

Financial Statements
of

JULY 31, 2006

ELITE PRODUCTS, INC.

900 East Lake Street
Any Town, USA 99999

Prepared by:



CENTURY
accounting & financial services

7 Deneison Street · Timonium, MD 21093
410-560-2667 · fax 410-560-2870 · www.apstokes.com

MONTHLY SERVICES

With the high cost of doing business today, small and medium-sized business owners are increasingly aware of the benefits of timely financial information to their operations and livelihood. As specialists in small business, we provide these regular monthly services:

- **BUSINESS CONSULTATION...** the backbone of all our services. A personal discussion of your financial statements or other business matters is available when you need it and is as close as your phone.
- **COMPLETE TAX PLANNING AND PREPARATION OF TAX RECORDS...** federal, state and local taxes, covering sales tax and unemployment tax. Social security taxes, income taxes and franchise taxes too, if applicable - we prepare and maintain whatever is necessary to protect your interests, save you time and provide them to you for your review prior to filing date.
- **MONTHLY OPERATING STATEMENTS...** a monthly breakdown of sales, cost of sales and expenses (profit and loss) for the previous month, and a total for all the months of the year to date. Percentages for both helps you compare performance to the year to date and spot problem areas so you can take immediate action.
- **OPERATING STATEMENT PERFORMANCE GRAPHS...** each month you will receive comprehensive Operating Statement Performance Graphs developed from the financial information in your business operating statement to give you a concise visual picture of business trends. The line graph presents a two year comparison of sales for the current year and previous year. The pie chart shows fiscal year to date expenses, and the bar graph presents your total sales, expenses and profit margin for the year in a monthly breakdown.
- **PAYROLL REGISTER...** payroll and tax information on every employee.
- **BALANCE SHEET...** available when needed. It summarizes your total business assets, liabilities and net worth at a given point in time so you can make decisions about capital expenditures, or how to improve profits.
- **BANK RECONCILIATIONS...** a proving out of the bank's figures with your checkbook balance each month to ensure you are working with the correct total.
- **DETAIL GENERAL LEDGER...** a record of the dates, check numbers, payees and amounts of all expenses within each of your business accounts for the month and year to date.

PLUS ADDITIONAL SERVICES

- **COMPARATIVE OPERATING STATEMENT...** to budget or prior year with variances shown for both, and for the month and year to date.
- **FINANCIAL RATIO ANALYSIS...** a method of analyzing important relationships such as rate of inventory turnover, aging of accounts receivable and working capital. A managerial tool that keeps you in control of your business plan.
- **PAYROLL CHECK WRITING...** fast, efficient and trouble-free, our payroll check writing service produces professional, computer-generated checks, plus provides a management analysis by pay period and year to date. With our service, payroll is no longer a tedious process but a smooth function of your business.

FOR A COMPLIMENTARY EVALUATION OF YOUR FINANCIAL RECORD NEEDS,
CONTACT OUR OFFICE.

Balance Sheet

Elite Products, Inc.

July 31, 2006

Century Accounting & Financial Services

900 East Lake Street

Period 7

Any Town USA 99999

Assets

Current Assets

104	Cash In Bank - Checking	\$	117,022.86
106	Accounts Receivable		18,237.25
130	Inventory		4,142.00
			<u>4,142.00</u>

Total Current Assets

\$ 139,402.11

Fixed Assets

142	Leasehold Improvements		11,547.00
146	Fixtures & Equipment		17,465.68
148	Transportation Equipment		91,510.07
149	Accumulated Depreciation		(88,603.34)
			<u>(88,603.34)</u>

Total Fixed Assets

31,919.41

Total Assets

\$ 171,321.52

Liabilities

Current Liabilities

205	Accounts Payable	\$	15,059.86
232	Federal Payroll Taxes		403.01
233	State Payroll Tax		165.74
235	Accrued Unemployment Tax		114.11
236	Sales Tax Payable		1,288.42
			<u>1,288.42</u>

Total Current Liabilities

\$ 17,031.14

Total Liabilities

\$ 17,031.14

Capital

281	Issued Capital Stock		41,477.21
282	A P I C		72,913.08
283	Retained Earnings		37,946.77
284	Distributions		(50,000.00)
297	Profit/Loss		51,953.32
			<u>51,953.32</u>

Total Capital

154,290.38

Total Liabilities And Capital

\$ 171,321.52

Graph - Operations Performance

Elite Products, Inc.

