**Income Statement**

Cline Custom Bikes

Income Statement ($000)

For year ended December 31, 2000

Sales revenue $2,200

Less Cost of goods sold $1,420

Gross profit $ 780

Less operating expenses

Selling expense $300

G&A $270

Depreciation $ 30

Total operating expenses $ 600

Operating profits $ 180

Less interest expense $ 29

Net profit before tax $ 151

Less taxes (30%) $ 45

Net profit after tax $ 106

**Statement of Retained Earnings**

Retained Earnings balance (Jan 1 2000) $ 80

Plus: net profit after tax (for 2000) 106

Less cash dividends on common (76)

Retained Earnings balance (Dec 31, 2000) $ 110

**Balance Sheet ($000)**

**December 31**

**Assets**  2000 1999

Current assets

Cash $ 30 $ 50

Marketable Securities 10 20

Accounts receivable 320 350

Inventory 460 320

Total Current Assets $ 820 $ 740

Gross Fixed Assets $ 560 $ 520

Less accumulated depreciation $ 180 $ 150

Net fixed assets $ 380 $ 370

**Total Assets** **$1,200 $1,110**

**Liabilities & stockholders’ equity**

Current liabilities

Accounts payable $ 390 $ 320

Notes payable $ 110 $ 90

Accruals $ 20 $ 20

Total current liabilities $ 840 $ 780

Stockholders’ Equity

Common stock (500,000 shares, $0.20 par) $ 100 $ 100

Paid-in capital in excess of par $ 150 $ 150

Retained earnings $ 110 $ 80

Total stockholders’ equity $ 360 $ 330

**Total liabilities & stockholders’ equity $1,200 $1,110**