

STATE CONTROLLER'S
UNIFORM SYSTEM OF ACCOUNTS FOR
WASTE MANAGEMENT DISTRICTS

8000

STATE CONTROLLER

DIVISION OF ACCOUNTING AND REPORTING

CHAPTER "A"
ENTERPRISE ACCOUNTING

STATE CONTROLLER

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	Hospital	Water Utility
Electric Utility	Transit	
Harbor and Port	Waste Management	

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.

Valuation of 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 include 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>	<u>\$XX</u>	
Government's contributions		<u>XX</u>	<u>\$XX</u>
Retained earnings			<u>XX</u>
Total Fund Equity			<u><u>\$XX</u></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><u>\$XX</u></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 1987 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

Corrections of material accounting errors which affect previous accounting periods should be reported as a prior period adjustment. Prior period adjustments should be recorded as changes in fund equity rather than as part of net income of the current period.

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.

Enterprise District
Comparative Balance Sheet
June 30, 19X2 and 19X1

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

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	(XX)	(XX)
Total non-operating revenues (expenses)	<u>XX</u>	<u>XX</u>
Net income	<u>XX</u>	<u>XX</u>
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	XX	XX
Net cash used in investing activities	(XX)	(XX)
Net decrease in cash	(XX)	(XX)
Cash at beginning of year	XX	XX
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	XX	XX
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 (referenced in the 1987 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 referenced in the 1987 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
 - b. Property tax revenue recognition
 - c. Vacation, sick leave and other compensated absences (see NCGA Statement 4 referenced in the 1987 GASB Codification.)

Notes to Financial Statements (Continued)

- 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. Claims and judgments
- B. Property taxes
- C. Segment information for enterprise funds
- D. Short-term debt instruments and liquidity
- E. Related party transactions
- F. Capital leases
- G. Contingencies
- H. Joint ventures
- I. Special termination benefits

Notes to Financial Statements (Continued)

- 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 WASTE MANAGEMENT DISTRICTS

STATE CONTROLLER

UNIFORM SYSTEM OF ACCOUNTS FOR
WASTE MANAGEMENT DISTRICTS

8100 General

8101	Application	8105	Account Numbers
8102	Legal Reference	8106	Subaccounts
8103	Purpose	8107	Multi-Activity Districts
8104	Funds		

8200 Accounts

8201	Chart of Accounts	8202	Description of Accounts
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UNIFORM SYSTEM OF ACCOUNTS FOR
WASTE MANAGEMENT DISTRICTS

8100 General

8101 Application

The system of accounting herein described shall be used by all California special districts engaged in waste management. Chapter A on enterprise accounting which provides general accounting and reporting guidelines to be used by districts performing enterprise activities is an integral part of this accounting system. (See Section 8107 for application to multi-activity districts.)

8102 Legal Reference

An outline of the requirements detailed in this system is located in Sections 1101.1 through 1103.5 of the California Administrative Code.

8103 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.

8104 Funds

The chart of accounts prescribed in Section 8201 are required and shall be accounted for in an enterprise fund.

8105 Account Numbers

Although the numbering system used is intended primarily for reference, it could be used as an account coding system, with appropriate modifications. Such a coding system permits the identification of individual accounts without resorting to full titles. It also simplifies the referencing of entries on ledgers and other records. For these reasons, each district should devise an account coding system consistent with its own budgeting, accounting and reporting needs.

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WASTE MANAGEMENT DISTRICTS

GENERAL

8106 Subaccounts

Districts which need or desire a greater degree of detail than is provided in the chart of accounts in Section 8201 may use subaccounts. Each subaccount must correspond to a prescribed account in Section 8201 either by title or code number.

8107 Multi-Activity Districts

Waste management districts which also engage in other activities (electric, fire protection, etc.) must follow this accounting system for their waste management activities and the accounting systems that correspond (see systems 2000-7000 and 9000) to their other activities.

WASTE MANAGEMENT DISTRICTS

8200 Accounts

8201 Chart of Accounts. The following chart of accounts contain the required accounts used by waste management districts. The order and sequencing of these accounts follow those used by districts of a utility nature. Again, as stated in Section 8105, each district may devise its own coding system.