For The Month Ended July 31, 2006

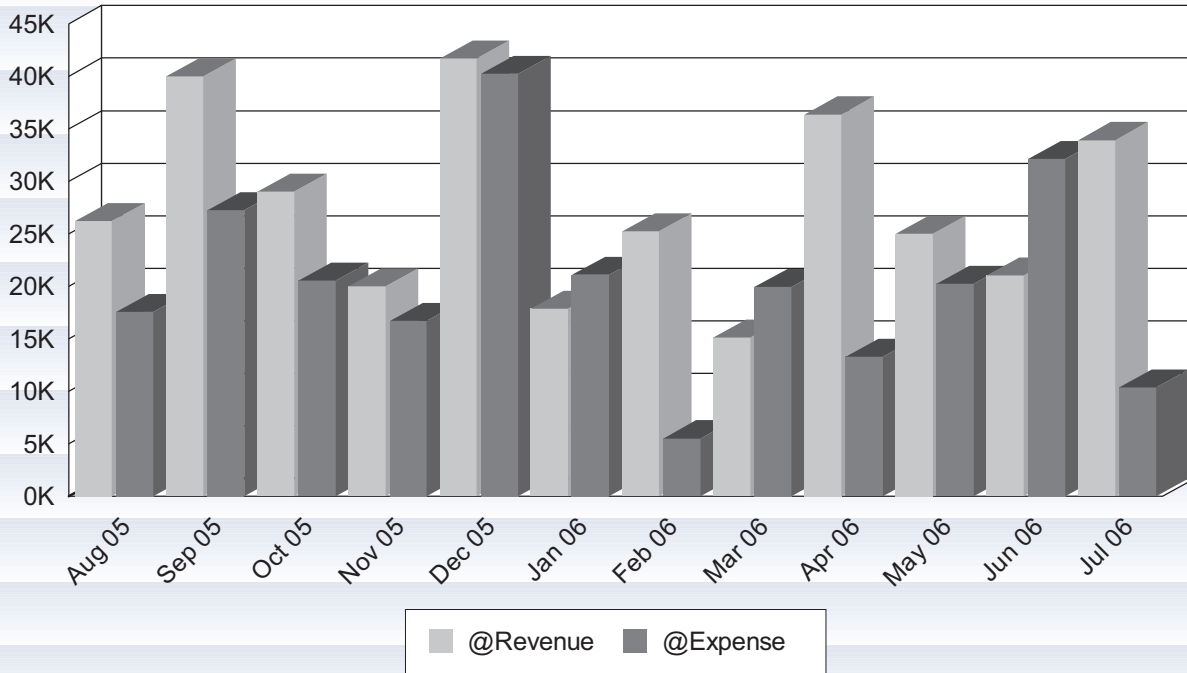
Century Accounting & Financial Services

900 East Lake Street

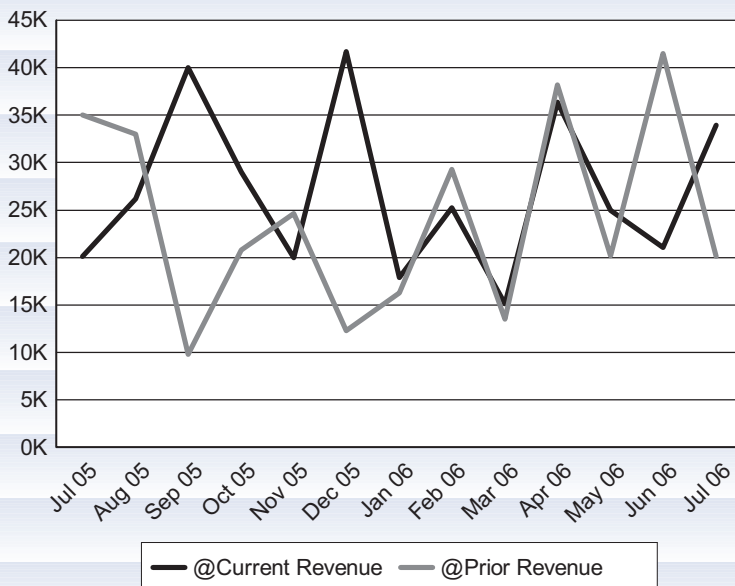
Period 7

Any Town, USA 99999

One Year Revenue And Expense Comparison

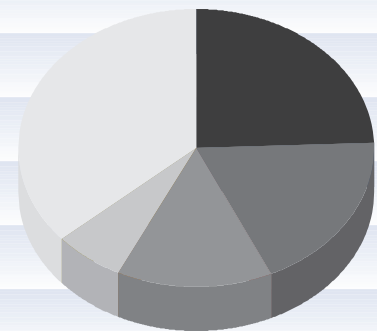


Two Year Revenue Comparison



Top Four Expenses Year To Date

As a % of Total



■ Rent	24.5%
■ Insurance	18.5%
■ Gross Wages	14.2%
■ Vehicle Expense	6.4%
■ Others	36.4%
Total:	100.0%

Income Statement

Elite Products, Inc.

