

MANUAL OF  
UNIFORM FINANCIAL REPORTING  
*for Counties, Municipalities,  
and Special Districts of Maryland*



DEPARTMENT OF LEGISLATIVE SERVICES 2006



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**Manual of  
Uniform Financial Reporting  
for Counties, Municipalities, and Special  
Districts of Maryland**

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**Department of Legislative Services  
Office of Policy Analysis  
Annapolis, Maryland**

**June 2006**

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# Foreword

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This 2006 version of the *Manual of Uniform Financial Reporting* supersedes the 2005 edition. It is issued to assist the counties, municipalities, and special districts of Maryland in preparing uniform financial reports in accordance with Maryland law.

The chart of accounts follows the principles of governmental accounting and financial reporting as approved by the Governmental Accounting Standards Board (GASB) and adopted to specific provisions of Maryland law.

The Department of Legislative Services recognizes that this manual does not cover every situation that may arise with respect to accounting and financial reporting and welcomes questions or suggestions with respect to its contents.

Karl S. Aro  
Executive Director  
Department of Legislative Services



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# Summary of Provisions of Municipal Financial Reporting Law Affecting the Counties, Municipalities, and Special Districts of Maryland

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**Report Period  
(Art. 19, Sec. 35)**

Each county, municipality, and special district shall use a fiscal year of July 1 through June 30 and maintain its books, records, journals, and fiscal reports so as to permit accounting and reporting on the fiscal year basis.

**Uniform System of Reporting (Art. 19, Sec. 36)**

Each county, municipality, and special district shall maintain the uniform system of financial reporting provided by the Department of Legislative Services.

**Filing of Report  
(Art. 19, Sec. 37)**

Financial reports for each fiscal year shall be submitted by November 1 following the end of the fiscal year on forms provided or approved by the Department of Legislative Services and shall be verified by the chief executive officer of each county, municipality, or special district. **However, the report may be made by January 1 after the close of the fiscal year for a county, municipality, or special taxing district having a population of more than 400,000.**

**Failure to Use System or File Report  
(Art. 19, Sec. 38 & 39)**

Should any county, municipality, or special district fail to use the uniform system of financial reporting or fail to submit its *Uniform Financial Report* by the due date, the Comptroller is authorized to discontinue payment of certain State financial aid such as income tax, racing revenues, recordation tax, admissions and amusement tax, and license fees upon notification by the Department of Legislative Services.

**Audit of Accounts  
(Art. 19, Sec. 40(a))**

Each county, incorporated city or town, and special taxing district is required to have its accounting records audited each fiscal year as to the methods, accuracy, and legality of the accounts, records, files, and reports. This examination must be made by a certified public accountant in the capacity of either an independent auditor or official auditor of any county or incorporated city. Any county, municipality, or taxing district may request the Legislative Auditor to audit its books, records, and reports. The auditor shall be in compliance with the provisions of the Business Occupations and Professions Article of the Annotated Code. In general, a copy of the audit report must be submitted to the Legislative Auditor on such forms or in such manner as prescribed by the Legislative Auditor by November 1 after the close of the fiscal year. However, the report may be made to the Legislative

Auditor by January 1 after the close of the fiscal year for a county, municipality, or special taxing district having a population of more than 400,000. An audit report filed with the Legislative Auditor is a public record under the provisions of Section 10-611 of the State Government Article.

The Legislative Auditor may authorize a local government with annual revenues of less than \$50,000 in the prior four fiscal years to have an audit conducted once every four years, in lieu of an annual audit. If a local government desires to have an audit once every four years, it must submit a written request to the Legislative Auditor to waive the annual audit requirement.

**Actuarial Reports**  
**(Art. 24,**  
**Sec. 2-101(d)(9))**

A copy of the most recent actuarial report of the local government's pension system must be filed with its *Uniform Financial Report*. This actuarial report is required for any local government which maintains a pension system separate from the State pension system.

**Special Taxing Districts**  
**(Art. 19, Sec. 40(b)-(f))**

A county shall forward copies of audit reports and financial reports of special taxing districts created by the county with its audit report to the Legislative Auditor. A separate report to the Legislative Auditor on the results of the county's review of each district's compliance with the provisions of Subsections (B) through (E) of Article 19, Section 40 of the Annotated Code should also be sent. The Legislative Auditor shall review the audit reports and information from the county and submit appropriate recommendations. This requirement does not apply to special taxing districts which are subject to Subsection (a) of Section 40 of Article 19 and which file their own uniform financial reports and audit reports with the Department of Legislative Services.

# General Instructions

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<b>Definition of Terms</b>	<p>Throughout this manual the following words have the meaning indicated unless the context would otherwise indicate.</p> <p><i>County</i> – the 23 counties and Baltimore City.</p> <p><i>Municipality</i> – the incorporated cities or towns subject to the provisions of Article XI-E of the Maryland Constitution.</p> <p><i>Special District</i> – a taxing district with its own governing body, a sanitary commission, a public corporation with local jurisdictions, and any other political subdivisions of the State that levy taxes or have taxes levied on its behalf or impose assessments pursuant to an authority obtained from the State, counties, or municipalities.</p> <p><i>Local Government</i> – county, municipality, and special district situated within the State.</p>
<b>Basis of Accounting</b>	<p>The accounting records must be kept on the accrual basis or modified accrual basis (see Definitions).</p>
<b>Minimum Requirements</b>	<p>Certain basic accounts have been established by the Department of Legislative Services, as set forth in the several charts of accounts contained in this manual; however, they represent minimum requirements and any local government may subdivide the established accounts into more detailed accounts for its own information and use.</p>
<b>System</b>	<p>The county, municipality, or special district may follow any accounting system or methods so long as they provide for recordation on an accrual or modified accrual basis and permit the compilation of the information required to be furnished in the report.</p>
<b>Reporting Entity</b>	<p>The local government entity for uniform financial reporting purposes shall include the oversight unit, as defined under the section “Definitions,” and any other unit (including component units) included in the local government’s audited financial statements in accordance with generally accepted accounting principles for governmental units, <u>except the following</u>: (a) board of education; (b) community college; (c) library; (d) health department; and (e) volunteer fire, ambulance, and rescue companies.</p>

**Content****A. *Uniform Financial Report*** – The following statements comprise the *Uniform Financial Report*:

Transmittal and Verification Sheet	Form 1
Review of <i>Uniform Financial Report</i>	Form 2
General Fund – Revenues	Part I
General Fund – Expenditures	Part II
Debt Service Fund – Revenues and Expenditures	Part III
Special Revenue Funds – Revenues and Expenditures	Parts IV-V
Capital Projects Funds – Revenues and Expenditures	Parts VI-VII
Permanent Funds – Revenues and Expenditures	Parts VIII-IX
Enterprise Funds – Revenues and Expenditures	Parts X-XI
Component Units – Revenues and Expenditures	Parts XII-XIII
Cash and Investment Assets	Part XIV
Property Taxes and Taxes Receivable	Part XV
Current Assessments and Assessments Receivable	Part XVI
Debt Outstanding, Issued, and Retired	Part XVII
Changes in Fund Balance/Retained Earnings	Part XVIII
Balance Sheet	Part XIX
Reconciliation of Financial Data	Part XX

Statistical Data	Part XXI
Local Highway Finance – Maryland Department of Transportation	Part XXII

All reports must include all statements (Forms 1 and 2 and Parts I through XXII).

If it is found that any of the reporting forms do not contain adequate space to permit the itemization of accounts not specifically provided for, the total amount of such accounts should be reported in the appropriate space on the form and a supporting statement showing full details of the accounts should be attached.

**Content**                                *B. Audit Report* – The audit guidelines issued by the Office of Legislative Audits defines the format for the audit report.

**Filing Date**                                The *Uniform Financial Report* and the audit report must be filed annually by November 1 after the close of the fiscal year. Local governments having a population of more than 400,000 have until January 1 to submit the audit report. The Legislative Auditor may authorize a local government with annual revenues of less than \$50,000 in the prior four fiscal years to have an audit conducted once every four years, in lieu of an annual audit. If a local government desires to have an audit once every four years, it must submit a written request to the Legislative Auditor to waive the annual audit requirement.

**Distribution**                                The audit report must be filed with the:

Department of Legislative Services  
Legislative Services Building  
90 State Circle  
Annapolis, Maryland 21401



# Definitions

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<b>Accrual Basis</b>	The basis of accounting under which transactions are recognized when they occur regardless of the timing of related cash flows.
<b>Assessment</b>	See Special Assessment.
<b>Capital Assets</b>	See Fixed Assets.
<b>Capital Facilities</b>	Fixed assets such as land, building, highway, drainage or water or sewer facilities, and initial or additional equipment for buildings.
<b>Capital Outlay</b>	Expenditures for the acquisition of or addition to fixed assets.
<b>Capital Projects Funds</b>	The funds used to account for all resources for the acquisition, construction or remodeling of, and addition or improvement to, capital facilities. Resources financed by proprietary funds and trust funds are excluded.
<b>Cash Unrestricted Checking</b>	Monies in a checking account, the use of which is not restricted by legal or contractual requirements.
<b>Cash Unrestricted Savings</b>	Monies in a savings account, the use of which is not restricted by legal or contractual requirements.
<b>Certificates of Deposit</b>	A receipt for funds deposited in a bank for a specific period at a specified rate of interest.
<b>Component Units</b>	Legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.
<b>Construction</b>	Expenses reflecting the cost of construction work.
<b>County</b>	The 23 counties and Baltimore City.
<b>Debt Service Fund</b>	The funds used to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt.

<b>Encumbrances</b>	Obligations for contracted goods which have not been received or services which have not been rendered at the close of the fiscal year which are chargeable to an appropriation and for which part of the appropriation has been reserved. Encumbrances become liabilities and expenditures only when, and if, goods are actually received or services are actually provided.
<b>Enterprise Fund</b>	The funds used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where 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>Expenditures</b>	Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays.
<b>Fiscal Year</b>	The 12-month period ending June 30.
<b>Fixed Assets</b>	Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.
<b>Fund</b>	A fiscal and accounting entity with a self-balancing set of accounts, segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.
<b>General Fund</b>	The fund which is used to account for all transactions of a governmental unit, except those required to be accounted for in another fund.
<b>General Obligation Debt</b>	Debt for the payment of which the full faith and credit of the issuing government are pledged.
<b>Highway Construction Bonds</b>	State bonds issued for the purpose of construction of roads and bridges.



<b>Industrial Development Revenue Bonds</b>	Bonds issued to finance a commercial project. The governmental entity leases the project to a private enterprise and the lease payments pay the debt service on the bonds.
<b>Industrial Land Bonds</b>	Bonds issued by a municipal entity to finance the purchase of land for a commercial project.
<b>Local Governments</b>	Includes counties, municipalities, and special districts situated within the State.
<b>Modified Accrual Basis</b>	The basis of accounting under which revenues are recognized when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are generally recorded at the time liabilities are incurred.
<b>Mortgage Revenue Bonds</b>	Bonds whose proceeds are used for mortgages. Bonds are paid off as the mortgages are paid off.
<b>Municipality</b>	Incorporated cities or towns subject to the provisions of Article XI-E of the Maryland Constitution.
<b>Permanent Fund</b>	The funds used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry.
<b>Primary Government</b>	The governmental unit which submits the report. The report includes all of the funds, account groups, agencies, boards and commissions that are controlled exclusively by the governmental unit's elected officials.
<b>Repurchase Agreements of</b>	A contract between two parties in which the buyer purchases securities at an agreed price for a specific period of time. At the end the period the seller agrees to repurchase the securities at the agreed price plus an agreed rate of interest.
<b>Reserve for Encumbrances</b>	The segregation of a portion of a fund balance to provide for expenditure upon vendor performance.
<b>Revenue</b>	Increases in net financial resources from other than expenditure refunds, expense refunds, capital contributions, and residual equity transfers.

