DEFINITIONS:

PRIMARY GOVERNMENT. The defining characteristic of a primary government is a governing body elected by the unit's citizens in a general election. As the nucleus of the financial reporting entity, the primary government generally is the focal point for the users of the financial statements. [I don't know what this sentence means]. A primary government is any state government or general purpose local government (municipality or county).

COMPONENT UNIT. A "dependent" governmental unit for which elected officials of a primary government are financially accountable; a unit of government formed exclusively for the benefit of the primary unit or has the same governing body as the primary unit. A component unit has the ability to: a) remove appointed members of its board; b) modify or approve its budget or revenues; c) veto, overrule, or modify decisions of the board; or d) assume legal responsibility for financial deficits or provide financial assistance. A legally separate unit of government can still be a component unit even if any of the previously mentioned conditions are met.

BLEND COMPONENT UNIT. A component unit should be reported using the blended method in either of the following circumstances: a) The component unit’s governing body is substantively the same as the governing body of the primary unit; or b) The component unit provides services entirely, or almost entirely, to the primary unit or otherwise benefits the primary government, even though it does not provide services directly to it. If a component unit is a blended component unit its financial data should be blended with the primary government’s data. If a component unit is blended, its data SHOULD NOT be reported in the “Discretely Presented” column. All component units that are not blended are discretely presented units. All Road and Bridge districts are blended component units. If you report Pension Funds as component units (instead of as funds) they should be listed as blended component units.

DISCRETELY PRESENTED. Most component unit data (for all those that are not blended) should be included with that of the primary government “discrete presentation.” Discrete presentation entails reporting component unit financial data in the last column labeled “Discretely Presented Component Unit.”

RELATED ORGANIZATION. An organization for which a primary government is accountable because that government appoints a voting majority of the board, but for which the primary government is not financially accountable. Disclose in the notes to the financial statements the nature of its accountability.

JOINT VENTURES. A contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which all participants retain an ongoing financial interest or responsibility. Joint venture participants should disclose in the notes to the financial statements the nature of their accountability.

JOINTLY GOVERNED ORGANIZATIONS. Many states create regional governments or other multi-governmental arrangements that are governed by representatives from each of the governments that create the organizations. Jointly governed organizations appear similar to joint ventures but do not meet the definition of a joint venture because there is no ongoing financial interest or responsibility by the participating governments. If a participant does not retain an ongoing financial interest or responsibility in the organization, only disclosure as an organization is required.

STAND-ALONE GOVERNMENTS. A legally separate governmental organization that (a) does not have a separately elected governing body and (b) does not meet the definition of a component unit. Other stand-alone governments include some special-purpose governments, joint ventures, jointly governed organizations, and pools.

GOVERNMENTAL FUND TYPE. The most common fund of governments. Within the governmental fund type there are four distinct fund types: 1) General, 2) Special revenue, 3) Debt services, 4) Capital project. Additional funds may be established if necessary for the proper administration of the resources.

PROPRIETARY FUND TYPE. The classification used to account for a government’s ongoing organizations and activities similar to those found in the private sector (e.g. enterprise and internal service funds). All assets, liabilities, equities, revenues, expenses and transfers relating to the government’s business and quasi-business activities are accounted for through proprietary funds.

FIDUCIARY FUND TYPE. The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds.
ACCOUNT GROUPS. Accounting entities used to establish fixed assets and the unmatured principal of general long-term debt, including special assessment debt, for which the government is obligated in some manner to pay in the future. Also, the long-term portions of claims, judgments, compensated absences and unfunded pension contributions not reported in proprietary or trust funds.

C101 Cash and cash equivalent. Bank deposits available (checking accounts, NOW accounts, saving accounts, money market accounts) and currency, coin, checks and money orders on hand, including petty cash and amounts held by fiscal agents.

C102 Investments. Securities (certificates of deposit, Treasury bills, repurchase agreements, etc.) and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. Amounts should exclude real estate used or held for future use in governmental operations as reported in the General Fixed Asset Account Group.

