Understanding Your Financial Statements - Your Balance Sheet

1. Balance sheet
   a. Assets
   b. Liabilities
   c. Equity

2. Assets
   a. Inventory
   b. Plant & equipment
   c. Land

3. Liabilities
   a. Deferred revenue
   b. Payroll tax payable
   c. Accrued expenses

4. Assets equals liabilities plus owner’s equity

5. What your balance sheet tells you
   a. Liquidity
   b. Amount owed to you
   c. Amount you owe others
   d. Inventory levels
   e. Company valuation
   f. Credit worthiness

6. Current ratio
   a. Current assets divided by current liabilities

7. What your balance sheet tells you
   a. Snapshot of your assets and liabilities

8. Creating a balance sheet
   a. Use financial software
   b. Get a professional to help

9. Summary