

Government Accounting, Budgeting, and Reporting Workshop Supplemental Questions - Solutions

1) The Accounting Equation is:

Assets (-) Liabilities = Fund Balance

2) What increases Fund Balance? Revenues, Transfers-In
What decreases Fund Balance? Expenditures, Transfers-Out

3) Categorize these items as Assets or Liabilities

Monthly rent is due for 875 Stevenson St.	Liabilities
City's Pooled Cash and Investments	Assets
Deferred Revenue	Liabilities
Receivable for Reimbursable Grant	Assets
Property Tax due	Liabilities

4) Which of these are Normal Balances?

Accounts Payable	- \$25,000 credit	Normal
Cash	1,000 credit	
Fee Revenue	10,000 credit	Normal
Fund Balance	35,000 debit	
Estimated Revenues	15,000 credit	
Accounts Receivable	10,000 debit	Normal
Appropriations	25,000 debit	

5) If Estimated Revenues are more than Actual Revenues at year end, what will be the closing entry debit and credit?

Dr. **Budgetary Fund Balance**
Cr. **Estimated Revenues**

6) Which of the following are Budgetary Accounts?
Also identify if they should be debit or credit balances.

Revenue		CR
Appropriations	Budgetary	CR
Reserve for Encumbrances		CR
Estimated Revenues	Budgetary	DR
Fund Balance		CR
Reserved Fund Balance		CR
Accounts Payable		CR
Encumbrances	Budgetary	DR

7) Identify the following by Fund Category and MFBA "measurement focus, basis of accounting".

General Fund

Governmental/Current Financial Resources/Modified Accrual

Airport

Proprietary/Economic Resources/Accrual

Telecommunication and Information Services Fund

Proprietary/Economic Resources/Accrual

Capital Project Fund

Governmental/Current Financial Resources/Modified Accrual