

# FINANCIAL STATEMENT ANATOMY

## Income Statement

Revenue	Total income from primary operations.
Cost of Goods Sold (COGS)	Direct costs of production.
Gross Profit	Revenue minus COGS.
Operating Expenses	Selling, general, and administrative costs.
Operating Income	Gross Profit minus Operating Expenses.
Other Income/Expenses	Non-operating items (interest, taxes).
Net Income	Final profit or loss.

## Balance Sheet

Assets		=	Liabilities		+	Shareholders' Equity	
Current Assets	Non-Current Assets		Current Liabilities	Non-Current Liabilities		Common Stock	Retained Earnings
↓	↓		↓	↓		↓	↓
Cash, accounts receivable, inventory.	Long-term investments, property.		Short-term obligations.	Long-term debt, deferred tax.		Par value of shares.	Cumulative net income.

## Cash Flow Statement

Operating Activities	Cash transactions in core operations.
Investing Activities	Cash transactions for long-term assets.
Financing Activities	Cash transactions with owners and creditors.
Net Cash Flow	Sum of operating, investing, and financing activities.
Beginning and Ending Cash Balance	Initial and final cash position.