**Exercise 4.1**

Table 4.9 is a list of the transactions for the Portland after School Program for the second six months of operations. Prepare the journal entries for each transaction including an identification of the t-accounts that will be debited and credit for each transaction.

TABLE 4.9 Journal of the Portland After School Program

July 1, 20XX–December 31, 20XX

(a) July 1, 20XX— Received unrestricted donation check in the amount of $15,000 from

the Multnomah County Department of Health and Human Services.

(b) July 19, 20XX—Paid Great Northwest Insurance Company $9,000 for six more

months of fire and liability insurance coverage.

(c) July 15, 20XX—Paid Portland Arts & Crafts Company $3,000 for additional arts and

crafts supplies.

(d) July 15, 20XX—Transferred temporarily restricted funds in the amount of $3,000

from investments to pay for additional arts and crafts supplies.

(e) July 30, 20XX—Paid Oregon Sporting Goods $5,000 for additional recreational

equipment.

(f) December 31, 20XX—Received fees from parents in the amount of $40,000.

(g) December 31, 20XX—To account for $1,750 in fees from parents earned in the first six

months of operations, but collected in the second six months.

(h) December 31, 20XX—To account for $3,000 in parent fees earned in the second six

months of operations, but not yet collected.

(i) December 31, 20XX—To account for expenses (John’s Deli) in the amount of $1,500

incurred during the first six months of operations, but paid in the second six months.

(j) December 31, 20XX—Paid Portland Gas & Electric Company $7,500 for utilities.

(k) December 31, 20XX—Paid salaries and employee-related expenses in the amount of

$55,000.

(l) December 31, 20XX—Paid Pacific Bell Telephone Company $750 for telephone

services.

(m) December 31, 20XX—To expense prepaid insurance in the amount of $9,000.

(n) December 31, 20XX—To expense arts and crafts supplies in the amount of $2,000.

**Exercise 4.2**

Using the Portland After School Program general ledger (Table 4.10), post the debits and credits for the journal entries from Exercise 4.1 to their appropriate t-accounts.

**Exercise 4.3**

Prepare a trial balance for the Portland After School Program for the second six months of operation following the format shown in this chapter.

**TABLE 4.10 Portland After School Program**

**General Ledger**

**(Beginning July 1, 20XX)**

**Cash Net Assets**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **$ 64,500** |  |  |  |  | **$ 75,250** |
|  |  |  |  |  |  |

**Prepaid Insurance Investments**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **$ 0** |  |  |  | **$10,000** |  |
|  |  |  |  |  |  |

**Arts and Crafts Supplies Accounts Payable**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **$ 500** |  |  |  |  | **$ 1,500** |
|  |  |  |  |  |  |

**Accounts Receivable Expenses**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1,750** |  |  |  | **$ 0** |  |
|  |  |  |  |  |  |

**Revenue**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **$ 0** |  |  |  |  |
|  |  |  |  |  |  |

**Exercise 4.4**

Prepare a statement of cash flows, a statement of activities (profit and loss summary), and a statement of financial position (balance sheet) for the Portland After School Program for the second six months of operation. Follow the formats shown in Tables 4.6, 4.7, and 4.8.