



PROFESSIONAL SERVICES
OF TAMPA BAY

PERSONALIZED SMALL BUSINESS SUPPORT

LET'S TALK ABOUT
QUICKBOOKS
FINANCIAL REPORTS

What reports should you be analyzing?

What information is on each report?

Why do these reports matter?

Are your Financial Reports Confusing?

This handy reference tool will help you easily break-down and understand all your basic reports and even help you interpret the numbers into helpful business strategies! Here's what we will cover:

Profit and Loss Statement

Balance Sheet

Cash Flow Statement

PROFIT & LOSS STATEMENT

What is it?

This is an overview of how profitable your business is over a period of time (typically a year)

WHAT IS IT USED FOR?

Helps identify your most profitable seasons, locations, revenue types, etc. Shows if you're operating at a loss, breaking even, or profitable.

Super Secret Client	
① PROFIT AND LOSS	
January - June, 2020	
	TOTAL
Income	
Design Income	1,312.50
Discounts given	-90.50
Landscaping Services	1,280.00
Job Materials	
Fountains and Garden Lighting	1,376.00
Plants and Soil	2,251.07
Sprinklers and Drip Systems	136.00
Total Job Materials	3,750.07
Labor	
Maintenance and Repair	50.00
Total Labor	50.00
Total Landscaping Services	5,098.07
Pest Control Services	40.00
Sales of Product Income	44.00
Services	503.55
Total Income	66,998.52
Cost of Goods Sold	
Cost of Goods Sold	
Job Expenses	108.00
Total Cost of Goods Sold	108.00
Docks and Patios	191.64
Plants and Soil	329.02
Sprinklers and Drip Systems	216.66
Total Cost of Goods Sold	645.01
GROSS PROFIT	66,353.51
Expenses	
Automobile	16.99
Fuel	235.76
Total Automobile	252.75
Insurance	241.23
Legal & Professional Fees	
Accounting	325.00
Bookkeeper	35.00
Lawyer	400.00
Total Legal & Professional Fees	760.00
Maintenance and Repair	185.00
Meals and Entertainment	9.52
Office Expenses	18.08
Rent or Lease	900.00
Utilities	
Gas and Electric	300.53
Telephone	130.66
Total Utilities	431.19
Total Expenses	62,718.91
NET OPERATING INCOME	63,434.60
Other Expenses	
Miscellaneous	2,816.00
Total Other Expenses	2,816.00
NET OTHER INCOME	-\$2,816.00
NET INCOME	60,618.60

① **PROFIT + LOSS**
Also called "Income Statement"

② **COGS (COST OF GOODS SOLD)**
Expenses specifically incurred to create revenue (e.g. cost of materials, direct labor)

③ **OPERATING EXPENSES**
Expenses related to running the business (e.g. office rent, utilities, marketing + advertising, cell phone)

④ **OTHER INCOME**
This is one-off income, like selling a building, and is not related to your usual operating activities

⑤ **NET INCOME**
Also called "net profit", this is your all-important bottom line (literally!)

Balance Sheet

What is it?

This is a snapshot of your business finances at a single specific point in time (Assets - Liabilities = Equity)

WHAT IS IT USED FOR?

To see the actual value of your business (equity) by subtracting what you OWE (liabilities) from what you OWN (assets)

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Checking	1,852.51
Savings	600.00
Total Bank Accounts	\$2,452.51
Accounts Receivable	
Accounts Receivable (A/R)	4,865.29
Total Accounts Receivable	\$4,865.29
Other Current Assets	
Undeposited Funds	967.15
Total Other Current Assets	\$967.15
Total Current Assets	\$8,284.95
Fixed Assets	
Truck	
Original Cost	13,485.00
Total Truck	13,485.00
Total Fixed Assets	\$13,485.00
TOTAL ASSETS	\$21,719.95
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	1,417.17
Total Accounts Payable	\$1,417.17
Credit Cards	
Mastercard	448.54
Total Credit Cards	\$448.54
Other Current Liabilities	
Arizona Dept. of Revenue Payable	0.00
Board of Equalization Payable	279.64
Loan Payable	4,000.00
Total Other Current Liabilities	\$4,279.64
Total Current Liabilities	\$6,136.35
Long-Term Liabilities	
Notes Payable	25,000.00
Total Long-Term Liabilities	\$25,000.00
Total Liabilities	\$31,136.35
Equity	
Opening Balance Equity	-9,865.00
Retained Earnings	
Net Income	488.00
Total Equity	\$-9,418.40
TOTAL LIABILITIES AND EQUITY	\$21,719.95

① ASSETS
What you own, or what puts money in your pocket (e.g. cash, property, business equipment, investment funds, A/R, inventory, etc.)

② LIABILITIES
What you owe, or what takes money out of your pocket (i.e. bank loans, mortgages, A/P, employee salaries)

③ EQUITY
This is the difference between your assets and liabilities (AKA overall value of the company)

④ ACCOUNTS RECEIVABLE
A/R Total ties to "Customer Balance Report"

⑤ ACCOUNTS PAYABLE
A/P Total ties to "Vendor Balance Report"

Cash Flow Statement

What is it?

This report shows you how much cash is entering and leaving your business, and if it's from operating activities, investments or financing.

WHAT IS IT USED FOR?

- It shows your business' liquidity and if you need to inject/fund money into your business.
- Banks want this report when you apply for a loan, to make sure your business is self-sustaining.
- Using multiple reports to compare cash flow over multiple periods, you can predict long-term cash flow for long-term business plans.

Super Secret Client	
STATEMENT OF CASH FLOWS	
January - June, 2020	
	TOTAL
OPERATING ACTIVITIES	
Net Income	488.60
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable (A/R)	-4,865.29
Accounts Payable (A/P)	1,417.17
Mastercard	448.54
Arizona Dept. of Revenue Payable	0.00
Board of Equalization Payable	270.64
Loan Payable	4,000.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	1,271.06
Net cash provided by operating activities	\$1,759.66
INVESTING ACTIVITIES	
Truck:Original Cost	-13,495.00
Net cash provided by investing activities	\$ -13,495.00
FINANCING ACTIVITIES	
Notes Payable	25,000.00
Opening Balance Equity	-9,905.00
Net cash provided by financing activities	\$15,095.00
NET CASH INCREASE FOR PERIOD	\$3,359.66
CASH AT END OF PERIOD	\$3,359.66

1 OPERATING ACTIVITIES
Cash earned or spent in the course of regular business activity - the main way your business makes money, by selling products or services.

2 INVESTING ACTIVITIES
Cash earned or spent from investments your company makes, such as purchasing equipment or investing in other companies

3 FINANCING ACTIVITIES
Cash earned or spent in the course of financing your company with loans, lines of credit, or owner's equity.

Still not sure where to start? No problem! Inquire about my services at TBBIZSUPPORT.COM