

# Annual Financial Statement Audit Report

**For the Year Ended December 31, 2023**

**Prepared for:** Example Company, Inc.

**Prepared by:** ABC Audit & Co.

## Independent Auditor's Report

To the Board of Directors and Shareholders of Example Company, Inc.:

We have audited the accompanying financial statements of Example Company, Inc., which comprise the balance sheet as of December 31, 2023, and the related statements of income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Example Company, Inc. as of December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with generally accepted accounting principles.

## Balance Sheet

| Assets                          | 2023           | 2022           |
|---------------------------------|----------------|----------------|
| Cash and Cash Equivalents       | 100,000        | 80,000         |
| Accounts Receivable             | 50,000         | 60,000         |
| Inventory                       | 30,000         | 35,000         |
| <b>Total Assets</b>             | <b>180,000</b> | <b>175,000</b> |
| <b>Liabilities &amp; Equity</b> |                |                |
| Accounts Payable                | 20,000         | 25,000         |
| Long-term Debt                  | 30,000         | 20,000         |

|                                       |                |                |
|---------------------------------------|----------------|----------------|
| Shareholdersâ€™ Equity                | 130,000        | 130,000        |
| <b>Total Liabilities &amp; Equity</b> | <b>180,000</b> | <b>175,000</b> |

Income Statement

| Item               | 2023    | 2022    |
|--------------------|---------|---------|
| Revenue            | 250,000 | 220,000 |
| Cost of Goods Sold | 120,000 | 110,000 |
| Gross Profit       | 130,000 | 110,000 |
| Operating Expenses | 40,000  | 35,000  |
| Net Income         | 90,000  | 75,000  |

Statement of Cash Flows (Summary)

| Category                           | 2023          |
|------------------------------------|---------------|
| Net Cash from Operating Activities | 85,000        |
| Net Cash from Investing Activities | -10,000       |
| Net Cash from Financing Activities | -5,000        |
| <b>Net Increase in Cash</b>        | <b>70,000</b> |

Notes to the Financial Statements

- 1. Basis of Preparation:** The financial statements have been prepared in accordance with generally accepted accounting principles.
- 2. Significant Accounting Policies:** Details of policies adopted in the preparation of financial statements.
- 3. Subsequent Events:** No significant events occurred after December 31, 2023, which require disclosure.

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Authorized Signature  
ABC Audit & Co.  
June 30, 2024