

QTC Inc
Balance Sheet
12/31/2007

	12/31/2007 (000's)	12/31/2006 (000's)
ASSETS		
<u>Current Assets</u>		
Cash	650	-
Accounts Receivable, net	2,540	1,860
Prepaid expenses and other inventory	120	100
Inventory	1,410	1,350
Total current assets	<u>4,720</u>	<u>3,310</u>
<u>Fixed Assets</u>		
Property, plant & equipment	15,410	16,320
TOTAL ASSETS	<u>20,130</u>	<u>19,630</u>
LIABILITIES & EQUITY		
<u>Current Liabilities</u>		
Short Term borrowings	500	500
Cash	-	700
Accounts payable	1,930	1,810
Taxes payable	210	200
Other current liabilities	370	440
Total Current Liabilities	<u>3,010</u>	<u>3,650</u>
<u>Long Term Liabilities</u>		
Long Term borrowings	3,500	5,000
<u>Capital & Reserves</u>		
Capital	200	200
Retained earnings	13,420	10,780
Total Stockholders equity	<u>13,620</u>	<u>10,980</u>

TOTAL EQUITY & LIABILITIES

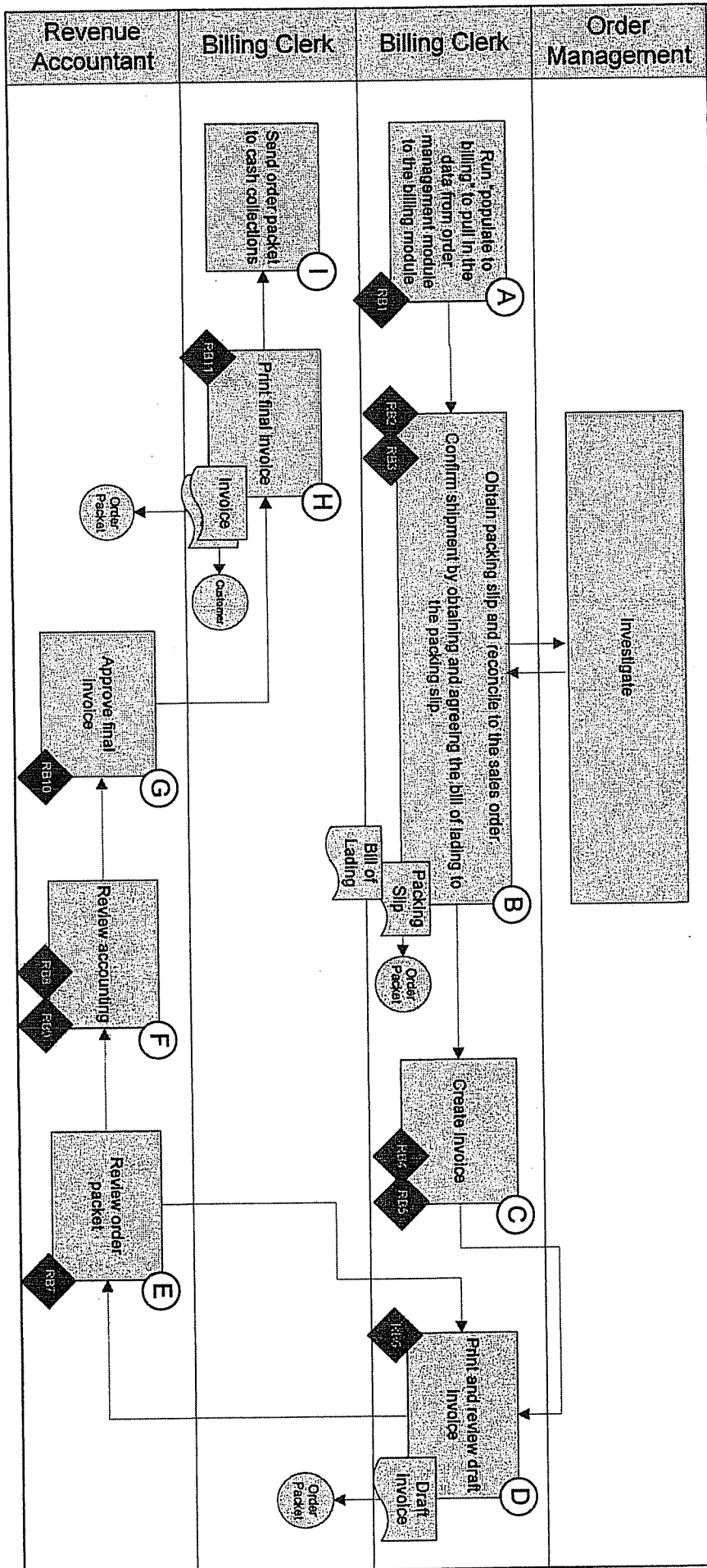
20,130

19,630

QTC Inc
Income Statement
12/31/2007

	12/31/2007 (000's)	12/31/2006 (000's)
Revenue	43,660	41,650
Cost of Sales	30,980	28,740
Gross profit	12,680	12,910
GP %	29.0%	31.0%
Payroll expense	4,060	3,800
Depreciation	1,600	1,400
Operating expense	1,990	1,830
Profit from operations	5,030	5,880
Operating profit %	11.5%	14.1%
Non-operating income and expense - net	0	40
finance income and expense - net	(1,500)	(1,680)
Profit before tax	3,530	4,240
Provision for income taxes	890	1,200
Net profit	2,640	3,040
NP %	6.0%	7.3%

QTC
Revenue & Receivables Cycle
Billing Process



CIC	
CORPORATE	
REVENUE ACCOUNTS RECEIVABLE	
REVENUE & RECEIVABLES	

Complete Summary by Key Control
Independently tested by PAC

High	Integrated Audit: Reference is placed on both automated and manual controls, therefore ITGCs will be tested. The revenue & receivables cycle is a high risk process, therefore a high level assurance is to be obtained from controls
