**Chapter 2** **Opening the Books**

The City of Bingham has installed a new computerized accounting system, which provides files for general journal entries and posting to appropriate general ledger/subsidiary ledger accounts. Budgetary, operating statement, and balance sheet accounts are provided for the General Fund and the other governmental fund types. Operating statement accounts and balance sheet accounts are also provided for governmental activities at the government-wide level and the proprietary and fiduciary funds used by the City of Bingham that you will use in Chapters 5-9 of the problem.

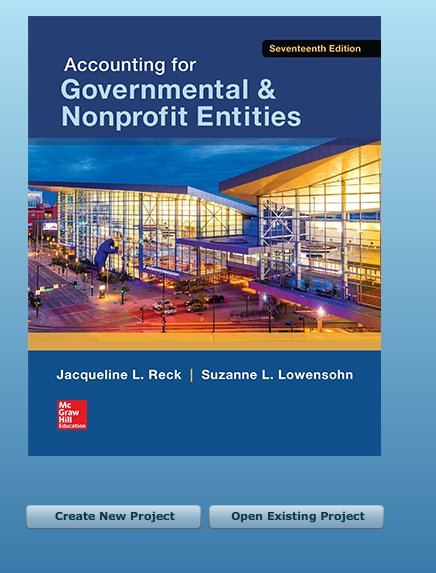
To begin this case, you must enter the city’s initial accounting information as of December 31, 2016, so that all transactions can be recorded for the next fiscal year beginning January 1, 2017.

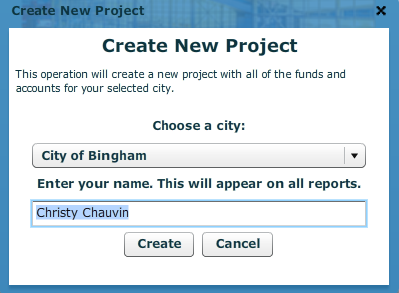
**Required**

Open the City of Bingham software by double clicking on the **Cities of Smithville and Bingham** program. If creating a new project, click **[Create New Project]**, when the **[Create New Project]** window appears choose City of Bingham from the **[Choose a City]** drop down menu. In addition, in the **[Enter your name or Provided Number]** box please type in your first and last name so that your name will appear on all printable reports and click **[Create]**. This will create the project and provide access to the funds and accounts that you will need to complete the “City of Bingham” cumulative problem.

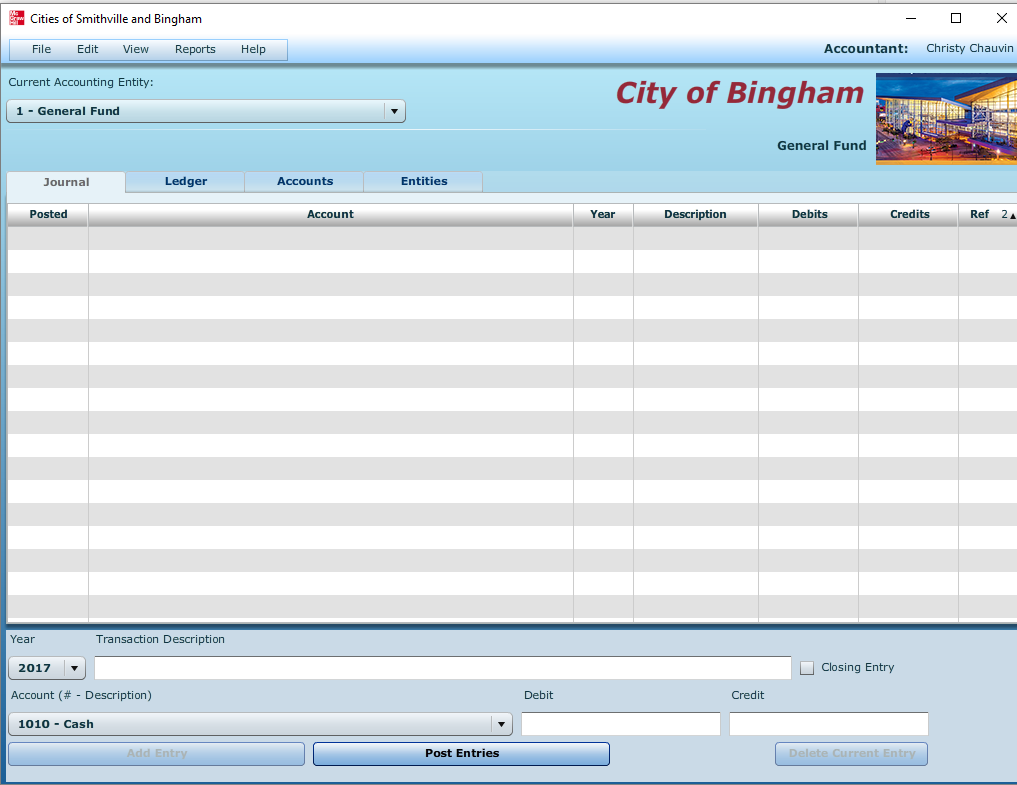
If you have already created a new project, then open the existing project saved onto your jump drive.

