Financial Reporting

Notebook Info

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PRINT	Assets/Liab.	Profit/Assets
Info	Assets/Worth	Profit/Sales
	Balance Sheet	Profit/Worth
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	Income Stmt.	Sales/Assets 2
	Liab./Assets	Sales/Capital
	Liab/Capital	Sales/Inventory
	Liab./Worth 1	Sales/Worth
	Liab./Worth 2	

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Income (Profit and Loss) Statement		Jan	Feb
Gross Income			
Info	Income from sale of goods		
	Income from service		
	Other sales		
	Interest income		
	Gross income		
Cost of Goods Sold			
Gross Margin		#VALUE!	#VALUE!
Operating Expenses			
	Advertising and promotion		
	Benefits		
	Building expense (rent, lease)		
	Dues and subscriptions		
	Equipment rental		
	Insurance		
	Interest expense		
	Maintenance		
	Other expenses		
	Payroll taxes		
	Postage		
	Professional fees		
	Salaries and wages		
	Supplies		
	Telephone		
	Travel and entertainment		
	Total operating expenses		
Net income (profit) before taxes		#VALUE!	#VALUE!
Noncash Income			
Info	Amortization of deferred credit		
	Other noncash income		
	Total noncash income		
Noncash Expenses			
Info	Depreciation		
	Noncash amortization expense		
Info	Other noncash expenses		
	Total noncash expenses		
Info Cash flow from operations		#VALUE!	#VALUE!
Ratio of Cash Flow to Before-Tax Net Income			#VALUE!
Taxes			
Net income (profit) after taxes		#VALUE!	#VALUE!

Mar	Apr	May	Jun	Jul	Aug	Sep
#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!

Oct	Nov	Dec	Totals
#VALUE!	#VALUE!	#VALUE!	#VALUE!
#VALUE!	#VALUE!	#VALUE!	#VALUE!
#VALUE!	#VALUE!	#VALUE!	#VALUE!
#VALUE!	#VALUE!	#VALUE!	#VALUE!
#VALUE!	#VALUE!	#VALUE!	#VALUE!

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Balance Sheet as of	11/24/24
Assets	
Info **Current Assets**	
Accounts Receivable (net)	
Cash	
Inventory	
Short-term prepayments	
Short-term investments	
Total current assets	
Info **Fixed Assets**	
Plant, Property, and Equipment (PP & E)	
Equipment	
Furniture and fixtures	
Land	
Leasehold improvements	
Info Office equipment	
Gross PP & E	
Less accumulated depreciation	
Net PP & E	#VALUE!
Deposits	
Other	
Total fixed assets	**#VALUE!**
Total Assets	**#VALUE!**
Liabilities and Stockholder's Equity	
Info **Current liabilities**	
Accounts payable	
Dividends payable	
Income taxes payable	
Interest payable	
Other short-term debt	
Total current liabilities	
Noncurrent liabilities	
Long-term debt	
Total liabilities	
Info **Equity**	
Common stock	
Additional paid-in capital	
Retained earnings	
Total equity (net worth)	**$0.00**
Total liabilities and equity	**#VALUE!**

Info		
Info	**This number should be zero. If it's not, this statement is not "in balance" and should not be presented.**	**#VALUE!**

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Data For Ratio Pages

		Year 1	Year 2	Year 3
Info	**Accounts Receivable**			
	Accounts receivable at year end			
	Current accounts receivable			
Info	**Assets**			
	Fixed assets			
	Miscellaneous noncurrent assets			
	Current assets			
	Total assets			
Info	**Capital**			
	Cash and short-term investments			
	Working capital			
Info	**Inventory**			
	Inventory at year end (book value, $)			
Info	**Liabilities**			
	Current liabilities			
	Long-term liabilities			
	Total liabilities			
Info	**Sales and Profit**			
	Cost of sales (cost of goods)			
	Net sales			
Info	Net profit			
	Net worth			

Year 4	Year 5

Net Profit to Net Sales (Net Profit Margin)

Item	Year 1	Year 2	Year 3	Year 4
Net profit				
Net sales				
Net profit margin	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Comparative standard	2.3% to 4.4% before taxes			

Year 5

#VALUE!

Net Sales to Total Assets (Asset Management Ratio)

Item	Year 1	Year 2	Year 3	Year 4
Net sales				
Total assets	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Asset management ratio	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Comparative standard	1.9 to 2.8 times			

Year 5
#VALUE!
#VALUE!

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Collection Period of Accounts Receivable

Item	Year 1	Year 2	Year 3	Year 4
Net sales				
Accounts receivable at year end				
Collection period in days	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Comparative standard	24 to 48 days			

Year 5

#VALUE!

