**FINANCIAL REPORTS SIMPLIFIED TO HELP YOUR BUSINESS GROW**

Understanding financial reports is not that scary! Ever wonder what the equity is in your business? What your profit is? Where did your cash come from and where did it go? Is my business healthy in financial terms? It’s simple! Here is a brief overview of which reports will give you which answers. As my client, you will learn to read these like a pro and will see your business soar to previously unimagined heights!

1. Balance Sheet: What is the equity in the business? This report gives a snapshot of a business’s financial condition as of a specified date.
2. Income Statement (aka Profit & Loss): What is my profit? This report shows a list and total of revenue and expenses. Expenses are subtracted from revenue to give your profit. That’s all this report is. Simple right? Told you!
3. Statement of Cash Flows: Where did your cash come from and where did it go? This reports shows where your cash is coming in and going out in 3 areas: Operational activities, Investing activities and Financing activities. This one might sound more complicated than it is, but it too is simple!
   1. Operational=cash in from customers; cash out to supplies, employee or rent for example
   2. Investing=cash in from collecting on a loan, selling assets(i.e. equipment); cash out making a loan to somebody for cash, purchasing assets.
   3. Financing=cash in from borrowing money (loan) or issuing stock; cash out from repaying loans or paying dividends on stock.
4. And the final question of: Is my business healthy in financial terms? And the answer is: All 3 of these reports reviewed in light of each other will give us that answer! And if the answer is no, we will use the answers these reports give us to work toward turning that answer around!