POLICY TITLE: **Basis of Accounting**
POLICY NUMBER: **2010**

2010.1 The basis of accounting refers to when revenues, expenditures, expenses, and transfers – and assets, deferred outflows of resources, liabilities, and deferred inflow of resources – are recognized in the accounts and reported in the financial statements.

2010.2 District funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes are accrued when their receipt occurs within sixty (60) days after the end of the accounting period so as to be both measurable and available. Sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within ninety (90) days after the end of the accounting period so as to be both measurable and available. Expenditure-driven grant revenues are accrued when their receipt occurs within one year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims, and judgments are recorded only when payment is due. Capital asset acquisitions and principal payments on long-term debt and capital leases are reported as expenditures in governmental funds. Proceeds of long-term debt and capital leases are reported as other financing sources.

2010.3 Long-term balances that are required to be reported in the Government-wide financial statements shall be maintained in the accounting records with appropriate offsetting accounts. Long-term balances include outstanding long-term debt balances, such as capital leases, pension liabilities, net OPEB liabilities, etc., capital asset historical cost and accumulated depreciation.