



Assemblage LLC Bi-Weekly Newsletter

Message from Kellé

Hello there!

Did you hear about the blizzard hurricane? Hurricane Larry dropped several feet of snow on Greenland.



Every year life gets more and more unpredictable. That's why it is important to have a financial plan in place to cover all eventualities in both your personal and business life. You never know when a kid/pet/employee/natural disaster is going to suddenly throw your plans for a loop. Here at Assemblage, my team and I are well prepared to help YOU be prepared for anything. If you want to learn more about the types of financial security various plans can offer, give me a call!

Your Virtual CFO & Business Strategist.

Kellé

[Talk to Kellé](#)

Let's Review Common Financial Terms!

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Are you struggling to understand what your accountant is telling you? Here are some common Finance terms and their definitions to help you figure out your business.

Calendar Year

Jan 1 to Dec 31. The year that is defined by the Gregorian Calendar.

Fiscal Year

A one year period which a company reports their financial information. The US government's fiscal year runs from October to September. Most non-profits run a fiscal year from July to June.

Asset

A thing you own. Can be both tangible such as a building and intangible such as a patent.

Collateral

An item of value used to back a loan for a lender. If a loan isn't paid, the lender can take the item and sell it to get their money.

Liability

A thing you could owe to a third party. Loans, vendors, salaries, taxes, and dividends are liabilities.

Balance Sheet

Assets and Liabilities are reported on the Balance Sheet.

APR

Interest Rate + Fees.

Equity

The percentage of a company someone owns.

Revenue

The amount of money made.

Expenses

The amount of money spent.

Profits

Revenue minus expenses. Gross Profit is your business total revenue minus cost of goods sold. Net Profit is your bottom line: it is your total revenue minus cost of goods sold and all overhead costs, taxes and interest. A net profit margin is the net profit divided by the total revenue. A higher net profit margin indicates a greater percentage of revenue is profit.

Taxes

A percentage of profit owed to the government for operating. Can be anywhere from 12% to 37% based on your income tier.

Depreciation

Assets lose their value over time. How much value is lost and in what timeframe is calculated as depreciation.

Accrual Basis Accounting

Recognizes revenue when earned and expenses when billed. For example a job is recorded as “earned revenue” in the books when the job is booked not when the job is performed. Similarly an expense would be recognized when the bill was received not when the bill was paid.

Cash Basis Accounting

Recognizes revenue when received and expenses when they're paid.

Profit and Loss Statement/Income Statement

Two terms for the same thing. A report that lists out the revenue streams, the costs that have to be paid, and the net income/profit.

Cash Flow

Cash flow is not the same thing as profit. It's the money that comes in and out of the business due to operations, investments, and other financial activity. If you use Accrual Basis Accounting you could have negative cash flow but show positive on

the income statement as the money has been recognized but not physically received. The cash on hand is reported in the Cash Flow Statement.

Learn More by Talking with Kellé

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For every person that signs up for our newsletter and includes your name and/or email in the "How did you hear about us?" section you will get ONE BONUS ENTRY.

Just send people [This Link](#) so they can sign up! Get those bonus entries!!



In ADDITION! You can get ONE Bonus Entry for EVERY SOCIAL MEDIA SITE you follow us on.

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Helpful Tip



Learn More

The Work Opportunity Tax Credit (WOTC) is a Federal tax credit available to employers for hiring individuals from certain [targeted groups](#) who have consistently

faced significant barriers to employment. If you have employees that qualify as a targeted group make sure you talk to your accountant about the tax credit possibilities.

Recent Reviews

Kristin Davis -- 5 Stars

Kelle is a skilled professional and excellent coach for entrepreneurs seeking to scale their business. She combines years of experience and financial expertise with the appropriate level of coaching to help clients move forward.

Follow us on social media and share our tips and tricks with all your friends!



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