

# **Double Entry Accounting Workbook**

# Double Entry Accounting Workbook

## A Brief Review...

### How Financial Statements are Prepared

The financial statements are composed primarily of the balance sheet and income statement. A Balance Sheet displays a snapshot of all assets, liabilities, and shareholders' equity as of a certain point in time, which is often the end of a calendar year.

An Income Statement displays all revenues and expenses over the course of an extended period of time, which is often from the beginning to the end of a calendar year.

### Types of Accounts

Debits are represented by "DR" and credits are represented by "CR".

Asset accounts represent money or any other items that the company owns or something which will provide the company with a future benefit. When assets are increased, they are debited. When assets are decreased, they are credited.

Liability accounts represent money or any other amounts that the company does not own. When liabilities are increased, they are credited. When liabilities are decreased, they are debited.

Revenue accounts represent amounts that the company has earned from their regular operations. When revenues are increased, they are credited. When revenues are decreased, they are debited.

Expense accounts represent amounts that the company has spent in the course of their regular operations. When expenses are increased, they are debited. When expenses are decreased, they are credited.

Contra accounts represent a reduction to an account that is tracked separately. Examples of contra accounts are sales returns, allowance for doubtful accounts, and accumulated depreciation on the property plant & equipment accounts. Debits and credits to contra accounts are posted in a reverse manner, in comparison to the account to which they apply.

For each transaction, the General Journal and General Ledger are updated. After both are completed for the full year, the total net balances from each account in the general ledger are summarized in a trial balance.

Journal Entries are posted to the General Journal as follows:

Transaction #1

Date

Description

DR Account \$XXX.XX

CR Account \$XXX.XX

Journal Entries are posted to the General Ledger as follows:

Asset Account "A"

DR Transaction Date \$XXX.XX

DR Transaction Date \$XXX.XX

DR Transaction Date \$XXX.XX

CR Transaction Date \$XXX.XX

Liability Account "B"

CR Transaction Date \$XXX.XX

CR Transaction Date \$XXX.XX

Equity Account "C"

CR Transaction Date \$XXX.XX

CR Transaction Date \$XXX.XX

Revenue Account "D"

CR Transaction Date \$XXX.XX

CR Transaction Date \$XXX.XX

Expense Account "E"

DR Transaction Date \$XXX.XX

DR Transaction Date \$XXX.XX

At the end of the calendar year, each of the account totals is placed into the trial balance, which summarizes the transactions before they are summarized further in the financial statements.

This can be displayed by showing each account's debit or credit position, or alternatively, a positive amount signifies a debit balance, whereas a negative amount, shown in brackets, signifies a credit amount.

This trial balance is then summarized further by grouping the information into the balance sheet, income statement, statement of retained earnings, and cashflow statement.

This document includes transactions which affect the following accounts:

Cash  
Accounts Receivable  
Allowance for Doubtful Accounts  
Inventory  
Equipment  
Accumulated Depreciation: Eqmt  
Building  
Accumulated Depreciation: Bldg  
Prepaid Expense  
Accounts Payable  
Business Loan  
Unearned Revenue  
Retained Earnings  
Owner's Equity  
Service Revenue  
Sales Revenue  
Sales Returns  
Cost of Goods Sold  
Salaries Expense  
Rent Expense  
Bad Debt Expense  
Depreciation Expense  
Insurance Expense  
Interest Expense

The following is a guide for how the various transactions in this book are posted.

Sell services:

DR Accounts Receivable  
CR Service Revenue

Buy inventory:

DR Inventory  
CR Accounts Payable

Sell inventory:

DR Accounts Receivable  
CR Sales Revenue  
DR Cost of Goods Sold  
CR Inventory

Sales are returned:

DR Sales Returns  
CR Accounts Receivable  
DR Inventory  
CR Cost of Goods Sold

Pay rent:

DR Rent Expense  
CR Accounts Payable

Pay employees:

DR Salaries Expense  
CR Accounts Payable

Cash is received from accounts receivable for sales:

DR Cash  
CR Accounts Receivable

Cash is paid to settle amounts owing in accounts payable for purchases:

DR Accounts Payable  
CR Cash

When it is estimated that an amount might not be collectible:

DR Bad Debt Expense  
CR Allowance for Doubtful Accounts

When it is confirmed that an amount will not be collectible:

DR Allowance for Doubtful Accounts  
CR Accounts Receivable

Buy equipment that will be used by the business for more than one year:

DR Equipment  
CR Accounts Payable

Depreciate equipment for the portion of the useful life that has passed:

DR Depreciation  
CR Accumulated Depreciation: Eqmt

Buy a building:

DR Building  
CR Cash

Depreciate building for the portion of the useful life that has passed:

DR Depreciation  
CR Accumulated Depreciation: Bldg

Receive a loan that is to be repaid over the course of more than one year:

DR Cash  
CR Loan

Payment is made to repay a long-term loan (interest portion):

DR Interest Expense  
CR Accounts Payable

Payment is made to repay a long-term loan (principal portion):

DR Loan  
CR Cash

Pay upfront for expenses that will be incurred in the future:

DR Prepaid Expense  
CR Accounts Payable

\* NOTE: Prepaid Expense is an asset account because it represents a future benefit whereby the company will receive goods/services in the future.

Amortize a prepaid expense as it is incurred:

DR Expense  
CR Prepaid Expense

Receive upfront payment goods/services that will be provided in the future:

DR Cash  
CR Unearned Revenue

Provide the goods/services that had been paid for upfront beforehand:

DR Unearned Revenue\*  
CR Revenue

\* NOTE: Unearned Revenue is a liability account because it represents an obligation to provide goods/services in the future.

Owner invests cash into the business:

DR Cash  
CR Owner's Equity

Pay a dividend to a shareholder:

DR Retained Earnings  
CR Cash

Closing entry for the year which posts all revenues and expenses to retained earnings:

DR Every Revenue Account  
CR Every Expense Account  
CR Retained Earnings

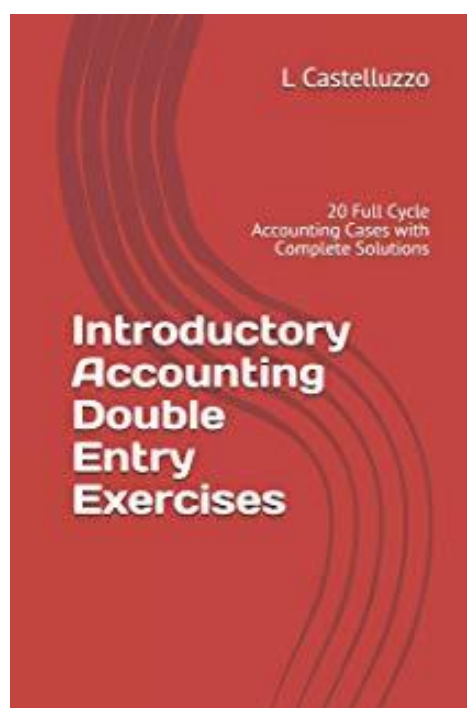
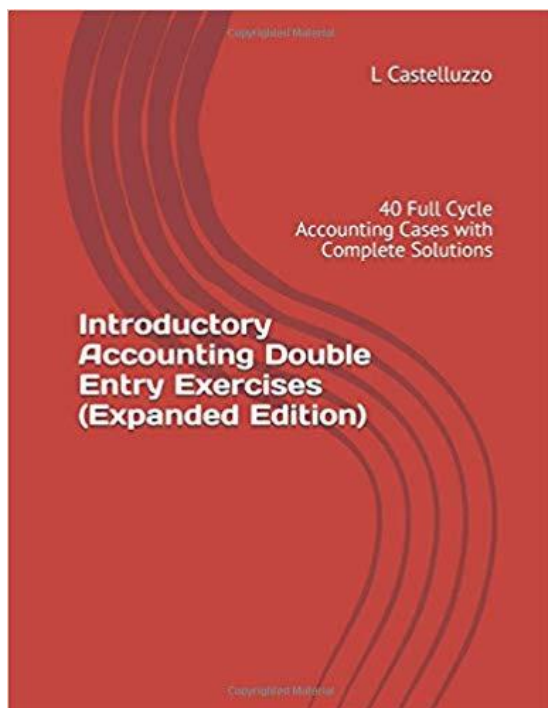
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**Case #1**

<b>Date</b>	<b>Amount</b>	<b>Transaction</b>
01/01	0.00	Started new business. All Accounts are nil.
01/05	2,499,012.00	Bought inventory
01/08	7,497,036.00	Sold services
01/10	2,998,814.40	Sold all inventory
01/24	59,976.29	2% of Sales were returned
02/01	624,753.00	Paid Rent for the current month
02/05	2,998,814.40	Bought inventory
02/08	7,497,036.00	Sold services
02/10	4,198,340.16	Sold all inventory
02/15	1,499,407.20	Paid employees
02/24	83,966.80	2% of Sales were returned
02/27	1,102,364.17	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
02/30	1,499,407.20	Paid employees
03/01	624,753.00	Paid Rent for the current month
03/05	3,748,518.00	Bought inventory
03/08	7,497,036.00	Sold services
03/10	5,247,925.20	Sold all inventory
03/15	1,499,407.20	Paid employees
03/24	104,958.50	2% of Sales were returned
03/26	14,994,072.00	Settle all accounts payable
03/27	1,734,364.31	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
03/28	32,952,921.86	Received cash from 95% of accts receivable
03/29	2,836,728.48	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
03/30	1,499,407.20	Paid employees
04/01	624,753.00	Paid Rent for the current month
04/05	4,498,221.60	Bought inventory
04/06	14,994,072.00	Bought equipment 5yr life
04/08	7,497,036.00	Sold services
04/10	6,297,510.24	Sold all inventory
04/15	1,499,407.20	Paid employees
04/24	125,950.20	2% of Sales were returned
04/26	23,115,861.00	Settle all accounts payable
04/27	628,311.59	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
04/28	11,937,920.28	Received cash from 95% of accts receivable
04/29	628,311.59	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
04/30	1,499,407.20	Paid employees
05/01	624,753.00	Paid Rent for the current month
05/05	5,247,925.20	Bought inventory
05/06	249,901.20	Depreciate equipment for 1 month
05/08	7,497,036.00	Sold services
05/10	7,347,095.28	Sold all inventory
05/15	1,499,407.20	Paid employees
05/24	146,941.91	2% of Sales were returned
05/26	8,871,492.60	Settle all accounts payable
05/27	734,859.47	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
05/28	13,962,329.90	Received cash from 95% of accts receivable
05/29	734,859.47	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
05/30	1,499,407.20	Paid employees
06/01	624,753.00	Paid Rent for the current month
06/03	187,425,900.00	Received a business loan for building payable monthly 5yr term @5%

06/04	187,425,900.00	Bought building 20yr life
06/05	5,997,628.80	Bought inventory
06/06	249,901.20	Depreciate equipment for 1 month
06/08	7,497,036.00	Sold services
06/10	8,396,680.32	Sold all inventory
06/15	1,499,407.20	Paid employees
06/24	167,933.61	2% of Sales were returned
06/26	9,621,196.20	Settle all accounts payable
06/27	786,289.14	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
06/28	14,939,493.57	Received cash from 95% of accts receivable
06/29	786,289.14	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
06/30	1,499,407.20	Paid employees
07/01	37,485,180.00	Owner invested cash into the business
07/02	780,941.25	Paid 1 month of interest per Loan Amortization Schedule
07/03	2,756,016.70	Paid principal portion based on Loan Amortization Schedule
07/04	780,941.25	Depreciate building for 1 month
07/05	6,747,332.40	Bought inventory
07/06	249,901.20	Depreciate equipment for 1 month
07/08	7,497,036.00	Sold services
07/10	9,446,265.36	Sold all inventory
07/15	1,499,407.20	Paid employees
07/24	188,925.31	2% of Sales were returned
07/26	9,746,146.80	Settle all accounts payable
07/27	837,718.80	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
07/28	15,916,657.25	Received cash from 95% of accts receivable
07/29	837,718.80	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
07/30	1,499,407.20	Paid employees
08/02	769,457.85	Paid 1 month of interest per Loan Amortization Schedule
08/03	2,767,500.10	Paid principal portion based on Loan Amortization Schedule
08/04	780,941.25	Depreciate building for 1 month
08/05	7,497,036.00	Bought inventory
08/06	249,901.20	Depreciate equipment for 1 month
08/08	7,497,036.00	Sold services
08/10	10,495,850.40	Sold all inventory
08/11	8,996,443.20	Prepaid for 12 months of insurance
08/15	1,499,407.20	Paid employees
08/24	209,917.01	2% of Sales were returned
08/26	19,492,293.60	Settle all accounts payable
08/27	889,148.47	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
08/28	16,893,820.92	Received cash from 95% of accts receivable
08/29	889,148.47	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
08/30	1,499,407.20	Paid employees
09/02	757,926.60	Paid 1 month of interest per Loan Amortization Schedule
09/03	2,779,031.35	Paid principal portion based on Loan Amortization Schedule
09/04	780,941.25	Depreciate building for 1 month
09/05	8,246,739.60	Bought inventory
09/06	249,901.20	Depreciate equipment for 1 month
09/08	7,497,036.00	Sold services
09/10	11,545,435.44	Sold all inventory
09/11	749,703.60	Amortize prepaid insurance for 1 month
09/15	1,499,407.20	Paid employees
09/24	230,908.71	2% of Sales were returned
09/26	11,245,554.00	Settle all accounts payable
09/27	940,578.14	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
09/28	17,870,984.59	Received cash from 95% of accts receivable

09/29	940,578.14	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
09/30	1,499,407.20	Paid employees
10/02	746,347.30	Paid 1 month of interest per Loan Amortization Schedule
10/03	2,790,610.65	Paid principal portion based on Loan Amortization Schedule
10/04	780,941.25	Depreciate building for 1 month
10/05	8,996,443.20	Bought inventory
10/06	249,901.20	Depreciate equipment for 1 month
10/08	7,497,036.00	Sold services
10/10	12,595,020.48	Sold all inventory
10/11	749,703.60	Amortize prepaid insurance for 1 month
10/13	29,988,144.00	Received upfront payment for a large project to be fulfilled next month
10/15	1,499,407.20	Paid employees
10/24	251,900.41	2% of Sales were returned
10/26	11,995,257.60	Settle all accounts payable
10/27	992,007.80	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
10/28	18,848,148.27	Received cash from 95% of accts receivable
10/29	992,007.80	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
10/30	1,499,407.20	Paid employees
11/02	734,719.75	Paid 1 month of interest per Loan Amortization Schedule
11/03	2,802,238.19	Paid principal portion based on Loan Amortization Schedule
11/04	780,941.25	Depreciate building for 1 month
11/05	9,746,146.80	Bought inventory
11/06	249,901.20	Depreciate equipment for 1 month
11/08	7,497,036.00	Sold services
11/10	13,644,605.52	Sold all inventory
11/11	749,703.60	Amortize prepaid insurance for 1 month
11/13	29,988,144.00	Provide the services for the large sale that was paid up front last month
11/15	1,499,407.20	Paid employees
11/20	7,497,036.00	Paid a dividend to the owner
11/24	272,892.11	2% of Sales were returned
11/26	12,744,961.20	Settle all accounts payable
11/27	1,043,437.47	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
11/28	19,825,311.94	Received cash from 95% of accts receivable
11/29	1,043,437.47	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
11/30	1,499,407.20	Paid employees
12/02	723,043.76	Paid 1 month of interest per Loan Amortization Schedule
12/03	2,813,914.19	Paid principal portion based on Loan Amortization Schedule
12/04	780,941.25	Depreciate building for 1 month
12/05	10,495,850.40	Bought inventory
12/06	249,901.20	Depreciate equipment for 1 month
12/08	7,497,036.00	Sold services
12/10	14,694,190.56	Sold all inventory
12/11	749,703.60	Amortize prepaid insurance for 1 month
12/15	1,499,407.20	Paid employees
12/24	293,883.81	2% of Sales were returned
12/26	13,494,664.80	Settle all accounts payable
12/27	1,094,867.14	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
12/28	20,802,475.61	Received cash from 95% of accts receivable
12/29	1,094,867.14	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
12/30	1,499,407.20	Paid employees
12/31	88,693,503.94	Closing entry to post all revenues and expenses to retained earnings

### Loan Amortization Schedule

60months		5%		
Month	Payment	Interest	Principal	Balance
1	3,536,957.95	780,941.25	2,756,016.70	187,425,900.00
2	3,536,957.95	769,457.85	2,767,500.10	184,669,883.30
3	3,536,957.95	757,926.60	2,779,031.35	181,902,383.20
4	3,536,957.95	746,347.30	2,790,610.65	179,123,351.84
5	3,536,957.95	734,719.75	2,802,238.19	176,332,741.19
6	3,536,957.95	723,043.76	2,813,914.19	173,530,503.00
7	3,536,957.95	711,319.12	2,825,638.83	170,716,588.81
8	3,536,957.95	699,545.62	2,837,412.32	167,890,949.98
9	3,536,957.95	687,723.07	2,849,234.88	165,053,537.66
10	3,536,957.95	675,851.26	2,861,106.69	162,204,302.78
11	3,536,957.95	663,929.98	2,873,027.97	159,343,196.09
12	3,536,957.95	651,959.03	2,884,998.92	156,470,168.13
13	3,536,957.95	639,938.21	2,897,019.74	153,585,169.21
14	3,536,957.95	627,867.29	2,909,090.66	150,688,149.47
15	3,536,957.95	615,746.08	2,921,211.87	147,779,058.81
16	3,536,957.95	603,574.36	2,933,383.59	144,857,846.93
17	3,536,957.95	591,351.93	2,945,606.02	141,924,463.35
18	3,536,957.95	579,078.57	2,957,879.38	138,978,857.33
19	3,536,957.95	566,754.07	2,970,203.88	136,020,977.95
20	3,536,957.95	554,378.23	2,982,579.72	133,050,774.07
21	3,536,957.95	541,950.81	2,995,007.14	130,068,194.35
22	3,536,957.95	529,471.61	3,007,486.34	127,073,187.21
23	3,536,957.95	516,940.42	3,020,017.53	124,065,700.87
24	3,536,957.95	504,357.01	3,032,600.94	121,045,683.34
25	3,536,957.95	491,721.18	3,045,236.77	118,013,082.41
26	3,536,957.95	479,032.69	3,057,925.26	114,967,845.63
27	3,536,957.95	466,291.33	3,070,666.61	111,909,920.37
28	3,536,957.95	453,496.89	3,083,461.06	108,839,253.76
29	3,536,957.95	440,649.14	3,096,308.81	105,755,792.70
30	3,536,957.95	427,747.85	3,109,210.10	102,659,483.89
31	3,536,957.95	414,792.81	3,122,165.14	99,550,273.79
32	3,536,957.95	401,783.79	3,135,174.16	96,428,108.64
33	3,536,957.95	388,720.56	3,148,237.39	93,292,934.48
34	3,536,957.95	375,602.90	3,161,355.05	90,144,697.09
35	3,536,957.95	362,430.59	3,174,527.36	86,983,342.05
36	3,536,957.95	349,203.39	3,187,754.56	83,808,814.69
37	3,536,957.95	335,921.08	3,201,036.87	80,621,060.13
38	3,536,957.95	322,583.43	3,214,374.52	77,420,023.27
39	3,536,957.95	309,190.20	3,227,767.75	74,205,648.75
40	3,536,957.95	295,741.17	3,241,216.78	70,977,881.00
41	3,536,957.95	282,236.10	3,254,721.85	67,736,664.22
42	3,536,957.95	268,674.76	3,268,283.19	64,481,942.37
43	3,536,957.95	255,056.91	3,281,901.04	61,213,659.18
44	3,536,957.95	241,382.33	3,295,575.62	57,931,758.15
45	3,536,957.95	227,650.76	3,309,307.19	54,636,182.52
46	3,536,957.95	213,861.98	3,323,095.97	51,326,875.33
47	3,536,957.95	200,015.75	3,336,942.20	48,003,779.36
48	3,536,957.95	186,111.82	3,350,846.13	44,666,837.16
49	3,536,957.95	172,149.96	3,364,807.99	41,315,991.03
50	3,536,957.95	158,129.93	3,378,828.02	37,951,183.04
51	3,536,957.95	144,051.48	3,392,906.47	34,572,355.02
52	3,536,957.95	129,914.37	3,407,043.58	31,179,448.55
53	3,536,957.95	115,718.35	3,421,239.60	27,772,404.97
54	3,536,957.95	101,463.19	3,435,494.76	24,351,165.38
55	3,536,957.95	87,148.63	3,449,809.32	20,915,670.62
56	3,536,957.95	72,774.42	3,464,183.53	17,465,861.29
57	3,536,957.95	58,340.32	3,478,617.63	14,001,677.77
58	3,536,957.95	43,846.08	3,493,111.87	10,523,060.14
59	3,536,957.95	29,291.45	3,507,666.50	7,029,948.27
60	3,536,957.95	14,676.17	3,522,281.78	3,522,281.78
				0.00

**SOLUTION:****General Journal Entries:**

Date: 01/05

DR Inventory \$2499012  
CR Accounts Payable \$2499012

Date: 01/08

DR Accounts Receivable \$7497036  
CR Service Revenue \$7497036

Date: 01/10

DR Accounts Receivable \$2998814.4  
CR Sales Revenue \$2998814.4  
DR Cost of Goods Sold \$2499012  
CR Inventory \$2499012

Date: 01/24

DR Sales Returns \$59976.29  
CR Accounts Receivable \$59976.29  
DR Inventory \$49980.24  
CR Cost of Goods Sold \$49980.24

Date: 02/01

DR Rent Expense \$624753  
CR Accounts Payable \$624753

Date: 02/05

DR Inventory \$2998814.4  
CR Accounts Payable \$2998814.4

Date: 02/08

DR Accounts Receivable \$7497036  
CR Service Revenue \$7497036

Date: 02/10

DR Accounts Receivable \$4198340.16  
CR Sales Revenue \$4198340.16  
DR Cost of Goods Sold \$2998814.4  
CR Inventory \$2998814.4

Date: 02/15

DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 02/24

DR Sales Returns \$83966.8  
CR Accounts Receivable \$83966.8  
DR Inventory \$69972.336  
CR Cost of Goods Sold \$69972.336

Date: 02/27

DR Bad Debt Expense \$1102364.17  
CR Allowance for Doubtful Accounts \$1102364.17

Date: 02/30

DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 03/01

DR Rent Expense \$624753  
CR Accounts Payable \$624753

Date: 03/05  
DR Inventory \$3748518  
CR Accounts Payable \$3748518

Date: 03/08  
DR Accounts Receivable \$7497036  
CR Service Revenue \$7497036

Date: 03/10  
DR Accounts Receivable \$5247925.2  
CR Sales Revenue \$5247925.2  
DR Cost of Goods Sold \$3748518  
CR Inventory \$3748518

Date: 03/15  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 03/24  
DR Sales Returns \$104958.5  
CR Accounts Receivable \$104958.5  
DR Inventory \$87465.42  
CR Cost of Goods Sold \$87465.42

Date: 03/26  
DR Accounts Payable \$14994072  
CR Cash \$14994072

Date: 03/27  
DR Bad Debt Expense \$1734364.31  
CR Allowance for Doubtful Accounts \$1734364.31

Date: 03/28  
DR Cash \$32952921.86  
CR Accounts Receivable \$32952921.86

Date: 03/29  
DR Allowance for Doubtful Accounts \$2836728.48  
CR Accounts Receivable \$2836728.48

Date: 03/30  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 04/01  
DR Rent Expense \$624753  
CR Accounts Payable \$624753

Date: 04/05  
DR Inventory \$4498221.6  
CR Accounts Payable \$4498221.6

Date: 04/06  
DR Equipment \$14994072  
CR Accounts Payable \$14994072

Date: 04/08  
DR Accounts Receivable \$7497036  
CR Service Revenue \$7497036

Date: 04/10

DR Accounts Receivable \$6297510.24  
CR Sales Revenue \$6297510.24  
DR Cost of Goods Sold \$4498221.6  
CR Inventory \$4498221.6

Date: 04/15

DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 04/24

DR Sales Returns \$125950.2  
CR Accounts Receivable \$125950.2  
DR Inventory \$104958.504  
CR Cost of Goods Sold \$104958.504

Date: 04/26

DR Accounts Payable \$23115861  
CR Cash \$23115861

Date: 04/27

DR Bad Debt Expense \$628311.59  
CR Allowance for Doubtful Accounts \$628311.59

Date: 04/28

DR Cash \$11937920.28  
CR Accounts Receivable \$11937920.28

Date: 04/29

DR Allowance for Doubtful Accounts \$628311.59  
CR Accounts Receivable \$628311.59

Date: 04/30

DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 05/01

DR Rent Expense \$624753  
CR Accounts Payable \$624753

Date: 05/05

DR Inventory \$5247925.2  
CR Accounts Payable \$5247925.2

Date: 05/06

DR Depreciation Expense \$249901.2  
CR Accum Deprn Eqmt \$249901.2

Date: 05/08

DR Accounts Receivable \$7497036  
CR Service Revenue \$7497036

Date: 05/10

DR Accounts Receivable \$7347095.28  
CR Sales Revenue \$7347095.28  
DR Cost of Goods Sold \$5247925.2  
CR Inventory \$5247925.2

Date: 05/15

DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 05/24  
DR Sales Returns \$146941.91  
CR Accounts Receivable \$146941.91  
DR Inventory \$122451.588  
CR Cost of Goods Sold \$122451.588

Date: 05/26  
DR Accounts Payable \$8871492.6  
CR Cash \$8871492.6

Date: 05/27  
DR Bad Debt Expense \$734859.47  
CR Allowance for Doubtful Accounts \$734859.47

Date: 05/28  
DR Cash \$13962329.9  
CR Accounts Receivable \$13962329.9

Date: 05/29  
DR Allowance for Doubtful Accounts \$734859.47  
CR Accounts Receivable \$734859.47

Date: 05/30  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 06/01  
DR Rent Expense \$624753  
CR Accounts Payable \$624753

Date: 06/03  
DR Cash \$187425900  
CR Business Loan \$187425900

Date: 06/04  
DR Building \$187425900  
CR Cash \$187425900

Date: 06/05  
DR Inventory \$5997628.8  
CR Accounts Payable \$5997628.8

Date: 06/06  
DR Depreciation Expense \$249901.2  
CR Accum Deprn Eqmt \$249901.2

Date: 06/08  
DR Accounts Receivable \$7497036  
CR Service Revenue \$7497036

Date: 06/10  
DR Accounts Receivable \$8396680.32  
CR Sales Revenue \$8396680.32  
DR Cost of Goods Sold \$5997628.8  
CR Inventory \$5997628.8

Date: 06/15  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 06/24  
DR Sales Returns \$167933.61



CR Accounts Receivable \$167933.61  
DR Inventory \$139944.672  
CR Cost of Goods Sold \$139944.672

Date: 06/26  
DR Accounts Payable \$9621196.2  
CR Cash \$9621196.2

Date: 06/27  
DR Bad Debt Expense \$786289.14  
CR Allowance for Doubtful Accounts \$786289.14

Date: 06/28  
DR Cash \$14939493.57  
CR Accounts Receivable \$14939493.57

Date: 06/29  
DR Allowance for Doubtful Accounts \$786289.14  
CR Accounts Receivable \$786289.14

Date: 06/30  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 07/01  
DR Cash \$37485180  
CR Owner's Equity \$37485180

Date: 07/02  
DR Interest Expense \$780941.25  
CR Cash \$780941.25

Date: 07/03  
DR Business Loan \$2756016.7  
CR Cash \$2756016.7

Date: 07/04  
DR Depreciation Expense \$780941.25  
CR Accum Deprn Bldg \$780941.25

Date: 07/05  
DR Inventory \$6747332.4  
CR Accounts Payable \$6747332.4

Date: 07/06  
DR Depreciation Expense \$249901.2  
CR Accum Deprn Eqmt \$249901.2

Date: 07/08  
DR Accounts Receivable \$7497036  
CR Service Revenue \$7497036

Date: 07/10  
DR Accounts Receivable \$9446265.36  
CR Sales Revenue \$9446265.36  
DR Cost of Goods Sold \$6747332.4  
CR Inventory \$6747332.4

Date: 07/15  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 07/24  
DR Sales Returns \$188925.31  
CR Accounts Receivable \$188925.31  
DR Inventory \$157437.756  
CR Cost of Goods Sold \$157437.756

Date: 07/26  
DR Accounts Payable \$9746146.8  
CR Cash \$9746146.8

Date: 07/27  
DR Bad Debt Expense \$837718.8  
CR Allowance for Doubtful Accounts \$837718.8

Date: 07/28  
DR Cash \$15916657.25  
CR Accounts Receivable \$15916657.25

Date: 07/29  
DR Allowance for Doubtful Accounts \$837718.8  
CR Accounts Receivable \$837718.8