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Cost of Sales to Inventory (Inventory Turnover Ratio)

Item	Year 1	Year 2	Year 3	Year 4
Cost of sales (cost of goods)				
Inventory at year end (book value, $)				
Inventory turnover, times per year	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Comparative standard	4.1 to 8.2 times			

Year 5

#VALUE!

Net Sales to Fixed Assets (Fixed Assets Activity Ratio)

Item	Year 1	Year 2	Year 3	Year 4
Net sales				
Fixed assets				
Fixed assets activity	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Comparative standard	6.8 to 22.4 times			

Year 5

#VALUE!

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Net Sales to Net Worth (Trading Ratio)

Item	Year 1	Year 2	Year 3	Year 4
Net sales				
Net worth				
Investment adequacy	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Comparative standard	4.8 to 8.4 times			

Year 5

#VALUE!

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Long-Term Liabilities to Total Noncurrent Assets

(Long-Term Financing Ratio)

Item	Year 1	Year 2	Year 3	Year 4
Long-term liabilities				
Fixed assets				
Miscellaneous noncurrent assets				
Long-term financing ratio	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Industry standard	0.5 to 0.7 times			

Year 5
#VALUE!

Net Profit to Net Worth (Return on Equity Ratio)

Item	Year 1	Year 2	Year 3	Year 4
Net profit				
Net worth				
Return on equity	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Comparative standard	15.2% to 21.3% before taxes			

Year 5
#VALUE!

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Total Liabilities to Net Worth (Debt to Equity Ratio)

Item	Year 1	Year 2	Year 3	Year 4
Total liabilities	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Net worth				
Debt to equity ratio	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Comparative standard	1.4 to 2.1 times			

Year 5
#VALUE!
#VALUE!

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Current Liabilities to Net Worth (Current Debt to Worth

Item	Year 1	Year 2	Year 3	Year 4
Current liabilities				
Net worth				
Current debt to equity	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Comparative standard	Not enough industry data yet			

Ratio)

Year 5
#VALUE!

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Net Sales to Working Capital (Working Capital Sufficien

Item	Year 1	Year 2	Year 3	Year 4
Net sales				
Current Assets				
Current Liabilities				
Working capital				
Working capital sufficiency	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Comparative standard	Not enough industry data yet			

cy Ratio)

Year 5
#VALUE!

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Current Assets to Current Liabilities (the Current Ratio)

Item	Year 1	Year 2	Year 3	Year 4
Current assets				
Current liabilities				
Current ratio	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Comparative standard	1.3 to 1.7 times			

Year 5
#VALUE!

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The Quick Ratio

(Cash and Short-Term Investments Plus Accounts Receivable to Current Liabilities)

Item	Year 1	Year 2	Year 3	Year 4
Cash and short-term investments				
Current accounts receivable				
Current liabilities				
Quick ratio	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Comparative standard	0.6 to 1.0 times			

Year 5

#VALUE!

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Total Noncurrent Assets to Net Worth

Item	Year 1	Year 2	Year 3	Year 4
Fixed assets				
Miscellaneous noncurrent assets				
Net worth				
Noncurrent assets to net worth (equity)	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Comparative standard	0.5 to 1.3 times			

Year 5

#VALUE!

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Long-Term Liabilities to Working Capital

(Working Capital Dependency Ratio)

Item	Year 1	Year 2	Year 3	Year 4
Long-term liabilities				
Current assets				
Current liabilities				
Working capital	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Working capital dependency	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Comparative standard	Not enough industry data yet.			

Year 5
#VALUE!
#VALUE!

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Net Profit to Total Assets (Return on Assets Ratio)

Item	Year 1	Year 2	Year 3	Year 4
Net profit				
Total assets	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Return on assets	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Comparative standard	5.3% to 9.0% before taxes			

Year 5
#VALUE!
#VALUE!

Return to Intro

PrintInfo

Click on the appropriate button in this section to print the page you want.

IndexInfo

Click on the appropriate button to either jump to the desired page or to get some information about it.

NBInfo

The worksheets in this notebook are essential to tracking your company's financial health. You'll find an income statement (including a cash-flow analysis), a balance sheet, and sixteen important, standard ratio analysis tools that can help you analyze how well your own company (or another company) is doing.

This template is part of a sample collection included with Quattro Pro for Windows 5.0. To upgrade to the complete "Running Your Business with Quattro Pro for Windows" package, see the OrderForm page in the PURCHSNG notebook, or call TitleWave Press Customer Service at 1-800-280-4201.

