

GENERAL LEDGER ACCOUNT DEFINITIONS

REAL ACCOUNTS

CURRENT ASSETS

Cash and Cash Equivalents - this account will not be used throughout the year but will instead be utilized or financial statement presentation only. All cash and cash equivalents should be aggregated and reported on this account. Cash equivalents are short-term highly liquid investments (three months or less maturity) such as treasuries and mutual funds.

- 101 **Cash** - cash on hand and demand deposits with an official or agent designated as a custodian of cash and bank deposits.
- 102 **Cash Change** - a sum of money set aside to make change.
- 103 **Petty Cash** - a relatively small amount of cash on hand or on deposit, available for minor disbursements, usually maintained under the imprest system.
- 104 **Interest Bearing Accounts** - cash deposited in an interest bearing account in the designated depository(ies).
- 105 **Savings Certificates** - interest bearing certificates purchased from the designated depository(ies). (All savings certificates should be posted to 105.1 or 105.2)
 - 105.1 **Savings Certificates- Cash and Cash Equivalent** - savings certificates that when purchased have a maturity of three months or less.
 - 105.2 **Savings Certificates- Investments** - savings certificates that when purchased have a maturity of greater than three months.
- 106 **Cash with Fiscal Agent** - deposits with fiscal agents, such as commercial banks, for the payment of matured bonds and interest.
- 107 **Restricted Cash in Banks** - an account that segregates cash deposited in banks which cannot be used for general operations of fund activities. (All restricted cash in banks should be posted to 107.1 or 107.2)
 - 107.1 **Restricted Cash and Cash Equivalents** – restricted cash resources that when purchased have a maturity date of three months or less.
 - 107.2 **Restricted Investments** – restricted investments that when purchased have a maturity date of greater than three months.
- 108 **Taxes Receivable--Current** - the uncollected portion of taxes, **including mobile homes**, which a county has levied for the current year.
- 109 **Estimated Uncollectible Taxes Receivable--Current (Credit)** - the estimated amount of current taxes receivable which a county will not collect.
- 110 **Taxes Receivable--Delinquent** - the uncollected portion of taxes that were levied in prior years and are now delinquent by definition of statute.

- 111 **Estimated Uncollectible Taxes Receivable--Delinquent (Credit)** - the estimated amount of delinquent taxes receivable which a county will not collect.
- 114 **Judgments Receivable** - an amount to be collected by the county as a result of a court decision.
- 117 **Accounts Receivable** - amounts owing on open accounts from private persons, firms or corporations for goods and services furnished by a county.
- 118 **Estimated Uncollectible Accounts Receivable (Credit)** - the estimated amount of accounts receivable which a county will not collect.
- 121 **Special Assessments Receivable--Current** - the uncollected portion of special assessments which a governmental unit has levied and which has become due but on which no penalty for nonpayment attaches.
- 122 **Special Assessments Receivable--Delinquent** - special assessments remaining unpaid on and after the date on which a penalty for nonpayment attaches.
- 123 **Special Assessments Receivable--Deferred** - special assessments which have been levied which are not yet due.
- 125 **Interest Receivable--Special Assessments** - the amount of interest receivable on unpaid installments of special assessments.
- 126 **Governmental Unit's Share of Assessment Improvement Costs** - an account sometimes used in a Special Assessment Fund to designate the amount of receivable from the governmental unit as its share of the cost of a special assessment improvement.
- 127 **Lease Receivable** – an amount to be collected by the county (lessor) as the result of right to use lease agreements.
- 128 **Notes Receivable** - an unconditional written promise, signed by the maker, to pay a certain sum at a fixed time to the county.
- 129 **Due from Component Unit** - amounts owed by a discretely presented component unit to a primary government as a result of goods or services provided or loans made to the discretely presented component unit.
- 131 **Due from _____ Fund** - an asset account used to indicate amounts owed to a particular fund by another fund of the county for goods sold or services rendered or short-term loans. It is recommended that separate accounts be maintained for each interfund receivable.
- 132 **Due from _____ Government** - amounts due to the county from another governmental unit. These amounts may represent grants-in-aid, shared taxes, loans and charges for services rendered by the county for another government. It is recommended that separate accounts be maintained for each intergovernmental receivable.
- 135 **Interest Receivable** - the amount of interest receivable from investments, deposits, notes receivable, etc.
- 136 **Accrued Interest on Investments Purchased** - interest accrued on investments between the last interest payment date and the date of purchase. The account is carried as an asset until the first interest payment date after date of purchase. At that time an entry is made

debiting Cash and crediting the Accrued Interest on Investments Purchased account for the amount of interest purchased and an Interest Earned account for the balance.

