

STATE CONTROLLER'S
UNIFORM SYSTEM OF ACCOUNTS FOR
ELECTRIC UTILITY DISTRICTS

7000

STATE CONTROLLER

DIVISION OF ACCOUNTING AND REPORTING

CHAPTER "A"

ENTERPRISE ACCOUNTING

ENTERPRISE ACCOUNTING

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ENTERPRISE ACCOUNTING

Introduction

This chapter provides the general accounting and reporting guidelines to be used by all special districts performing enterprise activities. The State Controller's Office requires the following activities to be accounted for and reported on an enterprise basis.

Airport
Electric Utility
Harbor and Port

Hospital
Transit
Waste Management

Water Utility

In addition to the accounting and reporting guidelines provided in this chapter, a separate chapter for each activity is provided which contains a chart of accounts and explanation of accounts. Moreover, items unique to any activity will be included in the chapter containing that activities chart of accounts.

Enterprise districts engaged in nonenterprise activities should refer to the 9000 System for guidance on nonenterprise accounting.

In addition, this chapter does not apply to redevelopment agencies. They are addressed separately in the 10000 Uniform Accounting System for Redevelopment Agencies.

Type of Fund

The type of proprietary fund which is required to be used for the above enterprise activities is referred to as an enterprise fund. Enterprise funds are established by governmental agencies to account for goods and services provided to the general public and are financed primarily through user charges.

The proprietary fund measurement focus is on determination of net income, financial position, and changes in financial position for activities that are similar to private business enterprises. In addition, the generally accepted accounting principles for proprietary type funds are those similar to private businesses and, therefore, the pronouncements of the Financial Accounting Standards Board are to be followed where applicable. However, in areas where the Governmental Accounting Standards Board (GASB) has also issued pronouncements, the governmental agency should be guided by the GASB pronouncements.

Accounting Basis

As discussed in the previous section, enterprise funds are established by governmental agencies to account for goods and services provided to the general public and are financed primarily through user charges. To allow a governmental agency to accurately determine the periodic net income or loss and to provide consistent and comparable information from period to period, the accrual basis of accounting should be used to report financial information on the financial statements. Revenues should be recognized in the accounting period in which they are earned and become measurable; expenses should be recognized in the period incurred, if measurable.

Revenues

Revenues should be recognized in the accounting period in which they are earned and become measurable. Revenues in proprietary funds represent increases in net total assets from other than expense refunds, capital contributions, and residual equity transfers.

Expenses

Expenses should be recognized in the period when the costs of goods or services have been consumed or incurred. Expenses are decreases in net total assets and represents the total cost of operations during a period regardless of the timing of related expenditures.

Encumbrances

Since there are no budgetary restrictions, encumbrances are not required.

Restricted Assets

Cash, investments, and interest receivable balances which may not be expended for normal operations because of contractual or legal restrictions should be reported in a separate Restricted Assets Section of the balance sheet. The physical segregation of these amounts are not necessary unless legally required.

The types of situations requiring restricted assets vary from customer deposits to bonds. For instance, customer deposits held by a public utility are used to insure payment of billings. Upon termination of service the deposit, less any outstanding charges, is returned to the customer. Therefore, the deposits belong to the customers and should be reported separately as a restricted asset.

Provisions of revenue bond indentures normally require bonds be accounted for in the following types of restricted asset accounts:

- Revenue Bond Construction Account
- Revenue Bond Operations and Maintenance Account
- Revenue Bond Current Debt Service Account
- Revenue Bond Future Debt Service Account
- Revenue Bond Renewal and Replacement Account

Proceeds from revenue bonds which are to be used for fixed asset construction must be accounted for in a Revenue Bond Construction Account. Disbursements from this account are made for all authorized construction purposes.

A revenue bond operations and maintenance account often is established pursuant to a bond indenture. Resources for this account are provided through bond proceeds and/or operating income or net income. This account generally accumulates assets equal to operating costs for one month.

Bond indentures also may require that bond proceeds and/or net operating revenues be accumulated in a Revenue Bond Debt Service Account. This account is normally required to insure payment of revenue bond principal and interest. The current liabilities for principal and interest are reported on the balance sheet as "liabilities payable from restricted assets".

Funds are accumulated in a Revenue Bond Future Debt Service Account to pay matured bond principal and interest if the Revenue Bond Debt Service Account proves deficient. The amount accumulated in this account is usually related to the annual debt service requirement. Funds in this account which are not used to cover deficiencies will be used for final retirement of the bond issue.

Funds are also accumulated in a Revenue Bond Renewal and Replacement Account for emergency operating expenditures or renewals or replacements of assets.

Many governments display reservation of retained earnings related to assets and liabilities restricted by bond indentures to demonstrate legal compliance. As a general rule, reservation of retained earnings related to restricted asset accounts should only be reserved for the amounts of restricted assets in excess of related liabilities, unless otherwise required by bond indenture. If the amounts accumulated in these accounts do not meet the necessary legal or contractual requirements, details of the shortages should be disclosed in the notes to the financial statements. A reservation of retained earnings is not required for the Revenue Bond Construction Account.

Fixed Assets

Fixed assets utilized in enterprise activities are accounted for in the enterprise fund accounts and they should be accounted for at cost or if the cost is not practically determinable, at estimated cost. Donated fixed assets should be recorded at their estimated fair value at the time received. The cost of a fixed asset includes not only its purchase price or construction cost, but also the costs necessary to place the asset in its intended location and condition for use. These costs include freight and transportation charges, site preparation expenditures, professional fees, and legal claims directly attributable to asset acquisition. In addition, interest incurred during construction of an asset should be capitalized as part of the asset cost (SFAS#34).

Depreciation is an important element of the income determination process and is required to be recorded in the enterprise fund accounts. The straight line method should be used.

Upon disposition, the gain or loss on sale should be reported as nonoperating revenue or nonoperating expense, respectively. A gain or loss is measured by the difference between book value (i.e. cost less accumulated depreciation) and the proceeds received from the sale, salvage, or insurance claims.

Leases

Lease accounting for proprietary funds should follow FASB Statement 13, as amended and interpreted, without modification. Transactions for capital leases are accounted for and reported entirely within the accounts of the enterprise fund.

Long-Term Liabilities

The long-term liabilities of an enterprise activity are reported in the accounts of the enterprise fund. Long-term liabilities include bonds, notes, capital leases, pensions, judgments, compensated absences, and similar commitments directly related to and expected to be paid from the enterprise fund. In regards to multi-activity districts, long-term liabilities backed by the full faith and credit of the governmental unit but expected to be paid from the enterprise fund should also be reported as an enterprise fund liability.

Bond Issuance Costs

Significant costs of a bond issue (e.g., fees, insurance, underwriting spreads) should be reported as a deferred charge and amortized over the life of the bonds. Authoritative guidance for amortizing the deferred charge is contained in APB Opinion No. 12 & 21.

Bond Premiums and Discounts

Bond premiums and discounts are subject to the same guidance (i.e., APB Opinion No. 12) as bond issuance costs. In addition, the amortization basis should be consistent with the basis applied to any related bond issuance costs, if both are considered material.

In-Substance Defeasance of Debt

To achieve an in-substance defeasance of debt, the governmental agency must deposit into an irrevocable trust cash or qualifying assets. This deposit must provide sufficient cash flows in order to virtually guarantee the payment of the defeased debt's principal and interest as scheduled.

An early extinguishment of debt, primarily due to refunding issues, often will result in a reporting of a gain or loss in the financial statements. APB Opinion No. 26 includes guidance on the calculation of the gain or loss and provides that the difference between the reacquisition price (i.e., amount paid to trustee) and the net carrying amount of the extinguished debt should be recognized as a gain or loss. If material, gain or losses from the defeasance of debt should be classified as an extraordinary item.

Budgets and Budgetary Accounts

It is recommended that flexible budgets be prepared by agencies providing enterprise activities. Flexible budgets show expected revenues and expenses for various levels of activity.

Fixed dollar budgets and budgetary accounts are generally not used for enterprise activities. This is because enterprise agencies must be able to react to user demands as revenues and expenses fluctuate with the amount of service provided.

Grants, Entitlements, and Shared Revenues

If the revenues are received for operating purposes, or which may be utilized for either operations or capital expenditures at the discretion of the recipient government, they shall be recognized as nonoperating revenues. Such resources restricted for the acquisition or construction of capital assets are required to be recorded as contributed capital in the fund equity section of the balance sheet. A depreciation/amortization account (optional) may be set up as an offset to the Contributed Capital - Capital Grant account in the fund equity section of the balance sheet. (See Illustration 1).

