

## **SECTION J                      BALANCE SHEET CODING**

The balance sheet is a basic financial statement that reports assets and other debits, liabilities and fund equity and other credits. It is prepared at the end of a fiscal year (June 30) and shows a school district's resources and claims against those resources. The balance sheet can be presented on combined, combining or an individual fund basis.

The combined balance sheet will be divided into three categories consisting of assets and other debits, liabilities and fund equity and other credits. Only the current expendable financial resources and the related liabilities should be included in the balance sheet for Governmental and Fiduciary Fund Types. The capital assets and long-term liabilities will be reported in the General Fixed Assets Subsidiary Ledger and the General Long-term Debt Subsidiary Ledger, respectively. The balance sheet for Proprietary Fund Types will contain classifications similar to those for a business enterprise (current assets, capital assets, current liabilities, long-term liabilities, retained earnings, etc.). The fund equity segregation indicates the amount of resources that are nonspendable, restricted, committed, assigned and unassigned.

- Nonspendable fund balances are amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
- Restricted fund balances are amounts that are restricted to specific purposes either by law or externally by creditors, grantors, contributors.
- Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school board.
- Assigned fund balances are amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned fund balance is the residual classification for the general fund and is available for any legally authorized use.

**No additional codes are allowed for reporting purposes.** Expansions of any Section J codes would be per the discretion of the individual school district. For reporting purposes, all expanded Section J codes **must** be collapsed back into the code expanded from.

### **For example:**

101    Cash and Other Deposits

The school district decides to expand this code to the following:

101    Cash and Other Deposits  
 102    Petty Cash  
 103    Cash for Athletics  
 104    Cash for School Lunch Program

At the end of the fiscal year and before any reports are prepared the school district must collapse these expanded codes back into code 101. If they are not collapsed, the reports generated for FETS and other year-end reports will be rejected.

Expansions of Section J codes would require the school district's records to generate subtotals for each expanded Section J code and an overall total of the code expanded from.

**BALANCE SHEET ACCOUNT CODES:****ASSETS AND OTHER DEBITS:****ASSETS**

101	Cash and Other Deposits
105	Cash With Fiscal Agents
111	Investments
120	Due From Governmental Sources
121	Due From Local Sources
122	Due From State Sources
123	Due From Federal Sources
124	Accrued Interest Receivable
125	Other Receivables
126	Bond Proceeds Receivable
128	Sixteenth Section Lease Receivable
130	Allowance for Doubtful Accounts
131	Due From Other Funds
132	Advances to Other Funds
141	Inventory of Supplies
142	Inventory of Stores for Resale
143	Inventory of Food
151	Deferred Outflows (Prepaid Items)

**OTHER DEBITS**

152	Amount to Be Provided for Retirement of General Long-term Debt
154	Amount Available in Debt Service Fund
155	Other Assets (GASB)

**CAPITAL ASSETS**

201	Land
211	Buildings
212	Building Improvements
221	Improvements Other Than Buildings
231	Mobile Equipment
241	Furniture and Equipment
251	Leased Property under Finance (formerly Capital) Leases
261	Construction in Progress
290	Accumulated Depreciation

**BUDGETING ACCOUNTS**

301	Estimated Revenues
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**LIABILITIES AND OTHER CREDITS:**

401	Claims Payable
402	Judgments Payable
411	Construction Contracts Payable
412	Retained Percentage Payable
421	Performance Bonds Payable
430	Accrued Payroll and Related Liabilities
431	Accrued Payroll
432	Salary Benefits Payable
433	Salary Withholdings Payable
436	Due to Student Clubs
441	Due to Other Funds
442	Advances From Other Funds
451	Deferred Inflows (Deferred/Unearned Revenue)
461	Other Payables
480	Revenue Anticipation Notes Payable

**LONG-TERM DEBT**

501	General Obligation Bonds Payable
502	Certificates of Participation Payable
503	Three Mill Notes Payable
504	Transportation Notes Payable
506	Shortfall Notes Payable
507	Obligations Under Finance (formerly Capital) Leases
508	Installment Purchases Loans Payable
509	Other Loans Payable
510	Limited Obligation Bonds Payable
512	Obligations Under Energy Efficiency Leases
513	Tax Credit Bonds/Loans Payable with sinking fund (QZAB/QSCB)
514	Judgements Payable
551	Compensated Absences Payable