Date: 07/30  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 08/02  
DR Interest Expense \$769457.85  
CR Cash \$769457.85

Date: 08/03  
DR Business Loan \$2767500.1  
CR Cash \$2767500.1

Date: 08/04  
DR Depreciation Expense \$780941.25  
CR Accum Deprn Bldg \$780941.25

Date: 08/05  
DR Inventory \$7497036  
CR Accounts Payable \$7497036

Date: 08/06  
DR Depreciation Expense \$249901.2  
CR Accum Deprn Eqmt \$249901.2

Date: 08/08  
DR Accounts Receivable \$7497036  
CR Service Revenue \$7497036

Date: 08/10  
DR Accounts Receivable \$10495850.4  
CR Sales Revenue \$10495850.4  
DR Cost of Goods Sold \$7497036  
CR Inventory \$7497036

Date: 08/11  
DR Prepaid Expense \$8996443.2  
CR Accounts Payable \$8996443.2

Date: 08/15  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 08/24  
DR Sales Returns \$209917.01  
CR Accounts Receivable \$209917.01  
DR Inventory \$174930.84  
CR Cost of Goods Sold \$174930.84

Date: 08/26  
DR Accounts Payable \$19492293.6  
CR Cash \$19492293.6

Date: 08/27  
DR Bad Debt Expense \$889148.47  
CR Allowance for Doubtful Accounts \$889148.47

Date: 08/28  
DR Cash \$16893820.92  
CR Accounts Receivable \$16893820.92

Date: 08/29  
DR Allowance for Doubtful Accounts \$889148.47  
CR Accounts Receivable \$889148.47

Date: 08/30  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 09/02  
DR Interest Expense \$757926.6  
CR Cash \$757926.6

Date: 09/03  
DR Business Loan \$2779031.35  
CR Cash \$2779031.35

Date: 09/04  
DR Depreciation Expense \$780941.25  
CR Accum Deprn Bldg \$780941.25

Date: 09/05  
DR Inventory \$8246739.6  
CR Accounts Payable \$8246739.6

Date: 09/06  
DR Depreciation Expense \$249901.2  
CR Accum Deprn Eqmt \$249901.2

Date: 09/08  
DR Accounts Receivable \$7497036  
CR Service Revenue \$7497036

Date: 09/10  
DR Accounts Receivable \$11545435.44  
CR Sales Revenue \$11545435.44  
DR Cost of Goods Sold \$8246739.6  
CR Inventory \$8246739.6

Date: 09/11  
DR Insurance Expense \$749703.6  
CR Prepaid Expense \$749703.6

Date: 09/15  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 09/24  
DR Sales Returns \$230908.71  
CR Accounts Receivable \$230908.71  
DR Inventory \$192423.924  
CR Cost of Goods Sold \$192423.924

Date: 09/26  
DR Accounts Payable \$11245554  
CR Cash \$11245554

Date: 09/27  
DR Bad Debt Expense \$940578.14  
CR Allowance for Doubtful Accounts \$940578.14

Date: 09/28  
DR Cash \$17870984.59  
CR Accounts Receivable \$17870984.59

Date: 09/29  
DR Allowance for Doubtful Accounts \$940578.14  
CR Accounts Receivable \$940578.14

Date: 09/30  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 10/02  
DR Interest Expense \$746347.3  
CR Cash \$746347.3

Date: 10/03  
DR Business Loan \$2790610.65  
CR Cash \$2790610.65

Date: 10/04  
DR Depreciation Expense \$780941.25  
CR Accum Deprn Bldg \$780941.25

Date: 10/05  
DR Inventory \$8996443.2  
CR Accounts Payable \$8996443.2

Date: 10/06  
DR Depreciation Expense \$249901.2  
CR Accum Deprn Eqmt \$249901.2

Date: 10/08  
DR Accounts Receivable \$7497036  
CR Service Revenue \$7497036

Date: 10/10  
DR Accounts Receivable \$12595020.48  
CR Sales Revenue \$12595020.48

DR Cost of Goods Sold \$8996443.2  
CR Inventory \$8996443.2

Date: 10/11  
DR Insurance Expense \$749703.6  
CR Prepaid Expense \$749703.6

Date: 10/13  
DR Cash \$29988144  
CR Unearned Revenue \$29988144

Date: 10/15  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 10/24  
DR Sales Returns \$251900.41  
CR Accounts Receivable \$251900.41  
DR Inventory \$209917.008  
CR Cost of Goods Sold \$209917.008

Date: 10/26  
DR Accounts Payable \$11995257.6  
CR Cash \$11995257.6

Date: 10/27  
DR Bad Debt Expense \$992007.8  
CR Allowance for Doubtful Accounts \$992007.8

Date: 10/28  
DR Cash \$18848148.27  
CR Accounts Receivable \$18848148.27

Date: 10/29  
DR Allowance for Doubtful Accounts \$992007.8  
CR Accounts Receivable \$992007.8

Date: 10/30  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 11/02  
DR Interest Expense \$734719.75  
CR Cash \$734719.75

Date: 11/03  
DR Business Loan \$2802238.19  
CR Cash \$2802238.19

Date: 11/04  
DR Depreciation Expense \$780941.25  
CR Accum Deprn Bldg \$780941.25

Date: 11/05  
DR Inventory \$9746146.8  
CR Accounts Payable \$9746146.8

Date: 11/06  
DR Depreciation Expense \$249901.2  
CR Accum Deprn Eqmt \$249901.2

Date: 11/08  
DR Accounts Receivable \$7497036  
CR Service Revenue \$7497036

Date: 11/10  
DR Accounts Receivable \$13644605.52  
CR Sales Revenue \$13644605.52  
DR Cost of Goods Sold \$9746146.8  
CR Inventory \$9746146.8

Date: 11/11  
DR Insurance Expense \$749703.6  
CR Prepaid Expense \$749703.6

Date: 11/13  
DR Unearned Revenue \$29988144  
CR Service Revenue \$29988144

Date: 11/15  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 11/20  
DR Retained Earnings \$7497036  
CR Cash \$7497036

Date: 11/24  
DR Sales Returns \$272892.11  
CR Accounts Receivable \$272892.11  
DR Inventory \$227410.092  
CR Cost of Goods Sold \$227410.092

Date: 11/26  
DR Accounts Payable \$12744961.2  
CR Cash \$12744961.2

Date: 11/27  
DR Bad Debt Expense \$1043437.47  
CR Allowance for Doubtful Accounts \$1043437.47

Date: 11/28  
DR Cash \$19825311.94  
CR Accounts Receivable \$19825311.94

Date: 11/29  
DR Allowance for Doubtful Accounts \$1043437.47  
CR Accounts Receivable \$1043437.47

Date: 11/30  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 12/02  
DR Interest Expense \$723043.76  
CR Cash \$723043.76

Date: 12/03  
DR Business Loan \$2813914.19  
CR Cash \$2813914.19

Date: 12/04  
DR Depreciation Expense \$780941.25  
CR Accum Deprn Bldg \$780941.25

Date: 12/05  
DR Inventory \$10495850.4  
CR Accounts Payable \$10495850.4

Date: 12/06  
DR Depreciation Expense \$249901.2  
CR Accum Deprn Eqmt \$249901.2

Date: 12/08  
DR Accounts Receivable \$7497036  
CR Service Revenue \$7497036

Date: 12/10  
DR Accounts Receivable \$14694190.56  
CR Sales Revenue \$14694190.56  
DR Cost of Goods Sold \$10495850.4  
CR Inventory \$10495850.4

Date: 12/11  
DR Insurance Expense \$749703.6  
CR Prepaid Expense \$749703.6

Date: 12/15  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 12/24  
DR Sales Returns \$293883.81  
CR Accounts Receivable \$293883.81  
DR Inventory \$244903.176  
CR Cost of Goods Sold \$244903.176

Date: 12/26  
DR Accounts Payable \$13494664.8  
CR Cash \$13494664.8

Date: 12/27  
DR Bad Debt Expense \$1094867.14  
CR Allowance for Doubtful Accounts \$1094867.14

Date: 12/28  
DR Cash \$20802475.61  
CR Accounts Receivable \$20802475.61

Date: 12/29  
DR Allowance for Doubtful Accounts \$1094867.14  
CR Accounts Receivable \$1094867.14

Date: 12/30  
DR Salaries Expense \$1499407.2  
CR Accounts Payable \$1499407.2

Date: 12/31  
DR Revenue \$224722154.69  
CR Retained Earnings \$224722154.69  
DR Retained Earnings \$136028650.754  
CR Expense \$136028650.754

**GENERAL LEDGER:**

## Cash

03/26	(14,994,072.00)
03/28	32,952,921.86
04/26	(23,115,861.00)
04/28	11,937,920.28
05/26	(8,871,492.60)
05/28	13,962,329.90
06/03	187,425,900.00
06/04	(187,425,900.00)
06/26	(9,621,196.20)
06/28	14,939,493.57
07/01	37,485,180.00
07/02	(780,941.25)
07/03	(2,756,016.70)
07/26	(9,746,146.80)
07/28	15,916,657.25
08/02	(769,457.85)
08/03	(2,767,500.10)
08/26	(19,492,293.60)
08/28	16,893,820.92
09/02	(757,926.60)
09/03	(2,779,031.35)
09/26	(11,245,554.00)
09/28	17,870,984.59
10/02	(746,347.30)
10/03	(2,790,610.65)
10/13	29,988,144.00
10/26	(11,995,257.60)
10/28	18,848,148.27
11/02	(734,719.75)
11/03	(2,802,238.19)
11/20	(7,497,036.00)
11/26	(12,744,961.20)
11/28	19,825,311.94
12/02	(723,043.76)
12/03	(2,813,914.19)
12/26	(13,494,664.80)
12/28	20,802,475.61
12/31 BALANCE	87,383,104.70

## Accounts Receivable

01/08	7,497,036.00
01/10	2,998,814.40
01/24	(59,976.29)
02/08	7,497,036.00
02/10	4,198,340.16
02/24	(83,966.80)
03/08	7,497,036.00
03/10	5,247,925.20
03/24	(104,958.50)
03/28	(32,952,921.86)
03/29	(2,836,728.48)
04/08	7,497,036.00
04/10	6,297,510.24
04/24	(125,950.20)
04/28	(11,937,920.28)
04/29	(628,311.59)
05/08	7,497,036.00
05/10	7,347,095.28
05/24	(146,941.91)



05/28 (13,962,329.90)  
05/29 (734,859.47)  
06/08 7,497,036.00  
06/10 8,396,680.32  
06/24 (167,933.61)  
06/28 (14,939,493.57)  
06/29 (786,289.14)  
07/08 7,497,036.00  
07/10 9,446,265.36  
07/24 (188,925.31)  
07/28 (15,916,657.25)  
07/29 (837,718.80)  
08/08 7,497,036.00  
08/10 10,495,850.40  
08/24 (209,917.01)  
08/28 (16,893,820.92)  
08/29 (889,148.47)  
09/08 7,497,036.00  
09/10 11,545,435.44  
09/24 (230,908.71)  
09/28 (17,870,984.59)  
09/29 (940,578.14)  
10/08 7,497,036.00  
10/10 12,595,020.48  
10/24 (251,900.41)  
10/28 (18,848,148.27)  
10/29 (992,007.80)  
11/08 7,497,036.00  
11/10 13,644,605.52  
11/24 (272,892.11)  
11/28 (19,825,311.94)  
11/29 (1,043,437.47)  
12/08 7,497,036.00  
12/10 14,694,190.56  
12/24 (293,883.81)  
12/28 (20,802,475.61)  
12/29 (1,094,867.14)  
12/31 BALANCE (0.00)

Allowance for Doubtful Accounts

02/27 (1,102,364.17)  
03/27 (1,734,364.31)  
03/29 2,836,728.48  
04/27 (628,311.59)  
04/29 628,311.59  
05/27 (734,859.47)  
05/29 734,859.47  
06/27 (786,289.14)  
06/29 786,289.14  
07/27 (837,718.80)  
07/29 837,718.80  
08/27 (889,148.47)  
08/29 889,148.47  
09/27 (940,578.14)  
09/29 940,578.14  
10/27 (992,007.80)  
10/29 992,007.80  
11/27 (1,043,437.47)  
11/29 1,043,437.47  
12/27 (1,094,867.14)  
12/29 1,094,867.14  
12/31 BALANCE 0.00

Inventory

01/05	2,499,012.00
01/10	(2,499,012.00)
01/24	49,980.24
02/05	2,998,814.40
02/10	(2,998,814.40)
02/24	69,972.34
03/05	3,748,518.00
03/10	(3,748,518.00)
03/24	87,465.42
04/05	4,498,221.60
04/10	(4,498,221.60)
04/24	104,958.50
05/05	5,247,925.20
05/10	(5,247,925.20)
05/24	122,451.59
06/05	5,997,628.80
06/10	(5,997,628.80)
06/24	139,944.67
07/05	6,747,332.40
07/10	(6,747,332.40)
07/24	157,437.76
08/05	7,497,036.00
08/10	(7,497,036.00)
08/24	174,930.84
09/05	8,246,739.60
09/10	(8,246,739.60)
09/24	192,423.92
10/05	8,996,443.20
10/10	(8,996,443.20)
10/24	209,917.01
11/05	9,746,146.80
11/10	(9,746,146.80)
11/24	227,410.09
12/31 BALANCE	1,536,892.38

Equipment

04/06	14,994,072.00
12/31 BALANCE	14,994,072.00

Accum Deprn Eqmt

05/06	(249,901.20)
06/06	(249,901.20)
07/06	(249,901.20)
08/06	(249,901.20)
09/06	(249,901.20)
10/06	(249,901.20)
11/06	(249,901.20)
12/06	(249,901.20)
12/31 BALANCE	(1,999,209.60)

Building

06/04	187,425,900.00
12/31 BALANCE	187,425,900.00

Accum Deprn Bldg

07/04	(780,941.25)
08/04	(780,941.25)
09/04	(780,941.25)
10/04	(780,941.25)
11/04	(780,941.25)

12/04 (780,941.25)  
12/31 BALANCE (4,685,647.50)

Prepaid Expense

08/11 8,996,443.20  
09/11 (749,703.60)  
10/11 (749,703.60)  
11/11 (749,703.60)  
12/11 (749,703.60)  
12/31 BALANCE 5,997,628.80

Accounts Payable

01/05 (2,499,012.00)  
02/01 (624,753.00)  
02/05 (2,998,814.40)  
02/15 (1,499,407.20)  
02/30 (1,499,407.20)  
03/01 (624,753.00)  
03/05 (3,748,518.00)  
03/15 (1,499,407.20)  
03/26 14,994,072.00  
03/30 (1,499,407.20)  
04/01 (624,753.00)  
04/05 (4,498,221.60)  
04/06 (14,994,072.00)  
04/15 (1,499,407.20)  
04/26 23,115,861.00  
04/30 (1,499,407.20)  
05/01 (624,753.00)  
05/05 (5,247,925.20)  
05/15 (1,499,407.20)  
05/26 8,871,492.60  
05/30 (1,499,407.20)  
06/01 (624,753.00)  
06/05 (5,997,628.80)  
06/15 (1,499,407.20)  
06/26 9,621,196.20  
06/30 (1,499,407.20)  
07/05 (6,747,332.40)  
07/15 (1,499,407.20)  
07/26 9,746,146.80  
07/30 (1,499,407.20)  
08/05 (7,497,036.00)  
08/11 (8,996,443.20)  
08/15 (1,499,407.20)  
08/26 19,492,293.60  
08/30 (1,499,407.20)  
09/05 (8,246,739.60)  
09/15 (1,499,407.20)  
09/26 11,245,554.00  
09/30 (1,499,407.20)  
10/05 (8,996,443.20)  
10/15 (1,499,407.20)  
10/26 11,995,257.60  
10/30 (1,499,407.20)  
11/05 (9,746,146.80)  
11/15 (1,499,407.20)  
11/26 12,744,961.20  
11/30 (1,499,407.20)  
12/05 (10,495,850.40)  
12/15 (1,499,407.20)  
12/26 13,494,664.80

12/31 BALANCE 0.00

Business Loan

06/03 (187,425,900.00)  
07/03 2,756,016.70  
08/03 2,767,500.10  
09/03 2,779,031.35  
10/03 2,790,610.65  
11/03 2,802,238.19  
12/03 2,813,914.19  
12/31 BALANCE (170,716,588.82)

Unearned Revenue

10/13 (29,988,144.00)  
11/13 29,988,144.00  
12/31 BALANCE 0.00

Retained Earnings

11/20 7,497,036.00  
12/31 (88,693,503.94)  
12/31 BALANCE (81,196,467.94)

Owner's Equity

07/01 (37,485,180.00)  
12/31 BALANCE (37,485,180.00)

Service Revenue

01/08 (7,497,036.00)  
02/08 (7,497,036.00)  
03/08 (7,497,036.00)  
04/08 (7,497,036.00)  
05/08 (7,497,036.00)  
06/08 (7,497,036.00)  
07/08 (7,497,036.00)  
08/08 (7,497,036.00)  
09/08 (7,497,036.00)  
10/08 (7,497,036.00)  
11/08 (7,497,036.00)  
11/13 (29,988,144.00)  
12/08 (7,497,036.00)  
12/31 119,952,576.00  
12/31 BALANCE 0.00

Sales Revenue

01/10 (2,998,814.40)  
02/10 (4,198,340.16)  
03/10 (5,247,925.20)  
04/10 (6,297,510.24)  
05/10 (7,347,095.28)  
06/10 (8,396,680.32)  
07/10 (9,446,265.36)  
08/10 (10,495,850.40)  
09/10 (11,545,435.44)  
10/10 (12,595,020.48)  
11/10 (13,644,605.52)  
12/10 (14,694,190.56)  
12/31 106,907,733.36  
12/31 BALANCE 0.00

Sales Returns

01/24 59,976.29

02/24	83,966.80
03/24	104,958.50
04/24	125,950.20
05/24	146,941.91
06/24	167,933.61
07/24	188,925.31
08/24	209,917.01
09/24	230,908.71
10/24	251,900.41
11/24	272,892.11
12/24	293,883.81
12/31	(2,138,154.67)
12/31 BALANCE	0.00

Cost of Goods Sold

01/10	2,499,012.00
01/24	(49,980.24)
02/10	2,998,814.40
02/24	(69,972.34)
03/10	3,748,518.00
03/24	(87,465.42)
04/10	4,498,221.60
04/24	(104,958.50)
05/10	5,247,925.20
05/24	(122,451.59)
06/10	5,997,628.80
06/24	(139,944.67)
07/10	6,747,332.40
07/24	(157,437.76)
08/10	7,497,036.00
08/24	(174,930.84)
09/10	8,246,739.60
09/24	(192,423.92)
10/10	8,996,443.20
10/24	(209,917.01)
11/10	9,746,146.80
11/24	(227,410.09)
12/10	10,495,850.40
12/24	(244,903.18)
12/31	(74,937,872.84)
12/31 BALANCE	0.00

Salaries Expense

02/15	1,499,407.20
02/30	1,499,407.20
03/15	1,499,407.20
03/30	1,499,407.20
04/15	1,499,407.20
04/30	1,499,407.20
05/15	1,499,407.20
05/30	1,499,407.20
06/15	1,499,407.20
06/30	1,499,407.20
07/15	1,499,407.20
07/30	1,499,407.20
08/15	1,499,407.20
08/30	1,499,407.20
09/15	1,499,407.20
09/30	1,499,407.20
10/15	1,499,407.20
10/30	1,499,407.20
11/15	1,499,407.20

11/30 1,499,407.20  
12/15 1,499,407.20  
12/30 1,499,407.20  
12/31 (32,986,958.40)  
12/31 BALANCE 0.00

Rent Expense

02/01 624,753.00  
03/01 624,753.00  
04/01 624,753.00  
05/01 624,753.00  
06/01 624,753.00  
12/31 (3,123,765.00)  
12/31 BALANCE 0.00

Bad Debt Expense

02/27 1,102,364.17  
03/27 1,734,364.31  
04/27 628,311.59  
05/27 734,859.47  
06/27 786,289.14  
07/27 837,718.80  
08/27 889,148.47  
09/27 940,578.14  
10/27 992,007.80  
11/27 1,043,437.47  
12/27 1,094,867.14  
12/31 (10,783,946.50)  
12/31 BALANCE 0.00

Depreciation Expense

05/06 249,901.20  
06/06 249,901.20  
07/04 780,941.25  
07/06 249,901.20  
08/04 780,941.25  
08/06 249,901.20  
09/04 780,941.25  
09/06 249,901.20  
10/04 780,941.25  
10/06 249,901.20  
11/04 780,941.25  
11/06 249,901.20  
12/04 780,941.25  
12/06 249,901.20  
12/31 (6,684,857.10)  
12/31 BALANCE 0.00

Insurance Expense

09/11 749,703.60  
10/11 749,703.60  
11/11 749,703.60  
12/11 749,703.60  
12/31 (2,998,814.40)  
12/31 BALANCE 0.00

Interest Expense

07/02 780,941.25  
08/02 769,457.85  
09/02 757,926.60  
10/02 746,347.30  
11/02 734,719.75

12/02	723,043.76
12/31	(4,512,436.51)
12/31 BALANCE	0.00

**TRIAL BALANCE BEFORE AND AFTER CLOSING ENTRY:**

Cash	87,383,104.70	87,383,104.70
Accounts Receivable	(0.00)	(0.00)
Allowance for Doubtful Accounts	0.00	0.00
Inventory	1,781,795.56	1,781,795.56
Equipment	14,994,072.00	14,994,072.00
Accum Deprn Eqmt	(1,999,209.60)	(1,999,209.60)
Building	187,425,900.00	187,425,900.00
Accum Deprn Bldg	(4,685,647.50)	(4,685,647.50)
Prepaid Expense	5,997,628.80	5,997,628.80
Accounts Payable	(1,499,407.20)	(1,499,407.20)
Business Loan	(170,716,588.82)	(170,716,588.82)
Unearned Revenue	0.00	0.00
Retained Earnings	0.00	(81,196,467.94)
Owner's Equity	(37,485,180.00)	(37,485,180.00)
Service Revenue	(119,952,576.00)	0.00
Sales Revenue	(106,907,733.36)	0.00
Sales Returns	2,138,154.67	0.00
Cost of Goods Sold	74,937,872.84	0.00
Salaries Expense	32,986,958.40	0.00
Rent Expense	3,123,765.00	0.00
Bad Debt Expense	10,783,946.50	0.00
Depreciation Expense	6,684,857.10	0.00
Insurance Expense	2,998,814.40	0.00
Interest Expense	4,512,436.51	0.00



## FINANCIAL STATEMENTS

### Balance Sheet (Dec 31)

ASSETS	
Cash	87,383,104.70
Accounts Receivable	(0.00)
Inventory	1,781,795.56
Prepays	5,997,628.80
Property Plant & Equipment	202,419,972.00
Accumulated Depreciation Expense	(6,684,857.10)
Net Property Plant & Equipment	195,735,114.90
Total Assets	290,897,643.96
LIABILITIES	
Accounts Payable	1,499,407.20
Loans	170,716,588.82
Total Liabilities	172,215,996.02
SHAREHOLDER'S EQUITY	
Owner's Equity	37,485,180.00
Retained Earnings	81,196,467.94
Total Shareholder's Equity	118,681,647.94
Total Liabilities & Shareholder's Equity	290,897,643.96

### Income Statement (Jan 1 to Dec 31)

REVENUE	
Services	119,952,576.00
Sales	106,907,733.36
Sales Returns	(2,138,154.67)
Total Revenue	224,722,154.69
EXPENSES	
Cost of Goods Sold	74,937,872.84
Salaries Expense	32,986,958.40
Rent Expense	3,123,765.00
Bad Debts	10,783,946.50
Depreciation Expense	6,684,857.10
Insurance	2,998,814.40
Interest	4,512,436.51
Total Expenses	136,028,650.75
Net Income	88,693,503.94

**Statement of Retained Earnings (Jan 1 to Dec 31)**

Opening Balance	0.00
Net Income	88,693,503.94
Dividends Paid	(7,497,036.00)
Closing Balance	81,196,467.94

**Statement of Cashflows (Jan 1 to Dec31)**

Beginning Cash Balance	0.00
Operating Activities	
Net Income	88,693,503.94
Depreciation Expense	6,684,857.10
Increase in Prepaid Expenses	(5,997,628.80)
Increase in Accounts Payable	1,499,407.20
Increase in Inventory	(1,781,795.56)
Investment Activities	
PPE Purchases	(202,419,972.00)
Financing Activities	
Bank Loan	187,425,900.00
Bank Loan repayment of principal	(16,709,311.18)
Owner Investment	37,485,180.00
Dividend Paid to Owner	(7,497,036.00)
Net Cashflows	87,383,104.70
Ending Cash Balance	87,383,104.70

**Case #2**

<b>Date</b>	<b>Amount</b>	<b>Transaction</b>
01/01	0.00	Started new business. All Accounts are nil.
01/05	2,823,884.00	Bought inventory
01/08	8,471,652.00	Sold services
01/10	3,388,660.80	Sold all inventory
01/24	67,773.22	2% of Sales were returned
02/01	705,971.00	Paid Rent for the current month
02/05	3,388,660.80	Bought inventory
02/08	8,471,652.00	Sold services
02/10	4,744,125.12	Sold all inventory
02/15	1,694,330.40	Paid employees
02/24	94,882.50	2% of Sales were returned
02/27	1,245,671.71	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
02/30	1,694,330.40	Paid employees
03/01	705,971.00	Paid Rent for the current month
03/05	4,235,826.00	Bought inventory
03/08	8,471,652.00	Sold services
03/10	5,930,156.40	Sold all inventory
03/15	1,694,330.40	Paid employees
03/24	118,603.13	2% of Sales were returned
03/26	16,943,304.00	Settle all accounts payable
03/27	1,959,831.97	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
03/28	37,236,807.50	Received cash from 95% of accts receivable
03/29	3,205,503.68	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
03/30	1,694,330.40	Paid employees
04/01	705,971.00	Paid Rent for the current month
04/05	5,082,991.20	Bought inventory
04/06	16,943,304.00	Bought equipment 5yr life
04/08	8,471,652.00	Sold services
04/10	7,116,187.68	Sold all inventory
04/15	1,694,330.40	Paid employees
04/24	142,323.75	2% of Sales were returned
04/26	26,120,927.00	Settle all accounts payable
04/27	709,992.21	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
04/28	13,489,852.01	Received cash from 95% of accts receivable
04/29	709,992.21	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
04/30	1,694,330.40	Paid employees
05/01	705,971.00	Paid Rent for the current month
05/05	5,930,156.40	Bought inventory
05/06	282,388.40	Depreciate equipment for 1 month
05/08	8,471,652.00	Sold services
05/10	8,302,218.96	Sold all inventory
05/15	1,694,330.40	Paid employees
05/24	166,044.38	2% of Sales were returned
05/26	10,024,788.20	Settle all accounts payable
05/27	830,391.33	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
05/28	15,777,435.25	Received cash from 95% of accts receivable
05/29	830,391.33	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
05/30	1,694,330.40	Paid employees
06/01	705,971.00	Paid Rent for the current month
06/03	211,791,300.00	Received a business loan for building payable monthly 5yr term @5%
06/04	211,791,300.00	Bought building 20yr life

06/05	6,777,321.60	Bought inventory
06/06	282,388.40	Depreciate equipment for 1 month
06/08	8,471,652.00	Sold services
06/10	9,488,250.24	Sold all inventory
06/15	1,694,330.40	Paid employees
06/24	189,765.00	2% of Sales were returned
06/26	10,871,953.40	Settle all accounts payable
06/27	888,506.86	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
06/28	16,881,630.38	Received cash from 95% of accts receivable
06/29	888,506.86	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
06/30	1,694,330.40	Paid employees
07/01	42,358,260.00	Owner invested cash into the business
07/02	882,463.75	Paid 1 month of interest per Loan Amortization Schedule
07/03	3,114,299.36	Paid principal portion based on Loan Amortization Schedule
07/04	882,463.75	Depreciate building for 1 month
07/05	7,624,486.80	Bought inventory
07/06	282,388.40	Depreciate equipment for 1 month
07/08	8,471,652.00	Sold services
07/10	10,674,281.52	Sold all inventory
07/15	1,694,330.40	Paid employees
07/24	213,485.63	2% of Sales were returned
07/26	11,013,147.60	Settle all accounts payable
07/27	946,622.39	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
07/28	17,985,825.50	Received cash from 95% of accts receivable
07/29	946,622.39	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
07/30	1,694,330.40	Paid employees
08/02	869,487.50	Paid 1 month of interest per Loan Amortization Schedule
08/03	3,127,275.60	Paid principal portion based on Loan Amortization Schedule
08/04	882,463.75	Depreciate building for 1 month
08/05	8,471,652.00	Bought inventory
08/06	282,388.40	Depreciate equipment for 1 month
08/08	8,471,652.00	Sold services
08/10	11,860,312.80	Sold all inventory
08/11	10,165,982.40	Prepaid for 12 months of insurance
08/15	1,694,330.40	Paid employees
08/24	237,206.26	2% of Sales were returned
08/26	22,026,295.20	Settle all accounts payable
08/27	1,004,737.93	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
08/28	19,090,020.61	Received cash from 95% of accts receivable
08/29	1,004,737.93	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
08/30	1,694,330.40	Paid employees
09/02	856,457.19	Paid 1 month of interest per Loan Amortization Schedule
09/03	3,140,305.92	Paid principal portion based on Loan Amortization Schedule
09/04	882,463.75	Depreciate building for 1 month
09/05	9,318,817.20	Bought inventory
09/06	282,388.40	Depreciate equipment for 1 month
09/08	8,471,652.00	Sold services
09/10	13,046,344.08	Sold all inventory
09/11	847,165.20	Amortize prepaid insurance for 1 month
09/15	1,694,330.40	Paid employees
09/24	260,926.88	2% of Sales were returned
09/26	12,707,478.00	Settle all accounts payable
09/27	1,062,853.46	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
09/28	20,194,215.74	Received cash from 95% of accts receivable