- 137 **Dividends Receivable** - the amount of cash dividends arising from patronage distributions declared but not yet remitted to the county.
- 141 **Inventory of Supplies** - the cost value of supplies on hand.
- 142 **Inventory of Stores Purchased for Resale** - the cost of goods held by a governmental enterprise for resale or an intergovernmental service department for sale to other departments of the county.
- 151 **Investments** - securities and real estate held for the production of income in the form of interest, rentals or lease payments. (All investments should be posted to 151.1 and 151.2)
 - 151.1 **Investments - Cash and Cash Equivalents** - securities that when purchased have a maturity of three months or less and all mutual funds.
 - 151.2 **Investments** - Securities that when purchased have a maturity of greater than three months.
- 152 **Unamortized Premiums on Investments** - the excess of the amount paid for securities over the face value which has not been amortized. Use of this account is normally restricted to long-term investments.
- 153 **Unamortized Discounts on Investments (Credit)** - the excess of the face value of securities over the amount paid for them which has not yet been written off. Use of this account is normally restricted to long-term investments.
- 154 **Deposits** - money deposited by the county as a prerequisite to receiving services and/or goods, also, money deposited with public entity risk pools for which it is probable that it may return to the county upon dissolution. (GASB C 50.134)
- 155 **Prepaid Expenses** - that portion of an expense which applies to a future year.
- 156 **Engineering Development Costs** - this account is carried in an Enterprise Fund and represents the cost of surveys or investigations made for the purpose of determining the feasibility of a project or projects. If the project proves to be feasible, the engineering development cost should be charged to it; if it proves not to be feasible, the amount should be charged off as an expense.
- 157 **Investment in Joint Venture** - Investments and subsequent allocations of earnings or losses in joint ventures where the government has an equity interest. Financial reporting and disclosure requirements of joint venture arrangements will vary depending on the terms of the joint venture agreement. GASB J50.105-.108

CAPITAL ASSETS

- 160 **Land** - a fixed asset account which reflects the acquisition value of land **and land rights** owned by a governmental unit. If land is purchased, this account includes the purchase price and costs such as legal fees, filing and excavation costs and the like which are incurred to put the land in condition for its intended use. If land is acquired by gift, the account reflects its appraised value at the time of acquisition. **Land beneath a road should be included in this category.**

- 161 **Depletion (Credit)** - the accumulation of periodic credits to record the expiration of the value of land through extraction such as rock quarries, gravel pits, etc.
- 162 **Buildings** - the purchase or contract price of buildings or structures, or improvements to buildings or structures, if purchased. If buildings or structures are acquired by gift, the account should reflect the appraised value at the time of acquisition.
- 163 **Accumulated Depreciation--Buildings (Credit)** - the accumulation of periodic credits made to record the expiration in the service life of buildings which is attributable to wear and tear through use and lapse of time, obsolescence, inadequacy or other physical or functional cause. The account is shown in the balance sheet of Enterprise and Internal Service Funds as a deduction from buildings in order to arrive at the net book value of buildings.
- 164 **Improvements Other Than Buildings** - a capital asset account which reflects the acquisition of permanent improvements, other than buildings, which add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, and most landscaping. If the improvements are purchased or constructed, this account contains the purchase or contract price. If improvements are obtained by gift, it reflects the appraised value at time of acquisition.
- 165 **Accumulated Depreciation--Improvements Other Than Buildings (Credit)** - the accumulation of periodic credits made to record the expiration of estimated service life of improvements other than buildings.
- 166 **Furnishings and Equipment** - tangible property of a movable nature. Examples are machinery, equipment, tools, trucks, cars, furniture and furnishings.
- 167 **Accumulated Depreciation—Furnishings and Equipment (Credit)** - the accumulation of periodic credits made to record the expiration in the service life of furnishings and equipment which is attributable to wear and tear through use and lapse of time obsolescence, inadequacy or other physical or functional cause.
- 168 **Construction/Development in Progress** - the cost of construction or development undertaken but not yet completed.
- 169 **Infrastructure** – Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, piers, and bulkheads, and lighting systems.
- 170 **Accumulated Depreciation – Infrastructure (Credit)** – the accumulation of periodic credits made to record the expiration of estimated service life of infrastructure assets.
- 171 **Intangible Assets** – a capital asset that lacks physical substance, is non-financial in nature and has an initial useful life extending beyond a single reporting period. Examples of intangible assets are easements, water rights, patents, trademarks and computer software. (Categories of intangible assets that are significant should be reported as separate classes of capital assets. Software, water rights, etc.)
- 172 **Accumulated Amortization – Intangible Assets (Credit)** – the accumulation of allocations of estimated amortization of an intangible asset.
- 173 **Intangible Lease Assets** - a capital asset account which reflects the intangible right to use lease assets. Lease assets are classified for reporting purposes according the classification of the underlying capital assets.

