

## Chapter RACE 17

## UNIFORM SYSTEM OF ACCOUNTS

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**RACE 17.01 Purpose.** The purpose of this chapter is to establish a uniform system of accounts. These rules shall apply to those associations participating in racing in the state of Wisconsin.

**History:** Cr. Register, March, 1990, No. 411, eff. 4-1-90.

**RACE 17.02 Definitions.** (1) "Accounts" means the accounts prescribed in this chapter.

(2) "Affiliated companies" means companies of persons that, directly or indirectly, through one or more intermediary companies, or alone, control, or are controlled by, or are under common control with the reporting association.

(3) "Control" means the possession of the power to direct or cause the direction of the management and policies of a company or association. Such power may be established through a majority or minority ownership or voting of securities, common directors, racetrack officials, or stockholders, voting trusts, holding trusts, associated companies, contract or agreement or any other direct or indirect means.

(4) "Book cost" means the amount at which property is recorded without deduction or related provisions for accrued depreciation, amortization, or for other purposes.

(5) "Cost" means the amount of money actually paid for property or services. When the consideration given is other than cash, the fair value of the consideration surrendered or the fair value of the asset received, whichever is more clearly evident, should be used to determine cost.

(6) "Current assets" means a term used to designate cash and other assets or resources commonly identified as those which are reasonably expected to be realized in cash or sold or consumed within one year.

(7) "Current liabilities" means the amount designated to those obligations whose liquidation is reasonably expected to require the use of existing current assets.

(8) "Financial statements" means inclusive of all notes to the statements and all related schedules.

(9) "Timing difference" means the time when tax liabilities are incurred and when they are actually paid.

**History:** Cr. Register, March, 1990, No. 411, eff. 4-1-90.

**RACE 17.03 Application of rule.** (1) All associations shall keep their financial records in the manner prescribed by these rules. In addition, this uniform system of accounts shall also apply to the form and content of all

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financial statements to be filed as a part of the application for a license to conduct any racing meeting.

(2) These rules are adopted pursuant to the authority granted to the board in s. 562.02 (1) (h), Stats.

History: Cr. Register, March, 1990, No. 411, eff. 4-1-90.

**RACE 17.04 Rules of general application.** (1) All money amounts required to be shown in financial statements shall be expressed in whole dollars.

(2) The information required with respect to any financial statement shall be furnished as a minimum requirement. Further material information shall be added whenever necessary to make the required financial statements not misleading in the light of the circumstances under which they are made. Conversely, if any amount required to be shown with respect to any caption note or schedule is not material, it need not be shown.

(a) Each association shall maintain its books of account and all other records and supporting documentation in order to be able to readily furnish to the board full disclosure of any item included in any account.

(b) No association shall destroy any such books or records unless prior permission to do so is obtained from the board. The board will grant such permission if the books and records are more than 5 years old.

(c) In addition to the prescribed accounts, clearing accounts, temporary accounts and subdivisions of any account may be utilized provided the integrity of the prescribed accounts is not impaired as long as the information in the prescribed accounts is readily available from the accounts.

(d) Any questions regarding the accounting for a specific item should be submitted to the board for an interpretation.

(3) The account numbering framework.

Note: An example of a system of 3- and 4-digit numbers as follows:

100.0 - 199.9	Assets and Other Debits
200.0 - 299.9	Liabilities and Other Credits
300.0 - 399.9	Income Accounts
400.0 - 499.9	Expense Accounts

(a) Each association may adopt such scheme of account numbers as it deems appropriate, provided however, that it shall keep readily available to the board the information required by the application form.

(4) Income and expenses are required by type of operation. Any item not specifically provided for can be identified with a type of operation and should be allocated in the income statement.

Note: Items of revenue, cost or expense which are not properly identifiable with any operating department shall be accounted for in the "other" column on the income statement. Supplementary listings explaining any such material items shall be submitted along with the application.

History: Cr. Register, March, 1990, No. 411, eff. 4-1-90.

