

# Balance Sheet

A Balance Sheet, sometimes referred to as a statement of financial position, reports the assets, liabilities and shareholders' equity of a business at a specific date. It provides information about the nature and amounts of investments in business resources, obligations to creditors and the shareholders' equity in net resources. The following items are commonly included on your business balance sheet.

## Assets: Business Resources

- Bank Accounts:
  - Checking Account
  - Savings Account
- Inventory
- Personal Loans taken from the business
- Fixed Assets: Keep a current list of equipment, buildings and property owned by your business and record depreciation taken annually on your tax return as Accumulated Depreciation. Update with the following information.
  - Cost of new equipment bought during the year
  - Was any equipment traded, sold or scrapped?
  - Upgrades or additions to buildings or property

## Liabilities: Amounts due to creditors

- Payroll taxes
- Credit Cards
- Bank Line of Credit Loan
- Equipment Loans
- Personal loans made to the business

**Equity:** The total shareholder equity is generally the amounts that a shareholder contributes to the business plus the net income over the years that is left in the business without being withdrawn for personal uses.

- Equipment contributed to the business
- Cash invested in the business
- Cash withdrawn from the business for personal use
- Cumulative net income of the business