To protect yourself from possible hard drive failure or corruption of your project data file, we recommended that you save your file to a removable device (e.g., flash drive or the cloud), creating a dated backup file for your project at the end of each session.



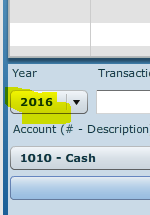
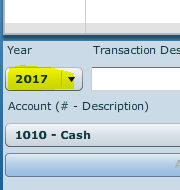


**You will see this next**



1. If it is not already displayed, select **[General Fund]** in the **[Current Accounting Entity]** window and the **[Accounts**] tab. Clicking on the **[Accounts]** tab allows you to see the chart of accounts that will be used for the **[General Fund]**. A different chart of accounts is provided for each of the accounting entities.
2. Next, select the **[Journal]** tab and click the drop down menu for **[Account (# - Description)]**. You should see the same general ledger accounts that were listed when you clicked on the **[Accounts]** tab. (Note: For purposes of this exercise, date suffixes are omitted from the Expenditures and Encumbrances accounts as expenditures from more than one year’s appropriations do not occur in this problem.)
3. The post-closing trial balance for the General Fund of the City of Bingham as of December 31, 2016, is shown on the following page. Select the **[Journal]** view and create a journal entry to enter the balance sheet accounts and amounts shown in the trial balance.

Be sure to enter **2016** from the drop-down **[Year]** menu and enter the paragraph number from these instructions in the **[Transaction Description]** box of the **[Journal]** view.



The year and transaction description need only be entered for the first line of the journal entry; it should remain in the boxes for the rest of the accounts. When you have completed entering all account data and amounts, verify the accuracy of all your entries, including date and paragraph numbers. When you are sure that your entries are correct, click **[Post Entries]** to post the items to the General Ledger of the General Fund.

For this entry you should enter **Beginning Balance** as the description.Select the appropriate accounts individually and insert the appropriate amounts.

**(Note: Enter all dollar amounts without dollar signs, without commas, and without decimal points. All amounts in this project should be rounded to the nearest whole dollar. For all entries, it is vitally important that the correct year be selected.)**

You must enter each account and amount one line at a time by clicking **[Add Entry]**

The following pages will provide more detailed screen shots.

