



**So, that's where  
the money goes!**

FINANCIAL MANAGEMENT TRACK

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Presented  
by  
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**PROFITS PLUS**  
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FOR SMALL BUSINESS

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Your profit-and-loss statement says there is a healthy profit for the current accounting period. You look at the checking account, and the balance at the end of the same accounting period looks rather anemic.

So, where is it? The "missing" cash is sitting in

1. Higher \_\_\_\_\_

2. More \_\_\_\_\_

3. Increased \_\_\_\_\_

4. Lower \_\_\_\_\_

**Profit-and-Loss (Income) Statement**

<b>SALES:</b>	\$	%
Cash	\$ 42,743.11	68.94%
Bank Card	\$ 10,421.56	16.81%
Charge	\$ 8,835.33	14.25%
<b>Total Sales:</b>	\$ 62,000.00	100.00%
Cost of Goods Sold:	\$ 39,370.00	63.50%
<b>Gross Profit:</b>	\$ 22,630.00	36.50%
Expenses		
Wages	\$ 11,000.00	17.74%
Payroll Taxes	\$ 880.00	1.42%
Property Taxes	\$ -	0.00%
Rent	\$ 8,000.00	12.90%
Telephone and Utilities	\$ 2,400.00	3.87%
Repairs	\$ 150.00	0.24%
Advertising	\$ 1,575.00	2.54%
Accounting and Legal	\$ 200.00	0.32%
Automobile	\$ 140.00	0.23%
Bank Charges	\$ 210.00	0.34%
Computer Operations	\$ 175.00	0.28%
Dues and Subscriptions	\$ 300.00	0.48%
Insurance: General and Workers Compensation	\$ 800.00	1.29%
Licenses and Taxes (not sales tax)	\$ 100.00	0.16%
Office and Store Supplies	\$ 300.00	0.48%
Outside Services	\$ 250.00	0.40%
Travel	\$ 1,000.00	1.61%
<b>Total Operating Expenses:</b>	\$ 27,480.00	44.32%
<b>Operating Income:</b>	\$ (4,850.00)	-7.82%
<b>Other Income and Expenses</b>		
Miscellaneous Income	\$ -	
Interest Income	\$ 265.00	
Interest Expense	\$ -	
<b>Net Income Before Taxes:</b>	\$ (4,585.00)	
Federal Income Tax	\$ -	
<b>Net Income (Loss)</b>	\$ (4,585.00)	

## Profit-and-Loss Statement / Income Statement

Created monthly?

Definitely annually

Purely historical

Cost of goods sold – for businesses that \_\_\_\_\_

Cost of doing business – for businesses that \_\_\_\_\_

Cost of doing business = \_\_\_\_\_ inventory  
+ \_\_\_\_\_ purchased  
- \_\_\_\_\_ inventory

Gross margin is

Gross profit is

The calculation is:

## Gross margin or gross markup?

Gross margin – The \_\_\_\_\_ is a % of the  
\_\_\_\_\_

Gross markup – The \_\_\_\_\_ is a % of the  
\_\_\_\_\_

Cost \$2.00  
Selling price \$4.00

Margin is \_\_\_\_\_ %

Markup is \_\_\_\_\_ %

Initial gross margin vs. maintained gross margin -

	12/31
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash on hand	\$1,500.00
Checking Account	\$17,500.00
Savings Account	\$3,050.00
Accounts Receivable	\$14,215.87
Bank Card Receivable	\$1,340.34
Inventory	\$275,654.23
<b>Total Current Assets:</b>	<b>\$313,260.44</b>
<b>Investments:</b>	
Cooperative Stock	\$23,125.46
Cooperative Notes	\$12,597.47
<b>Total Investments:</b>	<b>\$35,722.93</b>
<b>Long Term Assets:</b>	
<b>Property and Equipment:</b>	
Fixtures and Equipment	\$126,245.11
Building	\$325,465.88
<b>Total Property and Equipment:</b>	<b>\$451,710.99</b>
Accumulated Depreciation:	\$207,950.25
<b>Total Net Property and Equipment:</b>	<b>\$117,515.63</b>
<b>Other Assets:</b>	
Utility Deposits	\$1,700.00
<b>Total Other Assets:</b>	<b>\$1,700.00</b>
<b>Total Assets:</b>	<b>\$468,199.00</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Current Liabilities:</b>	
Accounts Payable	\$47,850.00
Building mortgage - current	\$24,000.00
Note payable - current	\$45,000.00
<b>Long-Term Liabilities:</b>	
Building mortgage	\$62,000.00
Note payable	\$84,000.00
<b>Total Liabilities:</b>	<b>\$262,850.00</b>
<b>Stockholders' Equity</b>	
Capital Stock	\$65,000.00
Retained Earnings	\$114,664.00
Current Income	\$25,685.00
<b>Total Stockholders' Equity</b>	<b>\$205,349.00</b>
<b>Total Liabilities and Equity</b>	<b>\$468,199.00</b>

## Balance sheet

\_\_\_\_\_ = \_\_\_\_\_ + \_\_\_\_\_

The most important component is \_\_\_\_\_  
\_\_\_\_\_

Profit-and-loss statement/Income statement written as a \_\_\_\_\_  
\_\_\_\_\_

becomes a \_\_\_\_\_.

What you need to create a budget:

Existing business \_\_\_\_\_  
\_\_\_\_\_

New business \_\_\_\_\_

Budgeting Income –

Budgeting Gross margin –

Budgeting “open to buy” –

Budgeting expenses –

Budgeting net profit –

The big question –

Will there be enough \_\_\_\_\_  
\_\_\_\_\_?

Creating a \_\_\_\_\_  
chart

\_\_\_\_\_ on hand  
+ \_\_\_\_\_ profit  
+ \_\_\_\_\_ of \_\_\_\_\_ -  
- \_\_\_\_\_ purchases  
- equipment \_\_\_\_\_  
- increase in \_\_\_\_\_  
= \_\_\_\_\_ cash on hand \_\_\_\_\_ of month

***Free audio "open to buy" and cashflow management on  
our website***