Illustration 1
Name of Governmental Unit
Proprietary Fund Balance Sheet
Equity Section

Fund Equity			
Contributed capital:			
Capital grants	\$XX		
Less depreciation/amortization (optional)	<u>XX</u>	\$XX	
Government's contributions		<u>XX</u>	\$XX
Retained earnings			<u>XX</u>
Total Fund Equity			<u>\$XX</u>

Depreciation on fixed assets acquired or constructed through such resources shall be reported as an operating expense on the Statement of Operations. (See Illustration 2).

Illustration 2
 Name of Governmental Unit
 A Proprietary Fund

Statement of Revenues, Expenses, and Changes in Retained Earnings

For the Fiscal Year Ended (Date)

Operating Revenues: (Detailed)	\$XX
Operating Expenses: (Detailed - Includes depreciation on <u>all</u> depreciable fixed assets)	<u>(XX)</u>
Operating Income (Loss)	XX
Nonoperating Revenues (Expenses): Detailed - nonoperating revenues include grants, entitlements, and shared revenues received for operations and/or such resources that may be used for either operations or capital outlay at the discretion of the recipient)	<u>XX</u>
Income (Loss) before Operating Transfers	XX
Operating Transfers: (Detailed)	<u>XX</u>
Net Income (Loss)	XX
Add depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital (Optional)	<u>XX</u>
Increase (Decrease) in Retained Earnings	XX
Retained Earnings - Beginning of Period	<u>XX</u>
Retained Earnings - End of Period	<u>\$XX</u>

Deferred Compensation Plans (IRC Section 457)

GASB Statement #2 provides that under proprietary fund accounting, Internal Revenue Code (IRC) Section 457 deferred compensation plan balances should be displayed as a liability in the balance sheet with a corresponding asset identified as designated for deferred compensation benefits. Such display is required whether the assets are held by the employer, a PERS, a nongovernmental third party, or another governmental entity under a multiple-jurisdiction plan.

The employer's liability to each participant, at any point in time, is measured by the participants share of the market value of the plan assets; therefore, plan assets should be valued at market. If the obligation to plan participants is determined by a measurement other than market value, the same method used to calculate the obligation by the administrator should be used to value the assets.

Compensated Absences

Accounting for compensated absences using proprietary funds should follow the 1990 GASB Codification, Section C60 and FASB Statement 43. Statement 43 requires employers to accrue a liability for future vacation, sick and other benefits that meet all of the following conditions:

- a. The employer's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- b. The obligation relates to rights that vest or accumulate.
- c. Payment of the compensation is probable.
- d. The amount can be reasonably estimated.

Compensated absence liabilities are computed at year-end and adjusted to current salary costs. The liability is generally calculated by multiplying the number of days and/or hours of eligible compensation time, based on the FASB Statement 43 criteria, by the employees compensation rate at year end.

Prior Period Adjustments

A corrections of a material error in a prior period statement is classified as a prior period adjustment. Errors in financial statements result from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts tht exists at the time the financial statements were prepared. A change from an accounting principle that is not generally accepted to one that is generally accepted is a correction of an error for the purposes of this section. Prior period adjustments should be recorded as changes in fund equity rather than as part of net income of the current period in single period statements.

Accounting Changes

Accounting changes include changes in an accounting principle and changes in an accounting estimate. A change in an accounting principle results from changing from one acceptable accounting principle to another acceptable accounting principle. Except for changes in certain specified accounting principles that are made by retroactive restatement, the cumulative effect of a change in an accounting principle shall be included in net income of the period of the change. Financial statements of prior periods should not be restated.

A change in an accounting estimate is usually the result of new events, changing conditions, more experience or additional information, any of which requires the revision of previous estimates. A change in an accounting estimate should not be accounted for (1) in the period of change, if the change effects only that period or (2) in the period of change or future periods, if the change effects both.

Interfund Transactions

Transactions between funds can be classified within three broad categories. The first category includes "quasi-external" transactions that are reported as revenues or expenses for both the fund and the district as a whole. Quasi-external interfund transactions are transactions that would be treated as revenues or expenses if they involved organizations external to the district.

The second category includes transactions that should be reflected only once for the district as a whole. These transactions are referred to as reimbursements. They include transactions that constitute reimbursements of a fund for expenses initially made from it that are properly applicable to another fund. A reimbursement should result only from improper classification or clearing account payments made for expediency in a controlled environment.

The final category is referred to as interfund transfers and is divided into two major categories: residual equity transfers and operating transfers. Residual equity transfers are defined as nonrecurring or nonroutine transfers of equity between funds. Enterprise funds should present residual equity transfers in as additions to contributed capital. Similar transfers from an enterprise fund should be reported as reductions of the enterprise fund contributed capital or of retained earnings, as appropriate in the circumstances. Operating transfers are defined as all other interfund transfers - for example, operating subsidy transfers from the general or a special revenue fund to an enterprise fund and transfers from an enterprise fund other than payments in lieu of taxes to finance general fund expenditures. They are reported separately in the "operating transfers" section in the operating statement.

Office of Management and Budget (OMB) Circular A-128

The Federal OMB Circular A-128 is issued pursuant to the Single Audit Act of 1984, P. L. 98-502. It establishes audit requirements for state and local governments that receive federal aid and defines federal responsibilities for implementing and monitoring those requirements. For further guidance relating to this Act, please refer to the Single Audit Procedure Guide for Special Districts published by the State Controller's Office, Division of Audits, Single Audit Oversight - Special Districts.

Financial Statements

Following is an illustration of financial statements for an enterprise fund. These examples are for illustrative purposes only. The reporting entity must determine the financial statement format which most fairly presents its operations.

The statement of changes in financial position has been replaced by a statement of cash flows in accordance with GASB Statement No. 9. This new statement of cash flows classifies cash receipts and payments according to whether they stem from operating, noncapital financing, capital and related financing or investing activities.

GASB Statement No. 9 allows the use of either the direct or indirect method to report cash flows from operating activities. The direct method is preferred.

If the direct method is used, gross receipts and payments should be reported by major classes such as cash receipts from customers, cash payments to employees for services, cash payments to suppliers for goods and services, etc. Also, a reconciliation of cash flows from operating activities to operating net income must be presented, which would include reconciling items such as changes in receivables relating to operating activities, changes in inventory, changes in payables and addback of noncash expenses.

If the indirect method is used, the reconciliation described for the direct method would replace the information on gross cash flows related to operating activities on the face of the cash flows statement.

GASB Statement No. 9 also requires that noncash transactions that affect financial position (e.g., acquisition of an asset with debt) be disclosed separately in either a narrative or tabular format.

ELMERFUSE DISTRICT
Comparative Balance Sheet
June 30, 19X2 and 19X1

	19 x 2	19 x 1	19 x 2	19 x 1
Assets				
Current assets:				
Cash	\$XX	\$XX		\$XX
Accounts receivable	XX	XX		XX
Inventory of materials and supplies	XX	XX		XX
Total current assets	XX	XX		XX
Restricted assets:				
Cash with fiscal agent	XX	XX		XX
Customer deposits	XX	XX		XX
Revenue bond construction account	XX	XX		XX
Revenue bond current debt service account	XX	XX		XX
Revenue bond future debt service account	XX	XX		XX
Total restricted assets	XX	XX		XX
Property, plant and equipment:				
Land	XX	XX		XX
Buildings	XX	XX		XX
Equipment	XX	XX		XX
Less: Allowance for accumulated depreciation	XX	XX		XX
Net property, plant and equipment	XX	XX		XX
Total Assets	\$XX	\$XX		\$XX
Liabilities and Fund Equity				
Current liabilities:				
Accounts payable	XX	XX		XX
Accrued payroll payable	XX	XX		XX
Interest payable	XX	XX		XX
Total current liabilities	XX	XX		XX
Current liabilities payable from restricted assets:				
Revenue bonds payable	XX	XX		XX
Accrued interest payable	XX	XX		XX
Deposits	XX	XX		XX
Total current liabilities payable from restricted assets	XX	XX		XX
Long-term liabilities:				
Bond payables	XX	XX		XX
Total long-term liabilities	XX	XX		XX
Total liabilities	XX	XX		XX
Fund equity:				
Contributed capital:				
Contributions from government	XX	XX		XX
Total contributed capital	XX	XX		XX
Retained earnings:				
Reserved for revenue bond indentures	XX	XX		XX
Unreserved	XX	XX		XX
Total retained earnings	XX	XX		XX
Total fund equity	XX	XX		XX
Total liabilities and fund equity	\$XX	\$XX		\$XX

Enterprise District
 Comparative Statement of Revenues, Expenses and Changes
 In Retained Earnings
 For the Fiscal Years Ended June 30, 19 x 2 and 19 x 1

