

UNIFORM COST ACCOUNTING SYSTEM MANUAL AND OFFICE MANAGER'S GUIDE



FOR WISCONSIN COUNTIES

Updated October 2024

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Uniform Cost Accounting System

PREFACE

Wisconsin county highway departments have been provided with a uniform cost accounting system since 1946, under Wisconsin State Statute 83.015(3). The legislation passed in 1943 required the utilization of a uniform accounting system. The system was originally devised by the Department of Revenue and is subject to revisions. Changes that are considered material or major changes to highway operations need to be agreed upon between the Department of Transportation and by the majority of the county highway departments. Other clarifications/revisions will be made and will not need approval by both parties.

Prior to the drafting of this manual, the original system served the needs of the counties and the state for 70 plus years, with revisions occurring in 1951, 1954, 1965, 1985, 1986, 1988, 1991, 1993, 2011, 2019, 2022, and 2024. The concepts contained in this manual do not incorporate or create any changes from the past manuals; rather the objective was to create a uniform editable document for reproduction and distribution to new Office Managers, Highway Commissioners, and other highway officials. The guide is established to work as a tool to assist with understanding the requirements and timelines for various documents, records, and reports.

The uniform cost accounting system explained within the manual is intended to provide meaningful managerial information to county highway officials, provide comparable information using current accounting practices for all Wisconsin counties, aid in reconciliation of departmental accounting with county-wide systems, and consistently provide for accumulating costs by project necessary to recover the costs of the highway department. This system recognizes the need for financial management systems which link the operations of various departments in county government. As a result, this system is closely linked to and includes the Uniform Chart of Accounts for Wisconsin Counties, originally published by the Wisconsin Department of Revenue, Bureau of Local Government Services (July 1985).

It incorporates changes which have been made by action of the Department of Transportation and WCHA committee structure over the years since the last revision dated 2022. The changes in methods and policy have been included in this document, without retaining the previous versions which were replaced. This manual in and of itself, does not create or replace any prior information or processes related to County Highway Cost Accounting, but rather compiles all the information into one reference manual.

The document is primarily a state drafted and composed document providing direction for proper accounting for invoicing and reimbursement from the State.

Dated: 10/16/2024

INTRODUCTION

The standards identified as GAAP are intended to provide government with authoritative reporting guidelines for the same reasons business has developed such guidelines: "so that financial markets (lenders) and other outside users can compare financial reports of various governmental units based on comparable data." Because governments have different organizational objectives than do business enterprises, and they operate in different economic, legal, political, and social environments, GAAP for government is different than GAAP for business.

Governmental GAAP financial reporting is intended:

1. to provide investors and creditors with information useful in making investment and credit decisions;
2. to provide information useful in making organizational spending and service delivery decisions; and
3. to compensate for:
 - a. the presence of significant economic and political environmental incentives to governmental management inefficiency, and
 - b. governments' relative insulation from the controlling disciplinary forces of the competitive marketplace.

Uniform financial reporting is needed by governing boards and oversight bodies to help them satisfy their legal and political responsibilities. These uniform reports will help determine and demonstrate compliance with the various finance-related legal and contractual provisions. Furthermore, these reports will be used to assure acceptable governmental organizational performance and effective management stewardship.

In developing this highway accounting system, the overriding concern was that the highway system follows GAAP and provides necessary information for external reporting and billing. The system provides for expansion, to allow gathering additional data within the framework of the highway system. Separate cost accounting sub ledgers, fed by the same source data as the general ledger should be considered part of the highway accounting system.

This highway accounting system has been designed in accordance with generally accepted accounting principles (GAAP) so that it will mesh with a balanced fund county general ledger. This correlation will promote a unified approach to budgetary and accounting control and reduce the confusion caused by inconsistencies in county general ledger accounting and the previous highway system. Preparation of reports is also simplified by this unified approach.

THE BASIS OF ACCOUNTING

County highway departments are to utilize accrual basis accounting. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

Accrual Basis:

Recognizes transactions when they occur, regardless of the timing of related cash flows. This enhances comparability of financial statement representations from period to period and from county to county, as the actual receipt or disbursement data cannot distort the financial statements.

The measurement focus determines what is measured (expenditures or expenses). The focus may be on "financial flow" information (the spending measurement focus/expenditures) or "capital maintenance" information (the cost of services measurement focus/expenses). Expenditures are determined by decreases in net financial resources, whereas expenses relate to the decreases in net total assets. An example of the expense versus expenditure concept is that if a piece of equipment is depreciated, the depreciation is an expense; however, the outlay for the purchase of the equipment is an expenditure. To further illustrate measurement focus and basis of accounting concepts, we will use the following example:

Example Scenario- Accrual Basis:

Purchase a truck on March 4; take delivery and write a check in payment for the truck on March 11.

Option A

On March 4,

Debit Capital Outlay account
 Credit Accounts Payable

On March 11,

Debit Accounts Payable
 Credit Cash

Option B

On March 4,

Debit Fixed Asset account
 Credit Accounts Payable

On March 11,

Debit Accounts Payable
 Credit Cash

(The Accrual Basis is the recommended method and used.)

County highway departments have a need to determine the cost of services provided. This is due to the significant amount of work done for others: work for local units of government; work for the state (state trunk highways); work for other county departments; and in some instances, work for private parties.

In addition, reliable cost of services information is important for internal budgeting and decision-making (e.g., whether to use contractors for various projects).

FUND STRUCTURE

In accordance with generally accepted accounting principles (GAAP), governmental resources are allocated to and accounted for in separate sub entities. These sub-entities, called funds, are based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Three categories of funds are employed in governmental accounting:

1. Governmental
2. Fiduciary
3. Proprietary

Governmental funds are often called "expendable funds" and include the following types: the general fund, special revenue funds, capital projects funds, debt service funds, and special assessment funds. The governmental fund measurement focus is a spending measurement focus. This focus is on determination of financial position and changes in financial position, rather than upon net income determination. As a result, only current assets and liabilities are generally included on governmental fund balance sheets since the fund balance is a measure of available spendable resources.

Fiduciary funds are used to account for assets held by a governmental unit in a trustee capacity, or as an agent for others. These include expendable trust funds, nonexpendable trust funds, pension trust funds, and agency funds.

Proprietary funds are used to account for a government's ongoing organizations and activities, the costs of which are intended to be financed or recovered primarily through user charges, reimbursements, or 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. The generally accepted accounting principles for these fund types are those applicable to similar businesses in the private sector, as is the measurement focus of income determination, financial position, and changes in financial position. Proprietary fund types lend themselves to providing cost of services and "capital maintenance" information. Enterprise funds and internal service funds are the types of proprietary funds.

Wisconsin county highway departments provide substantial amounts of services to the state and other municipalities. Work performed on state trunk highways by county highway departments is billed to the state on a cost-reimbursement basis. In addition, work done for other governmental units, private parties, and other county departments (or funds) require that costs of services be determined to establish adequate billing rates. This emphasis on cost of services indicates that the highway department is a "commercial-type" fund, with activities similar to those often found in the private sector and should be accounted for as a proprietary fund.

Within the category of proprietary funds, a distinction is drawn between enterprise funds and internal service funds.

Enterprise funds are generally those financed through user charges to the general public. The more appropriate fund type for county highway departments is an internal service fund, which accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the county, or other governmental units, on a cost-reimbursement basis.

Use of an internal service fund to record highway department operations effectively charges all costs of the function to the internal service fund. The internal service fund then charges for all services performed to other county funds and account groups or outside parties (governmental or private). County appropriations for transportation activities should not be recorded in the internal service fund, but rather as revenue in the fund financing the charges of the internal service fund. Under this framework, the only costs of the highway department directly charged to other funds would be major construction contracts, land acquisition, and similar non-operating items directly charged to capital project funds or the general fund.

Highway department operations are most appropriately accounted for as an internal service fund, providing services to other county funds and outside customers, including the state, local units of government, and others. Use of this fund structure properly accounts for costs of operations and will result in consistent application of accounting principles on a statewide basis.

AN INTERNAL SERVICE FUND

The highway department, as an internal service fund, receives its revenue through charging users of the services the fund provides. Therefore, essentially all revenues recorded in the highway fund are charges for services. Items such as property taxes, federal revenue sharing, and transportation aids from the state should not be recorded as highway department internal service fund revenues. Rather such funds are used to pay for services the internal service fund provides to the county through the general fund or special revenue fund.

Example: The county decides to apply federal revenue sharing funds to finance a portion of winter maintenance. If we assume the federal revenue sharing funds are a special revenue fund for this, county winter maintenance performed by the highway internal service fund would be billed to the special revenue fund up to the amount of funds appropriated.

THE FUNDAMENTAL ACCOUNTING EQUATION

A separate account is required for each asset, liability, fund balance, revenue, and expense/expenditure for which a separate record is desired. In bookkeeping, the left side of any account is called the debit (DR) side and the right side is called the credit (CR) side. Debits and credits should not be confused with increases or decreases, except as they relate to specific accounts. Debits and credits are the fundamental elements in a double-entry bookkeeping system. Double-entry systems are such that every transaction affects and is recorded in two or more accounts with equal debits and credits. As a result, the sum of the debits in the ledger must equal the sum of the credits.

The county highway department accounting system is based on generally accepted accounting principles as applied to an internal service fund. As such, the county highway department is based on generally accepted accounting principles as applied to a subsidiary ledger to the county general ledger.

(Refer to [WI State Statute Chapter 59.23 \(2\)\(H\)](#)).

COUNTY CHART OF ACCOUNTS

The Chart of Accounts is a listing by account number of established account titles. Explanations are provided in the next section of this manual. The list of account titles presented is not exhaustive. The county highway department in cooperation with the County Clerk (Finance Director) should supplement these classifications in light of local circumstances.

The chart of accounts is based on the
UNIFORM CHART OF ACCOUNTS FOR WISCONSIN COUNTIES
Wisconsin Department of Revenue
[Uniform Chart of Accounts for Wisconsin Municipalities \(WisDOR, 1985\)](#)

ASSETS

Assets are resources owned or held by the county highway department which have monetary value. Assets include accounts such as cash, receivables from other governments and other county funds, inventories, prepayments, fixed assets and debt retirement resources. Valuation accounts related to receivables and fixed assets are included with these asset accounts. Transactions should distinguish between current and long-term assets.

ASSET ACCOUNTS

11000 CASH

- 11100 Treasurer's Working Cash
- 11200 Cash Held by Other Departments
- 11500 Restricted Cash and Investments
- 11800 Petty Cash

12000 TAXES RECEIVABLE

13000 ACCOUNTS RECEIVABLE

- 13100 Receivables for Goods and Services
- 13600 Unbilled Accounts Receivable
 - 13630 Unbilled Transportation Cost Pool Revenues
 - 13631 Unbilled Fringe Benefit Revenue
 - 13632 Unbilled Small Tool Revenue
 - 13633 Unbilled Salt Brine Revenue
- 13800 Other Receivables
- 13900 Allowances for Uncollectible Receivables (Credit)

14000 DUE FROM OTHER GOVERNMENTS

- 14100 Due from U.S. Government
- 14200 Due from State of Wisconsin
- 14400 Due from Cities, Villages and Towns
- 14500 Due from Special Purpose Districts
- 14600 Due from School Districts

15000 DUE FROM OTHER FUNDS

- 15100 *Due from General Fund
- 15200 Due from Special Revenue Fund
- 15300 Due from Debt Service Fund
- 15400 Due from Capital Projects Fund
- 15600 Due from Enterprise Fund
- 15700 Due from Internal Service Fund
- 15800 Due from Trust and Agency Fund

*When fund designations are not available from the county, the general fund account may be used.

16000 INVENTORIES & PREPAYMENTS

- 16100 Inventories
 - 16110 Consumable Materials &Supplies
 - 16111 Construction &Maintenance Materials &Supplies
 - 16112 Shop Materials and Supplies
 - 16113 Gasoline and Diesel Fuel
 - 16114 Lubricating Oils and Greases
 - 16115 Pits and Quarries Materials and Supplies
 - 16116 Bituminous Materials and Supplies
 - 16120 Stores for Resale
 - 16150 Gravel Products
 - 16160 Bituminous Products
- 16200 Prepaid Expenses

ASSET ACCOUNTS (Continued)

17000 LONG-TERM RECEIVABLES

17100 Advances to Other Funds

- 17110 *Advance to General Fund
- 17120 Advance to Special Revenue Fund
- 17130 Advance to Debt Service Fund
- 17140 Advance to Capital Projects Fund
- 17160 Advance to Enterprise Fund
- 17170 Advance to Internal Service Fund
- 17180 Advance to Trust and Agency Fund

17200 Notes and Loans Receivable

17300 Advances to Other Governments

17500 Investment in Joint Ventures

18000 FIXED ASSETS

18200 Land

18300 Buildings

- 18390 Accumulated Provision for Depreciation - Buildings (Credit)

18400 Improvements Other Than Buildings

- 18490 Accumulated Provision for Depreciation - Improvement Other Than Buildings (Credit)

18500 Machinery and Equipment

- 18590 Accumulated Provision for Depreciation - Machinery and Equipment (Credit)

18600 Gravel Pits and Quarries

18700 Construction Work in Progress

18800 Other Fixed Assets

- 18890 Accumulated Provision for Depreciation - Other Fixed Assets (Credit)

*When fund designations are not available from the county, the general fund account may be used.

LIABILITIES

Liabilities are the debts or other obligations of the county highway department which have resulted from past transactions, and which must be paid or renewed in the future. Liability accounts include current payable accounts such as vouchers, annuities, contracts, and the amounts due other governments and other county funds. Long-term liabilities and other debts are also included under liabilities.

LIABILITY ACCOUNTS

21000 ACCOUNTS PAYABLE

- 21100 Accounts (Vouchers) Payable
- 21200 Temporary Notes Payable
- 21300 Matured Bonds, Notes and Interest Payable
- 21400 Bonds and Notes Payable (Current Portion)
- 21500 Payroll Deductions (Payable)
 - 21510 Employee Payroll Taxes Payable
 - 21511 Social Security Taxes Payable
 - 21512 U.S. Withholding Taxes Payable
 - 21513 State Withholding Taxes Payable
 - 21520 Retirement Deductions Payable
 - 21521 Due Wisconsin Retirement Fund
 - 21522 Due Other Retirement Funds
 - 21530 Insurance Deductions Payable
 - 21531 Health Insurance Deductions Payable
 - 21532 Life Insurance Deductions Payable
 - 21533 Catastrophic Insurance Deductions Payable
 - 21540 Charitable Contributions Payable
 - 21550 Union Dues Deductions Payable
 - 21560 Employee Savings Deductions Payable
 - 21561 Savings Bond Deductions Payable
 - 21562 Credit Union Deductions Payable
 - 21570 Tax Sheltered Annuity Deductions Payable
 - 21580 Garnishment Deductions Payable
 - 21590 Other Deductions Payable
- 21600 Accrued Interest Payable
- 21700 Accrued Wages Payable
- 21800 Unused Vested Employee Benefits
 - 21810 Unused Vacation Credits
 - 21820 Unused Sick Leave Credits
- 21900 Other Accounts Payable

22000 PAYABLE FROM RESTRICTED ASSETS

- 22100 Construction Contracts Payable
- 22200 Matured Bonds and Interest Payable
- 22300 Bonds Payable (Current Portion)
- 22400 Accrued Interest Payable

23000 SPECIAL DEPOSITS

- 23100 Treasurer
 - 23170 Performance Bond Deposits

LIABILITY ACCOUNTS (Continued)

- 24000 DUE TO OTHER GOVERNMENTS
 - 24200 Due to State of Wisconsin
 - 24210 Taxes
 - 24213 Sales Taxes
 - 24219 Other Taxes
 - 24220 Licenses and Permits
 - 24226 Wide load Moving Permits
 - 24229 Other licenses and Permits
 - 24400 Due to Cities, Villages and Towns
 - 24490 Other Accounts Due Cities, Villages & Towns
 - 24491 Road Aid to Cities, Villages and Towns
 - 24492 Bridge Aid to Cities, Villages and Towns
 - 24500 Due to Special Purpose Districts
 - 24600 Due to School Districts
- 25000 DUE TO OTHER FUNDS
 - 25100 *Due to General Fund
 - 25200 Due to Special Revenue Fund
 - 25300 Due to Debt Service Fund
 - 25400 Due to Capital Projects Fund
 - 25600 Due to Enterprise Fund
 - 25700 Due to Internal Service Fund
 - 25800 Due to Trust and Agency Fund
- 26000 DEFERRED REVENUES
 - 26400 Unearned Revenues
 - 26430 Unearned Revenues from Transportation Cost Pools
 - 26431 Unearned Fringe Benefit Revenue
 - 26432 Unearned Small Tool Revenue
 - 26433 Unearned Salt Brine Revenue
- 27000 ADVANCES FROM OTHER FUNDS
 - 27100 *Advance from General Fund
 - 27200 Advance from Special Revenue Fund
 - 27300 Advance from Debt Service Fund
 - 27400 Advance from Capital Projects Fund
 - 27600 Advance from Enterprise Fund
 - 27700 Advance from Internal Service Fund
 - 27800 Advance from Trust and Agency Fund
- 29000 LONG-TERM DEBT
 - 29100 General Obligation
 - 29110 Bonds Payable
 - 29120 Notes Payable (Noncurrent portion)
 - 29130 State Trust Fund Notes Payable (Noncurrent portion)
 - 29140 Installment Contracts Payable (Noncurrent portion)
 - 29150 Capital Leases Payable
 - 29200 Mortgage Revenue Bonds Payable (Noncurrent portion)
 - 29600 Liability for Employee Benefits
 - 29610 Unfunded Liability for Wisconsin Retirement Fund
 - 29620 Accrued Employee Benefits
 - 29800 Unamortized Bond. Premium (Credit) or Discount (Debit)

*May be used when not identified by fund type.

FUND EQUITY

Fund equity is the amount by which the assets of a fund exceed the liabilities of the fund. In government fund types, the fund equity is called "Fund Balance". The fund equity of proprietary fund types includes "Contributed Capital" and "Retained Earnings", the general fixed asset account group fund equity is designated as "Investment of General Fixed Assets". There is no fund equity in agency or the general long-term debt group of accounts. Fund equity is classified as follows:

FUND EQUITY ACCOUNTS

31000 CONTRIBUTED CAPITAL

31100 Contributions from County

31400 Contribution from State Government

31900 Contribution from Others

33000 RETAINED EARNINGS

33100 Retained Earnings-Reserved

33110 Replacement of Fixed Assets

33120 Debt Service

33190 Other Reserve

33900 Retained Earnings-Unreserved

REVENUES

Revenues and other financing sources are to be classified by fund and source. The classification presented includes revenues commonly found in a county highway department. This revenue listing is intended to provide a logically structured and reasonably complete revenue classification that will meet the managerial and reporting need of the county highway department.

REVENUE ACCOUNTS

41000 TAXES

41100 *Property

41110 General Property Taxes

41170 Motor Vehicle Taxes

41200 *Sales and Use

41220 Sales Tax -Retailer's Discount

43000 INTERGOVERNMENTAL REVENUES

43100 *Federal General Revenue Sharing

43200 *Federal Grants

43220 Transportation

43500 *State Grants

43530 Transportation

43531 Local Transportation Aid

43532 Flood Damage

43534 Airports

43535 Mass Transit

43536 Railroads

43537 Other Transportation

43700 *Grants from Local Governments

44000 LICENSES AND PERMITS

44200 Nonbusiness Licenses

44260 Wide-Load Moving Permits

45000 FINES, FORFEITS AND PENALTIES

45200 Awards and Damages

45210 Contract Forfeitures

45220 Judgments and Damages

46000 PUBLIC CHARGES FOR SERVICES

46300 Transportation

46310 Highway Maintenance and Construction 46330 Parking

46340 Airport

46350 Mass Transit

46360 Railroads

46370 Docks and Harbors

46380 Bicycle Trails

46390 Parks

*Are not intended to be used by the highway department (within the internal service fund) - see explanation of these accounts.

REVENUE ACCOUNTS (continued)

47000 INTERGOVERNMENTAL CHARGES FOR SERVICES

47100 Federal

47200 State

- 47210 General Government
- 47220 Public Safety
- 47230 Transportation
- 47240 Sanitation
- 47250 Health
- 47260 Human Services
- 47270 Culture, Recreation and Education
- 47280 Conservation and Development

47300 Other Local Governments

- 47310 General Government
- 47330 Transportation

47400 Local Governments

- 47410 General Government
- 47420 Public Safety
- 47430 Transportation
- 47440 Sanitation
- 47450 Health
- 47460 Human Services
- 47470 Culture, Recreation and Education
- 47480 Conservation and Development

48000 MISCELLANEOUS REVENUES

48100 Interest

48200 Rent

48300 Property Sales

- 48310 Gain or Loss on Disposition of Fixed Assets
- 48330 Sales of Materials and Supplies
- 48340 Sale of Salvage and Waste Products

48400 Insurance Recoveries

48500 Donations & Contributions from Private Organizations or Individuals

49000 OTHER FINANCING SOURCES

49200 Transfers from Other Funds

- 49210 Transfer from General Fund
- 49220 Transfer from Special Revenue Fund
- 49230 Transfer from Debt Service Fund
- 49240 Transfer from Capital Projects Fund
- 49260 Transfer from Enterprise Fund
- 49270 Transfer from Internal Service Fund
- 49280 Transfer from Trust and Agency Fund

EXPENSES

Expenses are to be classified by fund, organizational unit, program, project, and object. The classification presented includes expenses commonly found in a county highway department. This listing is intended to provide a logically structured and reasonably complete classification that will meet the managerial and reporting needs of the county highway department. The list of account titles presented is not exhaustive. The county highway department in cooperation with the County Clerk (Finance Director) should supplement these classifications in light of local circumstances. The county highway department's expenses are classified into five major categories:

1. Program (Appropriation)
2. Subprogram (Account)
3. Line Item
4. Project
5. Activity

Program (Appropriation)

A program is a device used to identify, define, and reflect the work requirements of goals of an organization. It is used to communicate the effect, cost and performance of these same goals or requirements. Every program, if properly identified, becomes the subject of the budget process. The budget financing authorization is established in terms of the program and appropriation language and expense (dollar) amounts.

Subprograms (Account)

The subprogram structure is a logical organization or arrangement of word picture statements that are representative of departmental activities. The subprogram structure attempts to inform those most generally in a position to pass judgment on the department's duties and their related costs of performance. The accounting control is established in terms of the Subprograms.

PROGRAM & APPROPRIATION SUBPROGRAM & ACCOUNT

53100 HIGHWAY AND STREET ADMINISTRATION AND GENERAL

- 53110 Highway Administration
- 53120 Engineering (Non project)
- 53180 Local County Aid Program
 - 53181 Local Road Aids
 - 53182 Local Bridge Aids
- 53190 Other Administration and General
 - 53191 Supervision
 - 53192 Radio Expenses
 - 53193 General Public Liability

EXPENSE ACCOUNTS (continued)

- 53200 TRANSPORTATION COST POOLS
 - 53210 Employee Taxes and Benefits
 - 53220 Field Small Tools
 - 53230 Shop Operations
 - 53232 Fuel Handling
 - 53240 Machinery Operations
 - 53250 Pit and Quarry Operations
 - 53260 Bituminous Operations
 - 53270 Buildings and Grounds Operations
 - 53280 Equipment and Materials Acquisition
 - 53281 Acquisition of Capital Assets
 - 53282 Material Handling and Production
 - 53290 Salt Brining
- 53300 HIGHWAY AND STREET MAINTENANCE AND CONSTRUCTION
 - 53310 County
 - 53320 State Trunk Highways
 - 53321 Maintenance
 - 53322 Road and Bridge Construction
 - 53323 Other
 - 53330 Other Local Governments
 - 53340 Local Departments
 - 53350 Federal Government
 - 53360 Non-Governmental Customers
- 53400 ROAD RELATED FACILITIES AND OTHER SERVICES
 - 53410 Limited Purpose Roads
 - 53420 Street and Highway Lighting
 - 53430 Sidewalks
 - 53440 Storm Sewers
 - 53450 Parking Facilities
 - 53470 Cost of Sales
 - 53490 Other Road Related Facilities and Other Services
- 53500 OTHER TRANSPORTATION
 - 53510 Airport
 - 53520 Mass Transit
 - 53530 Railroads
 - 53540 Docks and Harbors
 - 53550 Bicycle
 - 53590 Parks
- 53600 SANITATION
 - 53630 Solid Waste Disposal

Additional Accounts Contained on Department of Revenue Schedules

Appendices A & B

As noted in the Introduction to this manual, the Chart of Accounts will correspond with account codes and classifications appearing on the schedules contained in the state's Financial Report Form schedules that all counties must annually submit to the Department of Revenue. Due to the nature of these schedules, however, preparers will still have to merge or segregate some of their accounts (appearing in the Chart of Accounts) to arrive at the detail required in the schedules.

The accompanying Appendices A and B identify accounts contained on the Financial Report Form schedules which are not included in the Chart of Accounts. The accounts appearing on these schedules must periodically be revised due to changes in aid formulas for which the schedules provide data. For this reason, the additional accounts contained in the schedules are presented in appendices rather than integrated into the Chart of Accounts section of this manual.

A local government may want to consider adding accounts listed on Appendix A, whereas it most likely would not want to add those accounts appearing on Appendix B.

Appendix A

This appendix contains accounts a local government may add to the existing Chart of Accounts so it more closely provides the detail required by the schedules. In many cases, however, it would be easier to determine this detail at the time the Financial Report Form schedules are prepared than to establish additional accounts in the accounting system for use throughout the whole year.

41000 Taxes

- 41115 Handicapped School Tax
- 41221 County Sales Tax
- 41222 Retailer's Discount (retained)
- 41900 Other Taxes

43000 Intergovernmental Revenues

- 43211 Law Enforcement Aid (federal)
- 43221 Highway
- 43227 Other Transportation
- 43261 Culture and Recreation
- 43262 Education
- 43271 Public Housing
- 43521 Law Enforcement Improvement
- 43522 Water Patrol
- 43523 Other Law Enforcement
- 43528 Emergency Government
- 43529 Other Public Safety
- 43531 Local Transportation (aid)
- 43532 Flood Damage
- 43533 Other (highway)
- 43537 Other Transportation
- 43545 Recycling Grant Program
- 43549 Other Sanitation
- 43571 Culture and Recreation
- 43572 Education
- 43581 Public Housing
- 43710 Highways and Bridges
- 43790 Other Local Government Grants

Appendix A Continued

44000 Licenses and Permits

44900 Other Regulatory Permits and Fees

45000 Fines, Forfeits and Penalties

45221 Judgments and Damages Awards for Law Enforcement Equipment and Property

45222 Judgments and Damages Awards for Highway Equipment and Property

45223 Judgments and Damages Awards for Other Equipment and Property

46000 Public Charges for Services

46290 Other Public Safety

46399 Other Transportation

47000 Intergovernmental Charges for-Services

47121 Law Enforcement Services 47122 Fire Services

47131 Transportation (highways and streets) 47181 Public Housing

47190 Other Services to Federal Government 47221 Law Enforcement Services

47222 Fire Services

47281 Public Housing

47323 Fire Services

47324 Ambulance Services

47325 Emergency Communication (911) - Law Enforcement Share

47326 Emergency Communication (911) - Other Than Law Enforcement

47331 Transportation (highways and streets)

47339 Other Transportation Services

47343 Solid Waste Disposal

47349 Other Sanitation Services

47390 Other Services to Other Local Governments

47381 Public Housing

48000 Miscellaneous Revenues

48301 Sale of Law Enforcement Equipment and Property

48309 Sale of Other Equipment and Property

48420 Insurance Recoveries for Damage to Law Enforcement Equipment and Property

48430 Insurance Recoveries for Damage to Highway Equipment and Property

48440 Insurance Recoveries for Damage to Other Equipment and Property

48900 Other Miscellaneous Revenues

51000 General Government

51931 Law Enforcement Insurance (Financial Report Form D only)

51932 Highway Insurance (Financial Report Form D only)

51938 Other Insurance (Financial Report Form D only)

51980 Other General Government

52000 Public Safety

52601 Emergency Communication (911) - Law Enforcement Share

52609 Emergency Communication (911) - Other Than Law Enforcement

53000 Public Works

53311 Highway and Street Maintenance

53315 Highway and Street Construction

53420 Street (highway) Lighting

53635 Recycling Grant Program

53680 Other Sanitation

54000 Health and Human Services

54980 Other Health and Human Services

Appendix A Continued

57000 Capital Outlay

- 57261 Emergency Communication (911) - Law Enforcement Share
- 57269 Emergency Communication (911) - Other Than Law Enforcement
- 57341 Limited Purpose Roads Outlay
- 57342 Street (highway) Lighting Outlay
- 57346 Parking Facilities Outlay
- 57351 Airport Outlay
- 57352 Mass Transit Outlay
- 57354 Dock and Harbor Outlay
- 57391 Other Transportation Outlay
- 57435 Recycling Grant Program
- 57510 Health Outlay
- 57520 Human Service Outlay

58000 Debt Service

- 58211 Law Enforcement
- 58221 Highway and Street
- 58230 Interest and Fiscal Charges - Solid Waste Disposal
- 58290 Other Interest and Fiscal Charges

Appendix B

This appendix contains accounts a local government would probably not want to add to the existing Chart of Accounts for one of the following reasons:

The account listed on the Financial Report Form schedules captures data from one or more accounts on the current Chart of Accounts and should be reserved for use on these schedules only. In some instances, the existing Chart of Accounts contains more detailed classifications than those appearing on the schedules. When this occurs, a local government would have no need to add the account listed on the schedules and in Appendix B because it represents an 11 catch-all classification. In other instances, the Chart of Accounts has an already established classification that may be used to capture the data needed for the schedules without adding a new account.

OR

The account listed on the schedules captures data for proprietary fund types (and similar trust funds) only. The existing Chart of Accounts was established primarily for the detailed classifications of governmental fund types. Most local governments would not benefit from assigning proprietary-fund-type account codes listed in Appendix B to their accounting system for the sole purpose of completing the Financial Report Form schedules.

43000 Intergovernmental Revenues

- 43518 Internal Service-Non-Highway
- 43690 Other State Payments

44000 Licenses and Permits

- 44260 Wide Load Moving Permits

46000 Public Charges for Services

- 46190 Other General Government
- 46191 Data Processing
- 46192 Central Equipment/Stores
- 46193 Reproduction
- 46199 Other Internal Service-Non-Highway Public Charges
- 46319 Other Internal Service-Highway Public Charges
- 46521 Nursing Home
- 46522 General Hospital

Appendix B (Continued)

- 46000 Public Charges for Services (Continued)
 - 46590 Other Health services
 - 46750 Other Culture and Recreation
- 47000 Intergovernmental Charges for Services
 - 47191 Other Services to Federal Government by Enterprises
 - 47192 Revenues from Non-Highway Activities in Highway Fund
 - 47193 Internal Service-Non-Highway
 - 47290 Other Services to State Government
 - 47291 Other Services to State Government by Enterprises
 - 47292 Revenues from Non-Highway Activities in Highway Fund
 - 47293 Internal Service-Non-Highway
 - 47391 Other Services to Other Local Governments by Enterprises
 - 47392 Revenues from Non-Highway Activities in Highway Fund
 - 47393 Internal Service-Non-Highway
 - 47491 Other Services to Local Departments by Enterprises
 - 47492 Revenues from Non-Highway Activities in Highway Fund
 - 47493 Internal Service-Non-Highway
- 48000 Miscellaneous Revenue
 - 48110 Interest Income
 - 48612 Other Operating Revenues-Internal Service-Highway
 - 48613 Other Miscellaneous Internal Service-Highway
 - 48614 Revenues from Non-Highway Activities in Highway Fund
 - 48691 Enterprise
 - 48692 Internal Service-Operating Revenue
 - 48693 Internal Service-Non-Operating Revenue
 - 48910 Fiduciary/Pension Trust
- 51000 General Government
 - 51490 Internal Service
- 52000 Public Safety
 - 52900 Other Public Safety
- 53000 Public Works
 - 53110 Highway Administration
 - 53199 Other Highway and Street Administration and General
 - 53350 Federal Government
 - 53360 Non-Governmental Customers
 - 53470 Cost of Sales
 - 53490 Other Road Related Facilities
 - 53580 Other Transportation Facilities
- 55000 Culture, Recreation and Education
 - 55190 Other Culture
- 56000 Conservation and Development
 - 56900 Other Conservation and Development
 - 56910 Other Enterprises
 - 57000 Capital Outlay
 - 57190 Other General Government
 - 57290 Other Public Safety
 - 57331 Highway and Street Outlay (local)
 - 57430 Solid Waste Disposal Outlay
- 59000 Other Financing Uses
 - 59910 Other Enterprise
 - 59930 Other Internal Service-Highway
 - 59940 Other Internal Service-Non-Highway
 - 59980 Fiduciary/Pension Trust

OBJECT CODES

Objects of expense are used to classify the types of goods and services purchased in the course of operations. Objects of expense may be classified and recorded at different levels of detail depending on requirements of individual counties. However, the objects and codes provided in this manual should be used as a minimum level of detail.

