

Avondale Estates: A Case Study in Governmental Accounting and Auditing—A Historical Approach

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ABSTRACT: The 82 years of accounting evolution that separate the audits of 1928 and 2009 under different accounting and auditing standards are examined through a cross-disciplined case study that compares the historical 1928 and the contemporary 2009 financial statements and the accompanying audit reports of Avondale Estates, Georgia. The 1928 and 2009 reports and financial statements of this municipality, along with the municipality's current budget information accessible over the Internet, can be used in a number of ways to enhance the instruction of governmental accounting at the undergraduate, graduate, and doctoral levels. In addition to aiding in the teaching of current governmental accounting standards, the case also can be used to give the student a historical perspective on governmental accounting and the accounting profession. By comparing the accounting and reporting standards used in 1928 and 2009, the student will gain an understanding of the evolution of accounting thought. Moreover, the auditors' reports for the two periods illustrate the historical and continuing public service role of the CPA profession as detailed in ET Section 53 of the AICPA Professional Standards (AICPA 2010). Thus, this case study gives the accounting instructor a useful vehicle for teaching accounting history and thought.

Keywords: governmental; history; teaching; municipal; stewardship; ethics; case study; standards; GASB 34.

CASE INTRODUCTION

A Certified Public Accountant (CPA) has audited the financial statements of the City of Avondale Estates and has just completed the 2009 audit of this small municipality near Atlanta, Georgia. Due to his interest in accounting history, he has visited the recently opened City Archives to search for pre-Governmental Accounting Standards Board (GASB) audit reports. Having found a box marked "Audits," he is surprised and delighted to find the city's first

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Supplemental materials can be accessed by clicking the links in Appendix B.

Published Online: January 2012

audited financial statements dated December 31, 1928 (Appendix A). Once back in his office with a copy of the old audit, he proceeds to compare the auditor's report and financial statements from 1928 to the 2009 report and statements (see Student Resources). While he notes some similarities between the two sets of records, he also finds many differences.

Background

The City of Avondale Estates was founded in 1893 as the unincorporated town of Ingleside. By 1895, the young community was described in the *Atlanta Journal and Constitution* as “the liveliest village of the Piedmont . . . a little town of lively residents with all the comforts and conveniences which create an ideal home, away from the busy marts of trade.” In addition to its proximity (about seven miles) and easy access to Atlanta, Ingleside also benefited from its location on major thoroughfares to the Georgia cities of Augusta and Stone Mountain ([City of Avondale Estates 2006](#)).

In 1924, George F. Willis acquired approximately 1,400 acres of land (including most of the Ingleside community) on which to develop his vision of “a model suburb with extensive residential, commercial, and recreational components.” Prior to implementing his plan, Willis visited successful suburban communities in other regions of the U.S. With the ideas gained from his tour and the assistance provided by prominent engineering and landscape professionals, construction began on what became the first planned new community in the Southeastern U.S. ([City of Avondale Estates 2006](#)).

The year of 1926 brought completion of about 50 homes, commercial buildings, and a substantial portion of the city's infrastructure: roads, park, pool, tennis courts, and playground. In January 1928 the city was incorporated “and thus became rare among suburban developments by having its own municipal government.” Later that year, the city's focal point of Lake Avondale was completed, and the construction of a boathouse and clubhouse was begun. Prior to the onset of the Great Depression, an additional 75 homes were completed. Construction in the community slowed during the 1930s and came to a halt during the Second World War. After the war, the city's completion followed the general standards established by Willis ([City of Avondale Estates 2006](#)).

Recognition of the city's historical significance was obtained in December 1986 with the listing of the Avondale Estates Historic District in the National Register of Historic Places. As of 2006, the city was a bustling community of 2,600 residents. Current municipal initiatives include the development of a Downtown Master Plan for new residential and retail construction, the development of a Lake Master Plan for continued maintenance and improvements to Lake Avondale, and plans for improving the community's law enforcement services. In addition, the city is developing a new zoning ordinance that will allow it to continue to flourish while maintaining the charm that has always been an integral component of this community ([City of Avondale Estates 2009](#)).

Questions

1. What are the differences and similarities between the auditors' reports in 1928 and 2009?
2. What are the differences and similarities between the 1928 financial statements and the 2009 Comprehensive Annual Financial Report (CAFR)?
3. What changes in the reporting requirements for municipalities have taken place since 1928?
4. Was the audit in 1928 performed by a CPA?
5. The auditors in 1928 and 2009 performed a public service by reporting on the stewardship of Avondale Estates' management. How has the accounting profession developed side-by-

side with the development of the concept of stewardship? Provide a historical perspective of this development.

