The

Personal Accounting

&

Financial Statements

Made Easy

These three documents are a reflection of your values.

INCOME STATEMENT

|-Period-|

Income

Salary	###
Side Hustle	###
Interest	###
Total:	*###*

Expense

Taxes	###
Necessary	###
Discretionary	###
Total:	*###*

Net Income: ###

CASH FLOW STATEMENT

|-Period-|

Inflows

Net Income	###
New Debt	###
Gifts	###
Total:	*###*

Outflows

Debt payments	###
Invest	###
Goal allocation	###
Total:	*###*

Net Cash Flow: ###

BALANCE SHEET

-| Point |-

Assets

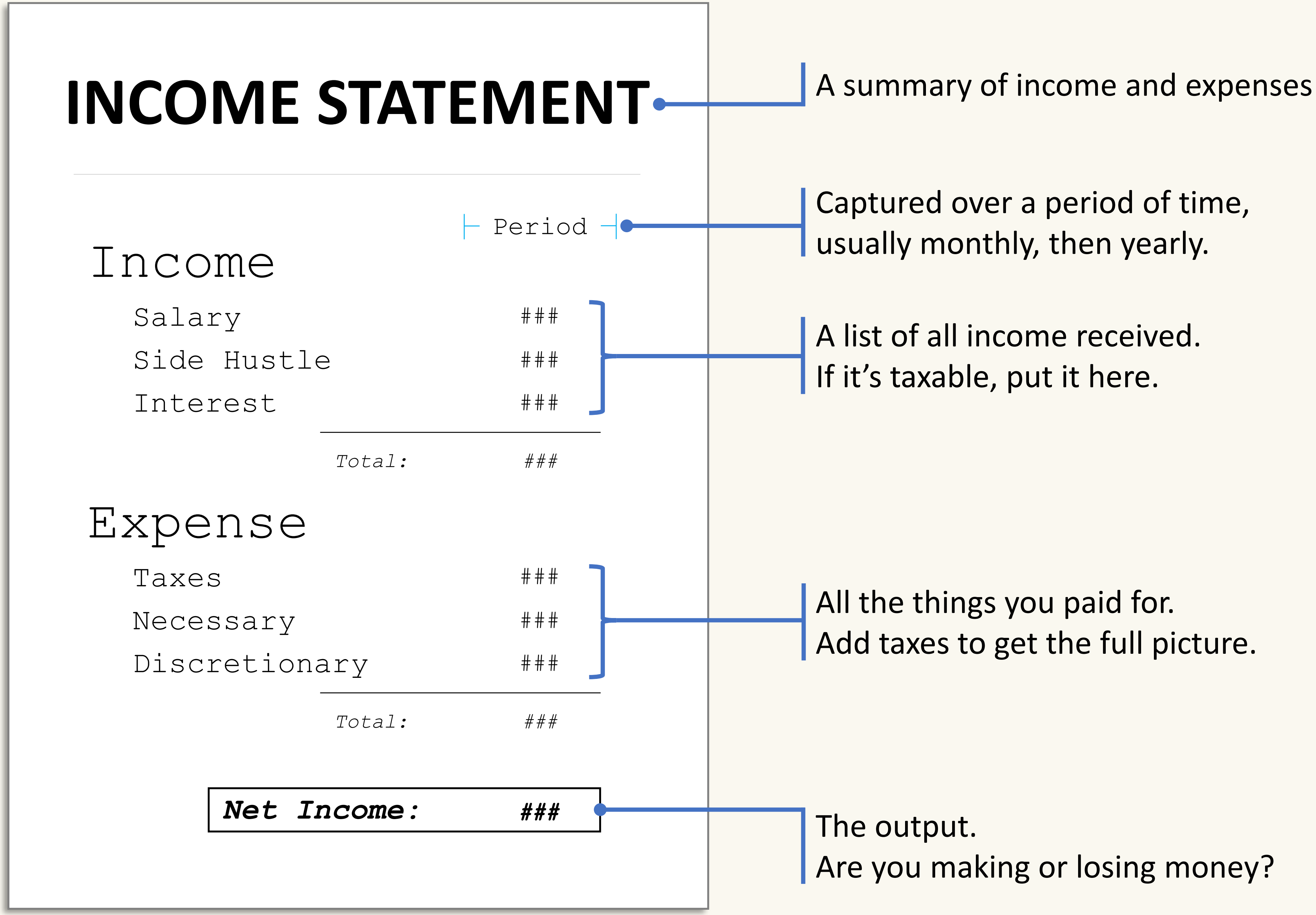
Checking	###
Savings	###
Investments	###
Property	###
Total:	*###*

Liabilities

Credit Cards	###
Mortgage	###
Loans	###
Total:	*###*

Net Worth: ###

You decide whether they are your worst enemy or your best friend.


INCOME STATEMENT
Period
Income
Salary ###
Side Hustle ###
Interest ###
Total: ###
Expense
Taxes ###
Necessary ###
Discretionary ###
Total: ###
Net Income: ###
A summary of income and expenses
Captured over a period of time, usually monthly, then yearly.
A list of all income received. If it’s taxable, put it here.
All the things you paid for. Add taxes to get the full picture.
The output. Are you making or losing money?

CASH FLOW STATEMENT

How your cash actually moved

Period

Also captured over a period of time, usually a month, then annualized.

Inflows

Net Income	###
New Debt	###
Gifts	###
Total:	###

All the ways cash came into your life.

Think on this

How does this differ from the Income Statement?

Outflows

Debt payments	###
Invest	###
Goal allocation	###
Total:	###

Where the cash went.

Net Cash Flow:	***###***

The output.
How close can you get this to zero?