<b>Revenue Bonds</b>	Bonds whose principal and interest are payable from a specified revenue source.
<b>Short-term Debt</b>	Debt with a maturity of one year or less after the date of issuance. Short-term debt usually includes floating debt, bond anticipation notes, tax anticipation notes, and interim warrants.
<b>Special Assessment</b>	Means an assessment levied to finance public improvements or services benefiting properties against which the special assessments are made. For example, if a levy is made against all of the properties abutting on a certain street for the purpose of making sidewalk repairs on that street, the assessment so levied would be a special assessment. On the other hand, if a levy of 10 cents per hundred dollars of assessed value were added to the general tax rate, the monies thus raised being dedicated to the support of the local government's police department, the revenues resulting from this levy should be treated as a special revenue rather than a special assessment because the levy is against all property of the local government for a service to all rather than against only those certain properties which would receive all of the benefit. Special assessments based on the number of assessable feet of water main or sewer line serving a property owner are commonly referred to as "front foot assessments."
<b>Special Districts</b>	Taxing districts with their own governing body, sanitary commissions, public corporations with local jurisdictions, and other political subdivisions that levy taxes, or have taxes levied on their behalf, or impose assessments pursuant to an authority obtained from the State, counties, or municipalities.
<b>Special Revenue Funds</b>	The funds used to account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) which are legally restricted to expenditure for specific purposes.
<b>U.S. Treasury Bill</b>	An obligation issued by and backed by the full faith and credit of the U.S. Government.
<b>U.S. Treasury Note</b>	An obligation issued by and backed by the full faith and credit of the U.S. Government. It is a coupon issue with an original maturity of up to 10 years.
<b>U.S. Treasury Bond</b>	An obligation issued by the U.S. Government with an original maturity ranging from over 10 years to 30 years.

# Chart of Revenue Accounts General Fund

## Part I

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### A. Taxes

#### 1. Local Property Taxes

Real Property  
For Full Year Levy\*  
For Three-Quarter Year Levy\*  
For Semi-Annual Levy\*  
For One-Quarter Year Levy\*  
Other – Taxes at Less Than Full Rate\*

\* Please report in detail in Part XV of *Uniform Financial Report*

Personal Property  
Railroads and Public Utilities  
Ordinary Business Corporations  
Homeowners' Tax Credit (circuit breaker) – State Reimbursement  
Additions – Deferred Taxes  
Additions and Abatements – Prior Years  
Penalties and Interest – Delinquent Taxes  
Tax Sales Revenues

Deductions

Discounts Allowed on Taxes  
Homeowners' Tax Credit – Local Reimbursement  
Deferred Taxes  
Other Deductions

#### 2. Income Taxes

#### 3. Other Local Taxes

Sales and Service  
Hotel and Motel (county only)  
Steam

**3. Other Local Taxes (cont.)**

Liquified Petroleum  
Coal  
Natural Gas  
Fuel Oil  
Electricity  
Telephone  
Beverage Container  
Other Sales and Service  
Admission and Amusement  
Recordation  
Property Transfer  
Front Foot Assessments  
911 Fees – Local  
Trailer Parks  
Other Local Taxes

**B. Licenses and Permits**

**Street**

**Alcoholic Beverages**

**Amusement**

**Traders**

**Professional and Occupational**

**Animal**

**Building and Equipment**

**Marriage**

**Cable Television Franchise Fees**

**Other**

**C. Intergovernmental**

**1. Grants from Federal Government**

- Public Safety
  - Police
  - Fire
  - Corrections
  - Other
- Transportation
  - Highways and Streets
  - Transit
  - Airport
  - Other
- Sewer
- Solid Waste
- Water
- Health
- Social Services
  - Office on Aging
  - Elderly and Disabled Transportation
  - Other
- Parks, Recreation, and Culture
- Conservation of Natural Resources
- Community Development and Housing
- Economic Development and Opportunity
- Education
- Library
- Other Federal Grants
- Federal Payments in Lieu of Taxes

**2. Grants from State Government**

- Public Health
- Public Safety
  - Police Protection
  - Fire (including fire, rescue, and ambulance grant)
  - Corrections
  - 911 Grants
  - Other

**2. Grants from State Government (cont.)**

- Transportation
  - Highway User Revenues
  - Highways and Streets
  - Transit
  - Airport
  - Other
- Sewer
- Solid Waste
- Water
- Social Services
  - Office on Aging
  - Elderly and Disabled Transportation
  - Other
- Parks, Recreation, and Culture
- Conservation of Natural Resources
- Community Development and Housing
- Economic Development and Opportunity
- Education
- Library
- Civil Defense
- Disparity Grants
- Jury Reimbursement
- Other State Grants
- State Payments in Lieu of Taxes

**3. Grants from County Government (Municipality and Special District Only)**

- Tax Rebate
- Financial Corporation Grants
- Public Safety
  - Police
  - Fire
  - Other
- Transportation
  - Highways and Streets
  - Transit
  - Airport
  - Other
- Hotel and Motel
- Sewer
- Solid Waste

**3. Grants from County Government (Municipality and Special District Only)  
(cont.)**

Water  
Parks, Recreation, and Culture  
Community Development and Housing  
Economic Development and Opportunity  
Other County Grants  
County Payments in Lieu of Taxes

**4. Total from Other Agencies**

**D. Service Charges for Current Services**

**1. General Government Charges**

Court Costs, Fees, and Charges  
Zoning and Subdivision Fees  
Sheriff Fees  
Developer Impact Fees  
Other

**2. Public Safety Charges**

Special Police Services  
Special Fire Protection Services  
Corrections – Local Charges  
Corrections – State Reimbursement for Inmates  
Protective Inspection Fees  
Other

**3. Transportation Charges**

Highways and Streets  
Parking Facilities  
Transit Services  
Airport  
Other

**4. Sewer, Solid Waste, and Water Charges**

Sewer  
Waste Collection  
Waste Disposal  
Water  
Other

**5. Health Charges**

Health Inspection Fees  
Hospital Fees  
Clinic Fees  
Other

**6. Social Services Charges****7. Education Charges****8. Recreation Charges****9. Library Charges**

Use Fees  
Fines  
Other

**10. Public Services Enterprise Charges**

Gas, Electric, Light, and Power  
Liquor Dispensaries – Net Profit  
Other

**E. Fines and Forfeitures**

**Court Fines**

**Red Light Camera Fines**

**Other**



**F. Miscellaneous Revenues**

**Investment Earnings**

**Rents and Concessions**

**Contributions and Donations**

**Sales of Property (Other than Tax Sale)**

**Other**

**G. Long-term Debt Proceeds**

**Proceeds from Bonds, Notes, Loans, and Capital Leases**



# Explanation of Part I – Revenue Accounts

## General Fund

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Revenue is defined as “increases in net financial resources from other than expenditure refunds, expense refunds, capital contributions, and residual equity transfers.” All revenues which are susceptible to accrual (*i.e.*, they are both measurable and available) during the fiscal year covered should be included regardless of when collection is expected to be made. In addition, **interfund transfers should not be included as revenue**, but should be recorded on Part XVIII.

Actual revenues reported on Parts I, III, IV, VI, X, and XII are summarized on Part XVIII, which is required to be prepared in accordance with generally accepted accounting principles (GAAP). Therefore, amounts reported on Parts I, III, IV, VI, X, and XII are also **required** to be completed in accordance with GAAP.

### A. Taxes – Local

#### 1. Local Property Taxes

Real Property – Includes all revenue from real property taxes recorded as payable by taxpayers for the current year, comprising the total of all the detailed revenue accounts appropriately classified on Part XV. Only that portion of the taxpayers’ total taxes which will be retained by the county, municipality, or special district should be shown as revenue. Any amounts received from the federal government in lieu of taxes should not be entered here but shown under “Federal payments in lieu of taxes.” Any payments received from the State government in lieu of taxes should be shown under “State payments in lieu of taxes.”

Personal Property – Includes taxes levied on personal property recorded as payable by taxpayers for the current year as classified on Part XV.

Railroads and Public Utilities – Includes taxes levied on railroads and public utilities properties which are located within the local government’s boundaries.

Ordinary Business Corporations – Includes taxes levied on all other property.

Homeowners’ Tax Credit (Circuit Breaker) – State Reimbursement – Includes State’s reimbursements to local governments for credits against local real property taxation for homeowners who qualify based on a sliding scale of property tax liability and income.

Additions – Deferred Taxes – Includes additions to real and personal property taxes levied in the current year to recognize taxes levied in prior years which are susceptible to accrual in the current year.

Additions and Abatements – Includes additions and abatements in the various categories of real and personal property taxes which apply to periods other than the current period.

Penalties and Interest – Delinquent Taxes – Includes amounts received as penalties and interest on the delinquent payment of taxes.

Tax Sales Revenues – Includes revenues received from tax sale of properties.

Discounts Allowed on Taxes – Includes discounts allowed to taxpayers for payment of taxes within the discount period. This is a reduction of total tax revenues and is shown as a deduction on the Statement of Revenue. This account should not be charged with tax abatements; these amounts should be recorded as a reduction of the specific class of tax revenues affected.

Homeowners' Tax Credit – Local Reimbursement – Includes credit on tax of real property of homeowners based on ability to pay.

Deferred Taxes – Includes deductions to real and personal property taxes levied in the current year to recognize taxes levied in the current year which are not susceptible to accrual in the current year.

Other Deductions – Includes all other property tax deductions not specifically provided for in any of the foregoing accounts.

2. **Local Income Taxes** – Includes revenues received and accrued by the counties from locally imposed income taxes. This account also includes the revenues received by the incorporated municipalities and special districts from their share of the income tax.
3. **Other Local Taxes** – Includes tax revenues imposed on a basis other than a general assessed valuation.

Sales and Service – Includes locally imposed taxes upon the sale or consumption of selected articles or services. (For example, the tax imposed by a county on hotel and motel accommodations, or on the sale for consumption of electricity, etc.).

Hotel and Motel (county only)  
Steam  
Liquified Petroleum  
Coal  
Natural Gas  
Fuel Oil  
Electricity  
Telephone  
Beverage Container  
Other Sales and Service Taxes

Admission and Amusement – Includes locally imposed taxes on admissions and amusements.

Recordation – Includes taxes on instruments of writing covering real or personal property recorded with the clerks of the circuit courts of the counties and Baltimore City or the treasurer of Prince George’s County (county only).

Property Transfer – Includes locally imposed taxes upon transfer of property (county only).

Front Foot Assessments – Includes taxes for front foot benefits, such as water and sewerage facilities.

911 Fees – Local – Includes locally imposed taxes on all stationary residential and commercial telephone accounts to defray the 911 system’s operating costs.

Trailer Park – Includes locally imposed taxes on mobile home trailer parks.

Other Local Taxes – Includes all other taxes not specifically provided for in any of the foregoing tax accounts.

## **B. Licenses and Permits**

**Street** – Includes revenues from privileges or permits granted for the use of public streets or highways. Receipts from the use of parking meters should not be entered here but should be recorded in Transportation Charges – Parking Facilities.

**Alcoholic Beverages** – Includes revenue from beer, wine, and liquor licenses. Those counties or municipalities which receive revenue from county-operated liquor dispensaries should not enter such revenue here but should record it in Public Service Enterprises Charges – Liquor Dispensaries – Net Profit.

**Amusement** – Includes revenue derived from licensing of various amusement places, events, and devices, such as dance halls, bingo halls, poolrooms, pinball machines, music boxes, etc. The county or municipality's share of similar State-imposed licenses should be entered in Licenses and Permits – Traders.

**Traders** – Includes the county or municipality's share of all State-imposed licenses. It is the intent that this account show only the license revenues shared by the State; consequently, any similar licenses the county or municipality imposed should not be entered here but should be recorded in Amusement, Professional and Occupational, or Other, as found appropriate.

**Professional and Occupational** – Includes revenue derived from the county or municipal licensing of persons or business organizations to engage in a specialized trade or occupation.

