

Chapter 11– Advanced Accounting, 1st edition by Hamlen, Huefner, and Largay

Practice Quiz

1. Topic: Components of the CAFR
LO 1
The basic financial statements found in the CAFR of a state or local government include all of the following *except*:
 - a. Government-wide financial statements
 - b. Management’s discussion and analysis
 - c. Fund financial statements
 - d. Notes to the financial statements

2. Topic: Government-wide financial statements
LO 2
The government-wide financial statements of a state or local government report on the activities of all funds *except*:
 - a. Internal service funds
 - b. Fiduciary funds
 - c. Private-purpose trust funds
 - d. Proprietary funds

3. Topic: Government-wide financial statements
LO 2
The government-wide financial statements consist of:
 - a. The balance sheet and the statement of revenues, expenditures, and changes in fund balances
 - b. The statement of net assets, the statement of activities, and the statement of cash flows
 - c. The statement of net assets and the statement of changes in net assets
 - d. The statement of net assets and the statement of activities

4. Topic: Fund statements, major funds
LO 3
Which statement is *false* concerning presentation of information in the fund statements?
- Governmental funds financial statements do not report results by fund type, such as debt service, capital projects, etc.
 - The general fund is always separately reported, and other individual funds are separately disclosed in the governmental funds financial statements only if they are major funds.
 - The four fiduciary fund types are separately disclosed in the fiduciary funds financial statements.
 - Individual internal service and enterprise funds are separately reported in the proprietary funds financial statements if they are major funds.

5. Topic: Fund statements, reconciliation
LO 3

A county government's total fund balances, governmental funds is \$23,000,000. Other information is as follows:

Internal service fund net assets.....	\$ 1,500,000
General obligation long-term debt.....	25,000,000
Accrued pension and OPEB liabilities of proprietary funds.....	3,000,000
Accrued pension and OPEB liabilities of governmental funds...	4,200,000
Capital assets used in governmental activities, net.....	16,000,000
Proprietary funds capital assets, net.....	7,000,000

The government-wide balance sheet reports net assets of governmental activities of:

- \$ 9,800,000
- \$15,300,000
- \$11,300,000
- \$29,300,000

6. Topic: Fund statements, reconciliation
LO 3

A county government's change in fund balances, governmental funds is \$3,000,000 for 2013. Other information for 2013 is as follows:

Outlays for capital assets by governmental funds.....	\$ 2,600,000
Repayments of general long-term debt principal.....	8,000,000
Fiduciary funds net financial investments.....	1,500,000
Depreciation on governmental funds capital assets.....	5,000,000
Payments of general long-term debt interest.....	15,000,000
Proceeds from issuing general long-term debt.....	18,000,000

The government-wide operating statement reports a change in net assets of governmental activities of:

- a. \$ (9,400,000)
 - b. \$ (7,900,000)
 - c. \$15,400,000
 - d. \$ 5,600,000
7. Topic: Fund and government-wide financial statements
LO 2, 3
- The general fund's total cost of buildings and equipment, net of accumulated depreciation, appears in the CAFR on:
- a. The government-wide statement of net assets and the governmental funds balance sheet
 - b. The governmental funds balance sheet only
 - c. The government-wide statement of net assets only
 - d. No financial statement in the CAFR

8. Topic: Budgetary comparison schedules

LO 4

A county's general fund budgetary comparison schedule for 2014 reports an actual excess of revenues and other financing sources over expenditures and other financing uses of \$400,000. The governmental funds operating statement reports a \$150,000 excess of revenues and other financing sources over expenditures and other financing uses for the general fund. Which of the following items might explain the discrepancy between these two numbers?

- a. The governmental funds operating statement includes capital outlays, while the budgetary comparison schedule does not
- b. The budgetary comparison schedule includes bond proceeds, while the governmental funds operating statement does not
- c. The governmental funds operating statement includes accruals of property tax revenues, while the budgetary comparison schedule does not
- d. The budgetary comparison schedule accrues future pension costs of general fund employees, while the governmental funds operating statement does not

9. Topic: Budgetary comparison schedules, outstanding encumbrances

LO 4

In its budgetary comparison schedule for 2013, a county's general fund reports actual excess of revenues and other financing sources over expenditures and other financing uses of \$5,000,000. Encumbrances outstanding at the beginning of 2013 were \$750,000. Encumbrances outstanding at the end of 2013 are \$400,000. What is the 2013 excess of revenues and other financing sources over expenditures and other financing uses for the general fund, on a modified accrual GAAP basis?

- a. \$4,650,000
- b. \$5,350,000
- c. \$5,750,000
- d. \$6,150,000

10. Topic: External reporting for infrastructure

LO 5

The modified approach for infrastructure allows governments to:

- a. Not report any infrastructure
- b. Report as depreciation expense the cost of maintaining infrastructure
- c. Report outlays for new infrastructure as expenditures
- d. Use straight-line depreciation for all infrastructure