

Review for Reasonableness

Balance Sheet Review - Accounts Receivable

Print the Accounts Receivable aged schedule or trial balance as of the end of the period. It should tie to the AR figure on the balance sheet.

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ACCOUNTS RECEIVABLE - AGED INVOICE REPORT						Albe, Incorporated Balance Sheet as of 6/30/2005
OPEN INVOICES - AGED AS OF 6/30/2005						
CUSTOMER/ INV. DATE	INVOICE NO.	DUE DATE	BALANCE	CURRENT	30 DAYS	60 DAYS
UNI001 Unique Technologies						
01/21/05	IN000920	02/21/05	4,704.32			
04/10/05	IN001363	05/10/05	1,053.60		1,053.60	
05/01/05	IN001729	06/01/05	3,026.80	3,026.80		
CUSTOMER TOTALS:			8,784.72	3,026.80	1053.60	
VIN002 Vintage Corp.						
02/15/05	IN000799	03/15/05	2,023.49			
03/01/05	IN000848	04/01/05	896.58			
05/01/05	IN001750	06/01/05	3,330.10	3,330.10		
CUSTOMER TOTALS:			6,250.17	3330.10	0.00	
WIN001 Windmir Inc.						
01/01/05	IN000615	02/01/05	10,023.16			
05/30/05	IN001836	06/30/05	4,029.60	4,029.60		
CUSTOMER TOTALS:			14,052.76	4,029.60	0.00	
REPORT TOTALS:			216,332.00	113,025.60	58,960.23	12,000.00

Albe, Incorporated	
Balance Sheet	
as of 6/30/2005	
ASSETS	
Current Assets	
Cash in Checking	(26,213)
Cash in Money Market	87,242
Accounts Receivable	216,332
Inventory	97,212
Total Current Assets	374,578
Plant, Property & Equipment	
Equipment	980,266
Accumulated Depreciation	(292,630)
Computers	57,600
Accumulated Depreciation	(12,757)
Leasehold Improvements	85,213
Accumulated Amortization	(92,114)
Total PP&E	725,578
Other Assets	
Deposits	1,600
Suspense	1,415
Total Other Assets	3,015
Total Assets	1,103,166

If not, you'll want to look at the GL detail. You may find that a journal entry has been made directly to the Accounts Receivable account in the GL.

While the entry may be correct, a transaction posted directly to the GL will not affect the customer balance on the Aged Schedule, and will result in an out of balance condition. Any adjustments to the AR account must go through the AR module, not directly to the general ledger.

It's also possible for the reports to tie, but still be incorrect. Glance through the customer balances on the AR aging to be sure they look reasonable.