**RACE 17.05 General notes to financial statements.** The following notes shall be included in each application filed. This information may be set Register, March, 1990, No. 411

forth on the face of the application statement in a supporting schedule or in notes appropriately captioned.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (a) *Principles of consolidation including accounting for investments in subsidiaries not consolidated.* A brief description of the principles followed in consolidating the separate financials. If there has been a change in the entities included or excluded from the previous fiscal year, state the entities and the effect.

(b) *Depreciation and amortization methods.* State the policy followed in computing the provision for depreciation of physical property and leasehold improvements, including the method and rates used.

(c) *Pension and retirement plan accounting.* State a brief description of the essential provisions of the plan and the related accounting and funding policies, including the cost of the plan for the year. Also state whether or not the plan has been submitted to or approved or both by the internal revenue service.

(d) *Recognition and deferral of income taxes.* Include and deferral of income tax and provide a brief description.

1. The following components of income tax expense shall be disclosed in the income statement or a note attached to income statement:

- a. Taxes currently payable;
- b. Tax effects of timing differences; and
- c. Tax effects of operating losses and the net deferred investment tax credits.

2. Include a brief description of the nature of such timing differences. Include a brief statement as to the policy for accounting for investment credit.

(e) *Amortization of intangible assets.* Include a brief statement as to the policy and method of amortization.

(f) *Inter-company profits and losses.* Include a brief description as to the amounts and the policy for the accounting for inter-company items.

(g) *Deferred charges and credits.* State the nature and the write-off period of any significant deferred charges.

(h) *Other.* Any other accounting policies that materially affect the determination of financial position, results of operation and changes in financial position.

(2) For assets subject to lien, briefly identify assets mortgaged, pledged or in any other way subject to lien.

(3) For defaults, briefly describe the nature and effect of any defaults of security agreements, indentures and loan agreements.

(4) For restrictions on retained earnings, briefly describe and give the amount of the most restrictive of any such restrictions.

(5) For commitments and contingent liabilities, disclose the amounts and nature of any significant commitments and contingent liabilities.

(6) For capital stock, describe the pertinent facts regarding any stock options, warrants or rights outstanding.

History: Cr. Register, March, 1990, No. 411, eff. 4-1-90.

**RACE 17.06 Balance sheet accounts.** (1) **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.

(a) Typical items included:

1. Working funds.
2. Petty cash funds.
3. Undeposited receipts.
4. General checking accounts.
5. Payroll checking accounts.

(2) **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 for payment of outstanding mutuel tickets.

(3) **102 SPECIAL FUNDS.** Cash on deposit in banks which is not readily available for normal business disbursements because of specific legal withdrawal restrictions shall be included in this account.

(4) **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 using account numbers 110-119.

Note: An example of these sub-accounts is as follows:

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

(5) **120 RECEIVABLES.** (a) This account shall include amounts due from individuals or organizations, including other associations, 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.

Note: Typical items include 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 associations, substantiated claims against suppliers or public carriers, claims against NSF checks, loans and advances due from the association's racetrack officials and employes but no expense advances (see Account #130), affiliated companies or others, obligations in the form of notes receivable, uncollected proceeds from property sales, dividends receivable.

(b) 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 associated with such items make up a majority of the total balance in this account.

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(6) 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.

(a) 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.

(b) The corresponding charge relating to the establishment of this reserve shall be made to the "other expense" account.

(7) 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.

Note: Typical items include rent, insurance, racing license fees, commissions, taxes, inventories of supplies and expense advances to employes in the ordinary course of business.

(a) 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 associated with such items make up a majority of the total balance in this account.

(8) 140 OTHER CURRENT ASSETS. (a) 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.

(b) 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 associated with such items make up a majority of the total balance in this account.

(9) 150 INVESTMENTS IN AFFILIATED COMPANIES. (a) This account shall include the cost of capital stocks of affiliates acquired by the association. 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.)

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

	Account
1. Underlying book value of investment	150.1
2. Cost in excess of underlying book value at date of investment	150.2

(c) 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.

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

(10) 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.

Note: See Account #120 for recording of loans and advances receivable within one year.

(11) 160 PROPERTY, PLANT AND EQUIPMENT. Sub-accounts as described below shall be maintained to reflect the cost of acquisition or construction of the association's owned tangible property.

