

Sample Financial Statements

Income Statement

[Company Name]

[Period ending date]

Revenue	Year to Date
	Amount
Gross sales	
<i>Less sales returns and allowances</i>	
Net sales	
Cost of Sales	Year to Date
	Amount
Beginning inventory	
Plus goods purchased/manufactured	
Total goods available	
Less ending inventory	
Total cost of goods sold	
Gross profit (loss)	
Operating Expenses	Year to Date
	Amount
Selling	
Salaries and wages	
Commissions	
Advertising	
Depreciation	
Total selling expenses	
General/Administrative	
Salaries and wages	
Employee benefits	
Payroll taxes	
Insurance	
Rent	
Utilities	
Depreciation and amortization	
Office supplies	
Travel and entertainment	
Postage	
Equipment maintenance and rental	
Interest	
Furniture and equipment	
Total general/administrative expenses	
Total operating expenses	
Net income before taxes	
Taxes on income	
Net Income (Loss)	

Important Tips

The **Income Statement** must include:

- Revenues
- Adjustments to revenues (if applicable)
- Cost of goods sold
- Expenses by category such as salary, utilities, rent, etc.
- Net income/loss

Balance Sheet

[Date]

ASSETS

Current Assets

Cash	
Accounts receivable	
(less doubtful accounts)	
Inventory	
Temporary investment	
Prepaid expenses	
Total Current Assets	

Fixed Assets

Long-term investments	
Land	
Buildings	
(less accumulated depreciation)	
Plant and equipment	
(less accumulated depreciation)	
Furniture and fixtures	
(less accumulated depreciation)	
Total Net Fixed Assets	

TOTAL ASSETS

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LIABILITIES

Current Liabilities

Accounts payable	
Short-term notes	
Current portion of long-term notes	
Interest payable	
Taxes payable	
Accrued payroll	
Total Current Liabilities	

Long-Term Liabilities

Mortgage	
Other long-term liabilities	
Total Long-Term Liabilities	
TOTAL LIABILITIES	

Stockholder's Equity

Capital stock	
Retained earnings	
Total Stockholder's Equity	

TOTAL LIABILITIES & EQUITY

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Important Tips

The **Balance Sheet** must include:

- Current assets (if applicable)
- Total assets
- Current liabilities (if applicable)
- Total liabilities
- Stockholder's equity or owner's capital

Total Assets must equal Total Liabilities & Equity

Statement of Cash Flows

(Direct Method)

[Company Name]	[Time Period]
Cash flows from operating activities	
Cash received from customers	
Cash paid for merchandise	
Cash paid for wages and other operating expenses	
Cash paid for interest	
Cash paid for taxes	
Other	
Net cash provided (used) by operating activities	
Cash flows from investing activities	
Cash received from sale of capital assets (plant and equipment, etc.)	
Cash received from disposition of business segments	
Cash received from collection of notes receivable	
Cash paid for purchase of capital assets	
Cash paid to acquire businesses	
Other	
Net cash provided (used) by investing activities	
Cash flows from financing activities	
Cash received from issuing stock	
Cash received from long-term borrowings	
Cash paid to repurchase stock	
Cash paid to retire long-term debt	
Cash paid for dividends	
Other	
Net cash provided (used) in financing activities	
Increase (decrease) in cash during the period	
Cash balance at the beginning of the period	
Cash balance at the end of the period	

Important Tips

The **Direct Method Statement of Cash Flows** must include:

- Cash flow resulting from **operating** activities
- Cash flow resulting from **investing** activities (if applicable)
- Cash flow resulting from **financing** activities (if applicable)
- Beginning and ending cash balances

Cash balance at the end of the period must agree to cash on the balance sheet. The increase (decrease) in cash during the period must equal the sum of the increase (decrease) in cash during the period from the three cash flows.

Statement of Cash Flows

(Indirect Method)

[Company Name]	[Time Period]
Cash flows from operating activities	
Net Income	
+Non-cash expenses: (Depreciation, Amortization)	
+Non-operating losses:(Loss on Sale of Non-Current Assets)	
-Non-operating gains: (Gain on Sale of Non-Current Assets)	
+Decrease in Current Assets: (Accounts Receivable, Prepaid Expenses, Inventory)	
-Increase in Current Assets:	
+Increase in Current Liabilities: (Accounts Payable, Accrued Liabilities)	
-Decrease in Current Liabilities:	
Net cash provided (used) by operating activities	
Cash flows from investing activities	
Cash received from sale of capital assets (plant and equipment, etc.)	
Cash received from disposition of business segments	
Cash received from collection of notes receivable	
Cash paid for purchase of capital assets	
Cash paid to acquire businesses	
Other	
Net cash provided (used) by investing activities	
Cash flows from financing activities	
Cash received from issuing stock	
Cash received from long-term borrowings	
Cash paid to repurchase stock	
Cash paid to retire long-term debt	
Cash paid for dividends	
Other	
Net cash provided (used) in financing activities	
Increase (decrease) in cash during the period	
Cash balance at the beginning of the period	
Cash balance at the end of the period	

Important Tips

The **Indirect Method of Cash Flows** must start with **Net Income** and must include:

- Cash flow resulting from **operating** activities
- Cash flow resulting from **investing** activities (if applicable)
- Cash flow resulting from **financing** activities (if applicable)
- Beginning and ending cash balances

Cash balance at the end of the period must agree to cash on the balance sheet. The increase (decrease) in cash during the period must equal the sum of the increase (decrease) in cash during the period from the three cash flows.