The object codes in this manual have been derived from the structure established by the Wisconsin Department of Revenue in its Uniform Chart of Accounts for Wisconsin Counties. As a result, it is anticipated that this general structure, expanded upon as necessary, could be part of a county-wide object code structure. When establishing additional codes, it is recommended that the highway office consult with the county accounting office to maintain valid object codes across departmental lines.

OBJECTS OF EXPENSE - LINE ITEMS

100 PERSONAL SERVICES (LABOR)

- 110 Salaries
- 120 Wages
- 130 Employee Benefits
 - 131 Sick Leave Pay
 - 132 Vacation Pay
 - 133 Longevity Pay
 - 134 Holiday Pay
 - 135 Compensatory Pay
 - 136 Sick Leave Lump Sum Pay
 - 138 Other Leave With Pay
- 140 Per Diem
- 150 Employer Contributions
 - 151 Social Security
 - 152 Retirement (Employer's Share)
 - 153 Retirement (Employees' Share Paid by Employer)
 - 154 Hospital and Health Insurance
 - 155 Life Insurance
 - 156 Workers' Compensation
 - 158 Unemployment Compensation
 - 159 Other Employer Contributions
- 190 Other Personal Services
 - 191 Accrued Vested Sick Leave Pay
 - 192 Accrued Vested Vacation Pay

200 CONTRACTUAL SERVICES

- 210 Professional Services
 - 212 Legal
 - 213 Accounting and Auditing
 - 214 Data Processing
 - 215 Engineering Fees
 - 216 Janitorial
- 220 Utility Services
 - 225 Telephone
 - 229 Other Utility Service
- 230 Repair and Maintenance Services-Streets & Related Facilities
 - 231 Blacktopping
 - 232 Graveling

OBJECT CODES (continued)

- 200 CONTRACTUAL SERVICES (continued)
 - 233 Paving-Concrete
 - 234 Sanding
 - 235 Snow Removal
 - 239 Other Repair & Maintenance-Streets and Related Facilities
- 240 Repair and Maintenance Services-Other
 - 241 Motor Vehicles
 - 242 Other Machinery and Equipment
 - 243 Furniture and Furnishings
 - 245 Grounds and Ground Improvements
 - 246 Building Service Equipment
 - 247 Buildings
 - 249 Sundry Repair and Maintenance Services
 - 290 Other Contractual Services
- 300 SUPPLIES AND EXPENSE
 - 310 Office Supplies
 - 311 Postage and Box Rent
 - 312 Office Stationery and Forms
 - 313 Printing and Duplication
 - 314 Small Items of Equipment
 - 319 Other Office Supplies
 - 320 Publications, Subscriptions and Dues
 - 324 Membership Dues
 - 325 Registration Fees and Tuition
 - 329 Other Publications, Subscriptions and Dues
 - 330 Travel
 - 331 Motor Pool Charges
 - 332 Employee Automobile Allowance
 - 333 Vehicle Lease
 - 334 Commercial Travel
 - 335 Meals
 - 336 Lodging
 - 339 Other Travel
 - 340 Operating Supplies
 - 344 Janitorial Supplies
 - 346 Clothing and Uniforms
 - 348 Educational Supplies
 - 349 Other Operating Supplies
 - 350 Repair and Maintenance Supplies
 - 351 Fuel
 - 352 Oil, Grease and Anti-Freeze
 - 353 Machinery and Equipment Parts
 - 354 Painting Supplies
 - 355 Tires and Batteries
 - 356 Sundry Items
 - 360 Other Repairs and Maintenance Supplies
 - 361 Explosives
 - 362 Consumable Tools
 - 363 Sign Parts and Supplies
 - 364 Traffic Signal Supplies
 - 370 Road Supplies
 - 371 Crushed Stone

OBJECT CODES (continued)

300 SUPPLIES AND EXPENSE (continued)

- 372 Sand and Gravel
- 373 Sodium Chloride
- 374 Calcium Chloride
- 375 Asphalt
- 376 Road Oil and Emulsions
- 379 Other

380 Overhead Charges

- 381 Shop Overhead

390 Other Supplies and Expense

500 FIXED CHARGES

510 Insurance

- 511 Insurance on Buildings
- 512 Insurance on Vehicles and Equipment
- 513 Public Liability
- 514 Professional Liability
- 515 Insurance on Boiler
- 519 Other Insurance

520 Premiums on Surety Bonds

- 521 Officials Bonds
- 522 Employee Bonds

530 Rents and Leases

- 531 Land
- 532 Buildings and Offices
- 533 Equipment
- 534 Machinery
- 539 Other Rents and Leases

540 Depreciation and Amortization

- 541 Provision for Depreciation
- 542 Provision for Amortization

600 DEBT SERVICE

- 620 Interest
- 690 Other Debt Service

700 GRANTS, CONTRIBUTIONS, INDEMNITIES AND OTHER

- 730 Awards and Indemnities
 - 732 Compensation for Damages

740 Losses

- 748 Net Loss on Fixed Assets

790 Other Grants, Contributions and Indemnities

- 791 Aids to Localities

800 CAPITAL OUTLAY

- 810 Capital Equipment
- 820 Capital Improvements
- 850 Right of Way Acquisition

OBJECT CODES continued

900 COST ALLOCATIONS (CREDITS)

- 910 Employee Benefits and Payroll Taxes Include OPEB (GASB 45)
- 920 Field Small Tools
- 930 Shop Services
 - 931 Fuel Handling Charge
- 940 Machinery Rental
- 950 Building Space Rental
- 960 Pit and Quarry Products
- 970 Bituminous Products
- 980 Equipment and Materials Acquisition, Brine Making

Projects

A project is a cost account established to isolate the costs of a specific operation or service. Each transaction must contain the appropriate project and subprogram codes. Project codes are to be assigned for every project and are recommended to be identified by a three-digit number. Alternatively, the county may adopt any adequate project numbering system or may use the state project number for applicable projects.

Activity Codes

An activity is a task or service (worthy of note) performed by an employee toward the accomplishment of a goal or objective. Activity codes are assigned for various activities which must be used for billing the state or services. These mandatory codes are presented in the Highway Maintenance Manual 02-25-01. For non-state services, use of activity codes is an optional method of providing more detailed financial management information.

EXPLANATION OF ACCOUNTS

ASSETS

11000 CASH

All cash chargeable to the county treasurer and highway commissioner will be recorded in these accounts. Detail accounts shall distinguish restricted cash (e.g. bond proceeds) from general operating funds.

11100 *Treasurer's Working Cash*

Currency, coin, checks, postal and express money orders, and bankers' drafts on hand or on deposit with the County Treasurer, and available for general operations.

Debit this account for receipts and credit the appropriate revenue/receivable or liability account.

Credit this account for disbursements and debit the appropriate asset or payable/expense account.

NOTE: Some highway departments may have separate cash accounts rather than depositing funds in the county treasurer's account. While this position is strongly discouraged, the following account has been provided in the Department of Revenue Uniform Chart of Accounts.

11200 *Cash Held by Other Departments*

Cash on hand or on deposit in the highway department and available to finance operations.

11500 *Restricted cash and Investments*

Cash restricted from general use (e.g. the unexpended proceeds from bond issues) shall be recorded here with detail accounts as appropriate. The most common restricted cash is proceeds of debt. The purpose of this account is to use the accounting system to determine the cash is used for the purposes for which it was borrowed.

Debit this account for receipts and credit the appropriate revenue/receivable or liability account.

Credit this account for disbursements and debit the appropriate asset or payable/expense account.

11800 *Petty Cash*

A sum of money set aside for the purpose of making change or paying small obligations for which the issuance of a formal voucher and check would be too expensive and time consuming. If the Highway Commissioner has a "cash" account, this account should be accounted for as petty cash.

Debit this amount and credit Working Cash (11100) when established or increased.

Debit the appropriate expense accounts and credit Working Cash (11100) when petty cash is replenished. This account should be supported by detail necessary to replenish the original amount.

*12000 TAXES RECEIVABLE

Taxes receivable should not be accounted for within the highway internal services fund. Accounting for taxes should be handled by the county accounting system, unrelated to highway department accounting.

*Indicates accounts are not recommended for use within the internal service fund.

ASSETS (Continued)

13000 ACCOUNTS RECEIVABLE

The amounts due the county for current open accounts to the general public will be recorded in these accounts. The amounts due from state and local governments or districts and other funds are recorded elsewhere (see 14000/15000).

13100 *Receivables for Goods and Services*

Charges for services rendered and supplies furnished individuals and others. Detail accounts (using a subsidiary ledger) are recommended for identifying receivables by customer.

Debit this account and credit the appropriate revenue account for invoices (billings) prepared.

Credit this account and debit cash for collection of receivables.

13600 *Unbilled Accounts Receivable*

This account will reflect the amount of accounts receivable for services provided but not yet billed.

13630 *Unbilled Transportation Cost Pool Revenues*

The amount of unbilled revenues from transportation cost pools for employee taxes and benefits (53210), field small tools (53220) and salt brine (53290) are debited here at year-end.

- 13631 Unbilled Fringe Benefit Revenue
- 13632 Unbilled Small Tools Revenue
- 13633 Unbilled Salt Brine Revenue

13800 *Other Receivables*

Outstanding insurance claims, overpayments, and other unclassified receivables, not resulting from normal services provided.

Debit this account and credit the appropriate revenue or expense accounts.

Credit this account and debit cash for collections on this account.

13900 *Allowance for Uncollectible Receivables (Credit)*

Depending on past experience and the volume of uncollectible accounts it may be necessary or advisable to establish this allowance account. However, most county highway departments do not have a significant amount of uncollectible accounts. This account should only be used when necessitated by local conditions.

Debit the expense to administration and credit here the allowances established.

Debit this allowance and credit the receivable account for accounts receivable written off.

ASSETS (Continued)

14000 DUE FROM OTHER GOVERNMENTS

The amounts due the county from state and local governments or other districts which are subject to current settlement will be recorded in these accounts. These asset accounts are summary accounts. The revenue (40000) accounts and expense (50000) accounts provide the detail (projects) through specific billings.

14100 Due from U.S. Government

Amounts due from the federal government and its agencies which are subject to current settlement including charges for services to National Parks or Forests.

Debit this account and credit the 47100 revenue series for services performed.

Credit this account and debit cash for collections from the federal government on this account.

14200 Due from State of Wisconsin

The amounts due from the State of Wisconsin which are subject to current settlement including the charges to the Department of Transportation for services rendered in maintaining the state trunk highway system.

Debit this account and credit the appropriate revenue account for billings.

Credit this account and debit cash for collections on this account.

14400 Due from Cities, Villages and Towns

The amounts due from cities, villages and towns which are subject to current settlement including the charges to the districts for services rendered in maintaining the local roads and streets.

Debit this account and credit the appropriate revenue account for billings.

Credit this account and debit cash for collections on this account.

14500 Due from Special Purpose Districts 14600 Due from School Districts

The amounts due from special purpose or school districts for services rendered.

Debit the appropriate account shown above and credit the appropriate revenue account for billings.

Credit this account and debit cash for collections on this account.

ASSETS (Continued)

15000 DUE FROM OTHER FUNDS

The interfund receivables subject to current settlement will be recorded in these accounts. The recognition of an interfund receivable in one fund requires the recognition of an interfund payable in another. The aggregate amount of interfund receivables must equal the aggregate amount of interfund payables in the county's records.

15100 Due from General Fund

15200 Due from Special Revenue Fund

15300 Due from Debit Service Fund

15400 Due from Capital Projects Fund

15600 Due from Enterprise Fund

15700 Due from Internal Service fund

15800 Due from Trust and Agency Fund

Note: These accounts are established for fund accounting. If the county does not account by fund, use the Due from General Fund (15100) account to record amounts due from other departments. Debit this account and credit the appropriate revenue account in the 47400 series when billing another county department for goods or services provided by the highway department.

16000 INVENTORIES AND PREPAYMENTS

Materials and supplies on hand and charges for benefits not yet received are recorded in these accounts.

16100 *Inventories (Summary Account)*

Materials and supplies on hand for future program consumption or for resale. Inventories must be recorded on a first in, first out (FIFO) basis or a moving average cost basis. Detail accounts are provided to distinguish between materials to be used by the department and those held for resale, etc.

In addition, it is recommended that the fifth digit of the account number be used to identify classes of inventory to facilitate adjustments discussed below.

Credit entries to inventory accounts should be made at least monthly. The credits should be offset by debits to appropriate expense accounts and sales of inventories should not short cut the revenue/expense accounts. A physical inventory should be taken at least once a year and the balance in this account should be adjusted for inventory variations.

Inventory variations arising from shop materials, fuel, lubricants, etc. should be adjusted through account 53230, Shop Operations at the appropriate line item. Adjustments for variations related to pits and quarries or bituminous operations will similarly be accounted for within the appropriate cost pool. Variations in inventories of materials and supplies for maintenance and construction are made to account 53310, County Maintenance and Construction.

Note: Inventories of materials supplied by the state and held or stored by the county should be maintained on a memo basis, utilizing quantities only. Dollar values for the inventory of materials held by the county for the state are not generally available.

ASSETS (Continued)

16110 *Consumable Materials and Supplies*

Items should be segregated in the following groups due to various accounts affected by adjustments:

16111 Construction and Maintenance Materials and Supplies (Includes gravel or bituminous purchased for inventory)

16112 Shop Materials and Supplies

16113 Gasoline and Diesel Fuel 16114 Lubricating Oils and Greases

16115 Pits and Quarries Materials and Supplies (Raw Materials)

16116 Bituminous Materials and Supplies (Raw Materials)

Materials and supplies held on hand by the county for future program consumption. Debit this account with the cost of purchases to be held in storeroom or stockpile and with the cost of material returned to stock. Credit this account for materials issued from stock (by general journal entry) and debit the appropriate expense accounts. Such credit entries should be supported by material requisitions or work orders.

16120 *Stores for Resale*

The book value of goods held by the county for resale rather than for use in its own operations. (NOTE: This account is a refinement which need not be used unless significant inventory is held for resale.)

Debit this account with the cost of purchases to be held in storeroom or stockpile with the cost of material returned to stock. Credit this account for materials issued from stock (by general journal entry) and debit the appropriate receivable or expense accounts. Such credit entries should be supported by bills of sale or invoices.

16150 *Gravel Products*

The gravel products produced by the county. (Purchased products for inventory are debited to account 16111).

Debit this account with the cost of gravel products transferred to the stockpile from the gravel service center using the current cost to produce the product. A detail of the various grades of product and their costs is necessary. Credit this account for gravel products issued from stock (by general journal entry) and debit the appropriate receivable or expense accounts. Such credit entries should be supported by material requisitions, work orders, or invoices.

16160 *Bituminous Products*

The bituminous products produced by the county. (Purchased products for inventory are debited to account 16111).

Debit this account with the cost of bituminous products transferred from the service center to the stockpile using the current cost to produce the product. Credit this account for bituminous products issued from stock (by general journal entry) and debit the appropriate receivable or expense Accounts. Such credit entries should be supported by material requisitions, work orders, or invoices.

ASSETS (Continued)

NOTE: Inventories are to be recorded at the lesser of cost or fair market value. If costs for gravel or bituminous products are significantly higher than the fair market value, an adjustment to the inventory may be necessary.

16200 Prepaid Expenses

Charges entered in the accounts for benefits not yet received.

Prepaid items usually are regularly recurring costs of operations, including payments for rent, interest, and unexpired insurance premiums calculated monthly cost for services (by general journal entry) and debit the appropriate expense accounts. Such credit entries should be supported by a calculation document.

A review of this account should be made at least once a year and the balance in this account should be re-calculated and adjusted for variations (with supporting documentation).

Debit this account with the cost of the total prepaid purchase of services. Credit this account for the usage of the prepaid service.

17000 LONG-TERM RECEIVABLES

17100 Advances to Other Funds

The amounts of (county-wide) interfund loans and advances which are subject to repayment but are not subject to current settlement will be recorded in these accounts. The recognition of an interfund receivable in one of the county's funds requires the recognition of an interfund payable in another fund.

17110 Advance to General Fund

- 17120 Advance to Special Revenue Fund
- 17130 Advance to Debit Service Fund
- 17140 Advance to Capital Projects Fund
- 17160 Advance to Enterprise Fund
- 17170 Advance to Internal Service Fund
- 17180 Advance to Trust and Agency Fund

NOTE: These accounts are established for fund accounting. If the county does not account by fund, or fund designation is unavailable, use the general fund (17110) account. Debit this account when the funds are advanced from the highway department. Credit this account when the funds are returned or when the advance becomes subject to current settlement and is reclassified to due from Other Funds.

17200 Notes and Loans Receivable

17300 Advances to Other Governments

17500 Investment in Joint Ventures

The appropriate above account should be used when the receivable under consideration is not currently available to finance operations.

ASSETS (Continued)

18000 FIXED ASSETS

Highway department plant and equipment, or fixed assets, include all long-lived assets used by the department in its operations. All plant and equipment items provide services over a period of years and are acquired for use rather than for resale. All fixed assets have a limited useful life, with the exception of land, and therefore the costs of fixed assets are allocated to the period receiving the services of the asset. This allocation of cost is known as depreciation.

Identifying capital expenditures:

To obtain meaningful, consistent accounting information, an important distinction must be understood between current operating costs and capital expenditures. In the broad sense, any expenditure that provides services or benefits to more than the current accounting period is a capital expenditure. However, for practical purposes some matters of accounting convenience, such as a threshold for fixed assets to be capitalized, are adopted.

Plant and equipment are to be recorded at cost. To avoid excessive accounting effort and for consistency, a threshold of \$7,500 has been established for determining whether an item should be expensed when purchased, even though it may benefit more than one year, or capitalized as a fixed asset. An exception to this rule is that all classified equipment (as determined by the Machinery Management Committee) must be recorded as a fixed asset regardless of cost. For group purchases totaling more than \$7,500 refer to county's own policy for capitalization requirements.

After acquisition, the expenditures for additions, betterments, replacements, and repairs of fixed assets must also be examined to determine whether these costs are current expenses, or if the costs should be capitalized.

Repairs – Ordinary repair and maintenance that do not add to the capabilities or useful life of the item should be expensed in the current period.

Betterment- If the capability of the asset is increased, the repair becomes a betterment, and the costs should be capitalized by debiting the fixed asset account.

Major Repair- If the useful life of the asset is increased, the repair should be capitalized by debiting the accumulated depreciation account.

Additions – Additions of fixed assets or to existing assets should be capitalized if they meet the threshold criteria. If, in the course of the addition, any existing asset is removed, that asset or part of an asset should be removed from the fixed asset account.

As an additional method of providing consistency in the accounting system, the full cost of all repairs or betterments exceeding or equaling 5% of the gross capitalized cost of an asset, must be capitalized. Capitalization of minor repairs or betterments is not allowable. In no case should a repair less than \$1,875 (25% of the \$7,500 threshold) be capitalized. When incurring expenditures for capitalization repairs these costs should be debited to the acquisition cost pool (53281) to accumulate total costs and maintain expenditure control prior to capitalization.

Note: Exceptions to this may be approved on a case by case basis if warranted. An example of an appropriate exception could involve a building renovation not meeting the 5% threshold but involving an appropriate capital expenditure.

ASSETS (Continued)

18000 FIXED ASSETS (continued)

After determining the cost of the repair, and determining that it should be capitalized, the amount must be identified as either a major repair, a betterment, or possibly a combination.

To capitalize the cost, betterments are recorded as additions to the cost of the asset (debit fixed asset account, credit acquisition cost pool). Capitalized major repairs are treated as reductions in accumulated depreciation (debit accumulated provision for depreciation, credit acquisition cost pool).

If the capitalized major repair exceeds the accumulated depreciation, the amount of repair costs in excess of the accumulated depreciation is recorded as an addition to the cost of the asset, (debit accumulated provision for depreciation, debit fixed asset account, and credit the acquisition cost pool).

Both situations result in an increase in net book value of the asset, however, a betterment affects the annual depreciation recognized (calculated by taking book value divided by the remaining life), while a capitalized major repair simply extends the period over which the asset is depreciated.

Cost of plant and equipment includes the total cash outlay, or its equivalent, made to acquire the asset and put it in operating condition. For the purposes of determining the cost when machinery or equipment is traded in, cost will be any cash plus the book value of the item(s) traded. For a method of accumulating such costs appropriate for capitalization, use of the acquisition cost pool, 53281, is suggested.

When a fixed asset is disposed of, the depreciation should first be adjusted to record the expense up to the date that the asset was removed from service. The disposition is then recorded by crediting the fixed asset account for the gross capitalized cost and debiting the accumulated provision for depreciation of the total accumulated credits. The difference between these debits and credits, known as the net book value, is treated according to the situation as described:

Trade-in: when an asset is traded in on another asset, the debit for the net book value should be made to the asset acquisition cost pool for the asset being acquired. This is in accordance with the policy of adding the net book value of assets traded to the cash paid to establish the cost of an asset, as required by the Machinery Management Committee.

Sale: if an asset is sold, a debit to cash (or a receivable account) is made for the amount of the sale price. When the sale price exceeds the net book value a credit is recorded in the Gain or Loss on Disposition of Fixed Assets Account, 48310. Conversely, if the sale is less than the net book value a debit is recorded in Account 48310. At year-end, all gains or losses are closed through the appropriate cost pool.

When the sale price exceeds the net book value a credit is recorded in the appropriate account (for most assets, the machinery cost pool, 53240) at the depreciation object code (541) and account 48310 is debited.

If the sale is less than the net book value a debit is recorded in the same account, indicating a loss and Account 48310 is credited.

NOTE: This treatment of gain or loss on sales of fixed assets as an adjustment to current Depreciation is not consistent with Generally Accepted Accounting Principles (GAAP), but is required for classified equipment by the Machinery Management Committee. It is recommended that the same procedure be followed for sale of non-classified equipment to be consistent.

ASSETS (Continued)

18000 FIXED ASSETS (continued)

LEASES (GASB 87 EFFECTIVE 12/15/2019)

GASB 87 provides for three accounting treatments:

1. short-term leases
2. contracts that transfer ownership
3. contracts that do not transfer ownership — a catchall for all remaining leases of nonfinancial assets.

Without the need to distinguish between operating and finance leases, the new GASB standard will improve the recognition of leased assets and related liabilities and improving the comparability of financial statements among governmental entities.

A lessee should recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease 12 Months or less, or if it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

A lessee should reduce the lease liability as payments are made and recognize an outflow of resources (for example, expense) for interest on the liability. The lessee should amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The notes to financial statements should include a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made.

A lessor should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. The lease receivable should be measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

A lessor should recognize interest revenue on the lease receivable and an inflow of resources (for example, revenue) from the deferred inflows of resources in a systematic and rational manner over the term of the lease. The notes to financial statements should include a description of leasing arrangements and the total amount of inflows of resources recognized from leases.

18200 Land

Land owned by the county highway department. The land expense includes the purchase price and costs of legal fees, filling, and excavation and the like necessary to put the land in a condition acceptable for its intended use. Right of way purchased is not charged to this account, but to the particular project involved.

Debit the cost of the land at the time of purchase. Keep subsidiary records for each parcel purchased.

ASSETS (Continued)

18000 FIXED ASSETS (continued)

18300 Buildings

Permanent structures owned by the county highway department and improvements thereon. The expense should reflect the purchase price or contract price of all permanent buildings and fixtures attached to and forming a permanent part of such buildings.

Debit the original purchase price here. Keep subsidiary records for each building.

18390 Accumulated Provision for Depreciation – Buildings (credit)

The accumulation of periodic credits made to record the expiration in service life of buildings. Credit the periodic depreciation charges here when debiting depreciation expense.

18400 Improvements Other Than Buildings

Facilities owned by the county highway department that support the permanent structures owned by the department. Land improvements include wells, septic tanks, parking lots, landscaping, yard grading and surfacing, driveways, fence, curbs, gutters, and sidewalks.

Debit the original cost of such improvements here. Keep subsidiary records for each improvement.

18490 Accumulated Provision for Depreciation – Improvements Other Than Buildings (Credit)

The accumulation of periodic credits made to record the expiration in service life of support facilities.

Credit the periodic depreciation charges here when debiting depreciation expense.

18500 Machinery and Equipment

Tangible property of a more or less permanent nature, other than land or buildings and improvements thereon. Highway related trucks, equipment, and appropriate attached fixtures such as plows are included in this account.

Debit the original cost to acquire and place each item in service here. Keep subsidiary records for each unit of equipment.

For state rated equipment to get the proper classification, depreciation life, and billing rate for rated equipment refer Highway Maintenance Manual Chapter 2

[Standard Equipment 02-25-50](#)
[Non-Standard Equipment 02-25-55](#)

ASSETS (Continued)

18000 FIXED ASSETS (continued)



See Depreciation Table below

Type	Estimated Life
Radio Equipment	10
Bulk Storage Tanks – Fuel	15
Bulk Storage Tanks – Bituminous	30
Fuel Dispensing Equipment	15
Shop Equipment	15
Office Equipment	10
Computer Equipment	6
Buildings other than Salt Sheds	40
Salt Sheds	25
Land Improvements	25
Storage Tanks (Calcium Chloride, Salt Brine)	15
Salt Brine Maker	15
Gravel Stone Plants	10

18590 Accumulated Provision for Depreciation – Machinery and Equipment (Credit)

The accumulation of periodic credits made to record the expiration in service life of highway related machinery and equipment.

Credit the periodic depreciation charges here when debiting depreciation expense.

18600 Gravel Pits and Quarries

Land purchased for gravel pits and quarries. The land expense includes the purchase price and costs of legal fees, preliminary surveys, plans, and other preliminary engineering, filling, and excavation and the like necessary to put the land in a condition acceptable for a gravel pit or rock quarry.

Debit the cost of the land at the time of purchase. At least once a year, record depletion of the land by crediting this account. Depletion is determined by allocating the cost of the pit to the estimated units of output determined for the pit.

Keep subsidiary records for each parcel purchased.

18700 Construction Work in Progress

The not completed construction work undertaken by the county. Upon completion of this construction, this account will be credited and the appropriate fixed asset account will be debited for the same amount. This account (or a sub-account within this designation) should include at the balance sheet date other fixed assets in a preparatory stage prior to being put into service (from the acquisition cost pool, 53280).

Debit the payments made for work in progress (not yet in service) here. All projects should be detailed by subsidiary records.

ASSETS (Continued)

18000 FIXED ASSETS (continued)

18800 Other Fixed Assets

Other tangible property which cannot be classified or included in other accounts. Office equipment, engineering equipment, and furnishings are included in this account.

Debit the original cost of such assets here. Keep subsidiary records for each item.

18890 Accumulated Provision for Depreciation – Other Fixed Assets (Credit)

The accumulation of periodic credits made to record the expiration in service life of other highway related fixed assets.

Credit the periodic depreciation charges here when debiting depreciation expense.

LIABILITIES

21000 ACCOUNTS PAYABLE

Amounts owed on open accounts to private persons or organizations for goods and services furnished to a government.

21100 Accounts (Vouchers) Payable

The liabilities on open accounts owing to private persons, firms, or corporations for goods and services received by a county.

Accounts payable must be recorded at the close of the year to report expenses in the year they are incurred. The balance in this account should be supported by a detail accounts payable ledger or by a list of vouchers. More frequent accrual of payables is an option of the county.

21200 Temporary Notes Payable

The face value of all notes payable within one year from the date of issue. The temporary notes payable must be credited upon issue and debited when the notes are repaid. (Notes not payable within one year from the date of issue are recorded as long-term debt, 29000 accounts.)

21300 Matured Bonds, Notes, and Interest Payable

The face value of bonds and notes which have reached or passed their maturity date, but which remain unpaid.

This account shall also include the amount of interest on bonds and notes which has matured but remains unpaid.

21400 Bonds and Notes Payable (Current Portion)

This account shall include the face value of bonds and notes maturing within one year from the date of the balance sheet.

LIABILITIES (continued)

21500 Payroll Deductions Payable (Summary Account)

Payroll deductions from employees' salaries and wages. These payroll accounts will be credited when payrolls are recorded. The accounts will be debited when the amounts withheld are disbursed to the agencies or parties for whom deductions were authorized. Detail records must be maintained at all times to include the composition of account balances in a manner satisfactory to the county.

County highway departments will utilize specific accounts in computerized accounting or payroll systems. Specific account numbers are provided for the more common payroll deductions. Additional accounts will be used in counties where deductions are authorized for purposes other than those provided above. Detail accounts shown below (indicated by an *) are optional and do not appear in the Department of Revenue numbering scheme.

County highway departments with manual accounting systems should use the summary account number (21500) to record the payable payroll deductions at year end.

21510 Employee Payroll Taxes Payable

21511 Social Security Taxes Payable

21512 U.S. Withholding Taxes Payable

21513 State Withholding Taxes Payable

21520 Retirement Deductions Payable

*21521 Due Wisconsin Retirement Fund

*21522 Due Other Retirement Funds

21530 Insurance Deductions Payable

*21531 Health Insurance Deductions Payable

*21532 Life Insurance Deductions Payable

*21533 Catastrophic Insurance Deductions Payable

21540 Charitable Contributions Payable

21550 Union Dues Deduction Payable

21560 Employee Savings Deductions Payable

*21561 Savings Bond Deductions Payable

*21562 Credit Union Deductions Payable

21570 Tax Sheltered Annuity Deductions Payable

21580 Garnish Deductions Payable

21590 Other Deductions Payable

*Optional accounts – this breakdown does not appear in the Department of Revenue chart of accounts for Wisconsin Counties.

LIABILITIES (continued)

21600 *Accrued Interest Payable*

The amount of interest accrued at the end of a period but which is not due until a later date. Accrued interest payable from restricted assets should be recorded in Account 22400.

21700 *Accrued Wages Payable*

Wages earned by employees at the balance sheet date but not yet due.

21800 *Unused Vested Employee Benefits*

Balances in the employee benefit accounts represent the determinable and vested unused vacation and leave credits earned by employees. The accrual of such credits is required for proprietary fund accounting.

21810 *Unused Vacation Credits*

21820 *Unused Sick Leave Credits*

21900 *Other Accounts Payable*

The collections and sundry amounts due others for which no other account has been provided. The account will be debited when the items are paid to the party for whom the item was held.

22000 PAYABLE FROM RESTRICTED ASSETS

Restricted assets are monies or other resources which are restricted for specific uses by legal or contractual requirements. Generally accepted accounting principles require the segregation of payables from restricted assets from other payables for financial statement purposes.

22100 *Construction Contracts Payable*

Amounts due on construction contracts, to be paid from restricted resources, shall be recorded in this account.

22200 *Matured Bonds and Interest Payable*

This account shall include the face value of bonds which have reached or passed their maturity date but which remain unpaid. This account shall also include the amount of interest on bonds which has matured but remains unpaid.

22300 *Bonds Payable (Current Portion)*

This account shall include the face value of bonds maturing within one year from the date of the balance sheet.

22600 *Accrued Interest Payable*

This account represents the amount of accrued interest payable from restricted assets for a period but which is not due until a later date.

LIABILITIES (continued)

23000 SPECIAL DEPOSITS

Amounts deposited with the various county officials and department heads will be recorded in these accounts. Amounts held by the county treasurer are included in Treasurer's Cash and/or Marketable Securities (11100/11300) while amounts held by other officials and department heads are included in Departmental Cash and/or Marketable Securities (11500/11700). Use of codes 11300 or 11700 is typically restricted to the treasurer, who is responsible for cash management, and do not appear in this limited chart of accounts.

23100 *Treasurer*

23170 *Performance Bond Deposits*

The amounts deposited with the county treasurer in accordance with certain statutory requirements or to ensure proper performance by the depositor. The accounts will be debited when disposition is made of the amounts held.

