

MODEL BALANCE SHEET

This form may be used when submitting a license application for an Adult Day Care Center (ADCC), an Adult Family Home (AFH), a Community Based Residential Facility (CBRF), a Home Health Agency (HHA), or a Personal Care Agency (PCA).

Read instructions on page 2 before completing the form.

Name – Agency		Date Completed	
Address	City	State	Zip Code

ASSETS		LIABILITIES	
Current Assets		Current Liabilities	
Cash in Bank		Accounts Payable	
Other Short Term Investments (e.g., money market, stocks, CDs)		Loans Payable (due within 12 months)	
Prepaid Expenses		Accrued Payroll / Withholding	
Receivables		Taxes Payable	
Other (Specify.)		Current Portion of Long Term Debt	
		Other (Specify.)	
Total Assets (Current)		Total Liabilities (Current)	
Fixed Assets		Long Term Liabilities	
Vehicles		Loans Payable (due after 12 months) (e.g., land contract, mortgage, vehicles, bank loans, etc.)	
Furniture and Equipment			
Leasehold Improvements			
Real Estate / Buildings		Other (Specify.)	
Other (Specify.)			
Total Assets (Fixed)		Total Liabilities (Long Term)	
TOTAL ASSETS (Current plus Fixed)		TOTAL LIABILITIES (Current plus Long Term)	

Total Assets must equal the sum total of owner's **total liability** and **owner's equity** (net worth).

OWNER'S EQUITY (NET WORTH)		TOTAL ASSETS	
TOTAL ASSETS		TOTAL LIABILITIES	
TOTAL LIABILITIES		OWNER'S EQUITY	
OWNER'S EQUITY		TOTAL ASSETS	

MODEL BALANCE SHEET

This balance sheet is used when submitting a license application for Adult Day Care Center (ADCC), an Adult Family Home (AFH), a Community Based Residential Facility (CBRF), a Home Health Agency (HHA), or a Personal Care Agency (PCA). The Model Balance Sheet is a suggested format; however, **the same basic information is required** when using another format. Other balance sheet formats containing the required information will be accepted.

A. What is a balance sheet? What is it used for?

A **balance sheet** is a financial “snapshot” of you or your business at a given date in time. The balance sheet provides information on what you or your business own (**assets**), what you or your business owe (**liabilities**), and your net worth or the value of the business (**equity**). The term “balance sheet” is derived from the fact that these accounts must always be in balance. Assets must always equal the sum of liabilities and equity. By analyzing your balance sheet, one can assess your financial status and examine the following:

- Can you or your business meet short term obligations?
- Can you or your business pay all current and long term debts as they come due?
- Are you or your business overly indebted, i.e., do your liabilities exceed your assets?

B. Terms

1. **Current Assets** are assets that are usually converted to cash within one year. They include, but are not limited to:
 - Cash – On hand and/or on deposit and is available
 - Short Term Investments – Generally converted easily into cash, e.g., money market funds, U.S. Government securities
 - Receivables – Money that customers owe to you or your business
 - Prepaid Expenses – Items like insurance premiums or rentals which you have already paid but have not yet “used”.
2. **Fixed Assets** are tangible assets with a useful life greater than a year. They include, but are not limited to:
 - Vehicles
 - Furniture and Equipment
 - Leasehold Improvements – improvements on a leased asset that increase the value of the asset
 - Land
 - Buildings
3. **Total Assets** is the sum total dollar value of current and fixed assets.
4. **Current Liabilities** are those obligations that are usually paid within 12 months. They include, but are not limited to:
 - Accounts Payable
 - Taxes Payable
 - Loans Payable (due within one year)
 - Current Portion of Long Term Debt
 - Accrued Payroll and Withholding (includes any wages or withholdings owed to or for employees that have not yet been paid)
5. **Long Term Liabilities** are any debts owed that are due more than one year out from the current date, including loans payable, e.g., mortgage, vehicle loan, bank loan.
6. **Total Liabilities** is the sum total dollar value of current and long term liabilities.
7. **Owner's Equity** is the amount left when you subtract total liabilities from total assets. Examples:

Total Assets	\$ 100,000		Total Assets	\$ 60,000
Total Liabilities	- \$ 50,000	OR	Total Liabilities	- \$ 75,000
Owner's Equity	<u>\$ 50,000 (+)</u>		Owner's Equity	<u>\$ 15,000 (-)</u>

C. Total Assets must equal the sum total of owner's total liabilities and owner's equity (net worth). Examples:

Total Liabilities	\$ 50,000		Total Liabilities	\$ 75,000
Owner's Equity	+ \$ 50,000	OR	Owner's Equity	- \$ 15,000
Total Assets	<u>\$ 100,000</u>		Total Assets	<u>\$ 60,000</u>