

BALANCE SHEET

✦ STATEMENT OF FINANCIAL POSITION

KEY CONCEPTS

✦ **ASSETS = LIABILITIES + OWNER EQUITY**

✦ **ASSETS AND LIABILITIES ARE CLASSIFIED AS EITHER CURRENT OR NON-CURRENT**

- ✦ **COST BASIS VALUES FOR ASSETS ARE NEEDED TO CORRECTLY DETERMINE ACCRUAL NET INCOME AND EARNED OWNER EQUITY**
- ✦ **CERTAIN LIABILITIES ACCRUE AND EXIST ON THE DATE OF THE BALANCE SHEET EVEN THOUGH THEY ARE NOT DUE OR PAYABLE ON THAT DATE**
- ✦ **NON-CURRENT DEFERRED TAX LIABILITY ONLY AFFECTS THE MARKET BASED NET WORTH**

ASSETS

- ✦ **ASSETS INCLUDE EVERYTHING OWNED THAT HAS VALUE**
- ✦ **REPRESENTS THE TOTAL CAPITAL INVESTED IN THE BUSINESS**