Author: Marina Michaels McInnis

BalanceInfo

Every company needs a balance sheet--a statement of its assets and liabilities as a snapshot in time. Use this page to create one for your company.

IncomeStmt

You can use this page to prepare an income statement (showing revenues, expenses, and net income) for a given period of time. It also contains a built-in cash flow statement and analysis.

NPtoNSInfo

The Net Profit Margin, also known as the Return on Sales ratio, Profit Percentage, or The Bottom Line, compares net profit to net sales. It measures a company's ability to generate profit on its average sales dollar. Generally, a higher percentage is better.

DataInfo

The ratio pages use the information on this sheet to calculate the 16 ratios included in this notebook. The ratio are are indicators of the financial health and strength of any given company. Be sure to fill in at least one column of this page completely before going to the individual ratio pages. This page, and all the ratio pages, have been set up so you can compare either five different companies or five years for one company (yours or another).

Some of the information on this page overlaps. For instance, you should enter all asset information in the Assets section, but you should also include current asset information in the Capital section.

DataNoteAR

For accounts receivable at year end, enter the final number for the year (or for the previous year). Current accounts receivable is what the company is owed as of today. Current accounts receivable is used in the Quick Ratio, which compares current assets (such as accounts receivable and cash in the bank) to current liabilities. Both of the numbers in this section are used in the Collection Period of Accounts Receivable ratio.

DataNoteAst

Fixed assets includes company property such as plant, property, and equipment. Include other long-term assets in Miscellaneous non-current assets. Current assets includes easily accessible items such as cash in the bank and accounts receivable.

Information in this section is used in many of the ratio analysis pages, including Total Non-current Assets to Net Worth, the Quick Ratio, Net Sales to Total Assets, Net Sales to Fixed Assets, Long-term Liabilities to Total Non-Current Assets, and Current Assets to Current Liabilities.

DataNoteCAP

The amount in Cash and short-term investments includes some--but not all--of a company's current assets. Specifically, it is a sum of readily available cash, and those assets that can quickly be turned into cash. Inventory is not included. This amount is used by the Quick Ratio page.

Working capital is computed as the total of current assets, less the amount of current liabilities. This figure is used by the Net Sales to Working Capital ratio and the Long-term Liabilities to Working Capital ratio.

DataNoteINV

For Inventory at year end, enter the value of products for sale by the business that are still in inventory (unsold). Keep in mind there several ways to value inventory (see the InvCtrl notebook for worksheets on inventory valuation).

This number is used in the Cost of Sales to Inventory ratio.

Note: If year-end inventory is not typical because of large seasonal fluctuations, you can also use a monthly or quarterly average inventory for this figure.

DataNoteLiab

Current liabilities include the amounts currently owed by the company to other companies or vendors. It also includes short-term loans (due in one year or less, and those amounts that are due within one year on longer-term loans.

Long-term liabilities are the amounts owed to lenders for longer-term loans (those loans extending beyond one year). Mortgages and financed long-term loans for equipment and other assets are long-term liabilities.

Figures in this section are used by the Long-term Liabilities to Working Capital ratio, the Quick Ratio, the Long-term Liabilities to Total Non-current assets ratio, the Current Assets to Current Liabilities ratio, and the Total Liabilities to Net Worth ratio.

DataNoteSP1

Cost of sales is also known as cost of goods (COGs), depending on your industry. You calculate it by taking the cost per unit (direct materials, direct labor, and manufacturing overhead) and multiplying that by how many units you've sold. Cost of Sales is used in the Cost of Sales to Inventory ratio.

Net Sales is the profit yielded from sales after you've subtracted the cost of sales (or COGS). Net Sales is used in the Net Sales to Working Capital ratio, the Net Sales to Net Worth ratio, the Net Sales to Fixed Assets ratio, the Collection Period of Accounts Receivable ratio, the Net Sales to Total Assets ratio, and the Net Profit to Net Sales ratio.

DataNoteSP2

There are many ways to calculate net profit. Basically, it represents the money you have left over after you've accounted for all expenses (such as cost of sales, operating expenses, general and administrative expenses, and taxes). However, some companies define net profit as that amount of money you have left before taxes, rather than after, or before cost of operations, and so on. Whichever way you choose, just be consistent, and be aware when looking at the statements of other companies that these differences exist.

Net profit is used in the Net Profit to Total Assets ratio, the Net Profit to Net Worth ratio, and the Net Profit to Net Sales ratio.

Net worth is the actual value of the company; it is also referred to as equity. You calculate net worth by subtracting your total debts from your total assets. Net worth is used in the Net Sales to Net Worth ratio, the Net Profit to Net Worth ratio, the Total Noncurrent Assets to Net Worth ratio, and the Current and Long-term liabilities to Net Worth ratios.