Tasks

1. Revise the 1928 auditor's report using 2009 Yellow Book standards.
2. Revise the 1928 Financial Statements using 2009 GASB No. 34 standards (i.e., prepare a 1928 CAFR).

Student Resources

- The 2009 auditor's report and CAFR for Avondale Estates are accessible at: <http://www.audits.ga.gov/rsaAudits/searchOptions.aud>. Under the pull-down menu select 2009, then select "Key Word," type "City of Avondale Estates," and hit the search key. This will list the 2009 City of Avondale Estates audit report.
- The State of Georgia Guidelines for municipal financial statements and auditor reports of the Georgia Department of Audits are accessible at: <http://www.audits.ga.gov/NALGAD/resource.html>. Scroll down the page to "Local Government Audit Office Review Checklist" and click on the link to download.
- The Yellow Book standards for CAFRs are available at the GAO—Comptroller of the United States website: <http://www.gao.gov/govaud/ybk01.htm>
- The current budget of Avondale Estates, Georgia is accessible at: <http://avondaleestates.org/>
- GASB 34 information can be obtained at: <http://www.gasb.org/repmodel/index.html>
- The Government Finance Officers Association, Certificate of Achievement for Excellence in Financial Reporting, General Purpose Preparer Checklist is accessible at: www.gfoa.org

CASE LEARNING OBJECTIVES AND IMPLEMENTATION GUIDANCE

Case Overview

The City of Avondale Estates is a small municipality located near Atlanta, Georgia. We use the financial statements and the auditors' reports from 1928 and 2009 to present a case study for use in the teaching of governmental accounting courses at both the undergraduate and graduate levels. Utilization of the case involves comparing and contrasting the two sets of financial statements and auditors' reports, and/or restating the 1928 financial statements and auditor's report using contemporary GASB and audit reporting standards.

The 1928 historical documents and 2009 contemporary documents are the subject matter of the case and provide information necessary for the identification of similarities and differences. Suggestions are provided for incorporating the historical aspects surrounding the financial statements and audit reports into governmental accounting courses. Ideas are provided for utilizing the case in courses at both the undergraduate and graduate levels and for turning the case study into a group project. Instructor resources are included consisting of governmental accounting, historical accounting, and auditing resources.

The authors believe that the case can enrich a student's learning experience by supplementing the material traditionally covered in governmental accounting. Governmental accounting textbooks are often preparer oriented, covering for the most part accounting standards for fund and entity-wide reporting. Most assignments, including comprehensive practice sets, cover journal entries and financial statement presentation, with some attention to budget preparation. Scant attention is given to the professional aspects of auditing, and the presentation of authoritative sources for standards is often confusing. No attention is given to the historical development of governmental accounting standards; research projects and cases (Lowensohn and Reck 2005) are few to nonexistent. Instructors are interested in course activities that engage the students' interest, activities such as our case that are based on real-world situations. Instructors are also looking for cases such as ours in which students must apply their knowledge from other courses such as auditing. Our case also appeals to instructors interested in teaching accounting in a wider liberal arts context of history, regulation, ethics, and research.

The desirability of accounting history being included in the curriculum has been addressed in the literature since at least the 1980s (e.g., AAA 1986; Zeff 1989; Arthur Andersen et al. 1989). In the decade of the 1990s, researchers continued to stress this needed change in pedagogy. In 1990, The Accounting Education Change Commission recommended that the accounting curriculum should address the history of the profession and accounting thought. Integrating a historical context in the study of taxation was emphasized by Samson (1997, 83), who stated that "by examining past periods, the impact of proposed tax changes can be evaluated with some accuracy, since many of the 'new ideas' have antecedents in the past." More recently, in the decade of the 2000s, accounting researchers continue to stress the need for accounting education to include a historical context. For example, Sangster et al. (2007, 455) suggest that recent accounting scandals illustrate the need to "resist teaching accounting as a technical subject devoid of context"—a "contextual vacuum" that does not include the important aspect of history. All former presidents of the Academy of Accounting Historians state that "accounting research, shared with students either through lecture or assignment, informs students about the changing environment and behavior that influences accounting action" (Previts et al. 2006, 17). Further, they list the following benefits to be derived from integrating history into accounting courses (Previts et al. 2006, 18–19):