(Note: It is important that all cash or checks received, including performance deposits, be deposited with the treasurer as soon as possible. Checks should not be held for later return or deposit.)

24000 DUE TO OTHER GOVERNMENTS

The amounts owed other governments subject to current settlement.

24200 *Due to State of Wisconsin*

The amounts owed to state which are subject to current settlement.

24210 *Taxes*

Taxes imposed by the state and collected by the county are credited here. Payments of taxes collected for the state will be debited to these accounts. In addition, whenever sales taxes are reported to the state, an entry will be necessary to debit these accounts and credit a revenue account for the retained collection fee.

The following accounts are provided:

24213 Sales Taxes

24219 Other Taxes

24220 *Licenses and Permits*

The state's share of license and permit collections by the county will be credited and payments to the state for such collections will be debited, to these accounts.

The following detail accounts are provided:

24226 Wide Load Moving Permits

24229 Other Licenses and Permits

24400 Due to Cities, Villages and Towns

The amounts owed other local districts which are subject to current settlements.

LIABILITIES (continued)

24490 Other Accounts Due Cities, Villages and Towns

The amounts due the local tax district for road and bridge aids will be credited to this account. Payments to the districts for highway –related work will be a debit to this account.

If the county prefers detail accounts distinguishing between road and bridge programs such accounts are provided:

24491 Road Aid to Cities, villages and Towns 24492 Bridge Aid to Cities, Villages and Towns

A subsidiary ledger must be maintained to provide a detail of the road and/or bridge aids for each local unit of government. (One method of recording this information may be to utilize the three-digit field for projects which are vacant as it pertains to this liability account).

24500 Due to Special Districts 24600 Due to School Districts

25000 DUE TO OTHER FUNDS

Interfund payables subject to current settlement will be recorded in these accounts. The recognition of an interfund payable in one fund requires the recognition of an interfund receivable in another.

23170 Because of this relationship, the aggregate amount (on a county-wide basis) of interfund payables must equal the aggregate amount of interfund receivables (15000) at all times.

25100 Due to General Fund

25200 Due to Special Revenue Fund

25300 Due to Debit Service Fund

25400 Due to Capital Projects Fund

25600 Due to Enterprise Fund

25700 Due to Internal Service Fund

25800 Due to Trust and Agency Fund

NOTE: These accounts are established for fund accounting. If the county does not account by fund, or the fund designation is unavailable, use the general fund (25100) account. Credit this account for temporary advances (less than one year) or other payables. Debit the same account when the funds are returned.

LIABILITIES (Continued)

26000 DEFERRED REVENUES

The amounts of taxes and other revenues collected before they were earned or qualified as current revenue. This liability account normally will not be used in the highway department, except for the following account.

26400 *Unearned Revenues*

Unearned Revenues from Transportation Cost Pools

The amounts of billings exceeding costs that result from rate variations in highway department cost pools. Amounts to be included here are year-end over-recoveries from the employee taxes and benefits (53210) and field small tools (53220) cost pool.

26431 *Unearned Fringe Benefit Revenue*

26432 *Unearned Small Tool Revenue*

26433 *Unearned Salt Brine Revenue*

27000 ADVANCES FROM OTHER FUNDS

The county-wide interfund loans and advances which are subject to repayment, but are not subject to current settlement will be recorded in these accounts. The recognition of an interfund payable in one of the county's funds requires the recognition of an interfund receivable in another. This relationship requires that the aggregate amount (on a county-wide basis) of advances from other funds liability accounts be equal at all times to the aggregate amount of advances to other funds accounts.

27100 *Advance from General Fund*

27200 *Advance from Special Revenue Fund*

27300 *Advance from Debit Service Fund*

27400 *Advance from Capital Projects Funds*

27600 *Advance from Enterprise Fund*

27700 *Advance from Internal Service Fund*

27800 *Advance from Trust and Agency Fund*

NOTE: These accounts are established for fund accounting. If the county does not account by fund, or the fund designation is unavailable, use the general fund (27100) account.

Debit this account for temporary advances (less than one year).

Credit the same account when the funds are returned.

LIABILITIES (Continued)

29000 LONG-TERM DEBT

The face value of long-term debt issued and outstanding or incurred and unpaid. The county's policy will govern the use of these accounts.

29100 *General Obligation*

The face value of general obligation bonds issued and outstanding.

29110 *Bonds Payable*

29120 *Notes Payable*

29130 *State Trust Fund Notes Payable*

29140 *Installment Contracts Payable*

29150 *Capital Leases Payable*

The face value of general obligation debt instruments issued and outstanding are recorded in the above accounts at the appropriate title.

29200 *Mortgage Revenue Bonds Payable (Noncurrent Portion)*

The face value of revenue bonds issued and outstanding and not maturing within one year from the date of the balance sheet.

29600 *Liability for Employee Benefits*

29610 *Unfunded Liability for Wisconsin Retirement Fund.*

The amount due the Wisconsin Retirement Fund for prior service credits of employees.

29620 *Accrued Employee Benefits*

The long-term liability for accrued vacation and sick leave. Proprietary funds will recognize an expense for the increase over prior years. Further explanation can be found in NCGA Statement 4.

FUND EQUITY

Accounts are provided to differentiate between two major types of equity:

- (1) Contributed Capital – which is capital permanently contributed by the county or others
- (2) Retained Earnings – which represents the accumulated earnings of the internal service fund.
In accordance with generally accepted accounting principles the system allows for reservations of retained earnings as desired or required.

Equity is the excess of a fund's assets over its liabilities (Assets = Liabilities + Equity). This excess may occur as the result of operations, where revenues exceed expenses, or due to non-operating contributions, such as permanent contributions of cash or other assets to establish or continue an operation or fund.

Normal transactions involving continuing operations should not be made to equity accounts. Only permanent contributions not subject to repayment and the periodic closing of revenues and expenses to retained earnings should be posted to equity accounts.

NOTE: It is understood that balances prior to the adoption of this accounting manual may not be identifiable as to the components of equity. If such distinctions cannot be made it is recommended that the beginning fund equity be assigned to Retained Earnings – Unreserved (33900). Compliance with any legal requirements as to segregation of equity is the county's responsibility.

31000 CONTRIBUTED CAPITAL

The amount of permanent capital contributed to the fund by the various governments and individuals. Detail accounts are provided below to distinguish between various sources of contributed capital.

31100 *Contribution from County* 31400 *Contribution from State Government*

Revenue from the Wisconsin Department of Transportation for state-built salt sheds should be recorded here.

31900 *Contributed from Others*

33000 RETAINED EARNINGS

The accumulated earnings of the proprietary fund which have been retained in the fund. Entries should normally be made to retained earnings only at closing or as authorizations are made to utilize reserves.

33100 *Retained Earnings Reserved*

The accumulated earnings of the highway department which have been retained in the fund and reserved for a specific purpose, such as the examples shown:

33110 Replacement of Fixed Assets

The reservation of a portion of retained earnings to provide for the replacement of fixed assets.

33120 Debit Service

The reservation of a portion of retained earnings to service outstanding debt 33190 Other Reserves

The reservations of a portion of retained earnings for a purpose(s) other than those shown above.

33900 *Retained Earnings Unreserved*

The accumulated earnings of the proprietary type fund which have been retained in the fund and which are not reserved for any specific purpose.

REVENUES

[Indicates accounts not recommended for use within the internal service fund.]

[41000 TAXES]

NOTE: The highway internal service fund should not record revenues from taxes as a direct revenue of the fund. Such taxes should instead be recorded in the governmental funds and could include the general fund, special revenue fund or capital projects fund. The highway internal service fund provides services to the governmental fund types and other proprietary fund types and then bills the appropriate fund for services, thereby earning the revenue which may originally have been a tax levy for a governmental fund.

[41100 Property]

[41110 General Property Taxes]

General property taxes are ad valorem taxes levied on an assessed valuation of real and personal property.

[41170 Motor Vehicle Taxes]

General property taxes are ad valorem taxes levied on an assessed valuation of real and personal property.

[41200 Sales and Use]

[41220 Sales Tax – Retailer’s Discount]

Credit to this account the discount deducted from remittances of sales tax collections to the state as authorized in Section 77.61(4). The Highway department will not recognize any revenue here if the discount is retained by the county general fund.

[43000 INTERGOVERNMENTAL REVENUES]

Revenues derived from other governments in the form of shared taxes or grants are recorded in this series of accounts.

As was noted with tax revenues (41000), intergovernmental revenues generally should be recorded in the governmental funds. The governmental funds may then use these intergovernmental revenues to finance highway department operations and transportation functions.

[43100 Federal Revenue Sharing]

This account shall be credited with all entitlements from the federal revenue sharing program.

[43200 Federal Grants]

[43220 Transportation]

The grants-in-aid paid directly to counties by federal agencies. The county highway departments may receive some of these grants, but most are “pass-thru” type grants, which are accounted for by the state and not county governments. Pass-thru grants which are paid to the county from the state should be included under code 43530.

REVENUES (Continued)

[43500 State Grants]

[43530 Transportation]

The grants-in-aid paid directly to counties by state agencies.

43531 Local Transportation Aid

43532 Flood Damage

43534 Airports

43535 Mass Transit

43536 Railroads

43537 Other Transportation

[43700 Grants from Local Governments]

The grants received by the county from local governments.

44000 LICENSES AND PERMITS

The revenue from county license and permit fees are to be credited to these accounts.

44200 *Nonbusiness Licenses*

44260 Wide-Load Moving Permits

The collections of permit fees for moving oversize loads on county roads. County fees only should be recorded here as revenue. Collection of fees for the state should be recorded at code 24226.

[Indicates accounts not recommended for use within the internal service fund.]

45000 FINES, FORFEITS AND PENALTIES

Collections of penalties imposed for violations of county ordinances, resolutions, or bylaws; forfeitures by contractors for failure to perform contractual obligations; judgments and damages awarded to the county as a result of a court decision and miscellaneous forfeitures collected by the county without court action will be credited to these accounts.

45200 *Awards and Damages*

45210 Contract Forfeitures

45220 Judgments and Damages

REVENUES (Continued)

46000 PUBLIC CHARGES FOR SERVICES

Accounts in this category are to be credited when invoices for service rendered private parties are recorded as Accounts Receivable in the 13000 series. The accounts may also be credited directly when receipts are recorded for collections of charges or fees which have not been considered as accounts receivable. Revenues recorded here should include any amounts charged for administrative costs (records and reports) and miscellaneous costs.

46300 Transportation

46310 Highway Maintenance and Construction

Charges for services on highways and related facilities will be credited to this account. The county may add detail accounts as appropriate to provide additional information regarding these revenues. Sales of material where services are not provided should be recorded at code 48330.

46330 Parking

46340 Airport

46350 Mass Transit

46360 Railroads

46370 Docks and Harbors

46380 Bicycle Trails

46390 Parks

The accounts provided (46330 through 46390) are to detail public charges for services other than highway facilities.

47000 INTERGOVERNMENTAL CHARGES FOR SERVICES

Revenues from charges for intergovernmental services are to be recorded in these accounts. Accounts in this category are to be credited when invoices for services rendered are recorded as accounts receivable. The accounts may also be credited directly when receipts are recorded for collections of charges or fees which have not been invoiced. Revenues recorded here should include any amounts charged for administrative costs (records & reports) and miscellaneous costs.

47100 Federal

Include here revenues for services to National Parks, forests, etc., utilizing detail accounts at the option of the county.

REVENUES (Continued)

47200 *State*

47210 General Government

47220 Public Safety

47230 Transportation

Record here revenue earned on services performed for the Wisconsin Department of Transportation. Revenues should be recorded at the time the billing is made by debiting Due from the State (14200) and crediting this account. Revenues from records and reports, radios, general public liability, salt storage and supervision expenses should also be credited to this account.

Revenues from the state for services performed will equal expenses on state projects with the following exceptions:

Revenues for records and reports, supervision, radios, and general public liability are recorded in this revenue account but expenses are not allocated to state projects resulting in a variation.

If county produced gravel or bituminous products are used on a project at a negotiated price different from the inventory carrying cost a variation results.

NOTE: The above mentioned account is the minimum level of accounting required by WisDOT. Further detail may be kept by the county if needed for financial management. For example, separate subaccounts may be established for maintenance, road and bridge construction, and other services. Revenue from records and reports may also be segregated.

47240 Sanitation

47250 Health

47260 Human Services

47270 Culture, Recreation and Education

47280 Conservation and Development

47300 *Other Local Governments*

47310 General Government

47330 Transportation

Record here revenue earned on services performed for other local units of government. Revenues should be recorded at the time the billing is made by debiting Due from Cities, Village and Towns (14400), or Due from Special Purpose Districts (14500), or Due from School Districts (14600) as appropriate. The credit is made to the 47330 account or a sub-account within this account established by the county highway department. Revenues from records and reports charges should also be credited here.

REVENUES (Continued)

47400 *Local Departments*

Charges for services to local departments or other funds are recorded in this account series. These charges reflect "quasi-external transactions" as explained in NCGA Statement 1.

Other services provided to various county funds or departments should be reflected as revenues here and expenses in the 53440 account.

To be included here is the revenue earned from providing maintenance and construction services to the county general fund or other governmental fund types on county trunk highways. Similarly

The charges are to be segregated by source as indicated below and may be further identified at the county's option.

47410 General Government

47420 Public Safety

47430 Transportation

47440 Sanitation

47450 Health

47460 Human Services

47470 Culture, Recreation and Education

47480 Conservation and Development

48000 MISCELLANEOUS REVENUES

48100 *Interest*

48200 *Rent*

Rentals for the use of buildings and offices will be credited to this account.

48300 *Property Sales*

48310 *Gain or Loss on Disposition of Fixed Assets*

The difference between the sale proceeds and the net book value of fixed assets will be recorded in this account. Gains are credits to this account, losses are debits. Gains or losses on sales of assets are closed through the appropriate cost pool at year end. See Office Manager's Guide.

48330 *Sale of Materials and Supplies*

This account will be credited when invoices for the sale of materials and supplies are recorded as accounts receivable. The account may also be credited directly from receipts issued for collections of amounts which have not been invoiced.

48340 *Sale of Salvage and Waste Products*

Collections for the sale of salvage and waste products (other than from construction projects) will be credited to this account. Such revenues from specific construction projects should be credited back to the project. Revenue from the sale of salvage and waste products (other than construction) is closed to the Shop Operations Cost Pool (53230) at year-end.

REVENUES (Continued)

48400 *Insurance Recoveries*

When payments are received for damage to highway department property this account is provided to record the revenue. However, as a practical matter, the recovery is typically viewed as an offset to the cost of repairing or replacing the property. For purposes of simplification, minor receipts may be credited to the account recording the expense of the damage. This will result in a "netting" of revenues and expenses for this transaction, which is not usually desirable, but is acceptable and expedient for this situation.

48500 *Donations and Contributions*

This account will be credited with gifts or donations received from civic organizations and private sources. Gifts and bequests in which the principal is to remain intact or is to be used over a period of years will be accounted for in the trust and agency fund.

49000 OTHER FINANCING SOURCES

This series of accounts is used to record all transactions regarded as a transfer into the fund. The two major categories of interfund transfers are:

Residual Equity Transfers:

Nonrecurring or nonroutine transfers of equity between fund, and transfers of residual balances of discontinued funds. Residual equity transfers are recognized as additions to contributed capital (account 31100) by the highway internal service fund and would not appear in this account.

Operating Transfers:

All other interfund transfers-e.g., legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended, transfers of tax revenues from a Special Revenue Fund to a Debt Service Fund, transfers from the General Fund to a Special Revenue or Capital Projects Fund, operating subsidy transfers from the General Fund or a Special Revenue Fund to an Enterprise Fund, and transfers from an Enterprise Fund other than payments in lieu of taxes to finance General Fund expenditures.

NOTE: Charges for services should not be recorded here (See account 47400).

49200 *Transfers from Other Funds*

49210 Transfer from General Fund

49220 Transfer from Special Revenue Fund

49230 Transfer from Debt Service Fund

49240 Transfer from Capital Projects Fund

49260 Transfer from Enterprise Fund

49270 Transfer from Internal Service Fund

49280 Transfer from Trust and Agency Fund

EXPENSES

53100 HIGHWAY AND STREET ADMINISTRATION AND GENERAL

The county's transportation administration program includes the activities that support the other major performance areas by providing an organizational structure and related support services. These support services are generally considered to include: budgeting, accounting, personnel, data processing systems and operations, general administration, purchasing, printing and duplicating services, word processing, legal advisory services, management analysis, policy research and public information.

NOTE: All highway department interest expense should be charged to administration (object code 620). Interest may not be charged direct to cost pools or projects.

This program is divided into subprograms (accounts) for the purpose of identifying the type of work being performed.

53110 *Highway Administration*

This subprogram provides for the administration and general support services for the highway department. Administration is considered the cost required to support an organization, regardless of work performed by the organization. The nature of the individual's work, and not the location of an employee's office, should govern the allocation of costs.

As with other areas of this manual; counties may use additional detail accounts to segregate components of this account at their option.

53120 *Engineering*

This subprogram should be charged with all general engineering expenses, but not engineering related to specific projects. Project engineering expenses must be charged to the appropriate project.

If the engineering function has specialized equipment to capitalize (e.g., CADDs equipment), or provides significant services to others, a separate engineering cost pool is recommended.

53180 *Local County Aid Program*

NOTE: Local aid programs need not be handled through the internal service fund. The county may prefer to handle these transactions through the general fund or other appropriate fund, thereby eliminating the otherwise necessary transfer of funds to the internal service fund to pay such aids.

Several county governments in Wisconsin offer road and bridge financial aids to the town, village, and city governments within the county. The purpose of these aids programs is to provide financial assistance to the local units of government for maintaining and improving their roads, streets, and bridges. The county appropriation procedures, the allocation of the funds, and the amount of local matching funds are unique in each county.

Generally, these county aid funds may be spent on any work necessary to maintain and improve the roadways, structures and other local road and street facilities. When a local government elects to use their county aid funds by utilizing county provided services, the work is expensed in Program 53330-LOCAL ROADS. Grants and other reimbursement provisions may be possible with county aid funds, requiring different accounting treatments. This program is divided into subprograms (accounts) for the purpose of identifying the type of aid being provided.

EXPENSES (Continued)

53181 Local Road Aids & 53182 Local Bridge Aids

A project may be set up for each local government that will be receiving county aids from the county appropriation. The amount of county aid allocated to each local government is charged to that project. The accounting in this program is by "project" and "line item".

53190 Other Administration and General

Includes other support services not directly allocable to projects.

53191 Supervision

Expenses associated with patrol superintendents, including salaries, employment benefits, travel, and training, are charged to this account. Counties may recover a negotiated portion of these costs from the state, in that these costs typically relate to all projects undertaken by the county highway department. Employee benefits must be determined using the composite fringe benefit rate (see acct. 53210) and may not be charged directly.

53192 Radio Expenses

Radio expenses including depreciation and maintenance, or repair costs are charged to this account. Such costs are segregated here due to the state participation in these costs.

53193 General Public Liability

General public liability insurance costs are accumulated in this account. The state participates in these expenses.

53200 TRANSPORTATION COST POOLS

In order to account for county highway operations on a program or project basis, cost pools are utilized to collect costs of specific products or functions which provide services to various other programs within the department. After the costs are collected, the expenses are transferred to specific programs/projects under one of the following concepts:

- (1) a percentage of direct labor
- (2) a rate-per hour basis
- (3) a unit product cost

The method for each cost pool is specified at the cost pool description.

For example, fringe benefits costs are collected in a cost pool and distributed to the various accounts charged with labor as a percentage of direct charged salary costs. This method is used to consistently apply these costs to the programs/projects charged with the related labor costs.

The cost pools established in this manual are interrelated and therefore require that allocations be done sequentially. This is necessary because fringe benefits are a component of other cost pools and, thus must be allocated first. Similarly, shop operations affect machinery operations, and field small tools most likely affect the gravel service center and the bituminous service center.

EXPENSES (Continued)

53200 *TRANSPORTATION COST POOLS (continued)*

The sequence to be followed in closing the pools is as follows:

- (1) Employee taxes and benefits
- (2) Field small tools
- (3) Buildings and grounds operations
- (4) Salt brining
- (5) Fuel handling
- (6) Shop operations
- (7) Machinery operations

The remaining pools (pit and quarry, bituminous, and the acquisition pool) would then be closed or carried forward as appropriate.

53210 *Employee Taxes and Benefits*

Employee fringe benefits and employment taxes for all highway department employees are charged to this account. An exception to this rule is allowed for personnel other than patrol superintendents who are exclusively administrative. For those personnel benefits may be charged directly to the administration account. The cost of time off with pay resulting from sick leave and vacation time and the costs for retirement, social security (county's share), health insurance, and similar items are included in this cost pool. These costs are to be allocated on the basis of salary and wage distributions using a single percentage rate.

Fringe benefit costs associated with direct repair labor for machinery must be charged as labor costs in the machinery operations cost pool or appropriate account and cannot be included in shop overhead costs.

The composite rate is determined by computing the ratio of fringe benefit costs to total salary and wage costs, exclusive of time off with pay. This rate is determined from actual prior year costs adjusted for known changes to such costs for the current year. Variations in costs allocated versus actual costs incurred are carried forward annually and are included in the calculation of the next year's composite rate. These variations result from differences in actual costs and the actual value of distributed salaries and wages. This cost pool should begin with a zero balance at the beginning of each year.

The variation at year end is carried forward by the following method:

If costs are over-recovered (credits exceed debits), the variation is credited to Unearned Revenue (26430);

If costs are under-recovered (debits exceed credits), the variation is debited to Unbilled Accounts Receivable (13630).

Fringe benefit carry-over accounts Unbilled Accounts Receivable (13630) and Unearned Revenue (26430) are to be offset against each other with the balance carried over to the new year in only one of the accounts. See the Office Manager's Guide.

EXPENSES (Continued)

53210 *Employee Taxes and Benefits (continued)*

The actual direct labor charges to a program/project are used monthly (periodically) to determine the transfer amounts from the employee taxes and benefits cost pool. These transfer amounts are used to credit object code line item 910, cost allocations, employee benefits and payroll taxes, with offsetting debits to the appropriate accounts at object code line item 130 (typically the 130 and 150 detail accounts will only be used within the cost pool).

All time off with pay should be charged to specific line items. Counties whose employees have vested rights to sick leave or vacation pay for accumulated leave earned, shall accrue such expenses. However, all amounts not paid are ineligible for allocation and must be identified within the cost pool at object code line items 191 and 192, for accrued vested sick leave and accrued vested vacation, respectively.

Please note that the employees' withholding accounts should be debited with the portions of all benefits paid through payroll deductions. Counties who are self-insured should report county contributions to the insurance reserve as expenses at the appropriate object code.

All allocations of employee taxes and benefit from this cost pool will be credited to a unique line item, code 910. The associated debits should be charged to line item 130.

NOTE: The billing procedure for patrol supervision requires that only hours worked be included when determining the amount invoiced to the state; this is due to the inclusion of vacation and other leave time expenses in the fringe benefit rate applied.

53220 *Field Small Tools*

The cost pool is established to distribute uniformly, to all pertinent projects, costs associated with field small tools, that cannot be directly attributed to programs and/or projects. This cost pool will be debited with costs related to field small tools.

"Field Small Tools" are defined as any item purchased or built for use on multiple field projects and which costs less than \$7,500. The exception is for equipment that does have a classification these should be classified, and the \$7,500 limit does not apply. Field small tools shall include hand shovels, picks, skill saws, power drills, lanterns, barricades with battery operated flashers (subject to capitalization rule) and other similar equipment. An example list of field small tools is provided in Highway Maintenance Manual 02-20-20.

Tools which are used in both field and shop operations shall be expensed in the appropriate cost pool based on the primary purpose of the tools' acquisition. Items meeting the definition of field small tools which were capitalized prior to 1990 shall continue to be depreciated and accounted for as fixed assets. The depreciation and other costs of these assets shall be expensed to the Field Small Tools Cost Pool. See Office Manager Guide, for procedure for expensing depreciation costs of small tools which were previously capitalized.

All field projects will be charged with these small tool costs at a rate determined annually. The field small tool rate is to be applied to all direct field labor (including fringe benefits) in the maintenance, construction accounts. The field small tool rate should not be applied to administration (including state project IDs 00XX-01-40 & 00XX-01-41) general, shop operations, fuel handling, building and grounds, gravel pit, bituminous and asset acquisition accounts. The field small tool rate must be allocated to all field labor regardless of whether or not the county invoices these costs to their customers.

EXPENSES (Continued)

53220 *Field Small Tools (continued)*

NOTE: Tire chains are not to be included in this account (see account 53240).

Variations in cost allocated versus actual costs incurred are carried forward annually and are included in the calculation of the next year's rate. These variations result from differences in actual costs and the actual value of distributed small tool costs on field labor. This cost pool should begin with a zero balance at the beginning of each year.

The variation at year end is carried forward by the following method: If costs are over-recovered (credits exceed debits), the variation is credited to Unearned Revenue (26431); if costs are under recovered (debits exceed credits), the variation is debited to Unbilled Accounts Receivable (13631). See Office Manager's Guide for further explanation of how carry-over variance is to be handled.

Allocations are credited to line item 920 with debits at line item 362, consumable tools.

53230 *Shop Operations*

The shop operations account is debited with all expenses of operating the highway shop, exclusive of direct labor hours or materials charged to specific work orders, and storage space allocated to outside users. These costs are allocated on the basis of machinery revenues (credits for allocations). The allocation is made annually based on final costs of providing shop operations. Total costs in this cost pool, less amounts recovered at interim rate(s) (discussed below) and offsetting revenues from gains on disposition of shop unclassified fixed assets or sale of salvage and waste products are allocated to clear the remaining cost pool.

Shop salaries and wages include mechanics (for non-direct or nonproductive time), shop supervisors, parts, and shop clerks, and other directly related shop employees. Employee benefits are allocated to shop labor from the 53210 account, Employee Benefits at object code 130.

Other line items of expense include all shop related supplies, materials, small shop tools (less than \$7,500 in cost and not classified per the machinery rental agreement), and occupancy costs allocated to the shop from the 53270 account, Buildings and Grounds.

Depreciation on shop equipment and service vehicles is debited to this account at the object code 541 Depreciation. If service vehicles are not predominantly used for shop operations, the vehicles should be accounted for in account 53240, Machinery Operations, and charges made to the Shop account based on usage. Depreciation expense is determined from the detail fixed asset records for shop equipment.

Shop overhead is allocated to equipment at year-end using the shop overhead rate. An interim rate is required for charging out throughout the year. This interim rate is the prior year's rate, computed on prior years' shop labor and fringe benefits, which allows for prompt billing. (This rate is the most recently established rate for charging out on the basis of direct repair labor and fringe benefits.) Examples of these rates are calculated as shown in the Office Manager's Guide. An allocation to equipment with established uniform rates is necessary only on an annual basis since machinery rates are also established annually.

The annual charge out is credited at line item 930 and debited at line item 381, shop overhead.

EXPENSES (Continued)

53232 Fuel Handling

This account is debited with costs of handling and dispensing fuel. Appropriate costs to be charged here would include depreciations in fuel storage facilities, bulk equipment, and pumps. Also included are the expenses of handling the fuel such as labor and equipment rental for fuel delivery, and equipment maintenance used in fuel handling.

All removal costs of underground storage facilities and clean-up costs must be expensed out to the Fuel Handling Cost Pool Account in the year it is incurred. See Office Manager's Guide for further details on how recoveries of these costs are to be handled.

The cost of fuel including (including tax) is not part of this account but rather debited to the inventory account. (16113).

When fuel is used, the appropriate account is debited for the inventory cost of the fuel plus handling charge. The handling charge is determined by dividing total costs in this account by total gallons handled. The rate is determined annually using prior year costs and gallons. The county may at its option establish one rate for fuel dispensed from pumps or directly from storage facilities and another rate or additional charge for fuel delivered to job sites or users. Charge outs are credited at line 931 and debited at line item 351, fuel.

The variation between costs and allocations at year end is transferred to 53230 – Shop Operations – before distributing shop overhead.

53240 Machinery Operations

This cost pool collects all expenses of operating equipment (with the exception of specialized equipment used predominantly by other accounts, e.g., crushers and mixing plants, which are charged direct to those operations), and allocates these costs using the standard cost approach. The definition of "classified equipment" and the establishment of the standard cost, which is the statewide machinery rental rate, are determined annually by the statutory committee created for this purpose. This account differs from the shop operations cost pool in that allocations are based on standard costs, expressed in a rate-per-hour for each selected class of equipment. At year end, expenses over and under are closed to equity.

Charges for gasoline, fuel additives, and oil originate from daily ticket summaries. Entries are made at the close of each payroll period by charging the appropriate line item and crediting the inventory account.

Charges for machinery repair and maintenance, including labor and materials, originate from daily shop work orders. Entries debiting the appropriate machinery operations line item are made. Shop Charges for direct labor and materials are debited to each unit of equipment as determined by work orders from the shop operations account (53230). In addition, unrecovered shop expenses are charged to each unit at year end as overhead.

The tires and batteries charges and credits also originate on shop work orders. Vendor invoices for tire repairs performed by private vendors are debited to this account.

Tire chains may be charged to a unit when purchased if chains remain with the unit. Alternatively, all chains may be charged to a machinery unit with the cost prorated between units using chains on an annual basis.

EXPENSES (Continued)

53240 Machinery Operations (Continued)

Sundry items, such as licenses, insurance premiums, washing equipment, towing equipment in for repairs, and the like, are charged here.

All costs of mounting and dismounting of plows, wings, spreaders, and other attachments are to be charged to the attachment.

Depreciation of machinery is debited to this account. Depreciation for each piece of equipment is kept in detail on plant and equipment record forms. Depreciation is computed annually using the service life expectancy table approved annually by the statutory committee for county machinery rentals.

Debits for the expense of machinery and equipment are reflected at lines under 530, specifically 533 and 534. Credits for such allocations are shown at code 940.

53250 Pit and Quarry Operations*

All expenses of operating gravel pits and quarries are to be charged to this cost pool. Detail of such costs should be maintained for each individual pit and/or quarry.

All labor associated with operating the pits and quarries are directly charged to this cost pool. Crushers, conveyors, and screening equipment used exclusively for production of gravel, crushed rock and other pit or quarry products are not part of the machinery operations account. All expenses of operating such equipment are recorded in this account at the appropriate line codes.

The expenses for materials and supplies, either from inventory charge outs or vendor invoices are contractual services, required to operate the pits and quarries are charged to this account. Credits for materials produced from operations and transferred to inventory or projects should be shown at code 960.

The depreciation on specialized equipment used exclusively for producing products from pits and quarries is expensed in this cost pool. Also included in the depreciation line item is the depletion for materials removed from pits and quarries. Materials depletion is determined by estimating the amount of material obtainable from the pit and establishing a depletion rate-per-yard (ton) of material removed to recover the cost of the pit.

Products of the operation should be added to inventory at cost. However, it is not appropriate to record the inventory at a value that exceeds market.

*Ideally, the county should close these pools annually. If the county opts to carry balance forward, be aware that continuing deficits may create unacceptable charge-out cost, an unwieldy deficit, or both.

53260 Bituminous Operations*

All expenses of operating bituminous plants are to be charged to this account. Detail of such costs should be maintained for each individual bituminous plant.

All labor associated with operating the bituminous plant is directly charged to this cost pool.

Plants, conveyors, dryers, and screening equipment used exclusively for production of bituminous concrete, plant mix or other similar products are not part of the machinery operations, account. All expenses of operating such equipment are recorded in this account at the appropriate line code.

EXPENSES (continued)

53260 Bituminous Operations (continued)*

The expenses for materials and supplies, either from inventory charge outs or vendor invoices and contractual services, required to operate the bituminous plant are charged to this cost pool. Credits for materials produced from operations and transferred to inventory or projects should be shown at code 970.

The depreciation on specialized equipment used exclusively for producing products from the bituminous plant, is expensed in this cost pool.

Products of the operation should be added to inventory at cost. However, it is not appropriate to record the inventory at a value that exceeds market.

NOTE: The unit cost for gravel and bituminous products produced may be determined by using the prior year's cost data and adjusting for any known or projected cost changes.

* Ideally, the county should close these pools annually. If the county opts to carry balances forward, be aware that continuing deficits may create unacceptable charge-out costs, an unwieldy deficit, or both.