	19 x 2	19 x 1
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Operating revenues:		
Charges for services	\$XX	\$XX
Sales	<u>XX</u>	<u>XX</u>
Total operating revenues	<u>XX</u>	<u>XX</u>
Operating expenses:		
Costs of services	XX	XX
Costs of sales	XX	XX
Administration and general	XX	XX
Depreciation	<u>XX</u>	<u>XX</u>
Total operating expenses	<u>XX</u>	<u>XX</u>
Non-operating revenues (expenses)		
Interest	XX	XX
Taxes	XX	XX
Interest expense	<u>(XX)</u>	<u>(XX)</u>
Total non-operating revenues (expenses)	<u>XX</u>	<u>XX</u>
Net income	XX	XX
Retained earnings at beginning of year	<u>XX</u>	<u>XX</u>
Retained earnings at end of year	<u>\$XX</u>	<u>\$XX</u>

Enterprise District
 Comparative Statement of Cash Flows
 For the Year Ended June 30, 19X2 and 19X1
 Increase (Decrease) in Cash

	19 x 2	19 x 1
Cash flows from operating activities:		
Cash received from customers	\$XX	\$XX
Cash payments to suppliers for goods and services	(XX)	(XX)
Cash payments to employees for services	(XX)	(XX)
Net cash provided by operating activities	\$XX	\$XX
Cash flows from noncapital financing activities:		
Operating grants received	XX	XX
Operating transfers-out to other funds	(XX)	(XX)
Net cash provided by noncapital financing activities	XX	XX
Cash flows from capital and related financing activities:		
Proceeds from sale of revenue bonds	\$XX	\$XX
Acquisition and construction of capital assets	(XX)	(XX)
Principal paid on revenue bond maturities	(XX)	(XX)
Interest paid on revenue bonds	(XX)	(XX)
Net cash used for capital and related financing activities	(XX)	(XX)
Cash flows from investing activities:		
Purchase of investment securities	\$(XX)	\$(XX)
Interest and dividends on investments	<u>XX</u>	<u>XX</u>
Net cash used in investing activities	(XX)	(XX)
Net decrease in cash	(XX)	(XX)
Cash at beginning of year	<u>XX</u>	<u>XX</u>
Cash at end of year	<u>\$XX</u>	<u>\$XX</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$XX	\$XX
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	\$XX	\$XX
Change in assets and liabilities:		
Increase in accounts receivable	(XX)	(XX)
Decrease in inventory	XX	XX
Increase in accounts payable	<u>XX</u>	<u>XX</u>
Total adjustments	<u>XX</u>	<u>XX</u>
Net cash provided by operating activities	<u>\$XX</u>	<u>\$XX</u>

Notes to the Financial Statements

The National Council on Governmental Accounting's Interpretation #6 (included in the 1990 GASB Codification) states "the notes to the financial statements are intended to communicate information that is necessary for a fair presentation at the General Purpose Financial Statements (GPFS) level that is not readily apparent from, or cannot be included in, the GPFS themselves. The notes to the financial statements are an integral part of the GPFS and are intended to be read with the GPFS.

The notes to the financial statements essential to fair presentation at the GPFS level include, as appropriate:

A. Summary of significant accounting policies

1. Criteria used in determining the scope of the reporting entity and the component units combined to form the reporting entity (see NCGA Statement 3 as included in the 1990 GASB Codification.)
2. Basis of presentation - fund accounting
 - a. Fund categories
3. Basis of accounting
 - a. Enterprise approach - accrual basis
4. Budgetary data
 - a. General budget policies
 - b. Budget basis of accounting
5. Assets, liabilities and fund equity

Disclosure of valuation bases, policy for reporting infrastructure assets and significant or unusual accounting treatment for material account balances or transactions. These should be described in order of appearance on the balance sheet.
6. Revenues and expenses
 - a. Significant accounting policies for material revenue and expenses

Notes to Financial Statements (Continued)

- b. Property tax revenue recognition
 - c. Vacation, sick leave and other compensated absences (see NCGA Statement 4 as included in the 1990 GASB Codification.)
7. Definition of cash and cash equivalents used in the Statement of Cash Flows for proprietary fund types and nonexpendable trust funds.
- B. Cash deposits with financial institutions
 - C. Investments
 - D. Significant contingent liabilities
 - E. Significant effects of subsequent events
 - F. Pension plan obligations
 - G. Material violations of finance-related legal and contractual provisions
 - H. Debt service requirements to maturity
 - I. Commitments under noncapitalized leases
 - J. Construction and other significant commitments
 - K. Deficit retained earnings
 - L. Interfund receivables and payables

The above notes to the financial statements disclosures are not all-inclusive, and additional disclosures should be made if applicable. For example, such additional disclosures may include the following:

- A. Entity risk management activities
- B. Property taxes
- C. Segment information for enterprise funds

Notes to Financial Statements (Continued)

- D. Short-term debt instruments and liquidity
- E. Related party transactions
- F. Capital leases
- G. Joint ventures
- H. Special termination benefits
- I. Total amount calculated for the year for special termination benefits, claims and judgments, compensated absences, operating leases and employer pension expenditures for which the current portion is reported in the operating statement and the noncurrent portion is reported in the general long-term debt account group (if not reported on the face of the financial statements).
- J. Extinguishments of debt
- K. Grants, entitlements, and shared revenues
- L. Nature of total column use in combined financial statements
- M. Methods of estimation of fixed asset costs

The suggested areas to be considered for notes to the financial statements disclosures, as listed above, are neither all-inclusive nor intended to replace professional judgment in determining disclosure necessary for fair presentation in the circumstances."

CHAPTER "B"

UNIFORM SYSTEM OF ACCOUNTS
FOR ELECTRIC UTILITY DISTRICTS

STATE CONTROLLER

DIVISION OF LOCAL GOVERNMENT FISCAL AFFAIRS

UNIFORM SYSTEM OF ACCOUNTS FOR
ELECTRIC UTILITY DISTRICTS

7100 General

7101	Application	7105	Funds
7102	Legal Reference	7106	Account Numbers
7103	Purpose	7107	Subaccounts
7104	Relation to Federal Power Commission Accounts	7108	Multi-Activity Districts

7200 Accounts

7201	Chart of Accounts	7202	Description of Accounts
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UNIFORM SYSTEM OF ACCOUNTS FOR
ELECTRIC UTILITY DISTRICTS

7100 General

7101 Application

The system of accounting herein described shall be used by all California special districts engaged in the production, sale or distribution of electricity (hereafter referred to as the "utility"), except such districts which have been exempted from the requirements pursuant to Government Code Section 53891. Districts falling under this exemption from using this accounting system should use enterprise accounting and reporting. Chapter A on enterprise accounting which provides general accounting and reporting guidelines to be used by special districts performing enterprise activities is an integral part of this accounting system. (See Section 7108 for application to multi-activity districts.)

7102 Legal Reference

An outline of the requirements detailed in this Division is located in Sections 1091.1-1093.4 of the California Administrative Code.

7103 Purpose

The purpose of this system of accounts and procedures is to furnish a common accounting and reporting framework which is flexible enough to prepare financial statements in accordance with generally accepted accounting principles and prepare the Annual Report of Financial Transactions of Special Districts as required by the State Controller's Office.

7104 Relation to Federal Energy Regulatory Commission Accounts

The Uniform System of Accounts of the Federal Energy Regulatory Commission is the guide for this system. Accounts have been added or deleted and policies have been modified as deemed necessary to recognize the governmental character of the utility.

7105 Funds

The chart of accounts prescribed in Section 7201 are required and shall be accounted for in an enterprise fund.

7106 Account Numbers

Code numbers are shown for each account primarily for reference purposes. While the numbers are considered appropriate and may be used, each district is free to devise a coding system appropriate to its equipment and operations. Account titles, however, are required.

ELECTRIC UTILITY DISTRICTS

GENERAL7107 Subaccounts

Basic accounts listed in Section 7201 represent minimum accounting and reporting classifications. Within these classification, districts may account in as much detail as desired through subaccounts. Each subaccount must correspond to a prescribed account in Section 7201 either by title or code number.

7108 Multi-Activity Districts

Electric utility districts which also engage in other activities (water, fire protection, etc.) must follow this accounting system for their electric activities and the accounting systems that correspond (see systems 2000-6000, 8000 and 9000) to their other activities.

