



INTERNATIONAL CARS, LTD.
EMPLOYEE OWNED. CUSTOMER FOCUSED.

FUNancial Literacy

Make it Personal

Presented by:

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Sandra Margolis, Manager

Ctr for Learning & Development


the
Great Game
of Business®

Conference





PURPOSE

To familiarize participants with ways to introduce financial literacy to employees to make learning financial statements effective, relevant, non-intimidating and fun!





OBJECTIVES

1. Explain concepts of a company's balance sheet and income statement and compare them to an individual's personal financial statement and monthly budget (CONTENT)
2. Provide an effective lesson design model of instruction (STRATEGY)
3. Share some successful tech tools to enhance learning (RESOURCES)
4. Have FUN! (EMOTION)





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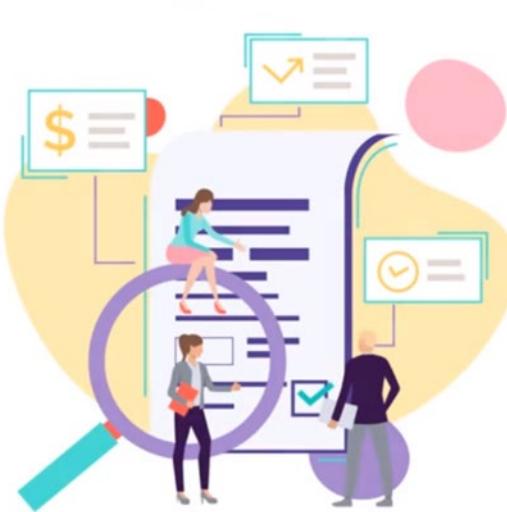
EXPLAINER VIDEO

1. Anticipatory Set

Sets the tone for what is to come
Non-intimidating

2. Explains the WHY

3. VideoScribe





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YOUR PERSONAL FINANCIAL STATEMENT



- A financial snapshot
- Answers the questions,
 - “What am I worth at this specific moment in time?”
 - “What is my wealth?”
- In business this is called a **Balance Sheet**. It is identical to your personal financial statement





They Are Identical!

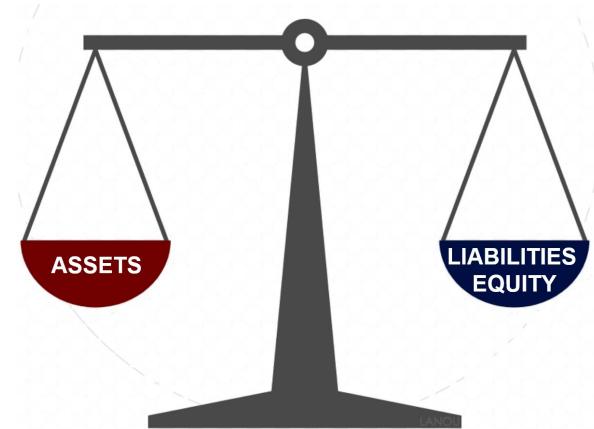
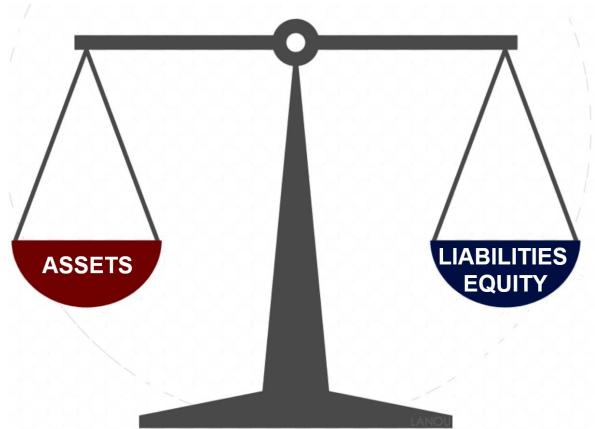
Personal Financial Statement