53270 Buildings and Grounds Operations

Buildings and grounds are debited with all expenses of operating and maintaining highway buildings and facilities. Included are highway buildings used for equipment and material storage, offices, and machinery repair. Also included are parking lots, lighting, fences, and other facilities needed for highway operations.

Within the building and grounds operations account, a separate provision has been set up for the recovery of storage costs. The storage spaces involve the use of the outlying sheds, which are often used predominantly for storage, and the storage space that is properly recorded as a cost of equipment operation. Storage space that is used for storage of equipment is excluded from the equipment overhead costs. Storage costs are excluded from overhead costs based on a determined cost per square foot, after identifying storage space.

Storage space is defined as area which the primary function is to store (rated) equipment. For this purpose, storage areas do not include wash bays, sign shops or storage areas, paint booths, meeting rooms, office space, grease rooms, lunch rooms, locker rooms, parts rooms, other inventory storage areas, equipment repair areas, hallways, drives or circulation areas needed for non-storage access.

The formula for recovering the storage costs allocates these costs between the share for State Highway Maintenance services and all other uses. The allocation formula relies on the average of the following two factors: STH Maintenance share of equipment revenue to all county equipment revenues; and STH Maintenance share of winter maintenance equipment revenues to all winter maintenance equipment revenues.

NOTE: Refer to closing instructions for allocation and accounting procedures for the storage costs, including an example of the allocation from the revised "Buildings and Grounds Operation" form.

The expenses charged to this account should include depreciation of buildings, land improvements, and directly related building equipment. Heat, light and water costs are also charged to this account.

In some counties, space may be provided for other departments or organizations within highway buildings. In these cases, such space provided must be allocated back to other departments or agencies. Costs are allocated from this cost pool to administration, other programs, and other cost pools for shop, pit and quarry, and bituminous operations based on usage. Usage is determined on a square footage basis.

EXPENSES (continued)

53270 Buildings and Grounds Operations (continued)

Salt storage costs should be accumulated separate from other buildings and grounds costs within the cost pool. All salt storage costs are allocated annually at closing to the State Trunk Highway Account 53323 and the County Truck Highway Account 53310 (zero balance at year-end). The allocation of salt storage costs must be made prior to allocating other building and grounds costs.

NOTE: Refer to closing instructions for allocation procedure and accounting for state-built salt sheds.

For purposes of expediency and recognizing the costs/benefits of allocating these costs, all costs are to be collected without regard to specific location or function and allocated at a flat rate solely on the square footage usage of structures (usage of parking lots or other grounds are not considered). Separate rates for various types of space are not allowed.

Charge outs are debited to object code 532 and credited to code 950.

All costs should be allocated annually at closing (zero balance at year end).

53280 Equipment and Materials Acquisition

The acquisition and/or production costs of fixed assets or materials are debited to the appropriate cost pool shown below. These cost pools are established to accumulate the costs for such items while preserving the integrity of the line items of expense and budgetary controls. Project numbers should be assigned to specific materials or assets.

Upon completion fixed assets are transferred to the appropriate 18000 account by debiting the specific asset account with a credit to 53281 at the cost allocation line item, 980. Similarly, materials produced should be transferred to the inventory asset account with a credit to 53282.

Balances should not be carried forward in this account. Items in process at year end should be transferred to the appropriate asset account. See Office Manager's Guide.

53281 Acquisition of Capital Assets

53282 Material Handling and Production

53290 Salt Brining

Summarize the costs associated with Salt Brining that cannot be directly attributed to programs and/or projects.

Determine the total labor charges (including fringe benefits)

The Machinery Management Committee has decided to allow the calculation for the salt bringing rate to be based on actual costs. Therefore, any variations between expenses and allocations carry forward to the next year as follows:

- A) If costs are over-recovered (credits exceed debits), the variation is credited to unearned revenue, Account #26432.
- B) If costs are under-recovered (debits exceed credits), the variation is debited to unbilled accounts receivable, Account #13632.

When the variance changes from year to year, add the current year variance to the balance in the carry-forward account.

EXPENSES (continued)

53300 HIGHWAY AND STREET MAINTENANCE AND CONSTRUCTION

NOTE: All expenses in this classification are costs for public roads.

53310 *County Trunk Highways*

The county's highway program typically stresses preservation and reconditioning to protect the investment already made in the county trunk highway system. County highway departments commonly use their resources to:

1. Preserve the roadways, structures, and all other highway facilities as nearly as possible in the condition of their original construction.
2. Provide for and aid the traveling public in the safe and economical use of highway facilities through effective maintenance of the existing road surfaces and roadways.
3. Provide increased safety through accident reduction at high hazard locations by elimination of roadway and roadside obstacles.
4. Promote economic growth commensurate with county-wide social and environmental goals.
5. Preserve and enhance the natural environment in the county's transportation corridors.
6. Increase effectiveness in the movement of people and goods in and through the county.

The County Trunk Highway program includes the work necessary to maintain, improve, and construct roadways, structures, and other trunk highway facilities. The work is performed by the employees of the county with selected major work performed by private contractors. The program is authorized annually by the county board for a calendar year period. This program may be divided into subprograms (accounts) for the purpose of identifying the type of work being performed.

The level of detail kept in the subaccounts should be determined by the needs of the county for financial management. It is strongly recommended that construction is segregated from maintenance for year-end reporting.

NOTE: All costs (direct expense or annual depreciation) for snow fence should be charged to this account. When snow fence is used on state highways, transfer costs equal to the state reimbursement to the state highway maintenance account by debiting Account 53321 and crediting the county maintenance account 53310. If snow fence is also used on other local government or other roads, similar allocations may be used.

53320 *State Trunk Highway*

Wisconsin's highway transportation program stresses preservation and reconditioning to protect the investment that Wisconsin's taxpayers have already made in the state trunk highway system. In cooperation with local governments, the state will use its resources to:

1. Preserve the roadways, structures, and all other highway facilities as nearly as possible in the condition of their original construction.
2. Provide for and aid the traveling public in the safe and economical use of highway facilities through effective maintenance of the existing road surfaces and roads.
3. Provide increased safety through accident reduction at high hazard locations by elimination of surface and roadway obstacles.

EXPENSES (continued)

53320 *State Trunk Highway (Continued)*

4. Promote economic growth commensurate with statewide social and environmental goals.
5. Preserve and enhance the natural environment in transportation corridors.
6. Increase effectiveness in the movement of people and goods in and through the state.

The State Trunk Highway program includes the work necessary to maintain, improve, and construct the highways, structures, and other state trunk highway facilities. Selected work is performed by the County under agreement with the Wisconsin Department of Transportation. These state/county agreements are entered into annually and are generally for a calendar year period.

This program is divided into subprograms (accounts) for the purpose of identifying the type of work being performed.

Specific projects are authorized which fit into one of the subprograms identified below:

53321 Maintenance

This subprogram includes the routine maintenance, control of ice and snow, and specifically authorized maintenance projects performed on the State Trunk Highway System. Charges to this subprogram should be detailed as to specific activity and project number, as established by the Wisconsin Department of Transportation, in order to provide the detail required for preparing invoices for the work performed. The activity codes required by the DOT Maintenance Section are detailed can be found using the link below or see the Highway Maintenance Manual 02-25-01.

[Full Listing of Activity and Account Codes](#)

53322 Road and Bridge Construction

This subprogram provides for improvements or additions to the state trunk highway system. Activities performed as part of road construction include new construction, resurfacing, reconditioning, and reconstruction of existing roadways. Realignment to improve sight distance and safety predominantly within the existing right of way are included in this subprogram.

53322 Road and Bridge Construction (continued)

Activities performed as part of bridge construction includes new construction, reconstruction, widening, deck replacement, structural betterment, and replacement of existing bridges on the state trunk highway system to improve their traffic capacity, structural integrity and/or safety.

Road and bridge construction related to the state trunk highway system is divided into projects based on unique objectives for cost accounting purposes. The State's Department of Transportation requires billing for road construction by "project" and "line item".

EXPENSES (continued)

53323 Other

Expenses for other services (not included in above subprograms) provided to the Department of Transportation shall be charged here. Non-allocated expenses which the state participates in are charged to accounts in the 53100 account series.

The only charges that are currently appropriate in this account are salt storage costs.

NOTE: The above mentioned subprograms are the minimum level of recording required. The level of further detail kept in the subprogram (accounts) should be determined by the needs of the county for financial management.

53330 *Other Local Government Roads*

Most county highway departments in Wisconsin offer at least some road maintenance and construction services to town, village, and city governments within the county. In addition, the county may provide services to school districts or other local governments which are part of this program.

This program includes work necessary to maintain, improve and construct public roadways, structures and other public local road and street facilities. Selected work is performed by the County under agreement with the Town, Village or City government. These local/county agreements are entered into annually, usually for a calendar year period.

This program may be divided into subprograms (accounts) for the purpose of identifying the type of work being performed.

A project may be set up for each logical section of local road and street as agreed upon with the local government for the various services provided. These sections are cost accounted for billing and local government. Each billing will be by "project" and "line item".

53340 *Local Departments*

County highway departments may provide services to other county departments on public roads. The county highway department, as an internal service fund, charges other county programs for the services rendered based on the costs identified by the accounting section.

This program may be divided into subprograms (accounts) for the purpose of identifying the type of work being performed.

In addition, projects should be setup for each logical work activity as agreed upon to accomplish the program objectives. These projects are cost accounted for billing the other program. Each monthly billing should detail "projects" and "line items". Activity coding is an option of the county.

53350 *Federal Government*

Services provided to the federal government on public roads are charged to this account to accumulate costs for billing. As with other customers, projects should be established as necessary for cost accounting.

53360 *Non-Governmental Customers*

Only services to nongovernmental customers on public roads are charged here. As with other customers, projects should be established as necessary for cost accounting.

EXPENSES (continued)

53400 ROAD RELATED FACILITIES AND OTHER SERVICES

This program is established to account for road related facilities under the jurisdiction of the county, services not on public roadways, and cost of goods sold when the sale is not part of a service provided (a project). Expenses to be charged to this program include alleys and limited purpose roads, street lighting, sidewalks, storm sewers, parking facilities, and all other items not specifically included, or only partially included as eligible road costs under the local transportation aids formula.

Other services to be included here would be trash collection services (at 53490), parking lot maintenance (at 53450), and excavation and construction services. All services should be identified by project number. In addition, the cost of materials or supplies sold is debited to this account at sub- account 53470.

Detail accounts must be utilized to segregate costs as follows:

- 53410 Limited Purpose Roads
- 53420 Street and Highway Lighting
- 53430 Sidewalks
- 53440 Storm Sewers
- 53450 Parking Facilities
- 53470 Cost of Sales
- 53490 Other Road Related Facilities and Other Services

As with other customers and programs, projects should be established as necessary for cost accounting purposes.

53500 OTHER TRANSPORTATION

This account series is used only when the highway department is directly responsible for administering and operating such programs/facilities. More commonly, the services are provided to other departments and are charged to the 53490 series of accounts.

- 53510 Airport
- 53520 Mass Transit
- 53530 Railroads
- 53540 Docks and Harbors 53550 Bicycle
- 53590 Parks

53600 SANITATION

This account is used only when the highway department is directly responsible for administering and operating such programs/facilities. More commonly, the highway department may provide services to the sanitation program and would treat such services as other local departments at the 53490 series of accounts.

EXPENSES (continued)

53630 Solid Waste Disposal

This account includes expenditures, including licenses and long-term care payments, for acquiring, maintaining, and operating a landfill site, incinerator, recycling plant or any other facility for disposing of solid waste. It also includes payments to others to dispose of solid waste.

OFFICE MANAGER'S GUIDE

PRIOR TO CLOSING COUNTY DEPARTMENT BOOKS

Since the closing process only occurs once each year, we recommend that the following questions need to be answered before proceeding to close the books:

1) Account 53191 Supervision

Are all patrol superintendents' costs recorded in the account? Any costs which were transferred to other accounts (i.e., County Trunk Maintenance 53310 or State Maintenance 53321) should be transferred back to the supervision account.

2) Account 53192 Radio and 53193 General Public Liability Expense

Radio Expense and General Public Liability (GPL) expense should be recorded in these two accounts. Any Radio or GPL costs recorded in other expense accounts should be transferred back to these two accounts. NOTE: WisDOT reimbursement of these expenses should be recorded in revenue account 47230 - Intergovernmental Charges for Services, Transportation, not as a credit to the expense account.

3) Account 53210 Employee Taxes and Benefits

- A) Were all fringe benefits, including Time Off With Pay (TOWP) for all employees (including administrative and supervisory employees) charged to this account? Counties electing not to include administrative fringe benefits in the cost pool are still required to include these costs for patrol superintendent(s) in the fringe benefit cost pool.
- B) Were fringe benefit costs allocated to all expense accounts based on labor charged? NOTE: Fringe benefit costs must be allocated to expense accounts regardless of whether the costs are billed to a customer.
- C) May consider closing any payroll holding accounts and/or compensatory time accounts at this time.

4) Account 53220 Field Small Tools

- A) Were all field small tools charged to this account? Shop tools should not be charged to this account. It is understood that a tool may be used in both the field and shop. In this case, it is expensed in the cost pool in which was the primary purpose of the tools purchase. The exclusion of field small tool costs from this account, as a result of directly charging certain highway expense accounts, might result in a Highway Department receiving less of a reimbursement for field small tool expense in future periods.
- B) Were field small tool allocations made to all field labor expenses or accounts? NOTE: Field small tool costs must be allocated to all field labor regardless of whether the costs are billed to a customer. See list of Field Small Tools in Appendix.

PRIOR TO CLOSING COUNTY DEPARTMENT BOOKS (continued)

5) Account 53230 Shop Operations

- A) Was shop overhead allocated to all repair labor on non-highway department equipment? This is required based on the interim rate and must be allocated to the appropriate expense accounts, regardless of whether the costs are billed to the customer.
- B) Any direct labor and corresponding fringes for highway department machinery repair and maintenance should be expensed to Account 53240 - Machinery Operations or other applicable accounts. If these costs are still in shop operations at year end, they must be transferred to the labor column in the appropriate account prior to starting closing procedures.
- C) Building costs should be expensed to Account 53270 - Buildings and Grounds Operations Cost Pool, not charged to Shop Operations.
- D) Are service vehicles used in the highway operations? If these vehicles are not predominantly used for shop operations, they should be charged to the appropriate account based on usage (rate rented from Account 53240 - Machinery Operations). If they are predominantly used for shop operations, the vehicles are accounted for in this account and the net operating cost minus the revenue when a Shop Truck is charged to a job, becomes part of the year-end shop overhead allocated to all units.
- E) Was shop overhead allocated to all repair labor on non-highway department equipment?
NOTE: Shop overhead must be allocated to the appropriate expense accounts regardless of whether the costs are billed to the customer.

6) Account 53232 Fuel Handling

Were fuel handling costs allocated to all applicable expense accounts and fuel users based on gallons of fuel charged?

7) Account 53240 Machinery Operations

- A) Operating costs of specialized equipment (e.g. crushers, hot mix plants, fuel trucks, etc.) should be expensed in the appropriate cost pool or account. If this has not been done, these costs should be transferred during closing.
- B) The Machinery Operations account should include all direct repair labor and corresponding fringe benefits. While direct repair labor and fringe benefits should be recorded under the appropriate object codes in the ledger, they should be combined under the labor column and submitted in the MPM Financial Statement Operation of Equipment (Equipment Cost Analysis Form).
- C) Was all usage of classified machinery allocated to the appropriate expense accounts? Machinery costs must be allocated to expense accounts regardless of whether the costs are billed to the customer.

PRIOR TO CLOSING COUNTY DEPARTMENT BOOKS (continued)

8) Account 53250 Pit and Quarry Operations and Account 53260 Bituminous Operations

- A) Were the actual expenses of specialized equipment charged to these accounts? If not, a transfer should be made at closing time to remove specialized equipment from machinery operations and charge the appropriate cost pool.
- B) Was all production of gravel or bituminous products allocated to an inventory or an expense account? NOTE: Allocation charges to these accounts should be based on unit cost of production, which is not necessarily the same as the price for which the product is sold at.

9) Account 53270 Buildings and Grounds Operations

- A) Are all buildings and grounds costs charged to this account? If not, make appropriate transfers at this time.
- B) Is the information identifying the amount of building area, including any equipment storage, still current and up to date? The square footage must all be allocated on the form and using the ratio of each allocation to the total, the "Total Buildings and Grounds Costs to be allocated" must be assigned to each area. This is used to determine the WisDOT equipment storage space reimbursement.

10) Account 53280 Equipment and Materials Acquisition

Have all completed and incomplete units been transferred to appropriate asset or expense accounts? If not, make appropriate transfers at this time.

11) Account 53290 Salt Brining Operations

- A) Were the actual expenses of production and transfer / hauling of materials to other shops charged to this account? If not, make appropriate transfers at this time.
- B) Were all allocations made to the Salt Brine Inventory and charged out as used? Allocation charges to this account should be based on unit cost of production, which is not necessarily the same as the price for which the product is sold at.
- C) Reference [Chapter 02-20-80](#) Salt Brining Operations in the Highway Maintenance Manual

CLOSING THE HIGHWAY BOOKS

1. Prepare a year-end trial balance before proceeding with closing. This should be done after all normal month-end entries have been posted.
2. Prepare schedules and record entries, if not previously made, for the following:

18000 Fixed Assets

NOTE: All depreciable fixed assets should be depreciated up to the time of disposal. Fixed assets disposed of on or before the 15th of the month receive no current depreciation for the month of disposal. New purchases of fixed assets put into service on or before the 15th of the month should be depreciated for that month.

A) Account 18200 Land

- (1) Any purchases or sales should be recorded at historical (actual) cost. Purchases do not include Right of Way purchases as that is direct charged to the project.

Debit Account 18200 – Land (for the purchase price)
Credit Account 11100 – Treasurer's Working Cash or Account 53281 – Acquisition of Capital Assets

The following entry should be made for the sale of land:

Debit Account 11100 – Treasurer's Working Cash (for the sale price)
Credit Account 18200 – Land (for the book value of the land)

Credit Account 48310 – Gain or Loss on Disposition of Fixed Assets (for the difference between the sale price and book value) NOTE: Account 48310 is debited if the sale results in a loss.

Revenue from the sale of land, which was never capitalized on the Highway Department's books, should not be recorded in the Highway Internal Services Fund. Rather, this revenue should be recorded in the County's books. Gains or losses on the sale of land are closed to retained earnings at year-end.

- (2) Prepare a schedule for land (Schedule 11)
 - (a) Cost Column must equal balance in Account 18200 as of January 1
 - (b) Additions represent current year expenditures in Account 18211
 - (c) Total Column must equal balance in Account 18200 as of December 31

B) Account 18300 Buildings – MPM Financial Statement

- (1) Set up each building on plant and equipment record forms the year they are built or purchased (See Appendix for sample). If a building is not completed at year-end, transfer costs to Account 18700 – Work in Progress. Do not begin to depreciate until the building is completed or placed into service. Depreciate entire building costs over the below period for all new buildings or additions for buildings put in service after January 1, 1986. Buildings have -0- salvage.

On 09/27/2017, Machinery Management voted on and approved a change in building depreciation. For all new buildings the following life should be

- Salt Sheds = 25 year life
- All other highway structures = 40 year life

- (2) State Built Salt Sheds/State Financed Brine Makers & Facilities

Counties that have built new salt storage sheds, brine makers & facilities, which are totally or partially paid for by WisDOT, must account for these separately on their books. Since the WisDOT Maintenance Section has set up a special AFE for each county for billing purposes, it is recommended that the county record these sheds as follows:

- (a) Debit Account 53321 – State Trunk Highway Maintenance and Credit Account 11100 – Treasurer's Working Cash (To record cost of salt shed). Counties may elect to initially record the transaction in the Acquisition of Capital Assets Cost Pool – Account 53281 and then transfer costs to Account 53321 when completed.
 - (b) Debit Account 14200 – Due from State of Wisconsin and Credit Account 31400 – Contributed Capital from State Government (To bill WisDOT for their share of construction costs.)
 - (c) (At year-end if necessary) Debit Account 18700 - Work in Progress and Credit Account 53321 – Maintenance (To reclassify carryover if salt shed not completed by year-end)
 - (d) (At completion) Debit Account 18300 – Buildings and Credit Account 53321 – Maintenance (To capitalize salt storage building costs at completion of construction)
- (3) Make and post to the ledger a journal entry recording the current year's depreciation by debiting Account 53270 – Buildings and Grounds Operations and crediting Account 18390 – Accumulated Depreciation – Buildings. Depreciation on State built salt sheds must be identified separately in Account 53270. Salt sheds and brine makers have -0- salvage.
 - (4) If any building(s) was disposed of during the year, remove from Schedule 13 and make the following entries as applicable:

Sale of Building

- (a) Debit Account 11100 – Treasurer's Working Cash and Credit Account 18300 – Buildings (for the sale price of the building sold)
- (b) Debit Account 18390 – Accumulated Depreciation – Buildings (for the amount of the accumulated depreciation of the building sold)

- (c) Credit Account 18300 – Buildings (for the difference between the building costs and the sale price that was previously credited to Account 18300 in entry (a) above)

NOTE: Account 48310 is debited if the sale resulted in a loss. Any gains or losses on sale of buildings are transferred to the Buildings and Grounds Operations Cost Pool Account 53270 under object code (541) for depreciation at year-end.

Building Scrapped

- (a) Debit Account 53270 – Buildings and Grounds Operation and Credit Account 18390 – Accumulated Depreciation – Buildings (for book value at time of scrapping)
 - (b) Debit Account 18390 – Accumulated Depreciation – Buildings and Credit Account 18300 – Buildings (for original cost of building)
- (5) Prepare a schedule for "Inventory of Buildings" (Schedule 13) from the plant and equipment record forms with the following headings:
- (a) Building Number
 - (b) Building Description
 - (c) Year Acquired
 - (d) Cost
 - (e) Current Year Additions
 - (f) Total Cost
 - (g) **Prior Years' Depreciation**
 - (h) Current Depreciation
 - (i) Book Value 12/31/xx
- (6) Check schedule to ledger
- (a) Cost column must equal the 18300 Account balance as of January 1, after disposals
 - (b) Additions represent the current year's expenditures
 - (c) Total Cost column must equal the 18300 Account balance as of December 31
 - (d) **Prior years' depreciation must equal the 18390 Account – Accumulated Depreciation – Buildings as of December 31 after all adjusting entries previously mentioned have been posted, but before any current year's depreciation entries are posted for buildings on hand December 31.**

C) Account 18400 Improvements Other Than Buildings – MPM Financial Statement

- (1) Set up on plant and equipment record forms. Improvements Other than Buildings excluding salt sheds depreciate the entire cost over a 40-year period (2.5% annually). Improvements other than Buildings for Salt Sheds depreciate the entire cost over a 25-year period (4% annually). Improvements Other than Buildings have -0- salvage.
- (2) Make and post to the ledger a journal entry recording the current year's depreciation of Improvements Other than Buildings, by debiting Account 53270 – Buildings and Grounds Operations, and crediting Account 18490 – Accumulated Depreciation – Improvements Other than Buildings.

- (3) If any improvements other than buildings were sold during the year, make the following entries as applicable:
- (a) Debit Account 11100 – **Treasurer's Working Cash (for the sale price)** and Credit Account 18400 – Improvements Other Than Buildings (for the sale price)
 - (b) Debit Account 18490 – Accumulated Depreciation – Improvements Other Than Buildings (for the amount of accumulated depreciation of the improvement sold) and Credit Account 18400 – Improvements Other Than Buildings (for the difference between the improvement costs and the sale price that was previously credited in entry (a)). Credit Account 48310 – Gain or Loss on Depreciation of Fixed Assets (for the difference between the sale price and the book value at time of sale.) NOTE: Account 48310 is debited if the sale results in a loss. Any gains or losses on sale of land improvements are transferred to Account 53270 - Buildings and Grounds Operations Cost Pool under the object code (541) for depreciation at year-end.
- (4) Prepare a schedule (Schedule 12) from the plant and equipment record forms with the following headings:
- (a) Improvements Description
 - (b) Year Acquired
 - (c) Cost
 - (d) Current Year Additions
 - (e) Total Cost
 - (f) Prior Years' Depreciation
 - (g) Current Depreciation
 - (h) Book Value 12/31/xx
- (5) Check schedule to ledger
- (a) Cost column must equal the 18400 Account balance as of January 1 after disposals
 - (b) Additions represent the current year's expenditures
 - (c) Total cost column must equal the 18400 Account balance as of December 31
 - (d) Prior years' depreciation must equal the 18490 Account – Accumulated Depreciation – Improvements Other Than Buildings as of December 31, after all adjusting entries previously mentioned have been posted, but before any current year's depreciation entries are posted for buildings on hand December 31.

D) Account 18500 Machinery and Equipment – MPM Financial Statement

The inventory of machinery is prepared using the computer supplied inventory from WisDOT and the other equipment schedules for the following equipment activities:

Equipment Discarded/Scrapped/Disposed

- (1) Check plant and equipment record forms for disposal data; if not entered, record the data on the records.
- (2) Prepare a schedule (Schedule 18) of scrapped equipment from the plant and equipment record forms.

- (3) Make and post the required journal entries pertaining to scrapped equipment as follows:
 - (a) Debit Account 53240 – Machinery Operations at the depreciation line item and Credit Account 18590 – Accumulated Depreciation – Machinery and Equipment for an amount equal to the remaining book value of the unit scrapped.
 - (b) After the first entry is made, the accumulated depreciation of the unit scrapped should equal the cost of the unit. One is closed out against the other, by debiting Account 18590 – Accumulated Depreciation – Machinery and Equipment and crediting Account 18500 – Machinery and Equipment.
- (4) Remove unit(s) from inventory list

Equipment Traded-In

- (1) Check plant and equipment record forms of equipment traded in for the following:
 - (a) Current year's depreciation through date of disposal
 - (b) Amount of book value to be added to cash paid out to establish value of new purchase
 - (c) Any other disposal data
- (2) Prepare Trade-In Schedule (Schedule 16)
- (3) Make and post a journal entry recording the current year's depreciation on equipment traded-in to the nearest month of disposal. **NOTE:** Units traded-in on or before the 15th of the month receive no current depreciation for the month of disposal.

Debit Account 53240 – Machinery Operations and Credit Account 18590 – Accumulated Depreciation – Machinery and Equipment (To record the current year's depreciation on equipment traded-in).

- (4) Make and post a journal entry recording the trade-in as follows:

Debit Account 18590 – Accumulated Depreciation – Machinery (for the amount of the accumulated depreciation of the unit traded-in)

Debit Account 18500 – Machinery and Equipment (for the cash outlay of the new unit plus the book value of the unit traded-in)

Credit Account 11100 – Treasurer's Working Cash (for the cash outlay of the new unit)

Credit Account 18500 – Machinery and Equipment (for the cost of the traded-in unit)

Optional Method: Counties may choose to debit Account 53281 – Acquisition of Capital Assets Cost Pool instead of Account 18500 when recording the purchase.

- (5) Remove from Inventory list

Equipment Purchased

- (1) Check vouchers to determine what units were purchased during the year.
- (2) Set-up State classified equipment or any equipment with a total outlay of \$7,500 or more on an equipment record card. The cost to set up is the total cash outlay plus the book value of units traded-in, plus the additional set-up costs prior to placing into service.

- (3) Make and post the following entries:

Debit Account 18500 – Machinery and Equipment (cash value plus book value of trade-in)
Credit Account 53281 – Acquisition of Capital Assets

If unit is not completed or in service at year-end, then:

Debit Account 18770 – Construction in Progress
Credit Account 53281 – Acquisition of Capital Assets
(Remember to reverse this entry at completion)

- (4) Prepare an Equipment Purchased Schedule (Schedule 15) from the plant and equipment record forms. NOTE: The traded-in book value on the purchase schedule has to equal the book value as shown on the traded-in schedule.

- (5) Add unit(s) to Inventory list

Equipment Betterment or Major Repair

Consider costs of equipment betterment or major repairs and account for appropriately. See Appendix for examples. (Downloading this document will provide links to spreadsheets.)

Betterments make the equipment better and are typically over \$7,500. Add these expenses to the cost of the equipment and recalculate a new salvage based on the original cost of the unit plus the cost of betterment multiplied by 15%. Also recalculate new annual depreciation (((original cost plus betterment = new cost multiplied by 15% = new salvage)(new cost less prior accumulated depreciation = new amount to depreciate)(new amount to depreciate divided by estimated life = new annual depreciation))). Depreciate to new salvage value.

Debit 18500 Assets the cost of the betterment
Credit 53281 Capital Expense

On Inventory of Equipment Schedule 14, add betterment to Original Cost column, use new calculated depreciation in current yr depr column. Update plant and equipment card.

A Major Repair extends the life of the equipment but does not add anything new. Deduct repair expenses from accumulated depreciation of the unit and continue with already established depreciation amount. Depreciate to original salvage value. (To determine number of years left to depreciate, take repair cost divided by original annual depreciation.)

Debit 18590 Accumulated Depreciation the cost of the major repair
Credit 53281 Capital Expense

On Inventory of Equipment Schedule 14, deduct repair amount from “Prior Yrs Depreciation” amount for that asset, show previously calculated annual depreciation amount in the current year. Update plant and equipment card.

See example spreadsheets in Appendix.

Equipment Sold

- (1) Check plant and equipment record forms for disposal data.
- (2) Prepare a Schedule of Equipment Sold using Schedule 17.
- (3) Make and post a journal entry recording the current year's depreciation on equipment sold to the nearest month of disposal.
- (4) Make and post the following entries:
 - (a) Debit Account 11100 – **Treasurer's Working Cash** or 13100 – Receivable for Goods and Services (for sale price) and Credit Account 18500 – Machinery and Equipment (To record the sale of equipment)
 - (b) Because the sale price will be less than, equal to, or greater than the book value, a different journal entry is required for each situation as follows:
 1. Selling price is less than net book value (loss)
 - a. Debit Account 48310 – Gain or Loss on Disposition of Fixed Asset and Credit Account 18590 – Accumulated Depreciation (for the difference between the sale price and the net book value at time of sale)
 - b. Debit the appropriate account (for most assets, Account 53240 - Machinery Cost Pool) at the depreciation object code (541) and Credit Account 48310 – Gain or Loss on Depreciation of Fixed Assets for the amount of loss determined in 1. a. above.
 - c. Debit Account 18590 – Accumulated Depreciation and Credit Account 18500 – Machinery and Equipment (for the amount of accumulated depreciation which should equal balance in Account 18500 after above entries are posted)
 2. Selling price equals the book value

Debit Account 48310 – Gain or Loss on Disposition of Fixed Asset (for the sale price/book value)
Debit Account 18590 – Accumulated Depreciation (for the amount of accumulated depreciation)
Credit Account 18500 – Machinery and Equipment (for the original cost)
 3. Selling price is greater than book value (gain)
 - a. Debit Account 18590 – Accumulated Depreciation and Credit Account 48310 – Gain or Loss on Disposition of Fixed Assets (for the difference between the sale price and the net book value at time of sale)
 - b. Debit Account 48310 – Gain or Loss on Disposition of Fixed Assets and Credit the appropriate account (for most assets, Account 53240 - Machinery Cost Pool) at the depreciation object code (541) for the gain determined in 3.a. above.

- c. Debit Account 18590 – Accumulated Depreciation and Credit Account 18500 – Machinery and Equipment (for the balance in accumulated depreciation account after posting entry 3.a.)

NOTE: The treatment of the gain or loss on the sale of classified equipment as an adjustment to current depreciation expense is a deviation from GAAP, but is required by the Machinery Management Committee for classified equipment. It is recommended that the same procedure be followed for the sale of non-classified equipment to be consistent.

