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**The following accounts appeared on the trial balance of Elbert Company at December 31, 2008. All accounts have normal balances.**

|  |  |  |  |
| --- | --- | --- | --- |
| Notes Payable | $64,000 | Accounts Receivable | $172,800 |
| Accumulated Depreciation - Bldg. | $261,000 | Prepaid Expenses | $18,750 |
| Supplies on Hand | $12,600 | Customers' Deposits | $1,250 |
| Accrued Salaries and Wages | $11,400 | Common Stock\*\*\* | $375,000 |
| \*Investments in Debt Securities | $93,800 |  |  |
| Cash | $56,750 | Inventories (average cost) | $526.750 |
| Bonds Payable Due 1/1/12 | $400,000 | Land at Cost | $155,000 |
| Allowance for Doubtful Accts. | $2,600 | Trading Securities\*\*\*\* | $24,400 |
| Franchise | $64,300 | Accrued Interest on Notes Payable | $650 |
| Notes Receivable | $46,000 | Buildings at Cost | $642,000 |
| Income Taxes Payable | $52,000 | Accounts Payable | $136,650 |
| Preferred Stock\*\* | $250,000 | Additional Paid-in Capital | $54,600 |
| Appropriated Retained Earnings | $98,000 |  |  |
| Unappropriated Retained Earnings | $106,000 |  |  |

**\*The company intends to hold the securities until maturity, which is in ten years.  
\*\*8% cumulative; $10 par value; 25,000 shares authorized and outstanding.  
\*\*\*$1 par value; 400,000 shares authorized; 375,000 shares issued and outstanding.  
\*\*\*\*The company intends to sell the trading securities in the next year.  
  
Directions(20 Points): Prepare a classified balance sheet for Elbert Company on December 31, 2008 on a separate Excel spreadsheet as directed on the Problem Set 1 directions.**