

Interactive Income Statement and Balance Sheet

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Assumptions (continued at A22)

Sheet 1.1

Interest (income) Rate:	0.18
Earned on Cash Balance over:	\$5,000
Interest (expense) Rate:	18% of Long Term Debt
Cost of Goods Sold:	75% of Sales
Payroll Taxes:	10% of Salaries and Wages
Income Tax Rate:	25%

Assumptions (continued)

Sheet 1.2

Depreciable Life of Assets:	60 Months
Beginning Accumulated Depreciation:	\$5,000
Days Sales in Receivables:	45 Days
Days Cost of Goods Sold in Inventory:	30 Days
Days Cost of Goods Sold in Payables:	45 Days
Beginning Retained Earnings:	\$4,200

Income Statement (continues to row 76)

Sheet 2.1

	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Gross Income					
Product Sales	50,000	55,000	60,000	70,000	235,000
Income from Service	25,000	32,000	35,000	40,000	132,000
Other Sales	1,500	1,500	1,500	1,500	6,000
Other (Interest Income)	0	0	0	0	0
Total Gross Income	76,500	88,500	96,500	111,500	373,000
Cost of Goods Sold	37,500	41,250	45,000	52,500	176,250
Gross Margin	39,000	47,250	51,500	59,000	196,750
Operating Expenses					
Salaries and Wages	9,000	9,000	9,000	9,000	36,000
Benefits	300	300	300	300	1,200
Health Insurance	495	495	495	495	1,980
Payroll Taxes	900	900	900	900	3,600
Office Rent	1,842	1,842	1,842	1,842	7,368
Supplies	400	400	400	400	1,600
Postage	120	120	120	120	480
Telephone	1,050	1,050	1,050	1,050	4,200
Insurance	75	75	75	75	300
Dues and Subscriptions	120	120	120	120	480
Advertising and Artwork	3,000	3,000	3,000	3,000	12,000
Travel and Entertainment	1,500	1,500	1,500	1,500	6,000
Professional Fees	750	750	750	750	3,000
Depreciation	1,700	1,700	1,700	1,700	6,800
Maintenance	400	400	400	400	1,600
Interest	0	0	0	0	0
Equipment Rental	900	900	900	900	3,600
Other	400	400	400	400	1,600

Total Operating Expenses	22,952	22,952	22,952	22,952	91,808
Profit before Taxes	16,048	24,298	28,548	36,048	104,942
Income Taxes	4,012	6,075	7,137	9,012	26,236
Net Income	12,036	18,224	21,411	27,036	78,707

Balance Sheet (continues to row 129)

Sheet 2.2

	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Current Assets				
Cash	(50,750)	(58,000)	(63,250)	(73,250)
Accounts Receivable	38,250	44,250	48,250	55,750
Inventory	12,500	13,750	15,000	17,500
Total Current Assets	0	0	0	0
Fixed Assets				
Plant, Property, and Equipment				
Leasehold Improvements	10,000	10,000	10,000	10,000
Furniture and Fixtures	12,500	12,500	12,500	12,500
Equipment	7,500	7,500	7,500	7,500
Office Supplies	4,000	4,000	4,000	4,000
Gross P, P, and E	34,000	34,000	34,000	34,000
Accumulated Depreciation	6,700	8,400	10,100	11,800