- (5) Remove from Inventory list

Equipment on Hand December 31

- (1) Prepare an Equipment Inventory Schedule using Schedule 14.
- (a) Obtain data from plant and equipment record forms
 - (b) Show subtotals for the nine types of machinery (Trucks, Tractors, Motor Graders, etc.)
- (2) After the Equipment Inventory Schedule is completed, check the following to the ledger:
- (a) The cost column must equal the balance in Account 18500 after all adjusting entries previously mentioned have been posted.
 - (b) The prior years' depreciation column must equal the balance in Account 18590 after all adjusting entries previously mentioned have been posted, but before any current year's depreciation entries are posted for equipment on hand December 31.
- (3) Make and post the following journal entry recording the current year's depreciation for equipment on hand as of December 31:

Debit Account 53240 – Machinery Operations (for classified machinery)
Debit Account 53192 – Radio Expense (for radio equipment)
Debit Account 53230 – Shop Operations (for shop equipment)
Debit Account 53232 – Fuel Handling (for bulk storage equipment)
Debit Account 53250 – Pit & Quarry Operations (for any specialized equipment used exclusively in the pit operations (e.g. crusher))
Debit Account 53260 – Bituminous Operations (for any specialized equipment used exclusively in the bituminous operations (e.g. hot mix plant))
Credit Account 18590 – Accumulated Depreciation – Machinery and Equipment
(for the total current year's depreciation charged)

- (4) Post depreciation of individual units to the detail sheets in Account 53240
- (5) Prepare the Reconciliation of Depreciation Schedule using Schedule 7

E) Account 18600 Gravel Pits and Quarries

- (1) Record any depletions at historical (actual) cost
- (2) Record depletion by making the following entry:

Debit Account 53250 – Pit and Quarry Operations

Credit Account 18600 – Gravel Pits and Quarries (for the amount of depletion during the year)

Counties which do not have a pit and quarry operation, but produce gravel products should charge any pit deletion to Account 53282 – Material Handling and Production Cost Pool.

(3) The following entry would be made for the sale of a pit or quarry:

Debit Account 11100 – Treasurer's Working Cash (for the sale price)
Credit Account 18600 – Gravel Pits and Quarries (for the book value of the pit or quarry)
Credit Account 48310 – Gain or Loss on Disposition of Fixed Assets (for the difference between the sale price and book value at the time of the sale)

NOTE: Account 48310 is debited if the sale resulted in a loss. Any gains or losses on the sale of pits or quarries are transferred to Account 53250 - Pit and Quarry Operations Cost Pool under the object code for depletion at year-end.

F) Account 18800 Other Fixed Assets

Transactions for other fixed assets are handled the same as equipment in Account 18500. The journal entry made to record current year's depreciation for other fixed assets is:

Debit Account 53110 – Highway Administration
Debit Account 53120 – Engineering
Credit Account 18890 – Accumulated Depreciation - Other Fixed Assets

16000 Inventories and Prepayments

G) Account 16100 Consumable Materials and Supplies - MPM Financial Statement

- (1) Take a physical inventory of any materials and supplies on hand 12/31/xx. NOTE: Inventories must be recorded on a first in, first out (FIFO) basis or a moving average cost basis. County auditors may approve the cycle count inventory method where individual inventory items are counted throughout the year. Before the fiscal/calendar year-end all inventory items must have been counted.
- (2) Prepare an Analysis of Materials and Supplies Schedule (Schedule 21)
 - (a) Check the percentage that the adjustment column bears to the sales or transfer column to determine if any adjustments are excessive. Fuel adjustments over 10% must be adjusted back to the units based on usage (sales). Counties may use their own judgement when adjusting any type of inventory adjustment which is less than 10% back to units.
 - (b) If adjustments are excessive, try to determine the cause and adjust at this time. As an example, if the cause of a large variance between the book and physical inventory of gasoline was found to be in the pricing of the sales and transfers, an adjustment could be made to adjust the price. This would require an entry between the 16113 and 53240 Accounts. In addition, the 53240 portion of the entry would have to be prorated to the detail ledger sheets of all equipment that used gasoline during the year.

- (c) Make and post a journal entry to adjust the book inventory to agree with the physical inventory as of December 31. Inventory variations arising from shop materials, fuel adjustments less than 10%, lubricants, etc. should be adjusted for through Account 53230 – Shop Operations. Adjustments for variations related to pits and quarries or bituminous operations should be adjusted for within the appropriate cost pool. Variations in inventories of materials and supplies for maintenance and construction materials are made to Account 53310 – County Maintenance and Construction. After the above noted entries are posted, the book and physical inventories must agree.
- (d) Were any obsolete parts disposed of? If so, handle write-offs as follows:

If the obsolete parts can be sold as parts or scrap, credit the revenue realized to Account 16112 – Shop Materials and Supplies or 16111 – Construction and Maintenance Materials and Supplies. The value of the obsolete parts still remaining in Account 16112 or 16111 is then written off by making this entry:

Debit Account 53230 – Shop Operations
Credit Account 16112 – Shop Materials and Supplies

Or

Debit Account 53310 – County Trunk Highways
Credit Account 16111 – Construction and Maintenance Materials and Supplies

On the Analysis of Materials and Supplies Schedule deduct obsolete parts write-offs from the 1/1/xx Inventory. Do not show this credit to account 16111 or 16112 as a sale.

H) Account 16150 Gravel Products

All gravel products purchased by the County and on hand at year end should be inventoried. If there are any stockpiles of materials at year end which have not been inventoried, make a journal entry as follows:

Debit Account 16150 – Gravel Products
Credit Account 53250 – Gravel and Pit Operations

Or

Credit Account 53282 – Materials Handling and Production

NOTE: Inventories are to be recorded at the lesser of cost or fair market value. If costs for gravel products are significantly higher than fair market value, an adjustment of the inventory may be necessary.

I) Account 16160 Bituminous Products

Same type of entry that was made for Account 16150 is made for Account 16160.

J) Account 16200 Prepaid Expenses

Review this account at year end, recalculate and adjust the balance for variations to the appropriate expense account.

53200 Transportation Cost Pools

K) Account 53270 Buildings and Grounds Operations – MPM Financial Statement

- (1) Summarize the costs of storing salt from the detail of the buildings account. This includes all costs of storage without regard to specific location or whether it is a State or County built shed. Depreciation on State built salt sheds should be listed separately.

NOTE: The following accounting treatment for State built salt sheds is in accordance with the reimbursement policy as prescribed in the Machinery Rental Agreement. All information used in the reimbursement calculation will be taken from the prior year purchases, costs, and capacity figures.

The State will participate in the depreciation on County built salt sheds if the capacity of these is needed to store state salt. Originally, the interpretation of the machinery agreement was that depreciation on any state built salt shed, whether partially or wholly funded, was not an eligible participation item.

- (a) Determine the total amount of chlorides purchased and stored for both State and County uses. The maintenance and repair costs will be allocated to both state and county based on the ratio of state purchases of salt to total state and county salt purchases in the prior year.
- (b) Determine the depreciation of county built salt sheds. The state will participate in this depreciation only when the state purchases of salt exceed the state financed capacity in the county. The state share is determined by the ratio of state purchases exceeding state financed capacity, multiplied by the depreciation costs of the county built sheds.
- (c) Make and post a journal entry to transfer the State and County's share of depreciation on County built salt sheds as follows:

Debit Account 53310 – County Trunk Highway Maintenance and Construction
(from 1(b) above)
Debit Account 53323 – State Trunk Highways Other (from 1(b) above)
Credit Account 53270 – Buildings and Grounds Operations (total depreciation on
County built salt sheds)

- (d) Calculate the State and County's share of maintenance and repair cost of salt facilities, exclusive of any depreciation costs. The portion of costs allocated to State and County is determined by the ratio of state chlorides (in tons) purchased (and stored) during the calendar year compared to the total of all chlorides purchased (and stored) in facilities in that year. (See example in Appendix)
- (e) Make and post the following journal entry to distribute other salt storage costs as determined in (d) above:

Debit Account 53323 – State Trunk Highways Other
Debit Account 53310 – County Trunk Highway Maintenance and Construction
Credit Account 53270 – Buildings and Grounds Operations

- (2) Obtain a determination of building square footage for all highway buildings (parking lots or other grounds and salt sheds are not considered).

- (3) Determine a buildings and grounds operation cost per square foot after collecting costs, exclusive of salt storage costs, without regard to specific location or function. NOTE: Separate rates for various types of storage are not allowed.
- (4) Allocate costs from this cost pool to other areas or programs at the rate determined in Step (3) above. NOTE: In instances where space is provided for other departments or agencies, such space must be charged back to those departments or agencies, regardless of whether the costs are billed.
- (5) After allocating the buildings and grounds operation cost to equipment storage, calculate the recovery of these costs by using the following formula: Proportions of equipment revenues generated by use for WisDOT maintenance projects to the total equipment revenues (NOTE: Only those overhead costs that can be identified with the storage of equipment can be recovered under this method and only the allocation of storage costs between State Highway Maintenance services and all other uses is provided for here.) If counties elect to invoice local users for their share of storage costs originally charged to the County Maintenance Account, they should decide on one of their own methods of allocation. Some of the suggested methods of allocation are: Lane miles of highways; flat rate per local unit; stand-by charge; share of equipment revenues similar to STH Maintenance share; or surcharge on machinery rentals to locals (CAUTION: Special accounting for this option is required because the surcharge reimbursement amount cannot be recorded in the Machinery Operations account as machinery revenues.) No winter proportion detailed.
- (6) Make and post a journal entry to allocate the storage costs between State Highway Maintenance services and all other users as follows:

Debit Account 53310 – County Trunk Highway Maintenance and Construction
Debit Account 53323 – State Trunk Highway Other
Credit Account 53270 – Buildings and Grounds Operations (overhead costs identified with equipment storage)
- (7) All costs should be allocated (as per above) annually at closing, resulting in a zero balance in the cost pool at year end.
- (8) Prepare a schedule of Buildings and Grounds Operations, so as to detail the costs of operation and the year-end allocation. (Schedule 1)

Optional Method: Counties may choose to allocate building costs monthly or quarterly based on the prior year actual cost per square foot.

L) Account 53232 Fuel Handling – MPM Financial Statement

All of the fuel tank removal and clean-up costs must be expensed out to Account 53232 - Fuel Handling Cost Pool in the year they are incurred. Each county can then decide how they want to recover the costs from outside users. It is recommended that the recovery period not exceed 5 years. (This based on the 5-year average costs used in determining machinery rental rates.) An example of the recovery periods from 1-5 years is included for you.

Assume that \$100,000 of tank removal costs were incurred in 1990, and that 100,000 gallons were dispensed in 1990. The fuel handling rate based on this would be \$1.00 per gallon if we elect to recover over one year, or \$0.20 per gallon if we elect to recover over five years. (Election to use any year in between these is also acceptable.)

Since all variance gains in the close get closed to shop operations (overhead), any profits realized in future years from these recoveries will offset machinery costs in those years.

- (1) Calculate a new fuel handling rate (Schedule 4) for use in the current year, based on the cost information from the year being closed as follows: Summarize all fuel handling costs from the cost pool and divide by the total gallons of fuel dispensed during that year. The result is the new fuel handling rate for your use, and should be applied to all gallons of fuel dispensed from your pumps, regardless of user. **NOTE:** A county may elect to establish one rate for fuel dispensed from pumps or directly from storage facilities and another rate for fuel delivered to job sites or users.
- (2) Close the fuel handling account as per M (3)(c) below.

M) Account 53230 Shop Operations – MPM Financial Statement

- (1) Prepare a schedule of shop operations in as much or as little detail as recorded in the general ledger.
- (2) Be sure to include the allocation of Buildings and Grounds Operations costs from Account 53270 prior to determining the year-end shop overhead rate.
- (3) Make journal entries for the following items as offsetting revenues to the cost pool:
 - (a) Gain (or loss) on disposition of unclassified shop fixed assets (from Account 48310)

Debit Account 48310 - Gain on Disposition of Fixed Assets
Credit Account 53230 – Shop Operations (for the gain on sale – reverse if loss)
 - (b) Sale of salvage and waste products (from Account 48340)

Debit Account 48340 – Sale of Salvage and Waste Products
Credit Account 53230 – Shop Operations
 - (c) Fuel handling over recovery (under recovery)

Debit Account 53232 - Fuel Handling
Credit Account 53230 – Shop Operations (reverse if under recovery)
 - (d) Any other allocation offsets similar to those discussed in the Shop Operations section of the manual and detailed on Schedules 5 and 6
- (4) Summarize the labor and fringe benefits allocated direct to Highway Department machinery for shop services (from Account 53240 and other accounts which had shop repair labor). This serves as the labor base for the year-end shop overhead allocation. **The labor and fringe benefits are divided into the net adjusted shop operations' costs** (Account 53230) to arrive at the year-end shop overhead rate.
- (5) Prepare a schedule of Distribution of Shop Overhead (from the year-end allocation based on shop repair labor including fringes). (Schedule 5)
- (6) Make a journal entry to transfer the balance in Shop Operations to Machinery Operations and other accounts which had shop repair labor as follows (Schedule 5a):
Debit Account 53110 – Highway Administration

Debit Account 53120 – Engineering
Debit Account 53240 – Machinery Operations
Debit Account 53250 – Pit and Quarry Operations
Debit Account 53260 – Bituminous Operations
Credit Account 53230 – Shop Operations (for the total amount)

NOTE: Shop overhead should be allocated at interim rates during the year to accounts other than the machinery operations account, in which case, shop overhead should not be allocated to these accounts again at year end. All direct shop repair labor must be allocated shop overhead at an interim rate. Counties doing repair work for other county departments or outside agencies must allocate the shop overhead to the appropriate expense accounts, regardless of whether the costs are billed to the customer.

N) Account 53240 Machinery Operations – MPM Financial Statement

- (1) Record the detailed operating costs and allocation credits (machinery revenues) of all pieces of highway machinery on the Equipment Cost Analysis sheets (Schedule 6). Data for all columns are obtained from the Account 53240 detail ledger sheets, except for overhead. Include entries for applicable Winter Readiness and Snow fence reimbursements by debiting Account 53322 at the object code (530) and crediting Account 53240 at the cost allocation out object code (920) if not previously done.

NOTE: The amounts posted to the labor column on the equipment cost report must include the fringe benefit costs associated with direct repair labor as charged.

- (2) Add the schedule to make sure it agrees. The machinery rental column must equal the credits in Account 53240 - Machinery Operations. The subtotal column must equal the debits in Account 53240 - Machinery Operations, prior to posting overhead.
- (3) Prorate the total overhead amount to the individual units of equipment. (This shop overhead rate was previously calculated under Account 53230 - Shop Operations in closing instructions Step M (3)). Apply this rate to the amounts shown for each unit in the repair labor column, and post this calculated amount as Overhead.
- (4) Complete the cost section of the schedule by adding the overhead amount to the subtotal column. The grand total of the total column represents the total cash and non-cash equipment operating costs for the year.

O) Account 53250 Pit and Quarry Operations

- (1) Obtain the gravel products stock pile inventory and make the required journal entry as detailed under Account 16150 – Gravel Products (Step H of closing instructions).
- (2) Make and post a journal entry to close Account 53250 - Pit and Quarry Operations to Account 33900 - Retained Earnings – Unreserved.

Optional Method: If the county elects to not close out the account balance at year-end, they should be cautioned that carry-forward balances may create unacceptable charge-out costs, an unwieldy deficit, or both. If the county elects to carry forward a balance in the Pit and Quarry Cost Pool, the balance must be transferred to Account 13630 – Unbilled Transportation Cost Pool Revenues or Account 26430 – Unearned Revenues from Transportation Cost Pools at year-end prior to closing.

- (3) Prepare a schedule of Pit and Quarry Operations, so as to detail the costs of operation and the allocations (Schedule 8).
- (4) See Appendix for Accounting for Depletion of Gravel Pits

P) Account 53260 Bituminous Operations

- (1) Obtain the bituminous products stockpile inventory and make the required journal entry as detailed under Account 16160 – Bituminous Products (Step I of closing instructions).
- (2) Make and post a journal entry to close Account 53260 - Bituminous Operations to Account 33900 - Retained Earnings – Unreserved.

Optional Method: If the county elects to not close out the account balance at year-end, they should be cautioned that carry-forward balances may create unacceptable charge-out costs, an unwieldy deficit, or both. If the county elects to carry forward a balance in the Bituminous Operations Cost Pool, the balance must be transferred to Account 13630 – Unbilled Transportation Cost Pool revenues or Account 26430 – Unearned Revenues from Transportation Cost Pools at year-end prior to closing.

- (3) Prepare a schedule of Bituminous Operations so as to detail the costs of operation and the allocations. (Schedule 9)

Q) Account 53290 Salt Brining Operations – MPM Survey

- (1) Summarize the costs associated with Salt Brining that cannot be directly attributed to programs and/or projects.
- (2) Determine the total labor charges (including fringe benefits)
- (3) The Machinery Management Committee has decided to allow the calculation for the salt brining rate to be based on actual costs. Therefore, any variations between expenses and allocations carry forward to the next year as follows:
 - (a) If costs are over-recovered (credits exceed debits), the variation is credited to Account 26432 - Unearned Revenue
 - (b) If costs are under-recovered (debits exceed credits), the variation is debited to Account 13632 - Unbilled Accounts Receivable
 - (c) When the variance changes from year to year, add the current year variance to the balance in the carry-forward account. (Similar to variances in the fringe benefit and small tools cost pools.)
- (4) Prepare a schedule of Salt Brine Operations so as to detail the costs of operation and the allocations (Schedule 10)
- (5) See Appendix "Salt Brine Inventory Adjustments" for examples.

R) Account 53220 Field Small Tools – MPM Survey

- (1) Summarize the costs associated with small tools that cannot be directly attributed to programs and/or projects. NOTE: Tire chains are not included in this account, but rather, are recorded in Account 53240 - Machinery Operations.
- (2) Determine the total labor charges (including fringe benefits) from all field projects during the year. This serves as the labor base for the field small tool allocation. NOTE: Administration State Codes 00xx-01-40 and 00xx-01-41 and general, shop operations, **buildings and grounds, fuel handling, bituminous and gravel pit operation's labor are not** considered field labor for this calculation.
- (3) The Machinery Management Committee has decided to allow the calculation for the field small tool rate to be based on actual costs. Therefore, any variations between expenses and allocations carry forward to the next year as follows:
 - (a) If costs are over-recovered (credits exceed debits), the variation is credited to Account 26432 - Unearned Revenue.
 - (b) If costs are under-recovered (debits exceed credits), the variation is debited to Account 13632 - Unbilled Accounts Receivable Account.
 - (c) When the variance changes from year to year, add the current year variance to the balance in the carry-forward account.

(CAUTION: Even though all field small tool items could be listed at zero value, we recommend that they continue to be inventoried for insurance purposes.)
- (4) Prepare a schedule of Field Small Tools, so as to detail the costs of small tools and the allocation. (Schedules 20 and 20a)
- (5) If unusual circumstances (or audit adjustments) occur after the initial rate has been calculated and approved, a revised rate should be calculated and if considered material, submit to WisDOT for review and approval.

S) Account 53210 Employee Taxes and Benefits – MPM Survey

- (1) Accumulate all employee fringe benefits and employment taxes as detailed in the account.
- (2) Counties who are self-insured should report Highway Department contributions to the insurance reserves as expenses, at the appropriate object code.
- (3) For those counties who accrue expense for employee vested sick leave or vacation pay, the following procedure applies:

The amounts accrued for these items are ineligible for allocation and must be specifically identified within the cost pool. For accrued vested sick leave, report the amount at line item 191, while the accrued vested vacation is reported at line item 192.

- (4) Determine the total accrued salary and wage costs, exclusive of time off with pay for the year. These can be accumulated from the sum total of all payroll vouchers. (This serves as the labor base for the fringe benefit allocation.)
 - (5) When the variance between expenses and allocations of the employee taxes and benefits account is carried forward to the next year, the following procedure is to be done: The current variance is added to the carry-forward variation, if they are both unearned revenue and unbilled accounts receivable. If the current variance is different than the carry-forward variation, the amounts must be off-set against each other, and only the remaining variation balance is carried forward and recorded in the general ledger and on the questionnaire.
 - (6) Prepare a schedule of Employee Fringe Benefits, so as to detail the costs of employer paid employee taxes and benefits and the allocations. (Schedules 19 and 19a)
 - (7) Calculate the Employee Taxes and Benefits rate using the schedule provided in MPM. Remember to include any additional or decreased benefits granted employees for the current year in the calculation of the rate. Submit a copy of the completed worksheet to WisDOT for their review and approval. The rate will be effective as soon after it has been reviewed and approved by WisDOT.
 - (8) If additional benefits (or audit adjustments) are granted after the initial rate has been calculated and approved, a revised rate should be calculated and if considered material, submit to WisDOT for review and approval.
3. Prepare other schedules as required by the Commissioner or County Board, from the detail of various ledger accounts
 4. Prepare the following schedules as required by the Department of Transportation:
 - A) Account 53110 - Highway Administration (MPM Financial Statement) (Schedule 2)
 - B) Account 53191 - Other Administration and General Supervision. (**NOTE: All patrol superintendents' vehicles will be depreciated based on a life expectancy of 100,000 miles. These vehicles can change classes based on change of use. E.g. Superintendent's vehicle to a Truck Class 101.** The depreciation method should not be changed when the class is changed. The equipment revenue should be recorded as required by class.) (Schedule 3)
 - C) Account 53192 - Radio Expenses and Account 53193 - General Public Liability Insurance (Schedule 3) (MPM Financial Statement)
 5. The year-end handling of the Equipment and Materials Acquisition accounts follow:

Account 53281 – Acquisition of Capital Assets – At year-end, the costs accumulated in this account must be analyzed and the appropriate entries made:

 - (1) If the costs are determined to be asset acquisition or betterment, all related costs must be transferred to the asset inventory account (if completed) or to the work in progress account (if not completed).
 - (2) If the costs are determined to be major repair, all related costs must be transferred to the accumulated depreciation account.

- (3) If the costs are determined to be normal operating expenses (not meeting or exceeding 25% of the gross capitalized cost of the asset), all related costs must be transferred to the equipment operations account 53240.

Account 53282 – Material Handling and Production – At year-end, the costs must be analyzed and the appropriate entries made:

- (1) If the costs are determined to be handling or production of an asset, all related costs must be transferred to the appropriate asset inventory account.
- (2) If the costs are determined to be accumulation of an expense task or activity, all related costs must be transferred to the appropriate expense account.

6. Make and post journal entries to close the revenue and expense accounts. If your county has a State built salt shed, a special treatment is required for closing Account 53323 – State Trunk Highway Other. The amortization of the State share of salt shed depreciation is optional against Account 31400 – Contribution from State Government. The following must be made before closing out Account 53323:

Debit Account 31400 – Contribution from State Government
Credit Account 53323 – State Trunk Highways Other (for the amount of depreciation on state built salt sheds charged to Account 53323 previously in closing Step K (1) (c))

The remaining balance in Account 53323, after the above entry is posted, is closed along with all other expense and revenue accounts into Account 33900 – Retained Earnings – Unreserved.

7. Prepare another trial balance to ensure that the ledger accounts are still in balance and that no errors have been made during the closing process. NOTE: This does not insure that errors do not exist between ledger accounts, but only insures that closing journal entries (debits and credits) have been properly posted.
8. Prepare Financial Statements as needed.
9. Transfer account balances to the ensuing year's ledger.
10. Counties should account for their current year tax levies and unexpended appropriation carry-forward balances in accordance with generally accepted accounting principles (GAAP). The highway department as an internal service fund receives its revenue through charging users for the services the fund provides. Therefore, essentially all revenues recorded in the highway funds are charges for services. Items such as property taxes, federal revenue sharing and transportation aids from the state should not be recorded as highway department internal service fund revenues. Rather, such funds are used to pay for services that the internal service fund provides to the county through the general fund or special revenue fund. See example in the Introduction section of the Uniform Cost Accounting Manual – subsection Fund Structure, An Internal Service Fund.

Two methods of accounting for these funds follow:

A) Method 1, pay as you go

Under this method, the highway department is paid as they earn it. No entry is made at the beginning of the year in the highway internal service fund for the highway appropriation. The entry is made by the county recording the highway appropriation in the general fund or special revenue fund. The county expends these funds to pay the highway internal service fund for services provided. The highway department may also keep track of the unexpended fund balances by comparing their budget to the cost of providing services to the county.

B) Method 2, advanced funds

Under this method, the highway department receives its entire budget amount on January 1. Obtain a copy of the ensuing year's official budget as adopted by the county board. Prepare the following journal entries. (Substitute Account 25200 - Due to Special Revenue Fund, if applicable.)

Debit Account 11100 - **Treasurer's Working Cash** for the entire amount and Credit Account 25100 - Due to General Fund. Set up a detail page using as categories the Memo funds which the highway department appropriates money for. At the end of each month, reduce the Due to General Fund account and the corresponding categories on the detail page by the amount of the expense incurred in these categories during the month. To do this, Debit Account 25100 - Due to General Fund and Credit Account 47430 - Local Governments Revenue – Transportation. After these postings are made, you may now prepare a statement showing the balance in your appropriations.

The balances in the detail columns in the Due to General Fund account represent the unexpended appropriation balances for the respective categories. The available working capital for the internal services fund is determined by adding up cash and current accounts receivable and subtracting current liabilities. Use of available working capital is not limited to the categories under the Due to General Fund account.

11. After all opening entries have been posted, prepare a trial balance.

APPENDIX

Field Small Tools

(List not all inclusive)

Air Compressors, hoses and connectors	Picks	Vibrators, concrete, high frequency
Asphalt Lutes	Pitchforks	Vices
Asphalt Pour Pots	Pliers	Weed Eaters and String
Axes	Pneumatic Jackhammers	Wrecking Bars
Brooms, power and push	Posthole Diggers	Wrenches, hydraulic, impact
Brushes for painting	Pruners (gas or hydr power pole)	
Cans for fuel and lubricants	Pry Bards	
Caulk Guns	Pumps, breathing	
Cement Cart, two wheels	Pumps for oil drum, etc	
Chain Saws, including files, oil and chains	Punches	Safety Items
Chisels	Push Mowers and Blades	Aprons
Concrete Pavement Breaker attachments	Rakes	Air Quality Meters
Concrete Saws, up to 10 hp	Rear Blades	Boots
Concrete Saw Blades	Rebar Ties	Chaps
Concrete Scabblers	Root Grapples	Cones
Coolers for drinking water	Rulers for carpentry	Coveralls
Crow Bars	Rumble Drums	Decibel Meters
Diggers, posthole	Sandblasting Hood and Lenses	Ear Protection
Digital Cameras	Saws, hand, hydraulic, chain, portable power	Face Shields w/headgear
Drills, core, elect., air, hammer, gas	Scabblers, concrete	First Aid Kits
Drills (elect) and bits	Scaffolding	Glasses
Extension Cords	Scrapers w/ scarifier	Gloves
Fence Stretchers	Screwdrivers	Goggles
Flashlights and batteries	Seeders	Hard Hats and Liners
Fuel for saws and mowers, etc.	Shears	Knee Pads
Generators, portable, electric, <3000-watt output	Shovels	Masks/Filters
Grab Hooks for logging	Side Cutters	Rain Suits
Gopher Killers	Silt Fence	Safety Vests and Shirts
Grade Stake Ribbons	Socket Sets	
Grade Stakes	Sod Cutters	
Grease Guns	Soil Saber / Soft Excavator	
Grinders and Discs	Snow Blowers, push	Traffic Items
Hammers, including rotary	Sprayers, hand, paint	Barricades and Lights
Handles for axes, brooms, shovels, etc.	Squeegees for asphalt	Batteries for Flashers
Hoses, garden type	Stencils	Flags
Ice Scrapers	Straps (hand down w/ ratchet, lifting, tarp, tow)	Sand Bags
Jacks for raising culvert ends	Sweepers, power broom w/ lift, push type	Signs, construction and hand Held
Jacks, hydraulic bridge	Tape Measures	Traffic cones
Jumper Cables	Tool Boxes	Traffic counters
Ladders	Tractors w/ broom/sweeper	
Levels	Traffic Line Removers	
Mowers, push	Trash Pickers and Bags	
Padlocks	Tree Planters	NOTE: Like items that benefit multiple field projects should be treated as field small tools
	Trowels for cement	
	Trowels, power	
	Twisters for Snow Fence	

MAJOR EQUIPMENT REPAIR

Extends life of asset but adds nothing new. Add to book value and continue with already established depreciation schedule.

UNIT			
Asset Life	9	years	
	ORIGINAL	2024 Calc	
Original Cost	137,593.47	137,593.47	
Major Repair		30,021.47	
Asset Cost	137,593.47	137,593.47	
Original Salvage	20,639.00	20,639.00	
Depr Value	116,954.47	116,954.47	
Prior Accum Depr	116,954.47		
New Accum Depr		86,933.00	Prior Accum Depr - Major Repair Cost
Amt to be Depr		30,021.47	Depr Value – New Prior Accum Depr
Annual Depr		12,994.94	Depr Value / Asset Life
Amount to be depr		30,021.47	
Years Remaining		2.31	Amount to be Depr/Annual Depr
	2024	12,994.94	
	2025	12,994.94	
	2026	4,031.59	
	2027		
Total Major Repair Depr		30,021.47	Should equal amount of major repair

EQUIPMENT BETTERMENT

Makes equipment better, usually >\$7,500. Add to cost of equipment and recalculate depreciation by adding book value + cost of betterment and divide by remaining life.

UNIT			
Asset Life	9	years	
	ORIG	2024 Calc	
Orig Cost	137,593.47	137,593.47	
Betterment		30,021.47	
Asset Cost	137,593.47		
New Asset Cost		167,614.94	New Asset Cost = Orig Cost + Betterment
Orig Salvage	20,639.00		
New Salvage		25,142.24	New Asset Cost * 15%
Depr Am	116,954.47		
New Depr Amt		142,472.70	New Asset Cost – New Salvage
Prior Accum Depr	116,954.47	116,954.47	
Amt to be Depr		25,518.23	New Depr Amt – Prior Accum Depr
Annual Depr		15,830.30	New Depr Amt / Asset Life
Amount to be Depr		25,518.23	
Years Remaining		1.61	Amt to be Depr / Annual Depr
2024		15,830.30	
2025		9,687.93	
2026			
2027			
Total Major Repair Depr		25,518.23	should equal amount to be depreciated

Equipment totaled by insurance

A truck that was involved in an accident (which was totaled by the insurance company) was brought back and parts were salvaged off of it. Then the remainder of the truck was sold on Wisconsin Surplus.

Original purchase price	\$82,307.56
Book Value at time of accident	77,771.00
2019 depreciation (5 months)	3,240.00

Insurance company agreed to pay	\$56,605.00
Less insurance deductible	- 1,000.00
Bought the truck back for	<u>- 8,150.00</u>
Net Insurance check for	\$47,550.00*

Then the truck sold for	\$19,300.00*
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Show on Machinery & Equipment Sold Schedule 17 as:

Unit	Type of Equip	Cost	Prior Yrs' Depr	2019 Depr	Book Value when sold	Sale Price	Gain / (Loss)
##	Truck	82,307.56	1,296.56	3,240.00	77,771.00	66,850.00*	(10,921.00)

Salt Storage Reimbursement

- 1) Determine total amount of chlorides purchased and stored

5,274.21 tons state salt
3,095.63 tons county salt
8,369.84 total tons salt

State salt / total salt = $5,274.21 / 8,369.84 = 63.01\%$ (of all salt purchased is state salt)

- 2) Determine the depreciation of county built salt sheds

State capacity per DOT 8,650.00
Excess state purchases less state capacity
State salt purchased less capacity
 $5,274.21 - 8,650.00 = (3,375.79)$ (if negative, percentage is 0)

Ratio of Excess (Capacity / Excess)
 $8,650.00 / (3,375.79) = -256.24\%$

Depreciation of county financed sheds 20,472.00
Current yr Depreciation on County Shed disposed 0
Depreciation of State Financed Sheds 13,826.00

- 3) Make and post a journal entry to transfer the State and County's share of depreciation:

Debit Account 53310 - County Trunk Highway Maintenance $20,472.00 * 100\% = 20,472.00$
Debit Account 53323 - State Trunk Highways Other $20,472.00 * -256.24\% = 0$
Credit Account 53270 - Buildings and Grounds Operations the total amount = 20,472.00
(To allocate depreciation of County Salt sheds)

- 4) Calculate State and County share of salt shed maintenance costs

Total Maintenance = 4,976.62

Debit Account 53323 - State Trunk Highways Other $4,976.62 * 63.01\% = 3,135.99$
Debit Account 53310 - County Trunk Highway Maintenance $4,976.62 - 3,135.99 = 1,840.63$
Credit Account 53270 - Buildings and Grounds Operations the total amount = 4,976.62
(To allocate maintenance of County Salt sheds)

- 5) Determine amount of Salt Storage Reimbursement

Amount debited to Account 53323 in 3) above (in this example -0-) plus
Amount debited to Account 53323 in 4) above (in this example 3,135.99)

- 6) Enter journal entry for receivable if required

Debit Account 14200 – Due from State
Credit Account 47233 – Roadway Maintenance Charges

Accounting for Depletion of Gravel Pits

Depletion is a periodic charge to expense for the use of natural resources. In a typical highway operation, it would be used for gravel pits. The calculation of depletion involves these 3 steps:

- 1) Compute a depletion base
- 2) Compute a unit depletion rate
- 3) Charge depletion based on units of storage

The depletion base is the asset to be depleted. It is comprised of the following four types of costs:

- 1) Acquisition costs – the cost to either buy or lease the property
- 2) Exploration costs – the cost to locate assets that may then be depleted
- 3) Development costs – the cost to prepare the property for asset extraction
- 4) Restoration costs – the cost to restore the property to its original condition after depletion activities have been completed

To compute a unit depletion rate, subtract the salvage value of the asset from the depletion base and divide by the total number of measurement units that you expect to recover. The formula for the unit depletion is:

$$\text{(Depletion base – salvage value) / Total units to be recovered}$$

The depletion charge is then created based on actual units of usage. If you extract 500 yards of gravel and the depletion rate is \$2 per yard, then you charge \$1,000 to Pit Operation Cost Pool.

