

CONING WHOLESALE

INTRODUCTION

Coning Wholesale is a sole proprietorship that was started on January 1, 2012 by Richard Coning. This company buys remanufactured electric motors and sells them to various shops.

Coning Wholesale uses a manual accounting system utilizing the following:

- Sales Journal
- Purchases Journal
- Cash Receipts Journal
- Cash Disbursements Journal
- General Journal
- General Ledger
- Accounts Receivable Subsidiary Ledger
- Accounts Payable Subsidiary Ledger
- Asset Depreciation Schedule
- Inventory Ledger Cards

ACCOUNTING POLICIES AND PROCEDURES

1. The company uses a perpetual inventory system.
2. Vendor invoices are recorded net of discounts.
3. Cost of sales are determined using the FIFO method.
4. All credit sales have the same terms of 2/10, n/30.
5. The company uses the accrual basis of accounting.
6. The books are closed at the end of each month.

INSTRUCTIONS

1. Record transactions daily from the narrative of business transactions provided. The transactions for January 1 through January 15, 2013 have already been entered in the journals, the general ledger and, when necessary, the subsidiary ledgers, the inventory ledger cards and the asset depreciation schedule.
2. Use only those accounts that are provided for in the chart of accounts. Do not create any new accounts.
3. As you make entries in the special journals and the general journal that require posting to the general ledger, subsidiary ledgers, inventory ledger cards and the asset depreciation schedule, do so immediately.
4. Enter all dollar amounts in round dollars - no cents.
5. Assume all customers take the discount if they pay within the discount period.
6. If there is a difference between the bank statement and checks issued per books, assume the bank is correct.

NARRATIVE OF TRANSACTIONS

- Jan. 1 Issued check 775 for \$800 to Racks Plus for purchase of storage racks.
- 1 Issued check 776 for \$3,840 to State Fair Insurance for a two year general liability policy.
- 2 Received a check from KLO, Inc for Invoice No. 558.
- 3 Sold six motors to KLO, Inc. for \$3,900, Invoice No. 560.
- 4 Received a check from ABC, Inc. for Invoice No. 552
- 4 Deposited the cash receipts (including checks) for the period Jan.2nd to Jan. 4th.
- 4 Issued check 777 to A-1 Wiring for Invoice No. 4115.
- 9 Purchased ten motors on account from A-1 Wiring for \$3,000 Invoice No. 4201. Terms 2/10,n/30.
- 15 Accepted a short term Note Receivable from Metal Works for Inv. 559 dated Dec. 10, 2012.

The above transactions have already been entered.

- ✓ 16 Sold five motors to Metal Works on account for \$3,600, Invoice No. 561. Don't forget the inventory ledger card!
- ✓ 18 Issued check 778 to A-1 Wiring for Invoice No. 4201.
- ✓ 18 Purchased four motors from AC Motors for \$1,500, Invoice 3705, 4/20, n/30.
- ✓ 20 Received a payment on account from KLO, Inc. for Invoice No. 560.
- 21 Purchased seven motors on account from AC Motors for \$2,500 plus freight charges of \$70, Invoice No. 3785. Terms: 2/10, n/30.
- ✓ 21 Received an invoice for repairs from HiLift, Inc. for \$150 and issued Check No. 779 to pay the invoice.
- 22 Richard Coning invested an additional \$20,000 in his business.
- ✓ 22 Sold five motors to ABC, Inc. on account for \$3,500, Invoice No. 562.
- ✓ 22 Received a bill from Energy Quest for \$205 for January utilities. Issued Check No. 780 to Energy Quest.
- 22 Deposited the cash receipts (including checks) for January 20th and 22nd.
- ✓ 23 Issued Check No. 781 to Max Electric for their Invoice No. 2653