C103 Property taxes receivable (Net). The amount of property taxes revenues levied that have not been collected, but are collectable. Amounts reported should represent the net of the estimated allowance for uncollectibles.

C104 Accounts receivable from other governments. Amounts due the reporting government from another government. These amounts may represent intergovernmental grants, entitlements, shared revenues or grants, taxes collected for the reporting government by an intermediary collecting government, loans or charges for services rendered by the reporting unit for another government. This code is not used to report local unit revenues.

C105 Accounts receivable. Amount owed on open accounts from private individuals or organizations for goods and services furnished by a government (but not including amounts due from other funds or their governments). Taxes, assessments and amounts due from other funds should not be included in this amount.

C107 Interfund receivables. Amounts due to a particular fund by another fund in the same government.

C108 Other receivables. Amounts owed a government from all other sources including taxes (other than property taxes) not identified above. Material amounts should be separately disclosed on the balance sheet.

C109 Inventories. Materials and supplies on hand for future consumption or resale.

C110 Prepaid items. Rent, interest, unexpired insurance, etc., charged to accounts for benefits not yet received.

C111 Fixed assets. Land, buildings, improvements and equipment expected to last for more than one year. Also, obligated cash or investments.

C112 Other assets. Any tangible or intangible asset, the benefit of which will be realized in the future and that has not been described in another account. Material amounts should be separately disclosed in the balance sheet.

C113 Amount available for retirement of long-term debt. The amount of assets available in debt service and/or funds for the retirement of general long-term debt.

C114 Amount to be provided for payment of long-term debt. The amount to be provided from taxes or other general revenues to retire outstanding general long-term debt or other long-term obligations. The amount a government owes on debt.

C120 TOTAL ASSETS. The sum of codes 101 through 114.

C125 Accounts payable. Amounts owed on open account to private persons or organizations for goods and services furnished to a government. Also includes vouchers payable which have been pre audited and approved for payment but which have not been paid. This code is not used to represent expenditures made during the reporting year, only salaries still owed.

C126 Wages payable. Wages earned by employees but not yet paid. Do not record salaries paid during the reporting period.

C127 Accounts payable to other governments. Amounts owed in connection with judgments payable as a result of court decisions or condemnation proceedings, annuities payable due to retired employees, contracts payable for goods and services furnished to a government from another government and any related retainage percentage held by the government.
C128  **Other payables.** Amounts owed (except to other governments, see C127 above) in connection with judgments payable as a result of court decisions or condemnation proceedings, annuities payable due to retired employees, contracts payable for goods and services furnished to a government and any related retainage percentage held by the government.

C129  **Interfund payables.** Amounts owed by a particular fund to another fund in the same government.

C130  **Other liabilities.** Amounts for obligations of the government not covered by the above descriptions, such as amounts accrued for judgments, claims, sick leave and vacation. Material amounts should be separately disclosed on the balance sheet.

C131  **Deposits.** Liability of a utility enterprise fund for deposits as a prerequisite to receiving services provided.

C132  **Deferred revenue.** Amounts for which asset recognition criteria have been met but for which revenue recognition criteria have not yet been met. Under the modified accrual basis of accounting, such amounts are measurable but not available. (For units using the accrual method of accounting.)

C133  **Debt service payable principle.** Current liabilities for the principal portion of the government’s debt instruments such as bonds, notes, leases, installment purchase agreements, other obligations and all special assessment bonds should be shown in their respective funds. Long-term amounts should be classified as long-term liabilities in appropriate fund types or included in the long-term debt account group.

C134  **Debt service payable - interest.** Current liabilities for the interest portion of the government’s debt instruments such as bonds, notes, leases, installment purchase agreements, and other obligations. All special assessment bonds should be shown in the Proprietary Fund column.

C135  **TOTAL LIABILITIES.** The sum of codes 125 through 133.