**Animal** – Includes revenue derived from the licensing of animals.

**Building and Equipment** – Includes revenue from licenses and permits issued in connection with building construction and equipment.

**Marriage** – Includes county share of revenue from sale of marriage licenses.

**Cable Television Franchise Fees** – Includes revenue derived from the licensing and/or franchising of cable television operators.

**Other** – Includes all other licenses and permits not specifically provided for in any of the foregoing accounts.

## C. Intergovernmental

This group of accounts includes revenues received or accrued from other governments in the form of grants or payments in lieu of taxes. Grants are contributions made by one governmental unit to another. Payments in lieu of taxes are payments made by one governmental jurisdiction to another in lieu of taxes it would have had to pay had its property been subject to taxation by the receiving government.

1. **Grants from Federal Government** (for a description of the classification of these grants, see Grants from State Government section).

- Public Safety
  - Police
  - Fire
  - Corrections
  - Other

- Transportation
  - Highways and Streets
  - Transit
  - Airport
  - Other
- Sewer
- Solid Waste
- Water
- Health
- Social Services
  - Office on Aging
  - Elderly and Disabled Transportation
  - Other
- Parks, Recreation, and Culture
- Conservation of Natural Resources
- Community Development and Housing
- Economic Development and Opportunity
- Education
- Library

Other Federal Grants – Includes all other amounts received from the federal government. Itemize in accordance with the purposes for which they were received on separate sheet.

Federal Payments in Lieu of Taxes – Includes amounts received from the federal government in lieu of taxes on federal property not subject to taxation.

**2. Grants from State Government**

Public Health – Includes amounts received from the State government for the operation of the local public health program (county only).

Public Safety

Police Protection – Includes amounts received from the State for police services (police aid formula grants, targeted crime grants, and so forth).

Fire – Includes amounts received from the State for fire, rescue, and ambulance services.

Corrections – Includes amounts received from the State for correctional services and facilities. The State’s reimbursement for inmates housed at local detention centers should be reported under Public Safety Charges – Correction – State Reimbursement for Inmates.

911 Grants – Includes amounts received from the State for 911 systems.

Other – Includes amounts received from the State for public safety services not classified elsewhere.

#### Transportation

Highway User Revenues – Includes the local government's share of revenues credited to the Gasoline and Motor Vehicle Revenue Account in the Transportation Trust Fund.

Highways and Streets – Includes all other grants (excluding highway user revenues) received from the State for highway and street purposes.

Transit – Includes amounts received from the State for transit systems, excluding elderly and disabled transportation services.

Airport – Includes amounts received from the State for airport facilities.

Other – Includes amounts received from the State for transportation services not classified elsewhere.

Sewer – Includes amounts received from the State for sewer services and facilities.

Solid Waste – Includes amounts received from the State for solid waste collection and disposal services and facilities.

Water – Includes amounts received from the State for water services and facilities.

#### Social Services

Office on Aging – Includes amounts received from the State for local offices on aging.

Elderly and Disabled Transportation – Includes amounts received from the State for programs that assist in the transportation of the elderly and disabled. Statewide Special Transportation Assistance Program (SSTAP) funds should be reported in this account.

Other – Includes amounts received from the State for other local social services programs.



Parks, Recreation, and Culture – Includes amounts received from the State for parks, recreational, and cultural programs. Program Open Space (POS) grants should be reported on this account.

Conservation of Natural Resources – Includes amounts received from the State for cooperative extension, soil conservation, and agricultural land preservation programs.

Community Development and Housing – Includes amounts received from the State for community development and housing programs, including funds administered by the Partnership Rental Housing Program.

Economic Development and Opportunity – Includes amounts received from the State for economic development (including tourism), training, and community action programs.

Education

Library

Civil Defense

Disparity Grant – Includes amounts received from the State for those counties whose per capita piggyback income tax revenues are less than 70 percent of the State average.

Jury Reimbursements – Includes amounts received from the State for the reimbursement of jury expenses.

Other State Grants – Includes all other amounts received from the State government. Itemize in accordance with the purpose for which they were received on a separate sheet.

State Payments in Lieu of Taxes – Includes amounts received from the State government in lieu of taxes on State property not subject to taxation.

**3. Grants from County Government – (Municipality and Special Districts Only) –** (for a description of the grant categories, see the Grants from State Government Section)

Tax Rebate – Includes county grants for services provided by the municipality that otherwise would be performed by the county.

Financial Corporation Grants – Includes county grants to municipalities in lieu of shares tax.

Public Safety  
 Police  
 Fire  
 Other  
 Transportation  
 Highways and Streets  
 Transit  
 Airport  
 Other

Hotel and Motel Tax – Includes amounts distributed by the county for the local share of hotel and motel tax.

Sewer  
 Solid Waste  
 Water  
 Parks, Recreation, and Culture  
 Community Development and Housing  
 Economic Development and Opportunity

Other County Grants – Includes all other amounts received from the county government. Itemize in accordance with the purposes for which they were received on a separate sheet.

County Payments in Lieu of Taxes – Includes amounts received from the county government in lieu of taxes on county owned property not subject to taxation.

#### **4. Grants from Other Agencies**

Total from Other Agencies – Includes all other revenues from other agencies not specifically provided for in any of the foregoing accounts. Itemize in accordance with the granting agency name and purpose for which they were received on a separate sheet.

#### **D. Service Charges for Current Services**

This group of accounts includes revenues derived from charges for services rendered by the county, municipality, or special district to the general public or other governmental units. It will be noted that the main classifications of accounts hereunder are the same as the main classifications of expenditure accounts. However, an amount received in direct reimbursement of an expenditure should not be shown here but should be recorded as a reduction of the expenditure.

**1. General Government Charges**

Court Costs, Fees, and Charges – Includes those costs, fees, and charges collected by the courts and remitted to the county.

Zoning and subdivision fees.

Sheriff Fees – Includes those fees collected by the sheriff which are remitted to the county.

Developer Impact Fees – Includes one-time charges imposed on developers to provide a pool of capital to finance infrastructure necessitated by new private developments.

Other – Includes all fees other than the above collected by general government departments.

**2. Public Safety Charges**

Special Police Services – Includes compensation from private sources or other governmental units for functions outside of regular police assignments.

Special Fire Protection Services – Includes amounts received for ambulance service, removal of fire hazards, and so forth.

Corrections – Local Charges – Includes all fees received through the operation of correctional institutions. State reimbursements for inmates should be reported in the Corrections – State Reimbursement for Inmates section.

Corrections – State Reimbursement for Inmates – Includes State reimbursements for inmates housed at local detention centers.

Protective Inspection Fees – Includes fees for inspection of buildings, elevators, etc., and similar inspections the purpose of which is the protection of the general public.

Other – Includes all fees collected by public safety departments not specifically provided for in any of the foregoing accounts.

**3. Transportation Charges**

Highways and Streets – Includes amounts charged as special assessments for paving sidewalks, gutters, etc. This account also includes charges for the repair of streets, sidewalks, and curbs.

Parking Facilities – Includes all revenue derived from parking meters, parking lots, parking garages, and service station activities operated in conjunction with parking lots and garages.

Transit Services – Includes charges for operating mass transit services. Charges imposed on users of elderly and disabled transit services should be reported under the Social Services section.

Airport – Includes charges imposed on users of airport services and facilities.

Other – Includes all service charges other than the above mentioned.

#### **4. Sewer, Solid Waste, and Water Charges**

Sewer – Includes amounts charged for the use of a sewer system. Connection charges should be reported in this account.

Waste Collection – Includes amounts charged for collection of garbage and other refuse.

Waste Disposal – Includes amounts charged for disposal of garbage and other refuse.

Water – Includes amounts charged for the use of a water system.

Other – Includes all service charges of sewer, solid waste, and water departments not specifically provided for in any of the foregoing accounts.

#### **5. Health Charges**

Health Inspection Fees – Includes charges for inspection of food, drugs, milk, and dairy products, and other sanitary inspections required by law.

Hospital Fees – Includes fees received from patients in a county or municipally operated institution.

Clinic Fees – Includes fees received from patients in a county or municipally operated institution.

Other – Includes all health fees other than those above.

#### **6. Social Services Charges** – Includes all receipts from a county or municipally operated institution; fees imposed on users of an elderly and disabled transit service; and any other social services fees collected by the local government.

**7. Education Charges** – Includes fees from interscholastic athletic programs, entertainments, etc. which are remitted to the county; and all other fees remitted to the county in connection with educational operations.

**8. Recreation Charges** – Includes fees for use of public golf courses and equipment; fees for use of public swimming pools and equipment; fees for the use of public playgrounds and equipment; revenues from the sale of merchandise by government operated concessions; revenues received from the rental of recreational or cultural buildings, lands, equipment, facilities, etc.; and all other revenues collected by the recreation department.

**9. Library Charges**

User Fees – Includes charges for the use of a library’s materials.

Fines – Includes charges for the late return of books.

Other – Includes other revenue not specifically provided for in either of the foregoing accounts.

**10. Public Services Enterprise Charges**

Gas, Electric, Light, and Power – Includes income received in connection with the provision of gas, electric, light, and power services.

Liquor Dispensaries – Net Profit – Includes the local government’s share of net income derived from the operation of liquor dispensaries.

Other – Includes receipts from all other public service enterprises, such as docks, markets, etc., not specifically provided for in the foregoing accounts. Such services vary widely among local governments and any receipts reported should be itemized in accordance with the service rendered.

**E. Fines and Forfeitures**

**Court Fines** – Includes fines and forfeitures received by the local governments from the courts.

**Red Light Camera** – Includes all fines received by the local government from the operation of red light cameras.

**Other Fines and Forfeitures** – Includes all other fines and forfeitures not specifically provided for in the foregoing account.

**F. Miscellaneous Revenues**

**Investment Earnings** – Includes revenue derived from the use of money, such as interest on bank deposits and bond investments, dividends on stock investments, etc.

**Rents and Concessions** – Includes revenue derived from charges for the use of lands, buildings, equipment, and facilities.

**Contributions and Donations** – Includes bequests and other contributions in the form of money received from private individuals or organizations. Gifts of real property and other capital assets should be recorded in the General Fixed Assets group of accounts at an estimated or appraised value.

**Sales of Property (other than tax sale)** – Includes amounts received from the sale of property and insurance or other recoveries for the loss or destruction of property.

