

Perpetual Cycle Practice 1

Income Statement

For the Year Ending December 2013

If your teacher's name is not Mr. Boulton, then the Excel file that made this has been stolen.

Revenue

| | | | |
|------------------------------|------------|-----------------|-----------|
| Sales | | \$ 42,000 | |
| Sales Discounts | \$ (1,150) | | |
| Sales Returns and Allowances | (500) | (1,650) | |
| <i>Net Sales</i> | | <u>40,350</u> | |
| Cost of Goods Sold | | <u>(15,160)</u> | |
| | | | \$ 25,190 |

Operating Expenses

| | | | |
|-----------------------------------|--|--------------|------------------|
| Automobile Expense | | \$ 3,150 | |
| Amortization Expense - Automobile | | 1,004 | |
| Amortization Expense - Building | | 854 | |
| Amortization Expense - Equipment | | 2,169 | |
| Freight-out | | 3,350 | |
| Insurance Expense | | 5,077 | |
| Inventory Shortage Expense | | 340 | |
| Salaries Expense | | 14,400 | |
| Supplies Expense | | 700 | |
| Utilities Expense | | <u>2,950</u> | |
| <i>Total Operating Expenses</i> | | | <u>\$ 33,994</u> |

Operating Income (Net Income Before Interest,
Taxes and Extraordinary Items) **(8,804)**

| | | | |
|-------------------------------------|--|----------------|----------------|
| Interest Expense | | \$ (5,551) | |
| Loss on Disposal of Fixed Asset | | <u>(2,550)</u> | |
| <i>Total of Extraordinary Items</i> | | | <u>(8,101)</u> |

Net Loss **\$ (16,905)**

Perpetual Cycle Practice 1

Balance Sheet

December 31 2013

If your teacher's name is not Mr. Boulton, then the Excel file that made this has been stolen.

Assets

Current Assets

| | | | |
|---------------------------------|--------------|--------------|-----------|
| Bank | | \$ 14,909 | |
| Accounts Receivable | \$ 9,834 | | |
| Allowance for Doubtful Accounts | <u>(399)</u> | 9,435 | |
| Merchandise Inventory | | 33,500 | |
| Supplies | | 7,700 | |
| Prepaid Insurance | | <u>5,923</u> | |
| <i>Total Current Assets</i> | | | \$ 71,467 |

Fixed Assets

| | | | |
|---------------------------------------|-----------------|--------------|-----------|
| Building | \$ 88,000 | | |
| Accumulated Amortization - Building | <u>(3,467)</u> | \$ 84,533 | |
| Office Equipment | 29,100 | | |
| Accumulated Amortization - Equipment | <u>(28,200)</u> | 900 | |
| Automobile | 15,850 | | |
| Accumulated Amortization - Automobile | <u>(8,488)</u> | <u>7,362</u> | |
| <i>Total Fixed Assets</i> | | | \$ 92,795 |

TOTAL ASSETS

\$ 164,262

Liabilities and Owner's Equity

Current Liabilities

| | | | |
|-------------------------------------|--------------|--------------|-----------|
| Accounts Payable | | \$ 1,800 | |
| Salaries Payable | | 2,800 | |
| HST Payable | \$ 3,700 | | |
| HST Recoverable | <u>(490)</u> | 3,210 | |
| Current Portion of Mortgage Payable | | <u>7,000</u> | |
| | | | \$ 14,810 |

Long Term Liabilities

| | | | |
|------------------------------------|--|---------------|-----------|
| Loan Payable | | \$ 9,300 | |
| Mortgage Payable | | <u>63,000</u> | |
| <i>Total Long Term Liabilities</i> | | | \$ 72,300 |

J. Boulton, Capital

| | | | |
|--|-----------------|-----------------|-----------|
| Equity at the Beginning of the Period | | \$ 104,457 | |
| Less: Net Loss | \$ (16,905) | | |
| Less: Drawings | <u>(10,400)</u> | | |
| Change in Equity for the Period | | <u>(27,305)</u> | |
| <i>Equity at the End of the Period</i> | | | \$ 77,152 |

TOTAL LIABILITIES AND OWNER'S EQUITY

\$ 164,262