

Johnny Rose Experience, Inc – “Who is Johnny Rose?”

Below you are shown an extract of the cash budget and a set of assumptions. From this information present Johnny 's owner, AJC, an Income Statement and Balance Sheet for Set-up – July.

	March	April	May	June	July
<b>Budgeted Sales:</b>					
Johnny's 'Big Dadd' Rose Bowl Experience	-	12,000.00	13,200.00	14,520.00	15,972.00
Terminator' Lazer Tag		6,000.00	6,600.00	7,260.00	7,986.00
Justin Beaver' Dance Off	-	3,300.00	3,630.00	3,993.00	4,392.30
Johnny's Awesome Burger	-	5,000.00	5,500.00	6,050.00	6,655.00
<b>Total Revenue</b>	-	<b>23,500.00</b>	<b>25,850.00</b>	<b>28,435.00</b>	<b>34,122.00</b>
Cash Sales	-	7,050.00	7,755.00	8,530.50	10,236.60
Credit Sales	-	16,450.00	18,095.00	19,904.50	23,885.40
<b>Total Sales</b>	-	<b>23,500.00</b>	<b>25,850.00</b>	<b>28,435.00</b>	<b>34,122.00</b>
Cash Sales	—	7,050	7,755	8,531	10,237
Credit Sales lag 1 - 1 month 70%	—	—	11,515	12,667	13,933
Credit Sales lag 2 - 2 months 25%	—	—	—	4,113	4,524
<b>Total Cash Receipts</b>	—	<b>7,050</b>	<b>19,270</b>	<b>25,311</b>	<b>28,694</b>
<b>Ending Inventory:</b>					
Johnny's 'Big Dadd' Rose Bowl Experience 20% / 6	400	440	484	532	
Terminator' Lazer Tag 30% / 4.5	400	440	484	532	
Justin Beaver' Dance Off NONE	—	—	—	—	
Johnny's Awesome Burger 80% / 1.4	2857	3143	3457	3803	
<b>Total Ending Inventory</b>	<b>3657</b>	<b>4023</b>	<del>4205</del> 4425	<del>4625</del> 4867	
<b>Sales - Cost - COGS</b>					
Johnny's 'Big Dadd' Rose Bowl Experience / 6	—	2000	2200	2420	2662
Terminator' Lazer Tag / 4.5	—	1333	1467	1613	1775
Justin Beaver' Dance Off / 5	—	660	726	799	878
Johnny's Awesome Burger / 1.4	—	3571	3929	4321	4754
<b>Total amount of Sales = COGS</b>	—	<b>7564</b>	<b>8322</b>	<b>9153</b>	<b>10,069</b>
<b>Beginning Inventory:</b>					
Johnny's 'Big Dadd' Rose Bowl Experience	—	400	440	484	532
Terminator' Lazer Tag	—	400	440	484	532
Justin Beaver' Dance Off	—	—	—	—	—
Johnny's Awesome Burger	—	2857	3143	3457	3803
<b>Total Beginning Inventory</b>	—	<b>3657</b>	<b>4023</b>	<del>4205</del> 4425	<del>4625</del> 4867