Assets = Liabilities + Equity

Balance Sheet

Assets = Liabilities + Equity

$$A = L + E$$





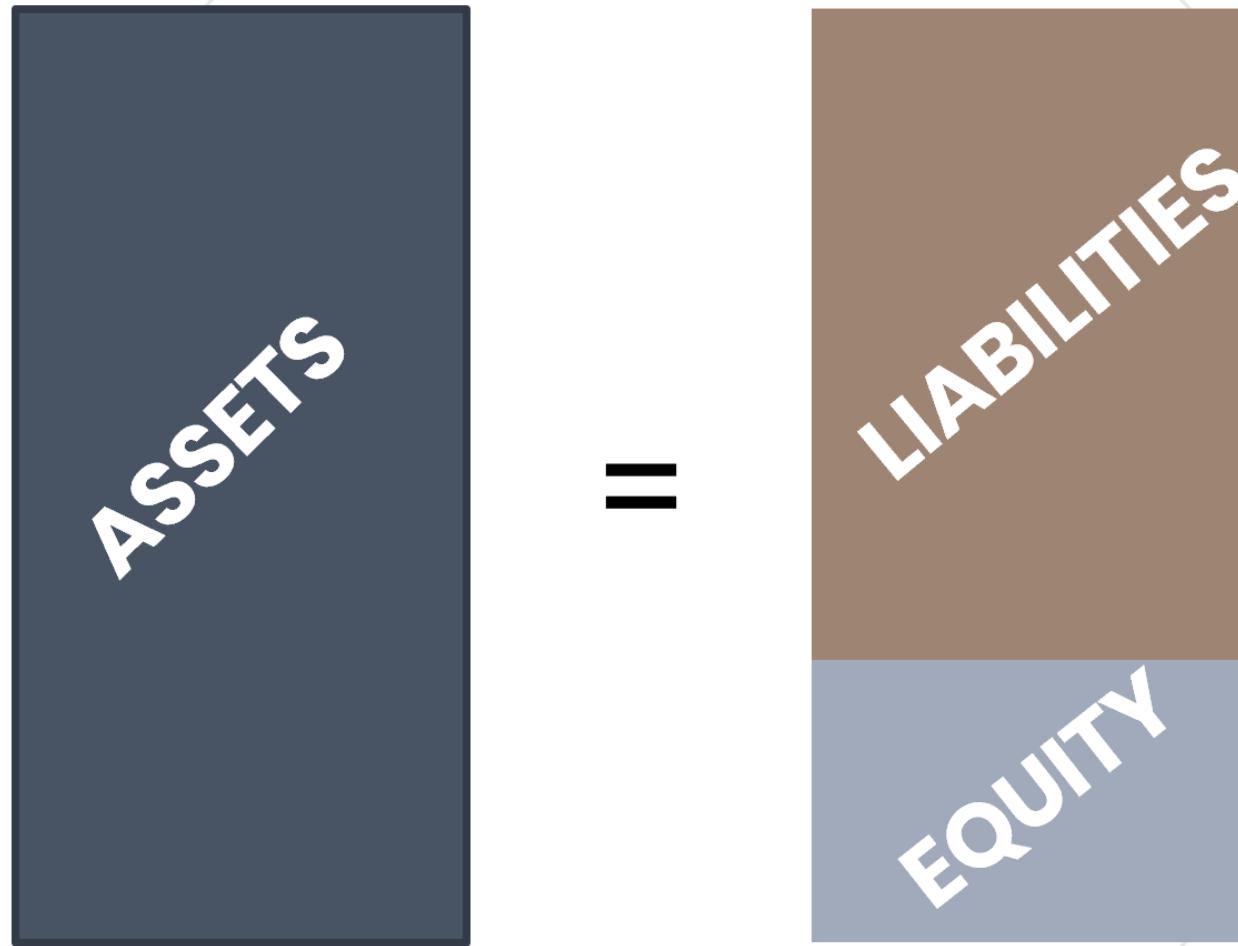
DEFINITIONS

Assets are what you own
Cash, home, car

Liabilities are what you owe
Loans, taxes, credit cards

Equity is a portion of the assets
that you own
Your wealth







Your Personal Financial Statement

Assets = **Liabilities** + **Equity**

What I own *What I owe* *What is mine*

Cash, home, auto, etc. *Mortgage, car payment, etc.*



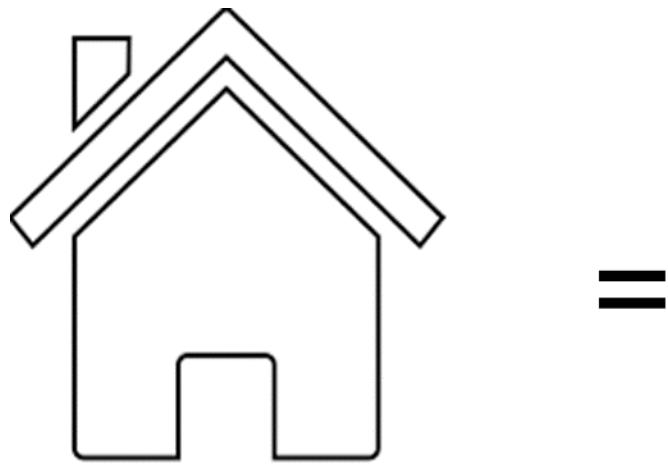
A Company's Balance Sheet

Assets = **Liabilities** + **Equity**

What we own *What we owe* *What is ours*

Cash, inventory, etc. *Loans, taxes, etc.*





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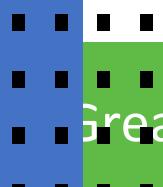




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MONTHLY BUDGET

- How am I doing in this particular period of time (month, quarter, year)
- It has a beginning and end date (usually a month) and tracks performance in close to real time





INCOME STATEMENT (PROFIT & LOSS)

- How am I doing in this particular period of time (month, quarter, year)
- It has a beginning and end date (usually a month) and tracks performance in close to real time





DEFINITIONS

Monthly Budget

Income

Salary (take home)

Expenses

Outflow of money (costs) to pay for an item or service

Rent, food, clothing, mortgage, car payment

Over (or short)

What's left over after subtracting expenses

Income Statement

Revenue

Income generated from business operations

Expenses

Costs associated with running a company

Compensation, overhead, taxes

Profit (or loss)