BALANCE SHEET ACCOUNTS

ASSETS & OTHER DEBITS

Property, Plant and Equipment

111.00	Utility Plant In Service
.10	- Intangible Plant
.20	- Land
.30	- Subsurface Lines
.40	- Sewage Collection Plant
.50	- Sewage Treatment Plant
.60	- Sewage Disposal Plant
.70	- Solid Waste Disposal Plant
.80	- 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

WASTE MANAGEMENT DISTRICTS

\$8201

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 Uncollectible Accounts
139.00 Taxes Receivable
140.00 Allowance for Uncollectible 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

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WASTE MANAGEMENT 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	- Unmortized 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 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

WASTE MANAGEMENT DISTRICTS

\$8201

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

WASTE MANAGEMENT DISTRICTS

NOMINAL ACCOUNTS

REVENUESOperating Revenues

301.00	Service Charges
302.00	Permit and Inspection Fees
303.00	Connection Fees
304.00	Standby and Availability Charges
305.00	Service-Type Assessments
306.00	Other Services
307.00	Sales of Reclaimed Water
308.00	Other Sales

Nonoperating Revenues

311.00	Interest Revenues
312.00	Rents and Leases
313.00	Franchises
314.00	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
315.00	Intergovernmental Revenues
.10	- Federal
.20	- State-Homeowners' Property Tax Relief
.30	- State-Other
.40	- Local-Other
316.00	Annexation Charges
317.00	Gain on Disposal of Fixed Assets
318.00	Other Nonoperating Revenues

WASTE MANAGEMENT DISTRICTS

\$8201

NOMINAL ACCOUNTS

EXPENSES

Operating Expenses

Centers

410.00 Sewage Collection
411.00 Sewage Treatment
412.00 Sewage Disposal
413.00 Solid Waste Disposal
414.00 Administration and General

Objects (Use as needed in each expense center above)

.05 Salaries and Wages
.10 Employee Benefits
.15 Directors' Fees
.17 Clothing and Personal Supplies
.20 Election Expense
.25 Gasoline, Oil and Fuel
.30 Insurance
.35 Memberships
.40 Office Expense
.45 Operating Supplies
.47 Chemicals
.50 Contractual Services
.55 Professional Services
.60 Publication and Legal Notices
.65 Rents and Leases
.70 Repairs and Maintenance
.72 Small Tools and Equipment
.75 Research and Monitoring
.80 Travel and Meetings
.85 Bad Debt Expense
.90 Utilities
.95 Other

Other Operating Expenses

415.00 Depreciation and Amortization
416.00 Taxes
417.00 Other Operating Expenses

Nonoperating Expenses

420.00 Interest on Long-Term Debt
421.00 Other Interest
422.00 Loss on Disposal of Fixed Assets
423.00 Other Nonoperating Expenses

WASTE MANAGEMENT DISTRICTS

8202 Description of Accounts. Following are the account titles and a description of the accounts required to be used by waste management districts. The account descriptions are not intended to be all-inclusive, but only provide a general explanation of what would be included in these accounts.

ASSETS & OTHER DEBITS

<u>Account</u>	<u>Description</u>
<u>Utility Plant:</u>	
111.10 Intangible Pant	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.
111.30 Subsurface Lines	This account includes the cost of underground and underwater pipe.
111.40 Sewage Collection Plant	This account includes the cost of metering structures and equipment, pumping or lifting facilities, and any other plant and equipment used for the collection and transmission of raw sewage and industrial waste to a point of treatment.
111.50 Sewage Treatment Plant	This account includes the cost of structures and improvements; equipment for screening and grit removal, incineration, in-plant pumping, in-plant transmission and distribution, sedimentation and filtration, digestion and sludge removal; power general and distribution equipment, chlorinating equipment, steam, gas and air systems; metering and instrumentation equipment; and other facilities directly related to the sewage treatment process.

