

The following is the Unadjusted Trial Balance for ABC Company as at December 31, 2002:

ACCOUNT #	ACCOUNT NAME	DEBIT	CREDIT
1020	Cash	2,850	
1300	Office Supplies	180	
1400	Prepaid Insurance	1,470	
1600	Office Equipment	3,400	
1601	Acc. Amort. – Office Equip.		2,300
1700	Building	174,500	
1701	Acc. Amort. – Building		28,750
1800	Land	48,000	
2050	Unearned Fees		1,300
2600	Long Term Note Payable		155,750
3100	John Doe, Capital		30,260
3200	John Doe, Withdrawals	12,000	
4100	Fees Earned		51,640
5100	Wages Expense	8,700	
5150	Interest Expense	13,470	
5400	Property Tax Expense	3,100	
5500	Utilities Expense	2,330	
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	Totals	270,000	270,000
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The following are the year-end adjustments:

1. Of the \$1,470 of Prepaid Insurance, \$1,100 had expired.
2. Office Supplies on hand at December 31 was \$60.
3. Amortization on the Office Equipment was \$680.
4. Amortization on the Building was \$7,200.
5. Of the \$1,300 of Unearned Fees, \$840 had been earned.
6. A customer was in arrears by \$90.
7. The employee was owed 3 days at \$40 per day.
8. Property taxes of \$780 had accrued.
9. Interest on the Note Payable of \$1,120 had accrued.

Required:

1. Write up the adjusting entries
2. Post the adjustments to the General Ledger cards
3. Create a Trial Balance and Financial Statements. (There were no new Owner Investments during the year)

GENERAL LEDGER**Account Name: CASH****Account Number: 1020**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				2,850

Account Name: ACCOUNTS RECEIVABLE**Account Number: 1200**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

Account Name: OFFICE SUPPLIES**Account Number: 1300**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				180

Account Name: PREPAID INSURANCE**Account Number: 1400**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				1,470

Account Name: OFFICE EQUIPMENT**Account Number: 1600**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				3,400

Account Name: ACC. AMORT. – OFFICE EQUIP.**Account Number: 1601**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				2,300

Account Name: BUILDING**Account Number: 1700**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				174,500

Account Name: ACC. AMORT. – BUILDING**Account Number: 1701**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				28,750

Account Name: LAND**Account Number: 1800**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				48,000

Account Name: INTEREST PAYABLE**Account Number: 2010**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

Account Name: WAGES PAYABLE**Account Number: 2020**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

Account Name: PROPERTY TAX PAYABLE**Account Number: 2030**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

Account Name: UNEARNED FEES**Account Number: 2050**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				1,300

Account Name: LONG TERM NOTE PAYABLE**Account Number: 2600**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				155,750

Account Name: JOHN DOE, CAPITAL**Account Number: 3100**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				30,260

Account Name: JOHN DOE, WITHDRAWALS**Account Number: 3200**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				12,000

Account Name: FEES EARNED**Account Number: 4100**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				51,640

Account Name: AMORTIZATION – OFF. EQUIP.**Account Number: 5010**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

Account Name: AMORTIZATION – BUILDING**Account Number: 5020**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

Account Name: WAGES EXPENSE**Account Number: 5100**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				8,700

Account Name: INTEREST EXPENSE**Account Number: 5150**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				13,470

Account Name: INSURANCE EXPENSE**Account Number: 5200**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

Account Name: OFFICE SUPPLIES EXPENSE**Account Number: 5300**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

Account Name: PROPERTY TAX EXPENSE**Account Number: 5400**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				3,100

Account Name: UTILITIES EXPENSE**Account Number: 5500**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				2,330

ADJUSTED TRIAL BALANCE

[illegible]

INCOME STATEMENT

Revenue:		
Fees Earned		
Expenses:		
Amortization– Office Equipment		
Amortization– Building		
Wages		
Interest		
Insurance		
Office Supplies		
Property Tax		
Utilities		

Total Expenses		

Net Income (Loss)		
		=====

STATEMENT OF CHANGE IN OWNER'S EQUITY

John Doe, Capital January 1		
Plus: Investments by Owner		
Net Income		
	-----	-----
Less: Withdrawals by Owner		
Net Loss		
	-----	-----
John Doe, Capital December 31		
		=====

BALANCE SHEET

ASSETS:		
Cash		
Accounts Receivable		
Office Supplies		
Prepaid Insurance		
Office Equipment		
Less: Accumulated Amortization		

Building		
Less: Accumulated Amortization		

Land		

TOTAL ASSETS		
		=====
LIABILITIES:		
Interest Payable		
Wages Payable		
Property Tax Payable		
Unearned Fees		
Long Term Note Payable		

TOTAL LIABILITIES		
EQUITY:		
John Doe, Capital		

TOTAL LIABILITIES AND EQUITY		
		=====

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DATE	ACCOUNT	TYPE	PR	DEBIT	CREDIT
Dec 31	Insurance Expense	EX	5150	1,100	
	Prepaid Insurance	A	1400		1,100
	Record expired insurance				
Dec 31	Office Supplies Expense	EX	5300	120	
	Office Supplies	A	1300		120
	Adjust supplies to actual				
Dec 31	Amortization – Office Equipment	EX	5010	680	
	Acc. Amort. – Office Equipment	A	1601		680
	Record amortization expense				
Dec 31	Amortization – Building	EX	5020	7,200	
	Acc. Amort. – Building	A	1701		7,200
	Record amortization expense				
Dec 31	Unearned Fees	L	2050	840	
	Fees Earned	R	4100		840
	Record fees earned				
Dec 31	Accounts Receivable	A	1200	90	
	Fees Earned	R	4100		90
	Record fees earned				
Dec 31	Wages Expense	EX	5100	120	
	Wages Payable	L	2020		120
	Record wages owed employee				
Dec 31	Property Tax Expense	EX	5400	780	
	Property Tax Payable	L	2030		780
	Record property tax owed				
Dec 31	Interest Expense	EX	5150	1,120	
	Interest Payable	L	2010		1,120
	Record interest owed				