1. History presents a foundation for understanding the evolution and background of accounting concepts and fundamentals.

2. A knowledge of the past has the potential to illuminate and improve our understanding of the present, to explain the current complex and often contradictory rules of financial and tax accounting.
3. History prepares students to accept change as a condition of human experience. Simply put, students are better prepared to anticipate and expect change.
4. Historical consideration can make accounting more interdisciplinary. It is through accounting history that economics, political science, technological innovations, cultural and social change, and events can be related to accounting.
5. A final reason for integrating research into accounting courses is that it adds excitement. Student interest can be stirred [for example] when they discover that the Pilgrims had financial difficulties, and that an auditor was sent to audit the Pilgrims' books. Audits (and audit failures) came over to America on the Mayflower; so Enron, Worldcom, and HealthSouth are in a way the most recent continuum of four centuries of the American capital market system's approach to addressing the pricing and allocation of scarce resources.

Last, the International Federation of Accountants, in its International Accounting Standard 2, *Content of Professional Accounting Education Programs* (IFAC 2010, 42), lists the "history of the accountancy profession and accounting thought" as one of the important knowledge areas for students earning an accounting degree.

Despite research advocacy for integrating history into the accounting curriculum, research suggests that accounting professors have not yet embraced the researcher's call for integrating history into the curriculum. This lack of application of a historical context in current accounting instruction is illustrated by the results of two studies. In a survey of accounting professors teaching introductory accounting courses, [Santina and Schwartz \(2002, 200\)](#) found that "most respondents agreed that there was no time to include accounting history topics." [Armitage's \(2008, 950\)](#) survey of the importance given by accounting professors to 41 topics in auditing education during the period from 2000–2005 found "the study of accounting history . . . the least important topic in the 2000 survey and the next to last in 2005."

Thus, while the study of the history of the profession and of accounting thought has for decades been seen as an important part of an accounting education, accounting professors seem not to have accepted and implemented this pedagogy. [Bisman \(2009\)](#) suggests that part of the problem lies in the lack of available guidance on how to include accounting history in the curriculum. She provides several strategies for overcoming this void in the curriculum. One of her strategies is "using particular . . . historical accounting artifacts . . . as teaching and learning resources" in established courses ([Bisman 2009, 140](#)). She presents several extant historical case studies as examples of this strategy's implementation.

Therefore, the motivation for this historical case study is twofold. First and foremost, it is to provide a rich contextual study of the development of governmental accounting and auditing thought and standards, which are facilitated with the historical artifact of the 1928 audit of the City of Avondale Estates (named on the National Registrar of Historic Places). Second is to augment the paucity of case studies in governmental accounting with an example of a long-established and vibrant municipality—a city that is a suburb of a major U.S. city—whose financial information, including budgets and audits, is readily accessible over the Internet.

This case innovatively introduces a cross disciplinary approach to teaching governmental accounting. The use of the historical financial statements and auditor's report from 1928, in conjunction with the contemporary [GASB \(1999\)](#) No. 34 prepared CAFR and auditor's report of the same municipality, exposes the student to a perspective on accounting standards, accounting thought, and the practice of public accounting that is seldom effectively communicated in today's

college classroom. In addition, the presentation of this case study should stimulate professors to not only consider the use of our materials in their governmental accounting classes, but also hopefully to stimulate professors to consider the use of historical records to aid them in the instruction of other accounting courses. For example, the lead author of this case study has effectively used practice sets published circa 1800 in his teaching of a principles of accounting course.

The 2009 CAFR of Avondale Estates received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. Thus, the use of the contemporary CAFR of this municipality, along with references to the current GASB standards and Government Auditing Standards as found in the Yellow Book and the reporting guidelines of the State of Georgia, result in an exemplary presentation of governmental accounting standards of reporting and auditing. (Note: Government Auditing Standards constitute what are known as Generally Accepted Government Auditing Standards [GAGAS]).

The case with its various aspects can be used in group-based learning. An example of a group-based learning project is to have a team of four students, each of whom will develop a unique aspect of the case, put together an entire project that encompasses the changes, historical aspects, auditing development, and so on. Alternately, each team could cover different aspects of the case so that the result for the class as a whole is a comprehensive review of governmental accounting.

The historical background of the case is presented in various sections of both the case study and the instructor's manual as follows:

- The history of the City of Avondale Estates—see the “Background” section of Case Introduction.
- Changes in accounting theory—see the “Potential Responses to Questions” (Question #2) section of the Teaching Notes.
- Changes in the reporting requirements of municipalities—see the “Potential Responses to Questions” (Question #3) section of the Teaching Notes.
- History of CPAs in Georgia—see the “Potential Responses to Questions” (Question #4) section of the Teaching Notes.

