Sinclair Services Company’s balance sheet at 12/31/14 is as follows: (All accounts have normal balances)

|  |  |  |  |
| --- | --- | --- | --- |
| Cash | $18,000 | Common Stock | 35,000 |
| Accounts Receivable | 12,000 | Retained Earnings | 5,800 |
| Equipment \*\* | 18,000 |  |  |
| Accumulated Depreciation | 7,200 |  |  |
| Total Assets | 40,800 | Total Liabilities and Equity | 40,800 |

\*\* the single piece of equipment was purchased and placed in service on 1/1/14

During 2015, the company experienced the following:

1. Acquired an additional $400,000 from the issue of common stock.
2. On January 1, purchased land and a building for $300,000. The appraised values of the land was $80,000 and the building was $240,000. Sinclair uses straight line depreciation for the building. The company estimates that the building will have a 30-year useful life and a $36,000 salvage value.
3. Performed services during the year for $200,000 on account.
4. Collected $180,000 of accounts receivable.
5. Purchased a delivery van with a list price of $36,000. The company received a $2,000 discount off of the list price for paying cash and also paid $900 in sales tax. The company estimates that the van will be driven 150,000 miles over its 5-year useful life, and that the van will have a $4,000 salvage value at the end of its useful life. Sinclair uses units-of-production depreciation for the van.
6. Paid $110,000 cash in operating expenses.
7. Recorded depreciation on the building.
8. Recorded depreciation on the van. The van was driven 40,000 miles in 2014.
9. Recorded depreciation on the equipment. The company uses the double-declining balance depreciation method for the equipment. The company estimates that the equipment will have a 5-year useful life and a $2,000 salvage value.