

## Watertown School District 14-4

### **FISCAL ACCOUNTING AND REPORTING**

The Business Manager is responsible for the proper accounting of all District revenue and expenditures.

The Business Manager will report all financial information to the State as required. The Board will receive monthly financial reports from the Business Manager that will include a statement of revenue, expenditures and cash balances of all funds. The Board will be provided with an annual financial report which will outline the financial activity and financial position of each fund.

The District will use the accounting standards as established by the Governmental Accounting Standards Board (GASB) in relation to the following:

**FINANCIAL STATEMENTS:** The government-wide financial statements will be prepared using the economic resources measurement focus and the accrual basis of accounting as will the proprietary fund and fiduciary fund financial statements. Governmental fund financial statements will be reported using the current financial resources measurement focus and the modified accrual basis of accounting.

**REVENUE AVAILABILITY CRITERION:** Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, our school considers revenues to be available if they are collected within 45 days of the end of the current fiscal period.

Property taxes are levied on an annual basis. On the fund financial statements, the portion of the property tax levies that have not been collected by the end of the fiscal year and are not available will be considered deferred revenue.

**OPERATING VS. NON-OPERATING REVENUES AND EXPENSES:** The District's Enterprise Funds: Nutrition Service, Concessions, LATC Food Service, LATC Bookstore, and LATC Educare distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from the sale of goods and services relating to the Fund's operation. Non-operating revenues include items such as grants, donated commodities and interest earned. Operating expenses of these funds include salaries and benefits, food and inventory purchases

and depreciation. The loss on the disposal of capital assets is also considered a non-operating cost.

**GASB AND/OR FASB:** Private sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private sector guidance for the business-type activities and enterprise funds, subject to the same limitation. Our entity has elected not to follow subsequent private sector guidance.

**CASH AND CASH EQUIVALENTS:** The District defines cash and cash equivalents with respect to the proprietary fund statement of cash flows as short-term, highly liquid investments that are both:

- a. Readily convertible to known amounts of cash.
- b. So near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Generally, checking, money market, cash change and investments with original maturities of three months or less meet this definition.

**RESTRICTED AND UNRESTRICTED RESOURCES:** When both restricted and unrestricted resources are available for use, the District will use restricted resources first, then unrestricted resources as they are needed.

Policy

Adopted: 7/14/04

Revised: 3/9/09