

Wild River Rafting provides guided tours of the Rattlesnake River. Most of the company's business activity occurs during the summer season, so the company ends its fiscal year on August 31. Below is the unadjusted trial balance for the year. It is followed by information about necessary adjusting entries.

WILD RIVER RAFTING CORPORATION		
Trial Balance		
August 31, 20X5		
	Debits	Credits
Cash	\$ 20,700	\$ -
Prepaid License	10,000	-
Equipment	167,500	-
Accumulated Depreciation	-	48,900
Accounts Payable	-	3,100
Loan Payable	-	65,000
Capital Stock	-	55,000
Retained Earnings (beginning)	-	13,200
Dividends	5,000	-
Revenues	-	414,900
Wages Expense	303,000	-
Advertising Expense	42,200	-
Bus Expense	21,700	-
Insurance Expense	30,000	-
	<u>\$ 600,100</u>	<u>\$ 600,100</u>

The company has not recorded depreciation of \$12,000 on rafting equipment.

The prepaid license granted access to the Rattlesnake during 20X5, and is now expired.

The company hires a shuttle bus company. The billing for August amounted to \$6,600 and has not been paid or recorded.

The loan has accrued interest of \$2,000 that is now due.

- (a) Prepare a worksheet incorporating the necessary adjustments.
- (b) Prepare an income statement and statement of retained earnings for fiscal year 20X5, and a balance sheet as of August 31, 20X5.
- (c) Evaluate the company's financial results and comment on the dividend.