

## Long-Term Future Taxes Summary

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	Temporary Differences	Tax Rate	Tax amount
Calculation of future income taxes - long-term:			
Future income tax - long-term liability	96,000	20.00	19,200
Future income tax - long-term asset	<u>-</u>	<u>20.00</u>	<u>-</u>
Net future income tax - long-term: liability (asset)	<u>96,000</u>		19,200
Less opening balance			<u>400</u>
Cost (benefit) of long-term future income taxes			<u>18,800</u>
Components of the cost (benefit) of long-term future income taxes:			
Cost (benefit) of long-term future income taxes related to the origination and reversal of temporary differences: [96,000 - 2,000]			
	94,000	20.00	18,800
Adjustment to opening long-term future income tax liability / asset resulting from a change in tax rate:			
	2,000	-	<u>-</u>
			<u>18,800</u>

Notes/Comments:

**Long-term Future Taxes (continued)**  
**Temporary Differences by Financial Statement Category**

Opening taxable (deductible) temporary differences - long-term:	2,000
Prior year tax rate:	20.00 %
Opening long-term future income tax liability (asset):	400
Current year tax rate:	20.00 %

NOTE: If future taxes are to be calculated using more than one rate, use an average rate, or use a separate working paper for each tax rate.

	Carrying Amount	Tax Basis	Taxable Temporary Differences	Deductible Temporary Differences
<b>Long-term Assets</b>				
Investments	8,000	8,000	-	-
Property, plant, an Goodwill	396,000	300,000	96,000	-
	30,000	30,000	-	-
Intangible assets	<u>2,000</u>	2,000	<u>-</u>	<u>-</u>
	<u>436,000</u>		<u>96,000</u>	<u>-</u>
<b>Long-term Liabilities and Equity</b>				
Long-term debt	175,000	175,000	-	-
Future taxes	5,000	5,000	-	-
Due to shareholde	46,000	46,000	-	-
Capital lease oblig	5,000	5,000	-	-
Share capital	100	100	-	-
Pref shares	100	100	-	-
Retained earnings	<u>368,400</u>	368,400	<u>-</u>	<u>-</u>
	<u>599,600</u>		<u>-</u>	<u>-</u>
			<u>96,000</u>	<u>-</u>