**Section 412.50 Balance Sheet Accounts**

100 Cash

This account shall include the amount of cash on hand and demand deposits in banks which are immediately available for general business purposes.

Typical Items

Working funds

Petty cash funds

Undeposited receipts

General checking accounts

Payroll checking accounts

101 Cash – Restricted, Outstanding Mutuel Tickets

This account shall include the amount of cash on hand and time and demand deposits in banks which are restricted in use, as required by the Act, for payment of outstanding mutuel tickets.

102 Special Funds

Cash on deposit in banks which is not readily available for normal business disbursements because of specific legal withdrawal restrictions (i.e., provisions of loan agreements, etc.) shall be included in this account.

110 Temporary Cash Investments

This account shall reflect the book cost of interest-bearing cash deposits and marketable securities acquired for the purpose of temporarily investing cash. Separate sub-accounts shall be maintained as described below for this account:

|  |  |  |
| --- | --- | --- |
|  | Accounts | Typical Items |
| Interest-bearing cash deposits | #111 | Savings accounts, time deposits and certificates of deposit |
| Marketable securities | #112 | U.S. Treasury bills and notes State and municipal bonds Corporate bonds, notes and stock Promissory and demand notes |

120 Receivables

This account shall include amounts due from individuals or organizations, including other licensees, for sales, claims, loans and advances or other debtor obligations, but only to the extent that such amounts are expected to be realized within one year's time.

Typical Items

Uncollected rents

Overpayment of current year's income tax liability or other obligation

Accrued interest on investments

Uncollected billings or accruals under occupancy agreements or other obligation from other licensees

Substantiated claims against suppliers or public carriers

Claims against NSF checks

Loans and advances due from the licensee's officers and employees, but not expense advances (see Account #130), affiliated companies or others

Obligations in the form of notes receivable

Uncollected proceeds from property sales

Dividends receivable

This account shall be maintained in such a manner as to permit segregation and separate reporting of any component item or items in order to facilitate the more accurate identification of the aggregate of receivables where the amount(s) associated with such item(s) make up a majority of the total balance in this account.

120.1 Reserve for Doubtful Accounts

This account shall include an amount equal to anticipated collection losses and other adjustments or allowances which, in the normal course of events, will reduce the gross charge to the debtor.

Accounts which are determined to be uncollectible should be written off against the reserve, and the recoveries of accounts previously written off should be credited to the reserve.

The corresponding charge relating to the establishment of this reserve shall be made to the Other Expense Account. (See account #469 in 11 Ill. Adm. Code Section 412.70)

130 Prepayments

This account shall include the costs incurred for benefits or services not yet received, but only to the extent that such costs are expected to be realized substantially within the next year.

Typical Items

Rent

Insurance

Racing License fees

Commissions

Taxes

Inventories of supplies (i.e., office and concession supplies)

Expense advances to employees in the ordinary course of business

This account shall be maintained in such a manner as to permit segregation and separate reporting of any component item or items in order to facilitate the more accurate identification of the aggregate of "prepayments" where the amount(s) associated with such item(s) make up a majority of the total balance in this account.

140 Other Current Assets

This account shall include the amounts of all other current and accrued assets which are expected to be realized within the following year and which are not properly includable in any of the other current asset accounts as defined herein.

This account shall be maintained in such a manner as to permit segregation and separate reporting of any component item or items in order to facilitate the more accurate identification of the aggregate of "other current assets" where the amount(s) associated with such item(s) make up a majority of the total balance in this account.

150 Investments in Affiliated Companies

This account shall include the cost of capital stocks of affiliates acquired by the licensee.

In addition, such investments shall be adjusted periodically to reflect the company's proportionate share of subsequent increases or decreases in the underlying book values of such affiliates acquired. (Accounting for investments on the equity method.)

The following sub-accounts shall be maintained to provide for the accounting in this area:

|  |  |
| --- | --- |
|  | Account |
| Underlying book value of investment | #150.1 |
| Cost in excess of underlying book value at date of investment | #150.2 |

The underlying book value account shall reflect the initial cost of the acquisition as recorded on the affiliates books plus any subsequent adjustments by the association to record its share of any increases or decreases to this initial book value.

