

1	Accounts Payable	414,000					
	Cash		414,000				
	To record payment of Accts. Pay.			13	Rent Expense	12,000	
					Cash		10,000
2	Cash	105,600			Prepaid Rent		1,000
	Accounts Receivable		105,600		Rent Payable		1,000
	To record receipt of Accts. Rec.				To record payment and accrual of rent		
3	Inventory	240,000		14	Depreciation Expense	20,400	
	Cash		60,000		Accumulated Depreciation- Building		15,000
	Accounts Payable		180,000		Accumulated Depreciation- Furn & Fixt		5,400
	To record purchase of 5 @ \$48,000				To record depreciation expense for 2020		
					Building $((200,000-50,000)/10)$		
4	Cash	525,000			Furn & Fixt $((60,000-6,000)/10)$		
	Accounts Receivable		175,000				
	Sales		700,000	15	Depreciation Expense	900	
	To record sale of 10 @ \$70,000				Accumulated Depreciation		900
					record depreciation on the sign		
5	Cost of Sales	460,000					
	Inventory		460,000	16	Interest Expense	6,000	
	To record cost of inventory sold				Cash		6,000
	10 at \$46,000				To record interest paid to Uncle Phil		
6	Wages Payable	3,000		17	Taxes Payable	14,010	
	Wage Expense		44,000		Cash		14,010
	Cash		47,000		To record payment of x3 taxes		
	To record payment of wages						
7	Wage Expense	4,000		18	Retained Earnings	30,000	
	Wages Payable		4,000		Cash		30,000
	To record unpaid wages at 12/31				To record payment of dividend		
8	Utilities Expense	3,000		19	Tax Expense	41,070	
	Cash		3,000		Taxes Payable		41,070
	To record payment of utilites				To record taxes for the year		
9	Building	200,000		20	Sales	700,000	
	Cash		40,000		Cost of Sales		460,000
	Mortgage Payable-Building		160,000		Rent Expense		12,000
	To record purchase of building				Wage Expense		48,000
					Utilities Expense		3,000
					Depreciation Expense		21,300
10	Interest Expense	12,800			Insurance Expense		0
	Cash		12,800		Interest Expense		18,800
	To record interest on building				Tax Expense		41,070
	(.08)(160,000)				Retained Earnings		95,830
					To close books		
11	Furniture and Fixtures	60,000					
	Cash		60,000				
	Purchased Furn and Fixtures						
		2,246,400	2,246,400			824,380	824,380

CBB, Inc.
Balance Sheet
December 31, 20X4

Assets		Liabilities	
Current Assets		Current Liabilities	
Cash	\$ 360,790	Accounts Payable	\$ 180,000
Accounts Receivable	175,000	Income Taxes Payable	41,070
Inventory	424,000	Wages Payable	4,000
		Rent Payable	1,000
Total Current Assets	959,790	Total Current Liabilities	226,070
Fixed Assets		Long-Term Debt	
Building	\$ 200,000	Note Payable- Phil	150,000
Furniture & Fixtures	60,000	Mortgage Payable-Building	\$ 160,000
Signs	10,000		
Subtotal	270,000	Total Long-Term Debt	310,000
Less: Accumulated Depreciation	(21,600)		
Subtotal	248,400	Total Liabilities	536,070
Land	50,000	Owners' Equity	
Net Fixed Assets	298,400	Common Stock	485,000
		Retained Earnings	238,120
		Total Owners' Equity	723,120
Other Assets			
Security Deposit	1,000		
Total Assets	\$ 1,259,190	Total Liabilities and Owners' Equity	\$ 1,259,190

CBB, Inc.
Income Statement
For the Year Ended December 31, 20X4

Sales	\$ 700,000
Cost of Sales	460,000
Gross Margin	240,000
Operating Expenses	
Wage Expense	\$ 48,000
Rent Expense	12,000
Depreciation Expense	21,300
Utilities Expense	3,000
	84,300
Total Operating Expenses	84,300
Income From Operations	155,700
Other Revenues & <Expenses>	
Interest Expense	< 18,800 >
Income Before Taxes	136,900
Tax Expense	41,070
Net Income	\$ 95,830
Earnings Per Share	\$ 16.52

CBB, Inc.
Statement of Changes in Owners' Equity
For the Year Ended December 31, 20X4

	Shares	Common Stock	Retained Earnings	Totals
Beginning Balance	5800	\$ 485,000	\$ 172,290	\$ 657,290
Earnings for the year			95,830	95,830
Less: Dividend Declared			(30,000)	(30,000)
Ending Balance	5800	\$ 485,000	\$ 238,120	\$ 723,120

CBB, Inc.
Statement of Cash Flows
For the Year Ended December 31, 20X4

Operating Activities		
Net Income	\$	95,830
Adjustments to Net Income:		
Add: Depreciation Expense		21,300
Changes in:		
Increase in Accounts Receivable		(69,400)
Decrease in Inventory		220,000
Decrease in Prepaid Rent		1,000
Decrease in Accounts Payable		(234,000)
Increase in Wages Payable		1,000
Increase in Taxes Payable		27,060
Increase in Rent Payable		1,000
Cash Provided by Operating Activities		63,790
Investing Activities		
Purchases of Building	(200,000)	
Purchase of Furniture and Fixtures	(60,000)	
Cash Used for Investing Activities		(260,000)
Financing Activities		
Borrowed Money	160,000	
Payment of Dividends	(30,000)	
Cash Used for Financing Activities		130,000
Net Cash Flow		(66,210)
Beginning Cash		427,000
Ending Cash	\$	360,790
Supplemental Cash Flow Information		
Cash payments for interest	\$	18,800
Cash payments for income taxes		14,010