	March	April	May	June	July
<b>Budgeted Purchases:</b>					
Johnny's 'Big Dadd' Rose Bowl Experience	400	2040	2244	2469	
Terminator' Lazer Tag	400	1373	1511	1661	
<del>Tiger Putt Putt</del> Justin Beaver	—	660	726	799	
Johnny's Awesome Burger	2857	3857	4243	4667	
<b>Total Budgeted Purchases</b>	<b>3657</b>	<b>7930</b>	<b>8704</b> 284	<b>9504</b> 95	
Cash Payments 10%	366	793	872	959	
Inventory A/P lag 1 x .72	—	2633	5710	6281	
Inventory A/P lag 2 x .18	—	—	658	1427	
<b>Total Cash Payments Inventory</b>	<b>366</b>	<b>3426</b>	<b>7240</b>	<b>8667</b>	
<b>Fixed Expenses Budget</b>					
<b>PP&amp;E Purchases</b>					
Justin Beaver Disc	—	—	—	42,250	—
Kitchen Equip	—	—	52,600	—	—
Lazer Tag Facility	—	—	—	—	28,400
Football Simulator	—	—	45,000	—	—
<b>Total PP&amp;E</b>	—	—	6,080	—	—
Patent Expense	4,000	—	—	—	—
Supplies Expense	—	—	—	3525	3102
Rent Expense	5,100	1000	2000	1800	1500
Truck lease	—	—	900	600	700
Wages	2200	2300	1900	1700	2300
Suppl meal expense	—	—	1400	900	700
Insurance	8,500	—	—	—	—
Commissions	—	—	—	9334	—
Talent Agent	—	—	900	500	600
Loan Payment	—	—	580	580	580
<b>Total Payments for Fixed</b>	<b>- (19,800)</b>	<b>(3300)</b>	<b>(111,280)</b>	<b>(51,189)</b>	
Note Payable	+	+30,000			
Owner Contribution	+	300,000			
<b>Total Cash Receipts</b>	<b>+</b>	<b>7050</b>	<b>19270</b>	<b>25311</b>	<b>28694</b>
<b>Total Cash Payments for Inventory</b>	<b>- (366)</b>	<b>(3426)</b>	<b>(7240)</b>	<b>(8667)</b>	
<del>Total Cash Payments for Inventory</del>					
<b>Change in Cash</b>	<b>= 279,834</b>	<b>30,324</b>	<b>(99,250)</b>	<b>(44,545)</b>	
Beginning Cash	—	279,834	310,158	210,908	
<b>Ending Cash Balance</b>	<b>279,834</b>	<b>310,158</b>	<b>210,908</b>	<b>166,363</b>	

Jonny Rose's - Who is Johnny Rose?

Balance Sheet

For the start-up period through June

Current Assets	March	April	May	June
Cash	279,834	310,158	210,908	166,363
Prepaid Rent	3,700	2900	3000	3800
Prepaid Ins.	7,792	7084	6376	5668
Inventory	3657	4023	4425	4867
Prepaid Royalties			4,000	2000
A/R		16,450	23030	26,194
allowance for DA		(823)	(1728)	(2723)
<b>Total Current Assets</b>	<b>294,983</b>	<b>339,792</b>	<b>250,011</b>	<b>206,129</b>
<b>L-T Assets</b>				
Total Assets	—	168,250	168,250	168,250
Accu. dep.	—	(2018)	(4036)	(6054)
Patent	4,000	4,000	4,000	4,000
<b>Total L-T Assets</b>	<b>298,983</b>	<b>510,024</b>	<b>418,225</b>	<b>312,325</b>
<b>Total Assets</b>				
<b>Current Liabilities</b>				
AP - Supplies	—	3525	7403	8143
AP - Truck lease	900	1500	1300	1500
AP - Super meal	1400	2300	1600	1200
AP - talent agent	900	1400	1100	1600
AP - Commerciant	—	2820	5922	—
AP - Purchases	3291	7795	9279	10207
AP - Loan	—	580	580	580
AP - Equipment		168,250	70,650	28,400
<b>Total Current Liabilities</b>	<b>6491</b>	<b>188,570</b>	<b>97,834</b>	<b>51,630</b>
<b>L-T Liabilities</b>				
Loan payable	—	29,570	29,138	28,704
<b>Total L-T Liabilities</b>	<b>217,740</b>	<b>126,972</b>	<b>80,334</b>	
<b>Total Liabilities</b>				
<b>Owner's Equity</b>				
Owner's Contribution	300,000	300,000	300,000	300,000
Retained Earnings	(7,508)	(7,716)	(8,747)	(8,009)
<b>Total Owner's Equity</b>	<b>292,492</b>	<b>291,253</b>		
<b>Total Liabilities &amp; Equity</b>	<b>298,983</b>	<b>510,024</b>	<b>418,225</b>	<b>312,325</b>

Balance??? A-L+E=0

Prepaid = Amount paid - amount used

4/26/15