

Policy for timely financial statements

I. Purpose

The purpose of this policy is to ensure that the Burney Water District's (District) financial statements are accurate, reliable, and prepared in a timely manner. This allows for effective internal management, compliance with all California state and federal regulations, and timely reporting to directors and government agencies.

II. Scope

This policy applies to all employees involved in the Districts' financial operations, including but not limited to the accountant, Office Clerks, Executive Assistant and District Managers who control financial data.

III. Policy details

A. Annual financial statements

- **Target date for internal completion:** Within 30 days of the fiscal year-end.
- **Content:** The financial statements will include a balance sheet, income statement, statement of cash flows, and all necessary disclosures, prepared in accordance with Generally Accepted Accounting Principles (GAAP).
- **Board review and approval:** The statements will be presented to the Board of Directors for review and approval within 60 days of the fiscal year-end.
- **External reporting:** Management will prepare all required state and federal filings by their respective deadlines.

B. Monthly and quarterly financial statements

- **Monthly reports:** A draft of the previous month's financial statements (balance sheet, income statement, and statement of cash flows) will be completed by the 10th business day of the following month.
- **Quarterly reports:** A draft of the financial statements for each quarter will be completed within 10 business days of the quarter-end.

C. Procedures for internal controls

- **Year-end close:** Management will establish a detailed work plan for all year-end activities, including due dates, responsibilities, and key procedures.
- **Reconciliations:** All financial accounts, including cash, will be reconciled monthly and reviewed for accuracy and completeness.

- **Accruals:** At the close of each reporting period, the accountant will ensure that all material revenues and expenses are properly accrued.
- **Communication:** There will be ongoing communication between the accountant and Office Clerks to ensure that all financial data affecting accruals and expenditures is captured accurately and promptly.

IV. Roles and responsibilities

- **Accountant:** The accountant is ultimately responsible for the timely and accurate preparation of all financial statements and for ensuring compliance with this policy.
- **Clerical Staff:** The Clerical Staff is responsible for executing the procedures outlined in this policy and for preparing all financial statements.
- **Board of Directors:** The Board is responsible for reviewing and approving the annual financial statements.

V. Consequences of non-compliance

Failure to follow the procedures outlined in this policy may result in the following:

- Inaccurate financial reporting.
- Monetary penalties from regulatory bodies.
- Late fees and interest on taxes owed to the Franchise Tax Board.
- Erosion of trust with board members.