ELECTRIC UTILITY DISTRICTS

7200 Accounts

7201 Chart of Accounts

BALANCE SHEET ACCOUNTS

ASSETS & OTHER DEBITS

Property, Plant and Equipment

111.00	Utility Plant In Service
.10	- Intangible Plant
.20	- Land
.30	- Production Plant
.31	Steam Production
.32	Nuclear Production
.33	Hydraulic Production
.34	Other Production
.40	- Transmission Plant
.50	- Distribution Plant
.60	- General Plant
112.00	Construction In Progress
113.00	Utility Plant Held For Future Use
114.00	Other Physical Property
115.00	Accumulated Depreciation and Amortization
.10	- Accumulated Depreciation and Amortization of Utility Plant In Service
.20	- Accumulated Depreciation and Amortization of Utility Plant Held For Future Use
.30	- Accumulated Depreciation and Amortization of Other Physical Property

ELECTRIC UTILITY DISTRICTS

\$7201

BALANCE SHEET ACCOUNTS

ASSETS & OTHER DEBITS

Investments, Restricted Assets, & Other Long-Term Assets

121.00 Investments
122.00 Restricted Assets
123.00 Other Long-Term Assets

Current Assets

131.00 Cash
132.00 Imprest Cash
133.00 Cash with Fiscal Agent
134.00 Special Deposits
135.00 Temporary Investments
136.00 Notes Receivable
137.00 Accounts Receivable
138.00 Allowance for Uncollectable Accounts
139.00 Taxes Receivable
140.00 Allowance for Uncollectable Taxes
141.00 Interest Receivable
142.00 Due From Other Funds
143.00 Due From Other Governments
144.00 Inventory of Materials & Supplies
145.00 Prepayments
146.00 Other Current Assets

Deferred Charges

151.00 Preliminary Survey & Investigation Charges
152.00 Other Work In Progress
153.00 Other Deferred Charges

\$7201

ELECTRIC UTILITY DISTRICTS

BALANCE SHEET ACCOUNTS

LIABILITIES & OTHER CREDITS

Long-Term Liabilities

211.00	Long-Term Debt
.10	- General Obligation Bonds Payable
.50	- Revenue Bonds Payable
.60	- Unamortized Premiums on Bonds
.70	- Unamortized Discounts on Bonds (Debit)
212.00	Due To Other Governmental Agencies
.10	- State
.20	- Federal
.30	- Local
213.00	Time Warrants Payable
214.00	Other Long-Term Liabilities

Current Liabilities

222.00	Accounts Payable
223.00	Current Portion of Long-Term Debt
.10	- General Obligation Bonds Payable
.20	- Revenue Bonds Payable
.30	- Other Long-Term Liabilities Payable
224.00	Due To Other Funds
225.00	Due to Other Governments
226.00	Interest Payable
.10	- Matured Interest Payable
.20	- Accrued Interest Payable
227.00	Deposits
.10	- Customer Deposits
.20	- Service Connection & Meter Deposits
.30	- Construction Deposits
228.00	Accrued Payroll Payable
229.00	Accrued Taxes Payable
230.00	Other Current Liabilities

Deferred Credits

241.00	Advances For Construction
242.00	Other Deferred Credits

ELECTRIC UTILITY DISTRICTS

\$7201

BALANCE SHEET ACCOUNTS

EQUITY

Contributed Capital

251.00	Contributions In Aid Of Construction - Utility Plant
252.00	Accumulated Depreciation/Amortization-Contributed Capital - Utility Plant
253.00	Contributions In Aid of Construction - Other Physical Property
254.00	Accumulated Depreciation/Amortization-Contributed Capital - Other Physical Property

Retained Earnings

261.00	Retained Earnings-Reserved
263.00	Retained Earnings-Unreserved

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ELECTRIC UTILITY DISTRICTS

NOMINAL ACCOUNTS

REVENUES

Operating Revenues

301.00	Sales of Electricity
.10	- Residential
.20	- Business and Industrial
.30	- Rural
.40	- Sales to Public Authorities
.50	- Sales for Resale
.60	- Interfund
.70	- Other Sales
305.00	Other Electric Revenues
.10	- Servicing of Customers' Installations
.20	- Other

Nonoperating Revenues

311.00	Interest Revenues
312.00	Rents and Leases
313.00	Taxes and Assessments
.05	- Property Taxes-Current Secured
.10	- Property Taxes-Current Unsecured
.15	- Property Taxes-Prior Secured
.20	- Property Taxes-Prior Unsecured
.25	- Property Taxes-Current Year Voter Approved Indebtedness
.30	- Property Taxes-Prior Year Voter Approved Indebtedness
.35	- Property Assessments-Current
.40	- Property Assessments-Prior
.45	- Penalties and Costs on Delinquent Taxes and Assessments
.50	- Supplemental Property Taxes-Current
.55	- Supplemental Property Taxes-Current Year Voter Approved Indebtedness
.60	- Supplemental Property Taxes-Prior Year Taxes and Penalties
.65	- Special District Augmentation Fund
314.00	Intergovernmental Revenues
.10	- Federal
.20	- State-Homeowners' Property Tax Relief
.30	- State-Other
.40	- Local-Other
315.00	Annexation Charges
316.00	Gain On Disposal of Fixed Assets
317.00	Other Non-Operating Revenues

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NOMINAL ACCOUNTS

EXPENSES

Operating Expenses

Production

411.00 Steam Power Generation
 .10 - Supervision, Labor and Expense
 .20 - Maintenance - Structures and Improvements
 .30 - Fuel
412.00 Nuclear Power Generation
 .10 - Supervision, Labor and Expense
 .20 - Maintenance - Structures and Improvements
 .30 - Nuclear Fuel Expense
413.00 Hydraulic Power Generation
 .10 - Supervision, Labor and Expense
 .20 - Maintenance - Structures and Improvements
 .30 - Water For Power
414.00 Other Power Generation
 .10 - Supervision, Labor and Expense
 .20 - Maintenance - Structures and Improvements
 .30 - Fuel
415.00 Purchased Power
416.00 Other Production Expenses

Transmission

421.00 Supervision, Labor and Expense
422.00 Maintenance - Structures and Improvements

Distribution

431.00 Supervision, Labor and Expense
432.00 Maintenance - Structures and Improvements

Customer Accounts

441.00 Supervision, Meter Reading and Other Expenses
442.00 Uncollectable Accounts

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ELECTRIC UTILITY DISTRICTS

NOMINAL ACCOUNTS

EXPENSES

Operating Expenses (Continued):

Administrative & General

451.00	Salaries
452.00	Office Supplies & Other Expenses
453.00	Contractual Services
454.00	Property Insurance, Injuries & Damages
455.00	Employees Retirement & Benefits
456.00	Franchise Requirements
457.00	Rents & Leases
458.00	Maintenance-General Plant
459.00	Other

Other Operating Expenses

461.00	Depreciation & Amortization
462.00	Taxes
463.00	Other Operating Expenses

Nonoperating Expenses

481.00	Interest on Long-Term Debt
482.00	Other Interest
483.00	Loss On Disposal of Fixed Assets
484.00	Other Nonoperating Expenses

ELECTRIC UTILITY DISTRICTS

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ASSETS & OTHER DEBITS

<u>Account</u>	<u>Description</u>
<u>Utility Plant:</u>	
111.10 Intangible Plant	This account covers the intangible rights and benefits accruing to the operator with a value enduring through a period of time longer than one year.
111.20 Land	This account includes the cost of land owned by the district and including rights, interests, and privileges in land owned by others such as leaseholds, easements, water rights, diversion rights, submersion rights, and rights of way. This also includes the principal amount of special assessments levied against the utility for public improvements.
111.31 Production Plant - Steam Production	<p>This account includes the cost of plant used in connection with steam-power generation. This includes:</p> <p>Structures and Improvements - the cost of structures and improvements used in connection with steam-power generation;</p> <p>Boiler Plant Equipment - the cost of furnaces, boilers, coal and ash handling and coal preparing equipment, steam and feed water piping and accessories used in the production of steam to be used for generating electricity;</p> <p>Engine and Engine Driven Generators - the cost of steam engines and their associated auxiliaries and engine-driven main generators;</p>

ASSETS & OTHER DEBITS

<u>Account</u>	<u>Description</u>
<u>Utility Plant (continued):</u>	
111.31 Production Plant - Steam Production (Continued)	<p>Turbogenerator Units - the cost of main turbine-driven units used in generating electricity by steam;</p> <p>Accessory Electric Equipment - the cost of auxiliary generating apparatus, conversion equipment and equipment used primarily in connection with the control and switching of electric energy produced by steam power.</p>
111.32 Production Plant - Nuclear Production	<p>This account includes the cost of plant used in connection with nuclear power generation. This includes:</p> <p>Structures and Improvements - the cost of structures and improvements used in connection with nuclear power generation;</p> <p>Reactor Plant Equipment - the cost of reactors, reactor fuel handling end storage equipment, coolant charging equipment, radioactive waste treatment and disposal equipment and other reactor plant equipment used in the production of steam;</p> <p>Turbogenerator Units - the cost of main turbine-driven units used in generating electricity by steam;</p> <p>Accessory Electric Equipment - the cost of auxiliary generating apparatus, conversion equipment and equipment used primarily in connection with the control and switching of electric energy produced by nuclear power.</p>