09/29	1,062,853.46	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
09/30	1,694,330.40	Paid employees
10/02	843,372.58	Paid 1 month of interest per Loan Amortization Schedule
10/03	3,153,390.53	Paid principal portion based on Loan Amortization Schedule
10/04	882,463.75	Depreciate building for 1 month
10/05	10,165,982.40	Bought inventory
10/06	282,388.40	Depreciate equipment for 1 month
10/08	8,471,652.00	Sold services
10/10	14,232,375.36	Sold all inventory
10/11	847,165.20	Amortize prepaid insurance for 1 month
10/13	33,886,608.00	Received upfront payment for a large project to be fulfilled next month
10/15	1,694,330.40	Paid employees
10/24	284,647.51	2% of Sales were returned
10/26	13,554,643.20	Settle all accounts payable
10/27	1,120,968.99	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
10/28	21,298,410.86	Received cash from 95% of accts receivable
10/29	1,120,968.99	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
10/30	1,694,330.40	Paid employees
11/02	830,233.45	Paid 1 month of interest per Loan Amortization Schedule
11/03	3,166,529.65	Paid principal portion based on Loan Amortization Schedule
11/04	882,463.75	Depreciate building for 1 month
11/05	11,013,147.60	Bought inventory
11/06	282,388.40	Depreciate equipment for 1 month
11/08	8,471,652.00	Sold services
11/10	15,418,406.64	Sold all inventory
11/11	847,165.20	Amortize prepaid insurance for 1 month
11/13	33,886,608.00	Provide the services for the large sale that was paid up front last month
11/15	1,694,330.40	Paid employees
11/20	8,471,652.00	Paid a dividend to the owner
11/24	308,368.13	2% of Sales were returned
11/26	14,401,808.40	Settle all accounts payable
11/27	1,179,084.53	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
11/28	22,402,605.98	Received cash from 95% of accts receivable
11/29	1,179,084.53	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
11/30	1,694,330.40	Paid employees
12/02	817,039.58	Paid 1 month of interest per Loan Amortization Schedule
12/03	3,179,723.53	Paid principal portion based on Loan Amortization Schedule
12/04	882,463.75	Depreciate building for 1 month
12/05	11,860,312.80	Bought inventory
12/06	282,388.40	Depreciate equipment for 1 month
12/08	8,471,652.00	Sold services
12/10	16,604,437.92	Sold all inventory
12/11	847,165.20	Amortize prepaid insurance for 1 month
12/15	1,694,330.40	Paid employees
12/24	332,088.76	2% of Sales were returned
12/26	15,248,973.60	Settle all accounts payable
12/27	1,237,200.06	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
12/28	23,506,801.10	Received cash from 95% of accts receivable
12/29	1,237,200.06	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
12/30	1,694,330.40	Paid employees
12/31	100,223,675.07	Closing entry to post all revenues and expenses to retained earnings

## Loan Amortization Schedule

60months		5%		
Month	Payment	Interest	Principal	Balance
1	3,996,763.11	882,463.75	3,114,299.36	211,791,300.00
2	3,996,763.11	869,487.50	3,127,275.60	208,677,000.64
3	3,996,763.11	856,457.19	3,140,305.92	205,549,725.04
4	3,996,763.11	843,372.58	3,153,390.53	202,409,419.12
5	3,996,763.11	830,233.45	3,166,529.65	199,256,028.60
6	3,996,763.11	817,039.58	3,179,723.53	196,089,498.94
7	3,996,763.11	803,790.73	3,192,972.38	192,909,775.42
8	3,996,763.11	790,486.68	3,206,276.43	189,716,803.04
9	3,996,763.11	777,127.19	3,219,635.91	186,510,526.61
10	3,996,763.11	763,712.04	3,233,051.06	183,290,890.70
11	3,996,763.11	750,241.00	3,246,522.11	180,057,839.64
12	3,996,763.11	736,713.82	3,260,049.28	176,811,317.53
13	3,996,763.11	723,130.28	3,273,632.82	173,551,268.25
14	3,996,763.11	709,490.15	3,287,272.96	170,277,635.43
15	3,996,763.11	695,793.18	3,300,969.93	166,990,362.47
16	3,996,763.11	682,039.14	3,314,723.97	163,689,392.54
17	3,996,763.11	668,227.79	3,328,535.32	160,374,668.57
18	3,996,763.11	654,358.89	3,342,404.22	157,046,133.25
19	3,996,763.11	640,432.20	3,356,330.90	153,703,729.03
20	3,996,763.11	626,447.49	3,370,315.61	150,347,398.13
21	3,996,763.11	612,404.51	3,384,358.60	146,977,082.52
22	3,996,763.11	598,303.02	3,398,460.09	143,592,723.92
23	3,996,763.11	584,142.77	3,412,620.34	140,194,263.83
24	3,996,763.11	569,923.51	3,426,839.59	136,781,643.49
25	3,996,763.11	555,645.02	3,441,118.09	133,354,803.90
26	3,996,763.11	541,307.02	3,455,456.08	129,913,685.81
27	3,996,763.11	526,909.29	3,469,853.82	126,458,229.73
28	3,996,763.11	512,451.57	3,484,311.54	122,988,375.91
29	3,996,763.11	497,933.60	3,498,829.50	119,504,064.37
30	3,996,763.11	483,355.15	3,513,407.96	116,005,234.87
31	3,996,763.11	468,715.95	3,528,047.16	112,491,826.91
32	3,996,763.11	454,015.75	3,542,747.36	108,963,779.75
33	3,996,763.11	439,254.30	3,557,508.80	105,421,032.39
34	3,996,763.11	424,431.35	3,572,331.76	101,863,523.58
35	3,996,763.11	409,546.63	3,587,216.47	98,291,191.83
36	3,996,763.11	394,599.90	3,602,163.21	94,703,975.35
37	3,996,763.11	379,590.88	3,617,172.22	91,101,812.14
38	3,996,763.11	364,519.33	3,632,243.77	87,484,639.92
39	3,996,763.11	349,384.98	3,647,378.12	83,852,396.15
40	3,996,763.11	334,187.58	3,662,575.53	80,205,018.03
41	3,996,763.11	318,926.84	3,677,836.26	76,542,442.50
42	3,996,763.11	303,602.53	3,693,160.58	72,864,606.23
43	3,996,763.11	288,214.36	3,708,548.75	69,171,445.65
44	3,996,763.11	272,762.07	3,724,001.04	65,462,896.90
45	3,996,763.11	257,245.40	3,739,517.71	61,738,895.87
46	3,996,763.11	241,664.08	3,755,099.03	57,999,378.16
47	3,996,763.11	226,017.83	3,770,745.28	54,244,279.13
48	3,996,763.11	210,306.39	3,786,456.72	50,473,533.86
49	3,996,763.11	194,529.49	3,802,233.62	46,687,077.14
50	3,996,763.11	178,686.85	3,818,076.26	42,884,843.52
51	3,996,763.11	162,778.20	3,833,984.91	39,066,767.26
52	3,996,763.11	146,803.26	3,849,959.85	35,232,782.36
53	3,996,763.11	130,761.76	3,866,001.35	31,382,822.51
54	3,996,763.11	114,653.42	3,882,109.68	27,516,821.16
55	3,996,763.11	98,477.96	3,898,285.14	23,634,711.48
56	3,996,763.11	82,235.11	3,914,528.00	19,736,426.34
57	3,996,763.11	65,924.58	3,930,838.53	15,821,898.34
58	3,996,763.11	49,546.08	3,947,217.02	11,891,059.81
59	3,996,763.11	33,099.34	3,963,663.76	7,943,842.79
60	3,996,763.11	16,584.08	3,980,179.03	3,980,179.03
				0.00

**SOLUTION:****General Journal Entries:**

Date: 01/05

DR Inventory \$2823884  
CR Accounts Payable \$2823884

Date: 01/08

DR Accounts Receivable \$8471652  
CR Service Revenue \$8471652

Date: 01/10

DR Accounts Receivable \$3388660.8  
CR Sales Revenue \$3388660.8  
DR Cost of Goods Sold \$2823884  
CR Inventory \$2823884

Date: 01/24

DR Sales Returns \$67773.22  
CR Accounts Receivable \$67773.22  
DR Inventory \$56477.68  
CR Cost of Goods Sold \$56477.68

Date: 02/01

DR Rent Expense \$705971  
CR Accounts Payable \$705971

Date: 02/05

DR Inventory \$3388660.8  
CR Accounts Payable \$3388660.8

Date: 02/08

DR Accounts Receivable \$8471652  
CR Service Revenue \$8471652

Date: 02/10

DR Accounts Receivable \$4744125.12  
CR Sales Revenue \$4744125.12  
DR Cost of Goods Sold \$3388660.8  
CR Inventory \$3388660.8

Date: 02/15

DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 02/24

DR Sales Returns \$94882.5  
CR Accounts Receivable \$94882.5  
DR Inventory \$79068.752  
CR Cost of Goods Sold \$79068.752

Date: 02/27

DR Bad Debt Expense \$1245671.71  
CR Allowance for Doubtful Accounts \$1245671.71

Date: 02/30

DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 03/01

DR Rent Expense \$705971  
CR Accounts Payable \$705971

Date: 03/05  
DR Inventory \$4235826  
CR Accounts Payable \$4235826

Date: 03/08  
DR Accounts Receivable \$8471652  
CR Service Revenue \$8471652

Date: 03/10  
DR Accounts Receivable \$5930156.4  
CR Sales Revenue \$5930156.4  
DR Cost of Goods Sold \$4235826  
CR Inventory \$4235826

Date: 03/15  
DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 03/24  
DR Sales Returns \$118603.13  
CR Accounts Receivable \$118603.13  
DR Inventory \$98835.94  
CR Cost of Goods Sold \$98835.94

Date: 03/26  
DR Accounts Payable \$16943304  
CR Cash \$16943304

Date: 03/27  
DR Bad Debt Expense \$1959831.97  
CR Allowance for Doubtful Accounts \$1959831.97

Date: 03/28  
DR Cash \$37236807.5  
CR Accounts Receivable \$37236807.5

Date: 03/29  
DR Allowance for Doubtful Accounts \$3205503.68  
CR Accounts Receivable \$3205503.68

Date: 03/30  
DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 04/01  
DR Rent Expense \$705971  
CR Accounts Payable \$705971

Date: 04/05  
DR Inventory \$5082991.2  
CR Accounts Payable \$5082991.2

Date: 04/06  
DR Equipment \$16943304  
CR Accounts Payable \$16943304

Date: 04/08  
DR Accounts Receivable \$8471652  
CR Service Revenue \$8471652



Date: 04/10

DR Accounts Receivable \$7116187.68  
CR Sales Revenue \$7116187.68  
DR Cost of Goods Sold \$5082991.2  
CR Inventory \$5082991.2

Date: 04/15

DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 04/24

DR Sales Returns \$142323.75  
CR Accounts Receivable \$142323.75  
DR Inventory \$118603.128  
CR Cost of Goods Sold \$118603.128

Date: 04/26

DR Accounts Payable \$26120927  
CR Cash \$26120927

Date: 04/27

DR Bad Debt Expense \$709992.21  
CR Allowance for Doubtful Accounts \$709992.21

Date: 04/28

DR Cash \$13489852.01  
CR Accounts Receivable \$13489852.01

Date: 04/29

DR Allowance for Doubtful Accounts \$709992.21  
CR Accounts Receivable \$709992.21

Date: 04/30

DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 05/01

DR Rent Expense \$705971  
CR Accounts Payable \$705971

Date: 05/05

DR Inventory \$5930156.4  
CR Accounts Payable \$5930156.4

Date: 05/06

DR Depreciation Expense \$282388.4  
CR Accum Deprn Eqmt \$282388.4

Date: 05/08

DR Accounts Receivable \$8471652  
CR Service Revenue \$8471652

Date: 05/10

DR Accounts Receivable \$8302218.96  
CR Sales Revenue \$8302218.96  
DR Cost of Goods Sold \$5930156.4  
CR Inventory \$5930156.4

Date: 05/15

DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 05/24  
DR Sales Returns \$166044.38  
CR Accounts Receivable \$166044.38  
DR Inventory \$138370.316  
CR Cost of Goods Sold \$138370.316

Date: 05/26  
DR Accounts Payable \$10024788.2  
CR Cash \$10024788.2

Date: 05/27  
DR Bad Debt Expense \$830391.33  
CR Allowance for Doubtful Accounts \$830391.33

Date: 05/28  
DR Cash \$15777435.25  
CR Accounts Receivable \$15777435.25

Date: 05/29  
DR Allowance for Doubtful Accounts \$830391.33  
CR Accounts Receivable \$830391.33

Date: 05/30  
DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 06/01  
DR Rent Expense \$705971  
CR Accounts Payable \$705971

Date: 06/03  
DR Cash \$211791300  
CR Business Loan \$211791300

Date: 06/04  
DR Building \$211791300  
CR Cash \$211791300

Date: 06/05  
DR Inventory \$6777321.6  
CR Accounts Payable \$6777321.6

Date: 06/06  
DR Depreciation Expense \$282388.4  
CR Accum Deprn Eqmt \$282388.4

Date: 06/08  
DR Accounts Receivable \$8471652  
CR Service Revenue \$8471652

Date: 06/10  
DR Accounts Receivable \$9488250.24  
CR Sales Revenue \$9488250.24  
DR Cost of Goods Sold \$6777321.6  
CR Inventory \$6777321.6

Date: 06/15  
DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 06/24  
DR Sales Returns \$189765

CR Accounts Receivable \$189765  
DR Inventory \$158137.504  
CR Cost of Goods Sold \$158137.504

Date: 06/26

DR Accounts Payable \$10871953.4  
CR Cash \$10871953.4

Date: 06/27

DR Bad Debt Expense \$888506.86  
CR Allowance for Doubtful Accounts \$888506.86

Date: 06/28

DR Cash \$16881630.38  
CR Accounts Receivable \$16881630.38

Date: 06/29

DR Allowance for Doubtful Accounts \$888506.86  
CR Accounts Receivable \$888506.86

Date: 06/30

DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 07/01

DR Cash \$42358260  
CR Owner's Equity \$42358260

Date: 07/02

DR Interest Expense \$882463.75  
CR Cash \$882463.75

Date: 07/03

DR Business Loan \$3114299.36  
CR Cash \$3114299.36

Date: 07/04

DR Depreciation Expense \$882463.75  
CR Accum Deprn Bldg \$882463.75

Date: 07/05

DR Inventory \$7624486.8  
CR Accounts Payable \$7624486.8

Date: 07/06

DR Depreciation Expense \$282388.4  
CR Accum Deprn Eqmt \$282388.4

Date: 07/08

DR Accounts Receivable \$8471652  
CR Service Revenue \$8471652

Date: 07/10

DR Accounts Receivable \$10674281.52  
CR Sales Revenue \$10674281.52  
DR Cost of Goods Sold \$7624486.8  
CR Inventory \$7624486.8

Date: 07/15

DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 07/24  
DR Sales Returns \$213485.63  
    CR Accounts Receivable \$213485.63  
DR Inventory \$177904.692  
    CR Cost of Goods Sold \$177904.692

Date: 07/26  
DR Accounts Payable \$11013147.6  
    CR Cash \$11013147.6

Date: 07/27  
DR Bad Debt Expense \$946622.39  
    CR Allowance for Doubtful Accounts \$946622.39

Date: 07/28  
DR Cash \$17985825.5  
    CR Accounts Receivable \$17985825.5

Date: 07/29  
DR Allowance for Doubtful Accounts \$946622.39  
    CR Accounts Receivable \$946622.39

Date: 07/30  
DR Salaries Expense \$1694330.4  
    CR Accounts Payable \$1694330.4

Date: 08/02  
DR Interest Expense \$869487.5  
    CR Cash \$869487.5

Date: 08/03  
DR Business Loan \$3127275.6  
    CR Cash \$3127275.6

Date: 08/04  
DR Depreciation Expense \$882463.75  
    CR Accum Deprn Bldg \$882463.75

Date: 08/05  
DR Inventory \$8471652  
    CR Accounts Payable \$8471652

Date: 08/06  
DR Depreciation Expense \$282388.4  
    CR Accum Deprn Eqmt \$282388.4

Date: 08/08  
DR Accounts Receivable \$8471652  
    CR Service Revenue \$8471652

Date: 08/10  
DR Accounts Receivable \$11860312.8  
    CR Sales Revenue \$11860312.8  
DR Cost of Goods Sold \$8471652  
    CR Inventory \$8471652

Date: 08/11  
DR Prepaid Expense \$10165982.4  
    CR Accounts Payable \$10165982.4

Date: 08/15  
DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 08/24  
DR Sales Returns \$237206.26  
CR Accounts Receivable \$237206.26  
DR Inventory \$197671.88  
CR Cost of Goods Sold \$197671.88

Date: 08/26  
DR Accounts Payable \$22026295.2  
CR Cash \$22026295.2

Date: 08/27  
DR Bad Debt Expense \$1004737.93  
CR Allowance for Doubtful Accounts \$1004737.93

Date: 08/28  
DR Cash \$19090020.61  
CR Accounts Receivable \$19090020.61

Date: 08/29  
DR Allowance for Doubtful Accounts \$1004737.93  
CR Accounts Receivable \$1004737.93

Date: 08/30  
DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 09/02  
DR Interest Expense \$856457.19  
CR Cash \$856457.19

Date: 09/03  
DR Business Loan \$3140305.92  
CR Cash \$3140305.92

Date: 09/04  
DR Depreciation Expense \$882463.75  
CR Accum Deprn Bldg \$882463.75

Date: 09/05  
DR Inventory \$9318817.2  
CR Accounts Payable \$9318817.2

Date: 09/06  
DR Depreciation Expense \$282388.4  
CR Accum Deprn Eqmt \$282388.4

Date: 09/08  
DR Accounts Receivable \$8471652  
CR Service Revenue \$8471652

Date: 09/10  
DR Accounts Receivable \$13046344.08  
CR Sales Revenue \$13046344.08  
DR Cost of Goods Sold \$9318817.2  
CR Inventory \$9318817.2

Date: 09/11  
DR Insurance Expense \$847165.2  
CR Prepaid Expense \$847165.2

Date: 09/15  
DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 09/24  
DR Sales Returns \$260926.88  
CR Accounts Receivable \$260926.88  
DR Inventory \$217439.068  
CR Cost of Goods Sold \$217439.068

Date: 09/26  
DR Accounts Payable \$12707478  
CR Cash \$12707478

Date: 09/27  
DR Bad Debt Expense \$1062853.46  
CR Allowance for Doubtful Accounts \$1062853.46

Date: 09/28  
DR Cash \$20194215.74  
CR Accounts Receivable \$20194215.74

Date: 09/29  
DR Allowance for Doubtful Accounts \$1062853.46  
CR Accounts Receivable \$1062853.46

Date: 09/30  
DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 10/02  
DR Interest Expense \$843372.58  
CR Cash \$843372.58

Date: 10/03  
DR Business Loan \$3153390.53  
CR Cash \$3153390.53

Date: 10/04  
DR Depreciation Expense \$882463.75  
CR Accum Deprn Bldg \$882463.75

Date: 10/05  
DR Inventory \$10165982.4  
CR Accounts Payable \$10165982.4

Date: 10/06  
DR Depreciation Expense \$282388.4  
CR Accum Deprn Eqmt \$282388.4

Date: 10/08  
DR Accounts Receivable \$8471652  
CR Service Revenue \$8471652

Date: 10/10  
DR Accounts Receivable \$14232375.36  
CR Sales Revenue \$14232375.36

DR Cost of Goods Sold \$10165982.4  
CR Inventory \$10165982.4

Date: 10/11

DR Insurance Expense \$847165.2  
CR Prepaid Expense \$847165.2

Date: 10/13

DR Cash \$33886608  
CR Unearned Revenue \$33886608

Date: 10/15

DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 10/24

DR Sales Returns \$284647.51  
CR Accounts Receivable \$284647.51  
DR Inventory \$237206.256  
CR Cost of Goods Sold \$237206.256

Date: 10/26

DR Accounts Payable \$13554643.2  
CR Cash \$13554643.2

Date: 10/27

DR Bad Debt Expense \$1120968.99  
CR Allowance for Doubtful Accounts \$1120968.99

Date: 10/28

DR Cash \$21298410.86  
CR Accounts Receivable \$21298410.86

Date: 10/29

DR Allowance for Doubtful Accounts \$1120968.99  
CR Accounts Receivable \$1120968.99

Date: 10/30

DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 11/02

DR Interest Expense \$830233.45  
CR Cash \$830233.45

Date: 11/03

DR Business Loan \$3166529.65  
CR Cash \$3166529.65

Date: 11/04

DR Depreciation Expense \$882463.75  
CR Accum Deprn Bldg \$882463.75

Date: 11/05

DR Inventory \$11013147.6  
CR Accounts Payable \$11013147.6

Date: 11/06

DR Depreciation Expense \$282388.4  
CR Accum Deprn Eqmt \$282388.4

Date: 11/08  
DR Accounts Receivable \$8471652  
CR Service Revenue \$8471652

Date: 11/10  
DR Accounts Receivable \$15418406.64  
CR Sales Revenue \$15418406.64  
DR Cost of Goods Sold \$11013147.6  
CR Inventory \$11013147.6

Date: 11/11  
DR Insurance Expense \$847165.2  
CR Prepaid Expense \$847165.2

Date: 11/13  
DR Unearned Revenue \$33886608  
CR Service Revenue \$33886608

Date: 11/15  
DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 11/20  
DR Retained Earnings \$8471652  
CR Cash \$8471652

Date: 11/24  
DR Sales Returns \$308368.13  
CR Accounts Receivable \$308368.13  
DR Inventory \$256973.444  
CR Cost of Goods Sold \$256973.444

Date: 11/26  
DR Accounts Payable \$14401808.4  
CR Cash \$14401808.4

Date: 11/27  
DR Bad Debt Expense \$1179084.53  
CR Allowance for Doubtful Accounts \$1179084.53

Date: 11/28  
DR Cash \$22402605.98  
CR Accounts Receivable \$22402605.98

Date: 11/29  
DR Allowance for Doubtful Accounts \$1179084.53  
CR Accounts Receivable \$1179084.53

Date: 11/30  
DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 12/02  
DR Interest Expense \$817039.58  
CR Cash \$817039.58

Date: 12/03  
DR Business Loan \$3179723.53  
CR Cash \$3179723.53



Date: 12/04  
DR Depreciation Expense \$882463.75  
CR Accum Deprn Bldg \$882463.75

Date: 12/05  
DR Inventory \$11860312.8  
CR Accounts Payable \$11860312.8

Date: 12/06  
DR Depreciation Expense \$282388.4  
CR Accum Deprn Eqmt \$282388.4

Date: 12/08  
DR Accounts Receivable \$8471652  
CR Service Revenue \$8471652

Date: 12/10  
DR Accounts Receivable \$16604437.92  
CR Sales Revenue \$16604437.92  
DR Cost of Goods Sold \$11860312.8  
CR Inventory \$11860312.8

Date: 12/11  
DR Insurance Expense \$847165.2  
CR Prepaid Expense \$847165.2

Date: 12/15  
DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 12/24  
DR Sales Returns \$332088.76  
CR Accounts Receivable \$332088.76  
DR Inventory \$276740.632  
CR Cost of Goods Sold \$276740.632

Date: 12/26  
DR Accounts Payable \$15248973.6  
CR Cash \$15248973.6

Date: 12/27  
DR Bad Debt Expense \$1237200.06  
CR Allowance for Doubtful Accounts \$1237200.06

Date: 12/28  
DR Cash \$23506801.1  
CR Accounts Receivable \$23506801.1

Date: 12/29  
DR Allowance for Doubtful Accounts \$1237200.06  
CR Accounts Receivable \$1237200.06

Date: 12/30  
DR Salaries Expense \$1694330.4  
CR Accounts Payable \$1694330.4

Date: 12/31  
DR Revenue \$253936074.37  
CR Retained Earnings \$253936074.37  
DR Retained Earnings \$153712399.298  
CR Expense \$153712399.298

**GENERAL LEDGER:**

## Cash

03/26	(16,943,304.00)
03/28	37,236,807.50
04/26	(26,120,927.00)
04/28	13,489,852.01
05/26	(10,024,788.20)
05/28	15,777,435.25
06/03	211,791,300.00
06/04	(211,791,300.00)
06/26	(10,871,953.40)
06/28	16,881,630.38
07/01	42,358,260.00
07/02	(882,463.75)
07/03	(3,114,299.36)
07/26	(11,013,147.60)
07/28	17,985,825.50
08/02	(869,487.50)
08/03	(3,127,275.60)
08/26	(22,026,295.20)
08/28	19,090,020.61
09/02	(856,457.19)
09/03	(3,140,305.92)
09/26	(12,707,478.00)
09/28	20,194,215.74
10/02	(843,372.58)
10/03	(3,153,390.53)
10/13	33,886,608.00
10/26	(13,554,643.20)
10/28	21,298,410.86
11/02	(830,233.45)
11/03	(3,166,529.65)
11/20	(8,471,652.00)
11/26	(14,401,808.40)
11/28	22,402,605.98
12/02	(817,039.58)
12/03	(3,179,723.53)
12/26	(15,248,973.60)
12/28	23,506,801.10
12/31 BALANCE	98,742,923.69

## Accounts Receivable

01/08	8,471,652.00
01/10	3,388,660.80
01/24	(67,773.22)
02/08	8,471,652.00
02/10	4,744,125.12
02/24	(94,882.50)
03/08	8,471,652.00
03/10	5,930,156.40
03/24	(118,603.13)
03/28	(37,236,807.50)
03/29	(3,205,503.68)
04/08	8,471,652.00
04/10	7,116,187.68
04/24	(142,323.75)
04/28	(13,489,852.01)
04/29	(709,992.21)
05/08	8,471,652.00
05/10	8,302,218.96
05/24	(166,044.38)

05/28	(15,777,435.25)
05/29	(830,391.33)
06/08	8,471,652.00
06/10	9,488,250.24
06/24	(189,765.00)
06/28	(16,881,630.38)
06/29	(888,506.86)
07/08	8,471,652.00
07/10	10,674,281.52
07/24	(213,485.63)
07/28	(17,985,825.50)
07/29	(946,622.39)
08/08	8,471,652.00
08/10	11,860,312.80
08/24	(237,206.26)
08/28	(19,090,020.61)
08/29	(1,004,737.93)
09/08	8,471,652.00
09/10	13,046,344.08
09/24	(260,926.88)
09/28	(20,194,215.74)
09/29	(1,062,853.46)
10/08	8,471,652.00
10/10	14,232,375.36
10/24	(284,647.51)
10/28	(21,298,410.86)
10/29	(1,120,968.99)
11/08	8,471,652.00
11/10	15,418,406.64
11/24	(308,368.13)
11/28	(22,402,605.98)
11/29	(1,179,084.53)
12/08	8,471,652.00
12/10	16,604,437.92
12/24	(332,088.76)
12/28	(23,506,801.10)
12/29	(1,237,200.06)
12/31	BALANCE 0.00

Allowance for Doubtful Accounts

02/27	(1,245,671.71)
03/27	(1,959,831.97)
03/29	3,205,503.68
04/27	(709,992.21)
04/29	709,992.21
05/27	(830,391.33)
05/29	830,391.33
06/27	(888,506.86)
06/29	888,506.86
07/27	(946,622.39)
07/29	946,622.39
08/27	(1,004,737.93)
08/29	1,004,737.93
09/27	(1,062,853.46)
09/29	1,062,853.46
10/27	(1,120,968.99)
10/29	1,120,968.99
11/27	(1,179,084.53)
11/29	1,179,084.53
12/27	(1,237,200.06)
12/29	1,237,200.06
12/31	BALANCE 0.00