**Other** – Includes all other revenue not specifically provided for in any of the foregoing revenue accounts.

**G. Long-term Debt Proceeds**

**Proceeds from Bonds, Notes, Loans, and Capital Leases** – Includes proceeds from long-term debt and capital leases.

# Chart of Expenditure Accounts General Fund

## Part II

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### A. General Government

#### 1. Legislative (Council or Commission)

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

#### 2. Judicial

- Circuit Court Support
  - Salaries
  - Other Operating Expenses
  - Construction
  - Other Capital

- Orphans' Court
  - Salaries
  - Other Operating Expenses
  - Construction
  - Other Capital

- State's Attorney
  - Salaries
  - Other Operating Expenses
  - Construction
  - Other Capital

- Sheriff (Judicial Functions)
  - Salaries
  - Other Operating Expenses
  - Construction
  - Other Capital

Law Library  
Salaries  
Other Operating Expenses  
Construction  
Other Capital

Other Judicial  
Salaries  
Other Operating Expenses  
Construction  
Other Capital

**3. Executive**

Elected Executive  
Salaries  
Other Operating Expenses  
Construction  
Other Capital

Other Executive  
Salaries  
Other Operating Expenses  
Construction  
Other Capital

**4. Elections**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**5. Financial Administration**

Finance  
Salaries  
Other Operating Expenses  
Construction  
Other Capital



Internal Auditing

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

Independent Accounting and Auditing

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

Budgeting

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

Purchasing

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

Licensing

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

Other Financial Administration

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

**6. Legal**

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

**7. Personnel Administration**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**8. Planning and Zoning**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**9. General Services**

County (Municipal) Buildings  
Salaries  
Other Operating Expenses  
Construction  
Other Capital

Data Processing  
Salaries  
Other Operating Expenses  
Construction  
Other Capital

Other General Services  
Salaries  
Other Operating Expenses  
Construction  
Other Capital

**10. Other General Government**

Board of Liquor License Commissioners  
Salaries  
Other Operating Expenses  
Construction  
Other Capital

Other General Government  
Salaries  
Other Operating Expenses  
Construction  
Other Capital

**B. Public Safety**

**1. Police Department (Sheriff – Law Enforcement)**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**2. Fire and Rescue Services**

Fire and Rescue Services – County (Municipal) Operated  
Salaries  
Other Operating Expenses  
Construction  
Other Capital

Volunteer Fire and Rescue Services – County (Municipal) Grants  
Salaries  
Other Operating Expenses  
Construction  
Other Capital

**3. Corrections**

County Operated Institutions  
Salaries  
Other Operating Expenses  
Construction  
Other Capital

Other Corrections  
Salaries  
Other Operating Expenses  
Construction  
Other Capital

**4. Other Public Safety**

## Protective Inspection (building, plumbing, etc.)

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

## Civil Defense/Emergency Management

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

## Traffic Engineering

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

## Red Light Camera

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

## Animal Control

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

## Emergency Alarm and Communications (911)

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

## Other Protection

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

**C. Public Works**

**1. Transportation Services**

Highways and Streets (including storm drainage)

Salaries  
Other Operating Expenses  
Construction  
Other Capital

Parking Facilities

Salaries  
Other Operating Expenses  
Construction  
Other Capital

Transit

Salaries  
Other Operating Expenses  
Construction  
Other Capital

Airport

Salaries  
Other Operating Expenses  
Construction  
Other Capital

Other Transportation Services

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**2. Sewer, Solid Waste, and Water Services**

Sewer

Salaries  
Other Operating Expenses  
Construction  
Other Capital

Waste Collection  
 Salaries  
 Other Operating Expenses  
 Construction  
 Other Capital

Waste Disposal  
 Salaries  
 Other Operating Expenses  
 Construction  
 Other Capital

Water  
 Salaries  
 Other Operating Expenses  
 Construction  
 Other Capital

Other Sewer, Solid Waste, and Water Services  
 Salaries  
 Other Operating Expenses  
 Construction  
 Other Capital

### **3. Gas, Electric, Light, and Power Services**

Gas, Electric, Light, and Power  
 Salaries  
 Other Operating Expenses  
 Construction  
 Other Capital

## **D. Health**

### **Department of Health**

Salaries  
 Other Operating Expenses  
 Construction  
 Other Capital

**Hospitals**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Mosquito Control**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Other Health**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**E. Social Services**

**County Contribution to Local Department of Social Services**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Office on Aging**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Elderly and Disabled Transportation**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Other Social Services**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**F. Primary and Secondary Education****Maryland School for the Blind**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Transportation Nonpublic**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Other Education**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**G. Community Colleges**

Salaries  
Other Operating Expenses  
Construction  
Other Capital



## **H. Parks, Recreation, and Culture**

### **Parks**

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

### **Recreation**

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

### **Culture and Arts Organization**

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

### **Other Parks, Recreation, and Culture**

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

## **I. Library**

- Salaries
- Other Operating Expenses
- Construction
- Other Capital

**J. Conservation of Natural Resources****Cooperative Extension Services**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Soil Conservation Services**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Agricultural Land Preservation**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Other Conservation of Natural Resources**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**K. Community Development and Public Housing****Community Development**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Public Housing**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Other Community Development and Public Housing**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**L. Economic Development and Opportunity**

**Economic Development (includes tourism)**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Training**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Community Action Programs**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Other Economic Development and Opportunity**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**M. Debt Service****Principal Payments – General Obligation Debt**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Principal Payments – State Loans**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Interest – Short-term Debt**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Interest – General Obligation Debt**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Interest – State Loans**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Other**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**N. Intergovernmental**

**Financial Corporations Grant to Incorporated Municipalities**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Tax Rebate to Municipalities**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Board of Education**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Community College**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Health Department**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Library Board**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Sanitary Commission**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Transit Commission**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Roads Board**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Other Intergovernmental**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**O. Miscellaneous****Judgments and Losses**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Retirement and Pension Contributions**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Employee Health Insurance**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Workmen's Compensation**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Social Security Contributions**

Salaries  
Other Operating Expenses  
Construction  
Other Capital

**Other**

Salaries  
Other Operating Expenses  
Construction  
Other Capital





# **Explanation of Part II – Expenditure Accounts General Fund**

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Expenditures are defined as “decreases in net financial resources.” Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays. Encumbrances are defined as “obligations for contracted goods which have not been received or services which have not been rendered at the close of the fiscal year, which are chargeable to an appropriation and for which part of the appropriation has been reserved.” Current authoritative pronouncements do not consider encumbrances to be the equivalent of expenditures. Therefore, only expenditures are to be included on Part II. In addition, **interfund transfers should not be included as expenditures**, but should be recorded on Part XVIII.

Columns have been provided on Part II for classifying expenditures by the following objects: salaries, other operating expenses, construction, and other capital. Salaries should include the cost of fringe benefits when local governments account for fringe benefits by function.

Actual expenditures reported on Parts II, III, V, VII, XI, and XIII are summarized on Part XVIII, which are required to be prepared in accordance with generally accepted accounting principles (GAAP). Therefore, amounts reported on Parts II, III, V, VII, XI, and XIII also are **required** to be completed in accordance with GAAP.

## **A. General Government**

This classification includes expenditures of the county, municipality, or special district in connection with determination of policies and general administration.

**1. Legislative (Council or Commission)** – Includes salaries and direct expenses of the council or commission, clerk to council or commission, board of appeals, and any other legislative functions.

**2. Judicial (County Only)**

Circuit Court Support – Includes all expenditures in connection with the operation of the circuit court.

Orphans’ Court – Includes all expenditures in connection with the operation of the orphans’ court.

State’s Attorney – Includes the salary of the State’s attorney and the expenses of the office.

Sheriff (judicial functions) – Includes the expenses of the sheriff's office in the performance of judicial functions, such as issuance and serving of warrants and subpoenas.

Law Library – Includes salaries and operating expenses of the law library or contributions made toward the maintenance thereof.

Other Judicial – Includes all other judicial expenditures not specifically provided for in the foregoing accounts.

### **3. Executive**

Elected Executive – Includes the salaries and expenditures of the mayor or county executive.

Other Executive – Includes expenditures for executive functions not specifically provided for in the foregoing account.

### **4. Elections** – Includes the salaries and expenditures of the board of supervisors of elections and the operating costs incurred in conducting elections.

### **5. Financial Administration**

Finance – Includes salaries and expenses of the finance department. Items to be reported in this account include accounting personnel, director of finance, comptroller, etc. If the budget office is separate, it should be reported in the "Budgeting" section below.

Internal Auditing – Includes expenditures in connection with the maintenance of an internal audit system of the entity's accounting records.

Independent Accounting and Auditing – Includes audit fee paid to independent certified public accountants or to the Legislative Auditor.

Budgeting – Includes salaries and expenditures of the budget department, if it is a separate department from the finance department.

Purchasing – Includes expenditures of a separate purchasing department. If the purchasing is done by the spending departments, no segregation of the purchasing expense need be made.

Licensing – Includes expenditures incurred in issuing licenses.

Other Financial Administration – Includes all expenditures for finance functions not specifically provided for in any of the foregoing accounts.

6. **Legal** – Includes salary and expenses of the attorney for the county, municipality, or special district; fees paid to a special legal counsel; and any other expenditures for legal functions.

7. **Personnel Administration** – Includes salaries and expenses incurred for all personnel activities.

8. **Planning and Zoning** – Includes expenditures of the office or agency concerned with planning for the future use of private and public resources. Items to be reported in this account include expenses of a planning commission and a board of zoning appeals.

9. **General Services**

County or Municipal Buildings – Includes all expenditures for the operation and maintenance of buildings owned or leased by the county, municipality, or special district and used principally by the general government departments. The costs of operating and maintaining the court house should be charged to this account. Expenses of buildings used solely by departments other than general government units such as police stations and hospitals should be charged to the using departments.

Data Processing – Includes salaries and expenses incurred in the operation of a data processing agency or division.

Other General Services – Includes expenditures for all other general services not specifically provided for in any of the foregoing accounts.

10. **Other General Government**

Board of Liquor License Commissioners – Includes expenditures of the board in implementing State policies regarding the regulation and control of the retail sale of alcoholic beverages.

Other General Government – Includes all other expenditures for general government functions not specifically provided for under the foregoing classifications.

**B. Public Safety**

This classification includes expenditures of the county, municipality, or special district in connection with the protection of persons and property.

**1. Police Department** – Includes expenditures of the sheriff's office in performing policing duties, expenditures of a police department, and any other expenditures related to performing law enforcement duties.

**2. Fire and Rescue Services**

Fire and Rescue Services – County (Municipal) Operated – Includes expenditures of all county (and municipal) operated fire and rescue functions, including ambulance services. Grants to volunteer fire and rescue services should be reported in the next account.

Volunteer Fire and Rescue Services – County (Municipal) Grants – Includes grants provided to volunteer fire and rescue services.

**3. Corrections**

County Operated Institutions – Includes expenditures for the construction, operation, and maintenance of a county jail.

Other Corrections – Includes all expenditures for correction functions not specifically provided for in the foregoing account.

**4. Other Public Safety**

Protective Inspection (building, plumbing, etc.) – Includes expenditures associated with the examination of building plans and inspection of construction and structural conditions, the examination of plumbing plans and inspection of plumbing installations, the examination of electrical plans and inspection of electrical installations, and the examination of gas installations and fittings.

Civil Defense/Emergency Management – Includes expenditures for preparation of survival plans, administration of training programs, provision and inspection of shelters, shelter supplies, etc.

Traffic Engineering – Includes expenditures for the administration and control of traffic and transit activities, investigations relating to the design and location of traffic control devices, installation and maintenance of traffic control and parking devices such as traffic signals, street and curb markings, and street name signs.

Red Light Camera – Includes expenditures for the installation and maintenance of red light cameras.

Animal Control – Includes expenditures made in collecting, impounding, and disposing of animals. Contributions to humane societies should be shown here.

Emergency Alarm and Communications (911) – Includes expenditures for the 911 emergency communications system established by the counties.

Other Protection – Includes all expenditures for public safety functions not specifically provided for in any of the foregoing accounts.

## **C. Public Works**

### **1. Transportation Services**

Highways and Streets (including storm drainage) – Includes all expenditures incurred in maintaining and constructing highways and streets. All snow and ice removal costs and storm drainage costs should be reported in this account.

Parking Facilities – Includes all expenditures of operating public parking garages and lots.

Transit – Includes all costs for the operation and maintenance of transit systems. Elderly and disabled transportation service should be reported under the “Social Services” section.

Airport – Includes all costs for the operation and maintenance of airports and equipment.

Other Transportation Services – Includes expenditures for all other transportation services. Any expenditures reported should be itemized in accordance with the service rendered.

### **2. Sewer, Solid Waste, and Water Services**

Sewer – Includes expenditures incurred in operating and maintaining sewer services.

Waste Collection – Includes costs of collecting waste materials, such as trash, garbage, ashes, etc.

Waste Disposal – Includes expenditures in the disposal of waste materials. Costs incurred in operating a landfill should be reported in this account. (Municipal and

special taxing districts should include expenditures for mosquito control in this category.)

**Water** – Includes expenditures for operating and maintaining a water system.

**Other Sewer, Solid Waste, and Water Services** – Includes all expenditures for sewer, solid waste, and water functions not specifically provided for in any of the foregoing accounts.

### **3. Gas, Electric, Light, and Power Services**

**Gas, Electric, Light, and Power Services** – Includes expenditures for providing gas, electric, light, and power services to citizens.