ELECTRIC UTILITY DISTRICTS

ASSETS & OTHER DEBITS

<u>Account</u>	<u>Description</u>
<u>Utility Plant (continued):</u>	
111.33 Production Plant - Hydraulic Production	<p>This account includes the cost of plant used in connection with hydraulic power generation. This includes:</p> <p>Structures and Improvements - the cost of structures and improvements used in connection with hydraulic power generation;</p> <p>Reservoirs, Dams and Waterways - the cost of facilities used for impounding, collecting, storage, diversion, regulation and delivery of water used primarily for generating electricity;</p> <p>Water Wheels, Turbines and Generators - the cost of water wheels and hydraulic turbines and generators driven thereby devoted to the production of electricity by water power;</p> <p>Accessory Electric Equipment - the cost of auxiliary generating apparatus, conversion equipment and equipment used primarily in connection with the control and switching of electric energy produced by hydraulic power;</p> <p>Roads, Railroads and Bridges - the cost of roads, railroads, trails, bridges and trestles used primarily as production facilities.</p>

ASSETS & OTHER DEBITS

<u>Account</u>	<u>Description</u>
<u>Utility Plant (continued):</u>	
111.34 Production Plant - Other Production	<p>This account includes the cost of plant used in connection with other power generation. This includes:</p> <p>Structures and Improvements - the cost of structures and improvements used in connection with other power generation;</p> <p>Fuel Holders, Producers and Accessories - the cost of fuel handling and storage equipment used between the point of fuel delivery to the station and the intake pipe through which fuel is directly drawn to the engine;</p> <p>Prime Movers - the cost of diesel or other prime movers devoted to the generation of electric energy, together with their auxiliaries;</p> <p>Generators - the cost of diesel or other power driven main generators;</p> <p>Accessory Electric Equipment - the cost of auxiliary generating apparatus, conversion equipment and equipment used primarily in connection with the control and switching of electric energy produced in other power generating stations.</p>

ASSETS & OTHER DEBITS

<u>Account</u>	<u>Description</u>
<u>Utility Plant (Continued):</u>	
111.40 Transmission Plant	<p>This account includes the cost of plant and equipment used in connection with the transmission of electricity. This includes the costs of:</p> <p>Structures and improvements used in connection with transmission operations; transforming, conversion and switching equipment; towers and fixtures used for supporting overhead transmission conductors; transmission line poles, wood, steel or other material used for supporting overhead transmission conductors; overhead and underground conductors and devices; underground conduit and tunnels used for housing transmission cables or wires; roads, trails and bridges used primarily as transmission facilities.</p>
111.50 Distribution Plant	<p>This account includes the cost of plant and equipment used in connection with the distribution of electricity. This includes the costs of:</p> <p>Structures and improvements used in connection with distribution operations; station equipment, including transformer banks, etc.; storage battery equipment used for supplying electricity to meet emergency or peak demands; poles, towers and fixtures used for supporting overhead distribution conductors and service wires; overhead and underground conductors and devices; underground conduit and tunnels used for housing distribution cables or wires; overhead and underground distribution line transformers and underground voltage regulators; meters or devices used in measuring electricity delivered to its users; equipment used wholly for public street and highway lighting or traffic, fire alarm, police and others signal systems.</p>

ASSETS & OTHER DEBITS

<u>Account</u>	<u>Description</u>
<u>Utility Plant (Continued):</u>	
111.60 General Plant	This category covers all costs of plant and equipment used for general electric utility purposes. This includes: Structures and improvements; office furniture and equipment; transportation equipment; stores equipment; laboratory equipment; communication equipment; tools and other equipment.
112.00 Construction In Progress	This category includes labor, materials, overhead amounts and interest costs incurred during construction applied to projects not yet completed or placed in service.
113.00 Utility Plant Held For Future Use	This category includes property acquired but never used in utility service, but held for such service in the future; and property previously used in utility service, but retired from such service and held pending its reuse.
114.00 Other Physical Property	This account includes the cost of land, structures, and equipment owned by the district, but not used in electric utility service and not properly includible in account 113.00.
115.10 Accumulated Depreciation and Amortization of Utility Plant In Service	The cumulative depreciation and amortization charges since the time of acquisition or service for the Utility Plant In Service accounts 111.10 through 111.60
115.20 Accumulated Depreciation and Amortization of Utility Plant Held for Future Use	The cumulative depreciation and amortization charges since the time of acquisition or service for the Utility Plant Held For Future Use account 113.00
115.30 Accumulated Depreciation and Amortization of Other Physical Property	The cumulative depreciation and amortization charges since the time of acquisition of Other Physical Property account 114.00.

ASSETS & OTHER DEBITS

<u>Account</u>	<u>Description</u>
<u>Investments, Restricted Assets & Other Long-Term Assets:</u>	
121.00 Investments	This category covers investments in securities and real estate held for the production of income in the form of interests, dividends, rentals, or lease payments. This account does not include, however, real estate used in electric utility operations.
122.00 Restricted Assets	This category covers cash, near cash items and other assets whose use is restricted to satisfying a specific type of long-term obligation. This restricted asset account may include such funds as "Sinking Funds" for the procurement of serial bonds, "Capital Assets Funds" for the acquisition of depreciable property, "Pension Funds" to provide for employees' pensions, relief, savings, and hospital benefits accruing to employees for performance of their labor services, "Customer Deposits" to provide for deposits made by customers to insure payment of billings, and other such funds. (See Chapter A for discussion on restricted assets).
123.00 Other Long-Term Assets	This category covers assets not properly includible in accounts 121.00 and 122.00.

ASSETS & OTHER DEBITS

<u>Account</u>	<u>Description</u>
<u>Current Assets:</u>	
131.00 Cash	Currency, coin, checks, money orders and bankers' drafts on hand or on deposit with the county treasurer or agent designated as custodian of cash and bank deposits.
132.00 Imprest Cash	A sum of money set aside for making change or paying small obligations for which the issuance of a voucher or warrant would be too expensive and time consuming.
133.00 Cash With Fiscal Agent	Deposits with fiscal agents, such as commercial banks, for the payment of principal and interest on long-term debt.
134.00 Special Deposits	This account includes deposits with others for special purposes other than the payment of interest and principal on long-term debt. Such deposits may include cash deposited with Federal, State or municipal authorities as a guarantee for the fulfillment of obligations; cash deposited with trustees to be held until mortgaged property sold, destroyed or otherwise disposed of is replaced; and condemnation deposits in eminent domain proceedings. When the purpose of such deposits are satisfied and the deposits are released, this account shall be credited with the amounts released.
135.00 Temporary Investments	This includes the cost of investments such as demand and time loans, bankers' acceptances, United State Treasury certificates, marketable securities, and other similar investments acquired for the purpose of temporarily investing cash.

ASSETS & OTHER DEBITS

<u>Account</u>	<u>Description</u>
<u>Current Assets (Continued):</u>	
136.00 Notes Receivable	This account includes the cost of all collectible obligations in the form of notes receivable, contracts receivable and other similar evidences of money receivable on demand or within a time not exceeding one year from the date of issue.
137.00 Accounts Receivable	This account includes the amounts due from customers for utility services, including merchandising, and other amounts due from concerns or individuals.
138.00 Allowance For Uncollectable Accounts	This account includes periodic credits for amounts reserved for losses on accounts receivable which may become uncollectable.
139.00 Taxes Receivable	This account includes the uncollected portion of taxes which is levied against property by the district, including penalties and interest on delinquent taxes.
140.00 Allowance For Uncollectable Taxes	This account includes periodic credits for amounts reserved for losses on taxes receivable which may be uncollectable.
141.00 Interest Receivable	The amount of interest receivable on special deposits, loans, notes, advances, securities and all other interest bearing assets.
142.00 Due From Other Funds	Amounts owed from other funds of the district which are due within one year.
143.00 Due From Other Governments	This account includes the amounts receivable from other governments which are due within one year.

ASSETS & OTHER DEBITS

<u>Account</u>	<u>Description</u>
<u>Current Assets (Continued):</u>	
144.00 Inventory of Materials & Supplies	This account includes the cost of all unapplied materials and supplies including small tools, repair parts, fuel, etc. The cost shall include all specifically assignable transportation charges incurred in obtaining the delivery of such materials and supplies upon the premises of the carrier. The cost shall also include all sales and excise taxes and customs duties. The costs of materials recovered in connection with construction, maintenance, or retirement of property shall also be included in this account.
145.00 Prepayments	This account includes the cost of prepaid insurance, rents, taxes, interest and miscellaneous items.
146.00 Other Current Assets	This category covers the amount of all assets of a current nature not includible in any of the foregoing current asset accounts 131.00 through 145.00.

ASSETS & OTHER DEBITS

<u>Account:</u>	<u>Description</u>
<u>Deferred Charges:</u>	
151.00 Preliminary Survey & Investigation Charges	This account includes all costs for preliminary surveys, plans, and investigations made for the purpose of determining the feasibility of projects under contemplation. If construction results, this account shall be credited and the appropriate utility plant charged. If the work is abandoned the cost shall be written off as an expense to account 463.00 or 484.00.
152.00 Other Work In Progress	This account includes the total of the balances in open work or job orders for work in progress, other than that includible in 112.00 Construction in Progress.
153.00 Other Deferred Charges	This account includes all debits, not elsewhere provided for, the proper final disposition of which is uncertain, and unusual or extraordinary expenses, not included in other accounts, which are in the process of being amortized. Amounts charged to this account should be posted to appropriately titled subaccounts.

