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Balance Sheet

A balance sheet gives you a snapshot of your business' financial condition at a specific moment in time.

A balance sheet helps you...

- Quickly get a handle on the financial strength and capabilities of your business.
- Identify and analyze trends, particularly in the area of receivables and payables. For example, if your receivables cycle is lengthening, maybe you can collect your receivables more aggressively.
- Determine if your business is in a position to expand.
- Determine if your business can easily handle the normal financial ebbs and flows of revenues and expenses?
- Determine if you need to take immediate steps to bolster cash reserves?
- Determine if your business has been slowing down payables to forestall an inevitable cash shortage?

Balance sheets, along with income statements, are the most basic elements in providing financial reporting to potential lenders such as banks, investors, and vendors who are considering how much credit to grant you.