Note: The following example reflects the proper breakdown for this account:

Main Facilities — Plant and Track

	Account	Typical Items
Land	161	All land
Ground Improvement	162	Parking lots, walkways, landscaping track improvements, etc.
Buildings and improvements	163	Main plant (grandstand & mutuels building) kennel buildings, stewards towers, etc.
Machinery and equipment	164	Trucks, tractors, office equipment, heating and cooling equipment, etc.
Furniture and fixtures	165	Office furniture, etc.
Kennel Compound		
Buildings and improvements	166	Kennel building, ginny pit
Machinery and equipment	167	The cost of machinery and equipment used exclusively in the kennel compound.
Furniture and fixtures	168	The cost of furniture and fixtures if any located in the kennel compound.

(12) 160.1 ACCUMULATED DEPRECIATION. This account shall reflect the accumulated provisions made for depreciation upon the association's owned tangible property and shall be the sum of the amounts contained in the sub-accounts.

Note: The following chart reflects the proper breakdown for this account.

Main Facilities — Plant and Track

Accumulated depreciation — ground improvements	Account 162.1
Accumulated depreciation — buildings and improvements	163.1
Accumulated depreciation — machinery and equipment	164.1
Accumulated depreciation — furniture and fixtures	165.1
Kennel Compound	
Accumulated depreciation — buildings & improvements	166.1
Accumulated depreciation — machinery and equipment	167.1
Accumulated depreciation — furniture and fixtures	168.1

(13) 170 LEASEHOLD IMPROVEMENTS. This account shall include the costs of acquisition or construction of improvements made to facilities leased by the association.

(14) 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.

(15) 180 OTHER NON-CURRENT ASSETS. This account shall include the amounts of all other non-current and accrued assets which are expected to be realized after the period of one year's time and which are not properly includable in any of the other non-current asset accounts.

Note: Items properly accounted for in this account shall include deferred charges, cash held by an association for payment in future years' purses and other miscellaneous assets which are unusual in nature or the proper final disposition of which is uncertain.

(16) 200 ACCOUNTS PAYABLE. (a) This account shall include amounts payable to individuals or organizations, including other associations 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. Items to be included are:

1. Unpaid rents.
2. Trade payables to suppliers.
3. Unpaid billings under occupancy agreements or other obligation with other associations or affiliates.
4. Deposits or loans and advances payable to affiliated companies or others.
5. Unpaid amounts on property purchases.
6. Dividends declared but unpaid.
7. Withholdings from employes for income and social security taxes.

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

(17) 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.

(18) 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.

(19) 204 ADMISSIONS TAX. This account shall reflect the amount of state and local taxes paid relating to admissions.

(20) 205 PARKING TAX. This account shall reflect the amount of local taxes paid relating to parking.

(21) 210 ACCRUALS. This account shall reflect the total estimated liability for costs that are not immediately payable although the benefit has been received in the current period.

(a) If federal and state income taxes are significantly overpaid, the classification of such overpayment should be as a current asset.

(b) Separate sub-accounts shall be maintained as described below for this account.

Note: See the following example:

	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.

(22) 220 LIABILITY FOR OUTSTANDING MUTUEL TICKETS. This account shall include the amount of outstanding mutuel tickets for which the association has the liability of redemption.

Note: See account #101.

(23) 221 PURSE UNDERPAYMENT LIABILITY. This account shall include the amount of the association's liability for the underpayment of purses.

Note: Any purse overpayment should be recorded as an account receivable in Account #120.

(24) 230 LOANS AND ADVANCES PAYABLE TO AFFILIATES. This account shall include the face amount of loans and advances made to the association by affiliated companies but only to the extent that such loans and advances are expected to be liquidated after one year's time.

Note: See Account #200 for recording of loans and advances payable within one year.

(25) 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.

Note: See account #201 for recording of debt obligations payable within one year.

(26) 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 2 methods.

(27) 250 OTHER LONG-TERM LIABILITIES. This account shall include the amounts of all other non-current 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 non-current 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 non-current liabilities" where the amount associated with such items makes up a majority of the total balance in this account.

(28) 260 PREFERRED STOCK. This account shall include the par value or the stated value of stock without par value.

