

EVE BOA, LLB BALANCE SHEET JANUARY 31, 20--			
ASSETS			
<i>Current Assets</i>			
Bank		\$ 2 439	
A/R – H. Geroux		1 420	
A/R – J. Magill		757	
A/R – E. Parsons		1 395	
Supplies		<u>2 316</u>	
<i>Total Current Assets</i>			\$ 8 327
<i>Long-Term Assets</i>			
Office Equipment		\$ 7 550	
Automobile		<u>16 800</u>	
<i>Total Long-Term Assets</i>			<u>24 350</u>
Total Assets			<u><u>\$ 32 677</u></u>
LIABILITIES			
<i>Current Liabilities</i>			
A/P – OK Supply		\$ 4 400	
A/P – Computer Outlet		1 200	
Bank Loan		<u>940</u>	
<i>Total Current Liabilities</i>			\$ 6 540
OWNER'S EQUITY			
<i>Eve Boa, Capital</i>			
Balance January 1		\$ 21 878	
Net Income	\$ 8 209		
Less: Drawings	<u>(3 950)</u>		
Increase in Capital		<u>4 259</u>	
<i>Balance January 31</i>			<u>26 137</u>
Total Liabilities and Owner's Equity			<u><u>\$ 32 677</u></u>

For this balance sheet, the ASSETS section is placed above the LIABILITIES and EQUITY sections instead of beside them. This format is referred to as the report form of the balance sheet.

This balance sheet also classifies assets and liabilities as either current or long-term. (See Chapter 2.)

Recall that under IFRS, the balance sheet is called the Statement of Financial Position.

Figure 5.8

Eve Boa's balance sheet with an expanded equity section

Notice that the equity equation is seen on Eve Boa's balance sheet, and it clearly describes what happened during the month of January. She started the month with a claim on assets of \$21 878. The net income in the month was greater than her drawings by \$4259, so her claim on assets increased to \$26 137. Prior to expanding the ledger, all this information—including the income statement shown in Figure 5.4 on page 136—was hidden in the capital account.