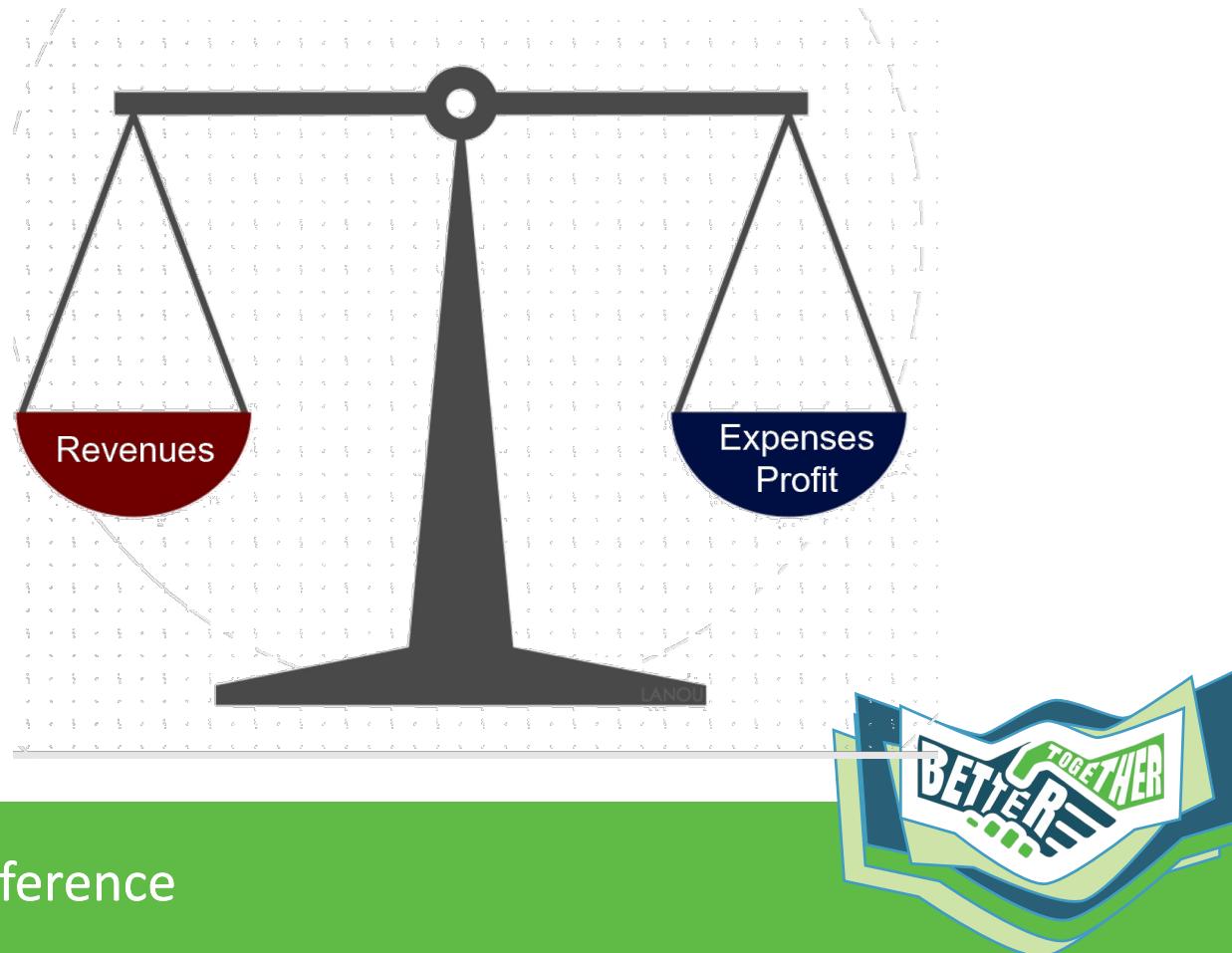
What's left over after Subtracting expenses





Monthly Budget
Income-Expenses = Over/Short

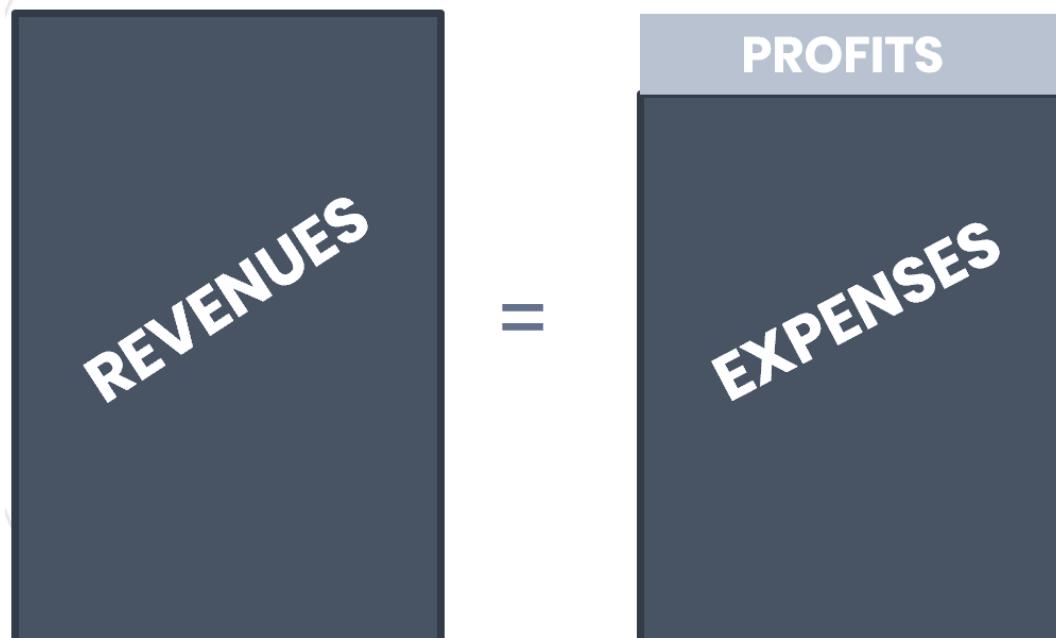
Income Statement
Revenue-Expenses = Profit/Loss