NStoTAInfo

The Asset Utilization Ratio, also known as the Asset Management Ratio, compares net sales to total assets. It measures a company's ability to generate sales volume using its assets. Generally, a higher ratio is better.

CollectionInfo

The Collection Period ratio, also known as the Days' Sales in Receivables, multiplies accounts receivable at year end by 365, then divides the result by net sales for the year. This ratio measures how much control a company has over its accounts receivable. This ratio also indicates how many days, on the average, it takes that company to convert accounts receivable to cash. Generally, the smaller the number of days, the better.

CostOFSalesInfo

The Inventory Turnover Ratio compares cost of sales to inventory. It measures how much control a company has over its inventory in relation to sales. This ratio indicates how many times inventory "turns over" in a year. Generally, the higher the ratio, the better (but see the INVCTRL notebook to determine the best order periods).

NStoFAInfo

The Fixed Assets Activity Ratio compares net sales to fixed assets. It indicates a company's ability to generate net sales from use of its fixed assets. Generally, a higher ratio is better.

NStoNWInfo

The Trading Ratio, also called the Investment Adequacy Ratio, compares net sales to net worth. It measures the extent to which a company's owner's equity supports the sales volume. Generally, a lower ratio is better.

LTLtoTNAInfo

The Long-Term Financing Ratio compares long-term liabilities to total noncurrent assets. It measures the extent to which a company is using long-term borrowing to finance its acquisition of fixed and other noncurrent assets. Generally, a higher ratio is better--to a point. A ratio greater than 1.0 indicates that the company may have borrowed too much.

NPtoNWInfo

The Return on Equity ratio compares net profit to net worth. It measures a company's ability to generate a profit on the owner's investment and to increase its net worth in order to increase future sales. Generally, a higher ratio is better. Note: The net profit used in this ratio is usually net profit before taxes.

LiabToWorthInfo

The Debt to Equity Ratio, also called the Debt to Worth Ratio and the Financial Leverage Ratio, compares total liabilities to net worth. It indicates how much pressure the total debt might be exerting relative to equity. Generally, a lower ratio is better.

LiaToWorth2Info

The Current Debt to Equity Ratio, also called the Current Debt to Worth Ratio, compares current liabilities to net worth. It indicates how much pressure current liabilities might be exerting relative to equity. (Equity is also called net worth; it is the result of subtracting your total debts from your total assets.) Generally, a low ratio is better.

NStoWCInfo

The Working Capital Sufficiency Ratio compares net sales to working capital. It indicates how much demand is being placed on the working capital to support a company's sales volume. Generally, a low ratio is better.

CAtoCLInfo

The Current Ratio compares current assets to current liabilities. It measures the margin of safety a company has for paying short-term debts in the event of a reduction in current assets. It also gives an idea of how adequate a company's working capital is, and of its ability to meet day-to-day payment obligations. Generally, a higher ratio is better.

QuickInfo

The Quick Ratio adds accounts receivable to cash and short-term investments and compares the result to current liabilities. The resulting ratio measures a company's ability to cover its current liabilities without having to convert inventory to cash. Generally, a higher ratio is better.

TNAtoNWInfo

The Noncurrent Assets to Net Worth Ratio divides all noncurrent assets by a company's net worth. It measures a company's ability to support the acquisition of fixed and other assets by using the original investment plus retained earnings. (Net worth is also called equity; it is the result of subtracting your total debts from your total assets.) Generally, a low ratio is better.

LiabToCapInfo	The Working Capital Dependency Ratio divides long-term liabilities by a company's working capital (current assets minus current liabilities). It provides a measure of how much a company is dependent on long-term liabilities. Another way to look at this measure is to say that it measures how well a company can repay long-term liabilities by reducing working capital. Generally, a low ratio is better.
NPtoTAInfo	The Return on Assets Ratio divides net profit by total assets. It measures a company's ability to produce profit with its assets. Generally, a higher ratio is better.
IncomeNotes	Income from sale of goods refers to gross income from sales of products. Income from service refers to income from services you've performed. Other sales is a catch-all category for income from sales that doesn't fall into either of the first two. Cost of goods sold is that amount it costs you per unit (or item) multiplied by how many units you've sold. This cost includes direct materials (materials purchased to go directly into the manufacture of the goods), direct labor (the costs of the labor needed to manufacture each piece), and manufacturing overhead (that portion of rent, insurance, taxes and so on that goes into manufacturing materials). It does not include the cost of goods still in inventory. Be sure not to include cost of goods under operating expenses. The gross margin is calculated by subtracting the cost of goods from the gross income.
NcIncNotes	Under noncash income, Amortization of deferred credit refers to expenditures that you expect to yield a benefit for

a period of time spanning several accounting periods. You therefore write it off during those periods it benefits the company. Amortization lets you recover (write off) certain expenses that are not otherwise deductible. Because of this, it is considered income, even though it isn't money coming into your company. Many small businesses have no need to account for amortization of deferred credit.