Inventory

01/05	2,823,884.00
01/10	(2,823,884.00)
01/24	56,477.68
02/05	3,388,660.80
02/10	(3,388,660.80)
02/24	79,068.75
03/05	4,235,826.00
03/10	(4,235,826.00)
03/24	98,835.94
04/05	5,082,991.20
04/10	(5,082,991.20)
04/24	118,603.13
05/05	5,930,156.40
05/10	(5,930,156.40)
05/24	138,370.32
06/05	6,777,321.60
06/10	(6,777,321.60)
06/24	158,137.50
07/05	7,624,486.80
07/10	(7,624,486.80)
07/24	177,904.69
08/05	8,471,652.00
08/10	(8,471,652.00)
08/24	197,671.88
09/05	9,318,817.20
09/10	(9,318,817.20)
09/24	217,439.07
10/05	10,165,982.40
10/10	(10,165,982.40)
10/24	237,206.26
11/05	11,013,147.60
11/10	(11,013,147.60)
11/24	256,973.44
12/31 BALANCE	1,736,688.66

Equipment

04/06	16,943,304.00
12/31 BALANCE	16,943,304.00

Accum Deprn Eqmt

05/06	(282,388.40)
06/06	(282,388.40)
07/06	(282,388.40)
08/06	(282,388.40)
09/06	(282,388.40)
10/06	(282,388.40)
11/06	(282,388.40)
12/06	(282,388.40)
12/31 BALANCE	(2,259,107.20)

Building

06/04	211,791,300.00
12/31 BALANCE	211,791,300.00

Accum Deprn Bldg

07/04	(882,463.75)
08/04	(882,463.75)
09/04	(882,463.75)
10/04	(882,463.75)
11/04	(882,463.75)

12/04 (882,463.75)  
12/31 BALANCE (5,294,782.50)

Prepaid Expense

08/11 10,165,982.40  
09/11 (847,165.20)  
10/11 (847,165.20)  
11/11 (847,165.20)  
12/11 (847,165.20)  
12/31 BALANCE 6,777,321.60

Accounts Payable

01/05 (2,823,884.00)  
02/01 (705,971.00)  
02/05 (3,388,660.80)  
02/15 (1,694,330.40)  
02/30 (1,694,330.40)  
03/01 (705,971.00)  
03/05 (4,235,826.00)  
03/15 (1,694,330.40)  
03/26 16,943,304.00  
03/30 (1,694,330.40)  
04/01 (705,971.00)  
04/05 (5,082,991.20)  
04/06 (16,943,304.00)  
04/15 (1,694,330.40)  
04/26 26,120,927.00  
04/30 (1,694,330.40)  
05/01 (705,971.00)  
05/05 (5,930,156.40)  
05/15 (1,694,330.40)  
05/26 10,024,788.20  
05/30 (1,694,330.40)  
06/01 (705,971.00)  
06/05 (6,777,321.60)  
06/15 (1,694,330.40)  
06/26 10,871,953.40  
06/30 (1,694,330.40)  
07/05 (7,624,486.80)  
07/15 (1,694,330.40)  
07/26 11,013,147.60  
07/30 (1,694,330.40)  
08/05 (8,471,652.00)  
08/11 (10,165,982.40)  
08/15 (1,694,330.40)  
08/26 22,026,295.20  
08/30 (1,694,330.40)  
09/05 (9,318,817.20)  
09/15 (1,694,330.40)  
09/26 12,707,478.00  
09/30 (1,694,330.40)  
10/05 (10,165,982.40)  
10/15 (1,694,330.40)  
10/26 13,554,643.20  
10/30 (1,694,330.40)  
11/05 (11,013,147.60)  
11/15 (1,694,330.40)  
11/26 14,401,808.40  
11/30 (1,694,330.40)  
12/05 (11,860,312.80)  
12/15 (1,694,330.40)  
12/26 15,248,973.60

12/31 BALANCE 0.00

Business Loan

06/03 (211,791,300.00)  
07/03 3,114,299.36  
08/03 3,127,275.60  
09/03 3,140,305.92  
10/03 3,153,390.53  
11/03 3,166,529.65  
12/03 3,179,723.53  
12/31 BALANCE (192,909,775.41)

Unearned Revenue

10/13 (33,886,608.00)  
11/13 33,886,608.00  
12/31 BALANCE 0.00

Retained Earnings

11/20 8,471,652.00  
12/31 (100,223,675.07)  
12/31 BALANCE (91,752,023.07)

Owner's Equity

07/01 (42,358,260.00)  
12/31 BALANCE (42,358,260.00)

Service Revenue

01/08 (8,471,652.00)  
02/08 (8,471,652.00)  
03/08 (8,471,652.00)  
04/08 (8,471,652.00)  
05/08 (8,471,652.00)  
06/08 (8,471,652.00)  
07/08 (8,471,652.00)  
08/08 (8,471,652.00)  
09/08 (8,471,652.00)  
10/08 (8,471,652.00)  
11/08 (8,471,652.00)  
11/13 (33,886,608.00)  
12/08 (8,471,652.00)  
12/31 135,546,432.00  
12/31 BALANCE 0.00

Sales Revenue

01/10 (3,388,660.80)  
02/10 (4,744,125.12)  
03/10 (5,930,156.40)  
04/10 (7,116,187.68)  
05/10 (8,302,218.96)  
06/10 (9,488,250.24)  
07/10 (10,674,281.52)  
08/10 (11,860,312.80)  
09/10 (13,046,344.08)  
10/10 (14,232,375.36)  
11/10 (15,418,406.64)  
12/10 (16,604,437.92)  
12/31 120,805,757.52  
12/31 BALANCE 0.00

Sales Returns

01/24 67,773.22

02/24	94,882.50
03/24	118,603.13
04/24	142,323.75
05/24	166,044.38
06/24	189,765.00
07/24	213,485.63
08/24	237,206.26
09/24	260,926.88
10/24	284,647.51
11/24	308,368.13
12/24	332,088.76
12/31	(2,416,115.15)
12/31	BALANCE 0.00

Cost of Goods Sold

01/10	2,823,884.00
01/24	(56,477.68)
02/10	3,388,660.80
02/24	(79,068.75)
03/10	4,235,826.00
03/24	(98,835.94)
04/10	5,082,991.20
04/24	(118,603.13)
05/10	5,930,156.40
05/24	(138,370.32)
06/10	6,777,321.60
06/24	(158,137.50)
07/10	7,624,486.80
07/24	(177,904.69)
08/10	8,471,652.00
08/24	(197,671.88)
09/10	9,318,817.20
09/24	(217,439.07)
10/10	10,165,982.40
10/24	(237,206.26)
11/10	11,013,147.60
11/24	(256,973.44)
12/10	11,860,312.80
12/24	(276,740.63)
12/31	(84,679,809.51)
12/31	BALANCE 0.00

Salaries Expense

02/15	1,694,330.40
02/30	1,694,330.40
03/15	1,694,330.40
03/30	1,694,330.40
04/15	1,694,330.40
04/30	1,694,330.40
05/15	1,694,330.40
05/30	1,694,330.40
06/15	1,694,330.40
06/30	1,694,330.40
07/15	1,694,330.40
07/30	1,694,330.40
08/15	1,694,330.40
08/30	1,694,330.40
09/15	1,694,330.40
09/30	1,694,330.40
10/15	1,694,330.40
10/30	1,694,330.40
11/15	1,694,330.40

11/30	1,694,330.40
12/15	1,694,330.40
12/30	1,694,330.40
12/31	(37,275,268.80)
12/31 BALANCE	0.00

Rent Expense

02/01	705,971.00
03/01	705,971.00
04/01	705,971.00
05/01	705,971.00
06/01	705,971.00
12/31	(3,529,855.00)
12/31 BALANCE	0.00

Bad Debt Expense

02/27	1,245,671.71
03/27	1,959,831.97
04/27	709,992.21
05/27	830,391.33
06/27	888,506.86
07/27	946,622.39
08/27	1,004,737.93
09/27	1,062,853.46
10/27	1,120,968.99
11/27	1,179,084.53
12/27	1,237,200.06
12/31	(12,185,861.44)
12/31 BALANCE	0.00

Depreciation Expense

05/06	282,388.40
06/06	282,388.40
07/04	882,463.75
07/06	282,388.40
08/04	882,463.75
08/06	282,388.40
09/04	882,463.75
09/06	282,388.40
10/04	882,463.75
10/06	282,388.40
11/04	882,463.75
11/06	282,388.40
12/04	882,463.75
12/06	282,388.40
12/31	(7,553,889.70)
12/31 BALANCE	0.00

Insurance Expense

09/11	847,165.20
10/11	847,165.20
11/11	847,165.20
12/11	847,165.20
12/31	(3,388,660.80)
12/31 BALANCE	0.00

Interest Expense

07/02	882,463.75
08/02	869,487.50
09/02	856,457.19
10/02	843,372.58
11/02	830,233.45



12/02	817,039.58
12/31	(5,099,054.05)
12/31 BALANCE	0.00

**TRIAL BALANCE BEFORE AND AFTER CLOSING ENTRY:**

Cash	98,742,923.69	98,742,923.69
Accounts Receivable	0.00	0.00
Allowance for Doubtful Accounts	0.00	0.00
Inventory	2,013,429.29	2,013,429.29
Equipment	16,943,304.00	16,943,304.00
Accum Deprn Eqmt	(2,259,107.20)	(2,259,107.20)
Building	211,791,300.00	211,791,300.00
Accum Deprn Bldg	(5,294,782.50)	(5,294,782.50)
Prepaid Expense	6,777,321.60	6,777,321.60
Accounts Payable	(1,694,330.40)	(1,694,330.40)
Business Loan	(192,909,775.41)	(192,909,775.41)
Unearned Revenue	0.00	0.00
Retained Earnings	0.00	(91,752,023.07)
Owner's Equity	(42,358,260.00)	(42,358,260.00)
Service Revenue	(135,546,432.00)	0.00
Sales Revenue	(120,805,757.52)	0.00
Sales Returns	2,416,115.15	0.00
Cost of Goods Sold	84,679,809.51	0.00
Salaries Expense	37,275,268.80	0.00
Rent Expense	3,529,855.00	0.00
Bad Debt Expense	12,185,861.44	0.00
Depreciation Expense	7,553,889.70	0.00
Insurance Expense	3,388,660.80	0.00
Interest Expense	5,099,054.05	0.00

## FINANCIAL STATEMENTS

### Balance Sheet (Dec 31)

ASSETS	
Cash	98,742,923.69
Accounts Receivable	0.00
Inventory	2,013,429.29
Prepays	6,777,321.60
Property Plant & Equipment	228,734,604.00
Accumulated Depreciation Expense	(7,553,889.70)
Net Property Plant & Equipment	221,180,714.30
Total Assets	328,714,388.88
LIABILITIES	
Accounts Payable	1,694,330.40
Loans	192,909,775.41
Total Liabilities	194,604,105.81
SHAREHOLDER'S EQUITY	
Owner's Equity	42,358,260.00
Retained Earnings	91,752,023.07
Total Shareholder's Equity	134,110,283.07
Total Liabilities & Shareholder's Equity	328,714,388.88

### Income Statement (Jan 1 to Dec 31)

REVENUE	
Services	135,546,432.00
Sales	120,805,757.52
Sales Returns	(2,416,115.15)
Total Revenue	253,936,074.37
EXPENSES	
Cost of Goods Sold	84,679,809.51
Salaries Expense	37,275,268.80
Rent Expense	3,529,855.00
Bad Debts	12,185,861.44
Depreciation Expense	7,553,889.70
Insurance	3,388,660.80
Interest	5,099,054.05
Total Expenses	153,712,399.30
Net Income	100,223,675.07

**Statement of Retained Earnings (Jan 1 to Dec 31)**

Opening Balance	0.00
Net Income	100,223,675.07
Dividends Paid	(8,471,652.00)
Closing Balance	91,752,023.07

**Statement of Cashflows (Jan 1 to Dec31)**

Beginning Cash Balance	0.00
Operating Activities	
Net Income	100,223,675.07
Depreciation Expense	7,553,889.70
Increase in Prepaid Expenses	(6,777,321.60)
Increase in Accounts Payable	1,694,330.40
Increase in Inventory	(2,013,429.29)
Investment Activities	
PPE Purchases	(228,734,604.00)
Financing Activities	
Bank Loan	211,791,300.00
Bank Loan repayment of principal	(18,881,524.59)
Owner Investment	42,358,260.00
Dividend Paid to Owner	(8,471,652.00)
Net Cashflows	98,742,923.69
Ending Cash Balance	98,742,923.69

**Case #3**

<b>Date</b>	<b>Amount</b>	<b>Transaction</b>
01/01	0.00	Started new business. All Accounts are nil.
01/05	3,190,989.00	Bought inventory
01/08	9,572,967.00	Sold services
01/10	3,829,186.80	Sold all inventory
01/24	76,583.74	2% of Sales were returned
02/01	797,747.25	Paid Rent for the current month
02/05	3,829,186.80	Bought inventory
02/08	9,572,967.00	Sold services
02/10	5,360,861.52	Sold all inventory
02/15	1,914,593.40	Paid employees
02/24	107,217.23	2% of Sales were returned
02/27	1,407,609.07	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
02/30	1,914,593.40	Paid employees
03/01	797,747.25	Paid Rent for the current month
03/05	4,786,483.50	Bought inventory
03/08	9,572,967.00	Sold services
03/10	6,701,076.90	Sold all inventory
03/15	1,914,593.40	Paid employees
03/24	134,021.54	2% of Sales were returned
03/26	19,145,934.00	Settle all accounts payable
03/27	2,214,610.19	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
03/28	42,077,593.52	Received cash from 95% of accts receivable
03/29	3,622,219.26	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
03/30	1,914,593.40	Paid employees
04/01	797,747.25	Paid Rent for the current month
04/05	5,743,780.20	Bought inventory
04/06	19,145,934.00	Bought equipment 5yr life
04/08	9,572,967.00	Sold services
04/10	8,041,292.28	Sold all inventory
04/15	1,914,593.40	Paid employees
04/24	160,825.85	2% of Sales were returned
04/26	29,516,648.25	Settle all accounts payable
04/27	802,291.22	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
04/28	15,243,533.14	Received cash from 95% of accts receivable
04/29	802,291.22	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
04/30	1,914,593.40	Paid employees
05/01	797,747.25	Paid Rent for the current month
05/05	6,701,076.90	Bought inventory
05/06	319,098.90	Depreciate equipment for 1 month
05/08	9,572,967.00	Sold services
05/10	9,381,507.66	Sold all inventory
05/15	1,914,593.40	Paid employees
05/24	187,630.15	2% of Sales were returned
05/26	11,328,010.95	Settle all accounts payable
05/27	938,342.23	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
05/28	17,828,502.28	Received cash from 95% of accts receivable
05/29	938,342.23	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
05/30	1,914,593.40	Paid employees
06/01	797,747.25	Paid Rent for the current month
06/03	239,324,175.00	Received a business loan for building payable monthly 5yr term @5%

06/04	239,324,175.00	Bought building 20yr life
06/05	7,658,373.60	Bought inventory
06/06	319,098.90	Depreciate equipment for 1 month
06/08	9,572,967.00	Sold services
06/10	10,721,723.04	Sold all inventory
06/15	1,914,593.40	Paid employees
06/24	214,434.46	2% of Sales were returned
06/26	12,285,307.65	Settle all accounts payable
06/27	1,004,012.78	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
06/28	19,076,242.80	Received cash from 95% of accts receivable
06/29	1,004,012.78	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
06/30	1,914,593.40	Paid employees
07/01	47,864,835.00	Owner invested cash into the business
07/02	997,184.06	Paid 1 month of interest per Loan Amortization Schedule
07/03	3,519,158.36	Paid principal portion based on Loan Amortization Schedule
07/04	997,184.06	Depreciate building for 1 month
07/05	8,615,670.30	Bought inventory
07/06	319,098.90	Depreciate equipment for 1 month
07/08	9,572,967.00	Sold services
07/10	12,061,938.42	Sold all inventory
07/15	1,914,593.40	Paid employees
07/24	241,238.77	2% of Sales were returned
07/26	12,444,857.10	Settle all accounts payable
07/27	1,069,683.33	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
07/28	20,323,983.32	Received cash from 95% of accts receivable
07/29	1,069,683.33	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
07/30	1,914,593.40	Paid employees
08/02	982,520.90	Paid 1 month of interest per Loan Amortization Schedule
08/03	3,533,821.52	Paid principal portion based on Loan Amortization Schedule
08/04	997,184.06	Depreciate building for 1 month
08/05	9,572,967.00	Bought inventory
08/06	319,098.90	Depreciate equipment for 1 month
08/08	9,572,967.00	Sold services
08/10	13,402,153.80	Sold all inventory
08/11	11,487,560.40	Prepaid for 12 months of insurance
08/15	1,914,593.40	Paid employees
08/24	268,043.08	2% of Sales were returned
08/26	24,889,714.20	Settle all accounts payable
08/27	1,135,353.89	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
08/28	21,571,723.83	Received cash from 95% of accts receivable
08/29	1,135,353.89	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
08/30	1,914,593.40	Paid employees
09/02	967,796.65	Paid 1 month of interest per Loan Amortization Schedule
09/03	3,548,545.78	Paid principal portion based on Loan Amortization Schedule
09/04	997,184.06	Depreciate building for 1 month
09/05	10,530,263.70	Bought inventory
09/06	319,098.90	Depreciate equipment for 1 month
09/08	9,572,967.00	Sold services
09/10	14,742,369.18	Sold all inventory
09/11	957,296.70	Amortize prepaid insurance for 1 month
09/15	1,914,593.40	Paid employees
09/24	294,847.38	2% of Sales were returned
09/26	14,359,450.50	Settle all accounts payable
09/27	1,201,024.44	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
09/28	22,819,464.36	Received cash from 95% of accts receivable

09/29	1,201,024.44	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
09/30	1,914,593.40	Paid employees
10/02	953,011.04	Paid 1 month of interest per Loan Amortization Schedule
10/03	3,563,331.38	Paid principal portion based on Loan Amortization Schedule
10/04	997,184.06	Depreciate building for 1 month
10/05	11,487,560.40	Bought inventory
10/06	319,098.90	Depreciate equipment for 1 month
10/08	9,572,967.00	Sold services
10/10	16,082,584.56	Sold all inventory
10/11	957,296.70	Amortize prepaid insurance for 1 month
10/13	38,291,868.00	Received upfront payment for a large project to be fulfilled next month
10/15	1,914,593.40	Paid employees
10/24	321,651.69	2% of Sales were returned
10/26	15,316,747.20	Settle all accounts payable
10/27	1,266,694.99	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
10/28	24,067,204.88	Received cash from 95% of accts receivable
10/29	1,266,694.99	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
10/30	1,914,593.40	Paid employees
11/02	938,163.82	Paid 1 month of interest per Loan Amortization Schedule
11/03	3,578,178.60	Paid principal portion based on Loan Amortization Schedule
11/04	997,184.06	Depreciate building for 1 month
11/05	12,444,857.10	Bought inventory
11/06	319,098.90	Depreciate equipment for 1 month
11/08	9,572,967.00	Sold services
11/10	17,422,799.94	Sold all inventory
11/11	957,296.70	Amortize prepaid insurance for 1 month
11/13	38,291,868.00	Provide the services for the large sale that was paid up front last month
11/15	1,914,593.40	Paid employees
11/20	9,572,967.00	Paid a dividend to the owner
11/24	348,456.00	2% of Sales were returned
11/26	16,274,043.90	Settle all accounts payable
11/27	1,332,365.55	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
11/28	25,314,945.39	Received cash from 95% of accts receivable
11/29	1,332,365.55	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
11/30	1,914,593.40	Paid employees
12/02	923,254.75	Paid 1 month of interest per Loan Amortization Schedule
12/03	3,593,087.68	Paid principal portion based on Loan Amortization Schedule
12/04	997,184.06	Depreciate building for 1 month
12/05	13,402,153.80	Bought inventory
12/06	319,098.90	Depreciate equipment for 1 month
12/08	9,572,967.00	Sold services
12/10	18,763,015.32	Sold all inventory
12/11	957,296.70	Amortize prepaid insurance for 1 month
12/15	1,914,593.40	Paid employees
12/24	375,260.31	2% of Sales were returned
12/26	17,231,340.60	Settle all accounts payable
12/27	1,398,036.10	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
12/28	26,562,685.91	Received cash from 95% of accts receivable
12/29	1,398,036.10	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
12/30	1,914,593.40	Paid employees
12/31	113,252,755.66	Closing entry to post all revenues and expenses to retained earnings

## Loan Amortization Schedule

60months		5%		
Month	Payment	Interest	Principal	Balance
1	4,516,342.42	997,184.06	3,519,158.36	239,324,175.00
2	4,516,342.42	982,520.90	3,533,821.52	235,805,016.64
3	4,516,342.42	967,796.65	3,548,545.78	232,271,195.12
4	4,516,342.42	953,011.04	3,563,331.38	228,722,649.34
5	4,516,342.42	938,163.82	3,578,178.60	225,159,317.96
6	4,516,342.42	923,254.75	3,593,087.68	221,581,139.36
7	4,516,342.42	908,283.55	3,608,058.87	217,988,051.68
8	4,516,342.42	893,249.97	3,623,092.45	214,379,992.81
9	4,516,342.42	878,153.75	3,638,188.67	210,756,900.36
10	4,516,342.42	862,994.63	3,653,347.79	207,118,711.69
11	4,516,342.42	847,772.35	3,668,570.07	203,465,363.89
12	4,516,342.42	832,486.64	3,683,855.78	199,796,793.82
13	4,516,342.42	817,137.24	3,699,205.18	196,112,938.04
14	4,516,342.42	801,723.89	3,714,618.54	192,413,732.86
15	4,516,342.42	786,246.31	3,730,096.11	188,699,114.32
16	4,516,342.42	770,704.24	3,745,638.18	184,969,018.21
17	4,516,342.42	755,097.42	3,761,245.01	181,223,380.03
18	4,516,342.42	739,425.56	3,776,916.86	177,462,135.02
19	4,516,342.42	723,688.41	3,792,654.01	173,685,218.16
20	4,516,342.42	707,885.68	3,808,456.74	169,892,564.15
21	4,516,342.42	692,017.11	3,824,325.31	166,084,107.41
22	4,516,342.42	676,082.43	3,840,260.00	162,259,782.10
23	4,516,342.42	660,081.34	3,856,261.08	158,419,522.10
24	4,516,342.42	644,013.59	3,872,328.84	154,563,261.02
25	4,516,342.42	627,878.88	3,888,463.54	150,690,932.18
26	4,516,342.42	611,676.95	3,904,665.47	146,802,468.64
27	4,516,342.42	595,407.51	3,920,934.91	142,897,803.17
28	4,516,342.42	579,070.28	3,937,272.14	138,976,868.26
29	4,516,342.42	562,664.98	3,953,677.44	135,039,596.13
30	4,516,342.42	546,191.33	3,970,151.10	131,085,918.69
31	4,516,342.42	529,649.03	3,986,693.39	127,115,767.59
32	4,516,342.42	513,037.81	4,003,304.61	123,129,074.20
33	4,516,342.42	496,357.37	4,019,985.05	119,125,769.59
34	4,516,342.42	479,607.44	4,036,734.99	115,105,784.54
35	4,516,342.42	462,787.71	4,053,554.72	111,069,049.55
36	4,516,342.42	445,897.90	4,070,444.53	107,015,494.83
37	4,516,342.42	428,937.71	4,087,404.71	102,945,050.30
38	4,516,342.42	411,906.86	4,104,435.57	98,857,645.59
39	4,516,342.42	394,805.04	4,121,537.38	94,753,210.02
40	4,516,342.42	377,631.97	4,138,710.45	90,631,672.64
41	4,516,342.42	360,387.34	4,155,955.08	86,492,962.19
42	4,516,342.42	343,070.86	4,173,271.56	82,337,007.11
43	4,516,342.42	325,682.23	4,190,660.19	78,163,735.55
44	4,516,342.42	308,221.15	4,208,121.28	73,973,075.36
45	4,516,342.42	290,687.31	4,225,655.11	69,764,954.08
46	4,516,342.42	273,080.41	4,243,262.01	65,539,298.97
47	4,516,342.42	255,400.15	4,260,942.27	61,296,036.96
48	4,516,342.42	237,646.23	4,278,696.20	57,035,094.69
49	4,516,342.42	219,818.33	4,296,524.10	52,756,398.49
50	4,516,342.42	201,916.14	4,314,426.28	48,459,874.40
51	4,516,342.42	183,939.37	4,332,403.06	44,145,448.12
52	4,516,342.42	165,887.69	4,350,454.74	39,813,045.06
53	4,516,342.42	147,760.79	4,368,581.63	35,462,590.32
54	4,516,342.42	129,558.37	4,386,784.05	31,094,008.69
55	4,516,342.42	111,280.10	4,405,062.32	26,707,224.64
56	4,516,342.42	92,925.68	4,423,416.75	22,302,162.32
57	4,516,342.42	74,494.77	4,441,847.65	17,878,745.57
58	4,516,342.42	55,987.07	4,460,355.35	13,436,897.92
59	4,516,342.42	37,402.26	4,478,940.16	8,976,542.58
60	4,516,342.42	18,740.01	4,497,602.41	4,497,602.41
				0.00



**SOLUTION:****General Journal Entries:**

Date: 01/05

DR Inventory \$3190989  
CR Accounts Payable \$3190989

Date: 01/08

DR Accounts Receivable \$9572967  
CR Service Revenue \$9572967

Date: 01/10

DR Accounts Receivable \$3829186.8  
CR Sales Revenue \$3829186.8  
DR Cost of Goods Sold \$3190989  
CR Inventory \$3190989

Date: 01/24

DR Sales Returns \$76583.74  
CR Accounts Receivable \$76583.74  
DR Inventory \$63819.78  
CR Cost of Goods Sold \$63819.78

Date: 02/01

DR Rent Expense \$797747.25  
CR Accounts Payable \$797747.25

Date: 02/05

DR Inventory \$3829186.8  
CR Accounts Payable \$3829186.8

Date: 02/08

DR Accounts Receivable \$9572967  
CR Service Revenue \$9572967

Date: 02/10

DR Accounts Receivable \$5360861.52  
CR Sales Revenue \$5360861.52  
DR Cost of Goods Sold \$3829186.8  
CR Inventory \$3829186.8

Date: 02/15

DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 02/24

DR Sales Returns \$107217.23  
CR Accounts Receivable \$107217.23  
DR Inventory \$89347.692  
CR Cost of Goods Sold \$89347.692

Date: 02/27

DR Bad Debt Expense \$1407609.07  
CR Allowance for Doubtful Accounts \$1407609.07

Date: 02/30

DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 03/01

DR Rent Expense \$797747.25  
CR Accounts Payable \$797747.25

Date: 03/05  
DR Inventory \$4786483.5  
CR Accounts Payable \$4786483.5

Date: 03/08  
DR Accounts Receivable \$9572967  
CR Service Revenue \$9572967

Date: 03/10  
DR Accounts Receivable \$6701076.9  
CR Sales Revenue \$6701076.9  
DR Cost of Goods Sold \$4786483.5  
CR Inventory \$4786483.5

Date: 03/15  
DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 03/24  
DR Sales Returns \$134021.54  
CR Accounts Receivable \$134021.54  
DR Inventory \$111684.615  
CR Cost of Goods Sold \$111684.615

Date: 03/26  
DR Accounts Payable \$19145934  
CR Cash \$19145934

Date: 03/27  
DR Bad Debt Expense \$2214610.19  
CR Allowance for Doubtful Accounts \$2214610.19

Date: 03/28  
DR Cash \$42077593.52  
CR Accounts Receivable \$42077593.52

Date: 03/29  
DR Allowance for Doubtful Accounts \$3622219.26  
CR Accounts Receivable \$3622219.26

Date: 03/30  
DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 04/01  
DR Rent Expense \$797747.25  
CR Accounts Payable \$797747.25

Date: 04/05  
DR Inventory \$5743780.2  
CR Accounts Payable \$5743780.2

Date: 04/06  
DR Equipment \$19145934  
CR Accounts Payable \$19145934

Date: 04/08  
DR Accounts Receivable \$9572967  
CR Service Revenue \$9572967

Date: 04/10

DR Accounts Receivable \$8041292.28  
CR Sales Revenue \$8041292.28  
DR Cost of Goods Sold \$5743780.2  
CR Inventory \$5743780.2

Date: 04/15

DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 04/24

DR Sales Returns \$160825.85  
CR Accounts Receivable \$160825.85  
DR Inventory \$134021.538  
CR Cost of Goods Sold \$134021.538

