

Business Worksheet Example 2

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

Sales Include:

- (8) Checks received of \$ 38,000, and Cash received of \$ 3,500, total of \$41,500
(9) Wholesale sales to Mimi's Cat Sales via 1099 \$ 15,000
(10) Interest from business bank of \$ 10.00
(11) Credit Cards: \$ 100,000 (*before merchant fees of \$ 2,200 paid the bank*)

COST OF GOOD SOLD - 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 2015 Pickup first placed in business on 2/1/2016, in which he put on 16,000 Miles, 90% of its business. He paid \$ 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, \$ 4,000
E. COMMISSION: Paid Mohsen Mago, SSI 333-33-3333, \$ 2,500, 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 for 5 lines is \$ 500 a month. Will be taking only his portions of \$100 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 \$ 3,500 for year.
M. RENT: \$ 300 a month, 12 months.
N. REPAIRS AND MAINTENANCE: Paid \$ 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: Taking Vendors or Clients out to lunch, \$ 2,000.

COMMENTS:

- A. Vehicle: Client is taking standard mileage rate for 2019 at .58 per mile. This is in clients favor but cannot take repairs or gas. Instead, taking \$ 8,352 in standard mileage deduction. Tolls to be taken in "Travel Fees & Tolls" 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.

FORMS on website: www.DtuckerCPA.com

Business Worksheet

ENTITY INFO: Type (Circle one) Sole Proprietor Single Member LLC Multi-Member LLC (1) Partnership S Corp C Corp			
Individual Name(s): JOHN TOOL & JIM BEAM (2)		SSN: 111-11-1111 & 222-22-2222 (3)	
Business Name (if applicable): JOHN'S CAT FOOD STORE (4)		EIN (9 digits): 37-1234567 (5)	
Business Description: RETAIL STORE (6)		Product or Service: CAT FOOD	

INCOMES:		COST OF GOOD SOLD:	
Cash / Checks	\$ 41,500.00 (8)	Beg - Inventory	+ (12) \$ 12,500.00
1099s	\$ 15,000.00 (9)	Purchases	+ (13) \$ 50,000.00
Interest	\$ 10.00 (10)	Materials & Supplies	+ \$ -
Others	\$ 100,000.00 (11)	End - Inventory	- (14) \$ (13,500.00)
Total Income	\$ 156,510.00		+ \$ -
			- \$ -

COGS	\$ 49,000.00	COGS	\$ 49,000.00
Gross Profit	\$ 107,510.00		

EXPENSES:		VEHICLE INFORMATION: (A)	
Accounting	\$ 3,600.00 (C)	Total Mileage	16,000.00
Advertising	\$ 4,000.00 (D)	Business Mileage (90% of Total Mileage)	14,400.00
Bank Charges	\$ 2,320.00 (H)	2019 Rate @ .58	\$ 8,352.00
Cell Phone (Business only)	\$ 1,200.00 (I)	2018 Rate @ .545	
Auto	\$ 8,352.00	Total	\$ 8,352.00
Commission Expense (1099)	\$ 2,500.00 (E)	Vehicle Description: 2015 CHEVY PICKUP	
Computer Expense	\$ -	Dated vehicle was placed in service: 02 /02/2016	
Continuing Education / Training	\$ -	Vehicle is used by a more than 5% owner? <input checked="" type="radio"/> YES or NO	
Contractor Labor (1099)	\$ 1,650.00 (B)	Is vehicle available for off-duty personal use? <input checked="" type="radio"/> YES or NO	
Delivery, Freight & Postage	\$ -	Is any other vehicle available for personal use? <input checked="" type="radio"/> YES or NO	
Dues & Subscriptions	\$ -		
Equipment Rental / Lease	\$ -		
Insurance (Business & liability) (No Auto)	\$ -		
Interest Expenses	\$ -		
Internet Costs (Business only)	\$ 480.00 (K)		
Legal & Professional	\$ -		
Licence & Permits	\$ -		
Meals (No entertainment)	\$ 2,000.00 (P)		
Office Expenses / Supplies	\$ 3,500.00 (L)		
Printing	\$ -		
Rent	\$ 3,600.00 (M)		
Repairs & Maintenance	\$ 350.00 (N)		
Home Office Expense	\$ 3,300.00		
Salaries / Wages (W2 only)	\$ 60,000.00 (F)		
Security	\$ -		
Small Tools	\$ -		
Software	\$ -		
Telephone (Business only)	\$ 1,500.00 (J)		
Parking Fees & Tolls	\$ 100.00 (A)		
Taxes - Payroll (W2 only)	\$ 5,580.00		
Travel (Airlines, Hotel)	\$ -		
Uniforms	\$ -		
Utilities	\$ -		
Website	\$ -		
	\$ -		
Total Expenses	\$ 104,032.00		
NET INCOME	\$ 3,478.00		

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) Employer Payroll Taxes	
Social Security	\$ 3,720.00
Medicare	\$ 870.00
TWC	\$ 900.00
FUTA	\$ 90.00
Total payroll Taxes	\$ 5,580.00

Equipment Purchased**		
Item	Date	Price

I hereby declare that all the information stated above is true and correct to the best of my knowledge. I understand and agree that any false information, misrepresentation, or omission of facts in this worksheet creates a risk in possible auditing.

Signature: _____

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