

Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

The Edgewood Transportation Benefit 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 another 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 Edgewood Transportation Benefit District was formed on November 26, 2013 and operates under the laws of the state of Washington applicable to a quasi-municipal corporation. The District is an independent taxing authority. The Board uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

A. Fund Accounting

The account of the District is organized by the funds functionality. The fund is accounted for with a separate set of single-entries that comprises its cash, investments, revenues and expenditures, as appropriate. The District's resources are allocated to and accounted for by its functionality depending on their intended purpose. The following fund type is used by the District:

GOVERNMENTAL FUND:

General (Current Expense) Fund

This fund is the primary operating fund of the District. It accounts for all financial resources except those required or elected to be accounted for in another fund.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the account and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

In accordance with state law the District also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Note 2 – Other Disclosures

There were no financial transactions for the District in 2013.