DeprecNotes

Depreciation is considered a noncash expense because, although you aren’t actually spending cash, your equipment is becoming worth less than the money you paid for it. When you first purchase an asset, you do not write off the cost of the asset as an expense. Instead, you write off a portion of the cost of the asset each month (or year) over the useful life of the asset.

For instance, if you purchase a piece of equipment for $10,000 that you expect to use for 10 years, then you might write off $1000 a year. On a balance sheet, the value of this asset decreases as well. The first year you own it, it is considered a $10,000 asset; the next year it is considered a $9000 asset--$10,000 less the $1000 in depreciation that you've already expensed. This is an example of straight-line depreciation, where you take the same amount of depreciation on an asset for the entire life of the asset. Be aware there are many other ways to calculate depreciation.

NCAmortNotes

Noncash amortization expense refers to the portion of the value of intangible assets that you write off over time. This is similar to depreciation.

RatioNotes

The amount used for cash flow is net income before taxes, plus other noncash income items, less any noncash expense items. The cash flow to net income before tax ratio is one of the numbers used to determine the health of a company. There are many other ratios that help determine the financial health of a business. These other ratios are contained on other pages of this notebook.

CurrAssetsInfo

Accounts Receivable (net) is the amount currently owed to you by your customers. If you do not offer credit to your customers, leave this cell blank.

Cash refers to cash in one or more accessible bank accounts. Some companies include petty cash here.

Inventory refers to the cash value of your inventory. There are several ways to determine the value of inventory. See the InvCtrl (Inventory Control) notebook for more information.

Short-term prepayments are those amounts that you have prepaid for future periods, such as insurance or a retainer for professional services.

In short-term investments, enter the amount of assets that can easily be converted to cash, for instance, marketable securities (stocks and bonds).

FixedAssetsInfo

Equipment includes large items purchased by the company that are being depreciated over time.

Furniture and fixtures includes large furniture items, such as desks, chairs, cabinets, and so on. Usually low-expense items are simply expensed, and not considered assets.

Land is the value (market or cost-basis) of land owned by the company. Leased and rented land is not included.

Leasehold improvements include improvements to buildings or land that is not the property of business. These improvements are usually permanent, and not portable (i.e., new carpet).

MoreAssetsInfo

Office equipment includes items that cost more than a certain amount. For instance, most business do not include the cost of staplers as office equipment. Inexpensive items are usually taken immediately as an expense.

Accumulated depreciation is the portion of the cost of fixed assets that the company has already taken as an expense.

Deposits, here, are amounts on deposit to ensure a service or right, such as office rental deposit. This is not a short-term asset, because it is not readily available.

CurrLiabInfo

Accounts payable is the amount you currently owe to vendors of products or services. Usually this includes accounts payable within the next 90 days.

Dividends payable is the money you currently owe stockholders.

Income taxes payable is the money the business currently owes the government.

Interest payable is the interest payments currently due on loans.

Long-term debt is the amount owed on loans to be paid over many years.

StockEquityInfo

The value of common stock is the present value of all future cash inflows (dividends plus the future selling price) expected from that stock.

Paid-in capital is money that the owner(s) and investor(s) paid into the company to help keep it going.

Retained earnings represents the income after corporate income tax that was retained in the business. This balance will increase as profits increase. If the business sustains a loss, retained earnings decrease.

Note that your company's net worth changes over time, going up or down as the retained earnings go up or down.

BalTotalsInfo

The formula in this cell checks to see if the balance sheet is, in fact, in balance. The total of Liabilities plus Equity (net worth) must equal the total for Assets. To check this, the formula in this cell merely adds one and subtracts the other. If they are equal the result will be zero. If the totals are not equal, you'll see a number other than zero in this cell and you'll know that the books are out of balance. If this statement is out of balance, it means that something has not been accounted for properly.

The Balance Sheet has a funny way of saying it, but what it's really trying to say is, "Assets minus liabilities equals net worth." In other words, to find out what a company is worth, you look at what it owns (assets), and subtract what it owes (liabilities). What you have left is what the company is worth. If the balance sheet is "out of balance," you should take a closer look at the detailed information for Assets, then take a closer look at the detailed information for Liabilities.