


Super Summer Swimming Camp

Please read the entire case and all the instructions *carefully!*

Super Summer Swimming Camp is a summer business owned and operated by Sean Sangster. The camp provides competitive swimming lessons for swimmers aged 8 to 22.

The fiscal period for the camp is the calendar year. This case covers two fiscal years.

The opening balance sheet is:

	Super Summer Swimming Camp Balance Sheet January 1, 2012
ASSETS	
Cash	\$122,000
Truck	\$36,000
Less: Accumulated Depreciation – Truck	<u>12,000</u>
Total Assets	<u>\$146,000</u>
LIABILITIES	
Bank Loan	\$60,000
OWNER'S EQUITY	
S. Sangster, Capital	<u>\$ 86,000</u>
Total Liabilities & Owner's Equity	<u>\$146,000</u>

Transactions for the first season are as follows:

2012

May 1

Cash Purchase: Sean pre-pays rent (for the pool he uses) for 20 months. He pays \$10,000 plus HST.

June 1

Purchase Invoice: Sean purchases life jackets on account from Water Safety Co. for \$1500 plus HST.

June 15

Cash Purchase: Sean puts some advertising in the paper and online. It costs him \$1700 plus HST.

June 30

Purchase Invoice: Sean buys a bunch of supplies, on account from Swimmers R Us. He pays \$4000 plus HST.

July 1

Cash Sale: Registration for the summer takes place. 400 swimmers sign up for lessons, each paying \$400, plus HST.

July 15

Cash Purchase: There are \$2900 in miscellaneous expenses for the business. (plus HST) All are paid in cash.

June 15

Sean goes to the bank and pays down his loan by \$25,000.

August 15

Sean withdraws \$500 from his business for his personal use.

August 29

Cash Expenditure: An end of the year swimming competition is held. It costs \$1130 in total (including HST). It is all paid in cash.

August 31

Wages are paid to employees. The total is \$12,578

September 1

Sean calculates and remits his HST to the government.

Additional Information:

*The value of supplies on hand, at the end of the year, is \$1500.

*Depreciation of the truck is calculated on a straight-line basis. It has a five year useful life with \$6,000 residual value.

Transactions for the second season are as follows:

2013

May 2

Sean purchases a new Water Trampoline for \$10,000 (+ HST), on account, from Big Toys Inc.

June 1

Purchase Invoice: Sean purchases more life jackets on account from Water Safety Co. for \$800 plus HST.

June 2

Some of the old life jackets have worn out. \$235 worth of jackets are thrown out.

June 15

Cash Purchase: Sean puts some more advertising in the paper and online. It costs him \$1100 plus HST.

June 28

Purchase Invoice: Sean buys a few more supplies, on account from Swimmers R Us. He pays \$2100 plus HST.

June 30

Sean pays off his account at Swimmers R Us.

July 1

Cash Sale: Registration for the summer takes place. 512 swimmers sign up for lessons, each paying \$400, plus HST.

July 15

Cash Purchase: There are \$900 in miscellaneous expenses for the business. (plus HST) All are paid in cash.

August 15

Sean withdraws \$900 from his business for his personal use.

August 16

Sean pays down his bank loan by another \$30,000.

August 29

Cash Expenditure: Another end of the year swimming competition is held. It costs \$2260 in total (including HST). It is paid in cash.

August 31

Wages are paid to employees. The total is \$8,344

September 1

Sean calculates and remits his HST to the government.

Additional Information:

*The value of supplies on hand, at the end of the year, is \$433.

*Depreciation of the truck is calculated as before.

*Depreciation of the new water trampoline is straight line, over 4 years. There is no salvage value.

Case Requirements

2012

- Create a General Journal for Super Swim. Do the necessary journal entries for each transaction.
- Create a General Ledger and post your journal entries to it. (Not a T Account ledger)
- Take off a trial balance. (Make sure it balances!)
- Do any necessary Adjusting Entries in your general journal and post them to your ledger.
- Prepare an Income Statement.
- Journalize the closing entries and post these to your ledger.
- Prepare a post-closing Trial Balance. (Make sure it balances!)
- Prepare a classified balance sheet. (See page 270 in the text for an example.)
 - *Note: You do not need the 'Expanded Equity' section any more.*

2013

- Create a second page in your General Journal. Do the necessary journal entries for each transaction.
- Continue using your General Ledger, and post your journal entries to it.
- Take of a Trial Balance.
- Do any necessary Adjusting Entries in your general journal and post them to your ledger.
- Prepare an Income Statement.
- Journalize the closing entries and post these to your ledger.
- Prepare a post-closing Trial Balance.
- Prepare a classified balance sheet.

Additional Items

- Prepare two pie graphs that show a breakdown of Expenses for each year.
- Comment on any apparent differences.
- Prepare a line graph that plots both Revenue and Expenses over the two years.
- Comment on any trends you feel are important.
- Prepare a Comparative Balance Sheet for 2012 & 2013. (See page 272 in the text.)

Hand In Instructions

1 - All documents, journal entries, ledger accounts, etc. must be handed in **or** shared electronically.

2 – The 'Additional Items', asked for above, must be handed in, **in paper**. Please use a manilla envelope, if possible. (*Please put who the assignment is for, the name of the assignment, and who it is from, on the envelope.*)