- 23 Returned a defective motor to AC Motors that cost \$360. This \$360 was originally billed on AC Motors Invoice No. 3785. Don't forget the inventory ledger card!
- 23 Purchased three motors from Max Electric on account for \$1,200, Invoice 4287. Terms 2/15, n/30
- 23 Received a bill from HiLift, Inc. for \$250 on repair of forklift, Invoice No. 13227. Terms: n/30. This will be paid during the following month.
- 23 Sold six motors to ABC, Inc. for \$3,900, Invoice No. 563.
- 24 Determined the receivable from Laxon Machining was uncollectible and wrote it off.
- 24 Received a payment from ABC, Inc. in full settlement of our note receivable. This was a 60 day, \$6,000 note, dated November 25, 2012 at 9% interest (reference the Notes Receivable and Interest Receivable accounts in the General Ledger). Interest on this note receivable was accrued through December 31, 2012. Use a 360 day year.
- 25 Received a payment on account from ABC, Inc for Invoice No. 563.
- 25 Purchased ten motors from A-1 Wiring for \$3,500 Inv. 4315. Terms 2/10, n/30.
- 26 Sold seven motors to Metal Works on account for \$4,900, Invoice No. 564.
- 26 Issued Check No. 782 to AC Motors for Invoice No. 3785.
- 27 Issued Credit Memo No. 173 for \$200 to Metal Works for a defective motor. This was originally billed to Metal Works on Invoice No. 564. Metal Works kept the motor.
- 28 Received a payment on account from Metal Works for Invoice No. 561.
- 28 Deposited the cash receipts for the period January 24th to January 28th.
- 28 Issued Check No. 783 to Business Bank in full payment of the note payable. This was a \$7,500, 60 day note at 6% interest issued November 29, 2012. Interest on this note was accrued through December 31, 2012. Reference the beginning balance in the Notes Payable and Interest Payable accounts in the General Ledger. Use a 360-day year.
- 29 Received a payment on account from Metal Works for Invoice No. 564.
- 29 Deposited the cash receipts for January 29th.

- 30 Issued Check No. 784 to replenish the petty cash fund. The expense receipts in the fund showed repairs for \$47, supplies for \$65 and Richard Coning had taken \$100 for his personal use. A count of the cash drawer showed \$30 in cash.
- 30 Issued Check No. 785 for \$5,000 to Richard Coning for his personal use.
- 30 Issued Check No. 786 for \$1,000 to Bold Realty for January rent.
- 30 Issued Check No. 787 for \$275 to Bell Company for the January phone bill.

REQUIREMENTS

1. Total and balance all special journals and post to the General Ledger. Pull a trial balance from the General Ledger and enter it on the "Unadjusted Trial Balance" columns of the work sheet.
2. Prepare schedules of accounts payable and accounts receivable as of January 31, 2013. The total of each schedule should agree to the January 31, 2013 balance in the General Ledger for Accounts Payable and Accounts Receivable.
3. Prepare any necessary adjusting journal entries for the following:
 - A. Based upon an analysis of the accounts receivable, it is estimated that 2% of receivables at January 31, 2013, will be uncollectible.
 - B. Accrue the interest due on the note receivable from Metal Works. This is a \$3,500, 60-day note at 9% interest dated January 15, 2013.
 - C. A physical inventory of shop supplies showed \$450 worth of supplies on hand at the end of January.
 - D. The insurance policy purchased on January 1, 2013 for \$3,840 is a two-year general liability policy.
 - E. Record the depreciation expense for January 2013 and complete the depreciation schedule for January 2013.
 - F. Prepare a bank reconciliation for January 2013. If there are any differences between Coning Wholesale's books and the bank statement, assume the bank statement is correct. Prepare any necessary adjusting journal entry. Enter this journal entry in the General Journal.
 - G. A physical inventory of motors on January 31, 2013 showed ten motors on hand.
4. Complete the work sheet and prepare:
 - A. A multi-step income statement for the month of January. You do not have to divide operating expenses into selling and administrative categories on the income statement.
 - B. An owner's equity statement for the month of January.
 - C. A classified balance sheet
5. Post the adjusting journal entries to the General Ledger.
6. Prepare the closing entries and post them to the General Ledger.
7. Prepare a post-closing trial balance.

