

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

ACCOUNT #	ACCOUNT NAME	DEBIT	CREDIT
1020	Cash	3,360	
1200	Accounts Receivable	815	
1300	Office Supplies	480	
1400	Prepaid Insurance	5,370	
1600	Office Equipment	5,475	
1601	Acc. Amort. – Office Equip.		2,520
1650	Vehicles	66,300	
1651	Acc. Amort. – Vehicles		17,300
1700	Building	207,000	
1701	Acc. Amort. – Building		42,900
1800	Land	71,250	
2050	Unearned Fees		2,595
2600	Long Term Note Payable		180,000
3100	John Doe, Capital		81,170
3200	John Doe, Withdrawals	36,000	
4100	Fees Earned		146,830
5100	Wages Expense	57,045	
5150	Interest Expense	16,200	
5400	Property Tax Expense	4,020	
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	Totals	473,315	473,315
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The following are the year-end adjustments:

1. Of the \$5,370 of Prepaid Insurance, \$4,225 had expired.
2. Office Supplies on hand at December 31 was \$165.
3. Amortization on the Office Equipment was \$775
4. Amortization on the Vehicles was \$8,000.
5. Amortization on the Building was \$9,300
6. Of the \$2,595 of Unearned Fees, \$1,985 had been earned.
7. A customer was in arrears by \$515.
8. The employees were owed \$200
9. Interest on the Note Payable of \$1,135 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 was a \$30,000 new Owner Investments during the year)

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				3,360

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				815

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				480

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				5,370

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				5,475

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				2,520

**Account Name: VEHICLES****Account Number: 1650**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				66,300

**Account Name: ACC. AMORT. – VEHICLES****Account Number: 1651**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				17,300

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				207,000

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				42,900

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				71,250

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				2,595

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				180,000

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				81,170

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				36,000

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				146,830

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

**Account Name: AMORTIZATION – VEHICLES****Account Number: 5015**

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				57,045

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				16,200

**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				4,020

## ADJUSTED TRIAL BALANCE

[illegible]

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### INCOME STATEMENT

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Revenue:		
Fees Earned		
Expenses:		
Amortization– Office Equipment		
Amortization– Vehicles		
Amortization– Building		
Wages		
Interest		
Insurance		
Office Supplies		
Property Tax		
	-----	
Total Expenses		
		-----
Net Income		
		=====

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### STATEMENT OF CHANGE IN OWNER'S EQUITY

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

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**BALANCE SHEET**

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ASSETS:		
Cash		
Accounts Receivable		
Office Supplies		
Prepaid Insurance		
Office Equipment		
Less: Accumulated Amortization		
	-----	
Vehicles		
Less: Accumulated Amortization		
	-----	
Building		
Less: Accumulated Amortization		
	-----	
Land		
		-----
TOTAL ASSETS		
		=====
LIABILITIES:		
Interest Payable		
Wages 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	5200	4,225	
	Prepaid Insurance	A	1400		4,225
	Record expired insurance				
Dec 31	Office Supplies Expense	EX	5300	315	
	Office Supplies	A	1300		315
	Adjust supplies to actual				
Dec 31	Amortization – Office Equipment	EX	5010	775	
	Acc. Amort. – Office Equipment	A	1601		775
	Record amortization expense				
Dec 31	Amortization – Vehicles	EX	5015	8,000	
	Acc. Amort. – Vehicles	A	1651		8,000
	Record amortization expense				
Dec 31	Amortization – Building	EX	5020	9,300	
	Acc. Amort. – Building	A	1701		9,300
	Record amortization expense				
Dec 31	Unearned Fees	L	2050	1,985	
	Fees Earned	R	4100		1,985
	Record fees earned				
Dec 31	Accounts Receivable	A	1200	515	
	Fees Earned	R	4100		515
	Record fees earned				
Dec 31	Wages Expense	EX	5100	200	
	Wages Payable	L	2020		200
	Record wages owed employee				
Dec 31	Interest Expense	EX	5150	1,135	
	Interest Payable	L	2010		1,135
	Record interest owed				

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					3,360

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					815
Dec 31		G1	515		1,330

