

Donovan Lumber Corporation
Work Sheet
For Year Ended December 31, 2016

Account Title	Trial Balance		Adjustments		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash	\$ 3,848.58						\$ 3,848.58	
Petty Cash	\$ 300.00						\$ 300.00	
Notes Receivable	\$ 5,848.80						\$ 5,848.80	
Interest Receivable			\$ 315.00				\$ 315.00	
Accounts Receivable	\$ 57,187.80						\$ 57,187.80	
Allowance for Uncoll. Accts.		\$ 66.48		\$ 6,850.00				\$ 6,916.48
Merchandise Inventory	\$ 78,858.00		\$ 2,426.50				\$ 81,284.50	
Supplies	\$ 4,987.70			\$ 3,140.20			\$ 1,847.50	
Prepaid Insurance	\$ 8,948.00			\$ 4,768.00			\$ 4,180.00	
Office Equipment	\$ 26,488.00						\$ 26,488.00	
Accum. Depr.-Office Equip.		\$ 8,488.00		\$ 3,128.00				\$ 11,616.00
Store Equipment	\$ 17,498.00						\$ 17,498.00	
Accum. Depr.-Store Equip.		\$ 4,871.40		\$ 3,389.00				\$ 8,260.40
Notes Payable		\$ 30,000.00						\$ 30,000.00
Interest Payable				\$ 300.00				\$ 300.00
Accounts Payable		\$ 8,372.80						\$ 8,372.80
Employee Inc. Tax Payable		\$ 1,486.30						\$ 1,486.30
Federal Inc. Tax Payable				\$ 1,278.49				\$ 1,278.49
Social Security Tax Payable		\$ 1,209.81						\$ 1,209.81
Medicare Tax Payable		\$ 279.19						\$ 279.19
Sales Tax Payable		\$ 2,847.00						\$ 2,847.00
Unemployment Tax Pay.-Fed.		\$ 29.25						\$ 29.25
Unemployment Tax Pay.-State		\$ 195.00						\$ 195.00
Health Insur. Premiums Payable		\$ 348.80						\$ 348.80
Dividends Payable		\$ 5,000.00						\$ 5,000.00
Capital Stock		\$ 50,000.00						\$ 50,000.00
Retained Earnings		\$ 30,823.18						\$ 30,823.18
Dividends	\$ 20,000.00						\$ 20,000.00	
Income Summary				\$ 2,426.50		\$ 2,426.50		
Sales		\$ 983,837.20				\$ 983,837.20		
Sales Discount	\$ 1,894.50				\$ 1,894.50			
Sales Ret. And Allowances	\$ 4,583.50				\$ 4,583.50			
Purchases	\$ 697,318.50				\$ 697,318.50			
Purchases Discount		\$ 4,215.50				\$ 4,215.50		
Purchases Ret. And Allowances		\$ 1,848.47				\$ 1,848.47		
Advertising Expense	\$ 9,483.80				\$ 9,483.80			
Cash Short and Over	\$ 10.20				\$ 10.20			
Credit Card Fee Expense	\$ 8,482.90				\$ 8,482.90			
Depr. Exp.-Office Equip.			\$ 3,128.00		\$ 3,128.00			
Depr. Exp.-Store Equip.			\$ 3,389.00		\$ 3,389.00			
Insurance Expense			\$ 4,768.00		\$ 4,768.00			
Miscellaneous Expense	\$ 9,184.80				\$ 9,184.80			
Payroll Taxes Expense	\$ 12,848.00				\$ 12,848.00			
Rent Expense	\$ 15,000.00				\$ 15,000.00			
Repair Expense	\$ 4,104.80				\$ 4,104.80			
Salary Expense	\$ 125,483.20				\$ 125,483.20			
Supplies Expense			\$ 3,140.20		\$ 3,140.20			
Uncollectible Accounts Expense			\$ 6,850.00		\$ 6,850.00			
Utilities Expense	\$ 7,158.90				\$ 7,158.90			
Gain on Plant Assets		\$ 715.00				\$ 715.00		
Interest Income		\$ 227.00		\$ 315.00		\$ 542.00		
Interest Expense	\$ 3,158.40		\$ 300.00		\$ 3,458.40			
Loss on Plant Assets	\$ 184.00				\$ 184.00			
Federal Income Tax Expense	\$ 12,000.00		\$ 1,278.49		\$ 13,278.49			
	<u>\$ 1,134,860.38</u>	<u>\$ 1,134,860.38</u>	<u>\$ 25,595.19</u>	<u>\$ 25,595.19</u>	<u>\$ 933,749.19</u>	<u>\$ 993,584.67</u>	<u>\$ 218,798.18</u>	<u>\$ 158,962.70</u>
Net Income after Fed. Income Tax					\$ 59,835.48		\$ 59,835.48	
					<u>\$ 993,584.67</u>	<u>\$ 993,584.67</u>	<u>\$ 218,798.18</u>	<u>\$ 218,798.18</u>

Total of Income Statement Credit Column -	\$ 993,584.67
total of Income Statemnt Debit Column	
before federal income tax	\$ 920,470.70
= Net Income before Federal Income Tax	\$ 73,113.97

Net Income before Taxes	x	Tax Rate	=	Federal Income Tax Amount
\$ 50,000.00	x	15%	=	\$ 7,500.00
Plus \$ 23,113.97	x	25%	=	\$ 5,778.49
Plus	x	34%	=	
Plus	x	39%	=	
Total \$ 73,113.97				\$ 13,278.49