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Course Information

Course Title: *Government Accounting*

#365425

Number of continuing education credit hours recommended for this course:

In accordance with the standards of the National Registry of CPE Sponsors CPE credits have been granted based on a 50-minute hour.

CPA: 13 (All states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 0004761 (Ethics #0011467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: CPE.51 PSR

Pennsylvania Board of Accountancy: PX 178025

Texas State Board of Accountancy: 009349

Course Description

The accounting used by government entities is substantially different from the accounting used by for-profit organizations. This course describes the unique aspects of governmental accounting, including the use of funds, the modified accrual basis of accounting, and many unique financial statement formats and disclosures. There is a strong emphasis on common accounting transactions, the annual comprehensive financial report, budgetary reporting, and nonexchange transactions. In short, *Governmental Accounting* is an essential desk reference for the professional accountant.

Course Content

Publication/Revision date: 11/11/24.

Author: Steven M. Bragg, CPA.

Final exam (online): Sixty-five questions (multiple-choice).

Program Delivery Method: NASBA QAS Self-Study (interactive)

Subject Codes/Field of Study

NASBA (CPA): Accounting

Course Level, Prerequisites, and Advance Preparation Requirements

Program level: Intermediate

Prerequisites: Basic familiarity with accounting practices.

Advance Preparation: None

Instructions for Taking This Course

- Log in to your secure account at www.bhfe.com. Go to "My Account."
- You must complete this course within one year of purchase (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
- **To retain the course-PDF after completion (for future reference) and to enable enhanced navigation:** From "My Account," Download and save the course-PDF to your computer. This will enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window).
- **Complete the course by** following the learning objectives listed for the course, studying the text, and, if included, studying the review questions at the end of each major section (or at the end of the course).
- **Once you have completed studying the course** and you are confident that the learning objectives have been met, answer the final exam questions (online).

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- A passing grade of at least **70% is required on the exam** for this course.
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- The exam is not timed, and it does not need to be completed in one session.
- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Objectives

- Recognize the entities responsible for formulating accounting standards.
- Cite the organizational structure used by governmental accounting standards.
- Specify the different types of funds and how they are used.
- Describe the accounting structure of a fund.
- Identify the characteristics of the different bases of accounting.
- Specify how the accounting treatment for revenue varies, based on when it is received.
- Recognize the accounting for incurred but unmatured liabilities.
- Recognize the different types of infrastructure assets.
- Identify the types of costs that can be included in the cost of a capital asset.
- Specify when interest costs should and should not be capitalized.
- Describe the stages of completion associated with the recognition of computer software.
- Recognize the various indicators of asset impairment.
- Specify the different types of long-term debt.
- Recognize the different types of current liabilities.
- Identify the funds that are more likely to have budgets associated with them.
- Describe how an encumbrance is used.
- Cite the different types of interfund activities.
- Specify the classifications used to track expenditures.
- Identify the components of net position.
- Describe the nature of a financial reporting entity.

- Specify the indicators of control over another entity.
- Describe the contents of the various components of the annual comprehensive financial report.
- Describe how the order of liquidity is applied in the statement of net position.
- Recognize the proper accounting treatment for issued debt.
- Describe how a negative balance is treated in the restricted net position line item.
- Identify the different categories used for program revenues.
- Specify the formula underlying a balance sheet.
- Specify the disclosures used when there is a related party transaction.
- Describe the proper accounting for the correction of an error.
- Define a change in estimate, principle, and entity.
- Specify the topics that should be covered in the notes to the financial statements.
- Recognize the circumstances under which an accounting policy should be disclosed.
- Cite the disclosures needed when future revenues are sold.
- Identify the circumstances under which a budgetary comparison should be presented.
- Describe the nature of budgetary control.
- Recognize the types of funds that must present a statement of cash flows.
- Specify how a statement of cash flows is constructed.
- Identify the transactions that are associated with each of the classifications in a statement of cash flows.
- Recognize the circumstances under which discrete presentation is used in the financial statements.
- Recognize the factors involved in designating a component unit as major.
- Cite the circumstances under which a statistical section is included in a set of financial statements.
- Describe the formulation of fair value for real and personal property.
- Specify which governments must include overlapping rates information in their financial statements.
- Recognize the different types of demographic and economic indicators.
- Specify the types of costs that can be associated with a purchase.
- Describe the different levels of the fair value hierarchy.
- Cite the criteria for determining whether risk has been transferred.
- Specify the accounting to use when a loss has been incurred.
- Identify the characteristics of a conduit debt obligation.
- Specify the proper accounting for escheat property.
- Specify the characteristics of the different inventory costing methods.
- Recognize the types of costs associated with landfill closure and postclosure activities.
- Specify the proper accounting for a change in the estimated total current cost of landfill closure and postclosure care.
- Identify the circumstances under which a lease liability should be revised.
- Describe the components of the lease receivable asset.
- Specify the circumstances under which a government does not recognize a nonexchange transaction.
- Cite the different types of restrictions associated with a grant.
- Specify the accounting for a pass-through grant.

About the Author

Steven Bragg, CPA, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been a two-time president of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written more than 300 books and courses, including *New Controller Guidebook*, *GAAP Guidebook*, and *Payroll Management*. He has also written the science fiction novel *Under an Autumn Sun*, first book in *The Auditors* trilogy.

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Preface

Governmental accounting differs significantly from the accounting used by other organizations, since the focus is on the provision of services, rather than earning a profit. Because of this change in focus, governments use funds to maintain better control of costs, while also formatting their financial statements differently and using a different basis of accounting. *Governmental Accounting* explains the intricacies of these differences, covering fund accounting, budgetary accounting, the annual comprehensive financial report, and much more.

The book is divided into three sections. In Chapters 1 through 7, we cover the underpinnings of governmental accounting, including such topics as funds, the basis of accounting, the measurement focus, and common accounting transactions. In Chapters 8 through 17, we address every aspect of financial reporting, including the annual comprehensive financial report, budgetary reporting, and the statistical section. In Chapters 18 through 24, we address more specific accounting issues, including claims accounting, inventory, landfill closure and postclosure costs, and nonexchange transactions.

You can find the answers to many questions about governmental accounting in the following chapters, including:

- Who formulates governmental accounting standards?
- What are the different types of funds and how are they used?
- How does the measurement focus impact financial reporting?
- How do I depreciate capital assets?
- How do I account for debt service activity?
- How do I account for encumbrances?
- How do I report the results and financial position of a component unit?
- What are the contents of an annual comprehensive financial report?
- What information must be included in the notes to the financial statements?
- How should a budgetary comparison schedule be structured?
- What are the four types of nonexchange transactions and how do I account for each one?

Governmental Accounting is designed for professionals and students, who can use it as a reference tool for recording governmental accounting transactions and generating financial statements.

Centennial, Colorado
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