- 174 **Accumulated Amortization – Lease Assets (Credit)** -- the accumulation of allocations of estimated amortization of intangible right to use lease assets.

OTHER ASSETS

- 186 **Advance to _____ Fund** - an asset account used to record a long-term loan by one fund to another fund in the same governmental unit. It is recommended that separate accounts be maintained for each interfund receivable loan.
- 187 **Other Assets - intangible assets and other assets not previously classified.**
- 188 **Accumulated Amortization (credit)** - the accumulation of allocations of estimated amortization of an intangible asset.
- 189 **Net Pension Asset** – account used to record the amount in which the pension plan’s fiduciary net position exceeds the total pension liability.

DEFERRED OUTFLOWS OF RESOURCES—a consumption of net position by the government that is applicable to a future period.

- 196 **Pension Related Deferred Outflows** – pension related components that represent a consumption of net position applicable to future reporting period.
- 197 **Deferred Charge on Refunding**—account used to record the debit amounts resulting from the refunding of debt.
- 198 **Other Deferred Outflows of Resources**—account used to record other consumptions of net position by the government that is applicable to a future reporting period.

CURRENT LIABILITIES

- 201 **Claims Payable** - liabilities for goods and services evidenced by claims which have been preaudited and approved for payment but which have not been paid.
- 202 **Accounts Payable** - liabilities on open account owing to private persons, firms or corporations for goods and services received by a county.
- 203 **Judgments Payable** - amounts due to be paid by a county as the result of court decisions, including condemnation awards in payment for private property taken for public use.
- 204 **Annuities Payable** - an account which records the amount of annuities due and payable to retired employees in a public employee retirement system.
- 205 **Notes Payable** - an account used to record a loan by a particular fund from any source outside the county.
- 206 **Contracts Payable** - amounts due on contracts for assets, construction, goods or services.
- 207 **Contracts Payable--Retained Percentage** - liabilities on account of construction contracts which have been completed but on which part of the liability has not been paid pending final inspection or the lapse of a specified time period, or both. The unpaid amount is usually a stated percentage of the contract price.

