Wheel Tax / Surtax	X	X				X			
		335.7	Commercial Vehicle Excise Tax	X								
		335.8	Liquor Excise Tax Distributions	X								
		335.9	Liquor Gallonage Tax Distributions	X								
		335.10	Cigarette Tax Distributions - General Fund	X								
		335.11	Cigarette Tax Distributions - Cumulative Capital Improvement Fund			X						
		335.12	Cigarette Tax Distributions - Fire Pension Fund						X			
		335.13	Cigarette Tax Distributions - Police Pension Fund						X			
		335.14	Gasoline Tax - Motor Vehicle Highway Fund	X								
		335.15	Gasoline Tax - Local Road and Street Fund	X								
		335.16	PDIF-Fire Pension						X			
		335.17	PDIF-Police Pension						X			
		335.18	Wagering Taxes	X								
		335.19	Food and Beverage Tax Distributions	X	X	X						
		335.20	Major Moves Construction Fund Distributions			X						
		335.21	LOIT - Public Safety	X		X						
		335.22	County Economic Development Income Tax (CEDIT)	X		X						
		335.23	County Slot Machine Wagering Fees	X		X						
		335.24	Other									
	336	State Payments in Lieu of Taxes		X								
	337	Local Government Grants		X		X					X	
	338	Local Government Shared Revenues		X								
	339	Local Government Payments In Lieu of Taxes		X								
K.	340	Charges for Services										
	341	General Government		X								
		341.1	Court Costs, Fees, and Charges	X								
		341.2	Plan Commission Charges	X								
		341.3	Building Department Charges	X								
		341.4	Copies of Public Records	X								
		341.5	Sale of Maps and Publications	X								
	342	Public Safety		X								
		342.1	Accident Report Copies	X								
		342.2	Gun Permit Applications	X								
		342.3	Traffic Signal Maintenance	X								
		342.4	Burglary Alarm Charges	X								
		342.5	Fire Inspection	X								
		342.6	Fire Protection Contracts	X								
	343	Highways and Streets		X								
		343.1	Parking Meter Receipts	X								
		343.2	Parking Space Rental	X								
		343.3	Street Lighting	X								
		343.4	Parking Meter Fines - Penalties	X								
		343.5	Mowing Weeds	X								
		343.6	Sweeping Streets	X								

LIST OF BALANCE SHEET ACCOUNTS

				Governmental Funds			Proprietary Funds		Fiduciary Funds			
				G & SR	DS	CP	EF	IS	PT	IT	PP	AF
K.	340	Charges for Services (Continued)										
	344	Sanitation		X			X					
		344.1	Sewage Fees	X			X					
		344.2	Garbage and Trash Collection Fees	X			X					
	345	Health		X								
		345.1	Dog Pound Fees	X								
		345.2	Vital Statistics	X								
		345.3	Health Inspection Fees	X								
		345.4	Emergency Medical Services	X								
	347	Culture - Recreation		X								
		347.1	Park Receipts	X								
			347.11 Swimming Pool	X								
			347.12 Golf Course	X								
			347.13 Concession Stand(s)	X								
			347.14 Lease of Coliseum	X								
	349	Other		X			X					
		349.1	Sale of Cemetery Lots	X			X					
		349.2	Airport Revenues	X			X					
		349.3	Contractual Services	X			X					
		349.4	In Lieu of Taxes - Municipal Utilities	X								
		349.5	Federal Reimbursement for Services	X			X					
		349.6	State Reimbursement for Services	X			X					
		349.7	County Reimbursement for Services	X			X					
		349.8	Opening and Closing Graves	X			X					
L.	350	Fines and Forfeitures		X								
	351	Fines and Fees		X								
		351.1	Infractions	X								
		351.2	Ordinance Violations	X								
	352	Forfeits		X								
		352.1	Bond Forfeitures	X								
	355	Special Assessments				X						
		355.1	Barrett Law			X						
		355.2	General Improvement Fund			X						
M.	360	Miscellaneous Revenues		X	X	X	X	X	X		X	
	361	Interest on Investments		X	X	X	X	X	X		X	
	362	Rental of Property		X			X					
	364	Cable TV Franchise		X			X					
	367	Contributions and Donations From Private Sources		X								
N.	390	Other Financing Sources		X								
	391	Interfund Transfers		X								
		391.1	Transfer From Parking Meter Fund	X								
		391.2	Transfer From Cumulative Capital Improvement Fund	X								
		391.3	Transfer From Dormant Fund	X								

			Governmental Funds			Proprietary Funds		Fiduciary Funds			
			G & SR	DS	CP	EF	IS	PT	IT	PP	AF
N.	390	Other Financing Sources (Continued)	X								
	392	Proceeds of Capital Asset Dispositions	X								
	392.1	Sale of Capital Assets	X								
	392.2	Compensation for Loss of Capital Assets	X								
	393	Proceeds From Long-Term Debt	X	X							
	393.01	General Obligation Bond Proceeds	X	X							
	393.02	Premiums on Bonds Sold	X	X							
	394	Temporary Loan From _____ Fund	X								
	395	Sale of Investments	X	X	X	X	X	X		X	
	396	Refunds	X	X	X	X	X				
	399	Other	X								
O.	410	Personal Services	X				X	X		X	
	411	Salaries and Wages (Cities and Departmentalized Towns)	X				X	X		X	
	411.1	Department	X				X	X		X	
	411.11	Department Head	X				X	X		X	
	411.12	Deputies	X				X	X		X	
	411.13	Regular	X				X	X		X	
	411.14	Temporary	X				X	X		X	
	411.15	Other	X				X	X		X	
	411.16	Overtime Excess Compensation	X				X	X		X	
	412	Salaries and Wages (Towns Without	X								
		Departmentalized Budget)	X								
	412.1	Salaries of Town Council Members	X								
	412.2	Salary of Clerk-Treasurer	X								
	412.21	Salary of Clerk-Treasurer	X								
	412.22	Deputies	X								
	412.23	Regular	X								
	412.24	Temporary	X								
	412.25	Other	X								
	412.26	Overtime Excess Compensation	X								
	412.3	Salary of Town Manager	X								
	412.31	Town Manager	X								
	412.33	Regular	X								
	412.34	Temporary	X								
	412.35	Other	X								
	412.36	Overtime Excess Compensation	X								
	412.4	Salary of Town Marshal	X								
	412.41	Town Marshal	X								
	412.42	Deputies	X								
	412.43	Regular	X								
	412.44	Temporary	X								
	412.45	Other	X								
	412.46	Overtime Excess Compensation	X								