High	
Effective	
No	No exceptions

Ref. No.	Key controls (or those considered to potentially be key) (Include any Direct C/Cs)	C	A	V	R	C	E/O	NO	V/A	P/O	Com- plex	Auto. vs Man.	Prev. vs. Bal.	Pres.	Walkthrough procedure(s)	Walkthrough evidence	Key controls	If deemed appropriate, document specific comments on testing approach where different from rationalis above	Bst	None	Timing	Event	Use of other controls	Detail validation procedures and results of testing	Detail validation procedures for updates and reversals of testing	Exception noted (Date to 300 & specify ref #)
R81	Provides to billing process automatically pulls the data from the order management module to the billing module The packing slip is reconciled to the sales order. Statement is confirmed. The system requires unique invoice numbers. Access to the billing module is restricted to the billing department.	C	A	V			C		V/A		A		Prev.													
R82		C	A				C		V/A		M		Prev. > D													
R83		A	V				E/O		V/A		M		Prev. > D													
R84		C	A				C		V/A		A		Prev.													
R85							R	C	E/O		V/A		A	Prev.												
R86	Review of printed invoice by the billing dept.	A							V/A		M		Prev. > D													
R87	Review of the order packet by revenue accountant.	A	V				E/O	R/O	V/A		M		Prev. > D													
R88	Revenue recognition review performed by the revenue accountant	C	A	V			C	E/O	R/O	V/A	M		Prev. > D													
R89	Issued action for delinquent invoices was reviewed and approved by the accounting manager.	A	V				E/O		V/A		M		Prev. > D													
R90	The approve final invoice function in the system is restricted to the revenue accountant.						R	C	E/O		V/A	A	Prev.													
R91	Once an invoice has been finalized the system does not allow changes						R	C	E/O		V/A	A	Prev.													