**BUDGETARY ACCOUNTS**

601	Appropriations
602	Encumbrances

**FUND EQUITY AND OTHER CREDITS:****OTHER CREDITS**

701	Investment in Capital Assets
711	Retained Earnings

**FUND EQUITY**

721	Nonspendable - Permanent Fund Purposes
722	Nonspendable - Advances

723	Nonspendable - Endowments
724	Nonspendable - Inventory
725	Nonspendable - Prepaid Items
731	Restricted for Unemployment Benefits
732	Restricted for Forestry Improvements
733	Restricted for Capital Improvements
734	Restricted for Debt Service
735	Restricted for Ad Valorem
736	Restricted for Other Commitments
740-744	Committed
745-749	Assigned
751	Unassigned
752	Budgetary - Estimated Revenues
753	Budgetary - Reserved for Encumbrances

101	<u>Cash and Other Deposits</u> - Non-interest and interest-bearing demand accounts and time certificates of deposit with a bank or savings and loan institution. This account will also include cash on hand, petty cash and change cash.
105	<u>Cash With Fiscal Agents</u> - Deposits with fiscal agents, such as commercial banks, for paying matured bonds and interest. This account would also include all funds transferred to a trust account that will be held for payment of debt at a future date. <b><i>[NOTE: Does not include funds transferred for a defeasance of debt.]</i></b>
111	<u>Investments</u> - Securities (except bank demand deposits and certificates of deposit) held for the production of revenues in the form of interest or dividends.
120	<u>Due From Governmental Sources</u> - An asset account reflecting amounts due to the Local Educational Agency (LEA).
121	<u>Due From Local Sources</u> - An asset account reflecting amounts due to the Local Educational Agency (LEA), except interest, that are classified as local governmental sources in the revenue accounts.
122	<u>Due From State Sources</u> - An asset account reflecting amounts due to the LEA that are classified as state governmental sources in the revenue accounts.
123	<u>Due From Federal Sources</u> - An asset account reflecting amounts due to the LEA that are classified as federal governmental sources in the revenue accounts.
124	<u>Accrued Interest Receivable</u> - An asset account reflecting the amount of interest earned on cash and other deposit accounts and/or investment accounts not received by the LEA.
125	<u>Other Receivables</u> - An asset account reflecting amounts due to the LEA, but not received, that are not required to be recorded in another account.
126	<u>Bond Proceeds Receivable</u> - An asset account reflecting the amount of bonded debt proceeds available but not received by the LEA.
130	<u>Allowance for Doubtful Accounts</u> - A valuation account used to indicate the portion of receivables which is estimated to be uncollectible.
131	<u>Due From Other Funds</u> - An asset account reflecting amounts owed to one fund by another fund within the LEA. This account includes only short-term obligations.
132	<u>Advances to Other Funds</u> - An asset account reflecting amounts owed to one fund by another within the LEA. This account includes only long-term obligations. <b><i>[NOTE: Long-Term means due past 12 months.]</i></b>
141	<u>Inventory of Supplies</u> - An asset account which reflects the cost of supplies on hand for use in operations.
142	<u>Inventory of Stores for Resale</u> - An asset account which reflects the cost of goods held for resale rather than use in operations.

143	<u>Inventory of Food</u> - An asset account which reflects the cost of purchased food on hand for use in the food service operations.
151	<u>Deferred Outflows</u> – A consumption of net assets by the district that is applicable to a future reporting period. <i>[NOTE: Examples are prepaid rent, prepaid interest and unexpired insurance premiums.]</i>
152	<u>Amount to Be Provided for Retirement of General Long-term Debt</u> - An "other debit" account in the General Long-term Debt Subsidiary Ledger which represents the amount to be provided from tax levies or other revenue sources to liquidate general long-term debt liabilities.
154	<u>Amount Available in Debt Service Fund</u> - An account in the General Long-term Debt Subsidiary Ledger that represents available funds held by the LEA for the retirement of general long-term debt liabilities.
155	<u>Other Assets</u> - An account for use with GASB statements for deferred charges.
The following 200 codes are used for GASB 34 financial statement reporting purposes and are only reported in the General Fixed Asset subsidiary ledger.	
201	<u>Land</u> - A capital asset account that reflects the acquisition cost of land owned by the LEA.
211	<u>Buildings</u> - A capital asset account reflecting the acquisition and major improvement cost of permanent structures, such as school buildings, administrative buildings, athletic field houses, gymnasiums, and portable classrooms, owned by the LEA.
212	<u>Building Improvements</u> - A capital asset account reflecting the acquisition of major heating and cooling units, major renovation projects such as the removal and replacement of a roof. This asset would have a estimated useful life of 20 years but not 40 as would be for buildings.
221	<u>Improvements Other Than Buildings</u> - A capital asset account reflecting the acquisition cost of athletic fields, lighting, bleachers, and other similar improvements that cannot be directly associated with a particular building.
231	<u>Mobile Equipment</u> - A capital asset account reflecting the acquisition cost of all school buses, automobiles, trucks and vans. This account will also include all large lawn maintenance equipment, tractors, etc.
241	<u>Furniture and Equipment</u> - A capital asset account reflecting the acquisition cost of furniture and equipment owned by the LEA.
251	<u>Leased Property Under Finance (formerly Capital) Leases</u> - A capital asset account reflecting the original acquisition cost of property purchased finance lease contracts.
261	<u>Construction in Progress</u> - A capital asset account reflecting accumulated capitalized cost of construction projects not completed at fiscal year end.