LIST OF BALANCE SHEET ACCOUNTS

				Governmental Funds			Proprietary Funds		Fiduciary Funds			
				G & SR	DS	CP	EF	IS	PT	IT	PP	AF
O.	410	Personal Services (Continued)										
		412.5	Salary of Fire Chief	X								
			412.51 Fire Chief	X								
			412.52 Firemen	X								
			412.53 Regular	X								
			412.54 Temporary	X								
			412.5 Other	X								
			412.56 Overtime Excess Compensation	X								
		412.6	Salary of Street Superintendent	X								
			412.61 Superintendent	X								
			412.62 Assistant Superintendent	X								
			412.63 Regular	X								
			412.64 Temporary	X								
			412.5 Other	X								
			412.66 Overtime Excess Compensation	X								
		412.7	Salary of Town Attorney	X								
			412.71 Town Attorney	X								
			412.72 Deputies	X								
			412.73 Regular	X								
			412.74 Temporary	X								
			412.75 Other	X								
			412.76 Overtime Excess Compensation	X								
	413	Employee Benefits (All Units)		X								
		413.01	Employer's Share of Social Security (FICA)	X								
		413.02	Employer's Share of Medicare Tax	X								
		413.03	Employer's Share of Retirement (PERF)	X								
		413.04	Unemployment Compensation	X								
		413.05	Employer's Share Group Insurance - Health and Accident	X								
		413.06	Employer's Share Group Insurance - Life	X								
		413.07	Clothing Allowance	X								
		413.08	Auto Allowance - Volunteer Firemen	X								
		413.09	Employer's Share of 1977 Firemen's Pension Contributions	X								
		413.1	Employer's Share of 1977 Policemen Pension Contributions	X								
		413.11	Other Employee Benefits	X								
	414	Self-Funded Insurance		X								
		414.01	Administrative Fee	X								
		414.02	Claims - Physicians and Surgeons	X								
		414.03	Claims - Hospitals and Other Providers	X								
	415	Other Personal Services		X								

LIST OF BALANCE SHEET ACCOUNTS

		Governmental Funds			Proprietary Funds		Fiduciary Funds			
		G & SR	DS	CP	EF	IS	PT	IT	PP	AF
P. 420	Supplies	X					X		X	
421	Office Supplies	X					X		X	
421.01	Official Records	X					X		X	
421.02	Stationery and Printing	X					X		X	
421.05	Other Office Supplies	X					X		X	
422	Operating Supplies	X								
422.01	Fuel and Ice	X								
422.011	Coal	X								
422.012	Fuel Oil	X								
422.013	Bottled Gas	X								
422.014	Ice	X								
422.015	Other	X								
422.02	Garage and Motor	X								
422.021	Gasoline	X								
422.022	Oil	X								
422.023	Tires and Tubes	X								
422.025	Other	X								
422.03	Institutional and Medical	X								
422.031	Household, Laundry, Cleaning	X								
422.032	Medical, Surgical, Dental	X								
422.035	Other	X								
423	Repair and Maintenance Supplies	X								
423.01	Materials	X								
423.011	Building Materials	X								
423.012	Street and Alley Materials	X								
423.0121	Gravel	X								
423.0122	Sand	X								
423.0123	Cement	X								
423.0124	Bituminous Materials	X								
423.0125	Other	X								
423.013	Sewer Materials	X								
423.0131	Gravel	X								
423.0132	Sand	X								
423.0133	Cement	X								
423.0135	Other	X								
423.02	Repair Parts	X								
423.03	Small Tools and Minor Equipment	X								
429	Other Supplies	X								

LIST OF BALANCE SHEET ACCOUNTS

				Governmental Funds			Proprietary Funds		Fiduciary Funds			
				G & SR	DS	CP	EF	IS	PT	IT	PP	AF
Q.	430	Other Services and Charges		X								
	431	Professional Services		X								
		431.01	Legal	X								
		431.02	Engineering	X								
		431.03	Architectural	X								
		431.05	Other	X								
	432	Communication and Transportation		X								
		432.01	Freight, Express, Drayage	X								
		432.02	Postage	X								
		432.03	Travel Expense	X								
		432.04	Telephone and Telegraph	X								
		432.05	Other	X								
	433	Printing and Advertising		X								
		433.01	Printing Other Than Office Supplies	X								
		433.02	Publication of Legal Notices									
		433.05	Other	X								
	434	Insurance		X								
		434.01	Workmen's Compensation	X								
		434.02	Liability	X								
		434.03	Fire	X								
		434.05	Other	X								
	435	Utility Services		X								
		435.01	Electric	X								
		435.02	Gas	X								
		435.03	Heat	X								
		435.04	Water	X								
		435.05	Sewage	X								
		435.09	Other	X								
	436	Repairs and Maintenance		X								
		436.01	Repairs and Maintenance	X								
		436.02	Equipment	X								
		436.03	Repair and Maintenance of Streets and Alleys by Contract	X								
		436.05	Other	X								
	437	Rentals		X								
		437.01	Hydrant Rental	X								
		437.02	Equipment	X								
		437.03	Office Space	X								
		437.05	Other	X								
	438	Debt Service		X	X							
		438.01	Principal	X	X							
		438.02	Interest	X	X							
		438.03	Paying Agent Fees	X	X							

LIST OF BALANCE SHEET ACCOUNTS

							Governmental Funds			Proprietary Funds		Fiduciary Funds			
							G & SR	DS	CP	EF	IS	PT	IT	PP	AF
Q.	430	Other Services and Charges (Continued)													
		439	Other Services and Charges				X								
			439.01	Refunds, Awards, Indemnities			X								
			439.02	Pension Benefits			X								
				439.021	Pensions to Retired Firemen - Prior		X					X			
				439.022	Pensions to Retired Firemen - Becoming Eligible During Current Year		X					X			
				439.023	Pensions to Dependents of Deceased Firemen		X					X			
				439.024	Death Benefits - Deceased Firemen		X					X			
				439.025	Disability Benefits		X					X			
				439.026	Pensions to Retired Policemen - Prior		X					X			
				439.027	Pensions to Retired Policemen - Becoming Eligible During Current Year		X					X			
				439.028	Pensions to Dependents of Deceased Policemen		X					X			
				439.029	Death Benefits - Deceased Policemen		X					X			
				439.030	Disability Benefits		X					X			
			439.03	Subscriptions			X								
			439.04	Premiums on Official Bonds			X								
			439.05	Grants and Subsidies			X								
			439.06	Garbage and Trash Collection Contract			X								
			439.07	Election Expense			X								
			439.08	Organization Memberships and Dues			X								
			439.09	Other			X								
				439.091	Education		X								
				439.092	Construction or Improvement of Streets and Alleys by Contract		X								
R.	440	Capital Outlay					X		X						
		441	Land				X		X						
			441.01	Rights of Way			X		X						
		442	Infrastructure				X		X						
		443	Buildings				X		X						
			443.01	City or Town Hall			X		X						
			443.02	Garage			X		X						
			443.03	Street			X		X						
			443.05	Other			X		X						
		444	Improvements Other Than Buildings				X		X						
			444.01	Fencing			X		X						
			444.02	Parking Lots			X		X						
			444.05	Other			X		X						