ASSETS & OTHER DEBITS

<u>Account</u>	<u>Description</u>
<u>Utility Plant (Continued):</u>	
111.60 Sewage Disposal Plant	This account includes the cost of pumping and metering equipment; oxydation ponds, dikes, sludge beds, centrifuges, incinerators, sludge disposal equipment; and other facilities for the transmission and discharge of treated effluent.
111.70 Solid Waste Disposal Plant	This account includes the cost of transfer stations, bulldozers, scales, trucks and trailers and other plant and equipment used in the disposal of solid waste.
111.80 General Plant	This account includes all costs of plant and equipment used for general sewer 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 account includes labor, materials, overhead amounts and interest costs incurred during construction applied to project not yet completed or placed in service.
113.00 Utility Plant Held for Future Use	This account 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 sewer utility service and not properly includible in 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 all of the Utility Plant In Service 111.10 through 111.80

ASSETS & OTHER DEBITS

<u>Account</u>	<u>Description</u>
<u>Utility Plant (Continued):</u>	
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.
<u>Investments, Restricted Assets & Other Long-Term Assets:</u>	
121.00 Investments	This account includes 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 sewer utility operations.
122.00 Restricted Assets	This account includes 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 provides 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 account includes assets not properly includible in accounts 121.00 through 122.00. Includes long-term contracts and notes receivable.

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 account 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.
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.

ASSETS & OTHER DEBITS

<u>Account</u>	<u>Description</u>
<u>Current Assets (Continued):</u>	
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 Uncollectible Accounts	This account includes periodic credits for amounts reserved for losses on accounts receivable which may become uncollectible.
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 Uncollectible Taxes	This account includes periodic credits for amounts reserved for losses on taxes receivable which may be uncollectible.
141.00 Interest Receivable	This account includes the amount of interest receivable on special deposits, loans, notes, advances, securities and all other interest bearing assets.
142.00 Due From Other Funds	This account includes 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.
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.

ASSETS & OTHER DEBITS

<u>Account</u>	<u>Description</u>
<u>Current Assets (Continued):</u>	
145.00 Prepayments	This account includes the cost of prepaid insurance, rents, taxes, interest and miscellaneous items.
146.00 Other Current Assets	This account includes the amount of all assets of a current nature not includible in any of the foregoing current asset accounts 131.00 through 145.00.
<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 417.00 or 423.00.
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.

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 by the district to another government.
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 Deposits	This account includes amounts deposited with the utility as security for the payment of service connections.
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 because of accrued salaries and benefits.
229.00 Accrued Taxes Payable	This account includes obligations to pay taxes (income, property, payroll, etc.) which have accrued during the accounting period.
230.00 Other Current Liabilities	This account includes 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.
<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.

LIABILITIES & OTHER CREDITS

<u>Account</u>	<u>Description</u>
<u>Deferred Credits (Continued):</u>	
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.
 <u>EQUITY</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.)

EQUITY

<u>Account</u>	<u>Description</u>
<u>Contributed Capital (Continued):</u>	
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.
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>	
301.00 Service Charges	This account includes revenues from sewer service charges based on flat rates or metered effluent output and charges for solid waste disposal. Flat rates are based on diameter of service, structure size, area front footage or other similar unit.
302.00 Permit and Inspection Fees	This account includes revenues from permits for septic tank dumping and permits and inspection for main and house lines.
303.00 Connection Fees	This account includes revenues from charges for service connections.
304.00 Standby and Availability Charges	This account includes a charge upon a parcel of land to which sewer service lines are in place and made available for use by the district, whether the sewer lines are actually used or not.
305.00 Service-Type Assessments	This account includes service-type assessments other than standby and availability charges which are used for operating purposes and are levied against properties in the district on a per unit, acre, parcel, etc. basis.
306.00 Other Services	This account includes all charges for sewer services which are not properly includible in accounts 301.00 through 305.00. Includes such charges as those for maintenance of service lines (piping) or other installations on customers' premises.
307.00 Sales of Reclaimed Water	This account includes revenues from the sales of reclaimed water.
308.00 Other Sales	This account includes revenues from the sales of effluent, gas, the by-product sludge sold as fertilizer and solid waste and all other sales not properly includible elsewhere.