BALANCE SHEET

Point

Assets

Checking	###
Investments	###
Savings	###
Property	###
Total:	###

Liabilities

Credit Cards	###
Mortgage	###
Loans	###
Total:	###

Net Worth: ###

A summary of your assets and liabilities

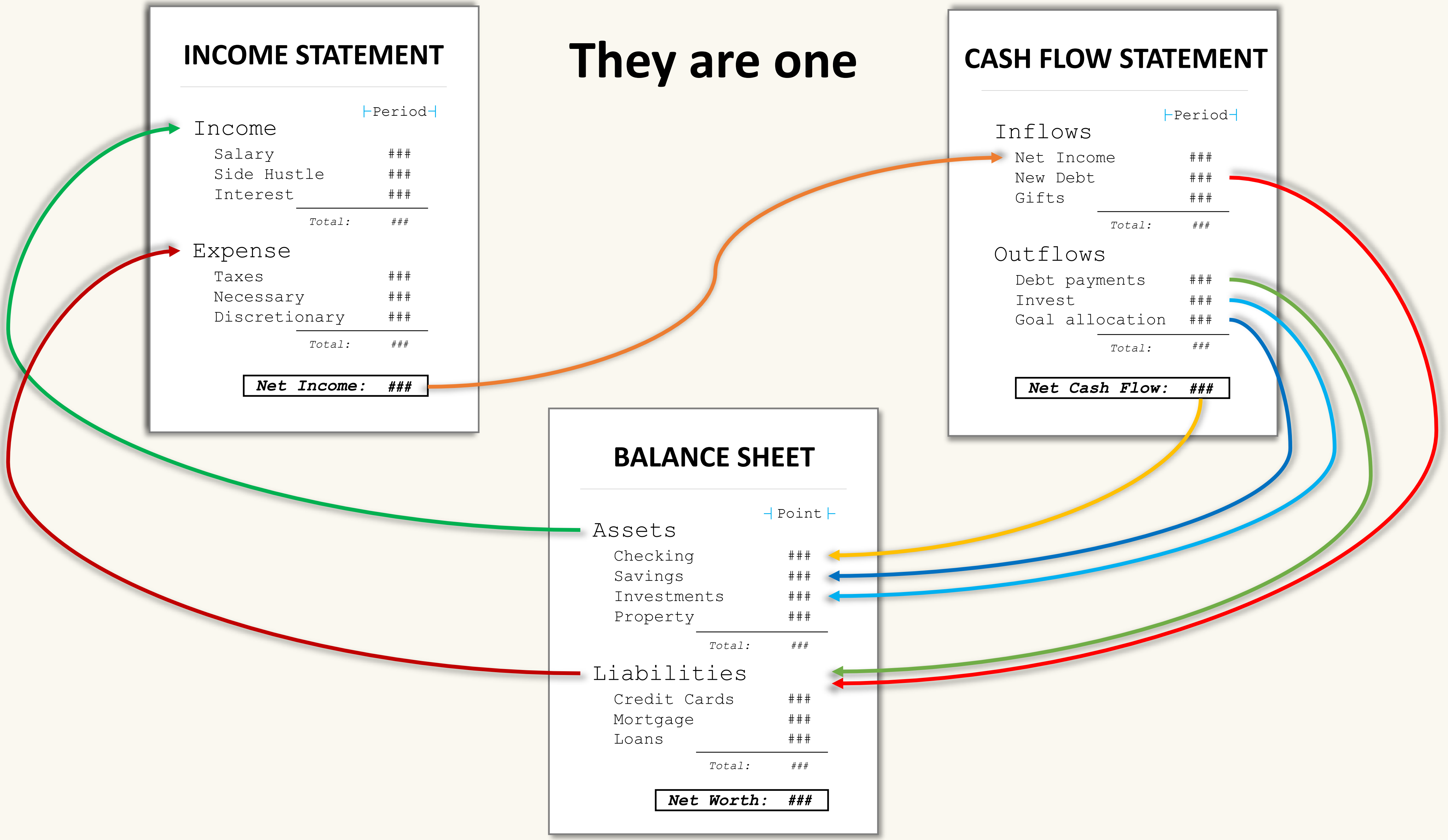
Captured at a point in time.
A snapshot, if you will.

What you own.

Think on this
How does cash flow affect the balance sheet?

What you owe.

The output.
Is it positive or negative?


They are one
INCOME STATEMENT
Period
Income
Salary ###
Side Hustle ###
Interest ###
Total: ###
Expense
Taxes ###
Necessary ###
Discretionary ###
Total: ###
Net Income: ###
CASH FLOW STATEMENT
Period
Inflows
Net Income ###
New Debt ###
Gifts ###
Total: ###
Outflows
Debt payments ###
Invest ###
Goal allocation ###
Total: ###
Net Cash Flow: ###
BALANCE SHEET
Point
Assets
Checking ###
Savings ###
Investments ###
Property ###
Total: ###
Liabilities
Credit Cards ###
Mortgage ###
Loans ###
Total: ###
Net Worth: ###

The **Income Statement** is a **clear summary of income and expenses** over a period of time.
If income is greater than expenses, there is a surplus that can be used to save or to spend more. If income is less than expenses, there is a deficit that must be addressed because you are creating debt that must eventually be paid. Over the long term, a deficit is not a viable scenario.

The **Cash Flow Statement** shows **how cash actually moved** during a period of time. It differs from the Income Statement in that it may include cash flows that are not from income generating activities, such as borrowing cash to make a purchase or receiving a gift. The cash flow statement allows you to allocate excess cash to goals, investments, and other future plans.

The **Balance Sheet,** or a *Net Worth Statement* is a **list of assets and liabilities** with their values. Assets are things that can be sold in order to pay debts. Because your assets are used to pay debts when they become due, the value of your assets should be greater than the value of your liabilities when you die. The difference between your assets and liabilities is your net worth.