Purpose

The 1928 City of Avondale Estates Auditor's Report and Financial Statements can be used in several ways to supplement the instruction of governmental accounting at both the undergraduate and graduate levels. The value of this case study is enhanced by the Internet availability of both the 2009 CAFR and the most current CAFR of this municipality. Understanding the CAFR is an essential part of learning governmental accounting in today's age of sophisticated governmental and not-for-profit accounting entities. The CAFR is similar to a public firm's annual financial statements and must also be audited by external Certified Public Accountants who render an opinion on the fairness of their presentation in accordance with GAGAS.

This case can be the impetus for advanced research regarding the history of the accounting profession, and specifically the development of governmental accounting and auditing standards. The conversion of the 1928 financial statements into a 1928 CAFR, using current [GASB \(1999\) No. 34](#) standards, can be a challenging project and is probably most appropriately assigned to graduate-level students. This project can be modified by supplying the student with fictitious supplementary information for 1928. For example, information that might or might not be required to be footnoted under current standards could be incorporated into the assignment.

In addition to aiding in the teaching of current governmental accounting standards, the case also can be used to give the student a historical perspective on both governmental accounting and the accounting profession. By comparing the accounting and reporting standards used in 1928 and 2009, the student will gain an understanding of the evolution of accounting thought. Moreover, the

auditors' reports for the two periods illustrate the historical and continuing public service role of the CPA profession as detailed in ET Section 53 of the [AICPA \(2010\)](#) Professional Standards. Thus, this case gives the accounting instructor a useful vehicle for teaching accounting history and thought. Of note, an understanding of the "history of the accounting profession and accounting thought" was listed as an important capability of an accounting graduate by the [Accounting Education Change Commission \(1990\)](#).

Teaching Accounting with Historical Documents

Accounting education has experienced an evolutionary existence due to changing needs of employers and the accounting profession. According to [Bailey \(1994, 1\)](#), "accounting education is undergoing a fundamental challenge to its traditional academic organizational culture, flowing from significant changes in the environment in which higher education is now operating." By the end of the 1980s, the state of accounting education was in such a state of unrest that the American Accounting Association created the Accounting Education Change Commission "to be a catalyst for improving the academic preparation of accountants so that entrants to the accounting profession possess the skills, knowledge, and attitudes required for success in accounting career paths" (AAA 2006). The creation of this commission is regarded by many to be a seminal event in accounting education and the ensuing research, which attempts to remedy the fact that, according to [Flegm \(1991, 355\)](#), "the accounting field [education] is in a state a great turmoil."

The quality of the overall education experience for today's accounting major is in question ([Coffman et al. 1993](#)). The specific accounting curriculum content is under fire due to its failure to maintain an exchange of ideas with other academic disciplines unrelated to accounting and business ([Murphy 1992](#)). The main value lost to the student and society when the curriculum does not contain adequate coverage of general education courses provided by the humanities and the sciences, is an absence of the ability of the accounting student to make significant classroom discussions in other disciplines by using their prior accounting education and experience ([Arya et al. 2003](#)). One way of addressing this issue is to use historical account books that are actual representations of the transaction recording processes using single-entry accounting in the 1700s. The presentation and the variety of transactions recorded in that time practically rely on an understanding of science, economics, and history. According to [Bloom and Solutko \(2005, 239\)](#):

From our experience, these [account] books serve to motivate students to learn about basic aspects of the accounting process. Students are curious about how a book of this nature was prepared, what specific purposes it served, and how it is similar to and different from modern account books. Using these books can also foster interdisciplinary instruction, i.e., accounting and history.

Also absent from current accounting instruction is an understanding of the influence of or the impact of different environmental factors effecting (if causing the changes) or affecting (if modifying the changes) accounting policy changes ([Rebele et al. 1998](#)). Exposure to (or knowledge of) environmental factors enhances understanding of governmental influence on accounting processes and principles, and to the beginnings of theoretical relationships between accounting and economics ([Rebele et al. 1998](#)). An understanding of how and why change occurred from a historical perspective allows the accounting student to become accustomed to a state of deep learning to understand and seek meaning in accounting processes ([Lucas 2002](#)). This process is basically the responsibility of the student to become an active participant, not a passive receiver of knowledge ([Tucker 1993](#)). In the absence of such a historical perspective, the accounting student has insufficient skill with which to analytically evaluate current accounting practices ([Murphy 1992](#)). According to [Brief \(1966, 2\)](#), "one way to gain insight into accounting principles is to analyze the historical change in their structure and

the forces that influenced this change.” A knowledge of accounting history also allows the accounting graduate to maintain the deep tradition and integrity of the accounting profession (Tucker 1993). Current accounting students are the practitioners of tomorrow, and having knowledge of historical accounting issues prepares the professional to evaluate contemporary and upcoming accounting subjects (Bloom and Collins 1988).