**DEFINITION:**

**FUND BALANCE.** The difference between fund assets and fund liabilities of governmental and similar trust funds.

C136  **Fund balance - reserved.** The portion of a fund balance segregated to indicate resources legally restricted for future year payments. Fund balance may be reserved for advances to other funds, debt service, employee retirement systems, encumbrances, endowments, fixed assets held for resale, inventories, nonrecurring loans receivable, and prepaid items.

C137  **Fund balance - unreserved.** The total designated and undesignated unreserved fund balance. The designated unreserved fund balance indicates tentative managerial plans to utilize financial resources in a future period that may never be legally authorized or result in expenditures. The designated unreserved fund balance should be clearly distinguished from the reserved fund balance. The undesignated unreserved fund balance indicates the remaining portion of the unreserved fund balance.

**DEFINITION:**

**RETAINED EARNINGS.** Equity account reflecting the accumulated earnings of an enterprise or internal service fund. (A fund balance for Proprietary Funds)

C138  **Retained earnings - reserved.** A portion of retained earnings segregated in accordance with the terms of a revenue bond indenture for current debt service, operations and maintenance, or bond renewal and replacement.

C139  **Retained earnings - unreserved.** The total designated and undesignated unreserved retained earnings. The designated unreserved retained earnings indicate tentative managerial plans to utilize financial resources in a future period that may never be legally authorized or result in expenditures. The designated unreserved retained earnings should be clearly distinguished from the reserved retained earnings. The undesignated unreserved retained earnings indicate the remaining portion of the unreserved fund balance.

C140  **Contributed capital.** Permanent fund capital contributed to a proprietary fund by sources such as the general government resources, customers, subdivision developers and builders, or other governments.

C141  **Investment in general fixed assets.** A general fixed assets account, which represents the government's equity in general fixed assets.
C142  TOTAL EQUITY.  The sum of codes 136 through 142.
C145  TOTAL LIABILITIES AND EQUITY.  The sum of codes 135 and 142.

DEFINITIONS:

GENERAL.  The fund used to account for all financial resources, except those required to be accounted for in another fund. The general fund can be composed of several different accounts. All accounts are general funds unless a specific ordinance provides that funds or accounts are restricted as a special fund. **However, if you have a Blended Component Unit with a general fund, that fund should be recorded under special revenues.** (All funds for Road and Bridge districts should be recorded under the Special Revenue column – See next item).

SPECIAL REVENUE.  These funds provide services using legally restricted resources for specified purposes. (Gravel, oil, and special bridge funds are generally Special Revenue Funds.) General Funds for Component Units also should be recorded under the Special Revenue column.

DEBT SERVICE/CAPITAL PROJECTS.  A fund established to account for the accumulation of resources for the payment of general long-term debt principle and interest.

EXPENDABLE TRUST.  A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (**other than** those financed by proprietary funds and trust funds).

C201  Property tax.  Ad valorem taxes levied on an assessed valuation of real property.
C202  Sales tax.  Local taxes imposed upon the sale or consumption of goods in addition to the state imposed sales tax.
C203  Utility tax.  Taxes levied in proportion to gross receipts on public or privately owned public utilities that provide electric, gas, and water or telephone service.
C204  Other local taxes.  Represent locally assessed taxes imposed on the sale or consumption of selected goods and services, such as motor fuel, alcohol products, tobacco products, income taxes assessed on either individuals or corporations and any other gross receipts and taxes on businesses other than public utilities.
C211  State income tax.  Revenues from the state government in the form of grants, entitlements, shared revenues, or payments in lieu of taxes which are derived from the state income tax. Funds the State provides from the Local Government Distributive Fund.
C212  State sales tax.  Revenues from the state government in the form of grants, entitlements, shared revenues, or payments in lieu of taxes which are derived from the state sales tax. Funds the State redistributes (1.5% from the 7.5% sales tax the state collects, based on local consumption).
C213  State motor fuel tax.  Revenues from the state government in the form of grants, entitlements, shared revenues, or payments in lieu of taxes that are derived from the state motor fuel tax. Funds the State redistributes from the Motor Fuel tax are based on local consumption and other grant formulas.
C214  State replacement tax.  Revenues from the state government in the form of grants, entitlements, shared revenues, or payments in lieu of taxes that are derived from the state personal property replacement tax.
C215  Other state sources.  Revenues from the state government in the form of grants, entitlements, shared revenues, or payments in lieu of taxes, which are derived from any state sources other than those listed above.
C225  All federal sources.  Revenues from the federal government in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.
C226  Other intergovernmental.  Revenue from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes, which are derived from any sources other than those listed above.
C231  All licenses and permits.  Revenues from businesses and occupations or nonbusiness activities, which must be licensed before doing business within the government’s jurisdiction or before an activity (motor vehicle operation, hunting, marriage or pet ownership) may be conducted within the government’s jurisdiction.
C233 **Fines and forfeitures.** Moneys derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations and for the neglect of official duty; moneys derived from confiscating deposits held as performance guarantees.

