

St. John's Rental Company
Income Statement
For the Month Ended May 31 2016

Revenue:			
Rental Fees Earned			\$ 12800.00
Expenses:			
Rent Expense	\$ 4000.00		
Telephone Expense	55.00		
Utilities Expense	325.88		
Office Supplies Expense	103.00		
Advertising Expense	210.88		
Trucks Expense	85.88		
Total Expenses			4778.00
Net Income			\$ 8022.00

KEY FOR TOPIC 2 PROBLEMS
P 5-5

St. John's Rental Company
 Income Statement
 For the Month Ended May 31, 19--

Revenue:		
Rental Fees Earned		\$12 800.00
Expenses:		
Rent Expense	\$4 000.00	
Telephone Expense	55.00	
Utilities Expense	325.00	
Office Supplies Expense	103.00	
Advertising Expense	210.00	
Truck Expense	85.00	
Total Expenses		<u>4 778.00</u>
Net Income		<u><u>\$ 8 022.00</u></u>

St. John's Rental Company
Balance Sheet
As at May 31 2016

ASSETS			
CURRENT ASSETS			
Cash		\$5600.00	
Accounts Receivable:			
R. Dowber	\$ 85.00		
Talbot Construction Co.	2400.00		
Weima Contractors.	4850.00	7335.00	
Total Current Assets			\$12935.00
FIXED ASSETS (at cost)			
Office Equipment		\$6500.00	
Delivery Truck		940.00	
Total Fixed Assets			\$15900.00
TOTAL ASSETS			\$28835.00
LIABILITIES			
CURRENT LIABILITIES:			
BANK LOAN PAYABLE			\$3000.00
Accounts Payable:			
Gauthreaux Equipment	\$ 1200.00		
Southern Suppliers	900.00	2100.00	
TOTAL LIABILITIES			\$5100.00

OWNER'S EQUITY		
R. McTavish, Capital		\$1623.00
Add: Net Income		<u>8022.00</u>
		24235.00
Less: R. McTavish, Drawing		<u>500.00</u>
Total Owner's Equity		<u>23735.00</u>
TOTAL LIABILITIES + Owner's Equity		<u>\$28835.00</u>

St. John's Rental Company		
Balance Sheet		
As at May 31, 19--		
Assets		
Current Assets:		
Cash		\$5 600.00
Accounts Receivable:		
R. Dowber	\$ 85.00	
Talbot Construction Co.	2 400.00	
Weima Contractors	4 850.00	<u>7 335.00</u>
Total Current Assets		\$12 935.00
Fixed Assets (at cost):		
Office Equipment		\$6 500.00
Delivery Truck		<u>9 400.00</u>
Total Fixed Assets		<u>15 900.00</u>
Total Assets		<u>\$28 835.00</u>
Liabilities		
Current Liabilities:		
Bank Loan Payable		\$3 000.00
Accounts Payable:		
Gautreau Equipment	\$1 200.00	
Southend Suppliers	900.00	<u>2 100.00</u>
Total Liabilities		\$5 100.00
Owner's Equity		
R. McTavish, Capital		\$16 213.00
Add: Net Income		<u>8 022.00</u>
		24 235.00
Less: R. McTavish, Drawing		<u>500.00</u>
Total Owner's Equity		<u>23 735.00</u>
Total Liabilities and Owner's Equity		<u>\$28 835.00</u>

Louis' Fix-It Shop
Income Statement
For the Month Ended October 31 1986

Revenue:				
Fees Earned				\$ 32600.00
Expenses:				
Property Tax Expense	\$	3000.00		
Telephone Expense		559.00		
Utilities Expense		1375.00		
Office Supplies Expense		587.00		
Advertising Expense		989.00		
Truck Expense		1075.00		
Interest Expense		3000.00		
Total Expenses				\$ 10885.00
Net Income				\$ 21715.00

P 5-6

Louis's Fix-It Shop
Income Statement
For the Year Ended October 31, 19--

Revenue:		
Fees Earned		\$32 800.00
Expenses:		
Property Taxes Expense	\$3 000.00	
Telephone Expense	559.00	
Utilities Expense	1 375.00	
Office Supplies Expense	587.00	
Advertising Expense	989.00	
Truck Expense	1 045.00	
Interest Expense	<u>3 000.00</u>	
Total Expenses		<u>10 555.00</u>
Net Income		<u><u>\$22 245.00</u></u>

