

UNDERSTANDING THE BALANCE SHEET AND STATEMENT OF CASH FLOWS

Balance Sheet

	<u>Beginning</u>	<u>Ending</u>	<u>Change</u>
Cash	275,125	174,129	(100,996)
Accounts Receivable	925,156	1,354,142	428,986
Pre payments	12,127	23,252	11,125
Current Assets	1,212,408	1,551,523	
Capital Equipment	7,577,177	7,677,177	100,000
- Accumulated Depreciation	(3,458,331)	(3,527,331)	(69,000)
	4,118,846	4,149,846	31,000
Total Assets	5,331,254	5,701,369	
Accounts Payable	475,127	677,233	202,106
Accrued Payroll Liabilities	56,127	25,000	(31,127)
Revolving Line of Credit	-	-	-
	531,254	702,233	
Long Term Debt	2,400,000	2,350,000	(50,000)
Total Liabilities	2,931,254	3,052,233	
Equity			
Capital Stock	100,000	100,000	-
Retained Earnings	4,500,000	4,500,000	-
Net Income	-	474,136	474,136
Accumulated Distributions	(2,200,000)	(2,425,000)	(225,000)
	2,400,000	2,649,136	
Total Liabilities and Equity	5,331,254	5,701,369	

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Statement of Cash Flows

Source / (Use) of Cash

Six Months

Net Income	474,136
Depreciation	69,000
Operating Activities	
- Accounts Receivable	(428,986)
- Prepaid Assets	(11,125)
- Accounts Payable	202,106
- Accrued Payroll Liabilities	<u>(31,127)</u>
Cash Flow From Operations	274,004
Investing and Financing Activities	
- Capital Investment	(100,000)
- Line of Credit	-
- Long Term Borrowings	(50,000)
- Disruptions	<u>(225,000)</u>
	(375,000)
Change in Cash	(100,996)
Beginning Cash	275,125
Ending Cash	174,129