C234 **Charges for services.** Charges for current services that should be segregated between public utility service provided by the government and services exclusive of public utility service that should be segregated by functions such as general government, public safety, highways and streets, sanitation, health and welfare, culture and recreation and education.

C235 **Interest.** Amounts earned from investments held by the government.

C236 **Miscellaneous.** Amounts earned or charged by the government for purposes other than those described above.

C240 **TOTAL RECEIPTS/REVENUES.** The sum of codes 201 through 236.

C251 **General government.** Expenditures for the legislative branch of government; also, expenditures made by the Chief Executive Officer and other top level auxiliary and staff agencies in the administrative (executive) branch of the government.

C252 **Public safety.** Expenditures for the protection of persons and property. The majority of subfunctions under Public Safety are police protection, fire protection, protective inspection and corrections.

C253 **Corrections.** Expenditures for the confinement and correction of adults and minors convicted of offenses against the law and pardon, probation and parole activities.

C254 **Judiciary.** Expenditures for the judicial activities of the government, including criminal courts, grand jury, public defender, civil courts and the law library.

C255 **Public works and transportation.** *Highways, Streets and Roadways* - Expenditures for roadways and walkways according to the type of facility involved. However, roadways and walkways in parks are not charged to this account but to appropriate accounts under the function of Culture and Recreation. *Bridges, Viaducts and Grade Separations* - expenditures for the construction, maintenance, and repair of bridges (stationary and movable), viaducts, grade separations, trestles and railroad crossings. *Sanitation* is a major function of government that includes all activities involved in the removal and disposal of sewage and other types of waste matter.

C256 **Health and welfare.** *Health* is a major function of government that includes all activities involved in the conservation and improvement of Public Health. *Welfare* is a major function of government that includes all activities designed to provide public assistance and institutional care for individuals who are economically unable to provide essential needs for themselves.

C257 **Culture and recreation.** Expenditures for cultural and recreational activities maintained for the benefit of residents, citizens and visitors.

C258 **Development.** Urban Redevelopment and Housing is a major function of government which is concerned with the planning and provision of adequate housing and with the redevelopment of substandard and blighted physical facilities in urban areas. *Economic Development and Assistance* is a function whose activities are directed toward the economic development of the area encompassed by the government and the provision of assistance and opportunity for persons and businesses who are economically disadvantaged. *Economic Opportunity* - is charged with expenditures for various programs designed to eliminate or ameliorate poverty and its causes.

C259 **Debt service.** Includes interest and principal payments on general long-term obligations and interest amounts applicable to other debt instruments.

C260 **Other.** Is charged with expenditures for miscellaneous activities, which cannot be properly charged elsewhere.

C270 **TOTAL.** The sum of codes 251 through 260.

**DEFINITIONS:**

**TRANSFERS.** Transfers are the moving of funds from one account to another account. The majority of transfers should equal zero.

**C261 PERSONAL SERVICES.** All salaries paid to full and part time employees including temporary employees.
C262 RETIREMENT/SOCIAL SECURITY. Payment by the local government for its share of contributions to the local government for retirement system, social security, and Medicare (FICA) taxes.