Teaching Methods

After the students have completed the first several chapters of a standard governmental text, the first exam is usually given. At this point, the students will have gained enough basic governmental accounting knowledge to note some of the major similarities and differences between the 1928 financial statements and the 2009 CAFR. Our classroom testing has found that the historical content of the case stimulates student interest while providing a useful vehicle for delivering current course content. As most governmental accounting courses include either a computerized practice set or an analysis of a current city’s CAFR, we suggest that this case study should be used to augment rather than take the place of these major assignments.

The assignment for the case study can be approached in several ways:

- Outside the classroom research assignment
- Inside the classroom group assignment
- A combination of the above

We recommend using it in the latter manner: as a team case study involving work and discussion both inside and outside the classroom. The instructor can divide the class into groups of two to three students (depending on the size of the class). The case study can then begin with an analysis of the 1928 auditor’s report.

Lesson Plan for Using the Historical Auditor’s Report and Financial Statements

The following is a lesson plan for using the 1928 City of Avondale Estate’s Auditor’s Report to enhance the understanding of governmental accounting, and in particular the differences that have evolved from that time period to the present in reporting financial information in a city’s CAFR. Each student should be provided with a copy of both the 1928 Auditor’s Report and Financial Statements and the most current Comprehensive Annual Financial Report for the City of Avondale Estates, Georgia. It will be helpful if the instructor also has both hard copies of the reports and financial statements, and access to the information on disk or flash drive for presentation in the classroom. The first class period of the case study should be an open class with all students.

1. Ask the class to look over the 1928 Auditor’s Report to get a general idea of what was required to be reported during that time period, keeping in mind that this was, and still is, a small city.
2. Have the students list the basic sections of the report, beginning with the letter from the accountant.
3. Show the accountant’s letter on the overhead/computer screen and have the students write down any differences they note between the 1928 Auditor’s Report and the current Auditor’s Report such as language, etc.
4. Show Schedule I—Current Assets and Liabilities, December 31, 1928. Do the students see any basic accounting differences in terminology, format?
5. Show Schedule II—Fixed Assets, December 31, 1928, and ask the same questions as in 4.
6. Show Schedule III—Actual Financial Results, December 31, 1928, including the Cash Statement.

7. Show Schedule IV—Detail of Receipts, For the Twelve Months Ended December 31, 1928.
8. Show Schedule V—Detail of Expenditures, For the Twelve Months Ended December 31, 1928.
9. Show Schedule VI—Taxes Receivable, December 31, 1928.
10. Show Schedule VII—Unpaid Warrants, December 31, 1928.

After this class discussion, give the groups their out-of-class assignment. This will consist of answering a set of questions and/or preparing a “revised CAFR” for the 1928 data, using the city’s current CAFR as a guide. Remind the students of the resources available as listed in the “Student Resources” section at the end of the Case Introduction section for additional guidance. The authors believe that the preparation of a revised 1928 CAFR using the city’s current CAFR as a guide is an ideal way for integrating accounting history and thought into a comprehensive overview of current governmental accounting standards. Note: Please see the revised 1928 CAFR presented in Appendix B.

Instructor Experiences

Teaching Aid

- The case was used in two undergraduate governmental accounting courses. The students had no previous experience with financial statements of state and local governments. Their experience was limited to textbook material. The case supplemented the course with a real-world example of textbook descriptions.
- In graduate-level governmental accounting courses, CAFRs of major cities have been used for hands-on experience, with application of the material in the textbooks and in governmental standards. For analysis of such CAFRs, the GFOA Certificate of Achievement in Financial Reporting Checklist has been used as the guide for students to become familiar with the contents and organization of CAFRs. Students, in groups or singly, apply the checklist to the CAFR.
- Undergraduate students experiencing their first exposure to governmental accounting can be overwhelmed by the terminology and concepts that appear to be vastly different from financial accounting for business enterprises. The Avondale Estates CAFR, again due to its manageable size, allows students to grasp the articulation of financial statements and to comprehend the nature of governmental activities. It thereby aids teaching in that the students can grasp the conceptual similarities and differences in accounting for governments and accounting for business enterprises.
- The case efficiently and effectively enriches the teaching of governmental accounting with the integration of history. The case provides the opportunity for students to take an active role in identifying historical developments. The comparison of 1928 to 2009 is an experience that heightens student interest and involvement in a way and to an extent that does not occur with passive listening to lectures on historical developments, or reading historical snippets in textbooks with no real context that actually demonstrates the changes. These results lead to a reciprocal learning atmosphere in the classroom, wherein both students and instructor share in the transfer of information and accept responsibility for learning.

