## New Horizons

**Balance Sheet**

as at December 31, 1997

### CURRENT ASSETS:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$152,350</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>74,000</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>800</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>$227,150</strong></td>
</tr>
</tbody>
</table>

### CAPITAL ASSETS:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Furniture</td>
<td>$5,000</td>
</tr>
<tr>
<td>Less: Accumulated Dep</td>
<td>500</td>
</tr>
<tr>
<td>Office Equipment &amp; Software</td>
<td>41,400</td>
</tr>
<tr>
<td>Less: Accumulated Dep</td>
<td>10,350</td>
</tr>
<tr>
<td><strong>Total Capital Assets</strong></td>
<td><strong>35,550</strong></td>
</tr>
</tbody>
</table>

**Total Assets** $262,700

### LIABILITIES AND SHAREHOLDER'S EQUITY

#### CURRENT LIABILITIES:

<table>
<thead>
<tr>
<th>Liability</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$1,500</td>
</tr>
<tr>
<td>Current Portion of Loan Payable</td>
<td>1,000</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>$12,500</strong></td>
</tr>
</tbody>
</table>

#### LONG TERM LIABILITIES

<table>
<thead>
<tr>
<th>Liability</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Payable</td>
<td>38,000</td>
</tr>
<tr>
<td><strong>Total Long Term Liabilities</strong></td>
<td><strong>38,000</strong></td>
</tr>
</tbody>
</table>

**Total Liabilities** $50,500

#### SHAREHOLDER'S EQUITY

<table>
<thead>
<tr>
<th>Equity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Stock</td>
<td>$250,000</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>(37,800)</td>
</tr>
<tr>
<td><strong>Total ShareHolder's Equity</strong></td>
<td><strong>212,200</strong></td>
</tr>
</tbody>
</table>

**Total Liabilities and Shareholder's Equity** $262,700
New Horizons
Income Statement
for the year ended December 31, 1997

Sales $174,000

Expenses:
Dep Expense - Office $500
Dep Expense - Equipment 10,350
Administrative Salaries Expense 190,000
Advertising Expense 2,000
Interest Expense 3,000
Rent Expenses 1,000
Telephone Expense 100
Heat, Light and Water 200
Insurance 3,000
Office Supplies Expense 1,650
Total Expenses 211,800
Net Loss (37,800)

New Horizons
Statement of Retained Earnings
For the year ended Dec 31, 1997

Retained Earnings Jan 1, 1997 $0.00
Add: Net Loss (37,800)
Retained Earnings Dec 31, 1997 ($37,800)
New Horizons
Statement of Changes in Financial Position for the
Year Ended December 31, 1997

Operating Cash Flow:
Net Loss                      ($37,800)
Net Working Capital for 1997  (62,300)
Depreciation                  10,850

Net Operating Cash Flow          ($89250)

Cash Flow from Capital Spending:
Acquisitions of long-term assets (46,400)
Net Cash Flow from Capital Spending (46,400)

Cash Flows from Financing Activities:
New Non-Current Borrowing               $50,000
Re-payment of Non-Current Borrowing    (12,000)
Capital Contributions               250,000
Net Cash Flows from Financing Activities 288,000

Net Change in Cash and Cash Equivalents  152,350

Cash and Cash Equivalents Dec 31, 1997 $152,350
Cash and Cash Equivalents Jan 1, 1997    0.00
Net Change in Cash and Cash Equivalents $152,350
### New Horizons
#### Balance Sheet
as at December 31, 1998

**CURRENT ASSETS:**
- Cash $175,350
- Accounts Receivable $172,850
- Office Supplies $3,500
- **Total Current Assets** $351,700

**CAPITAL ASSETS:**
- Office Furniture $5,000
  - Less: Accumulated Dep $1,000
  - **Less: Accumulated Dep** $4,000
- Office Equipment & Software $41,400
  - Less: Accumulated Dep $20,700
  - **Less: Accumulated Dep** $20,700
- **Total Capital Assets** $24,700
- **Total Assets** $376,400

**LIABILITIES AND SHAREHOLDER’S EQUITY**

**CURRENT LIABILITIES:**
- Accounts Payable $1,000
- Current Portion of Loan Payable $1,000
- Unearned Revenue $4,350
- **Total Current Liabilities** $6,350