**CITY OF BINGHAM**

**General Fund**

**Post-closing Trial Balance**

**As of December 31, 2016**

Account Title Debits Credits

Cash $ 151,000

Taxes Receivable—Delinquent 517,000

Allowance for Uncollectible Delinquent Taxes $ 46,750

Interest and Penalties Receivable on Taxes 26,059

Allowance for Uncollectible Interest and Penalties 1,434

Vouchers Payable 433,400

Due to Other Funds 14,300

Deferred Inflow of Resources—Operating

Grants and Contributions 30,000

Fund Balance—Committed—Public Safety 16,720

Fund Balance—Committed—Public Works 31,130

Fund Balance—Assigned—Health and Welfare 33,616

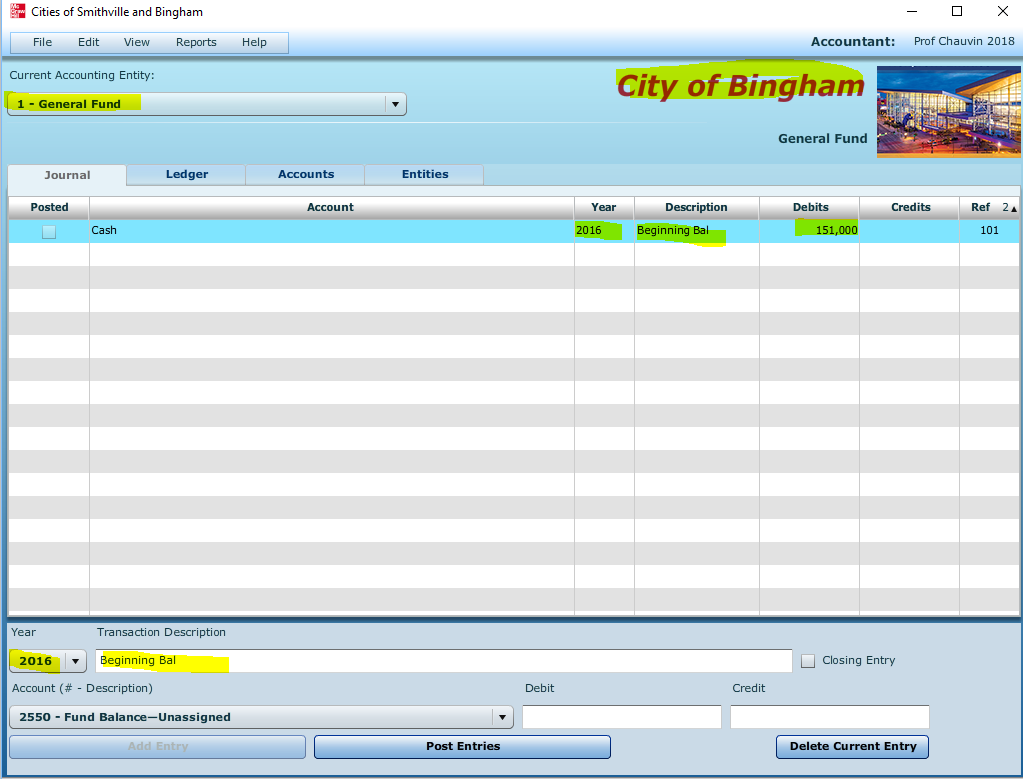
Fund Balance—Unassigned 86,709

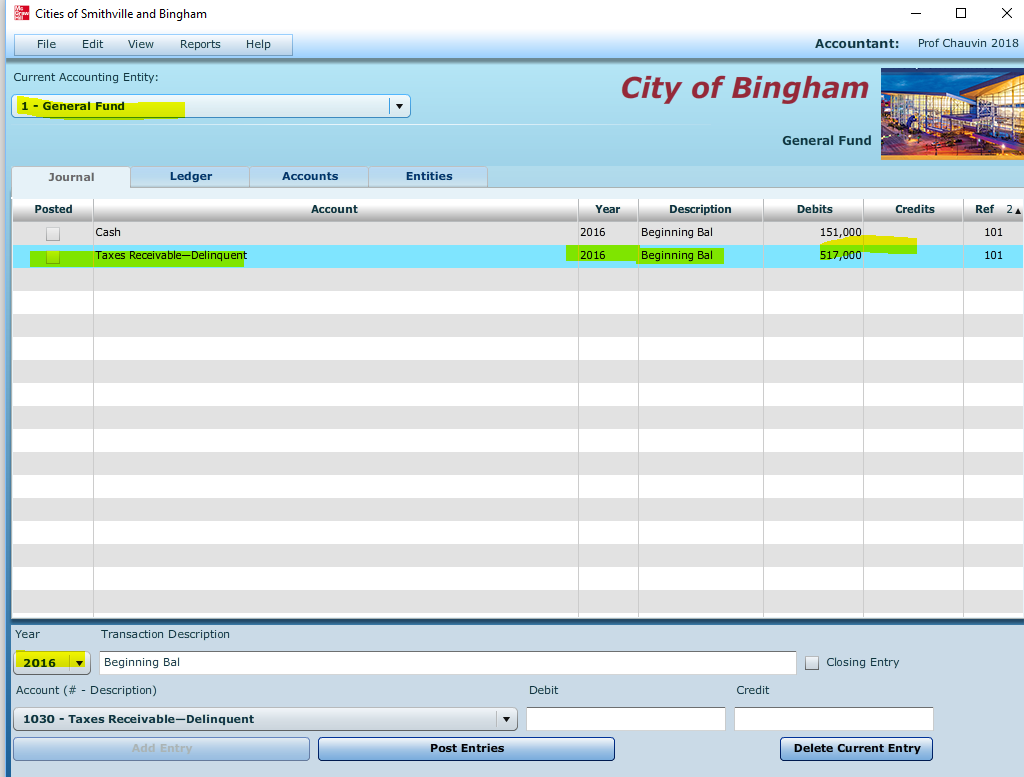
Totals $ 694,059 $ 694,059

**Unpost capability.** As discussed in Chapter 1 of these instructions, the City of Bingham software program permits students to “unpost” a particular batch of posted transactions. Unposted entries then can be edited or missing entries can be inserted before re-posting entries. Prior to unposting a batch all batches must be posted.

