The bank statement for the checking account of Management Systems Inc. (MSI) showed a December 31, 2011, balance of $14,632.12. Information that might be useful in preparing bank reconciliation is as follows:

1. Outstanding checks were $1,320.25
2. The December 31, 2011 cash receipts of $575 were not deposited in the bank until January 2, 2012.
3. One check written in payment of rent for $246 was correctly recorded by the bank but was recorded by MSI as a $264 disbursement.
4. In accordance with prior authorization, the bank withdrew $450 directly from the checking account as payment on a mortgage note payable. The interest portion of that was $350. MSI has made no entry to record the automatic payment.
5. Bank service charges of $1114 were listed on the bank statement.
6. A deposit of $875 was recorded by the bank on December 13, but it did not belong to MSI. The deposit should have been made to the checking account of MIS Inc.
7. The bank statement included a charge of $85 for an NSF check. The check was returned with the bank statement and the company will seek payment from the customer.
8. MSI maintains a $200 petty cash fund that was appropriately reimbursed at the end of December.
9. According to instructions from MSI on December 30, the bank withdrew $10,000 from the account and purchased U.S. Treasury bills for MSI. MSI recorded the transaction in its books December 31 when it received notice from the bank. Half of the Treasury bills mature in two months d the other half in six months
10. Prepare bank reconciliation for MSI checking account at December 31, 2011. You will have to compute the balance per books.
11. Prepare any adjusting journal entries indicated.
12. What amount t would MSI report as cash and cash equivalents in the current assets section of the December 31, 2011 balance sheet?