		01
Name	Date	Class
Name	Dule	Cluss

4-3 WORK TOGETHER (LO8), p. 116

Preparing financial statements

1.

Foley's Interiors	
Income Statement	

For Year Ended December 31, 20--

721	DEPARTMENTAL					COMPANY										% OF NET					
	-	1	СНЕ	1	_		_	ATH				500					Т	T	_	_	
Net Sales	-	-	-	-	_	300	-	-	-	-						-	-	-	-	98	-
Cost of Merchandise Sold	190	5	3	9	06	120	7	4	7	59						31	1 2	! 8	6	65	44.2
Gross Profit						179	1950									393	3 1	0	0	33	55.8
Direct Expenses	76	2	1	5	20	92	6	3	2	57						168	38	3 4	7	77	24.0
Departmental Margin	136	9	0	8	77	87	3	4	3	79						224	12	! 5	2	56	31.8
Indirect Expenses:																					
Credit Card Fee Expense											4	5	0	2	93				I		
Depreciation Expense—Office Equipment											7	2	5	0	00			T	Г		
Depreciation Expense—Store Equipment				is is							8	A Sung	9	0	00		T	T	T		
Insurance Expense											15	5	0	0	00			T	T		
Miscellaneous Expense							65				2	8	- Second	3	28			T	T		
Payroll Taxes Expense											6	1	4	9	34			T	T		
Rent Expense											18	0	0	0	00		T	T	T		
Salary Expense—Administrative											71	0	0	1	51		T	T	T		
Supplies Expense								×			4	1	4	7	89		T	T	T		
Uncollectible Accounts Expense											2	0	2	3	85		Ī	T	T		
Utilities Expense											6	4	3	5	07			T	t	T	
Total Indirect Expenses											_					140	53	1	3	87	20.8
Income before Income Tax																77	75	3	8	69	11.1
Less Federal Income Tax Expense																-	-	6	-	12	-
Net Income							9									_	+	7	+	57	8.7
								E					-				+	+	+		
*Rounded to the nearest 0.1%.																	1	+	+		
																		t	t		
																	+	+	+	-	

2.

Foley's Interiors Statement of Stockholders' Equity For Year Ended December 31, 20--Capital Stock: \$1.00 Par Value 74 0 0 0 00 January 1, 20--, 74,000 Shares Issued 1000000 Issued during Current Year, 1,000 Shares Balance, December 31, 20--, 75,000 Shares Issued 75 0 0 0 00 Retained Earnings: 165 0 7 3 83 Balance, January 1, 20--61 5 7 1 57 Net Income for 20--16 0 0 0 00 Less Dividends Declared during 20--45 5 7 1 57 Net Increase during 20--210 6 4 5 40 Balance, December 31, 20--285 6 4 5 40 Total Stockholders' Equity, December 31, 20--

Name	Date	Clares
Name	Date	Class

4-3 WORK TOGETHER (continued)

3.

•	Foley's Interiors	
	Balance Sheet	
	December 31, 20	

																% OF ASSETS
Assets														9		
Current Assets:																
Cash		0.7				34	4	6	0	79						
Petty Cash				The second			3	0	0	00						
Accounts Receivable	23	0	1	S	95											
Less Allowance for Uncollectible Accounts	2	1	0	1	23	20	9	1	7	72						
Merchandise Inventory—Kitchen						147	0	8	4	62						
Merchandise Inventory—Bath						97	6	7	1	31						
Supplies						1	9	5	0	00						
Prepaid Insurance						2	5	0	0	00						
Total Current Assets											304	8	8	4	44	93.0
Plant Assets:		78														
Office Equipment	26	0	1	5	89											
Less Accumulated Depreciation—Office Equipment	18	6	7	4	00	7	3	4	1	89						
Store Equipment	51	8	5	2	82											
Less Accumulated Depreciation—Store Equipment					00	15	5	9	7	82						
Total Plant Assets		T									22	9	3	9	71	7.0
Total Assets	1										327	8	2	4	15	100.0
Liabilities				ī	_					_		T			=	
Current Liabilities:																
Accounts Payable	1					24	1	1	6	31						
Sales Tax Payable						4	9	2	5	59		T		٦		
Employee Income Tax Payable—Federal		M				1	3	3	5	44						
Employee Income Tax Payable—State	1						9	5	6	99						
Social Security Tax Payable				3		2	3	7	6	90						
Medicare Tax Payable	1						5	5	3	24						
Medical Insurance Payable	1						8	4	6	42		T				
Retirement Plan Payable	1						5	7	1	94		T	Г			
Unemployment Tax Payable—Federal	1							1	6	72		T				
Unemployment Tax Payable—State							12	1	2	08						
Federal Income Tax Payable						2	3	6	7	12		T				
Dividends Payable						4	0	0	0	00		T				
Total Liabilities								1			-	1	7	8	75	12.
Stockholders' Equity			100					70					T			
Capital Stock						75	0	0	0	00		T	T			
Retained Earnings				T		210						T	T			
Total Stockholders' Equity											285	6	4	5	40	87.
Total Liabilities and Stockholders' Equity	1										327	-	none management	-	-	100.
1 /		Ī	Ħ	Ī	T				Ī			T	F			
*Rounded to the nearest 0.1%.	1		T													

Foley's Interiors

Statement of Cash Flows For Year Ended December 31, 20--Cash flows from operating activities: 697 0 1 8 61 Cash receipts from customers Cash payments for: (309 4 8 1 36) Inventory purchases (231 6 4 8 69) Salaries and wages (18 0 0 0 00) Rent (16 0 0 0 00) Insurance (1404817) Income taxes (37 1 0 4 74) Other operating expenses (626 2 8 2 96) Total cash payments 70 7 3 5 65 Net cash provided (used) by operating activities Cash flows from investing activities: 3 1 8 0 00 Sale of equipment (24 8 3 0 00) Purchase of equipment Net cash provided (used) by investing activities (21 6 5 0 00) Cash flows from financing activities: 1000000 Issuance of stock (16000000)Payment of cash dividends (15 0 0 0 00) Net cash provided (used) by financing activities 3408565 Net change in cash 3 7 5 14 Cash balance, January 1, 20--Cash balance, December 31, 20--34 4 6 0 79