

Description of Continuing Property Records

The Uniform System of Accounts for Water and Sewer Utilities require that each Class A, B and C utility keep Continuing Property Records.

The Continuing Property Record System is a procedure by which the costs of the water or sewer utility plant are segregated and maintained by units of property. A unit of property is an item which can be readily identified and accounted for by itself.

There are two types of units of property:

Identifiable units such as land, buildings, pumping equipment, etc., for which a record showing location and original cost of each item is maintained.

Group units such as mains, services, meters, etc., that are recorded in total quantities and at average cost per unit. Group unit property records are a control record and should be supplemented by subsidiary continuing property records subdivided by sizes and recorded in detail from the work orders completed during the year. The total quantities, total cost and average cost per unit should be recorded on the control continuing property records at the end of each year.

Continuing property records are important and useful because they provide a complete record by plant accounts of the number of each type of property unit included in the plant as well as their unit cost or average cost. These records will also have cost information that will be useful when a utility plant asset is retired from service.

The continuing property records should be arranged in conformity with the plant accounts prescribed in the Uniform System of Accounts. They should be compiled using a basis of original cost or another book cost consistent with the provisions of the Uniform System of Accounts.

These records should contain a detailed description and classification of property-record units in order to permit their identification and verification. These records should be maintained in such a manner so as to meet the following basic objectives:

To provide an inventory of property-record units which may be readily spot-checked for proof of physical existence.

To record the costs associated with such property-record units so as to assure accurate accounting for retirements.

To record the date of installation and removal of plant retired in order to provide data for use in connection with depreciation studies.

To identify units such as parcels of land, structures, equipment, etc., as well as all the information available on these units.

To provide that groups such as Transmission and Distribution Mains will be subdivided by sizes, recorded in total quantities and average cost per unit or average cost per unit for the year.

To supply the details of costs of the properties, the depreciation written-off in a given year, as well as additions and improvements, retirements, and the amounts in the depreciation reserves and the net book values of the properties.

The Continuing Property Records may also be known as Property Records and Plant Records.