LIABILITIES & OTHER CREDITS

<u>Account</u>	<u>Description</u>
<u>Long-Term Liabilities:</u>	
211.10 General Obligation Bonds Payable	The face value of issued and unmatured general obligation bonds; also the face value of such bonds issued by others, the payment of which has been assumed as a general obligation of the district.
211.50 Revenue Bonds Payable	The face value of issued and unmatured revenue bonds; also the face value of such bonds issued by others, the payment of which has been assumed and secured by specific revenues of the district.
211.60 Unamortized Premiums on Bonds	The unamortized portion of the excess of bond proceeds over their face value (excluding accrued interest and issuance costs).
211.70 Unamortized Discounts on Bonds (Debit)	The unamortized portion of the excess of the face value of bonds over the amount received from their sale (excluding accrued interest and issuance costs).
212.10 Due To Other Governmental Agencies - State	This account includes long-term debt, other than bonds or time warrants, due to the State government.
212.20 Due To Other Governmental Agencies - Federal	This account includes long-term debt, other than bonds or time warrants, due to the Federal government.
212.30 Due To Other Governmental Agencies - Local	This account includes long-term debt, other than bonds or time warrants, due to local governments.
213.00 Time Warrants Payable	This account includes the face value of negotiable obligations issued by the district normally for contractual services, capital acquisitions, or equipment purchases, and maturing more than one year from date of issue or assumption.

ELECTRIC UTILITY DISTRICTS

LIABILITIES & OTHER CREDITS

<u>Account</u>	<u>Description</u>
<u>Long-Term Liabilities (Continued):</u>	
214.00 Other Long-Term Liabilities	This account includes all miscellaneous long-term liabilities which are not properly includible in accounts 211.10 through 213.00, such as real estate mortgages executed or assumed, notes and unsecured certificates of indebtedness, bank loans, certificates of participation, and other obligations maturing more than one year from date of issue or assumption.
<u>Current Liabilities:</u>	
222.00 Accounts Payable	Amounts owed on open account to private persons or organizations for goods and services furnished to the district (but not including amount owed to other funds or other governments).
223.10 Current Portion of Long-Term Debt - General Obligation Bonds Payable	This account includes the amount of unpaid general obligation bonds which have reached or passed their maturity date and/or the face value of bonds due within one year.
223.20 Current Portion of Long-Term Debt- Revenue Bonds Payable	This account includes the amount of unpaid revenue bonds which have reached or passed their maturity date and/or the face value of bonds due within one year.
223.30 Current Portion of Long-Term Debt - Other Long-Term Liabilities Payable	This account includes the current portion of all long-term liabilities other than bonds which are due within one year.
224.00 Due To Other Funds	This account includes amounts owed to other funds of the district which are due within one year.
225.00 Due To Other Governments	This account includes amounts owed to other governments which are due within one year.
226.10 Matured Interest Payable	This account includes the amount of matured interest on long-term debt or other obligations of the utility at the date of the balance sheet unless such interest is added to the principal of the debt on which incurred.

LIABILITIES & OTHER CREDITS

<u>Account</u>	<u>Description</u>
<u>Current Liabilities (Continued):</u>	
226.20 Accrued Interest Payable	This account includes the amount of interest accrued but not due until a later date on long-term debt or other obligations of the utility. This account does not include any interest which is added to the principal of the debt on which incurred.
227.10 Deposits - Customer Deposits	This account includes amounts deposited with the utility as security for the payment of utility bills.
227.20 Deposits - Service Connection and Meter Deposits	This account includes amounts deposited with the utility as security for the payment of service connections and other meter charges.
227.30 Deposits - Construction Deposits	This account includes amounts deposited with the utility as security for the payment of construction charges.
228.00 Accrued Payroll Payable	This account includes amounts owed on accrued salaries.
229.00 Accrued Taxes Payable	This account covers obligations to pay taxes (income, property, payroll, etc.) which have accrued during the accounting period.
230.00 Other Current Liabilities	This account covers miscellaneous obligations of the district due within one year and not properly includible in accounts 222.00 through 229.00. Includes current portion of notes payable.

LIABILITIES & OTHER CREDITS

<u>Account</u>	<u>Description</u>
<u>Deferred Credits:</u>	
241.00 Advances For Construction	This account includes such advances for construction as are to be refunded wholly or in part. When refund has been made, according to the agreement or rule under which the advance was made, the balance, if any, remaining in the account shall be transferred to account 251.00, Contributed Capital.
242.00 Other Deferred Credits	This account includes advanced billings and receipts and other deferred credit items not provided elsewhere; also amounts which cannot be entirely cleared or disposed of until additional information has been received.

EQUITY

<u>Account</u>	<u>Description</u>
<u>Contributed Capital:</u>	
251.00 Contributions In Aid of Construction - Utility Plant	This account includes amounts received, in the form of grants, donations, or other paid-in capital, from federal, state, or local governmental sources and including nongovernmental sources, such as customers and developers (e.g., impact fees), for construction or acquisition of utility plant capital assets, i.e., the items includible in account 111.00 - Utility Plant. This account should be sufficiently detailed between federal, state, local and other sources.
252.00 Accumulated Depreciation/ Amortization-Contributed Capital-Utility Plant (Optional)	This account includes the accumulated depreciation/amortization for all depreciable properties included in account 251.00 - Contributions In Aid Of Construction - Utility Plant. (Note: This account is optional for those districts electing to amortize the balances which represent contributions of depreciable property in the contributed capital account. Districts which do not follow this option shall close depreciation expenses into account 263.00 - Retained Earnings. See Chapter A, "Grants, Entitlements, and Shared Revenues" for further discussion.)
253.00 Contributions In Aid of Construction - Other Physical Property	This account includes amounts received, in the form of grants, donations, or other paid-in capital, from federal, state, or local governmental sources and including nongovernmental sources, such as customers and developers (e.g., impact fees), for construction or acquisition of other physical property capital assets - i.e., the items includible in account 114.00 - Other Physical Property. This account should be sufficiently detailed between federal, state, local and other sources.

EQUITY

<u>Account</u>	<u>Description</u>
<u>Contributed Capital (Continued):</u>	
254.00 Accumulated Depreciation/ Amortization-Contributed Capital - Other Physical Property (Optional)	This account includes the accumulated depreciation/amortization for all depreciable properties included in account 253.00 - Contributions In Aid Of Construction - Other Physical Property. (Note: This account is optional for those districts electing to amortize the balances which represent contributions of depreciable property in the contributed capital account. Districts which do not follow this option shall close depreciation expenses into account 263.00 - Retained Earnings. See Chapter A, "Grants, Entitlements, and Shared Revenues" for further discussion.)
<u>Retained Earnings:</u>	
261.00 Retained Earnings - Reserved	This account includes the amount of accumulated earnings that has been restricted for specific purposes such as amounts reserved for self-insurance, employee benefits (retirement, accident, hospital, etc.), restricted assets, or other reserves. A separate subaccount should be established for each type of reserve.
263.00 Retained Earnings - Unreserved	This account includes the accumulated earnings which are not reserved for any specific purpose.

REVENUES

<u>Account</u>	<u>Description</u>
<u>Operating Revenues:</u>	
301.10 Sales of Electricity - Residential	This account includes revenues earned from electricity supplied for residential or domestic purposes.
301.20 Sales of Electricity - Business and Industrial	This account includes revenues earned from electricity supplied for business and industrial purposes.
301.30 Sales of Electricity - Rural	This account includes revenues earned from electricity supplied to rural or farm customers and billed under distinct rural or farm rates.
301.40 Sales of Electricity - Sales to Public Authorities	This account includes revenues earned from electricity supplied to municipalities or divisions of federal or state governments under special contracts or agreements applicable only to public authorities.
301.50 Sales of Electricity - Sales for Resale	This account includes revenue earned from electricity supplied to other utilities for resale purposes.
301.60 Sales of Electricity - Interfund	This account includes all amounts charged by the electric fund for electricity supplied by it to other funds of the utility.
301.70 Sales of Electricity - Other Sales	This account includes all charges for sales of electricity which are not properly includible in accounts 301.10 through 301.60.
305.10 Other Electric Revenues - Servicing of Customers' Installations	This account includes charges to customers for the maintenance of appliances, wiring, piping or other installations on customers' premises.

