Balance Sheet

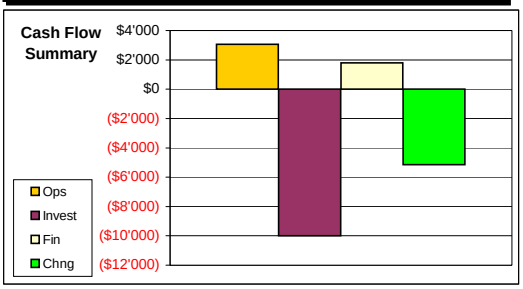
Definitions: **Common Size** - The common size column simply represents each item as a percentage of total assets. **Cash** - Your end of year cash position. **Accounts Receivable** - Reflects the lag between delivery and payment of your products. **Inventories** - The current value of your inventory across all products. A zero indicates your company stocked out. Unmet demand would, of course, fall to your competitors. **Plant & Equipment** - The current value of your plant. **Accum Deprec** - The total accumulated depreciation from your plant. **Accts Payable** - What the company currently owes suppliers for materials and services. **Current Debt** - The debt the company is obligated to pay during the next year of operations. It includes your short term debt, bonds that have matured this year, and emergency loans used to keep your company solvent should you run out of cash during the year. **Long Term Debt** - The company's long term debt is in the form of bonds, and this represents the total of those bonds. **Common Stock** - The amount of capital invested by shareholders in the company. **Retained Earnings** - The profits that the company chose to keep instead of paying to shareholders as dividends.

ASSETS			2009 Common Size	2008
Cash	$453		1.8%	$5'593
Accounts Receivable	$3'947		16.0%	$3'353
Inventory	$1'601		6.5%	$2'353
Total Current Assets		$6'001	24.4%	$11'299
Plant & Equipment	$24'400		99.0%	$14'400
Accumulated Depreciation	($5'760)		-23.4%	($4'800)
Total Fixed Assets		$18'640	75.6%	$9'600
Total Assets		$24'641	100.0%	$20'900
LIABILITIES & OWNER'S EQUITY				
Accounts Payable	$2'988		12.1%	$2'855
Current Debt	$0		0.0%	$0
Long Term Debt	$6'200		25.2%	$5'200
Total Liabilities		$9'188	37.3%	$8'055
Common Stock	$3'323		13.5%	$2'323
Retained Earnings	$12'130		49.2%	$10'522
Total Equity		$15'453	62.7%	$12'845
Total Liabilities and Owner's Equity		$24'641	100.0%	$20'900

Cash Flow Statement

The **Cash Flow Statement** examines what happened in the Cash Account during the year. Cash injections appear as positive numbers and cash withdrawals as negative numbers.

The Cash Flow Statement is an excellent tool for diagnosing emergency loans. When negative cash flows exceed positives, you are forced to seek emergency funding. For example, if sales are bad and you find yourself carrying an abundance of excess inventory, the report would show the increase in inventory as a huge negative cash flow. Too much unexpected inventory could outstrip your inflows, exhaust your starting cash, and force you to beg for money to keep you afloat.



	2009	2008
Cash Flows from Operating Activities		
Net Income (Loss)	$1'817	$2'485
Adjustment for non-cash items		
Depreciation	$960	$960
Extraordinary gains/losses/writeoffs	$0	$0
Change in Current Assets and Liabilities		
Accounts Payable	$134	$855
Inventory	$752	($2'353)
Accounts Receivable	($594)	$3'647
Net cash from operations	$3'069	$5'593
Cash Flows From Investing Activities		
Plant Improvements	($10'000)	$0
Cash Flows from Financing Activities		
Dividends Paid	($209)	($1'000)
Sales of Common Stock	$1'000	$0
Purchase of Common Stock	$0	$0
Cash from long term debt	$1'000	$0
Retirement of long term debt	$0	$0
Change in current debt (net)	$0	$0
Net cash from financing activities	$1'791	($1'000)
Net change in cash position	($5'140)	$4'593
Closing cash position	$453	$5'593