ROLL UP THE EARNINGS AND LET'S CLOSE OUT THIS CHAPTER

Now it is time to close out the month or business time cycle..This is an important step on you financial balance sheet. Sometimes it is reffered to as rolling up the earnings. We go to equity and post a new journal entry called RETAINED EARNINGS. We remove the $9.00 from revenues to date and re-post them in Retained Earnings and yes, the month/year is officially closed out.

Retained earnings and the roll up process is basically a comprehensive report of how the business performed during that particular cycle and over a period of cycles.

Wikipedia defines it as "On a balance sheet, "rolling up earnings" means the annual process of transferring a company's net income from the temporary income statement into cumulative, permanent equity."

This is how we officially recognize the beginning and the end of that balance sheet cycle time. There will be other entries, bills, depreciation, interest, recaptured money and taxes and those will come later in the game.

There is much more to explore and learn as we expand our knowledge and add Profit and Loss, Income statements and understanding/mastering the theory of equity building.

THIS IS ALL PART OF THE WEALTH CREATION PROCESS

However, for now we will keep it FUN, SIMPLE, & CREATIVE, until we cross those future bridges. And remember

ASSETS = LIABILITIES + EQUITY