

PRACTICAL EXERCISE

Department of Building Inspection

Budget to Accounting to Reporting Cycle

1. Use the journal entry forms in your packet.
2. Prepare the journal entries to book the budget and record each of the accounting events for the fiscal year ended 6/30/07. Assume a 60 day revenue recognition period and that the books are closed by 8/30/07, for the fiscal year ended 6/30/07.

Exercise: Dept of Building Inspection

Budget

Millions

1) Estimated Sources

Apartment License Fees	\$4.0 m
Plan Checking Revenues	\$ 8.0 m
Building Permit Revenues	\$15.4 m

2) Estimated Uses (Appropriation)

Salaries	\$25.7m
Materials and Supplies	\$1 m
Transfer to other Fund	\$.7 m

Exercise: Dept of Building Inspection

Operating Activity

Event

Millions

3) Apartment License Fees Received in Cash by 6/30/07	\$4.5M
4) Building Permit Fees Received in Cash by 6/30/07	\$16M
5) Plan Checking Revenues Billed on 5/30/07 and Received on 6/30/07	\$6.1M
6) Plan Checking Revenues Billed on 6/30/07 and received on 8/30/07	\$1.3M
7) Plan Checking Revenues Billed on 6/30/07 and Received on 9/15/07	\$.8M
8) Purchase Order Issued for Materials	\$.5M
9) Purchase Order Issued for Office Supplies	\$.3M
10) Department Buys Office Supplies	\$.2M
11) Department Buys Materials	\$.5M
12) Salaries paid through 6/15/07 by 6/30/07	\$23.2M
13) Salaries paid from 6/16-6/30/07 on 7/14/07	\$1.5M
14) Transfer is made to the General Fund on 6/25/07	\$.7M