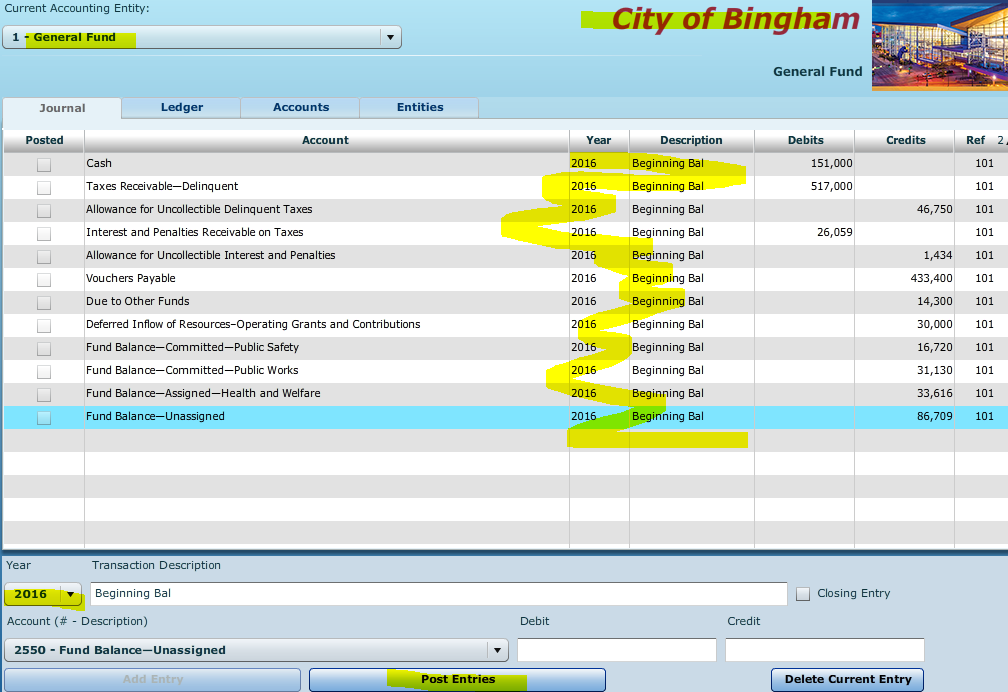
1. Select **[Reports, Trial Balances, Post-Closing Trial Balance]** and print when finished.
2. **Enter 2016 Post Closing Balances which are also 2017 Opening Balances for the General Fund.**

**When entering the numbers, no dollar signs or commas!**





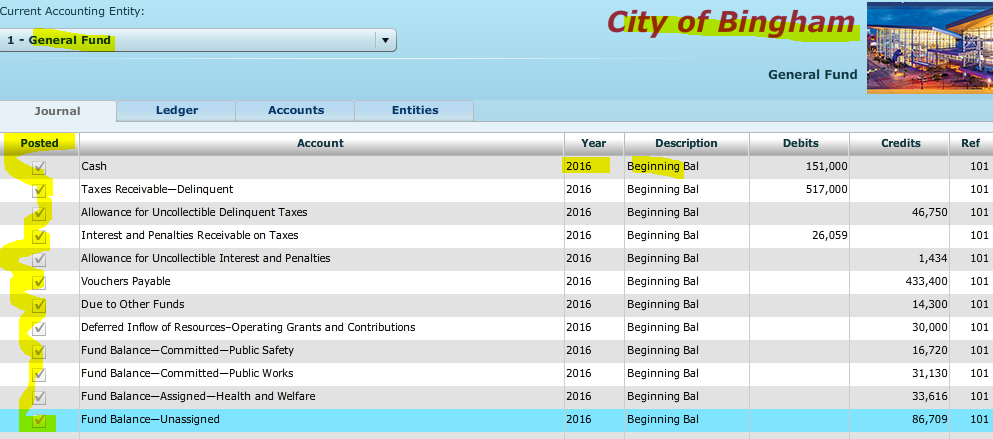
**Screen will look like this after all entries are added**