Sugar Junkies

PURCHASE ORDER

Date: APRIL 26, 2006
PO # 10417

Vendor

QTC

Ship To

301 Madison Avenue
New York City, NY 10017
1-646-123-4567

Marsha Hunter
Sugar Junkies
2450 Michigan Avenue
Chicago, IL 65110
1-750-765-4321
Vendor ID 1086

Shipping Method

Shipping Terms

Delivery Date

US Freight	FOB Shipping Point	5/10/2006
------------	--------------------	-----------

Qty	Item #	Description	Job	Unit Price	Line Total
100	X9847	White Chocolate		74.94	7,494.00
190	Y2337	Dark Chocolate		59.19	11,246.10
175	Z4142	Mint Chocolate		53.64	9,387.00
Subtotal					28,127.10
Sales Tax					2,250.17
Total					30,377.27

1. Please send two copies of your invoice.
2. Enter this order in accordance with the prices, terms, delivery method, and specifications listed above.
3. Please notify us immediately if you are unable to ship as specified.
4. Send all correspondence to:

Marsha Hunter
Sugar Junkies
2450 Michigan Avenue
Chicago, IL 65110
1-750-765-4321

Authorized by
Kay Walker

Date
4/26/2006

Sugar Junkies, 301 Madison Avenue, New York, NY 10017, Phone 1-750-765-4321

LM I - 3.1 - 1086 - PURCHASE ORDER

SALES ORDER

QTC

SO45127

QTC

301 Madison Avenue
New York City, NY 10017
1-646-123-4567

Date: APRIL 26, 2006

TO Marsha Hunter
Sugar Junkies
2450 Michigan Avenue
Chicago, IL 65110
1-750-765-4321
Vendor ID 1086

SHIP TO Marsh Hunter
Sugar Junkies
2450 Michigan Avenue
Chicago, IL 65110
1-750-765-4321
Vendor ID 1086

SALESPERSON	JOB	SHIPPING METHOD	SHIPPING TERMS	DELIVERY DATE
S. SAYLES	SUGAR JUNKIES	FOB SHIP	US FREIGHT	5/10/2006

QTY	ITEM #	DESCRIPTION	UNIT PRICE	DISCOUNT	LINE TOTAL
100	X9847	White Chocolate	74.94		7,494.00
190	Y2337	Dark Chocolate	59.19		11,246.10
175	Z4142	Mint Chocolate	53.64		9,387.00
			TOTAL DISCOUNT		
			SUBTOTAL		28,127.10
			SALES TAX		2,250.17
			TOTAL		30,377.27

Approved by:

Christine Glee

LM1-3.2-1086-SALES ORDER

PACKAGING SLIP

QTC

PS230

QTC
301 Madison Avenue
New York City, NY 10017
1-646-123-4567

Date: MAY 10, 2006

SHIP TO Marsha Hunter
Sugar Junkies
2450 Michigan Avenue
Chicago, IL 65110
1-750-765-4321
Vendor ID 1086

BILL TO Marsha Hunter
Sugar Junkies
2450 Michigan Avenue
Chicago, IL 65110
1-750-765-4321
Vendor ID 1086



ORDER DATE	ORDER NUMBER	JOB
4/26/2006	10417	SUGAR JUNKIES

ITEM #	DESCRIPTION	QUANTITY
X9847	White Chocolate	100
Y2337	Dark Chocolate	190
Z4142	Mint Chocolate	175

Please contact Customer Service at 1-646-123-4567 with any questions or comments.

THANK YOU FOR YOUR BUSINESS!

