

B. BALANCE SHEET

The purpose of the Balance Sheet is to show the financial condition of a business at a particular date. A Balance Sheet consists of a listing of the assets and liabilities of a business and the owner's equity. Assets are further classified as current assets and plant and equipment. Liabilities are further classified as current and long term liabilities. This form is of primary importance in providing selected information which is necessary to aid in determining financial responsibility as required by the Code of Virginia. The financial information is related only to the applicant.

I N S T R U C T I O N S

ASSETS

CURRENT ASSETS: These are assets which can be converted to cash quickly and are therefore reserved as ready sources of cash to meet immediate requirements in operating the facility.

Cash: Enter the total of all forms of cash you have available which will be used to support operation of the facility. Items to be used to compute this value include currency, cash in checking accounts and cash in pass book savings accounts. The amount shown must be available now and available to support operation of the facility.

Monetary Investments: Monetary investments include primarily three items: Certificates of Deposit, Savings Bonds and Treasury Bills or Bonds owned. They must be currently owned by the applicant and identified for immediate use in operating the facility.

Negotiable Securities: These include stocks, corporate bonds, etc., which are owned by the applicant and are identified for use, if necessary, in operating the facility.

Accounts Receivable: Any monies owed to the applicant which are due within one year and would be used as they materialize, if necessary, in support of facility operations.

Notes Receivable: Any promissory notes held by the applicant which fall due within one year of the date of application and whose proceeds would be used as necessary to operate the facility.

Other: Any other assets which could be converted into cash within the operating year and used for operation of the facility.

PLANT & EQUIPMENT: These are long-lived or long term assets acquired for use in operating the business. Unlike current assets, these type assets are not viewed as being readily and quickly convertible to cash.

Notes Receivable: Any promissory notes held by the applicant which fall due more than one year from the date of the Balance Sheet and whose proceeds, when received, would be used as required for operation of the facility.

Land: The value of all land owned by the facility to include the value of the land on which the buildings which comprise the facility are located. The value of the land entered here should be the price at which the land was purchased rather than current appraised value.

Buildings: The total value of the buildings which comprise the facility. The value listed should be the price at which the buildings were purchased rather than the current appraised value.

Accumulated Depreciation Buildings: The total value of all depreciation claimed on all buildings as of the date of the Balance Sheet.

Current Value: The difference between the total value of the buildings and the accumulated depreciation buildings.

Office Equipment: The total value of all office equipment owned and used in the operation of the facility. The value listed should be the purchase cost of the machinery.

Accumulated Depreciation Office Equipment: The total value of all depreciation claimed on all office equipment as of the date of this Balance Sheet.

Current Value: The difference between the total value of office equipment and the accumulated depreciation office equipment.

Furniture & Fixtures: The total value of all furniture and fixtures owned and used in the operation of the facility. The value listed should be the purchase cost of the furniture and fixtures.

Accumulated Depreciation Furniture and Fixtures: The total value of all depreciation claimed on all furniture and fixtures as of the date of this Balance Sheet.

Current Value: The difference between the total value of all furniture and fixtures and the accumulated depreciation furniture and fixtures.

Vehicles: The total value of all vehicles owned and used in the operation of the facility. The value listed should be the purchase cost of the vehicles.

Accumulated Depreciation Vehicles: The total value of all depreciation claimed on all vehicles as of the date of this Balance Sheet.

Current Value: The difference between the total value of all vehicles and the accumulated depreciation vehicles.

Other Assets: Any other long term or plant and equipment assets owned by and used in support of the facility. Each item must be listed separately. Items of capital equipment which are listed here must also be accompanied by a value of accumulated depreciation and a current value.

LIABILITIES

CURRENT LIABILITIES: These are existing liabilities which must be paid within the next 12 months.

Accounts Payable: The amount entered here should include the sum of the total unpaid salaries and payments of all unpaid bills and financial obligations which fall due within the next 12 months with the exception of mortgage payments and installment loans. Examples include utility bills, unpaid wages to current employees, if any, charge accounts and credit cards such as VISA, Master Charge, American Express, etc.

Notes Payable: This amount should include all payments which must be made within the next 12 months on existing contracts, mortgages and installment loans.

Other: This amount includes any other existing obligation which is due during the next 12 months. It would include payments of obligations which are in arrears such as income taxes, property taxes, insurance, interest payable, etc. Each item must be itemized separately under the heading "Other."