(29) 261 COMMON STOCK. This account shall include the par value or the stated value of stock without par value.

(30) 262 ADDITIONAL PAID-IN CAPITAL. This account shall include the excess of the actual cash value of the consideration received on issues of preferred or common stock or both over the par or stated value of such stock.

(31) 263 RETAILED EARNINGS. This account shall include the balance, either debit or credit, or retained earnings arising from earnings.

(32) 263.1 EQUITY IN UNDISTRIBUTED EQUITY IN UNDISTRIBUTED EARNINGS (LOSS) OF AFFILIATES. This account shall include the amount of the periodic adjustments made by the association to reflect its proportionate share of increases or decreases in the underlying book value of investments in affiliates.

History: Cr. Register, March, 1990, No. 411, eff. 4-1-90.

**RACE 17.07 Income accounts.** (1) 301 MUTUEL COMMISSIONS. This account shall reflect the monies legally retainable by the association under the applicable stature, with the exception that such commissions are to be recorded net of those monies retained due to breaks. This account shall not include applicable pari-mutuel taxes. When minus pools occur, the payment made by the association to meet the public pool requirement shall be recorded as deductions from this account.

(2) 303 ADMISSIONS. This account shall reflect the gross receipts from all admission sources, excluding that portion of receipts applicable to local and state taxes.

Note: Typical items include grandstand and clubhouse gate receipts, reserved seat and box seat sales and rentals, club membership receipts, special guest receipts and passes.

(3) 304 CONCESSION RECEIPTS. This account shall include all receipts from sales of food and drink as well as other concessions such as cigarettes, novelties, field glasses rental and other similar items which have occurred at the racing meeting being reported upon. Similar income received from other associations while they are conducting racing meetings shall be recorded as "other income." In those instances where the association conducting the racing meeting does not operate its own restaurant, bar or concession services, the income recorded in this account shall be equal to any commission or contract income received from the outside operators of such facilities.

(4) 305 PROGRAM RECEIPTS. This account shall include all receipts from sales of daily race programs and pencils. When this operation is performed by individuals or organizations other than the association conducting the race meet, the income recorded in this account shall be equal to any commission or contract income received from such other individuals or organizations.

(5) 306 NEWSPAPERS AND PUBLICATION RECEIPTS. This account shall include all receipts from sales of newspapers, racing publications (other than daily race programs) and tip sheets. When this operation is performed by individuals or organizations other than the association conducting the racing meet, the income recorded in this account shall be equal to any commission or contract income received from such other individuals or organizations.

(6) 307 PARKING RECEIPTS. This account shall include all receipts generated from the operation of parking facilities by the association conducting the racing meeting being reported upon. Similar income received

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from other associations while they are conducting racing meetings shall be recorded as "other income." In those instances where the association conducting the racing meeting does not operate its own parking facilities, any income received under terms of the agreement with the outside operator of such facilities shall be recorded in this account.

**Note:** A breakdown of typical items include general parking lot entrance fees, and preferred parking fees.

**History:** Cr. Register, March, 1990, No. 411, eff. 4-1-90.

**RACE 17.08 Expense accounts.** (1) **401 PURSES.** This account shall reflect the aggregate actual purse distributions payable pursuant to s. 562.065 (3) (b), Stats. during the period of the race meeting. Separate accounts shall be maintained hereunder to identify the amounts of monies used in the payment of purses which were received from sources other than the revenues of the association conducting the race meeting.

(2) **402 SALARIES AND WAGES — RACING.** This account shall include the compensation (gross salaries and wages) to employes of the association in departmental areas other than concessions, programs, newspapers, publications and parking. Salaries and wages which can be specifically identified as being attributable to repair and maintenance services shall not be recorded in this account. The compensation of track superintendents, plant directors, and other such personnel shall be allocated to this account unless the time spent by such individuals on supervision and direction of specific repair and maintenance projects can be identified.