LIST OF BALANCE SHEET ACCOUNTS

			Governmental Funds			Proprietary Funds		Fiduciary Funds			
			G & SR	DS	CP	EF	IS	PT	IT	PP	AF
R.	440	Capital Outlay (Continued)	X		X						
	445	Machinery and Equipment	X								
	445.01	Furniture and Fixtures	X								
	445.02	Motor Equipment	X								
	445.03	Office Equipment	X								
	445.04	Street Machinery and Equipment	X								
	445.05	Other	X								
	449	Other Capital Outlays	X		X						
S.	450	Other Financing Uses	X								
	451	State Board of Accounts	X								
	451.01	Audit	X								
	451.02	Typing and Processing	X								
	451.03	Conferences	X								
	451.031	Registration	X								
	451.032	Travel	X								
	452	Interfund Operating Transfers	X		X						
	453	Temporary Loan to _____ Fund	X								
	454	Purchase of Investments	X	X	X	X	X	X		X	
	454.01	Service Charges	X	X	X	X	X	X		X	
	459	Other	X								

OPENING ACCOUNTING RECORDS FOR NEW YEAR

The following procedures shall be followed in opening your accounting records for each new budget (fiscal) year. In the following discussion, we will indicate prescribed forms for use in a manual, hand posted system with the understanding the same basic procedures are to be implemented for electronic data processing systems. A new set of forms should be started for each year's financial and budgetary transactions.

A City and Town Form No. 208 (Rev. 1967), Ledger of Receipts, Disbursements and Balances, shall be prepared for each fund of the municipality. In the receipts section, the date January 1, 20XX with explanation “Balance Forwarded” shall be entered. The preceding year's December 31 closing cash balance shall be entered in the balance column. All cash receipts and disbursements of the fund during the year shall be posted individually or by the block posting to this fund control record. This record will furnish each fund's cash balance throughout the year. The columns of the ledger should be totaled each month with the monthly and year to date totals. The ledger sheets shall be opened and maintained for both budgeted and non-budgeted funds (such as investments, utilities, etc.).

A City and Town Form No. 209 (Rev. 1967), Ledger of Appropriations, Encumbrances, Disbursements and Balances, shall be prepared for each budgeted, appropriated fund of the municipality. (No appropriation ledger sheets will be needed for non-budgeted funds such as investments and utility funds.) The major appropriation categories for each fund and department certified to you by the Department of Local Government Finance (on the computer printout entitled 20XX Budget Appropriation) should be entered in date column “January 1, 20XX,” description column (20XX Department of Local Finance Budget Order). The total for each appropriation category should be entered in the appropriation balance column. A separate ledger sheet should be prepared for each fund, department and budget class listed in the Department of Local Finance order. The following examples should be utilized for your particular needs.

<u>Departmental Budgets - All Cities and Larger Towns</u>

General Fund - Control (Ledger Sheet) - All Departments

General Fund - Clerk-Treasurer - Control (Ledger Sheet)
General Fund - Clerk-Treasurer - 100-Personal Services
General Fund - Clerk-Treasurer - 200-Supplies
General Fund - Clerk-Treasurer - 300-Other Services and Charges
General Fund - Clerk-Treasurer - 400-Capital Outlay

General Fund - Mayor - Control (Ledger Sheet)
General Fund - Mayor - 100-Personal Services
General Fund - Mayor - 200-Supplies
General Fund - Mayor - 300-Other Services and Charges
General Fund - Mayor - 400-Capital Outlay
(Continue for each General Fund Department)

<u>Non-Departmental Budgets - Smaller Towns Only</u>

General Fund - Control (Ledger Sheet)
General Fund - 100-Personal Services
General Fund - 200-Supplies
General Fund - 300-Other Services and Charges
General Fund - 400-Capital Outlay

Departmental Budgets - All Cities and Larger Towns
For All Other Funds - All Municipalities

Motor Vehicle Highway Fund - Control (Ledger Sheet)
Motor Vehicle Highway Fund – 100-Personal Services
Motor Vehicle Highway Fund – 200-Supplies
Motor Vehicle Highway Fund – 300-Other Services and Charges
Motor Vehicle Highway Fund – 400-Capital Outlay

Local Road and Street Fund - Control (Ledger Sheet)
Local Road and Street Fund – 100-Personal Services
Local Road and Street Fund – 200-Supplies
Local Road and Street Fund – 300-Other Services and Charges
Local Road and Street Fund – 400-Capital Outlay
(Continue for each budgeted, appropriated fund.)

For those municipalities wishing to account for their disbursements in greater detail than provided in the foregoing budgetary accounting requirements, City and Town Form No. 209A (1981) may be used. This form may be used to supplement City and Town Form No. 209 (Rev. 1967), Ledger of Appropriations, Encumbrances, Disbursements and Balances. The form provides spaces for headings and several columns for spreading each disbursement into as much detail as needed.

UNIFORM SYSTEM OF ACCOUNTS FOR WATER AND WASTEWATER UTILITIES

CLASS A AND B WATER OPERATING REVENUE ACCOUNTS

460 Unmetered Water Revenue
461 Metered Water Revenue
- 461.1 Metered Sales to Residential Customers
- 461.2 Metered Sales to Commercial Customers
- 461.3 Metered Sales to Industrial Customers
- 461.4 Metered Sales to Public Authorities
- 461.5 Metered Sales to Multiple Family Dwellings

462 Fire Protection Revenue
- 462.1 Public Fire Protection
- 462.2 Private Fire Protection

464 Other Sales to Public Authorities
465 Sales to Irrigation Customers
466 Sales for Resale
467 Interdepartmental Sales
469 Guaranteed Revenues

470 Forfeited Discounts
471 Miscellaneous Service Revenues
472 Rents From Water Property
473 Interdepartmental Rents
474 Other Water Revenues

CLASS A AND B WATER OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

Source of Supply and Expenses - Operations

601.1 Salaries and Wages - Employees
603.1 Salaries and Wages - Officers, Directors and Majority Stockholders
604.1 Employee Pensions and Benefits
610.1 Purchased Water
615.1 Purchased Power
616.1 Fuel for Power Production
618.1 Chemicals
620.1 Materials and Supplies
631.1 Contractual Services - Engineering
632.1 Contractual Services - Accounting
633.1 Contractual Services - Legal
634.1 Contractual Services - Management Fees
635.1 Contractual Services - Testing
636.1 Contractual Services - Other
641.1 Rental of Building/Real Property
642.1 Rental of Equipment
650.1 Transportation Expenses
656.1 Insurance - Vehicle
657.1 Insurance - General Liability
658.1 Insurance – Workman's Compensation
659.1 Insurance - Other
667.1 Regulatory Commission Expense - Other
668.1 Water Resource Conservation Expense
675.1 Miscellaneous Expenses

Source of Supply and Expenses - Maintenance

601.2 Salaries and Wages - Employees
603.2 Salaries and Wages - Officers, Directors and Majority Stockholders
604.2 Employee Pensions and Benefits
618.2 Chemicals
620.2 Materials and Supplies
631.2 Contractual Services - Engineering
632.2 Contractual Services - Accounting
633.2 Contractual Services - Legal
634.2 Contractual Services - Management Fees
635.2 Contractual Services - Testing
636.2 Contractual Services - Other
641.2 Rental of Building/Real Property
642.2 Rental of Equipment
650.2 Transportation Expenses
656.2 Insurance - Vehicle
657.2 Insurance - General Liability
658.2 Insurance – Workman's Compensation
659.2 Insurance - Other
667.2 Regulatory Commission Expense - Other
675.2 Miscellaneous Expenses

