

Heather's Hair Salon

- * Heather will use her prior accounting system for any historical income or expense activity prior to January 1 of the current year.
- * There are 3 other hair stylists who are independent contractors and rent booths from the salon @ \$350.00/week. Heather would like to use recurring invoices delivered via email to invoice the stylists for rent.
- * Heather's parents loaned the salon money; the remaining balance is \$6,000.00 as of December 31 of the prior year.
- * December of the prior year retail sales were \$2,200.00.
- * Heather's outstanding receivables consists of 3 invoices (no partial payments received) to one of the hair stylists who is behind on rent.
- * The company purchases their retail product using a credit card. The balance due on the card as of December 31 of the prior year is \$1,296.01.
- * All purchases were received by year end.
- * The balance per the checkbook register for the checking account on December 31 of the prior year is \$12,861.47 and there are two checks outstanding for telephone expense \$54.19 and utilities expense \$87.26
- * Prior year ending owner's equity (retained earnings) per previous accountant is \$12,801.56.
- * Heather's manual records as of December 31 of the prior year were kept on a cash basis, include no prepayments.