

# **Governmental & NFP Accounting**

**김용석 CPA/CFA**

**Task-Based Simulation Solutions**

**2022**

## Chapter 1. Governmental Accounting

### [Problem 1]

Items	Fund	Items	Fund	Items	Fund	Items	Fund
1	PF	11	GF	21	DSF	31	PF
2	ITF	12	PTF	22	PPTF	32	GF
3	SRF	13	ISF	23	EF	33	CF
4	PPTF	14	SRF	24	CPF		
5	CF	15	ISF	25	PPTF		
6	GF	16	SRF	26	ISF		
7	CPF	17	ISF	27	EF		
8	EF	18	CF	28	GF/SRF		
9	DSF	19	EF	29	CF		
10	EF	20	ISF	30	ITF		

### [Problem 3]

Items	Fund	Asset	Liability	Equity
1	CPF	Increase	No effect	Increase
2	GF	Decrease	No effect	Decrease
3	EF	Increase	No effect	Increase
4	CPF	Decrease	No effect	Decrease
5	GF	Decrease	Increase	Decrease
6	GF	Increase	Increase	No effect
7	GF	Increase	No effect	Increase
8	GF	Increase	No effect	Increase
	EF	Decrease	No effect	Decrease
9	GF	Increase	No effect	Increase
10	PF	Increase	No effect	Increase
11	GF	Decrease	No effect	Decrease

**[Problem 2]**

Items	Account Name	Debit	Credit
1	Cash	75,000	
	TAN payable		75,000
2	Encumbrance	33,000	
	Budgetary accounts		33,000
3	Expenditure-capital outlay	33,250	
	Voucher payable		33,250
	Budgetary accounts	33,000	
	Encumbrance		33,000
4	OFU-transfer out	200,000	
	Cash		200,000
5	Property tax receivable-current	1,000,000	
	Revenue-property tax		900,000
	Deferred inflow of resource		50,000
	Allowance for uncollectible-current		50,000
6	Cash	100,000	
	Deferred inflow of resource		100,000
7	Expenditure-current	75,000	
	Cash		75,000
	Deferred inflow of resource	75,000	
	Revenue-grant		75,000
8	Cash	600,000	
	OFS-proceed for GOB		600,000
9	Cash	1,200	
	Special item		1,200
10	No entry		

**[Problem 4]**

Instruction (1)

<b>Statement of revenues, expenditure and changes in fund balances</b>	
Revenues	980,000
Expenditures	(940,000)
Excess of revenue over expenditure	40,000
Other financing sources(uses)	(10,000)
<b>Net change in fund balance</b>	30,000
Fund balance-beginning of the year	80,000
Fund balance-end of the year	110,000

Instruction (2)

<b>Balance Sheet</b>	
Cash	80,000
Tax payable-delinquent	160,000
Allowance for uncollectible taxes-delinquent	(30,000)
Due from CPF	18,000
<b>Total assets</b>	<b>228,000</b>
Vouchers payable	58,000
Notes payable	60,000
Fund balance-assigned	20,000
Fund balance-unassigned	90,000
<b>Total liabilities and fund balances</b>	<b>228,000</b>

**[Problem 5]**

Reconciliation	
Net change in fund balance	<b>1,408,950</b>
Capital outlay	225,000
Depreciation	(35,000)
Grant	165,000
Debt service-principal	20,000
Proceed from issuance of GOB	(350,000)
Inter-fund transfer	0
Inter-fund transfer	0
Net change in net assets for governmental activities	<b>1,433,950</b>

**[Problem 6]**

Date	Account Name	Debit	Credit
10/1/20X1	Cash	200,000	
	OFS-transfer-in		200,000
11/1/20X1	Encumbrance	580,000	
	Budgetary accounts		580,000
4/15/20X2	Cash	401,000	
	OFS-proceeds from issuance of GOB		401,000
	OFU-transfer out	1,000	
	Cash		1,000
5/2/20X2	Expenditure-capital outlay	580,000	
	Contract payable		580,000
	Budgetary accounts	580,000	
	Encumbrance		580,000
5/12/20X2	Contract payable	580,000	
	OFU-transfer out	20,000	
	Cash		600,000

**[Problem 8]**

## Instruction (1)

Transaction	Account Name	Debit	Credit
Levy	Property tax receivable-current	250,000	
	Revenue-property tax		190,000
	Deferred inflow of resource		50,000
	Allowance for uncollectible-current		10,000
Collections	Cash	130,000	
	Property tax receivable-current		130,000
Year-end	Property tax receivable-delinquent	120,000	
	Property tax receivable-current		120,000
	Allowance for uncollectible-current	10,000	
	Allowance for uncollectible-delinquent		10,000