The estimated amount of a natural resource that can be recovered will change constantly as assets are gradually extracted from a property. As you revise your estimates of the remaining amount of extractable natural resource, incorporate these estimates into the unit depletion rate for the remaining amount to be extracted. This is not a retrospective calculation.

An example of depleting a gravel pit:

Land purchase	\$100,000
Road construction	10,000
Restoration costs (estimate)	<u>40,000</u>
Total	\$150,000

An estimate of the yards of gravel that can be extracted is 75,000, so the deletion rate is \$2/yard.

For each yard of gravel extracted and used in a highway operation, a depletion charge of \$2/yard would be made to Account 53250 - Pit Operation Cost Pool at the depletion of gravel object code and would be detailed on Schedule 8.

Salt Brine Inventory Adjustments

Based on the State Salt Brining Cost Pool policy when applying brine on State roadways you cannot charge the State for county salt. This creates an issue when you work with state, county and municipal roadways.

With the difficulty in trying to keep separate brine inventories due to tank capacities and blended routes it is suggested that you use either state or county salt to make brine and do an inventory adjustment at the end of each month.

To make this adjustment you will need the gallons used on the State Roadways or County/Other Roadways.

Based on past history there are 2.29lbs of salt in each gallon of brine.

See below for examples showing transfers

State Salt used to make Salt Brine

Inventory adjustment

Salt brine used on County Other Roadways 125,000 gallons x 2.29lbs = 286,250.00 lbs / 2,000 = 143.13 tons salt used

Increase State salt inventory 143.13 tons at -0-

Decrease County salt inventory 143.13 tons at cost

County Salt used to make Salt Brine

Inventory adjustment

Salt brine used on State Roadways 150,000 gallons x 2.29lbs = 343,500.00 lbs / 2,000 = 171.75 tons salt used

Decrease State salt inventory 171.75 tons at -0-

Increase County salt inventory 171.75 tons at cost

Charging for Salt Brine

Counties have TWO options for charging the cost of brining:

- 1) Direct charge to the State
- 2) Cost Pool

Brine for State System Only

- Use State salt
- Charge labor to RMA, Activity Code 072
- Deicer additives – Charge/Credit RMA, Activity Code 072
- Water – Charge gallons times price per gallon to RMA, Activity Code 072, if a separate water meter is attached to brine maker. Otherwise water is paid for in the buildings and grounds operations cost pool
- Equipment Maintenance – Charge to RMA, Activity Code 072
- Transportation to outlying sheds for only the brine used on state highway system – Charge to RMA, Activity Code 070

Charging Policy to the State for cost pooling (per gallon charge)

Not eligible in cost pool (per gallon charge):

1. Building depreciation financed in whole or part by the state
2. Additives (should be charged for direct bill)
3. Salt (this can be calculated by using 2.29 lbs/gallon)
4. Equipment purchased by the state in whole or in part
5. Labor including fringe already paid through administration such as patrol supervisors and shop overhead such as shop supervisors
6. Utilities that are not directly metered to production of brine
7. Transportation of brine to storage tanks (may use activity code 070)

ONLY eligible items in cost pool (per gallon charge) for state used brine:

- Buildings and Grounds allocation
- Any supplementary equipment used in the brining operations, such as a loader, can be charged to the cost pool using the published Statewide Equipment Rates (no surcharge if your county has implemented that process)
- Brining equipment purchased by the county may be depreciated in the cost pool based on the guidance given in the Uniform Cost Accounting Manual
- Maintenance and repairs of the brining equipment
- Labor and Fringe (not reimbursed elsewhere)
- Utilities if metered separately (as noted above, only if a separate meter is attached to brine maker. Otherwise utilities are captured in the Buildings and Grounds Operations cost pool and allocated here based on square footage occupied by brine operations)

In accordance with 2 CFR 200, the variance carry-forward method will be used in order to meet SS 84.07(2)(a)

GASB REFERENCES

GASB 34 INFRASTRUCTURE ASSETS

A. OWNERSHIP OF INFRASTRUCTURE ASSETS

When ownership of an infrastructure asset is unclear, the government that is primarily responsible for managing that asset should report the infrastructure asset. Essentially, the government unit that pays the bills for the day-to-day maintenance costs is the owner of the infrastructure asset. A good example is a bridge on a county trunk highway is replaced, but the county pays for only 20% of the construction costs directly. The State of Wisconsin pays the other 80% directly. The bridge belongs to the county due to the fact that the county is responsible for the inspection, maintenance and insurance of this bridge.

Use the guidelines established by the County Financial Officer, Auditor and highway staff for the costing of infrastructure:

1. Items to be capitalized (i.e. roads, culvers, bridges, traffic signals, right-of-way, etc.)
2. Thresholds. Typically, a county will need to establish a capitalization policy for infrastructure assets. The capitalization thresholds that are established should ensure that infrastructure values **materially represent the County's financial condition** without creating excessive record keeping requirements.
3. Life expectancy
4. Salvage percentages
5. 12/31/yy current dollar value with supportive schedule
6. What resource will be used for deflating factors if you are using estimated historical cost to arrive at capital cost?

B. VALUATION OF INFRASTRUCTURE ASSETS

Capital assets (including infrastructure assets) are required to be reported at actual cost under GASB 34.

C. HOW TO VALUE INFRASTRUCTURE ASSETS

According to GASB 34, each jurisdiction can use one of two general methods for valuing existing infrastructure assets: Depreciation or the modified approach. Whichever method is used, a fundamental requirement is a good inventory of assets. The inventory will include the historical cost, or estimated historical cost, of construction.

- Depreciation method of valuing assets

The easiest method for valuing assets under GASB 34 is depreciation. Governments can use any reasonable and established method to depreciate an asset's value over its useful life until it reaches salvage value. On each year's financial statement, depreciation will be shown as an expense, and the capitalized value of the asset declines each year by the annual depreciation.

One simple method for determining depreciation is straight-line depreciation. The annual amount of straight-line depreciation is determined by the following equation:

$$\text{Annual depreciation} = (\text{historical cost} - \text{salvage value}) / \text{useful life in years}$$

The life (and value) of a road, culvert, bridge, traffic signal, etc. largely depends on how well it is maintained. Regular maintenance adds value to infrastructure assets.

The alternative approach to valuing existing assets suggested by GASB 34 is called the “modified approach”.

- Modified approach to valuing assets

The modified approach to valuing capital assets incorporates the benefits, or value, of maintenance activities into the reporting process. GASB 34 does not provide a complete description of such an approach but does describe the minimum required inputs and outputs. In general, they include the following:

- o Maintain an up to date inventory of infrastructure assets
- o Regularly assess the condition of all infrastructure assets and summarize the results using a measurement scale
- o Each year, estimate the annual cost required to maintain and preserve the assets at a minimum condition level established by the County Board. The minimum condition level should be expressed in terms of categories or a condition index (i.e. good, fair, and poor).

According to GASB 34, the assessment of infrastructure conditions must be conducted at least once every three years. In addition, the result of the three most recent condition assessments must provide reasonable assurance that the assets are being preserved approximately at or above the minimum condition level established by the county.

The mechanics of implementing the modified approach are left to the county to determine.

If the two requirements (asset management (inventory) system and documentation of preservation of infrastructure assets at condition level established) are no longer satisfied, then the government must calculate depreciation expense and disclose for current and subsequent reporting periods.

D. DETERMINING CURRENT BOOK VALUE OF INFRASTRUCTURE ASSETS

Current book value or current value is defined as estimated historical or actual cost of an asset less its life-to-date depreciation expense.

Under the depreciation method for valuing assets, deriving a current book value is fairly straightforward. However, under the modified approach, deriving a current value for infrastructure assets will be one of the most problematic requirements for the county financial officer, auditor and highway staff.

For most counties, the most practical implementation would be to use:

1. The estimated historical cost (normal costing method), which can be determined by calculating the current replacement value through price-level indexes to the construction year. Using this method, counties can immediately account for all infrastructure assets relating to county trunk roadways, culvers, bridges, traffic signals, right-of-way and etc.
2. Depreciation. Depreciation is the systematic and rational allocation of the net cost of the **infrastructure asset over the infrastructure assets' estimated useful life. More than likely the straight-line depreciation method will be used. In addition, for some infrastructure assets a salvage value may remain at the end of it's useful life. Depreciation may be reported by:**
 - a. A network of infrastructure assets (10% of cost of all capital assets)
 - b. A subsystem of a network of infrastructure assets (5% of cost of all capital assets)
 - c. Individual infrastructure assets

E. OTHER ISSUES RELATED TO INFRASTRUCTURE ASSET REPORTING UNDER GASB 34

The following are some of the issues that will have to be addressed:

- Some road construction projects take more than one year to complete due to the stages of road engineering work, right of way purchases, road base reconstruction and surface mat layout.
 - *Construction in progress will have to be tracked at first and then converted to the finished road segment*
- Road construction projects may not always match up perfectly with the road segments set up in the PASER database (i.e. segments too lengthy at times).
- IT is important to be able to match your asset management (inventory) system with your infrastructure road rating system (i.e. PASER).
- Road construction projects through urban areas (villages & cities) may involve cost-sharing agreements and questions of what is really owned by the County.
- Jurisdictional transfers take place that will have to be tracked.
- Distinguishing what are really construction costs to be set up versus what is really maintenance costs to be expensed.

GASB 87 LEASES

As discussed in greater detail below, GASB 87 provides for three accounting treatments: short-term leases, contracts that transfer ownership, and contracts that do not transfer ownership – a catchall for all remaining leases of nonfinancial assets.

Without the need to distinguish between operating and finance leases, the new GASB standard will improve the recognition of leased assets and related liabilities and improving the comparability of financial statements among governmental entities.

SHORT-TERM LEASES

Under GASB 87, the identification of a short-term lease hinges entirely on the length of the maximum possible non-cancelable lease term. If the lease agreement specifies a non-cancelable term, after considering the effects of potential extensions (regardless of their likelihood of being exercised), of 12 months or less, the lease is deemed a short-term lease.

Lessee accounting for short-term leases is functionally identical to the accounting for operating leases under FASB 13, requiring entries to be posted only to account for the outflow of resources during each period. For government-wide and proprietary fund financial statements (accounted for using economic resources measurement focus), these payments will be recognized as a rent expense, while for modified accrual fund financial statements, the rent payments will be recorded as expenditures. Short-term leases require no additional disclosures.

CONTRACTS THAT TRANSFER OWNERSHIP

Lease contracts that transfer ownership are treated explicitly as sales of the asset by the lessor and a purchase of the asset on credit by the lessee. These arrangements can transfer ownership in two ways, both requiring the contract to have no termination options.

- o First the contract can directly specify ownership is transferred at the end of the life of the lease.
- o Alternatively, the contract can implicitly allow the borrower to continue to hold the property to the end of its life by setting up a fiscal funding or cancellation clause (which only activates if the governmental entity does not provide a provision for the payment of the lease obligation) that is reasonably certain not to be exercised.

ALL OTHER LEASES

All leases that do not fall into the two categories listed above are treated with the new single-model approach. Lessees will be required to concurrently recognize a right-of-use asset (reported as an expenditure on modified accrual fund financials, like a capital asset purchase) and the related lease liability (other financing source on modified accrual fund financials). The lease liability, as was standard under FASB 13, will be measured at the present value of effectively fixed minimum lease payments, while **the asset's initial balance will equal the liability plus additional payments for initial direct costs made to the lessor on or before the start of the lease term.** As the right-of-use asset is classified as an intangible. Lessees will be required to amortize the value of the asset in a systematic manner over the shorter period **of the lease term or the useful life of the asset.** Consistent with the lease liability's treatment as a financing, lessees will also recognize interest expense (expenditures on modified accrual fund financials) over time based on the current balance of the lease and the implicit interest rate charged to the lessee.

ILLUSTRATIONS

The illustrations in the tables with this article demonstrate the basics of how lessees will be required to account for short-term and long-term ownership transferring and non-ownership-transferring leases and how to present them on their financial statements under GASB 87.

Table 1 illustrates a short-term lease, including the calculations and required journal entries under both accrual and modified accrual accounting.

Table 1:

Pike Township leases a piece of equipment for 12 months on 1/1/year 1. The equipment has a five-year economic life. The lease calls for monthly payments of \$2,000 at the end of each month. The lease conveys no ownership at the end of the lease term, there are no cancellation options, and there are no potential extensions to the term. Because the lease specifies a non-cancelable term of 12 months or less, with no extension options that are reasonably certain to be exercised, the lease will be treated as a short-term lease under GASB 87.

Accrual accounting: The first month's journal entry would be:

1/31/year 1	Rent expense	2,000	
	Cash		2,000

To record the January year 1 rent payment under the short-term lease

Modified accrual accounting: The first month's journal entry would be:

1/31/year 1	Expenditures: Rent	2,000	
	Cash/vouchers payable		2,000
	(if paid by other fund)		

To record the January year 1 rent expenditure under the short-term lease

Table 2 illustrates a long-term (non-ownership transferring) lease for Pike Township, including the present value calculations and an amortization table. Large organizations with adequate budgets can purchase sophisticated leasing software to automatically calculate the present value of future lease payments. Organizations too small to afford such software can either obtain the present value of an annuity of future lease payments using free calculators available on websites (e.g. calculate it using the Excel PV function, entered as =PV(interest rate, number of periods, payment amount, future or residual value, payment time end of period=0 or beginning of period =1). A final option is to obtain the appropriate present value factor from annuity tables provided in most accounting and finance textbooks and multiply it by the annual lease payment.

Table 2:

Pike Township leases a machine for a non-cancelable term of three years on 1/1/year 1. The machine has a fair value of \$75,000 and a 10-year economic life. The lease calls for annual lease payments of \$10,000 on 12/31 of each year, and the implicit interest rate known to the township is 5%. The lease conveys no ownership at the end of the lease term, contains no purchase option, and requires no guarantee of residual value. Because the non-cancelable lease term extends past one year. Paragraph 20 of GASB 87 requires the lessee to recognize a lease liability and an intangible right-of-use asset.

Present value of the lease payments: $=PV(.05,3,-10000,0,0) = \$27,232.4803$
 Rounded to the nearest integer (zero decimals): $=round(PV(.05,3,10000,0,0),0) = \$27,232$

Amortization table for the long-term lease asset and liability

Date	Lease Payment	Interest Rate 5%	Loan amortization	Balances for the long-term lease:	
				Asset	Liability
1/1/year 1				\$27,232	\$27,232
12/31/year 1	\$10,000	\$1,362	\$ 8,638	18,155	18,594
12/31/year 2	10,000	930	9,070	9,070	9,524
12/31/year 3	<u>10,000</u>	<u>476</u>	<u>9,524</u>	-	-
Totals	\$30,000	\$2,768	\$27,232		

Per Paragraph 31 of GASB 87, in the case of a non-ownership purchase lease, the asset is amortized straight-line over the shorter of the lease term (3 years) or the useful life of the asset (10 years) and may be combined with depreciation expense related to other capital assets.

The liability is amortized annually by the difference between the interest expense and the lease payment.

The Excel PV formula displayed in Table 2 contains a few subtleties. First, the lease payment amount of \$10,000 must be entered as a negative number because it represents a cash outflow. The next element in the formula is zero, indicating the lessee receives no future or residual value. If so, it would be entered as a positive number to represent a future inflow. The final element in the formula is zero, indicating this is an ordinary annuity where payments occur at the end of each period. If payments were made at the beginning of each period (an annuity due), the final element in the formula would be 1.

The Excel ROUND function is useful with the PV function because it rounds a number to a specified number of digits. It is entered as =ROUND(the number you want to round, the number of digits to which to round). Table 2 shows how these two functions can be nested together. To avoid decimals in the amortization table in Table 2, all formulas used the ROUND function with the number of digits set to zero.

Table 3 illustrates the scenario of leased office equipment with town ownership at end of term.

Table 3

Pike township leases office equipment with a fair value of \$75,000 for three years on 1/1/year 1. The equipment has a 10-year useful life with no residual value. The lease calls for three payments of \$27,540 on 12/31 of each year, and the implicit interest rate known to the township is 5%. The lease conveys ownership to the township at the end of the lease term. The township intends to use the leased asset for its entire useful life and depreciates similar assets using the straight-line method.

Amortization schedule for the lease liability

Date	Lease Payment	5% Interest	Lease Liability Balance
1/1/year 1			\$75,000
12/31/year 1	\$27,540	\$3,750	51,210
12/31/year 2	27,540	2,560	26,230
12/31/year 3	<u>27,540</u>	<u>1,310</u>	-
Totals	\$82,620	\$7,620	

Accrual Accounting: First year's journal entries would be:

1/1/year 1	Machinery	\$75,000
	Lease Liability	\$75,000

To record the purchase of the equipment on credit

12/31/year 1	Lease Liability	\$23,790
	Interest Expense	3,750
	Cash	\$27,540

To record the annual payment of principle and interest on the lease-financed purchase

12/31/year 1	Depreciation Expense: Office equip	7,500
	Accum Depr: Office equip	7,500

To record annual straight-line depreciation on the asset over its 10 years of expected time in service

Modified accrual accounting: First year's journal entries would be:

1/1/year 1	Expenditure: Office Equip	\$75,000
	Other Financing Source:	\$75,000
	Lease Liability	

To record the purchase of the office equipment on credit

12/31/year 1	Other Financing Source: Lease Liability	23,790
	Expenditure: Interest	3,750
	Cash	27,540

To record the annual payment of principle and interest on the note-financed purchase.

NOTE: Depreciation expense is not recognized in modified accrual accounting financial statements.

PIKE TOWNSHIP

Schedule of items appearing on the Statement of Revenue, Expenditures and Changes in Fund Balances
For the year ended 12/31/year 1

Expenditures:

Expenditure: Lease right-of use-asset	\$27,232
Expenditure: Lease Liability	8,638
Expenditure: Interest	1,362
Expenditure: Rent	24,000 *

Other financing sources:

Other financing source: Lease Liability	\$27,232
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*\$2,000 per month from Table 1 x 12 months = \$24,000

ACCOUNTING SCENARIOS

SCENARIOS

- 1) My county just received a State Financed Brine Maker and we plan to only make brine for State Operations. My neighboring county just purchased a Brine Maker and are planning to make brine for State, County and Local Operations. How are these brining operations accounted for? How are they to be charged out to customers?

Reference Uniform Cost Accounting System Manual / Office Manager's Guide – Pg 58 & 82
[Reference Highway Maintenance Manual 02-20-80](#)

A new Cost Pool account was set up for Salt Brining Operations, Account 53290
The Department shall pay the counties for salt brine applied to the State Trunk Highway System based on the actual costs. No provision for profit or other increment about cost is allowed.

Also reference material in the Appendix such as "Salt Brine Inventory Adjustments" and "Charging for Salt Brine" where processes are clearly outlined on Pgs 95-96 NOTE: There are to be no charges for salt within the Cost Pool as it is assumed state salt is used.

Every county using a cost pool to account for brine shall annually report their brine making costs to WisDOT through the MPM program as this information is required to calculate the carry-forward variance applied to next year's cost per gallon. The county shall report their annual brine production costs to the department as soon as possible after year end but no later than May 1st of each year. Once the costs are reviewed and approved, the cost per gallon will be applied based on a full 12-month period.

- 2) My county finally got a unit of equipment "financed by the State". It is a skid steer that we will be using on a large State project next month. Can you help me with the accounting to capitalize it? Can you help me with charging it out to projects when we use it? Can I use it on Non-State projects? How do I reimburse the State-or do I?

Reference Highway Maintenance Manual Chapter [02-15-40](#) and [02-15-45](#)

All state financed equipment upon installation shall become and remain the property of the county. The county will insure and maintain these units of equipment. The county shall be responsible for communicating with the equipment vendor concerns regarding any warranty items related to the equipment.

The department shall provide direct reimbursement to the county for the operation, maintenance and insurance costs of this equipment. Since no rental rate has been established for the use of the equipment, there is to be no equipment rental charged to the department. If this equipment is used on any non-state project, an appropriate rental charge (as determined by the county) is to be made, with the revenue credited back against the directly reimbursed costs paid for by the department.

The county may invoice the department for the state share of operation, maintenance, and/or repair costs on the monthly invoice or annually as they are incurred. If equipment

revenue derived from the non-state work is available, only the net cost of the equipment will be reimbursed by the department.

Once the state financed equipment is taken out of service, if the county chooses to purchase replacement equipment, the acquisition and operating and maintenance costs of the replacement equipment will be initially paid for by the county and then reimbursed by the state through the normal equipment rate formula.

In those instances where a unit of state financed equipment is past the end of its originally projected service life, the department will recognize the substantive refurbishment of the existing unit of state financed equipment by the county as an equipment replacement. A substantive refurbishment means major repairs and maintenance. It is further defined as repairs costing more than the equipment's remaining residual value or typically 15% of the original purchase price of the equipment.

The county will finance the substantive refurbishment and will recover its investment by charging the state or another county a mutually agreed upon rate for the use of this equipment. This non-standard equipment rate will be determined jointly by the department and the county and is subject to normal equipment rate review by the Machinery Management Committee.

The department and the county will establish and implement a written Memorandum of Understanding (MOU) defining the roles, responsibilities and terms of a state financed equipment agreement when department funds are used to acquire equipment and ownership of the acquired equipment is transferred to the county.

A MOU is not required for equipment purchases under \$7,500.00 since these are considered small tools.

- 3) My county has a State Financed unit of equipment that needs some repair, in fact it could be a major repair. How do I account for the costs to repair the equipment and how do I charge out those repair costs? If our costs exceed the 25% original capitalization level, how do I account for those costs?

Reference Highway Maintenance Manual Chapter [02-15-40](#) and [02-15-45](#)

Once the state financed equipment is taken out of service, if the county chooses to purchase replacement equipment, the acquisition, operations and maintenance costs of the replacement equipment will be initially pad for by the county and then reimbursed by the state through the normal equipment rate formula.

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The county will finance the substantive refurbishment and will recover its investment by charging the state or another county a mutually agreed upon rate for the use of this equipment. This non-standard equipment rate will be determined jointly by the department and the county and is subject to normal equipment rate review by the Machinery Management Committee.

- 4) My county had a large truck involved in an accident and the insurance company may total out the vehicle. How do I account for the insurance money, and what do the journal entries look like for this transaction?

Reference Uniform Cost Accounting System Manual / Office Manager's Guide – Pg 92

Miscellaneous Revenues 48400 Insurance Recoveries

When payments are received for damage to highway department property, this account is provided to record the revenue. However, as a practical matter, the recovery is typically viewed as an offset to the cost of repairing or replacing the property. For purposes of simplification, minor receipts may be credited to the account recording the expense of the damage. This will result in a "netting" of revenues and expenses for this transaction, which is not usually desirable, but is acceptable and expedient for this situation.

See Major Equipment Repair and Equipment Betterment examples in Appendix – Pgs 90-91

- 5) I know that our Shop Overhead rate is 125% of direct labor. Can you explain what exactly "shop overhead" is? Can you also explain when it should be charged and how? Lastly, can you explain how my operations is impacted by not charging it to all customers for shop work order work performed?

Reference Uniform Cost Account Systems Manual / Office Manager's Guide – Pgs 54 & 80-81

The shop operations account is debited with all expenses of operating the highway shop, exclusive of direct labor hours or materials charged to specific work orders, and storage space allocated to outside users. Those costs are allocated on the basis of direct shop repair labor. The allocation is made annually based on final costs of providing shop operations. Total costs in this cost pool, less amounts recovered at interim rate(s) (discussed below) and offsetting revenues from gains on disposition of shop unclassified fixed assets or sale of salvage and waste products are allocated to clear the remaining cost pool.

Shop overhead is allocated to equipment at year-end using the shop overhead rate. An interim rate is required for charging out throughout the year. This interim rate is the prior year's rate, computed on prior years' shop labor and fringe benefits, which allows for prompt billing. (This rate is the most recently established rate for charging out based on direct repair labor and fringe benefits.)

NOTE: Shop overhead should be allocated at interim rates during the year to accounts other than the machinery operations account, in which case, shop overhead should not be allocated to these accounts again at year-end. All direct shop repair labor must be allocated shop overhead at an interim rate.

Counties doing repair work for other county departments or outside agencies must allocate the shop overhead to the appropriate expense accounts, regardless of whether the costs are billed to the customer.

- 6) My county just started building equipment in our shop and I want to understand how the accounting works on the direct and indirect costs associated with shop work. Can you explain how to account for this and what it would look like?

Reference Uniform Cost Accounting Systems Manual/Office Manager's Guide -Pgs 54-55 & 80-81

Plant and equipment are to be recorded at cost. Cost of plant and equipment includes the total cash outlay, or its equivalent, made to acquire the asset and put it in operating condition. For a method of accumulating such costs appropriate for capitalization, use of the acquisition cost pool, 53281, is suggested.

NOTE: All direct shop repair labor must be allocated shop overhead at an interim rate. Counties doing repair work for other county departments or outside agencies must allocate the shop overhead to the appropriate expense accounts, regardless of whether the costs are billed to the customer.

- 7) My county just started renting equipment for special projects and I really don't know how to correctly handle the costs, charging the usage and invoicing. Can someone from WDOT help?

[Reference Highway Maintenance Manual Chapter 02-25-05](#)

The County shall invoice the cost of renting equipment under county furnished materials. A brief description of the rented equipment and the name of the vendor or agency that owns the equipment should be included as supporting documentation.

Rental equipment shall not be assigned a unit number. The rental rates should normally include fuel, maintenance, repairs, insurance, depreciation and other related costs, and the rental agreement should make note of exceptions. Materials should not be purchased under equipment rental. The rental rates may include labor costs. Equipment can be rented by the square yard, ton, mile, linear foot, or any other unit of measurement that can be applied to the materials the equipment will be used with.

When 100% of the equipment rental is for a single project or customer, 100% of the costs to rent, operate and maintain are to be charged to that project or customer. If multiple projects or customers are using the rental equipment proportionate amount of costs are to be charged based on project use. For example, if State and County operations use the rental equipment:

25% and 75% of the time respectively, the costs should be charged using those % usages (State 25% and County 75%)

When a long-term rental is done, and actual costs will not be known until the end of the rental, an optional method may be employed:

Assign a charge rate per hour for the unit and invoice customers using that rate. AT the end of the rental period, a reconciliation of actual costs to operate compared to those costs invoiced is required and adjustments made if necessary.