Date: 04/26

DR Accounts Payable \$29516648.25  
CR Cash \$29516648.25

Date: 04/27

DR Bad Debt Expense \$802291.22  
CR Allowance for Doubtful Accounts \$802291.22

Date: 04/28

DR Cash \$15243533.14  
CR Accounts Receivable \$15243533.14

Date: 04/29

DR Allowance for Doubtful Accounts \$802291.22  
CR Accounts Receivable \$802291.22

Date: 04/30

DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 05/01

DR Rent Expense \$797747.25  
CR Accounts Payable \$797747.25

Date: 05/05

DR Inventory \$6701076.9  
CR Accounts Payable \$6701076.9

Date: 05/06

DR Depreciation Expense \$319098.9  
CR Accum Deprn Eqmt \$319098.9

Date: 05/08

DR Accounts Receivable \$9572967  
CR Service Revenue \$9572967

Date: 05/10

DR Accounts Receivable \$9381507.66  
CR Sales Revenue \$9381507.66  
DR Cost of Goods Sold \$6701076.9  
CR Inventory \$6701076.9

Date: 05/15

DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 05/24  
DR Sales Returns \$187630.15  
CR Accounts Receivable \$187630.15  
DR Inventory \$156358.461  
CR Cost of Goods Sold \$156358.461

Date: 05/26  
DR Accounts Payable \$11328010.95  
CR Cash \$11328010.95

Date: 05/27  
DR Bad Debt Expense \$938342.23  
CR Allowance for Doubtful Accounts \$938342.23

Date: 05/28  
DR Cash \$17828502.28  
CR Accounts Receivable \$17828502.28

Date: 05/29  
DR Allowance for Doubtful Accounts \$938342.23  
CR Accounts Receivable \$938342.23

Date: 05/30  
DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 06/01  
DR Rent Expense \$797747.25  
CR Accounts Payable \$797747.25

Date: 06/03  
DR Cash \$239324175  
CR Business Loan \$239324175

Date: 06/04  
DR Building \$239324175  
CR Cash \$239324175

Date: 06/05  
DR Inventory \$7658373.6  
CR Accounts Payable \$7658373.6

Date: 06/06  
DR Depreciation Expense \$319098.9  
CR Accum Deprn Eqmt \$319098.9

Date: 06/08  
DR Accounts Receivable \$9572967  
CR Service Revenue \$9572967

Date: 06/10  
DR Accounts Receivable \$10721723.04  
CR Sales Revenue \$10721723.04  
DR Cost of Goods Sold \$7658373.6  
CR Inventory \$7658373.6

Date: 06/15  
DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 06/24  
DR Sales Returns \$214434.46

CR Accounts Receivable \$214434.46  
DR Inventory \$178695.384  
CR Cost of Goods Sold \$178695.384

Date: 06/26

DR Accounts Payable \$12285307.65  
CR Cash \$12285307.65

Date: 06/27

DR Bad Debt Expense \$1004012.78  
CR Allowance for Doubtful Accounts \$1004012.78

Date: 06/28

DR Cash \$19076242.8  
CR Accounts Receivable \$19076242.8

Date: 06/29

DR Allowance for Doubtful Accounts \$1004012.78  
CR Accounts Receivable \$1004012.78

Date: 06/30

DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 07/01

DR Cash \$47864835  
CR Owner's Equity \$47864835

Date: 07/02

DR Interest Expense \$997184.06  
CR Cash \$997184.06

Date: 07/03

DR Business Loan \$3519158.36  
CR Cash \$3519158.36

Date: 07/04

DR Depreciation Expense \$997184.06  
CR Accum Deprn Bldg \$997184.06

Date: 07/05

DR Inventory \$8615670.3  
CR Accounts Payable \$8615670.3

Date: 07/06

DR Depreciation Expense \$319098.9  
CR Accum Deprn Eqmt \$319098.9

Date: 07/08

DR Accounts Receivable \$9572967  
CR Service Revenue \$9572967

Date: 07/10

DR Accounts Receivable \$12061938.42  
CR Sales Revenue \$12061938.42  
DR Cost of Goods Sold \$8615670.3  
CR Inventory \$8615670.3

Date: 07/15

DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 07/24  
DR Sales Returns \$241238.77  
CR Accounts Receivable \$241238.77  
DR Inventory \$201032.307  
CR Cost of Goods Sold \$201032.307

Date: 07/26  
DR Accounts Payable \$12444857.1  
CR Cash \$12444857.1

Date: 07/27  
DR Bad Debt Expense \$1069683.33  
CR Allowance for Doubtful Accounts \$1069683.33

Date: 07/28  
DR Cash \$20323983.32  
CR Accounts Receivable \$20323983.32

Date: 07/29  
DR Allowance for Doubtful Accounts \$1069683.33  
CR Accounts Receivable \$1069683.33

Date: 07/30  
DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 08/02  
DR Interest Expense \$982520.9  
CR Cash \$982520.9

Date: 08/03  
DR Business Loan \$3533821.52  
CR Cash \$3533821.52

Date: 08/04  
DR Depreciation Expense \$997184.06  
CR Accum Deprn Bldg \$997184.06

Date: 08/05  
DR Inventory \$9572967  
CR Accounts Payable \$9572967

Date: 08/06  
DR Depreciation Expense \$319098.9  
CR Accum Deprn Eqmt \$319098.9

Date: 08/08  
DR Accounts Receivable \$9572967  
CR Service Revenue \$9572967

Date: 08/10  
DR Accounts Receivable \$13402153.8  
CR Sales Revenue \$13402153.8  
DR Cost of Goods Sold \$9572967  
CR Inventory \$9572967

Date: 08/11  
DR Prepaid Expense \$11487560.4  
CR Accounts Payable \$11487560.4

Date: 08/15  
DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 08/24  
DR Sales Returns \$268043.08  
CR Accounts Receivable \$268043.08  
DR Inventory \$223369.23  
CR Cost of Goods Sold \$223369.23

Date: 08/26  
DR Accounts Payable \$24889714.2  
CR Cash \$24889714.2

Date: 08/27  
DR Bad Debt Expense \$1135353.89  
CR Allowance for Doubtful Accounts \$1135353.89

Date: 08/28  
DR Cash \$21571723.83  
CR Accounts Receivable \$21571723.83

Date: 08/29  
DR Allowance for Doubtful Accounts \$1135353.89  
CR Accounts Receivable \$1135353.89

Date: 08/30  
DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 09/02  
DR Interest Expense \$967796.65  
CR Cash \$967796.65

Date: 09/03  
DR Business Loan \$3548545.78  
CR Cash \$3548545.78

Date: 09/04  
DR Depreciation Expense \$997184.06  
CR Accum Deprn Bldg \$997184.06

Date: 09/05  
DR Inventory \$10530263.7  
CR Accounts Payable \$10530263.7

Date: 09/06  
DR Depreciation Expense \$319098.9  
CR Accum Deprn Eqmt \$319098.9

Date: 09/08  
DR Accounts Receivable \$9572967  
CR Service Revenue \$9572967

Date: 09/10  
DR Accounts Receivable \$14742369.18  
CR Sales Revenue \$14742369.18  
DR Cost of Goods Sold \$10530263.7  
CR Inventory \$10530263.7

Date: 09/11  
DR Insurance Expense \$957296.7  
CR Prepaid Expense \$957296.7

Date: 09/15  
DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 09/24  
DR Sales Returns \$294847.38  
CR Accounts Receivable \$294847.38  
DR Inventory \$245706.153  
CR Cost of Goods Sold \$245706.153

Date: 09/26  
DR Accounts Payable \$14359450.5  
CR Cash \$14359450.5

Date: 09/27  
DR Bad Debt Expense \$1201024.44  
CR Allowance for Doubtful Accounts \$1201024.44

Date: 09/28  
DR Cash \$22819464.36  
CR Accounts Receivable \$22819464.36

Date: 09/29  
DR Allowance for Doubtful Accounts \$1201024.44  
CR Accounts Receivable \$1201024.44

Date: 09/30  
DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 10/02  
DR Interest Expense \$953011.04  
CR Cash \$953011.04

Date: 10/03  
DR Business Loan \$3563331.38  
CR Cash \$3563331.38

Date: 10/04  
DR Depreciation Expense \$997184.06  
CR Accum Deprn Bldg \$997184.06

Date: 10/05  
DR Inventory \$11487560.4  
CR Accounts Payable \$11487560.4

Date: 10/06  
DR Depreciation Expense \$319098.9  
CR Accum Deprn Eqmt \$319098.9

Date: 10/08  
DR Accounts Receivable \$9572967  
CR Service Revenue \$9572967

Date: 10/10  
DR Accounts Receivable \$16082584.56  
CR Sales Revenue \$16082584.56



DR Cost of Goods Sold \$11487560.4  
CR Inventory \$11487560.4

Date: 10/11

DR Insurance Expense \$957296.7  
CR Prepaid Expense \$957296.7

Date: 10/13

DR Cash \$38291868  
CR Unearned Revenue \$38291868

Date: 10/15

DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 10/24

DR Sales Returns \$321651.69  
CR Accounts Receivable \$321651.69  
DR Inventory \$268043.076  
CR Cost of Goods Sold \$268043.076

Date: 10/26

DR Accounts Payable \$15316747.2  
CR Cash \$15316747.2

Date: 10/27

DR Bad Debt Expense \$1266694.99  
CR Allowance for Doubtful Accounts \$1266694.99

Date: 10/28

DR Cash \$24067204.88  
CR Accounts Receivable \$24067204.88

Date: 10/29

DR Allowance for Doubtful Accounts \$1266694.99  
CR Accounts Receivable \$1266694.99

Date: 10/30

DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 11/02

DR Interest Expense \$938163.82  
CR Cash \$938163.82

Date: 11/03

DR Business Loan \$3578178.6  
CR Cash \$3578178.6

Date: 11/04

DR Depreciation Expense \$997184.06  
CR Accum Deprn Bldg \$997184.06

Date: 11/05

DR Inventory \$12444857.1  
CR Accounts Payable \$12444857.1

Date: 11/06

DR Depreciation Expense \$319098.9  
CR Accum Deprn Eqmt \$319098.9

Date: 11/08  
DR Accounts Receivable \$9572967  
CR Service Revenue \$9572967

Date: 11/10  
DR Accounts Receivable \$17422799.94  
CR Sales Revenue \$17422799.94  
DR Cost of Goods Sold \$12444857.1  
CR Inventory \$12444857.1

Date: 11/11  
DR Insurance Expense \$957296.7  
CR Prepaid Expense \$957296.7

Date: 11/13  
DR Unearned Revenue \$38291868  
CR Service Revenue \$38291868

Date: 11/15  
DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 11/20  
DR Retained Earnings \$9572967  
CR Cash \$9572967

Date: 11/24  
DR Sales Returns \$348456  
CR Accounts Receivable \$348456  
DR Inventory \$290379.999  
CR Cost of Goods Sold \$290379.999

Date: 11/26  
DR Accounts Payable \$16274043.9  
CR Cash \$16274043.9

Date: 11/27  
DR Bad Debt Expense \$1332365.55  
CR Allowance for Doubtful Accounts \$1332365.55

Date: 11/28  
DR Cash \$25314945.39  
CR Accounts Receivable \$25314945.39

Date: 11/29  
DR Allowance for Doubtful Accounts \$1332365.55  
CR Accounts Receivable \$1332365.55

Date: 11/30  
DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 12/02  
DR Interest Expense \$923254.75  
CR Cash \$923254.75

Date: 12/03  
DR Business Loan \$3593087.68  
CR Cash \$3593087.68

Date: 12/04  
DR Depreciation Expense \$997184.06  
CR Accum Deprn Bldg \$997184.06

Date: 12/05  
DR Inventory \$13402153.8  
CR Accounts Payable \$13402153.8

Date: 12/06  
DR Depreciation Expense \$319098.9  
CR Accum Deprn Eqmt \$319098.9

Date: 12/08  
DR Accounts Receivable \$9572967  
CR Service Revenue \$9572967

Date: 12/10  
DR Accounts Receivable \$18763015.32  
CR Sales Revenue \$18763015.32  
DR Cost of Goods Sold \$13402153.8  
CR Inventory \$13402153.8

Date: 12/11  
DR Insurance Expense \$957296.7  
CR Prepaid Expense \$957296.7

Date: 12/15  
DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 12/24  
DR Sales Returns \$375260.31  
CR Accounts Receivable \$375260.31  
DR Inventory \$312716.922  
CR Cost of Goods Sold \$312716.922

Date: 12/26  
DR Accounts Payable \$17231340.6  
CR Cash \$17231340.6

Date: 12/27  
DR Bad Debt Expense \$1398036.1  
CR Allowance for Doubtful Accounts \$1398036.1

Date: 12/28  
DR Cash \$26562685.91  
CR Accounts Receivable \$26562685.91

Date: 12/29  
DR Allowance for Doubtful Accounts \$1398036.1  
CR Accounts Receivable \$1398036.1

Date: 12/30  
DR Salaries Expense \$1914593.4  
CR Accounts Payable \$1914593.4

Date: 12/31  
DR Revenue \$286947771.22  
CR Retained Earnings \$286947771.22  
DR Retained Earnings \$173695015.563  
CR Expense \$173695015.563



**GENERAL LEDGER:**

## Cash

03/26	(19,145,934.00)
03/28	42,077,593.52
04/26	(29,516,648.25)
04/28	15,243,533.14
05/26	(11,328,010.95)
05/28	17,828,502.28
06/03	239,324,175.00
06/04	(239,324,175.00)
06/26	(12,285,307.65)
06/28	19,076,242.80
07/01	47,864,835.00
07/02	(997,184.06)
07/03	(3,519,158.36)
07/26	(12,444,857.10)
07/28	20,323,983.32
08/02	(982,520.90)
08/03	(3,533,821.52)
08/26	(24,889,714.20)
08/28	21,571,723.83
09/02	(967,796.65)
09/03	(3,548,545.78)
09/26	(14,359,450.50)
09/28	22,819,464.36
10/02	(953,011.04)
10/03	(3,563,331.38)
10/13	38,291,868.00
10/26	(15,316,747.20)
10/28	24,067,204.88
11/02	(938,163.82)
11/03	(3,578,178.60)
11/20	(9,572,967.00)
11/26	(16,274,043.90)
11/28	25,314,945.39
12/02	(923,254.75)
12/03	(3,593,087.68)
12/26	(17,231,340.60)
12/28	26,562,685.91
12/31 BALANCE	111,579,506.54

## Accounts Receivable

01/08	9,572,967.00
01/10	3,829,186.80
01/24	(76,583.74)
02/08	9,572,967.00
02/10	5,360,861.52
02/24	(107,217.23)
03/08	9,572,967.00
03/10	6,701,076.90
03/24	(134,021.54)
03/28	(42,077,593.52)
03/29	(3,622,219.26)
04/08	9,572,967.00
04/10	8,041,292.28
04/24	(160,825.85)
04/28	(15,243,533.14)
04/29	(802,291.22)
05/08	9,572,967.00
05/10	9,381,507.66
05/24	(187,630.15)

05/28 (17,828,502.28)  
05/29 (938,342.23)  
06/08 9,572,967.00  
06/10 10,721,723.04  
06/24 (214,434.46)  
06/28 (19,076,242.80)  
06/29 (1,004,012.78)  
07/08 9,572,967.00  
07/10 12,061,938.42  
07/24 (241,238.77)  
07/28 (20,323,983.32)  
07/29 (1,069,683.33)  
08/08 9,572,967.00  
08/10 13,402,153.80  
08/24 (268,043.08)  
08/28 (21,571,723.83)  
08/29 (1,135,353.89)  
09/08 9,572,967.00  
09/10 14,742,369.18  
09/24 (294,847.38)  
09/28 (22,819,464.36)  
09/29 (1,201,024.44)  
10/08 9,572,967.00  
10/10 16,082,584.56  
10/24 (321,651.69)  
10/28 (24,067,204.88)  
10/29 (1,266,694.99)  
11/08 9,572,967.00  
11/10 17,422,799.94  
11/24 (348,456.00)  
11/28 (25,314,945.39)  
11/29 (1,332,365.55)  
12/08 9,572,967.00  
12/10 18,763,015.32  
12/24 (375,260.31)  
12/28 (26,562,685.91)  
12/29 (1,398,036.10)  
12/31 BALANCE 0.00

Allowance for Doubtful Accounts

02/27 (1,407,609.07)  
03/27 (2,214,610.19)  
03/29 3,622,219.26  
04/27 (802,291.22)  
04/29 802,291.22  
05/27 (938,342.23)  
05/29 938,342.23  
06/27 (1,004,012.78)  
06/29 1,004,012.78  
07/27 (1,069,683.33)  
07/29 1,069,683.33  
08/27 (1,135,353.89)  
08/29 1,135,353.89  
09/27 (1,201,024.44)  
09/29 1,201,024.44  
10/27 (1,266,694.99)  
10/29 1,266,694.99  
11/27 (1,332,365.55)  
11/29 1,332,365.55  
12/27 (1,398,036.10)  
12/29 1,398,036.10  
12/31 BALANCE 0.00

Inventory

01/05	3,190,989.00
01/10	(3,190,989.00)
01/24	63,819.78
02/05	3,829,186.80
02/10	(3,829,186.80)
02/24	89,347.69
03/05	4,786,483.50
03/10	(4,786,483.50)
03/24	111,684.62
04/05	5,743,780.20
04/10	(5,743,780.20)
04/24	134,021.54
05/05	6,701,076.90
05/10	(6,701,076.90)
05/24	156,358.46
06/05	7,658,373.60
06/10	(7,658,373.60)
06/24	178,695.38
07/05	8,615,670.30
07/10	(8,615,670.30)
07/24	201,032.31
08/05	9,572,967.00
08/10	(9,572,967.00)
08/24	223,369.23
09/05	10,530,263.70
09/10	(10,530,263.70)
09/24	245,706.15
10/05	11,487,560.40
10/10	(11,487,560.40)
10/24	268,043.08
11/05	12,444,857.10
11/10	(12,444,857.10)
11/24	290,380.00
12/31 BALANCE	1,962,458.24

Equipment

04/06	19,145,934.00
12/31 BALANCE	19,145,934.00

Accum Deprn Eqmt

05/06	(319,098.90)
06/06	(319,098.90)
07/06	(319,098.90)
08/06	(319,098.90)
09/06	(319,098.90)
10/06	(319,098.90)
11/06	(319,098.90)
12/06	(319,098.90)
12/31 BALANCE	(2,552,791.20)

Building

06/04	239,324,175.00
12/31 BALANCE	239,324,175.00

Accum Deprn Bldg

07/04	(997,184.06)
08/04	(997,184.06)
09/04	(997,184.06)
10/04	(997,184.06)
11/04	(997,184.06)

12/04 (997,184.06)  
12/31 BALANCE (5,983,104.36)

Prepaid Expense

08/11 11,487,560.40  
09/11 (957,296.70)  
10/11 (957,296.70)  
11/11 (957,296.70)  
12/11 (957,296.70)  
12/31 BALANCE 7,658,373.60

Accounts Payable

01/05 (3,190,989.00)  
02/01 (797,747.25)  
02/05 (3,829,186.80)  
02/15 (1,914,593.40)  
02/30 (1,914,593.40)  
03/01 (797,747.25)  
03/05 (4,786,483.50)  
03/15 (1,914,593.40)  
03/26 19,145,934.00  
03/30 (1,914,593.40)  
04/01 (797,747.25)  
04/05 (5,743,780.20)  
04/06 (19,145,934.00)  
04/15 (1,914,593.40)  
04/26 29,516,648.25  
04/30 (1,914,593.40)  
05/01 (797,747.25)  
05/05 (6,701,076.90)  
05/15 (1,914,593.40)  
05/26 11,328,010.95  
05/30 (1,914,593.40)  
06/01 (797,747.25)  
06/05 (7,658,373.60)  
06/15 (1,914,593.40)  
06/26 12,285,307.65  
06/30 (1,914,593.40)  
07/05 (8,615,670.30)  
07/15 (1,914,593.40)  
07/26 12,444,857.10  
07/30 (1,914,593.40)  
08/05 (9,572,967.00)  
08/11 (11,487,560.40)  
08/15 (1,914,593.40)  
08/26 24,889,714.20  
08/30 (1,914,593.40)  
09/05 (10,530,263.70)  
09/15 (1,914,593.40)  
09/26 14,359,450.50  
09/30 (1,914,593.40)  
10/05 (11,487,560.40)  
10/15 (1,914,593.40)  
10/26 15,316,747.20  
10/30 (1,914,593.40)  
11/05 (12,444,857.10)  
11/15 (1,914,593.40)  
11/26 16,274,043.90  
11/30 (1,914,593.40)  
12/05 (13,402,153.80)  
12/15 (1,914,593.40)  
12/26 17,231,340.60



12/31 BALANCE 0.00

Business Loan

06/03 (239,324,175.00)  
07/03 3,519,158.36  
08/03 3,533,821.52  
09/03 3,548,545.78  
10/03 3,563,331.38  
11/03 3,578,178.60  
12/03 3,593,087.68  
12/31 BALANCE (217,988,051.68)

Unearned Revenue

10/13 (38,291,868.00)  
11/13 38,291,868.00  
12/31 BALANCE 0.00

Retained Earnings

11/20 9,572,967.00  
12/31 (113,252,755.66)  
12/31 BALANCE (103,679,788.66)

Owner's Equity

07/01 (47,864,835.00)  
12/31 BALANCE (47,864,835.00)

Service Revenue

01/08 (9,572,967.00)  
02/08 (9,572,967.00)  
03/08 (9,572,967.00)  
04/08 (9,572,967.00)  
05/08 (9,572,967.00)  
06/08 (9,572,967.00)  
07/08 (9,572,967.00)  
08/08 (9,572,967.00)  
09/08 (9,572,967.00)  
10/08 (9,572,967.00)  
11/08 (9,572,967.00)  
11/13 (38,291,868.00)  
12/08 (9,572,967.00)  
12/31 153,167,472.00  
12/31 BALANCE 0.00

Sales Revenue

01/10 (3,829,186.80)  
02/10 (5,360,861.52)  
03/10 (6,701,076.90)  
04/10 (8,041,292.28)  
05/10 (9,381,507.66)  
06/10 (10,721,723.04)  
07/10 (12,061,938.42)  
08/10 (13,402,153.80)  
09/10 (14,742,369.18)  
10/10 (16,082,584.56)  
11/10 (17,422,799.94)  
12/10 (18,763,015.32)  
12/31 136,510,509.42  
12/31 BALANCE 0.00

Sales Returns

01/24 76,583.74

02/24	107,217.23
03/24	134,021.54
04/24	160,825.85
05/24	187,630.15
06/24	214,434.46
07/24	241,238.77
08/24	268,043.08
09/24	294,847.38
10/24	321,651.69
11/24	348,456.00
12/24	375,260.31
12/31	(2,730,210.20)
12/31 BALANCE	0.00

Cost of Goods Sold

01/10	3,190,989.00
01/24	(63,819.78)
02/10	3,829,186.80
02/24	(89,347.69)
03/10	4,786,483.50
03/24	(111,684.62)
04/10	5,743,780.20
04/24	(134,021.54)
05/10	6,701,076.90
05/24	(156,358.46)
06/10	7,658,373.60
06/24	(178,695.38)
07/10	8,615,670.30
07/24	(201,032.31)
08/10	9,572,967.00
08/24	(223,369.23)
09/10	10,530,263.70
09/24	(245,706.15)
10/10	11,487,560.40
10/24	(268,043.08)
11/10	12,444,857.10
11/24	(290,380.00)
12/10	13,402,153.80
12/24	(312,716.92)
12/31	(95,688,187.14)
12/31 BALANCE	0.00

Salaries Expense

02/15	1,914,593.40
02/30	1,914,593.40
03/15	1,914,593.40
03/30	1,914,593.40
04/15	1,914,593.40
04/30	1,914,593.40
05/15	1,914,593.40
05/30	1,914,593.40
06/15	1,914,593.40
06/30	1,914,593.40
07/15	1,914,593.40
07/30	1,914,593.40
08/15	1,914,593.40
08/30	1,914,593.40
09/15	1,914,593.40
09/30	1,914,593.40
10/15	1,914,593.40
10/30	1,914,593.40
11/15	1,914,593.40

11/30	1,914,593.40
12/15	1,914,593.40
12/30	1,914,593.40
12/31	(42,121,054.80)
12/31 BALANCE	0.00

Rent Expense

02/01	797,747.25
03/01	797,747.25
04/01	797,747.25
05/01	797,747.25
06/01	797,747.25
12/31	(3,988,736.25)
12/31 BALANCE	0.00

Bad Debt Expense

02/27	1,407,609.07
03/27	2,214,610.19
04/27	802,291.22
05/27	938,342.23
06/27	1,004,012.78
07/27	1,069,683.33
08/27	1,135,353.89
09/27	1,201,024.44
10/27	1,266,694.99
11/27	1,332,365.55
12/27	1,398,036.10
12/31	(13,770,023.79)
12/31 BALANCE	0.00

Depreciation Expense

05/06	319,098.90
06/06	319,098.90
07/04	997,184.06
07/06	319,098.90
08/04	997,184.06
08/06	319,098.90
09/04	997,184.06
09/06	319,098.90
10/04	997,184.06
10/06	319,098.90
11/04	997,184.06
11/06	319,098.90
12/04	997,184.06
12/06	319,098.90
12/31	(8,535,895.56)
12/31 BALANCE	0.00

Insurance Expense

09/11	957,296.70
10/11	957,296.70
11/11	957,296.70
12/11	957,296.70
12/31	(3,829,186.80)
12/31 BALANCE	0.00

Interest Expense

07/02	997,184.06
08/02	982,520.90
09/02	967,796.65
10/02	953,011.04
11/02	938,163.82

12/02	923,254.75
12/31	(5,761,931.22)
12/31 BALANCE	0.00

**TRIAL BALANCE BEFORE AND AFTER CLOSING ENTRY:**

Cash	111,579,506.54	111,579,506.54
Accounts Receivable	0.00	0.00
Allowance for Doubtful Accounts	0.00	0.00
Inventory	2,275,175.16	2,275,175.16
Equipment	19,145,934.00	19,145,934.00
Accum Deprn Eqmt	(2,552,791.20)	(2,552,791.20)
Building	239,324,175.00	239,324,175.00
Accum Deprn Bldg	(5,983,104.36)	(5,983,104.36)
Prepaid Expense	7,658,373.60	7,658,373.60
Accounts Payable	(1,914,593.40)	(1,914,593.40)
Business Loan	(217,988,051.68)	(217,988,051.68)
Unearned Revenue	0.00	0.00
Retained Earnings	0.00	(103,679,788.66)
Owner's Equity	(47,864,835.00)	(47,864,835.00)
Service Revenue	(153,167,472.00)	0.00
Sales Revenue	(136,510,509.42)	0.00
Sales Returns	2,730,210.20	0.00
Cost of Goods Sold	95,688,187.14	0.00
Salaries Expense	42,121,054.80	0.00
Rent Expense	3,988,736.25	0.00
Bad Debt Expense	13,770,023.79	0.00
Depreciation Expense	8,535,895.56	0.00
Insurance Expense	3,829,186.80	0.00
Interest Expense	5,761,931.22	0.00

## FINANCIAL STATEMENTS

### Balance Sheet (Dec 31)

ASSETS	
Cash	111,579,506.54
Accounts Receivable	0.00
Inventory	2,275,175.16
Prepays	7,658,373.60
Property Plant & Equipment	258,470,109.00
Accumulated Depreciation Expense	(8,535,895.56)
Net Property Plant & Equipment	249,934,213.44
Total Assets	371,447,268.74
LIABILITIES	
Accounts Payable	1,914,593.40
Loans	217,988,051.68
Total Liabilities	219,902,645.08
SHAREHOLDER'S EQUITY	
Owner's Equity	47,864,835.00
Retained Earnings	103,679,788.66
Total Shareholder's Equity	151,544,623.66
Total Liabilities & Shareholder's Equity	371,447,268.74

### Income Statement (Jan 1 to Dec 31)

REVENUE	
Services	153,167,472.00
Sales	136,510,509.42
Sales Returns	(2,730,210.20)
Total Revenue	286,947,771.22
EXPENSES	
Cost of Goods Sold	95,688,187.14
Salaries Expense	42,121,054.80
Rent Expense	3,988,736.25
Bad Debts	13,770,023.79
Depreciation Expense	8,535,895.56
Insurance	3,829,186.80
Interest	5,761,931.22
Total Expenses	173,695,015.56
Net Income	113,252,755.66

**Statement of Retained Earnings (Jan 1 to Dec 31)**

Opening Balance	0.00
Net Income	113,252,755.66
Dividends Paid	(9,572,967.00)
Closing Balance	103,679,788.66