For The Month Ended July 31, 2006

Century Accounting & Financial Services

900 East Lake Street

Period 7

Any Town, USA 99999

	Current Month	7 Months Year To Date	% Sales	
			Current	Y-T-D
Income				
301 Sales	31,689.75	158,923.75	93.4	91.1
303 Other Income	2,222.50	15,560.10	6.6	8.9
Total Income	<u>33,912.25</u>	<u>174,483.85</u>	<u>100.0</u>	<u>100.0</u>
Cost				
401 Purchases	2,953.47	40,979.76	8.7	23.5
Total Cost	<u>2,953.47</u>	<u>40,979.76</u>	<u>8.7</u>	<u>23.5</u>
Gross Profit	<u>30,958.78</u>	<u>133,504.09</u>	<u>91.3</u>	<u>76.5</u>
Expense				
510 Operating Supplies	0.00	1,374.40	0.0	0.8
512 Freight & Postage	355.59	3,879.13	1.0	2.2
515 Gross Wages	1,716.00	11,550.00	5.1	6.6
520 Rent	0.00	20,000.00	0.0	11.5
526 Utilities	416.36	3,490.05	1.2	2.0
529 Telephone	89.64	1,287.13	0.3	0.7
530 Repairs & Maintenance	489.67	1,430.29	1.4	0.8
534 Advertising & Promotion	50.00	3,205.60	0.1	1.8
535 Insurance	39.84	15,058.40	0.1	8.6
540 Property Taxes	3,151.96	3,451.96	9.3	2.0
542 F.I.C.A. Tax	131.29	888.68	0.4	0.5
543 Unemployment Tax	21.23	141.15	0.1	0.1
548 Permits & Licenses	0.00	62.25	0.0	0.0
552 Vehicle Expense	595.14	5,217.58	1.8	3.0
564 Legal & Accounting	335.00	4,280.00	1.0	2.5
566 Office Expense	0.00	988.78	0.0	0.6
580 Dues & Subscriptions	0.00	1,145.00	0.0	0.7
581 Laundry & Uniforms	35.97	949.11	0.1	0.5
595 Miscellaneous	0.00	2,251.26	0.0	1.3
597 Cash Over & Short	0.00	900.00	0.0	0.5
Total Expense	<u>7,427.69</u>	<u>81,550.77</u>	<u>21.9</u>	<u>46.7</u>
Net Income	<u><u>23,531.09</u></u>	<u><u>51,953.32</u></u>	<u><u>69.4</u></u>	<u><u>29.8</u></u>

Statement of Cash Flows

Elite Products, Inc.

As of July 31, 2006

Century Accounting & Financial Services

900 East Lake Street

Period 7

Any Town, USA 99999

	Current Month	7 Months Year To Date
Cash flows from operating activities		
Net income	\$23,531.09	\$51,953.32
Adjustments to reconcile net income to net cash		
Increase in other assets	\$(4,909.75)	\$(4,081.90)
Increase / Decrease in other current liabilities	704.89	(3,401.57)
Net cash provided by operating activities	\$19,326.23	\$44,469.85
Cash flows from investing activities		
Increase in properties and equipment	\$0.00	\$(17,761.00)
Net cash provided by / used in investing activities	0.00	(17,761.00)
Cash flows from financing activities		
Increase / Decrease in other changes to capital	\$0.00	\$(50,000.00)
Net cash provided by / used in financing activities	0.00	(50,000.00)
Net Increase / Decrease in cash and cash equivalents	\$19,326.23	\$(23,291.15)
Cash and cash equivalents at beginning	97,696.63	140,314.01
Cash and cash equivalents at end	\$117,022.86	\$117,022.86

