

Sample Proprietorship
Financial Statements

(Un-audited — See Notice to Reader)

for the year ended December 31, 2003

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Notice to Reader

I have compiled the balance sheet of Sample Proprietorship, as at as at Dec-31-2003 and the statements of income, retained earnings, and cash flows for the period Jan-01-2003 to Dec-31-2003 then ended with information provided by management.

I have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that this statement may not be appropriate for their purposes.



John Broer
Dated at Hamilton, ON
Saturday, December 4, 2004

**Sample Proprietorship
BALANCE SHEET**

(Un-audited - See notice to reader)
as at Dec-31-2003

STATEMENT 1

	Dec-2003	Dec-2002
ASSETS		
Current Assets		
Accounts receivables	1,819	0
	<hr/>	<hr/>
	1,819	0
Other assets		
Equipment (note 1)	5,108	5,108
Vehicle (note 1)	19,185	19,185
Accumulated amortization	(17,457)	(14,698)
	<hr/>	<hr/>
	6,836	9,595
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	8,655	9,595
LIABILITIES AND OWNER CAPITAL		
Current liabilities		
Bank and credit indebtedness	10,764	705
Accounts payable	2,607	3,240
Due to government agencies	3,587	2,397
Current portion of long-term debt (note 2)	3,600	3,600
	<hr/>	<hr/>
	20,558	9,942
Long term liabilities		
Long-term debt (note 2)	1,816	5,537
	<hr/>	<hr/>
	1,816	5,537
	<hr/>	<hr/>
	22,374	15,479
Owner's capital		
Owners capital (beginning of year)	(5,884)	653
Net income	36,031	46,933
Owners net contributions (drawings)	(43,866)	(53,470)
	<hr/>	<hr/>
	(13,719)	(5,884)
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	8,655	9,595

On behalf of the board

Director

**Sample Proprietorship
INCOME STATEMENT**

(Un-audited - See notice to reader)
Jan-01-2003 to Dec-31-2003

STATEMENT 2

	Dec-2003	Dec-2002
REVENUE		
Sales	\$ 161,144	\$ 181,411
	161,144	181,411
COST OF SALES		
Materials	60,570	55,671
Fees and permits	1,059	423
Wages	38,972	33,177
Sub-contractors	3,114	26,148
Disposal	1,303	760
Apparel	294	237
	105,312	116,416
GROSS MARGIN	55,832	64,995
EXPENSES		
Advertising and promotion	355	430
Bank charges and interest	769	889
Equipment rental (lease) & small tools	618	760
Insurance	2,011	1,929
Entertainment and Meals	-	73
Office	1,858	1,475
Accounting	370	546
Rent	150	2,294
Telephone	2,010	1,914
Vehicle operating (automotive)	8,901	3,913
Amortization	2,759	3,839
	19,801	18,062
NET INCOME (LOSS) FROM OPERATIONS	36,031	46,933
INVESTMENT INCOME		
NET INCOME (LOSS)	36,031	46,933
Owners capital (beginning of year)	(5,884)	653
Owners net contributions (drawings)	(43,866)	(53,470)
RETAINED EARNINGS (LOSS) END OF YEAR	\$ (13,719)	\$ (5,884)

Sample Proprietorship
STATEMENT OF CASH FLOWS
(Un-audited - See notice to reader)
Jan-01-2003 to Dec-31-2003

STATEMENT 3

	Dec-2003	Dec-2002
OPERATING ACTIVITIES		
Net income	\$ 36,031	\$ 46,932
Accumulated amortization	2,759	3,839
Accounts receivables	(1,819)	4,963
Accounts payable	(632)	(1,724)
Due to government agencies	1,190	(1,280)
	37,529	52,730
FINANCING ACTIVITIES		
Long-term debt (note 2)	(3,721)	(3,600)
Owners net contributions (drawings)	(43,866)	(53,470)
	(47,587)	(57,070)
INVESTING ACTIVITIES		
Equipment (note 1)	0	(482)
	0	(482)
INCREASE (DECREASE) IN CASH AND CASH EQUIVELENTS	(10,058)	(4,822)
BEGINNING BALANCE CASH AND CASH EQUIVELENTS	(706)	4,116
INCREASE (DECREASE) IN CASH AND CASH EQUIVELENTS	(10,058)	(4,822)
ENDING CASH AND CASH EQUIVELENTS	\$ (10,764)	\$ (706)

Sample Proprietorship
 Jan-01-2003 to Dec-31-2003
 (Un-audited - See notice to reader)

NOTES TO THE FINANCIAL STATEMENTS

These financial statements reflect the assets, liabilities, revenues, and expenses of the Proprietorship. They do not include any other assets, liabilities, revenues, or expenses of the owner or the liability of the owner for taxes on earnings of the Proprietorship, nor do they include any provisions for owner's or related party's salary or interest on invested capital. Sample Proprietorship operates a home renovation and construction company.

1. Property, Equipment and Furniture		Year		Prior	
	Cost	Accumulated Amortization	Net Book Value		
1200	Equipment (at cost)	\$ 5,108	4,152	\$ 956	\$ 1,195
1300	Vehicle (at cost)	\$ 19,185	13,305	5,880	8,400
	Total	\$ 24,293	\$ 17,457	\$ 6,836	\$ 9,595

2. Truck loan @ 7.5%		payment	interest	principal	balance
	1-Dec-02				9,016
	1-Jan-03	356.56	56.56	300.00	8,716
	1-Feb-03	354.67	54.67	300.00	8,416
	1-Mar-03	347.67	47.67	300.00	8,116
	1-Apr-03	350.91	50.91	300.00	7,816
	1-May-03	347.44	47.44	300.00	7,516
	1-Jun-03	347.15	47.15	300.00	7,216
	1-Jul-03	343.80	43.80	300.00	6,916
	1-Aug-03	343.38	43.38	300.00	6,616
	1-Sep-03	341.50	41.50	300.00	6,316
	1-Oct-03	338.34	38.34	300.00	6,016
	1-Nov-03	337.74	37.74	300.00	5,716