ELECTRIC UTILITY DISTRICTS

REVENUES

<u>Account</u>	<u>Description</u>
<u>Operating Revenues (Continued):</u>	
305.20 Other Electric Revenues - Other	<p>This account includes charges for changing, connecting or disconnecting service and other services and charges billed to customers which are not properly includible elsewhere. This includes:</p> <p>Sales of water and water power. Sale of steam, but not including sales made by steam heating department.</p> <p>Commission on sale or distribution of electricity of others when sold under rates filed by such others.</p> <p>Compensation for minor or incidental services provided for others such as customer billing, engineering, etc.</p> <p>Profit on sale of materials and supplies not ordinarily purchased for resale.</p> <p>Revenues from transmission of electricity of others over transmission facilities of the utility.</p> <p>Service-type assessments used for operating purposes levied against properties in the district on a per unit, parcel, acre, etc. basis.</p>

REVENUES

<u>Account</u>	<u>Description</u>
<u>Nonoperating Revenues:</u>	
311.00 Interest Revenues	This account includes interest revenues on special deposits, loans, notes, advances, securities and all other interest bearing assets; also included, unless otherwise provided by law, are earnings on bonds or other borrowed monies prior to construction.
312.00 Rents and Leases	This account includes all rent revenues from land, buildings, or other property.
313.05 Property Taxes - Current Secured	All taxes apportioned as a result of levies made against the secured roll of the county for the current fiscal year.
313.10 Property Taxes - Current Unsecured	All taxes apportioned as a result of levies made against the unsecured roll of the county for the current fiscal year.
313.15 Property Taxes - Prior Secured	All taxes apportioned as a result of levies made against the secured rolls of the county in prior fiscal periods. Also includes revenues from tax deeded land sales.
313.20 Property Taxes - Prior Unsecured	All taxes apportioned as a result of levies made against the unsecured rolls of the county in prior fiscal periods.
313.25 Property Taxes - Current Year Voter Approved Indebtedness	Ad valorem property tax revenues which were levied in the current fiscal year to pay for interest and redemption charges on indebtedness approved by a majority of the voters prior to July 1, 1978, or approved by the voters after that date by a two-thirds vote, and which are in excess of the 1% tax rate limitation prescribed by subdivision (a) of Section 1 of Article XIII A of the State Constitution. Voter approved debt includes general obligation bonds, contractual agreements between special districts and state or federal agencies, and pension obligations.

ELECTRIC UTILITY DISTRICTS

REVENUES

<u>Account</u>	<u>Description</u>
<u>Nonoperating Revenues (Continued):</u>	
313.30 Property Taxes - Prior Year Voter Approved Indebtedness	Ad valorem property tax revenues which were levied in prior fiscal periods to pay for interest and redemption charges on indebtedness approved by a majority of the voters prior to July 1, 1978, or approved by the voters after that date by a two-thirds vote, and which are in excess of the 1% tax rate limitation prescribed by subdivision (a) of Section 1 of Article XIII A of the State Constitution. Voter approved debt includes general obligation bonds, contractual agreements between special districts and state or federal agencies, and pension obligations.
313.35 Property Assessments - Current	Nonad valorem levies made against properties in the district on a per unit, parcel, acre, etc. basis in the current fiscal year. NOTE: Service-type assessments used for operating purposes should be included in Account 305.20.
313.40 Property Assessments - Prior	Nonad valorem levies made against properties in the district on a per unit, parcel, acre, etc. basis in the prior fiscal year.
313.45 Penalties & Costs on Delinquent Taxes and Assessments	Include all amounts apportioned as a result of penalties and costs charged against property owners for tax delinquency, exclusive of such amounts required to be apportioned as taxes.
313.50 Supplemental Property Taxes-Current	Property tax revenues (secured and unsecured) received pursuant to Chapter 3 of the Revenue and Taxation Code (Change in Ownership and New Construction After the Lien Date).

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REVENUES

<u>Account</u>	<u>Description</u>
<u>Nonoperating Revenues (Continued):</u>	
313.55 Supplemental Property Taxes - Current Year Voter Approved Indebtedness	Property tax revenues received pursuant to Chapter 3.5 of the Revenue and Taxation Code (Change in Ownership and New Construction after the Lien Date) to pay for interest and redemption charges on indebtedness approved by a majority of the voters prior to July 1, 1978, or approved by the voters after that date by a two-third vote.
313.60 Supplemental Property Taxes - Prior Year Taxes and Penalties	Prior year supplemental roll property taxes, interest, and penalties.
313.65 Special District Augmentation Fund	This account includes revenues allocated to the utility from the County Special District Augmentation Fund as determined pursuant to Revenue and Taxation Code 98.6(b).
314.10 Intergovernmental Revenues - Federal	- This account includes amounts received from the federal government for general operating purposes or in support of a specified function.
314.20 Intergovernmental Revenues - State - Homeowners' Property Tax Relief	- This account includes amount received from the State to compensate the district for revenue lost because of the Homeowners' Property Tax Exemption.
314.30 Intergovernmental Revenues - State - Other	- This account includes amounts received from the State for general operating purposes or in support of a specified function.
314.40 Intergovernmental Revenues - Local - Other	- This account includes amounts received from local government sources for general operating purposes or in support of a specified function.
315.00 Annexation Charges	Charges imposed in annexed territory for the payment of bonds, contracts, or other obligations incurred by reason of the annexation. Note: Annexation charges which are imposed for the acquisition or use of the existing facilities of the district shall be recorded as contributed capital.

REVENUES

<u>Account</u>	<u>Description</u>
<u>Nonoperating Revenues (Continued):</u>	
316.00 Gain On Disposal of Fixed Assets	This account includes a gain on the sale, retirement, or casualty of fixed assets measured by the difference in book value less the proceeds received from the sale, salvage, or insurance claims.
317.00 Other Nonoperating Revenues	This account includes all nonoperating revenues, which are not properly includible in accounts 311.00 through 316.00.

EXPENSE

<u>Account</u>	<u>Description</u>
<u>Operating Expenses:</u>	
<u>Production</u>	
411.10 Steam Power Generation - Supervision, Labor and Expense	This account includes the cost of labor and materials used and expenses incurred 1) in the general supervision of the operation of steam-power generating stations; 2) in the production of steam for electric generation; 3) in the operation of prime movers, generators and other electric equipment to the point where electricity leaves for conversion for transmission or distribution; and 4) for other expenses associated with steam power production plant operations.
411.20 Steam Power Generation - Maintenance - Structures and Improvements	This account includes the cost of labor and materials used and expenses incurred in the maintenance of structures and improvements, boiler plant equipment, engines and engine driven generators, turbogenerator units, accessory electric equipment, miscellaneous power plant equipment and other expenses associated with steam power production plant maintenance.
411.30 Steam Power Generation - Fuel	This account includes the cost of fuel used in the production of steam for the generation of electricity, including expenses in unloading fuel from the shipping facility and putting in storage.

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EXPENSE

<u>Account</u>	<u>Description</u>
<u>Operating Expenses (Continued):</u>	
<u>Production (Continued)</u>	
412.10 Nuclear Power Generation - Supervision, Labor & Expense	This account includes the cost of labor and materials used and expenses incurred 1) in the general supervision of the operation of nuclear power generating stations; 2) for heat transfer materials and water used for steam and cooling purpose; 3) in the production of steam through nuclear processes; 4) in the operation of turbogenerators, steam turbines, switch gear and other electric equipment to the point where electricity leaves for conversion for transmission or distribution; and 5) for other expenses associated with nuclear power production plant operations.
412.20 Nuclear Power Generation - Maintenance - Structures and Improvements	This account includes the cost of labor and materials used and expenses incurred in the maintenance of structures and improvements, reactor plant equipment, turbogenerator units, accessory electric equipment, miscellaneous nuclear generating plant and other expenses associated with nuclear power production plant maintenance.
412.30 Nuclear Power Generation - Nuclear Fuel Expense	This account includes the amortization of the net cost of nuclear fuel assemblies used in the production of energy. The net cost of nuclear fuel assemblies subject to amortization shall be the cost of nuclear fuel assemblies plus or minus the expected net salvage value of uranium, plutonium and other by-products and unburned fuel.

EXPENSE

<u>Account</u>	<u>Description</u>
<u>Operating Expenses (Continued):</u>	
<u>Production (Continued)</u>	
413.10 Hydraulic Power Generation - Supervision, Labor & Expense	This account includes the cost of labor and materials used and expenses incurred 1) in the general supervision of the operation of hydraulic power generating stations; 2) in the operation of hydraulic works including reservoirs, dams and waterways; 3) in the operation of prime movers, generators and other electric equipment to the points where electricity leaves for conversion for transmission or distribution; and 4) for other expenses associated with hydraulic power production plant operations.
413.20 Hydraulic Power Generation - Maintenance - Structures and Improvements	This account includes the cost of labor and materials used and expenses incurred in the maintenance of structures and improvements; reservoirs, dams, and waterways; accessory electric equipment; miscellaneous power plant equipment, and other expenses associated with hydraulic power production plant maintenance.
413.30 Hydraulic Power Generation - Water for Power	This account includes the cost of water used for hydraulic power generation. This includes the cost of water purchased from others, periodic payments for licenses or permits from any governmental agency for water rights or payments based on the use of water and cloud seeding.
414.10 Other Power Generation - Supervision, Labor & Expense	This account includes the cost of labor and materials used and expenses incurred in the general supervision of the operation of other power generation stations.
414.20 Other Power Generation - Maintenance - Structures and Improvements	This account includes the cost of labor and materials used and expenses incurred in the maintenance of other power generation plant.