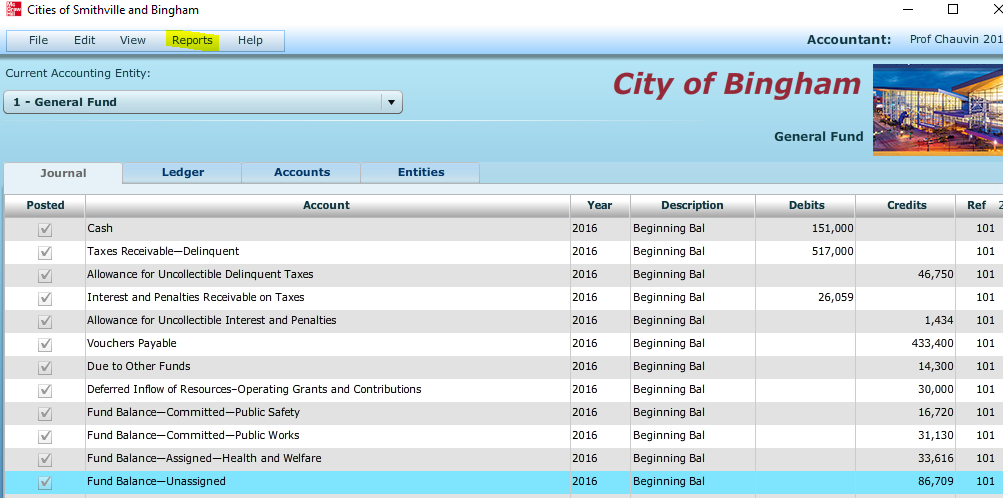
**Review and then post**

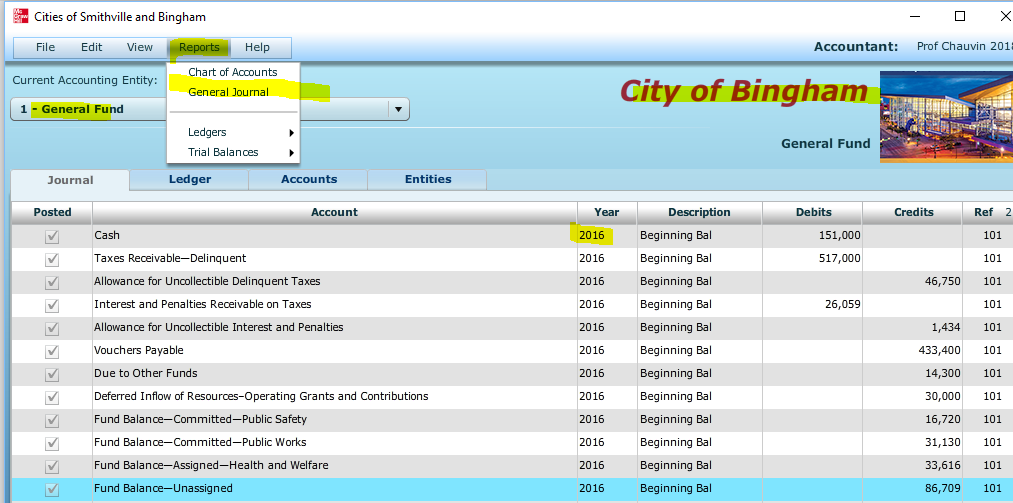
**Before you post, you should see this**