## **D. Health (County Only)**

This classification includes expenditures of the county in connection with the conservation and improvement of public health.

**Department of Health** – Includes expenditures of the health department if it acts as a county department. If the county simply provides a grant to the local health department, these grants should be reported under the “Intergovernmental” section.

**Hospitals** – Includes expenditures for the construction, operation, and maintenance of hospitals operated by the county.

**Mosquito Control** – Includes all expenditures for mosquito control. (Municipalities and special taxing districts should include this under the “Waste Disposal” section.)

**Other Health** – Includes expenses and contributions for conservation of health activities other than the functions provided for in the foregoing accounts.

## **E. Social Services (County Only)**

This classification includes expenditures of the county for providing aid and assistance to dependent and handicapped individuals.

**County Contributions to Local Department of Social Services** – Includes the county’s grant to the local social services department.

**Office on Aging** – Includes expenditures made by a county office on aging in providing services to the elderly, etc.

**Elderly and Disabled Transportation** – Includes expenditures made by a local government in operating and maintaining a local transportation service for elderly and disabled citizens.

**Other Social Services** – Includes all expenditures for social service functions not specifically provided for in any of the foregoing accounts.

## **F. Primary and Secondary Education (County Only)**

This classification includes expenditures for the county in operating and maintaining schools and educational facilities.

**Maryland School for the Blind** – Includes tuition and fees paid by the county for residents attending the Maryland School for the Blind.

**Transportation of Nonpublic Students** – Includes expenditures or contributions for transporting nonpublic pupils by contract with private or public carriers.

**Other Education** – Includes expenditures made in connection with educational activities not specifically provided for in the foregoing accounts other than county appropriations to a board of education.

## **G. Community Colleges (County Only)**

This classification includes expenditures made by a county for a community college providing educational opportunities to county residents. County appropriations to a community college should be reported under the “Intergovernmental” section.

## **H. Parks, Recreation, and Culture**

This classification includes expenditures of the county, municipality, or special district for the purpose of providing cultural and recreational activities for residents and visitors.

**Parks** – Includes all expenditures for the acquisition, supervision, operation, maintenance, policing, lighting, and upkeep of parks.

**Recreation** – Includes all expenditures for the construction, operation, and maintenance of recreation centers, playgrounds, swimming pools, golf courses, and all other participant recreation.

**Culture and Arts Organizations** – Includes all expenditures for the operation and maintenance of cultural and arts museums, exhibits, and events.

**Other Parks, Recreation, and Culture** – Includes all other expenditures for parks, recreation, and culture other than those provided for in the foregoing accounts.

## **I. Libraries (County Only)**

This classification includes all expenditures for libraries other than county appropriations to library boards which should be reported under the “Intergovernmental” section.

## **J. Conservation of Natural Resources (County Only)**

**Cooperative Extension Services** – Includes salaries and expenses of the cooperative extension services office.

**Soil Conservation Services** – Includes all expenditures in connection with the conservation of the soil, including forests, minerals, and other natural resources.

**Agricultural Land Preservation** – Includes all expenditures in connection with preserving the open character and agricultural use of land.

**Other Conservation of Natural Resources** – Includes all other expenditures for conservation of natural resources not specifically provided for in the foregoing accounts.

## **K. Community Development and Public Housing**

This classification includes expenditures of the county, municipality, or special district for the planning and providing of adequate housing and the redevelopment or restoration of blighted areas.

**Community Development** – Includes all expenditures for the development, enhancement, or redevelopment of areas within the jurisdiction. Items to be reported include community development block grants programs, urban renewal programs, etc.

**Public Housing** – Includes all expenditures for the acquisition, furnishing, maintenance, and operation of public housing projects for low-income persons.



**Other Community Development and Public Housing** – Includes all other expenditures for community development and public housing not specifically provided for in the foregoing accounts.

## **L. Economic Development and Opportunity**

This classification includes expenditures of the county, municipality, or special district in connection with economic development. This category consists primarily of assistance to businesses which are economically disadvantaged and economic opportunity programs to citizens.

**Economic Development** – Includes expenditures for the promotion of economic growth and development, including industrial and economic surveys, financial assistance to industry, acquisition of industrial sites, tourism promotions, etc.

**Training** – Includes expenditures for the establishment and operation of work experience and training programs.

**Community Action Programs** – Includes expenditures for the establishment and operation of programs including day-care centers, family health education, etc.

**Other Economic Development and Opportunity** – Includes all other expenditures for economic development and opportunity programs not specifically covered by the foregoing accounts.

## **M. Debt Service**

This classification includes principal and interest payments on governmental debt.

**Principal Payments – General Obligation Debt**

**Principal Payments – State Loans**

**Interest – Short-term Debt**

**Interest – General Obligation Debt**

**Interest – State Loans**

**Other** – Includes debt service expenditures not provided for in the foregoing accounts and expenditures incidental to the issuance of bonds or other evidences of indebtedness. Bond issuance costs should be reported in this account.

**N. Intergovernmental (County Only)**

**Financial Corporations Grant to Incorporated Municipalities** – Includes amounts paid to incorporated municipalities in lieu of a municipal tax on financial corporations.

**Tax Rebate to Municipalities** – Includes grants provided to municipalities for municipal service provided in lieu of county services.

**Board of Education\***

**Community College\***

**Health Department\***

**Library Board\***

**Sanitary Commission\***

**Transit Commission\***

**Roads Boards\***

\* Includes all appropriations made by the county to the respective entities.

**Other Intergovernmental** – Includes all payments made by one level of government to another not included in the aforementioned accounts.

**O. Miscellaneous**

**Judgments and Losses** – Includes expenditures in settlement of claims against the county, municipality, or special district for injury to persons or property whether such settlements are made outside of court or by reasons of judgments rendered. Expenditures and awards in condemnation proceedings should not be recorded here, but should be charged to capital outlay of the affected project, and classified under the appropriate function and activity.

**Retirement – Pension Contributions** – Includes only contributions that cannot be allocated to specific functions and activities. Employer contributions under the Federal Insurance Contribution Act should be reported under “Social Security Contributions.”

**Employee Health Insurance** – Includes expenditures in connection with providing health insurance coverage for employees.

**Workmen's Compensation** – Includes expenditures in connection with providing workmen's compensation insurance for employees.

**Social Security Contributions** – Includes employer contributions under the Federal Insurance Contribution Act which cannot be allocated to any specific function and activity.

**Other** – Includes any expenditures which cannot be otherwise classified. Each expense should be listed and its nature clearly indicated.



# **Chart of Revenue and Expenditure Accounts**

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**Debt Service Funds – Part III**

**Special Revenue Funds – Parts IV and V**

**Capital Projects Funds – Parts VI and VII**

**Permanent Funds – Parts VIII and IX**

**Enterprise Funds – Parts X and XI**

**Component Units – Parts XII and XIII**

Revenue and expenditure categories for special revenue funds, capital projects funds, special assessment funds, and enterprise funds are the same as those for general fund revenues (Part I) and expenditures (Part II). Revenues and expenditures for the funds in these five parts, however, are to be broken down by specific fund(s). Specific funds with revenues or expenditures less than \$250,000 can be combined into one column. When more than one fund is combined, the local government should identify the name of the funds in each column.



## **Cash and Investment Assets**

### **Part XIV**

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Part XIV “Cash and Investment Assets” shows the total amount of cash and investments by funds. Investments which are set up to retire debt are not to be included in this part. Amounts available or to be provided for debt retirement should be reported in Part XVIII.





# Property Taxes and Taxes Receivable

## Part XV

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Part XV “Property Taxes and Taxes Receivable” supplies the supporting detail for the amount of tax revenue appearing on Part I – Local Property Taxes (real and personal property, railroads and public utilities, and ordinary business corporations). It also supplies the supporting detail for the amount of taxes receivable appearing in Part XIX “Balance Sheet.” The statement must show data relating to the tax levy for the current period plus the amount of taxes receivable outstanding for any prior fiscal period.

Explanation of the information required is as follows:

**Total Assessed Value of Taxable Property** – Means the assessed valuation of taxable property on which taxes were levied for county, municipality, or special district purposes for the current period. Each class of property should be reported on a separate line opposite one of the appropriate classifications provided as follows: Real property – For full year levy, For three-quarter year levy, For semi-annual levy, For one-quarter levy, Other-Taxed at less than full rate; Personal property – locally assessed; Railroads and public utilities; and Ordinary business corporations.

**General Tax Rate** – Means the tax rate per hundred dollars of assessed value for the current fiscal period for each class of property, as listed above, against which a tax is levied for general county, municipality, or special district purposes. Those counties which apply varying rates for different districts are not required to show any but the basic general tax rates applicable to all districts. NOTE: Where property taxed at various rates is included in the “Other-Taxed at less than full rate” section, no general tax rate need to be stated. If the reporting entity is a county levying a lower tax rate in incorporated towns, a separate schedule should be attached.

**Actual Tax Levy** – Means the amount of taxes recorded as payable by taxpayers, representing the original levy for all municipalities. Explanations of the detail revenue accounts for each class of property to be reported in this column follows:

**Amount Collected** – Means the total cash collections of taxes received for the current period.

**Balance of Taxes Receivable** – Means the taxes levied which are uncollected as of the date of the “Combined Balance Sheet,” obtained by subtracting the amount shown in the “Amount Collected” column from the amount shown in the “Actual Tax Levy” column. With respect to prior periods, the total amount of taxes receivable for each period is to be shown separately for each period for which there are uncollected taxes. The total of taxes receivable for the current period plus taxes receivable for prior periods less an amount which experience has indicated will be uncollectible must equal the amount shown on Part XIX “Balance Sheet” as taxes receivable.

### **Real Property**

For full year levy – includes taxes levied on real property based upon assessments with a January 1 date of finality or a July 1 semi-annual date of finality at the full general tax rate.

For three-quarter year levy – includes taxes levied on real property based upon assessments with an October 1 date of finality at three-quarters of the general tax rate.

For semi-annual levy – includes taxes levied on real property based upon assessments completed or first added to the tax rolls during the period after July 1 in any year and through January 1 in the next succeeding year at one-half of the general tax rate. **NOTE:** Do not include any property subject to the three-quarter year levy which was reported above.

For one-quarter year levy – includes taxes levied on real property based upon assessments with an April 1 date of finality at one-quarter of the general tax rate. **NOTE:** Do not include any property subject to the three-quarter year levy and semi-annual levy which were reported above.

Other-Taxed at less than full rate – includes all other taxes levied on real property at less than the general tax rate not specifically provided for in any of the foregoing tax accounts. For example, counties which allow a lower tax rate within the corporate limits of towns would enter such taxes levied under this caption.

**Personal Property – Locally Assessed** – This account includes taxes levied on personal property assessed by the local assessor.

**Railroads and Public Utilities**

**Ordinary Business Corporations**

(These accounts include taxes based on assessments made by the State Department of Assessments and Taxation. The applicable revenue account should be credited at the time the assessment is received from the State Department of Assessments and Taxation and the taxes receivable are placed on the tax rolls.)



# Current Assessments and Assessments Receivable

## Part XVI

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Part XVI “Current Assessments and Assessments Receivable” supplies the supporting detail for the amount of special assessments receivable appearing in the “Balance Sheet,” Part XIX. The statement must show data by special assessment district. See definitions under “Special Assessment” in the “Definitions” section of this manual.

Explanation of the information required is as follows:

**Current Assessments** – Means the amount of special assessments to be collected in the current year to finance the cost of an assessment project.

**Amount Collected** – Means the total cash collections of current special assessments levied.

**Assessments Receivable** – Means the amount of current special assessments levied which are uncollected as of the date of the “Balance Sheet.” This amount is obtained by subtracting the amount shown in the “Amount Collected” column from the amount shown in the “Current Assessments” column. The total of special assessments receivable must equal the amount shown on the “Balance Sheet,” Part XIX.



