

## REPORTING

### **Note 1 - Summary of Significant Accounting Policies**

The (district) was incorporated on (date) and operates under the laws of the state of Washington applicable to a (type of government).

#### A. Reporting Entity

The (district) is a special purpose government and provides (list major types of services) to the general public and is supported primarily through user charges (or where the governing body has decided that periodic determination of net income is needed).

#### B. Basis of Accounting

The (district) reports financial activity using the revenue and expenditure classifications, statements and schedules contained in the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) manual. This basis of accounting and reporting is other comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

The accounts of the (district) are maintained on the basis of funds. For reporting purposes, the activities of all the (district's) funds are combined.

The (district) uses the cash basis of accounting where revenues are recognized only when received and expenditures are recognized when paid.

#### C. Cash

It is the (district's) policy to invest all temporary cash surpluses. The amount is included on the statement of resources and uses arising from cash transactions as cash and investments.

#### D. Deposits

The (district) deposits (and certificates of deposit) are covered by (the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission).

#### E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$\_\_\_\_\_ and an estimated useful life in excess of \_\_\_ years. The capital assets of the (district) are recorded as expenditures when purchased.

#### F. Reserved Fund Balance [1]

#### G. Compensated Absences [2]

Vacation pay may be accumulated up to \_\_\_ days and is payable upon separation or retirement.

Sick leave may accumulate (indefinitely or up to \_\_\_ hours). Upon separation or retirement employees (do/do not) receive payment for unused sick leave.

## INSTRUCTIONS TO PREPARER

- [1] If the district has any external and/or internal restrictions on fund balance, it should describe the nature and amounts of these reservations.
- [2] Disclose the district's policy for sick leave termination benefits and your liability, if applicable. For example:

*(Sick leave can only be used for paid time off for the illness of the employee or a dependent. Upon resignation/termination, retirement or death, any outstanding sick leave is lost.)*

*(If an employee terminates with at least ten years of service, he or she will be paid in cash for sick leave balances up to 30 days, at one-quarter his or her final pay rate. The (district's) estimated liability for sick leave termination benefits on December 31, 20\_\_ was \$\_\_\_\_\_.)*