Louis' Fix-It Shop
Balance Sheet
as at October 31 1986

ASSETS				
Current Assets:				
Cash			\$1 0600.00	
Accounts Receivable:				
P. Doran	\$250.00			
Kaplan Co.	147.00	397.00		
Repair Supplies		2500.00		
Total Current Assets			<u>\$1 327.00</u>	
Fixed Assets (at cost):				
Land (Security for mortgage)		\$12 000.00		
Building (Security for mortgage)		35 000.00		
Repair Equipment		4 750.00		
Delivery Truck		11 300.00		
Total Fixed Assets:			<u>63 050.00</u>	
Total Assets:				<u><u>\$76 347.00</u></u>
LIABILITIES				
Current Liabilities				
Bank Loan Payable			\$4 500.00	
Accounts Payable:				
Albert & Son Suppliers	\$986.00			
Parker Parts Ltd.	900.00	1 886.00		
Current Portion of Mortgage		2 500.00		
Total Current Liabilities			<u>\$8 886.00</u>	
Long Term Liabilities				
10% Mortgage Payable due in 15 years (secured by land & building)		\$29 000.00		
Less: Current Portion		2 500.00		
Total Long Term Liabilities			<u>2 650.00</u>	
Total Liabilities				<u>\$35 386.00</u>
OWNER'S EQUITY				
L. Sanchez Capital		\$26 216.00		
Add: Net Income		2 245.00		
		48 461.00		
Less: L. Sanchez Drawings		7 500.00		
Total Owner's Equity			<u>40 961.00</u>	
Total Liabilities + Owner's Equity				<u><u>\$76 347.00</u></u>

Assets		Liabilities	
Current Assets:		Current Liabilities:	
Cash	\$10 600	Bank Loan Payable	\$ 4 500
Accounts Receivable:		Accounts Payable:	
P. Doran	\$250	Albert & Son Suppliers..	\$ 986
Kaplan Co.	<u>147</u> 397	Packer Parts Ltd.	<u>900</u> 1 886
Repair Supplies	<u>2 300</u>	* Current portion of mortgage	<u>2 500</u>
Total Current Assets	<u>13 297</u>	Total Current Liabilities	8 886
Fixed Assets (at cost):		Long-Term Liabilities:	
Land (security for mortgage)	12 000	10% Mortgage Payable,	
Building (security for mortgage)	35 000	due in 15 years (secured	
Repair Equipment	4 750	by land and building)	\$29 000
Delivery Truck	<u>11 300</u>	Less current portion	<u>2 500</u>
Total Fixed Assets	<u>63 050</u>	Total Long-Term Liabilities	<u>26 500</u>
		Total Liabilities	<u>\$35 386</u>
		Owner's Equity	
		L. Sanchez, Capital	\$26 216
		Add: Net Income for Year	<u>22 245</u>
			48 461
		Less: Withdrawals	<u>7 500</u>
		Total Owner's Equity	<u>40 961</u>
Total Assets	<u>\$76 347</u>	Total Liabilities and Owner's Equity	<u>\$76 347</u>

- * current portion of mortgage (\$2500)
- ① gets added to Current Liabilities section
- ② gets subtracted from Mortgage Payable amount under Long Term Liabilities

P 5-7

Maritime Survey Co.
Income Statement
For the Year Ended December 31, 19--

Revenues:		
Fees Earned	\$188 870.00	
Interest Revenue	<u>1 000.00</u>	
Total Revenues		\$189 870.00
Expenses:		
Salaries Expense	\$ 41 970.00	
Survey Supplies Expense	1 800.00	
Office Supplies Expense	2 400.00	
Telephone Expense	890.00	
Utilities Expense	1 950.00	
Insurance Expense	390.00	
Maintenance Expense	11 250.00	
Gasoline Expense	3 800.00	
Truck Repairs Expense	1 200.00	
Property Taxes Expense	1 200.00	
Bank Interest Expense	400.00	
Mortgage Interest Expense	<u>3 000.00</u>	
Total Expenses		<u>70 250.00</u>
Net Income		<u>\$119 620.00</u>

Maritime Survey Co. Balance Sheet As at December 31, 19--			
Assets			
Current Assets:			
Cash	\$ 9 250.00		
Government of Canada Bonds	10 000.00		
Accounts Receivable:			
Dartmouth Construction	\$2 400.00		
Halifax Properties	1 600.00		
Saint John Construction	3 500.00	7 500.00	
Total Current Assets			\$ 26 750.00
Fixed Assets (at cost):			
Land (security for the mortgage payable)	\$ 25 000.00		
Building (security for the mortgage payable)	75 000.00		
Survey Equipment	30 000.00		
Office Equipment	5 000.00		
Trucks	36 000.00	171 000.00	
Total Fixed Assets			171 000.00
Total Assets			\$197 750.00
Liabilities			
Current Liabilities:			
Bank Loan Payable	\$ 4 500.00		
Accounts Payable:			
Fredericton Supply	\$3 000.00		
Newcastle Motors	2 500.00	5 500.00	
Salaries Payable		1 200.00	
Current portion of Mortgage Payable		5 000.00	
Total Current Liabilities			\$16 200.00
Long-Term Liabilities:			
7.5 % Mortgage Payable, due in 20 years; secured by land and buildings	\$ 48 000.00		
Less: current portion	5 000.00		
Total Long-Term Liabilities			43 000.00
Total Liabilities			\$ 59 200.00
Owner's Equity			
Don Kelly, Capital	\$ 50 930.00		
Add: Net Income for Year	119 620.00		
	170 550.00		
Less: Withdrawals for Year	32 000.00		
Total Owner's Equity			138 550.00
Total Liabilities and Owner's Equity			\$197 750.00