## **Debt Outstanding, Issued, and Retired Part XVII**

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Part XVII “Debt Outstanding, Issued, and Retired” supplies the supporting detail for the amount of long-term general obligation debt, long-term revenue and non-guaranteed bonds, long-term State loans, and short-term debt reported in Part XIX.

**General Obligation Debt** – debt for the payment of which the full faith and credit of the issuing government are pledged, regardless of the fund in which the debt is recorded and whether or not general taxes are the primary source of funds for repayment of the debt. General obligation debt includes all forms of long-term indebtedness evidenced by bonds, notes, loans, and capital lease obligations and a pledge of full faith and credit. **However, compensated absences payable and claims and judgments should be excluded.**

**Component Unit Debt** – all forms of indebtedness of a component unit, including bonds, notes, loans, and capital leases.

**Revenue and Non-guaranteed Bonds** – bonds whose principal and interest are payable from a specified revenue source.

**State Loans** – all forms of indebtedness to the State, including local government obligations purchased by the State.

**Short-term Debt** – debt with a maturity date of one year or less after the date of issuance. Short-term debt usually includes floating debt, bond anticipation notes, tax anticipation notes, and interim warrants.

The explanation of the information required is as follows:

**Authorized** – Means the total par value of the original debt authorized to be issued.

**Unissued** – Means the total par value of the authorized debt which is unissued on the last day of the fiscal year.

**Outstanding Beginning This Year** – Means the total par value of debt outstanding at the beginning of the current year.

**Issued – Prior Years** – Means the total par value of authorized debt which has been issued as of the last day of the fiscal year.

**Issued – This Year** – Means the total par value of debt issued during the current year.

**Retired – Prior Years** – Means the total par value of debt retired over the prior years.

**Retired – This Year** – Means the total par value of debt retired during the current period.

**Outstanding End of This Year** – Means the total par value of debt outstanding at June 30.

**Interest This Year** – Means the total amount of interest paid or accrued during the current year.

**Assets Restricted for Retirement of Debt** – Includes all cash, securities, or other property set aside specifically for the redemption of debt.

**Legal Debt Limitation** – Limits placed on amount of debt that can be issued. If no limit, report “No Limit.”

**Amount of Outstanding Debt Not Applicable to Limit** – Total dollar amount of outstanding debt which as of the end of the fiscal year is not subject to limitation.



## **Changes in Fund Balance/Retained Earnings Part XVIII**

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Part XVIII “Changes in Fund Balance/Retained Earnings” summarizes the detailed statements of revenues and expenditures (salaries, other operating expenses, construction and other capital outlay) applicable to all government fund types and component units. In addition, this statement reports other changes in fund balances during the year. Fund classification on this statement is by generic fund type.

Explanation of the information required is as follows:

**Fund Balances at Beginning of Year** – Represents the fund balances on the first day of the year covered by the statement. Amounts should be in agreement with the balances at the end of the preceding year as shown by the report submitted for that year.

**Retained Earnings** – Represents the fund balances of the cumulative earnings of all enterprise funds on the first day of the year covered by the statement.

**Total Revenue from Financial Report** – Summarizes amounts of revenues reported in Parts I, III, IV, VI, VIII, X, and XII.

**Total Expenditures/Expenses from Financial Report** – Summarizes amounts of expenditures/expenses reported in Parts II, III, V, VII, IX, XI, and XIII.

**Transfer from Other Funds** – Includes all interfund transfers of revenues to the individual fund.

**Transfers to Other Funds** – Includes all interfund transfers of expenditures/expenses to the individual fund.

**Fund Balances at End of Year** – Represents the fund balances on the last day of the year covered by the statement.

**Retained Earnings** – Represents the fund balances of the cumulative earnings of all proprietary funds on the last day of the year covered by the statement.

**Fund Balance – Reserved** – Includes portion of the fund balance to provide for unliquidated encumbrances, or legally restricted to a specific use, or not available for appropriation or expenditure.

**Fund Balance – Unreserved – Designated** – Includes portion of the unreserved fund balance designated by management for expenditure in the succeeding fiscal year.

**Fund Balance – Unreserved – Undesignated** – Includes portion of the unreserved fund balance not reserved or designated.

**Retained Earnings – Reserved** – Includes fund equity of proprietary funds legally restricted to a specific use, such as a reserve for revenue bond retirement.

**Retained Earnings – Unreserved** – Includes all cumulative earnings balance of proprietary funds not reserved.

# **Balance Sheet**

## **All Fund Types and Account Groups**

### **Part XIX**

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The “Balance Sheet” shows, in concise form, the financial condition of funds of the unit, individually and collectively. The seven generic fund types recognized in governmental accounting and included on this exhibit consist of the following:

1. General Fund
2. Special Revenue Funds
3. Capital Projects Funds
4. Debt Service Funds
5. Permanent Funds
6. Component Units
7. Enterprise Funds

A description of each of the foregoing funds is included in this manual under the section “Definitions.” It is believed that the classification is sufficiently broad to cover any fund. Therefore, local governments are requested not to substitute the names of other funds for those above.



# Chart of Balance Sheet Accounts

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## Assets

Cash and Investment Assets  
Property Taxes Receivable  
Taxes Receivable – State  
Current Assessments Receivable  
Other Receivables  
Due from Other Funds  
Fixed Assets – Net of Depreciation  
Amounts Available or to Be Provided for Debt Retirement  
Other Assets

## Liabilities

Accounts Payable and Accrued Expenses  
Short-term Debt  
Taxes Payable to State  
Due to Other Funds  
Long-term Debt  
Other Liabilities  
Contributed Capital  
Fund Balance/Retained Earnings



## Explanation of Balance Sheet Accounts

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### Assets

<b>Cash</b>	Includes all cash and cash equivalents in the hands of financial officers and agents and deposits in banks or trust companies available on demand.
<b>Property Taxes Receivable</b>	Includes the uncollected portion of local taxes billed by the county, municipality, or special district to its taxpayers.
<b>Taxes Receivable State</b>	Includes the uncollected portion of State property taxes billed by the county to its taxpayers.
<b>Current Assessments Receivable</b>	Includes the uncollected portion of those levies made during the current year against certain properties, usually to defray part or all of the cost of a special improvement.
<b>Other Receivables</b>	Includes all amounts receivable by the county, municipality, or special district other than taxes and special assessments.
<b>Due from Other Funds</b>	Includes loans made by one fund to another fund. For reporting purposes, the amount in the "Total" column represents the total of the inter-fund amounts receivable and should equal the total of the inter-fund amounts payable shown as a liability under the caption "Amounts Due to Other Funds."
<b>Fixed Assets</b>	Includes assets of a long-term character which are intended to be held or used.
<b>Amounts Available or to Be Provided for Debt Retirement Purposes</b>	Includes all cash, securities, or other property set aside specifically for the redemption of debt.
<b>Other Assets</b>	Includes all other assets not specifically provided for in any of the foregoing asset accounts. Any such assets should be itemized on the statement, or a schedule should be provided, with an appropriate description of each.

## **Liabilities**

<b>Accounts Payable and Accrued Expenses</b>	Includes all liabilities to others on open account and contracts other than short-term debt, bonds, and taxes payable to other governmental units.
<b>Short-term Debt</b>	Includes outstanding debt that matures within 12 months from date of issue. Short-term debt usually includes floating debt, bond anticipation notes, tax anticipation notes, and interim warrants.
<b>Taxes Payable to State</b>	Includes State taxes collected by the county, but not remitted to the State Comptroller, plus State taxes receivable.
<b>Due to Other Funds</b>	Includes borrowings by one fund from another fund. For reporting purposes, the amount in the "Total" column represents the total of the inter-fund amounts payable and should equal the total of the inter-fund amounts receivable shown as an asset under "Amounts Due from Other Funds."
<b>Long-term Debt</b>	Includes outstanding debt that matures later than 12 months from date of issue and which has not matured.
<b>Other Liabilities</b>	Includes all other liabilities not specifically provided for in any of the foregoing liability accounts. Any such liabilities should be itemized on the statement, or a schedule should be provided with an appropriate description of each type liability.
<b>Contributed Capital</b>	Includes nonrecurring or nonroutine transfers to proprietary funds by other funds of the government, amounts provided to proprietary funds from other governments which are restricted for capital outlays, and amounts provided from private sources at the initiative of the provider unless specifically restricted to operating purposes.
<b>Fund Balance/ Retained Earnings</b>	Includes total fund balance and retained earnings reported in Part XVIII.



## **Reconciliation of Financial Data**

### **Part XX**

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This schedule provides for a reconciliation by fund of total assets, total liabilities, fund balance/retained earnings, total revenues, and total expenditures as reported in the *Uniform Financial Report* and the separate audit reports filed with the State. This statement must be filed. An amount must appear on each line for each fund and account group maintained by the local government even if there are no reconciling items. If the audited financial statements are filed subsequent to the *Uniform Financial Report*, this schedule should be submitted with the audited financial statements.



## **Statistical Data Part XXI**

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The information is being collected on behalf of the U. S. Census Bureau and the Maryland Municipal League (MML). Any questions regarding its completion may be directed to Jim Peck (MML) at 410-268-5514.

You may provide the information on water and sewer rates on the statistical data form or you may attach your printed information on water and sewer rates to the statistical data form, whichever is more convenient.



**Local Highway Finance**  
**Maryland Department of Transportation**  
**Part XXII**

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The information requested in this section is being collected by the Department of Legislative Services on behalf of the Maryland Department of Transportation. Detailed instructions for this form follow this page. Any questions regarding its completion should be directed to Ms. Patricia Rae, Maryland Department of Transportation, Office of Finance and Program Management, at 410-545-5736.



# Instructions for the Local Highway Finance Report

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The Local Highway Finance Report, form FHWA-536, is a report summarizing highway funding by local governments. Local governments include counties, townships, municipalities, special districts, and other general purpose authorities that are under the jurisdiction of local governments. Form FHWA-536 provides for the reporting of four basic areas of local highway finance: (1) disposition of highway-user revenues; (2) revenues used for roads and streets, identified by source and type of funds; (3) road and street expenditures identified by purpose or activity; and (4) local highway debt status.

Information reported on form FHWA-536 permits the FHWA to develop a series of national tables depicting the financing of highway activities at the local level. These and the more comprehensive State highway finance information permit FHWA to infer relationships and changes in revenue, expenditure, and investment patterns, and determine financial trends which are essential in policy and program development. The highway finance summaries in combination with the Highway Performance Monitoring System (HPMS) data permit FHWA to estimate highway needs and to develop the appropriate future federal responsibility in highway transportation. The information developed in the national tables is used by public and private sector policy staff, including all levels of government, business firms, research groups, trade associations, universities, and other interested groups and individuals.

*Coverage and content of the local finance reports* – Form FHWA-536 is designed to cover a one-year period.

Form FHWA-536 should report the disposition of all highway-user revenues available to local governments for expenditure, and all receipts and expenditures related to (1) the construction, maintenance, operation, and administration of roads, streets, alleys, and other public ways; (2) traffic police and road patrols; and (3) debt service and status of bonds and notes issued to finance highway activities.

Private sector donations for roads and streets under local government jurisdiction should be included on form FHWA-536. As the magnitude of private contributions on the public highway system continues to escalate and become a significant source of highway funding, the reporting of data on private participation in the public highway system is needed to understand and portray the total picture of local highway finance.

Local government may use either a cash or an accrual accounting method in reporting information to the State for compilation on form FHWA-536.

*Capital outlay on the National Highway System (NHS)* – Expenditures made on the NHS are of special interest to FHWA. For this reason, columns (a) and (b) on page 2 detail section for Item A.1., “Capital Outlay,” split expenditures made on and off the NHS and provides specific items for improvement type data.

*Transfers of funds between governments* – Fund transfers between local governments should not be reported on form FHWA-536. Fund transfers to or from the State and State agencies should be included on form FHWA-536.

