

**UNIFORM  
CLASSIFICATION OF  
ACCOUNTS FOR  
WATER UTILITIES**

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Uniform classification of accounts for water utilities by Various .

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**VARIOUS .**

**UNIFORM  
CLASSIFICATION OF  
ACCOUNTS FOR  
WATER UTILITIES**



UNIV. OF  
CALIFORNIA

NATIONAL ASSOCIATION  
OF RAILWAY AND UTILITIES  
COMMISSIONERS

Uniform Classification  
of Accounts for  
Water Utilities



*Prepared by*

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**UNIFORM CLASSIFICATION OF ACCOUNTS  
FOR WATER UTILITIES**

**GENERAL INSTRUCTIONS**

**1. Accounts to be Kept by Double Entry Method.**

All the accounts (other than purely statistical accounts) defined in this classification must be kept by the double entry method.

**2. Account Numbers Not a Part of Title.**

The numbers prefixed to account titles in this classification are solely for convenience of reference and are not part of the titles or definitions.

**3. Accounting Period.**

It is recommended that each water corporation select the month as its accounting period and that it make its bookkeeping entries on a monthly basis. It may, however, select a quarterly or other basis if that will better meet the conditions under which it conducts its business. Each corporation will be required to close its books at the end of the fiscal year for which it makes its annual report.

**4. Records.**

Each water corporation shall so keep its general accounting books and all other books and records which support in any way the entries to such accounting books that it can furnish at any time full information as to any account kept by it. Moreover, it shall support each entry to each account with such detailed information as will enable a ready identification and verification of the facts recorded therein.

The books referred to herein include not only books of account in a limited technical sense but all other records such as minute books, stock books, etc., which will be useful in developing the history of any of the accounting company's transactions.



**STANDARD FORM OF BALANCE SHEET****ASSET SIDE**

101. Fixed capital

**Current Assets:**

- 111. Cash
- 112. Notes receivable
- 113. Accounts receivable
- 114. Interest and dividends receivable
- 115. Materials and supplies
- 116. Prepayments
- 117. Miscellaneous current assets

**Miscellaneous Assets:**

- 121. Investments in affiliated companies
- 122. Miscellaneous investments
- 123. Sinking funds
- 124. Replacement fund
- 125. Miscellaneous special funds
- 126. Special deposits

**Suspense:**

- 131. Unamortized debt discount and expense
- 132. Property abandoned
- 133. Jobbing accounts
- 134. Clearing or apportionment accounts
- 135. Work in progress
- 136. Miscellaneous suspense

**Adjustment Accounts:**

- 141. Discount on capital stock
- 142. Reacquired securities
- 143. Treasury securities
- 150. Profit and loss—deficit

**STANDARD FORM OF BALANCE SHEET****LIABILITY SIDE**

- 201. Capital stock
- 202. Premium on capital stock
- 211. Long term debt
- 212. Receiver's certificates

**Current Liabilities:**

- 221. Notes payable
- 222. Accounts payable
- 223. Consumers' deposits
- 224. Matured interest unpaid
- 225. Dividends declared
- 226. Matured long term debt unpaid
- 227. Miscellaneous current liabilities

**Accrued Liabilities:**

- 231. Taxes accrued
- 232. Interest accrued
- 233. Miscellaneous accrued liabilities
- 241. Advances from affiliated companies

**Reserves:**

- 251. Retirement reserve (depreciation)
- 252. Casualty and insurance reserve
- 253. Unamortized premium on debt
- 254. Sinking fund reserves
- 255. Contributions for extensions
- 256. Contingency reserve
- 257. Miscellaneous reserves
- 261. Miscellaneous unadjusted credits
- 270. Profit and loss—surplus

## BALANCE SHEET ACCOUNTS

### General Instructions and Definitions

#### 1. Balance Sheet Accounts Defined.

By balance sheet accounts are meant those titles under which the ledger accounts are combined and summarized to show the assets, liabilities and surplus or deficit of an enterprise at a given time. Where the title and definition of a balance sheet account clearly indicate that it is a summary of other accounts, it is not required that a special ledger account shall be raised under such title to include the balances from the accounts usually carried on the ledger.

#### 2. Form of Balance Sheet.

The standard form of balance sheet is shown on pages 2 and 3. Certain of the terms there used are defined, for the sake of greater clearness, in the following paragraphs:

#### 3. Current Assets.

Current assets are those assets that are readily converted into money or capable (in the case of materials and supplies) of being used in operation or construction.

#### 4. Investments.

Investment represents the relatively permanent employment of property for the purpose of directly or indirectly producing revenue. Investment in permanent assets devoted to the undertakings for which the accounting company is primarily organized is called fixed capital investment or simply *fixed capital*. Property in the form of assets necessary to the conduct of the accounting company's operations of which the individual items are subject to frequent change is sometimes said to represent an investment in *working capital*. Investments may also be of property segregated in special funds; of property devoted to the use of affiliated corporations; or of property not devoted to the undertakings for which the accounting company is primarily organized, as more specifically defined in account No. 122, "Miscellaneous Investments," which see. *Encumbered investments* are those held subject to a lien or other encumbrance of some character. *Unencumbered investments* are those held free of all encumbrances.