APPENDIX B
Suggested Notes to Financial Statements

Effective with the 2013–2014 edition of the Accounting Manual for Public School Districts, the Notes to the Financial Statements have been removed from this publication. The Notes templates are now a part of the Administrative, Budgeting, and Financial Reporting Handbook (ABFR Handbook), available on OSPI’s website.

The Notes to the Financial Statements are essential in explaining significant accounting policies and circumstances that affect the district's financial position and results of operations.

Notes in financial reporting are the responsibility of the school district, not the auditor, and accordingly are subject to audit as an integral part of the financial statements.

The Notes to the Financial Statements are intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from, or cannot be included in, the financial statements themselves. The notes are therefore an integral part of the financial statements.

- When preparing Notes to the Financial Statements, delete the notes that do not apply and add others needed for readers to understand the financial statements.
- Example notes presented in the ABFR Handbook are considered the minimum requirement for disclosure, as applicable. Since the basis of accounting is other than GAAP, disclosures required for fair presentation include a description of the basis of accounting, how it differs from GAAP and disclosures similar to those required by GAAP for any elements presented in the financial statements that are similar to GAAP. Additional disclosures not specifically shown as examples may also be required to achieve fair presentation for unique facts and circumstances.
- Notes should not include irrelevant, obsolete, trivial or superfluous information. For example, Districts should refrain from negative disclosure (stating that a potential disclosure is inapplicable, such as “there were no subsequent events requiring disclosure”).
- Note disclosures should be expressed as clearly and simply as possible and include explanations as necessary to ensure it is understandable by users. However, this does not mean that disclosures should avoid precise technical terms or omit or abridge information that may be complicated or difficult to understand.
- The notes to the financial statements can be presented in any format including: narrative; tables; schedules; and matrices, as long as they contain the required information.
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