

“Financial Statements”

1- Balance Sheet

At a specific place in time, a balance sheet provides detailed information about a company's assets, liabilities, and shareholders' equity. The balance sheet is a business' financial statement that gives a snapshot of what a business owns and obligated to pay, as well as the amount the shareholders have invested.

ABC COMPANY Balance Sheet 12/31/2019	
ASSETS	
Current Assets:	
Cash	\$12,000
Accounts Receivable	35,000
Inventory	120,000
Prepaid Rent	8,000
Total Current Assets	\$175,000
Long-Term Assets	
Land	\$126,000
Buildings & Improvements	300,000
Furniture & Fixtures	50,000
General Equipment	125,000
Total Fixed Assets	\$601,000
TOTAL ASSETS	\$776,000
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$60,000
Taxes Payable	25,000
Salaries/Wages Payable	30,000
Interest Payable	25,000
Total Current Liabilities	\$140,000
Long Term Liabilities:	
Loan 1	\$322,000
Total Long Term Liabilities	\$322,000
TOTAL LIABILITIES	\$462,000
OWNER'S EQUITY	
Paid in Capital	\$64,000
Retained Earnings	250,000
TOTAL OWNER'S EQUITY	\$314,000
TOTAL LIABILITIES & OWNER'S EQUITY	\$776,000

1- Income Statement

Shows how much revenue a company earned over a specific reporting period. This reporting period is usually for a year or some portion of a year. This report breaks down the profitability of a business by showing your revenue minus your costs and expenses.

INCOME STATEMENT For the Year Ending December 31, 2019	
REVENUES:	
Sales Revenue	\$500,000
Other Revenue	\$0
(Less Sales Returns & Allowances	0
TOTAL REVENUES	\$500,000
 Cost of Goods Sold	 150,000
GROSS PROFIT	\$350,000
 EXPENSES:	
Accounting	\$2,500
Advertising	25,000
Amortization	0
Bad Debt	1,000
Depreciation	50,000
Employee Payroll Tax	15,000
Employee Wages	100,000
Entertainment	0
Insurance	2,000
Interest Expense	12,000
Miscellaneous	5,000
Rent	24,000
Software	0
Telephone	2,500
Utilities	7,000
Web Hosting	500
Vehicle Expense	12,000
-	0
-	0
-	0
TOTAL EXPENSES	\$258,500
 NET INCOME BEFORE TAXES	 \$91,500
Less Income Tax Expense	0
NET INCOME	\$91,500