Balance Sheet

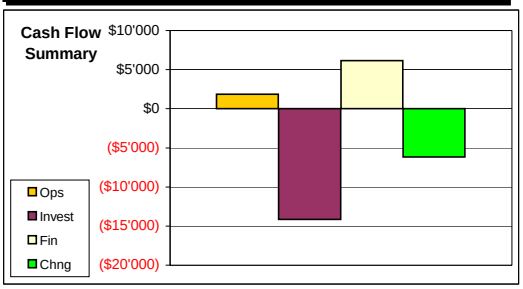
Definitions: **Common Size** - The common size column simply represents each item as a percentage of total assets. **Cash** - Your end of year cash position. **Accounts Receivable** - Reflects the lag between delivery and payment of your products. **Inventories** - The current value of your inventory 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			2011 Common Size	2010
Cash	$0		0.0%	$6'174
Accounts Receivable	$9'960		20.1%	$7'003
Inventory	$8'483		17.1%	$0
Total Current Assets		$18'443	37.2%	$13'177
Plant & Equipment	$41'480		83.7%	$27'320
Accumulated Depreciation	($10'347)		-20.9%	($7'581)
Total Fixed Assets		$31'133	62.8%	$19'739
Total Assets		$49'576	100.0%	$32'915
LIABILITIES & OWNER'S EQUITY				
Accounts Payable	$8'024		16.2%	$5'004
Current Debt	$6'171		12.4%	$867
Long Term Debt	$5'333		10.8%	$5'333
Total Liabilities		$19'528	39.4%	$11'204
Common Stock	$6'823		13.8%	$4'823
Retained Earnings	$23'224		46.8%	$16'888
Total Equity		$30'047	60.6%	$21'711
Total Liabilities and Owner's Equity		$49'576	100.0%	$32'915

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.



Cash Flows from Operating Activities	2011	2010
Net Income (Loss)	$7'491	$5'199
Adjustment for non-cash items		
Depreciation	$2'765	$1'821
Extraordinary gains/losses/writeoffs	$0	$0
Change in Current Assets and Liabilities		
Accounts Payable	$3'020	$2'016
Inventory	($8'483)	$1'601
Accounts Receivable	($2'957)	($3'056)
Net cash from operations	$1'836	$7'581
Cash Flows From Investing Activities		
Plant Improvements	($14'160)	($2'920)
Cash Flows from Financing Activities		
Dividends Paid	($1'155)	($441)
Sales of Common Stock	$2'000	$1'500
Purchase of Common Stock	$0	$0
Cash from long term debt	$0	$0
Retirement of long term debt	$0	($867)
Change in current debt (net)	$5'305	$867
Net cash from financing activities	$6'150	$1'059
Net change in cash position	($6'174)	$5'720
Closing cash position	$0	$6'174