**Note:** Typical items include but are not limited specifically to the following:

**Mutuel Department:**

Director  
Manager  
Supervisors  
Calculators  
Sellers  
Cashiers  
Runners

Clerks

**Executive Officers:**

Association directors

President

Vice President  
Secretary  
Treasurer

**General Office:**

Controller and assistants  
Clerks  
Secretaries  
Receptionist  
Season retention employes

**Track and Grounds:**

Track superintendent  
Physical plant director

**Promotion:**

Director of publicity and assistants  
Public relations personnel

(3) **403 SALARIES AND WAGES — CONCESSIONS.** This account shall include the compensation to employes of the association for their services in operating restaurant, bar and concession facilities.

(4) **404 SALARIES AND WAGES — PROGRAMS.** This account shall include the compensation to employes of the association for their services in selling daily race programs.

(5) **405 SALARIES AND WAGES — NEWSPAPER AND PUBLICATIONS.** This account shall include compensation to employes of the association for their services selling newspapers, racing publications and tip sheets.

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(6) 406 SALARIES AND WAGES — PARKING. This account shall include compensation to employes of the association for their services in operating parking lot facilities.

(7) 410 PAYROLL TAXES. Separate accounts shall be maintained to reflect the association's share of social security and federal and state unemployment compensation expense.

Note: The allocation to such accounts shall be the same as that described for "salaries and wages" in subs. (2) to (6). The following example designates the proper breakdown for this account.

Account

410.1	Payroll Taxes - Racing
410.2	Payroll Taxes - Concessions
410.3	Payroll Taxes - Programs
410.4	Payroll Taxes - Newspapers and Publications
410.5	Payroll Taxes - Parking

(8) 415 EMPLOYEE BENEFITS. Separate accounts shall be maintained to reflect all costs other than salaries and wages and payroll taxes incurred by the association on behalf and to the benefit of its employes.

Note: The allocation to such accounts shall be the same as that described for "salaries and wages" in subs. (2) to (6). The following example designates the proper breakdown for this account.

Account

415.1	Employee Benefits - Racing
415.2	Employee Benefits - Concessions
415.3	Employee Benefits - Programs
415.4	Employee Benefits - Newspapers and Publications
415.5	Employee Benefits - Parking

Typical Items include:

Workmens Compensation

Pensions

Group and life insurance

Medical, hospital, accident, sickness and death benefits or insurance

(9) 420 ANIMAL OWNERS/TRAINERS WELFARE, PENSION AND GENERAL FUNDS. This account shall include all costs incurred by the association on behalf and for the benefit of animal owners or trainers operating at the racing meeting.

(10) 421 REPAIRS AND MAINTENANCE — RACING. This account shall include the cost of labor, materials used and expenses incurred in the repair and maintenance of the race track and all the race track and kennel structures, fixtures and general grounds other than those associated with concession and parking lot operations.

Note: As a general rule, maintenance operations shall be construed as those operations required year-round, as opposed to those operations limited to the period of the racing meeting.

(11) 422 REPAIRS AND MAINTENANCE — CONCESSIONS. This account shall include the cost of labor, materials used and expenses incurred which are specifically identifiable as repairs and maintenance to food- and drink-related facilities.

(12) 423 REPAIRS AND MAINTENANCE — PARKING. This account shall include the cost of labor, materials used and expenses incurred which are specifically identifiable as repairs and maintenance to parking lot facilities.

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(13) **425 DEPRECIATION.** These accounts shall include the amount of depreciation expense which has been incurred during the year as determined by the nature and estimated useful life and salvage value of the property involved. Such accounts shall only be utilized by those associations who own the land and plant facilities used in the conduct of their racing meetings.

Note: The following example reflects the proper breakdown for this account:

Account		Items
425.1	Depreciation-Racing	All race track buildings, structures, equipment, furniture and fixtures except as set forth below.
425.2	Depreciation-Concessions	Restaurant, bar and concession equipment, furniture and fixtures.
425.3	Depreciation-Parking	Parking lot structures and improvements.

(14) **430 AMORTIZATION OF LEASEHOLD IMPROVEMENTS.** These accounts shall include the amount of amortization expense incurred during the year on facilities erected or installed by associations on leased facilities used in the conduct of their racing meetings. Useful lives used in the determination of such expenses shall be the shorter of the expected useful life of the facilities or the remaining term of the lease.