All federal funds received by local governments should be identified and reported on form FHWA-536. This includes indirect payments, grants-in-aid, and funds transferred through the State. The preceding discussion on State revenue transfers being in agreement with those reported on form FHWA-536.

When the State retains the local portion of State tax revenues or federal funds, the amount retained by the State should be omitted from form FHWA-536.

## **Instructions for Form FHWA-536**

The following procedures should be followed in recording data for the items on page 1 and in providing the detail for the supporting schedule on page 2. (Note that the items on page 2 correspond to the items on page 1.)

### Section I. Disposition of Highway-user Revenues Available for Local Governments

Section I reports the disposition of all local, State, and federal highway-user revenues that are available for local government expenditure. Highway-user revenues includes all proceeds from taxes and fees levied on the owners and operators of motor vehicles for their use of public roads and streets.

*Item I.A. Local motor-fuel taxes* – Record in this item the disposition of all revenue received from the imposition of local motor-fuel taxes. These revenues are directly related to local government taxation on the highway use of motor fuels.

When the State mandates the imposition by local government of a uniform motor-fuel tax, the tax is considered a State motor-fuel tax and should not be included in this item. Any funds transferred to local governments from this tax are to be reported as a State transfer to local governments in item I.C.

*Item I.A.1. Total receipts available* – Enter the net revenues from local motor-fuel taxes. Amounts should be reported at net value, *i.e.*, total receipts less refunds.

*Item I.A.2. Minus amount used for collection expenses* – Enter the amount of local motor-fuel tax revenues that were deducted for the payment of collection expenses. If collection expenses were paid from another source, such as local general funds, no amount should be reported in this item.

*Item I.A.3. Minus amount used for nonhighway purposes* – Enter the amount of local motor-fuel tax revenues that were used for nonhighway and nontransit purposes. This includes amounts that were used for local general purposes, other modes of transportation, or specific nonhighway purposes, *i.e.*, aviation, marine, schools, etc.

*Item I.A.4. Minus amount used for mass transit* – Enter the amount of local motor-fuel tax revenues that were used for mass transit.

*Item I.A.5. Remainder used for highway purpose* – Enter the amount of local motor-fuel tax revenues that were used for highways. This should equal net receipts less the amounts used for collection expenses, nonhighway purposes, and mass transit.

*Item I.B. Local motor-vehicle taxes* – Record in this item the disposition of all revenues received from the imposition of local motor-vehicle taxes and fees. These revenues are directly related to local government taxation on the operation and ownership of motor vehicles for their use on public highways, roads, and streets. Local registration fees, plate fees, wheel taxes, etc. should all be included. Personal property taxes and sales taxes on motor vehicles should be reported under the instructions for item II.A.3.b.

Any revenue retained by local governments from State-imposed registration or driver license fees should not be included in this item. Such amounts are reported as State transfers to local governments in item I.C. and II.C.

*Item I.B.1. Total receipts available* – Enter the net revenues from local motor-vehicle taxes. Amounts should be reported at net value, *i.e.*, total receipts less refunds.

*Item I.B.2. Minus amount used for collection expenses* – Enter the amount of local motor-vehicle tax revenues that were deducted for the payment of collection expenses. If collection expenses were paid from another source, such as local general funds, no amount should be reported in this item.

*Item I.B.3. Minus amount used for nonhighway purposes* – Enter the amount of local motor-vehicle tax revenues that were used for nonhighway and nontransit purposes. This would include amounts used for local general purposes, other modes of transportation, or specific nonhighway purposes, *i.e.*, aviation, marine, schools, etc.

*Item I.B.4. Minus amount used for mass transit* – Enter the amount of local motor-vehicle tax revenues that were used for mass transit.

*Item I.B.5. Remainder used for highway purposes* – Enter the amount of local motor-vehicle tax revenues that were used for highways. This should equal net receipts less the amounts used for collection expenses, nonhighway purposes, and mass transit.

*Item I.C. Receipts from State highway-user taxes* – Record in this item State highway-user taxes and fees that were transferred to local governments for expenditures. These should include amounts received



from the proceeds of State-imposed motor-fuel taxes, motor-vehicle registration fees, driver licenses fees, and motor-carrier taxes. For State-imposed taxes collected by local government, the portion of revenues that are retained by or transferred back to local government should be included in this item. (See comments for items I.A. and I.B.)

*Item I.C.1. Total receipts available* – Enter all State highway-user revenues that were transferred to local governments.

*Item I.C.2. Minus amounts used for collection expenses* – Item is shaded. Nothing should be reported.

*Item I.C.3. Minus amount used for nonhighway purposes* – Enter the amount of State highway-user revenues that were used for nonhighway and nontransit purposes. This includes amounts used for local general purposes, other modes of transportation, or specific nonhighway purposes, *i.e.*, schools, conservation programs, courthouses, etc.

*Item I.C.4. Minus amount used for mass transit purposes* – Enter the amount of State highway-user revenues that were used for mass transit purposes.

*Item I.C.5. Remainder used for highway purposes* – Enter the amount of State highway-user revenues that were used for highways. This should equal total receipts less the amounts used for mass transit and nonhighway purposes.

*Item I.D. Receipts from Federal Highway Administration* – Record in this item all Federal Highway Administration (FHWA) funds that were received by local governments. Most of these revenues are attributable to the proceeds from federal motor-fuel and motor-vehicle taxes.

*Item I.D.1. Total receipts available* – Enter all FHWA funds that were received by local governments.

*Item I.D.2. Minus amount used for collection expenses* – Item is shaded. Nothing should be reported.

*Item I.D.3. Minus amount used for nonhighway purposes* – Item is shaded. Nothing should be reported. FHWA funds can only be used for highway and mass transit purposes.

*Item I.D.4. Minus amount used for mass transit purposes* – Enter the amount of FHWA funds that were used for mass transit purposes.

*Item I.D.5. Remainder used for highway purposes* – Enter the amount of FHWA funds that were used for highway purposes.

## **Section II. Receipts for Road and Street Purposes**

Section II records the revenues from all sources that were dedicated or applied to local road and street purposes. The four fund sources identified are local government, private, State government, and federal government. Within each category, an attempt is made to identify the type and amount of revenues used in financing highway activities.

*Item II.A. Receipts from local government sources* – Record in this item all receipts generated from local government sources. Revenue generated from State taxes should not be reported here. Although some State taxes are collected by local governments for the State government, they should be reported under State sources in item II.C. For example, when State motor-vehicle registration fees are collected by county or other local officials and a share of this revenue is credited to local road funds without first being forwarded to the State government, those revenues are to be reported as a State transfer to local governments and not as a local revenue item.

*Item II.A.1. Local highway-user taxes* – Record in this item all revenues from local taxes and fees on highway users that were used for highway, road, or street purposes. Any revenues from State highway-user taxes are reported in item II.C. even if collected by local governments.

*Item II.A.1.a. Motor-fuel* – Enter the amount reported on item I.A.5. This should represent the portion of net revenues received from the imposition of local motor-fuel taxes, that were used for road and street purposes.

*Item II.A.1.b. Motor vehicle* – Enter the amount reported on item I.B.5. This amount represents the portion of revenues received from local motor-vehicle taxes, that were used for road and street purposes.

*Item II.A.1.c. Total* – Enter the sum of items II.A.1.a. and II.A.1.b.

*Item II.A.2. General fund appropriations* – Enter all appropriations from local general funds that are used for roads and streets. Any excess general funds should not be included in this item as those funds are returned to the local general fund before any disbursement for highway purposes. Only the net amount from local general fund sources should be reported.

*Item II.A.3. Other local imposts* – Record in this item the amount of other local taxes and fees that were specifically dedicated and used for roads and streets.

The total reported on page should match the sum of the detail items reported on page 2.

*Item II.A.3.a. Property taxes and assessments* – Enter revenues generated from real property taxes and special assessments specifically levied for construction and maintenance of roads and streets or for highway debt service, including road district levies.

*Item II.A.3.b. Other local imposts* – Enter revenues from other local government taxes and fees, including personal property taxes levied on motor vehicles, impact fees, sales taxes, and any other local taxes and fees that were used for highway purposes. The tax or fee should be identified in the detail for this item.

*Item II.A.3.b(2) through II.A.3.b.(6)* – Enter revenues from other local government taxes and fees that were specifically allocated and used for highway purposes. Specify the type of tax and amount in these detail items.

*Item II.A.3.c. Total* – Enter the sum of items II.A.3.a. and II.A.3.b.

*Item II.A.4. Miscellaneous local receipts* – Record all local income not otherwise identified as specifically dedicated for roads and streets, such as traffic fines and penalties, investment income, net profit or loss from investment transactions, surplus funds applied to local highway activities (surplus parking or garage fees transferred to local agencies for road and street purposes), and other miscellaneous local receipts. The total reported on page 1 should match the sum of the detail items reported on page 2.

*Item II.A.4.a. Interest on investments* – Enter interest and investment income related to cash and investment balances in highway, roads, and street accounts and funds.

*Item II.A.4.b. through II.A.4.f.* – Enter amounts from major sources of miscellaneous revenues that were used for highway purposes. Specify the source, type, and amount of revenue in these detail items. If additional items are needed, a supplementary schedule can be used.

*Item II.A.5. Transfer from toll facilities* – Enter fund transfers from toll facilities to local governments. The toll facility and amount of transferred funds should be identified in a note.

*Item II.A.6. Proceeds of sale of bonds and notes* – Record in this item the net proceeds of debt issued by local governments for highway purposes. Bonds are obligations issued for a term of two or more years, unless they are a part of a serial bond issue where maturities begin in the first year after issue. Notes are issued for a term of less than two years.

The net proceeds are the actual cash amounts received by local governments. Net proceeds represent the remaining value after par value is adjusted for premiums, discounts, and accrued interest.

When debt issues are sold and used for both highway and nonhighway purposes, only the highway portion should be reported. However, if the highway share of an issue is not easily estimated, the issue should be excluded.

*Item II.A.6.a. Bonds – Original Issues* – Enter the net proceeds received by local governments for the sale of bonds for road and street projects.

*Item II.A.6.b. Bonds – Refunding Issues* – Enter the net proceeds received by local government from the sale of bonds issued to retire existing road and street bonds.

*Item II.A.6.c. Notes* – Enter the net proceeds received by local government from the issue of notes for road and street purposes.

*Item II.A.6.d. Total* – Enter the sum of items II.A.6.a. through II.A.6.c.

*Item II.A.7. Total* – Record in this item the total revenue from local sources for road and street programs. Enter the sum of items II.A.1. through II.A.6.

## Recommended Sources of Information on Governmental Accounting

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- *Codification of Governmental Accounting and Financial Reporting Standards* (GASB codification) – published by the Governmental Accounting Standards Board. Call (800) 748-0659 to order or order on-line at [www.gasb.org](http://www.gasb.org).

- The following publications are available from the American Institute of Certified Public Accountants (AICPA). Call (888) 777-7077 to order or order on-line at [www.aicpa.org](http://www.aicpa.org):

*Codification of Statements on Auditing Standards* (SAS codification)  
*Audits of State and Local Governmental Units* (GASB 34 Edition) – Audit and Accounting Guide

- The following publications are available from the Government Finance Officers Association (GFOA). Call (312) 977-9700 to order or order on-line at [www.gfoa.org](http://www.gfoa.org):

*Governmental Accounting, Auditing, and Financial Reporting* (GAAFR or Blue Book)  
*Accounting Issues and Practices: A Guide for Smaller Governments*  
*An Elected Official's Guide to the New Governmental Financial Reporting Model*  
*An Elected Official's Guide to Government Finance*  
*An Elected Official's Guide to Fund Balance and Net Assets*  
“GAAFR Review” – a periodical that addresses accounting and auditing issues  
*Evaluating Internal Controls – A Local Government Manager's Guide*

- Technical information services

GASB – (203) 847-0700 ext. 14  
AICPA – (888) 777-7077  
GFOA – (312) 977-9700

*Item II.B. Private contributions* – Enter all amounts received by local governments from the private sector as cash or services for road and street programs. Private participation in the public road system should be reported in this item. Donations, such as cash or the transfer of real property, the construction of facilities, and the performance of support services (surveys or preliminary and construction engineering) are the way the private sector participates in financing public highway projects.

