FINANCIAL STATEMENT MODEL
BUILDING A FULLY–INTEGRATED, SELF-BALANCING MODEL
OVERVIEW OF STEPS

INCOME STATEMENT
Enter historical financial information, decipher historical trends
Estimate revenue growth, expense margins
Calculate IS thru to EPS, leave projected interest expense and interest income blank

BALANCE SHEET
Enter historical financial information, calculate balance ratios
Estimate run-rate ratios
Project all accounts except for cash, PPE, debt and equity (A/R, Inventory, A/P, etc)

CASH FLOW STATEMENT
Calculate Cash Flow from Operations
Estimate Capital Expenditures and Cash Flow from Investing
Estimate Cash Flow from Financing, except for debt-related items
Calculate "Cash Available / Required Before Debt"

BALANCE SHEET
Project PPE and equity accounts, only cash and debt remaining on BS now

DEBT SWEEP AND INTEREST SCHEDULE
Calculate required borrowings
Fill in debt tranche data and mandatory future repayments
Calculate revolver paydown/ borrowings
Calculate debt subtotals
Using new debt balances, estimate interest rates and calculate interest expense and income

INTEGRATING THE MODEL
Cash Flow Statement: Complete Cash Flow from Financing and calculate change in cash and new cash balances
Balance Sheet: Link in new cash balances from Cash Flow Statement and debt balances from Debt Sweep
Income Statement: Link in interest expense and interest income from Interest Schedule