**Statement of Cashflows (Jan 1 to Dec31)**

Beginning Cash Balance	0.00
Operating Activities	
Net Income	113,252,755.66
Depreciation Expense	8,535,895.56
Increase in Prepaid Expenses	(7,658,373.60)
Increase in Accounts Payable	1,914,593.40
Increase in Inventory	(2,275,175.16)
Investment Activities	
PPE Purchases	(258,470,109.00)
Financing Activities	
Bank Loan	239,324,175.00
Bank Loan repayment of principal	(21,336,123.32)
Owner Investment	47,864,835.00
Dividend Paid to Owner	(9,572,967.00)
Net Cashflows	111,579,506.54
Ending Cash Balance	111,579,506.54

**Case #4**

<b>Date</b>	<b>Amount</b>	<b>Transaction</b>
01/01	0.00	Started new business. All Accounts are nil.
01/05	63,888.00	Bought inventory
01/08	191,664.00	Sold services
01/10	76,665.60	Sold all inventory
01/24	1,533.31	2% of Sales were returned
02/01	15,972.00	Paid Rent for the current month
02/05	76,665.60	Bought inventory
02/08	191,664.00	Sold services
02/10	107,331.84	Sold all inventory
02/15	38,332.80	Paid employees
02/24	2,146.64	2% of Sales were returned
02/27	28,182.27	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
02/30	38,332.80	Paid employees
03/01	15,972.00	Paid Rent for the current month
03/05	95,832.00	Bought inventory
03/08	191,664.00	Sold services
03/10	134,164.80	Sold all inventory
03/15	38,332.80	Paid employees
03/24	2,683.30	2% of Sales were returned
03/26	383,328.00	Settle all accounts payable
03/27	44,339.55	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
03/28	842,451.44	Received cash from 95% of accts receivable
03/29	72,521.82	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
03/30	38,332.80	Paid employees
04/01	15,972.00	Paid Rent for the current month
04/05	114,998.40	Bought inventory
04/06	383,328.00	Bought equipment 5yr life
04/08	191,664.00	Sold services
04/10	160,997.76	Sold all inventory
04/15	38,332.80	Paid employees
04/24	3,219.96	2% of Sales were returned
04/26	590,964.00	Settle all accounts payable
04/27	16,062.98	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
04/28	305,196.55	Received cash from 95% of accts receivable
04/29	16,062.98	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
04/30	38,332.80	Paid employees
05/01	15,972.00	Paid Rent for the current month
05/05	134,164.80	Bought inventory
05/06	6,388.80	Depreciate equipment for 1 month
05/08	191,664.00	Sold services
05/10	187,830.72	Sold all inventory
05/15	38,332.80	Paid employees
05/24	3,756.61	2% of Sales were returned
05/26	226,802.40	Settle all accounts payable
05/27	18,786.91	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
05/28	356,951.20	Received cash from 95% of accts receivable
05/29	18,786.91	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
05/30	38,332.80	Paid employees
06/01	15,972.00	Paid Rent for the current month
06/03	4,791,600.00	Received a business loan for building payable monthly 5yr term @5%
06/04	4,791,600.00	Bought building 20yr life



06/05	153,331.20	Bought inventory
06/06	6,388.80	Depreciate equipment for 1 month
06/08	191,664.00	Sold services
06/10	214,663.68	Sold all inventory
06/15	38,332.80	Paid employees
06/24	4,293.27	2% of Sales were returned
06/26	245,968.80	Settle all accounts payable
06/27	20,101.72	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
06/28	381,932.69	Received cash from 95% of accts receivable
06/29	20,101.72	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
06/30	38,332.80	Paid employees
07/01	958,320.00	Owner invested cash into the business
07/02	19,965.00	Paid 1 month of interest per Loan Amortization Schedule
07/03	70,458.40	Paid principal portion based on Loan Amortization Schedule
07/04	19,965.00	Depreciate building for 1 month
07/05	172,497.60	Bought inventory
07/06	6,388.80	Depreciate equipment for 1 month
07/08	191,664.00	Sold services
07/10	241,496.64	Sold all inventory
07/15	38,332.80	Paid employees
07/24	4,829.93	2% of Sales were returned
07/26	249,163.20	Settle all accounts payable
07/27	21,416.54	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
07/28	406,914.17	Received cash from 95% of accts receivable
07/29	21,416.54	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
07/30	38,332.80	Paid employees
08/02	19,671.42	Paid 1 month of interest per Loan Amortization Schedule
08/03	70,751.98	Paid principal portion based on Loan Amortization Schedule
08/04	19,965.00	Depreciate building for 1 month
08/05	191,664.00	Bought inventory
08/06	6,388.80	Depreciate equipment for 1 month
08/08	191,664.00	Sold services
08/10	268,329.60	Sold all inventory
08/11	229,996.80	Prepaid for 12 months of insurance
08/15	38,332.80	Paid employees
08/24	5,366.59	2% of Sales were returned
08/26	498,326.40	Settle all accounts payable
08/27	22,731.35	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
08/28	431,895.66	Received cash from 95% of accts receivable
08/29	22,731.35	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
08/30	38,332.80	Paid employees
09/02	19,376.62	Paid 1 month of interest per Loan Amortization Schedule
09/03	71,046.78	Paid principal portion based on Loan Amortization Schedule
09/04	19,965.00	Depreciate building for 1 month
09/05	210,830.40	Bought inventory
09/06	6,388.80	Depreciate equipment for 1 month
09/08	191,664.00	Sold services
09/10	295,162.56	Sold all inventory
09/11	19,166.40	Amortize prepaid insurance for 1 month
09/15	38,332.80	Paid employees
09/24	5,903.25	2% of Sales were returned
09/26	287,496.00	Settle all accounts payable
09/27	24,046.17	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
09/28	456,877.14	Received cash from 95% of accts receivable

09/29	24,046.17	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
09/30	38,332.80	Paid employees
10/02	19,080.60	Paid 1 month of interest per Loan Amortization Schedule
10/03	71,342.81	Paid principal portion based on Loan Amortization Schedule
10/04	19,965.00	Depreciate building for 1 month
10/05	229,996.80	Bought inventory
10/06	6,388.80	Depreciate equipment for 1 month
10/08	191,664.00	Sold services
10/10	321,995.52	Sold all inventory
10/11	19,166.40	Amortize prepaid insurance for 1 month
10/13	766,656.00	Received upfront payment for a large project to be fulfilled next month
10/15	38,332.80	Paid employees
10/24	6,439.91	2% of Sales were returned
10/26	306,662.40	Settle all accounts payable
10/27	25,360.98	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
10/28	481,858.63	Received cash from 95% of accts receivable
10/29	25,360.98	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
10/30	38,332.80	Paid employees
11/02	18,783.33	Paid 1 month of interest per Loan Amortization Schedule
11/03	71,640.07	Paid principal portion based on Loan Amortization Schedule
11/04	19,965.00	Depreciate building for 1 month
11/05	249,163.20	Bought inventory
11/06	6,388.80	Depreciate equipment for 1 month
11/08	191,664.00	Sold services
11/10	348,828.48	Sold all inventory
11/11	19,166.40	Amortize prepaid insurance for 1 month
11/13	766,656.00	Provide the services for the large sale that was paid up front last month
11/15	38,332.80	Paid employees
11/20	191,664.00	Paid a dividend to the owner
11/24	6,976.57	2% of Sales were returned
11/26	325,828.80	Settle all accounts payable
11/27	26,675.80	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
11/28	506,840.11	Received cash from 95% of accts receivable
11/29	26,675.80	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
11/30	38,332.80	Paid employees
12/02	18,484.83	Paid 1 month of interest per Loan Amortization Schedule
12/03	71,938.57	Paid principal portion based on Loan Amortization Schedule
12/04	19,965.00	Depreciate building for 1 month
12/05	268,329.60	Bought inventory
12/06	6,388.80	Depreciate equipment for 1 month
12/08	191,664.00	Sold services
12/10	375,661.44	Sold all inventory
12/11	19,166.40	Amortize prepaid insurance for 1 month
12/15	38,332.80	Paid employees
12/24	7,513.23	2% of Sales were returned
12/26	344,995.20	Settle all accounts payable
12/27	27,990.61	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
12/28	531,821.60	Received cash from 95% of accts receivable
12/29	27,990.61	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
12/30	38,332.80	Paid employees
12/31	2,267,476.33	Closing entry to post all revenues and expenses to retained earnings

### Loan Amortization Schedule

60months		5%		
Month	Payment	Interest	Principal	Balance
1	90,423.40	19,965.00	70,458.40	4,791,600.00
2	90,423.40	19,671.42	70,751.98	4,721,141.60
3	90,423.40	19,376.62	71,046.78	4,650,389.62
4	90,423.40	19,080.60	71,342.81	4,579,342.84
5	90,423.40	18,783.33	71,640.07	4,508,000.03
6	90,423.40	18,484.83	71,938.57	4,436,359.96
7	90,423.40	18,185.09	72,238.31	4,364,421.39
8	90,423.40	17,884.10	72,539.31	4,292,183.08
9	90,423.40	17,581.85	72,841.55	4,219,643.77
10	90,423.40	17,278.34	73,145.06	4,146,802.21
11	90,423.40	16,973.57	73,449.83	4,073,657.15
12	90,423.40	16,667.53	73,755.87	4,000,207.32
13	90,423.40	16,360.21	74,063.19	3,926,451.45
14	90,423.40	16,051.62	74,371.79	3,852,388.26
15	90,423.40	15,741.74	74,681.67	3,778,016.48
16	90,423.40	15,430.56	74,992.84	3,703,334.81
17	90,423.40	15,118.09	75,305.31	3,628,341.97
18	90,423.40	14,804.32	75,619.08	3,553,036.65
19	90,423.40	14,489.24	75,934.16	3,477,417.57
20	90,423.40	14,172.85	76,250.56	3,401,483.41
21	90,423.40	13,855.14	76,568.27	3,325,232.85
22	90,423.40	13,536.10	76,887.30	3,248,664.59
23	90,423.40	13,215.74	77,207.66	3,171,777.29
24	90,423.40	12,894.04	77,529.36	3,094,569.62
25	90,423.40	12,571.00	77,852.40	3,017,040.26
26	90,423.40	12,246.62	78,176.79	2,939,187.86
27	90,423.40	11,920.88	78,502.52	2,861,011.07
28	90,423.40	11,593.79	78,829.62	2,782,508.55
29	90,423.40	11,265.33	79,158.07	2,703,678.93
30	90,423.40	10,935.50	79,487.90	2,624,520.85
31	90,423.40	10,604.30	79,819.10	2,545,032.95
32	90,423.40	10,271.72	80,151.68	2,465,213.85
33	90,423.40	9,937.76	80,485.64	2,385,062.18
34	90,423.40	9,602.40	80,821.00	2,304,576.53
35	90,423.40	9,265.65	81,157.76	2,223,755.53
36	90,423.40	8,927.49	81,495.91	2,142,597.78
37	90,423.40	8,587.92	81,835.48	2,061,101.86
38	90,423.40	8,246.94	82,176.46	1,979,266.38
39	90,423.40	7,904.54	82,518.86	1,897,089.92
40	90,423.40	7,560.71	82,862.69	1,814,571.06
41	90,423.40	7,215.45	83,207.95	1,731,708.37
42	90,423.40	6,868.75	83,554.65	1,648,500.42
43	90,423.40	6,520.61	83,902.80	1,564,945.77
44	90,423.40	6,171.01	84,252.39	1,481,042.97
45	90,423.40	5,819.96	84,603.44	1,396,790.58
46	90,423.40	5,467.45	84,955.96	1,312,187.14
47	90,423.40	5,113.46	85,309.94	1,227,231.18
48	90,423.40	4,758.01	85,665.40	1,141,921.24
49	90,423.40	4,401.07	86,022.34	1,056,255.85
50	90,423.40	4,042.64	86,380.76	970,233.51
51	90,423.40	3,682.72	86,740.68	883,852.75
52	90,423.40	3,321.30	87,102.10	797,112.06
53	90,423.40	2,958.37	87,465.03	710,009.96
54	90,423.40	2,593.94	87,829.47	622,544.93
55	90,423.40	2,227.98	88,195.42	534,715.47
56	90,423.40	1,860.50	88,562.90	446,520.04
57	90,423.40	1,491.49	88,931.92	357,957.14
58	90,423.40	1,120.94	89,302.46	269,025.23
59	90,423.40	748.84	89,674.56	179,722.76
60	90,423.40	375.20	90,048.20	90,048.20
				0.00

**SOLUTION:****General Journal Entries:**

Date: 01/05

DR Inventory \$63888  
CR Accounts Payable \$63888

Date: 01/08

DR Accounts Receivable \$191664  
CR Service Revenue \$191664

Date: 01/10

DR Accounts Receivable \$76665.6  
CR Sales Revenue \$76665.6  
DR Cost of Goods Sold \$63888  
CR Inventory \$63888

Date: 01/24

DR Sales Returns \$1533.31  
CR Accounts Receivable \$1533.31  
DR Inventory \$1277.76  
CR Cost of Goods Sold \$1277.76

Date: 02/01

DR Rent Expense \$15972  
CR Accounts Payable \$15972

Date: 02/05

DR Inventory \$76665.6  
CR Accounts Payable \$76665.6

Date: 02/08

DR Accounts Receivable \$191664  
CR Service Revenue \$191664

Date: 02/10

DR Accounts Receivable \$107331.84  
CR Sales Revenue \$107331.84  
DR Cost of Goods Sold \$76665.6  
CR Inventory \$76665.6

Date: 02/15

DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 02/24

DR Sales Returns \$2146.64  
CR Accounts Receivable \$2146.64  
DR Inventory \$1788.864  
CR Cost of Goods Sold \$1788.864

Date: 02/27

DR Bad Debt Expense \$28182.27  
CR Allowance for Doubtful Accounts \$28182.27

Date: 02/30

DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 03/01

DR Rent Expense \$15972  
CR Accounts Payable \$15972

Date: 03/05  
DR Inventory \$95832  
CR Accounts Payable \$95832

Date: 03/08  
DR Accounts Receivable \$191664  
CR Service Revenue \$191664

Date: 03/10  
DR Accounts Receivable \$134164.8  
CR Sales Revenue \$134164.8  
DR Cost of Goods Sold \$95832  
CR Inventory \$95832

Date: 03/15  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 03/24  
DR Sales Returns \$2683.3  
CR Accounts Receivable \$2683.3  
DR Inventory \$2236.08  
CR Cost of Goods Sold \$2236.08

Date: 03/26  
DR Accounts Payable \$383328  
CR Cash \$383328

Date: 03/27  
DR Bad Debt Expense \$44339.55  
CR Allowance for Doubtful Accounts \$44339.55

Date: 03/28  
DR Cash \$842451.44  
CR Accounts Receivable \$842451.44

Date: 03/29  
DR Allowance for Doubtful Accounts \$72521.82  
CR Accounts Receivable \$72521.82

Date: 03/30  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 04/01  
DR Rent Expense \$15972  
CR Accounts Payable \$15972

Date: 04/05  
DR Inventory \$114998.4  
CR Accounts Payable \$114998.4

Date: 04/06  
DR Equipment \$383328  
CR Accounts Payable \$383328

Date: 04/08  
DR Accounts Receivable \$191664  
CR Service Revenue \$191664

Date: 04/10

DR Accounts Receivable \$160997.76  
CR Sales Revenue \$160997.76  
DR Cost of Goods Sold \$114998.4  
CR Inventory \$114998.4

Date: 04/15

DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 04/24

DR Sales Returns \$3219.96  
CR Accounts Receivable \$3219.96  
DR Inventory \$2683.296  
CR Cost of Goods Sold \$2683.296

Date: 04/26

DR Accounts Payable \$590964  
CR Cash \$590964

Date: 04/27

DR Bad Debt Expense \$16062.98  
CR Allowance for Doubtful Accounts \$16062.98

Date: 04/28

DR Cash \$305196.55  
CR Accounts Receivable \$305196.55

Date: 04/29

DR Allowance for Doubtful Accounts \$16062.98  
CR Accounts Receivable \$16062.98

Date: 04/30

DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 05/01

DR Rent Expense \$15972  
CR Accounts Payable \$15972

Date: 05/05

DR Inventory \$134164.8  
CR Accounts Payable \$134164.8

Date: 05/06

DR Depreciation Expense \$6388.8  
CR Accum Deprn Eqmt \$6388.8

Date: 05/08

DR Accounts Receivable \$191664  
CR Service Revenue \$191664

Date: 05/10

DR Accounts Receivable \$187830.72  
CR Sales Revenue \$187830.72  
DR Cost of Goods Sold \$134164.8  
CR Inventory \$134164.8

Date: 05/15

DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 05/24  
DR Sales Returns \$3756.61  
CR Accounts Receivable \$3756.61  
DR Inventory \$3130.512  
CR Cost of Goods Sold \$3130.512

Date: 05/26  
DR Accounts Payable \$226802.4  
CR Cash \$226802.4

Date: 05/27  
DR Bad Debt Expense \$18786.91  
CR Allowance for Doubtful Accounts \$18786.91

Date: 05/28  
DR Cash \$356951.2  
CR Accounts Receivable \$356951.2

Date: 05/29  
DR Allowance for Doubtful Accounts \$18786.91  
CR Accounts Receivable \$18786.91

Date: 05/30  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 06/01  
DR Rent Expense \$15972  
CR Accounts Payable \$15972

Date: 06/03  
DR Cash \$4791600  
CR Business Loan \$4791600

Date: 06/04  
DR Building \$4791600  
CR Cash \$4791600

Date: 06/05  
DR Inventory \$153331.2  
CR Accounts Payable \$153331.2

Date: 06/06  
DR Depreciation Expense \$6388.8  
CR Accum Deprn Eqmt \$6388.8

Date: 06/08  
DR Accounts Receivable \$191664  
CR Service Revenue \$191664

Date: 06/10  
DR Accounts Receivable \$214663.68  
CR Sales Revenue \$214663.68  
DR Cost of Goods Sold \$153331.2  
CR Inventory \$153331.2

Date: 06/15  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 06/24  
DR Sales Returns \$4293.27

CR Accounts Receivable \$4293.27  
DR Inventory \$3577.728  
CR Cost of Goods Sold \$3577.728

Date: 06/26  
DR Accounts Payable \$245968.8  
CR Cash \$245968.8

Date: 06/27  
DR Bad Debt Expense \$20101.72  
CR Allowance for Doubtful Accounts \$20101.72

Date: 06/28  
DR Cash \$381932.69  
CR Accounts Receivable \$381932.69

Date: 06/29  
DR Allowance for Doubtful Accounts \$20101.72  
CR Accounts Receivable \$20101.72

Date: 06/30  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 07/01  
DR Cash \$958320  
CR Owner's Equity \$958320

Date: 07/02  
DR Interest Expense \$19965  
CR Cash \$19965

Date: 07/03  
DR Business Loan \$70458.4  
CR Cash \$70458.4

Date: 07/04  
DR Depreciation Expense \$19965  
CR Accum Deprn Bldg \$19965

Date: 07/05  
DR Inventory \$172497.6  
CR Accounts Payable \$172497.6

Date: 07/06  
DR Depreciation Expense \$6388.8  
CR Accum Deprn Eqmt \$6388.8

Date: 07/08  
DR Accounts Receivable \$191664  
CR Service Revenue \$191664

Date: 07/10  
DR Accounts Receivable \$241496.64  
CR Sales Revenue \$241496.64  
DR Cost of Goods Sold \$172497.6  
CR Inventory \$172497.6

Date: 07/15  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8



Date: 07/24  
DR Sales Returns \$4829.93  
CR Accounts Receivable \$4829.93  
DR Inventory \$4024.944  
CR Cost of Goods Sold \$4024.944

Date: 07/26  
DR Accounts Payable \$249163.2  
CR Cash \$249163.2

Date: 07/27  
DR Bad Debt Expense \$21416.54  
CR Allowance for Doubtful Accounts \$21416.54

Date: 07/28  
DR Cash \$406914.17  
CR Accounts Receivable \$406914.17

Date: 07/29  
DR Allowance for Doubtful Accounts \$21416.54  
CR Accounts Receivable \$21416.54

Date: 07/30  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 08/02  
DR Interest Expense \$19671.42  
CR Cash \$19671.42

Date: 08/03  
DR Business Loan \$70751.98  
CR Cash \$70751.98

Date: 08/04  
DR Depreciation Expense \$19965  
CR Accum Deprn Bldg \$19965

Date: 08/05  
DR Inventory \$191664  
CR Accounts Payable \$191664

Date: 08/06  
DR Depreciation Expense \$6388.8  
CR Accum Deprn Eqmt \$6388.8

Date: 08/08  
DR Accounts Receivable \$191664  
CR Service Revenue \$191664

Date: 08/10  
DR Accounts Receivable \$268329.6  
CR Sales Revenue \$268329.6  
DR Cost of Goods Sold \$191664  
CR Inventory \$191664

Date: 08/11  
DR Prepaid Expense \$229996.8  
CR Accounts Payable \$229996.8

Date: 08/15  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 08/24  
DR Sales Returns \$5366.59  
CR Accounts Receivable \$5366.59  
DR Inventory \$4472.16  
CR Cost of Goods Sold \$4472.16

Date: 08/26  
DR Accounts Payable \$498326.4  
CR Cash \$498326.4

Date: 08/27  
DR Bad Debt Expense \$22731.35  
CR Allowance for Doubtful Accounts \$22731.35

Date: 08/28  
DR Cash \$431895.66  
CR Accounts Receivable \$431895.66

Date: 08/29  
DR Allowance for Doubtful Accounts \$22731.35  
CR Accounts Receivable \$22731.35

Date: 08/30  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 09/02  
DR Interest Expense \$19376.62  
CR Cash \$19376.62

Date: 09/03  
DR Business Loan \$71046.78  
CR Cash \$71046.78

Date: 09/04  
DR Depreciation Expense \$19965  
CR Accum Deprn Bldg \$19965

Date: 09/05  
DR Inventory \$210830.4  
CR Accounts Payable \$210830.4

Date: 09/06  
DR Depreciation Expense \$6388.8  
CR Accum Deprn Eqmt \$6388.8

Date: 09/08  
DR Accounts Receivable \$191664  
CR Service Revenue \$191664

Date: 09/10  
DR Accounts Receivable \$295162.56  
CR Sales Revenue \$295162.56  
DR Cost of Goods Sold \$210830.4  
CR Inventory \$210830.4

Date: 09/11  
DR Insurance Expense \$19166.4  
CR Prepaid Expense \$19166.4

Date: 09/15  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 09/24  
DR Sales Returns \$5903.25  
CR Accounts Receivable \$5903.25  
DR Inventory \$4919.376  
CR Cost of Goods Sold \$4919.376

Date: 09/26  
DR Accounts Payable \$287496  
CR Cash \$287496

Date: 09/27  
DR Bad Debt Expense \$24046.17  
CR Allowance for Doubtful Accounts \$24046.17

Date: 09/28  
DR Cash \$456877.14  
CR Accounts Receivable \$456877.14

Date: 09/29  
DR Allowance for Doubtful Accounts \$24046.17  
CR Accounts Receivable \$24046.17

Date: 09/30  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 10/02  
DR Interest Expense \$19080.6  
CR Cash \$19080.6

Date: 10/03  
DR Business Loan \$71342.81  
CR Cash \$71342.81

Date: 10/04  
DR Depreciation Expense \$19965  
CR Accum Deprn Bldg \$19965

Date: 10/05  
DR Inventory \$229996.8  
CR Accounts Payable \$229996.8

Date: 10/06  
DR Depreciation Expense \$6388.8  
CR Accum Deprn Eqmt \$6388.8

Date: 10/08  
DR Accounts Receivable \$191664  
CR Service Revenue \$191664

Date: 10/10  
DR Accounts Receivable \$321995.52  
CR Sales Revenue \$321995.52

DR Cost of Goods Sold \$229996.8  
CR Inventory \$229996.8

Date: 10/11  
DR Insurance Expense \$19166.4  
CR Prepaid Expense \$19166.4

Date: 10/13  
DR Cash \$766656  
CR Unearned Revenue \$766656

Date: 10/15  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 10/24  
DR Sales Returns \$6439.91  
CR Accounts Receivable \$6439.91  
DR Inventory \$5366.592  
CR Cost of Goods Sold \$5366.592

Date: 10/26  
DR Accounts Payable \$306662.4  
CR Cash \$306662.4

Date: 10/27  
DR Bad Debt Expense \$25360.98  
CR Allowance for Doubtful Accounts \$25360.98

Date: 10/28  
DR Cash \$481858.63  
CR Accounts Receivable \$481858.63

Date: 10/29  
DR Allowance for Doubtful Accounts \$25360.98  
CR Accounts Receivable \$25360.98

Date: 10/30  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 11/02  
DR Interest Expense \$18783.33  
CR Cash \$18783.33

Date: 11/03  
DR Business Loan \$71640.07  
CR Cash \$71640.07

Date: 11/04  
DR Depreciation Expense \$19965  
CR Accum Deprn Bldg \$19965

Date: 11/05  
DR Inventory \$249163.2  
CR Accounts Payable \$249163.2

Date: 11/06  
DR Depreciation Expense \$6388.8  
CR Accum Deprn Eqmt \$6388.8

Date: 11/08  
DR Accounts Receivable \$191664  
CR Service Revenue \$191664

Date: 11/10  
DR Accounts Receivable \$348828.48  
CR Sales Revenue \$348828.48  
DR Cost of Goods Sold \$249163.2  
CR Inventory \$249163.2

Date: 11/11  
DR Insurance Expense \$19166.4  
CR Prepaid Expense \$19166.4

Date: 11/13  
DR Unearned Revenue \$766656  
CR Service Revenue \$766656

Date: 11/15  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 11/20  
DR Retained Earnings \$191664  
CR Cash \$191664

Date: 11/24  
DR Sales Returns \$6976.57  
CR Accounts Receivable \$6976.57  
DR Inventory \$5813.808  
CR Cost of Goods Sold \$5813.808

Date: 11/26  
DR Accounts Payable \$325828.8  
CR Cash \$325828.8

Date: 11/27  
DR Bad Debt Expense \$26675.8  
CR Allowance for Doubtful Accounts \$26675.8

Date: 11/28  
DR Cash \$506840.11  
CR Accounts Receivable \$506840.11

Date: 11/29  
DR Allowance for Doubtful Accounts \$26675.8  
CR Accounts Receivable \$26675.8

Date: 11/30  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 12/02  
DR Interest Expense \$18484.83  
CR Cash \$18484.83

Date: 12/03  
DR Business Loan \$71938.57  
CR Cash \$71938.57

Date: 12/04  
DR Depreciation Expense \$19965  
CR Accum Deprn Bldg \$19965

Date: 12/05  
DR Inventory \$268329.6  
CR Accounts Payable \$268329.6

Date: 12/06  
DR Depreciation Expense \$6388.8  
CR Accum Deprn Eqmt \$6388.8

Date: 12/08  
DR Accounts Receivable \$191664  
CR Service Revenue \$191664

Date: 12/10  
DR Accounts Receivable \$375661.44  
CR Sales Revenue \$375661.44  
DR Cost of Goods Sold \$268329.6  
CR Inventory \$268329.6

Date: 12/11  
DR Insurance Expense \$19166.4  
CR Prepaid Expense \$19166.4

Date: 12/15  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 12/24  
DR Sales Returns \$7513.23  
CR Accounts Receivable \$7513.23  
DR Inventory \$6261.024  
CR Cost of Goods Sold \$6261.024

Date: 12/26  
DR Accounts Payable \$344995.2  
CR Cash \$344995.2

Date: 12/27  
DR Bad Debt Expense \$27990.61  
CR Allowance for Doubtful Accounts \$27990.61

Date: 12/28  
DR Cash \$531821.6  
CR Accounts Receivable \$531821.6

Date: 12/29  
DR Allowance for Doubtful Accounts \$27990.61  
CR Accounts Receivable \$27990.61

Date: 12/30  
DR Salaries Expense \$38332.8  
CR Accounts Payable \$38332.8

Date: 12/31  
DR Revenue \$5745090.07  
CR Retained Earnings \$5745090.07  
DR Retained Earnings \$3477613.736  
CR Expense \$3477613.736

**GENERAL LEDGER:**

Cash

03/26	(383,328.00)
03/28	842,451.44
04/26	(590,964.00)
04/28	305,196.55
05/26	(226,802.40)
05/28	356,951.20
06/03	4,791,600.00
06/04	(4,791,600.00)
06/26	(245,968.80)
06/28	381,932.69
07/01	958,320.00
07/02	(19,965.00)
07/03	(70,458.40)
07/26	(249,163.20)
07/28	406,914.17
08/02	(19,671.42)
08/03	(70,751.98)
08/26	(498,326.40)
08/28	431,895.66
09/02	(19,376.62)
09/03	(71,046.78)
09/26	(287,496.00)
09/28	456,877.14
10/02	(19,080.60)
10/03	(71,342.81)
10/13	766,656.00
10/26	(306,662.40)
10/28	481,858.63
11/02	(18,783.33)
11/03	(71,640.07)
11/20	(191,664.00)
11/26	(325,828.80)
11/28	506,840.11
12/02	(18,484.83)
12/03	(71,938.57)
12/26	(344,995.20)
12/28	531,821.60
12/31 BALANCE	2,233,975.58

