

# FINANCIAL STATEMENT 101

Usual Debits

Usual Credits

The Balance Sheet  
A Snapshot in Time

## ASSETS

- What the dealership owns or is owed
- Listed in order of liquidity, with the most liquid at the top

Three types:

- Current – Converted to cash within 12 months
- Fixed – Used to operate the business
- Other – Anything

## LIABILITIES

- What the dealership owes to creditors
- Listed in order of due date, with the soonest due at the top

Two types:

- Current – Paid in the next 12 months
- Long-Term – Due later than 12 months

## EQUITY

What a dealership owes to owners

Income – Expenses = **PROFIT**

The Income Statement  
- monthly/  
Month/YTD

Expenses = Cash/value  
leaving the business

Income/Sales = Cash/value  
coming into the business

Debits Increase ↑ | Credits Decrease ↓

Debits Decrease ↓ | Credits Increase ↑

After the income statement is the Gross Profit Analysis, which details how your business made its income/loss.