290	<u>Accumulated Depreciation</u> - A contra-asset account used to record the accumulation of periodic credits made to record the expiration of the estimated service life of capital assets.
301	<u>Estimated Revenues</u> - The amount of revenues estimated to be received or to become receivable during the fiscal period. At the end of the fiscal period, the account is closed out and does not appear on the balance sheet. This account would appear in interim financial statements.
401	<u>Claims Payable</u> - A liability account reflecting obligations for goods and services received by the LEA for which payment has not been made.
402	<u>Judgments Payable</u> - A current liability account reflecting amounts owed as a result of court decisions, including condemnation awards for private property taken for public use.
411	<u>Construction Contracts Payable</u> - A liability account reflecting amounts due on contracts for construction of buildings and other improvements.
412	<u>Retained Percentage Payable</u> - A liability account reflecting amounts due on construction contracts for that portion of the work which has been completed but on which part of the liability has not been paid pending final inspection or lapse of a specified time period, or both. The unpaid amount is usually a stated percentage of the contract price.
421	<u>Performance Bonds Payable</u> - A liability account reflecting amounts due to outside entities for bonds deposited that are due upon vendor performance.
430	<u>Accrued Payroll and Related Liabilities</u> - A liability account reflecting the net amounts due to employees and due to state agencies, federal agencies and other outside entities. Includes employer matching amounts of benefits and employee salary/wage withholdings
431	<u>Accrued Payroll</u> - A liability account reflecting the net amounts due to employees.
432	<u>Salary Benefits Payable</u> - A liability account reflecting the employer matching amounts of benefits due to state agencies, federal agencies and other outside entities.
433	<u>Salary Withholdings Payable</u> - A liability account reflecting employee salary and wage withholdings due to state agencies, federal agencies and other outside entities.
436	<u>Due to Student Clubs</u> - A liability account reflecting amounts due to student clubs.
441	<u>Due to Other Funds</u> - A liability account reflecting amounts owed by one fund to another fund in the same government for goods sold or services rendered. These

	amounts include only short-term obligations on open account and not noncurrent portions of long-term loans.
442	<u>Advances From Other Funds</u> - A liability account used to record noncurrent portions of long-term debt owed by one fund to another fund in the same government.
451	<u>Deferred Inflows (formerly deferred/unearned revenue)</u> - A liability account used to record revenue amounts for which the asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable but not available.
461	<u>Other Payables</u> - A liability account reflecting amounts owed by the LEA not required to be recorded in another liability account.
480	<u>Revenue Anticipation Notes Payable</u> - A liability account used to record amounts owed by the LEA for revenue anticipation notes payable.
The following 500 codes are used for GASB 34 financial statement reporting purposes and are only reported in the General Long Term Debt subsidiary ledger.	
501	<u>General Obligation Bonds Payable</u> - A liability account used to record amounts owed by the LEA for outstanding general obligation bonds.
502	<u>Certificates of Participation Payable</u> - A liability account used to record amounts owed by the LEA for outstanding certificates of participation.
503	<u>Three Mill Year Notes Payable</u> - A liability account used to record amounts owed by the LEA for outstanding three mill notes.
504	<u>Transportation Loans Payable</u> - A liability account used to record amounts owed by the LEA for transportation equipment loans.
506	<u>Shortfall Notes Payable</u> - A liability account used by the LEA to record amounts owed for shortfall debt borrowing.
507	<u>Obligations Under Finance (formerly Capital) Leases</u> - A liability account used to record amounts owed by the LEA for the total unpaid principal portion of finance lease-purchase agreements.
508	<u>Installment Purchases Loans Payable</u> - A liability account used to record amounts owed by the LEA for the total unpaid principal portion of installment purchase loan agreements.
509	<u>Other Loans Payable</u> - A liability account used to record amounts owed by the LEA for loans not required to be coded in another account.
510	<u>Limited Obligation Bonds Payable</u> - A liability account used to record amounts owed by the LEA for outstanding bonds whereby the repayment of such bonds are from a pledge of resources from another governmental agency.