- 208 **Due to _____ Fund** - a liability account used to indicate amounts owed by a particular fund to another fund in the same governmental unit for goods and services rendered or short-term loans. These amounts include only short-term obligations on open account and not long-term loans.
- 209 **Due to _____ Government** - amounts owed by the county to the state, township, city, school district or other governmental unit. This account may be broken down to identify the government.
- 209.1 Due to _____ Government
- 209.2 Due to _____ Government
- 210 **Amounts Held for Others** - an account used to indicate amounts held for individuals or organizations in which the county has no vested interest.
- 211 **Matured Bonds Payable** - bonds which have reached or passed their maturity date but which remain unpaid.
- 212 **Matured Interest Payable** - interest on bonds which has reached the maturity date but which remains unpaid.
- 215 **Accrued Interest Payable** - an account which represents the amount of interest accrued at the balance sheet date but which is not due until a later date.
- 216 **Accrued Wages Payable** - a liability for wages earned by employees between the last payment date and the balance sheet date but which are not yet due.
- 217 **Payroll Withholding Payable** - a liability for payroll withholdings which have accrued since the last payment date but which are not yet due.
- 218 **Amounts Held for Special Assessment Debt Service** - amounts held as an agent for property owners in collecting special assessments and forwarding the collections to bondholders when the government is not obligated for special assessment debt.
- 219 **Incurred But Not Reported Claims** - a liability representing estimated and actual costs for insurance claims in the period in which the loss has been incurred. This account primarily pertains to self-insurance funds.
- 220 **Customer Deposits** - liability of an enterprise fund for deposits made by customers as a prerequisite to receiving services and/or goods provided by the enterprise.
- 221 **Due to Fiscal Agent** - amounts due to fiscal agents, such as commercial banks, for servicing a governmental unit's maturing indebtedness.
- 222 **Special Assessments Collected in Advance** - an account which represents special assessments collected before they become due.
- 223 **Unearned Revenue** – a liability of resources obtained prior to revenue recognition.
- 225 **Registered Warrants** - warrants issued but unpaid for want of funds.
- 226 **Bonds Payable--Current** - the face value of bonds issued and unpaid, but due within one year.

- 227 **Due to Component Unit** - amounts owed by a primary government to a discretely presented component unit as a result of goods or services provided or loans made by the discretely presented component unit.
- 228 **Compensated Absences Payable -- Current** – the current portion of amounts owed employees for unpaid vacation, sick and other leave benefits. (see also account 244)

LONG-TERM LIABILITIES

- 241 **Bonds Payable** - the face value of bonds issued and unpaid less the portion recorded in account number 226.
- 242 **Advance from _____ Fund** - a liability account used to record a long-term debt owed by one fund to another fund in the same governmental unit.
- 243 **Special Assessment Debt with Governmental Commitment** - the portion of the special assessment debt that will be retired with property owner assessments.
- 244 **Compensated Absences Payable** - long-term liability for future vacation, sick, and other leave benefits.
- 245 **Other Long-Term Liabilities** - a liability account used to record other types of long-term debt. Includes long-term notes payable.
- 246 **Net OPEB Obligation** – The cumulative difference since the effective date of GASB45 between annual Other Postemployment Benefits (OPEB) cost and the employer’s contributions to the plan, if any.
- 247 **Accrued Landfill Closure and Postclosure Care Costs** - a liability account to report closing functions and postclosure monitoring and maintenance functions in relation to a municipal solid waste landfill in accordance with the October 9, EPA rule "Solid Waste Disposal Facility Criteria" and GASB Statement 18.
- 248 **Net Pension Liability** – account used to record the amount in which the total pension liability exceeds the pension plan’s fiduciary net position.
- 249 **Lease Liability** – liability account used to account for present value of future lease payments to be made by the County (Lessee) for the right to use leased assets.

DEFERRED INFLOWS OF RESOURCES—an acquisition of net position by the government that is applicable to a future reporting period.

- 250 **Unavailable Revenue--Property Taxes**—an account used to record property taxes that do not qualify for recognition as revenue as they are not yet considered to be available.
- 251 **Unavailable Revenue--Special Assessments**—an account used to record special assessments that do not qualify for recognition as revenue as they are not yet considered to be available.
- 252 **Other Deferred Inflows of Resources**—an account to record other acquisitions of nets position by the government that is applicable to a future reporting period. For a lessor this would include inflows from the right to use lease agreements that relate to future periods.
- 253 **Pension Related Deferred Inflows**—pension related components that represent an acquisition of net position applicable to a future reporting period.