Detail General Ledger

Elite Products, Inc

For The Month Ended July 31, 2006

Century Accounting & Financial Services

900 East Lake Street

Period 7

Any Town, USA 99999

Account Year	Name Pd Jrnl	Date	Page	Description	Current Period	Year To Date
515	Gross Wages				Beginning Balance	9,834.00 Dr
2006	7 CK	7/03/06	9348	SUSAN R. ANDERSON	132.00 Dr	
2006	7 CK	7/03/06	9349	ELMER D. BARRETT	264.00 Dr	
2006	7 CK	7/13/06	9376	CARL LEE CHAPMAN	198.00 Dr	
2006	7 CK	7/14/06	9377	ELMER D. BARRETT	264.00 Dr	
2006	7 CK	7/20/06	9381	SUSAN R. ANDERSON	330.00 Dr	
2006	7 CK	7/20/06	9382	ELMER D. BARRETT	264.00 Dr	
2006	7 CK	7/28/06	9392	CARL LEE CHAPMAN	264.00 Dr	
				Activity	1,716.00 Dr	
					Ending Balance	11,550.00 Dr
526	Utilities				Beginning Balance	3,073.69 Dr
2006	7 CK	7/24/06	9387	BGE	416.36 Dr	
				Activity	416.36 Dr	
					Ending Balance	3,490.05 Dr
529	Telephone				Beginning Balance	1,197.49 Dr
2006	7 CK	7/22/06	9384	VERIZON	89.64 Dr	
				Activity	89.64 Dr	
					Ending Balance	1,287.13 Dr
530	Repairs & Maintenance				Beginning Balance	940.62 Dr
2006	7 CK	7/04/06	9352	HOME DEPOT	336.67 Dr	
2006	7 CK	7/12/06	9372	WESTERN PEST & TERMITE	153.00 Dr	
				Activity	489.67 Dr	
					Ending Balance	1,430.29 Dr
534	Advertising & Promotion				Beginning Balance	3,155.60 Dr
2006	7 CK	7/07/06	9359	THE PENNYSAVER	50.00 Dr	
				Activity	50.00 Dr	
					Ending Balance	3,205.60 Dr
535	Insurance				Beginning Balance	15,018.56 Dr
2006	7 CK	7/12/06	9373	CARE FRST	39.84 Dr	
				Activity	39.84 Dr	
					Ending Balance	15,058.40 Dr
540	Property Taxes				Beginning Balance	300.00 Dr
2006	7 CK	7/07/06	9362	BALTIMORE CO MD	3,151.96 Dr	
				Activity	3,151.96 Dr	
					Ending Balance	3,451.96 Dr

Journal Entry and Check Register

Elite Products, Inc.

For The Month Ended July 31, 2006

Century Accounting & Financial Services

900 East Lake Street

Period 7

Any Town, USA 99999

Date Check	Check # 104	Payee	Account Cash InBank - Checking	Amount	Description	Check Amt
7/3/06	9348	SUSAN R. ANDERSON	515	132.00	Dr	
7/3/06	9348	SUSAN R. ANDERSON	232	12.78	Cr	
7/3/06	9348	SUSAN R. ANDERSON	233	4.05	Cr	
7/3/06	9348	SUSAN R. ANDERSON	233	1.72	Cr	113.45
7/3/06	9349	ELMER D. BARRETT	515	264.00	Dr	
7/3/06	9349	ELMER D. BARRETT	232	42.69	Cr	
7/3/06	9349	ELMER D. BARRETT	233	16.16	Cr	205.15
7/5/06	9350	ACCOUNTING OFFICE	564	335.00	Dr	
7/4/06	9351	BALLAVANCE & SONS, NC.	512	355.59	Dr	
7/4/06	9352	HOME DEPOT	530	336.67	Dr	
7/5/06	9356	MATTHEWS NTER	401	417.33	Dr	
7/5/06	9357	COLOMBO STONEWORKS	401	179.30	Dr	
7/7/06	9359	THE PENNYSAVER	534	50.00	Dr	
7/7/06	9362	BALTIMORE CO MD	540	3,151.96	Dr	
7/10/06	9365	COMPROLLER	233	232.98	Dr	
7/10/06	9367	COMPROLLER	236	456.30	Dr	
7/10/06	9369	SHELL	552	271.40	Dr	
7/10/06	9371	MERCANTILE	232	384.51	Dr	
7/12/06	9372	WESTERN PEST & TERMITE	530	153.00	Dr	
7/12/06	9373	CARE FIRST	535	39.84	Dr	
7/13/06	9374	CINTAS	581	35.97	Dr	
7/13/06	9376	CARL LEE CHAPMAN	515	198.00	Dr	
7/13/06	9376	CARL LEE CHAPMAN	232	26.83	Cr	
7/13/06	9376	CARL LEE CHAPMAN	233	11.39	Cr	159.78
7/14/06	9377	ELMER D. BARRETT	515	264.00	Dr	
7/14/06	9377	ELMER D. BARRETT	232	42.69	Cr	
7/14/06	9377	ELMER D. BARRETT	233	16.16	Cr	205.15
7/15/06	9378	EXXON	552	559.24	Dr	
7/20/06	9380	GAWET MARBLE	401	968.00	Dr	
7/20/06	9381	SUSAN R. ANDERSON	515	330.00	Dr	
7/20/06	9381	SUSAN R. ANDERSON	232	56.28	Cr	
7/20/06	9381	SUSAN R. ANDERSON	233	20.81	Cr	252.91
7/20/06	9382	ELMER D. BARRETT	515	264.00	Dr	
7/20/06	9382	ELMER D. BARRETT	232	42.69	Cr	
7/20/06	9382	ELMER D. BARRETT	233	16.16	Cr	205.15
7/22/06	9383	MATTHEWS NTER	401	443.84	Dr	
7/22/06	9384	VERIZON	529	89.64	Dr	
7/24/06	9386	ADAMS GRANITE CO	401	317.00	Dr	
7/24/06	9387	BGE	526	416.36	Dr	
7/28/06	9392	CARL LEE CHAPMAN	515	264.00	Dr	
7/28/06	9392	CARL LEE CHAPMAN	232	42.69	Cr	
7/28/06	9392	CARL LEE CHAPMAN	233	16.16	Cr	205.15
7/31/06	9394	COLOMBO STONEWORKS	401	628.00	Dr	
Total 104 Cash In Bank - Checking				11,168.67	Cr	