## Instruction (2)

Transaction	Account Name	Debit	Credit
Levy	Property tax receivable-current	300,000	
	Revenue-property tax		220,000
	Deferred inflow of resource		65,000
	Allowance for uncollectible-current		15,000
Collections	Cash	310,000	
	Property tax receivable-current		190,000
	Property tax receivable-delinquent		110,000
	Deferred inflow of resource	50,000	
	Revenue-property tax		50,000
Year-end	Property tax receivable-delinquent	110,000	
	Property tax receivable-current		110,000
	Allowance for uncollectible-current	15,000	
	Allowance for uncollectible-delinquent		15,000

**[Problem 7]**

Statement of cash flows	
Cash flows from operating activities	2,910
Cash flows from non-capital financing activities	1,800
Cash flows from capital financing activities	653
Cash flows from investing financing activities	(362)
Net changes in cash and cash equivalent	5,001
Cash balance-beginning of the year	122
Cash balance-end of the year	5,123

**[Problem 9]**

	Fund		Adj		GW	
	Dr	Cr	Dr	Cr	Dr	Cr
Revenue		975,000		75,000		1,050,000
Expenditure(Expense)	108,250			33,250	75,000	
OFS-proceeds from GOB		769,000	769,000			0
Transfer-in		200,000	200,000			0
Transfer-out	200,000			200,000	0	
Special item		1,200	1,000			200
Capital assets	0		33,250		33,250	
Deferred inflow of resource		75,000	75,000			0
Bond payable(net)		0		769,000		769,000

[Problem 10]

Items		Items		Items		Items	
1	A	8	C	15	D	22	B
2	A	9	A	16	B	23	A
3	D	10	D	17	C	24	D
4	C	11	C	18	D	25	B
5	A	12	A	19	B	26	A
6	C	13	C	20	A	27	B
7	B	14	C	21	A	28	A
						29	B
						30	B



## Chapter 2. Not-For-Profit Accounting

### [Problem 1]

Items	Activity	Cash Flow	Items	Activity	Cash Flow
1	C	E	6	A	A
2	E	D	7	D	A
3	C	A	8	B	B
4	C	E	9	D	B
5	B	G	10	A	A

### [Problem 2]

Items	Account Name	Debit	Credit
1	Reclassification-with	20,000	
	Reclassification-without		20,000
2	Pledge receivable	65,000	
	Allowance for uncollectible		3,250
	Contribution-with		61,750
	Cash	35,000	
	Contribution-without		35,000
3	Inventory	150,000	
	Contribution-with		150,000
	Expense-program	1,200	
	Inventory		1,200
	Reclassification-with	1,200	
	Reclassification-without		1,200
4	Expense-program	70,000	
	Expense-M&G	45,000	
	Various accounts		115,000
5	Pledge receivable	300,000	
	Allowance for uncollectible		15,000
	Contribution-with		285,000

**[Problem 3]**

	Without	With	Total
<b>Revenues</b>			
Contributions	3,000,000	475,000	3,475,000
Membership dues	400,000	0	400,000
Investment returns	83,000	27,500	110,500
Recalssification	4,289,000	(4,289,000)	0
Total	7,772,000	(3,786,500)	3,985,500
<b>Expenses</b>			
Program	2,600,000		2,600,000
M&G	117,000		117,000
Fund raising	223,000		223,000
Membership development	0		0
Total	2,940,000		2,940,000
Changes in net assets	4,832,000	(3,786,500)	1,045,500
Net assets, 1/1/20X1	435,000	5,040,000	5,475,000
Net assets, 12/31/20X1	5,267,000	1,253,500	6,520,500

**[Problem 4]**

<b>Cash flow from operating</b>		
Contributions-without	310,800	
Investment returns	9,200	
Salaries	(286,410)	
Operating expenses	(86,504)	
		(52,914)
<b>Cash flow from investing</b>		
Equipment	(22,000)	
		(22,000)
<b>Cash flow from financing</b>		
Contributions-with	48,100	
		48,100
Changes in cash flow		(26,814)
Beg. Cash		153,314
End, Cash		126,500

## Chapter 4. Foreign Currency Accounting

### [Problem 1]

#### Income Statement & RE Statement (20X1)

Accounts	GBP	rate	USD
Sales	680,000	1.65	1,122,000
COGS	300,000	1.65	495,000
Dep	100,000	1.65	165,000
Other	80,000	1.65	132,000
NI	200,000	1.65	330,000
1/1RE	100,000	1.60	160,000
Dividend	50,000	1.68	84,000
12/31RE	250,000	N/A	406,000

#### Balance Sheet (20X1)

Accounts	GBP	rate	USD
Cash	30,000	1.70	51,000
A/R	60,000	1.70	102,000
Inventory	80,000	1.70	136,000
Equipment	900,000	1.70	1,530,000
AD	- 200,000	1.70	- 340,000
Total Assets	870,000	1.70	1,479,000
A/P	200,000	1.70	340,000
N/P	20,000	1.70	34,000
C/S	400,000	1.60	640,000
R/E	250,000	N/A	406,000
AOCI	0	N/A	59,000
Total L&E	870,000	N/A	1,479,000