REVENUES

<u>Account</u>	<u>Description</u>
<u>Nonoperating Revenues (Continued):</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, building, or other property.
313.00 Franchises	Revenue from persons, firms and corporations for the privilege of conducting a waste disposal business within the district, usually involving the elements of regulation and monopoly.
314.05 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.
314.10 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.
314.15 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.
314.20 Property Taxes - Prior Unsecured	All taxes apportioned as a result of levies made against the unsecured rolls of the county in prior fiscal periods.

REVENUES

<u>Account</u>	<u>Description</u>
<u>Nonoperating Revenues (Continued):</u>	
314.25 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.
314.30 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.
314.35 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 other than standby and availability charges used for operating purposes should be reported in Account 305.00. Capital assessments should be treated as contributed capital.
314.40 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.
314.45 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.

REVENUES

<u>Account</u>	<u>Description</u>
<u>Nonoperating Revenues (Continued):</u>	
314.50 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).
314.55 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-thirds vote.
314.60 Supplemental Property Taxes - Prior Year Taxes and Penalties	Prior year supplemental roll property taxes, interest, and penalties.
314.65 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).
315.10 Intergovernmental Revenues - Federal	This account includes amounts received from the federal government for general operating purposes or in support of a specified function.
315.20 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.
315.30 Intergovernmental Revenues - State - Other	This account includes amounts received from the State for general operating purposes or in support of a specified function.
315.40 Intergovernmental Revenues - Local - Other	This account includes amounts received from local government sources for general operating purposes or in support of a specified function.

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REVENUES

<u>Account</u>	<u>Description</u>
<u>Nonoperating Revenues (Continued):</u>	
316.00 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.
317.00 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.
318.00 Other Nonoperating Revenues	This account includes all nonoperating revenues, which are not properly includible in accounts 311.00 through 317.00.

Expense Centers. Expenses are grouped by expense centers. Expense centers may represent a physical area of the plant or may reflect a group of related activities. The centers by themselves are not accounts, but are rather functional identifiers where accounts are categorized. Centers and related expenses are listed below.

EXPENSES

<u>Centers</u>	<u>Description</u>
<u>Operating Expenses</u>	
410.00 Sewage Collection	This expense center includes all costs of salaries and supervision and other expenses incurred in the maintenance and operation of sewers and pumping stations related to sewage collection.
411.00 Sewage Treatment	This expense center includes all costs of salaries and supervision and other expenses incurred in the maintenance and operation of sewage treatment plant. Such expenses include: Preliminary, primary and secondary treatment Sludge treatment and disposal Gas utilization Sewage measurement Screening, grit removal Mixing and grease separation
412.00 Sewage Disposal	This expense center includes all costs of salaries and supervision and other expenses incurred in the maintenance and operation of effluent outfall lines and pumping stations.
413.00 Solid Waste Disposal	This expense center includes all costs of salaries and supervision and other expenses incurred in the maintenance and operation, including street sweeping of solid waste facilities.
414.00 Administration & General	This expense center includes the costs associated with the general administration of the utility's operations. Such expenses include: Salaries of general officers Operation of general offices Maintenance of general property Legal, accounting and auditing fees Unallocated insurance

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EXPENSES

<u>Account</u>	<u>Description</u>
<u>Operating Expenses (Continued):</u>	
<u>Objects</u> (Used as needed within expense centers 410.00 - 414.00)	
.05 Salaries and Wages	This account includes salaries, wages and other considerations for services of officers and other employees of the utility properly chargeable to the utility operations.
.10 Employee Benefits	This account includes the employer's share of: Employee retirement systems O.A.S.D.I. Health, dental, life and accident insurance Unemployment insurance State disability insurance Workers' Compensation premiums
.15 Directors Fees	This account includes fees paid to directors for meeting attendance.
.17 Clothing and Personal Supplies	This account includes the cost of items for personal use, including safety appliances. This includes: Badges, Chevrons Raincoats Belts Rubber boots Gloves Shoes Goggles, masks Uniforms Gowns Uniform allowance Helmets
.20 Election Expense	This account includes the costs of election notices, printing of ballots and contractual election services, rent of polling places and ballot boxes, pay of election officials and other election expenses.
.25 Gasoline, Oil, and Fuel	This account includes the cost of fuel and oil used in the operation of motive equipment. This would include the cost of fuel used in the production of power to operate pumps and equipment used in the sewage treatment process.