LM-1 - 3.3 - 1086 - PACKING SLIP

SHIP FROM				Bill of Lading Number:					
OTC 1 Madison Avenue New York City, NY 10017 46-123-4567									
SHIP TO				Carrier Name:					
Marsha Hunter Sugar Junkies 2450 Michigan Ave Chicago, IL 65110				Trailer number: 55 Serial number(s): 769XYZ					
THIRD PARTY FREIGHT CHARGES BILL TO				SCAC:					
QTC 301 Madison Avenue New York City, NY 10017 1-646-123-4567				Pro Number: 					
Special Instructions:				Freight Charge Terms (Freight charges are prepaid unless marked otherwise):					
				Prepaid <input checked="" type="checkbox"/> Collect <input type="checkbox"/> 3rd Party <input type="checkbox"/> <input type="checkbox"/> Master bill of lading with attached underlying bills of lading.					
CUSTOMER ORDER INFORMATION									
Customer Order No.			# of Packages	Weight	Pallet/Slip (circle one)	Additional Shipper Information			
XYZ999999999999-01			3	50LBS	Y N				
					Y N				
					Y N				
					Y N				
and Total									
CARRIER INFORMATION									
Handling Unit		Package					LTL Only		
Qty	Type	Qty	Type	Weight	HM (X)	Commodity Description		NMFC No.	Class
		3	A	50LBS		Chocolate <small>Commodities requiring special or additional care or attention in handling or stowing must be so marked and packaged as to ensure safe transportation with ordinary care. See Section 2(e) of NMFC Item 360</small>			

Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property as follows: "The agreed or declared value of the property is specifically stated by the shipper to be not exceeding \$35,000."

COD Amount: \$ NA
 Fee terms: Collect ☐ Prepaid ☒ Customer check acceptable ☐

Note: Liability limitation for loss or damage in this shipment may be applicable. See 49 USC § 14706(c)(1)(A) and (B).

Received, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications, and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.	The carrier shall not make delivery of this shipment without payment of charges and all other lawful fees. Shipper Signature Colleen Kip
---	--

Shipper Signature/Date Colleen Kip 5/10/2006 <small>is to certify that the above named materials are properly classified, packaged, marked, and labeled, and are in proper condition for transportation according to the applicable regulations of the DOT.</small>	Trailer Loaded: <input type="checkbox"/> By shipper <input checked="" type="checkbox"/> By driver	Freight Counted: <input type="checkbox"/> By shipper <input type="checkbox"/> By driver/pallets said to contain <input checked="" type="checkbox"/> By driver/pieces	Carrier Signature/Pickup Date Carol Cary 5/10/2006 <small>Carrier acknowledges receipt of packages and required placards. Carrier certifies emergency response information was made available and/or carrier has the DOT emergency response guidebook or equivalent documentation in the vehicle. Property described above is received in good order except as noted.</small>
---	--	--	---



Manage Orders

Customer:	Sugar Junkies	Order ID:	16
Employee:	Sayles, Sally	Order Date:	4/26/2006
Shipping Method:	UPS Ground	PO Number:	40417

Comments:

Product	Unit	Extended Price:
White Chocolate	0.00%	
Dark Chocolate	0.00%	
Mint Chocolate	0.00%	
*	0.00%	

ERROR121: invoice is not unique

Ship Date:	5/10/2006	Order Subtotal:	
Sales Tax Rate:	0.08%	Shipping & Handling:	\$0.00
Payment Received?	<input type="checkbox"/>	Sales Tax:	\$0.00
		Order Total:	\$0.00

LM I - 3.5 - 1086 - ERROR121

INVOICE

QTC

INV44330

QTC
301 Madison Avenue
New York City, NY 10017
1-646-123-4567

Date: MAY 10, 2006

TO Marsha Hunter
Sugar Junkies
2450 Michigan Avenue
Chicago, IL 65110
1-750-765-4321
Vendor ID 1086

SHIP TO Marsha Hunter
Sugar Junkies
2450 Michigan Avenue
Chicago, IL 65110
1-750-765-4321
Vendor ID 1086

SALESPERSON	JOB	SHIPPING METHOD	SHIPPING TERMS	DELIVERY DATE	PAYMENT TERMS	DUE DATE
S. SAYLES	SUGAR JUNKIES	FOB SHIP	US FREIGHT	5/10/2006	2/10/30	6/10/2006