Note: The following example reflects the proper breakdown for this account.

Account	Amortization of Leasehold Improvements	Items
430.1	Racing	All race track buildings, structures, equipment, furniture and fixtures except as set forth below.
430.2	Concessions	Restaurant, bar and concession equipment, furniture and fixtures.
430.3	Parking	Parking lot structures and improvements.

(15) **435 TRACK RENTAL.** This account shall include all costs incurred under terms of a lease agreement or contract for the use of land or facilities necessary to the conduct of the race meeting being reported upon.

Note: However, if the lessee is required to pay real estate taxes under terms of the lease, such expenses shall be accounted for as "other taxes" rather than as components of this account. See account #455.

(16) **436 EQUIPMENT RENTAL.** This account shall include all equipment rent expenses.

Note: Typical items include totalizer equipment, closed-circuit monitoring equipment, starting box, electronic timers, photo-finish cameras, automatic transcribing equipment, money counters, and other rented office equipment.

(17) **440 OUTSIDE SERVICES.** Separate accounts shall be maintained by the operating areas described below to reflect the expense incurred by the association for services rendered by others.

Note: The following example provides the proper breakdown for this account.

Account		Typical Items:
440.1	Outside Services - Racing	Legal and audit Ambulance service Race patrol services Wisconsin Dept. of Law Enforcement-

		Investigative Service Division Burns security services Armored-car services Computer services Disposal services Radio and TV coverage
440.2	Outside Services- Concessions	Expenses under lease with outside operators
440.3	Outside Services- Programs	Expenses under lease with outside operators
440.4	Outside Services- Parking	Expenses under lease with outside operators

(18) 445 COST OF ITEMS SOLD. Accounts shall be maintained for the operating areas described below to reflect the costs of items sold by the association during the operation of its racing meeting.

Note: A breakdown of typical items include:

Account		Typical Items
445.1	Cost of Concessions Sold	Cost of food, drink, cigarettes and novelties
445.2	Cost of Programs Sold	Cost of programs
445.3	Cost of Newspapers and Publications Sold	Cost of newspaper, racing publications & tip sheets

(19) 450 LICENSES. Separate accounts shall be maintained by the operating areas described below to reflect the license fee expense incurred.

Note: A breakdown of typical items include:

Account		Items
450.1	Licenses-Racing	License fees required by statute to accompany the application for racing dates and for racing days granted.
450.2	Concessions	License fees (if any) paid by the association for the privilege of operating restaurant and bar facilities.

(20) 455 OTHER TAXES. Separate accounts shall be maintained by the operating areas described below to reflect all tax expenses which were incurred by the association in addition to payroll and income tax expenses.

Note: A breakdown of typical items include:

Account		Items
445.1	Other Taxes - Racing	Real estate, personal property and other advalorem taxes.
445.2	Other Taxes - Concessions	Sales taxes on sales of food and drink.

(21) 460 UTILITIES. This account shall include the cost incurred by the consumption or utilization of heat, light, power and water, as well as telephone and telegraph costs.

(22) 461 INSURANCE. This account shall include all insurance expenses incurred by the association in addition to those insurance expenses accounted for as "employee benefits."

(23) 462 ADVERTISING. This account shall include all advertising and publicity costs incurred in addition to those accounted for as "salaries and wages" or "contractual services."

Note: Typical items include newspaper, television, radio and magazine costs; photography and artwork; public relations fees; and pass and special promotions.

(24) 463 CONTRIBUTIONS. This account shall include the amount of all contributions or donations made by the association for charitable, social or community welfare.

(25) 464 SUBSCRIPTIONS AND DUES. This account shall be used to account for all disbursements made in payment of membership dues.

(26) 465 BREEDERS AWARDS AND TROPHIES. This account shall reflect the total of all awards and trophies distributed by the association to breeders of animals.

(27) 466 TRAVEL AND ENTERTAINMENT. This account shall include all expenses incurred by the association during the fiscal reporting period, expenses for transportation of its racetrack officials and employes, as well as expenses for the entertainment of individuals in connection with the business of making application for conducting and operating the race meeting.

