

Answer Key

**Profitable Porkers, LLC
Accrual Balance Sheets
December 31 2023 and 2022**

	2023	2022	Difference
Assets			
Cash	25,000	75,000	
Accounts Receivable	95,000	20,000	75,000
Inventories:			
Feed	85,000	40,000	45,000
Livestock	1,684,000	650,000	1,034,000
Prepaid Expenses	100,000	0	100,000
Machinery and Equipment	45,000	20,000	
Accumulated Depreciation	(15,000)	(11,000)	4,000
Total Assets	<u>2,019,000</u>	<u>794,000</u>	
Liabilities			
Accounts Payable			
Feed	35,000	15,000	20,000
Independent Finishing	10,000	0	10,000
Rent	10,000	0	10,000
Line of Credit	150,000	50,000	
Long term Debt	1,225,000	325,000	
Total Liabilities	<u>1,430,000</u>	<u>390,000</u>	
Owner's Equity	<u>589,000</u>	<u>404,000</u>	
Total Liabilities and Owner's Equity	<u>2,019,000</u>	<u>794,000</u>	

Answer Key

**Profitable Porkers, LLC
Income Statement
For the Year Ended December 31 2023**

	Cash (Tax)	Adjustments	Accrual
Sales	1,560,000	<u>75,000</u>	1,635,000
Expenses			
Purchased Feed	1,780,000	<u>(80,000)</u>	1,700,000
Change in Feed Inventories	0	<u>(45,000)</u>	(45,000)
Change in Livestock Inventories	0	<u>(1,034,000)</u>	(1,034,000)
Breeding	60,000		60,000
Vet and Medicine	78,000		78,000
Independent Finishing	220,000	<u>10,000</u>	230,000
Salaries and Wages	160,000		160,000
Other Labor Costs	30,000		30,000
Rent	110,000	<u>10,000</u>	120,000
Real Estate Taxes	12,000		12,000
Repairs and Maintenance	6,000		6,000
Utilities	50,000		50,000
Insurance	14,000		14,000
Supplies	4,000		4,000
Fuel	6,000		6,000
Depreciation	35,000	<u>(31,000)</u>	4,000
Interest	<u>55,000</u>		<u>55,000</u>
Total Expenses	<u>2,620,000</u>		<u>1,450,000</u>
Net Income (Loss)	<u>(1,060,000)</u>		<u>185,000</u>