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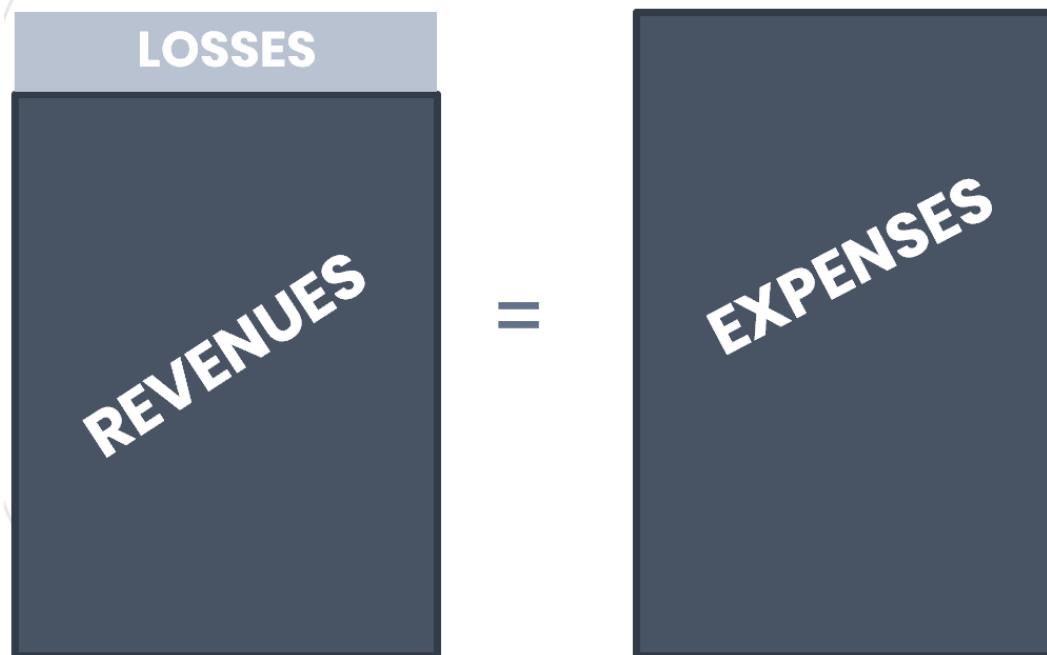


Case 1: Revenues are greater than Expenses





Case 2: Revenue is less than Expenses



Monthly Budget

Mortgage	\$1700
Internet/phone	213
Groceries	600
Investment Income	65
Salary	5,800
Auto loan payment	860
Heath Insurance	584
Savings Plan	300

Income

Expenses

Income – Expenses = **\$1608**
Over/short





Income Statement

Advertising	\$ 1,700
Insurance	5,000
Overhead (utilities, rent)	8,000
Rent received	5,000
Sales	50,800
Compensation	25,000
Taxes	5,000
Admin Services	9,000
Supplies	1,000





Time to Practice!