Listed below is the chart of accounts/trial balance as of December 31, 2012

| Account Number | Account Titles | Trial Balance | |
|----------------|--|---------------|----------|
| | | Dr. | Cr. |
| 101 | Cash | 13 5 2 4 | |
| 102 | Petty Cash | 2 5 0 | |
| 104 | Accounts Receivable | 10 8 0 0 | |
| 105 | Allowance For Doubtful Accounts | | 4 5 0 |
| 107 | Notes Receivable | 6 0 0 0 | |
| 108 | Interest Receivable | 5 4 | |
| 110 | Supplies | 4 3 5 | |
| 111 | Inventory | 1 9 8 0 | |
| 121 | Prepaid Insurance | - 0 - | |
| 140 | Equipment & Fixtures | 36 2 0 0 | |
| 141 | Accumulated Depreciation - Equip. & Fix. | | 6 2 7 6 |
| 201 | Accounts Payable | | 4 6 6 0 |
| 202 | Notes Payable | | 7 5 0 0 |
| 203 | Interest Payable | | 4 0 |
| 301 | R. Coning, Capital | | 50 3 1 7 |
| 302 | R. Coning, Draw | | |
| 401 | Interest Earned | | |
| 402 | Sales | | |
| 403 | Sales Returns & Allowances | | |
| 404 | Sales Discounts | | |
| 501 | Cost Of Goods Sold | | |
| 603 | Interest Expense | | |
| 604 | Insurance Expense | | |
| 605 | Rent Expense | | |
| 606 | Supplies Expense | | |
| 607 | Bad Debt Expense | | |
| 608 | Repairs Expense | | |
| 609 | Utilities Expense | | |
| 610 | Depreciation Expense | | |
| 611 | Bank Charges | | |
| 612 | Cash Short (Over) | | |
| 613 | Discounts Lost | | |
| 700 | Income Summary | | |
| | Totals | 69 2 4 3 | 69 2 4 3 |

CASH RECEIPTS JOURNAL

| Date 2013 | Accounts Receivable Customer | PR | Cash Deposited To Bank | Cash Dr. | Sales Discounts Dr. | Accounts Receivable Cr. | Other Accounts Cr. | | | | |
|--------------|---------------------------------|----|------------------------------|-------------|---------------------------|-------------------------------|--------------------|---------|----|--------|--|
| | | | | | | | Received From | Account | PR | Amount | |
| Jan. 2 | KLO, Inc. | ✓ | | 2744 | 56 | 2800 | | | | | |
| 4 | ABC, Inc. | ✓ | 6844 | 4100 | | 4100 | | | | | |
| 20 | KLO, Inc. | | 10744 | 3900 | | 3900 | | | | | |
| 21 | Hi Lift, Inc. | | 10894 | 150 | | 150 | | | | | |
| 22 | Energy Quest | | 11094 | 205 | | 205 | | | | | |
| 23 | Hi Lift, Inc. | | 11344 | 250 | | 250 | | | | | |
| 24 | ABC, Inc. | | 17434 | 6090 | | 6090 | | | | | |
| 25 | ABC, Inc. | | 24334 | 3900 | | 3900 | | | | | |
| 28 | Metal Works | | 24934 | 3600 | | 3600 | | | | | |
| 29 | Metal Works | | 29834 | 4900 | | 4900 | | | | | |
| PAGE TOTALS | | | | | | | | | | | |

CASH DISBURSEMENTS JOURNAL

| Date 2013 | Accounts Payable Vendor Payee | PR | Check No. | Cash Cr. | Discounts Lost Dr. | Accounts Payable Dr. | Other Accounts Dr. | | | Amount |
|--------------|----------------------------------|----|--------------|-------------|--------------------------|----------------------------|----------------------|-------------------|-----|--------|
| | | | | | | | Other Payee | Account | PR | |
| Jan. 1 | | | 775 | 800 | | | Racks Plus | | 140 | 800 |
| 1 | | | 776 | 3840 | | | State Fair Insurance | Equip. & Fixtures | 121 | 3840 |
| 4 | A-1 Wiring | ✓ | 777 | 400 | | 392 | | | | |
| 18 | A-1 Wiring | | 778 | 2904 | | | | | | |
| 23 | Max Electric | | 781 | 4268 | | | | | | |
| 26 | AC Motors | | 782 | 2160 | | | | | | |
| 28 | Business Bank | | 783 | 9575 | | | | | | |
| 30 | Replenish Petty Cash | | 784 | 220 | | | | | | |
| 30 | Richard Conroy | | 785 | 5000 | | | | | | |
| 30 | Bold Realty | | 786 | 1000 | | | | | | |
| 30 | Bell Company | | 787 | 275 | | | | | | |
| 21 | Hi Lift, Inc | | 779 | 150 | | | | | | |
| 22 | Energy Quest | | 780 | 250 | | | | | | |
| | PAGE TOTALS | | | | | | | | | |

**ACCOUNTS RECEIVABLE
SUBSIDIARY LEDGER**

ABC, INC.

