

ACC301 - Financial Statement Preparation Case

Due - December 5th in class - emailed versions will not be accepted

Required:

See the attached Trial Balance. Using the Trial Balance, please prepare a complete set of financial statements. This includes:

Cover Page

Table of Contents

Report

Balance Sheet (Classified)

Income Statement (Multi-Step)

Cash Flow Statement (indirect method)

Footnotes:

Summary of Accounting Policies =

Nature of Business - Clothing outfitter in Northwest Ohio

Use of estimates

Cash Equivalents

Long Term Debt -

Mortgage Payment of \$10,000 annual plus interest
at 4.00%

Vehicle Payment \$5,000 annual plus interest
at 2.00%

Subsequent events (none were found)

Stock - \$1,000 shares authorized and outstanding,
\$1 par value

For cover sheet, table of contents, and report, just use the info given to you on the financial statement examples. Please update information where needed

Please type and complete all financial statements and turn in by due date
Besides turning in paper copy in class, you will need to upload file to taskstream,
which is located in through Moodle.

You are graded on correctness of answers, professionalism of reports and the information within the statements. You are also given a distinct list of information to include, at minimum, include that information.

Dragon Custom Outfitters						
Trial Balance						
December 31, 2019						
Account	Type	2019		2018		
		Debit	Credit	Debit	Credit	
Cash - Checking	A	12,300		8,505		
Cash - Savings	A	33,000		16,000		
Accounts Receivable	A	227,500		277,292		
Allowance for Bad Debts	A		6,000		4,900	
Accounts Receivable - Employees	A	500		400		
Inventory	A	490,000		425,000		
Prepaid Insurance	A	3,200		2,450		
Land	A	40,000		40,000		
Buildings	A	360,000		360,000		
Accumulated Depreciation - Buildings	A		43,750		40,000	
Equipment	A	90,175		80,175		
Accumulated Depreciation - Equipment	A		36,150		29,900	
Furniture & Fixtures	A	35,000		35,000		
Accumulated Depreciation - Furniture & Fixtures	A		35,000		28,000	
Vehicles	A	90,000		90,000		
Accumulated Depreciation - Vehicles	A		68,000		40,000	
Deposits	A	1,000		1,000		
Accounts Payable	L		130,000		165,000	
Credit Cards	L		25,000		23,500	
Deferred Revenue	L		4,905		120,292	
Payroll Taxes Withheld	L		18,900		16,500	
Payroll Taxes Accrued	L		8,000		6,900	
Dividends Payable	L		60,000		50,000	
Wages Payable	L		4,250		6,500	
Current Maturity of Long Term Debts	L		15,000		15,000	
Note Payable - Mortgage	L		90,000		100,000	
Note Payable - Vehicle	L		45,000		50,000	
Capital Stock	E		1,000		1,000	
Dividends Paid	E	60,000		50,000		
Retained Earnings	E		638,330		441,765	
Sales	R		945,690		911,100	
Sales Returns & Allowances	R	1,675		1,400		
Sales Discounts	R	3,000		3,150		
Cost of Goods Sold	EXP	342,965		293,500		
Administrative Salaries	EXP	130,000		122,500		
Sales Salaries	EXP	110,000		105,000		
Payroll Tax Expense	EXP	11,500		10,000		
Advertising Expense	EXP	5,000		5,000		
Automobile Expense	EXP	7,500		7,150		
Bad Debt Expense	EXP	4,120		3,960		
Bank Charge Expense	EXP	100		100		
Cleaning Expense	EXP	850		825		
Commissions Expense	EXP	3,275		3,250		
Depreciation Expense	EXP	45,000		45,000		
Insurance Expense	EXP	2,600		2,600		
Interest Expense	EXP	6,320		6,500		
Licenses Expense	EXP	100		100		
Office Expense	EXP	900		1,250		
Postage Expense	EXP	180		210		
Repairs & Maintenance	EXP	4,880		6,975		
Supplies Expense	EXP	1,600		1,890		
Travel Expense	EXP	3,000		2,460		
Telephone & Internet Expense	EXP	10,680		9,880		
Utilities Expense	EXP	13,655		12,835		
Other Gains	OR		1,000		0	
Other Losses	OEXP	500		500		
Income Tax Expense	EXP	23,900		18,500		
		2,175,975	2,175,975	2,050,357	2,050,357	