

Braydens Bobbles
Income Statement
For the Year Ended December 31, 20Y1

Sales	\$ 1,200,000
Cost of Goods Sold	<u>575,000</u>
Gross Margin	625,000
Operating Expenses	
Wage Expense	\$ 260,000
Rent Expense	24,000
Office Expense	60,000
Depreciation Expense	40,000
Advertising Expense	\$ 15,000
Insurance Expense	<u>9,000</u>
Total Operating Expenses	<u>408,000</u>
Income From Operations	217,000
Other Revenues & <Expenses>	
Interest Expense	< 13,000 >
Income Before Taxes	<u>204,000</u>
Tax Expense	<u>36,624</u>
Net Income	<u>\$ 167,376</u>
Earnings Per Share	<u>\$ 34.87</u>

Braydens Bobbles
Statement of Owners' Equity
For the Year Ended December 31, 20X1

	Shares	Common Stock	Retained Earnings	Total
Beginning Balance, 12/31/x3		\$ 160,000	\$ 50,000	\$ 210,000
Stock Issued		140,000		140,000
Earnings for the year			167,376	167,376
Less: Dividend Declared			(80,000)	(80,000)
Ending Balance, 12/31/x4	<u>-</u>	<u>\$300,000</u>	<u>\$ 137,376</u>	<u>\$437,376</u>

Braydens Bobbles
Balance Sheet
December 31, 20X1

Assets		Liabilities	
Current Assets		Current Liabilities	
Cash	\$ 107,376	Accounts Payable	\$ 45,000
Accounts Receivable	68,000	Wages Payable	6,000
Inventory	80,000	Rent Payable	7,500
Prepaid Insurance	<u>500</u>	Interest Payable	5,000
Total Current Assets	<u>255,876</u>	Taxes Payable	27,000
		Total Current Liabilities	90,500
Property & Equipment		Long-Term Debt	
Equipment	340,000	Note Payable - Building	120,000
Subtotal	340,000		120,000
Less: Accumulated Depreciation	<u>(80,000)</u>	Total Liabilities	210,500
Subtotal	260,000		
Land	<u>120,000</u>	Owners' Equity	
Net Property & Equipment	380,000	Common Stock	\$300,000
		Retained Earnings	<u>137,376</u>
Other Assets		Total Owners' Equity	<u>\$437,376</u>
Security Deposit	<u>12,000</u>		
Total Assets	<u>\$ 647,876</u>	Total Liabilities & Owners' Equity	<u>\$ 647,876</u>
			\$ -

Brayden's Bobbles

Statement of Cash Flows
For the Year Ended December 31, 20X1

Operating Activities

Net Income	\$	167,376		
Adjustments to Net Income:				
Add: Depreciation Expense		40,000		
Changes in:				
Increase in Net Accounts Receivable		(23,000)		
Decrease in Inventory		20,000		
Decrease in Prepaid Rent		2,500		
Decrease in Accounts Payable		10,000		
Decrease in Taxes Payable		22,000		
Increase in Wages Payable		(4,000)		
Increase in Rent Payable		1,500		
Decrease in Interest Payable		<u>(2,000)</u>		
Cash Provided by Operating Activities		234,376		

Investing Activities

Purchases of Land	\$	(120,000)		
Purchases of Equipment		(70,000)		
Increase in Security Deposit		<u>(2,000)</u>		
Cash Used for Investing Activities		(192,000)		

Financing Activities

Payments on Note Payable				
Proceeds of Loan		(20,000)		
Issuances of Common Stock		140,000		
Payment of Dividends		<u>(80,000)</u>		
Cash Provided by Financing Activities		40,000		
Increase in Cash		82,376		
Beginning Cash		<u>25,000</u>		
Ending Cash		<u>\$ 107,376</u>		0

Supplemental Cash Flow Information

		+ Beg pay	+ expense	- end pay
Cash payments for interest	15,000	7,000	13,000	(5,000)
Cash payments for income taxes	14,624	5,000	36,624	(27,000)