| Date | Item | PR | Dr. | Cr. | Balance |
|---------|---------------|----|---------|---------|---------|
| Dec. 20 | Inv. 552 | S1 | 4 1 0 0 | | 4 1 0 0 |
| Jan. 4 | Paid Inv. 552 | R8 | | 4 1 0 0 | - 0 - |
| | | | | | |
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METAL WORKS

| Date | Item | PR | Dr. | Cr. | Balance |
|---------|----------------------------|-----|---------|---------|---------|
| Dec. 26 | Inv. 481 | S1 | 3 5 0 0 | | 3 5 0 0 |
| Jan. 15 | Accepted Note for Inv. 481 | G10 | | 3 5 0 0 | - 0 - |
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LAXON MACHINING

| Date | Item | PR | Dr. | Cr. | Balance |
|--------|----------|----|-------|-----|---------|
| Dec. 1 | Inv. 550 | S1 | 4 0 0 | | 4 0 0 |
| Jan. | | | | | |
| | | | | | |

KLO, INC.

| Date | Item | PR | Dr. | Cr. | Balance |
|---------|---------------|----|---------|---------|---------|
| Dec. 27 | Inv. 558 | S1 | 2 8 0 0 | | 2 8 0 0 |
| Jan. 2 | Paid Inv. 558 | R8 | | 2 8 0 0 | - 0 - |
| 3 | Inv. 560 | S7 | 3 9 0 0 | | 3 9 0 0 |
| | | | | | |
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**ACCOUNTS PAYABLE
SUBSIDIARY LEDGER**

MAX ELECTRIC

| Date | Item | PR | Dr. | Cr. | Balance |
|--------|----------------------|----|-----|---------|---------|
| Dec. 1 | Inv. 2653 3/15, n/30 | P1 | | 4 2 6 8 | 4 2 6 8 |
| | | | | | |
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AC MOTORS

| Date | Item | PR | Dr. | Cr. | Balance |
|------|------|----|-----|-----|---------|
| | | | | | |
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A-1 WIRING

| Date | Item | PR | Dr. | Cr. | Balance |
|--------|----------------------|----|-------|---------|---------|
| Dec. 1 | Inv. 4115 2/10, n/30 | P1 | | 3 9 2 | 3 9 2 |
| Jan. 4 | Paid Inv. 4115 | D9 | 3 9 2 | | - 0 - |
| 9 | Inv. 4201 2/10, n/30 | P6 | | 2 9 4 0 | 2 9 4 0 |
| | | | | | |
| | | | | | |

HILIFT, INC.

| Date | Item | PR | Dr. | Cr. | Balance |
|------|------|----|-----|-----|---------|
| | | | | | |
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GENERAL LEDGER

101 - CASH

| Date | Item | Post. Ref. | Entries | | Balance |
|--------|--------------|------------|---------|--------|----------|
| | | | Debit | Credit | |
| Jan. 1 | Beg. Balance | | | | 13 5 2 4 |
| | | | | | |
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102 - PETTY CASH

| Date | Item | Post. Ref. | Entries | | Balance |
|--------|--------------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| Jan. 1 | Beg. Balance | | | | 2 5 0 |
| | | | | | |
| | | | | | |
| | | | | | |
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104 - ACCOUNTS RECEIVABLE

| Date | Item | Post. Ref. | Entries | | Balance |
|--------|--------------|------------|---------|---------|----------|
| | | | Debit | Credit | |
| Jan. 1 | Beg. Balance | | | | 10 8 0 0 |
| 15 | | G10 | | 3 5 0 0 | 7 3 0 0 |
| | | | | | |
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105 - ALLOWANCE FOR DOUBTFUL ACCOUNTS

| Date | Item | Post. Ref. | Entries | | Balance |
|--------|--------------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| Jan. 1 | Beg. Balance | | | | 4 5 0 |
| | | | | | |
| | | | | | |
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107 - NOTES RECEIVABLE

| Date | Item | Post. Ref. | Entries | | Balance |
|--------|--------------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| Jan. 1 | Beg. Balance | | | | 6 0 0 0 |
| 15 | | G10 | 3 5 0 0 | | 9 5 0 0 |
| | | | | | |