Comparison with Other Pedagogies

- In the past, the course was taught to graduate students. The GFOA checklist was applied to CAFRs drawn from the largest 100 cities in the United States. This approach did not provide a historical perspective. It did not engage the students in active classroom discussions or in

any reciprocal learning experience. It did familiarize students with the content and organization of CAFRs as a basis for financial analysis, though not to any degree greater than does the Avondale Estates case. The case enriches the experience of analyzing a CAFR with the historical perspective. The case improves the classroom experience with active participation and heightened interest in the material on the part of students, and the case brings the subject matter to life.

Student Feedback

- The task of comparing the 1928 audit report and the 2005 CAFR was well received (the 2005 CAFR was used at the time of the course). The students were delighted to be away from the textbook assignments and dry reading, and into a hands-on task with material they could comprehend. The instructions were simply to identify the differences. Questions, observations, and historical changes were natural consequences of the task.
- The students reported that they learned more in the hands-on situation where they could actually see the real financials than they could by reading about such financials. Their suggestion was much less reliance on the text and more use of CAFRs.
- The students reported that they enjoyed the project. The instruction was open ended, simply to identify as many differences as they could. They were given a reference to access the GFOA Certificate for Achievement in Financial Reporting Checklist if they wished to use it as a guide.
- The students found especially interesting the old terminology, the bank (cash) basis of reporting, and the differences in presentation of the two reports.
- Since the two sets of financials were from an evolving municipality, the students could see the impact on the financial reports of the growth of the city and the changes over its 81-year history.

TEACHING NOTES

Teaching Notes are available only to full-member subscribers to *Issues in Accounting Education* through the American Accounting Association's electronic publications system at <http://aaapubs.org/>. Full-member subscribers should use their usernames and passwords for entry into the system where the Teaching Notes can be reviewed and printed. Please do not make the Teaching Notes available to students or post them on websites.

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APPENDIX A**Historical Audit Report and Financial Statements, December 31, 1928**

This appendix contains a typed version (a PDF of a scanned copy of the original documents is available from the authors) of the historical documents from the 1928 audit of the City of Avondale Estates, Georgia. The following 1928 documents are included:

1. Auditor's report, January 2, 1928
2. Current Assets and Liabilities, December 31, 1928, Schedule 1
3. Fixed Assets, December 31, 1928, Schedule 2
4. Actual Financial Results, December 31, 1928, Schedule 3
5. Detail of Receipts for the Twelve Months Ended December 31, 1928, Schedule 4
6. Detail of Expenditures for the Twelve Months Ended December 31, 1928, Schedule 5
7. Taxes Receivable—1928, December 31, 1928, Schedule 6
8. Unpaid Warrants, December 31, 1928, Schedule 7

Note: The following are facsimiles of the original document.

CITY OF AVONDALE ESTATES

AUDITOR'S REPORT

DECEMBER 31, 1928

R. P. CHRISTIAN & COMPANY
ACCOUNTANTS

ATLANTA

AUDITS

SYSTEMS

TAX SERVICE

R. P. CHRISTIAN & COMPANY
ACCOUNTANTS

ATLANTA

January 2, 1928

Hon. C. R. Pyburn, Mayor
City of Avondale Estates
Avondale Estates, Georgia

Dear Sir:-

In accordance with instructions, I have made an examination of the books and records of the City of Avondale Estates, from January 1, 1928 to December 31, 1928, and transmit herewith the following statements:

SCHEDULE	I	CURRENT ASSETS AND LIABILITIES
	II	FIXED ASSETS
	III	ACTUAL FINANCIAL RESULTS
	IV	DETAIL OF RECEIPTS FOR TWELVE MONTHS
	V	DETAIL OF EXPENDITURES FOR TWELVE MONTHS
	VI	TAXES RECEIVABLE
	VII	UNPAID WARRANTS

The foregoing statements are made up in form to agree with recommendations of the U.S. Census Bureau, and National Municipal League.

The Receipts and Expenditures Statements are so arranged as to show separately Revenue and Expense. Receipts for maintenance and operation only are shown separately from Receipts from other sources: Expenses of the City are separated from other expenditures such as payment for permanent improvements and equipment.