C263 CONTRACTUAL SERVICES. Expenditures incident to the operation of an office for non-tangible or impermanent items such as: postage, repairs or rental of equipment or property, professional or legal services, subscriptions, etc.

C264 EQUIPMENT/COMMODITIES. Expenditures in connection with operations for the purchase of articles of a consumable nature, which show a material change or appreciable depreciation such as: preprinting, library supplies, office furniture, automobiles, computers etc.

C265 CAPITAL OUTLAYS. Expenditures for public works such as roads, buildings, and permanent improvements.

C266 OTHER. Includes all expenses not elsewhere reported which include but are not limited to: Telecommunication, grants, reimbursements and refunds.

C270 TOTAL. The sum of codes 261 through 266.

C301 Excess of receipts/revenue over (under) disbursements /expenditures. The difference of Code 240 minus code 270.

C302 Operating transfers in. All Interfund transfers in, other than residual equity transfers (for example, legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended in a recurring or routine manner).

C303 Operating transfers out. All Interfund transfers out, other than residual equity transfers (for example, legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended in a recurring or routine manner).

C304 Bond proceeds. All revenues from bonds sold by the unit of government.

C305 Other (attach explanation). Other financing sources resulting from transactions that are liabilities recorded in the general long-term debt accounting group, such as capital leases.

C306 Net increase (decrease) in fund balance. The sum of codes 301, 302, 304, and 305, minus code 303.

C307 Previous year fund balance. Beginning fund balance, which is determined by calculating the difference between fund assets and fund liabilities of all governmental and similar trust funds at the beginning of the fiscal year. This figure should be equal to C310 from the previous year’s AFR.

C308 Other (attach explanation). Amounts attributable to such items as residual equity transfers, appropriate prior-period adjustments allowed for certain changes in accounting principles and changes in reserves for inventories accounted for under the purchase method.


DEFINITIONS:

Proprietary Fund Types. Proprietary fund types have been explained under assets. Proprietary Fund Types are divided into two different kinds of funds:

A. Enterprise Fund. (1) A fund established to account for operations financed and operated in a manner similar to private business enterprises (for example, water, gas and electric utilities). In this case, the governing body intends that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; (2) A fund established because the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

B. Internal Service. A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of that government, or to another government, on a cost reimbursement basis.

Fiduciary Fund Type. Fiduciary Fund Types have been explained under assets. Fiduciary Fund Types were divided into two types previous to FY 99. In FY 99 only the Trust Funds should be reported on this page. Pension Trust Funds, starting in FY 99 must be reported on the separate Pension Assets page. Both funds are listed below with a notation of changes.
A. **Trust Fund.** Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds. (Includes pension trust, nonexpendable, and expendable trust funds.)

B. **(Deleted) Pension Trust Fund.** A trust fund used to account for retirement system funds. Pension trust funds, like nonexpendable trust funds, use the accrual basis of accounting and have a capital maintenance of measurement focus. Report on Pension Assets page.

**NONEXPENDABLE TRUST.** The principal of the trust must be preserved intact. Common activities that have trust restrictions precluding expenditures of the principal of the fund include cemetery perpetual care funds, land trusts and endowments.

C325 **Charges for services.** Charges for operating activities that do not result in the purchase or construction of fixed assets (for example, street lighting, street cleaning, and snow plowing).

C326 **Interest.** Earnings from investments of proprietary funds and similar trust funds in operating activities.

C327 **Taxes.** All tax proceeds that are from the primary resource of proprietary funds and similar trust funds.

C328 **Other.** All other receipts/revenues from the operating activity of proprietary funds and similar trust funds which are not listed above.

C330 **TOTAL OPERATING RECEIPTS/REVENUE.** The sum of codes 325 through 328.

C331 **Operations, other than depreciation.** All expenses of proprietary funds and similar trust funds that are directly related to the primary activities of the funds.