108 - INTEREST RECEIVABLE

| Date | Item | Post. Ref. | Entries | | Balance |
|--------|--------------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| Jan. 1 | Beg. Balance | | | | 5 4 |
| | | | | | |

110 - SUPPLIES

| Date | Item | Post. Ref. | Entries | | Balance |
|--------|--------------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| Jan. 1 | Beg. Balance | | | | 4 3 5 |
| | | | | | |

111 - INVENTORY

| Date | Item | Post. Ref. | Entries | | Balance |
|--------|--------------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| Jan. 1 | Beg. Balance | | | | 1 9 8 0 |
| | | | | | |

121 - PREPAID INSURANCE

| Date | Item | Post. Ref. | Entries | | Balance |
|--------|--------------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| Jan. 1 | Beg. Balance | | | | - 0 - |
| 1 | | D9 | 3 8 4 0 | | 3 8 4 0 |
| | | | | | |

140 - EQUIPMENT & FIXTURES

| Date | Item | Post. Ref. | Entries | | Balance |
|--------|--------------|------------|---------|--------|----------|
| | | | Debit | Credit | |
| Jan. 1 | Beg. Balance | | | | 36 2 0 0 |
| | | D9 | 8 0 0 | | 37 0 0 0 |
| | | | | | |
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141 - ACCUMULATED DEPRECIATION - EQUIPMENT & FIXTURES

| Date | Item | Post. Ref. | Entries | | Balance |
|--------|--------------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| Jan. 1 | Beg. Balance | | | | 6 2 7 6 |
| | | | | | |

201 - ACCOUNTS PAYABLE

| Date | Item | Post. Ref. | Entries | | Balance |
|--------|--------------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| Jan. 1 | Beg. Balance | | | | 4 6 6 0 |
| | | | | | |
| | | | | | |

202 - NOTES PAYABLE

| Date | Item | Post. Ref. | Entries | | Balance |
|--------|--------------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| Jan. 1 | Beg. Balance | | | | 7 5 0 0 |
| | | | | | |

203 - INTEREST PAYABLE

| Date | Item | Post. Ref. | Entries | | Balance |
|--------|--------------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| Jan. 1 | Beg. Balance | | | | 4 0 |
| | | | | | |

301 - R. CONING, CAPITAL

| Date | Item | Post. Ref. | Entries | | Balance |
|--------|--------------|------------|---------|--------|----------|
| | | | Debit | Credit | |
| Jan. 1 | Beg. Balance | | | | 50 3 1 7 |
| | | | | | |
| | | | | | |
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302 - R. CONING, DRAW

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
| | | | | | |
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401 - INTEREST EARNED

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
| | | | | | |
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402 - SALES

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
| | | | | | |
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403 - SALES RETURNS AND ALLOWANCES

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
| | | | | | |
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404 - SALES DISCOUNTS

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
| | | | | | |
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501 - COST OF GOODS SOLD

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
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603 - INTEREST EXPENSE

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
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604 - INSURANCE EXPENSE

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
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605 - RENT EXPENSE

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
| | | | | | |
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606 - SUPPLIES EXPENSE

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
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607 - BAD DEBT EXPENSE

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
| | | | | | |
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608 - REPAIRS EXPENSE

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
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609 - UTILITIES EXPENSE

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
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610 - DEPRECIATION EXPENSE

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
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611 - BANK CHARGES

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
| | | | | | |
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612 - CASH SHORT (OVER)

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
| | | | | | |
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613 - DISCOUNTS LOST

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
| | | | | | |
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700 - INCOME SUMMARY

| Date | Item | Post. Ref. | Entries | | Balance |
|------|------|------------|---------|--------|---------|
| | | | Debit | Credit | |
| | | | | | |
| | | | | | |
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WORK SHEET JANUARY 31, 2013