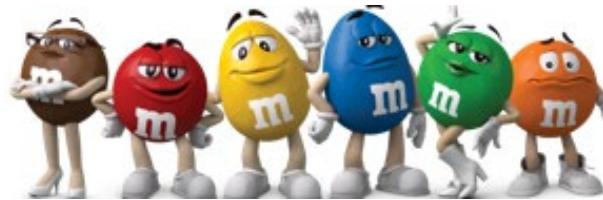
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Personal Financial Statement

$$A = L + E$$



The Balance Sheet

$$A = L + E$$

ASSETS	LIABILITIES
Cash 	Bills Due
Investments	Credit Card Debt
Personal Property	Mortgage
Home	Debt to Family
	Total Liabilities
	EQUITY
	Total Equity
Total Assets	Total Liabilities & Equity

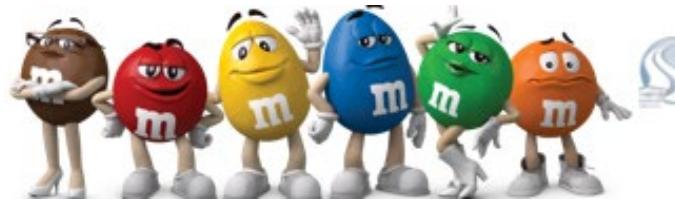
ASSETS	LIABILITIES
Cash 	Accts Payable
Accounts Receivable	Operating Loan
Inventory	Mortgage Loan
Furniture/Fixtures Equipment	Taxes Payable
Land/Building	
	Total Liabilities
	EQUITY
	Total Equity
Total Assets	Total Liabilities & Equity





Personal Financial Statement

$$A = L + E$$



ASSETS	LIABILITIES
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The Balance Sheet

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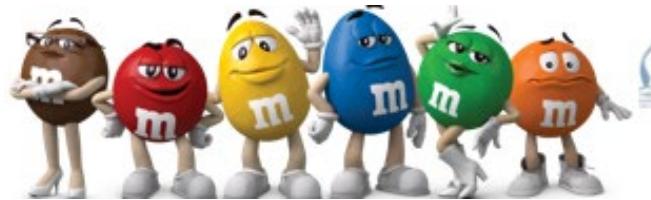
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Land/Building	
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Total Assets	Total Liabilities & Equity





Personal Financial Statement

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	Total Liabilities
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Total Assets	Total Liabilities & Equity

The Balance Sheet

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Cash	Accts Payable
Accounts Receivable	Operating Loan
Inventory	Mortgage Loan
Furniture/Fixtures Equipment	Taxes Payable
Land/Building	
	Total Liabilities
	EQUITY
	Total Equity
Total Assets	Total Liabilities & Equity

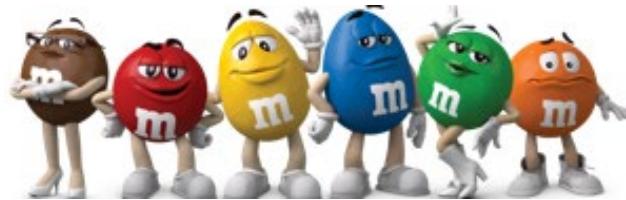




Personal Financial Statement

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ASSETS	LIABILITIES
Cash	Bills Due
Investments	Credit Card Debt
Personal Property	Mortgage
Home	Debt to Family
	Total Liabilities
	EQUITY
	Total Equity
Total Assets 12	Total Liabilities & Equity



The Balance Sheet

$$A = L + E$$

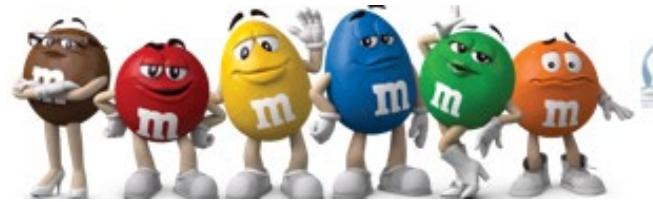
ASSETS	LIABILITIES
Cash	Accts Payable
Accounts Receivable	Operating Loan
Inventory	Mortgage Loan
Furniture/Fixtures	Taxes Payable
Equipment	
Land/Building	
	Total Liabilities
	EQUITY
	Total Equity
Total Assets 11	Total Liabilities & Equity