The cost in excess of underlying book value at date of acquisition account shall reflect that portion of the licensee's total cost of acquisition which exceeded the book value of the affiliate at the initial date of investment.

151 Loans and Advances Receivable From Affiliated Company

This account shall include the book amount of loans and advances made to affiliated companies but only to the extent that such loans and advances are expected to be realized after one year's time. See Account #120 for recording of loans and advances receivable within one year.

160 Property, Plant and Equipment

Sub-accounts as described below shall be maintained to reflect the cost of acquisition or construction of the licensee's owned tangible property.

|  |  |  |
| --- | --- | --- |
| Main Facilities – Plant and Track | | |
|  | Account | Typical Items |
| Land | #161 | All land |
| Ground improvements | #162 | Parking lots, walkways, landscaping, track improvements, etc. |
| Buildings and improvements | #163 | Main plant (grandstand and mutuels building) paddock building, patrol judge towers, etc. |
| Machinery and equipment | #164 | Trucks, tractors, office equipment, heating and cooling equipment, etc. |
| Furniture and fixtures | #165 | Office furniture, etc. |
| Backstretch Facilities | | |
| Buildings and improvements | #166 | Stables, barns, tack rooms, training sheds, track kitchen, detention building, recreation building, etc. |
| Machinery and equipment | #167 | The cost of machinery and equipment used exclusively in the backstretch area. |
| Furniture and fixtures | #168 | The cost of furniture and fixtures located in the backstretch area. |

160.1 Accumulated Depreciation

This account shall reflect the accumulated provisions made for depreciation upon the licensee's owned tangible property and shall be the sum of the amounts contained in the sub-accounts shown below. See Exhibit B for reporting of applicable useful lives and method(s) of computing provisions for depreciation.

|  |  |  |
| --- | --- | --- |
| Main Facilities – Plant and Track | | |
|  | Account |
| Accumulated depreciation – ground improvements | #162.1 |
| Accumulated depreciation – buildings and improvements | #163.1 |
| Accumulated depreciation – machinery and equipment | #164.1 |
| Accumulated depreciation – furniture and fixtures | #165.1 |
| Backstretch Facilities | | |
| Accumulated depreciation – buildings and improvements | #166.1 |
| Accumulated depreciation – machinery and equipment | #167.1 |
| Accumulated depreciation – furniture and fixtures | #168.1 |

170 Leasehold Improvements

This account shall include the costs of acquisition or construction of improvements made to facilities leased by the licensee.

170.1 Accumulated Amortization of Leasehold Improvements

This account shall reflect the accumulated provisions made for amortization of leasehold improvement costs. Such provisions shall be determined on the shorter of the expected useful lives of the improvements or the remaining term of the lease.

180 Other Noncurrent Assets

This account shall include the amounts of all other noncurrent and accrued assets which are expected to be realized over the period following one year's time and which are not properly includable in any of the other noncurrent asset accounts as defined herein. For example, cash held by a licensee for payment in future years of race purses such as the purse for American National races shall be reflected in this account. Other items properly accounted for in this account shall include deferred charges and other miscellaneous assets which are unusual in nature or the proper final disposition of which is uncertain. Deferred charges is defined as the amount of charges and expenses to be assigned to future periods. Organizations expense is an example. Items in this account are distinguished from similar items classified as prepayments (see Account #130) by the reason that such charges are generally applicable over longer periods of time. Another distinction between a prepayment and a deferred charge is that a prepayment (i.e., insurance) is an amount incurred or paid for services not yet received or the benefit of which has not been fully realized – whereas a deferred charge is a cost of service or goods already received but the income against which such costs are to be matched will not be received until a future period. The write-off of deferred charges is therefore made according to recognition of income from the related projects.

200 Accounts Payable

This account shall include amounts payable to individuals or organizations, including other licensees and affiliates for receipt of an asset, service, expense incurred or other obligation, but only to the extent that such amounts are expected to be liquidated within one year.

