



Accounting Academy - EXERCISE

Understanding the Comprehensive Annual Financial Report (ACFR) The Introductory Section and the Financial Section

Using GFOA's Illustrative ACFR (Appendix D of the 2020 GAAFR), do the following:

1. Locate the audit opinion. Is the opinion modified or unmodified? _____
2. Locate the Management's Discussion and Analysis. Document three facts you learned about the government from this report.

3. Locate the fund level statements for the Governmental Funds (Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance). Document the following:
 - a. Total assets for the General Fund _____
 - b. Total liabilities for the General Fund _____
 - c. Total deferred inflows of resources for the General Fund _____
 - d. Total fund balance for the General Fund _____
4. Locate the General Fund's Unrestricted Fund Balances and calculate the unrestricted fund balance as a % of the General Fund Total Revenues. Is the unrestricted fund balance equal to or greater than the GFOA recommended two months or 16.67%?

General Fund Unrestricted Fund Balance _____

General Fund Total Revenues _____

Unrestricted Fund Balance as a % of General Fund Total Revenues _____

Is the unrestricted fund balance equal to or greater than the GFOA recommended two months or 16%? _____

5. Review the Statement of Revenues, Expenditures and Changes in Fund Balance for the Governmental Funds. Document the following:

- a. Largest source of revenue for the General Fund _____
- b. Largest functional area of expenditures for the General Fund _____
- c. Amount of the net change in fund balance for the General Fund

- d. General Fund transfers out to other funds _____
- e. Which major Governmental Fund has the smallest ending fund balance?

6. Document the major Governmental Funds (the fund title is shown in the column headings)

7. Locate the fund level statements for the proprietary funds (Statement of Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position). Select the Water Fund and document the following:

- a. Total assets _____
- b. Total liabilities _____
- c. Total net position _____
- d. What % of total net position is the net investment in capital assets? _____

8. Review the Statement of Revenues, Expenses and Changes in Fund Net Position for the proprietary funds. Using the Water Fund, document the following:

- a. Total operating revenues _____
- b. Total operating expenses _____
- c. Net income/(loss) before capital grants and contributions, and transfers

- d. Total change in net position _____

9. Document the major proprietary funds (the fund title is shown in the column headings).

10. Locate the statements for the fiduciary funds (Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. Using the Pension (and OPEB) Trust Funds, document the following:

- a. Total cash and cash equivalents _____
- b. Total assets _____
- c. Total net position restricted for pensions _____

11. Review the Statement of Changes in Fiduciary Net Position and document the following for the Pension (and OPEB) Trust Funds:

- a. Total contributions _____
- b. Net investment income _____
- c. Total deductions _____