EXPENSE

<u>Account</u>	<u>Description</u>
<u>Operating Expenses (Continued):</u>	
<u>Production (Continued)</u>	
414.30 Other Power Generation - Fuel	This account includes the cost of fuel, such as gas, oil, kerosene and gasoline used in other power generation.
415.00 Purchased Power	This account includes the cost of electricity purchased for resale. Also includes net settlements for exchange of electricity or power, such as economy energy, off-peak energy for on-peak energy, spinning reserve capacity, etc.
416.00 Other Production Expenses	This account includes any production expenses which are not specifically provided for in other production expense accounts.
 <u>Transmission</u>	
421.00 Supervision, Labor and Expense	This account includes the cost of labor and materials used and expenses incurred 1) in the general supervision of the operation of the transmission system; 2) in the load dispatching operations pertaining to the transmission of electricity; 3) in the operation of transmission substations and switching stations; 4) in the operation of transmission lines; 5) in transmission map and record work; 6) in transmission office expenses; and 7) for other transmission expenses not included elsewhere.
422.00 Maintenance - Structures and Improvements	This account includes the cost of labor and materials used and expenses incurred in the maintenance of the transmission system including structures and improvements; station equipment; towers and fixtures; poles and fixtures; overhead conductors and devices; and underground lines.

EXPENSE

<u>Account</u>	<u>Description</u>
<u>Operating Expenses (Continued):</u>	
<u>Distribution</u>	
431.00 Supervision, Labor and Expense	This account includes the cost of labor and materials used and expenses incurred 1) in the general supervision of the operation of the distribution system; 2) in the load dispatching operations pertaining to the distribution of electricity; 3) in the operation of overhead and underground distribution lines and stations; 4) in the operation of customer meters; and 5) in work on customer installations in inspecting premises.
432.00 Maintenance - Structures and Improvements	This account includes the cost of labor and materials used and expenses incurred in the maintenance of the distribution system including structures and improvements; station equipment; storage battery equipment; poles, towers and fixtures; overhead conductors and devices; and underground lines.
<u>Customer Accounts</u>	
441.00 Supervision, Meter Reading & Other Expense	This account includes the costs of labor and materials used and expenses incurred in connection with customer accounting and collecting activities. This includes: Supervision - the costs of labor and expenses incurred in the general supervision of customer accounting; Meter Reading Expenses - the costs incurred in reading customer meters and determining consumption; Customer Records and Collection Expenses - the cost incurred in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

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<u>Account</u>	<u>Description</u>
<u>Operating Expenses (Continued):</u>	
<u>Customer Accounts (Continued)</u>	
442.00 Uncollectable Accounts	This account includes accounts receivable estimated to be uncollectable based on a constant monthly charge or a percentage of revenues. A concurrent credit is made to account 138.00 - allowance for uncollectable accounts.
 <u>Administrative & General</u>	
451.00 Salaries	This account includes salaries and other considerations (but not directors' fees) for services of officers and other employees of the utility properly chargeable to utility operations and not chargeable directly to a particular operating function.
452.00 Office Supplies & Other Expenses	This account includes office supplies and other expenses incurred in connection with the general administration of the utility's operations. Such expenses include: <ul style="list-style-type: none"> Automobile service Bank messenger and service charges Books, periodicals, subscriptions, tax services, etc. Building service expenses (except rent) for customer accounts, sales and administrative and general purposes Office equipment of small value or short life used by general departments Membership fees and dues Postage, printing and stationary Travel expenses Court costs and legal expenses Utility services

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EXPENSE

<u>Account</u>	<u>Description</u>
<u>Operating Expenses (Continued):</u>	
<u>Administrative & General (Continued)</u>	
453.00 Contractual Services	This account includes fees and expenses for professional and general services which are not applicable to a particular operating function or account. These services include expenses of accountants, auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, fiscal agents, etc.
454.00 Property Insurance, Injuries & Damages	This account includes the cost of insurance or reserve accruals to protect the utility against losses and damages to property owned or leased, and against injuries and damages claims of employees or others. Also includes the cost of labor and related supplies and expenses incurred in such activities. Insurance premium dividends or refunds shall be credited to this account. Recoveries from insurance companies or others for property damages and injuries and damages claims of employees or other shall be credited to the account charged with the cost of damage.
455.00 Employees Retirement & Benefits	This account includes (1) charges to provide a reserve for payment of benefits to or on behalf of retired employees or payments for the purchase of annuities for this purpose; (2) payments to retired employees, if a reserve has not been established; (3) expenses incurred in educational or recreational activities for the benefit of employees; (4) costs of employees' accident, sickness, hospital, workers' compensation and death benefits, or insurance therefore, and the employer's share of F. I.C.A. and S.U.I. taxes; and (5) administrative expenses in connection with employees' benefits.

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EXPENSE

<u>Account</u>	<u>Description</u>
<u>Operating Expenses (Continued):</u>	
<u>Administrative & General (Continued)</u>	
456.00 Franchise Requirements	This account includes payments to municipal or other governmental authorities in compliance with franchise, ordinance or other similar requirements. Also includes the cost of materials, supplies and services furnished such authorities without reimbursement in compliance with such requirements.
457.00 Rents & Leases	This account includes rental and lease payments properly includible in utility operating expenses for the property of others used, occupied or operated. Taxes paid by the lessee with respect to such property are included in this account. The cost of operating and maintaining leased property shall be charged to the appropriate accounts for the expense as if the property were owned.
458.00 Maintenance - General Plant	This account includes the costs assignable to customer accounts, sales and administrative and general functions of labor and materials used and expenses incurred in the maintenance of property, the cost of which is includible in 111.60 - Utility Plant - General, and of similar property leased from others. Also include the cost of repairing for reuse materials which previously were included in this account. Maintenance expense of office furniture and equipment used elsewhere other than in general offices shall be charged to the appropriate functional account.

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EXPENSE

<u>Account</u>	<u>Description</u>
<u>Operating Expenses (Continued):</u>	
<u>Administrative & General (Continued)</u>	
459.00 Other	This account includes all general and administrative expenses which are not properly includible in accounts 451.00 through 458.00.
<u>Other Operating Expenses</u>	
461.00 Depreciation and Amortization	This account includes such amounts of depreciation and amortization as the utility may determine to be equitably chargeable to each month's operations.
462.00 Taxes	<p>This account includes the amount of federal, state, county, municipal and other taxes, which are properly chargeable to utility operations. This account shall be charged each month with the amount of taxes which are applicable thereto, and concurrent credits shall be made to 229.00. When it is not possible to determine the exact amount of taxes, the amount shall be estimated and the estimate for the period charged to the account, and adjustments shall be made as the actual tax levies become known.</p> <p>Gasoline, sales and use taxes shall be charged as far as practicable to the account to which the material on which the tax levied is charged.</p> <p>Amounts payable annually or more frequently under the terms of franchises shall be charged to 456.00.</p> <p>Special assessments for street and similar improvements shall be included in the utility plant account in which the property with which the taxes are identified is included.</p> <p>Taxes applicable to construction shall be capitalized. Social Security and State Unemployment Insurance taxes shall be charged to 455.00.</p>

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EXPENSE

<u>Account</u>	<u>Description</u>
<u>Operating Expenses (Continued):</u>	
<u>Other Operating (Continued)</u>	
463.00 Other Operating Expenses	This account includes all operating expenses not chargeable to any other operating account.
<u>Nonoperating Expenses:</u>	
481.00 Interest on Long-Term Debt	This account includes the amount of interest applicable to outstanding long-term debt issued or assumed by the utility. NOTE: The long-term debt is included in Accounts 211.00 to 214.00 inclusive. An interest amount charged to this account shall be credited concurrently to Account 226.20.
482.00 Other Interest	This account includes all interest charges not provided for elsewhere, including interest on the following: Assessments for public improvements past due; Claims and judgments; Customers' deposits; Notes payable on demand or maturing one year or less from date of issue; Open accounts; Tax assessments past due
483.00 Loss On Disposal of Fixed Assets	This account includes a loss on the sale, retirement, or casualty of fixed assets measured by the difference in book value less the proceeds received from the sale, salvage, or insurance claims.
484.00 Other Nonoperating Expenses	This account includes all nonoperating expenses which are not properly includible in accounts 481.00 through 483.00.