



Profitable Porkers Case Study

Answer Key

Profitable Porkers, LLC
Accrual Balance Sheets
December 31 2025 and 2024

	2025	2024	Difference
Assets			
Cash	25,000	75,000	
Accounts Receivable	95,000 FD3	20,000	75,000 C1
Inventories:			
Feed	85,000	40,000	45,000 C2
Livestock	1,684,000 FD6	650,000	1,034,000 C3
Prepaid Expenses	100,000 FD2	0	100,000 C4
Machinery and Equipment	45,000 FD4	20,000	
Accumulated Depreciation	(15,000) C5	(11,000)	4,000 FD4
Total Assets	2,019,000 C6	794,000	
Liabilities			
Accounts Payable			
Feed	35,000 FD5	15,000	20,000 C7
Independent Finishing	10,000 FD5	0	10,000 C8
Rent	10,000	0	10,000 C9
Line of Credit	150,000	50,000	
Long term Debt	1,225,000 FD1	325,000	
Total Liabilities	1,430,000 C10	390,000	
Owner's Equity	589,000 C11	404,000	
Total Liabilities and Owner's Equity	2,019,000 C12	794,000	



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Profitable Porkers, LLC
Income Statement
For the Year Ended December 31 2025

	Cash (Tax)	Adjustments	Accrual
Sales	1,560,000	<u>75,000</u>	C1 1,635,000
Expenses			
Purchased Feed	1,780,000	<u>(80,000)</u>	-C4 1,700,000
Change in Feed Inventories	0	<u>(45,000)</u>	+C7 -C2 (45,000)
Change in Livestock Inventories	0	<u>(1,034,000)</u>	-C3 (1,034,000)
Breeding	60,000		60,000
Vet and Medicine	78,000		78,000
Independent Finishing	220,000	<u>10,000</u>	C8 230,000
Salaries and Wages	160,000		160,000
Other Labor Costs	30,000		30,000
Rent	110,000	<u>10,000</u>	C9 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>	1 4,000
Interest	55,000		55,000
Total Expenses	<u>2,620,000</u>		<u>1,450,000</u>
Net Income (Loss)	<u>(1,060,000)</u>		<u>185,000</u>