Accounts Receivable

01/08	191,664.00
01/10	76,665.60
01/24	(1,533.31)
02/08	191,664.00
02/10	107,331.84
02/24	(2,146.64)
03/08	191,664.00
03/10	134,164.80
03/24	(2,683.30)
03/28	(842,451.44)
03/29	(72,521.82)
04/08	191,664.00
04/10	160,997.76
04/24	(3,219.96)
04/28	(305,196.55)
04/29	(16,062.98)
05/08	191,664.00
05/10	187,830.72
05/24	(3,756.61)

05/28	(356,951.20)
05/29	(18,786.91)
06/08	191,664.00
06/10	214,663.68
06/24	(4,293.27)
06/28	(381,932.69)
06/29	(20,101.72)
07/08	191,664.00
07/10	241,496.64
07/24	(4,829.93)
07/28	(406,914.17)
07/29	(21,416.54)
08/08	191,664.00
08/10	268,329.60
08/24	(5,366.59)
08/28	(431,895.66)
08/29	(22,731.35)
09/08	191,664.00
09/10	295,162.56
09/24	(5,903.25)
09/28	(456,877.14)
09/29	(24,046.17)
10/08	191,664.00
10/10	321,995.52
10/24	(6,439.91)
10/28	(481,858.63)
10/29	(25,360.98)
11/08	191,664.00
11/10	348,828.48
11/24	(6,976.57)
11/28	(506,840.11)
11/29	(26,675.80)
12/08	191,664.00
12/10	375,661.44
12/24	(7,513.23)
12/28	(531,821.60)
12/29	(27,990.61)
12/31	BALANCE 0.00

Allowance for Doubtful Accounts

02/27	(28,182.27)
03/27	(44,339.55)
03/29	72,521.82
04/27	(16,062.98)
04/29	16,062.98
05/27	(18,786.91)
05/29	18,786.91
06/27	(20,101.72)
06/29	20,101.72
07/27	(21,416.54)
07/29	21,416.54
08/27	(22,731.35)
08/29	22,731.35
09/27	(24,046.17)
09/29	24,046.17
10/27	(25,360.98)
10/29	25,360.98
11/27	(26,675.80)
11/29	26,675.80
12/27	(27,990.61)
12/29	27,990.61
12/31	BALANCE 0.00



Inventory

01/05	63,888.00
01/10	(63,888.00)
01/24	1,277.76
02/05	76,665.60
02/10	(76,665.60)
02/24	1,788.86
03/05	95,832.00
03/10	(95,832.00)
03/24	2,236.08
04/05	114,998.40
04/10	(114,998.40)
04/24	2,683.30
05/05	134,164.80
05/10	(134,164.80)
05/24	3,130.51
06/05	153,331.20
06/10	(153,331.20)
06/24	3,577.73
07/05	172,497.60
07/10	(172,497.60)
07/24	4,024.94
08/05	191,664.00
08/10	(191,664.00)
08/24	4,472.16
09/05	210,830.40
09/10	(210,830.40)
09/24	4,919.38
10/05	229,996.80
10/10	(229,996.80)
10/24	5,366.59
11/05	249,163.20
11/10	(249,163.20)
11/24	5,813.81
12/31 BALANCE	39,291.12

Equipment

04/06	383,328.00
12/31 BALANCE	383,328.00

Accum Deprn Eqmt

05/06	(6,388.80)
06/06	(6,388.80)
07/06	(6,388.80)
08/06	(6,388.80)
09/06	(6,388.80)
10/06	(6,388.80)
11/06	(6,388.80)
12/06	(6,388.80)
12/31 BALANCE	(51,110.40)

Building

06/04	4,791,600.00
12/31 BALANCE	4,791,600.00

Accum Deprn Bldg

07/04	(19,965.00)
08/04	(19,965.00)
09/04	(19,965.00)
10/04	(19,965.00)
11/04	(19,965.00)

12/04 (19,965.00)  
12/31 BALANCE (119,790.00)

Prepaid Expense

08/11 229,996.80  
09/11 (19,166.40)  
10/11 (19,166.40)  
11/11 (19,166.40)  
12/11 (19,166.40)  
12/31 BALANCE 153,331.20

Accounts Payable

01/05 (63,888.00)  
02/01 (15,972.00)  
02/05 (76,665.60)  
02/15 (38,332.80)  
02/30 (38,332.80)  
03/01 (15,972.00)  
03/05 (95,832.00)  
03/15 (38,332.80)  
03/26 383,328.00  
03/30 (38,332.80)  
04/01 (15,972.00)  
04/05 (114,998.40)  
04/06 (383,328.00)  
04/15 (38,332.80)  
04/26 590,964.00  
04/30 (38,332.80)  
05/01 (15,972.00)  
05/05 (134,164.80)  
05/15 (38,332.80)  
05/26 226,802.40  
05/30 (38,332.80)  
06/01 (15,972.00)  
06/05 (153,331.20)  
06/15 (38,332.80)  
06/26 245,968.80  
06/30 (38,332.80)  
07/05 (172,497.60)  
07/15 (38,332.80)  
07/26 249,163.20  
07/30 (38,332.80)  
08/05 (191,664.00)  
08/11 (229,996.80)  
08/15 (38,332.80)  
08/26 498,326.40  
08/30 (38,332.80)  
09/05 (210,830.40)  
09/15 (38,332.80)  
09/26 287,496.00  
09/30 (38,332.80)  
10/05 (229,996.80)  
10/15 (38,332.80)  
10/26 306,662.40  
10/30 (38,332.80)  
11/05 (249,163.20)  
11/15 (38,332.80)  
11/26 325,828.80  
11/30 (38,332.80)  
12/05 (268,329.60)  
12/15 (38,332.80)  
12/26 344,995.20

12/31 BALANCE 0.00

Business Loan

06/03 (4,791,600.00)  
07/03 70,458.40  
08/03 70,751.98  
09/03 71,046.78  
10/03 71,342.81  
11/03 71,640.07  
12/03 71,938.57  
12/31 BALANCE (4,364,421.39)

Unearned Revenue

10/13 (766,656.00)  
11/13 766,656.00  
12/31 BALANCE 0.00

Retained Earnings

11/20 191,664.00  
12/31 (2,267,476.33)  
12/31 BALANCE (2,075,812.33)

Owner's Equity

07/01 (958,320.00)  
12/31 BALANCE (958,320.00)

Service Revenue

01/08 (191,664.00)  
02/08 (191,664.00)  
03/08 (191,664.00)  
04/08 (191,664.00)  
05/08 (191,664.00)  
06/08 (191,664.00)  
07/08 (191,664.00)  
08/08 (191,664.00)  
09/08 (191,664.00)  
10/08 (191,664.00)  
11/08 (191,664.00)  
11/13 (766,656.00)  
12/08 (191,664.00)  
12/31 3,066,624.00  
12/31 BALANCE 0.00

Sales Revenue

01/10 (76,665.60)  
02/10 (107,331.84)  
03/10 (134,164.80)  
04/10 (160,997.76)  
05/10 (187,830.72)  
06/10 (214,663.68)  
07/10 (241,496.64)  
08/10 (268,329.60)  
09/10 (295,162.56)  
10/10 (321,995.52)  
11/10 (348,828.48)  
12/10 (375,661.44)  
12/31 2,733,128.64  
12/31 BALANCE 0.00

Sales Returns

01/24 1,533.31

02/24	2,146.64
03/24	2,683.30
04/24	3,219.96
05/24	3,756.61
06/24	4,293.27
07/24	4,829.93
08/24	5,366.59
09/24	5,903.25
10/24	6,439.91
11/24	6,976.57
12/24	7,513.23
12/31	(54,662.57)
12/31 BALANCE	0.00

Cost of Goods Sold

01/10	63,888.00
01/24	(1,277.76)
02/10	76,665.60
02/24	(1,788.86)
03/10	95,832.00
03/24	(2,236.08)
04/10	114,998.40
04/24	(2,683.30)
05/10	134,164.80
05/24	(3,130.51)
06/10	153,331.20
06/24	(3,577.73)
07/10	172,497.60
07/24	(4,024.94)
08/10	191,664.00
08/24	(4,472.16)
09/10	210,830.40
09/24	(4,919.38)
10/10	229,996.80
10/24	(5,366.59)
11/10	249,163.20
11/24	(5,813.81)
12/10	268,329.60
12/24	(6,261.02)
12/31	(1,915,809.46)
12/31 BALANCE	0.00

Salaries Expense

02/15	38,332.80
02/30	38,332.80
03/15	38,332.80
03/30	38,332.80
04/15	38,332.80
04/30	38,332.80
05/15	38,332.80
05/30	38,332.80
06/15	38,332.80
06/30	38,332.80
07/15	38,332.80
07/30	38,332.80
08/15	38,332.80
08/30	38,332.80
09/15	38,332.80
09/30	38,332.80
10/15	38,332.80
10/30	38,332.80
11/15	38,332.80

11/30	38,332.80
12/15	38,332.80
12/30	38,332.80
12/31	(843,321.60)
12/31 BALANCE	0.00

Rent Expense

02/01	15,972.00
03/01	15,972.00
04/01	15,972.00
05/01	15,972.00
06/01	15,972.00
12/31	(79,860.00)
12/31 BALANCE	0.00

Bad Debt Expense

02/27	28,182.27
03/27	44,339.55
04/27	16,062.98
05/27	18,786.91
06/27	20,101.72
07/27	21,416.54
08/27	22,731.35
09/27	24,046.17
10/27	25,360.98
11/27	26,675.80
12/27	27,990.61
12/31	(275,694.88)
12/31 BALANCE	0.00

Depreciation Expense

05/06	6,388.80
06/06	6,388.80
07/04	19,965.00
07/06	6,388.80
08/04	19,965.00
08/06	6,388.80
09/04	19,965.00
09/06	6,388.80
10/04	19,965.00
10/06	6,388.80
11/04	19,965.00
11/06	6,388.80
12/04	19,965.00
12/06	6,388.80
12/31	(170,900.40)
12/31 BALANCE	0.00

Insurance Expense

09/11	19,166.40
10/11	19,166.40
11/11	19,166.40
12/11	19,166.40
12/31	(76,665.60)
12/31 BALANCE	0.00

Interest Expense

07/02	19,965.00
08/02	19,671.42
09/02	19,376.62
10/02	19,080.60
11/02	18,783.33

12/02	18,484.83
12/31	(115,361.80)
12/31 BALANCE	0.00

**TRIAL BALANCE BEFORE AND AFTER CLOSING ENTRY:**

Cash	2,233,975.58	2,233,975.58
Accounts Receivable	0.00	0.00
Allowance for Doubtful Accounts	0.00	0.00
Inventory	45,552.14	45,552.14
Equipment	383,328.00	383,328.00
Accum Deprn Eqmt	(51,110.40)	(51,110.40)
Building	4,791,600.00	4,791,600.00
Accum Deprn Bldg	(119,790.00)	(119,790.00)
Prepaid Expense	153,331.20	153,331.20
Accounts Payable	(38,332.80)	(38,332.80)
Business Loan	(4,364,421.39)	(4,364,421.39)
Unearned Revenue	0.00	0.00
Retained Earnings	0.00	(2,075,812.33)
Owner's Equity	(958,320.00)	(958,320.00)
Service Revenue	(3,066,624.00)	0.00
Sales Revenue	(2,733,128.64)	0.00
Sales Returns	54,662.57	0.00
Cost of Goods Sold	1,915,809.46	0.00
Salaries Expense	843,321.60	0.00
Rent Expense	79,860.00	0.00
Bad Debt Expense	275,694.88	0.00
Depreciation Expense	170,900.40	0.00
Insurance Expense	76,665.60	0.00
Interest Expense	115,361.80	0.00

## FINANCIAL STATEMENTS

### Balance Sheet (Dec 31)

ASSETS	
Cash	2,233,975.58
Accounts Receivable	0.00
Inventory	45,552.14
Prepays	153,331.20
Property Plant & Equipment	5,174,928.00
Accumulated Depreciation Expense	(170,900.40)
Net Property Plant & Equipment	5,004,027.60
Total Assets	7,436,886.52
LIABILITIES	
Accounts Payable	38,332.80
Loans	4,364,421.39
Total Liabilities	4,402,754.19
SHAREHOLDER'S EQUITY	
Owner's Equity	958,320.00
Retained Earnings	2,075,812.33
Total Shareholder's Equity	3,034,132.33
Total Liabilities & Shareholder's Equity	7,436,886.52

### Income Statement (Jan 1 to Dec 31)

REVENUE	
Services	3,066,624.00
Sales	2,733,128.64
Sales Returns	(54,662.57)
Total Revenue	5,745,090.07
EXPENSES	
Cost of Goods Sold	1,915,809.46
Salaries Expense	843,321.60
Rent Expense	79,860.00
Bad Debts	275,694.88
Depreciation Expense	170,900.40
Insurance	76,665.60
Interest	115,361.80
Total Expenses	3,477,613.74
Net Income	2,267,476.33



**Statement of Retained Earnings (Jan 1 to Dec 31)**

Opening Balance	0.00
Net Income	2,267,476.33
Dividends Paid	(191,664.00)
Closing Balance	2,075,812.33

**Statement of Cashflows (Jan 1 to Dec31)**

Beginning Cash Balance	0.00
Operating Activities	
Net Income	2,267,476.33
Depreciation Expense	170,900.40
Increase in Prepaid Expenses	(153,331.20)
Increase in Accounts Payable	38,332.80
Increase in Inventory	(45,552.14)
Investment Activities	
PPE Purchases	(5,174,928.00)
Financing Activities	
Bank Loan	4,791,600.00
Bank Loan repayment of principal	(427,178.61)
Owner Investment	958,320.00
Dividend Paid to Owner	(191,664.00)
Net Cashflows	2,233,975.58
Ending Cash Balance	2,233,975.58

**Case #5**

<b>Date</b>	<b>Amount</b>	<b>Transaction</b>
01/01	0.00	Started new business. All Accounts are nil.
01/05	276,921.00	Bought inventory
01/08	830,763.00	Sold services
01/10	332,305.20	Sold all inventory
01/24	6,646.10	2% of Sales were returned
02/01	69,230.25	Paid Rent for the current month
02/05	332,305.20	Bought inventory
02/08	830,763.00	Sold services
02/10	465,227.28	Sold all inventory
02/15	166,152.60	Paid employees
02/24	9,304.55	2% of Sales were returned
02/27	122,155.39	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
02/30	166,152.60	Paid employees
03/01	69,230.25	Paid Rent for the current month
03/05	415,381.50	Bought inventory
03/08	830,763.00	Sold services
03/10	581,534.10	Sold all inventory
03/15	166,152.60	Paid employees
03/24	11,630.68	2% of Sales were returned
03/26	1,661,526.00	Settle all accounts payable
03/27	192,188.71	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
03/28	3,651,585.54	Received cash from 95% of accts receivable
03/29	314,344.10	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
03/30	166,152.60	Paid employees
04/01	69,230.25	Paid Rent for the current month
04/05	498,457.80	Bought inventory
04/06	1,661,526.00	Bought equipment 5yr life
04/08	830,763.00	Sold services
04/10	697,840.92	Sold all inventory
04/15	166,152.60	Paid employees
04/24	13,956.82	2% of Sales were returned
04/26	2,561,519.25	Settle all accounts payable
04/27	69,624.59	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
04/28	1,322,867.12	Received cash from 95% of accts receivable
04/29	69,624.59	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
04/30	166,152.60	Paid employees
05/01	69,230.25	Paid Rent for the current month
05/05	581,534.10	Bought inventory
05/06	27,692.10	Depreciate equipment for 1 month
05/08	830,763.00	Sold services
05/10	814,147.74	Sold all inventory
05/15	166,152.60	Paid employees
05/24	16,282.95	2% of Sales were returned
05/26	983,069.55	Settle all accounts payable
05/27	81,431.39	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
05/28	1,547,196.40	Received cash from 95% of accts receivable
05/29	81,431.39	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
05/30	166,152.60	Paid employees
06/01	69,230.25	Paid Rent for the current month
06/03	20,769,075.00	Received a business loan for building payable monthly 5yr term @5%

06/04	20,769,075.00	Bought building 20yr life
06/05	664,610.40	Bought inventory
06/06	27,692.10	Depreciate equipment for 1 month
06/08	830,763.00	Sold services
06/10	930,454.56	Sold all inventory
06/15	166,152.60	Paid employees
06/24	18,609.09	2% of Sales were returned
06/26	1,066,145.85	Settle all accounts payable
06/27	87,130.42	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
06/28	1,655,478.05	Received cash from 95% of accts receivable
06/29	87,130.42	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
06/30	166,152.60	Paid employees
07/01	4,153,815.00	Owner invested cash into the business
07/02	86,537.81	Paid 1 month of interest per Loan Amortization Schedule
07/03	305,400.25	Paid principal portion based on Loan Amortization Schedule
07/04	86,537.81	Depreciate building for 1 month
07/05	747,686.70	Bought inventory
07/06	27,692.10	Depreciate equipment for 1 month
07/08	830,763.00	Sold services
07/10	1,046,761.38	Sold all inventory
07/15	166,152.60	Paid employees
07/24	20,935.23	2% of Sales were returned
07/26	1,079,991.90	Settle all accounts payable
07/27	92,829.46	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
07/28	1,763,759.69	Received cash from 95% of accts receivable
07/29	92,829.46	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
07/30	166,152.60	Paid employees
08/02	85,265.31	Paid 1 month of interest per Loan Amortization Schedule
08/03	306,672.76	Paid principal portion based on Loan Amortization Schedule
08/04	86,537.81	Depreciate building for 1 month
08/05	830,763.00	Bought inventory
08/06	27,692.10	Depreciate equipment for 1 month
08/08	830,763.00	Sold services
08/10	1,163,068.20	Sold all inventory
08/11	996,915.60	Prepaid for 12 months of insurance
08/15	166,152.60	Paid employees
08/24	23,261.36	2% of Sales were returned
08/26	2,159,983.80	Settle all accounts payable
08/27	98,528.49	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
08/28	1,872,041.35	Received cash from 95% of accts receivable
08/29	98,528.49	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
08/30	166,152.60	Paid employees
09/02	83,987.51	Paid 1 month of interest per Loan Amortization Schedule
09/03	307,950.56	Paid principal portion based on Loan Amortization Schedule
09/04	86,537.81	Depreciate building for 1 month
09/05	913,839.30	Bought inventory
09/06	27,692.10	Depreciate equipment for 1 month
09/08	830,763.00	Sold services
09/10	1,279,375.02	Sold all inventory
09/11	83,076.30	Amortize prepaid insurance for 1 month
09/15	166,152.60	Paid employees
09/24	25,587.50	2% of Sales were returned
09/26	1,246,144.50	Settle all accounts payable
09/27	104,227.53	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
09/28	1,980,322.99	Received cash from 95% of accts receivable

09/29	104,227.53	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
09/30	166,152.60	Paid employees
10/02	82,704.38	Paid 1 month of interest per Loan Amortization Schedule
10/03	309,233.69	Paid principal portion based on Loan Amortization Schedule
10/04	86,537.81	Depreciate building for 1 month
10/05	996,915.60	Bought inventory
10/06	27,692.10	Depreciate equipment for 1 month
10/08	830,763.00	Sold services
10/10	1,395,681.84	Sold all inventory
10/11	83,076.30	Amortize prepaid insurance for 1 month
10/13	3,323,052.00	Received upfront payment for a large project to be fulfilled next month
10/15	166,152.60	Paid employees
10/24	27,913.64	2% of Sales were returned
10/26	1,329,220.80	Settle all accounts payable
10/27	109,926.56	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
10/28	2,088,604.64	Received cash from 95% of accts receivable
10/29	109,926.56	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
10/30	166,152.60	Paid employees
11/02	81,415.91	Paid 1 month of interest per Loan Amortization Schedule
11/03	310,522.16	Paid principal portion based on Loan Amortization Schedule
11/04	86,537.81	Depreciate building for 1 month
11/05	1,079,991.90	Bought inventory
11/06	27,692.10	Depreciate equipment for 1 month
11/08	830,763.00	Sold services
11/10	1,511,988.66	Sold all inventory
11/11	83,076.30	Amortize prepaid insurance for 1 month
11/13	3,323,052.00	Provide the services for the large sale that was paid up front last month
11/15	166,152.60	Paid employees
11/20	830,763.00	Paid a dividend to the owner
11/24	30,239.77	2% of Sales were returned
11/26	1,412,297.10	Settle all accounts payable
11/27	115,625.59	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
11/28	2,196,886.30	Received cash from 95% of accts receivable
11/29	115,625.59	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
11/30	166,152.60	Paid employees
12/02	80,122.06	Paid 1 month of interest per Loan Amortization Schedule
12/03	311,816.00	Paid principal portion based on Loan Amortization Schedule
12/04	86,537.81	Depreciate building for 1 month
12/05	1,163,068.20	Bought inventory
12/06	27,692.10	Depreciate equipment for 1 month
12/08	830,763.00	Sold services
12/10	1,628,295.48	Sold all inventory
12/11	83,076.30	Amortize prepaid insurance for 1 month
12/15	166,152.60	Paid employees
12/24	32,565.91	2% of Sales were returned
12/26	1,495,373.40	Settle all accounts payable
12/27	121,324.63	Allowance for Doubtful Accounts is estimated to be 5% of accounts receivable balance
12/28	2,305,167.94	Received cash from 95% of accts receivable
12/29	121,324.63	Recognized bad debt expense for all amounts in Allowance for Doubtful Accounts
12/30	166,152.60	Paid employees
12/31	9,828,321.70	Closing entry to post all revenues and expenses to retained earnings

## Loan Amortization Schedule

60months		5%		
Month	Payment	Interest	Principal	Balance
1	391,938.07	86,537.81	305,400.25	20,769,075.00
2	391,938.07	85,265.31	306,672.76	20,463,674.75
3	391,938.07	83,987.51	307,950.56	20,157,001.99
4	391,938.07	82,704.38	309,233.69	19,849,051.43
5	391,938.07	81,415.91	310,522.16	19,539,817.75
6	391,938.07	80,122.06	311,816.00	19,229,295.59
7	391,938.07	78,822.83	313,115.24	18,917,479.58
8	391,938.07	77,518.18	314,419.88	18,604,364.35
9	391,938.07	76,208.10	315,729.96	18,289,944.47
10	391,938.07	74,892.56	317,045.51	17,974,214.50
11	391,938.07	73,571.54	318,366.53	17,657,169.00
12	391,938.07	72,245.01	319,693.06	17,338,802.47
13	391,938.07	70,912.96	321,025.11	17,019,109.41
14	391,938.07	69,575.35	322,362.72	16,698,084.30
15	391,938.07	68,232.17	323,705.89	16,375,721.58
16	391,938.07	66,883.40	325,054.67	16,052,015.69
17	391,938.07	65,529.00	326,409.06	15,726,961.02
18	391,938.07	64,168.97	327,769.10	15,400,551.96
19	391,938.07	62,803.26	329,134.80	15,072,782.86
20	391,938.07	61,431.87	330,506.20	14,743,648.05
21	391,938.07	60,054.76	331,883.31	14,413,141.85
22	391,938.07	58,671.91	333,266.16	14,081,258.54
23	391,938.07	57,283.30	334,654.77	13,747,992.39
24	391,938.07	55,888.91	336,049.16	13,413,337.62
25	391,938.07	54,488.70	337,449.36	13,077,288.46
26	391,938.07	53,082.66	338,855.40	12,739,839.10
27	391,938.07	51,670.77	340,267.30	12,400,983.69
28	391,938.07	50,252.98	341,685.08	12,060,716.39
29	391,938.07	48,829.30	343,108.77	11,719,031.31
30	391,938.07	47,399.68	344,538.39	11,375,922.54
31	391,938.07	45,964.10	345,973.97	11,031,384.15
32	391,938.07	44,522.54	347,415.52	10,685,410.18
33	391,938.07	43,074.98	348,863.09	10,337,994.66
34	391,938.07	41,621.38	350,316.69	9,989,131.57
35	391,938.07	40,161.73	351,776.34	9,638,814.88
36	391,938.07	38,695.99	353,242.07	9,287,038.55
37	391,938.07	37,224.15	354,713.91	8,933,796.47
38	391,938.07	35,746.18	356,191.89	8,579,082.56
39	391,938.07	34,262.04	357,676.02	8,222,890.67
40	391,938.07	32,771.73	359,166.34	7,865,214.65
41	391,938.07	31,275.20	360,662.87	7,506,048.31
42	391,938.07	29,772.44	362,165.63	7,145,385.44
43	391,938.07	28,263.42	363,674.65	6,783,219.81
44	391,938.07	26,748.10	365,189.96	6,419,545.16
45	391,938.07	25,226.48	366,711.59	6,054,355.20
46	391,938.07	23,698.52	368,239.55	5,687,643.61
47	391,938.07	22,164.18	369,773.88	5,319,404.06
48	391,938.07	20,623.46	371,314.61	4,949,630.18
49	391,938.07	19,076.31	372,861.75	4,578,315.57
50	391,938.07	17,522.72	374,415.34	4,205,453.82
51	391,938.07	15,962.66	375,975.41	3,831,038.48
52	391,938.07	14,396.10	377,541.97	3,455,063.07
53	391,938.07	12,823.00	379,115.06	3,077,521.10
54	391,938.07	11,243.36	380,694.71	2,698,406.04
55	391,938.07	9,657.13	382,280.94	2,317,711.33
56	391,938.07	8,064.29	383,873.77	1,935,430.39
57	391,938.07	6,464.82	385,473.25	1,551,556.62
58	391,938.07	4,858.68	387,079.39	1,166,083.37
59	391,938.07	3,245.85	388,692.22	779,003.98
60	391,938.07	1,626.30	390,311.77	390,311.77
				0.00

**SOLUTION:****General Journal Entries:**

Date: 01/05

DR Inventory \$276921  
CR Accounts Payable \$276921

Date: 01/08

DR Accounts Receivable \$830763  
CR Service Revenue \$830763

Date: 01/10

DR Accounts Receivable \$332305.2  
CR Sales Revenue \$332305.2  
DR Cost of Goods Sold \$276921  
CR Inventory \$276921

Date: 01/24

DR Sales Returns \$6646.1  
CR Accounts Receivable \$6646.1  
DR Inventory \$5538.42  
CR Cost of Goods Sold \$5538.42

Date: 02/01

DR Rent Expense \$69230.25  
CR Accounts Payable \$69230.25

Date: 02/05

DR Inventory \$332305.2  
CR Accounts Payable \$332305.2

Date: 02/08

DR Accounts Receivable \$830763  
CR Service Revenue \$830763

Date: 02/10

DR Accounts Receivable \$465227.28  
CR Sales Revenue \$465227.28  
DR Cost of Goods Sold \$332305.2  
CR Inventory \$332305.2

Date: 02/15

DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 02/24

DR Sales Returns \$9304.55  
CR Accounts Receivable \$9304.55  
DR Inventory \$7753.788  
CR Cost of Goods Sold \$7753.788

Date: 02/27

DR Bad Debt Expense \$122155.39  
CR Allowance for Doubtful Accounts \$122155.39

Date: 02/30

DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 03/01

DR Rent Expense \$69230.25  
CR Accounts Payable \$69230.25

Date: 03/05  
DR Inventory \$415381.5  
CR Accounts Payable \$415381.5

Date: 03/08  
DR Accounts Receivable \$830763  
CR Service Revenue \$830763

Date: 03/10  
DR Accounts Receivable \$581534.1  
CR Sales Revenue \$581534.1  
DR Cost of Goods Sold \$415381.5  
CR Inventory \$415381.5

Date: 03/15  
DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 03/24  
DR Sales Returns \$11630.68  
CR Accounts Receivable \$11630.68  
DR Inventory \$9692.235  
CR Cost of Goods Sold \$9692.235

Date: 03/26  
DR Accounts Payable \$1661526  
CR Cash \$1661526

Date: 03/27  
DR Bad Debt Expense \$192188.71  
CR Allowance for Doubtful Accounts \$192188.71

Date: 03/28  
DR Cash \$3651585.54  
CR Accounts Receivable \$3651585.54

Date: 03/29  
DR Allowance for Doubtful Accounts \$314344.1  
CR Accounts Receivable \$314344.1

