

EXHIBIT E
FUND LEVEL & DISTRICT WIDE FINANCIAL STATEMENTS
EXERCISES (PY=prior year and CY = current year)

EXERCISE #1:

Fixed Assets:

XYZ School District current year Fixed Assets schedule was as follows:

Governmental Activities

	Balance July 1, 20PY	Additions	Deletions	Balance June 30, 20CY
Capital assets not being depreciated				
Land	\$ 2,000,000	-	-	2,000,000
Capital assets being depreciated				
Land improvements	2,000,000	50,000	-	2,050,000
Buildings and building improvements	40,000,000	5,000,000	-	45,000,000
Vehicles	3,000,000	150,000	50,000	3,100,000
Furniture and equipment	4,000,000	250,000	-	4,250,000
Subtotal	49,000,000	5,450,000	50,000	54,400,000
Accumulated depreciation				
Land improvements	1,000,000	102,500	-	1,102,500
Buildings and building improvements	25,000,000	1,000,000	-	26,000,000
Vehicles	1,050,000	150,000	40,000	1,160,000
Furniture and equipment	2,000,000	130,000	-	2,130,000
Subtotal	29,050,000	1,382,500	40,000	30,392,500
Net capital assets being depreciated	19,950,000	4,067,500	10,000	24,007,500
Net capital assets	\$ 21,950,000	\$ 4,067,500	\$ 10,000	\$ 26,007,500

Exercise:

1. What information would you use to determine the following information:
 - a. Current year additions
 - b. Disposals
 - c. Current year Depreciation expense
2. Choose from one of the following: Assuming there were no proceeds received, the disposal of fixed assets reflects a (1) gain, (2) loss or (3) neither
3. Write in adjustments on the Exhibit F Financial Statement template provided in the "Exercise #1" column to show how you would record the above information to "convert" to full accrual financial statements.

FUND LEVEL & DISTRICT WIDE FINANCIAL STATEMENTS EXERCISES

EXERCISE #2

Long term debt

XYZ School District has the following long term debt schedule:

	Balance July 1, 20PY	Additions	Reductions	Balance June 30, 20CY	Due Within One Year
Governmental activities:					
Bond issue #1	\$ 2,500,000	\$ -	\$ 50,000	\$ 2,450,000	\$ 50,000
Bond issue #2	2,500,000	-	75,000	2,425,000	75,000
Bond issue #3	-	1,000,000	-	1,000,000	-
Totals	<u>\$ 5,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 125,000</u>	<u>\$ 5,875,000</u>	<u>\$ 125,000</u>

The following payments were made during the current year:

- Interest paid on November 1, 20PY - \$75,000 (1/3 of this total (\$25,000) was accrued on the prior year government wide statements, as 1/3rd related to the period 5/1/PY - 6/30/PY)
- Principal paid on May 1, 20CY - \$125,000
- Interest paid on May 1, 20CY - \$50,000

The next payment due is on November 1, 20CY. The total interest to be paid will be \$30,000. During fiscal year 20PY-20CY, new bonds were issued (total value issued \$1,000,000). These bonds mature in 10 years. Based on the Schedule of Bond Indebtedness that XYZ School District prepared for the financial statements, it is noted that the total principal to be paid on all issues equals \$125,000 for next fiscal year.

Exercise:

1. What debt liability needs to be reflected in the fund level financial statements?
2. What should the current portion of long term debt be on the government-wide statements?
3. Calculate accrued interest at June 30, 20CY.
4. Write in adjustments on Exhibit F Financial Statement template provided in the "Exercise #2" column to show how you would record the above information to "convert" to full accrual financial statements.

FUND LEVEL & DISTRICT WIDE FINANCIAL STATEMENTS EXERCISES

EXERCISE #3

Compensated Absences

XYZ School District allows employees (non-teacher) to carryover a maximum of 10 vacation days to the subsequent year. Vacation time is paid out upon termination, up to the maximum. Employees accrue vacation time evenly during the year (on the last day of each month), and all employees earn 12 days per year. There was no accrued liability recorded for vacation time in the Statement of Net Position in the prior year. The following is the District's schedule of employees and their vacation balance at 6/30/CY:

Employee #	Vacation balance - Days	Vacation balance
1	10	\$ 1,600
2	1	\$ 100
3	12	\$ 1,200
4	5	\$ 600
5	10	\$ 2,000

FACTS:

- Employee number 2 retired on 6/28/CY. Their vacation balance was paid out on 7/5/CY.
- Employee #1 took 10 vacation days (first 2 weeks of July) and used their vacation time.

Exercise:

1. Think about how you would accumulate this information at your District. (What type of reports can be generated? Who tracks vacation balances?) Be prepared to give examples.
2. What should the vacation liability be on the fund based statements?
3. Write in adjustments on Exhibit F Financial Statement template provided in the "Exercise #2" column to show how you would record the above information to "convert" to full accrual financial statements.
4. What should the current portion of vacation accrual be on the government-wide statements?

FUND LEVEL & DISTRICT WIDE FINANCIAL STATEMENTS EXERCISES

EXERCISE #4

Unearned/Unavailable revenues

At the end of the prior year (June 30, 20PY) XYZ School District had total unavailable revenue of \$25,000 related to grant revenue which was not received within 60 days of year end (the District's period of availability). While preparing for the current year audit, the District noted the following collections related to outstanding balances on federal grant awards:

- July 5, 20CY - \$15,000
- August 27, 20CY - \$2,500
- September 22, 20CY - \$30,000

Additionally, at year-end, the District had collected \$50,000 related to a summer enrichment program that begins July 15, 20CY.

Exercise:

1. What amount of unearned and unavailable revenue should be reflected in the fund based statements?
2. Write in adjustments on Exhibit F Financial Statement template provided in the "Exercise #4" column to show how you would record the above information to "convert" to full accrual financial statements.