Water Treatment Expenses - Operations

601.3 Salaries and Wages - Employees
603.3 Salaries and Wages - Officers, Directors and Majority Stockholders
604.3 Employee Pensions and Benefits
615.3 Purchased Power
616.3 Fuel for Power Production
618.3 Chemicals
620.3 Materials and Supplies
631.3 Contractual Services - Engineering
632.3 Contractual Services - Accounting
633.3 Contractual Services - Legal
634.3 Contractual Services - Management Fees
635.3 Contractual Services - Testing
636.3 Contractual Services - Other
641.3 Rental of Building/Real Property
642.3 Rental of Equipment
650.3 Transportation Expenses
656.3 Insurance - Vehicle
657.3 Insurance - General Liability
658.3 Insurance – Workman's Compensation
659.3 Insurance - Other
667.3 Regulatory Commission Expense - Other
675.3 Miscellaneous Expenses

Water Treatment Expenses - Maintenance

601.4 Salaries and Wages - Employees
603.4 Salaries and Wages - Officers, Directors and Majority Stockholders
604.4 Employee Pensions and Benefits
618.4 Chemicals
620.4 Materials and Supplies
631.4 Contractual Services - Engineering
632.4 Contractual Services - Accounting
633.4 Contractual Services - Legal
634.4 Contractual Services - Management Fees
635.4 Contractual Services - Testing
636.4 Contractual Services - Other
641.4 Rental of Building/Real Property
642.4 Rental of Equipment
650.4 Transportation Expenses
656.4 Insurance - Vehicle
657.4 Insurance - General Liability
658.4 Insurance – Workman's Compensation
659.4 Insurance - Other
667.4 Regulatory Commission Expense - Other
675.4 Miscellaneous Expenses

Transmission and Distribution Expenses - Operations

601.5 Salaries and Wages - Employees
603.5 Salaries and Wages - Officers, Directors and Majority Stockholders
604.5 Employee Pensions and Benefits
615.5 Purchased Power
616.5 Fuel for Power Production
618.5 Chemicals
620.5 Materials and Supplies
631.5 Contractual Services - Engineering
632.5 Contractual Services - Accounting

633.5 Contractual Services - Legal
634.5 Contractual Services - Management Fees
635.5 Contractual Services - Testing
636.5 Contractual Services - Other
641.5 Rental of Building/Real Property
642.5 Rental of Equipment
650.5 Transportation Expenses
656.5 Insurance - Vehicle
657.5 Insurance - General Liability
658.5 Insurance – Workman's Compensation
659.5 Insurance - Other
667.5 Regulatory Commission Expense - Other
675.5 Miscellaneous Expenses

Transmission and Distribution Expenses - Maintenance
601.6 Salaries and Wages - Employees
603.6 Salaries and Wages - Officers, Directors and Majority Stockholders
604.6 Employee Pensions and Benefits
618.6 Chemicals
620.6 Materials and Supplies
631.6 Contractual Services - Engineering
632.6 Contractual Services - Accounting
633.6 Contractual Services - Legal
634.6 Contractual Services - Management Fees
635.6 Contractual Services - Testing
636.6 Contractual Services - Other
641.6 Rental of Building/Real Property
642.6 Rental of Equipment
650.6 Transportation Expenses
656.6 Insurance - Vehicle
657.6 Insurance - General Liability
658.6 Insurance – Workman's Compensation
659.6 Insurance - Other
667.6 Regulatory Commission Expense - Other
675.6 Miscellaneous Expenses

Customer Accounts Expenses
601.7 Salaries and Wages - Employees
603.7 Salaries and Wages - Officers, Directors and Majority Stockholders
604.7 Employee Pensions and Benefits
615.7 Purchased Power
616.7 Fuel for Power Production
620.7 Materials and Supplies
631.7 Contractual Services - Engineering
632.7 Contractual Services - Accounting
633.7 Contractual Services - Legal
634.7 Contractual Services - Management Fees
635.7 Contractual Services - Testing
636.7 Contractual Services - Other
641.7 Rental of Building/Real Property
642.7 Rental of Equipment
650.7 Transportation Expenses
656.7 Insurance - Vehicle
657.7 Insurance - General Liability
658.7 Insurance – Workman's Compensation

659.7 Insurance - Other
667.7 Regulatory Commission Expense - Other
670.7 Bad Debt Expense
675.7 Miscellaneous Expenses

Administrative and General Expenses
601.8 Salaries and Wages - Employees
603.8 Salaries and Wages - Officers, Directors and Majority Stockholders
604.8 Employee Pensions and Benefits
615.8 Purchased Power
616.8 Fuel for Power Production
620.8 Materials and Supplies
631.8 Contractual Services - Engineering
632.8 Contractual Services - Accounting
633.8 Contractual Services - Legal
634.8 Contractual Services - Management Fees
635.8 Contractual Services - Testing
636.8 Contractual Services - Other
641.8 Rental of Building/Real Property
642.8 Rental of Equipment
650.8 Transportation Expenses
656.8 Insurance - Vehicle
657.8 Insurance - General Liability
658.8 Insurance – Workman's Compensation
659.8 Insurance - Other
666.8 Regulatory Commission Expenses - Amortization of Rate Case Expense
667.8 Regulatory Commission Expense - Other
670.8 Depreciation and Amortization
675.8 Miscellaneous Expenses

CLASS A AND B WASTEWATER OPERATING REVENUE ACCOUNTS

521 Flat Rate Revenues
521.1 Residential Revenues
521.2 Commercial Revenues
521.3 Industrial Revenues
521.4 Revenues From Public Authorities
521.5 Multiple Family Dwelling Revenues
521.6 Other Revenues
522 Measured Revenue
522.1 Residential Revenues
522.2 Commercial Revenues
522.3 Industrial Revenues
522.4 Revenues From Public Authorities
522.5 Multiple Family Dwelling Revenues
523 Revenues From Public Authorities
524 Revenues From Other Systems
525 Interdepartmental Revenues

530 Guaranteed Revenues
531 Sale of Sludge
532 Forfeited Discounts
534 Rents From Wastewater Property
535 Interdepartmental Rents
536 Other Wastewater Revenues

540 Flat Rate Reuse Revenues
- 540.1 Residential Reuse Revenues
- 540.2 Commercial Reuse Revenues
- 540.3 Industrial Reuse Revenues
- 540.4 Reuse Revenues From Public Authorities
- 540.5 Other Revenues

541 Measured Reuse Revenue
- 541.1 Residential Reuse Revenues
- 541.2 Commercial Reuse Revenues
- 541.3 Industrial Reuse Revenues
- 541.4 Reuse Revenues From Public Authorities

544 Reuse Revenues From Other Systems

CLASS A AND B WASTEWATER UTILITIES OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