Date: 03/30  
DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 04/01  
DR Rent Expense \$69230.25  
CR Accounts Payable \$69230.25

Date: 04/05  
DR Inventory \$498457.8  
CR Accounts Payable \$498457.8

Date: 04/06  
DR Equipment \$1661526  
CR Accounts Payable \$1661526

Date: 04/08  
DR Accounts Receivable \$830763  
CR Service Revenue \$830763

Date: 04/10

DR Accounts Receivable \$697840.92  
CR Sales Revenue \$697840.92  
DR Cost of Goods Sold \$498457.8  
CR Inventory \$498457.8

Date: 04/15

DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 04/24

DR Sales Returns \$13956.82  
CR Accounts Receivable \$13956.82  
DR Inventory \$11630.682  
CR Cost of Goods Sold \$11630.682

Date: 04/26

DR Accounts Payable \$2561519.25  
CR Cash \$2561519.25

Date: 04/27

DR Bad Debt Expense \$69624.59  
CR Allowance for Doubtful Accounts \$69624.59

Date: 04/28

DR Cash \$1322867.12  
CR Accounts Receivable \$1322867.12

Date: 04/29

DR Allowance for Doubtful Accounts \$69624.59  
CR Accounts Receivable \$69624.59

Date: 04/30

DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 05/01

DR Rent Expense \$69230.25  
CR Accounts Payable \$69230.25

Date: 05/05

DR Inventory \$581534.1  
CR Accounts Payable \$581534.1

Date: 05/06

DR Depreciation Expense \$27692.1  
CR Accum Deprn Eqmt \$27692.1

Date: 05/08

DR Accounts Receivable \$830763  
CR Service Revenue \$830763

Date: 05/10

DR Accounts Receivable \$814147.74  
CR Sales Revenue \$814147.74  
DR Cost of Goods Sold \$581534.1  
CR Inventory \$581534.1

Date: 05/15

DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6



Date: 05/24  
DR Sales Returns \$16282.95  
CR Accounts Receivable \$16282.95  
DR Inventory \$13569.129  
CR Cost of Goods Sold \$13569.129

Date: 05/26  
DR Accounts Payable \$983069.55  
CR Cash \$983069.55

Date: 05/27  
DR Bad Debt Expense \$81431.39  
CR Allowance for Doubtful Accounts \$81431.39

Date: 05/28  
DR Cash \$1547196.4  
CR Accounts Receivable \$1547196.4

Date: 05/29  
DR Allowance for Doubtful Accounts \$81431.39  
CR Accounts Receivable \$81431.39

Date: 05/30  
DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 06/01  
DR Rent Expense \$69230.25  
CR Accounts Payable \$69230.25

Date: 06/03  
DR Cash \$20769075  
CR Business Loan \$20769075

Date: 06/04  
DR Building \$20769075  
CR Cash \$20769075

Date: 06/05  
DR Inventory \$664610.4  
CR Accounts Payable \$664610.4

Date: 06/06  
DR Depreciation Expense \$27692.1  
CR Accum Deprn Eqmt \$27692.1

Date: 06/08  
DR Accounts Receivable \$830763  
CR Service Revenue \$830763

Date: 06/10  
DR Accounts Receivable \$930454.56  
CR Sales Revenue \$930454.56  
DR Cost of Goods Sold \$664610.4  
CR Inventory \$664610.4

Date: 06/15  
DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 06/24  
DR Sales Returns \$18609.09

CR Accounts Receivable \$18609.09  
DR Inventory \$15507.576  
CR Cost of Goods Sold \$15507.576

Date: 06/26

DR Accounts Payable \$1066145.85  
CR Cash \$1066145.85

Date: 06/27

DR Bad Debt Expense \$87130.42  
CR Allowance for Doubtful Accounts \$87130.42

Date: 06/28

DR Cash \$1655478.05  
CR Accounts Receivable \$1655478.05

Date: 06/29

DR Allowance for Doubtful Accounts \$87130.42  
CR Accounts Receivable \$87130.42

Date: 06/30

DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 07/01

DR Cash \$4153815  
CR Owner's Equity \$4153815

Date: 07/02

DR Interest Expense \$86537.81  
CR Cash \$86537.81

Date: 07/03

DR Business Loan \$305400.25  
CR Cash \$305400.25

Date: 07/04

DR Depreciation Expense \$86537.81  
CR Accum Deprn Bldg \$86537.81

Date: 07/05

DR Inventory \$747686.7  
CR Accounts Payable \$747686.7

Date: 07/06

DR Depreciation Expense \$27692.1  
CR Accum Deprn Eqmt \$27692.1

Date: 07/08

DR Accounts Receivable \$830763  
CR Service Revenue \$830763

Date: 07/10

DR Accounts Receivable \$1046761.38  
CR Sales Revenue \$1046761.38  
DR Cost of Goods Sold \$747686.7  
CR Inventory \$747686.7

Date: 07/15

DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 07/24

DR Sales Returns \$20935.23  
CR Accounts Receivable \$20935.23  
DR Inventory \$17446.023  
CR Cost of Goods Sold \$17446.023

Date: 07/26

DR Accounts Payable \$1079991.9  
CR Cash \$1079991.9

Date: 07/27

DR Bad Debt Expense \$92829.46  
CR Allowance for Doubtful Accounts \$92829.46

Date: 07/28

DR Cash \$1763759.69  
CR Accounts Receivable \$1763759.69

Date: 07/29

DR Allowance for Doubtful Accounts \$92829.46  
CR Accounts Receivable \$92829.46

Date: 07/30

DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 08/02

DR Interest Expense \$85265.31  
CR Cash \$85265.31

Date: 08/03

DR Business Loan \$306672.76  
CR Cash \$306672.76

Date: 08/04

DR Depreciation Expense \$86537.81  
CR Accum Deprn Bldg \$86537.81

Date: 08/05

DR Inventory \$830763  
CR Accounts Payable \$830763

Date: 08/06

DR Depreciation Expense \$27692.1  
CR Accum Deprn Eqmt \$27692.1

Date: 08/08

DR Accounts Receivable \$830763  
CR Service Revenue \$830763

Date: 08/10

DR Accounts Receivable \$1163068.2  
CR Sales Revenue \$1163068.2  
DR Cost of Goods Sold \$830763  
CR Inventory \$830763

Date: 08/11

DR Prepaid Expense \$996915.6  
CR Accounts Payable \$996915.6

Date: 08/15  
DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 08/24  
DR Sales Returns \$23261.36  
CR Accounts Receivable \$23261.36  
DR Inventory \$19384.47  
CR Cost of Goods Sold \$19384.47

Date: 08/26  
DR Accounts Payable \$2159983.8  
CR Cash \$2159983.8

Date: 08/27  
DR Bad Debt Expense \$98528.49  
CR Allowance for Doubtful Accounts \$98528.49

Date: 08/28  
DR Cash \$1872041.35  
CR Accounts Receivable \$1872041.35

Date: 08/29  
DR Allowance for Doubtful Accounts \$98528.49  
CR Accounts Receivable \$98528.49

Date: 08/30  
DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 09/02  
DR Interest Expense \$83987.51  
CR Cash \$83987.51

Date: 09/03  
DR Business Loan \$307950.56  
CR Cash \$307950.56

Date: 09/04  
DR Depreciation Expense \$86537.81  
CR Accum Deprn Bldg \$86537.81

Date: 09/05  
DR Inventory \$913839.3  
CR Accounts Payable \$913839.3

Date: 09/06  
DR Depreciation Expense \$27692.1  
CR Accum Deprn Eqmt \$27692.1

Date: 09/08  
DR Accounts Receivable \$830763  
CR Service Revenue \$830763

Date: 09/10  
DR Accounts Receivable \$1279375.02  
CR Sales Revenue \$1279375.02  
DR Cost of Goods Sold \$913839.3  
CR Inventory \$913839.3

Date: 09/11  
DR Insurance Expense \$83076.3  
CR Prepaid Expense \$83076.3

Date: 09/15  
DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 09/24  
DR Sales Returns \$25587.5  
CR Accounts Receivable \$25587.5  
DR Inventory \$21322.917  
CR Cost of Goods Sold \$21322.917

Date: 09/26  
DR Accounts Payable \$1246144.5  
CR Cash \$1246144.5

Date: 09/27  
DR Bad Debt Expense \$104227.53  
CR Allowance for Doubtful Accounts \$104227.53

Date: 09/28  
DR Cash \$1980322.99  
CR Accounts Receivable \$1980322.99

Date: 09/29  
DR Allowance for Doubtful Accounts \$104227.53  
CR Accounts Receivable \$104227.53

Date: 09/30  
DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 10/02  
DR Interest Expense \$82704.38  
CR Cash \$82704.38

Date: 10/03  
DR Business Loan \$309233.69  
CR Cash \$309233.69

Date: 10/04  
DR Depreciation Expense \$86537.81  
CR Accum Deprn Bldg \$86537.81

Date: 10/05  
DR Inventory \$996915.6  
CR Accounts Payable \$996915.6

Date: 10/06  
DR Depreciation Expense \$27692.1  
CR Accum Deprn Eqmt \$27692.1

Date: 10/08  
DR Accounts Receivable \$830763  
CR Service Revenue \$830763

Date: 10/10  
DR Accounts Receivable \$1395681.84  
CR Sales Revenue \$1395681.84

DR Cost of Goods Sold \$996915.6  
CR Inventory \$996915.6

Date: 10/11  
DR Insurance Expense \$83076.3  
CR Prepaid Expense \$83076.3

Date: 10/13  
DR Cash \$3323052  
CR Unearned Revenue \$3323052

Date: 10/15  
DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 10/24  
DR Sales Returns \$27913.64  
CR Accounts Receivable \$27913.64  
DR Inventory \$23261.364  
CR Cost of Goods Sold \$23261.364

Date: 10/26  
DR Accounts Payable \$1329220.8  
CR Cash \$1329220.8

Date: 10/27  
DR Bad Debt Expense \$109926.56  
CR Allowance for Doubtful Accounts \$109926.56

Date: 10/28  
DR Cash \$2088604.64  
CR Accounts Receivable \$2088604.64

Date: 10/29  
DR Allowance for Doubtful Accounts \$109926.56  
CR Accounts Receivable \$109926.56

Date: 10/30  
DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 11/02  
DR Interest Expense \$81415.91  
CR Cash \$81415.91

Date: 11/03  
DR Business Loan \$310522.16  
CR Cash \$310522.16

Date: 11/04  
DR Depreciation Expense \$86537.81  
CR Accum Deprn Bldg \$86537.81

Date: 11/05  
DR Inventory \$1079991.9  
CR Accounts Payable \$1079991.9

Date: 11/06  
DR Depreciation Expense \$27692.1  
CR Accum Deprn Eqmt \$27692.1

Date: 11/08  
DR Accounts Receivable \$830763  
CR Service Revenue \$830763

Date: 11/10  
DR Accounts Receivable \$1511988.66  
CR Sales Revenue \$1511988.66  
DR Cost of Goods Sold \$1079991.9  
CR Inventory \$1079991.9

Date: 11/11  
DR Insurance Expense \$83076.3  
CR Prepaid Expense \$83076.3

Date: 11/13  
DR Unearned Revenue \$3323052  
CR Service Revenue \$3323052

Date: 11/15  
DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 11/20  
DR Retained Earnings \$830763  
CR Cash \$830763

Date: 11/24  
DR Sales Returns \$30239.77  
CR Accounts Receivable \$30239.77  
DR Inventory \$25199.811  
CR Cost of Goods Sold \$25199.811

Date: 11/26  
DR Accounts Payable \$1412297.1  
CR Cash \$1412297.1

Date: 11/27  
DR Bad Debt Expense \$115625.59  
CR Allowance for Doubtful Accounts \$115625.59

Date: 11/28  
DR Cash \$2196886.3  
CR Accounts Receivable \$2196886.3

Date: 11/29  
DR Allowance for Doubtful Accounts \$115625.59  
CR Accounts Receivable \$115625.59

Date: 11/30  
DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 12/02  
DR Interest Expense \$80122.06  
CR Cash \$80122.06

Date: 12/03  
DR Business Loan \$311816  
CR Cash \$311816

Date: 12/04  
DR Depreciation Expense \$86537.81  
CR Accum Deprn Bldg \$86537.81

Date: 12/05  
DR Inventory \$1163068.2  
CR Accounts Payable \$1163068.2

Date: 12/06  
DR Depreciation Expense \$27692.1  
CR Accum Deprn Eqmt \$27692.1

Date: 12/08  
DR Accounts Receivable \$830763  
CR Service Revenue \$830763

Date: 12/10  
DR Accounts Receivable \$1628295.48  
CR Sales Revenue \$1628295.48  
DR Cost of Goods Sold \$1163068.2  
CR Inventory \$1163068.2

Date: 12/11  
DR Insurance Expense \$83076.3  
CR Prepaid Expense \$83076.3

Date: 12/15  
DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 12/24  
DR Sales Returns \$32565.91  
CR Accounts Receivable \$32565.91  
DR Inventory \$27138.258  
CR Cost of Goods Sold \$27138.258

Date: 12/26  
DR Accounts Payable \$1495373.4  
CR Cash \$1495373.4

Date: 12/27  
DR Bad Debt Expense \$121324.63  
CR Allowance for Doubtful Accounts \$121324.63

Date: 12/28  
DR Cash \$2305167.94  
CR Accounts Receivable \$2305167.94

Date: 12/29  
DR Allowance for Doubtful Accounts \$121324.63  
CR Accounts Receivable \$121324.63

Date: 12/30  
DR Salaries Expense \$166152.6  
CR Accounts Payable \$166152.6

Date: 12/31  
DR Revenue \$24901954.78  
CR Retained Earnings \$24901954.78  
DR Retained Earnings \$15073633.077  
CR Expense \$15073633.077



**GENERAL LEDGER:**

Cash

03/26	(1,661,526.00)
03/28	3,651,585.54
04/26	(2,561,519.25)
04/28	1,322,867.12
05/26	(983,069.55)
05/28	1,547,196.40
06/03	20,769,075.00
06/04	(20,769,075.00)
06/26	(1,066,145.85)
06/28	1,655,478.05
07/01	4,153,815.00
07/02	(86,537.81)
07/03	(305,400.25)
07/26	(1,079,991.90)
07/28	1,763,759.69
08/02	(85,265.31)
08/03	(306,672.76)
08/26	(2,159,983.80)
08/28	1,872,041.35
09/02	(83,987.51)
09/03	(307,950.56)
09/26	(1,246,144.50)
09/28	1,980,322.99
10/02	(82,704.38)
10/03	(309,233.69)
10/13	3,323,052.00
10/26	(1,329,220.80)
10/28	2,088,604.64
11/02	(81,415.91)
11/03	(310,522.16)
11/20	(830,763.00)
11/26	(1,412,297.10)
11/28	2,196,886.30
12/02	(80,122.06)
12/03	(311,816.00)
12/26	(1,495,373.40)
12/28	2,305,167.94
12/31 BALANCE	9,683,113.47

Accounts Receivable

01/08	830,763.00
01/10	332,305.20
01/24	(6,646.10)
02/08	830,763.00
02/10	465,227.28
02/24	(9,304.55)
03/08	830,763.00
03/10	581,534.10
03/24	(11,630.68)
03/28	(3,651,585.54)
03/29	(314,344.10)
04/08	830,763.00
04/10	697,840.92
04/24	(13,956.82)
04/28	(1,322,867.12)
04/29	(69,624.59)
05/08	830,763.00
05/10	814,147.74
05/24	(16,282.95)

05/28	(1,547,196.40)
05/29	(81,431.39)
06/08	830,763.00
06/10	930,454.56
06/24	(18,609.09)
06/28	(1,655,478.05)
06/29	(87,130.42)
07/08	830,763.00
07/10	1,046,761.38
07/24	(20,935.23)
07/28	(1,763,759.69)
07/29	(92,829.46)
08/08	830,763.00
08/10	1,163,068.20
08/24	(23,261.36)
08/28	(1,872,041.35)
08/29	(98,528.49)
09/08	830,763.00
09/10	1,279,375.02
09/24	(25,587.50)
09/28	(1,980,322.99)
09/29	(104,227.53)
10/08	830,763.00
10/10	1,395,681.84
10/24	(27,913.64)
10/28	(2,088,604.64)
10/29	(109,926.56)
11/08	830,763.00
11/10	1,511,988.66
11/24	(30,239.77)
11/28	(2,196,886.30)
11/29	(115,625.59)
12/08	830,763.00
12/10	1,628,295.48
12/24	(32,565.91)
12/28	(2,305,167.94)
12/29	(121,324.63)
12/31	BALANCE (0.00)

Allowance for Doubtful Accounts

02/27	(122,155.39)
03/27	(192,188.71)
03/29	314,344.10
04/27	(69,624.59)
04/29	69,624.59
05/27	(81,431.39)
05/29	81,431.39
06/27	(87,130.42)
06/29	87,130.42
07/27	(92,829.46)
07/29	92,829.46
08/27	(98,528.49)
08/29	98,528.49
09/27	(104,227.53)
09/29	104,227.53
10/27	(109,926.56)
10/29	109,926.56
11/27	(115,625.59)
11/29	115,625.59
12/27	(121,324.63)
12/29	121,324.63
12/31	BALANCE 0.00

Inventory

01/05	276,921.00
01/10	(276,921.00)
01/24	5,538.42
02/05	332,305.20
02/10	(332,305.20)
02/24	7,753.79
03/05	415,381.50
03/10	(415,381.50)
03/24	9,692.24
04/05	498,457.80
04/10	(498,457.80)
04/24	11,630.68
05/05	581,534.10
05/10	(581,534.10)
05/24	13,569.13
06/05	664,610.40
06/10	(664,610.40)
06/24	15,507.58
07/05	747,686.70
07/10	(747,686.70)
07/24	17,446.02
08/05	830,763.00
08/10	(830,763.00)
08/24	19,384.47
09/05	913,839.30
09/10	(913,839.30)
09/24	21,322.92
10/05	996,915.60
10/10	(996,915.60)
10/24	23,261.36
11/05	1,079,991.90
11/10	(1,079,991.90)
11/24	25,199.81
12/31 BALANCE	170,306.42

Equipment

04/06	1,661,526.00
12/31 BALANCE	1,661,526.00

Accum Deprn Eqmt

05/06	(27,692.10)
06/06	(27,692.10)
07/06	(27,692.10)
08/06	(27,692.10)
09/06	(27,692.10)
10/06	(27,692.10)
11/06	(27,692.10)
12/06	(27,692.10)
12/31 BALANCE	(221,536.80)

Building

06/04	20,769,075.00
12/31 BALANCE	20,769,075.00

Accum Deprn Bldg

07/04	(86,537.81)
08/04	(86,537.81)
09/04	(86,537.81)
10/04	(86,537.81)
11/04	(86,537.81)

12/04 (86,537.81)  
12/31 BALANCE (519,226.86)

Prepaid Expense

08/11 996,915.60  
09/11 (83,076.30)  
10/11 (83,076.30)  
11/11 (83,076.30)  
12/11 (83,076.30)  
12/31 BALANCE 664,610.40

Accounts Payable

01/05 (276,921.00)  
02/01 (69,230.25)  
02/05 (332,305.20)  
02/15 (166,152.60)  
02/30 (166,152.60)  
03/01 (69,230.25)  
03/05 (415,381.50)  
03/15 (166,152.60)  
03/26 1,661,526.00  
03/30 (166,152.60)  
04/01 (69,230.25)  
04/05 (498,457.80)  
04/06 (1,661,526.00)  
04/15 (166,152.60)  
04/26 2,561,519.25  
04/30 (166,152.60)  
05/01 (69,230.25)  
05/05 (581,534.10)  
05/15 (166,152.60)  
05/26 983,069.55  
05/30 (166,152.60)  
06/01 (69,230.25)  
06/05 (664,610.40)  
06/15 (166,152.60)  
06/26 1,066,145.85  
06/30 (166,152.60)  
07/05 (747,686.70)  
07/15 (166,152.60)  
07/26 1,079,991.90  
07/30 (166,152.60)  
08/05 (830,763.00)  
08/11 (996,915.60)  
08/15 (166,152.60)  
08/26 2,159,983.80  
08/30 (166,152.60)  
09/05 (913,839.30)  
09/15 (166,152.60)  
09/26 1,246,144.50  
09/30 (166,152.60)  
10/05 (996,915.60)  
10/15 (166,152.60)  
10/26 1,329,220.80  
10/30 (166,152.60)  
11/05 (1,079,991.90)  
11/15 (166,152.60)  
11/26 1,412,297.10  
11/30 (166,152.60)  
12/05 (1,163,068.20)  
12/15 (166,152.60)  
12/26 1,495,373.40

12/31 BALANCE 0.00

Business Loan

06/03 (20,769,075.00)  
07/03 305,400.25  
08/03 306,672.76  
09/03 307,950.56  
10/03 309,233.69  
11/03 310,522.16  
12/03 311,816.00  
12/31 BALANCE (18,917,479.58)

Unearned Revenue

10/13 (3,323,052.00)  
11/13 3,323,052.00  
12/31 BALANCE 0.00

Retained Earnings

11/20 830,763.00  
12/31 (9,828,321.70)  
12/31 BALANCE (8,997,558.70)

Owner's Equity

07/01 (4,153,815.00)  
12/31 BALANCE (4,153,815.00)

Service Revenue

01/08 (830,763.00)  
02/08 (830,763.00)  
03/08 (830,763.00)  
04/08 (830,763.00)  
05/08 (830,763.00)  
06/08 (830,763.00)  
07/08 (830,763.00)  
08/08 (830,763.00)  
09/08 (830,763.00)  
10/08 (830,763.00)  
11/08 (830,763.00)  
11/13 (3,323,052.00)  
12/08 (830,763.00)  
12/31 13,292,208.00  
12/31 BALANCE 0.00

Sales Revenue

01/10 (332,305.20)  
02/10 (465,227.28)  
03/10 (581,534.10)  
04/10 (697,840.92)  
05/10 (814,147.74)  
06/10 (930,454.56)  
07/10 (1,046,761.38)  
08/10 (1,163,068.20)  
09/10 (1,279,375.02)  
10/10 (1,395,681.84)  
11/10 (1,511,988.66)  
12/10 (1,628,295.48)  
12/31 11,846,680.38  
12/31 BALANCE 0.00

Sales Returns

01/24 6,646.10

02/24	9,304.55
03/24	11,630.68
04/24	13,956.82
05/24	16,282.95
06/24	18,609.09
07/24	20,935.23
08/24	23,261.36
09/24	25,587.50
10/24	27,913.64
11/24	30,239.77
12/24	32,565.91
12/31	(236,933.60)
12/31 BALANCE	0.00

Cost of Goods Sold

01/10	276,921.00
01/24	(5,538.42)
02/10	332,305.20
02/24	(7,753.79)
03/10	415,381.50
03/24	(9,692.24)
04/10	498,457.80
04/24	(11,630.68)
05/10	581,534.10
05/24	(13,569.13)
06/10	664,610.40
06/24	(15,507.58)
07/10	747,686.70
07/24	(17,446.02)
08/10	830,763.00
08/24	(19,384.47)
09/10	913,839.30
09/24	(21,322.92)
10/10	996,915.60
10/24	(23,261.36)
11/10	1,079,991.90
11/24	(25,199.81)
12/10	1,163,068.20
12/24	(27,138.26)
12/31	(8,304,030.03)
12/31 BALANCE	(0.01)

Salaries Expense

02/15	166,152.60
02/30	166,152.60
03/15	166,152.60
03/30	166,152.60
04/15	166,152.60
04/30	166,152.60
05/15	166,152.60
05/30	166,152.60
06/15	166,152.60
06/30	166,152.60
07/15	166,152.60
07/30	166,152.60
08/15	166,152.60
08/30	166,152.60
09/15	166,152.60
09/30	166,152.60
10/15	166,152.60
10/30	166,152.60
11/15	166,152.60

11/30	166,152.60
12/15	166,152.60
12/30	166,152.60
12/31	(3,655,357.20)
12/31 BALANCE	0.00

Rent Expense

02/01	69,230.25
03/01	69,230.25
04/01	69,230.25
05/01	69,230.25
06/01	69,230.25
12/31	(346,151.25)
12/31 BALANCE	0.00

Bad Debt Expense

02/27	122,155.39
03/27	192,188.71
04/27	69,624.59
05/27	81,431.39
06/27	87,130.42
07/27	92,829.46
08/27	98,528.49
09/27	104,227.53
10/27	109,926.56
11/27	115,625.59
12/27	121,324.63
12/31	(1,194,992.76)
12/31 BALANCE	0.00

Depreciation Expense

05/06	27,692.10
06/06	27,692.10
07/04	86,537.81
07/06	27,692.10
08/04	86,537.81
08/06	27,692.10
09/04	86,537.81
09/06	27,692.10
10/04	86,537.81
10/06	27,692.10
11/04	86,537.81
11/06	27,692.10
12/04	86,537.81
12/06	27,692.10
12/31	(740,763.66)
12/31 BALANCE	0.00

Insurance Expense

09/11	83,076.30
10/11	83,076.30
11/11	83,076.30
12/11	83,076.30
12/31	(332,305.20)
12/31 BALANCE	0.00

Interest Expense

07/02	86,537.81
08/02	85,265.31
09/02	83,987.51
10/02	82,704.38
11/02	81,415.91

12/02	80,122.06
12/31	(500,032.98)
12/31 BALANCE	0.00



**TRIAL BALANCE BEFORE AND AFTER CLOSING ENTRY:**

Cash	9,683,113.47	9,683,113.47
Accounts Receivable	(0.00)	(0.00)
Allowance for Doubtful Accounts	0.00	0.00
Inventory	197,444.67	197,444.67
Equipment	1,661,526.00	1,661,526.00
Accum Deprn Eqmt	(221,536.80)	(221,536.80)
Building	20,769,075.00	20,769,075.00
Accum Deprn Bldg	(519,226.86)	(519,226.86)
Prepaid Expense	664,610.40	664,610.40
Accounts Payable	(166,152.60)	(166,152.60)
Business Loan	(18,917,479.58)	(18,917,479.58)
Unearned Revenue	0.00	0.00
Retained Earnings	0.00	(8,997,558.70)
Owner's Equity	(4,153,815.00)	(4,153,815.00)
Service Revenue	(13,292,208.00)	0.00
Sales Revenue	(11,846,680.38)	0.00
Sales Returns	236,933.60	0.00
Cost of Goods Sold	8,304,030.03	0.00
Salaries Expense	3,655,357.20	0.00
Rent Expense	346,151.25	0.00
Bad Debt Expense	1,194,992.76	0.00
Depreciation Expense	740,763.66	0.00
Insurance Expense	332,305.20	0.00
Interest Expense	500,032.98	0.00

## FINANCIAL STATEMENTS

### Balance Sheet (Dec 31)

ASSETS	
Cash	9,683,113.47
Accounts Receivable	(0.00)
Inventory	197,444.67
Prepays	664,610.40
Property Plant & Equipment	22,430,601.00
Accumulated Depreciation Expense	(740,763.66)
Net Property Plant & Equipment	21,689,837.34
Total Assets	32,235,005.88
LIABILITIES	
Accounts Payable	166,152.60
Loans	18,917,479.58
Total Liabilities	19,083,632.18
SHAREHOLDER'S EQUITY	
Owner's Equity	4,153,815.00
Retained Earnings	8,997,558.70
Total Shareholder's Equity	13,151,373.70
Total Liabilities & Shareholder's Equity	32,235,005.88

### Income Statement (Jan 1 to Dec 31)

REVENUE	
Services	13,292,208.00
Sales	11,846,680.38
Sales Returns	(236,933.60)
Total Revenue	24,901,954.78
EXPENSES	
Cost of Goods Sold	8,304,030.03
Salaries Expense	3,655,357.20
Rent Expense	346,151.25
Bad Debts	1,194,992.76
Depreciation Expense	740,763.66
Insurance	332,305.20
Interest	500,032.98
Total Expenses	15,073,633.08
Net Income	9,828,321.70

**Statement of Retained Earnings (Jan 1 to Dec 31)**

Opening Balance	0.00
Net Income	9,828,321.70
Dividends Paid	(830,763.00)
Closing Balance	8,997,558.70

**Statement of Cashflows (Jan 1 to Dec31)**

Beginning Cash Balance	0.00
Operating Activities	
Net Income	9,828,321.70
Depreciation Expense	740,763.66
Increase in Prepaid Expenses	(664,610.40)
Increase in Accounts Payable	166,152.60
Increase in Inventory	(197,444.67)
Investment Activities	
PPE Purchases	(22,430,601.00)
Financing Activities	
Bank Loan	20,769,075.00
Bank Loan repayment of principal	(1,851,595.42)
Owner Investment	4,153,815.00
Dividend Paid to Owner	(830,763.00)
Net Cashflows	9,683,113.47
Ending Cash Balance	9,683,113.47