

SuperMoneyFunTime Presents: What-Are-The-Statements-Palooza

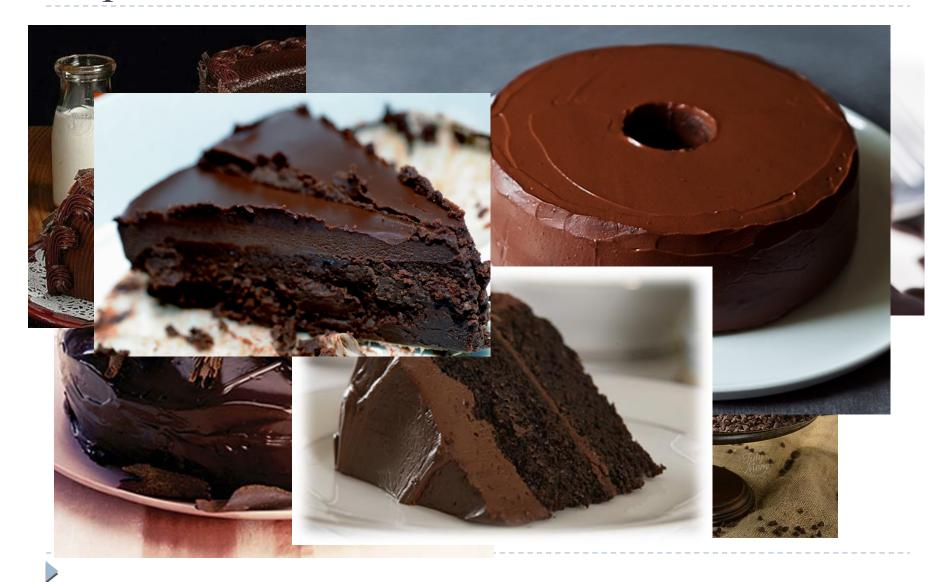
With Alex (DFS) and Ana (VP Finance)

What are Financial Statements?





Explain it with... Cake! Lots of Cake!



Let's imagine...

- You and your friends are gonna bake a cake at your place
 - Mmmmmmmm... cakeeeeeee
- Things to think about:
 - Laura borrowed her roommate's baking par
 - Miguel went and bought flour
 - Harry bought whipping cream because he knows what's up and doesn't use no whipped cream from a can
 - Charlotte brought Equal Exchange 80% Extra Dark
 - ite is







How do you keep track of it all?





The Balance Sheet

- Provides two pieces of information
 - What do we have right now? (assets)
 - Who helped us get it? (liabilities & equity)
 - Liabilities are when we borrow from someone else
 - Equity is when it comes from an owner

A "snapshot" of the current situation



Let's imagine...

- You and your friends are bake cakes together every week
 - □ Mmmmmmmmm... cakeeeeeee eeeeveryyyyy weeeeeeeeeek

And you invite other folks to eat them with you

They pitch in a few bucks

Mmmm... cake money

Money Cake?



- Things to think about:
 - Supplies are being used weekly
 - You've got all this thank-you-for-cake money coming in
 - You want to know how things have changed over time



How do you keep track of it all?





The Profit and Loss Statement (P&L)

- Provides two pieces of information
 - What are we being paid? (income)
 - What resources are being used? (expense)
- Explains activity over time



But What About All These Numbers?

- Since it's hard to compare flour to chocolate, dollars are used as the common denominator
- BUT, it's just as important (if not more important) to remember what the numbers represent
- The Financial Statements are really just one way to answer the question:

What's going on in our business?



