GEORGIA · STATE-AWARE GUIDE

How to complete a Balance Sheet in Georgia

Itemized balance sheet with current/long-term assets, liabilities and owner's equity.

What this form is for

This form provides a snapshot of your business's financial health at a specific date by listing everything you own and owe. Lenders require it to assess your creditworthiness, liquidity, and ability to cover debt obligations before approving a commercial loan.

Before you start

- Recent business bank statements showing all checking, savings, and money-market account balances
- Documentation of accounts receivable aging reports and amounts customers owe you
- Current inventory valuation reports or recent physical inventory counts
- List of all equipment, vehicles, real estate, and other fixed assets with original purchase prices and current estimated values
- Loan statements for all outstanding debts including credit cards, equipment financing, vehicle loans, mortgages, and lines of credit showing current balances and terms

Step-by-step

1. Enter the reporting date at the top of the balance sheet. Choose your most recent month-end date so the snapshot aligns with your profit-and-loss statement period.

2. Complete the current assets section by listing cash on hand, all bank account balances, accounts receivable, inventory, and prepaid expenses like insurance or rent paid in advance. Total this section.

3. Fill in long-term assets including the original cost of real estate, vehicles, equipment, and furniture. Subtract accumulated depreciation to show net book value. In Georgia, if you own real property through the business, note whether it carries any state-specific liens or encumbrances.

4. Add current assets and long-term assets together to calculate total assets. Most forms auto-calculate this line.

5. List current liabilities including accounts payable to vendors, credit card balances, current portion of long-term debt due within twelve months, accrued payroll taxes, and any sales tax collected but not yet remitted to Georgia Department of Revenue.

6. Enter long-term liabilities such as mortgage balances, equipment loans, vehicle financing, and any other debts with repayment terms beyond one year. Show only the remaining principal balance.

7. Total all liabilities by adding current and long-term sections together.

8. Calculate owner's equity by subtracting total liabilities from total assets. This represents your stake in the business. For corporations, break this into capital stock and retained earnings if your form requires it.

9. Verify that assets equal liabilities plus equity. This equation must balance perfectly or the form contains errors.

What lenders look for

- Banks focus on your current ratio, calculated by dividing current assets by current liabilities. A ratio below 1.0 signals potential cash-flow problems and may trigger additional scrutiny or requests for collateral.

- Avoid inflating asset values or omitting liabilities. Underwriters will compare your balance sheet against tax returns, and discrepancies raise red flags that can kill your application.

- Georgia lenders may require updated property appraisals if real estate represents a significant portion of your assets or proposed collateral.