During the period under review, the excess of revenue over expense of operation, that is the net Profit of the City, was	\$ 828.90
Bank Overdraft	<u>234.88</u>
	<u>\$1,063.78</u>

The above Net Profit for the period is accounted for as follows:

Equipment Paid for	
Police:	\$ 411.58
Street Department	517.20
Office	<u>135.00</u>
	<u>\$1,063.78</u>

The accounting system that has been installed places the City on a banking basis in so far that its condition is shown daily.

The books and accounts of the city have been well kept, which should reflect credit on those in charge.

Respectfully submitted,

CITY OF AVONDALE ESTATES
AVONDALE ESTATES, GEORGIA
CURRENT ASSETS AND LIABILITIES
DECEMBER 31, 1928

SCHEDULE I
CURRENT ASSETS

RECEIVABLE:	
Taxes – 1928	\$ <u>1,722.85</u>

CURRENT LIABILITIES

Bank – Overdraft	\$ 234.88
Notes payable – General Motors Acceptance Corporation	307.42
Excess of Current Assets	<u>1,180.55</u>
	<u>\$ 1,722.85</u>

MEMORANDA

Current Assets - Schedule I.	\$ 1,722.85
Fixed Assets - Schedule II.	<u>304,268.70</u>
	<u>\$ 305,991.55</u>
Current liabilities – Schedule I	\$ 542.30
Surplus	<u>305,449.25</u>
	<u>\$ 305,991.55</u>

CITY OF AVONDALE ESTATES
AVONDALE ESTATES, GEORGIA
FIXED ASSETS
DECEMBER 31, 1928
SCHEDULE II

<u>DEPARTMENT</u>	<u>LANDS</u>	<u>BUILDINGS</u>	<u>EQUIPMENT</u>	<u>TOTAL</u>
Parks and Play Grounds	\$ 41,700.00	\$	\$	\$ 41,700.00
Water Maines			42,786.00	42,786.00
Sewers (Sanitary)			36,855.00	36,855.00
Street Department			517.20	517.20
Paving, Sidewalks, Curb			181,606.50	181,606.50
Police Department			669.00	669.00
Office Furniture			135.00	135.00
	<u>\$ 41,700.00</u>	<u>\$</u>	<u>\$262,568.70</u>	<u>\$ 304,268.70</u>
LANDS			\$ 41,700.00	
EQUIPMENT			<u>262,568.70</u>	
			<u>\$304,268.70</u>	

CITY OF AVONDALE ESTATES
AVONDALE ESTATES, GEORGIA
ACTUAL FINANCIAL RESULTS
DECEMBER 31, 1928
SCHEDULE III

	RECEIPTS	DISBURSEMENTS
Ordinary	\$ 10,019.06	\$ 9,190.16
Extraordinary		1,063.78
	\$ 10,019.06	\$ 10,253.94
Ordinary Receipts		\$ 10,019.06
Ordinary Expenditures		9,190.16
Excess of Ordinary Receipts		\$ 828.90

CASH STATEMENT

Receipts 1-1-1928 to 12-31-1928	\$ 10,019.06
Expenditures 1-1-1928 to 12-31-1928	10,253.94
Overdraft 12-31-1928	\$ 234.88

CITY OF AVONDALE ESTATES
AVONDALE ESTATES, GEORGIA
DETAIL OF RECEIPTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1928
SCHEDULE IV

<u>DEPARTMENTS</u>	<u>ORDINARY</u>	<u>EXTRA- ORDINARY</u>	<u>TOTAL</u>
GENERAL GOVERNMENT:	\$	\$	\$
Property Taxes - Current Year	7,106.36		
Tax Costs and Interest	71.90		
Special Licenses	822.50		8,000.76
PUBLIC SAFETY:			
Police Department:			
Fines and costs	1,318.30		1,318.30
UNCLASSIFIED:			
Donation	700.00		700.00
	<u>\$ 10,019.06</u>	<u>\$</u>	<u>\$ 10,019.06</u>

CITY OF AVONDALE ESTATES
AVONDALE ESTATES, GEORGIA
DETAIL OF EXPENDITURES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1928
SCHEDULE V

