The Monterey Installation Company began operations on January 1, 2015 and the company experienced the following events during 2015.

1. Issued $20,000 of common stock.
2. Issued $500,000 of 3% bonds at 98. The bonds will mature in 5 years when the entire principal balance will be due. Annual interest payments are due each year on December 31st.

3. Borrowed $500,000 cash from the State Bank by issuing a 10-year, 6.5% note on January 1st. Annual payments of $69,552 are due each December 31st.

4. Paid $90,000 for two-years of rent needed for office space. The lease will run from March 2015 through February of 2017.

4. Provided $325,000 of services on account.

5. Collected $182,000 from accounts receivable.

6. Paid $167,500 cash for various operating expenses.

7. Paid the interest due on the bonds. The company utilizes the effective interest method to amortize any bond discounts. The effective interest rate is 3.442%.

8. Made the first payment on the note.

9. Adjusted for the rent used in 2015.

10. The company paid a $20,000 cash dividend.