**LONG TERM LIABILITIES**
- Loan Payable $26,000
- **Total Long Term Liabilities** $26,000

**Total Liabilities** $32,350

**SHAREHOLDER’S EQUITY**
- Capital Stock $250,000
- Retained Earnings $94,050
- **Total Shareholder's Equity** $344,050
- **Total Liabilities and Shareholder's Equity** $376,400
New Horizons
Income Statement
for the year ended December 31, 1998

Sales $391,500

Expenses:
Dep Expense - Office $500
Dep Expense - Equipment 10,350
Administrative Salaries Expense 155,000
Advertising Expense 10,000
Interest Expense 3,000
Rent Expenses 1,000
Telephone Expense 100
Heat, Light and Water 200
Insurance 3,000
Office Supplies Expense 1,500
Total Expenses 184,650
Net Income $206,850

New Horizons
Statement of Retained Earnings
For the year ended Dec 31, 1998

Retained Earnings Jan 1, 1998 ($37,800)
Add: Net Income 206,850
Drawings (75,000)
Retained Earnings Dec 31, 1998 $94,050
New Horizons
Statement of Changes in Financial Position for the
Year Ended December 31, 1998

Operating Cash Flow:
Net Income $206,850
Net Working Capital for 1997 (107,700)
Depreciation 10,850

Net Operating Cash Flow $110,000

Cash Flow from Capital Spending:
Acquisitions of long-term assets 0.00
Net Cash Flow from Capital Spending 0.00

Cash Flows from Financing Activities:
Re-payment of Non-Current Borrowing (12,000)
Drawings (75,000)
Net Cash Flows from Financing Activities (87,000)

Net Change in Cash and Cash Equivalents $23,000

Cash and Cash Equivalents Dec 31, 1998 $175,350
Cash and Cash Equivalents Jan 1, 1998 152,350
Net Change in Cash and Cash Equivalents $23,000
New Horizons  
Balance Sheet  
as at December 31, 1999

CURRENT ASSETS:  
Cash                        $145,000  
Accounts Receivable        331,240  
Office Supplies            3,500     
Total Current Assets       479,740  

CAPITAL ASSETS:  
Office Furniture           $25,000  
Less: Accumulated Dep      3,500     21,500  
Office Equipment & Software 41,400  
Less: Accumulated Dep      31,050    10,350  
Total Capital Assets       31,850     
Total Assets               511,590  

LIABILITIES AND SHAREHOLDER'S EQUITY
CURRENT LIABILITIES:  
Accounts Payable          $2,250  
Current Portion of Loan Payable  1,000  
Lease Payable             4,000     
Salaries Payable          12,000    
Unearned Revenue          8,000     
Total Current Liabilities $27,250  

LONG TERM LIABILITIES  
Loan Payable              14,000    
Total Long Term Liabilities 14,000  

Total Liabilities         41,250  

SHAREHOLDER'S EQUITY  
Capital Stock             $250,000  
Retained Earnings         220,340    
Total ShareHolder's Equity 470,340  
Total Liabilities and Shareholder's Equity 511,590
New Horizons
Income Statement
for the year ended December 31, 1999

Sales $627,840

Expenses:
Dep Expense - Office $500
Dep Expense - Equipment 13,850
Administrative Salaries Expense 325,000
Advertising Expense 37,000
Interest Expense 3,000
Rent Expenses 15,000
Telephone Expense 200
Heat, Light and Water 500
Insurance 4,500
Office Supplies Expense 2,000
Total Expenses 401,550
Net Income $226,290

New Horizons
Statement of Retained Earnings
For the year ended Dec 31, 1999

Retained Earnings Jan 1, 1999 $94,050
Add: Net Income 226,290
Drawings (100,000)
Retained Earnings Dec 31, 1999 $220,340
New Horizons
Statement of Changes in Financial Position for the
Year Ended December 31, 1999

Operating Cash Flow:
Net Income $226,290
Net Working Capital for 1997 (138,490)
Depreciation 13,850

Net Operating Cash Flow $101,650

Cash Flow from Capital Spending:
Acquisitions of long-term assets (20,000)

Net Cash Flow from Capital Spending (20,000)

Cash Flows from Financing Activities:
Re-payment of Non-Current Borrowing (12,000)
Drawings (100,000)

Net Cash Flows from Financing Activities (112,000)

Net Change in Cash and Cash Equivalents ($30,350)

Cash and Cash Equivalents Dec 31, 1999 $145,000
Cash and Cash Equivalents Jan 1, 1999 175,350
Net Change in Cash and Cash Equivalents ($30,350)