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					480
Dec 31		G1		315	165

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					5,370
Dec 31		G1		4,225	1,145

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					5,475

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					2,520
Dec 31		G1		775	3,295

**Account Name: VEHICLES****Account Number: 1650**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					66,300

**Account Name: ACC. AMORT. – VEHICLES****Account Number: 1651**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					17,300
Dec 31		G1		8,000	25,300

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					207,000

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					42,900
Dec 31		G1		9,300	52,200

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					71,250

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G1		1,135	1,135

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G1		200	200

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					2,595
Dec 31		G1	1,985		610

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					180,000

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					81,170

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					36,000

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					146,830
Dec 31		G1		1,985	148,815
Dec 31		G1		515	149,330

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G1	775		775

**Account Name: AMORTIZATION – VEHICLES****Account Number: 5015**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G1	8,000		8,000

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G1	9,300		9,300

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					57,045
Dec 31		G1	200		57,245

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31					16,200
Dec 31		G1	1,135		17,335

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G1	4,225		4,225

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G1	315		315

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

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31	Balance				4,020

## ABC Company

## Adjusted Trial Balance

December 31, 2002

ACCOUNT #	ACCOUNT NAME	DEBIT	CREDIT
1020	Cash	3,360	
1200	Accounts Receivable	1,330	
1300	Office Supplies	165	
1400	Prepaid Insurance	1,145	
1600	Office Equipment	5,475	
1601	Acc. Amort. – Office Equip		3,295
1650	Vehicles	66,300	
1651	Acc. Amort. – Vehicles		25,300
1700	Building	207,000	
1701	Acc. Amort. – Building		52,200
1800	Land	71,250	
2010	Interest Payable		1,135
2020	Wages Payable		200
2050	Unearned Fees		610
2600	Long Term Note Payable		180,000
3100	John Doe, Capital		81,170
3200	John Doe, Withdrawals	36,000	
4100	Fees Earned		149,330
5010	Amort. – Office Equip	775	
5015	Amort. – Vehicles	8,000	
5020	Amort. – Building	9,300	
5100	Wages Expense	57,245	
5150	Interest Expense	17,335	
5200	Insurance Expense	4,225	
5300	Office Supplies Expense	315	
5400	Property Tax Expense	4,020	
		-----	-----
		493,240	493,240
		=====	=====

**ABC COMPANY**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

Revenue:		
Fees Earned		\$ 149,330
Expenses:		
Amortization– Office Equipment	\$ 775	
Amortization– Vehicles	8,000	
Amortization– Building	9,300	
Wages	57,245	
Interest	17,335	
Insurance	4,225	
Office Supplies	315	
Property Tax	4,020	
	-----	
Total Expenses		101,215
		-----
Net Income		\$ 48,115
		=====

**ABC COMPANY**  
**STATEMENT OF CHANGE IN OWNER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

John Doe, Capital January 1		\$ 51,170
Plus: Investments by Owner	\$ 30,000	
Net Income	48,115	78,115
	-----	-----
		\$ 129,285
Less: Withdrawals by Owner		36,000
		-----
John Doe, Capital December 31		\$ 93,285
		=====

## ABC COMPANY

## BALANCE SHEET

DECEMBER 31, 2002

ASSETS:		
Cash		\$ 3,360
Accounts Receivable		1,330
Office Supplies		165
Prepaid Insurance		1,145
Office Equipment	\$ 5,475	
Less: Accumulated Amortization	3,295	2,180
	-----	
Vehicles	\$ 66,300	
Less: Accumulated Amortization	25,300	41,000
	-----	
Building	\$ 207,000	
Less: Accumulated Amortization	52,200	154,800
	-----	
Land		71,250
		-----
TOTAL ASSETS		\$ 275,230
		=====
LIABILITIES:		
Interest Payable		\$ 1,135
Wages Payable		200
Unearned Fees		610
Long Term Note Payable		180,000
		-----
TOTAL LIABILITIES		\$ 181,945
EQUITY:		
John Doe, Capital		93,285
		-----
TOTAL LIABILITIES AND EQUITY		\$ 275,230
		=====