Doug Maltbee formed a lawn service business as a summer job. To start the business on May 1, he deposited $1,000 in a new bank account in the name of the proprietorship. The $1,000 consisted of a $600 loan from his father and $400 of his own money. Doug rented lawn equipment, purchased supplies, and hired fellow students to mow and trim his customer's lawns.

At the end of each month, Doug mailed bills to his customers. On August 31, he was ready to dissolve the business and return to Louisiana State University for the fall semester. Because he was so busy, he kept few records other than his checkbook and a list of amounts owed to him by customers.

At August 31, Doug's checkbook shows a balance of $690, and his customers still owe him $500. During the summer, he collected $4,250 from customers. His checkbook lists payments for supplies totaling $400, and he still has gasoline, weedeater cord, and other supplies that cost a total of $50. He paid his employees $1,900, and he still owes them $200 for the final week of the summer.

Doug rented some equipment from Scholes Machine Shop. On May 1, he signed a six-month lease on mowers and paid $600 for the full lease period. Scholes will refund the unused potion of the prepayment if the equipment is in good shape. To get the refund, Doug has kept the mower in excellent condition. In fact, he had to pay $300 to repair a mower.

To transport employees and equipment to jobs, Doug used a trailer that he bought for $300. He figures that the summer's work used up one-third of the trailer's service potential. The business checkbook lists a payment of $460 for cash withdrawals by Doug during the summer. Doug paid his father back during August.

Prepare the income statement of Maltbee Lawn Service for the four months May through August.

Prepare the classified balance sheet of Maltbee Lawn Service at August 31.

Prepare Owner's Equity Statement