<u>DEPARTMENTS</u>	<u>ORDINARY</u>	<u>EXTRA- ORDINARY</u>	<u>TOTAL</u>
	\$	\$	\$
GENERAL GOVERNMENT:			
Salary - Mayor	100.00		
Salary - Commissioners	200.00		
Salary - City Manager	1,500.00		
Salary - Stenographer	546.46		
Legal	155.00		
Supplies, Printing, postage	386.79		
Surety Bond	25.00		
Auditing	40.00		
Fuel, Light and Water	60.96		
Elections	25.50		
Surveying	155.00		
Janitor	30.00		
Phone	125.12		
Refund - Licenses and Taxes	30.00		
Incidentals	23.38		
Equipment - Office Furniture		135.00	3,538.21
PUBLIC SAFETY:			
POLICE:			
Regular Police	1,885.84		
Supplies and Repairs - Auto	254.93		
Maintenance of Prisoners	30.10		
Phone	26.31		
Equipment - Automobile		411.58	2,608.76
PUBLIC LIGHTS:			
Street Lights	628.13		628.13
PUBLIC HEALTH:			
SANITARY:			
Wages	502.75		
Supplies and Repairs	121.20		623.95
PUBLIC SERVICE:			
STREETS AND PARKS:			
Wages	1,456.30		
Material	369.72		
Supplies	182.79		
Water	36.00		
Repairs - Water Maines	87.58		
Equipment - Mowers, Mule and Wagon		517.20	2,649.59

CITY OF AVONDALE ESTATES
AVONDALE ESTATES, GEORGIA
DETAIL OF EXPENDITURES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1928
SCHEDULE V

(continuation)

<u>DEPARTMENTS</u>	<u>ORDINARY</u>	<u>EXTRA- ORDINARY</u>	<u>TOTAL</u>
PUBLIC INTEREST:	\$	\$	\$
Interest on Floating Debt	115.30		115.30
UNCLASSIFIED:			
Automobile Hire	50.00		
Fire Service	40.00		90.00
	<u>\$ 9,190.16</u>	<u>\$ 1,063.78</u>	<u>\$ 10,253.94</u>

CITY OF AVONDALE ESTATES
AVONDALE ESTATES, GEORGIA
TAXES RECEIVABLE – 1928
SCHEDULE VI

<u>RECEIPT NUMBER</u>	<u>AMOUNT</u>	<u>RECEIPT NUMBER</u>	<u>AMOUNT</u>	<u>RECEIPT NUMBER</u>	<u>AMOUNT</u>
1	\$ 11.50	182	\$ 41.50	358	\$ 7.75
2	8.00	186	55.25	363	8.80
5	35.00	189	11.50	364	7.00
6	7.00	191	10.00	365	8.00
13	45.00	194	8.00	372	5.50
27	7.20	195	9.00	373	14.00
28	8.00	199	39.00	374	27.25
31	7.00	206	11.50	380	11.00
34	26.25	208	7.50	381	50.00
35	41.00	211	11.50		<u>\$ 1,722.85</u>
36	43.00	215	22.75		
37	6.00	216	51.50		
48	10.00	230	6.50		
49	11.50	232	24.35		
50	44.50	233	3.25		
62	11.50	239	8.00		
67	7.80	249	10.75		
73	16.75	252	17.00		
74	6.00	253	11.50		
76	10.75	257	9.75		
80	8.00	258	33.50		
82	7.00	264	7.00		
89	7.50	273	7.00		
93	7.00	281	7.00		
94	39.00	288	11.50		
95	35.00	292	7.00		
98	3.50	299	8.20		
102	7.00	303	13.00		
107	51.00	306	11.50		
108	13.50	311	41.00		
122	8.00	312	7.00		
126	7.70	316	7.00		
130	33.00	317	10.00		
134	10.00	318	38.50		
137	45.70	319	8.80		
142	9.75	323	8.50		
143	10.50	333	9.00		
149	48.25	338	10.50		
150	35.00	339	7.00		
159	7.20	342	6.50		
167	44.00	346	7.00		
176	10.00	347	7.00		
177	12.55	349	74.00		
179	7.30	355	6.50		
180	10.75	357	17.50		

CITY OF AVONDALE ESTATES
AVONDALE ESTATES, GEORGIA
UNPAID WARRANTS
DECEMBER 31, 1928
SCHEDULE VII

<u>NUMBER</u>	<u>AMOUNT</u>
247	\$ 30.10
251	10.00
252	55.17
257	50.00
258	18.76
259	3.50
260	2.20
261	.65
262	5.64
263	27.25
264	4.00
265	110.40
266	23.26
267	23.05
268	5.90
269	22.87
270	6.25
271	6.85
272	16.24
273	14.15
274	36.92
275	31.00
276	125.00
	<u>\$ 629.16</u>

APPENDIX B
Supplemental Materials

City of Avondale Estates, Audit Reports, 1928: <http://dx.doi.org/10.2308/iace-50128.s1>.

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