QTY	ITEM #	DESCRIPTION	UNIT PRICE	DISCOUNT	LINE TOTAL
100	X9847	White Chocolate	74.94		7,494.00
190	Y2337	Dark Chocolate	59.19		11,246.10
175	Z4142	Mint Chocolate	53.64		9,387.00
			TOTAL DISCOUNT		
			SUBTOTAL		28,127.10
			SALES TAX		2,250.17
			TOTAL		30,277.27

AB

Make all checks payable to QTC
THANK YOU FOR YOUR BUSINESS!
LM1-3.6-1086 DRAFT INVOICE



Manage Orders

Customer:	Sugar Junkies	Order ID:	16
Employee:	Sayles, Sally	Order Date:	4/26/2006
Shipping Method:	UPS Ground	PO Number:	40417

Comments:

	P	Extended Price:
White Chocolate		
Dark Chocolate		
Mint Chocolate		
*		

ERROR999: not authorized to perform function

Ship Date:	5/10/2006	Order Subtotal:	
Sales Tax Rate:	0.08%	Shipping & Handling:	\$0.00
Payment Received?	<input type="checkbox"/>	Sales Tax:	\$0.00
		Order Total:	\$0.00

LM I - 3.7 - 1086 - ERROR999

QTC	Revenue Recognition Check List	
		Date:
Purchase Order	10417	MAY 10, 2006
Sales order	SO45127	
Packing Slip	PS230	
Bill of Lading	XYZ99999999999999-01	
Invoice	INV44330	

	Per SAB 104, revenue generally is realized or realizable and earned when all of the following criteria are met:	Y/N
1	Persuasive evidence of an arrangement exists,	Y
2	Delivery has occurred or services have been rendered,	Y
3	The seller's price to the buyer is fixed or determinable, and	Y
4	Collectibility is reasonably assured	Y

	Follow up
	NA

Completed by:	SW
Reviewed by:	DP

INVOICE

QTC

INV44330

QTC

301 Madison Avenue
New York City, NY 10017
2450 Madison Avenue
Chicago, IL 65110
1-646-123-4567

Date: MAY 10, 2006

TO Marsha Hunter
Sugar Junkies
2450 Michigan Avenue
Chicago, IL 65110
1-750-765-4321
Vendor ID 1086

SHIP TO Marsha Hunter
Sugar Junkies
2450 Michigan Avenue
Chicago, IL 65110
1-750-765-4321
Vendor ID 1086

SALESPERSON	JOB	SHIPPING METHOD	SHIPPING TERMS	DELIVERY DATE	PAYMENT TERMS	DUE DATE
S. SAYLES	SUGAR JUNKIES	FOB SHIP	US FREIGHT	5/10/2006	2/10/30	6/10/2006

QTY	ITEM #	DESCRIPTION	UNIT PRICE	DISCOUNT	LINE TOTAL
100	X9847	White Chocolate	74.94		7,494.00
190	Y2337	Dark Chocolate	59.19		11,246.10
175	Z4142	Mint Chocolate	53.64		9,387.00
			TOTAL DISCOUNT		
				SUBTOTAL	28,127.10
				SALES TAX	2,250.17
				TOTAL	30,377.27

Make all checks payable to QTC
THANK YOU FOR YOUR BUSINESS!
LM 1-3-9-1086-FINAL INVOICE



Manage Orders

Customer:

Sugar Junkies

Order ID:

16

Employee:

Sayles, Sally

Add

Order Date:

4/26/2006

Shipping Method:

UPS Ground

Edit

PO Number:

40417

Comments:

USER ID: Sarah Wegs

Date: 5/10/2006

Time: 4:30pm

Extended Price:

	P
	White Choc
	Dark Choc
	Mint Choc
*	

Ship Date:

5/10/2006

Sales Tax Rate:

0.08%

Payment Received? ☐

Order Subtotal:

Shipping & Handling:

Sales Tax:

Order Total:

\$0.00

\$0.00

\$0.00