C332 **Depreciation.** The portion of the cost of fixed assets, other than wasting assets, to be recorded as an expense during the fiscal year.

C334 **Other.** All other disbursements/expenses of proprietary funds and similar trust funds which are not listed above.

(Deleted) C335 **Benefit payments.** Benefits to which participants may be entitled under a pension plan; including pension benefits, death benefits, and benefits due on termination of employment. This code has been removed from the Proprietary Fund page. **All pension funds should be reported on page 9, The Pension Assets page.**

C340 **TOTAL OPERATING DISBURSEMENTS/EXPENSES.** The sum of codes 331, 332, 334. and 335.


C342 **Operating transfers in.** All Interfund transfers in, other than residual equity transfers (for example, legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended).

C391 **Interest income.** Earnings from investments of proprietary funds and similar trust funds in nonoperating activities.

C392 **Taxes.** All tax proceeds that are not from the primary resource of proprietary funds and similar trust funds.

C393 **Operating transfers out.** All Interfund transfers out, other than residual equity transfers (for example, legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended).

C393 **Interest expense.** Charges for use of money, not part of operating activities.

C344 **Other income (expense)(attach explanation).** Other nonoperating receipts/revenues and disbursements/expenses of proprietary and similar trust funds.

C345 **Increase (decrease) in retained earnings/fund balance.** The sum of codes 341, 342, 391, 392, and 344, minus codes 343 and 393.

C346 **Retained earnings/fund balance beginning of year.** The difference between fund assets and fund liabilities of all governmental and similar trust funds at the beginning of the fiscal year.
C347 Other changes in retained earnings/fund balance. Amounts attributable to such items as residual equity transfers, appropriate prior-period adjustments allowed for certain changes in accounting principles.

C348 Retained earnings/ current fund balance end of year. The sum of codes 345, 346, and 347.

C500 Employer. Amount of funds contributed by the unit of government into pension trust funds.

C505 Plan Members. Amount of funds contributed by the members of the pension plan.

C510 Other Contributions. Amount of funds contributed from sources other than the unit of government and plan members.

C515 Total Contributions. The sum of codes 500 through 510.

C520 Interest and Other Investment Income. Amounts earned from investments held by the pension plan, including net gains and losses on the sale of investments.

C525 Net Appreciation (Depreciation) in Fair Value. The portion of the cost of investments that has gone up or down in fair value.

C530 Investment Expense. Amount of money paid to provide investments.

C535 Total Net Investment Income. The sum of codes 520 through 530.

C540 Total Additions. The sum of codes 515 and 535.

C545 Benefit and Refunds Payments. Amounts paid out to members from the pension plan.

C550 Interest. Interest cost incurred by the pension plan.

C555 General and Administrative. Expenditures other than interest and depreciation, in connection with the administration of the pension plans.

C560 Depreciation. Decreased amount (representing the “using-up”) of fixed assets. Allocation of the cost of Fixed Assets over their useful life.

C565 Other Deductions. All other deductions, other than benefit and refund payments, interest, or depreciation of assets.

C570 Total Deductions. The sum of codes 545, 550, 555, 560, and 565.


C580 Fund Balances Reserved for Employee Pension Benefits - Beginning of Year. The amount of funds available at the beginning of the fiscal year (i.e. prior year’s ending balance).

C585 Restatement/ Reclassification of Fund Balances – Other Transactions. Changes in the fund balance other than additions or deductions.


DEFINITIONS:

REVENUE BONDS. Bonds whose principal and interest are payable exclusively from earnings on a fund established to account for operations financed and operated to provide services.

GENERAL OBLIGATION BONDS. Bonds that are backed by the full faith and credit of the unit of government.

ALTERNATE BONDS. Bonds other than General Obligation or Revenue.
CONTRACTUAL COMMITMENTS. Any general long-term debt entered into by contractual obligation. Includes all contractual commitments with a term of one year or more, such as lease purchase agreements, installment contracts, notes, etc.

OTHER. Any general long-term debt that is not included in the categories listed above.