On January 1, 20X7, Jacqueline Fernandez formed a corporation to purchase wheat harvesting equipment and provide contract support services to farmers throughout the Midwest. Information about the first year of operation follows:

Jan. 1  Investors provided $2,500,000 of cash in exchange for stock of Fernandez Corporation

Jan. 1  Purchased combines and trucks in exchange for $1,000,000 cash and a $3,000,000 note payable

Feb. 7  Purchased $40,000 of supplies on account that will be needed during the upcoming harvest

Mar. 3  Paid wages of $65,400

Apr. 1  Billed customers for services in the amount of $230,000

Apr. 11 Paid $30,000 toward the purchase of February 7

May 1  Purchased a $24,000 insurance policy, recorded as prepaid insurance

June 6  Collected $210,000 on accounts receivable

June 9  Paid wages of $130,600

June 15 Paid $30,200 for fuel costs

June 20  Paid $12,500 for lodging costs incurred by crew

June 30  Paid $120,000 of interest and $80,000 to reduce the balance of the note payable

Aug. 1  Billed customers for services provided in the amount of $812,000

Sept. 3  Collected $715,000 on accounts receivable

Sept. 16 Purchased $25,000 of supplies on account

Sept. 25  Paid $61,200 for fuel costs

Oct. 20  Paid $8,100 for lodging costs incurred by crew

Nov. 3  Paid wages of $125,900

Dec. 15  Collected $100,000 as deposits from customers who contracted for 20X8 harvesting services

Dec. 31  Declared and paid a $25,000 dividend to shareholders
Fernandez Corporation uses the following accounts:

- Cash
- Accounts Receivable
- Supplies
- Prepaid Insurance
- Equipment
- Accumulated Depreciation
- Accounts Payable
- Interest Payable
- Unearned Revenue
- Notes Payable
- Capital Stock
- Retained Earnings
- Dividends
- Revenues
- Wage Expense
- Fuel Expense
- Lodging Expense
- Insurance Expense
- Supplies Expense
- Interest Expense
- Depreciation Expense
- Income Summary

(a) Journalize the listed transactions.

(b) Post the transactions to the appropriate general ledger accounts.

(c) Prepare a trial balance as of December 31.

(d) Journalize and post adjusting entries based on the following additional information.

   - The equipment had 25-year life, with no salvage value.
   - Supplies on hand at year end amount to $20,000.
   - At year end, $115,000 of additional interest is due on the note payable.
   - The insurance policy covered a 12-month period commencing on May 1.
   - At year end, Fernandez had provided $30,000 of unbilled services to customers. These services will be billed in early 20X8.

(e) Prepare an adjusted trial balance as of December 31.

(f) Prepare an income statement and statement of retained earnings for 20X7, and a classified balance sheet as of the end of the year.

(g) Journalize and post closing entries.

(h) Prepare a post-closing trial balance as of December 31.