

CAFR
Long-Term Debt
Fiscal Year 2005

Compensated Absences

Defined - Compensated absences, as defined in GASB Codification Section C60, are absences for which employees will be paid. Vacation leave (annual leave) and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if the leave is attributable to past service and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. Compensated absences should not be accrued for vacation leave which is expected to lapse.

Sick leave and other similar compensated absences should be accrued only to the extent that it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' termination or retirement.

Capital Lease Obligations, Contracts Payable, Notes and Loans Payable, Revenue and Mortgage Bonds Payable and Other

Generally accepted accounting principles (GAAP) specify note disclosure requirements for the primary government's long-term liabilities. The required disclosures should provide information separately for each major class of long-term liabilities such as bonds, notes, loans, leases payable and compensated absences.

Per GASB Codification Section 2300.114, information presented about long-term liabilities should include:

- Beginning and ending year balances
- Increases (additions) and decreases (reductions) separately presented
- The portions of each item that are due within one year of the statement date

AGENCY PROCEDURES

1. Compensated absences information should be provided by Non-Phoenix organizations in the Form_Long-Term Debt. Additions and deductions must be reported separately. Balances should include FICA amounts. Amounts due within one year are calculated by taking the average of the two previous years actual expenditures. Compensated absences information for Phoenix organizations will be obtained by SAO directly from the system.
2. Long-term liabilities information should be provided by all entities in the Form_Long-Term Debt. Additions and reductions must be reported separately, as well as amounts due within one year of the fiscal year end.