Balance Sheet

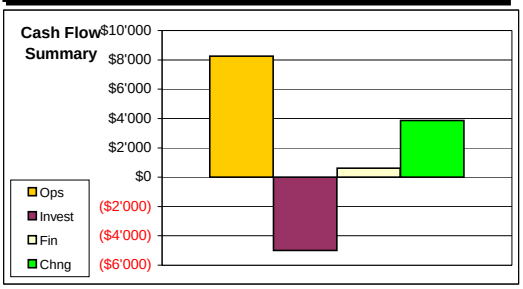
Definitions: **Common Size** - The common size column simply represents each item as a percentage of total assets. **Cash** - Your end of year cash position. **Accounts Receivable** - Reflects the lag between delivery and payment of your products. **Inventories** - The current value of your inventory 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			2012 Common Size	2011
Cash	$3'874		6.2%	$0
Accounts Receivable	$10'601		17.0%	$9'960
Inventory	$14'346		23.1%	$8'483
Total Current Assets		$28'821	46.3%	$18'443
Plant & Equipment	$46'480		74.7%	$41'480
Accumulated Depreciation	($13'112)		-21.1%	($10'347)
Total Fixed Assets		$33'368	53.7%	$31'133
Total Assets		$62'189	100.0%	$49'576
LIABILITIES & OWNER'S EQUITY				
Accounts Payable	$7'842		12.6%	$8'024
Current Debt	$4'233		6.8%	$6'171
Long Term Debt	$6'100		9.8%	$5'333
Total Liabilities		$18'175	29.2%	$19'528
Common Stock	$9'823		15.8%	$6'823
Retained Earnings	$34'191		55.0%	$23'224
Total Equity		$44'014	70.8%	$30'047
Total Liabilities and Owner's Equity		$62'189	100.0%	$49'576

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.



	2012	2011
Cash Flows from Operating Activities		
Net Income (Loss)	$12'180	$7'491
Adjustment for non-cash items		
Depreciation	$2'765	$2'765
Extraordinary gains/losses/writeoffs	$0	$0
Change in Current Assets and Liabilities		
Accounts Payable	($182)	$3'020
Inventory	($5'863)	($8'483)
Accounts Receivable	($641)	($2'957)
Net cash from operations	$8'259	$1'836
Cash Flows From Investing Activities		
Plant Improvements	($5'000)	($14'160)
Cash Flows from Financing Activities		
Dividends Paid	($1'214)	($1'155)
Sales of Common Stock	$3'000	$2'000
Purchase of Common Stock	$0	$0
Cash from long term debt	$2'500	$0
Retirement of long term debt	($1'733)	$0
Change in current debt (net)	($1'938)	$5'305
Net cash from financing activities	$615	$6'150
Net change in cash position	$3'874	($6'174)
Closing cash position	$3'874	$0