

Accounting and Financial Statements

Balance Sheet	
<p style="text-align: center; color: red;">Common Assets</p> <p>(Items of Value that are owned by the business)</p> <ul style="list-style-type: none"> ■ Cash (Bank Included) ■ Accounts Receivable (the term used when someone else owes a business money) ■ Inventory ■ Supplies ■ Vehicles ■ Furniture and Equipment ■ Building and Land <p>Assets should be listed on a balance sheet in order of liquidity (how fast they can be converted into cash) <i>* assets above are in the order they should be listed</i></p>	<p style="text-align: center; color: red;">Common Liabilities</p> <p>(debts of a business)</p> <ul style="list-style-type: none"> ■ Accounts Payable (the term used when the business owes someone else money) ■ Bank Loan ■ Mortgage Payable <p style="text-align: center;">Liabilities should be listed in the order they will be paid back.</p>

Assets - Liabilities = Owners Equity or Net Worth

Income Statement	
<p style="text-align: center; color: blue;">Revenue</p> <p>(money or promise of money received from the sale of goods or service)</p> <ul style="list-style-type: none"> ■ Sales ■ Fees ■ Investment Income 	<p style="text-align: center; color: blue;">Expenses</p> <p>(expenditures that help a business generate revenue)</p> <ul style="list-style-type: none"> ■ Salaries/Wages ■ Rent ■ Insurance ■ Utilities(Telephone, Hydro, Electricity) ■ Supplies ■ Office Expense ■ Delivery/Transportation Expense ■ Promotional/Advertising Expense ■ Repairs on Vehicles ■ Miscellaneous

Revenue - Expenses = Net Income