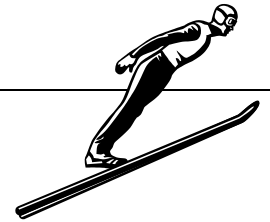


Xtreme Ski Lessons

Completing the Accounting Cycle



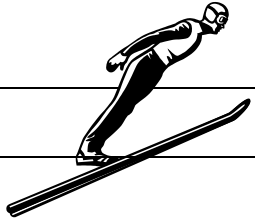
Part I: Instructions

Refer to the information shown in the adjusted trial balance for Xtreme Ski Lessons to complete the financial statements.

Xtreme Ski Lessons ADJUSTED Trial Balance December 31, 2018												
Cash	14	0	0	0	00							
Accounts Receivable	4	5	0	0	00							
Supplies	2	0	0	0	00							
Prepaid Insurance	1	3	0	0	00							
Ski Equipment	14	0	0	0	00							
Accumulated Depreciation, Ski Equipment									7	5	0	00
Accounts Payable									4	5	0	00
Wages Payable									4	0	0	00
Unearned Fees									3	2	5	00
Jimmy X., Capital									19	0	0	00
Jimmy X., Drawing	1	5	0	0	00							
Fees Earned									16	5	0	00
Depreciation Expense		5	0	0	00							
Insurance Expense		9	5	0	00							
Supplies Expense		1	5	0	00							
Utilities Expense		2	1	5	00							
Wages Expense		1	6	0	00							
Miscellaneous Expense		4	0	0	00							
TOTAL	44	4	0	0	00	44	4	0	0	00	00	00

Xtreme Ski Lessons

Completing the Accounting Cycle



Income Statement

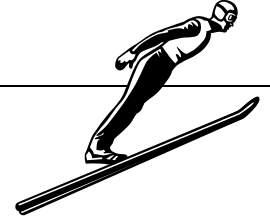
Prepare an income statement for Xtreme Ski Lessons for the year ended December 31, 2018. Remember to include a title.

USE THE NET INCOME AMOUNT THAT YOU CALCULATE HERE ON THE STATEMENT OF OWNER'S EQUITY ON THE NEXT PAGE.

REVENUES:							
Fees Earned						\$	
EXPENSES:							
Depreciation Expense	\$						
Insurance Expense	\$						
Supplies Expense	\$						
Utilities Expense	\$						
Wages Expense	\$						
Miscellaneous Expense	\$						
Total Expenses						\$	
NET INCOME						\$	

Xtreme Ski Lessons

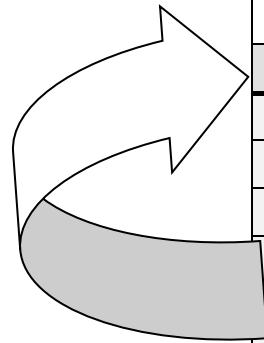
Completing the Accounting Cycle



Part II: Instructions

Refer to the information shown in the adjusted trial balance for Xtreme Ski Lessons to complete the closing journal entries on the next page.

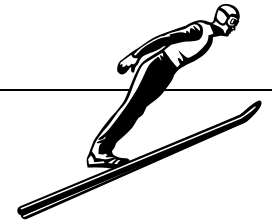
Remember, the purpose of closing entries is to zero out the temporary accounts (fees earned, expenses and drawing), and move those amounts into the capital account.



Cash	14	0	0	0	00						
Accounts Receivable	4	5	0	0	00						
Supplies	2	0	0	0	00						
Prepaid Insurance	1	3	0	0	00						
Ski Equipment	14	0	0	0	00						
Accumulated Depreciation, Ski Equipment									7	5	00
Accounts Payable									4	5	00
Wages Payable									4	0	00
Unearned Fees									3	2	50
Jimmy X., Capital									19	0	00
Jimmy X., Drawing	1	5	0	0	00						
Fees Earned									16	5	00
Depreciation Expense		5	0	0	00						
Insurance Expense		9	5	0	00						
Supplies Expense		1	5	0	00						
Utilities Expense		2	1	5	00						
Wages Expense		1	6	0	00						
Miscellaneous Expense		4	0	0	00						
TOTAL	44	4	0	0	00	44	4	0	0	00	

Xtreme Ski Lessons

Completing the Accounting Cycle



Closing Journal Entries

Based on the information from the adjusted trial balance above, enter the four CLOSING journal entries.

Dates for closing entries are December 31.

You do not need to include post references for this problem.

CLOSING PROCESS

- A. Fees Earned transferred to Income Summary.
- B. Expenses transferred to Income Summary.
- C. Income Summary (net income) transferred to Capital.
- D. Drawing transferred to Capital.

Journal

Page 1

Date		Description	Post. Ref.	Debit				Credit			
A											
B											
C											
D											