GENERAL LEDGER**Account Name: CASH****Account Number: 1020**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				2,850

Account Name: ACCOUNTS RECEIVABLE**Account Number: 1200**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G1	90		90

Account Name: OFFICE SUPPLIES**Account Number: 1300**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				180
Dec 31		G1		120	60

Account Name: PREPAID INSURANCE**Account Number: 1400**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				1,470
Dec 31		G1		1,100	370

Account Name: OFFICE EQUIPMENT**Account Number: 1600**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				3,400

Account Name: ACC. AMORT. – OFFICE EQUIP.**Account Number: 1601**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				2,300
Dec 31		G1		680	2,980

Account Name: BUILDING**Account Number: 1700**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				174,500

Account Name: ACC. AMORT. – BUILDING**Account Number: 1701**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				28,750
Dec 31		G1		7,200	35,950

Account Name: LAND**Account Number: 1800**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				48,000

Account Name: INTEREST PAYABLE**Account Number: 2010**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G1		1,120	1,120

Account Name: WAGES PAYABLE**Account Number: 2020**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G1		120	120

Account Name: PROPERTY TAX PAYABLE**Account Number: 2030**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G1		780	780

Account Name: UNEARNED FEES**Account Number: 2050**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				1,300
Dec 31		G1	840		460

Account Name: LONG TERM NOTE PAYABLE**Account Number: 2600**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				155,750

Account Name: JOHN DOE, CAPITAL**Account Number: 3100**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				30,260

Account Name: JOHN DOE, WITHDRAWALS**Account Number: 3200**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				12,000

Account Name: FEES EARNED**Account Number: 4100**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				51,640
Dec 31		G1		840	52,480
Dec 31		G1		90	52,570

Account Name: AMORTIZATION – OFF. EQUIP.**Account Number: 5010**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G1	680		680

Account Name: AMORTIZATION – BUILDING**Account Number: 5020**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G1	7,200		7,200

Account Name: WAGES EXPENSE**Account Number: 5100**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				8,700
Dec 31		G1	120		8,820

Account Name: INTEREST EXPENSE**Account Number: 5150**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				13,470
Dec 31		G1	1,120		14,590

Account Name: INSURANCE EXPENSE**Account Number: 5200**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G1	1,100		1,100

Account Name: OFFICE SUPPLIES EXPENSE**Account Number: 5300**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G1	120		120

Account Name: PROPERTY TAX EXPENSE**Account Number: 5400**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				3,100
Dec 31		G1	780		3,880

Account Name: UTILITIES EXPENSE**Account Number: 5500**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				2,330

ABC COMPANY
ADJUSTED TRIAL BALANCE
DECEMBER 31, 2002

ACCOUNT #	ACCOUNT NAME	DEBIT	CREDIT
1020	Cash	2,850	
1200	Accounts Receivable	90	
1300	Office Supplies	60	
1400	Prepaid Insurance	370	
1600	Office Equipment	3,400	
1601	Acc. Amort. – Office Equip.		2,980
1700	Building	174,500	
1701	Acc. Amort. – Building		35,950
1800	Land	48,000	
2010	Interest Payable		1,120
2020	Wages Payable		120
2030	Property Tax Payable		780
2050	Unearned Fees		460
2600	Long Term Note Payable		155,750
3100	John Doe, Capital		30,260
3200	John Doe, Withdrawals	12,000	
4100	Fees Earned		52,570
5010	Amortization – Office Equip.	680	
5020	Amortization – Building	7,200	
5100	Wages Expense	8,820	
5150	Interest Expense	14,590	
5200	Insurance Expense	1,100	
5300	Office Supplies Expense	120	
5400	Property Tax Expense	3,880	
5500	Utilities Expense	2,330	
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	Totals	279,990	279,990
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ABC COMPANY
INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2002

Revenue:		
Fees Earned		\$ 52,570
Expenses:		
Amortization– Office Equipment	\$ 680	
Amortization– Building	7,200	
Wages	8,820	
Interest	14,590	
Insurance	1,100	
Office Supplies	120	
Property Tax	3,880	
Utilities	2,330	

Total Expenses		38,720

Net Income		\$ 13,850
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ABC COMPANY
STATEMENT OF CHANGE IN OWNER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2002

John Doe, Capital January 1		\$ 30,260
Plus: Investments by Owner	\$ 0	
Net Income	13,850	13,850
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		\$ 44,110
Less: Withdrawals by Owner	\$ 12,000	
Net Loss	0	12,000
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John Doe, Capital December 31		\$ 32,110
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ABC COMPANY

BALANCE SHEET

DECEMBER 31, 2002

ASSETS:		
Cash		\$ 2,850
Accounts Receivable		90
Office Supplies		60
Prepaid Insurance		370
Office Equipment	\$ 3,400	
Less: Accumulated Amortization	2,980	420

Building	\$ 174,500	
Less: Accumulated Amortization	35,950	138,550

Land		48,000

TOTAL ASSETS		\$ 190,340
		=====
LIABILITIES:		
Interest Payable		\$ 1,120
Wages Payable		120
Property Tax Payable		780
Unearned Fees		460
Long Term Note Payable		155,750

TOTAL LIABILITIES		\$ 158,230
EQUITY:		
John Doe, Capital		32,110

TOTAL LIABILITIES AND EQUITY		\$ 190,340
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