Collection Expenses - Operations
- 701.1 Salaries and Wages - Employees
- 703.1 Salaries and Wages - Officers, Directors and Majority Stockholders
- 704.1 Employee Pensions and Benefits
- 715.1 Purchased Power
- 716.1 Fuel for Power Production
- 718.1 Chemicals
- 720.1 Materials and Supplies
- 731.1 Contractual Services - Engineering
- 732.1 Contractual Services - Accounting
- 733.1 Contractual Services - Legal
- 734.1 Contractual Services - Management Fees
- 735.1 Contractual Services - Testing
- 736.1 Contractual Services - Other
- 741.1 Rental of Building/Real Property
- 742.1 Rental of Equipment
- 750.1 Transportation Expenses
- 756.1 Insurance - Vehicle
- 757.1 Insurance - General Liability
- 758.1 Insurance – Workman's Compensation
- 759.1 Insurance - Other
- 775.1 Miscellaneous Expenses

Collection Expenses - Maintenance
- 701.2 Salaries and Wages - Employees
- 703.2 Salaries and Wages - Officers, Directors and Majority Stockholders
- 704.2 Employee Pensions and Benefits
- 718.2 Chemicals
- 720.2 Materials and Supplies

731.2 Contractual Services - Engineering
732.2 Contractual Services - Accounting
733.2 Contractual Services - Legal
734.2 Contractual Services - Management Fees
735.2 Contractual Services - Testing
736.2 Contractual Services - Other
741.2 Rental of Building/Real Property
742.2 Rental of Equipment
750.2 Transportation Expenses
756.2 Insurance - Vehicle
757.2 Insurance - General Liability
758.2 Insurance – Workman's Compensation
759.2 Insurance - Other
775.2 Miscellaneous Expenses

Pumping Expenses - Operations
701.3 Salaries and Wages - Employees
703.3 Salaries and Wages - Officers, Directors and Majority Stockholders
704.3 Employee Pensions and Benefits
715.3 Purchased Power
716.3 Fuel for Power Production
718.3 Chemicals
720.3 Materials and Supplies
731.3 Contractual Services - Engineering
732.3 Contractual Services - Accounting
733.3 Contractual Services - Legal
734.3 Contractual Services - Management Fees
735.3 Contractual Services - Testing
736.3 Contractual Services - Other
741.3 Rental of Building/Real Property
742.3 Rental of Equipment
750.3 Transportation Expenses
756.3 Insurance - Vehicle
757.3 Insurance - General Liability
758.3 Insurance – Workman's Compensation
759.3 Insurance - Other
775.3 Miscellaneous Expenses

Pumping Expenses - Maintenance
701.4 Salaries and Wages - Employees
703.4 Salaries and Wages - Officers, Directors and Majority Stockholders
704.4 Employee Pensions and Benefits
718.4 Chemicals
720.4 Materials and Supplies
731.4 Contractual Services - Engineering
732.4 Contractual Services - Accounting
733.4 Contractual Services - Legal
734.4 Contractual Services - Management Fees
735.4 Contractual Services - Testing
736.4 Contractual Services - Other
741.4 Rental of Building/Real Property

742.4 Rental of Equipment
750.4 Transportation Expenses
756.4 Insurance - Vehicle
757.4 Insurance - General Liability
758.4 Insurance – Workman's Compensation
759.4 Insurance - Other
775.4 Miscellaneous Expenses

Treatment and Disposal Expenses - Operations
701.5 Salaries and Wages - Employees
703.5 Salaries and Wages - Officers, Directors and Majority Stockholders
704.5 Employee Pensions and Benefits
710.5 Purchased Wastewater Treatment
711.5 Sludge Removal Expense
715.5 Purchased Power
716.5 Fuel for Power Production
718.5 Chemicals
720.5 Materials and Supplies
731.5 Contractual Services - Engineering
732.5 Contractual Services - Accounting
733.5 Contractual Services - Legal
734.5 Contractual Services - Management Fees
735.5 Contractual Services - Testing
736.5 Contractual Services - Other
741.5 Rental of Building/Real Property
742.5 Rental of Equipment
750.5 Transportation Expenses
756.5 Insurance - Vehicle
757.5 Insurance - General Liability
758.5 Insurance – Workman's Compensation
759.5 Insurance - Other
775.5 Miscellaneous Expenses

Treatment and Disposal Expenses - Maintenance
701.6 Salaries and Wages - Employees
703.6 Salaries and Wages - Officers, Directors and Majority Stockholders
704.6 Employee Pensions and Benefits
711.6 Sludge Removal Expense
718.6 Chemicals
720.6 Materials and Supplies
731.6 Contractual Services - Engineering
732.6 Contractual Services - Accounting
733.6 Contractual Services - Legal
734.6 Contractual Services - Management Fees
735.6 Contractual Services - Testing
736.6 Contractual Services - Other
741.6 Rental of Building/Real Property
742.6 Rental of Equipment
750.6 Transportation Expenses
756.6 Insurance - Vehicle
757.6 Insurance - General Liability

758.6 Insurance – Workman's Compensation
759.6 Insurance - Other
775.6 Miscellaneous Expenses

Customer Accounts Expenses
701.7 Salaries and Wages - Employees
703.7 Salaries and Wages - Officers, Directors and Majority Stockholders
704.7 Employee Pensions and Benefits
715.7 Purchased Power
716.7 Fuel for Power Production
720.7 Materials and Supplies
731.7 Contractual Services - Engineering
732.7 Contractual Services - Accounting
733.7 Contractual Services - Legal
734.7 Contractual Services - Management Fees
735.7 Contractual Services - Testing
736.7 Contractual Services - Other
741.7 Rental of Building/Real Property
742.7 Rental of Equipment
750.7 Transportation Expenses
756.7 Insurance - Vehicle
757.7 Insurance - General Liability
758.7 Insurance – Workman's Compensation
759.7 Insurance - Other
770.7 Bad Debt Expense
771.7 Depreciation and Amortization
775.7 Miscellaneous Expenses

Administrative and General Expenses
701.8 Salaries and Wages - Employees
703.8 Salaries and Wages - Officers, Directors and Majority Stockholders
704.8 Employee Pensions and Benefits
715.8 Purchased Power
716.8 Fuel for Power Production
720.8 Materials and Supplies
731.8 Contractual Services - Engineering
732.8 Contractual Services - Accounting
733.8 Contractual Services - Legal
734.8 Contractual Services - Management Fees
735.8 Contractual Services - Testing
736.8 Contractual Services - Other
741.8 Rental of Building/Real Property
742.8 Rental of Equipment
750.8 Transportation Expenses
756.8 Insurance - Vehicle
757.8 Insurance - General Liability
758.8 Insurance – Workman's Compensation
759.8 Insurance - Other
775.8 Miscellaneous Expenses