(28) 467 PRINTING AND STATIONERY. This account shall include the cost and expenses incurred for publications and pamphlets used by the association in its operations.

Note: Typical items include condition books and notices.

(29) 468 GENERAL SUPPLIES. This account shall reflect the expenses incurred for those supplies normally consumed in the administration and operation of the association's operations.

Note: Typical items include account 468.1, racing supplies such as office supplies, cleaning supplies, gas, oil, grease, badges, tickets, and postage; concession supplies such as ice and laundry.

(30) 469 OTHER. This account shall include all other costs of labor, materials supplied or expenses incurred in connection with the operation of the racing meeting which are not properly accounted for elsewhere in the accounts.

Note: Typical items include uncollectible checks, cash over and short, bad debts, and amortization of organization expense.

(31) 470 OTHER INCOME. This account shall include those revenues which by their nature are not identifiable as being the direct result or benefit of the business of conducting a racing meeting.

Note: Typical items include rental income including the race track, equipment kennel areas and outdoor billboards; interest income including advances made to affiliated companies and investment; gain on sales of both equipment and marketable securities; insurance recoveries; dividends; equity in undistributed earnings of subsidiaries; and refunds.

(32) 476 OTHER EXPENSE. This account shall include those costs and expenses which by their nature are not identifiable as being directly related to the operation of racing meetings.

Note: Typical items include interest charges of both the parent company the affiliated companies; loss on sales for both equipment and marketable securities and trustees' fees and expenses.

(33) 480 AND 481 FEDERAL AND STATE INCOME TAXES. Accounts shall be maintained for the operating areas listed below to reflect the amount of federal and state income taxes necessary to meet the actual liability for such taxes incurred as a result of operations in these specific areas for the period covered by the income statement. Such taxes should be computed on a basis from which the income and deductions originated.

Note: The following example reflects the proper breakdown of this account.

Account

4801.	Federal Income Taxes—Racing
480.2	Federal Income Taxes—Concession
480.2	Federal Income Taxes—Programs
480.4	Federal Income Taxes—Newspapers and Publications
480.5	Federal Income Taxes—Parking
481.1	State Income Taxes—Racing
481.2	State Income Taxes—Concessions
481.3	State Income Taxes—Programs
481.4	State Income Taxes—Newspapers and Publications
481.5	State Income Taxes—Parking

(34) 482 PROVISION FOR DEFERRED INCOME TAXES. Accounts shall be maintained for operating areas to reflect an amount equal to that by which income taxes payable on book income for the current year are decreased because of the current deduction for income tax purposes of accelerated depreciation, amortization and other timing differences.

Note: The following example reflects the proper breakdown of this account.

Account

482.1	Provision for Deferred Federal and State Income Taxes—Racing
482.2	Provision for Deferred Federal and State Income Taxes—Concessions
482.3	Provision for Deferred Federal and State Income Taxes—Programs
482.4	Provisions for Deferred Federal and State Income Taxes—Newspapers and Publications
482.5	Provisions for Deferred Federal and State Income Taxes—Parking

(35) 483 INCOME TAXES DEFERRED IN PRIOR YEARS. Accounts shall be maintained for operating areas to reflect an amount equal to that by which income taxes payable for the current year are attributable to a deferral of taxes on income in a prior year.

Note: The following example reflects the proper breakdown of this account.

Account

483.1	Federal and State Income Taxes Deferred in Prior Years—Racing
483.2	Federal and State Income Taxes Deferred in Prior Years—Concessions
483.3	Federal and State Income Taxes Deferred in Prior Years—Programs
483.4	Federal and State Income Taxes Deferred in Prior Years—Newspapers and Publications
483.5	Federal and State Income Taxes Deferred in Prior Years

(36) 485 EXTRAORDINARY GAINS AND LOSSES. This account shall include those material gains and losses associated with events and transactions which by their underlying nature are of a character significantly different from the normal business activities of the association. Such events and transactions are non-recurring factors not to be considered in the evaluation of normal business operations.

Note: Typical items include the sale of significant segment of the business; sale of an investment not acquired for resale; significant uninsured losses due to fires, floods or other natural disasters; and significant lawsuit losses.

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