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NOV 12 2002

COMPTROLLER'S MEMORANDUM NO. 2002-39

TO: Heads of Departments

SUBJECT: Financial Statement Reporting

This memorandum is Addendum No. 6 to Comptroller's Memorandum No. 2001-8, dated February 27, 2001. It addresses the current and non-current classification of the accrued vacation pay liability.

Until a system is developed for the capture of the actual number of days of vacation leave that is taken each year by state employees, it is recommended that departments use the following methodology for calculating the current portion of the accrued vacation pay liability:

1. Divide the total hours of vacation leave used by all employees during FY 2002 by the total hours of vacation leave earned by all employees during FY 2002 plus the total hours of vacation leave accumulated by all employees as of June 30, 2001 (beginning balance).

2. The total hours of vacation leave used by all employees during FY 2002 can be calculated by adding the total hours of vacation leave earned by all employees during FY 2002 to the beginning balance, and subtracting the total hours of vacation leave accumulated by all employees as of June 30, 2002 (ending balance).

3. Multiply the dollar amount of the ending balance by the percentage calculated in step one above. This represents the current portion of the accrued vacation pay liability for financial reporting purposes.

Any questions on the above may be directed to the DAGS Accounting Division, at 586-0600.

Mary Alice Evans

MARY ALICE EVANS
State Comptroller

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