Reclaimed Water Treatment Expenses - Operations

701.9	Salaries and Wages - Employees
703.9	Salaries and Wages - Officers, Directors and Majority Stockholders
704.9	Employee Pensions and Benefits
715.9	Purchased Power
716.9	Fuel for Power Production
718.9	Chemicals
720.9	Materials and Supplies
731.9	Contractual Services - Engineering
732.9	Contractual Services - Accounting
733.9	Contractual Services - Legal
734.9	Contractual Services - Management Fees
735.9	Contractual Services - Testing
736.9	Contractual Services - Other
741.9	Rental of Building/Real Property
742.9	Rental of Equipment
750.9	Transportation Expenses
756.9	Insurance - Vehicle
757.9	Insurance - General Liability
758.9	Insurance – Workman's Compensation
759.9	Insurance - Other
775.9	Miscellaneous Expenses

Reclaimed Water Treatment Expenses - Maintenance

701.10	Salaries and Wages - Employees
703.10	Salaries and Wages - Officers, Directors and Majority Stockholders
704.10	Employee Pensions and Benefits
718.10	Chemicals
720.10	Materials and Supplies
731.10	Contractual Services - Engineering
732.10	Contractual Services - Accounting
733.10	Contractual Services - Legal
734.10	Contractual Services - Management Fees
735.10	Contractual Services - Testing
736.10	Contractual Services - Other
741.10	Rental of Building/Real Property
742.10	Rental of Equipment
750.10	Transportation Expenses
756.10	Insurance - Vehicle
757.10	Insurance - General Liability
758.10	Insurance – Workman's Compensation
759.10	Insurance - Other
775.10	Miscellaneous Expenses

Reclaimed Water Distribution Expenses - Operations

701.11	Salaries and Wages - Employees
703.11	Salaries and Wages - Officers, Directors and Majority Stockholders
704.11	Employee Pensions and Benefits
715.11	Purchased Power
716.11	Fuel for Power Production
718.11	Chemicals

720.11 Materials and Supplies
731.11 Contractual Services - Engineering
732.11 Contractual Services - Accounting
733.11 Contractual Services - Legal
734.11 Contractual Services - Management Fees
735.11 Contractual Services - Testing
736.11 Contractual Services - Other
741.11 Rental of Building/Real Property
742.11 Rental of Equipment
750.11 Transportation Expenses
756.11 Insurance - Vehicle
757.11 Insurance - General Liability
758.11 Insurance – Workman's Compensation
759.11 Insurance - Other
775.11 Miscellaneous Expenses

Reclaimed Water Distribution Expenses - Maintenance
701.12 Salaries and Wages - Employees
703.12 Salaries and Wages - Officers, Directors and Majority Stockholders
704.12 Employee Pensions and Benefits
718.12 Chemicals
720.12 Materials and Supplies
731.12 Contractual Services - Engineering
732.12 Contractual Services - Accounting
733.12 Contractual Services - Legal
734.12 Contractual Services - Management Fees
735.12 Contractual Services - Testing
736.12 Contractual Services - Other
741.12 Rental of Building/Real Property
742.12 Rental of Equipment
750.12 Transportation Expenses
756.12 Insurance - Vehicle
757.12 Insurance - General Liability
758.12 Insurance – Workman's Compensation
759.12 Insurance - Other
775.12 Miscellaneous Expenses

CLASS C WATER OPERATING REVENUE ACCOUNTS

460 Unmetered Water Revenue
460.1 Unmetered Sales to Residential Customers
460.2 Unmetered Sales to Commercial Customers
460.3 Unmetered Sales to Industrial Customers
460.4 Unmetered Sales to Public Authorities
460.5 Unmetered Sales to Multiple Family Dwellings
460.6 Unmetered Sales - Other
461 Metered Water Revenue
461.1 Metered Sales to Residential Customers
461.2 Metered Sales to Commercial Customers
461.3 Metered Sales to Industrial Customers
461.4 Metered Sales to Public Authorities
461.5 Metered Sales to Multiple Family Dwellings
462 Fire Protection Revenue
465 Sales to Irrigation Customers
466 Sales for Resale

469 Guaranteed Revenues
474 Other Water Revenues

CLASS C WATER OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

601 Salaries and Wages - Employees
603 Salaries and Wages - Officers, Directors and Majority Stockholders
604 Employee Pensions and Benefits
610 Purchased Water
615 Purchased Power
616 Fuel for Power Production
618 Chemicals
620 Materials and Supplies
630 Contractual Services - Billing
631 Contractual Services - Professional
635 Contractual Services - Testing
636 Contractual Services - Other
640 Rents
650 Transportation Expenses
655 Insurance Expense
665 Regulatory Commission Expenses
670 Bad Debt Expense
671 Depreciation and Amortization
675 Miscellaneous Expenses

CLASS C WASTEWATER OPERATING REVENUE ACCOUNTS

521 Flat Rate Revenues
- 521.1 Residential Revenues
- 521.2 Commercial Revenues
- 521.3 Industrial Revenues
- 521.4 Revenues From Public Authorities
- 521.5 Multiple Family Dwelling Revenues
- 521.6 Other Revenues

522 Measured Revenue
- 522.1 Residential Revenues
- 522.2 Commercial Revenues
- 522.3 Industrial Revenues
- 522.4 Revenues From Public Authorities
- 522.5 Multiple Family Dwelling Revenues

524 Revenues From Other Systems
530 Guaranteed Revenues
536 Other Wastewater Revenues

CLASS C WASTEWATER OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

701 Salaries and Wages - Employees
703 Salaries and Wages - Officers, Directors and Majority Stockholders
704 Employee Pensions and Benefits
710 Purchased Wastewater Treatment
711 Sludge Removal Expense
715 Purchased Power
716 Fuel for Power Production
718 Chemicals
720 Materials and Supplies
730 Contractual Services - Billing
731 Contractual Services - Professional
735 Contractual Services - Testing
736 Contractual Services - Other
740 Rents
750 Transportation Expenses
755 Insurance Expenses
770 Bad Debt Expense
771 Depreciation and Amortization
775 Miscellaneous Expenses

DEPRECIATION OF UTILITY ASSETS

The following list of categories of utility capital assets and the estimated useful lives may be used for a guide for calculating depreciation expense. Due consideration should be given to a governmental unit's past history and other factors when determining useful lives.