FUND EQUITY

- 263 Net Position** - Accounts to reflect the difference between a government's assets and its liabilities. Net position should be displayed in three components - a) net investment in capital assets, b) restricted (distinguishing between major categories of restrictions) and c) unrestricted. Governmental funds use the fund balance method of reporting equity, except in the government wide financial statements, the net position method is used. Proprietary and Fiduciary funds only use the net position method of recording and reporting equity.
- 263.10 **Net Investment in Capital Assets** – to account for capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- 263.20 **Restricted Net Position** – net position should be reported as restricted when constraints placed on net position used are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- 263.21 **Restricted for Revenue Bond Debt Service** - the segregation of a portion of net position equal to current assets that are restricted to current servicing of revenue bonds in accord with the terms of a bond indenture.
- 263.22 **Restricted for Revenue Bond Retirement** - the segregation of a portion of net position equal to current assets that are restricted for future servicing of revenue bonds in accord with the terms of a bond indenture.
- 263.23 **Restricted for Revenue Bond Contingency** - the segregation of a portion of net position equal to current assets that are restricted to meeting various contingencies as may be specified and defined in the revenue bond indenture.
- 263.24 **Restricted for Special Assessment Bond Guarantee** - the segregation of a portion of net position to provide cash as allowed or required by the bond agreement, in the event the assessed property owners default.
- 263.25 **Restricted for Special Assessment Bond Sinking** - the segregation of a portion of net position to provide cash reserves as designated by the bond agreement.
- 263.26 **Restricted for Equipment Repair and/or Replacement** - a reserve in proprietary funds equal to the amount of money set aside from income to allow the governing body to repair and replace equipment as the need arises.
- 263.27 **Restricted for Landfill Closure and Post Closure Care Costs** - a segregation of a portion of net position to provide for the closure and postclosure care costs for a municipal solid waste landfill.
- 263.28 **Permanently Restricted for Restricted Purposes** – the segregation of a portion of net position that may never be spent.
- 263.29 **Restricted for _____** – the segregation of a portion of net position for other specified purposes.
- 263.90 **Unrestricted** – Unrestricted assets consist of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balances:

273.00 Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Not in Spendable Form:

- 273.01 **Inventory** – the segregation of a portion of fund balance to indicate that inventories do not represent expendable available financial resources.
- 273.02 **Prepays** – the segregation of a portion of fund balance to indicate that prepaid items do not represent expendable available financial resources.
- 273.03 **Resale** – the segregation of a portion of fund balance to indicate that certain assets held for resale do not represent expendable available financial resources.
- 273.04 **Advances** – the segregation of a portion of fund balance to indicate that advances to other funds do not represent expendable available financial resources.
- 273.05 **Notes Receivable** – The segregation of a portion of fund balance to indicate that notes receivable do not represent expendable available financial resources.
- 273.49 **Other Fund Balance not in Spendable Form**

Legally or Contractually Required to be Maintained Intact:

- 273.99 **Permanent Fund Principal** – the principal of a permanent fund that is legally or contractually required to be maintained intact.

274.00 Restricted – amounts restricted that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

- 274.01 **Debt Service** – the segregation of fund balance for resources legally restricted to the payment of general long-term debt principal and interest maturing in future years.
- 274.02 **Capital Projects** – the segregation of fund balance for resources legally restricted for a particular capital project.
- 274.03 **Road Purposes** – the segregation of a portion of fund balance for resources legally restricted for construction and maintenance of county road systems. (SDCL 32-11-4.2)
- 274.04 **Secondary Road** – the segregation of a portion of fund balance for resources legally restricted for the construction and maintenance of the secondary road system. (SDCL 31-12-26/27)
- 274.05 **Snow Removal and Special Emergency Reserve**– the segregation of a portion of fund balance for resources legally restricted for snow removal and special emergency activities as promulgated in SDCL 34-5-2/3.
- 274.06 **Highway and Bridge Reserve (HBR)** – the segregation of a portion of fund balance for resources legally restricted for use towards certain county road costs as expressed in SDCL 10-12-13. *Note SDCL 10-12-13 was amended during 2015 Session.*
- 274.07 **911 Purposes** – the segregation of fund balance for resources legally restricted for 911 purposes.
- 274.08 **Fire Protection** – the segregation of fund balance for resources legally restricted for fire protection. SDCL 34-31-3
- 274.09 **Library Purposes** – the segregation of fund balance for resources legally restricted for library purposes. SDCL 10-12-9.2

