

Teymoorian Eye Associates					
Balance Sheet					
Sept. 1st, 2018					
Current Assets	Assets			Liabilities	
	Cash	\$		Accounts Payable	\$
	Accounts Receivable	\$		Accrued Expenses	\$
	Inventory	\$		Current Debt	\$
	Pre-paid Expenses	\$		Taxes Payable	\$
	Non-Current Assets	\$		Long-Term Debt	\$
				Liabilities Total	\$
Net Fixed Assets	Cost of Fixed Assets	\$		Equity	
	Accumulated Depreciation	\$		Retained Earnings	\$
	Assets Total	\$		Capital Stock	\$
				Equity Total	\$

Figure 9-2. Categories and organization of a balance sheet.

Accrued expenses: The money a company owes for expenses it has accumulated over time

Current debt: The amount owed in loans that need to be repaid in less than 1 year

Taxes payable: The amount of income tax a practice owes the government

Long-term debt: The amount owed in loans that do not need to be paid within the year

Retained earnings: The amount of profits left behind that are not given as dividends to shareholders

Dividends: An amount of money paid by a company to its shareholders based upon profitability

Capital stock: The stock held by owners that represents the money needed to begin and add onto a business

Applications

The eye care practitioner utilizes the balance sheet to provide a sense of what the practice looks like from an outsider’s point of view at a particular instance in time. Again, it is structured by the equation of assets equals liabilities plus shareholders’ equity. The translation of this is the worth of the practice equals what it owes plus the owner’s value. Just as in any algebraic equation, the 2 sides must remain balanced. Therefore, the addition of anything on the left side must correspond to a similar increase on the right side.

The categories of assets, liabilities, and shareholders’ equity can be broken down to smaller components to provide greater detail about each section (Figure 9-2). The total assets is the sum of current assets, noncurrent assets, and net fixed assets. Each of these 3 can be further separated by subsections.

The current assets represent a group of resources that can be changed to actual cash on hand in less than a 1-year period. Its subsections are typically ordered in