ACC1140

Bennington

Mini – Project

**3 Boys 4 Seasons, Ltd** – My sons established a yard care service on January 1, 2010, to provide miscellaneous maintenance services to our elderly neighbors. Following are the transactions they encountered during their first months in business. They want financial statements as of **March 31, 2010** to see how the business is progressing. Please help them out by

1. **Journalizing** the transactions
2. **Posting** them to the general ledger
3. Preparing **a working trial balance** (worksheet), including making necessary adjustments (Hint: Make adjustments for Interest Expense, Prepaid Insurance, Unearned Revenue, and Depreciation (annual Depreciation = $50)
4. Preparing **financial statements** – Income Statement, Statement of Retained Earnings, Balance Sheet
5. Preparing **Closing Entries**
6. Preparing **Post-Closing Trial Balance**

**TRANSACTIONS**

01/01/10 The 3 owners each invested $250 in Common Stock

01/01/10 Purchased a used snow blower for $250, paying $50 in cash and issuing a $200, 6 month, 5% note payable to Big Bank for the rest.

01/02/10 Because their parents are a little controlling and paranoid, the company purchases a 6-month insurance policy for $600

01/15/10 Bought 10 gallons of gas for the blower, $40. They have agreed that because of the small dollar amount involved, they will record the cost of gas as an expense when they pay it, instead of recording it at a prepaid expense.

01/31/10 First Snowfall - Clear 5 driveways, receiving total revenue of $100

02/01/10 Nice Neighbor is heading south for the rest of the winter. He gives the boys $200 to take care of his house and yard until he returns on May 31.

02/29/10 Another Snowfall – Clear 7 driveways, receiving $140

03/15/10 Run over a newspaper, pay $15 for repairs.

03/31/10 Another Snowfall – Clear 6 driveways, receiving $120.

03/31/10 2 Neighbors were asleep when the guys finally finished their driveways. They left invoices in the neighbors’ mailboxes, totaling $40