RESOURCES

Year End Task Schedule					
JANUARY TASKS		OMG PG #	YE Entry	State Schedule	Completed
1	Clear out Petty Cash Expenses from prior year, prepare Balance Sheet workpaper				
2	Check to make sure all mileage from Commissioner's / Superintendents vehicles are in				
3	Verify all cash receipts are entered for the year				
4	Set up AR Invoices for GTA payments				
5	WisDOT Quarterly Fuel Report: 4 th Qtr due 1/15				
6	Update Financial Software with Equipment Rates for new year				
7	Update Financial Software with Activity Codes for new year				
8	Calculate Fuel Handling Rate	79-80		4	
9	Close out Capitalized Bldgs, Improvements Other than Bldgs (if needed), also WIP accounts	69-71	Yes		
10	Close out Capitalized Land (if needed)	68	Yes		
11	Set up New Bldgs/Improvements for Depreciation: Prepare Preliminary Schedules 12 & 13	69-71			
12	Request Update from DOT on State Projects for year-end (Percent complete, costs to date)				
13	Make sure there are no remaining Equipment Rentals to charge out	81			
14	Prepare Inventory of Land	68		11	
15	Prepare Inventory of Buildings (Bldg Depreciation)	69-70		13	
16	Prepare Inventory of Improvements other than Bldgs	70-71		12	
17	Review Equipment usage details for prior year, any charges to disposed units not corrected need manual adjust				
18	Prepare Schedules for Equipment Purchased	73		15	
19	Prepare Schedules for Equipment Traded	72		16	
20	Prepare Schedules for Equipment Sold	74		17	
21	Prepare Schedules for Equipment Discarded/Scrapped	71-72		18	
22	Book any Accrual or Prepaid entries necessary, prepare workpaper	77			
23	Prepare Final Schedule of Inventory Analysis of Materials Supplies	76-77		21	
24	Prepare Schedule of Bituminous Operations	82		9	
25	Prepare Schedule of Pit & Quarry Operations	81-82		8	
26	Calc/Request approval from WisDOT new "Fringe Benefits, Salt Brine Rate, & Small Tools Rate" Fringe Benefit, State Brine, & Small Tools Worksheets (All billing and PR must be in)	82-84		10 19,19a 20,20a	
FEBRUARY TASKS		OMG PG#	YE Entry	State Schedule	Completed
27	Adjust Depreciation on Superintendent's vehicles (by miles, not time)				
28	Prepare Inventory of Machinery & Equipment			14	
29	Prepare Reconciliation for Year End Accum Deprec Bldgs, Improvements, Machinery & Equipment				
30	Prepare Reconciliation of Current Years' Depreciation. Tie to financial software Balance Sheet Accounts	68-75		7	
31	Calculate & Post Annual Deprecation on Equipment, Bldgs, & Improvements	68-75	Yes		

32	Calculate & Post Annual Contributed Capital Share on State Financed Equipment	68-75	Yes		
33	Close out Fuel Handling Cost Pool variance to Shop Operations Cost Pool	79-80	Yes		
34	Close out Fringe Benefits Cost Pool	83-84	Yes		
35	Prepare Accounts Receivable Schedule			23	
36	Prepare Due from State of Wisconsin Schedule			22	
37	Prepare Inventory of Salt Shed Bldgs	69-70		EOYF	
38	Set up GASB 34 spreadsheets for Year End Audit: Bridges, Roadways & Culverts	98-100			
39	Prepare Buildings & Grounds Operation Schedule	78-79		1	
40	Prepare Buildings & Grounds allocation Journal Voucher, Closing-out Bldg & Grounds Cost Pool	78-79	Yes		
41	Prepare Shop Operation worksheet	80-81		5	
42	Prepare Shop Overhead Distribution worksheet	80-81		5a	
43	Allocate Shop Operations Overhead to remaining Orgs/Close out Shop Ops Cost Pool	80-81	Yes		
44	Close out Field Small Tools Cost Pool	83	Yes		
45	Close out Brine Cost Pool	82	Yes		
46	Close out Revenue to Transportation Cost Pool for Equipment for Machinery (This Cost Center closes to Fund Balance)	71-75, 81	Yes		
47	Prepare Highway Administration Worksheet			2	
48	Prepare Other Admin & General Expenses Worksheet			3	
49	Prepare Operation of Equipment/Equipment Cost Analysis (Roll fuel adjustments from Schedule 4 if necessary)	81		6	
	MARCH TASKS	OMG PG #	YE Entry	State Schedule	Completed
50	Prepare and Submit Completed Inventory of Two Way Radios (Due 4/1)			EOYF	
51	Prepare and Submit Completed Annual WisDOT shop Labor Survey (Due 4/1)			EOYF	
52	Prepare and Submit Completed Annual WisDOT Cost Trends Survey (Due 4/1)			EOYF	
53	Prepare and Submit Annual Admin Cost Survey (Due 4/1)			EOYF	
54	Prepare and Submit Annual WisDOT Chloride/Salt Reimbursement (Due 4/1) HMM Reference 02.20.35			EOYF	
55	Prepare and Submit Annual WisDOT GPL Reimbursement (Due 4/1) HMM Reference 02.20.15 (This information may be sent by WMMIC (Wisconsin Municipal Mutual Insurance Company) directly to state)			EOYF	
56	Submit and Complete Inventory of Salt Shed Bldgs (if requested by State)			EOYF	
57	Submit Completed Equipment Storage Reimbursement Form to WisDOT			EOYF	
58	Prepare Infrastructure spreadsheet (GASB 34) for outside auditors			EOYF	
	APRIL TASKS	OMG PG #	YE Entry	State Schedule	Completed
59	WisDOT Quarterly Fuel Report 1 st Qtr Due 4/15				
60	Prepare request for CIP Project Funding (including reimbursement of ROW cost from last year); must go to Infrastructure				

61	Prepare Transfer of Funds form to carry forward any unspent CIP dollars on infrastructure projects				
62	Submit Annual WisDOT Financial Report Schedules 1-23 (Due 5/1) HMM 02.30.15				
63	Submit WisDOT LOS State Wage Labor				
64	Prepare and Submit Annual WisDOT Maint Material Cost survey "Lump Sum" Calculation (Due 4/30)				
65	Prepare and Submit Annual WisDOT LOS BHO Material Survey (Due 4/30)				
	OCTOBER THROUGH DECEMBER TASKS	OMG PG #	YE Entry	State Schedule	Completed
66	Fill out "Annual Election to use Composite Rates for Winter Maintenance Equipment" MPM Form (if electing to do so)				
67	Conduct Annual Inventory counts				
68	Review equipment usage detail for the year, so incorrect postings can be corrected prior to 12/31				
69	Watch for announcement of RMA from WisDOT with jobs and job numbers				
70	Review Job Numbers and inactivate those numbers that should not carry into the next year				
71	Update Equipment rate script with new rates so it's ready to load in financial software 1/1				

MPM REPORTING DUE DATES

Financial Reports	06/01
SURVEYS	
Highway Administration Costs	04/01
Field Small Tools	05/01
Fringe Benefits	05/01
GPL Insurance	05/01
Net Book Value	05/01
Radio/Communication Inventory	05/01
Salt Storage	05/01
Equipment Storage Reimbursement	05/01
Salt Brine	05/01
Shop Labor Wages	05/01
Labor Survey	05/01
Material Survey	05/01
Lump Sum Material	05/01
Cost Trend	06/30
Winter Readiness Agreement	11/30
Fuel Qtr 1	04/30
Fuel Qtr 2	07/31
Fuel Qtr 3	10/15 earlier date due to Equipment Rate Setting for next year
Fuel Qtr 4	01/31
EQUIPMENT	
Annual Election to use Composite Rates	12/31

REFERENCE LINKS

DESCRIPTION
Highway Cost Accounting Manual / Office Manager's Guide
WI Department of Transportation
Web Access Management System (WAMS)
State Phone Directory
Road and Bridge Assistance Programs
Wisconsin Information System for Local Roads (WISLR)
Highway Maintenance Manual
Highway Maintenance Manual Chapter 2
National Association of County Engineers
Wisconsin Counties Association (WCHA)
Wisconsin DOT State Trunk Highway Fire Call Claim Program
Wisconsin DOT Car Killed Deer Program
Wisconsin DOT Crash Reporting
WI DOT Plans & Projects

SPREADSHEET ATTACHMENTS

[Betterment Calculation](#)
[Drug & Alcohol Testing Reimbursement Worksheet](#)
[Major Repair Calculation Repair Greater than Accumulated Deprec](#)
[Major Repair Calculation](#)
[Salt Brine Worksheet](#)
[Set Rate Locally Calculator](#)
[Year End task Schedule](#)

HIGHWAY ACCOUNTING TRAINING VIDEO LINKS

[Highway Accounting 101 – Chapter 1 Cost Accounting Manual/Office Manager's Guide](#)
[Highway Accounting 101 – Chapter 2 Highway Department View and Cost Pools](#)
[Highway Accounting 101 – Chapter 3 Other Operational Cost Pools](#)
[Highway Accounting 101 – Chapter 4 Equipment Costs and Revenues](#)
[Highway Accounting 101 – State Reimbursements to Counties](#)
[Equipment Rates – Overview of Rates, Formula, Charging, Composite, Set rate Locally, and Small Tools](#)

These are all located on the MPM CHEMS Forum website under Highway Accounting Training

MPM Training Videos

[MPM Basics & Navigation](#)

[MPM Equipment Part 1 Classify Equipment](#)

[MPM Equipment Part 2 Change Equipment Classification](#)

[MPM Equipment Part 3 Change Equipment Information](#)

[MPM Equipment Part 4 View County Equipment List](#)

[MPM Working with Invoice Templates](#)

[MPM Upload and Submit Monthly Invoice](#)

[MPM County RMAs, DMAs & TMAs](#)

[Winter Readiness Certification](#)

WAMS – Wisconsin Access Management System

For you to access CEMS and the MPM State Financial Reporting System you will need a WAMS ID. Your WAMS username and password will be your username and password for CEMS as well as the MPM system. Follow the instructions below to receive your WAMS ID

1) Get your WAMS ID in Production and your WAMS ID in Acceptance (Note the different urls)

Follow the Self-Registration process in both Production and Acceptance

WAMS ID in Production highlight and open hyperlink **Wisconsin Web Access Management System**
(<https://onwisconsin.gov/wams/home>)

WAMS ID in Acceptance highlight and open hyperlink **Wisconsin Web Access Management System**
(<https://uaonwisconsin.gov/wams/home>)

WAMS Acceptance is a separate system from WAMS Production. Your WAMS Acceptance username and password will be used for training. To make it easier to remember, we recommend using the same username and password that you did for WAMS Production.

2) Sign up for the MPM System

Production self registration for WAMS is <https://on.wisconsin.gov/WAMS/SelfRegController>
Production MPM is <https://trust.dot.state.wi.us/mpm/>
(highlight and open hyperlinks as needed)

WisDOT MPM Support team can be contacted at DOTMPMSupport@dot.wi

FINANCIAL SCHEDULES

The schedules listed below are required in the Financial Report you will upload in PDF format to MPM. Your county may require additional reporting based on your county's requirements. Once complete, upload your complete Financial Report to MPM.

Schedule Number	Title
1	Buildings and Grounds Operation
2	Highway Administration
3	Other Administration and General Expenses
4	Fuel Handling
5	Shop Operations
5a	Distribution of Shop Overhead at Year End
6	Operation of Equipment (Equipment Cost Analysis Form)
7	Reconciliation of Current Year's Depreciation
8	Pit and Quarry Operations
9	Bituminous Operations
10	Brine Operations
11	Inventory of Land and Land Improvements
12	Inventory of Improvements other than Buildings
13	Inventory of Buildings
14	Inventory of Machinery and Equipment
15	Machinery and Equipment Purchased
16	Machinery and Equipment Traded In
17	Machinery and Equipment Sold
18	Machinery and Equipment Discarded
19	Fringe Benefit Analysis
19a	Fringe Benefit Rate Calculation (Optional)
20	Field Small Tools Analysis
20a	Field Small Tools Calculation (Optional)
21	Analysis of Materials and Supplies
22	Due from State
23	Accounts Receivable

SCHEDULE 1 – Buildings and Grounds

BAA425 1093

Wisconsin Department of Transportation

BUILDINGS AND GROUNDS OPERATIONS
Year 2023

Depreciation of Buildings		\$	467,666.00
Depreciation of Improvements other than Buildings			59,150.22
Heat, Light, Power and Water			149,486.97
Telephone			18,774.81
Maintenance of Buildings & Grounds			303,520.04
Insurance on Buildings & Grounds			26,355.00
Gain or (Loss) on Sales of Buildings (Adjustment to Depreciation)			-
Total Buildings and Grounds Cost		\$	<u>1,024,953.04</u>

Less Salt Storage Costs			
Depreciation of Salt Facilities			
State Built	\$	13,826.00	
Others		<u>20,472.00</u>	\$ 34,298.00
Utilities		-	
Salt Facilities Maintenance/Repairs		8,100.75	
Insurance		<u>-</u>	<u>42,398.75</u>
Total Buildings and Grounds Costs to be Allocated			\$ <u><u>982,554.29</u></u>

Divided by Total Square Footage of all Buildings (excl Salt Facilities)	193,849
Equals Allocation per Square Foot	5.0687

Allocation To	Square Feet	Alloc Rate	Amount
Highway Administration	9,091	5.0687	46,079.17
Shop Operations	48,798	5.0687	247,340.37
Fuel Handling	13,970	5.0687	70,809.15
Equipment Storage	114,908	5.0687	582,429.36
Bituminous Material Storage	3,300	5.0687	16,726.57
Brine Making System / Storage Tanks	3,782	5.0687	19,169.66
Totals	193,849		\$ <u><u>982,554.29</u></u>

SCHEDULE 2 – Highway Administration

BAA419 1187

Wisconsin Department of Transportation

HIGHWAY ADMINISTRATION
YEAR 2023

Labor			
Commissioner	\$	65,353.84	
Other Labor		<u>145,607.97</u>	\$ 210,961.81
Fringe Benefit Costs			134,436.95
Travel Expense			3,044.65
Committee Per Diem and Expenses			14,499.69
Commissioner's Vehicle Expense			
Depreciation (0002 and 0006)	\$	3,247.03	
Vehicle Overhead		1,818.73	
Other Expenses		<u>16,687.90</u>	21,753.66
Office Supplies			11,797.46
Contract Services			3,888.00
Teleconferencing			149.90
Buildings and Grounds Allocation			46,079.17
Depreciation of Office Equipment			12,805.00
Miscellaneous			
Accounting and Auditing Services	\$	9,100.00	
Postage		2,061.74	
Other		<u>-</u>	<u>11,161.74</u>
	TOTAL COST		\$ <u><u>470,578.03</u></u>

SCHEDULE 3 – Other Highway Administration and General Expenses

BAA421
87

Wisconsin Department of Transportation

OTHER ADMINISTRATION
AND GENERAL EXPENSES
YEAR 2023

RADIO EXPENSES

Labor	\$	675.07
Fringe Benefit Costs		430.19
Materials / Equipment Repairs		2,488.36
Shop Overhead		-
Depreciation		2,797.00
Total Radio Costs	\$	<u>6,390.62</u>

GENERAL PUBLIC LIABILITY INSURANCE

General Public Liability Insurance	\$	62,825.00
Umbrella Insurance		-
Total GPL Costs	\$	<u>62,825.00</u>

PATROL SUPERVISION

Labor	\$	160,003.14
On Call		13,051.00
Fringe Benefit Costs		110,280.13
Machinery Rental		30,436.52
Cell Phone Service		1,344.13
Other		324.05
Total Patrol Supervision Costs	\$	<u>315,438.97</u>

SCHEDULE 3a – Other Administration and General Expenses

BAA421
87

Wisconsin Department of Transportation

OTHER ADMINISTRATION
AND GENERAL EXPENSES
YEAR 2023

LOCAL ROAD IMPROVEMENT PROGRAM

Labor	\$	1,247.06
Fringe Benefit Costs		794.76
Miscellaneous		-
Machinery Rentals		111.75
Total LRIP Costs	\$	<u>2,153.57</u>

LOCAL BRIDGE AIDS

xxxxx - COLLIER RD	\$	5,114.23
xxxxx - NORTH RAIL ROAD		4,044.52
xxxxx - ELM VALLEY RD		1,745.83
xxxxx - BELL CORNERS RD		3,093.55
Total Local Bridge Aids	\$	<u>13,998.13</u>

CHANGE IN VESTED SICK/VACATION LEAVE	\$	<u>48,484.67</u>
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SCHEDULE 4 – Fuel Handling

BAA430 87

Wisconsin Department of Transportation

FUEL HANDLING
YEAR 2023

Labor			\$	4,532.11
Fringe Benefit Costs				2,888.18
Fuel Truck Costs				
Depreication	Unit 0047	\$	-	
Other Expenses			<u>6,130.46</u>	6,130.46
Depreciation of Fuel Bulk Storage				49,034.00
Storage Cost / Buildings and Grounds Allocation				70,809.15
Other				<u>23,290.69</u>
Total			\$	156,684.59
Cost Allocations (Credits)				<u>140,120.90</u>
Net Gain / (Loss)				<u><u>(16,563.69)</u></u>

SCHEDULE 5 – Shop Operations

BAA111 1194

Wisconsin Department of Transportation

SHOP OPERATIONS
YEAR 2023

Direct Labor	\$ 351,172.35		
Fringe Benefits	<u>223,784.81</u>	\$	574,957.16
Less Recovered on Work Orders			<u>574,957.16</u> \$ -
Direct Materials		\$	1,608,885.52
Less Recovered on Work Orders			<u>1,608,885.52</u> \$ -
Indirect Labor			257,134.29
Fringe Benefits on Indirect Labor Only			163,861.22
Shop Supplies			71,987.02
Depreciation of Shop Equipment			34,736.72
Service Cars			
Depreciation	\$ -		
Other Costs	<u>-</u>	\$	-
Less Revenue			<u>-</u> -
Purchase and Repair of Shop Tools			39,977.48
Maintenance of Shop Equipment			-
Buildings and Grounds Allocation			247,340.37
Allocation Offsets			
Shop Overhead Recovered on Work Orders (non hwy vehicle repair)		\$	(100,445.66)
Fuel Handling (Over) Under Recover			16,563.69
(Gain) Loss on Sale of Shop Assets			-
Sale of Salvage and Waste Products			<u>(13,463.80)</u> (97,345.77)
Inventory Adjustments			
Shop Materials and Supplies		\$	31,900.15
Gasoline			(2,967.88)
Diesel Fuel			(10,427.13)
Lubricating Oils and Grease			<u>(478.64)</u> <u>18,026.50</u>
Total Shop Operations to be Allocated		\$	735,717.83
Divided by Direct Labor & Fringe Benefits charged for shop services			574,957.16
Equals Shop Overhead Rate			<u><u>127.9604606%</u></u>

SCHEDULE 5a – Distribution of Shop Overhead at Year End

BAA424 1194

Wisconsin Department of Transportation

DISTRIBUTION OF SHOP OVERHEAD AT YEAR END
 BASED ON DIRECT SHOP LABOR AND FRINGE BENEFITS
 YEAR 2023

Shop Overhead Rate
 127.9604606%

Account	Direct Shop Labor and Fringe Benefits	Shop Overhead
Highway Administration	\$1,421.32	\$1,818.73
Machinery Operations	\$573,535.84	\$733,899.10
Totals	\$574,957.16	\$735,717.83

SCHEDULE 6 – Operation of Equipment (Equipment Cost Analysis Form)

XXXXX COUNTY HIGHWAY DEPARTMENT EQUIPMENT OPERATIONS
 January 1, 2023 through December 31, 2023

Unit	Description	Class	Profit/(Loss)	Revenue	Total Cost	Labor/CIL	Fuel	Lube	Part	Tire/batt	Sundry	Depreciation	Overhead	Units	Type
1984	2022 MIE SPRAYBAR W/1600 GALLON WEDGE TK	9256	4,499.00	4,499.00	-	-	-	-	-	-	-	-	-	110.00	HOUR
1984	2022 MIE SPRAYBAR W/1600 GALLON WEDGE TK	640	(7,602.55)	726.80	8,329.34	2,133.05	-	-	791.09	-	74.74	2,601.00	2,729.46	23.25	HOUR
1985	2022 MIE SPRAYBAR W/1600 GALLON WEDGE TK	9256	9,059.35	9,059.35	-	-	-	-	-	-	-	-	-	221.50	HOUR
1985	2022 MIE SPRAYBAR W/1600 GALLON WEDGE TK	640	(9,305.77)	836.21	10,141.97	3,088.03	-	-	536.48	-	-	2,566.00	3,951.46	26.75	HOUR
1998	2008 MONROE PRE WET SYSTEM	638	(156.72)	-	156.72	68.75	-	-	-	-	-	-	87.97	-	HOUR
	SUBTOTAL SNOW REMOVAL EQUIPMENT		(136,940.30)	402,869.54	539,809.83	138,579.60	-	-	124,934.95	-	11,249.70	87,718.50	177,327.08	22,057.75	
	OTHER														
	WINTER READINESS		52,927.00	52,927.00	-	-	-	-	-	-	-	-	-	-	-
	SNOW FENCE		3,240.00	3,240.00	-	-	-	-	-	-	-	-	-	-	-
	SUBTOTAL OTHER		56,167.00	56,167.00	-	-	-	-	-	-	-	-	-	-	-
	TOTAL MACHINERY OPERATIONS		195,228.10	4,331,488.06	4,136,259.96	573,535.84	754,329.71	41,409.17	626,839.37	119,379.35	261,445.55	1,025,421.87	733,899.10	203,467.70	
	SPECIAL EQUIPMENT - DIRECT ALLOCATION														
0002	2015 GMC PICKUP	115	(5,362.23)	11,104.74	16,466.97	1,162.50	2,420.53	-	11,388.14	-	8.26	-	1,487.54	9,741.00	MLE
0006	2023 CHEVROLET PICKUP	115	3,648.63	8,935.32	5,286.69	258.82	1,408.84	36.45	4.36	-	-	3,247.03	331.19	7,838.00	MLE
0047	2008 STERLING FUEL DELIVERY TRUCK	106	2,818.74	8,949.20	6,130.46	421.93	1,569.77	20.45	706.20	-	3,412.11	-	-	130.00	HOUR
	MTSUBISHI FORKLIFT	SHOP	(26.00)	-	26.00	-	-	-	-	-	26.00	-	-	-	HOUR
	SPECIAL EQUIPMENT TOTAL		1,079.14	28,989.26	27,910.12	1,843.25	5,399.14	56.90	12,098.70	-	3,446.37	3,247.03	1,818.73	17,709.00	
	GRAND TOTAL		196,307.24	4,360,477.32	4,164,170.08	575,379.09	759,728.85	41,466.07	638,938.07	119,379.35	264,891.92	1,028,668.90	735,717.83	221,176.70	

SCHEDULE 7 – Reconciliation of Current Year’s Depreciation

BAA423 1188

Wisconsin Department of Transportation

RECONCILIATION OF CURRENT YEAR’S DEPRECIATION
YEAR 2023

ANNUAL DEPRECIATION

Improvements Other Than Buildings			
On 12/31/23 Inventory		\$ 59,150.22	
Discarded / Sold		-	\$ 59,150.22
			<hr/>
Buildings			
On 12/31/23 Inventory		467,666.00	
Sold			
Annual Depreciation	\$ -		
Difference-Sale Price vs. Book Value	-	-	
Discarded		-	467,666.00
			<hr/>
Machinery and Equipment			
On 12/31/23 Inventory		\$ 1,037,116.32	
Traded In		-	
Sold			
Annual Depreciation	\$ -		
Difference-Sale Price vs. Book Value	(11,969.00)	(11,969.00)	
Discarded		3,521.58	1,028,668.90
			<hr/>
Other Fixed Assets			
On 12/31/23 Inventory		\$ 112,411.72	
Traded In		-	
Sold			
Annual Depreciation	\$ -		
Difference-Sale Price vs. Book Value	-	-	
Discarded		-	112,411.72
			<hr/>
		<hr/>	<hr/>
		Total Depreciation Expense	\$ 1,667,896.84

DEPRECIATION EXPENSE DISTRIBUTION

Highway Administration	\$ 16,052.03
Radio Expense	2,797.00
Shop Operations	34,736.72
Fuel Handling	49,034.00
Machinery Operations	1,025,421.87
Pit and Quarry Operations	-
Bituminous Operations	-
Brine Operations	13,039.00
Buildings and Grounds Operations	526,816.22
	<hr/>
	Total Depreciation Expense \$ 1,667,896.84

SCHEDULE 8 – Pit and Quarry Operations

BAA432 87

Wisconsin Department of Transportation

PIT AND QUARRY OPERATIONS
Year 2023

Labor		\$	38,522.41
Fringe Benefit Costs			24,550.30
Contracted Services (Crushing)			-
Materials and Supplies			36,682.59
Reclamation Fees			-
Depletion of Gravel Pit and Quarry			-
Equipment Rental			141,638.34
Expenses (Exclusively used for Pit and Quarry Operations)			
Depreciation	\$	-	
Shop Labor		-	
Fringe Benefits		-	
Scale Licenses		-	
Legal Fees		-	
Other Expenses		-	
			<hr/>
Buildings and Grounds Allocation			-
Other			-
			<hr/>
Total		\$	241,393.64
Cost Allocations (Credits)			232,945.56
			<hr/>
Net Balance Gain / (Loss)		\$	(8,448.08)
			<hr/>

SCHEDULE 9 – Bituminous Operations

BAA431 87

Wisconsin Department of Transportation

BITUMINOUS OPERATIONS
Year 2023

Labor		\$	4,209.63
Fringe Benefit Costs			2,682.77
Materials and Supplies			3,013,243.18
Equipment Rental (Not Exclusively used for Bituminous Operations)			16,540.99
Equipment Expenses (Exclusively used for Bituminous Operations)			
Depreciation	\$	-	
Pit Lease		-	
Pit Legal Fees		-	
Shop Overhead		-	
Insurance/Other		-	
			<hr/>
Buildings and Grounds Allocation			16,726.57
Other			-
			<hr/>
Total		\$	3,053,403.14
Cost Allocations (Credits)			<u>3,088,162.37</u>
Net Balance Gain (Loss)		\$	<u><u>34,759.23</u></u>

BRINE OPERATIONS
YEAR 2023

Labor	\$	3,994.88
Fringe Benefit Costs		2,545.44
Materials and Supplies		-
Equipment Rental		5,488.65
Expenses		
Utilities (if metered separately)	\$	-
Other Expenses		-
		-
Brining Equipment Purchased by the County		
Depreciation	\$	13,039.00
Other Expenses (Maintenance & Repairs)		18,004.05
		4,965.05
Buildings and Grounds Allocation		19,169.66
Total	\$	49,202.68
Less Cost Allocations (Credits)		65,886.66
Net Balance Gain / (Loss)	\$	16,683.98

SCHEDULE 10 alternate – Brine Operations

BAA432 87

Wisconsin Department of Transportation

BRINE OPERATIONS
YEAR 2023

Labor		\$	3,994.88
Fringe Benefit Costs			2,545.44
Materials and Supplies			-
Equipment Rental			5,488.65
Expenses			
Utilities (if metered separately)	\$	-	
Other Expenses		-	-
Brining Equipment Purchased by the County			
Depreciation	\$	13,039.00	
Other Expenses (Maintenance & Repairs)		4,965.05	18,004.05
Buildings and Grounds Allocation			19,169.66
Total	\$		49,202.68
Less Cost Allocations (Credits)			65,886.66
Net Balance Gain / (Loss)	\$		<u>16,683.98</u>

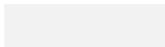
Gallons of Brine Dispersed in Current Year

State	413,527.00
Other	55,325.00
Total gallons dispersed	<u>468,852.00</u>

Per Gallon Charge (Before Variance Adjustment)	0.10
Variance Adjustment	<u>-0.16</u>
Salt Brine Production Charge per Gallon	\$ <u>-0.05</u>

(excludes the price of salt)

APPROVED DOT PRICE PER GALLON:



Variance Computation

Reported Expenses	\$	49,202.68
Less Reported Allocations	\$	<u>(65,886.66)</u>
Reported Variance (Over) / Under Recovery	\$	(16,683.98)
Add January 1 Balance	\$	<u>(56,911.01)</u>
December 31 Balance	\$	(73,594.99)
Variance / Total Gallons Dispersed = Variance Adjustmen	\$	(0.16)

Reported Variance	(16,683.98)
add Jan 1 Balance	<u>(56,911.01)</u>
Dec 31 Balance	<u>(73,594.99)</u>

SCHEDULE 11 – Inventory of Land and Land Improvements

BAA110 1188

Wisconsin Department of Transportation

INVENTORY OF LAND AND IMPROVEMENTS December 31, 2023

Description	Year Acquired	Original Cost	Current Yr Additions	Total Cost	Prior Years' Depreciation	Current Depreciation	Current Book Value
Land		\$ 21,545.07	\$ -	\$ 21,545.07	\$ -	\$ -	\$ 21,545.07
Land - xxxx Shop	1994	44,946.44	-	44,946.44	-	-	44,946.44
Land - xxxx Shop	2008	320,000.00	-	320,000.00	-	-	320,000.00
Land Engineering-xxxx Shop	2014	15,680.14	-	15,680.14	-	-	15,680.14
xxxx Site Prep and Landscaping	2019	3,055,191.85	-	3,055,191.85	-	-	3,055,191.85
Totals		\$ 3,457,363.50	\$ -	\$ 3,457,363.50	\$ -	\$ -	\$ 3,457,363.50

SCHEDULE 12 – Inventory of Improvements other than Buildings

BAA110 1188

Wisconsin Department of Transportation

INVENTORY OF IMPROVEMENTS OTHER THAN BUILDINGS

December 31, 2023

Bldg No.	Building Imp.	Year Acquired	Original Cost	Current Yr Additions	Total Cost	Prior Years' Depreciation	Current Depreciation	Current Book Value
35	Power Gate - xxxxx	1997	\$ 5,809.12	\$ -	\$ 5,809.12	\$ 4,939.12	\$ -	\$ 870.00
50	Paving - xxxxx Shop	1998	15,730.24	-	15,730.24	15,730.24	-	-
52	Fence - xxxxx Shop	1998	2,351.91	-	2,351.91	2,351.91	-	-
53	Fence - xxxxx Shop	1998	11,469.56	-	11,469.56	11,469.56	-	-
54	Parking Lot - xxxxx	1998	13,562.55	-	13,562.55	13,562.55	-	-
62	Fence-xxxxx Yard	2002	10,263.00	-	10,263.00	8,619.00	411.00	1,233.00
68	Truck Scale-xxxxx	2003	47,181.10	-	47,181.10	24,919.81	1,246.00	21,015.29
69	Truck Scale-xxxxx	2003	56,849.35	-	56,849.35	48,322.35	-	8,527.00
70	Truck Scale-xxxxx	2003	73,067.95	-	73,067.95	64,300.95	256.00	8,511.00
72	xxxxx Parking Lot	2007	7,943.91	-	7,943.91	5,004.91	318.00	2,621.00
83	Fence-xxxxx Shop	2014	14,372.63	-	14,372.63	4,035.00	489.00	9,848.63
85	xxxxx Shop Parking lot	2016	29,409.71	-	29,409.71	6,332.71	1,000.00	22,077.00
93	Culvert Racking - xxxxx	2019	10,156.95	-	10,156.95	1,320.95	406.00	8,430.00
94	Fence - xxxxx Shop	2019	64,338.19	-	64,338.19	8,349.19	2,569.00	53,420.00
95	Landscaping - xxxxx	2019	100,368.80	-	100,368.80	13,026.80	4,008.00	83,334.00
96	Parking Lot - xxxxx	2019	948,075.01	-	948,075.01	123,052.01	37,862.00	787,161.00
97	Truck Scale - xxxxx	2019	61,784.50	-	61,784.50	8,031.50	2,471.00	51,282.00
98	Pressure Washer - xxxxx	2020	5,105.25	-	5,105.25	1,812.25	620.00	2,673.00
99	High Volume Rinse - xxxxx	2020	3,620.00	-	3,620.00	444.00	205.00	2,971.00
100	High Volume Rinse - xxxxx	2020	3,620.00	-	3,620.00	444.00	205.00	2,971.00
101	Fence & Gate -xxxxx	2020	15,230.00	-	15,230.00	1,380.00	518.00	13,332.00
102	Fence & Gate - xxxxx	2020	12,310.00	-	12,310.00	1,118.00	419.00	10,773.00
103	xxxxx Shop Paving	2020	73,497.87	-	73,497.87	5,414.87	2,499.00	65,584.00
200-3	xxxxxLandscaping	1998	2,601.00	-	2,601.00	516.00	520.00	1,565.00
200-4	xxxxx Landscaping	1998	2,564.00	-	2,564.00	516.00	513.00	1,535.00
200-7	Propane Vaporizer - xxxx	2022	8,492.00	-	8,492.00	540.00	722.00	7,230.00
200-8	Cantilever Racking - xxxxx	2022	4,825.47	-	4,825.47	238.47	410.00	4,177.00
200-9	Shop Flooring - xxxxx	2022	7,350.00	-	7,350.00	182.00	312.00	6,856.00
200-10	Polymer Overlay - xxxxx	2022	17,184.96	-	17,184.96	427.96	730.00	16,027.00
108	Scale System - xxxxx	2023		155,610.22	155,610.22	-	441.22	155,169.00
Totals			\$1,629,135.03	\$155,610.22	\$1,784,745.25	\$ 376,402.11	\$ 59,150.22	\$1,349,192.92

SCHEDULE 13 – Inventory of Buildings

BAA110 1188

Wisconsin Department of Transportation

INVENTORY OF BUILDINGS
December 31, 2023

Bldg No.	Building	Year Acquired	Original Cost	Current Yr Additions	Total Cost	Prior Years' Depreciation	Current Depreciation	Current Book Value
IMPROVEMENTS								
29	xxxx Shop Improvement	1993	29,418.96	-	29,418.96	25,005.96	-	4,413.00
33	xxxx Shop Improvements	1994	2,631.99	-	2,631.99	2,236.99	-	395.00
51	Roof -xxxx Shop	1998	38,599.00	-	38,599.00	35,599.00	1,424.00	1,576.00
55	Lights - xxxx Shop	1998	9,762.91	-	9,762.91	7,475.91	307.00	1,980.00
60	Painting xxxx Shop	2002	5,938.20	-	5,938.20	5,938.20	-	-
61	Painting xxxx Shop	2002	3,855.41	-	3,855.41	3,855.41	-	-
64	Reroof xxxx Shop	2002	46,315.90	-	46,315.90	38,903.90	1,853.00	5,559.00
65	Remodel xxxx Shop	2002	15,173.99	-	15,173.99	12,745.99	607.00	1,821.00
74	Air exchangers at xxxx	2007	23,995.00	-	23,995.00	14,880.00	960.00	8,155.00
75	Tube heaters at xxxx	2007	15,298.00	-	15,298.00	9,180.00	612.00	5,506.00
76	xxxx Shed Door	2008	4,662.45	-	4,662.45	2,343.45	159.00	2,160.00
78	Shop Lighting - xxxx	2010	20,683.69	-	20,683.69	8,672.69	703.00	11,308.00
83	xxxx Shop Floor Drains	2016	15,843.39	-	15,843.39	3,414.39	539.00	11,890.00
84	xxxx Shop Floor Drains	2016	21,401.67	-	21,401.67	4,612.67	728.00	16,061.00
91	Security System - xxxx	2019	40,200.00	-	40,200.00	2,843.00	905.00	36,452.00
92	Security System - xxxx	2019	44,090.00	-	44,090.00	2,669.00	843.00	40,578.00
98	Remodel xxxx Office	2019	9,404.00	-	9,404.00	634.00	200.00	8,570.00
99	Rewire xxxx Office	2019	1,760.46	-	1,760.46	117.00	37.00	1,606.46
101	Vehicle Wash - xxxx	2019	298,049.95	-	298,049.95	25,179.05	6,295.00	266,575.90
102	Security System - xxxx	2020	40,915.00	-	40,915.00	2,602.00	869.00	37,444.00
103	xxxx Shop Brick Tucking	2020	22,252.80	-	22,252.80	1,024.80	473.00	20,755.00
104	Lights - xxxx	2020	2,015.00	-	2,015.00	328.00	114.00	1,573.00
105	Eye wash, sinks - xxxx	2020	3,045.00	-	3,045.00	444.00	173.00	2,428.00
106	Eye wash, sinks - xxxx	2020	3,045.00	-	3,045.00	444.00	173.00	2,428.00
107	Furnace - xxxx	2020	11,537.00	-	11,537.00	1,470.00	654.00	9,413.00
IMPROVEMENTS TOTAL			\$ 729,894.77	\$ -	\$ 729,894.77	\$ 212,619.41	\$ 18,628.00	\$ 498,647.36
BUILDINGS								
7	xxxx Shop	1969	61,554.70	-	61,554.70	61,554.70	-	-
8	xxxx Storage	1957	14,824.16	-	14,824.16	14,824.16	-	-
20	xxxx Shop	1971	86,872.06	-	86,872.06	86,872.06	-	-
34	xxxx Shop	1995	734,295.35	-	734,295.35	734,295.35	-	-
63	Cold Storage-xxxx	2002	68,750.39	-	68,750.39	43,354.39	2,065.00	23,331.00
87	xxxx Garage and Offices	2019	15,651,400.46	-	15,651,400.46	1,268,711.46	390,372.00	13,992,317.00
88	Cold Storage - xxxx	2019	483,465.00	-	483,465.00	39,220.00	12,067.00	432,178.00
90	Sand Salt Mix Shed - xxxx	2019	256,312.97	-	256,312.97	33,267.97	10,236.00	212,809.00
BUILDINGS TOTAL			\$ 17,357,475.09	\$ -	\$ 17,357,475.09	\$ 2,282,100.09	\$ 414,740.00	\$ 14,660,635.00
SALT SHEDS								
9	County Salt Shed - xxxx	1975	20,645.24	-	20,645.24	20,645.24	-	-
24	County Salt Shed - xxxx	1987	40,428.20	-	40,428.20	40,428.20	-	-
25	County Salt Shed - xxxx	1987	32,047.18	-	32,047.18	32,047.18	-	-
89	County Salt Shed - xxxx	2019	512,625.90	-	512,625.90	66,534.90	20,472.00	425,619.00
County salt sheds subtotal			605,746.52	-	605,746.52	159,655.52	20,472.00	425,619.00
112-1	State Funded St Shed - xxxx	1999	132,938.58	-	132,938.58	122,757.58	5,318.00	4,863.00
20-3	State Funded St Shed - xxxx	2001	95,123.80	-	95,123.80	83,708.80	3,805.00	7,610.00
18-1	State Funded St Shed - xxxx	2003	117,571.03	-	117,571.03	94,056.03	4,703.00	18,812.00
400-4	State Funded St Shed - xxxx	2020	-	-	-	-	-	-
State salt sheds subtotal			345,633.41	-	345,633.41	300,522.41	13,826.00	31,285.00
SALT SHEDS TOTAL			\$ 951,379.93	\$ -	\$ 951,379.93	\$ 460,177.93	\$ 34,298.00	\$ 456,904.00
GRAND TOTAL			\$ 19,038,749.79	\$ -	\$ 19,038,749.79	\$ 2,954,897.43	\$ 467,666.00	\$ 15,616,186.36