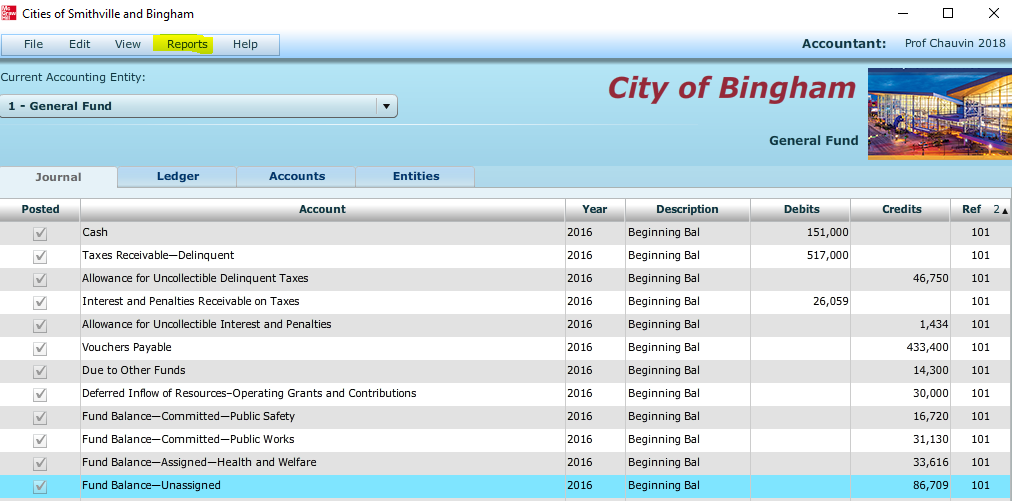


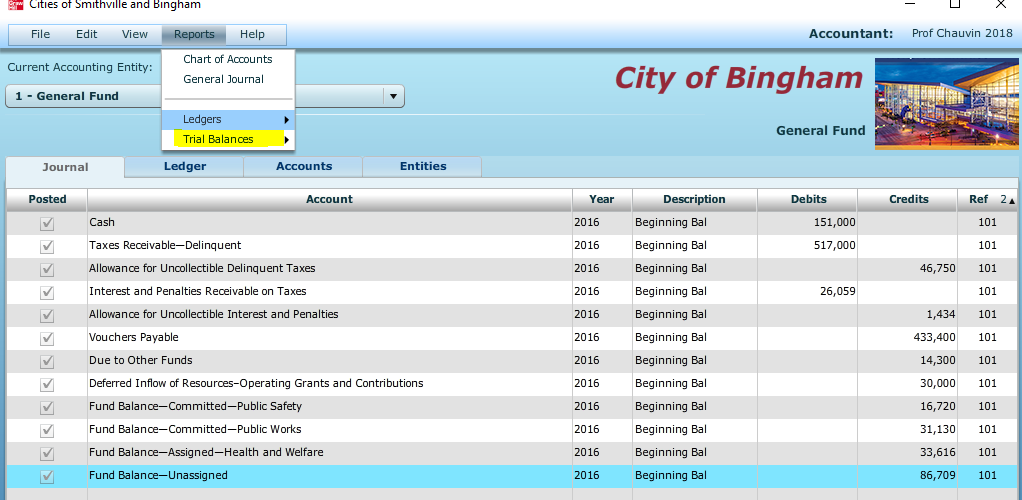


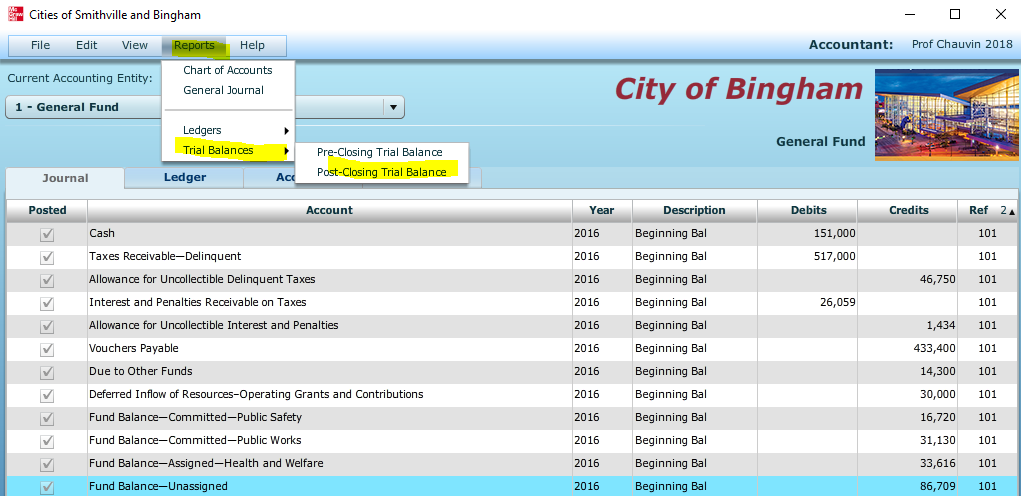
**Review list of documents to be printed for this chapter. Access these by selecting reports.**