| Account Number | Account Titles | Unadjusted Trial Balance | | Adjustments | | Adjusted Trial Balance | | Income Statement | |
|----------------|----------------------------|--------------------------|-----|-------------|-----|------------------------|-----|------------------|-----|
| | | Dr. | Cr. | Dr. | Cr. | Dr. | Cr. | Dr. | Cr. |
| | Balance Brought Forward | | | | | | | | |
| 401 | Interest Earned | | | | | | | | |
| 402 | Sales | | | | | | | | |
| 403 | Sales Returns & Allowances | | | | | | | | |
| 404 | Sales Discounts | | | | | | | | |
| 501 | Cost Of Goods Sold | | | | | | | | |
| 603 | Interest Expense | | | | | | | | |
| 604 | Insurance Expense | | | | | | | | |
| 605 | Rent Expense | | | | | | | | |
| 606 | Supplies Expense | | | | | | | | |
| 607 | Bad Debt Expense | | | | | | | | |
| 608 | Repairs Expense | | | | | | | | |
| 609 | Utilities Expense | | | | | | | | |
| 610 | Depreciation Expense | | | | | | | | |
| 611 | Bank Charges | | | | | | | | |
| 612 | Cash Short (Over) | | | | | | | | |
| 613 | Discounts Lost | | | | | | | | |
| | Net Income | | | | | | | | |

ASSET DEPRECIATION SCHEDULE

| Purch. Date | Description | Depr. Method | Cost | Salvage Value | Useful Life | 2012 | | 2013 | |
|-------------|------------------------------|--------------|----------|---------------|-------------|------------|--------------|------------|--------------|
| | | | | | | Depr. Exp. | Accum. Depr. | Depr. Exp. | Accum. Depr. |
| 1/1/2012 | Forklift - HiLift model 3600 | S/L | 4 1 8 0 | 4 0 0 | 5 Yrs. | 7 5 6 | 7 5 6 | 3 4 2 4 | |
| 1/1/2012 | Storage Racks - 15 units | S/L | 6 0 2 0 | 9 8 0 | 7 Yrs. | 7 2 0 | 7 2 0 | 5 3 0 0 | |
| 1/1/2012 | 2002 Ford Truck | S/L | 26 0 0 0 | 2 0 0 0 | 5 Yrs. | 4 8 0 0 | 4 8 0 0 | 21 2 0 0 | |
| | Totals For 2012 | | 36 2 0 0 | | | 6 2 7 6 | 6 2 7 6 | 29 9 2 4 | |
| 1/1/2013 | Storage Racks - 2 units | S/L | 8 0 0 | 4 4 | 7 Yrs | | | | |

Business Bank
P.O. Box 11111
Denver, CO 80999

Coning Wholesale
123 W. 2nd Ave.
Arvada, CO 80044

Statement Period:
Jan. 1, 2013 Through Jan. 31, 2013
Account Number: 1204604045999
Business Checking

Summary of Account Activity

| | |
|---------------------------|------------------|
| Balance on Dec. 31, 2012 | \$ 13,174 |
| Checks Paid | -25,560 |
| Deposits | 47,756 |
| Other Withdrawals | -63 |
| New Balance Jan. 31, 2013 | <u>\$ 35,307</u> |

Checks Paid and Other Withdrawals

| Check # | Amount | Check # | Amount |
|---------|--------|----------------|--------|
| 769 | 1,575 | 780 | 250 |
| 771 | 250 | 781 | 4,400 |
| 773 | 1,000 | 782 | 2,160 |
| 775 | 800 | 783 | 7,575 |
| 776 | 3,840 | 784 | 220 |
| 777 | 400 | Service Charge | 63 |
| 778 | 2,940 | | |
| 779 | 150 | | |

Deposits

| Date | Amount | Date | Amount |
|---------|--------|---------|--------|
| Jan. 1 | 3,500 | Jan. 29 | 13,512 |
| Jan. 5 | 6,844 | | |
| Jan. 23 | 23,900 | | |

Coning Wholesale
Bank Reconciliation
December 31, 2012

| | | | |
|--|---------|------------|------------------|
| Balance Per Bank Dec. 31, 2012 | | | \$ 13,174 |
| Less Outstanding Checks | Check # | \$ Amount | |
| | 769 | 1,575 | |
| | 771 | 250 | |
| | 773 | 1,000 | |
| | 774 | <u>325</u> | (3,150) |
| Plus Deposit In Transit | | | <u>3,500</u> |
| Adjusted Balance Per Bank Dec. 31, 2012 | | | \$ <u>13,524</u> |
| | | | |
| Balance Per Books Dec. 31, 2012 | | | \$ 13,832 |
| Adjustments: | | | |
| Check # 763 entered as \$475, check was written out for \$745 | | | (270) |
| Dec. 2013 service charge | | | <u>(38)</u> |
| Adjusted Balance Per Books Dec. 31, 2012 | | | \$ <u>13,524</u> |

