

# Preparing Financial Statements

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Statement of Cash Flows			
Accounts		Amounts	
Cash Flow from Operating Activities			
Net Income			<i>Insert Net Income from the Income Statement</i>
Adjustments to reconcile net income to net cash provided by operating activities:			
Net cash provided by operating activities			<i>Subtotal net cash provided by operating activities</i>
Cash Flows from Investing Activities			
Net cash used for investing activities			<i>Subtotal net cash used for investing activities</i>
Cash Flows from Financing Activities			
Net cash used for financing activities			<i>Subtotal net cash used for financing activities</i>
			<i>Total of cash flow from operating, investing, and financing activities; in other words, add all the subtotals</i>
			<i>Cash balance from last year's Balance Sheet; if this is your first year in business, then this will be zero*</i>
Net Cash at End of Period			<i>Cash balance from the Balance Sheet; should also equal the Net Increase (Decrease) in Cash plus the Net Cash at the Beginning of Periods above</i>

  

<p><b>Note for Students:</b></p> <p>* Difference of last year's amount and this year's amount, if this is the first year then the use 0 as the beginning balance.</p> <p>The Statement of Cash Flows is meant to compare the sources and uses of funds in the previous year to the current year. In the real world, you would look at the Balance Sheet from the previous year and compare the Operating Activities, Investment Activities, and Financing Activities to this year's Balance Sheet.</p> <p>In this scenario, where you are using a factious company, you will either need to make up amounts for last year, or if it's a new business, your amounts for last year will be zero. In either case, the change in the accounts is what will go on the statement.</p> <p>Please note that the last line Net Cash at End of Period, must equal the Cash Balance from the Balance Sheet.</p>	
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