

Consider items for the Harrison Co cash reconciliation below. Fill out the reconciliation in the appropriate space on your answer sheet and then compose the journal entries that Pinehill would make as a result of this reconciliation.

The cash balance on the books of Harrison Co. is \$3,800.

Harrison has deposited (and recorded) \$1,105 of cash that has yet to be recorded by the bank.

Harrison has issued (and recorded) \$1,020 of checks that have yet to be presented to the bank for payment.

The bank statement reveals the following information, previously unknown to Harrison:

Cash balance of \$4,890

Cash was collected on a note receivable consisting of \$1,200 of principal, \$50 of interest. The bank charged a \$20 collection fee.

The bank debited Harrison for a \$15 account maintenance fee.

A check to a vendor that Harrison had recorded in the amount of \$210 cleared the bank for the correct amount of \$250.

**Bank Reconciliation Statement**

Cash balance from bank statement	\$ 4,890.00	Cash balance from company records	\$ 3,800.00
Add:		Add:	
Deposits in Transit	\$ 1,105.00	Notes and Interest Earned	\$ 1,250.00
Less:		Less	
Outstanding Checks	\$ (1,020.00)	Bank Maintenance Fee	\$ (15.00)
		Collection Fee	\$ (20.00)
		Errors (Adjustment for vendor check)	\$ (40.00)
<b>Adjusted bank balance</b>	<b>\$ 4,975.00</b>	<b>Adjusted bank balance</b>	<b>\$ 4,975.00</b>

Amount of Cash to be Reported on Balance Sheet: \$4,975.00

**Adjusting Journals**

Date	Description	Debit	Credit
24-Oct-24	Cash		1250
	Notes receivable		1200
	Interest receivable		50
	notes receivable collected by bank w/ interest		
	Misc. (Bank Fee) Expense	20	
	Cash		20
	collection fee		
	Misc. (Bank Fee) Expense	15	
	Cash		15
	bank account service charge		
	Accounts payable	40	
	Cash		40
	correction of vendor check		