

**Prob. 1–3A**

1.

**OMH COMPUTER SERVICES**  
**Income Statement**  
**For the Month Ended July 31, 2010**

<b>Fees earned .....</b>		<b>\$ 41,250</b>
<b>Expenses:</b>		
<b>Salaries expense .....</b>	<b>\$ 10,000</b>	
<b>Rent expense .....</b>	<b>9,000</b>	
<b>Auto expense .....</b>	<b>3,875</b>	
<b>Supplies expense .....</b>	<b>1,625</b>	
<b>Miscellaneous expense .....</b>	<b>1,875</b>	
<b>Total expenses .....</b>		<b><u>26,375</u></b>
<b>Net income .....</b>		<b><u>\$ 14,875</u></b>

2.

**OMH COMPUTER SERVICES**  
**Statement of Owner's Equity**  
**For the Month Ended July 31, 2010**

<b>Doug Van Buren, capital, July 1, 2010 .....</b>		<b>\$ 0</b>
<b>Investment on July 1, 2010 .....</b>	<b>\$25,000</b>	
<b>Net income for May .....</b>	<b>14,875</b>	
	<b><u>\$39,875</u></b>	
<b>Less withdrawals .....</b>	<b>5,000</b>	
<b>Increase in owner's equity .....</b>		<b><u>34,875</u></b>
<b>Doug Van Buren, capital, July 31, 2010 .....</b>		<b><u>\$34,875</u></b>

3.

**OMH COMPUTER SERVICES**  
**Balance Sheet**  
**July 31, 2010**

<u><b>Assets</b></u>		<u><b>Liabilities</b></u>	
<b>Cash .....</b>	<b>\$ 16,500</b>	<b>Accounts payable .....</b>	<b>\$ 2,350</b>
<b>Accounts receivable .....</b>	<b>18,750</b>		
<b>Supplies .....</b>	<b><u>1,975</u></b>		
		<u><b>Owner's Equity</b></u>	
		<b>Doug Van Buren, capital .....</b>	<b><u>34,875</u></b>
<b>Total assets .....</b>	<b><u>\$ 37,225</u></b>	<b>Total liabilities and owner's equity .....</b>	<b><u>\$ 37,225</u></b>

**Prob. 1–3A Concluded**
**4. (Optional)**

**OMH COMPUTER SERVICES**  
**Statement of Cash Flows**  
**For the Month Ended July 31, 2010**

<b>Cash flows from operating activities:</b>		
Cash received from customers .....	\$ 22,500	
Deduct cash payments for expenses and payments to creditors .....	<u>26,000*</u>	
Net cash flow from operating activities .....		\$ (3,500)
Cash flows from investing activities: .....		0
<b>Cash flows from financing activities:</b>		
Cash received as owner's investment .....	\$ 25,000	
Deduct cash withdrawal by owner .....	<u>5,000</u>	
Net cash flow from financing activities .....		<u>20,000</u>
Net cash flow and July 31, 2010, cash balance .....		<u><u>\$ 16,500</u></u>
*\$9,000 + \$1,250 + \$5,750 + \$10,000		