



Accumulated Depreciation Balance Sheet Example



The following accumulated depreciation balance sheet example will allow you to visualize how to depreciate your business assets and how they look on a balance sheet. This depreciation sample uses a 3 year projection scenario.

The sample depreciation schedule uses a straight line depreciation method which will keep things simple and easy to understand. First, take a look at the accumulated depreciation balance sheet example and compare it to the sample balance sheet. You will see how the depreciation is calculated and where it belongs on a balance sheet.

Please remember that this accumulated depreciation balance sheet example uses a fictional company and scenario. Any business, person or location resemblance is coincidental.

This accumulated depreciation balance sheet example can be used as a reference but please, do not resell as your own or for other commercial purposes. This sample depreciation schedule is property of Cambium Indigenous Professional Services.

If you or your community needs assistance developing a professional business plan, strategic plan or community development plan, please contact Cambium Indigenous Professional Services at:

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Accumulated Depreciation Balance Sheet Example

Green Machine Landscaping

Depreciation Schedule

		Year 1 Ending	Year 2 Ending	Year 3 Ending
Office Equipment & Furniture	\$1,000			
Useful Life	<u>5</u>	\$200	\$200	\$200
Property Maintenance	\$47,270			
Useful Life	<u>10</u>	\$4,727	\$4,727	\$4,727
Interlock / Construction	\$34,000			
Useful Life	<u>15</u>	\$2,267	\$2,267	\$2,267
Vehicle	\$38,000			
Useful Life	<u>5</u>	\$7,600	\$7,600	\$7,600
Other	\$1,600			
Useful Life	<u>5</u>	<u>\$320</u>	<u>\$320</u>	<u>\$320</u>
Total Depreciation		<u>\$ 15,113.67</u>	<u>\$ 15,113.67</u>	<u>\$ 15,113.67</u>

*Depreciation costs were calculated using a straight line method over the useful life of each asset. On the following page there is a balance sheet example which will show you where the depreciation line items belongs.

Small Business Balance Sheet Example

Green Machine Landscaping 3 Year Projected Balance Sheets

	Opening	Year 1 Ending	Year 2 Ending	Year 3 Ending
Assets				
Current Assets				
Cash	\$3,130	\$43,203	\$77,665	\$117,932
Inventory	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Total Current Assets	\$3,130	\$43,203	\$77,665	\$117,932
Fixed Assets				
Office Equipment and Furniture	\$1,000	\$1,000	\$1,000	\$1,000
Property Maintenance Assets	\$47,270	\$47,270	\$47,270	\$47,270
Interlock Construction Assets	\$34,000	\$34,000	\$34,000	\$34,000
Vehicle	\$38,000	\$38,000	\$38,000	\$38,000
Other Assets	\$1,600	\$1,600	\$1,600	\$1,600
Less: Accumulated Depreciation	\$0	\$15,114	\$30,227	\$45,341
Plus: Land				
Total Fixed Assets	\$121,870	\$106,756	\$91,643	\$76,529
Total Assets	<u>\$125,000</u>	<u>\$149,959</u>	<u>\$169,307</u>	<u>\$194,461</u>
Liabilities				
Current Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Current Portion of Loan	\$6,941	\$7,517	\$8,140	\$8,816
Long-Term Liabilities				
Long-Term Portion of Debt	<u>\$55,560</u>	<u>\$48,043</u>	<u>\$39,903</u>	<u>\$31,087</u>
Total Liabilities	\$62,500	\$55,560	\$48,043	\$39,903
Owner's / Partner's Equity				
Aboriginal Business Canada	\$50,000			
Contributed Equity	\$0			
Cash Equity	\$12,500			
Beginning Equity	\$0	\$62,500	\$94,400	\$121,264
Net Income	\$0	\$59,790	\$56,865	\$63,294
Less: Owner's or Partner's Draws	\$0	<u>\$27,890</u>	<u>\$30,000</u>	<u>\$30,000</u>
Total Owner's or Partner's Equity	\$62,500	\$94,400	\$121,264	\$154,558
Total Equity and Liabilities	<u>\$125,000</u>	<u>\$149,959</u>	<u>\$169,307</u>	<u>\$194,461</u>

Depreciation is located under "Fixed Assets" and uses a straight line accumulated depreciation method. To calculate, simple carry the depreciation for your assets forward on a year over year basis.



This accumulated depreciation balance sheet example is a 3 year projection and will help you visualize your capital depreciation using a straight line depreciation method. In addition, this depreciation example will show you where on the balance sheet this line item belongs. Please use this accumulated depreciation balance sheet example as a template or outline for your business.

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