[**Note:** To complete this template, replace the bracketed text with your own content. Remove this note before you submit your report.]

# Summary Report: Financial Statements

[Your Name]

Southern New Hampshire University

## Introduction

[In this section, include the purpose of the report. Describe the kind of information these financial statements provide to various aspects of the business.]

**Process**

[In this section you will discuss the process you used to generate accurate financial statement results for the business owner from the list of business transactions provided. Explain what is being communicated through each of the financial statements you prepared (income statement, statement of equity and balance sheet) and how this information will be used in business decision making and planning.]

## Financial Statement Analysis

[This section should center on your analysis of the financial performance of the company based on the statements you prepared. Discuss key points on your observations of results: Is the company operating profitably (what percent of revenues result in profit/net income)? How well poised are they to meet liabilities (discuss liquidity and current ratio)?.]

**Internal Controls**

[Provide suggestions for a simple system of internal controls to assist the owners in protecting assets and ensuring accuracy in financial data. Consider additional controls that will support the potential for adding merchandise and additional assets with business growth/expansion.]

**Looking to the Future**

[In response to the owner’s request for additional information and support for future growth, discuss accounting considerations associated with the acquisition of additional long term/fixed assets, and the addition of merchandise inventory. How will the company account for the costs of long-term assets? How will the method of depreciation be determined? (Expand on 2 different methods of depreciation to demonstrate ideal application). How does accounting change with the addition of merchandise inventory? How will it be determined which inventory costing method to apply? (Discuss how the FIFO, LIFO, and Average methods differ and provide examples of the types of merchandising scenarios that would be ideally applicable in each case.)]