512	<u>Obligations Under Energy Efficiency Leases</u> - A liability account used to record amounts owed by the LEA for the total unpaid principal portion of an energy efficiency lease agreement entered into under the authority of Section 31-7-14, Mississippi Code Annotated (1972).
513	<u>Tax Credit Bonds/Loans Payable with sinking fund (QZAB/QSCB)</u> - A liability account used to record debt issuances that qualify as a “qualified zone academy bond” as defined by Section 226 of the Taxpayer Relief Act of 1997(Public Law 105-34).
514	<u>Judgements Payable</u> - A long-term liability account reflecting amounts owed as a result of court decisions, including condemnation awards for private property take for public use.
551	<u>Compensated Absences Payable</u> - A liability account used to record the amount expected to be paid to the LEA’s employees for accumulated leave earned by those employees.
601	<u>Appropriations</u> - A budgetary account established to record spending authorizations granted by the school board or legislative body to make expenditures for specific purposes. This account appears in a balance sheet prepared during the fiscal period. It is closed out and does not appear in the balance sheet prepared at the close of the fiscal period.
602	<u>Encumbrances</u> - This account represents commitments related to unperformed contracts (outstanding purchase orders) for goods and services or salary commitments chargeable to an appropriation and for which part of the appropriation is reserved. In an interim balance sheet, encumbrances are deducted, along with the expenditures from the appropriations account, to arrive at the unencumbered balance.
701	<u>Investment in Capital Assets</u> - An account in the General Fixed Assets Subsidiary Ledger which represents the government's equity in general capital assets.
711	<u>Retained Earnings</u> - An equity account reflecting the accumulated earnings of an Enterprise or Internal Service Fund.

721	<u>Nonspendable - Permanent Fund Purposes</u> - An account that represents the portion of the fund balance of the sixteenth section principal fund which is nonspendable and held for investment purposes.
722	<u>Nonspendable - Advances</u> - An account used to offset advances recorded in the asset accounts since they do not constitute available spendable resources and are not a component of net current assets.
723	<u>Nonspendable - Endowments</u> - An account that represents the portion of the fund balance of certain permanent funds which is nonspendable and held for scholarship endowments.
724	<u>Nonspendable - Inventory</u> - An account that represents a portion of the fund balance which represents inventory amounts that are nonspendable even though they are a component of net current assets.
725	<u>Nonspendable - Prepaid Items</u> -. An account that represents a portion of the fund balance which represents prepaid items that are nonspendable even though they are a component of net current assets.
731	<u>Restricted for Unemployment Benefits</u> - An account that represents the fund balance of the unemployment compensation revolving fund which is legally restricted for the payment of unemployment benefits
732	<u>Restricted for Forestry Improvements</u> - An account that represents the fund balance of the sixteenth section forestry escrow fund which is legally restricted for improvements to sixteenth section forest lands.
733	<u>Restricted for Capital Improvements</u> - An account that represents the portion of the fund balance that is legally restricted for capital improvements.
734	<u>Restricted for Debt Service</u> - An account that represents the fund balance in debt service funds which are legally restricted for the payment of general long-term debt principal and interest.
735	<u>Restricted for Ad Valorem</u> - An account used to record the ad valorem taxes collected in excess of legal limitations that are held for the purpose of reducing ad valorem tax requests in the subsequent fiscal year.
736	<u>Restricted for Other Commitments</u> - An account used to represent amounts restricted for specific purposes either externally by creditors, grantors, contributors, or imposed by law through constitutional provisions or enabling legislation.
740-744	<u>Committed</u> - A portion of the fund balance that represents amounts committed for specific purposes pursuant to constraints imposed by formal action of the school board.

745-749	<u>Assigned</u> - A portion of the fund balance that represents amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
751	<u>Unassigned</u> - The residual fund equity classification for the general fund.
752	<u>Budgetary</u> - An account used to maintain budgetary balancing when estimated revenues are not equal to appropriations.
753	<u>Budgetary/Reserved for Encumbrances</u> - An account used to maintain budgetary balancing for outstanding encumbrances.