

# Income Statement

(all numbers in \$000)

[Company Name] [Period ending date]

Revenue	Year to Date
	Amount
Gross sales	
<i>Less sales returns and allowances</i>	
Net sales	
Cost of Sales	Year to Date
	Amount
Beginning inventory	
<i>Plus goods purchased/manufactured</i>	
Total goods available	
<i>Less ending inventory</i>	
Total cost of goods sold	
Gross profit (loss)	
Operating Expenses	Year to Date
	Amount
Selling	
Salaries and wages	
Commissions	
Advertising	
Depreciation	
Total selling expenses	
General/Administrative	
Salaries and wages	
Employee benefits	
Payroll taxes	
Insurance	
Rent	
Utilities	
Depreciation and amortization	
Office supplies	
Travel and entertainment	
Postage	
Equipment maintenance and rental	
Interest	
Furniture and equipment	
Total General/Administrative expenses	
Total operating expenses	
Net income before taxes	
Taxes on income	
Net income after taxes	
Extraordinary gain or loss	
Income tax on extraordinary gain	
<b>Net Income (Loss)</b>	

## Important Tips

- ☒ Income statements should typically contain divisions for revenue, cost of sales, operating expenses, and net income or loss.
- ☒ The revenue section should contain gross sales, sales returns and allowances, and net sales.
- ☒ Cost of sales should reflect beginning inventory, purchases, goods available for sale, ending inventory, and cost of goods sold.
- ☒ Operating expenses may be apportioned into selling expenses and general/administrative expenses; however, this is not a requirement.
- ☒ The financial statement should total properly.

# Balance Sheet

[Date]

(all numbers in \$000)

## ASSETS

### Current Assets

Cash  
Accounts receivable  
(less doubtful accounts)  
Inventory  
Temporary investment  
Prepaid expenses

#### Total Current Assets

### Fixed Assets

Long-term investments  
Land  
Buildings  
(less accumulated depreciation)  
Plant and equipment  
(less accumulated depreciation)  
Furniture and fixtures  
(less accumulated depreciation)

#### Total Net Fixed Assets

## TOTAL ASSETS

## LIABILITIES

### Current Liabilities

Accounts payable  
Short-term notes  
Current portion of long-term notes  
Interest payable  
Taxes payable  
Accrued payroll

#### Total Current Liabilities

### Long-term Liabilities

Mortgage  
Other long-term liabilities

#### Total Long-Term Liabilities

### Shareholders' Equity

Capital stock  
Retained earnings

#### Total Shareholders' Equity

## TOTAL LIABILITIES & EQUITY

### Important Tips

- ✓ Major divisions of the balance sheet should be assets, liabilities, and shareholder's (or owner's) equity.
- ✓ Assets should be further broken down into current and fixed.
- ✓ Liabilities should be broken down into current and long-term.
- ✓ Shareholder's equity should be detailed according to the components used by your organization.

# Statement of Cash Flow

[Name]

[Time Period]

## Cash flows from operating activities

Cash received from customers

Cash paid for merchandise

Cash paid for wages and other operating expenses

Cash paid for interest

Cash paid for taxes

Other

## Net cash provided (used) by operating activities

## Cash flows from investing activities

Cash received from sale of capital assets (plant and equipment,

Cash received from disposition of business segments

Cash received from collection of notes receivable

Cash paid for purchase of capital assets

Cash paid to acquire businesses

Other

## Net cash provided (used) by investing activities

## Cash flows from financing activities

Cash received from issuing stock

Cash received from long-term borrowings

Cash paid to repurchase stock

Cash paid to retire long-term debt

Cash paid for dividends

Other

## Net cash provided (used) in financing activities

Increase (decrease) in cash during the period

Cash balance at the beginning of the period

## Cash balance at the end of the period

## Important Tips

The statement of cash flow should be divided into three major sections:

- ☒ Cash flow from operating activities,
- ☒ Cash flow from investing activities, and
- ☒ Cash flow from financing activities.

Increase (decrease) in cash during the period should be shown, along with beginning and ending cash balances.



# U.S. Corporation Income Tax Return

OMB No. 1545-0123

For calendar year 2007 or tax year beginning \_\_\_\_\_, 2007, ending \_\_\_\_\_, 20

**2007**

▶ See separate instructions.

<b>A Check if:</b> <b>1a</b> Consolidated return (attach Form 851) <input type="checkbox"/> <b>b</b> Life/nonlife consolidated return <input type="checkbox"/> <b>2</b> Personal holding co. (attach Sch. PH) <input type="checkbox"/> <b>3</b> Personal service corp. (see instructions) <input type="checkbox"/> <b>4</b> Schedule M-3 attached <input type="checkbox"/>	<div style="border: 1px solid black; padding: 2px;"> <b>Use IRS label. Otherwise, print or type.</b>  Name _____  Number, street, and room or suite no. If a P.O. box, see instructions. _____  City or town, state, and ZIP code _____ </div>	<b>B Employer identification number</b> _____  <b>C Date incorporated</b> _____  <b>D Total assets (see instructions)</b> \$ _____
<b>E Check if:</b> (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change		