- 274.10 **Emergency Management** – the segregation of a portion of fund balance for resources legally restricted for emergency management purposes. SDCL 33-15-31
- 274.11 **Domestic Abuse** – the segregation of fund balance for resources legally restricted for domestic abuse purposes. SDCL 25-1-10, 25-10-16
- 274.12 **24/7 Sobriety** – the segregation of fund balance for resources legally restricted for 24/7 sobriety purposes. SDCL 1-11-17
- 274.13 **County Building** – the segregation of fund balance for resources legally restricted for county building purposes. SDCL 7-25-1
- 274.14 **Title III National Forest** – the segregation of fund balance for resources legally restricted for Title III National Forest purposes.
- 274.15 **Modernization and Preservation Relief** – the segregation of fund balance for modernization and preservation purposes within the Register of Deed’s office. SDCL 7-9

(list other restricted fund balances)

274.97 _____

274.98 _____

274.99 _____

275.00 Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the entity’s governing board.

(list committed balances)

275.97 _____

275.98 _____

275.99 _____

276.00 Assigned – amounts that are constrained by the government’s “intent” to be used for specific purposes but are neither restricted nor committed. The constraint may be enacted by a body or official to which the governing board has delegated the authority to assign amounts to be used for specific purposes.

276.01 **Subsequent Year’s Budget** – the portion of fund balance assigned during the budget process to help finance the next year’s budget.

276.02 **Capital Outlay Accumulations** – the segregation of a portion of fund balance for commitments made by the governing board for capital outlay accumulation purposes. SDCL 7-21-51

276.03 **Road Purposes** – the segregation of a portion of fund balance for commitments made by the governing board for road purposes.

276.04 **911 Purposes** – the segregation of a portion of fund balance for commitments made by the governing board for 911 purposes.

276.05 **Emergency Management** – the segregation of a portion of fund balance for commitments made by the governing board for emergency management purposes.

276.06 **Unemployment** – the segregation of a portion of fund balance by the governing board for the payment of unemployment claims.

(list other assigned fund balances)

276.97 _____

276.98 _____

276.99 _____

277.00 Unassigned – Unassigned fund balance is the classification of the residual fund balance of the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

NOMINAL OR CONTROL ACCOUNTS

DEBITS

- 191 **Transfers Out** - See other financing use account #911. Account used for financial outflows to other funds of the government reporting entity that are not classified as interfund services provided and used, reimbursements, or loans.
- 193 **Estimated Revenue** - a budgetary account set up to record the amount of revenue estimated to be received or to become receivable during the fiscal period. At the end of such period, the amount is closed out and does not appear in a balance sheet prepared as of the close of the fiscal period.
- 195 **Expenditures** - this account appears in balance sheets prepared during the fiscal period and designates the total of expenditures charged against appropriations during such period. The account is shown in each balance sheet as a deduction from appropriations to arrive at the unexpended balance of total appropriations. At the end of the fiscal period, the account is closed out and does not appear in a balance sheet prepared as of the close of the fiscal period.
- 195.1 **Expenditures--Prior Year's** - payments to suppliers or vendors for which encumbrances were provided in the prior year.
- 196 **Encumbrances** - this account designates obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is constrained. In an interim balance sheet, encumbrances are deducted along with expenditures from appropriations to arrive at the unencumbered balance of appropriations. At the end of the fiscal period the account is closed out and does not appear in a balance sheet prepared as of the close of such period.

CREDITS

- 291 **Transfers In** – See other financing source account #371. Account used for financial inflows from other funds of the government reporting entity that are not classified as interfund services provided and used, reimbursements or loans.
- 293 **Appropriations** - this account records amounts authorized by the adoption of the annual budget to make expenditures and to incur obligations for specific purposes. This account appears in a balance sheet prepared during the fiscal period. At the end of the fiscal period, the account is closed out and does not appear in a balance sheet prepared as of the close of the fiscal period.
- 295 **Revenue** - the increase in equity during a designated period of time. The account appears only in a balance sheet prepared during the fiscal period and is shown as a deduction from estimated revenue, to arrive at the amount of estimated revenue remaining to be realized. At the end of the fiscal period it is closed out and does not appear in a balance sheet prepared as of the close of the fiscal period.