

Business Worksheet Example 2

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| (2) Individual Name: John Tool, Jim Beam | (1) Entity Type: LLC, 50/50 owned by two friends |
| (4) Business Name: John's Cat Food Store | (3) SSI for John is 111-11-1111, Jim's 222-22-2222 |
| (5) IRS's employer's ID # 37-1234567 | (7) Cat Food and supplies |
| (6) Retail Store | |

- Sales Include:** (8) Checks received of \$ 28,000, and Cash received of \$ 3,500, total of \$31,500
(9) Wholesale sales to Mimi's Cat Sales via 1099 \$ 10,000 (10) Interest from business bank of \$ 10.00
(11) Credit Cards: \$ 100,000 (*before merchant fees of \$ 2,200 paid the bank*)

PRODUCT COST/Inventory: (all at COST BASIS)

- (12) Previous year's ending inventory was at \$ 12,500, this being this year's beginning inventory
(13) Purchased \$ 50,000 worth of new cat food (to be sold) from Purina Foods
(14) Ending inventory, cost basis not retail, was \$ \$ 13,500
Therefore...Inventory Grew by \$ 1,000 during year, and amount either sold or spoiled was \$ 49,000

Expenses Include:

- A. VEHICLE INFORMATION: Mileage: Owns a 2010 Pickup first placed in business on 2/1/2012, in which he put on 16,000 Miles, 90% of it business. He put \$ 500 in repairs, \$ 3,000 in gas for the truck and \$ 100 in tolls.
- B. CONTRACT LABOR: He hired Joe Tucker, SSI 111-44-2222 as a contractor during the summer to help with the extra work...and paid Mr. Tucker \$1650.
- C. ACCOUNTING: He hired TUCKER CPA to assist with the monthly bookkeeping and payroll, at \$ 300 a month or \$ 3,600 for the year.
- D. ADVERTISING: advertises with AT&T in yellow-pages, \$ 4000.
- E. COMMISSION: Paid Mohsen Mago, SSI 333-33-3333, \$ 3000, considered a 1099 commission.
- F. EMPLOYEE PAYROLL: reported to IRS with 941 and W2 payroll filings, \$ 60,000.
- G. EMPLOYER PAYROLL TAXES for item F above: FICA taxes (6.2%) or \$ 3,720, Medicare (1.45%) \$ 870, & Texas Workforce Unemployment of \$ 900 and Federal Unemployment of \$ 90.
- H. BANK CHARGES: Besides the merchant fees of \$ 2,200 from item (11) above, he paid \$ 10 a month to the bank, or \$ 120 for the year for bank fees.
- I. CELL PHONE: Family cell phone bill 5 business used cell phones was \$ 500 a month.
- J. TELEPHONE: Office line and separate Fax line, \$ 1500 for year.
- K. INTERNET COST: \$ 40 a month, with computer used 100% for business.
- L. OFFICE EXPENSES: business ink, paper, pens, sales receipts, etc. at \$ 5000 for year.
- M. RENT: \$ 3000 a month, 12 months.
- N. REPAIRS AND MAINTENANCE: Paid \$ 500 to fix Chevy Truck and \$ 350 to fix Business Computer
- O. HOME OFFICE: John uses part of residence to pay business sales tax and count daily receipts. Rents apt at \$ 1,000 a month for 12 months. Sq. footage of apt is 1200 sq. footage of which 300 sq. foot is used exclusively (2nd bedroom) as home office. Utility bills are \$ 100 a month.
- P. BUSINESS Meals and ENTERTAINMENT: Taking Vendors or Clients out to lunch, \$ 2,000.

COMMENTS:

- A. Vehicle Info: Client taking standard mileage rate for 2014 at .56 per mile. This is in clients favor, but cannot take repairs or gas. Instead, taking \$ 8,064 in standard mileage deduction. Tolls to be taken in Travel Section.
- B. Contract Labor....deducting contract labor of \$ 1650. Contractor will be given a 1099 by Client for tax reporting.
- N. REPAIRS: Cannot take repairs to Vehicle...as taking standard mileage allowance in A. above.
- O. HOME OFFICE: 300 sq. ft. used by business divided by total sq. footage of 1200 equates to 25% of expenses to be deducted.

