**Telegram Channel: AcFn Second Year**

**Link: t.me/acfn2nd**

**Submission Date: June 5, 2012 Ec.**

**Assignment**

1. **Example.** Assume the approved budget by the council of Bahir Dar city for the fiscal year ended on June 30, 1993 E.C was as follows

 **Estimated revenues:**

* General property taxes .......................... 7,000,000
* Licenses and permits .......................... 400,000
* Charges for services ......................... 500,000
* Fines and for fits ............................... 300,000
* Miscellaneous revenues ........................ 200,000 **8,400,000**
* Estimated other financing sources (transfer from EF) 100,000

**Appropriation**:

* General government .......................... 4,700,000
* Public safety .......................... 1,900,000
* Health and welfare .......................... 1,100,000
* Culture and recreation ...................... 400,000 **8,100,000**
* Estimated other financing uses (transfer to DSF) 100,000

**Transaction.2**.Property taxes were billed in the amount of 7,200,000 of which 140,000 was of doubtful collect ability.

**Transaction** 3. A total of 6,500,000 Property tax and 1,020,000 from other revenue sources like licenses and permits, fines and forfeits, miscellaneous sources were collected in cash.

 Transaction 4. It was identified that property tax of 130,000 were uncollectible.

Transaction 5. Purchase orders for non recurring expenditures were issued to outside suppliers in the total amount of 3,600,000.

Transaction 5. Assume the suppliers invoice for the ordered merchandise or services is received at amount of 3,800,000.

Transaction 6. Assuming billings for services and supplies received from enterprise fund and internal service fund totaled 300,000 and 200,000 respectively.

Transaction. 7 . Cash payment to the Enterprise fund and the internal service fund were 250,000 and 140,000 respectively.

Transaction 8. The Mekelle city general fund made an operating transfer of 110,000 to the debt service Fund for the matured principal and interests.

Transaction 9. A payment of 400,000 in lieu of property taxes and a subsidy of 100,000 were received from the Enterprise fund.

Transaction 10. Uncollected property taxes on June 30 a total of 580,000 of which 10,000 Allowance for uncollectable Current Taxes were delinquent.

Transaction 11. Assume a flat penalty of 10% plus simple interest of 12% per year was recorded on the 570,000 taxes receivable- delinquent

Transaction 12.Assume 60% the taxes receivable- delinquent with penalty and interest was collected in cash.

Transaction 13. For the remain (40%) of the tax delinquent the line would become effective and a property on which the tax due was seize by the government.

Transaction 14. The seize property was sold for 420,000 excluding selling expense and the excess was paid to the owner.

**Required: Journalize the necessary journal entry for each transaction**

1. Distinguish the difference and Assess the practical implementation of the following Funds
	1. General fund
	2. Special revenue fund
	3. Debt service fund
	4. Enterprise Fund
	5. Internal Service Fund
	6. Trust Funds &/or Agency Funds