EXPENSES

<u>Account</u>	<u>Description</u>
<u>Operating Expenses (Continued):</u>	
<u>Objects (Continued):</u>	
.30 Insurance	This account includes the cost of insurance premiums for fire, burglary, public liability, collision, property damage, individual and blanket bonds, money and securities, boiler and forgery. Also includes periodic charges for self-insurance. Insurance premium dividends or refunds shall be credited to this account.
.35 Memberships	This account includes the cost of memberships in societies, associations of officials, trade associations and other organizations.
.40 Office Expenses	This account includes the cost of office-type supplies and services. This includes: <ul style="list-style-type: none"> Accounting and report forms Books and manuals Envelopes, letterheads, postage Microfilm services P. O. box rental Small stapling, dating and numbering machines Subscriptions to magazines, clipping services, periodicals. Wastebaskets
.45 Operating Supplies	This account includes the cost of supplies purchased for use in the operations which are not chargeable to another account.
.47 Chemicals	This account includes the cost of all chemicals used in the treatment of sewer. This includes: <ul style="list-style-type: none"> Activated carbon Deodorants Caustic soda Chlorine Copper sulphate Enzymes Iron sulphate Lime Soda ash Ferric chloride Sulphuric acid Other chemicals

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EXPENSES

<u>Account</u>	<u>Description</u>
<u>Operating Expenses (Continued):</u>	
<u>Objects (Continued):</u>	
.50 Contractual Services	This account includes the cost of services of a non-professional nature and not chargeable to another account.
.55 Professional Services	This account includes the cost of professional services. This includes: <ul style="list-style-type: none"> Actuarial studies Appraisals Auditing and accounting Engineering services Fiscal agents' fees Management, salary surveys Outside defense counsel, legal services
.60 Publication and Legal Notices	This account includes the cost of the publication of legally required notices and reports. This includes: <ul style="list-style-type: none"> Bids for purchases Bond sale notices Budgets Delinquent tax lists Employment opportunities Financial reports Ordinances Proceedings of governing body
.65 Rents and Leases	This account includes rents and leases paid for the use of land, structures and improvements and equipment. Include amounts paid under operating lease agreements.
.70 Repairs and Maintenance	This account includes the expenses of maintaining useful life of structures, improvements and equipment. This includes: <ul style="list-style-type: none"> Automotive supplies Contractual repairs, overhauls Radio repair services and supplies Repair parts Service contracts for maintenance Fire extinguisher refills Heating and cooling system repairs

EXPENSES

<u>Account</u>	<u>Description</u>
<u>Operating Expenses (Continued):</u>	
<u>Objects (Continued):</u>	
.90 Utilities	This account includes the cost of: <ul style="list-style-type: none"> Coal, wood Electricity Heating and cooling supplies for buildings Natural gas, butane, fuel oil Refuse disposal Street lighting Telephone Water
.95 Other	This account includes all operating expenses not includible in objects .05 through .90.
<u>Other Operating Expenses</u>	
415.00 Depreciation and Amortization	This account includes periodic depreciation and amortization chargeable to the utility's operations.
416.00 Taxes	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. 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. 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.

EXPENSES

<u>Account</u>	<u>Description</u>
<u>Operating Expenses (Continued):</u>	
<u>Other Operating Expenses</u>	
416.00 Taxes (continued)	Taxes applicable to construction shall be capitalized. Social Security and State Unemployment Insurance taxes shall be charged to object account .10 Employee Benefits.
417.00 Other Operating Expenses	This account includes all operating expenses not chargeable to any other operating account.
<u>Nonoperating Expenses:</u>	
420.00 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.
421.00 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
422.00 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.
423.00 Other Nonoperating Expenses	This account includes all nonoperating expenses which are not properly includible in accounts 420.00 through 422.00.