Outline – October 30, 2014

1. Introduction
   • Questions for participants, desired information
   • Discussion leader’s disclaimer and background

2. Basic financial statements
   • Balance sheet
     o Assets
     o Liabilities
     o Equity accounts

   • Income statement/Statement of operations
     o Revenues
     o Expenses
     o Earnings per share
     o Format

   • Statement of cash flows
   • Statement of equity
   • Notes to financial statements
   • Other financial disclosures in publicly filed documents

3. Types of accounting systems
   • Shoebox
   • Checkbook
   • Spreadsheet
   • Computerized systems
     o Simple (Peachtree, Quickbooks)
     o Moderate to complex enterprise solutions
     o Beware the system conversion
     o 80/20 Solution is usually the best
   • Cash vs. accrual

4. Double entry accounting systems
   • Each transaction is recorded in at least two accounts
   • Debits and credits
   • Result is a self-balancing sets of accounts
   • T – accounts (short hand notation)
   • Example: simple set of books for consultant