When private donations are reported in item II.B., the amounts contributed as cash, land donations, construction or other improvement of facilities, and the performance of services should also be included in item III.A.

*Item II.C. Receipts from State government* – Record in this item all State funds received by local governments for local road and street programs. State transfers take the form of grants-in-aid, loans, legal allocations or shares of State-imposed taxes, or payments to local governments under cooperative agreements.

Funds received by local governments under a State contract for work performed for the State should not be reported on form FHWA-536.

*Item II.C.1. Highway-user taxes* – Enter the amount reported on item I.C.5. This amount should represent all transfers of State highway-user taxes and fees, including motor-fuel taxes, motor-vehicle registration fees, motor-carrier taxes, and similar taxes and fees, that were used for roads and streets.

*Item II.C.2. State general funds* – Enter the allocation and transfer of State general funds to local governments for highway purposes.

*Item II.C.3. Other State funds* – Enter and identify all other State funds transferred to local governments for highway purposes. These include funds such as bond sales, sales taxes, excise taxes, severance taxes, and mineral lease taxes.

*Item II.C.3.a. State bond proceeds* – Enter amounts received from the proceeds of bonds sold by the State.

*Items II.C.3.b. through II.C.3.f.* – Enter the amounts and identify the sources of other State funds transferred to local governments.

*Item II.C.4. Total* – Enter the sum of items II.C.1. through II.C.3.

*Item II.D. Receipts from federal government* – Record in this item the total funds received by local governments from all federal agencies for highway activities. This includes funds from FHWA and funds from other federal agencies paid either directly to local government or indirectly through the State government.

*Item II.D.1. Federal Highway Administration* – Enter the amount recorded in item I.D.5. This amount should represent all FHWA funds passed through the State and used by local government for highways.

*Item II.D.2. Other federal agencies* – Enter all funds received from other federal agencies either directly or indirectly through the State.

*Item II.D.2.a. Forest Service* – Enter the amount of funds received by local governments from the U.S. Forest Service that were used for roads and streets.

*Item II.D.2.b. FEMA* – Enter the amount of funds received by local governments from Federal Emergency Management Agency that were used for roads and streets.

*Item II.D.2.c. HUD* – Enter the amount of funds received by local governments from the U.S. Department of Housing and Urban Development that were used for roads and streets.

*Item II.D.2.d. through II.D.2.f.* – Enter and identify by agency the amounts received from all other federal agencies that transferred funds to local governments for highway purposes.

*Item II.D.3. Total* – Enter the sum of items II.D.1. through II.D.2.

*Item II.E. Total receipts* – Record in this item the total revenue from local, private, State, and federal sources for road and street programs of local government. Enter the sum of items II.A. through II.D.

**Section III. Disbursements for Road and Street Purposes**

This section reports the disbursements of funds for highway purposes by local governments. Local highway expenditures are segregated into four classes:

(1) local highway disbursements, (2) debt service on local obligations, (3) payments to State governments, and (4) payments to toll facilities.

Form FHWA-536 is intended to capture all local government expenditures on highways, roads, and streets, including any work that local governments perform on State roads.

When projects are jointly controlled and funded by local and State governments, or co-supported, local government expenditures should be reported on form FHWA-536. When the State retains full control over a project, but contracts with a local government for some services or for some of the work, those expenditures should not be on form FHWA-536.

The local share of matching funds for federal-aid projects under State contract should be shown as a transfer to the State in item III.C.1. and not as a direct expenditure in item III.A.

*Item III.A. Local highway disbursements* – Record and identify in this item all expenditures for highway activities by local governments.

*Item III.A.1. Capital outlay* – Record in this item capital outlay for highways, roads, and streets by local governments.

The cost of construction materials and supplies and, if possible, construction machinery and equipment costs should be included in the construction expenditures reported. Administrative costs directly assignable to specific capital outlay projects should be included here, but all other administrative costs should be reported in item III.A.4.

Capital outlay for toll facilities should be included under this item. See instructions for item III.D. Mass transit capital outlay should be excluded from item III.A.1.

Capital outlay by local governments as a part of State-local co-supported projects should be reported in this item.

The total reported in page 1 for this item should match the detail reported on page 2.

*Item III.A.1.a. Right-of-way* – Enter the following expenditures: right-of-way administration; purchase of land, improvements and easements; and the cost of moving and relocating buildings, businesses, and persons.

The amount expended on the National Highway System should be reported in column (a) while the amount spent off the National Highway System should be reported in column (b).

*Item III.A.1.b. Engineering* – Enter the following expenditures: field engineering and inspections; surveys, material testing, and borings; preparation of plans, specifications and estimates (PS & E); and traffic and related studies. The amount expended on the National Highway System should be reported in column (a) while the amount spent off the National Highway System should be reported in column (b).

*Item III.A.1.c. Construction* – Enter all expenditures for construction of roads and bridges.

*Item III.A.1.c.(1). Capacity improvements* – Enter amounts for improvements that add capacity either by adding lane-miles to existing facilities, or by the construction of new roads and bridges. Include improvements such as new construction, relocation, reconstruction (that adds capacity), major widening, and new bridges.

Note that this detail is requested only for amounts spent on the National Highway System. Columns (b) and (c) are shaded for this reason.

*Item III.A.1.c.(2). System preservation* – Enter amounts for improvements that preserve the existing system, without significantly adding capacity. Include improvements such as reconstruction (that does not add capacity), minor widening, restoration and rehabilitation, resurfacing, bridge replacement, major bridge rehabilitation, and minor bridge rehabilitation.

Note that this detail is requested only for amounts spent on the National Highway System. Columns (b) and (c) are shaded for this reason.

*Item III.A.1.c.(3). Safety and other* – Enter amounts for improvements that are not directly related to the physical structure or condition of roads and bridges. Include improvements such as safety, traffic management, traffic engineering, railroad grade

crossings, vehicle weight enforcement facilities, enhancements, and environmental projects.

Note that this detail is requested only for amounts spent on the National Highway System. Columns (b) and (c) are shaded for this reason.

*Item III.A.1.c.(43). Total construction* – Enter all expenditures for construction of roads and bridges. Column (a) should represent total construction on the National Highway System, and should be the sum of the amounts reported in items III.A.1.c(1) through III.A.1.c.(3). Total construction on roads off of the National Highway System should be reported in column (b).

*Item III.A.1.d. Total* – Enter the sum of items II.A.1.a. through II.A.1.c.

*Item III.A.2. Maintenance* – Enter all expenditures that are classified as maintenance for highways, streets, roads, and bridges. The purpose of maintenance is to offset the effects of deterioration from age, weather, use, damage, failure, and design and construction faults. When recording costs incurred by maintenance forces, any expenditures for betterments or improvements should be treated as capital outlay.

The term maintenance as used on form FHWA-536 is defined as the function of preserving and keeping the entire highway, including surface, shoulders, roadside, structures, and traffic control devices as close as possible to the original condition as designed and constructed. The maintenance function preserves and maintains a road or structure's serviceability.

The costs of materials, supplies, and equipment for maintenance activities should be included in the maintenance expenditures reported. When equipment costs cannot be assigned to capital outlay or maintenance, those costs should be prorated between the functions. As with construction expenditures, the maintenance expenditures reported should include all administrative and engineering costs directly assignable to maintenance projects.

Maintenance expenditures for toll facilities should not be included on form FHWA-536.

*Item III.A.3. Road and street services* – Record in this item the operational expenditures by local governments for roads, streets, and bridges.

*Item III.A.3.a. Traffic control operations* – Enter all expenditures for operation of traffic control and surveillance systems that are designed to monitor and control traffic by managing vehicle flow on streets and highways. Such systems include traffic signal control; roadway, tunnel and bridge surveillance and control; electronic message boards, etc.

*Item III.3.b. Snow and ice removal* – Enter the following types of expenditure removal of snow from roadway or roadside; sanding and chemical deicing applications; and the erection and removal of snow fences.

*Item III.A.3.c. Other* – Enter expenditures for other road and street services including highway air quality monitoring, highway beautification, mowing, and litter removal.

*Item III.A.3.d. Total* – Enter the sum of items III.A.3.a., III.A.3.b., and III.A.3.c.

*Item III.A.4. General administration and miscellaneous* – Enter general and miscellaneous expenditures that are not readily classified as capital outlay, maintenance, or operations. Highway planning, traffic studies, and research activities are included in this item.

Expenses associated with the administration of mass transit programs that are supported by local governments are not included in this item.

The collection and administrative costs associated with local motor-fuel and motor-vehicle revenue collections should *not* be included in this item. These costs should appear in items I.A.2. and I.B.2.

*Item III.A.5. Highway law enforcement and safety* – Enter all highway and traffic police costs of local governments that are associated with traffic supervision and the enforcement of highway, traffic, and safety laws. When these costs are commingled with general police activities and lose their identity, estimates should be made.

*Item III.B. Debt service on local obligations* – Record in this item the interest and redemption payments for local highway, road, and street bonds in item II.B.1. and notes in item III.B.2. that were issued by local governments for highway purposes. Debt service also includes all expenditures incidental to the sale retirement of highway debt. Identify only debt service on bonds and notes reported in item II.A.6. and in section IV.

*Item III.B.1. Bonds* – Record in this item debt service on bonds. Bonds are obligations originally issued for a term of two years or more.

*Item III.B.1.a. Interest* – Enter bond interest costs and related financing costs such as agent fees, fiduciary charges, printing costs, and legal opinions.

*Item III.B.1.b. Redemption* – Enter bond redemption payments at net value, *i.e.*, the value after adjustments for discounts and premiums.

*Item III.B.1.c. Total* – Enter the sum of items III.B.1.a. and III.B.1.b.

*Item III.B.2. Notes* – Record in this item debt service on notes. Notes are obligations originally issued for a term of less than two years.

*Item III.B.2.a. Interest* – Enter note interest costs and related financing costs such as agent fees, fiduciary charges, printing costs, and legal opinions.

*Item III.B.2.b. Redemption* – Enter note redemption payments at net value, *i.e.*, the value after adjustments for discounts and premiums.

*Item III.B.2.c. Total* – Enter the sum of items III.B.2.a. and III.B.2.b.

*Item III.B.3. Total* – Enter the sum of items III.B.1. and III.B.2.

*Item III.C. Payments to State for highways* – Enter the amount of any funds transferred to the State for

highway, road, and street purposes. These payments can be reimbursements, repayments, or contributions.

*Item III.D. Payments to toll facilities* – Enter the amount of any funds transferred to either a State or local toll facility. The toll facility and amount transferred should be identified in a note.

*Item III.E. Total Distributions* – Record in this item the total disbursements by local governments for road and street programs. Enter the sum of items III.A. through III.D.

#### Section IV. Local Highways Debt Status

This section records the status and change in local government highway debt. All amounts are recorded at par value, *i.e.*, the face amount or value.

*Item IV.A. Bonds (Total)* – Enter the following information for all road and street bonds: bonds outstanding at the beginning of the year, bonds issued during the year, and bonds outstanding at the end of the year.

*Item IV.A.1. Bonds (Refunding Portion)* – Enter the portion of bond issues reported in item IV.A. that were involved in refunding. Enter the portion of bonds retired in item IV.A. that were refunded. All entries are at par value.

The par amount of refunding bonds issued may differ from the par value amount of bonds refunded. For example, the net proceeds of a heavily discounted refunding issue would only be sufficient to refund a lesser par value amount of outstanding bonds. For another example, an outstanding bond that carried a large cell premium would need a larger par value refunding bond to provide enough funds for the higher net redemption amount.

*Item IV.B. Notes (Total)* – Enter the following information for all road and street notes: notes outstanding at the beginning of the year, notes outstanding at the end of the year.