**Income Statement & RE Statement (20X2)**

Accounts	GBP	rate	USD
Sales	700,000	1.75	1,225,000
COGS	360,000	1.75	630,000
Dep	110,000	1.75	192,500
Other	90,000	1.75	157,500
NI	140,000	1.75	245,000
1/1RE	250,000	N/A	406,000
Dividend	50,000	1.78	89,000
12/31RE	340,000	N/A	562,000

**Balance Sheet (20X2)**

Accounts	GBP	rate	USD
Cash	50,000	1.80	90,000
A/R	90,000	1.80	162,000
Inventory	150,000	1.80	270,000
Equipment	1,000,000	1.80	1,800,000
AD	- 310,000	1.80	- 558,000
Total Assets	980,000	1.80	1,764,000
A/P	220,000	1.80	396,000
N/P	20,000	1.80	36,000
C/S	400,000	1.60	640,000
R/E	340,000	N/A	562,000
AOCI	0	N/A	130,000
Total L&E	980,000	N/A	1,764,000

OCI (20X2) = 130,000 - 59,000 = **+71,000**

**[Problem 3]**

Items		Items		Items	
1	C	4	B	7	C
2	D	5	D	8	A
3	D	6	A	9	B

**[Problem 2]****Balance Sheet**

Accounts	GBP	Rate	USD
Cash	50,000	1.70	85,000
A/R	200,000	1.70	340,000
N.R	50,000	1.70	85,000
Inventory	150,000	1.68	252,000
Land	300,000	1.60	480,000
Buildings	400,000	1.60	640,000
Equipment	500,000	1.60	800,000
Total assets	1,650,000	N/A	2,682,000
A/P	180,000	1.70	306,000
B/P	500,000	1.70	850,000
I/P	20,000	1.70	34,000
C/S	500,000	1.60	800,000
R/E	450,000	N/A	692,000*
Total L&E	1,650,000	N/A	2,682,000

**Income Statement & RE Statement**

Accounts	GBP	rate	USD
Sales	1,500,000	1.65	2,475,000
COGS	650,000	N/A	**1,076,000
Dep	200,000	1.60	320,000
Other	400,000	1.65	660,000
NI(Before)	250,000	N/A	419,000
G/L		N/A	- 43,000
NI(After)		N/A	376,000
1/1RE	300,000	1.60	480,000
Dividend	100,000	1.64	164,000
12/31RE	450,000	N/A	692,000

\* Balance

\*\*  $200,000 \times 1.60 + 600,000 \times 1.68 - 150,000 \times 1.68 = 1,076,000$

## Chapter 5. Hedging Accounting

### [Problem 1]

1	B	2	C	3	D	4	A
5	C	6	A	7	D	8	B

## Chapter 6. Pension Accounting



## Chapter 7. Special Reporting

### [Problem 1]

estimated annual tax =  $\$50,000 \times 20\% + (\$160,000 - \$50,000) \times 34\% = \$47,400$

estimated annual effective tax rate =  $\$47,400 \div \$160,000 = \underline{29.625\%}$

net income for first quarter =  $\$20,000 \times (1 - 0.29625) = \underline{\$14,075}$

net income for second quarter =  $\$30,000 \times (1 - 0.29625) = \underline{\$21,113}$

net income for third quarter =  $\$60,000 \times (1 - 0.29625) = \underline{\$42,225}$

net income for fourth quarter =  $\$50,000 \times (1 - 0.29625) = \underline{\$35,188}$

net income for the year =  $\$160,000 \times (1 - 0.29625) = \underline{\$112,600}$

### [Problem 2]

(1) Revenue test

1) threshold =  $(600,000 + 105,000) \times 10\% = \$70,500$

2) reportable segments : Food, Chemical, Beverage

(2) Profit test

1) threshold =  $\text{Max } (95,000, 10,000) \times 10\% = \$9,500$

2) reportable segments : Food, Chemical, Beverage

(3) Assets test

1) threshold =  $645,000 \times 10\% = \$64,500$

2) reportable segments : Food, Chemical

(4) Reporting sufficiency test

1) threshold =  $600,000 \times 75\% = \$450,000$

2) reportable segments sales =  $300,000 + 110,000 + 62,000 = 472,000$

3) additional reportable segments : nothing

[Problem 3]

Items		Items		Items		Items	
1	D	6	D	11	B	16	D
2	A	7	A	12	B	17	B
3	B	8	C	13	A	18	B
4	D	9	A	14	D		
5	C	10	B	15	B		