SCHEDULE 14 – Inventory of Machinery and Equipment

INVENTORY OF MACHINERY AND EQUIPMENT
December 31, 2023

Unit No.	Item	Acquired	Original Cost	Prior Years' Depreciation	2023 Depreciation	Book Value 12/31/2023
185.01 TRUCKS AND AUTOS						
2	GMC Pickup Truck	2018	35,108.18	29,842.18	0.00	5,266.00
4	Ford F150 Supt Pickup	2017	35,364.96	30,059.96	0.00	5,305.00
5	Chevrolet Silverado	2019	33,973.80	26,169.93	2,707.87	5,096.00
6	Chevrolet Silverado	2023	47,870.64	0.00	3,247.03	44,623.61
8	Ford F150 Pickup	2023	9,423.05	0.00	999.05	8,424.00
11	Ford F250 Pickup	2017	38,308.28	29,847.28	2,715.00	5,746.00
15	Ford Pickup Truck	2007	37,354.41	31,751.41	0.00	5,603.00
18	Ford F250 with Lift Gate	2014	32,218.24	27,385.24	0.00	4,833.00
19	Ford F350 with Service Body	2015	42,694.22	36,290.22	0.00	6,404.00
20	Ford F250 4x4 w Lift Gate	2015	34,171.63	29,045.63	0.00	5,126.00
21	Ford F350 Truck w/Utility Bod	2019	52,954.33	27,506.33	7,502.00	17,946.00
22	Ford F250 Crew Cab	2016	36,120.84	30,702.84	0.00	5,418.00
24	Ford F250 Pickup	2018	38,422.85	23,134.85	5,443.00	9,845.00
26	Chevrolet 2500 HD Pickup	2023	58,735.43	0.00	2,773.43	55,962.00
27	Chevrolet 3500 w Service Bc	2023	73,224.38	0.00	1,731.38	71,493.00
30	Chevrolet Pickup Truck	2013	24,356.78	20,702.78	0.00	3,654.00
47	Sterling Fuel Delivery Truck	2008	171,616.39	145,874.39	0.00	25,742.00
56	KW T660 Semi Tractor(Used)	2016	68,347.74	45,186.74	6,455.00	16,706.00
57	IH Semi Tractor	2015	74,639.43	34,653.43	7,049.00	32,937.00
60	Ford F550 Service Truck	2009	75,683.86	54,690.65	5,469.21	15,524.00
61	Kenworth T370 Service Truck	2020	198,121.28	47,717.28	16,840.00	133,564.00
62	Peterbilt Sign Truck	2015	149,456.48	106,217.48	12,704.00	30,535.00
SE45	Pipe Laser	2003	5,195.00	4,416.00	0.00	779.00
SE46	Coats Tire Changer	2006	22,862.11	19,433.11	0.00	3,429.00
SE47	Portable Lift	2010	53,537.00	45,506.00	0.00	8,031.00
SE49	Bridge Cranes - xxxxx	2019	132,520.70	36,549.70	11,246.00	84,725.00
SE50	Floor Scrubber	2019	4,299.70	1,185.70	365.00	2,749.00
SE51	Mobile Column Lift - xxxxx	2019	57,748.08	15,949.08	4,907.00	36,892.00
SE52	Rotary Broom - xxxxx	2019	3,896.97	1,077.97	331.00	2,488.00
SE53	Scrubber / Sweeper - xxxxx	2019	62,749.40	17,334.40	5,334.00	40,081.00
SE54	Vehicle Lifts - xxxxx	2019	147,936.44	40,800.72	12,553.72	94,582.00
SUBTOTALS			544,874.21	228,259.49	34,736.72	281,878.00
185.14 BRINE SYSTEM EQUIPMENT						
BR01	Brine System - xxxxx	2019	160,755.56	33,170.56	10,700.00	116,885.00
BR02	Brine Tank - xxxxx	2020	11,752.43	1,387.43	666.00	9,699.00
BR03	Brine Tank - xxxxx	2020	11,455.56	1,352.56	649.00	9,454.00
BR04	Brine Tank - xxxxx (DOT \$)	2021	0.00	0.00	0.00	0.00
BR05	Brine Tank - xxxxx (DOT \$)	2021	0.00	0.00	0.00	0.00
BR06	Brine Tank - xxxxx (DOT)	2023	0.00	0.00	0.00	0.00
BR07	Brine Tank - xxxxx (DOT)	2023	0.00	0.00	0.00	0.00
BR08	Brine Tank - xxxxx	2022	18,065.78	340.78	1,024.00	16,701.00
SUBTOTALS			202,029.33	36,251.33	13,039.00	152,739.00
188.00 OFFICE EQUIPMENT						
OE72	RTVision Hardware	2014	13,546.00	11,514.00	0.00	2,032.00
OE74	Office Furniture - xxxxx	2019	102,106.36	28,206.36	8,679.00	65,221.00
OE75	Sharp PNL751H - Committee	2019	4,987.00	2,298.00	707.00	1,982.00
OE76	Sharp PNL751H - Plan Room	2019	4,987.00	2,298.00	707.00	1,982.00
OE77	Sharp PNL851H - Break Room	2019	7,974.00	3,672.00	1,130.00	3,172.00
OE78	Sharp PHHB751 - Side Break f	2019	3,180.00	1,467.00	451.00	1,262.00
OE79	Sharp PNL703B - War Room	2019	6,478.00	3,666.00	918.00	1,894.00
OE80	Interactive Software - Smart	2019	1,504.00	747.00	213.00	544.00
SUBTOTALS			144,762.36	53,868.36	12,805.00	78,089.00
SUMMARY						
185.01 Truck & Auto			10,218,362.75	5,582,104.18	633,552.97	4,002,705.60
185.02 Tractors			2,038,233.26	1,356,153.17	81,722.09	600,358.00
185.03 Motor Graders			810,902.46	699,878.46	0.00	111,024.00
185.04 Maint. & Constr. Equip.			2,894,075.70	1,532,452.49	160,121.76	1,201,501.45
185.05 Bituminous			845,780.89	340,457.89	68,013.00	437,310.00
185.06 Snow Plows			1,612,995.09	800,026.09	93,706.50	719,262.50
SUBTOTAL OF EQUIPMENT			18,420,350.15	10,311,072.28	1,037,116.32	7,072,161.55
185.07 Radios			32,878.70	8,140.70	2,797.00	21,941.00
185.08 Bulk Storage			869,531.30	252,879.53	49,034.00	567,617.77
185.09 Shop Equipment			544,874.21	228,259.49	34,736.72	281,878.00
185.14 Brine System			202,029.33	36,251.33	13,039.00	152,739.00
188.00 Office Equipment			144,762.36	53,868.36	12,805.00	78,089.00
SUBTOTAL			1,794,075.90	579,399.41	112,411.72	1,102,264.77
GRAND TOTALS			20,214,426.05	10,890,471.69	1,149,528.04	8,174,426.32

SCHEDULE 15 – Machinery and Equipment Purchased

BAA112 1189

Wisconsin Department of Transportation

MACHINERY AND EQUIPMENT PURCHASED
YEAR 2023

Unit No.	Type of Equipment	Cash	In-House Set Up	Trade-In Book Value	Total Cost	Unit No. Traded
0006	2023 Chevrolet Pickup (PBM \$)	\$46,511.50	\$1,359.14		\$47,870.64	
0008	2016 Ford F150 Pickup	7,139.81	2,283.24		9,423.05	
0026	2023 Foreman Truck (PBM \$)	56,035.00	2,700.43		58,735.43	
0027	2023 Bridge Foreman Truck (PBM \$)	72,664.00	560.38		73,224.38	
	Subtotal Trucks/Autos	\$182,350.31	\$6,903.19	\$0.00	\$189,253.50	
832	2023 Schmidt Vacuum Sweeper Truck (ARPA \$)	\$325,091.00	\$618.75		\$325,709.75	
	Subtotal Construction Equipment	\$325,091.00	\$618.75	\$0.00	\$325,709.75	
108	xxxxx Scale	\$151,262.61	\$4,347.61		\$155,610.22	
	Subtotal Buildings	\$151,262.61	\$4,347.61	\$0.00	\$155,610.22	
	MAJOR REPAIRS:					
0060	Service Body Repair	\$11,342.21	-		\$11,342.21	
125T	Engine Repair	21,140.33	10,236.24		31,376.57	
210T	Transmission Repair	26,635.52	-		26,635.52	
210RM	Upgrade Rear Mower	18,948.00	-		18,948.00	
210SM	Upgrade Side Mower	33,452.00	-		33,452.00	
830	Reman Engine	11,624.58	-		11,624.58	
	Subtotal Major Repairs	\$123,142.64	\$10,236.24	\$0.00	\$133,378.88	
	SET UP / REPAIRS IN PROGRESS:					
1178	Rebuild Dump Box (in progress)	\$390.73	-		\$390.73	
1186	2023 International Quad Axle Dump (not complete)	102,541.57	2,082.71		104,624.28	
1187	2023 International Quad Axle Dump (not complete)	102,541.58	1,618.99		104,160.57	
1188	2024 International Quad Axle Dump (in progress)	680.32	3,873.57		4,553.89	
1189	2024 International Quad Axle Dump (in progress)	680.33	2,159.80		2,840.13	
1586	2023 Monroe Reversible Plow (not in service)	17,911.64	122.11		18,033.75	
1587	2023 Monroe Reversible Plow (not in service)	17,911.64	122.11		18,033.75	
1686	2023 Monroe Rear Mount Wing (not in service)	14,700.00	-		14,700.00	
1687	2023 Monroe Rear Mount Wing (not in service)	14,709.68	341.88		15,051.56	
1786	2023 Monroe Underbody Scraper (not in service)	17,599.44	488.41		18,087.85	
1787	2023 Monroe Underbody Scraper (not in service)	17,581.65	537.25		18,118.90	
1886	2023 Monroe Stainless Spreader (not in service)	9,500.03	1,990.27		11,490.30	
1887	2023 Monroe Stainless Spreader (not in service)	9,300.00	2,884.05		12,184.05	
1986	2023 Monroe Anti-Ice Spray System (not in service)	23,000.00	3,047.68		26,047.68	
1987	2023 Monroe Anti-Ice Spray System (not in service)	23,000.00	2,106.07		25,106.07	
	Subtotal Set Up in Progress	\$372,048.61	\$21,374.90	\$0.00	\$393,423.51	
	TOTAL	\$1,153,895.17	\$43,480.69	\$0.00	\$1,197,375.86	

SCHEDULE 16 – Machinery and Equipment Traded In

xxxxx County
Highway Enterprise Fund
Machinery & Equipment Traded In
For the year ended December 31, 2023

Equ ID #	Equ Description	Total Cost	Prior Year Depreciation	Depreciation	Net Book Value (NBV) @ Sale
001660	STERLING 5 YD TRUCK	68,728.00	58,419.00	-	10,309.00
08166W	UNIVERSAL PLOW WING	4,077.00	3,466.00	-	611.00
091660	HENDERSON TAILGATE S	3,878.00	3,296.00	-	582.00
007970	QUAD AXLE TRUCK	168,613.00	143,321.00	-	25,292.00
087970	SNOW PLOW	8,325.00	7,076.00	-	1,249.00
08797W	SNOW PLOW WING	8,025.00	6,821.00	-	1,204.00
097970	SPREADER	5,050.00	4,292.00	-	758.00
001670	STERLING 5 YD TRUCK	68,728.00	58,419.00	-	10,309.00
081670	UNIVERSAL SNOW PLOW	6,137.00	5,216.00	-	921.00
08167W	UNIVERSAL PLOW WING	4,077.00	3,466.00	-	611.00
091670	HENDERSON TAILGATE S	3,878.00	3,296.00	-	582.00
001680	STERLING 5 YD TRUCK	68,728.00	58,419.00	-	10,309.00
081680	UNIVERSAL SNOW PLOW	6,137.00	5,216.00	-	921.00
08168W	UNIVERSAL PLOW WING	4,077.00	3,466.00	-	611.00
091680	HENDERSON TAILGATE S	3,878.00	3,296.00	-	582.00
007930	QUAD AXLE TRUCK	145,699.00	123,844.00	-	21,855.00
087930	UNIVERSAL PLOW	8,680.00	7,378.00	-	1,302.00
08793W	UNIVERSAL PLOW WING	8,000.00	6,800.00	-	1,200.00
097930	HENDERSON SPREADER	5,225.00	4,441.00	-	784.00
000220	2017 CHEVROLET SILVERADO 1500	31,805.00	25,914.00	-	5,891.00
Total		\$ 631,745.00	\$ 535,862.00	\$ -	\$ 95,883.00

SCHEDULE 17 Machinery and Equipment Sold

BAA106 1189

Wisconsin Department of Transportation

MACHINERY AND EQUIPMENT SOLD
YEAR 2023

Unit No.	Type of Equipment	Original Cost	Prior Years' Depreciation	Current Depreciation	Book Value When Sold	Sale Price	Gain / (Loss)
0001	2010 GMC Siera 1500 Crew Cab	27,597.17	23,596.17	-	4,001.00	9,230.00	5,229.00
0003	2013 Ford F150 Pickup	\$34,414.80	\$29,252.80	-	\$5,162.00	\$5,610.00	\$448.00
0023	2016 Ford F250 4x4 Crew Cab	34,881.06	29,649.06	-	5,232.00	8,125.00	2,893.00
0025	2000 Ford Pickup Truck	23,194.10	19,715.10	-	3,479.00	3,400.00	(79.00)
Subtotal Trucks/Autos		\$120,087.13	\$102,213.13	-	\$17,874.00	\$26,365.00	\$8,491.00
830	2008 Johnson Vacuum Sweep	\$40,500.00	\$34,425.00	-	\$6,075.00	\$3,565.00	(\$2,510.00)
Subtotal Construction Equipment		\$40,500.00	\$34,425.00	-	\$6,075.00	\$3,565.00	(\$2,510.00)
124SP	1997 Shop Made Plow	\$2,539.66	\$2,158.66	-	\$381.00	\$3,025.00	\$2,644.00
129SP	1998 Shop Made Plow	2,539.66	2,158.66	-	381.00	3,725.00	3,344.00
Subtotal Plow Equipment		\$5,079.32	\$4,317.32	-	\$762.00	\$6,750.00	\$5,988.00
TOTAL		\$165,666.45	\$140,955.45	-	\$24,711.00	\$36,680.00	\$11,969.00

SCHEDULE 18 – Machinery and Equipment Discarded

BAA434 1188

Wisconsin Department of Transportation

MACHINERY AND EQUIPMENT DISCARDED
YEAR 2023

Unit No.	Type of Equipment	Cost	Prior Years' Depreciation	Current Depreciation When Discarded	Book Value
721	MQ Trash Pump	\$ 1,310.00	\$ 1,113.00	\$ -	\$ 197.00
808	Robin Generator	1,075.00	914.00	-	161.00
830	Reman Engine Vacuum Sweeper	11,624.58	-	-	11,624.58
907	Ford Cultivator	100.00	85.00	-	15.00
918	Finn Mulch Crimper	2,838.00	2,412.00	-	426.00
983	Conveyor (dsp in error in 2004)	(23,195.00)	(14,293.00)	(986.00)	(7,916.00)
Subtotal Construction Equipment		\$ (6,247.42)	\$ (9,769.00)	\$ (986.00)	\$ 4,507.58
Totals		(6,247.42)	(9,769.00)	(986.00)	4,507.58

SCHEDULE 19 – Fringe Benefit Analysis

BAA107 1190

Wisconsin Department of Transportation

FRINGE BENEFIT ANALYSIS
YEAR 2023

EXPENDITURES

Time off With Pay			
PTO/ELB	\$	107,923.37	
Sick Leave Lump Sum		1,465.56	
Vacation		216,023.37	
Vacation Lump Sum		9,428.85	
Holiday		143,397.14	
Funeral		22,183.05	
Birthday		17,134.68	
Military		3.18	\$ 517,559.20
Social Security			299,153.06
Retirement			277,604.44
Health Insurance			927,785.30
Life Insurance			2,916.06
Worker's Compensation			118,183.19
Unemployment Compensation			7.19
Longevity			6,307.76
Safety Shoes/Supplies/Clothing Allowance			27,234.87
Call Time			16,872.69
			<u>517,559.20</u>
Total Fringe Benefits	\$		<u><u>2,193,623.76</u></u>
Total Fringe Benefit Costs Recovered (Cost Allocations, Credit)	\$		<u><u>2,291,389.83</u></u>
Net Gain / (Loss)	\$		<u><u>97,766.07</u></u>
Labor Subject to Fringe	\$		3,595,691.12

SCHEDULE 19a – Fringe Benefit Rate Calculation

2023 FRINGE BENEFIT WORKSHEET FOR 2024 RATE CALCULATION
 xxxxx COUNTY

4,138,530.77 Total Labor Reported
 (517,559.20) Less Time off with pay
 (\$25,280.45) Longevity, Call Time, hea (if in CHEMS)

 \$3,595,691.12 Labor Subject to Fringes

<u>FRINGE BENEFITS</u>	<u>COST REPORTED</u>	<u>AUDIT ADJUSTMENTS</u>	<u>ADJUSTED COST REPORTED</u>	<u>ADDITIONAL (DECREASED) BENEFITS</u>	<u>ADJUSTED COST</u>	<u>RATE</u>
SICK LEAVE	\$107,923.37		107,923.37		\$107,923.37	3.00%
EMERGENCY PAID SICK LEAVE	\$0.00		0.00		\$0.00	0.00%
SICK LEAVE LUMP SUM	\$1,465.56		1,465.56		1,465.56	0.04%
VACATION	\$225,452.22		225,452.22		225,452.22	6.27%
HOLIDAY	\$143,397.14		143,397.14		143,397.14	3.99%
MILITARY	\$3.18		3.18		3.18	0.00%
BIRTHDAY	\$17,134.68		17,134.68		17,134.68	0.48%
OTHER - FUNERAL, JURY	\$22,183.05		22,183.05		22,183.05	0.62%
LONGEVITY	\$6,307.76		6,307.76		6,307.76	0.18%
SOCIAL SECURITY	\$299,153.06		299,153.06		299,153.06	8.32%
RETIREMENT	\$277,604.44		277,604.44		277,604.44	7.72%
HEALTH INSURANCE	\$927,785.30		927,785.30		927,785.30	25.80%
HEALTH INSURANCE OPT OUT	\$2,100.00		2,100.00		2,100.00	0.06%
LIFE INSURANCE	\$2,916.06		2,916.06		2,916.06	0.08%
WORKER'S COMP.	\$118,183.19		118,183.19		118,183.19	3.29%
UNEMPLOYMENT COMP.	\$7.19		7.19		7.19	0.00%
EAP, SAFETY SHOES, MISC	\$25,134.87		25,134.87		25,134.87	0.70%
CALL TIME	\$16,872.69		16,872.69		16,872.69	0.47%
TOTAL FRINGES	\$2,193,623.76	\$0.00	\$2,193,623.76	\$0.00	\$2,193,623.76	61.01%
ACCOUNT VARIANCE					(\$83,206.98)	-2.31%
					TOTAL RATE	58.70%

VARIANCE COMPUTATION

REPORTED EXPENSES (ADJUSTED)	\$2,193,623.76	
LESS REPORTED ALLOCATIONS	(2,291,389.83)	
REPORTED 2023 VARIANCE	(\$97,766.07)	Under/(over) billed
ADD DECEMBER 31, 2022 BALANCE	14,559.09	Under/(over) billed
DECEMBER 31, 2023 BALANCE	(\$83,206.98)	Under/(over) billed "unbilled"/("unearned")

SCHEDULE 20 – Field Small Tools Analysis

BAA436 90

Wisconsin Department of Transportation

FIELD SMALL TOOLS ACCOUNT
YEAR 2023

Labor		\$	462.21
Fringe Benefits			294.56
Machinery			78.81
Materials			29,879.84
Depreciation			-
Consumable Tools (Detail by major type)			
General Items	\$	-	
Safety Items		-	
Traffic Items		-	
			<u>-</u>
Total Costs		\$	<u>30,715.42</u>
Cost Allocations		\$	<u>79,315.66</u>
Net Balance - over / (under) recovered		\$	<u>48,600.24</u>
			<u><u>3,917,795.86</u></u>
Total Field Labor (Including fringe benefits)		\$	<u>3,917,795.86</u>

SCHEDULE 21 – Analysis of Materials and Supplies

BAA117 1188

Wisconsin Department of Transportation

ANALYSIS OF MATERIALS & SUPPLIES
YEAR 2023

	Inventory 1/1/2023	Purchases	Sales	Book Inventory 12/31/2023	Adjustment	Physical Inventory 12/31/2023
CONSTRUCTION & MAINTENANCE MATERIALS						
Culverts	\$ 42,335.28	\$ 51,823.88	\$ 38,777.25	\$ 55,381.91	\$ 5,749.74	\$ 61,131.65
Guard Rail	33,117.12	31,927.49	38,446.78	26,597.83	3,869.97	30,467.80
Salt	287,533.98	453,097.90	455,040.21	285,591.67	11,616.27	297,207.94
Signs	31,051.39	112,611.00	126,877.38	16,785.01	10,226.98	27,011.99
Finish Materials	60,630.13	64,647.70	87,345.95	37,931.88	8,739.86	46,671.74
Millings				-	732.00	732.00
Gravel	26,023.59	5,053.40	1,797.35	29,279.64	(3,854.59)	25,425.05
Limerock	56,000.30	103,526.97	150,702.11	8,825.16	10,960.49	19,785.65
Sealcoating Chips		31,023.03	29,356.14	1,666.89	-	1,666.89
Sand/Salt	85,287.98	128,479.93	133,337.64	80,430.27	19,250.74	99,681.01
Screened Sand					4.86	4.86
Bituminous	61,267.16	155,814.24	173,399.48	43,681.92	65,092.50	108,774.42
Topsoil	9,159.98		117.43	9,042.55	(0.01)	9,042.54
Crushed Concrete		79,024.48	51,150.28	27,874.20	(22,738.60)	5,135.60
Subtotal	\$ 692,406.91	\$ 1,217,030.02	\$ 1,286,348.00	\$ 623,088.93	\$ 109,650.21	\$ 732,739.14
SHOP MATERIALS & SUPPLIES						
Repair Parts & Accessories	\$ 873,635.11	\$ 792,779.50	\$ 714,361.26	\$ 952,053.35	\$ (34,708.95)	\$ 917,344.40
Tires	59,605.63	105,902.30	113,752.41	51,755.52	2,653.93	54,409.45
Batteries	4,324.71	15,179.24	14,962.00	4,541.95	154.87	4,696.82
Subtotal	\$ 937,565.45	\$ 913,861.04	\$ 843,075.67	\$ 1,008,350.82	\$ (31,900.15)	\$ 976,450.67
GASOLINE & DIESEL FUEL						
Gasoline	\$ 38,409.41	\$ 126,543.81	\$ 135,052.16	\$ 29,901.06	\$ 2,967.88	\$ 32,868.94
Diesel	137,083.07	615,871.74	672,385.30	80,569.51	10,427.13	90,996.64
Subtotal	\$ 175,492.48	\$ 742,415.55	\$ 807,437.46	\$ 110,470.57	\$ 13,395.01	\$ 123,865.58
LUBRICATING OILS & GREASE						
Lubricating Oils	\$ 30,492.77	\$ 45,933.25	\$ 43,369.99	\$ 33,056.03	\$ 478.50	\$ 33,534.53
Grease	696.37	4,305.58	4,327.52	674.43	0.01	674.44
Antifreeze	1,272.93	2,483.53	1,966.02	1,790.44	0.13	1,790.57
Subtotal	\$ 32,462.07	\$ 52,722.36	\$ 49,663.53	\$ 35,520.90	\$ 478.64	\$ 35,999.54
TOTALS	\$ 1,837,926.91	\$ 2,926,028.97	\$ 2,986,524.66	\$ 1,777,431.22	\$ 91,623.71	\$ 1,869,054.93

SCHEDULE 22 – Due from State

DUE FROM STATE OF WISCONSIN
 State Trunk Highway System
 December 31, 2023

Balance Due January 1, 2023	<u>\$702,635.54</u>
Expenditures	2,577,618.80
Reimbursed By State	<u>2,668,439.53</u>
Balance Due December 31, 2023	<u>\$611,814.81</u>

DUE FROM STATE OF WISCONSIN
 Department of Natural Resources / xxxxx
 December 31, 2023

Balance Due January 1, 2023	<u>\$0.00</u>
Expenditures	3,271.73
Reimbursement By State	<u>3,271.73</u>
Balance Due December 31, 2023	<u>\$0.00</u>

DUE FROM STATE OF WISCONSIN
 Wisconsin Veteran's Home
 December 31, 2023

Balance Due January 1, 2023	<u>\$0.00</u>
Expenditures	698.28
Reimbursed By State	<u>698.28</u>
Balance Due December 31, 2023	<u>\$0.00</u>

STATE OF WISCONSIN
 Performance Based Maintenance
 December 31, 2023

Balance Due January 1, 2023	<u>\$ (197,340.99)</u>
Expenditures	138,288.92
Equipment Purchased with PBM Variance	179,830.45
Reimbursed By State	<u>227,382.98</u>
Balance Due December 31, 2023 (over) / under recovery	<u>\$ (106,604.60)</u>

SCHEDULE 23 – Accounts Receivable

ACCOUNTS RECEIVABLE

December 31, 2023

Due From Towns, Villages, Cities & Counties

Account	Balance 12/31/2022	2023 Expenditures	2023 Receipts	Balance 12/31/23
<u>Towns:</u>				
xxxxx	9,785.82	269,318.91	121,143.55	157,961.18
xxxxx	37,080.87	320,660.52	340,411.54	17,329.85
xxxxx	46,437.09	490,901.24	516,256.54	21,081.79
xxxxx	10,977.81	122,479.37	128,370.78	5,086.40
xxxxx	-	192,833.03	192,833.03	-
xxxxx	7,085.77	77,478.96	82,289.05	2,275.68
xxxxx	-	5,534.51	5,534.51	-
xxxxx	334.69	8,209.87	8,544.56	-
xxxxx	-	161.40	93.53	67.87
xxxxx	112,100.20	229,918.52	335,596.24	6,422.48
xxxxx	53,576.52	141,528.21	189,747.98	5,356.75
xxxxx	8,523.26	11,404.56	18,910.30	1,017.52
xxxxx	31,489.22	229,254.18	247,585.84	13,157.56
xxxxx	9,002.40	301,649.73	302,696.12	7,956.01
xxxxx	8,929.82	148,803.87	150,067.11	7,666.58
xxxxx	327.53	20,202.20	17,960.52	2,569.21
xxxxx	14,431.84	57,137.91	63,562.84	8,006.91
xxxxx	10,609.68	54,094.58	62,120.56	2,583.70
xxxxx	20,082.01	130,322.24	137,434.64	12,969.61
xxxxx	24,808.54	188,015.80	201,134.60	11,689.74
xxxxx	10,079.28	94,454.21	97,603.07	6,930.42
xxxxx	10,204.40	67,419.67	74,677.93	2,946.14
<u>Villages:</u>				
xxxxx	742.06	6,150.94	5,915.17	977.83
xxxxx	2,683.00	15,878.58	17,057.30	1,504.28
xxxxx	-	17,014.90	17,014.90	-
xxxxx	1,536.52	4,695.95	5,000.49	1,231.98
xxxxx	2,718.49	9,569.76	10,854.50	1,433.75
xxxxx	6,481.31	14,244.28	19,171.56	1,554.03
<u>Cities:</u>				
xxxxx	3,734.87	102,440.78	106,175.65	-
xxxxx	9,202.10	20,120.27	27,229.62	2,092.75
xxxxx	1,691.02	683,466.81	400,182.28	284,975.55
xxxxx	5,767.74	36,291.26	41,720.74	338.26
xxxxx	247.97	13,931.49	13,157.04	1,022.42
xxxxx	5,971.67	89,664.73	87,225.15	8,411.25
<u>Counties & Others:</u>				
xxxxx	313.59	156.59	470.18	-
xxxxx	-	265.25	265.25	-
xxxxx	-	10,012.71	10,012.71	-
xxxxx	-	9,335.04	9,335.04	-
xxxxx	-	49,818.88	49,818.88	-
xxxxx	-	3,124.72	3,124.72	-
xxxxx	-	2,083.08	2,083.08	-
xxxxx	537.56	-	537.56	-
xxxxx	886.02	3,259.56	1,958.73	2,186.85
xxxxx	2,905.77	-	2,905.77	-
xxxxx	-	1,117.19	1,117.19	-
Totals:	471,286.44	4,253,309.07	4,125,791.16	598,804.35

SCHEDULE 23 – Accounts Receivable

ACCOUNTS RECEIVABLE

December 31, 2023

Due From Other County Departments

Account	Balance 12/31/22	2023 Expenditures	2023 Receipts	Balance 12/31/23
Courthouse	3,775.44	20,572.75	23,249.06	1,099.13
Emergency Management	-	9,492.17	9,310.10	182.07
Sheriff's Department	23,370.53	261,486.60	261,094.46	23,762.67
County Parks	816.54	16,461.59	16,517.30	760.83
WCI/DHHS	457.70	41,386.92	41,572.33	272.29
Totals	28,420.21	349,400.03	351,743.25	26,076.99

Due From Transportation Services and Capital Improvement Funds

Account	Balance 12/31/22	2023 Expenditures	2023 Receipts	Balance 12/31/23
Transportation Services	589,445.00	10,361,123.84	10,626,977.79	323,591.05
Totals	589,445.00	10,361,123.84	10,626,977.79	323,591.05

Due From School Districts

Account	Balance 12/31/22	2023 Expenditures	2023 Receipts	Balance 12/31/23
xxxxx School District	5,879.88	11,517.18	16,636.21	760.85
xxxxx School District	1,631.84	1,753.10	3,384.94	-
xxxxx School District	21,967.80	304,916.12	308,235.08	18,648.84
xxxxx School District	-	285.74	285.74	-
Totals	29,479.52	318,472.14	328,541.97	19,409.69