Description	Estimated Life (years)
Water Utilities	
Impounding dams	150
Springs and wells	100
Infiltration galleries and tunnels	100
Collecting conduits and reservoirs	75
Mains:	
4 inches and less	50
6 inches	65
8 to 10 inches	75
12 inches and over	100
Settling basins	50
Coagulating basins	50
Filters	50
Steam engines	30
Internal combustion engines (Diesel type)	25
Pumps	50
Stand pipes, Water towers	50
Meters	30
Hydrants	50
General office equipment	20
General shop equipment	20
General store equipment	20
Laboratory equipment	15
Electric Utilities	
Transmission Plant	
Structures and improvements	45
Station equipment	28
Towers and fixtures	50
Poles and fixtures	33
Overhead conductors and devices	50
Underground conduit	75
Underground conductors and devices	40
Roads and trails	60
Distribution Plant	
Structures and improvements	45
Station equipment	28
Storage battery equipment	20
Poles, towers and fixtures	35
Overhead conductors and devices	33
Underground conduit	60
Underground conductors and devices	40
Line transformers	28
Services	28
Meters	28
Installations on customers' premises	25
Street lighting and signal systems	22

DEPRECIATION OF UTILITY ASSETS
(Continued)

Description	Estimated Life (Years)
Electric Utilities (continued)	
General Plant	
Structures and improvements	67
Office furniture and equipment	20
Transportation equipment	10
Stores equipment	25
Shop equipment	25
Laboratory equipment	25
Tools and work equipment	20
Communication equipment	25
Miscellaneous equipment	25
Gas Utilities	
Distribution Plant	
Structures and Improvements	45
Mains	80
Cast iron pipe:	
4 inches and less	50
6 inches	65
8 to 10 inches	75
12 inches and over	100
Steel pipe:	
4 inches and less	30
5 to 7 inches	40
8 inches and over	50
Wrought iron pipe:	
¾ inch to 1 ½ inches	33
2 to 2 ½ inches	40
3 to 6 inches	50
8 to 10 inches	75
12 inches and over	100
Pumping and regulating equipment	35
Services	40
Meters	35
Meter installations	40
House regulators	40
House regulator installations	40
Other property on customers' premises	33
Other distribution system equipment	35
General Plant	
Structures and improvements	67
Office furniture and equipment	20
Transportation equipment	10
Stores and equipment	25
Shop equipment	25
Laboratory equipment	25
Tools and work equipment	20
Communication equipment	25
Miscellaneous equipment	25

DEPRECIATION OF UTILITY ASSETS
(Continued)

Description	Estimated Life (Years)
Wastewater Utilities	
Structures and improvements	
Sewers	100
Lateral sewers	100
Pumping station	50
Preliminary treatment	50
Primary treatment	50
Secondary treatment	50
Sludge disposition	10
General treatment	100
General office (share)	50
General stores and garage	50
Equipment	
Collection system	10
Pumping station	20
Preliminary treatment	20
Primary treatment	20
Secondary treatment	20
Sludge disposition	20
General treatment	10
General office (share)	20
General shop	20
General tools	10
Transportation	10

The Indiana Utility Regulatory Commission allows composite rate depreciation, which may also be used.

Wastewater Systems:	
With Treatment Plant	2.50%
Without Treatment Plant	2.20%
Water Systems:	
With Treatment Plant	2.00%
Without Treatment Plant	1.70%
Electric Systems:	
Non-Generating	3.00%
Generating	3.30%

The following information concerning estimating useful lives for certain capital assets was originally printed in May, 2002, GAAFR Review.

Estimating Useful Lives for Capital Assets

By Paul E. Gruenwald, American Appraisal Associates

The Governmental Accounting Standards Board's (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, will require that governments depreciate their exhaustible capital assets, including infrastructure.

Depreciation is the systematic and rational allocation of the (estimated) historical cost of a capital asset, (or if donated, the fair value of a capital asset at the time of donation), over its estimated useful service life. Accordingly, one of the principal challenges facing those attempting to implement depreciation accounting for previously undepreciated categories of capital assets is estimating the useful service lives of those assets (i.e., "lifing"). This article will attempt to provide financial statement preparers with information that may be useful for making such estimates.

Background. GASB Statement No. 34, paragraph 161, provides the following guidance on estimating the useful lives of capital assets:

> For estimated useful lives, governments can use (a) general guidelines obtained from professional or industry organizations, (b) information for comparable assets of other governments, or (c) internal information. In determining estimated useful life, a government also should consider an asset's present condition and how long it is expected to meet service demands.

As discussed in a previous issue of *GAAFR Review* (October 2001), a number of states (especially state departments of transportation) are using the internet to make information available to local governments on the estimated useful lives of various categories of capital assets. Likewise, professional groups and consultants have provided information that should be useful for lifing purposes.

It is important, however, that such general information be adapted to a government's specific circumstances. GFOA issued a recommended practice earlier this year on *Estimating the Useful Lives of Capital Assets* that emphasized the need to take into account each of the following factors:

Quality. Similar assets may differ substantially in quality, and hence in their useful lives, because of differences in materials, design and workmanship. For example, an asphalt road will not have the same useful life as a concrete road. Likewise, the depth of the material used for paving purposes, as well as the quality of the underlying base, will also affect the useful life of a road.

Application. The useful life of a given type of capital asset may vary significantly depending upon its intended use. Thus, the life of a motor vehicle used in the public safety function may differ from the life of the same type of vehicle used in the parks and recreation function.

Environment. Environmental differences among governments can have an important impact on the useful lives of their respective capital assets. For instance, the useful life of a road in a climate subject to extremes in temperature is likely to be different from that of a similar road located in a more temperate climate. Also, regulatory obsolescence may shorten the service life of some capital assets used in connection with highly regulated activities (e.g., utilities).

The GFOA's recommended practice goes on to explain that the potential effect of each of these factors could be mitigated or exacerbated as a consequence of a government's maintenance and replacement policy. For example, the potential for road damage is increased in a cold environment when cracks are not promptly repaired because water settling in the cracks will expand and contract, thereby accelerating the initial deterioration represented by the crack itself.

GFOA's recommended practice also emphasizes that lifing is not a one-time exercise. Governments need to monitor their actual experience with capital asset lives and make appropriate changes to estimated useful lives based upon that experience.

Data on estimated useful lives. The paragraphs that follow will offer information on the *average* estimated useful lives of various types of capital assets. This information is based upon our experience performing studies designed to assist clients as they implement GASB Statement No. 34.

Before beginning, it should be mentioned that sometimes a given asset grouping may be classified either as a *land improvement* or as *infrastructure* depending upon the specific circumstances (e.g., parking lots, sidewalks, pedestrian paths). The criterion used to make a classification in such cases often is the location of the asset. A parking lot adjacent to a building, for example, might be classified as a *land improvement*, whereas a public parking lot on a street corner operated by the government might be classified as *infrastructure*.

Roadways. Information on roadways can be reported in one of several ways:

by detail (e.g., *curbs, gutters, surface type, guardrails, concrete barriers*, etc.)

by subsystem (e.g., *roadway pavement,* including curbs and gutters)

by network (e.g., *roadway network*, consisting of pavement, curbs, gutters, lighting, guardrails, signage, etc.).

From our experience in setting up and reporting infrastructure values, the most common method for reporting roadway infrastructure is by subsystem. This approach provides a level of detail sufficient for describing the components of the roadway system and allows the use of a component-specific useful life for depreciation purposes. The subsystem approach also facilitates the retirement of infrastructure assets on a go-forward basis.

The estimated useful life of roadways appears to depend more on the type of pavement material used than on the class of roadway (i.e., local, connector, arterial, major arterial). The reason may be that the engineering design of roadways with a high average daily traffic (ADT) adjusts for the high traffic volume compared to the engineering design of a roadway with a lower traffic volume. Thus, a concrete arterial roadway will have the same estimated useful life as a concrete local roadway.

Although roadways usually are reported by type of pavement, governments sometimes prefer to report by class of roadway (i.e., local, collector, arterial or major arterial). In that case, the estimated useful life is weighted to take into account the mix of surface types comprising each class.