<b>Income</b>	<b>1a</b> Gross receipts or sales _____ <b>b</b> Less returns and allowances _____ <b>c</b> Bal ▶ _____ <b>2</b> Cost of goods sold (Schedule A, line 8) _____ <b>3</b> Gross profit. Subtract line 2 from line 1c _____ <b>4</b> Dividends (Schedule C, line 19) _____ <b>5</b> Interest _____ <b>6</b> Gross rents _____ <b>7</b> Gross royalties _____ <b>8</b> Capital gain net income (attach Schedule D (Form 1120)). _____ <b>9</b> Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797) _____ <b>10</b> Other income (see instructions—attach schedule) _____ <b>11</b> <b>Total income.</b> Add lines 3 through 10 ▶ _____	<b>1c</b>	
	<b>12</b> Compensation of officers (Schedule E, line 4) _____	<b>2</b>	
	<b>13</b> Salaries and wages (less employment credits) _____	<b>3</b>	
	<b>14</b> Repairs and maintenance _____	<b>4</b>	
	<b>15</b> Bad debts _____	<b>5</b>	
	<b>16</b> Rents _____	<b>6</b>	
	<b>17</b> Taxes and licenses _____	<b>7</b>	
	<b>18</b> Interest _____	<b>8</b>	
	<b>19</b> Charitable contributions _____	<b>9</b>	
	<b>20</b> Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562) _____	<b>10</b>	
	<b>21</b> Depletion _____	<b>11</b>	
	<b>22</b> Advertising _____		
	<b>23</b> Pension, profit-sharing, etc., plans _____		
	<b>24</b> Employee benefit programs _____		
	<b>25</b> Domestic production activities deduction (attach Form 8903) _____		
	<b>26</b> Other deductions (attach schedule) _____		
	<b>27</b> <b>Total deductions.</b> Add lines 12 through 26. ▶ _____	<b>12</b>	
	<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11 _____	<b>13</b>	
	<b>29</b> <b>Less:</b> <b>a</b> Net operating loss deduction (see instructions) _____ <b>29a</b> _____	<b>14</b>	
	<b>b</b> Special deductions (Schedule C, line 20) _____ <b>29b</b> _____	<b>15</b>	
		<b>16</b>	
		<b>17</b>	
		<b>18</b>	
		<b>19</b>	
		<b>20</b>	
		<b>21</b>	
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		<b>24</b>	
		<b>25</b>	
		<b>26</b>	
		<b>27</b>	
		<b>28</b>	
		<b>29c</b>	
	<b>30</b> <b>Taxable income.</b> Subtract line 29c from line 28 (see instructions) _____	<b>30</b>	
	<b>31</b> <b>Total tax</b> (Schedule J, line 10) _____	<b>31</b>	
	<b>32a</b> 2006 overpayment credited to 2007 _____ <b>32a</b> _____		
	<b>b</b> 2007 estimated tax payments _____ <b>32b</b> _____		
	<b>c</b> 2007 refund applied for on Form 4466 _____ <b>32c</b> ( ) <b>d</b> Bal ▶ <b>32d</b> _____		
	<b>e</b> Tax deposited with Form 7004 _____ <b>32e</b> _____		
	<b>f</b> Credits: (1) Form 2439 _____ (2) Form 4136 _____ <b>32f</b> _____	<b>32g</b>	
	<b>33</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached. ▶ <input type="checkbox"/> <b>33</b>		
	<b>34</b> <b>Amount owed.</b> If line 32g is smaller than the total of lines 31 and 33, enter amount owed _____ <b>34</b>		
	<b>35</b> <b>Overpayment.</b> If line 32g is larger than the total of lines 31 and 33, enter amount overpaid _____ <b>35</b>		
	<b>36</b> Enter amount from line 35 you want: <b>Credited to 2008 estimated tax</b> ▶ _____ <b>Refunded</b> ▶ _____ <b>36</b>		

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

<b>Signature of officer</b> _____	<b>Date</b> _____	<b>Title</b> _____	
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May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

<b>Paid Preparer's Use Only</b>	<b>Preparer's signature</b> _____ <b>Firm's name (or yours if self-employed), address, and ZIP code</b> _____	<b>Date</b> _____ <b>Check if self-employed</b> <input type="checkbox"/>	<b>Preparer's SSN or PTIN</b> _____ <b>EIN</b> _____ <b>Phone no.</b> ( ) _____
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**Schedule A Cost of Goods Sold** (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	<b>Total.</b> Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost

(ii) ☐ Lower of cost or market

(iii) ☐ Other (Specify method used and attach explanation.) ►

b Check if there was a writedown of subnormal goods . . . . . ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . . . ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO . . . . . **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? . . . . . ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . . ☐ Yes ☐ No

**Schedule C Dividends and Special Deductions** (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) × (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations	see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	80	
8	Dividends from wholly owned foreign subsidiaries	100	
9	<b>Total.</b> Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from affiliated group members	100	
12	Dividends from certain FSCs	100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	<b>Total dividends.</b> Add lines 1 through 17. Enter here and on page 1, line 4		
20	<b>Total special deductions.</b> Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b		

**Schedule E Compensation of Officers** (see instructions for page 1, line 12)

**Note:** Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2	Total compensation of officers				
3	Compensation of officers claimed on Schedule A and elsewhere on return				
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12				