LONG TERM LIABILITIES: These are liabilities which are considered long term in nature in that they fall due more than one year from the date of the Balance Sheet.

Mortgage Payable: This is the total value necessary to liquidate any mortgage on the facility, less the amount reflected as part of notes payable under current liabilities.

Notes Payable: This is the total value necessary to liquidate all outstanding contracts, installment loans or promissory notes, less the amount due within the next twelve months and reflected as part of the notes payable value listed as a current liability.

Other: Any other long term liabilities which are owed and were incurred to support facility operations. Each item must be listed separately.

OWNER'S EQUITY

OWNER'S CAPITAL: The value entered here reflects the total of investments made by the owner(s) in the facility. If all entries have been properly made regarding assets and liabilities, and accounting records are properly maintained, this value should equal the difference between Total Assets and Total Liabilities.

BALANCE SHEET (cont.)

ASSETS

CURRENT ASSETS:

Cash		\$ _____
Monetary Investments		_____
Negotiable Securities		_____
Accounts Receivable		_____
Notes Receivable		_____
Other (Specify)		_____

TOTAL CURRENT ASSETS		\$ _____

PLANT & EQUIPMENT:

Notes Receivable		\$ _____
Land		_____
Buildings	\$ _____	
Less: Accumulated Depreciation	_____	
Current Value		_____
Office Equipment	_____	
Less: Accumulated Depreciation	_____	
Current Value		_____
Furniture & Fixtures	_____	
Less: Accumulated Depreciation	_____	
Current Value		_____
Vehicles	_____	
Less: Accumulated Depreciation	_____	
Current Value		_____
Other (Specify)		_____

TOTAL PLANT & EQUIPMENT		_____

TOTAL ASSETS \$ _____

BALANCE SHEET (cont.)

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable	\$ _____	
Notes Payable	_____	
Other (Specify)	_____	

TOTAL CURRENT LIABILITIES		\$ _____

LONG TERM LIABILITIES:

Mortgage Payable	\$ _____	
Notes Payable	_____	
Other (Specify)	_____	

TOTAL LONG TERM LIABILITIES		\$ _____

TOTAL LIABILITIES		\$ _____
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OWNER'S EQUITY

Owner's Capital		\$ _____
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TOTAL LIABILITIES AND OWNERS EQUITY		\$ _____
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C. PROJECTED BUDGET FOR FIRST YEAR OF OPERATION

<u>INCOME</u>	<u>Monthly</u>	<u>Annual</u>
Estimated fee (_____ children @ _____/week)	=====	=====
Estimated fee (_____ children @ _____/week)	=====	=====
Estimated fee (_____ children @ _____/week)	=====	=====
Other Income:		
=====	=====	=====
=====	=====	=====
<u>TOTAL INCOME</u>		
Less Allowance for Vacancy and Collection Losses		
Estimated Income	=====	=====
<u>EXPENSES</u>		
Fixed Expenses:		
Rent or Mortgage	=====	=====
Utilities (heat, electricity, water etc.)	=====	=====
Insurance (including Workmen's Compensation)	=====	=====
Taxes (Property, Business Property, Business Income, etc.)	=====	=====
Other Expenses: (including loan & debt payments)		
=====	=====	=====
=====	=====	=====
<u>TOTAL FIXED EXPENSES</u>		
Variable Expenses:		
Salaries and Wages:		
=====	=====	=====
=====	=====	=====
=====	=====	=====
=====	=====	=====
Employee Benefits (Health Insurance, Pension Plan, etc.)	=====	=====
Payroll Taxes:		
Social Security (FICA)	=====	=====
Unemployment Tax (FUTA)	=====	=====
Food:		
Staff	=====	=====
Children	=====	=====
Supplies and Equipment	=====	=====
Repairs and Maintenance	=====	=====
Office Expenses (Advertising, phone, postage, paper, etc.)	=====	=====
Professional Services (Bookkeeper, Lawyer, etc.)	=====	=====
Staff Development (Workshops, Publications, etc.)	=====	=====
Others	=====	=====
<u>TOTAL VARIABLE EXPENSES</u>		
<u>TOTAL EXPENSES</u>	=====	=====
<u>NET INCOME</u>	=====	=====