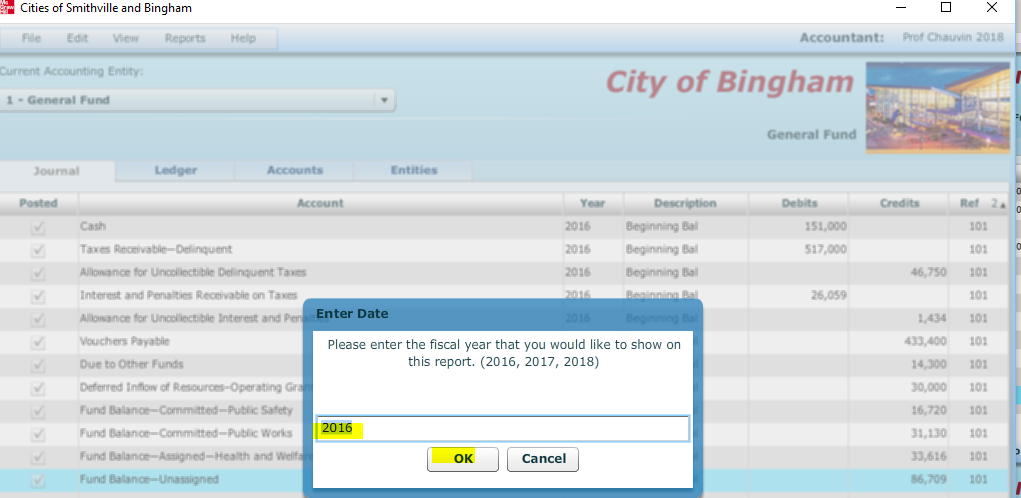








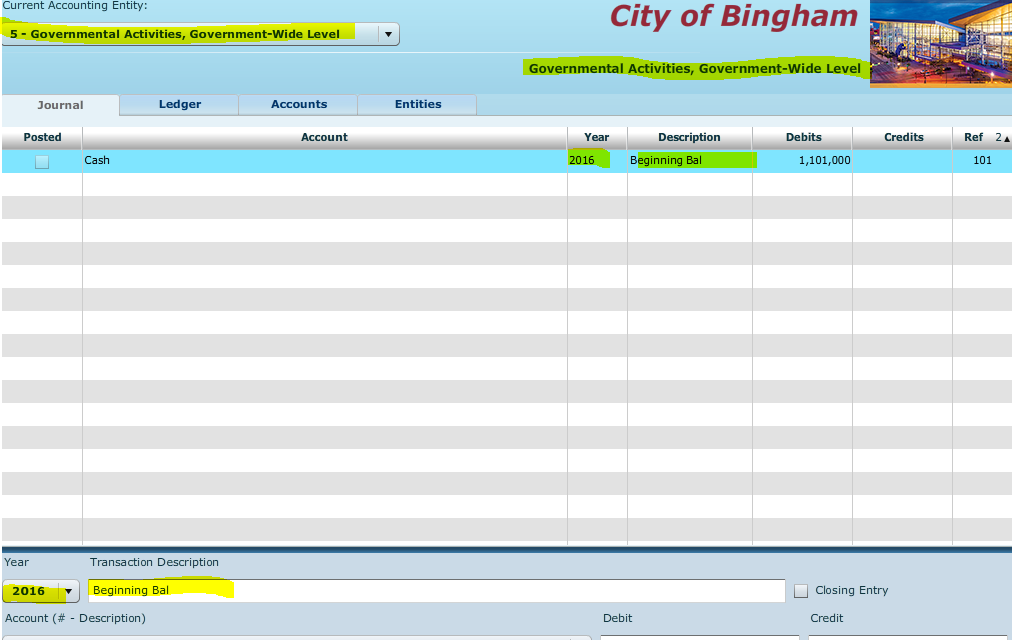




1. Next project:
2. Select **[Governmental Activities—Government-Wide]** in the **[Current Accounting Entity]** drop-down menu and the **[Accounts**] view tab. You will see the accounts included in the trial balance below, plus many other accounts that will be used in the various chapters of the City of Bingham project.
3. Select the **[Journal]** view and create a journal entry to enter the statement of net position (i.e., balance sheet) accounts and amounts shown in the following trial balance.

It is necessary to enter these items in the accounts of the governmental activities category at the government-wide level as the general journal and general ledger for governmental activities comprise a separate “set of books” from those you inputted for the General Fund.

Be sure to enter **2016** from the drop-down **[Year]** menu and enter **Beginning Balance** in the Transaction Description box. Select each account individually and insert the appropriate debit or credit amount for each account. When you have completed entering the initial data, verify the accuracy of all entries and click **[Post Entries]** to post the entries to the governmental activities, government-wide general ledger.