Business Worksheet

ENTITY INFO: Type (Circle one) Sole Proprietor Single Member LLC <u>Multi-Member LLC 1</u> Partnership S Corp C Corp	
Individual Name(s): JOHN TOOL & JIM BEAM ⁰	SSN: 111-11-1111 & 222-22-2222 »
Business Name (if applicable): JOHN'S CAT FOOD STORE ^¼	EIN (9 digits): 37-1234567 ^½
Business Description: RETAIL STORE ^¾	Product or Service: CAT FOOD
INCOMES:	
Cash / Checks	\$ 31,500.00
1099s	\$ 10,000.00
Interest	\$ 10.00
Others	\$ 100,000.00
7 R W D O , Q F R P H	\$ 141,510.00
& 2 * 6	\$ 49,000.00
Gross Profit	\$ 92,510.00
EXPENSES:	
Accounting	\$ 3,600.00 (C)
Advertising	\$ 4,000.00 (D)
Bank Charges	\$ 2,320.00 (H)
Cell Phone	\$ 1,200.00 (I)
Auto	\$ 7,776.00
Commission Expense	\$ 3,000.00 (E)
Computer Expense	\$ -
Continuing Education	\$ -
Contractor Labor	\$ 1,650.00 (B)
Delivery & Freight	\$ -
Dues & Subscriptions	\$ -
Equipment Rental	\$ -
Health Care Insurance (P S O R \ H H R Q O \)	\$ -
Insurance % X V L Q H V V O L D E L O \$ W \	\$ -
Interest Exp	\$ -
Internet Costs % X V L Q H V V R Q O \	\$ 480.00 (K)
Legal & Professional	\$ -
Licence & Permits	\$ -
Meals & Entertainment	\$ 2,000.00 (P)
Office Expenses	\$ 5,000.00 (L)
Postage	\$ -
Printing	\$ -
Rent	\$ 3,600.00 (M)
Home Office Expense	\$ 3,300.00
Repairs & Maintenance	\$ 350.00 (N)
Salaries / Wages : R Q O \	\$ 60,000.00 (F)
Security	\$ -
Small Tools	\$ -
Telephone % X V L Q H V V R Q O \	\$ 1,500.00
Taxes - Payroll : R Q O \	\$ 5,580.00
Training	\$ -
Travel (Tolls)	\$ 100.00 (A)
Utilities	\$ -
7 R W D O ([S H Q V H V	\$ 105,456.00
NET INCOME	\$ (12,946.00)
Signature: _____	

COST OF GOOD SOLD:	
Beg - Inventory	+ \$ 12,500.00
Purchases	+ \$ 50,000.00
Contract labor	+ \$ -
Materials & Supplies	+ \$ -
Other Cost	+ \$ -
End - Inventory	- \$ 13,500.00
& 2 * 6	\$ 49,000.00

VEHICLE INFORMATION: (A)	
Total Mileage	16,000.00
Business Mileage R I 7 R W D O O L O H 4 0 0 0 0 0	14,400.00
Jan. - Dec. 2016 Rate @ .54	\$ 7,776.00
Jan. - Dec. 2015 Rate @ .575	
7 R W D O	\$ 7,776.00

Vehicle Description: 2010 CHEVY PICKUP
 Dated vehicle was placed in service: 02/01/2012
 Vehicle is used by a more than 5% owner? YES or NO
 Is vehicle available for off-duty personal use? YES or NO
 Is any other vehicle available for personal use? YES or NO

BUSINESS USE OF HOME (O)	
Total Area of Home (Square feet)	1200 sq'
Business Use Area (Square feet)	300 sq'
Mortgage Interest	\$ -
Real State Taxes	\$ -
Rent	\$ 12,000.00
Insurance	\$ -
Association Dues	\$ -
Repairs & Maintenance	\$ -
Utilities	\$ 1,200.00
Security	\$ -
Total Business Expense use of home	\$ 13,200.00

(G)	
FICA	\$ 3,720.00
Medicare	\$ 870.00
TWC	\$ 900.00
FUTA	\$ 90.00
7 R W D O S D \ U R O O 7 D [H V	\$ 5,580.00

* R L Q J
 Z L W K
 I R U K R P H
 G H G X F W L R Q

**NOTE: Fixed Assets: Please provide Computers, Equipment, etc. Include date placed in Service + Amount.