Payroll Register

Elite Products, Inc.

For The Month Ended July 31, 2006

Century Accounting & Financial Services

900 East Lake Street

Period 7

Any Town, USA 99999

2 ELMER D. BARRETT - ELMER D. BARRETT		1234 OAK DRIVE, ANY TOWN, USA 99999 123-456-7890					
Check #	Date	Gross Pay	Federal Tax	State Tax	Local Tax	Deductions	Net Pay
9349	07/03/06	264.00	42.69	16.16	0.00	0.00	205.15
9377	07/14/06	264.00	42.69	16.16	0.00	0.00	205.15
9382	07/20/06	264.00	42.69	16.16	0.00	0.00	205.15
Period		792.00	128.07	48.48	0.00	0.00	615.45
Quarter		792.00	128.07	48.48	0.00	0.00	615.45
Year		3,960.00	578.11	233.16	0.00	0.00	3,148.73

3 CARL LEE CHAPMAN - CARL LEE CHAPMAN		9876 ELKWOOD ROAD, ANY TOWN, USA 99999 987-654-3210					
Check #	Date	Gross Pay	Federal Tax	State Tax	Local Tax	Deductions	Net Pay
9376	07/13/06	198.00	26.83	11.39	0.00	0.00	159.78
9392	07/28/06	264.00	42.69	16.16	0.00	0.00	205.15
Period		462.00	69.52	27.55	0.00	0.00	364.93
Quarter		462.00	69.52	27.55	0.00	0.00	364.93
Year		4,092.00	568.52	226.36	0.00	0.00	3,297.12

4 SUSAN R. ANDERSON - SUSAN R. ANDERSON		456 BIRCH CT, ANY TOWN, USA 99999 753-86-2413					
Check #	Date	Gross Pay	Federal Tax	State Tax	Local Tax	Deductions	Net Pay
9348	07/03/06	132.00	12.78	4.05	1.72	0.00	113.45
9381	07/20/06	330.00	56.28	20.81	0.00	0.00	252.91
Period		462.00	69.06	24.86	1.72	0.00	366.36
Quarter		462.00	69.06	24.86	1.72	0.00	366.36
Year		3,498.00	518.05	126.06	25.74	0.00	2,828.15

Company Total							
		Gross Pay	Federal Tax	State Tax	Local Tax	Deductions	Net Pay
Period		1,716.00	266.65	100.89	1.72	0.00	1,346.74
Quarter		1,716.00	266.65	100.89	1.72	0.00	1,346.74
Year		11,550.00	1,664.68	585.58	25.74	0.00	9,274.00

TAX PLANNING & PREPARATION

- ✓ Prepare virtually all business and personal tax returns including federal, state and local
- ✓ Analyze your business requirements to plan the most advantageous strategies
- ✓ Prepare sales taxes, payroll taxes and franchise taxes where applicable
- ✓ Compile all necessary forms, including W-2 forms for each of your employees
- ✓ Assist you to meet monthly, quarterly and annual deadlines by readily accessing your accounting information in our system



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