**CITY OF BINGHAM**

**Governmental Activities, Government-wide Level**

**Post-closing Trial Balance**

**As of December 31, 2016**

Account Title Debits Credits

Cash $ 1,101,000

Taxes Receivable—Delinquent 602,000

Allowance for Uncollectible Delinquent Taxes $ 100,750

Interest and Penalties Receivable on Taxes 35,659

Allowance for Uncollectible Interest and Penalties 2,394

Land 1,210,000

Improvements Other than Buildings 9,900,000

Accumulated Depreciation—Improvements

Other Than Buildings 2,310,000

Infrastructure 32,109,000

Accumulated Depreciation—Infrastructure 12,408,000

Buildings 10,230,000

Accumulated Depreciation—Buildings 2,310,000

Equipment 8,360,000

Accumulated Depreciation—Equipment 4,030,400

Vouchers Payable 433,400

Accrued Interest Payable on Long-term Debt 50,000

Internal Payables to Business-type Activities 14,300

Current Portion of Long-term Debt 500,000

Serial Bonds Payable—2% 9,500,000

Deferred Inflow of Resources—Operating Grants

and Contributions 30,000

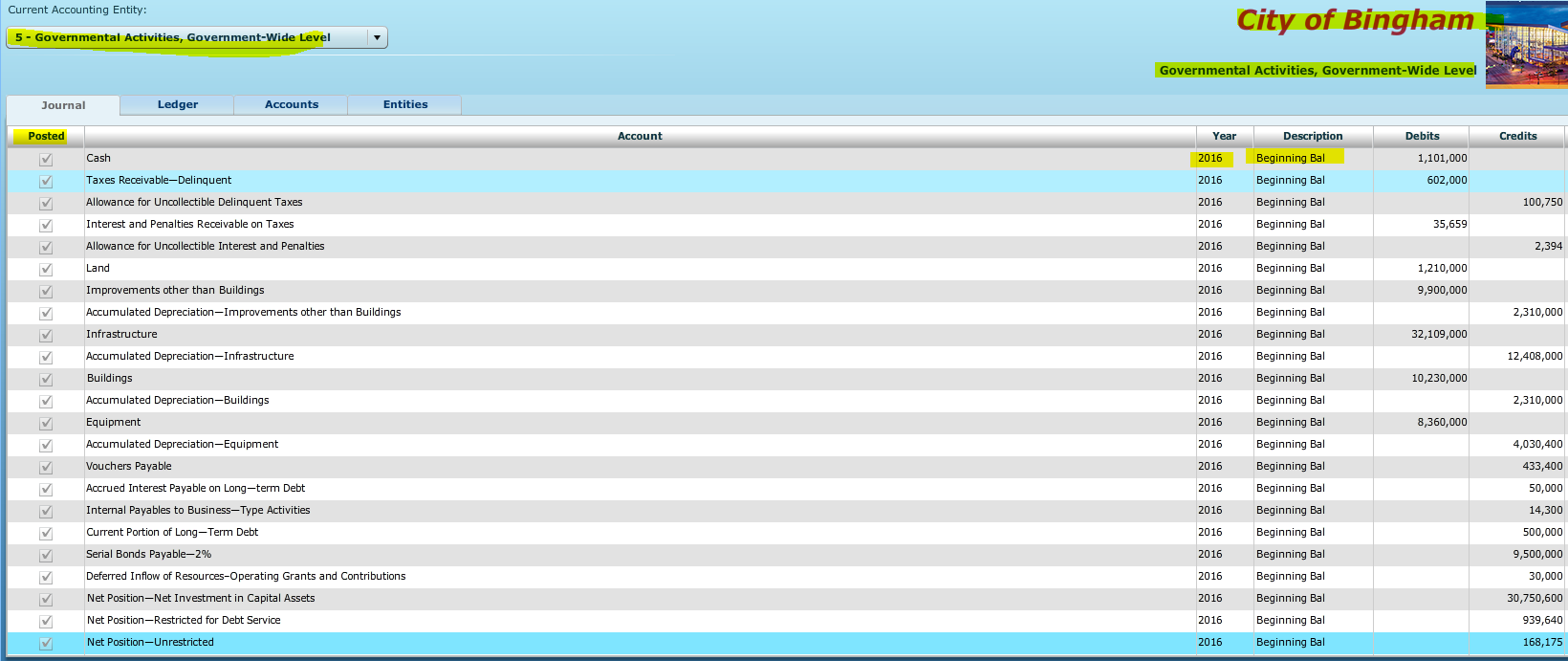
Net Position—Net Investment in Capital Assets 30,750,600

Net Position—Restricted for Debt Service 939,640

Net Position—Unrestricted 168,175

Totals $63,547,659 $63,547,659

**Repeat the process from the general fund entry of the 2016 Beginning Bal**



**Post the entry –** You will see a check in the box under Posted telling you it has been posted.

**Review the listing of documents to be printed.**

**Finally, click on File, Save/Save as – Your Name Bingham to your device**