Personal Financial Statement

$$A = L + E$$



ASSETS	LIABILITIES
Cash	Bills Due 2
Investments	Credit Card Debt 3
Personal Property	Mortgage 4
Home	Debt to Family 2
	Total Liabilities 11
	EQUITY
	Total Equity 1
Total Assets 12	Total Liabilities & Equity 12

The Balance Sheet

$$A = L + E$$

ASSETS	LIABILITIES
Cash	Accts Payable 2
Accounts Receivable	Operating Loan 3
Inventory	Mortgage Loan 3
Furniture/Fixtures	Taxes Payable 1
Equipment	
Land/Building	
	Total Liabilities 9
	EQUITY
	Total Equity 2
Total Assets 11	Total Liabilities & Equity 11



Monthly Budget



Income (Revenue)	Amount
Wages	
Second Job	
Total Income (Revenue)	
Expenses	
Mortgage	
Utilities, taxes, insurance	
Food (including dining out.)	
Clothing	
School costs	
Total Expenses	
Income-Expenses (over or short)	

The Income Statement or Profit and Loss



Revenue	Amount
Sales revenue	
Rent received	
Total Revenue	
Expenses	
Cost of Goods Sold	
Wages and Salaries	
Rent, utilities and insurance	
Overhead	
Total Expenses	
Revenue – Expenses (net for the period)	



Monthly Budget



Income (Revenue)	
Wages	
Second job	
Total Income (Revenue)	12
Expenses	
Mortgage	5
Utilities, taxes, insurance	2
Food	2
Clothing	1
School costs	1
Total Expenses	11
Income-Expenses (over or short)	1

The Income Statement



Revenue	
Sales Revenue	
Rent Received	
Total Income (Revenue)	13
Expenses	
Cost of Goods Sold	4
Wages and Salaries	2
Rent, utilities, insurance	1
Overhead	4
Total Expenses	11
Revenue-Expenses (net for the period)	2





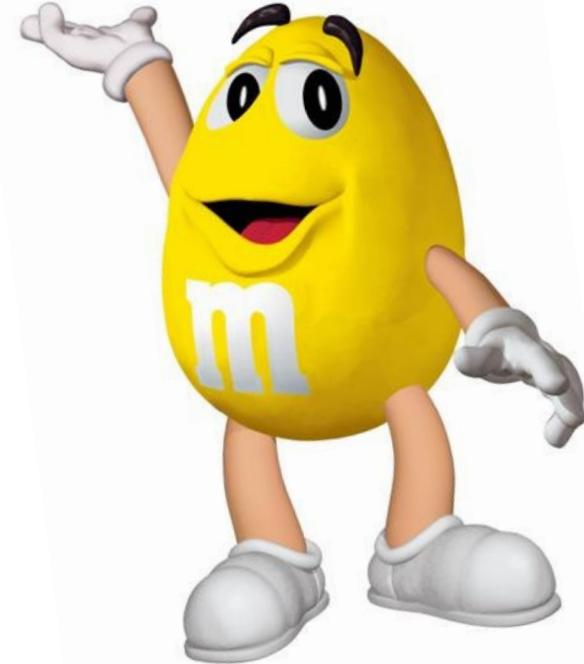
ICL Center for Learning & Development

Personal Financial Statement



$$A = L + E$$

ASSETS	LIABILITIES
	Total Liabilities
	EQUITY
	Total Equity
Total Assets	Total Liabilities & Equity
Home	Credit card debt
Checking acct bal.	Land
2019 Honda Civic	Cash
	RE taxes
	Home mortgage
	Home improvement
	Auto loan balance
	401(k) current value
	Personal Property (art, jewelry, etc.)



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Thank You!

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