Four factors affect the life assigned to roadways:

subgrade or bearing capacity of the road (i.e., a harder subgrade under the roadway leads to a longer life for the roadway)

the composition of the asphalt or concrete surface

traffic volume (engineered for cars and/or trucks)

climatic conditions (e.g., as amount of rain or snow, fluctuation in temperature).

One additional factor to consider when assigning roadway lives is the speed limit. Asphalt roads with a slower speed limit, for example, have a shorter life than asphalt roads with a high speed limit because of the “creeping” quality of asphalt.

When arriving at an estimated life for a roadway it is assumed all normal maintenance will be performed to maintain the roadway during its normal life. “Average” lives for roadways are as follows:

Dirt	10 years (subject to weather conditions)
Gravel	15 years (subject to weather conditions)
Concrete	30 years
Asphaltic concrete	20 years
Brick or Stone	50 years

Sidewalks. As with roadways, climatic conditions, such as the amount of rain or snow and fluctuations in temperature, affect the life of sidewalks. Otherwise, the average lives for sidewalks depend upon the material used for construction, as follows:

Concrete	30 years
Asphalt	25 years
Brick or Stone	50 years (subject to weather conditions)

Parking lots. Once again, the key variable in determining useful life is the construction material:

Concrete	35 years
Asphalt	15 years
Gravel	10 years
Brick or Stone	45 years

Bridges and culverts. Sometimes there is confusion when attempting to distinguish *bridges* from *culverts*. One approach to resolve this potential problem is to use the length of a structure as the determining factor (e.g., all structures with a span of more than 20 feet are to be classified as *bridges*).

As with roadways, a number of state departments of transportation publish estimated useful life guidelines of bridges within the state. For financial reporting purposes, the following average lives may be useful, subject to any adjustment needed to reflect climate and temperature fluctuations.

Precast concrete	40 years
Prestressed concrete	45 years
Steel with truss	50 years
Steel without truss	45 years
Timber/wood	30 years
Pedestrian	
Steel	30 years
Concrete	30 years
Wood	25 years

Unique structures, such as suspension bridges, cable staid bridges, moveable bridges (e.g., rotating, hydraulic, bascule), and covered bridges typically are evaluated on a case-by-case basis.

Culverts can be divided into two categories: *major* and *small*. *Major culverts* have a side area of 35 square feet or greater. *Small culverts* have a side area less than 35 square feet.

Major culverts:

Concrete (precast box, precast elliptical, cast in place)	40 years
Concrete pre stress	45 years
Timber log treated	30 years
Steel (corrugated round, corrugated bottomless arch)	30 years

Small culverts:

Plastic	25 years
Cast iron	30 years
Metal corrugated	30 years
Concrete	40 years

Road signage. GASB Statement No. 34 limits the *mandatory* retroactive reporting of infrastructure assets to *major* networks and subsystems. Consequently, road signage normally is exempt from this requirement. Nonetheless, most governments are choosing to report roadway signage because information is readily available. The average useful life of road signage is 10 years.

Traffic lights. The situation for traffic lights is essentially the same as that just described for road signage. The following are average useful lives:

Mast arms	20 years
Hung wire	15 years

Street lighting. Once again, most governments will report street lighting voluntarily, because the information is readily available. The average useful life of street lighting varies, as follows:

Concrete	30 years
Metal	20 years
Wood	15 years

Sewer lines. For sewer lines, the key factor in estimating the average useful life is the material used, as follows:

Concrete	50 years
Brick	90 years
Metal	40 years

Storm drains. The average useful lives of storm drains depends upon the type of material used, as follows:

Plastic	25 years
Cast Iron	30 years
Metal Corrugated	30 years
Concrete	40 years
Ditch/Trench	100 years

Berms and tunnels. The average useful life for a berm is approximately 20 years. Tunnels have a highly variable life expectancy. Accordingly, useful lives for tunnels typically are assessed individually.

Alleys. The average useful life of an alley is similar to that of a roadway, as follows:

Concrete	20 years
Asphaltic Concrete	20 years
Dirt	10 years
Gravel	15 years
Brick or Stone	50 years

Man-made lakes, water ways/canals, and boat ramps. The average useful life of a man-made lake is 100 years. The average useful life of a waterway or canal is also 100 years. The average useful life of a boat ramp depends upon the construction material, as follows:

Wood	10 years
Concrete/Asphalt	20 years
Metal	15 years

Marinas. Different estimated useful lives apply to different types of marinas, as follows:

Piers	50 years
Seawalls	50 years
Bulkheads	50 years

Bike/Jogging paths. Once again, the type of surface is the key factor in estimating the useful life of a bike or jogging path (just as was the case for roadways and alleys), as follows:

Dirt	10 years
Gravel	15 years
Concrete	30 years
Asphalt	20 years
Composite rubber	7 years
Brick or Stone	50 years

Reservoirs and dams. Reservoirs have an estimated useful life of 50 years. Dams require individual research. As a general rule, however, earthen dams have a life of 40 years and concrete dams have a life of 60 years.

Airport runways. Airport runways have, on average, an estimated useful life of 10 years.

Moveable equipment. The following is a list of average estimated useful lives for some of the most commonly encountered categories of moveable equipment:

Athletic equipment	10 years
Appliances/food service equipment	10 years
Audio visual equipment	7 years
Books, multi-media materials	5 years
Business machines	7 years
Communication equipment	10 years
Computer software	5 years
Contractors/construction equipment	12 years
Computer equipment	5 years
Fire department equipment	12 years
Furniture	20 years
Grounds, agricultural equipment	15 years
Lab, science equipment	10 years
Law enforcement equipment	10 years
Licensed vehicles	6 years

Moveable equipment (continued)

Machinery and tools	15 years
Musical instruments	10 years
Outdoors recreational equipment	15 years
Stage and auditorium equipment	20 years
Custodial equipment	15 years
Photocopiers	5 years

Land improvements. The following is a list of the average estimated useful lives for common categories of land improvements:

Fencing, gates	20 years
Landscaping	10 years
Outside sprinkler systems	25 years
Athletic fields	15 years
Golf courses	20 years
Septic systems	15 years
Stadiums	45 years
Swimming pools	20 years
Tennis courts	20 years
Fountains	20 years
Retaining walls	20 years
Bleachers	20 years
Soccer fields	15 years
Running track	15 years
Outdoor lighting	20 years

Buildings, building components, and building services. The following is a list of the average estimated useful lives for buildings, building components, and building services:

Permanent structures	50 years
Portable structures	25 years
Excavation	50 years
Foundation	50 years
Frame	50 years
Floor structure	50 years
Floor covering	15 years
Carpeting	5 years
Computer flooring	10 years
Exterior walls	50 years
Roof cover	10 years
Interior construction	15 years
Interior renovation	10 years
Ceiling finish	10 years
Plumbing	20 years
HVAC	20 years
Electrical	20 years
Fire system	25 years
Elevators	20 years

(This page is intentionally left blank)