

# Financial statements essay sample

[Health & Medicine](#), [Body](#)



## **Financial Statements**

Financial information is often required by organization stakeholders for a variety of reasons. These stakeholders include; investors, creditors, government departments, employees and community agencies. To this end, organizations are required to produce the three main financial statements to meet the informational needs of these stakeholders; Statement of operations/Income Statement, Balance Sheet, statement of Cash flows. This paper discusses these financial statements with reference to the Cameron Memorial Community Hospital.

Balance sheet is a summary of an entity's assets, liabilities and owner's equity at a given time. A balance sheet indicates the financial position of an organization at a particular date. For example, the Balance Sheet of Cameron Memorial Community Hospital was prepared as at September 30, 2011. A Balance Sheet has three sections; heading, body and notes. The first one is the heading which includes the name of the organization, the name 'Balance Sheet' and two dates. The body section contains assets, liabilities and owner's equity. Lastly, it contains the notes section which details important information that explains the balance sheet figures.

The Income Statement or Statement of Operations provides a summary the revenues and expenses of an organization. Investor-owned healthcare organizations prepare Income Statement while not-for-profit organizations prepare Statement of Operations. They are prepared for a given duration which is usually one year. For example, the Statement of Operations of Cameron Memorial Community Hospital was for the year ended September

30, 2011. The statement of operations has three sections; heading, body and notes. The first one is the heading which includes the name of the organization, the name Statement of Operations and two dates. The body section contains revenues and expenses incurred during the year. Lastly, it contains the notes section which details important information that explains the Statement of Operation figures.

The Statement of Cash flows summarizes the movement of cash into and out of the organization. They are prepared for a given duration which is usually one year. For example, the Statement of Operations of Cameron Memorial Community Hospital was for the year ended September 30, 2011. The statement of Cash flows has three sections; heading, body and notes. The first one is the heading which includes the name of the organization, the name Statement of Operations and two dates. The body section cash flows from operating, investing and financing activities during the year. Lastly, it contains the notes section which details important information that explains the Statement of Cash flow figures.

## **References**

Cameron Memorial Community Hospital, Inc. (2011). Accountant's Report and Consolidated Financial Statements. Indiana.

Wolper, L. F. (2004). Health Care Administration: Planning, Implementing, and Managing Organized Delivery Systems (4, illustrated ed.). New York: Jones & Bartlett Learning.