Typical Items

Unpaid rents

Trade payables to suppliers

Unpaid billings under occupancy agreements or other obligation with other licensees or affiliates

Deposits or loans and advances payable to affiliated companies or others

Unpaid amounts on property purchases

Dividends declared but unpaid

Withholdings from employees for income and social security taxes

This account shall be maintained in such a manner as to permit segregation and separate reporting of any component item or items in order to facilitate the more accurate identification of the aggregate of "payables" where the amount(s) associated with such item(s) make up a majority of the total balance in this account.

201 Notes Payable

This account shall include amounts payable for current maturities of debt obligations for borrowed funds, such as notes or mortgages payable to banks and others, bonds or debentures.

202 Special Purse and Reward Fund

This account shall reflect the aggregate utilization of monies from the Special Purse and Reward Fund for payment of purses and awards.

203 Entry and Nomination Fees

This account shall reflect the aggregate utilization of monies from entry and nomination fee escrow accounts for payment of purses.

204 Admissions Tax

This account shall reflect the amount of state and local taxes paid relating to admissions.

205 Parking Tax

This account shall reflect the amount of local taxes paid relating to parking.

210 Accruals

This account shall reflect the total estimated liability for costs that are not immediately payable although the benefit thereon has been received in the current period. Separate sub-accounts shall be maintained as described below for this account:

|  |  |  |
| --- | --- | --- |
|  | Account | Typical Items |
| Taxes | #211 | Real estate, personal property, income and other taxes |
| Interest | #212 | Interest liability on borrowed funds |
| Other | #213 | Salaries, vacation and holiday pay, social security |

If Federal and state income taxes are significantly overpaid, the classification of such overpayment should be as a current asset. (See Account #120.)

220 Liability for Outstanding Mutuel Tickets

This account shall include the amount of outstanding mutuel tickets for which the licensee has the liability of redemption. (See Account #101.)

221 Purse Underpayment Liability

This account shall include the amount of the licensee's liability for the underpayment of purses as determined by contract with the horsemen. This account shall also include the licensee's liability for the underpayment of purses provided by the Special Purse and Reward Fund. Any purse overpayment should be recorded as an account receivable in Account #120.

230 Loans and Advances Payable to Affiliates

This account shall include the face amount of loans and advances made to the licensee by affiliated companies but only to the extent that such loans and advances are expected to be liquidated after one year's time. See Account #200 for recording of loans and advances payable within one year.

231 Long-Term Debt

This account shall include the face amount of debt obligations for borrowed funds such as notes or mortgages payable to banks and others, bonds or debentures but only to the extent that such obligations are expected to be liquidated in the period following one year's time. See Account #201 for recording of debt obligations payable within one year.

240 Deferred Income Taxes

This account shall include an amount equal to the tax differences which result from differences in timing or reporting certain transactions for income tax purposes as compared with financial reporting purposes.

For example, the application of accelerated depreciation for tax purposes and straight-line depreciation for financial reporting purposes will result in deferred income taxes equal to the tax effect of the difference in the depreciation provision resulting from the use of these two methods.

250 Other Long-Term Liabilities

This account shall include the amounts of all other noncurrent and accrued liabilities which are expected to be liquidated over the period following one year's time and which are not properly includable in any of the other noncurrent liability accounts as defined herein.

This account shall be maintained in such a manner as to permit segregation and separate reporting of any component item or items in order to facilitate the more accurate identification of the aggregate of "other noncurrent liabilities" where the amount(s) associated with such item(s) make up a majority of the total balance in this account.

260 Preferred Stock

This account shall include the par value of the state value of stock without par value.

261 Common Stock

This account shall include the par value or the stated value of stock without par value.

262 Additional Paid-In Capital

This account shall include the excess of the actual cash value of the consideration received on issues of preferred and/or common stock over the par or stated value of such stock.

263 Retained Earnings

This account shall include the balance, either debit or credit, of retained earnings arising from earnings.

263.1 Equity in Undistributed Earnings (Loss) of Affiliates

This account shall include the amount of the periodic adjustments made by the licensee to reflect its proportionate share of increases or decreases in the underlying book value of investments in affiliates.